

**J) SOME OTHER EUROPEAN NATIONAL
CENTRAL BANKS**

29) Swiss National Bank

30) Bank of Norway

31) Central Bank of Iceland

32) National Bank of Serbia

33) Central Bank of Montenegro

29) *SWISS NATIONAL BANK*

Staff number: 630

■ The Swiss National Bank (SNB) was founded by virtue of the Federal Act on the Swiss National Bank, which entered into force on 16 January 1906 and started its business operations on 20 June 1907.

■ The primary objective of the SNB is to ensure the price stability in the medium term and a balanced development of economic activity. The National Bank equates price stability with a rise in the national consumer price index of less than 2% per annum.

■ The SNB is a joint-stock company. Its registered shares are listed on the stock exchange. The share capital amounts to CHF 25,000,000, approximately 55% of which is held by public shareholders (cantons, cantonal banks, etc). The remaining shares are in the hands of private persons. The Confederation does not hold any shares.

■ The Bank is administered by:

a) the General Meeting of Shareholders which is held once a year to approve the balance sheet and the distribution of profit and loss and has no extensive powers

b) the Bank Council consisting of 11 members. Six members, including the president and the vice-president, are appointed by the Federal Council, and five by the Shareholders' Meeting. The Bank Council oversees and controls the conduct of business by the SNB. Its quarterly meetings provide the Governing Board with the opportunity of elaborating and justifying its policy

c) The Bank Committee, consisting of 10 members of the Bank Council, is responsible for the close supervision and control of the SNB management

d) the Local Committees discuss the regional economic situation with the Bank's management and give advice on credit issues. They consist of three representatives of the local business community and are assigned to head office and the Bank's branches

e) the top and executive body of the SNB is the Governing Board. It decides on monetary policy and other significant issues. It collaborates with the Federal Government mainly in the field of monetary and foreign exchange policies. It consists of three members who are at the same time the heads of the three departments. The Federal Council upon recommendation of the Bank Council appoints them for a six-year term.

■ The SNB has its legal and administrative seat in Berne. The seat of the Governing Board is in Zurich. Departments 1 and 3 are located in Zurich while the number 2 is in Berne. The Bank has 6 branches and 18 agencies. The agencies are operated by cantonal banks.

■ The SNB has the note-issuing privilege and is entrusted with the task of coin distribution. The company “Orell Füssli Sicherheitsdruck AG” prints the Swiss banknotes. The majority of its share capital belongs to the central bank while the remaining shares are spread among many individual investors. This company has 463 employees and belongs to the Orell Füssli Holding AG. “Swissmint” in Berne, which belongs to Swiss Confederation, produces the Swiss coins.

■ The SNB contributes to the financial stability but the banking supervision is entrusted with the Federal Banking Commission, an independent institution simply integrated within the Federal Department of Finance. It supervises banks, investment funds, mortgage bond business, stock exchanges and security dealers and disclosure of shareholding and public takeover bids.

■ The SNB provides cash handling services in three locations: in the seats of Berne and Zurich and the branch of Geneva. At the end of 2006 the cash office in Lugano had been closed and a representative office of the Bank opened but in another building. The old building has been sold.

ACTIVITIES OF THE SWISS NATIONAL BANK

Core activities

1) Co-operation with the federal government in formulating the monetary and foreign exchange policies. Implementation of monetary and foreign exchange policies. The National Bank equates price stability with a rise in the national consumer price index of less than 2% per annum. It sets an operational target range for its chosen reference interest rate, the three-month Libor rate. The Bank influences this Libor rate mainly through short-term repo transactions.

2) Management of foreign exchange reserves and the reserves in local currency of the Bank.

3) Payment systems: the SNB oversees the systemically important payment and securities settlement systems and promotes the efficiency of the payment systems. Together with the banks and the Swiss Post, is a major institutional operator.

• **SIC**: On behalf of the SNB the company Swiss Interbank Clearing AG, subsidiary of the Telekurs group owned by banks, operates the Swiss Interbank Clearing System (SIC) which is a RTGS system dealing with monetary policy operations, interbank transactions, cheques, automatic debits and transactions of ATMs. The transactions are settled via sight deposit accounts held with the SNB. SIC is owned by Financial Market

Services (75%), which in its turn is owned by banks and PostFinance (25%).

- **SECOM:** SIC has a direct link to SECOM, the securities clearing system of SIS SegalInterSettle. This link makes it possible for securities and repo transactions to be carried out with simultaneous delivery and payment.

- **euroSIC clearing system:** to give them access to TARGET the Swiss banks and Swiss Post run a special clearing bank in Frankfurt, the Swiss Euro Clearing Bank (SECB). The SECB operates the euroSIC clearing system, which is structured in a similar way to SIC. Most Swiss banks, in addition to Swiss Post, execute their euro payments through SECB.

4) Ensuring the stability of the financial system. For this purpose, the National Bank analyses account sources of risk emanating from the financial system and oversees the payment and securities settlement systems (see above).

5) Banknote issuing privilege. It has the majority of share capital of the printing works company «Orell Füssli Sicherheitsdruck AG» which prints banknotes, identity cards, travel documents and securities.

6) Bank of banks: lender of last resort, opening accounts to credit institutions, settlement agent.

Other activities

1) The SNB advises the federal authorities on monetary policy issues and acts as bank to the Confederation (opening accounts, sight or short term deposits, payments, management of Government securities, investment of funds and safe custody, advice to the Confederation in taking out money market loans from banks).

2) Counting and sorting of banknotes and coins in Berne, Zurich, and Geneva and other cashier' activities.

3) Statistics and economic researches.

4) Study Center Gerzensee: in 1980, the Swiss National Bank acquired the manor house "Neues Schloss", which was built around 1700 on the south side of the Belpberg at Gerzensee. In 1984, this property was transferred to the newly created STUDIENZENTRUM GERZENSEE (Study Center Gerzensee). The purpose of this foundation of the Swiss National Bank is: 1) to run a centre for the training of specialists from central banks, banks and industry from both Switzerland and foreign countries 2) to provide facilities for academic conferences and to offer postgraduate programmes in economics 3) to offer a venue for central

banks and other institutions and persons bearing responsibility for government and economic policy and 4) to preserve the historically valuable property as an integral part of the landscape of Gerzensee.

ORGANISATION CHART OF THE SWISS NATIONAL BANK

GENERAL MEETING OF SHAREHOLDERS
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- Audit Board

BANK COUNCIL
• President
• Vice-President
• 9 members

- Internal Auditors

GOVERNING BOARD
• the heads of the three Departments <ul style="list-style-type: none"> ▪ Chairman ▪ Vice-Chairman ▪ one member

- Secretariat General

DEPARTMENT 1, ZURICH

1) Human Resources

2) Communications

3) Regional Economic Relations

4) International Affairs

- International Research and Technical Assistance
- International Monetary Relations

5) Economic Affairs

- Research
- Economic Analysis
- Statistics
- Library

6) Legal and Administrative Affairs

- Legal Services

- Pension Fund
- Premises, Technical Services

DEPARTMENT 2, BERNE

1) Finance

- Central Accounting
- Controlling

2) Cash

- Administration and Cashier Offices
- Technical Support and Storage

3) Financial Systems

- Financial Stability
- Oversight

4) Security

- Analysis and Prevention
- Security Services

DEPARTMENT 3, ZURICH

1) Financial Markets

- Money Market and Foreign Exchange
- Asset Management
- Risk Management
- Financial Markets Analysis

2) Banking Operations

- Payments
- Back Office
- Support

3) Information Technology

- Banking Applications
- Banking Operations
- Infrastructure

THE NETWORK OF THE SWISS NATIONAL BANK
 Branches
Geneva (also cash center)

☰ Representative Offices
1) Basel
2) Lausanne
3) Lucerne
4) Saint Gallen
5) Lugano
☰ Agencies
18 cashier agencies are operated by cantonal banks.

30) THE BANK OF NORWAY (Norges Bank)

Staff number: 540

- Two years after the separation from Denmark and the union with Sweden, the Bank of Norway was established by the Act of 14 June 1816 voted by the the Norwegian parliament (Storting). The Bank of Norway (BN) is a separate legal entity owned by the state. In January 2004, its adjusted capital was 41.923.579 norwegian crowns (NOK). The main objective of the BN is to contribute to balanced economic growth and necessary price stability. The government of the country defines an inflation target for monetary policy and the central bank uses the sight deposit rate as a key instrument to achieve this goal. In general, the BN implements monetary and foreign exchange policy, oversees the payment systems and ensures the financial stability but the banking supervision is entrusted in the Financial Supervisory Authority which is controlled by the government of Norway.

- In 2003, the B.N. privatised its IT center and as of 1st August 2001 its branches network. Previously, it has closed 5 branches and converted another one branch to telephon centre. The remaining 9 branches formed a company called NOKAS (Norsk Kontantservice AS), which is owned by the central bank by 33,5% and the remaining 66,5% by 6 banks and banking groups. About 300 employees of the central bank were outsourced to the NOKAS. The BN buys now services (counting and sorting of banknotes and coins, destroying of worn notes) from the NOKAS that disposes branches in Oslo, Tromso, Bodo, Trondheim, Bergen, Stavanger, Kristiansaad, Latvik and Lillehammer. The transport of banknotes and coins is done by the private company «Securitas».

- The Bank of Norway' printing works was privatised initially by 67% and in 2007 was fully sold. In December 2006, Norges Bank entered into agreements for the delivery of banknotes with De La Rue International Limited in the UK and Francois-Charles Oberthur Fiduciaire in France. As from 2008 by the end of 2012 the B.N will purchase banknotes by the a/m companies.

- The Mint of Norway: on January 1, 2001 the Bank of Norway incorporated the Royal Norwegian Mint at Kongsberg which was converted to a fully own subsidiary company (DKM AS) of the central bank. On June 30, 2003 the Bank of Norway sold this company: 1) by 50% to the major Norwegian coin dealer company Samlerhuset AS, Oslo and 2) by 50% to the Mint of Finland (Suomen Rahapaja Oy), Vantaa. On July 1, 2004 the company was renamed as "the Mint of Norway".

- The B.N. manages: **a)** the foreign currency portfolio of the Government Pension Fund - Global (formerly Government Petroleum

Fund) on behalf of the Ministry of Finance **b)** the foreign currency portfolio of the Government Petroleum Insurance Fund on behalf of the Ministry of Petroleum and Energy.

- The BN and the Statistics Norway (a state institution) agreed some statistical tasks to be transferred from the central bank to the above mentioned institution.

- The Executive Board of the Bank of Norway is responsible for the executive and advisory activities of the Bank. It consists of seven members appointed by the King following a proposal by the government of the country. The Governor and the Deputy Governor serve as chairman and deputy chairman of the body. They are appointed to full-time positions for a term of six years. Reappointment to the same position may take place for one period of a further six years. The other five members are appointed for four-year terms. The BN' employees are represented in the Executive Board by two members only when it deals with administrative matters.

The Supervisory Council is responsible for ensuring that the rules for the Bank's activities are observed. It consists of fifteen members elected by the Parliament for four-year terms.

ACTIVITIES OF THE BANK OF NORWAY

Core activities

1) Implementation of monetary and foreign exchange policy. The Executive Board set up the key sight deposit rate. The Bank uses an inflation targeting monetary policy.

2) Management of foreign exchange and crown reserves of the Bank and purchase of foreign exchange for the account of the Petroleum Fund.

3) Issue of banknotes and coins.

4) Licensing and oversight of banks' netting and settlement systems. It draws policy guidelines for the development of BN as a settlement bank and promoting efficiency in the use and handling of means of payment. The Norges Bank's settlement system (NBO) settles interbank claims and liabilities by means of entries in banks' NB accounts.

5) Monitoring financial stability issues and financial institutions' credit risk.

Other activities

1) It keeps accounts for funds under the Ministry of Finance's administration and is responsible for the collection of the central

government outstanding claims and for the practical aspects of the issue and management of government debt securities.

2) It produces statistics in the areas of: a) banks and financial institutions b) balance of payments and c) financial sector balances.

3) It carries out researches with particular emphasis on monetary policy, financial markets and asset management.

4) It manages the foreign exchange reserves of the Government Pension Fund - Global on behalf of the Ministry of Finance and of the State Petroleum Insurance Fund on behalf of the Ministry of petroleum and Industry (for details, see below).

SOME IMPORTANT ACTIVITIES OF THE BANK OF NORWAY

A) The management of the portfolio of reserves of the Government Pension Fund - Global

- The Norwegian Parliament (Storting) adopted the Act relating to the Government Petroleum Fund (PF) in 1990, which renamed as the Government Pension Fund - Global. The Ministry of Finance is responsible for the management of the Fund, and has delegated responsibility for the operational management of the Fund to the Bank of Norway. The Ministry covers the Bank's management cost. The capital of the Fund is invested in foreign financial instruments (bonds, equities, money market instruments and derivatives). The Fund provides a buffer against fluctuating revenues from the petroleum sector. It helps to buffer fiscal and monetary policy against variations in the oil price and in production volume, which may be substantial.

- The Fund is the government's instrument for transferring wealth from oil and gas reserves to a broad-based portfolio of international securities. This provides a better balance between expected return and the expected risk associated with overall asset management.

- The Fund makes it possible to distinguish between using petroleum revenues and actually earning them. This makes it possible to avoid abrupt shifts in the industry structure, such as we have seen in many other countries with substantial revenues from natural resources, and contributes to sustainable business and industry in the long term.

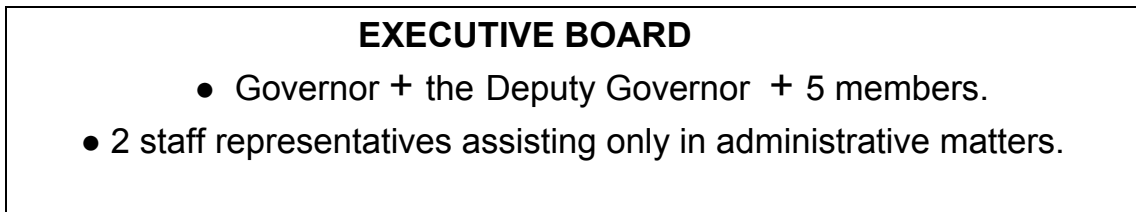
- The Fund helps to maintain a balance by distributing the petroleum wealth across generations. Although Norway's petroleum wealth is being depleted, the return on the invested capital will benefit many future generations.

- The management of the Fund by the Bank of Norway is very successful ensuring a high performance.

B) The management of the portfolio of the Government Petroleum Insurance Fund

The Government Petroleum Insurance Fund (GPIF) is owned by the Ministry of Petroleum and Energy and its purpose is to provide support for the Government's role as self-insurer of holding in petroleum activities. The Bank of Norway manages the Fund and the Ministry covers the Bank's management cost. The management of GPIF by the Bank of Norway is very successful. Its return is very high.

ORGANISATION CHART OF THE BANK OF NORWAY



- Internal Audit Department
- Communications Department
- Legal Department
- NOKAS Company

BANK'S WINGS

A) MONETARY POLICY

- Economics Department
- International Department
- Department for Market Operations and Analysis
- Monetary Policy Department
- Research Department

B) FINANCIAL STABILITY

- Financial Markets Department
- Payment Systems Department
- Interbank Settlement Department
- Cashier's Department

C) NORGES BANK INVESTMENT MANAGEMENT (NBIM)

- Equities - Investments / Operations Department
- Fixed Income - Investments / Operations Department
- Risk, Performance, Accounting Department
- Compliance
- IT Infrastructure

D) STAFF AND GROUP SERVICES

- Staff Services Department
- Shared Services Department
- ICT – Information and Communications Technology Department
- Property Management Department
- Security Department
- Service Centre Department

31) CENTRAL BANK OF ICELAND

(Seðlabanki Íslands)

Staff number: 110

- The Central Bank of Iceland was established in 1961 and has a statutory capital of 13.501.000 Iceland króna. The law provides for a buildup of the Bank's capital and reserves. When they are below a certain level, the Bank shall pay a third of its annual profit to the Treasury. Once they have reached the stipulated level, two-thirds of the profit shall be paid to the Treasury.
- Its main objective is to promote price stability. By agreement with the Prime Minister, the Central Bank can declare a numerical target for inflation. It conducts monetary policy consistent with the goal of maintain low inflation and acts as the borrowing agent for the Republic of Iceland in international capital markets. It has no branches, no printing works or Mint. In 2000 the banking supervision was transferred outside the Bank, to the Financial Services Authority.
- It is managed by: **a)** the Board of Governors consisted of the President-Governor and two other Governors. There is also an Assistant Governor who attends the meetings of the Board. The Prime Minister appoints all of them for a seven-year term. A Governor can only be appointed for two consecutive terms. The Board is responsible for the operation of the Bank and takes decisions on all considerable issues **b)** the Bank is under the administration of the Supervisory Board consisting of seven members appointed by the Parliament (the Althing) by a proportional vote after each general election. The members of the Supervisory Board, who supervise the activities of the central bank, elect a Chairman and a Vice Chairman from its own ranks.

ACTIVITIES OF THE CENTRAL BANK OF ICELAND

Core activities

1) In conjunction with the Prime Minister defines the monetary policy. The Bank implements the monetary policy. The main objective of monetary policy is price stability defined as a 12-month rise in the Consumer Price Index of 2,5%. Furthermore, the Bank is also obliged to contribute towards the Government's main economic policy objectives insofar as it does not consider this to conflict with its own goal of price stability. The aim is to keep the rate of inflation on average as close to the target as

possible (inflation targeting). If it deviates by more than 1,5% in either direction, the Central Bank is obliged to present the Government with a report, which will be made public, explaining the reasons for the deviation from the target and the Bank's responses to the deviation. The Central Bank's main instrument for attaining its inflation target is the interest rate on its repurchase agreements with credit institutions. The Bank can also buy or sell foreign currency in the interbank market with the aim of influencing the exchange rate of the króna and thereby domestic inflation.

2) Management of foreign exchange reserves and the reserves in local currency of the Bank.

3) Bank of banks.

4) Exclusive right to issue the banknotes of the Republic and as from 1967 coins.

5) Safeguarding financial stability and oversight of payment systems. Three types of payment systems are in operation in Iceland:

a) the Central Bank's real-time gross settlement (**RTGS**) system

b) the **netting system** operated by FGM (Fjölgreiðslumiðlun hf)

c) the **Securities settlement system**. It is operated on the basis of an agreement between the Central Bank, Central Securities Depository (CSD) and Iceland Exchange (ICEX). Its different components are divided between the three institutions in the following manner: 1) ICEX confirms the terms of securities trades (confirmation) 2) the CSD calculates the mutual obligations of market participants for the exchange of securities and money (clearing) and carries out the final transfer of securities (delivery) 3) the Central Bank of Iceland executes the final transfer of funds (payment), mainly through its RTGS system, based on payment orders calculated by the CSD 4) the CSD handles custody/safekeeping of the securities.

Participants of all the systems are the commercial banks, savings banks the Central Bank. The Icelandic Banks' Data Centre (RB) provides software services for all the systems and the Central Bank acts as a settlement provider.

6) Transactions on domestic foreign exchange and money markets and quotation of the official exchange rate of the national currency (the Króna).

Other activities

1) Bank of the government: it manages issues related to the Treasury' foreign borrowing, keeps the accounts of the redemption of government bonds and the Treasury's foreign borrowing operations, collaborates with the Ministry of Finance and the Debt Management Agency

concerning the sale of government securities (the government bond subscriptions were transferred, during 2000, to the Debt Management Agency) and redeems government bonds.

2) Research and analysis of economic, banking and financial developments.

3) Oversight of the preparation of new banknotes and coins. It proceeds to counting and sorting of banknotes and to their distribution in local storage facilities.

4) Collection and analysis of statistical data of credit institutions.

5) Keeping accounts of the National Economic Institute (N.E.I.), handling payroll for the N.E.I. and the Debt Management Agency.

ORGANISATION CHART OF THE CENTRAL BANK OF ICELAND

Board of Governors
● Chairman - Governor
● Governor
● Governor

Supervisory Board
● Chairman
● Deputy Chairman
● 5 members

DEPARTMENTS

- 1) INTERNATIONAL AND MARKET DEPT.
- 2) ACCOUNTING
- 3) AUDITING
- 4) ECONOMICS
- 5) LEGAL DEPT.
- 6) STATISTICS AND INFORMATION TECHNOLOGY
- 7) FINANCIAL STABILITY
- 8) OPERATIONS

32) NATIONAL BANK OF SERBIA (Narodna Banka Srbije)

Staff number: 2.600

- The National Bank of Serbia is, as of February 4, 2003 the successor of the former National Bank of Yugoslavia. The minimum fixed capital of the NBS is YUD 10.000.000.000 and is replenished by the surplus of revenues over expenditures of the NBS.

- The initial staff number of the NBY was about 8.500. During the last years the Bank was in a stage of **fundamental restructuring**. The gradual modernisation of the Bank according to the European Union model has decreased since 2004 the staff number by 27%. A further reduction was registered in 2005 when the NBS staff number declined from 4.081 to 2.687 i.e. a decrease of 1.394 employees or 30%. This decline of personnel resulted primarily from organizational restructuring and job rationalization. A great number of employees agreed to consensual termination of employment with the NBS and received adequate redundancy payment.

- The NBS is an independent entity from the Parliament in terms of determining monetary policy goals and measures. However, it must formulate monetary policy taking into account the government economic policy guidelines and targets. The Bank formulates also the exchange rate policy of the national currency, the dinar. The Monetary Board of the NBS, composed by the NBS Governor and the Vice Governors, is responsible for the monetary policy.

- The NBS has its own printing works and mint, carries out supervision of banks, financial and insurance companies and pension funds, is the bank of the state and the bank of the banks. It has 5 branches and manages the Solvency Centre, the Juridical Persons Solvency Information Register and the Financial Statements Register.

- The following bodies administer the NBS:

- The Council, which, among other duties, adopts the Financial Plan and Annual Statement of the National Bank of Serbia. The Chairman who heads the Council and its four members are appointed by the National Assembly for a period of five years with the right to reelection.

- The Governor who is appointed by the National Assembly upon a proposal by the National Assembly's Committee in charge of finance, for a term of five years, with the right to reelection. He presides over the

Monetary Board, implements the decisions reached by the Monetary Board and the Council, organises the Bank's operations, passes regulations and adopts both general and individual enactments.

- the Bank is also managed by three to five Vice-Governors nominated by the Governor and appointed by the Council, for a term of five years, with the right to reelection. For the moment, the NBS has three Vice-Governors.

ACTIVITIES OF THE NBS

Core activities

1) Formulation and implementation of monetary policy. The principal objective of the monetary policy is the maintenance of the inflation rate at a concrete framework. For the year 2008 this framework is between 3% - 6%, for 2009 the starting level is a range of 3% - 6% with a midpoint of 4,5% and the end level a range of 2,5% - 5,5% with a midpoint of 4%. For the year 2010, the range is of 2% - 5% with a midpoint of 3,5 %.

Further monetary policy objectives are the preservation of stability in the financial system and the increase of net foreign exchange reserves of the banking sector.

2) Determination of the dinar exchange rate policy and determination of the Dinar exchange rate regime with the consent of the Government. The exchange rate of the dinar is formed with reference to supply and demand in the foreign exchange market. The central bank shall continue its interventions in the foreign exchange market with a view to directing the exchange rate so as to make it consistent with the country's balance of payments position.

3) Management of foreign exchange and dinar reserves of the Bank.

4) Issue of banknotes and coins. The N.B.S owns the Institute for Manufacturing Banknotes and Coins, which is a specialised organisational unit within the central bank.

5) Supervision of banks and other financial organisations including the leasing companies through on-site and off-site inspections.

6) Supervision of insurance corporations through on-site and off-site controls.

7) Supervision of voluntary pension fund management companies.

8) Centre for Financial Services Consumer Protection. This Centre also includes the NBS Call Center, where the citizens may get information about the advantages and risks that need to be taken into account when deciding on which financial products and services to use.

9) Oversight of payment systems. Payment and settlement operations and clearing interbank facilities.

■ The RTGS (Real Time Gross Settlement) system involves the reception and processing of individual bank payment orders in the shortest possible time from the moment of their reception, up to the level of the collateral in the account. Although all payment orders may be processed in the RTGS, priority is given to payment orders for amounts in excess of CSD 200.000 (“large-value payments”).

■ Clearing System or Net Settlement means the reception of individual payment orders or groups of such orders with an enclosed specification of individual orders, for the calculation of multilateral net amounts in settlement accounts. Subsequent to that, each clearing participant’s net position is computed, and the settlement of this position effected through the participant’s gyro account. Clearing payments (“small-value payments”) are orders for amounts of up to 200,000 dinars.

■ The participants in the RTGS and Clearing System are the National Bank of Serbia, banks, the Republic of Serbia, the Ministry of Finance, the Central Securities Registry, the Depository and Clearing and the Association of Banks and Other Financial Organisations of Serbia.

10) Bank of banks: lombard loans to banks and financial institutions, discount facility, issue of NBS treasury bills towards credit institutions, opening of current accounts.

Other activities

1) Bank of the State: granting short-term loans to the government for the purpose of bridging the time gap between the inflow of revenues and the financing of expenditures with a limit up to 10% of the planned annual state budget revenues. Issue of short-term and long-term securities for account of the government. Keeping sight deposits of the government. Operations relating to the borrowing and repaying of the State loans. Foreign payment operations on behalf of the government and State entities.

2) Cash desk operations: counting and sorting fiduciary money and feeding banks, post offices and financial organisations with banknotes and coins. In this case, the clients bear the cost of relevant activities. On the contrary, the cost of withdrawal of worn banknotes and change of damaged banknotes and coins bears the NBS.

3) Researches and statistics.

4) Management of the Solvency Centre, the Juridical Persons Solvency Information Register and the Financial Statements Register (for details see below).

SOME IMPORTANT ACTIVITIES OF THE NATIONAL BANK OF SERBIA

A) The Solvency Centre

■ The Solvency Centre (SC) was established on January 14, 2002 as the first national database comprising financial information on juridical persons in the country.

■ It provides a complex sets of financial data on all financial market participants. The SC along with the Solvency Register and Register of Financial Statements of Juridical Persons (see below) contains an exceptionally rich, high-quality database comprising original as well as derived financial information covering approximately 100.000 juridical persons who are all active market participants in the country, beginning with year 1994, and entered into comparable 10-year time series.

■ The information contained in both registers is publicly available to all domestic as well as non-resident juridical and natural persons in the country and abroad. The solvency data are accessible in the following two manners: a) via Internet, through direct access to the Register databases, or b) by submitting a written request. A juridical person may request its own data as well as data on any other juridical person, for all such juridical persons whose data are included in the database of the existing registers.

B) The Juridical Persons Solvency Information Register

■ The Juridical Persons Solvency Information Register (JPSIR) contains a financial information database on all market participants in the country, categorised as:

- a) enterprises and cooperatives
- b) banks and other financial organisations
- c) insurance companies
- d) broker-dealer companies

■ The use of solvency data is regulated through the Decision on Uniform Fees Charged For Services Provided by the National Bank of Serbia ([Operations Related to the Provided Information and Opinion on Solvency](#)). Solvency data catalogue offers individual and systematised data, as well as solvency indicators and reports, standardised in time

series of up to 10 years, beginning with 1994. Standardised solvency data sets include the following:

- 1) status data
- 2) accounting data and solvency indicators
- 3) scanned opinions of auditors
- 4) data on number of days of non-liquidity
- 5) data on securities
- 6) standardised reports on solvency
- 7) special arrangements also include custom made reports to fit the needs of customers
- 8) macroeconomic data - specialised information required for making fiscal, monetary and political decisions.

■ Both resident and non-resident juridical and natural persons, banks, domestic and foreign rating agencies, government agencies, embassies, academic and research institutes, media houses, etc. are all welcome to request information from the solvency database. Register users are categorised in three types according to the manner of determining their identity: Solvency Club members, Certified users and Users.

C) The Financial Statements Register

■ The Financial Statements Register (FSR) comprises a database of processed individual data from original annual financial statements, abstracted from annual, adopted and consolidated financial statements of the following types of juridical persons:

- a) enterprises and cooperatives
- b) banks and other financial organisations
- c) insurance companies
- d) broker-dealer companies
- e) other juridical persons.

■ The Register database is formed upon the reception of all individual financial statement forms, logical and numerical control and processing of data and it contains the following forms:

- 1) balance sheets
- 2) income statements

3) additional accounting statement-Annex I, beginning with 1994, for all categories of juridical persons except broker-dealer companies (data on such companies beginning with 1997)

4) cash flow balance, beginning with year 2000, for all categories of juridical persons

5) report on distribution of results and coverage of losses, beginning with year 2001, for all categories of juridical persons.

■ The FSR represents an electronic database of information processed on the level of individual and collective type of activity, according to the size of the juridical person, ownership structure, organisational framework, location and other criteria. Accounting data have multiple applications in macroeconomic, financial, fiscal and statistical analyses, procedures in the privatisation process, capital management and other purposes, and are used as such by audit and consultant agencies, broker houses and other economic and government bodies.

■ The information contained in the FSR is available to the following types of users: government bodies and organisations, and other natural and juridical persons. Government bodies and organisations may use the Register data free of charge, whereas other users may use the data in line with the Decision on the Uniform Fees Charged For Services Provided by the National Bank of Serbia.

Summary of non pure monetary activities of the National Bank of Serbia
● supervision of banks and other financial organisations including the leasing companies
● supervision of insurance corporations
● supervision of voluntary pension fund management companies
● Centre for Financial Services Consumer Protection
● Solvency Centre
● Juridical Persons Solvency Information Register
● Financial Statements Register
● Printing banknotes
● Striking coins
● A large series of services to the State and public entities
● Full cashier activities

ORGANISATION CHART OF NATIONAL BANK OF SERBIA

Monetary Board
● Governor
● 3 Vice - Governors

Council
● President
● 4 members

Governor
● Secretary General
● Governor' Office
● Protocol Office
● Press Bureau
● Webside Editor

Head of Governor's Office
● National Payment Card Centre
● Legal Department
● Internal Audit
● Public Register and Enforced Collection
● Institute for Manufacturing banknotes and coins (Topcider)

Vice-Governor
● Monetary System and Policy Department
● Payment System Department
● Economic Analysis and Research Department

Vice-Governor
● Foreign Exchange Department
● International Relations Department

- | |
|-----------------------|
| ● Treasury Department |
|-----------------------|

Vice-Governor

- | |
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| ● Bank Supervision Department |
| ● Insurance Supervision Department |
| ● Pension Funds Supervision Department |
| ● Centre for Financial Services Consumer Protection and Market Supervision |

Secretary General

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| ● Accounting and Finance |
| ● Information Technology (IT) |
| ● Human Resources |
| ● General Affairs |
| ● Office Administration |
| ● Branches |

NBS' BRANCHES

1) Main Branch in Belgrade

2) Branch in Novi Sad

3) Branch in Niš

4) Branch in Kragujevac

5) Branch in Užice

Activities of branches

Executive and operating tasks relating to:

- monetary system and policy
- foreign trade
- registering and recording credit operations with foreign countries
- researches
- vault cash operations
- finance and accounting

33) CENTRAL BANK OF MONTENEGRO

CENTRALNA BANKA CRNE GORE (CBCG)

Staff number: 295

- The Central Bank of Montenegro (CBCG) was established by the law on the CBCG adopted by the Assembly of Republic on November 3, 2000 and started to operate on March 15, 2001. Previously, it constituted the Podgorica Branch of the National Bank of Yugoslavia. The initially authorised capital of the CBM was 5 million Deutsche Marks (2.556.459 euros).
- The Bank is an independent entity regarding the formulation and implementation of monetary policy. It is prohibited to grant loans to the government or other public entities. It carries out banking supervision but cannot issue money and has neither a printing works or mint. The Republic of Montenegro uses as legal currency the euro.
- The CBCG is managed by the Council consisting of the President of the Bank, the Director General and two Deputy Directors of the Bank and three external members appointed by the Assembly. The Council adopts regulations regarding operations of banks and financial institutions, formulates the monetary policy and the general guidelines of the central bank operations and approves the annual balance sheet and the financial plan. It adopts also the CBCG operations report which is submitted to the Assembly of the Republic at least once a year. The President of the Bank presides over the Council and implements its decisions. The Director General, the Deputy Director General in charge with banking supervision and the Deputy Director general in charge with payment systems assist him. The Collegiate body of the CBCG consists of the executive officers, who are members of the Council. It coordinates the activities of the Bank, verifies specific acts and implements with the Governor decisions taken by the Council.

ACTIVITIES OF CBCG

Core activities

- 1) Formulation and implementation of monetary policy.
- 2) Implementation of foreign exchange rate policy. It is based on the fixing with the euro, which is used as a payment and reserve currency.
- 3) Management of foreign exchange reserves and reserves in euro.

4) Prudential surveillance, as issue and revoke the operating licenses of banks and financial institutions.

5) Supervision of banks and financial institutions.

6) Prescribing manner of operations for dealers and banks in foreign exchange transactions, set limits on foreign exchange positions of dealers and banks and perform their control.

7) Bank of banks: keeping current accounts, granting credits to banks and financial institutions, accepting deposits and acting as a settlement agent.

8) Providing banking services in favour of foreign governments, foreign central banks as well as international organisations and other international institutions in which Central Bank of the Republic are members.

9) Regular macroeconomic analyses, including monetary, fiscal, financial and balance of payment studies of the Republic economy, and recommendations in the area of economic policy to the Republic.

10) Oversight of payment systems and controlling payment and settlement operations. A payment system reform has been taken place as follows:

- the ex ZOP payment system has been integrated into the operational and management structures of the Central Bank of Montenegro. The migration of a significant part of payment system operations to commercial banks has been finalized with the simultaneous abolishment of the network of branches of the ex ZOP. The Regional Centers of the Central Bank of Montenegro have opened for the distribution of cash and new technological procedures have been implemented to supply banks with cash. The commercial banks have been incorporated into new intra-bank systems, and expanded their network of business units and have earned additional income on the basis of performing these businesses. Most of the non-payment functions that were performed by ZOP have been moved to new different organisations

- the system of centralised processing has been cancelled, that is, the processing of all orders from the central bank. The central bank has provided a new information and technological system for the processing of inter-bank payments, by offering two services to the banks:

a) the **RTGS** that provides inter-bank payments in real time and

b) the **DNS** or Clearing which enables the settlement of inter-bank payments in deferred-designated time through three clearing cycles

during the working day of the system. The banks have provided new information and technological systems in which they process the intra-bank payments of their clients and through which they participate in the Inter-bank payment system for the settlement of inter-bank payments

- the SWIFT standard has been implemented referring to the format of the electronic messages in the payment systems and the performing of electronic payment operations
- the project “Revenue Model” for the processing and the division of public revenues has been supported. Thi is now being performed in the State Treasury.

Other activities

1) Cashier services: it monitors cash flows, provides sufficient quantities of banknotes and coins within the territory of the Republic, organises and performs transactions with precious metals and other valuables and takes measures on revealing false means of payment.

2) Bank of the State: keeps current accounts of the government, public entities and organisations and acts ad fiscal agent i.e gives advise to the Montenegrin Government and performs operations related to:

- a) treasury bills issue and other foreign borrowings of the State
- b) existing treasury bills, transfer and replacement of treasury bills
- c) the State funds in euro and other currencies, establishes the register of security holders, implements the primary issue of securities issued by the Republic, maintains records of the trade on the secondary capital market and serves the public debt.

3) Purchase and sale of currencies and precious metals for its account or on behalf of the Republic.

4) Buy and sell securities on the secondary market issued by the Republic, European Union member states or other states designated in the Central Bank regulation.

ORGANISATION CHART OF CENTRAL BANK OF MONTENEGRO

Annual General Meeting of Shareholders

Council of Central Bank of Montenegro
● President
● 3 executive officers of CBCG

- | |
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| <ul style="list-style-type: none">● 3 external members |
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Executive Officers of Central Bank of Montenegro

- | |
|---|
| <ul style="list-style-type: none">● President of the Council |
| <ul style="list-style-type: none">● General Manager |
| <ul style="list-style-type: none">● Deputy General Manager for Bank Supervision |
| <ul style="list-style-type: none">● Deputy General Manager for Payment Systems |
| <ul style="list-style-type: none">● Chief Economist |

- Council Secretary

1) President of the Council

- President' Office
- Inspector General
- Internal Audit
- Directorate for International Cooperation and European Integration
- Human Resources Management Division

2) Chief Economist

- Research and Statistics and IT Department
- Directorate for Monetary Policy and Fiscal Research
- Directorate for Balance of Payments and Real Sector
- IT Directorate

3) General Manager

- Financial and Banking Operations Department
- Directorate for Banking and International Payment Operations
- Directorate for Foreign Exchange Reserves Management
- Directorate for Vault Operations
- Directorate for Legal and Operational Support
- Accounting and Finances Directorate
- Security Division

4) Deputy General Manager for Bank Supervision

- Bank Supervision Department
- Directorate for Specialised Supervision
- Directorate for System Control Development and Systemic Risk Supervision

5) Deputy General Manager for Payment Systems

- Payment System Department
- Directorate for Payment System Regulation and Control