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BUSINESS

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LINK

THE WESTERN BALKANS
MUST BE PART OF
EUROPE'S DIGITAL AND
GREEN TRANSITION

Sebastian Kurz

NOW WE
NEED MORE
TARGETED HELP
FOR COMPANIES

Gernot Blümel

**CORPORATE INSIGHTS
FROM SEE**

PlanRadar

Lovcen Banka

Euroherc Insurance

Devolli Corporation



SEEBDN

Southeast Europe Business Development Network



SEEBDN

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General Secretary of the SEEBDN
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We would like to seize this opportunity to thank all of our members for believing in us, in our common goal, and to promise that we will continue to do our work in the best interest of all of you, so we can be one of the generators of economic growth.

Dear friends,

The sixth issue of our Business Link Magazine, prepared by the team of the South East Europe Business Development Network (SEEBDN), comes just in time to show that, as an association, we are "resistant to the COVID-19 virus". The current situation caused by the coronavirus pandemic didn't stop us from fulfilling our plans and developing our network. On the contrary.

Since the last issue, we have fulfilled the plan to organize an event titled "Women's Excellence Circle - Austria Connects with SEE". This event was held on September 29th in the TPA business offices in Vienna, of course, with respecting all epidemiological precautions. Our aim was to network high-ranking women from business and politics from Austria and SEE countries and to present their experiences and topics, like the future of leadership in business and politics. So we did it. The keynote speaker at this event was Ms. Karoline Edtstadler, Federal Minister for the EU and Constitution at the Federal Chancellery of Austria. For more information on this event, please read the text published in this issue on page 36.

Our form of networking - the "Business Circle" - proved to be a very interesting form of event. We have held several of those events that gathered reputable guests, decision makers, CEOs, owners of small- and medium-sized enterprises, representatives of leading European institutions, diplomats, etc. We plan to do another "Business Circle" on October 20th, also in Vienna, titled "Boosting Investments and Partnerships between Austria and SEE". We hope that it could serve as a foundation for future business cooperation.

When we were first established, we had a dream of connecting successful companies from Southeast European countries with their counterparts in Western European countries, first of all, with German and Austrian companies. That turned out great, so far. Although the pandemic has postponed some of our activities, we have ambitious plans, keeping in mind all precautionary measures. Companies have recognized this and, therefore, SEEBDN gained new members even during the Covid-19 crisis. We would like to seize this opportunity to thank all of our members for believing in us, in our common goal, and to promise that we will continue to do our work in the best interest of all of you, so we can

be one of the generators of economic growth. Your trust gave us the green light to continue with very ambitious plans, and we will continue to do so with more ideas, more business opportunities, and more success stories. Let us offer another reminder of what we do, among other things. We aim to further link the economy of South East Europe primarily with the markets of Austria and Germany. We achieve this goal through exclusive and targeted events for our members, titled the "Business Circle", "Destination on the Rise", etc. At the same time, we continuously support members who have targeted requests to meet specific companies in these markets. We are promoting our members' businesses through the Business Link Magazine. We are continuously inviting all ambitious companies and managers to join us in our mission to create business bridges and good opportunities for growth. Let's grow together!

With best wishes,

Aleksandar Gros, Secretary General,
 SEEBDN

Fritz Kaltenegger, Chairman of the
 Board, SEEBDN



photo credit Jakob Glaser/BKA

THE WESTERN BALKANS MUST BE PART OF EUROPE'S DIGITAL AND GREEN TRANSITION

The EU leaders agreed on the biggest EU budget ever, including a Recovery Fund to fight the immediate impacts of the COVID-pandemic.

SEBASTIAN KURZ

Federal Chancellor of the Republic of Austria

The current COVID-19-pandemic is an unprecedented crisis that has caught us all by surprise. Much like several CEESEE states, Austria fortunately understood the gravity of the situation early. We realised that we had to act quickly and decisively. Studies have in the meantime confirmed our strategy – strict lockdown measures enabled us to incur a comparatively low number of fatal cases.

However, despite the relief of having avoided the worst, we are all now facing unprecedented economic challenges, notably the interruption of international supply chains and a collapse in demand. There is no model, no template for solving this kind of crisis. However, the goal remains clear: **convergence, resilience and transformation** i.e. first repair the damage caused by COVID-19; then strengthen our economies against the next potential crisis; and, lastly, make our countries more resilient and fit for the digital age.

To this effect, Austria's response contains both short-term support to people, companies and financial markets, as well as more strategic and structur-

al measures. We have, for example, up until now spent over €4 billion on 'Kurzarbeit', our state-sponsored short-time working scheme that has saved thousands of jobs and is widely considered a gold standard. Looking into our future competitiveness, we have taken measures such as renewing our research funding law to increase research institutions' planning security and ensure growth-oriented funding in promising technologies, innovation and industries.

Given the unprecedented magnitude of the crisis we are facing, it is however clear that it takes a pan-European approach to overcome this crisis together, secure long-term global competitiveness and kickstart the economy. The recently agreed MFF and EU Recovery Fund were a historic milestone: The EU leaders agreed on the biggest EU budget ever, including a Recovery Fund to fight the immediate impacts of the COVID-pandemic. It will now be crucial to use this money wisely in order to facilitate economic recovery, structural reforms and the green and digital transition. It is worth mentioning that for the first time in history, the EU



budget is linked to climate objectives. Thirty percent of the EU recovery fund and MFF will be spent on climate-related projects, ranging from investing in roll-out of 5G, in grid infrastructure, in AI and industrial digitisation to investing in renewables, sustainable transport and energy-efficient buildings.

The Western Balkans must be part of this joint European recovery and transition. Faced with unprecedented challenges, we must **seize this turning point to support the Western Balkans' political, economic and social transformation**. A transformation that – flanked by collective European action – will lead to re-energized economies in the region that can deliver sustainable economic growth and prosperity for all. A transformation that ensures that the Western Balkans' future clearly lies in the EU. This is not only of great

strategic importance to Austria and the EU, but also fundamental for the prosperity, stability and future of the region.

Austria remains a reliable partner of the Western Balkans and a vocal supporter for the region's path towards EU integration. Even in times of globalization, we are united by proximity – geographical, historical and human proximity. Just look at the departure board at the Vienna Airport! A testimony to our commitment, the first trip abroad after the outbreak of the COVID-19 saw Foreign Minister Alexander Schallenberg and EU Minister Karoline Edtstadler visit Albania, Serbia and Kosovo at the end of May 2020. As an expression of solidarity, Austria not only offered to fly in the region's intensive care COVID-19 patients but also handed over urgently

To ensure that digitalisation becomes the next driver of sustained growth, the Western Balkans must improve digital infrastructure drastically.

In order to leverage investments and successfully transform their economies, governments in the Western Balkans will need to ensure that their regulatory systems incentivise digitalisation, innovation and the rapid reduction in CO2 emissions.

needed medical supplies. In Kosovo, for example, Austria donated €250,000 for the purchase of 9,000 COVID-19 tests. On European level, we have mobilised – together with the European Investment Bank – more than EUR 3.3 billion of financial support for citizens in the Western Balkans, addressing both immediate health and humanitarian needs as well as supporting a social and economic recovery. We have additionally invited Western Balkan states to several initiatives usually reserved for member states, such as the joint procurement initiative and “green lanes” for the free flow of essential goods.

However, beyond tackling the immediate impacts of the crisis, the region must take long-term economic and societal choices, first among them: **digital transformation**. The pandemic has prominently highlighted the need for digitalisation – think of our reliance on home-office, e-commerce and other digital services that kept our countries open during the lockdown. There is a clear economic case for the Western Balkans' digitization: it is a precondition for a gradual transition to modern economies that will secure long-term prosperity, environmental sustainability

and even tackle issues of “brain drain”. However, to ensure that digitalisation becomes the next driver of sustained growth, the Western Balkans must improve digital infrastructure drastically. The OECD finds that nearly half of all households in the region lack computer access at home and the majority of its citizens lack basic digital skills. The EU's latest financial package for the region recognises this potential – investments in the digital transition (e.g. broadband internet access, cybersecurity and digital research and innovation) and the green transition (e.g. decarbonisation of energy production) are the backbone of the plan.

Though crucial, EU financial support alone will not suffice for a successful transformation. The Western Balkans will also require vast amounts of foreign direct investment from innovative firms. As one of the biggest investors in the region, Austrian firms not only bring highly needed capital but also necessary and cutting-edge technologies and knowledge. In the past three decades, the foresight and courage of Austrian companies investing in the region has helped secure GDP growth, notably through upgrading the Western Balkans'

positioning in global value chains. It is worth recalling that since the early 2000s, the Western Balkan economies saw a doubling of their size of their economies and a six-fold increase of their export volumes. Looking forward, Austrian FDI, notably in digitalisation, cleaner technologies and R&D, will continue to modernise economies and generate productivity spillovers in the region through extensive linkages, transfer of knowledge and technology.

In order to leverage investments and successfully transform their economies, governments in the Western Balkans will need to ensure that their regulatory systems incentivise digitalisation, innovation and the rapid reduction in CO2 emissions. Far more importantly, however, is the continued delivery on key reforms for the region's EU path. Particularly in the area of the rule of law and the fight against corruption, on the functioning of the democratic institutions and public administration. **The Western Balkans' digital and green transition is a bare necessity if we want to fully unleash the region's economic and innovative potential. Austria stands ready to offer its expertise and experience in making this transition a reality.**

WITH ENTREPRENEURIAL SPIRIT TO A LEADING POSITION IN SEE

ALEKSANDRA STOJANOVIC, MK Group Corporate Affairs Director



MK GROUP
One vision. Smart decisions.

We are primarily focused on the application of Digital Technologies in order to increase profitability per hectare through the introduction of Precision Agriculture.

We are especially proud of our cooperation with two prestigious world hotel brands: Kempinski and Marriot, which confirms that we are recognized as reliable and stable partners.

MK Group represents a system of 75 member companies and 7,000 employees in 3 branches of its business, namely Agriculture, Tourism and Banking. It bases its success on cooperation with tens of thousands of subcontractors around the world, and has especially strengthened its leadership position in Southeast Europe.

When it comes to Agriculture, MK Group is predominantly present in Serbia, where it cultivates 23,000 hectares of land. We are primarily focused on the application of Digital Technologies in order to increase profitability per hectare through the introduction of Precision Agriculture. In this way, we have already managed to increase the yield of our key crops: sugar beet, corn, wheat, soybeans and sunflowers, but also to ensure the export of 689,000 tons of oilseeds and cereals. In addition, Sojaprotein, which processes NON-GMO soybeans, is one of the largest processors throughout Europe and markets its products in more than 60 countries around the world. Beside these agricultural activities, MK Group with its company Carnex holds the position of an important player in the production of meat and meat products, and our company Sunoko as a dominant producer of sugar for the needs of this region.

As leaders in Agriculture, we are aware of our role in pushing the boundaries of quality, so the aforementioned company Sunoko founded a Research and Development Center whose basic premise is the education of small agricultural producers in this area. We are also allocating significant funds for the

construction of a Biogas Plant within which we will use our raw materials and organic waste to obtain electricity. This is just a continuation of our pioneering endeavor from 2016, when we built and opened the first Wind Farm in Serbia. A few years later, we are the most important independent producer of electricity from renewable sources in the Energy Market of Serbia.

With the purchase of a hotel complex in the Serbian Mountain Kopaonik, in 2009 we stepped into the field of tourism for the first time and today our portfolio includes 15 hotels in minority and majority ownership not only in Serbia, but also in Slovenia, Croatia and Montenegro. We are especially proud of our cooperation with two prestigious world hotel brands: Kempinski and Marriot, which confirms that we are recognized as reliable and stable partners. With more than 2,500 rooms, our plans are ambitious. We are actively working on the development of innovative and creative offers for our guests, but above all on the development of the destinations in which we establish the hotels.

The Banking Division includes AIK Bank in Serbia and Gorenjska Bank in Slovenia, and with a balance sheet total of EUR 4 billion, it plays an active role in consolidating the banking system in the region.

We believe that the key to our success is the entrepreneurial spirit, present in all areas of our work and activities, and that is why we create a unique added value in every company that differentiates us from others.



MK GROUP
One vision. Smart decisions.



**75 MEMBER
COMPANIES**



**CULTIVATES
23,000 HA
OF LAND**



**EXPORT OF
689,000T OF
OILSEEDS & CEREALS**



**THE FIRST
WIND FARM
IN SERBIA**



**PORTFOLIO
INCLUDES
15 HOTELS**

THERE IS NO ALTERNATIVE TO A SUSTAINABLE GROWTH

INTERVIEW: **TOMISLAV CORIC**

Minister of Economy and Sustainable Development of the Republic of Croatia

This year, the Climate Change Adaptation Strategy was adopted, and the Low-Carbon Development Strategy of the Republic of Croatia will soon be submitted into the official procedure.



"All our activities in the coming period will focus on economic growth and increasing the quality of life of our citizens. However, growth and development must be based on sustainability principles. There is no alternative. We will promote the development of new technologies in order to increase industrial production and exports, giving priority to those industries where Croatia can develop competitive advantage", said Tomislav Coric, the Croatian Minister of Economy and Sustainable Development, in an interview with the Business Link Magazine.



BL: What will be the basis of the growth Strategy in your mandates?

TC: As I already mentioned, it is crucial that we base our growth and development on sustainability principles in order to preserve the resources we have at our disposal. The European Green Deal, which should mobilise at least one thousand billion euros in investments into the protection of environment and climate over the next ten years, is an opportunity to accelerate Croatia's clean energy transition. The market premium model will stimulate further installation of renewable energy production capacities and their increase from the current 900 MW to 2,250 MW, while the low-carbon energy transition will contribute to the fight against climate change. We will realise numerous investments into water utility projects for which EU co-financing grant agreements have

already been signed and will continue with the establishment of an integrated waste management system.

BL: How much do you rely on the EU in your Strategy?

TC: As part of the European Union, the Republic of Croatia supports its activities within the framework of sustainable development and we implement these activities at the national level. Recently, by using EU funds we have initiated and implemented a number of projects that help us make qualitative improvements in all segments of society, the economy and environmental protection, which will also be reflected in the sustainable development indicators. Despite all our efforts as well as those made at the global level with the aim of reducing greenhouse gas emissions and the efforts to limit the global temperature rise, the climate is changing and we need

What we have certainly learned from this current COVID-19 crisis is that it is essential that we devote ourselves to the protection and restoration of natural ecosystems and the sustainable use of resources in order to protect human health.

to adapt to this fact and ensure the sustainable development of the Republic of Croatia in these new circumstances. The Integrated National Energy and Climate Plan for the period from 2021 to 2030 was adopted at the end of 2019. This year, the Climate Change Adaptation Strategy was adopted, and the Low-Carbon Development Strategy of the Republic of Croatia will soon be submitted into the official procedure. The aim is to stimulate the transformation of society in order to reduce greenhouse gas emissions, especially from the energy, transport, agriculture, buildings, general consumption and other sectors. What we have certainly learned from this current COVID-19 crisis is that it is essential that we devote ourselves to the protection and restoration of natural ecosystems and the sustainable use of resources in order to protect human health. Therefore, investment into climate change adaptation and low-carbon development is a precondition for the sustainable development of Croatia.

BL: When we talk about COVID-19, how much has it affected the Croatian economy in total?

TC: No economy is immune to crisis. In the second quarter, our gross domestic product fell by 15.1 per cent year-on-year. Most economic operators are affected by this crisis, so our assistance measures are targeted directly at maintaining employment and the liquidity of the economy. It is worth recalling that the continued GDP growth and stability of public finances that we achieved before the COVID-19 pandemic have created the necessary preconditions for us to take measures which are, by their strength in relation to the size of the economy, among the most generous in the European Union and through which



we have alleviated the effects of the period of complete absence or reduction of economic activity on entrepreneurs, preserved liquidity of companies and jobs. It should be stressed that the sectors endangered by the pandemic can still count on our help.

BL: Can you be more specific about the measures?

TC: The measures for co-financing shorter working hours, in the maximum amount of HRK 2,000 per employee with corresponding contributions,

will continue to be implemented. The measures aimed at micro-entrepreneurs, amounting to HRK 2,000 per employee, if they experienced a drop in turnover exceeding 50%, will also be extended until 31 December. The payment of subsidies amounting to HRK 4,000 per employee for particularly affected economic activities and amounting to HRK 4,000 for entrepreneurs and service industries that are closed by decisions of the Civil Protection Headquarters, both at the local and national levels will continue until 31 December. Therefore, in the coming period we will on the one

hand proceed with a combination of measures aimed at safeguarding jobs, and on the other with the impetus to maintain company liquidity through credit lines.

BL: What can you tell us about EU assistance?

TC: Over EUR 22 billion from the European Union will play a major role in Croatia's economic recovery. This is twice the amount that was available to Croatia in the 2014-2020 Multiannual Financial Framework and

also represents one of the maximum amounts per capita and aid intensity gained by Member States during these negotiations. The obtained funds will be used for the implementation of the national recovery programme that is being prepared, with the start of application planned for the beginning of 2021. With increased absorption of funds from the EU budget and from the Recovery and Resilience Facility, investments and exports that contribute to the strengthening of Croatia's global competitiveness will continue to be promoted.

We expect that in the process of economic recovery the investment growth in the following year will continue to be positively impacted by tax and grant supports, aimed at job creation and at capital investments that entrepreneurs can make use of, by lower costs of financing entrepreneurial projects as well as by active innovation policy.

BL: How effective have State measures been in mitigating the problems that have appeared around the world due to this, since now, unprecedented crisis?

TC: The Croatian Government reacted in time and adopted three sets of measures aimed at helping the economy affected by the COVID-19 outbreak, making us one of the first EU countries that started implementing measures to maintain employment and the liquidity of the economy. In total, the Government has funnelled HRK 30 billion towards entrepreneurs, and most of the measures pertain to the preservation of liquidity and jobs, tax exemptions and other public contributions. More than 600,000 jobs and 100,000 employers were preserved through the undertaken measures. It is crucial that we overcome this crisis and ensure the functioning of the economy and its recovery.

BL: How can you ensure that?

TC: The National Recovery and Resilience Plan is being prepared and will have to be negotiated with the European Commission and then adopted. According to this Plan, public investments important for the recovery, namely, infrastructure projects, will be implemented first. Public procurement for these projects will create business opportunities for many economic operators. This situation is a challenge for Croatia, but also an opportunity. We now have to strive to increase competitiveness both through reform packages and rationalisation as well as through strengthening the production capacities of different industries. The Ministry of Economy and Sustainable Development will be the leading proponent of this approach.



FIGHT FOR NEW INVESTMENTS

BL: How do you plan to fight for new investors?

TC: We will continue, through a synergy of various measures, to create better conditions for doing business in Croatia by means of simpler administrative procedures and parafiscal economic relief, more favourable financial instruments for a greater competitiveness of businesses, and easier access to funding sources in order to facilitate investment into various industries, particularly investments that strengthen the focus on export. We expect that in the process of economic recovery the investment growth in the following year will continue to be positively impacted by tax and grant supports, aimed at job creation and at capital investments that entrepreneurs can make use of, by lower costs of financing entrepreneurial projects as well as by active innovation

policy. A number of private investment projects will certainly be successfully co-financed from EU funds earmarked for the construction of production capacities, for the development of new products and services based on research and development activities, for digitalization of production processes and similar. Also significant for investors is the activation of brownfield sites and land for the purpose of new investment projects.

BL: How much can associations like SEEBDN help?

TC: Initiatives like SEEBDN can certainly contribute to connecting different stakeholders, from the academic and entrepreneurial community to decision-makers, thereby becoming active partners in spreading the vision of the new paradigm of the economy.

MORE THAN 30 YEARS OF HONEST WORK, GOT US 12 DEVOLLI COMPANIES

With more than 30 years of successful tradition, today we are one of the biggest privately-owned companies in Southeastern Europe.



DARDAN SHALA, Member of the Managing Board of Devolli Corporation

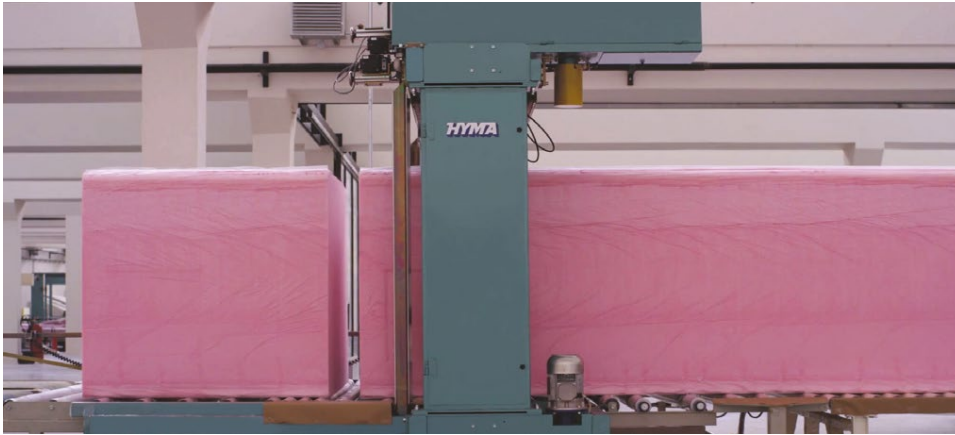
Devolli Corporation (DCO) was established by Ibrahim Devolli in Kosovo in 1989, for the manufacture of foam and mattresses, and initially it had 30 employees. Many years later, in 2017, Devolli opened the most sophisticated factory in the region, covering a surface area of about 95,000m² and a floor area of 59,000 m². Today, we boast over 1,500 employees and more than 15,000 business partners and associates.

With more than 30 years of successful tradition, today we are one of the biggest privately-owned companies in Southeastern Europe. But, let us start, not from the beginning, but from the year 2003. That was the year when Devolli opened its factory producing Turkish

style espresso and instant coffee. With the new production capacity of 50,000 tons, this factory has been exporting our "Prince Caffè" coffee brand to more than 17 countries. Thanks to this brand, we are cooperating with the world's largest coffee producers. In 2009 Devolli opened 12 coffee shops in Kosovo, Albania and USA. With a complete set of services, our chain of Prince Coffee shops serves more than 50 different coffee recipes, along with a large selection of sweets and pastries, all made in house.

The year 2014 was very successful for Devolli. We opened 24 "Comodita" stores in Kosovo and Albania. Later on, we acquired the biggest flour mill in the region, "M&Silloso", with a production area of 60,000m². The factory boasts a daily production capacity of over 600 tons and a silo storage capacity of over 60,000 tons. What is most important, our production is in accordance with international standards. Devolli also owns an accredited laboratory for grain and flour analysis. "M&Silloso" has a long-term cooperation with over 15,000 farmers. It also makes private-label





Our daily production capacity is 2,000 mattresses, while our foam production capacity is 24 tons per day.

products for well-known companies and exports its products to Europe, USA and Africa.

Only three years later, in 2017, Devolli acquired "Artmotion", a well-known internet provider company, which has also started operation of digital TV. "Artmotion" owns 14 TV channels and the most sophisticated network in this part of Europe, supported by the state-of-the-art technology and well-trained staff and partners.

Apart from that, Devolli owns a logistic company called Devolli Logistic System (DLS) which specializes in providing logistic services and owns a fleet comprising more than 300 vehicles of various carrying capacities, as well as 5,000 POS in wholesale, retail and Horeca sectors. We didn't give up on our production of mattresses. Devolli cooperates with the most prestigious companies in the foam & mattresses industries. Our daily production capac-



ity is 2,000 mattresses, while our foam production capacity is 24 tons per day. With our continuous growth and dedicated and experienced staff, we combine professional human resources with modern technology to create sustainable and competitive products on the global market. Geographic location, our young workforce and a favourable tax environment give us a competitive advantage in offering high-quality products at very competitive prices. Devolli Corporation believes that a successful business cannot be maintained without motivated employees, and that is why our corporation is very committed and close to our staff. Our motivated employees are a source and guaranty of our growth, innovation and continuous success. Our company's "recipe" for success is a good team, great quality, export orientation and cooperation between

countries. Cooperation among many businesses in the region will be necessary to carry this part of Europe into a stable and prosperous future. We have an annual turnover over EUR 120 million and our portfolio of 12 companies makes us one of the biggest privately-owned companies in South-eastern Europe. Our exports account for 25 percent of overall sales.

Our goal within the next 10 years is to be widely present with our products in all EU countries and in SEE countries in particular. Our facilities, capacity and know-how are available for private-label businesses, as well. In our future business, we shall remain true to the principle established by our founder, Ibrahim Devolli. He said: "The most valuable thing in your life is the one gained from your honest work". This principle has worked great for us so far.

With our continuous growth and dedicated and experienced staff, we combine professional human resources with modern technology to create sustainable and competitive products on the global market.

NOW WE NEED MORE TARGETED HELP FOR COMPANIES

GERNOT BLÜMEL, Federal Minister of Finance
of the Republic of Austria



photo credit Jakob Glaser/BKA

We responded swiftly to the new problems with numerous relief and investment measures, which amounted to a 50 billion euro aid package.



Even if the mood in the economy is slowly improving, we have to remain conscious of the fact that the outlook will remain bleak for certain sectors.

The sad but undeniable truth is that globally, the recent months have been dominated by the spread of COVID-19. In what felt like a matter of days, the whole world was swept up by worry and fear of this new, unknown virus and its impact on our lives. All of a sudden, countries all over the globe – Austria included – were struggling to come to terms with this development and governments were hit with a whole new set of challenges. What made this new situation even more difficult was the lack of comparable disasters in recent history which is – in and of itself – a blessing but which also meant that we had no examples to draw from, nowhere to look to for guidance.

In the face of these unprecedented times the Austrian government reacted quickly to protect the health of the people while also strengthening the economy. We responded swiftly to the new problems with numerous relief and investment measures, which amounted to a 50 billion euro aid package. From the start our approach was to protect the health of our citizens and to do everything

in our power to help companies and to secure jobs. With our diverse aid measures, we have been able to address different needs of various industries. What is important now, on the one hand, is to provide even more targeted help where companies have been hit particularly hard by the crisis and, on the other hand, to stimulate the economy. With the Economic Stimulus Act, we will promote investments, strengthen the economic location and create jobs. One of the relief measures we have decided on is the reduction of the base rate of income tax from 25% to 20%. This amounts to a volume of around 1.6 billion euros which will remain in people's pockets. This tax-reduction will be implemented retroactively, from 1 January 2020 onwards.

In addition to this reduction, we want to create investment incentives, so that entrepreneurs have the prospect of lucrative gains. From as early as 1 July 2020, it will be possible to depreciate 30% of the book value of a capital asset per year, which will enable entrepreneurs to structure investments in a tax-optimised way and should also

stimulate investment in general. Austria is currently one of the top 3 countries in terms of economic reconstruction. Of all the countries in the Eurozone we are second when it comes to the amount of money we invest into our economy relative to our GDP. We will continue to do everything we can in order to save companies and secure jobs.

Even if the mood in the economy is slowly improving, we have to remain conscious of the fact that the outlook will remain bleak for certain sectors. My goal is to help these sectors so they can survive the winter. We are therefore constantly expanding and adapting our aid programs and making adjustments where needed. My team and I are in close contact with Austrian companies and we really appreciate their feedback. Also on a European level I value the relationships with fellow member states of the European Union as we share experiences and think of ways to overcome this crisis together. So while we're not over the mountain yet, we are on the right path and it is my hope that we can bring our economy to greener pastures.

ALL OF OUR RESOURCES ARE DEDICATED TO FURTHER GROWTH

INTERVIEW:

IVANA BRATANIC, M.Sc. President of the Management Board of Euroherc Insurance



EUROHERC VERSICHERUNG

Euroherc Insurance is one of the largest insurance companies in the Republic of Croatia as well as the leading company of Agram Group, which is one of the strongest business groups in the region. In this challenging year, Agram Group managed once again to achieve the growth of all the key financial indicators. With this regard we have spoken with the President of the Management Board of Euroherc Insurance, Ivana Bratanic, M.Sc.

What are the strategic guidelines of your business operations?

Let me first introduce Euroherc Insurance to your readers. We are an international business entity which was established almost 30 years ago by Croatian investors. The founders of the Company, however, are still today actively participating in its daily business operations. At the same time, the top management of the company is also participating in ownership structure of the Company, which means that the number of shareholders is growing year after year. We deem this fact to be one of the Company's strengths, ensuring its stability and putting the long-term business goals at the forefront.

We operate in three countries - Croatia, Austria and, as of this year, Italy - through 15 branches. For years, we have been holding the second place in the segment of non-life insurance in the Republic of Croatia with the market share of 17 percent in 2019. As of this year, we ranked second with regard to total insurance market with the market share of 12 percent. In 2019, Euroherc Insurance generated a record total income of EUR 182 million, making a profit of EUR 21.6 million, while premium income amounted to EUR 172 million. Euroherc Insurance has 1,240 employees, of whom almost 200 in the Republic of Austria where the

Company wrote EUR 33.2 million in insurance premium in the last year. We are very pleased with these numbers all the more so as the growth trend continues this year. Given the overall global and local conditions in business environment showing stagnation of the European and world economy, the presence of a global pandemic with regard to COVID-19 and the announcement of a recession, the results we achieved make us even more satisfied and proud of, confirming the effectiveness of our business model. The backbone of our growth is our business organization, as well as our vision and development strategy with clearly defined business goals and dedicated work of all of our employees. Of course, courage and determination are prerequisites for even the most sophisticated business plans and since the very beginnings of our Company, those traits were never missing. The successful entry into the foreign markets of Austria and Italy speaks about this. We are the first Croatian insurance company to start operating in one of the EU countries, which establishes Euroherc Insurance as an innovator and trend leader.

In this year, which is challenging to say the least, we expect to sustain positive trends in all of the business segments. Our continuous priority remains strengthening the competence and satisfaction of our employees,



being essential part of the Company's business success and resulting in even more satisfaction for our policyholders.

Euroherc Insurance is the leading member of a strong business group – the Agram Group.

Yes, Euroherc Insurance is the member of Agram Group which is one of the largest economic entities in the region. The Agram Group is an international group of business entities, also founded by Croatian private capital, which operates in four markets: Croatia, Bosnia and Herzegovina, Austria and Italy. The Group contributes to the development and competitiveness of the Croatian economy in general while at the same time significantly investing in all of its operating markets. Stable growth, business efficiency, high capitalization and innovation are the main attributes of its distinctive business model.

The Group's total revenue in 2019 amounted to EUR 640 million while the value of the total assets is estimated at EUR 2.3 billion. The Group's core business is insurance. Total premium

income last year amounted to EUR 392 million with an annual growth of 12 percent. In addition to insurance, the Group's activity is present in other financial segments, such as banking and leasing. In the corporate segment, the Group is present with healthcare services through AGRAM Special Hospital, as the largest private healthcare system in the region. A few years ago, the Group made a significant breakthrough into tourism. The companies within the Group dealing with technical inspection, sales as well as maintenance of motor vehicles, provide an all-round service. Profitable business operations enable further reinvestment of profit in business projects that bring the new growth. Not being afraid to face everyday business challenges, all of the Group's resources are dedicated to further development. One of the Group's business features is significant investment in its own business infrastructure. Therefore, in all of the major cities in Croatia, Bosnia and Herzegovina, Austria and Italy the Group possesses its own business premises, which contribute to an even more beautiful view of the local urban

The Group's total revenue in 2019 amounted to EUR 640 million while the value of the total assets is estimated at EUR 2.3 billion. The Group's core business is insurance. Total premium income last year amounted to EUR 392 million with an annual growth of 12 percent.



So far, we have invested more than EUR 50 million in our business operations in Austria confirming our long-term business strategy in the Austrian market. Euroherc employs almost 200 employees in the Republic of Austria.

environment and welcome new employees wanting to be part of the Agram Group. The Group employs around 4,500 employees, who are regarded as an important part of the Group's business success. Consequently, one of the highest priorities is education and personal development of employees at all levels, which is an ongoing process and a prerequisite for any future business advancement.

Let's go back a little bit to your business operations in Austria. Three years of doing business in Austria are behind you, can you make a comparison between doing business in Croatia and Austria?

As you mentioned, Euroherc Insurance is present with its business operations in the Republic of Austria for more

than three years. Obviously, it is not easy to enter a large and functional insurance market in the Republic of Austria, compared to much smaller and less developed Croatian insurance market. However, it is important for us that the Austrian insurance market has recognized Euroherc Insurance as a serious insurance company that is able to introduce certain innovations to this market. Euroherc Insurance is doing business throughout the Republic of Austria with branches in impressive business premises located in Vienna, Graz, Salzburg, Klagenfurt and Linz. It is important to say that Euroherc Insurance has so far invested more than EUR 50 million in its business operations in Austria confirming its long-term business strategy in the Austrian market. Furthermore, the Company owns

a wide network of vehicle registration offices throughout Austria, which is also an evidence of the Company's business strategy aimed at providing a high-quality service to its customers while being at their disposal as much as possible. Although digitalization has become a number one priority in the ever-changing business environment, professional but also warm approach remains an irreplaceable way of communication with our customers.

The period of adjustment to new market conditions despite of which the Company still managed to bring out new business ideas has ended. We are looking optimistically into the future, always taking initiative, creating opportunities, motivating each other and looking forward to our business success.

SeeNews

SeeNews, a provider of business intelligence for Southeast Europe, will release in the beginning of November its 13th annual ranking of the biggest companies in the region.

TOP 100 SEE

13th
Annual
Edition

Make sure you get your copy at top100.seenews.com

IT'S TIME FOR THE ADRIA COMPANIES TO START TAKING OVER WESTERN ONES

ZVONIMIR MRSIC, Operating Partner at Spitzberg Partners



Even though there are still not enough predictions about what the second wave of pandemic might be like, and if it will happen at all, the drop of this year's GDP in most countries of Central and South-Eastern Europe will be smaller than what was predicted.

In order to know our goals and choose the best way to achieve them, it is crucial to know where we are at the moment. This is where we face a serious challenge! Are we somewhere between the lockdown and recovery or between the first and the second wave of the pandemic, or between finding a vaccine and the herd immunity or... How long will it take us to have / receive the answer to at least some of these dilemmas?

HELICOPTER MONEY PRESERVED THE ECONOMY

Most countries attempted to mitigate the negative effects of the closing of economy with some form of financial aid to the economy, in order to preserve business activities of companies as well as human resources. This resulted in an increase of the state deficit which has no negative effects at this cost of debt, at least for the time being. Even though there are still not enough predictions about what the second wave of the pandemic might be like, and if it will happen at all, the drop of this year's GDP in most countries of Central and South-Eastern Europe will be smaller than what was predicted at the beginning of the crisis. It is precisely those kinds of reactions or state interference in the market that will result in the reforming of relations between businesses, employers, private capital, and society, that is, the state. This is particularly significant for EU member states in South-Eastern Europe where the role of the state in the economy is already too dominant.

FROM OUTSOURCING TO NEARSHORING

The externally caused crisis had a strong influence on the changes of an entire range of business models. While working from home was merely a possibility only a few months ago, it has become an efficient method of completing many tasks. It is expected that employers will attempt to maintain the continuity of working from home even when the crisis is over. This will have an effect on investments into new business premises, which were very prominent in the Adria region before the crisis. This is an opportunity to move some of the outsourced supporting functions into the region as nearshoring services, which may be provided by companies employing educated people who possess the knowledge of foreign languages.



EU member states are seeking from the European Commission to consider ways of creating safe supply for strategic industries and products, with the obvious goal of reducing the dependence on China.

SHORTENING THE SUPPLY CHAIN IS AN OPPORTUNITY FOR GROWTH AND EXPORT

The greatest disruption occurred in the supply chain. EU member states are seeking from the European Commission to consider ways of creating safe supply for strategic industries and products, with the obvious goal of reducing the dependence on China. Self-sufficiency does not only apply to the EU but to national levels as well. Most markets of South-Eastern European countries are not large enough to achieve a satisfactory level of production profitability, which makes it necessary to increase efficiency in order to make products competitive enough for export to markets of older EU member states. Adria region companies may use expatriates who live in the DACH region, for example, as their advocates and the ways of increasing export. It can be expected that the import from faraway production locations will be substituted, which will create a need, but also an opportunity for increasing current capacities or make new ones to meet demands.

TIME FOR TAKEOVERS AND MERGERS

For more than 30 years, investment capital flows have gone from west to east, in both greenfield investments and takeovers, but there have been no ambitions to invest or take over companies in Western Europe. The size and capabilities of some of the regional players today is such that they could turn the takeover flow around. This might be a turning point for the economy of the entire region. Raising awareness and encouragement of businesspeople to step out of the region would not only cause the necessary growth, but also influence the increase of efficiency because takeovers imply acquiring new knowledge, human resources and faster development.

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We should not allow the present crisis and impatience for a speedy recovery to jeopardize the transition towards clean energy.

RECOVERY AND INCREASE OF RESILIENCE IS AN OPPORTUNITY FOR CREATING SUSTAINABLE ECONOMIC GROWTH

The pandemic collided with efforts to reduce climate change. Solutions for both crises must be integrated into a coherent response. After immediate measures of health protection, safety and social security, inclusive recovery programs must encourage economy towards sustainable growth and increased resilience.

We should not allow the present crisis and impatience for a speedy recovery to jeopardize the transition towards clean energy. Those are not opposite goals as they may create many jobs, encourage investments, support economic diversification, and reduce pollution, thus increasing public health.

USING EU FUNDS TO ENCOURAGE THE DEVELOPMENT OF NEIGHBORING COUNTRIES

The pandemic has caused the bonding of people, families, local communities... Mutual familiarity is a good direction for encouraging open partnerships between countries of Central and South-Eastern Europe. In the new reality, fundamental EU value: freedom of movement of persons, goods and capital should become a two-way street.

EU funds represent an opportunity for both member states and candidate states for a speedy recovery. It is to be expected that we have learned something in the last three decades and over the last few months.



FROM LEFT TO RIGHT: Clemens Hammerl, Ibrahim Imam, Domagoj Dolinsek, Sander van de Rijdt, Constantin Köck

DOMAGOJ DOLINSEK,
Founder of PlanRadar

FROM STARTUP TO SCALE-UP

I founded PlanRadar out of my own need, because I saw a lot of untapped potential for increasing efficiency, especially in documentation and communication during construction projects.

Since 2013, the Austrian scale-up PlanRadar supports companies from the construction and real estate industry around the world with the digitisation of processes. The market in Southeast Europe forms a cornerstone for the ongoing expansion. PlanRadar is a software for documentation and communication in construction and real estate projects that is used worldwide for construction management. Around 25,000 projects in 45 countries are carried out with PlanRadar every week and these numbers are increasing every month.

DIGITISING THE CONSTRUCTION AND REAL ESTATE INDUSTRY

PlanRadar was founded in Vienna in 2013. The idea for this came from my personal, many years of experience on large construction sites in Southeast Europe. At that time, I accompanied projects in the planning and construction management on site at shopping centres, logistics centres, but also hotel complexes in Croatia and Hungary. I founded PlanRadar out of my own need, because I saw a lot of untapped poten-

tial for increasing efficiency, especially in documentation and communication during construction projects.

The advantage of the software: It enables simple data acquisition and smooth exchange of information between those involved in the project on all devices and platforms (Android, iOS, Windows). Users locate texts, images, documents and more on digital building plans. As a result, facts are presented in a transparent and comprehensible manner and confusing paperwork is a thing of the past. Over the years we have added new functions to the product. Since this September, thanks to the new BIM functionality, users can also store data on services, defects, etc. in multidimensional building models.

We are so successful with our software that we were able to quickly establish ourselves in the DACH region. Because of my intimate knowledge of the SEE region, it became one of our first targets for an expansion.

THE MARKET IN SOUTHEAST EUROPE FORMS IDEAL CONDITIONS

PlanRadar has opened its location in Zagreb in 2019. From the Croatian capital we are successfully tackling the expansion in Southeast Europe. The market in SEE is very exciting for us, as the digitisation of processes is often not as advanced as in some Central and Western European countries. At the same time, however, we are seeing a great need for efficiency-increasing solutions among the companies and institutions located there. This is also favoured by the fact that in markets such as Serbia and Croatia a lot is currently being invested in infrastructure or in the tourism sector, including hotels and apartments.

In addition, the construction and real estate industry from German-speaking countries enjoys a high reputation in

Since this September, thanks to the new BIM functionality, users can also store data on services, defects, etc. in multidimensional building models.



Park Resort Porec

SEE. We notice this when we come into contact with customers on site, including companies such as Kamgrad, ATP Architekten, and STRABAG.

WHEN UPSCALING, RELY ON THE RIGHT BASICS AND LEARN FROM EXPERIENCE

Thanks to cooperation with international investors and a continuously improved product, we were able to establish ourselves very quickly on the Southeast European market. Our “upscaling” strategy is to have a local presence in all of our core markets. In this way we can gather important operational knowledge in Croatia, Serbia and Slovenia and optimally adapt to the needs of our customers. An example: We published a feature in mid-2020 that allows users to digitally create various reports such as construction

We published a feature in mid-2020 that allows users to digitally create various reports such as construction site diaries in PlanRadar.

site diaries in PlanRadar. Feedback from our customers in Southeast Europe has helped us a lot in developing this new functionality.

The knowledge gathered in SEE has also helped us a lot with further internationalisation this year.

OPENING UP NEW MARKETS

In 2020 we opened further locations in Stockholm, Warsaw, Paris, and Moscow. We are also planning to expand into Italy, Spain, the Netherlands, and Romania. The United Arab Emirates and Australia are the first possible overseas locations, but that will depend on the overall economic situation and the further development of the COVID-19 crisis.

WE SUPPORT COVID-19 MEASURES, BUT WE ALSO NEED REFORMS

DAMIR ZORIC, Director General of the Croatian Employers' Association (HUP)



A record drop in Croatia's GDP has demonstrated that the economy will not be able to endure another lockdown and, to our great satisfaction, the Croatian Government has shown understanding and ruled out such a possibility, as long as all protective epidemiological measures are observed.

This year had started with a solid GDP growth, which lasted until late March when the Republic of Croatia was simultaneously struck by two major hardships that nobody could predict: the COVID-19 pandemic and a devastating earthquake in the capital city of Zagreb. The Croatian economy was additionally affected by the lockdown, which later turned out to be a bad choice because, even though it may have been helpful in halting a major increase in the number of COVID-19 infections, it brought the economy on its knees and caused the country's GDP to plummet to its all time low since 1995. Hence, the Croatian Employers' Association (HUP) has insisted that epidemiological measures be timely declared in order to ensure responsible protection from the effects of the coronavirus infection, but that such measures should not include another lockdown that would spill over the entire economy.

A record drop in Croatia's GDP has demonstrated that the economy will not be able to endure another lockdown and, to our great satisfaction, the Croatian government has shown understanding and ruled out such a possibility, as long as all protective epidemiological measures are observed. What we also find satisfactory is the fact that Croatia, being a tourist country, has lost less revenues from tourism this year than it was originally anticipated and



that the lifting of the lockdown and mitigation of epidemiological measures has helped us save at least some of the tourist season.

In parallel with the lockdown, the Croatian government started implementing measures to salvage the economy and maintain employment, which was supported by the HUP, with a view to curbing the impact of the pandemic on the economy. We have repeatedly welcomed the launching of all those new measures aimed at assisting the sectors of the economy that are particularly affected by the crisis and we expect their implementation to continue until the end of the year, and the HUP will be particularly active in that regard. However, we must note that emergency measures are one thing, while reforms are a different matter. Croatia

is in great need of structural, in-depth reforms and what this crisis has clearly demonstrated is how badly they are needed. Even without the outbreak of COVID-19, some sectors had been staggering due to their failure to timely adjust to trends, at least in comparable European countries. First and foremost, Croatia needs to reform its health care sector that is generating uncontrollable debts and that is still lacking sufficient synergy between the public and private sectors to contribute to a better quality, accessibility and cost-effectiveness of the system.

Apart from the continuation of the coronavirus crisis, what this autumn has brought about is a renewed need to discuss amendments to two pieces of legislation that are of major importance for the Croatian economy - the

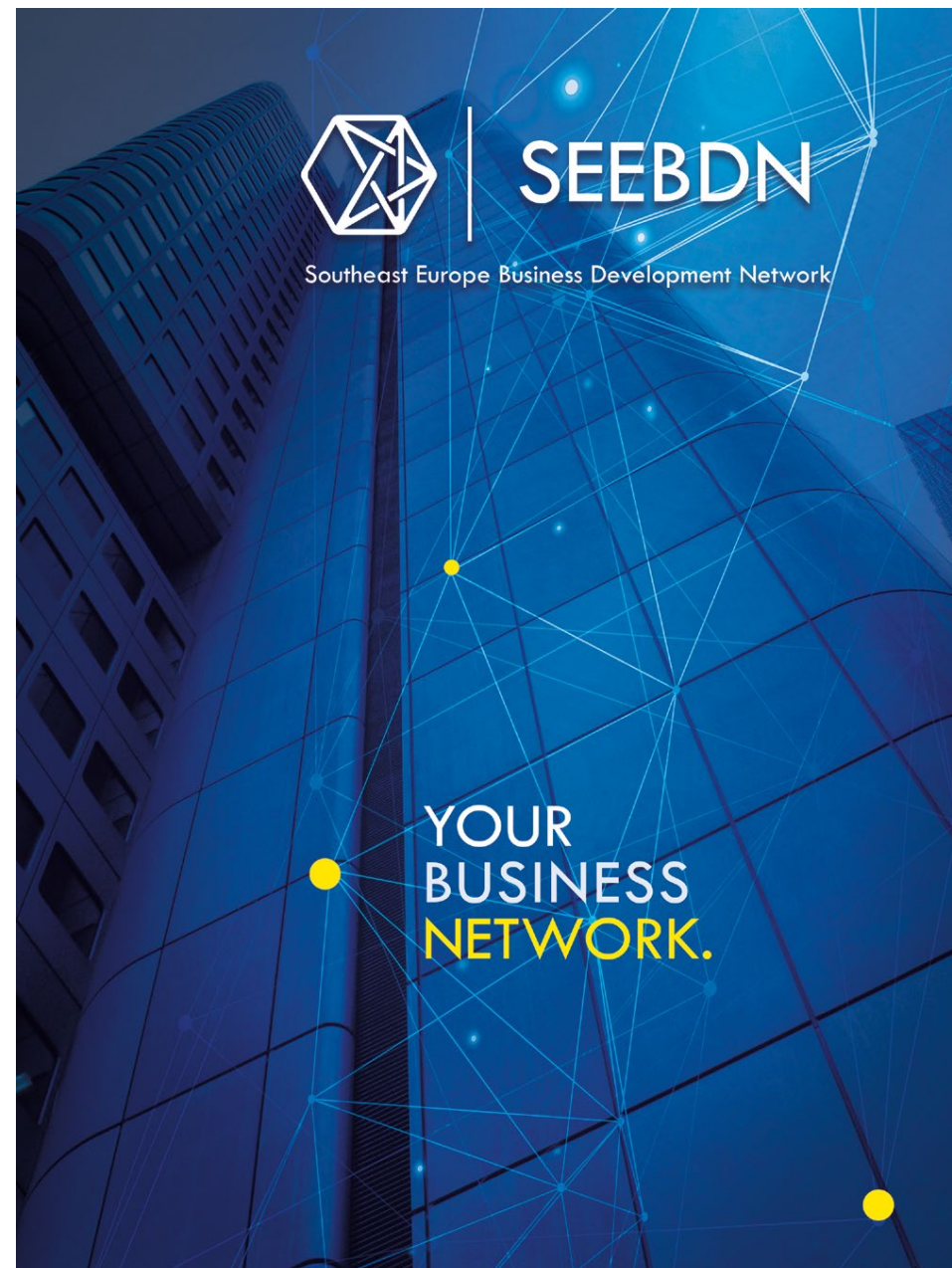
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Apart from the continuation of the coronavirus crisis, what this autumn has brought about is a renewed need to discuss amendments to two pieces of legislation that are of major importance for the Croatian economy - the Labour Code and the Aliens Act.

Labour Code and the Aliens Act. The HUP has long since been advocating amendments to the labour legislation and we have clearly articulated our views in that domain. The current Labour Code is maladjusted to the requirements of modern age and thus needs to be made more flexible. Some of our key requests include reducing fixed-term employment contracts and regulating the issue of remote work. Croatia is one of the leaders in terms of the number of fixed-term contracts, which bring some uncertainty as they cause inequality between employees with fixed-term contracts and those with permanent contracts. Consequently, fixed-term employees are unable to make plans for their lives and their future (lacking creditworthiness, etc.); they are often less paid and seldom offered permanent positions within the company they work for. One precondition for reducing the number of fixed-term contracts is certainly flexibilisation of permanent employment contracts, which are currently far too strict and rigid, thus hindering employment of fresh and good quality labour. We need more balance in this segment and, to that effect, we can use as a model best practice examples from countries like Austria, Czech Republic or Slovak Republic, all of which have much better regulated labour legislation than Croatia.

The Aliens Act is an important piece of legislation to all Croatian employers who are plagued with shortages of labour. However, when amending this law, its simplified implementation should be kept in mind. Positive changes, such as a quota-free employment system, should not be compromised with a creation of a more complicated and more rigid model than the previous one, which would hinder employers from hiring new staff. During consultations on the new Aliens Act, the HUP will keep stressing the importance of matching labour market needs with the education system. Every year we have less and less highly qualified people, which is made manifest by the fact that every summer 13,000 enrolment quotas at Croatian higher education institutions remain vacant. Therefore, employers call for major simplification of issuance of student visas, residence permits and subsequent retention of graduated students through a more favourable system of granting permanent or long-term residence permits. This autumn the HUP signed a statement of cooperation between the Croatian Employers' Association and the German Association of Small and Medium-sized Entrepreneurs. We hope that business arrangements such as this one will also enhance cooperation with Austria and other Southeast European countries and strengthen cross-border business cooperation as a whole.



LOVCEN BANKA^{AD}

A BANK WITH A HUMAN TOUCH

ALEKSANDRA POPOVIC, Founder, ex-CEO and Chairperson of the Board of Directors

From the first international technical assistance with the Frankfurt School, many activities were conducted in cooperation with our shareholder, the DEG.

Lovcen Bank was formed by three generations of Montenegrin businessmen and academics, together with the German Investment and Development Fund - DEG, one of the largest financial and development institutions in Europe, for the benefit of Montenegro, its citizens and businesses. The Bank's transformation from MFI Kontakt AD to Lovcen Bank AD was a pioneer project on the financial market in Montenegro and Lovcen Bank is the second banking project in Montenegro supported by same partners – German DEG and the local group of investors.

The idea for the Bank's transformation was initiated by a group of business people and bankers, myself as the key person at that time – founder, main shareholder, member of the Board and CEO. In that period, I was amongst others responsible for establishing successful management and development of the largest Montenegrin commercial bank - CKB. Cooperation between German DEG and myself, as a representative of local investors, has lasted for more than 2 decades which resulted

in the development of two banks in MNE – CKB and Lovcen Bank.

The strategy of transformation from MFI to bank was well communicated to the Central Bank of Montenegro and all regulatory requirements were successfully met. In May 2014, banking license was granted.

Thanks to the strong vision and initiative of key founders - Montenegrin bankers, businessmen and university professors, as well as their joint profound expertise in banking, with ongoing motivation to support the Montenegrin economy through further strengthening of micro and small entrepreneurs as motors of future economic development, and also rendering services to bigger companies and their projects and focus on citizens and their needs, in cooperation with DEG as key international shareholder, creditor and TA provider - Lovcen Bank started its operations at the end of August 2014. From the first international technical assistance of Frankfurt School, many activities were conducted in cooperation with our shareholder

DEG - Corporate Needs Assessment, HR tools and organizational structure together with Inspiring Development Team, Environmental and social risks together with a reputable consulting team from the UK, participation in EaSi program with European Commission – LB's first financial rating (that was re-confirmed in June 2020), etc.

Today, Lovcen Bank stands out from the rest for offering individual solutions for the specific needs of its clients, local expertise, quick decision making and encouragement of an internal culture of excellence. In the period ahead, we will align our operations with new regulations, harmonized with EU standards.

Due to the new reality, the COVID-19 pandemic, economic activities in our country and worldwide have decreased since March 2020, but we at the Bank eagerly await the new economic momentum that will be gained and we prepare ourselves to respond to the new lifestyle and business of our clients. Following the needs of clients, our team is getting bigger and developing new skills. Lovcen Bank's team is its strongest resource.

The team is 57% women.

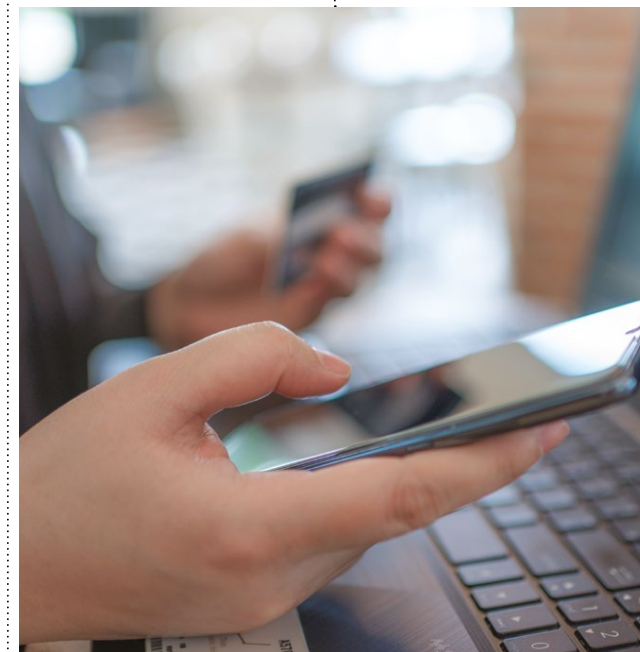
Strategically and cautiously, we are building the infrastructure that will be the foundation of the Bank's new development in the near future. Although the speed is one of the key factors in development, the essence is to communicate benefits to customers through the clear and transparent vision of the Bank. Our team put a part of their soul into this vision and we, at Lovcen Bank, already live in such future.



FOLLOWING THE NEEDS OF OUR CUSTOMERS, OUR TEAM IS GETTING BIGGER AND DEVELOPING NEW SKILLS.

LOVCEN BANK'S TEAM IS ITS STRONGEST RESOURCE.

WOMEN ACCOUNT FOR 57% OF OUR TEAM.



PARKING MANAGEMENT IS A KEY SUCCESS FACTOR

JOHANN BREITENEDER, CEO, Best in Parking & Real Estate AG



BIP's activities cover the Austrian, Italian, Swiss and Slovak markets, but special efforts are invested in the Slovenian and Croatian markets.

Best in Parking & Real Estate AG, a family-owned Austrian-based developer and operator of real estate projects, and parking facilities in particular, is focusing on the SEE markets. With more than 40 years of experience we cover the entire value creation of the DBFOM model (Design - Build - Finance - Operate - Maintain) both in the off-street and on-street-parking business.

BIP's activities cover also other real estate segments like residential, office, hotel and retail developments and can therefore also successfully implement demanding combined projects right from the start.

Geographically, BIP's activities cover the Austrian, Italian, Swiss and Slovak markets, but special efforts are invested in the Slovenian and Croatian markets, with presence in Maribor, Zagreb, Rijeka, Sibenik, Split and Dubrovnik.

Positive experiences in the acquisition, development and operation of new projects in these markets and a generally interesting environment for investments supported the decision not only to intensify new developments in the existing markets with the recent acquisition of the first "on-street operation" in Croatia, but also to participate in the tender for all parking garages in the city center of Novi Sad, the second largest

city in Serbia. Clear and transparent conditions and a strong and qualified support, also for foreign investors, by the city administration of Novi Sad made it possible to submit an offer for all four multi-storey garages and – after a detailed evaluation procedure by the City of Novi Sad – to win the tender.

Parking management is a key success factor for all "points of interest", regardless if it is solutions with barrier operated parking garages, the so-called "off-street parking", or the parking of vehicles on public streets, the "on-street" parking. A well-organized management of stationary traffic with a clearly visible number of available parking spaces is important to guarantee visitors an optimal level of service.

The supply of a sufficient number of parking spaces is an important support for the commercial, in particular the retail and office, sector, because cities are facing an increasing competition, especially through shopping centers in the outskirts or - even more relevant since the "Covid-19 lockdown" - through online commerce, so the most convenient and stress-free reachability and subsequent shopping experience must be guaranteed.

General traffic restrictions in the central city areas is an outdated approach, modern concepts for reaching the



The reduction of traffic looking for a parking lot and creation of available space in urban areas to enable alternative uses such as guest gardens, green areas and urban furniture are important trends.



destination support a parallel traffic management, i.e. an equal treatment of motorized individual traffic, as well as public traffic or bicycle lanes and pedestrian areas. The reduction of traffic looking for a parking lot and creation of available space in urban areas to enable alternative uses such as guest gardens, green areas and urban furniture are important trends. This has a direct and positive effect on the quality of life and especially climate conditions in urban agglomeration areas.

The urbanization trend is still in force and public space has to be used in the best possible way, both in inner-city areas, but also in residential or office

districts as well as near shopping centers, event areas (such as trade fairs or concerts) or public transport stations, so the supply of organized parking space is crucial.

Trends in parking industry are e-charging stations, energy saving through LED technology and digitization through license plate recognition and the introduction of mobile applications for operation and payment. Besides following and optimizing these trends in daily operation we are focusing on the development of new projects in the real estate and parking management sector, in particular in the SEE markets.

WOMEN'S EXCELLENCE CIRCLE - VIENNA



Women in business are the future

In Vienna on September 29th South East Europe Business Development Network (SEEEDN) held a new Business Circle dedicated to successful women in business. The goal was to gather high-ranking women from business and politics from Austria and SEE countries so they could share their experiences and discuss topics, such as the future of leadership in business and politics. This event was held in the TPA business offices, with respecting all epidemiological precautions, of course. The event consisted of two interesting discussions. First one was titled "Future of leadership: Founders and managers insights", which was moderated by Marijana Krkic, journalist from Serbia. Second one was titled "International leadership and responsibility", which was moderated by Nevena Krasteva, editor-in-chief of Seenews.

Very important is that this event was supported by Ms. Karoline Edtstadler, Minister for the EU and Constitution at the Federal Chancellery of Austria, who was a keynote speaker. This was her message, and the message of all our women participants.



KEY NOTE

Karoline Edtstadler

Minister for the EU and Constitution at the Federal Chancellery of Austria

"I had a prepared speech, but when I talk about these topics, I don't need one. I speak from the heart! Those topics are the Western Balkans and women leaders".

Edtstadler has said that the Western Balkan is a priority for this Government, and closer cooperation with this region has good perspective. Austria is one of the biggest investors in those countries.

When it comes to women, she said that they had proven to be good leaders, but that this issue about women in leading positions was very important. She also told an interesting thing regarding women ministers who become mothers. Elisabeth Köstinger, Minister for Agriculture, Regions and Tourism, became a mother, and then, everyone was wondering how come – a minister and a mother; is that possible? And Köstinger is just fine, doing both jobs great – as a mother and as a professional. That is an inspiration for all women, it shows that women can do it all, Edtstadler said.



ABOUT WOMEN IN BUSINESS

Martha Schultz

Managing Director | Schultz Group
Vice President | Austrian Federal Economic Chamber (WKÖ)
Chairwoman | Women in Business Austria
Chairwoman | Eurochambres Women Network

"In Austria more than 45% of companies were founded by women and every third company was managed by a woman in 2019. Women are an essential part and a driving force of the economy and we cannot afford to leave this huge economic potential on the side. Therefore, it is necessary to support and to strengthen women entrepreneurs by providing not just expert advice but also by exchanging experiences and know-how to identify possible options, to open up new opportunities far beyond its borders. We also have to give support in breaking down social and economic barriers, increase the importance of women entrepreneurs in public and make women entrepreneurs' voices heard, from the local to the European level - because the future is female. Nevertheless, women still remain underrepresented in leadership positions. To strengthen women it is necessary to provide not just expert advice but to exchange experiences and know-how to identify possible options and to open up new opportunities."



Jelena Galic

President of the Executive Board, AIK Bank Serbia
President of the Supervisory Board, Gorenjska Bank Slovenia

“When we talk about the participation of women in economic and social life in our country, it can be said that the participation of women in management positions is on the rise. In the financial sector, in the state administration and public administration, in education, there is a growing trend that shows the increasing participation of women who are employed, but also those who are in management positions. As far as entrepreneurship is concerned, there is also a noticeable upward trend of small enterprises that have been started, i.e. whose founders and directors are women. In this area, research shows that the main obstacles are limited access to finance for start-up companies, as well as a lack of know-how, primarily in management skills and financial knowledge.

In this regard, initiatives and support programs for start-ups created by the state, then education programs to start their own business, organized by professional associations and supported by international institutions and development programs, as well as continuous promotion of ‘women's entrepreneurship’ and more active work engagement of women can certainly continue to increase inclusion of women.”



Aleksandra Popovic

Founder, ex-CEO and Chairperson of the Board of Directors

“The world needs more women at all levels of decision-making, including the highest one. Women are brave and show more empathy in managing crisis, as well as courage in decision-making. Brave women break stereotypes and they are examples to be followed by other women and men. If I were in a position to decide, I would amend the Constitution to make sure that women occupy certain positions - in areas of security, defence, etc. due to their maternal instinct, their strong thinking capacity and their natural ability to reconsider every important decision before they start any war. We, women, are ready to sacrifice in order to protect our own country, company or family. It is simply in our beings. In macho countries, women are true heroes.” She has said that in Montenegro, patriarchy is traditionally expressed, and that must change. She always had successful women in her family – her mother used to run the bank, now she does it, while the future belongs to her daughter who is a banker, too.



WOMEN'S POINT OF VIEW IN BUSINESS



Ivana Bratanic

CEO Euroherc Insurance

“The backbone of our growth is our business organization, vision and development strategy with clearly defined business goals as well as dedicated work of all of our employees. Of course, courage and determination are prerequisites for even the most sophisticated business plans and since the very beginnings of our Company, those traits were never missing. Our successful entry into the foreign markets of Austria and Italy speaks about this. We are the first Croatian insurance company to start operating in one of the EU countries, which establishes Euroherc Insurance as an innovator and trend leader.

In this year which is, to say the least, challenging, we expect to sustain positive trends in all of the business segments. Our continuous priority remains strengthening the competence and satisfaction of our employees, being essential part of the Company's business success and resulting in even more satisfaction for our policyholders.”



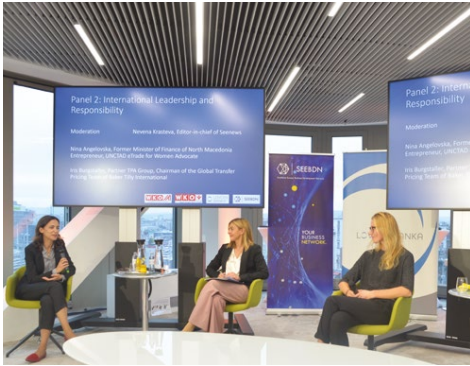
Christine Antlanger-Winter

CEO Google Austria

“This “new normal” (due to the coronavirus) has already brought about a technological change towards more digital, cultural shift towards digital innovation that needs to occur within every organization or company. Why? People need to embrace these new technologies that are often easily accessible over digital - whether a video conferencing solution, collaboration platform, internal process automation or customer engagement. We all need (but especially a company like us / Google) to help businesses digitize and help authorities take advantage of new technologies. Cloud technologies and web solutions are key to drive impactful and result-oriented digital transformation of organizations. By focusing on the opportunities of digital transformation, this will advance us as a society, not looking back how things were done before; this future orientation will build resilience and make businesses in Europe stronger than ever before.”



WOMEN DEAL WITH CRISIS



Iris Burgstaller

Partner at TPA Group
Chairman of the Global Transfer Pricing Team of
Baker Tilly International

“The topmost priority for me is to frame the stakes of the crisis, for ourselves but also for our employees and colleagues. For me this is extremely important in order to get comfortable with the uncertainties and address fears we all face – people want the truth, want the facts, but we also need to inspire credible hope. It is like building up a balance sheet: on the liabilities side you need to assess all the challenges, difficulties and ambiguity and acknowledge these, on the assets side you need to stress all the resources you have to tackle these challenges, the knowledge, the processes and systems in place and of course also the commitment and resilience of your partners and employees.

What is the most important lesson that this crisis has taught us? Resilience is like a muscle – it grows the higher the obstacles. We all build resilience. I genuinely believe that the crisis will ultimately make us stronger and serve as a catalyst for more creativity and experiments in a lot of industries.”



Nina Angelovska

Entrepreneur, former Minister of Finance of the
Republic North Macedonia

“Leadership itself is very complex and in crisis the complexity increases significantly. Some of the key traits I think are very important for leadership in crisis are: speed over precision, bold adaptation to each situation, taking ownership and transparent and regular communication.

Our top priority was to deal with the crisis the best way we could, to make smart and fast decisions. Each crisis represents a threat and an opportunity. COVID is a threat to our health, our well-being, to our economies. But at the same time, it brings an opportunity. I think there will be no other opportunity like this one for speeding up digitalization, e-commerce, technologies, and digital skills of our nations. We have an opportunity to make this world smarter, better and more inclusive post-Covid.”



NEW INVESTMENT OPPORTUNITIES AFTER COVID-19



ANDREJ BOŽIĆ
Director, BB Investicije

I believe that now the situation has changed and that the SEE is becoming much more interesting for FDI.

Our planet is sending us a very strong message that we have to seriously start working on sustainability.

The Covid-19 pandemic was not a full surprise, there were warnings saying it might come, but, nevertheless, it was a shock in more ways than one. I studied economics, I could never imagine that there was a possibility of locking down the whole planet within a matter of weeks, to have private business being subsidized by the state to this level, to increase the public debts because of that, and still have to grow indexes on the leading stock exchanges...

The world has changed. What will be the consequences of that? We should learn some lessons in order to be able to develop future resistance to similar events, which will undoubtedly come. First, our planet is sending us a very strong message that we have to seriously start working on sustainability. Is it really necessary to have, for example, cherries from Chile during the winter, is it right to transport goods from distant corners of the world which we could actually get from somewhere nearby because of a few cents lower price, produced by cheap labor to either low environmental and social standards or none at all? Do we have to buy all the things we do not really need, and throw them away after a while...?



We transferred whole industries outside Europe or at least production of materials and components, so in the situation we faced during the pandemic, the uncertainty of regular and timely supply was very high, production and well-being of the population was endangered, a lot of strategic materials were coming from overseas, so the supply chains were broken.

It was noticeable that in the emergency all the countries were taking care of their needs first, so solidarity was not a priority or practice. Therefore, in this kind of situation local suppliers are vital.

Additionally, we are witnessing the end of the multilateral world which was built after World War II and the borders in the future will probably be less and less free for goods and capital exchange.

In response to the EU's announcement of strong support to the 'Green Deal',

reindustrialization of the EU, transferring strategic industries back to the EU or protecting them, big companies are talking about shortening the supply chains and bringing them back to the EU or to the region.

After a boom of foreign direct investments some years ago, Southeast Europe, with the exception of Slovenia and Croatia due to their membership of the EU, was facing a slowdown of FDI, partly because of political instability, corruption, bureaucracy or losing the cost advantage to some parts of the world, mainly to Asia. I believe that now the situation has changed and that the SEE is becoming much more interesting for FDI.

Generally we have EU member states or pro-EU governments in the region, strongly supporting the FDI. Political stability has increased, and the post-Covid effects of looking for supply nearby, could be quite helpful.

There will be increased activities in the SEE concerning investments from EU partners.

For this process I see that a contribution of an association like SEEBDN could be very important, given its knowledge of the region and the mentality of potential investors.



The EU also needs to do it in order to block or slow down other global players that are being very active in trying to take over the major influence in the countries that are still not EU members.

It is worth mentioning that not only in the EU member states, like Slovenia and Croatia, but also in other countries, legislation is changing and becoming increasingly aligned to the EU standards. All of those countries boast industrial tradition, culturally they are part of Europe, it is easier to manage and control the investments because of that, there are still advantages of labor costs, education is generally high, there are good universities for the digital profiles that are so important for the future, infrastructure for system integrators for the investments is available, healthy banking systems, experienced legal and tax counselors are also available and after all it is a market of 20 million people, with free trade agreements with some countries like Russia, etc.

Logistically, a fairly good transport infrastructure is available (highways, railways and ports). From locations in the SEE one can access more easily markets in the vicinity, like Romania, Bulgaria, Greece or even Turkey. And all the countries which are not

EU member states have strategic goals to join the EU. FDI could boost this process and also help the EU to better fight global risks.

So, I could imagine that in the future there could be some financial support from the EU for transferring production from overseas because of the Covid-19, but also as a pre-accession plan for the countries in the region. The EU also needs to do it in order to block or slow down other global players that are being very active in trying to take over the major influence in the countries that are still not EU members.

So, to conclude, I strongly believe there will be increased activities in the SEE concerning investments from EU partners. There are several facts in favor of that, and I could only partly illustrate them.

But the speed is essential, as it is the building of trust between investors and targets. For this process I see that a contribution of an association like SEEBDN could be very important, given its knowledge of the region and the mentality of potential investors.

WE AIM TO BECOME A LEADING PROVIDER OF GROWTH CAPITAL TO SMES IN SEE

NIKLAS PICHLER, Managing Partner at BlackPeak Capital



SEE has a strong backbone of SME companies representing more than 99% of all firms and provide more than 70% of the employment in the region.

When talking about private equity, Southeast Europe ("SEE") is certainly an overlooked but promising market. Private equity ("PE") investments in countries such as Bulgaria and Serbia have attracted capital investments amounting to less than 0.02% of their respective GDPs, whereas the percentage is rather in the range of 0.3% to 0.8% in most countries in Western Europe.

However, SEE has a strong backbone of SME companies representing more than 99% of all firms and provide more than 70% of the employment in the region. Entrepreneurs and CFOs have become much more sophisticated over the past decade when it comes to expanding their businesses and raising financing. We see a sizable funding gap in the EUR 4 - 10 million investment ticket space hence our focus is on this segment. Most other PE funds in the region focus on buy-outs – they invest capital to buy a controlling stake from existing shareholders.

Approach of our PE, BlackPeak Capital - a Bulgarian headquartered PE fund which was founded in 2014, is quite different. We pro-actively identify fast growing market leaders operating in interesting sectors or market niches. We seek to team up with management but keep them in the so-called "driving seat" to grow the business. We instead take minority positions as shareholder.

Besides injecting the required expansion capital into the business, BlackPeak Capital adds value by giving management guidance on all strategic and important operational matters. Several of our portfolio companies grew substantially in size through acquisitions. Through the investment team's M&A background, we lead all such inorganic growth activities. We are furthermore instrumental in implementing "best practises" in terms of corporate governance and reporting, which is a pre-requisite for SMEs in SEE to attract the interest of strategic buyers.

Having fully invested its first fund, BlackPeak Capital is now raising its successor fund, BlackPeak Capital II ("BPC II"), with a targeted fund size of EUR 100m. Niklas is excited about the investment prospects of BPC II, despite Covid-19 and the challenges coming along with it. Our investment strategy to support fast-growing SMEs which plan to take advantage of market opportunities is even more relevant in the post-crisis environment. The timing for investing BPC II is right. Capital provided by Fund I helped to create over 2,000 jobs in our 12 portfolio companies. We are confident to make an even bigger contribution with BPC II and become the provider of choice for growth capital to SMEs in Southeast Europe.

SEEBDN SURVEY

THE COVID-19 IMPACT ON BUSINESS AND RECOVERY PLANS



NEW TAX MEASURES, DIGITALIZATION AND TARGETED SUPPORT ARE NEEDED NOW

New tax measures, digitalization and targeted financial support for the most affected sectors - such as tourism, agriculture and transport - those are the next, most needed measures for a successful fight against the Covid-19 impact on the economy. That was shown by a survey that the South East Europe Business Development Network (SEEBDN) has conducted among its member companies.

In this survey, SEEBDN asked its members whether the coronavirus had affected their business and how. More than a half of our respondents, i.e. 55.4 of them, replied that they felt the consequences of the coronavirus, hence they had adapted to working from home. More than 44 percent of the respondents said that they felt the crisis because their turnover had dropped. All companies replied that they had

used the state support measures aimed at recovery.

All the companies participating in this survey, which was conducted in September this year, said they had already used the state measures. Every fifth company said they had used deferral of tax liabilities (22.2%), 44.4% of them said they had needed the most direct financial support per employee, while 33.3% of them said they had used different measures.

Small percentage of companies that participated in the survey used credit loans based on a guarantee scheme provided by the State.

Asked about a possibility of getting another state support package, more than a half of the respondents, i.e. 55.6% of them, said they believed one more set of measures was needed.

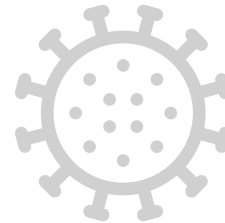
To the question of which measure in

particular was needed the most, they provided different answers. Some of them said it would be good to have tax reduction and/or tax deferral, tax adjustment for businesses that were most affected by the pandemic situation, re-orientation towards a more digital society, investment bonus from the government to keep companies transforming into a greener and more digitalized future. The respondents also said it would be good to have targeted measures to protect tourism, agriculture and transport, etc.

Companies that participated in this survey are all successful ones, and they all think about investing. Only 44.4% of them think about investing now, while 55.6% of them will invest, but not now.

SEEBDN SURVEY

When asked if they would accept a joint venture model in one of more developed countries, as a model of future development, most respondents replied affirmatively. Almost 80% of companies said that was a great model, while 22.2% of them said that they did not support that model of business.



About the post-Covid business development model

Interesting replies were provided in terms of the respondents' views of the post-Covid period. Asked about the best business development model after the coronavirus was gone, some said that it depended on how the situation would evolve. "Maybe this is already a post-Covid period and we must evolve our thinking to accept it", one of the companies said. One company had "networking" in mind, while another was in favour of "automated funneling of prospective clients". Some respondents thought that the solution was in "investing in digital solutions and new business models", or "a joint venture model", while others said that the best model was "continuing business in a new reality".

HAS THE CORONA VIRUS AFFECTED YOUR BUSINESS AND HOW?

Yes, out trade turnover has fallen	44.4%
Yes, we adapted to work from home	55.6%
No, we did business as usual	0%

HAVE YOU USED STATE RECOVERY MEASURES?

Yes	100%
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WHICH MEASURE DID YOU NEED THE MOST?

Postponement of tax liabilities	22.2%
Direct financial support per employee	44.4%
Guarantee for new loans	0.1%
Other	33.3%

DO YOU THINK THAT COMPANIES IN YOUR COUNTRY NEED ANOTHER STATE SUPPORT PACKAGE?

Yes	55.6%
No	44.4%

SEEBDN SURVEY



WHICH MEASURE IS NOW MOST NEEDED AND WHY?

Tax reduction and/or postponement

Re-orientation to a more digital society

Investment bonus from the government to keep companies transforming into a greener and more digitalized future

Tax adaptation for businesses that have been most affected by the pandemic situation

To protect tourism, agriculture and transport

Financial support to tourism, postponement of tax liabilities for companies, etc

DO YOU THINK ABOUT POSSIBILITY TO INVEST IN ANOTHER COUNTRY?

Yes	44.4%
Yes, but not now	55.6%
No	0%



SEEBDN SURVEY



WHAT IS THE BEST MODEL FOR BUSINESS DEVELOPMENT IN THE POST COVID PERIOD?

It depends on how the situation will evolve. Maybe this is already a post-COVID period and we must evolve our thinking to accept it

Networking

Automated funneling of prospective clients

Invest in digital solutions and new business models

To continue business in new reality

A joint venture model

WOULD YOU ACCEPT A JOINT VENTURE MODEL IN ONE OF THE MORE DEVELOPED COUNTRIES, AS A MODEL OF DEVELOPMENT IN THE FUTURE?

Yes, it's a great model	77.8%
Yes, but I don't understand the way this model works	0%
I didn't think about that	0%
No, I don't support that model	22.2%



SEEBDN

WHO WE ARE AND WHAT WE DO?

The Southeast European Business Development Network (SEEBDN) is an independent business association of prominent managers, entrepreneurs and diplomats from the countries of Southeast Europe, Germany and Austria. We are a not-for-profit association (eingetragener Verein) based in Vienna.

The SEEBDN aims to enhance international business operations of SEE economies, particularly with the EU market, focusing particularly on developing new business networks and stimulating business operations of small and medium-sized enterprises (SMEs) on external markets, but we are not neglecting large companies either.

In this process, the SEEBDN will seek to support inclusion of SEE economies in European Commission's development projects, as well as in national projects of EU member states, aimed at boosting foreign economic ties.

For the benefit of its members, the SEEBDN will use different resources. The SEEBDN shall seek to link business people, scientists, politicians and other stakeholders in European and regional processes of importance for the SEE economies. We shall also strengthen the flow of reliable, topical, economic, financial, business and political information and analyses of importance for the SEE region.

We are offering advertising opportunities in the region, as well as in the EU and the international market, mainly through the Business Link magazine, and organization of occasional meetings for business people from the SEE and the EU in order to connect them with companies interested in business partnerships.

Our organization would mainly focus on business activities of small and medium-sized enterprises, modern technology transfer, know-how, and would also stimulate the use of digitalization and enhanced activities towards developing a business network aimed at linking SEE countries with interested companies in the EU.

The SEEBDN shall provide additional financial resources from EU funds, funds of EU member states and other sources. Provision of regular online access to programs of support to SMEs, which are offered by the EU or state and business agencies from the region and the EU (tenders, other calls for proposals).

If you wish to join our association and use all business opportunities that we can offer to our members, for more information please visit our official website:

www.seebdn.eu.

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SEEBDN

Southeast Europe Business Development Network



**YOUR
BUSINESS
NETWORK.**



YOUR ONLINE FINANCING:

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YOU CAN NOW EASILY REQUEST YOUR CLASSICAL OVERDRAFT FACILITY AND A TRADE FINANCE FACILITY FOR GUARANTEES AND IMPORT LETTERS OF CREDIT ONLINE. In a transparent process, you can digitally submit the necessary documents securely, negotiate with us, and even sign. Furthermore, you can communicate directly with your relationship manager via eFINANCE. www.myraiffeisen.com/efinance



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