



National Bank of Serbia

# SOCIAL RESPONSIBILITY



2014



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## INTRODUCTORY WORD BY THE GOVERNOR



With the publication of this report we have once again demonstrated the National Bank of Serbia's commitment to transparency and social responsibility, encouraged by the vision that openness is conducive to the development of both collaboration and dialogue. By reporting on social responsibility we classify ourselves among those very few central banks that inform the public of this aspect of business. This approach enables us to recognise new solutions and to guide development in new directions, fully aware of the fact that escaping the responsibilities of tomorrow is not an option, which is why we choose to face these responsibilities head-on.

The concept of social responsibility is of extreme significance because it allows us to enhance our relationship with the community and to achieve two-way communication with the general public. Considering the specificity of an institution such as the National Bank of Serbia, the trust of the people is of crucial importance. Social responsibility has always been a core factor in the manner in which this institution operates. For over 130 years, we have been proud of the values that this institution has created and integrated into its business practices. Values such as responsibility, integrity, professionalism and a desire to achieve the highest standards of excellence are all a part of our organisation's culture.

The specificity of the National Bank of Serbia is mirrored in its significance, role and position within the country and in society as a whole. It is for this reason that we strive towards improved organisation and the use of the resources we have at our disposal so that we may achieve results within the numerous remits of the Bank, and it is our belief that these qualities set us apart from many other central banks. The National Bank of Serbia's road towards preserving monetary and financial stability includes many challenges, and this past year was no exception. Throughout this journey, we have remained focused on what needs to be achieved with a clear vision of where we want to be. The financial crisis has reminded us of how important trust is to financial systems and of the serious consequences to stability that may occur when that trust is lost. Due to this, the responsibility of central banks in strengthening financial stability is paramount, with the mandatory involvement of other institutions and stakeholders within financial markets.

It is beyond the bounds of possibility for any central bank to be successful in achieving its objectives and policies without the support and trust of all those involved in the economic life of a

country: government, the banking industry, financial and corporate communities and, above all, members of the public. Consistency in managing monetary policies and achieving results has been recognised by the financial sector, the corporate sector and the general public, and is reflected in the inflation expectations for the coming year.

Additionally, our financial system has remained stable six years into the crisis. The banking sector is solvent, liquid and resistant to any significant disruption.

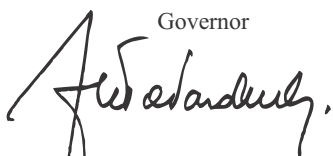
The results that we have achieved impose additional caution and a greater level of responsibility. For this reason, we have opened new channels of communication with the public, and have increased dialogue with stakeholders. As you will be able to read in the coming pages, in the previous year we continued to demonstrate our orientation towards social responsibility, that we have been building upon from our very first Report, and have shown that even in difficult times we are able to maintain the trust of our associates, employees and the general public at large.

Contributing to this is the fact that we have continually participated in public debate, stressing the importance of dialogue and the exchange of experiences between the profit and non-profit sectors, with continued support from professional and trade associations and initiatives that promote corporate social responsibility at the national level, such as the “Virtus” award for corporate philanthropy and the Global Compact of the United Nations.

It is crucial that we take stock of our performance and achieved results in order to set new objectives which will motivate us now and in future to remain committed to the development of social responsibility. These relate to the development of new channels of communication with the public, improving communication through social media, promoting volunteerism and acting as an ambassador of social responsibility among our employees.

We will continue to implement current activities and campaigns, which have become tradition, as well as to widen our circle of associates with the continued organisation of volunteer efforts. Given that there is much more we can achieve together, motivating and providing professional development for our staff in respect to social responsibility will also be an important objective in the coming year.

Governor



Jorgovanka Tabaković, PhD



# ABOUT THE NATIONAL BANK OF SERBIA

## *Objectives and functions*

The status, organisation, mandate and functions of the National Bank of Serbia, as well as its relations with other bodies of the Republic of Serbia and international organisations and institutions are regulated by the Constitution of the Republic of Serbia and the Law on the National Bank of Serbia.

The National Bank of Serbia is independent and autonomous in carrying out its tasks laid down by the Law on the National Bank of Serbia and other laws, and is accountable for its work to the National Assembly of the Republic of Serbia.

The primary objective of the National Bank of Serbia is to achieve and maintain price stability. Without prejudice to its primary objective, the National Bank of Serbia also contributes to maintaining and strengthening of the stability of the financial system.

The National Bank of Serbia:

- determines and implements monetary and foreign exchange policies;
- manages foreign exchange reserves;
- determines and implements, within its scope of authority, the activities and measures aimed at maintaining and strengthening the stability of the financial system;
- issues and revokes operating licenses, carries out prudential supervision of bank operations and performs other activities in accordance with the law governing banks;
- issues and revokes licenses for carrying on the insurance business, and/or authorisations for the conduct of specific activities within the insurance business, supervises such business and performs other activities in accordance with the law governing insurance;
- issues and revokes operating and fund management licenses of voluntary pension fund management companies, supervises this business and performs other activities in accordance with the law governing voluntary pension funds;
- issues and revokes licenses for carrying on financial

leasing operations, supervises such operations and performs other activities in accordance with the law governing financial leasing;

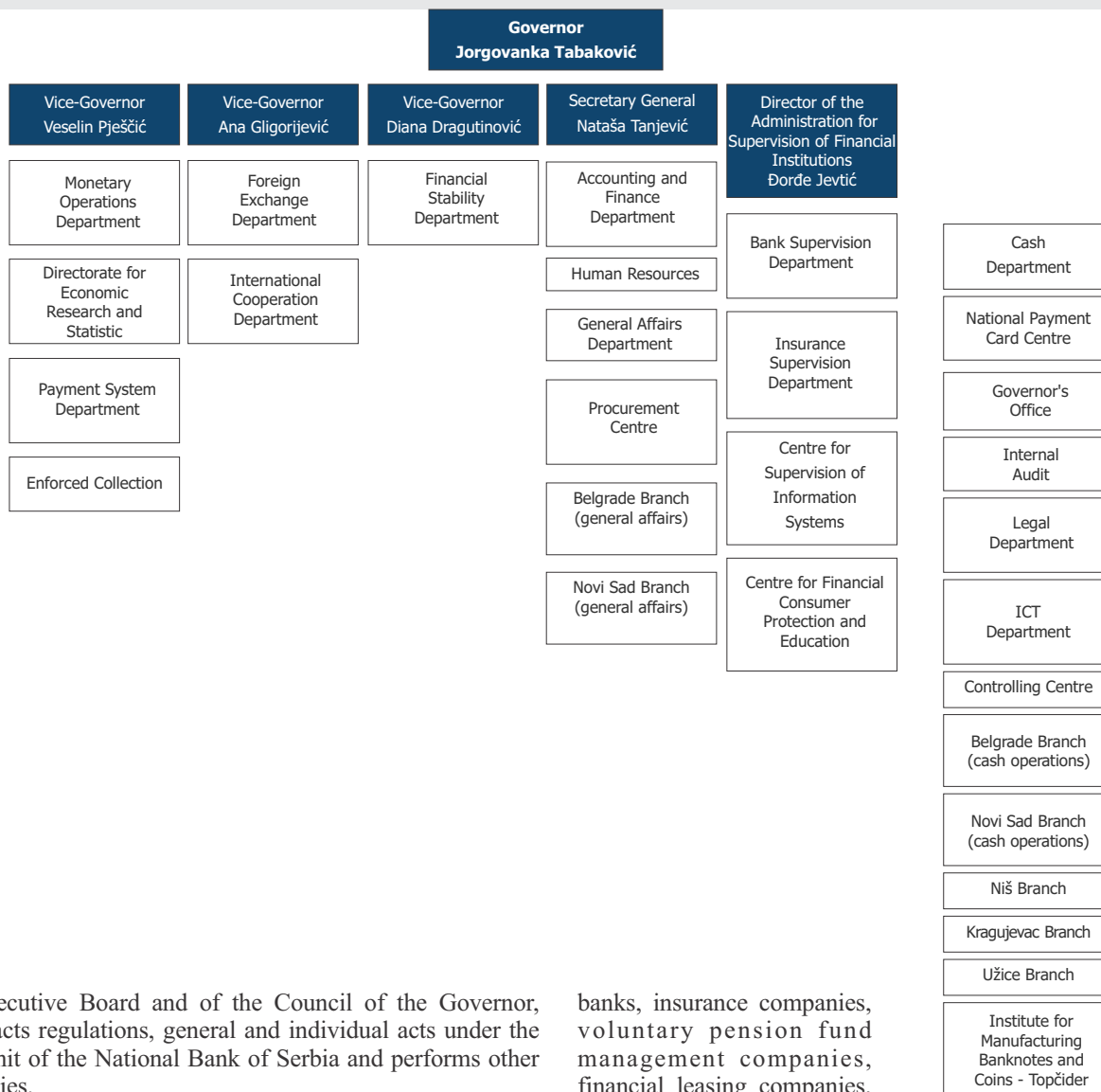
- pursues activities relating to the protection of rights and interests of the consumers of services provided by banks, financial leasing providers, insurance companies, voluntary pension fund management companies, payment service providers and electronic money issuers, in accordance with law;
- issues banknotes and coins and manages cash circulation;
- regulates, controls and promotes smooth performance of domestic and cross-border payment transactions, in accordance with law;
- performs statutory tasks for the Republic of Serbia or tasks established by contracts on behalf of the Republic of Serbia, without threatening its autonomy and independence.

The bodies of the National Bank of Serbia are the Executive Board, the Governor and the Council of the Governor.

The members of the Executive Board are: the Governor, the Director of the Administration for Supervision of Financial Institutions and Vice-Governors. The Executive Board is responsible for determining monetary and foreign exchange policies and activities to maintain and strengthen the stability of the financial system. It also sets the key policy rate and other interest rates applied by the National Bank of Serbia in the implementation of monetary policy. Furthermore, upon the proposal of the Administration for Supervision of Financial Institutions, the Executive Board issues regulations relating to the supervisory function, in accordance with laws governing the discharge of this function. Executive Board meetings are held as often as deemed necessary, but no less than once a month. They are chaired by the Governor.

The National Bank of Serbia is managed by the Governor, who represents and acts on behalf of the National Bank of Serbia. The Governor is appointed by the National Assembly of the Republic of Serbia upon the proposal of the President of the Republic of Serbia. The Governor is appointed for a six-year renewable term of office. The Governor manages the operations of the National Bank of Serbia and organises its work, implements decisions of the





Executive Board and of the Council of the Governor, enacts regulations, general and individual acts under the remit of the National Bank of Serbia and performs other duties.

The Council of the Governor consists of five members including the president, appointed by the National Assembly upon the proposal of the Finance Committee. Members of the Council are appointed for a five-year renewable term of office. The meetings of the Council of the Governor are held as often as deemed necessary, but not less than once every two months. Among other things, the Council of the Governor adopts the Statute, upon the proposal of the Executive Board, and the financial plan, and approves annual financial statements of the National Bank of Serbia.

The National Bank of Serbia also encompasses the Administration for Supervision of Financial Institutions, in whose framework it is responsible for the supervision of

banks, insurance companies, voluntary pension fund management companies, financial leasing companies, the protection of consumers of financial services and other issues.

The National Bank of Serbia is a legal entity with its seat in Belgrade. It may set up branch offices without the status of a legal entity, whose internal organisation, scope of operation and responsibilities are defined by the Statute of the National Bank of Serbia.

The National Bank of Serbia also includes a specialised organisation, the Institute for Manufacturing Banknotes and Coins – Topčider, whose duties and responsibilities are regulated by the Law and the Statute of the National Bank of Serbia.

## *Code of professional conduct*

In recent times there have been continuous activities to promote ethical and professional standards in staff conduct. Thus, the following articles were published in the Bank's internal newspaper, NBS Info: *Friendship in a corporate environment*, *The ideal employee (qualities that staff should possess)* and *Information confidentiality*.

As the National Bank of Serbia and its officials adhere to the Law on the Anti-Corruption Agency along with regulations adopted by the Agency based on this Law, there are continuous activities aimed at fulfilling obligations arising from this Law and regulations. To this end, officials were issued reminders regarding the obligation of extraordinary assets disclosure, as well as a newsletter on the declaration of property and incomes of public officials, which is published by this agency. Additionally, at the request of the Anti-Corruption Agency, a questionnaire prepared by this agency was completed in order to analyse the need for public administration staff to receive training in applying regulations regarding the prevention of conflicts of interest and control over assets. Also, this agency was timely submitted a notification of the re-election of one member of the Council of the Governor of the National Bank of Serbia, who was sent a reminder regarding the obligation of declaring assets when re-elected to this position.





## Public relations

### External communication

Throughout 2014, the Bank continuously and timely informed the public regarding its business operations and activities through regular communications, answering journalists' inquiries, interviews, press releases, public appearances as well as press conferences. A total of 222 press releases were prepared and presented to the public, and 237 answers were provided to journalists' inquiries. As many as 48 statements and 25 interviews were given for both electronic and print media. Also, 16 television and radio appearances were made by the Governor, Vice-Governors and other members of staff of the National Bank of Serbia. There were four press conferences organised, where both the general and expert public were presented with the regular publication of the Inflation Report. The Bank also issued press releases to inform the public of meetings with the Mission of the International Monetary Fund during its two visits to Serbia, as well as of the Governor's visit to the central bank of China. The public was informed of the Bank's educational, cultural and corporate social responsibility activities in the same manner, as well as of visiting cultural events held at the Bank's Exhibition Hall.

The Bank keeps the public informed regarding its competences, organisational structure and functioning through the Newsletter of the National Bank of Serbia, which is published on its website and updated at least once per month.

### Publications and website

Throughout 2014, the Annual Report on Activities and Results, the Annual Financial Stability Report, the Monetary Policy Report for the previous year and the Semi-Annual Monetary Policy Report for the current year were published on the National Bank of Serbia's website. Other publications on the site include monthly issues of the Statistical Bulletin, quarterly reports on the banking sector, financial leasing supervision, supervision of the insurance sector and voluntary pension funds sector, and activities in the field of financial consumer protection. Also published quarterly were the Inflation Report, Analysis of the Republic of Serbia's Debt, the Report on Dinarisation of the Financial System and the Report on the Results of the Survey on Credit Activities of Banks. Presentations of the 2014 Inflation Report were live streamed on the National Bank of Serbia's official website.

All activities of the National Bank of Serbia of significant public interest were publicised by press releases, information and data on the official website and its sub-domains - [www.centarzaposetioce.nbs.rs](http://www.centarzaposetioce.nbs.rs) and [www.tvojnovac.nbs.rs](http://www.tvojnovac.nbs.rs)

All published printed and electronic material is presented in both Serbian and English.

Regular communications	Journalists' inquiries	Press releases	Interviews	Electronic media appearances	Press conferences
222	237	48	25	16	4

# HUMAN RESOURCES

The environment in which the National Bank of Serbia currently operates has imposed some changes in terms of human capital, so far as we have turned to the available internal resources, their utilisation and improvement. Bearing in mind the policy of the rational use of funds of the National Bank of Serbia, at the same time supporting austerity measures in force in the Republic of Serbia, we continue to strive towards adapting to current conditions without failing to care for our employees and meet their needs. We have applied the new Labour Law in such a way as to maintain employee satisfaction and avoid impairing productivity.

With the support of the National Bank of Serbia's leadership, the Human Resources Department highlights that employee relations continue to be a priority, considering that people and know-how are key determining factors in organisational effectiveness. With this objective in mind, we apply the method of best practice in Human Resources management, seeking to achieve employee satisfaction and to increase engagement and commitment. By collaborating with management we promote various developmental programmes for staff for the purpose of attracting new talent and retaining employees.

Throughout 2014 additional activities were promoted in order to secure the protection of employee privacy rights, primarily in the segment relating to personal data.

In July and August 2014, the National Bank of Serbia organised summer training for the 12th time for 39 final-year students from domestic and foreign universities. The purpose of organising practical job training is to promote the National Bank of Serbia as an institution that fosters CSR and one that gives students the opportunity to apply theoretical knowledge in a practical working environment, as well as receiving recommendations for further career development.

## Employee structure

Table 1 No. of employees with a permanent employment contract and no. of engaged personnel (non-contractual employment)

No. of employees with a permanent contract	No. of employees with a fixed-term contract	No. of engaged personnel (non-contractual employment)
2,168	174	13

Chart 1 Structure of employees per basic organisational unit

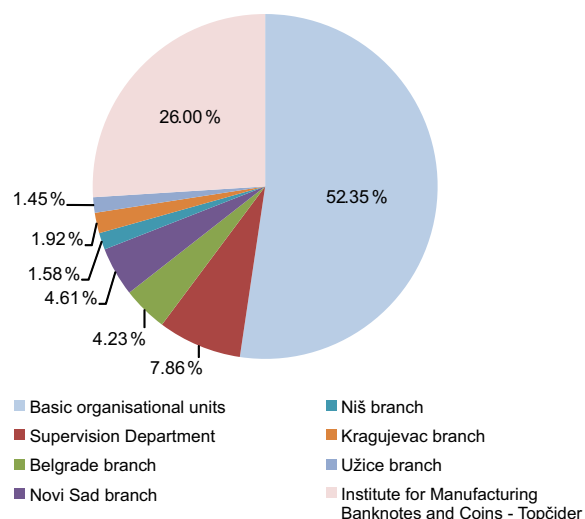
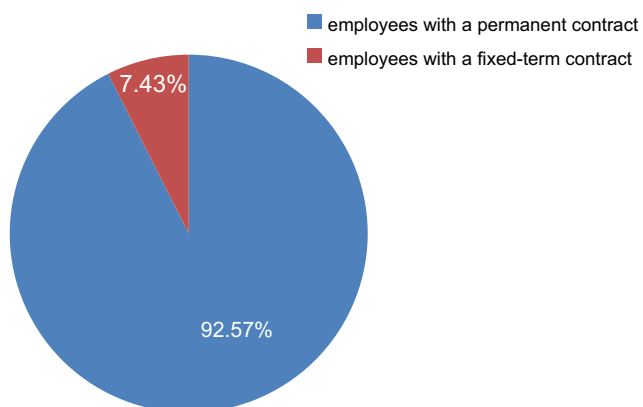


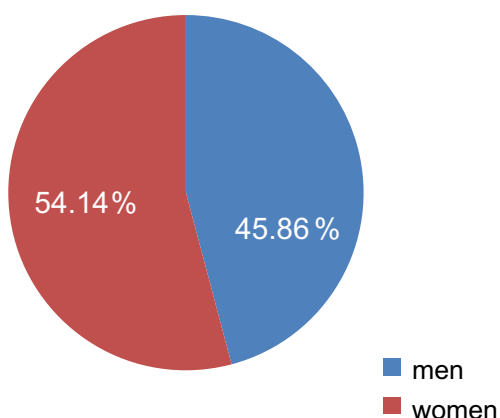
Chart 2 Structure of employees per type of employment



In terms of employment, the prevalent type of employment is on permanent contract (92.57%).

Contemporary trends continue with more women in leadership roles (51.35%). When management groups are individually analysed, the percentage of men is higher only within the group of Heads of organisational units, branches and the Institute for Manufacturing Banknotes and Coins – Topčider (56.41%).

Chart 3 Employee Gender Structure



Regarding the gender structure, there continue to be more women (54.14%) than men (45.89%) employed by the Bank.

The National Bank of Serbia promotes equal opportunity in terms of employment, professional development and promotion. In this way it sets an example regarding gender equality, i.e. non-discrimination on the basis of gender and gender identity, in accordance with the Constitution and the generally accepted provisions of international law.

Chart 4 Gender structure of the management

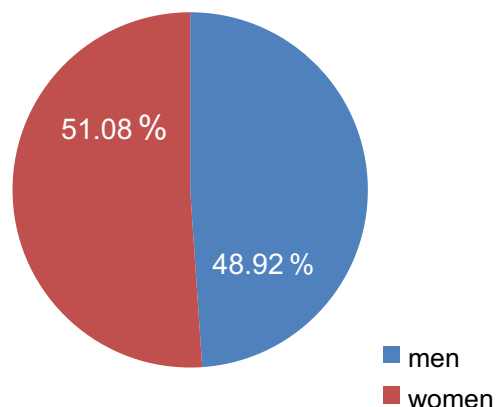


Table 2 Gender structure of management staff

	Officials		Heads of organisational units, branches and the Institute		Middle and Lower Management		Total	
	Count	Percentage	Count	Percentage	Count	Percentage	Count	Percentage
Men	2	33.33%	22	56.41%	66	47.14%	90	48.65%
Women	4	66.67%	17	43.59%	74	52.86%	95	51.35%
Total	6		39		140		185	



## Education, professional development and training

The National Bank of Serbia supports the concept of continued education and recognises its importance. Therefore, in order to develop capabilities on an individual and organisational level, it enables its staff to attend both academic and professional study programmes, certified professional development training programmes as well as to attend seminars, workshops and conferences both in the country and abroad.

The scope of different forms of employee training is significantly affected by austerity measures. Also, the trend of increasing overall know-how has continued, considering that various instruments and channels for the transfer and use of individual knowledge have been created in-house.

Chart 5 Educational structure

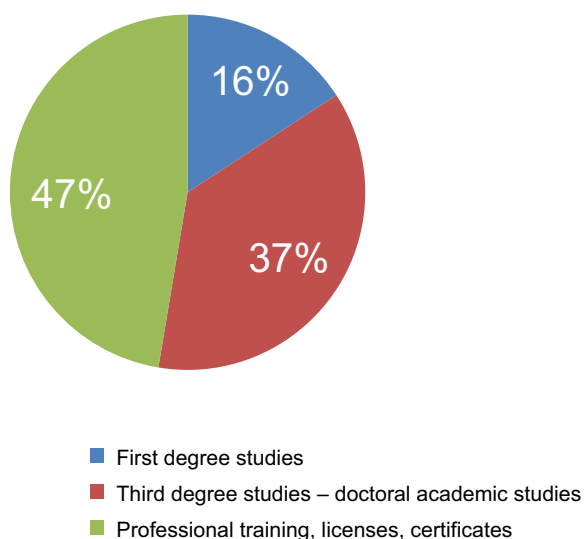
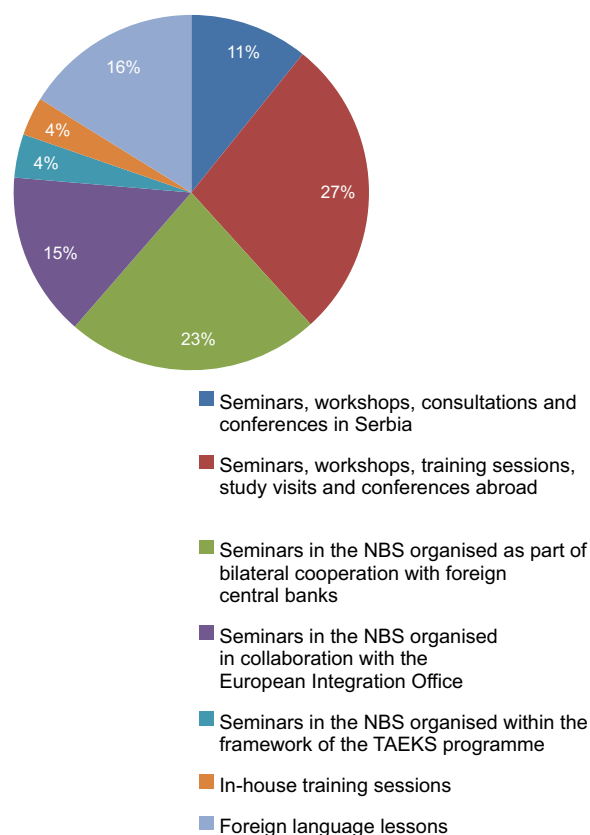


Chart 6 Professional development



In collaboration with the central bank of Romania, the National Bank of Serbia organised a seminar on the financial stability and methodology of stress testing at the European Central Bank. In collaboration with the European Central Bank, the Bank organised a seminar on regional statistics, during which, in addition to the staff of the National Bank of Serbia, 19 foreign representatives from ten central banks participated.

Since the Bank actively participates in all stages of the negotiation process for the accession of the Republic of Serbia to the European Union, the National Bank of Serbia organised three seminars for its staff in collaboration with lecturers from The Serbian European Integration Office.

At the same time, in order to prepare for the screening, within the framework of the TAEKS programme, numerous expertise training sessions were organised.

In accordance with the needs of certain staff, foreign language classes were organised (English, Russian, German and French). In addition to the standard courses offered, the Bank enabled its staff to attend specialised courses in banking and European integration.

During its twelve-month professional internship programme, the National Bank of Serbia trained four interns by giving them the opportunity to do various jobs in different organisational units, under the supervision of a mentor.

## *Occupational health and safety*

One specific form of employee investment is being concerned about occupational health and safety. As a conscientious employer, the Bank strives to provide each and every employee with a safe working environment and necessary protective equipment. In accordance with this, various measures have been taken with regard to the revision of risk assessment and protecting employees with health issues. Also a proposal has been drafted entitled the Programme for the gradual elimination of deficiencies in the area of occupational health and safety at the National Bank of Serbia, for eliminating deficiencies which require significant investments, and where the life and health of employees are not seriously compromised.

An agreement has been concluded on the implementation of OHS measures with all employers with whom the basic organisational units share their business premises. An inspection and testing was conducted on devices and equipment used in the workplace by employees, including protective equipment against electric shock. Devices and equipment for personal protection were procured and distributed to employees. Periodic inspections of workplace conditions were conducted and training was organised in OHS for employees, in accordance with the law and internal regulations.





## *Internal communication*

Internal communication at the National Bank of Serbia is based on the development of its corporate culture, motivating employees towards professional and personal development and creating a pleasant workplace environment. Employees are informed of the basic objectives, achievements and events that take place at the Bank through various channels (internal newsletter, brochures, video material and internal events).

The development of internal communication is strategically designed and each activity is systematically planned and integrated into the Annual Internal Communication Development Plan, which is approved by the Governor.

Continuous improvement of internal communication is reflected in the development and improvement of the channels of communication used, as well as the activities implemented to promote social responsibility. Special attention is given to annual activity reports, which provide clear insight into the results achieved and their comparability.

Throughout the year, five issues of **NBS Info** were published in electronic form. Additionally, a special edition of **NBS Info** was also published, dedicated to the completion of the National Bank of Serbia's IPA Project. This special edition was translated into the English language.

This year marked the 130-year anniversary of the opening of the Bank's first customer service window (**Bank Day**). As the Bank Day took place immediately after the unprecedented floods that hit the people of Serbia, including 12 employees of the National Bank of Serbia, it was decided that this event be humanitarian-themed. 773 employees attended the event and RSD 193,500 was raised for each of the 12 colleagues who were personally affected by the flooding. On this occasion, 15 organisational units received honourable mention for all that they had accomplished over a 7-year period of systematic development and improving activities linked to social responsibility, through which they demonstrated not only team spirit, but also a high level of internal communication.

At the end of the year, video material was created with the slogan *It all starts with us* in order to develop organisational culture and promote true values. This material included real life events in the lives of the Bank's staff, as well as retrospective photography. Organisational





culture is also supported by the sending of **personalised birthday cards** which include a message that is both compassionate and has symbolic meaning. This card-giving tradition, which goes back many years, has developed into a two-way communication which directly contributes to the loyalty felt by employees and the feeling that they work for an organisation that truly cares about its staff.

The National Bank of Serbia publishes the obituaries of its deceased staff members and pensioners in Politika, a daily newspaper.

# RESPONSIBILITY TOWARDS THE COMMUNITY

## *Protection and education of financial services consumers*

In 2014, the Centre for Financial Consumer Protection and Education actively supported the public by providing assistance in exercising their rights by acting upon complaints, mediating in disputes and informing and educating consumers of financial services.

### **Acting upon complaints**

In the period between 1 January and 31 December 2014, the Centre received a total of 2,141 complaints and early complaints concerning the work of financial institutions.

In that same period, the Centre received 1,454 complaints concerning the work of financial institutions. Most of the complaints concerned the work of banks (81.2%).

The Centre received a total of 1,180 complaints concerning the work of banks. Most of the complaints related to: loans (56.1%), current accounts (17.8%) and payment cards (12.5%). The work of insurance companies was the subject of 263 complaints, most of which related to motor third party liability insurance (38%), property insurance (17.5%), and life insurance (13.7%).

Number of complaints in the period of 01/01 – 31/12/2014, by type of financial service provider

Type of financial services provider	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	%
Banks	116	123	116	107	92	81	111	89	107	84	84	70	1,180	81.2%
Insurance companies	24	20	24	21	17	16	18	21	21	26	29	26	263	18.1%
Leasing companies	1	1	0	1	1	0	0	1	2	0	0	1	8	0.5%
VPF management companies	0	0	0	1	1	0	0	0	0	1	0	0	3	0.2%
<b>TOTAL</b>	<b>141</b>	<b>144</b>	<b>140</b>	<b>130</b>	<b>111</b>	<b>97</b>	<b>129</b>	<b>111</b>	<b>130</b>	<b>111</b>	<b>113</b>	<b>97</b>	<b>1,454</b>	<b>100%</b>

Source: National Bank of Serbia.

Number of mediations in the period of 01/01 – 31/12/2014, by type of financial service provider

Type of financial services provider	In progress	Settlement	Suspension	Abandonment	Total	
Banks		20	17	29	1	67
Insurance companies		2	10	17	0	29
Leasing providers		2	0	2	0	4
VPF management companies		0	0	1	0	1
<b>TOTAL</b>		<b>24</b>	<b>27</b>	<b>49</b>	<b>1</b>	<b>101</b>

Source: National Bank of Serbia.

## **Mediation**

Of the 101 mediation procedures scheduled, 77 cases were finalised, and in 35.1% of these finalised cases an agreement was reached between financial institutions and their clients.

The largest number of mediations concerned disputes between banks and their clients, 36% of which related to loans, 11% to current accounts and 10% to payment cards. In terms of disputes between insurance companies and their clients, the largest number of mediations was related to motor third party liability insurance (13%) and life insurance (6%).

## **Informing financial services consumers**

Throughout 2014, the Centre for Financial Consumer Protection and Education received 1,245 inquiries regarding financial services and consumer rights regarding the use of such services. Owing to the introduction of a new Q&A section on the Bank's official website, the number of inquiries doubled in comparison to the previous year (108.45%)

The majority of questions were related to bank operations (78.4%) – loans (42.1%), current accounts (14.8%) and credit cards (5.8%).

The Info Centre answered 20,501 calls and inquiries made by the general public.

If we exclude inquiries relating to service information (exchange rates and other), most questions were related to banking services and insurance. In 2014, 16 answers were provided to questions posed by the press (RTS, Srbija danas, Politika, Blic, Alo, Danas Dnevnik, RTV Vojvodina, Publikacija stranih investitora, Biznis finansije, Svet osiguranja and Radio S).

## **Financial education of the public**

In line with the National Bank of Serbia's Activity Plan for implementing the Financial Education Strategy for 2012 to 2015, continued focus was placed on those activities which help to further develop channels of communication with the general public. Throughout the year, 39

educational forums were held in 35 towns and villages throughout Serbia and they were attended by 1,500 people. At these forums financial products and services were presented to the public through the 76 presentations held. The topics of greatest interest to the public were the following: the rights of the financial service customer, saving through a voluntary pension fund, key factors to keep in mind when applying for a loan, refinancing, overdrafts, life insurance, payment cards, agricultural loans and electronic banking.

A total of 650,000 leaflets containing information on financial products and services were handed out in the forums and other educational events.

As part of its regular educational activities, the Bank continued to provide information to the public in its regional branch offices for financial education. In 2014, the regional branch offices were visited by 1,613 people.

Their questions were mainly regarding banking services (55.2%), primarily mortgages, saving, the annuity calculation method, credit cards, refinancing, loan records, guarantees, early loan repayment, current account maintenance fees, the procedure for closing an account, changes in interest rate, and the procedure for lodging a complaint against a bank. Regarding insurance, most questions from the public concerned life insurance and motor third party liability insurance.

Financial service consumers may obtain additional information via the website [www.tvojnovac.nbs.rs](http://www.tvojnovac.nbs.rs) regarding the features of products and services offered by financial institutions that are under the supervision of the National Bank of Serbia. They can also find useful tips regarding key factors to pay attention to and where to turn for support.

## *The financial education of children and youth*

Financial education programmes implemented by the Unit for Exhibitions and Education represent the realisation of ideas and activities put forward in the strategic plan. They aim to raise the awareness of youth on the importance of



**UNIT FOR EXHIBITIONS AND EDUCATION  
PROGRAMME OF FINANCIAL EDUCATION – WORKSHOPS**

Workshop	Location	Total workshops per town	Total participants per town	Total workshops	Total participants
Dinar - our money	Belgrade	9	216	21	531
	Bačka Topola	2	71		
	Kikinda	2	46		
	Kladovo	2	53		
	Bor	2	40		
	Kraljevo	1	36		
	Leskovac	2	48		
	Raška	1	21		
Me and my budget	Belgrade	10	221	24	558
	Bačka Topola	2	49		
	Kikinda	2	45		
	Kladovo	2	52		
	Bor	2	30		
	Kraljevo	2	56		
	Leskovac	2	59		
	Raška	2	46		
Distinguished persons	Belgrade	4	79	18	441
	Bačka Topola	2	59		
	Kikinda	2	52		
	Kladovo	2	40		
	Bor	2	39		
	Kraljevo	3	103		
	Leskovac				
	Raška	3	69		
Draw your own banknote	Belgrade	2	42	2	42
My finances	Novi Sad	1	16	1	16
Moneture	Belgrade	8	130	13	324
	Novi Sad	2	26		
	Leskovac	1	28		
	Niš	2	140		
<b>Total</b>				<b>79</b>	<b>1,912</b>

money and its role in our lives, as well as introduce them to the values and advantages of knowing how to manage financial products well.

With the aim of bringing financial education to as many children and youth throughout Serbia as possible, the National Bank of Serbia organises touring programmes in cooperation with cultural and educational institutions. These financial education programmes were held throughout Serbia (Bačka Topola, Leskovac, Kikinda, Kladovo, Bor, Kraljevo, Niš, Novi Sad and Raška), as well as at the Bank's premises in Kralja Petra Street in Belgrade. In 2014, a total of 66 workshops were held (Dinar – our money, Me and my budget, Distinguished persons featured on circulating dinar banknotes, Draw your own banknote and My finances) as well as nine Moneture board game tournaments.

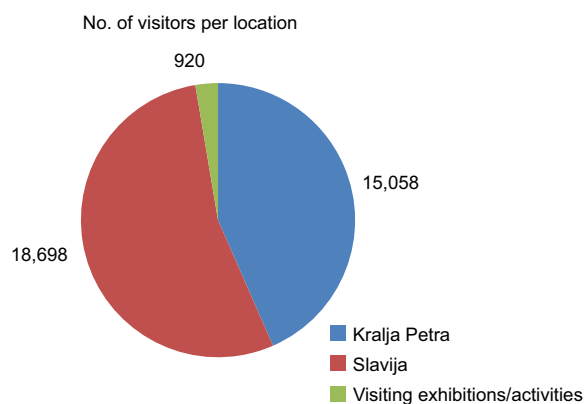
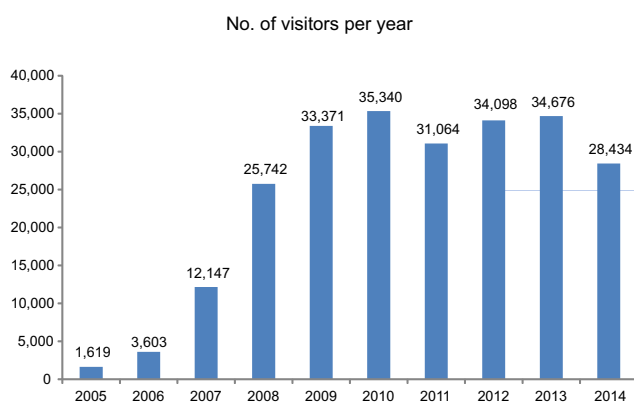
From 10 to 14 March, the National Bank of Serbia participated in the Global Money Week, an event aimed at promoting financial literacy among children and youth throughout the world. The event is launched on the initiative of the Child and Youth Finance International Secretariat. Throughout the event, the Unit for Exhibitions and Education hosted a large number of children and youth who visited the exhibition and/or participated in educational workshops. Four reference books of the Unit for Exhibitions and Education were presented to economic high school teachers.

## Exhibitions

Exhibitions, educational programmes and other cultural and educational events organised for the general public by the National Bank of Serbia in the course of 2014 were attended by a total of 28,434 visitors (of these, 10,249 attended events organised at the Bank's premises in Kralja Petra Street and 16,273 visited the building located at Slavija, together with 1,912 primary and high school pupils and students who visited financial education events throughout Serbia).

### Exhibition area at Kralja Petra 12

The Bank's exhibition area at Kralja Petra 12 has been visited continuously throughout the year by pre-school children, primary and secondary school pupils, students from higher education institutions in Belgrade and other parts of Serbia, the Bank's own trainees, interns from summer internship programmes, guests of the Bank (domestic and international), participants in seminars and study visits, as well as daily visitors, either individually or as part of tour groups.



### **Exhibition area at Slavija**

The Bank's modern building in Nemanjina 17, Slavija, offers an excellent exhibition area and has become a well-appreciated venue for exhibitions of modern and classical art. There were 11 exhibitions/events held in 2014.

### **Cooperation with other institutions, participation in cultural events**

Because of its historical ties with francophone countries, particularly France and Belgium, once again the Bank took part in marking the International Francophone Day.

This cultural event was celebrated for the eighth year with the Draw your own banknote, Distinguished Serbs and Dinar - our money workshops held for the pupils of Vladislav Ribnikar Primary School. Throughout this event, special emphasis was placed on the historical ties between the National Bank of Serbia, France and Belgium.

In celebration of the Open Door Day, the Bank invited visitors to become acquainted with content that is specifically directed towards the public – consumers. This year the Communications Department/Unit for Exhibitions and Education, the National Bank's Archive, the Information Technologies Sector, the Directorate for Economic Research and Statistics/Centre for Financial Consumer Protection and Education, the Cash Department, and the Institute for Manufacturing Banknotes and Coins - Topčider presented their activities.

For the eighth consecutive year, the Bank took part in the Night of Museums event. This year, in the building at Slavija, visitors were able to see an exhibition of photographs entitled “Beta's photo of the year”, with which the Beta news agency marked its 20-year anniversary, as well as the Bank's exhibition entitled “The central banks of Serbia and France during the Great War”. In 2014, the Bank marked its 130-year anniversary and 10-year anniversary of the opening of the Visitor Centre. At the same time the 21st annual meeting of the International Committee for Banking and Money Museums – ICOMON was held, an organisation of museum and museum professionals under the auspices of UNESCO. On this occasion the National Bank of Serbia's

Governor, Jorgovanka Tabaković officially opened the exhibition entitled “Knowledge wins” as well as a retrospective exhibition celebrating the 10-year anniversary of the opening of the National Bank of Serbia's Visitor Centre.

The theme of the European Heritage Days event for 2014 was Language and literacy. In line with the theme, visitors had the opportunity to see selected segments from the catalogue of exhibitions already presented to the public. Furthermore, visitors were given the opportunity to view exhibitions, interactive content and video material in addition to touring the ceremonial hall and exhibition area.

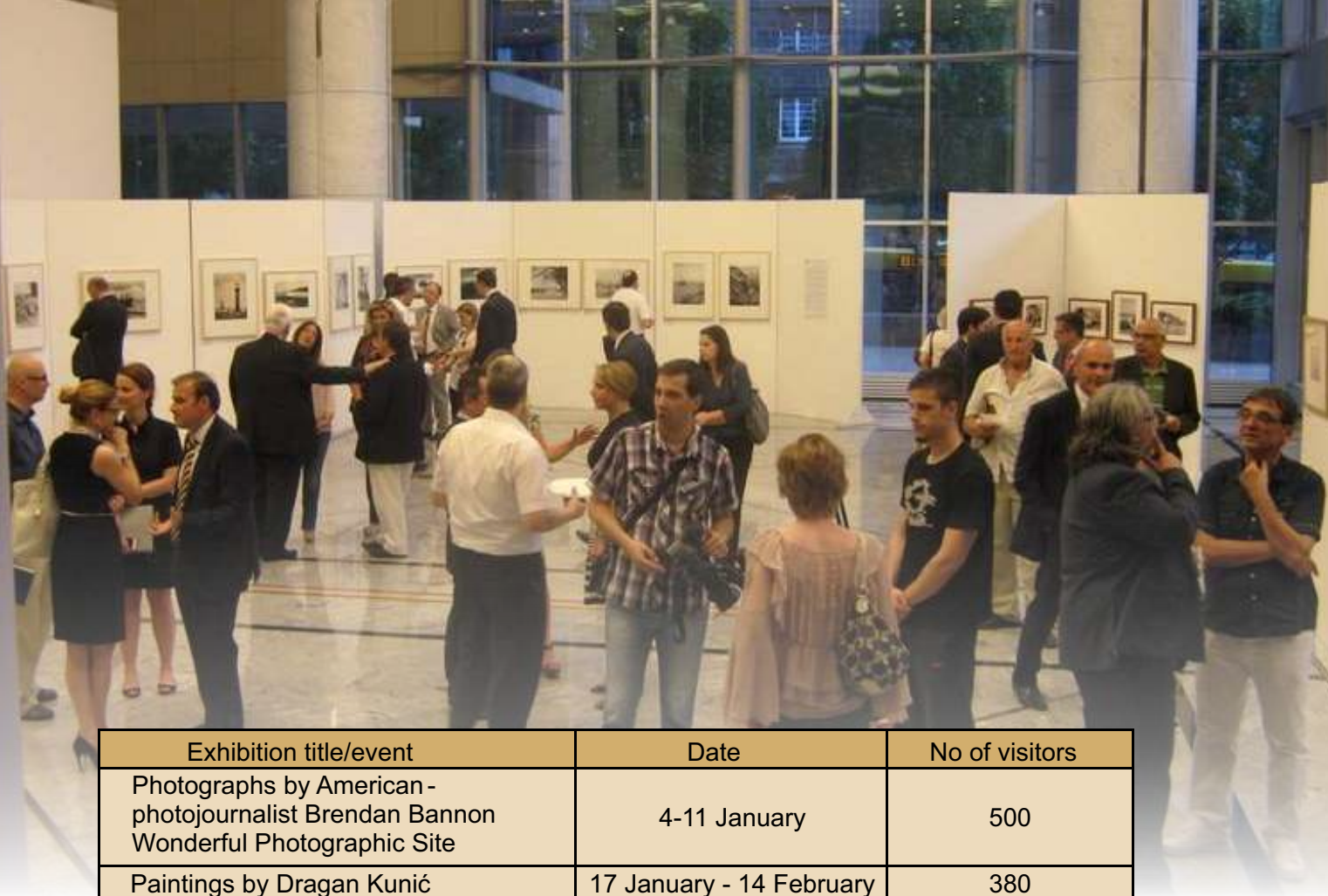
### *United Nations Global Compact membership*

Since the Global Compact was established on 6 December 2007, the National Bank of Serbia, as one of the founders and an active member of this initiative, has been committed to promoting and affirming this voluntary association (members from more than 160 countries), dedicated to promoting corporate social responsibility. The Global Compact requires its members to adopt, support and promote ten universal principles in the protection of human and labour rights, environmental protection and the fight against corruption. Over a six year period of working in Serbia the number of members has increased to 90. Apart from large companies, members also include representatives of small and medium-sized enterprises, non-governmental organisations, business associations, academic institutions, cities and trade unions.

In 2014, the National Bank of Serbia actively participated in the work of the Working Groups for Corporate Social Responsibility in Banking and Finance, and the Education and Development of Corporate Social Responsibility.

As chair of the Working Group for Corporate Social Responsibility in Banking and Finance, the Bank collaborated with other members of the working group on projects in the field of financial education, which is the primary objective of this group.





Exhibition title/event	Date	No of visitors
Photographs by American - photojournalist Brendan Bannon Wonderful Photographic Site	4-11 January	500
Paintings by Dragan Kunić	17 January - 14 February	380
Photography F20.13	19 February - 7 March	220
Paintings by Slobodan Sotirov entitled "Spring in Serbia"	13 March - 7 April	400
Choir concert - The Serbian Orthodox Cantors	28 April	250
Photographs entitled "Beta's photo of the year"	15 May - 7 June	320
Photographs entitled "Greek Seas: A photographic journey in time"	12 - 24 June	236
"Knowledge wins" and "Visitor Centre - 10-year anniversary"	3 July - 31 August	255
International Review of Composers	17 - 20 September	512
Paintings by Stojan Đurić "Belgrade Sights"	29 September - 17 October	309
Concert by Spanish accordionist Inaki Alberdi	19 October	123
Photographs "China's beauty - the charm of the Fujian Province"	28 October - 21 November	320
"Anything is possible" - Science festival	4 - 7 December	11,000
"Life Balance 2014"	18 December 2014 - 11 January 2015	210
Concert - "A Christmas Kontakion"	23 December	350

Through a joint-collaboration project with secondary schools that offer bank clerk vocational courses, schools were provided the following opportunities:

- one-week/two-weeks practice for third/fourth grade students in branches of member banks,
- visit to the National Bank of Serbia's Visitor Centre, and
- thematic lectures for students and teachers.

This joint-collaboration was formalised with a Cooperation Protocol signed between the Association of Economics, Law and Administration, Trade, and Hospitality and Tourism Schools in the Republic of Serbia and the Global Compact in Serbia. This collaboration will continue in 2015.

For more information on all the activities of the United Nations Global Compact in Serbia, please visit [www.unglobalcompact.rs](http://www.unglobalcompact.rs).

### The ten principles of the Global Compact

The ten principles of the Global Compact in the field of protection of human and labour rights, environmental protection and the fight against corruption are based on: the Universal Declaration of Human Rights, the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work, the Declaration on Environment and Development, and the United Nations Convention against Corruption.

## Humanitarian and voluntary campaigns and donations

In 2014, the National Bank of Serbia implemented 15 humanitarian and voluntary campaigns with the aim of collecting aid for vulnerable groups and the local community. With these campaigns, over RSD 17,000,000 was raised, mostly in cash, and partly in food stuffs and products for personal hygiene.

In line with our long standing tradition, we organised Christmas and Easter Sales Exhibitions in Belgrade and Novi Sad, where art work created by people with disabilities and the elderly was sold, in collaboration with the Centre for the accommodation of developmentally challenged children and youth, Stari grad Association Let's Live Together, Novi Beograd Association MNRO, the Zemun care centre for adults with disabilities, the Drinka Pavlović boarding house, Gerontology Centre in Belgrade and Milan Petrović School for Primary and Secondary Education in Novi Sad. Through the sale of their handicrafts, RSD 270,920 was raised.

In collaboration with Mali Veliki Ljudi, the Office for Kosovo and Metohija of the RS and the Soup Kitchen of the Serbian Orthodox Church in Belgrade, packages were donated to children in Kosovo and Metohija, children who are beneficiaries of the Soup Kitchen and children with severe developmental disabilities. The monetary value of the donated packages totalled RSD 791,034.

#### HUMAN RIGHTS

- Businesses should
1. support and respect the protection of internationally proclaimed human rights
  2. make sure that they are not complicit in human rights abuses

#### LABOUR RIGHTS

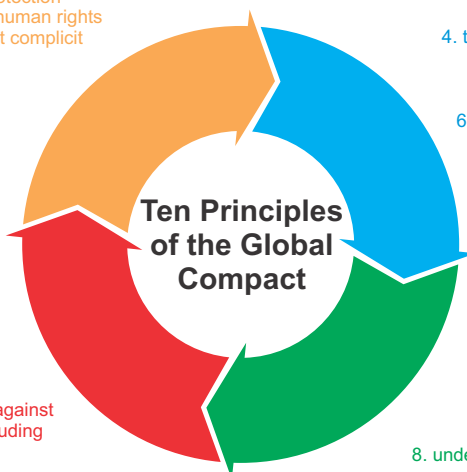
- Businesses should uphold
3. freedom of association and the effective recognition of the right to collective bargaining
  4. the elimination of all forms of forced or compulsory labour
  5. the effective abolition of child labour
  6. the elimination of discrimination in employment and choice of occupation.

#### ENVIRONMENT

- Businesses should
7. support a responsible approach to environmental challenges
  8. undertake initiatives to promote greater environmental responsibility
  9. participate in developing environmentally friendly technologies

#### ANTI-CORRUPTION

- Businesses should work against
10. corruption in all its forms, including extortion and bribery.







The National Bank of Serbia was actively involved in campaigns geared towards raising humanitarian aid for the May flood victims. Aid was sent to the municipalities of Koceljeva and Ub, the Red Cross in Ruma, Kragujevac and Užice, as well as the Low Fairgrounds Distribution Centre in Niš. A campaign to collect personal hygiene packages was organised for the population of Tekija. The total monetary amount raised was RSD 13,853,208.

The Bank actively participated in campaigns to raise food stuffs for vulnerable groups in Belgrade, Kragujevac, Novi Sad, Niš and Užice. Campaigns were organised in collaboration with the Food Bank, the Social Services Centre of Užice, The Single Mothers Association of Niš, the Kneginja Milica Women's Movement from Kragujevac and the Association for Support to Person's with Down's syndrome from Novi Sad. Throughout 2014, RSD 90,000 was raised.

In campaigns organised to raise financial aid for Bank employees with health issues and their families, in a show of solidarity colleagues raised RSD 2,333,300.

48 employees took part during a volunteer effort to clean up the terrain surrounding the local community of Tekija and the Svetozar Radić Primary School, also in Tekija. National Bank volunteers evacuated 200 people from Obrenovac, which was almost completely flooded, while over 10,000 meals were prepared at the evacuation centre in Makiš for the evacuees. The volunteers participated in preparing a hotel in Makiš to accommodate the evacuees.

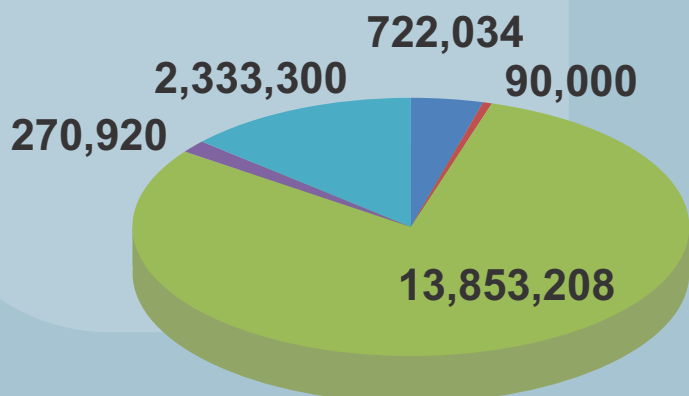


# HUMANITARIAN CAMPAIGNS AND DONATIONS

## IN 2014

The monetary value of  
donated goods  
for humanitarian aid

**RSD 17,269,462**



- New year packages for socially vulnerable children
- Humanitarian exhibition of handicrafts created by people with disabilities
- collected food items for vulnerable groups
- funds raised for the families of deceased colleagues and treatment for ill colleagues
- funds raised for flood victims

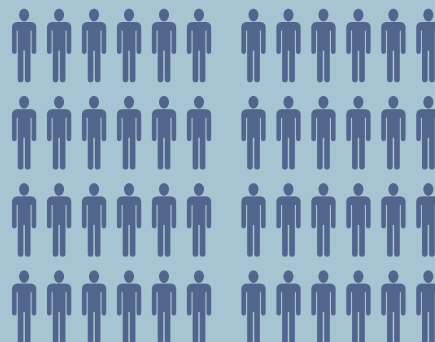
The monetary value of  
donations made to institutions  
for social and health protection,  
humanitarian aid organisations,  
associations, educational and  
cultural institutions

used furniture and  
technical equipment  
**RSD 549,554**

and donations totalling  
**RSD 2,149,398**

Volunteer effort to clean up  
the local community  
of Tekija and the Svetozar Radić  
Primary School

**48 volunteers**



**10,000** meals

for flood evacuees – Evacuation  
Centre in Makiš





## Donations

Donations are regulated by the Decision on Establishing the Committee for Review of Applications for Donations and Humanitarian Assistance and Establishing Conditions, Mechanisms and Criteria of Award. On the basis of that Decision, funds for donations and humanitarian assistance and/or fixed assets, non-material investments and inventory no longer in use may be granted or donated to legal persons, local governments, educational and cultural institutions, institutions for social and health protection, non-profit organisations or

associations, humanitarian organisations and other institutions.

In 2014, the National Bank of Serbia donated RSD 2,149,398. The total value of donations in kind (used furniture and technical equipment) was RSD 549,554.



## *Institute for Manufacturing Banknotes and Coins - Topčider Reducing harmful effects on the environment*

The Institute for Manufacturing Banknotes and Coins - Topčider places great emphasis on environmental protection. To this end, the whole of 2014 was dedicated to introducing the environmental protection management system. Aspects that could potentially have an effect (positive or negative) on the environment were identified. Next, these effects were evaluated and based on these values, key aspects were established that the Institute needs to focus its activities on in order to reduce negative effect on the environment. In order to implement these activities, general and specific objectives were determined, as were programmes and plans which define the individual tasks to be completed in order to achieve the objectives. All activities are in accordance with legislation.

According to the requirements of the International ISO 14001 Standard, the environmental protection management system must be documented, which is why the Institute has adopted the following documents:

- Environmental Protection Policy
- Rulebook
- procedures and instructions
- programmes for achieving environmental protection objectives,
- instructions on responding to incidents, etc.

By obtaining the ISO 14001 Certificate, the opportunity to increase our network of clients and branching out onto new markets increases. At the same time, the Institute will confirm in the eyes of the public that it is an organisation that is environmentally conscientious and that cares about sustainable development.

### **Technical waste management, wastewater treatment and the management of hazardous chemicals**

1. In accordance with the provisions of the Law on Waste Management, various activities were implemented:

- collecting, sorting and properly storing waste;
- disposing hazardous waste, in accordance with legislation, engaging a waste management operator;
- appointing persons in charge of waste management;
- identifying and characterising existing and new types of waste;
- selling non-hazardous waste as a secondary form of raw material (generated an income of RSD 1,585,438.19)
- monitoring air and water quality:
  - ♦ water - measuring the quality of wastewater: externally, through certified laboratories no less than 4 times per year and internally, through the use of mobile test strips several times throughout the year;
  - ♦ air - measuring the emissions of harmful pollutants through a certified laboratory twice per year;
  - ♦ reporting to the competent authority through the Annual Report on Waste - the Environmental Protection Agency and the Report on Waste Generation - Institute of Informatics and Statistics;
  - ♦ actively participating in conferences and expert environmental forums - the international conference Wastewater, solid waste and hazardous waste;
  - ♦ printing and distributing brochures in order to raise the awareness of all staff on how to handle waste.

2. The controlled use of hazardous chemicals is achieved as follows:

- storing and marking hazardous chemicals in accordance with legislation;
- substituting hazardous chemicals with eco-friendly alternatives, whenever possible;
- controlling how hazardous chemicals are treated after they have become waste;
- appointing a chemical advisor;
- regular updating of security lists upon change of chemicals or their availability at the site of use;
- regular monitoring of consumption of hazardous chemicals on a daily and monthly basis at production sites, constant internal checks of fire protection



- measures and appropriate storage;
- listing chemicals in the Chemical Registry – of the competent ministry.

#### Planned activities

In the coming period, the following activities are planned:

1. implementation of ISO 14001 Standard and certification,
2. drafting a list of danger zones,
3. drafting a business continuity plan,
4. drafting an accident prevention plan,
5. measuring the quality of land and groundwater,
6. measuring emissions and noise pollution, to be done by a certified laboratory.

### *Preserving natural resources at the head office and branch locations*

In terms of saving electricity and heat, and the preservation of natural resources, employees in the Maintenance Division, who constantly communicate with colleagues, instruct them on how to use air conditioning systems in order to extend the lives of these machines, and most importantly, to save energy. For these reasons the building in Kralja Petra uses energy saving light bulbs and LED lighting.

According to plan, steps for the implementation of the

#### Thermal energy

Season	Kralja Petra 12	Nemanjina 17
2014/2015	743,531 kWh	1,612,680 kWh

#### Water

Year	Kralja Petra 12	Nemanjina 17
2014	2,861 m <sup>3</sup>	12,480 m <sup>3</sup>

#### Active energy

Year	Kralja Petra 12 HT	Kralja Petra 12 LT	Nemanjina 17 HT	Nemanjina 17 LT
2014	605,340 kWh	221,580 kWh	2,432,240 kWh	920,110 kWh

HT – High tariff  
LT – Low tariff

Waste Management Plan are under way. So far, waste has been tested, classified and the manner in which it is to be stored has been determined, most importantly, for the purpose of transporting and destroying it safely and in a way that is environmentally sound.

Plans for 2016 include redrafting of the project to install a central air conditioning system in the Bank's Kralja Petra location, and upon receiving all the necessary approvals, to begin works. The objective of installing a central air conditioning and heating system is to increase energy efficiency, as well as to remove the air conditioning systems currently located on the building's facade, a building which is a cultural asset and as such, is of great importance to the Republic of Serbia.

The Bank's building at Slavija is considered highly automated. All the rooms have presence detectors that automatically activate temperature regulation. The system switches on at about 6 a.m. and heats the premises to 19°C. When employees arrive, the temperature rises to the optimal 22°C. When a window opens, the heating or cooling system automatically stops operating. Consumables, including toner cartridges, paper and PET packaging are regularly recycled.

### Waste sorting at head office and branches

At the Bank's head office, employees have been sorting and collecting paper, PET packaging and mixed waste on their premises since April 2008.

Below every employee's e-mail signature you will see the message "Think before you print", suggesting that paper should be considered a resource used in everyday work. By using e-mail as a communication channel, we have pointed out the importance of environmental protection.

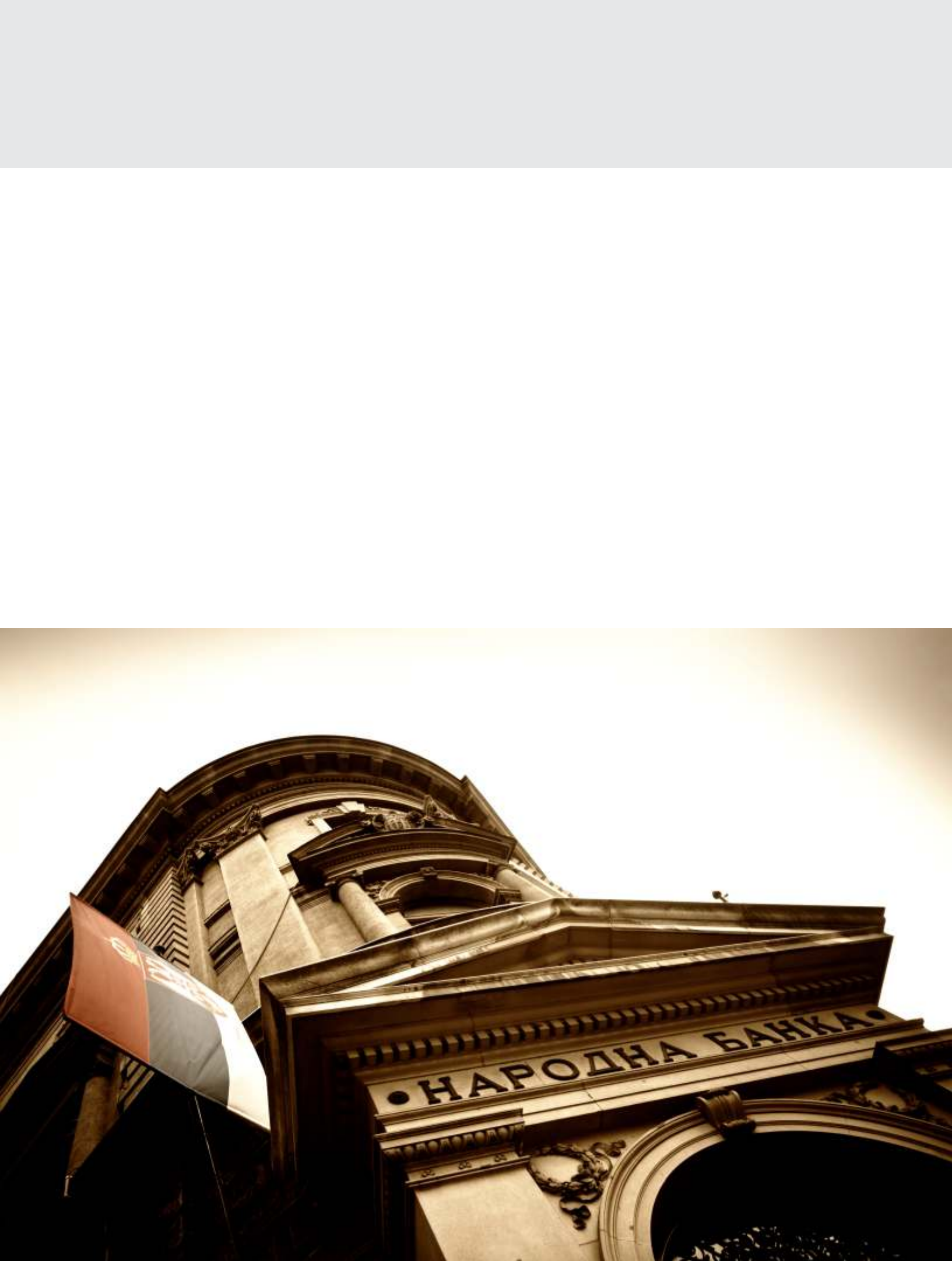
Employees are also able to use a common printer and photocopier on each floor, connected to their PCs.

Finally, the National Bank of Serbia's Social Responsibility Report is printed on certified paper produced in accordance with the principle of sustainable forest growth.

<b>PAPER</b>	<b>2014</b>
Head office and branch office in Belgrade	86,960 kg
Branch office in Novi Sad	2,402 kg
Branch office in Kragujevac	1,900 kg
Branch office in Niš	2,440 kg
Branch office in Užice	1,400 kg

<b>PET</b>	<b>2014</b>
Head office and branch office in Belgrade	2,514 kg
Branch office in Novi Sad	99 kg
Branch office in Kragujevac	PET packaging is separated and delivered to public utility companies
Branch office in Niš	
Branch office in Užice	80 kg





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Contact:  
National Bank of Serbia  
Kralja Petra 12  
11000 Belgrade  
Tel: +381 11 3027 194  
[www.nbs.rs](http://www.nbs.rs)

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This is our Communication on Progress  
in implementing the principles of the  
United Nations Global Compact.

We welcome feedback on its contents.