



National Bank of Serbia

# SOCIAL RESPONSIBILITY

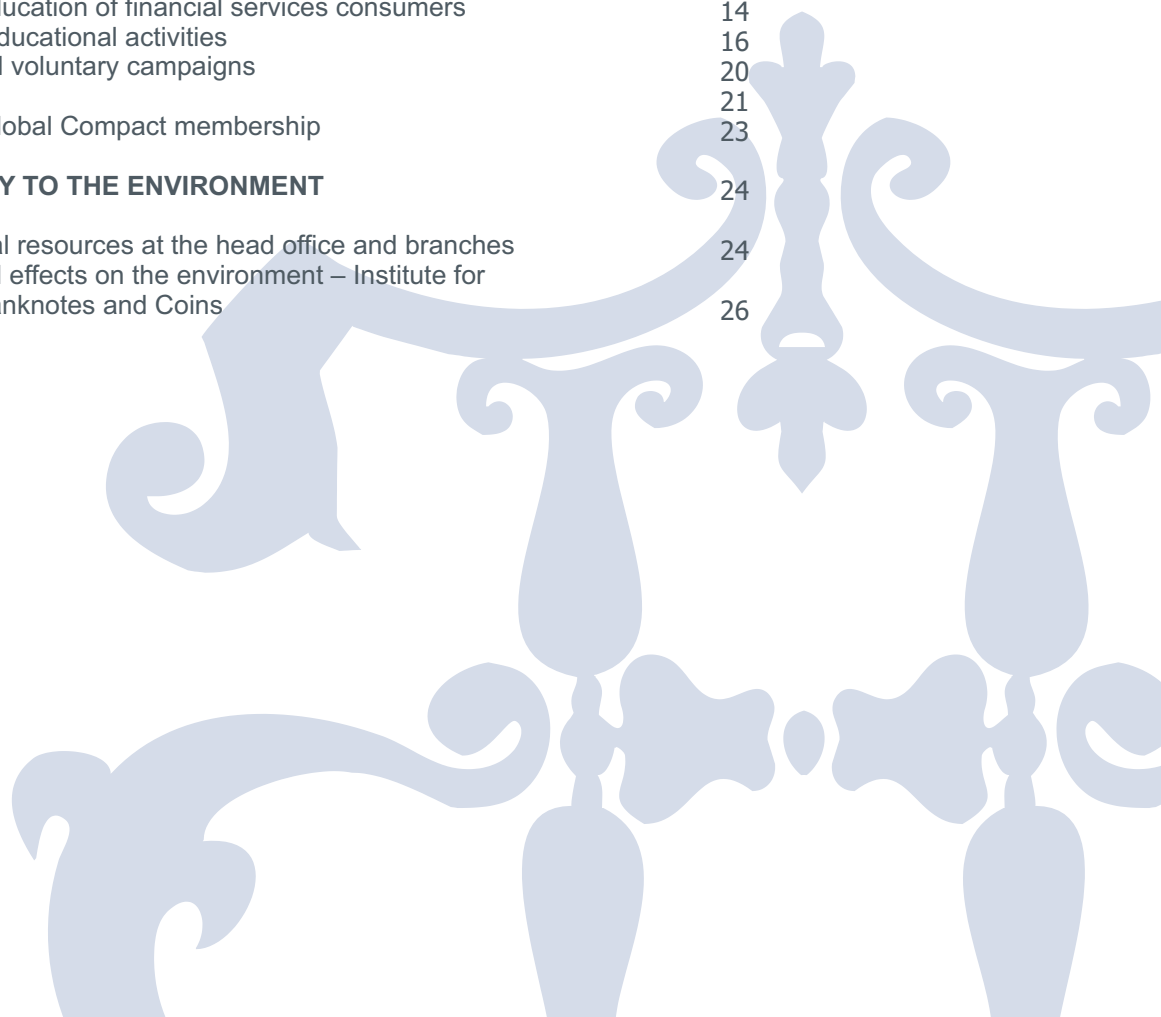


2016



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# GOVERNOR'S INTRODUCTORY WORD



Being one of the most important institutions in the country, the National Bank of Serbia is aware of the impact of its operation and measures on final beneficiaries – citizens of Serbia. That is why it performs its duties with full responsibility given that only such approach warrants the building of trust. The NBS earned the trust also largely owing to the progress it has achieved over the past five years, with full coordination of fiscal and monetary policy measures.

We stayed firm on the well-known path which implies measures aimed at ensuring stability, safety and predictability, which is why we can be satisfied with what we achieved in 2016.

This is supported by the following facts: inflation is low and stable, the period when frequent and excessive volatility was the first association with the exchange rate is way behind us, our financial system is stable and resilient to external shocks, the key policy rate, whose lowering directly affects a reduction in the cost of borrowing, is at its historical low, and foreign exchange reserves are at a level ensuring protection from external shocks. All this unambiguously shows that 2016 was a year of a good macroeconomic outturn, achieved in conditions of marked uncertainty in the international environment.

The exceptionally good results in preservation of price and financial stability rest on constructive cooperation with other institutions, notably the Government, but are also the result of joint and committed work of all employees of the National Bank of Serbia. As employees are our most precious asset, we strive to make our central bank the place where both the current staff and future young generations will build their careers.

In line with this commitment, in 2016 we signed MoUs on cooperation with eleven faculties in Serbia in the area of economics, law and organisational sciences. Investing in the education of the current and future generations in such way is crucial as it is on their knowledge and work that the success of not only the National Bank of Serbia, but the entire state will depend.

Aware of the strategic importance and necessity of education for our country and given the real conditions that we live in, by designing and implementing different educational projects we demonstrate our staunch commitment to progress and well-being.

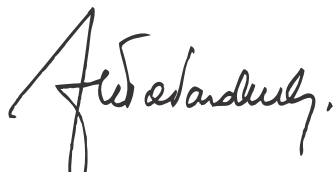
By offering new opportunities to the most talented pupils and students through the summer internship programme at the National Bank of Serbia, the prize competition for the best scientific-research works or the tournament in “Moneture”, an educational game for students, we help those who are the best and who will lead progress in our country. We involve in our projects young people of different age, educational and professional profiles, whereby we indirectly influence the development of trust in the institutions of our country.

We also systematically develop the “NBS Volunteers” programme, involving each year an increasingly higher number of employees. Furthermore, ensuring that all production functions of the Institute for Manufacturing Banknotes and Coins – Topčider are implemented in an ecologically acceptable manner, we also focus on improving environmental protection.

The National Bank of Serbia opened social media accounts, continuing to implement its communications strategy aimed at developing trust and a credible dialogue with all stakeholders, and thus achieving its statutory objectives. In line with the objectives of this strategy, we publish the tenth social responsibility report, thereby further enhancing the social responsibility concept, particularly in the financial sector.

In the context of social responsibility, it is noteworthy that the National Bank of Serbia is one of the founders and an active participant in the United Nations Global Compact in Serbia. It fully upholds the Global Compact Ten Principles, which pertain to the protection of human and labour rights, environmental protection and fight against corruption.

The social responsibility concept brings multiple advantages not only for individual institutions but the entire world. An aspiration to stable and sustainable business operation at the global level has already brought about a change in the culture of operation, and has affected business entities and lives of ordinary citizens. In line with its main objectives, the National Bank of Serbia will continue to be a part of such positive process.



Jorgovanka Tabaković, PhD



# ABOUT THE NATIONAL BANK OF SERBIA

## *Objectives and functions*

The National Bank of Serbia (NBS) is independent and autonomous in carrying out its functions defined by the Law on the National Bank of Serbia and other laws, and is accountable to the National Assembly. The primary objective of the NBS is to achieve and maintain price stability. Without jeopardising the achievement of its primary objective, the NBS contributes to the preservation and strengthening of financial stability.

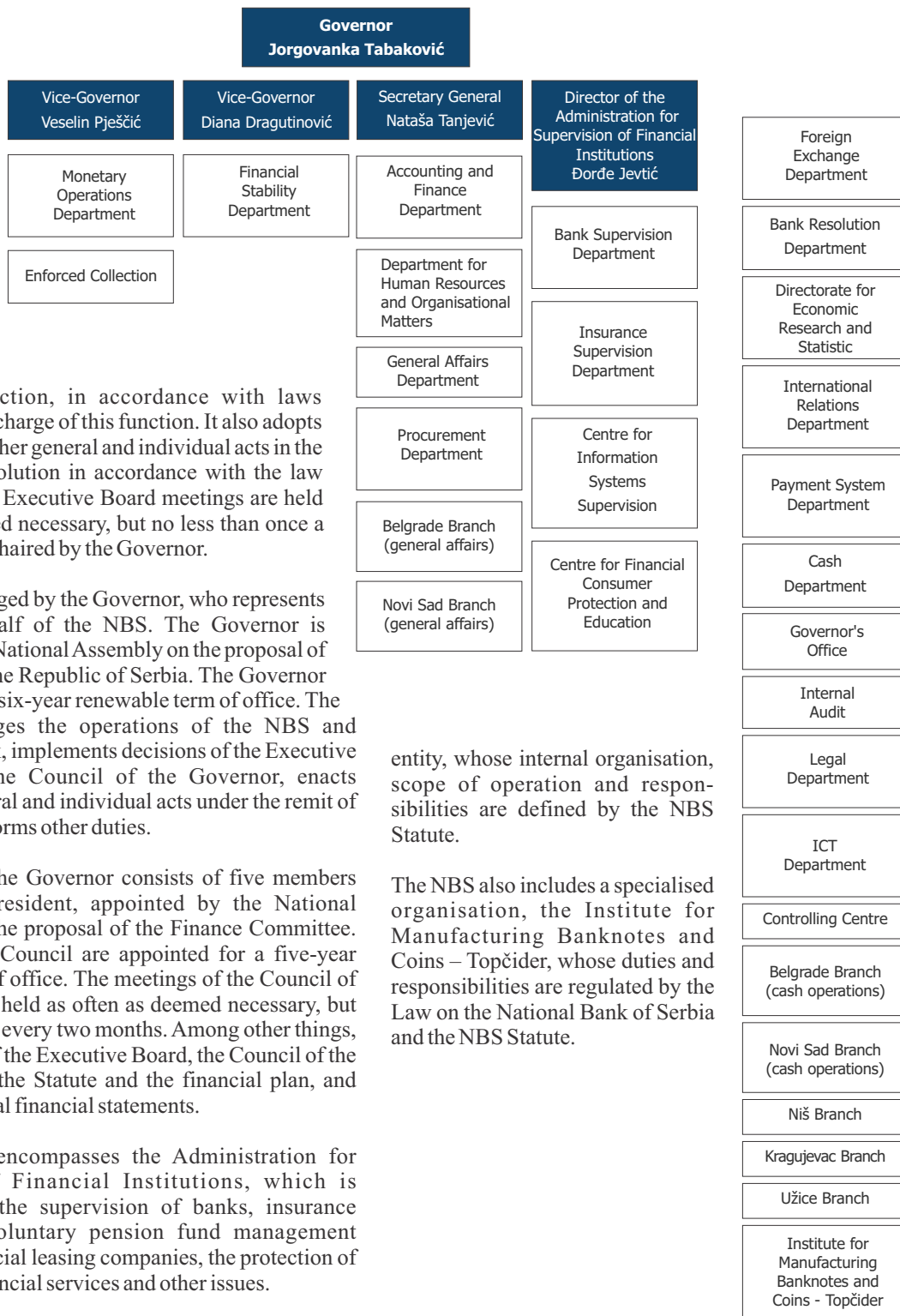
The position, organisation, mandate and functions of the NBS, as well as its relations with bodies of the Republic of Serbia and international organisations and institutions are regulated by the Constitution of the Republic of Serbia and the Law on the National Bank of Serbia.

The NBS:

- 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 banknotes and coins and manages cash circulation;
- regulates, controls and promotes smooth performance of domestic and cross-border payment transactions, in accordance with law;
- 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 out insurance business, and/or authorisations for the conduct of specific activities in 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 out financial leasing operations, supervises such operations and performs other activities in accordance with the law governing financial leasing;
- issues and revokes operating licenses of payment institutions and electronic money institutions, supervises the provision of payment services and electronic money issuance, and performs other activities, in accordance with the law governing payment services;
- pursues activities relating to the protection of rights and interests of consumers of services provided by banks, financial leasing providers, insurance undertakings, voluntary pension fund management companies, payment service providers and electronic money issuers, in accordance with law;
- establishes the fulfilment of conditions for instituting the procedures of the resolution of banks and/or banking group members, and implements these procedures, decides on resolution tools and measures, and performs other activities relating to bank resolution, in accordance with the law governing banks;
- issues and revokes operating licenses of payment system operators, supervises their operation and performs other activities, in accordance with the law governing payment services;
- performs statutory or contractual activities for the Republic of Serbia, without prejudice to its autonomy and independence;
- performs other activities under its remit, in accordance with law.

Bodies of the NBS are the Executive Board, Governor and Council of the Governor.

Members of the Executive Board are: the Governor, Vice-Governors and Director of the Administration for Supervision of Financial Institutions. The Executive Board determines monetary and foreign exchange policies and carries out activities to maintain and strengthen financial stability. It also sets the key policy rate and other interest rates applied by the NBS in the conduct of monetary policy. 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. It also adopts regulations and other general and individual acts in the field of bank resolution in accordance with the law governing banks. Executive Board meetings are held as often as deemed necessary, but no less than once a month. They are chaired by the Governor.

The NBS is managed by the Governor, who represents and acts on behalf of the NBS. The Governor is appointed by the National Assembly on 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 NBS 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 NBS 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, on the proposal of the Executive Board, the Council of the Governor issues the Statute and the financial plan, and adopts NBS annual financial statements.

The NBS also encompasses the Administration for Supervision of Financial Institutions, which is responsible for the supervision of banks, insurance undertakings, voluntary pension fund management companies, financial leasing companies, the protection of consumers of financial services and other issues.

The NBS is a legal entity headquartered 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 NBS Statute.

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

## Code of Professional Conduct

In accordance with its Rulebook on Business Conduct of Employees, in the course of 2016 the NBS undertook regular activities to promote the highest standards of ethical and professional conduct of employees.

The NBS and its officials regularly meet their obligations arising from the Law on the Anti-Corruption Agency and relevant secondary legislation. The Agency was submitted the notification of the re-election of one member of the Council of the Governor. All NBS officials timely receive notifications, in the form of reminders, regarding their obligations arising from the said laws and regulations (regular and extraordinary declaration of assets to the Agency etc.).

The NBS continued to meet obligations arising from the Law which relate to the Integrity Plan. In 2016, in accordance with the Guidelines for the Development and Implementation of the Integrity Plan, the NBS worked on the second cycle of preparing the Integrity Plan, which ended with setting up the working group at the NBS level and by nominating the coordinator for its preparation.

## Public relations

### External communication

As in earlier years, responsible, consistent and timely informing of the wider public about NBS operations and activities unfolded through intensive cooperation with the media and publication of information on the NBS official website and its subdomains.



Total 366 press releases were published and 328 answers provided to journalists' queries. As many as 74 statements and ten interviews were given for both the print and electronic media. Also, 17 television and radio appearances were made by the Governor, Vice-Governors and other members of the NBS staff. Four presentations of the Inflation Report and one presentation of the Financial Stability Report for 2015 were held. Media coverage was provided for the start of negotiations with the IMF mission during their three visits to Serbia, the visit of the member of the ECB Executive Board Benoît Cœuré to the NBS, the



Press releases	Answers to journalists' queries	Statements	Interviews	Appearances in electronic media	Press conferences
366	328	74	10	17	5

signing of the Memorandum on Business Cooperation between the NBS and the Belgrade Faculty of Economics, the Memorandum of Understanding on Cooperation between the NBS and ten faculties in Serbia, the prize tournament “Moneture” for students, events “Open Day Door”, “Museum Night” and “Global Money Week” (the NBS organised several educational workshops relating to financial literacy of children and youth), presentation of the new NBS educational game “Finances for Later”, humanitarian and other socially responsible activities implemented by NBS employees (volunteer action at the primary school in Cvetojevac, inclusive table tennis tournament with the participation of members of the Paraplegic and Quadriplegic Association of Banat from Zrenjanin, food collection action etc.), the prize competition for the best scientific-research work in the field of monetary economics, supervision of financial institutions and financial stability “Aleksa Spasić”.

To inform the public about its activities and results and to contribute to the building of trust, on 8 August 2016 the NBS opened its Twitter and Facebook accounts. It published 95 tweets and recorded 1,102 followers (information published on Twitter relates to the key policy rate, Inflation Report, FX reserves etc.). It published 104 posts and had 492 likes on its Facebook page (opened to inform about financial education, social responsibility, activities of the Visitor Centre and activities at the NBS exhibition hall in Slavija).

### Top media Tweet earned 1,552 impressions

Стабилност цена, курса и финансијског система резултат Народне банке Србије у 2016. години [bit.ly/2hSXJ7C](http://bit.ly/2hSXJ7C)  
[pic.twitter.com/PjwBsXIHZh](http://pic.twitter.com/PjwBsXIHZh)



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### TWEET HIGHLIGHTS

### Top Tweet earned 3,181 impressions

Ауторски текст [#guvernernbs](https://twitter.com/guvernernbs)  
 Јоргованке Табаковић за специјално издање магазина „Turning Points: Свет и Србија 2017“ [bit.ly/2ij7lbp](http://bit.ly/2ij7lbp)  
[pic.twitter.com/9GpA7XIPjD](http://pic.twitter.com/9GpA7XIPjD)



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## Publications and website

Via its website, the NBS informed the public about the instruments and measures it took to preserve and strengthen financial stability, as well as about instruments and measures of monetary and foreign exchange policies. With its regular publications, statistical analyses and press releases, the NBS presented to the public its activities in the field of supervision of financial institutions, payment service providers and electronic money institutions.

Корисник: **Народна банка Србије** је додао 4 нове фотографије.  
18. новембар 2016. · €

Залопсени у Народној банци Србије су у четвртак, 17. новембра, предали пакете хране, одеће и обуће деци из Svratiste за децу, Београд у Крфској улици. Помоћ за 250 социјално угрожене деце, узраста од пет до 15 година, која живе на улицама Београда, прикупљана је у оквиру хуманитарне акције коју је #NBSrbija организовала у сарадњи с Centar за интеграцију mladih. #DruštvenaOdgovornost #VolonteriNBS

Nov 2016 · 30 days

### TWEET HIGHLIGHTS

**Top Tweet** earned 13.4K impressions

Штедња становништва у Србији  
#nedeljastednje  
[pic.twitter.com/fytWtnaQnX](http://pic.twitter.com/fytWtnaQnX)



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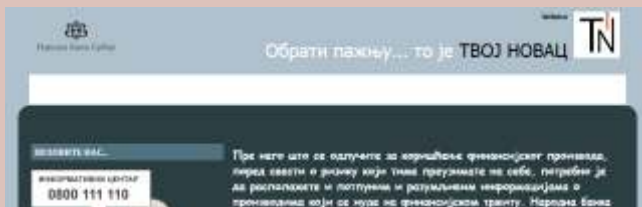
In 2016, the Annual Report on Activities and Results, Annual Financial Stability Report, Annual Monetary Policy Report for the previous year and Semi-Annual Monetary Policy Report for the current year were published on the NBS website. Other publications include monthly issues of the Statistical Bulletin, 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 Report on Dinarisation of the Financial System and the Inflation Report. The Inflation Report presentations were livestreamed on the NBS website.

Available to the public are also the following quarterly reports: Trends in Lending, Counterfeit Currency Report, Report on the Results of the Bank Lending Survey; monthly Report on Inflation Expectations; and annual Payment System Oversight Report.

## Visit and learn more



[www.nbs.rs](http://www.nbs.rs)  
about activities of the NBS



[www.tvojnovac.nbs.rs](http://www.tvojnovac.nbs.rs)  
about financial education



[www.centarzaposetiioce.nbs.rs](http://www.centarzaposetiioce.nbs.rs)  
about exhibitions and workshops  
for pupils and students

Through its subdomains (Tvoj novac – [www.tvojnovac.nbs.rs](http://www.tvojnovac.nbs.rs) and Visitor Centre – [www.centarzaposetiioce.nbs.rs](http://www.centarzaposetiioce.nbs.rs)) the NBS informed the public about its activities in the field of financial education, exhibitions and workshops for pupils and students.

In 2016, the NBS published its Financial Education Strategy for 2016–2020.

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

In addition, the NBS publishes on its youtube channel (theNBSvideos) recordings of press-conferences presenting the quarterly Inflation Report and the Annual Financial Stability Report, including recordings about its history, education and money.

# RESPONSIBILITY TO EMPLOYEES

In accordance with its social responsibility policy, the NBS stayed committed to caring about its employees – this being its priority objective in this area – by respecting the rights and needs of each individual, creating a pleasant and stimulating environment, investing in staff training and development, and improving work processes through everyday enhancements in the working environment and activities that employees perform. The NBS's long-term objective is to have a team consisting of highly skilled, professional and satisfied employees, committed to organisational values and motivated to achieve the best results. This reduces the rate of voluntary turnover, particularly of the highest skilled staff, and ensures overall efficiency.

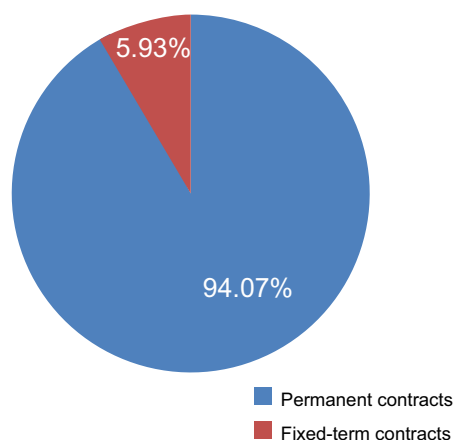
The operation of the central bank of the Republic of Serbia largely depends on the expertise and experience of employees and the capability to make sound decisions. Therefore, the NBS's priorities remain the same each year – staff development and training, creation of conditions for employees' safe and healthy work, prohibition of discrimination on any grounds, transparency of business processes and fostering the culture of trust.

## Employee structure

As before, the structure of employees in 2016 may be observed in terms of type of employment, gender, educational level and age.

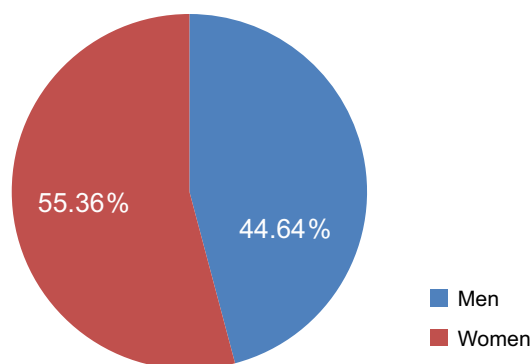
As in the earlier years, permanent contracts accounted for the largest percentage (94.07%).

Chart 1 Structure of employees by type of employment



Women accounted for the largest percentage of NBS employees (55.36%) compared to men (44.64%).

Chart 2 Gender structure of NBS employees

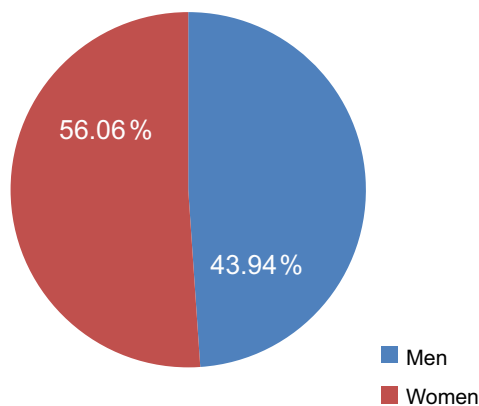


Gender structure of management staff

	Officials		Managers of basic organisational units, branches and the Institute		Middle and lower management		Total	
	Count	Percentage	Count	Percentage	Count	Percentage	Count	Percentage
Men	2	40%	25	48.08%	60	42.55%	87	43.94%
Women	3	60%	27	51.92%	81	57.45%	111	56.06%
Total	5		52		141		198	

There were more women than men among the NBS management staff (56.06%). The principle of equal opportunities for all is fully upheld, reflecting commitment to the struggle against gender-based discrimination and all other forms of discrimination.

Chart 3 Gender structure of management staff

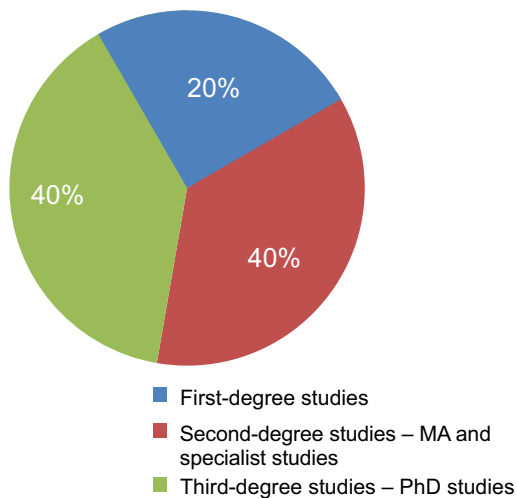


## *Education, professional development and training*

The NBS enables its employees to continuously upgrade knowledge and skills in different professional areas, thus ensuring a stimulating working environment for its employees.

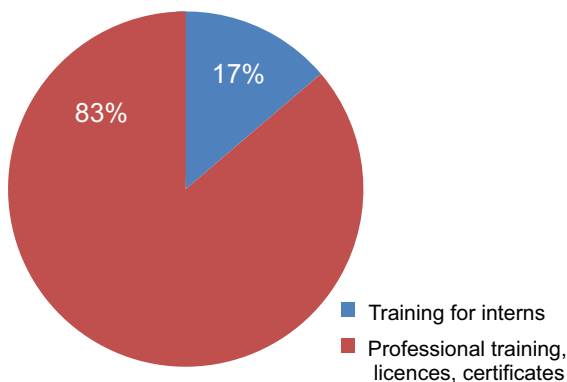
Employees were able to attend internal workshops, training in the country and abroad, foreign language courses, academic and vocational studies. They gained professional titles and certificates at different educational institutions.

Chart 4 Education



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

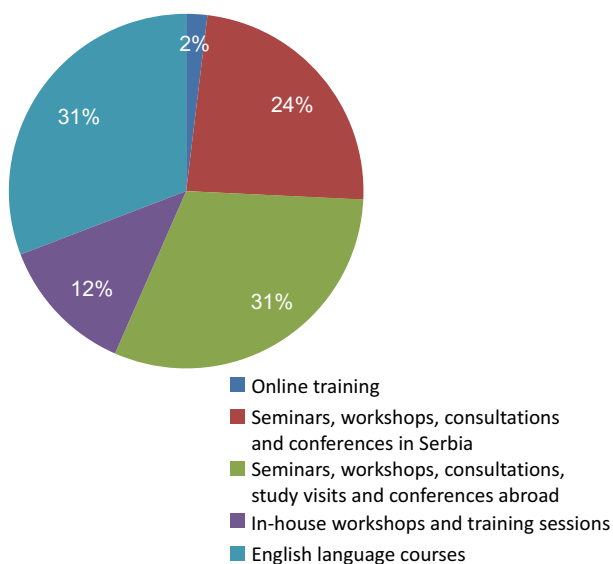
Chart 5 Professional development



Thanks to bilateral cooperation with central banks of EU member states and international financial institutions in the field of employee training, a large number of seminars, study and expert visits took place. Employees were able to exchange experiences with foreign colleagues, learn about state-of-the-art solutions and gain new knowledge.

In line with needs of the work, employees were able to attend standard courses in the English language and special courses in the field of banking and European integration.

Chart 6 Training



The NBS organised summer internship for 49 students of final years of faculties of universities in the country and abroad. Such internship serves as a unique opportunity for young people to gain working experience and complement their theoretical knowledge.

## *Occupational safety and health*

By applying the Law on Occupational Safety and Health and being a responsible employer, the NBS cares about the health of its employees and their occupational safety. To this end, it took all activities prescribed by law. The procedure to adopt the new Rulebook on NBS Occupational Safety and Health was launched and activities were taken to revise the Risk Assessment Act and to place the safety signs in all facilities. New procedures to determine the status of persons with disabilities were initiated, the earlier adopted solutions of the National Employment Service concerning the determination of such status were analysed, and

procedures were instigated to transfer such persons to workplaces where their health would not deteriorate. Employees were regularly referred to mandatory medical check-ups for the purpose of determining special medical fitness for high-risk workplaces, including mandatory eye tests. The NBS conducted prior or periodical assessment and examination of work tools and equipment used by employees, including the assigned personal protective equipment at work. Tools and equipment for personal protection at work were regularly procured and distributed to the staff. First-aid equipment and means were procured and installed. Periodical examination of biological harm was carried out, including the measurement of radon concentration. The commission to develop the Proposed Programme for the Removal of Defects in 2016 was set up (significant investments are needed to remove the defects) – the commission monitored the implementation of the Programme. The procedure for procurement of the service of preparation of the study on determination of workplaces with accelerated years in service at the Institute for Manufacturing Banknotes and Coins – Topčider was initiated. Professional training and re-training of employees for safe and healthy work were regularly conducted. Owing to such activities, awareness was raised about the importance and application of occupational safety and health measures, i.e. the number of work injuries and professional diseases was reduced.

The Institute for Manufacturing Banknotes and Coins – Topčider prepared the Manual for Servicers and Contractors – Code of Conduct, which also includes the rules of behaviour relating to occupational safety and health, and rules of behaviour in case of extraordinary situations. This Manual enabled all persons who, given the nature of their contracts with the Institute for Manufacturing Banknotes and Coins – Topčider, perform works in the Institute's narrow or wider circle, to learn about specific rules of behaviour in a simple way.

To ensure the highest level of occupational safety and health, the Institute for Manufacturing Banknotes and Coins – Topčider devoted particular attention to preventive activities. In addition to implementing regular activities, the Institute referred to eye tests 77 employees exposed to eye strain due to constant focus on error detection (quality controllers).



## *Internal communication*

The strategy to develop and continuously improve internal communication in the NBS rests on developing and promoting corporate culture in the working environment, motivating the staff to improve further, both professionally and personally, and creating a pleasant working environment. Employees are informed about primary objectives, achievements and events through several channels of internal communication (internal newspapers, brochures, video-materials and the in-house event – Bank Day).

### **Development and improvement of internal communication**

The development of internal communication is strategically planned and each activity is carefully designed and systematically integrated into the Annual Internal Communication Development Plan. Continuous improvement of internal communication is reflected in the development and improvement of the various channels of internal communication, as well as in the activities aimed at promoting social responsibility. With each passing year, the Bank wishes to improve internal communication further, and so it pays special attention to annual activity reports, which provide a clear insight into the results achieved and their comparability.

In 2016, five issues of the “NBS Info” were published in electronic form. By involving an increasingly greater number of employees in its development, the Group for Internal Communication and Social Responsibility continuously encourages the development of this channel of internal communication. For the sake of improving internal communication and promoting socially responsible behaviour and a higher working standard, cooperation with ambassadors for internal communication and social responsibility continued. Working meetings were a regular source of information about the developments in their organisational units, enabling the exchange of opinions and direct communication, which yielded the expected results. Communication is fostered also with the NBS Association of Pensioners, whose members also take part in writing contributions for the “NBS Info”.

# RESPONSIBILITY TO THE COMMUNITY

## *Protection and education of financial services consumers*

In 2016, the Centre for Financial Consumer Protection and Education actively supported citizens in exercising their rights by acting upon complaints of financial service consumers, mediating in disputes with a view to arriving at an amicable settlement and informing and educating consumers of financial services.

### Acting upon complaints

In the period between 1 January and 31 December 2016, the Centre processed a total of 4,183 cases (complaints, early complaints, inquiries and mediation proposals) regarding the work of financial institutions. The majority of complaints (99.8%) concerned the work of insurance undertakings (52.9%) and banks (46.9%).

Of the total number of complaints about the work of financial institutions (1,870), 877 complaints concerned bank operation, more specifically: loans (50.2%), current accounts (18.5%) and payment cards (15.1%). Of 990 complaints about the operation of insurance undertakings, the major part related to motor third party liability insurance (32.8%), accident insurance (28.8%) and property insurance (9.4%).

### Mediation

In 2016, 77 mediation procedures were scheduled and 71 were brought to completion. In 45% of completed mediation procedures, financial institutions and their clients reached an agreement.

Most mediation procedures dealt with disputes between banks and their clients and related to lending (30%), FX savings (7.8%) and current accounts (7.8%). As for the

**Number of complaints, early complaints, queries and mediation proposals (1/1 – 31/12/2016)**

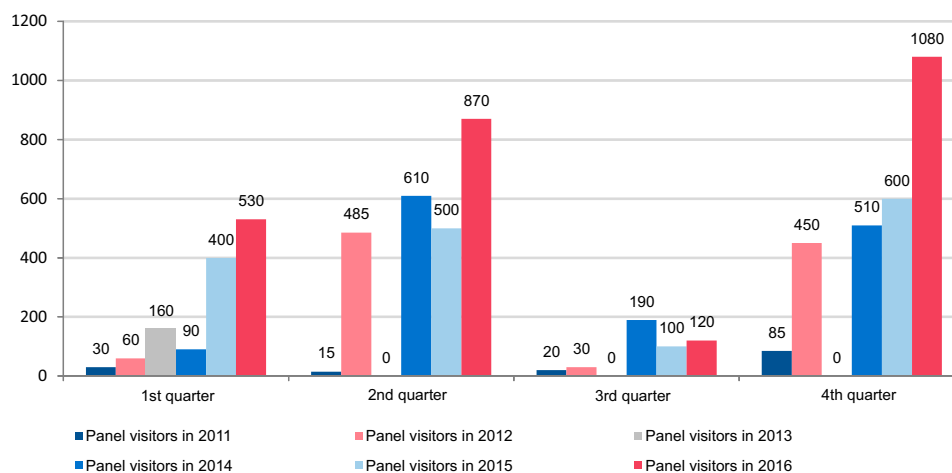
Financial service providers	Complaints	Early complaints	Queries	Mediation proposals	Total	In %
Banks	877	475	1,155	157	2,664	63.69
Insurance undertakings	990	94	66	173	1,323	31.63
Lessors	1	2	6	1	10	0.24
VPF management companies	1	0	1	0	2	0.05
Payment institutions	1	1	3	0	5	0.12
Other	0	0	179	0	179	4.28
<b>TOTAL</b>	<b>1,870</b>	<b>572</b>	<b>1,410</b>	<b>331</b>	<b>4,183</b>	<b>100</b>

**Number of mediations (1/1 – 31/12/2016)**

Financial service providers	In progress	Settlement	Suspension	Abandonment	Total	In %
Banks	1	23	21	3	48	62.3
Insurance undertakings	5	6	15	3	29	37.7
Lessors	0	0	0	0	0	0
VPF management companies	0	0	0	0	0	0
<b>TOTAL</b>	<b>6</b>	<b>29</b>	<b>36</b>	<b>6</b>	<b>77</b>	<b>100</b>



Panel visitors



disputes between insurance undertakings and their clients, most procedures concerned motor third party liability insurance (13%) and life insurance (7.8%).

### Informing financial services consumers

In 2016, the Centre received 1,410 queries of financial service consumers about financial services and consumer rights. Most of the queries concerned bank business (82%), primarily loans (49.6%), current accounts (14.9%) and credit cards (5.4%).

In the same period, the Call Centre received 15,588 telephone calls and queries from citizens. Excluding the questions about regular information (exchange rate lists and other information provided on a regular basis), users mostly addressed the Centre regarding enforced collection, procedure for protection of consumer rights and loan refinancing.

In 2016, 65 inquiries from journalists were answered via seven TV appearances, 42 statements by phone and 16 answers to questions from the print and electronic media (Radio Novi Sad, Radio Laguna, RTS, Happy TV, Kurir, Svet osiguranja, Blic, Danas, Politika, Biz Life, Telegraf, TV Prva, Večernje novosti, TV Al Jazeera). Via media channels, the NBS provided information to the public about financial products and services and consumer rights and obligations.

### Financial education of citizens

In line with the NBS's Financial Education Strategy for the Period 2016–2020, the central bank continued to work on raising financial awareness and developing financial

education of citizens. In 2016, 71 educational panels were held in 40 towns and villages across Serbia, the greatest number of venues since 2007, when the NBS initiated its financial education activities.

At the panels across Serbia, financial services were presented via 146 presentations. Citizens expressed most interest in the following topics: rights of financial service consumers, aspects to bear in mind when borrowing, refinancing loans, saving in voluntary pension funds, agricultural loans, electronic banking and agricultural insurance. A total of 2,600 financial service consumers – citizens, students, farmers and entrepreneurs attended the panels. The number of visitors from the latter three categories increased several times from the years before, in line with the plan to tailor financial education panels to several target groups. A total of 210,000 educational leaflets were distributed at panels and during other educational activities, in order to disseminate information on financial products and services.

As part of its regular educational activities, the NBS also continued to provide information to citizens in its regional financial education offices. In the course of 2016, 1800 citizens addressed the regional offices to inquire about banking services (39%), especially housing loans, savings, manner of calculating annuities, credit cards, loan refinancing, credit records, sureties, early loan repayment, current account fees, procedures for closing an account, changing interest rates and complaining about bank's work, while in the area of insurance the majority of questions concerned life insurance and motor third party liability.

Also, the Centre for Financial Consumer Protection and



Education continuously improved and updated the website [www.tvojnovac.nbs.rs](http://www.tvojnovac.nbs.rs), intended for financial service consumers. This website provides all information about the characteristics of financial products and services provided by financial institutions supervised by the NBS, as well as useful advice on what to pay attention to and whom to address for help.

recorded a turnout of 14,000 visitors/participants – 9,107 at the NBS Kralja Petra building and 3,405 at the building at Slavija square. Educational programmes – workshops and tournaments in educational games Moneture and “Finances for Later”, which were organized at the Visitor Centre and at schools and faculties across Serbia, attracted 1,488 participants.

### *Exhibitions and educational activities*

In the course of 2016, exhibitions, educational and cultural programmes of the NBS intended for the wider public

Exhibitions and educational and cultural programmes were attended by pre-school, primary and secondary school pupils, college and university students from Belgrade and other Serbian cities, domestic and foreign guests of the NBS, participants in NBS seminars and study programmes, as well as citizens who visited NBS exhibitions, individually or in tourist groups.



## Exhibitions

The hall of the NBS Slavija building was the venue of the following exhibitions and cultural events:

- “Exhibition of photographs of NBS employees in 2016”
- “Serbs of Livanjsko Polje – Endurance through Centuries”
- Concert by the “Belgrade Madrigalists Choir”
- “Exhibition by NBS pensioners”
- “Applied Nostalgia 2016 – Netherlands”
- “Republic exhibition of photographs of the Photo Association of Serbia” and concert of chamber ensembles of the Faculty of Music Art in Belgrade
- Exhibition of Paintings by Dragana Bojić “Expressions”
- “25th International Review of Composers”
- Documentary exhibition “And God Just Watches in Silence”
- Arts & Crafts Fair Serbian Dystrophy Association at NBS
- “People of the Street(s)” photo exhibition
- “Festival of Accordion Artists”
- “Applied Nostalgia 2016 – Slovakia”
- An exhibition of photographs by Aleksandar Radoš “Light and Sanctity of Monasteries”

By the exhibition “Reflection of Time and Events on Serbian Money – Money of the Principality and Kingdom of Serbia”, the NBS presented to the wider public selected banknotes issued in the late 19th and early 20th century. On the occasion of commemoration of the centennial of World War I, on 1 July 2016 the NBS opened an exhibition marking 132 years since the foundation of the Privileged National Bank of the Kingdom of Serbia.

The exhibition was opened by the NBS Governor, dr Jorgovanka Tabaković.

## Financial education of children and youth

As part of NBS's cooperation with primary and secondary schools, faculties and other state and private educational institutions, exhibitions at NBS buildings in Kralja Petra and Nemanjina Street were visited by primary and secondary school pupils from all around Serbia (Belgrade, Požarevac, Niš, Subotica, Lazarevac, Valjevo, Novi Sad,



Kikinda, Loznica, Titel, Pančevo, Boljevac, Smederevo, Zrenjanin, Bor, Ruma, Kuršumlija, Mionica, Bačko Gradište, Smoljinac, Vršac, Sremska Mitrovica, Ljubovija, Velika Plana, Indija, Pećinci, Paraćin, Stajicevo, Mali Zvornik, Alibunar, Gornji Milanovac and Kovin), as well as students (of faculties of economics in Belgrade, Niš, Novi Sad and Subotica, Faculty of Law in Belgrade “ELSA”, Faculty of Business Studies John Naisbitt in Belgrade, Belgrade Banking Academy, Faculty of Business Studies and Law Dr Lazar Vrkatić in Novi Sad, Faculty of Economics and Engineering Management in Novi Sad, Higher Vocational School in Valjevo, Faculty of Philology in Belgrade, Faculty of Political Sciences in Belgrade, Military Academy, Faculty of Applied Arts in Belgrade, Faculty of Organisational Sciences in Belgrade and Faculty of Business Economics of East Sarajevo).





Continuing years-long successful cooperation, in April and October, the NBS Exhibitions and Education Unit hosted pupils of secondary economics school “Bosa Milićević” in Subotica and “Vuk Karadžić” in Ljubovija.

In 2016, the NBS held workshops “Drawing a Banknote of My Choice”, “Distinguished Serbs on Banknotes”, “Dinar – Our Money”, “Me and My Budget” and “My Finances” in Leskovac, Bajina Bašta, Novi Sad, Sombor, Niš and at the NBS Kralja Petra building.

In order to familiarize the public with the principles of conduct of monetary policy, tournaments in educational game Moneture were held for students of faculties of economics in Belgrade, Kragujevac, Niš and Kosovska Mitrovica, Faculty of Economics, Finance and Administration in Belgrade, Faculty of Business Studies and Law Dr Lazar Vrkatić in Novi Sad, Belgrade Banking Academy, Business Faculty in Valjevo, as well as for pupils of the final year of the Trade and Catering School in Leskovac and Law and Business School in Belgrade.

Recognising the importance of financial education of children and youth, the NBS designed and developed a new educational game “Finances for Later”, which ushers participants in the world of finance and sound financial management. Moneture tournaments started in September, with participation of secondary school pupils from

Belgrade, Leskovac, Čačak, Sombor, Subotica and Niš and students of business faculties from Novi Sad and Valjevo.

#### *MoUs with faculties in Serbia*

In mid-October, NBS Governor Jorgovanka Tabaković signed MoUs on cooperation with the representatives of faculties of economics in Kragujevac, Niš, Kosovska Mitrovica and Subotica, faculties of law in Belgrade, Novi Sad, Kragujevac Niš and Kosovska Mitrovica, as well as the Faculty of Organisational Sciences in Belgrade. The NBS had previously already concluded an MoU with the Faculty of Economics in Belgrade.

These MoUs envisage cooperation in the areas of designing student internship programmes, monitoring student work and designing hiring programmes, in accordance with the possibilities and business activities of the central bank, designing mentorship programmes for university students, organizing visiting lectures of NBS representatives at the faculties, their participation at university conferences and round tables and other forms of cooperation.

#### *Global Money Week*

From 14 to 18 March the NBS marked the Global Money Week by a number of activities, including workshops “Me and My Budget” and “Dinar – Our Money”, educational game tournaments “Moneture” and “Finances for Later” and a lecture for secondary school pupils.

It also hosted visitors at the museum at the NBS Kralja Petra building. A competition was organized for Belgrade primary school pupils, for the best work on topics: “He who studies will know, he who saves will have”, “What can we do with money?”, “Which one would you rather be –



the ant or the grasshopper?” and “Would you like to work at the National Bank of Serbia?”.

At the Faculty of Economics in Belgrade, at the panel “Consumer Socialisation of Children”, the NBS presented activities implemented in the area of financial education of youth.

#### *Market of ideas*

In accordance with the NBS's activities in the field of financial literacy of children and youth, in April 2016 the Exhibitions and Education Unit took part in the school fair “Market of Ideas” organized by the Belgrade City Museum. On that occasion the NBS presented the workshops organized by the Visitor Centre and educational game “Moneture”.



#### *Prize tournament in Moneture*

At the initiative of the Governor and President of the Council of the Governor, in December 2016 the NBS organized the second prize tournament in the board game “Moneture”. The intention is to organise this tournament every year. Faculties that took part in the tournament were the faculties of economics in Belgrade, Kragujevac, Niš and Kosovska Mitrovica, Belgrade Banking Academy, Faculty of Business Studies and Law Dr Lazar Vrkatić in Novi Sad, Faculty of Business –Singidunum University, Faculty of Economics, Finance and Administration – FEFA in Belgrade and Business Faculty in Valjevo.

Prize winners were invited to enrol in summer internship at the NBS.

#### **Cultural events**

##### *International Day of the Francophonie*

On the occasion of the International Day of the Francophonie, marked in March, the NBS organized the workshop “Distinguished Serbs” for pupils of the primary school “Vladislav Ribnikar” in Belgrade.

##### *Open Door Day*

For the fifth year in a row, on the first Saturday in April the NBS opened its doors to the wider public and presented various programmes to citizens. At the exhibition space the NBS showcased its regular exhibition “Money at the Territory of Serbia” and themed exhibitions “Dinar – Our Money”, “Coin Minting – from the Conceptual Design to the Mint” and “National Bank of Serbia – National and European Institution”. In addition, it presented video material “Functions and Mandates of the National Bank of Serbia”.



### *Days of Belgrade*

The NBS traditionally participated in the cultural event the Days of Belgrade, offering to the public its regular exhibitions during the working hours of the museum in Kralja Petra building.

### *Museum Night*

On 21 May 2016, the NBS again took part in the Museum Night cultural event. At the building in Nemanjina Street, two events were organised: “The Republic Photo Exhibition” organized by the Photo Association of Serbia and the concert of chamber music ensembles of the Faculty of Music Arts in Belgrade. Visitors were able to pose for a photo and get a souvenir banknote with their image.

### *European Heritage Days*

On Saturday, 24 September, the NBS opened the Kralja Petra building to the wider public, to mark the European Heritage Days. The 2016 event was dedicated to the “Cultural heritage and communities – living with heritage”, a theme chosen to highlight the significance of efforts of communities, associations, families, groups of friends and all the custodians of Serbian cultural heritage, who preserve and promote it in numerous ways.

## *Humanitarian and voluntary campaigns*

In addition to discharging its principal functions, the NBS is committed to humanitarian and socially beneficial work and strives to affirm socially responsible behaviour. The importance of such behaviour has been fully recognised by its employees, who engage actively and in great numbers in humanitarian and voluntary campaigns aimed at collecting funds, food and clothes for socially vulnerable groups, children with developmental disabilities and children deprived of parental care.

In humanitarian actions organized by the NBS in Belgrade, Novi Sad, Niš, Kragujevac and Užice for the tenth year in a row, more than one ton of food was

collected and distributed to the most vulnerable categories of the population.

NBS employees also gave a significant contribution to humanitarian actions during New Year's and Christmas holidays, as part of the traditional action “A Present for an Unknown Friend”, by donating more than 200 Christmas presents to children users of the church soup kitchen in Belgrade, children with developmental disabilities from the day care “Neven” in Pančevo and wards of the Home for children deprived of parental care “Petar Radovanović” in Užice.

Before the New Year's and Easter holidays, the Belgrade head office and the Novi Sad Branch organized humanitarian exhibitions of artwork made by children, young people and the elderly with developmental disabilities, in order to collect funds for programmes supporting their development. NBS employees demonstrated high awareness of and sensibility for the needs of vulnerable groups, offering their moral and financial support, by buying the artwork. Owing to cooperation with humanitarian organisations, centres, associations and schools for children with developmental disabilities, humanitarian actions organized by the NBS are becoming increasingly successful.

Driven by a desire to help, volunteers of the NBS have taken part in numerous campaigns. A record turnout was recorded in the action “With All Our Heart” in Cvetojevac and at the living and working community of persons with disabilities “Oasis” in Golubinci. Those were the most demanding and most successful large-scale volunteer actions organized so far.





At its Business Recreation Centre – Topčider, the NBS organized an inclusive sports tournament for members of the NBS's table tennis section and members of the Association of Paraplegics and Quadriplegics of Zrenjanin. It also hosted the event “You Can”, organized by the City of Belgrade Education Secretariat, on the occasion of the International Day of Persons with Disabilities.

In cooperation with the Belgrade Centre for Residential and Day Care of Children and Youth With Developmental Disabilities, the NBS organized a creative workshop for employees' children, where the youngest were able to learn the basics of sculpting, make clay objects and paint them.

In 2016, employees continued the national campaign of collecting plastic bottle caps “Bottle Cap for Handicap” and collected more than one ton of bottle caps by the end of the year. The funds earned through the recycling of caps helped to procure orthopaedic aids for persons with disabilities across Serbia.

The NBS will continue to carry out humanitarian and volunteer campaigns, expand the network of its associates and broaden the range of actions, with a view to

promoting social responsibility. In order to acquaint the wider public with the activities and results achieved in the area of social responsibility, the NBS prepared a photo retrospective of humanitarian and volunteer actions – compiled a set of photographs and posted them on social networks.

## *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, fixed assets, intangible assets and inventory no longer in use may be granted or donated to legal persons, local government units, educational and cultural institutions, institutions for social and health care, non-profit organisations and associations, humanitarian organisations and other institutions.

In 2016, the NBS donated RSD 2,352,772.30. The total value of donations in kind (used furniture and technical equipment) was RSD 3,378,621.94.



436,550 RSD

Financial value of humanitarian activities



35 families

Inclusive sports tournament for employees and their children



105,000 RSD

Humanitarian exhibitions of handiwork of persons with disabilities



1,022 kg

Collection of food for socially vulnerable population



over 200 packages

New Year gifts for children from vulnerable groups



170 packages

Collection of clothing for elderly citizens



1,356 hours

Volunteer activities in Golubinci and Cvetojevac



3,378,620 RSD

Written-off furniture and technical equipment



1,000 kg

Collecting plastic bottle caps in order to purchase orthopaedic aids for persons with disabilities



2,352,772 RSD

Donations to social and health care institutions, humanitarian organisations, associations, educational and cultural institutions



## *United Nations Global Compact Membership*

Since the Global Compact was established on 6 December 2007, the NBS, as one of the founders and an active member of this initiative, has been committed to promoting and affirming this large-scale 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 area of protection of human and labour rights, environmental protection and the fight against corruption. Over the nine-year period of working in Serbia the number of members has increased to over 110. 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 2016, the NBS actively participated in the working groups for corporate social responsibility in banking and finance, and education and development of corporate social responsibility and promotion of Sustainable Development Goals. The NBS also took part in preparing the publication “How Our Organisations Achieve Sustainable Development Goals”.

As the 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.

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

- one-week/two-week practice for third/fourth grade students in branches of member banks,
- visit to the NBS 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 2017.

For more information on all the activities of the United Nations Global Compact in Serbia, please visit [www.ungc.rs](http://www.ungc.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, International Labour Organisation's Declaration on Fundamental Principles and Rights at Work, Declaration on Environment and Development, and United Nations Convention against Corruption.

# RESPONSIBILITY TO THE ENVIRONMENT

## *Preserving natural resources at the head office and branches*

In 2016, the NBS continued to behave responsibly to the community and the environment. Numerous activities were implemented in accordance with the Law on Waste Management, as envisaged by the Bank's Waste Management Plan 2013–2016. The NBS implemented waste handling measures mandated by the Law, such as investigation, purchase of containers, collection and monitoring of waste by documenting waste transport and storage. Development of the NBS's Waste Management Plan 2017–2020 is underway.

Employees at the Maintenance Division, in charge of monitoring energy consumption and implementing energy efficiency measures, keep track of the developments in the area of enforcement of the Law on Efficient Use of Energy, following the websites of the Ministry of Mining and Energy and Faculty of Mechanical Engineering in

Belgrade, as well as of the authorized training organisations. The energy manager will be appointed upon the adoption of the Rulebook on Appointment of Energy Manager in Companies, Bodies of the Republic of Serbia, Bodies of the Autonomous Province and Public Services.

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 optimal 22°C. When a window opens, the heating or cooling system automatically stops operating.

### **Waste sorting at the head office and branches**

At all NBS locations, employees have been sorting and collecting paper, PET packaging and mixed waste for recycling since 2009.

Since 2008, employees have been continuously learning about the importance of separating secondary waste. The brochure "Guide through Recycling" was published, along with a number of motivational texts in the internal newspaper. Below every employee's e-mail signature there is 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 point out to the importance of environmental protection. Employees are also able to use a common printer and photocopier on each floor, connected to their Pcs.

Owing to high socially-responsible awareness of employees, the quantities of waste paper are getting lower every year. In 2016, significant savings were recorded in all parts of the NBS system.

#### **Thermal energy**

Year	Kralja Petra (kwh)	Nemanjina (kwh)
2014/2015	743,531	1,612,680
2015/2016	749,640	1,506,490
2016/2017	691,195	1,236,400

#### **Water**

Year	Kralja Petra (m3)	Nemanjina (m3)
2014	2,861	12,480
2015	3,271	12,632
2016	3,014	12,730

#### **Electricity**

Year	Kralja Petra HT (kwh)	Kralja Petra LT (kwh)	Nemanjina HT (kwh)	Nemanjina LT (kwh)
2014	605,340	221,580	2,432,240	920,110
2015	627,000	210,600	2,059,890	1,091,320
2016	580,200	201,600	2,012,210	1,051,240

HT – high tariff  
LT – low tariff

Paper recycling	2016	2015	2014
Head office and Branch in Belgrade	33,660 kg	46,980 kg	86,960 kg
Branch in Novi Sad	881 kg	1,309 kg	2,402 kg
Branch in Kragujevac	6,180 kg	5,520 kg	1,900 kg
Branch in Niš	1,500 kg	320 kg	2,440 kg
Branch in Užice	/	280 kg	1,400 kg



PET recycling	2016	2015
Head office and Branch in Belgrade	2,930 kg	2,520 kg
Branch in Novi Sad	180 kg	191 kg
Branch in Kragujevac	PET packaging is separated, and delivered to public utility companies free of charge	PET packaging is separated, and delivered to public utility companies free of charge
Branch in Niš	PET packaging is separated, and delivered to public utility company Mediana Niš free of charge	/
Branch in Užice	/	25 kg

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

The Institute for Manufacturing Banknotes and Coins – Topčider was certified in 2015 in accordance with the standard ISO 14001 – Environmental Management System. In 2016 the central bank continued to operate in the manner benefiting both its organisation and the wider social community, and the Institute incorporated sound environmental practices into its everyday operation.

Sound waste management is one of the long-term objectives of the Institute for Manufacturing Banknotes and Coins – Topčider. In 2016 the Institute sorted waste according to the place of origin, and made sure it was properly marked, temporarily stored, transported, sold and handed over for final processing. Around 70,000 kg of hazardous waste was handed over to trusted long-standing partners for final disposal, in order to minimise environmental risks. Since recycling saves raw materials and energy, around 190,000 kg of non-hazardous waste was sold to operators that process secondary raw materials for reuse. As in the previous years, the whole quantity of collected waste paper and metal was recycled, in order to contribute to sustainable development.

In 2016 the NBS built a new storage for chemicals, observing all standards and regulations on handling, storage and disposal of hazardous chemicals.

The Institute fully complies with all the laws and bylaws and accordingly reports to government agencies on this matter.

The NBS invests in development and education of employees via training and courses and raises awareness on the importance of prevention of pollution of the working and living environment. A brochure “Manual for Servicers and Contractors – Code of Conduct” was issued, one part of which is dedicated to environmental protection and code of behaviour conducive to saving of resources and energy and reducing the quantity of waste.





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National Bank of Serbia  
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Tel: +381 11 3027 100  
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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.