



National Bank of Serbia

CORPORATE SOCIAL RESPONSIBILITY



2007

INTRODUCTION

Introduction

In addition to its principal and legally mandated objective of “attaining and preserving price stability“, the NBS has, for the past several years, developed and performed activities aimed at employee satisfaction and prosperity, education and communication with the widest community, conducted humanitarian activities, promoted creation of artworks and art projects of national importance, as well as other activities from the field of social responsibility which are acknowledged as primary activities in this field. In a time when care about employees, the community and environment is one of the main indicators of business success of every modern company, this becomes even more significant.

Until 2007, the primary focus of these activities was on the development of socially responsible behavior in the National Bank of Serbia and care about employees who were provided, through permanent training in the country and abroad, ongoing improvement of working conditions and numerous other incentives, with the best possible conditions to achieve above average results. Within the same focus, strong support in 2007 was given to behavioral change campaigns through actions oriented towards the protection of health, improvement of safety at work and protection of the environment for NBS employees.

In addition, since 2007 this scope has substantially expanded and has come to include activities beyond the NBS which are conducted through open and direct communication with the widest community, through activities of the Centre for Financial Services Consumer Protection, Call Centre and Visitor Centre, all of which had outstanding results in terms of informing and educating the community. Beside the mentioned socially responsible practice, in 2007 the National Bank of Serbia launched a national campaign for the promotion of children's savings entitled “Win by Saving“, with the goal to develop and strengthen awareness of this important social goal and to bolster interest for it. The fifth consecutive Summer Practice was organized for university graduate students, and at the end of this event the best students were awarded scholarships.

Granting direct donations to humanitarian organizations was also an important segment of humanitarian work of the National Bank of Serbia in 2007. Employees of the National Bank of Serbia displayed their humaneness and support for their fellow citizens in the best possible way by hosting and welcoming young children from Kosovo and Metohija. An action of collecting New Year's packages was organized for them and for developmentally impaired children, while computer training was organized for people of Roma nationality.

Two pilot projects focusing on environmental protection also began in 2007. With support from and the participation of employees, 22 pine trees were planted and the process of introducing recycling in the NBS, namely the separation and sorting of waste paper and PET packaging, was also initiated.

Special quality and significance of the efforts of the National Bank of Serbia in the field of social responsibility in 2007 derive from the fact that NBS employees, with their support and enthusiasm, gave a positive example to their families, neighbors, friends and society as a whole. Additionally, by providing a positive example the National Bank of Serbia stimulated other institutions and companies to become more actively involved in a wide range of activities aiming at welfare and prosperity of their employees, the social community and environment.



The UN Global Compact

In 2007, the National Bank of Serbia established cooperation with the United Nations within the UN Global Compact initiative. The UN Global Compact is the world's largest voluntary association committed to the advancement of socially responsible business practice with more than 5,200 members from over 120 countries. An increasingly large number of companies are becoming more alert to the possibilities that responsible business practices offer in terms of improving their overall performance in the increasingly competitive Serbian economy. As a local partner to the United Nations in this initiative, on December 6, 2007, the National Bank of Serbia hosted over one hundred private companies, financial sector representatives and government and non-government organizations during the promotion of this initiative. The main goal of the promotion was to acquaint companies operating in Serbia with the Global Compact. This initiative is not a regulatory instrument and it does not control, impose or measure behavior or actions of individual companies. Rather, the Global Compact relies on responsibility, transparency and established business interest of companies, non-governmental organizations, associations and academic institutions, with the primary goal to initiate and exchange information about specific actions which promote and apply in practice the basic principles of social responsibility. From one meeting to the next its membership expands, as well as interest in this initiative which provides an opportunity for major companies to discuss an important topic corporate social responsibility. The Global Compact expects from its members to adopt, support and promote ten principles from 4 key areas. More about this you can find on the NBS website www.nbs.rs.

In addition to the National Bank of Serbia, BFC Lafarge, Holcim, Deloitte, Cisco Systems, Eurobank EFG Savings Bank, Piraeus Bank, Societe Generale Bank, Credite Agricole Meridian Bank, and *Smart Kolektiv* joined the Global Compact initiative in Serbia.

Also, the National Bank of Serbia issued the first Newsletter relating to the Global Compact in Serbia in order to attract other interested parties to join this initiative.



RESPONSIBILITY TOWARDS EMPLOYEES

Responsibility towards employees

The NBS employment policy

The importance of the central monetary institution in a country and its role in society determine the need of the National Bank of Serbia to give special attention to recruiting prospective candidates and selecting of people to work within its organization. In that respect, the year 2007 was marked by the participation of the NBS in career and employment fairs organized by the AIESEC, the Faculty of Law and National Employment Service, in order to collect information about the supply of qualified personnel in the labor market, inform interested parties about possibilities and mechanisms of employment in the NBS, and to recruit candidates for Summer Practice at the NBS.

In the June-July period, the National Bank of Serbia organized the fifth consecutive Summer Practice for graduate university students. In 2007 the Summer Practice was attended by 24 university students, and the best five were awarded scholarships.

In 2007, 12 external advertisements for permanent job vacancies were published and 18 interns were given permanent employment. In the first half of 2007, a new generation of interns was accepted and they are currently attending professional training in preferred organizational units.

Professional training of employees

The training and ongoing professional education of employees is a strategic priority of the National Bank of Serbia.

In 2007, employees of the National Bank of Serbia were enabled to attend and participate in different types of advanced professional training.

PROFESSIONAL EDUCATION OF EMPLOYEES IN 2007

Ser. no.	Type of professional education	Number of employees
1.	Graduate studies in the country	18
2.	Advanced professional education	38
3.	Professional training	20
4.	Seminars, courses and consultations in the country	250
5.	Foreign language courses	269
6.	Internships	46
7.	Summer practice for students	24
8.	Management training	11
9.	Graduate studies in the US	2
10.	Seminars, conferences and advanced professional training abroad	287
11.	Seminars in the country organized in cooperation with donors of professional and technical assistance	131
Total		1,096

TRAININGS IN THE COUNTRY AND ABROAD				
	No. of training courses	No. of participants	No. of days	Average No. of training days per participant
Abroad	182	287	1,339	4.66
In the country	123	381	751	1.97



RESPONSIBILITY TOWARDS EMPLOYEES

Responsibility towards employees



The total number of employees who attended foreign language courses in 2007 rose by 10.7% as compared to 2006, and amounted to 269 employees in all.

The National Bank of Serbia enabled employees to attend post-graduate studies in the US. In 2007, a professional team from the American Council from Washington, D.C. conducted the process of assessment and selection of candidates. At the end of this process two finalists were selected, awarded scholarships and commenced their post-graduate studies.

Participation in seminars, study visits, conferences and vocational trainings abroad in 2007 increased by 9.13% as compared to 2006, and amounted to a total of 287 trips (without employees of The Institute for Manufacturing Banknotes and Coins - ZIN). Major donors of technical assistance for professional training in 2007 were the *Deutsche Bundesbank*, where 35 employees were trained, the Joint Vienna Institute, where 30 employees attended seminars, as well as the *Banque de France*, where 15 employees participated in seminars. Additionally, 12 study visits were organized for NBS employees in cooperation with different central banks.

In 2007, the National Bank of Serbia, in cooperation with central banks of countries of Western and Eastern Europe, organized four regional seminars in Belgrade and three specialist seminars for NBS employees only.

In cooperation with the Netherlands Central Bank and *Bundesbank*, two in-house seminars were organized focusing on voluntary pension funds and international accounting standards.

For the purpose of improving personal and professional skills of employees and their working environment, the Centre for Career Planning within the HR Department began its activities. Within these activities a survey on employees' satisfaction with their work was conducted in some organizational units. In order to bolster motivation and dedication of young people for their working positions, the realization of a career development project began for young NBS employees with university degrees.

Major donors of professional and technical assistance to the National Bank of Serbia in 2007			
Donors	Participants in seminars abroad	Participants in seminars in the National Bank of Serbia	TOTAL
Deutsche Bundesbank	35	45	80
International Banking and Finance Institute			45
Joint Vienna Institute	30		30
National Bank of Poland	4	19	23
De Nederlandsche Bank	9	10	19
Czech National Bank	16		16
Oesterreichische Nationalbank	13		13
Center of Excellence in Finance	12		12
Bank of England	8		8

Employee benefits

Housing needs

In accordance with the current Rule Book on solving the housing needs of NBS employees, 54 loans were granted in 2007 to the NBS employees who were first-time home buyers, in the amount of 30% of the value of their apartment value.

Benefits and awards

Based on membership in voluntary pension funds, all employees were given incentive in the form of additional payment of pension fund contribution. This incentive has been used by 1802 employees up to date, with the total value of pension fund contribution payments amounting to RSD 57,416,800.

Employees can exercise their rights to receive humanitarian assistance on the basis of child birth, illnesses, death of an employee or members of his/her immediate family, as well as New Year's presents for children up to the age of 15 years. In 2007, 46 assistance payments were made on the basis of child birth.

Every year NBS employees receive jubilee awards for ten, twenty, thirty and forty years of service. In 2007, 324 such awards were granted, 127 for ten, 130 for twenty, 65 for thirty and 2 awards for 40 years of service in the NBS.

Rest and recreation

In order to provide the best possible working conditions, employees were enabled to use the Bank's hotels and sports facilities at discounted prices. Recreational facilities had a large number of visitors in 2007 - hotel "Lepterijski" in Sokobanja spa was visited by 265 employees and 23 pensioners, the "Kraljevi konaci" suites on Zlatibor mountain by 276 employees and two pensioners, and suites in Budva on the Adriatic Coast by 71 employees.

Cooperation established with central banks of the Czech Republic, Switzerland and the Netherlands enabled employees to use their hotel resorts.

A large number of employees used the opportunity to engage in sports and recreational activities in the facilities of "Stari DIF" center for physical education at a 50% discount price. To this end the NBS obtained 382 membership cards for its employees in 2007. Within activities of the mountaineering club "Pobeda", several recreational excursions to natural reserves were realized with participation of over 150 employees and their family members.

In order to improve sporting and recreational activities of employees, tennis courts of the NBS Business and Recreational Centre "Topčider" were used by 125 employees, while 18 teams and three selections used basketball, football and volleyball fields.



Medical program for employees

A clinic was opened in the NBS office building on Slavija square, where employees can have regular check-ups, diagnostics, therapies and minor interventions like wound- dressing, as well as receive referrals for specialists. A special Medic Program, providing complete medical check-ups for NBS management, was realized in cooperation with the Clinical Medical Centre "Bežanijska kosa". In return for this cooperation, the NBS donated equipment for biochemical blood analysis to this important medical institution.

As many as 202 employees were sent on a wellness holiday to the Special Hospital on Zlatibor which specializes in the treatment of thyroid diseases and metabolism disorders.

Health and safety at work

Pursuant to the new Law on Health and Safety at Work, new NBS Rules on health and safety at work were adopted that prescribe the rights and obligations of both employees and managers. Assessments and measurements will be conducted in cooperation with the Public Health Institute so as to identify all the negative influences that employees of the NBS undergo at their working posts.

Improvement of internal communication

The NBS internal communication system was improved with the implementation of a new version of the *webhouse* intranet service. The implementation included in-house development of a new technological solution, redesigning and content reorganization.

Systematic and reliable methods of gaining insight into the views of employees are carried out through various internal communication channels, in order to assess their satisfaction and receive guidelines for planning future activities.

In 2007, five issues of „NBS Info“, a bimonthly internal newspaper, were issued. Supplements for two issues were also prepared: „Manual for Efficient Communication“ and „Guide through Recycling - I Choose to Recycle“, while a brochure on „How to Fight Stress“ is currently in preparation.

As part of the activities relating to socially responsible business practice, a project entitled „I Choose to Recycle“ was initiated for NBS employees. The project involved sorting of paper or plastic waste by employees, to the end of enabling its further processing, i.e. recycling.

An educational and entertainment workshop entitled "Children's Savings" was organized for the children of employees in the NBS recreational centre in Topčider. Savings-related workshops will be intensified for children of NBS employees in the upcoming period.

Traditionally, New Year and humanitarian activities took place in December for both employees and their children.

Representatives of the NBS participated in the Third Sports Tournament of Regional Central Banks, held in Romania in October 2007. A bilateral sports tournament was held between the Albanian Central Bank and the National Bank of Serbia, with about 50 participants from both banks.



RESPONSIBILITY TOWARDS THE COMMUNITY

Responsibility towards the community

Transparency of central bank operations - printed and electronic media

External communication that maintains high, recognized standards with regard to the transparency of business operations is reflected in intensive activities of the National Bank of Serbia in the media and contents available on the www.nbs.rs website.

With the launching of a renewed Internet presentation in March 2007, all information relating to operations of the National Bank of Serbia for users around the world became available in a largely improved form. The new website was created in two alphabets and bilingually, using the latest CMS (Content Management System) web technology. The presentation was innovated in terms of its graphic design, functions and content. Detailed information relating to accountabilities and operations of the central bank were made available to users, and new functionalities were introduced to enable faster access and availability of information, such as the Info Service (archives, media, data bases, codebooks, lists), news channels by chapter (chronologically and by topic), a glossary of economic terms, Frequently Asked Questions list, etc., all in Cyrillic and Latin versions. A large part of the website content is translated into English.

In 2007, the website continued to develop in line with intensified educational activities and growing volume of content intended for the widest population. It provided information in accordance with new needs the role of the National Bank in the field of socially responsible business and establishing cooperation with the Global Compact initiative, the National Bank as the organizer of campaign „Win by Saving“, etc.

The website of the National Bank of Serbia was acknowledged as the best institutional website by the professional jury of NIS Petrol WEB FEST, the first regional web festival. The award was presented at the first manifestation dedicated to ranking websites in Serbia, in the same year in which the NBS implemented its new website project relying entirely on its own resources. When selecting the best websites, the jury assessed their content, structure, navigation, design, functionality, interactivenes and general impression.



	Media activity	Number
1.	Press release	731 on the website 125 sent to the media
2.	Media request processing journalists' questions, interview requests, statements, appearances in TV and radio programs	766
3.	Submission of written and oral replies journalists' questions	292
4.	Organization of statements and interviews of NBS officials and foreign officials	149 statements 111 interviews
5.	Arranging TV and radio appearances	35 TV 8 radio 4 TV 1 radio
6.	Organizing video coverage of exhibitions	6 printed media 14 for the Governor 1 for the Solvency Centre 1 for the Payment System Department
7.	Organizing press conferences	
8.	Organizing press briefing	4
9.	Organizing media support for conferences, panel discussions, promotions	5
10.	Publishing advertisements and public announcements in daily papers	58
11.	Publishing newspaper inserters	8
12.	Responding to request for information of public importance	19

RESPONSIBILITY TOWARDS THE COMMUNITY

Responsibility towards the community

Activities of the Centre for Financial Services Consumer Protection

By creating a new organizational unit, the National Bank initiated the establishment of the institute for financial services consumer protection, in order to have the opportunity to provide even more active assistance to citizens in exercising their rights, as well as in understanding and using financial sector services.

A previously formed Information Centre (Call Centre) was incorporated into the new Centre for Financial Services Consumer Protection, providing free of charge answers over the phone, as well as written answers via e-mail for more complex questions, for all inquiries of citizens relating to financial services.

Also, the NBS initiated additional activities to the end of informing and educating users of financial services - leaflets and brochures were prepared for wide distribution to citizens, with the intention of making them more aware of the correct use of different financial products, and warning them of what they should pay attention to when deciding to use a certain product. 23 booklets and 5 brochures were prepared for the website, out of which 14 leaflets were printed for distribution to banks, insurance companies, leasing companies and pension funds, while 8 leaflets were inserted in high circulation daily newspapers.

For the needs of distribution at the entrepreneurship fair "Business Base" held in November 2007, a leaflet dedicated to EAR credit lines for the financing of small and medium-sized enterprises and local self-governments were printed, as well as one leaflet dedicated to the NBS Solvency Centre.



Visitor Centre - exhibitions and educational activities

Reflecting its new role in society and using an ongoing and open dialogue with the public as its starting point, the National Bank, as a unique institution in Serbia, wanted to present its activities to the public by opening a Visitor Centre in 2005. The Centre works with the public in an interactive way through exhibitions, lectures, educational programs and creative workshops, but it is also a venue for cultural and social events. It successfully integrates the functions of both financial and cultural heritage education for citizens of all ages.

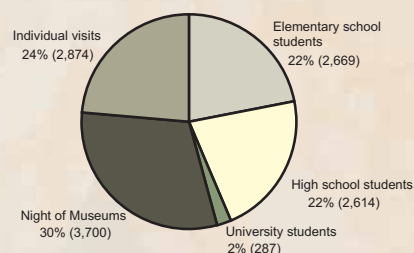
On the occasion of the celebration of Museum Day, the Visitor Centre was presented the Project of the Year Award of the National Committee of the International Council of Museums (ICOM) on May 18 in Leskovac, since the "...opening of the Visitor Centre and its activities represent a unique museological project in our country, and set a good example to other important state institutions".

In 2007, exhibitions, educational programs and cultural and educational activities for the public organized by the Visitor Centre Group for exhibitions and educational activities, were visited and attended by 12,144 citizens.

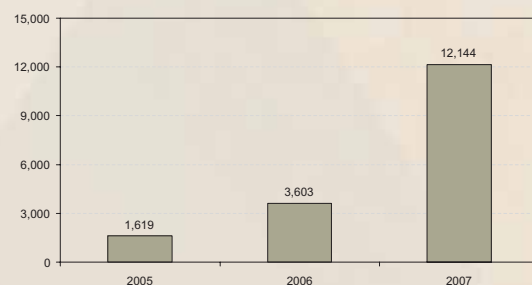
According to categories of visitors, activities of the Visitor Centre were attended by 2,669 elementary school and 2,614 high school students, the total of 5,283 young people who represent the principal target group. During the "Night of Museums" cultural manifestation only, there were 3,700 visitors. As a part of its museum activities, and within established cooperation with the National Museum of Serbia, an exhibition entitled "Đorđe Vajfert - an industrialist and explorer, banker and collector" was opened in July in the hall of the NBS office building on Slavija, and it remained open for public until the end of the year. The exhibition consisted of illustrated panels with texts, copies of NBS archive material and 387 coins from Vajfert's numismatic collection.

At the Council of Europe headquarters in Strasbourg, during the six-month period of the Republic of Serbia chairmanship over the Council of Europe's Committee of Ministers, the first exhibition of the NBS abroad was organized on September 10 with the title "The National Bank of Serbia - National and European Institution". The exhibition consisted of illustrated panels with texts in English and copies of NBS archive material. An accompanying publication was also published, as well as a brochure entitled "The National Bank of Serbia Visitor Centre".

Categories of visitors of the NBS museum in 2007
(the total of 12,144)



Number of visitors in the NBS





In view of the fact that, throughout its history it had close relations with the central banks of Francophone countries, especially Belgium and France, the National Bank celebrated for the first time the International Day of the Francophonie in 2007, by organizing a diverse program in French. A publication entitled “Banque Nationale de Serbie - institution nationale et européenne” was also published.

The National Bank arranged its first time participation in the “Night of Museums” with the organizers of this cultural manifestation. The manifestation was held on May 19, from 6:00 PM to 2:00 AM, and the central bank was on that night one of the most visited institutions in Belgrade.

In 2007, the National Bank again participated in the “European Heritage Days” international manifestation. The Bank's doors were open to the public on September 22, 23, 29 and 30. About 600 citizens visited the Bank's buildings in Kralja Petra Street and Nemanjina Street during these four days.

Long-term financial education - *Win by Saving* campaign

Dedicated to maintaining responsible behavior towards all members of society and active shaping of the future, especially for the generations to come, the National Bank of Serbia launched a campaign aimed at promoting children's dinar savings entitled “Win by Saving”. The campaign was primarily aimed at primary and high school students, but indirectly their parents as well, as holders of funds that could be deposited into savings accounts on behalf of their children. This type of timely education of children helps create a society that is aware of the necessity of saving and planning of their future.

Upon an initial agreement between the Ministry of Education, Ministry of Youth and Sport and media house B92, held in NBS offices at the end of September, primary campaign activities were defined - the activation of children's dinar savings, education about savings and an ongoing promotional event, the Savings Olympics which would, as a part of the Savings Caravan, tour through major cities in Serbia and have media coverage and adequate promotion on TV B92.

Komercijalna banka, as the largest bank in majority state ownership and with a large network, joined the campaign at the very start with a new banking product and exceptionally attractive interest on term dinar savings' deposits for primary and high school students until the end of the school year.

The campaign began by organizing the first Savings Olympics competition in the Children's Cultural Centre in Belgrade on October 31, the World Savings Day, attended by the principal campaign participants.

For lectures held in the NBS and lectures on savings in schools throughout Serbia, separate educational material was prepared “What are savings”, a presentation for primary schools, “Welcome to the world of savings”, an interactive quiz game for primary schools and a presentation for high school students entitled “Savings”.

In the first 50 days of the campaign, over five hundred primary and high school students from Belgrade and Novi Sad participated in educational activities addressing the topic of savings.



Cooperation with state institutions

In addition to the mentioned institutional cooperation on realizing a campaign of systemic importance for society, as well as lasting cooperation in organizing the “European Heritage Days” manifestation, the National Bank signed a Cooperation Agreement with the Ministry of Culture which further affirmed it as an institution actively working on the preservation of cultural heritage. According to the Agreement, the hall of the office building on Slavija will be used as an exhibition area which will contribute to the cultural offer of the capital in the period of reconstruction of two largest Belgrade museums. Both museums, the National Museum of Serbia and the Museum of Contemporary Art deposited paintings and other artwork from their collections to the safety vaults and storages of the new NBS office building on Slavija.



NATIONAL MUSEUM Belgrade



MUSEUM OF CONTEMPORARY ART Belgrade



RESPONSIBILITY TOWARDS THE ENVIRONMENT

Responsibility towards the environment



The National Bank of Serbia is currently implementing a project involving the organized collection and sorting of waste paper, PET packaging and electronic waste, and preparing them for recycling. A large quantity of worthless registry material was also recycled.

After the Christmas and New Year holiday season, and in agreement with the communal company Greenery Belgrade, Christmas trees are planted on green areas in town.

DONATIONS AND HUMANITARIAN PROJECTS

Donations and humanitarian projects



In 2007, the National Bank of Serbia granted donations for humanitarian projects "Present for an unknown friend" for children without parental care throughout Serbia, "New Year packages for our friends" in cooperation with the humanitarian organization "Mali - veliki ljudi", as well as for the Centre for protection of infants, children and youth in Zvečanska Street, education of Roma children, and the Moba a manifestation for children from Diaspora, while NBS employees hosted children from Kosovo and Metohija in their homes.

In addition to that, the National Bank of Serbia bought UNICEF Christmas cards and New Year packages, as well as New Year cards from the organization "Naša Srbija".

A large number of NBS employees responded to actions "New Year packages for our friends" and prepared over 300 packages for children from Kosovo and Metohija and children without parental care in orphanages throughout Serbia.

Within the event "Our little means a lot to someone", 24 employees hosted 32 children from Kosovo and Metohija in their homes over the weekend.

In the course of 2007, the National Bank paid out around 13 million dinars to natural and legal persons through donations and financial assistance schemes.

The largest single donation was granted to the Serbian Orthodox Theological Seminary of St. Arsenius of Srem in Sremski Karlovci to assist in financing façade refurbishment. The NBS also joined in the reconstruction of Avala TV Tower by covering the costs of printing one million cards for the prize competition whose profits will be credited to the Avala Tower Fund.

NBS donations were granted to schools, publishing companies, organizations for children and youth, the Serbian Red Cross and other humanitarian funds and associations.

As a part of the humanitarian event of distributing New Year presents, the National Bank of Serbia organized and financed distribution of New Year presents to children aged 2-15 from various institutions in the Republic of Serbia - hospitals, collective centres and children and youth care organizations.

In the course of 2006 and 2007, fixed assets and equipment were donated to schools and kindergartens, social and health care institutions, associations for aiding mentally underdeveloped persons and persons with cerebral paralysis, homes for blind people, the Serbian Archive, Protection and Rescue Directorate, as well as the Association for the help of mentally underdeveloped persons of Čukarica municipality.



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