



National Bank of Serbia

SOCIAL RESPONSIBILITY

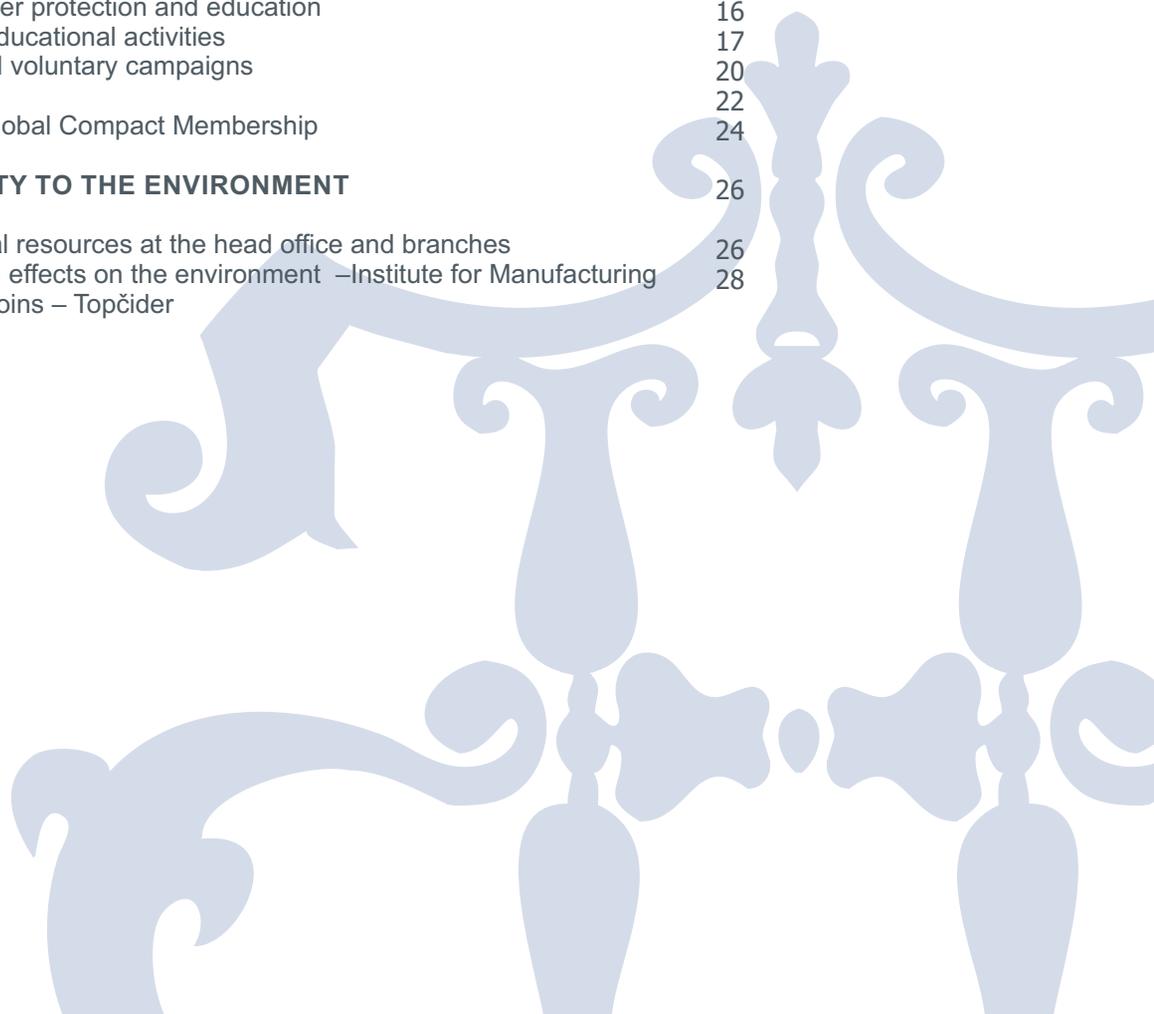


2019



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FOREWORD BY THE GOVERNOR



Stability – which lies at the core of our corporate social responsibility – has become normalcy over the past years, both for the National Bank of Serbia and our citizens. It is reflected in the sustainable results which we have been recording in continuity.

By implementing adequate measures, the National Bank of Serbia has kept inflation firmly under control for the seventh year in a row. In late 2019, year-on-year inflation measured 1.9%, which is also its average figure for the entire year. Adequate measures also helped bring the ratio of non-performing loans (NPLs) to 4.1% at the end of December, down by 80% since the start of implementation of the NPL Resolution Strategy. The growth of the Serbian economy exceeded all our expectations. Serbia was among the rare countries whose economic growth in 2019 surpassed all projections made in the year before. Moreover, having achieved robust growth, our country gave a strong contribution to the growth in the Western Balkans, which only confirms the adequacy of our policy.

In terms of dinarisation, the 30% rise in dinar savings last year signals boosted confidence in the domestic currency. The current level of dinar savings is five times higher than in 2012 when the implementation of the Dinarisation Strategy began. Today, Serbia has a twelve-year dinar security, reflecting the stability we have ensured. We will continue to work actively on lengthening the dinar yield curve.

In addition to providing full support to sustainable growth and financial market development, the National Bank of Serbia also places great importance on innovation. With over ten million transactions in the NBS IPS system during the fifteen months of its operation, the NBS, in cooperation with banks, continued to modernise payment services by introducing instant payments and the QR code at points of sale.

The goal of all these activities is single: to act responsibly towards Serbian citizens and all those who are affected by the laws and decisions we adopt and by the measures and activities we undertake.

As the National Bank of Serbia is one of the founders and an active member of the United Nations Global Compact in Serbia, this *Report* is designed to fully uphold the Global Compact Ten Principles, which relate to the protection of human and labour rights, environmental protection and the fight against corruption.

This *Report* presents the National Bank of Serbia's activities in the area of corporate social responsibility and the partnerships we establish, with a view to improving and expanding the practice of corporate social responsibility.

We strive to inform financial service consumers in a responsible and timely manner through regional financial education offices in the NBS branches. At our panels, our employees familiarise our citizens about all important topics in this field. Financial services have an important role not only in the economy of our country but also in the lives of all Serbian citizens, which is why it is extremely important to have a well-regulated and stable financial sector. As the National Bank of Serbia is in charge of protecting financial service consumers, our employees help citizens exercise their rights and interests, and understand and use financial services, on a daily basis. The Department for Financial Consumer Protection includes the Call Centre where citizens can obtain information about the benefits and risks associated with financial products and services.

In providing financial education to children and youth, we continuously cooperate with secondary schools and higher education institutions. What makes us particularly satisfied is the rising number of faculties and higher schools which participate in our educational programmes.

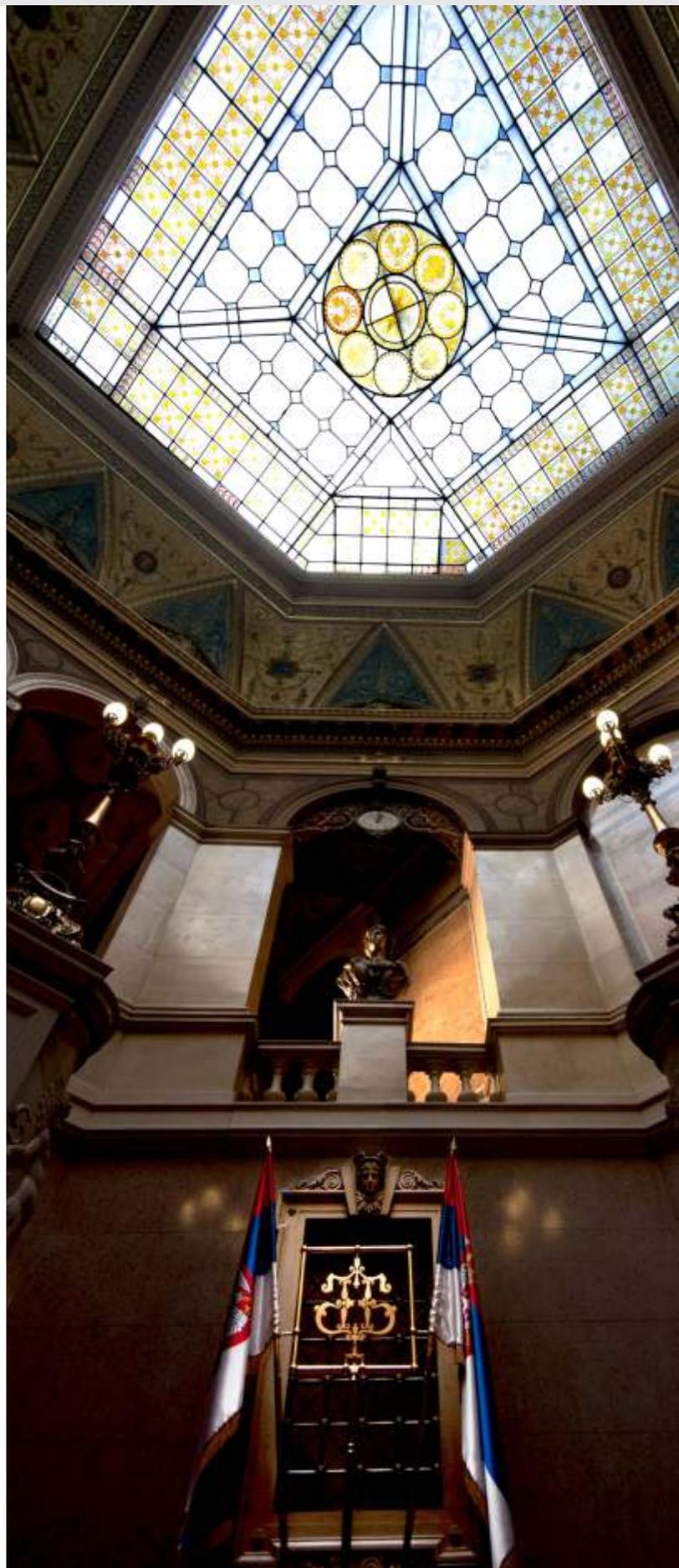
We timely inform the public about all our activities. In order to expand our outreach, we are continuously improving our social media content.

We are proud of our employees who take part in charity work and volunteer activities. They devote their free time to help those in need and their numbers are rising each year.

We make sure to preserve natural resources and reduce harmful effects on the environment in all our organisational units, in line with relevant regulations and best practice in this area.

The National Bank of Serbia will not change its course of action. Being proactive and in the forefront of innovation, it will continue to safeguard stability and pursue policies that yield results in all aspects of its operation.

Aleksandar



ABOUT THE NATIONAL BANK OF SERBIA

Objectives and functions

The National Bank of Serbia (NBS) is an independent and autonomous institution that enjoys great confidence amongst citizens. In addition to its primary objective: to achieve and maintain price stability, the NBS contributes to maintaining and strengthening the stability of the financial system. It is accountable to the National Assembly of the Republic of Serbia.

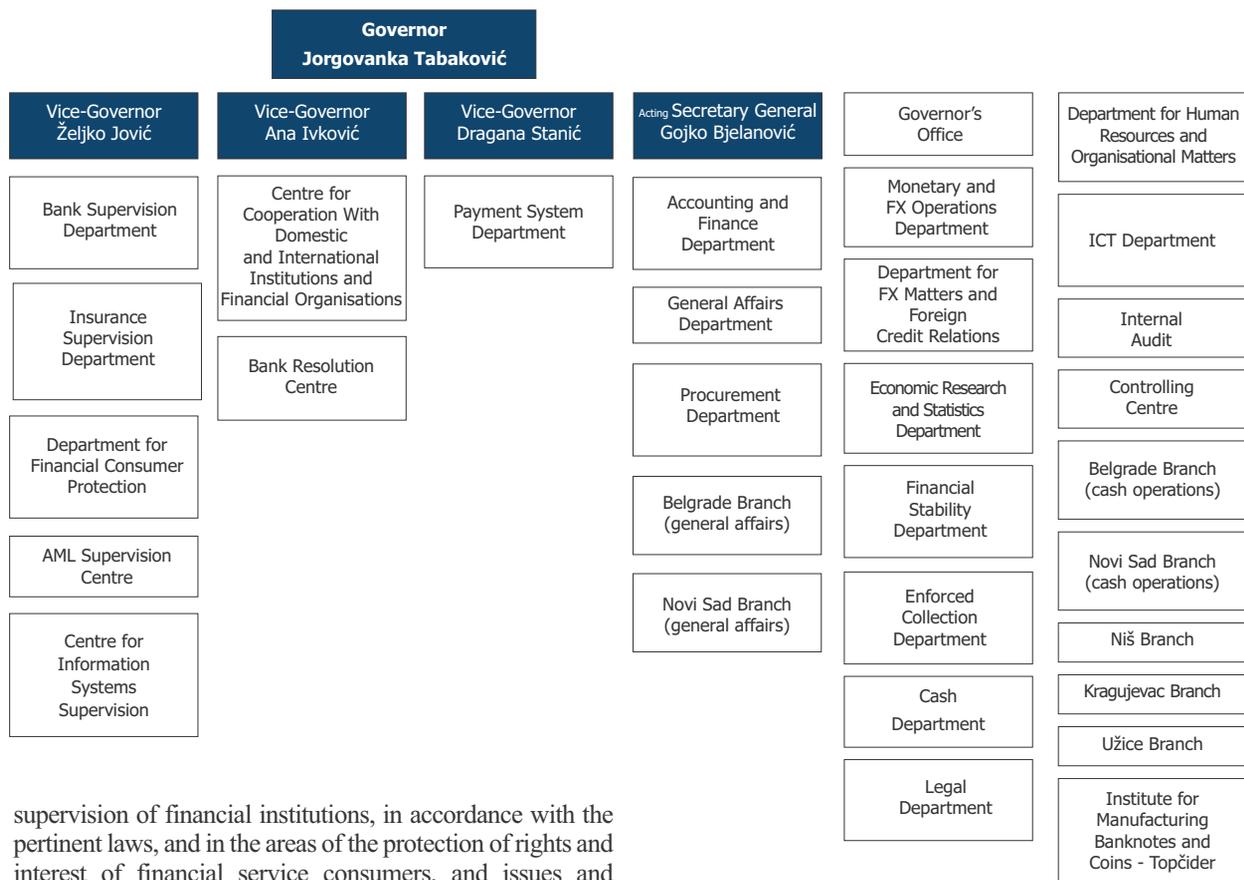
The position, organisation, mandate and functions of the NBS, as well as its relations with the authorities of the Republic of Serbia and international organisations and institutions, are governed by the Constitution of the Republic of Serbia and the Law on the National Bank of Serbia.

Tasks of the NBS are to:

- design and implement monetary and foreign exchange policies;
- manage foreign exchange reserves;
- design and implement, within its scope of authority, the activities and measures aimed at maintaining and strengthening the stability of the financial system;
- issue banknotes and coins and manage cash circulation;
- regulate, oversee and promote the smooth performance of domestic and cross-border payment transactions, in accordance with law;
- issue and revoke banks' operating licenses, carry out prudential supervision of bank operations and perform other activities, in accordance with the law governing banks;
- issue and revoke insurance licences, supervise the insurance business, issue and revoke licenses to perform specific insurance activities, and perform other activities, in accordance with the law governing insurance;
- issue and revoke financial leasing licenses, supervise the performance of financial leasing operations and perform other activities, in accordance with the law governing financial leasing;
- issue and revoke operating licenses of voluntary pension fund management companies, issue and revoke fund management licenses, supervise their activity and perform other activities, in accordance with the law governing voluntary pension funds;
- issue and revoke licences for payment service provision and electronic money issuance to/from payment institutions and electronic money institutions, supervise the provision of payment services and electronic money issuance, and perform other activities, in accordance with the law governing payment services;
- pursue activities relating to the protection of the rights and interests of consumers of services provided by banks, insurance undertakings, financial leasing providers, voluntary pension fund management companies, payment service providers and electronic money issuers, in accordance with law;
- ascertain the fulfilment of conditions for the initiation of procedures for the resolution of banks and/or banking group members, and implement these procedures; decide on instruments and measures to be undertaken in the resolution process, and perform other activities relating to bank resolution, in accordance with the law governing banks;
- issue and revoke operating licenses of payment system operators, supervise their operation and perform other activities, in accordance with the law governing payment services;
- issue and revoke authorisations for the performance of exchange operations, supervise foreign exchange and exchange operations and perform other activities in accordance with the law governing foreign exchange operations;
- perform statutory or contractual activities for the Republic of Serbia, without prejudice to the autonomy and independence referred to in Article 2 of the Law on the National Bank of Serbia;
- perform other activities under its remit, in accordance with law.

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

The Executive Board is made up of the Governor and Vice-Governors. The Executive Board, among other things, establishes monetary and foreign exchange policies, and undertakes activities aimed at maintaining and strengthening financial stability. It also sets the key policy rate and other interest rates applied by the NBS in the conduct of monetary policy and the rate setting methods. The Executive Board also issues regulations and other general acts in the area of



supervision of financial institutions, in accordance with the pertinent laws, and in the areas of the protection of rights and interest of financial service consumers, and issues and revokes authorisations to perform exchange operations and supervises exchange and foreign exchange operations. 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. Meetings 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, 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 the Council of the Governor, enacts regulations, general and individual acts under the remit of the NBS, which pursuant to law do not fall under the competence of the Executive Board and the Council of the Governor, and performs other duties.

The Council of the Governor consists of five members, including the President, appointed by the National Assembly on the proposal of the National Assembly's 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 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 stipulated by the Law on the National Bank of Serbia and the NBS Statute.

Code of Ethics

Last year the NBS improved the standards of ethics and professional conduct of employees. It was undertaking activities envisaged by the Law on the Anti-Corruption Agency, the National Anti-Corruption Strategy and the Action Plan for Implementation of the National Anti-Corruption Strategy.

Accordingly, the Anti-Corruption Agency was timely informed about the re-election of one member of the Council of the Governor, who received a reminder of the obligation to declare his assets when being re-elected for the position. 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 rulebooks that the NBS adopted are also significant in the fight against corruption. Among others, the Rulebook Amending the Rulebook on Business Conduct of NBS Employees was adopted with a view to governing in more detail the rules pertaining to the possible conflict of interest of employees. In view of the specific nature of work performed by employees in certain organisational units of the NBS, they have the obligation, in line with the regulations, to regularly (at the beginning of each year), submit to their managers and the Department for Human Resources and Organisational Matters, the information relevant for establishing the existence of a possible conflict of interest.

Last year, all gifts received by NBS employees were assessed to be suitable or protocol gifts. The NBS gave eight opinions on whether the work that the employee would perform outside working hours could create a conflict of interest. These opinions were given to employees whose engagement outside working hours pertained to: the provision of fire fighting protection at a local clinical centre, the job of a student teaching assistant at the Faculty of Economics of Belgrade University, actuarial calculation of provisions for retirement pay and jubilee rewards for staff, interpretation services for the DG Interpretation of the European Commission, facility cleaning and maintenance services, publishing of children's books, critical review for an accreditation body

in the area of higher education and activities in a local self-government unit. It was ascertained that none of these jobs could affect impartial performance of duties at the NBS.

Public relations

External communication

In 2019 the wider public was informed about NBS operations and activities in a responsible, consistent and timely manner through intensive cooperation with the media and publication of information on the NBS official website and its subdomains, as well as through communication on the social media.

Total of 345 press releases were published and 299 answers provided to journalists' queries. As many as 77 statements and ten interviews were given for both the print and electronic media. Also 23 television and radio appearances were made by the Governor, Vice-Governors and other members of the NBS staff.



A tabular overview of press releases and answers to journalists' queries in 2019

Press releases	Answers to journalists' queries	Statements	Interviews	Appearances in electronic media	Press conferences
345	299	77	10	23	5

Four public presentations of the Inflation Report and a presentation of the Financial Stability Report for 2018 were organised, as well as the video shooting of the start of the plenary meeting with the IMF mission during their three visits to Serbia. Media coverage was provided for the signing of the Protocol on Cooperation between the NBS and the Serbian Government aimed at further improvement of digitalisation in the Republic of Serbia, as well as the signing of the Memorandum on Continuation of Cooperation between the NBS and nine faculties in Serbia, and establishment of cooperation with six faculties from the Republic of Srpska. Media coverage was also provided for the following events: the “Open Door Day”, “Museums for 10”, “European Heritage Days” and “Global Money Week”. On the sidelines of these events, the NBS organised several financial literacy workshops for children and youth. Media coverage was also provided for NBS exhibitions: “Reflection of Time and Events on Serbian Money – Money of the Principality and Kingdom of Serbia” and “Serbian Money in the Period from 13th until 21st Century” which took place at the National Museum in Kragujevac, and “Milanković’s Gate through Time” which took place in the NBS building, as well as for charity work and other socially responsible activities carried out by the NBS.

To inform the wider public about its activities and results and to contribute to the building of trust, the NBS was active in 2019 in its Twitter and Facebook accounts. On its official Twitter account, which provides the option to follow central bank activities of interest to the media and professional community (key policy rate movements, Inflation Report, foreign exchange reserves, etc...) the NBS published 1577 tweets and registered 2498 followers, while its website had 3452 visits last year. The NBS published 1353 posts and had 1683 likes and 1746 followers on its Facebook page, opened to inform users about financial education, social responsibility, activities of the Visitor Centre and activities at the NBS exhibition hall in Slavija.



Website and publications

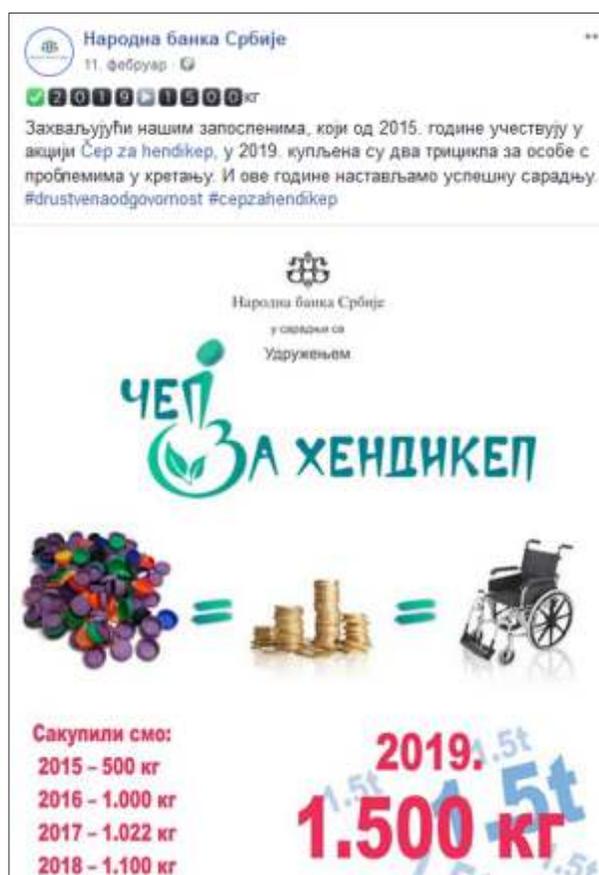
The purpose of the NBS website is to inform and educate citizens and the professional community and to provide assistance concerning the protection of their personal and professional interests, since reports and documents containing relevant information on the NBS operations are published there.

In 2019 the NBS published on the main page a form which all interested persons can use to ask a question in any area of NBS competence. Furthermore, a form for filing complaints against financial service providers is also available. The questions are answered by organisational units in charge of the area concerned as soon as possible.

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 the instruments and measures of monetary and foreign exchange policies. With its regular publications, statistical analyses and press releases, the NBS presented its activities in the field of supervision of financial institutions, payment service providers and electronic money institutions.

During 2019, the NBS published on its website its Annual Report on Activities and Results, Annual Financial Stability Report, Annual Monetary Policy Report and Semi-Annual Monetary Policy Report.

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. Quarterly publications included the Report on Dinarisation of the Financial System and the Inflation Report. The Inflation Report presentations were livestreamed on the NBS website.

Publications	Circulation - Serbian	Circulation - English
Annual Report on Activities and Results of the National Bank of Serbia	100	60
Annual Monetary Policy Report	80	60
Semi-Annual Monetary Policy Report	80	60
Inflation Report	80	60
Annual Financial Stability Report	80	80

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.

On its subdomains: *Your Money* (www.tvojnovac.nbs.rs) and *Visitor Centre* (www.centarzaposetoce.nbs.rs), the NBS informed the public about its activities in the area of the protection and education of financial service consumers, exhibitions and cultural events, as well as educational programmes for pupils and students.

Information about the domestic payment card DinaCard, data on the DinaCard system and the list of all acceptors, is available to the public through the link: www.dinacard.nbs.rs. This subdomain records an increasing number of visits, indicating the greater interest of citizens and larger system acceptance by corporates.

All printed and electronic materials made for the public are available in both Serbian and English.

On its YouTube channel (theNBSvideos), the NBS publishes recordings of press-conferences presenting the Inflation Report and the Annual Financial Stability Report, including recordings about the history of the Bank, financial education and money and other relevant materials.



RESPONSIBILITY TO EMPLOYEES

The NBS is dedicated to meeting its statutory objectives and implementing the entrusted tasks in a way which simultaneously shows commitment to, and concern for its staff, the environment and social community. In this sense, the main objective of the human resource management policy is closely linked with the achievement of social responsibility objectives. This primarily means professional development of staff and creating a stimulating, healthy, and safe work environment with a view to ensuring that the NBS strategic goals are met in quality and timely fashion, and that staff expectations in terms of their professional development and work motivation are fulfilled.

Employee structure

In 2019, employee structure continued to show diversity in terms of type of employment, gender, educational level and age.

As regards the gender structure, like in previous years, women (56.90%) outnumbered their male colleagues (43.10%).

There were more women than men among the NBS management staff (56.57%) in the last couple of years. The principle of equal opportunities for all, that is the principle of non-discrimination by gender, is fully upheld, reflecting commitment to the fight against gender-based and any other type of discrimination.

Chart 1 Structure of employees by type of employment

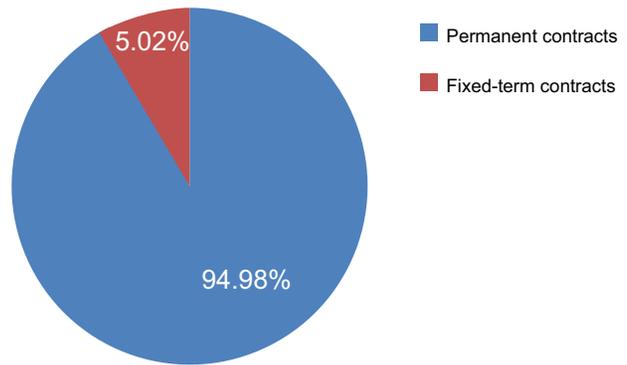
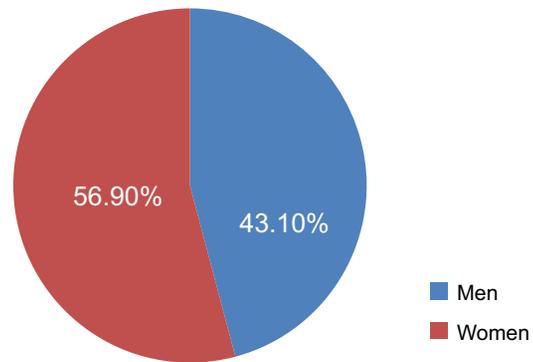


Chart 2 Gender structure of NBS employees



Gender structure of employees at manager levels

	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%	27	51.92%	57	40.43%	86	43.43%
Women	3	60%	25	48.08%	84	59.57%	112	56.57%
Total	5		52		141		198	

Chart 3 Gender structure of management staff

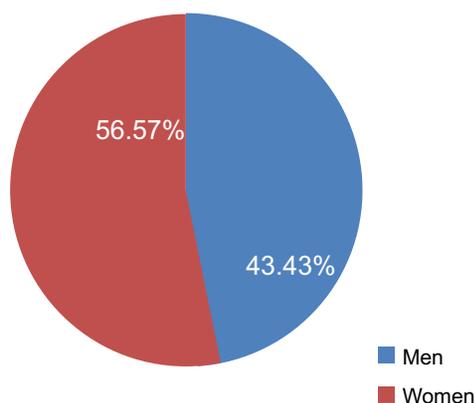
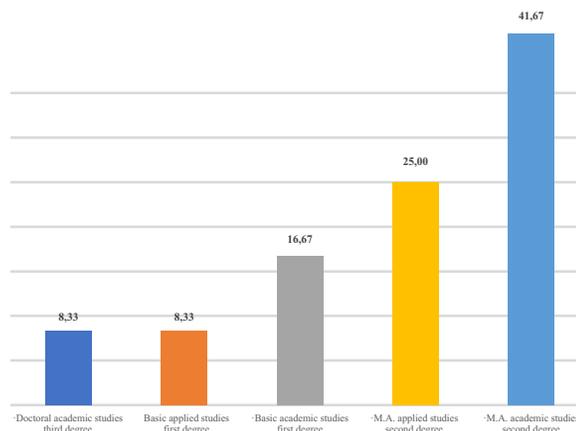


Chart 4 Staff education



Education, professional development and training

The organisational unit in charge of human resource management ensures that the employees undergo continuous training and professional development courses as one of the strategic priorities aimed at successful performance of NBS tasks. The NBS supports actively the concept of life-long learning and recognises it as one of the key factors in every employee's career development since professional capacity building also enhances the high reputation of the institution. In this sense, employees are enabled to attend studies at higher education institutions, training courses aimed at acquiring various professional titles, certificates and licences, and to participate in seminars, courses, workshops, counselling sessions, conferences and other similar forms of professional development in the country and abroad, including study visits to other central banks.

Along with keeping up with modern tendencies in organisational knowledge management, in 2019 the NBS also enabled its employees to acquire new knowledge and skills, to raise their competence level and it also facilitated the transfer of the expertise among staff, which, among other things, raised the job satisfaction level of the staff.

In 2019, the NBS financed the costs of education in higher education institutions in the Republic of Serbia for 12

employees and the acquisition of different licences and certificates for 52 employees.

NBS employees in charge of fire protection passed the professional exam, whereby the NBS fulfilled its obligations as the employer under the Fire Protection Law. The licenses were necessary for the implementation of ISO standards and more efficient performance of tasks within the NBS remit.

The contents of seminars, conferences, specialised courses and workshops on various topics of central banking attended by employees in the country and abroad are adapted to the current and future challenges for central banks. The lecturers were experts from central banks, the International Monetary Fund, the Bank for International Settlements, the European Central Bank, the European Commission, national insurance supervisors etc.

The NBS organised summer internship for 36 students of final years of faculties in the country and abroad and the internship "Talent Management at the NBS" for 95 students. In this way, talented students had an opportunity to gain work experience and complement their theoretical knowledge acquired in school with practical insights.

Chart 5 Professional development

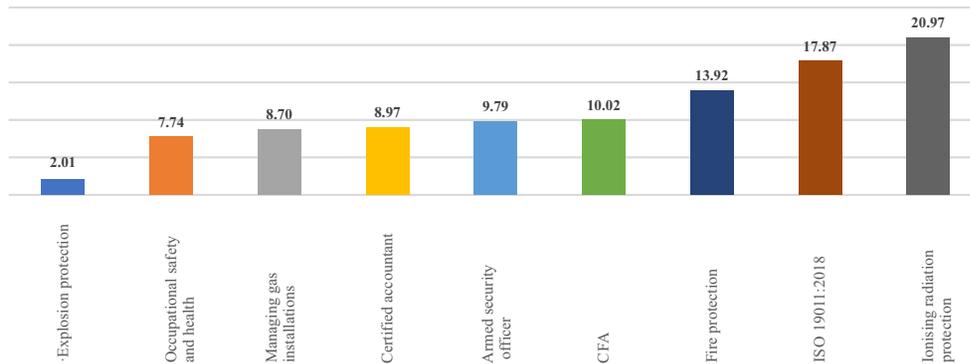
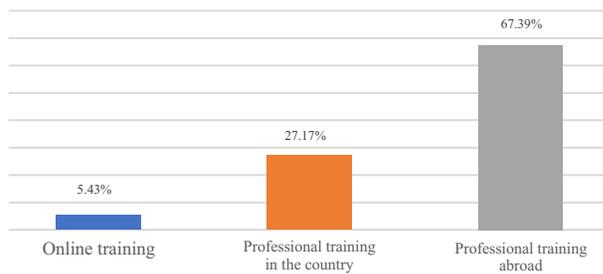


Chart 6 Employees 'development



Occupational safety and health

As a responsible employer, the NBS strives to take care of the occupational safety and health of its employees on a daily basis and undertake all the necessary activities in accordance with regulations.

Employees at high-risk jobs, as well as employees working with ladders were referred to mandatory annual medical examinations for the purpose of determining their fitness for work. Approximately one third of employees who use equipment with screens in their work were referred to mandatory three-year eye tests and preventive full examinations.

Prior or periodical assessment and examination of work tools and equipment used in basic organisational units were conducted, including personal protection equipment of the third category, which is used for protection against fatalities (electrical insulation and equipment for working

at unprotected height). As required, tools and equipment for personal protection at work were regularly used by employees. Tools and equipment for personal protection at work (hearing, eye and respiratory protection, protective gloves, protective clothes, etc.) were procured regularly. The first aid kit and equipment were restocked.

Regular, periodical examinations of work equipment were performed, as well as biological hazard and radon exposure tests in workplaces where, due to the work process, they can be expected.

As each year, all necessary prior and periodical trainings for safe and healthy work of employees were implemented in the basic organisational units. All injuries at work in the basic organisational units were reported.

In line with the procurement plans for 2019, the following procurements of services and goods were prepared and carried out: consulting in the field of occupational safety and health, tape strips for marking construction works, testing of ventilation systems and radon concentrations.

The NBS prepared and signed an agreement on cooperation and implementation of prescribed measures for safe and healthy work of employees with another employer with which they share the workspace.

The workplace stress test was carried out in the Cash Department, and the results of psychological research were presented thereafter.

The Committee was established for drafting the Programme of gradual elimination of deficiencies in the field of occupational safety and health requiring greater investments and not threatening seriously the life and health of employees. In cooperation with organisational units responsible for the implementation of measures and elimination of deficiencies in this field, determined by the Workplace and Work Environment Risk Assessment Act of the NBS, and the Department for Human Resources and Organisational Matters, the Committee submitted quarterly reports to the Governor on the programme implementation. Within its scope of authority, the Department established cooperation with the branches and the Institute on the uniform application of regulations in this field. After the revision, a new Workplace and Work Environment Risk Assessment Act of the NBS was adopted at end-December 2019.

With these activities the NBS fulfilled all its legal obligations, increased safety at work and, to the extent possible, raised awareness of its employees about the importance and application of occupational safety and health measures.

Occupational safety and health - Institute for Manufacturing Banknotes and Coins – Topčider

In 2019, the Institute implemented activities to improve occupational safety and health, in accordance with the requirements of ISO 45001, in order to establish an occupational safety and health management system. These activities, whose effectiveness was confirmed by obtaining a certificate in May 2019, represent only one form of support for the Institute operations to create a safe working environment and eliminate risks through continuous improvement in this field.

The revised Workplace and Work Environment Risk Assessment Act of the NBS, which was signed in December 2019, was used to carry out 62 risk assessments of workplaces within the Institute (groups of jobs). Of this, 24 workplaces were established as high-risk, with a total of 143 employees.

In cooperation with the competent occupational health service, and based on the concluded contract on the provision of such services, the Institute organised and implemented advanced first aid training for employees. First

aid training for employees was carried out in accordance with the Rulebook on the method of providing first aid, the type of means and equipment that must be provided in the workplace, the manner and deadlines for first aid training of employees.

An advanced first aid training (theory, practice and tests) were organised for employees working in high-risk jobs and their managers. All employees for whom training was organised (34 in total) successfully completed the training and received certificates for attending advanced first aid training in the workplace, which were deposited in their files.

All first-aid cabinets were inspected, which included: replacement of damaged cabinets, installation of cabinets in new places, affixing labels on each cabinet with updated necessary information and instructions on the method and procedure of providing first aid, as well as brief instructions for employees on the procedure of filling and supplementing the mandatory content.

On the basis of the Emergency and Evacuation Plan for the NBS – Institute for Manufacturing Banknotes and Coins – Topčider, a successful evacuation drill was carried out on 6 April 2019.

As a measure to reduce risk to the health of employees, the procurement and installation of hand dryers continued in 2019 to eliminate or reduce non-pathogenic micro-organisms, as determined by biological hazard examinations at certain measuring points. In order to reduce risk to the health of employees, in all places of the Institute where there were technical possibilities and for which there were indications that employees could be exposed to biological hazards, 78 electric hand dryers were installed. Also, extraordinary cleaning and disinfection of the space was carried out and antiseptic means for regular maintenance were provided.

In order to improve the level of occupational safety and health and to reduce hazards, safety barriers were purchased for the marking of temporary and/or mobile construction sites (shafts, holes, damaged surfaces) for employees' safety when moving during construction works at the Institute.

On the basis of the Programme of gradual elimination of deficiencies in the field of occupational safety and health in

the NBS, a measure was implemented to eliminate the identified deficiency – moving the equipment due to fallen or broken metal shelves used in warehouses, libraries, archives, vaults in all organisational units. Namely, the damaged or inadequate shelves were replaced in the Institute's vaults and warehouses, thus achieving greater safety for the employees working in the said premises.

Internal communication

Internal communication in the NBS is based on promoting the values of organisational culture in the work environment, implementing socially responsible activities, motivating employees to improve themselves professionally and personally, and creating an adequate environment for work, for which the Group for Internal Communication and Social Responsibility within the Communications Division is in charge.

Employees are informed about the basic goals, achievements and events through the internal communication channels – internal newspapers, intranet, brochures, video material and internal events. The development of internal communication is strategically planned and each activity is designed and integrated into the Annual Internal Communication Development Plan.

In 2019, six 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. With the support of the NBS management and the ambassadors for internal communication and social responsibility, internal communication is continuously being improved and socially responsible behaviour promoted.

Bank Day

To mark the 135th anniversary of the Privileged National Bank of the Kingdom of Serbia, an exhibition titled “A Selection of Art Work – Bank Day” was opened in the NBS exhibition hall in Slavija Square. The exhibition featured pieces from the NBS art collection created in different periods of the 20th century.



RESPONSIBILITY TO THE COMMUNITY

Financial consumer protection and education

In 2019, the Department for Financial Consumer Protection continued to actively help financial service consumers in exercising their rights by informing and educating them.

Along with the development of the financial market and increasingly complex financial products, consumers have begun to encounter numerous novelties in the financial market. Today, financial service consumers are faced with many different credit instruments, as well as various types of savings offered by banking and non-banking financial institutions (insurance undertakings, pension funds and investment funds) on which they lack sufficient information. At the same time, the consumers assume responsibility for investments and risks to which they are exposed, which can significantly affect their present and future life, especially the period when they are no longer actively working.

By providing information and improving understanding of the financial services, consumers raise risk awareness and acquire the skills to manage those risks. In order to be able to make an adequate decision about investing their money, and in accordance with their own risk profile, it is necessary for consumers to have complete and comprehensible information, on the basis of which they can look at the offers of various financial service providers, compare conditions and decide on their own about what financial service to use.

Based on the analysis of consumers' questions addressed to the NBS, and in line with the NBS Financial Education



Strategy for the Period 2016–2020, the NBS continued to organise and implement educational panels and workshops across Serbia.

In the period January–December 2019, 81 educational panels were held in 39 towns across Serbia. A total of 3,200 consumers – citizens, students and entrepreneurs attended the panels.

At the panels, financial services were presented via 175 presentations and workshops. Citizens expressed the greatest interest in the following topics: the most frequently used bank products, enter the world of finances, youth account packages, loans for school fees, avoid financial fraud, life insurance, payment cards, housing loans, manage your finances, protect your rights, e-banking and VPFs.

In the observed period, a total of 1,277 citizens addressed the regional financial education offices in the NBS branches in Belgrade, Novi Sad, Niš, Kragujevac and Užice. In order to better understand financial services, consumers were provided with information about financial products offered by financial service providers so that they could make their own decision about which financial service to use. The majority of consumers' queries related to banking services (42.4%), notably loans (Credit Bureau, manner of calculating annuities, sureties, refinancing and early repayment of a loan).

From 1 January until 31 December 2019, the NBS Information Centre received 13,923 telephone calls and e-mails by consumers. The majority of queries related to banking services and enforced collection.

In line with the novelties in the financial market and the interests of financial service consumers, the content of the NBS website was updated in the section Consumer protection and its subdomain Tvoj novac, dedicated to financial education. It is there that financial service consumers can find additional information on the 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.

Exhibitions and educational activities

In the course of 2019, exhibitions, educational and cultural programmes of the NBS intended for the wider public recorded a turnout of 14,667 visitors – 6,908 at the NBS Kralja Petra building and 2,640 at the building at Slavija square. The exhibition of the NBS in Kragujevac was visited by 2,500 citizens. Educational workshops were attended by 1,754 students – 300 younger and older students participated in tournaments in educational games “Moneture” and “Finances for Later” and 565 citizens visited manifestations in which the NBS participated.

Exhibitions and educational and cultural programmes were attended by preschoolers, primary and secondary school students, college and university students from Belgrade and other Serbian towns, 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 groups on a daily basis.

Exhibitions

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

- “Role of Romani Printed Media in Preserving Romani Cultural Identity”, organised by the Association of Citizens “House of Roma Culture”;
- “Eyes of a Stone”, by Aleksandar Radoš;
- “Pink Ribbon Serbia”, organised by the Japanese International Cooperation Agency;
- “Fifth Salon of Photography of NBS Employees”;
- “Century of Brother Yaka!”, organised by the



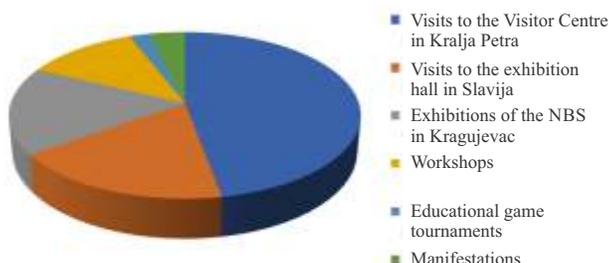
- Association of Citizens “House of Roma Culture”;
- “Mimicking Time: Artwork – Painting – Word”, organised by the Institute for the Study of Culture and Christianity;
- Exhibition of paintings, by Milenko Perić;
- “Golden Ratio”, by Predrag Vitezović;
- “A Selection of Art Work – 135 Years of the NBS”;
- “Art – Today”, organised by the Association of Serbian Architects with associates;
- “World through a Woman's Eye – Woman through an Artist's Eye”, a selection by Mirjana Savić;
- “Handicraft Fair of Serbia's Muscular Dystrophy Association”;
- “Banknote Stories – Paper Money from Đorđe Novaković's Legacy”, organised by the Belgrade City Museum;
- “Milanković's Gate through Time”, organised by the Milutin Milanković Association;

- Exhibition of comics and animation “What the Blue Eye Sees” and promotion of a book by Jelena Vučić “The Escort”.

At the invitation of the National Museum in Kragujevac, the NBS hosted two exhibitions in this town:

- “Reflection of Time and Events on Serbian Money – Money of the Principality and Kingdom of Serbia”;
- “Serbian Money from 13th to 21st Century”.

Number of visitors by type of activity



Financial education of children and youth

As part of the NBS's cooperation with vocational educational institutions, exhibitions at NBS buildings in Kralja Petra 12 were visited by preschoolers, primary and secondary school students from all around Serbia (Belgrade, Ub, Subotica, Kolubara, Koceljeva, Aleksinac, Bečej, Mali Zvornik, Gornji Milanovac, Arandjelovac, Kovin, Despotovac, Vranje, Sopot, Petrovac na Mlavi, Merošina, Vršac, Kuršumljija, Kikinda, Bačko Gradište, Pančevo, Smederevska Palanka, Krčedin, Leskovac, Čačak, Ljubovija, Indija, Kula and Valjevo), as well as students of faculties of economics in Belgrade, Niš and Novi Sad, Faculty of Philosophy, Faculty of Political Sciences, Faculty of Law, Belgrade Banking Academy and Faculty of Business Studies and Law “Dr Lazar Vrkatić” in Novi Sad.

Continuing years-long practice and successful cooperation, in May and November, the NBS Exhibitions and Education Unit hosted students of the “Jastrebački partizani” primary

school from Merošina and “Vuk Karadžić” secondary school from Ljubovija.



Workshops: “Drawing a Banknote of My Choice”, “Distinguished Persons Featured on Current Dinar Banknotes” (for primary school students), “Dinar – Our Money”, “Counterfeit Money and How to Recognise It”, “Me and My Budget”, “Distinguished Persons Featured on Current Dinar Banknotes” (for secondary school students), and “Counterfeits” were held in Leskovac, Niš, Bečej, Novi Pazar, Novi Sad, Subotica, Užice, Čačak, Kragujevac, Kosovska Mitrovica, Požarevac, Bačka Palanka, Priboj, Gornji Milanovac, Valjevo and Paraćin, and in Belgrade at the NBS Kralja Petra building and the premises of Belgrade-based primary and secondary schools and faculties.

As part of cooperation with faculties, the NBS and Belgrade Banking Academy held the tournament in educational game “Finances for Later”. Four economics high schools participated in the tournament: the First Economics High School, Second Economics High School, Fifth Economics High School and “Nada Dimić” Economics High School. After holding qualification tournaments, each of the said schools sent four students to take part in the finals. The winners of the tournament visited the NBS Visitor Centre and the simulation Dealer Room in the Belgrade Banking Academy.



Global Money Week

From 25 to 29 March, the NBS marked the Global Money Week, which is organised across the world at the initiative of the Child and Youth Finance International.

The activities were carried out at the NBS building at Kralja Petra 12, in the First Economics High School in Belgrade, the Faculty of Law in Belgrade, and the premises of the secondary school “Vuk Karadžić” in Ljubovija. Also, the NBS presented its activities in the field of financial literacy of children and youth in the school fair “Market of Ideas”.

Apart from visits to the NBS Visitor Centre and professional guidance through permanent and thematic exhibitions, the following workshops were realised: “Counterfeit Money”, “Me and My Budget”, “Distinguished Persons Featured on Current Dinar Banknotes” and “Dinar – Our Money”, as well as educational game tournaments “Finances for Later”.

Market of ideas

In accordance with the NBS exhibitions and educational activities in the field of financial literacy of children and youth, on 29 March, the NBS representatives took part in the school fair “Market of Ideas” organised by the Belgrade City Museum on the premises of the Yugoslav Film Archive.

On that occasion, the Exhibitions and Education Unit employees presented all the workshops and tools for their implementation, as well as educational games “Finances for Later” and “Moneture”.

Global Savings Week

From 28 October to 1 November, the NBS marked the Global Savings Week. As a part of the programme, it organised the workshop “Counterfeit Money” at the Faculty of Business Studies and Law “Dr Lazar Vrkatić” in Novi Sad. The students of the Faculty of Economics in Kragujevac visited the NBS Visitor Centre at Kralja Petra 12. Also, the Exhibitions and Education Unit employees hosted students and teachers of the Trade and Catering School from Leskovac and presented a new workshop intended for students “Distinguished Persons Featured on Current Dinar Banknotes”.



Cultural events

International Day of the Francophonie

To mark the event “March – Month of the Francophonie”, on 20 March, workshops “Drawing a Banknote of My Choice”, “Distinguished Persons Featured on Current Dinar Banknotes”, “Dinar – Our Money and “Me and My Budget” were held for students from the third to the eighth grade of primary school “Vladislav Ribnikar”.

Open Door Day

For the eighth year in a row, on 6 April, the NBS marked the event “Open Door Day”. At the exhibition and education space the NBS showcased its regular exhibition “Money in the Territory of Serbia” and themed exhibitions “Counterfeit Money” and “Coin Minting – from the Conceptual Design to the Mint”.

The expert team of the Payment System Department held interactive discussions to familiarise visitors with innovations in the field of payments, such as the instant payment system.

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 the Kralja Petra 12 building.

Museums for 10

The NBS took part in the “Museums for 10” cultural event, organised by ICOM National Committee Serbia. On that occasion, on 18 May, as well as for the following ten days during the working hours of the NBS Hall in Nemanjina 17, visitors were able to see the exhibition “Mimicking Time: Artwork – Painting – Word”, organised by the Institute for the Study of Culture and Christianity. On the same occasion, the NBS had its exhibition “Reflection of Time and Events on Serbian Money – Money of the Principality and Kingdom of Serbia” hosted in the National Museum in Kragujevac.

European Heritage Days

This year too, the NBS joined in the observation of the “European Heritage Days” and on Saturday, 5 October, it opened the doors of its building at Kralja Petra 12 for group visits. Visitors of the NBS were able to see the grand hall and to get acquainted with the history of the building, as well as to find out some interesting facts about the early years of the NBS. In the exhibition and education space, visitors enjoyed the standing numismatic collection “Money in the Territory of Serbia” and themed exhibitions, and participated in accompanying interactive activities.

Humanitarian and voluntary campaigns

Driven by a desire to support the entire community with its responsible attitude through various forms of humanitarian actions, in 2019, the NBS continued to provide assistance to those most in need. The employees engaged actively in humanitarian and voluntary campaigns aimed at collecting funds, food and clothes, providing selfless support to socially vulnerable groups, children with developmental disabilities, children deprived of parental care and the elderly.

In cooperation with humanitarian organisations, centres, associations and schools, the NBS organises humanitarian and voluntary campaigns, which are very successful and noticed. The total cash value of the humanitarian activities of NBS employees in 2019 amounted to RSD 362,500.

In humanitarian actions of food gathering “Humaneness against Hunger”, organised by the NBS in Belgrade and Kragujevac, 600 kg of food was collected and distributed to the most vulnerable categories of the population.

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

Before the New Year's and Easter holidays, the Belgrade head office and the Novi Sad Branch organised 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 a high level of understanding for the needs of vulnerable groups, offering their moral and financial support by buying the artwork.

In a humanitarian action called “Let's Live without Violence”, realised in the Niš Branch, funds were collected to procure a washing machine for the Safe House in this city.



The Užice Branch was host to the humanitarian campaign “Let's Unite and Do Something Good”, in which employees donated chairs for the terrace of the Nursing Home for Adults and the Elderly – Zabučje.

NBS volunteers successfully carried out the project of renovating the premises of the primary school “Olga Petrov” in the residential area Tovilište in Padinska Skela. Twenty seven volunteers were mowing and collecting grass in the schoolyard, painting and cleaning classrooms, painting carpentry, benches and metal fencing. This project was organised in cooperation with the city municipality Palilula.

In September, NBS employees working at the headquarters and Novi Sad Branch took part in the



volunteer action of renovating the premises of the primary and secondary school “Milan Petrović” in Novi Sad, under the slogan “Let's Exchange Kindness”. Thirty eight volunteers took part in this action.

Under the slogan “Discover Your Opportunities and Talents – Enjoy”, a creative day was organised for employees' children and the children of their associates in early April. On that occasion, children from primary and secondary school “Milan Petrović” performed the play “The Little Prince”.

In 2019, NBS employees gathered 1,500 kg of plastic bottle caps in the ecological and humanitarian action “Bottle Cap for Handicap”, thus helping the purchase of two tricycles used by people with disabilities as a walking aid. Given that this activity brings exceptional results, it will continue in the coming period.



As part of the traditional humanitarian campaign “A Present for an Unknown Friend”, organised in cooperation with the humanitarian organisation “Mali veliki ljudi”, NBS employees donated 194 New Year's Day parcels and 95 packages of toys and preserved wardrobe to children and youth with developmental disabilities from the Day Care Centre “Neven” in Pančevo and Residential Centre “Veternik” in Novi Sad, as well as children beneficiaries of the National Cuisine of the Serbian Orthodox Church from Belgrade.

In the campaign of collecting second-hand clothes, bed linen, towels, and cups for the beneficiaries of the



Gerontological Centre “Bežanijska kosa” in Belgrade, employees gathered 65 packages. Beneficiaries of the Red Cross in Kula were donated 30 packages of clothes, footwear and school supplies.

The NBS will continue to carry out humanitarian and volunteer campaigns, promote socially responsible behaviour and social responsibility.

Donations

Donations are regulated by the Decision on Establishing the Committee for Review of Applications for Donations and Humanitarian Assistance and Setting the 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, as well as small inventory, consumables and supplies





may be granted or donated, in accordance with the act determining the criteria for technical and technological deterioration of NBS resources, to legal persons, local government units, educational and cultural institutions, social and health care institutions, non-profit organisations and associations, humanitarian organisations and other institutions.

In 2019, the NBS donated RSD 2,497,810.00 as financial assistance. There were also donations in kind (used furniture). The Institute for Manufacturing Banknotes and Coins – Topčider produced and donated plaquettes to the “Dositej Obradović” Foundation.

United Nations Global Compact Membership

Since the establishment of the UN Global Compact in Serbia on 6 December 2007, the NBS, as one of the founders and an active member of this initiative, continued promoting and affirming this large-scale voluntary association 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. In addition to large companies, this initiative is supported by medium and small enterprises, non-government organisations, business associations and academia.

As the chair of the Working Group for Corporate Social Responsibility in Banking and Finance, in 2019 the NBS collaborated with other members on the project in the field of financial education, which is the primary objective of the Group.

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

- one-week/two-week practice for third/fourth grade students in the branches of member banks,
- visit to the NBS Visitor Centre, and
- thematic lectures for students and teachers.

The collaboration will continue in 2020.

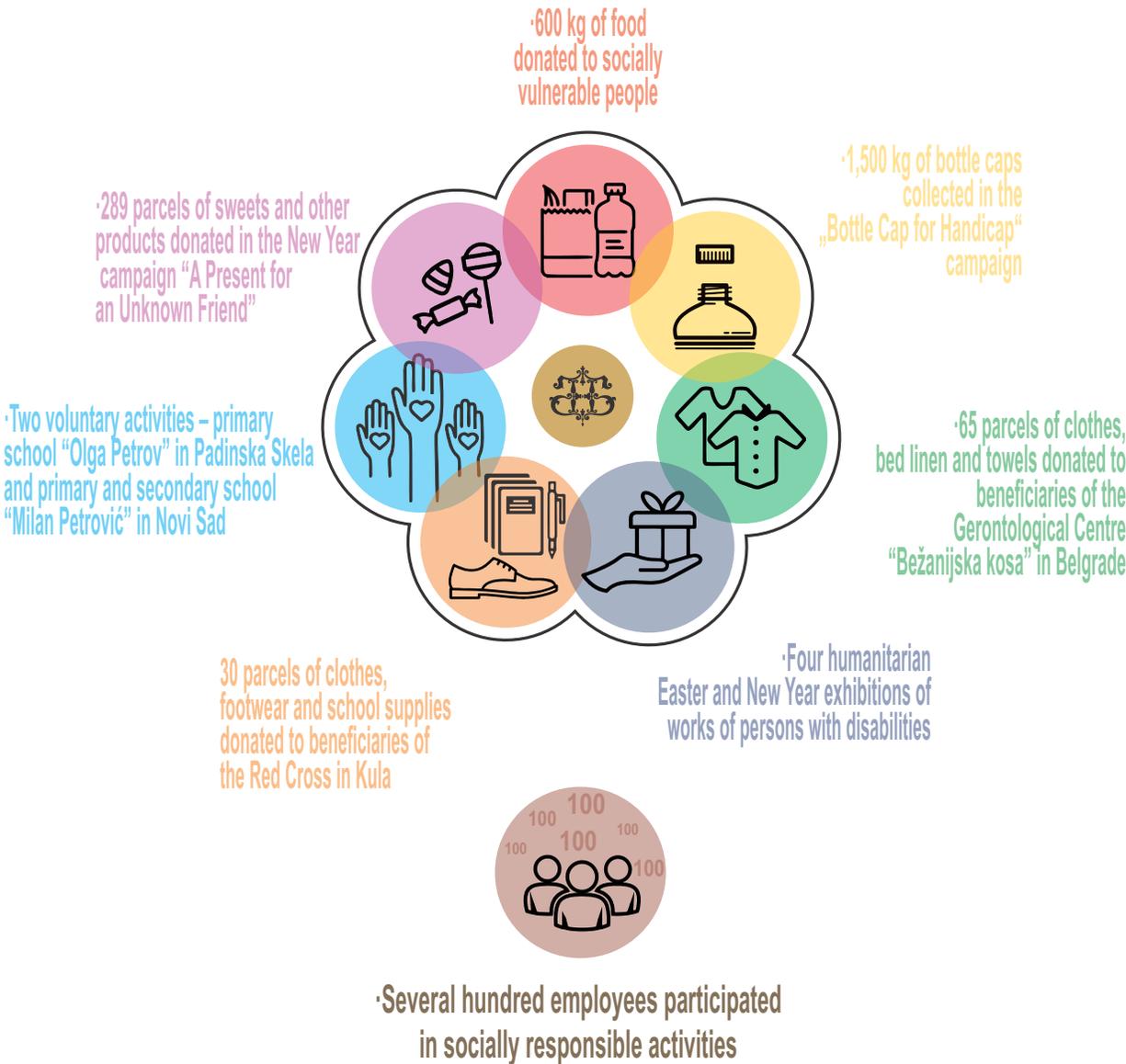
For more information on all the activities of the United Nations Global Compact in Serbia, please visit www.ungc.rs.

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.



HUMANITARIAN AND VOLUNTARY ACTIVITIES AND DONATIONS



RESPONSIBILITY TO THE ENVIRONMENT

Preserving natural resources at the head office and branches

In 2019, the NBS continued to behave responsibly to the community and the environment. Waste formed in the process of current and investment maintenance of facilities and equipment is handled in accordance with the Law on Waste Management. Agreements on the provision of services for the collection, transport and treatment of waste of several index numbers have been concluded with

the authorised enterprises. The sorted waste is properly and temporarily stored in a dedicated packaging, and then handed over to the authorised companies for final disposal. Records on the waste generated and handed over are kept regularly, and measures are taken to reduce the waste.

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 authorised training organisations.

The Bank's building at Slavija is considered highly automated. All the rooms have presence detectors that automatically activate temperature regulation.

Waste sorting at the head office and branches

At all NBS locations employees have been sorting and collecting secondary raw materials (paper, PET packaging and mixed waste) since 2009. From paper selling, the NBS collected RSD 252,700.11, while income from PET packaging recycling came at RSD 133,245.40. Funds collected in this way are intended for humanitarian purposes and donated to non-profit organisations, associations, educational or health institutions selected by employees.

Thermal energy

Year	Kralja Petra (kwh)	Nemanjina (kwh)
2013/2014	602,762	1,599,411
2014/2015	743,531	1,612,680
2015/2016	767,565	1,512,820
2016/2017	891,447	1,774,939
2017/2018	845,208	1,547,080
2018/2019	750,990	1,417,530

Water

Year	Kralja Petra (m ³)	Nemanjina (m ³)
2014	2,861	12,480
2015	3,271	12,632
2016	3,014	12,730
2017	1,142	12,698
2018	1,291	12,696
2019	1,330	12,209

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
2017	597,256	182,298	2,050,203	862,497
2018	495,257	148,502	1,676,482	874,308
2019	365,090	115,994	3,796,216	1,286,504

HT – High tariff
LT – Low tariff

Since 2008, employees have been continuously learning about the importance of separating secondary waste. The brochure “Guide through Recycling” was published for that purpose, along with a number of motivational texts in the internal newspaper.

Organisational unit	PAPER	
	Quantity (kg)	Income (RSD)
Head office and Branch in Belgrade	33,250	225,980.00
Novi Sad Branch	979	8,344.71
Kragujevac Branch	3,820	11,345.40
Niš Branch	800	7,030.00
Užice Branch	/	/
Total	38,849	252,700.11



Organisational unit	PET packaging	
	Quantity (kg)	Income (RSD)
Head office and Branch in Belgrade	4,950	128,700.00
Novi Sad Branch	223	4,545.40
Kragujevac Branch	/	/
Niš Branch	/	/
Užice Branch	/	/
Total	5,173	133,245.40

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

As a responsible economic entity, the Institute for Manufacturing Banknotes and Coins – Topčider has been successfully implementing environmental protection measures for years, which are becoming increasingly demanding due to the harmonisation of legislation in this field with the EU regulations.

The concept of responsible and efficient waste management, applied by the Institute since 2014, implies that all waste generated in business processes is classified and categorised by origin and composition, carefully labelled, collected, sorted and stored in a way that does not affect human health and the environment.

Proper collection, sorting and final disposal of non-hazardous waste in 2019 generated RSD 2,081,157.00.

As part of the final disposal of non-hazardous waste, it is important to mention that 100% of the recycling of waste paper and metal is achieved, contributing to sustainable development.

Hazardous waste is temporarily stored at the Institute under controlled and safe conditions until handing over to reliable, long-standing partners – authorised operators for final disposal. All authorised operators we cooperate with have a waste management licence issued by competent authorities. They are required to submit the documents confirming the manner of final disposal of waste. In 2019, RSD 2,200,000.00 was spent on the disposal of hazardous waste.

In accordance with the legislation, the Institute regularly monitors emission of pollutants into water, air and soil. The results of these measurements confirm that all production processes at the Institute are carried out in accordance with the set environmental legal standards.

Aware of the importance of the natural resources potential, the top management of the Institute continuously educates employees about the importance of reducing the consumption of non-renewable resources.

The Institute started the procedure for introducing natural gas as a new energy source, which will enable the ecological production of thermal energy.

One of the current activities at the Institute is increasing energy efficiency to replace the existing lighting with LED lights. The project of lighting adaptation for the whole Institute was developed.

All statutory reports are accurately filled out and submitted in a timely manner to the competent institutions with which effective cooperation has been established.

A fee is charged and paid quarterly for products imported by the NBS, which will become special waste streams after use.



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in implementing the principles of the
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We welcome feedback on its contents.