



National Bank of Serbia

SOCIAL RESPONSIBILITY



2010



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A WORD FROM THE GOVERNOR

One of the key resources for an institution such as the National Bank of Serbia is citizens' trust. Trust is built through permanent and open dialogue of interested stakeholders and sincere understanding of the problems and needs of the widest community. At the same time, through numerous activities in various fields of community life we strive to expand and promote that dialogue. Social responsibility for us means not only expertise, professionalism and preservation of independence and credibility of the institution, nor is it only the care for our employees, but it also means the influence that the National Bank of Serbia has in promoting true values. We have engaged in the promotion and development of financial literacy of the population, starting from school children to other levels of population. Also, we are working on financial education of participants in the financial system of the population as loan beneficiaries, entrepreneurs, farmers and businesspeople. The Financial Services Consumer Protection Centre of the National Bank of Serbia will continue to provide active assistance to citizens in exercising their rights, understanding and using the services of the financial sector. We will work on further development of the financial market. This is the reason why the Centre for Financial System Development has been established.

The Visitor Centre of the National Bank of Serbia as a specific educational and exhibition centre with the standing museum exhibition, periodical exhibitions and supporting educational and interactive offer, has opened its doors to the citizens, museums, artists and other cultural workers. The Centre has become a place where cultural, historical and artistic values are presented – everything that represents valuable spiritual heritage and contemporary creativity.

During 2010 we carried out numerous humanitarian activities and we are very proud of the fact that our employees are happy to take part in those activities. Within collective voluntary actions, the National Bank employees socialised with students from the Primary school for children with difficulties in intellectual development "Anton Skala" and helped them in arranging and decorating the school yard. Also, they participated in arranging the cinema hall at the Centre for Mentally Challenged Children and Youth in Sremčica. We are active in the field of environmental protection as well.

The National Bank of Serbia, as one of the founders and an active member of the United Nations "Global Compact" initiative in Serbia, fully supports the ten principles of the "Global Compact" relating to the protection of human and labour rights, environmental protection and the fight against corruption. The existence of such an initiative not only allows the affirmation and the development of the concept of social responsibility operations, but also provides an opportunity to business entities that are members of the "Global Compact" to learn from the experiences of others and share the good examples from practice. Within this initiative, the National Bank of Serbia has established many partnerships and implemented joint projects. The National Bank of Serbia will continue to actively promote and expand the boundaries of social responsibility and thereby win a wider circle of allies and the people who share our views.

Governor
Dejan Šoškić, PhD



ABOUT THE NATIONAL BANK OF SERBIA

The position, organisation, mandate and functions of the National Bank of Serbia, as well as the relationship between the National Bank of Serbia and other bodies of the Republic of Serbia and international organisations and institutions are regulated by the Law on the National Bank of Serbia (Official Gazette of the Republic of Serbia, Nos. 72/2003, 55/2004 and 44/2010).

The National Bank of Serbia is independent and autonomous in fulfilling its functions as regulated by the Law on the National Bank of Serbia and other legislation, and is accountable for its work to the National Assembly of the Republic of Serbia.

The primary objective of the National Bank of Serbia is to achieve and maintain price stability. Aside from that, without prejudice to its primary objective, the National Bank of Serbia also contributes to the safeguarding and strengthening of the stability of the financial system.

The National Bank of Serbia has the following functions:

- determining and implementing monetary and foreign exchange policies;
- managing foreign exchange reserves;
- establishing and implementing activities and measures coming under its remit, relating to the preservation and strengthening of financial stability;
- granting and revoking operating licences, supervising bank solvency and legality of operations and performing other activities in line with the law governing banks;
- granting and revoking operating licenses and/or authorisations to insurance companies, supervising these companies and performing other activities in line with the law governing insurance;
- granting and revoking operating licences to voluntary pension fund management companies, supervising these companies and performing other activities in line with the law governing voluntary pension funds;
- granting and revoking operating licenses to financial leasing companies, supervising these companies and performing other activities in line with law governing leasing operations;
- issuing banknotes and coins and managing cash flows;
- regulating, controlling and promoting uninterrupted functioning of the payment system;
- performing statutory tasks for the Republic of Serbia or tasks established by treaties, without affecting thereby its autonomy and independence.

The bodies of the National Bank of Serbia comprise: the Executive Board, the Governor, and the Council of the Governor. The Executive Board comprises Governor Dejan Šoškić and Vice-Governors Ana Gligorijević, Mira Erić-Jović and Bojan Marković.

The Executive Board determines monetary and foreign exchange policies, and in particular the conditions and mode of issuing securities, terms and manner under which the National Bank of Serbia carries out open market operations and discount operations,



short-term lending policy, dinar exchange rate policy, strategy of foreign currency reserves management, the key policy rate and other interest rates of the National Bank of Serbia, the base for calculating required reserves and the reserve requirement ratio. The Executive Board establishes measures and activities, pertaining to the National Bank of Serbia's remit, for the purpose of maintaining and strengthening financial stability, as well as measures for maintaining bank liquidity. The Executive Board also decides on granting and revocation of operating licences to banks, insurance companies, financial leasing companies and voluntary pension fund management companies.

Meetings of the Executive Board are held when there is a need, but at least once a month, provided that at least three of its members are present. The Executive Board makes decisions by the majority vote and in case of a tie, the Governor's vote is decisive. Meetings of the Executive Board are chaired by the Governor.

Upon the Executive Board's proposal and with the Government's consent, the Council of the Governor establishes the dinar exchange rate regime, passes the By-Law of the National Bank of Serbia as well as the National Bank of Serbia's development strategy, and monitors its implementation. The Council adopts the financial plan and annual financial statements of the National Bank of Serbia, appoints the external auditor and discusses the auditor's report. Furthermore, the Council supervises the National Bank of Serbia's financial reporting system, assesses adequacy of the accounting policies and procedures, supervises and adopts the annual internal audit plan. In addition, the Council submits to the National Assembly the report on its operations, at least once a year, as well as the annual statement of accounts along with the certified auditor's report not later than by 30 June of the following year. The Council makes decisions in the meetings by a majority vote of the total number of Council members.

The Governor of the National Bank of Serbia is appointed by the National Assembly of the Republic of Serbia for a term of six years, with the right to re-election.

The Governor is in charge of and responsible for the achievement of the objectives of the National Bank of Serbia, and in particular for the implementation of decisions of the Executive Board and the Council, for the organisation and operations of the National Bank of Serbia, for the drafting of legislation falling under the competence of the National Bank of Serbia, for the enacting legislation falling under the competence of the National Bank of Serbia but not under the scope of activities of the Executive Board and the Council, and for other activities as regulated by the Law on the National Bank of Serbia and other legislation, but without prejudice to the key objective referred to in Article 3 of the Law on the National Bank of Serbia.

The National Bank of Serbia is a legal entity with its head office in Belgrade. The National Bank of Serbia may establish affiliate offices that do not have the status of legal entities and their internal organisation and the scope of authority and operations are regulated by the By-Law of the National Bank of Serbia.

The National Bank of Serbia has one specialised organizational unit, namely the Institute for Manufacturing Banknotes and Coins – Topčider, whose duties and responsibilities are regulated by the Law on the National Bank of Serbian and the By-Law of the National Bank of Serbia..



The following organisational units carry out the duties within the scope of authority of the National Bank of Serbia:

Core activities

- Monetary Operations Department,
- Chief Economist's Office,
- Business Relations Office,
- Foreign Exchange Department,
- Financial Stability Department,
- Centre for Financial System Development,
- Bank Supervision Department,
- Insurance Supervision Department,
- Pension Funds Supervision Department,
- Cash Department,
- Monetary Analysis and Statistics Department, and
- International Relations Department.

Specific activities

- Payment System Department,
- National Payment Card Centre,
- Centre for Financial Services Consumers, and
- Enforced Collection Department.

Support activities

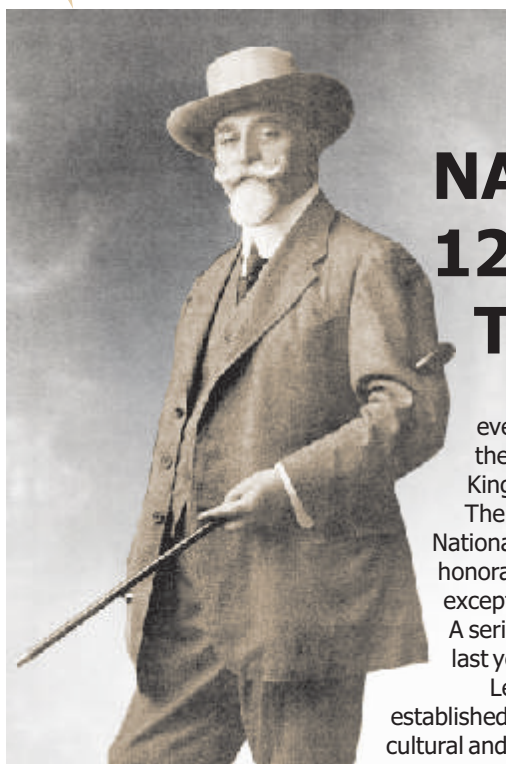
- Governor's Office,
- Internal Audit,
- Compliance and Operational Risk Control,
- Legal Department,
- Accounting and Finance Department,
- Information Technology,
- Human Resources,
- General Affairs, and
- Office Administration.

Branches

- Belgrade branch,
- Novi Sad branch,
- Niš branch,
- Kragujevac branch, and
- Užice branch.

Institute for Manufacturing Banknotes and Coins, Topčider.

The National Bank of Serbia has a total of 2,159 employees (source: Human resources, dated 31 December 2010).



NATIONAL BANK OF SERBIA – 126 YEARS SINCE THE ESTABLISHMENT

In order to promote and develop the organisational culture, an event called "The Bank Day" was occasioned to mark 126 years since the opening of the first counter of the Privileged National Bank of the Kingdom of Serbia.

The 160th anniversary of the birth of Đorđe Vajfert, the Governor of the National Bank of Serbia with the longest term in office and the title of the honorary governor, but also a great enthusiast and a visionary, the man of exceptional energy and great entrepreneurial spirit, was marked last year. A series of events that marked his life and work was organised throughout last year.

Let us recall, following the liberation from the Turks, the re-established Serbian state embarked on setting up the cornerstones of the new cultural and state institutions, namely the National Library (1832), the Lyceum – the precursor of the professional university institution (1838), the Society of Serbian Letters – that later became the Academy of Sciences (1841), the National Museum and the National Theatre (1868).

Throughout this period of re-establishing the national foundations, the Serbian financial system had no national legal tender and as many as 43 foreign currencies were in circulation.

What became more and more apparent was the need to establish a central bank. In 1854, an article entitled "Current Monetary Crisis" was published in the "Srbske Novine" newspapers, in which the necessity of establishing such an institution was highlighted. Still, three decades passed for this initiative to become reality. It was only in 1884 that an institution under the name the Privileged National Bank of the Kingdom of Serbia was founded.

The bank's organisation was modelled after the National Bank of Belgium, which, at the time, was considered a role model for modern organisation of a banking institution. The bank established its Shareholders' Committee, the Head Committee, the Managing Committee, the Supervisory Committee, and the Discounting Committee, as well as the position of Governor (the first Governor was Aleksa Spasić, until then the Minister without the portfolio) and the position of a Vice-Governor.





SOCIAL RESPONSIBILITY OF THE NATIONAL BANK OF SERBIA

The 2010 Report on Social Responsibility of the National Bank of Serbia is the fourth consecutive report published by our institution. The report covers activities carried out in the field of social responsibility and explains the approach that our institution has in terms of social responsibility. It is submitted to the professional public along with an annual economic report on the activities and results of work in 2010 as well as to all members of the "Global Compact" in Serbia. The report is also available on the website of the National Bank of Serbia (www.nbs.rs).

The National Bank of Serbia in 2010 tried to further improve activities creating a positive impact on its work, social and general environment and, in relation to that, to increase the engagement of its employees. As one of the most prominent institutions in the country, the National Bank of Serbia wants to serve as a role model and to encourage similar behaviour by other institutions and companies in Serbia, especially those coming from the financial sector.

Strategic and operational priorities of the National Bank of Serbia in 2011 will be focused on the continuity of good practice and further development through:

- further strengthening of institutional capacity of the National Bank of Serbia,
- the adoption of a development strategy,
- developing social responsibility,
- enhancing efficiency and rationalisation of operations,
- additional operational risk management system building in the National Bank of Serbia,
- promotion of the National Bank of Serbia as a research centre.

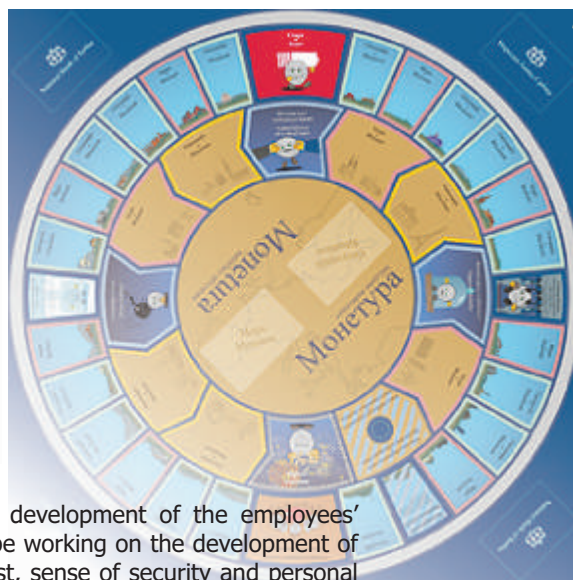
Strengthening social responsibility

To strengthen social responsibility the following activities will continue:

- financial education of the population (school children and citizens),
- financial education of participants in the financial system (loan users, entrepreneurs, farmers and businesspeople),
- improving the protection of financial services consumers,
- establishment of a Centre for Financial System Development, and
- providing continuous contribution to the financial market development.

Promoting the concept of social responsibility among employees by improving internal communication

In accordance with the objective set forth by the law and functions, and based on the principles of the "Global Compact", the activities of the Communications Division / Internal Communication and Social Responsibility Section are focused on promoting the concept of social responsibility and implementation of activities with which the National Bank of Serbia makes a positive impact on the working and social environment.



In the next two years, in addition to further development of the employees' volunteering programme, one of the priorities will be working on the development of organisational culture by fostering cooperation, trust, sense of security and personal responsibility of each employee and manager for their activities.

To promote the development of organisational culture, the Department of Internal Communication and Social Responsibility will direct special attention to improving and encouraging the use of constant internal communication channels through constant exploring of employees' attitudes and needs, conducting educational activities for children of employees and organising events for employees.

Improvement of social responsibility by promoting the National Bank of Serbia as a research centre will continue in 2011 by organising research seminars both for employees and for students from economics faculties as well as for professional public. In this regard, ten research seminars were organised during 2010, and they were held by eminent speakers from prestigious financial and educational institutions.

In order to improve cooperation with the professional public, the decision was also made regarding the conditions and method of awarding donations aimed at stimulating scientific research in the areas of monetary economics, supervision of financial institutions and financial stability. Donations in the form of cash prizes may be granted to young scientists from the country and the region, on the basis of a competition announcement by the National Bank of Serbia for the best scientific research in the above-mentioned areas.

In order to acquaint the widest domestic public with basic methods of implementing monetary policy, the National Bank of Serbia has developed a "Monetura" social game, which in a fun and imaginative way introduces its participants into the world of creating and implementing monetary policy, in accordance with the challenges they may face every day. In 2010, the employees completed the final review and the circulation of the first "Monetura" came out of the printing house. The game is designed for the employees at the National Bank of Serbia, as well as for students of economics and other faculties where banking and finance subjects are studied, as well as for all those who would like to, through fun and socialising, get more familiar with this interesting issue. The game will also be available to employees in other central banks who will, thanks to the bilingual explanations, be able to use it without any restrictions.

The plan is to promote "Monetura" as a tool for internal communication among employees as well as an educational tool for students of secondary schools of economics and university students of economics faculties in Serbia.



MEMBERSHIP IN THE UNITED NATIONS "GLOBAL COMPACT"

After the establishment of the "Global Compact", on 6 December 2007, the National Bank of Serbia, as one of the founders and an active member of this initiative, continued with its commitment to the promotion and affirmation of the most massive voluntary association in the world (with over 8,500 members from more than 130 countries), dedicated to promoting corporate social responsibility. "Global Compact" requires from its members to adopt, support and promote the ten universal principles in the protection of human and labour rights, environmental protection and the fight against corruption. During three years of work in Serbia, the number of members increased to 70. Apart from large companies, members are also representatives of small and medium-sized companies, non-governmental organisations (NGOs), business associations, academic institutions, cities and trade unions.

In 2010, as part of the "Global Compact", many activities were carried out, the most important ones being: a press conference organised to mark the beginning of the project "Managing personal finances", the Annual Global Compact Conference in Serbia on labour rights, presentation of "Global Compact" at local and regional conferences, the signing of a protocol on cooperation with the Association of Directors of Secondary Schools of Economics and organisation of the Annual Assembly. Also, working groups for social inclusion and persons with disabilities, anti-corruption, corporate social responsibility in banking and finance, education and development of corporate social responsibility, environment, media and support in emergency situations held regular meetings.

At the eighth annual meeting of the "Global Compact" local networks held in New York from 23 to 25 June 2010, the "Global Compact" Network in Serbia, whose active member is also the National Bank of Serbia, was named one of top three networks in the world for the year 2009. The recognition was awarded for the overall activities, as well as for work on promoting the "Global Compact" in Serbia and represents an incentive for further improvement of the network's work. In addition to the annual meeting of local networks of the organisation, a Summit of Leaders was also held to mark the tenth anniversary of this largest voluntary initiative in the world.

In 2011, the primary driving force of all activities will continue to be support to member states in implementing the ten "Global Compact" principles, with particular emphasis on principles relating to the environment. Great attention will be devoted to the expansion of membership and giving support to more active participation of individual members, the organisation of thematic seminars and workshops, the work of existing and establishing new working groups and supporting members in developing the Progress Report.

As Chair of the Working Group for Corporate Social Responsibility in Banking and Finance, the National Bank of Serbia, together with other working group members worked on the designing and realisation of two projects in the field of financial education as a primary objective of this group.

Within the project of cooperation with secondary schools with an educational profile "Banking Clerk", the third/fourth grade students from those schools were provided with one-week/two-week practice in the branches of member banks, a visit to the National Bank of Serbia and the Institute for Manufacturing Banknotes and Coins, thematic lectures for students and teachers of this profile, as well as participation of representatives of member banks at the final examination. The cooperation was formalised by signing a cooperation protocol between the Association of Directors of Secondary Schools of Economics and the "Global Compact" in Serbia and will be continued in 2011.

In cooperation with the Croatian Banking Association, members of this working group decided to organise and launch a free interactive workshop for the citizens of



Serbia under the title "Managing personal finances". In addition to financial education as one of the goals of these workshops, close attention should be paid to the mutual cooperation among member banks as well as business subjects in the organisation and realisation of this project, that puts the client and the client's education in focus, whose aim is not only better understanding of financial services but also strengthening confidence in the banking sector. The project was launched to help citizens, through training and counselling, to efficiently manage their household budgets. A total of 24 workshops have been organised so far (20 in Belgrade, two in Niš and Novi Sad, and two on Kopaonik Mountain). The workshops gathered more than 300 citizens. The participants graded the organisation (location, time, space), comprehension and the manner of presentation as well as usefulness of the workshops with the highest grades. The greatest benefit from the workshop for the people was a better overview of expenses and incomes in personal/household budgets, a new look at the planning and implementation of goals, new insights into the possibilities of saving, a realistic understanding of financial options and, at the very end, future improvements in personal/household budgets. A new series of workshops in other cities in Serbia is planned for 2011.

More information about the activities of the "Global Compact" in Serbia can be found on the website www.unglobalcompact.rs.

Ten Principles of the Global Compact

Ten principles of the Global Compact in the areas of human rights, labour standards, the environment and anti-corruption, are based on:

- The Universal Declaration of Human Rights
- The International Labour Organization Declaration of Fundamental Principles and Rights at Work
- The Rio Declaration on Environment and Development
- The UN Convention Against Corruption.

Human Rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: make sure that they are not complicit in human rights abuse

Labour Standards

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective negotiation;

Principle 4: the elimination of all forms of forced and compulsory labour;

Principle 5: the effective abolition of child labour; and

Principle 6: the elimination of discrimination in respect of employment and choice of occupation

Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9: encourage the development and diffusion of environmentally friendly technologies

Anti-Corruption

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



"GLOBAL COMPACT" PRINCIPLES IN PRACTICE

HUMAN RIGHTS

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: make sure that they are not complicit in human rights abuse.

The National Bank of Serbia with its participation and membership in the "Global Compact" acknowledges and affirms the values and human rights protection policy of the United Nations.

Code of Conduct

For the National Bank of Serbia the concept of corporate social responsibility does not exist as an isolated activity. We seek to integrate the parameters of responsible behaviour through our internal by-laws, and therefore through our daily activities of both the employees and the management.

The Code of Conduct establishes the principles of professional conduct that the employees in the National Bank of Serbia are obliged to follow when performing the tasks entrusted to them, as well as criteria for evaluating the conduct – for the purpose of preserving and improving professional and moral responsibility of employees, their mutual cooperation and relations with third parties, as well as preserving and improving the reputation of the National Bank of Serbia and confidence in the National Bank of Serbia.

While performing their duties, the employees should be guided by the following principles – they have to behave in a way that:

- provides the highest standards of professional conduct;
- provides commitment to tasks and loyalty in their performance;
- avoids the emergence of conflicts of interest;
- prevents damage to the reputation of the National Bank of Serbia;
- provides data protection, respecting the obligation of secrecy and prohibition of disclosing information.

These Code determines the following principles:

- expertise,
- conscientiousness,
- legality in performing the duties,
- prohibition of discrimination,
- independence and autonomy,
- business reputation,
- relations with the media,
- confidentiality,
- data protection,
- ban on accepting gifts,
- conflict of interest,
- prohibition of disseminating information,
- engaging in activities outside working hours,
- mutual respect and cooperation,
- harassment, and
- use of fixed assets.



Also, the responsibilities of employees are established by the Code on responsibility of employees. The Code, in addition to disciplinary and material responsibility, also regulates the breach of duty of employment, including sexual, physical or psychological harassment of other employees, violation of rights of other employees and the like.

During the year, we organised a series of activities that promote human rights of persons with disabilities, especially in terms of their integration into the community and their employment rights.

LABOUR STANDARDS

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labour;

Principle 5: the effective abolition of child labour;

Principle 6: the elimination of discrimination in respect of employment and occupation.

Our goal is to work together with employees to create constructive organisational culture that encourages interaction between employees and access to tasks that will help them to, apart from all working conditions and workers' rights guaranteed by the Labour Law, create a high-quality and motivating environment for work in which the rights and needs of employees are respected.

In accordance with the regulations, the Plan of implementation of the risk assessment procedure at workplace and work environment in the National Bank of Serbia (G. No. 9374), on the basis of which teams were formed for risk assessment at the head office, branch offices and the Institute for Manufacturing Banknotes and Coins.

In accordance with the Law on the Prevention of Mobbing at Work, the National Bank of Serbia notified in writing all employees on the prohibition of abuse and exercise of sexual harassment at work and abuse of the right to protection from such behaviour as well as about the ways of prevention and action.

Bearing in mind the Law on Professional Rehabilitation and Employment of Persons with Disabilities, the National Bank of Serbia introduced its staff, twice in 2010 through the webhouse, with the rights of persons with disabilities, as well as with the manner and procedure for establishing such status.

In addition, during 2010, a Decision on the special rights of persons with disabilities was passed, allowing employees with disabilities, based on the assessment work skills and vocational rehabilitation, wage compensation in the amount of 100% of the average monthly salary for the duration of their paid leave. The costs of assessment of work capacity and occupational rehabilitation are borne by the National Bank of Serbia.

Special attention was paid to protect people with disabilities, through risk assessment at workplace and in the work environment in the National Bank of Serbia, as well as through the implementation of all measures prescribed by the decision establishing that the employee has the status of a person with disability. .

Planned activities:

We will continue informing the staff of the National Bank of Serbia about the rights of persons with disabilities and increasing the number of employees who will get such status.

In order to improve expert and professional capacities of employees, ensure efficient and quality performance of functions under its jurisdiction and promotion of reforms, the National Bank of Serbia in 2010 offered its employees to attend studies of the first, second and third level, foreign language classes, training for the acquisition of different titles and certifications, as well as participation in seminars, conferences, courses and workshops in the country and abroad.

The National Bank offers its employees numerous benefits related to holiday, recreation, solving housing issues, New Year's gifts for children, jubilee awards, voluntary pension funds, insurance, presents for pensioners, etc.

The plan is to expand this range of benefits through cooperation with hospitality organisations, so that more employees would have the opportunity to travel on holiday under more favourable conditions. Also, we plan to provide even more favourable credit conditions for solving housing problems, introduce paid annual medical examination and the payment of life insurance. .



ENVIRONMENTAL PROTECTION

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9: encourage the development and diffusion of environmentally friendly technologies.

Electrical power consumption in the buildings of the National Bank of Serbia is given a lot of attention – incandescent light bulbs are replaced with energy saving ones.

We regularly recycle consumable materials, including toner cartridges, paper and PET packaging.

We support and promote projects that contribute to environmental protection, such as an invitation to action "Great Cleaning of Serbia" and "An Hour for Earth" – an appeal to save electricity.

One of the voluntary actions that we organised for the employees named "Nature should be Guarded and Saved as Greenery Never Loses Value" did not only include children with special needs, but it also had an ecological character as the socialising was organised through the cleaning up of the yard, painting benches and planting new seedlings in the primary school "Anton Skala" in Belgrade.

E-mails of every employee have a message written below the signature "Think before you print", which refers to the necessity of thinking about resources such as paper that is used in everyday work.

In that way, by introducing an electronic signature, classifying paper and recycling and using e-mail as a communication channel, we drew attention to environmental protection and saving paper in the internal as well as in the external communication, enhancing the image of the National Bank of Serbia as a socially responsible institution.

The Social Responsibility Report for 2009 was printed on recycled paper.

Planned activities:

We will consolidate the waste separation programme and extend it to branch offices of the National Bank of Serbia. We will continue to implement measures for efficient use of resources as well as support and promote all activities related to environmental protection.

ANTI-CORRUPTION

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

The National Bank of Serbia is continuously undertaking activities aimed at fulfilment of obligations under the Law on the Anti-Corruption Agency, the National Anti-Corruption Strategy and the Action Plan for Implementation of the National Anti-Corruption Strategy and quarterly reports to the Anti-Corruption Agency.



EMPLOYEE CARE

OCCUPATIONAL HEALTH AND SAFETY

In accordance with regulations, the National Bank of Serbia on 6 May 2010 adopted a Plan of implementation of risk assessment procedure at workplace and work environment in the National Bank of Serbia (G. No. 9374), on the basis of which teams were formed for risk assessment at the head office, branch offices and the Institute for Manufacturing Banknotes and Coins – Topčider.

Risk assessment in the head office and in branch offices was started on 12 May.

Summary of activities undertaken in the field of occupational health and safety of the Institute for Manufacturing Banknotes and Coins – Topčider

Together with a team of occupational health service of the Rakovica Health Centre, risk assessment at workplaces and in the work environment was carried out for a total of 77 grouped posts (185 different posts according to the NBS job classification) in the Institute.

Out of 114 posts with an increased risk, 28 grouped posts (44 classified positions) were assessed, with 123 members of staff.

Periodical and preventative examinations of work equipment and working conditions were performed. A total of 72 pieces of equipment were examined and tested. After eliminating the defects, examinations and measurements were performed for four pieces of equipment that had not been safe for operation and use. According to expert findings, based on performed re-inspection and testing, the equipment is safe to use.

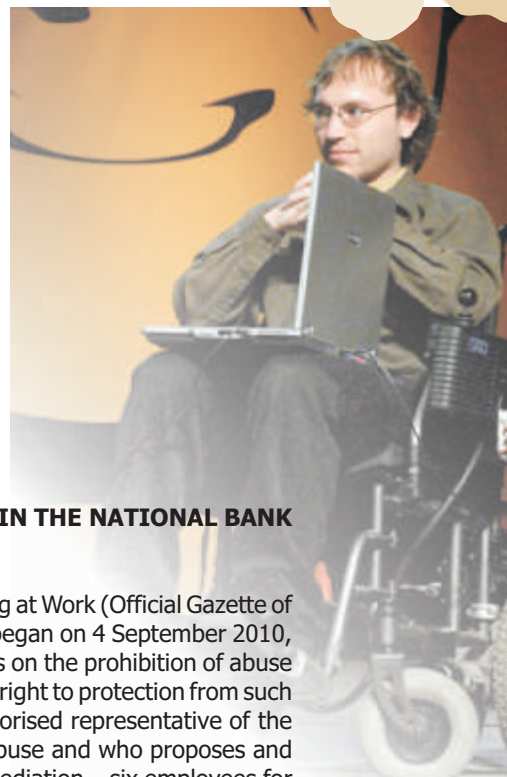
Examination of periodic and preventive testing and work equipment was performed by the "Institute Vatrogas" Ltd. from Novi Sad.

Examination of the conditions in the working environment at workplace was conducted in September at 47 measuring points: chemical hazards were tested at four measuring points, thermal radiation was tested at three points, lighting at 14 points, physical hazards (noise) at nine points and microclimatic conditions of the working environment at 17 measuring points. According to the expert's report on completed examination of conditions in the working environment, the occupational health and safety measures were applied.

Periodic and preventive examination of conditions in work environments at workplaces was conducted by the Institute for Occupational Health and Safety a.d. Novi Sad. A total of 184 employees were referred to a periodical medical check-up, while 40 members of staff underwent a mandatory medical check-up and 12 employees were sent to control medical examination.

In cooperation with responsible managers, training for employees about safe and healthy work was carried out. A total of 103 employees completed the training.

Agreements were signed with other employers with which the Institute shares the workspace (Dedinje, Transport, Top Rest and Rakovica Health Centre).



PREVENTION AND PROHIBITION OF MOBBING IN THE NATIONAL BANK OF SERBIA

In accordance with the Law on the Prevention of Mobbing at Work (Official Gazette of the Republic of Serbia, No. 36/10) whose implementation began on 4 September 2010, the National Bank of Serbia notified in writing all employees on the prohibition of abuse and exercise of sexual harassment at work and abuse of the right to protection from such behaviour. The National Bank of Serbia appointed an authorised representative of the employer who receives requests for the protection from abuse and who proposes and participates in the process of determining the person for mediation – six employees for conducting the process of mediation as a means of resolution of disputes arising from possible abuse at work at the National Bank of Serbia and two employees for prevention of harassment at work and recognition of cases of harassment, who can be addressed for advice and support by the employees who suspect to be exposed to abuse. The National Bank of Serbia notified its employees about the persons in charge of launching the procedure for protection from abuse.

These activities established a system that can actively prevent abuse at work. No mediation procedure was conducted in 2010.

PROFESSIONAL REHABILITATION AND EMPLOYMENT OF PERSONS WITH DISABILITIES

Bearing in mind the Law on Professional Rehabilitation and Employment of Persons with Disabilities, the National Bank of Serbia introduced its staff, twice in 2010 through the webhouse, with the rights of persons with disabilities, as well as with the manner and procedure for establishing such status.

In 2010, four employees submitted demands for risk assessment to the National Employment Service through the National Bank of Serbia. The costs of assessment of work capacity and occupational rehabilitation are borne by the National Bank of Serbia.

There are 22 persons with disabilities employed in the National Bank of Serbia. In addition, the National Bank of Serbia participates in financing of salaries for 22 persons with disabilities employed in the enterprise for professional rehabilitation or in a social enterprise and organisation, which releases it from the obligation of employing persons with disabilities whose salaries it finances.

Special attention was paid in the National Bank of Serbia to protect persons with disabilities, through risk assessment at workplace and in the work environment, as well as through the implementation of all measures prescribed by the decision establishing that the employee has the status of a person with disability.



EDUCATION, PROFESSIONAL DEVELOPMENT AND VOCATIONAL TRAINING OF EMPLOYEES

Form of education, professional development and vocational training	Number of employees
Education	
- Studies of the first degree – undergraduate studies	10
- Studies of the second degree	8
- Studies of the third degree – doctoral academic studies (PhD)	8
Professional training, licences, certificates	
- Acquiring the title of CFA	3
- Acquiring the title of ACCA	1
- Professional examination in the archival profession	3
- Bar Exam	1
- Examination for obtaining the certificate for public procurement official	10
Professional Development	
- Seminars, workshops, counselling and conferences in the country	170
- Seminars, workshops, counselling, study visits and conferences abroad	219
- Seminars in the National Bank of Serbia organised in cooperation with donors of expert and technical assistance	55
- Training for managers	17
- Foreign language classes	257
Professional training	
- Additional training and retraining	21
Summer internships	
The practice of university students from the country and abroad in the period July-August	26

The National Bank of Serbia in 2010 was actively involved in the implementation of a protocol on regional business cooperation with the central banks of Bosnia and Herzegovina, Albania and Montenegro. Also, it concluded a protocol on business cooperation with the National Bank of the Republic of Macedonia. The goal of regional cooperation is the achievement of common interests in the field of vocational development of employees through the exchange of knowledge and experiences significant for creating a stable and developed banking and financial sector. Cooperation in 2010 was manifested through the organisation of 32 mutual study visits, involving employees working in 98 partner institutions.

Vocational education, professional development and vocational training in the Institute for Manufacturing Banknotes and Coins

Form of education, professional development and vocational training	Number of employees
Vocational education	
Studies of the first degree – undergraduate academic studies	2
Studies of the second degree – specialised academic studies	2
Doctoral academic studies	1
Advanced professional development	
Seminars, workshops, counselling and conferences in the country	46
Foreign language courses at the People's University - "Đuro Salaj"	1

Seminars, study visits and conferences in the country and abroad organised for employees in the National Bank of Serbia

Form of professional development of employees	Number of seminars	Number of employees	Number of days	Average number of days per seminar
Professional development abroad	352	219	1,417	6.47
Professional development in Serbia	225	170	728	4.28
Training for managers	17	17	17	1.00
Seminars and conferences in Belgrade	3	55	155	3.00
TOTAL	597	461	2,327	5.04

Source: National Bank of Serbia.

Major donors of expert and technical assistance in 2010 were the Deutsche Bundesbank and the Central Bank of Slovenia. They enabled the realisation of 24 study visits, involving 90 employees of the National Bank of Serbia.

In cooperation with the central bank of Germany and the central bank of France, the National Bank of Serbia organised two international seminars in Belgrade, as well as an international meeting for specialists in the field of information technology, which was attended by 20 representatives of foreign central banks.

In order to improve operations and increase the professional competence of the National Bank of Serbia's management, the Human Resources organised a seminar for managers.

For the eighth consecutive time, the National Bank of Serbia organised summer internship for 25 students of final years of faculties in Serbia, as well as for one student from abroad in the period July-August.

In 2010, the employees had the opportunity to attend foreign language courses (English, German, French and Russian).

Also, internal seminars themed "Teamwork", "Presentation Skills", "Non-verbal communication" and "Communication skills and conflict" were organised with the aim of improving personal characteristics and skills of employees.

BENEFITS

The National Bank of Serbia continued cooperation in the field of the use of sporting and leisure resorts with the central banks of the Czech Republic, Switzerland and the Netherlands, established in the course of 2007. In 2010, this kind of cooperation was established also with the central bank of Germany and the central bank of Finland.





In this way, the employees in the National Bank of Serbia were enabled to use sporting and leisure facilities of the said banks under the same conditions that apply for their respective employees.

The plan for 2011 is to establish cooperation, i.e. the exchange of use of resorts with the central bank of Romania, as well as the implementation of the exchange with the Cyprus Union of Bank Employees (ETVK).

Furthermore, the National Bank of Serbia ensured the payment of pension subsidies to the employees who joined a voluntary pension fund. Each employee is paid a pension subsidy equal to the amount of 3% of employee's salary, with the minimum amount of RSD 2,000 and the maximum amount of RSD 10,000. If the employee wants so, the amount is increased by the same amount that he/she pays into the fund, up to the maximum amount determined by the law regulating income taxes.

The National Bank of Serbia continued cooperation with 13 theatres, including three children's theatres. Subsequently, a discount for theatre tickets, which varies depending on the theatre and the play, was ensured. Discounts range from 20% to 50%.

Cooperation was also established with cultural and educational institutions, such as the Belgrade Philharmonic Orchestra, the "Sava" Centre and the Foundation of Ilija Kolarac.

The employees are able to go for recreation in the Business Recreation Centre – Topčider and they can have tennis, football, volleyball and basketball at disposal.

The list of benefits for the employees in the National Bank of Serbia includes continued cooperation with seven tourist agencies. The staff is entitled to discounts and payments for travel arrangements via administrative ban.

We are striving to expand the list of benefits further, hoping that our efforts will be rewarded with satisfied customers.





LOCAL COMMUNITY

FINANCIAL SERVICES CONSUMER PROTECTION

In 2010, the Centre for Financial Services Consumer Protection and Market Supervision of the National Bank of Serbia acted upon complaints, conducted mediation and undertook all activities necessary for better and more complete information and education of financial services consumers.

In cooperation with departments in charge, the Centre prepared the Draft Law on the Protection of Financial Services Consumers, whose aim is to provide security to financial services consumers, in accordance with the standards and the level of protection applied in the European Union, as well as to improve business practices and provide adequate information to citizens.

Furthermore, a control survey, i.e., testing the conditions under which the market is offered financial services – current accounts and loans – was conducted. The aim of that survey is to objectively view the quality of offer of financial services on the market, i.e. transparency of conditions under which financial services are offered. The survey was conducted by the company for market research, public opinion and media TNS Medium Gallup.

Complaint Procedures

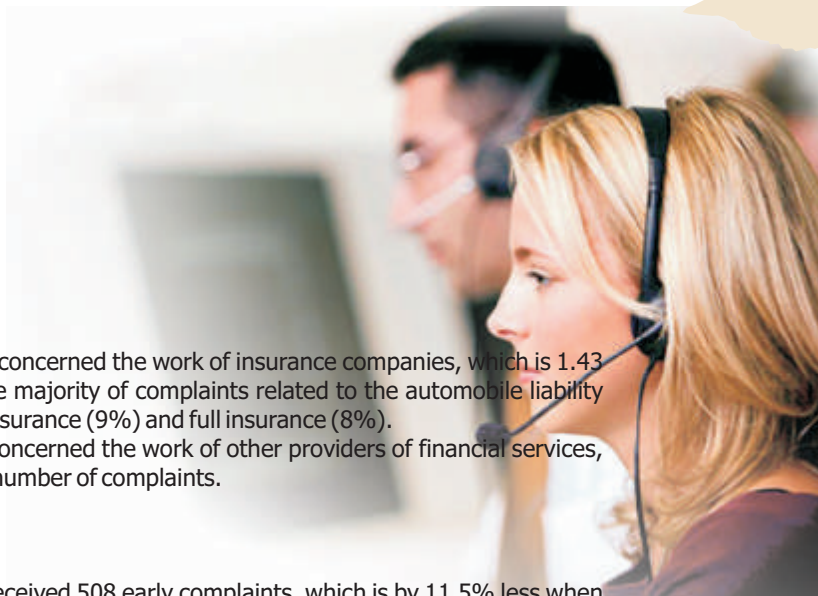
In the period from 1 January to 31 December 2010, the Consumer Protection Centre received a total of 1,574 complaints and early complaints against operations of financial institutions, which is insignificantly higher when compared to 2009.

The Centre received 1,066 complaints, or 13.2% more than in previous year. The largest percentage of received complaints – 80%, related to the operation of banks, which was expected given the dominance of banks in the financial market and the fact that consumers mostly use banking services. A total of 850 complaints (9% more than in 2009) were addressed to banks' operations. The majority of complaints concerned loans (58%), current accounts (19%) and payment cards (13%).

Number of complaints by financial service providers in the period from 1 January to 31 December 2010

Providers of financial services	Jan.	Febr.	March	April	May	June	July	August	Sept.	Oct.	Nov.	Dec.	Total	In %
Banks	74	101	80	64	51	45	70	60	52	66	72	115	850	80%
Insurance companies	10	15	17	17	12	23	7	16	7	17	16	25	182	17%
Leasing providers	1	2	3	2	4	5	1	6	2	1	2	2	31	3%
Voluntary pension fund management companies	0	1	0	0	1	0	0	0	0	0	0	0	2	0%
Exchange offices	0	0	0	0	0	0	1	0	0	0	0	0	1	0%
TOTAL	85	119	100	83	68	73	79	82	61	84	90	142	1,066	100%

Source: National Bank of Serbia.



A total of 182 complaints concerned the work of insurance companies, which is 1.43 more than a year before. The majority of complaints related to the automobile liability insurance (63%), accident insurance (9%) and full insurance (8%).

A total of 34 complaints concerned the work of other providers of financial services, which makes 3% of the total number of complaints.

Early complaints

In 2010 the Centre also received 508 early complaints, which is by 11.5% less when compared to 2009.

Early complaints are considered to be those sent directly to the complaints team of the Centre without filing a previous complaint with a relevant financial institution. In compliance with the complaints procedure, the National Bank of Serbia forwarded all early complaints to relevant financial institutions.

As in the case of complaints, most of the early complaints related to operation of banks (96%), namely in the segment of loans (49%), current accounts (23%) and payment cards (14%).

Mediation

In 2010, a total of 145 mediations of the National Bank of Serbia were scheduled, which is by 17% more than in 2009.

Providers of financial services	In progress	Settlements	Suspension	Abandonment	Total
Banks	23	43	31	4	101
Insurance companies	8	14	14	2	38
Leasing providers	1	3	2	0	6
Voluntary pension fund management companies	0	0	0	0	0
TOTAL	32	60	47	6	145

Source: National Bank of Serbia.

The increased number of conducted mediations indicates that both clients and financial institutions choose to resolve disputes peacefully since it is a faster, cheaper and more efficient way.

Of the total number of completed mediation procedures, 53% were concluded in settlement, i.e. an agreement between financial institutions and their clients.

The largest number of mediation cases referred to part of a loan (50%), automobile liability insurance (16%) and credit cards (11%).

Improving Regulations

In order to better protect financial services consumers, increase transparency of conditions under which financial services are offered, and in order to adequately inform citizens, the Draft Law on the Protection of Financial Services Consumers was prepared and was sent on 1 February 2011 to the National Assembly of the Republic of Serbia for



adoption. Given the importance of rights and protection of financial services consumers and given the fact that the new Law on Consumer Protection (Official Gazette of the Republic of Serbia, No. 73/2010) does not regulate this matter, it was proposed to pass a law on financial services consumer protection that will regulate the protection of banking services consumers, services of financial leasing and beneficiaries of financial arrangements.

The aim of this law is to promote good business practices and fair treatment of financial services consumers as well as compliance with European Union's regulations, which will, by enhancing confidence in the financial sector, contribute to its development.

Informing and educating financial services consumers

Throughout the year 2010, the Centre received 404 queries from financial service consumers in relation to financial services and the rights of financial service users.

The information was also offered verbally to 22,299 calls. Without calls that concerned service information, most of the questions related to banking services, currency exchange and insurance.

A total of 1,046 were received electronically, with questions about foreign currency exchange rates, frozen foreign currency savings, enforced collection, payment operations and other service information.

Education of citizens

The National Bank of Serbia continued to provide information to citizens through its regional financial education offices. In the course of 2010, the regional offices were visited by 1,153 citizens.

The largest number of citizens' questions referred to banking services (56%), notably to the method of calculating annuities on loans, refinancing of loans, savings, collateral security, information on arrears recorded in the Credit Bureau, the use of payment cards and ATMs, etc. Also, they were interested in the complaints procedure and used the opportunity to learn about the offers of various financial institutions via the internet and seek appropriate clarifications in relation to financial services that they are interested in.

In addition, the organisation of panel discussions was launched in order to inform citizens more comprehensively about financial services. During November and December, four panel discussions were held, namely: in Novi Sad, Kragujevac, Niš, and Užice. The topics of the panel discussions were those that citizens were most interested in ("Housing Loans", "Refinancing Loans", "Credit Cards", "How to Get a Car – Through a Loan or Lease?" and "How to Protect Your Rights"). Also, two new brochures were prepared for farmers – "Agricultural Loans" and "Agriculture Insurance".

Planned activities

Upon the adoption of the Law on the Protection of Financial Services Consumers, the Centre for Financial Services Consumers will make proposals of by-laws arising from the Law on Financial Service Consumer Protection.

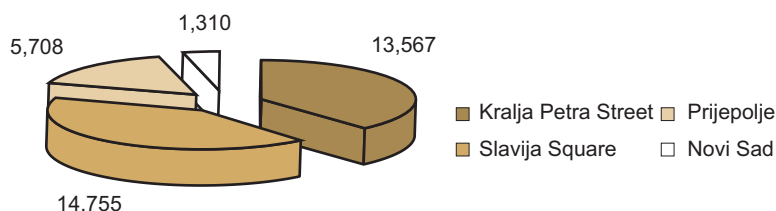
The analysis of financial service offer will continue with the aim of objective assessment of the quality of financial services on the market. Comprehensive informing and educating of citizens will be in the focus in the coming period by organising panel discussions throughout Serbia.

EXHIBITION AND EDUCATIONAL ACTIVITIES OF THE VISITOR CENTRE

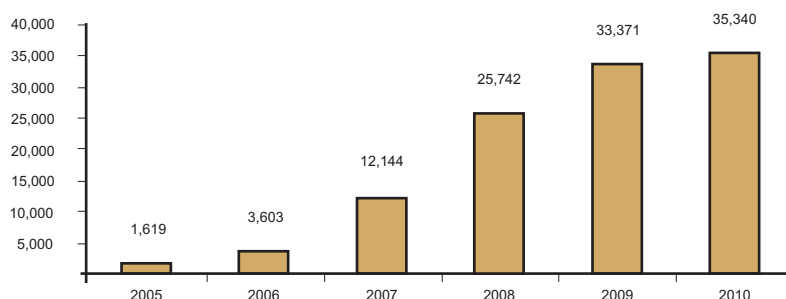
EXHIBITION ACTIVITIES

Exhibitions, educational programmes and other cultural and educational events, organised for the general public by the National Bank of Serbia in 2010, were attended by 35,340 visitors. Of that number, 13,567 visitors attended events organised in the building of the National Bank of Serbia located in Kralja Petra Street in Belgrade, 14,755

Visitors of exhibitions of the National Bank of Serbia by location



Visits by years



visitors visited the National Bank of Serbia building at Slavija Square, while 7,018 attended events organised outside Belgrade.

Exhibition space in Kralja Petra Street

The exhibition space of the National Bank of Serbia edifice in Kralja Petra Street received a total of 13,567 visits in 2010, which can be broken down into the following categories:

- primary school students: 2,993
- secondary school students: 1,949
- university students: 784
- individual visits: 1,906
- pensioners: 15
- children with special needs: 29
- other guests: 408
- "European Heritage Days": 168
- "Night of the Museums": 5,315

In the year 2010, the National Bank of Serbia edifice in Kralja Petra Street was visited by a record-high number of young people (5,726 students). Also, the exhibition space of the National Bank of Serbia was visited by students from 40 primary schools, 49 secondary schools and seven institutions of higher education.



Throughout the year, the Centre also hosted children from the Day Care Centre for Mentally Challenged Children and Youth "Čukarica", as well as children from the primary school "Anton Skala".

Within the framework of social responsibility, care for the oldest citizens represents an important part of the activities. Guided by the wish to help the oldest part of our population overcome the feeling of isolation and feel as an active part of the community, the Visitor Centre continued with the already existing programme "Pensioners' Nights at the National Bank of Serbia" throughout the year 2010. The programme includes guided tours of the exhibition hall and the building, screenings of short films about the history of the Bank, hyperinflation and the screening of a film on domestic currency "The Dinar – Our Money". Depending on their interests, while booking their visit, visitors can arrange to attend different lectures and workshops, held by staff members from different organisational units of the National Bank of Serbia.

The Visitor Centre hosted its 100,000th visitor since its establishment (in July 2004). The 100,000th visitor is Iva Rađenović, a fifth grade student of the "Majka Jugovića" primary school from Zemun, who together with her classmates visited the National Bank of Serbia on 23 October.

Exhibition space at Slavija building

A total of 14,755 guests visited the exhibition space in the National Bank of Serbia building at Slavija Square in 2010.

The events at Slavija building:

1. Exhibition "Ethno – Past and Present", Heritage Association
2. The exhibition "Over the Rainbow", Miodrag Jelić
3. Tennis players – the best Serbian sports brand, Jovan Mirčevski
4. Graphics and objects, Viktor Vazareli
5. The exhibition "19th Century Serbian Architecture", group of authors
6. Exhibition of paintings and ceramic works by Vesna Džakić, Biljana Jovanović, and Boris Bogdanović
7. "A Moving Inclusive Museum", an exhibition on design in relation to social inclusion
8. The concert by Milan Mihajlović, with the performances of Rita Kinka and Ana Sofrenović
9. Multimedia exhibition on Belgrade, the project "Network"
10. The concert by "Capella Juventa" Romanian-German Youth Orchestra
11. The concert of music school "Vatroslav Lisinski"
12. The opening of the Belgrade Design Week
13. The exhibition of Hungarian unique jewellery, factory Zsolnay – Pécs
14. Milutin Milanković, Citizens' Association "Milutin Milanković"
15. The exhibition "4 coma 3", Nikola Marković
16. An exhibition of Japanese naïve art
17. The exhibition by artists with disabilities "Something Good in You"
18. The exhibition of photographs "Pearls of Serbian Photography", organised by the Photo Association of Serbia
19. Art music concerts within the festival "BEMUS"
20. "Music and Theatre", the 19th international forum of composers
21. The fourth festival of science
22. The exhibition "50 years of digital computing in Serbia"



COOPERATION WITH OTHER INSTITUTIONS, PARTICIPATION IN CULTURAL EVENTS

International Day of Francophonie

For the fourth consecutive year, the National Bank of Serbia took part in various programmes, held in Belgrade and Novi Sad, marking the International Day of Francophonie, thus merging a promotion of linguistic and cultural diversity with activities linked to financial education of citizens, especially the youngest ones.

The central event of 2010 was held in Novi Sad – from 2 March to 15 March. The programme of marking the International Francophone Day and presentation of the National Bank of Serbia in Novi Sad was attended by 1,310 people, majority of whom were young people.

The following activities were organised in Novi Sad:

- On 2 March, an exhibition entitled "Money on Serbian Soil – the Manufacturing of Banknotes of the National Bank in the Bank of France in the late 19th and early 20th century" was opened at the Gallery of Matica Srpska. The exhibition was opened by French Ambassador to Serbia Jean-François Terral, Mayor of Novi Sad Igor Pavličić, Director of the Gallery of Matica Srpska Tijana Palkovljević and Vice-Governor of the National Bank of Serbia Bojan Marković. Apart from representatives of the diplomatic corps, also present at the opening were distinguished guests from the cultural, social, business and political life from the region.

For the first time presented to the general public were original wood and metal engravings of fronts and backs of banknotes of the Kingdom of Serbia and the Kingdom of Serbs, Croats and Slovenes made at the Bank of France. These engravings were discovered after 80 years in

one of the old safes of the Institute for Manufacturing Banknotes and Coins, thanks to the joint research of Institute's employees and the Group for the exhibition and educational activities.

- Creative workshops in the French language, organised in cooperation with the French Cultural Centre, themed "The five senses and money", "Draw the banknote of your own choice" and "Famous Serbs", were guided by employees of the Group for exhibition and educational activities. The workshops brought together children learning French.

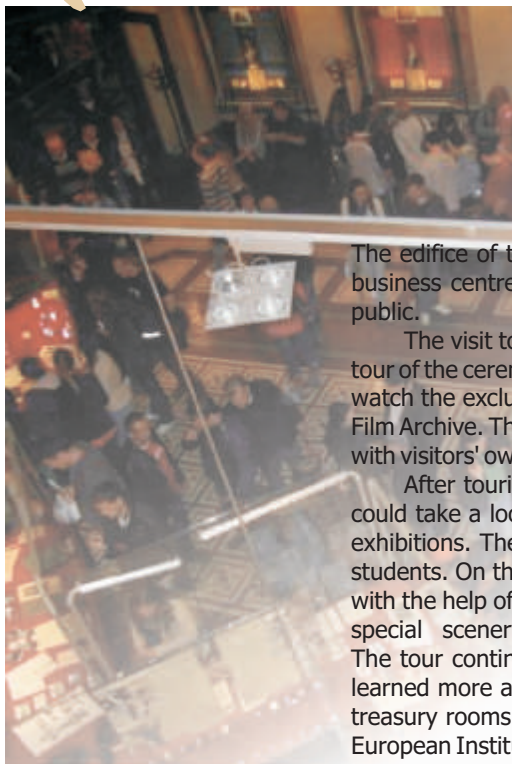
In cooperation with the Gallery of Matica Srpska workshops were organised on the Serbian language for children who regularly attend the Matica Srpska workshops.

- Marking the anniversary of the National Bank of Serbia, the employees of the Group for the exhibition and educational activities organised lectures and presentations on the history of money, the place and role of the National Bank of Serbia, savings, counterfeit money and how to recognise it for students of primary and secondary schools from Novi Sad.

"The Night of the Museums"

For the fourth consecutive time, the National Bank of Serbia took part in the "Night of the Museums" event, which took place on 15 May (and lasted from 6 p.m. until 2 a.m.).





The edifice of the National Bank of Serbia located in Kralja Petra Street and the new business centre, located at Slavija Square, in Nemanjina Street, were opened to the public.

The visit to the National Bank of Serbia building in Kralja Petra Street included the tour of the ceremonial hall, where visitors, in addition to the interior of the building, could watch the exclusive video documentary material with Đorđe Vajfert from the Yugoslav Film Archive. There was a great interest of visitors, like always, for taking a photo on a bill with visitors' own portrait.

After touring the ceremonial hall, visitors went to the Visitor Centre, where they could take a look at an exhibition on Đorđe Vajfert, the main exhibition and thematic exhibitions. They could also get a copy of a comic book about saving for high school students. On the premises of the National Bank of Serbia, visitors had the opportunity, with the help of a pattern, to take a photo with the life-size image of Đorđe Vajfert, in a special scenery presenting the Grand Hall of the National Bank of Serbia. The tour continued through the vaults of the National Bank of Serbia, where visitors learned more about treasury operations and curiosities from the Treasury. One of the treasury rooms featured an exhibition, "The National Bank of Serbia – a National and European Institution".

A multimedia exhibition about Belgrade was presented to visitors by the group of authors "Network" at the business building at Slavija Square.

"Small Graduation, Big Heart"

On 15 May, the National Bank of Serbia hosted 150 pupils from Kosovo and Metohija. Their visit was organised as a part of the "Small Graduation, Big Heart" programme, jointly carried out by the Ministry of Education, the Ministry for Kosovo and Metohija and the Secretariat for Education of the City of Belgrade, which was joined by the National Bank of Serbia.

Pupils of eight primary schools from the municipalities of Gnjilane, Zvečan, Kosovska Mitrovica and Štrpci, along with their hosts from eight Belgrade primary schools from the municipalities of Stari Grad and Zemun, visited the National Bank of Serbia, where they toured the exhibition hall and the Visitor Centre in guided groups.

The employees of the Group for Exhibition and Educational Activities guided them through the main and themed exhibitions. The final-year primary school students were familiarised with interactive facilities – the press for minting coins and lever lifter, and also received an appropriate gift – an imitation of a banknote with their own portrait in colour. Each student was acquainted with the educational activities of the National Bank of Serbia through the appropriate educational materials distributed to them. For its contribution to the action, the National Bank of Serbia received a letter of thanks from the Ministry of Education and the Ministry for Kosovo and Metohija.

Prijepolje guest exhibition

Governor of the National Bank of Serbia Radovan Jelašić opened the exhibition titled "Money in the Territory of Serbia" in the Prijepolje Museum on 15 April.

The exhibition consisted of three parts: a selection of numismatic exhibits from the National Bank of Serbia collection, exhibits related to manufacturing of the National Bank of Serbia's banknotes in France in the late 19th and early 20th century, and a selection of archive materials on the relations between the Central Bank of France and Serbia during the First World War. The exhibition lasted from 15 April through 28 May, and gathered a total of 5,708 visitors during that time. This was an absolute record in the number of



visits to the museum in this town, which is considered as one of the most prominent museum institutions in Serbia. This means that every second citizen of Prijepolje visited the exhibition that lasted 43 days.

Apart from the exhibition, Prijepolje primary and secondary school students attended the lectures on the importance of saving, the role of the National Bank of Serbia, the history of money, counterfeit money and how to recognise it. A total of 2,250 students attended these lectures.

"European Heritage Days"

The National Bank of Serbia took part in the "European Heritage Days" cultural event in 2010 as well. The doors of the National Bank of Serbia's edifice in Kralja Petra Street as well as those in the office building at Slavija Square were open to the public on 18 and 19 September.

Belgrade Trade Youth

To mark 130 years since the founding of the Belgrade Trade Youth, the Visitor Centre of the National Bank of Serbia hosted an exhibition of this association entitled "Trade in Serbia from the 19th Century to Present". The exhibition was dedicated to the development of trade and trade guilds in the Kingdom of Serbia, the establishment of first trade schools and newspapers, as well as the most important Serbian merchants who marked the second half of the 19th century. A special section devoted to the Belgrade Trade Youth presented the history and development of this society to this day.

Exhibition "Đorđe Vajfert, Life and Times – 160th Anniversary of Birth"

Within the celebration of the 160th anniversary of the birth of Đorđe Vajfert, the Visitor Centre presented the exhibition "Đorđe Vajfert, Life and Times – 160th Anniversary of Birth". The exhibition included all aspects of Vajfert's versatile personality: as an industrialist, researcher, banker and collector. The exhibits present Serbia and Belgrade of his time.

The exhibition was preceded by several months of research work during which the exhibits were collected. During the research, staff members visited the Historical Archive in Pančevo, the Historical Archives in Negotin – the Department of Bor, the Archives of Serbia, the Military Museum, the Heritage Museum in Pančevo, the Belgrade City Museum, the Museum of Mining and Metallurgy in Bor, the Department of Protection of Monuments in Pančevo, the Belgrade Beer Industry (BIP), the National Library in Pančevo, and a significant segment of the exhibition are objects from private collections of Jelena Kostić-Gramberg, Vladimir Anđelković and Nikola Trajčev. This exhibition was visited by 10,833 guests.

Exhibition "Historical Ties and Cooperation between the Central Banks of Serbia and Belgium 1883–2010"

The exhibition "Historical Ties and Cooperation between the National Banks of Serbia and Belgium 1883–2010" was opened in the Scientific Library of the National Bank of Belgium on 9 November.

The National Bank of Serbia prepared the exhibition in collaboration with the National Bank of Belgium to mark the Belgian presidency of the Council of Ministers of the European Union. The exhibition focuses on historical ties between the two central banks and the importance of their cooperation for the development of Serbian





institutions and the Serbian state in general. It also sheds light on the Serbian central bank's achievements in the reform process, and the links between the two countries. A special asset to the exhibition are historical exhibits of the National Bank of Belgium which provided technical assistance in the establishment of the Privileged National Bank of the Kingdom of Serbia in 1884–1885.

The section devoted to economic relations between the two countries displays historical exhibits of the "Club of Timok Railway Supporters", illustrating the exploitation of the Vrška Čuka Mine, coal transport via the "Belgian Railways" to the Danube Radujevac port and operations of the briquette plant owned by Belgians in late 19th century.

The exhibition also presents a book titled "Administrative, Economic and Trade Aspects of Serbia", as seen by Émile de Borchgrave, Belgian resident minister in Belgrade in October 1883, and a number of detailed reports about Serbia he sent to the Belgian Ministry of Foreign Affairs. The exhibition was visited by 2,156 guests.

EDUCATIONAL ACTIVITIES

From January until the end of December 2010, educational activities of the National Bank of Serbia included 8,650 primary and secondary school students from Belgrade and the rest of Serbia.

Financial education programmes conducted by the Visitor Centre of the National Bank of Serbia complement and/or represent an integral part of exhibition activities. During a visit to the head office of the National Bank of Serbia in Belgrade, primary school pupils, high school students and university students attended lectures on the role of the central bank, the history of money and savings.

During tours of the National Bank in Prijepolje and Novi Sad, students attended lectures on savings, the history of money, the role of the central bank, inflation and counterfeit money.

Staff members from the Communications Department of the National Bank of Serbia held a lecture in late August on financial education for 32 teachers from primary and secondary schools in Serbia. The lecture was organised in cooperation with the Children's Cultural Centre, that organised a seminar for teachers in schools. Teachers were presented through presentations with the current work on educational activities, as well as didactic material in the form of manuals, presentations, tests and quiz-games, which were made and developed by employees in the Group for Exhibitions and Educational Activities.

In 2010, after receiving the official licence – the licence for organising seminars for primary and secondary school teachers, cooperation with the Ministry of Education intensified. The seminar organised by the National Bank should prepare and train teachers to transfer appropriate knowledge in the field of financial education to their students. Since tender documents were submitted to the Institute for Promotion of Education of the Ministry of Education in late 2009, and following the recommendation and support by Minister of Education Žarko Obradović and Belgrade City Secretary for Education Vladimir Todić, educational activities of the National Bank of Serbia, the Institute for the Promotion of Education in early April confirmed that the National Bank of Serbia received the licence and that the seminar is classified in the official programme and catalogue of mandatory seminars for teachers. Seminars for teachers organised by the National Bank of Serbia will be held continuously in future.

The seminar was organised with the aim of enabling teachers – the main intermediaries in the educational process – to pass on their knowledge on basic economic terms to their students. The seminar participants were acquainted with the work of the National Bank of Serbia in the field of financial education in the last six years. Also, they were presented the manuals on history of money ("Money through History") the role of the central bank ("The National Bank of Serbia – the Concept and



Objectives"), inflation ("Inflation") and counterfeit coins ("Counterfeit Money and How to Recognise It") prepared by employees of the Group for exhibition and educational activities. Manuals will be applied in classes held by the seminar participants, while communication with authorities in the Ministry of Education continued in order to include them in the official curriculum.

In cooperation with the Belgrade Trade Youth, the programme "Trade School" was organised from 14 October to 23 December in the building in Kralja Petra Street. The programme participants were adults between 25 and 45 years of age, and the programme included a visit to the exhibition area of the National Bank of Serbia and a series of lectures. Lecture topics were the history of finance in Serbia, the place and role of the National Bank of Serbia, inflation and its consequences, the monetary policy of the National Bank of Serbia, the banking system and banking products, insurance – concept and types, voluntary pension funds in Serbia, payment cards and corporate social responsibility. Lectures were held by employees of the National Bank of Serbia from the sectors for economic analysis and research, banking supervision, insurance supervision, pension funds and from the National Centre for Payment Cards.



"VISA YOUNG LEADERS"

The project "Visa Young Leaders" was launched with the aim of enabling young people in Serbia to express their views about the issues that directly affect their future and the role of young people in contemporary society in Serbia. The aim of the project is to incite dialogue of young leaders and the general public, and not to impose ready-made solutions or affect in any way the authentic views of the future leaders in Serbian society.

Within the fourth forum "Visa Young Leaders", in a session titled "Financial Literacy of Young People", representatives of the National Bank of Serbia talked to young leaders about the importance of financial literacy, managing personal finances and organising personal budget, as well as about voluntary pension funds and the importance of saving for retirement. Forum participants were presented with the programmes implemented by the National Bank of Serbia in the field of financial education. Also, they received packages with leaflets of the Centre for Financial Services Consumers, and tables for managing personal expenses with the budget from workshop "Managing Personal Finances", which will help them better manage their personal finances.

JOURNALISM PRIZE "TANJA STANKOVIĆ-BOŠKOV"

The National Bank of Serbia and the Editorial Board of the "Danas" daily newspaper established an annual journalism prize "Tanja Stanković-Boškov" to encourage young journalists in the economic field to get training and promote their knowledge in economics, in memory of the deceased journalist of the "Danas" daily. Journalists from printed media from the territory of the Republic of Serbia up to 30 years of age who specialise (or have already specialised) in the field of economic journalism are eligible to compete for the prize. The award consists of a plaque and monetary amount of RSD 150,000. The decision on the award was made by a five-member jury, which was appointed by the National Bank of Serbia and editorial board of "Danas", and the award was presented by the Governor. After reviewing the submitted proposals, the decision on the winner was made by the jury comprising Bojana Marković, Mirjana Stevanović, Sladjana Prijić-Sladić, Milan Čulibrk and Zoran Panović as president of the jury. The winner for 2010 is Anica Nikolić, journalist of the daily newspaper "Politika".





LIST OF DONATIONS



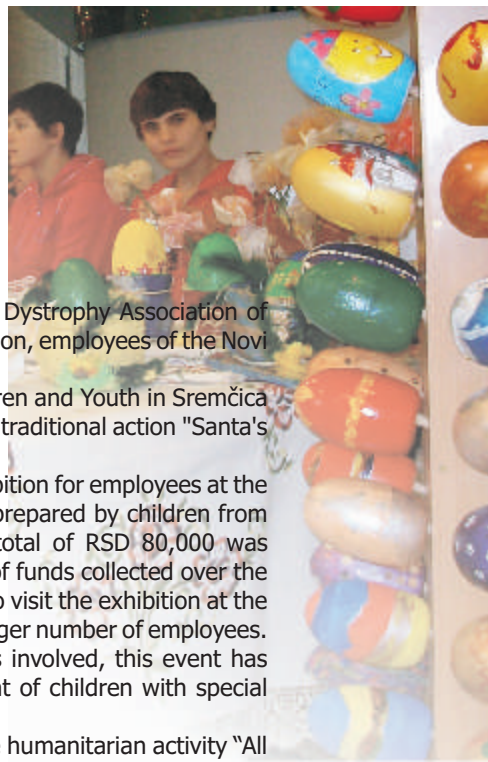
	Date of donation	Applicant	Name of donation	Quantity	Value of donation	Paid VAT (in RSD)
1	23 April 2010	Monastery of the Holy Apostles	PC workstation	2	7,600.00	608.00
			Monitor	2		
			Keyboard + Mouse	2		
			Laser Printer	2		
2	26 May 2010	Association "Food Bank"	Copy machine	1	1,200.00	216.00
			PC workstation	2	7,600.00	608.00
			Monitor	2		
			Keyboard + Mouse	2		
3	31 May 2010	Museum of Science and Technology	line printer	2	4,000.00	320.00
4	31 May 2010	Paraplegic Association of Belgrade	PC workstation	3	11,400.00	912.00
			Monitor	3		
			Keyboard + Mouse	3		
			line printer	3		
5	1 June 2010	Archdiocese of Belgrade	Desk chairs	3	12,300.00	2,214.00
			Desks	3		
			Panasonic phones KX T2375	3		
			Various publications	21	56,200.00	10,116.00
6	16 June 2010	Primary School "Ivo Lola Rebar", Aleksandrovac	PC workstation	11	28,700.00	2,296.00
			Monitor	11		
			Keyboard + Mouse	11		
			Copy machine	1		
7	18 June 2010	Primary School "Aleksa Šantić", Sečanj	PC workstation	2	5,000.00	400.00
			Monitor	2		
			Keyboard + Mouse	2		
			PC workstation	3	8,800.00	704.00
			Monitor	3		
			Keyboard + Mouse	3		
			line printer	1		
8	21 June 2010	Primary School "Sveti Sava", Žitiste	PC workstation	6	16,300.00	1,304.00
			Monitor	6		
			Keyboard + Mouse	6		
			line printer	1		



9	21 June 2010	"Žitište" health centre, Žitište	Tables	20	29,200.00	5,256.00
			Chest	2	29,200.00	5,256.00
			Bar counter	1		
			Steel sideboard	1		
			Mobile sideboard	7		
			Cabinet	1		
			Chairs	12		
			Metal cabinet	1		
			Kitchen units	2		
			Bench	1		
			Semi-armchair - fabric	2		
			Couch - fabric	1		
			Air conditioner	5		
			Carpet	4		
10	23 June 2010	Ministry of the Interior - Belgrade City Police Department	Carpet	9	27,700.00	4,986.00
			Tables	15		
			typist chairs	17		
			Metal cabinet	4		
			Wardrobe	3		
			Sideboard	1		
			Leather armchair	3		
			Cabinet	1		
			Sink	1		
			Computational machine	3		
			Calculator	2		
			Carpet	6		
11	25 June 2010	Special Hospital for Rehabilitation, Ribarska Banja	Fax machine	2	22,150.00	3,987.00
			Copier	2		
			Tables	10		
			Chairs	8		
			Armchairs	4		
			Sideboard	1		
			Radio cassette player Panasonic	2		
			Air conditioners	5		
			Tables	6	15,900.00	2,862.00
12	30 June 2010	Primary School "Velizar Stanković Korčagina", Veliki Šiljegovac	Chairs	9		
			Fax machine KX – F707	1		
			Radio cassette player Panasonic	1		
			Bar counter	1		
			Chest	1		
			Mobile sideboard	1		
			Wardrobe	2		
			Carpet	2		
			Air conditioner	5		
			Tables	15	19,950.00	3,591.00
13	30 June 2010	Primary School "Ivo Lola Ribar", Aleksandrovac	Wooden cabinet	5		
			Air conditioners	3		
			Carpet	5		
			Armchairs	4		
			typist chairs	6		
			Metal cabinet	2		
			Mobile sideboard	2		



14	30 June 2010	Clinical hospital centre KBC “Zvezdara”, Belgrade	Tables	4	3,600.00	648.00
			Typist chairs	6		
15	20 July 2010	Primary School "Anton Skala", Belgrade	Various educational and entertainment requisites	87	142,204.58	25,596.72
16	24 August 2010	Military Department, MO Regional Centre	PC Workstation	4	15,200.00	1,216.00
			Monitors	4		
			Keyboard + Mouse	4		
			Line printer	4		
17	29 November 2010	Boarding school for students with hearing impairments, Kragujevac	PC Workstation	10	28,600.00	2,288.00
			Monitors	10		
			Keyboard + Mouse	10		
			Line printer	3		
18	30 November 2010	Department of psychophysiological disorders and speech pathology "Prof. Dr. Cvetko Brajović", Belgrade	PC Workstation	4	14,800.00	1,184.00
			Monitors	4		
			Keyboard + Mouse	4		
			Line printer	4		
19	9 December 2010	Primary School “Dositej Obradović”, Farkaždin	PC Workstation	10	37,000.00	2,960.00
			Monitors	10		
			Keyboard + Mouse	10		
			Line printer	10		
20	9 December 2010	Primary School “Velizar Stanković Korčagina”, Veliki Šiljegovac	PC Workstation	10	31,000.00	2,480.00
			Monitors	10		
			Keyboard + Mouse	10		
			Line printer	5		
21	9 December 2010	Association for Mucopolysaccharidosis and Related Diseases, Kragujevac	PC Workstation	2	7,400.00	592.00
			Monitors	2		
			Keyboard + Mouse	2		
			Line printer	2		
22	13 December 2010	Special Hospital for Rehabilitation, Ribarska Banja	PC Workstation	10	37,600.00	3,008.00
			Monitors	10		
			Keyboard + Mouse	10		
			Printer	5		
			Copy machine	1		
			Fax machine	2		
23	7 February 2011	Faculty of Music Art, Belgrade	PC Workstation	5	23,300.00	1,864.00
			Monitors	5		
			Printer	5		
			Copy machine	1		
			Fax machine	1		
24	9 February 2011	School for primary and secondary education “Milan Petrović”, Novi Sad	PC Workstation	12	37,200.00	2,976.00
			Monitors	12		
			Printer	6		
					651,904.58	85,192.72



HUMANITARIAN ACTIVITIES

Earlier in the year, a visit to children from the Muscular Dystrophy Association of South Bačka District in Novi Sad was organised. On that occasion, employees of the Novi Sad Branch distributed New Year's gifts to children.

Also, children in the Centre for Mentally Challenged Children and Youth in Sremčica received New Year's gifts that employees prepared within the traditional action "Santa's Sleigh".

At the end of March, the Easter humanitarian charity exhibition for employees at the National Bank of Serbia was organised. The exhibition was prepared by children from eight homes and centres for children with disabilities. A total of RSD 80,000 was collected from the sale of exhibits, outstripping the amount of funds collected over the previous years. Also, children with disabilities were enabled to visit the exhibition at the museum, to feel socially acceptable through contact with a larger number of employees. As each year there are more and more homes and centres involved, this event has become very important for social inclusion and development of children with special needs.

Within socially responsible activities that we organise, the humanitarian activity "All fits well when coloured by heart" for mentally challenged children was carried out successfully with the Primary School "Anton Skala". The aim of the action, in which a large number of employees was involved, was to collect clothes and shoes for pupils of that school.

After the preparations were done, on 8 June, the first collective voluntary action for the employees of the National Bank of Serbia was organised, entitled "Nature should be Guarded and Saved as Greenery Never Loses Value". The socialising with "Anton Skala" primary school children started with an appropriate programme prepared by the hosts for our colleagues, and continued with a five-a-side football match between pupils and our colleagues. The pupils also tried themselves in the disciplines of the game "Savings Olympics", and then together we arranged the yard, planted flowers and painted the benches.

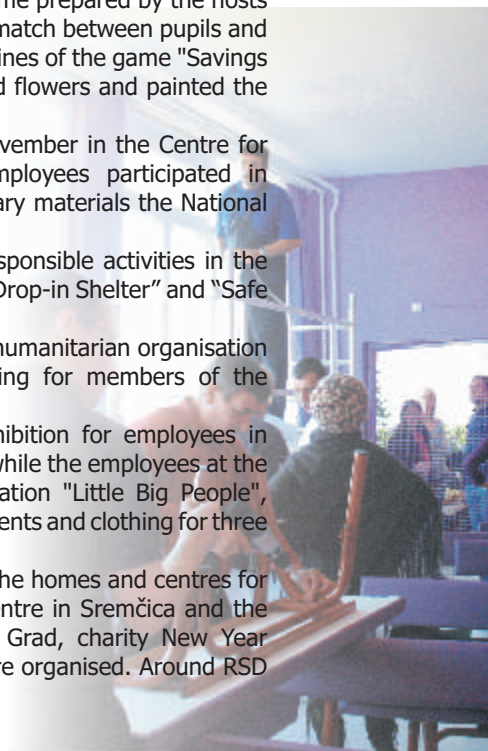
Another voluntary collective action took place on 26 November in the Centre for Mentally Challenged Children and Youth "Sremčica". Employees participated in arranging the cinema hall for whose renovation and necessary materials the National Bank donated funds.

Within this year's operational plan to extend socially responsible activities in the branches, an action of collecting aid for beneficiaries of the "Drop-in Shelter" and "Safe Children's Home" was carried out in Novi Sad.

Employees of the Branch in Niš, in cooperation with the humanitarian organisation "Food Bank", in late November collected food and clothing for members of the "Association of Self-Supporting Mothers" from that city.

The Branch in Novi Sad organised a charity sales exhibition for employees in cooperation with the school "Milan Petrović" from Novi Sad, while the employees at the head office, in cooperation with the humanitarian organisation "Little Big People", carried out a humanitarian action of collecting New Year's presents and clothing for three homes for children without parental care in Belgrade.

In December, like in previous years, in cooperation with the homes and centres for children with special needs, and in cooperation with the Centre in Sremčica and the Association for Help to Persons with Special Needs Stari Grad, charity New Year exhibitions for employees of the National Bank of Serbia were organised. Around RSD 120,000 was collected from the sale of the exhibits.





ENVIRONMENTAL PROTECTION

At the level of seats of the National Bank of Serbia, since April 2008 employees have been collecting used paper, PET packaging and mixed waste in offices where they work.

In 2010, 59,490 kg of paper was sold as well as 3640 kg of PET packaging.

2008	2009	2010
13,404 kg	32,218 kg	59,490 kg

Also, in cooperation with the company "Perihard Engineering", 1,142 empty toner cartridges for recycling were delivered.

At the level of the Institute for Manufacturing Banknotes and Coins – Topčider, the following waste was generated during 2010:

Name of waste	Quantity of waste in kg made in 2010
Waste material	53,750
Waste sawdust	1,664
Waste rags	4,757
Paper and cardboard	112,593
Metal packaging	2,380
Plastic packaging	1,080
Plastic parts of equipment	1,180
Waste paint	958
Waste oil	1,480
Waste PC / PVC	30,355.98
Used cartridges	63.50
Waste solutions	5,200
Batteries	150
Waste tyres	637
Broken glass	85
Metal packaging	254
Mixed metals	63,787
Non-ferrous metals	2,801
Scrap copper electrolyte	2,800
PET packaging	100
MET packaging (tins)	160
Waste fixer	130

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