



National Bank of Serbia

SOCIAL RESPONSIBILITY



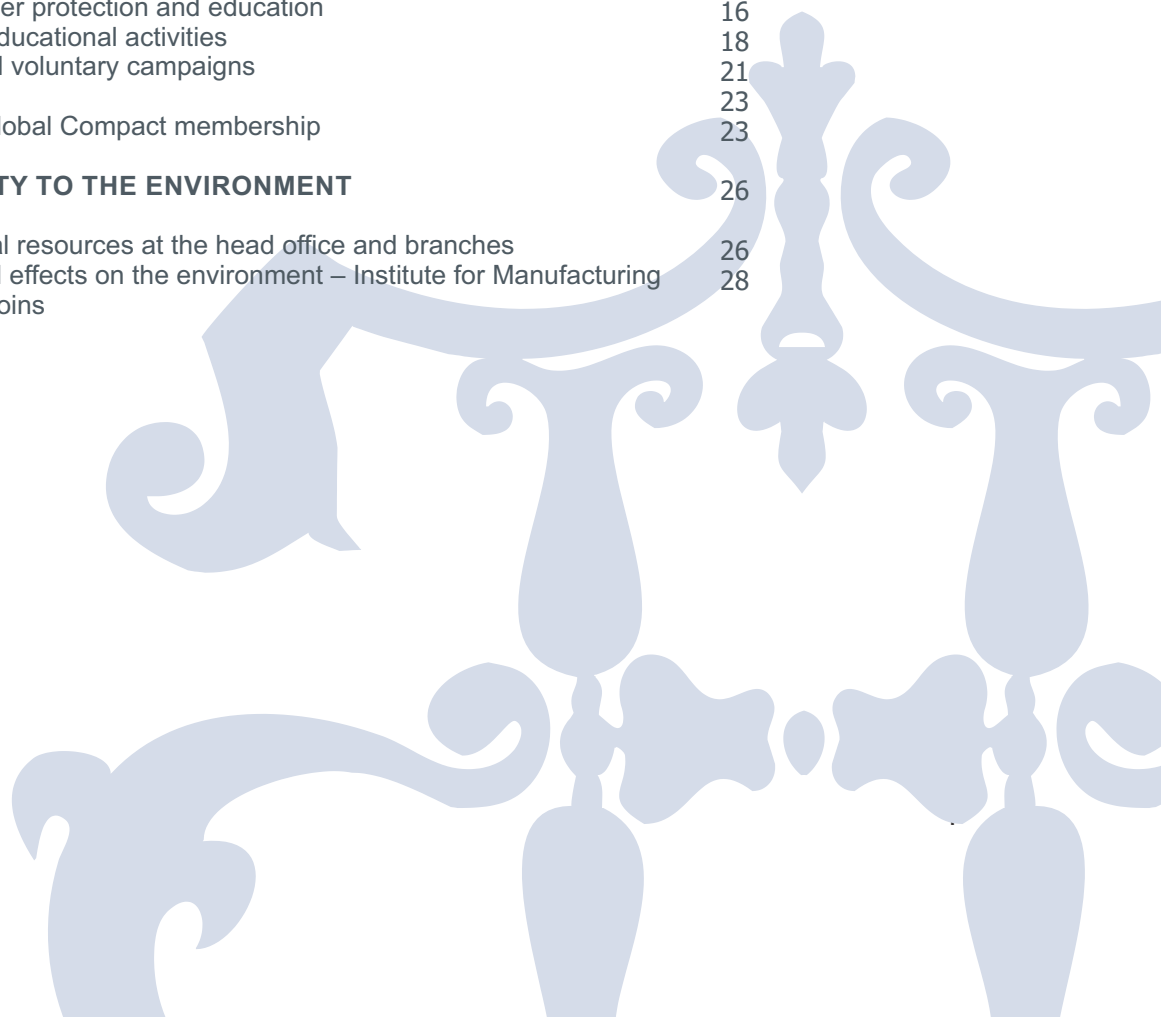
ВОЛОНТЕРИ
Народне банке
СРБИЈЕ

2018



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FOREWORD BY THE GOVERNOR



We are pleased to present this year's Annual Social Responsibility Report of the National Bank of Serbia (NBS). Like in other areas of the NBS's operation, we prefer not to announce the results in advance, but speak of them only after tangible benefits are felt by our citizens and the economy. Such approach lies at the core of socially responsible operations of the NBS. For us, this means being responsible primarily toward the ultimate beneficiaries of all laws, decisions and measures we implement – toward our citizens. We are proud of the changed work mindset at our institution, because today our citizens are at the focus of everything we do. We will make sure that they remain so in the future and for the NBS to remain recognisable by such citizen-centred approach.

In the face of very challenging international circumstances, we managed to achieve and maintain relative stability of the dinar against the euro, to reduce the cost of borrowing for the government, corporates and households and to safeguard and additionally strengthen the banking system. We invested great efforts in a comprehensive payment system reform and introduced cutting-edge payment services and instruments, which resulted in the setting up of the state-of-the-art payment system – instant payment system. Thanks to instant payments, we stand on a par with the leading financial institutions worldwide. It is noteworthy that the NBS has introduced this system even before the European Central Bank.

We are satisfied to see dinar savings reaching their highest levels to date, because this growth reflects higher confidence in the domestic currency which we expect to see in the future as well. A continuous rise in savings confirms citizens' confidence in the achieved financial stability and signals labour market improvement. The growth in dinar savings is supported by the low and stable inflation, relative stability of the exchange rate and greater profitability of savings in the domestic currency. In terms of the prices, year-on-year inflation is moving within the target tolerance band. According to our latest projection, in the next two years inflation will continue to move within the target band of 3.0 ± 1.5 percent. Inflation expectations of the financial and corporate sectors, both one and two years ahead, are within the target band, which is the best confirmation of their confidence in the NBS's measures. We have continued our NPL resolution efforts, with the NPL share reduced below six percent, the lowest level since this indicator is monitored.

During the last year, the NBS was intensively involved in legislative activities. The Law Amending the Law on Payment Services and the Law on Multilateral Interchange Fees and Special Operating Rules for Card-based Payment Transactions facilitate the change of payment service providers with which citizens and corporates open

their payment accounts. Also, the Law on the Protection of Financial Service Consumers in Distance Contracts enables contract conclusion by modern means of communication, while warranting the same level of protection of consumer rights and interests as in traditional contracting.

By the Law Amending the Law on Foreign Exchange Operations, the NBS expanded its supervisory function to include the supervision of foreign exchange operations of residents and non-residents and exchange operations.

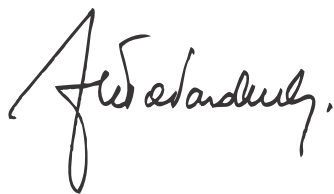
The last month of 2018 was marked by positive news from Standard & Poor's, which upgraded Serbia's outlook from stable to positive and affirmed the country's credit rating at BB. According to Standard & Poor's, the outlook upgrade reflects Serbia's strong economic growth and the results of monetary policy in terms of preservation of price and financial stability.

Accordingly, we are led by a clear vision that everything we do must be sustainable and beneficial for our citizens, because the NBS is the institution of all citizens of Serbia and accountable to the citizens of Serbia. Therefore, our obligation is to be a leader in the field of financial education and protection of financial service consumers and to do everything in our power to ensure that citizens have the necessary information to make the best decisions. We continuously bring improvements in these areas, knowing that without adequate information and protection there can be no satisfied financial service consumers.

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

By consistent implementation of monetary policy and successful coordination with fiscal policy, together with the government, we have achieved the results that warrant stable growth in the coming years as well. We maintain the same priority – working to the benefit of our government, corporates and citizens. We must behave responsibly toward Serbia, because this is the only country we have. And the best way to do that is by taking a responsible approach to our job and achieving sustainable results.

Jorgovanka Tabaković, PhD



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. Beside 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.

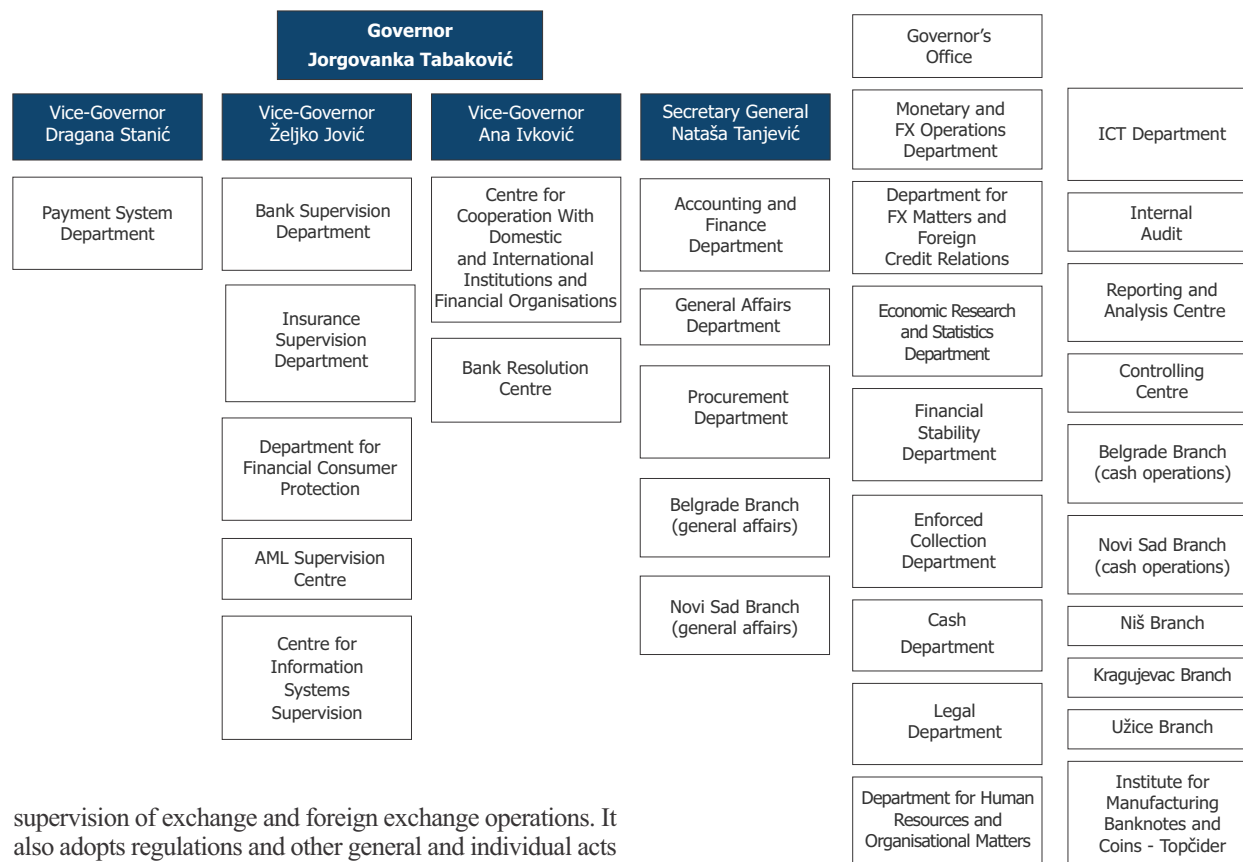
The position, organisation, mandate and functions of the NBS, as well as its relations with bodies of the Republic of Serbia and international organisations and institutions, are regulated by the Constitution of the Republic of Serbia and the Law on the National Bank of Serbia.

The NBS:

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

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

The Executive Board includes the Governor and Vice-Governors. The Executive Board, among other things, determines monetary and foreign exchange policies and 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 decides on the rate-setting methods. The Executive Board 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 protection of rights and interests of financial service consumers, issuing and revoking authorisations to perform exchange operations and



supervision of 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. The Governor is appointed for a six-year renewable term of office. The Governor manages the operations of the NBS and organises its work, implements decisions of the Executive Board and the Council of the Governor, enacts regulations, general and individual acts under the remit of the NBS and performs other duties.

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

Code of Professional Conduct

In accordance with the Code of Professional Conduct, in the last year the NBS continuously promoted the highest standards of ethical and professional conduct of employees. The internal newspapers “NBS info” featured the article “Humour and Professional Conduct” in order to bring closer to employees the standards of desirable behaviour in terms of work commitment and to illustrate how humour impacts working atmosphere, employees' health, their mutual respect and bonding.

The NBS regularly meets its obligations prescribed by the Law on Anti-Corruption Agency and regulations adopted based on that law. All NBS officials timely receive notifications, in the form of reminders, regarding their obligations arising from the said laws and regulations (regular and extraordinary declaration of assets to the Agency etc.). Among other, the NBS sent notifications to the Agency regarding the termination of office of vice-governors and director of the Administration for Supervision of Financial Institutions.

The NBS gave seven opinions on whether the work that the employee would perform outside working hours would create a conflict of interest. It was assessed that the proposed jobs could not influence impartial performance of work in the NBS.

In 2018, employees reported a small number of gifts they received. Those gifts were assessed as convenient or protocolary.

Public relations

External communication

Responsible, consistent and timely informing of the wider public about NBS operations and activities unfolded in 2018 through intensive cooperation with the media and publication of information on the NBS official website and its subdomains, as well as by communication on social networks.

In 2018, 338 press releases were published and 426 answers provided to journalists' queries. As many as 93



statements and 21 interviews were given for both the print and electronic media. Also, 29 television and radio appearances were made by the Governor, Vice-Governors and other members of the NBS staff.

Four presentations of the Inflation Report and one presentation of the Financial Stability Report for 2017 were held, as well as the video shooting of the start of the plenary meeting with the IMF mission during their three visits to Serbia. In order to educate members of the press, briefings were organised about the implementation of the Law on Multilateral Interchange Fees, with a special emphasis on novelties regarding the use of the Dina card and instant payments. Also, media support was provided at the conference “Mediation in the Area of Financial Services”, organised by the NBS in cooperation with the Ministry of Justice and at the manifestations: “Open Door Day”, “Museum Night”, “European Heritage Days” and “Global Money Week”, on which occasions the NBS organised financial literacy workshops for children and youth and the student prize tournament “Moneture”. The media covered the photo exhibitions “An Apple Made of Gold” and “Applied Nostalgia: Belgrade–Sofia” and

A tabular overview of press releases and answers to journalists' queries in 2018

Press releases	Answers to journalists' queries	Statements	Interviews	Appearances in electronic media	Press conferences
338	426	93	21	29	5



exhibitions “Paris–Belgrade 1886–2012: History of Cooperation”, “Banknote Design Ideas – Selection from the Collection of the Institute for Manufacturing Banknotes and Coins – Topčider”, “Modernism in Belgrade – Architectural Heritage in the Capital”, “Front Lines – First World War (1914–1918)” and socially responsible activities of the NBS.

In order to bring closer to the wider public the activities and results of the central bank, the NBS was active in 2018 on its Twitter and Facebook accounts. On its official Twitter account, featuring information of interest to the media and professional community (key policy rate movements, Inflation Report, foreign exchange rate movements etc.), the NBS published 1075 tweets and registered 2,140 followers, while its website had 2624 visits in 2018. At the

same time, the NBS published 996 posts and had 1322 likes and 1350 followers on its Facebook page, opened to inform the consumers about financial education, social responsibility, activities of the Visitor Centre and events at the NBS exhibition hall in Slavija.

Publications and website

In an ongoing effort to improve its operations and public relations, the NBS uses state-of-the-art forms of communication. The website is intended for citizens, with a view to inform, educate and offer assistance in the protection of their personal interests, as well as for professionals, since it features the reports and publications containing relevant information on the NBS operations.

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 2018, the NBS published on its website the Annual Report on Activities and Results, Annual Financial Stability Report, Annual Monetary Policy Report and Semi-Annual Monetary Policy Report.

Other publications include monthly issues of the Statistical Bulletin, quarterly reports on the banking sector, financial leasing supervision, supervision of the insurance sector and voluntary pension funds sector, and activities in the field of financial consumer protection. Also published quarterly were the Report on Dinarisation of the Financial System and the Inflation Report. The

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

Inflation Report presentations were livestreamed on the NBS website.

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

Through its subdomains Tvoj novac – www.tvojnovac.nbs.rs and Visitor Centre: www.centarzaposetoce.nbs.rs, the NBS informed the public about its activities in the field of financial protection and education, cultural events, exhibitions and workshops for pupils and students. In order to acquaint its users and all other interested parties with the DinaCard payment system, the NBS set up a new subdomain – www.dinacard.nbs.rs.

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 devoted to the quarterly Inflation Report and the Annual Financial Stability Report, including short movies about the history of the Bank, financial education and money.

RESPONSIBILITY TO EMPLOYEES

In a fast-changing contemporary business environment that presents ever-new challenges and technologies, the NBS strives to keep up with innovations and cutting-edge trends and to efficiently manage its intellectual capital as the pillar of its successful operation and achievement of strategic goals.

The NBS creates and cultivates a work environment which motivates its employees to stay at the central bank and achieve the best results possible.

Aware that knowledge, motivation and commitment warrant high employee performance, the NBS implements an efficient human resource management policy that enables employees to engage in modern training and development programmes, to fulfil their personal and professional expectations and strike a balance between their professional and personal life.

Employee structure

In 2018, employee structure continued to show variety along different dimensions — type of employment, gender, educational level and age.

As regards the gender structure, like in the previous years, women (56.13%) outnumbered their male colleagues (43.87%).

For years back, there were more women than men among the NBS management staff (55.10%). The principle of equal opportunities for all 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

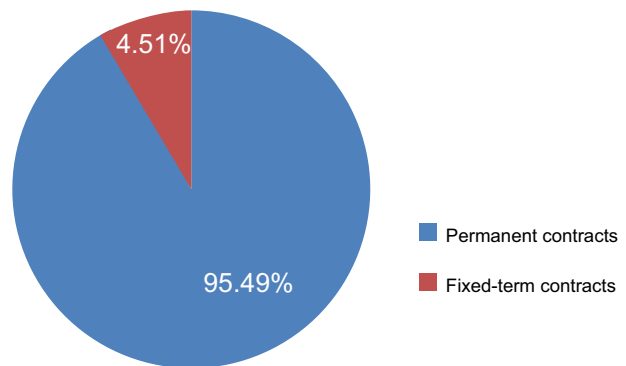
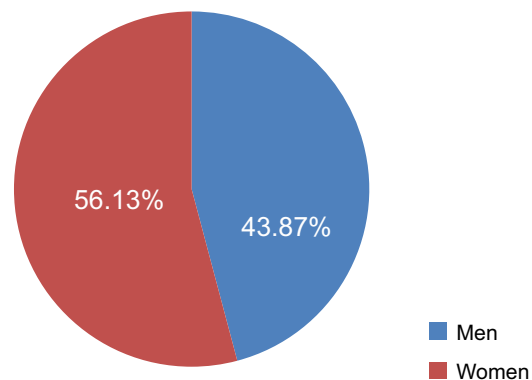


Chart 2 Gender structure of NBS employees



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	1	20%	28	54.90%	59	42.14%	88	44.90%
Women	4	80%	23	45.10%	81	57.86%	108	55.10%
Total	5		51		140		196	

Chart 3 Gender structure of management staff

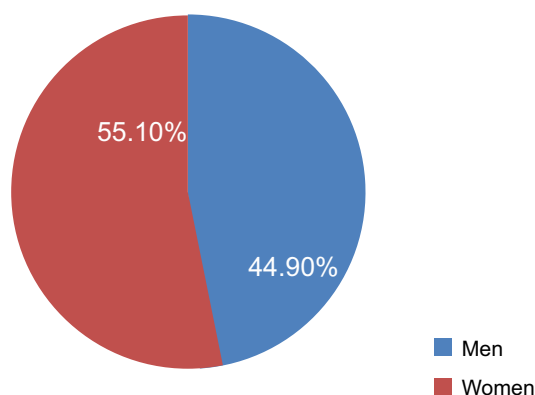
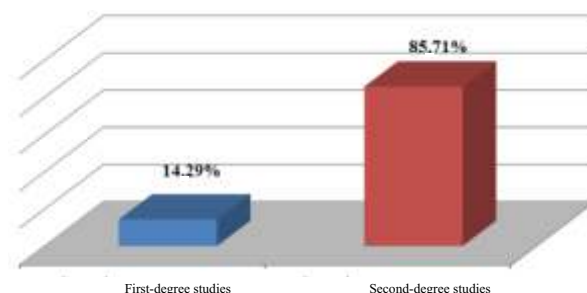


Chart 4 Education of employees – share of employees in different degrees of study



Education, professional development and training

The NBS actively participates in the education and professional development of employees through the acquisition of licenses and certificates required for performing certain types of work, as well as in their professional advancement by referring them to seminars, courses, workshops, consultations, conferences and other similar forms of training in the country and abroad, or through study visits to central banks of other countries.

The training and development programmes available to employees in 2018 enabled them to acquire new technical knowledge and skills and to improve their performance. Attending these programmes not only increased the level of employee expertise and motivation, but also the organisational capacities needed to respond to changes from the environment and to achieve the expected results.

In 2018 the NBS financed the costs of education for seven and the acquisition of different licenses and certificates for 34 employees.

NBS employees in charge of fire protection passed the professional exam, whereby the NBS fulfilled its obligations as employer under the Fire Protection Law, while other staff acquired appropriate licenses required for the implementation of ISO standards and more efficient performance of tasks within the NBS's remit.

The contents of seminars, conferences, specialised courses and workshops on various topics of central banking attended by employees in the country and abroad were tailored 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 supervisory authorities, etc.

The NBS organised summer internship for 40 students of final years of faculties of universities in the country and abroad and the “Talent Management at the NBS” internship for 95 students. Such internships serve as a unique opportunity for talented young people to gain work experience and complement their theoretical knowledge.

Chart 5 Professional development

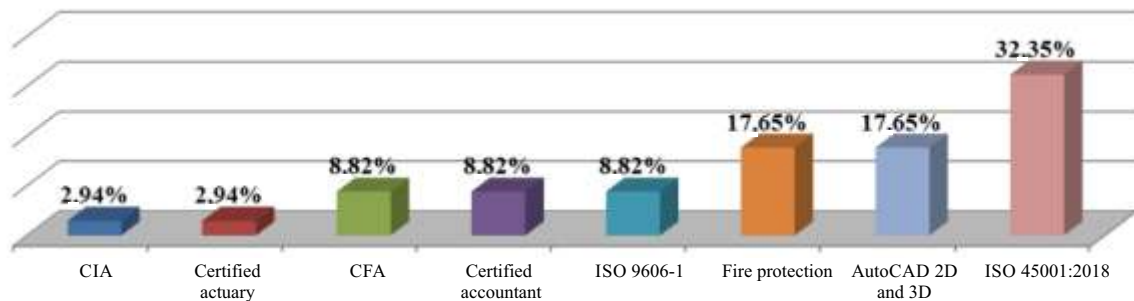
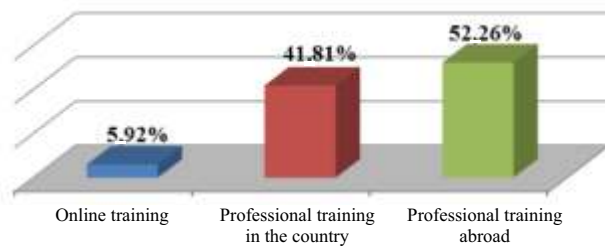


Chart 6 Employees' development



tools and equipment used by employees in basic organisational units were conducted, including personal protection equipment of the third category, which is used for protection against fatalities. Tools and equipment for personal protection at work were regularly distributed to the staff. In accordance with the concluded contracts, tools and equipment for personal protection at work were procured for the needs of the basic organisational units and branches. The first aid kit and equipment were replaced and restocked. Advanced first aid training was organised for employees at high-risk jobs (299 employees), in accordance with current regulations.

Occupational safety and health

As a responsible employer, the NBS takes care of the occupational safety and health of its employees on a daily basis and undertakes all the necessary activities in accordance with regulations. A procedure of protecting employees with disabilities or health problems determined by relevant health institutions (medical examination and, if necessary, transfer to workplaces where their health would not deteriorate) was posted on the intranet and fully applied.

Employees at high-risk jobs, as well as employees working with the ladders were referred to mandatory annual medical examinations for the purpose of determining their fitness for work. Other employees (approximately one third) were referred to mandatory three-year eye tests (if they use equipment with screens in their work) and preventive full examinations. Prior or periodical assessment and examination of work

Regular, periodical three-year tests of working conditions in the winter period were performed, periodical assessment and examination of work tools, as well as tests of biological hazards in workplaces where, due to the work process, they can be reasonably expected.

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 (17 injuries, out of which nine in the course of the work process or while moving through the facilities).

In line with the procurement plans for 2018, procurements of services and goods in the field of occupational health and safety included: protective gloves, protective clothing, protective masks, occupational health service, first aid equipment, working conditions tests, assessment and examination of work equipment, biological hazard tests, calibration of breathalysers.

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 the NBS shares the workspace. The workplace stress test was carried out - machine processing of money in the branches, and the results of psychological research were presented. The test results were presented to the risk assessment audit teams and will serve to revise the risk assessment of the workplace concerned.

In 2018, a decision was made to establish the Committee for 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 elimination of deficiencies in the field of occupational safety and health, determined by the Workplace and Work Environment Risk Assessment Act of the NBS, and with the Department for Human Resources and Organisational Matters, the Committee submitted quarterly reports to the Governor on the implementation of the programme. Within its scope of authority, the Department established good cooperation with the branches and the Institute on the uniform application of regulations in this field.

The revision of the Risk Assessment Act has been continued, in cooperation with the basic organisational units, the branches, the Institute and the representative trade union. 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 2018, in the process of revision of the Workplace and Work Environment Risk Assessment Act, a proposal was drafted for revised risk assessments in the workplaces within the Institute for Manufacturing Banknotes and Coins – Topčider. A total of 62 risk assessments were drafted and harmonised, of which 24 risk assessments relating to high-risk jobs.

During the finalisation of the proposal of the revised Risk Assessment Act, the data in already prepared assessment proposals were updated in accordance with the conducted work conditions and biological hazards tests, as well as in accordance with the amendments to the Decision on the allocation of working hours at the National Bank of Serbia.

The dangers, hazards and deficiencies detected during the revision process of the Risk Assessment Act were analysed and a proposal of measures that would reduce or eliminate the identified risks was made. The proposal was submitted to the relevant managers for the purposes of planning and budgeting, and will be implemented within the Programme of gradual elimination of deficiencies in the field of occupational safety and health.

In accordance with legal obligations and in order to significantly improve the level of occupational safety and health and to reduce hazards in places where there is limited visibility and where there is a risk that a vehicle for internal transportation could hit employees moving in the work area – two spherical mirrors were purchased and placed in front of the vault of final products and the Department for Money Packing and Counting.

The marking of floors around the work equipment, fire extinguishers and surfaces in the facilities that are used by employees and vehicles for internal transportation, which started last year, continued in 2018. The procurement of tape for marking floor surfaces was carried out so that all planned sites would be visibly designated.

Training of employees for proper and safe use of equipment for working at height was organised. Professionals trained 14 employees who use belts for working at height.

After examining biological hazards, it was determined that there were large quantities of non-pathogenic microorganisms at certain measuring points. In order to reduce risk to the health of employees, extraordinary cleaning and disinfection of the space was carried out and antiseptic means for regular maintenance were provided.

The number of work injuries was reduced. In contrast to 2017, when there were 16 work injuries – ten at the

workplace and in the work environment and six when coming to work and/or leaving work, in 2018, there were three injuries registered – one at the workplace during regular work activities, one injury during operations ordered by the manager and outside the employer's working area, and one injury when coming to work and/or leaving work.

In 2018, special attention was given to improving the knowledge of the persons responsible for occupational safety and health, in accordance with the Rulebook on the programme of knowledge improvement and other issues related to the knowledge improvement of the person responsible for occupational safety and health and the Rulebook on education, professional development and training of NBS employees. Persons in charge of occupational safety and health participated in several seminars and consultations organised on various topics in this field resulting in a better understanding of the state-of-play in terms of occupational health and safety in the Institute and recognising ways to further improve this area.

Internal communication

In an institution with more than two thousand employees, it is important that there is a strategy of continuous improvement of internal communication, for which the Group for Internal Communication and Social Responsibility within the Communications Division is in charge. Internal communication in the Bank develops, both indirectly and directly, by promoting organisational culture in the work environment, by implementing socially responsible activities, motivating employees for professional and personal growth and creating a pleasant environment for work. Employees are informed about primary objectives, achievements and events through several channels of internal communication (internal newspapers, brochures, video-materials and in-house events).

Development and improvement of internal communication

The development of internal communication is strategically planned and each activity is carefully

designed and integrated into the Annual Internal Communication Development Plan. Internal communication is improved by innovating the avenues for its implementation and by carrying out socially responsible activities.

In 2018, five issues of the “NBS Info” were published in electronic form. By involving an increasingly greater number of employees in its production, the Group for Internal Communication and Social Responsibility continuously encourages the development of this channel of internal communication. For the sake of improving internal communication and promoting socially responsible behaviour and higher working standards, the Group continued to cooperate closely with the ambassadors for internal communication and social responsibility. Working meetings were a regular source of information about the developments in their organisational units, enabling the exchange of opinions and direct communication, which yielded the expected results. For years, the Bank has maintained communication with the NBS Association of Pensioners, whose members also write for the “NBS Info”. The National Bank of Serbia has an eight-year-old tradition of sending birthday cards to employees by e-mail.

Bank Day

To mark the 134th anniversary of the Privileged National Bank of the Kingdom of Serbia, an exhibition titled “Banknote Design Ideas – Selection from the Collection of the Institute for Manufacturing Banknotes and Coins – Topčider” was opened in the NBS exhibition hall in Slavija Square. Twenty two original banknote design ideas by Serbian, Yugoslav and French authors from 1889 to 1946 were exhibited.



RESPONSIBILITY TO THE COMMUNITY

Financial consumer protection and education

In addition to activities relating to the protection of 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 (acting on complaints of financial consumers and mediating in the resolution of disputes), in 2018, the Department for Financial Consumer Protection continued to actively provide assistance to financial services consumers in exercising their rights by informing and educating them.

Procedures regarding the protection of financial services consumers, established by regulations, were the most frequent activities of the Department in 2018. From 1 January to 31 December 2018, the Department received 4,083 cases. They included 2,594 complaints and early complaints and 341 mediation requests, of which 114 mediations were held. Ninety six mediation procedures were concluded, of which 34 cases ended in the settlement between financial institutions and consumers (35.4%). Special attention was given to responding to citizens' queries (1,148).

In addition to answering citizens' queries and providing information on financial services and other issues important for financial services consumers, the Department also conducted financial education activities.

Number of complaints (1.1-31.12.2018)

Financial lessors	Total	Ungrounded complaints	Grounded complaints	Suspension	Underway
Banks	753	499	151	7	96
Insurance undertakings	1178	945	67	19	147
VPF management companies	1	1	0	0	0
Lessors	3	3	0	0	0
Payment institutions	3	1	2	0	0
Other	1	0	0	0	1
Total	1939	1449	220	26	244

Source: NBS.

Informing financial services consumers

A total of 1,425 citizens addressed the regional financial education offices in the NBS branches in Belgrade, Novi Sad, Kragujevac, Niš and Užice. Employees provided information on the financial products present in the Serbian financial market so that the financial consumers could better understand the concept of such products, compare the conditions under which different products are offered, and ultimately, make an informed decision on borrowing or investing. It should be noted that citizens are not given commercial advice (e.g. in which financial institution they should borrow or whose services to use, etc.).

Citizens mostly inquired about banking services (44.1%), especially loans (Credit Bureau, fees under credit operations, sureties and loan refinancing), savings and current accounts (charges and account closing procedures).

The NBS Information Centre received 15,081 telephone calls and e-mails from consumers. The majority addressed the Centre with regard to banking services, consumer protection and enforced collection.

In 2018, 61 inquiries from journalists were answered by giving 23 telephone statements and 38 replies to queries by the print and electronic media (RTS, RTV, Radio Laguna, O2 TV, Politika, Blic, Večernje novosti, Informer, Kurir, Alo, Tanjug, Kamatica).



Financial education of citizens

In line with the NBS's Financial Education Strategy for the Period 2016–2020, the NBS continued to organise educational panels and workshops across Serbia.

The analysis of consumers' complaints and questions addressed to the NBS showed that the majority of the public does not understand enough certain financial products. Thus, more complex financial products were presented at the educational panels. Based on the obtained clear, comprehensible and comprehensive information, citizens should be able to recognise and understand the financial risk they take in order to make appropriate decisions, in accordance with their needs.

In the period January–December 2018, 67 educational panels were held in 43 towns across Serbia. A total of 2,745 consumers – citizens, students and entrepreneurs attended the panels, which is significantly more than the average number of visitors in the observed period since 2011, when the NBS started organising and holding educational panels across Serbia.

At the panels, financial products and services were presented in 140 presentations and workshops. Citizens expressed the greatest interest in the following topics: housing loans and loan refinancing, variable interest rates, e-banking, VPFs, insurance and insurance products, health and travel insurance, youth account packages, loans for school fees, funding sources for small businesses and consumer rights. After the panels and/or workshops, citizens filled out the surveys, in which they could evaluate the choice of the topic, the manner of lecturing, how interesting the topic was and eventually propose the topics for future panels. It is based on these surveys, among other things, that future activities in the field of financial education are planned and improved.

In 2018, the content of the website for financial services consumers was updated (www.tvojnovac.nbs.rs) to accommodate the novelties in the financial market and the interests of financial services consumers. It is there that financial services consumers can find additional information on the financial products and services provided by financial institutions supervised by the NBS, as well as useful advice on what to pay attention to and whom to address for help.



Exhibitions and educational activities

In the course of 2018, exhibitions, educational and cultural programmes of the NBS intended for the wider public recorded a turnout of 10,150 visitors – 6,317 at the NBS Kralja Petra building and 2,005 at the building at Slavija Square. Educational programmes were attended by 874 students – 300 younger and older students participated in tournaments in educational games “Moneture” and “Finances for Later”, 304 younger and older students attended organised lectures, and 350 citizens visited manifestations in which the NBS participated.

Exhibitions and educational and cultural programmes were attended by pre-school, 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:

- “Suffering of the Roma in World War I” by dr Dragoljub Acković;
- “Fourth Salon of Photography of NBS Employees”;

- “Paris–Belgrade 1886–2012, History of Cooperation”;
- “I Speak to You in Pictures”, Society for Support to Persons with Autism from Novi Sad;
- “Heritage of the Past”, by Mita Ristić;
- “Legacy”, by Zoran Milutinović;
- 50th May exhibition entitled “Lasting”, ULUPDS;
- “Applied Nostalgia: Belgrade–Sofia”, Serbian Ministry for European Integration;
- “Banknote Design Ideas – Selection from the Collection of the Institute for Manufacturing Banknotes and Coins–Topčider”;
- “Modernism in Belgrade – Architectural Heritage in the Capital”;
- “Fourth Handicraft and Entrepreneurship Fair of Muscular Dystrophy Association of Serbia”;
- “Small Talks in Gloves”, by Vladimir Mojsilović;
- “Front Lines – World War I (1914–1918)”;
- “Touch of Glass – Freedom” by Jelena Borovčanin;
- “Role of Romani Printed Media in Preserving Romani Cultural Identity” by dr Dragoljub Acković.

Financial education of children and youth

As part of the NBS's cooperation with vocational educational institutions, exhibitions at NBS building in Kralja Petra 12 were visited by pre-schoolers, primary and secondary school students from all around Serbia (Belgrade, Požarevac, Šabac, Loznica, Bačka Topola, Velika Plana, Lazarevac, Subotica, Aleksinac, Kovin, Smederevo, Vlasotince, Barajevo, Kuršumlija, Gornji

Number of visitors by type of activity



Milanovac, Petrovac na Mlavi, Mionica, Guča, Paraćin, Čačak, Sremska Mitrovica, Leskovac, Novi Bečej, Svrnjig, Zrenjanin, Valjevo and Srbobran), as well as students of faculties of economics in Belgrade, Niš, Novi Sad, Kosovska Mitrovica, Kragujevac and Subotica, and the Faculty of Business Studies and Law Dr Lazar Vrkić in Novi Sad.

Continuing years-long practice and successful cooperation with other institutions, in March and October, the NBS Exhibitions and Education Unit hosted students of the Faculty of Economics from Niš and students of the “3 October” primary school from Bor.

The NBS held workshops “Drawing a Banknote of My Choice”, “Distinguished Persons Featured on Dinar Banknotes”, “Dinar – Our Money”, “Counterfeit Money and How to Recognise It”, “Me and My Budget” and “Counterfeits” in Lazarevac, Niš, Kladovo, Valjevo and in Belgrade at the NBS Kralja Petra building and the premises of Belgrade-based faculties.

In order to familiarise the public with the principles of monetary policy implementation, tournaments in educational game “Moneture” were held for the students of faculties of economics in Belgrade, Kragujevac, Niš, Kosovska Mitrovica and Subotica, State University in Novi Pazar, Faculty of Economics, Finance and Administration in Belgrade and Belgrade Banking Academy.



Having in mind the importance of financial education of children and youth, the NBS continued organising tournaments in educational game “Finances for Later”, which, in an entertaining way, introduces participants to the world of finance and teaches them how to manage finance properly. Secondary school students from Belgrade, Lazarevac, Niš and Leskovac had the opportunity to participate in these tournaments.

Global Money Week

From 12 to 16 March, the NBS marked the Global Money Week. Global Money Week is marked each year across the world, at the initiative of the Child and Youth Finance International.

Apart from visits to the NBS exhibitions and professional guidance through permanent and thematic exhibitions, other activities on the subject of financial education of youth were realised: workshops “Me and My Budget”, “Counterfeit Money and How to Recognise It”, “Distinguished Persons Featured on Dinar Banknotes” and “Dinar – Our Money”, educational game tournaments “Moneture” and “Finances for Later”, professional lectures for secondary school and university students.

The activities were carried out at the NBS building at Kralja Petra 12, on the premises of the library “Dimitrije Tucović” in Lazarevac, primary school “Učitelj Tasa” in Niš, Faculty of Economics in Niš and Singidunum University in Niš.

Market of Ideas

In accordance with the NBS's exhibitions and educational activities in the field of financial literacy of children and youth, in March 2018 the Exhibitions and Education Unit took part in the school fair "Market of Ideas" organised by the Belgrade City Museum and the Ethnographic Museum.

On that occasion, the NBS presented all the workshops and tools for their implementation, as well as educational games "Moneture" and "Finances for Later".

Global Savings Week

From 29 October to 2 November, the NBS marked the Global Savings Week. The Exhibitions and Education Unit employees organised the workshops "Me and My Budget", "Dinar – Our Money" and "Distinguished Persons Featured on Dinar Banknotes" for students of the primary school "Vuk Karadžić" in the Library "Centar za kulturu" in Kladovo. The educational tournament "Finances for Later" was held for the students of the Belgrade Banking Academy. During that week, the Visitor Centre was visited by the students and teachers of the Trade and Catering School from Leskovac.



Prize tournament in Moneture

At the initiative of the Governor and President of the Council of the Governor, in December 2018 the NBS



organised the fourth prize tournament in the board game "Moneture". The intention is to organise this tournament every year. Faculties that took part in the tournament were the faculties of economics in Belgrade, Kragujevac, Niš, Kosovska Mitrovica and Subotica, State University in Novi Pazar, Belgrade Banking Academy, Faculty of Economics, Finance and Administration – FEFA in Belgrade and Faculty of Business in Belgrade – Singidunum University.

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





Cultural events

International Day of the Francophonie

On the occasion of the International Day of the Francophonie, the NBS opened an exhibition titled “Paris–Belgrade 1886–2012, History of Cooperation” at its exhibition hall in Slavija Square. The exhibition is devoted to cooperation and historical links between the NBS and Banque de France and testifies not only to the technical assistance the French central bank provided to the NBS, but also to the artistic aspect of creating Serbian banknotes in the spirit of the French school and according to the artwork produced by French artists.

Open Door Day

For the seventh year in a row, in April, the NBS opened its doors to the wider public. At the exhibition and education space the NBS showcased its regular exhibition “Money in the Territory of Serbia” and themed exhibitions “Dinar – Our Money” and “Coin Minting – from the Conceptual Design to the Mint”. In the grand hall of the NBS, visitors could see the exhibition “Georg Weifert – Life and Times”, dedicated to the life and work of Georg Weifert, honorary life-time Governor of the National Bank of Serbia. An interesting part of the exhibition was the unique “Georg Weifert” scenery which visitors could use to make photographs.

Days of Belgrade

The NBS traditionally participated in the cultural event the Days of Belgrade, offering to the public its regular exhibitions during the working hours of the museum in Kralja Petra 12 building.



Museum Night

This year too, the NBS took part in the “Museum Night” cultural event. Visitors to the NBS hall in Nemanjina 17 were able to see the exhibition “Legacy” by Zoran Milutinović. The photo-monography of the same title was presented on this occasion.

European Heritage Days

The NBS opened the Kralja Petra building for group visits, to mark the “European Heritage Days”. Visitors had an opportunity 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”, themed exhibitions and accompanying interactive contents.

Humanitarian and voluntary campaigns

The NBS organised numerous humanitarian activities in the headquarters and branch offices during 2018 and provided assistance to those in need. The employees engaged actively in humanitarian and voluntary campaigns aimed at collecting funds, food and clothes for socially vulnerable groups, children with developmental disabilities, children deprived of parental care and the elderly.

Owing to cooperation with humanitarian organisations, centres, associations and schools for children with developmental disabilities, humanitarian and voluntary actions organised by the NBS are becoming increasingly successful.

In humanitarian actions of food gathering “Humaneness against Hunger”, organised by the NBS in Belgrade, Kragujevac and Užice, 650 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 the relevant support programmes. NBS employees demonstrated sensitivity to the needs of vulnerable groups, offering their moral and financial support, by buying the artwork.

In a humanitarian action called “To Children, with Love”, realised in the Niš Branch, funds were collected to procure the most necessary items for children deprived of parental care residing in the “Duško Radović” Home in Niš.

The Užice Branch was host to a humanitarian campaign, in which the employees collected hygiene products for 35 most vulnerable families in Kremna.

NBS volunteers successfully carried out the project in children resort “Šuplja stena” in Avala. Forty nine volunteers were clearing out the terrain, sanding and painting wooden and metal fences, benches, sports ground and concrete surfaces. This project was organised in cooperation with the city municipality Vračar.

In June 2018, for the first time, the NBS volunteers took part in the traditional manifestation “Day of the Danube” organised by the Republic Water Directorate. Our volunteers were cleaning the coastal area at Zemunski kej,

while the children participated in educational workshops and interactive presentation of the wildlife of the Danube.

In September, NBS employees working at the headquarters and Novi Sad Branch cleaned the premises of the Red Cross in Irig, creating hygienic conditions for taking over the meals of the National Cuisine, which are used by socially vulnerable groups.

In 2018, NBS employees joined the ecological and humanitarian action “Bottle Cap for Handicap”, gathering 1,100 kg of plastic bottle caps, and thus contributing to the purchase of orthopaedic aids for people with disabilities across Serbia. Given that this activity brings exceptional results, it will continue in the upcoming 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 160 New Year's Day parcels to children with developmental disabilities from the Residential Centre “Kolevka” in Subotica.

In the campaign of collecting bed linen, towels, clothes and cups for the socially vulnerable citizens and beneficiaries of the Residential Institution for Persons with Mental Health Problems “Čurug”, employees at the NBS head office and Novi Sad Branch donated 70 clothing packages and around fifty cups.

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





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 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 2018, the NBS donated RSD 2,188,452.60 as financial assistance, while the total value of donations in kind (used vehicles) came at RSD 637,791.

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, has continued promoting and affirming this large-scale voluntary association (more than 13,000 members) 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, environment protection and the fight against corruption. For eleven years in Serbia, the number of members has increased to more than 60. Among them, in addition to large companies, there are representatives of SMEs, non-government organisations, business associations and academia.



As the chair of the Working Group for Corporate Social Responsibility in Banking and Finance, in 2018 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 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.

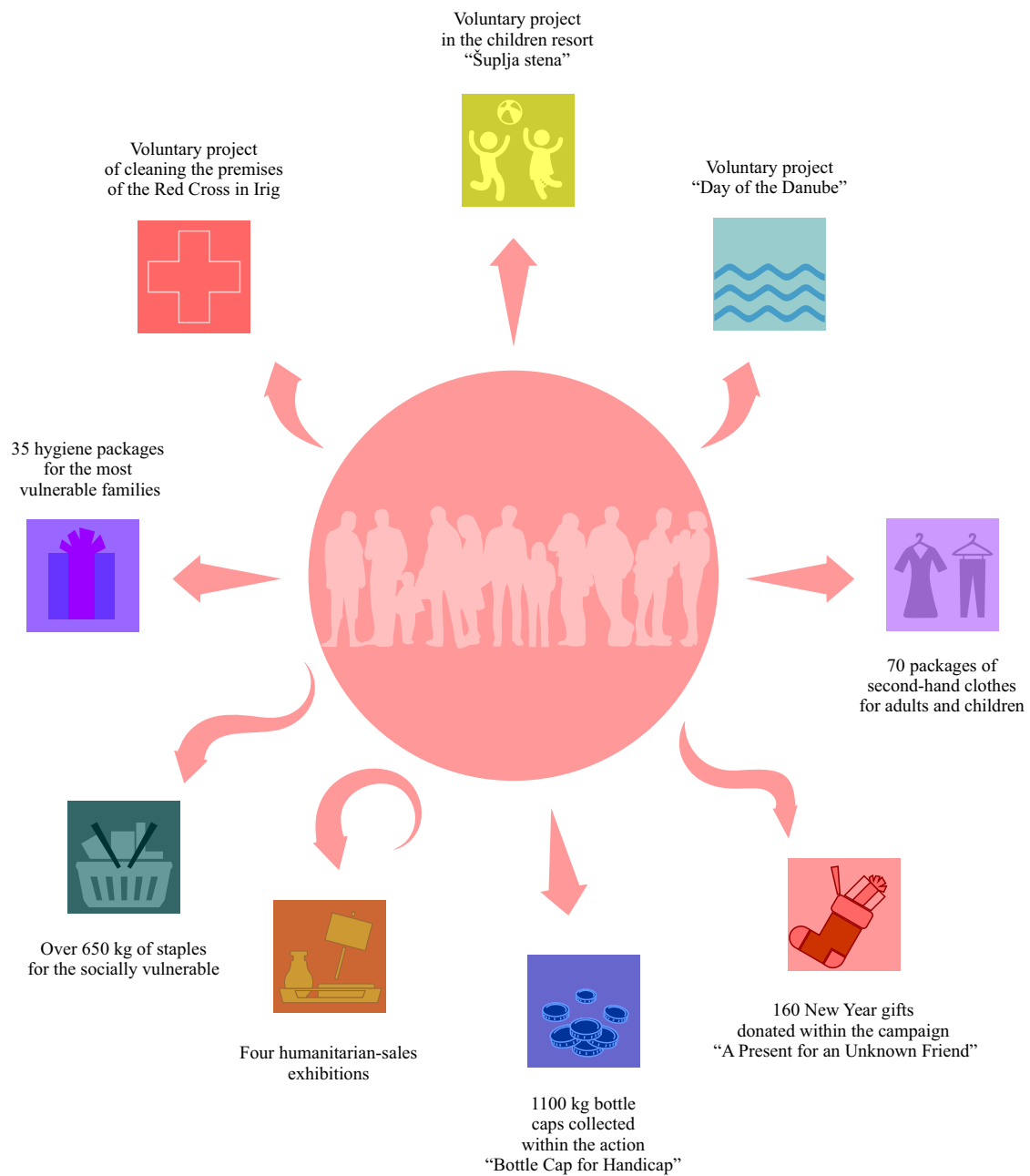
This joint collaboration was formalised through a Cooperation Protocol signed between the Association of Economics, Law and Administration, Trade, and Hospitality and Tourism Schools in the Republic of Serbia and the Global Compact in Serbia. The collaboration will continue in 2019.

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, environment 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 IN 2018



Several hundred employees participated in socially responsible activities.

RESPONSIBILITY TO THE ENVIRONMENT

Preserving natural resources at the head office and branches

In 2018, the NBS continued to behave responsibly to the community and the environment. The 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.

Heat 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

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

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

HT – High tariff
LT – Low tariff

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 the Faculty of Mechanical Engineering in Belgrade, as well as of the authorised training organisations.

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) for recycling since 2009. From paper selling, the NBS collected RSD 336,691.42, while income from PET packaging recycling came at RSD 119,958.20. Funds collected in this way will be directed for humanitarian purposes and donated to non-profit organisations, associations, educational or health institutions selected by employees.

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. Below every employee's e-mail signature there is the message “Think before you print”, suggesting that paper should be considered a resource used in everyday work. By using e-mail as a communication channel, we point out to the importance of environment protection. In addition to that, employees are also able to use a common printer and photocopier on each floor, connected to their PCs.

Organisational unit	PAPER	
	Quantity (kg)	Income (RSD)
Head office and Branch in Belgrade	42,100	311,800.00
Novi Sad Branch	1167	11,046.42
Kragujevac Branch	400	/
Niš Branch	1480	13,390.00
Užice Branch	130	455.00
Total	45,277	336,691.42



Organisational unit	PET packaging	
	Quantity (kg)	Income (RSD)
Head office and Branch in Belgrade	4450	115,700.00
Novi Sad Branch	221	4138.20
Kragujevac Branch	500	/
Niš Branch	/	/
Užice Branch	15	120.00
Total	5186	119,958.20

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

The Institute for Manufacturing Banknotes and Coins – Topčider is ranked among companies committed to a long-term and continuous process of improving environmental performances. Everyday activities at the Institute are focused on rationalising costs and informing, educating and raising awareness of employees with a view to acting, changing habits and engaging in company's efforts to improve its impact on the environment.

For the purpose of educating employees, the following presentations were put on the Moodle platform:

- “Environmental protection”, which explains the basics of ISO 14001 - environmental management systems, in order to further develop employee awareness of the importance of environmental protection and to reduce the consumption of non-renewable resources;
- “Environmentally responsible Institute - Waste Management”, which explains the basic principles of waste management at the Institute.

Due to the diversity of the production programme of the Institute and the complexity of its business processes, a large number of different types of waste is produced in great quantities. Waste is classified and characterised by origin and composition, carefully collected, sorted and stored in a manner that does not affect human health and the environment. The waste that must undergo further treatment and processing is handed over to the authorised operators for further disposal in accordance with law.

During 2018, about 100 tonnes of hazardous waste and about 200 tonnes of non-hazardous waste were handed over to operators for further disposal, in accordance with law.

Technological wastewater from the process of galvanic production of printing forms and gold foil, as well as technological wastewater from the recycling of the wipe solution, are treated in a specialised wastewater treatment plant. Over 150 tonnes of wastewater with high content of heavy metals and organic matter is processed annually, with a treatment efficiency of more than 99%.

In accordance with the regulations of the Republic of Serbia, the Institute regularly monitors the content of wastewater and the quality of soil and groundwater, while the controlled use of hazardous chemicals is carried out by their proper storage, marking, handling and disposal so as not to endanger human health and the environment.

The NBS is regularly submitting the following reports to the Ministry of Environment Protection:

- a report on the quantities of hazardous and non-hazardous waste handed over to operators for final disposal;
- annual report on the quantity and type of imported products that become special waste streams after use;
- annual report on the quantity of imported hazardous chemicals, for the purposes of the Ecoregister. From 1 January 2019, the Ecoregister is filled in electronically, through the platform for Integrated Register of Chemicals (eIRH).

Atmospheric emissions from fuel combustion for the production of heat energy are measured and monitored on a regular basis. The external quality control of wastewater, air and soil is carried out by accredited laboratories.

The improvement of environmental management is a daily task of the employees of the Institute, because healthy environment is the responsibility and obligation of us all.



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

We welcome feedback on its contents.