



*Knowledge and Value*

CORPORATE  
SOCIAL RESPONSIBILITY  
STRATEGY

*2014*

*Knowledge and Value*



THE CORPORATE SOCIAL  
RESPONSIBILITY STRATEGY OF THE  
MAGYAR NEMZETI BANK

*June 2014*

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## FOREWORD

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*a*s far back as 1848, the need for an independent and responsible Magyar Nemzeti Bank – a symbol of Hungary’s economic sovereignty – was among the country’s top national priorities. However, it took more than 75 years for this to become a reality. Following the First World War, the establishment of the Royal Hungarian Note Issuing Institute (Magyar Királyi Állami Jegyintézet) in 1921 led to the liquidation of the Austro-Hungarian Bank, the institution serving as the central bank at the time, after which Act V of 1924 on the Establishment and Charter of the Magyar Nemzeti Bank was enacted by Parliament, paving the way for an independent Hungarian central bank which was incorporated and began its operation on 24 June 1924, with Sándor Popovics as its first Governor.

Since its foundation, the Magyar Nemzeti Bank has stood for stability and continuity – as has its main building that was built in 1905 on Budapest’s Szabadság tér based on the designs of Hungarian architect Ignác Alpár – and remains an emblematic and unyielding symbol of national sovereignty.

The Magyar Nemzeti Bank’s significance among national institutions, as well as its social recognition and independence all entail certain responsibilities. Our work is therefore driven by the faith that with such responsibility also come important obligations. We firmly believe that independence is not an end in itself, but a means and an opportunity for the Magyar Nemzeti Bank to serve the public good and the nation at large, thus contributing to the well-being of society.



## *Knowledge and Value*

Hungary's Fundamental Law and the National Avowal set forth therein both confirm our efforts in this regard. In line with the provisions of the Fundamental Law, it is our understanding that the State's ultimate role is to serve its citizens, since a better life and the achievement of freedom are common goals for citizens and the state alike. It is precisely this commitment that has the ability to provide a future for younger generations whose talent, perseverance and strength of spirit can lead Hungary toward progress and ensure the rise of our nation.

In the implementation of its Pallas Athena Public Thinking Programme – based on the above and in line with the mission statement, vision and fundamental values defined in its Statute – the Magyar Nemzeti Bank considers its task to improve financial literacy and financial awareness and to enhance the underlying economic and social knowledge, as well as the related institutional framework and infrastructure. Through its expert staff, strategic cooperating partners and foundations established for implementing the objectives aligned to its tasks, it seeks to play a leading role in the renewal of professional education in economics and finance, and connect with world-leading universities, think-tanks, institutions and experts while also developing collaboration networks both in and outside Hungary. Furthermore, through the creation of workshops, publications, scholarships, and various internship and training programmes, the Magyar Nemzeti Bank intends to support and inspire analyses, publications and research projects that are aimed at facilitating financial and economic thought, economic growth and full employment.

## *Knowledge and Value*

To the extent possible, the Magyar Nemzeti Bank also wishes to engage – both directly and through its foundations – in the process of value creation, in the preservation of national, intellectual and cultural heritage and in value-mediating endeavours. With its volunteer activities and donations for charitable causes, it aims to contribute to community goals and improve the quality of life of and provide equal opportunities for the disadvantaged while also aspiring to alleviate the hardship of those faced with extraordinary circumstances.

In light of the above, the Magyar Nemzeti Bank has its corporate social responsibility strategy centred on the respect for KNOWLEDGE and VALUE.



BALOG ÁDÁM  
Deputy Governor



GERHARDT FERENC  
Deputy Governor



WINDISCH LÁSZLÓ  
Deputy Governor



MATOLCSY GYÖRGY  
Governor

## MISSION

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An independent and responsible Magyar Nemzeti Bank is one of the core pillars of society's welfare, as the economic environment, businesses and the life of citizens are all directly influenced by its activities. Consequently, without prejudice to its primary objective and core tasks, the Magyar Nemzeti Bank considers its mission to serve the public good from its own sustainable earnings and, to the extent possible, provide support for professional objectives and certain goals serving broad social interests that reflect credibility, create value, promote scientific thinking and talent management, enhance financial literacy and strengthen the cohesion between communities and within society as a whole. To that end, the Magyar Nemzeti Bank's corporate social responsibility programmes cover a wide spectrum of initiatives in education, research and science, financial literacy, culture and charity donations, with particular emphasis on the acquisition of knowledge and the creation and preservation of value.

## ABOUT CORPORATE SOCIAL RESPONSIBILITY

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Lacking a standard definition, the concept of corporate social responsibility (CSR) refers to a complex and dynamic mechanism that defines the relationship between individual institutions and society. In essence, it represents a commitment towards an ethical contribution to sustainable economic growth and the preservation and promotion of cultural and intellectual value, all aimed at improving public satisfaction and quality of life. Put differently, the CSR activities of a given institution comprise voluntary acts aimed at responding to the social and environmental impacts of its operations on a moral basis, thereby contributing to the realisation of goals that serve the interests of the community involved.

## THE HISTORY OF CSR AT THE MAGYAR NEMZETI BANK

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Since the two-tier banking system was established, the Magyar Nemzeti Bank has had an important social role in the creation of today's modern financial institutions and the evolution of the financial sector. This role has been expressed in various programmes and initiatives, consistent with the prevailing customs and formats of the time. As far back as the 1990s, the Magyar Nemzeti Bank was actively engaged in the establishment of institutions involved in financial activities, and had either created or participated in various foundations intended to serve charitable purposes as well as the enhancement of financial literacy.

The social responsibility strategy of the Magyar Nemzeti Bank was first formulated in 2008, in a publication entitled "A Central Bank of Public Awareness" (Köztudatos jegybank). This strategy defined the pillars of sustainability based on the three objectives of economic responsibility, social engagement and environmental protection. In this strategy, however, the support of certain goals serving broader social interests was already included as a distinct target, with a particular focus on the enhancement of financial literacy, environmental protection and equal opportunity. Based on the strategy an action plan was also developed, with an external auditor's report certifying its pro-rata implementation; following this, however, the programme stalled.

New central banking functions, expectations concerning independence and responsible control, as well as the practices of exemplary central banks call for new and institutional solutions in the field of CSR as well, thus necessitating a review of the Magyar Nemzeti Bank's objectives in its corporate social responsibility framework in order to be aligned with today's requirements.



*The Magyar Nemzeti Bank's building in Szabadság square*

The social responsibility commitments of the Magyar Nemzeti Bank are also warranted by international central banking practices, as a number of European central banks have supported community and charitable goals for decades, and have collections of coins, banknotes, books, artefacts or other cultural goods in their possession.



## STRATEGIC GOALS IN SOCIAL CORPORATE RESPONSIBILITY

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### The Magyar Nemzeti Bank

- seeks to play a leading role in the renewal of professional education in economics and finance, through its expert staff, strategic cooperating partners and foundations established for implementing the objectives aligned with its tasks;
- deems the improvement of financial literacy and financial awareness and the promotion of the underlying economic and social knowledge, as well as the related institutional system and infrastructure as one of its responsibilities;
- intends to facilitate the renewal of financial, economic and socio-economic thinking, with the creation of workshops and by supporting economic, financial, sociological and interdisciplinary training programmes at various levels;
- strives to improve the quality level of economic research and analyses in Hungary, through bulletins and its own publications, studies, research articles, analyses in economic policy and other documents providing information;
- provides operational support for scientific and cultural journals;
- maintains a scholarship programme for researchers, instructors, students and interns;
- as part of its Public Thinking Programme, supports gifted Hungarian researchers in creating numerous internationally recognised intellectual works in the field of social sciences, particularly in economics, finance and other related fields;
- organises internship programmes for undergraduate and graduate students from Hungarian institutions of higher education;

- takes an active role in supporting the preparation and publication of studies and client brochures on the Bank's supervisory and consumer protection activities, as well as in supporting the activities of non-governmental consumer protection organisations;
- intends to become a prominent forum for European and global economic thinking and for current issues affecting the monetary and financial system;
- engages in networking with world-leading universities, think-tanks, institutions and professionals, and in developing collaboration networks both in and outside Hungary;
- in recognition of the professional value of its employees' competences, provides training and continuing education opportunities to employees who are willing to continually renew their professional skills and show long-term commitment to the objectives of the Bank;
- to the extent possible, intends to engage in the process of value creation, in the preservation of national, intellectual and cultural heritage and in value-mediating endeavours;
- by way of strategic agreements, seeks to collaborate with prominent institutions and organisations in Hungary's cultural life;
- through its volunteer activities and donations for charitable causes, aims to contribute to community goals and improve the quality of life of and provide equal opportunities for the disadvantaged while also aspiring to alleviate the hardship of those faced with extraordinary circumstances;
- strives to develop exemplary and industry-leading practices in protecting the environment and landmark buildings.



*Lamfalussy Award*

# 1

## LEGAL AND FINANCING FRAMEWORK OF THE CORPORATE SOCIAL RESPONSIBILITY STRATEGY

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### 1.1. Legal framework

In line with the provisions of the Fundamental Law and the National Avowal set forth therein, the State's ultimate role is to serve its citizens, since a better life and the achievement of freedom are common goals for citizens and the state alike.

The Fundamental Law and the Act on the Magyar Nemzeti Bank guarantee the Bank's organisational, operational and financial independence. At the same time, the independence, significance and social recognition of the MNB, and the public assets under its management entail social responsibility. Therefore, the Bank's statutory independence is not an end in itself, but a means and an opportunity to have its endeavours directed at serving the public good and the nation at large, thus contributing to the well-being of society.

While some of the activities falling within the scope of corporate social responsibility are mandatory by law, others are goals which are undertaken voluntarily. According to the provisions of the Act on the Magyar Nemzeti Bank concerning the above, the Bank shall participate in supporting the preparation and publication of studies related to the provision of information to customers of the persons and entities covered by certain acts, to the reinforcement and promotion of financial literacy and to supervisory and supervised activities, and shall also support the activities of non-governmental consumer protection organisations. Accordingly, the central bank is also committed to social responsibility on a broader scale, given its statutory obligation to support the Government's economic policy.



*Carved keystone head by Károly Sennyey*

### 1.2. Financing of CSR initiatives

Pursuant to the Act on the Magyar Nemzeti Bank, proceeds from fines imposed as part of supervisory activities may only be used for:

- promoting and supporting the training of specialists in economics and finances;
- promoting and supporting economic, financial and interdisciplinary research;
- strengthening and spreading financial culture, raising financial awareness and supporting such purposes, in particular, developing related educational and research infrastructures;
- donations to foundations; and
- charitable causes.

However, its financial independence also means that, besides the revenues from fines imposed and without prejudice to its primary objective and fundamental goals, the Magyar Nemzeti Bank is to provide additional financing to implement its corporate social responsibility strategy. That is, while the Act stipulates specific limitations as to how the fines collected may be utilised, it defines no other restrictions or provisions in respect of the additional revenues of the Magyar Nemzeti Bank. Moreover, since the Bank's supervisory and consumer protection activities are primarily aimed at prevention, the use of fines as a severe legal sanction cannot be considered an objective. Therefore, a stable and predictable long-term CSR programme cannot be built solely on the prospect of fine revenues.

Subject to the availability and extent of any sustainable positive earnings, the decision-making body responsible for managing the operations of the Magyar Nemzeti Bank shall decide, while adhering to relevant legislation on financial operations, on how the Bank implements its social responsibility strategy. Therefore, by virtue of the independence conferred upon it in financial management as well, the Magyar Nemzeti Bank is a national institution that has a legal opportunity to serve the public good and provide support, to the extent possible, from its own earnings. This is in line with international central banking practices, for a number of European central banks are known to have been supporting community and charitable goals for decades.

Using the powers granted by law, over the past decades the Magyar Nemzeti Bank has established a number of foundations for various purposes and provided founding assets to realise the objectives of such foundations as well as grants, support and infrastructure for operating activities. At the same time, in parallel with reviewing and redefining its social responsibility objectives and drawing on accumulated experience, the Magyar Nemzeti Bank deems it necessary to reorganise and renew its foundations and set up new ones in order to implement its priority goals.

In addition, the Bank believes that a paradigm shift is required in the financing of foundations because, in its opinion, the foundations pursuing the supported objectives can only operate efficiently and effectively if financing is adjusted to the multi-year time frame of the education, research, training, science and innovation programmes and meets the decade-long financing needs for the operation of such programmes. With regard to foundations, it intends to create a financing model which aligns the size of the founding assets to the long-term implementation of the objectives; however, only the returns on a specific portion of the founding assets – as defined in the charter document – will be permitted to go towards the foundation's goals. In this way, predictable funding can be ensured for the operation of the foundations over the long term.

### **1.3. International practices**

Amongst the many documents published at the international level, it is primarily the UN, the European Commission and the OECD that have listed the promotion of social responsibility among their priority tasks.

Up until the 1970s, banks had focussed their CSR programmes mostly on donations and sponsorship activities. Following the crisis of the “welfare state”, various national regulations were put in place (in the US and the UK) as regards the social responsibility of the financial services industry.

In the Anglo-Saxon countries, the CSR activities of financial institutions are centred on charity, financial awareness, training and education, environmental protection, volunteerism and community development, as well as a range of programmes involving personnel and youth.

At most banks in Germany, supporting culture and social causes typically remains at the core of their social responsibility programmes, which are then supplemented by support initiatives for training and education.

The corporate social responsibility practices of the major central banks concentrate on the following activities:

#### **Bank of England**

- operates a currency museum;
- organises financial training courses and school competitions for younger generations;
- has established a separate institute for analytical and research projects and central banking studies;
- supports various research projects and conferences;
- engages in sponsorship in line with its core values;
- maintains economic and financial scholarship programmes.

#### **Bundesbank**

- provides support for institutes directly related to its operations (research centre, library, currency museum);
- contributes to the budget of collections of banknotes and coins, as well as an arts collection;
- provides career options and ensures quality succession planning.

#### **Oesterreichische Nationalbank**

- provides funding for a banking history and a currency museum;
- contributes to financial and economic research;
- endorses the publication of journals and studies, and the organisation of professional events;
- as part of its donation and sponsorship activities, collects outstanding works of modern Austrian painting and sculpture.

#### **Bank of Japan**

- puts a strong emphasis on developing financial literacy;
- prepares bulletins and publications that are available from its website;
- offers guided tours at its headquarter building;
- maintains a central banking museum;
- organises teacher training courses;
- conducts public image work at festivals aimed at the younger generation;
- endorses programmes in environmental protection and employee volunteerism.



*Statue above the main entrance by István Tóth*

# 2

## KEY SOCIAL RESPONSIBILITY INITIATIVES

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### 2.1. Pallas Athena Public Thinking Programme

From general economic thinking to the endorsement of scientific projects, the Magyar Nemzeti Bank considers the improvement of financial literacy, the enhancement of the underlying economic intelligence and the development of the related institutional system and infrastructure to be one of its responsibilities. To that end, it seeks to raise the quality of Hungarian education in economics and improve the general population's economic literacy, through educational and individual talent management programmes and by the establishment of training centres (internationally recognised doctoral school and research centre) governed directly either by the Magyar Nemzeti Bank itself or other institutions it has founded.

The priority goals of the Public Thinking Programme are the following:

- to raise the quality of Hungarian education in economics and improve the general population's economic literacy through educational and individual talent management programmes;
- to enable Hungarian researchers to develop numerous internationally recognised intellectual works;
- to facilitate easier access for Hungarian researchers to the latest approaches in economics;
- to place Hungary on the map of contemporary economic thinking over the coming decades.



*Entrance hall of the staircase on the first floor*

It is a deliberate aim of the Magyar Nemzeti Bank to make the various elements of the Programme available to researchers with scientific degrees, PhD students, undergraduate and graduate students as well as colleges for advanced studies. In addition, through its lecture programmes, it also intends to bring fundamental financial and economic concepts closer to anyone interested, thereby enhancing financial literacy.

The Public Thinking Programme expressly seeks to encourage all activities that can improve the chances of young Hungarian researchers of being admitted to PhD programmes abroad, while also offering dedicated courses to students enrolled in Hungarian PhD programmes with the participation of international researchers.

### 2.1.1. PhD Programme

With a mission to enable young researchers with a PhD in economics acquire knowledge that is competitive both in and outside Hungary, this programme has been created to ensure adequate succession not only in academia and research, but also for professionals in applied research engaging in pre-decision policy analysis. Accordingly, the programme provides scholarships for PhD students and research grants for Hungarian and foreign researchers. Collaboration with Hungarian doctoral schools is an important element of the programme, with a scientific advisory board ensuring external control.

### 2.1.2. Collaboration agreement with doctoral schools

Collaboration is aimed at improving the quality of education at Hungary's doctoral programmes in social sciences, enhancing doctoral students' knowledge and skills in economic theory, analysis and monetary policy, helping PhD students become involved in the international research scene, facilitating publications and providing support for infrastructure development at doctoral schools in social sciences. At its own premises and as part of the collaboration, the Magyar Nemzeti Bank provides scholarship recipients with the infrastructure means necessary for their research, also arranging for publication opportunities, making its own publications available and ensuring funding support for the doctoral schools of scholarship recipients.

### 2.1.3. Research Programme

The research programme is intended to enable the launch of joint educational and research projects which are required for the successful completion of PhD programmes, with the participation of the Magyar Nemzeti Bank's own research and analyst staff, Hungarian research grant recipients and foreign guest researchers typically arriving for shorter periods. Furthermore, it serves as a platform for participants to regularly exchange ideas.

### 2.1.4 Participation in dual training

With support by the Magyar Nemzeti Bank, this programme is intended to foster the establishment of centres of economic research, development and education that embrace advanced economic approaches and novel monetary policy – one that also takes real economic trends into account – which are in turn expected to provide a competitive knowledge base that is in line with the changing labour demands of a given region.

### 2.1.5. Creating a museum of currency history, interactive overhaul of the Visitor Centre

The Magyar Nemzeti Bank considers its task to improve financial literacy and enhance consumer awareness. To that end, the establishment of a museum of currency history and an overhaul of the Visitor Centre with interactive resources would be seen as a significant contribution.

Besides the fact that operating a “museum of money” can be considered a general central banking practice, the Magyar Nemzeti Bank is required by law to have its collections of coins and notes on public display. However, a complete museum experience would call for having the history of money showcased in a wider context, by presenting the socio-economic framework of each era concerned, reflecting on European and regional processes and demonstrating today's events in currency history, with particular emphasis placed on the path towards the euro.



*Lancea Regis – silver denar of King Saint Stephen*

The Visitor Centre's task is to use accessible language in:

- demonstrating the activities of the Magyar Nemzeti Bank to a wider audience;
- making fundamental financial information accessible to anyone interested; and
- pointing out the importance of financial awareness in everyday life.

The use of novel tools could greatly enhance the learning experience about the tasks and endeavours of the Magyar Nemzeti Bank. Such interactive resources could include:

- designing verbal problems for elementary and secondary school mathematics curricula that, in line with the children's age and the basic skills acquired in the classroom, facilitate the decision-making process in connection with financial products, also ensuring online access;
- designing an online Monopoly-like interactive game that simulates various decision scenarios in connection with savings, lending products and securities transactions;
- developing an online application package intended to enhance the financial knowledge of secondary school students;
- producing and screening a series of financial lecture programmes at the Visitor Centre;
- organising various thematic programmes at the Visitor Centre;
- developing smartphone applications intended to assist households in basic financial decisions.

## 2.2. Foundation engagements of the Magyar Nemzeti Bank

### 2.2.1. Foundations before 2014

Using the powers granted by law, over the past decades the Magyar Nemzeti Bank has established a number of foundations for various purposes and provided founding assets to realise the objectives of such foundations as well as grants, support and infrastructure for operating activities.

Prior to 2014, the Magyar Nemzeti Bank was engaged as a founding member in the following foundations:

- Foundation for the Public Good (Alapítvány a Közjóért),
- Money Compass – Foundation for Financial Awareness (Pénziránytű Alapítvány),
- Foundation for Business Administration Training in Transdanubia (Dunántúli Üzemgazdász Képzésért Alapítvány),
- The Miklós Riesz Foundation,
- “Do, Create and Enrich” Foundation (Hass, Alkoss, Gyarapíts Alapítvány)
- Hungarian Foundation for Enterprise Promotion (Magyar Vállalkozásfejlesztési Alapítvány),
- Foundation for the Development of Financial Literacy (Alapítvány a Pénzügyi Kultúra Fejlesztéséért),
- Economic Review Foundation (Közgazdasági Szemle Alapítvány),
- Centre for Public Affairs Studies (Közszolgáltatások Közgazdasági és Irányítási Kérdéseinek Központja),
- “Health is the Greatest Gift of All” Foundation (“Egészség a legnagyobb érték” Alapítvány),
- Brake for Kids – Foundation for Road Safety (FÉKÚT a Gyerekekért, a Közlekedők Biztonságáért Alapítvány),
- European Review Foundation (Európai Szemle Alapítvány),
- Economist Foundation (Közgazda Alapítvány),
- Foundation for Modernisation in Hungary (Magyar Modernizációért Alapítvány),
- Foundation for the 110-Year Old Vocational School of Csány (110 éves Csány Szakközépiskoláért Alapítvány)



*Lamp bracket with a wheatear motif*

The Magyar Nemzeti Bank is currently listed among the founding members in the first five foundations, having its founder's rights assigned to another parties in an additional five foundations (Hungarian Foundation for Enterprise Promotion, Foundation for the Development of Financial Literacy, Economic Review Foundation, Centre for Public Affairs Studies Foundation and the "Health Is the Greatest Gift of All" Foundation). The last five foundations no longer exist.

#### **2.2.1.1. Foundation for the Public Good (Alapítvány a Közjóért)**

With the Magyar Nemzeti Bank as its sole founder, the Foundation primarily seeks to provide social and humanitarian support for natural and/or legal persons, based on individual applications as well as tenders it has announced.

#### **2.2.1.2. Money Compass – Foundation for Financial Awareness (Pénziránytű Alapítvány)**

With the purpose of enhancing the financial literacy and awareness of the Hungarian public, the Foundation was established in 2008 by the Magyar Nemzeti Bank in collaboration with the Student Loan Centre and the Hungarian Banking Association. In April 2010, it merged with the Self-Provision Foundation (Öngondoskodás Alapítvány), a non-profit organisation with a similar mission established by the Budapest Stock Exchange.

#### **2.2.1.3. Foundation for Business Administration Training in Transdanubia (Dunántúli Üzemgazdász Képzésért Alapítvány)**

Established by the Zalaegerszeg Institute of the College of Finance and Accounting in 1990, with the Magyar Nemzeti Bank joining the same year, its objective is to raise the quality of education in finance, accounting and business management.

#### **2.2.1.4. The Miklós Riesz Foundation**

Founded by the Magyar Nemzeti Bank and 16 credit institutions, the Foundation seeks to promote the educational and research endeavours of Budapest-based degree programmes in finance and economics.

#### **2.2.1.5. Do, Create and Enrich! Foundation (Hass, Alkoss, Gyarapíts Alapítvány)**

The Foundation was established by the Magyar Nemzeti Bank in cooperation with VEGYÉPSZER RT. with the intention of facilitating the training and continuing education of professionals in line with international requirements and the demands set by Hungary's market economy.

#### **2.2.2. Pallas Athena Foundations**

In parallel with reviewing and redefining its social responsibility objectives, the Magyar Nemzeti Bank also considers it timely and necessary to reorganise all foundations created before 2014, as well as to establish the Pallas Athena Foundations as a means of providing an organisational structure for implementing its priority goals, particularly the Public Thinking Programme.

##### **2.2.2.1. Pallas Athena Domus Animae Foundation (PADA)**

Established by the Magyar Nemzeti Bank, the Foundation seeks to create a scientific workshop which, in accordance with the demands of the 21st century, offers modern training approaches and ensures an outstanding level of quality in education and competences, thereby providing a forum for economists and finance professionals of future generations.

The Foundation is scheduled to move its operations to the old Buda Town Hall, a protected landmark building located at Úri utca 21 in Budapest's 3rd District. Once renovated, it will house an English-language PhD school and an exhibition hall.

Key objectives of the Foundation are to:

- support the training of economists and finance professionals, and promote research programmes in economics, finance and interdisciplinary studies;
- embrace and develop arts, education and science through the establishment of institutional, financial and social frameworks allowing for the creation and/or implementation of higher education institutions and other related institutions and endeavours;
- develop educational activities, create and support research facilities;



- provide professional and financial assistance for higher education institutions and related scientific organisations;
- facilitate and support collaboration with similar organisations in Hungary and abroad, while also operating joint projects, programmes and institutions, thereby strengthening Hungary's international relations in education and research;
- ensure education, competence development and the spread of information.

In order to meet its objectives, the Foundation:

- engages in fundraising efforts, establishes and operates the necessary institutions and conducts promotional and advertising activities;
- operates auxiliary organisations facilitating its key objectives;
- liaises with foreign organisations supporting its goals;
- implements and maintains scholarship and guest lecturer schemes and, by providing the relevant material resources, ensures that the Foundation's donated assets are put to good use;
- engages in organisational, development and research activities with the training and continuing education of economists and finance professionals in mind;
- organises and supports seminars and lectures;
- develops various training programmes;
- facilitates and provides financial assistance for the publication of scientific literature, textbooks, journals and other materials;
- creates a reference library and promotes the procurement and availability of foreign scientific literature and journals (primarily for participants of training courses);
- constructs and implements research programmes;
- participates in Hungarian and international tenders and funding programmes;
- promotes the enhancement of public financial literacy and awareness;

- contributes to improving the financial awareness of individuals, thus enabling them to make sensible and informed financial decisions;
- helps disseminate knowledge on the operation and institutions of the financial system to a broader audience;
- endorses efforts aimed at improving the technical conditions of financial education; and
- advocates the continuing education of finance instructors, college and university teachers and professionals involved in training, both in Hungary and abroad;
- invites foreign experts to participate in Hungarian finance education;
- provides support for the programme's most successful students to gain experiences abroad.

*Detail of an Art Nouveau style balustrade*



### **2.2.2.2. Pallas Athena Domus Scientiae Foundation (PADS)**

Established by the Magyar Nemzeti Bank, the Foundation is set to conduct its operations in the building located at Kálmán Imre utca 20 in Budapest's 5th District. Once renovated, it will serve as the venue for training courses offered to economic and finance professionals.

The goals of the Foundation are as follows:

- support and facilitate the training and development of economic and finance professionals, particularly those involved in banking;
- promote and advance the development of education in economics and the organisation of banking seminars, as well as accredited programmes, internationally accredited courses and trainings in connection with the management of EU-funded grants;
- publish books, journals and other forms of professional literature on credit institutions;
- promote and support collaboration with similar organisations in Hungary and abroad while also operating joint projects, programmes and institutions.

In order to meet its objectives, the Foundation:

- engages in fundraising efforts, establishes and operates the necessary institutions and conducts promotional and advertising activities;
- operates auxiliary organisations facilitating its key objectives;
- liaises with foreign organisations supporting its goals;
- engages in organisational, development and research activities with the training and continuing education of economists as well as banking and finance professionals in mind;
- organises and supports seminars and lectures;
- develops various training programmes;

- facilitates and provides financial assistance for the publication of scientific literature, journals and other materials;
- creates a reference library and promotes the procurement and availability of foreign scientific literature and journals (primarily for participants of training courses);
- constructs and implements research programmes;
- promotes the enhancement of public financial literacy and awareness;
- contributes to improving the financial awareness of individuals, thus enabling them to make sensible and informed financial decisions;
- helps disseminate knowledge on the operation and institutions of the financial system to a broader audience;
- endorses efforts aimed at improving the technical conditions of financial education; and
- advocates the continuing education of finance instructors and professionals involved in training, both in Hungary and abroad;
- invites foreign experts to participate in Hungarian finance education;
- provides support for the programme's most successful students to gain experiences abroad;
- supports the professional endeavours of colleges for advanced studies and other student associations.

### 2.2.2.3. Pallas Athena Domus Concordiae Foundation (PADOC)

As its primary objective, the Foundation intends to support and develop economics education beyond Hungary's borders, particularly within the Carpathian Basin.

Rather than strictly a national policy interest, taking an active role in cross-border Hungarian economics education is also of economic importance. Over the long run, supporting and improving the quality of education, as well as facilitating studying in the home country and enabling students to stay there afterwards contributes to deepening the economic integration of the Carpathian region and, through the development of labour supply, ultimately leads to enhanced competitiveness.

The largest community of ethnic Hungarians outside of Hungary lives in Transylvania. For years now, Transylvanian universities offering their academic programmes in Hungarian have been receiving financial assistance from the Hungarian Government – an endeavour in which the Magyar Nemzeti Bank, having recently expanded its scope of competence and range of objectives, also seeks to participate. At present, the Sapientia Hungarian University of Transylvania in Miercurea Ciuc and Oradea-based Partium Christian University have access to Hungarian state funding for economics courses taught in Hungarian. The two institutions already have approximately 1,000 undergraduate and graduate students combined.

In order to meet its goals, the Foundation wishes to forge a closer professional collaboration with the institutions involved, thereby enabling students enrolled in these programmes to acquire the most competitive skills and knowledge possible. As another important aspect of Hungary's prevailing national policy, it must be stressed that these students should be given the opportunity to put their acquired knowledge to work without having to leave their home country. To that end, resources should be allocated so as to complement or enhance the standards of existing programmes in economics, and then provide assistance in designing prospective additional courses from the bottom up.

The Magyar Nemzeti Bank and its colleagues have already been involved in previous educational collaborations. Central bank personnel have taught several courses in the economics programmes at Budapest's Corvinus and ELTE Universities – prior experiences can therefore guarantee direct knowledge transfer. Moreover, the Magyar Nemzeti Bank has a very extensive network of contacts both in Hungary and abroad, which can also be utilised as part of the collaboration. A scholarship arrangement intended for university students in Transylvania might be seen as another possible form of cooperation, providing assistance for students, whereas internship programmes could even allow for reaching out directly to students. Additional yet simple vehicles of support include the donation of grants to higher education institutions for mutually declared purposes.

#### **Dimensions of collaboration:**

##### **Collaboration at the undergraduate level**

At the undergraduate level, Bachelor's programmes in general economics are intended to provide tomorrow's professionals with widespread knowledge in fields such as economic development, economic policy, legislation and enforcement, as well as sustainable development strategies. Upon completing a core curriculum of



*Statue of Pallas Athena decorating the MNB's building in Buda Castle*

three semesters, students opting for general economics can acquire in-depth knowledge by selecting a specialisation in management or business law and economics. In the course offering of the general economics programme, a number of courses can be identified in which the Magyar Nemzeti Bank could be actively involved, be it in teaching or curriculum development.

#### **Collaboration at the graduate level**

A Master's programme leveraging the Magyar Nemzeti Bank's expertise would certainly add to and complement the diverse pool of Hungarian-language courses offered by Transylvanian universities at the graduate level. Determining its main fields of study would naturally have to be preceded by a survey of demand for labour and among students; nevertheless, a graduate degree in applied economics, banking and finance or risk management and actuarial sciences would certainly be regarded as marketable both on the Romanian job market and at an international level. If, in the context of a collaboration with a university of international acclaim, courses were offered both in English and Hungarian, it would enhance the reputation of the Master's programmes even further.

#### **Doctoral school**

With a successful long-term collaboration in mind, establishing a Transylvania-based doctoral school in an economics-related discipline might become necessary later on, in order to serve the needs of students holding appropriate graduate degrees and seeking to work in academia.

#### **Library development**

As far as Hungarian-language programmes in Transylvania – both existing and prospective – are concerned, providing faculty and students with access to the latest literature and journals is exceptionally important. As part of a joint collaboration, a library development programme must be implemented, as it is indispensable for both study and research purposes.

#### **Collaboration with colleges for advanced studies**

With the enhancement of knowledge and skills as their intended purpose, colleges for advanced studies typically seek to facilitate the exchange of experiences and opinions between students, alumni, college faculty and external professionals. It is within this area that collaboration could be brought to fruition the fastest. By organising evening seminars, discussions or perhaps even summer camps and “open universities”, Magyar Nemzeti Bank personnel could become involved in the academic life of students. In addition, opening up in this direction would also provide an excellent opportunity for the Magyar Nemzeti Bank to get the message of its efforts across to a wider audience, as well as to prepare other avenues of collaboration.

#### **Reinforcing professional dialogue, conference planning**

With active professional and financial support by the Hungarian central bank, prospective conferences and debates could have as their main goals the dissemination of financial knowledge and information on educational projects and the facilitation of professional dialogue. Besides its significant professional presence in Hungary, the Magyar Nemzeti Bank could also hold conferences at Transylvanian universities on topics such as financial awareness, monetary policy, global economic trends and banking markets.

#### **Internship programme**

Students enrolled in appropriate undergraduate or graduate programmes at Transylvanian universities could be offered internships with the Magyar Nemzeti Bank, whose business areas are well-suited for students to improve their skills and gain first-hand insights into the workings of a modern central bank. The internship programme could also be extended so as to allow interns to obtain experience elsewhere – be it in public administration or at large Hungarian or multinational corporations – with the Magyar Nemzeti Bank facilitating this.

### **Scholarship programme**

Students at Transylvanian universities would enjoy significant relief if the Magyar Nemzeti Bank also provided financial assistance in their academic advancement. That said, a scholarship programme must be devised, preferably in a performance-based scheme, in order to provide students in select programmes with adequate financial incentive to study at these universities. Actual amounts of financial assistance must be determined so as to match those available in similar programmes.

Long term objectives:

In addition to its direct collaboration with universities in Transylvania, the Foundation may have additional goals and programmes there. However, while partnering with local universities is indeed possible, meeting these goals is essentially the Foundation's task.

### **Research grant programme**

In addition to supporting active students, there is also a need for a programme assisting local professionals in their research endeavours. Such grants could be intended to provide funding for analyses and summary papers that, while important for the economic and entrepreneurial life of the Hungarian people, also carry a significant added value in this regard.

### **Teachers' training programmes**

As a long-term objective, the Foundation intends to provide training courses for faculty members teaching in economics programmes. To that end, teachers in both secondary and tertiary education must be given access to the latest findings and theories in economic research, so that these can be incorporated in the respective curricula as appropriate. This could be made possible in the form of training courses and also by financing the stay of highly experienced Hungarian and international lecturers in Transylvania for an extended period which, given their involvement in the local professional scene, could yield a more pronounced impact.

### **Enterprise relations**

It is important that the Foundation reach out to ethnic Hungarian entrepreneurs abroad and assist them in their networking efforts. At the same time, the development of an entrepreneurial culture and managerial abilities is also a priority objective. The contact network thereby established could also be of help for newly graduating students in finding internships or full-time employment.

### **Developing financial literacy**

Students in elementary and secondary education, as well as in university programmes other than economics, do not or only insufficiently receive the knowledge necessary for managing everyday finances. It is therefore important to launch financial awareness programmes at multiple levels, so as to ensure that the required information reaches the intended target audience.

*Lamfalussy Conference Room*



**Broadening international relations**

Contacting and maintaining relations with foreign organisations of similar profile are on the Foundation's priority agenda as far as its effective and internationally recognised operations are concerned. An international network of partner institutes and organisations can help absorb the knowledge they have thus far acquired, while also allowing for the broad dissemination of expertise accumulated at the Magyar Nemzeti Bank. Furthermore, a well-established network also allows for the organisation of high-level international conferences and seminars, and the launching of various international scholarships as well.

**2.2.2.4. Pallas Athena Domus Mentis Foundation (PADOM)**

The goals of the Foundation are as follows:

- to support the training of economists and finance professionals, and promote research programmes in economics, finance and interdisciplinary studies, across Bács-Kiskun County and primarily in Kecskemét;
- to embrace and develop arts, education and science through the establishment of institutional, financial and social frameworks allowing for the creation and/or implementation of higher education institutions and other related institutions and endeavours in Kecskemét;
- to develop educational activities and to create and support research facilities across Bács-Kiskun County and primarily in Kecskemét;
- to provide professional and financial assistance to higher education institutions and related scientific organisations based in Bács-Kiskun County;
- to facilitate and support collaboration with similar organisations in Hungary and abroad, while also operating joint projects, programmes and institutions, thereby strengthening Hungary's international relations in education and research;
- to ensure education, competence development and the spread of information;
- to support, in cooperation with Kecskemét College, the higher education of ethnic Hungarians abroad and the related activities in scientific research and development.

In order to meet its objectives, the Foundation:

- engages in fundraising efforts, establishes and operates the necessary institutions and conducts promotional and advertising activities;
- operates auxiliary organisations facilitating its key objectives;
- liaises with foreign organisations supporting its goals;
- implements and maintains scholarship and guest lecturer schemes and, by providing the relevant material resources, ensures that the Foundation's donated assets are put to good use;
- engages in organisational, development and research activities with the training and continuing education of economists and finance professionals in mind;
- organises and supports seminars and lectures;
- develops various training programmes;
- facilitates and provides financial assistance for the publication of scientific literature, journals and other materials;
- creates a reference library and promotes the procurement and availability of foreign scientific literature and journals (primarily for participants of training courses);
- constructs and implements research programmes;
- participates in Hungarian and international tenders and funding programmes;
- promotes the enhancement of public financial literacy and awareness;
- contributes to improving the financial awareness of individuals, thus enabling them to make sensible and informed financial decisions;
- helps disseminate knowledge on the operation and institutions of the financial system to a broader audience;
- endorses efforts aimed at improving the technical conditions of financial education;
- advocates the continuing education of finance instructors and professionals involved in training, both in Hungary and abroad;
- invites foreign experts to participate in Hungarian finance education;
- provides support for the programme's most successful students to gain experience abroad.

#### 2.2.2.5. Pallas Athena Geopolitical Foundation (PAGEO)

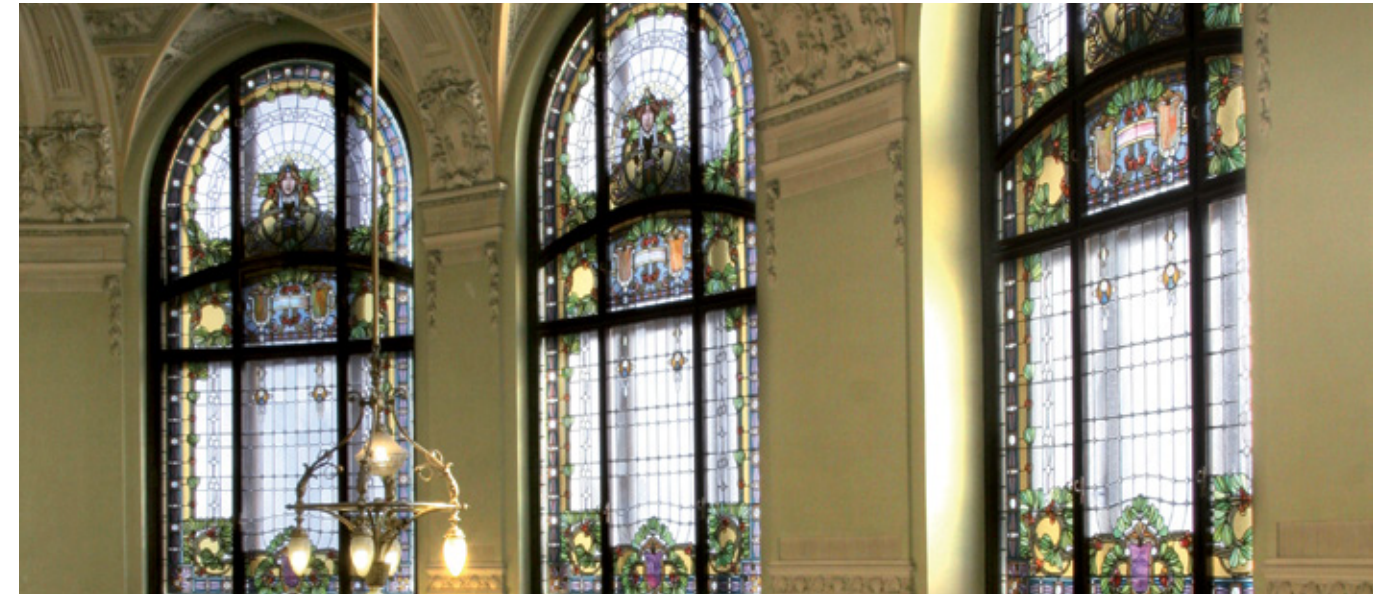
The geopolitical dimensions of economic policy must be reevaluated, in light of the ever faster pace of globalisation in the 21st century, the resulting economic crisis that engulfed the global economy and the changing economic world order.

As its statutory task and without prejudice to its primary objective, the Magyar Nemzeti Bank is to support the economic policy of the Government. In its foreign relations, the Hungarian Government's ambitions in economic strategy call for the targeting of new markets and the establishment of new relations and forums of cooperation, having particular regard to the opportunities in Asia as part of Hungary's opening towards the East. At the national strategy level, it is indispensable for Hungary to redefine its relationship with various economic and political actors of the global stage, especially the countries of the East, while being able to take on a pivotal role in any Central European collaboration as well. The Pallas Athena Geopolitical Foundation can contribute effectively to such efforts through knowledge generation, analyses, and international and scientific partnerships, as well as by stimulating Hungary's geopolitical scene and channelling the latest international results, while also putting these results into use in the Bank's core activity.

Geopolitics as an interdisciplinary field essentially represents the boundary between economics, geography and political science, but at the same time can be considered an analytical system that provides complex interpretations for issues arising within a designated geographic sphere and is able to deliver an intricate response as a solution. It is therefore an important dimension to economic policy, one in which scientific exploration and performance stimulus are of economic importance.

The goals of the Foundation are as follows:

- to promote knowledge generation in geostrategy and geopolitics that, while describing and forecasting global processes and local development, can be used to foster the economic development of Hungary and its regions as well as the broader region;



*Stained glass windows in the stairway by Miksa Róth*

- to facilitate the economic-political application of Hungarian and international findings;
- to advocate and monitor a more in-depth exploration of fields related to geopolitics, such as industry and policy trends, security policy, economic history and urban development;
- to ensure the networked sharing of knowledge and experiences in the given field, encourage collaboration with international geostrategic institutes (think tanks), promote Hungary's participation in international programmes and implement international achievements at home;
- to encourage the training of professionals;
- to establish and invite to Hungary a network featuring the most prominent strategists and experts in geostrategy and geopolitics;

- to facilitate research in economic geography, economic theory and local economics that can be used in economic policy, social management and planning;
- to stimulate professional activity in economic strategy and planning, particularly through support for workshops, research groups and forums;
- to promote publication activity in geostrategic and geopolitical literature, and have international literature published in Hungary;
- to study the correlations between economics, its related fields in social sciences and geography, and geopolitics;
- to establish a research institute for geostrategy and geopolitics with the involvement of workshops.

The Foundation's tools are as follows:

- operating a research institute for geopolitics;
- launching research programmes, funding research in the field;
- awarding research grants to PhD students, professionals and researchers;
- publishing books and supporting other publications;
- organising and supporting international workshops and conferences, inviting the most prominent strategists and experts in geostrategy and geopolitics;
- providing programme-based support for research organisations engaging in geopolitics, geostrategy and economic geography;
- ensuring the opportunity for young geostrategic and geopolitical research organisations to participate at international conferences, workshops and events;
- financing the publication of professional literature, university notes and textbooks;
- facilitating the establishment of an international geostrategic and geopolitical network;

- advocating the deployment of a future-oriented IT system to be used in planning, pre-decision and decision support;
- supporting the initiatives of local responses to global and international challenges.

The Foundation's intended functions are as follows:

- to operate as a think tank (analysis through scientific approach and methodology, strategic counselling, decision assessment, drafting of alternate scenarios);
- to study the impacts of global processes affecting Hungary;
- to voice policy recommendations in connection with strategic measures;
- to engage in partnering relations both in Hungary and on an international level;
- to participate in education and professional training;
- to facilitate research and promote the professional performance of its field.

### **2.3. Enhancing financial consumer protection**

The number of consumers disappointed in financial services and the financial sector has risen substantially since the onset of the financial crisis and in the wake of its consequences. This damages confidence in financial organisations and the financial system, which is essential to the smooth functioning of the financial intermediary system. The confidence crisis and the mass of disillusioned consumers erode the market and undermine the stability of financial markets. Any measure that reinforces trust in the financial system by bolstering fair market conduct also reinforces the interests of the market. Financial consumer protection is one such measure.



The Bank's financial consumer protection efforts aim to ensure that financial service providers employ lawful and fair tools in their dealings with consumers at all times and exhibit responsible and equitable conduct. The Bank also aims to foster the education of consumers to allow them to make informed and prudent decisions when buying financial products and services.

In order to enhance consumer protection, the Magyar Nemzeti Bank has set up a Financial Consumer Protection Centre as part of its organisation, but distinct from its consumer protection authority functions, to help raise financial awareness and enforce consumer rights by spreading knowledge and engaging in active dialogue with consumers, NGOs and financial service providers. The Centre's key objective is to contribute to the emergence of a proactive consumer protection attitude over the short- and long-term, of a conscious consumer society and financial literacy.

Social responsibility tools in the field of financial consumer protection:

- improving the availability of online information, developing product selection tools, creating and running one or several targeted online website(s) and financial navigation tool(s);
- enhancing cooperation with financial consumer protection and general consumer protection NGOs and establishing central bank partnership network;
- supporting the creation of a national financial advisory office network providing free consulting;
- providing sign language interpreters for the deaf and hard-of-hearing financial consumers with the participation of professional interest groups;
- creating accessible microsites to the central bank website for the blind and visually impaired and publication of Braille information pamphlets in cooperation with professional interest groups;
- development of know-how to enable Hungarian micro and small enterprises to access the market, launch ventures and lead successful businesses and the transfer of basic entrepreneurial knowledge in this context;
- hosting and supporting consumer protection events and forms to raise financial awareness;

- fostering the development of financial education;
- announcing the micro and small enterprise award hand-in-hand with entrepreneurial interest groups for entrepreneurs having contributed in an exemplary manner to financial sustainability.

## 2.4. Publications of the Magyar Nemzeti Bank

### 2.4.1. Central bank publications, reports and analyses

#### **Inflation Report**

The Inflation Report is published quarterly in order to enable the public to understand and follow the Bank's policies. It provides a regular presentation of past and expected future trends in inflation, evaluates the macro-economic processes that are key to inflation, and provides a summary of the forecasts and considerations on the basis of which the Monetary Council takes its decisions.

#### **Financial Stability Report**

Published twice a year, this report outlines the standpoint of the Bank regarding developments in the financial system and describes the effect of these changes on the stability of the financial system.

#### **Report on the Balance of Payments**

The primary goal of the Report on the Balance of Payments is to inform market participants about developments in the balance of payments and thus provide deeper insight into the workings of the economy. Developments in external balance are of particular importance

*The interiors of the building were designed by Géza Maróti*



for financial stability, as changes in the balance of payments help draw conclusions about the sustainability of economic growth and the related risks. In addition, analysing the balance of payments enables the early identification of economic issues and the implementation of preventive measures at an early stage.

#### **Report on Consumer Protection and Supervisory Risks**

The Magyar Nemzeti Bank publishes its forward-looking risk report covering both consumer protection and microprudential supervision twice annually. The report presents a brief summary of the risks inherent to the economic, regulatory and technological environment and provides an overview of the consumer and microprudential risks linked to financial products perceived and forecast by the supervisory authority for each sector under supervision.

#### **Report on the Annual Activities of the Financial Arbitration Board**

The Financial Arbitration Board is an alternative dispute resolution forum operating alongside the Magyar Nemzeti Bank and outside the judicial system to handle legal disputes arising from contractual relationships between consumers and financial service providers. Pursuant to the MNB Act, the chairman of the Financial Arbitration Board prepares a summary report on the activities of the Financial Arbitration Board each year and sends it to the governor of the Magyar Nemzeti Bank for approval by 31 January of the following year before publishing the material following its approval. The report sums up developments in the number of claims submitted during the preceding year in a breakdown by financial sector and provides an overview of the efficiency of the Board's operation.

#### **Report on Payment Systems**

Once a year, this report provides a comprehensive review of the trends in payments and the functioning of the overseen payment and securities settlement systems in Hungary, the risks arising, and any measures taken by the Magyar Nemzeti Bank where necessary to maintain the smooth provision of payment services and to facilitate the reliable and efficient operation of the supporting payment and settlement systems.

#### **Interim Report: Report on the Magyar Nemzeti Bank's activities in the quarter under review**

The Interim Report is published twice a year, in April and November, between the annual and semi-annual reporting periods. It gives account of the basic activities of the operating units of the Bank stipulated in the MNB Act, in respect of the first and the third quarters: monetary policy, overview of the financial system, FX reserves, cash transactions, cash logistics activities and statistical changes.

#### **Semi-Annual Report: Report on the Magyar Nemzeti Bank's activities in the half-year under review**

The Semi-Annual Report is published once a year in September. The report is the Bank's business report for the first half of the year.

#### **Annual Report**

Published once a year, this publication presents the Bank's business report on the previous year and its audited annual financial statements.



### **Report on the Magyar Nemzeti Bank's consumer protection authority activities**

The Financial Consumer Protection Centre set up within the Magyar Nemzeti Bank publishes two reports every year, presenting an analysis of consumer claims and requests and providing information to consumers and the general public about its activities. This is supplemented by a summary and statistics on measures implemented in response to consumer complaints, highlighting the efficiency of consumer protection.

### **MNB Occasional Papers**

In this series economic analyses related to monetary decision-making by the Magyar Nemzeti Bank are published. The series aims at increasing the transparency of the monetary policy. Accordingly, in addition to studies describing the technical details of forecasting, the publication also covers the economic issues surrounding the preparatory work of decision-making.

### **MNB Working Papers**

The series discloses the results of analyses and research conducted in the Bank. The analyses reflect the opinions of the authors and may not necessarily coincide with the official stance of the Magyar Nemzeti Bank. Since the autumn of 2005 the series has been available only in English.

### **MNB Bulletin**

In 2013, the eighth issue of the Bulletin was published. The short articles it contains are intended to inform the general public in a comprehensible format about current economic trends and about the findings of research projects in which the Bank is involved.

### **Trends in Lending**

The objective of the publication is to present a detailed picture of the latest trends in lending and to facilitate the appropriate interpretation of these developments. To this end, it elaborates on the developments in credit aggregates, the demand for loans perceived by banks and credit conditions.

### **Public Finance Review**

An expert team of the Magyar Nemzeti Bank conducts regular analyses of fiscal processes in order for the Bank to be able to conduct its tasks relating to the definition and implementation of monetary policy at the highest professional standard. A new publication entitled "Public Finance Review" enables the wider public to familiarise itself with the key findings of expert analyses.

All publications of the Magyar Nemzeti Bank are available on the website of the bank (<http://english.mnb.hu>).

*Reliefs by Károly Sennyey*



### 2.4.2. Hitelintézeti Szemle

Since 2002, the publication *Hitelintézeti Szemle* has been released six times a year with the Magyar Nemzeti Bank's support. This periodical was created to provide a platform for disseminating more streamlined, organised and comprehensive analytical material on the banking sector as opposed to what is featured daily or weekly in print and online press; it thus targets a narrower industry audience. The published pieces include opinions, position statements and academic and practical conclusions aimed at fostering further thinking on events and trends affecting credit institutions and key monetary and macroeconomic developments. The featured studies include forecasts, discussion papers, legal and economic outlooks and present international correlations. Translated articles by foreign authors are also published occasionally. Authors include banking industry professionals and academics from economic disciplines in Hungary primarily, but also include representatives of related domains (enterprise, investment, insurance sectors). The *Hitelintézeti Szemle* has been a Magyar Nemzeti Bank publication since May 2014.

## 2.5. Support for national culture: preserving and generating value

### 2.5.1. Strategic Cooperation Agreements

The Magyar Nemzeti Bank's role in the creation of value for society is also expressed in its strategic cooperation with recognised institutions and organisations of Hungarian cultural life, contributing to shaping social and cultural attitudes through the activities of its cooperation partners. The strategic agreements define the general framework of cooperation among the partners, while individual agreements linked to specific programmes and projects define the conditions for central bank support. The appendix to this document lists the Magyar Nemzeti Bank's strategic partners. In addition, the Bank is open to concluding further partnership agreements with both institutions and individual partners.

### 2.5.2. Depository Programme

In keeping with its economic and social role, the Magyar Nemzeti Bank is committed to the protection of national values and the creation of value, with the express goal of supporting issues of broad social significance; therefore, in the context of its social responsibility strategy, the Bank considers the support of national culture as a priority task.

Within the context of the Depository Programme, the Magyar Nemzeti Bank follows the trends of other European central banks to locate and preserve national and other distinguished art treasures, cultural assets, artistic and inherited values and from these create a collection that receives widespread cultural, artistic and social recognition.

Priority objectives of the Depository Programme:

- value based accountability in the protection of cultural heritage;
- increasing the national stock of art treasures as a social and community investment, creating a central bank collection worthy of artistic and social recognition;
- value creation by presenting the collection and issuing publications and information about the art treasures;
- preserving and enriching artistic values by supporting activities to locate, restore, preserve and display art treasures.



*The Lonely Cedar, a painting by Tivadar Kosztka Csontváry; purchased by the MNB in 1994*

To coordinate the Depository Programme and to determine the authenticity, artistic significance and values of the art treasures, the Magyar Nemzeti Bank has established a Consultative Body.

The members of the Body are:

- the appointed deputy governor of the Magyar Nemzeti Bank as president of the Body;
- the director of the Hungarian Museum of Fine Arts;
- the director of the Hungarian National Museum;
- the director of the Hungarian National Archives;
- independent art historians commissioned by the Magyar Nemzeti Bank.

The Consultative Body operates based on the operating and accessioning rules established by the Bank's board of directors to ensure the required expertise, legal grounds, transparency and the completion of the objectives laid out in the programme.

Artworks are acquired in the context of the Depository Programme after expert valuation.

### 2.5.3. MNB Club

In May 2013, the Magyar Nemzeti Bank launched an event series entitled "MNB Club" to host prominent figures in Hungary.

The priority objectives of MNB Club evenings are:

- value preservation – discovering, showcasing and highlighting the importance of Hungarian cultural, natural, economic, technological and other values;
- value creation – discussion and common thinking based on the constructive exchange of experiences to foster the creation of more inspiring ideas and outstanding achievements;
- value communication – showcasing successful and exemplary Hungarian trajectories and stories and applying the lessons learned to other areas of life, and to provide a platform for exemplary meetings.



*Lecture at an event organised by MNB Klub*

### 2.6. Charity

In line with the stipulations defined in the rules of procedure of the Knowledge Dissemination and Support Committee, it provides support for the following objectives:

#### • **educational support:**

- primarily supporting education for succession planning among economists;
- supporting the work of colleges for advanced studies, primarily in the field of macroeconomic, financial and econometric studies within such colleges and linked to higher education;
- supporting talented students in higher education and postgraduate courses.

- **providing support and organising events:**
  - supporting academic events and conferences in economic domains organised by or in cooperation with Hungarian or foreign higher education institutions offering instruction in Hungarian and academic institutions, or such events held abroad.
- **academic and industry journals, support for academic and industry organisations:**
  - supporting journals showcasing primarily monetary, macroeconomic and economic policy developments, forecasts, trends, discussion papers, legal and economic outlooks and the international correlations at an academic level or for the general public, at a high professional standard;
  - supporting the dissemination of financial and economic knowledge, fostering professional public life, especially by supporting academic and professional organisations organising presentations, courses, industry debates, conferences, summits, roving conferences.
  - professional support for the dissemination of financial knowledge:
  - supporting activities aimed at developing financial literacy and financial knowledge, experience and awareness of the population, especially for younger generations;
  - support for travel expenses for educational institutions seeking to visit the Visitor Centre of the Magyar Nemzeti Bank.
- **charity and welfare support, in particular:**
  - support for disadvantaged groups, the improvement of equal opportunities and assistance in emergencies through support;
  - support for professional programmes and organisations aimed at assisting large families and providing incentives for childbirth;
  - supporting trade union members and retired employees through donations and by providing the background for events through the Trade Union Committee;

- supporting welfare and community events for the Bank's staff members and retired employees;
- supporting the sports group.
- **cultural support:**
  - support for national cultural institutions;
  - supporting contemporary artists and the creation of contemporary art;
  - supporting exhibition venues and the organisation of exhibitions of note;
  - restoring, preserving and showcasing national cultural values;
  - supporting the protection of cultural heritage.

*The Bank's employees can do sport in 17 sections*



## 2.7. Social responsibility related to the Bank's internal operation

### 2.7.1. Human resource management

The core concept of the MNB's human resource management is that employees, as the number one factor in any corporate success, are not simply resources but also represent value. Therefore, the Magyar Nemzeti Bank considers human resource management as a strategic value for efficient and effective operations, and assumes responsibility for its employees.

The Magyar Nemzeti Bank

- pays special attention to having its organisational units meet and manage the needs for improvements in internal operation and corporate culture based on the external environment, the challenges of the future and the Bank's internal objectives;
- aims to establish and maintain an organisational culture that encourages employee cooperation and a sense of ownership with regards to organisational objectives;
- operates a simple, transparent and an equitable remuneration system that differentiates according to individual contributions to the fulfilment of organisational objectives, job groups and performance, applies the principal of "equal pay for equal work";
- endeavours to support its employees using fringe benefits, a system of support and aid and other welfare services.
- supports maternity and child-raising;
- provides assistance to alleviate the burdens of family emergencies;
- offers low interest rate loans to its employees to support their plans to start their families, buy their homes or take out loans for other purposes.



*Gilded column head in Neo-Gothic style*

- provides voluntary pension fund support options to its employees, allowing them to take steps during their active years to found their financial security in retirement;

- offers cultural services over and above compulsory healthcare services to its employees, takes out group life and accident insurance for its staff, and supports exercise for maintaining a healthy lifestyle;
- considers it important to see its employees maintain their health, as healthy workers perform better and more efficiently; it therefore provides free screening exams to mitigate healthcare risks and providing quick and complex care;
- provides the opportunity for daily exercise to its staff within sporting groups, supports such groups and specialised divisions;
- supports retired employees through donations and by providing the background for events through the Trade Union Committee.

### **2.7.2. Professional internship scheme**

The Magyar Nemzeti Bank maintains an internship programme and supports knowledge transfer. The internship programme is designed to help students of higher education to gain experience, graduates to find jobs and to ensure a steady supply of qualified professionals. Within the context of its internship programme, the Magyar Nemzeti Bank undertakes to

- employ students of higher education or fresh graduates,
- cooperate with contracted partner institutions of higher education as part of the dual training system to offer students the opportunity to gain work experience at the Magyar Nemzeti Bank
- receive contracted students during their practical training period and, if applicable, support their training and work experience with scholarships.

### **2.7.3. Volunteering**

The Magyar Nemzeti Bank is committed to supporting responsibility in promoting social goals and values in both individuals and among its staff. The Bank considers volunteering by its own staff and their family members as part of its social value creation and also a main element in forging a sense of community among its employees. With this in mind, the Magyar Nemzeti Bank supports and promotes volunteering and charity initiatives by its employees with its own set of tools.

These volunteering efforts complement the Magyar Nemzeti Bank's own charity activities. Volunteering consists of individual and group volunteering activities. Within the context of individual volunteering activities, employees participate in the volunteering programmes of appropriate and credible organisations recommended by the Magyar Nemzeti Bank based on their individual motives. Group volunteering – also incorporating team-building elements – takes place two to three times each year as part of environmental protection or settlement development schemes, focusing on the implementation of a specific project.



*Voluntary blood donation in the Magyar Nemzeti Bank*



The Magyar Nemzeti Bank's Charity Group is an example of organisation within the Bank and internal partner for volunteering activities. The objective of the Charity Group, established as a community of employees on a voluntary basis, is to organise and foster volunteering activities, in particular:

- helping children in need;
- helping persons living with disabilities;
- helping families;
- helping the sick;
- helping the disadvantaged or homeless;
- helping poverty-stricken settlements and social groups;
- environmental development, enhancement and protection;
- culture and community-building.

In order to implement its goals, the Charity Group:

- organises collection campaigns among staff members, especially during Easter and Christmas and linked to holidays;
- helps grant support for institutions and institutionalised charitable initiatives;
- initiates and coordinates activities aimed at charity or implementing social objectives and preserving community values that bank employees can contribute to through volunteering;
- collects donations of money or goods among the bank employees;
- organises charitable community and cultural programmes;
- provides regular information to bank employees on charitable responsibility, participation in donations and other voluntary activities and any related further opportunities.

## 2.8. Environmental policy and objectives

The Magyar Nemzeti Bank is committed to implementing environmentally conscious operation and adopted an Eco-Management and Audit Scheme (KÖVHIR) in 2011 that goes beyond the statutory requirements. This management scheme provides a framework for the ongoing monitoring of the Bank's environmental performance and fosters its continuous improvement. The system is based on Regulation (EC) No 1221/2009 of the European Parliament and of the Council stipulating the following main requirements:

- creating an Environmental Policy that provides the framework for setting the principles for taking action in the domain of environmental awareness as well as defining the main direction of environmental performance;
- continuously compiling and analysing key data and information on developments in environmental performance;
- formulating public commitments aligned with the three-year cycles and performing annual reporting on such by completing the environmental statement;
- creating an environmental protection programme supporting the viability and feasibility of the commitments and their attainment.



*Family Day organised by the MNB*

Based on its general institutional responsibility for the natural and built-up environment aimed at sustainability, the Magyar Nemzeti Bank strives to develop exemplary and leading practices in the area of environmental protection, and accordingly it

- applies modern and internationally recognised environmental practices,
- operates an environment-focused environmental management system based on Regulation (EC) No 1221/2009 of the European Parliament and of the Council (EMAS Regulation – Eco-Management and Audit Scheme);
- fully complies with its environmental legal obligations and, as permitted by the available capacities and sets objectives that go beyond them;
- strives to minimise the environmental pollution caused by its operation;
- regards continuous development of environment-conscious operation and the exploration and application of new opportunities as a priority;
- operates programmes setting an institutional example and increasing the Bank's social prestige;
- encourages employee environmental consciousness and environmental responsibility and draws attention to environment-friendly alternatives for commuting to work.

The framework for identifying and evaluating environmental goals and objectives is provided by the Eco-Management and Audit Scheme established on the basis of the EMAS Regulation. This framework is used to identify and evaluate the relevant environmental factors of the Bank's operation.

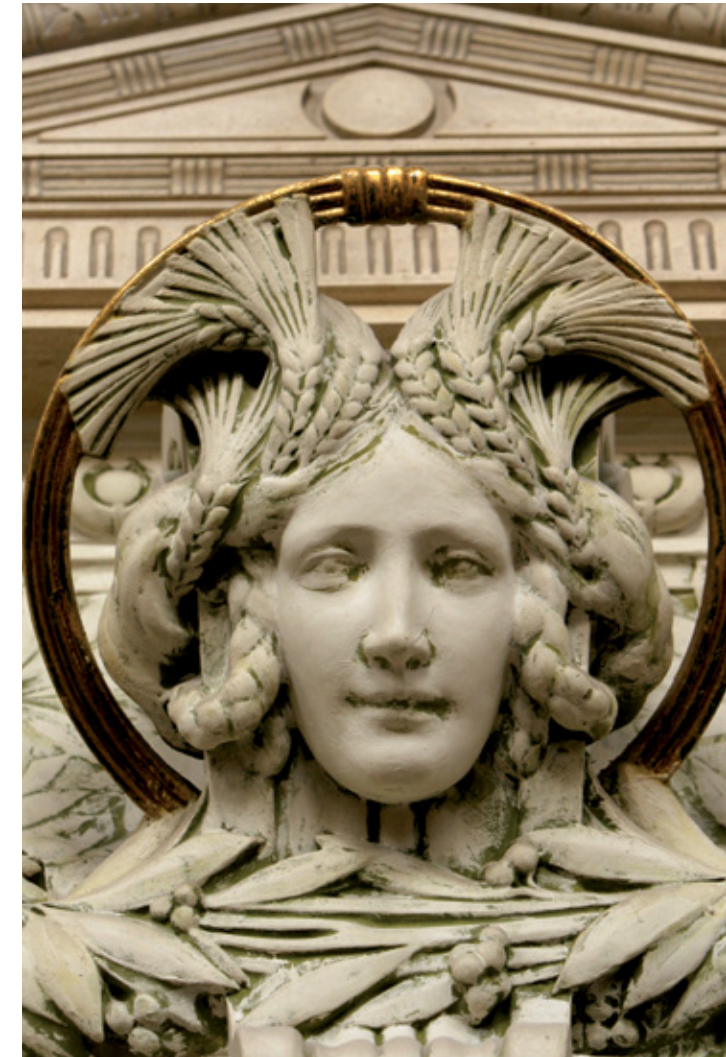
The key objectives of the environmental protection strategy:

- environmentally-focused development of the Bank's building based on the BREEAM In-Use scheme;

- further development of the cash supply chain based on environmentally aware criteria, examining the opportunities for implementing "greener" cash production;
- developing the Eco-Management and Audit Scheme (KÖVHIR), obtaining the EMAS certification for its premises;
- extending the Eco-Management and Audit Scheme to additional agents in the cash supply chain and subsidiaries involved in cash production.

Core elements for improving the Magyar Nemzeti Bank's environmental performance:

- boosting energy efficiency, decreasing energy consumption, introducing renewable energy sources, fostering energy awareness (shaping attitudes);
- decreasing noise, dust, and carbon dioxide pollution;
- installing water-efficient equipment and a signalling system for leakage;
- implementing modern waste management, decreasing office waste, decreasing waste transportation costs and developing green waste management;
- fostering the use of environmentally-friendly means of transportation among employees.



*Female head with wheat wreath by Géza Maróti*

## 2.9. Monument protection

Since its construction, the Magyar Nemzeti Bank's central building located at Szabadság tér has been a symbol and expression of the Bank's significance, social recognition and Hungary's economic sovereignty. The building, a historical monument, is located on an emblematic world heritage site and symbolises stability and continuity, originally built for the Austrian-Hungarian Bank and housing the central bank for over a century.

The Magyar Nemzeti Bank firmly believes that the buildings of the central bank must reflect its fundamental values and serve as an example of a modern workplace, open to innovative solutions and environmentally conscious. The building must express the nature of the central bank as a key national institution.

Therefore, the Magyar Nemzeti Bank wishes to set an example not only in its core activities, but also in the field of monument protection under the aegis of social responsibility. A key element is the preservation of built and natural heritage, which includes the preservation and modern renovation of the central historic monument building. The 110th anniversary of the building, constructed based on the tender designs of Ignác Alpár and completed in 1905, in 2015 will be the perfect occasion for this project.

### 2.9.1. Fundamental values

- The Magyar Nemzeti Bank regards the protection of the historical monument's environment and building as a priority, protecting the value and works created by its predecessors.
- The Magyar Nemzeti Bank strives to decrease the ratio of outsourcing and conducts building operation tasks using its own resources when feasible in a cost-efficient manner.
- The objective of property management is to operate buildings based on unified principles in a transparent, effective and cost-efficient manner while preserving their value and condition, managing their use or increasing them to create value, or alienating properties when warranted.

- The Magyar Nemzeti Bank measures effectiveness and efficiency in terms of its properties based on the implementation of the objectives defined for improving the condition and utilisation of buildings, the reduction of operating costs and risks and the improvement of quality, in the form of achieving the success criteria. The organisation tasked with operating services fulfils investment, renovation and transformation needs taking into account demand, purposefulness, feasibility and cost-effectiveness.

*Night of Museums*



### **2.9.2. Criteria of social responsibility success regarding the operation of property**

The Magyar Nemzeti Bank

- treats the preservation of historical monument value as a priority;
- makes efforts and implements measures aimed at boosting energy efficiency, decreasing energy consumption, introducing renewable energy sources, and fostering energy awareness;
- has set the objective of improving the usage efficiency (utilisation) of the buildings housing the central bank in the context of use and renovation;
- strives to keep the divergence between the planned and actual useful life of the structures, systems and equipment installed during planned renovations below 20% on average;
- strives to improve the measured and audited values for its buildings under the BREEAM In-Use scheme.

The Magyar Nemzeti Bank's corporate social responsibility strategy defines the main directions to be followed in the field of financial culture and literacy and the development of economic and social thought serving as the basis thereof, in the field of value creation, the preservation of national values, intellectual and cultural heritage, and the transmission of values. In addition, the Magyar Nemzeti Bank remains open to representing even more values, and therefore reviews its corporate social responsibility activities every year, adjusting it to the prevailing community and social needs as necessary.

# 3

## APPENDIX: THE MAGYAR NEMZETI BANK'S STRATEGIC COOPERATION PARTNERS

### Hungarian Economic Association

*Support objective: value creation in economics*



The Hungarian Economic Association is the oldest and most prominent organisation for Hungarian economists, involved in dissemination of economic knowledge, development of professional life and representation of the general interests of economists. It does so by hosting various forums: presentations, courses, professional debate, summits and roving conferences.

The Hungarian Economic Association is one of the oldest professional-academic associations in Hungary, and was one of the first of its kind on the European continent. It was founded on 27 May 1894 to research options supporting the development of the national economy; Since its establishment, the association has been one of the key platforms for economic debate going beyond the narrow discipline.

The association puts strong emphasis on representing both theory and practice, research and education, the public and the private sector, financial institutions and the media. The association has local organisations in every county across Hungary, and more than a dozen specialised divisions operating in Budapest with nationwide scope.



*Budapest Opera House building*

### Hungarian State Opera – Erkel Theatre

*Support objective: supporting national culture – preserving and generating value*



The Hungarian State Opera is the only theatre in Hungary with its own large company dedicated to opera and ballet. The State Opera is not only one of the Budapest's most prominent historical monuments, but also the premier institution of Hungarian opera with a history of over 300 years, a symbol of Hungary's classical musical culture. The Erkel Theatre was an independent institution until 1951, when it was merged with the Hungarian State Opera, the latter being unable to meet audience demand. The theatre was reopened on 1 March 2013 as a sister institution to the State Opera. Supporting the creative and value-preserving work of the Hungarian State Opera and the Erkel Theatre is an important social interest.

### **Museum of Fine Arts**

*Support objective: supporting national culture – preserving and generating value*



The Museum of Fine Arts is the largest art collection in Hungary and has a rich history spanning several centuries. The museum's collection was created by merging the collections of prominent aristocratic Hungarian families and churches. The museum's building and the institutionalised form of the collection was inaugurated on 1 December 1906.

The museum showcases universal art history, with special emphasis on all eras of European applied arts. In addition, certain artworks not transferred to the Hungarian National Gallery and representing key pieces of Hungarian art history have remained at the Museum of Fine Arts.

The museum building itself is part of historical heritage and is one of Budapest's World Heritage sites. The building was erected in the early 1900s in the neo-renaissance and neo-classicist style based on the designs of Albert Schickedanz and Fülöp Ferenc Herzog.

### **National Theatre**

*Support objective: supporting national culture – preserving and generating value*



The new National Theatre was inaugurated on 15 March 2002 and rose to the status of a national symbol. As enshrined in its statute, the National Theatre aims to maintain traditions and pay due respect to the conveyors of Hungarian and universal drama and the art of theatre in a form worthy of the institution's significance.

### **Liszt Ferenc Academy of Music**

*Support objective: supporting national culture – preserving and generating value*



The Liszt Ferenc Academy of Music is the main institution of musical education in Hungary and also a premier venue for classical music. Its primary mission is to form creative and performing artists, alongside teachers able to engage in performing arts, creative endeavours and musical studies in the Hungarian or international musical scene, musical education within schools or the church based on their possession of universal and national culture, specifically musical culture and their musical qualifications and vocational skills.

### **Liszt Ferenc Academy of Music, Department of Folk Music**

*Support objective: preservation of social values*

The Department of Folk Music at the Liszt Ferenc Academy of Music, headed by Pál Richter, aims to form highly qualified performers with a comprehensive knowledge of the folk music repertoire sustained by word of mouth in Hungarian-speaking regions and among neighbouring ethnic groups within the Carpathian Basin, with the skills to authentically reproduce such music, and thus preserve Hungarian folk music traditions.

### Palace of Arts

*support objective: supporting national culture – preserving and generating value*



The Palace of Arts is Budapest's youngest cultural institute, a multifunctional building capable of meeting all the demands of the 21st century. The Palace of Arts is a venue where three different artistic disciplines converge: music, visual arts and theatre. Its exhibition spaces, concert hall and theatre hall function independently and curate their own programmes.

The Palace of Arts hosts the Hungarian National Philharmonic Orchestra, Choir, and Music Library, the Ludwig Museum and the National Dance Theatre.

### Budapest Music Centre

*support objective: preservation of social values*



The Budapest Music Centre (BMC) was established in 1996 to create a musical information centre that brings together information on Hungarian classical and jazz musicians and contemporary musical works, and also provides international access to this information. Since March 2013, the institution occupies new, state-of-the-art headquarters located at the heart of Budapest's cultural and educational district.

The Budapest Music Centre hosts courses for young musicians and composers as well as the International Eötvös Institute. The rooms and event halls are suitable for hosting international courses spanning several weeks, industry events and summits. The Hungarian Musical Information Centre and Library located in the building provides free access to musical collections.

The International Eötvös Institute Foundation engages in the further training of young conductors and producers with the participation of world-renowned artists, and is also housed in the Budapest Music Centre's building.



*Sold-out show in the concert hall of the Palace of Arts*

### Tiszatáj Foundation – Tiszatáj literary journal

*Support objective: preservation and creation of social values*



The journal was created to showcase ethnographic research and promote traditional ethnic values of the Great Hungarian Plain through presentations and publications. The journal is the oldest literary journal still in publication today; its first issue was published on 8 March 1947. It showcases both local literature, contemporary literature in Hungary and the literature produced in neighbouring countries in Hungarian.

### **Kecskemétfilm**

*Support objective: preservation and creation of social values*



The Kecskemét-based film studio was founded in 1971 and is currently Hungary's leading animation film studio. It boasts a repertoire of over 250 films and has won over 50 awards at various international film festivals. The studio also produces short films, series, educational features and advertisements alongside animation. The company established a scholarship in 1983 to allow the exchange of knowledge and experience among Hungarian and international talent. Kecskemétfilm Kft. also regards succession planning as a key area, and has contributed to the creation of an animation department at a Kecskemét secondary school.

### **Rajk László College for Advanced Studies**

*Support objective: active participation in creating economic value*



The Rajk László College for Advanced Studies is both Corvinus University's and Hungary's oldest standing college for advanced studies. The college provides educational opportunities beyond university courses in the field of economics and other social studies. The Rajk László College for Advanced Studies has particularly contributed to the establishment of similar institutions both in Hungary and abroad, including the Bibó István College for Advanced Studies in Budapest and the Mikó Imre College for Advanced Studies in Cluj-Napoca.

The college was created to foster talent and provide further opportunities for education beyond the university. The college operates in symbiosis with Corvinus University, but as an independent, democratic organisation.



*Animated cartoon made in the film studio at Kecskemét*

### **Kecskemét College**

*Support objective: active participation in creating economic value, pioneering practice in environmental protection*



The college was established in its current form on 1 January 2000 with the merger of several higher education institutions located in Kecskemét. Kecskemét College is a public higher education institution with three faculties: the Faculty of Mechanical Engineering and Automation, the Horticultural Faculty and the Teacher Training Faculty.



As the largest college of the Southern Great Hungarian Plain, it has implemented several large-scale developments in both education and infrastructure.

Between 2009 and 2012, nearly HUF 6 billion in EU funding and HUF 2 billion in own contributions were channelled into developments at the college in order to reinforce its role as a regional knowledge centre.

### **Amadeus Art Foundation**

*Support objective: charity and preservation of social values*



The Amadeus Art Foundation was established in 1993 with the specific aim of supporting the tradition of performing arts and fine art in Hungary and to foster talent in these areas. The Foundation offers scholarships, honorariums and platforms for showcasing their work, hosts competitions, artistic courses, camps and exhibitions, and even undertakes complete management. Since the 2009 the Foundation has been the strategic partner of the Hungarian University of Fine Arts.



### **Three Princes, Three Princesses Movement**

*Support objective: preservation and creation of social values*

The Three Princes, Three Princesses Movement aims to create conditions that foster child-bearing in Hungary in line with plans among the country's youth. The Demography Roundtable (Népesedési Kerekasztal) is an integral part of the movement, established by former president of the Hungarian Academy of Sciences, Dr József Pálincás, to found broad social cooperation in order to improve the demographic situation.

### **Csodalámpa Wish Fulfilling Foundation**

*Support objective: preservation and creation of social values*



The Csodalámpa Wish Fulfilling Foundation was set up to fulfil the wishes of severely sick children in order to give them an unforgettable experience and help them deal with the difficulties of disease. Since its establishment in 2003, the foundation has fulfilled over 2,000 wishes with the help of generous volunteers and companies.

### **Central European Neurosurgery Foundation**

*Support objective: preservation and creation of social values*

The Central European Neurosurgery Foundation was established in 2008 with the intention of developing child and adult neurosurgery within the Central European region by improving surgical equipment, offering training for professionals and funding for neurosurgery research.



*Wish fulfilled through the Magic Lamp Foundation*

### **Városmajor Foundation for Cardiovascular Disease**

*Support objective: preservation and creation of social values*

The Városmajor Public Benefit Foundation was established by Semmelweis Medical University's Clinic of Vascular and Cardiac Surgery to support the university's educational, healthcare and research endeavours. The foundation's core task is to provide healthcare for cardiovascular patients, using mainly invasive (such as the implantation of catheters, stents, angioplasty and open-heart or vascular surgery) methods.

### **Képmás family magazine**

*Support objective: preservation and creation of social values*

Képmás Magazin is a one-of-a-kind monthly magazine in Hungary targeting mothers espousing traditional European values with higher or secondary school education. The magazine was recognised in 2006 by the National Association of Large Families for the showcasing and consistent representation of family values. The magazine offers tips for the day-to-day issues and decisions faced by families.



### **Other cooperation opportunities**

In addition to the above, the Bank is open to concluding further partnership agreements with both institutions and individual partners.



*Department for Vascular and Cardiac Surgery*

# 4

## APPENDIX: PALLAS ATHENA FOUNDATIONS TENDERS

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The Magyar Nemzeti Bank established the Pallas Athena Foundations to foster the development of Hungarian economic and financial culture on a priority basis, both domestically and among ethnic Hungarians in other countries.

Pallas Athena Foundations will announce calls for tenders on an ongoing basis starting from mid-July 2014, which will be published on the foundation's website. Some of the calls for tenders, such as the application for the PhD scholarship programme, will be tied to specific deadlines, while others will be continuously available until depletion of the support budget set by the foundations' boards of trustees. Many of the calls for tenders will be repeated cyclically annually or semi-annually, so that applicants can plan ahead in terms of the support granted by the Pallas Athena Foundations. The endowment provides solid financial foundations for the long-term funding of the Pallas Athena Foundations tenders, with its annual yields available for use.

The Foundations also provide in-kind benefits over and above tender funding for causes aligned with their objectives. The foundations' buildings provide the venue for events and act as physical fora, while the people and organisations involved form an intellectual forum. The foundations also have substantial speaker, teacher, advisor and tutor capacities and extensive international contact networks to support the defined objectives.

The first calls for tenders announced by the foundations will cover the areas listed below, while striving to create a system of support optimally aligned to the objectives with the addition of more calls for tenders covering other activities in the future. Certain calls for tenders can be combined on occasion in order to boost their effectiveness.

Supported activities:

- **research scholarships for doctorate researchers**
  - support for research leading up to habilitation
  - promoting publication of works in international journals
  - promoting joint research projects by Hungarian researchers working in various institutions
  - promoting joint research projects and publications between Hungarian and foreign researchers
  - supporting the hosting of guest research projects by Hungarian researchers working abroad
  - support for participating in international conferences
  - support for international study trips
- **courses, advisory and scholarships for PhD students**
  - macroeconomic, financial and econometric courses of global standard
  - courses presenting the most recent economic currents of thought
  - support for participation in courses offered by foreign universities and doctoral schools
  - support for participating in international conferences
  - support for international study trips
  - fostering research published in Hungarian, and the publication thereof in English journals

- **support for participating in PhD courses abroad**
  - targeted preparation for the pursuit of PhDs from the outset of masters' studies
  - fostering relationships with the faculty of prominent international schools
  - support for participating in international seminars
  - forging strategic ties with the leading international doctoral schools
  - support for the publication of articles based on excellent theses
  - support for the publication of articles based on excellent National Scientific Students' Associations Conference papers
- **invitation of foreign teachers and researchers to events held in Hungary**
  - conferences
  - block seminars
  - support for summer universities
- **support for the curriculum development of universities and doctoral schools**
  - support for the publication of schoolbooks, specialised literature and general knowledge books
  - support for the procurement of foreign schoolbooks
  - support for the development of educational material
  - support for the development of educational tools
  - support for the organisation of international conferences

- **support for the work of colleges for advanced studies and student organisations**
  - support for universities for hosting professional competitions
  - support for the professional events of colleges for advanced studies and student organisations
  - support for networking by colleges for advanced studies at various locations
  - fostering dialogue and joint thinking between the colleges for advanced studies of various disciplines
  - support for the organisation of economic and financial conference series aimed at a broad public
- **support for research projects conducted in research institutes**
  - support for research projects aligned with the foundation's objectives
  - support for research institute internship programmes for university students



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