



35/2015 of Národná banka Slovenska on how insurance undertakings subject to a special regime are to demonstrate compliance with conditions for the granting of an authorisation to conduct insurance business.

Decree No 9/2017 of Národná banka Slovenska of 14 November 2017 laying down national discretions for institutions under a separate regulation.

Decree No 10/2017 of Národná banka Slovenska of 14 November 2017 laying down detailed provisions on the assessment of borrowers' ability to repay consumer loans.

Decree No 11/2017 of Národná banka Slovenska of 28 November 2017 amending Decree No 17/2014 of Národná banka Slovenska on reporting for statistical purposes by banks, branches of foreign banks, investment firms and branches of foreign investment firms, as amended.

Decree No 12/2017 of Národná banka Slovenska of 28 November 2017 amending Decree No 22/2014 of Národná banka Slovenska on reporting for statistical purposes by payment institu-

tions, branches of foreign payment institutions, electronic money institutions and branches of foreign electronic money institutions, as amended by Decree No 24/2015.

Decree No 13/2017 of Národná banka Slovenska of 12 December 2017 on reporting for supervisory purposes by banks and branches of foreign banks.

Decree No 14/2017 of Národná banka Slovenska of 12 December 2017 on reporting for supervisory purposes by creditors providing consumer loans.

Decree No 15/2017 of Národná banka Slovenska of 12 December 2017 amending Decree No 13/2014 of Národná banka Slovenska of 29 July 2014 on reporting for supervisory purposes by investment firms and branches of foreign investment firms, as amended.

Decree No 16/2017 of Národná banka Slovenska of 12 December 2017 amending Decree No 16/2007 of Národná banka Slovenska of 18 December 2007 on reporting for supervisory purposes by stock exchanges and central securities depositories, as amended.

10 INSTITUTIONAL DEVELOPMENTS

10.1 INSTITUTIONAL FRAMEWORK

Národná banka Slovenska (NBS) was established as the independent central bank of Slovakia on 1 January 1993, under Act No 566/1992 Coll. on Národná banka Slovenska ('the NBS Act'). The bank is a member of the Eurosystem, which comprises the European Central Bank (ECB) and the national central banks of those countries that have adopted the euro. It joined the Eurosystem on 1 January 2009, when the euro was introduced in Slovakia. The NBS Governor is a member of the ECB's Governing Council, the Eurosystem's highest decision-making body.

The bank contributes to the activities of the Eurosystem and the ESCB through its involvement

in the Eurosystem/ESCB committees and working groups. The Eurosystem/ESCB committees operating in 2017 were as follows:

- Accounting and Monetary Income Committee
- Banknote Committee
- Committee on Controlling
- Eurosystem/ESCB Communications Committee
- Financial Stability Committee
- Information Technology Committee
- Internal Auditors Committee
- International Relations Committee
- Legal Committee
- Market Operations Committee
- Monetary Policy Committee
- Organisational Development Committee
- Market Infrastructure and Payments Committee



- Risk Management Committee
- Statistics Committee
- Budget Committee
- Human Resources Conference

As the national supervisory authority in Slovakia, NBS has been part of the EU's Single Supervisory Mechanism (SSM) since the SSM came into operation on 4 November 2014. The SSM is a mechanism for exercising supervision over credit institutions in participating EU Member States.

NBS participates in specific supervisory tasks of the ECB through the direct involvement of staff members of the NBS Financial Market Supervision Unit in Joint Supervisory Teams and through cooperation in the drafting of ECB decisions. As regards the supervision of significant banks, NBS exercises supervision over the banks' activities on a daily basis, continuously monitors quantitative data, and oversees risk management processes.

Slovakia's Resolution Council was established in January 2015 as part of the EU's Single Resolution Mechanism – the second pillar of the Banking Union – with NBS assigned the role of providing expertise to the Council and organising its functioning. In 2017 NBS staff members worked in internal resolution teams established for all significant banks in Slovakia and contributed to the successful finalisation of the third version of resolution plans.

Since 1 January 2015, in accordance with its competences under the Financial Market Supervision Act, NBS has been supervising the protection of financial consumers and other customers with regard to the marketing and provision of financial services by supervised entities and by entities operating without NBS authorisation.

10.2 ORGANISATION AND MANAGEMENT

THE BANK BOARD OF NÁRODNÁ BANKA SLOVENSKA

The highest governing body of Národná banka Slovenska is the Bank Board. The scope of its powers is laid down in the NBS Act, other legislation of general application, and the Organisational Rules of NBS.

The Bank Board currently comprises five members including the Governor and Deputy Gov-

ernor. In 2017 the previous Deputy Governor's term of office ended on 5 November, and consequently the Bank Board had four members for the rest of the year.

The Governor and Deputy Governor are appointed, and may be dismissed, by the President of the Slovak Republic at the proposal of the Slovak Government and subject to the approval of the Slovak Parliament. The other members of the Bank Board are appointed, and may be dismissed, by the Government at the proposal of the NBS Governor.

The number of Bank Board members has been set at six since 1 January 2015, under the NBS Act. The term of office of Bank Board members is six years (or five years for those appointed before 1 January 2015), commencing as of the effective date of their appointment. There are no term limits for Bank Board members, but no one may serve as Governor or Deputy Governor for more than two terms.

The members of the Bank Board as at 31 December 2017 were:

- Jozef Makúch, Governor;
- Vladimír Dvořáček, Executive Director of the Prudential Supervision Division and Executive Director of the Financial Market Supervision Unit;
- Karol Mrva, Executive Director of the Risk Management, Settlement and Payment Services Division;
- Ľuboš Pástor, external member.

Until 5 November 2017, when his term of office ended, Ján Tóth was Deputy Governor responsible for the Monetary Policy Statistics and Research Division.

THE EXECUTIVE BOARD OF NÁRODNÁ BANKA SLOVENSKA

The Executive Board of Národná banka Slovenska was established by the NBS Bank Board with effect from 1 August 2012, in accordance with Article 6(2)(i) of the NBS Act. The Executive Board is the bank's managing, executive and coordination authority.

The Executive Board is composed of the NBS Governor, Executive Directors, and other senior managers appointed by the Governor.

The NBS Bank Board as at 31 December 2017



First row (from the left): Jozef Makúch (Governor), Ján Tóth (Deputy Governor)*.

Second row (from the left): Karol Mrva, Vladimír Dvořáček, Ľuboš Pástor.

*Mr Tóth's term as Deputy Governor and his membership of the Bank Board ended on 5 november 2017.

The members of the Executive Board as at 31 December 2017 were:

- Jozef Makúch, Governor;
- Štefan Králik, Executive Director of the Legal Services and Cash Management Division;
- Karol Mrva, Executive Director of the Risk Management, Settlement and Payment Services Division;
- Vladimír Dvořáček, Executive Director of Prudential Supervision Division and Executive Director of the Financial Market Supervision Unit;
- Miroslav Uhrin, Executive Director of the Financial Management, Banking Transactions and Information Technology Division;
- Viliam Ostrožlík, Executive Director of the Facility Services and Security Division;
- Júlia Čillíková, Executive Director of the Regulation and Financial Consumer Protection Division;
- Renáta Konečná, General Director of the Economic and Monetary Analysis Department and acting Director of the Monetary Policy, Statistics and Research Division.

Under an amendment to the NBS Organisational Rules which was approved in 2017 and entered into force on 1 January 2018, the remits of certain organisational units were modified.

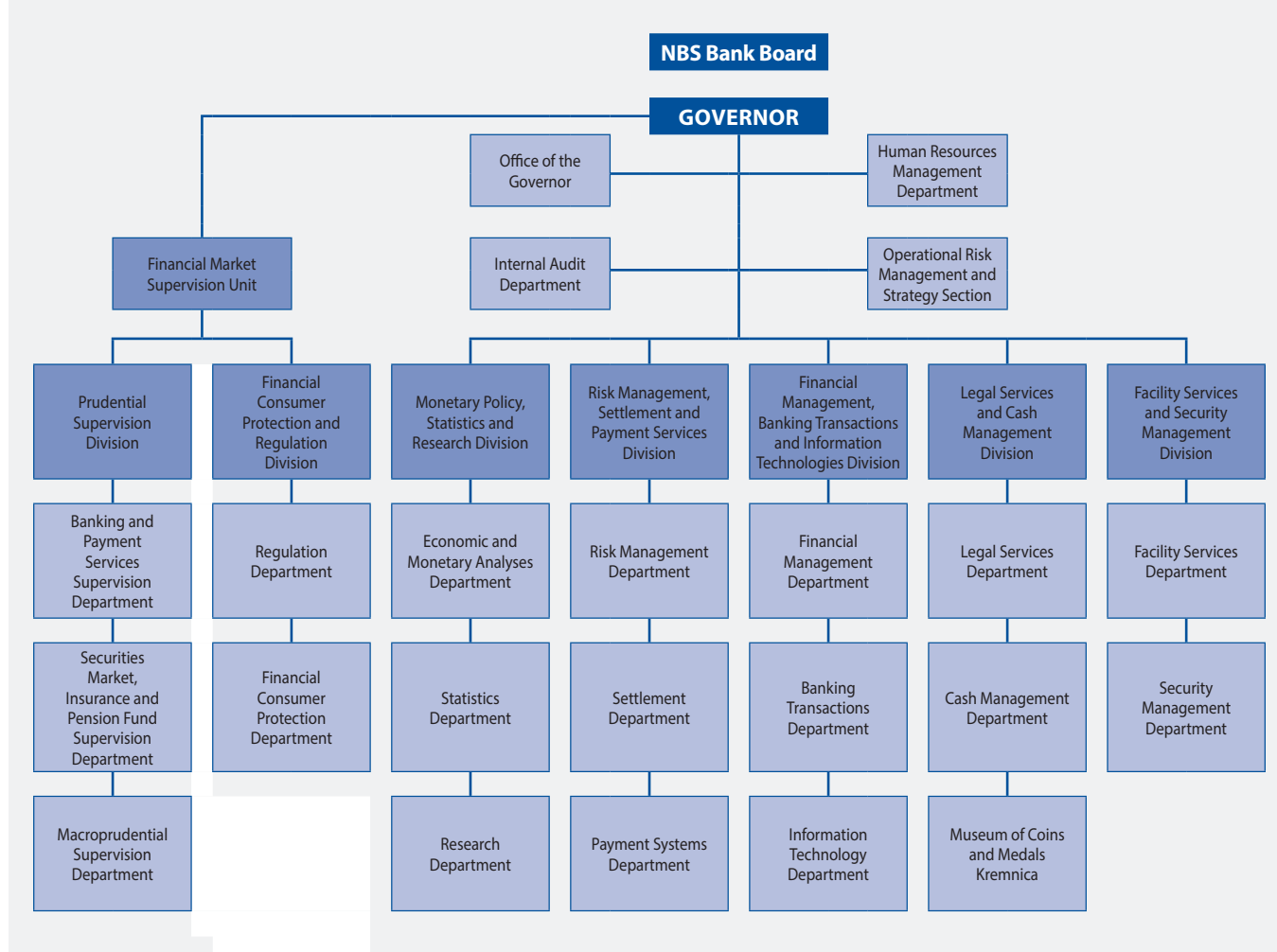
10.3 HUMAN RESOURCES

Národná banka Slovenska had 1,093 employees as at 31 December 2017. A total of 59 employees ended their employment with the bank in 2017 and 75 were hired. There were 87 recruitment campaigns for 95 vacancies.

Staff exchanges between ESCB national central banks, the European Central Bank and other international financial institutions support staff mobility within the ESCB, the exchange of experience and know-how, and staff development. A total of eleven NBS employees were on secondment during the whole or part of 2017, either at the ECB, the Bank for International Settlements, or the International Association of Insurance Supervisors.



NBS organisational structure as at 31 December 2017



The rules and principles of staff remuneration at the bank are laid down in an internal NBS Work Regulation. The average monthly salary in 2017 was €2,239.19.

Severance payments were made to 22 employees who left the bank on grounds of retirement, early retirement or invalidity.

The number of NBS employees enrolled in the supplementary pension scheme stood at 921 as at 31 December 2017.

with the bank's Institute of Banking Education, arranges staff participation in courses tailored to their identified requirements and the needs of their respective unit.

The courses run in 2017 were attended by 1,039 employees and focused on the following areas:

- professional training;
- management training and development;
- language training;
- IT training;
- social skills training;
- general training.

10.4 TRAINING AND DEVELOPMENT

To support employees in their educational and professional development, the Human Resources Management Department, in cooperation

In 2017 a number of NBS employees pursued their professional development by attending events organised abroad by ESCB national central banks, national supervisory authorities, and other institutions, including the Joint Vienna In-



stitute, the Financial Stability Institute and the Federal Reserve Bank of New York.

Every year a number of NBS employees conduct professional training by performing teaching, lecturing and consultation activities. In 2017 a total of 91 employees from 19 departments were engaged in such activity.

Six undergraduate students completed internships at the bank in 2017, including one studying in Slovakia and five studying in other European Union countries.

The bank hosted the following two ESCB and SSM training activities: *Economics for Non-Economists*; *Meetings in a Multicultural Context*; and one open training activity *English in Legal and Contractual Central Banking Practice* in 2017.

10.5 ENVIRONMENTAL POLICY

Národná banka Slovenska takes a responsible approach to the impact of its activities on the environment. A core element of this approach is strict compliance with Slovak legislation and European Commission recommendations on environmental matters. The bank has implemented several measures aimed at meeting its four principal environmental policy objectives:

AIR PROTECTION

The bank has ceased using fully halogenated hydrocarbons and halon in its air-conditioning

systems. These systems and the fixed fire-fighting equipment at NBS premises are subject to regular inspection and servicing that prevents them leaking any undesirable substances into the air.

WATER PROTECTION AND WATER USE EFFICIENCY

By having waste water samples from its premises regularly monitored and laboratory tested and by upgrading the grease traps used in its kitchens, the bank has reduced the risk of pollutants seeping into the public sewerage system. The bank ensures efficient management of its drinking water mainly by taking measures to prevent plumbing system malfunctioning and breakdowns and by using water-saving equipment.

ENERGY EFFICIENCY

In 2017 the bank reduced its electricity consumption for lighting by 40%. It achieved this largely by replacing old lighting and by producing its own electricity in cogeneration units.

WASTE MANAGEMENT

Waste separation is now an integral feature of working life at the bank. The total weight of the bank's separately collected waste in 2017 was 3,424 kg, comprising 2,800 kg of paper and 624 kg of plastic.

In 2017 NBS continued to support environmental protection initiatives both at the global level (*Earth Day* and *Earth Hour*) and in Slovakia (*Bike to Work*).