



INSTITUTIONAL DEVELOPMENTS



10 INSTITUTIONAL DEVELOPMENTS

10.1 INSTITUTIONAL FRAMEWORK

Národná banka Slovenska (NBS) was established as the independent central bank of the Slovak Republic on 1 January 1993, under Act No 566/1992 Coll. on Národná banka Slovenska.

The primary objective of Národná banka Slovenska is to maintain price stability. To this end the central bank:

- participates in the common monetary policy set by the European Central Bank for the euro area;
- issues euro banknotes and euro coins in accordance with separate regulations that apply in the euro area to the issuance of euro banknotes and coins;
- promotes the smooth operation of payment and settlement systems; regulates, coordinates and oversees currency circulation, payment systems, and payment settlements; and ensures that these systems are run efficiently and cost-effectively;
- maintains and manages foreign reserves and conducts foreign exchange operations in ac-

cordance with separate regulations applicable to Eurosystem operations;

- performs other activities relating to its participation in the European System of Central Banks.

As regards the financial market, NBS supports the stability of the financial system as a whole as well as the security and sound operation of the financial market, so as to ensure the system's credibility, the protection of customers, and compliance with the rules of economic competition. Národná banka Slovenska is also the financial supervisory authority in Slovakia, meaning that it exercises supervision over banks, branches of foreign banks, investment firms, investment services intermediaries, stock exchanges, asset management companies, investment funds / collective investment undertakings, insurance companies, reinsurers, pension funds management companies, pension funds, supplementary pension management companies, and other financial market participants which are subject to regulatory supervision.





NBS became a member of the Eurosystem when Slovakia adopted the euro, on 1 January 2009.

The Eurosystem as the central banking system of the euro area comprises:

- the European Central Bank (ECB); and
- the national central banks (NCBs) of the 17 EU Member States whose common currency is the euro.

The Eurosystem is thus a sub-set of the ESCB. Since the ECB's policy decisions, such as on monetary policy, apply only to euro area countries, it is in reality the Eurosystem which carries out the central bank functions for the euro area. Therefore the ECB and the NCBs jointly contribute to attaining the common goals of the Eurosystem.

There are three main reasons for having a system of central banking in Europe:

- The Eurosystem approach builds on the existing competencies of the NCBs, their institutional set-up, infrastructure, expertise, and excellent operational capabilities. Moreover, several central banks perform additional tasks beside those of the Eurosystem.
- Given the geographically large euro area and the long-established relationships between the national banking communities and their NCB, it was deemed appropriate to give the credit institutions an access point to central banking in each participating Member State.
- Given the multitude of nations, languages and cultures in the euro area, the NCBs (instead of a supranational one) were best located to serve as access points of the Eurosystem.

The euro area NCBs, which form an integral part of the Eurosystem, carry out the tasks conferred upon the Eurosystem in accordance with the rules established by the ECB's decision-making bodies. The NCBs also contribute to the work of the Eurosystem and the ESCB through their participation in the various Eurosystem/ESCB Committees.

EUROSYSTEM/ESCB COMMITTEES

The Eurosystem/ESCB committees play an important role in assisting the ECB's decision-making bodies. They provide expertise in their fields of competence and perform specific

tasks mandated by the ECB's Governing Council.

- Accounting and Monetary Income Committee
- Banknote Committee
- Committee on Cost Methodology
- Eurosystem/ESCB Communications Committee
- Financial Stability Committee
- Information Technology Committee
- Internal Auditors Committee
- International Relations Committee
- Legal Committee
- Market Operations Committee
- Monetary Policy Committee
- Payment and Settlement Systems Committee
- Risk Management Committee
- Statistics Committee
- Budget Committee
- Eurosystem IT Steering Committee
- Human Resources Conference

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 Act on Národná banka Slovenska („the NBS Act“), other generally applicable legislation, and the Organisational Rules of NBS.

The number of Bank Board members has been set at five since 1 December 2009, under Article 7 of the NBS Act. The five members include the Governor and two Deputy Governors.

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

The term of office of Bank Board members is five years, 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.



Members of the NBS Bank Board as at 31 December 2012



First row (from the left): Jozef Makúch, Ján Tóth
Second row (from the left): Štefan Králik, Karol Mrva

The Bank Board members who ended their term of office in 2012 were:

- Ing. Gabriela Láni Sedláková, Executive Director for information technology and facility services (Bank Board member until 1 June 2012);
- Ing. Viliam Ostrožlík, MBA, Deputy Governor, Division for Financial Management, Human Resources Management, Banknotes and Coins, and Currency Circulation Management (Bank Board member until 11 July 2012).

The members of the Bank Board as at 31 December 2012 were:

- doc. Ing. Jozef Makúch, PhD., Governor;
- Ing. Štefan Králik, Executive Director for legal services and security;
- RNDr. Karol Mrva, Executive Director for financial market operations and payment services;
- Mgr. Ján Tóth, M.A., Deputy Governor, Division for the Monetary Policy, Statistics, and Research.

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 managing, executive and coordination authority of NBS.

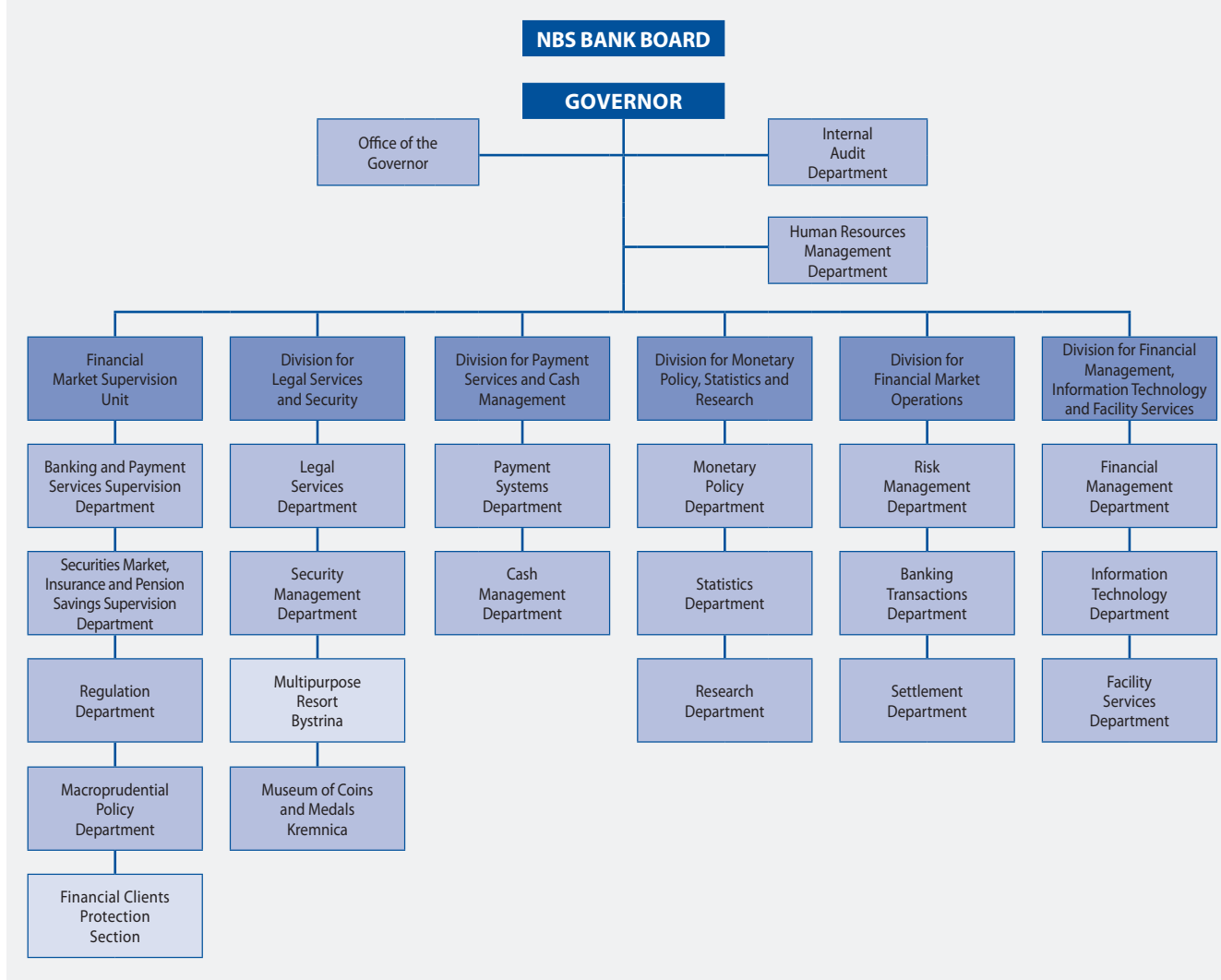
The Executive Board is composed of the NBS Governor, Executive Directors and other senior managers appointed by the Governor. Executive Board meetings are chaired by the Governor or, in his absence, another Executive Board member nominated by the Governor.

The members of the Executive Board as at 31 December 2012 were:

- doc. Ing. Jozef Makúch, PhD., Governor;
- Ing. Štefan Králik, Executive Director for legal services and security;
- RNDr. Karol Mrva, Executive Director for financial market operations and payment services;
- Ing. Vladimír Dvořáček, Executive Director of the Financial Market Supervision Unit;
- Ing. Miroslav Uhrin, Executive Director for financial management, information technology and facility services;
- Ing. Renáta Konečná, General Director of the Monetary Policy Department.



NBS organisation structure as at 31 December 2012



In line with decisions of the NBS Bank Board, three amendments to the NBS Organisational Rules were approved in 2012; one of them entered into force on 1 January 2013. The organisational changes included a change to the organisational structure of NBS and modifications to the duties and competences of certain senior managers. The most recent organisation structure is available on the NBS website www.nbs.sk.

10.3 HUMAN RESOURCES

Národná banka Slovenska had 1,007 employees as at 31 December 2012. A total of 59 employees left the bank in 2012, including 25 due to organisational changes. Last year the bank hired 38

new employees and conducted 38 recruitment procedures.

Staff exchanges between ESCB national central banks, the ECB and other international financial institutions serve to support staff mobility within the ESCB, the exchange of experience and know-how, and the development of human resources. A total of eight NBS employees were on secondment to either the ECB or European Banking Authority during the whole or part of 2012.

The rules and principles of staff remuneration at the bank are laid down in internal NBS Work Regulation No 28/2008 on the remuneration of NBS employees as amended. The average monthly salary in 2012 was €1,769.75.



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The employees who left the bank last year due to organisational reasons received all the payments owed to them under the Labour Code, NBS Collective Agreement, and internal work regulations. Severance payments were made to 24 employees who left the bank on grounds of retirement, early retirement or invalidity. The number of NBS employees enrolled in the supplementary pension system stood at 815 as at 31 December 2012.

10.4 EDUCATION

The Human Resources Department, in cooperation with the NBS Institute of Banking Education, arranged the attendance of NBS employees on training courses in line with the employees' educational and developmental needs and with the current requirements of their respective units.

The training courses focused on the following areas:

- specialist training,
- management training and development,
- language training,
- IT training,
- social skills training,
- general training.

A total of 898 employees attended training courses in 2012.

Last year the Human Resources Department organised two international training projects.

The number of NBS staff members involved in teaching, lecturing and advisory work is increasing from year to year, and in 2012 it stood at 94 (from 19 departments).

A total of 13 university students completed internships at NBS in 2012, including five from universities in Slovakia and eight studying in other European Union countries.