



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.

NBS is a member of the Eurosystem, which comprises the European Central Bank (ECB) and the national central banks (NCBs) of those countries that have adopted the euro. NBS joined the Eurosystem on 1 January 2009, the date on which Slovakia adopted the euro. The NBS Governor is a member of the ECB's Governing Council, the Eurosystem's highest decision-making body. Thus NBS, together with other NCBs and the ECB, contributes to achieving the common goals of the Eurosystem.

NBS contributes to the activities of the Eurosystem and the ESCB through its involvement in the Eurosystem/ESCB committees, which comprise the following:

- 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) – a mechanism for exercising supervision over credit institutions in participating EU Member States – since the SSM came into operation on 4 November 2014.

The 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 exercised supervision over the banks' activities on a daily basis and continuously monitored quantitative data and oversaw risk management processes.

Slovakia's Resolution Council was established in January 2015 as part of the EU's Single Resolution Mechanism – the second of the Banking Union's three pillars – with NBS assigned the role of providing expertise to the Council and organising its functioning. In 2016 NBS staff members worked in internal resolution teams established for all significant banks in Slovakia and contributed to the successful finalisation of the second versions of resolution plans.

Since 1 January 2015 NBS has been the financial consumer protection authority in Slovakia. As such, the central bank supervises the protection of financial consumers' and other clients' rights in order to support the secure and sound functioning of the financial market.

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.

In 2016 the Bank Board had five sitting members, including the Governor and Deputy Governor.

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.



First row (from the left): Jozef Makúch, Ján Tóth.
Second row (from the left): Karol Mrva, Vladimír Dvořáček, Luboš Pástor.

Under the NBS Act, the maximum number of Bank Board members has been set at six since 1 January 2015. 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 2016 were:

- Jozef Makúch, Governor;
- Ján Tóth, Deputy Governor responsible for the Monetary Policy, Statistics and Research Division;
- Vladimír Dvořáček, Executive Director of the Financial Market Supervision Unit;
- Karol Mrva, Executive Director of the Financial Market Operations Division;
- Luboš Pástor, an external member.

THE EXECUTIVE BOARD OF NÁRODNÁ BANKA SLOVENSKA

The Executive Board of Národná banka Slovenska was established by the NBS Bank Board as 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.

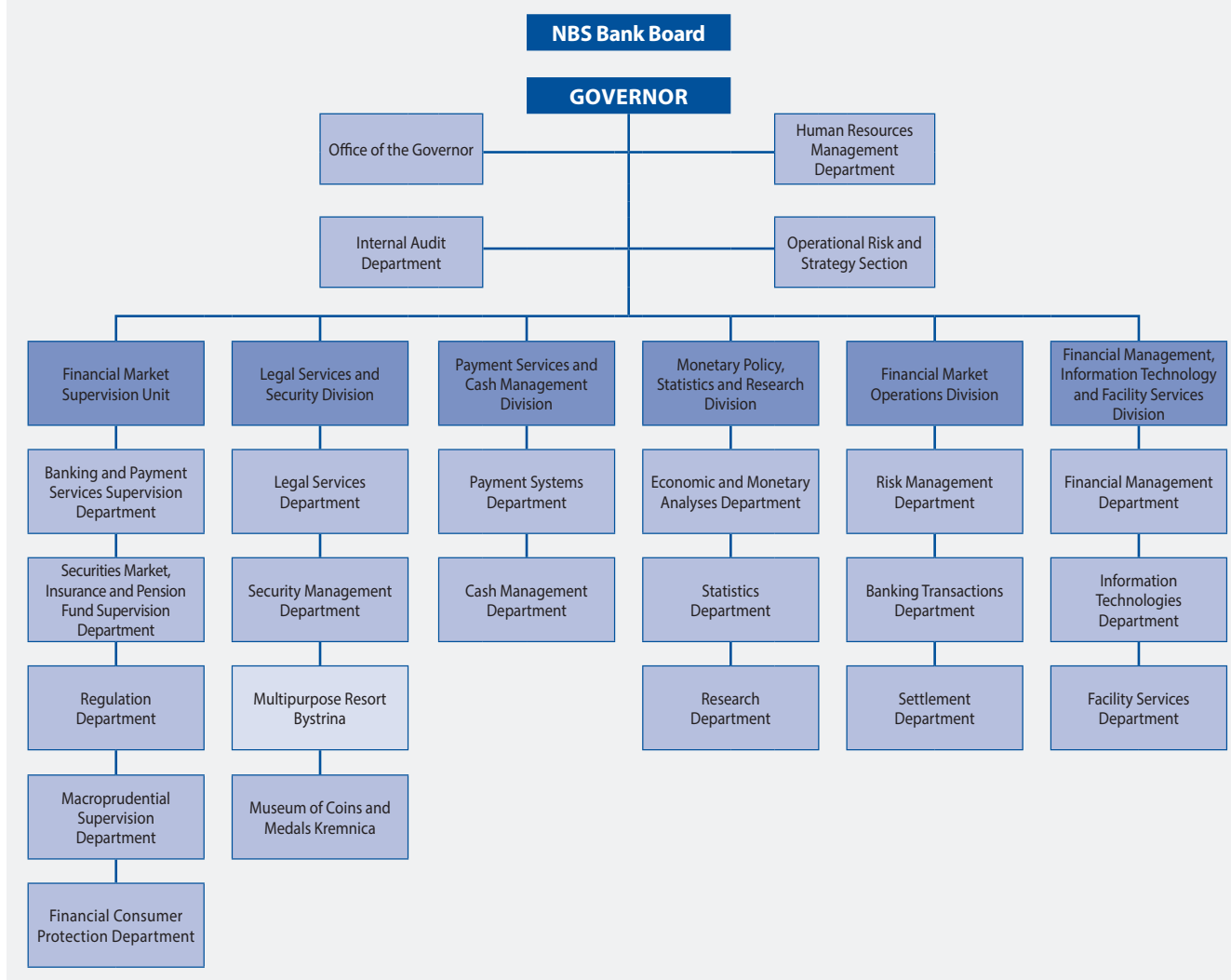
The members of the Executive Board (EB) as at 31 December 2016 were:

- Jozef Makúch, Governor (EB Chairman);
- Štefan Králik, Executive Director of the Legal Services and Security Division (EB Deputy Chairman);
- Karol Mrva, Executive Director of the Financial Market Operations Division;
- Vladimír Dvořáček, Executive Director of the Financial Market Supervision Unit;
- Miroslav Uhrin, Executive Director of the Financial Management, Information Technology and Facility Services Division;
- Renáta Konečná, General Director of the Economic and Monetary Analyses Department.

Four amendments to the NBS Organisational Rules were approved in 2016, including one that entered into force on 1 January 2017. The



NBS organisational structure as at 31 December 2016



amendments resulted in changes to the bank's organisational structure and to the duties and competences of certain senior managers.

10.3 HUMAN RESOURCES

Národná banka Slovenska had 1,075 employees as at 31 December 2016. A total of 53 employees left the bank in 2016 and 81 were hired. There were 111 recruitment campaigns.

Staff exchanges between ESCB national central banks, the ECB and other international financial institutions support staff mobility within the ESCB, the exchange of experience and know-

how, and the development of human resources. A total of six NBS employees were on secondment to the ECB or European Banking Authority during the whole or part of 2016.

The rules and principles of staff remuneration at the bank are laid down in an internal NBS Work Regulation. The average monthly salary in 2016 was €2,141.24.

Severance payments were made to 18 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 898 as at 31 December 2016.



10.4 EDUCATION

To support staff in their educational and professional development, the Human Resources Department, in cooperation with NBS'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 2016 were attended by 945 employees, and they focused on the following areas:

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

In 2016 a number of NBS employees pursued their professional development by attending events organised abroad by ESCB central banks, national supervisory authorities, and other institutions, including the Joint Vienna Institute, the Financial Stability Institute, and one of the Federal Reserve banks in the United States).

Every year a number of NBS employees conduct professional training by performing teaching, lecturing and consultation activities. In 2016 a total of 83 staff were engaged in such activity.

Six students completed internships at NBS in 2016, including two from universities in Slovakia and four studying in other European Union countries.

NBS held the following three international educational courses in 2016: *Economics for Non-Economists*; *Audit Banking Supervision under the SSM*;

and *English in Legal and Contractual Central Banking Practice*.

10.5 ENVIRONMENTAL POLICY

NBS has long been an institution that takes a responsible approach to the impact of its activities on the environment. In an official document entitled "*NBS environment policy*", adopted by the NBS Bank Board in February 2016, the central bank sets out its position on key environmental protection issues, on environmental footprint reduction, on improving energy efficiency, and on resource sustainability.

Among projects realised in 2016 that contributed to the fulfilment of NBS's environmental policy objectives were the following: the exchange and modernisation of air conditioning units in two buildings; the changeover to more environmental-friendly lighting in two buildings; the introduction of new energy consumption regulations; the purchase of equipment and appliances that have minimal energy consumption; boiler room renovations at two buildings (including the installation of equipment that has lower gas and electricity consumption), and the installation of thermostatic heads on central heating equipment at one building. By continuing to sort its waste thoroughly, NBS ensured that the recycling and disposal of its waste was as efficient and ecological as possible and therefore reduced the amount of municipal waste generated.

In 2016 NBS continued to support environmental protection initiatives both at the global level (including *Earth Day* and *Earth Hour*) and in Slovakia. One such domestic initiative was a competition called *Do práce na bicykli* (*Go to work on a bicycle*) that attracted 41 teams and 110 participants. It was won by NBS.