



# 10 Institutional developments

## 10.1 Institutional framework

Národná banka Slovenska was established as the independent central bank of Slovakia on 1 January 1993. When Slovakia adopted the euro, on 1 January 2009, the Bank simultaneously joined the [Eurosystem](#), which comprises the European Central Bank (ECB) and the national central banks of euro area countries. The NBS Governor is a member of the ECB's Governing Council, the Eurosystem's highest decision-making body.

Among the ways in which the Bank contributes to the activities of the Eurosystem and the European System of Central Banks (ESCB) is through its involvement in committees and working groups, including the following:

- Accounting and Monetary Income Committee (AMICO)
- Banknote Committee (BANCO)
- Committee on Controlling (COMCO)
- Eurosystem/ESCB Communications Committee (ECCO)
- Financial Stability Committee (FSC)
- Information Technology Committee (ITC)
- Internal Auditors Committee (IAC)
- International Relations Committee (IRC)
- Legal Committee (LEGCO)
- Market Operations Committee (MOC)
- Monetary Policy Committee (MPC)
- Organisational Development Committee (ODC)
- Payment and Settlement Systems Committee (PSSC)
- Risk Management Committee (RMC)
- Statistics Committee (STC)
- Budget Committee (BUCOM)
- Human Resources Conference (HRC)

## 10.2 Organisation and management

### The Bank Board of Národná banka Slovenska

The Bank Board is the highest governing body of Národná banka Slovenska. Its authority and powers are specified in the NBS Act, in other legislation of general application, and in the NBS Organisational Rules.

In 2019 the Bank Board consisted of five members.

The Governor and Deputy Governor(s) 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.

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.

At its 20th meeting of 2019, held on 21-22 October, the Bank Board decided to publish the net income of its members, which includes, in addition to their net salary, all the allowances, benefits, bonuses and other emoluments that they receive from Národná banka Slovenska. As at 31 December 2019 there were no outstanding loans from NBS to a Bank Board member, as was also the case at the end of 2018.

The Bank Board members as at 31 December 2019:

- Peter Kažimír, Governor (from 1 June 2019)
- Ľudovít Ódor, Deputy Governor
- Vladimír Dvořáček, Executive Director of the Prudential Supervision Division
- Karol Mrva, Executive Director of the Risk Management, Settlement, Payment Systems and Cash Management Division;
- Ľuboš Pástor, external member.

Jozef Makúch, in his then capacity as NBS Governor, was a member of the Bank Board until 1 June 2019.

**Table 13 Net income of Bank Board members**

Name	Position	Net income for 2019
Peter Kažimír	Governor	98,271
Ľudovít Ódor	Deputy Governor	146,359
Karol Mrva	Executive Director	116,310
Vladimír Dvořáček	Executive Director	116,462
Ľuboš Pástor	External member	36,171

## The Executive Board of Národná banka Slovenska

The Executive Board of Národná banka Slovenska was established by the 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 Bank Board members as at 31 December 2019



Front row (from the left): Ľudovít Ódor (Deputy Governor), Peter Kažimír (Governor). Back row (from the left): Vladimír Dvořáček (Executive Director of the Prudential Supervision Division), Karol Mrva (Executive Director of the Risk Management, Settlement, Payment Systems and Cash Management Division), Ľuboš Pástor (external member).

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

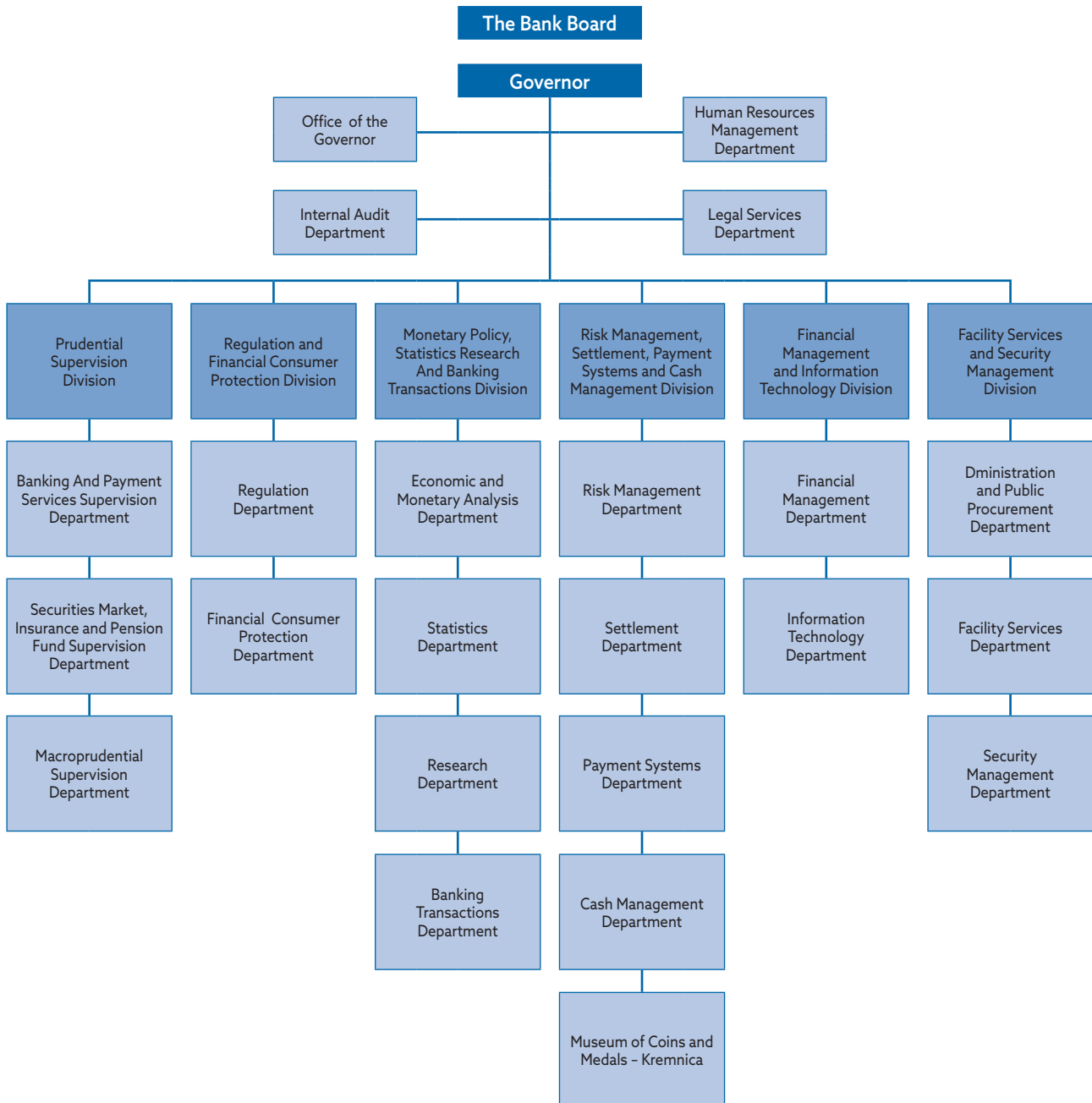
The Executive Board members as at 31 December 2019:

- Peter Kažimír, Governor (from 1 June 2019)
- Karol Mrva, Executive Director of the Risk Management, Settlement, Payment Systems and Cash Management Division
- Vladimír Dvořáček, Executive Director of the Prudential Supervision Division
- Júlia Čillíková, Executive Director of the Regulation and Financial Consumer Protection Division
- Renáta Konečná, General Director of the Economic and Monetary Analysis Department
- Jaroslav Mikla, Executive Director of the Financial Management and Information Technology Division

The Executive Board membership of the following individuals ended in 2019:

- Jozef Makúch, Governor (until 1 June 2019)
- Viliam Ostrožlák, Executive Director of the Facility Services and Security Management Division (until 31 May 2019)

## NBS organisational structure as at 31 December 2019



- Miroslav Uhrin, Executive Director of the Financial Management, Banking Transactions and Information Technology Division (until 6 June 2019)
- Janette Šamová, Executive Director of the Legal Services and Human Resources Division (until 30 September 2019)

Three amendments to the NBS Organisational Rules were approved in 2019, one of which took effect on 1 January 2020. The amendments result-

ed in changes to the NBS organisational structure and to the remits and names of certain organisational units.

### 10.3 Human resources

Národná banka Slovenska had 1,109 employees as at 31 December 2019. A total of 73 employees ended their employment with the Bank in 2019 and 79 were hired. There were 105 recruitment procedures for 108 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 18 NBS employees were on secondment during the whole or part of 2019, either at the ECB, the European Insurance and Occupational Pensions Authority (EIOPA) or the Cross-National Data Center in Luxembourg.

The conditions and forms of staff remuneration at the Bank are laid down in an internal work regulation. The average monthly salary in 2019 was €2,563.98, representing a year-on-year increase of 8.3%.

In 2019 severance payments were made to 28 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 929 as at 31 December 2019.

### 10.4 Ethical principles at národná banka Slovenska

In performing its duties and tasks, NBS strives to maintain the highest standards of ethical behaviour. In 2019 the Bank added a section on [ethical principles](#) to its website, with the aim of strengthening public confidence that its staff members act with independence, impartiality, professionalism and transparency.

On 1 January a single [Code of Conduct for high-level European Central Bank Officials](#) entered into force, replacing the separate codes of conduct for the ECB's Governing Council, Executive Board and Supervisory Board which had been in force up to that date. Like all other high-level ECB officials, NBS representatives on the Governing Council and Supervisory Board are bound by the Code of Conduct to ensure the highest standards of integrity.

### 10.5 Operational risk management

Operational risk management is an integral part of the management of NBS activities. The main role of operational risk management is to support

the fulfilment of the Bank's strategic tasks and activities by protecting its reputation and assets from damage, loss or misuse.

The operational risk management process in the Bank continued in 2019 with the identification of operational risks or incidents in the Bank's processes, with the assessment, monitoring and resolution of such risks or incidents, with the submission of reports to NBS managers, and with the day-to-day management of risks that could have an adverse effect on the Bank's processes, systems, staff members or financial assets. In 2019 the NBS Bank Board approved the Annual Report on Operational Risk Management, on the basis of which operational risks were accepted or plans for their mitigation were proposed.

## 10.6 Training and public education activities

### Professional training

Národná banka Slovenska provides for the training and development of its employees in accordance with their training and development plans for the current calendar year and with the current work situation of their respective unit.

A total of 1,043 NBS employees attended training courses laid on by the Bank in 2019. These courses were divided into six areas: professional training; management training and development; IT training; social skills training; language training; and general training.

In 2019 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 Institute and the Financial Stability Institute.

In 2019 the Bank also supported the training and development of staff from other central banks by hosting seminars entitled "Credit Review File – Path of Analysis" and "English in Legal and Contractual Central Banking Practice" and a training activity entitled "Eurosystem Accounting and Reporting Framework".

Undergraduates from universities both in and outside the European Union completed internships at the Bank in 2019. The internship programme gives students the opportunity to develop their knowledge and gain valuable experience.

Every year a number of NBS employees support staff training and development by lecturing and performing consulting activities in their specialist fields.

## Public education

In late 2019 NBS unveiled “The Financial Literacy Support Strategy of Národná banka Slovenska”, presenting it on the NBS website, in media, at regional events, and in social media. This stepping-up of the Bank’s communication effort was a response to the low financial literacy among the public in Slovakia, which results in people being dissatisfied with financial services and contributes to their financial difficulties. The Bank is firmly of the view that regulation, no matter how strict, cannot be sufficiently effective without financial education. We are therefore cooperating with several institutions and organisations to create a network of professionals to support education in this area. In this context, the Bank last year launched the pilot phase of an ambitious project that gives additional training to Slovak labour office field workers who come into contact with the poorest members of society (the project is entitled “Vzdelávanie terénnych pracovníkov Úradov práce, sociálnych vecí a rodiny”).

In promoting financial literacy, the Bank also focuses on **formal education**, with regard to primary and secondary school students, and on non-formal education strategies for the adult population (education campaigns on practical and topical issues in the area of personal finance). For students, it organises talks on the main tasks of the central bank and on such topics as the euro currency, banknote and coin security features, Eurosystem monetary policy and the Slovak banking system, and financial consumer protection. In 2019 a total of 2,671 primary and secondary school students from 104 schools attended these talks and workshops. Also in 2019, NBS staff visited a symbolic ten selected schools to give a presentation entitled “Financial Literacy and the 10th anniversary of the euro”. Both at its headquarters building and at schools in various towns and cities across Slovakia, the Bank organises workshops focused on financial literacy, personal finance, and helping students better understand the financial market. A total of 1,254 primary and secondary school students attended these workshops in 2019.

In 2019 the Bank also ran an **online quiz** aimed at supporting the general public’s financial literacy, entitled “Máte finančnú gramotnosť v malíčku?” (Do you have financial literacy at your fingertips?). A total of 5,107 secondary school students took part in the quiz. Further information on financial literacy issues and financial consumer behaviour may be found in the Financial Consumer Protection section of the NBS website, at <https://www.nbs.sk/sk/ofs>.

## Generation €uro Students’ Award

The eighth edition of the ECB’s annual Generation €uro Students’ Award, held in 12 countries including Slovakia, was completed in 2019. Slovakia

regularly ranks among the countries with the highest number of participating teams relative to national population, and in 2019 it ranked third by this measure.

A total of 96 teams from Slovakia entered the 2019 competition, and of the 39 teams that proceeded to the second round, 26 took part by sending a short video assignment entitled “Explain how and why the European Central Bank ensures price stability”. The national final was won by a team from the Milan Hodža Bilingual Gymnasium in Sučany, and they joined the winning teams from the other participating countries at an award ceremony at the ECB in Frankfurt.

### The NBS Governor’s Award

The NBS Governor’s Award is a regular competition for dissertations or doctoral theses in economics produced at universities in Slovakia or by Slovak citizens studying abroad. In January 2019 the then NBS Governor, Jozef Makúch, presented the award to the authors of three dissertations completed in 2018. In November NBS Governor Peter Kažimír presented the seventh NBS Governor’s Award to three individuals for work produced in 2019, in this case two dissertations and one doctoral thesis.

### Financial Consumer Days at NBS

On 23-24 October 2019 the Bank held its second ever Financial Consumer Days (FCD) event, with the topic this time being “How should a responsible



Financial Consumer Days 2019





Interactive education at the NBS Convention Hall during the 2019 Financial Consumer Days event

*consumer behave?*". The purpose of the event was to broaden the financial literacy education of primary and secondary school students, working adults, and pensioners. Prior to the FCD, almost 10 thousand primary and secondary school students took part in FCD-related competitions, and the winning teams subsequently participated in the event itself. There were several activities prepared for the attending participants, including themed talks, interactive training, a 'financial consumer trail', a computer game, a moderated interactive game, and a magnetic table. Visitors to the event could also learn about banknote security features and how to identify counterfeit notes, and obtain advice for financial consumers.

## Registry and archives

The Archives and Registry Section ensures the management of registry records created by and delivered to the Bank, managing them throughout their life cycle until they are either disposed of or permanently stored in the NBS Archives. The Bank's Registry Centre received 9,400 files in 2019, which was 80% more than it did in 2018.

At the end of 2019 NBS representatives participated in a meeting of archive staff from ESCB central banks in Frankfurt am Main, where they presented a novel solution for using QR codes and bar code readers for recording, storing, locating and scanning archival documents and for making such documents available for research.

In 2019, on the occasion of the issuance of a €10 silver collector coin commemorating the 150th anniversary of the birth of Michal Bosák, the NBS Archives staff prepared a presentation related to an exhibition of original archival documents about the life and work of Michal Bosák.

In 2019, for the first time ever, original documents from the NBS Archives were loaned abroad – for an exhibition at Špilberk Castle in the Czech Republic. The loaned documents comprised technical plans that the architect Friedrich Weinwurm produced between 1930 and 1932 for the Nová doba and Unitas residential complexes in Bratislava.

On 8 October 2019 NBS launched its [Research Archive Portal](#). Users can find there a curated summary of information about the majority of the financial institutions whose fonds are stored in the NBS Archives, biographical information about key figures in the history of the Slovak financial sector, and information about the NBS Archives, including its activities and the services it provides to the public. The portal is unusual in that it is targeted at both the general public and NBS employees. It is a means to obtain information about archival documents and to make online reservations for visits to the Archives reading room and for documents retrieved through electronic finding aids.

In 2019 the NBS Archives received 37 research visits, while the Registry and Archives Section handled more than 400 external and internal requests. The external requests were mostly for documents concerning property rights in former financial institutions. As regards the archival fonds, there was significant interest from abroad in the extensive Collection of Securities, which so far contains 1,903 share and bond certificates issued by various domestic and foreign legal entities between 1843 and 1996.

## Library

The NBS Documentation Centre, otherwise known as the NBS library, provides library and information services, including research, consultation and lending services. It serves NBS employees as well as external professionals and students studying economics and related subjects. The Bank's employees can request the library to provide specialist books, periodicals and daily press as well as access to databases.

In 2019 users of the library's online catalogue made 5,426 searches and downloaded 1,200 electronic documents. The terms most frequently searched in 2019 were in the areas of payment services, financial markets, central banking history, indirect taxation, and financial consumer protection. Work continued in 2019 on building up the library's collection of publications from domestic and foreign sources. During the year the library

staff processed more than 4,875 new records, made 1,914 loans, and handled 64 research queries.

As for its involvement in the 2019 Week of Slovak Libraries event, the NBS library prepared a programme for NBS employees which included a presentation of the library's services and recent innovations and of suppliers of specialist knowledge databases.

With the aim of building relations and professional cooperation, NBS in 2019 participated in the *10th ESCB/SSM Information management network meeting: Digital, the new typical*, held in Frankfurt am Main. The NBS representatives at the meeting presented some of the knowledge they had gained from practice.

## 10.7 Environmental policy

Národná banka Slovenska takes a responsible approach to environmental issues and is fully compliant with legislation concerning environmental matters. At the same time, the Bank participates in environmental protection and addresses challenges presented by climate change. Environmental protection is a facet of the Bank's day-to-day operations and processes.

In 2019 the Bank engaged in numerous activities aimed at raising environmental awareness. For a start, it became a member of the Network for Greening the Financial System (NGFS), a coalition of the willing that currently comprises 46 central banks and supervisory authorities. The coalition promotes investment in the low-carbon economy and the use of funding to mitigate the impact of climate change. The Bank also supported several initiatives at both the international level (*Earth Hour* and *Earth Day*) and across Slovakia (*Bike to Work*). A campaign to get NBS staff to reduce their use of disposable plastic cups proved a big success – each employee was given a ceramic mug and the result was an immediate drop in plastic cup consumption. As part of this initiative, the plastic cups in the Bank's coffee vending machines were replaced with recyclable paper cups. Furthermore, the provision of drinks in PET bottles at discussions and meetings in the Bank was reduced and the provision of drinks in glass bottles was increased.

The Bank also helped improve the working environment of its employees by increasing the greenery, which included planting trees in terrace areas and plants in front of the building.

The regular servicing and inspections of the Bank's technological equipment are compliant with preventive measures aimed at ensuring their safe, economical, and environmentally friendly operation. In procuring

and purchasing IT and office equipment and other goods, work and services, the Bank ensures that environmental specifications and requirements are included in contract notices and that they are taken into account in the offer evaluation criteria and in the contractual terms and conditions. In this way, NBS demonstrates its preference for energy-saving and environmentally sustainable products and services. In 2019 the bank further reduced its electricity consumption by continuing the installation of a new lighting system in its regional offices, replacing their old lighting with eco-friendly LED lights. In 2019 the Bank also made improvements to the comfort and safety of its workplaces.

At the NBS Regional Office in Nové Zámky, the replacing of gas boilers with new condensing boilers in 2019 resulted in a reduction in gas consumption and a 20% cut in CO<sub>2</sub> emissions. At the Bank's headquarters, the car wash's wastewater treatment system was replaced with a system that features sand filtration and does not involve damaging chemical substances. The four new cars purchased for Bank's car pool in 2019 all fulfilled the new Euro 6d emission standard. At all its premises, the Bank prefers to use toilet paper and paper towels made with recycled paper, eco-friendly cleaning products, and, to an increasing extent, mechanical cleaning procedures. All the Bank's waste is disposed of in compliance with the requirements of municipal waste separation, mainly in regard to the separation of paper, glass and plastic waste. All the Bank's waste is disposed of by contracted waste disposal companies that meet legislative criteria for waste disposal.