Single Supervisory Mechanism

The Single Supervisory Mechanism (SSM) is a new system of financial supervision that officially entered into operation on 4 November 2014. It comprises the European Central Bank and the national competent authorities (NCAs) of mainly euro area countries, including Slovakia. The basis of the SSM is cooperation between the ECB and NCAs, with Národná banka Slovenska operating as the NCA in Slovakia.

For the purposes of the SSM, banks (credit institutions) are categorised into "significant" and "less significant" institutions, with the ECB directly supervising **significant banks,** while NCAs are in charge of the supervision of **less significant banks**. The criteria used to assess whether a credit institution falls within the significant or less significant institution category are set out in the respective EU legislation.

These criteria were also applied to banks established in Slovakia. An institution is considered significant if it meets any one of several criteria, one of which is inclusion among the three most significant credit institutions established in a Member State. On that basis, the following banks in Slovakia were categorised as significant: **Tatra banka, Všeobecná úverová banka,** and **Slovenská sporiteľňa.**

These three banks were subject to what was known as the comprehensive assessment of banks, which was carried out by the ECB and consisted of an asset quality review (AQR) and stress tests. Other banks in Slovakia that will come under direct ECB supervision, in addition to the three most significant institutions, are **Československá obchodná banka** and **ČSOB stavebná sporiteľňa**, which are members of the KBC Group, and **Sberbank Slovensko**, a member of Sberbank Europe AG. The ECB is directly supervising these two banks owing to the significance of the groups of which they are part.

All other banks established in Slovakia remain under the direct supervision of Národná banka Slovenska.

The ECB's official website for banking supervision within the Single Supervisory Mechanism is: https://www.bankingsupervision.europa.eu