



INSTITUTIONAL DEVELOPMENTS

Decree No 5/2013 of Národná banka Slovenska of 20 August 2013 amending Decree No 9/2010 Národná banka Slovenska on the professional examination and professional certification examination for the purposes of the Act on financial intermediation and financial advisory services – (Notification No 239/2013 Coll.).

Decree No 6/2013 of Národná banka Slovenska of 20 August 2013 on direct debit payee identifiers and the register of direct debit payee identifiers – (Notification No 240/2013 Coll.).

Decree No 7/2013 of Národná banka Slovenska of 30 September 2013 repealing Decree No 6/1999 of Národná banka Slovenska which lays down conditions for regulating the balance of payments of the Slovak Republic, as amended – (Notification No 330/2013 Coll.).

Decree No 8/2013 of Národná banka Slovenska 30 September 2013 amending Decree No 8/2012 of Národná banka Slovenska on fees for acts performed by Národná banka Slovenska – (Notification No 315/2013 Coll.).

Decree No 9/2013 of Národná banka Slovenska of 26 November 2013 amending Decree No 17/2011 of Národná banka Slovenska on the submission of statements by banks, branches of foreign banks, investment firms and branches of foreign investment firms for statistical purposes – (Notification No 413/2013 Coll.).

Decree No 10/2013 of Národná banka Slovenska of 10 December 2013 on the submission of statements by insurance company, reinsurance company, branch of foreign insurance company, branch of foreign reinsurance company, insurance company and reinsurance company from another Member State, pension management company, and supplementary pension management company for statistical purposes – (Notification No 453/2013 Coll.).

Decree No 11/2013 of Národná banka Slovenska of 10 December 2013 amending Decree No 6/2008 of Národná banka Slovenska on the submission of statements, reports and other disclosures by reinsurance companies and branches of foreign reinsurance companies, as amended by Decree No 24/2008 – (Notification No 454/2013 Coll.).

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 for the euro area by the Governing Council of the European Central Bank (ECB);
- 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, pay-

ment 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 accordance with separate regulations applicable to Eurosystem operations;
- performs other activities relating to its participation in the European System of Central Banks;
- perform other tasks, e. g. pursuant to the Act on financial market supervision.

NBS contributes to the stability of the financial system as well as to the security and smooth functioning of the financial market, with the aim of ensuring financial market credibility, customer protection, and compliance with competition rules. NBS is also the financial supervisory authority in Slovakia, including macroprudential supervision.



Note: Latvijas Banka became the 18th member of the Eurosystem on 1 January 2014.

On 1 January 2009, when Slovakia joined the euro area, NBS became a member of the Eurosystem, the central banking system of the euro area within the European System of Central Banks (ESCB).

The Eurosystem comprises:

- the European Central Bank (ECB); and
- the national central banks (NCBs) of the 18 EU Member States whose common currency is the euro.

The Eurosystem is thus a sub-set of the ESCB. Since the decisions of the ECB's Governing Council (on, for example, 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 besides 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 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 (rather than a supranational one) were best located to serve as access points of the Eurosystem.

The euro area NCBs, as an integral part of the Eurosystem, perform the Eurosystem's tasks in line with the rules set by the decision-making bodies of the ECB. The NCBs contribute to the activities of the Eurosystem and the ESCB by participating in different Eurosystem/ESCB committees.



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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 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
- Payment and Settlement Systems Committee
- Risk Management Committee
- Statistics Committee
- Budget Committee
- Eurosystem IT Steering Committee
- Human Resources Conference

THE ECB'S TASKS WITHIN THE SINGLE SUPERVISORY MECHANISM

Regulation (EU) No 1024/2013 confers on the ECB specific tasks concerning policies relating to the prudential supervision of credit institutions (selected in accordance with the Regulation), with a view to contributing to the safety and soundness of credit institutions and the stability of the financial system within the European Union and each Member State.

The ECB has the following tasks regarding:

- authorisations – to authorise credit institutions and to withdraw authorisations of credit institutions;
- qualifying holdings – to assess notifications of the acquisition and disposal of qualifying holdings in credit institutions;
- legislation – to issue legislation on matters not covered by the European Banking Authority;
- microprudential supervision – to exercise supervision with participation of national competent authorities;
- macroprudential supervision – to set additional capital requirements.

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 consecutive terms.

The members of the Bank Board as at 31 December 2013 were:

- doc. Ing. Jozef Makúch, PhD., Governor;
- Mgr. Ján Tóth, M.A., Deputy Governor with responsibility for monetary policy, statistics and research;
- Ing. Štefan Králik, Executive Director for legal services and security;
- RNDr. Karol Mrva, Executive Director for financial market operations and payment services.

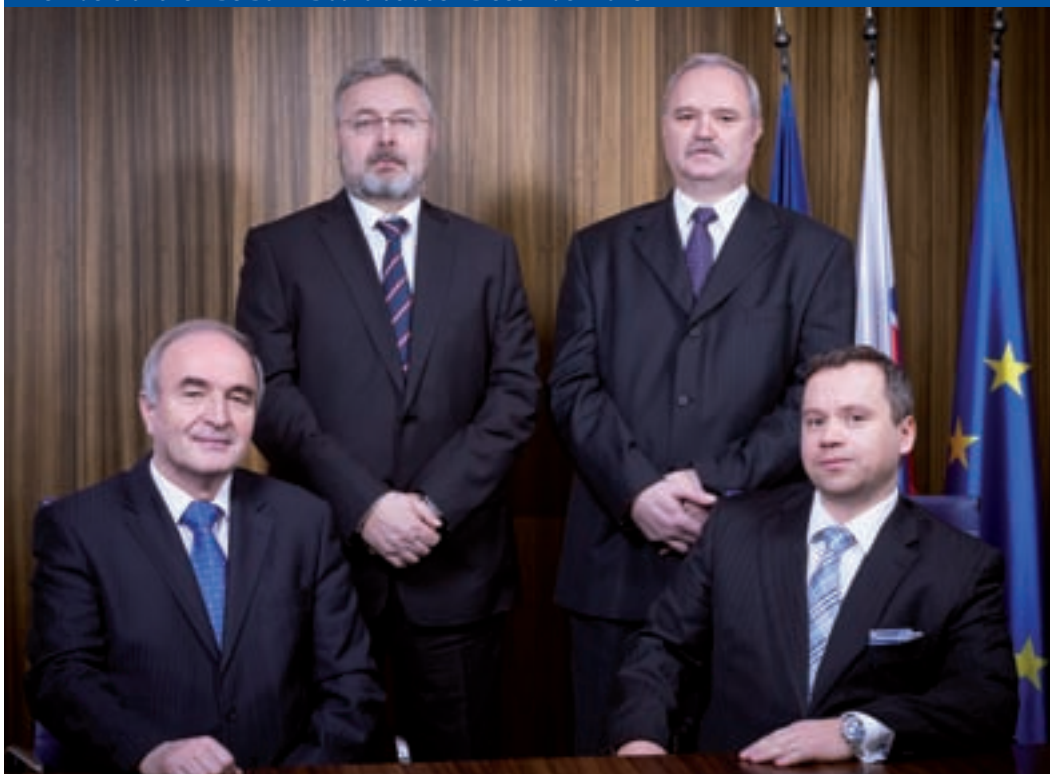
THE EXECUTIVE BOARD OF NÁRODNÁ BANKA SLOVENSKA

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 NBS's Governor, Executive Directors and other senior managers appointed by the Governor.



Members of the NBS Bank Board as at 31 December 2013



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

The members of the Executive Board as at 31 December 2013 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.

In line with decisions of the NBS Bank Board, three amendments to the NBS Organisational Rules were approved in 2013, with two of them entering into force on 1 January 2014. The organisational changes made under these amendments included a change to the organisational structure of NBS and modifications to the duties and competences of certain senior managers.

10.3 HUMAN RESOURCES

Národná banka Slovenska had 1,007 employees as at 31 December 2013. A total of 50 employees left the bank in 2013, including 11 due to organisational changes. In 2013 the bank conducted 47 recruitment procedures for vacant posts and hired 46 new employees.

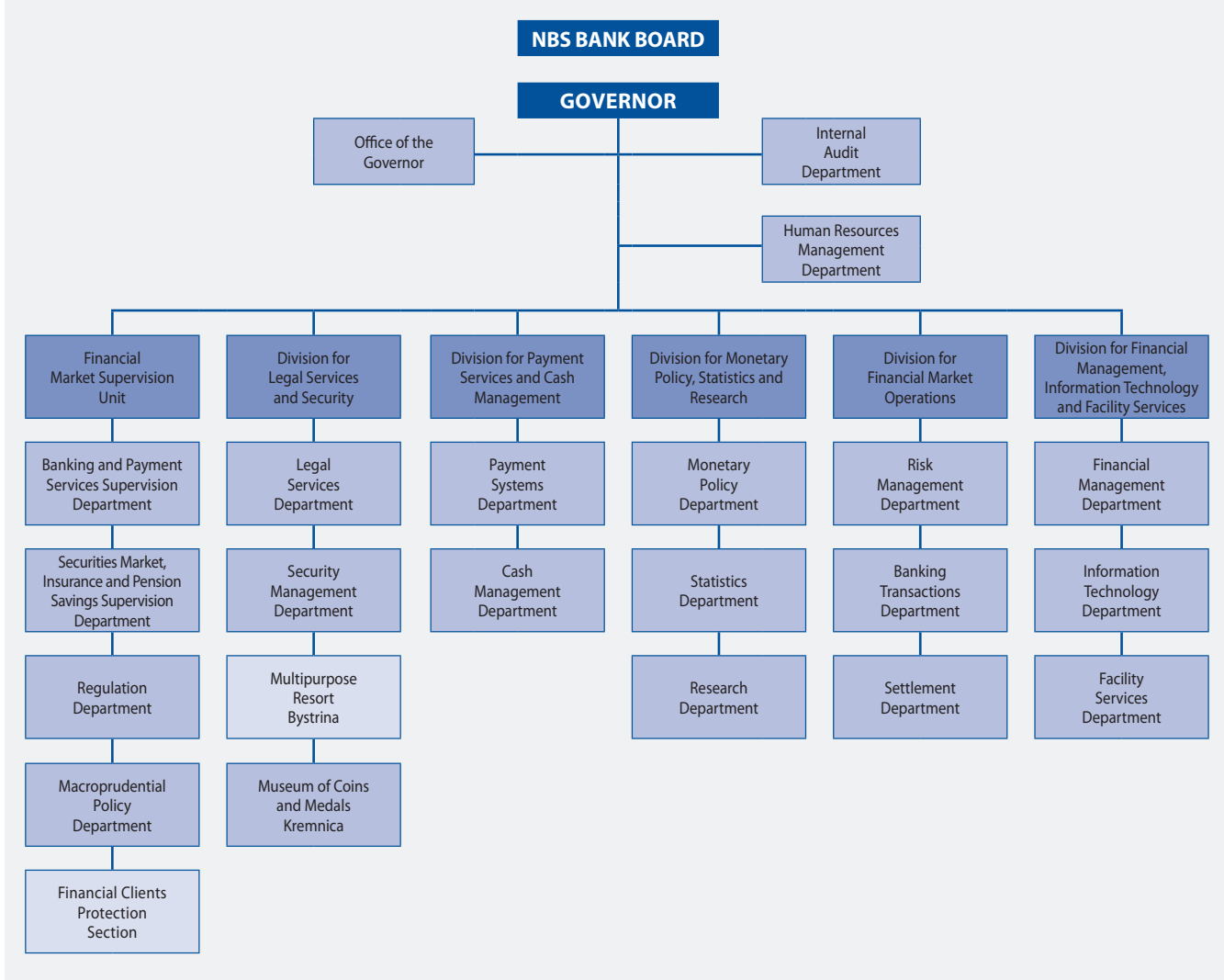
Staff exchanges between ESCB national central banks, the ECB and other international financial institutions support staff mobility within the ESCB, the exchange of experience and know-how, and the development of human resources. A total of nine NBS employees were on secondment to the ECB or European Banking Authority during the whole or part of 2013.

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 2013 was €1,831.53.



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NBS organisation structure as at 31 December 2013



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 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 855 as at 31 December 2013.

10.4 EDUCATION

To support staff in their educational and professional development, the Human Resources De-

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

Training courses in 2013 focused on the following areas:

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

Altogether, 918 employees attended training courses



In 2013 NBS organised three international training projects: *Developing Presentation and Facilitation Skills*, *English in Legal and Contractual Central Banking Practice* and *English of European Law*.

Every year NBS staff members are involved in lecturing, teaching and consultation activities as part of specialist training. In 2013 there were 71

staff members from 18 departments who participated in such work.

Eight university students completed internships at NBS in 2013, including three from universities in Slovakia and five studying in other European Union countries.