



From the Meeting of the Bank Board of the NBS

On December 14, 2001, the 26th meeting of the Bank Board of the NBS was held and was presided over by its governor Marián Jusko.

The Bank Board of the NBS approved a report about the development of the banking sector and an evaluation of prudent banking procedures in the banking sector as of September 30, 2001. The full text of the material is published on the Internet web site of the NBS <http://www.nbs.sk>.

- The Bank Board of the NBS approved the Monetary Program for the year 2002 with an outlook for 2003 to 2005.
- The Bank Board of the NBS approved a directive to issue commemorative silver coins with nominal value of SKK 200 on the occasion of the centennial of birth of Ludovít Fulla.
- The Bank Board of the NBS approved technical specifications of a commemorative coin with nominal value of SKK 10,000 to mark the 10th anniversary of the establishment of the Slovak Republic. The coin will have an unusual square shape, whereby in the center of a square golden base with dimensions 29.5x29.5 mm will be a round palladium plate with a diameter of 11 mm.
- The Bank Board of the NBS also approved a change of the date of issue of a commemorative silver SKK 1000 coin on the occasion of the 10th anniversary of the Slovak Republic from January 2003 to December 2002. On December 21, 2001, the 27th meeting of the Bank Board of the NBS was held and was presided over by its governor Marián Jusko.

- The Bank Board of the NBS approved an interim report about the monetary development in November 2001 and based on an evaluation of the development so far as well as anticipated economic and monetary development, it decided to leave the key interest rates unchanged. The decision of the Bank Board of the NBS was influenced by relatively dynamic development of the deficit on the current account of the balance of payments, despite anticipated continuation of decline of the rate of inflation.

The level of consumer prices in November was lower than the NBS anticipated, when both year-on-year core inflation as well as headline inflation were lower. This development was influenced primarily by continuing slowdown of price growth of food and a continuing decrease of prices of motor fuels, in association with the development of crude oil prices on the world markets. Demand factors also have a positive effect on the develop-

ment of consumer prices, because at present they do not represent an inflation impulse. This is documented by the development of net inflation, without motor fuels, which in November registered a slight slowdown year-on-year.

In October the trend continued of a deepening deficit of the balance of payments, determined above all by foreign trade development. Compared with previous months the growth rate of both imports and exports was moderately slower. The difference in growth rate of imports and exports slightly narrowed in October compared with September. Investment imports continued to grow at a high rate. Simultaneously, imports of semi-finished products and consumer goods contributed to rising imports.

Published data of the development of the gross domestic product in fixed prices in the 3rd quarter indicate continuing growth influence of domestic demand, primarily investment demand. However, compared with the previous period, growing faster was also final consumption of households and the public administration.

Foreign demand also contributed to economic growth in real terms, which, however, was compensated by a relatively high growth rate of imports and thus the net export had a negative effect on the GDP growth.

In December, the development of core inflation as well as headline inflation should continue to be influenced by insignificant demand pressure with a simultaneously decreasing effect of cost factors. Positive development can be expected from food prices. Considering that in the last months of the year, substantively regulated prices and indirect taxes would change only slightly, development of overall inflation would be primarily determined by core inflation.

- The Bank Board of the NBS approved measures applicable for the entry of investors into the banking sector of the Slovak Republic and a directive to the mortgage register in association with the adoption of the new Bank Act.

Resignation of a Member of the Bank Board of the NBS

As of December 31, 2001, Eugen Jurzyca, director of the Central European Institute for Economic and Social Reforms (INEKO) resigned from his post of member of the Bank Board of the National Bank of Slovakia. He explained his resignation from the Bank Board of the NBS by significant widening of activities of INEKO non-governmental organization at this time.

Monetary Programme of the NBS for the Year 2002

On December 14, 2001, the Bank Board of the National Bank of Slovakia approved the Monetary Program of the National Bank of Slovakia for the year 2002, which also contains a medium-term economic outlook of the Slovak Republic for the years 2003 to 2005. Governor of the NBS Marián Jusko presented the Monetary Program at a press conference on December 20, 2001 (more on this topic on page 2 of this journal).

–pol–





Working Meeting

The governor of the National Bank of Slovakia, Marián Jusko, and other members of the Bank Board of the NBS met on December 18, 2001 with representatives of commercial banks and branch offices of foreign banks operating in Slovakia. The governor informed about expected results of monetary development in the Slovak Republic in 2001 and the Monetary Program of the National Bank of Slovakia for 2002.

Text and photo Ivan Paška

Tatra Banka Art Prize for 2001

Apart from providing comprehensive banking services, activities of Tatra Banka, a.s. also include sponsorship directed toward pre-selected areas with the objective to help where it is most needed and where money is in short supply. The bank focuses its sponsorship activities on the urgent areas of health care, culture, education, charity, and sports, where it supports longer-term projects. In the area of supporting Slovak art, the bank has already developed a tradition of awarding art prizes of Tatra Banka, which has taken place every year since 1996 and is accompanied by a ceremonial concert in the Opera of the Slovak National Theater in Bratislava. By financial support of SKK 450,000 for three art personalities, the bank seeks to reward existing values of the nation, however, at the same time also to support the origination of new works in all genres and to enable a good start for young artists.

In eight competing categories – literature, film, television, visual art, music, interpretation art (acting, singing, dancing, ballet, playing a musical instrument), an exceptional creative

deed of the year, life's work, and the best debut – three prizes are awarded every year. Apart from these, it is possible to award a non-financial prize in memoriam. Decisions about the awards are made by a ten member impartial panel of renown experts and personalities of social life who monitor the developments in art throughout the year and following thorough evaluation they select candidates for this award.

The following artists won the art prizes of Tatra Banka for the year 2000:

Pavol Mikulík for an exceptional creative deed of the year, Ester Šimerová-Martinčeková for visual art, Pavel Vilikovsky for literature, and in memoriam Aleš Votava for exceptional contribution to Slovak scenography.

The art prizes of Tatra Banka were awarded by a representative of the bank and members of the jury at a ceremonial concert in the Opera of the Slovak National Theater at the end of 2001. The agency MONARCH, a.s. was in charge of organizing the concert and the prize award ceremony.

Alica Polónyiová

A Year of Activities of the Financial Market Authority

The Financial Market Authority (UFT) gave a news conference at the end of 2001 on the occasion of the first anniversary of its establishment. Its chairman doc. Ing. Jozef Makúch, PhD. reported about activities so far, development of legislative rules for the financial market, and outlook for its future functioning. Other participants who informed in more detail about individual spheres of activity included deputy chairman Ing. Július Tomka, PhD. and members of the UFT Council Ing. Slavomír Štasťný, CSc., MBA, and Ing. Mário Schrenkel.

The Financial Market Authority was established by law 329/2000 Z.z. on the Financial Market Authority and on changes and amendments to related laws on November 1, 2000 as an authority of the state administration for the capital market and the insurance industry. It is a state subsidized organizati-

on with registered address in Bratislava. It is authorized to issue licenses for entities operating on the capital market and in the insurance sector, and in some instances approve members of their statutory bodies or public documents they publish (statutes, rules, prospectuses, etc.). As part of its licensing activity, the UFT issued a total of 926 decisions from November 1, 2000 until October 31, 2001, (469 regarding the capital market and 457 concerning the insurance sector). Over the evaluated period, the UFT examined in the form of on site inspection the activity of 20 companies (16 on the capital market and 4 insurance companies).

In its off site supervisory activities, the UFT concentrated on suspicions of misuse of business information, suspicions of unauthorized business activities and unauthorized handling of client money, on the creation, verification of use, and methods of placement of reserves of insurance companies, and verification of solvency of insurance companies. Based on its control findings, the UFT has issued 82 decisions on sancti-



ons (73 for the capital market and 9 in the insurance sector), thereof 75 also involved a financial fine along with corrective measures.

The Financial Market Authority is a member of international organizations, IOSCO (International Organization of Securities Commissions), and IAIS (International Association of Insurance Supervisors). The UFT is a founding member of a consulting group of regulatory and supervisory bodies for the capital market in candidate countries for membership in the European Union, and it has developed activities within the accession process, it was active in working commissions and groups of the OECD, as well as in technical assistance pro-

jects from European Union PHARE funds. The Financial Market Authority has cooperated with the Ministry of Finance of the Slovak Republic on preparations of generally binding regulations for the capital market and the insurance industry.

The basic objective at present is to complete the transformation of the UFT to an institution that would correspond to requirements of the European Commission from the viewpoint of financial and operational independence of the Financial Market Authority, within the preparations of the Slovak Republic for entry into the European Union.

Soňa Babincová

Overview of Educational Activities of the Institute of Bank Education of the NBS for February and March 2002

Name of educational activity	Date
FEBRUARY	
Income tax returns of legal entities	4.
International commercial transactions	4. – 8.
Strategy of managing assets and liabilities I	4. – 8.
Electronic commerce (e-commerce)	11. – 12.
Cost management in a bank	11. – 14.
Distance learning: Law for bank employees	12. 2. 2002 – June 2002
Basic skills in contact with clients	12. – 13.
Conflicts and their solution I	12. – 14.
Uncovering counterfeit notes	18. – 19.
Credit transactions of banks I – Credit analysis	18. – 21.
Successful salesman	19. – 21.
Income tax – selected areas	20.
Effective manager I – Personality of a bank employee and its development	20. – 21.
Basics of the art of lecturing	26. – 28.
MARCH	
English commercial conversation	March – June
Preparation for Cambridge test in commercial English BEC 2	March – June
Preparation for Cambridge test in commercial English BEC 3	March – June
Security management in information technologies	4.
Labor Code effective as of April 1, 2002	4. – 5.
Sales Teamwork Management – Team Selling	4. – 6.
Basic course in banking I	4. – 8.
Value added tax applied in banks	5.
Conflicts and their solution II	12. – 13.
Correspondent banking	13. – 15.
Prevention of counterfeiting and money laundering	18. – 19.
Strategy of management of assets and liabilities	18. – 22.
Effective manager II – Stress and time management	20. – 21.
Financial management I – Financial analysis, cash flow, financial modeling	25. – 28.