



Meetings of the NBS Bank Board

The 8th Meeting of the Bank Board of the National Bank of Slovakia, chaired by Marián Jusko, Governor, was held on 26 April 2002.

- The Bank Board of the NBS decided to increase the key interest rates of the NBS by 0.5 %. This increase results from the worsened external economic imbalance (due mainly to the increased foreign trade deficit), as well as from the increased internal imbalance and, last but not least, from the reluctance to implement sufficient measures to eliminate the risks arising from this development.

- The pending problems in the public sector, together with the expected increase in loans to enterprises and households, may create pressure on the exchange rate and later on inflation, which may endanger the objectives of the monetary policy formulated in the 2002 Monetary Programme of the National Bank of Slovakia.

Having assessed the current economic development and projections until the end of the year, as well as having considered the possible impact of the risks involved in the fis-

cal area development, the Bank Board of the NBS decided on increasing the two-week limit repo rate of the NBS to 8.25 %, overnight deposit rate to 6.5 % and refinancing rate to 9.5 %. These rates become effective from 27 April 2002.

- The Bank Board of the NBS decided on the RTGS Project implementation. The project involves the creation and implementation, by the end of 2003, of a state-of-the-art system of payments and settlement in real time – the RTGS system. The new system will allow domestic inter-bank payments and transfers of funds in a very short time – within several minutes. This will enable Slovak commercial banks to provide their clients with new and progressive payment services, and conditions in Slovakia to approach those of EU member countries. The RTGS system will be operated by the NBS.

- The Bank Board of the NBS also decided on the SIPS Project implementation. The project involves the creation and implementation, by the end of 2002, of the SIPS domestic interbank payment system. This system will be operated by the NBS.

Press Department of OVI NBS

Economic results of the Slovak Guarantee and Development Bank for 2001

The Slovak Guarantee and Development Bank (SZRB) is a state financial institution aimed at supporting the financing of small and medium-sized enterprises, the definition of which is in the legislation compatible with the European Union. The distinctive nature and unique standing of the SZRB in the system of support for small and medium sized business lies in the provision of bank support in a combined manner. Its support programmes to small and medium-sized businesses are carried out by SZRB in the form of guarantees, loans and non-returnable financial contributions through commercial banks to a business activity as well as through the application of multisectoral support, for example the development of towns, villages and regions, agricultural production, housing residential construction, tourism, fuel and energy saving, etc.

Also the support of newly emerging small-and medium sized enterprises holds an irreplaceable position in the bank's operations, as well as the small businesses which are not the target group of all commercial banks. SZRB is the only institution in Slovakia that finances small and medium sized-businesses on banking principles.

Resource coverage for programmes approved by the Government is ensured by SZRB through transfers from the state budget and from own revenues. A significant place in securing the bank's financing sources is held by credit

agreements signed with foreign partner banks, for example credit lines from Kreditanstalt für Wiederaufbau (KfW) and from the Council of Europe Development Bank (CEB). Loans are used for the co-financing of strategic investment objectives of small and medium-sized enterprises, residential construction and social housing construction.

Representatives of SZRB, š. p. ú. informed journalists at a press conference held on 25 April 2002 of the bank's economic results for 2001, of the aims for the bank's further development, and its new segments and products, and the finalisation of the bank's transformation from a state financial institution to a state joint stock company, the transformation of the State Environmental Fund and the State Agricultural and Foodstuffs Fund into the portfolio of the Slovak Guarantee and Development Bank.

The bank's total assets as at the end of the year showed a net value of 14 260 612 thousand SKK, which represents a 99% increase. The value of the off-balance sheet portfolio increased by 22%. The most significant share in the increase of the total assets was contributed to take over of loans of co-operative housing construction in the value of 6 678 816 thousand SKK. On the liabilities side the take over is covered by a long-term credit from the NBS.

The profit after tax for the year 2001 was 136 025 thousand SKK. Return on capital employed was 5.1% and return on assets was 0.9 %. The loans from the cooperative housing construction have significantly influenced this figure. Outside



sources of finance grew by 6 968.5 million SKK and their share in the total liabilities reached 81%. The bank's own capital grew by 126.6 million SKK, reaching the value of 2 673.4 million, SKK, of which 160 million SKK are mandatory reserve funds. General operating costs of the bank excluding depreciation of investment assets represent 13% of total costs.

Significant growth was recorded in revenues from securiti-

es operations and client operations, which grew sixfold. Anticipated losses from risky balance-sheet as well as off-balance-sheet assets were covered by provisions and reserves created in the amount corresponding to international accounting standards. Their value in total reached 1 441 964 thousand SKK which is 10 % of the gross assets of the bank.

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Audit and security of information technology

The Slovak branch of the organisation ISACA, which is the association of professionals from the field of security, audit and control of information systems, is organising on June 13, 2002 at the congress centre of hotel Stupava a conference on the topic of Audit and Security of Informa-

tion technology (ABIT 2002). There are to be lectures on topics from the field of protection of personal data, detection and prevention of computer crime, audit of e-commerce and internet technology from the prominent experts from Slovenia, the Czech Republic and Slovakia.

More information on : <http://www.isaca.sk>

K. Lachová

A TENACIOUS, HARD-WORKING, DECENT MAN

On April 2, 2002 Rudolf Štohl, a former long-serving employee of the State Bank of Czechoslovakia departed this life at the age of 95 years. He had devoted most of his working life to banking – almost sixty years.

He was born in the Austro-Hungarian Empire into a simple farming family in Pezinok town and from an early age had longed to achieve at least a secondary school education. Therefore, instead of his parents sending him “for carpentry“, he studied at Bratislava commercial academy, from where he graduated in 1927. Immediately after finishing his studies he started work at a branch of the Slovak Bank in Modra. Here he gradually passed through all the standard activities and gained the necessary practice. In view of the fact that at this time he had already mastered German as well as basic English, by the end of 1930 (under the first Czechoslovak Republic) he received an offer to go to work at what was then the largest branch of the Slovak Bank in Mukačevo, where by autumn 1940, he had worked in various managerial positions. He married there and his two daughters were born here. From the end of 1940 to end of the war in 1945, he worked as director of the branch of the Slovak Bank in Hlohovec. At the end of the war he received an appointment from the head office of the Slovak Bank in Bratislava to reopen the branch in Nové Zámky, where he remained as director until the start of 1949, and where among other things he made use of his knowledge of Hungarian. At this time his family had grown by another



her daughter. Following the renaming of Slovak Bank to Slovak Tatrabanka he accepted the decision of the head office of a managerial position in Prešov. In 1950 he actively participated in the creation of an inter-branch clearing system at the State Bank of Czechoslovakia for the whole of Czechoslovakia. Up until 1954 he occupied the position of county chief accountant in the State Bank of Czechoslovakia, later occupying various managerial positions.

In Bratislava one last daughter arrived in the family. Even after his retirement in the mid seventies he worked at exchange desk in the office at the border with Austria, where he made use not only of his banking practice, but also of his language skills, and even at his advanced age, did not hesitate to begin learning Italian. In his 72nd year he finished the working part of his life. During his working activities he had actively contributed to the banking journal ‘The Voice of the Bank’ and to professional journals. Up until the end of his life he maintained an interest in Slovak and world banking and financial affairs, which he was able to keep up with help of his daughters. He expressed great honour and appreciation a ceremonial reception at the office of the Governor of the National Bank of Slovakia in the spring of last year on the occasion of a rare jubilee – his 95th birthday. His memory stays with us. Memories of a creative bank employee, a good man, a friend, and a loving father.

Izabela Fendeková

A MEETING WITH THE FINANCE MINISTER OF CROATIA

The Governor of the National Bank of Slovakia M. Jusko received on April 30 2002 a visit of the Minister of Finance of Croatia M. Crkvenac. On the agenda of the working meeting were relations with international financial institutions, issues of cooperation of the Ministry of Finance of the SR and the NBS. The Governor of the National Bank of Slovakia M. Jusko informed his guest of the course of economic development and macroeconomic stability indicators of the SR.



Matu Crkvenac, Minister of Finance, Croatia.



ČSOB HIGHLIGHTS IN SLOVAKIA



The results and future aims of ČSOB expounded by Ing. Ladislav Unčovský, Managing Director ČSOB, and Ing. Branislav Straka, Director for Private Customers, Small & Medium-Sized Businesses at ČSOB.

Československá obchodná banka, a. s., with more than 35 years of experience has significantly strengthened its position since 1999, when the Belgian bank KBC became its majority shareholder. Through a merger with Investiční a poštovní banka, a. s., (IPB) in June 2000 it became the largest bank in the Czech Republic and the second largest bank in Central Europe. In 2001 it achieved a net profit of 5.9 billion CZK (based on international accounting standards), representing an increase of 26,9 % on the year 2000.

In the past year the ČSOB group has recorded growth in market share in the SR in all segments. Net profit in accordance with Slovak accounting standards represented 523 million SKK; the number of clients grew in the sectors private customers small clientele and small and medium-sized businesses by 38%, the number of new corporate clients (with a volume of earnings over 300 million SKK) rose, the bank opened 14 new branches, raising their number as at the end of the year to 39. A strengthening of leasing services and the bank's successful operation in the building savings market also contributed to the positive results of the ČSOB group. The positive trend of the past year is confirmed also by the results for the first quarter of this year. The main aim of the bank in the medium-term horizon is to gain a position among the four main universal banks in Slovakia. Therefore it will continue in its expansion of new branches and in offering new products, in particular to private customers, entrepreneurs and small and medium-sized businesses. In April 2002 ČSOB is to launch mortgage lending.

Alica Polónyiová