

MEETINGS OF THE NBS BANK BOARD

The 17th Meeting of the Bank Board of the Národná banka Slovenska was held on 25 April 2006, chaired by Martin Barto, Deputy Governor.

- The Bank Board of the NBS discussed the Situation Report on the Monetary Development of Slovakia in March 2006 and decided on maintaining its current interest rates for the overnight sterilization transactions at 2.5%, the overnight refinancing transactions at 4.5%, and the limit rate for two-week repo tenders with commercial banks at 3.5%.

- The Bank Board of the NBS discussed and approved the material Optimization of the amount of the NBS's foreign-exchange reserves. Regarding the fact that the amount of the foreign-exchange reserves represent five-times the average of the monthly imports in the SR, the Bank Board of the NBS decided that the NBS will be selling off the profits earned from the management of the foreign-exchange reserves. The given financial operations will be performed preferentially outside the domestic foreign-exchange market and namely in such a way that would minimize their influence on the foreign-exchange market with the Slovak koruna. The assumed volume of the foreign-exchange transactions will be reaching approximately 1% of the daily turnover on the foreign-exchange market with the Slovak koruna and it should not exceed the value of 3% of this turnover.

The NBS will disclose the volume of the performed transactions in its Situation Reports on the Monetary Development of the SR.

The National Banks of Slovakia discussed the Report on the activity and management of the 2005 Standing Arbitration Tribunal (SAT). Upon the proposal of the founder of the SAT, pursuant to Article 68 para 2 of the Act No. 510/2002 Coll. on the Payment System and on changes and supplements to certain acts as amended by subsequent regulations, the NBS has decided that the contribution for the activity of the Standing Arbitration Tribunal of the Association of banks will not have to be paid in 2006, because of the fact that there were sufficient financial resources from the previous period.

The 18th Meeting of the Bank Board of the Národná banka Slovenska was held on 2 May 2006, chaired by Ivan Šramko, Governor.

- The Bank Board of the NBS approved the Issue Plan of Commemorative Coins for the year 2008, which includes the issue of four commemorative coins.

A silver commemorative coin in the nominal value of SKK 200 commemorating the 100th anniversary of death of an investigator, collector and patriot Andrej Kmeť, a significant representative and organizer of the scienti-

fic and cultural life in Slovakia in the second half of the 19th and the beginning of the 20th century, will be issued as the first one, in February 2008.

A silver commemorative coin in the nominal value of SKK 500 with the motif of the Low Tatras National Park is planned to be issued in May 2008.

The third coin included in the issuing plan for 2008 is a gold commemorative coin in the nominal value of SKK 5000 with the motif of coronations in Bratislava, commemorating the 400th anniversary of the coronation of Matej II. Its issue is planned for September 2008.

The fourth coin in the issuing plan, to be issued in December 2008, is a silver commemorative coin in the nominal value of SKK 1000. It will be devoted to farewell to the Slovak currency in connection with the prepared euro changeover on 1 January 2009.

The 19th Meeting of the Bank Board of the Národná banka Slovenska was held on 9 May 2006, chaired by Ivan Šramko, Governor.

- The Bank Board of the NBS discussed and approved The Report of the Financial Market Supervision in 2005 and The Report on the Slovak Financial Sector Analysis in 2005.

Both documents will be posted on the NBS's web site.

The 20th Meeting of the Bank Board of the Národná banka Slovenska was held on 16 May 2006, chaired by Ivan Šramko, Governor.

- The Bank Board of the NBS discussed the Report on Money in Circulation in the Slovak Republic in 2005. The Report confirms that the value of money in circulation at the end of 2005 was SKK 130.1 billion, and the total money in circulation issued by the National Bank of Slovakia comprised 1.23 billion banknotes and coins, of which there were in circulation 161.8 million banknotes and 1.06 billion coins, and 831 thousand commemorative coins.

The average value of money in circulation per capita was SKK 24,184, which was SKK 3,757 higher than in 2004.

In 2005, the total number of counterfeit Slovak koruna and foreign currency banknotes found in Slovakia was 1,316. The greatest number of counterfeit banknotes was denominated in the Slovak koruna (59%), the euro (18%), the US dollar (13%) and other foreign currencies (10%). Up to 90% of counterfeits were detected directly in circulation by banks, branches of the foreign banks and security agencies processing money from supermarket chains. Although the amount of counterfeit money slightly increased when compared with 2004, in the course of the 13 years of the existence of the National Bank of Slovakia it was the fourth lowest yearly number of detected counterfeits.

- The Bank Board concluded that the circulation of cash throughout the year was smooth and the cleanliness of cash in circulation was sufficient.

The Bank Board of the NBS discussed and approved the Interim Financial Statement and the Report on the Result of Operation of the NBS as at 31 March 2006.

The National Bank of Slovakia reported a loss of SKK 1.1 billion as of 31 March 2006. The stated Report on the Result of Operation does not contain the differences of the revaluation of the financial assets and assets and liabilities in foreign currencies. In accordance with the new

regulations in the accounting, with the effect from 1 January 2006, the differences of the revaluation affect the equity capital of the NBS. The losses from the revaluation of the financial assets and assets and liabilities in foreign currencies will affect the result of operation of the National Bank of Slovakia as at 31 December 2006.

As at 31 March 2006 the losses from the revaluation decreased the equity capital of the National Bank of Slovakia by SKK 7.6 billion.

Press Department of the OVI NBS

PRESS RELEASE

International activity of the NBS in the area of education



Participants in the seminar

In the framework of international cooperation in the ESCB, the Institute of Banking Education held a seminar on „Heading for Leadership“ (Managing People in a Central Bank Environment) from 23rd to 28th April 2006. The seminar was intended to deepen management skills in the area of leadership by using interactive methods of education to learn the methods of applying the principles of correct management and effective fulfilment of tasks in the context of managerial work.

The seminar is part of the „Common ESCB Training“ programme initiated and secured by the European Central Bank in cooperation with the national central banks. The National Bank of Slovakia was the host and organizer of an educational event of this

character for the first time. The seminar was held in harmony with the agreed common procedure, which is binding for the central bank hosting and organizing such an event.

The participants in the seminar were 16 managers from 11 central banks of countries of the European Union including the European Central Bank.

The seminar ended with a final test and the handing over of certificates for successful completion of the course. The director of the Institute of Banking Education Ing. Dušan Garay CSc. handed over the certificates to the participants in the seminar.

Since almost all the participants were in Slovakia for the first time, the seminar included brief social events oriented towards acquainting the participants with the sights of Bratislava and the Slovak cultural environment.

The participants in the seminar and their teachers Mr. Boudewijn D'hauvers and Mrs. Myriam Van de Wiele highly appreciated the approach of the National Bank of Slovakia both to preparation of the seminar and its overall organizational and technical provision in the premises of the Institute of Banking Education.

By holding the seminar Heading for Leadership, the National Bank of Slovakia became an active part of the joint education system of the ESCB.

Ing. Dušan Garay, CSc.

Photo: Pavel Kochan