



Meetings of the NBS Bank Board

The 9th Meeting of the Bank Board of the National Bank of Slovakia, chaired by Marián Jusko, Governor, was held on 10 May 2002.

- The Bank Board of the National Bank of Slovakia made note of the Auditors' Report on the summarized financial statements prepared by Deloitte & Touche, s.r.o., which will be published in the Annual Report. The auditors in their report expressed the opinion that the summarized financial statements are consistent, in all material aspects, with the financial statements from which they were derived, the statements being prepared in accordance with the Accounting Act.

- The Bank Board of the National Bank of Slovakia made note of the Auditors' Report, prepared by the auditor DELOITTE & TOUCHE, s.r.o., on the financial statements of the National Bank of Slovakia prepared in accordance with International Accounting Standards as of 31 December 2001 and 2000.

The audit was conducted in accordance with the International Standards on Auditing and the auditors in their report expressed the opinion that the financial statements present, in all material aspects, truly and fairly the financial position of the Bank as of 31 December 2001 and 2000, as well as the relevant results of its operations, its cash flows and changes in equity, in accordance with International Accounting Standards.

The 10th meeting of the Bank Board of the National Bank of Slovakia, chaired by Marián Jusko, Governor, was held on 24 May 2002.

- The Bank Board of the NBS, in consistence with the Long-term Banking Supervisory Development Plan, discussed and approved the document Strategy of Banking Supervision Development. The objective of the Strategy is the further improvement of the banking supervision conduct, above all the orientation to a pro-active approach and a banking activities risks assessment.

- The Bank Board of the NBS discussed the Report on the Economic Result of the NBS for January through March 2002. The economic performance resulted in a loss in the amount of SKK 3.4 billion. The development of NBS's performance was especially influenced by strengthening the rate of the Slovak koruna vis-a-vis its referential currency Euro. As of 28. 3. 2002 the EUR/SKK rate strengthened by 2.31% as compared with 31. 12. 2001 which equals the exchange rate loss of SKK 2.4 billion. The cost of banking sector sterilisation was another factor that significantly impacted on the level of the loss. It is expected that the economic result of the NBS in near future will be still influenced especially by the Slovak koruna rate and the sterilisation costs.

- The Bank Board of the NBS approved the paper The Rules of the NBS's Foreign Exchange Reserves Management - The Rule Book. The Rule Book lists the principles and regu-

lations which regulate the NBS activities on the world financial and capital markets, define methods of individual types of risks management and determine division of powers and responsibilities in the management of the NBS's foreign exchange reserves.

The 11th Meeting of the Bank Board of the National Bank of Slovakia was held on 31 May 2002, chaired by Marián Jusko, Governor.

- The Bank Board of the NBS approved the "Report on Monetary Development in April 2002". The development of the basic macroeconomic parameters remains unchanged compared to the previous period. The favourable trends in the development of consumer prices continued in line with the NBS expectations, leaving the year-on-year headline inflation without changes, and with a slight decrease in the core inflation. The foreign trade development in April was characterized by the slight year-on-year decrease in the trade balance deficit. In view of coming economic development, the factors, which led to the increase in the NBS key rates (on 26 April 2002), are still present.

- The Bank Board of the NBS decided on leaving its key interest rates unchanged. The limit rate for the standard two-week REPO tenders thus remains at 8.25%, the overnight sterilisation rate equals 6.5%, and the overnight refinancing rate is 9.5%. The increase in the NBS key rates on 26 April 2002 was immediately shown in the interest rates movements on the money market. A reaction in the area of the clients' interest rates is likely to follow shortly afterwards. The evaluation of its impact on the monetary aggregates and the real economy variables will, however, be possible only after certain time lag. Over the months to come the NBS expects an ongoing favourable development in consumer prices, with slight decreases in both the headline and core inflation. In the second half of the year the consumer prices dynamics will slightly accelerate; towards the end of the year, however, it should be somewhere below the mid value of the relevant range set in the 2002 Monetary Programme of the NBS.

- The Bank Board of the National Bank of Slovakia approved the Revised Monetary Programme for 2002. When compared with the original Monetary Programme, the range for the headline and core inflation remains unchanged. The Bank Board of the NBS further expects the relatively stable development of the SKK/EUR exchange rate, reflecting the economic performance. The Revised Monetary Programme, like the original 2002 Monetary Programme, expects a GDP growth in constant prices of 3.5 % – 3.8 %. Unlike the original estimate, the NBS expects an increased fiscal deficit of approximately 4.5 % of GDP. As a result, the ratio of the balance of payments current account deficit to GDP should be 8.3 %. After being edited, the 2002 Revised Monetary Programme of the NBS will be published on the NBS web-site in the Monetary Policy folder.

Press Department of OVI NBS

Celebratory Opening of the New Building of the National Bank of Slovakia

On the occasion of the celebratory handing over of the new building of the NBS headquarters into use on 23 May 2002, the National Bank of Slovakia held a press conference in the congress hall. At the beginning of the meeting with journalists the vice-governor of the NBS Ivan Šramko gave a speech. He mentioned again the main milestones passed in the construction of the central bank's new building and explained the facts that led the Bank Board of the NBS to take the decision in 1994 to initiate the construction of a new seat for the central bank. The workplaces of the NBS in Bratislava were scattered at 10 sites in their own as well as rented premises. The annual expenses for rental itself each year amount to SKK 35 million. The NBS pays annually for storage, administration and processing of currency in circulation outside the premises of the NBS almost SKK 25.5 million. Interconnection of the computer network between individual premises, the necessary telecommunication fees, expenses for parking vehicles, distribution of mail, protection of premises represent a further SKK 50 million annually. In total, the costs for the operation of the NBS represent annually more than SKK 100 million. However, there were yet further reasons for constructing the new building. The National Bank of Slovakia has the obligation in particular to ensure its safe and risk-free operation and to reduce the expenses for the bank's operation.

Vice-governor Ivan Šramko emphasised that the financing



NBS press conference. From left: Ing. F. Hirner, General Director of ZIPP, Ing. arch. P. Paňák, Ing. arch. M. Kusý, Ing. I. Šramko, Vice-Governor of the NBS, Ing. P. Hronec, Chief Executive Director of the NBS, Ing. V. Ivanov, Association of Engineering, Director of the construction, Ing. J. Onda, spokesman of the NBS.

of the construction was fully from the own resources of the NBS and not from taxpayers' money.

The modern construction of the building – the new seat of the NBS headquarters in Bratislava – is in our conditions a unique construction. From the view of architectural design, it is an imposing building, and as to its technological solution it is a building at the level of a complex factory. The deadline for finishing of the construction was affected by 227 changes, which the original project had not counted on. Comprehensive tests were in the end positive. The main building was finished on 27 December 2001 and the District Office Bratislava issued its decision for use of the building on 26 February 2002. The realisation of the construction represents progress also from the international point of view, where it is a building of the highest parameters comparable at the world level.

S. Babincová, Photo: P. Kochan

Overview of Educational Undertakings of the Institute of the Banking Education of the NBS for the 3rd quarter of 2002

Title of educational undertaking	Date
SEPTEMBER	
Business and Banking English Skills and Communication	Sept – Dec 2002
Money and Capital Markets I	9th – 13th
Distance study: Lending Process in the Bank II – Risk Management in the Lending Process	10. 9. 2002 – január 2003
Basic Course in Graphology	11th – 13th
Accounting of financial instruments in accordance with International Accounting Standards	12th – 14th
Basics of Banking Accountancy III	16th
Valorisation of Tangible Assets III	16th – 18th
Lending Skills (Advanced)	16th – 20th
Domestic System of Payments	23rd – 25th
Risk Management	23rd – 27th .
Valorisation of Intangible Assets I	30 Sept. – 2nd Oct
Controlling and Management of Expenses in a Bank	30 Sept. – 2nd Oct.