

MEETINGS OF THE NBS BANK BOARD

The 55th Meeting of the Bank Board of the National Bank of Slovakia, chaired by Ivan Šramko, Governor, was held on 6 December 2005.

- The Bank Board of the NBS discussed and approved the paper Estimate of the Balassa-Samuelson Effect in the Slovak Economy. The Paper will be published on the website of the NBS.

- The Bank Board of the NBS discussed and approved the draft decree of the NBS amending the Decree of the NBS No 5/2004 on disclosure of information by banks and branch offices of foreign banks, and the method of publication of annual reports by banks or branch offices of foreign banks operating in the Slovak Republic.

The amendment to the Decree reflects the fact that as of 1 January 2006 all the banks will be obligated to account in accordance with the International Accounting Standards. The particular Standard No 39 stipulates the manner of financial assets valuation. The changes in the area of accounting also have implications for the scope of released information in the area of financial assets quality.

The next reason for drafting of the Decree amendment is the fact that, pursuant to the particular Accounting Standard No 30, the banks will be obligated to disclose Balance Sheet and Profit/Loss Account; at the same time, the Measure of the Ministry of Finance stipulating the details establishing the particulars of layout, denotations of items in individual financial statements, delimitation of items' contents and the extent of data in financial statements designed for publishing, applicable to banks, branches of foreign banks, shall be repealed.

The Decree will become effective on 1 January 2006.

- The Bank Board of the NBS discussed and approved the draft decree of the NBS amending the Decree of the NBS No 13/2004 on the classification of assets and liabilities of banks and branches of foreign banks and adjustment of their valuation, formation and dissolution of reserves and related reporting.

The amendment of the Decree reflects the fact that as of 1 January 2006 the banks will be obligated to account in accordance with the international accounting standards and they will be obligated to adjust the valuation of their financial assets pursuant to the particular Accounting Standard No 39, which is part of the European Parliament Regulation.

The Decree will become effective on 1 January 2006.

- The Bank Board of the NBS approved the decree on the issue of a commemorative silver coin in denomination of SKK 200, commemorating the 200th Anniversary of the signing of the Bratislava Peace Treaty.

The commemorative coin is minted from alloy containing 900 parts of silver and 100 parts of copper. The weight of coin is 18 g and its diameter is 34 mm. Sculptor

Pavel Károly designed the coin. The commemorative coin was minted by the Kremnica Mint, s.o.e., in a series of 5 100 pieces in mint quality and 3 400 pieces in proof quality. The coin will be on sale before Christmas.

The 57th Meeting of the Bank Board of the National Bank of Slovakia was held on 20 December 2005, chaired by Ivan Šramko, Governor.

- The 57th Meeting of the Bank Board of the National Bank of Slovakia was held on 20 December 2005, chaired by Ivan Šramko, Governor.

- The Bank Board of the NBS discussed the Situation Report on the Monetary Development of Slovakia in November 2005 and decided on maintaining its current interest rates for the overnight sterilization transactions at 2.0%, the overnight refinancing transactions at 4.0% and the limit rate for two-week repo tenders with commercial banks at 3.0%.

- The Bank Board of the NBS approved the draft Decree on the analysis of the risks connected with security of premises of banks and branch offices of foreign banks. The approval of the Decree is a result of a number of robberies in business premises of the banks in the Slovak Republic over the last months.

The Decree regulates the scope of risk analysis, which the banks and branch offices of foreign banks are obliged to develop with the aim to create better conditions for the protection of their business premises against further robberies, with special focus on closer cooperation with the police authorities.

- The Bank Board of the NBS approved the Report on development of the banking sector in the Slovak Republic and the assessment of prudential undertaking in the banking sector as at 30 September 2005. The document will be published on the website of the NBS.

The Bank Board of the NBS discussed and approved the Operating Expense and Income Budget and Investment Budget of the NBS for 2006.

The loss from the Bank's operational activities for 2006, ensuring the operation of the bank for 2006 is calculated in the amount of SKK 1 959 million and investment expenses are calculated in the amount of SKK 656 million.

The Bank Board of the NBS approved the Decree of the National Bank of Slovakia amending the Decree No. 613/2003 Coll., stipulating the structure, scope, contents, classification, terms, form, method, procedure and place for submission of certain reported facts pursuant to Article 8 of the Foreign Exchange Act as amended by the Decree of the National Bank of Slovakia No 708/2004 Coll.

The Bank Board of the NBS pursuant to Article 6 paragraph 2 letter d) of the Slovak National Council Act No



566/1992 Coll. on the National Bank of Slovakia as amended by subsequent regulations, approved the Decision of the NBS on stipulating the annual contributions of the supervised subjects in the financial market in 2006, which will be published in the Bulletin of the NBS.

The Bank Board of the NBS approved the Decree of the NBS defining the amount of fees for the individual acts of the National Bank of Slovakia.

The NBS approved the selection and visualization of artistic designs of the Slovak national sides of euro coins.

The coins in a nominal value of 2 euro and 1 euro will depict the „Double Cross in the middle of Three Hills“ designed by Ivan Rehak. The „Double Cross in the middle of Three Hills“ is a shield sign of the state emblem, one of the state emblems of the Slovak Republic. The „Double Cross“ is situated on the circle surface. Its background is created by a relief of rocks which express stability and strength of the State.

The coins with a nominal value of 50, 20 and 10 euro cents will depict the Bratislava Castle designed by Jan Cernaj and Pavol Karoly. The Bratislava Castle is characteristic for its dominant position above Bratislava – the capital of the Slovak Republic. It is a national monument and belongs to the best-known symbols of Bratislava and Slovakia as well. Within the castle depicted on the coins, there is a state emblem – one of the official state emblems of the Slovak Republic.

Coins in a nominal value of 5, 2 and 1 euro cents will depict the artistic design of Krivan designed by Drahomir Zobek. The Tatra mountain peak Krivan is connected with important historic events of the Slovak nation. As an object of national outings of Sturovci [(group of Slovak intellectuals grouped around Ludovit Stur (Ludovit Stur - writer, poet and national revivalist))] played an important role in the fight for national consciousness. Krivan is perceived as a symbol of High Tatras and also, in the broader sense, as a symbol of varied natural resources in Slovakia.

According to the Bank Board of the NBS the selected designs most aptly and appropriately represent the Slovak Republic and its European cultural and historic traditions as well as its rich natural heritage. They will also stand for the dignified representation of the Slovak Republic abroad.

Also, the selected designs were the most successful designs in the public anonymous tender on the designs of the Slovak national sides for the Slovak euro coins announced in July 2004 and, at the same time, they were given the biggest support from the public in the opinion survey in November 2005.

The coinage of euro coins with the Slovak national sides is planned for 2008, upon the EU Council Decision on the accession of the Slovak Republic to the euro area on 1 January 2009.

Press Department of the NBS

PRESS RELEASES

THE NBS HAS STARTED TO PERFORM THE INTEGRATED SUPERVISION OF THE FINANCIAL MARKET

The National Bank of Slovakia (NBS) has started to perform the supervision of the entire financial market in the area of banking, capital market, insurance and retirement savings since 1 January 2006. With effect from 1 January 2006, by the decision of law, the Financial Market Authority (FMA) ceased to exist, and all its activities were taken over by the NBS. In addition to the NBS's current tasks, which remain unchanged, the NBS, as of 1 January 2006, began to issue licences, authorizations, approvals, prior approvals and other decisions in the area of financial market, that were issued by the FMA before the end of 2005.

The NBS also completes all the on-site inspections begun by the FMA, which were not finished before the end of 2005. Accordingly, the NBS finishes off all the proceedings conducted by the FMA, that were not lawfully finished before the end of 2005.

Starting from 1 January 2006, all application forms, documents and other materials which were previously to

be delivered to the FMA, are to be sent to the NBS. NBS contact details:

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Igor Barát

BANKA SLOVAKIA CHANGES NAME TO PRIVATBANKA

Banka Slovakia, a bank operating in the Slovak financial market, changed its name to Privatbanka, a. s. as of 1 November 2005. The change was based on a decision taken by the bank's general meeting on 23 September 2005, in accordance with a new business strategy. Privatbanka is the first banking institution in Slovakia to specialise in private banking.

"We're providing our customers with financial and investment solutions tailored to their needs and goals. Indeed, the principle of a highly individual approach together with the preservation of discretion is one of the basic attributes of customer communication in a private bank," said Ing. Viliam Ostrolík, MBA, the chairman of the board of directors and general director of Privatbanka, speaking at the launch of the bank's new name and direction.

Private banking is different to retail-oriented banking mainly in the approach to customers. In a private bank, customers are seen to by private bankers, whose task is to make their dealings with the bank as comfortable as possible by providing the necessary care and attention.

Apart from private banking, Privatbanka will also focus on institutional and corporate banking.

For the year up to 30 September 2005, Banka Slovakia reported a pre-tax profit of almost SKK 47 million, a rise of 15% year-on-year, while the gross profit for the year up to 30 September 2004 stood at SKK 41 million. The total assets as at 30 September 2005 amounted to SKK 4.9 billion.

Banka Slovakia was founded on 2 August 1995 in Banská Bystrica as a universal bank focused on retail and corporate banking. A major milestone in the bank's existence came in 2003 when it was taken over by the financial group Meinel Bank AG. With the change in shareholder structure came a change in the bank's strategic orientation. Banka Slovakia gradually turned from being a universal bank into a bank providing specialist services of a private nature.

Meinel Bank AG was founded in Austria in 1923. It manages the assets of institutional and private customers with a total value of more than EUR 2.5 billion

Other European countries in which the Meinel group operates include, Germany, Switzerland, the Netherlands, Italy, Poland, Romania, the Czech Republic, and Slovakia.

Veronika Lengyelová

NON-DOCUMENTARY FOREIGN PAYMENTS AND THEIR INSTRUMENTS

In February 2006, the NBS Institute of Banking Education (IBV NBS) is to open a three-month distance study programme entitled Non-Documentary Foreign Payments and Their Instruments. It represents a response to the needs of banking professionals and other professionals in regard to foreign payments. This is connected with the growth in the volume and complexity of business activities carried out by corporate entities and the rising demand for quality, options, and flexibility in the execution of transactions. It is a programme tied closely to banking practice and designed not just for bank staff in payment sections, corporate advi-

sors and account managers, but also for the corporate sector engaged in trade activity abroad. Following on from it is a further module entitled Documentary Foreign Payments and Their Instruments, which is due to take place between September and November 2006. Participants will have the opportunity to acquire broad knowledge in this area, including a familiarity with current legal regulations, payment and hedging instruments, as well as various forms of financing for foreign trade.

Each module ends with a written examination, and those participants who pass receive a certificate of attainment with nationwide validity. Further information may be acquired online either at www.nbs.sk or by sending an e-mail to Tatiana.Horvathova@nbs.sk.

EUROPEAN FOUNDATION CERTIFICATE IN BANKING

With the European Foundation Certificate in Banking, bank employees in Slovakia have the opportunity to expand, deepen and test by examination the knowledge needed to perform at a level comparable to that in the EU banking sector, and to acquire the internationally-recognised banking certificate EFCB.

This exceptional international project is provided in the form of distance study by the NBS Institute of Banking Education (IBV NBS), which as member of the European Bank Training Network (EBTN) is exclusively authorised to run the course in Slovakia. The second running of this very success-

ful five-month training event is due to begin in March 2006. Whether bank employees building their professional career or other professionals who have an interest in this subject, the participants will gain a broad spectrum of the latest knowledge about the economic and monetary environment in the EU, bank products and services designed for retail, corporate and institutional customers, as well as banking ethics, marketing and management. Upon successful completion of the final examination, two certificates are awarded: a certificate of attainment with nationwide validity, and the European Foundation Certificate in Banking (EFCB), which is recognised throughout Europe. Further information may be acquired online either at www.nbs.sk or by sending an e-mail to magdalena.bobakova@nbs.sk

Results of the Competition for the Designs for the Slovak Sides of the Euro Coins

After discussing the results of the competition, the Bank Board of the NBS decided to use on the Slovak sides of the euro coins the three designs, which received most support from the public survey.

The artistic design by academic sculptor Ivan Řehák with the motif of the cross with two pairs of arms on triple mount, which received the most votes, was approved for use on the coins of the highest value – 1 euro and 2 euro. The 10, 20 and 50 cent coins will be produced according to the design with Bratislava Castle, created jointly by two artists, Ján Černaj and Pavol Károly. It came third in the survey. The coins of the lowest value – 1, 2 and 5 cents – will bear the design by Drahomír Zobek depicting the peak of Kriváň in the Tatras, which came second in the survey.

All three designs represent generally recognized symbols of Slovakia. The cross with two pairs of arms on triple mount is the heraldic symbol on the state shield, one of the state symbols of the Slovak Republic. Bratislava Castle is a characteristic dominant feature of the capital city of Slovakia. The peak of Kriváň is regarded as a symbol of the protection of the separate identity of the Slovak nation and its historic territory. It also represents the natural wealth of Slovakia.

As a result of the fact that designs by different artists were chosen for production, adjustments will be made to them during the first half of 2006 to unify their compositional forms, especially where the form and arrangement of writing is concerned. The year 2009, when the euro will be introduced in Slovakia, will also be added to the adjusted artistic designs. The final form of the artistic designs of the Slovak sides of all eight euro coins will be published by the National Bank of Slovakia by the end of 2006.

