

VALDIS DOMBROVSKIS

Vice-President of the European Commission

5. 03. 2015

Brussels,
Cab 07/JC/an (2015) sv 1073216

Central Bank independence / recent discussion on Asset Quality Review and Stress tests of Slovenian banks

Dear Prime Minister,

I am writing with respect to certain public discussions and allegations concerning the Bank of Slovenia and the members of its decision-making bodies. Some public statements have in particular referred to the Asset Quality Review and Stress tests of Slovenian banks carried out in 2013 and the subsequent recapitalisation and bail-in of subordinated bonds.

As you know, the exercise and the measures taken by the Bank of Slovenia in the process, in particular regarding the bail-in of subordinated bonds, were necessary to ensure compliance with EU legislation and state aid rules.

Full independence is a prerequisite for a national central bank to effectively perform its tasks entrusted by the Treaty for monetary policy and by secondary EU legislation for bank supervision.

The Commission is reassured by recent statements of the Government and leaders of the coalition parties reaffirming their commitment to safeguarding the credibility and the independence of the Bank of Slovenia and its Governor.

Looking forward, to help safeguard the independence of the Bank of Slovenia and its Governor as enshrined in the Treaty, it would be useful to reiterate the importance of this central element of the European economic policy framework in the upcoming special parliamentary session, scheduled to our knowledge for 13 March, on the 2013 Asset Quality Review and Stress tests and the subsequent bank recapitalisation.

More generally, it would be important to promote a domestic political dialogue that is conducive to safeguarding central bank independence.

The Commission finally trusts that any concern the ECB raised in its legal opinion on the amendment to the Law on the Bank of Slovenia proposed by individual MPs will be fully addressed before this legislative initiative is further considered by the Parliament.

The Commission will continue to monitor this matter and is of course at the disposal of the authorities of Slovenia for any further exchange on this important issue.

Yours sincerely,

A handwritten signature in dark ink, appearing to read 'V. D.', followed by a long horizontal stroke.

Valdis DOMBROVSKIS

Dr Miro Cerar
Prime Minister of the Republic of Slovenia