Deutsche Bundesbank – Institutional presentation
Technical Central Bank Cooperation with the National Bank of Ukraine
Martin Dinkelborg, Director of the Centre for Technical Central Bank Cooperation
Agenda

- The Deutsche Bundesbank – Institutional framework
- The Deutsche Bundesbank – An integral part of the European System of Central Banks
- Economic education at the Deutsche Bundesbank – Communicating knowledge
- The Centre for Technical Central Bank Cooperation – A closer look
Deutsche Bundesbank
A strong partner in central banking

The central bank of the Federal Republic of Germany

- More than 50 years of experience
- Success story of the Deutsche Mark
- Independence and a clear and transparent strategy mark the cornerstones of its success
- Blueprint for the setup of the European Monetary Union
Deutsche Bundesbank
A glimpse of the institution

- Central Office in Frankfurt
- 9 Regional Offices (Munich, Stuttgart, Mainz, Frankfurt, Leipzig, Duesseldorf, Hanover, Berlin and Hamburg)
- 35 branches
- University of Applied Sciences, Hachenburg
- Representative Offices in New York and Tokyo
- Representatives in Sao Paolo, Singapur, Mumbai, Beijing, Paris, Brussels, London, Moskau and Istanbul

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The Executive Board
Governing body of the Deutsche Bundesbank

Section 7 (1) of the Bundesbank Act:
"The governing body of the Deutsche Bundesbank shall be the Executive Board (Vorstand) ..."

Function: Highest decision-making body

Status: Supreme federal authority

Members: President of the Bundesbank
Deputy President of the Bundesbank
4 additional members

Meetings: At the invitation of the President
Generally once a week (on tuesdays)
Structure and organisation

Tasks are distributed

Central Office
- Advice to the President
- Policy activities and central operational tasks
- Participation in international working groups

Regional Offices
- Ongoing banking supervision and audits of banking operations
- Regional economic observation
- Analysis of enterprises' creditworthiness (eligibility)

Branches
- Supplying cash to the economy
- Processing notes and coins
- Account management for credit institutions and public authorities

External Units
- eg IT, Law
- Specialist and HR responsibility: Central Office

Service Centres
- eg Travel Costs, Subsidies
- Specialist responsibility: Central Office
**Strategy 2016**

Key elements

- **Monetary policy**
  - Strengthening of monetary policy expertise by conducting rigorous scientific analysis and producing robust research results
  - In the monetary debate propagation of our primary objective of safeguarding price stability
  - Advocating a monetary policy framework that is stability-oriented, risk adequate and market-oriented

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### Financial stability

- Important role in safeguarding financial and monetary stability
- New mandate: Building the systems and structures for macro-prudential oversight
- Bundesbank is tasked with factoring its analyses and evaluations into possible courses of action which it then presents to the German Financial Stability Committee

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**Yield spread of selected sovereign bonds over Bunds**

Percentage points, monthly averages

- Greece
- Ireland
- Italy
- Portugal
- Spain

**Sources:** Bloomberg and Bundesbank calculations. *With a residual maturity of ten years. Up to the end of 1998 or (for Greece) end of 2000, the yield spread comprises not only credit (and liquidity) risk but also exchange rate risk.*

*Deutsche Bundesbank*
Strategy 2016

Key elements

- **Banking supervision**
  - Active involvement in banking supervision to safeguard the stability and functional viability of German credit and financial services institutions
  - Guiding role with regard to the reform of international supervisory standards
  - Division of tasks between the Federal Financial Supervisory Authority (BaFin) and the Bundesbank
  - Risk-oriented and preventive approach to monitoring individual institutions
Strategy 2016
Key elements

- **Payment systems**
  - Main focus on operational role on providing secure and efficient market infrastructures (TARGET2, TARGET2-Securities)
  - Oversight of payment and settlement systems as well as of payment infrastructures contribution
  - Single Euro Payments Areas (SEPA)

- **Cash management**
  - Ensuring an efficient cash supply, a high quality of banknotes and coins in circulation, and to prevent and combat the circulation of counterfeit money
  - Promoting cash recycling by third parties but retaining direct involvement in the cash cycle
The Deutsche Bundesbank
An integral part of the European System of Central Banks
The ESCB, the Eurosystem and the Bundesbank
Cornerstones of cooperation

Guidelines according to the ESCB Statute

- Principle of centralised decision-making processes
- Principle of decentralised implementation processes
- Principle of subsidiarity: access to the NCBs, if possible and appropriate
The ESCB, the Eurosystem and the Bundesbank

A clear mandate for the Monetary Union

Objectives

- Primary Objective: Maintaining price stability
- Support the general economic policies of the Union conditional on the primary objective
- Act in accordance with the principle of an open market economy with free competition, favouring an efficient allocation of resources

Tasks

- To define and implement the monetary policy of the Union
- To conduct foreign-exchange operations
- To hold and manage the official foreign reserves of the Member States
- To promote the smooth operation of payment systems
The Governing Council
The Centre of decision-making

The Governing Council
- Executive Board of the ECB
  - President, Vice-President and four additional members

- Governors of the NCBs of the Member States whose currency is the euro (currently 19)

- The President of the ECOFIN Council and a member of the EU Commission are entitled to participate without voting rights
National Central Banks
An integral part of the Eurosystem

- Each National Central Bank is an integral part of the Eurosystem
  (Art. 105 EC Treaty and Art. 14 Statute of the ESCB)

- NCBs carry out Eurosystem tasks as delegated by the ECB
  (Art. 12.1 Statute of the ESCB)

- NCBs act in accordance with guidelines and instructions of the ECB
  (Art. 14.3 Statute of ESCB)

- NCBs are shareholders of the ECB

- NCBs perform non-Eurosystem functions as long as these do not interfere with the objectives and tasks of the Eurosystem
The Deutsche Bundesbank, being the central bank of the Federal Republic of Germany, is an integral part of the European System of Central Banks (ESCB). It shall participate in the performance of the ESCB's tasks with the primary objective of maintaining price stability, shall hold and manage the foreign reserves of the Federal Republic of Germany, shall arrange for the execution of domestic and cross-border payments and shall contribute to the stability of payment and clearing systems. In addition, it shall fulfil the tasks assigned to it under this Act or other legislation.
Economic education at the Deutsche Bundesbank
Communicating knowledge
Economic Education, University and Technical Central Bank Cooperation

Communicating knowledge

Head of Department:
Dr Benedikt Fehr

Standing Deputy:
Thomas Gierenstein

Secretariat: Jennifer Hasenpflug

Education and Training:
ÖB 1
Thomas Gierenstein

Economic Education, Information Management, Money Museum:
ÖB 2
Tobias Pohl

University of Applied Sciences:
HDB
Prof Dr Erich Keller

Centre for Technical Central Bank Cooperation:
TZK
Martin Dinkelborg
A strategical view

One of the Bundesbank’s tasks is to broaden knowledge of the public and to strengthen the comprehension of a sustainable stability-orientation.

Economic education communicates on economic issues deriving from the areas cash, currency, financial stability and central bank knowledge.

Division “Education and training”

Guaranteeing an excellent staff training tailored to the Bundesbank’s needs.

High qualification standards crucial for success.

Demand-oriented trainings to develop and increase staff skills.

International-oriented trainings to facilitate staff with the required skills to work for the Eurosystem.
Economic Education, University and Technical Central Bank Cooperation

Communicating knowledge

Division “Economic Education, Information Management, Money Museum”
- Trainings for schoolteachers and students, general lectures for the interested public
- Assembling knowledge in the library, archive, databases and numismatic collection
- Educational facilities for the general public (educational books, websites, Money Museum)

The money museum of the Deutsche Bundesbank
- Standing exhibition with six theme-oriented zones, each of which is dedicated to a different aspect of money
- Extensive complementary programme including guided tours, talks and lectures
- Over 40,000 visitors annually
- Complete redesign in the near future
- Reopening of “Money Museum 2.0” in 2016
Economic Education, University and Technical Central Bank Cooperation
Communicating knowledge

- **University of Applied Sciences in Hachenburg**
  - Bachelor degree in central banking since spring 2011
  - Approximately 100 to 120 students entering each year
  - Access to staff from other central banks or supervisory institutions
Economic Education, University and Technical Central Bank Cooperation

Communicating knowledge

- Centre for Technical Central Bank Cooperation

  - Contributes to acquaint other central banks with the Bundesbank’s culture of stability
  - Advises and supports central banks worldwide in the processes of setting up modern structures
  - Wide range of bi- and multilateral activities, such as seminars on current issues
The Centre for Technical Central Bank Cooperation
A closer look
The Centre for Technical Central Bank Cooperation
Sharing expertise

Centre for Technical Central Bank Cooperation (CTCB)
- Founded more than 20 years ago in 1991
- International cooperation as an essential instrument for stability and growth worldwide
- All interested central banks are welcome to make use of our offers
- Focus on training senior employees as well as newcomers and project consultation
- Objective to transfer knowledge and to promote staff potential
- Scope is wide-ranging and is tailor-made to the demand of our partners
International Central Banking Courses
The constant offer

International Central Banking Courses
- Every year the Bundesbank organizes around 30 international central banking courses mainly in Frankfurt, all held in English
- Each partner central bank is entitled to nominate one participant
- Comfortable online application procedure via our website www.bundesbank.de/courseregistration
- Courses differ in their content and design depending on the subject and target group
- Duration of between three days and one week
- For more information on our seminars and our terms and conditions please consult our brochure or our website www.bundesbank.de/tzk/tzk.php
International Central Banking Courses

The constant offer

- **Types of International Central Banking Courses**

  - Seminars on general central bank-related topics for specialists and new recruits

  - Workshops on specific areas designed for specialists and aimed at finding common solutions

  - Expert panels as a forum for specialists and managers to discuss selected topics

  - Ad-hoc expert panels are organised in addition to the regular expert panels to cover topics of special interest that arise during the course of the year
Bilateral projects
Your individual choice to skill up

Bilateral projects
- Tailor-made cooperation designed to fulfil the demands and needs of our partner central banks
- Request for cooperation via online form on www.bundesbank.de/tzk/tzk.php
- Coordinators at the Centre match your requests with the Bundesbank expertise to find the perfect experts for you
- Activities to be performed in Germany or in your home country
- Please consult our terms and conditions on our website

Request for Technical Central Bank Cooperation with the Deutsche Bundesbank

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Bilateral projects
Your individual choice to skill up

Cooperation formats

- Specialists seminars held in Germany or in the partner country
  - Tailor-made lectures
  - Presentations or workshops for senior employees, specialists or junior staff members
  - Duration usually three days
  - Held in English or the native language of the partner country, if translation is provided.

- Project consultancy services in the partner country, providing support and assistance in executing concrete central bank tasks

- Study visits, internships, videoconferences and more…
All around the world of central banking
Potential for international cooperation

Central banks as unique institutions
- Specific demands in knowledge and skills not easy to find on the market
- Exchange of expertise between central banks is essential to be on the cutting edge

The Centre for Technical Central Bank Cooperation

Five core business areas
- Banking and financial supervision
- Financial stability
- Cash management
- Monetary and foreign exchange policy
- Payments systems

Further fields of competence
- Controlling
- Human resources management
- Reserve management
- Economic analysis
- Auditing
- Information technology
- Central bank legislation
- Statistics (related to central banking)
- Communications
Focus on our cooperation

Next steps

- Identification of areas of interest
- Request for technical cooperation
- Selection of the right experts to cope with your request

Let’s go!
Thank you for your attention.

Our team is looking forward to our future cooperation.