

**F. AUDITORS REPORT**



## INDEPENDENT AUDITOR'S REPORT

### To the Bank Board of the National Bank of Slovakia

We have audited the accompanying balance sheet of the National Bank of Slovakia (the "Bank") as of 31 December 1999 and the related profit and loss account for the year then ended. These financial statements, set out on pages 2 to 15, are the responsibility of the Bank's Board. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with International Standards on Auditing. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The Bank is required to prepare financial statements in accordance with Act 563 / 1991 on Accounting, as amended, and with relevant laws and regulations of the Slovak Republic. The accompanying financial statements have been formatted to make them more comparable in appearance to financial statements issued for international purposes.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Bank as of 31 December 1999 and the results of its operations for the year then ended in accordance with Act 563 / 1991 on Accounting, as amended, and with relevant laws and regulations of the Slovak Republic.

9 March 2000

  
ERNST & YOUNG AUDIT, s.r.o.

**NATIONAL BANK OF SLOVAKIA**  
**BALANCE SHEET**  
as at 31 December 1999 and 1998  
in millions of Sk

<u>Assets</u>	<u>Notes</u>	<u>1999</u>	<u>1998</u>
Gold	3	1,341.1	1,401.2
Deposits with the International Monetary Fund	4	30,942.9	21,433.4
Receivables from foreign banks and international institutions	5	21,312.5	19,057.9
Receivables from domestic banks	6	40,225.1	36,441.1
Securities	7, 13	142,679.5	117,975.5
Equity shares	8	144.8	1,666.0
Other assets	9	8,806.1	7,828.0
<b>Total</b>		<b><u>245,452.0</u></b>	<b><u>205,803.1</u></b>
 <b>Liabilities</b>			
Currency in circulation	10	67,491.5	58,151.3
Liabilities to the International Monetary Fund	11	36,539.0	28,420.1
Liabilities to foreign banks and international institutions	12	27,988.9	28,729.3
Issued securities	13	14,139.5	11,207.7
Liabilities to domestic banks	14	46,623.5	35,774.3
Liabilities to the State Budget	15	18,801.2	5,439.4
Other liabilities	16	23,400.0	27,884.3
<b>Total</b>		<b><u>234,983.6</u></b>	<b><u>195,606.4</u></b>
 <b>Equity</b>			
Statutory fund	17	466.7	466.7
Legal reserve fund	17	9,925.0	9,655.0
Capital fund	17	76.7	75.0
<b>Total</b>		<b><u>10,468.4</u></b>	<b><u>10,196.7</u></b>
<b>Total</b>		<b><u>245,452.0</u></b>	<b><u>205,803.1</u></b>

Notes on pages 4 to 15 are an integral part of the financial statements.

**NATIONAL BANK OF SLOVAKIA**  
**PROFIT AND LOSS ACCOUNTS**  
**FOR THE YEARS ENDED 1999 AND 1998**  
in millions of Sk

	Notes	1999	1998
Interest receivable		12,290.9	10,249.6
Interest payable		-3,402.5	-3,264.8
<b>Interest income</b>	18	<b>8,888.4</b>	<b>6,984.8</b>
<b>Dividends receivable</b>	8	<b>34.9</b>	<b>23.1</b>
Fees and commissions receivable		71.5	38.0
Fees and commissions payable		-30.7	-37.4
<b>Fees and commissions income</b>		<b>40.8</b>	<b>0.6</b>
<b>Loss (gain) from operations with securities</b>	19	<b>-2,288.7</b>	<b>2,335.6</b>
<b>Gain from foreign exchange dealings</b>	20	<b>3,182.7</b>	<b>4,461.9</b>
<b>Gain from the sale of equity shares</b>	8	<b>15,658.1</b>	<b>0.0</b>
<b>Banknote issue and mintage expenses</b>		<b>-304.8</b>	<b>-56.4</b>
<b>Gain from bank operations</b>		<b>25,211.4</b>	<b>13,749.6</b>
<b>Provisions and reserves</b>	21	<b>18,802.4</b>	<b>-9,052.9</b>
Administrative expenses	22	-556.8	-559.4
Depreciation		-228.4	-210.4
Other operating expenses		-717.3	-540.1
<b>Total operating expenses</b>		<b>-1,502.5</b>	<b>-1,309.9</b>
<b>Extraordinary gains</b>		<b>18.4</b>	<b>17.8</b>
<b>Extraordinary expenses</b>		<b>-27.8</b>	<b>-14.1</b>
<b>PROFIT OF PERIOD</b>		<b>42,501.9</b>	<b>3,390.5</b>
Remittance of profit	23	42,188.7	2,266.4

Notes on pages 4 to 15 are an integral part of the financial statements.

**NATIONAL BANK OF SLOVAKIA  
NOTES TO FINANCIAL STATEMENTS  
AS AT 31 DECEMBER 1999**

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**1. General information**

The National Bank of Slovakia (the "Bank") was established in terms of the Act No. 566/1992 Coll. on the National Bank of Slovakia (the "Bank Act") as amended. The Bank commenced its operations as the central bank of the Slovak Republic on 1 January 1993.

Under the provisions set out in the Bank Act, the Bank's main responsibilities are as follows:

- ❖ determine monetary policy and its implementation,
- ❖ issue bank notes and coins,
- ❖ direct circulation of money and co-ordinate domestic payments and settlements,
- ❖ supervise the banking sector,
- ❖ administer state budget accounts,
- ❖ represent the Slovak Republic in international financial institutions and in world capital market operations.

**2. Accounting policies**

In the 1999 accounting period the Bank applied in its accompanying financial statements the following accounting policies in accordance with generally accepted accounting standards:

*2.1. Basic principles*

The Bank keeps its accounts in accordance with the Act No. 563/1991 Coll. on Accounting as amended ("Act on Accounting"). The accompanying financial statements have been prepared in accordance with the Slovak legal regulations and to be comparable in appearance to financial statements issued for international purposes. The figures disclosed in financial statements for previous period have been reclassified to be comparable with the 1999 figures.

*2.2. Valuation of individual assets and liabilities*

The financial statements have been prepared under the historical cost convention in accordance with the Act on Accounting.

The valuation of assets and liabilities considers financial risks known to the Bank at the date of preparation of the financial statements.

The Bank applied the following mandatory valuation methods:

- ❖ purchased supplies were valued at acquisition cost,
- ❖ purchased tangible and intangible fixed assets were valued at acquisition cost,
- ❖ cash, stamps and vouchers were valued at nominal value,
- ❖ marketable securities traded on capital markets and equity shares were valued at acquisition cost,
- ❖ marketable securities traded on money markets were valued at nominal value,
- ❖ receivables and payables were valued at nominal value.

**NATIONAL BANK OF SLOVAKIA  
NOTES TO FINANCIAL STATEMENTS  
AS AT 31 DECEMBER 1999**

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*2.3. Valuation of assets and liabilities denominated in foreign currency*

The Bank converts assets and liabilities denominated in foreign currency to Slovak crowns using the exchange rate as in the Bank's exchange rates chart on the date of transaction for accounting purposes and in the financial statements using the exchange rate as at 31 December 1999.

Exchange rates for principal foreign currencies used by the Bank for valuation of assets and liabilities as at 31 December 1999 are as follows:

Currency	Unit	Foreign currency Mid-rate
USD	1	42.266
EUR	1	42.458
JPY	100	41.395
XDR	1	57.973

*2.4. Tangible and intangible fixed assets*

Tangible and intangible fixed assets are valued at their acquisition cost. Depreciation is calculated on the straight line basis, based on estimated useful life of fixed assets.

The estimated useful life of fixed assets is as follows:

Depreciation group	Type of fixed assets	Useful life
1	Office equipment, data processing systems, vehicles, software	4 years
2	Instruments and special technical equipment	8 years
3	Security systems	15 years
4	Power systems (The Bank has no assets within this depreciation group)	30 years
5	Buildings, constructions	40 years

*2.5. Income tax*

The Bank is exempt from corporate income tax in accordance with §17 of the Income Tax Act No. 286/1992 Coll., as amended.

*2.6. Profit allocation*

The profit generated by the Bank is used to replenish reserve fund and other profit funds and for other purposes according to the Bank's budget. Remaining profit is transferred to the State Budget of the Slovak Republic.

**NATIONAL BANK OF SLOVAKIA  
NOTES TO FINANCIAL STATEMENTS  
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**3. Gold**

The value of gold reserves administered by the Bank is Sk 1,341.1 million, i.e. 21.4 million grams of fine gold valued at a historical cost of Sk 62.54451 per gram.

This item does not include 18.7 million grams of gold used for swaps (see notes 20 "Gain (loss) from foreign exchange dealings" and 25 "Off-balance sheet items").

To secure gold swaps the Bank has purchased put options (see note 25 "Off-balance sheet items").

**4. Deposits with the International Monetary Fund**

The structure of deposits with the International Monetary Fund ("IMF") is as follows (in millions of Sk):

	1999	1998
Reserve position in IMF and special drawing rights	20,533.0	12,332.9
Guarantee deposits on IMF loans	10,409.9	9,100.5
<b>T o t a l</b>	<b>30,942.9</b>	<b>21,433.4</b>

Receivables from the IMF, represented by the reserve position, result from the membership of the Slovak Republic in the IMF. Special drawing rights ("SDR's") within the reserve tranche are equal to the Slovak Republic's membership quota paid to the IMF in SDR's and Slovak crowns. Based on the IMF rules and regulations, "Guarantee deposits on IMF loans" are deposits in Slovak crowns and represent the counterpart of loans, which were granted to the Slovak Republic (see note 11, "Liabilities to the IMF").

**5. Receivables from foreign banks and international institutions**

The structure of the deposits with foreign banks and international institutions is as follows (in millions of Sk):

	1999	1998
Current accounts	2,132.4	580.5
Term deposits with banks	2,750.0	3,837.7
Receivables from REPO transactions	16,430.1	14,639.7
<b>T o t a l</b>	<b>21,312.5</b>	<b>19,057.9</b>

Deposits with foreign banks are denominated mainly in EUR and USD. The Bank has recorded receivables from REPO transactions, secured by state long-term bonds denominated in USD and EUR.

**NATIONAL BANK OF SLOVAKIA  
NOTES TO FINANCIAL STATEMENTS  
AS AT 31 DECEMBER 1999**

**5.1 Receivables from foreign banks and international institutions by residual due date**

(in millions of Sk)

	1999	1998
Within 1 month	12,970.0	10,475.7
From 1 to 3 months	8,342.5	8,582.2
<b>T o t a l</b>	<b>21,312.5</b>	<b>19,057.9</b>

**6. Receivables from domestic banks**

The structure of receivables from domestic banks is as follows (in millions of Sk):

	1999	1998
Refinancing loans	2,172.1	14,955.5
Loans to support the development of small and medium size businesses	11,137.1	10,760.9
Redistribution loans	26,185.4	0
Classified redistribution loans	0	28,967.4
Provisions for classified redistribution loans	0	- 18,801.4
Other receivables	730.5	558.7
<b>T o t a l</b>	<b>40,225.1</b>	<b>36,441.1</b>

Reclassification of redistribution loans and release of full provisions for these loans follow from the Bank's guarantee for redistribution loan received in 1999 (see notes 21 "Provisions and reserves" and 25 "Off-balance sheet items").

**6.1 Receivables from domestic banks by residual due date**

(in millions of Sk)

	1999	1998
Within 1 month	1,947.1	502.7
From 1 to 3 months	1,459.4	14,127.7
From 3 months to 1 year	1,950.3	1,733.4
From 1 to 5 years	16,100.8	7,801.7
Over 5 years	18,767.5	12,275.6
<b>T o t a l</b>	<b>40,225.1</b>	<b>36,441.1</b>



**NATIONAL BANK OF SLOVAKIA  
NOTES TO FINANCIAL STATEMENTS  
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**7. Securities**

The portfolio of the Bank's securities is as follows (in millions of Sk):

Issued by	Type of security	1999	1998
Public sector	Treasury bills	83,391.2	98,557.5
	Bills	24,523.6	33,691.2
	Short-term bonds	0	4,614.1
	Medium-term bonds	69.6	5,788.1
	Long-term bonds	33,058.7	33,936.0
	Variable stock yield	27,181.5	20,758.3
	Provisions	227.1	0
		-1,669.3	-230.2
Financial institutions	Bills	57,188.3	19,418.0
	Short-term bonds	49,430.1	14,841.0
	Medium-term bonds	422.7	0
	Long-term bonds	6,407.4	4,495.9
	Provisions	1,120.2	213.7
		-192.1	-132.6
<b>Total</b>		<b>140,579.5</b>	<b>117,975.5</b>

Public sector securities portfolio consists of treasury bills and bonds issued by governments of EU countries, USA and Japan.

Securities of financial institutions consist mainly of bills issued by the Bank for International Settlements.

The Bank provided for securities if their market value was lower than their carrying value (see note 19 "Loss from transactions with securities"). The decrease in market value of securities was caused by increase in interest rates on international capital markets.

**7.1 Securities by residual due date**

(in millions of Sk)

	1999	1998
Within 1 month	36,305.7	20,872.6
From 1 to 3 months	9,365.3	14,884.2
From 3 months to 1 year	38,496.9	33,332.5
From 1 to 5 years	52,409.2	45,436.4
Over 5 years	4,002.4	3,449.8
<b>Total</b>	<b>140,579.5</b>	<b>117,975.5</b>

**NATIONAL BANK OF SLOVAKIA  
NOTES TO FINANCIAL STATEMENTS  
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**8. Equity shares**

The Bank holds equity shares in the following companies and institutions as at 31 December 1999:

(in millions of Sk)			
	Share in capital	31.12.1999	31.12.1998
Bankové zúčtovacie centrum Slovenska, a.s., Bratislava (Slovak National Clearing Centre)	39.48 %	120.0	120.0
Československá obchodná banka a.s., Praha		0	1,521.1
Other investments with less than 1% interest	0.52 %	24.8	24.9
<b>T o t a l</b>		<b>144.8</b>	<b>1,666.0</b>

In 1999 the Bank sold its interest amounting to 1,231,700 shares in ČSOB, a.s. Praha and 1 share in S.W.I.F.T., La Hulpe, Belgium.

Gain from the sale of equity shares amounted to Sk 15,658.1 million.

Dividends from the equity shares of the Bank for International Settlements in Basel, Switzerland amounted to Sk 24.2 million.

**9. Other assets**

This item includes the following (in millions of Sk):

	1999	1998
Accruals and prepayments	2,672.7	3,451.1
Tangible and intangible fixed assets	5,608.4	3,773.8
Other	525.3	603.4
Provisions for other assets	- 0.3	- 0.3
<b>T o t a l</b>	<b>8,806.1</b>	<b>7,828.0</b>

**10. Currency in circulation**

This item comprises valid domestic banknotes and coins in circulation, issued by the Bank.

**NATIONAL BANK OF SLOVAKIA  
NOTES TO FINANCIAL STATEMENTS  
AS AT 31 DECEMBER 1999**

**11. Liabilities to the IMF**

The structure of liabilities to the IMF is as follows (in millions of Sk):

	1999	1998
Deposits of the IMF	26,000.6	18,308.4
Loans from the IMF	10,538.4	10,111.7
<b>T o t a l</b>	<b>36,539.0</b>	<b>28,420.1</b>

The item "Deposits of the IMF" includes deposits of the IMF, in Slovak crowns, held by the Bank.

The item "Loans from the IMF" includes loans provided in convertible currency to strengthen both the balance of payments and foreign exchange reserves of the Slovak Republic. These loans are secured by guarantee deposits with the IMF (see note 4 "Deposits with the IMF").

**12. Liabilities to foreign banks and international institutions**

The structure of the liabilities to foreign banks and international institutions is as follows (in millions of Sk):

	1999	1998
<b>Deposits</b>	<b>1,806.5</b>	<b>1,794.4</b>
including: World Bank	999.7	935.7
Deposits of foreign banks	798.8	845.6
PHARE fund	8.0	13.1
<b>Loans</b>	<b>26,182.4</b>	<b>26,934.9</b>
including: Liabilities from REPO	10,507.2	14,639.7
EXIM Bank of Japan	13,885.5	10,860.9
European Investment Bank of Luxembourg	1,789.7	1,434.3
<b>T o t a l</b>	<b>27,988.9</b>	<b>28,729.3</b>

The Bank has recorded liabilities from repo transactions secured by state medium-term and long-term bonds denominated in USD and EUR.

These loans are long-term and designed to provide financing to selected domestic banks to support small and medium businesses and certain sectors of the Slovak economy.

**NATIONAL BANK OF SLOVAKIA  
NOTES TO FINANCIAL STATEMENTS  
AS AT 31 DECEMBER 1999**

**12.1 Liabilities to foreign banks and international institutions by residual due date**

(in millions of Sk)

	1999	1998
Within 1 month	3,530.1	8,550.0
From 1 to 3 months	8,908.9	8,002.1
From 3 months to 1 year	332.3	118.0
From 1 to 5 years	5,889.4	3,654.6
Over 5 years	9,328.2	8,404.6
<b>T o t a l</b>	<b>27,988.9</b>	<b>28,729.3</b>

**13. Securities issued**

In 1993 the Bank issued bonds in the total amount of JPY 10,000 million, placed on the Japanese capital market, maturing in 2000. These bonds carry fixed interest rate of 8.0%.

During 1994 the Bank entered into long-term swap contracts to convert the risk of foreign exchange rate changes from JPY to DEM, in 1999 reconverted to EUR, in respect of Bank bonds issued in 1993 (see note 25 "Off-balance sheet items").

Within "Securities issued" there are liabilities from the issue of the Bank's bills amounting to Sk 10,000.0 million, due in March 2000. The bills were issued to create a sufficient reserve of securities for realization of sterilization REPOs. As at 31 December 1999 the bills amounting to Sk 7,900.0 million were used for sterilization activities.

**14. Liabilities to domestic banks**

This item represents primarily minimum reserve requirements deposited with the Bank by domestic banks as at the 31.12.1999, in the total amount of Sk 41,432.9 million. The remaining balance represents other deposits from domestic banks.

**15. Liabilities to the State Budget**

The structure of the liabilities to the State Budget is as follows (in millions of Sk):

	1999	1998
State financial assets	16,216.7	3,023.3
State funds	2,584.5	2,416.1
<b>T o t a l</b>	<b>18,801.2</b>	<b>5,439.4</b>

**NATIONAL BANK OF SLOVAKIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**AS AT 31 DECEMBER 1999**

**16. Other liabilities**

This item comprises the following (in millions of Sk):

	1999	1998
Accruals and prepayments	1,598.4	2,204.8
Adjusting accounts of forward transactions	90.8	598.0
Reserves	9,694.6	12,241.1
Other	12,016.2	12,840.4
<b>T o t a l</b>	<b>23,400.0</b>	<b>27,884.3</b>

Reserves as at 31 December 1999 include reserves for foreign exchange operations in the total amount of Sk 9,679.3 million. Included in this amount are: reserve for gold swaps in the amount of Sk 4,164.0 million to provide for the difference between the market value of gold used for swaps and its historical cost; reserve for foreign currency swaps in the amount of Sk 98.4 million; reserve for opened FX position in the amount of Sk 5,416.9 million. Other reserves were provided for in the amount of Sk 15.3 million.

**17. Equity**

As at 31 December 1999 this item represents statutory fund taken over from the separation of assets and liabilities of the former ŠBČS (Czechoslovak State Bank) in the amount of Sk 466.7 million, the legal reserve fund in the amount of Sk 9,925.0 million and the capital fund in the amount of Sk 76.7 million.

**18. Interest income**

The structure of interest income is as follows (in millions of Sk):

	1999	1998
<b>Interest receivable</b>	<b>12,290.9</b>	<b>10,249.6</b>
including: Interest received from domestic banks	4,528.7	4,750.0
Interest received from foreign banks and international institutions	205.2	451.6
Interest income from securities dealings	6,356.4	4,302.6
Interest income from repo transactions	951.1	622.1
Other interest received	249.5	123.3
<b>Interest payable</b>	<b>- 3,402.5</b>	<b>- 3,264.8</b>
including: Interest paid to State treasury	-318.5	-5.3
Interest paid to domestic banks	-580.1	-560.1
Interest paid to foreign banks and international institutions	-695.9	-695.1
Interest expense on securities dealings	-799.1	-1,410.2
Interest expense on repo transactions	-682.2	-409.7
Other interest expense	-326.7	-184.4
<b>T o t a l</b>	<b>8,888.4</b>	<b>6,984.8</b>

The item "Interest income" is the most significantly influenced by the interest income from securities dealings, due to which the reported interest income increased by Sk 5,557.3 million.

**NATIONAL BANK OF SLOVAKIA**  
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**19. Loss from securities dealings**

Loss from securities dealings includes (in millions of Sk):

	1999	1998
Capital gain from securities	364.9	2,862.9
Capital loss from securities	-1,189.6	- 487.4
Release of provisions for securities	397.4	322.9
Additions to provisions for securities	- 1,861.4	- 362.8
<b>T o t a l</b>	<b>-2,288.7</b>	<b>2,335.6</b>

Loss from securities dealings was caused by decline in the market price of bonds issued by the governments of USA and Eurosystem countries.

**20. Gains from foreign exchange dealings**

Gains from foreign exchange dealings are comprised of the following items (in millions of Sk):

	1999	1998
Gains from foreign exchange dealings	20,919.2	25,539.3
Costs of foreign exchange dealings	- 20,282.0	- 17,096.4
Release of reserves for foreign exchange dealings	8,913.0	5,425.9
Additions to reserves for foreign exchange dealings	- 6,367.5	- 9,406.9
<b>T o t a l</b>	<b>3,182.7</b>	<b>4,461.9</b>

The Bank's net foreign exchange gain on realized foreign exchange dealings amounted to Sk 1,479.2 million. Loss from swap transactions amounted to Sk 775.1 million and loss from future FX transactions amounted to Sk 66.9 million.

In the current year the Bank created a reserve for open FX position in the amount of Sk 5,416.9 million and provided for the difference between the market value of gold used for swaps and its historical cost in the amount of Sk 950.6 million. The Bank used reserves in the amount of Sk 1,438.1 million for gold swaps, Sk 423.6 million for foreign currency swaps and Sk 7,051.3 million for open FX position.

**21. Provisions and reserves**

The effect of other reserves and provisions on the Bank's 1999 results is as follows (in millions of Sk):

	1999	1998
<b>Provisions</b>	<b>18,801.4</b>	<b>- 9,051.2</b>
including: Additions to provisions	- 1,640.2	- 9,051.2
Release of provisions	20,441.6	0
<b>Other reserves</b>	<b>1.0</b>	<b>- 1.7</b>
including: Additions to reserves	- 15.3	- 16.3
Release of reserves	16.3	14.6
<b>T o t a l</b>	<b>18,802.4</b>	<b>- 9,052.9</b>

**NATIONAL BANK OF SLOVAKIA  
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In 1999 the Bank obtained state guarantee for redistribution loans in the form of declaration on guarantee (see note 6 "Receivables from domestic banks"), pursuant to which the Bank released the provisions for redistribution loans in the amount of Sk 20,441.6 million.

**22. Administrative expenses**

Administrative expenses consist of wages and salaries and social costs. Social costs comprise the costs of compulsory contributions to the Health Insurance Fund, the Sickness Benefit Insurance Fund, the Pension Insurance Fund, the Employment Fund and compulsory additions to the social fund in accordance with the Social Fund Act No.152/1994 Coll. and the Income Tax Act No.286/1992 Coll., as amended.

In 1999 the Bank had 1,307 employees, including 6 members of the Bank Board.

**23. Profit allocation**

The 1999 activities of the Bank resulted in profit of Sk 42,501.9 million. Profit allocation to the State Budget of the Slovak Republic amounts to Sk 42,188.7 million, from which the amount of Sk 42,186.2 was allocated as at 31 December 1999. The amount of Sk 270 million was allocated to the reserve fund, Sk 40 million to the social fund and Sk 3.2 million to the pension fund.

**24. Currency positions of assets and liabilities**

( in millions of Sk)

	Line	Slovak crowns	Foreign currencies translated to Sk Total	incl.:					Total
				USD	EUR(1999) DEM(1998)	JPY	XDR	Other	
<b>ASSETS</b>									
1999	1	60,208.7	185,243.3	62,560.0	106,798.1	8,763.3	4,975.3	2,146.6	245,452.0
1998	2	53,926.2	151,876.9	75,716.5	61,321.2	6,389.9	3,189.0	5,260.3	205,803.1
Change	3=1-2	6,282.5	33,366.4	-13,156.5	45,476.9	2,373.4	1,786.3	-3,113.7	39,648.9
<b>LIABIL.</b>									
1999	4	185,380.7	60,071.3	17,491.7	13,686.4	18,266.4	10,579.2	47.6	245,452.0
1998	5	139,805.2	65,997.9	31,008.4	1,730.2	22,474.7	10,158.8	625.8	205,803.1
Change	6=4-5	45,575.5	-5,926.6	-13,516.7	11,956.2	-4,208.3	420.4	-578.2	39,648.9
Total change	7=3-6	-39,293.0	39,293.0	360.2	33,520.7	6,581.7	1,365.9	-2,535.5	0

In 1999 the Bank reconverted the assets and liabilities denominated in DEM to EUR.

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**25. Off-balance sheet items**

As at 31 December 1999 the Bank had off-balance sheet irrevocable receivables in the amount of Sk 15,126.9 million and off-balance irrevocable liabilities in the amount of Sk 19,470.4 million from forward foreign exchange transactions. These amounts consist of the following items:

- ✧ future receivables in the amount of Sk 4,139.5 million and future liabilities in the amount of Sk 3,473.4 million from long-term foreign currency swaps entered into to convert the risk of foreign exchange rate changes from JPY to DEM and in 1999 reconverted to EUR in respect of the Bank's bonds issued in 1993 (see note 13, "Securities issued"), and future receivables in the amount of Sk 8,279.0 million and future liabilities in the amount of Sk 6,859.1 million from long-term foreign currency swaps related to loans received.
- ✧ future receivables in the amount of Sk 147.9 million and future liabilities in the amount of Sk 145.5 million from foreign currency swaps
- ✧ future receivables in the amount of Sk 1,393.0 million and future liabilities in the amount of Sk 1,655.8 million from FX forward contracts
- ✧ future receivables in valuation of gold at historical cost in the amount of Sk 1,167.5 million and future liabilities in the amount of Sk 7,336.6 million from gold swaps. In valuation by current gold rate of 290.85 USD/OZS as at 31 December 1999 the Bank has recorded a receivable in the amount of Sk 7,377.4 million.

To eliminate the risk from decrease in gold market price the Bank has purchased European put options on gold. As at 31 December 1999 the Bank reported within these put options a receivable denominated in USD after its conversion to Sk in the amount of Sk 7,336.6 million and a liability in the amount of Sk 7,377.4 million when valued by the current gold rate.

In valuation of gold at historical cost the liability from purchased long-term options amounts to Sk 1,167.5 million.

In 1999 the Bank recorded on off-balance sheet accounts the guarantees for redistribution loans in the amount of Sk 39,452.0 million. The amount comprise a principal and interest by the due date of loans.

**Marián Jusko**

**Governor**



**Anna Pastuchová**

**Executive Director of Information  
Systems Division**



**Milena Koreňová**

**Executive Director Accounting  
Methodology Department**

