

**F. AUDITORS REPORT**



**NATIONAL BANK OF SLOVAKIA**

**AUDITORS' REPORT AND SUMMARISED  
STATUTORY FINANCIAL STATEMENTS**

**as of 31 December 2000  
and for the year then ended**

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**Deloitte  
& Touche**

## National Bank of Slovakia

### Auditor's Report

To the Bank Board of National Bank of Slovakia:

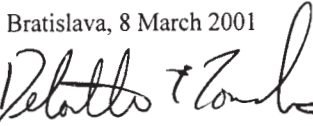
We have audited the statutory financial statements of National Bank of Slovakia ("the Bank") for the year ended 31 December 2000, in accordance with the Slovak Auditing Standards. The accompanying summarised financial statements, which are included in this annual report, were derived from the audited statutory financial statements.

In our report dated 8 March 2001, we expressed an unqualified opinion on the financial statements from which the summarised financial statements were derived.


The accompanying financial statements are presented in a format comparable with the format used for international purposes. In our opinion, the accompanying summarised financial statements, which are included in this annual report, are consistent, in all material respects, with the statutory financial statements from which they were derived.

For a better understanding of the Bank's financial position and the results of its operations for the period and of the scope of our audit, the accompanying summarised financial statements, which are included in this annual report, should be read in conjunction with the statutory financial statements from which they were derived and our audit report thereon.

Bratislava, 8 March 2001



Deloitte & Touche, spol. s r. o.  
SKAU Licence Number 014



Ing. Juraj Haľama, CSc.  
Responsible Auditor  
SKAU Decree Number



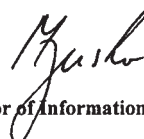
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**NATIONAL BANK OF SLOVAKIA**  
**BALANCE SHEETS**  
**31 December 2000 and 1999**  
(summarised statutory financial statements, in millions of Sk)

<b>A s s e t s</b>	<b>Notes</b>	<b>2000</b>	<b>1999</b>
Gold	3	1 028	1 341
Deposits with the International Monetary Fund	4	5 264	4 942
Receivables from foreign banks and international institutions	5	3 871	21 313
Receivables from domestic banks	6	41 067	40 225
Securities	7	198 091	141 262
Equity shares	7	145	145
Fixed assets	8	6 591	5 608
Other assets	11	1 473	1 671
<b>Total assets</b>		<b><u>257 530</u></b>	<b><u>216 507</u></b>
<b>L i a b i l i t i e s</b>			
Currency in circulation	9	75 944	67 491
Liabilities to the International Monetary Fund	4	5 264	10 538
Liabilities to foreign banks and international institutions	5	16 813	27 989
Liabilities to domestic banks	6	71 000	46 623
Securities issued	7	24 900	12 040
Liabilities to the State budget	10	12 280	18 801
Other liabilities	11	40 860	22 556
<b>Total liabilities</b>		<b><u>247 061</u></b>	<b><u>206 038</u></b>
<b>E q u i t y</b>			
Legal Reserve Fund	12	9 925	9 925
Statutory Fund	12	467	467
Capital Fund	12	77	77
<b>Total equity</b>		<b><u>10 469</u></b>	<b><u>10 469</u></b>
 <b>Total liabilities and equity</b>		 <b><u>257 530</u></b>	 <b><u>216 507</u></b>

Ing. Marián Jusko, CSc.

Governor



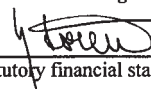
Ing. Anna Pastuchová, PhD.

Executive Director of Information Systems Division



Ing. Milena Koreňová

Executive Director of Accounting Methodology Department



Notes on pages 4 to 13 are an integral part of the summarised statutory financial statements.

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**NATIONAL BANK OF SLOVAKIA**  
**STATEMENTS OF PROFIT AND LOSS**  
For the years ended 31 December 2000 and 1999  
(summarised statutory financial statements, in millions of Sk)

	Notes	2000	1999
Interest income		13 450	12 290
Interest expense		<u>-5 832</u>	<u>-3 213</u>
<b>Net interest income</b>	13	<u><b>7 618</b></u>	<u><b>9 077</b></u>
<b>Dividends income</b>	14	<u><b>35</b></u>	<u><b>35</b></u>
Fees and commissions received		120	72
Fees and commissions paid		<u>-21</u>	<u>-31</u>
<b>Income from fees and commissions</b>		<u><b>99</b></u>	<u><b>41</b></u>
<b>Loss from transactions with securities</b>	15	<u><b>-2 624</b></u>	<u><b>-2 478</b></u>
<b>Profit from foreign currency transactions</b>	16	<u><b>48</b></u>	<u><b>3 183</b></u>
<b>Profit from sale of equity securities</b>		<u><b>15 658</b></u>	
<b>Expenses for printing of notes and coins</b>		<u><b>-109</b></u>	<u><b>-305</b></u>
<b>Profit from banking operations</b>		<u><b>5 067</b></u>	<u><b>25 211</b></u>
<b>Other provisions and reserves</b>		<u><b>-10</b></u>	<u><b>18 802</b></u>
Administrative expenses	17	-632	-557
Depreciation		-209	-228
Other operating expenses		<u>-847</u>	<u>-717</u>
<b>Total operating expenses</b>		<u><b>-1 688</b></u>	<u><b>-1 502</b></u>
<b>Extraordinary income (expenses)</b>	18	<u><b>4 021</b></u>	<u><b>-9</b></u>
<b>Income tax from ordinary activities</b>		<u><b>-1</b></u>	
<b>Profit for the accounting period</b>		<u><u><b>7 389</b></u></u>	<u><u><b>42 502</b></u></u>
<b>Distribution of profit</b>	19	<u><u><b>7 346</b></u></u>	<u><u><b>42 189</b></u></u>

Notes on pages 4 to 13 are an integral part of the summarised statutory financial statements.

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**NATIONAL BANK OF SLOVAKIA**  
**NOTES TO THE SUMMARISED STATUTORY FINANCIAL STATEMENTS**  
**AS AT 31 DECEMBER 2000 AND 1999**  
**(in millions of Sk)**

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**1. General information**

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

The main role of the NBS is to ensure the stability of the Slovak Crown, and therefore the NBS:

- ◇ determines monetary policy;
- ◇ issues bank notes and coins;
- ◇ controls money in circulation, co-ordinates domestic interbank payments and settlements, provides its continuity and effectiveness;
- ◇ supervises bank activities within the scope pursuant to the Bank Act;
- ◇ represents the Slovak Republic in international financial institutions and in world capital market operations, and
- ◇ performs other activities as defined under the Bank Act.

The supreme managing body of the NBS is the Bank Board. The Bank Board has 8 members as follows: the Governor, two Vice-governors, two directors and three other members. The Governor and Vice-governors are appointed and withdrawn by the president of the Slovak Republic. Directors and the other three members of the Bank Board are appointed and withdrawn by the Slovak government.

As at 31 December 2000, the members of the Bank Board were as follows:

Ing. Marián Jusko, CSc.	Governor of the NBS	appointed on 30 July 1999
Ing. Elena Kohútiková, CSc.	Vice-governor of the NBS	appointed on 28 March 2000
Ing. Jozef Mudrík	Vice-governor of the NBS	appointed on 23 May 1995
Ing. Ján Mathes	Director of the NBS	appointed on 1 January 1999
RNDr. Karol Mrva	Director of the NBS	appointed on 1 December 2000
Ing. Jozef Magula	Member	appointed on 4 February 1997
Ing. Eugen Jurzyca	Member	appointed on 1 December 2000
Prof. Ing. Jozef Košnár, DrSc.	Member	appointed on 1 December 2000

**2. Basis for preparation of financial statements**

*2.1 Basic information*

The Bank maintains its books in accordance with Accountancy Act (563/1991 Coll.), as amended and in accordance with relevant valid regulations issued by the Ministry of Finance of the Slovak Republic. The accompanying financial statements were prepared in accordance with Slovak legal regulations and in a format comparable with the format used for international purposes. Data for previous accounting period are comparable with the 2000 data, in compliance with valid legal regulations.

*2.2 Valuation of assets and liabilities*

Methods used for valuation of assets and liabilities are based on the Accountancy Act and Bank Accounting Procedures. The Bank applied the following mandatory methods of valuation:

- ◇ purchased supplies were valued at acquisition cost;
- ◇ purchased tangible and intangible fixed assets were valued at acquisition cost;
- ◇ cash and vouchers were valued at nominal value;
- ◇ receivables and payables were valued at nominal value, and
- ◇ securities marketable in financial and capital markets were valued at cost of acquisition and adjusted for declines in market value. Equity investments were valued at cost of acquisition.

**NATIONAL BANK OF SLOVAKIA**  
**NOTES TO THE SUMMARISED STATUTORY FINANCIAL STATEMENTS**  
**AS AT 31 DECEMBER 2000 AND 1999**  
(in millions of Sk)

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

The Bank has converted its assets and liabilities denominated in foreign currency to Slovak currency using the exchange rate as at the transaction date per the Bank's exchange rates chart, and in its year-end financial statements the exchange rate as at 31 December 2000.

Exchange rates for principal foreign currencies used by the NBS for valuation of its assets and liabilities as at 31 December 2000 were as follows:

Currency	Unit	Cash denominated in foreign currency Medium
USD	1	47.389
EUR	1	43.996
JPY	100	41.397
XDR	1	61.751

*2.4 Depreciation of fixed assets*

Based on the use of its fixed assets, the NBS adjusted the annual depreciation rates of its tangible and intangible fixed assets from 1 January 2000 as follows:

Depreciation group	Annual depreciation rate in %
1	25.0
2	12.5
3	6.7
4	3.4
5	2.5
6	individual rate

The NBS has included its fixed assets into individual depreciation groups as follows:

1. Office equipment, data processing systems, cars and vehicles, software,
2. Instruments and special technical equipment,
3. Security systems,
4. Power systems (NBS did not have assets within this depreciation group),
5. Buildings, constructions,
6. Objects and items depreciated by the individual rate (e. g. security monitoring systems).

*2.5 Taxes*

The NBS is exempt from corporate income tax under Article 18 of Act 366/1999 Coll. on Income Taxes, as amended.

*2.6 Distribution of profit*

The profits generated by the NBS are used to replenish the reserve fund and other funds created from profit. The remaining profits are transferred to the state budget of the Slovak Republic.

**NATIONAL BANK OF SLOVAKIA**  
**NOTES TO THE SUMMARISED STATUTORY FINANCIAL STATEMENTS**  
**AS AT 31 DECEMBER 2000 AND 1999**  
(in millions of Sk)

**3. Gold**

The value of gold reserves in the Bank's custody is Sk 1 028 million, i. e. 16.4 million grams of fine gold valued at historical cost of 62.54451 Sk per gram.

This item does not include gold of 18.7 million grams used for swaps (see Note 16 "Profit from foreign currency transactions" and Note 21 "Off-balance sheet items"). To secure the gold swaps the NBS purchased put options (see Note 21 "Off-balance sheet items").

**4. Deposits with and liabilities to the International Monetary Fund ("the IMF")**

	2000	1999
<b>Deposits</b>		
Membership quota in the IMF	5 264	4 942
<b>Total receivable from the IMF</b>	<b>5 264</b>	<b>4 942</b>
<b>Liabilities</b>		
Loan Tranche	5 264	4 942
Loan Systemic Transformation Facility		5 596
<b>Total liability to IMF</b>	<b>5 264</b>	<b>10 538</b>

The IMF membership quota is denominated in Special Drawing Rights (XDR) and it is converted to Slovak currency using the rate determined by the IMF on a regular basis. Liabilities to the IMF represent drawing the reserve tranche up to the amount of the paid membership quota in XDR.

Systemic Transformation Facility was repaid before maturity in October 2000 according to the resolution of the Slovak government and the decision of the Bank Board.

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

Receivables from foreign banks and international institutions were as follows:

	2000	1999
Current accounts	942	2 133
Term deposits with the banks	822	2 750
Receivables from REPO transactions	2 107	16 430
<b>Total receivables</b>	<b>3 871</b>	<b>21 313</b>

Receivables from foreign entities include total funds on nostro accounts and term deposits with correspondent banks abroad. Term deposits are denominated in USD. The NBS recorded receivables from REPO transactions in EUR, which are secured by medium-term state bonds in EUR.

Liabilities to foreign banks and international institutions were as follows:

	2000	1999
World Bank	1 466	1 000
Deposits of foreign banks		799
Fund PHARE	1	8
<b>Deposits</b>	<b>1 467</b>	<b>1 807</b>
Liabilities from REPO transactions		10 507
EXIM Bank of Japan	13 525	13 885
European Investment Bank Luxembourg	1 821	1 790
<b>Loans</b>	<b>15 346</b>	<b>26 182</b>
<b>Total liabilities</b>	<b>16 813</b>	<b>27 989</b>

These notes are an integral part of the summarised statutory financial statements.



**NATIONAL BANK OF SLOVAKIA**  
**NOTES TO THE SUMMARISED STATUTORY FINANCIAL STATEMENTS**  
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The loans are long-term and designated to replenish resources of selected domestic banks to support small-sized and medium-sized businesses and to support certain industries of the Slovak economy.

Receivables from and liabilities to foreign banks and international institutions by remaining maturity period are set out in Note 22.

**6. Receivables from and liabilities to domestic banks**

Receivables from domestic banks were as follows:

	<b>2000</b>	<b>1999</b>
Refinancing loans	591	2 172
Loans for support of small and medium sized businesses	10 888	11 137
Redistribution loans	23 980	26 185
Other receivables	5 608	731
Classified receivables	11	
Provisions for classified receivables	-11	
<b>Total receivables</b>	<b>41 067</b>	<b>40 225</b>

Receivables from domestic banks outline the role of the central bank as an intermediary in refinancing of commercial banks.

Liabilities to domestic banks were as follows:

	<b>2000</b>	<b>1999</b>
Minimum required reserves of banks	37 366	41 433
Liabilities from REPO transactions	27 626	
Term deposit accounts	3 427	
Other liabilities	2 581	5 190
<b>Total liabilities</b>	<b>71 000</b>	<b>46 623</b>

Minimum required reserves of domestic banks represent a major part of liabilities. Liabilities from REPO transactions include liabilities from sterilisation REPO transactions with the banks which are secured by T-bills of the NBS in the amount of Sk 28 000 million and they were performed to control liquidity and currency in circulation (see Note 7.2).

Receivables from and liabilities to domestic banks by remaining maturity period are disclosed in Note 22.

**7. Securities**

The Bank owns marketable securities follows:

<b>Issuer</b>	<b>Security</b>	<b>2000</b>	<b>1999</b>
Public sector	State T-bills	46 117	23 798
	Short-term bonds		70
	Medium-term bonds	38 134	33 411
	Long-term bonds	31 880	27 978
	Shares with variable income	73	227
	Provisions	- 599	- 1 669
	<b>Total</b>		<b>115 605</b>
Financial institutions	T-bills	2 299	5 165
	Short-term bonds	63 396	44 814
	Medium-term bonds	15 878	6 529
	Long-term bonds	1 681	1 131
	Provisions	- 768	-192
	<b>Total</b>		<b>82 486</b>
<b>Total</b>		<b>198 091</b>	<b>141 262</b>

These notes are an integral part of the summarised statutory financial statements.

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**NATIONAL BANK OF SLOVAKIA**  
**NOTES TO THE SUMMARISED STATUTORY FINANCIAL STATEMENTS**  
**AS AT 31 DECEMBER 2000 AND 1999**  
**(in millions of Sk)**

The cost of acquisition related to discounted securities includes accrued discount. The cost of acquisition related to bonds includes the proportional interest income from coupon. Securities of the public sector consisted of State T-bills and Government bonds of the EU countries, the U.S.A. and Japan. The Bank created provisions for securities if their market value was lower than their book value (see Note 15 "Loss from transactions with securities"). Securities owned by the Bank by remaining maturity period are shown in Note 22.

*7.1 Bonds issue*

In 2000, the NBS settled its liabilities from bonds issued which were placed on the private Japanese capital market in the nominal value of JPY 10 000 million. As at 31 December 2000, the NBS did not have any liabilities from bonds issued.

*7.2 Issue of T-bills*

As at 31 December 2000 the Bank reported liabilities from the issue of T-bills amounting to Sk 84 900 million. The issue was made to create sufficient reserve of securities to perform sterilisation REPO transactions.

As at 31 December 2000 the Bank used for sterilisation activities T-bills of Sk 52 900 million, including Sk 28 000 million related to sterilisation REPO transactions and Sk 24 900 million by the direct issue into the investment portfolios of domestic banks.

*7.3 Equity shares*

As at 31 December 2000, the NBS had equity shares in the Slovak Bank Clearing Centre in the amount of Sk 120 million, representing 39.47 % of share capital. In the Bank for International Settlements (BIS – Basel, Switzerland), the NBS owns shares in the amount of Sk 25 million, representing 0.5 % of share capital.

**8. Fixed assets**

*8.1 Intangible fixed assets*

<b>Intangible fixed assets</b>	<b>Software</b>	<b>Acquisition of Software</b>	<b>Total</b>
<b>Cost as at 1 January 2000</b>	153	3	156
Disposals		-1	-1
Transfers	1	1	2
<b>Cost as at 31 December 2000</b>	<b>154</b>	<b>3</b>	<b>157</b>
<b>Accumulated depreciation as at 1 January 2000</b>	86		86
Accumulated depreciation expensed	23		23
Accumulated depreciation of disposed ITFA	-1		-1
<b>Accumulated depreciation as at 31 December 2000</b>	<b>108</b>	<b>-</b>	<b>108</b>
<b>Net Book value of ITFA as at 1 January 2000</b>	<b>67</b>	<b>3</b>	<b>70</b>
<b>Net Book value of ITFA as at 31 December 2000</b>	<b>46</b>	<b>3</b>	<b>49</b>

These notes are an integral part of the summarised statutory financial statements.

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**NATIONAL BANK OF SLOVAKIA**  
**NOTES TO THE SUMMARISED STATUTORY FINANCIAL STATEMENTS**  
**AS AT 31 DECEMBER 2000 AND 1999**  
(in millions of Sk)

8.2 *Tangible fixed assets*

<b>Tangible fixed assets</b>	<b>Land</b>	<b>Other non-depr. TFA</b>	<b>Con-struct-ions</b>	<b>Technic. equipm. &amp; mach.</b>	<b>Other deprec. TFA</b>	<b>Acquisi-tion of TFA</b>	<b>Prepay-ments made</b>	<b>Total</b>
<b>Cost as at 1 January 2000</b>	302	88	1 205	1 260	161	2 909	718	6 643
Additions		-59	59			1 869	190	2 059
Disposals	-4		-33	-51	-1	-60	-774	-923
Transfers	6	6	50	60	1	-123		
<b>Cost as at 31 December 2000</b>	<b>304</b>	<b>35</b>	<b>1 281</b>	<b>1 269</b>	<b>161</b>	<b>4 595</b>	<b>134</b>	<b>7 779</b>
<b>Accumulated depreciation as at 1 January 2000</b>			147	854	98		6	1 105
Accumulated depreciation expensed			64	140	18			222
Accumulated depreciation of disposed TFA			-33	-56	-1			-90
<b>Accumulated depreciation as at 31 December 2000</b>			<b>178</b>	<b>938</b>	<b>115</b>		<b>6</b>	<b>1 237</b>
<b>Net Book value of TFA as at 1 January 2000</b>	<b>302</b>	<b>88</b>	<b>1 058</b>	<b>406</b>	<b>63</b>	<b>2 909</b>	<b>712</b>	<b>5 538</b>
<b>Net Book value of TFA as at 31 December 2000</b>	<b>304</b>	<b>35</b>	<b>1 103</b>	<b>331</b>	<b>46</b>	<b>4 595</b>	<b>128</b>	<b>6 542</b>

8.3 *Tangible fixed assets under lease contracts*

As at 31 December 2000, the NBS recorded liabilities relating to finance lease in the amount of Sk 797 thousand. The lease contract expires in March 2001.

9. **Currency in circulation**

This item includes valid domestic banknotes and coins in circulation that were issued by the Bank.

10. **Liabilities to the State budget**

Included in the table below is the structure of liabilities relating to the State budget:

	<b>2000</b>	<b>1999</b>
Account of the Slovak Republic	5 608	16 217
State funds	6 672	2 584
<b>Total liabilities</b>	<b>12 280</b>	<b>18 801</b>

Terms between the Slovak Republic state budget and the NBS are set in the NBS Act, Section 25. The NBS liability arisen from ordinary state operations and financing the debt service represented the amount of Sk 5 608 million as at 31 December 2000. State funds in the amount of Sk 6 672 million included other state deposits with the NBS.

11. **Other assets and other liabilities**

Included in the table below is the structure of other assets:

	<b>2000</b>	<b>1999</b>
Accruals	977	1 146
Other assets	496	525
<b>Total other assets</b>	<b>1 473</b>	<b>1 671</b>

These notes are an integral part of the summarised statutory financial statements.

**NATIONAL BANK OF SLOVAKIA**  
**NOTES TO THE SUMMARISED STATUTORY FINANCIAL STATEMENTS**  
**AS AT 31 DECEMBER 2000 AND 1999**  
**(in millions of Sk)**

Other assets include mainly receivables from clients and supplies.

Included in the table below is the structure of other liabilities:

	<b>2000</b>	<b>1999</b>
Accruals	658	754
Forward transaction clearing accounts	3 376	91
Reserves	16 990	9 695
Other liabilities	19 836	12 016
<b>Total other liabilities</b>	<b>40 860</b>	<b>22 556</b>

Other liabilities include mainly accounts liabilities to clients, deposits of non-budgetary funds of Slovak government agencies and amounts due to suppliers.

As at 31 December 2000, reserves included mainly the foreign exchange reserves totalling Sk 16 976 million in the following structure: reserves for gold swaps in the amount of Sk 3 100 million to cover the difference between the market value of gold used in swaps and its historical acquisition cost, and reserves for open foreign currency position in the amount of Sk 13 876 million. The reserve for exchange rate losses from open foreign currency position of the NBS is updated based on the expected development in foreign exchange reserves and anticipated movements in exchange rates.

#### 12. Equity

Equity represents the statutory fund inherited upon the division of assets and liabilities of former ŠBČS in the amount of Sk 467 million, legal reserve fund in the amount of Sk 9 925 million and capital fund in the amount of Sk 77 million.

#### 13. Net interest income

Included in the table below is the structure of net interest income:

	<b>2000</b>	<b>1999</b>
Interest income from domestic banks	3 374	4 529
Interest income from foreign banks and international institutions	272	205
Interest income from securities	8 922	6 356
Interest income from REPO transactions	777	951
Other interest income	105	249
<b>Interest income</b>	<b>13 450</b>	<b>12 290</b>
Interest expense paid to the treasury	-1 161	-318
Interest expense paid to domestic banks	- 668	-580
Interest expense paid to foreign banks and international institutions	-735	-696
Interest expense relating to securities	-231	-610
Interest expense relating to REPO transactions	-2 173	-682
Other interest paid	-864	-327
<b>Interest expense</b>	<b>-5 832</b>	<b>- 3 213</b>
<b>Profit from interest</b>	<b>7 618</b>	<b>9 077</b>

Interest income is mainly affected by interest income from securities and interest income from domestic banks.

**NATIONAL BANK OF SLOVAKIA**  
**NOTES TO THE SUMMARISED STATUTORY FINANCIAL STATEMENTS**  
**AS AT 31 DECEMBER 2000 AND 1999**  
**(in millions of Sk)**

**14. Dividends income**

Dividends in the amount of Sk 25 million arose from shares in the BIS – Basel, Switzerland. Dividends in the amount of Sk 10 million arose from other investments.

**15. Loss from transactions with securities**

Included in the table below is the structure of loss from transactions with securities:

	2000	1999
Capital revenues from securities	464	365
Capital loss from securities	-3 616	-1 379
Distribution of provisions for securities	1 895	397
Creation of provisions for securities	-1 367	-1 861
<b>Loss from transactions with securities</b>	<b>-2 624</b>	<b>-2 478</b>

Losses from transactions with securities arose mainly from declines in market prices of the U. S. Government and EU countries bonds on international markets.

**16. Profit from foreign currency transactions**

The Bank generated profit from foreign exchange transactions as follows:

	2000	1999
Income from foreign exchange transactions	20 449	20 919
Expenses from foreign exchange transactions	-13 105	-20 282
Use of reserves for foreign exchange transactions	1 163	8 913
Additions to reserves for foreign exchange transactions	-8 459	-6 367
<b>Profit from foreign exchange transactions</b>	<b>48</b>	<b>3 183</b>

The Bank realised net foreign exchange gains of Sk 8 075 million. The Bank lost Sk 654 million on swaps and Sk 77 million on foreign exchange term transactions. In 2000, the Bank has created a reserve of Sk 8 459 million for its open foreign currency position. The Bank used reserves for gold swaps of Sk 1 064 million and reserves for currency swaps of Sk 99 million.

**17. Administrative expenses**

Administrative expenses include personnel expenses that consist of wages and salaries and social expenses. Social expenses include the employees' mandatory health, medical, and pension insurance contributions, unemployment contributions, the contribution for the failure to employ a mandatory proportion of disabled persons, and the mandatory contribution to the social fund in accordance with the Social Fund Act (152/1994 Coll., as amended) and the Income Taxes Act (366/1999, as amended).

In the accounting period 2000, the average number of employees was 1 305.

**18. Extraordinary income (expenses)**

Extraordinary income was largely influenced by the final settlement of ŠBČS accounts receivable and liabilities between the NBS and the Czech National Bank in the amount of Sk 4 092 million.

**19. Distribution of profit**

The Bank ended its accounting period 2000 with a profit of Sk 7 389 million. Its contributions to the state budget of the Slovak Republic amounted to Sk 7 346 million, of which Sk 4 000 million had been paid as at 31 December 2000. The social fund received Sk 40 million from profit; the retirement fund was allotted Sk 3 million. The Bank did not make any additions to the reserve fund.

These notes are an integral part of the summarised statutory financial statements.

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**NATIONAL BANK OF SLOVAKIA**  
**NOTES TO THE SUMMARISED STATUTORY FINANCIAL STATEMENTS**  
**AS AT 31 DECEMBER 2000 AND 1999**  
(in millions of Sk)

**20. Currency structure of assets and liabilities**

As at 31 December 2000, the Bank had the following foreign currency assets and liabilities (translated into Sk):

	Line No.	Slovak crowns (Sk)	Foreign currencies translated into Sk	There-of:					Total
				Total	USD	EUR	JPY	XDR	
<b>ASSETS</b>									
<b>2000</b>	1	48 441	209 089	52 665	144 580	5 428	5 288	1 128	257 530
<b>1999</b>	2	48 173	168 334	53 817	98 632	8 763	4 975	2 147	216 507
<b>Difference</b>	3=1-2	268	40 755	-1 152	45 948	-3 335	313	-1 019	41 023
<b>LIABILITIES</b>									
<b>2000</b>	4	234 704	22 826	1 035	2 871	13 655	5 265		257 530
<b>1999</b>	5	173 345	43 162	8 749	5 520	18 266	10 579	48	216 507
<b>Difference</b>	6=4-5	61 359	-20 336	-7 714	-2 649	-4 611	-5 314	-48	41 023
<b>Difference total</b>	7=3-6	-61 091	61 091	6 562	48 597	1 276	5 627	-971	-

**21. Off-balance sheet items**

As at 31 December 2000, the future irrevocable receivables and liabilities on the Bank's off-balance sheet accounts, which arose from foreign exchange term and spot operations, were structured as follows:

Item	Balance as at 31 December 2000	
	Receivable	Payable
Long-term currency swaps	8 279	7 690
Interest rate swaps	1 634	1 634
Gold swaps	1 168	8 226
<b>Futures total</b>	<b>11 081</b>	<b>17 550</b>
<b>Spots</b>	<b>9</b>	<b>9</b>

The Bank had entered into long-term gold swaps that gave rise to a receivable of Sk 7 763 million (re-valued using gold's year-end exchange rate of USD 272.95/oz) and an USD-denominated account liabilities translated into Sk 8 226 million, as at 31 December 2000.

In order to hedge the risk of gold's declining market value, the Bank had purchased European gold put options, which gave rise to an USD-denominated receivable translated into Sk 8 226 million and a liabilities of Sk 7 763 million (re-valued using gold's year-end exchange rate), as at 31 December 2000.

When valuing gold at historical cost, the receivable arising from long-term swaps and the liabilities arising from the purchased long-term options was Sk 1 168 million.

As at 31 December 2000, the Bank had on its off-balance sheet accounts the assumed state guarantees for re-distribution loans totalling Sk 34 964 million, consisting of the principal and interest until maturity.

**NATIONAL BANK OF SLOVAKIA**  
**NOTES TO THE SUMMARISED STATUTORY FINANCIAL STATEMENTS**  
**AS AT 31 DECEMBER 2000 AND 1999**  
(in millions of Sk)

As at 31 December 2000, there were no undisclosed material contingent assets or liabilities.

**22. Maturity analysis**

Assets and liabilities by period until maturity were as follows:

	1 month or less	From 1 month to 3 months	From 3 months to 1 year	From 1 year to 5 years	More than 5 years	Unspe- cified	Total
<b>Assets</b>							
Gold	177	771				80	1 028
Deposits with the IMF						5 264	5 264
Receivables from foreign banks and international institutions	3 107					764	3 871
Receivables from domestic banks	1 890	5 321	483	8 474	24 899		41 067
Securities	19 248	40 079	79 053	53 447	6 264		198 091
Equity shares						145	145
Fixed assets						6 591	6 591
Other assets	57	884	123	173	150	86	1 473
<b>Total assets</b>	<b>24 479</b>	<b>47 055</b>	<b>79 659</b>	<b>62 094</b>	<b>31 313</b>	<b>12 930</b>	<b>257 530</b>
<b>Liabilities and equity</b>							
Currency in circulation	75 944						75 944
Liabilities to the IMF						5 264	5 264
Liabilities to foreign banks and international institutions	703	324	345	6 944	7 733	764	16 813
Liabilities to domestic banks	71 000						71 000
Securities issued		24 900					24 900
Liabilities to the State budget	12 280						12 280
Other liabilities	19 431	894	14 814	5 504		217	40 860
Legal reserve fund						9 925	9 925
Statutory fund						467	467
Capital fund						77	77
<b>Total liabilities and equity</b>	<b>179 358</b>	<b>26 118</b>	<b>15 159</b>	<b>12 448</b>	<b>7 733</b>	<b>16 714</b>	<b>257 530</b>
<b>Net position</b>	<b>-154 879</b>	<b>20 937</b>	<b>64 500</b>	<b>49 646</b>	<b>23 580</b>	<b>-3 784</b>	<b>-</b>

These notes are an integral part of the summarised statutory financial statements.

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**NATIONAL BANK OF SLOVAKIA**

**INDEPENDENT AUDITORS' REPORT  
AND INTERNATIONAL FINANCIAL  
STATEMENTS**

**as of 31 December 2000  
and for the year then ended**



**NATIONAL BANK OF SLOVAKIA**  
**International Financial Statements**  
**31 December 2000 and 1999**  
**(in millions of Sk)**

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**Deloitte  
& Touche**

## INDEPENDENT AUDITORS' REPORT

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

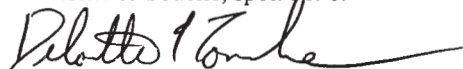
We have audited the accompanying balance sheet of the National Bank of Slovakia ("the Bank") as of 31 December 2000, and the related statements of operations, cash flows and changes in equity and reserves for the year then ended. These financial statements are the responsibility of the Bank's management. 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. Those 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.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Bank as of 31 December 2000 and the results of its operations and its cash flows and changes in equity and reserves for the year then ended, in accordance with International Accounting Standards.

We have also audited the adjustments described in Note 26 to the accompanying financial statements that were applied to restate the Bank's balance sheet as of 31 December 1999, and the related statements of operations and cash flows and changes in equity and reserves for the year then ended, as prepared in accordance with Slovak statutory accounting standards in order to express such statements in accordance with International Accounting Standards for the purpose of presentation of comparative figures. In our opinion, such adjustments are appropriate and have been properly applied. The financial statements of the Bank as of, and for the year ended 31 December 1999, as prepared under Slovak accounting standards, were audited by another auditor whose report dated 9 March 2000, expressed an unqualified opinion on those statements.

Deloitte & Touche, spol. s r. o.



12 April 2001

Deloitte  
Touche  
Tohmatsu

**NATIONAL BANK OF SLOVAKIA**  
**Balance sheets**  
**As of 31 December 2000 and 1999**  
**(in millions of Sk)**

	Note	2000	1999
<u>Assets</u>			
Current accounts and deposits with banks	4	1 913	5 010
Gold	5	2 195	2 509
Securities	6	199 172	141 412
Loans to banks and other financial institutions	7	42 120	56 527
IMF membership quota	8	5 264	4 942
Property, plant and equipment	9	6 463	4 896
Other assets	10	2 328	4 441
<b>Total assets</b>		<b><u>259 455</u></b>	<b><u>219 737</u></b>
<u>Liabilities</u>			
Liabilities to banks and other financial institutions	11	96 039	81 949
Liabilities to the state budget	12	12 280	18 801
Securities issued	13	24 900	12 040
Loans from the IMF	8	5 264	10 538
Currency in circulation	14	75 944	67 491
Other liabilities	15	20 506	12 883
		<b><u>234 933</u></b>	<b><u>203 702</u></b>
<u>Equity</u>			
Capital (statutory fund)	16	467	467
Reserves	16	24 055	15 568
		<b><u>24 522</u></b>	<b><u>16 035</u></b>
<b>Total liabilities and equity</b>		<b><u>259 455</u></b>	<b><u>219 737</u></b>

  
 Ing. Marián Jusko, CSc.

**Governor**

  
 Ing. Anna Pastuchová, PhD.

**Executive Director of Information Systems Division**

  
 Ing. Milena Koreňová

**Executive Director of Accounting Methodology Department**

The accompanying notes are an integral part of the financial statements.

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**NATIONAL BANK OF SLOVAKIA**  
**Statements of operations**  
**For the years ended 31 December 2000 and 1999**  
**(in millions of Sk)**

	Note	2000	1999
Interest and similar income	17	13 451	12 292
Interest expense and similar charges	17	(5 833)	(3 222)
<b>Net interest income</b>		<u>7 618</u>	<u>9 070</u>
<b>Dividends income</b>		<u>35</u>	<u>35</u>
Fees and commissions received		120	72
Fees and commissions paid		(21)	(31)
<b>Income from fees and commissions</b>		<u>99</u>	<u>41</u>
<b>Loss from valuation of securities</b>	18	(1 725)	(2 875)
<b>Foreign exchange gains</b>	19	8 442	1 159
<b>Income from sale of equity securities</b>	10	-	15 658
<b>Operating income (expenses), net</b>	20	2 280	(1 425)
<b>Provisions for losses</b>	7	(916)	18 801
<b>Net income</b>	21	<u>15 833</u>	<u>40 464</u>
Transfer of profit to reserves and state budget:		2 000	1 999
General reserves	16	28	(1 995)
Reserve for open foreign exchange position	16	8 459	-
Legal reserve fund	16	-	270
Transfer of profit to state budget	21	7 346	42 189
		<u>15 833</u>	<u>40 464</u>

The accompanying notes are an integral part of the financial statements.

3

**NATIONAL BANK OF SLOVAKIA**  
**Statements of changes in equity and reserves**  
**For the years ended 31 December 2000 and 1999**  
**(in millions of Sk)**

	Statutory fund	General reserves	Reserve for open foreign exchange position	Legal reserve fund	Transfer of profit to state budget	Total
<b>At 1 January 1999</b>	<b>467</b>	<b>587</b>	<b>7 051</b>	<b>9 655</b>	-	<b>17 760</b>
Use of reserves	-	1 634	(1 634)	-	-	-
Profit distribution	-	(1 995)	-	270	42 189	<b>40 464</b>
Transfer of profit to state budget	-	-	-	-	(42 189)	<b>(42 189)</b>
<b>At 31 December 1999</b>	<b>467</b>	<b>226</b>	<b>5 417</b>	<b>9 925</b>	-	<b>16 035</b>
Profit distribution	-	28	8 459	-	7 346	<b>15 833</b>
Transfer of profit to state budget (Note 21)	-	-	-	-	(7 346)	<b>(7 346)</b>
<b>At 31 December 2000</b>	<b>467</b>	<b>254</b>	<b>13 876</b>	<b>9 925</b>	-	<b>24 522</b>

The accompanying notes are an integral part of the financial statements.

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**NATIONAL BANK OF SLOVAKIA**  
**Statements of cash flows**  
**For the years ended 31 December 2000 and 1999**  
**(in millions of Sk)**

	2000	1999
<b>Net cash flow from operating activities</b>		
Net profit	15 833	40 464
Adjustments to reconcile net profit to cash flows (used in) provided by operating activities:		
Dividends received	(35)	(35)
Provisions for losses	916	(18 801)
(Gain)/Loss from revaluation of trading securities	(1 433)	1 861
Unrealised foreign exchange (gains)/losses	1 134	(806)
Depreciation	209	228
Gain from sale of investments	-	(15 658)
<b>Net cash flow from operating activities before changes in operating assets and liabilities</b>	<b>16 624</b>	<b>7 253</b>
<b>Changes in operating assets and liabilities</b>		
Decrease/(increase) in gold	314	(1 107)
Increase in securities	(56 329)	(17 435)
Decrease in loans to banks and other financial institutions	13 234	13 184
Decrease/(increase) in other assets	1 363	(709)
Total change in operating assets	(41 418)	(6 067)
(Decrease)/increase in liabilities to banks and financial institutions	(3 590)	11 591
(Decrease)/increase in securities issued	12 860	832
(Decrease)/increase in liabilities to state budget	(6 521)	13 362
(Decrease)/increase in liabilities to IMF	(10 007)	8 119
(Decrease)/increase in currency in circulation	8 453	9 340
(Decrease)/increase in other liabilities and accruals	3 695	(9 334)
Total change in operating liabilities	4 890	33 910
<b>Net cash flow (used in) provided by operating activities</b>	<b>(19 904)</b>	<b>35 096</b>
<b>Cash flow from investment activities</b>		
Purchase of property, plant and equipment	(1 776)	(808)
Dividends received	35	35
Decrease/(increase) in IMF quota	4 411	(9 509)
Sale proceeds in cash on sale of investments	-	17 108
<b>Net cash flow provided by investing activities</b>	<b>2 670</b>	<b>6 826</b>
<b>Net cash flow from financing activities</b>		
Contribution paid to state budget	(4 000)	(42 189)
Increase in loans	17 680	376
<b>Net cash flow (used in) provided by financing activities</b>	<b>13 680</b>	<b>(41 813)</b>
Net (decrease)/increase in cash and cash equivalents	(3 355)	421
Gain on foreign currency cash	199	312
Cash and cash equivalents at the beginning of year	4 504	4 083
Cash and cash equivalents at the end of year	1 149	4 504

The accompanying notes are an integral part of the financial statements.

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## **Notes to the financial statements**

### **1. General information**

The National Bank of Slovakia („the NBS“ or “the Bank”) is the central bank of the Slovak Republic. The NBS was established in accordance with the terms of the Act No. 566/1992 Coll. on the National Bank of Slovakia (“the Bank Act”), as amended, and commenced its activities as the central bank in the Slovak Republic on 1 January 1993. The NBS is a legal entity with its seat at Štúrova 2 in Bratislava. When handling its own assets, it acts as a business entity. The head office of NBS is in Bratislava. The NBS has three branches in the Slovak Republic (Bratislava, Banská Bystrica, Košice).

The main role of the NBS is to ensure the stability of Slovak Crown, and therefore the NBS:

- ✧ determines monetary policy;
- ✧ issues bank notes and coins;
- ✧ controls money in circulation, co-ordinates domestic interbank payments and settlements;
- ✧ supervises bank activities within the scope pursuant to the Bank Act;
- ✧ represents the Slovak Republic in international financial institutions and in world capital market operations;
- ✧ maintains the state budget accounts, and
- ✧ performs other activities as defined under the Bank Act.

The supreme managing body of the NBS is the Bank Board. The Bank Board has 8 members as follows: the Governor, two Vice-governors, two directors and three other members. The Governor and the Vice-governors are appointed and withdrawn by the president of the Slovak Republic. Directors and the other three members of the Bank Board are appointed and withdrawn by the Slovak government. The Governor, Vice-governors and directors of the NBS are appointed for the period of six years. The term of office of other members of the Bank Board is 4 years. The NBS is represented by its Governor.

As at 31 December 2000, the members of the Bank Board were as follows:

Ing. Marián Jusko, CSc.	Governor of the NBS	appointed on 30 July 1999
Ing. Elena Kohútiková, CSc.	Vice-governor of the NBS	appointed on 28 March 2000
Ing. Jozef Mudrík	Vice-governor of the NBS	appointed on 23 May 1995
Ing. Ján Mathes	Director of the NBS	appointed on 1 January 1999
RNDr. Karol Mrva	Director of the NBS	appointed on 1 December 2000
Ing. Jozef Magula	Member	appointed on 4 February 1997
Ing. Eugen Jurzyca	Member	appointed on 1 December 2000
Prof. Ing. Jozef Košnár, DrSc.	Member	appointed on 1 December 2000

### **2. Basis for preparation**

The accompanying financial statements of the NBS as at 31 December 2000 were prepared, in all material respects, in accordance with International Accounting Standards („IAS“). All figures in the financial statements for the previous period are presented on a comparable basis.

The financial statements are prepared under the historical cost convention as modified by the revaluation of securities to fair value.

### **3. Summary of significant accounting policies**

#### **3.1. Gold**

Gold is valued at historical cost of 62.54451 Sk per gram.

Gold used for repurchase (swap) transactions is recognised in the reported gold balance and the corresponding liability from swap transactions as a loan for funds received. The NBS uses part of its gold in long-term swap transactions with international financial institutions in order to manage its foreign currency exposure.

#### **3.2. Securities**

Trading securities are recorded at market value. The reported market value of discounted securities includes accrued interest. Movements in the market value of these securities are recognised in the statement of operations.

Investment securities are those securities where the intention is to hold them until maturity. These are valued at cost, with any premium or discount on acquisition being amortised on a straight-line basis. The NBS does not hold any investment securities at 31 December 2000 or 1999.

Equity investments are valued at cost of acquisition.

#### **3.3. Repurchase and resell transactions**

Transactions related to securities purchased under agreements to resell ("reverse REPOs") are recorded as loans receivable and securities sold under sale and repurchase agreements ("REPOs") are recorded as loans payable, respectively.

#### **3.4. Loans and provisions**

Loans provided to banks and other financial institutions are stated in the balance sheet at the amount of principal outstanding less any provisions for potential losses. Changes in provision are recognised as an expense in the statement of operations. Reversal of provisions when reasons for their creation cease to exist are reported as a credit to provisions in the statement of operations.

#### **3.5. Property, plant and equipment**

Fixed assets are valued in the balance sheet at their acquisition cost, less depreciation. The acquisition cost of fixed assets does not include value-added tax, except for passenger vehicles.

Fixed assets are depreciated on a straight-line basis.



**NATIONAL BANK OF SLOVAKIA**  
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The current annual depreciation rates for fixed assets are as follows:

	%
Office equipment, data processing systems, cars and vehicles, software	25
Instruments and special technical equipment	12.5
Security systems	6.7
Power systems	3.4
Buildings, constructions	2.5
Items and objects depreciated using an individual depreciation rate (e. g. security monitoring systems)	Individual rates

In 2000 the Bank changed its annual depreciation rates of the fixed assets, which resulted in an increase in depreciation expense in 2000 of Sk 16 million.

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

The Bank converts its assets and liabilities denominated in foreign currency to Slovak crowns using the NBS exchange rates chart as at the transaction date and in the financial statements using the exchange rate as at the balance sheet date. Revenues and expenses in foreign currency are translated to Slovak crowns using the NBS exchange rates chart as at the transaction date.

Exchange rates for principal foreign currencies used by the NBS for valuation of its assets and liabilities as at 31 December were as follows:

Currency	Unit	2000 Rate	1999 Rate
USD	1	47.389	42.266
EUR	1	43.996	42.458
JPY	100	41.397	41.395
XDR	1	61.751	57.973

**3.7. Securities issued**

The NBS treasury bills issued are recorded at nominal value. In the balance sheet, they are shown net of repurchased treasury bills in the portfolio of the NBS, including accrued discount.

**3.8. Currency in circulation**

The NBS administers the issue and withdrawal of domestic bank notes and coins. The corresponding liability from the issued currency in circulation is recorded in the balance sheet.

**3.9. Financial instruments**

A financial instrument is any contract that generates a financial asset in one company and a financial liability or equity instrument in a different company. Primary financial instruments, such as receivables, payables and equity investments, are disclosed in the balance sheet.

**NATIONAL BANK OF SLOVAKIA**  
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**(in millions of Sk)**

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Derivative financial instruments include options, and interest and currency swaps used by the NBS to hedge its risk exposure. The NBS does not enter into speculative transactions with derivative financial instruments. Derivative financial instruments are recorded in the off-balance sheet accounts.

3.10. Taxation and distribution of profit

The NBS is exempt from corporate income tax under Article 18 of Act 366/1999 Coll. on Income Taxes, as amended. The NBS is a VAT payer.

In compliance with the Bank Act, the profits generated by the NBS are used to replenish the reserve fund and other funds created from profit. The remaining profits are transferred to the state budget of the Slovak Republic.

3.11. Operating revenues and expenses

Interest income and expense, and fees and commissions are recognised on an accrual basis. They are recorded and disclosed in the financial statements in the period to which they relate.

3.12. Employee benefits

To cover the costs of employee benefits, the NBS creates social, remuneration and retirement funds, which are reflected in the statement of operations.

The NBS makes regular allotments to the state Social Insurance Company, which are reflected in the statement of operations.

In 2000, the average number of employees was 1 305, which is less by 2 than in 1999.

3.13. Cash and cash equivalents

For the purposes of reporting cash flows, cash and cash equivalents include cash, current accounts and time deposits with maturity within 90 days. Cash and cash equivalents exclude deposits with the World Bank because of their long-term nature.

**NATIONAL BANK OF SLOVAKIA**  
**Notes to the international financial statements**  
**As of 31 December 2000 and 1999 and for the years then ended**  
**(in millions of Sk)**

**4. Current accounts and deposits with banks**

Cash and amounts due from banks include:

	2000	1999
Current accounts	327	1 754
Time deposits with banks	822	2 750
Deposits with the World Bank (in USD)	764	506
	<u><b>1 913</b></u>	<u><b>5 010</b></u>

Deposits with the World Bank do not bear interest.

Time deposits with banks are due within 1 month (see Note 23).

As of 31 December 2000, one-day time deposits with banks earned interest of 5.41 %, one-month time deposits earned interest of 3.08 %.

In 2000, interest was earned on US dollar deposits at rates from 3.08 % to 5.41 % and on Euro deposits from 3.75 % to 3.822 %.

In 2000, the interest rates on Slovak Crown deposits with domestic banks varied from 3 % to 7.5 %.

**5. Gold**

Gold is comprised of the following:	2000		1999	
	thousand of troy ounces	historical cost	thousand of troy ounces	historical cost
Gold bullion in standard form	1 116	2 171	987	1 921
Gold in other forms	12	24	302	588
<b>Total</b>	<u><b>1 128</b></u>	<u><b>2 195</b></u>	<u><b>1 289</b></u>	<u><b>2 509</b></u>

Gold in standard form includes gold held with the correspondent banks. In 2000, this gold earned interest of approximately 0.5 %, depending on the term of placement (in 1999: 3.4 %).

The gold in standard form includes 600 thousand troy ounces used for gold pledged in repurchase (swap) transaction as of 31 December 2000 and 1999 (see Note 11 and 25).

The market value of gold as of 31 December 2000 was USD 272.95 per troy ounce, representing a value of Sk 14 598 million (in 1999: Sk 15 852 million).

**NATIONAL BANK OF SLOVAKIA**  
**Notes to the international financial statements**  
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**(in millions of Sk)**

**6. Securities**

The current portfolio of the NBS securities comprises trading securities as follows:

<i>Issued by</i>	<i>Type of security</i>	2000	1999
Public sector	State treasury bills	46 162	23 727
	Short-term treasury bills of American agencies	2 305	5 160
	Short-term bonds		70
	Medium-term bonds	37 942	32 659
	Long-term bonds	30 583	26 079
	Shares with variable yield	73	227
	Coupons to debentures	1 608	1 142
		<u>118 673</u>	<u>89 064</u>
Financial institutions	FIXBIS interest	62 315	44 347
	Short-term bonds	474	425
	Medium-term bonds	15 758	6 337
	Long-term bonds	1 648	1 095
	Coupons to debentures	304	144
		<u>80 499</u>	<u>52 348</u>
<b>Total</b>		<b><u>199 172</u></b>	<b><u>141 412</u></b>

The public sector securities portfolio consists of state treasury bills and bonds issued by the governments of the EU countries, USA and Japan.

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

The average maturity period of the securities in the NBS portfolio is approximately one year. In 2000, these securities earned interest from 5.261 % to 6.378 % (1999: from 4.402 % to 5.966 %).

A summary of the securities by residual maturity due date is presented in Note 23.

**NATIONAL BANK OF SLOVAKIA**  
**Notes to the international financial statements**  
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**(in millions of Sk)**

**7. Loans to banks and other financial institutions**

Receivables from banks and other financial institutions are as follows:

	2000	1999
Loans granted under REPO transactions	2 107	16 430
Re-discount bill of exchange loans	591	2 172
Loans to support the development of small and medium size business from EXIM Bank and European Investment Bank	10 888	11 137
Redistribution loans	23 980	26 185
Other loans and receivables from banks	5 459	603
Classified receivables	11	
Provisions for other loans and classified receivables	(916)	
<b>Total</b>	<b><u>42 120</u></b>	<b><u>56 527</u></b>

Loans reported under REPO transactions were granted to foreign banks in 2000. Medium-term state bonds in Euro were taken as collateral.

In 2000, the NBS in REPO transactions with foreign banks earned interest at rates from 3.23 % to 5.01 % for Euro denominated balances and from 5.30 % to 7.0 % for USD balances.

The NBS classified the receivable from outstanding bills of exchange of AG banka Nitra in 2000 and has fully provisioned the loan in the amount of Sk 11 million, in accordance with the decision taken by the NBS Bank Board. In addition, NBS has created a provision for the revolving loan granted to the Deposit Protection Fund in the amount of Sk 905 million due to the current interest rate of 1.5 % when compared with the standard interest rate corridor for REPO services. This loan is expected to be fully repaid over an estimated period of 5 years. The NBS calculated the provision on the discounted cash flow basis.

In 2000 and 1999, re-discount bill of exchange loans earned interest at the discount rate of 8.8 %. In 2000 and 1999, EXIM Bank loans earned interest of 9.55 % (Tranche I and III) and 8.8 % (Tranche II). The European Investment Bank loans (AGL II) earned interest of 9.8 % in 2000 and 1999. Redistribution loans earned interest at rates between 7.5 % and 9.5 % in 2000 and 1999.

Roll-forward of provisions:	2000	1999
Opening Balance 1 January		18 801
Creation	916	1 640
Release		(20 441)
Closing Balance 31 December	<b><u>916</u></b>	<b><u>-</u></b>

In 1999 the Bank obtained state guarantee for redistribution loans in the form of declaration on guarantee, pursuant to which the Bank released the provisions for redistribution loans in the amount of Sk 20 441 million.

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**8. IMF membership quota and loans from the IMF**

International Monetary Fund ("IMF") membership quota and loans from the IMF are as follows:

	2000	1999
Membership quota in XDR	5 264	4 942
<b>Total receivable from IMF</b>	<b><u>5 264</u></b>	<b><u>4 942</u></b>
Loan Tranche	5 264	4 942
Loan Systemic Transformation Facility		5 596
<b>Total liability to the IMF</b>	<b><u>5 264</u></b>	<b><u>10 538</u></b>

The IMF membership quota is denominated in Special Drawing Rights, (XDR).

Liabilities to the IMF represent drawing the reserve tranche up to the amount of the paid membership quota in XDR.

The IMF membership quota and the loan Tranche do not bear interest. The interest rate on the IMF loans varies on a weekly basis and in 2000 it was ranging from 4.33 % to 5.62 % (1999: from 3.42 % to 4.43 %).

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**9. Property, plant and equipment**

The changes in the property, plant and equipment are as follows:

	Land	Art	Buildings and structures	Fittings and fixtures	Software	Other	Acquisi- tions in progress	Total
<b>Cost at 1 January 2000</b>	<b>302</b>	<b>88</b>	<b>1 205</b>	<b>1 260</b>	<b>153</b>	<b>161</b>	<b>2 912</b>	<b>6 081</b>
Additions		(59)	59		1		1 870	1 871
Disposals	(4)		(33)	(51)		(1)	(61)	(150)
Transfers	6	6	50	60		1	(123)	-
<b>Cost at 31 December 2000</b>	<b>304</b>	<b>35</b>	<b>1 281</b>	<b>1 269</b>	<b>154</b>	<b>161</b>	<b>4 598</b>	<b>7 802</b>
<b>Accumulated depreciation at 1 January 2000</b>			<b>147</b>	<b>854</b>	<b>86</b>	<b>98</b>		<b>1 185</b>
Charge for the year 2000			32	136	23	18		209
Transfers			32	4				36
Accumulated depreciation on disposed FA			(33)	(56)	(1)	(1)		(91)
<b>Accumulated depreciation at 31 December 2000</b>	<b>-</b>	<b>-</b>	<b>178</b>	<b>938</b>	<b>108</b>	<b>115</b>	<b>-</b>	<b>1 339</b>
<b>Net book value at 1 January 2000</b>	<b>302</b>	<b>88</b>	<b>1 058</b>	<b>406</b>	<b>67</b>	<b>63</b>	<b>2 912</b>	<b>4 896</b>
<b>Net book value at 31 December 2000</b>	<b>304</b>	<b>35</b>	<b>1 103</b>	<b>331</b>	<b>46</b>	<b>46</b>	<b>4 598</b>	<b>6 463</b>

A significant amount of acquisition of fixed assets is related to the construction of the new NBS head office building. The acquisition cost of the new NBS head office building at 31 December 2000 represents Sk 4 575 million. The building is anticipated to be put in use in 2001.

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**10. Other assets**

Other assets include the following:

	2000	1999
Equity investments	145	145
Short-term loans to clients	25	3
Medium-term loans to clients	19	22
Long-term loans to clients	162	168
Watch loans to clients	176	288
Receivables from debtors	154	729
Accruals and estimated accounts	976	1 145
Settlement accounts of term transactions	582	1 914
Other assets	89	27
<b>Total</b>	<b><u>2 328</u></b>	<b><u>4 441</u></b>

As of 31 December 2000, the NBS held equity investments in the following institutions:

	share in capital %	2000	1999
Bankové zúčtovacie centrum Slovenska, a.s. Bratislava	39.48	120	120
Bank for International Settlements, Basel, Switzerland	0.5	25	25
<b>Total</b>		<b><u>145</u></b>	<b><u>145</u></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. The Bank recorded gains from the sale of such equity shares amounting to Sk 15 658 million.



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**11. Liabilities to banks and other financial institutions**

Liabilities to banks and other financial institutions include the following:

	2000	1999
Deposits of domestic banks:		
Current accounts of banks	6 008	5 191
Monetary reserves of banks	37 366	41 433
	<u>43 374</u>	<u>46 624</u>
Deposits of foreign banks and international institutions:		
World Bank	1 466	1 000
Deposits of foreign banks		799
PHARE fund	1	8
	<u>1 467</u>	<u>1 807</u>
Loans:		
Loans from repo transactions	27 626	10 507
Liability from gold swap	8 226	7 336
Loan from EXIM Bank of Japan (Two Step Loan I, II, III )	13 525	13 885
Borrowing from the European Investment Bank of Luxemburg (Apex Global Loan II )	1 821	1 790
	<u>51 198</u>	<u>33 518</u>
<b>Total</b>	<u><u>96 039</u></u>	<u><u>81 949</u></u>

In 2000, loans were received under REPO transactions from domestic banks. The NBS treasury bills in the amount of Sk 28 000 million were used as collateral for these loans. The liability from gold repurchase (swap) transactions is secured with pledged gold deposits as discussed in Note 5.

In 1999, loans were received under REPO transactions from foreign banks. These loans were secured by state bonds in USD and Euro.

In 2000, the average interest rate for REPO transactions with domestic banks varied from 5.6 % to 10.17 % (in 1999: from 5.37 % to 11.52 %).

The interest rate in 2000 for REPO transactions with foreign banks in Euro ranged from 3.23 % to 5.01 %, and in USD from 5.30 % to 7.0 %.

The interest on the EXIM Bank loans in JPY in 2000 and 1999 was at the rates from 2.4 % to 4.8 %. The interest rate on the EIB loans in CHF was fixed in 2000 at the rate of 5.6 % (in 1999: from 4.14 % to 5.6 %), in Euro in 2000 from 3.46 % to 7.75 % (in 1999: from 2.6 % to 7.75 %).

Monetary reserves of banks earned interest only up to the amount of required statutory minimum reserves. The monetary reserves of banks earned interest of 1.5 % and current accounts of banks earned interest of 3 %.

Deposits from the World Bank do not earn interest.

Liabilities to banks and other financial institutions by residual maturity due date are summarised in Note 23.

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**12. Liabilities to the State Budget**

Liabilities to the State Budget are as follows:

	2000	1999
Account of the Slovak Republic	5 608	16 217
State funds	6 672	2 584
<b>Total</b>	<b><u>12 280</u></b>	<b><u>18 801</u></b>

In 2000, the account of the Slovak Republic and the state funds earned interest at the rates from 5.63 % to 6.42 % (in 1999 with the fixed rate of 7.8 %).

**13. Securities issued**

Liabilities from the securities issued as of 31 December 2000 were as follows:

	2000	1999
Own treasury bills issued	24 900	7 900
Other bonds issued	4 140	4 140
<b>Total</b>	<b><u>24 900</u></b>	<b><u>12 040</u></b>

The own treasury bills were issued to create a sufficient reserve of securities for realisation of REPO transactions. As of 31 December 2000, the NBS issued Sk 24 900 million of its own treasury bills through a direct issue to the domestic banks and issued Sk 28 000 million as security for REPO transactions (see Note 11).

Own treasury bills issued earned interest at rates from 9.7 to 7.89 % in 2000.

In 2000, the Bank settled its liabilities from bonds issued and placed on the private Japanese capital market in the nominal value of JPY 10 billion.

**14. Currency in circulation**

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

	2000	1999
Coins issued	1 757	1 595
Banknotes issued	74 187	65 896
<b>Total</b>	<b><u>75 944</u></b>	<b><u>67 491</u></b>

These notes are an integral part of the financial statements.

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**15. Other liabilities**

Other liabilities of the NBS comprise the following:

	2000	1999
Client current accounts	4 453	2 575
Non-budgetary funds of Slovak authorities and other funds of SR	11 314	4 419
Client time deposits	225	94
Payables to suppliers	79	51
Liabilities to state budget and social institutions	3 406	26
Social funds	204	201
Accruals and estimated liabilities	658	754
Other liabilities (Note 20)	167	4 763
<b>Total</b>	<b><u>20 506</u></b>	<b><u>12 883</u></b>

Liabilities to the state budget as of 31 December 2000 include the outstanding profit to be transferred to the state budget in the amount of Sk 3 346 million.

Client current accounts and non-budgetary funds earned interest at rates from 3 % to 8.8 % and time deposits from 11.3 % to 15.8 %, in 2000 and 1999.

**16. Equity**

Registered capital of the NBS as of 31 December 2000 comprises of the statutory fund in the amount of Sk 467 million taken over from the division of assets and liabilities of the former Czechoslovak State Bank as at 1 January 1993.

Reserve funds as of 31 December 2000 comprise a legal reserve fund in the amount of Sk 9 925 million, reserve for open foreign currency position in the amount of Sk 13 876 million and general reserves in the amount of Sk 254 million.

The reserve for open foreign currency position is created due to the NBS's exposure to foreign exchange risk (see Notes 22) and is based on the following:

- the anticipated growth in the open foreign currency position to the average annual amount of approximately USD 4 600 million due to favourable development of the foreign trade, due to the increase in foreign direct investments into the real economy and the expected income from privatisation of state-owned strategic companies;
- the increase of the USD share in the open foreign currency position;
- strengthening of the Slovak Crown against the reference currency Euro pursuant to the NBS currency programme, and
- volatility of the cross-exchange rate of Euro and USD.

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**17. Net interest income**

Net interest income comprises the following:

	2000	1999
<b>Interest received:</b>		
Interest received from domestic banks	3 375	4 531
Interest received from foreign banks and international institutions	272	205
Interest income from securities	8 922	6 356
Interest income from REPO transactions	777	951
Other	105	249
	<u>13 451</u>	<u>12 292</u>
<b>Interest expense:</b>		
Interest paid to state treasury	(1 161)	(318)
Interest paid to domestic banks	(669)	(589)
Interest paid to foreign banks and international institutions	(735)	(696)
Interest expense from securities	(231)	(610)
Interest expense from REPO transactions	(2 173)	(682)
Other	(864)	(327)
	<u>(5 833)</u>	<u>(3 222)</u>
<b>Net interest income</b>	<u><u>7 618</u></u>	<u><u>9 070</u></u>

**18. Loss from valuation of securities**

Loss from valuation of securities comprises the following:

	2000	1999
Profit from differences in market price of securities	3 264	786
Loss from difference in market price of securities	<u>(4 989)</u>	<u>(3 661)</u>
<b>Loss from valuation of securities</b>	<u><u>(1 725)</u></u>	<u><u>(2 875)</u></u>

Loss from valuation of securities represents changes in the market values of securities, which resulted a decline in the market price of bonds issued by the governments of USA and European countries.

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**19. Foreign exchange gains**

Foreign exchange gains comprise the following:

	2000	1999
Foreign exchange gains	21 547	21 442
Foreign exchange losses	<u>(13 105)</u>	<u>(20 283)</u>
<b>Profit from foreign exchange transactions</b>	<b><u>8 442</u></b>	<b><u>1 159</u></b>

The profit from foreign exchange transactions includes the net foreign exchange gain of Sk 9 173 million related to ordinary activities of the NBS and losses from swap transactions amounting to Sk 654 million and the loss from term foreign exchange contracts amounted to Sk 77 million.

**20. Operating income (expenses), net**

Operating income (expenses), net comprise of the following:

	2000	1999
Personnel		
Wages and bonuses	(474)	(422)
Social expenses	<u>(202)</u>	<u>(178)</u>
Total	<u>(676)</u>	<u>(600)</u>
Depreciation of fixed assets	(209)	(228)
Costs of printing banknotes and coins	(109)	(305)
Other operating revenues (expenses), net	<u>3 274</u>	<u>(292)</u>
<b>Total operating revenues (expenses), net</b>	<b><u>2 280</u></b>	<b><u>(1 425)</u></b>

Other operating revenues include the final settlement of net receivables and payables of ŠBČS and assigned to the NBS and the Czech National Bank in 2000.

**21. Transfer of profit to state budget**

The activities of the NBS in 2000 resulted in the profit of Sk 15 833 million. The transfer of profit to the state budget amounts to Sk 7 346 million of which the amount of Sk 4 000 million has already been transferred as at 31 December 2000. The outstanding Sk 3 346 million is included in other liabilities (see Note 15). Of this amount, the NBS transferred Sk 3 000 million to the state budget in January 2001.

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**22. Foreign currency position**

Analysis of assets and liabilities denominated in Sk and foreign currencies translated to Slovak Crowns:

	2000		1999	
	Sk	Foreign currency	Sk	Foreign currency
<b>Assets</b>				
Cash and amounts due from banks	149	1 764	460	4 550
Gold		2 195		2 509
Securities		199 172	70	141 342
Loans to banks and other financial institutions	39 521	2 599	39 407	17 120
Membership quota in IMF		5 264		4 942
Property, plant and equipment	6 463		4 896	
Other assets	1 983	345	4 416	25
<b>Total assets</b>	<b>48 116</b>	<b>211 339</b>	<b>49 249</b>	<b>170 488</b>
<b>Liabilities</b>				
Due to banks and other financial institutions	78 333	17 706	57 131	24 818
Payable to State Budget	12 280		18 801	
Securities issued	24 900		7 900	4 140
Payable to IMF		5 264		10 538
Currency issued	75 944		67 491	
Other liabilities	19 482	1 024	7 206	5 677
<b>Total liabilities</b>	<b>210 939</b>	<b>23 994</b>	<b>158 529</b>	<b>45 173</b>
<b>Net position</b>	<b>(162 823)</b>	<b>187 345</b>	<b>(109 280)</b>	<b>125 315</b>

These notes are an integral part of the financial statements.

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The following is a summary of total assets and liabilities by principal foreign currencies:

	Foreign currency					Other
	translated to Sk - total	thereof: USD	EUR	JPY	XDR	
<b>2000</b>						
<b>Assets</b>	211 339	54 433	145 019	5 471	5 288	1 128
<b>Liabilities</b>	23 994	2 202	2 871	13 656	5 265	
<b>Net position</b>	<b>187 345</b>	<b>52 231</b>	<b>142 148</b>	<b>(8 185)</b>	<b>23</b>	<b>1 128</b>
<b>1999</b>						
<b>Assets</b>	170 488	55 829	98 712	8 825	4 975	2 147
<b>Liabilities</b>	45 173	10 756	5 524	18 266	10 579	48
<b>Net position</b>	<b>125 315</b>	<b>45 073</b>	<b>93 188</b>	<b>(9 441)</b>	<b>(5 604)</b>	<b>2 099</b>

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**23. Maturity analysis**

The following is a maturity analysis of assets and liabilities of the NBS as of 31 December 2000, based on residual maturity dates:

	Up to 1 month	From 1 month to 3 months	From 3 months to 1 year	From 1 year to 5 years	5 years and over	Other	Total
<b>Assets</b>							
Cash and amounts due from banks	1 149					764	1 913
Gold	177	771		1 167		80	2 195
Securities	19 249	40 121	79 327	54 048	6 427		199 172
Loans to banks and other financial institutions	3 848	4 416	483	8 474	24 899		42 120
Membership quota in IMF						5 264	5 264
Property, plant and equipment						6 463	6 463
Other assets	156	446	419	924	150	233	2 328
<b>Total assets</b>	<b>24 579</b>	<b>45 754</b>	<b>80 229</b>	<b>64 613</b>	<b>31 476</b>	<b>12 804</b>	<b>259 455</b>
<b>Liabilities and equity</b>							
Liabilities to banks and financial institutions	71 001			8 226	15 346	1 466	96 039
Liabilities to State Budget	12 280						12 280
Securities issued		24 900					24 900
Liabilities to IMF						5 264	5 264
Currency issued	75 944						75 944
Other liabilities	19 526	119	773	88			20 506
Registered capital						467	467
Reserve fund						24 055	24 055
<b>Total liabilities and equity</b>	<b>178 751</b>	<b>25 019</b>	<b>773</b>	<b>8 314</b>	<b>15 346</b>	<b>31 252</b>	<b>259 455</b>
<b>Net position</b>	<b>(154 172)</b>	<b>20 735</b>	<b>79 456</b>	<b>56 299</b>	<b>16 130</b>	<b>(18 448)</b>	

These notes are an integral part of the financial statements.



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The following is a maturity analysis of assets and liabilities of the NBS as of 31 December 1999, based on residual maturity dates:

	Up to 1 month	From 1 month to 3 months	From 3 months to 1 year	From 1 year to 5 years	5 years and over	Other	Total
<b>Assets</b>							
Cash and amounts due from banks	4 504					506	5 010
Gold	1 341			1 168			2 509
Securities	31 485	12 686	37 928	55 197	4 116		141 412
Loans to banks and other financial institutions	9 907	9 802	1 950	16 101	18 767		56 527
Membership quota in IMF						4 942	4 942
Property, plant and equipment						4 896	4 896
Other assets	291	608	292	2 924	160	166	4 441
<b>Total assets</b>	<b>47 528</b>	<b>23 096</b>	<b>40 170</b>	<b>75 390</b>	<b>23 043</b>	<b>10 510</b>	<b>219 737</b>
<b>Liabilities and equity</b>							
Liabilities to banks and financial institutions	49 154	8 909	332	13 226	9 328	1 000	81 949
Liabilities to State Budget	17 801		1 000				18 801
Securities issued		7 900	4 140				12 040
Liabilities to IMF				5 596		4 942	10 538
Currency in circulation	67 491						67 491
Other liabilities	11 593	803	424	25		38	12 883
Registered capital						467	467
Reserve fund						15 568	15 568
<b>Total liabilities and equity</b>	<b>146 039</b>	<b>17 612</b>	<b>5 896</b>	<b>18 847</b>	<b>9 328</b>	<b>22 015</b>	<b>219 737</b>
<b>Net position</b>	<b>(98 511)</b>	<b>5 484</b>	<b>34 274</b>	<b>56 543</b>	<b>13 715</b>	<b>(11 505)</b>	

These notes are an integral part of the financial statements.

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#### **24. Financial instruments**

The balance sheet of the Bank is largely comprised of financial instruments. These instruments expose the Bank to risk, including interest rate risk, foreign exchange risk and credit risk.

##### *Interest rate risk*

A majority of the financial assets of the Bank bear interest. The financial liabilities of the Bank include both interest-bearing and non-interest-bearing liabilities. The interest-bearing assets and liabilities of the Bank are based on rates close to or at the market levels.

The maturity structure of the Bank's financial assets and liabilities is disclosed in Note 23.

##### *Foreign exchange risk*

The Bank's foreign exchange risk is based on the structure of its open currency position (see Note 22). The Bank's exposure depends on the movements in exchange rates of Slovak Crown and foreign currency as compared to Euro.

##### *Credit risk*

The size and concentration of the Bank's exposure to credit risk can be obtained directly from the balance sheet and Notes to the financial statements, which describe the size and the structure of the Bank's financial assets. The Bank's credit risk is related to the control and stability of the Slovak banking sector and is limited by accepted state guarantees. The size of these guarantees is based on principal and interest to maturity.

The Bank's credit risk from repo operations is minimized as all corresponding loans are secured by liquid securities.

##### *Fair value*

The principal determinants of fair value of the Bank's assets and liabilities are interest rates, foreign exchange rates and the market value of the financial instrument. In case of marketable assets full fair values as of the balance sheet date are directly reflected in the balance sheet. In other cases the exchange rate element is specifically allowed for in the determination of carrying value. The fair values of loans and deposits, as being determined by interest rates, are either not considered to be materially different from their carrying values or were reflected via provisions. The Bank has used the discounted cash flow method to determine the provision needed.

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**25. Off-balance sheet items**

From derivative financial instruments, the NBS recognised the following off-balance sheet accounts receivable and payable as at 31 December 2000:

Description	Balance as at 31 December 2000	
	Receivable	Payable
Long-term currency swaps	8 279	7 691
<b>Total forward transactions</b>	<b>8 279</b>	<b>7 691</b>
Spot transactions	9	9
<b>Total spot transactions</b>	<b>9</b>	<b>9</b>

The NBS entered into long-term currency swap agreements due in 2010 (JPY 20 000 million swapped for USD 163 million). The aim was to convert a risk of exchange rate fluctuation from JPY to USD. In relation to the swap transactions the NBS pays semi-annual floating interest charges denominated in USD at rates that varied between 6.46 % p.a. and 7.22 % p.a. in 2000 and between 5.60 % p.a. and 6.40 % in 1999 and receives semi-annual interest income denominated in JPY at rates that varied between 2.4 % p.a. and 2.6 % p.a. in 2000 and 1999.

A difference between receivables and payables denominated in foreign currencies arising from the cross-currency swap is recognised in exchange rate differences in the statement of operations (see Note 19).

The NBS also entered into a long-term interest-rate swap due in 2005 in order to manage its interest rate risk. The NBS pays floating interest charges of 3-month LIBOR-GOFO (approximately 0.93 % p.a.) and the counter-party pays fixed interest of 2.05 % p.a. Interest rates were calculated using the gold value of 129 407 troy ounces.

The NBS purchased European put option contracts for gold to eliminate the risk of decline in market prices for gold that was the subject of the gold swap. As at 31 December 2000, the NBS recorded receivables denominated in USD that, after converting to Slovak Crowns, were in the amount of Sk 8 226 million and payables in the amount of Sk 7 763 million when valued using the current market rates of gold.

The NBS disclosed in its off-balance sheet as at 31 December 2000 state guarantees for redistribution loans of Sk 34 964 million. This amount comprises the principal and interest to maturity.

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**26. Reconciliation of net profit and equity recognised according to Slovak Accounting Standards ("SAS") and IAS**

<b>Net profit</b>	<b>2000</b>	<b>1999</b>
Net profit in Statutory Financial Statements (SAS)	7 389	42 502
Creation/(release) of reserves for open foreign exchange position	8 459	(1 634)
Trading securities revaluation	939	(362)
Provisions for losses	(905)	
Reclassification of creation of social security fund and retirement fund to expenses	(43)	(43)
Other	<u>(6)</u>	<u>1</u>
<b>Net profit in International Financial Statements (IAS)</b>	<b><u>15 833</u></b>	<b><u>40 464</u></b>
<b>Equity</b>	<b>2000</b>	<b>1999</b>
Reserve funds per Statutory Financial Statements (SAS)	10 673	10 670
Reclassification of social fund, remuneration fund and retirement fund to liabilities	(204)	(201)
Increase in general reserves	177	149
Reclassification of reserves to open foreign exchange position	<u>13 876</u>	<u>5 417</u>
<b>Equity in International Financial Statements (IAS)</b>	<b><u>24 522</u></b>	<b><u>16 035</u></b>