

**Independent Auditors'
Report and Financial
Statements of NBS
for the Year Ended
31 December 2007**





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Independent Auditors' Report

To the Bank Board of Národná banka Slovenska:

We have audited the accompanying financial statements of Národná banka Slovenska ('the NBS'), which comprise the balance sheet as at 31 December 2007, the income statement and notes.

NBS Bank Board's Responsibility for the Financial Statements

The Bank Board of the NBS is responsible for the preparation and fair presentation of these financial statements in accordance with the Slovak Act on Accounting and with the European Central Bank accounting rules ('the ECB rules'). This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

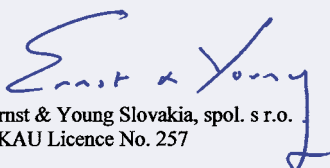
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate for the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Bank Board of the NBS, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.


Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Národná banka Slovenska as of 31 December 2007, and its financial performance for the year then ended in accordance with the Slovak Act on Accounting and the ECB rules.

18 March 2008
 Bratislava, Slovak Republic



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Ing. Dalimil Draganovský
 SKAU Licence No. 893



NÁRODNÁ BANKA SLOVENSKA
Financial statements as at 31 December 2007 – Balance sheet
(in millions of SKK)

The Ministry of Finance of the Slovak Republic
Decree No. MF/8338/2005-74

BALANCE SHEET
of Národná banka Slovenska
in millions of SKK

Assets		Notes	As at 31.12.2007	As at 31.12.2006
1.	Gold	1	21,538	18,788
2.	Debt securities denominated in foreign currency	2	387,289	312,364
3.	Derivatives	3	318	226
4.	Receivables from banks and central banks	4	33,844	25,154
4.1	Current accounts, deposits and loans denominated in foreign currency		31,102	21,872
4.2	Loans related to monetary policy operations in SKK			
4.3	Receivables not related to monetary policy operations in SKK		2,742	3,282
5.	Receivables from the International Monetary Fund	5	13,454	15,870
6.	Receivables from clients	6	316	245
7.	Equity shares in subsidiary and affiliated accounting units and other shares and participating interests	7	413	437
8.	Non-current assets	8	5,712	6,053
8.1	depreciable		5,318	5,711
8.2	non-depreciable		394	342
9.	Other assets	9	242	260
TOTAL ASSETS			463,126	379,397



NÁRODNÁ BANKA SLOVENSKA
Financial statements as at 31 December 2007 – Balance sheet
(in millions of SKK)

Liabilities		Notes	As at 31.12.2007	As at 31.12.2006
1.	Currency in circulation	10	155,154	143,518
2.	Liabilities to banks and central banks	11	332,547	272,238
2.1.	Current accounts denominated in SKK		2,536	2,560
2.2.	Overnight deposits, loans and deposits denominated in SKK and minimum reserves		325,590	261,603
2.3.	Current accounts, deposits and loans denominated in foreign currency		4,421	8,075
3.	Liabilities from debt securities	12	67,712	37,435
3.1.	Denominated in SKK		67,712	37,435
3.2.	Denominated in foreign currency			
4.	Derivatives	3	2,442	1,382
5.	Liabilities to the International Monetary Fund	5	13,311	15,833
6.	Liabilities to other international financial institutions	13	772	2,462
7.	Liabilities to clients	14	1,163	863
8.	Provisions and other liabilities	15	276	305
9.	Statutory fund	16	483	483
10.	Funds from profit appropriations and capital funds	16	10,312	10,312
11.	Valuation differences from revaluation of	16	20,783	16,931
11.1.	Gold		19,208	16,456
11.2.	Derivatives		190	418
11.3.	Securities		1,385	57
11.4.	Foreign currencies			
12.	Retained profit / (outstanding loss) from previous years	16	(122,365)	(77,237)
13.	Profit / (loss) for the current accounting period	16	(19,464)	(45,128)

Translation of the financial statements originally issued in the Slovak language.

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NÁRODNÁ BANKA SLOVENSKA
Financial statements as at 31 December 2007 – Income statement
(in millions of SKK)

The Ministry of Finance of the Slovak Republic
Decree No. MF/8338/2005-74

INCOME STATEMENT
of Národná banka Slovenska
in millions of SKK

	Notes	As at 31.12.2007	As at 31.12.2006
1. Interest income and similar revenues		16,943	14,450
1.1. on SKK - denominated loans related to monetary policy operations		24	144
1.2. on SKK - denominated receivables not related to monetary policy operations		92	93
1.3. on receivables and securities denominated in foreign currency		16,827	14,213
a. Interest expense and similar expenses		(15,947)	(14,186)
a.1. on SKK - denominated liabilities related to monetary policy operations and from securities		(15,585)	(13,797)
a.2. on SKK - denominated liabilities not related to monetary policy operations		(65)	(49)
a.3. on liabilities and securities denominated in foreign currency		(297)	(340)
I. Net interest income	17	996	264
2. Revenues from fees and commissions		237	169
b. Expenses on fees and commissions		(16)	(23)
II. Net profit / (loss) from fees and commissions	18	221	146
3./c. Net profit / (loss) from operations in, and derivatives involving, securities denominated in foreign currency	19	(296)	(3,984)
4./d. Net profit / (loss) from operations in, and derivatives involving, foreign exchange and gold	20	(18,529)	(39,862)
5. Revenues from dividends and other profit distributions		28	31
6. Revenues from currency in circulation		5	208
e. Expenses on currency in circulation		(129)	(156)
III. Net profit / (loss) from currency in circulation		(124)	52
7. Revenues from dissolution of provisions and written-off receivables and securities			
f. Expenses on provisioning and the write-off of receivables and securities			
8. Other operating revenues		125	118
g. Other operating expenses	21	(1,885)	(1,893)
g.1. Staff expenses		(867)	(899)
g.2. Depreciation of tangible & intangible assets		(481)	(519)
g.3. Other operating costs		(537)	(475)
A. Profit / (loss) before appropriations		(19,464)	(45,128)
h. Profit appropriations			
B. Profit / (loss) after appropriations		(19,464)	(45,128)



NÁRODNÁ BANKA SLOVENSKA
Financial statements as at 31 December 2007 – Statement of changes in equity
(in millions of SKK)

The Ministry of Finance of the Slovak Republic
Decree No. MF/8338/2005-74

STATEMENT OF CHANGES IN EQUITY
of Národná banka Slovenska
in millions of SKK

	Statutory fund	Capital fund	Reserve fund	Revaluation funds	Outstanding loss	Equity
1. Balance as at 31 December 2006	483	43	10,269	16,931	(122,365)	(94,639)
2. Settlement of loss from previous accounting periods						
3. Appropriation to statutory fund						
4. Appropriation to outstanding loss						
5. Appropriation to reserve funds						
6. Revaluation of securities				1,328		1,328
7. Revaluation of derivatives				(227)		(227)
8. Change in gold revaluation fund				2,751		2,751
9. Revaluation of foreign currencies						
10. (Loss) / profit for the current accounting period					(19,464)	(19,464)
11. Profit appropriations						
12. Appropriation to social fund						
13. Change over the accounting period				3,852	(19,464)	(15,612)
14. Balance as at 31 December 2007	483	43	10,269	20,783	(141,829)	(110,251)

Translation of the financial statements originally issued in the Slovak language.

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NÁRODNÁ BANKA SLOVENSKA
Financial statements as at 31 December 2007 – Statement of changes in equity
(in millions of SKK)

The Ministry of Finance of the Slovak Republic
Decree No. MF/8338/2005-74

STATEMENT OF CHANGES IN EQUITY
of Národná banka Slovenska

in millions of SKK

	Statutory fund	Capital fund	Reserve fund	Revaluation funds	Outstanding loss	Equity
1. Balance as at 31 December 2005	467	43	10,165	16,260	(77,300)	(50,365)
2. Integration of ÚFT to NBS as at 1 January 2006	16		104		63	183
3. Adjusted balance as at 1 January 2006	483	43	10,269	16,260	(77,237)	(50,182)
4. Settlement of loss from previous accounting periods						
5. Appropriation to statutory fund						
6. Appropriation to outstanding loss						
7. Appropriation to reserve funds						
8. Revaluation of securities				57		57
9. Revaluation of derivatives				418		418
10. Change in gold revaluation fund				196		196
11. Revaluation of foreign currencies						
12. (Loss) / profit for the current accounting period					(45,128)	(45,128)
13. Profit appropriations						
14. Appropriation to social fund						
15. Change over the accounting period				671	(45,128)	(44,457)
16. Balance as at 31 December 2006	483	43	10,269	16,931	(122,365)	(94,639)



NÁRODNÁ BANKA SLOVENSKA
The notes to the financial statements as at 31 December 2007
(in SKK millions)

NOTES
to the financial statements for the year ended 31 December 2007

Bratislava, 18 March 2008

These Notes are an integral part of the financial statements of Národná banka Slovenska.
Translation of the financial statements originally issued in the Slovak language.

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**A. General information on Národná banka Slovenska**

Národná banka Slovenska (The National Bank of Slovakia – ‘the NBS’ or ‘the Bank’) is the independent central bank of the Slovak Republic. The NBS was established in accordance with Act N° 566/1992 Coll. on the National Bank of Slovakia as amended (‘the NBS Act’). It commenced its activities on 1 January 1993 as the bank of issue of the Slovak Republic. The NBS is a legal entity (Corporate ID: 30 844 789) seated at Imricha Karvaša 1, Bratislava. In respect of its own assets, the NBS acts as a business entity. The NBS has its head office in Bratislava, nine branches in the Slovak Republic and special-purpose organizational units.

The Bank’s primary objective is to maintain price stability. Therefore, the NBS:

- determines the monetary policy;
- issues banknotes and coins;
- manages, co-ordinates and ensures money circulation, payment transactions, the clearing of payment transaction data and ensures their fluency and efficiency;
- effects the activities, tasks, rights and obligations resulting from the participation of Národná banka Slovenska in the European System of Central Banks;
- contributes to the stability of the financial system as a whole and to the safe and sound functioning of the financial market in the interest of maintaining credibility of the financial market, protection of clients and respecting of the rules of economic competition; the Bank also supervises the financial market and other financial market activities;
- represents the Slovak Republic in international financial institutions and ensures the fulfillment of tasks resulting from such representations; and
- represents the Slovak Republic in international financial market operations related to the implementation of the monetary policy.

The NBS’s supreme executive body is the NBS Bank Board (‘the Bank Board’). The Bank Board has eleven members: the Governor, two Deputy Governors, and eight other members, three of whom may be persons not employed by the NBS. Membership in the Bank Board is limited to a maximum of two consecutive terms of office. The NBS is represented by the Governor.

In 2007, the Bank Board consisted of the following members:

	Term of office in the Bank Board		Current position	Date of appointment
	from	to		
Ing. Ivan Šramko	11 Jan. 2002	1 Jan. 2010	Governor	1 Jan. 2005
Ing. Martin Barto, CSc.	1 Dec. 2004	31 Jan. 2010	Deputy Governor	31 Jan. 2005
Ing. Viliam Ostrožlík, MBA	1 Mar. 2007	11 July 2012	Deputy Governor	11 July 2007
Ing. Peter Ševčovic	1 Oct. 2004	1 Oct. 2009	Member	1 Oct. 2004
Ing. Milena Koreňová	1 Jan. 2005	1 Jan. 2010	Member	1 Jan. 2005
Doc. Ing. Jozef Makúch, PhD.	1 Jan. 2006	1 Jan. 2011	Member	1 Jan. 2006
Mgr. Ľudovít Ódor	1 Jan. 2006	1 Jan. 2011	Member	1 Jan. 2006
Ing. Slavomír Šťastný, PhD., MBA	1 Jan. 2006	1 Jan. 2011	Member	1 Jan. 2006
RNDr. Karol Mrva	10 Jan. 2007	10 Jan. 2012	Member	10 Jan. 2007
Ing. Gabriela Sedláková	1 June 2007	1 June 2012	Member	1 June 2007

In accordance with the NBS Act, the Bank Board determines the monetary policy, the instruments for its implementation and decides on NBS’s monetary policy operations. The Bank ensures the implementation of the monetary policy mainly by using the following



NÁRODNÁ BANKA SLOVENSKA
Notes to the financial statements as at 31 December 2007
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instruments – base interest rate, open market operations (repo tenders, issues of treasury bills, direct purchase or direct sale of state securities and NBS treasury bills, foreign exchange operations), overnight refinancing and overnight money withdrawing operations, minimum reserves requirements, exchange rate regime after the entry of the Slovak Republic into the Exchange Rate Mechanism ERM II from 28 November 2005.

The Bank ensures the administration of foreign exchange reserves especially by means of financial operations related to securities denominated in foreign currencies, acceptance of loans from foreign entities, purchase of foreign currency from banks and branches of foreign banks, and financial transactions with foreign currencies and gold with the purpose of their appreciation.

All the costs necessary for the Bank's activities are covered from its revenues. According to Article 38 of the NBS Act, over the accounting period the Bank generates either a profit or a loss. Profit generated by the Bank is allocated to the reserve fund and to other profit reserves, or used to settle losses from previous years. The remaining profit is transferred to the State budget or, based on the Slovak Government's decision, to state financial assets under a separate regulation. The NBS may settle the loss for the current period from the reserve fund or from other reserves; alternatively, the Bank Board may decide to transfer the outstanding loss to the next accounting period (refer to Note 16).

The Bank submits an annual report on its financial results to the National Council of the Slovak Republic, within three months of the end of the calendar year; in addition to the NBS financial statements data and the auditor's opinion on these financial statements, the report specifically states information about the NBS operating costs. Should the National Council of the Slovak Republic request so, the NBS is obliged to amend the report within six weeks to bring it into compliance with the request or, as appropriate, provide explanations to the data stated in the report.

B. Accounting principles and accounting methods applied

(a) Basic principles of preparation of the financial statements

The NBS financial statements have been prepared in accordance with Act N^o 431/2002 Coll. on Accounting as amended ('Accounting Act'). Pursuant to Section 17b of the above Act, the NBS maintains its accounting in accordance with the Guideline of the European Central Bank of 10 November 2006 on the legal framework for accounting and financial reporting in the European System of Central Banks N^o ECB/2006/16 ('ECB Guideline').

When accounting for transactions not regulated by the ECB Guideline, the Bank proceeds in line with the International Financial Reporting Standards ('IFRS') issued by the International Accounting Standards Board ('IASB') and in line with the interpretations issued by the International Financial Reporting Interpretations Committee ('IFRIC') as adopted by the European Commission pursuant to the Directive of the European Parliament and the Council of the European Union. Other cases are subject to the Accounting Act.

When disclosing items of its financial statements, the Bank proceeds in line with the Decree of the Ministry of Finance of the Slovak Republic N^o MF/8338/2005-74 of 14



December 2005 setting out details on the arrangement, description of items in individual financial statements, contents of these items, and the extent of data from financial statements designated for publishing for the National Bank of Slovakia ('Decree of MF SR').

(b) Changes in accounting methods and reporting

In accordance with Guideline ECB/2006/16 effective from 1 January 2007, the Bank applied new procedures for accounting of options and interest rate futures.

Based on the new rules, option premiums and changes in the fair value of options, recognized in SKK in 2006, are accounted for in foreign currency with the effect from 1 January 2007. The unrealized foreign exchange difference (SKK 97 million) resulting from the change in the accounting method is recognized as revaluation differences in the equity.

Starting from 1 January 2007, any changes in the fair values of interest rate futures are accounted for on a daily basis as realized foreign exchange gains and losses in the income statement. In 2006, the changes in fair values of futures were posted in the equity, and it was only the losses which entered the income statement at the end of the accounting period. As at 31 December 2006, gains from revaluation (SKK 12 million) were posted as revaluation differences in the equity.

In addition to the changes in accounting for interest rate futures with effect from 1 January 2007, the Bank also changed the method of reporting gains and losses from these financial instruments. To maintain year-on-year comparatives, the following 2006 item data were accordingly adjusted in the income statement (SKK 30 million): 'Net profit/(loss) from operations in, and derivatives involving, foreign exchange and gold', 'Interest income and similar revenues on receivables and securities denominated in foreign currency' and 'Interest expense and similar expenses on liabilities and securities denominated in foreign currency'. The Bank also changed the method of reporting 'Staff expenses' in 'Other operating expenses' (SKK 8 million).

(c) Recognition rules

The Bank records an accounting entry on the day the respective accounting event occurred, i.e. on the day when cash was paid or received; in the case of a direct debit, on the payment day; in the case of securities and gold, on the settlement date; in the case of derivatives and spot transactions, on the trade date; in the case of cash in foreign currency, on the day it was credited according to the deal message received; in the case of property relations, on the day when the property title was acquired or terminated; and in the case of a shortage, deficit or surplus, on the day the difference was identified.

(d) Methods of foreign currency valuation and settlement of valuation differences

During the year, assets (including gold and derivatives) and liabilities denominated in foreign currencies are valued using the average currency exchange rate. Differences between the exchange rate announced by the NBS and the average currency exchange rate represent unrealized foreign currency gains or losses. As at the financial statements date, unrealized foreign exchange gains exceeding unrealized foreign exchange losses are



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Notes to the financial statements as at 31 December 2007
(in SKK millions)

recognized in the Bank's equity on revaluation accounts. Unrealized foreign exchange losses are recognized in the income statement. Foreign exchange losses of one currency cannot be offset by foreign exchange gains of other currencies or gold.

Realized foreign exchange gains and losses from the sale of assets and settlement of liabilities are recognized in the income statement.

The exchange rates of principal foreign currencies used for the valuation of assets and liabilities as at 31 December 2007 were as follows:

Currency	Amount	31 December 2007	31 December 2006
EUR	1	33.603	34.573
USD	1	22.870	26.246
JPY	100	20.218	22.081
XDR	1	36.068	39.484

(e) Gold

Gold is stated at the market price of London's commodity market morning fix of gold in USD/oz. (troy ounce) as at the financial statements date. Gains from gold revaluation to fair value are included in equity, while losses from gold revaluation to fair value have impact on the Bank's financial results. The sale of gold is reflected in the income statement.

Swap transactions with gold are recorded as repurchase transactions with gold, i.e. gold used in these transactions as collateral is part of the balance sheet amount under the caption 'Gold'.

(f) Debt securities

Debt securities are initially recognised at acquisition cost. As of the day after the purchase up to and including the security's sale or maturity date the Bank amortises the premium or the discount on a daily basis (the difference between the security's acquisition cost and nominal value). The amortization of the premium/discount is recognized under Interest income and similar revenues in the income statement.

In the financial statements, the Bank recognizes debt securities at fair value. The difference between the security's fair value and the average acquisition cost adjusted for the amortized discount or premium represents a valuation difference. Valuation differences constituting gains are recognized in the Bank's equity. Valuation differences constituting losses are included in the Bank's income statement.

The fair value of debt securities, for which there is an active market and whose market value can be reliably measured, is determined on the basis of the market value on such a market. If the market value is not available, fair value is determined as the sum of future cash flows discounted using market interest rates of the relevant currency, maturity rates and the risk rating of the security's issuer.



Upon the sale of a security, the difference between the average acquisition cost adjusted for the amortized discount or premium and the sales price represents a realized gain or loss that has an effect on the Bank's income statement.

(g) Derivatives

The derivative financial instruments include options and interest rate futures. Options entered into with respect to swap transactions with gold are recorded as derivatives embedded to other financial instruments. Embedded derivatives are treated as separate derivatives from the host financial instrument provided that they are not closely related to the economic characteristics and risks of the host financial instrument.

As at the trade date, derivatives are posted in the off-balance sheet in the amount of the underlying instrument. Options are individually measured at fair value on the balance sheet, where gains from revaluation are reported as 'Equity' on the balance sheet and revaluation loss is recognized in the income statement. As at 31 December 2007, options are stated at fair value based on market prices, discounted cash flows and Merton option pricing formula. Futures contracts are valued to fair value on a daily basis and the revaluation difference is recognized in the income statement.

All interest rate futures and option contracts are recorded separately. Offsetting of gains or losses from different contracts is not permitted.

Major risks influencing derivatives include the price volatility of gold and changes in interest rates and foreign currency rates.

(h) Receivables

Receivables are recognized on the balance sheet in their nominal value increased by accumulated interest ("amortized cost"). Receivables are decreased by impairment losses. Creation and release of impairment losses has an impact on the income statement.

Following the prudence principle, the Bank evaluates the risk rate of receivables, categorizes them and creates impairment losses for them.

Bad debts are written off to costs based on a court decision and upon the Bank Board's decision and the release of the related impairment losses is credited to costs.

(i) Repurchase and reverse repurchase transactions

Transactions, in which the Bank accepted securities in exchange for cash, along with the commitment to return these securities at a certain date in exchange for the transferred cash amount plus interest (reverse repurchase transaction), are recorded as loans provided. The collateral accepted in a reverse repurchase transaction is recognized in market value on off-balance sheet accounts.

Transactions in which the Bank provided securities or gold in exchange for cash, along with the commitment to accept back these securities or gold at a certain date in



NÁRODNÁ BANKA SLOVENSKA
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(in SKK millions)

exchange for the original cash amount plus interest (repurchase transaction), are recorded as received loans with a transfer of collateral. The collateral provided in a repurchase transaction remains in the balance sheet and in the financial statements it is fair valued.

Tri-Party reverse repurchase transactions are transactions with a third party entering the relationship between the NBS and a partner bank. The partner bank is an entity with whom the NBS performs financial transactions relating to the administration of foreign exchange assets.

In addition to repurchase and reverse repurchase transactions performed directly by the Bank, the Bank issued a mandate to perform transactions with securities held by the NBS to selected banks based on contracts for provision of services, the so-called 'Securities Lending'. Reverse repurchase transactions including lending of securities carried out under the program of lending and receiving of securities, are recognized on off-balance sheet accounts. For these transactions, the NBS receives a portion of the income, which is recognized in the income statement.

The Bank's market and credit risks in these transactions are minimised through the specification of products in which the cash received can be invested, as well as the counterparties with whom deals may be performed.

(j) Receivables from and liabilities to the International Monetary Fund

Receivables from and liabilities to the International Monetary Fund ('IMF') as at 31 December 2007 are stated using the gross method, i.e. receivables and liabilities are not offset.

(k) Equity shares in subsidiary and affiliated accounting units and other shares and participating interests

The Bank has an ownership interest with a majority control over RVS, a.s. Bratislava. The equity shares of RVS, a.s. Bratislava are stated at cost.

The Bank has an equity stake in the Bank for International Settlements, Basel, Switzerland ('BIS'). Shares in BIS are stated at cost. The equity interest in BIS is disclosed in the amount of the paid-up share (25%). The unpaid part (75%) is due upon request. Dividends are paid out in EUR from the NBS total share in BIS maintained in XDR.

As part of other participating interests, the Bank accounts for a contribution in the European Central Bank ('ECB'). On 1 May 2004, the NBS became a member of the European System of Central Banks ('ESCB'). In accordance with the Statute of the ESCB and ECB, the NBS has paid the initial minimum contribution to the ECB's capital. The amount of the total capital share of individual national central banks depends on the capital key determined on the basis of the following statistical categories: GDP and population. In accordance with the Protocol on the Statute of the ESCB and the ECB, the capital key is adjusted every five years or when new members enter the ESCB. Last time, the capital key was adjusted as at 1 January 2007 (refer to Note 7).

**(l) Non-current assets**

Non-current assets include tangible assets, the acquisition cost of which is higher than SKK 30,000 and whose term of operational and technical capabilities exceeds one year, and intangible assets, the acquisition cost of which is higher than SKK 50,000 and whose term of operational and technical capabilities exceeds one year. On the balance sheet, they are stated at acquisition cost, including the costs related to their acquisition. The carrying value of depreciated non-current assets is shown net of accumulated depreciation. Land, works of art, collections and tangible and intangible fixed assets in progress are not subject to depreciation.

The NBS's tangible and intangible fixed assets were classified into individual depreciation groups as follows:

Depreciaton group	Depreciation period in years
1. Buildings and halls	30
	8 - 30 ¹⁾
2. Engineering structures	8 - 30
3. Machines and equipment	4 - 20
4. Transportation means	4 - 6
5. Fixtures and fittings	4 - 20
6. Software	3 - 5
7. Other non-current intangible assets	4
8. Technical improvement of intangible cultural landmarks	30

¹⁾ components of assets

(m) Non-current assets held for sale

Non-current assets held for sale comprise buildings and land, which are classified for sale in their present condition and their sale is considered to be highly probable.

Assets classified as non-current assets held for sale are included in 'Other assets' at the lower of acquisition cost less accumulated depreciation and impairment losses and fair value less costs to sell.

(n) Currency in circulation

NBS administers the issue of bank notes and coins and their withdrawal from circulation. Currency in circulation represents the Bank's liability arising from issued bank notes and coins. The liability is decreased by the bank notes and coins in the NBS's cash desk. The liability due to currency in circulation is stated at the nominal value.

(o) Liabilities arising from debt securities

The Bank issues short-term securities falling due within one year (NBS bills). The issues are made in order to create a sufficient stock of securities for the performance of



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money withdrawing repurchase transactions. Money withdrawing repurchase transactions relate to the implementation of monetary policy in open market operations.

From the settlement date of the issue to the due date, the value of issued and sold NBS bills is gradually increased by the accrued interest (the so-called amortized cost). On the balance sheet, issued NBS bills are shown netted off by any bills repurchased to the NBS portfolio, including the accrued interest.

(p) Provisions

The Bank recognizes provisions if it has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

(q) Interest income and interest expense

Interest income and interest expense are recognized in the income statement based on the accrued amount using the straight-line method. The effective interest method ('IRR') is applied to interest income which is accrued from discounted securities with the residual maturity exceeding 1 year at the time of their acquisition.

The interest includes amortized discounts or premiums from purchased and issued securities.

(r) Cost of employee benefits

The NBS pays regular contributions on behalf of its employees to health insurance agencies for health insurance and to the Social Insurance Agency for sickness, retirement, accident, guarantee, and unemployment insurance, and a contribution to the Guarantee Fund. Contributions are paid in the amounts required by law in the respective year. The Bank also pays a contribution for not employing the obligatory percentage of persons with disability, as set out in the Employment Act.

In co-operation with agencies offering supplementary retirement insurance, the NBS has created an additional pension scheme for its employees.

(s) Taxation

The NBS is liable to corporate income tax arising from the application of withholding tax in accordance with Section 12 of Act N° 595/2003 Coll. on Income Taxes as amended ('Income Taxes Act').

The NBS is registered as a VAT payer.

**C. Related party transactions**

According to the Decree of MF SR, parties related to Národná banka Slovenska are mainly the members of the Bank Board. In 2007, their remuneration and other employee benefits amounted to SKK 36 million (SKK 31 million for 2006).

The Bank recognizes receivables from the Bank Board members for loans provided in the total amount of SKK 11 million as at 31 December 2007 (SKK 9 million as at 31 December 2006).

D. Notes to balance sheet items and income statement items**1. Gold**

The gold consists of the following items:

	2007	2006
Bullion in standard form	21,510	18,760
Gold in other form	<u>28</u>	<u>28</u>
	<u>21,538</u>	<u>18,788</u>

As at 31 December 2007, 'Gold' comprised a total of 1,126 thousand ounces of gold (1,126 thousand ounces of gold as at 31 December 2006), of which 724 thousand ounces were deposited in correspondent banks, 400 thousand ounces were used in repurchase transactions, and 2 thousand ounces were held by the Bank.

The market value of gold as at 31 December 2007 was USD 836.50 /oz. (USD 635.70 /oz. as at 31 December 2006). Despite the strengthening of the SKK/USD exchange rate (refer to Note E), the growth in the market price of gold positively affected the amount reported under 'Gold' at fair value and under 'Valuation differences from revaluation of gold'. As at 31 December 2007, the balance on Gold revaluation funds was SKK 19,208 million (SKK 16,456 million as at 31 December 2006).

In January and March 2007, two long-term repurchase transactions totalling 400 thousand ounces of gold were closed (refer to Note 11).

The value of gold provided as collateral in gold repurchase transactions as at 31 December 2007 (refer to Note 11) amounted to SKK 7,656 million (SKK 13,354 million as at 31 December 2006).

From the beginning of the year through to 31 December 2007, the Bank sold 251 ounces of gold in the form of golden coins.



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2. Debt securities

As at 31 December 2007, the Bank's portfolio of securities comprised the following items (at fair value):

	2007	2006
State zero-coupon bonds	123,098	66,863
State coupon bonds	76,689	76,650
Coupons	1,650	1,681
Securities of state bodies - total	201,437	145,194
Other zero-coupon bonds	20,074	21,398
Other coupon bonds	162,822	143,230
Coupons	2,956	2,542
Securities of other entities - total	185,852	167,170
Total securities	387,289	312,364

According to the issuer of securities the sector breakdown of the Bank's portfolio of securities is as follows:

	2007	2006
Public sector	201,437	195,543
Financial institutions	159,905	84,867
Financial auxiliaries	23,775	31,954
Non-financial institutions	2,172	
Total securities	387,289	312,364

According to the issuer of securities, as at 31 December 2007 the Bank registered securities from EMU countries in the amount of SKK 300,473 million (SKK 197,160 million as at 31 December 2006) and securities from other countries, including international institutions, in the amount of SKK 86,816 million (SKK 115,204 million as at 31 December 2006). The Bank trades with securities on foreign financial markets, mainly in New York, London, Basel, and in the Euro zone countries. These trades mostly involve transactions outside the stock exchanges.

3. Derivatives

The fair value of derivatives is as follows:

	2007		2006	
	Assets	Liabilities	Assets	Liabilities
Put options purchased	271		217	
Call options sold		2,442		1,382
Interest rate futures	47		9	
	<u>318</u>	<u>2,442</u>	<u>226</u>	<u>1,382</u>

The Bank concluded four long-term repurchase transactions in gold ('gold repos') in 2005 and 2006. To eliminate the risk of a decrease in the market value of gold, the Bank purchased four European put options and sold four European call options for the same amount of gold. Option premiums for the purchased and sold options were not paid, but were



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incorporated in the rate of interest (lower than the market rate) for the long-term loan accepted by the Bank. The options are embedded derivatives which meet the criteria of separating the derivative from the host financial instrument. Therefore, the options were separated from the accepted loan and are recorded separately.

The difference between the market value of purchased put options and sold call options in closing the transaction had an effect on the amount of the accepted loan. Using the IRR method, it is accrued into expenses on a daily basis.

As at 31 December 2007, the Bank recorded futures contracts entered into with respect to debt securities. Initial margins are provided as deposits. All contracts are measured at fair value on a daily basis and changes in the fair value are recognized in the income statement as 'Net profit/ (loss) from operations in, and derivatives involving, foreign exchange and gold'.

4. Receivables from banks and central banks

Current accounts, deposits and loans in foreign currency

	2007	2006
Loans granted in repurchase transactions in foreign currency	25,646	16,252
Deposits	4,326	4,910
Receivables from banks in the European System of Central Banks	387	384
Loans granted to commercial banks for the support of business in foreign currency	13	33
Other	730	293
	<u>31,102</u>	<u>21,872</u>

Loans provided in repurchase transactions with foreign entities total SKK 25,646 million (SKK 16,252 million as at 31 December 2006); all loans were granted in EUR. The value of securities accepted as collateral in a Tri-party Reverse Repo transaction as at 31 December 2007 was SKK 25,636 million (SKK 16,249 million as at 31 December 2006). The collateral accepted was composed of long-term securities denominated in EUR.

At 31 December 2007, the Bank had receivables from repurchase transactions based on Securities Lending Agreements, recognized only on off-balance sheet accounts (refer to Note i). The value of securities accepted as collateral under the Securities Lending Agreements as at 31 December 2007 totalled SKK 217,314 million (SKK 141,931 million as at 31 December 2006), of which SKK 198,952 million in EUR (SKK 107,126 million as at 31 December 2006) and SKK 18,362 million denominated in USD (SKK 34,805 million as at 31 December 2006).

The item 'Other' covers mainly the Bank's current accounts abroad, in countries outside the European System of Central Banks.



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Receivables in SKK not related to monetary policy operations

	2007	2006
Loans granted to domestic banks for the support of business activities by JBIC (Japan Bank for International Cooperation) and EIB in SKK	230	378
Redistribution loans	2,491	2,882
Other	21	22
	<u>2,742</u>	<u>3,282</u>

The aim of loans accepted from foreign banks (JBIC and EIB) is to support small and medium-sized enterprises and specific industries of the Slovak economy.

The redistribution loan was provided for a complex construction of apartment buildings. By virtue of decisions of the NBS Bank Board, the redistribution loan interest rate was adjusted in the course of 2007 to 2.75% (3.25% as at 31 December 2006). As at 31 December 2007, the NBS recorded a state guarantee accepted for the redistribution loan provided in the amount of SKK 3,193 million (SKK 3,821 million as at 31 December 2006). The state guarantee is provided for the amount of principal, plus interest to maturity of the loan.

5. Receivables from and liabilities to the International Monetary Fund

	2007		2006	
	XDR equivalent	SKK	XDR equivalent	SKK
Membership quota in the IMF	357	13,419	357	15,833
XDR holdings	1	35	1	37
Investments and receivables in foreign currency	<u>358</u>	<u>13,454</u>	<u>358</u>	<u>15,870</u>
Account No. 1, 2	15	555	15	668
Securities	340	12,756	343	15,165
Liabilities to non-residents in domestic currency	<u>355</u>	<u>13,311</u>	<u>358</u>	<u>15,833</u>

The membership quota of the Slovak Republic in the IMF is denominated in special drawing rights (XDR). It is converted to SKK using the representative XDR exchange rate set by the IMF. The Bank thus records a receivable of XDR 358 million which as at 31 December 2007 translated into SKK 13,454 million (SKK 15,870 million as at 31 December 2006). Part of the membership quota is a receivable from the granted loan which based on the IMF call was provided by the Slovak Republic in the amount of XDR 3 million, i.e. SKK 114 million.

The Bank records a liability of the Government of the Slovak Republic to the IMF of SKK 13,311 million (SKK 15,833 million as at 31 December 2006), representing mainly a non-transferable and non-interest-bearing promissory note payable on demand in the amount of SKK 12,756 million (15,165 million as at 31 December 2006).

**6. Receivables from clients**

As at 31 December 2007, the NBS recorded receivables from clients of SKK 316 million (SKK 245 million as at 31 December 2006). The major part of the receivables from clients consists of consumer and investment loans provided to employees totalling SKK 302 million (SKK 231 million as at 31 December 2006) and debit balances on current accounts of employees totalling SKK 9 million (SKK 8 million as at 31 December 2006).

7. Equity shares in subsidiary and affiliated accounting units and other shares and participating interests**Equity shares in subsidiary accounting units**

The Bank holds shares in RVS, a.s. Bratislava, a company active in the area of relaxation and educational activities. As at 31 December 2007, similarly to 31 December 2006, the Bank held 1,080 certified shares in the amount of SKK 108 million, which represented a 51.58% share in the company's share capital.

Even though the Bank is the majority shareholder in RVS, a.s. Bratislava, the NBS does not prepare consolidated financial statements according to Section 22 of the Accounting Act.

Other participating interests

The Bank holds ownership interests in BIS. As at 31 December 2007, the Bank held 2,858 shares of BIS valued at SKK 599 million (SKK 656 million as at 31 December 2006), which represented a 0.52% share in the BIS share capital. The share in BIS is disclosed on the balance sheet in the amount of the 25% paid-up share, i.e. at SKK 213 million (SKK 233 million as at 31 December 2006). The liability from the unpaid share at 75% of the nominal value of each share amounts to SKK 386 million (SKK 423 million as at 31 December 2006). The unpaid part of the share is due upon request. In July 2007, the NBS received dividends from BIS shares in the amount of SKK 28 million.

As at 31 December 2007, the amount of paid-up initial contribution of the Bank to ECB's subscribed capital was SKK 92 million (SKK 96 million as at 31 December 2006), which represents 7% of the NBS total share in the ECB subscribed capital.

As a result of the entry of new members into the European Monetary Union, as at 1 January 2007, the Slovak Republic was prescribed a new percentage share in the ECB's subscribed capital amounting to 0.6765%, which totalled EUR 39 million. Compared to the initially specified share of 1 May 2004 (0.7147%), the new share represents a drop of 0.0382 percentage point, which is less by EUR 56 thousand in financial terms. This amount was transferred to the NBS account in January 2007.

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8. Non-current assets

Movements in non-current tangible and intangible assets in 2007 were as follows:

	Land	Other non-depreciable tangible assets	Buildings and constructions	Technological equipment and machines	Other depreciable tangible assets	Software and other intangible assets	Advances on tangible and intangible assets	Total
Acquisition cost as at 31 December 2006	232	56	6,450	1,457	251	516	92	9,054
Additions			7	26	1	61	147	242
Disposals				109	3	8	95	215
Acquisition cost as at 31 December 2007	232	56	6,457	1,374	249	569	144	9,081
Acc. depreciation as at 31 December 2006			1,384	1,183	202	194	38	3,001
Additions			230	142	23	93		488
Disposals				109	3	8		120
Acc. depreciation and provisions as at 31 December 2007			1,614	1,216	222	279	38	3,369
Book value of tangible and intangible assets as at 31 December 2006	232	56	5,066	274	49	322	54	6,053
Book value of tangible and intangible assets as at 31 December 2007	232	56	4,843	158	27	290	106	5,712

As at 31 December 2007, the Bank recognized a provision for advances paid in the amount of SKK 38 million (SKK 38 million as at 31 December 2006).

9. Other assets

	2007	2006
Assets held for sale	156	158
Receivables from supplier-consumer relations	46	45
Cash in foreign currency	15	23
Other	25	34
	242	260

As at 31 December 2007, the Bank posted provisions for receivables from fines of financial market entities in the amount of SKK 20 million (SKK 20 million as at 31 December 2006), provisions for receivables from contributions of financial market entities in the amount of SKK 2 million (SKK 2 million as at 31 December 2006) and provisions for operating receivables of SKK 15 million (SKK 47 million as at 31 December 2006).

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As at 31 December 2007, the Bank recorded inventories of SKK 7 million (SKK 10 million as at 31 December 2006). Inventories are stated at cost, i.e. inclusive of costs related to their acquisition.

10. Currency in circulation

The issue of banknotes and coins represents the valid national bank notes and coins in circulation:

	2007	2006
Issued coins	2,500	2,414
Issued bank notes	152,654	141,104
	<u>155,154</u>	<u>143,518</u>

11. Liabilities to banks and central banks

Current accounts in SKK

	2007	2006
Current accounts of banks for transfers and replenishments	2,521	2,544
LORO accounts of central banks	15	16
	<u>2,536</u>	<u>2,560</u>

As at 31 December 2007, the NBS had liabilities to banks and central banks in SKK worth SKK 2,536 million (SKK 2,560 million as at 31 December 2006), a major portion of which consisted of current accounts of banks used for transfers and replenishments.

Overnight deposits, deposits and loans in SKK and minimum reserves

	2007	2006
Loans received in repurchase transactions in SKK	260,834	225,898
Minimum reserves in the NBS	17,826	26,199
Overnight deposits from banks	45,034	8,738
Interbank settlement in SKK	1,896	768
	<u>325,590</u>	<u>261,603</u>

Within the money withdrawing repurchase transactions in the Slovak inter-bank market, the NBS had liabilities from repurchase transactions in the total amount of SKK 260,834 million as at 31 December 2007 (SKK 225,898 million as at 31 December 2006) - (refer to Note 12).

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Current accounts, deposits and loans in foreign currency

	Loan maturity in year	FC code	2007		2006	
			FC	SKK	FC	SKK
Gold repo	2007	USD			116	3,046
Gold repo	2015	USD	81	1,861	80	2,108
Gold repo	2016	USD	110	2,530	109	2,854
AGL II	2009	EUR	1	30	2	67
			<u>x</u>	<u>4,421</u>	<u>x</u>	<u>8,075</u>

As at 31 December 2007, the Bank had liabilities from gold repurchase transactions in the amount of SKK 4,391 million (SKK 8,008 million as at 31 December 2006). In January and March 2007, two long-term gold repurchase transactions were terminated (refer to Note 1).

12. Liabilities from debt securities

As at 31 December 2007, the NBS issued bills of SKK 1,067,712 million (SKK 537,435 million as at 31 December 2006) and repurchased bills in the amount of SKK 1,000,000 million (SKK 500,000 million as at 31 December 2006).

As at 31 December 2007, NBS bills of SKK 329,893 million were used for money withdrawing operations (SKK 264,095 million as at 31 December 2006), of which SKK 262,181 million (SKK 226,660 million as at 31 December 2006) were in the form of money withdrawing repurchase transactions and SKK 67,712 million (SKK 37,435 million as at 31 December 2006) remained in the portfolios of domestic banks.

13. Liabilities to other international financial institutions

	2007	2006
Current accounts - Euro Account European Commission	169	1,769
Loro accounts - World Bank, Bank for International Settlements	602	693
Deposits - PHARE	1	
	<u>772</u>	<u>2,462</u>

As at 31 December 2007, the NBS recorded liabilities to other international financial institutions in the amount of SKK 772 million (SKK 2,462 million as at 31 December 2006).



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14. Liabilities to clients

	2007	2006
Term deposits of employees	650	497
Current accounts of employees	289	207
Accounts of government	147	17
Term deposits of financial auxiliaries	48	18
Current accounts of financial auxiliaries	28	45
Other	1	79
	<u>1,163</u>	<u>863</u>

'Term deposits of financial auxiliaries' include term deposits of the Investment Guarantee Fund. Major portion of 'Current accounts of financial auxiliaries' is represented by current accounts of the Deposit Protection Fund. 'Other' mainly includes current accounts of other clients and liabilities from terminated bank accounts and term deposits.

15. Provisions and other liabilities

	2007	2006
Provisions	125	169
Liabilities to suppliers	61	70
Other	90	66
	<u>276</u>	<u>305</u>

As at 31 December 2007, the Bank recorded provisions for liabilities to employees of SKK 95 million (SKK 150 million as at 31 December 2006), provisions for uninvoiced supplies, lawsuits, audit of the financial statements and the annual report of SKK 30 million (SKK 19 million as at 31 December 2006).

'Other' includes settlements with employees, with entities entitled to the salaries settlement and other liabilities.

16. Equity

As at 31 December 2007, the NBS generated a loss of SKK 19,464 million (SKK 45,128 million as at 31 December 2006) and posted a negative equity of SKK 110,251 million (SKK 94,639 million as at 31 December 2006). Funds generated from the revaluation differences of securities, derivatives, gold and foreign currency represented SKK 20,783 million (SKK 16,931 million as at 31 December 2006).

The Bank Board decided that the losses of the NBS would be covered from the Bank's future income and own resources.

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Valuation differences

	2007	2006
Revaluation of gold	19,208	16,456
Revaluation of derivatives	190	418
Revaluation of securities	1,385	57
	<u>20,783</u>	<u>16,931</u>

17. Net interest income

	2007	2006
Interest received on loans related to monetary policy operations, in SKK	24	144
Interest received on receivables not related to monetary policy operations, in SKK	92	93
Interest received on receivables and securities in foreign currency	16,827	14,213
Interest income and similar revenues	<u>16,943</u>	<u>14,450</u>
Interest paid on liabilities related to monetary policy operations and securities, in SKK	(15,585)	(13,797)
Interest paid on liabilities not related to monetary policy operations, in SKK	(65)	(49)
Interest paid on liabilities and securities in foreign currency	(297)	(340)
Interest expense and similar expenses	<u>(15,947)</u>	<u>(14,186)</u>
Net interest income	<u>996</u>	<u>264</u>

18. Net profit from fees and commissions

As at 31 December 2007, fee income from transactions concluded based on contracts for provision of services in the area of securities, the so-called 'Securities Lending', amounted to SKK 174 million (SKK 107 million as at 31 December 2006).

	2007	2006
Revenues from fees and commissions	237	169
Expenses on fees and commissions	(16)	(23)
Net profit from fees and commissions	<u>221</u>	<u>146</u>

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19. Net loss from operations in, and derivatives involving, securities denominated in foreign currency

	2007	2006
Revenues from debt securities	228	148
Losses from debt securities and revaluations	(524)	(4,132)
Net loss from operations in, and derivatives involving, securities denominated in foreign currency	(296)	(3,984)

20. Net loss from operations in, and derivatives involving, foreign exchange and gold

	2007	2006
Revenues from operations in, and derivatives involving, FX and gold	5 497	11 535
Losses from operations in, and derivatives involving, FX and gold	(24 026)	(51 397)
Net loss from operations in, and derivatives involving, FX and gold	(18 529)	(39 862)

The total net loss from operations in, and derivatives involving, foreign exchange and gold was most significantly affected by decrease of the value of assets denominated in foreign currency of SKK 16,429 million (SKK 39,825 million as at 31 December 2006) as a result of a significant strengthening of SKK against EUR and USD.

21. Other operating expenses

	2007	2006
Salaries and bonuses	(566)	(558)
Social costs	(174)	(168)
Other personnel costs	(127)	(173)
Staff expenses	(867)	(899)
Depreciation of tangible and intangible assets	(481)	(519)
Other operating costs	(537)	(475)
Other operating expenses	(1,885)	(1,893)

As at 31 December 2007, the average number of staff employed was 1,081 (1,204 as at 31 December 2006), of whom 107 held managerial positions (136 as at 31 December 2006). As at 31 December 2007, the average number of staff in banking supervision over the capital market, insurance market, pension savings, banks and securities brokers was 177 (162 as at 31 December 2006).

As at 31 December 2007, costs of audit and advisory amounted to SKK 4 million (SKK 2 million as at 31 December 2006).

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E. Foreign exchange structure of assets and liabilities

Line No.	SKK	Foreign currencies converted to SKK - total		Not defined			
		EUR	USD	Other			
1. Gold		21,538		21,538			
2. Debt securities denominated in foreign currency		387,289	313,075	74,214			
3. Derivatives		318	24	294			
4. Receivables from banks and central banks	2,742	31,102	26,715	4,351	36		
5. Receivables from the International Monetary Fund	13,424	30			30		
6. Receivables from clients	316						
7. Equity shares in subsidiary and affiliated accounting units and other shares and participating interests	108	305	92		213		
8. Non-current assets						5,712	
9. Other assets	221	21	12	4	5		
Assets	1	16,811	440,603	339,918	100,401	284	5,712
1. Currency in circulation		155,154					
2. Liabilities to banks and central banks		328,126	4,421	30	4,391		
3. Liabilities from debt securities		67,712					
4. Derivatives			2,442		2,442		
5. Liabilities to the International Monetary Fund		13,311					
6. Liabilities to other international financial institutions		602	170	170			
7. Liabilities to clients		1,021	142	141	(5)	6	
8. Provisions and other liabilities		271	5	5			
Liabilities	2	566,197	7,180	346	6,826	6	
Open foreign exchange position at 31 Dec 2007	3=1-2	(549,386)	433,423	339,572	93,573	278	5,712
Assets	4	19,921	353,423	242,749	110,361	313	6,053
Liabilities	5	464,147	9,889	1,858	8,031		
Open foreign exchange position at 31 Dec 2006	6=4-5	(444,226)	343,534	240,891	102,330	313	6,053

Currency risk results from the open foreign exchange position of the NBS. The impact of exchange rate changes on NBS's performance is significant. This primarily results from the size of the open foreign exchange position and the volatility of the SKK/EUR and EUR/USD exchange rates.

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As at 31 December 2007, the exchange rate of SKK to EUR strengthened by 2.81% (from EUR 1 = SKK 34.573 as at 31 December 2006 to EUR 1 = SKK 33.603) and the exchange rate of SKK to USD strengthened by 12.86% (from USD 1 = SKK 26.246 as at 31 December 2006 to USD 1 = SKK 22.870).

The open foreign exchange position as at 31 December 2007 increased by 26.17% compared to 31 December 2006, from SKK 343,534 million to SKK 433,423 million.

F. Interest rates on assets and liabilities

The following table summarizes the interval (in percentages) of the average interest rates on assets and liabilities for 2007 and 2006, by the main currencies:

2007	EUR	USD	XDR	SKK
Assets				
Gold		0.01 - 0.1		
Debt securities in foreign currency	3.62 - 7.00	2.37 - 5.37		
Derivatives				
Receivables from banks and central banks	4.17 - 5.46			
Receivables from the IMF			0.00 - 4.38	
Receivables from clients				1.00 - 5.25
Liabilities				
Liabilities to banks and central banks	3.67 - 4.69			0.75 - 4.75
Liabilities from debt securities				4.05 - 4.25
Derivatives				
Liabilities to the IMF				
Liabilities to government and other clients				0.75 - 7.75
2006				
Assets				
Gold		0.02		
Debt securities in foreign currency	2.30 - 3.60	3.40 - 5.20		
Derivatives				
Receivables from banks and central banks	2.00 - 4.21			1.50 - 6.25
Receivables from the IMF			3.06 - 4.07	
Receivables from clients				1.00 - 5.75
Liabilities				
Liabilities to banks and central banks	1.60 - 3.71	4.25 - 4.50		0.50 - 4.75
Liabilities from debt securities				2.99 - 4.75
Derivatives				
Liabilities to the IMF				
Liabilities to government and other clients				0.50 - 7.75

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G. Maturity of assets and liabilities

The structure of NBS's assets and liabilities by the remaining time to maturity as at 31 December 2007 is as follows:

As at 31 December 2007	Due within 1 month incl.	Due within 3 months incl.	Due within 1 year incl.	Due within 1-5 years incl.	Due in 5+ years	Not defined	Total
1. Gold	9,551		4,303		7,656	28	21,538
2. Debt securities in foreign currency	54,220	68,674	135,222	121,684	7,489		387,289
3. Derivatives	29	18			271		318
4. Receivables from banks and central banks	31,216	85	217	751	1,564	11	33,844
4.1 Current accounts, deposits and loans in foreign currency	31,090	9	3				31,102
4.2 Loans related to monetary policy operations in SKK							
4.3 Receivables not related to monetary policy operations in SKK	126	76	214	751	1,564	11	2,742
5. Receivables from the International Monetary Fund						13,454	13,454
6. Receivables from clients	14			5	297		316
7. Equity shares in subsidiary and affiliated accounting units and other shares and participating interests						413	413
8. Non-current assets						5,712	5,712
9. Other assets	17	168	18			39	242
TOTAL ASSETS	95,047	68,945	139,760	122,440	17,277	19,657	463,126
1. Currency in circulation						155,154	155,154
2. Liabilities to banks and central banks	328,126	76	11	2	4,332		332,547
2.1 Current accounts denominated in SKK	2,536						2,536
2.2 Overnight deposits, loans and deposits in SKK and minimum reserves	325,590						325,590
2.3 Current accounts, deposits and loans in foreign currency		76	11	2	4,332		4,421
3. Liabilities from debt securities	13,661	54,051					67,712
3.1 Denominated in SKK	13,661	54,051					67,712
3.2 Denominated in foreign currency							
4. Derivatives					2,442		2,442
5. Liabilities to the IMF						13,311	13,311
6. Liabilities to other international financial institutions	169					603	772
7. Liabilities to clients	511	8	177	467			1,163
8. Provisions and other liabilities	121	21	19	15	47	53	276
TOTAL LIABILITIES	342,588	54,156	207	484	6,821	169,121	573,377

Overnight bank deposits (item 2.2. under Liabilities) amounted to SKK 45,034 million.

These Notes are an integral part of the financial statements of Národná banka Slovenska.
Translation of the financial statements originally issued in the Slovak language.

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NÁRODNÁ BANKA SLOVENSKA
Notes to the financial statements as at 31 December 2007
(in SKK millions)

The structure of NBS assets and liabilities by the remaining time to maturity as at 31 December 2006 is as follows:

As at 31 December 2006	Due within 1 month incl.	Due within 1-3 months incl.	Due within 1 year incl.	Due within 1-5 years incl.	Due in 5+ years	Not defined	Total
1. Gold	5,828	5,005	1,250		6,677	28	18,788
2. Debt securities in foreign currency	7,637	65,129	99,718	123,735	16,145		312,364
3. Derivatives	2	7			217		226
4. Receivables from banks and central banks	21,987	88	241	240	757	1,841	25,154
4.1 Current accounts, deposits and loans in foreign currency	21,839	10	10	13			21,872
4.2 Loans related to monetary policy operations in SKK							
4.3 Receivables not related to monetary policy operations in SKK	148	78	231	227	757	1,841	3,282
5. Receivables from the International Monetary Fund						15,870	15,870
6. Receivables from clients	14		2	44	185		245
7. Equity shares in subsidiary and affiliated accounting units and other shares and participating interests						437	437
8. Non-current assets						6,053	6,053
9. Other assets	31	15	7	26	34	147	260
TOTAL ASSETS	35,499	70,244	101,218	124,045	24,015	24,376	379,397
1. Currency in circulation						143,518	143,518
2. Liabilities to banks and central banks	264,163	18	18	31	8,008		272,238
2.1 Current accounts denominated in SKK	2,560						2,560
2.2 Overnight deposits, loans and deposits in SKK and minimum reserves	261,603						261,603
2.3 Current accounts, deposits and loans in foreign currency		18	18	31	8,008		8,075
3. Liabilities from debt securities	500	36,935					37,435
3.1 Denominated in SKK	500	36,935					37,435
3.2 Denominated in foreign currency							0
4. Derivatives					1,382		1,382
5. Liabilities to the IMF						15,833	15,833
6. Liabilities to other international financial institutions						2,462	2,462
7. Liabilities to clients	303	13	205	342			863
8. Provisions and other liabilities	190	47	15	51	12	(10)	305
TOTAL LIABILITIES	265,156	37,013	238	424	9,402	161,803	474,036



NÁRODNÁ BANKA SLOVENSKA
Notes to the financial statements as at 31 December 2007
(in SKK millions)

Overnight bank deposits (item 2.2. under Liabilities) amounted to SKK 8,738 million.

H. Post-balance-sheet events

After 31 December 2007, there were no significant events that would require adjustments or disclosures in the 2007 financial statements.

Ing. Ivan Šramko
Governor

Ing. Viliam Ostrožlík, MBA
Deputy Governor

Ing. Katarína Taragelová
Director
Financial Management Dept.