



NÁRODNÁ BANKA SLOVENSKA
EUROSYSTEM

SECTION C

INDEPENDENT AUDITOR'S REPORT AND FINANCIAL STATEMENTS OF NBS AS AT 31 DECEMBER 2013

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Independent Auditors' Report

To the Bank Board of the National Bank of Slovakia:

We have audited the accompanying financial statements of the National Bank of Slovakia ('the Bank'), which comprise the balance sheet as at 31 December 2013, the profit and loss account for the year then ended and a summary of significant accounting policies and other explanatory information.

Responsibility of the Bank Board of the National Bank of Slovakia for the Financial Statements

Bank Board of the National Bank of Slovakia is responsible for the preparation and presentation of financial statements that give a true and fair view in accordance with the Guideline of the European Central Bank of 11 November 2010 on the legal framework for accounting and financial reporting in the European System of Central Banks No. ECB/2010/20, as amended ('the ECB Guideline') and with Act No. 431/2002 Coll. on Accounting, as amended ('the Act on Accounting') and for such internal control as the Bank Board of the National Bank of Slovakia determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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 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 control relevant to the Bank's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank'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 National Bank of Slovakia, 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 give a true and fair view of the financial position of the Bank as at 31 December 2013 and of its financial performance for the year then ended in accordance with the ECB Guideline and the Act on Accounting.

11 March 2014
Bratislava, Slovak Republic


Ernst & Young Slovakia, spol. s r.o.
SKAU Licence No. 257


Ing. Dalimil Draganovský
SKAU Licence No. 893

THIS IS A TRANSLATION OF THE ORIGINAL SLOVAK REPORT



FINANCIAL STATEMENTS OF NÁRODNÁ BANKA SLOVENSKA AS AT 31 DECEMBER 2013

BALANCE SHEET				
of Národná banka Slovenska				
		Note	31 Dec 2013	31 Dec 2012
			EUR '000	EUR '000
ASSETS				
A1	Gold and gold receivables	1	887,649	1,284,963
A2	Claims on non-euro area residents denominated in foreign currency	2	670,543	622,029
A3	Claims on euro area residents denominated in foreign currency	3	36,472	122,208
A4	Claims on non-euro area residents denominated in euro	4	2,931,025	2,583,387
A5	Lending to euro area credit institutions related to monetary policy operations denominated in euro	5	328,900	1,941,900
A6	Other claims on euro area credit institutions denominated in euro	6	33,113	39,548
A7	Securities of euro area residents denominated in euro	7	7,727,275	9,751,667
A8	General government debt denominated in euro			
A9	Intra-Eurosystem claims	8	3,377,923	1,761,630
A10	Items in course of settlement			
A11	Other assets	9	6,083,461	6,595,059
A12	Loss for the year			
	TOTAL ASSETS		22,076,361	24,702,391
LIABILITIES				
L1	Banknotes in circulation	10	8,701,284	8,318,276
L2	Liabilities to euro area credit institutions related to monetary policy operations denominated in euro	11	1,284,770	690,643
L3	Other liabilities to euro area credit institutions denominated in euro	12	2,960,118	5,634,841
L4	Debt certificates issued			
L5	Liabilities to other euro area residents denominated in euro	13	2,917,838	2,790,554
L6	Liabilities to non-euro area residents denominated in euro	14	3,059,016	3,519,406
L7	Liabilities to euro area residents denominated in foreign currency	15	115,946	90,304
L8	Liabilities to non-euro area residents denominated in foreign currency	16	62,995	64,970
L9	Counterpart of special drawing rights allocated by the IMF	17	380,758	396,896
L10	Intra-Eurosystem liabilities	18	75,966	
L11	Items in course of settlement			
L12	Other liabilities	19	777,770	1,171,826
L13	Provisions	20	304,654	257,136
L14	Revaluation accounts	21	587,603	1,210,303
L15	Capital and reserves	22	357,797	357,797
L16	Profit for the year	34	489,846	199,439
	TOTAL LIABILITIES		22,076,361	24,702,391



PROFIT AND LOSS ACCOUNT of Národná banka Slovenska

	Note	31 Dec 2013 EUR '000	31 Dec 2012 EUR '000
1.1 Interest income		596,887	873,453
1.2 Interest expense		(284,544)	(428,787)
1 Net interest income	24	312,343	444,666
2.1 Realized gains arising from financial operations		220,717	168,124
2.2 Write-downs on financial assets and positions		(6,802)	(200,949)
2.3 Transfer to/from provisions for foreign exchange rate, interest rate and gold price risks		(50,000)	(250,000)
2 Net result of financial operations, write-downs and risk provisions	25	163,915	(282,825)
3.1 Fees and commissions income		577	1,166
3.2 Fees and commissions expense		(1,044)	(1,235)
3 Net income / (expense) from fees and commissions	26	(467)	(69)
4 Income from equity shares and participating interests	27	19,224	7,506
5 Net result of pooling of monetary income	28	50,381	85,075
6 Other income	29	12,421	9,531
Total net income		557,817	263,884
7 Staff costs	30	(33,770)	(32,587)
8 Administrative expenses	31	(17,449)	(18,268)
9 Depreciation of tangible and intangible fixed assets	32	(9,007)	(9,499)
10 Banknote production services	33	(3,585)	(143)
11 Other expenses	29	(2,786)	(3,948)
12 Income tax and other government charges on income		(1,374)	
Profit / (Loss)	34	489,846	199,439



NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2013

A. GENERAL INFORMATION ON NÁRODNÁ BANKA SLOVENSKA

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

Upon euro-adoption in Slovakia as at 1 January 2009, the NBS became a full member of the Eurosystem. The NBS abides by the Protocol on the Statute of the European System of Central Banks and of the European Central Bank ("the Statute").

In accordance with Article 39 (5) of the NBS Act, the NBS submits the annual report on results of its operations to the National Council of the Slovak Republic within three months after the end of the calendar year. In addition to the NBS financial statements and the auditor's opinion thereon, the report provides information on the NBS's operating costs. If so requested by the National Council of the Slovak Republic, the NBS is obliged, within six weeks, to supplement the report as requested and/or to provide explanations to the report as submitted.

The supreme governing body of the NBS is the Bank Board of the NBS ("the Bank Board").

B. ACCOUNTING PRINCIPLES AND ACCOUNTING METHODS APPLIED

(a) Legal framework and accounting principles

The Bank applies its accounting principles in accordance with the Guideline of the European Central Bank of 11 November 2010 on the legal

framework for accounting and financial reporting in the European System of Central Banks No ECB/2010/20, as amended ("the ECB Guideline"). In recognizing transactions not regulated by the ECB Guideline, the Bank observes International Financial Reporting Standards ("IFRS"). In other cases, the Bank acts in accordance with Act No. 431/2002 Coll. on Accounting, as amended ("the Act on Accounting"). In accordance with this legal framework, the Bank applies the following basic accounting principles:

- Economic reality and transparency
- Prudence
- Recognition of post-balance-sheet events
- Materiality
- Accruals principle
- The going-concern assumption
- Consistency and comparability

Assets and liabilities are held on the balance sheet only if it is probable that any future economic benefits attributable to them will flow to the credit or debit of the Bank, any risks and benefits have been transferred to the Bank and the assets or liabilities can be measured reliably.

Foreign exchange transactions and financial instruments, excluding securities and the corresponding accruals, are subject to the economic principle, i.e. transactions are recorded on off-balance sheet accounts on the trade date. On the settlement date, off-balance sheet booking entries are reversed and the transactions are recorded on the balance sheet. Other economic transactions, including transactions with debt securities, are recorded in accordance with the cash settlement principle, i.e. no accounting entries are made on the trade date and the transaction is recorded on the balance sheet on the settlement date.

Accruals of interest rates attributable to financial instruments are calculated and recorded on a daily basis. Accruals of premium and discount

As at 31 December 2013, the Bank Board had the following structure:

Name	Term of Office in the Bank Board		Current Position	Date of Appointment
doc. Ing. Jozef Makúch, PhD.	1 Jan 2006	12 Jan 2015	Governor	12 Jan 2010
Mgr. Ján Tóth, M.A.	5 Nov 2012	5 Nov 2017	Deputy Governor	5 Nov 2012
Ing. Štefan Králik	1 Apr 2009	1 Apr 2014	Member	1 Apr 2009
RNDr. Karol Mrva	1 Jun 2012	1 Jun 2017	Member	1 Jun 2012



are recorded using the internal rate of return method ("IRR"). In other cases, the linear method is applied.

When preparing the financial statements, the Bank acts in accordance with the recommended harmonized procedures for the preparation of disclosures to the financial statements of a national central bank within the Eurosystem.

b) Valuation of assets and liabilities

Financial assets and liabilities, excluding held to maturity securities and equity instruments are measured on a monthly basis at mid-rates and market prices. Foreign currencies, including balance sheet and off-balance sheet transactions, are measured for each currency separately; securities are measured for each ISIN separately and interest rate swaps and futures agreements are measured individually. In the case of gold, there is no distinction between price and exchange rate valuation differences. Securities that are classified as held to maturity are measured at amortized cost and are subject to an impairment test. In the event of impairment, provisions are created as at the end-of-year date and reassessed on an annual basis. Provision for certain types of impaired securities held for the purposes of monetary policy is shared within the Eurosystem, based on the shares in the paid-up capital of the ECB, valid at the time of the initial impairment.

Participating interests are measured at cost and are subject to an impairment test. Impairment in participating interests is recognized as impairment charges through profit/loss.

The exchange rates of key foreign currencies against EUR 1, used to value the assets and liabilities as at 31 December 2013, were as follows:

Currency	31 Dec 2013	31 Dec 2012	Change
GBP	0.83370	0.81610	0.01760
USD	1.37910	1.31940	0.05970
JPY	144.72000	113.61000	31.11000
XDR	0.89421	0.85785	0.03636
EUR/t oz*	871.220	1,261.179	-389.95900

* t oz (troy ounce) = 31.1034807 g

(c) Accounting and recognition of revenues

Realized gains and losses are derived from the daily measurement of changes in assets and li-

abilities and represent the difference between the transaction value and the average value of the respective financial instrument or currency. They are recognized directly on the face of the profit and loss account.

Unrealized gains and losses result from the monthly measurement of assets and liabilities and represent the difference between the average value and the month-end value (fair value, ECB exchange rate) of the respective financial instrument or currency. Unrealized gains are shown in equity on revaluation accounts (see Note 21). Unrealized losses in excess of unrealized revaluation gains from the given financial instrument or currency are recognized in the profit and loss account. Unrealized losses on one financial instrument or currency are not set off against unrealized gains on another financial instrument or currency and are not reversed in the following accounting periods. In the event of an unrealized loss at year-end, the average acquisition cost is adjusted to the year-end exchange rate or fair value of the measured item. Unrealized revaluation losses on interest rate swaps are amortized to income in the following years.

Premiums and discounts of acquired securities are recognized net in the profit and loss account as interest income.

(d) Gold and Gold Receivables

Gold swap transactions are recognized as repurchase transactions with gold (see Notes 12, 14, and 15). The gold used in such transactions remains in the Bank's total assets under the item "Gold".

(e) Debt Securities

Securities are recognized together with the accruals of the premium and the discount. Coupons are recorded under "Other assets".

The impairment test for bonds held for monetary policy purposes acquired within the Securities Markets Programme ("SMP") is carried out centrally by the ECB and is subject to the approval of the Governing Council of the ECB. The impairment test for bonds acquired within the Covered Bonds Purchase Programme ("CBPP") is coordinated by the ECB. Based on the decision of the Bank Board, the NBS accepts the results of tests coordinated by the ECB.



(f) Derivatives

For the purposes of calculating the average acquisition cost of currencies and foreign exchange rates gains and losses, spot, forward and swap contracts are included in the net currency positions. They are recognized on off-balance sheet accounts at the spot rate of the transaction on the trade date.

The difference between the spot and forward values of the transaction is considered as interest expense or interest income.

In the case of currency swaps, forward positions are measured together with the corresponding spot position. Therefore, currency positions are only affected by accruals of interests in a foreign currency.

Interest rate swaps are recorded on the off-balance sheet from the trade date to the settlement date. They are measured based on generally acceptable valuation models using corresponding yield curves derived from listed interest rates.

In the case of swaps, if there is an increase or a decrease in the net swap position, a collateral adjustment in the form of deposits with daily prolongation is contractually agreed with selected counterparties. The interest is settled on a monthly basis (see Notes 9 and 19).

The Bank also deals in interest rate futures. The Bank recognizes futures contracts on off-balance sheet accounts from the trade date to the settlement at the nominal value of the underlying instrument. Initial margins to interest rate futures may be deposited in cash or in securities. There is no record on the Bank's accounts in case of an initial deposit provided in the form of securities. Futures contracts are re-valued daily at market prices into the profit and loss account.

(g) Reverse Transactions

Reverse transactions are those transactions the Bank conducts under reverse repurchase agreements or collateralized loan transactions.

Transactions conducted under a repurchase agreement (repurchase transaction) are recognized as a collateralized inward deposit on the li-

abilities side of the balance sheet, while the item provided as collateral remains on the assets side of the balance sheet. Securities provided under a repurchase transaction remain part of the Bank's portfolio.

Reverse repurchase agreements are recognized as a collateralized outward loan on the assets side of the balance sheet. Securities accepted under a reverse repurchase transaction are not accounted for.

If the collateral value deviates from the respective loan value, representing an increased counterparty credit risk, collateral is required in the form of a deposit. These deposits bear interest and are prolonged on a daily basis (see Notes 12 and 14).

The Bank does not account for security lending transactions conducted under an automated security lending programme. Revenues from these transactions are recognized in the profit and loss account.

(h) Banknotes in circulation

According to the Decision ECB/2010/29 as amended, euro banknotes are issued jointly by the national central banks within the Eurosystem and the ECB. The total amount of banknotes in circulation is allocated to individual central banks in the Eurosystem on the last working day of each month, according to the Banknote Allocation Key. The ECB's share in the total amount of banknotes in circulation is 8%. Pursuant to the Decision cited above, the NBS's share in the total issue of euro banknotes within the Eurosystem is 0.9100%. The share in banknotes in circulation is recognized under the liability item "Banknotes in Circulation" (see Note 10).

The difference between the banknotes allocated according to the Banknote Allocation Key and the banknotes actually in circulation represents an interest-bearing receivable or liability within the Eurosystem. This is disclosed under the item "Net Claims or Liabilities Related to Allocation of Euro Banknotes within the Eurosystem".

Over a period of five years from the Bank's transition to euro as cash (1 January 2009), receivables or liabilities relating to the allocation of euro



banknotes within the Eurosystem are adjusted in order to eliminate major changes in the yield position of the Bank compared to prior years. The adjustment is based on the average issue of banknotes of the local currency two years prior to accession to the Eurosystem. For the NBS, the period of adjusting banknotes issue ends on 31 December 2014.

Interest income or interest expense from these receivables/liabilities is disclosed net in the Bank's profit and loss account under the item "Net Interest Income" (see Note 24).

(i) ECB Profit Redistribution

In accordance with Decision ECB/2010/24 as amended, the ECB's income, consisting of the ECB's 8% share in euro banknotes issue and the net income from securities purchased by the ECB under the SMP, is re-allocated among the Eurosystem's individual central banks in the same financial year as accrued in the form of an interim distribution of the ECB's profit (see Note 27).

Under Article 33 of the Statute, the ECB's remaining net profit is re-allocated among the central banks within the Eurosystem upon approval of the ECB's financial statements, i.e. in the following calendar year.

(j) Fixed Assets

With effect from 1 January 2010 and pursuant to the ECB's Guideline, the NBS's fixed assets include tangible fixed assets and intangible fixed assets with an initial cost higher than EUR 10,000 and with a useful life of more than one year. Immovables, works of art, immovable historic landmarks and collections with the exception of those listed under separate regulations (e.g. Act No. 206/2009 Coll. on Museums and Galleries and on the Protection of Cultural Valuables) are recognized on the balance sheet irrespective of their input price. The assets listed under separate regulations are recognized on the off-balance sheet and in records maintained for collection items at acquisition cost. Tangible and intangible fixed assets up to EUR 10,000 that were acquired and put in use prior to 1 January 2010 are depreciated as put in use until they are fully depreciated.

Fixed assets held for sale are recognized at cost net of accumulated depreciation and provisions,

or at fair value net of cost of sale, whichever amount is lower.

Depreciation Group	Depreciation period in years
1. Buildings and structures	30 4 – 12 ¹⁾
2. Utility network	20
3. Plant and equipment	4 – 12
4. Transport means	4 – 6
5. Fittings and fixtures	4 – 12
6. Software	2 – 4
7. Other intangible fixed assets	2 – 4 or as per contract
8. Fixed property investments	30
9. Technical improvements of immovable historic landmarks	30
1) asset components	

(k) Taxes

In accordance with Article 12 of Act No. 595/2003 Coll. on Income Taxes as amended, the NBS is not liable to corporate income tax. Only income taxed by withholding tax is subject to taxation. The NBS has been a registered VAT payer since 1 July 2004, pursuant to Act No. 222/2004 Coll., as amended.

(l) Provisions

The Bank can create a general provision for foreign exchange rate, interest rate, credit and gold price risks (see Note 20 and 25) which is presented as a part of the Bank's equity and its movements in the profit and loss account. It is reassessed on an annual basis with the impact on the profit and loss account. The Bank creates a provision in relation to the impairment of securities acquired as part of the common monetary policy of the Eurosystem (see Section B, Note e).

The Bank also creates provisions in line with the Act on Accounting (see Note 20).

(m) NBS Profit Redistribution

In accordance with Article 39 (4) of the NBS Act, profit generated by the Bank is allocated to the reserve fund and other funds created from profit, or it is used to cover accumulated losses from prior years. Any loss incurred in the current reporting period may be settled by the NBS from the reserve fund or from other funds. Alternatively, the Bank Board may decide to carry the accu-



mulated loss forward to the following reporting period.

C. NOTES TO THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT ITEMS

1. GOLD AND GOLD RECEIVABLES

EUR '000	31 Dec 2013	31 Dec 2012	Change
Gold in other form	1,371	1,984	(613)
Bars in repo transactions	840,582	1,178,949	(338,367)
Gold stored in banks	45,696	104,030	(58,334)
	887,649	1,284,963	(397,314)

As at 31 December 2013, gold comprises a total of 1,019 thousand t oz. of gold (1,019 thousand t oz. of gold as at 31 December 2012), of which 965 thousand t oz. of gold are used in repurchase transactions, 52 thousand t oz. are deposited in correspondent banks and 2 thousand t oz. of gold are deposited with the Bank.

The market value of gold as at 31 December 2013 was EUR 871.220 per t oz. (EUR 1,261.179 per t oz. as at 31 December 2012). Changes in the balances of gold and gold receivables were mostly affected by gold revaluation accounts (see Note 21).

2. CLAIMS ON NON-EURO AREA RESIDENTS DENOMINATED IN FOREIGN CURRENCY

EUR '000	31 Dec 2013	31 Dec 2012	Change
Receivables from/ payables to the IMF	630,013	607,726	22,287
Balance with banks and security invest- ments, external loans and other external assets	40,530	14,303	26,227
	670,543	622,029	48,514

Receivables from / Payables to the International Monetary Fund

The FTP reverse position represents the receivable of the NBS relating to loans provided to the IMF.

Liabilities in local currency change depending on the IMF representative exchange rate, which is recorded in the currency valuation adjustment account. A significant part of the liabilities consists of a note in the amount of EUR 312,533 thousand (EUR 332,417 thousand as at 31 December 2012).

The Bank records a liability to the IMF from the allocation recorded under L9 "Counterpart of special drawing rights allocated by the IMF" (see Note 17).

Receivables from / Payables to the International Monetary Fund

	31 Dec 2013		31 Dec 2012		Change EUR '000
	Equivalent XDR mil.	EUR '000	Equivalent XDR mil.	EUR '000	
Receivables from IMF:	837	934,813	808	941,732	(6,919)
1) Quota:	428	477,812	428	498,381	(20,569)
a) Quota in local currency	273	304,800	287	334,006	(29,206)
b) Reserve position	155	173,012	141	164,375	8,637
– Foreign exchange part of members' quotas	18	19,570	18	20,400	(830)
– FTP reserve position	137	153,442	123	143,975	9,467
2) Nostro account in IMF	355	396,691	326	380,485	16,206
3) Bilateral loans	54	60,310	54	62,866	(2,556)
Payables from IMF	273	304,800	287	334,006	(29,206)
1) Loro accounts in IMF	282	315,116	289	336,107	(20,991)
2) Valorization account	(9)	(10,316)	(2)	(2,101)	(8,215)
Total balance (net)		630,013		607,726	22,287

**Balance with Banks and Security Investments,
External Loans and Other External Assets**

EUR '000	31 Dec 2013	31 Dec 2012	Change
Debt securities		2,618	(2,618)
Other	40,530	11,685	28,845
	40,530	14,303	26,227

As at 31 December 2013, "Other" mainly included cash in foreign currency in nostro accounts and term deposits of non-euro area residents.

**3. CLAIMS ON EURO AREA RESIDENTS DENOMINATED IN
FOREIGN CURRENCY**

EUR '000	31 Dec 2013	31 Dec 2012	Change
Debt securities	36,363	122,026	(85,663)
Current accounts	109	182	(73)
	36,472	122,208	(85,736)

Debt securities categorized under this caption are denominated in US dollars. As per security issuers, as at 31 December 2013 the Bank recorded mainly securities of financial institutions.

The decrease in the volume of debt securities compared to the preceding period was due to their sale.

**4. CLAIMS ON NON-EURO AREA RESIDENTS
DENOMINATED IN EURO**

As at 31 December 2013, the Bank recognized debt securities of non-euro area residents of EUR 2,931,025 thousand (EUR 2,583,387 thousand as at 31 December 2012). As for the security issuers, the Bank mainly recorded securities issued by monetary financial institutions.

**5. LENDING TO EURO AREA CREDIT INSTITUTIONS
RELATED TO MONETARY POLICY OPERATIONS
DENOMINATED IN EURO**

In accordance with the rules for monetary policy operations in the Eurosystem, the NBS recognizes longer-term refinancing operations of EUR 301,900 thousand as at 31 December 2013 (EUR 1,941,900 thousand as at 31 December 2012).

Longer-term refinancing operations are regular liquidity-providing reverse transactions of a longer period; as at 31 December 2013, transactions with a maturity of one to three years were recognized. These transactions are performed through standard tenders and bear interest at the main refinancing rate, which is 0.25%

p.a. from 13 November 2013. The decrease in the volume of recognized transactions compared to the preceding period, of EUR 1,640,000 thousand, was caused by the premature termination of transactions by counterparties, in line with the announcement of the ECB Governing Council of December 2011, to allow early repayment of any amount, one year after the transaction date.

As at 31 December 2013, the Bank recognized the main refinancing transactions of EUR 27,000 thousand at a 0.25% rate. The main refinancing transactions are regular liquidity-providing reverse transactions in one week intervals with a current maturity of one week.

The risks arising from monetary policy transactions are subject to sharing with the involved central banks in proportion to their capital key within the meaning of Art. 32.4 of the Statute.

**6. OTHER CLAIMS ON EURO AREA CREDIT INSTITUTIONS
DENOMINATED IN EURO**

EUR '000	31 Dec 2013	31 Dec 2012	Change
Redistribution loan	32,416	36,673	(4,257)
Current accounts	697	1,061	(364)
Deposits to reverse transactions		1,814	(1,814)
	33,113	39,548	(6,435)

A discounted rate redistribution loan provided to finance comprehensive housing construction was delimited following the separation of the balance sheet of the State Bank of Czechoslovakia. As at 31 December 2013, the redistribution loan bore interest of 0.5% p.a. (0.5% p.a. as at 31 December 2012).

As at 31 December 2013, the NBS recorded a state guarantee of EUR 33,830 thousand received for the redistribution loan on the off-balance sheet (EUR 38,341 thousand as at 31 December 2012). The amount of the state guarantee represents the principal and interest up to maturity.

**7. SECURITIES OF EURO AREA RESIDENTS DENOMINATED
IN EURO**

EUR '000	31 Dec 2013	31 Dec 2012	Change
Debt securities held for monetary policy purposes	1,670,087	2,211,160	(541,073)
Other securities	6,057,188	7,540,507	(1,483,319)
	7,727,275	9,751,667	(2,024,392)



Debt Securities Held for Monetary Policy Purposes

As at 31 December 2013, under the "Securities held for monetary policy purposes" caption, the Bank disclosed securities purchased under the SMP of EUR 1,282,768 thousand (EUR 1,720,521 thousand as at 31 December 2012) and secured bonds amounting to EUR 387,319 thousand (EUR 490,639 thousand as at 31 December 2012) purchased within the CBPP programme. These securities are part of common monetary policy held to maturity. They were issued mainly by public authorities and monetary financial institutions of the euro area.

The decrease compared to the preceding period of EUR 541,073 thousand was due to the maturity of securities.

The purchase of securities within the CBPP programme was closed in June 2010; the purchase of securities within the SMP programme was closed in September 2012.

The total amount of SMP securities in the Eurozone as at 31 December 2013 was EUR 165,985,090 thousand. In accordance with Article 32.4 of the Statute, all risks, if material, are shared by NCB of the euro area states, according to their capital key.

On the basis of the result of the impairment test for securities acquired under the SMP programme conducted as at 31 December 2013, and pursuant to a decision of the Governing Council of the ECB, it is expected that all future cash flows related to these securities will be received. For this reason, the Bank did not create a provision for impairment (see Section B, Note e).

On the basis of the results of the impairment test for securities acquired under the CBPP programme, as coordinated by the ECB, the Bank Board decided that it was not necessary to create a provision for impairment losses (see Section B, Note e).

Other Securities

As at 31 December 2013, the Bank recognized trading securities, issued by monetary financial institutions and public authorities of the euro area.

As at 31 December 2013, under the item referred to above, the Bank recorded securities issued by the Government of the Slovak Republic of EUR 62,854 thousand (EUR 208,450 thousand as at 31 December 2012). The securities were pur-

chased in compliance with the rules as defined in Article 123 of the Treaty on the European Union and Article 21 of the Statute.

The decrease compared to the preceding period of EUR 1,483,319 thousand was mainly due to the maturity of securities.

8. INTRA-EUROSYSTEM CLAIMS

EUR '000	31 Dec 2013	31 Dec 2012	Change
Participating interest in ECB	228,701	228,828	(127)
Claims equivalent to the transfer of foreign reserve	398,761	399,444	(683)
Net claims related to the allocation of euro banknotes within the Eurosystem		155,444	(155,444)
Other claims within the Eurosystem	2,750,461	977,914	1,772,547
	3,377,923	1,761,630	1,616,293

Participating Interest in ECB

As at 31 December 2013, the Bank recorded a participating interest in the ECB's capital of EUR 74,487 thousand (EUR 74,614 thousand as at 31 December 2012). The decrease in the NBS's share in the ECB's capital was due to changes in capital and Eurosystem keys as a result of Croatia's entry into the European Union as at 1 July 2013.

In accordance with Article 49.2 of the Statute and the decision of the ECB Governing Council, the NBS contributed EUR 154,214 thousand to the ECB's provisions to cover credit, foreign exchange, interest rate and gold price risks and to the ECB revaluation accounts.

Claims Equivalent to the Transfer of Foreign Reserves

The NBS recognizes a claim of EUR 398,761 thousand (EUR 399,444 thousand as at 31 December 2012), equivalent to the transfer of foreign reserves to the ECB, made according to the NBS capital key under Article 30.1 of the Statute. The claim decreased due to changes in capital and Eurosystem keys as a result of Croatia's entry into the European Union as at 1 July 2013. The receivable bears interest amounting to 85% of the main refinancing operations rate. As at 31 December 2013, interest income from the claim, equivalent



	Capital Key for Subscription of ECB's Capital (%) from 1.7.2013	Paid-up Capital (EUR) until 30.6.2013	Paid-up Capital (EUR) from 1.7.2013	Decrease(-) / Increase(+) in paid- up capital due to entry of Croatia	Eurosystem Key (%) from 1.7.2013
Banque National de Belgique	2.4176	261,010,384.68	261,705,370.91	694,986.23	3.4756
Eesti Pank	0.1780	19,261,567.80	19,268,512.58	6,944.78	0.2559
Deutsche Bundesbank	18.7603	2,037,777,027.43	2,030,803,801.28	-6,973,226.15	26.9706
Central Bank and Financial Services Authority of Ireland	1.1111	119,518,566.24	120,276,653.55	758,087.31	1.5973
Bank of Greece	1.9483	211,436,059.06	210,903,612.74	-532,446.32	2.8009
Banco de España	8.2533	893,564,575.51	893,420,308.48	-144,267.03	11.8653
Banque de France	14.1342	1,530,293,899.48	1,530,028,149.23	-265,750.25	20.3199
Banca d'Italia	12.4570	1,344,715,688.14	1,348,471,130.66	3,755,442.52	17.9087
Central Bank of Cyprus	0.1333	14,731,333.14	14,429,734.42	-301,598.72	0.1916
Banque centrale du Luxem- bourg	0.1739	18,798,859.75	18,824,687.29	25,827.54	0.2500
Central Bank of Malta	0.0635	6,800,732.32	6,873,879.49	73,147.17	0.0913
De Nederlandsche Bank	3.9663	429,156,339.12	429,352,255.40	195,916.28	5.7013
Oesterreichische Nationalbank	1.9370	208,939,587.70	209,680,386.94	740,799.24	2.7847
Banco de Portugal	1.7636	188,354,459.65	190,909,824.68	2,555,365.03	2.5354
Banka Slovenije	0.3270	35,381,025.10	35,397,773.12	16,748.02	0.4701
Národná banka Slovenska	0.6881	74,614,363.76	74,486,873.65	-127,490.11	0.9892
Suomen Pankki – Finlands Bank	1.2456	134,927,820.48	134,836,288.06	-91,532.42	1.7907
<i>Subtotal euro-area NCBs*</i>	<i>69.5581</i>	<i>7,529,282,289.35</i>	<i>7,529,669,242.45</i>	<i>386,953.10</i>	<i>100.0000</i>
Българска народна банка (Bulgarian National Bank)	0.8644	3,505,013.50	3,508,926.04	3,912.54	
Česká národní banka	1.4539	5,839,806.06	5,901,929.17	62,123.11	
Danmarks Nationalbank	1.4754	5,986,285.44	5,989,205.79	2,920.35	
Latvijas Banka	0.2742	1,144,798.91	1,113,081.35	-31,717.56	
Lietuvos bankas	0.4093	1,717,400.12	1,661,503.27	-55,896.85	
Magyar Nemzeti Bank	1.3740	5,591,234.99	5,577,584.89	-13,650.10	
Narodowy Bank Polski	4.8581	19,754,136.66	19,720,862.57	-33,274.09	
Banca Națională a României	2.4449	9,944,860.44	9,924,772.42	-20,088.02	
Sveriges Riksbank	2.2612	9,112,389.47	9,179,064.74	66,675.27	
Bank of England	14.4320	58,580,453.65	58,584,938.26	4,484.61	
Hrvatska narodna banka	0.5945	0.00	2,413,300.01	2,413,300.01	
<i>Subtotal non-euro area NCBs*</i>	<i>30.4419</i>	<i>121,176,379.25</i>	<i>123,575,168.52</i>	<i>2,398,789.27</i>	
Total*	100.00	7,650,458,668.60	7,653,244,410.99	2,785,742.39	

* Subtotals and totals may not correspond, due to the effect of rounding.

to the transfer of foreign reserves, amounted to EUR 1,904 thousand (see Note 24).

Other Claims within the Eurosystem

Intra-Eurosystem claims and liabilities represent the position of NBS towards other members of

the European System of Central Banks ("ESCB") arising from cross-border transactions. The most significant part of this item represents the NBS claim against TARGET2, which amounted to EUR 2,686,542 thousand as at 31 December 2013, (EUR 877,155 thousand as at 31 December 2012).



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The position bears an interest rate for the main refinancing operations. The total amount of received interest amounted to EUR 30,205 thousand as at 31 December 2013 (see note 24).

Other significant amounts in Other claims within the Eurosystem are claims from monetary income amounting to EUR 50,382 thousand and participating interest in the ECB's net profit for 2013 amounting to EUR 13,550 thousand (see Notes 27 and 28).

9. OTHER ASSETS

EUR '000	31 Dec 2013	31 Dec 2012	Change
Tangible and intangible fixed assets	141,554	148,753	(7,199)
Other financial assets	10,241	10,521	(280)
Off-balance-sheet instruments revaluation differences	1,999	4,203	(2,204)
Accruals and pre-paid expenses	193,986	263,801	(69,815)
Accumulated losses from previous years	5,406,453	5,605,892	(199,439)
Sundry	329,228	561,889	(232,661)
	6,083,461	6,595,059	(511,598)

Tangible and Intangible Fixed Assets

This item comprises fixed assets of the NBS. The balance of tangible and intangible fixed assets ("TA" and "IA") as at 31 December 2013 was as follows:

As at 31 December 2013 the NBS recognized fixed assets held for sale of EUR 4,876 thousand (EUR 5,205 thousand as at 31 December 2012).

Other Financial Assets

EUR '000	31 Dec 2013	31 Dec 2012	Change
Share certificates of RVS, a.s.	3,585	3,585	0
Shares of BIS	6,600	6,880	(280)
Institute of banking education of the NBS n.o.	33	33	0
Shares of SWIFT	23	23	0
	10,241	10,521	(280)

In accordance with the Commercial Code (Act No. 513/1991 Coll. as amended), the NBS is the controlling entity with a majority share in the voting rights in RVS, a.s. Bratislava, with a 52% equity share. Despite the significant influence of the NBS in RVS, a.s., in accordance with Article 22 of the Act on Accounting, the Bank does not prepare consolidated financial statements.

The Bank recognizes a participating interest in the Bank for International Settlements in Basel, Switzerland (BIS). The Bank's share of BIS capital represents 0.51%. The participating interest in BIS is recognized in the amount of paid-up capital (25%). The unpaid proportion of the capital

Tangible and Intangible Fixed Assets

EUR '000	TA & advances and assets under construction	IA & advances and assets under construction	TOTAL
Acquisition cost as at 1 January 2013	267,174	28,518	295,692
Additions	2,196	1,698	3,894
Disposals	6,374	735	7,109
Acquisition cost as at 31 December 2013	262,996	29,481	292,477
Accumulated depreciation as at 1 January 2013	128,732	23,412	152,144
Additions	6,630	2,377	9,007
Disposals	5,344	8	5,352
Accumulated depreciation and provisions as at 31 December 2013	130,018	25,781	155,799
Carrying amount of TA and IA as at 1 January 2013	138,442	5,106	143,548
Carrying amount of TA and IA as at 31 December 2013	132,978	3,700	136,678



(75%) is payable on demand. Dividends are distributed in EUR from the total share of NBS in BIS recorded in XDR (see Note 27).

As at 31 December 2013, the Bank recognizes the investment in the Inštitút bankového vzdelávania NBS, n. o. Bratislava, which was established by NBS as at 28 October 2008. The Bank is the only shareholder of the company.

The Bank holds a 0.0063% capital share in SWIFT. The allocation took place in April 2012 based on share reallocation to individual members depending on their financial compensation, paid for using SWIFT services in 2011.

Off-balance sheet instruments revaluation differences

This item represents exchange losses from the revaluation of off-balance sheet instruments as at 31 December 2013 of EUR 1,999 thousand (EUR 4,203 thousand as at 31 December 2012).

Accruals and Prepaid Expenses

This item mainly represents accrued bond coupons of EUR 168,193 thousand (EUR 210,287 thousand as at 31 December 2012) and interest accrued on interest rate swaps of EUR 10,204 thousand (EUR 20,787 thousand as at 31 December 2012).

Sundry

EUR '000	31 Dec 2013	31 Dec 2012	Change
Deposits – collaterals to derivatives	297,401	521,500	(224,099)
Interest rate swaps	15,279	19,664	(4,385)
Interest rate futures	2,901	7,094	(4,193)
Investment and consumer loans granted to employees	9,428	10,503	(1,075)
Other	4,219	3,128	1,091
	329,228	561,889	(232,661)

The purpose of the deposits granted – collaterals to derivatives – is to secure counterparty credit risk in respect of a decrease in the value of the swap on the part of the NBS. The year-on-year decrease in the volume of deposits is due to decrease in the volume of interest rate swaps.

10. BANKNOTES IN CIRCULATION

EUR '000	31 Dec 2013	31 Dec 2012	Change
Euro banknotes in circulation issued by NBS	8,777,250	8,162,832	614,418
Euro banknotes not issued by NBS	(75,966)	155,444	(231,410)
Total amount of euro banknotes according to the NBS's Banknote Allocation Key	8,701,284	8,318,276	383,008

As at 31 December 2013, the Bank issued banknotes amounting to EUR 8,777,250 thousand, up by EUR 75,966 thousand (down by EUR 155,444 thousand as at 31 December 2012) compared to the volume allocated to the NBS by the Banknote Allocation Key (see Section B, Note h). This difference represents a liability of the NBS towards the Eurosystem (see Note 18). Following the entry of Croatia into the European Union, the Banknote Allocation Key for the NBS decreased from 0.9115% to 0.9100% as at 1 July 2013.

11. LIABILITIES TO EURO AREA CREDIT INSTITUTIONS RELATED TO MONETARY POLICY OPERATIONS DENOMINATED IN EURO

EUR '000	31 Dec 2013	31 Dec 2012	Change
Current accounts covering the minimum reserve system	1,096,170	634,343	461,827
Deposit facility	5,600	56,300	(50,700)
Term deposits	183,000		183,000
	1,284,770	690,643	594,127

Current accounts represent monetary reserves of credit institutions that are subject to the minimum reserve system ("MRS") in accordance with the Statute. The MRS enables the average fulfillment of monetary reserves of credit institutions over the maintenance period set, as published by the ECB. The MRS holdings are remunerated at the average rate of the Eurosystem's main refinancing operations valid over the given maintenance period. Excess reserves bear no interest.

The deposit facility represents overnight deposits at a pre-specified interest rate as announced



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by the ECB. The purpose of such deposits is to provide contracting parties with the option to deposit short-term surplus liquidity. As at 31 December 2013, a zero interest rate was specified for this type of transaction.

Term deposits represent bank deposits at a rate of 0.23 – 0.25% p.a.

12. OTHER LIABILITIES TO EURO AREA CREDIT INSTITUTIONS DENOMINATED IN EURO

EUR '000	31 Dec 2013	31 Dec 2012	Change
Tri-party repo transactions	2,150,000	1,850,000	300,000
Liabilities from repo transactions	777,320	3,735,214	(2,957,894)
Liabilities from repo transactions with gold	30,660	43,644	(12,984)
Deposits received for repo transactions	1,242	2,301	(1,059)
Interbank clearing in Slovakia (SIPS)	896	3,682	(2,786)
2,960,118	5,634,841	(2,674,723)	

As at 31 December 2013, this item represents mainly liabilities from Tri-party repo transactions.

The interest rate applicable to repo transactions is 0.171-0.25% p.a. (0.061-0.320% p.a. as at 31 December 2012). The decrease in liabilities from repo transactions compared to the preceding period is due to maturity of repo transactions.

13. LIABILITIES TO OTHER EURO AREA RESIDENTS DENOMINATED IN EURO

EUR '000	31 Dec 2013	31 Dec 2012	Change
Public authority	2,722,653	2,606,615	116,038
Other liabilities	195,185	183,939	11,246
2,917,838	2,790,554	127,284	

Public authority

As at 31 December 2013, the NBS recognized within this caption term deposits from the Ministry of Finance of the Slovak Republic amounting to EUR 1,800,000 thousand (EUR 2,200,000 thousand as at 31 December 2012), and current accounts of the State treasury amounting to EUR 922,653 thousand (EUR 406,615 thousand as at 31 December 2012).

The interest rate applicable to term deposits is 0.140-0.365% p.a. (0.175-0.459% p.a. as at 31 December 2012).

Other Liabilities

EUR '000	31 Dec 2013	31 Dec 2012	Change
Client current accounts	12,127	11,511	616
Client term deposits	28,137	26,787	1,350
Current accounts of auxiliary financial institutions	3,831	331	3,500
Term deposits of auxiliary financial institutions	151,090	145,310	5,780
195,185	183,939	11,246	

The Bank recognized within this item current accounts and deposits from clients and auxiliary financial institutions (the Deposit Protection Fund and the Investment Guarantee Fund).

14. LIABILITIES TO NON-EURO AREA RESIDENTS DENOMINATED IN EURO

EUR '000	31 Dec 2013	31 Dec 2012	Change
Liabilities from repo transactions with gold	473,407	673,587	(200,180)
Liabilities from repo transactions	180,795	1,006	179,789
Liabilities from term deposits	2,400,000	2,840,000	(440,000)
Liabilities to international financial institutions	4,794	4,512	282
Clients' loan accounts		6	(6)
Deposits received for repo transactions	20	295	(275)
3,059,016	3,519,406	(460,390)	

Liabilities from inward term deposits represent central banks' deposits with maturity from one day to one month at an interest rate of 0.19% p.a. (0.11-0.27% p.a. as at 31 December 2012).

The interest rate applicable to repo transactions is 0.02-0.23% p.a. (0.07% p.a. as at 31 December 2012).



15. LIABILITIES TO EURO AREA RESIDENTS DENOMINATED IN FOREIGN CURRENCY

EUR '000	31 Dec 2013	31 Dec 2012	Change
Liabilities from repo transactions with gold	87,890	90,288	(2,398)
Current accounts of the State Treasury in foreign currency	28,056	16	28,040
	115,946	90,304	25,642

16. LIABILITIES TO NON-EURO AREA RESIDENTS DENOMINATED IN FOREIGN CURRENCY

As at 31 December 2013, this caption included liabilities from long-term repo transactions with gold in the total amount of EUR 62,995 thousand (EUR 64,970 thousand as at 31 December 2012) that are due in 2015 and 2016.

17. COUNTERPART OF SPECIAL DRAWING RIGHTS ALLOCATED BY THE IMF

As at 31 December 2013, the Bank recorded a liability to the IMF from the allocation of EUR 380,758 thousand (EUR 396,896 thousand as at 31 December 2012). The liability from the allocation is denominated in XDR. The IMF allocated XDR 265 million as part of the general allocation and XDR 75 million as part of a special allocation to Slovakia.

18. INTRA-EUROSYSTEM LIABILITIES

This caption includes the net liability attributable to the euro banknote allocation within the Eurosystem of EUR 75,966 thousand (claim of EUR 155,444 thousand as at 31 December 2012, see Note 10), which bears the main refinancing rate. As at 31 December 2013, the interest expenses from the liability attributable to the euro banknote allocation within the Eurosystem represent EUR 4,655 thousand (see Note 24).

19. OTHER LIABILITIES

EUR '000	31 Dec 2013	31 Dec 2012	Change
Off-balance-sheet instruments revaluation differences	743		743
Accruals and income collected in advance	119,457	158,404	(38,947)
Sundry	657,570	1,013,422	(355,852)
	777,770	1,171,826	(394,056)

Accruals and Income Collected in Advance

As at 31 December 2013, the major part of accruals represented interest expense from interest rate swaps in euro of EUR 113,119 thousand (EUR 154,043 thousand as at 31 December 2012).

Sundry

EUR '000	31 Dec 2013	31 Dec 2012	Change
Interest rate swaps	191,224	395,196	(203,972)
Deposits – collaterals to derivatives	201,820	358,120	(156,300)
Euro coins in circulation	132,478	125,987	6,491
SKK banknotes in circulation	79,235	82,732	(3,497)
SKK coins in circulation	46,985	47,138	(153)
Other	5,828	4,249	1,579
	657,570	1,013,422	(355,852)

The value of interest rate swaps as at 31 December 2013 represents the cumulative year-end revaluation loss which is gradually amortized to the profit/loss under net realized gains on interest rate swaps in accordance with the ECB guideline (see Note 25).

The purpose of deposits received – collateral for derivatives – is to secure the NBS credit risk in respect of a decrease in the value of the swap on the part of the counterparty. The year-on-year decrease in the volume of deposits is due to the decrease in the volume of interest rate swaps.

20. PROVISIONS

EUR '000	31 Dec 2013	31 Dec 2012	Change
General provision for financial risks	300,000	250,000	50,000
Provisions for payables to employees	3,715	3,370	345
Provisions for legal disputes	301	3,153	(2,852)
Provisions for unbilled supplies	638	613	25
	304,654	257,136	47,518

The Bank created a general provision for financial risks in order to protect against foreign exchange, interest rate, credit risks and risk from changes in gold prices. The amount of provision is reassessed on an annual basis, based on the



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decision of the Bank Board. In accordance with the decision of the Bank Board, the provision will be used to cover future realized and unrealized losses from financial activities.

As at 31 December 2013, the Bank reassessed the amount of provisions with regard to the risk of loss from legal disputes and recognized these liabilities under off-balance sheet contingent liabilities (see Section B, Note I).

21. REVALUATION ACCOUNTS

EUR '000	31 Dec 2013	31 Dec 2012	Change
Revaluation accounts on:			
– gold	254,418	651,733	(397,315)
– securities	306,367	528,805	(222,438)
– derivatives	15,279	19,664	(4,385)
– foreign currency	11,539	10,101	1,438
	587,603	1,210,303	(622,700)

The decrease in the revaluation accounts of gold compared to last year is due to decreased gold prices. The decrease in the revaluation accounts of securities compared to last year is linked to the development in the financial markets.

22. CAPITAL AND RESERVES

This item includes the statutory fund representing the paid-up capital assumed from separation of the balance sheet of the former State Bank of Czechoslovakia, which has been in the amount of EUR 15,490 thousand since the establishment of the NBS, and the assumed registered capital of the Financial Market Authority ("Úrad pre finančný trh, ÚFT") of EUR 551 thousand. With effect from 1 January 2006, the ÚFT was dissolved and merged with the NBS in accordance with the applicable law.

Reserves consist of general reserves and capital reserves.

As at 31 December 2013, the NBS's general reserves amounted to EUR 340,874 thousand (EUR 340,874 thousand as at 31 December 2012). The general reserves consist of contributions from profits of EUR 337,412 thousand generated from previous years. As at 1 January 2006, following the merger of the ÚFT with the NBS, the ÚFT's reserve fund of EUR 3,462 thousand was transferred to the NBS reserves. As at 31 December 2013, the NBS's capital reserves amounted to EUR 882 thousand (EUR 882 thousand as at 31 December 2012).

Summary of Changes in Equity and Accumulated Losses

EUR '000	Statutory fund	Capital reserves	General reserves	General provision for financial risks	Revaluation accounts profit/(loss)	Accumulated (loss) from previous years	Profit/(loss) of current year
1. Balance as at 31 December 2012	16,041	882	340,874	250,000	1,210,303	(5,605,892)	199,439
2. Transfer of profit for 2012 to accumulated loss from previous years						199,439	(199,439)
3. Transfer to statutory fund							
4. Transfer to general reserves							
5. Change in general provisions for financial risks				50,000			
6. Change in revaluation accounts of securities					(222,438)		
7. Change in revaluation accounts of derivatives					(4,385)		
8. Change in revaluation accounts of gold					(397,315)		
9. Change in revaluation accounts of foreign currencies					1,438		
10. Profit for the current reporting period							489,846
11. Change for the reporting period				50,000	(622,700)	199,439	290,407
12. Balance as at 31 December 2013	16,041	882	340,874	300,000	587,603	(5,406,453)	489,846



23. OFF-BALANCE SHEET INSTRUMENTS

EUR '000	31 Dec 2013		31 Dec 2012		Change	
	Receivables	Liabilities	Receivables	Liabilities	Receivables	Liabilities
Currency swaps in EUR (forward leg)	74,235	30,506	105,526		(31,291)	30,506
Currency swaps in USD (forward leg)	30,455	18,853		52,297	30,455	(33,444)
Currency swaps in JPY (forward leg)		23,729		24,153	0	(424)
Currency swaps in GBP (forward leg)		30,347		24,874	0	5,473
	104,690	103,435	105,526	101,324	(836)	2,111
EUR '000	31 Dec 2013		31 Dec 2012		Change	
	Receivables	Liabilities	Receivables	Liabilities	Receivables	Liabilities
Interest rate futures in EUR		35,000	297,000		(297,000)	35,000
Interest rate futures in USD				53,054		(53,054)
		35,000	297,000	53,054	(297,000)	(18,054)

24. NET INTEREST INCOME

EUR '000	31 Dec 2013	31 Dec 2012	Change
Investments in EUR	191,081	375,436	(184,355)
Investments in foreign currency	1,688	3,638	(1,950)
Monetary policy operations:	92,120	116,999	(24,879)
net interest income from securities	89,527	104,632	(15,105)
net interest income from loans and deposits	4,650	15,715	(11,065)
net interest expense from MRS	(2,057)	(3,348)	1,291
Interest income on foreign reserve assets	1,904	3,042	(1,138)
Remuneration of eurobanknotes	(4,655)	(4,968)	313
Remuneration of TARGET 2	30,205	(49,481)	79,686
	312,343	444,666	(132,323)

The decrease in net interest income from investments in EUR is mainly linked to the decrease in the net interest income from securities. The lower interest income from securities is due to the decrease of the key ECB interest rate, which is reflected in the decrease of coupons of newly-issued and acquired securities.

The decrease in interest income on foreign reserve assets was due to the decrease of the interest rate on the main refinancing operations and the decrease in the volume of the asset (see Note 8).

The change in remuneration of TARGET2 is due to the change in the NBS net position from November 2012. Until November 2012, the Bank recognized a liability towards the Eurosystem, from November 2012 to 31 December 2013, the Bank recognized an asset.

25. NET RESULT OF FINANCIAL OPERATIONS, WRITE-DOWNS AND RISK PROVISIONS

EUR '000	31 Dec 2013	31 Dec 2012	Change
Gains realized from financial operations	220,717	168,124	52,593
Net gains from interest rate swaps	198,215	120,246	77,969
Net foreign exchange gains	1,217	333	884
Net gains from sale of securities	21,138	47,510	(26,372)
Net foreign exchange gain from other operations	147	35	112
Write-downs on financial assets and positions	(6,802)	(200,949)	194,147
Losses from derivatives valuation	(1,229)	(197,534)	196,305
Losses from securities valuation	(2,469)	(2,899)	430
Losses from foreign currency valuation	(3,104)	(516)	(2,588)
Creation and use of general provision for foreign exchange rate, interest rate, credit and gold price risks	(50,000)	(250,000)	200,000
General provision for financial risks	(50,000)	(250,000)	200,000
	163,915	(282,825)	446,740



26. NET RESULT FROM FEES AND COMMISSIONS

EUR '000	31 Dec 2013	31 Dec 2012	Change
Fees and commissions from investment portfolio:	(396)	13	(409)
Net profit from operations with securities	106	621	(515)
Net profit from operations with clients	247	248	(1)
Net loss from operations with Banks	(701)	(781)	80
Net loss from interest futures	(36)	(63)	27
Other	(12)	(12)	0
Fees and commissions from monetary policy operations:	(129)	(144)	15
Net loss from operations with Banks	(188)	(189)	1
Net profit from operations with securities	59	45	14
Net profit from exchange of euro coins	58	62	(4)
	(467)	(69)	(398)

27. INCOME FROM EQUITY SHARES AND PARTICIPATING INTERESTS

EUR '000	31 Dec 2013	31 Dec 2012	Change
Income on the ECB profit of the current year	13,550	5,694	7,856
Participating interest in the ECB's net profit from previous year	4,196	755	3,441
Share on the ECB's net equity	438		438
Dividends from shares and participating interest	1,040	1,057	(17)
	19,224	7,506	11,718

In connection to the entry of Croatia into the European Union as at 1 July 2013, the NBS recorded a share in the ECB's net equity.

28. NET RESULT OF POOLING OF MONETARY INCOME

Monetary income in accordance with Article 32.1 of the Statute and Decision ECB/2010/23 on the allocation of monetary income of the national central banks of Member States whose currency

is the euro as amended, represents the net annual income derived from their assets, held against banknotes in circulation and deposit liabilities to credit institutions.

Monetary income is the income accruing in the performance of the monetary policy function of the ESCB.

Monetary income is distributed to the NBS in proportion to its paid-up shares in the capital of the ECB at the end of each financial year (0.9892%).

Monetary income pooled by the NBS for 2013 into the common pool of monetary income of the Eurosystem was EUR 114,758 thousand. The monetary income equivalent to the 0.9892% share of the NBS amounted to EUR 165,140 thousand. The difference of EUR 50,382 thousand (EUR 84,748 thousand as at 31 December 2012) represents the net result arising from the pooling of monetary income.

29. OTHER INCOME AND OTHER EXPENSES

As at 31 December 2013, most of the Bank's other income represented income from fees and contributions from financial market entities of EUR 4,027 thousand (EUR 3,875 thousand as at 31 December 2012), earned fees from participation in settlement systems of EUR 2,701 thousand (EUR 2,674 thousand as at 31 December 2012), and income from sales of commemorative coins and banknotes of EUR 1,749 thousand (EUR 2,408 thousand as at 31 December 2012).

As at 31 December 2013, the Bank's other expenses mainly represented costs of the minting of coins in circulation and collector coins of EUR 2,766 thousand (EUR 3,748 thousand as at 31 December 2012).

30. STAFF COSTS

EUR '000	31 Dec 2013	31 Dec 2012	Change
Wages and salaries	(22,346)	(21,879)	(467)
Social security costs	(8,153)	(7,497)	(656)
Other employee costs	(3,271)	(3,211)	(60)
	(33,770)	(32,587)	(1,183)

As at 31 December 2013, the average FTE number of employees was 1,005 (1,020 as at 31 Decem-



ber 2012), of whom 93 were managers (93 as at 31 December 2012).

Wages and employee benefits of the Bank Board's members for 2013 amounted to EUR 635 thousand (EUR 1,066 thousand in 2012). As at 31 December 2013 and 2012, the Bank recorded no outstanding loans to the members of the Bank Board.

The Bank has created a supplemental pension plan for its employees in cooperation with supplementary pension management companies. Contributions to the supplemental pension plans are recognized under "Other employee costs".

31. ADMINISTRATIVE EXPENSES

As at 31 December 2013, this item mainly included costs of technical support and IS maintenance, repairs and maintenance, energy consumption and telecommunications costs totaling EUR 9,353 thousand (EUR 9,660 thousand as at 31 December 2012).

Costs of audit of the financial statements by the auditor amounted to EUR 71 thousand as at 31 December 2013 (EUR 71 thousand as at 31 December 2012). As at 31 December 2013, the Bank did not record any costs of assurance and audit services and tax consulting as per Article 18 (6) of the Act on Accounting.

32. DEPRECIATION OF TANGIBLE AND INTANGIBLE FIXED ASSETS

EUR '000	31 Dec 2013	31 Dec 2012	Change
Depreciation of tangible fixed assets	(6,630)	(6,866)	236
Depreciation of intangible fixed assets	(2,377)	(2,633)	256
	(9,007)	(9,499)	492

33. BANKNOTE PRODUCTION SERVICES

As at 31 December 2013, the cost of printing euro banknotes amounted to EUR 3,585 thousand (EUR 143 thousand as at 31 December 2012).

34. PROFIT/ (LOSS) FOR THE YEAR

The result of the Bank's operations as at 31 December 2013 was a profit of EUR 489,846 thousand (profit EUR 199,439 thousand as at 31 December 2012). The most significant part of this item represents net interest income and realized gains from financial transactions (see Note 24 and 25).


D. POST-BALANCE SHEET EVENTS

In accordance with Article 33 of the Statute, the ECB Governing Council decided at its meeting on 19 February 2014, to distribute the ECB's net profit for 2013 to individual central banks based on the key on the ECB's paid-up capital. The NBS income of EUR 599 thousand from the distribution of profit is accounted for in the 2014 reporting period.

In connection with the entry of Latvia into the Eurosystem, the Eurosystem keys of the national central banks have been adjusted accordingly in line with Decision ECB/2013/53. As at 1 January 2014, the amount of the NBS Eurosystem key was adjusted to 1.1039% (0.9892% until 31 December 2013). The Banknote Allocation Key was adjusted to 1.0155% (0.9100% until 31 December 2013).

No significant events occurred subsequent to 31 December 2013 that would require any adjustments to the 2013 financial statements.

Bratislava, 11 March 2014


doc. Ing. Jozef Makúch, PhD.
Governor


Ing. Miroslav Uhrin
Executive Director
Division for
Financial Management,
Information Technology
and Facility Services


Ing. Katarína Taragelová
Director
Financial Management
Department



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**Appendix to the auditor's report
on the consistency of annual report with audited financial statements
in accordance with Act No. 540/2007 Z.z. § 23 par. 5**

To the Bank Board of Národná banka Slovenska:

- I. We have audited the financial statements of Národná banka Slovenska ("the Bank") as at 31 December 2013 presented in the annual report on pages 67 – 87. We issued the following audit report dated 11 March 2014 on the financial statements:

"Independent Auditors' Report"

To the Bank Board of Národná banka Slovenska:

We have audited the accompanying financial statements of Národná banka Slovenska ('the Bank'), which comprise the balance sheet as at 31 December 2013, the profit and loss account for the year then ended and a summary of significant accounting policies and other explanatory information.

Responsibility of the Bank Board of Národná banka Slovenska for the Financial Statements

Bank Board of Národná banka Slovenska is responsible for the preparation and presentation of financial statements that give a true and fair view in accordance with the Guideline of the European Central Bank of 11 November 2010 on the legal framework for accounting and financial reporting in the European System of Central Banks No. ECB/2010/20, as amended ('the ECB Guideline') and with Act No. 431/2002 Coll. on Accounting, as amended ('the Act on Accounting') and for such internal control as the Bank Board of Národná banka Slovenska determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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 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 control relevant to the Bank's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank'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 Národná banka Slovenska, 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 give a true and fair view of the financial position of the Bank as at 31 December 2013 and of its financial performance for the year then ended in accordance with the ECB Guideline and the Act on Accounting.

11 March 2014

Bratislava, Slovak Republic

Ernst & Young Slovakia, spol. s r.o.
SKAU Licence No. 257

Ing. Dalimil Draganovský
SKAU Licence No. 893"

THIS IS A TRANSLATION OF THE ORIGINAL SLOVAK REPORT

Spoločnosť zo skupiny Ernst & Young Global Limited
Ernst & Young Slovakia, spol. s r.o., IČO: 35 840 463, zapísaná v Obchodnom registri Okresného súdu Bratislava I, oddiel: Sro, vložka číslo: 27004/B a v zozname auditorov vedenom Slovenskou komorou auditorov pod č. 257.



- II. We have also audited the consistency of the annual report with the above-mentioned financial statements. The management of Národná banka Slovenska is responsible for the accuracy of preparation of the annual report. Our responsibility is to express an opinion on the consistency of the annual report with the 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 as to whether the accounting information presented in the annual report and derived from the financial statements is consistent, in all material respects, with the financial statements. We have checked that the information presented in the annual report is consistent with that contained in the audited financial statements as at 31 December 2013. We have not audited information that has not been derived from audited financial statements or Bank accounting records. We believe that our audit provides a reasonable basis for our opinion.

Based on our audit, the accounting information presented in the annual report is consistent, in all material respects, with the financial statements of the Bank as at 31 December 2013 and is in accordance with the Act No 566/1992 Coll. on the Národná banka Slovenska, as amended and special regulations valid for the Eurosystem.

29 April 2014
Bratislava, Slovak Republic

Ernst & Young Slovakia, spol. s r.o.
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