

Appendix to the auditor's report on the consistency  
of the Report on Results of Operations  
of Národná banka Slovenska  
for the year 2014 with the financial statements  
and

Report on Results of Operations of the NBS for  
the year 2014





**Appendix to the auditor's report  
on the consistency of the Report on Results of Operations of Národná banka Slovenska  
for the year 2014 with the financial statements**

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 2014 presented in the report for the National Council of the Slovak Republic. We issued the following audit report dated 10 March 2015 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 2014, 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*

THIS IS A TRANSLATION OF THE ORIGINAL SLOVAK REPORT



*In our opinion, the financial statements give a true and fair view of the financial position of the Bank as at 31 December 2014 and of its financial performance for the year then ended in accordance with the ECB Guideline and the Act on Accounting.*

10 March 2015  
Bratislava, Slovak Republic

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

Ing. Dalimil Draganovský  
SKAU Licence No.893"

- II. We have also audited the consistency of the Report on Results of Operations of Národná banka Slovenska for the year 2014 ("Report on Results of Operations") with the above mentioned financial statements. The Bank Board of Národná banka Slovenska is responsible for the accuracy of preparation of the Report on Results of Operations. Our responsibility is to express an opinion on the consistency of the Report on Results of Operations 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 Report on Results of Operations and derived from the financial statements is consistent, in all material respects, with the financial statements. We have verified that the information presented in the Report on Results of Operations is consistent with the information contained in the audited financial statements as at 31 December 2014. We have not audited information that not has been derived from the audited financial statements or the Bank's accounting records. We believe that our audit provides a reasonable basis for our opinion.

Based on our audit, the accounting information presented in the Report on Results of Operations is consistent, in all material respects, with the financial statements of the Bank as at 31 December 2014.

10 March 2015  
Bratislava, Slovak Republic



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



Ing. Dalimil Draganovský  
SKAU Licence No.893



**Appendix to the auditor's report on the consistency  
of the Report on Results of Operations  
of Národná banka Slovenska (NBS)  
for 2014 with the financial statements**

**and**

**Report on Results of Operations of the NBS for 2014**



# **Report on Results of Operations of the NBS for 2014**

## **Contents**

<b>1. Profit/Loss of the NBS</b>	p.	2
<b>1.1. Executive Summary</b>	p.	2
<b>1.2. Financial Activities</b>	p.	3
1.2.1. Execution of Monetary Policy	p.	4
1.2.2. Administration of Investment Reserves	p.	5
1.2.3. Transactions with the ECB	p.	7
1.2.4. Transactions with Clients	p.	7
<b>1.3. Issue of Banknotes and Coins</b>	p.	8
<b>1.4. Operating Costs and Revenues</b>	p.	9
1.4.1. Staff and Social Costs	p.	10
1.4.2. Administrative and Operating Costs and Revenues	p.	11
<b>2. Distribution of Profit/Loss</b>	p.	12





## 1. Profit/Loss of the NBS

### 1.1. Executive Summary

In 2014, the NBS reported an overall profit of EUR 102,193 thousand, wherein total costs reached EUR 844,019 thousand, from which financial, issue and operating costs represented EUR 624,019 thousand and creation of general provision on financial risks represented EUR 220,000 thousand. Total revenues reached EUR 946,212 thousand (refer to Table 1 and Chart 1).

The overall profit of the NBS was influenced by the recognized gain from financial activities of EUR 144,665 thousand. Net operating costs represented EUR 58,855 thousand and net costs for the issue of currency and collector coins were EUR 16,383 thousand.

Table 1: Profit/Loss of the NBS

	L. No.	Actual figures		$\Delta$ 2014 2013	Year-on-year change
		2014	2013		
<b>Financial activities</b>	1				
Results from financial operations (profit+/-loss-)	2	364,665	594,021	61%	(229,356)
Creation of general provision on financial risks	3	(220,000)	(50,000)	440%	(170,000)
Results from financial activities (profit+/-loss-)	4	144,665	544,021	27%	(399,356)
<b>Issue of currency and collector coins</b>	5				
Results from issue of currency and collector coins (profit+/-loss-)	6	16,383	(4,602)	x	20,985
<b>Operations</b>	7				
Results from operations (profit+/-loss-)	8	(58,855)	(49,573)	119%	(9,282)
<b>Financial, issue and operating costs of NBS</b>	9	(624,019)	(601,890)	104%	(22,129)
<b>Creation of general provision on financial risks</b>	10	(220,000)	(50,000)	440%	(170,000)
<b>Total costs for NBS (l. 9 and 10)</b>	11	(844,019)	(651,890)	129%	(192,129)
<b>Total revenues for NBS</b>	12	946,212	1,141,736	83%	(195,524)
<b>Profit/loss from NBS operations (profit+, loss-)</b>	13	102,193	489,846	21%	(387,653)

Chart 1

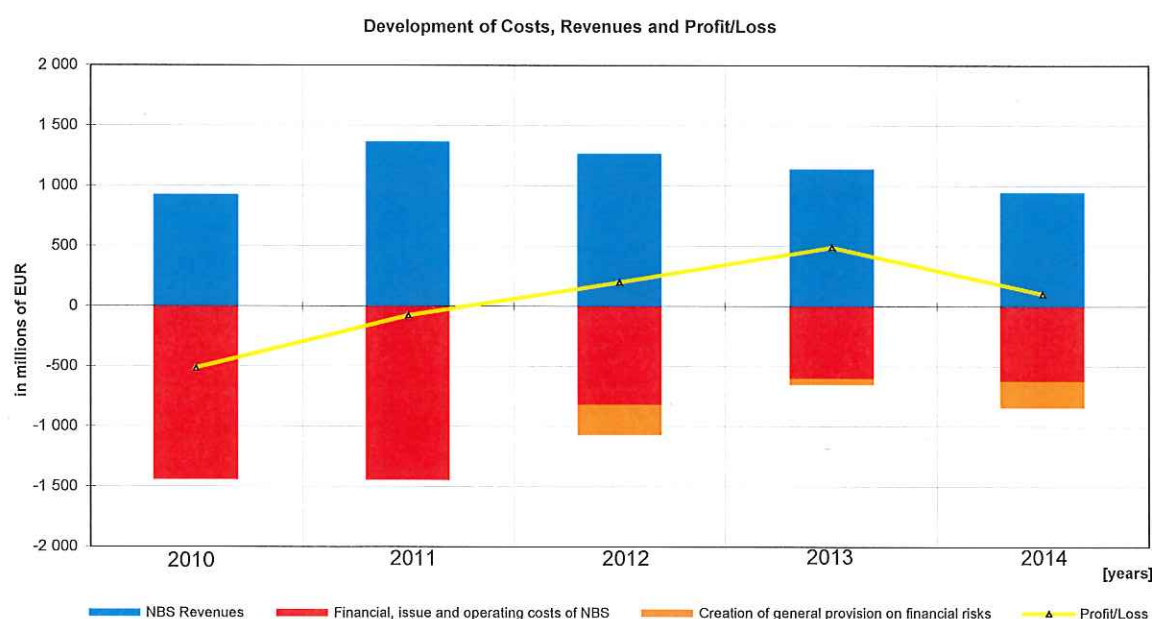
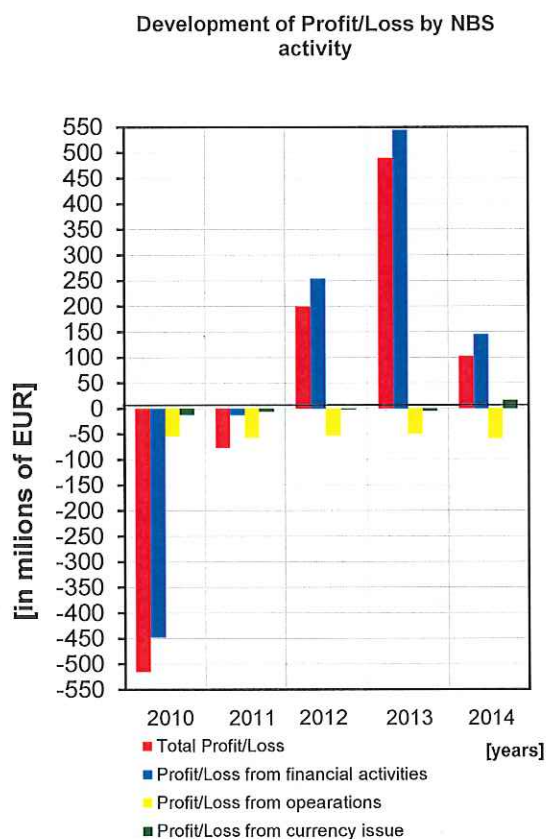


Chart 2 displays the impact of individual activities on the overall profit/loss of the Bank. The results in the area of financial activities significantly influence the overall results of the Bank generated in the current year. The impact of the operational area is stable and relatively insignificant.

Chart 2



## 1.2. Financial Activities

In the area of financial activities, the NBS conducts activities related to the execution of monetary policy within the euro area, administration of investment reserves, transactions with the ECB and international institutions, transactions with the Slovak Republic and with other clients.

In 2014, a profit of EUR 364,665 thousand was reported in the area of financial operations (2013: profit of EUR 594,021 thousand), which was substantially affected by a profit from administration of investment reserves, amounting to EUR 252,964 thousand, and a profit from execution of monetary policy, amounting to EUR 107,683. Further creation of general provision for financial risks of EUR 220,000 thousand led to a significant decrease of overall profit from financial activities reported in the amount of EUR 144,665 thousand (2013: 544,021 thousand). The general provision for financial risks is created on purpose to partially eliminate the uncertainty of financial market development and to protect the Bank against foreign exchange, interest rate, credit risks and risk from changes in gold prices.

Table 2: Profit/Loss from financial activities

	L. No.	Actual figures		Δ 2014 2013	Year-on-year change
		2014	2013		
<b>Financial activities</b>	1				
Results from monetary policy operations (profit+/loss-)	2	107,683	142,738	75%	(35,055)
Results from administration of investment reserves (profit+/loss)	3	252,964	445,620	57%	(192,656)
Profit/loss from transactions with ECB (profit+/loss-)	4	10,966	15,433	71%	(4,467)
Results from transactions with clients (profit+/loss-)	5	(6,948)	(9,770)	71%	2,822
General provision for financial risks	6	(220,000)	(50,000)	440%	(170,000)
Costs of financial activities	7	(769,131)	(588,146)	131%	(180,985)
Revenues from financial activities	8	913,796	1,132,167	81%	(218,371)
<b>Results from financial activities (profit+/loss-)</b>	9	<b>144,665</b>	<b>544,021</b>	<b>27%</b>	<b>(399,356)</b>



**1.2.1. Execution of Monetary Policy**

For 2014, the NBS reported a profit from execution of monetary policy of EUR 107,683 thousand (2013: profit of EUR 142,738 thousand). The favourable result

was largely due to higher interest income received from structural operations and share of the NBS on the monetary income from the Eurosystem.

Table 3: Profit/Loss from execution of monetary policy

	L. No.	Actual figures		$\Delta$ 2014 2013	Year-on-year change
		2014	2013		
<b>Execution of monetary policy</b>	<b>1</b>				
Open market operations total (l. 3, 5, 7, 9):	2	61,120	94,490	65%	(33,370)
Main refinancing operations (l. 4)	3	125	101	124%	24
- interest received	4	125	101	124%	24
Longer-term refinancing operations (l. 6):	5	417	4,657	9%	(4,240)
- interest received	6	417	4,657	9%	(4,240)
Fine-tuning operations (l. 8)	7	(583)	(108)	540%	(475)
- interest paid	8	(583)	(108)	540%	(475)
Structural operations (l. 10, 11):	9	61,161	89,840	68%	(28,679)
- interest received	10	61,161	89,527	68%	(28,366)
- revenue	11	0	313	0%	(313)
Standing facilities (l. 13):	12	28	0	x	28
- interest received	13	28	0	x	28
Compulsory minimum reserves (l. 15, 16):	14	(476)	(2,057)	23%	1,581
- interest received	15	167	0	x	167
- interest paid	16	(643)	(2,057)	31%	1,414
Share on monetary income of Eurosystem (l. 18, 19):	17	47,082	50,434	93%	(3,352)
- revenue	18	47,082	50,435	93%	(3,353)
- expense	19	0	(1)	0%	1
Fees, contractual penalties (l. 21, 22):	20	(71)	(129)	55%	58
- fees received	21	39	62	63%	(23)
- fees paid	22	(110)	(191)	58%	81
Costs of execution of monetary policy	23	(1,336)	(2,357)	57%	1,021
Revenues from execution of monetary policy	24	109,019	145,095	75%	(36,076)
Profit/loss from execution of monetary policy (profit+/loss-) (l. 23 and 24)	25	107,683	142,738	75%	35,055

Net profit from structural operations represented EUR 61,161 thousand (2013: profit of EUR 89,840 thousand). Structural operations include the Covered Bond Purchase Programme (CBPP1 and CBPP3) and the Securities Markets Programme (SMP).

As at 31 December 2014, under CBPP1 and CBPP3, the NBS recognized purchased covered bonds at an amortized cost totalling EUR 246.7 million and EUR 291.4 million, respectively (of which net interest received and recognized amounted to EUR 11,332 thousand and EUR 113 thousand, respectively). Under the SMP, securities at an amortized cost of EUR 820.1 million were recognized (of which net interest received and recognized amounted

to EUR 49,716 thousand). The participation of the NBS in the CBPP and SMP programmes resulted from the execution of the single Eurosystem monetary policy. In October 2014, NBS made its first purchase under the new CBPP3 programme. Purchases of securities under CBPP1 and SMP were terminated in 2010 and 2012, respectively.

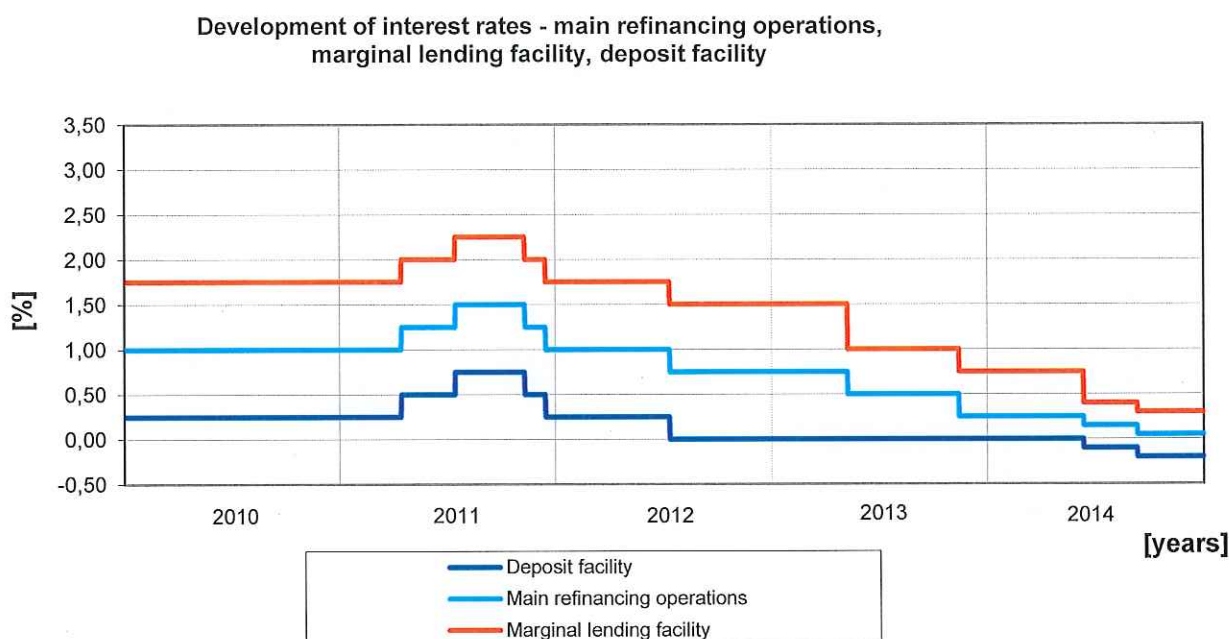
The share of Eurosystem monetary income represented EUR 47,082 thousand. Of that, EUR 47,072 thousand represented monetary income for 2014 and EUR 10 thousand was received interest (2013: EUR 50,434 thousand of which, EUR 50,382 thousand represented monetary income for 2013, EUR 53 thousand represented received interest and EUR 1 thousand

represented costs from the revised monetary income for 2012).

In 2014, the NBS paid interest from compulsory minimum reserves to banks of EUR 643 thousand (2013: EUR 2,057 thousand). Paid interest from compulsory minimum reserves decreased by 69%, resulting from the decrease of the interest rate for main refinancing operations in 2014. The NBS also received interest of

EUR 167 thousand from reserves exceeding compulsory minimum reserves in accordance with the Decision of the ECB of 5 June 2014 on the remuneration of deposits, balances and holdings of excess reserves (ECB/2014/23).

Chart 3



Interest received from longer-term refinancing operations decreased year-on-year, because of the decrease in volume of refinancing by these operations and the

decrease in the interest rate derived from the interest rate for main refinancing operations

### 1.2.2. Administration of Investment Reserves

The administration of investment reserves refers to the management of investment portfolios held for trading. These consist of securities, currency swaps, interest rate swaps, repo transactions, gold repo transactions and transactions on nostro accounts.

In 2014, the NBS reported a profit of EUR 252,964 thousand from the administration of investment reserves (refer to Table 4). This result was favourably influenced by a net profit from operations with securities amounting to EUR 318,490 thousand. The Bank's investment portfolio consisted of 93.7% (2013: 99.6%) bonds

denominated in EUR, issued by monetary financial institutions, the public sector and other institutions. The 5.9% decrease in the share of investment portfolio denominated in EUR is due to increased purchases of securities into the investment portfolio denominated in USD.

In the last quarter of 2014, the NBS started realizing transactions in the portfolio denominated in CNY (Chinese Yuan Renminbi) under the BIS Investment Pool Sovereign China.



The NBS received interest from TARGET 2 of EUR 8,497 thousand. Paid interest from the remaining balance in TARGET 2 depends on the main refinancing rate which decreased during the year from 0.25% to 0.05%. The year-on-year decrease in interest receivable was influenced mainly by a lower interest rate (average daily interest rate in 2014 was 0.16% and 0.54% in 2013).

Dividends from BIS paid out for financial year 2013/2014, accounted for EUR 695 thousand on revenues from operations with securities (2013: EUR 1,040 thousand, refer to Table 4, part of I.4).

Table 4: Profit/Loss from administration of investment reserves

	L. No.	Actual figures		$\Delta$ 2014 2013	Year-on-year change
		2014	2013		
<b>Administration of investment reserves</b>	<b>1</b>				
<b>Securities (I. 3 to 5):</b>	<b>2</b>	<b>318,490</b>	<b>420,989</b>	<b>76%</b>	<b>(102,499)</b>
- revenues from interest	3	303,473	402,966	75%	(99,493)
- revenues from operations with securities	4	16,720	22,173	75%	(5,453)
- costs of operations with securities and unrealized losses from revaluation	5	(1,703)	(4,150)	41%	2,447
<b>Transactions with gold (I. 7, 8)</b>	<b>6</b>	<b>24</b>	<b>(361)</b>	<b>x</b>	<b>385</b>
- interest received	7	2,888	2,499	116%	389
- interest paid	8	(2,864)	(2,860)	100%	(4)
<b>Transactions with derivatives (I. 10 to 13):</b>	<b>9</b>	<b>(60,306)</b>	<b>6,115</b>	<b>x</b>	<b>(66,421)</b>
- interest received	10	33,254	46,387	72%	(13,133)
- interest paid	11	(170,103)	(236,252)	72%	66,149
- revenues from transactions with derivatives	12	148,948	216,600	69%	(67,652)
- costs of transactions with derivatives and unrealized losses from revaluation	13	(72,405)	(20,620)	351%	(51,785)
<b>Credit operations (I. 15, 16):</b>	<b>14</b>	<b>(4,222)</b>	<b>(5,390)</b>	<b>78%</b>	<b>1,168</b>
- interest received	15	302	171	177%	131
- interest paid	16	(4,524)	(5,561)	81%	1,037
<b>Current accounts and deposits (I. 18, 19):</b>	<b>17</b>	<b>(2,760)</b>	<b>(3,455)</b>	<b>80%</b>	<b>695</b>
- interest received	18	656	969	68%	(313)
- interest paid	19	(3,416)	(4,424)	77%	1,008
<b>Foreign exchange rate differences (I. 21 to 23):</b>	<b>20</b>	<b>(6,054)</b>	<b>(1,740)</b>	<b>348%</b>	<b>(4,314)</b>
- realized exchange rate gains	21	278,260	244,389	114%	33,871
- realized exchange rate losses	22	(275,502)	(243,025)	113%	(32,477)
- unrealized exchange rate losses from revaluation	23	(8,812)	(3,104)	284%	(5,708)
<b>Receivables from/payables to TARGET2 (I. 25, 26):</b>	<b>24</b>	<b>8,497</b>	<b>30,205</b>	<b>28%</b>	<b>(21,708)</b>
- interest received	25	8,509	30,205	28%	(21,696)
- interest paid	26	(12)	0	x	(12)
<b>Fees (I. 28, 29):</b>	<b>27</b>	<b>(705)</b>	<b>(743)</b>	<b>95%</b>	<b>38</b>
- fees received	28	180	106	170%	74
- fees paid	29	(885)	(849)	104%	(36)
<b>Costs of administration of investment reserves</b>	<b>30</b>	<b>(540,226)</b>	<b>(520,845)</b>	<b>104%</b>	<b>(19,381)</b>
<b>Revenues from administration of investment reserves</b>	<b>31</b>	<b>793,190</b>	<b>966,465</b>	<b>82%</b>	<b>(173,275)</b>
<b>Profit/loss from administration of investment reserves (profit+/loss-) (I. 30 and 31)</b>	<b>32</b>	<b>252,964</b>	<b>445,620</b>	<b>57%</b>	<b>(192,656)</b>

The reported loss of EUR 4,222 thousand from credit transactions mainly consisted of interest paid from repo transactions of EUR 4,370 thousand and interest received in the amount of EUR 148 thousand from a redistribution loan for housing construction, from Slovenská

záručná a rozvojová banka, a.s. in 1990 (Table 4, part of I. 15, 16).

The net loss from fees for administration of investment reserves amounting to EUR 705 thousand was influenced mainly by fees paid for administration and execution of operations on NBS accounts in banks.

### 1.2.3. Transactions with the ECB

Transactions with the ECB are realized in accordance with the Protocol on the Statute of the European System of Central Banks and of the European Central Bank and the ECB's decisions. From these transactions, the Bank reported a net profit of EUR 10,966 thousand (refer to Table 5).

The share of the NBS in the ECB's profit amounted to EUR 9,880 thousand, out of which EUR 9,281 thousand represents its share in ECB profit for 2014 and EUR 599 thousand represents the NBS's received share in ECB net profit for 2013 (2013: the share of the NBS in ECB's profit amounted to EUR 18,184 thousand, out of which EUR 13,550 thousand represented its share in ECB profit for 2013, EUR 4,196 thousand its share for 2012 and the share in ECB's equity amounted to EUR 438 thousand).

Received interest on claims from the transfer of foreign exchange reserves into the ECB decreased by 67% and amounted to EUR 629 thousand (2013: EUR 1,904 thousand) as a result of a decreased interest rate for main refinancing operations (the interest payable on that receivable is 85% of that rate).

Received interest relating to receivable of banknote allocation within the Euro-system amounted to EUR 457 thousand (2013: the NBS paid interest in the amount of EUR 4,655 thousand. Paid interest was from an accrued compensation amount stated by the ECB; the compensation amount reduces the volume of banknotes in circulation according to the Banknote Allocation Key for a new EMU Member State for a period of five years).

Table 5: Profit/Loss from transactions with the ECB

	L. No.	Actual figures		Δ 2014 2013	Year-on-year change
		2014	2013		
<b>Transactions with the ECB</b>	<b>1</b>				
Receivables from transfer of foreign exchange reserves to the ECB (l. 3):	2	629	1,904	33%	(1,275)
- interest received	3	629	1,904	33%	(1,275)
Receivables/payables from issue of banknotes (l. 5, 6):	4	457	(4,655)	x	5,112
- interest received	5	457	0	x	457
- interest paid	6	0	(4,655)	0%	4,655
Share in ECB's profit	7	9,880	18,184	54%	(8,304)
Costs of transactions with the ECB	8	0	(4,655)	0%	4,655
Revenues from transactions with the ECB	9	10,966	20,088	55%	(9,122)
Profit/loss from transactions with the ECB (profit+/loss-) (l. 8 and 9)	10	10,966	15,433	71%	(4,467)

### 1.2.4. Transactions with Clients

This area covers costs and revenues generated by the Bank from transactions with clients and other transactions with domestic banks, not associated with the execution of monetary policy. Net loss reported from transactions with clients and other bank operations was EUR 6,948 thousand. In comparison to 2013 (EUR 9,770 thousand), the net loss decreased in

absolute terms by EUR 2,822 thousand. The main reason for the decrease in net loss was lower interest paid to the Slovak Republic for savings and current accounts of EUR 6,012 thousand (2013: EUR 8,374 thousand) as an effect of lower average daily principal on savings accounts of EUR 946 million.



Table 6: Profit/Loss from transactions with clients

	L. No.	Actual figures		Δ 2014 2013	Year-on- year change
		2014	2013		
<b>Transactions with clients</b>	<b>1</b>				
Current accounts and clients' deposits (I. 3 to 5):	2	(7,458)	(10,173)	73%	2,715
- interest received	3	106	110	96%	(4)
- interest paid to the Slovak Republic	4	(6,012)	(8,374)	72%	2,362
- interest paid other	5	(1,552)	(1,909)	81%	357
Other banking operations (I. 7):	6	(1)	(2)	50%	1
- decrease (-)/ increase (+) of value of claims against clients	7	(1)	(2)	50%	1
Fees (I.9, 10)	8	511	405	126%	106
- received fees	9	515	409	126%	106
- paid fees	10	(4)	(4)	100%	0
Cost of transactions with clients	11	(7,569)	(10,289)	74%	2,720
Revenues from transactions with clients	12	621	519	120%	102
<b>Result from transactions with clients (profit+/loss-) (I. 11 and 12)</b>	<b>13</b>	<b>(6,948)</b>	<b>(9,770)</b>	<b>71%</b>	<b>2,822</b>

### 1.3. Issue of Banknotes and Coins

Table 7: Profit/Loss from issue of banknotes and coins

	L. No.	Actual figures		Δ 2014 2013	Year-on- year change
		2014	2013		
<b>Issue of currency and collector coins</b>	<b>1</b>				
Costs of printing banknotes and minting coins	2	(8,664)	(6,351)	136%	(2,313)
Revenues from issue of banknotes and coins	3	25,047	1,749	1,432%	23,298
<b>Result from issue of currency and collector coins (profit+/loss-)</b>	<b>4</b>	<b>16,383</b>	<b>(4,602)</b>	<b>x</b>	<b>20,985</b>

In 2014, the profit of EUR 23,778 thousand resulting from unchanged Slovak crown coins in circulation (in accordance with law, exchange of Slovak crown coins was possible until 2 January 2014) had a positive effect on NBS's issue activities. The remaining part of the revenue was mainly represented by the sale of collector coins.

The total costs of currency issue activities represented EUR 8,664 thousand. These included mainly the costs of producing 82.08 million banknotes in nominal value of EUR 50 and 50.04 million

banknotes in nominal value of EUR 10 in the amount of EUR 6,255 thousand.

Costs of minting collector and circulation euro coins of EUR 2,352 thousand were used for producing 32.45 million circulation eurocoins (out of which 26.25 million items were one-cent eurocoins, 5 million items were two-cent eurocoins, 1 million items were commemorative circulating eurocoins in nominal value of EUR 2, and 200 thousand items of eurocoins were for annual collections). These costs also cover minting of 21,000 pieces of three types of collector coins (refer to Table 8).

Table 8: Collector and commemorative coins minted or issued in 2014

Name of commemorative circulation coin, collector coin	Number of coins in pcs
Silver collector coin with nominal value of EUR 10 Jozef Murgas – 150 <sup>th</sup> anniversary of birth – issued on 20 January 2014 <sup>1)</sup>	
standard version	3,400
Proof	6,300
Commemorative coin with nominal value of EUR 2 Entry of the Slovak Republic into the European Union – the 10 <sup>th</sup> anniversary – issued on 1 April 2014	
standard version	1,000,000
Proof	-
Silver collector coin with nominal value of EUR 20 Protected area of Dubnicke bane – field of opal – issued on 18 June 2014	
standard version	2,750
Proof	5,300
Gold collector coin in nominal value of EUR 100 King of Great Moravia Rastislav – issued on 3 November 2014	
standard version	-
Proof	4,000
Silver collector coin with nominal value of EUR 10 UNESCO World Heritage – Karpatske bukove pralesy – issued in March 2015	
standard version	3,100
Proof	5,800
<b>Total</b>	<b>1,030,650</b>
thereof minted in 2014	1,020,950

1) Note: Silver collector coin Jozef Murgas – 150th anniversary of birth, minted in 2013

#### 1.4. Operating Costs and Revenues

In 2014, the NBS participated in the activities of the Single Supervisory Mechanism in the Eurosystem. In accordance with the Amendment to Act No. 747/2004 on Supervision of the Financial Market, NBS has become a contact point for consumer protection in the Slovak financial market. During 2014, a comprehensive assessment of the three largest banks in Slovakia was performed. These facts and new activities have had a significant impact on the year-on-year increase in operating costs and an increase

in the number of employees. When abstracting from these extraordinary impacts, the operating result was comparable to 2013.

Net costs (i.e., costs less revenues) for securing operations and administration in 2014 amounted to EUR 58,855 thousand. This represented an increase in absolute terms of EUR 9,282 thousand compared to prior year (refer to Chart 2).



Table 9: Operating profit/loss

	L. No.	Actual figures		$\Delta$ 2014 2013	Year-on-year change
		2014	2013		
<b>Operating costs and revenues</b>	<b>1</b>				
Staff costs	2	23,257	22,346	104%	911
Social costs	3	11,839	11,424	104%	415
Operating and administration expenses	4	23,414	14,616	160%	8,798
Depreciation of tangible assets	5	6,504	6,630	98%	(126)
Amortization of intangible assets	6	1,210	2,377	51%	(1,167)
Fees and contributions received from financial market entities	7	(4,203)	(4,027)	104%	(176)
Other operating revenues	8	(3,166)	(3,793)	83%	627
Operating costs	9	66,224	57,393	115%	8,831
Operating revenues	10	(7,369)	(7,820)	94%	451
Operating profit/loss (loss)	11	58,855	49,573	119%	9,282

### 1.4.1. Staff and Social Costs

Staff costs include wages and salaries as well as other personnel costs. In 2014, they were drawn in the amount of EUR 23,257 thousand, representing an increase, compared to 2013, of 4%.

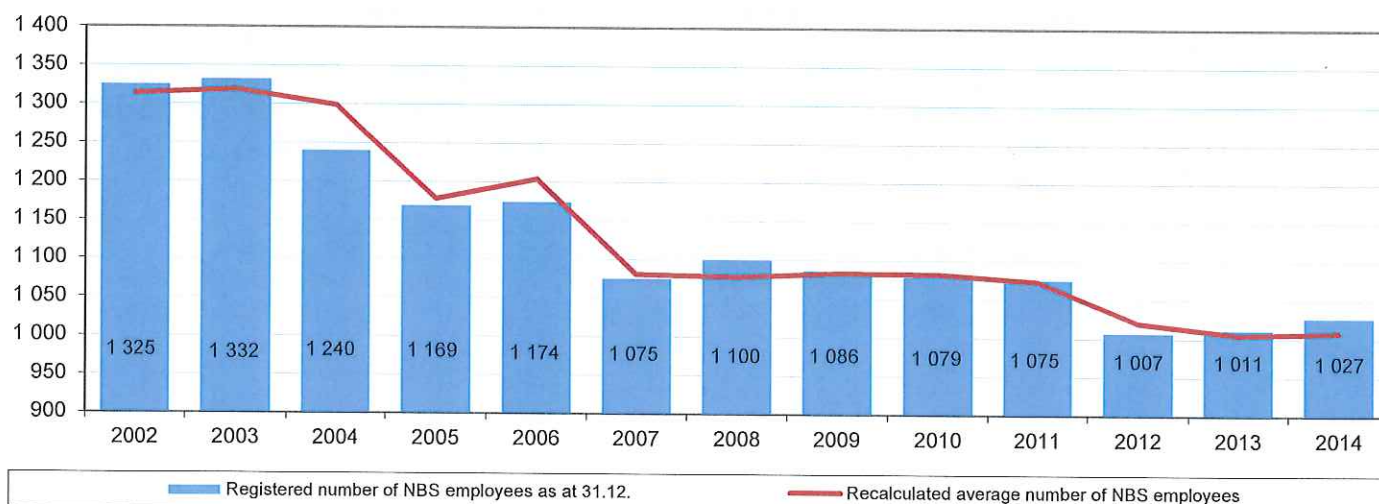
In 2014, the average headcount was 1,008 employees, which is three more than in the previous period. As at 31 December 2014, the NBS had a total of 1,027 employees, which is 16 more than a year before, i.e., an increase of 1.6% (refer to Chart 4 below). The year-on-year increase in the number of employees was affected mainly by engagement of NBS in the activities of the Single Supervisory Mechanism (joint supervision of the Eurosystem) and starting the activities

related to consumer protection in the financial market in accordance with the Amendment to Act No. 747/2004 on Supervision of the Financial Market.

In 2014, social costs represented EUR 11,839 thousand, with a year-on-year increase of 4%. In relation to employees, the social policy did not change in comparison to the prior year. They largely (71%) consisted of costs of statutory social insurance paid to the Slovak Insurance Agency and the health insurance companies (EUR 8,364 thousand). Costs of social policy concerning employees amounted to EUR 3,475 thousand.

Chart 4

Number of NBS employees



### 1.4.2. Administrative and Operating Costs and Revenues

Administrative and operating costs and revenues relate to activities of individual organizational units of the NBS in performing its primary objective and tasks resulting from the NBS Act.

In 2014, administrative and operating costs were drawn in a total of EUR 31,128 thousand. They include costs of EUR 23,414 thousand for operations and administration of buildings and equipment and of EUR 7,714 thousand for depreciation of tangible assets and amortization of intangible assets.

Costs incurred for operations and administration (refer to Table 10) increased on a year-on-year basis mainly due to the comprehensive assessment of the three major credit institutions in Slovakia (Všeobecná úverová banka, a.s., Slovenská

sporiteľňa, a.s. and Tatra banka, a.s.) by external audit firms (EUR 4,238 thousand), which resulted from the Single Supervisory Mechanism in the Eurosystem. Negative effects on operating results were represented by one-off revaluation of buildings (of closed branches) for sale (EUR 911 thousand) and delayed delivery of computers from 2013 (in the amount of EUR 465 thousand). In 2013, a positive effect was represented by the release of provisions for liabilities from previous years; but this effect did not occur in 2014.

Operating revenues mainly consisted of contributions and fees from the supervised financial market entities (EUR 4,203 thousand) and of received fees for the usage of the domestic interbank payment system SIPS (EUR 2,239 thousand).

Table 10: Operating and administrative costs

Item	L. No.	Actual figures		$\Delta$ 2014 2013	Year-on-year change
		2014	2013		
Costs of rating, audit and other audit-related fees	1	4,533	333	1,361%	4,200
Costs of IS technical support and maintenance	2	4,097	3,675	111%	422
Repairs and maintenance	3	2,702	2,626	103%	76
Consumption of material	4	2,159	879	246%	1,280
Energy consumption	5	1,660	1,658	100%	2
Telecommunications costs (access tariffs and data transfer included)	6	1,588	1,628	98%	(40)
Contributions to legal entities and membership	7	1,072	770	139%	302
Travel costs	8	892	788	113%	104
Complex education	9	804	829	97%	(25)
Promotional costs and costs related to periodicals, non-periodicals and information materials	10	450	498	90%	(48)
Cleaning services	11	435	415	105%	20
Financial donations	12	401	421	95%	(20)
Representation costs	13	335	615	54%	(280)
Taxes and fees	14	257	306	84%	(49)
Rent	15	239	453	53%	(214)
Insurance paid	16	154	168	92%	(14)
Costs of protection of facilities and protection of transport of currency in circulation	17	146	150	97%	(4)
Costs of translation, interpreting and advisory services	18	60	37	162%	23
Other administrative and operating costs	19	1,430	(1,633)	x	3,063
<b>Services purchased and other operating and administrative costs (l. 1 to 19)</b>	<b>20</b>	<b>23,414</b>	<b>14,616</b>	<b>160%</b>	<b>8,798</b>



**2. Distribution of Profit/Loss**


In accordance with Section 39.4 of the Act on NBS, the NBS reported result is either profit or loss. The NBS uses profit for allocation into a reserve fund and other funds created from profit, or to cover losses from previous years. The loss in the respective accounting period can be settled from the reserve fund or from other funds. If the Bank Board decides that an incurred

loss remains unsettled, it is transferred into the following accounting period.

In 2014, the NBS generated a profit of EUR 102,193 thousand. By a decision of the Bank Board of the NBS dated 10 March 2015, the profit for 2014 was settled against the accumulated losses from previous years (refer to Table 11).

*Table 11: Distribution of profit / settlement of loss*

Item	L. No.	Settlement of profit/loss	
		2014	2013
Profit(+)/Loss(-) for current year	1	102,193	489,846
Transfer in funds (appropriations (-), transfers from (+)):			
Statutory fund	2	0	0
Reserve fund	3	0	0
Capital funds	4	0	0
<b>Profit (+)/Loss (-) for current year after transfers in funds (l. 1 to l. 4)</b>	<b>5</b>	<b>102,193</b>	<b>489,846</b>
Transfer against losses from previous years	6	(102,193)	(489,846)
<b>Profit (+)/Loss (-) for current year after settlement (l. 5 + l. 6)</b>	<b>7</b>	<b>0</b>	<b>0</b>

  
 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



