NBP Narodowy Bank Polski

Financial Statements of Narodowy Bank Polski as at 31 December 2017

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Balance Sheet of NBP as at 31 December 2017

Assets	Note	31.12.2016	31.12.2017
		PLN thousand	
1. Gold and gold receivables	1	16,035,770.9	14,942,147.1
2. Claims on non-residents denominated in foreign currency		463,246,904.8	379,434,903.9
2.1. Receivables from the IMF	2	*4,394,707.8*	*3,374,388.1*
2.2. Balances with foreign institutions, securities, loans granted and other foreign assets	3	*458,852,197.0*	*376,060,515.8*
3. Claims on residents denominated in foreign currency		0.0	0.0
4. Claims on non-residents denominated in domestic currency		0.0	0.0
5. Claims on other domestic monetary financial institutions related to monetary policy operations denominated in domestic currency		0.0	0.0
5.1. Main refinancing operations		*0.0*	*0.0*
5.2. Long-term refinancing operations		*0.0*	*0.0*
5.3. Fine-tuning operations		*0.0*	*0.0*
5.4. Structural operations		*0.0*	*0.0*
5.5. Marginal lending facilities		*0.0*	*0.0*
6. Other claims on other domestic monetary financial institutions denominated in domestic currency	4	424.0	529.0
7. Securities of residents denominated in domestic currency		0.0	0.0
8. Claims on general government denominated in domestic currency		0.0	0.0
9. Items in course of settlement		0.0	0.0
10. Other assets		1,605,404.8	1,443,867.6
10.1. Tangible and intangible fixed assets	5	*916,396.1*	*915,063.0*
10.2. Other financial assets	6	*278,268.3*	*265,901.7*
10.3. Off-balance-sheet instruments revaluation differences	7	*52,667.6*	*23,022.7*
10.4. Accruals and prepaid expenses	8	*29,917.4*	*33,156.3*
10.5. Sundry	9	*328,155.4*	*206,723.9*
Total assets		**480,888,504.5**	**395,821,447.6**

Liabilities	Note	31.12.2016	31.12.2017
		PLN thousand	
1. Banknotes and coins in circulation	10	187,574,849.5	198,715,915.2
2. Liabilities to other domestic monetary financial institutions related to monetary policy operations denominated in domestic currency	11	114,553,118.7	128,003,831.0
2.1. Current accounts (incl. the required minimum reserve accounts)		*25,878,583.9*	*28,301,807.1*
2.2. Deposit facilities		*7,366,064.8*	*5,278,903.9*
2.3. Fixed-interest deposits		*0.0*	*0.0*
2.4. Other monetary policy operations		*81,308,470.0*	*94,423,120.0*
3. Other liabilities to other domestic monetary financial institutions denominated in domestic currency	12	468,823.0	471,354.0
4. Liabilities to other residents denominated in domestic currency	13	4,980,569.3	7,581,248.1
4.1. Liabilities to general government		*4,962,840.1*	*7,560,576.7*
4.2. Other liabilities		*17,729.2*	*20,671.4*
5. Liabilities to non-residents denominated in domestic currency	14	4,369,292.4	2,862,039.9
6. Liabilities to residents denominated in foreign currency	15	27,269,408.7	19,304,330.0
7. Liabilities to non-residents denominated in foreign currency	16	77,748,365.9	29,178,544.7
8. Liabilities to the IMF	17	7,401,999.6	6,485,630.0
9. Items in course of settlement		0.0	0.0
10. Other liabilities		367,570.5	226,796.1
10.1. Off-balance-sheet instruments revaluation differences	18	*114,071.4*	*13,681.4*
10.2. Accruals and deferred income	19	*131,628.2*	*113,940.2*
10.3. Sundry	20	*121,870.9*	*99,174.5*
11. Provisions for future liabilities	21	133,314.0	133,784.0
12. Revaluation accounts	22	44,312,771.7	13,223,338.0
13. Capital and reserves	23	13,315,346.1	2,967,483.8
13.1. Statutory fund		*1,500,000.0*	*1,500,000.0*
13.2. Reserve fund		*1,007,434.5*	*1,467,483.8*
13.3. Reserves		*10,807,911.6*	*0.0*
14. Financial result	24	-1,606,924.9	-13,332,847.2
14.1. Financial result for the current year		*9,200,986.7*	*-2,524,935.6*
14.2. Loss of previous years		*-10,807,911.6*	*-10,807,911.6*
Total liabilities		**480,888,504.5**	**395,821,447.6**

Director of the Accounting
and Finance Department
of Narodowy Bank Polski:

/-/ Krzysztof Kruszewski

Management Board
of Narodowy Bank Polski:

/-/ Adam Glapiński
/-/ Piotr Wiesiołek
/-/ Anna Trzecińska
/-/ Jacek Bartkiewicz
/-/ Andrzej Kaźmierczak
/-/ Ryszard Kokoszczyński
/-/ Paweł Samecki
/-/ Paweł Szałamacha
/-/ Katarzyna Zajdel-Kurowska

Warsaw, 21 March 2018

Profit and Loss Account of NBP for the year ended 31 December 2017

	Note	2016	2017
		PLN thousand	
1. Net result on interest, discount and premium	28	867,087.6	810,923.8
1.1. Interest, discount and premium income		*6,240,080.7*	*6,253,315.0*
1.2. Interest, discount and premium expenses		*5,372,993.1*	*5,442,391.2*
2. Net result on financial operations		9,285,022.2	-2,388,017.7
2.1. Income on financial operations	29	*15,175,692.6*	*6,101,229.4*
2.2. Expenses on financial operations	29	*4,190,076.0*	*5,545,164.0*
2.3. Unrealised losses	30	*2,100,594.4*	*13,751,994.7*
2.4. Income on transfers from risk provisions and on reversal of write-downs on financial assets	31	*400,000.0*	*10,807,911.6*
2.5. Expenses on transfers to risk provisions and on write-downs on financial assets		*0.0*	*0.0*
3. Net result on fees and commissions		5,706.2	11,773.8
3.1. Fees and commissions income	32	*59,667.6*	*47,000.6*
3.2. Fees and commissions expenses	33	*53,961.4*	*35,226.8*
4. Income on shares and participating interests	34	15,016.7	17,289.4
5. Other income	35	84,923.6	112,997.1
A. Total net income [1+2+3+4+5]		**10,257,756.3**	**-1,435,033.6**
6. Salaries and social contributions	36	477,380.6	486,955.0
7. Administrative expenses	37	232,602.7	228,260.6
8. Depreciation and amortisation expenses	38	84,840.3	81,991.8
9. Expenses on issue of banknotes and coins	39	250,932.1	280,088.9
10. Other expenses	40	11,013.9	12,605.7
B. Financial result for the current year [A-6-7-8-9-10]	41	**9,200,986.7**	**-2,524,935.6**

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/-/ Paweł Samecki
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/-/ Katarzyna Zajdel-Kurowska

Warsaw, 21 March 2018

Notes

1. Introduction

1.1. Legal basis, scope of activities and bodies of NBP

In accordance with Article 227 para. 1 of the Constitution of the Republic of Poland, Narodowy Bank Polski, hereinafter referred to as "NBP", is the central bank of the State. It has the exclusive right to issue money as well as to formulate and implement monetary policy. NBP is responsible for the value of Polish currency.

The role, functions, objective and tasks of NBP are set forth in the following acts and regulations:

- the Act of 29 August 1997 on Narodowy Bank Polski (Journal of Laws of 2017, item 1373), hereinafter referred to as the "Act on NBP",
- the Act of 29 August 1997 – Banking Law (Journal of Laws of 2017, item 1876, as amended),
- the Treaty on European Union and the Treaty on the Functioning of the European Union (consolidated texts: Official Journal of the EU 2016 C 202 of 7 June 2016, p. 1).

Pursuant to Article 2 of the Act on NBP, NBP has a legal personality and is not subject to entry into the register of State enterprises. NBP performs its activities in the territory of the Republic of Poland, and its registered office is in Warsaw.

In accordance with the Act on NBP, the basic objective of the activity of NBP is to maintain price stability, while supporting the economic policy of the government, insofar as this does not constrain the basic objective of NBP. The tasks of NBP also include:

- organising payments,
- managing the foreign exchange reserves,
- conducting foreign exchange activities within the bounds stipulated by relevant laws,
- providing banking services to the State budget,
- regulating the liquidity of banks and providing them with refinancing facilities,
- establishing the necessary conditions for the development of the banking system,
- acting in favour of the stability of the financial system,
- acting with the aim of eliminating or mitigating systemic risk in the financial system,
- compiling monetary and banking statistics, the balance of payments and the international investment position,
- performing other tasks as specified by laws.

In accordance with the Constitution of the Republic of Poland and the Act on NBP, the bodies of NBP are:

1. President of NBP (appointed for a six-year term of office),
2. Monetary Policy Council (its members are appointed for a six-year non-renewable term of office),
3. Management Board of NBP (its members are appointed for a six-year term of office).

The composition of NBP bodies as at 31 December 2017 was as follows:

President of NBP

Adam Glapiński

Monetary Policy Council

Chairperson	*Adam Glapiński*		
Members	*Grażyna Ancyparowicz*	*Jerzy Kropiwnicki*	*Rafał Sura*
	Eugeniusz Gatnar	*Eryk Łon*	*Kamil Zubelewicz*
	Łukasz Hardt	*Jerzy Osiatyński*	*Jerzy Żyżyński*

Management Board of NBP

Chairperson	*Adam Glapiński*		
Vice President of NBP - First Deputy President of NBP	*Piotr Wiesiołek*		
Vice President of NBP	*Anna Trzecińska*		
Members	*Jacek Bartkiewicz*	*Ryszard Kokoszczyński*	*Paweł Szałamacha*
	Andrzej Kaźmierczak	*Paweł Samecki*	*Katarzyna Zajdel-Kurowska*

1.2. Legal basis of preparation of the financial statements

The financial statements of NBP as at 31 December 2017 were prepared on the basis of the following provisions:

- the Act on NBP,

- Resolution No. 16/2003 of the Monetary Policy Council of 16 December 2003 on the accounting principles, format of the balance sheet and the profit and loss account of Narodowy Bank Polski (NBP Official Journal, item 38, as amended),
- Resolution No. 12/2010 of the Monetary Policy Council of 14 December 2010 on the principles for creating and releasing the provision against the foreign exchange rate risk of the zloty at Narodowy Bank Polski (NBP Official Journal, item 19), hereinafter referred to as "Resolution No. 12/2010",
- Resolution No. 45/2013 of the Management Board of Narodowy Bank Polski of 12 December 2013 on performing tasks in the area of accounting at Narodowy Bank Polski, as amended.

1.3. Period covered by the financial statements

The financial statements cover the calendar year from 1 January 2017 to 31 December 2017. Comparable data in the financial statements cover the calendar year from 1 January 2016 to 31 December 2016.

1.4. Certified auditor and its selection

The annual financial statements of NBP prepared as at 31 December 2017 are subject to audit and evaluation by the certified auditor KPMG Audyt spółka z ograniczoną odpowiedzialnością sp.k., with its registered office in Warsaw. The certified auditor was appointed by the Monetary Policy Council, hereinafter referred to as the "MPC", in 2017 in accordance with Article 69 para. 1 of the Act on NBP. The selection was made following an open tendering, pursuant to the Act of 29 January 2004 – Public Procurement Law (Journal of Laws of 2015, item 2164, as amended), for a period of two years (audit of the financial statements for the years 2017 and 2018).

1.5. Information on the adoption and approval of NBP financial statements for the year 2016

The annual financial statements of NBP prepared as at 31 December 2016 were adopted by the MPC by Resolution No. 1/2017 on 4 April 2017 (NBP Official Journal, item 8) and approved by the Council of Ministers by Resolution No. 83/2017 on 5 June 2017. The certified auditor in charge of auditing the financial statements – Ernst & Young Audyt Polska spółka z ograniczoną odpowiedzialnością sp.k. – issued an unmodified opinion on the audited financial statements.

In the financial statements prepared as at 31 December 2016, NBP recorded a financial result of PLN 9,200,986.7 thousand. Therefore in 2017, in accordance with Article 69 para. 4 of the Act on NBP, NBP paid a contribution from profit to the State budget in the amount of PLN 8,740,937.4 thousand. In accordance with Article 62 of the Act on NBP, 5% of NBP's profit, i.e. PLN 460,049.3 thousand, was allocated to reserve fund.

2. Description of significant accounting principles

2.1. Basic accounting principles

The accounting principles applied by NBP, as specified in the legal regulations listed in point 1.2. of the Introduction to the financial statements, conform to the standards applied in the European System of Central Banks, hereinafter referred to as "ESCB", the basis of which is the Guideline of the European Central Bank of 3 November 2016 on the legal framework for accounting and financial reporting in the European System of Central Banks (ECB/2016/34), hereinafter referred to as "the ECB Guideline".

The following accounting principles are applied during the preparation of the financial statements of NBP:

- true and fair view,
- going concern,
- prudence,
- materiality,
- comparability,
- accrual.

2.2. Going concern

The financial statements of NBP were prepared under the going concern assumption. In accordance with Article 58 of the Act on NBP, NBP cannot be declared bankrupt.

2.3. Recognition of transactions in the accounting books

All economic events of a given financial year are recognised in the accounting books for that year.

When recognising transactions in the accounting books, NBP follows the so-called economic approach as laid down in the ECB Guideline. Consequently, the following rules are applied:

- foreign currencies and gold purchased or sold in a spot transaction or a forward transaction are recognised in the accounting books (on off-balance-sheet accounts) on the trade date,
- interest, discount and premium on assets and liabilities as well as on off-balance-sheet instruments are recognised in the Profit and Loss Account at the end of each operating day.[1]

[1] Except for:
- interest on nostro accounts balances, which is recognised as at the payment date,
- interest payable on the required minimum reserve and interest on assets and liabilities related to own administrative activities, which is recognised at the month-end,
- interest on initial margins related to futures, which is recognised in the financial result on the payment date.

Securities purchased or sold in a spot transaction are recognised in NBP accounting books on the settlement date.

2.4. Valuation as at the balance sheet date

In financial statements, for gold, foreign currencies, securities purchased by NBP (except for securities held to maturity and non-marketable securities) and off-balance-sheet financial instruments the principle of valuation at market prices/exchange rates is applied.[2] The results of the assets and liabilities valuation at market prices/exchange rates effective as at the balance sheet date are recognised in accordance with the following rules:

- unrealised losses (revaluation losses) are recognised in the financial result,
- unrealised gains (revaluation gains) are not recognised in the financial result – they are recognised on the liabilities side of the balance sheet as *Revaluation accounts*.

The remaining assets and liabilities are valued on the basis of historical cost.

2.5. Principles for recognition and valuation of assets, liabilities and off-balance-sheet financial instruments and for recognition of income and expenses in the financial result

2.5.1. Gold

Gold purchased is recognised in the NBP accounting books at purchase price, while gold receivables and liabilities – at the average market price of gold as at the date of recognition of the economic event in the accounting books. The prices of an ounce of gold in USD are translated into domestic currency according to the average NBP exchange rate of the USD effective as at the date of recognition of the economic event in the accounting books.

Assets and liabilities in gold, including spot transactions recognised on off-balance-sheet accounts and off-balance-sheet financial instruments in gold, constitute a holding of gold, for which the average cost is calculated. The average cost of gold holding, which is the average cost of purchasing an ounce of gold by NBP, is used to calculate income and expenses arising from the sale of gold (realised foreign exchange gains or losses) and determine the results of balance sheet valuation. At the end of the operating day, the value in domestic currency of positions in gold is adjusted to the average cost of gold holding.

At the balance sheet date, gold is valued according to the average market price of an ounce of gold, translated into domestic currency according to the average NBP exchange rate of the USD effective

[2] Off-balance-sheet items in foreign currency arising from foreign exchange forwards and foreign exchange swaps are valued at the average NBP exchange rate.

as at the balance sheet date. No distinction is made between the results of currency and price valuation of gold – they are treated jointly as currency revaluation differences. Unrealised losses, recognised in the financial result on the balance sheet date, change the average cost of gold holding.

2.5.2. Foreign currency

Foreign currency purchased or sold by NBP for:

- domestic currency – is recognised in the accounting books at the exchange rate specified in an agreement or in a separate regulation,
- other foreign currency – is recognised in the accounting books in the amount of quoted foreign currency, which was translated into domestic currency at the average exchange rate effective as at the date of recognition of the economic event in the accounting books.

In other cases, foreign currency is translated into domestic currency at the average NBP exchange rate effective as at the date of the economic event or at the average NBP exchange rate effective as at the date of recognition of the economic event in the accounting books.

Assets and liabilities in a foreign currency, including spot transactions recognised on off-balance-sheet accounts and off-balance-sheet financial instruments in that foreign currency, constitute a holding of foreign currency, for which the average cost is calculated. A holding of foreign currency is formed for each foreign currency separately. The average cost of foreign currency holding, which is the average cost of purchasing a unit of foreign currency by NBP, is used to calculate income and expenses arising from the sale of foreign currency (realised foreign exchange gains or losses) and determine the results of balance sheet valuation. At the end of the operating day, the value in domestic currency of positions in foreign currency is adjusted to the average cost of a foreign currency holding.

At the balance sheet date, foreign currencies are valued at the average NBP exchange rates effective as at the balance sheet date. Unrealised losses related to a given holding of foreign currency (gold) are not netted with unrealised gains on any other holding of foreign currency (gold). Unrealised losses recognised in the financial result on the balance sheet date change the average cost of a foreign currency holding.

Special Drawing Right, hereinafter referred to as "SDR", is treated as a separate foreign currency. Transactions that entail a change of the SDR position are either transactions denominated in SDR, or transactions in foreign currencies replicating the basket composition of SDR (according to the respective basket definition and weightings). When recognising unrealised gains and losses at the balance sheet date, it is assumed that a holding of SDR includes individual designated foreign currency holdings underlying the SDR basket.

2.5.3. Securities purchased by NBP

Securities purchased in a spot transaction are recognised in the NBP accounting books at purchase price.

Discount and premium on securities purchased are recognised in the financial result (as discount income or premium expenses, respectively) at the end of each operating day in amounts calculated according to the internal rate of return. Interest on securities purchased is recognised in the financial result (as interest income) at the end of each operating day in amounts calculated pro-rata to the time elapsed between the purchase date and the end of each day.

Securities with the same (ISIN) code, in relation to which NBP has a defined business intention, constitute a holding of securities.

For marketable securities not classified as securities held to maturity the average cost of holding is calculated. The average cost of a securities holding, which is the average cost of purchasing by NBP a security of a given code (adjusted for the amortised discount and premium), is used to calculate income and expenses arising from the sale of securities (realised price gains or losses) and to determine the results of balance sheet valuation.

At the balance sheet date, marketable securities not classified as securities held to maturity are valued at the average market price effective as at the balance sheet date. Unrealised losses related to a given holding of securities are not netted with unrealised gains on any other holding of securities. Unrealised losses recognised in the financial result on the balance sheet date change the average cost of a securities holding.

Marketable securities held to maturity and non-marketable securities are valued as at the balance sheet date at purchase price, adjusted for the amortised discount/premium, less impairment.

2.5.4. Shares and participating interests

Non-marketable shares and participating interests are recognised in the NBP accounting books at purchase price and as at the balance sheet date are valued at purchase price less impairment.

2.5.5. Repo / reverse repo transactions

A repo transaction is a contract under which an entity agrees to sell securities and, simultaneously, agrees to re-purchase these securities after a stated time, for an agreed price. This transaction is recognised in NBP balance sheet liabilities as a received deposit, collateralised with securities whose holding is not decreased on the trade date.

A reverse repo transaction is a contract under which an entity agrees to purchase securities and, simultaneously, agrees to re-sell these securities after a stated time, for an agreed price. This transaction is recognised in NBP balance sheet assets as a loan granted, collateralised with securities whose holding is not increased on the trade date. Securities purchased in reverse repo transactions are not subject to valuation and no income or expense on these securities is recognised in the financial result.

The difference between the agreed selling and re-purchasing (purchasing and re-selling) price of securities that constitute a collateral of the repo/reverse repo transactions is taken to the Profit and Loss Account at the end of each operating day in amounts calculated pro-rata to the time elapsed between the date of asset or liability recognition and the end of each day.

2.5.6. Banknotes and coins in circulation

Banknotes and coins in circulation are recognised in NBP balance sheet liabilities at nominal value of banknotes and coins issued, decreased by nominal value of banknotes and coins:

- at NBP cash points and vaults,
- deposited in vaults of other banks,
- that have been withdrawn from circulation due to being worn out or damaged.

Expenses on the issue of banknotes and coins are recognised in the financial result on the date they are incurred, regardless of the date banknotes and coins are put into circulation.

2.5.7. Securities issued by NBP

Securities issued by NBP are recognised in NBP balance sheet liabilities at nominal value.

Discount and premium on securities issued by NBP are recorded as accruals and recognised in the financial result (as discount expenses or premium income, respectively) at the end of each operating day in the amounts calculated for the period for which a given security was issued, pro-rata to the time elapsed between the date of liability recognition and the end of each day.

Interest on securities issued by NBP is recognised in the financial result (as interest expenses) at the end of each operating day in amounts calculated for the period for which a given security was issued, pro-rata to the time elapsed between the date of liability recognition and the end of each day.

2.5.8. Tangible and intangible fixed assets

Tangible and intangible fixed assets are recognised in NBP balance sheet assets at:

- purchase price, increased by costs directly related to the purchase and adaptation of an asset to the condition enabling its use, or
- production cost.

Tangible and intangible fixed assets are depreciated/amortised according to the straight-line method beginning from the month which follows the month when the asset was made available for use. The table below presents the estimated periods of use for particular groups of tangible and intangible fixed assets prevailing as at 31 December 2017.

Tangible assets	Periods of use (in months)
Land, including	Unlimited
- right to perpetual usufruct of land	*800*
Buildings and premises	480-780
Land and water engineering objects	267-480
Machines, devices, appliances, tools, equipment, including	
- Boilers and energy machinery	*86-300*[1]
- General application machines, devices and appliances	*48-240*[2]
- Specialist machines, devices and appliances	*86-240*[3]
- Technical devices	*36-300*[4]
- Tools, technical instruments, movables and equipment	*78-240*[5]
including Objects of art	*Unlimited*
Vehicles	72-180

Intangible assets	Periods of use (in months)
IT software licences	72 or 144
IT software developed by NBP	120
Copyrights, including the rights related to inventions, trademarks, utility and industrial designs	120

[1] *A period of 300 months applies only to other turbine generator sets and electric generating sets, including AC electric generating units or sets of a voltage below 1000 V.*

[2] *A period of 240 months applies only to heat transfer devices, including membrane exchangers of various types, other heat transfer devices.*

[3] *A period of 240 months applies only to printing machines, devices and appliances, including printing machines, bookbinding machinery, paper drills and auxiliary devices and equipment.*

[4] *A period of 300 months applies only to electricity devices and apparatus, including: AC distribution devices, AC and DC setting devices, AC apparatus, fixed and mobile transformer stations, DC distribution devices and apparatus, DC apparatus and transformers.*

[5] *A period of 240 months applies only to armoured cabinets and strongboxes, safes, metal shelvings and other utility equipment objects of rooms.*

In specific cases, individual periods of use are adopted for tangible and intangible fixed assets.

Periods of use of tangible and intangible fixed assets are verified each financial year.

In the case of tangible and intangible fixed assets with a low initial value, i.e. below PLN 3.5 thousand, depreciation/amortisation is made on a one-off basis, in the amount equal to their initial value, at the end of the month when the assets were made available for use.

Tangible and intangible fixed assets are subject to periodical review (at least as at the balance sheet date) to verify if material indications of impairment have occurred, which would require recognising (increasing) impairment loss, or if indications of impairment have ceased, which would require reversing (decreasing) impairment loss.

As at the balance sheet date, tangible and intangible fixed assets are valued at initial value less depreciation/amortisation and impairment.

2.5.9. Inventories

Inventories are recognised in NBP balance sheet assets at:

- purchase price – materials and goods, gold not conforming to international standards of purity and other precious metals,
- production cost – products,
- nominal value – collector valuables (banknotes and coins) not in circulation.

As at the balance sheet date, inventories are valued at purchase price/production cost less impairment; in the case of collector valuables (banknotes and coins) not in circulation – at nominal value.

2.5.10. Impairment of assets

Impairment of assets is determined on the balance sheet date by comparing the book value of assets with their value in use or market value, or if it is highly probable that a given asset will not generate expected economic benefits in the future.

2.5.11. Provisions for future liabilities

Provisions for future liabilities are recognised in the accounting books of NBP when NBP is under an obligation arising from past events or from identified risk and when it is probable that the fulfilment of the obligation or the materialisation of the identified risk will reduce the economic benefits of NBP, and the amount of this obligation and the amount adequate to cover the identified risk can be measured reliably. Provisions are created and recognised as expense in the amount that would have to be paid not later than on the balance sheet date to fulfil the above mentioned obligation or would be sufficient to cover the identified risk mentioned above.

As at the balance sheet date, provisions for future liabilities are adjusted. Provisions for future liabilities unused due to a full or partial cessation of obligation or risk justifying their creation are released as income.

2.5.12. Provision against the foreign exchange rate risk of the zloty

The provision against the foreign exchange rate risk of the zloty is estimated on the basis of financial risk assessment methods which are generally accepted and consistently applied by NBP (see Chapter 9.1.4.).

The provision is created, used and released on the balance sheet date.

The provision is created and recognised as expense and must not lead to a negative financial result of the current year for NBP.

The provision is used – by recognising it as income – exclusively to cover unrealised losses arising from changes in the foreign exchange rate of the zloty in the amount that could result in a loss.

The surplus of the provision is released and recognised as income.

2.5.13. Gold revaluation account

Gold revaluation account is released as income in the amount:

- of unrealised gold revaluation losses taken to the Profit and Loss Account on the balance sheet date,
- corresponding to the pro-rata decrease in gold holding as compared with its holding at the balance sheet date of the previous financial year.

2.5.14. Foreign exchange forward

Currency purchased or sold in a foreign exchange forward transaction is recognised from the trade date to the settlement date on off-balance-sheet accounts at the agreed spot exchange rate. The difference between the agreed forward exchange rate and the spot rate is recognised in the financial result at the end of each operating day in the amounts calculated pro-rata to the time elapsed between the date commonly adopted for the settlement of a spot transaction and the settlement date of a foreign exchange forward transaction.

2.5.15. Foreign exchange swap

Currency purchased or sold and, respectively, re-sold or re-purchased in a foreign exchange swap transaction is recognised from the trade date to the settlement date on off-balance-sheet accounts

at the agreed spot exchange rate. The difference between the agreed forward exchange rate and the spot rate is recognised in the financial result at the end of each operating day in the amounts calculated pro-rata to the time elapsed between the settlement date of the spot transaction and the settlement date of the foreign exchange forward transaction.

2.5.16. Forward transactions in securities

Securities purchased or sold in a forward transaction are recognised from the trade date to the settlement date on off-balance-sheet accounts at an agreed price. On the trade date, securities purchased or sold in a forward transaction do not change the holding of securities.

Securities purchased or sold in a forward transaction are valued at the balance sheet date at the market price of such transactions effective as at the valuation date. The rules for recognition of unrealised gains and losses are applied to income and expenses arising from this valuation.

On the transaction settlement date, securities purchased in a forward transaction increase the holding of securities, while securities sold in a forward transaction decrease the holding of securities.

The result of transaction settlement is calculated:

- for securities purchased in a forward transaction – as the difference between the market price and the agreed price, adjusted for revaluation losses recognised at the balance sheet date,
- for securities sold in a forward transaction – as the difference between the agreed price and the average cost of a securities holding, adjusted for revaluation losses recognised at the balance sheet date.

If more than one transaction for the forward purchase or sale of securities has been entered into, valuation and settlement of these transactions are carried out separately.

2.5.17. Futures

Futures transactions are recognised on off-balance-sheet accounts, from the trade date to the settlement date, at nominal value of the purchased or sold underlying instrument.

The initial margin related to futures, deposited in cash, is recognised on balance sheet accounts as an asset. The initial margin deposited in securities does not change their holding.

Daily changes in market prices of futures are recognised in the financial result on a daily basis, including the day of closing the open position in futures.

If, on the closing day of the open position in futures, the actual supply of the underlying instrument

takes place, its purchase or sale is recognised at a market price.

2.6. Events after the balance sheet date

The Balance Sheet and the Profit and Loss Account take into account the events about which information was obtained after the balance sheet date and prior to the approval of the annual financial statements, if such events materially influence their content and are adjusting events as at the balance sheet date.

3. Changes in accounting principles

In 2017, at NBP there were no changes in the accounting principles and no material changes relating to presentation.

4. Values based on professional judgement and estimates

When preparing financial statements, NBP makes specific estimates and assumptions that affect the amounts recognised in the financial statements. The estimates and assumptions are based, among others, on historical data and expectations about future events that are believed to be reasonable at the date of the financial statements preparation. As the existing circumstances and expectations about future events may change as a result of market changes or an occurrence of factors beyond NBP's control, the estimates made by NBP are reviewed on a regular basis.

The key area where NBP makes estimates is the calculation of the amount of the provision against the foreign exchange rate risk of the zloty (see Chapter 9.1.4.). In accordance with Resolution No. 12/2010, the estimated provision against the foreign exchange rate risk of the zloty is equal to the amount that would cover the potential change in the value of foreign currency holdings due to identified foreign exchange rate risk of the zloty, decreased by estimated unrealised foreign currency revaluation gains. The estimated provision must not be lower than the amount of uncovered accumulated loss from previous years that has arisen from changes in the foreign exchange rate of the zloty.

Other areas in which NBP makes estimates relate, in particular, to setting:

- the amount of provisions for liabilities due to retirement and disability severance payments and jubilee awards (provisions are estimated on the basis of actuarial assessment carried out periodically by an independent actuary),
- the periods of use of tangible and intangible fixed assets,
- the amount of asset impairment.

5. Explanatory notes to Balance Sheet

Note 1 Gold and gold receivables

PLN thousand	31.12.2016	31.12.2017	Change
Gold stored at NBP	761,593.6	709,598.7	-51,994.9
Gold on accounts with foreign banks, of which	15,274,177.3	14,232,548.4	-1,041,628.9
- current account in gold	*3,673.5*	*802,775.4*	*799,101.9*
- term deposits in gold	*15,270,503.8*	*13,429,773.0*	*-1,840,730.8*
Total	**16,035,770.9**	**14,942,147.1**	**-1,093,623.8**
of which gold revaluation differences	*11,692,060.2*	*10,597,180.6*	*-1,094,879.6*

Thousands of ounces	31.12.2016	31.12.2017	Change
Gold stored at NBP	157.2	157.2	0.0
Gold on accounts with foreign banks, of which	3,153.1	3,153.3	0.2
- current account in gold	*0.8*	*177.8*	*177.0*
- term deposits in gold	*3,152.3*	*2,975.5*	*-176.8*
Total	**3,310.3**	**3 310.5***	**0.2**

* Which corresponds to the weight of 103.0 tons.

Gold is held at NBP and at the Bank of England.

Gold held at the Bank of England is:

- held on the current account at the Bank of England,
- invested in term deposit transactions with foreign commercial banks and central banks; interest on term deposits in gold is accrued and paid in USD (see Note 3 and Note 28).

As compared with 31 December 2016, the increase in the balance by 0.2 thousand ounces resulted from the settlement of term deposit transactions in gold and concerned differences in the weight of gold bars received at the end of the term deposit against the weight of gold bars placed into term deposits (the differences are settled in USD).

The decrease in the domestic currency value of the item resulted mainly from the revaluation of gold (see Note 22).

Note 2 Receivables from the IMF

PLN thousand	31.12.2016	31.12.2017	Change
Reserve tranche	1,302,060.8	1,140,102.2	-161,958.6
Current account with the IMF	1,775,124.3	1,492,794.7	-282,329.6
Term deposit with the IMF	40,119.7	35,123.4	-4,996.3
Loans extended to the IMF	1,277,403.0	706,367.8	-571,035.2
Total	**4,394,707.8**	**3,374,388.1**	**-1,020,319.7**
of which SDR currency revaluation differences	*115,136.4*	*-428,858.2*	*-543,994.6*

SDR thousand	31.12.2016	31.12.2017	Change
Reserve tranche	229,575.6	229,614.0	38.4
Current account with the IMF	312,984.7	300,645.4	-12,339.3
Term deposit with the IMF	7,073.8	7,073.8	0.0
Loans extended to the IMF	225,228.0	142,260.8	-82,967.2
Total	**774,862.1**	**679,594.0**	**-95,268.1**

The item comprises SDR-denominated:

- reserve tranche corresponding to the Republic of Poland's member quota in the International Monetary Fund, hereinafter referred to as "IMF", reduced by liabilities due to the account in domestic currency operated by NBP for the IMF (so-called No. 1 Account).

PLN thousand	31.12.2016	31.12.2017	Change
Member quota in the IMF	*22,122,554.9*	*20,663,090.9*	*-1,459,464.0*
No. 1 Account of the IMF	*-20,820,494.1*	*-19,522,988.7*	*1,297,505.4*
Reserve tranche	**1,302,060.8**	**1,140,102.2**	**-161,958.6**

SDR thousand	31.12.2016	31.12.2017	Change
Member quota in the IMF	*4,095,400.0*	*4,095,400.0*	*0.0*
No. 1 Account of the IMF	*-3,865,824.4*	*-3,865,786.0*	*38.4*
Reserve tranche	**229,575.6**	**229,614.0**	**38.4**

The quota in the IMF of each member country is determined on the basis of selected macroeconomic indicators and paid in full amount (in domestic currency and in foreign currencies). The size of member quota determines for a given country, among others, the number of its voting rights in the IMF, the assigned amount of SDR allocation and the limits of loans granted to that country.

The funds accumulated in No. 1 Account of the IMF are used by the IMF under the quarterly Financial Transaction Plans. The funds are exchanged for foreign currency and transferred to member countries – IMF borrowers, which results in an increase in reserve tranche. On the other hand, loan repayments made by IMF borrowers in foreign currencies are exchanged for the domestic currency and credited to No. 1 Account of the IMF, which results in a decrease in reserve tranche.

Also, credits to No. 1 Account of the IMF due to payments made in PLN by IMF member countries connected with their member quota increase result in a decrease of reserve tranche.

- current account with the IMF on which funds received under SDR allocation are maintained (see Note 17) and settlements arising from interest and fees on balances and transactions related to the IMF are made,
- the non-interest bearing NBP term deposit in the PRG-HIPC Trust (Poverty Reduction and Growth – Heavily Indebted Poor Countries Initiative), administered by the IMF,
- loans in foreign currency extended to the IMF under the New Arrangements to Borrow, hereinafter referred to as "NAB" (see Note 27).

Reserve tranche (except for the non-interest-bearing part, which is fixed and amounts to SDR 56,236.0 thousand), the balance of the current account with the IMF and loans extended to the IMF are remunerated on the basis of the interest rate determined by the IMF.

The decrease in the item in the original currency was due to:

- a decrease in receivables due to loans extended to the IMF under NAB, which resulted from the partial repayment of the debt towards NBP by the IMF in the amount of SDR 83,076.2 thousand with a simultaneous increase in the interest accrued in the amount of SDR 109.0 thousand,
- settlements of interest and fees with the IMF in the amount of SDR 12,339.3 thousand, which resulted in a decrease in the current account with the IMF,
- crediting No. 2 Account of the IMF (see Note 14) with funds from No. 1 Account of the IMF in the amount of SDR 38.4 thousand, which resulted in an increase in reserve tranche.

The domestic currency value of the item was also affected by the currency revaluation of SDR (see Note 22 and Note 30).

Note 3 Balances with foreign institutions, securities, loans granted and other foreign assets

PLN thousand	31.12.2016	31.12.2017	Change
Current accounts in foreign currency, of which	15,599,875.3	12,470,822.1	-3,129,053.2
- current account with the ECB for settlements in TARGET2	*3,660,897.8*	*4,713,430.8*	*1,052,533.0*
Term deposits in foreign currency	32,324,537.1	26,289,397.0	-6,035,140.1
Reverse repo transactions in foreign currency	76,444,450.1	29,795,939.6	-46,648,510.5
Securities denominated in foreign currency	332,892,291.0	307,350,022.7	-25,542,268.3
Foreign banknotes and coins in stock	154,066.5	152,894.3	-1,172.2
Other claims in foreign currency, of which	1,436,977.0	1,440.1	-1,435,536.9
- initial margins related to bond futures denominated in foreign currency	*266,055.0*	*0.0*	*-266,055.0*
- interest on term deposits in gold	*4,732.3*	*1,377.5*	*-3,354.8*
- other	*1,166,189.7*	*62.6*	*-1,166,127.1*
Total	**458,852,197.0**	**376,060,515.8**	**-82,791,681.2**
of which			
- currency revaluation differences	*37,033,262.2*	*-14,553,357.5*	*-51,586,619.7*
- price revaluation differences	*473,484.1*	*-40,925.2*	*-514,409.3*

The item comprises mostly the main investment instruments of foreign currency reserves in USD, EUR, GBP, AUD, NOK and NZD, that is:

- securities (discount securities and fixed-interest-rate securities) – all securities purchased by NBP are marketable securities and are valued at the average market prices; neither on 31 December 2016 nor on 31 December 2017 did NBP hold securities classified as held-to-maturity,
- term deposits,
- reverse repo transactions – under the NBP investment policy, these transactions are usually executed simultaneously with repo transactions (see Note 16).

Basic investment instruments of foreign currency reserves by foreign currency are presented below.

31.12.2016						
thousand units of original currency	USD	EUR	GBP	AUD	NOK	NZD
Term deposits	465,106.1	2,969,935.2	156,700.9	88,604.9	22,246,430.9	1,837,224.1
Reverse repo transactions	12,207,194.0	935,399.4	4,138,150.9	0.0	0.0	0.0
Securities	37,091,634.7	21,013,747.6	8,156,051.0	9,101,567.4	21,161,269.0	1,783,248.0
Total	**49,763,934.8**	**24,919,082.2**	**12,450,902.8**	**9,190,172.3**	**43,407,699.9**	**3,620,472.1**

31.12.2017						
thousand units of original currency	USD	EUR	GBP	AUD	NOK	NZD
Term deposits	719,859.4	1,968,339.9	495,511.2	0.0	22,607,616.0	1,477,872.3
Reverse repo transactions	6,326,989.9	1,584,211.1	0.0	427,296.5	0.0	0.0
Securities	41,658,941.9	20,799,623.5	7,645,660.5	9,266,998.6	21,535,176.8	2,139,403.7
Total	**48,705,791.2**	**24,352,174.5**	**8,141,171.7**	**9,694,295.1**	**44,142,792.8**	**3,617,276.0**

Change						
thousand units of original currency	USD	EUR	GBP	AUD	NOK	NZD
Term deposits	254,753.3	-1,001,595.3	338,810.3	-88,604.9	361,185.1	-359,351.8
Reverse repo transactions	-5,880,204.1	648,811.7	-4,138,150.9	427,296.5	0.0	0.0
Securities	4,567,307.2	-214,124.1	-510,390.5	165,431.2	373,907.8	356,155.7
Total	**-1,058,143.6**	**-566,907.7**	**-4,309,731.1**	**504,122.8**	**735,092.9**	**-3,196.1**

The decrease in the item resulted mainly from currency revaluation (see Note 22 and Note 30).

The decrease in the item in foreign currency was mainly a result of reduced exposure in reverse repo transactions in USD and GBP, a reduction in the level of funds held on term deposit accounts in EUR and a lower holding of securities denominated in GBP with a simultaneous increase in a holding of securities denominated in USD.

Note 4 Other claims on other domestic monetary financial institutions denominated in domestic currency

As at 31 December 2017, the item comprised:

- claims on a credit union due to interest for non-compliance with the obligation to maintain the required minimum reserve, in the amount of PLN 420.9 thousand (the amount did not change compared with 31 December 2016),
- claims on domestic banks due to settlements related to the deliveries of domestic coins and notes, in the amount of PLN 108.1 thousand (PLN 3.1 thousand as at 31 December 2016).

Note 5 Tangible and intangible fixed assets

Change in tangible fixed assets (due to rounding, individual figures in the table may not add up to totals) PLN thousand	2016				2017			
	Land*, buildings, premises, land and water engineering objects	Machines, devices, appliances, tools, equipment and vehicles	Tangible fixed assets under construction	Total	Land*, buildings, premises, land and water engineering objects	Machines, devices, appliances, tools, equipment and vehicles	Tangible fixed assets under construction	Total
Gross value as at start of period	**961,990.3**	**686,171.4**	**81,190.1**	**1,729,351.8**	**980,328.8**	**713,933.1**	**62,910.1**	**1,757,171.9**
Increases	18,902.5	93,839.1	67,874.9	**180,616.5**	5,740.0	40,101.5	43,138.6	**88,980.2**
Decreases	-564.0	-66,077.5	-86,155.0	**-152,796.4**	-6,650.5	-92,427.9	-28,839.6	**-127,918.0**
Gross value as at end of period	**980,328.8**	**713,933.1**	**62,910.1**	**1,757,171.9**	**979,418.3**	**661,606.7**	**77,209.1**	**1,718,234.1**
of which fully depreciated	*2,399.9*	*274,736.0*	*0.0*	***277,136.0***	*2,166.4*	*226,951.9*	*0.0*	***229,118.3***
Depreciation as at start of period	**-388,037.1**	**-518,693.1**	**0.0**	**-906,730.0**	**-401,095.2**	**-504,522.9**	**0.0**	**-905,618.0**
Increases	-13,058.1	-49,666.1	0.0	**-62,724.2**	-13,240.5	-47,578.1	0.0	**-60,818.7**
Decreases	0.0	63,836.2	0.0	**63,836.2**	2,161.7	90,169.3	0.0	**92,331.0**
Depreciation as at end of period	**-401,095.2**	**-504,522.9**	**0.0**	**-905,618.0**	**-412,174.0**	**-461,931.7**	**0.0**	**-874,105.7**
Impairment as at start of period	**-657.5**	**-112.0**	**-25,903.9**	**-26,673.4**	**-422.4**	**-112.0**	**-25,903.9**	**-26,438.3**
Increases	0.0	0.0	0.0	**0.0**	-2,974.6	-246.8	0.0	**-3,221.5**
Decreases	235.1	0.0	0.0	**235.1**	0.0	47.1	439.1	**486.2**
Impairment as at end of period	**-422.4**	**-112.0**	**-25,903.9**	**-26,438.3**	**-3,397.0**	**-311.8**	**-25,464.8**	**-29,173.6**
Net value as at end of period	**578,811.2**	**209,298.2**	**37,006.2**	**825,115.6**	**563,847.3**	**199,363.2**	**51,744.3**	**814,954.8**

**Land* includes right to perpetual usufruct of land, the net value of which as at 31 December 2017 amounted to PLN 58,375.4 thousand, with depreciation amounting to PLN 27,264.7 thousand (as at 31 December 2016 – PLN 63,804.6 thousand and PLN 28,105.8 thousand, respectively).

Change in intangible fixed assets (due to rounding, individual figures in the table may not add up to totals) PLN thousand	2016				2017			
	Computer software	Copyrights, proprietary rights and similar rights and values	Intangible fixed assets under construction	Total	Computer software	Copyrights, proprietary rights and similar rights and values	Intangible fixed assets under construction	Total
Gross value as at start of period	**392,507.3**	**11,599.5**	**2,098.3**	**406,205.1**	**406,868.5**	**12,647.2**	**10,646.3**	**430,161.9**
Increases	14,640.6	1,412.9	17,999.2	**34,052.7**	22,918.0	1,408.2	21,586.4	**45,912.6**
Decreases	-279.4	-365.2	-9,451.2	**-10,095.8**	-2,350.7	-1.0	-15,876.1	**-18,227.8**
Gross value as at end of period	**406,868.5**	**12,647.2**	**10,646.3**	**430,161.9**	**427,435.8**	**14,054.4**	**16,356.5**	**457,846.7**
of which fully depreciated	*107,195.5*	*1,602.2*	*0.0*	***108,797.7***	*116,167.8*	*1,703.1*	*0.0*	***117,870.9***
Amortisation as at start of period	**-312,874.0**	**-4,380.5**	**0.0**	**-317,254.5**	**-333,840.0**	**-5,032.5**	**0.0**	**-338,872.5**
Increases	-21,192.5	-959.4	0.0	**-22,152.0**	-20,184.7	-1,012.5	0.0	**-21,197.2**
Decreases	226.4	307.4	0.0	**533.9**	2,339.1	1.0	0.0	**2,340.1**
Amortisation as at end of period	**-333,840.0**	**-5,032.5**	**0.0**	**-338,872.5**	**-351,685.6**	**-6,044.0**	**0.0**	**-357,729.6**
Impairment as at start of period	**-8.9**	**0.0**	**0.0**	**-8.9**	**-8.9**	**0.0**	**0.0**	**-8.9**
Increases	0.0	0.0	0.0	**0.0**	0.0	0.0	0.0	**0.0**
Decreases	0.0	0.0	0.0	**0.0**	0.0	0.0	0.0	**0.0**
Impairment as at end of period	**-8.9**	**0.0**	**0.0**	**-8.9**	**-8.9**	**0.0**	**0.0**	**-8.9**
Net value as at end of period	**73,019.6**	**7,614.7**	**10,646.3**	**91,280.5**	**75,741.3**	**8,010.4**	**16,356.5**	**100,108.2**

Note 6 Other financial assets

PLN thousand	31.12.2016	31.12.2017	Change
Shares and participating interests in domestic entities, of which	128,848.9	128,848.9	0.0
- shares in Krajowy Depozyt Papierów Wartościowych S.A.	*51,708.1*	*51,708.1*	*0.0*
- shares in Krajowa Izba Rozliczeniowa S.A.	*75,312.5*	*75,312.5*	*0.0*
- participating interests in Bazy i Systemy Bankowe Sp. z o.o.	*1,820.0*	*1,820.0*	*0.0*
- participating interests in housing cooperatives	*8.3*	*8.3*	*0.0*
Shares and participating interests in foreign entities, of which	149,419.4	137,052.8	-12,366.6
- shares in the Bank for International Settlements	*56,716.0*	*49,653.0*	*-7,063.0*
- participating interests in S.W.I.F.T.	*701.1*	*661.0*	*-40.1*
- participating interests in the European Central Bank	*92,002.3*	*86,738.8*	*-5,263.5*
Total	**278,268.3**	**265,901.7**	**-12,366.6**

A decrease in the value of the item in domestic currency resulted from the currency revaluation of shares and participating interests in foreign entities.

The participation of NBP in domestic entities did not change in comparison to 31 December 2016, and as at 31 December 2017 was as follows:

Entity	Share capital *(PLN thousand)*	Nominal price per share/participating interest *(PLN thousand)*	Number of shares/ participating interests held by NBP	NBP's participation in the share capital *(%)*
	31.12.2017	31.12.2017	31.12.2017	31.12.2017
Krajowy Depozyt Papierów Wartościowych S.A. (KDPW) *Central Securities Depository of Poland*	21,000.0	1.0	7,000	33.33%
Krajowa Izba Rozliczeniowa S.A. (KIR) *National Clearing House*	5,445.0	0.5	3,750	34.44%
Bazy i Systemy Bankowe Sp. z o.o. (BSB)	10,000.0	10.0	1,000	100.00%

The participation of NBP in foreign entities was as follows:

- shares of the Bank for International Settlements, hereinafter referred to as "BIS".
  As at 31 December 2016 and 31 December 2017, NBP held 8,000 shares that translated into the same number of votes. 25% of the nominal value of shares (the nominal value of 1 share amounts to SDR 5.0 thousand) was paid up, which totals SDR 10,000.0 thousand. The share of NBP in the share capital of BIS amounts to 1.43%.
- participating interests in S.W.I.F.T.
  As at 31 December 2016 and as at 31 December 2017, NBP had 53 shares (in the amount of EUR 158.5 thousand) of the total number of 110,137 shares as at 31 December 2016 and 110,034 shares as at 31 December 2017.
- participating interests in the European Central Bank, hereinafter referred to as "ECB".
  Since 1 May 2004, i.e. the day of Poland's accession to the European Union, NBP has had participating interest in the ECB's capital. As at 31 December 2017, the capital paid up by NBP to the ECB amounted to PLN 86,738.8 thousand (EUR 20,796.2 thousand).

  In accordance with Article 28 of the Statute of the European System of Central Banks and the European Central Bank, hereinafter referred to as the "Statute of the ESCB and ECB", only the national central banks of the ESCB are entitled to subscribe the ECB's capital. The ECB's capital is subscribed according to the subscription key determined in Article 29 of the Statute of the ESCB and ECB, i.e. shares of national central banks in the ECB's capital are expressed in percentage and correspond to the shares of individual member states in the population and the combined gross domestic product of EU states (in equal consideration). The subscription key of the ECB capital is regularly adjusted every five years, as well as at the time a new country joins the European Union. The last regular adjustment of the key took place on 1 January 2014.

The share of NBP in the ECB's subscribed capital currently amounts to 5.1230%, which corresponds to participating interest in the amount of EUR 554,565.1 thousand.

As a central bank from outside the euro area, NBP is required to pay up the minimum percentage of the ECB's capital subscribed by it, which was specified by the ECB General Council (pursuant to Article 47 of the Statute of the ESCB and the ECB) and constitutes NBP's contribution to the operational costs of the ECB. The percentage has amounted to 3.75% since 29 December 2010. Unlike euro area central banks, NBP has no right to participate in the ECB's profits nor is required to cover its losses. The share of NBP in the paid-up capital of the ECB currently amounts to EUR 20,796.2 thousand. Upon Poland's entry into the euro area, NBP will be required to pay up the remaining 96.25% of the ECB's capital subscribed by it, i.e. EUR 533,768.9 thousand.

The weightings in the capital subscription key, and the amounts of capital subscribed and capital paid up by individual central banks of the ESCB had not changed in comparison with 31 December 2016 and as at 31 December 2017 were as follows:

EUR	Capital subscription key	Subscribed capital	Paid-up capital
	31.12.2017	31.12.2017	31.12.2017
Oesterreichische Nationalbank	1.9631%	212,505,713.78	212,505,713.78
Nationale Bank van België/ Banque Nationale de Belgique	2.4778%	268,222,025.17	268,222,025.17
Central Bank of Cyprus	0.1513%	16,378,235.70	16,378,235.70
Eesti Pank	0.1928%	20,870,613.63	20,870,613.63
Suomen Pankki	1.2564%	136,005,388.82	136,005,388.82
Banque de France	14.1792%	1,534,899,402.41	1,534,899,402.41
Bank of Greece	2.0332%	220,094,043.74	220,094,043.74
Banco de España	8.8409%	957,028,050.02	957,028,050.02
De Nederlandsche Bank	4.0035%	433,379,158.03	433,379,158.03
Central Bank of Ireland	1.1607%	125,645,857.06	125,645,857.06
Lietuvos bankas	0.4132%	44,728,929.21	44,728,929.21
Banque centrale du Luxembourg	0.2030%	21,974,764.35	21,974,764.35
Latvijas Banka	0.2821%	30,537,344.94	30,537,344.94
Central Bank of Malta	0.0648%	7,014,604.58	7,014,604.58
Deutsche Bundesbank	17.9973%	1,948,208,997.34	1,948,208,997.34
Banco de Portugal	1.7434%	188,723,173.25	188,723,173.25
Národna banka Slovenska	0.7725%	83,623,179.61	83,623,179.61
Banka Slovenije	0.3455%	37,400,399.43	37,400,399.43
Banca d'Italia	12.3108%	1,332,644,970.33	1,332,644,970.33
National central banks in the euro area total	*70.3915%*	*7,619,884,851.40*	*7,619,884,851.40*
Българска народна банка (Bulgarian National Bank)	0.8590%	92,986,810.73	3,487,005.40
Croatian National Bank	0.6023%	65,199,017.58	2,444,963.16
Česka národni banka	1.6075%	174,011,988.64	6,525,449.57
Danmarks Nationalbank	1.4873%	161,000,330.15	6,037,512.38
Narodowy Bank Polski	**5.1230%**	**554,565,112.18**	**20,796,191.71**
Banca Natjonală a României	2.6024%	281,709,983.98	10,564,124.40
Sveriges Riksbank	2.2729%	246,041,585.69	9,226,559.46
Magyar Nemzeti Bank	1.3798%	149,363,447.55	5,601,129.28
Bank of England	13.6743%	1,480,243,941.72	55,509,147.81
National central banks outside the euro area total	*29.6085%*	*3,205,122,218.22*	*120,192,083.17*
Total*	**100.0%**	**10,825,007,069.61**	**7,740,076,934.57**

**Due to rounding, individual figures may not add up to the amount shown in "Total".*

Note 7 Off-balance-sheet instruments revaluation differences

PLN thousand	31.12.2016	31.12.2017	Change
Currency revaluation differences	52,667.6	22,372.4	-30,295.2
Price revaluation differences	0.0	650.3	650.3
Total	**52,667.6**	**23,022.7**	**-29,644.9**

The item comprises currency revaluation gains on spot transactions in foreign currency recognised on off-balance-sheet accounts (see Note 25) and price revaluation gains on forward transactions in securities denominated in foreign currency (see Note 26 and Note 22).

Note 8 Accruals and prepaid expenses

PLN thousand	31.12.2016	31.12.2017	Change
Accruals related to discount on NBP monetary bills*	10,868.6	12,048.2	1,179.6
Prepaid expenses related to services	19,048.8	21,108.1	2,059.3
Total	**29,917.4**	**33,156.3**	**3,238.9**

* See Note 11.

Note 9 Sundry

PLN thousand	31.12.2016	31.12.2017	Change
Inventories, of which	17,056.6	18,186.0	1,129.4
- precious metals	*12,850.0*	*14,428.5*	*1,578.5*
- collector items not in circulation	*3,166.8*	*3,167.2*	*0.4*
Credits and loans extended in domestic currency, of which	153,720.4	142,905.1	-10,815.3
- loans to employees, of which	*20,358.4*	*19,508.4*	*-850.0*
**loans extended from the Employee Benefit Fund*	*8,908.6*	*9,151.3*	*242.7*
- other loans	*133,362.0*	*123,396.7*	*-9,965.3*
Other claims, of which	30,896.3	23,163.1	-7,733.2
- interest on the debt of a bank in liquidation	*12,141.9*	*0.0*	*-12,141.9*
- on public authorities	*2,350.2*	*849.6*	*-1,500.6*
- on customers and suppliers	*8,798.9*	*12,791.9*	*3,993.0*
Funds of the Employee Benefit Fund	9,594.2	8,835.9	-758.3
Adjustment of off-balance-sheet instruments to the average cost of foreign currency holding	116,887.9	13,633.8	-103,254.1
Total	**328,155.4**	**206,723.9**	**-121,431.5**

The decrease in the item *Other loans*, which includes a claim due to a refinancing loan for the restoration of the bank's liquidity granted by NBP in 2015, was the result of the received by NBP repayments of claims on loan agreements, which were assigned in favour of NBP as collateral to the loan granted (see Chapter 9.1.1.3.1.).

The decrease in the item *Other claims due to interest on the debt of a bank in liquidation,* which comprises interest accrued until the date on which the bank was put into liquidation, was the result of repayments received by NBP in 2017 (see Note 19 and Note 28).

Adjustment of off-balance-sheet instruments to the average cost of foreign currency holding relates to spot transactions in foreign currency recognised on off-balance-sheet accounts (see Note 25).

Note 10 Banknotes and coins in circulation

PLN thousand	31.12.2016	31.12.2017	Change
Domestic banknotes in circulation	182,999,892.6	193,976,229.3	10,976,336.7
Domestic coins in circulation	4,574,956.9	4,739,685.9	164,729.0
Total	**187,574,849.5**	**198,715,915.2**	**11,141,065.7**

The item comprises banknotes and coins in circulation issued by NBP, including collector banknotes and coins, whose value as at 31 December 2017 amounted to PLN 286,442.8 thousand as compared with PLN 279,868.8 thousand as at 31 December 2016.

The average level of banknotes and coins in circulation throughout 2017 amounted to PLN 190,582.9 million as compared with PLN 174,247.2 million in 2016.

Note 11 Liabilities to other domestic monetary financial institutions related to monetary policy operations denominated in domestic currency

PLN thousand	31.12.2016	31.12.2017	Change
Current accounts (incl. required minimum reserve accounts), of which	25,878,583.9	28,301,807.1	2,423,223.2
- current accounts of banks	*25,143,102.8*	*27,465,346.7*	*2,322,243.9*
- required minimum reserve accounts of banks not having a current account with NBP and of KSKOK	*686,618.8*	*785,479.8*	*98,861.0*
- interest on required minimum reserve funds	*48,862.3*	*50,980.6*	*2,118.3*
Deposit facilities, of which	7,366,064.8	5,278,903.9	-2,087,160.9
- accrued interest	*201.8*	*216.9*	*15.1*
Other monetary policy operations, of which	81,308,470.0	94,423,120.0	13,114,650.0
- main operations	*59,846,070.0*	*64,792,800.0*	*4,946,730.0*
- fine-tuning operations	*21,462,400.0*	*29,630,320.0*	*8,167,920.0*
Total	**114,553,118.7**	**128,003,831.0**	**13,450,712.3**

The item comprises liabilities related to monetary policy operations conducted by NBP. They mainly include:

- balances on:
  - current accounts of domestic banks, used to make interbank settlements in zloty and to hold funds that correspond to the required minimum reserve,
  - required minimum reserve accounts of banks not having a current account with NBP,
  - a required minimum reserve account of the National Association of Credit Unions [Krajowa Spółdzielcza Kasa Oszczędnościowo-Kredytowa], hereinafter referred to as "KSKOK", used for maintaining funds representing the required minimum reserve of credit unions and KSKOK;

The amount of funds held by banks, credit unions and KSKOK with NBP due to the required minimum reserve depends on the basis for calculating the required minimum reserve and the required minimum reserve rate in force. The required minimum reserve is an averaged value in the maintenance period.

- liabilities to domestic banks due to deposit facilities – in 2017 domestic banks used the possibility to deposit their liquidity surplus on term deposit accounts with NBP in the form of interest-bearing overnight deposit. Typically, the largest amounts were deposited on the last days of the required minimum reserve maintenance periods;
- liabilities to domestic banks due to the issue of monetary bills by NBP under open market main[3] and fine-tuning[4] operations, which are aimed to absorb liquidity.

The funds of the required minimum reserve and deposit facilities bear interest, whereas monetary bills are issued at a discount (see Note 8). As at 31 December 2017, the interest rates which are the basis for remuneration of the required minimum reserve funds, deposit facilities and for determining discount on monetary bills issued by NBP under open market operations did not change as compared with 31 December 2016, and were as follows:

%	31.12.2017
Required minimum reserve*	1.35
Deposit facility**	0.50
Monetary bills***	1.50

*0.9 of NBP reference rate; **NBP deposit rate; ***NBP reference rate

The rise in the total liabilities of NBP to other domestic monetary financial institutions in domestic currency due to monetary policy operations by PLN 13,450,712.3 thousand as at 31 December 2017, as compared with 31 December 2016, resulted mainly from an increase in the banking sector's liquidity during 2017. The increase in liquidity was mostly related to the purchase of foreign currency by NBP and the transfer of a contribution from NBP's profit for 2016 to the State budget. In turn, the increase in the volume of cash in circulation was a factor that reduced liquidity in 2017 (see Note 10).

[3] In 2017, the maturity of main operations was mostly 7 days (there was also a main operation with the maturity of 8 days).
[4] In 2017, the maturity of fine-tuning operations was 1 day, 2, 3 and 4 days.

Note 12 Other liabilities to other domestic monetary financial institutions denominated in domestic currency

PLN thousand	31.12.2016	31.12.2017	Change
Settlements in the domestic payment systems of KIR, of which	463,560.8	466,082.0	2,521.2
- in the Elixir system	*387,857.8*	*300,802.9*	*-87,054.9*
- in the Express Elixir system	*75,703.0*	*165,279.1*	*89,576.1*
Liabilities due to substitution cash services	5,262.2	5,272.0	9.8
Total	**468,823.0**	**471,354.0**	**2,531.0**

The item comprises liabilities to banks due to operations unrelated to monetary policy which concern settlements in the payment systems operated by Krajowa Izba Rozliczeniowa S.A. (KIR S.A.) and substitution cash services.[5]

Note 13 Liabilities to other residents denominated in domestic currency

PLN thousand	31.12.2016	31.12.2017	Change
Liabilities to general government, of which	4,962,840.1	7,560,576.7	2,597,736.6
- State budget accounts	*3,669,504.9*	*3,245,289.2*	*-424,215.7*
- accounts of social insurance funds	*1,238,588.1*	*4,232,157.5*	*2,993,569.4*
- accounts of other entities of general government sector	*54,747.1*	*83,118.1*	*28,371.0*
- other liabilities to general government	*0.0*	*11.9*	*11.9*
Other liabilities	17,729.2	20,671.4	2,942.2
Total	**4,980,569.3**	**7,581,248.1**	**2,600,678.8**

The item comprises mainly current accounts, auxiliary accounts and term deposit accounts in domestic currency operated by NBP for general government entities.

[5] It concerns cash disbursements carried out in domestic banks by State budget units and offices providing services to fiscal bodies which are located outside the cities in which NBP offers cash services.

Note 14 Liabilities to non-residents denominated in domestic currency

PLN thousand	31.12.2016	31.12.2017	Change
Accounts of international financial institutions and central banks, of which	8,858.3	12,126.3	3,268.0
- No. 2 Account of the IMF	*102.5*	*41.9*	*-60.6*
Accounts of international non-financial organisations	4,360,434.1	2,849,913.6	-1,510,520.5
Total	**4,369,292.4**	**2,862,039.9**	**-1,507,252.5**

The item comprises current accounts in domestic currency operated by NBP for international financial and non-financial organisations and central banks, including the account operated by NBP for the IMF, which is used for the Fund's administrative expenditures (so-called No. 2 Account).

Note 15 Liabilities to residents denominated in foreign currency

PLN thousand	31.12.2016	31.12.2017	Change
State budget accounts	22,565,158.1	14,102,551.6	-8,462,606.5
Accounts of domestic banks for settlements in TARGET2	3,560,478.0	4,476,574.0	916,096.0
Other liabilities	1,143,772.6	725,204.4	-418,568.2
Total	**27,269,408.7**	**19,304,330.0**	**-7,965,078.7**
of which currency revaluation differences	*1,116,251.0*	*-433,024.9*	*-1,549,275.9*

The item comprises mainly funds held on accounts in foreign currency operated by NBP for:

- the State budget – current, auxiliary and term deposit accounts,
- domestic banks – current accounts in EUR used for settlements in TARGET2.

Moreover, the item comprises liabilities due to payment orders of NBP's customers with foreign counterparties, which are in the course of settlement as at the balance-sheet date.

Note 16 Liabilities to non-residents denominated in foreign currency

PLN thousand	31.12.2016	31.12.2017	Change
Repo transactions in foreign currency	76,439,867.9	29,005,514.5	-47,434,353.4
Accounts of international non-financial organisations	44,288.6	47,411.8	3,123.2
Other liabilities	1,264,209.4	125,618.4	-1,138,591.0
Total	**77,748,365.9**	**29,178,544.7**	**-48,569,821.2**
of which currency revaluation differences	*7,352,661.4*	*-1,020,666.6*	*-8,373,328.0*

The item comprises mainly repo transactions carried out with foreign financial institutions. Under the NBP investment policy, the above repo transactions are usually executed simultaneously with reverse repo transactions (see Note 3).

Repo transactions by foreign currency are presented below.

thousand units of original currency	USD	EUR	GBP	AUD
31.12.2016	12,206,598.5	935,321.4	4,137,811.0	0.0
31.12.2017	6,326,809.7	1,583,987.2	0.0	137,262.3
Change	-5,879,788.8	648,665.8	-4,137,811.0	137,262.3

Other liabilities include mainly NBP's own transactions denominated in foreign currency in the course of settlement as at the balance-sheet date.

Note 17 Liabilities to the IMF

PLN thousand	31.12.2016	31.12.2017	Change
SDR allocation	**7,401,999.6**	**6,485,630.0**	**-916,369.6**
of which SDR currency revaluation differences	*193,924.1*	*-824,272.5*	*-1,018,196.6*

SDR allocation was conducted in the second half of 2009. Under the general and special allocation, the Republic of Poland received a total of SDR 1,304,639.7 thousand. Liabilities to the IMF due to the SDR allocation bear the interest calculated according to the rate determined by the IMF. The increase in the item in original currency resulted from the increase in accrued interest by SDR 1,091.9 thousand (as at 31 December 2017 the accrued interest amounted to SDR 1,551.3 thousand).

The change in the domestic currency value of the item was mainly affected by the currency revaluation of SDR (see Note 22 and Note 30).

Note 18 Off-balance-sheet instruments revaluation differences

PLN thousand	31.12.2016	31.12.2017	Change
Currency revaluation differences	112,265.6	13,667.8	-98,597.8
Price revaluation differences	1,805.8	13.6	-1,792.2
Total	**114,071.4**	**13,681.4**	**-100,390.0**

The item comprises currency revaluation losses on spot transactions in foreign currency recognised on off-balance-sheet accounts (see Note 25) and price revaluation losses on forward transactions in securities denominated in foreign currency (see Note 26 and Note 30).

Note 19 Accruals and deferred income

PLN thousand	31.12.2016	31.12.2017	Change
Accruals	56,289.7	51,828.2	-4,461.5
Deferred income, of which	75,338.5	62,112.0	-13,226.5
*- interest on the debt of a bank in liquidation**	*12,141.9*	*0.0*	*-12,141.9*
Total	**131,628.2**	**113,940.2**	**-17,688.0**

* See Note 9 and Note 28.

Note 20 Sundry

PLN thousand	31.12.2016	31.12.2017	Change
Employee Benefit Fund	18,502.4	17,987.2	-515.2
Other liabilities, of which	43,173.0	57,824.3	14,651.3
- to public authorities	*25,469.2*	*24,907.2*	*-562.0*
- to suppliers	*16,811.4*	*27,907.7*	*11,096.3*
Adjustment of off-balance-sheet instruments to the average cost of foreign currency holding	60,195.5	23,363.0	-36,832.5
Total	**121,870.9**	**99,174.5**	**-22,696.4**

Adjustment of off-balance-sheet instruments to the average cost of foreign currency holding relates to spot transactions in foreign currency recognised on off-balance-sheet accounts (see Note 25).

Note 21 Provisions for future liabilities

PLN thousand	31.12.2016	31.12.2017	Change
Provisions for future liabilities to employees	124,596.4	125,481.2	884.8
Other provisions	8,717.6	8,302.8	-414.8
Total	**133,314.0**	**133,784.0**	**470.0**

The change in provisions in 2016 and 2017 by allocation into particular categories is presented in the tables below.

PLN thousand	01.01.2016	Increase	Use	Release	31.12.2016
Provisions for future liabilities to employees, of which	125,562.8	13,717.6	-13,590.5	-1,093.5	124,596.4
- due to retirement severance payments	*51,115.8*	*13,235.7*	*-2,115.7*	*0.0*	*62,235.8*
- due to disability severance payments	*1,791.8*	*26.9*	*-130.3*	*0.0*	*1,688.4*
- due to jubilee awards	*55,818.7*	*0.0*	*-5,755.6*	*-352.9*	*49,710.2*
- due to untaken leaves	*9,276.5*	*0.0*	*-455.9*	*-658.6*	*8,162.0*
- due to statutory and additional severance payments and additional benefits for employees under employment contracts who are laid off for reasons unrelated to employees	*7,560.0*	*455.0*	*-5,133.0*	*-82.0*	*2,800.0*
Other provisions, of which	7,704.6	1,117.7	-28.0	-76.7	8,717.6
- for future liabilities due to court proceedings	*7,645.3*	*1,113.5*	*-28.0*	*-76.7*	*8,654.1*
- for future liabilities resulting from financial operations in domestic currency	*59.3*	*4.2*	*0.0*	*0.0*	*63.5*
Total	**133,267.4**	**14,835.3**	**-13,618.5**	**-1,170.2**	**133,314.0**

PLN thousand	01.01.2017	Increase	Use	Release	31.12.2017
Provisions for future liabilities to employees, of which	124,596.4	11,785.3	-10,156.0	-744.5	125,481.2
- due to retirement severance payments	*62,235.8*	*4,884.0*	*-1,577.8*	*0.0*	*65,542.0*
- due to disability severance payments	*1,688.4*	*211.6*	*-177.9*	*0.0*	*1,722.1*
- due to jubilee awards	*49,710.2*	*6,674.5*	*-7,352.6*	*0.0*	*49,032.1*
- due to untaken leaves	*8,162.0*	*0.0*	*-182.9*	*-674.1*	*7,305.0*
- due to statutory and additional severance payments and additional benefits for employees under employment contracts who are laid off for reasons unrelated to employees	*2,800.0*	*15.2*	*-864.8*	*-70.4*	*1,880.0*
Other provisions, of which	8,717.6	442.7	-671.8	-185.7	8,302.8
- for future liabilities due to court proceedings	*8,654.1*	*442.7*	*-671.8*	*-175.1*	*8,249.9*
- for future liabilities resulting from financial operations in domestic currency	*63.5*	*0.0*	*0.0*	*-10.6*	*52.9*
Total	**133,314.0**	**12,228.0**	**-10,827.8**	**-930.2**	**133,784.0**

Note 22 Revaluation accounts

PLN thousand	31.12.2016	31.12.2017	Change
Currency revaluation gains, of which	41,291,274.5	10,986,318.2	-30,304,956.3
- on gold	*11,692,060.2*	*10,597,180.6*	*-1,094,879.6*
- on foreign currencies	*29,599,214.3*	*389,137.6*	*-29,210,076.7*
Price revaluation gains, of which	1,403,474.0	618,996.6	-784,477.4
- on securities	*1,403,474.0*	*618,346.3*	*-785,127.7*
- on off-balance-sheet financial instruments	*0.0*	*650.3*	*650.3*
Gold revaluation account	1,618,023.2	1,618,023.2	0.0
Total	**44,312,771.7**	**13,223,338.0**	**-31,089,433.7**

Currency revaluation gains are determined for:

- gold – by comparing the average cost of gold holding with the average market price of gold expressed in PLN, which is higher than the average cost,
- foreign currencies – by comparing the average cost of foreign currency holding with the average NBP exchange rate, which is higher than the average cost.[6]

Average cost of holding of foreign currency and gold, average NBP exchange rates and average market price of gold

PLN	Average cost of holding	Average NBP exchange rate/Average price of gold	Average cost of holding	Average NBP exchange rate/Average price of gold
	31.12.2016		31.12.2017	
USD	3.5587564302	4.1793	3.6155244642	3.4813
EUR	4.2656978807	4.4240	4.2597284583	4.1709
GBP	5.2769729159	5.1445	4.9729585522	4.7001
AUD	2.8770933978	3.0180	2.8720955035	2.7199
NOK	0.4572716446	0.4868	0.4537717252	0.4239
NZD	2.7625797543	2.9058	2.6405620544	2.4774
SDR	5.5230104169	5.6716	5.5963505432	4.9653
Ounce of gold*	1,312.1863174561	4,844.2266	1,312.4640266468	4,513.5055

*Price of an ounce of gold in USD was respectively: USD 1,159.10 as at 31.12.2016 and USD 1,296.50 as at 31.12.2017.

[6] In the case of a negative holding of foreign currency, currency revaluation gains are determined by comparing the average cost of foreign currency holding with the average NBP exchange rate, which is lower than the average cost. As at the end of 2017 such a case materialised for SDR, the holding of which was negative.

Currency revaluation gains by foreign currency are presented below.

PLN thousand	31.12.2016	31.12.2017	Change
USD	23,088,509.4	0.0	-23,088,509.4
EUR	3,381,536.1	0.0	-3,381,536.1
AUD	1,311,176.8	0.0	-1,311,176.8
NOK	1,275,691.0	0.0	-1,275,691.0
NZD	541,345.3	0.0	-541,345.3
SDR	0.0	389,103.8	389,103.8
Other	955.7	33.8	-921.9
Total	**29,599,214.3**	**389,137.6**	**-29,210,076.7**

Price revaluation gains on securities are determined by comparing the average cost of securities holding with the average market price of these securities, which is higher than the average cost. Price revaluation gains by securities denominated in individual foreign currencies are presented below.

PLN thousand	31.12.2016	31.12.2017	Change
Securities in USD	139,355.0	23,048.2	-116,306.8
Securities in EUR	287,746.9	30,992.7	-256,754.2
Securities in GBP	452,106.4	150,672.4	-301,434.0
Securities in AUD	75,885.1	8,261.0	-67,624.1
Securities in NOK	242,101.6	202,261.3	-39,840.3
Securities in NZD	206,279.0	203,110.7	-3,168.3
Total	**1,403,474.0**	**618,346.3**	**-785,127.7**

As at 31 December 2017, price revaluation gains on off-balance-sheet financial instruments mainly related to forward sale transactions in securities denominated in AUD (see Note 26 and Note 7).

Due to the fact that as at 31 December 2017:

- no unrealised gold revaluation losses occurred,
- no decrease in gold holding as compared with the holding at the balance-sheet date of the previous financial year was recorded,

NBP, similarly to 31 December 2016, did not release the gold revaluation account.

Note 23 Capital and reserves

PLN thousand	31.12.2016	31.12.2017	Change
Statutory fund	1,500,000.0	1,500,000.0	0.0
Reserve fund	1,007,434.5	1,467,483.8	460,049.3
Reserves	10,807,911.6	0.0	-10,807,911.6
Total	**13,315,346.1**	**2,967,483.8**	**-10,347,862.3**

The item comprises:

- the statutory fund, whose amount is determined by Article 61 of the Act on NBP,
- the reserve fund, which, in accordance with Article 62 of the Act on NBP, is created from the transfer of 5% of NBP's annual profit until it reaches the amount equivalent to the statutory fund. Reserve fund may only be used to cover NBP's balance sheet losses,
- the provision against the foreign exchange rate risk of the zloty, created as provided for in Article 65 of the Act on NBP.

The change in the item resulted from:

- allocation of 5% of NBP's profit for 2016 to the reserve fund in the amount of PLN 460,049.3 thousand (see Chapter 1.5).
- use of the provision against the foreign exchange rate risk of the zloty in the amount of PLN 10,807,911.6 thousand as a result of unrealised losses arising from changes in the foreign exchange rate of the zloty in the amount that caused a loss and exceeded the created provision (see Note 31 and Chapter 9.1.4.).

  The change in the provision against the foreign exchange rate risk of the zloty in 2016 and 2017 is presented in the table below:

PLN thousand	Opening balance	Increase	Use	Release	Closing balance
2016	11,207,911.6	0.0	0.0	-400,000.0	**10,807,911.6**
2017	10,807,911.6	0.0	-10,807,911.6	0.0	**0.0**

Note 24 Financial result

As at 31 December 2017, the item comprised:

- financial result of the current year – a loss in the amount of PLN 2,524,935.6 (see Note 41),

- uncovered loss of previous years in the amount of PLN 10,807,911.6 thousand, which is the result of NBP's loss for the year 2007 in the amount of PLN 12,427,261.7 thousand and its partial coverage from the reserve fund:
  - in 2008 – in the amount of PLN 969,350.0 thousand;
  - in 2015 – in the amount of PLN 250,000.0 thousand;
  - in 2016 – in the amount of PLN 400,000.0 thousand.

6. Explanatory notes to off-balance-sheet items

Note 25 Spot transactions recognised on off-balance-sheet accounts

31.12.2016 *PLN thousand*	USD	EUR	GBP	AUD	NOK	NZD	Total
Currency to be received in spot transactions	455,017.4	0.0	103,315.5	425,233.7	0.0	672,700.3	1,656,266.9
Currency to be delivered in spot transactions	1,084,534.4	352,149.7	102,867.6	0.0	116,715.2	0.0	1,656,266.9

31.12.2017 *PLN thousand*	USD	EUR	GBP	AUD	NOK	NZD	Total
Currency to be received in spot transactions	490,890.0	208,860.5	188,649.1	136,364.0	0.0	0.0	1,024,763.6
Currency to be delivered in spot transactions	136,364.0	208,270.5	282,619.5	167,110.7	0.0	230,398.9	1,024,763.6

The decrease in the item resulted from a lower volume of spot foreign exchange purchase/sale transactions carried out by NBP towards the end of 2017.

Note 26 Off-balance-sheet financial instruments

PLN thousand	31.12.2016	31.12.2017	Change
Securities denominated in foreign currency sold in forward transactions, of which	1,899,643.2	1,722,742.3	-176,900.9
- securities in AUD	*1,899,643.2*	*1,722,742.3*	-176,900.9
Bond futures purchased denominated in foreign currency, of which	15,324,666.9	0.0	-15,324,666.9
- bond futures in USD	*12,244,542.9*	*0.0*	*-12,244,542.9*
- bond futures in EUR	*1,531,488.8*	*0.0*	*-1,531,488.8*
- bond futures in GBP	*1,548,635.2*	*0.0*	*-1,548,635.2*
Bond futures sold denominated in foreign currency, of which	940,295.0	0.0	-940,295.0
- bond futures in EUR	*940,295.0*	*0.0*	-940,295.0

The item comprises off-balance-sheet financial instruments used by NBP under the foreign currency reserves management.

Note 27 Limits on loans in foreign currency extended to the IMF

New Arrangements to Borrow – NAB

As of 15 November 2011, NBP became a participant in the New Arrangements to Borrow, which can be joined in by member countries of the IMF or their central banks. As a participant in the NAB, NBP has made a commitment to extend to the IMF an interest-bearing loan of up to the arranged limit. The funds are transferred by NBP at the request of the IMF.

The currently in force New Arrangements to Borrow of 17 November 2017, which is a renewal of the New Arrangements to Borrow of 2011[7], expire after five years (that is on 16 November 2022).

As at 31 December 2017, the NBP's commitment to the IMF under the NAB amounted to SDR 1,143,327.5 thousand (PLN 5,676,964.0 thousand according to the average NBP exchange rate as at the balance sheet date).

[7] On 9 February 2017, the Management Board of NBP gave its consent to continue NBP's participation in the NAB.

SDR thousand	Opening balance	Increase		Decrease		Closing balance
		limit set	loan repayment	loan extension	limit decreased	
2011	0.0	2,528,590.0	0.0	-174,000.0	0.0	**2,354,590.0**
2012	2,354,590.0	0.0	2,500.0	-127,000.0	0.0	**2,230,090.0**
2013	2,230,090.0	0.0	27,200.0	-51,600.0	0.0	**2,205,690.0**
2014	2,205,690.0	0.0	72,827.5	-54,400.0	0.0	**2,224,117.5**
2015	2,224,117.5	0.0	102,200.0	-44,200.0	0.0	**2,282,117.5**
2016	2,282,117.5	0.0	21,323.8	0.0	-1,243,190.0*	**1,060,251.3**
2017	1,060,251.3	0.0	83,076.2	0.0	0.0	**1,143,327.5**
	Total	**2,528,590.0**	**309,127.5**	**-451,200.0**	**-1,243,190.0**	

*As a result of an increase in the Republic of Poland's member quota in the IMF in 2016, the limit was reduced by SDR 1,243,190.0 thousand (from the initial amount of SDR 2,528,590.0 thousand to SDR 1,285,400.0 thousand).

Bilateral loan agreement

On 15 March 2013, NBP and the IMF concluded a bilateral loan agreement, in accordance with which NBP committed to extend interest-bearing loans to the IMF amounting up to the SDR equivalent of EUR 6,270,000.0 thousand. The funds will be transferred by NBP at the request of the IMF. The IMF will be able to use these funds provided that it exhausts other available resources originating from quotas of member countries and loans under the NAB.

The current bilateral loan agreement of 23 January 2017, which supersedes the agreement of March 2013, is in force until the end of 2019, with the option to extend it for one-year period (subject to NBP's consent) to the end of 2020. The limit of the loan was set at the previous level.

Until 31 December 2017, the IMF did not use the funds made available under the bilateral loan agreement with NBP. Therefore, as at 31 December 2017, the NBP's commitment under the bilateral loan agreement with the IMF amounted to EUR 6,270,000.0 thousand (PLN 26,151,543.0 thousand according to the average NBP exchange rate as at the balance sheet date).

7. Explanatory notes to Profit and Loss Account

Note 28 Net result on interest, discount and premium

PLN thousand	Income		Expenses		Net result		
	2016	2017	2016	2017	2016	2017	Change
Investment instruments of foreign currency reserves, of which	6,193,669.1	6,193,285.9	3,696,634.8	3,703,095.9	2,497,034.3	2,490,190.0	-6,844.3
*- securities**	*5,729,280.4*	*5,713,662.5*	*3,418,130.5*	*3,282,646.5*	*2,311,149.9*	*2,431,016.0*	*119,866.1*
*- term deposits***	*201,075.4*	*163,329.7*	*69,774.3*	*109,558.6*	*131,301.1*	*53,771.1*	*-77,530.0*
*- reverse repo transactions***	*228,179.7*	*291,112.1*	*19,987.0*	*35,678.9*	*208,192.7*	*255,433.2*	*47,240.5*
*- repo transactions****	*14,785.9*	*24,831.2*	*187,471.4*	*258,246.0*	*-172,685.5*	*-233,414.8*	*-60,729.3*
*- other***	*20,347.7*	*350.4*	*1,271.6*	*16,965.9*	*19,076.1*	*-16,615.5*	*-35,691.6*
Gold	29,756.4	13,960.6	0.0	0.0	29,756.4	13,960.6	-15,795.8
International Monetary Fund	3,451.1	18,003.5	5,959.9	35,409.2	-2,508.8	-17,405.7	-14,896.9
Monetary policy instruments, of which	94.0	6.4	1,637,561.8	1,673,796.0	-1,637,467.8	-1,673,789.6	-36,321.8
- NBP monetary bills	*0.0*	*0.0*	*1,105,379.0*	*1,107,616.4*	*-1,105,379.0*	*-1,107,616.4*	*-2,237.4*
*- required minimum reserve*****	*1.6*	*5.5*	*528,398.0*	*561,920.5*	*-528,396.4*	*-561,915.0*	*-33,518.6*
- deposit facility	*0.0*	*0.0*	*3,784.8*	*4,259.1*	*-3,784.8*	*-4,259.1*	*-474.3*
- Lombard credit	*92.4*	*0.9*	*0.0*	*0.0*	*92.4*	*0.9*	*-91.5*
Other interest income/expenses	13,110.1	28,058.6	32,836.6	30,090.1	-19,726.5	-2,031.5	17,695.0
Total	**6,240,080.7**	**6,253,315.0**	**5,372,993.1**	**5,442,391.2**	**867,087.6**	**810,923.8**	**-56,163.8**

*Income includes discount and interest income, whereas expenses include premium expenses.
**Expenses include interest expenses due to a negative interest rate.
***Income includes interest income due to a negative interest rate.
****Income includes interest income for non-compliance with the obligation to maintain the required minimum reserve.

Net result on interest, discount and premium on investment instruments of foreign currency reserves (see Note 3 and Note 16).

	2016							
PLN thousand	USD	EUR	GBP	AUD	NOK	NZD	Other*	Total
Securities	1,372,910.5	-305,707.6	289,668.0	549,688.8	161,265.7	183,332.0	59,992.5	2,311,149.9
Term deposits	19,512.2	-69,760.4	3,589.4	8,671.6	64,517.3	103,982.4	788.6	131,301.1
Reverse repo transactions	160,808.8	-19,987.0	66,865.3	505.6	0.0	0.0	0.0	208,192.7
Repo transactions	-125,935.5	12,085.9	-58,356.5	-479.4	0.0	0.0	0.0	-172,685.5
Other	907.7	-507.7	6,572.5	12,269.0	6.1	10.0	-181.5	19,076.1
Total	**1,428,203.7**	**-383,876.8**	**308,338.7**	**570,655.6**	**225,789.1**	**287,324.4**	**60,599.6**	**2,497,034.3**

*It concerns mainly BRL and MXN. In 2016, NBP ceased investing in instruments denominated in these currencies.

2017								
PLN thousand	USD	EUR	GBP	AUD	NOK	NZD	Other	Total
Securities	1,846,816.2	-486,132.1	196,001.9	515,723.5	153,935.3	204,671.2	0.0	2,431,016.0
Term deposits	28,221.3	-109,558.4	2,350.2	5,330.0	55,913.2	71,514.8	0.0	53,771.1
Reverse repo transactions	261,212.7	-35,678.9	25,237.3	4,662.1	0.0	0.0	0.0	255,433.2
Repo transactions	-234,549.5	24,203.2	-19,550.7	-3,517.8	0.0	0.0	0.0	-233,414.8
Other	233.1	-16,447.8	51.7	7.2	34.7	-0.3	-494.1	-16,615.5
Total	**1,901,933.8**	**-623,614.0**	**204,090.4**	**522,205.0**	**209,883.2**	**276,185.7**	**-494.1**	**2,490,190.0**

Change								
PLN thousand	USD	EUR	GBP	AUD	NOK	NZD	Other	Total
Securities	473,905.7	-180,424.5	-93,666.1	-33,965.3	-7,330.4	21,339.2	-59,992.5	119,866.1
Term deposits	8,709.1	-39,798.0	-1,239.2	-3,341.6	-8,604.1	-32,467.6	-788.6	-77,530.0
Reverse repo transactions	100,403.9	-15,691.9	-41,628.0	4,156.5	0.0	0.0	0.0	47,240.5
Repo transactions	-108,614.0	12,117.3	38,805.8	-3,038.4	0.0	0.0	0.0	-60,729.3
Other	-674.6	-15,940.1	-6,520.8	-12,261.8	28.6	-10.3	-312.6	-35,691.6
Total	**473,730.1**	**-239,737.2**	**-104,248.3**	**-48,450.6**	**-15,905.9**	**-11,138.7**	**-61,093.7**	**-6,844.3**

The volume and change in interest, discount and premium income and expenses on investment instruments of foreign currency reserves were mostly driven by the following factors:

- the average interest rate on basic investment instruments of foreign currency reserves, in particular a decrease in the average annual interest rate on term deposits in AUD, NZD and NOK and a decrease in the average rate of return on securities in EUR in an environment of a negative interest rate of this currency, with a simultaneous increase in the average rate of return on securities in USD,
- the level of the average annual foreign exchange rates of the zloty – an appreciation of the zloty against all the currencies in which currency reserves are invested,

Average annual foreign exchange rates

PLN	2016	2017	Change
USD	3.9431	3.7777	-0.1654
EUR	4.3625	4.2576	-0.1049
GBP	5.3431	4.8601	-0.4830
AUD	2.9330	2.8934	-0.0396
NOK	0.4695	0.4567	-0.0128
NZD	2.7500	2.6837	-0.0663

- the level of foreign currency reserves[8] in average annual terms (their average amount stood at PLN 347,490.9 million in 2017 as compared with PLN 338,664.8 million in 2016),

Average annual level of foreign currency reserves by foreign currency

million units of original currency	2016	2017	Change
USD	37,231.1	38,940.6	1,709.5
EUR	23,682.7	26,592.7	2,910.0
GBP	6,726.4	7,363.7	637.3
AUD	8,179.7	8,317.1	137.4
NOK	40,182.1	40,719.6	537.5
NZD	3,211.4	3,247.0	35.6
BRL	91.1	0.0	-91.1
MXN	3,841.1	0.0	-3,841.1

- the share of individual investment instruments in the structure of foreign currency reserves – the decrease in the share of securities, with a simultaneous increase in the share of other investment instruments,

Investment structure of NBP foreign currency reserves in average annual terms

%	2016	2017	Change
Term deposits	11.0	12.8	1.8 p.p.
Reverse repo transactions in foreign currency (stand alone)	0.8	1.0	0.2 p.p.
Securities	88.2	86.2	-2.0 p.p.

- the average daily amounts invested in simultaneous reverse repo and repo transactions,

Average daily amounts invested in simultaneous reverse repo and repo transactions

million units of original currency	2016	2017	Change
USD	8,015.9	7,197.5	-818.4
EUR	302.1	650.9	348.8
GBP	2,802.9	2,174.0	-628.9
AUD	9.1	76.4	67.3

[8] Foreign currency reserves include term deposits, reverse repo transactions in securities (stand alone) and securities.

Interest income on gold *(see Note 1 and Note 3)*

The item includes interest income on term deposits in gold, which is accrued and paid in USD. The decrease in the item in 2017 was mainly a result of the decrease in the average annual interest rate on deposits and an appreciation of the zloty against USD, in average annual terms.

Net result on interest on receivables/liabilities related to the International Monetary Fund *(see Note 2 and Note 17)*

PLN thousand	Income		Expenses		Net result		
	2016	2017	2016	2017	2016	2017	Change
Interest on reserve tranche	842.3	4,690.6	0.0	0.0	842.3	4,690.6	3,848.3
Interest on current account with the IMF	1,562.0	7,993.8	0.0	0.0	1,562.0	7,993.8	6,431.8
Interest on loans extended to the IMF	1,046.8	5,319.1	0.0	0.0	1,046.8	5,319.1	4,272.3
Interest on SDR allocation	0.0	0.0	5,959.9	35,409.2	-5,959.9	-35,409.2	-29,449.3
Total	**3,451.1**	**18,003.5**	**5,959.9**	**35,409.2**	**-2,508.8**	**-17,405.7**	**-14,896.9**

The change in the interest income/expenses on items related to the IMF was a result of the following factors:

- the increase in the average weighted interest on SDR from 0.084% in 2016 to 0.525% in 2017[9],
- an appreciation of the zloty against SDR, in average annual terms, from PLN 5.4805 in 2016 to PLN 5.2367 in 2017,
- a lower average annual balance of the current account with the IMF, receivables on loans extended to the IMF and the reserve tranche.

Net result on interest and discount on monetary policy instruments *(see Note 11)*

The increase, by PLN 36,321.8 thousand, in the negative net result on interest and discount on the instruments used in monetary policy operations was mostly driven by:

- higher, by PLN 33,522.5 thousand, interest expenses on the required minimum reserve, which resulted from the rise in the average level of the required minimum reserve during the year,

[9] Following the decision of the Executive Board of the IMF, starting from 1 October 2016 the Chinese renminbi was added to the foreign currency basket used for determining the SDR exchange rate (before the decision the currency basket had comprised: USD, EUR, JPY and GBP), which had an impact on the increase in the IMF interest rate.

Average size of required minimum reserve* and average annual interest rate of required minimum reserve

PLN million/ %	2016	2017	Change
Required minimum reserve	38,821.5	41,697.3	2,875.8
Interest rate on required minimum reserve	1.35	1.35	0,0 p.p.

*Amounts of the required minimum reserve are calculated based on reserve maintenance periods weighted with the number of days in the period.

- higher, by PLN 2,237.4 thousand, discount expenses on issued NBP monetary bills, which was a result of the higher cost of fine-tuning monetary policy operations and lower costs of main monetary policy operations.

PLN thousand	2016	2017	Change
Discount expenses on NBP monetary bills issued under main monetary policy operations	1,086,893.0	1,082,121.0	-4,772.0
Discount expenses on NBP monetary bills issued under fine-tuning monetary policy operations	18,486.0	25,495.4	7,009.4
Total	**1,105,379.0**	**1,107,616.4**	**2,237.4**

The above change resulted from the increase in the average annual issue of NBP monetary bills under fine-tuning monetary policy operations, with a simultaneous decline in the average annual issue under main monetary policy operations.

Average annual size of main and fine-tuning operations* and average annual reference rate

PLN million / %	2016	2017	Change
Main operations	71,198.1	71,076.0	-122.1
Fine-tuning operations	1,210.7	1,674.1	463.4
NBP reference rate	1.50	1.50	0,0 p.p.

*All calendar days from 1 January to 31 December were taken into account in the calculation of the average annual level of main and fine-tuning operations.

Other interest income/expenses

PLN thousand	Income		Expenses		Net result		
	2016	2017	2016	2017	2016	2017	Change
Interest income on a refinancing loan for the restoration of the bank's liquidity*	1,813.0	0.0	0.0	0.0	1,813.0	0.0	-1,813.0
Interest income on the debt of a bank in liquidation**	202.6	18,216.1	0.0	0.0	202.6	18,216.1	18,013.5
Interest expenses on current and auxiliary accounts and on term deposit accounts operated by NBP***, of which	0.0	0.0	29,171.6	20,007.4	-29,171.6	-20,007.4	9,164.2
- in foreign currency	*0.0*	*0.0*	*10,093.8*	*925.6*	*-10,093.8*	*-925.6*	*9,168.2*
- in domestic currency	*0.0*	*0.0*	*19,077.8*	*19,081.8*	*-19,077.8*	*-19,081.8*	*-4.0*
Interest income/expenses related to settlements in TARGET2	2,889.7	9,344.3	3,500.9	10,080.6	-611.2	-736.3	-125.1
Other interest income/expenses	8,204.8	498.2	164.1	2.1	8,040.7	496.1	-7,544.6
Total	**13,110.1**	**28,058.6**	**32,836.6**	**30,090.1**	**-19,726.5**	**-2,031.5**	**17,695.0**

*As of 22 February 2016, NBP ceased to charge interest on a refinancing loan for the restoration of the bank's liquidity (see Note 9).

**It concerns repayments of interest accrued until the date on which the bank was put into liquidation (see Note 9 and Note 19) and repayments of interest accrued following that date.

***It concerns mainly the State budget accounts and social insurance funds.

Note 29 Income/expenses on financial operations

PLN thousand	Income		Expenses		Net result		
	2016	2017	2016	2017	2016	2017	Change
Realised foreign exchange gains/losses	10,845,941.7	3,496,116.5	1,527,150.5	3,513,779.0	9,318,791.2	-17,662.5	-9,336,453.7
Realised price gains/losses of which	4,329,748.3	2,605,108.3	2,662,923.6	2,031,383.0	1,666,824.7	573,725.3	-1,093,099.4
- on spot transactions in securities	*1,768,344.1*	*836,112.2*	*254,507.6*	*467,514.1*	*1,513,836.5*	*368,598.1*	*-1,145,238.4*
- on off-balance-sheet financial instruments, of which	*2,561,404.2*	*1,768,996.1*	*2,408,416.0*	*1,563,868.9*	*152,988.2*	*205,127.2*	*52,139.0*
• on forward transactions in securities	*571,245.2*	*29,933.5*	*107,631.5*	*30,104.8*	*463,613.7*	*-171.3*	*-463,785.0*
• on bond futures	*1,990,159.0*	*1,739,062.6*	*2,300,784.5*	*1,533,764.1*	*-310,625.5*	*205,298.5*	*515,924.0*
Other income/expenses on financial operations	2.6	4.6	1.9	2.0	0.7	2.6	1.9
Total	**15,175,692.6**	**6,101,229.4**	**4,190,076.0**	**5,545,164.0**	**10,985,616.6**	**556,065.4**	**-10,429,551.2**

Net result on realised foreign exchange gains/losses

PLN thousand	USD	EUR	GBP	AUD	NOK	NZD	SDR	Gold	Other*	Total
2016	5,956,842.5	1,314,513.0	-35,982.9	862,855.8	607,269.4	572,700.9	112,458.3	0.2	-71,866.0	**9,318,791.2**
2017	1,835,260.1	-231,317.6	-1,396,766.2	177,160.9	-65,892.0	-338,903.7	1,190.3	12.5	1,593.2	**-17,662.5**
Change	-4,121,582.4	-1,545,830.6	-1,360,783.3	-685,694.9	-673,161.4	-911,604.6	-111,268.0	12.3	73,459.2	**-9,336,453.7**

*It concerns mainly BRL and MXN. In 2016, NBP ceased investing in instruments denominated in these currencies.

Net result on realised price gains/losses on the sale of securities in spot transactions

PLN thousand	USD	EUR	GBP	AUD	NOK	Other*	Total
2016	476,819.9	169,755.0	540,465.3	278,105.1	4,914.5	43,776.7	**1,513,836.5**
2017	11,989.9	68,613.8	139,814.6	138,733.6	9,446.2	0.0	**368,598.1**
Change	-464,830.0	-101,141.2	-400,650.7	-139,371.5	4,531.7	-43,776.7	**-1,145,238.4**

*It concerns MXN. In 2016, NBP ceased investing in instruments denominated in this currency.

Net result on realised price gains/losses on forward transactions in securities

PLN thousand	USD	EUR	GBP	AUD	NZD	Other*	Total
2016	-842.4	322,064.3	63,831.7	66,359.6	8,056.8	4,143.7	**463,613.7**
2017	-1,850.0	-3,921.1	1,817.9	3,850.2	-68.3	0.0	**-171.3**
Change	-1,007.6	-325,985.4	-62,013.8	-62,509.4	-8,125.1	-4,143.7	**-463,785.0**

*It concerns BRL and MXN. In 2016, NBP ceased investing in instruments denominated in these currencies.

Net result on realised price gains/losses on daily revaluation of bond futures

PLN thousand	USD	EUR	GBP	Total
2016	-344,967.4	43,967.5	-9,625.6	**-310,625.5**
2017	206,022.0	-11,418.3	10,694.8	**205,298.5**
Change	550,989.4	-55,385.8	20,320.4	**515,924.0**

Note 30 Unrealised losses

PLN thousand	2016	2017	Change
Currency revaluation losses	1,168,798.6	13,092,709.6	11,923,911.0
Price revaluation losses, of which	931,795.8	659,285.1	-272,510.7
- revaluation losses on securities	*929,990.0*	*659,271.5*	*-270,718.5*
- revaluation losses on off-balance-sheet financial instruments	*1,805.8*	*13.6*	*-1,792.2*
Total	**2,100,594.4**	**13,751,994.7**	**11,651,400.3**

Foreign currency revaluation losses are determined by comparing the average cost of foreign currency holding with the average NBP exchange rate, which is lower than the average cost[10] (see Note 22). Currency revaluation losses by foreign currency are presented below.

PLN thousand	2016	2017	Change
USD	0.0	5,672,532.6	5,672,532.6
EUR	0.0	1,892,538.3	1,892,538.3
GBP	1,091,492.6	2,207,578.4	1,116,085.8
AUD	0.0	1,452,458.8	1,452,458.8
NOK	0.0	1,304,581.0	1,304,581.0
NZD	0.0	561,710.0	561,710.0
SDR	77,301.8	0.0	-77,301.8
Other	4.2	1,310.5	1,306.3
Total	**1,168,798.6**	**13,092,709.6**	**11,923,911.0**

Price revaluation losses on securities are determined by comparing the average cost of securities holding with the average market price of these securities, which is lower than the average cost. Price revaluation losses by securities denominated in individual foreign currencies are presented below.

PLN thousand	2016	2017	Change
Securities in USD	762,962.2	461,925.7	-301,036.5
Securities in EUR	56,043.8	102,460.3	46,416.5
Securities in GBP	26,444.4	59,536.3	33,091.9
Securities in AUD	66,117.5	35,349.2	-30,768.3
Securities in NOK	18,422.1	0.0	-18,422.1
Total	**929,990.0**	**659,271.5**	**-270,718.5**

As at 31 December 2016 and 31 December 2017, price revaluation losses on off-balance-sheet financial instruments concerned securities denominated in AUD sold in forward transactions (see Note 18 and Note 26).

[10] In the case of a negative holding of foreign currency, currency revaluation losses are determined by comparing the average cost of foreign currency holding with the average NBP exchange rate, which is higher than the average cost. As at the end of 2016, such a case materialised for SDR, the holding of which was negative.

Note 31 Income on transfers from risk provisions and on reversal of write-downs on financial assets

In 2017, income in the amount of PLN 10,807,911.6 thousand resulted from the use of the provision against the foreign exchange rate risk of the zloty (see Note 23).

In 2016, income in the amount of PLN 400,000.0 thousand resulted from the release of the provision against the foreign exchange rate risk of the zloty to the minimum level commensurate to the uncovered cumulative loss of previous years, which arose from the changes in the exchange rate of the zloty against foreign currencies.

Note 32 Fees and commissions income

PLN thousand	2016	2017	Change
On the operation by NBP of bank accounts	537.8	534.9	-2.9
On the execution of payment orders	29,204.6	31,259.8	2,055.2
Other fees and commissions income	29,925.2	15,205.9	-14,719.3
Total	**59,667.6**	**47,000.6**	**-12,667.0**

The decrease in other income in 2017 was related mainly to fees income due to non-delivery of securities by NBP's counterparties in time (so-called fails charges[11]), which amounted to PLN 4,673.8 thousand in 2017 as compared with PLN 19,600.2 thousand in 2016.

Note 33 Fees and commissions expenses

PLN thousand	2016	2017	Change
On the opening and operation of NBP accounts	7,164.8	6,691.8	-473.0
On the execution of own payment orders	3,476.1	3,537.5	61.4
Due to substitution cash services	7,033.2	6,767.9	-265.3
Other fees and commissions expenses	36,287.3	18,229.6	-18,057.7
Total	**53,961.4**	**35,226.8**	**-18,734.6**

[11] Fails charges relate to securities purchase/sale transactions and repo/reverse repo transactions in USD. The charges are calculated when one party delivers securities to the other party at a date later than agreed.

In 2017, the decrease in other expenses was mainly related to fees expenses due to non-delivery of securities in time (so-called fails charges), which in 2017 amounted to PLN 3,195.6 thousand as compared with PLN 20,138.8 thousand in 2016 (see Note 32).

Note 34 Income on shares and participating interests

The item comprises income on dividends from shares and participating interests held by NBP in domestic and foreign entities (see Note 6).

PLN thousand	2016	2017	Change
Dividends received, of which	**15,016.7**	**17,289.4**	**2,272.7**
- Krajowa Izba Rozliczeniowa S.A.	*5,463.7*	*4,965.0*	*-498.7*
- Bank for International Settlements	*9,553.0*	*12,324.4*	*2,771.4*

Note 35 Other income

In 2017, the item amounted to PLN 112,997.1 thousand and comprised mostly income on the sale of collector coins and banknotes, income on the sale of tangible fixed assets and income on rental of office premises. The increase in the income by PLN 28,073.5 thousand as compared with 2016 was mainly driven by higher income on the sale of properties.

Note 36 Salaries and social contributions

PLN thousand	2016	2017	Change
Expenses on salaries	380,075.6	388,700.0	8,624.4
Expenses on provisions for future liabilities to employees	13,262.6	11,770.1	-1,492.5
Expenses on social contributions, of which	84,042.4	86,484.9	2,442.5
- Occupational Pension Scheme	*24,237.2*	*24,713.5*	*476.3*
Total	**477,380.6**	**486,955.0**	**9,574.4**

In 2017, the average headcount at NBP amounted to 3,281 employees and was lower by 15 employees as compared with 2016, which was predominantly the effect of the centralisation of cash services provided to account holders and of the streamlining of the banknotes counting and sorting process.

In 2017, higher salary expenses resulted mainly from the adopted Human Resources and payroll policy.

In 2016 and 2017, expenses on the creation of provisions for future liabilities to employees by allocation into particular categories were as follows.

PLN thousand	2016		2017	
	Expenses on provisions	Actuarial incomes/losses*	Expenses on provisions	Actuarial income/losses*
Expenses on provisions for future liabilities to employees, of which	**13,262.6**	***3,644.6***	**11,770.1**	***2,103.7***
- due to retirement severance payments	13,235.7	*9,259.8*	4,884.0	*38.8*
- due to disability severance payments	26.9	*-157.3*	211.6	*23.8*
- due to jubilee awards	0.0**	*-5,457.9*	6,674.5	*2,041.1*
- due to untaken leaves	0.0**	-	0,0**	-

* Actuarial gains are presented with a (-) sign

** As regards provisions for jubilee awards and untaken leaves in 2016, and in the case of provision for untaken leaves in 2017, income was recored due to a partial release of the provisions and classified as *Other income*.

Note 37 Administrative expenses

PLN thousand	2016 data from the approved financial statements	2016 comparable data*	2017	Change
Materials and energy used	22,763.9	24,396.7	23,048.5	-1,348.2
Benefits for employees and other eligible persons	13,606.4	12,666.2	10,855.3	-1,810.9
Business travels	4,388.1	4,357.8	4,270.1	-87.7
Services from third parties	137,549.8	144,953.5	153,039.1	8,085.6
Taxes and fees	26,321.4	26,321.4	22,042.1	-4,279.3
Transfers to Employee Benefit Fund	4,321.7	4,321.7	4,632.6	310.9
Other administrative expenses	23,651.4	15,585.4	10,372.9	-5,212.5
Total	**232,602.7**	**232,602.7**	**228,260.6**	**-4,342.1**

* In 2017 reclassification of selected expenses categories was performed in order to better reflect the resources used.

The change in the item resulted mainly from lower:

- other administrative expenses, mainly due to lower costs of subsidising educational projects,
- expenses on taxes and fees, mostly due to lower expenses on the output VAT.

At the same time expenses on services from third parties increased, mostly as regards services and technical assistance of IT software and repairs, maintenance and overhauls of tangible fixed assets in the premises of NBP Head Office and regional branches.

Note 38 Depreciation and amortisation expenses

PLN thousand	2016	2017	Change
Tangible fixed assets depreciation expenses	62,688.3	60,795.9	-1,892.4
Intangible fixed assets amortisation expenses	22,152.0	21,195.9	-956.1
Total	**84,840.3**	**81,991.8**	**-2,848.5**

Note 39 Expenses on issue of banknotes and coins

The item comprises expenses on the issue of banknotes and coins, including collector banknotes and coins.

In 2017, the item amounted to PLN 280,088.9 thousand and was by PLN 29,156.8 thousand higher as compared with 2016. The increase in the item resulted mainly from:

- increase in expenses on the issue of general circulation coins resulting from a rise in the number of ordered coins and higher production prices of coins of the face value from 1 grosz to 10 grosz.
- decrease in expenses on the issue of general circulation banknotes resulting from a decline in the purchase prices of banknotes of the face value of 10 zloty, 100 zloty, 200 zloty and 500 zloty, with a simultaneous increase in the number of ordered banknotes.

Note 40 Other expenses

In 2017, the item amounted to PLN 12,605.7 thousand and comprised mainly expenses corresponding to the nominal value of collector coins and banknotes sold and expenses due to write-downs on tangible fixed assets. The increase in the expenses by PLN 1,591.8 thousand as compared with 2016 was mainly driven by higher expenses on write-downs on properties.

Note 41 Financial result for the current year and its allocation

The NBP financial result for 2017 was negative and amounted to PLN 2,524,935.6 thousand, therefore in 2018 NBP will not make a contribution from its profit to the State budget. In accordance

with Article 62 of the Act on NBP, the reserve fund may be allocated to cover the balance sheet losses of NBP (see Note 23).

8. Other explanatory notes

Note 42 Flexible Credit Line

The Flexible Credit Line is a precautionary facility of the IMF intended for countries with sound fundamentals and positive macroeconomic outlook.

In 2017, the following were in force:

- until 12 January 2017 – the Flexible Credit Line of SDR 13.0 billion granted to Poland in January 2015 for two years,[12]
- from 13 January to 2 November 2017 – the Flexible Credit Line of SDR 6.5 billion granted to Poland for two years, that is until January 2019. On 3 November 2017 – in response to the joint application by Poland's Minister of Development and Finance and the President of Narodowy Bank Polski – the IMF cancelled Poland's access to the Flexible Credit Line of 13 January 2017.

In both cases, the Government of the Republic of Poland was the authorising entity of the Flexible Credit Line, while NBP acted as the fiscal agency of the Government.

Note 43 Events after the balance sheet date

Until the day of approval of the Financial Statements of Narodowy Bank Polski as at 31 December 2017, no events occurred of which information was received after the balance sheet date, i.e. 31 December 2017, and which would have a significant impact on the contents of these financial statements.

9. Financial and operational risk

NBP operates a risk management system, which is a continuous and repeatable decision-making process that supports the attainment of NBP goals, while using appropriate organisational, procedural and technical solutions. It includes:

- as relates to financial risk - the activity of Financial Risk Management Department responsible for financial risk management;

[12] Initially granted in the amount of SDR 15.5 billion, it was subsequently reduced at Poland's request to SDR 13.0 billion in January 2016.

- as relates to operational risk:
  - decentralised operational risk management by directors of Head Office departments and NBP regional branches who on an ongoing basis monitor operational risk, perform the assessment of its level and take measures mitigating risk occurrence in their units,
  - the activity of Operational Risk and Compliance Department, which on an ongoing basis monitors and analyses operational risk identified in NBP as a whole, prepares regulations and draft measures related to changes to operational risk management. It also prepares reports on operational risk for the Commission for Operational Risk Management and for the Management Board of NBP,
  - Commission for Operational Risk Management, which assesses the effectiveness of operational risk management in NBP, monitors the current level of operational risk and analyses the causes underlying materialisation of risk assessed as high or unacceptable. The Commission also submits and recommends to the Management Board of NBP proposed solutions and changes in the area of operational risk management.
- strategic decision-making by the Management Board of NBP, based on information concerning financial and operational risk.

The tasks carried out as part of risk management comprise:
- on-going identification and analysis of individual types of risk,
- measurement of risk level and its acceptance or non-acceptance,
- selection of risk mitigation mechanisms,
- monitoring and day-to-day control of the efficiency of applied risk mitigation mechanisms,
- provision of periodical information about the results of risk management.

9.1. Financial risk

The main types of financial risk underlying the activities of NBP are: credit risk, liquidity risk and market risk (interest rate risk and foreign exchange rate risk). The accepted level of financial risk is set through the system of investment limits, determination of which takes also into account mitigation of concentration risk. Exposure to various types of risk, under the adopted constraints, is monitored on an on-going basis by the Financial Risk Management Department. The analysis of exposure to financial risk is presented to the Management Board of NBP on a regular basis.

9.1.1. Credit risk

Credit risk is related to potential financial losses arising from counterparty default (in particular, failure to repay, in full or in part, principal or interest within the agreed time), or due to a decline in the market value of investment instruments arising from a deterioration in the issuer's creditworthiness.

9.1.1.1. Maximum exposure to credit risk

Maximum exposure to credit risk related to NBP assets, with no consideration of collateral held (exposures shown in the table are based on amounts recognised in the balance sheet) is presented below.

NBP's exposure to credit risk arises mainly from financial assets related to foreign currency reserves management (item A.2.2 of the Balance Sheet).

PLN thousand	31.12.2016	31.12.2017	Balance sheet item
Current accounts in gold	3,673.5	802,775.4	A.1
Term deposits in gold	15,270,503.8	13,429,773.0	A.1
Receivables from the IMF	4,394,707.8	3,374,388.1	A.2.1
Current accounts in foreign currency	15,599,875.3	12,470,822.1	A.2.2
Term deposits in foreign currency	32,324,537.1	26,289,397.0	A.2.2
Reverse repo transactions in foreign currency	76,444,450.1	29,795,939.6	A.2.2
Securities in foreign currency	332,892,291.0	307,350,022.7	A.2.2
Foreign banknotes and coins in stock	154,066.5	152,894.3	A.2.2
Other claims in foreign currency	1,436,977.0	1,440.1	A.2.2
Other	190,866.2	173,133.5	A.6, A.10.3, A.10.5
Total	**478,711,948.3**	**393,840,585.8**	

Moreover, when joining the IMF borrowing programmes (see Note 27), NBP committed to extend foreign currency-denominated loans to the IMF under, respectively:

- the NAB agreement – up to the amount of SDR 1,285,400.0 thousand, of which the outstanding amount as at 31 December 2017 was SDR 1,143,327.5 thousand,
- bilateral loan agreements – up to the amount of EUR 6,270,000.0 thousand, of which the outstanding amount as at 31 December 2017 was EUR 6,270,000.0 thousand.

The concentration of NBP's maximum exposure to credit risk, by counterparty sector, is presented below.

PLN thousand	31.12.2016	31.12.2017
General government institutions	318,947,384.5	301,010,723.9
- Foreign central government institutions	*304,784,414.3*	*292,726,332.0*
- Other	*14,162,970.2*	*8,284,391.9*
Monetary financial institutions	110,353,695.3	69,130,267.3
- Foreign credit institutions	*79,892,557.6*	*46,289,878.8*
- Central banks, BIS and IMF	*30,449,700.0*	*22,827,009.9*
- Domestic credit institutions	*11,437.7*	*13,378.6*
International financial organisations	3,307,896.2	740,242.6
Non-monetary financial institutions	43,880,176.5	21,353,864.3
Non-financial sector	2,068,703.6	1,452,589.1
Other	154,092.2	152,898.6
Total	**478,711,948.3**	**393,840,585.8**

NBP's maximum exposure to credit risk, by counterparty geographical location, is presented below.

PLN thousand	31.12.2016	31.12.2017
United States	181,208,435.6	155,831,299.5
Euro area	132,961,428.1	118,284,203.1
United Kingdom	96,479,756.9	66,720,024.4
Australia	27,539,364.0	26,034,926.8
Norway	14,636,831.2	11,849,103.5
New Zealand	5,182,599.8	5,300,959.4
Sweden	1,452,127.6	1,788,320.0
Denmark	2,269,197.5	304,809.5
Poland	188,623.7	170,244.9
Switzerland	2,585,043.2	158,033.2
Other	14,208,540.7	7,398,661.5
Total	**478,711,948.3**	**393,840,585.8**

9.1.1.2. Credit risk in foreign currency reserve management

In the process of foreign currency reserve management, NBP uses the following credit risk mitigation methods:

- limiting the share of term deposit transactions and non-government securities,
- counterparty selection criteria and on-going monitoring of their creditworthiness,
- limits imposed on counterparties of term deposit transactions and foreign currency transactions,

- limitation of the maturity of term deposit transactions,
- selection criteria for issuers of securities,
- limits for issuers of securities,
- entering into master agreements with counterparties,
- collateral in reverse repo transactions.

Credit risk analyses are conducted by NBP using both data related to the financial position of counterparties and assignments of rating agencies as well as risk valuation reflected in market quotations.

The dominant portion of foreign currency reserves is invested in government securities of high rating countries characterised by the highest level of safety and liquidity. Non-government securities held in the investment portfolios are issued primarily by international institutions and government agencies. The scale of investment in the corporate bond market is small. The share of term deposits in foreign currency reserves is also low – transactions are concluded for short periods with banks of high creditworthiness.

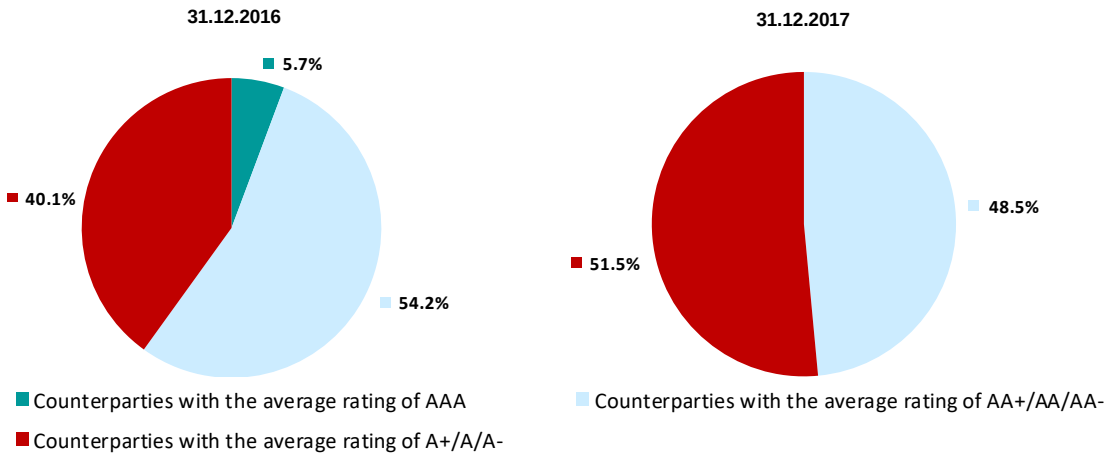
9.1.1.2.1. Credit quality of term deposits

The financial standing of NBP's counterparties with whom term deposits are concluded under the management of foreign currency reserves and gold is subject to on-going monitoring based on daily information from rating agencies about changes in creditworthiness ratings and rating forecasts, as well as implied ratings derived from CDS market quotations.

The figure presented below shows the structure of exposure to term deposits related to foreign currency reserves management, by counterparty average credit rating as at 31 December 2016 and 31 December 2017.[13]

[13] The structure of exposures to term deposits was presented based on values used in the monitoring of investment limits towards the term deposit counterparties.

Figure 1. Structure of exposure to term deposits by counterparty average rating as at 31 December 2016 and 31 December 2017



NBP also concludes term deposits with central banks of the countries which meet the set rating requirements. Both as at 31 December 2016 and 31 December 2017, NBP held term deposits at two central banks for the total nominal amount of PLN 10,651,413.9 thousand as at 31 December 2016 and PLN 6,130,219.7 thousand as at 31 December 2017.

9.1.1.2.2. Credit quality of securities

The table below presents the exposure of NBP to securities issued by governments, central banks and other entities.

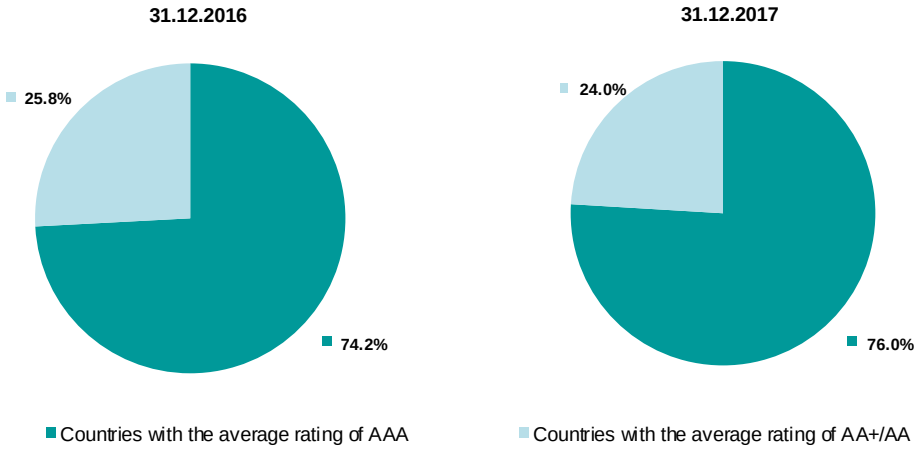
PLN thousand	31.12.2016	31.12.2017	Change
Government securities in foreign currency	304,784,414.3	292,725,681.7	-12,058,732.6
Securities in foreign currency issued by central banks	417,737.1	174,558.7	-243,178.4
Other securities in foreign currency, of which:	27,690,139.6	14,449,782.3	-13,240,357.3
- corporate securities in USD	*1,752,622.3*	*1,420,513.6*	*-332,108.7*
Total	**332,892,291.0**	**307,350,022.7**	**-25,542,268.3**

Government securities and securities issued by central banks

When estimating the credit quality of securities issued by governments and central banks, the creditworthiness ratings of the country of the securities issuer are taken into account among others. The structure of exposures to government securities and securities issued by central banks by the

average rating of the issuer's country is shown below.[14] In 2017, NBP made investments in securities of the countries rated at least as AA/Aa3.

Figure 2. The structure of exposure to government securities and securities issued by central banks by the average rating of the issuer's country as at 31 December 2016 and 31 December 2017



Other securities

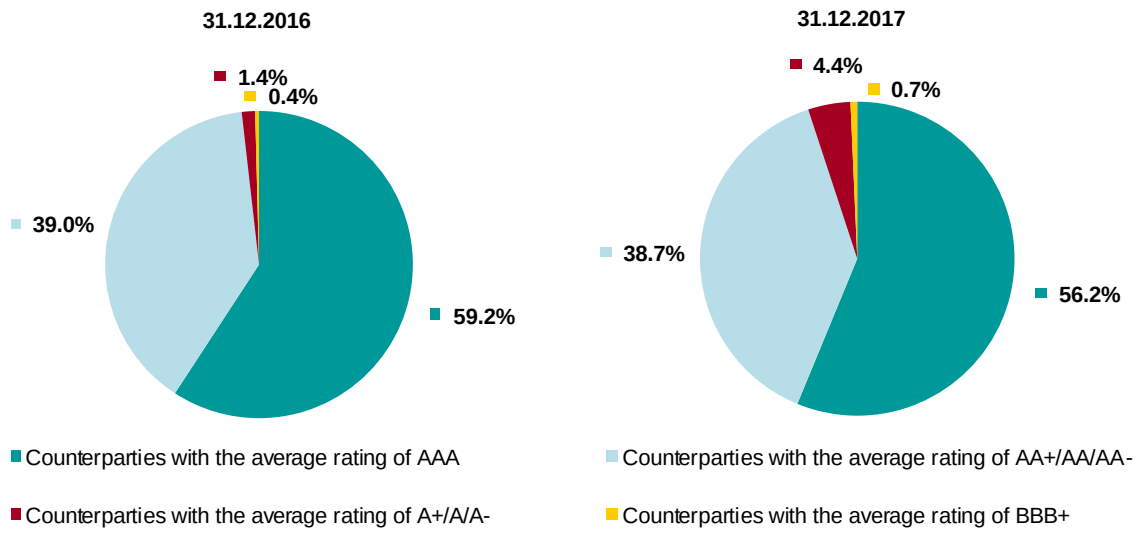
The credit quality of the issuers of other securities is assessed based on the scoring model that takes into account:

- issuer status,
- ratings assigned by rating agencies,
- issuer's financial data.

The figure below presents the structure of exposure to other securities by issuer's average rating as at 31 December 2016 and 31 December 2017.[15]

[14] The structure of exposure to securities was presented based on values used for the monitoring of credit risk.
[15] The structure of exposure to securities was presented based on values used for the monitoring of the investment limits for issuers of other securities.

Figure 3. Structure of exposures to other securities by issuer's average rating as at 31 December 2016 and 31 December 2017



9.1.1.3. Credit risk underlying domestic credit operations

To support the liquidity of the financial system, NBP may grant a refinancing loan in zloty to banks in order to supplement their financial resources. Banks use intraday credit and marginal lending facility (Lombard credit), in particular. Banks also use intraday credit in euro.

The total drawing on the credit in annual terms

PLN million / EUR	2016	2017	Change
Lombard credit*	1,349.5	12.6	-1,336.9
Intraday credit	11,421,966.2	11,544,493.1	122,526.9
Intraday credit in EUR	11,304.2	12,663.0	1,358.8

* Calculated for days of drawing.

The risk underlying these operations is mitigated through the use of eligible collateral meeting the criteria set by NBP. Treasury and NBP securities denominated in PLN are the primary collateral presented by banks, though the list of assets accepted as collateral comprises also other securities deposited with the Central Securities Depository of Poland, including covered bonds, municipal bonds, corporate bonds, bonds issued by the European Investment Bank denominated in PLN, as well – in the case of Lombard credit – as EUR-denominated Treasury bonds. In the case of a refinancing loan for the restoration of the bank's liquidity, a wider range of collateral may apply.

When setting the required level of collateral, the haircut rate is applied, with the purpose to reduce the probability of a drop in the market value of the collateral below the value of extended credit, among others, as a result of unfavourable changes in the market price of securities and/or exchange rates.

Intraday credit in euro is extended in accordance with the principles laid down by the ECB, and it may be collateralised by Treasury bonds participating in BondSpot S.A. fixing (in addition, haircut related to the exchange rate risk is taken into account).

9.1.1.3.1. Overdue claims on domestic credit operations

As at 31 December 2017, NBP had an overdue claim in the amount of PLN 123,396.7 thousand from a domestic bank under winding-up proceedings, which was related to a refinancing loan granted in 2015 for the restoration of the bank's liquidity (see Note 9). As at the balance-sheet date, the outstanding portion of the loan was collateralised with the claims of the domestic bank under loan agreements which were assigned in favour of NBP. Under the assessment carried out, it was established that as at 31 December 2017 the discounted value of expected cash flows from collateral fully covers the carrying amount of the claim. Claims of the domestic bank arising from the loan agreements which were assigned in favour of NBP as collateral to the refinancing loan for the restoration of the bank's liquidity are not included in the bankruptcy estate of the domestic bank, in accordance with the provisions of Article 67 para 2 and 3 of the Act of 28 February 2003 on the Bankruptcy and Restructuring Law[16] (Journal of Laws of 2015, item 233, as amended).

9.1.2. Liquidity risk

Liquidity risk is associated with the possibility of incurring additional expenses, if an urgent need arises to raise liquid funds.

As NBP has the exclusive right to issue banknotes and coins of the Republic of Poland, NBP is capable of creating liquidity in domestic currency. This is, however, constrained by the responsibility of NBP for the stability of domestic currency. The assumptions of monetary policy are set annually by the MPC, which, based on the above assumptions, also approves the financial plan of NBP.

In the process of foreign currency reserves management, NBP ensures adequate liquidity of funds by matching current and expected cash flows. Investments are made in the markets that ensure

[16] As at 1 January 2016, pursuant to Article 428 subparagraph 1 of the Act of 15 May 2015 – Restructuring Law (Journal of Laws, item 978), the act received the title "Bankruptcy Law". Nonetheless, pursuant to Article 449 of the Act (i.e. the Restructuring Law), in matters for which a motion for bankruptcy was filed before the act entered into force, i.e. before 1 January 2016, the regulations binding theretofore shall apply, that is regulations of the Bankruptcy and Restructuring Law in the wording in force prior to 1 January 2016.

immediate availability of funds – reserve currencies and investment instruments are principally characterised by high liquidity.

9.1.2.1. Maturity analysis for financial liabilities in foreign currency

The table below presents the maturity analysis for financial liabilities of NBP denominated in foreign currency as at 31 December 2016 and 31 December 2017.[17]

Moreover, when joining the IMF borrowing programmes (see Note 27), NBP pledged to grant foreign-currency-denominated loans to the IMF under, respectively:

- NAB agreement - up to the amount of SDR 1,285,400.0 thousand, of which the outstanding amount as at 31 December 2017 was SDR 1,143,327.5 thousand,
- bilateral loan agreements - up to the amount of EUR 6,270,000.0 thousand, of which the outstanding amount as at 31 December 2017 was EUR 6,270,000.0 thousand.

[17] Liabilities related to NBP's own administrative activities were not included, as bearing no material impact.

31.12.2016 *PLN thousand*	Total	A vista	From 1 day to 1 month	Over 1 month to 3 months	Over 3 months	Balance sheet value	L.6 Liabilities to residents denominated in foreign currency	L.7 Liabilities to non-residents denominated in foreign currency	L.8 Liabilities to the IMF	L.10 Other liabilities
Current/auxiliary accounts in foreign currency operated by NBP	26,163,901.6	26,163,901.6	0.0	0.0	0.0	26,163,901.6	26,119,613.0	44,288.6	0.0	0.0
Term deposit accounts in foreign currency operated by NBP	16,153.2	0.0	16,153.2	0.0	0.0	16,153.1	16,153.1	0.0	0.0	0.0
Repo transactions in foreign currency	76,447,569.1	0.0	70,480,900.3	5,725,141.1	241,527.7	76,439,867.9	0.0	76,439,867.9	0.0	0.0
Other financial liabilities denominated in foreign currency	2,404,271.2	0.0	2,404,105.8	165.4	0.0	2,404,271.2	1,133,642.6	1,264,209.4	0.0	6,419.2
SDR allocation	7,403,907.5	0.0	4,513.0	0.0	7,399,394.5	7,401,999.6	0.0	0.0	7,401,999.6	0.0
Foreign currency to be delivered due to spot transactions	1,648,593.3	0.0	1,648,593.3	0.0	0.0	-	-	-	-	-
Total	**114,084,395.9**	**26,163,901.6**	**74,554,265.6**	**5,725,306.5**	**7,640,922.2**	**112,426,193.4**	**27,269,408.7**	**77,748,365.9**	**7,401,999.6**	**6,419.2**

31.12.2017 *PLN thousand*	Total	A vista	From 1 day to 1 month	Over 1 month to 3 months	Over 3 months	Balance sheet value	L.6 Liabilities to residents denominated in foreign currency	L.7 Liabilities to non-residents denominated in foreign currency	L.8 Liabilities to the IMF	L.10 Other liabilities
Current/auxiliary accounts in foreign currency operated by NBP	18,627,430.3	18,627,430.3	0.0	0.0	0.0	18,627,430.3	18,580,018.5	47,411.8	0.0	0.0
Term deposit accounts in foreign currency operated by NBP	17,239.9	0.0	17,239.9	0.0	0.0	17,233.6	17,233.6	0.0	0.0	0.0
Repo transactions in foreign currency	29,008,145.7	0.0	29,008,145.7	0.0	0.0	29,005,514.5	0.0	29,005,514.5	0.0	0.0
Other financial liabilities denominated in foreign currency	842,218.0	0.0	842,119.1	98.9	0.0	842,218.0	707,077.9	125,618.4	0.0	9,521.7
SDR allocation	6,489,942.6	0.0	12,015.2	0.0	6,477,927.4	6,485,630.0	0.0	0.0	6,485,630.0	0.0
Foreign currency to be delivered due to spot transactions	1,023,518.0	0.0	1,023,518.0	0.0	0.0	-	-	-	-	-
Total	**56,008,494.5**	**18,627,430.3**	**30,903,037.9**	**98.9**	**6,477,927.4**	**54,978,026.4**	**19,304,330.0**	**29,178,544.7**	**6,485,630.0**	**9,521.7**

9.1.3. Interest rate risk

Interest rate risk is related to a potential decline in the market value of financial instruments due to an unfavourable change in their market yield.

The primary measure of interest rate risk applied by NBP is modified duration, hereinafter referred to as "MD", which specifies the sensitivity of investment portfolios values to changes in the yield on financial instruments.

To mitigate the interest rate risk in the process of managing foreign currency reserves, NBP defines the benchmark level of MD of foreign currency reserves, along with admissible fluctuation bands. In 2017, the MD of the reserves was kept at a level similar to the one binding in the preceding year.

The sensitivity analysis, conducted based on MD[18], showed that a change in interest rates by 100 basis points (for each foreign exchange portfolio, evenly distributed along the yield curve) would result in a change of the value of securities portfolios by PLN 6,574.4 million as at 31 December 2017 (as at 31 December 2016 – by PLN 6,825.0 million). The change in value of securities portfolios in individual currencies in response to a change in interest rates by 100 basis points, as estimated based on MD analysis, is presented below.

MD-based estimate of a change in values of securities portfolios in individual currencies in response to a 100 bps change in interest rates

PLN million	31.12.2016	31.12.2017	Change
USD	2,706.47	2,494.07	-212.40
EUR	1,597.06	1,731.26	134.20
GBP	1,299.95	1,114.05	-185.90
AUD	788.23	753.93	-34.30
NOK	272.01	326.85	54.84
NZD	161.25	154.26	-6.99
Total	**6,824.97**	**6,574.42**	**-250.55**

In accordance with the accounting principles of NBP, price revaluation gains on securities at the end of the year are recorded as revaluation accounts on the liabilities side of the balance sheet, while losses are debited to NBP's financial result.

[18] In the sensitivity analysis NBP applied the MD ratio for individual foreign-currency securities portfolios as at 31 December 2016 and 31 December 2017 as a linear measure of the relationship between price and yield, as well as the holding of securities portfolios as at 31 December 2016 and 31 December 2017 based on values used in the monitoring of MD.

9.1.4. Foreign exchange rate risk

Foreign exchange rate risk arises out of a potential decline in the value of foreign currency holdings as a result of unfavourable exchange rates fluctuations in the foreign exchange market.

The assessment of exposure to foreign exchange rate risk is carried out based on the parametric Value at Risk (VaR) methodology. The level of VaR calculated as at the balance sheet date is taken into account for calculating the amount of the provision against the foreign exchange rate risk of the zloty (see Chapter 4).

In the process of foreign currency reserves management, NBP defines the currency structure of the strategic benchmark, along with admissible fluctuation bands. In 2017, the composition of the strategic currency benchmark of the previous year was maintained - the benchmark was as follows:

- 44% USD,
- 27% EUR,
- 12% GBP,
- 8% AUD,
- 6% NOK,
- 3% NZD.

9.1.4.1. Exposure to foreign exchange rate risk

Below, the foreign currency holdings of NBP as at 31 December 2016 and 31 December 2017 by currency are presented, wherein items in foreign currency related to own administrative activities are presented as part of PLN holdings since they are immaterial.

31.12.2016 *PLN thousand*	PLN	USD	EUR	GBP	AUD	NOK	NZD	SDR	Gold	Other currencies	Total
ASSETS											
1. Gold and gold receivables	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	16,035,770.9	0.0	16,035,770.9
2. Claims on non-residents denominated in foreign currency	0.0	209,681,425.7	125,175,919.4	64,126,925.8	27,738,618.6	21,389,669.4	10,521,317.3	4,394,707.8	0.0	218,320.8	463,246,904.8
3. Claims on residents denominated in foreign currency	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4. Claims on non-residents denominated in domestic currency	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
5. Claims on other domestic monetary financial institutions related to monetary policy operations denominated in domestic currency	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
6. Other claims on other domestic monetary financial institutions denominated in domestic currency	424.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	424.0
7. Securities of residents denominated in domestic currency	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
8. Claims on general government denominated in domestic currency	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
9. Items in course of settlement	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
10. Other assets	1,283,391.5	98,914.3	106,635.7	0.0	19,726.9	7,079.7	32,940.7	56,716.0	0.0	0.0	1,605,404.8
of which, adjustment and currency revaluation differences on off-balance-sheet items	*0.0*	*98,914.3*	*10,893.9*	*0.0*	*19,726.9*	*7,079.7*	*32,940.7*	*0.0*	*0.0*	*0.0*	*169,555.5*
TOTAL ASSETS	**1,283,815.5**	**209,780,340.0**	**125,282,555.1**	**64,126,925.8**	**27,758,345.5**	**21,396,749.1**	**10,554,258.0**	**4,451,423.8**	**16,035,770.9**	**218,320.8**	**480,888,504.5**
LIABILITIES											
1. Banknotes and coins in circulation	187,574,849.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	187,574,849.5
2. Liabilities to other domestic monetary financial institutions related to monetary policy operations denominated in domestic currency	114,553,118.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	114,553,118.7
3. Other liabilities to other domestic monetary financial institutions denominated in domestic currency	468,823.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	468,823.0
4. Liabilities to other residents denominated in domestic currency	4,980,569.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	4,980,569.3
5. Liabilities to non-residents denominated in domestic currency	4,369,292.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	4,369,292.4
6. Liabilities to residents denominated in foreign currency	0.0	1,239,446.3	25,840,936.4	137.5	60.4	2.3	0.0	0.0	0.0	188,825.8	27,269,408.7
7. Liabilities to non-residents denominated in foreign currency	0.0	52,179,341.0	4,281,794.8	21,287,230.1	0.0	0.0	0.0	0.0	0.0	0.0	77,748,365.9
8. Liabilities to the IMF	0.0	0.0	0.0	0.0	0.0	0.0	0.0	7,401,999.6	0.0	0.0	7,401,999.6
9. Items in course of settlement	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
10. Other liabilities	186,884.4	93,837.5	17,618.3	491.5	24,268.9	7,081.2	37,307.4	0.0	0.0	81.3	367,570.5
of which, adjustment and currency revaluation differences on off-balance-sheet items	*0.0*	*92,521.7*	*12,664.2*	*447.9*	*22,440.7*	*7,079.7*	*37,306.9*	*0.0*	*0.0*	*0.0*	*172,461.1*
11. Provisions for future liabilities	133,314.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	133,314.0
12. Revaluation accounts	42,909,297.6	139,355.0	287,746.9	452,106.4	75,885.1	242,101.6	206,279.1	0.0	0.0	0.0	44,312,771.7
13. Capital and reserves	13,315,346.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	13,315,346.1
14. Financial result	-1,606,924.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-1,606,924.9
TOTAL LIABILITIES	**366,884,570.1**	**53,651,979.8**	**30,428,096.4**	**21,739,965.5**	**100,214.4**	**249,185.1**	**243,586.5**	**7,401,999.6**	**0.0**	**188,907.1**	**480,888,504.5**
OFF-BALANCE-SHEET ITEMS											
Currency to be received in spot transactions	0.0	455,017.4	0.0	103,315.5	425,233.7	0.0	672,700.3	0.0	0.0	0.0	1,656,266.9
Currency to be delivered in spot transactions	0.0	1,084,534.4	352,149.7	102,867.6	0.0	116,715.2	0.0	0.0	0.0	0.0	1,656,266.9
NET HOLDING	**-365,600,754.6**	**155,498,843.2**	**94,502,309.0**	**42,387,408.2**	**28,083,364.8**	**21,030,848.8**	**10,983,371.8**	**-2,950,575.8**	**16,035,770.9**	**29,413.7**	
of which:											
*Balance sheet holding**	*-365,600,754.6*	*156,121,967.6*	*94,856,229.0*	*42,387,408.2*	*27,660,844.9*	*21,147,564.0*	*10,315,037.7*	*-2,950,575.8*	*16,035,770.9*	*29,413.7*	
*Off-balance-sheet holding**	*0.0*	*-623,124.4*	*-353,920.0*	*0.0*	*422,519.9*	*-116,715.2*	*668,334.1*	*0.0*	*0.0*	*0.0*	

* The effects of the adjustments to the average cost of holding and currency revaluation of the off-balance sheet holding in foreign currency (presented in items A.10 and L.10) are accounted for in the off-balance sheet holding. Values presented in the tables may not add up to totals due to rounding.

31.12.2017 *PLN thousand*	PLN	USD	EUR	GBP	AUD	NOK	NZD	SDR	Gold	Other currencies	Total
ASSETS											
1. Gold and gold receivables	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	14,942,147.1	0.0	14,942,147.1
2. Claims on non-residents denominated in foreign currency	0.0	169,602,794.7	113,827,122.0	38,274,186.7	26,369,789.1	18,840,711.0	8,962,333.2	3,374,388.1	0.0	183,579.1	379,434,903.9
3. Claims on residents denominated in foreign currency	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4. Claims on non-residents denominated in domestic currency	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
5. Claims on other domestic monetary financial institutions related to monetary policy operations denominated in domestic currency	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
6. Other claims on other domestic monetary financial institutions denominated in domestic currency	529.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	529.0
7. Securities of residents denominated in domestic currency	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
8. Claims on general government denominated in domestic currency	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
9. Items in course of settlement	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
10. Other assets	1,266,639.9	13,633.8	90,918.2	5,457.2	2,391.4	0.0	15,174.1	49,653.0	0.0	0.0	1,443,867.6
of which, adjustment and currency revaluation differences on off-balance-sheet items	*0.0*	*13,633.8*	*0.0*	*5,457.2*	*1,741.1*	*0.0*	*15,174.1*	*0.0*	*0.0*	*0.0*	*36,006.2*
TOTAL ASSETS	**1,267,168.9**	**169,616,428.5**	**113,918,040.2**	**38,279,643.9**	**26,372,180.5**	**18,840,711.0**	**8,977,507.3**	**3,424,041.1**	**14,942,147.1**	**183,579.1**	**395,821,447.6**
LIABILITIES											
1. Banknotes and coins in circulation	198,715,915.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	198,715,915.2
2. Liabilities to other domestic monetary financial institutions related to monetary policy operations denominated in domestic currency	128,003,831.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	128,003,831.0
3. Other liabilities to other domestic monetary financial institutions denominated in domestic currency	471,354.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	471,354.0
4. Liabilities to other residents denominated in domestic currency	7,581,248.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	7,581,248.1
5. Liabilities to non-residents denominated in domestic currency	2,862,039.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2,862,039.9
6. Liabilities to residents denominated in foreign currency	0.0	783,352.9	18,360,761.3	2,806.2	0.0	0.0	0.0	0.0	0.0	157,409.6	19,304,330.0
7. Liabilities to non-residents denominated in foreign currency	0.0	22,025,580.2	6,654,064.1	0.0	373,339.7	125,560.7	0.0	0.0	0.0	0.0	29,178,544.7
8. Liabilities to the IMF	0.0	0.0	0.0	0.0	0.0	0.0	0.0	6,485,630.0	0.0	0.0	6,485,630.0
9. Items in course of settlement	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
10. Other liabilities	180,230.0	13,874.2	9,531.7	5,754.9	2,156.8	1.6	15,174.5	0.0	0.0	72.4	226,796.1
of which, adjustment and currency revaluation differences on off-balance-sheet items	*0.0*	*13,667.8*	*590.0*	*5,488.8*	*2,110.1*	*0.0*	*15,174.1*	*0.0*	*0.0*	*0.0*	*37,030.8*
11. Provisions for future liabilities	133,784.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	133,784.0
12. Revaluation accounts	12,604,341.4	23,048.2	30,992.7	150,672.4	8,911.3	202,261.3	203,110.7	0.0	0.0	0.0	13,223,338.0
13. Capital and reserves	2,967,483.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2,967,483.8
14. Financial result	-13,332,847.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-13,332,847.2
TOTAL LIABILITIES	**340,187,380.2**	**22,845,855.5**	**25,055,349.8**	**159,233.5**	**384,407.8**	**327,823.6**	**218,285.2**	**6,485,630.0**	**0.0**	**157,482.0**	**395,821,447.6**
OFF-BALANCE-SHEET ITEMS											
Currency to be received in spot transactions	0.0	490,890.0	208,860.5	188,649.1	136,364.0	0.0	0.0	0.0	0.0	0.0	1,024,763.6
Currency to be delivered in spot transactions	0.0	136,364.0	208,270.5	282,619.5	167,110.7	0.0	230,398.9	0.0	0.0	0.0	1,024,763.6
NET HOLDING	**-338,920,211.3**	**147,125,099.0**	**88,863,280.4**	**38,026,440.0**	**25,957,026.0**	**18,512,887.4**	**8,528,823.2**	**-3,061,588.9**	**14,942,147.1**	**26,097.1**	
of which:											
*Balance sheet holding**	*-338,920,211.3*	*146,770,607.0*	*88,863,280.4*	*38,120,442.0*	*25,988,141.7*	*18,512,887.4*	*8,759,222.1*	*-3,061,588.9*	*14,942,147.1*	*26,097.1*	
*Off-balance-sheet holding**	*0.0*	*354,492.0*	*0.0*	*-94,002.0*	*-31,115.7*	*0.0*	*-230,398.9*	*0.0*	*0.0*	*0.0*	

* The effects of the adjustments to the average cost of holding and currency revaluation of the off-balance sheet holding in foreign currency (presented in items A.10 and L.10) are accounted for in the off-balance sheet holding. Values presented in the tables may not add up to totals due to rounding.

9.1.4.2. Value at Risk and provision against the foreign exchange rate risk of the zloty

At NBP, the Value at Risk (VaR) methodology is used to perform the analysis of the foreign exchange rate risk of the zloty. It estimates the loss expected due to fluctuations of the foreign exchange rate of the zloty, which in normal conditions and with an assumed probability should not be exceeded within the adopted time horizon.

The Value at Risk is then decreased by unrealised foreign currency revaluation gains estimated on the basis of statistical distribution analysis. The estimation is based on the foreign currency holdings in the structure of foreign currency reserves as at the balance sheet date along with historical time series of the average cost of currency holdings and the average NBP exchange rates for these currencies. Such an approach makes it possible to determine a stable level of unrealised gains and thus limits volatility of the provision against the foreign exchange rate risk of the zloty.

As at 31 December 2016 the provision amounted to PLN 10,807,911.6 thousand and was equal to the amount of the uncovered accumulated loss of previous years arising from changes in the exchange rate of the zloty against foreign currencies (in accordance with Resolution No 12/2010). The amount of the estimated provision as at 31 December 2017 did not change, yet due to unrealised losses resulting from changes of foreign exchange rate of the zloty against foreign currencies in the amount that caused for NBP a loss and exceeded the created provision, the provision was in total released as income.

9.1.4.3. Gold price risk

The risk of the change in the price of gold (see Note 1) arises out of a potential decline in the value of gold as a result of unfavourable changes in the market price of gold.

The impact of a decline in the price of gold on the financial result is limited by unrealised gold revaluation gains and gold revaluation account (see Chapter 2.5.13 and Note 22).

9.1.5. Capital of NBP

As the central bank of the State, NBP is not subject to regulations on capital adequacy of banks.

According to practice adopted by central banks, NBP classifies the following as its capital components:

- statutory fund,
- reserve fund,
- provision against the foreign exchange rate risk of the zloty,
- gold revaluation account,
- currency and price revaluation gains,

- NBP's balance sheet loss (of previous years and of the current year),
- a part of profit of current year at the disposal of NBP (i.e. 5%), which will be allocated to the reserve fund of NBP.

The table below presents values of the components of NBP's capital.

PLN thousand	31.12.2016	31.12.2017
Statutory fund	1,500,000.0	1,500,000.0
Reserve fund	1,007,434.5	1,467,483.8
Provision against the foreign exchange rate risk of the zloty	10,807,911.6	0.0
Gold revaluation account	1,618,023.2	1,618,023.2
Currency and price revaluation gains	42,694,748.5	11,605,314.8
NBP balance sheet loss of previous years	-10,807,911.6	-10,807,911.6
Financial result for the current year retained at NBP*	460,049.3	-2,524,935.6
Total	**47,280,255.5**	**2,857,974.6**
% of the balance sheet total of NBP	*9.8%*	*0.7%*

* 5% of NBP's profit for 2016, which amounted to PLN 9,200,986.7 thousand and the entire loss of NBP for 2017.

9.1.6. Market value of financial assets and liabilities and off-balance-sheet financial instruments

In line with the applicable accounting principles, NBP measures the value of financial assets and liabilities and off-balance-sheet financial instruments using market prices (mark-to-market valuation) or valuation models accepted in market practice (mark-to-model valuation) with prices or market parameters as input factors, with the exception of:

- claims and liabilities due to bank accounts, including deposits and term deposits,
- credits and loans granted,
- other financial assets,
- banknotes and coins in circulation,
- securities issued by NBP.

Bearing in mind the nature of the above mentioned financial instruments (e.g. short-term character, uniqueness of the instrument), it was assumed that their balance sheet value approximately equals their market/current value.

Financial assets and liabilities as well as off-balance-sheet financial instruments are classified into one of the following three categories based on the methods of determining the market value for price valuation used by NBP:

Level 1	Level 2	Level 3
Financial assets and liabilities and off-balance-sheet financial instruments whose market value is determined directly on the basis of (unadjusted) prices quoted on active markets for identical assets, liabilities or off-balance-sheet financial instruments. NBP has classified securities purchased by NBP into this category.[19]	Financial assets and liabilities and off-balance-sheet financial instruments whose market value is determined on the basis of valuation models, for which all significant input data are observable in the market directly (as prices) or indirectly (as based on prices). NBP has classified into this category forward transactions in securities for the revaluation of which it uses the model with input parameters coming directly from the market. The value of such transactions as at the balance sheet date is determined by comparing the market price of securities on the valuation date with their contract price, discounted as at the spot date applicable for market prices from the valuation date.	Financial assets and liabilities as well as off-balance-sheet financial instruments, whose market value is estimated using valuation models for which input data are not based on data observable in the market. As at 31 December 2016 and 31 December 2017, NBP did not classify any financial assets and liabilities and off-balance-sheet financial instruments into this category.

Financial assets and liabilities and off-balance-sheet financial instruments that are presented in the balance sheet as at 31 December 2016 and 31 December 2017 according to market value, assigned to individual levels, are presented below.

31.12.2016 *PLN thousand*	Level 1	Level 2	Level 3	Balance sheet value	Balance sheet item
ASSETS					
Securities purchased by NBP	332,892,291.0	0.0	0.0	332,892,291.0	A.2.2
Forward transactions in securities (revaluation gains)	0.0	0.0	0.0	0.0	A.10.3
LIABILITIES					
Forward transactions in securities (revaluation losses)	0.0	1,805.8	0.0	1,805.8	P.10.1

[19] Gold is also subject to revaluation according to market prices. To measure its value, NBP uses the average market price of gold which is converted into domestic currency according to the average NBP exchange rate of the US dollar as at the balance sheet date. In line with the applicable accounting principles, NBP does not differentiate between the effects of the currency revaluation and price revaluation of gold, treating them jointly as currency revaluation differences.

31.12.2017 *PLN thousand*	Level 1	Level 2	Level 3	Balance sheet value	Balance sheet item
ASSETS					
Securities purchased by NBP	307,350,022.7	0.0	0.0	307,350,022.7	A.2.2
Forward transactions in securities (revaluation gains)	0.0	650.3	0.0	650.3	A.10.3
LIABILITIES					
Forward transactions in securities (revaluation losses)	0.0	13.6	0.0	13.6	P.10.1

In 2016 and 2017, there were no transfers between Level 1 and Level 2.

NBP also carries out transactions in bond futures. These transactions are marked to market (Level 1) and settled on a daily basis (see Note 29).

9.2. Operational risk

In NBP the operational risk is defined as the potential possibility of incurring financial or non-financial damages, including failure to carry out tasks or a negative impact on NBP reputation, resulting from inadequate or failed internal processes, personnel or systems, or from external events.

The operational risk in NBP is divided into four sub-categories: safety risk, personnel risk, legal risk and technological risk, which includes ICT technological risk (related, inter alia, to IT and ICT systems, IT software and hardware) and non-ICT technological risk (related, inter alia, to construction facilities and elements of mobile equipment).

The risk mitigation mechanisms used at NBP include, in particular:

- external and internal regulations,
- the scope of job responsibilities and division of duties,
- data reconciliation, and the "four-eyes" principle,
- the system of (financial, time) limits and restrictions,
- functioning of access control system as well as IT and telecommunications, physical and electronic safeguards,
- backup copies, contingency and evacuation plans,
- insurance,
- control and internal audit.

In 2017 the Commission for Operational Risk Management held 12 sessions. The topics discussed included, inter alia, current issues that may affect the level of operational risk in NBP, cybersecurity at NBP and business continuity plans.

In 2017, the knowledge was promoted of recommended professional attitude of employees, which is in line with the standards delineated in the Code of Ethics for Narodowy Bank Polski Employees.

Director of the Accounting
and Finance Department
of Narodowy Bank Polski:

/-/ Krzysztof Kruszewski

Management Board
of Narodowy Bank Polski:

/-/ Adam Glapiński
/-/ Piotr Wiesiołek
/-/ Anna Trzecińska
/-/ Jacek Bartkiewicz
/-/ Andrzej Kaźmierczak
/-/ Ryszard Kokoszczyński
/-/ Paweł Samecki
/-/ Paweł Szałamacha
/-/ Katarzyna Zajdel-Kurowska

Warsaw, 21 March 2018