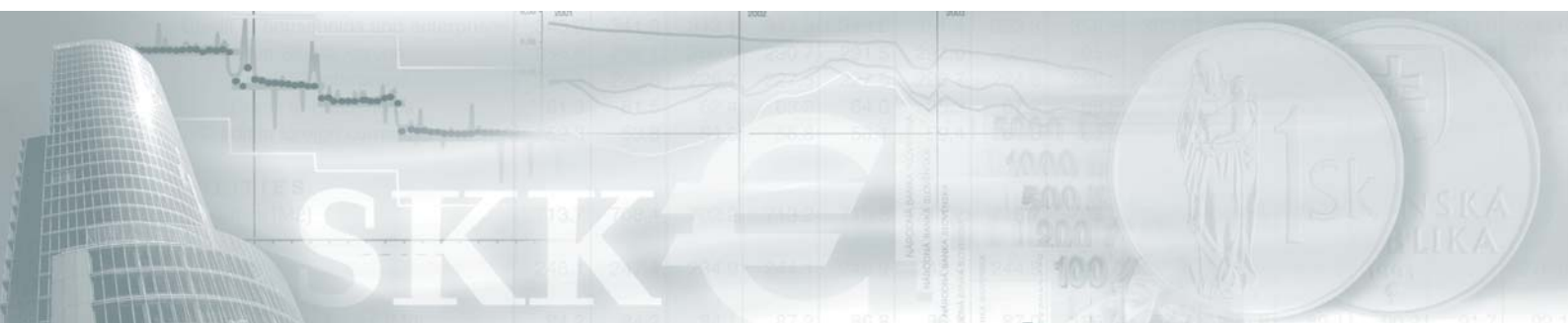




NÁRODNÁ BANKA SLOVENSKA



# Monetary Survey

May 2004



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*Prepared on the basis of the Situation Report on the Monetary Development  
in May 2004, approved by the NBS Bank Board on 30 June 2004.*



## 1. Introduction

The level of consumer prices rose by 0.4 of a percentage point in May, while the prices of core inflation components increased month-on-month by 0.3%. The 12-month rate of consumer-price inflation reached 8.3%, with core inflation accounting for 2.08 percentage points. The rate of core inflation reached 2.8% on a year-on-year basis.

Real gross domestic product increased by 5.5% over the first quarter of 2004.

The M2 money supply (at fixed 1993 exchange rates) grew in April by Sk 8.2 billion, corresponding to a year-on-year increase of 4.3%. Slovak-koruna deposits, as a component of the M2 monetary aggregate, grew month-on-month by Sk 9.5 billion and year-on-year by 6.3%. At current exchange rates, the money supply increased year-on-year by 3.4%.

The volume of loans to households and enterprises (at fixed exchange rates from 1 January 1993) fell in April by Sk 0.3 billion, representing a slowdown in year-on-year dynamics to 13.0%. At current exchange rates, loans to enterprises and households grew year-on-year by 12.9%.

Average interest rates on new loans and deposits fell equally by 0.1 of a percentage point in April, to 7.5% and 3.1% respectively.

On 31 March 2004, the State Budget of the SR resulted in a deficit of Sk 2.3 billion.

The foreign exchange reserves of the NBS (at current exchange rates) increased by USD 1,635.9 million in May. The volume of reserves at the end of the month was 5.5 times greater than the volume of average monthly imports of goods and services to Slovakia, during the first four months of 2004.

The National Bank of Slovakia conducted no foreign exchange transactions with domestic or foreign banks in May.

From January to March, the balance of payments on current account generated a surplus of Sk 5.3 billion. In the same period, the capital and financial account produced a deficit of Sk 1.0 billion. From January to April, the current account generated a surplus of Sk 4.0 billion, while trade resulted in a deficit of Sk 1.7 billion.

In May, the overall sterilisation position of the NBS vis-à-vis the banking sector stood at Sk 203 billion, representing an increase of Sk 7.3 billion compared with the figure for April.

On 26 May 2004, the Board of the National Bank of Slovakia (NBS) decided to leave its key interest rates unchanged, i.e. 5.0% for two-week repo tenders, 3.5% for overnight sterilisation operations, and 6.5% for overnight refinancing transactions.



## 2. Inflation

### 2.1. Consumer Price Index

After a period of stagnancy in the previous month, consumer prices again rose in May, with price increases being recorded in all components.

**Month-on-month rise in consumer prices**

Consumer prices increased by an average of 0.4%, with regulated prices rising by 0.3% and the prices of core inflation components by 0.3%. May saw an increase in excise duties on cigarettes and a slight increase in excise duties on wine for intermediate products. The increase in excise duties contributed 0.07 of a percentage point to the rise in overall inflation. The 12-month rate of overall inflation reached 8.3% (in April 8.0%) and that of core inflation 2.8% (in April 2.6%). Consumer prices rose by 8.3% during the first five months of the year.

**Increase in excise duties**

Within the basic structure of core inflation, food prices recorded an increase, after falling for two months. Among tradable goods, fuel prices continued to increa-

**Increases in all core inflation components**



se as a result of the rise in oil prices on the world markets. Market services prices were affected by a rise in prices for catering services and an increase in the price of domestic recreation.

**Further month-on-month increase in food prices**

Food prices increased by 0.6% in May, due to a rise in both processed and non-processed food prices. Among processed food prices, which rose by 0.2%, the most significant increase took place in the price of sugar and rice (a consequence of EU entry). The price of cooking oil and fat also increased. On the other hand, the price of milk and dairy products dropped. Non-processed food prices increased by 1.1% due to a rise in fruit (mainly banana) and vegetables (including potatoes), accompanied by a fall in meat prices. On a year-on-year basis, food prices rose by 0.7% (the same figure as in April).

**Continued increase in fuel prices**

On a month-on-month basis, tradable goods prices increased by 0.3%, due mainly to a rise in fuel prices in reaction to the high price of oil on the world markets. Oil prices reflected the impact of increased demand for oil in China, the situation in Iraq, especially the sabotage of the oil fields, the low supply of fuel in the USA, and the approaching summer holidays. The price of tradable goods (excluding fuels) recorded a modest drop. On a year-on-year basis, tradable goods prices increased by 1.6% (in April by 1.1%).

**Consumer Prices in May 2004**

Structure of the consumer basket	Constant weight	Comparative change	
		April 2004	May 2003
<b>Total in %</b>	100.0	0.4	8.3
Regulated prices in %	19.9	0.3	14.9
Share of total, in percentage points		0.08	3.69
<b>Impact of changes in indirect taxes on non-regulated prices</b>			
share of total, in percentage points		0.07	2.55
<b>Core inflation in %</b>	80.1	0.3	2.8
Share of total, in percentage points		0.24	2.08
of which: food prices in %	21.4	0.6	0.7
Share of total, in percentage points		0.10	0.13
<b>Net inflation</b>			
(excluding the impact of changes in indirect taxes) in %	58.7	0.3	3.6
Share of total, in percentage points		0.14	1.95

Source: Statistical Office of the SR.

**Market services prices showed unchanged dynamics**

Prices for market services increased month-on-month by 0.3%, due to a rise in the price of domestic recreation and meals at restaurants. On a year-on-year basis, market services prices showed the same dynamics as in April (7.2%).

**Further fall in the 12-month net inflation rate, excluding fuel prices**

On a month-on-month basis, the prices of net inflation components (market services and tradable goods, excluding fuel prices) remained unchanged in May. The 12-month net inflation rate (excluding fuel prices) slowed to 3.1%, from 3.2% in April.

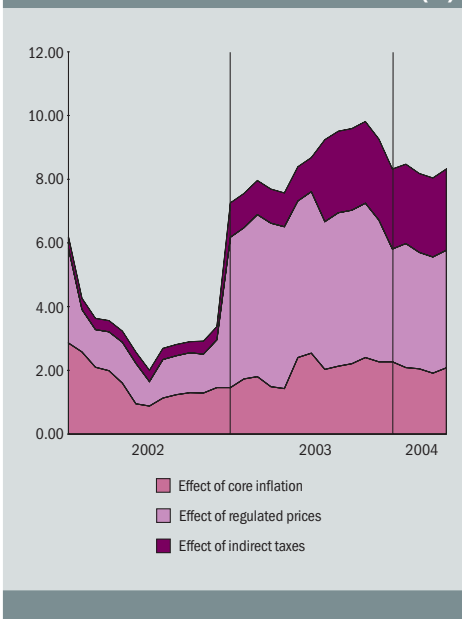
**Increase in regulated prices in health care and municipal public transport**

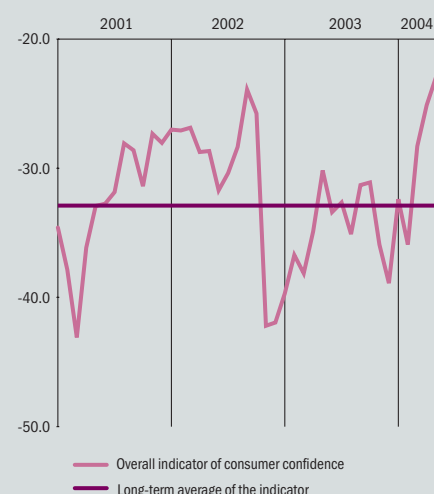
Regulated prices increased by an average of 0.3% in May. The increase took place mostly in prices for meals at school canteens, health services, and transport (mainly municipal public transport fares). On a year-on-year basis, the level of regulated prices rose by 14.9% (in April by 14.7%).

**The consumer confidence indicator reached an all-time high**

Slovakia's consumer confidence indicator continued to improve in May, for the third successive month. Compared with the previous month, the value of the indicator improved by 2.1 points, to -22.9, representing the most favourable figure since April 1999, when the indicator

**Structure of the 12-Month Inflation Rate (%)**



**Indicator of Consumer Confidence**

was introduced in Slovakia. Compared with the same period a year earlier, the consumer confidence indicator has improved by 7.3 points. Improvement was recorded in answers to all the main questions, i.e. expectations concerning economic development, unemployment, the financial situation of households and their savings.

In answer to questions about the previous course of inflation, the average value of inflation (14.8 %, compared with 16.16% in the previous month and 18.5 % in January) was higher than the actual value of year-on-year inflation for April 2004. In response to questions about the expected rate of price inflation, the respondents gave an average value of 16.76% (16.72% in the previous month).

Although the values of inflation expected by consumers are still high, they have shown a tendency to fall in the last few months, which roughly corresponds to the expectations of the NBS in respect of price developments in the next 12 months.

Price levels in June are expected to be affected by a fall in fuel prices, the weak dynamics of tradable goods prices, and a seasonal increase in prices for some services related to the summer tourist season. An upward effect on food prices is expected from meat and sugar prices, and from a seasonal rise in fruit prices. On the other hand, the fall in milk and dairy products prices is expected to continue, and vegetable prices are also likely to drop on a seasonal basis.

**Forecasts for the next month****2.2. Producer Prices in April 2004**

Industrial producer prices for the domestic market fell month-on-month by an average of 0.1% in April, while the price of electricity, gas, steam, and hot water dropped by 0.4% (as a result of a continued fall in the price of electricity) and that of mineral raw materials by 0.6%. The price of industrial products increased by 0.2%.

**Month-on-month drop in industrial producer prices for the domestic market ...**

The rise in industrial products prices was a result of conflicting developments in the individual sectors, which were dominated by sectors where the price levels increased. The steepest price increases were recorded in base metals and finished metal products (1.3%), electrical and optical equipment (0.9%), and pulp and paper goods (0.8%). After rising steeply for two months, the prices of refined oil products remained unchanged in April.

**Producer Price Indices in April 2004**

	Previous period = 100		Same period a year earlier = 100			
	March 2004	April 2004	March 2004	April 2004	Jan.- Apr. 2004	April 2003
	Industrial producer prices (for the domestic market)	100.2	99.9	102.1	102.2	102.7
– Prices of industrial products	100.3	100.2	100.8	101.4	101.2	102.6
– Prices of mineral raw materials	101.2	99.4	107.7	108.2	107.4	102.1
– Prices of electricity, gas, steam, and hot water	99.7	99.6	103.3	102.9	104.5	117.4
Industrial producer prices (for export)	100.3	100.5	95.8	97.3	96.4	100.2
– Prices of industrial products	100.3	100.6	95.8	97.4	96.5	100.1
Construction prices	100.5	100.9	105.5	105.9	105.6	105.3
Building materials prices	99.9	100.4	102.8	102.7	103.3	103.9
Agricultural prices	-	-	101.5	101.9	101.2	93.1
– Prices of plant products	-	-	117.5	117.6	114.1	95.1
– Prices of animal products	-	-	98.7	99.8	98.9	92.9

– Not monitored by the Statistical Office of the SR.





For the first time this year, the prices of chemicals and foodstuffs were lower than in the previous month (by 0.4% and 0.3% respectively). Among food prices, the prices of meat and meat products continued to fall, together with the prices of animal and vegetable oils, fats, and dairy products (due to excessive demand on the market).

**...accompanied by an increase in year-on-year dynamics**

The year-on-year dynamics of industrial producer prices for the domestic market increased (from 2.1% in March to 2.2% in April), due to accelerated increases in the prices of industrial products (by 1.4%, in March by 0.8%) and mineral raw materials (by 8.2%, in March by 7.7%). Weaker dynamics were recorded in electricity, gas, steam, and hot water prices (2.9%, in March 3.3%).

The course of industrial products prices was mainly affected by a continued increase in the dynamics of food prices, the level of which in April was 3.8% higher than in the same period a year earlier. Increased dynamics were also recorded in the prices of metals, finished metal products, and machines and equipment that are not included in any other category. The prices of refined oil products rose by 1.5%, and thus exceeded the level of the same period a year earlier, for the first time this year. The prices of paper goods and transport equipment continued to fall on a year-on-year basis.

**Prices of industrial products for export**

Compared with March, the prices of industrial products for export rose by an average of 0.6% in April, due to increases in the prices of metals, metal products, and refined oil products. The prices of transport vehicles, electrical and optical equipment fell below the level of March.

On a year-on-year basis, industrial products prices for export dropped by 2.6%, with the most significant decreases being recorded in the prices of refined oil products (11.5%) and paper goods (9.0%). The prices of transport vehicles fell by 1.4%.

**Prices in agriculture**

On a year-on-year basis, agricultural prices rose by an average of 1.9%, with the prices of plant products increasing by 17.6% and animal products prices falling by 0.2%.

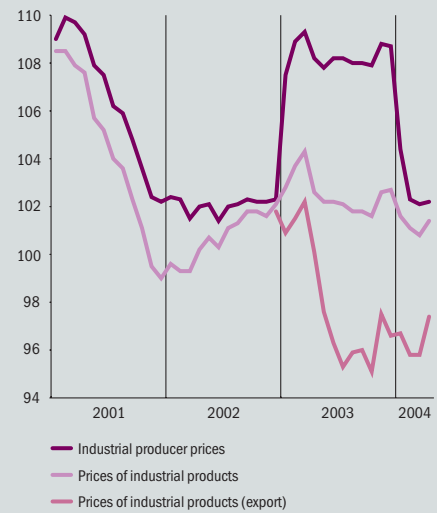
Among plant products, the prices of potatoes and cereals continued to increase dynamically, by an average 24.7% and 18.9% respectively. The price of legumes rose by 2% and that of vegetables by 1%. The prices of animal products were affected mainly by a drop in the price of pigs (5.9%), caused by a slowdown in domestic demand and a fall in pork prices in most European countries.

### 3. Factors Affecting the Course of Inflation

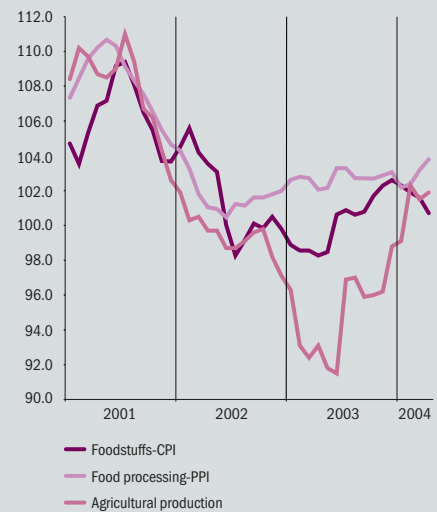
#### 3.1. Monetary Aggregates

After falling in March, the money supply recorded an increase in April. In contrast with the previous year, however, the money supply in April was below its initial level. Net credit to the general government improved for the second consecutive month, as the government again achieved a surplus in the State Budget in April. The trend of growth in loans to enterprises and households was interrupted by a marked fall in the volume of classified loans provided to enterprises, but other loan categories continued to grow and together with the growth in net foreign assets, represented a source of growth for the money supply.

#### Developments in Industrial Producer Prices and Industrial Products Prices (index, same period a year earlier = 100)



#### Developments in Food Prices in Primary Production, Processing, and Consumption (index, same period a year earlier = 100)





## Money Supply (M2)

The M2 money supply (at fixed 1993 exchange rates) grew month-on-month in April (by Sk 8.2 billion), to Sk 719.8 billion. The year-on-year rate of money supply growth accelerated in comparison with the previous month by 1.1 percentage points (to 4.3%), for the same period a year earlier and saw a smaller month-on-month increase in M2 (Sk 1 billion).

### Increase in the 12-month growth dynamics of M2

After weakening on a temporary basis in March, the growth dynamics of time deposits in the corporate sector again increased to approximately the level persisting since December 2003. The demand deposits of enterprises recorded a slight acceleration in the rate of growth. They followed a relatively volatile course of development, but their year-on-year dynamics weakened in comparison with 2003 (when the average rate of growth was 18.3%).

In the household sector, the year-on-year growth in demand deposits (persisting since the end of last year) continued to slow in April, by 5.0 percentage points in comparison with December. The year-on-year dynamics of time deposits remained virtually unchanged in this sector. Households continued to show little interest in time deposits (short-term and medium-term deposits) due pri-

Development of the M2 Money Supply						
	Month-on-month change (Sk billions)			Change since zmena (%)		Change since the beginning of the year (Sk billions)
	March 2004	April 2004	April 2003	March 2004	April 2004	April 2004
<b>At fixed 1993 exchange rates:</b>						
Money supply [M2]	-19.1	8.2	1.0	3.2	4.3	-5.7
Money [M1]	-6.6	1.9	1.5	7.5	7.6	-14.6
Currency outside banks [M0]	-0.9	0.1	-0.5	4.6	5.3	-0.9
Demand deposits	-5.7	1.8	2.0	9.1	8.8	-13.7
- households	-1.6	0.4	1.0	7.9	7.0	2.5
- enterprises (inc. insurance cos.)	-4.1	1.4	1.0	10.3	10.7	-16.2
Quasi-money [QM]	-12.5	6.3	-0.5	0.9	2.5	8.9
Time deposits	-5.8	7.7	-2.0	2.6	5.2	14.2
- households	-1.0	-1.6	-1.8	-5.2	-5.1	-2.5
- enterprises (inc. insurance cos.)	-4.8	9.3	-0.2	18.8	26.9	16.7
Foreign-currency deposits	-6.7	-1.4	1.5	-6.6	-10.0	-5.3
- households	-1.0	-1.1	0.1	-13.5	-15.8	-2.6
- enterprises (inc. insurance cos.)	-5.7	-0.3	1.4	6.0	0.0	-2.7
Koruna deposits	-11.5	9.5	0.0	4.5	6.3	0.5
- households	-2.6	-1.2	-0.8	-2.1	-2.2	0.0
- enterprises (inc. insurance cos.)	-8.9	10.7	0.8	15.5	20.4	0.5
<b>At current exchange rates:</b>						
Money supply [M2]	-20.1	9.0	-0.7	2.0	3.4	-6.9
Foreign-currency deposits	-7.7	-0.6	-0.2	-13.4	-13.8	-6.5
- households	-1.2	-0.6	-1.2	-19.8	-19.3	-3.2
- enterprises (inc. insurance cos.)	-6.5	0.0	1.0	-1.7	-4.4	-3.3
Net foreign assets	0.2	9.8	-15.3	-9.2	5.1	19.3
Net domestic assets	-19.3	-1.6	16.3	7.6	4.0	-25.0
Domestic credits	-7.5	-8.8	7.2	16.3	13.4	-8.3
Net credit to the general government	-12.9	-8.5	5.6	19.8	13.8	-10.5
Loans to enterprises and households	5.4	-0.3	1.6	13.7	13.0	2.2
Loans in Sk	3.2	-2.9	0.5	10.1	8.9	-5.1
- households	2.5	2.4	1.3	41.7	42.6	8.0
- enterprises (inc. insurance cos.)	0.7	-5.3	-0.8	1.2	-0.8	-13.1
Loans in foreign currency	2.2	2.6	1.1	36.1	38.4	7.3



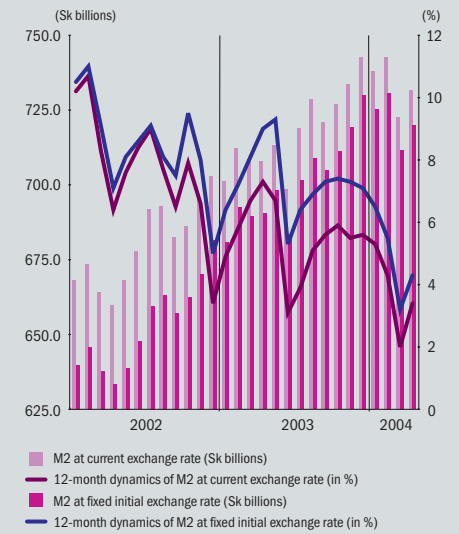
marily to the unfavourable trend in yields, which have been falling steadily on a year-on-year basis since the end of 2002.

The year-on-year rate of decline in foreign-currency deposits accelerated in April, in both corporate and household deposits. Corporate deposits in foreign currency have followed a volatile course since the beginning of the year. After growing dynamically in the first two months, their dynamics weakened substantially in the following months and their year-on-year volume remained unchanged in April. Household deposits in foreign currency have recorded a relatively stable rate of year-on-year decline since the middle of 2003 (13.5% on average).

The year-on-year rate of growth in currency in circulation outside banks increased in April, but showed weaker dynamics than in 2003 (the average growth rate in 2003 was 9.7%, compared with 6% in the first four months of 2004).

At current exchange rates, the M2 money supply increased month-on-month by Sk 9 billion, to Sk 731.7 billion at the end of April. The year-on-year rate of growth accelerated in comparison with March by 1.4 percentage points, to 3.4%.

**Development of the M2 Money Supply**



**Net Sales of Open-End Investment Funds**

(Sk billions)

	2004					
	Jan.	Feb.	Mar.	Apr.	May	Jan. – May
Net sales of OIF, denominated in Slovak koruna	1.29	1.49	1.81	1.31	1.80	7.70
Net sales of OIF, denominated in foreign currency	0.08	0.07	0.10	0.05	0.14	0.44

During May, the net sales of open-end investment funds (OIF) in Slovak koruna totalled Sk 1.8 billion, of which money market OIF's accounted for Sk 1.3 billion, bond funds Sk 0.1 billion, share funds Sk 0.1 billion, and mixed funds Sk 0.3 billion. The net sales of OIF's denominated in foreign currency reached Sk 141 million in Slovakia.

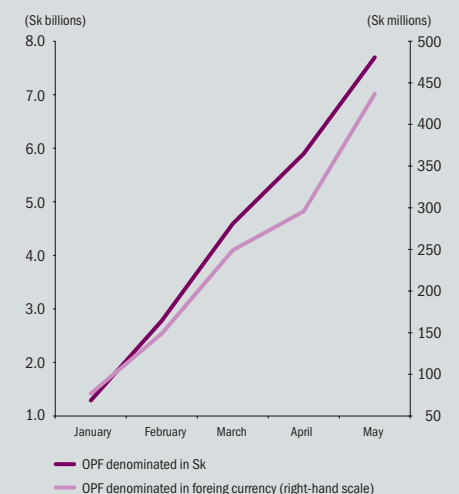
The net value of Sk-denominated OIF assets administered by Slovak trust companies totalled Sk 39.7 billion on 30 April 2004 and Sk 41.3 billion on 31 May 2004.

**Loans to Enterprises and Households**

**Slowdown in the year-on-year rate of growth in loans**

The volume of loans to enterprises and households (at fixed 1993 exchange rates) remained stagnant in April, at the level of Sk 383.9 billion, which was only Sk 0.3 billion lower than in the previous month. The year-on-year dynamics of bank lending to enterprises and household weakened in comparison with the previous month by 0.7 percentage point, to 13.0%.

**Cumulative Net Sales of OIF's in Slovakia in 2004**



At current exchange rates, bank lending to enterprises and households followed a slightly different course in April, due to a depreciation in the exchange rate of the SKK against the EUR and USD.



The total volume of loans grew month-on-month by Sk 0.8 billion in April, to Sk 394.4 billion (due to the increased koruna equivalent of foreign-currency loans), while the 12-month rate of growth remained at the level of the previous month (12.9%).

The slowdown in the long-term trend of growth in loans to enterprises and households was caused by a decline in lending to enterprises in Slovak koruna (by Sk 5.3 billion), resulting from a fall in the volume of classified loans in the corporate sector (by Sk 3.7 billion) and a decline in short-term loans to enterprises for current assets (by Sk 3.6 billion). On the other hand, loans to households maintained the trend of growth, and increased month-on-month by Sk 2.4 billion. A similar trend was recorded in loans in foreign currency (at fixed 1993 exchange rates), which grew in volume by Sk 2.6 billion on a month-on-month basis.

Compared with the beginning of the year, koruna loans to households increased by a total of Sk 8 billion, which is more than the figure for the first half of 2003 (Sk 7.1 billion). In 2004, with the exception of January, they recorded an average month-on-month increase of Sk 2.5 billion. Roughly 50% of the April increase in loans to households took place in mortgage loans with a maturity of over 5 years, which grew in April by Sk 1.1 billion and in total since the beginning of the year by Sk 4 billion. Consumer loans and loans for housing purposes had grown by Sk 2.5 billion since the beginning of the year, the remaining part of the total increase took place in current account overdrafts (Sk 1.0 billion) and classified loans (Sk 0.5 billion).

### ***Fiscal Developments, Net Credit to the Government***

At the end of April, the volume of net credit to the general government (including the FNM) stood at Sk 286.7 billion (at fixed 1993 exchange rates), representing a month-on-month fall of Sk 8.5 billion.

**Net credit to the general government**

The continued favourable trend was due partly to the budgetary performance of the FNM, where FNM deposits in commercial banks increased month-on-month by Sk 3.1 billion, mainly in connection with the sale of a 10% stake in Slovenská sporiteľňa, a.s. (EUR 72 million, an equivalent of approximately Sk 2.9 billion).

Another factor in the April improvement in net credit to the general government was the current budgetary performance of the central government, which resulted in a surplus of Sk 5.7 billion at the end of April (compared with Sk 1.2 billion at the end of March), with budget revenues totalling Sk 98.1 billion and expenditures Sk 92.4 billion.

Within the structure of net credit to the general government, the internal debt of the government diminished to the detriment of foreign debt in connection with the receipt of the third and final tranche of an EFSAL loan from the World Bank in April (EUR 70 million, an equivalent of Sk 2.8 billion), in the of State Financial Assets account.

In line with the Issuing Schedule for 2004, the Agency for Debt and Liquidity Management (ARDAL) announced two issues of SR Treasury bills for May. Both issues were placed on the market through a Dutch auction, with an unlimited issue-amount and unset issue-rate.

**Primary market for Treasury bills**

In May, the ARDAL placed Treasury bills on the market in the amount of Sk 4.241 billion, representing 18.38% of the total demand of investors. The yield accepted reached 4.63%, i.e. 17 base points less than the BRIBOR rate for the corresponding maturity in the case of a comparable tax burden (the fall can be attributed to the reduction in NBS interest rates).

### ***Net Foreign Assets***

Net foreign assets (at fixed 1993 exchange rates) increased month-on-month by Sk 9.8 billion in April, to Sk 174.3 billion. Foreign assets increased by Sk 3.8 billion, while foreign liabilities decreased by Sk 6.0 billion.

**Increase in net foreign assets**

On the foreign assets side, the foreign exchange reserves of the NBS recorded a slight fall (Sk 0.5 billion) as a result of repo operations, which was offset by the borrowing activity of the government. The foreign assets of commercial banks increased by a total of Sk 4.3 billion (of which Sk 3.9 billion took place in short-term assets and Sk 0.3 billion in long-term assets).

The structure of foreign liabilities was affected by decreases in the short-term foreign liabilities of the NBS (Sk 3.3 billion) and the foreign liabilities of commercial banks (Sk 8.4 billion, of which short-term



liabilities accounted for Sk 6.8 billion and long-term liabilities Sk 1.7 billion). On the other hand, the long-term liabilities of the NBS and the Government increased, as well as the volume of government securities in the holdings of non-residents (by Sk 2.6 billion) and the long-term foreign liabilities of commercial banks (by Sk 3.2 billion).

**Koruna deposits of non-residents** On the domestic money market, non-resident banks focussed mainly on government bonds, but Treasury bills were also in demand, especially in the second quarter. The steadily improving economic environment in Slovakia tends to increase the attractiveness of the Slovak koruna and is responsible for the growth in the koruna deposits of non-residents this year. Compared with the end of 2003, the koruna deposits of non-resident banks grew in volume by Sk 10.5 billion, to Sk 24.5 billion at the end of April 2004.

**Government securities held by non-residents** The volume of government securities held by non-residents (government bonds and Treasury bills in total) increased month-on-month by Sk 5.4 billion in May. The volume of government bonds in the holdings of non-residents grew by Sk 6.5 billion, mainly in Issue No. 142 (five-year government bonds for restructuring) and Issue No. 188 (ten-year government bonds). On the other hand, the volume of Treasury bills had fallen by Sk 1.2 billion by the end of May.

Koruna Assets in the Holdings of Non-Residents								(Sk billions)				
	2002	2003						2004				
	31. 12.	31. 1.	28. 2.	31. 3.	30. 4.	31. 7.	31. 12.	31. 1.	29. 2.	31. 3.	30. 4.	31. 5.
Koruna assets in total	33.2	54.3	28.5	34.3	30.4	71.7	28.8	38.5	28.6	24.1	29.6	.
Koruna liabilities	15.8	15.8	12.5	15.1	13.2	13.4	18.2	22.6	24.9	26.2	29.0	.
of which: banks	12.0	11.9	8.7	10.9	8.6	8.8	14.0	18.4	21.3	22.1	24.5	.
non-bank customers	3.8	3.9	3.8	4.3	4.6	4.6	4.2	4.2	3.6	4.1	4.5	.
Government securities	19.4	46.8	21.0	17.6	29.2	79.7	34.3	36.9	44.8	45.4	48.1	53.5
of which: Government bonds	19.4	46.8	21.0	17.6	29.2	79.7	33.8	36.4	43.3	41.9	42.5	49.0
SR Treasury bills	0.0	0.0	0.0	0.0	0.0	0.0	0.5	0.5	1.5	3.5	5.6	4.5
Total	35.2	62.6	33.5	32.7	42.4	93.1	52.5	59.5	69.7	71.5	77.1	.
Total liabilities in Sk	53.8	53.2	50.1	54.1	51.8	54.4	61.2	65.1	67.6	69.1	76.3	.

*Note: Based on data from the reports BIL(NBS) 1-12 'Monthly Balance of Assets and Liabilities' and from the Central Depository of Securities in the SR, a.s.*

### 3.2. Foreign Trade

#### Balance of Payments for January to March 2004

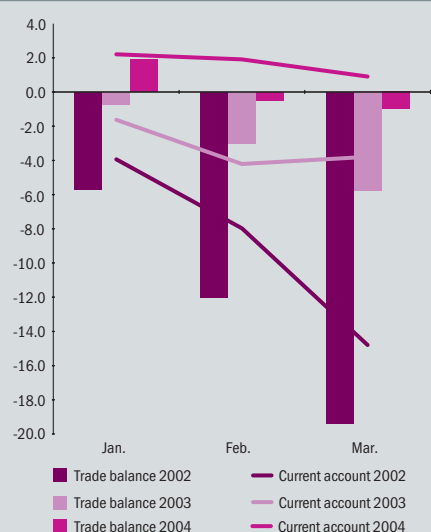
**Current account** The current account resulted in a surplus in the first quarter, with all basic components recording a positive balance.

**Balance of trade** The year-on-year improvement in the trade balance was due to the higher growth in exports (15.3%; corresponding to 38.4% in USD and 16.8% in EUR) over growth in imports (11.3%; 33.6% in USD and 14.6% in EUR).

Balance of Payments on Current Account		(Sk billions)	
	January - March 2004	January - March 2003	
Balance of trade	0.6	-5.8	
Exports	203.4	176.4	
Imports	202.8	182.2	
Services balance	2.0	0.6	
Income balance	0.6	-1.1	
of which: income from investment	-2.5	-5.2	
Current transfers	2.1	2.5	
Current account in total	5.3	-3.8	



**Balance of Trade and Current Account Developments**  
(Sk billions)



More than 70% of the total increase in exports (Sk 27 billion) took place in automobiles, car bodies, and motor vehicle accessories. In the 'machines' category, increases were recorded in the exports of instruments used in telecommunications, office machines, and electrical appliances. Decline in exports was recorded in refined oil products, organic chemicals, iron, and steel.

**Exports**

In the structure of imports, the steepest year-on-year increases were recorded in the 'machines and transport equipment' category. In addition to growth in imports for motor vehicle production, increased imports were recorded in electrical engineering products (cables, circuits, neon tubes, illuminants, and signalling instruments, etc.) and machines and equipment for the individual sector of industry. The imports of finished products also recorded a slightly greater increase than in the same period a year earlier. The increase took place mostly in the imports of industrial products (furniture, footwear, toys, books, sporting goods, etc.) and consumer electronics.

**Imports**

The positive balance of services increased as a result of transport services. The growth in receipts – from freight transport in particular, which was accompanied by a fall in expenses – generated an increase of Sk 1.9 billion in

**Balance of services**

net income from transport. The opposite trend was recorded in tourism, where foreign exchange receipts from foreign tourists have been on the decline for a longer period of time. Although the decline in receipts was partly offset by a fall in the expenses of Slovak citizens while travelling abroad, the positive balance of

**Exports From January to March, Year-on-year Changes**

	Year-on-year change in billions of Sk		Proportion of the year-on-year change in %	
	January – March		January – March	
	2004	2003	2004	2003
Raw materials	-1.0	3.0	-0.6	2.1
Chemicals and semi-finished goods	-0.2	9.7	-0.1	6.6
Machines and transport equipment	26.6	16.3	15.1	11.0
Finished goods (agricultural + industrial)	1.6	3.7	0.9	2.4
Exports in total	27.0	32.7	15.3	22.1

**Imports From January to March, Year-on-year Changes**

	Year-on-year change in billions of Sk		Proportion of the year-on-year change in %	
	January – March		January – March	
	2004	2003	2004	2003
Raw materials	-3.5	3.7	-1.9	2.3
Chemicals and semi-finished goods	4.3	7.4	2.4	4.5
Machines and transport equipment	14.8	4.6	8.1	2.8
Finished products	5.0	3.4	2.7	2.1
of which:				
Agricultural and industrial products	3.0	1.0	1.6	0.6
Automobiles	0.0	1.0	0.0	0.6
Machine- and electrical-engineering consumer goods	2.0	1.4	1.1	0.9
Imports in total	20.6	19.1	11.3	11.7



foreign tourism reached only 75% of the figure for the same period last year. The deficit in 'other services in total' also recorded a slight increase. This increase took place mostly in financial, legal, and accounting services, where the growth in spending on the import of these services was accompanied by a fall in receipts from their export.

**Income and current transfers balances**

The year-on-year improvement in the income balance deficit was caused by a fall in interest payments on portfolio investments. Since receipts recorded a steeper year-on-year decline than expenses, the balance of current transfers generated a somewhat smaller surplus than in the same period a year earlier.

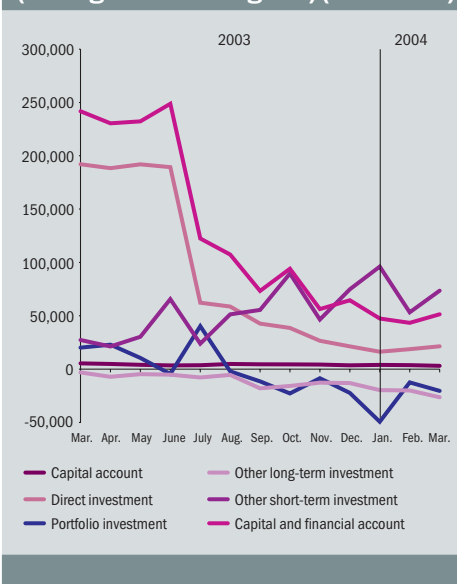
**Capital and financial account**

The inflow of funds in the capital and financial account took the form of direct and portfolio investments.

**Foreign direct investment**

The growth in foreign direct investment (FDI) in the form of capital investment by foreign investors in Slovakia, was affected by an inflow of funds into industrial production. Of the individual sectors of industry, the largest inflow took place in the production of coke and refined oil products and in motor vehicle production. So far, there have been no privatisation activities on the part of the National Property Fund in 2004.

**Development of the Capital and Financial Account and its Components (moving cumulative figures) (Sk millions)**



Balance of Payments Capital and Financial Account	(Sk billions)	
	Jan. – Mar. 2004	Jan. – Mar. 2003
Capital account	-0.2	0.3
Direct investment	13.7	13.4
of which: investment in the SR	12.0	10.8
of which: other than privatisation	12.0	1.4
Portfolio investment and financial derivatives	2.2	0.5
SR abroad	-6.1	-2.7
In the SR	8.3	3.2
Other long-term investment	-11.4	1.8
Assets	-2.1	7.5
Liabilities	-9.3	-5.7
Short-term investment	-5.3	-4.1
Assets	12.7	-19.8
Liabilities	-18.0	15.7
Capital and financial account	-1.0	11.9

**Portfolio investment**

The inflow of funds in the area of portfolio investment was stimulated by the sale of Sk-denominated government securities on the part of non-residents. The involvement of non-residents in the purchase of other securities issued by Slovak entities was insignificant. The assets side was affected in the first quarter by the purchase of foreign debt securities. The activities of the banking and corporate sectors focussed on the purchase of foreign bonds.

**Other investment**

The outflow of funds within the scope of other investment took place in long- and short-term capital. The excess of repayments over drawings in the corporate sector was the main factor behind the fall in long-term liabilities and in large part in other long-term capital in total.

In addition to increased repayments of trade credits in the corporate sector, the outflow of short-term capital was supported by other capital in the banking sector, when the funds provided by parent banks to their branch offices in the SR were in part repaid. On the other hand, the repayment of these funds led to a fall in the deposits of commercial banks abroad and other short-term assets in the banking sector.



<b>Balance of Payments Adjusted for the Activities of the Government and the NBS (Sk billions)</b>		
	January – March 2004	
	Actual <sup>1/</sup>	Adjusted <sup>2/</sup>
Current account	5.3	5.0
Capital and financial account	-1.0	-0.2
of which: FDI in Slovakia – capital participation	12.0	12.0
Items not included elsewhere	4.2	4.2
Interventions by the NBS <sup>3/</sup>	x	-11.2
Change in the net foreign assets of commercial banks (- increase)	x	2.2
Change in NBS reserves (- increase)	-8.5	x

*1/ Original balance of payments structure, i.e. effect of receipts and payments on NBS reserves.  
2/ Adjusted for the effects of activities of the Government and the NBS, which do not affect the positions of commercial banks vis-à-vis non-residents and do not qualify as a source of finance for the current account.  
3/ In the original structure of the balance of payments, interventions were included in the foreign exchange reserves of the NBS.*

The foreign exchange reserves of the NBS increased in March by Sk 8.5 billion, i.e. USD 0.3 billion (excluding exchange rate differentials).

**Foreign exchange reserves**

Despite the current account surplus and the limited outflow of funds from the corporate sector, the net foreign assets of the banking sector decreased in the first quarter of 2004, due mainly to the sale of foreign exchange to the central bank.

### External Debt of Slovakia at 31 March 2004

At the end of March 2004, the total external debt of the SR stood at USD 17.5 billion (EUR 14.3 billion), representing a fall of USD 771.1 million (EUR 632.5 million) compared with the previous month. Total long-term and short-term foreign debts dropped by USD 439.9 million and USD 331.2 million respectively.

**Gross foreign debt**

The fall in long-term external debt was mostly affected by a decline in the volume of liabilities arising from the financial credits of entrepreneurial entities, a moderate fall in the volume of liabilities from koruna-denominated government bonds, and by loan repayments as part of the national debt service.

Short-term foreign debt followed a different course of development: the short-term foreign debt of the Government and the NBS dropped by USD 431.1 million (due to a month-on-month fall in the volume of repo operations conducted by the NBS), while short-term debt arising from the supplier (trade) credits of entrepreneurial entities increased by USD 138.0 million.

<b>External Debt of the SR</b>						
	In millions of USD			In millions of EUR		
	1.1.2004	29.2.2004	31.3.2004	1.1.2004	29.2.2004	31.3.2004
Total external debt of the SR	18,322.3	18,229.5	17,458.4	14,654.0	14,672.9	14,321.3
Long-term external debt	10,287.9	10,598.3	10,158.4	8,228.1	8,530.6	8,333.0
Government and the NBS <sup>1/</sup>	4,347.7	4,881.4	4,715.5	3,477.2	3,929.0	3,868.2
Commercial banks	322.2	360.3	361.6	257.7	290.0	296.6
Entrepreneurial entities	5,618.0	5,356.6	5,081.3	4,493.2	4,311.6	4,168.2
Short-term external debt	8,034.4	7,631.2	7,300.0	6,425.9	6,142.3	5,988.3
Government and the NBS	915.5	1,388.8	957.7	732.2	1,117.8	785.6
Commercial banks	2,951.2	2,412.9	2,374.8	2,360.4	1,942.1	1,948.1
Entrepreneurial entities	4,167.7	3,829.5	3,967.5	3,333.3	3,082.4	3,254.6
Foreign assets	18,907.5	19,472.6	18,754.4	15,122.0	15,673.5	15,384.3
Net external debt	- 585.2	-1,243.1	-1,296.0	-468.0	-1,000.6	-1,063.0
SKK/USD and SKK/EUR rates	30.920	32.621	32.982	41.161	40.528	40.207
EUR/USD cross exchange rate	1.250	1.242	1.219	x	x	x

*1/ Including government agencies and municipalities.*





At the end of March, Slovakia's per-capita gross foreign debt stood at USD 3,245. The share of short-term debt in the country's total gross external debt decreased slightly, by 0.05% month-on-month (to 41.8%).

**Net external debt** The net external debt of Slovakia – expressed as the difference between gross foreign debt, i.e. USD 17.458 billion (liabilities of the Government, the NBS, commercial banks, and the corporate sector – except for capital participation), and foreign assets, i.e. USD 18.754 billion (foreign exchange reserves of the NBS, foreign assets of commercial banks and the corporate sector – except for capital participation), reached USD 1.296 billion (creditor position) at the end of March 2004.

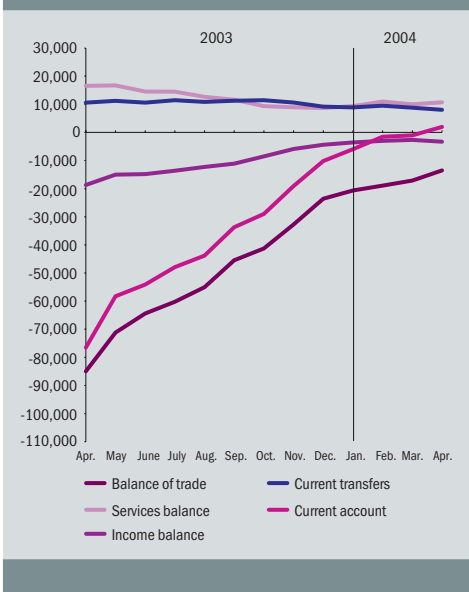
**Current Developments**

In April, foreign trade resulted in a deficit of Sk 2.3 billion, representing an improvement of Sk 3.6 billion compared with the figure for April 2003.

Despite an increase in the trade deficit in April, the favourable trend in other current account components ensured that the balance of payments on current account remained in surplus, for the fourth consecutive month.

**Balance of trade** In comparison with the same period in 2003, exports grew over the first four months by 19.2% (41.1% in USD and 18.1% in EUR) and imports by 22.6% (35.3% in USD and 17.5% in EUR).

**Development of the Current Account and its Components (moving cumulative figures) (Sk millions)**

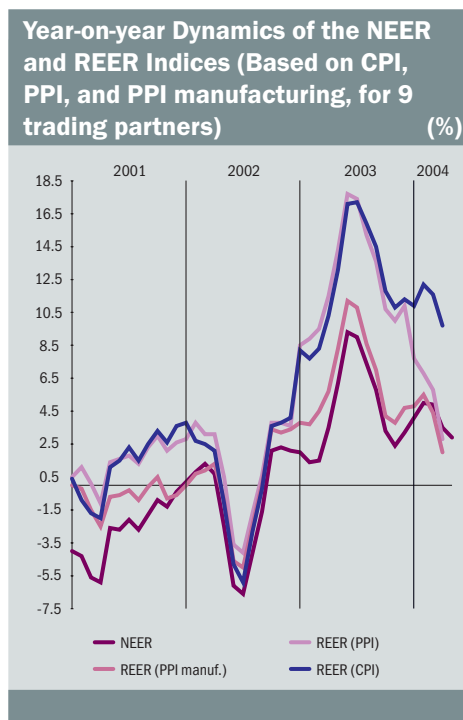


	Balance of Payments on Current Account (Sk billions)	
	January – April 2004	January – April 2003
Balance of trade	-1.7	-11.8
Exports	283.4	237.7
Imports	285.2	249.5
Services balance	3.7	1.7
Income balance	-0.6	-1.7
of which: income from investment	-4.7	-7.3
Current transfers	2.6	3.7
Current account in total	4.0	-8.1

	Monthly Data on the Current Account by Component (Sk billions)			
	január 2004	február 2004	marec 2004	apríl 2004
Balance of trade	2.2	-0.6	-1.0	-2.3
Services balance	0.1	0.8	1.1	1.7
Income balance	-0.3	0.7	0.1	-1.1
Current transfers	0.5	1.0	0.7	0.4
Current account	2.5	1.9	0.9	-1.3

In May, in contrast with the previous months, the trade balance is expected to deteriorate on a year-on-year basis. In addition to the marked increase in exports in May 2003, the change in the year-on-year trend will also be affected by increased imports of raw materials (the rise in oil prices).

In the next two months, the trade balance is expected to follow a similar course of development as in May. In the long-term, the fulfilment of the given conditions will mean a steady growth in the 12-month moving cumulative balance of trade (except in July, when a modest improvement is expected in comparison with June).



At the end of May, the total foreign exchange reserves of the NBS stood at USD 13,556.8 million, representing a month-on-month increase of USD 1,635.9 million. The month-on-month increase in foreign exchange reserves was primarily due to a surplus in the balance of receipts and expenses (USD 1,280.6 million), generated in large part by income from an issue of eurobonds. Another factor behind the growth in reserves was the change in the cross rate of the euro against the US dollar in the period under review (USD 355.3 million month-on-month). At the end of the month, the volume of foreign exchange reserves was 5.5 times greater than the volume of average monthly imports of goods and services to Slovakia, over the first four months of the year.

**Total foreign exchange reserves of the NBS**

In May, the average monthly exchange rate of the koruna depreciated slightly on a month-on-month basis, in relation to both the euro and the US dollar (by roughly 0.2%). The year-on-year rate of appreciation in the average monthly SKK/EUR rate slowed only slightly in May (2.1%), whereas the figure for the SKK/USD rate slowed substantially, to 5.9% (from 11.8% in April). The 12-month dynamics of the nominal effective exchange rate (NEER)<sup>1</sup> reached 2.9% in May, compared with 3.5% in April.

**Nominal effective exchange rate of the Slovak koruna (NEER)**

In April, the 12-month dynamics of the real effective exchange rate (REER) diminished in comparison with March in all variants of calculation by 1.9 to 3.0 percentage points according to the applied price deflator. The rate of appreciation in the REER based on the CPI fell to 9.7% in April (from 11.6% in March), based on the PPI to 2.8% (from 5.8%), and based on industrial products prices to 2.0% (from 4.4%).

**Real effective exchange rate of the Slovak koruna (REER)**

Cumulative NEER and REER Dynamics since the Beginning of the Year (%)				
For 9 partners, based on deflator:	NEER	REER CPI	REER PPI	REER PPI manuf.
2002	2.1	4.1	3.6	3.4
2003	3.2	11.3	10.8	4.7

<sup>1</sup> The methodology applied for calculating the nominal and effective exchange rates of the Slovak koruna (NEER and REER) is the same one used by the IMF. The REER is calculated on the basis of the consumer price index (CPI), the industrial producer price index (PPI), and/or the industrial products price index, excluding the price of mineral raw materials, electricity, gas, steam, and hot water (PPI manufacturing). The initial year for the calculation is 1999, and the weights selected correspond to the structure of foreign trade in 1999, for the nine most important trading partners of Slovakia, representing roughly 70% of the total turnover of foreign trade. These countries are Germany, Czech Republic, Italy, Austria, France, the Netherlands, the USA, Great Britain, and Switzerland.



### 3.3. Real Economy

#### Development of the Real Economy in the 1st Quarter of 2004

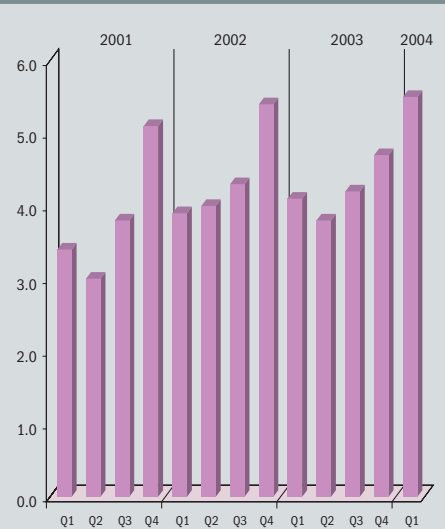
##### Gross Domestic Product

**GDP grew by 5.5%** In the first quarter of 2004, gross domestic product grew year-on-year by 5.5% at constant prices (according to preliminary data from the Statistical Office of the SR), and the rate of growth accelerated by 1.4 percentage points in comparison with the same period a year earlier. The dynamic growth in the economy was stimulated partly by foreign demand and partly by a revival in domestic demand. Domestic supply responded to the growth in aggregate demand with the increased creation of added value. The rate of GDP growth was accelerated to some extent by increased tax collections on products.<sup>2</sup> The volume of GDP created during the quarter under review amounted to Sk 308.2 billion (at current prices), which was 13.2% more than a year earlier.

##### Demand

In a breakdown by use, the GDP growth was largely affected by foreign demand (65%) but, after declining for three quarters, domestic demand also contributed to the real growth in the economy (35%). On a year-on-year basis, foreign demand continued to grow at a relatively fast rate (reaching 15.8% at constant prices), while domestic demand increased by 2.5% in the 1st quarter of 2004.

Development of Real GDP by Quarter (year-on-year growth in %)



Development of GDP by Use (index, same period a year earlier = 100, const. 1995 prices)

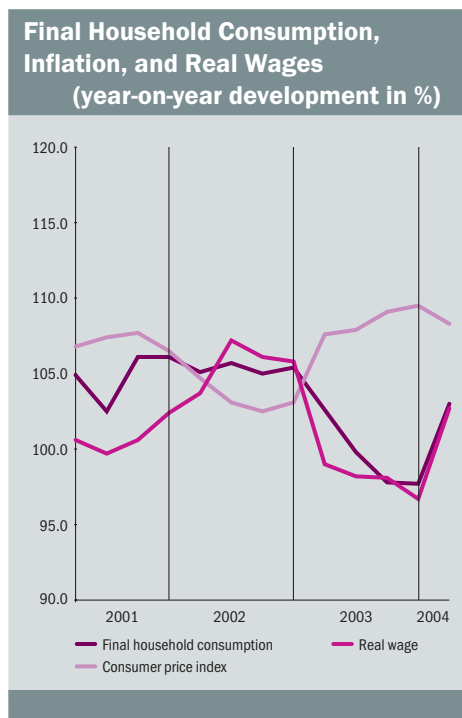
	Q1 03	Q2 03	Q3 03	Q4 03	2003	Q1 04
	Q1 02	Q2 02	Q3 02	Q4 02	2002	Q1 03
Gross domestic product	104.1	103.8	104.2	104.7	104.2	105.5
Domestic demand	100.3	96.5	98.5	95.9	97.7	102.5
Final consumption	102.5	99.2	98.7	101.7	100.5	101.8
Households	102.6	99.8	97.8	97.7	99.4	103.0
General government	102.0	96.7	100.2	110.4	102.9	97.7 <sup>1/</sup>
Non-profit institutions serving households	108.3	112.5	114.3	112.6	111.9	104.2
Gross capital formation	94.7	90.1	98.1	78.1	90.3	104.4
Gross fixed capital formation	98.0	99.6	99.4	98.2	98.8	100.9
Exports of goods and services	121.0	121.5	121.6	126.1	122.6	115.8
Imports of goods and services	116.4	113.2	114.3	111.9	113.8	112.0

1/ Preliminary data, estimate of the Statistical Office of the SR.

**Revival in domestic demand** In the 1st quarter of 2004, domestic demand was mostly affected by an increase in final household consumption and gross capital formation. The rate of growth in domestic demand was moderated by a year-on-year fall in final consumption in public administration (at constant prices), but this aggregate followed a relatively volatile course of development in the individual quarters.

**Growth in final consumption** Final consumption at constant prices grew year-on-year by 1.8%, due to increased consumption in households and non-profit institutions serving households, while final consumption in the general government (public administration) fell year-on-year by 2.3%. This development in the first quarter was probably caused by the relatively low percentage of public funds drawn by institutions subsidised from the State Budget and by a more efficient utilisation of resources. The gradual reduction in public consumption is in part connected with the transformation of selected public sector entities into non-profit organisations, which render services for households (e.g. some health care facilities), which explains the year-on-year increase in the consumption of non-profit institutions serving households (at constant prices).

<sup>2</sup> The year-on-year impact of the uniform 19% VAT rate and increased excise duties.



During the first quarter, final consumption in the household sector grew year-on-year by 3% at constant prices, representing an increase of 0.4 of a percentage point in dynamics in comparison with the same period a year earlier. The revival in private consumption was connected with the growth in real wages, where the stronger effective demand was supported by the tendency of some households to satisfy their needs from the period of decline in real wages. The impact of changes in the taxation of income on private consumption probably exceeded the effect of increased indirect taxes, and thus contributed to its growth. As a result of adjustments to regulated prices, expenditure on housing, water, electricity, gas, and other fuels increased, together with spending on foodstuffs and non-alcoholic beverages, and accounted for almost half of the level of final household consumption (47.6%).

In the 1st quarter of 2004, gross capital formation (including changes in the volume of inventory) increased by 4.4% at constant prices. This was mainly due to an increase in the volume of supplies in the economy (by Sk 5.7 billion), which was probably connected with the accelerated growth in real

**Increased gross capital formation**

### Structure of Gross Fixed Capital Formation in the 1st Quarter of 2004 <sup>1/</sup>

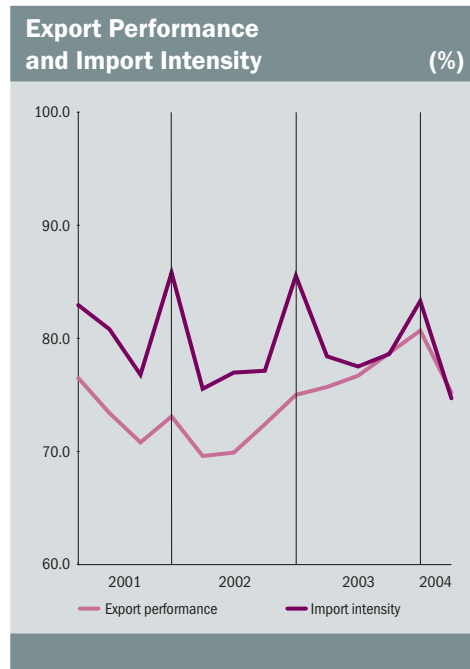
	Gross fixed capital formation (Sk millions)	Share (%) Q1 2004	Index $\frac{Q1\ 2004}{Q1\ 2003}$
Economy of the SR in total:	68,238	100.0	100.9
<b>of which (by production):</b>			
Construction,	22,107	32.4	94.1
of which: residential buildings	3,902	5.7	95.6
other structures	18,205	26.7	93.8
Machines	41,921	61.4	102.6
of which: metal goods and machines,	31,236	45.8	100.5
transport equipment	10,685	15.7	108.4
<b>of which (by sector):</b>			
Non-financial corporations	45,223	66.3	100.9
Financial corporations	9,180	13.5	102.6
General government	3,738	5.5	106.5
Households	10,017	14.7	97.5
Non-profit institutions	80	0.1	102.1

1/ Volumes and proportions are at current prices, indices at constant prices.



GDP. The growth in gross capital formation after two years was also affected by the higher level of fixed investments, which increased year-on-year by 0.9%.

In a breakdown by sector, gross fixed capital formation grew in proportional measure in all sectors, except households, which failed to invest more in the 1st quarter of 2004 than in the same period a year earlier. The total increase in gross fixed capital formation was also supported by investment in machines, which grew year-on-year by 2.6%, while investment in construction declined by 1.7% as a result of reduced investment in 'other structures' (mainly infrastructure-related projects) and a downturn in the investment activity of households. In the structure of investments, the most significant increase took place in the creation of new fixed assets by non-financial corporations, which invested mostly in machines, especially in transport equipment (a growth of 8.4%).



**Net Exports**

**Dynamic growth in exports**

The growth in the exports of goods and services in the 1st quarter of 2004, accompanied by a weaker growth in imports, led to dynamic economic growth and a year-on-year improvement in the trade balance. Net exports resulted in a surplus at current prices, where the exports of goods and services exceeded their imports in the first quarter by Sk 1.5 billion (at current prices), representing

	Impact of Price and Volume on Exports and Imports					(percentage points)
	Q1	Q2	2003 Q3	Q4	Year	2004 Q1
Exports of goods and services (year-on-year growth in %, at current prices)	18.5	17.8	18.0	19.7	18.5	12.4
Impact of volume	21.0	21.5	21.6	26.1	22.6	15.8
Impact of price	-2.5	-3.7	-3.5	-6.4	-4.1	-3.4
Imports of goods and services (year-on-year growth in %, at current prices)	13.1	8.3	10.8	8.2	9.9	7.8
Impact of volume	16.4	13.2	14.3	11.9	13.8	12.0
Impact of price	-3.3	-4.9	-3.6	-3.7	-3.9	-4.2
Net exports as a share of GDP (share in %, at current prices)	-2.7	-0.9	0.1	-2.6	-1.5	0.5
Impact of volume	-3.6	-2.1	-0.1	-1.1	-1.7	-0.2
Impact of price	0.9	1.2	0.2	-1.5	0.2	0.7

*Note: The differences in the subtotals are due to rounding.*



an improvement of approximately Sk 9 billion compared with the same period of the previous year. Including the negative year-on-year increases in the deflators of foreign trade (caused mainly by exchange rate developments), net exports at constant prices resulted in a positive balance of Sk 9.8 billion (compared with a surplus of Sk 3.3 billion in the 1st quarter of 2003).

The improvement in the balance of trade in goods and services, including a statistical estimate of the non-registered economy, was due to an improvement in the relationship between exports and imports, where the exports of goods and services increased by 15.8% and imports by 12.0% at constant prices. The Slovak economy maintained its relatively high export performance, despite a high basis of comparison from the previous year (in the 1st quarter of 2003, exports grew by 21% and imports by 16.4%). The dependence of export-oriented industries on imports weakened somewhat, where export performance (75.2% at current prices) exceeded the level of import intensity (74.7%). The openness of the Slovak economy (expressed in terms of the ratio of exports plus imports of goods and services to GDP) diminished slightly over the first quarter of 2004, to 149.8% (compared with 154.1% in the same period of 2003).

In addition to the volume of goods and services exported and imported, the volume of the net exports of goods and services at current prices may also be affected by price developments, which reflect the changes in exchange rates as well. While price developments a year earlier tended to reduce the deficit in net exports resulting from the balance of exports and imports of goods and services, they generated a surplus in net exports at current prices in the 1st quarter of 2004.

Contributions to GDP Creation <sup>1/</sup>	(percentage points, constant 1995 prices)					
	Q1 03 Q1 02	Q2 03 Q2 02	Q3 03 Q3 02	Q4 03 Q4 02	2003 2002	Q1 04 Q1 03
Gross domestic product (GDP)	4.1	3.8	4.2	4.7	4.2	5.5
Domestic demand	0.3	-3.6	-1.5	-4.5	-2.4	2.4
Final consumption	1.8	-0.6	-1.0	1.4	0.4	1.3
Final household consumption	1.4	-0.1	-1.1	-1.3	-0.3	1.6
Final consumption in the general government	0.4	-0.6	0.0	2.6	0.6	-0.4
Non-profit institutions serving households	0.1	0.1	0.1	0.1	0.1	0.0
Gross capital formation	-1.5	-3.0	-0.5	-5.9	-2.7	1.1
Gross fixed capital formation	-0.5	-0.1	-0.1	-0.5	-0.3	0.2
Change in inventories	-1.0	-2.9	-0.4	-5.4	-2.4	0.9
Net exports	3.2	6.1	5.5	10.7	6.4	3.6
Exports of goods and services	15.9	16.7	17.0	21.6	17.8	13.9
Imports of goods and services <sup>1</sup>	12.6	10.6	11.5	10.9	11.4	10.3
Statistical discrepancy	0.5	1.4	0.2	-1.4	0.2	-0.5

*1/ Calculated from GDP figures (in millions of Sk), the values of net exports and GDP are reduced by the imports of goods and services; the differences in the subtotals are due to rounding.*

Within the structure of GDP, both net exports and domestic demand had a pro-growth effect on GDP. The positive balance of trade in goods and services (including an estimate of the unregistered economy) contributed 3.6 percentage points to GDP creation. Domestic demand contributed 2.4 percentage points<sup>3</sup> and thus increased the dynamics of GDP at constant prices.

### Supply

From the point of view of production, the accelerated growth in GDP was connected mainly with a year-on-year increase in added value in financial mediation (30% at constant prices), construction (8.4%), and industry (6%). The creation of added value fell most significantly in health services; hotels and restaurants; education; other community, social, and personal services; and in transport, storage and post and telecommunications.

The improvement in the banking sector's effectiveness after the completion of restructuring led to a growth in added value in financial mediation. Added value in this consolidated sector continued to

<sup>3</sup> Within the scope of domestic demand, the positive contribution of private consumption and gross capital formation was offset partly by the negative contribution of final consumption in the general government (public administration). The statistical discrepancy moderated the rate of overall growth, to 5.5% at constant prices.

**GDP Development by Sector (index, same period a year earlier = 100, const. 1995 prices)**

	2003					2004
	Q1	Q2	Q3	Q4	Year	Q1
Gross domestic product (GDP)	104.1	103.8	104.2	104.7	104.2	105.5
of which:						
Agriculture, forestry, and fishing	108.5	109.8	98.0	104.9	104.4	99.8
Industry in total	115.1	106.5	106.1	111.0	109.5	106.0
Raw materials extraction	77.5	84.2	95.1	86.8	85.7	90.6
Manufacturing	111.4	104.1	103.7	107.8	106.6	101.9
Electricity, gas, and water supply	156.7	141.6	140.2	165.0	150.7	132.6
Construction	107.5	105.3	112.8	102.6	106.9	108.4
Services in total	103.8	105.4	102.8	101.1	103.2	98.8
Wholesale and retail trade, repairs	100.7	101.7	98.1	99.8	100.1	105.4
Hotels and restaurants	81.8	68.3	76.4	94.6	78.7	91.1
Transport, storage, post and telecommunications	106.5	102.8	84.5	90.8	96.2	92.9
Financial mediation	102.9	131.4	136.4	147.2	129.4	130.0
Real estate, leasing, business activity	98.3	106.2	100.2	95.9	99.8	96.8
Public administration, defence, social security	123.2	106.8	104.7	92.4	104.2	94.2
Education	110.7	122.3	123.6	114.6	117.3	92.0
Health and social services	100.1	100.9	110.7	94.2	101.7	76.9
Other community, social, and personal services	96.6	92.9	113.8	102.4	101.9	92.8
Other <sup>1/</sup>	69.3	84.3	111.3	114.4	93.3	171.5

1/ Value added tax, excise duty, import tax, minus subsidies and imputed production of banking services.

grow dynamically and made the greatest contribution to the overall creation of added value in the first quarter. Within the scope of services, added value increased in the wholesale trade, retail trade, and the repair of vehicles and consumer goods. The renewed growth in added value in this sector was a reaction to the revival in consumer demand in the household sector. Other market and non-market service sectors remained below the level of the same period a year earlier.

The second greatest contribution to growth in added value was made in the production and distribution of electricity, gas, and water, which has long shown dynamic growth in this area. This development was mainly connected with the supply of energy for the rapidly growing production sector, including export-oriented production, and with the extended offer of services by economic entities in the post-privatisation period.

The rapid growth in added value in the production and distribution of energy and water (32.6%) contributed to the relatively dynamic growth in industry as a whole (6%), while manufacturing production as a key component of industry grew only slightly (by 1.9%). The individual economic activities in manufacturing followed a different course. The sharpest fall occurred in the production of foodstuffs, beverages, and tobacco, mainly in connection with the adoption of European standards in the area of agriculture and food processing. On the other hand, significant growth was recorded in the production of chemicals, rubber and refined oil products, machines, electrical appliances, and transport vehicles, mainly as a result of increased foreign demand.

The relatively stable position of the construction sector in the Slovak economy was confirmed in the first quarter by the continuing dynamic growth in added value, which led to growth in fixed capital on the demand side, and in work in progress within the scope of supplies.

Apart from the creation of added value in the individual sectors, GDP growth was also positively affected by increased tax receipts on products (71.5%). Due to changes in the tax system, the tax burden of production increased to 9.4% of the volume of GDP in the 1st quarter of 2004, from 5.8% in the 1st quarter of 2003.

### Wages

**Dynamic growth in nominal wages** In the first quarter of 2004, the average monthly nominal wage in the Slovak economy showed relatively dynamic growth (11.2%), and reached Sk 14,541. The wage growth was 4.7 percentage points faster than a year earlier.

Nominal wages were higher than in the first quarter of 2003 in all sectors of the economy. The strongest year-on-year wage dynamics were achieved in financial mediation (20.5%), real estate and other



business activities (15.7%), and in the production and distribution of electricity, gas, and water (15.4%). On the other hand, the slowest growth was recorded in wages in hotels and restaurants (1.9%) and in health and social services (2.9%).

According to the form of ownership, the steepest year-on-year increases in average monthly nominal wages were recorded in the entrepreneurial sector, in companies with 20 or more employees (14.1%) and in companies with up to 19 employees (9.4%). In budgetary organisations, nominal wages increased by 8.4% and in subsidised organisations by 5.2%.

Real wages grew year-on-year by 2.7%, after falling in the same period a year earlier by 1%. Real wages were mainly affected by the growth in nominal wages, where the increase in consumer prices was 0.7 of a percentage point steeper than in the 1st quarter of 2003 and had a dampening effect on the development of real wages.

**Growth in real wages**

A positive trend was recorded in labour productivity (GDP per employee in the Slovak economy, based on data from statistical reports), which increased in nominal terms by 13.2% and in real terms by 5.5%. This development was exclusively due to growth in GDP (while employment was stagnant).

**Excess of growth in labour productivity over growth in wages**

At current prices, the rate of growth in labour productivity exceeded the dynamics of nominal wages by 2 percentage points, while the excess of productivity over real wages at constant prices amounted to 2.8 percentage points. This means that there were no inflationary pressures in the Slovak economy and that the wage increase was covered by growth in labour productivity.

Average Monthly Wages and Labour Productivity in the Slovak Economy (index, same period a year earlier = 100)						
	2003		2004			
	Q1	Q2	Q3	Q4	Year	2004 Q1
Nominal wage (Sk)	13,082	14,118	14,066	16,180	14,365	14,541
Nominal wage (index)	106.5	105.9	107.0	106.0	106.3	111.2
Real wage	99.0	98.2	98.1	96.7	98.0	102.7
Labour productivity (constant prices)	103.1	102.4	103.9	104.1	103.4	105.5
Real labour productivity – real wages (% points)	4.1	4.2	5.8	7.4	5.4	2.8
Consumer prices	107.6	107.9	109.1	109.6	108.5	108.3

According to preliminary data from the Statistical Office of the SR, the current income of households reached Sk 242.8 billion in the 1st quarter of 2004, i.e. a year-on-year increase of 7.1% in nominal terms (in real terms a fall of 1.1%). The rate of growth slowed in comparison with the 1st quarter of 2003 by 0.3 percentage point. The current expenditure of households (paid to other sectors and not used for direct consumption) totalled Sk 60.5 billion, representing a year-on-year increase of 1.4% (in real terms a fall of 6.4%). The rate of growth slowed in comparison with the 1st quarter of 2003 by 5.4 percentage points.

**Income and expenditure of households**

The growth in current income was positively affected by an increase in the compensation of employees (8.8%) and gross mixed income (8.3%), while the growth in social income and current received transfers slowed and income from received property declined (as in previous months). Income from property

**Year-on-year slowdown in the growth of current income ...**

Gross Disposable Income (index, same period a year earlier = 100, current prices)						
	2003		2004			
	Q1	Q2	Q3	Q4	Year	2004 Q1
Gross disposable income	107.5	106.3	105.8	105.5	106.2	109.1
Final household consumption	108.7	106.2	106.5	107	107.1	110.5
Gross savings of households	90.8	110.5	91.8	95.3	96.1	80.2
Share of gross savings in gross disposable income (%)	5.0	4.3	3.4	12.9	6.7	3.7





arises from the ownership of financial assets, i.e. deposits, bonds, etc. or the ownership of land, underground resources, etc., which are given by the owner at the disposal of another institutional unit.

**... as well as current expenditure**

The year-on-year slowdown in the growth of current expenditure mainly resulted from a drop in current taxes on income and property (2.8%, compared with an increase of almost 6% a year earlier) and a slowdown in the growth of social contributions (by 1.5%, compared with 8.2% a year earlier). Their development was probably affected by the new tax laws, and by stagnation in employment.

**The tendency to save continued to weaken**

With current expenditure being deducted from current income, the gross disposable income of households amounted to Sk 182.3 billion, representing a year-on-year increase of 9.1% (compared with 7.5% a year earlier). Of the gross disposable income of households, 96.7% was used for final consumption (1.2 percentage points more than in the 1st quarter of 2003), the remainder went to gross savings, which include the investment activities of citizens and small entrepreneurs (tangible and intangible investments, plus additional retirement insurance) in addition to bank deposits. The faster growth in final household consumption over growth in current income led to a year-on-year decline in gross household savings (by almost 20%) and a subsequent decrease in the ratio of gross savings, to 3.7% (from 5% in the 1st quarter of 2003). The tendency of households to save continued to weaken this year.

**Consumption and Savings Tendencies (%)**



**Employment and Unemployment**

**Slight decrease in the number of workers, ...**

After one and a half years, the year-on-year growth in employment came to a halt in the 1st quarter of 2004, when the number of workers in the Slovak economy decreased by 0.1% (according to a random survey of the workforce) in comparison with the same period a year earlier.

**... due to a drop in the number of employees**

The level of employment was mostly affected by a drop in the number of employees (1.8%), representing 88.8% of the total workforce. On the other hand, dynamic growth was recorded in the number of entrepreneurs (16.3%), while the number of entrepreneurs with employees increased by 18.6% and that of entrepreneurs without employees rose by 15.4%.

In a breakdown by sector, employment fell significantly in agriculture, including fishing, and in transport, storage, post and telecommunications. Employment remained below the level of the previous year in trade, including vehicle repairs, industry and education. On the other hand, a marked increase in the number of workers was recorded in construction (12.5%), hotels and restaurants (11.9%), and financial mediation (9.8%). Favourable development was also recorded in real estate, leasing, and business services; health care; and social services.

Labour Market Developments <sup>1/</sup> (average for the period, same period a year earlier = 100)						
	2003		2004			
	Q1	Q2	Q3	Q4	Year	Q1
Economically active population	99.9	100.5	100.5	100.1	100.2	101.0
of which:						
Working population	101.2	102.6	102.3	100.9	101.8	99.9
Employees	99.9	101.3	100.7	99.5	100.3	98.2
Entrepreneurs	113.9	115.7	116.0	113.7	114.8	116.3
- without employees	118.6	115.1	113.4	111.1	114.5	115.4
- with employees	103.2	117.2	122.8	120.5	115.8	118.6
Unemployed	94.9	91.9	93.6	96.9	94.3	106.0
Unemployment rate in %	18.4	17.0	17.0	17.4	17.4	19.3

<sup>1/</sup> According to a random survey of the workforce.



After decreasing for two years, the number of unemployed again increased in the first quarter of 2004, by 6.0% compared with the same period a year earlier (according to a random survey of the workforce). The average rate of unemployment reached 19.3%, representing a year-on-year rise of 0.9 percentage point.

### Unemployment

According to the registers of labour offices, the average unemployment rate in the 1st quarter of 2004 was 16.4% (compared with 17.3% in the first quarter of 2003). This figure was below the level determined by a random survey, which is connected with the difference in the methodology applied and in the definition of unemployment, but the long-term trend in unemployment according to the two methods showed no marked differences.

A major factor explaining the difference between the rates of unemployment according to the registers of labour offices and the Statistical Office (determined on the basis of a random survey) was the adoption of administrative measures tightening the conditions for the registration of unemployed at labour offices, according to which persons who fail to meet these conditions are removed from the registers of labour offices, but, on

the other hand, they still qualify as unemployed in random surveys. In addition, according to a random survey, the unemployed may also include pensioners and students who are active job seekers.

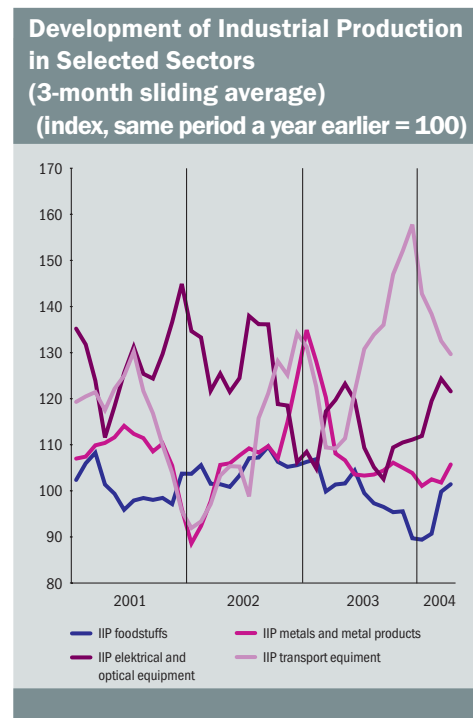
### Current Developments

#### Production and Receipts

In April, the year-on-year growth in industrial production slowed in comparison with March. The slowdown was caused by decelerated growth in manufacturing production, accompanied by continued year-on-year decline in electricity, gas, and water supply, and a persistent fall in raw materials extraction.

### Decelerated growth in industrial production

In manufacturing, decelerated growth was recorded in April in the production of electrical and optical equipment, and in the manufacture of transport vehicles. After growth in March, April saw a further decline in the





production of foodstuffs, beverages, and tobacco products. Accelerated growth was recorded in the production of metals and metal articles, rubber and plastic goods.

**Decelerated growth in construction**

In April, the output of the construction sector recorded a certain slowdown in dynamics, compared with the rate of growth in March. Decelerated growth was recorded in domestic production, mainly as a result of a decline in the volume of construction repair and maintenance work, while production in new construction and reconstruction projects continued to grow. The volume of construction work abroad remained below the level of the same period a year earlier, mainly as a result of the high basis of comparison.

**Receipts from selected services**

Except for real estate, leasing, and other business services, receipts continued to grow on a year-on-year basis in all services sectors. Compared with March, the growth in retail sales receipts accelerated somewhat in April. After falling or stagnating for a long time, receipts increased year-on-year in all sectors, including retail trade in foodstuffs, beverages, and tobacco products.

In comparison with March, a somewhat slower but still dynamic growth was recorded in receipts from the sale and maintenance of motor vehicles and the retail sale of fuels; this was mainly due to growth in receipts from the sale and maintenance of motor vehicles. Proceeds from the sale of fuels were only slightly higher than last year.

After growing in February and March, receipts from real estate, leasing, and business services fell slightly in April. The level of receipts was affected by a year-on-year fall in receipts from other business

**Receipts from Retail Sales and the Sale of Motor Vehicles and Fuels (3-month sliding average) (index, same period a year earlier = 100)**



**Production and Receipts**

	Sk millions, current prices		Indices			
	April 2004	Cumulative since the beginning of the year	Mar. 2004 / Mar. 2003	Apr. 2004 / Apr. 2003	Apr. 2003 / Apr. 2002	Jan. - Apr. 2004 / Jan. - Apr. 2003
<b>Production:</b>						
Index of industrial production <sup>1/2/</sup>	.	.	109.2	105.0	102.9	105.9
of which:						
Raw materials extraction	.	.	88.4	84.5	93.2	88.2
Manufacturing	.	.	111.3	106.8	105.7	108.0
Electricity, gas, and water supply	.	.	102.5	99.3	90.6	98.5
Construction <sup>2/</sup>	7,253	23,988	103.4	102.0	99.6	102.4
of which:						
Construction in Slovakia	6,869	22,781	104.3	102.4	96.9	102.4
Construction abroad	384	1,207	88.7	96.2	184.5	102.3
<b>Receipts from own-output and goods:</b>						
Industry in total <sup>3/</sup>	117,372	467,273	116.0	111.1	108.5	111.6
Construction <sup>2/</sup>	11,029	36,664	111.2	108.9	100.2	109.8
Retail trade <sup>3/</sup>	28,805	107,607	107.1	107.4	98.1	104.8
Sale and maintenance of vehicles.						
retail sale of fuels <sup>3/</sup>	12,956	45,154	110.6	109.5	100.3	107.4
Transport, storage <sup>3/</sup>	8,572	30,948	115.3	120.5	91.9	112.9
Real estate, leasing, retail sale of fuels <sup>3/</sup>	14,090	54,760	101.6	99.9	95.8	100.2

1/ Adjusted for the effect of the number of working days (the data in the time series are revised on a continuous basis).

2/ Index, same period of the previous year = 100 (constant prices, average for 2000 = 100).

3/ Index, same period of the previous year = 100 (constant prices, December 2000 = 100, transport and storage - current prices).



services, which represent a substantial part of the services sector. On the other hand, growth was again recorded in receipts from real estate services, as well as in the receipts of entities specialising in the leasing of machines and equipment and in computer engineering and related activities.

### Wages and Unemployment

The relatively strong year-on-year growth in nominal wages, which characterised wage developments in selected sectors in the first three months of 2004, slowed down in April. A marked slowdown in nominal wage dynamics was recorded in real estate, leasing, business, and other services. On the other hand, wages in telecommunications once again grew at a fast rate, after a slowdown in March (27.9%).

#### Nominal wages

In the first four months of the year, the average rate of year-on-year growth in nominal wages in most sectors under review reached higher values than in the same period of the previous year. Slower growth in nominal wages was recorded only in real estate, leasing, business, and other services, which is connected with the high basis of comparison from last year.

The average real monthly wage from January to April exceeded the level of the previous year in most sectors under review. Slower growth in nominal wages was recorded only in real estate, leasing, business, and other services, and in postal and delivery services. The growth in real wages was caused in part by nominal wages, while the steep increase in consumer prices had a dampening effect on the development of real wages.

#### Real wages

Wage Developments by Sector	(index, same period a year earlier = 100)							
	Average monthly nominal wage				Average monthly real wage			
	April		January – April		April		January – April	
	2003	2004	2003	2004	2003	2004	2003	2004
Industry	108.4	106.8	106.0	109.7	100.6	98.5	98.5	101.3
Construction	106.6	109.2	105.4	108.9	99.0	101.1	98.0	100.6
Retail trade	106.3	109.7	104.0	113.1	98.7	101.6	96.7	104.4
Wholesale trade	107.2	111.1	108.1	111.3	99.5	102.9	100.5	102.8
Real estate, leasing, business, and other services	111.6	106.6	110.2	107.8	103.6	98.7	102.4	99.5
Transport	107.1	110.5	104.9	110.3	99.4	102.3	97.5	101.8
Post and telecommunications	102.8	117.9	107.9	120.4	95.5	109.2	100.3	111.2
Consumer prices	107.7	108.0	107.6	108.3	x	x	x	x

Notes: The above sectors accounted for 57.2% of total employment in 2003 (on average).  
 Real wage index = nominal wage index / consumer price index.  
 The data on wage developments in the first three months of 2004 were updated by the Statistical Office of the SR on 8 June 2004.

Wages, Labour Productivity, and Employment in January to April 2004							
(index, same period a year earlier = 100)							
	Industry	Construction	Wholesale trade	Retail trade	Real estate and leasing	Transport	Post and telecom.
Wages							
– nominal	109.7	108.9	111.3	113.1	107.8	110.3	120.4
– real	101.3	100.6	102.8	104.4	99.5	101.8	111.2
Labour productivity							
– nominal	.	.	104.1	.	.	117.6	113.3
– real	112.7	98.9	.	104.0	98.7	.	.
Productivity minus wages (percentage points)							
– nominal	.	.	-7.2	.	.	7.3	-7.1
– real	11.4	-1.7	.	-0.4	-0.8	.	.
Number of employees	99.0	103.6	100.1	100.7	101.5	96.0	97.4

Note: Labour productivity is based on receipts from own-output and goods (in the construction sector, on the volume of production).

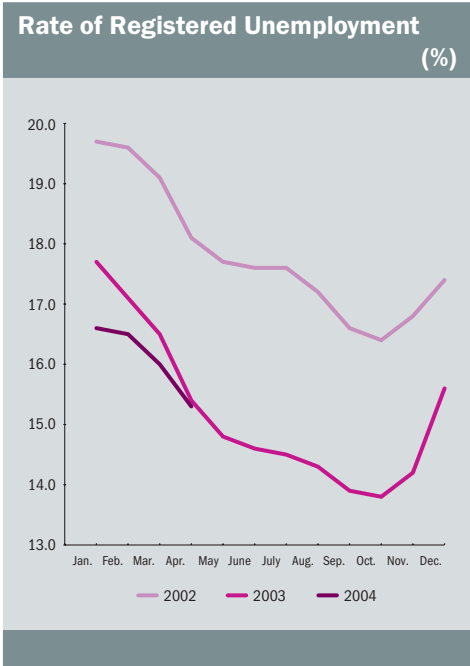


**Labour productivity and wages**

In the first four months, the relationship between wages and labour productivity followed a different course of development in the individual sectors. In sectors, where labour productivity (based on receipts from own-output and goods) is monitored at current prices, productivity only grew at a faster rate than nominal wages in transport, while in post & telecommunications and the wholesale trade, the growth in labour productivity lagged behind the dynamics of nominal wages. In sectors, where labour productivity is monitored in real terms, the growth in productivity significantly exceeded the rate of real wage growth in industry, while wages grew at a faster rate than productivity in the retail trade, and there was a modest growth in real wages accompanied by a fall in labour productivity in construction. In real estate, leasing, business, and other services, both real wages and labour productivity fell, but the fall in productivity was greater in size.

**Unemployment**

The significant drop in unemployment, recorded in March, continued in April. The total number of registered unemployed reached 431,700 in April, which was 20,900 less than in March. Of this figure, the number of disposable unemployed, who are prepared to start work immediately, accounted for 399,300, which was 19,800 less than in March. A favourable trend was also recorded in the rate of registered unemployment, which fell further in April, to 15.25% (0.75 percentage point below the level of March), representing the lowest April figure since 1998. This represented a fall of 0.19 of a percentage point in comparison with the same period a year earlier.



In April, 26,200 new job applicants signed on at offices for labour, social, and family matters, i.e. 500 less than in the previous month. A more pronounced difference was recorded in the number of persons removed from the registers. In April, more than 47,100 persons were removed from the registers of labour offices (i.e. 6,700 more than in March). Almost 80% of these persons were removed from the registers for a reason other than unwillingness to co-operate, and two thirds of them found employment.

Of the total number of disposable job applicants, the long-term unemployed accounted for 46% (183,700 persons), with one fifth of them being registered for more than two years.

**4. Monetary Developments**

**4.1. Foreign Exchange Market**

**Operations on the foreign exchange market**

By the end of May, the exchange rate of the Slovak koruna to the euro had strengthened by 0.7% (from SKK 40.359/EUR to SKK 40.069/EUR), while the average rate had depreciated by 0.2%. In relation to the US dollar, the koruna strengthened by 4.2% (from SKK 34.126/USD to SKK 32.695/USD), while depreciating in average terms by 0.2%.

The National Bank of Slovakia conducted no foreign exchange transactions with domestic or foreign banks in May.

**Interbank foreign exchange market**

The volume of trading on the interbank foreign exchange market totalled USD 35,202.7 million, representing an increase of 1% compared with the figure for April (USD 34,862.0 million). Of the total vo-

Changes in the Exchange Rates of the SKK to EUR and USD (%)			
	Month-on-month change	Ø May 2004 Ø May 2003	Ø (Jan. - May) 2004 Ø (Jan. - May) 2003
SKK/EUR	-0.7	-2.1	-2.6
SKK/USD	-4.2	-5.9	-13.7
+ Depreciation of the SKK - Appreciation of the SKK. Ø Average			



### Average Monthly Exchange Rate of the SKK



lume of trading, 91.2% took place in swap transactions, which were mainly conducted in USD (94.6%). Spot transactions accounted for 8.8% of the total turnover (94.4% of the deals were in EUR). The average daily turnover on the spot market reached USD 146.8 million, and the average volume per transaction amounted to USD 1.9 million.

The volume of transactions between domestic commercial banks increased, from USD 5,528.9 million in April to USD 6,603.7 million in May. Most trading took place in USD (82.3%, compared with 80.5% in April), followed by EUR (17%, compared with 18.6% in April) and other currencies (0.7% of the total turnover between domestic banks).

Transactions between domestic banks accounted for 18.8% of the total volume of trading on the interbank foreign exchange market (compared with 15.9% in the previous month). Of the total volume of transactions between domestic banks, swap operations accounted for 88.6% (84.5% in April) and spot transactions 11.4% (15.5% in April).

The volume of trading between domestic and foreign banks decreased by 2.5%, from USD 29,333.1 million to USD 28,599.5 million. Most trading was again conducted in USD (87.6%, compared with 81.2% in April), followed by EUR (10.3%, compared with 9.5% in April), and other currencies (2.1%). Trading between domestic and foreign banks still accounted for 81.2% of the country's foreign exchange market.

Trading between domestic and foreign banks also took place predominantly in the form of swap operations (91.8%, compared with 91.5% in April), while spot transactions accounted for 8.2% (8.5% in April). The share of forward dealings on the foreign exchange market was negligible.

## 4.2. Money Market and Monetary Policy Implementation

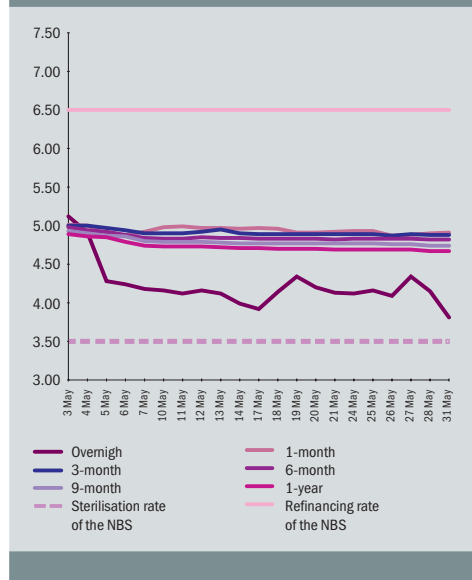
At its meeting on 26 May 2004, the Bank Board of the NBS decided to leave its key interest rates unchanged.

Average interbank rates fell further in May as a result of the reduction in key NBS interest rates at the

### Interbank rates

### Development of Interbank Offered Rates (BRIBOR)

(%, p. a.)



end of the previous month. The fixed level of the shortest-term rates fluctuated within the lower part of the corridor delimited by the overnight rates of the NBS, mostly above the level of 4%, throughout the month. This trend in interbank rates was affected by the holding of funds by the Agency for Debt and Liquidity Management on an SR Treasury account in order to be better utilised on the interbank market in comparison with the yields of overnight deposits at the NBS. Interest rates on deposits with a maturity of one to twelve months recorded another drop in the first week. The fall in price was connected with the placement of funds in Sk obtained from the sale of foreign exchange by foreign banks via currency swaps. Subsequently, the prices of interbank deposits were stable up to the end of the month. A slight deviation from the stable level of the longest-term rates was recorded in the three-month rate, which first increased (before the auction in NBS bills) and subsequently fell to its original level (after the auction).

The volume of trading on the interbank money market reached Sk 1,327 billion in May (compared with Sk 1,216 billion in April). Reference banks accounted for 87% of the total turnover (a decrease of 2.6 percentage points).

### Interbank transactions



Non-resident and resident bank transactions accounted for 55.9% and 44.1% of the total trading volume respectively. Within the structure of interbank transactions by type, domestic banks achieved the largest share in forward rate agreements (63.3%) and foreign banks in interest rate swaps (100%).

Interbank Transactions		(Sk billions)				
	Deposits	Repos	Swaps	FRA	IRS	
April 2004	559	8	613	29	7	
May 2004	735	0	627	26	9	

**Average sterilisation position** The average daily volume of liquidity sterilised on the money market increased in May by Sk 7.3 billion, to Sk 203.0 billion. A pro-liquidity effect was exerted by due government securities (Sk 16.6 billion), which exceeded the volume of new issues (Sk 8.8 billion). Of the total volume of sterilisation, repo tenders accounted for 64.8%, NBS treasury bills 34.5%, and overnight transactions 0.7%.

Average Daily Effect of NBS Transactions on the Level of Banking Sector Liquidity					(Sk millions)
	O/N repos	O/N deposits	NBS bills	Repo tenders	
April 2004	+8	-656	-70,047	-125,040	
May 2004	0	-1,471	-70,000	-131,546	

+ inflow of liquidity  
- outflow of liquidity

**Repo tenders** The NBS announced four repo tenders for May, and accepted the bids of banks in full at each tender. For the second month, banks continued to use a careful approach on the demand side at the tenders, despite seemingly enough free room with regard to the persistent surplus of interbank liquidity. The careful approach led to a reduction in the difference between the volume accepted and payable, the maximum amount of which reached Sk 3 billion.

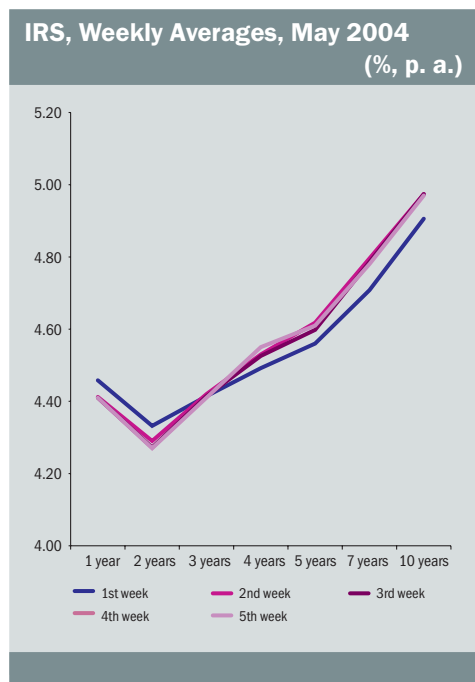
Tenders in May 2004						
Date	Type of tender <sup>1/</sup>	Maturity (days)	Volume accepted (Sk millions)	Rates (%)		
				minimum	average	maximum
5. 5. 2004	SRT	14	75,844	4.98	5.00	5.00
12. 5. 2004	SRT	14	55,686	4.99	5.00	5.00
19. 5. 2004	SRT	14	78,593	4.99	5.00	5.00
26. 5. 2004	SRT	14	54,412	4.99	5.00	5.00

<sup>1/</sup> SRT – sterilisation repo tender

The NBS floated one issue of NBS bills in May, with a maturity of 84 days. Demand at the auction reached Sk 37.8 billion, but the NBS accepted only Sk 20 billion. The minimum accepted yield was 4.74%, the average 4.84%, and the maximum 4.88%. The maximum requested yield accounted for 4.99% of the total demand. For the second time since the beginning of the year, the maximum accepted yield fell below the level of the three-month BRIBOR rate, fixed on the day of auction. The maximum accepted yield at the NBS-bill auction was 7 base points lower than the three-month BRIBOR rate.

Owing to the funds held on the account of the SR Treasury, the banking sector maintained a surplus of daily liquidity throughout the month. The dependence of the banking sector on the activities of the Agency for Debt and Liquidity Management led to the suspension of the use of overnight refinancing repo operations. Despite an increase in the share of deposits in the total volume of sterilisation, banks conducted such operations only sporadically. The largest deposit was made in the NBS on the last day of the period, in the amount of Sk 14.7 billion.

During May, an upward effect on the level of liquidity in the banking sector was exerted by securities, which increased the liquidity of commercial banks by Sk 7.7 billion in cumulative terms, mainly as a



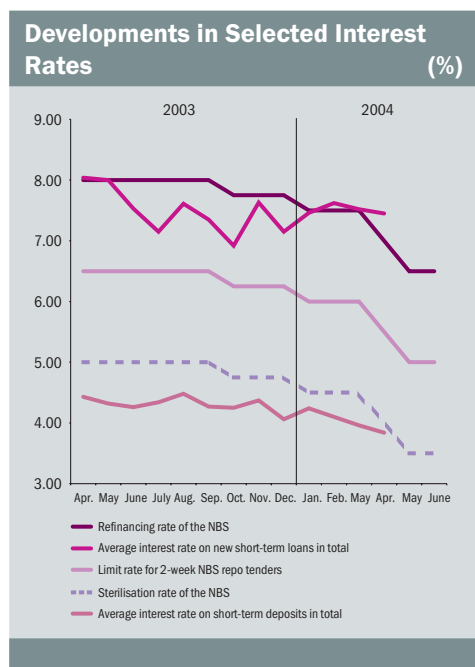
result of regular repayments of Treasury bills issued in 2003 (4 repayments in the total amount of Sk 12.5 billion).

Since tax payments (representing a substantial part of the current budget revenue) are transferred to the accounts of the tax offices to the SR Treasury (as of April 2004), the level of banking sector liquidity of the State Budget in May was mostly affected by current expenditures, the excess of which over current revenues represented an increase in commercial bank reserves of Sk 6.9 billion in cumulative terms.

The liquidity of commercial banks was absorbed in part by a growth in the volume of currency in circulation (Sk 1.1 billion in cumulative terms).

On 31 May 2004, the sterilisation position of the NBS vis-à-vis the banking sector reached Sk 217.7 billion.

The overall sterilisation position of the NBS (including the deposits of the Ministry of Finance and the FNM at the NBS) amounted to Sk 319.3 billion at the end of May.



For May 2004, the amount of required minimum reserves in the banking sector was set at Sk 15.53 billion. By the end of the month, the reserve requirement had been fulfilled to 100.27%. The reserve requirements were met by all banks in May.

#### Reserve requirements

#### 4.3. Customer Interest Rates in April 2004

The reduction in key NBS interest rates at the end of March (by 0.5 percentage point) had no marked effect on average interest rates on loans and deposits, which fell only slightly. The average interest rate on new short-term loans rose above the level of the refinancing rate, while the average rate for short-term deposits approached the sterilisation rate.

#### Developments in customer interest rates

The fall in the average rate for new short-term loans, which have the largest share in the total volume of new loans (86.6%), was accompanied by a rise in interest rates on new medium-term and long-term loans. Within the scope of new medium-term loans, interest rates in the public sector increased by 0.3 of a percentage point.

#### Interest rates on new loans





Average Interest Rates on New Loans							
	Interest rate in %				Change in percentage points		
	April 2003	December 2003	March 2004	April 2004	year-on-year	compared with the end of year	month-on-month
New short-term loans	8.0	7.1	7.5	7.4	-0.6	0.3	-0.1
New medium-term loans	9.0	8.6	8.1	8.3	-0.7	-0.3	0.2
New long-term loans	7.3	7.0	7.1	7.3	0.0	0.3	0.2
Total	8.1	7.2	7.6	7.5	-0.6	0.3	-0.1

#### Average interest rates on new loans to enterprises

The fall in the average rate for new loans to enterprises in April was affected by a drop in interest rates on new short-term loans, mainly in the category of 'other loans' (a fall of 0.9 percentage point) and by a drop in rates for new medium-term loans, mainly investment loans (0.3 percentage point). Interest rates on new long-term loans increased, mainly as a result of a rise in the price of investment loans.

Average Interest Rates on New Loans to Enterprises and Households							
	Interest rate in %				Change in percentage points		
	April 2003	December 2003	March 2004	April 2004	year-on-year	compared with the end of year	month-on-month
<b>Enterprises</b>							
New short-term loans	7.9	7.0	7.3	7.1	-0.8	0.1	-0.2
New medium-term loans	8.3	7.6	6.9	6.6	-1.7	-1.0	-0.3
New long-term loans	8.6	7.5	7.0	7.7	-0.9	0.2	0.7
Total	8.0	7.0	7.2	7.1	-0.9	0.1	-0.1
<b>Households</b>							
New short-term loans	11.4	11.1	11.8	12.3	0.9	1.2	0.5
New medium-term loans	12.2	11.8	11.4	11.4	-0.8	-0.4	0.0
New long-term loans	6.1	6.2	7.2	7.2	1.1	1.0	0.0
of which: new mortgage loans with a government bonus (client)	5.4	5.2	5.8	5.7	0.3	0.5	-0.1
Total	10.3	9.6	10.4	10.7	0.4	1.1	0.3

#### Average interest rates on new loans to households

New loans to households recorded a rise in interest rates in April, due primarily to an increase in rates for new short-term loans (the rate for current account overdrafts was raised by 0.4 of a percentage point). Interest rates on new medium- and long-term loans were stagnant, while this trend in long-term loans was mainly determined by the price of housing loans.

With regard to their share in new loans in total, the level of lending rates for households was most affected by current account overdrafts, for every authorised or unauthorised overdraft is classified as a new credit. For that reason, the reaction of interest rates cannot be distinguished from the effect of penalty rates. In April, the share of current account overdrafts in new loans in total increased month-on-month by 2% (from 43% to 45%). While current account overdrafts determined the level of interest rates on new short-term loans, housing loans affected first and foremost the rates for new long-term loans.

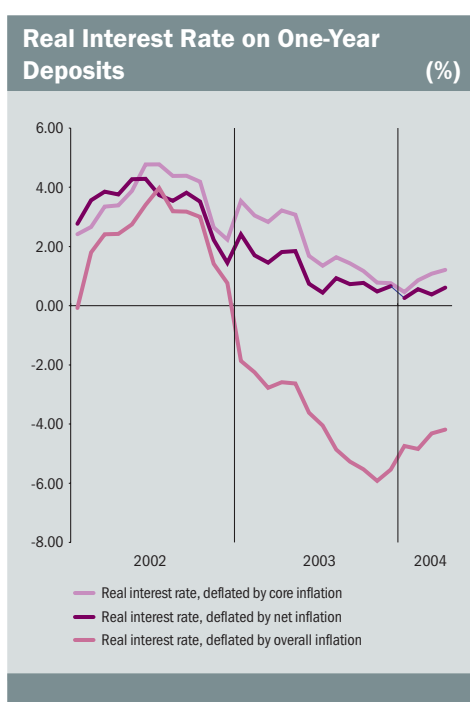
Among housing loans, mortgage loans with a government bonus (including intermediate loans) accounted for 70.1% in April. The average interest rate on housing loans remained unchanged in April as a result of conflicting trends in interest rates on these loans, when the rate for mortgage loans with a government bonus dropped (by 0.2 percentage point) and the price of intermediate loans increased (by 0.3 percentage point).

A more significant drop in interest rates in April was recorded in consumer loans, with the average rate falling in comparison with March by 1.4 percentage points.



	Interest rate in %				Change in percentage points		
	April 2003	December 2003	March 2004	April 2004	year-on-year	compared with the end of year	month-on-month
Demand deposits	1.7	1.5	1.3	1.2	-0.5	-0.3	-0.1
Short-term deposits	4.4	4.1	4.0	3.8	-0.6	-0.3	-0.2
Medium-term deposits	3.4	3.1	4.2	4.1	0.7	1.0	-0.1
Long-term deposits	3.0	3.1	3.0	2.9	-0.1	-0.2	-0.1
Total	3.4	3.0	3.1	3.0	-0.4	0.0	-0.1

	Interest rate in %				Change in percentage points		
	April 2003	December 2003	March 2004	April 2004	year-on-year	compared with the end of year	month-on-month
<b>Enterprises</b>							
Demand deposits	1.7	1.3	1.2	1.1	-0.6	-0.2	-0.1
Short-term deposits	5.6	5.1	4.9	4.7	-0.9	-0.4	-0.2
Medium-term deposits	5.0	4.4	4.2	4.1	-0.9	-0.3	-0.1
Long-term deposits	3.5	3.1	3.1	3.1	-0.4	0.0	0.0
Total	4.0	3.5	3.5	3.4	-0.6	-0.1	-0.1
<b>Households</b>							
Demand deposits	1.4	1.1	1.2	1.0	-0.4	-0.1	-0.2
Short-term deposits	3.6	3.2	3.1	2.9	-0.7	-0.3	-0.2
Medium-term deposits	3.2	3.0	3.1	2.9	-0.3	-0.1	-0.2
Long-term deposits	3.0	3.1	2.9	2.9	-0.1	-0.2	0.0
Total	2.9	2.7	2.6	2.4	-0.5	-0.3	-0.2



Average interest rates fell on demand deposits, fixed-term deposits, and savings deposits.

**Average interest rates on deposits**

The fall in the average rate for corporate deposits in April was affected by a drop in interest rates on demand deposits, short- and medium-term time deposits, and savings deposits. Within the structure of short-term time deposits, the most significant fall occurred in interest rates on deposits redeemable at up to one month's notice (0.3 percentage point). Rates for deposits with an agreed maturity of 1 to 5 years dropped by 0.1 percentage point, while those for deposits with a maturity of over 5 years were at a standstill.

**Average interest rates on corporate deposits**

With the exception of long-term deposits, average interest rates on household deposits fell by 0.2 of a percentage point for all maturities. The stagnation in long-term deposit rates was caused first and foremost by the unchanged price of long-term savings deposits.

**Average interest rates on households deposits**

In April, the real interest rate on deposits reached a negative figure (-4.2%), which had moderated in comparison with the previous month by 0.1 of a percentage point. This was due to a fall in the 12-month inflation

**Real interest rates**



rate (0.2 percentage point), exceeding the drop in the average rate for one-year deposits (0.1 percentage point).

If we compare the average interest rate on one-year deposits in April 2003 (due in April 2004) with the 12-month rate of inflation in April 2004, the real interest rate on one-year deposits becomes -2.9% (negative figure).

Real Interest Rate on One-Year Deposits		(%)
Year-on-year inflation rate in April 2004	8.0	Real interest rate
Average interest rate on short-term deposits at up to 1 year's notice in April 2004	3.8	-4.2
Average interest rate on short-term deposits at up to 1 year's notice in April 2003	5.1	-2.9

If the rate of interest on one-year deposits is deflated by core and/or net inflation, the value of the real interest rate for April becomes positive (1.2% and/or 0.6% respectively), representing a rise of 0.1 and/or 0.2 percentage point on a month-on-month basis.

## Annexes

### 1. Capital Market

#### 1.1. Primary Market



Two government bond issues were floated in May, with a maturity of 15 and 10 years respectively. Total demand amounted to Sk 10.5 billion, 44.2% of which was accepted.

#### Government bonds

In May, a 15-year issue was opened for the first time (Issue No. 204) with a fixed coupon of 5.30% p.a., unlimited issue-amount and price. Total demand amounted to Sk 6.4 billion, Sk 2.1 billion of which was accepted. The accepted yields of investors ranged from 5.16% to 5.30% p.a.. Of the planned amount of Issue No. 204 (Sk 40.0 billion), 5.29% had been sold by the end of May. There is no similar 15-year government bond included in the benchmark yield curve.

In the case of the second issue of ten-year government bonds (Issue No. 202), which was opened for the third time with a fixed coupon of 4.90%, demand reached Sk 4.1 billion. Of this amount, Sk 2.5 billion was accepted, with yields ranging from 5.10% to 5.20%. During May, the yields of a similar five-year benchmark government bond fluctuated between 4.65% and 4.78%. Of the planned amount of Issue No. 202 (Sk 40.0 billion), 12.10% had been sold by the end of May.

In May 2004, yields were paid only on one government-bond issue to domestic investors, in the total amount of Sk 28.0 million. No issue fell due in the course of the month.

#### Yield payment and bond repayments

May saw two issues of publicly negotiable non-government bonds. They were mortgage bonds issued by Istrobanka and Všeobecná úverová banka (VÚB).

#### Non-government bonds

#### 1.2. Secondary Market

In May, there were 21 trading days on the Bratislava Stock Exchange (BCPB). During that period, Sk 39.9 billion was traded in 843 transactions. Compared with the same period a year earlier, the volume of trading increased by 80.3%, and exceeded the figure for the previous month by 3.3 times. Non-resident investors accounted for 52.1% of the total volume traded in May, of which 56.1% were composed of purchases and 48.1% of sales.

Debt securities recorded 234 transactions totalling Sk 37.1 billion in May. Government bonds were traded in the amount of Sk 36.9 billion (in 197 transactions), accounting for 99.4% of the total volume of bond transactions. The volume of trading increased by 348.1% compared with the previous month.

#### Bonds

In terms of volume, the market for quoted bonds was dominated by trading in government bonds, Issue No. 142 (Sk 17.5 billion in 11 transactions) and Issue No. 200 (Sk 6.4 billion in 33 transactions). The volume traded in the private sector was dominated by mortgage bonds, i.e. VÚB XI (Sk 102.4 million in 1 transaction) and SPO 04 (Sk 81.7 million, in 14 transactions). Most trading took place in government bonds, Issue No. 200 (33 transactions). In the market-maker system, 7 transactions were concluded in government bonds in May, in Issues No. 174, 187, and 188 (in the total amount of Sk 72.4 million). The market capitalisation of bonds amounted to Sk 341.2 billion (a month-on-month increase of 1.7%) on the last trading day of the month. The capitalisation of quoted bonds grew month-on-month by 2.1%, to Sk 296.8 billion.

Interest rates for short-term issues (1 to 5 years) continued to fall in May, while yields on long-term investments (over 5 years) increased somewhat. The price of three-year money was quoted at 4.73% to 4.81%; four-year money at 4.50% to 4.65%; six-year money at 4.79% to 5.01%; eight-year money at 4.93% to 5.13%; nine-year money at 5.05% to 5.23%; and ten-year money at 5.03% to 5.18%.



**SDX index** The component of the SDX (Slovak Bond Index) for corporate and bank bonds closed the month at 246.48% of the nominal value (a monthly increase of 0.6%), with an average yield of 5.99% to maturity and a duration of 2.02 years. The component of SDX for government bonds increased by 0.2%, to 224.12% of the nominal value, corresponding to a yield of 4.82% and a duration of 3.70 years.

**Shares** Shares were traded in the total amount of Sk 2.8 billion (1.82 million shares), in 609 transactions. The volume of transactions increased by 183.4% compared with the previous month. At present, no issue of equity securities can be traded in the market-maker system. By the last trading day of May, the market capitalisation of equity securities had increased by 0.6%, to Sk 112.8 billion.

**SAX index** The Slovak Share Index (SAX) showed a tendency to rise logarithmically. The index opened the month at 177.5 points, with an appreciation of 1.4% compared with the figure for the end of April, and closed the month at 194.61 points (a month-on-month increase of 11.2%).

## 2. Monetary Developments in the Euro Area

At its May meeting (06/05/04), the Governing Council of the European Central Bank (ECB) decided to leave its key interest rates unchanged. The rate for refinancing operations remained at 2%, the rate for overnight loans at 3%, and that for overnight deposits at 1%.

### 2.1. Exchange Rate Developments

At the beginning of May, the exchange rate of the single European currency against the US dollar hovered around the level of USD 1.19/EUR.

Developments on the foreign exchange markets at the beginning of May were affected first and foremost by the expectations of investors and the publication of America's macro-economic indicators, mainly GDP growth in the first quarter of 2004. The positive expectations in respect of GDP caused the American currency to strengthen, while the publication of a substantially lower estimate of economic growth had the opposite effect on the exchange rate of the dollar. In the second half of the month, the exchange rate of the dollar against the euro was also weakened by an increase in geopolitical tension, reflected in the high price of oil, and by an increase in America's trade deficit.

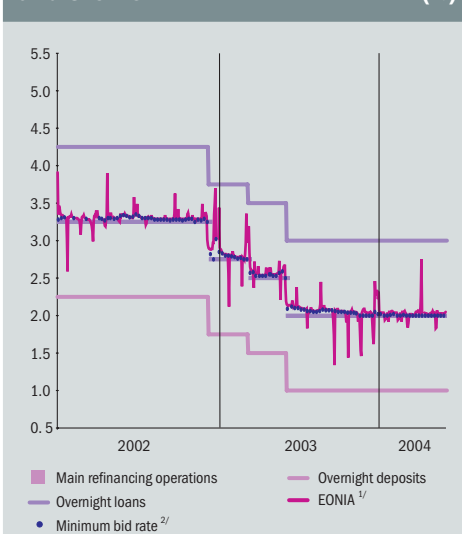
During May, the euro appreciated in relation to the US dollar by 2.05% on a month-on-month basis. Since the first trading day of the year, the single European currency has depreciated vis-à-vis the dollar by 3.13%.

### 2.2. Real Economy

According to the first Eurostat estimate, the euro area economy grew in the first quarter of 2004 by 0.6% compared with the previous quarter. Final household consumption increased over the first quarter by 0.6%, while investment declined by 0.1%. Exports grew by 1.7% (compared with 0.1% in the 4th quarter of 2003) and imports by 0.8% (in the previous quarter by 1.1%). Euro area GDP grew year-on-year by 1.3% in the 1st quarter of 2004.

The 12-month rate of inflation in the euro area, expressed in terms of the Harmonised Index of Consumer Prices (HICP), rose to 2.0% in April, from 1.7% in

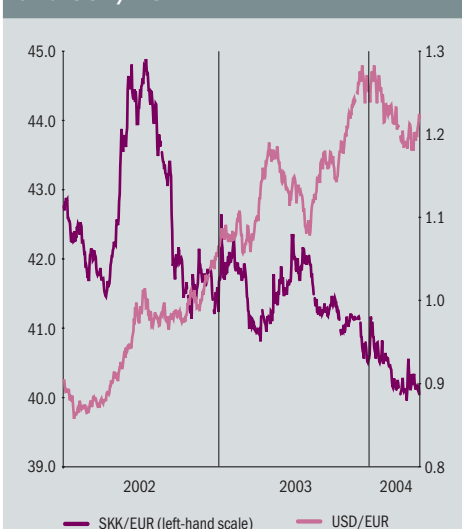
Key ECB Interest Rates and the EONIA (%)



1/ Euro OverNight Index Average (EONIA) – overnight reference rate of commercial banks operating in the euro area.

2/ Minimum bid rate – the lowest rate accepted at a variable rate tender (the average value of minimum bid rates during the reserve maintenance period is used as the rate of interest on reserves).

Exchange Rates: SKK/EUR and USD/EUR





the previous month. The strongest year-on-year dynamics were recorded in consumer prices in Greece (3.1%), Luxembourg and Spain (2.7% each), and Portugal (2.4%). The sharpest fall in consumer prices was recorded in Finland (0.4%). The steepest increases took place in the prices of alcohol and tobacco (8.2%), health services (7.9%), and education (3.1%). Price levels fell in telecommunications (by 1.7%) and culture (by 0.3%). In the same period a year earlier, consumer prices in the euro area rose by 1.9%. Eurostat foresees a year-on-year inflation rate of 2.5% in May.

In April, industrial producer prices increased year-on-year by 1.4% and month-on-month by 0.4%.

On a year-on-year basis, retail sales increased by 1%, and in comparison with the previous month by 1.3% in April.

The rate of unemployment (seasonally adjusted) remained unchanged in April, at the level of the previous month (9%). The lowest unemployment rates were recorded in Luxembourg (4.2%), Ireland and Austria (4.5%), and the Netherlands (4.7% in March). Spain remained the country with the highest rate of unemployment in the euro area (11.2%). In relative terms, the most significant increase in the year-on-year rate of unemployment occurred in the Netherlands (from 3.5% to 4.7% in March) and Luxembourg (from 3.5% to 4.2%). In the same period a year earlier, the unemployment rate in the euro area stood at 8.9%.

According to the first Eurostat estimate, foreign trade in the euro area resulted in a surplus of EUR 10.2 billion in March, compared with EUR 3.4 billion in the same period a year earlier. Compared with the previous month, euro area exports (seasonally adjusted) grew somewhat in March (by 0.1%), while imports declined by 2.2%.





## 3. Tables

## Selected Indicators of Economic and Monetary Development in the SR

	Unit	2003										2004				
		5	6	7	8	9	10	11	12	1	2	3	4	5		
<b>REAL ECONOMY</b>																
Gross domestic product <sup>1/ 2/</sup>	SKK billions	-	378.8*/	-	-	581.3*/	-	-	779.9*/	-	-	190.6*/	-	-		
Year-on-year change in GDP <sup>3/</sup>	%	-	3.9*/	-	-	4.0*/	-	-	4.2*/	-	-	5.5*/	-	-		
Unemployment rate <sup>4/</sup>	%	14.8	14.6	14.5	14.3	13.9	13.8	14.2	15.6	16.6	16.5	16.0	15.3	-		
Consumer prices <sup>3/</sup>	%	7.6	8.4	8.7	9.2	9.5	9.6	9.8	9.3	8.3	8.5	8.2	8.0	8.3		
<b>BALANCE OF TRADE <sup>2/ */</sup></b>																
Exports (fob)	SKK millions	306,369	375,240	444,730	509,948	581,516	657,409	732,330	803,037	60,556	127,259	202,231	283,444	-		
Imports (fob)	SKK millions	315,902	385,070	459,192	523,827	596,315	674,587	750,811	826,625	58,899	125,939	202,554	285,162	-		
Balance	SKK millions	-9,533	-9,830	-14,462	-13,879	-14,799	-17,178	-18,481	-23,588	1,657	1,320	-323	-1,718	-		
<b>BALANCE OF PAYMENTS <sup>2/ */</sup></b>																
Current account	SKK millions	-5,514.3	-7,549.2	-8,524.1	-6,421.3	-7,335.5	-7,308.0	-7,140.6	-10,198.5	2,249.3	4,189.9	5,330.9	-	-		
Capital and financial account	SKK millions	18,473.3	28,991.8	34,462.9	20,673.7	8,653.5	47,531.6	40,564.1	64,541.5	-1,704.5	14,449.2	-1,030.9	-	-		
Overall balance	SKK millions	12,002.0	20,725.7	31,729.3	23,517.8	12,160.4	46,323.8	36,798.0	52,446.2	3,370.5	22,742.0	8,501.6	-	-		
<b>FOREIGN EXCHANGE RESERVES <sup>4/</sup></b>																
Total foreign exchange reserves	USD millions	11,516.1	11,549.0	12,109.9	11,383.9	11,282.8	12,899.2	12,698.2	13,406.1	13,493.8	13,939.2	13,275.2	13,016.5	-		
NBS foreign exchange reserves	USD millions	10,419.8	10,487.5	10,842.5	10,266.9	10,271.9	11,409.2	11,311.9	12,149.0	12,242.2	12,755.6	12,214.2	11,920.8	13,556.8		
<b>GROSS EXTERNAL DEBT <sup>4/</sup></b>																
Total gross external debt	USD billions	15.4	15.3	16.6	14.6	15.4	16.7	17.0	18.3	17.9	18.2	17.5	-	-		
External debt per capita	USD	2,854	2,850	3,084	2,717	2,860	3,111	3,157	3,406	3,329	3,389	3,245	-	-		
<b>MONETARY INDICATORS</b>																
Exchange rate <sup>5/</sup>	SKK/USD	35.586	35.491	36.729	37.490	37.116	35.273	35.234	33.604	32.292	32.083	32.927	33.433	33.498		
Money supply [M2] <sup>4/ 6/</sup>	SKK billions	698.3	682.3	701.5	708.8	705.0	711.2	719.2	730.1	725.5	730.7	711.6	719.8	-		
Year-on-year change in M2 <sup>3/ 6/</sup>	%	9.3	5.3	6.4	6.9	7.3	7.4	7.3	7.1	6.5	5.5	3.2	4.3	-		
Loans to enterprises and households <sup>4/ 6/</sup>	SKK billions	341.0	344.1	349.8	353.4	357.7	362.1	369.3	378.1	374.9	378.8	384.2	383.9	-		
<b>STATE BUDGET <sup>2/ 4/</sup></b>																
Revenue	SKK billions	79.1	100.9	127.7	147.1	163.4	186.8	203.6	233.1	21.0	36.4	67.0	98.1	109.2		
Expenditure	SKK billions	109.6	128.5	158.8	180.2	201.1	227.2	246.4	289.1	23.7	40.8	65.8	92.4	111.5		
Balance	SKK billions	-30.6	-27.6	-31.2	-33.1	-37.7	-40.4	-42.8	-56.0	-2.7	-4.4	1.2	5.7	-2.3		
<b>PRIMARY MARKET</b>																
Average interest rate on:																
one-year deposits	%	4.97	4.78	4.65	4.34	4.23	4.07	3.88	3.76	3.56	3.66	3.88	3.81	-		
short-term loans	%	8.28	8.33	8.22	8.27	8.13	8.01	8.01	7.75	7.82	7.72	7.57	7.49	-		
new short-term loans	%	8.00	7.53	7.15	7.62	7.36	6.93	7.60	7.15	7.50	7.62	7.52	7.45	-		
<b>MONEY MARKET</b>																
Interest rates set by the Bank Board of the NBS																
with effect to																
Basic interest rate of the NBS (until 31 Dec. 2002: discount rate)	%	31.5.2003	30.6.2003	31.7.2003	31.8.2003	30.9.2003	31.10.2003	30.11.2003	31.12.2003	31.1.2004	29.2.2004	31.3.2004	30.4.2004	31.5.2004		
Overnight transactions	%	6.50	6.50	6.50	6.50	6.25	6.25	6.25	6.00	6.00	6.00	5.50	5.00	5.00		
- for sterilisation	%	5.00	5.00	5.00	5.00	4.75	4.75	4.75	4.50	4.50	4.50	4.00	3.50	3.50		
- for refinancing	%	8.00	8.00	8.00	8.00	7.75	7.75	7.75	7.50	7.50	7.50	7.00	6.50	6.50		
Limit rate of the NBS for standard 2-week repo tenders	%	6.50	6.50	6.50	6.50	6.25	6.25	6.25	6.00	6.00	6.00	5.50	5.00	5.00		
Bratislava Interbank Offered Rates (BRIBOR)																
overnight	%	6.70	5.92	5.48	5.94	5.97	5.27	6.40	5.32	5.66	5.93	5.67	4.95	4.22		
1-week	%	6.47	6.39	6.30	6.38	6.35	5.93	6.25	5.99	5.98	6.02	5.82	5.31	4.82		
2-week	%	6.44	6.44	6.38	6.42	6.38	6.03	6.23	6.06	5.96	6.01	5.86	5.36	4.89		
1-month	%	6.36	6.42	6.43	6.43	6.38	6.09	6.14	6.08	5.92	5.96	5.85	5.37	4.94		
2-month	%	6.16	6.34	6.40	6.39	6.33	6.04	6.06	6.04	5.86	5.87	5.78	5.36	4.93		
3-month	%	6.04	6.26	6.39	6.37	6.28	5.98	6.00	5.98	5.78	5.79	5.71	5.35	4.91		
6-month	%	5.56	5.93	6.16	6.26	6.16	5.84	5.80	5.81	5.61	5.58	5.53	5.29	4.85		
9-month	%	5.42	5.70	6.03	6.04	6.01	5.74	5.68	5.68	5.48	5.43	5.39	5.17	4.79		
12-month	%	5.34	5.63	5.95	5.96	5.93	5.65	5.63	5.65	5.44	5.34	5.31	5.13	4.73		

1/ Constant prices, average for 1995.

2/ Cumulative since the beginning of the year.

3/ Change compared with the same period of the previous year.

4/ Figure for the end of the period.

5/ Exchange rate (mid), average for the period.

6/ At fixed exchange rates from 1 January 1993.

\*/ Preliminary data.

Source: Statistical Office of the SR, Ministry of Finance of the SR, NBS.





## Monetary Survey

(At fixed exchange rates from 1 January 1993)

(SKK billions)

	2003									2004				
	30.4.	31.5.	30.6.	31.7.	31.8.	30.9.	31.10.	30.11.	31.12.	1.1.	31.1.	29.2.	31.3.	30.4.
Fixed SKK/USD exchange rate	28.899	28.899	28.899	28.899	28.899	28.899	28.899	28.899	28.899	28.899	28.899	28.899	28.899	28.899
Fixed SKK/EUR exchange rate	34.912	34.912	34.912	34.912	34.912	34.912	34.912	34.912	34.912	34.912	34.912	34.912	34.912	34.912
<b>ASSETS</b>														
Net foreign assets	165.8	160.3	159.7	127.7	159.7	144.9	168.8	163.4	151.2	155.0	154.4	164.3	164.5	174.3
Foreign assets	345.3	346.5	354.1	372.2	360.6	345.6	391.4	379.0	388.9	385.8	388.2	402.1	387.1	390.9
Foreign liabilities	179.5	186.2	194.4	244.5	200.9	200.7	222.6	215.6	237.7	230.8	233.8	237.8	222.6	216.6
Net domestic assets	524.6	538.0	522.6	573.8	549.1	560.1	542.4	555.8	578.8	570.5	570.8	566.4	547.1	545.5
Domestic credits	591.6	602.7	602.5	609.6	620.3	628.5	634.3	641.9	669.1	678.9	678.6	686.9	679.4	670.6
Net credit to general government	252.0	261.7	258.4	259.8	266.9	270.8	272.2	272.6	291.1	297.2	303.7	308.1	295.2	286.7
- Net credit to government (excluding NPF)	263.0	271.9	265.5	267.4	274.3	276.9	278.7	279.9	294.2	300.3	306.8	311.0	298.9	293.5
- Net credit to National Property Fund	-11.0	-10.2	-7.1	-7.6	-7.4	-6.1	-6.5	-7.3	-3.1	-3.1	-3.1	-2.9	-3.7	-6.8
Credits to enterprises and households	339.6	341.0	344.1	349.8	353.4	357.7	362.1	369.3	378.0	381.7	374.9	378.8	384.2	383.9
Credits in Slovak koruna	292.0	292.0	295.4	299.0	301.2	303.6	306.3	311.9	318.9	323.1	314.5	317.7	320.9	318.0
- Credits to enterprises	226.7	224.8	226.8	227.7	227.6	227.5	227.0	230.1	233.8	238.0	228.6	229.5	230.2	224.9
- Credits to households	65.3	67.2	68.6	71.3	73.6	76.1	79.3	81.8	85.1	85.1	85.9	88.2	90.7	93.1
Credits in foreign currency	47.6	49.0	48.7	50.8	52.2	54.1	55.8	57.4	59.1	58.6	60.4	61.1	63.3	65.9
<b>LIABILITIES</b>														
Liquid liabilities [M2]	690.4	698.3	682.3	701.5	708.8	705.0	711.2	719.2	730.0	725.5	725.2	730.7	711.6	719.8
Money [M1]	242.4	244.8	248.7	251.9	256.2	256.9	258.7	264.4	276.9	275.4	261.2	265.5	258.9	260.8
Currency outside banks [M0]	86.3	87.0	86.6	87.7	90.8	89.1	90.2	91.7	91.8	91.8	91.7	91.7	90.8	90.9
Demand deposits	156.1	157.8	162.1	164.2	165.4	167.8	168.5	172.7	185.1	183.6	169.5	173.8	168.1	169.9
- Households	78.3	79.4	80.2	81.7	82.6	82.2	81.7	82.6	82.8	81.3	83.0	85.0	83.4	83.8
- Enterprises	75.0	76.2	79.2	80.2	80.5	83.2	84.3	87.4	98.9	98.9	82.7	85.3	81.1	84.0
- Insurance companies	2.8	2.2	2.7	2.3	2.3	2.4	2.5	2.7	3.4	3.4	3.8	3.5	3.6	2.1
Quasi-money [QM]	448.0	453.5	433.6	449.6	452.6	448.1	452.5	454.8	453.1	450.1	464.0	465.2	452.7	459.0
Time and savings deposits	366.4	375.1	357.8	369.7	372.7	368.5	371.8	372.5	373.6	371.4	380.9	383.7	377.9	385.6
- Households	247.6	246.5	245.2	244.2	244.3	242.0	240.7	238.7	240.4	237.4	236.0	237.5	236.5	234.9
- Enterprises	102.3	112.6	97.9	110.4	113.6	113.7	117.5	120.2	116.9	117.7	127.4	128.9	125.0	134.2
- Insurance companies	16.5	16.0	14.7	15.1	14.8	12.8	13.6	13.6	16.3	16.3	17.5	17.3	16.4	16.5
Foreign-currency deposits	81.6	78.4	75.8	79.9	79.9	79.6	80.7	82.3	79.5	78.7	83.1	81.5	74.8	73.4
- Households	51.8	50.0	48.4	47.7	47.7	48.1	48.3	47.7	46.8	46.2	45.8	45.7	44.7	43.6
- Enterprises	29.8	28.4	27.4	32.2	32.2	31.5	32.4	34.6	32.7	32.5	37.3	35.8	30.1	29.8
<b>Other items net</b>	67.0	64.7	79.9	35.8	71.2	68.4	91.9	86.1	90.3	108.4	107.8	120.5	132.3	125.1

## Memorandum Items

Net foreign assets of banking sector (excluding foreign liabilities of government)	282.0	271.9	270.5	285.4	266.7	262.0	275.1	281.2	270.4	274.3	277.2	294.5	294.2	309.7
- of which: foreign assets	345.3	346.5	354.1	372.2	360.6	345.6	391.4	379.0	388.9	385.8	388.2	402.1	387.1	390.9
- of which: foreign liabilities	63.3	74.6	83.6	86.8	93.9	83.6	116.3	97.8	118.5	111.5	111.0	107.6	92.9	81.2
Net credit to central government	357.4	365.9	362.5	365.4	369.1	373.6	377.2	377.9	390.2	390.2	395.7	398.0	392.7	389.0
Net credit to general government (excluding foreign liabilities of government)	166.6	185.3	182.0	183.3	191.1	196.0	197.2	186.6	205.2	211.3	217.7	222.6	210.7	199.0
- of which: liabilities of government and NPF (gross)	370.0	396.3	386.3	361.5	361.0	374.7	383.2	384.6	399.1	405.2	422.2	423.1	420.9	416.1
- of which: claims of government and NPF (gross)	203.4	211.0	204.3	178.2	169.9	178.7	186.0	198.0	193.9	193.9	204.5	200.5	210.2	217.1
Foreign liabilities of government	85.4	76.4	76.4	76.5	75.8	74.8	75.0	86.0	85.9	85.9	86.0	85.5	84.5	87.7
Deposits of higher territorial units, deposits of government in foreign currency (EU funds) and non-budgetary deposits of government agencies in NBS	15.4	15.0	15.7	16.1	15.2	15.2	16.6	15.0	19.7	-	16.4	15.2	11.4	14.0
Money market funds' shares/units	-	-	-	-	-	-	-	-	-	-	12.9	14.2	15.7	17.0



## Monetary Survey

(At fixed exchange rates)

(SKK billions)

	2003									2004				
	30.4.	31.5.	30.6.	31.7.	31.8.	30.9.	31.10.	30.11.	31.12.	1.1.	31.1.	29.2.	31.3.	30.4.
Fixed SKK/USD exchange rate	40.036	40.036	40.036	40.036	40.036	40.036	40.036	40.036	40.036	32.920	32.920	32.920	32.920	32.920
Fixed SKK/EUR exchange rate	41.722	41.722	41.722	41.722	41.722	41.722	41.722	41.722	41.722	41.161	41.161	41.161	41.161	41.161
<b>ASSETS</b>														
Net foreign assets	221.7	220.1	221.4	190.3	222.2	207.2	231.2	226.2	216.3	194.1	193.8	204.7	205.6	215.2
Foreign assets	423.7	426.0	438.7	458.6	445.8	427.4	479.0	464.4	479.7	445.5	448.4	465.3	447.6	451.5
Foreign liabilities	202.0	205.9	217.3	268.3	223.6	220.2	247.8	238.2	263.4	251.4	254.6	260.6	242.0	236.3
Net domestic assets	490.0	498.6	480.6	532.0	507.4	518.5	501.0	514.3	534.4	544.5	545.2	539.4	518.4	516.7
Domestic credits	623.2	631.3	631.0	638.6	649.4	657.9	664.1	674.2	701.9	704.3	704.3	712.6	705.3	697.5
Net credit to general government	271.8	278.0	274.8	276.1	283.0	286.7	288.1	290.6	309.1	312.6	319.1	323.4	310.3	302.4
- Net credit to government (excluding NPF)	282.8	288.2	281.9	283.7	290.4	292.8	294.6	297.9	312.2	315.7	322.2	326.3	314.0	309.2
- Net credit to National Property Fund	-11.0	-10.2	-7.1	-7.6	-7.4	-6.1	-6.5	-7.3	-3.1	-3.1	-3.1	-2.9	-3.7	-6.8
Credits to enterprises and households	351.4	353.3	356.2	362.5	366.4	371.2	376.0	383.6	392.8	391.7	385.2	389.2	395.0	395.1
Credits in Slovak koruna	292.0	292.0	295.4	299.0	301.2	303.6	306.3	311.9	318.9	323.1	314.5	317.7	320.9	318.0
- Credits to enterprises	226.7	224.8	226.8	227.7	227.6	227.5	227.0	230.1	233.8	238.0	228.6	229.5	230.2	224.9
- Credits to households	65.3	67.2	68.6	71.3	73.6	76.1	79.3	81.8	85.1	85.1	85.9	88.2	90.7	93.1
Credits in foreign currency	59.4	61.3	60.8	63.5	65.2	67.6	69.7	71.7	73.9	68.6	70.7	71.5	74.1	77.1
<b>LIABILITIES</b>														
Liquid liabilities [M2]	711.7	718.7	702.0	722.3	729.6	725.7	732.2	740.5	750.7	738.6	739.0	744.1	724.0	731.9
Money [M1]	242.4	244.8	248.7	251.9	256.2	256.9	258.7	264.4	276.9	275.4	261.2	265.5	258.9	260.8
Currency outside banks [M0]	86.3	87.0	86.6	87.7	90.8	89.1	90.2	91.7	91.8	91.8	91.7	91.7	90.8	90.9
Demand deposits	156.1	157.8	162.1	164.2	165.4	167.8	168.5	172.7	185.1	183.6	169.5	173.8	168.1	169.9
- Households	78.3	79.4	80.2	81.7	82.6	82.2	81.7	82.6	82.8	81.3	83.0	85.0	83.4	83.8
- Enterprises	75.0	76.2	79.2	80.2	80.5	83.2	84.3	87.4	98.9	98.9	82.7	85.3	81.1	84.0
- Insurance companies	2.8	2.2	2.7	2.3	2.3	2.4	2.5	2.7	3.4	3.4	3.8	3.5	3.6	2.1
Quasi-money [QM]	469.3	473.9	453.3	470.4	473.4	468.8	473.5	476.1	473.8	463.2	477.8	478.6	465.1	471.1
Time and savings deposits	366.4	375.1	357.8	369.7	372.7	368.5	371.8	372.5	373.6	371.4	380.9	383.7	377.9	385.6
- Households	247.6	246.5	245.2	244.2	244.3	242.0	240.7	238.7	240.4	237.4	236.0	237.5	236.5	234.9
- Enterprises	102.3	112.6	97.9	110.4	113.6	113.7	117.5	120.2	116.9	117.7	127.4	128.9	125.0	134.2
- Insurance companies	16.5	16.0	14.7	15.1	14.8	12.8	13.6	13.6	16.3	16.3	17.5	17.3	16.4	16.5
Foreign-currency deposits	102.9	98.8	95.5	100.7	100.7	100.3	101.7	103.6	100.2	91.8	96.9	94.9	87.2	85.5
- Households	65.3	63.1	60.9	60.1	60.1	60.6	60.9	60.1	58.9	53.9	53.4	53.2	52.1	50.8
- Enterprises	37.6	35.7	34.6	40.6	40.6	39.7	40.8	43.5	41.3	37.9	43.5	41.7	35.1	34.7
<b>Other items net</b>	133.2	132.7	150.4	106.6	142.0	139.4	163.1	159.9	167.5	159.8	159.1	173.2	186.9	180.8

## Memorandum Items

Net foreign assets of banking sector (excluding foreign liabilities of government)	357.7	348.1	348.5	364.4	345.3	340.2	353.4	362.0	353.6	328.7	332.0	350.2	350.3	366.4
- of which: foreign assets	423.7	426.0	438.7	458.6	445.8	427.4	479.0	464.4	479.7	445.5	448.4	465.3	447.6	451.5
- of which: foreign liabilities	66.0	77.9	90.2	94.2	100.5	87.2	125.6	102.4	126.1	116.8	116.4	115.1	97.3	85.1
Net credit to central government	377.1	382.2	378.8	381.7	385.3	389.4	393.1	396.0	408.2	405.5	411.0	413.3	407.8	404.7
Net credit to general government (excluding foreign liabilities of government)	166.6	185.3	182.0	183.3	191.1	196.0	197.2	186.6	205.2	211.3	217.7	222.6	210.7	199.0
- of which: liabilities of government and NPF (gross)	370.0	396.3	386.3	361.5	361.0	374.7	383.2	384.6	399.1	405.2	422.2	423.1	420.9	416.1
- of which: claims of government and NPF (gross)	203.4	211.0	204.3	178.2	169.9	178.7	186.0	198.0	193.9	193.9	204.5	200.5	210.2	217.1
Foreign liabilities of government	105.2	92.7	92.8	92.8	91.9	90.7	90.9	104.0	103.9	101.3	101.4	100.8	99.6	103.4
Deposits of higher territorial units, deposits of government in foreign currency (EU funds) and non-budgetary deposits of government agencies in NBS	15.7	15.4	16.1	16.5	15.6	15.6	17.1	15.4	20.1	-	16.8	15.6	11.7	14.5
Money market funds' shares/units	-	-	-	-	-	-	-	-	-	-	12.9	14.2	15.7	17.0



## Monetary Survey

(At current exchange rates)

(SKK billions)

	2003										2004			
	30.4.	31.5.	30.6.	31.7.	31.8.	30.9.	31.10.	30.11.	31.12.	1.1.	31.1.	29.2.	31.3.	30.4.
Current SKK/USD exchange rate	37.317	35.212	36.509	36.571	38.550	36.055	35.368	34.383	32.920	32.920	32.637	32.621	32.982	34.126
Current SKK/EUR exchange rate	40.965	41.246	41.737	41.845	41.996	41.173	41.359	40.969	41.161	41.161	40.822	40.528	40.207	40.359
<b>ASSETS</b>														
Net foreign assets	211.0	204.5	209.6	179.4	219.3	193.2	215.4	205.4	189.5	194.1	190.9	200.2	202.1	215.1
Foreign assets	409.4	407.2	424.1	445.5	442.3	410.4	459.9	440.3	447.9	445.5	444.4	458.6	441.9	450.2
Foreign liabilities	198.4	202.7	214.5	266.1	223.0	217.2	244.5	234.9	258.4	251.4	253.5	258.4	239.8	235.1
Net domestic assets	496.8	508.8	489.1	539.6	509.2	527.7	511.5	528.1	553.1	544.5	547.2	542.6	520.6	516.6
Domestic credits	618.2	626.2	628.3	636.3	649.1	653.2	659.4	667.6	694.0	704.3	702.9	710.0	701.8	695.1
Net credit to general government	268.8	275.9	273.9	275.5	283.2	284.8	286.5	288.3	306.5	312.6	318.3	321.8	308.2	300.7
- Net credit to government (excluding NPF)	279.8	286.1	281.0	283.1	290.6	290.9	293.0	295.6	309.6	315.7	321.4	324.7	311.9	307.5
- Net credit to National Property Fund	-11.0	-10.2	-7.1	-7.6	-7.4	-6.1	-6.5	-7.3	-3.1	-3.1	-3.1	-2.9	-3.7	-6.8
Credits to enterprises and households	349.4	350.3	354.4	360.8	365.9	368.4	372.9	379.3	387.5	391.7	384.6	388.2	393.6	394.4
Credits in Slovak koruna	292.0	292.0	295.4	299.0	301.2	303.6	306.3	311.9	318.9	323.1	314.5	317.7	320.9	318.0
- Credits to enterprises	226.7	224.8	226.8	227.7	227.6	227.5	227.0	230.1	233.8	238.0	228.6	229.5	230.2	224.9
- Credits to households	65.3	67.2	68.6	71.3	73.6	76.1	79.3	81.8	85.1	85.1	85.9	88.2	90.7	93.1
Credits in foreign currency	57.4	58.3	59.0	61.8	64.7	64.8	66.6	67.4	68.6	68.6	70.1	70.5	72.7	76.4
<b>LIABILITIES</b>														
Liquid liabilities [M2]	707.8	713.3	698.7	719.0	728.5	720.9	726.6	733.5	742.6	738.6	738.9	742.8	722.7	731.7
Money [M1]	242.4	244.8	248.7	251.9	256.2	256.9	258.7	264.4	276.9	275.4	261.2	265.5	258.9	260.8
Currency outside banks [M0]	86.3	87.0	86.6	87.7	90.8	89.1	90.2	91.7	91.8	91.8	91.7	91.7	90.8	90.9
Demand deposits	156.1	157.8	162.1	164.2	165.4	167.8	168.5	172.7	185.1	183.6	169.5	173.8	168.1	169.9
- Households	78.3	79.4	80.2	81.7	82.6	82.2	81.7	82.6	82.8	81.3	83.0	85.0	83.4	83.8
- Enterprises	75.0	76.2	79.2	80.2	80.5	83.2	84.3	87.4	98.9	98.9	82.7	85.3	81.1	84.0
- Insurance companies	2.8	2.2	2.7	2.3	2.3	2.4	2.5	2.7	3.4	3.4	3.8	3.5	3.6	2.1
Quasi-money [QM]	468.4	468.5	450.0	467.1	472.3	464.8	468.2	469.9	465.7	463.2	479.9	477.3	463.8	470.9
Time and savings deposits	366.4	375.1	357.8	369.7	372.7	368.5	371.8	372.5	373.6	371.4	380.9	383.7	377.9	385.6
- Households	247.6	246.5	245.2	244.2	244.3	242.0	240.7	238.7	240.4	237.4	236.0	237.5	236.5	234.9
- Enterprises	102.3	112.6	97.9	110.4	113.6	113.7	117.5	120.2	116.9	117.7	127.4	128.9	125.0	134.2
- Insurance companies	16.5	16.0	14.7	15.1	14.8	12.8	13.6	13.6	16.3	16.3	17.5	17.3	16.4	16.5
Foreign-currency deposits	99.0	93.4	92.2	97.4	99.6	95.5	96.4	96.6	92.1	91.8	96.0	93.6	85.9	85.3
- Households	62.8	59.6	58.8	58.1	59.5	57.7	57.7	56.0	54.2	53.9	52.9	52.5	51.3	50.7
- Enterprises	36.2	33.8	33.4	39.3	40.1	37.8	38.7	40.6	37.9	37.9	43.1	41.1	34.6	34.6
<b>Other items net</b>	121.4	117.4	139.2	96.7	139.9	125.5	147.9	139.5	140.9	159.8	155.7	167.4	181.2	178.5

## Memorandum Items

Net foreign assets of banking sector (excluding foreign liabilities of government)	344.1	330.4	335.9	352.8	342.7	324.3	336.0	338.9	324.2	328.7	328.3	344.3	344.7	364.5
- of which: foreign assets	409.4	407.2	424.1	445.5	442.3	410.4	459.9	440.3	447.9	445.5	444.4	458.6	441.9	450.2
- of which: foreign liabilities	65.3	76.8	88.2	92.7	99.6	86.1	123.9	101.4	123.7	116.8	116.1	114.3	97.2	85.7
Net credit to central government	374.1	380.1	378.0	381.1	385.5	387.6	391.6	393.7	405.5	405.5	410.2	411.7	405.7	403.0
Net credit to general government (excluding foreign liabilities of government)	166.6	185.3	182.0	183.3	191.1	196.0	197.2	186.6	205.2	211.3	217.7	222.6	210.7	199.0
- of which: liabilities of government and NPF (gross)	370.0	396.3	386.3	361.5	361.0	374.7	383.2	384.6	399.1	405.2	422.2	423.1	420.9	416.1
- of which: claims of government and NPF (gross)	203.4	211.0	204.3	178.2	169.9	178.7	186.0	198.0	193.9	193.9	204.5	200.5	210.2	217.1
Foreign liabilities of government	102.2	90.6	91.9	92.2	92.1	88.8	89.3	101.7	101.3	101.3	100.6	99.2	97.5	101.7
Deposits of higher territorial units, deposits of government in foreign currency (EU funds) and non-budgetary deposits of government agencies in NBS	15.7	15.4	16.1	16.5	15.6	15.6	17.0	15.3	20.1	-	16.8	15.5	11.7	14.4
Money market funds' shares/units	-	-	-	-	-	-	-	-	-	-	12.9	14.2	15.7	17.0



## Money Supply M2

(At fixed exchange rates from 1 January 1993)

(SKK billions)

	1.1.2004	31.3.2004	30.4.2004	Month-on-month change	Month-on-month change (in %)	Change since beginning of year	Change since beginning of year (in %)	30.4.2003	Year-on-year change	Year-on-year change (in %)
Money supply [M2]	725.5	711.6	719.8	8.2	1.2	-5.7	-0.8	690.4	29.4	4.3
Money [M1]	275.4	258.9	260.8	1.9	0.7	-14.6	-5.3	242.4	18.4	7.6
Currency outside banks [M0]	91.8	90.8	90.9	0.1	0.1	-0.9	-1.0	86.3	4.6	5.3
Demand deposits	183.6	168.1	169.9	1.8	1.1	-13.7	-7.5	156.1	13.8	8.8
Quasi-money [QM]	450.1	452.7	459.0	6.3	1.4	8.9	2.0	448.0	11.0	2.5
Time and savings deposits	371.4	377.9	385.6	7.7	2.0	14.2	3.8	366.4	19.2	5.2
Foreign-currency deposits	78.7	74.8	73.4	-1.4	-1.9	-5.3	-6.7	81.6	-8.2	-10.0
Slovak-koruna deposits	555.0	546.0	555.5	9.5	1.7	0.5	0.1	522.5	33.0	6.3
- Households	318.7	319.9	318.7	-1.2	-0.4	0.0	0.0	325.9	-7.2	-2.2
- Enterprises (incl. insurance cos.)	236.3	226.1	236.8	10.7	4.7	0.5	0.2	196.6	40.2	20.4

**Developments in Credit**

(SKK billions)

	31. 3. 2004	30. 4. 2004	Change
<b>Credits in total (in SKK and foreign currency)</b>	416.5	419.5	3.0
<b>Credits in Slovak koruna</b>	331.7	328.6	-3.1
of which			
- Enterprises	212.8	207.7	-5.1
- General government	25.7	25.5	-0.2
- Households	90.7	93.1	2.4
- Other <sup>1/</sup>	2.6	2.4	-0.2
<b>Credits in foreign currency<sup>2/</sup></b>	84.8	90.9	6.1

1/ Non-profit organisations and entities not included in sectors.

2/ In convertible currencies (residents and non-residents).

**Developments in Deposit**

(SKK billions)

	31. 3. 2004	30. 4. 2004	Change
<b>Deposits in total (in SKK and foreign currency)</b>	787.9	825.3	37.3
<b>Deposits in Slovak koruna</b>	697.3	733.5	36.2
of which			
- Enterprises	210.1	220.1	9.9
- General government	151.2	177.9	26.7
- Households	319.9	318.7	-1.2
- Other <sup>1/</sup>	16.0	16.7	0.7
<b>Deposits in foreign currency<sup>2/</sup></b>	90.6	91.8	1.1

1/ Non-profit organisations and entities not included in sectors.

2/ In convertible currencies (residents and non-residents).



## Balance of Payments of the SR for January – March 2004

	Receipts / Credit (+)		Payments / Debit (-)		Balance	
	SKK millions	USD millions	SKK millions	USD millions	SKK millions	USD millions
<b>Goods</b>	203,368.0	6,265.8	202,767.0	6,247.3	601.0	18.5
<b>Services</b>	28,396.7	874.9	26,430.2	814.3	1,966.5	60.6
Transport	13,784.5	424.7	8,069.3	248.6	5,715.2	176.1
Tourism	6,040.8	186.1	4,462.0	137.5	1,578.8	48.6
Other services	8,571.4	264.1	13,898.9	428.2	-5,327.5	-164.1
<b>Income</b>	7,154.1	220.4	6,532.8	201.3	621.3	19.1
Compensation of employees	3,245.2	100.0	157.6	4.9	3,087.6	95.1
Investment income	3,908.9	120.4	6,375.2	196.4	-2,466.3	-76.0
<b>Current transfers</b>	4,099.4	126.3	1,957.3	60.3	2,142.1	66.0
<b>CURRENT ACCOUNT</b>	243,018.2	7,487.4	237,687.3	7,323.1	5,330.9	164.2
<b>Capital account</b>	669.4	20.6	895.0	27.6	-225.6	-7.0
<b>Financial account</b>	780,831.5	24,053.5	-781,636.8	-24,077.4	-805.3	-23.9
Direct investment	128,593.3	3,962.0	-114,906.3	-3,540.3	13,687.0	421.7
<i>Abroad (direct investor = resident)</i>	3,007.7	92.7	-3,202.3	-98.7	-194.6	-6.0
Equity capital and reinvested earnings	401.7	12.4	-174.3	-5.4	227.4	7.0
Other capital	2,606.0	80.3	-3,028.0	-93.3	-422.0	-13.0
<i>In the SR (recipient of dir. investment = resident)</i>	125,585.6	3,869.3	-111,704.0	-3,441.6	13,881.6	427.7
Equity capital and reinvested earnings	12,539.6	386.3	-513.0	-15.8	12,026.6	370.5
Other capital	113,046.0	3,482.9	-111,191.0	-3,425.8	1,855.0	57.2
Portfolio investment	59,797.7	1,842.4	-57,600.6	-1,774.7	2,197.1	67.7
Assets	26,946.0	830.2	-33,083.2	-1,019.3	-6,137.2	-189.1
Liabilities	32,851.7	1,012.2	-24,517.4	-755.4	8,334.3	256.8
Financial derivatives	201,107.5	6,196.1	-200,999.4	-6,192.8	108.1	3.3
Assets	84,165.1	2,593.1	-84,835.7	-2,613.8	-670.6	-20.7
Liabilities	116,942.4	3,603.0	-116,163.7	-3,579.0	778.7	24.0
Other investment	391,333.0	12,053.0	-408,130.5	-12,569.7	-16,797.5	-516.7
<i>Long-term</i>	37,578.1	1,157.9	-49,041.3	-1,510.3	-11,463.2	-352.4
Assets	7,956.5	245.1	-10,072.9	-310.3	-2,116.4	-65.2
Liabilities	29,621.6	912.8	-38,968.4	-1,200.0	-9,346.8	-287.2
<i>Short-term</i>	353,754.9	10,895.1	-359,089.2	-11,059.3	-5,334.3	-164.2
Assets	124,324.0	3,830.4	-111,591.0	-3,438.1	12,733.0	392.3
Liabilities	229,430.9	7,064.7	-247,498.2	-7,621.2	-18,067.3	-556.5
<b>CAPITAL AND FINANCIAL ACCOUNT</b>	781,500.9	24,074.1	-782,531.8	-24,105.0	-1,030.9	-30.9
<b>ERRORS AND OMISSIONS</b>	x	x	x	x	4,201.6	133.6
<b>TOTAL BALANCE</b>	-57,274.0	-1,735.9	65,775.6	2,002.9	8,501.6	267.0
Monetary gold	0.0	0.0	0.0	0.0	0.0	0.0
Special drawing rights	0.0	0.0	0.0	0.0	0.0	0.0
Foreign exchange	57,274.0	1,735.9	-65,775.6	-2,002.9	-8,501.6	-267.0
<i>Currency and deposits</i>	0.0	0.0	-52,592.5	-1,597.8	-52,592.5	-1,597.8
<i>Securities</i>	57,274.0	1,735.9	-13,183.1	-405.1	44,090.9	1,330.8
Bonds and notes	0.0	0.0	-13,183.1	-405.1	-13,183.1	-405.1
Money market instruments and financial derivatives	57,274.0	1,735.9	0.0	0.0	57,274.0	1,735.9
<b>RESERVE ASSETS</b>	57,274.0	1,735.9	-65,775.6	-2,002.9	-8,501.6	-267.0

Note: Preliminary data.

Applied rate of exchange: USD 1 = SKK 32.457

**Inflow of Foreign Direct Investment <sup>1/</sup> into the SR in 1998 – 2004**

(Flows and stocks)

**Corporate sector**

	SKK millions				USD millions			
	Volume as at 1 January	Net change	Valuation and other changes	Volume as at 31 December	Volume as at 1 January	Net change	Valuation and other changes	Volume as at 31 December
1998	46,499	17,248	1,890	65,637	1,336.87	489.42	-48.13	1,778.16
1999	65,637	16,729	695	83,061	1,778.16	403.92	-216.87	1,965.21
2000	83,061	97,454	-18,527	161,988	1,965.21	2,109.39	-656.33	3,418.27
2001	161,988	24,353	-4,190	182,151	3,418.27	503.71	-163.73	3,758.25
2002	182,151	174,180	-102,942	253,389	3,758.25	3,842.06	-1,271.28	6,329.03
2003	253,389	35,504	-8,194	280,699	6,329.03	965.49	1,232.18	8,526.70
2004 <sup>3/</sup>	293,763	9,458	-7,333	295,888 <sup>4/</sup>	8,923.54	289.31	-241.65	8,971.20 <sup>4/</sup>

**Banking sector**

	SKK millions				USD millions			
	Volume as at 1 January	Net change	Valuation and other changes	Volume as at 31 December	Volume as at 1 January	Net change	Valuation and other changes	Volume as at 31 December
1998	11,608	1,334	-11	12,931	333.74	37.85	-21.28	350.31
1999	12,931	-40	86	12,977	350.31	-0.97	-42.31	307.03
2000	12,977	2,107	69	15,153	307.03	45.61	-32.88	319.76
2001	15,153	37,095	-3	52,245	319.76	767.27	-9.07	1,077.96
2002	52,245	11,414	-3,930	59,729	1,077.96	251.77	162.16	1,491.89
2003 <sup>2/</sup>	59,980	1,813	3,629	65,422	1,498.15	49.30	439.85	1,987.30
2004	65,422	2,569	-2,319	65,672 <sup>4/</sup>	1,987.30	78.58	-74.74	1,991.14 <sup>4/</sup>

**Total**

	SKK millions				USD millions			
	Volume as at 1 January	Net change	Valuation and other changes	Volume as at 31 December	Volume as at 1 January	Net change	Valuation and other changes	Volume as at 31 December
1998	58,107	18,582	1,879	78,568	1,670.61	527.27	-69.41	2,128.47
1999	78,568	16,689	781	96,038	2,128.47	402.95	-259.18	2,272.24
2000	96,038	99,561	-18,458	177,141	2,272.24	2,155.00	-689.21	3,738.03
2001	177,141	61,448	-4,193	234,396	3,738.03	1,270.98	-172.80	4,836.21
2002	234,396	185,594	-106,872	313,118	4,836.21	4,093.83	-1,109.12	7,820.92
2003 <sup>2/</sup>	313,369	37,317	-4,565	346,121	7,827.18	1,014.79	1,672.03	10,514.00
2004 <sup>3/</sup>	359,185	12,027	-9,652	361,560 <sup>4/</sup>	10,910.84	367.89	-316.39	10,962.34 <sup>4/</sup>

Note: The data for 2002 – 2004 are preliminary.

1/ Equity capital + reinvested earnings.

2/ Change in methodology – new accounting standards for banks.

3/ Other capital funds included in the equity capital.

4/ Data at 31 March.

Inflow of Foreign Direct Investment <sup>1/</sup> During January to March 2004

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 32.692									
<b>Inflow of FDI (equity capital + reinvested earnings) in total</b>	9,458	289.3	100.0	2,569	78.6	100.0	12,027	367.9	100.0
<b>Structure of capital by investor</b>									
Hungary	5,859	179.2	61.9	-32	-1.0	-1.2	5,827	178.2	48.4
Austria	-13	-0.4	-0.1	2,382	72.9	92.7	2,369	72.5	19.7
France	2,203	67.4	23.3	-36	-1.1	-1.4	2,167	66.3	18.0
Germany	306	9.4	3.2	246	7.5	9.6	552	16.9	4.6
United Kingdom	417	12.8	4.4	20	0.6	0.8	437	13.4	3.6
Italy	269	8.2	2.8	-16	-0.5	-0.6	253	7.7	2.1
Cyprus	153	4.7	1.6	0	0.0	0.0	153	4.7	1.3
Switzerland	143	4.4	1.5	0	0.0	0.0	143	4.4	1.2
Czech Republic	49	1.5	0.5	-2	-0.1	-0.1	47	1.4	0.4
Canada	38	1.2	0.4	0	0.0	0.0	38	1.2	0.3
Other countries	34	1.0	0.4	7	0.2	0.3	41	1.3	0.3
<b>Structure of capital by sector</b>									
Agriculture, hunting, and forestry	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Mineral raw materials extraction	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Manufacturing	9,175	280.6	97.0	0	0.0	0.0	9,175	280.6	76.3
Electricity, gas, and water supply	1	0.0	0.0	0	0.0	0.0	1	0.0	0.0
Construction	3	0.1	0.0	0	0.0	0.0	3	0.1	0.0
Wholesale and retail trade, repairs of motor vehicles	153	4.7	1.6	0	0.0	0.0	153	4.7	1.3
Hotels and restaurants	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Transport, storage, post and telecommunications	44	1.3	0.5	0	0.0	0.0	44	1.3	0.4
Financial intermediation	58	1.8	0.6	2,569	78.6	100.0	2,627	80.4	21.8
Real estate, renting and business activities	-7	-0.2	-0.1	0	0.0	0.0	-7	-0.2	-0.1
Public administration and defence, compulsory social security	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Education	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Health and social work	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Other community, social, and personal services	31	0.9	0.3	0	0.0	0.0	31	0.9	0.3
Activities of private households	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Extra-territorial organizations and bodies	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
<b>Structure of capital by region</b>									
Bratislava region	6,704	205.1	70.9	2,569	78.6	100.0	9,273	283.6	77.1
Trnava region	2,422	74.1	25.6	0	0.0	0.0	2,422	74.1	20.1
Trenčín region	36	1.1	0.4	0	0.0	0.0	36	1.1	0.3
Nitra region	60	1.8	0.6	0	0.0	0.0	60	1.8	0.5
Žilina region	-19	-0.6	-0.2	0	0.0	0.0	-19	-0.6	-0.2
Banská Bystrica region	81	2.5	0.9	0	0.0	0.0	81	2.5	0.7
Prešov region	286	8.7	3.0	0	0.0	0.0	286	8.7	2.4
Košice region	-112	-3.4	-1.2	0	0.0	0.0	-112	-3.4	-0.9

Note: Preliminary data.

1/ Equity capital + reinvested earnings.





**Inflow of Foreign Direct Investment <sup>1/</sup> During January to December 2003**

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 32.692									
<b>Inflow of FDI (equity capital + reinvested earnings) in total</b>	35,504	965.5	100.0	1,813	49.3	100.0	37,317	1,014.8	100.0
<b>Structure of capital by investor</b>									
Germany	10,942	297.6	30.8	21	0.6	1.2	10,963	298.1	29.4
Hungary	7,365	200.3	20.7	984	26.8	54.3	8,349	227.0	22.4
Czech Republic	5,499	149.5	15.5	-7	-0.2	-0.4	5,492	149.3	14.7
United Kingdom	2,738	74.5	7.7	104	2.8	5.7	2,842	77.3	7.6
The Netherlands	2,554	69.5	7.2	7	0.2	0.4	2,561	69.6	6.9
Austria	902	24.5	2.5	603	16.4	33.3	1,505	40.9	4.0
USA	1,214	33.0	3.4	-27	-0.7	-1.5	1,187	32.3	3.2
Switzerland	998	27.1	2.8	0	0.0	0.0	998	27.1	2.7
Denmark	856	23.3	2.4	0	0.0	0.0	856	23.3	2.3
Italy	526	14.3	1.5	142	3.9	7.8	668	18.2	1.8
Other countries	1,910	51.9	5.4	-14	-0.4	-0.8	1,896	51.6	5.1
<b>Structure of capital by sector</b>									
Agriculture, hunting, and forestry	36	1.0	0.1	0	0.0	0.0	36	1.0	0.1
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Mineral raw materials extraction	89	2.4	0.3	0	0.0	0.0	89	2.4	0.2
Manufacturing	17,273	469.7	48.7	0	0.0	0.0	17,273	469.7	46.3
Electricity, gas, and water supply	-557	-15.1	-1.6	0	0.0	0.0	-557	-15.1	-1.5
Construction	845	23.0	2.4	0	0.0	0.0	845	23.0	2.3
Wholesale and retail trade, repairs of motor vehicles	4,979	135.4	14.0	0	0.0	0.0	4,979	135.4	13.3
Hotels and restaurants	49	1.3	0.1	0	0.0	0.0	49	1.3	0.1
Transport, storage, post and telecommunications	332	9.0	0.9	0	0.0	0.0	332	9.0	0.9
Financial intermediation	833	22.7	2.3	1,813	49.3	100.0	2,646	72.0	7.1
Real estate, renting and business activities	1,129	30.7	3.2	0	0.0	0.0	1,129	30.7	3.0
Public administration and defence, compulsory social security	10,463	284.5	29.5	0	0.0	0.0	10,463	284.5	28.0
Education	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Health and social work	9	0.2	0.0	0	0.0	0.0	9	0.2	0.0
Other community, social, and personal services	23	0.6	0.1	0	0.0	0.0	23	0.6	0.1
Activities of private households	1	0.0	0.0	0	0.0	0.0	1	0.0	0.0
Extra-territorial organizations and bodies	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
<b>Structure of capital by region</b>									
Bratislava region	29,864	812.1	84.1	1,813	49.3	100.0	31,677	861.4	84.9
Trnava region	1,048	28.5	3.0	0	0.0	0.0	1,048	28.5	2.8
Trenčín region	2,036	55.4	5.7	0	0.0	0.0	2,036	55.4	5.5
Nitra region	1,299	35.3	3.7	0	0.0	0.0	1,299	35.3	3.5
Žilina region	504	13.7	1.4	0	0.0	0.0	504	13.7	1.4
Banská Bystrica region	118	3.2	0.3	0	0.0	0.0	118	3.2	0.3
Prešov region	44	1.2	0.1	0	0.0	0.0	44	1.2	0.1
Košice region	591	16.1	1.7	0	0.0	0.0	591	16.1	1.6

Note: Preliminary data.

1/ Equity capital + reinvested earnings.

Inflow of Foreign Direct Investment <sup>1/</sup> During January to December 2002

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 45.335									
<b>Inflow of FDI (equity capital + reinvested earnings) in total</b>	174,180	3,842.1	100.0	11,414	251.8	100.0	185,594	4,093.8	100.0
<b>Structure of capital by investor</b>									
Germany	79,206	1,747.1	45.5	-36	-0.8	-0.3	79,170	1,746.3	42.7
France	66,664	1,470.5	38.3	33	0.7	0.3	66,697	1,471.2	35.9
United Kingdom	12,210	269.3	7.0	-236	-5.2	-2.1	11,974	264.1	6.5
Austria	59	1.3	0.0	7,265	160.3	63.6	7,324	161.6	3.9
Italy	342	7.5	0.2	5,332	117.6	46.7	5,674	125.2	3.1
Cyprus	5,574	123.0	3.2	0	0.0	0.0	5,574	123.0	3.0
Czech Republic	4,765	105.1	2.7	21	0.5	0.2	4,786	105.6	2.6
The Netherlands	6,350	140.1	3.6	-1,947	-42.9	-17.1	4,403	97.1	2.4
Panama	926	20.4	0.5	0	0.0	0.0	926	20.4	0.5
Luxembourg	716	15.8	0.4	0	0.0	0.0	716	15.8	0.4
Other countries	-2,632	-58.1	-1.5	982	21.7	8.6	-1,650	-36.4	-0.9
<b>Structure of capital by sector</b>									
Agriculture, hunting, and forestry	9	0.2	0.0	0	0.0	0.0	9	0.2	0.0
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Mineral raw materials extraction	182	4.0	0.1	0	0.0	0.0	182	4.0	0.1
Manufacturing	12,642	278.9	7.3	0	0.0	0.0	12,642	278.9	6.8
Electricity, gas, and water supply	138,671	3,058.8	79.6	0	0.0	0.0	138,671	3,058.8	74.7
Construction	116	2.6	0.1	0	0.0	0.0	116	2.6	0.1
Wholesale and retail trade, repairs of motor vehicles	9,315	205.5	5.3	0	0.0	0.0	9,315	205.5	5.0
Hotels and restaurants	3	0.1	0.0	0	0.0	0.0	3	0.1	0.0
Transport, storage, post and telecommunications	-1,029	-22.7	-0.6	0	0.0	0.0	-1,029	-22.7	-0.6
Financial intermediation	8,779	193.6	5.0	11,414	251.8	100.0	20,193	445.4	10.9
Real estate, renting and business activities	2,389	52.7	1.4	0	0.0	0.0	2,389	52.7	1.3
Public administration and defence, compulsory social security	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Education	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Health and social work	2,628	58.0	1.5	0	0.0	0.0	2,628	58.0	1.4
Other community, social, and personal services	273	6.0	0.2	0	0.0	0.0	273	6.0	0.1
Activities of private households	178	3.9	0.1	0	0.0	0.0	178	3.9	0.1
Extra-territorial organizations and bodies	24	0.5	0.0	0	0.0	0.0	24	0.5	0.0
<b>Structure of capital by region</b>									
Bratislava region	159,324	3,514.4	91.5	11,414	251.8	100.0	170,738	3,766.1	92.0
Trnava region	3,497	77.1	2.0	0	0.0	0.0	3,497	77.1	1.9
Trenčín region	2,185	48.2	1.3	0	0.0	0.0	2,185	48.2	1.2
Nitra region	1,148	25.3	0.7	0	0.0	0.0	1,148	25.3	0.6
Žilina region	6,468	142.7	3.7	0	0.0	0.0	6,468	142.7	3.5
Banská Bystrica region	407	9.0	0.2	0	0.0	0.0	407	9.0	0.2
Prešov region	189	4.2	0.1	0	0.0	0.0	189	4.2	0.1
Košice region	962	21.2	0.6	0	0.0	0.0	962	21.2	0.5

Note: Preliminary data.

1/ Equity capital + reinvested earnings.



**Volume of Foreign Direct Investment <sup>1/</sup> as at 31 March 2004**

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 32.982									
<b>Total volume of FDI (equity capital + reinvested earnings)</b>	295,888	8,971.2	100.0	65,672	1,991.1	100.0	361,560	10,962.3	100.0
<b>Structure of capital by investor</b>									
Germany	85,538	2,593.5	28.9	1,102	33.4	1.7	86,640	2,626.9	24.0
The Netherlands	59,398	1,800.9	20.1	595	18.0	0.9	59,993	1,819.0	16.6
Austria	19,911	603.7	6.7	30,473	923.9	46.4	50,384	1,527.6	13.9
Italy	4,957	150.3	1.7	24,143	732.0	36.8	29,100	882.3	8.0
France	25,770	781.3	8.7	515	15.6	0.8	26,285	796.9	7.3
Hungary	21,668	657.0	7.3	1,950	59.1	3.0	23,618	716.1	6.5
United Kingdom	20,775	629.9	7.0	1,749	53.0	2.7	22,524	682.9	6.2
Czech Republic	17,113	518.9	5.8	3,495	106.0	5.3	20,608	624.8	5.7
USA	13,033	395.2	4.4	1,650	50.0	2.5	14,683	445.2	4.1
Belgium	4,733	143.5	1.6	0	0.0	0.0	4,733	143.5	1.3
Other countries	22,992	697.1	7.8	0	0.0	0.0	22,992	697.1	6.4
<b>Structure of capital by sector</b>									
Agriculture, hunting, and forestry	762	23.1	0.3	0	0.0	0.0	762	23.1	0.2
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Mineral raw materials extraction	2,619	79.4	0.9	0	0.0	0.0	2,619	79.4	0.7
Manufacturing	139,206	4,220.7	47.0	0	0.0	0.0	139,206	4,220.7	38.5
Electricity, gas, and water supply	41,008	1,243.3	13.9	0	0.0	0.0	41,008	1,243.3	11.3
Construction	2,308	70.0	0.8	0	0.0	0.0	2,308	70.0	0.6
Wholesale and retail trade, repairs of motor vehicles	39,083	1,185.0	13.2	0	0.0	0.0	39,083	1,185.0	10.8
Hotels and restaurants	1,703	51.6	0.6	0	0.0	0.0	1,703	51.6	0.5
Transport, storage, post and telecommunications	36,013	1,091.9	12.2	0	0.0	0.0	36,013	1,091.9	10.0
Financial intermediation	17,416	528.0	5.9	65,672	1,991.1	100.0	83,088	2,519.2	23.0
Real estate, renting and business activities	12,291	372.7	4.2	0	0.0	0.0	12,291	372.7	3.4
Public administration and defence, compulsory social security	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Education	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Health and social work	1,427	43.3	0.5	0	0.0	0.0	1,427	43.3	0.4
Other community, social, and personal services	2,052	62.2	0.7	0	0.0	0.0	2,052	62.2	0.6
Activities of private households	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Extra-territorial organizations and bodies	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
<b>Structure of capital by regions</b>									
Bratislava region	184,562	5,595.8	62.4	65,672	1,991.1	100.0	250,234	7,587.0	69.2
Trnava region	20,342	616.8	6.9	0	0.0	0.0	20,342	616.8	5.6
Trenčín region	12,854	389.7	4.3	0	0.0	0.0	12,854	389.7	3.6
Nitra region	11,953	362.4	4.0	0	0.0	0.0	11,953	362.4	3.3
Žilina region	16,320	494.8	5.5	0	0.0	0.0	16,320	494.8	4.5
Banská Bystrica region	8,845	268.2	3.0	0	0.0	0.0	8,845	268.2	2.4
Prešov region	6,158	186.7	2.1	0	0.0	0.0	6,158	186.7	1.7
Košice region	34,854	1,056.8	11.8	0	0.0	0.0	34,854	1,056.8	9.6

Note: Preliminary data.

1/ Equity capital + reinvested earnings.

Volume of Foreign Direct Investment <sup>1/</sup> as at 31 December 2003

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 32.920									
<b>Total volume of FDI (equity capital + reinvested earnings)</b>	280,699	8,526.7	100.0	65,422	1,987.3	100.0	346,121	10,514.0	100.0
<b>Structure of capital by investor</b>									
Germany	82,172	2,496.1	29.3	852	25.9	1.3	83,024	2,522.0	24.0
The Netherlands	56,998	1,731.4	20.3	595	18.1	0.9	57,593	1,749.5	16.6
Austria	18,195	552.7	6.5	30,383	922.9	46.4	48,578	1,475.6	14.0
Italy	4,113	124.9	1.5	24,143	733.4	36.9	28,256	858.3	8.2
United Kingdom	23,242	706.0	8.3	1,749	53.1	2.7	24,991	759.1	7.2
France	23,201	704.8	8.3	550	16.7	0.8	23,751	721.5	6.9
Czech Republic	16,930	514.3	6.0	3,495	106.2	5.3	20,425	620.4	5.9
Hungary	15,748	478.4	5.6	2,005	60.9	3.1	17,753	539.3	5.1
USA	11,532	350.3	4.1	1,650	50.1	2.5	13,182	400.4	3.8
Cyprus	7,446	226.2	2.7	0	0.0	0.0	7,446	226.2	2.2
Other countries	21,122	641.6	7.5	0	0.0	0.0	21,122	641.6	6.1
<b>Structure of capital by sector</b>									
Agriculture, hunting, and forestry	736	22.4	0.3	0	0.0	0.0	736	22.4	0.2
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Mineral raw materials extraction	2,709	82.3	1.0	0	0.0	0.0	2,709	82.3	0.8
Manufacturing	129,788	3,942.5	46.2	0	0.0	0.0	129,788	3,942.5	37.5
Electricity, gas, and water supply	40,378	1,226.5	14.4	0	0.0	0.0	40,378	1,226.5	11.7
Construction	2,477	75.2	0.9	0	0.0	0.0	2,477	75.2	0.7
Wholesale and retail trade, repairs of motor vehicles	38,819	1,179.2	13.8	0	0.0	0.0	38,819	1,179.2	11.2
Hotels and restaurants	1,662	50.5	0.6	0	0.0	0.0	1,662	50.5	0.5
Transport, storage, post and telecommunications	34,551	1,049.5	12.3	0	0.0	0.0	34,551	1,049.5	10.0
Financial intermediation	15,936	484.1	5.7	65,422	1,987.3	100.0	81,358	2,471.4	23.5
Real estate, renting and business activities	11,032	335.1	3.9	0	0.0	0.0	11,032	335.1	3.2
Public administration and defence, compulsory social security	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Education	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Health and social work	1,426	43.3	0.5	0	0.0	0.0	1,426	43.3	0.4
Other community, social, and personal services	1,185	36.0	0.4	0	0.0	0.0	1,185	36.0	0.3
Activities of private households	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Extra-territorial organizations and bodies	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
<b>Structure of capital by regions</b>									
Bratislava region	178,359	5,418.0	63.5	65,422	1,987.3	100.0	243,781	7,405.3	70.4
Trnava region	17,272	524.7	6.2	0	0.0	0.0	17,272	524.7	5.0
Trenčín region	12,003	364.6	4.3	0	0.0	0.0	12,003	364.6	3.5
Nitra region	10,613	322.4	3.8	0	0.0	0.0	10,613	322.4	3.1
Žilina region	13,920	422.8	5.0	0	0.0	0.0	13,920	422.8	4.0
Banská Bystrica region	8,684	263.8	3.1	0	0.0	0.0	8,684	263.8	2.5
Prešov region	5,872	178.4	2.1	0	0.0	0.0	5,872	178.4	1.7
Košice region	33,976	1,032.1	12.1	0	0.0	0.0	33,976	1,032.1	9.8

Note: Preliminary data.

1/ Equity capital + reinvested earnings.



**Volume of Foreign Direct Investment <sup>1/</sup> as at 31 December 2002**

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 40.036									
<b>Total volume of FDI (equity capital + reinvested earnings)</b>	253,389	6,329.0	100.0	59,729	1,491.9	100.0	313,118	7,820.9	100.0
<b>Structure of capital by investor</b>									
Germany	77,640	1,939.3	30.6	827	20.7	1.4	78,467	1,959.9	25.1
The Netherlands	50,421	1,259.4	19.9	587	14.7	1.0	51,008	1,274.1	16.3
Austria	18,958	473.5	7.5	26,487	661.6	44.3	45,445	1,135.1	14.5
Italy	3,567	89.1	1.4	23,541	588.0	39.4	27,108	677.1	8.7
France	22,338	557.9	8.8	550	13.7	0.9	22,888	571.7	7.3
United Kingdom	19,201	479.6	7.6	1,598	39.9	2.7	20,799	519.5	6.6
Czech Republic	13,419	335.2	5.3	3,485	87.0	5.8	16,904	422.2	5.4
USA	10,535	263.1	4.2	1,650	41.2	2.8	12,185	304.4	3.9
Hungary	8,294	207.2	3.3	1,000	25.0	1.7	9,294	232.1	3.0
Cyprus	7,186	179.5	2.8	0	0.0	0.0	7,186	179.5	2.3
Other countries	21,830	545.3	8.6	4	0.1	0.0	21,834	545.4	7.0
<b>Structure of capital by sector</b>									
Agriculture, hunting, and forestry	715	17.9	0.3	0	0.0	0.0	715	17.9	0.2
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Mineral raw materials extraction	2,804	70.0	1.1	0	0.0	0.0	2,804	70.0	0.9
Manufacturing	114,296	2,854.8	45.1	0	0.0	0.0	114,296	2,854.8	36.5
Electricity, gas, and water supply	38,847	970.3	15.3	0	0.0	0.0	38,847	970.3	12.4
Construction	1,928	48.2	0.8	0	0.0	0.0	1,928	48.2	0.6
Wholesale and retail trade, repairs of motor vehicles	33,185	828.9	13.1	0	0.0	0.0	33,185	828.9	10.6
Hotels and restaurants	1,613	40.3	0.6	0	0.0	0.0	1,613	40.3	0.5
Transport, storage, post and telecommunications	33,676	841.1	13.3	0	0.0	0.0	33,676	841.1	10.8
Financial intermediation	13,097	327.1	5.2	59,729	1,491.9	100.0	72,826	1,819.0	23.3
Real estate, renting and business activities	10,302	257.3	4.1	0	0.0	0.0	10,302	257.3	3.3
Public administration and defence, compulsory social security	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Education	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Health and social work	1,418	35.4	0.6	0	0.0	0.0	1,418	35.4	0.5
Other community, social, and personal services	1,433	35.8	0.6	0	0.0	0.0	1,433	35.8	0.5
Activities of private households	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Extra-territorial organizations and bodies	75	1.9	0.0	0	0.0	0.0	75	1.9	0.0
<b>Structure of capital by regions</b>									
Bratislava region	163,299	4,078.8	64.4	59,729	1,491.9	100.0	223,028	5,570.7	71.2
Trnava region	13,472	336.5	5.3	0	0.0	0.0	13,472	336.5	4.3
Trenčín region	9,137	228.2	3.6	0	0.0	0.0	9,137	228.2	2.9
Nitra region	8,566	214.0	3.4	0	0.0	0.0	8,566	214.0	2.7
Žilina region	12,241	305.7	4.8	0	0.0	0.0	12,241	305.7	3.9
Banská Bystrica region	8,290	207.1	3.3	0	0.0	0.0	8,290	207.1	2.6
Prešov region	5,721	142.9	2.3	0	0.0	0.0	5,721	142.9	1.8
Košice region	32,663	815.8	12.9	0	0.0	0.0	32,663	815.8	10.4

Note: Preliminary data.

1/ Equity capital + reinvested earnings.

## Outflow of Foreign Direct Investment <sup>1/</sup> from Slovakia in 1998 – 2004

(Flows and stocks)

### Corporate sector

	SKK millions				USD millions			
	Volume as at 1 January	Net change	Valuation and other changes	Volume as at 31 December	Volume as at 1 January	Net change	Valuation and other changes	Volume as at 31 December
1998	6,169	4,883	1,345	12,397	177.36	138.56	19.93	335.85
1999	12,397	739	-404	12,732	335.85	17.84	-52.45	301.24
2000	12,732	975	1,515	15,222	301.24	21.10	-1.13	321.21
2001	15,222	3,441	2,740	21,403	321.21	71.17	49.21	441.59
2002	21,403	364	-2,758	19,009	441.59	8.03	25.17	474.79
2003	19,009	653	-1,513	18,149	474.79	17.76	58.75	551.30
2004	18,149	-188	-242	17,719 <sup>3/</sup>	551.30	-5.75	-8.32	537.23 <sup>3/</sup>

### Banking sector

	SKK millions				USD millions			
	Volume as at 1 January	Net change	Valuation and other changes	Volume as at 31 December	Volume as at 1 January	Net change	Valuation and other changes	Volume as at 31 December
1998	1,300	-7	299	1,592	37.38	-0.20	5.95	43.13
1999	1,592	-17,110	15,587	69	43.13	-413.12	371.62	1.63
2000	69	99	21	189	1.63	2.14	0.21	3.98
2001	189	8	1	198	3.98	0.17	-0.07	4.08
2002	198	0	-34	164	4.08	0.00	0.01	4.09
2003 <sup>2/</sup>	162	43	-9	196	4.05	1.17	0.74	5.96
2004	196	-39	364	521 <sup>3/</sup>	5.96	-1.19	11.04	15.81 <sup>3/</sup>

### Total

	SKK millions				USD millions			
	Volume as at 1 January	Net change	Valuation and other changes	Volume as at 31 December	Volume as at 1 January	Net change	Valuation and other changes	Volume as at 31 December
1998	7,469	4,876	1,644	13,989	214.74	138.36	25.88	378.98
1999	13,989	-16,371	15,183	12,801	378.98	-395.28	319.17	302.87
2000	12,801	1,074	1,536	15,411	302.87	23.24	-0.92	325.19
2001	15,411	3,449	2,741	21,601	325.19	71.34	49.14	445.67
2002	21,601	364	-2,792	19,173	445.67	8.03	25.18	478.88
2003 <sup>2/</sup>	19,171	696	-1,522	18,345	478.84	18.93	59.49	557.26
2004	18,345	-227	122	18,240 <sup>3/</sup>	557.26	-6.94	2.72	553.04 <sup>3/</sup>

Note: The data for 2002 – 2004 are preliminary.

1/ Equity capital + reinvested earnings.

2/ Change in methodology – new accounting standards for banks.

3/ Data at 31 March.



### Outflow of Foreign Direct Investment <sup>1/</sup> During January to March 2004

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 32.692									
<b>Outflow of FDI (equity capital + reinvested earnings) in total</b>	-188	-5.8	100.0	-39	-1.2	100.0	-227	-6.9	100.0
<b>Structure of capital by country of investment</b>									
The Netherlands	51	1.6	-27.1	0	0.0	0.0	51	1.6	-22.5
Ukraine	10	0.3	-5.3	0	0.0	0.0	10	0.3	-4.4
Czech Republic	47	1.4	-25.0	-40	-1.2	102.6	7	0.2	-3.1
Russia	3	0.1	-1.6	0	0.0	0.0	3	0.1	-1.3
Bulgaria	2	0.1	-1.1	0	0.0	0.0	2	0.1	-0.9
USA	1	0.0	-0.5	0	0.0	0.0	1	0.0	-0.4
Poland	1	0.0	-0.5	0	0.0	0.0	1	0.0	-0.4
Bosnia and Herzegovina	1	0.0	-0.5	0	0.0	0.0	1	0.0	-0.4
Hungary	-3	-0.1	1.6	0	0.0	0.0	-3	-0.1	1.3
Austria	-6	-0.2	3.2	0	0.0	0.0	-6	-0.2	2.6
Other countries	-295	-9.0	156.9	1	0.0	-2.6	-294	-9.0	129.5
<b>Structure of capital by sector</b>									
Agriculture, hunting, and forestry	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Mineral raw materials extraction	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Manufacturing	17	0.5	-9.0	0	0.0	0.0	17	0.5	-7.5
Electricity, gas, and water supply	1	0.0	-0.5	0	0.0	0.0	1	0.0	-0.4
Construction	-2	-0.1	1.1	0	0.0	0.0	-2	-0.1	0.9
Wholesale and retail trade, repairs of motor vehicles	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Hotels and restaurants	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Transport, storage, post and telecommunications	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Financial intermediation	-291	-8.9	154.8	-39	-1.2	100.0	-330	-10.1	145.4
Real estate, renting and business activities	87	2.7	-46.3	0	0.0	0.0	87	2.7	-38.3
Public administration and defence, compulsory social security	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Education	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Health and social work	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Other community, social, and personal services	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Activities of private households	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Extra-territorial organizations and bodies	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
<b>Structure of capital by regions</b>									
Bratislava region	86	2.6	-45.7	-39	-1.2	100.0	47	1.4	-20.7
Trnava region	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Trenčín region	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Nitra region	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Žilina region	3	0.1	-1.6	0	0.0	0.0	3	0.1	-1.3
Banská Bystrica region	3	0.1	-1.6	0	0.0	0.0	3	0.1	-1.3
Prešov region	6	0.2	-3.2	0	0.0	0.0	6	0.2	-2.6
Košice region	-286	-8.7	152.1	0	0.0	0.0	-286	-8.7	126.0

Note: Preliminary data.

1/ Equity capital + reinvested earnings.


**Outflow of Foreign Direct Investment <sup>1/</sup> During January to December 2003**

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 36.773									
<b>Outflow of FDI (equity capital + reinvested earnings) in total</b>	653	17.8	100.0	43	1.2	100.0	696	18.9	100.0
<b>Structure of capital by country of investment</b>									
Czech Republic	781	21.2	119.6	30	0.8	69.8	811	22.1	116.5
Austria	296	8.0	45.3	0	0.0	0.0	296	8.0	42.5
United Kingdom	82	2.2	12.6	0	0.0	0.0	82	2.2	11.8
Bosnia and Herzegovina	78	2.1	11.9	0	0.0	0.0	78	2.1	11.2
USA	39	1.1	6.0	0	0.0	0.0	39	1.1	5.6
Germany	25	0.7	3.8	0	0.0	0.0	25	0.7	3.6
The Netherlands	21	0.6	3.2	0	0.0	0.0	21	0.6	3.0
Croatia	3	0.1	0.5	13	0.4	30.2	16	0.4	2.3
Poland	7	0.2	1.1	0	0.0	0.0	7	0.2	1.0
Switzerland	6	0.2	0.9	0	0.0	0.0	6	0.2	0.9
Other countries	-685	-18.6	-104.9	0	0.0	0.0	-685	-18.6	-98.4
<b>Structure of capital by sector</b>									
Agriculture, hunting, and forestry	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Mineral raw materials extraction	-230	-6.3	-35.2	0	0.0	0.0	-230	-6.3	-33.0
Manufacturing	1,161	31.6	177.8	0	0.0	0.0	1,161	31.6	166.8
Electricity, gas, and water supply	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Construction	-13	-0.4	-2.0	0	0.0	0.0	-13	-0.4	-1.9
Wholesale and retail trade, repairs of motor vehicles	7	0.2	1.1	0	0.0	0.0	7	0.2	1.0
Hotels and restaurants	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Transport, storage, post and telecommunications	-111	-3.0	-17.0	0	0.0	0.0	-111	-3.0	-15.9
Financial intermediation	-14	-0.4	-2.1	43	1.2	100.0	29	0.8	4.2
Real estate, renting and business activities	-187	-5.1	-28.6	0	0.0	0.0	-187	-5.1	-26.9
Public administration and defence, compulsory social security	-1	0.0	-0.2	0	0.0	0.0	-1	0.0	-0.1
Education	41	1.1	6.3	0	0.0	0.0	41	1.1	5.9
Health and social work	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Other community, social, and personal services	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Activities of private households	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Extra-territorial organizations and bodies	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
<b>Structure of capital by regions</b>									
Bratislava region	780	21.2	119.4	43	1.2	100.0	823	22.4	118.2
Trnava region	51	1.4	7.8	0	0.0	0.0	51	1.4	7.3
Trenčín region	-23	-0.6	-3.5	0	0.0	0.0	-23	-0.6	-3.3
Nitra region	6	0.2	0.9	0	0.0	0.0	6	0.2	0.9
Žilina region	172	4.7	26.3	0	0.0	0.0	172	4.7	24.7
Banská Bystrica region	-343	-9.3	-52.5	0	0.0	0.0	-343	-9.3	-49.3
Prešov region	93	2.5	14.2	0	0.0	0.0	93	2.5	13.4
Košice region	-83	-2.3	-12.7	0	0.0	0.0	-83	-2.3	-11.9

Note: Preliminary data.

1/ Equity capital + reinvested earnings.





## Outflow of Foreign Direct Investment <sup>1/</sup> During January to December 2002

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 45.335									
<b>Outflow of FDI (equity capital + reinvested earnings) in total</b>	364	8.0	100.0	0	0.0	100.0	364	8.0	100.0
<b>Structure of capital by country of investment</b>									
Poland	549	12.1	150.8	0	0.0	0.0	549	12.1	150.9
Austria	302	6.7	83.0	0	0.0	0.0	302	6.7	83.0
Bosnia and Herzegovina	286	6.3	78.6	0	0.0	0.0	286	6.3	78.6
Yugoslavia	53	1.2	14.6	0	0.0	0.0	53	1.2	14.6
France	12	0.3	3.3	0	0.0	0.0	12	0.3	3.3
Sweden	12	0.3	3.3	0	0.0	0.0	12	0.3	3.3
Croatia	0	0.0	0.0	10	0.2	0.0	10	0.2	2.6
Hungary	9	0.2	2.5	0	0.0	0.0	9	0.2	2.5
Germany	6	0.1	1.6	0	0.0	0.0	6	0.1	1.6
Ireland	5	0.1	1.4	0	0.0	0.0	5	0.1	1.4
Other countries	-870	-19.2	-239.0	-10	-0.2	0.0	-880	-19.4	-241.7
<b>Structure of capital by sector</b>									
Agriculture, hunting, and forestry	1	0.0	0.3	0	0.0	0.0	1	0.0	0.3
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Mineral raw materials extraction	67	1.5	18.4	0	0.0	0.0	67	1.5	18.4
Manufacturing	828	18.3	227.5	0	0.0	0.0	828	18.3	227.5
Electricity, gas, and water supply	-404	-8.9	-111.0	0	0.0	0.0	-404	-8.9	-111.0
Construction	21	0.5	5.8	0	0.0	0.0	21	0.5	5.8
Wholesale and retail trade, repairs of motor vehicles	-51	-1.1	-14.0	0	0.0	0.0	-51	-1.1	-14.0
Hotels and restaurants	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Transport, storage, post and telecommunications	1	0.0	0.3	0	0.0	0.0	1	0.0	0.3
Financial intermediation	-303	-6.7	-83.2	0	0.0	0.0	-303	-6.7	-83.3
Real estate, renting and business activities	295	6.5	81.0	0	0.0	0.0	295	6.5	81.1
Public administration and defence, compulsory social security	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Education	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Health and social work	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Other community, social, and personal services	-91	-2.0	-25.0	0	0.0	0.0	-91	-2.0	-25.0
Activities of private households	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Extra-territorial organizations and bodies	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
<b>Structure of capital by regions</b>									
Bratislava region	-273	-6.0	-75.0	0	0.0	0.0	-273	-6.0	-75.0
Trnava region	48	1.1	13.2	0	0.0	0.0	48	1.1	13.2
Trenčín region	88	1.9	24.2	0	0.0	0.0	88	1.9	24.2
Nitra region	-35	-0.8	-9.6	0	0.0	0.0	-35	-0.8	-9.6
Žilina region	285	6.3	78.3	0	0.0	0.0	285	6.3	78.3
Banská Bystrica region	336	7.4	92.3	0	0.0	0.0	336	7.4	92.3
Prešov region	-6	-0.1	-1.6	0	0.0	0.0	-6	-0.1	-1.6
Košice region	-79	-1.7	-21.7	0	0.0	0.0	-79	-1.7	-21.7

Note: Preliminary data.

1/ Equity capital + reinvested earnings.

Volume of Foreign Direct Investment <sup>1/</sup> Outward as at 31 March 2004

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 32.982									
<b>Total volume of FDI outward (equity capital + reinvested earnings)</b>	17,719	537.2	100.0	521	15.8	100.0	18,240	553.0	100.0
<b>Structure of capital by country of investment</b>									
Czech Republic	7,031	213.2	39.7	476	14.4	91.4	7,507	227.6	41.2
United Kingdom	2,042	61.9	11.5	0	0.0	0.0	2,042	61.9	11.2
Ukraine	1,273	38.6	7.2	0	0.0	0.0	1,273	38.6	7.0
Ireland	1,247	37.8	7.0	0	0.0	0.0	1,247	37.8	6.8
Hungary	1,131	34.3	6.4	0	0.0	0.0	1,131	34.3	6.2
Luxemburg	1,112	33.7	6.3	0	0.0	0.0	1,112	33.7	6.1
Austria	954	28.9	5.4	0	0.0	0.0	954	28.9	5.2
Poland	761	23.1	4.3	0	0.0	0.0	761	23.1	4.2
Russia	402	12.2	2.3	0	0.0	0.0	402	12.2	2.2
Bosnia and Herzegovina	384	11.6	2.2	0	0.0	0.0	384	11.6	2.1
Other countries	1,382	41.9	7.8	45	1.4	8.6	1,427	43.3	7.8
<b>Structure of capital by sector</b>									
Agriculture, hunting and forestry	24	0.7	0.1	0	0.0	0.0	24	0.7	0.1
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Mining and quarrying	1,914	58.0	10.8	0	0.0	0.0	1,914	58.0	10.5
Manufacturing	7,766	235.5	43.8	0	0.0	0.0	7,766	235.5	42.6
Electricity, gas and water supply	1,181	35.8	6.7	0	0.0	0.0	1,181	35.8	6.5
Construction	145	4.4	0.8	0	0.0	0.0	145	4.4	0.8
Wholesale and retail trade, repairs of motor vehicles	548	16.6	3.1	0	0.0	0.0	548	16.6	3.0
Hotels and restaurants	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Transport, storage and communication	36	1.1	0.2	0	0.0	0.0	36	1.1	0.2
Financial intermediation	3,117	94.5	17.6	521	15.8	100.0	3,638	110.3	19.9
Real estate, renting and business activities	2,701	81.9	15.2	0	0.0	0.0	2,701	81.9	14.8
Public administration and defence, compulsory social security	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Education	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Health and social work	9	0.3	0.1	0	0.0	0.0	9	0.3	0.0
Other community, social and personal service activities	278	8.4	1.6	0	0.0	0.0	278	8.4	1.5
Activities of private households	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Extra - territorial organizations and bodies	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
<b>Structure of capital by regions</b>									
Bratislava region	11,016	334.0	62.2	521	15.8	100.0	11,537	349.8	63.3
Trnava region	1,945	59.0	11.0	0	0.0	0.0	1,945	59.0	10.7
Trenčín region	747	22.6	4.2	0	0.0	0.0	747	22.6	4.1
Nitra region	47	1.4	0.3	0	0.0	0.0	47	1.4	0.3
Žilina region	698	21.2	3.9	0	0.0	0.0	698	21.2	3.8
Banská Bystrica region	1,634	49.5	9.2	0	0.0	0.0	1,634	49.5	9.0
Prešov region	513	15.6	2.9	0	0.0	0.0	513	15.6	2.8
Košice region	1,119	33.9	6.3	0	0.0	0.0	1,119	33.9	6.1

Note: Preliminary data.

1/ Equity capital + reinvested earnings.



### Volume of Foreign Direct Investment <sup>1/</sup> Outward as at 31 December 2003

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 32.920									
<b>Total volume of FDI outward (equity capital + reinvested earnings)</b>	18,149	551.3	100.0	196	6.0	100.0	18,345	557.3	100.0
<b>Structure of capital by country of investment</b>									
Czech Republic	7,196	218.6	39.6	151	4.6	77.0	7,347	223.2	40.0
United Kingdom	2,293	69.7	12.6	0	0.0	0.0	2,293	69.7	12.5
Ukraine	1,367	41.5	7.5	0	0.0	0.0	1,367	41.5	7.5
Ireland	1,212	36.8	6.7	0	0.0	0.0	1,212	36.8	6.6
Hungary	1,117	33.9	6.2	0	0.0	0.0	1,117	33.9	6.1
Luxemburg	1,111	33.7	6.1	0	0.0	0.0	1,111	33.7	6.1
Austria	968	29.4	5.3	0	0.0	0.0	968	29.4	5.3
Poland	798	24.2	4.4	0	0.0	0.0	798	24.2	4.3
Russia	404	12.3	2.2	0	0.0	0.0	404	12.3	2.2
Bosnia and Herzegovina	383	11.6	2.1	0	0.0	0.0	383	11.6	2.1
Other countries	1,300	39.5	7.2	45	1.4	23.0	1,345	40.9	7.3
<b>Structure of capital by sector</b>									
Agriculture, hunting, and forestry	23	0.7	0.1	0	0.0	0.0	23	0.7	0.1
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Mineral raw materials extraction	1,879	57.1	10.4	0	0.0	0.0	1,879	57.1	10.2
Manufacturing	8,521	258.8	47.0	0	0.0	0.0	8,521	258.8	46.4
Electricity, gas, and water supply	1,224	37.2	6.7	0	0.0	0.0	1,224	37.2	6.7
Construction	389	11.8	2.1	0	0.0	0.0	389	11.8	2.1
Wholesale and retail trade, repairs of motor vehicles	768	23.3	4.2	0	0.0	0.0	768	23.3	4.2
Hotels and restaurants	1	0.0	0.0	0	0.0	0.0	1	0.0	0.0
Transport, storage, post and telecommunications	36	1.1	0.2	0	0.0	0.0	36	1.1	0.2
Financial intermediation	3,054	92.8	16.8	196	6.0	100.0	3,250	98.7	17.7
Real estate, renting and business activities	1,917	58.2	10.6	0	0.0	0.0	1,917	58.2	10.4
Public administration and defence, compulsory social security	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Education	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Health and social work	23	0.7	0.1	0	0.0	0.0	23	0.7	0.1
Other community, social, and personal services	314	9.5	1.7	0	0.0	0.0	314	9.5	1.7
Activities of private households	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Extra-territorial organizations and bodies	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
<b>Structure of capital by regions</b>									
Bratislava region	11,114	337.6	61.2	196	6.0	100.0	11,310	343.6	61.7
Trnava region	1,926	58.5	10.6	0	0.0	0.0	1,926	58.5	10.5
Trenčín region	750	22.8	4.1	0	0.0	0.0	750	22.8	4.1
Nitra region	50	1.5	0.3	0	0.0	0.0	50	1.5	0.3
Žilina region	694	21.1	3.8	0	0.0	0.0	694	21.1	3.8
Banská Bystrica region	1,647	50.0	9.1	0	0.0	0.0	1,647	50.0	9.0
Prešov region	547	16.6	3.0	0	0.0	0.0	547	16.6	3.0
Košice region	1,421	43.2	7.8	0	0.0	0.0	1,421	43.2	7.7

Note: Preliminary data.

1/ Equity capital + reinvested earnings.

Volume of Foreign Direct Investment <sup>1/</sup> Outward as at 31 December 2002

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 40.036									
<b>Total volume of FDI outward (equity capital + reinvested earnings)</b>	19,009	474.8	100.0	164	4.1	100.0	19,173	478.9	100.0
<b>Structure of capital by country of investment</b>									
Czech Republic	6,854	171.2	36.1	131	3.3	79.9	6,985	174.5	36.4
United Kingdom	2,642	66.0	13.9	0	0.0	0.0	2,642	66.0	13.8
Ukraine	1,703	42.5	9.0	0	0.0	0.0	1,703	42.5	8.9
Hungary	1,388	34.7	7.3	0	0.0	0.0	1,388	34.7	7.2
Ireland	1,331	33.2	7.0	0	0.0	0.0	1,331	33.2	6.9
Luxembourg	1,182	29.5	6.2	0	0.0	0.0	1,182	29.5	6.2
Poland	932	23.3	4.9	0	0.0	0.0	932	23.3	4.9
Austria	692	17.3	3.6	0	0.0	0.0	692	17.3	3.6
Russia	493	12.3	2.6	0	0.0	0.0	493	12.3	2.6
Croatia	324	8.1	1.7	0	0.0	0.0	324	8.1	1.7
Other countries	1,468	36.7	7.7	33	0.8	20.1	1,501	37.5	7.8
<b>Structure of capital by sector</b>									
Agriculture, hunting, and forestry	59	1.5	0.3	0	0.0	0.0	59	1.5	0.3
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Mineral raw materials extraction	2,393	59.8	12.6	0	0.0	0.0	2,393	59.8	12.5
Manufacturing	7,821	195.3	41.1	0	0.0	0.0	7,821	195.3	40.8
Electricity, gas, and water supply	1,288	32.2	6.8	0	0.0	0.0	1,288	32.2	6.7
Construction	465	11.6	2.4	0	0.0	0.0	465	11.6	2.4
Wholesale and retail trade, repairs of motor vehicles	1,005	25.1	5.3	0	0.0	0.0	1,005	25.1	5.2
Hotels and restaurants	299	7.5	1.6	0	0.0	0.0	299	7.5	1.6
Transport, storage, post and telecommunications	164	4.1	0.9	0	0.0	0.0	164	4.1	0.9
Financial intermediation	3,243	81.0	17.1	164	4.1	100.0	3,407	85.1	17.8
Real estate, renting and business activities	1,841	46.0	9.7	0	0.0	0.0	1,841	46.0	9.6
Public administration and defence, compulsory social security	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Education	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Health and social work	25	0.6	0.1	0	0.0	0.0	25	0.6	0.1
Other community, social, and personal services	406	10.1	2.1	0	0.0	0.0	406	10.1	2.1
Activities of private households	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Extra-territorial organizations and bodies	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
<b>Structure of capital by regions</b>									
Bratislava region	12,864	321.3	67.7	164	4.1	100.0	13,028	325.4	67.9
Trnava region	2,056	51.4	10.8	0	0.0	0.0	2,056	51.4	10.7
Trenčín region	909	22.7	4.8	0	0.0	0.0	909	22.7	4.7
Nitra region	51	1.3	0.3	0	0.0	0.0	51	1.3	0.3
Žilina region	959	24.0	5.0	0	0.0	0.0	959	24.0	5.0
Banská Bystrica region	574	14.3	3.0	0	0.0	0.0	574	14.3	3.0
Prešov region	507	12.7	2.7	0	0.0	0.0	507	12.7	2.6
Košice region	1,089	27.2	5.7	0	0.0	0.0	1,089	27.2	5.7

Note: Preliminary data.

1/ Equity capital + reinvested earnings.



### Average Lending Rates of Commercial Banks

(%)

Interest rates on:	2003									2004			
	4	5	6	7	8	9	10	11	12	1	2	3	4
VOLUME OF LOANS IN TOTAL <sup>1/</sup>	8.23	8.13	8.12	8.04	8.02	7.98	7.87	7.82	7.68	7.65	7.60	7.57	7.48
A) Loans by sector													
of which:													
a) Enterprises	8.42	8.22	8.24	8.17	8.18	8.10	7.98	7.91	7.69	7.75	7.65	7.49	7.31
- Public sector	8.35	8.09	8.09	8.08	8.07	8.06	7.90	7.83	7.68	7.91	7.92	7.90	7.53
- Private sector (incl. cooperatives)	8.62	8.51	8.53	8.44	8.37	8.37	8.27	8.14	7.92	7.89	7.83	7.64	7.49
- Under foreign control	7.95	7.65	7.67	7.63	7.63	7.42	7.28	7.39	6.95	7.10	6.69	6.48	6.41
b) Households	7.45	7.68	7.65	7.55	7.48	7.50	7.49	7.47	7.50	7.39	7.44	7.73	7.80
B) Loans by term													
of which:													
- Short-term	8.51	8.28	8.33	8.22	8.27	8.13	8.01	8.01	7.76	7.82	7.72	7.57	7.49
- Medium-term	9.10	9.00	9.01	8.94	8.88	8.99	8.93	8.85	8.78	8.74	8.68	8.63	8.54
- Long-term	7.35	7.33	7.29	7.24	7.21	7.11	7.02	6.95	6.84	6.72	6.75	6.85	6.74
NEW LOANS IN TOTAL <sup>1/</sup>	8.12	8.06	7.64	7.28	7.69	7.45	7.10	7.70	7.25	7.53	7.61	7.55	7.51
A) Loans by sector													
of which:													
a) Enterprises	7.95	7.90	7.46	7.04	7.52	7.20	6.80	7.48	7.02	7.36	7.37	7.24	7.07
- Public sector	7.64	7.83	7.80	7.56	7.69	7.61	7.00	7.23	7.68	7.20	7.50	7.47	7.21
- Private sector (incl. cooperatives)	8.87	8.55	8.65	8.15	8.85	8.14	8.10	8.28	7.87	7.83	7.46	7.81	7.78
- Under foreign control	7.35	7.48	6.79	6.40	6.76	6.76	6.19	7.10	6.41	7.03	7.30	6.81	6.31
b) Households	10.36	9.99	9.52	9.42	9.73	10.25	9.81	9.88	9.63	10.20	9.68	10.45	10.73
B) Loans by term													
of which:													
- Short-term	8.05	8.00	7.53	7.15	7.62	7.36	6.93	7.63	7.15	7.50	7.62	7.52	7.45
- Medium-term	8.97	8.99	9.15	8.92	9.04	8.87	9.04	8.61	8.58	8.08	7.65	8.06	8.25
- Long-term	7.33	7.08	6.88	7.15	7.12	7.06	6.95	6.91	6.96	6.78	7.30	7.14	7.34

1/ Excluding loans at zero interest rate.

## Volumes of New Loans and Average Lending Rates of Commercial Banks

		2003									2004			
		4	5	6	7	8	9	10	11	12	1	2	3	4
Loans in total	a	77.94	72.78	87.35	93.17	86.61	89.59	85.45	83.44	100.68	90.16	92.17	101.80	94.69
	b	8.11	8.06	7.63	7.28	7.69	7.45	7.09	7.69	7.24	7.51	7.60	7.55	7.51
Overdrafts on current accounts	a	12.68	11.90	13.17	13.35	14.29	14.86	14.89	14.69	17.83	25.08	20.44	33.44	39.18
	b	9.89	9.63	9.74	8.99	9.90	9.38	9.26	9.13	9.10	8.73	8.66	8.48	8.52
Investment loans	a	2.80	3.19	3.65	3.07	2.38	2.84	2.95	2.35	4.18	5.14	4.48	5.19	4.02
	b	8.71	8.27	8.72	8.47	8.46	7.56	7.96	7.92	7.70	7.25	6.71	6.82	6.91
Consumer credit for goods and services	a	-	-	-	-	-	-	-	-	-	0.65	0.77	1.06	1.35
	b	-	-	-	-	-	-	-	-	-	15.64	14.44	14.71	13.27
Loans for house purchase	a	-	-	-	-	-	-	-	-	-	2.75	4.08	3.39	3.39
	b	-	-	-	-	-	-	-	-	-	7.19	7.25	7.17	7.17
of which: mortgage loans	a	0.03	0.07	0.09	0.13	0.08	0.31	0.46	0.39	0.57	0.21	0.12	0.11	0.13
without state bonus	b	9.13	6.87	7.10	8.07	8.08	7.81	7.69	7.81	7.68	8.03	8.38	8.13	7.86
mortgage loans	a	0.90	0.96	1.60	1.65	1.57	1.16	1.26	1.11	1.49	1.01	1.46	1.60	1.58
with state bonus - client	b	5.40	5.44	5.31	5.11	5.17	5.10	5.25	5.23	5.23	5.28	5.31	5.84	5.70
mortgage loans	a	-	-	-	-	-	-	-	-	-	1.01	1.46	1.60	1.58
with state bonus - bank	b	-	-	-	-	-	-	-	-	-	7.29	7.24	7.33	7.24
home savings bank loans	a	0.09	0.09	0.11	0.10	0.13	0.39	0.16	0.14	0.14	0.12	0.11	0.21	0.12
	b	6.09	6.12	6.24	5.85	5.53	7.06	5.77	5.98	5.10	5.10	5.15	6.61	4.94
intermediary loans	a	0.50	0.57	0.61	1.04	0.79	0.71	1.05	0.89	1.07	0.75	0.71	0.69	0.81
	b	7.17	7.14	7.12	7.43	7.45	7.49	7.39	7.26	7.25	7.27	7.46	7.13	7.39
Other loans	a	-	-	-	-	-	-	-	-	-	53.84	60.22	54.08	38.35
	b	-	-	-	-	-	-	-	-	-	6.89	7.21	6.81	6.03
Short-term loans	a	68.27	63.80	77.15	82.72	76.92	80.14	74.80	72.53	86.78	78.73	75.91	86.37	81.99
	b	8.04	8.00	7.53	7.15	7.61	7.35	6.92	7.63	7.15	7.46	7.62	7.52	7.45
- with a maturity of up to 7 days	a	33.00	30.30	46.35	50.62	48.50	54.73	51.16	48.21	52.23	46.91	45.87	50.06	47.17
	b	7.51	7.80	6.90	6.40	7.20	6.91	6.26	7.38	6.70	7.38	7.70	7.52	7.32
- up to 1 month	a	9.12	11.16	7.52	8.26	8.80	4.88	4.75	4.50	8.13	9.71	7.91	7.18	6.21
	b	8.12	7.74	8.17	8.18	7.88	7.81	7.49	7.74	7.12	6.73	6.84	6.74	6.51
- up to 3 months	a	5.96	5.40	5.16	5.46	3.83	3.87	3.45	4.13	6.57	3.29	4.22	5.13	2.63
	b	8.00	7.76	7.73	7.49	7.61	7.76	7.66	7.22	7.26	7.46	6.89	6.69	6.36
- up to 6 months	a	2.03	1.73	2.18	2.62	1.24	1.71	0.80	0.86	1.15	1.33	1.99	1.16	1.10
	b	8.30	7.66	8.14	7.96	8.72	7.68	7.55	7.24	7.73	6.78	6.53	7.00	6.61
- up to 12 months	a	18.16	15.21	15.94	15.76	14.56	14.95	14.64	14.83	18.70	17.49	15.92	22.84	24.87
	b	8.95	8.71	8.91	8.74	8.76	8.69	8.83	8.55	8.33	8.14	8.11	7.94	8.07
Long-term loans with a maturity of 1 to 5 years	a	7.45	6.63	6.92	6.64	5.97	6.24	6.89	7.89	7.49	7.84	11.15	10.39	7.95
	b	8.97	8.99	9.14	8.92	9.04	8.87	9.03	8.61	8.58	8.06	7.65	8.06	8.25
Long-term loans with a maturity of over 5 years	a	2.22	2.35	3.29	3.81	3.72	3.22	3.76	3.02	6.41	3.60	5.10	5.04	4.75
	b	7.33	7.08	6.88	7.15	7.12	7.06	6.95	6.91	6.96	7.38	7.30	7.13	7.34

a - Volume (SKK billions).

b - Average interest rate (%).



### Koruna Deposits and Average Deposit Rates

		2003										2004			
		4	5	6	7	8	9	10	11	12	1	2	3	4	
Deposits in total	a	562,346	572,542	560,708	575,286	579,267	577,913	583,743	588,403	599,379	601,608	606,774	601,390	632,696	
	b	3.40	3.31	3.23	3.29	3.41	3.22	3.17	3.26	3.01	3.36	3.15	3.06	2.98	
of which:															
Demand deposits	a	177,380	177,772	184,141	185,481	185,994	189,904	190,541	195,379	219,235	189,816	191,728	190,487	193,257	
	b	1.66	1.53	1.52	1.53	1.65	1.48	1.37	1.49	1.49	1.74	1.34	1.28	1.19	
Time deposits	a	276,190	286,644	268,910	283,133	286,596	282,793	289,074	289,717	275,462	311,296	315,079	312,852	342,996	
	b	4.72	4.58	4.54	4.60	4.76	4.53	4.48	4.60	4.31	4.53	4.37	4.22	4.11	
- short-term	a	265,381	275,900	258,134	272,406	276,053	272,424	278,720	279,320	264,927	290,389	294,061	291,849	323,170	
	b	4.66	4.53	4.47	4.55	4.72	4.47	4.43	4.57	4.27	4.43	4.26	4.11	4.00	
- one-day deposits	a	6,383	6,796	16,162	16,491	4,846	17,489	5,246	4,687	4,520	8,516	13,152	17,231	20,892	
	b	5.59	4.64	4.59	4.68	6.29	4.45	4.28	5.87	4.08	6.32	4.20	3.40	4.09	
- up to 7 days	a	43,244	52,054	27,875	31,585	35,673	28,027	40,819	44,399	27,165	36,024	31,625	19,963	43,885	
	b	5.06	4.63	4.42	4.59	5.50	4.43	4.52	5.43	4.22	5.61	4.24	3.83	4.19	
- up to 1 month	a	117,815	114,373	116,547	124,375	130,948	130,331	133,243	131,935	143,754	153,581	159,755	151,135	163,928	
	b	4.82	4.73	4.73	4.82	4.90	4.82	4.71	4.69	4.61	4.50	4.63	4.46	4.24	
- up to 3 months	a	58,520	61,629	59,426	62,944	67,966	60,209	63,975	64,041	55,115	56,939	53,954	63,651	55,655	
	b	4.01	4.15	4.12	4.20	4.24	4.06	4.13	4.07	3.75	3.69	3.57	3.70	3.28	
- up to 6 months	a	23,009	22,314	20,227	19,228	19,591	19,081	18,900	17,739	18,768	20,005	20,609	21,451	20,030	
	b	4.21	3.93	3.70	3.70	3.70	3.67	3.63	3.60	3.76	3.69	3.77	3.85	3.67	
- up to 12 months	a	16,410	18,733	17,896	17,782	17,029	17,286	16,536	16,519	15,605	15,324	14,966	18,419	18,780	
	b	5.12	4.97	4.78	4.65	4.34	4.23	4.07	3.88	3.76	3.56	3.66	3.88	3.81	
- medium-term	a	9,990	9,722	9,739	9,698	9,507	9,323	9,293	9,312	9,399	19,735	19,825	19,807	18,987	
	b	5.86	5.52	5.83	5.76	5.61	5.61	5.46	5.08	4.97	5.74	5.69	5.67	5.89	
- up to 2 years	a	2,577	2,367	2,323	2,244	2,200	2,172	2,155	2,499	2,478	13,154	13,298	13,149	12,783	
	b	5.27	5.18	5.12	5.07	4.79	4.66	4.54	4.30	4.15	6.09	6.03	6.03	6.12	
- up to 5 years	a	7,413	7,355	7,416	7,454	7,307	7,151	7,138	6,813	6,921	6,581	6,527	6,658	6,204	
	b	6.07	5.63	6.06	5.97	5.86	5.90	5.73	5.37	5.26	5.05	5.01	4.96	5.42	
- long-term	a	819	1,022	1,037	1,029	1,036	1,046	1,061	1,085	1,136	1,172	1,193	1,196	839	
	b	9.02	8.86	8.76	8.79	8.75	8.69	8.66	8.53	8.81	8.61	8.32	8.16	8.95	
- over 5 years	a	819	1,022	1,037	1,029	1,036	1,046	1,061	1,085	1,136	1,172	1,193	1,196	839	
	b	9.02	8.86	8.76	8.79	8.75	8.69	8.66	8.53	8.81	8.61	8.32	8.16	8.95	
Savings deposits	a	108,777	108,125	107,657	106,671	106,678	105,216	104,129	103,308	104,682	100,496	99,967	98,050	96,442	
	b	2.89	2.87	2.87	2.86	2.85	2.86	2.85	2.86	2.75	2.81	2.78	2.79	2.57	
- short-term	a	49,005	48,484	48,429	48,159	47,737	47,149	46,581	45,966	45,151	42,853	42,185	41,408	40,614	
	b	3.20	3.15	3.18	3.16	3.13	3.14	3.13	3.14	2.88	2.99	2.96	2.95	2.59	
- medium-term	a	21,282	20,983	20,698	20,355	20,045	19,582	19,125	18,742	18,133	16,300	15,680	15,104	14,716	
	b	2.23	2.22	2.23	2.21	2.19	2.21	2.23	2.26	2.13	2.29	2.30	2.31	1.85	
- long-term	a	38,490	38,658	38,529	38,157	38,896	38,486	38,424	38,600	41,398	41,344	42,102	41,538	41,113	
	b	2.84	2.83	2.83	2.83	2.83	2.83	2.83	2.83	2.90	2.84	2.79	2.80	2.80	
Short-term (time and savings)	a	314,386	324,384	306,563	320,565	323,789	319,573	325,300	325,285	310,078	333,242	336,245	333,258	363,784	
	b	4.43	4.32	4.26	4.34	4.48	4.27	4.25	4.37	4.06	4.24	4.10	3.96	3.84	
Medium-term (time and savings)	a	31,272	30,706	30,437	30,053	29,552	28,904	28,417	28,054	27,532	36,035	35,505	34,911	33,703	
	b	3.39	3.27	3.38	3.35	3.29	3.31	3.28	3.20	3.10	4.19	4.20	4.21	4.12	
Long-term (time and savings)	a	39,309	39,680	39,566	39,186	39,933	39,532	39,485	39,685	42,534	42,515	43,295	42,734	41,952	
	b	2.97	2.99	2.99	2.98	2.98	2.98	2.99	2.99	3.06	3.00	2.94	2.95	2.92	

a - Volume (SKK billions).  
b - Average interest rate (%).



## Basic Characteristics of Interest Rates on Loans and Deposits

(% , percentage points)

	Line	2003										2004			
		4	5	6	7	8	9	10	11	12	1	2	3	4	
Average interest rate on total credit <sup>1/</sup>	1	8.23	8.13	8.12	8.04	8.02	7.98	7.87	7.82	7.68	7.65	7.60	7.57	7.48	
Average interest rate on deposits	2	3.40	3.31	3.23	3.29	3.41	3.22	3.17	3.26	3.01	3.36	3.15	3.06	2.98	
Average interest rate on new loans	3	8.12	8.06	7.64	7.28	7.69	7.45	7.10	7.70	7.25	7.53	7.61	7.55	7.51	
Average interbank money market rate (1D to 12M - mid rates)	4	6.09	5.92	5.98	6.02	6.10	6.12	5.76	5.88	5.70	5.60	5.62	5.51	5.11	
Average interest rate on new short-term loans	5	8.05	8.00	7.53	7.15	7.62	7.36	6.93	7.63	7.15	7.50	7.62	7.52	7.45	
Average interest rate on short-term deposits	6	4.43	4.32	4.26	4.34	4.48	4.27	4.25	4.37	4.06	4.24	4.10	3.96	3.84	
Difference between the average interest rates on new short-term loans and short-term deposits (line 5 - line 6)	7	3.62	3.68	3.27	2.81	3.14	3.09	2.68	3.26	3.09	3.26	3.52	3.56	3.61	
Basic interest rate of the NBS (until 31 Dec. 2002 discount rate)	8	6.50	6.50	6.50	6.50	6.50	6.50	6.25	6.25	6.00	6.00	6.00	6.00	5.50	
12-month rate of inflation	9	7.70	7.60	8.40	8.70	9.20	9.50	9.60	9.80	9.30	8.30	8.50	8.20	8.00	
Year-on-year increase in industrial producer prices	10	8.20	7.80	8.20	8.20	8.00	8.00	7.90	8.80	8.70	4.40	2.30	2.10	2.20	
Real interest rate on new short-term loans (line 5 - line 10)	11	-0.15	0.20	-0.67	-1.05	-0.38	-0.64	-0.97	-1.17	-1.55	3.10	5.32	5.42	5.25	
Difference between the average interest rate on new short-term loans and the rate of inflation (line 5 - line 9)	12	0.35	0.40	-0.87	-1.55	-1.58	-2.14	-2.67	-2.17	-2.15	-0.80	-0.88	-0.68	-0.55	
Average interest rate on one-year deposits	13	5.12	4.97	4.78	4.65	4.34	4.23	4.07	3.88	3.76	3.56	3.66	3.88	3.81	
Real interest rate on one-year deposits (line 13 - line 9)	14	-2.58	-2.63	-3.62	-4.05	-4.86	-5.27	-5.53	-5.92	-5.54	-4.74	-4.84	-4.32	-4.19	
Nominal interest margin (line 1 - line 2)	15	4.83	4.82	4.89	4.75	4.61	4.76	4.70	4.56	4.67	4.29	4.45	4.51	4.50	
Difference between the average interest rates on new loans and total deposits (line 3 - line 2)	16	4.72	4.75	4.41	3.99	4.28	4.23	3.93	4.44	4.24	4.17	4.46	4.49	4.53	
Difference between the average interest rate on new short-term loans and the average interbank money market rate (line 5 - line 4)	17	1.96	2.08	1.61	1.17	1.60	1.26	0.81	1.75	1.45	1.90	2.00	2.01	2.34	
Difference between the average interest rate on new loans and the average interbank money market rate (line 3 - line 4)	18	2.03	2.14	1.72	1.30	1.67	1.35	0.98	1.82	1.55	1.93	1.99	2.04	2.40	
Average interest rate on loans including the zero rate <sup>2/</sup>	19	7.74	7.64	7.65	7.60	7.58	7.54	7.45	8.00	7.30	7.33	7.31	7.30	7.20	
Nominal interest margin (line 19 - line 2)	20	4.34	4.33	4.42	4.31	4.17	4.32	4.28	4.74	4.29	3.97	4.16	4.24	4.22	

1/ Excluding unpaid interest.

2/ Including unpaid interest.



**Monetary Policy Instruments**

	As at 1 January 2003	Change over the year 2003	As at 1 January 2004	Change over the year 2004
<b>1. Interest rates set by the Bank Board of the NBS:</b>				
Basic interest rate of the NBS <sup>1/</sup>	6.50%	26 Sep. 6.25% 22 Dec. 6.00%	6.00%	29 Mar. 5.50% 29 Apr. 5.00%
Interest rate for overnight transactions				
for sterilisation purpose	5.00%	26 Sep. 4.75% 22 Dec. 4.50%	4.50%	29 Mar. 4.00% 29 Apr. 3.50%
for refinancing purpose	8.00%	26 Sep. 7.75% 22 Dec. 7.50%	7.50%	29 Mar. 7.00% 29 Apr. 6.50%
Limit rate of the NBS for standard 2-week repo tenders	6.50%	26 Sep. 6.25% 22 Dec. 6.00%	6.00%	29 Mar. 5.50% 29 Apr. 5.00%
<b>2. Reserve requirement</b>	3%		2%	
<b>3. Exchange rate regime</b>	Floating rate  Reference currency: EUR		Floating rate  Reference currency: EUR	

1/ Until 31 December 2002, the discount rate had been applied.



### Basic Characteristics of Slovakia's Foreign Exchange Market in May 2004

	USD			EUR			Other currencies			Total	
	Volume		Number of transactions	Volume		Number of transactions	Volume		Number of transactions	Volume	Number of transactions
	USD millions	(%)		USD millions	(%)		USD millions	(%)			
NBS	-	-	-	0.0	-	0	-	-	-	0.0	0
Transactions between domestic banks without foreign participation	5,435.4	82.3	319	1,120.2	17.0	450	47.5	0.7	41	6,603.1	810
Interbank forex market: NBS + transactions between domestic banks	5,435.4	82.3	319	1,120.2	17.0	450	47.5	0.7	41	6,603.1	810
Transactions between domestic and foreign banks	25,040.9	87.6	1,692	2,953.6	10.3	1,126	605.0	2.1	54	28,599.5	2,872
Foreign exchange market in the SR - total	30,476.3	86.6	2,011	4,073.8	11.6	1,576	652.5	1.9	95	35,202.7	3,682

	SPOT			FORWARD			SWAP			Total	
	Volume		Number of transactions	Volume		Number of transactions	Volume		Number of transactions	Volume	Number of transactions
	USD millions	(%)		USD millions	(%)		USD millions	(%)			
Transactions between domestic banks without foreign participation	750.9	11.4	470	0.1	0.0	1	5,849.7	88.6	339	6,600.7	810
Transactions between domestic and foreign banks	2,331.8	8.2	1,122	21.5	0.1	12	26,239.2	91.8	1,738	28,592.5	2,872
Foreign exchange market in the SR - excl. the NBS	3,082.7	8.8	1,592	21.6	0.1	13	32,088.9	91.2	2,077	35,193.2	3,682

**Average Monthly Exchange Rates of the SKK**

Midpoint rate	2003								2004				
	5	6	7	8	9	10	11	12	1	2	3	4	5
1 AUD	23.020	23.557	24.345	24.452	24.473	24.433	25.193	24.783	24.869	24.936	24.676	24.919	23.642
1 CZK	1.309	1.322	1.312	1.300	1.282	1.291	1.287	1.274	1.245	1.233	1.226	1.234	1.255
1 DKK	5.534	5.589	5.621	5.641	5.590	5.557	5.531	5.527	5.471	5.446	5.426	5.392	5.404
1 EUR	41.092	41.502	41.788	41.932	41.516	41.288	41.134	41.130	40.747	40.577	40.421	40.139	40.209
100 JPY	30.326	30.016	30.958	31.504	32.230	32.189	32.243	31.119	30.341	30.158	30.271	31.163	29.904
1 CAD	25.693	26.220	26.681	26.830	27.125	26.612	26.793	25.576	24.944	24.166	24.727	25.006	24.299
100 HUF	16.727	15.941	15.826	16.121	16.246	16.163	15.877	15.527	15.402	15.407	15.931	16.038	15.902
1 NOK	5.220	5.094	5.035	5.080	5.061	5.018	5.016	5.007	4.749	4.625	4.724	4.830	4.898
1 PLN	9.501	9.360	9.407	9.597	9.319	8.997	8.908	8.828	8.647	8.368	8.468	8.437	8.497
100 SIT	17.633	17.765	17.828	17.843	17.651	17.519	17.422	17.382	17.172	17.090	16.978	16.837	16.846
1 CHF	27.122	26.959	27.002	27.210	26.835	26.676	26.386	26.464	26.022	25.804	25.781	25.808	26.087
1 SEK	4.489	4.555	4.547	4.541	4.574	4.588	4.572	4.563	4.462	4.422	4.379	4.375	4.403
1 USD	35.586	35.491	36.729	37.490	37.116	35.273	35.234	33.604	32.292	32.083	32.927	33.433	33.498
1 GBP	57.721	58.948	59.723	59.879	59.651	59.113	59.447	58.616	58.765	59.845	60.196	60.380	59.809

**Average Quarterly Exchange Rates of the SKK**

Midpoint rate	2002					2003					2004
	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4	Year	Q1
1 AUD	24.937	25.822	24.404	23.302	24.615	23.099	23.205	24.420	24.779	23.881	24.820
1 CZK	1.330	1.411	1.451	1.353	1.387	1.322	1.309	1.299	1.284	1.304	1.235
1 DKK	5.685	5.780	5.901	5.615	5.746	5.625	5.551	5.618	5.539	5.584	5.446
1 EUR	42.249	42.967	43.834	41.710	42.699	41.799	41.221	41.747	41.190	41.491	40.574
100 JPY	36.389	36.882	37.378	34.084	36.193	32.769	30.639	31.535	31.860	31.704	30.257
1 CAD	30.212	30.119	28.543	26.612	28.869	25.786	25.943	26.869	26.333	26.237	24.618
100 HUF	17.308	17.688	17.878	17.410	17.574	17.165	16.452	16.053	15.870	16.383	15.597
1 NOK	5.405	5.714	5.918	5.696	5.685	5.528	5.184	5.057	5.014	5.195	4.700
1 PLN	11.680	11.580	10.747	10.431	11.107	9.994	9.463	9.439	8.915	9.453	8.493
100 SIT	19.053	19.083	19.289	18.191	18.907	18.075	17.690	17.776	17.445	17.747	17.075
1 CHF	28.670	29.335	29.951	28.429	29.103	28.516	27.184	27.015	26.519	27.308	25.865
1 SEK	4.611	4.694	4.748	4.587	4.660	4.552	4.509	4.554	4.575	4.548	4.419
1 USD	48.170	46.862	44.544	41.787	45.335	38.956	36.307	37.093	34.723	36.773	32.457
1 GBP	68.716	68.408	68.980	65.620	67.939	62.470	58.757	59.750	59.055	60.012	59.630

Monetary Base of the NBS <sup>1/</sup>

(SKK billions)

	10. 5. 2004	20. 5. 2004	31. 5. 2004
<b>SOURCES OF THE MONETARY BASE</b>	122.96	118.52	108.33
Autonomous factors	321.47	322.80	326.03
Net foreign assets	371.95	412.88	409.86
Reserves	412.70	446.57	443.24
Foreign liabilities	40.75	33.69	33.38
Net credit to government	-13.10	-8.58	-23.07
Other assets net	-37.38	-81.50	-60.76
Monetary policy factors <sup>2/</sup>	-198.52	-204.28	-217.70
Holdings of securities	0.00	0.00	0.00
SR treasury bills	0.00	0.00	0.00
Other government securities	0.00	0.00	0.00
NBS treasury bills	220.00	220.00	220.00
of which: in NBS portfolio	21.49	15.72	17.00
Overnight deposits of banks with NBS	0.00	0.00	14.70
<b>USE OF THE MONETARY BASE <sup>3/</sup></b>	122.96	118.52	108.33
Currency in circulation	100.21	103.09	100.98
Reserves of commercial banks	22.75	15.43	7.35
Required reserves	15.53	15.53	15.53
Excess reserves	7.21	-0.10	-8.18

1/ As of January 2004, the monetary base is compiled for ten-day periods.

2/ Including NBS treasury bills in the portfolios of commercial banks and one-day deposits by commercial banks with the NBS.

3/ Use of the monetary base = Reserve money = Currency in circulation + Reserves of commercial banks.



### Shortened Balance Sheet of Commercial Banks as at 30 April 2004

(Banks and branches of foreign banks operating in the SR in total)

(SKK thousands)

ASSETS	Accumulated depreciation and provisions	Slovak koruna		Foreign currency		Total
		Residents	Non-residents	Residents	Non-residents	
<b>Total assets</b>	63,831,454	918,862,687	29,612,457	107,819,024	43,350,724	1,035,813,438
Cash items	0	9,464,130	0	16,888	3,381,411	12,862,429
Cash in hand	0	8,645,816	0	0	3,180,369	11,826,185
Gold	0	0	0	0	0	0
Other cash items	0	818,314	0	16,888	201,042	1,036,244
Deposits with and credits to NBS, foreign issuing banks, and post office banks	0	135,345,784	0	0	105	135,345,889
Money reserve accounts with the NBS	0	14,136,299	0	0	0	14,136,299
Deposits, credits, and other receivables	158,445	48,487,176	10,846,264	6,314,994	15,500,470	80,990,459
Current accounts with banks	0	550,633	7,638	88,660	3,349,458	3,996,389
Credits provided	4,202	4,991,679	0	0	1,254,686	6,242,163
Time deposits with banks	0	42,807,912	5,789,672	6,226,012	10,661,568	65,485,164
Current accounts of other banks	0	0	3,428,645	322	293	3,429,260
Other receivables	0	87,007	1,620,309	0	122,957	1,830,273
Standard credits, qualified deposits, classified credits, deposits, and other receivables	154,243	49,945	0	0	111,508	7,210
of which: Short-term receivables	105,363	0	0	0	110,889	5,526
Interest on non-performing credits	759	499	0	0	276	16
Standard credits to customers	1,112,029	200,856,789	868,104	50,927,346	10,167,219	261,707,429
Short-term credits	49,576	48,230,365	355,959	16,332,712	4,475,829	69,345,289
Long-term credits	1,062,453	152,626,424	512,145	34,594,634	5,691,390	192,362,140
of which: Credits repayable in 1 to and including 5 years	41,483	68,552,575	482,794	17,204,071	1,632,819	87,830,776
Other receivables from customers	944	1,903,349	10,710	1,628,592	265,379	3,807,086
of which: Credits for commercial claims	0	845,894	4,996	1,496,652	219,351	2,566,893
Current accounts of customers - debit balances, overdrafts	29,612	26,882,594	133,386	7,143,989	282,240	34,412,597
Standard receivables with conditions, classified credits, and other receivables from customers	25,457,232	63,415,110	1,074,802	16,879,847	556,508	56,469,035
of which: Interest due, but unpaid	3,652,842	3,648,519	9,061	43,332	16,129	64,199
Standard credits with conditions	1,745,268	38,315,323	700,668	11,982,615	174,430	49,427,768
Sub-standard receivables	1,485,276	2,939,305	356,978	2,461,300	269,133	4,541,440
Doubtful and controversial claims	1,835,251	2,978,216	149	813,028	181	1,956,323
Loss-making receivables	20,391,437	19,182,266	17,007	1,622,904	112,764	543,504
Other specific receivables	0	0	0	0	0	0
Accounts of state authorities, local governments, and funds	103,299	18,973,453	0	3,238,675	0	22,108,829
Standard credits with conditions, classified loans, and other receivables	70,213	355,015	0	202,917	0	487,719
Credits to state authorities	32,605	13,210,393	0	1,148,100	0	14,325,888
Credits to social security funds	0	0	0	0	0	0
Credits to local governments	481	5,126,783	0	1,887,658	0	7,013,960
Credits to funds	0	281,262	0	0	0	281,262
Fixed forward transactions	0	3,472,644	2,139,164	500,193	649,032	6,761,033
Claims in respect of money collection	0	72,676	84	852,428	75,959	1,001,147
Branches and representative offices	0	0	312,152	8,535	1,529,351	1,850,038
Receivables and other suspense accounts	1,089,323	5,200,120	119,185	534,016	28,219	4,792,217
Securities for sale and other shareholdings	201,468	36,237,513	3,454,194	2,931,894	3,161,325	45,583,458
Receivables from trade in securities and from securities issued by the accounting unit	0	1,026,751	0	12,923	11	1,039,685
Securities intended for trading	0	91,927,821	454,309	5,850,977	618,368	98,851,475
Options - purchase	0	149,019	58,588	22,898	1,202	231,707
Financial investment	1,849,210	199,816,442	10,141,515	10,950,965	5,207,090	224,266,802
Long-term funds provided to branches abroad	0	0	0	0	501,446	501,446
Tangible assets	25,740,183	49,317,762	0	0	0	23,577,579
Acquisition of tangible and intangible assets	20,226	2,171,001	0	2,905	0	2,153,680
Subordinated financial assets	0	61,589	0	0	1,425,389	1,486,978
Intangible assets	8,062,483	9,766,503	0	0	0	1,704,020
Inventories	7,000	178,162	0	959	0	172,121
Adjustments and accumulated depreciation	63,831,454	59,905,357	111,149	3,369,775	445,173	0



## Shortened Balance Sheet of Commercial Banks as at 30 April 2004

(Banks and branches of foreign banks operating in the SR in total)

(SKK thousands)

LIABILITIES	Slovak koruna		Foreign currency		Total
	Residents	Non-residents	Residents	Non-residents	
<b>Total liabilities</b>	803,280,343	76,311,753	100,660,010	55,561,332	1,035,813,438
Deposits with and credits to NBS and foreign issuing banks, and postal checking accounts	9,626,342	0	154,867	0	9,781,209
Current accounts with NBS and foreign issuing banks	2,835,046	0	0	0	2,835,046
Time deposits of NBS and foreign issuing banks	0	0	0	0	0
Credits received from NBS and foreign issuing banks	6,791,296	0	154,867	0	6,946,163
of which: Redistribution credit	5,698,860	0	0	0	5,698,860
Refinancing repo credit	0	0	0	0	0
Deposits, credits, and other liabilities	48,773,529	24,508,091	6,368,000	32,249,074	111,898,694
Current accounts with banks	0	0	0	1,311,063	1,311,063
Current accounts of other banks	552,784	1,966,837	83,979	628,421	3,232,021
Other payables	401,089	1,014	55,316	392,067	849,486
Credits received	4,807,320	1,983,126	0	7,393,205	14,183,651
Time deposits of other banks	43,012,336	20,557,114	6,228,705	22,524,318	92,322,473
Payables in respect of other items	37,209	0	0	0	37,209
Payables in respect of securities	1,963,623	0	0	0	1,963,623
Deposits of customers	544,839,004	4,540,584	85,372,698	4,109,142	638,861,428
Current accounts of customers	167,378,832	2,113,487	41,562,149	3,017,433	214,071,901
Time deposits of customers	279,081,201	2,307,814	41,217,956	1,065,452	323,672,423
Savings deposits of customers	97,125,499	117,422	2,591,744	26,257	99,860,922
Certificates of deposit	1,253,472	1,861	849	0	1,256,182
Other liabilities to customers	10,616,690	1,757,995	3,804,738	15,507	16,194,930
Credits received from customers	4,498,148	0	0	0	4,498,148
Short-term securities issued by the accounting unit	5,141,569	9,930	1,230,222	0	6,381,721
Earmarked deposits	19,000	200	214	0	19,414
Other specific payables	16,387	0	759	0	17,146
Accounts of state authorities, local governments, and funds	81,319,684	0	2,276,521	0	83,596,205
Non-budgetary money deposits of state authorities	42,773,109	0	881,849	0	43,654,958
Deposits of social security funds	19,443,186	0	9,612	0	19,452,798
Deposits of local governments	12,896,427	0	64,022	0	12,960,449
Deposits of funds	6,206,962	0	1,321,038	0	7,528,000
Fixed forward transactions	4,002,790	2,778,838	338,199	578,328	7,698,155
Payables in respect of money collection	450,294	35	850,711	43,521	1,344,561
Branches and representative offices	273,188	2,130,247	0	18,318,980	20,722,415
Various payables, adjustment and other suspense accounts	4,763,086	15,383	155,044	59,037	4,992,550
Liabilities from trading in securities and securities issued by the accounting unit	4,276,558	851,093	76,568	13	5,204,232
Options - sale	112,318	116,884	733	50,972	280,907
Subsidies and similar funds	3,364,997	0	0	0	3,364,997
Long-term securities issued by the accounting unit	18,079,233	0	238	0	18,079,471
Subordinated financial liabilities	0	61,589	0	0	61,589
Reserves	7,264,105	0	30,498	136,634	7,431,237
Reserve funds and other funds allocated from profits	10,260,584	146,500	0	0	10,407,084
Registered capital	4,689,160	36,544,315	0	0	41,233,475
Long-term funds provided to branches of foreign banks	0	2,844,579	0	0	2,844,579
Share premium	1,836,786	0	0	0	1,836,786
Own shares	0	0	0	0	0
Capital of mutual funds (unit trusts)	0	0	0	0	0
Other capital funds	205,086	5,490	0	0	210,576
Gains or losses from revaluation of net investments connected with shares and deposits	-1,483	0	0	124	-1,359
Gains or losses from revaluation of security derivatives	0	0	0	0	0
Gains or losses from revaluation of assets and liabilities	0	0	0	0	0
Retained earnings from previous years /+/-	29,216,304	0	0	0	29,216,304
Accumulated losses from previous years /-/-	-2,678,917	0	0	0	-2,678,917
Profit and loss account /+/-	4,489,581	0	0	0	4,489,581
Profit or loss in process of approval /+/-	5,825,488	0	0	0	5,825,488



## Monthly Profit and Loss Account of Commercial Banks

(Banks and branches of foreign banks operating in the SR in total)

(SKK millions)

	2003										2004			
	4	5	6	7	8	9	10	11	12	1	2	3	4	
<b>EXPENSES</b>														
Expenses on financial operations:	75,649	94,535	114,895	131,401	145,562	169,182	188,093	206,671	225,688	28,513	49,577	71,903	94,242	
Other interest	9,505	11,744	13,867	15,858	17,968	20,054	22,137	24,218	26,293	2,143	4,210	6,786	8,979	
Fees and commissions	1,202	1,296	1,460	1,551	1,660	1,803	1,919	2,116	1,664	94	201	341	462	
Renting expenses	0	0	0	0	0	0	0	0	0	0	0	0	0	
Operations in securities	1,732	1,988	2,359	2,806	3,101	3,586	4,227	4,732	4,977	281	486	726	939	
Interest on securities	944	1,127	1,095	1,313	1,481	1,652	1,840	2,006	2,656	170	322	499	678	
Foreign exchange operations	28,467	33,568	43,325	50,238	54,599	67,283	75,181	82,611	92,488	11,491	20,899	30,386	39,748	
Operations in derivatives	33,365	44,282	52,186	58,878	65,916	73,894	81,780	89,940	96,381	14,277	23,312	32,919	43,109	
Other operations	435	530	604	757	835	909	1,008	1,048	1,229	58	147	245	328	
General operating expenses	7,576	9,644	11,796	13,923	15,927	18,128	20,314	22,416	25,550	1,928	3,958	6,182	8,383	
Additions to reserves and provisions	9,032	11,486	14,169	15,618	17,166	19,012	20,058	21,107	29,917	1,159	2,486	5,806	7,293	
Other operating expenses	4,631	5,694	6,365	7,259	8,164	8,752	9,617	9,899	13,261	3,761	4,299	5,136	5,712	
Extraordinary expenses	14	15	16	16	17	17	18	27	19	5	5	5	5	
Income tax	91	119	382	455	503	557	591	617	37	41	115	368	422	
Current period profit	4,126	5,314	6,213	6,946	8,079	9,217	9,662	10,429	11,548	1,273	2,513	3,015	4,490	
<b>TOTAL EXPENSES, PLUS PROFIT</b>	<b>101,119</b>	<b>126,807</b>	<b>153,837</b>	<b>175,619</b>	<b>195,418</b>	<b>224,865</b>	<b>248,353</b>	<b>271,166</b>	<b>306,020</b>	<b>36,679</b>	<b>62,951</b>	<b>92,415</b>	<b>120,547</b>	
<b>INCOME</b>														
Income from financial operations:	88,884	111,281	134,922	154,390	171,894	198,784	220,676	242,216	265,226	32,234	57,005	83,139	109,324	
Income from other interest	11,720	15,633	18,595	21,515	24,649	27,692	30,755	33,896	36,972	3,161	6,128	9,423	12,511	
Income from fees and provisions	2,768	3,505	4,355	5,191	5,859	6,653	7,474	8,211	9,270	709	1,464	2,359	3,277	
Income from shares and stakes	54	65	77	87	100	292	381	388	799	12	22	24	46	
Income from renting	0	0	0	0	0	0	0	0	0	0	0	0	0	
Income from operations in securities	2,481	3,116	2,765	2,590	2,905	3,239	3,322	3,445	4,033	519	1,031	1,445	1,719	
Income from interest on securities	8,127	9,135	11,358	13,189	14,800	16,454	18,186	19,754	21,518	1,822	3,625	5,484	7,252	
Income from foreign exchange operations	30,162	36,433	45,832	52,897	57,135	70,811	79,205	87,035	96,716	11,788	21,668	31,282	41,919	
Income from operations in derivatives	33,237	43,069	51,627	58,531	66,014	73,136	80,760	88,906	95,196	14,165	22,947	32,948	42,374	
Income from other operations	335	327	313	390	432	508	593	582	721	57	120	172	226	
Use of reserves and provisions	11,883	14,366	16,802	18,426	20,429	22,672	23,935	24,800	34,868	3,831	5,214	8,385	10,160	
Other operating income	338	1,144	2,097	2,768	3,072	3,382	3,700	4,081	5,678	613	731	888	1,062	
Extraordinary income	14	15	16	16	16	16	17	18	16	0	0	0	0	
Current period loss	0	0	0	20	7	11	25	51	232	0	2	3	0	
<b>TOTAL INCOME, PLUS LOSS</b>	<b>101,119</b>	<b>126,807</b>	<b>153,837</b>	<b>175,619</b>	<b>195,418</b>	<b>224,865</b>	<b>248,353</b>	<b>271,166</b>	<b>306,020</b>	<b>36,679</b>	<b>62,951</b>	<b>92,415</b>	<b>120,547</b>	

Symbols used in the tables

- . - Data are not yet available.
- x - No entry for logical reasons.
- - Data do not exist / data are not applicable.



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