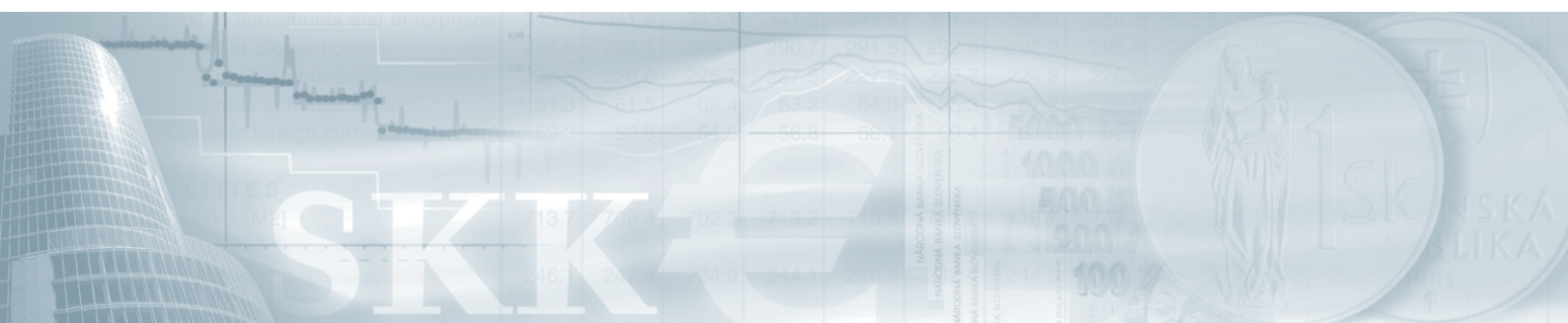




NÁRODNÁ BANKA SLOVENSKA



Monetary Survey

September 2005



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**Abbreviations**

ARDAL	Agentúra pre riadenie dlhu a likvidity – Agency for Debt and Liquidity Management
BCPB	Burza cenných papierov v Bratislave – Bratislava Stock Exchange
CDCP SR	Centrálny depozitár cenných papierov SR – Central Securities Depository of the Slovak Republic
ECB	European Central Bank
EMU	Economic and Monetary Union
EU	European Union
Eurostat	Statistical Office of the European Communities
FNM	Fond národného majetku – National Property Fund
IMF	International Monetary Fund
NBS	Národná banka Slovenska – National Bank of Slovakia
NPF	National Property Fund
SASS	Slovenská asociácia správcovských spoločností – Slovak Association of Asset Management Companies
BRIBOR	Bratislava Interbank Offered Rate
CPI	Consumer Price Index
FDI	Foreign Direct Investment
FRA	Forward Rate Agreement
GDP	Gross Domestic Product
HICP	Harmonised Index of Consumer Prices
HZL	hypotekárne záložné listy – mortgage bonds
IPI	Industrial Production Index
IRF	Initial Rate Fixation
IRS	Interest Rate Swap
MFI	Monetary Financial Institutions
MMIF	Money Market Investment Funds
NEER	Nominal Effective Exchange Rate
OIF	Open-end Investment Funds
p.a.	per annum
p.p.	percentage points
PPI	Producer Price Index
REER	Real Effective Exchange Rate
repo	repurchase operation
RULC	Real Unit Labour Costs
SAX	slovenský akciový index – Slovak Share Index
SDX	slovenský dlhopisový index – Slovak Bond Index
SDXG	SDXGroup
Sk, SKK	Slovak Koruna
SKONIA	Slovak OverNight Index Average
SR	Slovenská republika – Slovak Republic
SRT	Sterilisation Repo Tender
ULC	Unit Labour Costs
VAT	Value Added Tax

Prepared on the basis of the Situation Report on the Monetary Development in September 2005, approved by the NBS Bank Board on 25 October 2005.



1. Introduction

The level of consumer prices, expressed in terms of the Harmonised Index of Consumer Prices (HICP), rose month-on-month by 0.3% in September. The 12-month headline and core inflation rates reached 2.3% and 0.9% (excluding energy and non-processed food prices) respectively.

In terms of the Consumer Price Index (CPI), consumer prices increased in comparison with the previous month by 0.2% in September, with the prices of core inflation components rising by 0.1%. The 12-month headline and core inflation rates reached 2.2% and 1.0% respectively.

The M3 monetary aggregate (according to ECB methodology) grew month-on-month by Sk 6.1 billion in August, while its year-on-year growth rate slowed in comparison with July, to 8.0%. At current rates, the M2 money supply (according to NBS methodology) increased in August by Sk 7.2 billion, while its year-on-year dynamics strengthened to 5.3%.

The total volume of MFI receivables from residents (including securities issued by clients and held by MFIs, according to ECB methodology) increased month-on-month by Sk 7.2 billion in August, while the year-on-year growth rate slowed to 7.2%. At current rates, the volume of loans to enterprises and households (according to NBS methodology) grew month-on-month by Sk 8.7 billion, representing an increase in year-on-year dynamics, to 19.9%.

The average interest rate on new loans to non-financial corporations rose in August by 0.06 of a percentage point, to 4.94%, and that on new loans to households fell by 0.04 of a percentage point, to 9.44%. Over the same period, the average rate for new deposits from non-financial corporations rose by 0.07 of a percentage point, to 1.49%, and that for new household deposits by 0.01 of a percentage point, to 0.66%.

On 30 September 2005, the State Budget of the SR recorded a deficit of Sk 8.1 billion.

The foreign exchange reserves of the NBS (at current exchange rates) fell by USD 79.9 million in September, to USD 15,835.7 million. At the end of the month, the volume of foreign exchange reserves was 5.3 times greater than the volume of average monthly imports of goods and services to Slovakia over the first eight months of 2005.

The National Bank of Slovakia conducted no foreign exchange interventions in September.

According to preliminary data, the balance of payments on current account for January to July 2005 resulted in a deficit of Sk 55.0 billion. Over the same period, the capital and financial account generated a surplus of Sk 125.5 billion. From January to August, the current account produced a deficit of Sk 58.3 billion, while trade resulted in a shortfall of Sk 35.2 billion.

In September, the overall sterilisation position of the NBS vis-à-vis the banking sector stood at Sk 411.7 billion, representing a decrease of Sk 1.1 billion compared with the figure for August.

On 30 September 2005, the Bank Board of the NBS unanimously voted (7:0) to leave the key rates of the National Bank of Slovakia unchanged, i.e. 3.0% for two-week repo tenders, 2.0% for overnight sterilisation operations, and 4.0% for overnight refinancing transactions.



2. Inflation

2.1. Consumer Price Index

HICP Inflation in September 2005

Harmonised Index of Consumer Prices

Consumer prices, expressed in terms of the HICP, increased by 0.3% in September, with the prices of goods and services rising equally by 0.3%. Compared with the same period a year earlier, consumer prices increased by 2.3% (in August by 2.1%) and core inflation reached 0.9% (compared with 1.3% in August). The average 12-month inflation rate for the first nine months of the year was 2.5%. The average 12-month inflation rate for the period from October 2004 to September 2005 was 3.4%.

Table 1 Harmonised Index of Consumer Prices

(year-on-year changes in %)

	2005					
	Apr.	May	June	July	Aug.	Sep.
Total	2.7	2.4	2.6	2.1	2.1	2.3
Goods	1.2	1.0	1.3	0.8	0.8	1.3
Industrial goods	2.0	1.7	1.8	1.9	2.2	3.0
Industrial goods (excluding energy)	-0.8	-0.9	-0.8	-1.1	-1.1	-0.9
Energy	6.0	5.4	5.6	6.1	6.6	8.5
Foodstuffs	-0.3	-0.3	0.5	-1.1	-1.6	-1.6
Processed food (including alcohol and tobacco)	-1.1	-1.7	-1.7	-2.5	-2.5	-2.5
Non-processed food	1.2	2.6	4.6	1.1	0.1	0.5
Services	6.0	5.7	5.5	5.3	5.2	4.5
Core inflation (total excl. energy and unprocessed food prices)	2.0	1.7	1.7	1.2	1.3	0.9
Total, excluding energy	1.9	1.7	2.0	1.3	1.2	1.0

Source: NBS calculations based on data from the Statistical Office of the SR.

Accelerated increase in goods prices, caused mainly by energy prices

The rapid year-on-year increase in goods prices was mainly influenced by the prices of electricity, gas, and other fuels (as a result of a rise in heat prices) and fuel prices (the fading effect of the increase in oil prices in previous months). The prices of industrial goods (excluding energy) also contributed to this trend, since the rate of their decline slowed somewhat as a result of developments in the prices of durable goods (a slower year-on-year fall in automobile prices). Food prices continued to show a deflationary tendency, due to developments in processed food prices.

The rate of increase in services prices slowed

Services prices showed weaker dynamics as a result of smaller increases in prices for recreation and personal services. The most significant slowdown occurred in the prices of canteen meals, accommodation, recreation, and sporting services.

Consumer expectations in respect of inflation

The expectations of consumers in respect of price inflation continued to increase in September. In answer to questions about the previous course of inflation, the respondents gave an average value of 11.58% (10.22% in the previous month). When asked about the expected rate of inflation in the next 12 months, the respondents gave an average value of 14.18%, representing a

Chart 1 HICP Inflation and Its Main Components (%)



Source: Statistical Office of the SR.

Chart 2 HICP Compared with the Views of Respondents on Price Developments in the Past 12 Months (%)


Source: Statistical Office of the SR, Consumer Barometer, and NBS.

Note: The qualitative assessment of the future course of inflation is based on answers to the query whether consumer prices in the next 12 months will increase at a faster, slower, or unchanged rate, or will remain at the current level. Quantitative assessment means that those who say that consumer prices will increase in the next 12 months at a faster, unchanged, or slower rate than today, are asked in the next part of the question to specify the rate of acceleration or slowdown.

marked increase in comparison with the figure for the previous month (11.30%), due to the announced increase in natural gas and heat prices.

HICP Inflation in September 2005

Consumer prices increased month-on-month by 0.2%, with regulated prices rising by 0.7% and the prices of core inflation components by 0.1%. The 12-month rate of headline inflation reached 2.2% (compared with 2.0% in August) and that of core inflation 1.0% (in August 0.7%). The average 12-month inflation rate for the first nine months of the current year was 2.5%.

2.2. Producer Prices in August 2005

Industrial producer prices for the domestic market rose month-on-month by an average of 0.8% in August, due to increases in the prices of manufacturing products (0.8%) and electricity, gas, steam, and hot water (0.9%). The prices of mineral raw materials dropped by 0.6%.

The year-on-year dynamics of industrial producer prices for the domestic market increased (from 5.3% in July to 5.6% in August), due to steeper increases in the prices of electricity, gas, steam, and hot water (0.8 of a percentage point) and manufacturing products (0.1 of a percentage point). The year-on-year rate of increase in raw materials prices slowed by 0.5 of a percentage point in comparison with July.

Consumer Price Index

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

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

Table 2 Consumer Prices in September 2005

	Comparative change	
	Aug. 2005	Sept. 2004
Total in %	0.2	2.2
Regulated prices in %	0.7	6.5
- Share of total, in percentage points ¹⁾	0.16	-
Impact of changes in indirect taxes on non-regulated prices		
- Share of total, in percentage points ¹⁾	0.00	-
Core inflation in %	0.1	1.0
- Share of total, in percentage points ¹⁾	-0.07	-
of which: Food prices in %	-0.4	-2.1
- Share of total, in percentage points ¹⁾	-0.06	-
Tradable goods in % ¹⁾	0.5	-0.4
- Share of total, in percentage points ¹⁾	0.16	-
Tradable goods excluding fuels in % ¹⁾	-0.1	-2.0
- Share of total, in percentage points ¹⁾	-0.03	-
Fuels in % ¹⁾	5.0	12.3
- Share of total, in percentage points ¹⁾	0.20	-
Market services in % ¹⁾	-0.1	5.0
- Share of total, in percentage points ¹⁾	-0.03	-
Net inflation (excluding the impact of changes in indirect taxes) in %	0.2	1.8
- Share of total, in percentage points ¹⁾	0.13	-
Net inflation, excluding fuel prices (excl. the impact of changes in indirect taxes) in %¹⁾	-0.1	1.2
- Share of total, in percentage points ¹⁾	-0.06	-

Source: Statistical Office of the SR, and NBS.

Notes: Net inflation – comprises price increases in the sector of tradable goods, excluding foodstuffs and market services.

The rounding of the values of year-on-year and month-on-month price dynamics to one decimal place and the values of their contributions to the overall inflation rate to two decimal places may lead to a situation where, in the event of price stagnation, the contributions of prices are not equal to zero. In reality, the prices change, but the changes are so small that they cannot be noticed if the figures are rounded to one decimal place; but in the event of price contributions rounded to two decimal places, even a small change is apparent.

1) NBS estimates based on data from the Statistical Office of the SR.

**Table 3 Producer Price Developments****(%)**

	Month-on-month change		Year-on-year change			
	July	August	July	August	Average since the August	
	2005	2005	2005	2005	beginning of 2005	2004
Industrial producer prices (for the domestic market)	0.6	0.8	5.3	5.6	3.8	3.7
– Prices of manufacturing products	0.4	0.8	1.7	1.8	2.4	4.7
– Prices of mining and quarrying products	1.3	-0.6	1.9	1.4	-0.4	5.2
– Prices of electricity, gas, steam, and hot water	0.9	0.9	10.5	11.3	6.2	2.3
Industrial producer prices (for export)	0.7	0.2	6.4	4.3	7.0	1.8
Construction prices	0.2	0.3	3.5	3.6	4.6	6.3
Building materials prices	-0.3	-0.2	3.3	2.6	6.0	6.9
Agricultural prices	–	–	-6.9	-5.6	-2.6	0.0
– Prices of plant products	–	–	-19.2	-13.4	-16.0	-1.6
– Prices of animal products	–	–	0.8	0.4	1.9	1.3

Source: Statistical Office of the SR.

In August, as in previous months, developments in manufacturing products prices were substantially affected by increases in the prices of refined oil products (7.7% month-on-month and 30.5% year-on-year). The prices of chemical products rose month-on-month by 0.9% and year-on-year by 3.4% in August. On the other hand, the prices of food products continued to act as a major anti-inflationary factor: they dropped month-on-month by 0.1% and year-on-year by 5.1% (after being stagnant in the same period a year earlier and rising on a year-on-year basis by 3.9%). The prices of basic metals and finished metal products fell month-on-month by 0.3%, while rising year-on-year by 2.8%. The 12-month rate of increase in the prices of base metals and finished metal products showed a tendency to slow from the beginning of the year (the August increase was 2.4 percentage points smaller than the July figure).

Energy prices were determined for several consecutive months by the costs of gas production and the distribution of gaseous fuels by pipeline. Their level rose month-on-month by 1.6%, which was somewhat less than in the previous month. On a year-on-year basis, prices for gas production and the distribution of gaseous fuels by pipeline increased by 29.7% (compared with 3.6% a year earlier). Among energy prices, modest increases were recorded in prices for electricity production and supply.

Prices of manufacturing products for export

In August, the prices of manufacturing products for export recorded a modest month-on-month increase (0.2%), corresponding to a year-on-year price increase of 4.2% (a slowdown of 2.1 percentage points in comparison with July). This development was significantly influenced by the prices of refined oil products (rising month-on-month by 1.7% and year-on-year by 34.1%). Increases were also recorded in the prices of electrical and optical equipment (2.9% month-on-month and 10.1% year-on-year) and chemical products (2.4% and 9.7% respectively). On the other hand, the sharpest drops in August occurred in the export prices of base metals and finished metal products, which fell month-on-month by 2.6% and year-on-year by 0.8% (after rising on a year-on-year basis, from as early as December 2003). The export prices of transport vehicles maintained their long-term falling tendency on a year-on-year basis.

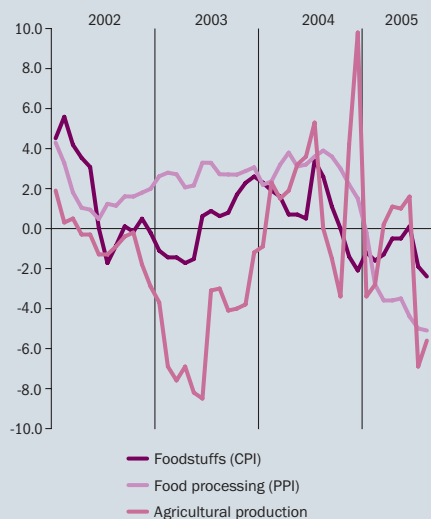
Agricultural prices

The prices of agricultural products fell year-on-year in August, for the second consecutive month. Their fall (5.6%) was caused by a drop in the average price of plant products (13.4%), offset partly by a rise in the price of animal products (0.4%).

Chart 3 Developments in Industrial Producer Prices and Manufacturing Products Prices**(year-on-year change in %)**

Source: Statistical Office of the SR.

Chart 4 Developments in Food Prices in Primary Production, Processing, and Consumption
(year-on-year change in %)



Source: Statistical Office of the SR.

Among plant products, the sharpest drop occurred in the price of oil-seed (20.5%). Cereal prices continued to fall in August, by an average of 12.5% (of which corn prices accounted for 24.3%). The August drops in the prices of wheat for food production (13.3%) and wheat for industrial purposes (12.8%) were smaller than in the previous month. The price of legumes also fell, by 11.4%. On the other hand, vegetable prices increased by 3.3% in August, while average fruit prices remained at the level of the previous year.

A modest rise in the average price of animal products was caused by increases in the prices (for live animals) of beef, including veal (4.7%), and unpasteurised cow milk (2.9%). Price levels fell for eggs, poultry, and pork (live animals).

In September, industrial producer prices are expected to be mostly influenced by the current trend in oil prices on the world markets and the continuing modest appreciation of the US dollar against the Slovak koruna. At the same time, the persistent fall in food prices is expected to have an anti-inflationary effect. With regard to these factors, industrial producer prices are expected to rise somewhat on a month-on-month basis in September; this will probably be accompanied by a further increase in their year-on-year dynamics.

The prices of agricultural products are expected to be affected in September by a persistent, but less significant fall in plant products prices than in the previous month. With regard to the signalled drops in the purchase prices of beef and pork (live animals), animal products prices will probably stagnate or fall. Consequently, agricultural prices are expected to fall in September.



3. Factors Affecting the Course of Inflation

The M3 monetary aggregate recorded an increase in August, but its year-on-year dynamics weakened as a result of slower growth in the less liquid M3 components. As in previous months, the primary source of growth in M3 was the growing trend in the receivables of monetary financial institutions (MFIs) from the private sector.

3.1. Monetary Aggregates

M3 Monetary Aggregate

Slowdown in the 12-month growth dynamics of M3

The M3 monetary aggregate (according to ECB methodology) increased month-on-month by Sk 6.1 billion in August, to Sk 785.8 billion at the end of the month. The year-on-year rate of M3 growth¹ slowed in comparison with the previous month, by 0.9 of a percentage point (to 8.0%).

Table 4 12-month Growth Dynamics of Monetary Aggregates

(%)

	2004											
	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.
M3 monetary aggregate (ECB methodology)	6.4	9.9	6.9	11.1	8.6	14.0	5.8	11.9	13.3	13.6	12.7	15.0
- excluding the effect of repo operations ²⁾	10.5	10.0	9.1	11.3	8.7	14.1	12.4	11.7	14.1	13.2	12.4	14.6
M3 monetary aggregate, including the estimates of money market funds for 2003 ³⁾	6.2	9.6	6.5	10.5	7.8	13.0	4.8	10.5	11.9	12.0	11.0	13.1
- excluding the effect of repo operations ²⁾	10.4	9.7	8.6	10.7	7.8	13.1	11.2	10.4	12.6	11.6	10.7	12.7
2005												
M3 monetary aggregate (ECB methodology)	10.4	10.2	12.3	12.6	12.9 ¹⁾	9.4 ¹⁾	8.9	8.0

Source: NBS and NBS estimates based on data from the Slovak Association of Administrator Companies (SASS).
 1) Revised data.
 2) The level of the M3 monetary aggregate in 2003 was affected by the active conduct of repo operations by commercial banks in connection with the payment of coupons on government bonds (mainly in January 2003: in the amount of Sk 24.2 billion; in March 2003: in the amount of Sk 12.9 billion; and in July 2003: in the amount of Sk 40.2 billion), as a result of which the base of the overall aggregate became volatile (since banks conducted no repo operations from October 2003 to the end of the month). For that reason, the 12-month growth rate of M3 was also monitored for analytical purposes in 2004, without the volume of repo operations being taken into account.
 3) Since data on issued money market fund shares/units were not available for the monetary and financial statistics reports in 2003, their volume was estimated on the basis of data provided by the Slovak Association of Administrator Companies (SASS).

The slowdown in the 12-month rate of growth in M3 was influenced in August by the different trends in the less liquid M3 components in comparison with the same period a year earlier. While the volume of deposits included in M3 and currency in circulation grew in both periods under review by roughly the same amount (by a total of Sk 6.8 billion in August 2004, and/or Sk 6.6 billion in August 2005), the volume of less liquid M3 components recorded an increase in August 2004 (Sk 4.3 billion), while decreasing in August 2005 by Sk 0.5 billion.

Main Components of M3

Growth in M2; conversion of the less liquid deposits into deposits repayable on demand

The most liquid monetary aggregate (M1) increased month-on-month by Sk 11.5 billion in August, when its volume reached Sk 433.2 billion at the end of the month. Thus, after declining in the previous month, the M1 aggregate continued to follow a volatile course of development, as during the previous months of 2005.

The growth in M1 was mainly concentrated in deposits and received loans repayable on demand, which grew in comparison with the previous month by Sk 10.1 billion. Currency in circulation continued to grow in volume, by Sk 1.3 billion month-on-month.

¹ The year-on-year growth dynamics of monetary aggregates and their counterparts are calculated from end-of-month data, including non-transaction operations, which comprise all movements in the balance-sheet items, resulting from changes in the valuation of tradable instruments, the depreciation/write-off of loans, exchange rate differentials, reclassification, and other changes.



Table 5 Comparison of Month-on-Month Developments in Monetary Aggregates (ECB methodology)

	Volume in billions of Sk ¹⁾			Year-on-year change in %	
	Aug. 2004	July 2005	Aug. 2005	July 2005	Aug. 2005
Currency in circulation	95.4	110.1	111.4	17.3	16.8
Deposits and received loans, repayable on demand	265.1	311.7	321.8	19.7	21.4
M1	360.5	421.7	433.2	19.1	20.2
Deposits and received loans, with an agreed maturity of up to 2 years	320.3	294.2	289.5	-7.9	-9.6
Deposits redeemable at a period of notice of up to 3 months	16.5	15.5	15.4	-7.4	-6.8
M2	697.3	731.5	738.1	5.9	5.9
Money market fund shares/units	24.7	47.1	47.3	111.4	91.5
Repo operations	1.4	0.4	0.0	-	-
Debt securities issued for up to 2 years	3.9	0.7	0.4	-	-
M3	727.3	779.7	785.8	8.9	8.0

Source: NBS.

Note: Differences in the sums are due to rounding. The missing data have been excluded because of the large values of year-on-year changes, resulting from the relatively small volumes of the given indicators.

1) Volume as at the last day of the given month.

Within the structure of the M2 aggregate, long-term financial resources kept in the form of deposits and received loans with an agreed maturity of up to 2 years (M2 components) were in part reallocated as deposits and received loans repayable on demand (M1 components), and hence declined month-on-month by Sk 4.7 billion. The decline in the less liquid financial resources of MFIs was mainly affected by decreases in fixed-term koruna deposits (up to 1 year) on the accounts of households and the deposits of social security funds held at the SR Treasury.

Since the increase in short-term financial resources exceeded the decrease in long-term funds, the overall level of the M2 aggregate rose in August (by Sk 6.6 billion).

The total volume of less liquid M3 components recorded a modest decline in August (Sk 0.5 billion), mainly due to decreases in the volumes of repo operations (Sk 0.4 billion) and debt securities issued for up to 2 years (Sk 0.3 billion). The decline was partly offset by a modest increase in the volume of money market fund shares/units (Sk 0.2 billion).

Modest decline in the less liquid components of M3

Investment Through Open-End Investment Funds

The net value of Sk-denominated assets held by open-end investment funds (OIFs) reached Sk 122.0 billion at the end of September. The net sales of Sk-denominated OIF assets reached Sk 1.5 billion in September and the net sales in the SR of OIF assets denominated in foreign currency amounted to Sk 0.39 billion.

Net value of assets and net sales of open-end investment funds

Table 6 Overview of Net Sales of Open-End Investment Funds (month-on-month changes in billions of Sk)

	Year	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.	CUM.
OIF assets denominated in Slovak koruna	2004	1.3	1.5	1.8	1.3	1.8	2.4	3.0	3.1	2.6	2.5	2.3	3.0	26.7
	2005	5.2	6.8	4.1	3.4	2.3	2.3	2.0	1.8	1.5	.	.	.	29.3
OIF assets denominated in foreign currency	2004	0.08	0.07	0.1	0.05	0.14	0.04	0.04	0.06	0.07	0.03	0.07	0.04	0.80
	2005	0.08	0.14	0.14	0.21	0.12	0.20	0.15	0.29	0.39	.	.	.	1.72

Source: NBS estimates based on data from the Slovak Association of Administrator Companies (SASS).

**Main Counterparts of M3****Continued growth in the volume of MFI receivables (incl. securities) from residents, with conflicting trends in the individual components**

The total volume of MFI receivables from residents (including securities issued by clients and held by MFIs) increased month-on-month by Sk 7.2 billion in August, and thus confirmed the upward trend from the previous period. This increase was caused almost exclusively by growth in MFI receivables from the private sector (Sk 7.5 billion), while MFI receivables from the public sector slightly decreased (Sk 0.3 billion). The year-on-year rate of growth in total MFI receivables from residents slowed in comparison with the previous month by 0.5 of a percentage point (to 7.2%), since the overall increase in MFI receivables from residents reached a higher level in August 2004, mainly as a result of an increase in government securities holdings in the MFI sector.

Table 7 Main Counterparts of M3 (ECB methodology)

	Volume in billions of Sk ¹⁾			Year-on-year change in %	
	Aug. 2004	July 2005	Aug. 2005	July 2005	Aug. 2005
Net foreign assets	373.9	304.3	294.4	-18.5	-21.3
Foreign assets	506.0	602.2	602.4	19.2	19.0
Foreign liabilities	132.1	298.0	308.0	125.8	133.2
Receivables of MFIs from residents (incl. securities)	687.6	729.7	736.9	7.7	7.2
Receivables from the general government	284.5	255.4	255.1	-8.5	-10.3
Receivables from the private sector	403.1	474.3	481.8	19.0	19.5
Deposits and loans received from the central government	160.0	84.6	78.5	-46.3	-51.0
Long-term financial liabilities (excl. capital and reserves)	96.0	95.2	95.9	-2.4	-0.1
Deposits and loans received with an agreed maturity of over 2 years	48.5	52.5	53.3	7.8	9.9
Deposits redeemable at a notice period of over 3 months	37.5	28.6	28.2	-26.4	-24.7
Debt securities issued with a maturity of over 2 years	10.0	14.1	14.4	41.2	44.2
Other items net	78.1	74.4	71.1	-6.7	-9.0
Capital, reserves and provisions	110.2	104.3	99.8	-3.9	-9.4
Other liabilities	35.2	49.4	47.6	30.5	35.4
Surplus of liabilities among MFIs	-0.2	0.2	-0.1	-	-
Fixed assets	35.6	33.6	33.8	-5.1	-5.0
Other assets	31.4	45.9	42.3	47.7	35.0
M3	727.3	779.7	785.8	8.9	8.0

Source: NBS.

Note: Differences in the sums are due to rounding. The missing data have been excluded because of the large values of year-on-year changes, resulting from the relatively small volumes of the given indicators.

1) Volume as at the last day of the given period.

Continuing growth in MFI receivables from the private sector

The volume of MFI receivables from the private sector (including securities) recorded a relatively steep increase in August (Sk 7.5 billion), which, however, was smaller than in the previous months. The August increase took place largely in MFI receivables from households (an increase of Sk 5.2 billion) and non-financial corporations (Sk 2.1 billion, especially in short-term receivables maturing within a year). The volume of securities issued in the private sector recorded a slight decrease (Sk 0.1 billion).

The increase in MFI receivables from households was again dominated by loans granted for housing purposes (Sk 3.8 billion); the remainder took place in consumer loans (Sk 1.0 billion) and other loans (Sk 0.5 billion).

Modest growth in the total volume of long-term financial liabilities

The total volume of long-term financial liabilities of MFIs (excluding capital and reserves) increased in August by Sk 0.7 billion, while the basic trends in their components remained unchanged. Deposits and received loans with an agreed maturity of over 2 years, whose volume had previously hovered around its average level (Sk 52.8 billion), recorded a modest increase in August (Sk 0.8 billion), to Sk 53.3 billion at the end of the month. Debt securities with a maturity of over 2 years continued to show a slightly growing tendency (an increase of Sk 0.3 billion), while deposits maturing in more than 3 months maintained a trend of modest decline in the medium term (a decrease of Sk 0.4 billion).

Decrease in net foreign assets

Net foreign assets decreased month-on-month by Sk 9.9 billion in August. This was caused by an increase in foreign liabilities (Sk 10.1 billion), which well exceeded the modest increase in foreign assets (Sk 0.2 billion).

**Table 8 Receivables of Monetary Financial Institutions from the Resident Private Sector**

	Volume in billions of Sk ¹⁾			Year-on-year change in %	
	Aug.	July	Aug.	July	Aug.
	2004	2005	2005	2005	2005
MFI receivables from the private sector (incl. securities)	403.1	474.3	481.8	19.0	19.5
of which: Securities issued by the private sector	17.5	18.7	18.6	7.6	6.4
MFI receivables (excluding securities)	385.6	455.6	463.3	19.5	20.1
Non-financial corporations	233.8	253.4	255.5	9.1	9.3
- Up to 1 year	101.9	110.4	112.3	9.0	10.2
- 1 to 5 years	57.0	54.5	53.5	-5.9	-6.1
- Over 5 years	74.9	88.5	89.6	21.0	19.7
Financial corporations	38.8	46.7	47.0	19.8	21.2
Insurance companies and pension funds	0.0	0.0	0.0	-	-
Households and non-profit institutions serving households	113.1	155.5	160.7	41.4	42.1
- Consumer loans	15.2	23.4	24.4	55.4	60.6
- Housing loans	79.5	102.6	106.4	32.4	33.8
- Other loans	18.4	29.4	29.9	69.1	63.0

Source: NBS.

Note: Differences in the sums are due to rounding. The missing data have been excluded because of the large values of year-on-year changes, resulting from the relatively small volumes of the given indicators.

1) Volume as at the last day of the given period.

Among the other main counterparts of the M3 monetary aggregate, a decrease was recorded in capital, reserves and provisions (Sk 4.4 billion), while the volume of fixed assets recorded a slight increase (Sk 0.2 billion).

Developments in the other main counterparts of M3

Developments in Monetary Aggregates According to NBS Methodology

The M2 money supply (according to NBS methodology, at current rates) recorded a month-on-month increase of Sk 7.2 billion in August, and closed the month at Sk 794.3 billion. The year-on-year growth rate accelerated somewhat in comparison with the previous month, by 0.2 of a percentage point (to 5.3%), since August 2004 saw a smaller month-on-month increase in M2 (Sk 5.8 billion). The August increase in the M2 money supply was caused, in roughly equal measure, by increases in all components: deposits in foreign currency (Sk 2.2 billion), demand deposits (Sk 2.0 billion), time deposits (Sk 1.7 billion), and currency in circulation (Sk 1.3 billion).

Modest increase in the 12-month growth rate of the M2 money supply (according to NBS methodology)

Loans to Enterprises and Households

The volume of loans to enterprises and households (according to NBS methodology, at current rates) grew month-on-month by Sk 8.7 billion, to Sk 469.7 billion at the end of August. The year-on-year dynamics of bank lending accelerated in comparison with the previous month by 1.0 percentage point, to 19.9%.

Continued increase in the 12-month dynamics of loans to enterprises and households (NBS methodology)

The August increase in loans to enterprises and households took place largely in koruna loans (Sk 9.8 billion, of which Sk 5.1 billion was provided to households), while loans in foreign currency recorded a decline (Sk 1.1 billion).

Fiscal Developments

Net credit to the general government (including the National Property Fund [FNM], at current rates) increased month-on-month by Sk 6.5 billion in August (as in the previous month), to Sk 347.3 billion at the end of the month.

Net credit to the general government

The August increase in net credit to the general government was mainly a result of deterioration in current budgetary performance (by Sk 7.0 billion month-on-month), which resulted in a deficit of Sk 5.1 billion (on 31 August 2005), with budget revenues totalling Sk 170.5 billion and expenditures Sk 175.6 billion. Net credit to the general government was also increased to some extent by a decline in the deposits of social security funds at the SR Treasury and a slight increase in the credit exposure of state authorities to commercial banks.



The negative impact of the above factors on net credit to the general government was partly offset by increases in the deposits of funds from the European Community on accounts at the SR Treasury, the deposits of regional self-governments, FNM deposits, and the deposits of non-budgetary funds of state authorities at commercial banks. The downward effect on the level of net credit to the general government was also exerted by a drop in the public sector's external debt (by Sk 1.6 billion).

Current Budgetary Developments in September

Developments in the State Budget

At the end of September, the State Budget resulted in a deficit of Sk 8.1 billion, with budget revenues totalling Sk 188.6 billion and expenditures Sk 196.7 billion.

Primary market for SR Treasury bills

No Treasury-bill issues were placed on the market in September.

3.2. Foreign Trade

Balance of Payments from January to July 2005

Current account

The deficit in the balance of payments on current account continued to grow on a year-on-year basis, mainly due to increases in the trade and income balance deficits, accompanied by a deterioration in current transfers. The only item to record an improvement in comparison with the same period a year earlier was the balance of services.

Table 9 Balance of Payments on Current Account

(Sk billions)

	Jan. – July 2005	Jan. – July 2004
Balance of trade	-33.8	-15.7
Exports	539.5	506.8
Imports	573.3	522.5
Balance of services	6.4	5.7
Balance of income	-27.2	-13.3
of which: income from investment	-43.8	-21.5
of which: reinvested earnings	-17.3	0.0
Current transfers	-0.4	4.2
Current account in total	-55.0	-19.1

Source: NBS and Statistical Office of the SR.

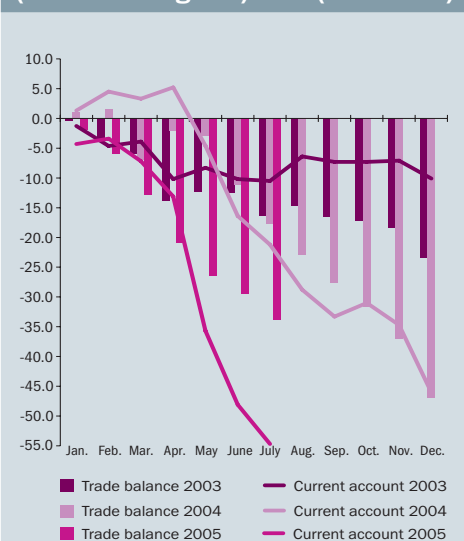
Note: Foreign trade in 2004, according to the methodology for 2005.

In comparison with the same period a year earlier, exports increased by 6.5% (15.1% in USD and 11.0% in EUR) and imports by 9.7% (18.7% in USD and 14.4% in EUR).

Exports

The year-on-year growth in exports took place largely in chemical products and semi-finished goods, whose year-on-year increase was markedly larger than the figure for the previous year. In a breakdown by commodity, the most significant increases in this category took place in the exports of iron and steel, iron and steel products, plastics and plastic goods, wood, and rubber products. Exports also grew at a faster rate than last year in 'finished products', mainly as a result of growth in the exports of sugar, dairy products, and meat. In the 'machines and transport vehicles' category, there was a steeper year-on-year increase in machines, exceeded by a massive year-on-year decline in vehicle exports (the year-on-year decline replaced last year's increase), caused by reduced exports of motor vehicles and components. Raw materials exports recorded a smaller year-on-year increase, due to the fact that the growth in the exports of petroleum-based oils was accompanied by a fall in electricity exports.

Chart 5 Balance of Trade and Current Account Developments (cumulative figures) (Sk billions)



Source: NBS and Statistical Office of the SR.

**Table 10 Exports in January – July, Year-on-Year Change**

	Year-on-year change in billions of Sk January – July		Proportion of the year-on-year change in % points January – July	
	2005	2004	2005	2004
	Raw materials	2.8	8.2	0.5
Chemicals and semi-finished goods	27.5	13.9	4.8	3.7
Machines and transport vehicles	-0.6	37.7	-0.1	9.9
Finished products	3.0	2.1	0.5	0.6
Exports in total	32.7	61.9	5.7	16.3

Source: NBS calculations based on data from the Statistical Office of the SR.

The strongest year-on-year growth in imports was recorded in 'raw materials', whose year-on-year increase well exceeded the figure for the same period a year earlier (the growth in raw materials imports was mainly caused by the high price of oil on the world markets). A modest year-on-year increase was also recorded in the 'finished products' category. Larger increases in imports were recorded in agricultural products (meat, dairy products, fruit, vegetables, beverages, etc.), machines, and electrical consumer goods in particular. On the other hand, the imports of industrial products (furniture) and passenger cars grew at a slower rate than last year. The year-on-year growth in imports slowed considerably in 'machines and transport vehicles'. Apart from a decline in the imports of motor vehicle parts, components, and accessories (including engines), lower imports were also recorded in the 'nuclear reactors and boilers' category. There were smaller year-on-year increases in the imports of chemical products and semi-finished goods, mainly as a result of lower imports of chemical fibres, wool, and cotton, and slower year-on-year growth in the imports of plastics, rubber, iron, and iron products.

Imports**Table 11 Imports in January – July, Year-on-Year Change**

	Year-on-year change in billions of Sk January – July		Proportion of the year-on-year change in % points January – July	
	2005	2004	2005	2004
	Raw materials	20.2	7.4	3.9
Chemicals and semi-finished goods	10.2	18.2	2.0	4.7
Machines and transport vehicles	4.6	24.7	0.9	6.4
Finished products	15.9	11.0	3.1	2.9
of which: agricultural and industrial goods	9.8	7.2	1.9	1.9
passenger cars	1.0	2.4	0.2	0.6
machines and electrical consumer goods	5.1	1.4	1.0	0.4
Imports in total	50.9	61.3	9.8	16.0

Source: NBS calculations based on data from the Statistical Office of the SR.

The balance of services resulted in a surplus of Sk 6.4 billion, which represented an improvement of Sk 0.7 billion in comparison with the same period in 2004. The increase in the positive balance of services was caused by developments in tourism and 'other services in total'. In tourism, the balance surplus increased as a result of faster growth in receipts than in expenses. The deficit in 'other services in total' diminished, mainly as a result of improvement in telecommunications, insurance, business, legal, accounting, and consulting services. The improvement in the balance of tourism was partly offset by a decrease in net income from transport (lower receipts from the transit of gas and increased payments for air passenger service) and steadily increasing payments in 'other services in total' (mainly in financial services).

Balance of services

The year-on-year deterioration in the balance of income resulted from two conflicting tendencies. The most significant increases within the income balance took place in the payments of reinvested earnings and dividends. Dividends paid to foreign direct investors increased year-on-year by Sk 7.0 billion and estimated reinvested earnings (which started to be monitored in 2005, owing to a change in methodology) recorded an increase of Sk 17.3 billion. Within the balance of income, the steep increase in the deficit in proceeds from investments was reduced by the increased incomes of Slovak citizens working abroad (caused by a methodological change concerning the incomes of persons working abroad, from net income to gross income). Taxes and social contributions paid abroad, which are responsible for the gap

Income and current transfers balances



between gross and net wages, were included in current transfers and, together with an increase in transfers abroad by legal entities, caused a year-on-year change in the balance of current transfer, from a surplus to a deficit.

Capital and financial account The inflow of funds in the capital and financial account reached Sk 125.5 billion and took place mostly in short-term capital, while the short-term liabilities of commercial banks increased to a significant extent.

Foreign direct investments Foreign direct investments in the SR totalled Sk 38.7 billion. Of this amount, Sk 8.1 billion was allocated for increases in the ownership interests of foreign investors in the SR; Sk 18.0 billion for the creation of reinvested earnings that belong to foreign investors (estimate); and Sk 12.7 billion for the drawing of short-term loans from parent companies from abroad.

Portfolio investments The outflow of funds in the area of portfolio investments was mainly caused by purchases of foreign bonds by non-bank entities (mostly investment funds and insurance companies). Although demand among foreign investors for Sk-denominated government securities continued to grow, the repayment of government eurobonds (which was not accompanied by a new issue as last year) caused the inflow of portfolio investment capital to diminish, from Sk 40.2 billion to Sk 15.3 billion.

Chart 6 Capital and Financial Account Developments by Components (moving cumulative figures) (Sk millions)

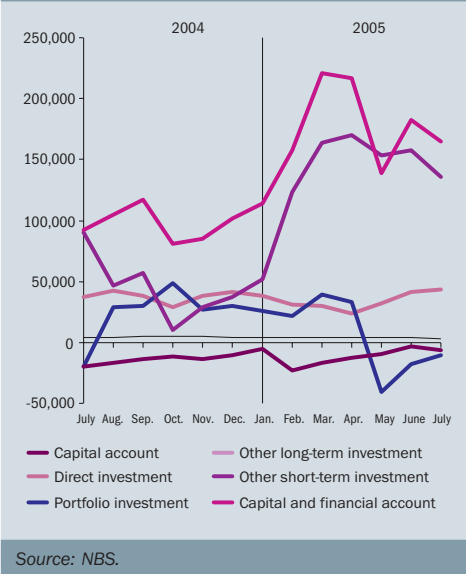


Table 12 Capital and Financial Account

(Sk billions)

	Jan. – July 2005	Jan. – July 2004
Capital account	0.0	1.3
Direct investment	37.2	35.1
Abroad	-1.5	3.7
of which: capital participation abroad	0.3	-0.5
reinvested earnings	-0.7	0.0
In the SR	38.7	28.4
of which: capital participation in the SR	8.1	21.2
of which: other than privatisation	8.1	18.3
reinvested earnings	18.0	0.0
Portfolio investments and financial derivatives	-9.5	29.8
SR abroad	-24.8	-10.4
In the SR	15.3	40.2
Other long-term investments	-8.4	-11.8
Assets	-0.6	-3.1
Liabilities	-7.8	-8.7
Other short-term investments	106.2	7.9
Assets	-9.3	8.6
Liabilities	115.5	-0.7
Capital and financial account	125.5	62.3

Source: NBS.

Other investments The inflow of foreign capital within the scope of 'other investments' reached Sk 97.8 billion, mainly as a result of an increase in the short-term liabilities of commercial banks, in both foreign and domestic currency.

At commercial banks, the volume of short-term deposits from non-residents (including the amount paid to ČSOB) increased in comparison with the beginning of the year and a net inflow of Sk 125.2 billion was recorded (from April to the end of July, the outflow of short-term deposits and loans totalled



Sk 12.9 billion). The corporate sector financed mostly trade-related activities. The provision of export credits, coupled with the repayment of import liabilities, caused an outflow of Sk 8.7 billion. The outflow of funds from the government sector (including the NBS) in the amount of Sk 18.7 billion was connected with the first instalment of the liability to ČSOB Praha.

The foreign exchange reserves of the NBS increased by Sk 69.8 billion, i.e. USD 2.5 billion (excluding exchange rate differentials).

Foreign exchange reserves of the NBS

Table 13 Balance of Payments Adjusted for the Activities of the Government and the NBS (Sk billions)

	January – July 2005	
	Actual ¹⁾	Adjusted ²⁾
Current account	-55.0	-66.6
Capital and financial account	125.5	50.2
of which: FDI in Slovakia – capital participation	8.1	8.1
Items not elsewhere included	-0.7	-0.7
Interventions by the NBS ³⁾	–	-102.3
Change in the net foreign assets of commercial banks (- increase)	–	119.4
Change in NBS reserves (- increase)	-69.8	–

Source: NBS.

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 real source of finance for the current account.

3) In the original structure of the balance of payment, interventions were included in the foreign exchange reserves of the NBS.

The growing current account deficit, exceeding the inflow of funds into the corporate sector, coupled with the sale of foreign currency to the Central Bank, caused a marked decrease in the net foreign assets of the banking sector.

External Debt of Slovakia as at 31 July 2005

At the end of July 2005, the total gross external debt of the SR stood at USD 25.9 billion (EUR 21.5 billion), representing a month-on-month decrease of USD 318.4 million. Total long-term foreign debt remained unchanged over the period under review, while total short-term foreign debt dropped by USD 318.4 million.

Gross external debt

Within the scope of short-term external debt, the foreign liabilities of commercial banks decreased by USD 176.2 million (loans increased by USD 210.3 million, while cash and deposits decreased by USD 157.7 million and other liabilities by USD 228.9 million). The short-term foreign liabilities of entrepreneurial entities decreased by USD 124.3 million, of which USD 111.6 million took place in trade credits.

Within the scope of long-term external debt, the period under review saw an increase in the foreign liabilities of the Government and the NBS (USD 231.4 million), accompanied by a decrease in the foreign liabilities of the commercial sector (USD 231.4 million), of which the long-term foreign liabilities of entrepreneurial entities accounted for USD 228.2 million.

At the end of July 2005, Slovakia's per-capita gross foreign debt stood at USD 4,817, compared with USD 4,876 on 30 June 2005. The share of short-term debt in the country's total gross external debt decreased slightly, by 0.6% month-on-month. At the end of July, the volume of total short-term foreign liabilities exceeded the volume of total long-term foreign liabilities, while reaching 51.5% of the total gross external debt.

The net external debt of Slovakia – expressed as the difference between gross foreign debt, i.e. USD 25.9 billion (liabilities of the Government, the NBS, commercial banks, and the corporate sector – except for capital participation), and foreign assets, i.e. USD 24.6 billion (foreign exchange reserves of the NBS, foreign assets of commercial banks and the corporate sector – except for capital participation), reached USD 1.3 billion (debtor position) at the end of July 2005.

Net external debt



Table 14 External Debt of the SR

	In millions of USD			In millions of EUR		
	31.12.2004	30.6.2005	31.7.2005	31.12.2004	30.6.2005	31.7.2005
Total external debt of the SR	23,763.6	26,229.0	25,910.6	17,454.6	21,755.0	21,476.0
Long-term external debt	13,315.8	12,568.3	12,568.3	9,780.6	10,424.5	10,417.2
Government and NBS ¹⁾	6,691.4	6,213.5	6,444.9	4,914.9	5,153.6	5,341.8
Commercial banks	496.3	791.1	787.9	364.6	656.2	653.1
Entrepreneurial entities	6,128.1	5,563.7	5,335.5	4,501.1	4,614.7	4,422.3
Short-term external debt	10,447.8	13,660.7	13,342.3	7,674.0	11,330.5	11,058.8
Government and NBS	209.3	62.1	44.3	153.8	51.5	36.7
Commercial banks	5,380.2	8,531.9	8,355.7	3,951.8	7,076.6	6,925.6
Entrepreneurial entities	4,858.3	5,066.7	4,942.4	3,568.4	4,202.4	4,096.5
Foreign assets	23,367.0	24,757.6	24,601.2	17,163.3	20,534.5	20,390.7
Net external debt	396.6	1,471.4	1,309.4	257.9	1,220.5	1,085.3
<i>SKK/USD and SKK/EUR rates</i>	28.496	31.825	32.423	38.796	38.370	39.118
<i>USD/EUR cross exchange rate</i>	-	-	-	1.361	1.206	1.206

Source: NBS.

1) Including government agencies and municipalities.

Current Developments

August 2005 saw shortfalls in all current account components (except for the services balance), causing the cumulative current account deficit to increase, from Sk 55.0 billion in July to Sk 58.3 billion in August. Foreign trade resulted in a negative balance in August (Sk 1.4 billion), representing an improvement of Sk 3.8 billion compared with August 2004.

Table 15 Balance of Payments on Current Account

(Sk billions)

	Jan. – Aug. 2005	Jan. – Aug. 2004
Balance of trade	-35.2	-20.9
Exports	618.8	576.2
Imports	654.0	597.1
Balance of services	8.8	4.5
Balance of income	-30.5	-12.7
of which: income from investments	-49.4	-22.4
of which: reinvested earnings	-21.2	0.0
Current transfers	-1.4	2.4
Current account in total	-58.3	-26.7

Source: NBS and Statistical Office of the SR.

Note: Foreign trade in 2004, according to the methodology for 2005.

In comparison with the same period a year earlier, exports increased by 7.4% (15.6% in USD and 11.9% in EUR) and imports by 9.5% (17.9% in USD and 14.1% in EUR).

Table 16 Monthly Data on the Current Account by Component

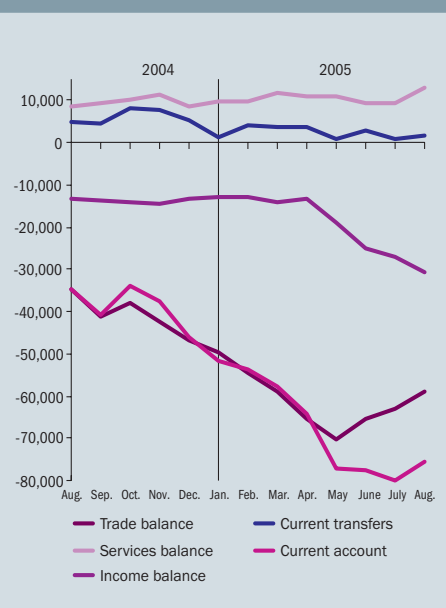
(Sk billions)

	2005							
	January	February	March	April	May	June	July	August
Balance of trade	-1.9	-4.0	-6.9	-8.1	-5.6	-3.0	-4.4	-1.4
Balance of services	1.0	0.9	3.4	0.9	-0.2	-0.8	1.6	2.0
Balance of income	0.1	0.6	-1.1	-0.4	-15.4	-8.3	-2.7	-3.2
Current transfers	-3.5	3.4	0.8	1.7	-1.4	-0.3	-1.1	-1.0
Current account	-4.3	0.9	-3.8	-5.9	-22.6	-12.4	-6.6	-3.6

Source: NBS and Statistical Office of the SR.



Chart 7 Current Account Developments by Component (moving cumulatives) (Sk millions)



Source: NBS a Statistical Office of the SR.

The balance of foreign trade is expected to deteriorate on a year-on-year basis in September. Commodity exports are expected to increase more significantly than in the previous month, in connection with the end of the holiday season. A similar trend is likely to occur in imports, where increases are mainly expected in semi-finished goods, machines, and products for final consumption.

In October and November, imports are expected to grow at a faster rate than exports, therefore the trade balance will continue deteriorating on a year-on-year basis. Since the highest exports are usually achieved in October, exports are expected to grow in all commodity categories. Later in November, exports are expected to fall somewhat, in line with the seasonal trend of decline towards the end of the year. Commodity imports are expected to follow a similar course of development as exports in both months, when imports will probably be driven by growth in semi-finished products and goods for final consumption.

At the end of September, the total foreign exchange reserves of the NBS stood at USD 15,835.7 million, representing a month-on-month fall of USD 79.9 million. The fall in reserves in comparison with the figure for the end of August was caused by a modest surplus in

Balance of trade

Total foreign exchange reserves of the NBS

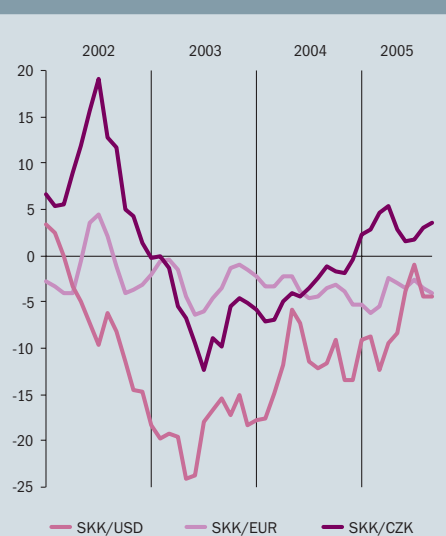
the balance of receipts and expenses (USD 138.3 million), exceeded by negative exchange rate differences (USD 218.2 million), which resulted from a change in the USD/EUR cross-rate in the period under review. At the end of the month, the volume of foreign exchange reserves was 5.3 times greater than the volume of average monthly imports of goods and services to Slovakia, over the first eight months of 2005.

In September, the exchange rate of the Slovak koruna strengthened against the euro by an average of 0.6%, in relation to the US dollar by 0.4%, while depreciating against the Czech koruna by 0.4%.

Nominal effective exchange rate of the Slovak koruna (NEER)

The average monthly exchange rate of the Slovak koruna continued to appreciate year-on-year in September at a slightly accelerated rate, in relation to both the euro (by 4.0%, compared with 3.5% in

Chart 8 Year-on-Year Changes in the Average Monthly Exchange Rates of the Slovak Koruna (%)



Source: NBS.
Note: + depreciation, - appreciation.

Chart 9 Year-on-Year Dynamics of the NEER and REER Indices (based on CPI, PPI, PPI manufacturing and ULC, for 9 trading partners, in %)



Source: NBS.



August) and the US dollar (by 4.5%, compared with 4.4%). At the same time, the appreciation of koruna was partly offset by its increased depreciation in relation to the Czech koruna (3.5%, compared with 3.0%). The 12-month dynamics of the nominal effective exchange rate (NEER)² strengthened in September to 2.4%, from 2.0% in August.

Real effective exchange rate of the Slovak koruna (REER)

The dynamics of the real effective exchange rate (REER) increased in August, in all variants of calculation under consideration. The 12-month rate of appreciation in the REER based on consumer prices increased to 2.1% in August (from 1.8% in July), that based on industrial producer prices to 5.5% (from 4.4%), and that based on manufacturing products prices (excluding energy and raw materials prices) to 1.7% (from 0.9%).

The stronger dynamics of the REER index based on industrial producer prices are also influenced by the different structure of industrial producers in Slovakia and the countries of our trading partners, since the proportion of the E industrial category (E = electricity, gas, steam, and hot water) is roughly 33.9% in Slovakia, compared with 17.1% in France, 11.7% in the Czech Republic, and 9.0% in Italy. Therefore, the impact of increased energy prices on the PPI SR (Producer Price Index SR) is stronger than in the majority of partner countries.

Table 17 Year-on-Year Dynamics of the NEER and REER Indices

	(%)				
For 9 partners, based on the deflator:	NEER	REER CPI	REER PPI	REER PPI manuf.	REER ULC ²⁾
2002	2.1	4.1	3.6	3.4	3.3
2003	3.2	11.3	10.8	4.7	6.6
2004	4.7	8.3	4.1	4.7	8.6
June 2005 ¹⁾	2.4 / 0.4	3.1 / 1.8	4.7 / 4.2	1.7 / -0.2	4.1 ³⁾
July 2005 ¹⁾	1.8 / -0.2	1.8 / 0.5	4.4 / 2.7	0.8 / -0.4	-
August 2005 ¹⁾	2.0 / -0.5	2.1 / -0.3	5.5 / 4.7	1.7 / -0.7	-
September 2005 ¹⁾	2.4 / 0.0

Source: NBS.
 1) Year-on-year change / cumulative change since the beginning of 2005.
 2) Year-on-year change based on quarterly data.
 3) Preliminary data.

3.3. Real Economy

Current Developments

Production and Receipts

Slower growth in industrial production

In August, the 12-month rate of growth in industrial production slowed somewhat in comparison with July, as a result of slower growth in manufacturing production, a continued decline in mining and quarrying production, and faster growth in electricity, gas, and water supply.

The slower growth in manufacturing production in comparison with July was connected with developments in some of the sectors. Such developments were a downturn in the production of chemicals, chemical

² 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 manufacturing products price index, excluding the prices of mineral raw materials, electricity, gas, steam, and hot water (PPI manufacturing) and the index of unit labour costs (ULC). 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, the Czech Republic, Italy, Austria, France, the Netherlands, the USA, Great Britain, and Switzerland.

Chart 10 Development of Industrial and Manufacturing Production (3-month moving averages) (index, same period a year earlier = 100)

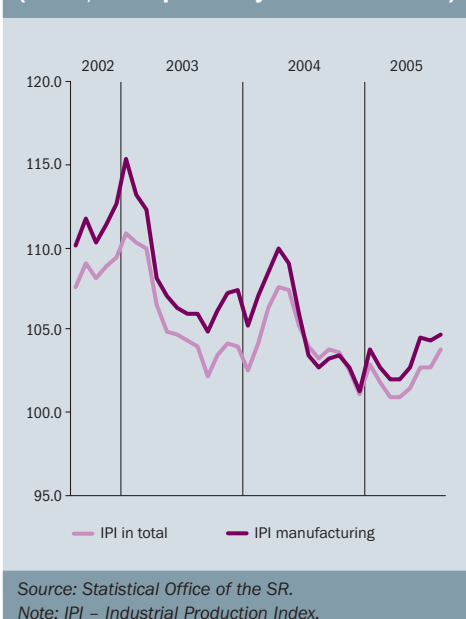
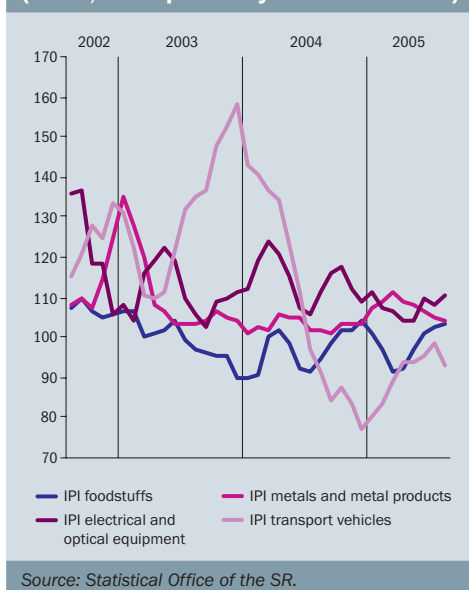


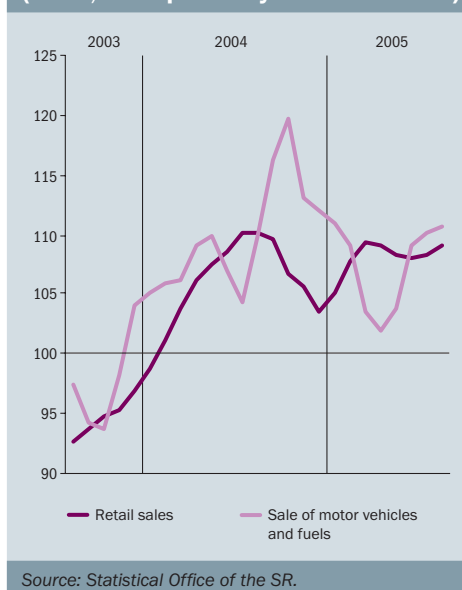


Chart 11 Development of Industrial Production in Selected Sectors (3-month moving averages) (index, same period a year earlier = 100)



Source: Statistical Office of the SR.

Chart 12 Receipts from Retail Sales and the Sale of Motor Vehicles and Fuels (3-month moving averages) (index, same period a year earlier = 100)



Source: Statistical Office of the SR.

Table 18 Production and Receipts

	Sk millions, curr. prices		Indices			
	Aug. 2005	Cumul. since beginning of year	July 2005 July 2004	Aug. 2005 Aug. 2004	Aug. 2004 Aug. 2003	Jan. - Aug. 2005 Jan. - Aug. 2004
Production						
Industrial production index ¹⁾	.	.	105.3	104.3	106.1	102.4
of which:						
Mining and quarrying	.	.	106.9	99.2	94.7	96.7
Manufacturing	.	.	106.0	104.5	106.4	103.7
Electricity, gas, and water supply	.	.	100.6	104.0	107.0	95.8
Construction ²⁾	11,362	72,532	117.4	115.2	103.4	117.1
of which:						
Construction in Slovakia	10,967	68,921	117.6	116.6	103.5	116.8
Construction abroad	395	3,611	113.1	86.4	100.4	122.4
Receipts from own-output and goods						
Industry in total ³⁾	121,266	1,000,844	104.9	99.6	106.6	102.3
Construction ²⁾	17,715	109,091	123.5	120.3	105.4	116.3
Retail trade ³⁾	32,946	244,963	107.5	111.7	108.1	108.8
Sale and maintenance of vehicles, retail sale of fuels ³⁾	14,253	104,536	106.8	108.2	126.6	106.6
Transport, storage ³⁾	10,472	73,878	114.6	116.9	110.3	111.6
Real estate, leasing, and business services ³⁾	12,376	96,268	100.5	106.9	95.1	105.5

Source: Statistical Office of the SR.

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).

products and fibres, a decline in the manufacture of transport vehicles (which grew in July), and a slowdown in the rate of growth in the production of metals and metal products, where output grew at a slower rate than in the previous month. On the other hand, the growth in output accelerated in comparison with July in timber processing and the manufacture of wood products; the production of pulp, paper, and paper goods; coke, refined oil products, and nuclear fuels; rubber and plastic goods; other non-metal mineral products; machines and equipment not elsewhere classified; electrical and optical equipment; and renewed growth was recorded in the production of foodstuffs, beverages, and tobacco products.



Continued dynamic growth in construction Production in the construction sector continued to grow dynamically in August, due to growth in new domestic construction, reconstruction, and modernisation projects, as well as in construction repair and maintenance work.

Accelerated growth in receipts from selected services In August, all sectors under review achieved faster growth in receipts than in the previous month. In retail trade, the accelerated growth took place in receipts from retail trade outside shops, while in the sale and maintenance of vehicles, it was a consequence of faster growth in receipts from the sale of fuels.

In real estate, leasing, and business services, the accelerated growth in receipts was a consequence of relatively dynamic growth in receipts from computer engineering and related activities and other business services, which form a substantial part of this sector.

Wages and Unemployment

Nominal wages In August, the year-on-year rate of growth in nominal wages accelerated in comparison with July, in most sectors. Slower wage growth was only recorded in real estate, leasing, and business activities, other services, and wholesale trade.

Over the first eight months of 2005, average nominal wages grew at a slower rate than in the same period a year earlier in most sectors. Faster growth than a year earlier was only recorded in real estate, leasing, business, and other services, while wage dynamics in wholesale trade were approximately at the level of last year.

Real wages The average real monthly wage in the first eight months of 2005 exceeded the level of the same period a year earlier in all sectors under review, with the wage dynamics increasing in most sectors. Slower real wage growth than a year earlier was only recorded in post and telecommunications. The most dynamic growth in real wages was recorded in real estate, leasing, and business activities, other services, and wholesale trade. The slowest wage growth was recorded in the sale and maintenance of vehicles, construction, transport and storage. The acceleration in the 12-month growth rate of real wages was primarily caused by a fall in inflation, since nominal wages showed weaker dynamics than a year earlier in most sectors.

Table 19 Wage Development by Sector (index, same period of the year earlier = 100)

	Average monthly nominal wage				Average monthly real wage			
	August		Jan. – Aug.		August		Jan. – Aug.	
	2004	2005	2004	2005	2004	2005	2004	2005
Industry	114.1	104.4	110.3	107.3	106.4	102.4	102.1	104.7
Construction	113.3	106.6	108.9	106.0	105.7	104.5	100.8	103.4
Retail trade	110.9	109.9	111.9	108.1	103.5	107.7	103.5	105.5
Wholesale trade	113.4	111.3	111.6	111.5	105.8	109.1	103.2	108.8
Real estate, leasing, and other business services	105.9	112.3	107.6	112.2	98.8	110.1	99.6	109.5
Transport	107.1	105.9	108.9	106.9	99.9	103.8	100.8	104.3
Post and telecommunications	106.4	115.1	118.4	107.8	99.3	112.8	109.5	105.2
Consumer prices	107.2	102.0	108.1	102.5	–	–	–	–

Source: Statistical Office of the SR.
Notes: The above sectors accounted for 66% of total employment in the first half 2005 (on average).
Real wage index = nominal wage index / consumer price index.

Labour productivity and wages In the first eight months of the year, the relationship between wages and labour productivity (based on receipts from own-output and goods) followed a different course of development in the individual sectors. In sectors, where productivity is monitored at current prices, labour productivity grew at a faster rate than nominal wages in post & telecommunications and transport, while nominal wages in wholesale trade grew almost twice as fast as labour productivity. We assume that the slower growth in labour productivity in wholesale trade was influenced by a steep rise in employment, accompanied by dynamic growth in receipts (over 19%).

In real terms, the only sector where labour productivity grew at a faster rate than real wages was construction. Real wages grew more rapidly than productivity in retail trade, and despite a fall in productivity, real wages in industry, and especially in real estate, leasing, and other business services showed relatively strong dynamics. The fall in productivity in these sectors was apparently due to slower growth in receipts than in employment.

	Industry	Construction	Wholesale trade	Retail trade	Real estate and leasing	Transport	Post and telecom.
Wages							
- nominal	107.3	106.0	111.5	108.1	112.2	106.9	107.8
- real	104.7	103.4	108.8	105.5	109.5	104.3	105.2
Labour productivity							
- nominal	-	-	104.3	-	-	114.0	114.1
- real	99.2	109.7	-	101.6	99.3	-	-
Productivity minus wages (% points)							
- nominal	-	-	-7.2	-	-	7.1	6.3
- real	-5.5	6.3	-	-3.9	-10.2	-	-
Number of employees							
- persons	572,835	140,165	120,227	135,282	135,570	86,608	27,923
- year-on-year index	103.1	106.7	114.3	107.1	107.2	97.9	94.9

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



Consumer Confidence Indicator

In September 2005, the consumer confidence indicator continued to fall, to -24.3 points. This represented a month-on-month deterioration of 9.8 points. Compared with August, decreases were recorded in all four components of the indicator (expected unemployment rate, expected economic development, expected financial situation of households, and expected household savings). Compared with the same period last year, the consumer confidence indicator has deteriorated by 6.4 points.

Fall in the consumer confidence indicator

In August, employment experienced a slowdown in year-on-year dynamics in most sectors under review (industry, construction, wholesale trade, sale and maintenance of vehicles). Employment in real estate, leasing, and other business services grew at the same rate as in the previous month, while retail trade, hotels and restaurants recorded faster growth in employment than last month. Employment continued to fall in post and telecommunications. Over the first eight months of 2005, employment grew most rapidly in average terms in wholesale trade; the sale and maintenance of vehicles; real estate, leasing, and other business services; retail trade; and in hotels and restaurants.

Employment

Unemployment continued to fall in August, when the number of unemployed dropped in comparison with July by almost 4,000, to 318,700 (according to data from the Office for Labour, Social and Family Matters). The number of disposable unemployed, who may start working immediately, accounted for 281,500, which was almost 3,700 less than in the previous month. The rate of registered unemployment fell in comparison with the previous month by 0.15 of a percentage point, to 10.88% in August. This was 2.36 percentage points less than in August 2004.

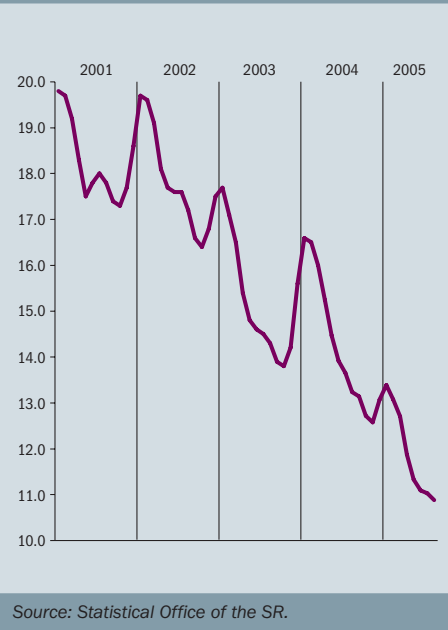
Unemployment



In the registers of labour offices, the number of job seekers decreased in comparison with July by almost 3,000, to 21,500. At the same time, more than 25,000 persons were removed from the registers in August (compared with over 27,000 in July). Approximately 19% of these persons were removed from the registers for unwillingness to co-operate, and more than 60% found employment.

In August, the average length of registration remained unchanged on a month-on-month basis (11.93 months), while decreasing in comparison with last August by 0.6 of a month. The proportion of long-term unemployed (out of work for more than 12 months) increased in comparison with July by 0.3 of a percentage point, to 54.2% in August.

Chart 14 Registered Unemployment Rate (%)





4. Monetary Developments

4.1. Foreign Exchange Market

Over the course of September, the exchange rate of the Slovak koruna against the euro weakened by 0.2% (from SKK 38.773/EUR to SKK 38.869/EUR), while the average rate appreciated by 0.6%. In relation to the US dollar, the koruna weakened by 1.5% (from SKK 31.740/USD to SKK 32.221/USD), while appreciating in average terms by 0.4%.

Operations on the foreign exchange market

Spot transactions between foreign and domestic banks resulted in a negative balance (USD -127.24 million), i.e. foreign banks sold mostly foreign currency and purchased Slovak koruna.

The National Bank of Slovakia conducted no foreign exchange interventions in September.

	Month-on-month change	Ø Sep. 2005 Ø Sep. 2004	Ø Jan. - Sep. 2005 Ø Jan. - Sep. 2004
SKK/EUR	0.2	-4.0	-4.0
SKK/USD	1.5	-4.5	-6.8

Source: NBS.
Note: - appreciation of the SKK, + depreciation of the SKK, Ø average.

The total volume traded on the interbank foreign exchange market reached USD 53,954.7 million, representing a decline of 6.6% compared with the figure for August (USD 57,759.3 million). Of the total volume of trading, 87.3% took place in swap transactions, which were conducted mostly in USD (93.7%). Spot transactions accounted for 12% of the total turnover (97.9% of the deals were in EUR). The average daily turnover on the spot market reached USD 322.68 million and the average volume per transaction amounted to USD 2 million.

Interbank foreign exchange market

The volume of transactions between domestic commercial banks decreased, from USD 7,944.4 million in August to USD 7,609.6 million in September. Most trading took place in USD (63.3%, compared with 64.4% in August), followed by EUR (36.2%, compared with 35.2% in August) and other currencies (0.5% of the total turnover between domestic banks).

Transactions between domestic banks accounted for 14.1% of the total volume traded on the interbank foreign exchange market (compared with 13.8% in the previous month). Of the total volume of transactions between domestic banks, swap operations accounted for 81.6% (82.6% in August) and spot transactions 18.3% (17.4% in August).

The volume of trading between domestic and foreign banks decreased by 7%, from USD 49,815 million to USD 46,345.1 million. Most trading was again conducted in USD (85.1%, compared with 88.7% in August), followed by EUR (14.1%, compared with 10.7% in August) and other currencies (0.8%). Trading between domestic and foreign banks still accounted for 85.9% of the country's foreign exchange market.

Trading between domestic and foreign banks also took place predominantly in the form of swap operations (88.3%, compared with 90.7% in August), while spot transactions accounted for 10.9% (8.9% in August). The share of forward dealings on the foreign exchange market was negligible. Option contracts accounted for 0.7% of the volume traded with foreign banks.

The declining trend in the koruna deposits of non-resident banks went into reverse in August, when their volume increased in comparison with the previous month by Sk 16.2 billion and year-on-year by Sk 58.1 billion.

Deposits of non-resident banks

Compared with August, government securities held by non-residents fell in volume by Sk 5.8 billion in September, when government bonds decreased by Sk 5.2 billion and SR Treasury bills by Sk 0.6 billion. The decrease in the volume of government bonds, mainly in 3-year bonds, Issue No. 200 (Sk 4.6 billion), and 10-year restructuring bonds, Issue No. 144 (Sk 2.7 billion), was partly offset by issues of 5 and 10-year government bonds, Nos. 201 and 202. After reaching a record level in the first half of the month (33.8%), the share of non-residents of total government bond holdings decreased to 30.6% (by the end of September). With regard to the current trend in the budget deficit, the Agency for Debt and Liquidity

Government securities held by non-residents



Management (ARDAL) cancelled all auctions in Treasury bills planned for June to October 2005, and therefore the share of non-residents of Treasury-bill holdings decreased further in September (to 1.0 - 0.5%).

	2004		2005					
	30.9.	31.12.	30.4.	31.5.	30.6.	31.7.	31.8.	30.9.
Koruna liabilities	35.8	46.4	104.8	99.0	82.3	86.1	101.2	.
of which: banks	31.6	42.1	100.0	93.6	76.7	79.8	96.0	.
non-bank clients	4.2	4.3	4.9	5.4	5.6	6.3	5.2	.
Government securities	62.8	66.8	90.9	86.3	93.0	102.0	109.3	103.5
of which: Government bonds	58.9	60.9	88.0	84.1	91.0	100.5	108.2	103.0
SR Treasury bills	3.9	6.0	2.9	2.2	2.0	1.4	1.1	0.5
Total	98.6	113.2	195.7	185.2	175.3	188.1	210.6	.

Source: NBS and CDPC SR.

4.2. Money Market and Monetary Policy Implementation

At its meeting on 30 September 2005, the Bank Board of the NBS decided to leave the key interest rates unchanged.

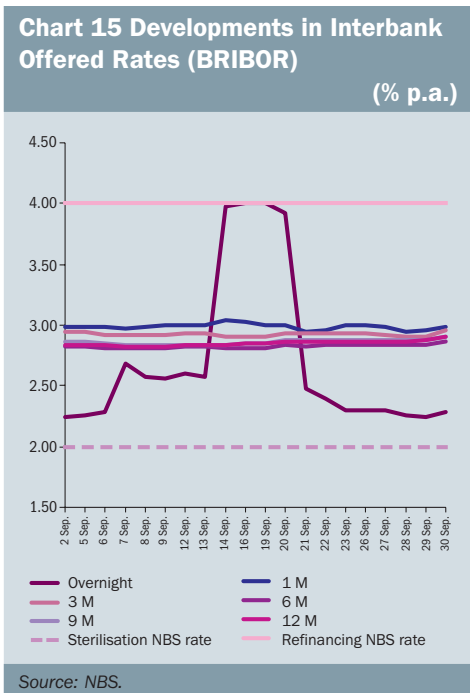
Interbank market rates Average money market rates rose in September, for maturities ranging from one day to nine months, while the twelve-month rate remained stagnant.

At the beginning of the reserve maintenance period, the shortest-term deposit rates were below the level of 2.3%, owing to a large surplus of daily liquidity in the banking sector. The fall in interbank liquidity subsequent to a growth in demand at the first repo tender, had no marked effect on the prices of short-term deposits, which can be ascribed to large banks, which created no marked demand for short-term instruments during the shortage. The subsequent strong demand at a tender in the middle of the month deepened the shortage and caused the overnight rate to rise to the level set for overnight refinancing transactions. The situation stabilised in the second half of the month, after a fall in demand at tenders. The sufficiency of liquidity provided a basis for a gradual fall in overnight rates, below the level of 2.3% at the end of the month.

Due to the placement of koruna deposits from funds obtained on the foreign exchange market (with a maturity of two to nine months), the price of such deposits fell somewhat at the beginning of September. Further changes in deposit rates occurred after a marked fall in daily liquidity in the middle of the month. Seven-day to one-month rates responded to the shortage with a rise, above the level of 3%.

The stable development was interrupted in the second half of September, at the time when the Slovak koruna weakened. The closing of koruna positions on the part of foreign banks encouraged the purchase of funds with a maturity of up to nine months. These activities caused the long end of the yield curve to shift to a higher level.

The volume of trading on the interbank money market reached Sk 1,501 billion in September (compared with Sk 1,523 billion in August). Reference banks accounted for 90.4% of the total turnover (a decrease of 1.3%). Of the total volume of purchases and sales on the interbank market, non-resident and resident bank transactions accounted for 65.6% and 34.4% respectively. In interbank transactions, domestic banks





achieved the largest share in deposit transactions (59.4%), while non-resident banks led the way in swaps (66.1%).

	Deposits	Repos	Swaps	FRAs	IRSs
August 2005	595	0	910	9	9
September 2005	628	4	848	15	6

Source: NBS.

The average daily volume of sterilised excess liquidity decreased in September by Sk 1.1 billion, to Sk 411.7 billion. The fall in interbank liquidity was due partly to an increase in the volume of currency in circulation. Of the total volume of open market transactions, repo tenders accounted for 73.3%, NBS bills 25.5%, overnight repo operations 0.1%, and overnight deposits 1.1%.

Liquidity

At the end of September, the sterilisation position of the NBS vis-à-vis the banking sector reached Sk 421.1 billion. The overall sterilisation position of the NBS (including the deposits of the SR Treasury and the FNM at the NBS) amounted to Sk 422.4 billion at the end of the month.

	O/N repos	O/N deposits	NBS bills	Repo tenders
August 2005	470	-805	-105,000	-307,404
September 2005	517	-4,675	-105,000	-302,511

Source: NBS.
Note: + inflow of liquidity, - outflow of liquidity.

The NBS announced four sterilisation repo tenders for September. At these tenders, the bids of banks were accepted in full. At the first two tenders, banks increased their bids by Sk 39.6 billion, compared with the due amount. To eliminate the resulting shortage of liquidity, banks reduced their bids at the third tender by Sk 28.6 billion. Thus, they could again increase their bids at the end of the month, by Sk 16.5 billion. The share of repo tenders of the total volume of transactions decreased by 1.0%.

Repo tenders

Date	Type of tender ¹⁾	Maturity (days)	Volume accepted (Sk millions)	Rates (%)		
				minimum	average	maximum
7.9.2005	SRT	14	195,127	2.98	3.00	3.00
14.9.2005	SRT	14	125,140	2.98	3.00	3.00
21.9.2005	SRT	14	166,517	2.98	3.00	3.00
28.9.2005	SRT	14	141,629	2.98	3.00	3.00

Source: NBS.
1) SRT – Sterilisation repo tender.

The NBS announced one NBS-bill auction for September. Demand among banks was again low, at the level of Sk 36.3 billion. The difference between the minimum and maximum yields accepted was 5 basis points. The average yield accepted at the auction was 2.99%, which was 8 basis points above the level of the three-month rate fixed on auction day. The share of NBS bills of the total volume of sterilisation increased by 0.06%.

NBS treasury bills

In September, banks used both types of overnight transactions. They regularly deposited their liquidity surpluses at the beginning of the month, until the first repo tender. The shift to a shortage of daily liquidity in the banking sector brought the placement of funds to a halt. Overnight transactions were renewed after the second tender, subsequent to a marked fall in the level of interbank liquidity. Banks tackled this situation by replenishing their deposits at the NBS, up to the amount of Sk 5.5 billion. The sector's shift to a surplus of liquidity at the end of the month, led to the renewal of deposits with the NBS. Over the last week, banks deposited funds in record amounts (a total of Sk 26.1 billion).

Overnight transactions



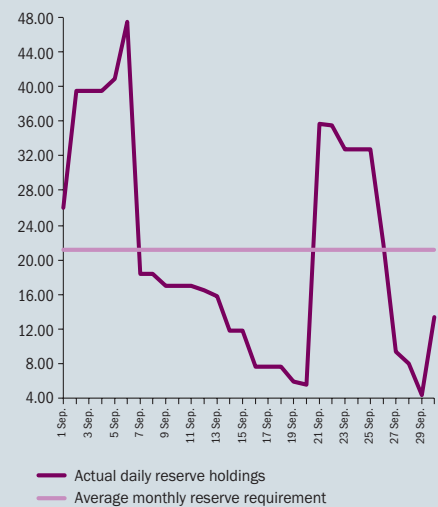
Reserve requirements For September 2005, the amount of required minimum reserves in the banking sector was set at Sk 21.15 billion. By the end of the month, the reserve requirement had been fulfilled to 100.43%.

Developments in Money Market Interest Rate Derivatives

Trading in FRAs The volume traded in forward rate agreements (FRAs) recorded an increase in September. As a result of increased activity among foreign banks, the proportion of transactions with non-residents increased (to 60%). Despite an increase in the volume of contracts, trading was not regular and took place during four days only. Trading was dominated by purchases of three-month contracts, but six-month contracts were traded as well. The upward shift in FRA prices at the end of the month correlated with the rise in deposit rates after the NBS Board had issued a communiqué, anticipating that the target inflation for 2005 may be exceeded.

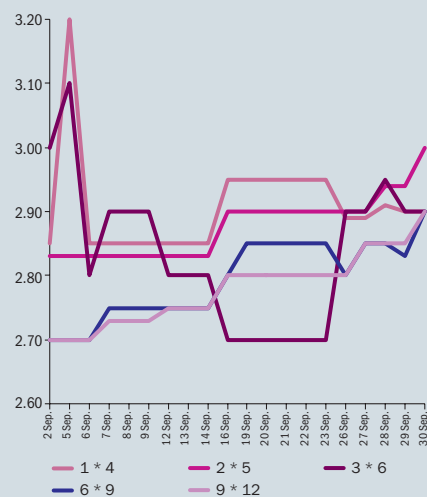
Trading in IRSs Interest rate swaps (IRSs) recorded a decrease in the volume of transactions. Trading was sporadic over the course of the month and most transactions were concluded at the end of the period. At the beginning of September, a contract was concluded with a maturity of twelve years. This was followed by transactions with one to five-year maturities. The rise in IRS prices at the end of the month was connected with the increased demand for IRSs. Most contracts were again concluded by foreign banks (62.7%).

Chart 16 Fulfilment of Reserve Requirements by Banking Sector in September 2005 (Sk billions)



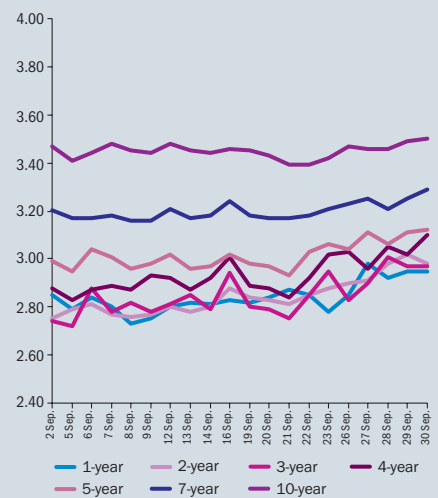
Source: NBS.

Chart 17 Daily Developments in FRA Prices (% p.a.)



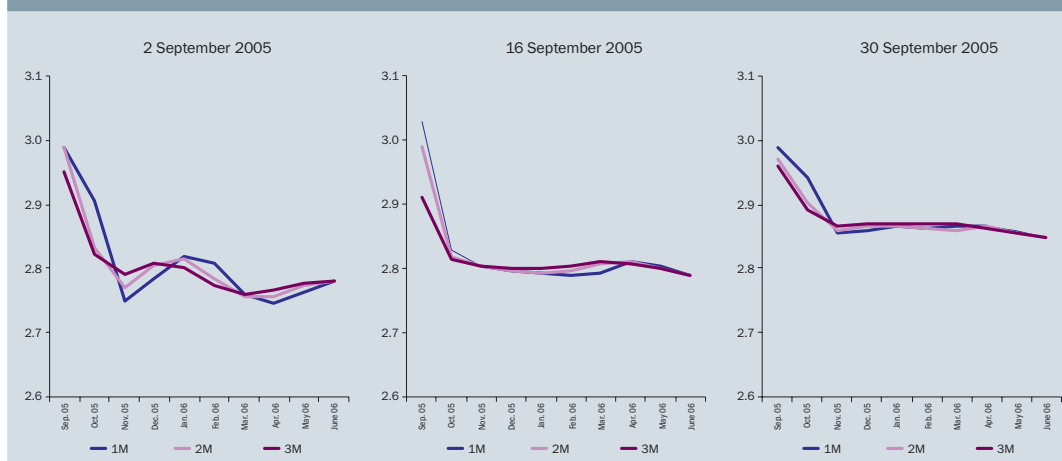
Source: Reuters.

Chart 18 Daily Developments in IRS Prices (% p.a.)



Source: Reuters.

Implied yield curves of BRIBOR rates Implied expectations in respect of future developments in money market rates changed to only a minimum extent during the month. The maximum values were below the level of 25 basis points, for the period of the next nine months. Trading in FRAs and IRSs towards the end of the month caused a rise in their prices and affected the prices of longer-term deposits as well. The upward shift in the money market yield curve at the end of September caused a change in the implied expectations, the maximum value of which fell below the level of 15 basis points for the next nine months.

Chart 19 Implicated Yield Curves of BRIBOR Rates


Source: NBS.

4.3. Customer Interest Rates in August 2005

Customer interest rates for new transactions were at a standstill in August.

Customer interest rates

The average interest rate on new loans to non-financial corporations remained virtually unchanged in August. The fall in interest rates on loans with an initial rate fixation (IRF) of over 1 and up to 5 years was offset by a rise in interest rates on loans with an IRF of over 10 years.

**Average interest rates
on new loans**

On a year-on-year basis, interest rates on loans to non-financial corporations dropped by 1.31 percentage points, with decreases being recorded in rates for all fixation periods (except for IRF for over 5 and up to 10 years), especially on loans with a floating rate and an IRF of up to 1 year.

Table 26 Average Interest Rates on New Loans to Non-Financial Corporations

	Interest rate in %				Change in % points		
	Aug. 2004	Dec. 2004	July 2005	Aug. 2005	Year-on-year	against Dec. 2004	Month-on-month
Floating rate + IRF ¹⁾ of up to 1 year inclusive	6.27	5.38	4.82	4.91	-1.36	-0.47	0.09
IRF of over 1 and up to 5 years inclusive	5.90	5.74	6.44	5.15	-0.75	-0.59	-1.30
IRF of over 5 and up to 10 years inclusive	4.90	5.20	5.35	5.39	0.49	0.20	0.04
IRF of over 10 years	6.21	6.07	4.78	5.76	-0.45	-0.31	0.99
Loans of up to EUR 1 million	5.40	5.35	4.43	4.96	-0.44	-0.40	0.52
Loans of over EUR 1 million	5.16	4.19	4.11	4.35	-0.81	0.15	0.24
Total	6.25	5.38	4.88	4.94	-1.31	-0.44	0.06
Total, excluding current account overdrafts	5.24	4.52	4.22	4.59	-0.65	0.07	0.37

Source: NBS.

1) Initial rate fixation.

Average interest rates on new loans to households were stagnant in August. A slight fall was recorded in rates for consumer loans and housing loans. On the other hand, interest rates on current account overdrafts and other loans rose somewhat during the month.

The long-term downward trend in interest rates on consumer loans continued in August, when the average price of these loans dropped by 0.31 of a percentage point, to 10.25%.

In a breakdown by fixation, the most significant fall occurred in rates for loans with an IRF of over 1 and up to 5 years (0.81 of a percentage point), especially for consumer loans and loans for real estate purchases.



On a year-on-year basis, interest rates on loans to households dropped by 0.51 of a percentage point, mainly as a result of reductions in the prices of real estate loans and consumer loans. Within the scope of real estate loans, the sharpest drop occurred in rates for mortgage loans (2.61 points).

Table 27 Average Interest Rates on New Loans to Households

	Interest rate in %				Change in % points		
	Aug. 2004	Dec. 2004	July 2005	Aug. 2005	Year-on-year	Against Dec. 2004	Month-on-month
Current account overdrafts	10.50	10.32	10.92	10.94	0.45	0.63	0.02
Consumer loans	13.89	13.60	10.56	10.25	-3.64	-3.35	-0.31
Real estate loans	7.59	7.06	5.89	5.83	-1.76	-1.23	-0.06
of which: mortgage loans	7.44	6.76	4.88	4.83	-2.61	-1.94	-0.05
Other loans	8.16	10.73	8.25	8.32	0.16	-2.40	0.07
Total	9.95	10.21	9.48	9.44	-0.51	-0.77	-0.04
Total, excl. current account overdrafts	9.12	10.04	7.27	7.23	-1.89	-2.81	-0.04

Source: NBS.

Chart 20 Interest Rates on Loans to Households by Type (%)

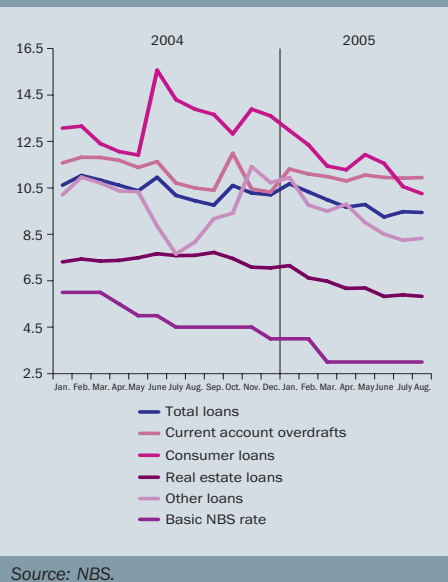
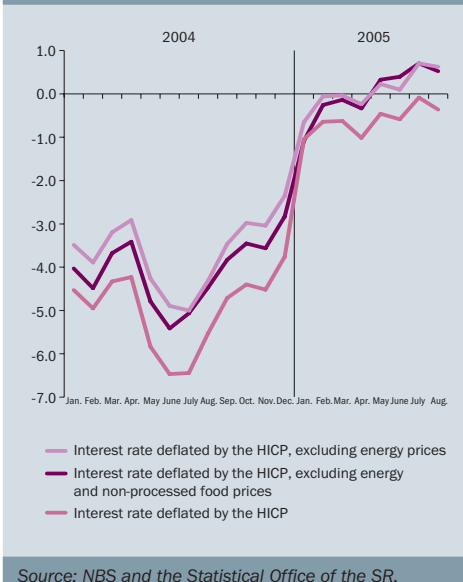


Chart 21 Real Interest Rates on Household Deposits (%)



Average interest rates on new deposits

The average interest rate on new deposits remained virtually unchanged in August. Interest rates on deposits from non-financial corporations with an agreed maturity of over 2 years was offset by a rise in interest rates on short-term deposits (up to 1 year).

Table 28 Average Interest Rates on New Deposits from Non-Financial Corporations

	Interest rate in %				Change in % points		
	Aug. 2004	Dec. 2004	July 2005	Aug. 2005	Year-on-year	Against Dec. 2004	Month-on-month
Deposits repayable on demand	1.63	0.89	0.69	0.71	-0.92	-0.18	0.02
Deposits with an agreed maturity							
of up to 1 year	4.19	3.29	2.43	2.53	-1.66	-0.76	0.10
of over 2 years	2.35	2.92	1.82	1.71	-0.64	-1.21	-0.11
Savings deposits redeemable at a period of notice							
of up to 3 months	2.60	2.20	1.27	1.26	-1.34	-0.93	-0.01
of over 3 months	2.34	2.38	1.12	1.12	-1.22	-1.26	0.00
Total	2.85	1.88	1.42	1.49	-1.35	-0.39	0.07

Source: NBS.

**Table 29 Average Interest Rates on New Deposits from Households**

	Interest rate in %				Change in % points		
	Aug. 2004	Dec. 2004	July 2005	Aug. 2005	Year-on- year	Against Dec. 2004	Month-on- month
Deposits repayable on demand	0.66	0.58	0.42	0.43	-0.23	-0.16	0.01
Deposits with an agreed maturity							
of up to 1 year	2.62	2.32	1.95	2.00	-0.62	-0.32	0.05
of over 2 years	2.79	2.66	2.14	2.14	-0.65	-0.52	0.00
Savings deposits redeemable at a period of notice							
of up to 3 months	1.95	1.79	0.92	0.93	-1.03	-0.86	0.01
of over 3 months	1.06	1.16	0.96	0.99	-0.08	-0.18	0.03
Total	1.02	0.94	0.65	0.66	-0.36	-0.28	0.01

Source: NBS.

The real interest rate on household deposits, calculated by deflating the rate of interest on the outstanding volume of one-year household deposits by HICP inflation, reached a negative figure in August (-0.36%), which represented a fall of 0.27 of a percentage point in comparison with the previous month. Real interest rate developments were mostly influenced by a fall in rates for one-year household deposits.

Real interest rates

**ANNEXES****1. Capital Market****1.1. Primary Market**

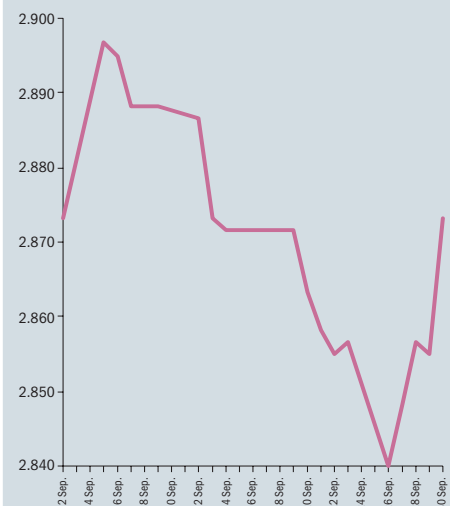
Government bonds Two government-bond auctions were held in September, with 10 and 5-year maturities. Total demand amounted to Sk 17.6 billion, 25.7% of which was accepted.

At the first auction in September, a ten-year government bond issue (No. 202) was re-opened for the ninth time, with a fixed coupon of 4.90% p.a. Of the total demand (Sk 6.0 billion), the issuer accepted bids from investors in the amount of Sk 1.4 billion, via the Agency for Debt and Liquidity Management (ARDAL). The total amount issued was Sk 21.1 billion (52,75% of the planned issue-amount). The share of non-residents of the primary market for government bonds reached 48.2%. To sell the entire issue-amount, further bonds are to be issued, in the amount of Sk 18.9 billion. The accepted bids of investors ranged from 3.13% to 3.19% p.a., while the average yield stood at 3.19% p.a.

At the second auction, a five-year government bond issue was re-opened (Issue No. 203) for the ninth time, with a fixed coupon of 4.80% p.a. On the primary market, bonds were sold in the amount of Sk 3.1 billion, representing 26.72% of the total demand (Sk 11.6 billion). In the September issue, the planned issue-amount was placed on the market in full (Sk 40.0 billion). On the primary market for government bonds, no bids were accepted from non-residents. The average yield was 2.62%, the minimum stood at 2.51% and the maximum at 2.64% p.a.

Yield payment and bond repayment In September, yields were paid on 4 issues in the total amount of Sk 0.62 billion, which was 15.07% less than in the same period a year earlier. No issue was repaid during that period. Compared with last year, yield payments to foreign and domestic investors remained virtually unchanged. Bond creditors received 3.23% of the yields paid this month, somewhat more than a year earlier (2.73% in 2004).

Chart 22 Benchmark Government Bond No. 203 (%)



Source: NBS.

Note: With an original maturity of 10 years and residual maturity of 3.52 years.

Table 30 Yield Payments on Government Bonds

	Foreign investors		Domestic investors	
	Yields paid (in billions of Sk)	Share of the paid yields (in %)	Yields paid (in billions of Sk)	Share of the paid yields (in %)
September 2004	0.02	2.73	0.71	97.26
September 2005	0.02	3.23	0.60	96.77

Source: NBS.

Non-government bonds One issue of publicly negotiable non-government bonds was reported to the NBS in September, in the amount of Sk 2.0 billion. They were mortgage bonds issued by Všeobecná úverová banka (VÚB).

1.2. Secondary Market

The Bratislava Stock Exchange (BCPB) was open for 20 days in September. During that period, Sk 134.6 billion was traded in 723 transactions. On a month-on-month basis, the number of transactions in securities dropped by 24.6%; Sk 133.8 billion was traded in direct transactions (255 contracts) and Sk 0.8 billion in price-setting transactions (468 contracts).

Non-resident investors accounted for 47.92% of the total volume traded in September, of which 45.21% were composed of purchases and 50.63% of sales.



Bonds were traded in September in the amount of Sk 134.4 billion (in 172 transactions), accounting for 99.85% of the total volume of bond transactions. There were 15 price-setting transactions totalling Sk 0.8 billion and 157 direct transactions in the amount of Sk 133.6 billion.

Bonds

The market capitalisation of bonds amounted to Sk 406.0 billion (a month-on-month increase of 1.29%) on the last trading day of the month. The capitalisation of quoted bonds increased by 1.35% from the end of August, to Sk 384.1 billion.

The component of the SDX (Slovak Bond Index) for corporate and bank bonds closed the month at 270.75% of the nominal value (a monthly increase of 0.59%), with an average yield of 3.12% to maturity and a duration of 1.6 years. The component of SDX for government bonds rose by 0.38%, to 256.42% of the nominal value, corresponding to a yield of 2.88% and a duration of 4.3 years.

SDX index

In connection with the adoption of the SDXGroup indices (2 September 2004), the BCPB stopped publishing the SDX index. In the future, the original SDX index will be fully replaced by the SDXGroup indices as indicators of developments on the Slovak bond market. The last day on which the SDX index was published was 30 September 2005. Nevertheless, the values of the SDX index will be used by the BCPB until the end of 2005 and will be available on the www.bsse.sk website, and/or provided at request.

The SDXG index for the public sector, represented by government bonds, closed the month at 110.583 (price component) and 118.95 (development component), with a yield of 3.06% to maturity and a duration of 4.5 years. The value of the short-term SDXG(≤ 5) sub-index reached 107.03 (for price) and 113.92 (for development) at the end of the month, with a yield of 2.72% to maturity and a duration of 2.5 years. The long-term SDXG(> 5) sub-index closed the month at 114.46 (for price) and 124.44 (for development), with a yield of 3.24% to maturity and a duration of 7.4 years.

SDXGroup indices

The SDXG for the private sector, represented by corporate and mortgage bonds, closed the month at 103.38 (price component) and 114.73 (development component), with a yield of 3.46% to maturity and a duration of 2.9 years. The value of the short-term SDXG(≤ 5) sub-index reached 101.96 (for price) and 113.72 (for development), with a yield of 3.07% to maturity and a duration of 1.8 years. The long-term SDXG(> 5) sub-index closed the month at 109.20 (for price) and 117.20 (for development), with a yield of 3.83% to maturity and a duration of 6.3 years.

There were 551 transactions in equity securities totalling Sk 204.9 billion in September. Price-setting transactions accounted for 14.6% of the total volume traded in shares, in absolute terms Sk 30.0 million (in 453 contracts). Direct transactions in shares were concluded in the amount of Sk 174.9 million (98 contracts). There were 172 bond transactions totalling Sk 134.4 billion in September. There were 15 price-setting transactions totalling Sk 0.8 billion and 157 direct transactions in the amount of Sk 133.6 billion.

Shares

The SAX index closed the month at 459.74 points, representing a month-on-month drop of 2.8%. The index reached a monthly maximum on 2 September (480.45 points) and a monthly minimum on 28 September (458.39 points).

SAX index



2. Monetary Developments in the Euro Area

At its September meeting (01/09/05), the Governing Council of the European Central Bank (ECB) decided to leave its key interest rates unchanged. The rate for refinancing operations remained at 2.00%, the rate for one-day loans at 3.00%, and that for overnight deposits at 1.00%.

2.1. Exchange Rate Developments

At the beginning of September, the exchange rate of the single European currency against the US dollar hovered around the level of USD 1.25/EUR.

At the beginning of the month, the exchange rate of the euro against the US dollar was affected, to the detriment of the dollar, by hurricane Katrina and its expected impacts on the US economy. Later in September, the dollar stopped depreciating in relation to the euro and the euro subsequently weakened somewhat as a result of favourable news on macroeconomic developments in the US economy (the fall in unemployment, smaller than expected trade deficit, inflow of foreign capital, including an increase in the share of private capital) and information about the outcome of the general elections in Germany (the largest economy in the euro area). At the end of the month, the exchange rate hovered around the level of USD 1.20/EUR.

During September, the euro depreciated in relation to the US dollar by 2.79% on a month-on-month basis. Since the first trading day of the year, the European currency has depreciated vis-à-vis the dollar by 10.85%.

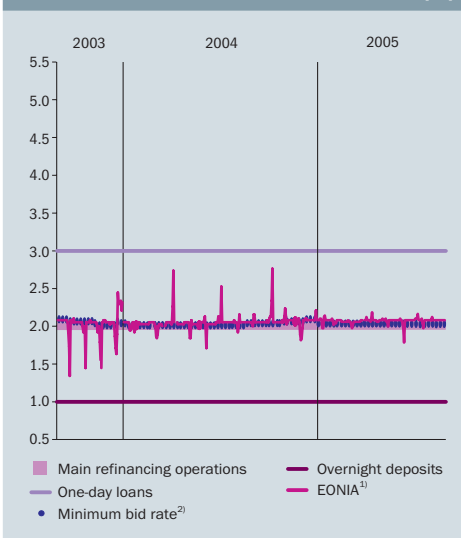
2.2. Real Economy

According to the second Eurostat estimate, the euro area economy grew over the second quarter of 2005 by 0.3% compared with the previous quarter, while expanding in comparison with the same quarter of 2004 by 1.1%. Final household consumption increased in the second quarter of 2005 by 0.1% (in the first quarter by 2005 by 0.1%) and investment grew by 0.5% (after declining in the previous quarter by 0.2%). Exports grew by 1.8% (after falling in the first quarter of 2005 by 0.5%) and imports by 2.3% (after declining in the previous quarter by 1.4%). Over the first quarter of 2005, euro area GDP increased by 0.4%.

The 12-month inflation rate in the euro area, expressed in terms of the Harmonised Index of Consumer Prices (HICP), remained unchanged in August, at the level of the previous month (2.2%). The strongest year-on-year dynamics were recorded in consumer prices in Luxembourg (4.3%), Greece (3.6%), and Spain (3.3%). The steepest year-on-year increases took place in prices for dwelling (5.1%), transport (4.8%), and alcohol and tobacco products (4.3%). Price levels fell in telecommunications services (by 2.1%), the clothing industry (by 0.8%), and recreation and culture (by 0.1%). In the same period a year earlier, consumer prices in the euro area rose by 2.3%. Eurostat foresees a year-on-year inflation rate of 2.5% in September.

During August, industrial producer prices increased year-on-year by 4.0% and month-on-month by 0.4%.

Chart 23 Key ECB Interest Rates and the EONIA (%)



Source: ECB

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).

Chart 24 Exchange Rates: SKK/EUR and USD/EUR



Source: NBS and ECB.



Retail sales grew on a year-on-year basis by 2.0% in August and in comparison with the previous month by 0.9%.

The rate of unemployment (seasonally adjusted) rose in comparison with the previous month, to 8.6% in August, from 8.5% in July. The lowest unemployment rates were achieved in Ireland (4.3%), the Netherlands (4.7%), and Austria (5.2%). The highest unemployment rates within the euro area were recorded in Greece (9.9% in March 2005), France and Germany (9.6% in both countries). In relative terms, the most significant increases in the year-on-year unemployment rates occurred in Luxembourg (from 4.9% to 5.5%) and Austria (from 4.9% to 5.2%). 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 7.2 billion in July 2005, compared with EUR 12.9 billion in the same period a year earlier. Compared with the previous month, euro area exports (seasonally adjusted) grew in July by 0.9% and imports increased by 4.0%.



3. Methodological Notes to Selected Indicators

3.1. Monetary Statistics

3.1.1. Statistics of Monetary Aggregates (ECB Methodology)

The methodology of the ECB is implemented on the basis of data from harmonised statements of monetary and banking statistics, which were introduced by the NBS in 2003. According to the ECB methodology, monetary aggregates were calculated in 2003 and 2004 on the basis of a harmonised balance from the 'M (NBS) 1-12 – Statistical Balance' monthly statement, from which the NBS compiles a consolidated balance for the 'monetary financial institutions' (MFI) sector. In 2003, as in the national methodology, the MFI sector was composed of the National Bank of Slovakia, commercial banks with a registered office in the SR, home savings banks (building societies), and the local branches of foreign banks. With effect from January 2004, in accordance with the ECB methodology, the MFI sector has been extended to include money market investment funds, which are now required to report to the NBS on a monthly basis (the list of all MFIs monitored by the NBS is regularly updated on the web site of the National Bank of Slovakia)³.

From the monthly statistical balances of resident MFIs, an aggregate balance is compiled, as a summary of statistical balances of MFIs for assets and liabilities in all currencies. Then, a consolidated balance is compiled from the aggregate balance of MFIs, through the compensation (netting) of positions between the MFIs, as a basis for the calculation of monetary aggregates and the M3 counterparts. During consolidation, the mutual relations of MFIs are excluded from the aggregate balance as follows:

- liabilities arising from issued debt securities are reduced by debt securities issued by MFIs in the holdings of MFIs;
- deposits and loans received from MFIs are reduced by receivables from MFIs;
- liabilities arising from equity securities issued are reduced by MFI shares and other equities in MFI holdings.

Table 31 Calculation of Monetary Aggregates

Methodology of the NBS	Methodology of the ECB
	<i>(the items are included in the individual sub-aggregates in both Slovak koruna and foreign currency)</i>
Currency outside banks (M0)	Currency outside banks (M0)
+	+
Demand deposits (in SKK)	Daily (overnight) deposits and loans received
= Money (M1 – 'narrow money')	= M1 ('narrow money')
Time deposits (all maturities, in SKK)	+ Deposits and loans received, with an agreed maturity of up to 2 years
+	+ Deposits and loans received, at a period of notice of up to 3 months
Deposits in foreign currency	= M2 ('intermediate money')
= Quasi-money (QM)	+ repo operations
	+ shares and participation certificates of money market investment funds
	+ debt securities issued, with a maturity of up to 2 years, and other money market products
M2 money supply (M1 + QM)	M3 monetary aggregate ('broad money')

The main differences between the individual methodologies are as follows:

- **definitions of monetary financial institutions:**
 - the ECB methodology uses an extended file of monetary financial institutions (MFIs), which includes the NBS, commercial banks, and money market investment funds – the deposits of

³ The actual list of monetary financial institutions (MFIs) and detailed methodological information on harmonised monetary and banking statistics are available on the web site of the National Bank of Slovakia (<http://www.nbs.sk>) in the section 'Harmonised Monetary and Banking Statistics' in the menu 'Banking Sector in the SR'.

- money market investment funds (MMIFs) in commercial banks are treated in this sense as interbank operations and are not directly included in the monetary aggregates;
- the NBS methodology includes only NBS and commercial bank liabilities in the monetary aggregates – hence the deposits of money market investment funds (MMIFs) in commercial banks appear in the balances of commercial banks as customer deposits in financial institutions and are directly included in the M2 money supply;
- **the nature and liquidity of the resources:**
 - the ECB methodology monitors liquidity through the broader M3 aggregate, which also includes repo operations, the unit certificates of open-end money market investment funds, and debt securities, which represent, in terms of liquidity and profitability, a substitute for bank deposits. As for maturity, the liabilities of the ECB with a maturity of more than 2 years are not included in the monetary aggregates;
 - the NBS methodology monitors the money supply measured in terms of the M2 aggregate, which is composed of currency in circulation and bank deposits irrespective of the time of maturity;
 - **definitions of deposits and loans:**
 - the ECB methodology extends the definition of deposits to include subordinated debt in the form of deposits, liabilities arising from repo operations, and non-negotiable securities issued by banks and held by clients (in the case of loans, they include non-negotiable securities issued by clients and held by banks, subordinated debt in the form of loans, claims related to repo operations, and tradable loans);
 - the NBS methodology uses a so-called narrow definition for loans and deposits, i.e. they only correspond to the amount of funds recorded by MFIs as loans (including classified loans) and deposits;
 - **in the composition of monetary aggregates:**
 - the ECB methodology (with the deposits of MMIFs being deducted from customer deposits) covers the above-mentioned sectors and the deposits of local governments (S.1313) and social insurance funds (S.1314)⁴;
 - the NBS methodology includes deposits in the M2 money supply from the following economic sectors:
 - *non-financial corporations (S.11);*
 - *financial corporations (S.123 and S.124) – including MMIF deposits;*
 - *insurance companies and pension funds (S.125);*
 - *non-profit institutions mainly serving households (S.15);*
 - *households (S.14 - sole traders);*
 - *households (S.14 - accounts of citizens).*
 - **in respect of the residence of economic entities:**
 - the ECB methodology exclusively takes into account the funds of residents (in Slovak koruna as well as foreign currency);
 - the NBS methodology also monitors the koruna deposits of non-residents in the monetary aggregates;
 - **in respect of accrued assets and liabilities:**
 - in the ECB methodology, accrued assets and liabilities are excluded from the monetary aggregates;
 - in the NBS methodology, accrued assets and liabilities are included in the deposit and loan accounts of clients;
 - **in respect of the seasonal adjustment of time series:**
 - unlike the ECB methodology, the NBS methodology uses seasonally unadjusted data⁵.

3.1.2. Statistics of Monetary Aggregates (NBS methodology – Monetary Survey)

In 2005, the reporting of loans to enterprises and households was affected by a methodological change, which resulted from the decision of the International Center for the Settlement of Investment Disputes (ICSID) in Washington, settling the long-lasting trade dispute between ČSOB and the Slovak Republic

⁴ In the methodology of the NBS, the M2 money supply excludes public sector deposits, which are monitored separately as part of net credit to the general government.

⁵ In the conditions of the NBS, the recording of seasonally adjusted data according to the methodology of the ECB is currently in the stage of preparation.



(with regard to the fact that the claim of ČSOB on Slovenská inkasná, s.r.o., was originally classified in the Monetary Survey as a loan to enterprises). Since Slovenská inkasná, s.r.o. was placed under bankruptcy proceedings on 6 May 1998 and its liabilities were removed from the statistical records of the NBS with effect from April 1998, the statistically recorded volume of loans to enterprises in the Monetary Survey was increased by the last known amount of ČSOB's receivable from Slovenská inkasná, s.r.o. in order to maintain the continuity of the time series concerned. As this receivable (including interest) has become a liability for the SR Government under the ruling of the international tribunal, it is presently monitored in the Monetary Survey separately, as part of net credit to the general government, without a need for further methodological adjustments to the statistically recorded volume of loans to enterprises and households (with effect from 1 January 2005).

In order to maintain the consistency of time series, loans to enterprises recorded in the Monetary Survey were revised in 2004 so that only the statistically registered volume of loans is recorded, as in 2005 (excluding the receivable of ČSOB from Slovenská inkasná).

3.1.3. Statistics of Customer Interest Rates on New Contracts (ECB Methodology)

From the beginning of 2005, customer interest rates are evaluated according to ECB methodology, where interest rates are monitored on loans provided⁶ and deposits received (new contracts). According to this methodology, the subjects of monitoring are interest rates on new deals (new business). New loans and new deposits are understood to be contracts signed for the first time, fixing the rate of interest agreed between the bank and the customer, and new contracts negotiated with the active participation of the customer.

In a breakdown by sector, lending and deposit rates for households and non-financial corporations will be analysed separately, in the way these sectors are defined in Directive No. 63/2002⁷ of the European Central Bank, concerning interest rate statistics.

The analysis of interest rates on loans to and deposits from households and non-financial corporations is expected to provide more detailed information on the functioning of the transmission mechanism, since interest rates are analysed irrespective of the sectors that have a special position vis-à-vis the banking sector, i.e. insurance companies, pension funds, and the general government.

The methodology of the ECB makes it possible to monitor interest rates in a breakdown by initial rate fixation (IRF) and, in the case of non-financial corporations, according to the volume of loans as well. Initial rate fixation is the period for which an agreed interest rate is fixed. On the basis of IRF, loans are divided into loans with a floating rate and IRF for a period of up to 1 year inclusive, loans with IRF for a period of over 1 year and up to 5 years inclusive, and loans with IRF for a period of over 5 years and up to 10 years inclusive, and loans with IRF for a period of over 10 years. According to volume, loans to non-financial corporations are divided into loans amounting to up to EUR 1 million and loans amounting to over EUR 1 million.

Loans to households are classified by purpose as follows:

- current account overdrafts
- operation loans (only for sole traders)
- investment loans
- consumer loans
- real estate loans
 - mortgage loans
 - building loans
 - intermediate loans
 - other real estate loans
- other loans.

⁶ The term 'loan provided' is an equivalent of the term 'new loan'.

⁷ According to Article 1 paragraph 2 of Decree No. 63/2002 of the European Central Bank of 20 December 2001, concerning the statistics of interest rates of monetary financial institutions on loans to and deposits from households and non-financial corporations, the term 'households' in the definitions in Annex A to Directive No. 2223/96 of the European Communities of 25 June 1996 on the European System of National and Regional Accounts (ESA95) means the household sector S.14 (i.e. the population and sole traders) and non-profit institutions serving households S.15, and the term 'non-financial corporations' means sector S.11.



Loans to non-financial corporations are classified by purpose as follows:

- current account overdrafts
- investment loans
- operation loans
- real estate loans
 - mortgage loans
 - building loans
 - intermediate loans
 - other real estate loans
- other loans.

Classification of deposits (for both households and non-financial corporations):

- deposits payable on demand
 - demand deposits
 - overnight deposits
- deposits with agreed maturity
 - up to 1 year
 - up to 7 days
 - up to 1 month
 - up to 3 months
 - up to 6 months
 - up to 1 year
 - more than 1 year
 - up to 2 years
 - over 2 years
- savings deposits
 - redeemable at a period of notice of up to 3 months
 - redeemable at a period of notice of over 3 months.

Interest rates on loans and deposits are calculated as a weighted arithmetical average of all interest rates on loans/deposits for each category separately. The weight of new loans represents the total amount laid down in contracts, regardless of whether the given amount is drawn within the month under review or not.

Subsidies granted to clients by third parties are not taken into account in determining the rate of interest, because subsidies are neither paid nor received by banks. For example, interest rates on mortgage loans with a government bonus were recorded last year without the government bonus.

With effect from this year, the NBS will also monitor interest rates on new loans and new deposits in euros; they will begin to be analysed when a sufficiently long time span is available for the NBS (at least 12 months).

3.2. Balance of Payments

Two methodological changes were introduced in 2005 in respect of the balance of payments.

One of them is a change in the methodology of calculating the compensation of employees, consisting in a shift from data on the net incomes of people working abroad to their gross incomes (employee compensation comprises, unlike in previous years, the incomes of persons working abroad, including taxes and social contributions paid in the host country). Since taxes and social contributions paid in the host country, by which the received compensation of employees is increased, are included in paid current transfers in the same amount as a counterpart, the said change will have no impact on the overall balance of the current account.

The second change against the methodology of previous years is the reporting of reinvested earnings as part of in the income balance. The Balance of Payments Department decided to extend the balance of payments to include reinvested earnings from foreign direct investment with effect from 2005, in accordance with the international standards. Before 2005, reinvested earnings were not included in the balance of payments on current account. Reinvested earnings were only recorded in the financial account as part of foreign direct investment, on the basis of data reported from the corporate sector in the DEV 1-12 monthly report (annual data from this report contained figures at the level of several millions and/or tens of millions of Slovak koruna). The 2005 estimate of reinvested earnings (ca Sk 30.0 billion) is based on data processed from the new annual report on foreign direct investments in



2003, in which reinvested earnings are recorded according to the international accounting standards. With regard to the fact that the inflow of foreign capital into Slovakia via direct investment exceeds its outflow several times, the use of data from this report will mean an increase in the current account deficit. Reinvested earnings will enter the balance via the capital and financial account, as part of 'foreign direct investment', and will cause no increase in the external imbalance of the SR.



4. Tables

Selected Indicators of Economic and Monetary Development in the SR

	Unit	2004				2005								
		9	10	11	12 ^(p)	1	2	3	4	5	6	7	8	9
REAL ECONOMY														
Gross domestic product ^{1) 2)}	SKK billions	615.2 ^(p)	-	-	826.5 ^(p)	-	-	200.65 ^(p)	-	-	421.4 ^(p)	-	-	-
Year-on-year change in GDP ³⁾	%	5.3 ^(p)	-	-	5.5 ^(p)	-	-	5.1 ^(p)	-	-	5.1 ^(p)	-	-	-
Unemployment rate ^{4) 16)}	%	13.14	12.7	12.6	13.1	13.4	13.1	12.7	11.9	11.3	11.1	11.0	10.9	-
Consumer prices (CPI) ^{3) 15)}	%	-	-	-	-	3.1	2.6	2.3	2.5	2.3	2.5	2.0	2.1	2.3
Consumer prices (HICP) ³⁾	%	6.7	6.6	6.3	5.9	3.2	2.7	2.5	2.7	2.4	2.5	2.0	2.0	2.2
BALANCE OF TRADE^{2) 11) (p)}														
Exports (fob)	SKK millions	659,719	744,196	826,578	895,205	66,621	137,325	214,718	294,541	376,076	462,061	539,511	618,756	-
Imports (fob)	SKK millions	687,351	775,853	863,705	942,160	68,530	143,182	227,433	315,317	402,475	491,476	573,328	654,016	-
Balance	SKK millions	-27,632	-31,657	-37,127	-46,955	-1,909	-5,857	-12,715	-20,776	-26,399	-29,415	-33,817	-35,260	-
BALANCE OF PAYMENTS²⁾														
Current account ¹¹⁾	SKK millions	-33,315.3	-30,996.2	-34,698.3	-46,026.2	-4,348.9	-3,316.0	-7,190.0	-13,052.6	-35,681.4	-48,041.1	-55,012.4	-	-
Capital and financial account	SKK millions	55,078.2	58,176.1	54,848.7	95,646.4	10,754.1	69,758.2	118,449.3	116,127.4	93,185.3	110,055.7	125,453.6	-	-
Overall balance	SKK millions	32,987.4	33,599.4	31,116.7	55,205.1	10,715.8	79,042.4	110,225.2	101,864.8	70,082.2	68,604.4	69,749.5	-	-
FOREIGN EXCHANGE RESERVES^{1) 7)}														
Total foreign exchange reserves	USD millions	14,410.9	14,822.6	15,466.1	16,778.7	16,602.6	18,854.6	19,940.1	19,694.4	17,751.8	17,165.7	17,314.7	17,434.8	-
NBS foreign exchange reserves	USD millions	13,218.7	13,517.1	13,912.9	14,913.1	14,811.2	17,218.5	18,062.1	18,061.3	16,211.5	15,590.0	15,687.0	15,915.6	-
GROSS EXTERNAL DEBT^{4) 9)}														
Total gross external debt	USD billions	19.5	20.7	21.8	23.7	24.0	26.6	28.2	27.9	26.5	26.2	25.9	-	-
External debt per capita	USD	3,632	3,842	4,059	4,405	4,456	4,942	5,237	5,190	4,919	4,876	4,817	-	-
MONETARY INDICATORS														
Exchange rate ⁵⁾	SKK/USD	32.825	32.081	30.532	29.074	29.348	29.259	28.885	30.249	30.672	31.641	32.22	31.494	31.354
Money supply (M2) ^{4) 6) 12) 14)}	SKK billions	748.4	749.3	758.4	779.9	-	-	-	-	-	-	-	-	-
Year-on-year change in M2 ³⁾	%	6.2	5.4	5.5	7.5	-	-	-	-	-	-	-	-	-
M3 monetary aggregate ^{4) 15)}	SKK billions	-	-	-	-	762.7	768.4	767.9	782.0	772.3	772.3	779.7	785.8	-
Year-on-year change in M3 ³⁾	%	-	-	-	-	10.4	10.2	12.3	12.6	12.8	9.3	8.9	8.0	-
Loans to enterprises and households ^{4) 6) 13) 14)}	SKK billions	402.1	408.3	409.3	409.2	-	-	-	-	-	-	-	-	-
Claims of monetary financial institutions ¹⁵⁾	SKK billions	-	-	-	-	701.4	696.8	707.6	707.0	714.5	724.7	729.7	736.9	-
STATE BUDGET^{2) 4)}														
Revenue	SKK billions	172.8	195.9	213.7	242.4	24.6	39.8	65.0	90.6	105.4	126.4	154.2	170.5	188.6
Expenditure	SKK billions	202.3	226.4	247.8	312.7	20.3	40.9	62.2	84.3	109.3	127.6	152.3	175.6	196.7
Balance	SKK billions	-29.4	-30.5	-34.1	-70.3	4.3	-1.1	2.8	6.3	-3.9	-1.1	1.9	-5.1	-8.1
CUSTOMER RATES														
Average interest rate on:														
- one-year deposits	%	2.95	2.91	2.83	2.71	2.49	2.46	2.37	2.18	2.13	2.07	1.98	1.90	-
- short-term loans ⁸⁾	%	6.47	6.57	6.46	5.87	6.15	5.80	5.51	5.53	5.54	5.75	5.61	5.62	-
- new short-term loans	%	8.11	8.10	8.16	7.45	7.65	6.70	6.79	7.12	7.31	7.34	6.77	6.14	-
MONEY MARKET														
Interest rates set by the NBS Bank Board														
Date of maturity ¹⁰⁾		1.7.2004	1.7.2004	29.11.2004	29.11.2004	29.11.2004	29.11.2004	1.3.2005	1.3.2005	1.3.2005	1.3.2005	1.3.2005	1.3.2005	1.3.2005
Overnight operations														
- sterilisation	%	3.00	3.00	2.50	2.50	2.50	2.50	2.00	2.00	2.00	2.00	2.00	2.00	2.00
- refinancing	%	6.00	6.00	5.50	5.50	5.50	5.50	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Limit rate for 2-week repo tenders	%	4.50	4.50	4.00	4.00	4.00	4.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Basic interest rate of the NBS (until 31/12/02: discount rate)	%	4.50	4.50	4.00	4.00	4.00	4.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Average interbank deposit rate (BRIBOR)														
overnight	%	3.98	3.94	4.35	3.22	4.25	2.58	2.09	2.27	2.90	2.77	2.53	2.99	2.71
7-day	%	4.30	4.33	4.44	3.78	4.03	2.63	2.37	2.70	2.92	2.93	2.88	2.99	2.91
14-day	%	4.33	4.38	4.42	3.85	3.98	2.69	2.41	2.75	2.92	2.96	2.94	3.01	2.96
1-month	%	4.25	4.37	4.36	3.82	3.87	2.84	2.37	2.72	2.88	2.93	2.95	3.00	2.99
2-month	%	4.19	4.34	4.31	3.81	3.75	2.89	2.33	2.63	2.82	2.90	2.92	2.99	2.98
3-month	%	4.16	4.26	4.22	3.74	3.66	2.90	2.29	2.56	2.75	2.88	2.89	2.94	2.93
6-month	%	4.05	4.12	4.07	3.66	3.46	2.88	2.31	2.50	2.67	2.79	2.83	2.91	2.90
9-month	%	3.95	4.05	4.00	3.64	3.38	2.87	2.32	2.47	2.64	2.74	2.79	2.87	2.86
12-month	%	3.93	4.03	3.97	3.62	3.34	2.86	2.33	2.46	2.64	2.71	2.77	2.85	2.85

1) Constant prices, average for 1995.

2) Cumulative since the beginning of the year.

3) Change compared with the same period a year earlier.

4) End-of-period figures.

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

6) At fixed initial exchange rates from 1 January 1993.

7) Methodological change with effect from 1 January 2002.

8) Excluding loans at zero interest rate.

9) Methodological change with effect from 1 January 1999.

10) The date from which the given interest rate is effective pursuant to the Bank Board's decision.

11) As from May 2004, foreign trade and current account figures are revised on a monthly basis.

12) As from January 2005, the NBS focuses on the analysis of M3 monetary aggregate.

13) As from January 2005, 'loans to enterprises and households' are replaced by the 'claims of monetary financial institutions' aggregate.

14) Since the Monetary Survey is at current exchange rates (as from January 2005), data on the 'M2 money supply' and 'loans to enterprises and households' must also be obtained at current rates.

The data are available on the web site of the NBS.

15) According to the methodology of the ECB.

16) Registered unemployment.

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



Summary of Assets and Liabilities in the Consolidated Balance Sheet of MFIs

	Share of the total (in %) ¹⁾	Volume (Sk billions)												
		2004					2005							
		8	9	10	11	12	1	2	3	4	5	6	7	8
Claims of MFIs on residents	33.9	414.0	419.2	425.1	423.7	439.0	428.4	429.0	441.1	449.4	457.2	467.7	478.9	486.9
General government	1.6	28.3	27.5	27.9	27.8	41.3	25.2	24.9	24.1	24.0	23.8	22.8	23.3	23.7
Private sector	32.3	385.6	391.7	397.2	395.9	397.7	403.2	404.1	417.0	425.4	433.4	444.9	455.6	463.3
Non-financial corporations	18.0	233.8	234.8	237.9	233.9	225.3	230.1	228.9	236.9	241.6	244.6	249.5	253.4	255.5
– up to 1 year	7.8	101.9	101.4	102.9	101.1	91.6	96.2	94.6	99.9	104.1	107.6	109.1	110.4	112.3
– 1 to 5 years	3.9	57.0	57.6	56.8	57.3	57.9	57.6	57.5	56.9	54.1	53.8	54.3	54.5	53.5
– over 5 years	6.3	74.9	75.8	78.2	75.5	75.7	76.3	76.8	80.1	83.3	83.2	86.1	88.5	89.6
Financial corporations	3.3	38.8	40.7	40.0	39.3	44.2	43.2	43.0	43.9	43.7	43.6	44.3	46.7	47.0
Insurance corporations and pension funds	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.1	0.0	0.0
Households and non-profit institutions serving households	11.0	113.1	116.2	119.2	122.7	128.2	129.9	132.2	136.1	140.2	145.2	151.0	155.5	160.7
– consumer loans	1.7	15.2	15.5	16.0	16.8	19.9	19.0	18.9	19.6	20.5	21.8	22.7	23.4	24.4
– housing loans	7.3	79.5	81.6	83.2	85.1	87.9	87.8	89.5	91.0	93.1	96.0	99.7	102.6	106.4
– other loans	2.1	18.4	19.1	20.0	20.8	20.4	23.1	23.9	25.5	26.6	27.5	28.6	29.4	29.9
Securities other than shares and participation certificates issued by residents	17.3	269.7	277.3	276.5	281.4	266.0	268.6	263.4	261.9	253.1	251.9	250.8	244.5	243.7
General government	16.4	256.2	264.0	263.0	268.1	253.9	256.2	251.1	249.6	240.7	239.4	238.3	232.1	231.4
Private sector	0.9	13.6	13.3	13.5	13.3	12.2	12.4	12.3	12.4	12.4	12.5	12.5	12.3	12.3
Shares and other equities issued by private sector	0.4	3.9	3.9	4.0	4.0	4.1	4.4	4.4	4.5	4.5	5.4	6.2	6.3	6.3
Foreign assets	42.7	506.0	497.6	492.8	490.9	591.6	522.3	574.7	628.9	636.6	592.8	590.5	602.2	602.4
Fixed assets	2.4	35.6	35.6	35.6	35.6	36.6	34.8	34.6	34.5	34.5	34.5	34.5	33.6	33.8
Other assets	3.2	31.4	31.7	34.5	36.6	36.5	38.3	39.0	41.0	44.9	45.3	45.8	45.9	42.3
Deposits and loans received from the central government	6.0	160.0	159.7	154.4	156.4	125.4	125.5	97.3	99.9	98.7	73.4	84.1	84.6	78.5
Long-term financial liabilities	14.1	206.1	200.9	196.5	185.7	180.9	184.2	177.7	191.9	197.9	191.7	189.1	199.6	195.7
Deposits and loans received with an agreed maturity of over 2 years	3.7	48.5	48.2	48.0	48.2	51.8	52.9	53.5	52.7	52.7	52.2	52.9	52.5	53.3
Deposits redeemable at a period of notice of over 3 months	2.0	37.5	36.7	35.9	34.9	34.4	31.9	30.8	30.0	29.5	29.1	28.8	28.6	28.2
Debt securities issued with a maturity of over 2 years	1.0	10.0	10.5	11.2	11.6	12.2	13.6	13.9	14.2	12.5	13.3	13.3	14.1	14.4
Capital, reserves, and provisions	7.4	110.2	105.5	101.5	91.0	82.5	85.8	79.5	95.0	103.2	97.1	94.1	104.3	99.8
Foreign liabilities	21.1	132.1	129.2	136.2	134.5	254.4	183.6	257.5	307.3	298.5	297.4	296.3	298.0	308.0
Other liabilities	3.5	35.2	37.6	38.9	45.1	42.0	45.6	50.1	51.8	50.1	52.8	51.4	49.4	47.6
Surplus of liabilities among MFIs	0.0	-0.2	-0.1	-1.1	-0.7	0.0	-4.8	-5.9	-6.9	-4.1	-1.7 ²⁾	1.1 ²⁾	0.2	-0.1
M3	55.2	727.3	738.1	743.6	751.2	771.2	762.7	768.4	767.9	782.0	773.4 ²⁾	773.4 ²⁾	779.7	785.8
Total	100.0	1,260.5	1,265.3	1,268.5	1,272.2	1,373.9	1,296.8	1,345.1	1,411.9	1,423.1	1,387.0	1,395.5	1,411.4	1,415.4

1) In the current month.

2) Revised data.



Monetary Survey

(At current exchange rates)

(SKK billions)

	2004					2005								
	31.8.	30.9.	31.10.	30.11.	31.12.	1.1.	31.1.	28.2.	31.3.	30.4.	31.5.	30.6.	31.7.	31.8.
Current SKK/USD exchange rate	33.408	32.492	31.386	29.627	28.496	28.496	29.447	28.710	29.943	30.667	31.213	31.825	32.423	31.740
Current SKK/EUR exchange rate	40.218	40.048	39.940	39.288	38.796	38.796	38.426	37.880	38.832	39.636	39.068	38.370	39.118	38.773
ASSETS														
Net foreign assets	211.8	189.4	179.2	177.9	169.5	168.9	173.4	178.4	199.1	209.1	182.6	153.4	163.2	153.1
Foreign assets	483.8	473.0	470.0	463.1	484.0	483.3	494.9	547.5	602.7	610.2	560.9	554.1	569.3	563.5
Foreign liabilities	272.0	283.6	290.8	285.2	314.5	314.4	321.5	369.1	403.6	401.1	378.3	400.7	406.1	410.4
Net domestic assets	542.6	570.4	581.0	588.6	615.9	615.6	599.6	599.6	574.1	576.2	588.7	625.4	623.9	641.2
Domestic credits	714.4	724.8	734.1	735.2	755.7	770.0	762.9	766.6	776.3	777.3	783.2	788.4	801.8	817.0
Net credit to general government	322.6	326.9	330.3	333.0	354.4	368.6	355.2	357.6	354.5	346.5	344.4	338.4	340.8	347.3
- Net credit to government (excluding the NPF)	329.3	333.6	337.0	336.7	357.6	371.8	358.4	360.5	357.4	349.4	346.6	342.4	343.7	351.2
- Net credit to the National Property Fund	-6.7	-6.7	-6.7	-3.7	-3.2	-3.2	-3.2	-2.9	-2.9	-2.9	-2.2	-4.0	-2.9	-3.9
Credits to enterprises and households	391.8	397.9	403.8	402.2	401.3	401.4	407.7	409.0	421.8	430.8	438.8	450.0	461.0	469.7
Credits in Slovak koruna	306.2	311.7	314.3	319.1	318.2	318.3	322.3	326.8	333.1	332.8	339.8	350.0	356.1	365.9
- Credits to enterprises ¹⁾	201.1	204.0	203.8	205.7	201.5	201.6	203.5	205.6	208.5	204.7	206.5	211.7	213.7	218.4
- Credits to households	105.1	107.7	110.5	113.4	116.7	116.7	118.8	121.2	124.6	128.1	133.3	138.3	142.4	147.5
Credits in foreign currency	85.6	86.2	89.5	83.1	83.1	83.1	85.4	82.2	88.7	98.0	99.0	100.0	104.9	103.8
LIABILITIES														
Money Supply (M2)	754.4	759.8	760.2	766.5	785.4	784.5	773.0	778.0	773.2	785.3	771.3	778.8	787.1	794.3
Money (M1)	282.8	288.7	284.8	293.4	311.3	309.6	299.4	315.7	313.1	318.6	326.8	331.0	341.1	344.4
Currency outside banks (M0)	95.4	96.3	97.6	97.8	100.5	100.4	100.5	101.5	102.8	105.2	106.3	108.1	110.1	111.4
Demand deposits	187.4	192.4	187.2	195.6	210.8	209.2	198.9	214.2	210.3	213.4	220.5	222.9	231.0	233.0
- Households	89.6	90.5	91.1	92.4	96.2	94.7	97.8	102.6	104.3	106.9	109.5	110.6	113.6	114.4
- Enterprises	95.7	99.6	94.3	100.7	113.2	113.1	98.1	107.8	103.7	103.9	108.1	109.8	114.2	115.3
- Insurance companies	2.1	2.3	1.8	2.5	1.4	1.4	3.0	3.8	2.3	2.6	2.9	2.5	3.2	3.3
Quasi-money (QM)	471.6	471.1	475.4	473.1	474.1	474.9	473.6	462.3	460.1	466.7	444.5	447.8	446.0	449.9
Time and savings deposits	381.1	378.3	377.0	374.1	386.2	386.9	385.1	381.1	381.6	388.7	368.9	368.7	364.9	366.6
- Households	225.2	224.0	222.8	221.1	222.8	223.9	222.9	218.1	213.5	210.5	206.1	203.7	201.6	199.2
- Enterprises	133.9	131.2	133.2	131.5	136.5	136.4	137.3	138.9	144.5	153.7	139.5	137.5	136.2	138.7
- Insurance companies	22.0	23.1	21.0	21.5	26.9	26.6	24.9	24.1	23.6	24.5	23.3	27.5	27.1	28.7
Foreign-currency deposits	90.5	92.8	98.4	99.0	87.9	88.0	88.5	81.2	78.5	78.0	75.6	79.1	81.1	83.3
- Households	48.7	48.3	47.8	46.1	44.4	42.5	41.4	39.8	39.4	39.5	39.2	38.9	39.4	39.2
- Enterprises	41.8	44.5	50.6	52.9	43.5	45.5	47.1	41.4	39.1	38.5	36.4	40.2	41.7	44.1
Other items net	171.8	154.4	153.1	146.6	139.8	154.4	163.3	167.0	202.2	201.1	194.5	163.0	177.9	175.8

Memorandum Items

Net foreign assets of the banking sector (excluding foreign liabilities of government)	396.6	380.8	373.1	367.5	360.0	359.3	366.7	363.7	406.9	423.8	361.5	337.5	357.9	353.6
- of which: foreign assets	483.8	473.0	470.0	463.1	484.0	483.3	494.9	547.5	602.7	610.2	560.9	554.1	569.3	563.5
- of which: foreign liabilities	87.2	92.2	96.9	95.6	124.0	124.0	128.2	183.8	195.8	186.4	199.4	216.6	211.4	209.9
Net credit to the central government	432.7	439.3	440.5	440.6	446.7	-	-	-	-	-	-	-	-	-
Net credit to the general government (excluding foreign liabilities of government)	191.7	198.4	202.4	207.2	230.6	244.8	232.9	237.2	233.1	222.7	251.6	247.3	248.0	256.2
- of which: liabilities of government and NPF	395.4	409.0	409.4	422.0	456.7	412.4	398.9	376.0	373.7	365.3	369.8	373.0	371.1	372.4
- of which: claims of government and NPF	203.7	210.6	207.0	214.8	226.1	167.6	166.0	138.8	140.6	142.6	118.2	125.7	123.1	116.2
Foreign liabilities of government	130.9	128.5	127.9	125.8	123.8	123.8	122.3	120.4	121.4	123.8	92.8	91.1	92.8	91.1
Other public sector deposits in NBS ²⁾	14.6	14.6	18.3	16.6	11.6	-	8.6	9.4	3.0	3.7	3.2	0.6	1.9	0.9
Money market fund shares/units	24.7	26.7	28.4	30.7	32.7	-	36.0	39.7	42.4	44.0	45.9	46.4	47.1	47.3

1) Revision of data for 2004 (see section 3. Methodological Notes to Selected Indicators in annexes).

2) Deposits of higher territorial units, deposits of government in foreign currency (EU funds) and non-budgetary deposits of government agencies in NBS are included in Net credit to government, since 1 January 2005.



Average Interest Rates on New Loans

(ECB methodology)

(%)

	2004					2005							
	8	9	10	11	12	1	2	3	4	5	6	7	8
Loans in total¹⁾	7.17	7.17	7.29	7.32	5.60	6.94	6.22	6.15	6.17	6.39	6.23	6.22	6.19
Current account overdrafts	7.90	7.74	8.08	7.75	7.48	7.72	7.08	6.62	6.60	6.80	6.72	6.52	6.46
Operation loans	-	-	-	-	-	4.74	3.32	3.49	3.78	3.92	3.99	3.67	3.77
Investment loans	-	-	-	-	-	5.41	4.67	5.05	5.16	5.24	4.27	4.92	5.29
Consumer loans	13.89	13.66	12.83	13.89	13.60	12.97	12.36	11.43	11.28	11.85	11.56	10.56	10.25
Real estate loans	7.58	7.72	7.45	7.05	7.05	7.15	6.63	6.46	6.05	6.10	5.81	5.88	5.81
of which:													
Mortgage loans	7.44	7.66	7.38	6.67	6.76	7.12	6.34	5.96	5.37	5.34	5.07	4.88	4.82
Construction loans	5.13	5.08	5.24	5.10	5.06	5.13	5.06	5.16	5.19	5.27	5.12	5.18	5.15
Intermediate loans	7.60	7.60	7.58	7.58	7.45	7.46	7.27	7.22	7.21	6.62	6.50	6.54	6.47
Other real estate loans	-	-	-	-	-	8.23	6.86	6.71	6.25	6.64	6.66	6.50	6.37
Other loans	5.35	5.54	5.30	5.81	4.02	6.45	5.88	5.68	5.21	5.52	5.93	6.68	6.24
Floating rate + IRF for up to 1 year incl.	7.07	7.06	7.20	7.23	5.42	6.90	6.13	6.05	6.08	6.25	6.23	6.16	6.18
IRF for over 1 year and up to 5 years incl.	8.61	8.68	8.48	8.56	8.82	8.03	7.76	8.03	7.80	9.87	7.62	7.81	6.76
IRF for over 5 years and up to 10 years incl.	7.02	7.39	7.18	7.06	6.55	6.87	6.44	6.35	6.45	6.33	5.79	6.25	6.48
IRF for over 10 years	7.06	8.78	8.75	6.26	6.83	6.82	6.06	6.01	6.30	5.61	4.32	4.92	5.50
Households													
Loans in total	9.95	9.76	10.60	10.28	10.21	10.67	10.33	9.99	9.67	9.78	9.25	9.48	9.44
Current account overdrafts	10.50	10.40	11.99	10.46	10.32	11.31	11.10	10.99	10.80	11.05	10.95	10.92	10.94
Consumer loans	13.89	13.66	12.83	13.89	13.60	12.97	12.36	11.44	11.28	11.93	11.56	10.56	10.25
Real estate loans	7.59	7.72	7.46	7.08	7.06	7.15	6.63	6.48	6.17	6.19	5.83	5.89	5.83
of which:													
Mortgage loans	7.44	7.66	7.38	6.67	6.76	7.12	6.34	5.95	5.37	5.34	5.06	4.88	4.83
Construction loans	5.13	5.08	5.24	5.10	5.06	5.13	5.06	5.16	5.19	5.27	5.12	5.18	5.15
Intermediate loans	7.63	7.60	7.60	7.69	7.47	7.47	7.29	7.23	7.21	6.62	6.51	6.56	6.50
Other real estate loans	-	-	-	-	-	8.23	6.86	6.79	6.63	6.93	6.80	6.58	6.38
Other loans	8.16	9.18	9.41	11.42	10.73	10.94	9.76	9.50	9.80	9.01	8.51	8.25	8.32
Floating rate + IRF for up to 1 year incl.	10.16	10.00	11.23	10.43	10.12	10.72	10.35	10.07	9.70	9.81	9.44	9.88	9.91
IRF for over 1 year and up to 5 years incl.	10.44	10.00	9.51	10.91	12.31	12.41	12.24	11.89	11.66	12.46	11.72	10.28	9.48
IRF for over 5 years and up to 10 years incl.	7.56	7.58	7.55	7.52	7.76	7.28	7.24	7.05	6.92	6.55	6.39	6.55	6.65
IRF for over 10 years	7.65	8.97	8.88	8.00	6.95	7.72	7.19	6.54	6.50	5.93	5.21	4.93	5.07
Non-financial corporations													
Loans in total	6.25	6.20	6.07	6.32	5.38	5.92	5.13	4.83	4.89	4.92	5.00	4.88	4.94
Current account overdrafts	6.90	6.85	6.66	6.80	6.31	6.46	5.68	5.20	5.18	5.16	5.39	5.09	5.02
Operation loans	-	-	-	-	-	4.61	3.31	3.38	3.62	3.87	3.82	3.47	3.85
Investment loans	-	-	-	-	-	5.66	4.64	4.89	4.94	5.03	4.14	4.71	5.36
Other loans	5.24	5.22	5.08	5.40	4.52	6.10	4.71	4.22	4.23	4.21	4.35	6.21	4.95
Loans up 1 million EUR	5.40	5.60	5.14	5.96	5.35	5.29	4.78	4.53	4.79	4.75	4.72	4.43	4.96
Loans over 1 million EUR	5.16	5.06	5.03	5.08	4.19	4.56	3.47	3.43	3.58	3.93	3.65	4.11	4.35
Floating rate + IRF for up to 1 year incl.	6.27	6.21	6.07	6.35	5.38	5.93	5.12	4.82	4.86	4.91	5.03	4.82	4.91
IRF for over 1 year and up to 5 years incl.	5.90	5.00	5.79	5.62	5.74	5.54	5.56	5.05	5.78	5.59	4.78	6.44	5.15
IRF for over 5 years and up to 10 years incl.	4.90	6.68	6.70	6.28	5.20	5.96	4.92	4.97	5.46	5.54	4.91	5.35	5.39
IRF for over 10 years	6.21	7.93	6.05	5.63	6.07	5.76	4.95	4.87	4.62	4.34	3.80	4.78	5.76

Note: IRF – initial rate fixation.

1) Interest rates on total loans include insurance companies, pension funds, and the general government.

Average Interest Rates on New Deposits

(ECB methodology)

(%)

	2004					2005							
	8	9	10	11	12	1	2	3	4	5	6	7	8
Deposits in total ¹⁾	2.30	2.09	1.95	1.95	1.67	1.96	1.23	1.29	1.36	1.33	1.40	1.37	1.39
Deposits payable on demand	1.29	1.12	0.94	0.96	0.90	1.17	0.84	0.62	0.59	0.62	0.69	0.60	0.58
of which: demand deposits	0.96	0.86	0.76	0.76	0.83	0.81	0.58	0.48	0.49	0.48	0.49	0.47	0.48
overnight deposits	4.90	3.63	2.76	2.54	2.45	3.37	2.07	1.49	1.69	1.48	2.01	1.79	1.66
Deposits with agreed maturity ²⁾	-	-	-	-	-	3.58	2.29	2.43	2.54	2.62	2.66	2.58	2.60
- up to 1 year in total	4.07	3.97	3.79	3.95	3.30	3.59	2.29	2.43	2.54	2.62	2.65	2.58	2.59
- up to 7 days	4.33	3.76	3.18	3.52	2.75	3.57	2.20	1.83	1.88	2.48	2.26	2.01	2.10
- up to 1 month	4.10	4.12	4.08	4.10	3.59	3.66	2.56	2.65	2.74	2.74	2.77	2.76	2.75
- up to 3 months	3.40	2.90	2.95	2.97	2.76	2.61	2.02	1.73	1.77	1.97	1.91	1.94	1.91
- up to 6 months	2.27	2.19	2.57	2.29	2.27	2.09	2.02	1.77	1.72	2.03	2.01	1.77	1.90
- up to 1 year	1.55	1.81	2.08	2.03	2.85	2.24	2.01	1.76	1.85	1.98	2.14	2.20	2.27
- over 1 year in total	2.68	2.75	2.76	2.70	2.59	3.42	2.30	2.47	2.58	2.65	4.62	2.71	2.72
- up to 2 years	2.32	2.74	2.76	2.69	2.18	2.44	1.92	2.03	1.61	1.92	1.54	1.87	1.52
- over 2 years	2.74	2.80	2.76	2.71	2.67	3.76	2.35	2.71	2.72	2.77	4.64	2.76	2.72
Savings deposits	1.32	1.34	1.35	1.35	1.35	1.35	1.18	0.98	0.99	0.93	0.94	0.95	0.97
- redeemable at a period of notice of up to 3 months	1.97	1.98	1.98	1.97	1.80	1.75	1.46	1.11	1.07	0.97	0.95	0.93	0.93
- redeemable at a period of notice of over 3 months	1.06	1.08	1.09	1.10	1.16	1.14	1.03	0.91	0.94	0.90	0.94	0.97	0.99
Households													
Deposits in total	1.02	1.01	1.00	0.98	0.94	0.95	0.81	0.68	0.66	0.65	0.66	0.65	0.66
Deposits payable on demand	0.66	0.66	0.64	0.64	0.58	0.61	0.57	0.44	0.43	0.43	0.43	0.42	0.43
of which: demand deposits	0.63	0.63	0.62	0.62	0.57	0.57	0.56	0.43	0.43	0.42	0.42	0.41	0.42
overnight deposits	3.96	3.24	2.11	1.98	1.73	3.07	1.40	1.18	1.17	1.10	1.45	1.21	1.15
Deposits with agreed maturity	-	-	-	-	-	2.39	1.82	1.71	1.69	1.95	2.02	1.95	2.01
- up to 1 year in total	2.62	2.59	2.62	2.56	2.32	2.39	1.82	1.71	1.69	1.94	2.02	1.95	2.00
- up to 7 days	3.25	2.80	2.58	2.60	2.13	2.68	1.45	1.55	1.47	1.56	1.83	1.59	1.69
- up to 1 month	2.68	2.70	2.74	2.58	2.35	2.45	1.95	1.83	1.80	2.06	2.16	2.14	2.14
- up to 3 months	2.58	2.61	2.59	2.75	2.41	2.18	1.83	1.57	1.56	1.78	1.76	1.73	1.72
- up to 6 months	1.97	2.14	2.49	2.29	2.27	1.89	1.79	1.70	1.46	1.62	1.73	1.67	1.69
- up to 1 year	1.09	1.39	1.62	1.21	1.83	2.02	1.94	1.66	1.46	1.83	1.90	1.91	1.73
- long-term over 1 year	2.71	2.71	2.70	2.66	2.62	2.42	2.20	1.99	1.99	2.29	2.03	2.12	2.13
- up to 2 years	2.28	2.28	2.39	2.28	2.25	2.64	2.17	1.16	1.03	1.59	1.54	1.53	1.52
- over 2 years	2.79	2.81	2.76	2.71	2.66	1.91	2.21	2.14	2.08	2.33	2.05	2.14	2.14
Savings deposits	1.31	1.33	1.34	1.35	1.35	1.34	1.18	0.98	0.99	0.93	0.94	0.95	0.97
- redeemable at a period of notice of up to 3 months	1.95	1.96	1.96	1.96	1.79	1.75	1.45	1.10	1.07	0.97	0.95	0.92	0.93
- redeemable at a period of notice of over 3 months	1.06	1.08	1.08	1.10	1.16	1.13	1.03	0.91	0.94	0.90	0.94	0.96	0.99
Non-financial corporations													
Deposits in total	2.85	2.57	2.26	2.19	1.88	2.41	1.43	1.37	1.50	1.56	1.53	1.42	1.49
Deposits payable on demand	1.63	1.45	1.09	1.19	0.89	1.61	1.00	0.76	0.72	0.76	0.89	0.69	0.71
of which: demand deposits	1.16	0.97	0.80	0.81	0.70	1.02	0.58	0.49	0.54	0.50	0.55	0.52	0.52
overnight deposits	4.97	3.84	2.74	2.56	2.49	3.76	2.08	1.66	1.70	1.68	2.07	1.76	1.69
Deposits with agreed maturity	-	-	-	-	-	3.68	2.34	2.34	2.48	2.60	2.57	2.43	2.53
- up to 1 year in total	4.28	4.03	3.57	3.57	3.19	3.70	2.25	2.16	2.35	2.39	2.44	2.31	2.37
- up to 7 days	4.38	3.78	3.14	3.61	2.67	3.62	2.22	1.86	1.93	2.45	2.29	2.04	2.18
- up to 1 month	4.18	4.19	4.10	4.08	3.67	3.73	2.82	2.57	2.75	2.75	2.74	2.72	2.73
- up to 3 months	3.39	3.35	3.02	3.42	3.14	3.16	2.24	2.00	2.16	2.24	2.24	2.27	2.25
- up to 6 months	3.40	2.25	1.52	2.20	1.39	2.86	2.30	2.11	2.06	2.19	2.13	1.63	2.23
- up to 1 year	1.16	1.15	2.24	3.13	3.25	2.85	2.01	1.64	2.21	2.19	1.95	2.49	2.58
- long-term over 1 year	2.40	3.35	3.46	3.57	2.20	2.24	1.64	1.24	1.59	2.02	1.41	1.82	1.71
- up to 2 years	3.24	3.35	4.25	3.84	2.11	2.11	1.65	1.24	1.62	1.94	0.00	0.00	0.00
- over 2 years	2.35	0.00	2.99	3.21	2.92	3.00	1.41	0.00	0.70	2.38	1.41	1.82	1.71
Savings deposits	2.58	2.45	2.44	2.44	2.21	2.27	1.69	1.22	1.23	1.16	1.25	1.26	1.25
- redeemable at a period of notice of up to 3 months	2.60	2.46	2.44	2.45	2.20	2.26	1.72	1.20	1.22	1.16	1.26	1.27	1.26
- redeemable at a period of notice of over 3 months	2.34	2.41	2.40	2.40	2.38	2.36	1.37	1.44	1.37	1.12	1.12	1.12	1.12

1) Total deposits include the deposits of insurance corporations, pension funds and the general government.

2) Interest rates on deposits with agreed maturity include other short-term non-negotiable securities (according to the ECB methodology).



Volumes of New Loans and Average Lending Rates of Commercial Banks

(National methodology)

		2004					2005							
		8	9	10	11	12	1	2	3	4	5	6	7	8
Loans in total ¹⁾	a	98.22	99.55	100.50	105.84	141.04	98.41	98.25	99.27	92.82	95.38	107.27	97.79	141.20
	b	8.08	7.91	8.05	8.08	7.40	7.64	6.57	6.63	7.01	7.17	6.96	6.62	6.10
of which:														
Current account overdrafts	a	39.29	40.66	43.67	42.95	53.09	45.88	48.91	47.17	47.26	48.97	57.67	55.01	93.87
	b	11.70	11.05	10.99	11.14	11.65	9.84	8.62	9.16	9.17	9.24	8.77	8.00	6.70
Investment loans	a	5.21	6.44	4.10	4.78	7.25	3.14	4.65	6.43	3.64	3.40	7.93	4.03	4.70
	b	5.56	5.46	5.73	5.65	5.02	4.94	4.38	3.85	4.53	4.70	3.85	4.49	4.70
Operation loans	a	-	-	-	-	-	31.45	26.34	27.99	22.30	23.32	20.26	19.80	22.20
	b	-	-	-	-	-	4.77	3.48	3.12	3.44	3.83	3.93	3.75	3.78
Consumer loans	a	2.14	2.16	2.69	3.44	4.15	3.09	1.20	1.54	1.64	1.92	1.75	1.49	1.70
	b	12.90	12.52	12.24	12.71	12.48	11.43	12.35	11.30	11.55	12.17	11.87	10.60	10.40
Housing loans	a	4.69	4.89	5.05	4.88	5.07	2.90	3.14	3.58	3.99	4.50	5.35	5.26	5.41
	b	7.54	7.59	7.52	7.46	6.93	6.27	5.76	5.90	5.92	5.70	5.44	5.27	5.34
of which: mortgage loans														
without state bonus														
	a	0.53	0.56	0.70	0.76	0.84	0.75	0.66	0.77	0.78	0.98	1.49	1.29	1.34
	b	7.63	7.52	6.95	6.85	6.88	6.73	6.54	6.36	5.71	5.31	5.19	5.01	4.94
mortgage loans with state bonus – client														
	a	1.54	1.46	1.45	1.41	1.39	0.88	0.54	0.57	0.55	0.52	0.57	0.55	0.62
	b	6.22	6.27	6.21	6.15	6.03	6.48	6.01	6.25	6.08	5.83	5.19	5.21	4.95
mortgage loans with state bonus – bank														
	a	1.54	1.46	1.45	1.41	1.39	0.88	0.54	0.57	0.55	0.52	0.57	0.55	0.62
	b	6.99	6.93	6.90	6.79	6.77	6.82	6.69	6.34	6.14	5.79	5.29	5.28	5.01
construction loans														
	a	0.11	0.10	0.12	0.09	0.10	0.08	0.09	0.09	0.11	0.11	0.11	0.12	0.12
	b	5.33	5.31	5.39	5.32	5.24	5.26	5.26	5.26	5.33	5.29	5.26	5.44	5.39
intermediate loans														
	a	1.03	1.04	1.03	0.96	0.99	0.51	0.51	0.61	0.69	0.74	1.14	1.10	1.27
	b	7.48	7.35	7.39	7.32	7.33	7.28	7.22	7.16	7.16	7.04	6.56	6.57	6.53
other real estate loans														
	a	-	-	-	-	-	0.67	1.34	1.53	1.87	2.14	2.04	2.21	2.06
	b	-	-	-	-	-	4.83	4.76	5.06	5.55	5.39	5.09	4.80	4.97
Other loans	a	41.88	39.23	39.98	44.13	64.86	5.32	8.16	5.79	7.02	6.32	4.83	5.14	5.22
	b	4.99	5.06	4.94	5.17	3.91	5.77	4.12	4.48	4.46	4.47	4.51	4.52	4.87
Short-term loans														
	a	83.82	82.16	86.86	88.54	120.67	87.09	84.41	85.33	80.16	81.81	87.96	84.47	125.51
	b	8.21	8.11	8.10	8.16	7.45	7.68	6.78	6.81	7.15	7.35	7.36	6.79	6.15
- with a maturity of up to 7 days														
	a	38.68	33.85	36.71	40.16	52.36	35.77	40.21	31.91	29.28	30.50	29.13	31.83	66.28
	b	6.87	6.16	6.04	5.84	5.69	5.99	5.57	4.96	5.11	5.40	5.52	5.22	4.39
- up to 1 month														
	a	6.19	8.27	5.09	6.52	17.97	7.62	6.94	8.66	6.30	7.65	7.50	4.51	6.46
	b	5.31	5.86	5.52	5.69	3.77	5.51	4.23	3.99	4.01	4.44	4.65	4.41	4.67
- up to 3 months														
	a	4.19	3.05	5.90	3.14	5.24	5.59	3.67	4.36	4.20	2.87	2.53	4.24	3.22
	b	5.41	6.26	5.49	5.53	5.36	4.91	3.58	3.48	4.44	3.88	4.21	4.52	4.12
- up to 6 months														
	a	1.54	0.82	0.99	0.66	1.38	1.03	0.75	1.66	1.15	0.56	1.82	1.89	1.63
	b	4.54	5.30	5.32	5.70	5.04	4.66	4.28	3.10	3.43	4.07	3.82	3.49	3.88
- up to 12 months														
	a	33.22	36.17	38.17	38.05	43.73	37.08	32.85	38.75	39.24	40.24	46.98	42.00	47.92
	b	10.83	10.67	10.90	11.30	11.38	10.24	9.21	9.50	9.58	9.67	9.24	8.62	9.00
Long-term loans with a maturity of 1 to 5 years														
	a	8.56	9.67	7.40	9.92	10.64	6.83	9.76	7.08	6.92	7.57	8.05	6.22	8.14
	b	7.58	7.17	8.11	7.98	7.80	7.31	4.83	5.70	6.10	6.31	5.76	5.68	5.88
Long-term loans with a maturity of over 5 years														
	a	5.84	7.72	6.23	7.38	9.72	4.50	4.08	6.85	5.74	6.00	11.27	7.10	7.54
	b	7.01	6.73	7.27	7.21	6.39	7.42	6.28	5.25	6.10	5.87	4.70	5.42	5.54

a – Volume (SKK billions).

b – Average interest rate (%).

1) Excluding loans at zero interest rate.

Koruna Deposits and Average Deposit Rates

(National methodology)

		2004					2005							
		8	9	10	11	12	1	2	3	4	5	6	7	8
Deposits in total	a	666.03	663.68	656.28	662.96	669.70	659.78	614.32	668.07	686.16	671.62	679.20	685.33	682.22
	b	2.51	2.37	2.30	2.28	2.01	2.19	1.56	1.59	1.63	1.53	1.59	1.54	1.53
of which:														
Demand deposits	a	209.81	214.26	207.98	216.82	247.20	215.47	229.87	226.16	231.03	239.71	242.19	248.72	252.16
	b	0.96	0.86	0.76	0.76	0.83	0.81	0.56	0.48	0.48	0.48	0.49	0.48	0.48
Time deposits	a	364.97	359.66	359.65	358.21	331.22	397.33	338.66	397.12	411.05	388.58	394.11	394.26	388.12
	b	3.53	3.37	3.27	3.27	2.88	3.03	2.29	2.29	2.34	2.25	2.32	2.28	2.27
- short-term	a	344.44	338.94	339.18	337.59	311.01	332.65	273.28	332.36	347.34	325.38	330.17	330.61	323.76
	b	3.47	3.29	3.18	3.19	2.78	2.97	2.05	2.10	2.17	2.06	2.16	2.11	2.12
- overnight	a	19.24	21.78	20.77	27.20	12.09	35.42	47.87	36.09	21.22	38.81	35.89	27.31	23.30
	b	4.90	3.62	2.76	2.54	2.44	3.37	2.06	1.49	1.69	1.48	2.01	1.79	1.66
- up to 7 days	a	35.36	32.98	33.68	27.47	53.16	27.31	50.55	29.47	34.48	37.43	19.39	32.14	28.02
	b	4.24	3.55	3.00	3.24	2.79	3.14	2.02	2.01	1.91	2.25	2.06	1.86	1.76
- up to 1 month	a	180.56	186.29	186.73	193.42	156.29	183.77	86.63	183.72	209.57	170.82	199.29	195.10	199.02
	b	3.50	3.53	3.54	3.57	3.01	3.17	1.88	2.27	2.37	2.30	2.39	2.39	2.42
- up to 3 months	a	70.76	63.25	63.48	55.24	55.33	52.14	53.49	49.81	47.92	46.07	43.96	45.94	43.32
	b	2.83	2.67	2.66	2.51	2.37	2.27	2.15	1.90	1.80	1.62	1.60	1.61	1.60
- up to 6 months	a	19.59	18.77	18.52	18.41	18.29	18.62	18.36	17.00	18.18	16.64	15.97	16.10	16.13
	b	2.75	2.42	2.40	2.33	2.34	2.32	2.22	1.97	1.89	1.61	1.44	1.29	1.22
- up to 12 months	a	18.94	15.86	15.99	15.86	15.85	15.40	16.38	16.27	15.97	15.61	15.67	14.02	13.97
	b	3.38	2.95	2.91	2.83	2.71	2.49	2.46	2.37	2.18	2.13	2.07	1.98	1.90
- medium-term	a	19.70	19.98	19.73	19.87	19.46	26.17	26.29	26.01	25.00	24.78	25.06	24.72	24.74
	b	4.65	4.64	4.65	4.58	4.33	3.75	3.71	3.65	3.69	3.69	3.35	3.33	3.29
- up to 2 years	a	13.52	13.65	13.29	13.38	12.99	12.87	12.88	13.14	12.18	12.09	12.09	12.17	12.15
	b	4.56	4.51	4.54	4.50	4.15	4.12	4.09	4.05	4.19	4.21	3.60	3.57	3.57
- up to 5 years	a	6.18	6.33	6.43	6.48	6.47	13.30	13.41	12.87	12.82	12.69	12.97	12.56	12.59
	b	4.85	4.93	4.88	4.75	4.70	3.40	3.34	3.25	3.21	3.21	3.11	3.09	3.02
- long-term over 5 years	a	0.82	0.75	0.75	0.76	0.76	38.51	39.09	38.74	38.71	38.42	38.88	38.94	39.62
	b	5.06	5.03	5.06	5.10	5.11	3.01	3.00	2.99	2.99	3.00	3.04	3.03	2.88
Savings deposits	a	91.25	89.76	88.64	87.93	91.27	46.98	45.79	44.80	44.07	43.34	42.90	42.35	41.94
	b	1.98	2.00	2.01	2.03	2.06	1.35	1.18	0.98	0.99	0.93	0.94	0.95	0.97
- short-term	a	37.03	36.16	35.44	34.79	34.59	34.86	33.84	32.86	32.08	31.27	30.74	30.11	29.57
	b	1.48	1.50	1.52	1.54	1.46	1.48	1.26	0.98	0.96	0.87	0.86	0.85	0.85
- medium-term	a	13.40	13.14	12.95	12.77	12.64	12.09	11.92	11.90	11.96	12.03	12.15	12.21	12.34
	b	0.89	0.89	1.01	1.01	0.69	0.70	0.98	1.01	1.09	1.12	1.17	1.22	1.26
- long-term	a	40.82	40.46	40.25	40.37	44.04	0.04	0.04	0.03	0.03	0.03	0.00	0.03	0.03
	b	2.81	2.81	2.82	2.82	2.83	0.88	0.78	0.57	0.57	0.57	1.40	1.34	1.31
Time and savings deposits	a	456.22	449.42	448.30	446.14	422.50	444.31	384.45	441.91	455.13	431.92	437.01	436.61	430.06
	b	3.22	3.09	3.01	3.02	2.70	2.85	2.16	2.15	2.20	2.12	2.19	2.15	2.14
- short-term	a	381.47	375.09	374.62	372.38	345.60	367.51	307.12	365.23	379.42	356.65	360.92	360.71	353.33
	b	3.27	3.11	3.02	3.03	2.65	2.83	1.96	2.00	2.07	1.95	2.05	2.00	2.01
- medium-term	a	33.10	33.12	32.68	32.64	32.10	38.26	38.20	37.91	36.96	36.81	37.22	36.93	37.08
	b	3.13	3.15	3.20	3.18	2.90	2.78	2.86	2.82	2.85	2.85	2.63	2.63	2.61
- long-term	a	41.65	41.21	41.00	41.13	44.79	38.55	39.13	38.78	38.75	38.46	38.88	38.97	39.65
	b	2.85	2.85	2.86	2.86	2.87	3.01	3.00	2.99	2.98	3.00	3.04	3.03	2.88

a - Volume (SKK billions).

b - Average interest rate (%).

**Basic Characteristics of Interest Rates on Loans and Deposits**

(National methodology)

(% , percentage points)

	li- ne	2004					2005							
		8	9	10	11	12	1	2	3	4	5	6	7	8
Average interest rate on total credit ¹⁾	1	6.81	6.74	6.73	6.69	6.43	6.49	6.26	6.06	5.96	5.93	6.01	5.97	5.97
Average interest rate on deposits	2	2.51	2.37	2.30	2.28	2.01	2.18	1.56	1.59	1.63	1.53	1.59	1.54	1.53
Average interest rate on new loans ¹⁾	3	8.08	7.92	8.05	8.10	7.35	7.64	6.57	6.63	7.01	7.17	6.96	6.62	6.10
Average interbank money market rate (1D to 12M – mid rates)	4	3.86	3.98	4.06	4.10	3.54	3.60	2.64	2.16	2.42	2.65	2.70	2.69	2.80
Average interest rate on new short-term loans ¹⁾	5	8.21	8.12	8.10	8.18	7.44	7.68	6.78	6.81	7.14	7.35	7.36	6.79	6.15
Average interest rate on short-term deposits	6	3.27	3.11	3.02	3.03	2.65	2.83	1.96	2.00	2.07	1.95	2.05	2.00	2.01
Difference between the average interest rates on new short-term loans and short-term deposits (line 5 – line 6)	7	4.94	5.01	5.08	5.15	4.79	4.85	4.82	4.81	5.07	5.40	5.31	4.79	4.14
Basic interest rate of the NBS (until 31 Dec. 2002 discount rate)	8	4.50	4.50	4.50	4.50	4.00	4.00	4.00	3.00	3.00	3.00	3.00	3.00	3.00
12-month rate of inflation	9	7.20	6.70	6.60	6.30	5.90	3.20	2.70	2.50	2.70	2.40	2.50	2.00	2.00
Year-on-year increase in industrial producer prices	10	3.70	4.00	4.70	4.50	4.30	2.80	2.10	2.60	3.50	3.90	4.80	5.30	5.60
Real interest rate on new short-term loans (line 5 – line 10)	11	4.51	4.12	3.40	3.68	3.14	4.88	4.68	4.21	3.64	3.45	2.56	1.49	0.55
Difference between the average interest rate on new short-term loans and the rate of inflation (line 5 – line 9)	12	1.01	1.42	1.50	1.88	1.54	4.48	4.08	4.31	4.44	4.95	4.86	4.79	4.15
Average interest rate on one-year deposits	13	3.38	2.95	2.91	2.83	2.71	2.49	2.46	2.37	2.18	2.13	2.07	1.98	1.90
Real interest rate on one-year deposits (line 13 – line 9)	14	-3.82	-3.75	-3.69	-3.47	-3.19	-0.71	-0.24	-0.13	-0.52	-0.27	-0.43	-0.02	-0.10
Nominal interest margin (line 1 – line 2)	15	4.30	4.37	4.43	4.41	4.42	4.31	4.70	4.47	4.33	4.40	4.42	4.43	4.44
Difference between the average interest rates on new loans and total deposits (line 3 – line 2)	16	5.57	5.55	5.75	5.82	5.34	5.46	5.01	5.04	5.38	5.64	5.37	5.08	4.57
Difference between the average interest rate on new short-term loans and the average interbank money market rate (line 5 – line 4)	17	4.35	4.14	4.04	4.08	3.90	4.08	4.14	4.65	4.72	4.70	4.66	4.10	3.35
Difference between the average interest rate on new loans and the average interbank money market rate (line 3 – line 4)	18	4.22	3.94	3.99	4.00	3.81	4.04	3.93	4.47	4.59	4.52	4.26	3.93	3.30
Average interest rate on loans ²⁾	19	6.56	6.51	6.51	6.47	6.23	6.28	6.05	5.86	5.78	5.75	5.83	5.81	5.80
Nominal interest margin (line 19 – line 2)	20	4.05	4.14	4.21	4.19	4.22	4.10	4.49	4.27	4.15	4.22	4.24	4.27	4.27

1) Excluding loans at zero interest rate.

2) Including loans at zero interest rate.

Shortened Balance Sheet of Commercial Banks as at 31 August 2005

(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	
Total assets	63,247,659	1,168,390,065	35,908,170	130,831,428	58,309,265	1,330,191,269
Cash items	0	11,222,736	0	51,200	3,563,361	14,837,297
Cash in hand	0	9,916,489	0	0	3,235,904	13,152,393
Gold	0	1	0	0	0	1
Other cash items	0	1,306,246	0	51,200	327,457	1,684,903
Deposits with and credits to NBS, foreign issuing banks, and post office banks	242	302,717,241	0	0	3,055	302,720,054
Money reserve accounts with the NBS	0	25,965,359	0	0	0	25,965,359
Deposits, credits, and other receivables	46,705	21,915,723	13,163,698	7,502,989	14,168,370	56,704,075
Current accounts with banks	6	441,034	12,533	105,315	4,714,925	5,273,801
Credits provided	0	1,210,214	0	0	1,985,877	3,196,091
Time deposits with banks	850	19,559,269	6,403,095	7,392,131	7,084,646	40,438,291
Current accounts of other banks	0	0	6,207,920	5,535	350,389	6,563,844
Other receivables	0	592,695	540,150	8	27,864	1,160,717
Standard credits, qualified deposits, classified credits, deposits, and other receivables	45,849	112,511	0	0	4,669	71,331
of which: Short-term receivables	43	0	0	0	43	0
Interest on non-performing credits	468	1,154	0	0	0	686
Standard credits to customers	1,081,690	260,337,338	1,120,344	69,011,059	11,727,449	341,114,500
Short-term credits	473,380	37,812,294	234,226	16,194,250	2,646,389	56,413,779
Long-term credits	608,310	222,525,044	886,118	52,816,809	9,081,060	284,700,721
of which: Credits repayable in 1 to and including 5 years	475,641	78,964,098	765,219	21,675,526	3,562,536	104,491,738
Receivables from financial leasing	0	7,761	0	46,513	3,146	57,420
Other receivables from customers	3,417	2,492,124	6,412	1,256,678	1,019,193	4,770,990
of which: Credits for commercial claims	3,417	687,321	.	1,107,395	166,183	1,957,482
Current accounts of customers - debit balances, overdrafts	252,547	45,214,951	58,972	14,126,038	90,229	59,237,643
Standard receivables with conditions, classified credits, and other receivables from customers	23,758,829	51,431,418	791,692	19,489,969	1,616,554	49,570,804
of which: Interest due, but unpaid	2,469,286	2,494,648	1,945	28,371	2,475	58,153
Standard credits with conditions	2,496,040	25,581,641	569,622	14,546,650	1,255,236	39,457,109
Sub-standard receivables	1,751,384	6,666,638	204,825	2,123,324	339,271	7,582,674
Doubtful and controversial claims	2,251,917	3,216,447	85	992,196	81	1,956,892
Loss-making receivables	17,259,488	15,966,692	17,160	1,827,799	21,966	574,129
Receivables with reduced value	278,472	340,582	0	12,892	54,711	129,713
Unclassified receivables from customers	0	0	0	0	0	0
Other specific receivables	0	0	0	0	0	0
Accounts of state authorities, local governments, and funds	79,056	17,004,422	0	6,796,777	0	23,722,143
Standard credits with conditions, classified loans, and other receivables	75,414	97,577	0	440,912	0	463,075
Credits to state authorities	0	10,366,016	0	862,712	0	11,228,728
Credits to social security funds	0	259,757	0	0	0	259,757
Credits to local governments	3,642	6,281,072	0	5,493,153	0	11,770,583
Credits to funds	0	0	0	0	0	0
Fixed forward transactions	0	4,131,564	6,691,914	612,964	2,135,133	13,571,575
Claims in respect of money collection	0	145,040	3,453	607,756	95,164	851,413
Branches and representative offices	0	1,377	586,047	0	0	587,424
Receivables and other suspense accounts	1,169,109	5,564,833	14,056	235,914	16,036	4,661,730
Securities for sale and other shareholdings	190,614	39,634,140	691,827	3,315,734	5,175,731	48,626,818
Receivables from trade in securities and from securities issued by the accounting unit	0	20,496	1	19,420	5	39,922
Securities intended for trading	0	120,138,435	3,585,565	3,380,500	13,479,068	140,583,568
Options - purchase	0	1,193,344	516,505	206,756	66,960	1,983,565
Financial investment	1,552,356	196,436,159	8,677,684	4,158,266	4,539,405	212,259,158
Long-term funds provided to branches abroad	0	0	0	0	533,116	533,116
Tangible assets	25,694,084	47,974,318	0	0	0	22,280,234
Acquisition of tangible and intangible assets	3,200	2,458,999	0	0	22,579	2,478,378
Subordinated financial assets	0	62,829	0	0	0	62,829
Intangible assets	9,137,338	11,855,011	0	0	0	2,717,673
Inventories	0	123,865	0	3	0	123,868
Adjustments and accumulated depreciation	63,243,775	59,069,855	70,010	3,704,844	399,066	0



Shortened Balance Sheet of Commercial Banks as at 31 August 2005

(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	
Total liabilities	866,675,327	0	0	0	1,330,191,269
Deposits with and credits to NBS and foreign issuing banks, and postal checking accounts	0	0	0	0	0
Current accounts with NBS and foreign issuing banks	5,493,589	0	78,434	0	5,572,023
Time deposits of NBS and foreign issuing banks	1,608,776	0	0	0	1,608,776
Credits received from NBS and foreign issuing banks	0	0	0	0	0
of which: Redistribution credit	3,884,813	0	78,434	0	3,963,247
Refinancing repo credit	3,279,386	0	0	0	3,279,386
Refinancing repo credit	0	0	0	0	0
Deposits, credits, and other liabilities	21,446,943	95,997,706	7,579,461	152,252,922	277,277,032
Current accounts with banks	0	3,245	5,534	1,966,345	1,975,124
Current accounts of other banks	444,648	11,594,962	106,372	382,057	12,528,039
Other payables	149,886	24,185	75,422	439,649	689,142
Credits received	1,293,140	30,764,135	0	25,880,976	57,938,251
Time deposits of other banks	19,559,269	53,611,179	7,392,133	123,583,895	204,146,476
Payables in respect of other items	0	0	0	0	0
Liabilities in respect of short selling securities	0	0	0	0	0
Deposits of customers	588,157,022	5,245,670	83,264,126	3,645,740	680,312,558
Current accounts of customers	229,675,751	3,284,497	43,947,013	2,628,698	279,535,959
Time deposits of customers	277,094,584	1,873,389	37,511,092	991,647	317,470,712
Savings deposits of customers	80,692,998	87,664	1,806,021	25,395	82,612,078
Certificates of deposit	693,689	120	0	0	693,809
Other liabilities to customers	11,318,492	11,223	3,991,838	1,861,554	17,183,107
Loans received from customers	5,964,276	0	0	0	5,964,276
Liabilities from financial leasing	10,454	0	0	0	10,454
Short-term securities issued by the accounting unit	10,574,722	28,204	1,431,446	18,476	12,052,848
Earmarked deposits	290	0	0	6,582,280	6,582,570
Other specific payables	16,203	0	4	0	16,207
Accounts of state authorities, local governments, and funds	105,970,370	5,640	9,146,407	17,949	115,140,366
Non-budgetary money deposits of state authorities	82,407,857	5,640	9,044,212	17,949	91,475,658
Deposits of social security funds	114,751	0	0	0	114,751
Deposits of local governments	19,362,084	0	76,813	0	19,438,897
Deposits of funds	4,085,678	0	25,382	0	4,111,060
Fixed forward transactions	3,482,703	7,274,075	384,853	2,875,870	14,017,501
Payables in respect of money collection	348,737	280	635,018	79,932	1,063,967
Branches and representative offices	382,771	1,382,100	0	35,541,052	37,305,923
Various payables, adjustment and other suspense accounts	4,479,975	13,136	277,833	90,851	4,861,795
Liabilities from trading in securities and securities issued by the accounting unit	412,330	512	53,956	32	466,830
Options – sale	638,547	1,061,975	81,221	201,851	1,983,594
Subsidies and similar funds	3,323,809	0	0	0	3,323,809
Long-term securities issued by the accounting unit	39,680,474	1,137,075	1,936	0	40,819,485
Subordinated financial liabilities	0	514,918	0	0	514,918
Reserves	6,500,627	0	98,172	99,881	6,698,680
Reserve funds and other funds allocated from profits	12,494,296	146,500	0	0	12,640,796
Registered capital	4,642,073	36,808,128	0	0	41,450,201
Long-term funds provided to branches of foreign banks	32,000	2,844,579	0	0	2,876,579
Share premium	1,950,191	250,000	0	0	2,200,191
Own shares	-28,968	0	0	0	-28,968
Capital fund	205,409	5,490	0	0	210,899
Gains or losses from revaluation of net investments connected with shares and deposits	8,464	0	659	309	9,432
Gains or losses from revaluation of security derivatives	1,760,379	36,837	378,470	79,361	2,255,047
Retained earnings from previous years +/-	28,028,302	0	0	0	28,028,302
Accumulated losses from previous years -/-	-981,579	0	0	0	-981,579
Profit and loss account +/-, -/-	10,363,949	0	0	0	10,363,949
Profit or loss in process of approval +/-, -/-	0	0	0	0	0



Monthly Profit and Loss Account of Commercial Banks

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

(SKK millions)

	2004					2005							
	8	9	10	11	12	1	2	3	4	5	6	7	8
EXPENSES													
Expenses on financial operations:	164,229	177,710	192,022	210,392	234,692	19,396	35,034	58,931	79,761	97,229	120,455	138,133	154,119
Other interest	16,664	18,661	20,544	22,497	24,202	2,023	3,750	5,427	7,222	9,186	10,998	12,749	14,666
of which: Financial renting expenses	0	0	0	0	0	0	0	0	0	0	0	0	0
Fees and commissions	1,004	1,139	1,281	1,470	1,592	135	270	390	625	771	947	1,108	1,280
Operations in securities	1,677	1,873	2,068	2,202	2,464	74	179	492	641	799	981	1,118	1,251
Interest on securities	1,484	1,687	1,903	2,119	2,383	230	432	673	891	1,118	1,345	1,581	1,814
Foreign exchange operations	71,850	77,730	83,985	92,354	106,069	8,728	15,593	31,356	43,886	54,988	67,918	79,570	90,200
Operations in derivatives	70,844	75,822	81,342	88,762	96,882	8,113	14,642	20,346	26,161	29,941	37,728	41,351	44,173
Other operations	706	797	899	987	1,100	94	166	248	336	426	539	655	736
General operating expenses	17,300	19,499	21,722	24,068	26,341	2,136	4,407	6,640	8,849	11,244	13,657	15,921	18,088
Additions to reserves and provisions	16,521	19,932	21,645	23,817	30,941	2,727	4,968	7,709	9,344	10,979	14,256	16,258	18,000
Other operating expenses	8,399	9,934	10,992	11,699	13,700	595	1,138	1,863	2,422	3,123	4,048	6,473	7,239
Extraordinary expenses	0	0	0	0	200	0	0	0	0	0	0	0	0
Income tax	857	857	1,019	1,048	1,788	96	191	367	587	921	977	780	909
Current period profit	9,518	10,167	11,061	12,347	12,287	1,446	2,702	3,748	5,073	6,152	7,581	9,159	10,371
TOTAL EXPENSES, PLUS PROFIT	216,825	238,099	258,461	283,371	319,950	26,396	48,440	79,258	106,035	129,649	160,974	186,724	208,727
INCOME													
Income from financial operations:	195,014	212,238	230,318	252,735	281,542	23,648	43,303	71,135	95,670	117,223	144,732	166,461	186,409
Income from other interest	25,179	28,342	31,409	34,570	37,660	3,306	6,231	9,284	12,489	15,791	18,863	21,909	25,129
of which: Income from financial renting	0	0	0	0	1	0	0	0	0	0	1	1	1
Income from shares and stakes	224	248	275	276	280	32	107	155	167	209	81	86	97
Income from fees and provisions	6,928	7,874	8,807	9,743	10,962	917	1,840	2,937	3,974	5,037	6,179	7,283	8,442
Income from operations in securities	3,067	3,276	3,577	4,130	5,261	661	1,229	1,397	1,601	1,908	2,481	2,745	2,676
Income from interest on securities	13,645	15,205	16,777	18,366	20,452	1,599	2,947	4,370	5,626	7,020	8,407	9,837	11,158
Income from foreign exchange operations	74,996	81,292	87,911	96,709	109,859	8,717	16,511	32,214	44,944	55,705	68,728	79,508	91,007
Income from operations in derivatives	70,480	75,425	80,919	88,217	96,246	8,330	14,258	20,523	26,509	31,087	39,392	44,385	47,095
Income from other operations	495	575	643	723	822	85	179	255	359	466	601	708	805
Use of reserves and provisions	20,051	23,801	25,795	28,068	35,248	2,663	4,919	7,751	9,679	11,629	15,057	17,656	19,511
Other operating income	1,758	2,058	2,344	2,566	3,153	82	216	372	687	797	1,183	2,601	2,801
Extraordinary income	0	0	0	0	0	2	3	0	0	0	0	0	0
Current period loss	1	2	4	3	7	1	0	0	0	0	3	6	7
TOTAL INCOME, PLUS LOSS	216,825	238,099	258,461	283,371	319,950	26,396	48,440	79,258	106,035	129,649	160,974	186,724	208,727



Balance of Payments of the SR for January – July 2005

	Receipts / Credit (+)		Payments / Debit (-)		Balance	
	SKK millions	USD millions	SKK millions	USD millions	SKK millions	USD millions
Goods	539,511.0	17,783.9	573,328.0	18,898.6	-33,817.0	-1,114.7
Services	75,086.0	2,475.1	68,703.9	2,264.7	6,382.1	210.4
Transport	27,747.6	914.6	20,200.7	665.9	7,546.9	248.8
Tourism	19,953.3	657.7	14,838.1	489.1	5,115.2	168.6
Other services	27,385.0	902.7	33,665.1	1,109.7	-6,280.1	-207.0
Income	28,970.1	954.9	56,161.4	1,851.3	-27,191.3	-896.3
Compensation of employees	17,250.0	568.6	616.2	20.3	16,633.8	548.3
Investment income	11,720.1	386.3	55,545.2	1,830.9	-43,825.1	-1,444.6
Current transfers	24,793.7	817.3	25,179.9	830.0	-386.2	-12.7
CURRENT ACCOUNT	668,360.7	22,031.2	723,373.2	23,844.6	-55,012.4	-1,813.4
Capital account	382.6	12.6	403.5	13.3	-20.9	-0.7
Financial account	2,304,413.3	75,959.5	-2,178,938.8	-71,830.0	125,474.5	4,129.5
Direct investment	393,036.7	12,955.7	-355,810.3	-11,728.6	37,226.4	1,227.1
<i>Abroad (direct investor = resident)</i>	24,534.0	808.7	-26,028.7	-858.0	-1,494.7	-49.3
Equity capital and reinvested earnings	384.0	12.7	-825.7	-27.2	-441.7	-14.6
Other capital	24,150.0	796.1	-25,203.0	-830.8	-1,053.0	-34.7
<i>In the SR (recipient of dir. investment = resident)</i>	368,502.7	12,147.0	-329,781.7	-10,870.6	38,721.0	1,276.4
Equity capital and reinvested earnings	29,648.7	977.3	-3,592.7	-118.4	26,056.0	858.9
Other capital	338,854.0	11,169.7	-326,189.0	-10,752.2	12,665.0	417.5
Portfolio investment	484,676.6	15,976.4	-493,403.6	-16,250.9	-8,727.1	-274.5
Assets	35,495.7	1,170.0	-55,597.8	-1,832.7	-20,102.1	-662.6
Liabilities	449,180.9	14,806.4	-437,805.8	-14,418.2	11,375.1	388.2
Financial derivatives	594,044.0	19,581.5	-594,809.8	-19,606.7	-765.8	-25.2
Assets	249,675.4	8,230.1	-254,415.5	-8,386.3	-4,740.1	-156.2
Liabilities	344,368.5	11,351.4	-340,394.2	-11,220.4	3,974.3	131.0
Other investment	832,656.1	27,445.9	-734,915.1	-24,243.8	97,741.0	3,202.1
<i>Long-term</i>	59,032.1	1,945.0	-67,460.7	-2,248.1	-8,428.7	-303.1
Assets	20,790.6	684.5	-21,382.3	-704.9	-591.7	-20.4
Liabilities	38,241.5	1,260.6	-46,078.5	-1,543.2	-7,837.0	-282.7
<i>Short-term</i>	773,624.0	25,500.9	-667,454.3	-21,995.7	106,169.7	3,505.1
Assets	279,549.5	9,214.8	-288,844.2	-9,521.2	-9,294.8	-306.4
Liabilities	494,074.5	16,286.1	-378,610.1	-12,474.5	115,464.4	3,811.5
CAPITAL AND FINANCIAL ACCOUNT	2,304,795.9	75,972.1	-2,179,342.3	-71,843.3	125,453.6	4,128.8
ERRORS AND OMISSIONS	-	-	-	-	-691.6	199.4
TOTAL BALANCE	-16,192.1	-504.5	85,941.6	3,019.3	69,749.5	2,514.8
Monetary gold	0.0	0.0	0.0	0.0	0.0	0.0
Special drawing rights	0.0	0.0	-0.2	0.0	-0.2	0.0
Foreign exchange	16,192.1	504.5	-85,941.4	-3,019.3	-69,749.3	-2,514.8
<i>Currency and deposits</i>	16,192.1	504.5	0.0	0.0	16,192.1	504.5
<i>Securities</i>	0.0	0.0	-85,941.4	-3,019.3	-85,941.4	-3,019.3
Bonds and notes	0.0	0.0	-56,023.3	-1,960.7	-56,023.3	-1,960.7
Money market instruments and financial derivatives	0.0	0.0	-29,918.1	-1,058.6	-29,918.1	-1,058.6
RESERVE ASSETS	16,192.1	504.5	-85,941.6	-3,019.3	-69,749.5	-2,514.8

Note: Preliminary data.

Applied rate of exchange: USD 1 = SKK 30.337



Overview of Issues of NBS Bills

Registration number	Date of			DTM	Volume in Sk millions		Type of auction auction	Interest rate in % p.a.		
	auction	issue	maturity		demand	akcept.		issue	maturity	max.
940804001	15.1.2004	16.1.2004	8.4.2004	83	35,502	20,202	American	5.79	5.91	5.95
941405003	19.2.2004	20.2.2004	14.5.2004	84	37,360	20,000	American	5.80	5.88	5.90
940406004	11.3.2004	12.3.2004	4.6.2004	84	46,245	30,000	American	5.69	5.80	5.85
940207006	7.4.2004	8.4.2004	2.7.2004	85	31,698	20,000	American	5.29	5.34	5.42
940608007	13.5.2004	14.5.2004	6.8.2004	84	37,762	20,000	American	4.74	4.84	4.88
942708008	3.6.2004	4.6.2004	27.8.2004	84	49,193	0	American	-	-	-
942409011	1.7.2004	2.7.2004	24.9.2004	84	43,410	20,000	American	3.79	4.13	4.27
942910012	5.8.2004	6.8.2004	29.10.2004	84	50,529	20,000	American	3.74	4.07	4.10
941911014	26.8.2004	27.8.2004	19.11.2004	84	26,011	20,000	American	4.16	4.30	4.47
941712015	23.9.2004	24.9.2004	17.12.2004	84	31,115	20,000	American	3.97	4.31	4.39
942101017	28.10.2004	29.10.2004	21.1.2005	84	37,730	20,000	American	4.28	4.32	4.34
942101018	18.11.2004	19.11.2004	11.2.2005	84	41,001	20,000	American	4.05	4.14	4.18
941103019	16.12.2004	17.12.2004	11.3.2005	84	46,747	20,000	American	3.40	3.54	3.60
951504001	20.1.2005	21.1.2005	15.4.2005	84	47,662	25,000	American	3.41	3.59	3.68
950807004	14.4.2005	15.4.2005	8.7.2005	84	47,657	35,000	American	2.42	2.64	2.74
952907005	5.5.2005	6.5.2005	29.7.2005	84	37,470	35,000	American	2.70	2.91	3.00
952608007	2.6.2005	3.6.2005	26.8.2005	84	47,539	35,000	American	2.95	2.99	2.99
953009008	7.7.2005	8.7.2005	30.9.2005	84	53,872	35,000	American	2.88	2.95	2.98
952110010	28.7.2005	29.7.2005	21.10.2005	84	43,900	35,000	American	2.93	2.97	2.98
951811011	25.8.2005	26.8.2005	18.11.2005	84	36,898	35,000	American	2.96	2.98	2.99
952312013	29.9.2005	30.9.2005	23.12.2005	84	36,288	35,000	American	2.95	2.99	3.00

**Monetary Base of the NBS**

(SKK billions)

	2005		
	10.9.	20.9.	30.9.
SOURCES OF THE MONETARY BASE	138.30	129.04	135.49
Autonomous factors	555.18	554.31	556.61
Net foreign assets	489.58	496.76	503.59
Reserves	495.95	503.30	510.24
Foreign liabilities	6.37	6.54	6.65
Net credit to the government ¹⁾	-2.32	-1.61	-1.21
Other assets net	67.92	59.16	54.23
Monetary policy factors ²⁾	-416.88	-425.27	-421.13
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	605.00	1,105.00	1,105.00
of which: in NBS portfolio	188.12	679.73	691.85
Overnight deposits of commercial banks with the NBS	0.00	0.00	7.98
USE OF THE MONETARY BASE³⁾	138.30	129.04	135.49
Currency in circulation	121.34	123.52	122.11
Reserves of commercial banks	16.96	5.52	13.38
Required reserves	21.15	21.15	21.15
Excess reserves	-4.19	-15.62	-7.77

1) Including the deposits of the SR Treasury at the NBS.

2) Including NBS treasury bills in the portfolios of commercial banks and the one-day deposits of commercial banks at the NBS.

3) Use of the Monetary Base = Reserve money = Currency in circulation + Reserves of commercial banks.



Basic Characteristics of Slovakia's Foreign Exchange Market in September 2005

	USD			EUR			Other currencies			Total	
	Volume		Number of transactions	Volume		Number of transactions	Volume		Number of transactions	Volume USD millions	Number of transactions
	USD millions	%		USD millions	%		USD millions	%			
NBS	0.0	0.0	0	0.0	0.0	0	0	0	0	0.0	0
Transactions between domestic banks without foreign participation	4,814.8	63.3	225	2,755.8	36.2	830	39.0	0.5	41	7,609.6	1,096
Interbank forex market: NBS + transactions between domestic banks	4,814.8	63.3	225	2,755.8	36.2	830	39.0	0.5	41	7,609.6	1,096
Transactions between domestic and foreign banks	39,449.6	85.1	1,774	6,539.4	14.1	2,633	356.1	0.8	113	46,345.1	4,520
Foreign exchange market in the SR – total	44,264.4	82.0	1,999	9,295.2	17.2	3,463	395.1	0.7	154	53,954.7	5,616

	SPOT			FORWARD			SWAP			OPTIONS			Total	
	Volume		No. of transactions	Volume		No. of transactions	Volume		No. of transactions	Volume		No. of transactions	Volume USD millions	No. of transactions
	USD millions	%		USD millions	%		USD millions	%		USD millions	%			
Transactions between domestic banks without foreign participation	1,396.5	18.3	785	0.6	0.0	3	6,214.9	81.6	307	0.5	0.0	1	7,612.6	1,096
Transactions between domestic and foreign banks	5,057.0	10.9	2,439	44.8	0.1	25	40,914.8	88.3	1,829	340.4	0.7	227	46,356.9	4,520
Foreign exchange market in the SR - excl. the NBS	6,453.5	12.0	3,224	45.4	0.1	28	47,129.7	87.3	2,136	340.9	0.6	228	53,969.5	5,616

**Average Monthly Exchange Rates of the SKK**

Midpoint rate	2004					2005								
	8	9	10	11	12	1	2	3	4	5	6	7	8	9
1 AUD	23.394	23.020	23.448	23.472	22.322	22.483	22.813	22.705	23.372	23.548	24.242	24.264	24.016	23.996
1 CYP	-	-	-	-	-	66.426	65.282	65.483	67.153	67.502	67.136	67.720	67.515	67.132
1 CZK	1.268	1.267	1.270	1.264	1.268	1.274	1.268	1.283	1.301	1.291	1.282	1.286	1.306	1.311
1 DKK	5.395	5.386	5.378	5.326	5.237	5.190	5.112	5.128	5.256	5.244	5.177	5.207	5.187	5.156
1 EUR	40.115	40.056	40.004	39.578	38.925	38.614	38.051	38.185	39.157	39.039	38.537	38.837	38.695	38.450
1 EEK	-	-	-	-	-	2.468	2.432	2.441	2.503	2.495	2.463	2.482	2.473	2.458
100 JPY	29.809	29.813	29.385	29.093	28.006	28.421	27.914	27.493	28.186	28.808	29.145	28.798	28.454	28.243
1 CAD	25.066	25.420	25.622	25.487	23.926	24.033	23.610	23.722	24.538	24.435	25.427	26.351	26.067	26.583
1 LTL	-	-	-	-	-	11.183	11.020	11.059	11.342	11.308	11.162	11.246	11.207	11.136
1 LVL	-	-	-	-	-	55.447	54.669	54.853	56.256	56.085	55.371	55.799	55.599	55.240
100 HUF	16.111	16.172	16.211	16.130	15.828	15.665	15.596	15.612	15.797	15.493	15.455	15.755	15.828	15.646
1 MTL	-	-	-	-	-	89.297	88.303	88.438	91.078	90.933	89.747	90.456	90.140	89.568
1 NOK	4.813	4.790	4.852	4.860	4.740	4.700	4.575	4.664	4.787	4.823	4.881	4.902	4.886	4.925
1 PLN	9.057	9.151	9.256	9.282	9.387	9.466	9.528	9.537	9.451	9.319	9.482	9.474	9.560	9.798
100 SIT	16.715	16.692	16.673	16.505	16.233	16.105	15.872	15.931	16.338	16.299	16.094	16.216	16.156	16.058
1 CHF	26.079	25.963	25.913	25.994	25.374	24.974	24.541	24.660	25.295	25.275	25.053	24.929	24.904	24.817
1 SEK	4.363	4.406	4.416	4.394	4.338	4.267	4.187	4.204	4.273	4.246	4.166	4.121	4.141	4.118
1 USD	32.939	32.825	32.081	30.532	29.074	29.348	29.259	28.885	30.249	30.672	31.641	32.220	31.494	31.354
1 GBP	59.981	58.856	57.882	56.675	56.066	55.217	55.168	55.134	57.270	57.073	57.589	56.479	56.421	56.731
1 XDR	48.257	48.056	47.419	46.163	44.756	44.785	44.383	44.132	45.689	45.994	46.461	46.740	46.184	45.986

Note: With effect from 1 January 2005 the National Bank of Slovakia has expanded its exchange list by currencies of Cyprus, Estonia, Lithuania, Latvia and Malta.

Average Quarterly Exchange Rates of the SKK

Midpoint rate	2004					2005		
	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3
1 AUD	24.820	23.774	23.232	23.062	23.722	22.667	23.726	24.089
1 CYP	-	-	-	-	-	65.726	67.266	67.458
1 CZK	1.235	1.251	1.267	1.268	1.255	1.275	1.291	1.301
1 DKK	5.446	5.389	5.382	5.312	5.382	5.143	5.225	5.184
1 EUR	40.574	40.089	40.025	39.492	40.045	38.282	38.907	38.662
1 EEK	-	-	-	-	-	2.447	2.487	2.471
100 JPY	30.257	30.352	29.794	28.811	29.804	27.935	28.721	28.497
1 CAD	24.618	24.480	25.010	24.987	24.774	23.788	24.804	26.325
1 LTL	-	-	-	-	-	11.087	11.270	11.197
1 LVL	-	-	-	-	-	54.987	55.899	55.548
100 HUF	15.597	15.902	16.079	16.051	15.907	15.624	15.578	15.746
1 MTL	-	-	-	-	-	88.675	90.578	90.057
1 NOK	4.700	4.850	4.772	4.815	4.784	4.647	4.831	4.904
1 PLN	8.493	8.545	9.042	9.310	8.847	9.511	9.417	9.609
100 SIT	17.075	16.787	16.680	16.466	16.752	15.969	16.242	16.143
1 CHF	25.865	26.067	26.061	25.750	25.936	24.724	25.206	24.884
1 SEK	4.419	4.382	4.369	4.382	4.388	4.219	4.228	4.127
1 USD	32.457	33.264	32.761	30.539	32.255	29.16	30.863	31.683
1 GBP	59.630	60.107	59.595	56.865	59.049	55.172	57.311	56.540
1 XDR	48.234	48.560	48.074	46.090	47.740	44.429	46.053	46.299

Note: With effect from 1 January 2005 the National Bank of Slovakia has expanded its exchange list by currencies of Cyprus, Estonia, Lithuania, Latvia and Malta.

Inflow of Foreign Direct Investment¹⁾ into Slovakia in 1999 – 2005

(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
1999	65,637	16,729	695	83,061	1,778.15	403.92	-216.87	1,965.20
2000	83,061	97,454	-18,527	161,988	1,965.20	2,109.39	-656.33	3,418.26
2001	161,988	24,353	-4,190	182,151	3,418.26	503.71	-163.73	3,758.24
2002	182,151	174,180	-96,814	259,517	3,758.24	3,842.06	-1,118.22	6,482.08
2003	259,517	37,157	-13,596	283,078	6,482.08	1,010.44	1,106.43	8,598.95
2004 ³⁾	298,431	26,368	5,798	330,597	9,065.34	817.49	1,718.70	11,601.53
2005 ⁴⁾	329,691	6,423	-105	336,009 ⁵⁾	11,569.73	213.83	-1,225.54	10,558.02 ⁵⁾

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
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 ²⁾	59,980	1,813	3,629	65,422	1,498.15	49.30	439.85	1,987.30
2004 ³⁾	65,422	5,115	-3,893	66,644	1,987.30	158.58	192.83	2,338.71
2005	66,644	123	0	66,767 ⁵⁾	2,338.71	4.09	-244.87	2,097.93 ⁵⁾

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
1999	78,568	16,689	781	96,038	2,128.46	402.95	-259.18	2,272.23
2000	96,038	99,561	-18,458	177,141	2,272.23	2,155.00	-689.21	3,738.02
2001	177,141	61,448	-4,193	234,396	3,738.02	1,270.98	-172.80	4,836.20
2002	234,396	185,594	-100,744	319,246	4,836.20	4,093.83	-956.06	7,973.97
2003 ²⁾	319,497	38,970	-9,967	348,500	7,980.23	1,059.74	1,546.28	10,586.25
2004 ³⁾	363,853	31,483	1,905	397,241	11,052.64	976.07	1,911.53	13,940.24
2005 ⁴⁾	396,335	6,546	-105	402,776 ⁵⁾	13,908.44	217.92	-1,470.41	12,655.95 ⁵⁾

Note: The data for 2003 – 2005 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) Change in methodology (higher limit for foreign exchange reporting obligation).
- 5) Data at 30 June.



Inflow of Foreign Direct Investment¹⁾ During January to June 2005

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 30.038									
Inflow of FDI (equity capital + reinvested earnings) in total	6,423	213.8	100.0	123	4.1	100.0	6,546	217.9	100.0
Structure of capital by investor									
Czech Republic	1,648	54.9	25.7	-1	0.0	-0.8	1,647	54.8	25.2
South Korea	1,209	40.2	18.8	0	0.0	0.0	1,209	40.2	18.5
Austria	995	33.1	15.5	172	5.7	139.8	1,167	38.9	17.8
Germany	1,217	40.5	18.9	-251	-8.4	-204.1	966	32.2	14.8
Switzerland	646	21.5	10.1	0	0.0	0.0	646	21.5	9.9
United Kingdom	511	17.0	8.0	125	4.2	101.6	636	21.2	9.7
The Netherlands	511	17.0	8.0	3	0.1	2.4	514	17.1	7.9
Belgium	294	9.8	4.6	0	0.0	0.0	294	9.8	4.5
USA	183	6.1	2.8	0	0.0	0.0	183	6.1	2.8
Luxembourg	35	1.2	0.5	0	0.0	0.0	35	1.2	0.5
Other countries	-826	-27.5	-12.9	75	2.5	61.0	-751	-25.0	-11.5
Structure of capital by sector									
Agriculture, hunting, and forestry	-2	-0.1	0.0	0	0.0	0.0	-2	-0.1	0.0
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Mineral raw materials extraction	8	0.3	0.1	0	0.0	0.0	8	0.3	0.1
Manufacturing	2,463	82.0	38.3	0	0.0	0.0	2,463	82.0	37.6
Electricity, gas, and water supply	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Construction	-112	-3.7	-1.7	0	0.0	0.0	-112	-3.7	-1.7
Wholesale and retail trade, repairs of motor vehicles	1,585	52.8	24.7	0	0.0	0.0	1,585	52.8	24.2
Hotels and restaurants	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Transport, storage, post and telecommunications	8	0.3	0.1	0	0.0	0.0	8	0.3	0.1
Financial intermediation	1,914	63.7	29.8	123	4.1	100.0	2,037	67.8	31.1
Real estate, renting and business activities	549	18.3	8.5	0	0.0	0.0	549	18.3	8.4
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	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Other community, social, and personal services	10	0.3	0.2	0	0.0	0.0	10	0.3	0.2
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
Structure of capital by region									
Bratislava region	3,453	115.0	53.8	88	2.9	71.5	3,541	117.9	54.1
Trnava region	72	2.4	1.1	0	0.0	0.0	72	2.4	1.1
Trenčín region	1,004	33.4	15.6	0	0.0	0.0	1,004	33.4	15.3
Nitra region	11	0.4	0.2	0	0.0	0.0	11	0.4	0.2
Žilina region	1,711	57.0	26.6	-1	0.0	-0.8	1,710	56.9	26.1
Banská Bystrica region	59	2.0	0.9	36	1.2	29.3	95	3.2	1.5
Prešov region	73	2.4	1.1	0	0.0	0.0	73	2.4	1.1
Košice region	40	1.3	0.6	0	0.0	0.0	40	1.3	0.6

Note: Preliminary data.

1) Equity capital + reinvested earnings.

Inflow of Foreign Direct Investment¹⁾ During January to December 2004

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 32.255									
Inflow of FDI (equity capital + reinvested earnings) in total	26,368	817.5	100.0	5,115	158.6	100.0	31,483	976.1	100.0
Structure of capital by investor									
Hungary	6,881	213.3	26.1	-30	-0.9	-0.6	6,851	212.4	21.8
Austria	1,697	52.6	6.4	4,776	148.1	93.4	6,473	200.7	20.6
Czech Republic	4,606	142.8	17.5	-11	-0.3	-0.2	4,595	142.5	14.6
United Kingdom	5,982	185.5	22.7	-1,396	-43.3	-27.3	4,586	142.2	14.6
France	3,672	113.8	13.9	-136	-4.2	-2.7	3,536	109.6	11.2
Germany	3,117	96.6	11.8	253	7.8	4.9	3,370	104.5	10.7
Luxembourg	3,184	98.7	12.1	0	0.0	0.0	3,184	98.7	10.1
South Korea	2,148	66.6	8.1	0	0.0	0.0	2,148	66.6	6.8
Switzerland	756	23.4	2.9	0	0.0	0.0	756	23.4	2.4
Italy	693	21.5	2.6	-13	-0.4	-0.3	680	21.1	2.2
Other countries	-6,368	-197.4	-24.2	1,672	51.8	32.7	-4,696	-145.6	-14.9
Structure of capital by sector									
Agriculture, hunting, and forestry	319	9.9	1.2	0	0.0	0.0	319	9.9	1.0
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Mineral raw materials extraction	-24	-0.7	-0.1	0	0.0	0.0	-24	-0.7	-0.1
Manufacturing	24,140	748.4	91.6	0	0.0	0.0	24,140	748.4	76.7
Electricity, gas, and water supply	-301	-9.3	-1.1	0	0.0	0.0	-301	-9.3	-1.0
Construction	567	17.6	2.2	0	0.0	0.0	567	17.6	1.8
Wholesale and retail trade, repairs of motor vehicles	7,896	244.8	29.9	0	0.0	0.0	7,896	244.8	25.1
Hotels and restaurants	-54	-1.7	-0.2	0	0.0	0.0	-54	-1.7	-0.2
Transport, storage, post and telecommunications	-8,004	-248.1	-30.4	0	0.0	0.0	-8,004	-248.1	-25.4
Financial intermediation	1,275	39.5	4.8	5,115	158.6	100.0	6,390	198.1	20.3
Real estate, renting and business activities	394	12.2	1.5	0	0.0	0.0	394	12.2	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	19	0.6	0.1	0	0.0	0.0	19	0.6	0.1
Other community, social, and personal services	141	4.4	0.5	0	0.0	0.0	141	4.4	0.4
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
Structure of capital by regions									
Bratislava region	15,537	481.7	58.9	5,004	155.1	97.8	20,541	636.8	65.2
Trnava region	4,062	125.9	15.4	0	0.0	0.0	4,062	125.9	12.9
Trenčín region	2,199	68.2	8.3	0	0.0	0.0	2,199	68.2	7.0
Nitra region	-167	-5.2	-0.6	0	0.0	0.0	-167	-5.2	-0.5
Žilina region	2,279	70.7	8.6	73	2.3	1.4	2,352	72.9	7.5
Banská Bystrica region	451	14.0	1.7	38	1.2	0.7	489	15.2	1.6
Prešov region	996	30.9	3.8	0	0.0	0.0	996	30.9	3.2
Košice region	1,011	31.3	3.8	0	0.0	0.0	1,011	31.3	3.2

Note: Preliminary data.

1) Equity capital + reinvested earnings.



Inflow of Foreign Direct Investment¹⁾ 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									
Inflow of FDI (equity capital + reinvested earnings) in total	37,157	1,010.4	100.0	1,813	49.3	100.0	38,970	1,059.7	100.0
Structure of capital by investor									
Germany	12,543	341.1	33.8	21	0.6	1.2	12,564	341.7	32.2
Hungary	7,480	203.4	20.1	984	26.8	54.3	8,464	230.2	21.7
United Kingdom	5,945	161.7	16.0	104	2.8	5.7	6,049	164.5	15.5
The Netherlands	2,816	76.6	7.6	7	0.2	0.4	2,823	76.8	7.2
Czech Republic	2,117	57.6	5.7	-7	-0.2	-0.4	2,110	57.4	5.4
USA	1,986	54.0	5.3	-27	-0.7	-1.5	1,959	53.3	5.0
Austria	695	18.9	1.9	603	16.4	33.3	1,298	35.3	3.3
Denmark	1,132	30.8	3.0	0	0.0	0.0	1,132	30.8	2.9
Switzerland	998	27.1	2.7	0	0.0	0.0	998	27.1	2.6
Italy	566	15.4	1.5	142	3.9	7.8	708	19.3	1.8
Other countries	879	23.9	2.4	-14	-0.4	-0.8	865	23.5	2.2
Structure of capital by sector									
Agriculture, hunting, and forestry	296	8.0	0.8	0	0.0	0.0	296	8.0	0.8
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Mineral raw materials extraction	77	2.1	0.2	0	0.0	0.0	77	2.1	0.2
Manufacturing	13,941	379.1	37.5	0	0.0	0.0	13,941	379.1	35.8
Electricity, gas, and water supply	-546	-14.8	-1.5	0	0.0	0.0	-546	-14.8	-1.4
Construction	737	20.0	2.0	0	0.0	0.0	737	20.0	1.9
Wholesale and retail trade, repairs of motor vehicles	9,042	245.9	24.3	0	0.0	0.0	9,042	245.9	23.2
Hotels and restaurants	63	1.7	0.2	0	0.0	0.0	63	1.7	0.2
Transport, storage, post and telecommunications	332	9.0	0.9	0	0.0	0.0	332	9.0	0.9
Financial intermediation	896	24.4	2.4	1,813	49.3	100.0	2,709	73.7	7.0
Real estate, renting and business activities	1,724	46.9	4.6	0	0.0	0.0	1,724	46.9	4.4
Public administration and defence, compulsory social security	10,463	284.5	28.2	0	0.0	0.0	10,463	284.5	26.8
Education	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Health and social work	3	0.1	0.0	0	0.0	0.0	3	0.1	0.0
Other community, social, and personal services	129	3.5	0.3	0	0.0	0.0	129	3.5	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
Structure of capital by regions									
Bratislava region	29,363	798.5	79.0	1,773	48.2	97.8	31,136	846.7	79.9
Trnava region	1,374	37.4	3.7	0	0.0	0.0	1,374	37.4	3.5
Trenčín region	3,378	91.9	9.1	0	0.0	0.0	3,378	91.9	8.7
Nitra region	1,510	41.1	4.1	0	0.0	0.0	1,510	41.1	3.9
Žilina region	740	20.1	2.0	26	0.7	1.4	766	20.8	2.0
Banská Bystrica region	121	3.3	0.3	14	0.4	0.8	135	3.7	0.3
Prešov region	54	1.5	0.1	0	0.0	0.0	54	1.5	0.1
Košice region	617	16.8	1.7	0	0.0	0.0	617	16.8	1.6

Note: Preliminary data.

1) Equity capital + reinvested earnings.

Volume of Foreign Direct Investment¹⁾ as at 30 June 2005

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 31.825									
Total volume of FDI (equity capital + reinvested earnings)	336,009	10,558.0	100.0	66,767	2,097.9	100.0	402,776	12,656.0	100.0
Structure of capital by investor									
The Netherlands	89,181	2,802.2	26.5	616	19.4	0.9	89,797	2,821.6	22.3
Germany	75,776	2,381.0	22.6	860	27.0	1.3	76,636	2,408.0	19.0
Austria	27,727	871.2	8.3	33,081	1,039.5	49.5	60,808	1,910.7	15.1
Hungary	27,312	858.2	8.1	2,007	63.1	3.0	29,319	921.3	7.3
Italy	4,822	151.5	1.4	24,144	758.6	36.2	28,966	910.2	7.2
United Kingdom	26,738	840.2	8.0	473	14.9	0.7	27,211	855.0	6.8
Czech Republic	18,431	579.1	5.5	3,486	109.5	5.2	21,917	688.7	5.4
USA	14,250	447.8	4.2	1,650	51.8	2.5	15,900	499.6	3.9
France	11,493	361.1	3.4	450	14.1	0.7	11,943	375.3	3.0
Cyprus	8,449	265.5	2.5	0	0.0	0.0	8,449	265.5	2.1
Other countries	31,830	1,000.2	9.5	0	0.0	0.0	31,830	1,000.2	7.9
Structure of capital by sector									
Agriculture, hunting, and forestry	1,668	52.4	0.5	0	0.0	0.0	1,668	52.4	0.4
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Mineral raw materials extraction	2,623	82.4	0.8	0	0.0	0.0	2,623	82.4	0.7
Manufacturing	159,097	4,999.1	47.3	0	0.0	0.0	159,097	4,999.1	39.5
Electricity, gas, and water supply	40,645	1,277.1	12.1	0	0.0	0.0	40,645	1,277.1	10.1
Construction	2,651	83.3	0.8	0	0.0	0.0	2,651	83.3	0.7
Wholesale and retail trade, repairs of motor vehicles	52,342	1,644.7	15.6	0	0.0	0.0	52,342	1,644.7	13.0
Hotels and restaurants	1,912	60.1	0.6	0	0.0	0.0	1,912	60.1	0.5
Transport, storage, post and telecommunications	35,784	1,124.4	10.6	0	0.0	0.0	35,784	1,124.4	8.9
Financial intermediation	22,473	706.1	6.7	66,767	2,097.9	100.0	89,240	2,804.1	22.2
Real estate, renting and business activities	13,751	432.1	4.1	0	0.0	0.0	13,751	432.1	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	1,490	46.8	0.4	0	0.0	0.0	1,490	46.8	0.4
Other community, social, and personal services	1,573	49.4	0.5	0	0.0	0.0	1,573	49.4	0.4
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
Structure of capital by regions									
Bratislava region	209,143	6,571.7	62.2	65,458	2,056.8	98.0	274,601	8,628.5	68.2
Trnava region	23,889	750.6	7.1	0	0.0	0.0	23,889	750.6	5.9
Trenčín region	18,160	570.6	5.4	0	0.0	0.0	18,160	570.6	4.5
Nitra region	12,693	398.8	3.8	0	0.0	0.0	12,693	398.8	3.2
Žilina region	20,608	647.5	6.1	950	29.9	1.4	21,558	677.4	5.4
Banská Bystrica region	9,472	297.6	2.8	359	11.3	0.5	9,831	308.9	2.4
Prešov region	7,081	222.5	2.1	0	0.0	0.0	7,081	222.5	1.8
Košice region	34,963	1,098.6	10.4	0	0.0	0.0	34,963	1,098.6	8.7

Note: Preliminary data.

1) Equity capital + reinvested earnings.



Volume of Foreign Direct Investment¹⁾ as at 31 December 2004

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 28.496									
Total volume of FDI (equity capital + reinvested earnings)	330,597	11,601.5	100.0	66,644	2,338.7	100.0	397,241	13,940.2	100.0
Structure of capital by investor									
The Netherlands	94,042	3,300.2	28.4	613	21.5	0.9	94,655	3,321.7	23.8
Germany	74,723	2,622.2	22.6	1,110	39.0	1.7	75,833	2,661.2	19.1
Austria	21,244	745.5	6.4	32,926	1,155.5	49.4	54,170	1,901.0	13.6
Hungary	5,276	185.1	1.6	24,143	847.2	36.2	29,419	1,032.4	7.4
United Kingdom	27,303	958.1	8.3	1,952	68.5	2.9	29,255	1,026.6	7.4
Italy	26,255	921.4	7.9	349	12.2	0.5	26,604	933.6	6.7
Czech Republic	16,983	596.0	5.1	3,486	122.3	5.2	20,469	718.3	5.2
USA	13,966	490.1	4.2	1,650	57.9	2.5	15,616	548.0	3.9
France	11,766	412.9	3.6	415	14.6	0.6	12,181	427.5	3.1
Cyprus	8,885	311.8	2.7	0	0.0	0.0	8,885	311.8	2.2
Other countries	30,154	1,058.2	9.1	0	0.0	0.0	30,154	1,058.2	7.6
Structure of capital by sector									
Agriculture, hunting, and forestry	1,674	58.7	0.5	0	0.0	0.0	1,674	58.7	0.4
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Mineral raw materials extraction	2,549	89.5	0.8	0	0.0	0.0	2,549	89.5	0.6
Manufacturing	158,956	5,578.2	48.1	0	0.0	0.0	158,956	5,578.2	40.0
Electricity, gas, and water supply	40,952	1,437.1	12.4	0	0.0	0.0	40,952	1,437.1	10.3
Construction	2,801	98.3	0.8	0	0.0	0.0	2,801	98.3	0.7
Wholesale and retail trade, repairs of motor vehicles	50,799	1,782.7	15.4	0	0.0	0.0	50,799	1,782.7	12.8
Hotels and restaurants	1,917	67.3	0.6	0	0.0	0.0	1,917	67.3	0.5
Transport, storage, post and telecommunications	35,872	1,258.8	10.9	0	0.0	0.0	35,872	1,258.8	9.0
Financial intermediation	18,224	639.5	5.5	66,644	2,338.7	100.0	84,868	2,978.2	21.4
Real estate, renting and business activities	13,887	487.3	4.2	0	0.0	0.0	13,887	487.3	3.5
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	1,491	52.3	0.5	0	0.0	0.0	1,491	52.3	0.4
Other community, social, and personal services	1,475	51.8	0.4	0	0.0	0.0	1,475	51.8	0.4
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
Structure of capital by regions									
Bratislava region	206,296	7,239.5	62.4	65,202	2,288.1	97.8	271,498	9,527.6	68.3
Trnava region	23,867	837.6	7.2	0	0.0	0.0	23,867	837.6	6.0
Trenčín region	17,269	606.0	5.2	0	0.0	0.0	17,269	606.0	4.3
Nitra region	12,677	444.9	3.8	0	0.0	0.0	12,677	444.9	3.2
Žilina region	19,139	671.6	5.8	950	33.3	1.4	20,089	705.0	5.1
Banská Bystrica region	9,484	332.8	2.9	492	17.3	0.7	9,976	350.1	2.5
Prešov region	7,041	247.1	2.1	0	0.0	0.0	7,041	247.1	1.8
Košice region	34,824	1,222.1	10.5	0	0.0	0.0	34,824	1,222.1	8.8

Note: Preliminary data.

1) Equity capital + reinvested earnings.

Volume of Foreign Direct Investment¹⁾ 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									
Total volume of FDI (equity capital + reinvested earnings)	283,078	8,599.0	100.0	65,422	1,987.3	100.0	348,500	10,586.3	100.0
Structure of capital by investor									
The Netherlands	91,208	2,770.6	32.2	595	18.1	0.9	91,803	2,788.7	26.3
Germany	67,421	2,048.0	23.8	852	25.9	1.3	68,273	2,073.9	19.6
Austria	17,941	545.0	6.3	30,383	922.9	46.4	48,324	1,467.9	13.9
Italy	4,319	131.2	1.5	24,143	733.4	36.9	28,462	864.6	8.2
United Kingdom	25,332	769.5	8.9	1,749	53.1	2.7	27,081	822.6	7.8
Hungary	16,062	487.9	5.7	2,005	60.9	3.1	18,067	548.8	5.2
Czech Republic	14,283	433.9	5.0	3,495	106.2	5.3	17,778	540.0	5.1
USA	12,540	380.9	4.4	1,650	50.1	2.5	14,190	431.0	4.1
France	7,828	237.8	2.8	550	16.7	0.8	8,378	254.5	2.4
Cyprus	4,693	142.6	1.7	0	0.0	0.0	4,693	142.6	1.3
Other countries	21,451	651.6	7.6	0	0.0	0.0	21,451	651.6	6.2
Structure of capital by sector									
Agriculture, hunting, and forestry	1,349	41.0	0.5	0	0.0	0.0	1,349	41.0	0.4
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	124,677	3,787.3	44.0	0	0.0	0.0	124,677	3,787.3	35.8
Electricity, gas, and water supply	40,379	1,226.6	14.3	0	0.0	0.0	40,379	1,226.6	11.6
Construction	2,842	86.3	1.0	0	0.0	0.0	2,842	86.3	0.8
Wholesale and retail trade, repairs of motor vehicles	44,055	1,338.2	15.6	0	0.0	0.0	44,055	1,338.2	12.6
Hotels and restaurants	1,932	58.7	0.7	0	0.0	0.0	1,932	58.7	0.6
Transport, storage, post and telecommunications	35,713	1,084.8	12.6	0	0.0	0.0	35,713	1,084.8	10.2
Financial intermediation	15,558	472.6	5.5	65,422	1,987.3	100.0	80,980	2,459.9	23.2
Real estate, renting and business activities	11,277	342.6	4.0	0	0.0	0.0	11,277	342.6	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	1,445	43.9	0.5	0	0.0	0.0	1,445	43.9	0.4
Other community, social, and personal services	1,142	34.7	0.4	0	0.0	0.0	1,142	34.7	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
Structure of capital by regions									
Bratislava region	175,496	5,331.0	62.0	63,980	1,943.5	97.8	239,476	7,274.5	68.7
Trnava region	17,877	543.0	6.3	0	0.0	0.0	17,877	543.0	5.1
Trenčín region	14,272	433.5	5.0	0	0.0	0.0	14,272	433.5	4.1
Nitra region	11,627	353.2	4.1	0	0.0	0.0	11,627	353.2	3.3
Žilina region	14,471	439.6	5.1	950	28.9	1.5	15,421	468.4	4.4
Banská Bystrica region	9,065	275.4	3.2	492	14.9	0.8	9,557	290.3	2.7
Prešov region	6,020	182.9	2.1	0	0.0	0.0	6,020	182.9	1.7
Košice region	34,250	1,040.4	12.1	0	0.0	0.0	34,250	1,040.4	9.8

Note: Preliminary data.

1) Equity capital + reinvested earnings.

**Outflow of Foreign Direct Investment¹⁾ from Slovakia in 1999 – 2005**

(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
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	-2,646	19,121	441.59	8.03	27.97	477.59
2003	19,121	664	-1,835	17,950	477.59	18.06	49.61	545.26
2004	17,950	1,536	-254	19,232	545.26	47.62	82.02	674.90
2005 ³⁾	19,136	-244	257	19,149 ⁴⁾	671.53	-8.12	-61.71	601.70 ⁴⁾

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
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 ²⁾	162	43	-9	196	4.05	1.17	0.74	5.96
2004	196	-29	360	527	5.96	-0.90	13.44	18.50
2005	527	-1	4	530 ⁴⁾	18.50	-0.04	-1.81	16.65 ⁴⁾

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
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	-2,680	19,285	445.67	8.03	27.98	481.68
2003 ²⁾	19,283	707	-1,844	18,146	481.64	19.23	50.35	551.22
2004	18,146	1,472	98	19,759	551.22	46.72	95.46	693.40
2005 ³⁾	19,663	-245	261	19,679 ⁴⁾	690.03	-8.16	-63.52	618.35 ⁴⁾

Note: The data for 2003 – 2005 are preliminary.

1) Equity capital + reinvested earnings.

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

3) Change in methodology (higher limit for foreign exchange reporting obligation).

4) Data at 30 June.


Outflow of Foreign Direct Investment¹⁾ During January to June 2005

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 30.038									
Outflow of FDI (equity capital + reinvested earnings) in total	-244	-8.1	100.0	-1	0.0	100.0	-245	-8.2	100.0
Structure of capital by country of investment									
Belgium	22	0.7	-9.0	0	0.0	0.0	22	0.7	-9.0
Serbia and Montenegro	10	0.3	-4.1	0	0.0	0.0	10	0.3	-4.1
Russia	2	0.1	-0.8	0	0.0	0.0	2	0.1	-0.8
Luxembourg	1	0.0	-0.4	0	0.0	0.0	1	0.0	-0.4
Bulgaria	1	0.0	-0.4	0	0.0	0.0	1	0.0	-0.4
Ukraine	-1	0.0	0.4	0	0.0	0.0	-1	0.0	0.4
Romania	-1	0.0	0.4	0	0.0	0.0	-1	0.0	0.4
Hungary	-5	-0.2	2.0	0	0.0	0.0	-5	-0.2	2.0
Austria	-24	-0.8	9.8	0	0.0	0.0	-24	-0.8	9.8
Czech Republic	-249	-8.3	102.0	-1	0.0	100.0	-250	-8.3	102.0
Other countries	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Structure of capital by sector									
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	3	0.1	-1.2	0	0.0	0.0	3	0.1	-1.2
Electricity, gas, and water supply	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Construction	-255	-8.5	104.5	0	0.0	0.0	-255	-8.5	104.1
Wholesale and retail trade, repairs of motor vehicles	-2	-0.1	0.8	0	0.0	0.0	-2	-0.1	0.8
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	0	0.0	0.0	-1	0.0	100.0	-1	0.0	0.4
Real estate, renting and business activities	10	0.3	-4.1	0	0.0	0.0	10	0.3	-4.1
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	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
Structure of capital by regions									
Bratislava region	-246	-8.2	100.8	-1	0.0	100.0	-247	-8.2	100.8
Trnava region	-3	-0.1	1.2	0	0.0	0.0	-3	-0.1	1.2
Trenčín region	2	0.1	-0.8	0	0.0	0.0	2	0.1	-0.8
Nitra region	-3	-0.1	1.2	0	0.0	0.0	-3	-0.1	1.2
Žilina region	6	0.2	-2.5	0	0.0	0.0	6	0.2	-2.4
Banská Bystrica region	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Prešov region	1	0.0	-0.4	0	0.0	0.0	1	0.0	-0.4
Košice region	-1	0.0	0.4	0	0.0	0.0	-1	0.0	0.4

Note: Preliminary data.

1) Equity capital + reinvested earnings.



Outflow of Foreign Direct Investment¹⁾ During January to December 2004

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 32.255									
Outflow of FDI (equity capital + reinvested earnings) in total	1,536	47.6	100.0	-29	-0.9	100.0	1,507	46.7	100.0
Structure of capital by country of investment									
Czech Republic	1,294	40.1	84.2	-29	-0.9	100.0	1,265	39.2	83.9
Ethiopia	276	8.6	18.0	0	0.0	0.0	276	8.6	18.3
Ukraine	151	4.7	9.8	0	0.0	0.0	151	4.7	10.0
Russia	110	3.4	7.2	0	0.0	0.0	110	3.4	7.3
The Netherlands	73	2.3	4.8	0	0.0	0.0	73	2.3	4.8
India	58	1.8	3.8	0	0.0	0.0	58	1.8	3.8
Cyprus	49	1.5	3.2	0	0.0	0.0	49	1.5	3.3
Brazil	26	0.8	1.7	0	0.0	0.0	26	0.8	1.7
Bulgaria	18	0.6	1.2	0	0.0	0.0	18	0.6	1.2
Switzerland	8	0.2	0.5	0	0.0	0.0	8	0.2	0.5
Other countries	-527	-16.3	-34.3	0	0.0	0.0	-527	-16.3	-35.0
Structure of capital by sector									
Agriculture, hunting, and forestry	-3	-0.1	-0.2	0	0.0	0.0	-3	-0.1	-0.2
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Mineral raw materials extraction	-51	-1.6	-3.3	0	0.0	0.0	-51	-1.6	-3.4
Manufacturing	1,027	31.8	66.9	0	0.0	0.0	1,027	31.8	68.1
Electricity, gas, and water supply	1	0.0	0.1	0	0.0	0.0	1	0.0	0.1
Construction	-86	-2.7	-5.6	0	0.0	0.0	-86	-2.7	-5.7
Wholesale and retail trade, repairs of motor vehicles	621	19.3	40.4	0	0.0	0.0	621	19.3	41.2
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	0.1	0	0.0	0.0	1	0.0	0.1
Financial intermediation	-240	-7.4	-15.6	-29	-0.9	100.0	-269	-8.3	-17.9
Real estate, renting and business activities	271	8.4	17.6	0	0.0	0.0	271	8.4	18.0
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	-5	-0.2	-0.3	0	0.0	0.0	-5	-0.2	-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
Structure of capital by regions									
Bratislava region	1,033	32.0	67.3	-29	-0.9	100.0	1,004	31.1	66.6
Trnava region	-46	-1.4	-3.0	0	0.0	0.0	-46	-1.4	-3.1
Trenčín region	744	23.1	48.4	0	0.0	0.0	744	23.1	49.4
Nitra region	-2	-0.1	-0.1	0	0.0	0.0	-2	-0.1	-0.1
Žilina region	-77	-2.4	-5.0	0	0.0	0.0	-77	-2.4	-5.1
Banská Bystrica region	12	0.4	0.8	0	0.0	0.0	12	0.4	0.8
Prešov region	95	2.9	6.2	0	0.0	0.0	95	2.9	6.3
Košice region	-223	-6.9	-14.5	0	0.0	0.0	-223	-6.9	-14.8

Note: Preliminary data.

1) Equity capital + reinvested earnings.


Outflow of Foreign Direct Investment¹⁾ 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									
Outflow of FDI (equity capital + reinvested earnings) in total	664	18.1	100.0	43	1.2	100.0	707	19.2	100.0
Structure of capital by country of investment									
Czech Republic	800	21.8	120.5	30	0.8	69.8	830	22.6	117.4
Austria	308	8.4	46.4	0	0.0	0.0	308	8.4	43.6
United Kingdom	82	2.2	12.3	0	0.0	0.0	82	2.2	11.6
Bosnia and Herzegovina	78	2.1	11.7	0	0.0	0.0	78	2.1	11.0
USA	39	1.1	5.9	0	0.0	0.0	39	1.1	5.5
The Netherlands	21	0.6	3.2	0	0.0	0.0	21	0.6	3.0
Croatia	4	0.1	0.6	13	0.4	30.2	17	0.5	2.4
Bulgaria	11	0.3	1.7	0	0.0	0.0	11	0.3	1.6
Poland	8	0.2	1.2	0	0.0	0.0	8	0.2	1.1
Switzerland	6	0.2	0.9	0	0.0	0.0	6	0.2	0.8
Other countries	-693	-18.8	-104.4	0	0.0	0.0	-693	-18.8	-98.0
Structure of capital by sector									
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	-34.6	0	0.0	0.0	-230	-6.3	-32.5
Manufacturing	1,193	32.4	179.7	0	0.0	0.0	1,193	32.4	168.7
Electricity, gas, and water supply	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Construction	-14	-0.4	-2.1	0	0.0	0.0	-14	-0.4	-2.0
Wholesale and retail trade, repairs of motor vehicles	19	0.5	2.9	0	0.0	0.0	19	0.5	2.7
Hotels and restaurants	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Transport, storage, post and telecommunications	-108	-2.9	-16.3	0	0.0	0.0	-108	-2.9	-15.3
Financial intermediation	-14	-0.4	-2.1	43	1.2	100.0	29	0.8	4.1
Real estate, renting and business activities	-222	-6.0	-33.4	0	0.0	0.0	-222	-6.0	-31.4
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	0.0	-0.2	0	0.0	0.0	-1	0.0	-0.1
Other community, social, and personal services	41	1.1	6.2	0	0.0	0.0	41	1.1	5.8
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
Structure of capital by regions									
Bratislava region	750	20.4	113.0	43	1.2	100.0	793	21.6	112.2
Trnava region	60	1.6	9.0	0	0.0	0.0	60	1.6	8.5
Trenčín region	-20	-0.5	-3.0	0	0.0	0.0	-20	-0.5	-2.8
Nitra region	6	0.2	0.9	0	0.0	0.0	6	0.2	0.8
Žilina region	184	5.0	27.7	0	0.0	0.0	184	5.0	26.0
Banská Bystrica region	-343	-9.3	-51.7	0	0.0	0.0	-343	-9.3	-48.5
Prešov region	110	3.0	16.6	0	0.0	0.0	110	3.0	15.6
Košice region	-83	-2.3	-12.5	0	0.0	0.0	-83	-2.3	-11.7

Note: Preliminary data.

1) Equity capital + reinvested earnings.



Volume of Foreign Direct Investment¹⁾ Outward as at 30 June 2005

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 31.825									
Total volume of FDI outward (equity capital + reinvested earnings)	19,149	601.7	100.0	530	16.7	100.0	19,679	618.4	100.0
Structure of capital by country of investment									
Czech Republic	8,393	263.7	43.8	484	15.2	91.3	8,877	278.9	45.1
United Kingdom	2,283	71.7	11.9	0	0.0	0.0	2,283	71.7	11.6
Ukraine	1,312	41.2	6.9	0	0.0	0.0	1,312	41.2	6.7
Ireland	1,198	37.6	6.3	0	0.0	0.0	1,198	37.6	6.1
Luxembourg	1,111	34.9	5.8	0	0.0	0.0	1,111	34.9	5.6
Hungary	1,091	34.3	5.7	0	0.0	0.0	1,091	34.3	5.5
Poland	838	26.3	4.4	0	0.0	0.0	838	26.3	4.3
Austria	622	19.5	3.2	0	0.0	0.0	622	19.5	3.2
Russia	506	15.9	2.6	0	0.0	0.0	506	15.9	2.6
Bosnia and Herzegovina	363	11.4	1.9	0	0.0	0.0	363	11.4	1.8
Other countries	1,432	45.0	7.5	46	1.4	8.7	1,478	46.4	7.5
Structure of capital by sector									
Agriculture, hunting and forestry	21	0.7	0.1	0	0.0	0.0	21	0.7	0.1
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Mining and quarrying	1,786	56.1	9.3	0	0.0	0.0	1,786	56.1	9.1
Manufacturing	8,087	254.1	42.2	0	0.0	0.0	8,087	254.1	41.1
Electricity, gas and water supply	1,237	38.9	6.5	0	0.0	0.0	1,237	38.9	6.3
Construction	144	4.5	0.8	0	0.0	0.0	144	4.5	0.7
Wholesale and retail trade, repairs of motor vehicles	1,865	58.6	9.7	0	0.0	0.0	1,865	58.6	9.5
Hotels and restaurants	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Transport, storage and communication	42	1.3	0.2	0	0.0	0.0	42	1.3	0.2
Financial intermediation	2,930	92.1	15.3	530	16.7	100.0	3,460	108.7	17.6
Real estate, renting and business activities	2,750	86.4	14.4	0	0.0	0.0	2,750	86.4	14.0
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 service activities	287	9.0	1.5	0	0.0	0.0	287	9.0	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
Structure of capital by regions									
Bratislava region	11,773	369.9	61.5	530	16.7	100.0	12,303	386.6	62.5
Trnava region	1,847	58.0	9.6	0	0.0	0.0	1,847	58.0	9.4
Trenčín region	1,471	46.2	7.7	0	0.0	0.0	1,471	46.2	7.5
Nitra region	34	1.1	0.2	0	0.0	0.0	34	1.1	0.2
Žilina region	553	17.4	2.9	0	0.0	0.0	553	17.4	2.8
Banská Bystrica region	1,644	51.7	8.6	0	0.0	0.0	1,644	51.7	8.4
Prešov region	647	20.3	3.4	0	0.0	0.0	647	20.3	3.3
Košice region	1,180	37.1	6.2	0	0.0	0.0	1,180	37.1	6.0

Note: Preliminary data.

1) Equity capital + reinvested earnings.

Volume of Foreign Direct Investment¹⁾ Outward as at 31 December 2004

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 28.496									
Total volume of FDI outward (equity capital + reinvested earnings)	19,232	674.9	100.0	527	18.5	100.0	19,759	693.4	100.0
Structure of capital by country of investment									
Czech Republic	8,630	302.8	44.9	481	16.9	91.3	9,111	319.7	46.1
United Kingdom	2,282	80.1	11.9	0	0.0	0.0	2,282	80.1	11.5
Ukraine	1,228	43.1	6.4	0	0.0	0.0	1,228	43.1	6.2
Ireland	1,136	39.9	5.9	0	0.0	0.0	1,136	39.9	5.7
Hungary	1,130	39.7	5.9	0	0.0	0.0	1,130	39.7	5.7
Luxembourg	1,111	39.0	5.8	0	0.0	0.0	1,111	39.0	5.6
Poland	850	29.8	4.4	0	0.0	0.0	850	29.8	4.3
Austria	647	22.7	3.4	0	0.0	0.0	647	22.7	3.3
Russia	465	16.3	2.4	0	0.0	0.0	465	16.3	2.4
Bosnia and Herzegovina	383	13.4	2.0	0	0.0	0.0	383	13.4	1.9
Other countries	1,370	48.1	7.1	46	1.6	8.7	1,416	49.7	7.2
Structure of capital by sector									
Agriculture, hunting, and forestry	20	0.7	0.1	0	0.0	0.0	20	0.7	0.1
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Mineral raw materials extraction	1,666	58.5	8.7	0	0.0	0.0	1,666	58.5	8.4
Manufacturing	8,027	281.7	41.7	0	0.0	0.0	8,027	281.7	40.6
Electricity, gas, and water supply	1,230	43.2	6.4	0	0.0	0.0	1,230	43.2	6.2
Construction	407	14.3	2.1	0	0.0	0.0	407	14.3	2.1
Wholesale and retail trade, repairs of motor vehicles	1,861	65.3	9.7	0	0.0	0.0	1,861	65.3	9.4
Hotels and restaurants	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Transport, storage, post and telecommunications	43	1.5	0.2	0	0.0	0.0	43	1.5	0.2
Financial intermediation	2,967	104.1	15.4	527	18.5	100.0	3,494	122.6	17.7
Real estate, renting and business activities	2,998	105.2	15.6	0	0.0	0.0	2,998	105.2	15.2
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	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Other community, social, and personal services	13	0.5	0.1	0	0.0	0.0	13	0.5	0.1
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
Structure of capital by regions									
Bratislava region	11,975	420.2	62.3	527	18.5	100.0	12,502	438.7	63.3
Tmava region	1,781	62.5	9.3	0	0.0	0.0	1,781	62.5	9.0
Trenčín region	1,391	48.8	7.2	0	0.0	0.0	1,391	48.8	7.0
Nitra region	39	1.4	0.2	0	0.0	0.0	39	1.4	0.2
Žilina region	585	20.5	3.0	0	0.0	0.0	585	20.5	3.0
Banská Bystrica region	1,653	58.0	8.6	0	0.0	0.0	1,653	58.0	8.4
Prešov region	621	21.8	3.2	0	0.0	0.0	621	21.8	3.1
Košice region	1,187	41.7	6.2	0	0.0	0.0	1,187	41.7	6.0

Note: Preliminary data.

1) Equity capital + reinvested earnings.



Volume of Foreign Direct Investment¹⁾ 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									
Total volume of FDI outward (equity capital + reinvested earnings)	17,950	545.3	100.0	196	6.0	100.0	18,146	551.2	100.0
Structure of capital by country of investment									
Czech Republic	7,305	221.9	40.7	151	4.6	77.0	7,456	226.5	41.1
United Kingdom	2,293	69.7	12.8	0	0.0	0.0	2,293	69.7	12.6
Ukraine	1,365	41.5	7.6	0	0.0	0.0	1,365	41.5	7.5
Ireland	1,212	36.8	6.8	0	0.0	0.0	1,212	36.8	6.7
Hungary	1,128	34.3	6.3	0	0.0	0.0	1,128	34.3	6.2
Luxembourg	1,113	33.8	6.2	0	0.0	0.0	1,113	33.8	6.1
Poland	794	24.1	4.4	0	0.0	0.0	794	24.1	4.4
Austria	677	20.6	3.8	0	0.0	0.0	677	20.6	3.7
Russia	403	12.2	2.2	0	0.0	0.0	403	12.2	2.2
Bosnia and Herzegovina	383	11.6	2.1	0	0.0	0.0	383	11.6	2.1
Other countries	1,277	38.8	7.1	45	1.4	23.0	1,322	40.2	7.3
Structure of capital by sector									
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
Mineral raw materials extraction	1,879	57.1	10.5	0	0.0	0.0	1,879	57.1	10.4
Manufacturing	8,353	253.7	46.5	0	0.0	0.0	8,353	253.7	46.0
Electricity, gas, and water supply	1,226	37.2	6.8	0	0.0	0.0	1,226	37.2	6.8
Construction	388	11.8	2.2	0	0.0	0.0	388	11.8	2.1
Wholesale and retail trade, repairs of motor vehicles	981	29.8	5.5	0	0.0	0.0	981	29.8	5.4
Hotels and restaurants	1	0.0	0.0	0	0.0	0.0	1	0.0	0.0
Transport, storage, post and telecommunications	34	1.0	0.2	0	0.0	0.0	34	1.0	0.2
Financial intermediation	2,763	83.9	15.4	196	6.0	100.0	2,959	89.9	16.3
Real estate, renting and business activities	1,964	59.7	10.9	0	0.0	0.0	1,964	59.7	10.8
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	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
Structure of capital by regions									
Bratislava region	10,906	331.3	60.8	196	6.0	100.0	11,102	337.2	61.2
Trnava region	1,935	58.8	10.8	0	0.0	0.0	1,935	58.8	10.7
Trenčín region	751	22.8	4.2	0	0.0	0.0	751	22.8	4.1
Nitra region	49	1.5	0.3	0	0.0	0.0	49	1.5	0.3
Žilina region	676	20.5	3.8	0	0.0	0.0	676	20.5	3.7
Banská Bystrica region	1,647	50.0	9.2	0	0.0	0.0	1,647	50.0	9.1
Prešov region	565	17.2	3.1	0	0.0	0.0	565	17.2	3.1
Košice region	1,421	43.2	7.9	0	0.0	0.0	1,421	43.2	7.8

Note: Preliminary data.

1) Equity capital + reinvested earnings.

Symbols used in the tables

- . - Data are not yet available.
- - Data do not exist / data are not applicable.
- (p) - Preliminary data