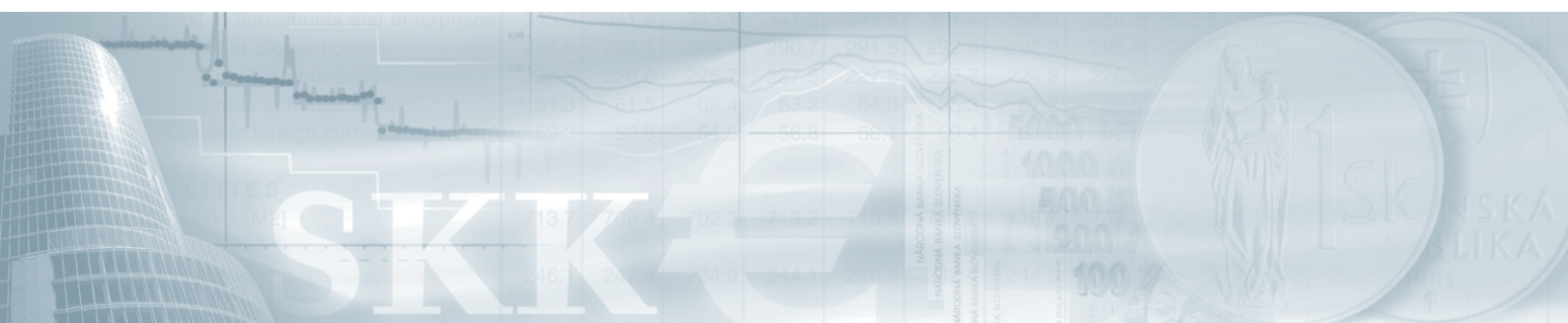




NÁRODNÁ BANKA SLOVENSKA



Monetary Survey

November 2005



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**CONTENTS**

1. Introduction	3
2. Inflation	5
2.1. Consumer Price Index	5
2.2. Producer Prices in October 2005	6
3. Factors Affecting the Course of Inflation	9
3.1. Monetary Aggregates	9
3.2. Foreign Trade	14
3.3. Real Economy	20
4. Monetary Developments	37
4.1. Foreign Exchange Market	37
4.2. Money Market and Monetary Policy Implementation	38
4.3. Customer Interest Rates in October 2005	41
Annexes	45
1. Capital Market	45
1.1. Primary Market	45
1.2. Secondary Market	46
2. Monetary Developments in the Euro Area	47
2.1. Exchange Rate Developments	47
2.2. Real Economy	47
3. Methodological Notes to Selected Indicators	49
3.1. Monetary Statistics	49
3.2. Balance of Payments	52
4. Imports of Goods for Final Consumption	53
5. Tables	57
Selected Indicators of Economic and Monetary Development in the SR	57
Summary of Assets and Liabilities in the Consolidated Balance Sheet of MFIs	58
Monetary Survey	59
Average Interest Rates on New Loans	60
Average Interest Rates on New Deposits	61
Volumes of New Loans and Average Lending Rates of Commercial Banks	62
Koruna Deposits and Average Deposit Rates	63
Basic Characteristics of Interest Rates on Loans and Deposits	64
Shortened Balance Sheet of Commercial Banks as at 31 October 2005	65
Monthly Profit and Loss Account of Commercial Banks	67
Balance of Payments of the SR for January – September 2005	68
Overview of Issues of NBS Bills	69
Overview of Issues of SR Treasury Bills	69
Monetary Base of the NBS	70
Basic Characteristics of Slovakia's Foreign Exchange Market in November 2005	71
Average Exchange Rates of the SKK	72
Inflow of Foreign Direct Investment	73
Volume of Foreign Direct Investment	77
Outflow of Foreign Direct Investment	80
Volume of Foreign Direct Investment Outward	84

**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 November 2005, approved by the NBS Bank Board on 20 December 2005.



1. Introduction

Consumer prices, expressed in terms of the Harmonised Index of Consumer Prices (HICP), remained at the level of the previous month in November. The year-on-year headline and core inflation rates reached 3.6% and 1.3% (excluding energy and unprocessed food prices) respectively.

According to a statement made by the Regulatory Office for Network Industries (ÚRSO) on 1 December 2005, energy prices for households are to be increased with effect from 1 January 2006 as follows: the price of gas by 5.84% (including the effect of a 15% price reduction for the distribution and transport of gas); the price of electricity by 5.02%; the price of heat by 5 to 7% (provided that heat prices go up in 2005 by 10 to 12%); and the price for water supply and sewage disposal by 35.9%. Compared with the expectations of the NBS (published in the Medium-Term Forecast for Q4, 2005), the above figures represent a marked acceleration in the rate of increase in energy prices, as well as their contribution to headline inflation in 2006. According to the current estimates of the NBS, the rate of HICP inflation will reach 2.9-3.0% in December 2006. This would represent an excess of 0.4-0.5 of a percentage point over the inflation target set for 2006, due to the planned increase in regulated prices.

Consumer prices measured in terms of the Consumer Price Index (CPI) and the prices of core inflation components also remained unchanged in November, compared with the previous month. The 12-month headline and core inflation rates reached 3.4% and 1.2% respectively.

Real gross domestic product increased by 5.5% over the first three quarters of 2005.

The M3 monetary aggregate (according to ECB methodology) grew month-on-month by Sk 8.4 billion in October, and its year-on-year dynamics increased in comparison with September, to 7.6%. At current rates, the M2 money supply (according to NBS methodology) increased in October by Sk 5.0 billion, with its year-on-year growth rate accelerating to 5.5%.

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 15.5 billion in October, while the year-on-year growth rate accelerated to 9.0%. At current rates, the volume of loans to enterprises and households (according to NBS methodology) grew month-on-month by Sk 10.4 billion, representing an increase in year-on-year dynamics to 21.7%.

The average interest rate on new loans to non-financial corporations rose in October by 0.34 of a percentage point, to 5.02%, and that on new loans to households by 0.14 of a percentage point, to 9.59%. Over the same period, the average rate for new deposits from non-financial corporations rose by 0.08 of a percentage point, to 1.54%, and that for new household deposits by 0.01 of a percentage point, to 0.68%.

On 30 November 2005, the State Budget of the SR recorded a deficit of Sk 7.6 billion.

The foreign exchange reserves of the NBS (at current rates) fell by USD 209.3 million in November, to USD 15,438.5 million. At the end of the month, the volume of foreign exchange reserves was 5 times greater than the volume of average monthly imports of goods and services to Slovakia, during the first ten months of 2005.

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

According to preliminary data, the balance of payments on current account for January to September 2005 resulted in a deficit of Sk 66.7 billion. Over the same period, the capital and financial account generated a surplus of Sk 137.0 billion. From January to October, the current account produced a deficit of Sk 72.8 billion, while trade resulted in a shortfall of Sk 43.3 billion.

In November, the overall sterilisation position of the NBS vis-à-vis the banking sector stood at Sk 399.9 billion, representing a fall of Sk 7.1 billion compared with the figure for October.

On 29 November 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.

Under an agreement among the finance ministers of euro-area countries, the President of the ECB, and the finance minister and central bank governors of Cyprus, Denmark, Estonia, Lithuania, Latvia, Malta, Slovenia, and Slovakia, the Slovak koruna was included in the Exchange Rate Mechanism II (ERM II),



with effect from 28 November 2005. The central parity of the koruna vis-à-vis the euro was set at EUR 1 = SKK 38.4550. In the ERM II, the fluctuation band of the koruna will be $\pm 15\%$ around the central parity. The limit values for obligatory interventions are SKK 32.6868/EUR (lower limit) and SKK 44.2233/EUR (upper limit).

2. Inflation

2.1. Consumer Price Index

HICP Inflation in November 2005

Consumer prices, expressed in terms of the Harmonised Index of Consumer Prices (HICP), remained at the level of the previous month in November, with the prices of goods and services showing the same tendency. Compared with the same period a year earlier, consumer prices increased by 3.6% (in October by 3.5%) and core inflation reached 1.3% (compared with 1.1% in October). The average year-on-year inflation rate for the first eleven months of the year was 2.7%. The average 12-month inflation rate for the period from December 2004 to November 2005 was 2.9%.

Harmonised Index of Consumer Prices

Table 1 Harmonised Index of Consumer Prices		(year-on-year changes in %)					
		2005					
		June	July	Aug.	Sep.	Oct.	Nov.
Total		2.6	2.1	2.1	2.3	3.5	3.6
Goods		1.3	0.8	0.8	1.3	2.9	3.2
	Industrial goods	1.8	1.9	2.2	3.0	5.7	5.5
	Industrial goods (excluding energy)	-0.8	-1.1	-1.1	-0.9	-1.0	-0.9
	Energy	5.6	6.1	6.6	8.5	14.8	14.4
	Foodstuffs	0.5	-1.1	-1.6	-1.6	-1.4	-0.5
	Processed food (including alcohol and tobacco)	-1.7	-2.5	-2.5	-2.5	-2.1	-1.6
	Unprocessed food	4.6	1.1	0.1	0.5	0.3	2.0
Services		5.5	5.3	5.2	4.5	4.6	4.5
Core inflation (total excl. energy and unprocessed food prices)		1.7	1.2	1.3	0.9	1.1	1.3
Total, excluding energy		2.0	1.3	1.2	1.0	1.0	1.4

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

Chart 1 HICP Inflation and Its Main Components (%)



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

The rapid year-on-year increase in goods prices in comparison with the previous month was primarily influenced by food prices. Steeper increases were recorded in unprocessed food prices (especially in fruit prices), while processed food prices dropped somewhat. Industrial goods prices increased at a slower rate as a result of energy prices (the prices of regulated items as well as fuels), while the prices of industrial goods, excluding energy, dropped to a lesser extent.

Accelerated increase in goods prices, caused mainly by food prices

Services prices recorded a slight slowdown in dynamics. They were influenced by price developments in the main categories, with the most significant slowdown being recorded in the rate of increase in real rents.

Services prices showed a slight slowdown in dynamics

The expectations of consumers in respect of price inflation worsened slightly in November. In answer to questions about the previous course of inflation, the respondents gave an average value of 11.93% (11.24% in the previous month), but when asked about the expected rate of inflation in the next 12 months, they gave a lower average value, i.e. 12.31% (12.64% in the previous month).

Consumer expectations in respect of inflation

On 1 December 2005, the Office for the Regulation of Network Industries (ÚRSO) decided to increase the prices of gas, electricity, heat, water, and sewage



Table 2 Expected Developments in Energy Prices from 1 January 2006
(increase in %, contribution in % points)

	NBS MTF-2005Q4		ÚRSO of 1 December 2005	
	Expected increase	Contribution	Expected increase	Contribution
Gas	1.0	0.0	5.84	0.26
Electricity	1.6	0.1	5.02	0.20
Heat	2.2	0.1	5-7	0.22-0.31
Water	10.0	0.1	14.2	0.09
Sewage	25.0	0.1	35.9	0.17
Total	-	0.4	-	0.94-1.03

Source: NBS and Office for the Regulation of Network Industries (ÚRSO).

disposal with effect from 1 January 2006. Table 2 shows a comparison of the expected increases in energy prices from the NBS Medium-Term Forecast for the fourth quarter of 2005 (MTF-2005Q4) with the increases in energy prices according to the valid decision of the ÚRSO for 2006.

Compared with the NBS forecast (MTF-2005Q4), the energy price increases according to the ÚRSO's decision are expected to make greater contributions to the headline HICP inflation (by 0.5 to 0.6 of a percentage point). This means that the headline HICP inflation rate is expected to reach 2.9% to 3.0% in December 2006, instead of the predicted 2.4%, and thus the inflation target will be exceeded.

CPI Inflation in November 2005

Consumer Price Index

Consumer prices remained unchanged in November, when regulated prices rose by 0.2%, while the prices of core inflation components were stagnant. The 12-month rate of headline inflation reached 3.4% (compared with 3.3% in October) and that of core inflation 1.2% (in October 1.1%). The average year-on-year inflation rate for the first eleven months of the year was 2.6%.

2.2. Producer Prices in October 2005

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

The October month-on-month increase in industrial producer prices for the domestic market corresponded to the figure for the previous month (0.5%), but was caused by different developments in the individual components.

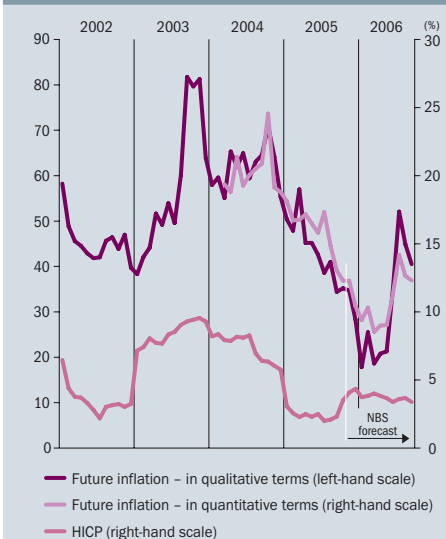
The prices of electricity, gas, steam, and hot water increased by 1.4%, those of mining and quarrying products rose by 1.6%, while the prices of manufacturing products dropped by 0.1% on a month-on-month basis.

... accompanied by a slight fall in year-on-year dynamics

The year-on-year rate of increase in industrial producer prices for the domestic market slowed month-on-month by 0.1 of a percentage point in October (to 5.7%), due to a slowdown in the dynamics of manufacturing products prices (by 0.7 of a percentage point). On the other hand, the year-on-year rate of increase in electricity, gas, steam, and hot water prices and mineral raw materials prices accelerated in comparison with September (by 1 and 2 percentage points respectively).

Developments in manufacturing products prices were again substantially affected by the prices of refined oil products in October, when their month-on-month fall (2.1%) partly offset their marked year-on-year rise in comparison with September (by 11.4 percentage points, to 34.2%). On the other hand, upward effects on month-on-month developments in manufacturing products prices were exerted by the prices of base metals and finished metal products (a rise of 0.7%) and chemical products (a rise of 1.2%). The year-on-year dynamics of manufacturing products prices weakened in comparison with September, owing to a slower rise in the prices of refined oil products and drops in the prices of food products (5.2%) and electrical and optical equipment (2.2%).

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.


Table 3 Consumer Prices in November 2005

	Comparative change	
	Oct. 2005	Nov. 2004
Total in %	0.0	3.4
Regulated prices in %	0.2	11.1
- Share of total, in percentage points ¹⁾	0.05	-
Impact of changes in indirect taxes on non-regulated prices		
- Share of total, in percentage points ¹⁾	0.00	-
Core inflation in %	0.0	1.2
- Share of total, in percentage points ¹⁾	-0.04	-
of which: Food prices in %	0.2	-0.8
- Share of total, in percentage points ¹⁾	0.04	-
Tradable goods in % ¹⁾	-0.4	-0.4
- Share of total, in percentage points ¹⁾	-0.12	-
Tradable goods, excluding fuels, in % ¹⁾	0.0	-1.6
- Share of total, in percentage points ¹⁾	-0.01	-
Fuels in % ¹⁾	-2.8	8.8
- Share of total, in percentage points ¹⁾	-0.11	-
Market services in % ¹⁾	0.2	4.7
- Share of total, in percentage points ¹⁾	0.05	-
Net inflation		
(excluding the impact of changes in indirect taxes) in %	-0.1	1.7
- Share of total, in percentage points ¹⁾	-0.07	-
Net inflation, excluding fuel prices		
(excl. the impact of changes in indirect taxes) in %¹⁾	0.1	1.3
- Share of total, in percentage points ¹⁾	0.04	-

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 do 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 calculations based on data from the Statistical Office of the SR.

Table 4 Producer Price Developments in October 2005

(%)

	Month-on-month change		Year-on-year change			
	Sep.	Oct.	Sep.	Oct.	Average since the	Oct.
	2005	2005	2005	2005	beginning of 2005	2004
Industrial producer prices						
(for the domestic market)	0.5	0.5	5.8	5.7	4.3	4.7
- Prices of manufacturing products	1.2	-0.1	2.5	1.8	2.4	5.9
- Prices of mining and quarrying products	-1.1	1.6	0.1	2.1	-0.2	6.3
- Prices of electricity, gas, steam, and hot water	-0.4	1.4	10.7	11.7	7.1	2.9
Industrial producer prices (for export)	2.1	2.1	5.5	5.8	6.7	8.4
- Prices of manufacturing products	2.2	2.1	5.6	5.9	6.7	8.4
Construction prices	0.5	0.4	3.9	4.0	4.5	6.2
Building materials prices	0.2	0.2	1.6	1.6	5.1	7.9
Agricultural prices	-	-	-4.5	-0.8	-2.5	-3.4
- Prices of plant products	-	-	-12.1	-2.5	-12.9	-6.9
- Prices of animal products	-	-	0.6	0.2	1.6	-0.9

Source: Statistical Office of the SR.

After a temporary month-on-month fall in energy prices in September, accompanied by a slowdown in their year-on-year dynamics, energy prices continued to rise in October, both month-on-month and year-on-year. This was mainly caused by prices for gas production and the distribution of gaseous fuels by pipeline, which recorded a month-on-month rise of 2.1%, accompanied by an increase in year-on-year dynamics of 2.7 percentage points, to 30.6%.

In the 'mining and quarrying products' category, the upward trend in the prices of black and brown coal, stone, and sand continued (after a temporary fall) in October.

**Prices of manufacturing products for export**

In October, industrial producer prices for export were almost exclusively determined by the prices of manufacturing products for export, which recorded an increase in year-on-year dynamics (0.3 of a percentage point, to 5.9%), despite a somewhat slower month-on-month rise than in September. The slowdown in the month-on-month increase was caused by a substantially slower rise in the prices of refined oil products in comparison with September (by 12.1 percentage points month-on-month, to 6%). Manufacturing products prices for export showed stronger year-on-year dynamics in October, due to the persistently steep rise in the prices of refined oil products, accompanied by accelerated increases in the prices of chemical products, electrical and optical equipment. This development was dampened by a deepening year-on-year fall in the export prices of foodstuffs and leather products, and by further drops in the export prices of base metals, finished metal products, and transport vehicles.

Agricultural prices

October saw the smallest year-on-year fall in agricultural prices since July 2005. The year-on-year fall (0.8%) was caused by a drop in the price of plant products (2.5%), offset partly by a rise in the price of animal products (0.2%).

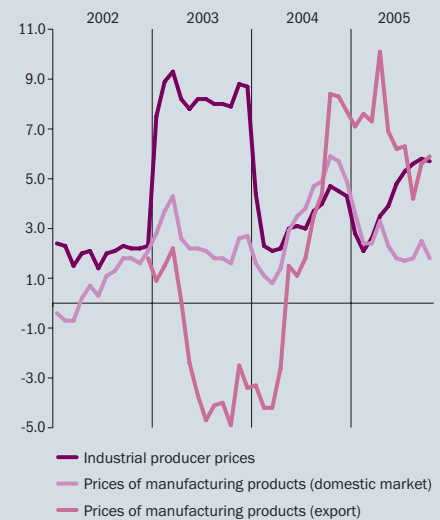
Among plant products, the sharpest drops occurred in the prices of cereals (10.3%), fruit and vegetables (7.9%), potatoes and legumes (6.3%). The steepest increase was recorded in the price of sugar beets (47.8%).

The October rise in animal products prices was mainly caused by increases in the prices (for live animals) of beef, including veal (3.8% on average), and unpasteurised cow milk (2.6%). A continuing fall was recorded in the prices of eggs and poultry (since the beginning of the year) and pork – live animals (since July).

In November, industrial producer prices are expected to again be influenced by developments in oil and gas prices on the world markets and the continuing appreciation of the US dollar against the Slovak koruna. The expected smaller fall in food prices than last month will probably weaken the inflationary effect of this commodity in November. As a result of these external and internal cost factors, the October month-on-month and year-on-year increases in industrial producer prices are expected to continue.

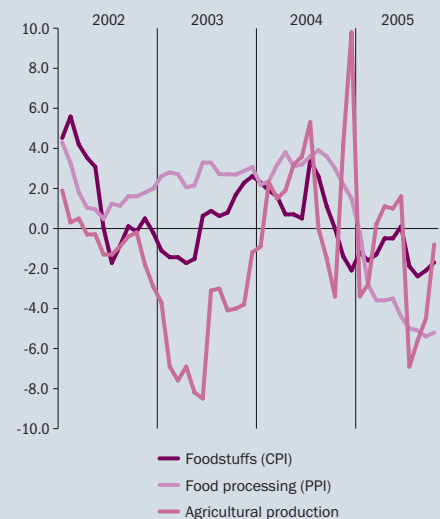
According to up-to-date agrarian market news, the prices of plant products are not expected to change significantly in November, despite intervention purchases of cereals. Among animal products, the price of beef (live animals) is expected to rise at a slower rate in November and that of pork to continue falling slowly. Consequently, agricultural prices are expected to stagnate in November.

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.



3. Factors Affecting the Course of Inflation

The M3 monetary aggregate continued to grow in October at a slightly accelerated rate on a year-on-year basis, due to developments in currency in circulation and deposits included in the M2 aggregate. Since the beginning of 2005, the primary source of growth in M3 has been the growing trend in the receivables of monetary financial institutions (MFIs) from the private sector.

3.1. Monetary Aggregates

M3 Monetary Aggregate

The M3 monetary aggregate (according to ECB methodology) increased month-on-month by Sk 8.4 billion in October, to Sk 800.4 billion at the end of the month. Since October 2004 saw a smaller month-on-month increase in M3 (Sk 5.5 billion), the weakening trend in its year-on-year dynamics¹ persisting since June, came to a halt in October 2005, when the rate of M3 growth accelerated in comparison with the previous month by 0.3 of a percentage point, to 7.6%.

Modest increase in the 12-month growth dynamics of M3

Table 5 Year-on-Year Growth Rate 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)	10.0 ¹⁾	9.6 ¹⁾	11.4 ¹⁾	11.9 ¹⁾	12.5 ¹⁾	9.6 ¹⁾	8.9	8.0	7.3	7.6	.	.

Source: NBS and NBS calculations 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 year-on-year 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 increase in the year-on-year M3 dynamics was substantially affected by a different month-on-month change in the volume of currency in circulation and deposits included in the M2 aggregate, which recorded an increase of Sk 6.9 billion in comparison with a decrease in October 2004 (Sk 1.3 billion). The rate of M3 growth was reduced by developments in the less liquid M3 components, which recorded a smaller month-on-month increase in October 2005 (Sk 1.5 billion) than in October 2004 (a total increase of Sk 6.8 billion).

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

	Volume in billions of Sk ¹⁾			Year-on-year change in %	
	Oct.	Sep.	Oct.	Sep.	Oct.
	2004	2005	2005	2005	2005
Currency in circulation	97.6	112.6	113.6	17.0	16.4
Deposits and received loans, repayable on demand	271.3	330.4	332.3	18.3	22.5
M1	368.9	443.0	445.8	18.0	20.9
Deposits and received loans with an agreed maturity of up to 2 years	309.8	289.5	286.1	-9.6	-7.7
Deposits redeemable at a period of notice of up to 3 months	16.0	15.1	14.8	-6.4	-7.2
M2	700.2	744.1	751.0	6.1	7.3
Money market fund shares/units	28.4	47.0	46.4	76.1	63.4
Repo operations	2.9	0.0	0.0	-	-
Debt securities issued for up to 2 years	12.1	0.9	3.0	-	-
M3	743.6	792.0	800.4	7.3	7.6

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.

Main M3 Components

Growth in M2; growth in deposits and received loans with an agreed maturity of up to 2 years

The most liquid monetary aggregate (M1) grew in volume by Sk 2.8 billion month-on-month in October, to Sk 445.8 billion at the end of the month. The M1 aggregate has maintained a stable and dynamic growth throughout the second half of 2005.

The September M1 increase took place in deposits and received loans repayable on demand (Sk 1.9 billion) and in the volume of currency in circulation (Sk 1.0 billion). Both M1 components maintained their growing tendency, while deposits and received loans repayable on demand showed increased dynamics and were vital for the growth of the M1 aggregate as a whole.

Within the structure of the M2 aggregate, longer-term funds ceased to decline in October, while deposits and received loans with an agreed maturity of up to 2 years increased by Sk 4.2 billion. Since short-term funds recorded a smaller increase, the overall level of M2 rose by Sk 6.9 billion.

Increase in the volume of less liquid M3 components

The total volume of less liquid M3 components recorded an increase of Sk 1.5 billion in October, when the increase in debt securities issued for up to 2 years (Sk 2.1 billion) was partly offset by a decrease in the volume of issued money market fund shares/units (Sk 0.6 billion). The October decrease (for the second consecutive month since 2004) indicates a fall in the attractiveness of, and an actual downturn in investment in, money market fund shares/units.

Investment Through Open-End Investment Funds

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

The net value of Sk-denominated assets held by open-end investment funds (OIFs) reached Sk 127.6 billion at the end of November. The net sales of Sk-denominated OIF assets reached Sk 1.0 billion in November and the net sales in Slovakia of OIF assets denominated in foreign currency amounted to Sk 0.12 billion.

Table 7 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	3.7	1.0	.	34.0
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	0.43	0.12	.	2.27

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

**Main M3 Counterparts**

The total volume of MFI receivables from residents (including securities issued by clients and held by MFIs) continued to grow in October, by Sk 15.5 billion in comparison with September. The increase took place in the receivables of MFIs from the private and public sectors (Sk 10.2 billion and Sk 5.2 billion respectively). The year-on-year rate of growth in total MFI receivables from residents accelerated in comparison with the previous month by 1.4 percentage points, to 9.0% (the highest level in 2005).

Continuing growth in the total volume of MFI receivables (including securities) from residents

Table 8 Main Counterparts of M3 (ECB methodology)

	Volume in billions of Sk ¹⁾			Year-on-year change in %	
	Oct.	Sep.	Oct.	Sep.	Oct.
	2004	2005	2005	2005	2005
Net foreign assets	356.7	285.6	285.0	-22.5	-20.1
Foreign assets	492.8	605.0	596.0	21.6	20.9
Foreign liabilities	136.2	319.4	310.9	147.3	128.4
Receivables of MFIs from residents (incl. securities)	705.6	753.5	769.0	7.6	9.0
Receivables from the general government	290.9	260.1	265.3	-10.8	-8.8
Receivables from the private sector	414.7	493.5	503.7	20.7	21.5
Deposits and loans received from the central government	154.4	77.3	85.1	-51.6	-44.9
Long-term financial liabilities (excl. capital and reserves)	95.0	96.4	94.1	1.0	-1.0
Deposits and received loans with an agreed maturity of over 2 years	48.0	53.3	53.1	10.7	10.7
Deposits redeemable at a notice period of over 3 months	35.9	28.0	27.8	-23.8	-22.5
Debt securities issued with a maturity of over 2 years	11.2	15.1	13.2	43.6	18.1
Other items net	69.3	73.4	74.4	-2.9	7.4
Capital, reserves and provisions	101.5	103.6	105.6	-1.8	4.1
Other liabilities	38.9	48.0	48.3	27.7	24.0
Surplus of liabilities among MFIs	-1.1	-0.1	-0.3	-	-
Fixed assets	35.6	33.9	33.6	-4.9	-5.4
Other assets	34.5	44.1	45.5	39.2	31.9
M3	743.6	792.0	800.4	7.3	7.6

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.

In October, the receivables of MFIs from the private sector (including securities) recorded a month-on-month increase of Sk 10.2 billion, representing a certain slowdown in comparison with September (Sk 11.4 billion). In terms of structure, the October increase in MFI receivables from the private sector took place mostly in the receivables of MFIs from households (an increase of Sk 5.0 billion), non-financial corporations (an increase of Sk 2.8 billion, mainly in long-term receivables due in more than 5 years), and financial corporations (an increase of Sk 2.4 billion).

Continuing dynamic growth in MFI receivables from the private sector

The volume of securities issued in the private sector remained unchanged.

The increase in MFI receivables from households took place predominantly in housing loans (Sk 2.9 billion) and other loans (Sk 2.2 billion), while consumer loans to households decreased month-on-month by Sk 0.1 billion.

The total volume of long-term financial liabilities of MFIs (excluding capital and reserves) decreased by Sk 2.3 billion in October, mainly as a result of a drop in the volume of issued debt securities maturing in over 2 years (Sk 1.9 billion), accompanied by slight decreases in deposits redeemable at a period of notice of over 3 months (Sk 0.2 billion) and deposits and received loans with an agreed maturity of over 2 years (Sk 0.2 billion).

Fall in the total volume of long-term financial liabilities

The volume of net foreign assets recorded a slight month-on-month decrease in October (Sk 0.6 billion), due to a drop in foreign assets (Sk 9.0 billion) exceeding the fall in foreign liabilities (Sk 8.5 billion).

Slight decrease in net foreign assets

Among the other main counterparts of the M3 monetary aggregate, increases were recorded in capital, reserves and provisions (Sk 2.0 billion), while the volume of fixed assets recorded a decline (Sk 0.3 billion).

Developments in the other main counterparts of M3

**Table 9 Receivables of Monetary Financial Institutions from the Resident Private Sector**

	Volume in billions of Sk ¹⁾			Year-on-year change in %	
	Oct. 2004	Sep. 2005	Oct. 2005	Sep. 2005	Oct. 2005
MFI receivables from the private sector (incl. securities)	414.7	493.5	503.7	20.7	21.5
of which: Securities issued by the private sector	17.5	18.8	18.8	9.3	7.0
MFI receivables (excluding securities)	397.2	474.7	484.9	21.2	22.1
Non-financial corporations	237.9	260.7	263.5	11.0	10.8
- Up to 1 year	102.9	113.3	111.9	11.7	8.7
- 1 to 5 years	56.8	53.7	54.1	-6.8	-4.9
- Over 5 years	78.2	93.7	97.6	23.7	24.8
Financial corporations	40.0	48.1	50.5	18.2	26.3
Insurance companies and pension funds	0.0	0.0	0.0	-	-
Households and non-profit institutions serving households	119.2	165.8	170.8	42.7	43.3

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.

Structure of MFI Receivables from the Private Sector

Most loans granted to households in the period from 2003 to October 2005 were loans for house purchases; they accounted for roughly 66% of the total volume of loans to households. Until April 2005, they had been diminishing in terms of year-on-year dynamics, but then a 1 percentage point cut in key NBS interest rates in March enhanced their attractiveness, causing their growth dynamics to increase somewhat (from 30% to 35% in October).

Consumer loans showed intense seasonality towards the end of last year (in connection with Christmas purchases). Although their share was relatively stable during that year (14-15%), consumer loans recorded a marked increase in dynamics (to 54%, from 44% in April). This was partly connected with the interest rate reduction, and partly with the growth in real wages, increased competition among banks and their orientation to this market segment.

'Other loans' include loans other than loans for house purchase and consumer loans (mostly loans connected with current account overdrafts). We assume that 'other loans' were incorrectly recorded by some banks as 'consumer loans' at the beginning of 2004 and the increasing share of 'other loans' (from 18% to 20%) was mainly connected with the rectification of this error. The increased growth rate of 'other loans' slowed considerably over the course of 2005, but is still at the level of 70%. We may assume that this is connected with the wage growth and the fact that younger people in particular are increasingly willing to accept a 'life in debt' and a higher degree of indebtedness. On the other hand, an increasing number of new bank products, such as credit cards (revolving credits) and overdraft facilities have been offered.

Despite the appreciating trend in the Slovak koruna, the population shows little interest in foreign-currency loans, hence the share of such loans is still negligible in the household sector (despite a modest increase, from 0.3% to 1.1%).

On the other hand, loans to non-financial corporations (enterprises) in foreign currency show a different tendency: enterprises take out foreign-currency loans in large amounts, due partly to the lower costs. The share of foreign-currency loans to enterprises is permanently increasing; it increased during 2005 from 33% to 36%.

Developments in Monetary Aggregates According to NBS Methodology**Acceleration in the 12-month growth dynamics of M2 (NBS methodology)**

The M2 money supply (according to NBS methodology, at current rates) grew month-on-month by Sk 5.0 billion in October, and closed the month at Sk 802.0 billion. The year-on-year rate of growth accelerated in comparison with the previous month by 0.6 of a percentage point, to 5.5%. The October increase in M2 took place in demand deposits (Sk 5.2 billion), currency in circulation (Sk 1.0 billion), and foreign-currency deposits (Sk 0.4 billion), while the volume of time deposits decreased by Sk 1.4 billion.

**Table 10 Survey of MFI receivables from the resident private sector (excl. securities)**

	Year-on-year (%)			Volume (Sk bil.)	Change over 10 months (Sk billion)	
	Dec. 2004	Sep. 2005	Oct. 2005		2004/2003	2005/2004
MFI receivables (excl. securities)	5.7	21.2	22.1	484.9	20.8	87.2
Non-financial corporations	-8.0	11.0	10.8	263.5	-6.9	38.2
– loans in Slovak koruna	-17.3	6.7	7.5	167.8	-25.2	17.9
– loans in foreign currency	18.7	19.7	17.0	95.7	18.2	20.3
Financial corporations	16.8	18.2	26.3	50.5	2.2	6.3
– loans in Slovak koruna	11.3	15.7	21.2	40.4	0.5	3.8
– loans in foreign currency	53.8	30.7	51.7	10.2	1.7	2.5
Insurance comp. and pension funds	-	-	-	0.0	0.0	0.0
– loans in Slovak koruna	-	-	-	0.0	0.0	0.0
– loans in foreign currency	-	-	-	0.0	0.0	0.0
Households and non-profit institutions serving households	36.9	42.7	43.3	170.8	25.6	42.6
– loans in Slovak koruna	36.7	42.0	42.5	168.9	25.4	41.5
– loans in foreign currency	125.8	181.6	182.4	1.9	0.3	1.2
of which: consumer loans	7.6	59.8	54.2	24.7	-2.5	4.8
– loans in Slovak koruna	7.8	59.2	53.6	24.6	-2.5	4.7
– loans in foreign currency	-	-	-	0.1	0.0	0.1
of which: housing loans	42.3	34.3	35.1	112.4	21.4	24.5
– loans in Slovak koruna	42.2	33.3	34.0	111.5	21.4	23.7
– loans in foreign currency	-	-	-	0.9	0.0	0.8
of which: other loans	52.5	64.9	68.6	33.7	6.7	13.4
– loans in Slovak koruna	51.0	65.8	69.6	32.9	6.3	13.2
– loans in foreign currency	138.1	37.7	39.4	0.9	0.4	0.2

Source: NBS.

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 10.4 billion, to Sk 491.4 billion at the end of October. The year-on-year dynamics of bank lending accelerated in comparison with the previous month by 0.8 of a percentage point, to 21.7%.

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

The October increase in loans to enterprises and household took place in koruna loans (Sk 7.3 billion, of which Sk 2.7 billion was granted to enterprises and Sk 4.6 billion to households) and foreign-currency loans (Sk 3.2 billion).

Fiscal Developments

Net credit to the general government (including the National Property Fund [NPF], at current rates) decreased by Sk 1.8 billion in October, to Sk 349.1 billion at the end of the month.

The October decrease in net credit to the general government was mainly caused by an improvement in current budgetary performance (by Sk 3.0 billion month-on-month), which resulted in a budget deficit of Sk 5.1 billion at the end of October, and an increase in the deposits of non-budgetary funds of state authorities at commercial banks (by Sk 0.5 billion).

On the other hand, net credit to the general government was increased to some extent by an increase in the credit exposure of state authorities to commercial banks (Sk 0.3 billion) and a slight decrease in the deposits of social security funds at the SR Treasury. A downward effect on the level of net credit to the general government was also exerted by a decline in the commercial bank deposits of regional self-governments and the NPF (by Sk 0.8 billion).



Current Budgetary Developments in November

At the end of November, the State Budget recorded a deficit of Sk 7.6 billion, with budget revenues totalling Sk 233.7 billion and expenditures Sk 241.3 billion.

Primary market for SR Treasury bills

With regard to the favourable budgetary performance in 2005, the Agency for Debt and Liquidity Management (ARDAL) cancelled all auctions in SR Treasury bills, planned for the period from June to October. For the first time, Treasury bills were sold to investors in November. The sale took place in securities from a Treasury-bill issue, made by ARDAL in the amount of Sk 31.5 billion for its own portfolio (on June 7). In November, Treasury bills were placed on the market in two tranches amounting to Sk 3.5 billion, representing 11.11% of the total issue-amount and 9.51% of the total demand (Sk 39.6 billion).

According to Issuing Schedule for 2005, ARDAL plans to make one more sale of Treasury bills, in the form of another tranche of the same issue.

3.2. Foreign Trade

Balance of Payments from January to September 2005

Current account

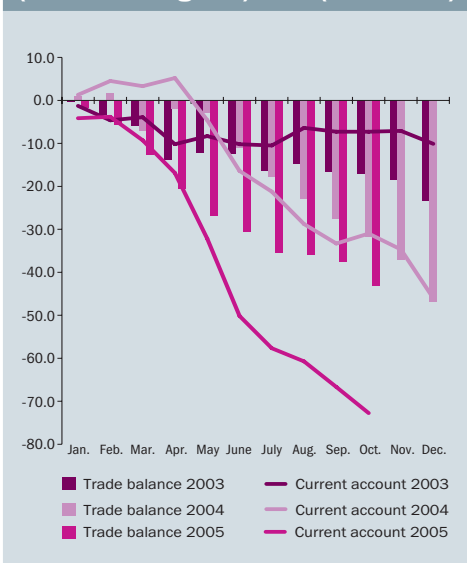
The deficit in the balance of payments on current account increased year-on-year by Sk 35.9 billion, mainly due to increases in trade and income balance deficits, accompanied by a deterioration in current transfers. The only item to record an improvement in comparison with the same period a year earlier was the balance of services. While the income balance deficit continued to increase on a year-on-year basis, the difference between the trade balance deficits in 2005 and 2004 still showed a diminishing tendency.

In comparison with the same period a year earlier, exports increased by 8.6% (16.6% in USD and 13.2% in EUR) and imports by 10.2% (18.3% in USD and 14.7% in EUR).

Exports

The year-on-year increase in exports took place largely in chemical products and semi-finished goods, whose year-on-year growth exceeded the figure for the same period a year earlier. 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, and wood products. Exports also grew at a rate faster than last year in 'finished products', mainly as a result of growth in the exports of dairy products, sugar, meat, pharmaceuticals, fruit and vegetables. In the 'machinery and transport equipment' category, the share of machinery continued to increase on a year-on-year basis (mainly due to growth in the

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



Source: NBS and Statistical Office of the SR.

Table 11 Balance of Payments on Current Account

(Sk billions)

	Jan. – Sep. 2005	Jan. – Sep. 2004
Balance of trade	-37.7	-25.1
Exports	712.4	655.8
Imports	750.1	680.9
Balance of services	8.7	6.0
Balance of income	-37.4	-14.1
of which: income from investment	-58.7	-25.3
of which: reinvested earnings	-25.1	0.0
Current transfers	-0.3	2.4
Current account in total	-66.7	-30.8
Current account as a share of GDP in %	-6.3	-3.2

Source: NBS and Statistical Office of the SR.

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



exports of automatic data processing machines, televisions, radios, boilers, electric motors and generators). The increase in machinery within this category was partly offset by a marked year-on-year decline in the exports of transport vehicles (the steep 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, owing to the fact that the growth in the exports of petroleum-based oils was accompanied by a fall in electricity exports.

Table 12 Exports from January to September, Year-on-Year Change

	Year-on-year change in billions of Sk		Proportion of the year-on-year change in % points	
	January – September		January – September	
	2005	2004	2005	2004
Raw materials	7.5	12.4	1.1	2.1
Chemicals and semi-finished goods	30.2	25.0	4.6	4.3
Machines and transport equipment	13.3	34.5	2.0	5.9
Finished products	5.7	2.2	0.9	0.4
Exports in total	56.7	74.1	8.6	12.8

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

In imports, strong year-on-year growth 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 slightly greater year-on-year increase was also recorded in the 'finished products' category. This increase was a result of growth in the imports of agricultural products (meat, dairy products, beverages, sugar, etc.), machine engineering products, and electrical consumer goods in particular. On the other hand, the imports of industrial products (mainly furniture and pharmaceuticals) and automobiles grew at a slower rate than last year. The year-on-year growth in imports slowed considerably in 'machinery and transport equipment'. Apart from a decline in the imports of motor vehicle parts, components, and accessories (including engines), lower imports were also recorded in the 'aeroplanes' sub-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 carpets, wool, cotton, and chemical fibres, and slower year-on-year growth in the imports of iron and iron products, plastics, and rubber.

Imports**Table 13 Imports from January to September, Year-on-Year Change**

	Year-on-year change in billions of Sk		Proportion of the year-on-year change in % points	
	January – September		January – September	
	2005	2004	2005	2004
Raw materials	22.8	13.8	3.4	2.3
Chemicals and semi-finished goods	13.0	23.6	1.9	3.9
Machines and transport equipment	11.4	26.2	1.7	4.4
Finished products	22.0	19.0	3.2	3.2
of which: agricultural and industrial goods	12.3	12.5	1.8	2.1
passenger cars	1.8	3.5	0.3	0.6
machines and electrical consumer goods	7.9	3.0	1.2	0.5
Imports in total	69.2	82.6	10.2	13.8

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

The balance of services resulted in a surplus of Sk 8.7 billion, which represented an improvement of Sk 2.7 billion compared with the same period in 2004. The increase in the positive balance of services was caused by developments in tourism services 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 a larger surplus achieved in telecommunications services and other activities, and a smaller deficit in insurance and business services. The improvement in these two services-balance items was partly offset by a decrease in net income from transport, caused by lower receipts from the transit of gas and increased payments for air passenger service.

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

Income and current transfers balances



and dividends. Dividends paid to foreign direct investors increased year-on-year by Sk 10.6 billion and estimated reinvested earnings (which started to be monitored in 2005, owing to a change in methodology) recorded an increase of Sk 26.0 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 relating to the incomes of persons working abroad, from net income to gross income). Taxes and social contributions paid abroad, which are responsible for the gap 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

Over the past nine months, the capital and financial account generated a surplus of Sk 137.0 billion (compared with Sk 61.0 billion in the same period a year earlier). The year-on-year increase in the financial account surplus was caused by an increase in the positive balance of direct investments, influenced by a growth in the reinvested earnings of non-residents in the SR, resulting from a methodological change in effect from 2005, and in particular by an increase in the amount of short-term funds obtained by commercial banks from abroad.

Table 14 Capital and Financial Account of the Balance of Payments		(Sk billions)
	Jan. – Sep. 2005	Jan. – Sep. 2004
Capital account	0.0	4.4
Direct investment	42.9	34.3
SR abroad	-2.7	4.8
of which: equity capital abroad	-0.4	-1.3
reinvested earnings	-0.9	0.0
In the SR	45.6	29.5
of which: equity capital in the SR	12.9	23.4
of which: other than privatisation	12.9	20.5
reinvested earnings	26.0	0.0
Portfolio investments and financial derivatives	-11.0	36.1
SR abroad	-26.2	-10.8
In the SR	15.2	46.9
Other long-term investments	-10.9	-14.7
Assets	-6.3	-4.2
Liabilities	-4.6	-10.5
Other short-term investments	116.0	0.9
Assets	-23.4	-2.1
Liabilities	139.4	3.0
Capital and financial account	137.0	61.0

Source: NBS.

Foreign direct investments

Foreign direct investments (FDIs) resulted in a positive balance of Sk 42.9 billion, representing a year-on-year increase of Sk 8.6 billion. Foreign capital inflow into the SR in the form of direct investments grew year-on-year by Sk 16.1 billion, to Sk 45.6 billion. The growth in FDIs was partly stimulated by reinvested earnings, the estimated volume of which reached Sk 26.0 billion, and partly by credits drawn in increased amounts from parent companies from abroad. On the other hand, the inflow of equity capital declined on a year-on-year basis, with its volume reaching Sk 12.9 billion. The largest inflows were recorded in industry, trade, and financial intermediation.

Portfolio investments

Portfolio investments resulted in a net outflow of Sk 11.0 billion, compared with a net inflow of Sk 36.1 billion last year. This represented a year-on-year change of Sk 47.1 billion, and was a result of growing interest in foreign securities, mainly on the part of insurance corporations and investment funds, and a eurobond repayment, which was not accompanied by a new issue as last year.

Demand for Sk-denominated government securities among foreign investors fell slightly in September, while reaching Sk 41.0 billion over the first nine months of the year. Despite the September decline, the year-on-year change in these instruments (roughly Sk 14.5 billion) is an indication of increased interest among non-residents in investment in domestic securities denominated in Slovak koruna.

Other investments

The inflow of foreign capital within the scope of 'other investments' reached Sk 105.1 billion. This represented a year-on-year increase of over Sk 115.0 billion and was the result of an inflow of short-term capital into the banking sector, in both foreign and domestic currency.



From the beginning of the year to the end of September, the volume of short-term deposits from non-residents at Slovak banks (including the amount paid to ČSOB) increased by Sk 131.6 billion (the increase recorded in September amounted to ca. Sk 12.0 billion). The total capital inflow into the banking sector (Sk 139.4 billion) contributed more than Sk 97.4 billion to the year-on-year growth in other investments.

The corporate sector financed mostly trade-related activities. The volume of export credit provided exceeded that of import credit received, which led to an outflow of funds of Sk 8.3 billion. The financing of trading activities in the corporate sector followed a similar course as last year, while the outflow of funds in this area amounted to Sk 8.5 billion. The smaller outflow in financial credits to entrepreneurial entities contributed almost Sk 9.4 billion to the year-on-year growth in other investments.

The outflow of funds from the government sector (including the NBS) in the amount of Sk 16.8 billion was connected with the first liability instalment to ČSOB Praha. The increased repayment of long-term government and NBS loans was greatly exceeded by a year-on-year change in repo operations, which enabled the inflow of capital to increase year-on-year by Sk 12.3 billion.

The foreign exchange reserves of the NBS increased by Sk 73.4 billion, i.e. USD 2.6 billion (excluding exchange rate differentials).

Foreign exchange reserves of the NBS

Table 15 Balance of Payments Adjusted for Government and NBS Activities		
	(Sk billions)	
	January – September 2005	
	Actual ¹⁾	Adjusted ²⁾
Current account	-66.7	-82.1
Capital and financial account	137.0	38.9
of which: FDI in Slovakia – equity capital	12.9	12.9
Items not elsewhere included	3.0	3.0
Interventions by the NBS ³⁾	0.0	-102.3
Change in the net foreign assets of commercial banks (- increase)	-	142.5
Change in NBS reserves (- increase)	-73.4	-

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 at 30 September 2005

At the end of September 2005, Slovakia's total gross external debt stood at USD 26.5 billion (EUR 22.0 billion), representing a month-on-month fall of USD 24.1 million. Total long-term foreign debt was reduced over the period under review by USD 336.4 million, while total short-term foreign debt increased by USD 312.3 million.

Gross external debt

Within the scope of short-term external debt, the short-term foreign liabilities of commercial banks increased by USD 184.4 million (of which USD 67.3 million took place in loans and USD 296.0 million in other liabilities) and the short-term foreign liabilities of entrepreneurial entities grew by USD 146.1 million (of which trade credits accounted for USD 198.7 million).

Within the scope of long-term external debt, the period under review saw a decrease in the foreign liabilities of the Government and the NBS (USD 302.1 million), resulting mainly from lower interest in government bonds denominated in domestic currency, accompanied by a decrease in the foreign liabilities of entrepreneurial entities (USD 82.4 million) and an increase in the foreign liabilities of commercial banks (USD 48.1 million).

At the end of September, Slovakia's per-capita gross foreign debt stood at USD 4,933. The share of short-term debt in the country's total gross external debt increased month-on-month by 1.2 percentage



points. At the end of September 2005, the volume of total short-term foreign liabilities exceeded the volume of total long-term foreign liabilities, while reaching 53.0% of the total gross external debt.

Table 16 External Debt of the SR

	In millions of USD			In millions of EUR		
	31.12.2004	31.8.2005	30.9.2005	31.12.2004	31.8.2005	30.9.2005
Total external debt of the SR	23,763.6	26,558.9	26,534.7	17,454.6	21,741.4	21,996.3
Long-term external debt	13,315.8	12,809.2	12,472.8	9,780.6	10,485.8	10,339.5
Government and NBS ¹⁾	6,691.4	6,770.9	6,468.8	4,914.9	5,542.8	5,362.4
Commercial banks	496.3	808.3	856.4	364.6	661.6	709.9
Entrepreneurial entities	6,128.1	5,230.0	5,147.6	4,501.1	4,281.4	4,267.2
Short-term external debt	10,447.8	13,342.3	13,749.7	7,674.0	11,058.8	11,255.6
Government and NBS	209.3	34.7	16.4	153.8	28.4	13.6
Commercial banks	5,380.2	8,790.8	8,975.2	3,951.8	7,196.2	7,440.1
Entrepreneurial entities	4,858.3	4,924.2	5,070.3	3,568.4	4,031.0	4,203.1
Foreign assets	23,367.0	25,530.7	25,525.1	17,163.3	20,899.7	21,159.4
Net external debt	396.6	1,028.2	1,009.6	257.9	841.7	836.9
<i>SKK/USD and SKK/EUR rates</i>	28.496	31.740	32.221	38.796	38.773	38.869
<i>USD/EUR cross exchange rate</i>	-	-	-	1.361	1.222	1.206

Source: NBS.
1) Including government agencies and municipalities.

Net external debt The net external debt of Slovakia - expressed as the difference between gross foreign debt, i.e. USD 26.5 billion (liabilities of the Government, the NBS, commercial banks, and the corporate sector – except for capital participation), and foreign assets, i.e. USD 25.5 billion (foreign exchange reserves of the NBS, foreign assets of commercial banks and the corporate sector – except for capital participation), reached USD 1.0 billion (debtor position) at the end of September 2005.

Current Developments

Shortfalls were recorded in all current account components, except for the services balance. Consequently, the cumulative current account deficit for the period from January to October 2005 increased to Sk 72.8 billion.

Table 17 Balance of Payments on Current Account

	(Sk billions)	
	Jan. – Oct. 2005	Jan. – Oct. 2004
Balance of trade	-43.3	-29.2
Exports	806.9	739.5
Imports	850.2	768.7
Balance of services	10.1	7.3
Balance of income	-39.6	-13.4
of which: income from investments	-63.1	-26.2
of which: reinvested earnings	-29.0	0.0
Current transfers	0.0	6.8
Current account in total	-72.8	-28.5

Source: NBS and the Statistical Office of the SR.
Note: Foreign trade in 2004, according to the methodology for 2005.

In comparison with the same period in 2004, exports grew by 9.1% (16.2% in USD and 13.5% in EUR) and imports by 10.6% (17.8% in USD and 15.1% in EUR).

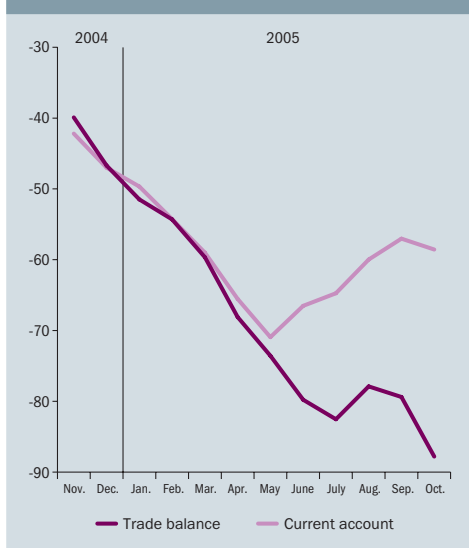
Balance of trade In November, commodity exports are expected to undergo a slight downturn in comparison with the previous month. The downturn will be a consequence of seasonality, since exports regularly achieve a high level in October. A month-on-month downturn is also expected in imports, mainly as a result of a decline in production and the resulting fall in the imports of semi-finished goods.

Exports are expected to decline considerably in December (with regard to the regular year-end deterioration), with drops occurring in all commodity categories. Owing to seasonal factors, exports are

Table 18 Monthly Data on the Current Account by Component (Sk billions)

	2005									
	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.
Balance of trade	-1.7	-4.0	-7.1	-7.9	-6.2	-3.7	-4.9	-0.5	-1.6	-5.6
Balance of services	1.0	0.9	3.4	0.9	-0.2	-0.8	1.2	1.8	0.5	1.4
Balance of income	0.1	-0.1	-2.6	-2.2	-7.4	-13.2	-2.7	-3.3	-6.0	-2.2
Current transfers	-3.5	3.4	0.8	1.7	-1.4	-0.3	-1.1	-1.1	1.2	0.3
Current account	-4.1	0.2	-5.5	-7.5	-15.2	-18.0	-7.5	-3.1	-5.9	-6.1

Source: NBS and the Statistical Office of the SR.

Chart 6 Balance of Trade and Current Account Developments (12-month cumulative figures) (Sk billions)


Source: NBS and the Statistical Office of the SR.

expected to reach a similar level at the beginning of next year. A similar trend is likely to occur in imports, in both December and January. In connection with the year-end decline in exports, the imports of semi-finished goods are also expected to follow a similar trend. As a result of seasonal developments, a certain decline may also be expected in the imports of goods for final consumption and machines.

At the end of November, the total foreign exchange reserves of the NBS stood at USD 15,438.5 million, representing a month-on-month decline of USD 209.3 million. The decline in foreign exchange reserves in comparison with the end of October resulted from a surplus in the balance of receipts and expenses (USD 130.4 million), accompanied by negative exchange rate differentials (USD -339.7 million), caused by 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 times greater than the volume of average monthly imports of goods and services to Slovakia, over the first ten months of 2005.

Total foreign exchange reserves of the NBS

Compared with the previous month, the exchange rate of the Slovak koruna appreciated in relation to the

Nominal effective exchange rate of the Slovak koruna (NEER)

reference currency (euro) by 0.5%, while depreciating vis-à-vis the currencies of Slovakia's main trading partners: against the US dollar by 1.4% and against the Czech koruna by 0.8%.

The year-on-year rate of appreciation in the average monthly SKK/EUR rate continued to slow in November, to 2.1% (from 2.7% in October). The rate of depreciation vis-à-vis the USD greatly accelerated, to 7.5% (from 0.9%), while the depreciation in the SKK/CZK rate also deepened, by 4.6% (from 3.3%).

The year-on-year dynamics of the nominal effective exchange rate (NEER)² weakened to 0.5% in November, from 1.4% in October.

In October, the year-on-year dynamics of the real effective exchange rate (REER) based on consumer prices continued to increase slightly in comparison with the previous month, to 2.4% (from 2.2%). On the other hand, the rate of appreciation in the REER index based on industrial producer prices slowed to 4.8% (from 5.3%), and that based on manufacturing products prices (excluding energy and mineral raw materials prices) dropped to 0.9% (from 2.0%).

Real effective exchange rate of the Slovak koruna (REER)

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

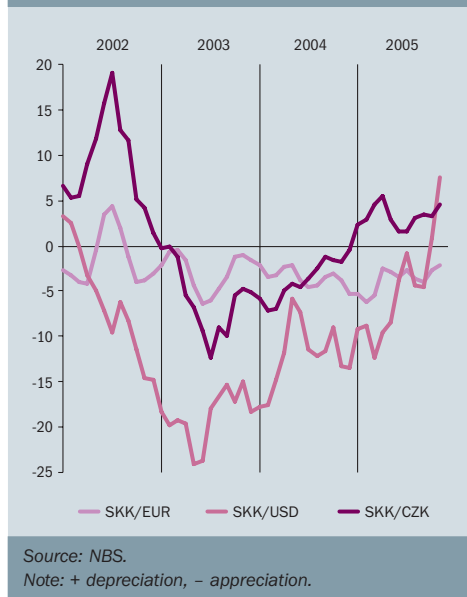


Chart 8 Year-on-Year Dynamics of the NEER and REER Indices (based on CPI, PPI, PPI manufacturing and ULC, for 9 trading partners, in %)

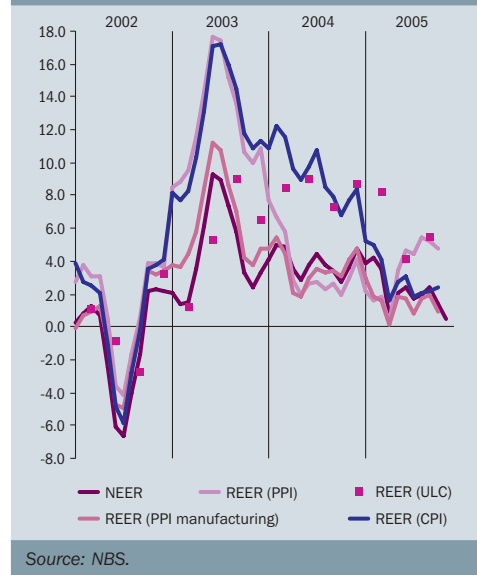


Table 19 Year-on-Year Dynamics of the NEER and REER Indices (change in %)

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	6.5
2004	4.7	8.3	4.1	4.7	8.8
September 2005 ¹⁾	2.4 /-0.0	2.2 / 0.4	5.3 / 3.8	2.0 / 0.3	5.5 ^(p)
October 2005 ¹⁾	1.4 /-0.9	2.4 / 0.1	4.8 / 1.1	0.9 /-1.1	-
November 2005 ¹⁾	0.5 /-0.8	.	.	.	-

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

3.3. Real Economy

Development of the Real Economy in the First Three Quarters of 2005

Gross Domestic Product

Real economic growth by 5.5%

According to revised data from the Statistical Office of the SR, the gross domestic product (GDP) for the first three quarters of 2005 increased year-on-year by 5.5% at constant prices. In comparison with the same period a year earlier, the rate of GDP growth accelerated somewhat, by 0.1 of a percentage point. In a breakdown by quarter, the year-on-year growth in GDP accelerated from a stable 5.1% in the first two quarters, to 6.2% in the third quarter. In the third quarter of 2005, GDP growth recorded the fastest rate since the first quarter of 1998.

The accelerated economic growth was driven by both foreign and domestic demand. Domestic supply reacted to the dynamic growth in aggregate demand with increased value added creation, mainly in construction, transport, post and telecommunications, and trade, where it reached two-digit growth rates. The volume of GDP generated over

Chart 9 Development of Real GDP (year-on-year growth in %)



Chart 10 Development of Domestic and Foreign Demand
(year-on-year change in %)



Source: Statistical Office of the SR.

the period under review amounted to Sk 1,055.7 billion (at current prices), which was 8.2% more than a year earlier.

Demand

The accelerated GDP growth in the first three quarters of 2005 was accompanied by a change in the structure of economic growth in terms of aggregate demand formation. The effect of domestic demand on GDP increased in the first two quarters, parallel with the diminishing weight of net exports. This development led to relatively dynamic economic growth in the first half of the year. In the third quarter, however, the growth in domestic demand (3.5%) was 4.6 times surpassed by a two-digit growth in foreign demand (16.1%).

Over the three quarters under review, the differentiated development in the individual quarters resulted in an excess of foreign demand over domestic demand. The excess of foreign demand reached 3.6 percentage points, but was smaller than in the same period a year earlier (6.9 percentage points), since foreign demand grew by 9.4% (in the comparable period by 12.2%) and domestic demand by 5.8% (compared with 5.3%).

Within the scope of domestic demand, investment demand grew over the first three quarters of 2005 at a faster rate than investment demand (8.7%), but was 3 percentage points slower than a year earlier, due to the lower creation of supplies. Although the 'consumption' component of demand grew at a slower rate than the 'investment' component, but its growth (4.6%) was 1.8 percentage points faster than a year earlier.

Continuing growth in domestic demand

Table 20 Development of GDP by Use

(Index, same period a year earlier = 100, const. 1995 prices)

	Q1-Q3 04	2004	Q1 05	Q2 05	Q3 05	Q1-Q3 05
	Q1-Q3 03	2003	Q1 04	Q2 04	Q3 04	Q1-Q3 04
Gross domestic product	105.4	105.5	105.1	105.1	106.2	105.5
Domestic demand	105.3	105.5	105.5	108.4	103.5	105.8
Final consumption	102.8	102.8	104.6	104.3	104.7	104.6
Households	103.2	103.5	105.5	105.6	106.2	105.8
General government	101.7	101.1	101.8	100.7	100.9	101.1
Non-profit institutions serving households	105.3	105.8	105.1	103.2	102.0	103.4
Gross capital formation	111.7	113.1	108.0	118.0	100.7	108.7
Gross fixed capital formation	103.4	102.5	105.8	110.7	116.5	111.4
Exports of goods and services	112.2	111.4	107.2	105.0	116.1	109.4
Imports of goods and services	112.9	112.7	107.9	106.9	111.6	108.8

Source: Statistical Office of the SR.

The growth in gross capital formation was mainly stimulated by accelerated growth in fixed investments, which increased from 5.8% in the first quarter to 16.5% in the third quarter (the average figure for the first three quarters reached 11.4%). Fixed capital formation was mainly influenced by investment in new fixed assets, while the volume of acquired used long-term property decreased.

Dynamic growth in investment demand

In a breakdown by sector, the most significant increases took place in the investment activities of non-financial corporations, probably as a result of their positive financial results. The largest investments were made by non-financial corporations, mainly through the creation of new fixed assets. The most active investors were industrial enterprises achieving a total year-on-year growth of 27.9%, with a 6.7-fold increase being recorded in gross fixed investments in the production of transport vehicles. Investment activity also increased in the public sector, which invested 4.1% more than in the same period a year earlier. Households invested 1.8% more than in the previous year.

The most dynamic growth took place in investments in buildings and structures. They grew year-on-year more than twice as fast as investments in machines. Investments in buildings and structures expanded as a result of increased investment allocation for other structures, including utilities, as well as for



residential buildings. A significant portion of investments in buildings and structures was financed through foreign direct investments, made in motor vehicle production.

Table 21 Structure of Gross Fixed Capital Formation in the First Three Quarters of 2005

	Gross fixed capital formation (Sk millions)	Share (%)	Index Q1-Q3 2005 / Q1-Q3 2004
Economy of the SR in total	271,099	100.0	111.4
of which (by production):			
Buildings and structures	95,152	35.1	118.9
of which: residential buildings	16,442	6.1	110.9
other structures	78,710	29.0	120.6
Machines	158,188	58.4	108.9
of which: metal goods and machines	118,727	43.8	109.4
transport equipment	39,461	14.6	107.5
of which (by sector):			
Non-financial corporations	181,179	66.8	116.5
Financial corporations	33,434	12.3	102.3
General government	19,010	7.0	104.1
Households	36,960	13.6	101.8
Non-profit institutions	516	0.2	81.3

Source: Statistical Office of the SR.

Note: Volumes and proportions are at current prices, indices at constant prices.

From the beginning of the year to the end of September, inventories increased, but their volume was smaller than in the same period in 2004 (it decreased from Sk 25.4 billion to Sk 23.6 billion at constant prices). The persistence of a positive increase in inventories can be explained by the continuing reaction of domestic and foreign supply to the growth in demand, while part of the inventories came from agriculture, mainly in the third quarter. A decrease in the volume of inventories means that inventories ceased to be a dynamising component for investment demand. After contributing 2.3 percentage points to GDP growth in the first three quarters of 2004, they produced a dampening effect in the same period in 2005 (causing a slowdown of 0.3 of a percentage point). This development was probably a consequence of the completion of larger investments in construction and their shift from the register of inventories into that of investments, which corresponds to the accelerated rate of investment growth in construction.

Wage growth led to accelerated private consumption

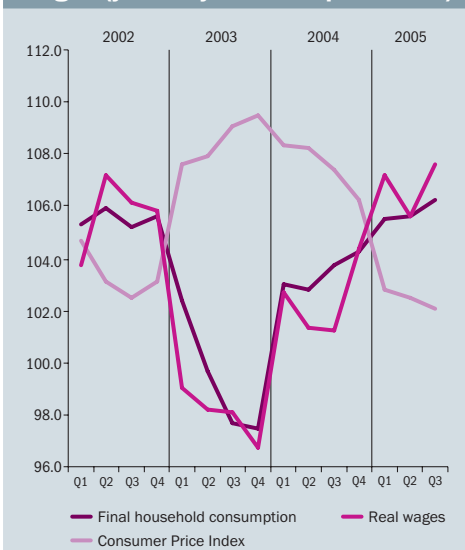
The accelerated growth in final consumption took place mostly in the household sector, while contributions from the public sector and non-profit institutions were minimal.

The rate of growth in final household consumption accelerated from 5.5% in the first quarter to 6.2% in the third quarter (5.8% over the first three quarters). The acceleration in private consumption was no longer accompanied by a steep increase in the propensity of households to consume, but was primarily caused by dynamic wage growth in the economy and was also supported by an upturn in bank lending. As key components in disposable household income, wages created sufficient room for a further growth in consumption, as well as for a revival in gross saving.

Credit to the household sector

Households supplemented their disposable income by drawing credits from monetary financial institutions and other corporations (in various forms, including financial leasing, instalment financing, and personal financing). The share of total credit granted to households by monetary financial institutions in annualised final household consumption (over 4 quarters in cumulative

Chart 11 Developments in Final Household Consumption, Inflation, and Real Wages (year-on-year development in %)



Source: Statistical Office of the SR.



terms) reached 21% at the end of the third quarter of 2005 (15% at the end of the third quarter of 2004).

The household sector mainly focused on loans for house purchases. The accelerated bank lending for house purchases in the first three quarters of 2005 was accompanied by increased investment in residential buildings. The volume of investments in residential buildings (in all economic sectors, including households) increased by 16% at current prices (in the same period of 2004 by 6.6%). This was the most significant increase recorded since 2000. From a macroeconomic point of view, investments in residential buildings during the first three quarters of 2005 accounted for only 6% of the total volume of fixed capital and 1.6% of the volume of GDP at current prices. The sectoral indicator of investments, the creation of new fixed assets in the household sector, increased by 2% at constant prices (according to an experimental estimate of the Statistical Office), after falling over the comparable period in 2004 by 8%. Although the rate of growth in investment in residential buildings and the creation of new fixed assets accelerated, the volume of these investments was not proportional to the acceleration in bank lending for house purchases. This indicates that the majority of loans were not used for the creation of new fixed assets, but for financing existing real estate purchases³.

The upturn in bank lending, especially for house purchases, is also responsible to some extent for the changes in the structure of private consumption. Growing household spending on home improvement, in the form of investments in new or reconstructed houses or flats, was accompanied by increased spending on home furnishings. Within the structure of private consumption, the strongest growth (19.4% at constant prices) was recorded in spending on furnishings, household appliances, and routine household maintenance, accounting for approximately 7% of total household spending on consumption. Double-digit growth (12.4% at constant prices) was also recorded in spending on recreation and culture, which accounted for almost 10% of private household consumption, with spending on clothes and footwear representing 5%. Spending on furnishings, household appliances, and routine household maintenance, and approximately a third of the expenses on recreation and culture, are connected with the furnishing of homes, and their equipment with durable goods, including audiovisual and photographic equipment, data processing equipment, and garden equipment.

In the first three quarters of 2005, this type of household spending contributed 2.3 percentage points to the growth in private consumption, which reached 5.8% (1.4 percentage points, from 3.2% in the corresponding period in 2004). A further contribution to the growth in private consumption (1 percentage point) was made by household spending on foodstuffs and non-alcoholic beverages, which dampened the growth in final consumption last year, by reducing its rate by 0.5 of a percentage point.

The selected three consumption segments were responsible for as much as 57% of the consumer demand in the first three quarters. None of the other nine segments had a dampening effect on consumption, thus consumption finally became standardised after two years and copied the year 2002, i.e. the period from before the marked adjustments to regulated prices.

The growth in consumer demand provoked a reaction from foreign supply, since the three consumption segments with the greatest contribution to final consumption are marketable in nature, except for expenses on the repairs of durable goods (a small segment). A closer look at the structure of imports reveals that the imports of industrial products (furniture) grew at a slower rate than last year, while the imports of electronic consumer goods and agricultural products in particular (meat, dairy products, fruit, vegetables, etc.) grew more rapidly.

Domestic supply reacted to the growth in aggregate demand with increased value added creation, especially in food processing and the manufacture of machines and electrical equipment.

The accelerated growth in consumer demand was mostly reflected in the 'tradable goods' category (foodstuffs, electrical goods, furniture), which are currently offered by the retail sector in a highly competitive environment. The competition in retail trade, exchange rate developments, and the impacts of technical progress in the area of electronics dampened the inflationary effects of increased consumer demand.

The real growth in the exports of goods and services exceeded the growth in imports in the first three quarters. The positive balance of foreign trade at constant prices increased to Sk 21.5 billion, from Sk 16.6 billion in the same period a year earlier. Developments in trade varied considerably over the

**Positive impact
of net exports on GDP**

³ According to the preliminary results of a survey of real estate prices in the SR, residential real estate prices dropped in the first two quarters of 2005 by approximately 13% in comparison with the average for 2004.

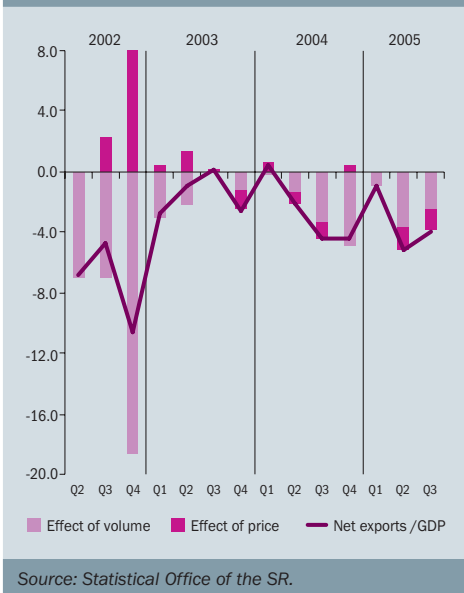


course of the year. Over the first six months, the intensity of foreign trading decreased, with exports slowing to a greater extent than imports. As a result of this development, net exports acted as a dampening factor in GDP growth during the first half of the year. In the third quarter, net exports recorded an increase intensive enough to offset the negative effect of the previous period and to contribute significantly to the acceleration in the rate of economic growth. In the final quarter, net exports again achieved (after a year) double-digit growth, which well exceeded the dynamics of imports.

Foreign trading over the first three quarters of 2005 resulted in a positive contribution of 0.8 of a percentage point to GDP by net exports. Domestic demand contributed 5.6 percentage points to GDP growth. The difference between this figure and the final rate (5.5%) represented a statistical discrepancy.

As a result of price developments on foreign markets, nominal net exports were in deficit (Sk 30.5 billion), representing a deterioration in comparison with the size of the deficit a year earlier (Sk 20.2 billion). A third of the trade deficit was caused by the unfavourable trend in the relationship between import and export prices. In comparison with the same period a year earlier, imports to Slovakia became more expensive quarter by quarter, while export prices were unchanged on average. After falling steadily for almost three years, the prices of imported goods and services rose by 0.8% in the first quarter of 2005. The increase in import prices accelerated in the second quarter to 2.5% year-on-year and continued in the third quarter at a rate of 1.2%. The rise in import prices was connected with the steady increase in producer prices on foreign markets, mainly in the prices of energy-producing raw materials (oil and natural gas).

Chart 12 Contribution of Net Exports to GDP (at current prices) (%)



Source: Statistical Office of the SR.

Table 22 Contributions to GDP Creation (percentage points, constant 1995 prices)

	Q1-Q3 04	2004	Q1 05	Q2 05	Q3 05	Q1-Q3 05
	Q1-Q3 03	2003	Q1 04	Q2 04	Q3 04	Q1-Q3 04
Gross domestic product (in %)	5.4	5.5	5.1	5.1	6.2	5.5
Domestic demand	5.1	5.3	5.2	8.0	3.4	5.6
Final consumption	2.0	2.1	3.2	2.9	3.2	3.1
Households	1.6	1.8	2.9	2.8	3.0	2.9
General government	0.3	0.2	0.3	0.1	0.2	0.2
Non-profit institutions serving households	0.0	0.1	0.0	0.0	0.0	0.0
Gross capital formation	3.1	3.3	2.0	5.1	0.2	2.4
Gross fixed capital formation	0.8	0.6	1.3	2.7	4.0	2.7
Change in inventories	2.3	2.6	0.7	2.4	-3.8	-0.3
Net exports	-0.2	-0.8	-0.3	-1.6	4.1	0.8
Exports of goods and services	11.0	10.6	6.9	5.0	14.7	9.0
Imports of goods and services	11.2	11.4	7.2	6.7	10.6	8.2
Statistical discrepancy	0.5	1.0	0.2	-1.3	-1.4	-0.9

Source: NBS calculations based on data from the Statistical Office of the SR.
Note: The differences in the subtotals are due to rounding.

The Slovak economy maintained a relatively high export performance (77.1% at current prices, compared with 76.2% in the same period in 2004), while import intensity reached 79.9% (78.3%). The openness of the Slovak economy, expressed in terms of the ratio of exports and imports of goods and services to nominal GDP, stood at 157.0% (154.5%).

Table 23 Impact of Price and Volume on Exports and Imports

	<u>Q1-Q3 04</u>	<u>2004</u>	<u>Q1 05</u>	<u>Q2 05</u>	<u>Q3 05</u>	<u>Q1-Q3 05</u>
	Q1-Q3 03	2003	Q1 04	Q2 04	Q3 04	Q1-Q3 04
Exports of goods and services						
(year-on-year growth in %, at current prices)	9.6	9.1	6.7	5.4	16.1	9.4
Impact of volume (in % points)	12.2	11.4	7.2	5.0	16.1	9.4
Impact of price (in % points)	-2.5	-2.4	-0.5	0.4	0.0	0.0
Imports of goods and services						
(year-on-year growth in %, at current prices)	11.0	10.8	8.8	9.6	12.9	10.5
Impact of volume (in % points)	12.9	12.7	7.9	6.9	11.6	8.8
Impact of price (in % points)	-1.8	-1.9	0.9	2.7	1.3	1.7
Net exports as a share of GDP						
(share in %, at current prices)	-2.1	-2.7	-0.9	-5.2	-3.9	-3.3
Impact of volume (in % points)	-1.7	-2.5	0.0	-3.6	-2.4	-2.0
Impact of price (in % points)	-0.4	-0.2	-0.9	-1.6	-1.4	-1.3

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

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

Chart 13 Export Performance and Import Intensity (%)


Source: Statistical Office of the SR.

Supply

From the point of view of supply, GDP growth resulted from a 5.4% increase in gross value added at constant prices (compared with 4.9% in the comparable period in 2004). Net taxes, including value added tax, excise duty, import tax, minus subsidies, increased by 6.3% (in the comparable period by 10.4%).

The strongest growth in value added was recorded in construction (14.4%). Construction further strengthened its position in the Slovak economy, which led to growth in fixed capital formation on the demand side, through investment in buildings and structures. In the service sectors of the economy, which are tied to the growing demand, value-added generation accelerated in transport, post and telecommunications (by 11.8%) and trade (by 11.2%). Value added in agriculture increased by 8.5%, due partly to the participation of Slovakia in the re-distribution of EU funds. Education, financial intermediation, health services, social care, and hotels and restaurants remained below the level of last year.

GDP creation

The continuing growth in value added in industry (6.8%) was a result of foreign direct investment in manufacturing production and was also supported by mining and quarrying, and to a lesser extent by electricity, gas and water supply. In manufacturing, the growth in value added mostly accelerated in the production of foodstuffs, beverages and tobacco products, and in the manufacture of machines, electrical equipment, and transport vehicles.

The total contribution of industry to GDP creation amounted to 1.9 percentage points, as the contribution of services. Construction and agriculture, including hunting, forestry, and fishing, contributed 0.5 of a percentage point equally.

Wages

In the first three quarters of 2005, the average monthly nominal wage in the Slovak economy showed relatively dynamic growth (9.4%), and reached Sk 16,527. The wage growth was 0.4 of a percentage point slower than a year earlier. After rapid growth in the first quarter (10.2%) and a slowdown in the second quarter (8.2%), the rate of wage growth again accelerated in the third quarter, to almost 10%. In the third quarter, marked wage increases were recorded in the public sector and selected market services, while wage growth in industry and construction remained below 5%.

Dynamic growth in nominal wages



Table 24 GDP Development by Sector
(index, same period a year earlier = 100, const. 1995 prices)

	<u>Q1-Q3 04</u>	<u>2004</u>	<u>Q1 05</u>	<u>Q2 05</u>	<u>Q3 05</u>	<u>Q1-Q3 05</u>
	Q1-Q3 03	2003	Q1 04	Q2 04	Q3 04	Q1-Q3 04
Gross domestic product	105.4	105.5	105.1	105.1	106.2	105.5
of which:						
Agriculture, hunting, and forestry	109.4	109.6	114.2	108.0	105.2	108.5
Industry in total	111.1	111.5	107.9	106.5	106.3	106.8
Mining and quarrying	95.4	96.8	101.2	109.5	109.2	106.8
Manufacturing	110.9	111.9	107.4	108.7	106.6	107.6
Electricity, gas, and water supply	115.7	111.3	110.5	85.3	102.0	101.6
Construction	112.3	111.8	110.8	113.7	118.0	114.4
Services in total	98.8	103.0	104.0	105.6	103.0	103.9
Wholesale and retail trade, repairs	109.6	111.3	114.6	105.0	115.1	111.2
Hotels and restaurants	97.9	98.3	98.4	97.3	100.2	98.6
Transport, storage, post and telecommunications	98.9	101.6	104.7	112.9	117.8	111.8
Financial intermediation	144.1	130.1	100.6	97.5	70.1	89.3
Real estate, renting, and business activities	109.7	108.3	103.8	104.8	100.7	102.9
Public administration, defence, social security	90.3	93.8	102.8	105.4	100.2	102.8
Education	94.0	94.5	88.8	88.2	86.0	87.7
Health and social care	81.8	83.8	87.6	94.3	88.2	89.9
Other community, social, and personal services	66.5	74.8	103.9	105.7	107.7	105.9
Other ¹⁾	104.7	98.5	96.8	102.5	137.5	108.6

Source: Statistical Office of the SR.

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

Table 25 Development by Sector

(contributions to growth; percentage points)

	<u>Q1-Q3 04</u>	<u>2004</u>	<u>Q1 05</u>	<u>Q2 05</u>	<u>Q3 05</u>	<u>Q1-Q3 05</u>
	Q1-Q3 03	2003	Q1 04	Q2 04	Q3 04	Q1-Q3 04
Gross domestic product (in %)	5.4	5.5	5.1	5.1	6.2	5.5
of which:						
Agriculture, hunting, and forestry	0.5	0.5	0.6	0.4	0.3	0.5
Industry in total	2.9	3.0	2.3	1.8	1.7	1.9
Mining and quarrying	0.0	0.0	0.0	0.0	0.0	0.0
Manufacturing	2.5	2.7	1.7	2.1	1.6	1.8
Electricity, gas, and water supply	0.5	0.3	0.5	-0.4	0.0	0.1
Construction	0.4	0.4	0.4	0.5	0.7	0.5
Services in total	1.2	1.7	2.1	2.2	1.4	1.9
Wholesale and retail trade, repairs	1.3	1.5	1.7	0.8	2.2	1.6
Hotels and restaurants	0.0	0.0	0.0	0.0	0.0	0.0
Transport, storage, post and telecommunications	-0.1	0.1	0.4	1.1	1.5	1.0
Financial intermediation	2.0	1.4	0.0	-0.1	-1.8	-0.7
Real estate, renting, and business activities	1.0	0.9	0.4	0.5	0.1	0.3
Public administration, defence, social security	-0.7	-0.5	0.2	0.3	0.0	0.2
Education	-0.2	-0.2	-0.4	-0.3	-0.4	-0.4
Health and social care	-0.7	-0.6	-0.4	-0.2	-0.4	-0.3
Other community, social, and personal services	-1.3	-0.9	0.1	0.1	0.2	0.1
Other ¹⁾	0.4	-0.1	-0.3	0.2	2.0	0.7

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

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

Note: The contributions are rounded to one decimal place, as a result of which the sum total does not correspond to the actual sum of the contributions.

On average, the strongest nominal wage growth in the first three quarters took place in education (11.1%); public administration and defence (10%); and electricity, gas, and water supply (9.6%). Relatively dynamic growth in nominal wages was also recorded in hotels and restaurants (9%), trade and repair activities (8.7%), real estate and renting (8.1%), agriculture (8.1%), and in health and social services (8%). In other sectors, wages grew at a slower rate, with the smallest year-on-year increases occurring in the wages of employees in construction (6.1%), mining and quarrying (6.9%), and financial intermediation (6.9%).

In a breakdown by form of ownership, dynamic year-on-year growth in nominal wages was again recorded in the corporate sector in small enterprises with up to 19 employees (15%), while wages in enterprises with 20 and more employees increased by 6.5%. Rapid wage growth was achieved in budgetary organisations (11.9%), while the smallest wage increases were reported by subsidised organisations (6.2% on average).

Real wages grew year-on-year by 6.7% (a year earlier by 1.7%), and were mainly influenced by developments in average consumer prices (their rise slowed from 8.0% in the first three quarters of 2004 to 2.5% in the same period in 2005). Similar to nominal wages, real wages recorded an increase in dynamics in the third quarter, after a temporary slowdown in the second quarter. Real wages increased in all sectors of the economy.

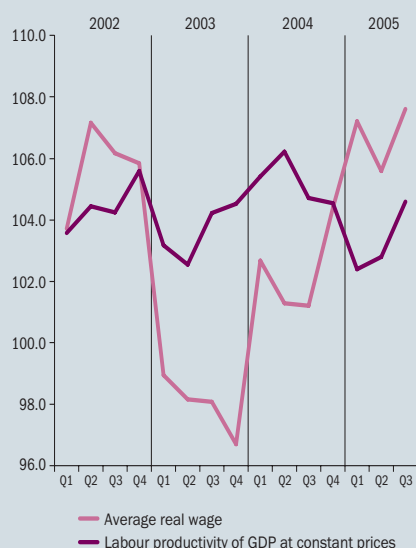
Growth in real wages

Table 26 Average Monthly Wages and Labour Productivity in the Slovak Economy
(index, same period a year earlier = 100)

	2004		2005			
	Q1-Q3	year	Q1	Q2	Q3	Q1-Q3
Nominal wage (Sk)	15,105	15,825	16,022	16,737	16,816	16,527
Nominal wage (index)	109.8	110.2	110.2	108.2	109.9	109.4
Real wage (index)	101.7	102.5	107.2	105.6	107.6	106.7
Labour productivity (current prices)	110.6	110.1	105.0	105.9	106.9	106.0
Labour productivity (constant prices)	105.5	105.2	102.4	102.8	104.6	103.3
Real labour productivity minus real wage (percentage points)	3.8	2.7	-4.8	-2.8	-3.0	-3.4
Consumer prices (average for the period)	108.3	108.2	107.5	106.4	107.5	102.8

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

Graf 14 Developments in Real Wages and Real Labour Productivity
(index, same period a year earlier = 100)



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

Labour productivity (GDP per employee, according to statistical reports) increased in nominal terms by 6.0% and in real terms by 3.3%. Compared with the first three quarters of 2004, the rate of growth in productivity slowed in both nominal and real terms (by 4.6 and 2.2 percentage points respectively). This was mainly due to a reverse trend in employment, which increased over the first three quarters by more than 2%, after decreasing slightly a year earlier. The result of developments in labour productivity and wages in the period under review was an excess of wage growth over growth in productivity in both nominal and real terms (by 3.4 percentage points equally).

The growth in labour productivity lagged behind the growth in wages

Developments in real labour productivity in the individual sectors indicate that the most rapid growth in productivity took place in agriculture, transport and storage, post and telecommunications, trade, repair services, and construction. These sectors recorded an excess of growth in labour productivity over growth in real wages. Labour productivity fell in almost all sectors (with real wages increasing), including education and health care (despite the continuing fall in employment). The fall in financial intermediation was probably influenced by the high basis of comparison from the previous year (an increase of more than 40%).

Development of labour productivity by sector



Table 27 Labour Productivity and Wages in Selected Sectors in the First Three Quarters of 2005 (index, same period a year earlier = 100)

	Nominal		Real	
	Productivity	Wage	Productivity	Wage
Economy of the SR in total:	106.0	109.4	103.3	106.7
of which:				
Agriculture, hunting, and forestry	109.4	108.1	114.4	105.5
Industry	101.4	107.4	103.4	104.8
Mining and quarrying	11.1	106.9	114.1	104.3
Manufacturing	99.9	107.6	103.0	105.0
Electricity, gas, and water supply	114.8	109.6	109.2	106.9
Construction	107.6	106.1	107.2	103.5
Wholesale and retail trade, repair activity	110.7	108.7	107.5	106.0
Transport, storage, post and telecommunications	115.0	107.6	113.5	105.0
Financial intermediation	91.1	106.9	88.6	104.3
Real estate, renting, business activities	105.7	108.1	96.8	105.5
Public administration, defence, and compulsory social insurance	99.1	110.0	96.3	107.3
Education	111.1	111.1	90.1	108.4
Health and social services	111.8	108.0	92.7	105.4
Other community, social, and personal services	102.8	107.1	101.9	104.5

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

Table 28 Developments in Unit Labour Costs (index, same period a year earlier = 100)

	2004		2005			
	Q1-Q3	year	Q1	Q2	Q3	Q1-Q3
Methodology of the NBS						
ULC _{NBS} (year-on-year change in %)	4.1	4.8	7.6	5.3	5.1	5.9
RULC _{NBS} (year-on-year change in %)	-3.6	-2.6	4.7	2.7	2.9	3.3
Methodology of the ECB						
ULC _{ECB} (year-on-year change in %)	4.4	4.6	5.7	3.6	4.1	4.4
RULC _{ECB} (year-on-year change in %)	-3.3	-2.7	2.8	1.0	1.9	1.9

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

Unit labour costs

The relation between wage development and labour productivity was also reflected in unit labour costs. According to NBS methodology⁴, unit labour costs followed the growing trend (persisting since 2003) in the first three quarters, though their dynamics weakened over the course of the year. According to ECB methodology⁵, the growth in unit labour costs slowed during the year, but the average rate of growth in the first three quarters remained at the level of the same period in 2004.

Real unit labour costs (RULC, nominal ULC deflated by the average consumer price index), recorded an increase according to both methodologies, for the first time since 2002. Developments in this area were affected by the excess of real wage growth over growth in labour productivity. This excess was caused by a slowdown in the rate of growth in productivity, accompanied by accelerated growth in real wages. The growth in real unit

⁴ ULC_{NBS} calculated as the ratio of nominal wage growth to growth in real labour productivity.

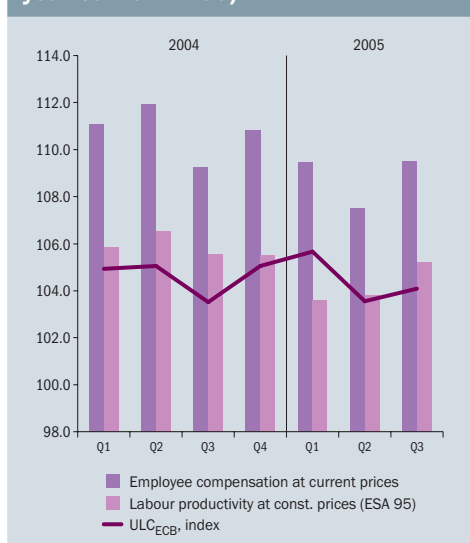
⁵ ULC_{ECB} calculated as the ratio of growth in nominal employee compensation to growth in real labour productivity based on data from ESA 95.

Chart 15 Developments in ULCs and Their Components According to NBS Methodology (index, same period a year earlier = 100)



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

Chart 16 Developments in ULCs and Their Components According to ECB Methodology (index, same period a year earlier = 100)



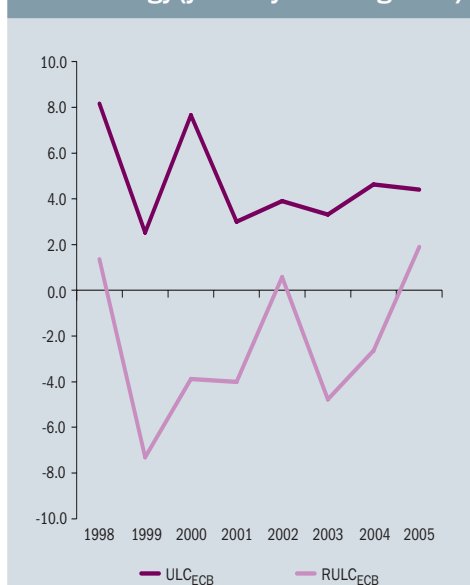
Source: NBS calculations based on data from the Statistical Office of the SR.

Chart 17 Developments in Unit Labour Costs According to NBS Methodology (year-on-year change in %)



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

Chart 18 Developments in Unit Labour Costs According to ECB Methodology (year-on-year change in %)



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

labour costs is a phenomenon connected mainly with the marked year-on-year slowdown in consumer price dynamics in the current year. Growth in RULC may become a risk where it is a longer-term trend with an unfavourable impact on the trade balance or where it results in inflationary pressures.

Income and Expenditure of Households

According to preliminary data from the Statistical Office of the SR, the current income of households reached Sk 803.4 billion over the first three quarters of 2005, representing a year-on-year increase of 8.0% in nominal terms (5.4% in real terms). The rate of growth was only slightly higher than in the comparable period in 2004 (7.7%). Current household expenditure (paid to other sectors and not used for direct consumption) totalled Sk 193.2 billion, representing a year-on-year increase of 5.8% (3.2% in real terms). The rate of growth accelerated in comparison with the same period in 2004 by 4.4 percentage points.

The growth in current income was favourably affected by an increase in gross mixed income and employee compensation, while a dampening effect was exerted by declining income from property⁶.

⁶ Income from property comes from the ownership of financial assets, i.e. deposits, bonds, etc. or the ownership of land, underground resources, etc., which are given by the owner at the disposal of another institutional unit.



Table 29 Generation and Use of Incomes in the Household Sector

(current prices)

	Sk billions		Indices ¹⁾		Share in %	
	Q1-Q3	Q1-Q3	Q1-Q3 04	Q1-Q3 05	Q1-Q3	Q1-Q3
	2004	2005	Q1-Q3 03	Q1-Q3 04	2004	2005
Compensation of employees (all sectors)	378.9	412.6	107.5	108.9	50.9	51.4
of which: Gross wages and salaries	283.1	313.2	107.7	110.7	38.0	39.0
Gross mixed income	201.4	233.5	109.2	115.9	27.1	29.1
Income from property - received	26.2	14.7	121.0	55.9	3.5	1.8
Social security benefits	111.4	116.4	104.6	104.5	15.0	14.5
Other current transfers - received	26.1	26.2	102.4	100.5	3.5	3.3
Current income in total	744.0	803.4	107.7	108.0	100.0	100.0
Income from property - paid	7.0	9.2	154.3	131.4	3.8	4.7
Current tax on income, property, etc.	33.0	30.9	93.1	93.6	18.1	16.0
Social security contributions	123.8	132.9	101.5	107.3	67.8	68.8
Other current transfers - paid	18.8	20.2	103.9	107.7	10.3	10.5
Current expenditure in total	182.5	193.2	101.4	105.8	100.0	100.0
Gross disposable income	561.5	610.2	110.0	108.7	100.0	100.0
Adjustment for changes in the net equity of households in the reserves of pension funds	2.1	7.5	81.4	358.8	-	-
Final household consumption	543.7	591.6	110.6	108.8	96.8	96.9
Gross savings of households	19.9	26.2	92.3	131.6	3.5	4.3

Source: Statistical Office of the SR.
1) Indices based on figures expressed in millions of Sk.

The year-on-year growth in current expenditure was mainly connected with the growth in social contributions, expenses related to income from property, and other current transfers paid. On the other hand, current tax on income and property decreased. The growth in social contributions was probably affected by the new legal regulations adjusting the basis of assessment for obligatory contributions to social funds (depending on the level of the average and/or minimum wage) and by the growth in employment.

Table 30 Development and Allocation of Gross Disposable Income of Households

(index, same period a year earlier = 100, current prices)

	2004		2005			
	Q1-Q3	year	Q1	Q2	Q3	Q1-Q3
Gross disposable income	110.0	110.2	109.3	108.5	108.3	108.7
Final household consumption	110.6	110.7	108.6	108.9	109.0	108.8
Gross household savings	92.3	101.7	128.4	123.4	145.8	131.6
Gross savings as a share of gross disposable income (%)	3.5	6.2	4.3	4.5	4.1	4.3

Source: Statistical Office of the SR.

With current expenditure being deducted from current income, the gross disposable income of households amounted to Sk 610.2 billion, representing a year-on-year increase of 8.7% (compared with 10.0% a year earlier). Of this amount, 96.9% was used for final consumption (almost the same share as a year earlier, i.e. 96.8%), the remainder went to gross savings, which include the investment activities of citizens and small entrepreneurs (tangible and intangible investments, plus additional retirement insurance) in addition to bank deposits. The dynamic growth in gross household savings over the first three quarters (31.6%) was apparently affected by a marked increase in additional retirement insurance since the beginning of the year, growth in household income, and by the low basis of comparison last year. The accelerated growth in gross savings was reflected in the trend of development in gross household savings, which started to increase again from the second half of 2004.

Employment and Unemployment

Growth in employment ... Employment maintained a relatively rapid growth in the third quarter. Compared with the previous quarter, the number of workers determined on the basis of a labour force sample survey increased by 38,900, and in comparison with the same period a year earlier by 34,800 (1.6%). The slowdown in the

Chart 19 Consumption and Saving Tendencies in the First Three Quarters of the Year (share in %)


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

year-on-year rate of growth in employment compared with the previous two quarters, was connected with the higher basis of comparison a year earlier. In the first three quarters of 2005, the average number of workers increased year-on-year by 2.0% (after falling a year earlier by 0.1%), due to the growing number of entrepreneurs (by 14.2%) and employees (by 0.8%).

The continuing growth in employment was also confirmed by data from statistical reports. In a breakdown by sector, the most rapid growth in employment (over 6%) was achieved in construction; public administration, defence, and compulsory social insurance; and in real estate, renting, and business activities. Above average growth in employment was also recorded in industry; wholesale and retail sale, repair of motor vehicles, motorcycles, and consumer goods; and in other community, social, and personal services. On the other hand, employment continued to fall in agriculture, health services, education, transport, post and telecommunications.

The positive trend in employment and the increased creation of new jobs were, inter alia, also reflected in the rate of unemployment. The number of unemployed

...accompanied by a fall in unemployment

determined on the basis of a labour force sample survey dropped year-on-year by 11.1% (almost 52,000) in the third quarter. In connection with the decrease in the number of unemployed, the rate of unemployment also dropped, to the lowest level since the beginning of 1999; the average rate for the first three quarters reached 16.4% (compared with 18.4% in the same period last year).

Table 31 Employment and Unemployment
(average for the period)

	2004		2005			
	Q1-Q3	year	Q1	Q2	Q3	Q1-Q3
Employment according to statistical returns						
in thousands	2,020.6	2,030.3	2,049.5	2,066.4	2,073.2	2,063.0
index (same period a year earlier = 100)	99.9	100.3	102.6	102.2	101.5	102.1
Employment according to LFSS ¹⁾						
in thousands	2,160.5	2,170.4	2,177.4	2,196.8	2,235.7	2,203.3
index (same period a year earlier = 100)	99.9	100.3	102.3	102.1	101.6	102.0
Registered unemployment rate in % ²⁾	14.8	14.3	13.1	11.4	11.0	11.8
Unemployment according to LFSS ¹⁾						
in thousands	489.3	480.7	461.9	425.3	415.0	434.1
index (same period a year earlier = 100)	106.5	104.7	90.3	86.9	88.9	88.7
Unemployment rate according to LFSS ¹⁾ in %	18.4	18.1	17.5	16.2	15.6	16.4

Source: Statistical Office of the SR and Centre for Labour, Social Affairs and the Family.

1) LFSS – labour force sample survey.

2) NBS calculations based on data from Centre for Labour, Social Matters, and Family.

The falling trend in the unemployment rate was also confirmed by data on registered unemployment. According to the registers of Offices for Labour, Social Affairs and the Family, the average unemployment rate in the first three quarters of 2005 was 11.8% (14.8% a year earlier). This figure is below the level determined by a sample survey, which can be explained by the differences in the applied methodologies and by differing definitions of unemployment.

The fall in the rate of unemployment was probably also connected with the lower number of vacancies. According to a labour force sample survey, the number of economically active persons decreased over the first three quarters of 2005 by almost 18,000 (0.7%) on a year-on-year basis. This decrease took place mostly in younger age groups, i.e. persons aged 15 to 29 and 35 to 39. At the same time, a steep year-on-year increase in the number of economically active persons was recorded among persons aged 50 and above.



Table 32 Developments in Employment by Sector¹⁾ (index, same period a year earlier = 100)

	2004		2005			
	Q1-Q3	year	Q1	Q2	Q3	Q1-Q3
Total	99.9	100.3	102.6	102.2	101.5	102.1
Agriculture, hunting, and forestry	89.9	91.0	95.4	96.0	93.0	94.8
Industry	99.8	100.4	103.4	103.4	103.2	103.3
Mining and quarrying	90.2	91.2	94.8	93.4	92.6	93.6
Manufacturing	100.4	101.1	104.5	104.5	104.3	104.4
Electricity, gas, and water supply	94.9	95.0	92.8	93.3	93.0	93.0
Construction	102.8	102.7	106.4	106.7	107.1	106.7
Wholesale and retail trade, repair of motor vehicles, motorcycles, and consumer goods	100.3	101.0	104.6	103.7	101.9	103.4
Hotels and restaurants	101.9	101.9	103.2	103.5	102.6	103.1
Transport, storage, post and telecom.	98.3	98.8	98.9	98.2	98.5	98.5
Financial intermediation	101.8	101.6	101.3	100.3	100.4	100.7
Real estate, renting, and business activities	104.0	103.4	107.7	106.3	104.9	106.3
Public administration and defence, compulsory social insurance	101.2	101.3	103.2	108.9	108.1	106.7
Education	98.3	97.8	98.7	96.6	96.7	97.3
Health and social services	98.7	98.8	97.6	97.2	96.2	97.0
Other community, social and personal services	104.0	103.6	108.0	102.3	101.4	103.9

Source: Statistical Office of the SR.

1) According to quarterly statistical reports.

Financial Results of Corporations

According to preliminary data from the Statistical Office of the SR, financial and non-financial corporations ended the first three quarters of 2005 with a total pre-tax profit of Sk 199.4 billion, which was 30.3% more than a year earlier. A substantial part of this profit (Sk 162.7 billion, 10.2% more than last year) was generated by non-financial corporations. A significant contribution was also made by financial corporations, whose total profit was 6.8 times higher than in the same period in 2004 (Sk 36.7 billion).

In the non-financial sector, the largest profits were achieved in industrial production (Sk 57 billion); electricity, gas, and water supply (Sk 35 billion); and trade (Sk 31.9 billion). On a year-on-year basis, profits increased most significantly in transport, post and telecommunications, and in manufacturing, mainly in the production of metals and metal goods, chemicals and chemical products, including fibres. Profits also grew considerably in real estate and renting activities; electricity, gas, and water supply, and in construction. The loss in agriculture deepened year-on-year by Sk 3.1 billion.

Chart 20 Unemployment Rate (%)



Source: Statistical Office of the SR and Centre for Labour, Social Affairs and Family.

Note: LFSS - labour force sample survey.

Table 33 Financial Results of Corporations

(Sk millions, current prices)

	Q1-Q3 2005	Q1-Q3 05 Q1-Q3 04
Financial result (before taxation)		
Non-financial and financial corporations in total	199,393	130.3
Non-financial corporations	162,693	110.2
Financial corporations	36,700	6.8x ¹⁾

Source: Statistical Office of the SR.

1) "x" behind numbers means multiplication.

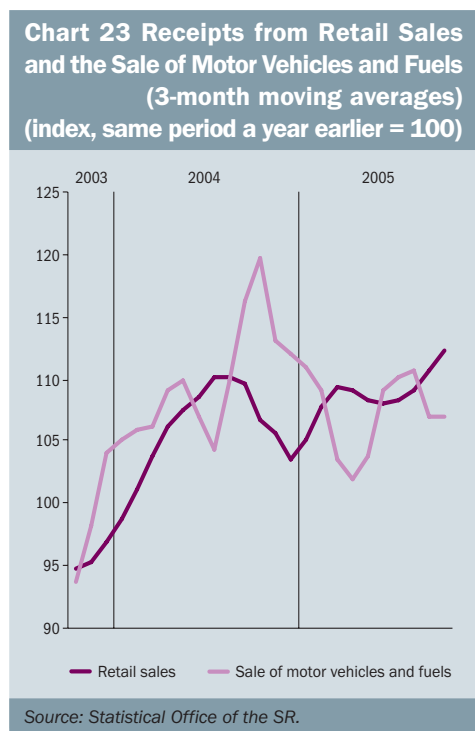
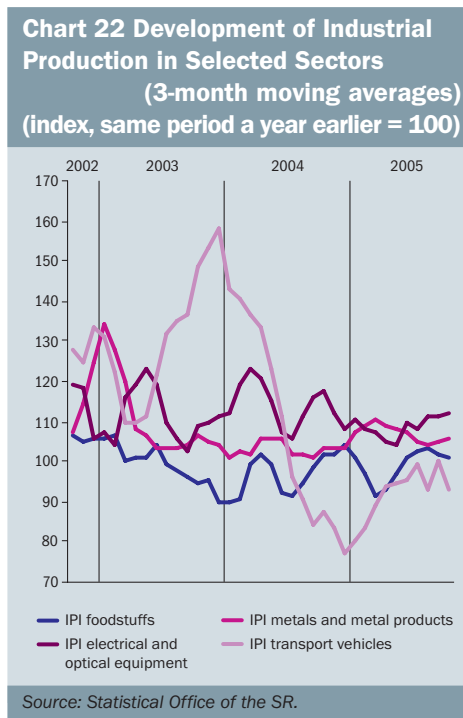
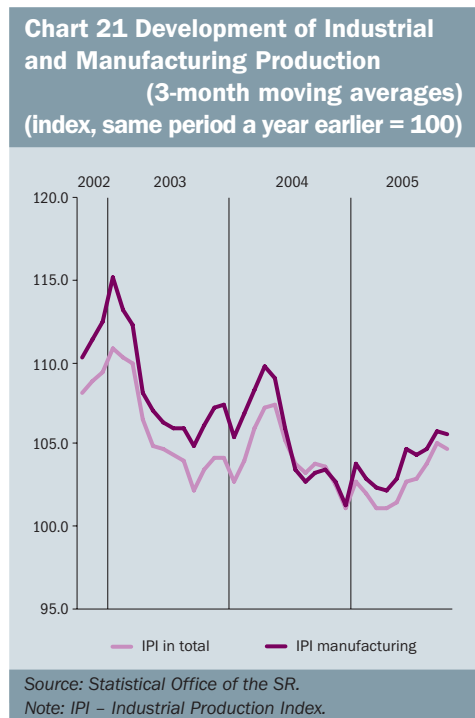
The positive trend in the results of financial corporations continued in the third quarter. This development was mainly due to a change in the performance of financial institutions, including the NBS, which achieved a profit of Sk 27.1 billion, after sustaining a loss of Sk 2.5 billion last year. To this profit, financial intermediaries contributed Sk 7.2 billion and insurance corporations and pension funds Sk 2.4 billion.

Current Developments

Production and Receipts

In October, the year-on-year rate of growth in industrial production slowed somewhat in comparison with September. This development was influenced by a slower growth in manufacturing production and a continuing decline in mining and quarrying and in electricity, gas, and water supply.

Slower growth in industrial production



The decelerated growth in manufacturing production was connected with the slower rate of growth in timber processing and the manufacture of wood products, the production of other non-metal mineral goods, metals and metal products, and electrical and optical equipment; accompanied by a downturn in the production of foodstuffs, beverages, and tobacco goods; textiles and clothes; chemicals, chemical products, including fibres; and a further decline in the manufacture of transport vehicles. Production grew at a faster rate than in the production of pulp, paper, and paper goods; coke, refined oil products, and nuclear fuel; rubber and plastic products; machinery and equipment; and in production not elsewhere classified.

After growing dynamically for a longer period, the construction sector recorded a slowdown in the year-on-year rate of growth in domestic production, as a result of a slowdown in production in new construction, reconstruction, and modernisation projects, as well as in construction repair and maintenance work.

Decelerated growth in construction

In October, receipts continued to increase in all sectors under review. The continuing dynamic growth in retail sales receipts was mainly driven by growth in receipts

Continuing growth in receipts from selected services



from non-specialised retail shops, specialised retail shops, and outdoor retail trade. The growth in receipts from the sale and maintenance of vehicles was stimulated by increased proceeds from the sale of motor vehicles and the retail sale of fuels.

Receipts from real estate, renting, and business services grew at a slower rate than in the previous month, mainly as a result of slower growth in receipts from other business services (architect's services, industrial cleaning, etc.) and from computer engineering and related activities.

Table 34 Production and Receipts

	Sk millions, curr. prices		Indices			
	Oct. 2005	Cumul. since beginning of year	Sep. 2005 Sep. 2004	Oct. 2005 Oct. 2004	Oct. 2004 Oct. 2003	Jan. - Oct. 2005 Jan. - Oct. 2004
Production						
Industrial production index ¹⁾	-	-	105.4	104.5	99.8	103.1
of which:						
Mining and quarrying	-	-	93.6	98.9	94.0	96.6
Manufacturing	-	-	106.7	105.4	99.8	104.3
Electricity, gas, and water supply	-	-	98.6	99.7	101.0	96.7
Construction ²⁾	13,260	98,123	120.7	109.3	114.0	116.4
of which:						
Construction in Slovakia	12,894	93,750	122.2	110.5	114.4	116.5
Construction abroad	366	4,373	88.6	79.2	104.8	113.4
Receipts from own-output and goods						
Industry in total ³⁾	147,043	1,296,470	109.9	105.8	105.4	103.9
Construction ²⁾	20,995	149,257	122.8	115.3	108.0	116.9
Retail trade ³⁾	33,321	310,597	112.7	112.3	103.1	109.6
Sale and maintenance of vehicles, retail sale of fuels ³⁾	16,085	135,680	105.8	106.9	111.2	106.6
Transport, storage ³⁾	10,472	96,560	134.7	119.8	99.8	114.9
Real estate, leasing, and business services ³⁾	13,494	125,025	106.5	105.5	97.6	107.2

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).

Wages, Employment and Unemployment

Nominal wages In October, the year-on-year rate of growth in nominal wages slowed in comparison with September in most sectors. Low dynamics were maintained by wages in industry and construction, while wages in real estate, renting, and other business activities, and in wholesale trade remained at a relatively high level. The strong year-on-year growth in the average wage in postal and delivery services in October (25.7%) was connected with the payment of yearly bonuses. Decreases in nominal wages were only recorded in the sale and maintenance of vehicles, and the retail sale of fuels.

Over the first ten months of 2005, average nominal wages grew at a slower rate than in the same period a year earlier in most sectors. Stronger growth than a year earlier was only recorded in real estate, renting, and other business services.

Real wages The average real monthly wage in the first ten months of 2005 exceeded the level of the same period a year earlier in all sectors under review, while wage dynamics increased 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, renting, and other business activities, and in wholesale trade. The slowest wage growth was recorded in the sale and maintenance of vehicles, construction, post and telecommunications.

Labour productivity and wages In the first ten 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 labour productivity is monitored at current prices, productivity grew at a faster rate than nominal wages in post & telecommunications and transport, while nominal wages in wholesale



trade grew more rapidly than labour productivity. The slower growth in productivity in wholesale trade, accompanied by dynamic growth in receipts (18.1%), was a result of dynamic growth in employment.

In real terms, the only sector where labour productivity grew at a faster rate than wages was construction. In the other sectors, real wage growth exceeded the growth of productivity.

	Average monthly nominal wage				Average monthly real wage			
	Oct.		Jan. – Oct.		Oct.		Jan. – Oct.	
	2004	2005	2004	2005	2004	2005	2004	2005
Industry	107.4	104.3	110.2	107.1	100.8	101.0	102.2	104.4
Construction	105.5	106.3	108.4	106.1	99.0	102.9	100.5	103.4
Retail trade	112.3	108.3	112.1	108.1	105.3	104.8	104.0	105.4
Wholesale trade	114.3	110.4	112.0	111.6	107.2	106.9	103.9	108.8
Real estate, leasing, and other business services	103.6	113.3	107.0	112.8	97.2	109.2	99.2	109.7
Transport	103.6	109.1	107.9	107.1	97.2	105.6	100.1	104.4
Post and telecommunications	105.8	113.4	118.1	106.5	99.2	109.8	109.5	103.8
Consumer prices	106.6	103.3	107.8	102.6	-	-	-	-

Source: Statistical Office of the SR.
Notes: The above sectors accounted for 66% of total employment in the 1st half 2005 (on average).
Real wage index = nominal wage index / consumer price index.
Data for July to September 2005 are revised by the SO SR in December 2005.

	Industry	Construction	Wholesale trade	Retail trade	Real estate and leasing	Transport	Post and telecom.
Wages							
- nominal	107.1	106.1	111.6	108.1	112.8	107.1	106.5
- real	104.4	103.4	108.8	105.4	109.9	104.4	103.8
Labour productivity							
- nominal	-	-	103.5	-	-	117.1	114.2
- real	100.7	109.0	-	102.1	100.1	-	-
Productivity minus wages (% points)							
- nominal	-	-	-8.1	-	-	10.0	7.7
- real	-3.7	5.6	-	-3.3	-9.8	-	-
Employment							
- persons	576,580	141,718	120,193	135,851	136,165	86,382	27,882
- year-on-year index	103.2	106.8	114.0	107.3	107.3	98.1	95.1

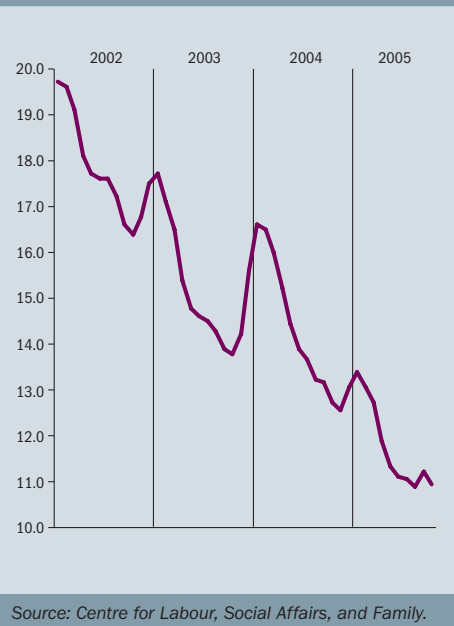
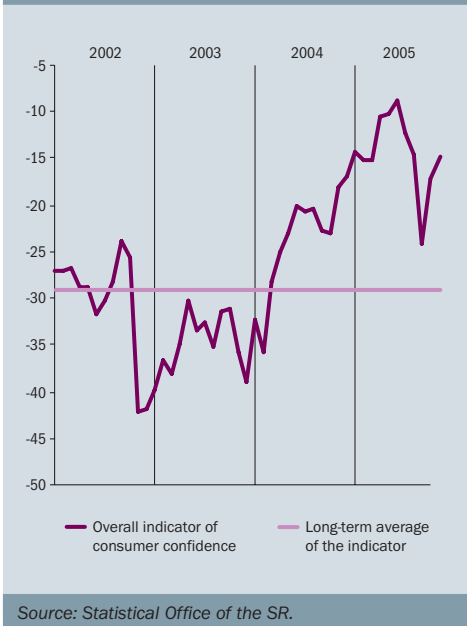
Source: Statistical Office of the SR.
Note: Labour productivity is based on receipts from own-output and goods (in the construction sector, on the volume of production).

In October, the year-on-year growth in employment slowed month-on-month in most sectors (industry, sale and maintenance of vehicles, retail trade, and real estate, renting, and other business services). Faster growth than in September was recorded in construction and wholesale trade. The level of employment continued to fall in transport, storage, post and telecommunications. During the first ten months of 2005, employment grew most dynamically in average terms in wholesale trade; the sale and maintenance of vehicles; retail trade; and in real estate, renting, and other business services.

Employment

After rising in September, unemployment again dropped in October. According to data from the Centre for Labour, Social Affairs and the Family, the total number of unemployed decreased in comparison with September by more than 5,000, to 322,200. The number of disposable unemployed, who may start working immediately, accounted for 282,800, which was almost 6,800 less than in the previous month. The rate of registered unemployment stood at 10.93% in October, representing a month-on-month fall of 0.27 of a percentage point. This was 1.79 percentage points less than in October 2004.

Unemployment

**Chart 24 Registered Unemployment Rate (%)****Chart 25 Consumer Confidence Indicator**

The number of job seekers signing on at offices for labour, social, and family matters dropped in comparison with September by more than 16,000, to 26,200, and more than 31,000 persons were removed from the registers (in September more than 33,000). Approximately 18% of these persons were removed from the registers for unwillingness to co-operate, and 61% found employment.

The average length of registration decreased month-on-month by 0.02 of a month (to 11.88 months) and in comparison with last October by 0.47 of a month. The proportion of long-term unemployed (out of work for more than 12 months) increased in comparison with September by 0.2 of a percentage point, to 53.0% in October.

Consumer Confidence Indicator

Improvement in the consumer confidence indicator

The value of the consumer confidence indicator rose in November for the second consecutive month, to -14.6 points. This represented a month-on-month improvement of 2.7 points. Compared with October, increases were recorded in three components (expected economic development, expected financial situation of households, and expected household savings in the SR). A moderate deterioration was recorded in answers concerning unemployment. Compared with the same period last year, the consumer confidence indicator has improved by 3.5 points.



4. Monetary Developments

Under an agreement among the finance ministers of euro-area countries, the President of the ECB, and the finance minister and central bank governors of Cyprus, Denmark, Estonia, Lithuania, Latvia, Malta, Slovenia, and Slovakia, the Slovak koruna was included in the Exchange Rate Mechanism II (ERM II), with effect from 28 November 2005. The central parity of the koruna vis-à-vis the euro was set at EUR 1 = SKK 38.4550. In the ERM II, the fluctuation band of the koruna will be $\pm 15\%$ around the central parity. The limit values for obligatory interventions will be SKK 32.6868/EUR (lower limit) and SKK 44.2233/EUR (upper limit).

4.1. Foreign Exchange Market

Over the course of November, the exchange rate of the Slovak koruna against the euro strengthened by 3.1% (from SKK 39.051/EUR to SKK 37.832/EUR), while the average rate appreciated by 0.5%. In relation to the US dollar, the koruna strengthened by 0.4% (from SKK 32.142/USD to SKK 32.016/USD), while depreciating in average terms by 1.4%.

Operations on the foreign exchange market

Spot transactions between foreign and domestic banks resulted in a negative balance (USD 269.14 million), i.e. foreign banks sold mostly foreign currency and purchased Slovak koruna.

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

	Month-on-month change	Ø Nov. 2005 Ø Nov. 2004	Ø Jan. - Nov. 2005 Ø Jan. - Nov. 2004
SKK/EUR	-3.1	-2.1	-3.7
SKK/USD	-0.4	7.5	-5.0

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 50,733.2 million, representing a decline of 9.1% compared with the figure for October (USD 55,826.6 million). Of the total volume of trading, 90.4% took place in swap transactions, which were conducted mostly in USD (93.9%). Spot transactions accounted for 8.6% of the total turnover (94.2% of the deals were in EUR). The average daily turnover on the spot market reached USD 218.5 million and the average volume per transaction amounted to USD 1.69 million.

Interbank foreign exchange market

The volume of transactions between domestic commercial banks decreased, from USD 8,219.1 million in October to USD 6,032.9 million in November. Most trading took place in USD (63.4%, compared with 70.5% in October), followed by EUR (35.8%, compared with 28.9% in October) and other currencies (0.8% of the total turnover between domestic commercial banks).

Transactions between domestic banks accounted for 11.9% of the total volume traded on the interbank foreign exchange market (compared with 15.2% in the previous month). Of the total volume of transactions between domestic banks, swap operations accounted for 85.1% (85.3% in October) and spot transactions 14.6% (14.6% in October).

The volume of trading between domestic and foreign banks decreased by 5.6%, from USD 47,342.9 million to USD 44,700.2 million. Most trading was again conducted in USD (88.2%, compared with 87.3% in October), followed by EUR (10.4%, compared with 11.9% in October), and other currencies (1.3%). Trading between domestic and foreign banks still dominated the country's foreign exchange market (with a share of 88.1%).

Trading between domestic and foreign banks also took place predominantly in the form of swap operations (91.1%, compared with 89.8% in October), while spot transactions accounted for 7.8% (9.3% in October). The share of forward dealings on the forex market was negligible. Option contracts accounted for 0.9% of the volume traded with foreign banks.

The Slovak-koruna deposits of non-resident banks declined month-on-month by Sk 18.1 billion, while growing year-on-year by Sk 38.9 billion.



Table 38 Koruna Deposits and Government Securities Held by Non-Residents
(Sk billions)

	2004			2005				
	31.10.	30.11.	31.12.	31.7.	31.8.	30.9.	31.10.	30.11.
Koruna liabilities	39.4	39.7	46.4	86.1	101.2	97.6	79.4	.
of which: banks	35.0	34.8	42.1	79.8	96.0	91.9	73.8	.
non-bank clients	4.4	4.8	4.3	6.3	5.2	5.7	5.5	.
Government securities	65.9	63.9	66.8	102.0	109.3	103.5	90.0	89.5
of which: Government bonds	61.5	60.4	60.9	100.5	108.2	103.0	90.0	89.5
SR Treasury bills	4.5	3.5	6.0	1.4	1.1	0.5	0.0	0.0
Total	105.4	103.6	113.2	188.1	210.6	201.1	169.3	.

Source: NBS and CDPC SR.

In November, the government securities holdings of non-residents recorded a month-on-month decrease of Sk 0.5 billion, which took place in government bonds. The largest decreases occurred in 10-year bonds (restructuring bonds No. 144 and bonds No. 161, in the total amount of Sk 3.3 billion). This partly offset the increases in 5-year restructuring bonds (No. 142) and 3-year bonds (No. 200 and 202), totalling Sk 2.7 billion. Although the share of non-residents in total government bond holdings remained below the level of September (33.8%), it increased slightly in November, and fluctuated between 24.2% and 25.6%. The share of non-residents in Treasury-bill holdings increased somewhat in November (to Sk 0.1 billion), but then again dropped to zero at the end of the month.

Among the central banks under review, only the Fed modified its key interest rates in November: the rates were lifted by another 0.25 of a percentage point with effect from 2 November (to 4.0%).

After almost 2.5 years (from the last interest rate cut to 2.0% on 6 June 2003), the ECB increased its key rates by 0.25 of a percentage point in December, to 2.25% (with effect from 6 December), in line with expectations. The other central banks left their interest rates unchanged. In 2005, the NBS lowered its key rates to 3.0% with effect from 1 March, the BoE to 4.50% from 4 August, the NBP to 4.50% from 1 September, and the MNB to 6.0% from 20 September. On the other hand, the CNB raised its key rates by 0.25 of a percentage point, to 2.0% with effect from 31 October.

The current interest rate differentials between NBS rates and other key central bank rates are positive vis-à-vis the CNB and ECB (+1.0 / +0.75 of a percentage point). In relation to Fed, BoE, NBP, and MNB, the interest rate differentials are negative (-1.0 / -1.5 / -1.5 / -3.0 percentage points).

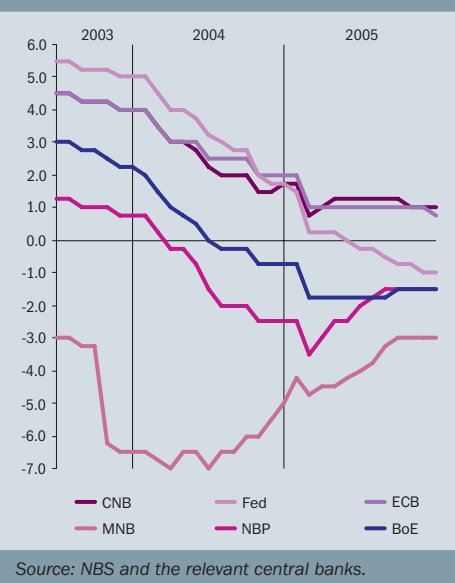
4.2. Money Market and Monetary Policy Implementation

At its meeting on 29 November 2005, the Bank Board of the NBS decided to leave its key interest rates unchanged.

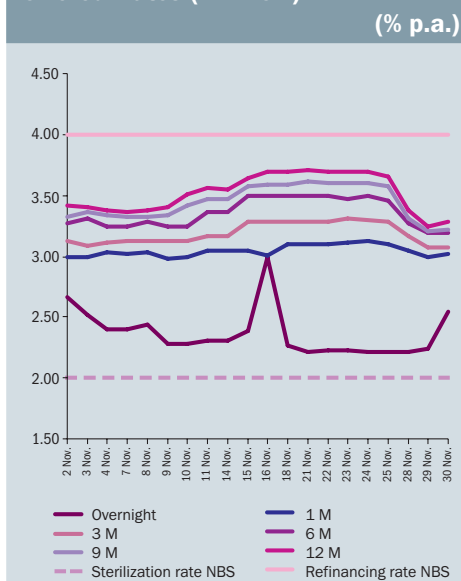
Interbank market rates Average money market rates rose month-on-month in November, for maturities from one to twelve months. Overnight and one-week rates dropped during the month.

The overnight rate fluctuated below the level of 2.5% practically throughout the month. This was due to a sufficiency of liquidity subsequent to the low demand at repo tenders at the beginning of November and the non-acceptance of bank bids at NBS-bill auctions. The rate recorded a short-term rise (to 3%) as a result of a liquidity shortage after a repo tender with increased demand.

Chart 26 Differentials in the Key Rates of European Central Banks, the ECB and Fed
(in percentage points)



Source: NBS and the relevant central banks.

Chart 27 Developments in Interbank Offered Rates (BRIBOR)


Source: NBS.

A modest fall in one-month to twelve-month rates at the beginning of November was caused by the utilisation of funds through swaps. Another slight fall in longer-term rates was caused by the appreciation of the Slovak koruna and the consequent placement of funds obtained on the foreign exchange market. This trend changed before the beginning of the second half of the month. The change was caused by an increase in demand for funds maturing in over six months at the time when the Slovak koruna weakened.

The continuing upward trend in money market rates was supported by the release of data by the Statistical Office on GDP growth for the third quarter and the October inflation rate, the values of which were higher than predicted. Slovakia's entry to the ERM II and the subsequent appreciation of the Slovak koruna at the end of the month caused a marked fall in the long end of the money market yield curve. Increased trading was recorded in medium- and longer-term maturities, while transactions in longer-term maturities were mainly concluded between domestic banks. Increased volumes were also traded in swaps, where transactions were conducted along the entire yield curve.

The volume of trading on the interbank money market reached Sk 1,483 billion in November (compared with Sk 1,618 billion in October). Reference banks accounted for 91.5% of the total turnover (a decrease of 1.2%). Of the total volume of purchases and sales on the interbank market, non-resident and resident bank transactions accounted for 70.8% and 29.2% respectively. In interbank transactions, domestic banks achieved the largest share in deposit transactions (56.1%), while non-resident banks led the way in swaps (67.1%).

Table 39 Interbank Transactions

(Sk billions)

	Deposits	Repos	Swaps	FRAs	IRSs
October 2005	637	0	918	45	18
November 2005	567	0	876	28	12

Source: NBS.

Table 40 Average Daily Impact of NBS Transactions on the Level of Banking Sector Liquidity

(Sk millions)

	O/N repos	O/N deposits	NBS bills	Repo tenders
October 2005	229	-3,303	-97,638	-306,303
November 2005	562	-7,892	-69,086	-323,479

Source: NBS.

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

Table 41 Tenders in November 2005

Date	Type of tender ¹⁾	Maturity (days)	Volume accepted (Sk millions)	Rates (%)		
				Minimum	Average	Maximum
2.11.2005	SRT	14	155,481	3.00	3.00	3.00
9.11.2005	SRT	14	148,631	3.00	3.00	3.00
16.11.2005	SRT	14	172,850	3.00	3.00	3.00
23.11.2005	SRT	14	176,129	3.00	3.00	3.00
30.11.2005	SRT	14	184,639	2.98	3.00	3.00

Source: NBS.

1) SRT – Sterilisation repo tender.



At the end of November, the sterilisation position of the NBS vis-à-vis the banking sector reached Sk 411.1 billion. The overall sterilisation position of the NBS (including the deposits of the SR Treasury and the NPF at the NBS) amounted to Sk 412.2 billion at the end of the month.

Liquidity The average daily volume of sterilised excess liquidity decreased in November by Sk 7.1 billion, to Sk 399.9 billion. The need for sterilisation was significantly reduced by a foreign exchange market intervention by the NBS in the previous month and to a lesser extent by an increase in the volume of currency in circulation. Of the total volume of free-market transactions, repo tenders accounted for 80.66%, NBS bills 17.23%, overnight repo operations 0.14%, and overnight deposits 1.97%.

The NBS announced five sterilisation repo tenders for November. At these tenders, the bids of banks were accepted in full. Banks entered the first two repo tenders with lower bids (a reduction of Sk 23.4 billion). To reduce the high surplus of daily liquidity, they increased their bids at the next tenders (by a total of Sk 56.4 billion). The marked increase in demand at the tenders was also supported by the non-acceptance of bids at NBS-bill auctions. The share of repo tenders of the total volume of transactions increased by 5.49%.

The NBS announced one NBS-bill auction for November. Demand at the auction reached Sk 23.8 billion, but the NBS accepted none of the bids. This was due to the excessively high yields demanded by the participants. The share of NBS bills of the total trading volume decreased by 6.73%.

Despite the free liquidity, overnight deposits were used sporadically at the beginning of November, and most banks preferred to maintain a liquidity surplus, rather than deposit their free funds with the NBS. After their bids at NBS-bill auctions had been rejected, banks regularly deposited their free funds with the NBS until the end of the month, in a total amount of Sk 33.3 billion. Banks were refinanced only on the last working day of the month, when the volume of liquidity fluctuated just above the level necessary for the fulfilment of the reserve requirements. Banks obtained refinancing in the amount of Sk 13.9 billion.

Reserve requirements For November 2005, the amount of required minimum reserves in the banking sector was set at Sk 21.64 billion. By the end of the month, the reserve requirement had actually been fulfilled to 100.15%.

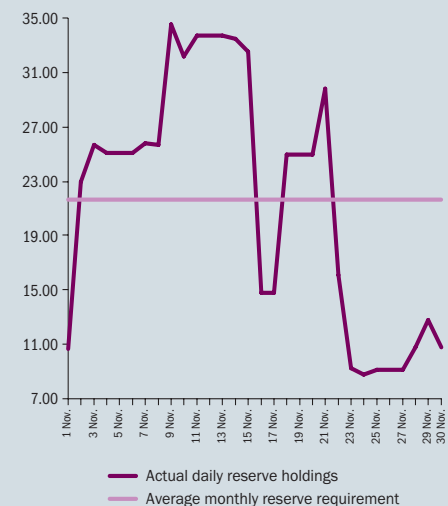
Developments in Money Market Interest Rate Derivatives

Forward rate agreements (FRAs) recorded a decrease in trading volume in comparison with the previous month. Despite a fall in the level of activity, changes in daily developments showed increased volatility. The initial rise in FRA prices copied the course of interest rates on the money market. Price levels were sharply increased by purchases of three-month contracts with a period of implementation of one, three, six, and nine months. Before the meeting of the NBS Bank Board, which was devoted to interest rates, foreign banks had taken the initiative and sold one-month and three-month contracts with an implementation period of one, three, six, and nine months. The announcement of Slovakia's entry to the ERM II was accompanied by an increase in the level of activity on the money and derivatives markets. Their price fell significantly as a result of continuing sales. Forward rate agreements were predominantly concluded between domestic banks, which achieved a 52.9% share of the trading volume.

A downturn in trading activity was also recorded in interest rates swaps (IRSs). Their development corresponded to money market developments and the transactions took place in one-year to ten-year maturities. Most IRS transactions were concluded with foreign banks (67.6%).

Activities on the money market and the resulting changes in the shape of the yield curve significantly changed the implied expectations during the month. At the beginning of November, BRIBOR rates included an increase of 45 to 52 basis points within the time horizon of nine months. The rise in money

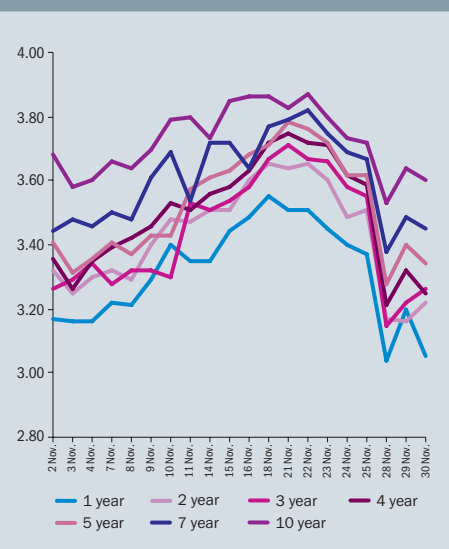
Chart 28 Reserve Requirement Fulfilment in the Banking Sector (Sk billions)



Source: NBS.

Chart 29 Daily Developments in FRA (% p.a.)


Source: Reuters.

Chart 30 Daily Developments in IRS (% p.a.)


Source: Reuters.

Chart 31 Implied Yield Curves of BRIBOR Rates (% p.a.)


Source: NBS.

market rates in the middle of November deepened the expectations of an increase in rates to up to 75 basis points and shortened the period to five months. Changes in interest rate developments occurred after the publication of data on GDP, which exceeded the original year-end estimates. HICP figures released for October were also higher than the original estimates. This caused serious concern in the banking sector about a possible increase in key interest rates. Slovakia's entry to the ERM II and the subsequent appreciation of the Slovak koruna caused a marked fall in the money market yield curve at the long end. Its changed shape at the end of the month reduced the expectations of an increase in interest rates to a level not exceeding 33 basis points within the next nine months.

4.3. Customer Interest Rates in October 2005

Interest rates on new loans to non-financial corporations and households showed a tendency to rise in October. Customer interest rates on new deposits from non-financial corporations and households remained virtually unchanged.

Customer interest rates

The average interest rate on new loans to non-financial corporations rose by 0.34 of a percentage point in October. This development was influenced by an increase in floating rates and rates with all fixation periods, except for fixation for over 1 and up to 5 years. The steepest rise occurred in interest rates on loans with an initial rate fixation (IRF) of over 10 years (1.26 percentage points) and interest rates on loans with a floating rate and an IRF of up to 1 year (0.29 of a point).

Average interest rates on new loans



In a breakdown by purpose, interest rates were reduced for operating loans (by 0.69 of percentage point), investment loans (by 0.57 of a point), and current account overdrafts (by 0.22 of a point). On the other hand, interest rates on other loans fell slightly (by 0.15 of a point).

Table 42 Average Interest Rates on New Loans to Non-Financial Corporations

	Interest rate in %				Change in % points		
	Oct. 2004	Dec. 2004	Sep. 2005	Oct. 2005	Year-on- year	Against Dec. 2004	Month-on- month
Floating rate + IRF ¹⁾							
of up to 1 year inclusive	6.07	5.38	4.72	5.01	-1.05	-0.37	0.29
IRF of over 1							
and up to 5 years inclusive	5.79	5.74	5.18	5.04	-0.75	-0.70	-0.14
IRF of over 5							
and up to 10 years inclusive	6.70	5.20	5.01	5.22	-1.48	0.02	0.21
IRF of over 10 years	6.05	6.07	3.57	4.83	-1.22	-1.24	1.26
Loans of up to EUR 1 million	5.14	5.35	4.91	4.94	-0.20	-0.41	0.03
Loans of over EUR 1 million	5.03	4.19	3.40	3.85	-1.18	-0.35	0.45
Total	6.07	5.38	4.68	5.02	-1.05	-0.37	0.34
Total, excluding current account overdrafts	5.08	4.52	3.82	4.27	-0.82	-0.26	0.45

Source: NBS.
1) Initial rate fixation.

The average interest rate on new loans to households recorded a slight increase in October (0.14 of a percentage point). This increase was mainly influenced by a rise in rates for current account overdrafts (0.21 of a percentage point) and consumer loans (1.17 points)⁷. Interest rates on loans for real estate purchase continued to fall, mainly as a result of drops in the prices of intermediate loans and other real estate loans. The average interest rate on mortgage loans was stagnant in the last four months.

In a breakdown by fixation, the most significant rise occurred in rates for loans with an initial rate fixation of over 5 years, especially for real estate loans (mortgage loans and home savings bank loans), which was probably connected with the expected rise in interest rates within a longer time horizon.

Table 43 Average Interest Rates on New Loans to Households

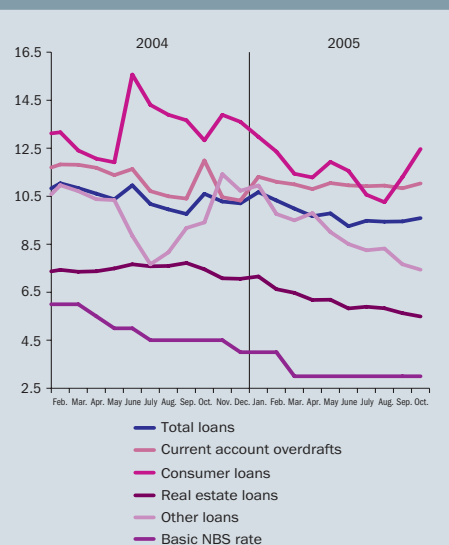
	Interest rate in %				Change in % points		
	Oct. 2004	Dec. 2004	Sep. 2005	Oct. 2005	Year-on- year	Against Dec. 2004	Month-on- month
Current account overdrafts	11.99	10.32	10.83	11.04	-0.95	0.72	0.21
Consumer loans	12.83	13.60	11.30	12.47	-0.36	-1.13	1.17
Real estate loans	7.46	7.06	5.63	5.49	-1.96	-1.56	-0.14
of which: mortgage loans	7.38	6.76	4.83	4.83	-2.55	-1.93	0.00
Other loans	9.41	10.73	7.66	7.43	-1.98	-3.29	-0.23
Total	10.60	10.21	9.45	9.59	-1.02	-0.62	0.14
Total, excl. current account overdrafts	8.92	10.04	7.28	7.29	-1.63	-2.75	0.02

Source: NBS.

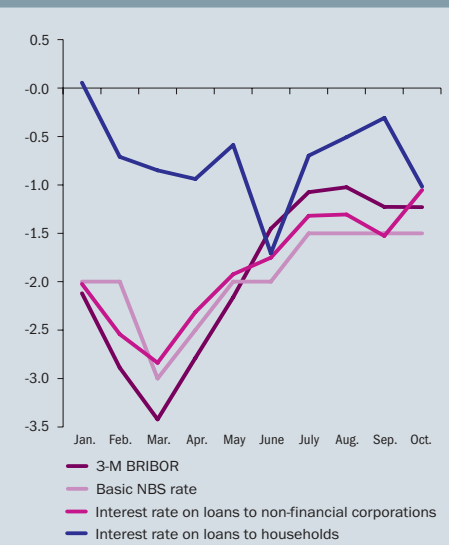
On a year-on-year basis, interest rates on loans to non-financial corporations fell by 1.05 percentage points, mainly as a result of drops recorded in the prices of loans with an initial rate fixation (IRF) of over 5 years and loans with a floating rate and an IRF of up to 1 year.

Compared with the same period a year earlier, interest rates on loans to households fell by 1.02 percentage points, mainly as a result of drops in the prices of real estate loans, other loans, and

⁷ The marked increase in the price of consumer loans in the last two months is connected with a methodological directive for banks on the classification of so-called American mortgages. Since American mortgages are secured with real property, banks provide such loans at low interest rates. Since some of the banks used to classify American mortgages as consumer loans (until August 2005), the rate of interest for these loans was lower. In accordance with the said directive, banks started recording American mortgages as 'other loans', with reduced interest rates (in connection with this change).

Chart 32 Interest Rates on Loans to Households by Type (%)


Source: NBS.

Chart 33 Year-on-Year Changes in Selected Interest Rates (%)


Source: NBS.

current account overdrafts. Within the scope of real estate loans, the sharpest drop occurred in rates for mortgage loans (2.55 points).

The year-on-year changes in lending rates for non-financial corporations and households flexibly react to year-on-year changes in the key NBS rates and BRIBOR rates. In the case of households, however, the transfer of changes in the key rates into customer interest rates is less intensive.

Table 44 Average Interest Rates on New Deposits from Non-Financial Corporations

	Interest rate in %				Change in % points		
	Oct. 2004	Dec. 2004	Sep. 2005	Oct. 2005	Year-on-year	Against Dec. 2004	Month-on-month
Deposits repayable on demand	1.09	0.89	0.72	0.81	-0.27	-0.07	0.09
Deposits with an agreed maturity							
– of up to 1 year	3.73	3.29	2.46	2.50	-1.23	-0.79	0.04
– of over 2 years	2.99	2.92	2.00	1.35	-1.64	-1.57	-0.65
Savings deposits redeemable at a period of notice							
– of up to 3 months	2.44	2.20	1.30	1.28	-1.15	-0.91	-0.02
– of over 3 months	2.41	2.38	1.12	1.12	-1.29	-1.26	0.00
Total	2.26	1.88	1.46	1.54	-0.72	-0.35	0.08

Source: NBS.

Table 45 Average Interest Rates on New Deposits from Households

	Interest rate in %				Change in % points		
	Oct. 2004	Dec. 2004	Sep. 2005	Oct. 2005	Year-on-year	Against Dec. 2004	Month-on-month
Deposits repayable on demand	0.64	0.58	0.42	0.42	-0.22	-0.16	0.00
Deposits with an agreed maturity							
– of up to 1 year	2.62	2.32	2.00	1.93	-0.69	-0.39	-0.07
– of over 2 years	2.76	2.66	2.08	1.55	-1.21	-1.11	-0.53
Savings deposits redeemable at a period of notice							
– of up to 3 months	1.96	1.79	0.93	0.93	-1.03	-0.86	0.00
– of over 3 months	1.08	1.16	1.01	1.04	-0.05	-0.12	0.03
Total	1.00	0.94	0.67	0.68	-0.31	-0.26	0.01

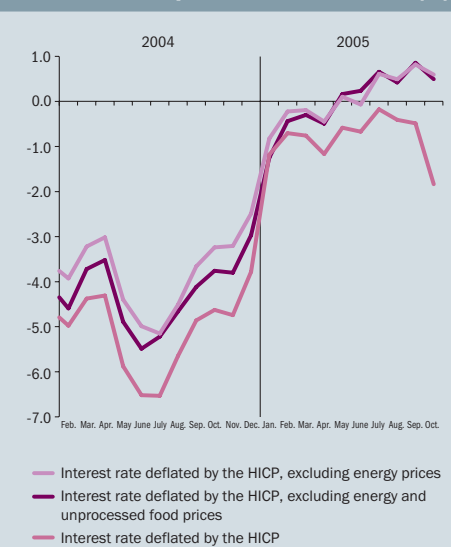
Source: NBS.



Average interest rates on new deposits Average interest rates on new deposits were more or less stagnant in October. A smaller increase was recorded in deposit rates for non-financial corporations (0.08 of a percentage point). Interest rates on deposits with an agreed maturity fell significantly for both non-financial corporations (by 0.65 of a point) and households (by 0.53 of a point). Like in the case of deposits from non-financial corporations, household deposits with shorter maturities attracted a higher rate of interest.

Real interest rates The real interest rate on household deposits, calculated by deflating the rate of interest on the volume of one-year household deposits by HICP inflation, reached a negative figure in October (-1.84%), which represented a fall of 1.35 percentage points in comparison with the previous month. The real interest rate was mainly affected by a rise in inflation rate as a result of an increase in energy prices and a slight fall in interest rates on one-year household deposits.

Chart 34 Real Interest Rates on Household Deposits (%)



Source: NBS and Statistical Office of the SR.

ANNEXES

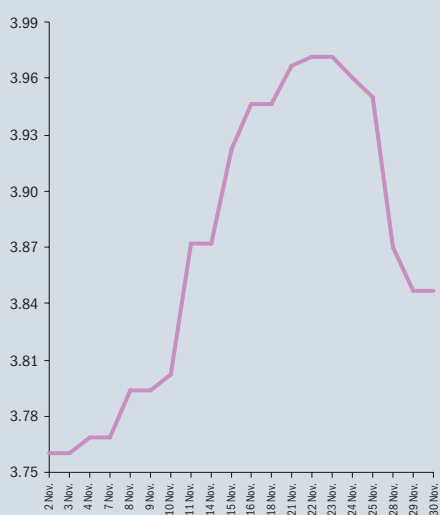
1. Capital Market

1.1. Primary Market

Three government-bond auctions were held in November, with a maturity of 15, 7, and 10 years. Total demand for bonds amounted to Sk 13.3 billion, 51.64% of which was accepted.

Government bonds

Chart 35 Benchmark Government Bond No. 204 (%)



Source: NBS.

Note: With an original maturity of 15 years and residual maturity of 13.43 years.

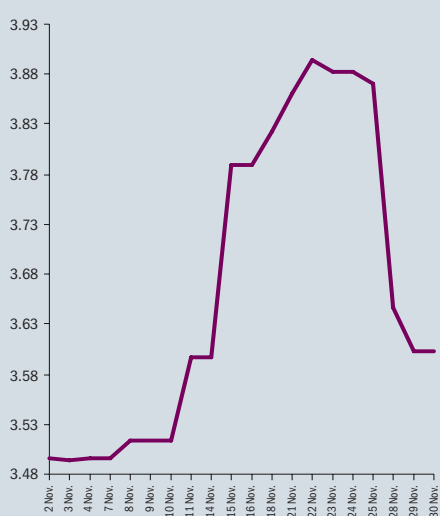
At the first auction in November, a 15-year government bond issue (No. 204) was re-opened for the tenth time, with a fixed coupon of 5.30%, p.a. Of the total demand (Sk 1.4 billion), the issuer accepted bids from investors in the amount of Sk 1.0 billion, via the Agency for Debt and Liquidity Management (ARDAL). The total amount issued to date was Sk 23.1 billion, i.e. 57.67% of the planned issue-amount (Sk 40.0 billion). The share of non-residents of the primary market for government bonds reached 9.86%. The accepted bids of investors ranged from 3.40% to 3.85% p.a., while the average yield stood at 3.69% p.a.

At the second auction, a 7-year government bond issue (No. 205) was re-opened for the third time, with a zero coupon. At the auction, bonds were sold in the amount of Sk 2.2 billion, representing 54.75% of the total demand (Sk 4.1 billion). The share of non-residents of the primary market for government bonds reached Sk 1.2 billion. The total amount issued to date was Sk 7.4 billion, representing 18.5% of the planned issue-amount. The maximum accepted yield amounted to 3.78% p.a.

amount (Sk 40.0 billion), bonds were sold in the amount of Sk 3.6 billion, representing 41.16% of the total demand (Sk 7.9 billion). The total amount issued was Sk 24.7 billion, i.e. 61.74% of the planned issue-amount. The average yield was 3.65%, the minimum 3.40%, and the maximum 3.70%.

At the last auction in November, a 10-year government bond issue (No. 202) was re-opened for the tenth time, with a fixed coupon of 4.90%, p.a. Of the planned issue-

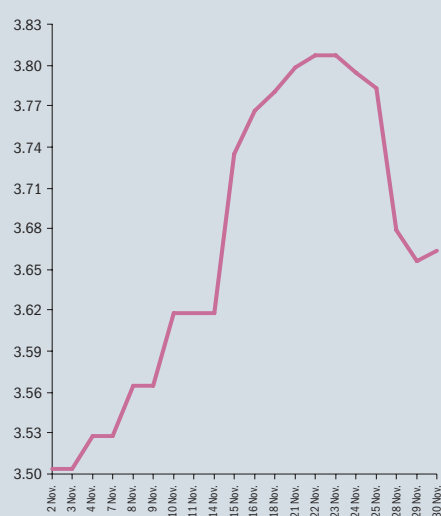
Chart 36 Seven-Year Benchmark Government Bond (%)



Source: NBS.

Note: With a residual maturity of 6.66 years.

Chart 37 Nine-Year Benchmark Government Bond (%)



Source: NBS.

Note: With a residual maturity of 8.43 years.

**Yield payment
and bond repayment
Non-government bonds**

November 2005 saw no payments of government bond yields and no nominal value repayments.

In November, six issues of publicly negotiable non-government bonds were reported to the NBS, in the total amount of Sk 9.0 billion. They were mortgage bonds issued by OTP Banka Slovensko, Dexia banka Slovensko, ČSOB, Tatra banka, Všeobecná úverová banka, and Istrobanka.

1.2. Secondary Market

The Bratislava Stock Exchange (BCPB) was open for 20 days in November. There were 622 bond transactions totalling Sk 44.3 billion during the month. On a month-on-month basis, the number of transactions in securities dropped by 67.1%. Of the total volume, Sk 43.9 billion was traded in direct transactions (184 contracts) and Sk 0.4 billion in price-setting transactions (438 contracts).

Non-resident investors accounted for 45.34% of the total volume traded in November, of which 45.74% took place in purchases and 44.94% in sales.

Bonds There were 171 bond transactions totalling Sk 29.2 billion during the month, of which price-setting contracts accounted for Sk 416.1 million and direct transactions Sk 28.8 billion.

The market capitalisation of bonds amounted to Sk 414.5 billion (a month-on-month increase of 0.6%) on the last trading day of the month. From the end of October, the market capitalisation of listed bonds increased by 0.8%, to Sk 393.0 billion.

SDXGroup indices The SDXG index for the public sector, represented by government bonds, closed the month at 108.59 (price component) and 117.63 (performance component), with a yield of 3.46% to maturity and a duration of 4.4 years. The short-term SDXG(≤ 5) sub-index reached 105.43 (for price) and 112.94 (for performance), with a yield of 3.29% to maturity and a duration of 2.3 years. The long-term SDXG(> 5) sub-index closed the month at 111.9 (for price) and 122.6 (for performance), with a yield of 3.53% to maturity and a duration of 7.30 years.

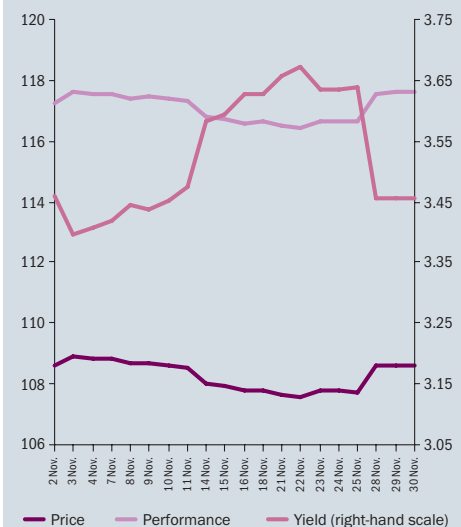
SDXG for the private sector, represented by corporate and mortgage bonds, closed the month at 102.57 (price component) and 114.94 (performance component), with a yield of 3.55% to maturity and a duration of 2.74 years. The value of the short-term SDXG(≤ 5) sub-index reached 100.92 (for price) and 113.72 (for performance), with a yield of 3.23% to maturity and a duration of 1.7 years. The long-term SDXG(> 5) sub-index closed the month at 109.12 (for price) and 118.10 (for performance), with a yield of 3.83% to maturity and a duration of 6.2 years.

Shares There were 454 transactions in shares totalling Sk 192.3 million in November. Of this amount, Sk 27.0 million took place in price-setting transactions and Sk 165.3 million in direct transactions. Transactions in shares accounted for 0.7% of the total trading volume.

SAX index The SAX index closed the month at 410.04 points, representing a month-on-month drop of 9.4% and a year-on-year rise of 36.6%. The index reached a monthly maximum on 7 November (454.57 points) and a monthly minimum at the end of the month (410.40 points).

Chart 38 SDGX for the Public Sector

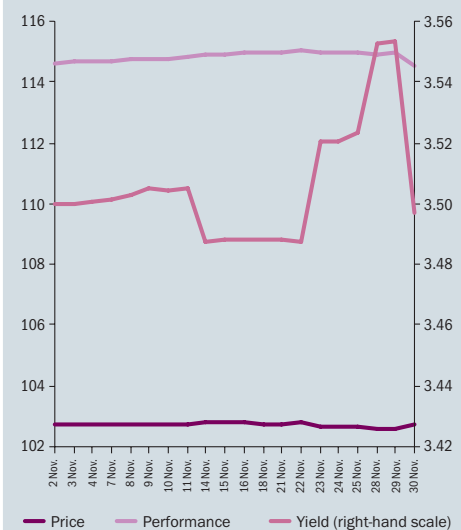
(%)



Zdroj: BCPB.

Chart 39 SDGX for the Private Sector

(%)

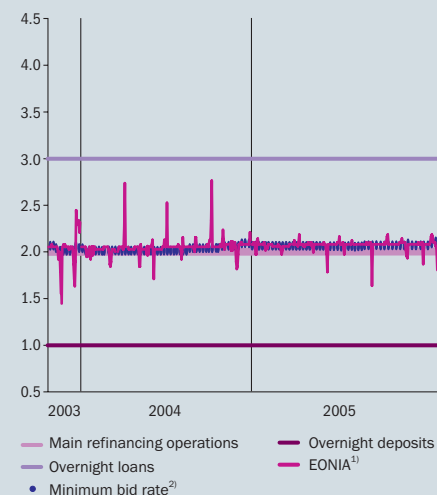


Zdroj: BCPB.

2. Monetary Developments in the Euro Area

At its meeting on 3 November 2005, the Governing Council of the ECB decided to leave the key ECB interest rates unchanged. The rate for refinancing operations remained at 2.00%, the rate for overnight loans at 3.00%, and that for overnight deposits at 1.00%.

Chart 40 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).

2.1. Exchange Rate Developments

At the beginning of November, the exchange rate of the euro against the US dollar hovered around the level of USD 1.20/EUR.

The exchange rate of the dollar opened the month at the level of USD 1.20/EUR and then slightly appreciated vis-à-vis the euro in the first half of November (after following a stable course in the previous month). The main factors supporting the appreciation of the American currency were the increasing interest rate differential between the two economies and the strong inflow of foreign capital into the US economy. In the second half of the month, the exchange rate stabilised around the level of USD 1.18/EUR. The appreciation of the dollar was hampered by news about a record deficit in America's foreign trade. Its impact was, however, weakened by the expected one-off effects of a shortfall in domestic oil production on the price of oil and the trade balance of the USA.

During November, the euro weakened in relation to the US dollar by 1.99% on a month-on-month basis. Since the first trading day of the year, the single European currency has depreciated vis-à-vis the dollar by 12.87%.

2.2. Real Economy

According to the first Eurostat estimate, the euro area economy expanded in the third quarter of 2005 by 0.6% compared with the previous quarter, while growing in comparison with the same quarter of 2004 by 1.6%. Final household consumption increased in the third quarter of 2005 by 0.3% (in the second quarter by 0.2%) and investment grew by 1.6% (in the previous quarter by 0.8%). Exports grew by 3.4% (in the second quarter by 2.2%) and imports rose by 2.8% (in the previous quarter by 2.6%). Over the second quarter of 2005, euro area GDP increased by 0.4%.

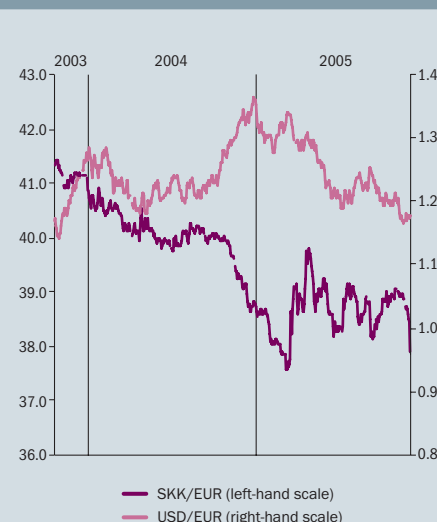
The 12-month inflation rate in the euro area, expressed in terms of the Harmonised Index of Consumer Prices (HICP), fell to 2.5% in October, from 2.6% in the previous month. The strongest year-on-year dynamics were recorded in consumer prices in Luxembourg (5.0%), Greece (3.7%), and Spain (3.5%). The steepest year-on-year increases took place in prices for alcoholic beverages and tobacco products (5.7%), transport (5.3%), and dwelling (5.0%). Price levels in telecommunications fell by 2.0%. In the same period a year earlier, consumer prices in the euro area rose by

2.4%. Eurostat foresees a year-on-year inflation rate of 2.4% in November.

In October, industrial producer prices increased year-on-year by 4.1% and month-on-month by 0.6%.

Retail sales grew on a year-on-year basis by 0.4% and in comparison with the previous month by 0.5% in October.

Chart 41 Exchange Rates: SKK/EUR and USD/EUR



Source: NBS and ECB.



The rate of unemployment (seasonally adjusted) remained unchanged in October, at the level of the previous month (8.3%). The lowest unemployment rates were achieved in Ireland (4.3%), the Netherlands (4.7%), and Austria (5.3%). The highest unemployment rates within the euro area were recorded in Greece (9.9% in June 2005), France (9.3%), and Germany (9.1%). In relative terms, the most significant increases in the year-on-year unemployment rates occurred in Luxembourg (from 4.9% to 5.6%), Austria (from 5.0% to 5.3%), and Portugal (from 7.0% to 7.3%). In the same period a year earlier, the unemployment rate in the euro area stood at 8.8%.

According to the first Eurostat estimate, foreign trade in the euro area resulted in a surplus of EUR 1.4 billion in September 2005, compared with EUR 2.5 billion in the same period a year earlier. Compared with the previous month, euro area exports (seasonally adjusted) grew in September by 0.3%, while imports declined by 0.7%.



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) 1-1.2 – 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)⁸.

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 30 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

⁸ 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)⁹;
 - 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 data¹⁰.

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

⁹ 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.

¹⁰ 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 provided¹¹ 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. 63/2002¹² 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.

¹¹ The term 'loan provided' is an equivalent of the term 'new loan'.

¹² 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 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.



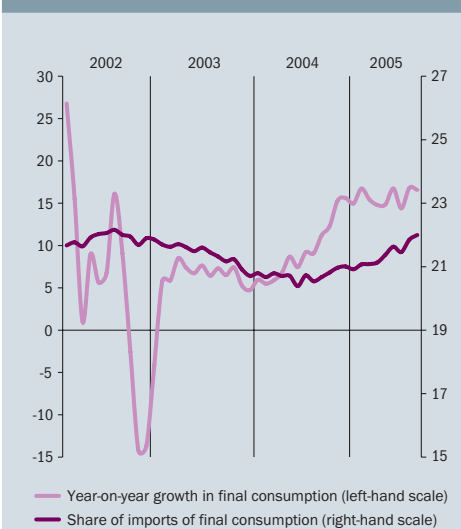
4. Imports of Goods for Final Consumption¹³

Over the first nine months of 2005, the imports of goods for final consumption reached an average year-on-year growth of 17.3% (according to NBS calculations). This represented an accelerated rate of growth in comparison with the previous years, when the imports of goods for final consumption grew by 15.4% (in 2004) and 5.2% (in 2003).

From 2002 to the end of September 2005, the share of commodity imports for final consumption of total imports was relatively stable and fluctuated between 21% and 22%.

A closer look at the structure of imports for final consumption reveals that imports grew on a year-on-year basis in all commodity categories (in terms of a 12-month sliding average), but in the case of manufacturing, machine engineering and electrical products, and automobiles, the rate of growth has recorded a steady slowdown in the recent period. (In the case of machines and electrical consumer goods, the slowdown in dynamics is influenced by the use of a 12-month sliding average, which was affected by developments in the last months of 2004. In terms of seasonally unadjusted data, the year-on-year increase in dynamics over the first nine months of 2005 was larger than in 2004.) The only category to experience rapid growth in imports is that of agricultural products, mainly milk, meat, sugar, confectionery, fruit, and vegetables. Except for sugar, the growth in imports is not caused by price increases.

Chart 42 Imports for Final Consumption as a Share of Total Imports (%)



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

Chart 43 Year-on-year Changes in the Imports of Agricultural Products



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

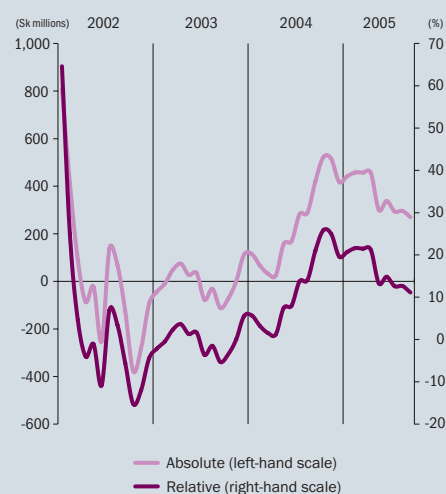
Chart 44 Year-on-year Changes in the Imports of Manufacturing Products



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

More details are available in the charts 42 to 46 (based on seasonally adjusted data).

¹³ Imports of goods for final consumption do not include the imports of seats, since this category comprises imports for the Volkswagen Group.

Chart 45 Year-on-year Changes in the Imports of Automobiles


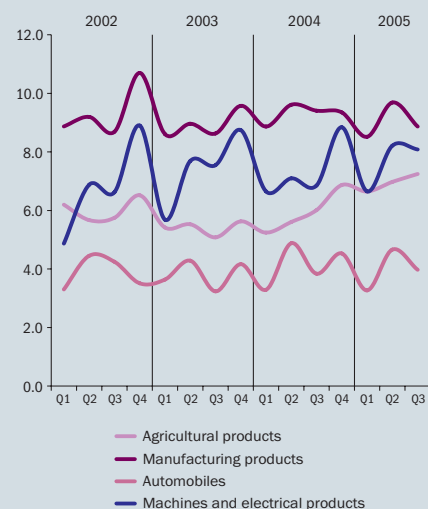
Source: NBS calculations based on data from the Statistical Office of the SR.

The share of imports for final consumption of household consumption has been on the increase in recent years, at a rate of approximately one percentage point per year (from January to September, this indicator was at the level of 27.6%). A comparison of individual import components as a share of final household consumption (on the basis of unadjusted data) shows that the imports of manufacturing products and automobiles represent a stable proportion. The proportion of machines and electrical products increased over the period under review, but showed no marked acceleration in dynamics in 2005 (the increase is within the range of developments from previous years). On the other hand, the imports of agricultural products increased as a share of final household consumption at an accelerated rate, mainly in the period after the country's entry into the EU.

Table 47 provides an overview of the year-on-year increases in the individual categories of consumer goods over the first nine months of the given year in comparison with the same period of the previous year.

Chart 46 Year-on-year Changes in the Imports of Machines and Electrical Consumer Goods


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

Chart 47 Components of Imports for Final Consumption as a Share of Final Household Consumption (%)


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

Table 47 Month-on-month Increases in Consumer Imports Over the First Nine Months of the Relevant Year

	Agricultural products		Manufacturing products		Automobiles		Machines and electrical products	
	Sk billions	%	Sk billions	%	Sk billions	%	Sk billions	%
2002	1.8	7.2	3.5	9.3	0.8	4.4	0.7	2.7
2003	-0.7	-2.7	1.9	4.7	-0.2	-1.1	6.1	21.5
2004	4.3	16.6	7.6	17.8	3.5	19.2	3.0	8.7
2005	10.6	34.7	2.8	5.6	1.7	7.9	8.0	21.4

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



The increased imports of agricultural products (recorded since the second half of 2004) are probably connected with the revival of trade after entry into the EU, since the increased imports of certain products are accompanied by increased exports in the same categories (mainly dairy products, sugar, fruit, and meat). With regard to the fact that growth in the imports of agricultural products is not necessarily connected with an increase in real wages, we do not assume that this development carries the risk that demand-side pressures may emerge in the economy. On the other hand, an element of risk is involved in the imports of machines and electrical consumer goods where the trend of development from the third quarter of 2005 continues (when imports in this category as a share of final household consumption increased to 8.1%, from 6.9% in the same period a year earlier).

5. Tables

Selected Indicators of Economic and Monetary Development in the SR

	Unit	2004		2005										
		11	12	1	2	3	4	5	6	7	8	9	10	11
REAL ECONOMY														
Gross domestic product ^{1) 2)}	SKK billions	-	826.5 ⁽⁶⁾	-	-	200.65 ⁽⁶⁾	-	-	421.391 ⁽⁶⁾	-	-	648.918 ⁽⁶⁾	-	-
Year-on-year change in GDP ³⁾	%	-	5.5 ⁽⁶⁾	-	-	5.1 ⁽⁶⁾	-	-	5.1 ⁽⁶⁾	-	-	6.2 ⁽⁶⁾	-	-
Unemployment rate ^{4) 16)}	%	12.6	13.1	13.4	13.1	12.7	11.9	11.3	11.1	11.0	10.9	11.2	10.9	.
Consumer prices (CPI) ^{5) 15)}	%	-	-	3.1	2.6	2.3	2.5	2.3	2.5	2.0	2.1	2.3	3.5	3.6
Consumer prices (HICP) ³⁾	%	6.3	5.9	3.2	2.7	2.5	2.7	2.4	2.5	2.0	2.0	2.2	3.3	3.4
BALANCE OF TRADE^{2) 11) (9)}														
Exports (fob)	SKK millions	826,578	895,205	66,526	137,172	214,315	294,112	375,133	461,393	539,103	619,662	712,426	806,933	.
Imports (fob)	SKK millions	863,705	942,160	68,247	142,845	227,055	314,784	402,037	492,019	574,662	655,722	750,138	850,208	.
Balance	SKK millions	-37,127	-46,955	-1,721	-5,673	-12,740	-20,672	-26,904	-30,626	-35,559	-36,060	-37,712	-43,275	.
BALANCE OF PAYMENTS²⁾														
Current account ¹¹⁾	SKK millions	-34,698.3	-46,026.2	-4,161.0	-2,925.4	-7,008.9	-13,355.2	-36,593.1	-49,658.7	-57,160.0	-60,719.0	-66,677.6	.	.
Capital and financial account	SKK millions	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	136,623.9	137,017.2	.	.
Overall balance	SKK millions	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	72,413.9	73,364.9	.	.
FOREIGN EXCHANGE RESERVES^{4) 7)}														
Total foreign exchange reserves	USD millions	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	17,349.5	16,998.0	.
NBS foreign exchange reserves	USD millions	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	15,835.6	15,647.8	.
GROSS EXTERNAL DEBT^{4) 9)}														
Total gross external debt	USD billions	21.8	23.7	24.0	26.6	28.2	27.9	26.5	26.2	25.9	26.6	26.5	.	.
External debt per capita	USD	4,059	4,405	4,456	4,942	5,237	5,190	4,919	4,876	4,817	4,937	4,933	.	.
MONETARY INDICATORS														
Exchange rate ⁵⁾	SKK/USD	30.532	29.074	29.348	29.259	28.885	30.249	30.672	31.641	32.22	31.494	31.354	32.357	32.808
Money supply (M2) ^{4) 6) 12) 14)}	SKK billions	758.4	779.9	-	-	-	-	-	-	-	-	-	-	-
Year-on-year change in M2 ³⁾	%	5.5	7.5	-	-	-	-	-	-	-	-	-	-	-
M3 monetary aggregate ^{4) 15)}	SKK billions	-	-	759.8	764.2	762.1	777.2	770.5	774.3	779.7	785.8	792.0	800.4	.
Year-on-year change in M3 ³⁾	%	-	-	10.0	9.6	11.4	11.9	12.5	9.6	8.9	8.0	7.3	7.6	.
Loans to enterprises and households ^{6) 13) 14)}	SKK billions	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	753.5	769.0	.
STATE BUDGET^{2) 4)}														
Revenue	SKK billions	213.7	242.4	24.6	39.8	65.0	90.6	105.4	126.4	154.2	170.5	188.6	214.4	233.7
Expenditure	SKK billions	247.8	312.7	20.3	40.9	62.2	84.3	109.3	127.6	152.3	175.6	196.7	219.5	241.3
Balance	SKK billions	-34.1	-70.3	4.3	-1.1	2.8	6.3	-3.9	-1.1	1.9	-5.1	-8.1	-5.1	-7.6
CUSTOMER RATES														
Average interest rate on:														
- one-year deposits	%	2.83	2.71	2.49	2.46	2.37	2.18	2.13	2.07	1.98	1.90	1.86	1.83	.
- short-term loans ⁸⁾	%	6.46	5.87	6.15	5.80	5.51	5.53	5.54	5.75	5.61	5.62	5.56	5.73	.
- new short-term loans	%	8.16	7.45	7.65	6.70	6.79	7.12	7.31	7.34	6.77	6.14	6.10	6.09	.
MONEY MARKET														
Interest rates set by the NBS Bank Board														
Date of maturity ¹⁰⁾		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	1.3.2005	1.3.2005
Overnight operations														
- sterilisation	%	2.50	2.50	2.50	2.50	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
- refinancing	%	5.50	5.50	5.50	5.50	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Limit rate for 2-week repo tenders	%	4.00	4.00	4.00	4.00	3.00	3.00	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)	%	4.00	4.00	4.00	4.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Average interbank deposit rate (BRIBOR)														
overnight	%	4.35	3.22	4.25	2.58	2.09	2.27	2.90	2.77	2.53	2.99	2.71	2.55	2.37
7-day	%	4.44	3.78	4.03	2.63	2.37	2.70	2.92	2.93	2.88	2.99	2.91	2.93	2.89
14-day	%	4.42	3.85	3.98	2.69	2.41	2.75	2.92	2.96	2.94	3.01	2.96	2.98	2.98
1-month	%	4.36	3.82	3.87	2.84	2.37	2.72	2.88	2.93	2.95	3.00	2.99	3.01	3.05
2-month	%	4.31	3.81	3.75	2.89	2.33	2.63	2.82	2.90	2.92	2.99	2.98	3.01	3.11
3-month	%	4.22	3.74	3.66	2.90	2.29	2.56	2.75	2.88	2.89	2.94	2.93	3.03	3.19
6-month	%	4.07	3.66	3.46	2.88	2.31	2.50	2.67	2.79	2.83	2.91	2.90	3.04	3.35
9-month	%	4.00	3.64	3.38	2.87	2.32	2.47	2.64	2.74	2.79	2.87	2.86	3.05	3.44
12-month	%	3.97	3.62	3.34	2.86	2.33	2.46	2.64	2.71	2.77	2.85	2.85	3.07	3.52

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 (SKK billions)												
		2004			2005									
		10	11	12	1	2	3	4	5	6	7	8	9 ²⁾	10
Claims of MFIs on residents	35.4	425.1	423.7	439.0	428.4	429.0	441.1	449.4	457.2	467.7	478.9	486.9	500.4	511.1
General government	1.8	27.9	27.8	41.3	25.2	24.9	24.1	24.0	23.8	22.8	23.3	23.7	25.7	26.2
Private sector	33.6	397.2	395.9	397.7	403.2	404.1	417.0	425.4	433.4	444.9	455.6	463.3	474.7	484.9
Non-financial corporations	18.2	237.9	233.9	225.3	230.1	228.9	236.9	241.6	244.6	249.5	253.4	255.5	260.7	263.5
- up to 1 year	7.7	102.9	101.1	91.6	96.2	94.6	99.9	104.1	107.6	109.1	110.4	112.3	113.3	111.9
- 1 to 5 years	3.7	56.8	57.3	57.9	57.6	57.5	56.9	54.1	53.8	54.3	54.5	53.5	53.7	54.1
- over 5 years	6.8	78.2	75.5	75.7	76.3	76.8	80.1	83.3	83.2	86.1	88.5	89.6	93.7	97.6
Financial corporations	3.5	40.0	39.3	44.2	43.2	43.0	43.9	43.7	43.6	44.3	46.7	47.0	48.1	50.5
Insurance corporations and pension funds	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.1	0.0	0.0	0.0	0.0
Households and non-profit institutions serving households	11.8	119.2	122.7	128.2	129.9	132.2	136.1	140.2	145.2	151.0	155.5	160.7	165.8	170.8
- consumer loans	1.7	16.0	16.8	19.9	19.0	18.9	19.6	20.5	21.8	22.7	23.4	24.4	24.8	24.7
- housing loans	7.8	83.2	85.1	87.9	87.8	89.5	91.0	93.1	96.0	99.7	102.6	106.4	109.5	112.4
- other loans	2.3	20.0	20.8	20.4	23.1	23.9	25.5	26.6	27.5	28.6	29.4	29.9	31.5	33.7
Securities other than shares and participation certificates issued by residents	17.4	276.5	281.4	266.0	268.6	263.4	261.9	253.1	251.9	250.8	244.5	243.7	246.8	251.5
General government	16.6	263.0	268.1	253.9	256.2	251.1	249.6	240.7	239.4	238.3	232.1	231.4	234.4	239.1
Private sector	0.9	13.5	13.3	12.2	12.4	12.3	12.4	12.4	12.5	12.5	12.3	12.3	12.5	12.4
Shares and other equities issued by private sector	0.4	4.0	4.0	4.1	4.4	4.4	4.5	4.5	5.4	6.2	6.3	6.3	6.3	6.3
Foreign assets	41.3	492.8	490.9	591.6	522.3	574.7	628.9	636.6	592.8	590.5	602.2	602.4	605.0	596.0
Fixed assets	2.3	35.6	35.6	36.6	34.8	34.6	34.5	34.5	34.5	34.5	33.6	33.8	33.9	33.6
Other assets	3.1	34.5	36.6	36.5	38.3	39.0	41.0	44.9	45.3	45.8	45.9	42.3	44.1	45.5
Deposits and loans received from the central government	5.9	154.4	156.4	125.4	125.5	97.3	99.9	98.7	73.4	84.1	84.6	78.5	77.3	85.1
Long-term financial liabilities	13.8	196.5	185.7	180.9	184.2	177.7	191.9	197.9	191.7	189.1	199.6	195.7	200.0	199.7
Deposits and loans received with an agreed maturity of over 2 years	3.7	48.0	48.2	51.8	52.9	53.5	52.7	52.7	52.2	52.9	52.5	53.3	53.3	53.1
Deposits redeemable at a period of notice of over 3 months	1.9	35.9	34.9	34.4	31.9	30.8	30.0	29.5	29.1	28.8	28.6	28.2	28.0	27.8
Debt securities issued with a maturity of over 2 years	0.9	11.2	11.6	12.2	13.6	13.9	14.2	12.5	13.3	13.3	14.1	14.4	15.1	13.2
Capital, reserves, and provisions	7.3	101.5	91.0	82.5	85.8	79.5	95.0	103.2	97.1	94.1	104.3	99.8	103.6	105.6
Foreign liabilities	21.5	136.2	134.5	254.4	183.7	257.5	307.3	298.5	297.4	296.3	298.0	308.0	319.4	310.9
Other liabilities	3.3	38.9	45.1	42.0	45.5	50.1	51.8	50.1	53.8	51.4	49.4	47.6	48.0	48.3
Surplus of liabilities among MFIs	0.0	-1.1	-0.7	0.0	-1.9	-1.8	-1.1	0.7	0.3	0.2	0.2	-0.1	-0.1	-0.3
M3	55.4	743.6	751.2	771.2	759.8	764.2	762.1	777.2	770.5	774.3	779.7	785.8	792.0	800.4
Total	100.0	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	1,436.5	1,444.1

1) In the current month.

2) Revised data.



Monetary Survey

(At current exchange rates)

(SKK billions)

	2004			2005										
	31.10.	30.11.	31.12.	1.1.	31.1.	28.2.	31.3.	30.4.	31.5.	30.6.	31.7.	31.8.	30.9.	31.10.
Current SKK/USD exchange rate	31.386	29.627	28.496	28.496	29.447	28.710	29.943	30.667	31.213	31.825	32.423	31.740	32.221	32.142
Current SKK/EUR exchange rate	39.940	39.288	38.796	38.796	38.426	37.880	38.832	39.636	39.068	38.370	39.118	38.773	38.869	39.051
ASSETS														
Net foreign assets	179.2	177.9	169.5	168.9	173.4	178.4	199.1	209.1	182.6	153.4	163.2	153.1	152.2	143.9
Foreign assets	470.0	463.1	484.0	483.3	494.9	547.5	602.7	610.2	560.9	554.1	569.3	563.5	569.7	556.3
Foreign liabilities	290.8	285.2	314.5	314.4	321.5	369.1	403.6	401.1	378.3	400.7	406.1	410.4	417.5	412.4
Net domestic assets	581.0	588.6	615.9	615.6	599.6	599.6	574.1	576.2	588.7	625.4	623.9	641.2	644.8	658.1
Domestic credits	734.1	735.2	755.7	770.0	762.9	766.6	776.3	777.3	783.2	788.4	801.8	817.0	831.8	840.5
Net credit to general government	330.3	333.0	354.4	368.6	355.2	357.6	354.5	346.5	344.4	338.4	340.8	347.3	350.9	349.1
- Net credit to government (excluding the NPF)	337.0	336.7	357.6	371.8	358.4	360.5	357.4	349.4	346.6	342.4	343.7	351.2	356.0	353.2
- Net credit to the National Property Fund	-6.7	-3.7	-3.2	-3.2	-3.2	-2.9	-2.9	-2.9	-2.2	-4.0	-2.9	-3.9	-5.1	-4.1
Credits to enterprises and households	403.8	402.2	401.3	401.4	407.7	409.0	421.8	430.8	438.8	450.0	461.0	469.7	480.9	491.4
Credits in Slovak koruna	314.3	319.1	318.2	318.3	322.3	326.8	333.1	332.8	339.8	350.0	356.1	365.9	376.0	383.3
- Credits to enterprises ¹⁾	203.8	205.7	201.5	201.6	203.5	205.6	208.5	204.7	206.5	211.7	213.7	218.4	223.8	226.5
- Credits to households	110.5	113.4	116.7	116.7	118.8	121.2	124.6	128.1	133.3	138.3	142.4	147.5	152.2	156.8
Credits in foreign currency	89.5	83.1	83.1	83.1	85.4	82.2	88.7	98.0	99.0	100.0	104.9	103.8	104.9	108.1
LIABILITIES														
Money Supply (M2)	760.2	766.5	785.4	784.5	773.0	778.0	773.2	785.3	771.3	778.8	787.1	794.3	797.0	802.0
Money (M1)	284.8	293.4	311.3	309.6	299.4	315.7	313.1	318.6	326.8	331.0	341.1	344.4	348.1	354.1
Currency outside banks (M0)	97.6	97.8	100.5	100.4	100.5	101.5	102.8	105.2	106.3	108.1	110.1	111.4	112.7	113.6
Demand deposits	187.2	195.6	210.8	209.2	198.9	214.2	210.3	213.4	220.5	222.9	231.0	233.0	235.4	240.5
- Households	91.1	92.4	96.2	94.7	97.8	102.6	104.3	106.9	109.5	110.6	113.6	114.4	114.5	115.6
- Enterprises	94.3	100.7	113.2	113.1	98.1	107.8	103.7	103.9	108.1	109.8	114.2	115.3	117.6	121.5
- Insurance companies	1.8	2.5	1.4	1.4	3.0	3.8	2.3	2.6	2.9	2.5	3.2	3.3	3.3	3.4
Quasi-money (QM)	475.4	473.1	474.1	474.9	473.6	462.3	460.1	466.7	444.5	447.8	446.0	449.9	448.9	447.9
Time and savings deposits	377.0	374.1	386.2	386.9	385.1	381.1	381.6	388.7	368.9	368.7	364.9	366.6	362.9	361.5
- Households	222.8	221.1	222.8	223.9	222.9	218.1	213.5	210.5	206.1	203.7	201.6	199.2	196.7	195.6
- Enterprises	133.2	131.5	136.5	136.4	137.3	138.9	144.5	153.7	139.5	137.5	136.2	138.7	138.2	138.3
- Insurance companies	21.0	21.5	26.9	26.6	24.9	24.1	23.6	24.5	23.3	27.5	27.1	28.7	28.0	27.6
Foreign-currency deposits	98.4	99.0	87.9	88.0	88.5	81.2	78.5	78.0	75.6	79.1	81.1	83.3	86.0	86.4
- Households	47.8	46.1	44.4	42.5	41.4	39.8	39.4	39.5	39.2	38.9	39.4	39.2	39.1	39.2
- Enterprises	50.6	52.9	43.5	45.5	47.1	41.4	39.1	38.5	36.4	40.2	41.7	44.1	46.9	47.2
Other items net	153.1	146.6	139.8	154.4	163.3	167.0	202.2	201.1	194.5	163.0	177.9	175.8	187.0	182.4

Memorandum Items

Net foreign assets of the banking sector (excluding foreign liabilities of government)	373.1	367.5	360.0	359.3	366.7	363.7	406.9	423.8	361.5	337.5	357.9	353.6	345.6	324.2
- of which: foreign assets	470.0	463.1	484.0	483.3	494.9	547.5	602.7	610.2	560.9	554.1	569.3	563.5	569.7	556.3
- of which: foreign liabilities	96.9	95.6	124.0	124.0	128.2	183.8	195.8	186.4	199.4	216.6	211.4	209.9	224.1	232.1
Net credit to the central government	440.5	440.6	446.7	-	-	-	-	-	-	-	-	-	-	-
Net credit to the general government (excluding foreign liabilities of government)	202.4	207.2	230.6	244.8	232.9	237.2	233.1	222.7	251.6	247.3	248.0	256.2	261.0	258.9
- of which: liabilities of government and NPF	409.4	422.0	456.7	412.4	398.9	376.0	373.7	365.3	369.8	373.0	371.1	372.4	376.5	381.2
- of which: claims of government and NPF	207.0	214.8	226.1	167.6	166.0	138.8	140.6	142.6	118.2	125.7	123.1	116.2	115.5	122.3
Foreign liabilities of government	127.9	125.8	123.8	123.8	122.3	120.4	121.4	123.8	92.8	91.1	92.8	91.1	89.9	90.2
Other public sector deposits in NBS ²⁾	18.3	16.6	11.6	-	8.6	9.4	3.0	3.7	3.2	0.6	1.9	0.9	1.2	0.3
Money market fund shares/units	28.4	30.7	32.7	-	36.0	39.7	42.4	44.0	45.9	46.4	47.1	47.3	47.0	46.4

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									
	10	11	12	1	2	3	4	5	6	7	8	9	10
Loans in total¹⁾	7.29	7.32	5.60	6.94	6.22	6.15	6.17	6.39	6.23	6.22	6.19	5.93	6.35
Current account overdrafts	8.08	7.75	7.48	7.72	7.08	6.62	6.60	6.80	6.72	6.52	6.46	6.37	6.58
Operation loans	-	-	-	4.74	3.32	3.49	3.78	3.92	3.99	3.67	3.77	3.55	3.94
Investment loans	-	-	-	5.41	4.67	5.05	5.16	5.24	4.27	4.92	5.29	4.22	4.80
Consumer loans	12.83	13.89	13.60	12.97	12.36	11.43	11.28	11.85	11.56	10.56	10.25	11.30	12.47
Real estate loans	7.45	7.05	7.05	7.15	6.63	6.46	6.05	6.10	5.81	5.88	5.81	5.61	5.49
of which:													
Mortgage loans	7.38	6.67	6.76	7.12	6.34	5.96	5.37	5.34	5.07	4.88	4.82	4.82	4.84
Construction loans	5.24	5.10	5.06	5.13	5.06	5.16	5.19	5.27	5.12	5.18	5.15	5.07	5.26
Intermediate loans	7.58	7.58	7.45	7.46	7.27	7.22	7.21	6.62	6.50	6.54	6.47	6.37	6.24
Other real estate loans	-	-	-	8.23	6.86	6.71	6.25	6.64	6.66	6.50	6.37	6.03	5.63
Other loans	5.30	5.81	4.02	6.45	5.88	5.68	5.21	5.52	5.93	6.68	6.24	5.10	5.56
Floating rate + IRF for up to 1 year incl.	7.20	7.23	5.42	6.90	6.13	6.05	6.08	6.25	6.23	6.16	6.18	6.01	6.34
IRF for over 1 year and up to 5 years incl.	8.48	8.56	8.82	8.03	7.76	8.03	7.80	9.87	7.62	7.81	6.76	5.82	7.04
IRF for over 5 years and up to 10 years incl.	7.18	7.06	6.55	6.87	6.44	6.35	6.45	6.33	5.79	6.25	6.48	6.12	6.22
IRF for over 10 years	8.75	6.26	6.83	6.82	6.06	6.01	6.30	5.61	4.32	4.92	5.50	3.98	5.06
Households													
Loans in total	10.60	10.28	10.21	10.67	10.33	9.99	9.67	9.78	9.25	9.48	9.44	9.45	9.59
Current account overdrafts	11.99	10.46	10.32	11.31	11.10	10.99	10.80	11.05	10.95	10.92	10.94	10.83	11.04
Consumer loans	12.83	13.89	13.60	12.97	12.36	11.44	11.28	11.93	11.56	10.56	10.25	11.30	12.47
Real estate loans	7.46	7.08	7.06	7.15	6.63	6.48	6.17	6.19	5.83	5.89	5.83	5.63	5.49
of which:													
Mortgage loans	7.38	6.67	6.76	7.12	6.34	5.95	5.37	5.34	5.06	4.88	4.83	4.83	4.83
Construction loans	5.24	5.10	5.06	5.13	5.06	5.16	5.19	5.27	5.12	5.18	5.15	5.07	5.26
Intermediate loans	7.60	7.69	7.47	7.47	7.29	7.23	7.21	6.62	6.51	6.56	6.50	6.41	6.25
Other real estate loans	-	-	-	8.23	6.86	6.79	6.63	6.93	6.80	6.58	6.38	6.05	5.67
Other loans	9.41	11.42	10.73	10.94	9.76	9.50	9.80	9.01	8.51	8.25	8.32	7.66	7.43
Floating rate + IRF for up to 1 year incl.	11.23	10.43	10.12	10.72	10.35	10.07	9.70	9.81	9.44	9.88	9.91	9.94	9.99
IRF for over 1 year and up to 5 years incl.	9.51	10.91	12.31	12.41	12.24	11.89	11.66	12.46	11.72	10.28	9.48	9.13	8.34
IRF for over 5 years and up to 10 years incl.	7.55	7.52	7.76	7.28	7.24	7.05	6.92	6.55	6.39	6.55	6.65	6.58	6.80
IRF for over 10 years	8.88	8.00	6.95	7.72	7.19	6.54	6.50	5.93	5.21	4.93	5.07	4.93	5.16
Non-financial corporations													
Loans in total	6.07	6.32	5.38	5.92	5.13	4.83	4.89	4.92	5.00	4.88	4.94	4.68	5.02
Current account overdrafts	6.66	6.80	6.31	6.46	5.68	5.20	5.18	5.16	5.39	5.09	5.02	4.96	5.18
Operation loans	-	-	-	4.61	3.31	3.38	3.62	3.87	3.82	3.47	3.85	3.22	3.91
Investment loans	-	-	-	5.66	4.64	4.89	4.94	5.03	4.14	4.71	5.36	4.12	4.69
Other loans	5.08	5.40	4.52	6.10	4.71	4.22	4.23	4.21	4.35	6.21	4.95	4.25	4.10
Loans up 1 million EUR	5.14	5.96	5.35	5.29	4.78	4.53	4.79	4.75	4.72	4.43	4.96	4.91	4.94
Loans over 1 million EUR	5.03	5.08	4.19	4.56	3.47	3.43	3.58	3.93	3.65	4.11	4.35	3.40	3.85
Floating rate + IRF for up to 1 year incl.	6.07	6.35	5.38	5.93	5.12	4.82	4.86	4.91	5.03	4.82	4.91	4.72	5.01
IRF for over 1 year and up to 5 years incl.	5.79	5.62	5.74	5.54	5.56	5.05	5.78	5.59	4.78	6.44	5.15	5.18	5.04
IRF for over 5 years and up to 10 years incl.	6.70	6.28	5.20	5.96	4.92	4.97	5.46	5.54	4.91	5.35	5.39	5.01	5.22
IRF for over 10 years	6.05	5.63	6.07	5.76	4.95	4.87	4.62	4.34	3.80	4.78	5.76	3.57	4.83

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									
	10	11	12	1	2	3	4	5	6	7	8	9	10
Deposits in total ¹⁾	1.95	1.95	1.67	1.96	1.23	1.29	1.36	1.33	1.40	1.37	1.39	1.34	1.39
Deposits payable on demand	0.94	0.96	0.90	1.17	0.84	0.62	0.59	0.62	0.69	0.60	0.58	0.57	0.65
of which: demand deposits	0.76	0.76	0.83	0.81	0.58	0.48	0.49	0.48	0.49	0.47	0.48	0.49	0.51
overnight deposits	2.76	2.54	2.45	3.37	2.07	1.49	1.69	1.48	2.01	1.79	1.66	1.71	2.09
Deposits with agreed maturity ²⁾	-	-	-	3.58	2.29	2.43	2.54	2.62	2.66	2.58	2.60	2.56	2.56
- up to 1 year in total	3.79	3.95	3.30	3.59	2.29	2.43	2.54	2.62	2.65	2.58	2.59	2.56	2.56
- up to 7 days	3.18	3.52	2.75	3.57	2.20	1.83	1.88	2.48	2.26	2.01	2.10	2.09	2.07
- up to 1 month	4.08	4.10	3.59	3.66	2.56	2.65	2.74	2.74	2.77	2.76	2.75	2.73	2.70
- up to 3 months	2.95	2.97	2.76	2.61	2.02	1.73	1.77	1.97	1.91	1.94	1.91	1.89	1.77
- up to 6 months	2.57	2.29	2.27	2.09	2.02	1.77	1.72	2.03	2.01	1.77	1.90	1.86	1.75
- up to 1 year	2.08	2.03	2.85	2.24	2.01	1.76	1.85	1.98	2.14	2.20	2.27	1.89	1.80
- over 1 year in total	2.76	2.70	2.59	3.42	2.30	2.47	2.58	2.65	4.62	2.71	2.72	2.06	1.54
- up to 2 years	2.76	2.69	2.18	2.44	1.92	2.03	1.61	1.92	1.54	1.87	1.52	1.52	1.74
- over 2 years	2.76	2.71	2.67	3.76	2.35	2.71	2.72	2.77	4.64	2.76	2.72	2.08	1.54
Savings deposits	1.35	1.35	1.35	1.35	1.18	0.98	0.99	0.93	0.94	0.95	0.97	0.99	1.00
- redeemable at a period of notice of up to 3 months	1.98	1.97	1.80	1.75	1.46	1.11	1.07	0.97	0.95	0.93	0.93	0.93	0.94
- redeemable at a period of notice of over 3 months	1.09	1.10	1.16	1.14	1.03	0.91	0.94	0.90	0.94	0.97	0.99	1.01	1.04
Households													
Deposits in total	1.00	0.98	0.94	0.95	0.81	0.68	0.66	0.65	0.66	0.65	0.66	0.67	0.68
Deposits payable on demand	0.64	0.64	0.58	0.61	0.57	0.44	0.43	0.43	0.43	0.42	0.43	0.42	0.42
of which: demand deposits	0.62	0.62	0.57	0.57	0.56	0.43	0.43	0.42	0.42	0.41	0.42	0.41	0.41
overnight deposits	2.11	1.98	1.73	3.07	1.40	1.18	1.17	1.10	1.45	1.21	1.15	1.13	1.50
Deposits with agreed maturity	-	-	-	2.39	1.82	1.71	1.69	1.95	2.02	1.95	2.01	2.00	1.92
- up to 1 year in total	2.62	2.56	2.32	2.39	1.82	1.71	1.69	1.94	2.02	1.95	2.00	2.00	1.93
- up to 7 days	2.58	2.60	2.13	2.68	1.45	1.55	1.47	1.56	1.83	1.59	1.69	1.69	1.74
- up to 1 month	2.74	2.58	2.35	2.45	1.95	1.83	1.80	2.06	2.16	2.14	2.14	2.13	1.99
- up to 3 months	2.59	2.75	2.41	2.18	1.83	1.57	1.56	1.78	1.76	1.73	1.72	1.71	1.60
- up to 6 months	2.49	2.29	2.27	1.89	1.79	1.70	1.46	1.62	1.73	1.67	1.69	1.71	1.60
- up to 1 year	1.62	1.21	1.83	2.02	1.94	1.66	1.46	1.83	1.90	1.91	1.73	1.81	1.60
- long-term over 1 year	2.70	2.66	2.62	2.42	2.20	1.99	1.99	2.29	2.03	2.12	2.13	2.06	1.55
- up to 2 years	2.39	2.28	2.25	2.64	2.17	1.16	1.03	1.59	1.54	1.53	1.52	1.54	1.74
- over 2 years	2.76	2.71	2.66	1.91	2.21	2.14	2.08	2.33	2.05	2.14	2.14	2.08	1.55
Savings deposits	1.34	1.35	1.35	1.34	1.18	0.98	0.99	0.93	0.94	0.95	0.97	0.98	1.00
- redeemable at a period of notice of up to 3 months	1.96	1.96	1.79	1.75	1.45	1.10	1.07	0.97	0.95	0.92	0.93	0.93	0.93
- redeemable at a period of notice of over 3 months	1.08	1.10	1.16	1.13	1.03	0.91	0.94	0.90	0.94	0.96	0.99	1.01	1.04
Non-financial corporations													
Deposits in total	2.26	2.19	1.88	2.41	1.43	1.37	1.50	1.56	1.53	1.42	1.49	1.46	1.54
Deposits payable on demand	1.09	1.19	0.89	1.61	1.00	0.76	0.72	0.76	0.89	0.69	0.71	0.72	0.81
of which: demand deposits	0.80	0.81	0.70	1.02	0.58	0.49	0.54	0.50	0.55	0.52	0.52	0.55	0.62
overnight deposits	2.74	2.56	2.49	3.76	2.08	1.66	1.70	1.68	2.07	1.76	1.69	1.72	2.05
Deposits with agreed maturity	-	-	-	3.68	2.34	2.34	2.48	2.60	2.57	2.43	2.53	2.46	2.50
- up to 1 year in total	3.57	3.57	3.19	3.70	2.25	2.16	2.35	2.39	2.44	2.31	2.37	2.33	2.42
- up to 7 days	3.14	3.61	2.67	3.62	2.22	1.86	1.93	2.45	2.29	2.04	2.18	2.14	2.09
- up to 1 month	4.10	4.08	3.67	3.73	2.82	2.57	2.75	2.75	2.74	2.72	2.73	2.69	2.68
- up to 3 months	3.02	3.42	3.14	3.16	2.24	2.00	2.16	2.24	2.24	2.27	2.25	2.21	2.18
- up to 6 months	1.52	2.20	1.39	2.86	2.30	2.11	2.06	2.19	2.13	1.63	2.23	2.04	2.28
- up to 1 year	2.24	3.13	3.25	2.85	2.01	1.64	2.21	2.19	1.95	2.49	2.58	2.26	2.03
- long-term over 1 year	3.46	3.57	2.20	2.24	1.64	1.24	1.59	2.02	1.41	1.82	1.71	1.46	1.35
- up to 2 years	4.25	3.84	2.11	2.11	1.65	1.24	1.62	1.94	0.00	0.00	0.00	1.40	0.00
- over 2 years	2.99	3.21	2.92	3.00	1.41	0.00	0.70	2.38	1.41	1.82	1.71	2.00	1.35
Savings deposits	2.44	2.44	2.21	2.27	1.69	1.22	1.23	1.16	1.25	1.26	1.25	1.28	1.27
- redeemable at a period of notice of up to 3 months	2.44	2.45	2.20	2.26	1.72	1.20	1.22	1.16	1.26	1.27	1.26	1.30	1.28
- redeemable at a period of notice of over 3 months	2.40	2.40	2.38	2.36	1.37	1.44	1.37	1.12	1.12	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									
		10	11	12	1	2	3	4	5	6	7	8	9	10
Loans in total ¹⁾	a	100.50	105.84	141.04	98.41	98.25	99.27	92.82	95.38	107.27	97.79	141.20	140.97	144.90
	b	8.05	8.08	7.40	7.64	6.57	6.63	7.01	7.17	6.96	6.62	6.10	5.99	6.03
of which:														
Current account overdrafts	a	43.67	42.95	53.09	45.88	48.91	47.17	47.26	48.97	57.67	55.01	93.87	89.76	95.54
	b	10.99	11.14	11.65	9.84	8.62	9.16	9.17	9.24	8.77	8.00	6.70	6.77	6.67
Investment loans	a	4.10	4.78	7.25	3.14	4.65	6.43	3.64	3.40	7.93	4.03	4.70	8.06	5.96
	b	5.73	5.65	5.02	4.94	4.38	3.85	4.53	4.70	3.85	4.49	4.70	3.91	4.25
Operation loans	a	-	-	-	31.45	26.34	27.99	22.30	23.32	20.26	19.80	22.20	23.23	22.27
	b	-	-	-	4.77	3.48	3.12	3.44	3.83	3.93	3.75	3.78	3.64	3.77
Consumer loans	a	2.69	3.44	4.15	3.09	1.20	1.54	1.64	1.92	1.75	1.49	1.70	1.75	1.42
	b	12.24	12.71	12.48	11.43	12.35	11.30	11.55	12.17	11.87	10.60	10.40	10.60	12.28
Housing loans	a	5.05	4.88	5.07	2.90	3.14	3.58	3.99	4.50	5.35	5.26	5.41	5.33	5.24
	b	7.52	7.46	6.93	6.27	5.76	5.90	5.92	5.70	5.44	5.27	5.34	5.13	5.05
of which: mortgage loans														
without state bonus														
	a	0.70	0.76	0.84	0.75	0.66	0.77	0.78	0.98	1.49	1.29	1.34	1.23	1.25
	b	6.95	6.85	6.88	6.73	6.54	6.36	5.71	5.31	5.19	5.01	4.94	4.90	4.91
mortgage loans with state bonus – client														
	a	1.45	1.41	1.39	0.88	0.54	0.57	0.55	0.52	0.57	0.55	0.62	0.60	0.54
	b	6.21	6.15	6.03	6.48	6.01	6.25	6.08	5.83	5.19	5.21	4.95	4.91	5.00
mortgage loans with state bonus – bank														
	a	1.45	1.41	1.39	0.88	0.54	0.57	0.55	0.52	0.57	0.55	0.62	0.60	0.54
	b	6.90	6.79	6.77	6.82	6.69	6.34	6.14	5.79	5.29	5.28	5.01	4.99	5.02
construction loans														
	a	0.12	0.09	0.10	0.08	0.09	0.09	0.11	0.11	0.11	0.12	0.12	0.09	0.09
	b	5.39	5.32	5.24	5.26	5.26	5.26	5.33	5.29	5.26	5.44	5.39	5.25	5.27
intermediate loans														
	a	1.03	0.96	0.99	0.51	0.51	0.61	0.69	0.74	1.14	1.10	1.27	1.14	0.93
	b	7.39	7.32	7.33	7.28	7.22	7.16	7.16	7.04	6.56	6.57	6.53	6.42	6.35
other real estate loans														
	a	-	-	-	0.67	1.34	1.53	1.87	2.14	2.04	2.21	2.06	2.27	2.43
	b	-	-	-	4.83	4.76	5.06	5.55	5.39	5.09	4.80	4.97	4.66	4.64
Other loans	a	39.98	44.13	64.86	5.32	8.16	5.79	7.02	6.32	4.83	5.14	5.22	4.47	5.51
	b	4.94	5.17	3.91	5.77	4.12	4.48	4.46	4.47	4.51	4.52	4.87	4.45	4.67
Short-term loans														
	a	86.86	88.54	120.67	87.09	84.41	85.33	80.16	81.81	87.96	84.47	125.51	123.07	128.82
	b	8.10	8.16	7.45	7.68	6.78	6.81	7.15	7.35	7.36	6.79	6.15	6.12	6.11
- with a maturity of up to 7 days														
	a	36.71	40.16	52.36	35.77	40.21	31.91	29.28	30.50	29.13	31.83	66.28	64.01	68.45
	b	6.04	5.84	5.69	5.99	5.57	4.96	5.11	5.40	5.52	5.22	4.39	4.50	4.51
- up to 1 month														
	a	5.09	6.52	17.97	7.62	6.94	8.66	6.30	7.65	7.50	4.51	6.46	6.63	7.20
	b	5.52	5.69	3.77	5.51	4.23	3.99	4.01	4.44	4.65	4.41	4.67	4.06	4.55
- up to 3 months														
	a	5.90	3.14	5.24	5.59	3.67	4.36	4.20	2.87	2.53	4.24	3.22	3.04	2.47
	b	5.49	5.53	5.36	4.91	3.58	3.48	4.44	3.88	4.21	4.52	4.12	4.87	3.92
- up to 6 months														
	a	0.99	0.66	1.38	1.03	0.75	1.66	1.15	0.56	1.82	1.89	1.63	1.28	1.31
	b	5.32	5.70	5.04	4.66	4.28	3.10	3.43	4.07	3.82	3.49	3.88	3.66	3.97
- up to 12 months														
	a	38.17	38.05	43.73	37.08	32.85	38.75	39.24	40.24	46.98	42.00	47.92	48.12	49.39
	b	10.90	11.30	11.38	10.24	9.21	9.50	9.58	9.67	9.24	8.62	9.00	8.69	8.71
Long-term loans with a maturity of 1 to 5 years														
	a	7.40	9.92	10.64	6.83	9.76	7.08	6.92	7.57	8.05	6.22	8.14	7.10	7.36
	b	8.11	7.98	7.80	7.31	4.83	5.70	6.10	6.31	5.76	5.68	5.88	5.73	5.82
Long-term loans with a maturity of over 5 years														
	a	6.23	7.38	9.72	4.50	4.08	6.85	5.74	6.00	11.27	7.10	7.54	10.80	8.72
	b	7.27	7.21	6.39	7.42	6.28	5.25	6.10	5.87	4.70	5.42	5.54	4.75	5.05

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									
		10	11	12	1	2	3	4	5	6	7	8	9	10
Deposits in total	a	656.28	662.96	669.70	659.78	614.32	668.07	686.16	671.62	679.20	685.33	682.22	683.53	695.49
	b	2.30	2.28	2.01	2.19	1.56	1.59	1.63	1.53	1.59	1.54	1.53	1.53	1.56
of which:														
Demand deposits	a	207.98	216.82	247.20	215.47	229.87	226.16	231.03	239.71	242.19	248.72	252.16	256.53	260.44
	b	0.76	0.76	0.83	0.81	0.56	0.48	0.48	0.48	0.49	0.48	0.48	0.49	0.51
Time deposits	a	359.65	358.21	331.22	397.33	338.66	397.12	411.05	388.58	394.11	394.26	388.12	385.56	394.02
	b	3.27	3.27	2.88	3.03	2.29	2.29	2.34	2.25	2.32	2.28	2.27	2.27	2.31
- short-term														
- overnight														
- up to 7 days														
- up to 1 month														
- up to 3 months														
- up to 6 months														
- up to 12 months														
- medium-term														
- up to 2 years														
- up to 5 years														
- long-term over 5 years														
Savings deposits	a	88.64	87.93	91.27	46.98	45.79	44.80	44.07	43.34	42.90	42.35	41.94	41.45	41.04
	b	2.01	2.03	2.06	1.35	1.18	0.98	0.99	0.93	0.94	0.95	0.97	0.99	1.00
- short-term														
- medium-term														
- long-term														
Time and savings deposits														
- short-term														
- medium-term														
- long-term														

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									
		10	11	12	1	2	3	4	5	6	7	8	9	10
Average interest rate on total credit ¹⁾	1	6.73	6.69	6.43	6.49	6.26	6.06	5.96	5.93	6.01	5.97	5.97	5.93	5.97
Average interest rate on deposits	2	2.30	2.28	2.01	2.18	1.56	1.59	1.63	1.53	1.59	1.54	1.53	1.53	1.56
Average interest rate on new loans ¹⁾	3	8.05	8.10	7.35	7.64	6.57	6.63	7.01	7.17	6.96	6.62	6.10	5.99	6.03
Average interbank money market rate (1D to 12M – mid rates)	4	4.06	4.10	3.54	3.60	2.64	2.16	2.42	2.65	2.70	2.69	2.80	2.75	2.79
Average interest rate on new short-term loans ¹⁾	5	8.10	8.18	7.44	7.68	6.78	6.81	7.14	7.35	7.36	6.79	6.15	6.12	6.11
Average interest rate on short-term deposits	6	3.02	3.03	2.65	2.83	1.96	2.00	2.07	1.95	2.05	2.00	2.01	2.02	2.08
Difference between the average interest rates on new short-term loans and short-term deposits (line 5 – line 6)	7	5.08	5.15	4.79	4.85	4.82	4.81	5.07	5.40	5.31	4.79	4.14	4.10	4.03
Basic interest rate of the NBS (until 31 Dec. 2002 discount rate)	8	4.50	4.50	4.00	4.00	4.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
12-month rate of inflation	9	6.60	6.30	5.90	3.20	2.70	2.50	2.70	2.40	2.50	2.00	2.00	2.20	3.30
Year-on-year increase in industrial producer prices	10	4.70	4.50	4.30	2.80	2.10	2.60	3.50	3.90	4.80	5.30	5.60	5.80	5.70
Real interest rate on new short-term loans (line 5 – line 10)	11	3.40	3.68	3.14	4.88	4.68	4.21	3.64	3.45	2.56	1.49	0.55	0.32	0.41
Difference between the average interest rate on new short-term loans and the rate of inflation (line 5 – line 9)	12	1.50	1.88	1.54	4.48	4.08	4.31	4.44	4.95	4.86	4.79	4.15	3.92	2.81
Average interest rate on one-year deposits	13	2.91	2.83	2.71	2.49	2.46	2.37	2.18	2.13	2.07	1.98	1.90	1.86	1.83
Real interest rate on one-year deposits (line 13 – line 9)	14	-3.69	-3.47	-3.19	-0.71	-0.24	-0.13	-0.52	-0.27	-0.43	-0.02	-0.10	-0.34	-1.47
Nominal interest margin (line 1 – line 2)	15	4.43	4.41	4.42	4.31	4.70	4.47	4.33	4.40	4.42	4.43	4.44	4.40	4.41
Difference between the average interest rates on new loans and total deposits (line 3 – line 2)	16	5.75	5.82	5.34	5.46	5.01	5.04	5.38	5.64	5.37	5.08	4.57	4.46	4.47
Difference between the average interest rate on new short-term loans and the average interbank money market rate (line 5 – line 4)	17	4.04	4.08	3.90	4.08	4.14	4.65	4.72	4.70	4.66	4.10	3.35	3.37	3.32
Difference between the average interest rate on new loans and the average interbank money market rate (line 3 – line 4)	18	3.99	4.00	3.81	4.04	3.93	4.47	4.59	4.52	4.26	3.93	3.30	3.24	3.24
Average interest rate on loans ²⁾	19	6.51	6.47	6.23	6.28	6.05	5.86	5.78	5.75	5.83	5.81	5.80	5.77	5.80
Nominal interest margin (line 19 – line 2)	20	4.21	4.19	4.22	4.10	4.49	4.27	4.15	4.22	4.24	4.27	4.27	4.24	4.24

1) Excluding loans at zero interest rate.

2) Including loans at zero interest rate.



Shortened Balance Sheet of Commercial Banks as at 31 October 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	63,796,907	1,192,116,007	37,875,515	133,650,160	53,385,990	1,353,230,765
Cash items	0	11,476,670	0	57,759	4,055,270	15,589,699
Cash in hand	0	10,626,279	0	0	3,403,037	14,029,316
Gold	0	1	0	0	0	1
Other cash items	0	850,390	0	57,759	652,233	1,560,382
Deposits with and credits to NBS, foreign issuing banks, and post office banks	1,374	331,190,149	0	0	3,012	331,191,787
Money reserve accounts with the NBS	0	10,709,298	0	0	0	10,709,298
Deposits, credits, and other receivables	49,092	26,006,677	11,938,961	2,720,127	11,132,105	51,748,778
Current accounts with banks	6	432,044	81,987	95,057	5,365,210	5,974,292
Credits provided	0	1,224,733	0	0	2,010,019	3,234,752
Time deposits with banks	3,512	23,818,422	6,841,124	2,617,296	3,313,103	36,586,433
Current accounts of other banks	0	15	4,474,899	1	390,708	4,865,623
Other receivables	0	472,220	540,951	7,773	48,302	1,069,246
Standard credits, qualified deposits, classified credits, deposits, and other receivables	45,574	59,243	0	0	4,763	18,432
of which: Short-term receivables	43	0	0	0	43	0
Interest on non-performing credits	479	595	0	0	0	116
Standard credits to customers	1,128,424	273,294,219	1,160,379	73,575,007	10,666,275	357,567,456
Short-term credits	483,429	36,250,278	231,339	16,333,588	1,813,218	54,144,994
Long-term credits	644,995	237,043,941	929,040	57,241,419	8,853,057	303,422,462
of which: Credits repayable in 1 to and including 5 years	483,699	81,404,340	778,275	22,921,335	4,229,418	108,849,669
Receivables from financial leasing	807	10,575	0	57,598	2,722	70,088
Other receivables from customers	2,923	2,616,542	11,342	1,124,562	1,346,249	5,095,772
of which: Credits for commercial claims	2,923	767,517	0	961,177	400,312	2,126,083
Current accounts of customers - debit balances, overdrafts	268,701	47,299,899	23,101	14,584,094	297,247	61,935,640
Standard receivables with conditions, classified credits, and other receivables from customers	23,841,831	54,320,211	786,094	18,894,637	1,419,036	51,578,147
of which: Interest due, but unpaid	2,439,513	2,490,417	1,964	26,426	1,944	81,238
Standard credits with conditions	2,474,170	27,689,831	572,370	14,194,858	1,073,583	41,056,472
Sub-standard receivables	1,637,761	7,137,412	196,273	1,939,632	322,231	7,957,787
Doubtful and controversial claims	2,240,356	3,242,497	242	818,641	1,686	1,822,710
Loss-making receivables	17,489,544	16,250,471	17,209	1,941,506	21,536	741,178
Receivables with reduced value	282,429	413,911	0	11,780	54,662	197,924
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	83,228	17,632,806	0	8,676,155	0	26,225,733
Standard credits with conditions, classified loans, and other receivables	79,484	185,455	0	443,384	0	549,355
Credits to state authorities	0	10,352,990	0	2,687,886	0	13,040,876
Credits to social security funds	0	256,572	0	0	0	256,572
Credits to local governments	3,744	6,837,789	0	5,544,885	0	12,378,930
Credits to funds	0	0	0	0	0	0
Fixed forward transactions	0	4,139,888	7,128,975	649,055	2,149,421	14,067,339
Claims in respect of money collection	0	58,835	1,669	788,642	121,399	970,545
Branches and representative offices	0	17	2,202,788	0	138,639	2,341,444
Receivables and other suspense accounts	1,084,547	6,157,511	22,721	684,766	10,523	5,790,974
Securities for sale and other shareholdings	194,690	41,438,855	895,180	3,309,430	5,219,116	50,667,891
Receivables from trade in securities and from securities issued by the accounting unit	0	179,901	1	1,659	5	181,566
Securities intended for trading	0	95,033,129	4,611,283	4,107,183	11,541,031	115,292,626
Options - purchase	0	1,320,421	437,508	309,917	60,618	2,128,464
Financial investment	1,491,291	205,973,802	8,655,513	4,084,196	4,621,421	221,843,641
Long-term funds provided to branches abroad	0	0	0	0	533,522	533,522
Tangible assets	26,054,575	48,582,698	0	0	0	22,528,123
Acquisition of tangible and intangible assets	4,837	2,022,025	0	13,590	13,717	2,044,495
Subordinated financial assets	0	60,000	0	0	0	60,000
Intangible assets	9,308,158	12,052,643	0	0	0	2,744,485
Inventories	0	125,325	0	3	0	125,328
Adjustments and accumulated depreciation	63,791,789	59,814,600	69,836	3,518,160	389,193	0



Shortened Balance Sheet of Commercial Banks as at 31 October 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	887,469,953	0	0	0	1,353,230,765
Deposits with and credits to NBS and foreign issuing banks, and postal checking accounts	8,759,636	0	62,988	0	8,822,624
Current accounts with NBS and foreign issuing banks	2,023,442	0	0	0	2,023,442
Time deposits of NBS and foreign issuing banks	0	0	0	0	0
Credits received from NBS and foreign issuing banks	6,736,194	0	62,988	0	6,799,182
of which: Redistribution credit	3,278,795	0	0	0	3,278,795
Refinancing repo credit	2,929,910	0	0	0	2,929,910
Deposits, credits, and other liabilities	25,558,332	73,848,150	2,714,992	187,424,028	289,545,502
Current accounts with banks	0	50,297	0	1,473,203	1,523,500
Current accounts of other banks	432,548	8,411,008	95,222	341,372	9,280,150
Other payables	122,760	3,732	2,469	541,568	670,529
Credits received	1,254,638	6,565,908	0	31,046,299	38,866,845
Time deposits of other banks	23,748,386	58,817,205	2,617,301	154,021,586	239,204,478
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	592,877,335	5,512,129	86,339,522	3,756,361	688,485,347
Current accounts of customers	236,678,447	3,808,396	46,127,987	2,658,279	289,273,109
Time deposits of customers	275,265,547	1,622,104	38,523,910	1,082,438	316,493,999
Savings deposits of customers	80,256,343	81,509	1,687,625	15,644	82,041,121
Certificates of deposit	676,998	120	0	0	677,118
Other liabilities to customers	11,410,790	12,859	3,896,079	1,439,387	16,759,115
Loans received from customers	5,410,042	0	0	0	5,410,042
Liabilities from financial leasing	9,660	0	0	0	9,660
Short-term securities issued by the accounting unit	10,082,199	17,773	1,561,178	6,461	11,667,611
Earmarked deposits	200	0	0	6,651,884	6,652,084
Other specific payables	14,728	0	8	0	14,736
Accounts of state authorities, local governments, and funds	111,626,481	5,177	10,195,350	17,355	121,844,363
Non-budgetary money deposits of state authorities	87,035,945	5,177	10,102,343	17,355	97,160,820
Deposits of social security funds	75,475	0	0	0	75,475
Deposits of local governments	20,205,184	0	67,422	0	20,272,606
Deposits of funds	4,309,877	0	25,585	0	4,335,462
Fixed forward transactions	3,095,136	6,616,949	373,331	2,479,094	12,564,510
Payables in respect of money collection	315,485	1,109	810,503	100,141	1,227,238
Branches and representative offices	381,451	3,360,428	0	23,136,135	26,878,014
Various payables, adjustment and other suspense accounts	5,066,652	22,626	671,589	37,077	5,797,944
Liabilities from trading in securities and securities issued by the accounting unit	800,914	196	163,833	74	965,017
Options – sale	520,835	1,225,710	72,190	306,342	2,125,077
Subsidies and similar funds	3,319,249	0	0	0	3,319,249
Long-term securities issued by the accounting unit	41,627,459	1,144,921	1,968	0	42,774,348
Subordinated financial liabilities	0	1,115,969	0	0	1,115,969
Reserves	6,709,968	0	86,851	81,519	6,878,338
Reserve funds and other funds allocated from profits	12,493,543	146,500	0	0	12,640,043
Registered capital	4,642,585	36,807,616	0	0	41,450,201
Long-term funds provided to branches of foreign banks	32,000	2,844,579	0	19,526	2,896,105
Share premium	1,950,191	250,000	0	0	2,200,191
Own shares	-6,600	0	0	0	-6,600
Capital fund	205,428	5,490	0	0	210,918
Gains or losses from revaluation of net investments connected with shares and deposits	6,859	0	871	310	8,040
Gains or losses from revaluation of security derivatives	1,192,735	7,572	347,942	60,170	1,608,419
Retained earnings from previous years /+/-	28,028,302	0	0	0	28,028,302
Accumulated losses from previous years /-/-	-981,289	0	0	0	-981,289
Profit and loss account /+/-	12,514,254	0	0	0	12,514,254
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									
	10	11	12	1	2	3	4	5	6	7	8	9	10
EXPENSES													
Expenses on financial operations:	192,022	210,392	234,692	19,396	35,034	58,931	79,761	97,229	120,455	138,133	154,119	173,967	190,026
Other interest	20,544	22,497	24,202	2,023	3,750	5,427	7,222	9,186	10,998	12,749	14,666	16,468	18,198
of which: Financial renting expenses	0	0	0	0	0	0	0	0	0	0	0	0	1
Fees and commissions	1,281	1,470	1,592	135	270	390	625	771	947	1,108	1,280	1,454	1,619
Operations in securities	2,068	2,202	2,464	74	179	492	641	799	981	1,118	1,251	1,408	2,284
Interest on securities	1,903	2,119	2,383	230	432	673	891	1,118	1,345	1,581	1,814	2,041	2,271
Foreign exchange operations	83,985	92,354	106,069	8,728	15,593	31,356	43,886	54,988	67,918	79,570	90,200	102,116	112,054
Operations in derivatives	81,342	88,762	96,882	8,113	14,642	20,346	26,161	29,941	37,728	41,351	44,173	49,653	52,680
Other operations	899	987	1,100	94	166	248	336	426	539	655	736	827	920
General operating expenses	21,722	24,068	26,341	2,136	4,407	6,640	8,849	11,244	13,657	15,921	18,088	20,280	22,631
Additions to reserves and provisions	21,645	23,817	30,941	2,727	4,968	7,709	9,344	10,979	14,256	16,258	18,000	21,219	22,681
Other operating expenses	10,992	11,699	13,700	595	1,138	1,863	2,422	3,123	4,048	6,473	7,239	7,633	8,808
Extraordinary expenses	0	0	200	0	0	0	0	0	0	0	0	0	0
Income tax	1,019	1,048	1,788	96	191	367	587	921	977	780	909	1,652	1,840
Current period profit	11,061	12,347	12,287	1,446	2,702	3,748	5,073	6,152	7,581	9,159	10,371	11,481	12,519
TOTAL EXPENSES, PLUS PROFIT	258,461	283,371	319,950	26,396	48,440	79,258	106,035	129,649	160,974	186,724	208,727	236,233	258,504
INCOME													
Income from financial operations:	230,318	252,735	281,542	23,648	43,303	71,135	95,670	117,223	144,732	166,461	186,409	210,256	230,644
Income from other interest	31,409	34,570	37,660	3,306	6,231	9,284	12,489	15,791	18,863	21,909	25,129	28,264	31,409
of which: Income from financial renting	0	0	1	0	0	0	0	0	1	1	1	1	1
Income from shares and stakes	275	276	280	32	107	155	167	209	81	86	97	98	100
Income from fees and provisions	8,807	9,743	10,962	917	1,840	2,937	3,974	5,037	6,179	7,283	8,442	9,537	10,832
Income from operations in securities	3,577	4,130	5,261	661	1,229	1,397	1,601	1,908	2,481	2,745	2,676	2,922	3,369
Income from interest on securities	16,777	18,366	20,452	1,599	2,947	4,370	5,626	7,020	8,407	9,837	11,158	12,483	13,810
Income from foreign exchange operations	87,911	96,709	109,859	8,717	16,511	32,214	44,944	55,705	68,728	79,508	91,007	103,322	112,876
Income from operations in derivatives	80,919	88,217	96,246	8,330	14,258	20,523	26,509	31,087	39,392	44,385	47,095	52,721	57,222
Income from other operations	643	723	822	85	179	255	359	466	601	708	805	908	1,026
Use of reserves and provisions	25,795	28,068	35,248	2,663	4,919	7,751	9,679	11,629	15,057	17,656	19,511	23,234	24,430
Other operating income	2,344	2,566	3,153	82	216	372	687	797	1,183	2,601	2,801	2,739	3,425
Extraordinary income	0	0	0	2	3	0	0	0	0	0	0	0	0
Current period loss	4	3	7	1	0	0	0	0	3	6	7	3	5
TOTAL INCOME, PLUS LOSS	258,461	283,371	319,950	26,396	48,440	79,258	106,035	129,649	160,974	186,724	208,727	236,233	258,504



Balance of Payments of the SR for January – September 2005

	Receipts / Credit (+)		Payments / Debit (-)		Balance	
	SKK millions	USD millions	SKK millions	USD millions	SKK millions	USD millions
Goods	712,426.0	23,296.4	750,137.0	24,529.5	-37,711.0	-1,233.2
Services	99,528.7	3,254.6	90,792.3	2,968.9	8,736.4	285.7
Transport	35,934.8	1,175.1	27,445.0	897.5	8,489.8	277.6
Tourism	27,497.9	899.2	19,804.2	647.6	7,693.7	251.6
Other services	36,096.0	1,180.3	43,543.0	1,423.9	-7,447.1	-243.5
Income	39,068.9	1,277.6	76,507.1	2,501.8	-37,438.1	-1,224.2
Compensation of employees	22,050.0	721.0	776.1	25.4	21,273.9	695.7
Investment income	17,018.9	556.5	75,731.0	2,476.4	-58,712.1	-1,919.9
Current transfers	31,488.7	1,029.7	31,753.6	1,038.3	-264.9	-8.7
CURRENT ACCOUNT	882,512.3	28,858.2	949,189.9	31,038.6	-66,677.6	-2,180.4
Capital account	415.7	13.6	439.6	14.4	-23.9	-0.8
Financial account	3,048,267.8	99,675.9	-2,911,226.7	-95,214.7	137,041.1	4,461.2
Direct investment	533,635.9	17,449.9	-490,777.9	-16,048.5	42,858.0	1,401.5
<i>Abroad (direct investor = resident)</i>	33,954.2	1,110.3	-36,662.5	-1,198.9	-2,708.4	-88.6
Equity capital and reinvested earnings	575.2	18.8	-1,870.5	-61.2	-1,295.4	-42.4
Other capital	33,379.0	1,091.5	-34,792.0	-1,137.7	-1,413.0	-46.2
<i>In the SR (recipient of dir. investment = resident)</i>	499,681.7	16,339.6	-454,115.4	-14,849.6	45,566.3	1,490.0
Equity capital and reinvested earnings	42,843.7	1,401.0	-3,963.4	-129.6	38,880.3	1,271.4
Other capital	456,838.0	14,938.6	-450,152.0	-14,720.0	6,686.0	218.6
Portfolio investment	656,329.4	21,462.0	-665,465.0	-21,755.2	-9,135.6	-293.2
Assets	44,696.0	1,461.6	-66,342.0	-2,169.4	-21,646.1	-707.8
Liabilities	611,633.4	20,000.4	-599,123.0	-19,585.8	12,510.4	414.6
Financial derivatives	800,391.2	26,172.8	-802,219.8	-26,232.6	-1,828.6	-59.8
Assets	337,129.3	11,024.1	-341,696.7	-11,173.5	-4,567.4	-149.4
Liabilities	463,261.9	15,148.7	-460,523.1	-15,059.1	2,738.8	89.6
Other investment	1,057,911.4	34,591.2	-952,764.0	-31,178.5	105,147.4	3,412.7
<i>Long-term</i>	76,029.5	2,482.0	-86,915.0	-2,869.0	-10,885.5	-387.0
Assets	24,664.4	805.6	-30,962.4	-1,012.5	-6,298.0	-206.9
Liabilities	51,365.1	1,676.4	-55,952.6	-1,856.5	-4,587.5	-180.1
<i>Short-term</i>	981,881.9	32,109.2	-865,849.0	-28,309.5	116,032.9	3,799.8
Assets	364,150.9	11,907.8	-387,488.9	-12,670.9	-23,338.0	-763.2
Liabilities	617,730.9	20,201.5	-478,360.1	-15,638.6	139,370.8	4,562.9
CAPITAL AND FINANCIAL ACCOUNT	3,048,683.5	99,689.5	-2,911,666.3	-95,229.1	137,017.2	4,460.4
ERRORS AND OMISSIONS	-	-	-	-	3,025.3	351.4
TOTAL BALANCE	-10,576.2	-321.1	83,941.1	2,952.6	73,364.9	2,631.5
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	10,576.2	321.1	-83,940.9	-2,952.6	-73,364.7	-2,631.5
<i>Currency and deposits</i>	10,576.2	321.1	0.0	0.0	10,576.2	321.1
<i>Securities</i>	0.0	0.0	-83,940.9	-2,952.6	-83,940.9	-2,952.6
Bonds and notes	0.0	0.0	-59,007.8	-2,059.9	-59,007.8	-2,059.9
Money market instruments and financial derivatives	0.0	0.0	-24,933.1	-892.7	-24,933.1	-892.7
RESERVE ASSETS	10,576.2	321.1	-83,941.1	-2,952.6	-73,364.9	-2,631.5

Note: Preliminary data.

Applied rate of exchange: USD 1 = SKK 30.581

Overview of Issues of NBS Bills

Registration number	Date of			DTM	Volume in SKK millions		Type of auction auction	Interest rate in % p.a.		
	auction	issue	maturity		demand	accept.		min.	average	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
951301014	20.10.2005	21.10.2005	13.1.2006	84	30,353	14,253	American	2.99	3.00	3.00
951002015	16.11.2005	18.11.2005	10.2.2006	84	23,800	0	American	-	-	-

Overview of Issues of SR Treasury Bills

Registration number	Nominal value (1 T-bill in SKK)	Date		DTM	Total demand (SKK billions)	Total amount of issue (SKK billions)	Accepted yield (% p. a.)
		issue	maturity				
1506061202	1,000,000	9.11.2005	6.6.2006	209	20.543	1.071	3.070
1506061202	1,000,000	23.11.2005	6.6.2006	195	16.372	2.440	3.210



Monetary Base of the NBS

(SKK billions)

	2005		
	10.11.	20.11.	31.11.
SOURCES OF THE MONETARY BASE	156.04	152.29	135.85
Autonomous factors	547.31	547.22	546.95
Net foreign assets	498.79	497.73	484.90
Reserves	505.62	504.56	494.15
Foreign liabilities	6.82	6.83	9.24
Net credit to the government ¹⁾	-1.31	-0.54	-1.03
Other assets net	49.83	50.03	63.07
Monetary policy factors ²⁾	-391.27	-394.92	-411.10
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	584.25	549.25	1,049.25
of which: in NBS portfolio	195.89	178.52	653.09
Overnight deposits of commercial banks with the NBS	2.90	24.19	14.93
USE OF THE MONETARY BASE³⁾	156.04	152.29	135.85
Currency in circulation	123.85	127.32	125.05
Reserves of commercial banks	32.19	24.97	10.79
Required reserves	21.64	21.64	21.64
Excess reserves	10.56	3.34	-10.84

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 November 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	3,826.1	63.4	171	2,156.8	35.8	628	50.1	0.8	41	6,032.9	840
Interbank forex market: NBS + transactions between domestic banks	3,826.1	63.4	171	2,156.8	35.8	628	50.1	0.8	41	6,032.9	840
Transactions between domestic and foreign banks	39,436.5	88.2	1,795	4,668.3	10.4	2,340	595.4	1.3	116	44,700.2	4,251
Foreign exchange market in the SR – total	43,262.6	85.3	1,966	6,825.1	13.5	2,968	645.5	1.3	157	50,733.2	5,091

	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	878.9	14.6	580	0.8	0.0	6	5,134.8	85.1	253	17.6	0.3	1	6,032.2	840
Transactions between domestic and foreign banks	3,491.2	7.8	2,003	75.4	0.2	28	40,720.9	91.1	1,782	406.3	0.9	438	44,693.8	4,251
Foreign exchange market in the SR - excl. the NBS	4,370.1	8.6	2,583	76.3	0.2	34	45,855.8	90.4	2,035	423.9	0.8	439	50,726.1	5,091

**Average Monthly Exchange Rates of the SKK**

Midpoint rate	2004		2005										
	11	12	1	2	3	4	5	6	7	8	9	10	11
1 AUD	23.472	22.322	22.483	22.813	22.705	23.372	23.548	24.242	24.264	24.016	23.996	24.431	24.153
1 CYP	-	-	66.426	65.282	65.483	67.153	67.502	67.136	67.720	67.515	67.132	67.923	67.571
1 CZK	1.264	1.268	1.274	1.268	1.283	1.301	1.291	1.282	1.286	1.306	1.311	1.311	1.322
1 DKK	5.326	5.237	5.190	5.112	5.128	5.256	5.244	5.177	5.207	5.187	5.156	5.215	5.193
1 EUR	39.578	38.925	38.614	38.051	38.185	39.157	39.039	38.537	38.837	38.695	38.45	38.909	38.730
1 EEK	-	-	2.468	2.432	2.441	2.503	2.495	2.463	2.482	2.473	2.458	2.487	2.476
100 JPY	29.093	28.006	28.421	27.914	27.493	28.186	28.808	29.145	28.798	28.454	28.243	28.227	27.747
1 CAD	25.487	23.926	24.033	23.610	23.722	24.538	24.435	25.427	26.351	26.067	26.583	27.517	27.743
1 LTL	-	-	11.183	11.020	11.059	11.342	11.308	11.162	11.246	11.207	11.136	11.27	11.220
1 LVL	-	-	55.447	54.669	54.853	56.256	56.085	55.371	55.799	55.599	55.24	55.869	55.637
100 HUF	16.130	15.828	15.665	15.596	15.612	15.797	15.493	15.455	15.755	15.828	15.646	15.46	15.443
1 MTL	-	-	89.297	88.303	88.438	91.078	90.933	89.747	90.456	90.140	89.568	90.643	90.247
1 NOK	4.860	4.740	4.700	4.575	4.664	4.787	4.823	4.881	4.902	4.886	4.925	4.964	4.956
1 PLN	9.282	9.387	9.466	9.528	9.537	9.451	9.319	9.482	9.474	9.560	9.798	9.933	9.748
100 SIT	16.505	16.233	16.105	15.872	15.931	16.338	16.299	16.094	16.216	16.156	16.058	16.247	16.176
1 CHF	25.994	25.374	24.974	24.541	24.660	25.295	25.275	25.053	24.929	24.904	24.817	25.111	25.078
1 SEK	4.394	4.338	4.267	4.187	4.204	4.273	4.246	4.166	4.121	4.141	4.118	4.135	4.051
1 USD	30.532	29.074	29.348	29.259	28.885	30.249	30.672	31.641	32.220	31.494	31.354	32.357	32.808
1 GBP	56.675	56.066	55.217	55.168	55.134	57.270	57.073	57.589	56.479	56.421	56.731	57.062	57.036
1 XDR	46.163	44.756	44.785	44.383	44.132	45.689	45.994	46.461	46.740	46.184	45.986	46.795	46.880

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⁾	298,639	26,487	5,682	330,808	9,071.66	821.18	1,716.09	11,608.93
2005 ⁴⁾	330,156	12,925	19	343,100 ⁵⁾	11,586.05	422.65	-1,360.36	10,648.34 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	-45	0	66,599 ⁵⁾	2,338.71	-1.47	-270.30	2,066.94 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⁾	364,061	31,602	1,789	397,452	11,058.96	979.76	1,908.92	13,947.64
2005 ⁴⁾	396,800	12,880	19	409,699 ⁵⁾	13,924.76	421.18	-1,630.66	12,715.28 ⁵⁾

Note: The data for 2004 – 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 September.



Inflow of Foreign Direct Investment¹⁾ During January to September 2005

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 30.581									
Inflow of FDI (equity capital + reinvested earnings) in total	12,925	422.6	100.0	-45	-1.5	100.0	12,880	421.2	100.0
Structure of capital by investor									
South Korea	3,348	109.5	25.9	0	0.0	0.0	3,348	109.5	26.0
Germany	3,401	111.2	26.3	-250	-8.2	555.6	3,151	103.0	24.5
Czech Republic	1,774	58.0	13.7	-2	-0.1	4.4	1,772	57.9	13.8
Austria	1,543	50.5	11.9	-15	-0.5	33.3	1,528	50.0	11.9
Switzerland	1,299	42.5	10.1	0	0.0	0.0	1,299	42.5	10.1
The Netherlands	672	22.0	5.2	3	0.1	-6.7	675	22.1	5.2
United Kingdom	511	16.7	4.0	125	4.1	-277.8	636	20.8	4.9
USA	447	14.6	3.5	1	0.0	-2.2	448	14.6	3.5
Lithuania	417	13.6	3.2	0	0.0	0.0	417	13.6	3.2
Belgium	294	9.6	2.3	0	0.0	0.0	294	9.6	2.3
Other countries	-781	-25.5	-6.0	93	3.0	-206.7	-688	-22.5	-5.3
Structure of capital by sector									
Agriculture, hunting, and forestry	15	0.5	0.1	0	0.0	0.0	15	0.5	0.1
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	6,232	203.8	48.2	0	0.0	0.0	6,232	203.8	48.4
Electricity, gas, and water supply	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Construction	-102	-3.3	-0.8	0	0.0	0.0	-102	-3.3	-0.8
Wholesale and retail trade, repairs of motor vehicles	3,186	104.2	24.6	0	0.0	0.0	3,186	104.2	24.7
Hotels and restaurants	29	0.9	0.2	0	0.0	0.0	29	0.9	0.2
Transport, storage, post and telecommunications	-27	-0.9	-0.2	0	0.0	0.0	-27	-0.9	-0.2
Financial intermediation	2,353	76.9	18.2	-45	-1.5	100.0	2,308	75.5	17.9
Real estate, renting and business activities	1,035	33.8	8.0	0	0.0	0.0	1,035	33.8	8.0
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	196	6.4	1.5	0	0.0	0.0	196	6.4	1.5
Activities of private households	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Extra-territorial organizations and bodies	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Structure of capital by region									
Bratislava region	5,842	191.0	45.2	-96	-3.1	213.3	5,746	187.9	44.6
Trnava region	3	0.1	0.0	0	0.0	0.0	3	0.1	0.0
Trenčín region	1,137	37.2	8.8	0	0.0	0.0	1,137	37.2	8.8
Nitra region	308	10.1	2.4	0	0.0	0.0	308	10.1	2.4
Žilina region	4,162	136.1	32.2	-1	0.0	2.2	4,161	136.1	32.3
Banská Bystrica region	360	11.8	2.8	52	1.7	-115.6	412	13.5	3.2
Prešov region	165	5.4	1.3	0	0.0	0.0	165	5.4	1.3
Košice region	948	31.0	7.3	0	0.0	0.0	948	31.0	7.4

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	26,487	821.2	100.0	5,115	158.6	100.0	31,602	979.8	100.0
Structure of capital by investor									
Hungary	6,864	212.8	25.9	-30	-0.9	-0.6	6,834	211.9	21.6
Austria	1,690	52.4	6.4	4,776	148.1	93.4	6,466	200.5	20.5
Czech Republic	4,623	143.3	17.5	-11	-0.3	-0.2	4,612	143.0	14.6
United Kingdom	5,952	184.5	22.5	-1,396	-43.3	-27.3	4,556	141.2	14.4
France	3,713	115.1	14.0	-136	-4.2	-2.7	3,577	110.9	11.3
Germany	3,166	98.2	12.0	253	7.8	4.9	3,419	106.0	10.8
Luxembourg	3,184	98.7	12.0	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	927	28.7	3.5	0	0.0	0.0	927	28.7	2.9
Italy	708	22.0	2.7	-13	-0.4	-0.3	695	21.5	2.2
Other countries	-6,488	-201.1	-24.5	1,672	51.8	32.7	-4,816	-149.3	-15.2
Structure of capital by sector									
Agriculture, hunting, and forestry	336	10.4	1.3	0	0.0	0.0	336	10.4	1.1
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	24,196	750.1	91.4	0	0.0	0.0	24,196	750.1	76.6
Electricity, gas, and water supply	-300	-9.3	-1.1	0	0.0	0.0	-300	-9.3	-0.9
Construction	487	15.1	1.8	0	0.0	0.0	487	15.1	1.5
Wholesale and retail trade, repairs of motor vehicles	7,805	242.0	29.5	0	0.0	0.0	7,805	242.0	24.7
Hotels and restaurants	-29	-0.9	-0.1	0	0.0	0.0	-29	-0.9	-0.1
Transport, storage, post and telecommunications	-7,995	-247.9	-30.2	0	0.0	0.0	-7,995	-247.9	-25.3
Financial intermediation	1,285	39.8	4.9	5,115	158.6	100.0	6,400	198.4	20.3
Real estate, renting and business activities	558	17.3	2.1	0	0.0	0.0	558	17.3	1.8
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	18	0.6	0.1	0	0.0	0.0	18	0.6	0.1
Other community, social, and personal services	150	4.7	0.6	0	0.0	0.0	150	4.7	0.5
Activities of private households	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Extra-territorial organizations and bodies	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Structure of capital by regions									
Bratislava region	15,603	483.7	58.9	5,004	155.1	97.8	20,607	638.9	65.2
Trnava region	4,091	126.8	15.4	0	0.0	0.0	4,091	126.8	12.9
Trenčín region	2,199	68.2	8.3	0	0.0	0.0	2,199	68.2	7.0
Nitra region	-175	-5.4	-0.7	0	0.0	0.0	-175	-5.4	-0.6
Žilina region	2,288	70.9	8.6	73	2.3	1.4	2,361	73.2	7.5
Banská Bystrica region	466	14.4	1.8	38	1.2	0.7	504	15.6	1.6
Prešov region	996	30.9	3.8	0	0.0	0.0	996	30.9	3.2
Košice region	1,019	31.6	3.8	0	0.0	0.0	1,019	31.6	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

1) Equity capital + reinvested earnings.

Volume of Foreign Direct Investment¹⁾ as at 30 September 2005

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 32.221									
Total volume of FDI (equity capital + reinvested earnings)	343,100	10,648.3	100.0	66,599	2,066.9	100.0	409,699	12,715.3	100.0
Structure of capital by investor									
The Netherlands	88,945	2,760.5	25.9	616	19.1	0.9	89,561	2,779.6	21.9
Germany	77,952	2,419.3	22.7	860	26.7	1.3	78,812	2,446.0	19.2
Austria	28,422	882.1	8.3	32,894	1,020.9	49.4	61,316	1,903.0	15.0
Italy	5,162	160.2	1.5	24,144	749.3	36.3	29,306	909.5	7.2
Hungary	27,251	845.8	7.9	2,007	62.3	3.0	29,258	908.0	7.1
United Kingdom	27,434	851.4	8.0	473	14.7	0.7	27,907	866.1	6.8
Czech Republic	17,793	552.2	5.2	3,485	108.2	5.2	21,278	660.4	5.2
USA	15,081	468.0	4.4	1,650	51.2	2.5	16,731	519.3	4.1
France	11,913	369.7	3.5	450	14.0	0.7	12,363	383.7	3.0
Cyprus	8,496	263.7	2.5	0	0.0	0.0	8,496	263.7	2.1
Other countries	34,651	1,075.4	10.1	20	0.6	0.0	34,671	1,076.0	8.5
Structure of capital by sector									
Agriculture, hunting, and forestry	1,722	53.4	0.5	0	0.0	0.0	1,722	53.4	0.4
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Mineral raw materials extraction	2,648	82.2	0.8	0	0.0	0.0	2,648	82.2	0.6
Manufacturing	163,143	5,063.3	47.5	0	0.0	0.0	163,143	5,063.3	39.8
Electricity, gas, and water supply	40,958	1,271.2	11.9	0	0.0	0.0	40,958	1,271.2	10.0
Construction	2,823	87.6	0.8	0	0.0	0.0	2,823	87.6	0.7
Wholesale and retail trade, repairs of motor vehicles	53,622	1,664.2	15.6	0	0.0	0.0	53,622	1,664.2	13.1
Hotels and restaurants	1,972	61.2	0.6	0	0.0	0.0	1,972	61.2	0.5
Transport, storage, post and telecommunications	35,833	1,112.1	10.4	0	0.0	0.0	35,833	1,112.1	8.7
Financial intermediation	22,961	712.6	6.7	66,599	2,066.9	100.0	89,560	2,779.6	21.9
Real estate, renting and business activities	14,228	441.6	4.1	0	0.0	0.0	14,228	441.6	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	1,490	46.2	0.4	0	0.0	0.0	1,490	46.2	0.4
Other community, social, and personal services	1,700	52.8	0.5	0	0.0	0.0	1,700	52.8	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	211,298	6,557.8	61.6	65,274	2,025.8	98.0	276,572	8,583.6	67.5
Trnava region	24,127	748.8	7.0	0	0.0	0.0	24,127	748.8	5.9
Trenčín region	18,482	573.6	5.4	0	0.0	0.0	18,482	573.6	4.5
Nitra region	13,021	404.1	3.8	0	0.0	0.0	13,021	404.1	3.2
Žilina region	23,378	725.6	6.8	950	29.5	1.4	24,328	755.0	5.9
Banská Bystrica region	9,788	303.8	2.9	375	11.6	0.6	10,163	315.4	2.5
Prešov region	7,141	221.6	2.1	0	0.0	0.0	7,141	221.6	1.7
Košice region	35,865	1,113.1	10.5	0	0.0	0.0	35,865	1,113.1	8.8

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)	330,808	11,608.9	100.0	66,644	2,338.7	100.0	397,452	13,947.6	100.0
Structure of capital by investor									
The Netherlands	92,762	3,255.3	28.0	613	21.5	0.9	93,375	3,276.8	23.5
Germany	74,746	2,623.0	22.6	1,110	39.0	1.7	75,856	2,662.0	19.1
Austria	22,309	782.9	6.7	32,926	1,155.5	49.4	55,235	1,938.3	13.9
Italy	5,291	185.7	1.6	24,143	847.2	36.2	29,434	1,032.9	7.4
Hungary	27,352	959.9	8.3	1,952	68.5	2.9	29,304	1,028.4	7.4
United Kingdom	26,947	945.6	8.1	349	12.2	0.5	27,296	957.9	6.9
Czech Republic	17,094	599.9	5.2	3,486	122.3	5.2	20,580	722.2	5.2
USA	13,971	490.3	4.2	1,650	57.9	2.5	15,621	548.2	3.9
France	11,807	414.3	3.6	415	14.6	0.6	12,222	428.9	3.1
Cyprus	8,903	312.4	2.7	0	0.0	0.0	8,903	312.4	2.2
Other countries	29,626	1,039.7	9.0	0	0.0	0.0	29,626	1,039.7	7.5
Structure of capital by sector									
Agriculture, hunting, and forestry	1,706	59.9	0.5	0	0.0	0.0	1,706	59.9	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	159,052	5,581.6	48.1	0	0.0	0.0	159,052	5,581.6	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	2,859	100.3	0.9	0	0.0	0.0	2,859	100.3	0.7
Wholesale and retail trade, repairs of motor vehicles	50,634	1,776.9	15.3	0	0.0	0.0	50,634	1,776.9	12.7
Hotels and restaurants	1,942	68.1	0.6	0	0.0	0.0	1,942	68.1	0.5
Transport, storage, post and telecommunications	35,905	1,260.0	10.9	0	0.0	0.0	35,905	1,260.0	9.0
Financial intermediation	18,275	641.3	5.5	66,644	2,338.7	100.0	84,919	2,980.0	21.4
Real estate, renting and business activities	13,959	489.9	4.2	0	0.0	0.0	13,959	489.9	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	1,490	52.3	0.5	0	0.0	0.0	1,490	52.3	0.4
Other community, social, and personal services	1,485	52.1	0.4	0	0.0	0.0	1,485	52.1	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	206,384	7,242.6	62.4	65,202	2,288.1	97.8	271,586	9,530.7	68.3
Trnava region	23,869	837.6	7.2	0	0.0	0.0	23,869	837.6	6.0
Trenčín region	17,317	607.7	5.2	0	0.0	0.0	17,317	607.7	4.4
Nitra region	12,707	445.9	3.8	0	0.0	0.0	12,707	445.9	3.2
Žilina region	19,147	671.9	5.8	950	33.3	1.4	20,097	705.3	5.1
Banská Bystrica region	9,506	333.6	2.9	492	17.3	0.7	9,998	350.9	2.5
Prešov region	7,029	246.7	2.1	0	0.0	0.0	7,029	246.7	1.8
Košice region	34,849	1,222.9	10.5	0	0.0	0.0	34,849	1,222.9	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

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	1,609	-278	19,281	545.26	49.88	81.48	676.62
2005 ³⁾	19,184	391	387	19,962 ⁴⁾	673.22	12.79	-66.47	619.54 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	4	12	543 ⁴⁾	18.50	0.13	-1.77	16.86 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	1,580	82	19,808	551.22	48.98	94.92	695.12
2005 ³⁾	19,711	395	399	20,505 ⁴⁾	691.72	12.92	-68.24	636.40 ⁴⁾

Note: The data for 2004 – 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 September.


Outflow of Foreign Direct Investment¹⁾ During January to September 2005

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 30.581									
Outflow of FDI (equity capital + reinvested earnings) in total	391	12.8	100.0	4	0.1	100.0	395	12.9	100.0
Structure of capital by country of investment									
Czech Republic	474	15.5	121.2	5	0.2	125.0	479	15.7	121.3
Ukraine	58	1.9	14.8	0	0.0	0.0	58	1.9	14.7
Belgium	22	0.7	5.6	0	0.0	0.0	22	0.7	5.6
Ethiopia	16	0.5	4.1	0	0.0	0.0	16	0.5	4.1
Croatia	15	0.5	3.8	-1	0.0	-25.0	14	0.5	3.5
Serbia and Montenegro	10	0.3	2.6	0	0.0	0.0	10	0.3	2.5
Switzerland	6	0.2	1.5	0	0.0	0.0	6	0.2	1.5
Russia	2	0.1	0.5	0	0.0	0.0	2	0.1	0.5
Bulgaria	2	0.1	0.5	0	0.0	0.0	2	0.1	0.5
India	1	0.0	0.3	0	0.0	0.0	1	0.0	0.3
Other countries	-215	-7.0	-55.0	0	0.0	0.0	-215	-7.0	-54.4
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	58	1.9	14.8	0	0.0	0.0	58	1.9	14.7
Manufacturing	50	1.6	12.8	0	0.0	0.0	50	1.6	12.7
Electricity, gas, and water supply	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Construction	-255	-8.3	-65.2	0	0.0	0.0	-255	-8.3	-64.6
Wholesale and retail trade, repairs of motor vehicles	-12	-0.4	-3.1	0	0.0	0.0	-12	-0.4	-3.0
Hotels and restaurants	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Transport, storage, post and telecommunications	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Financial intermediation	693	22.7	177.2	4	0.1	100.0	697	22.8	176.5
Real estate, renting and business activities	-143	-4.7	-36.6	0	0.0	0.0	-143	-4.7	-36.2
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	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	595	19.5	152.2	4	0.1	100.0	599	19.6	151.6
Trnava region	-3	-0.1	-0.8	0	0.0	0.0	-3	-0.1	-0.8
Trenčín region	18	0.6	4.6	0	0.0	0.0	18	0.6	4.6
Nitra region	-3	-0.1	-0.8	0	0.0	0.0	-3	-0.1	-0.8
Žilina region	8	0.3	2.0	0	0.0	0.0	8	0.3	2.0
Banská Bystrica region	-237	-7.7	-60.6	0	0.0	0.0	-237	-7.7	-60.0
Prešov region	3	0.1	0.8	0	0.0	0.0	3	0.1	0.8
Košice region	10	0.3	2.6	0	0.0	0.0	10	0.3	2.5

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	1,609	49.9	100.0	-29	-0.9	100.0	1,580	49.0	100.0
Structure of capital by country of investment									
Czech Republic	1,292	40.1	80.3	-29	-0.9	100.0	1,263	39.2	79.9
Ethiopia	276	8.6	17.2	0	0.0	0.0	276	8.6	17.5
The Netherlands	196	6.1	12.2	0	0.0	0.0	196	6.1	12.4
Ukraine	121	3.8	7.5	0	0.0	0.0	121	3.8	7.7
Russia	112	3.5	7.0	0	0.0	0.0	112	3.5	7.1
India	58	1.8	3.6	0	0.0	0.0	58	1.8	3.7
Cyprus	49	1.5	3.0	0	0.0	0.0	49	1.5	3.1
Brazil	26	0.8	1.6	0	0.0	0.0	26	0.8	1.6
Switzerland	7	0.2	0.4	0	0.0	0.0	7	0.2	0.4
Romania	4	0.1	0.2	0	0.0	0.0	4	0.1	0.3
Other countries	-532	-16.5	-33.1	0	0.0	0.0	-532	-16.5	-33.7
Structure of capital by sector									
Agriculture, hunting, and forestry	7	0.2	0.4	0	0.0	0.0	7	0.2	0.4
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Mineral raw materials extraction	-51	-1.6	-3.2	0	0.0	0.0	-51	-1.6	-3.2
Manufacturing	969	30.0	60.2	0	0.0	0.0	969	30.0	61.3
Electricity, gas, and water supply	1	0.0	0.1	0	0.0	0.0	1	0.0	0.1
Construction	-86	-2.7	-5.3	0	0.0	0.0	-86	-2.7	-5.4
Wholesale and retail trade, repairs of motor vehicles	744	23.1	46.2	0	0.0	0.0	744	23.1	47.1
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	-14.9	-29	-0.9	100.0	-269	-8.3	-17.0
Real estate, renting and business activities	269	8.3	16.7	0	0.0	0.0	269	8.3	17.0
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	1,032	32.0	64.1	-29	-0.9	100.0	1,003	31.1	63.5
Trnava region	-46	-1.4	-2.9	0	0.0	0.0	-46	-1.4	-2.9
Trenčín region	867	26.9	53.9	0	0.0	0.0	867	26.9	54.9
Nitra region	-2	-0.1	-0.1	0	0.0	0.0	-2	-0.1	-0.1
Žilina region	-77	-2.4	-4.8	0	0.0	0.0	-77	-2.4	-4.9
Banská Bystrica region	12	0.4	0.7	0	0.0	0.0	12	0.4	0.8
Prešov region	95	2.9	5.9	0	0.0	0.0	95	2.9	6.0
Košice region	-272	-8.4	-16.9	0	0.0	0.0	-272	-8.4	-17.2

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

1) Equity capital + reinvested earnings.



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

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 32.221									
Total volume of FDI outward (equity capital + reinvested earnings)	19,962	619.5	100.0	543	16.9	100.0	20,505	636.4	100.0
Structure of capital by country of investment									
Czech Republic	9,299	288.6	46.6	497	15.4	91.5	9,796	304.0	47.8
United Kingdom	2,283	70.9	11.4	0	0.0	0.0	2,283	70.9	11.1
Ukraine	1,343	41.7	6.7	0	0.0	0.0	1,343	41.7	6.5
Ireland	1,180	36.6	5.9	0	0.0	0.0	1,180	36.6	5.8
Hungary	1,097	34.0	5.5	0	0.0	0.0	1,097	34.0	5.3
Poland	880	27.3	4.4	0	0.0	0.0	880	27.3	4.3
Luxembourg	808	25.1	4.0	0	0.0	0.0	808	25.1	3.9
Austria	620	19.2	3.1	0	0.0	0.0	620	19.2	3.0
Russia	511	15.9	2.6	0	0.0	0.0	511	15.9	2.5
Bosnia and Herzegovina	363	11.3	1.8	0	0.0	0.0	363	11.3	1.8
Other countries	1,578	49.0	7.9	46	1.4	8.5	1,624	50.4	7.9
Structure of capital by sector									
Agriculture, hunting and forestry	31	1.0	0.2	0	0.0	0.0	31	1.0	0.2
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Mining and quarrying	1,834	56.9	9.2	0	0.0	0.0	1,834	56.9	8.9
Manufacturing	8,155	253.1	40.9	0	0.0	0.0	8,155	253.1	39.8
Electricity, gas and water supply	1,268	39.4	6.4	0	0.0	0.0	1,268	39.4	6.2
Construction	152	4.7	0.8	0	0.0	0.0	152	4.7	0.7
Wholesale and retail trade, repairs of motor vehicles	1,975	61.3	9.9	0	0.0	0.0	1,975	61.3	9.6
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	3,648	113.2	18.3	543	16.9	100.0	4,191	130.1	20.4
Real estate, renting and business activities	2,557	79.4	12.8	0	0.0	0.0	2,557	79.4	12.5
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	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Other community, social and personal service activities	300	9.3	1.5	0	0.0	0.0	300	9.3	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	12,797	397.2	64.1	543	16.9	100.0	13,340	414.0	65.1
Trnava region	1,841	57.1	9.2	0	0.0	0.0	1,841	57.1	9.0
Trenčín region	1,626	50.5	8.1	0	0.0	0.0	1,626	50.5	7.9
Nitra region	34	1.1	0.2	0	0.0	0.0	34	1.1	0.2
Žilina region	557	17.3	2.8	0	0.0	0.0	557	17.3	2.7
Banská Bystrica region	1,292	40.1	6.5	0	0.0	0.0	1,292	40.1	6.3
Prešov region	651	20.2	3.3	0	0.0	0.0	651	20.2	3.2
Košice region	1,164	36.1	5.8	0	0.0	0.0	1,164	36.1	5.7

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)	19,281	676.6	100.0	527	18.5	100.0	19,808	695.1	100.0
Structure of capital by country of investment									
Czech Republic	8,629	302.8	44.8	481	16.9	91.3	9,110	319.7	46.0
United Kingdom	2,282	80.1	11.8	0	0.0	0.0	2,282	80.1	11.5
Ukraine	1,187	41.7	6.2	0	0.0	0.0	1,187	41.7	6.0
Ireland	1,136	39.9	5.9	0	0.0	0.0	1,136	39.9	5.7
Hungary	1,131	39.7	5.9	0	0.0	0.0	1,131	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	2.3
Bosnia and Herzegovina	363	12.7	1.9	0	0.0	0.0	363	12.7	1.8
Other countries	1,480	51.9	7.7	46	1.6	8.7	1,526	53.6	7.7
Structure of capital by sector									
Agriculture, hunting, and forestry	30	1.1	0.2	0	0.0	0.0	30	1.1	0.2
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Mineral raw materials extraction	1,666	58.5	8.6	0	0.0	0.0	1,666	58.5	8.4
Manufacturing	8,060	282.8	41.8	0	0.0	0.0	8,060	282.8	40.7
Electricity, gas, and water supply	1,230	43.2	6.4	0	0.0	0.0	1,230	43.2	6.2
Construction	414	14.5	2.1	0	0.0	0.0	414	14.5	2.1
Wholesale and retail trade, repairs of motor vehicles	1,862	65.3	9.7	0	0.0	0.0	1,862	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	2,942	103.2	15.3	527	18.5	100.0	3,469	121.7	17.5
Real estate, renting and business activities	2,996	105.1	15.5	0	0.0	0.0	2,996	105.1	15.1
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	38	1.3	0.2	0	0.0	0.0	38	1.3	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 regions									
Bratislava region	11,975	420.2	62.1	527	18.5	100.0	12,502	438.7	63.1
Tmava region	1,781	62.5	9.2	0	0.0	0.0	1,781	62.5	9.0
Trenčín region	1,507	52.9	7.8	0	0.0	0.0	1,507	52.9	7.6
Nitra region	39	1.4	0.2	0	0.0	0.0	39	1.4	0.2
Žilina region	562	19.7	2.9	0	0.0	0.0	562	19.7	2.8
Banská Bystrica region	1,653	58.0	8.6	0	0.0	0.0	1,653	58.0	8.3
Prešov region	619	21.7	3.2	0	0.0	0.0	619	21.7	3.1
Košice region	1,145	40.2	5.9	0	0.0	0.0	1,145	40.2	5.8

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

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