



NÁRODNÁ BANKA SLOVENSKA



Monetary Survey

May 2006

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**Abbreviations**

ARDAL	Agentúra pre riadenie dlhu a likvidity – Agency for Debt and Liquidity Management
BCPB	Burza cenných papierov v Bratislave – Bratislava Stock Exchange
CDCP SR	Centrálny depozitár cenných papierov SR – Central Securities Depository of the Slovak Republic
ECB	European Central Bank
EMU	Economic and Monetary Union
EU	European Union
Eurostat	Statistical Office of the European Communities
Fed	Federal Reserve System
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
SO SR	Statistical Office of the SR
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 May 2006, approved by the NBS Bank Board on 27 June 2006.



1 Introduction

Consumer prices, expressed in terms of the Harmonised Index of Consumer Prices (HICP), increased in comparison with the previous month by 0.5% in May. The 12-month rate of headline inflation reached 4.8%. Core inflation (excluding energy and unprocessed food prices) recorded a year-on-year rate of 2.2%.

Expressed in terms of the Consumer Price Index (CPI), consumer prices rose in comparison with the previous month by 0.4%. The 12-month headline and core inflation rates reached 4.8% and 2.8% respectively.

Real gross domestic product increased by 6.3% over the first quarter of 2006.

The M3 monetary aggregate (according to ECB methodology) grew month-on-month by Sk 9.8 billion in April, and its year-on-year dynamics weakened in comparison with March by 1 percentage point to 10.7%.

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 5.5 billion in April, while the year-on-year growth rate accelerated to 13.2%.

The average interest rate on new loans to non-financial corporations rose in April by 0.12 of a percentage point, to 5.52%, and that on new loans to households by 0.03 of a percentage point, to 11.27%. Over the same period, the average rate for new deposits from non-financial corporations increased by 0.16 of a percentage point, to 2.03%, and that for new household deposits rose by 0.02 of a percentage point, to 0.81%.

On 31 May 2006, the State Budget of the SR resulted in a deficit of Sk 11.7 billion.

The foreign exchange reserves of the NBS (at current exchange rates) reached USD 17.3 million in May. The volume of reserves at the end of the month was 5.0 times greater than the volume of average monthly imports of goods and services to Slovakia, over the first four months of 2006.

According to preliminary data, the balance of payments on current account for January to March 2006 resulted in a deficit of Sk 27.9 billion. Over the same period, the capital and financial account generated a surplus of Sk 39.7 billion. From January to April, the current account produced a deficit of Sk 43.2 billion and trade resulted in a shortfall of Sk 34.0 billion.

In May, the overall sterilisation position of the NBS vis-à-vis the banking sector stood at Sk 415.6 billion, representing a decrease of Sk 1.1 billion compared with the figure for April.



2 Inflation

2.1 Consumer Price Index

HICP Inflation

Harmonised Index of Consumer Prices

Consumer prices, expressed in terms of the Harmonised Index of Consumer Prices (HICP), increased month-on-month by 0.5% in May, with the prices of goods and services rising by 1.4% and 0.2% respectively. On a year-on-year basis, consumer prices rose by 4.8% (in April by 4.4%). Overall inflation excluding energy and unprocessed food prices (core inflation) reached 2.2%, compared with 2.0% in April. The average 12-month inflation rate for the period from June 2005 to May 2006 was 3.5%. In May, HICP inflation was somewhat higher than expected by the NBS.

Table 1 Harmonised Index of Consumer Prices (year-on-year changes in %)

	2005 Dec.	2006 Jan.	2006 Feb.	2006 Mar.	2006 Apr.	2006 May
Total	3.9	4.1	4.3	4.3	4.4	4.8
Goods	3.7	4.1	4.5	4.7	4.8	5.4
Industrial goods	6.0	6.8	6.8	6.7	6.6	7.0
Non-energy industrial goods	-0.9	-0.4	-0.5	-0.4	0.0	0.3
Energy	15.5	16.4	16.6	16.3	15.4	16.1
Foodstuffs	-0.3	-0.3	0.6	1.3	1.7	2.6
Processed food (including alcohol and tobacco)	-1.6	-1.0	-0.1	0.4	0.3	0.8
Unprocessed food	2.7	1.3	2.1	2.9	4.3	5.8
Services	4.2	3.9	3.8	3.6	3.6	3.7
Total, excl. energy and unprocessed food (core inflation)	1.2	1.7	1.8	1.8	2.0	2.2
Total, excluding energy	1.4	1.5	1.7	1.8	2.1	2.4

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

Continuing increase in food and fuel prices

Goods prices again recorded a marked increase in year-on-year dynamics, which took place mostly in the prices of foodstuffs and fuels. Within the scope of food prices, steeper year-on-year increases occurred in both processed food prices (bread and other bakery products, non-alcoholic beverages) and unprocessed food prices (fruit and vegetables). The prices of non-energy industrial goods rose only slightly on a year-on-year basis. Energy prices showed stronger year-on-year dynamics, due to a marked increase in fuel prices.

Slight increase in the year-on-year dynamics of services prices

The dynamics of services prices accelerated somewhat on a year-on-year basis, mainly due to steeper increases in prices for services related to transport, recreation, and personal services. On the other hand, a slight slowdown in year-on-year dynamics was recorded in prices for services related to dwelling.

Consumer expectations regarding inflation

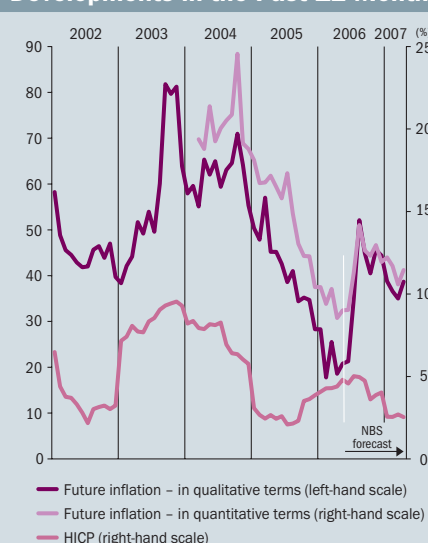
May saw a slight increase in the assessment by consumers of the actual level of price inflation. In answer to questions about the previous course of inflation, the respondents gave an average value of 11.92% (11.37% in the previous month). When asked about the expected rate of inflation in the next 12 months, the respondents gave an average value of 11.46%, representing an increase in comparison with the previous month (10.58%).

Chart 1 HICP Inflation and Its Main Components (%)



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

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



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

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

CPI Inflation

Consumer prices increased month-on-month by 0.4% in May, due to a rise in core inflation and stagnation in regulated prices. The 12-month rate of headline inflation reached 4.8% (compared with 4.5% in April) and that of core inflation 2.8% (2.4% in the previous month). The average year-on-year inflation rate for the first five months of the year was 4.5%.

Consumer Price Index

2.2 Producer Prices in April 2006

Industrial producer prices for the domestic market rose month-on-month by 0.7% in April (as in the previous month), due to increases in all three basic price components.

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

Despite a month-on-month rise in April, industrial producer prices recorded a slight increase in year-on-year dynamics in comparison with the previous month (0.1 of a percentage point, to 9.8%). This was caused by a slower year-on-year increase in manufacturing products prices. An important factor was the base effect of the sharp rise in refined oil products prices in April 2005. The prices of electricity, gas, steam, hot water, and mineral raw materials increased year-on-year at a faster rate than in the previous month.

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

The marked increase in energy prices in April was again caused by prices for gas production and the distribution of gaseous fuels by pipeline, which rose year-on-year

Table 2 Consumer Prices in May 2006

	Comparative change	
	April 2006	May 2005
Total in %	0.4	4.8
Regulated prices in %	0.0	11.3
- Share of total, in percentage points ¹⁾	0.01	-
Impact of changes in indirect taxes on non-regulated prices		
- Share of total, in percentage points ¹⁾	0.00	-
Core inflation in %	0.5	2.8
- Share of total, in percentage points ¹⁾	0.39	-
of which: Food prices in %	1.5	1.8
- Share of total, in percentage points ¹⁾	0.23	-
Tradable goods in % ¹⁾	0.3	0.7
- Share of total, in percentage points ¹⁾	0.10	-
Tradable goods, excluding fuels, in % ¹⁾	-0.2	-1.0
- Share of total, in percentage points ¹⁾	-0.06	-
Fuels in % ¹⁾	4.8	15.0
- Share of total, in percentage points ¹⁾	0.16	-
Market services in % ¹⁾	0.2	6.2
- Share of total, in percentage points ¹⁾	0.06	-
Net inflation (excluding the impact of changes in indirect taxes) in %	0.3	3.1
- Share of total, in percentage points ¹⁾	0.16	-
Net inflation, excluding fuel prices (excluding the impact of changes in indirect taxes) in %¹⁾	0.0	2.4
- Share of total, in percentage points ¹⁾	0.00	-

Source: Statistical Office of the SR, and NBS.

Notes: Net inflation – includes the price increases in tradable goods, excluding food 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; however, 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 3 Producer Price Developments in April 2006

(%)

	Month-on-month change		Year-on-year change			
	Mar. 2006	Apr. 2006	Mar. 2006	Apr. 2006	Average since the beginning of 2006	Apr. 2005
Industrial producer prices (for the domestic market)	0.7	0.7	9.9	9.8	9.6	3.5
– Prices of manufacturing products	0.1	0.6	2.2	1.7	2.0	3.3
– Prices of mining and quarrying products	1.8	0.3	45.9	46.5	43.9	-2.7
– Prices of electricity, gas, steam, and hot water	1.1	0.8	17.8	18.1	17.4	4.3
Industrial producer prices (for export)	-0.6	1.2	3.9	1.9	3.3	10.1
– Prices of manufacturing products	-0.7	1.3	3.9	1.9	3.4	10.1
Construction prices	0.4	0.5	3.9	4.3	3.9	4.9
Building materials prices	0.1	0.3	0.7	1.3	1.0	7.3
Agricultural prices	–	–	-2.2	-1.9	-1.7	1.1
– Prices of plant products	–	–	-10.9	-8.3	-11.0	-18.3
– Prices of animal products	–	–	-0.8	-1.2	-0.1	4.1

Source: Statistical Office of the SR.

by 33.8% (a slowdown of 0.5 of a percentage point compared with March). Prices for the production and supply of steam and hot water increased year-on-year by 0.4 of a percentage point in comparison with March (to 20.5%) and the price of electricity rose by 0.5 of a percentage point (to 9.7%).

In April, manufacturing products prices increased year-on-year at a slower rate than in the previous month, due primarily to a slowdown in the rate of increase in refined oil products prices (by 11.1 percentage points, to 18.6%). The prices of other non-metal mineral products, paper goods, chemicals, rubber and plastic products also rose somewhat on a year-on-year basis. On the other hand, the prices of food products (falling by 1.1%), base metals and finished metal products (falling by 0.6%) continued to have an anti-inflationary effect in April.

Prices of manufacturing products for export

The prices of manufacturing products for export increased month-on-month by 1.3% in April. Their year-on-year dynamics weakened in comparison with March by 2 percentage points, to 1.9%.

In April 2006, the export prices of refined oil products increased by 26.8%, representing a slowdown of 15.1 percentage points compared with the previous month (due partly to the base effect of a marked year-on-year increase in the export prices of refined oil products a year earlier in April). A marked year-on-year rise was again recorded in the export prices of electrical and optical equipment (21.7%). Modest increases were also recorded in the export prices of machinery and equipment, paper goods, wood and wooden products, and textile products. At the same time, sharper year-on-year drops were recorded in the export prices of transport vehicles (7.5% in April) and base metals and finished metal products (7.3% in April). A slight anti-inflationary effect was produced by the export prices of chemical products, foodstuffs, other non-metal mineral products, and leather goods.

The export prices of refined oil products rose more significantly than domestic prices, which is connected with the fact that export prices follow the trend in world market prices relatively closely, while domestic prices are also affected markedly by the domestic competitive environment and the related commercial policy of producers.

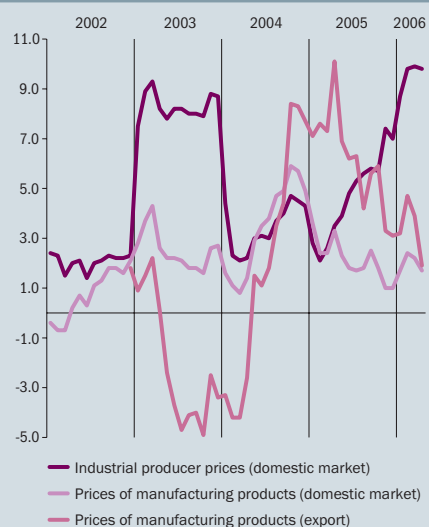
Agricultural prices

Agricultural prices fell year-on-year by an average of 1.9% in April, due to drops in the prices of plant products (8.3%) as well as animal products (1.2%).

The April fall in plant products prices was caused by drops in the prices of oil-seeds (10.5%, with the price of sunflower falling by 18.5%), cereals (9.1%), legumes (7.2%), and fruit (0.6%). Vegetable prices increased by 2.1% and potato prices by 0.2%.

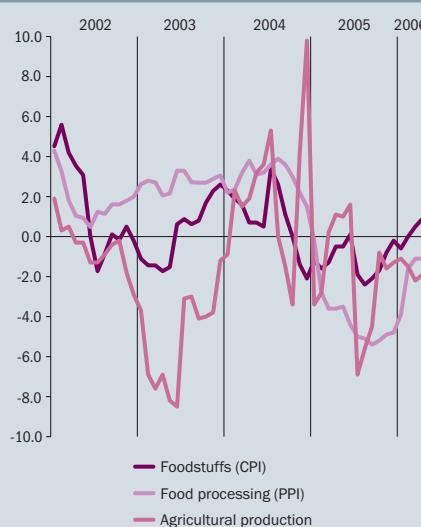
The continued year-on-year fall in animal products prices in April was caused by drops in the prices (for live animals) of poultry (8.4%), fish (7.9%), pork (0.8%), and unpasteurised cow milk (1.3%). The fall in animal products prices was moderated in April by an increase in the prices of mutton and lamb, beef and veal (live animals), and eggs.

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.

Industrial producer prices are expected to be influenced in May 2006 by the rising oil and energy prices on the world markets and the continuing appreciation of the Slovak koruna against the US dollar. Among industrial producer prices, food prices are expected to remain slightly below the level of the same period a year earlier and will have an anti-inflationary effect. On the contrary, an inflationary effect may be caused by the marked year-on-year fall in the prices of refined oil products in May 2005. In May 2006, energy prices will probably show weaker dynamics than in the previous month. Owing to external and internal cost factors, industrial producer prices are expected to stagnate or accelerate somewhat on a year-on-year basis in May.

On the basis of agrarian market news, the year-on-year fall in cereal prices is expected to moderate in May 2006, as a result of continuing intervention purchases. The prices of animal products will probably fall as a result of expected drops in the prices of pork and poultry (live animals). In line with these assumptions, agricultural prices are expected to fall slightly on a year-on-year basis in May.



3 Factors Affecting the Course of Inflation

The year-on-year growth rate of the M3 monetary aggregate slowed in April, in line with the decelerating growth in the receivables of monetary financial institutions (MFIs) from the resident private sector.

3.1 Monetary Aggregates

M3 Monetary Aggregate

Slowdown in the 12-month growth dynamics of M3

The M3 monetary aggregate (according to ECB methodology) grew in volume by Sk 9.8 billion compared with the previous month, to Sk 860.8 billion at the end of April. After strengthening for several months, the year-on-year dynamics of M3¹ weakened by 1 percentage point, to 10.7%.

The main factor moderating the dynamics of the M3 aggregate was a smaller increase in deposits with an agreed maturity of up to two years in comparison with the same period a year earlier. The growth in M3 was also dampened by an outflow of resources from money market funds.

Table 4 Year-on-Year Growth Rates of M3 Monetary Aggregate (ECB methodology) (%)

	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.
Year 2004	6.4	9.9	6.9	11.1	8.6	14.0	5.8	11.9	13.3	13.6	12.7	15.0
Year 2005	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	6.3	7.8
Year 2006	9.9	10.5	11.7	10.7	.	.	.	.	.	.	.	.

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

1) Revised data.

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

	Volume in billions of Sk ¹⁾			Year-on-year change in %	
	Apr. 2005	Mar. 2006	Apr. 2006	Mar. 2006	Apr. 2006
Currency in circulation	105.2	130.4	131.9	26.8	25.3
Deposits and loans taken, repayable on demand	298.7	365.9	364.2	18.8	21.9
M1	403.9	496.3	496.1	20.8	22.8
Deposits and loans taken, with an agreed maturity of up to 2 years	309.9	296.5	309.3	2.7	-0.2
Deposits redeemable at a period of notice of up to 3 months	16.3	14.1	13.7	-15.2	-15.9
M2	730.2	806.9	819.1	12.7	12.2
Money market fund shares/units	44.0	43.1	40.8	1.5	-7.1
Repo operations	2.1	0.5	0.5	-	-
Debt securities issued with a maturity of up to 2 years	1.0	0.5	0.4	-	-
M3	777.2	851.0	860.8	11.7	10.7

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

Fall in M1 and growth in M2; continuing growth in deposits and loans taken with an agreed maturity of up to 2 years

The most liquid M3 components remained virtually unchanged in comparison with March. Currency in circulation increased by Sk 1.5 billion, while deposits and received loans repayable on demand recorded a month-on-month decrease of Sk 1.7 billion.

The main factor in the M3 growth was a further marked increase in deposits and loans taken with an agreed maturity of up to 2 years (Sk 12.8 billion). The volume of M3 was slightly reduced by a fall in deposits redeemable at a period of notice of up to 3 months (Sk 0.4 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.

Of the less liquid M3 components, a contribution to the slowdown in M3 growth came from debt securities issued with a maturity of up to 2 years (a decrease of Sk 0.1 billion) and money market fund shares/units (a decrease of Sk 2.3 billion).

Investment Through Open-End Investment Funds

The net value of Sk-denominated assets held by open-end investment funds (OIFs) had increased to Sk 115.7 billion by the end of May. During May, the outflow of resources from funds moderated significantly in comparison with the previous month (Sk -0.1 billion).

The net sales of koruna funds (money and bond funds) reached Sk 3.1 billion in May. The net sales of umbrella funds continued to grow (by Sk 2.4 billion), as well as those of equity funds (by Sk 0.3 billion), mixed funds (Sk 0.2 billion), and other funds (Sk 0.1 billion). Their total monthly increase reached Sk 3.0 billion, which, however, was not large enough to compensate for the above-mentioned decline in koruna funds.

The total monthly net sales of OIFs reached a negative value in May, for the second consecutive month. For the first time, OIFs recorded negative net sales in both Slovak koruna and foreign currency, i.e. the repurchase transactions of OIFs exceeded their sales if compared irrespective of their denomination.

Rise in the net value of assets, accompanied by a fall in the net sales of open-end investment funds

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

	Year	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.	CUM.
OIF sales 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	1.3	35.3
	2006	1.3	-0.4	0.7	-1.8	-0.1	.	.	.	.	.	.	.	-0.2
OIF sales 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	0.28	2.56
	2006	0.43	0.85	0.44	0.16	-0.02	.	.	.	.	.	.	.	1.87

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

Chart 5 Monthly Net Sales of OIFs in Slovakia
(Sk billions)



Source: NBS calculations based on data from SASS.

Main M3 Counterparts

The total volume of MFI receivables from residents (including securities issued by clients and held by MFIs) increased month-on-month by Sk 5.5 billion in April. The increase took place in receivables from the private sector (Sk 8.0 billion), which grew in the same period a year earlier by Sk 8.4 billion. The receivables of MFIs from the public sector decreased by Sk 2.5 billion, while the volume of securities issued by the general government remained unchanged. The year-on-year rate of growth in total MFI receivables from residents accelerated in comparison with March by 0.9 of a percentage point, to 13.2%.

As a result of the successful privatisation of Slovak Power Plants (at the end of April, Enel paid the FNM 80% of the agreed price in payment for a majority stake in the corporation), deposits and loans taken from the central government increased by Sk 25.0 billion.

In April, the receivables of MFIs from the private sector (including securities) recorded a month-on-month increase of Sk 8.0 billion, which was less than in the previous month (Sk 12 billion). Bank receivables

Growing dynamics of MFI receivables (including securities) from residents

Continuing growth in MFI receivables from the private sector

increased by Sk 8.1 billion and the volume of securities issued by the private sector decreased by Sk 0.1 billion.



Table 7 Main Counterparts of M3 (ECB methodology)

	Volume in billions of Sk ¹⁾			Year-on-year change in %	
	Apr. 2005	Mar. 2006	Apr. 2006	Mar. 2006	Apr. 2006
Net foreign assets	338.2	297.2	318.4	-7.6	-5.9
Foreign assets	636.6	598.7	597.7	-4.8	-6.1
Foreign liabilities	298.5	301.5	279.3	-1.9	-6.4
Receivables of MFIs from residents (incl. securities)	707.0	794.5	800.0	12.3	13.2
Receivables from the general government	264.7	250.0	247.5	-8.7	-6.5
Receivables from the private sector	442.3	544.5	552.5	25.5	24.9
Deposits and loans taken from central government	98.7	79.5	104.5	-20.5	5.8
Long-term financial liabilities (excl. capital and reserves)	94.7	107.9	108.7	11.4	14.8
Deposits and loans taken, with an agreed maturity of over 2 years	52.7	59.8	60.4	13.5	14.7
Deposits redeemable at over 3 months' notice	29.5	26.9	26.6	-10.3	-10.0
Debt securities issued with a maturity of over 2 years	12.5	21.2	21.7	49.5	73.8
Other items net	74.5	53.3	44.4	-24.1	-40.4
Capital, reserves, and provisions	103.2	84.0	73.4	-11.5	-28.9
Other liabilities	50.1	48.4	53.8	-6.5	7.5
Surplus of liabilities among MFIs	0.7	0.5	-0.2	-	-
Fixed assets	34.5	33.4	33.2	-3.2	-3.6
Other assets	44.9	46.3	49.4	13.0	9.9
M3	777.2	851.0	860.8	11.7	10.7

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.

The increase in MFI receivables from the private sector (excluding securities) reached Sk 8.1 billion, and took place in MFI receivables from households (Sk 4.9 billion), non-financial corporations (Sk 2.3 billion), and financial corporations (Sk 1.0 billion).

The total month-on-month increase in MFI receivables from households mostly took place in house purchase loans (an increase of Sk 2.9 billion), while consumer loans grew by Sk 0.5 billion and other loans by Sk 1.5 billion.

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

	Volume in billions of Sk ¹⁾			Year-on-year change in %	
	Apr. 2005	Mar. 2006	Apr. 2006	Mar. 2006	Apr. 2006
MFI receivables from the private sector (incl. securities)	442.3	544.5	552.5	25.5	24.9
of which: Securities issued by the private sector	16.9	14.6	14.5	-7.3	-13.9
MFI receivables (excluding securities)	425.4	529.8	538.0	27.1	26.5
Non-financial corporations	241.6	281.9	284.2	19.0	17.7
- up to 1 year	104.1	118.8	119.0	18.8	14.2
- 1 to 5 years	54.1	55.2	55.1	-3.1	1.9
- over 5 years	83.3	108.0	110.1	34.8	32.2
Financial corporations	43.7	56.3	57.3	28.2	31.2
Insurance corporations and pension funds	0.0	0.0	0.0	0.0	-
Households and non-profit institutions serving households	140.2	191.6	196.5	40.8	40.2
- consumer loans	20.5	31.0	31.4	58.1	53.2
- house purchase loans	93.1	125.6	128.5	38.0	38.1
- other loans	26.6	35.0	36.5	37.4	37.4

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

Bank lending to households continued to be dominated by loans for house purchase. The share of consumer loans and other loans was substantially smaller. The structure of loans was relatively stable and virtually stagnant on a month-on-month basis.

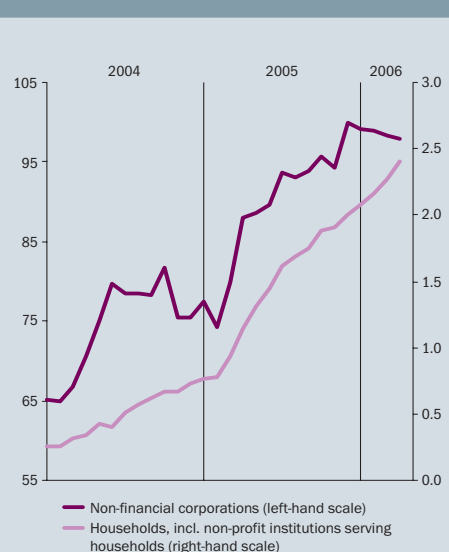
Loans to households

Table 9 Survey of MFI Receivables from the Resident Private Sector (excl. securities)

	Volume (Sk billion)	Change since the beginning of the year (Sk billion)	
	Apr. 2006	Apr. 2005	Apr. 2006
MFI receivables (excl. securities)	538.0	27.7	30.5
Non-financial corporations	284.2	16.3	12.8
– loans in Slovak koruna	186.3	3.7	14.9
– loans in foreign currency	97.9	12.6	-2.1
Financial corporations (other financial intermediaries and auxiliary financial institutions)	57.3	-0.5	2.3
– loans in Slovak koruna	43.8	-1.4	0.8
– loans in foreign currency	13.4	0.9	1.4
Insurance corporations 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	196.5	12.0	15.5
– loans in Slovak koruna	194.1	11.5	15.1
– loans in foreign currency	2.4	0.4	0.4
of which: Consumer loans	31.4	0.6	6.6
– loans in Slovak koruna	31.3	0.5	6.6
– loans in foreign currency	0.1	0.1	0.0
House purchase loans	128.5	5.2	9.6
– loans in Slovak koruna	127.3	4.8	9.4
– loans in foreign currency	1.2	0.2	0.2
Other loans	36.5	6.2	-0.8
– loans in Slovak koruna	35.4	6.1	-1.0
– loans in foreign currency	1.1	0.0	0.2

Source: NBS.

**Chart 6 Loans in Foreign Currency
(Sk billions)**



Source: NBS.

The strongest growth dynamics were shown by consumer loans (53.2%)². House purchase loans and other loans showed approximately the same dynamics, ranging from 37% to 38% in April.

The volume of loans granted to non-financial corporations in foreign currency decreased slightly in April. The most significant drops occurred in bank receivables in euros, but those in other foreign currencies also decreased. The year-on-year rate of growth in foreign-currency loans slowed, from 23.2% in

² The differences between the years 2004 and 2006 can be explained by the shift of non-specific consumer loans (for it is impossible to detect the purpose for which they are used) from the 'consumer loans' category to that of 'other loans', and the introduction of a new product (American mortgages) on the banking market in 2005. According to the existing categorisation, banks were instructed to include this product in the 'other loans' category. With effect from 2006, 'American mortgages' (in the case of which the purpose is detected by the bank) are classified according to purpose (as consumer loans or housing loans). Non-specific loans are stated in a separate line within the scope of 'other loans' so that the interest rate is not distorted.



March to 11.3% in April, while hovering around the level of 20% in the long term. Loans to households in foreign currency grew only slightly in April.

The share of euro loans is relatively stable in the long term: it remained virtually unchanged in April even in the non-financial corporations and household sectors.

Current Budgetary Developments

Budgetary performance in May deteriorated considerably in comparison with April. The State budget resulted in a deficit of Sk 11.7 billion, compared with a surplus of Sk 0.2 billion at the end of April 2006. This was mainly due to a steeper month-on-month increase in budget expenditure (Sk 28.2 billion), while revenue grew by Sk 16.3 billion.

SR Treasury bills The Ministry of Finance of the SR issued, in accordance with its issuing schedule, SR Treasury bills for its own portfolio (on 31 May 2006). The issue had a total value of Sk 32 billion and a maturity of 364 days. Unlike in the previous year, Treasury bills will not be placed into banking sector via auctions. The Agency for Debt and Liquidity Management (ARDAL) will conduct individual repo transactions as the need arises, depending on developments in the State budget.

The second Treasury-bill issue planned for this year is to be launched on 16 August 2006, in the total amount of Sk 30 billion. This issue is also planned to be made for the issuer's portfolio.

3.2 External Trade

Balance of Payments for March and the First Quarter of 2006

Current account The trade deficit produced in March amounted to Sk 4.3 billion, representing an improvement in comparison with the previous month. On the other hand, the balance of services, as well as the income and current transfers balances, deteriorated slightly on a month-on-month basis, and thus contributed to a current account deficit of Sk 9.1 billion in March 2006.

The deficit in the b.o.p. current account increased year-on-year by Sk 20.2 billion over the first quarter of 2006. The year-on-year increase in the deficit took place in all current account components, with the strongest contribution coming from a deterioration in the trade and income balances. The increase in the current account deficit was also supported by a year-on-year decrease in the services balance surplus and in part a change in the balance of current transfers, from a modest surplus to a deficit.

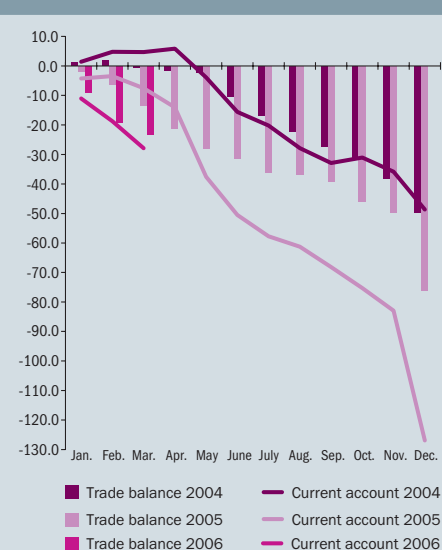
Table 10 Balance of Payments Current Account				(Sk billions)
	March 2006	March 2005	Jan. – Mar. 2006	Jan. – Mar. 2005
Balance of trade	-4.3	-7.2	-23.4	-13.4
Exports	100.7	77.0	267.1	214.0
Imports	105.0	84.2	290.5	227.4
Balance of services	0.0	3.4	2.0	5.3
Balance of income	-3.5	-1.1	-6.2	-0.2
of which: Income from investment	-5.9	-3.6	-13.1	-7.9
of which: Reinvested earnings	-3.4	-2.4	-10.2	-7.2
Current transfers	-1.3	0.7	-0.3	0.6
Current account in total	-9.1	-4.2	-27.9	-7.7
Current account as a share of the GDP in %	–	–	-7.6	-2.3

Source: NBS and Statistical Office of the SR.

In comparison with the same period a year earlier, exports increased by 24.8% during the first quarter of 2006 (16.8% in USD and 27.6% in EUR) and imports grew by 27.7% (19.5% in USD and 30.6% in EUR).

In March, foreign trade recorded an increase in export dynamics, which exceeded the 30% level for the first time this year, while import dynamics continued to weaken. Within the scope of exports, the most significant increases occurred in chemical products and semi-finished goods (iron and steel products) and machines (television sets, motor vehicles), which accounted for roughly two-thirds of the increase in dynamics. In addition to these two categories, raw materials exports also increased. In import, the

Chart 7 Balance of Trade and Current Account Developments (cumulative figures) (Sk billions)



Source: NBS and the Statistical Office of the SR.

trend from the previous months continued, while the slowdown in year-on-year dynamics was only supported by raw materials. After several months, trading in raw materials underwent a change, when imports decreased by Sk 1.2 billion and exports increased by Sk 2.4 billion, while the previous months saw the opposite trend, which caused the trade deficit to deepen.

In comparison with the same period a year earlier, the most significant increase took place in machine exports in the first quarter of 2006. In the 'machinery and transport equipment' category, more than three-quarters of the year-on-year increase in exports took place in machinery (mainly in the exports of television sets and in smaller measure the exports of radiotelephone transmitters, boilers, etc.). The increase in machine exports within this category was supported by increased exports of transport vehicles, caused by the growing exports of motor vehicles and components. Year-on-year increases were also recorded in the exports of chemical products and semi-finished goods, and to a lesser extent in raw materials and finished products. In a breakdown by commodity, the steepest increases within the 'chemical products and semi-finished goods' category took place in the exports of plastics,

Exports

aluminium, iron and steel products, but the rate of growth in this category moderated in comparison with last year. On the other hand, faster growth than last year was recorded in raw materials exports, due mainly to growth in the exports of processed petroleum oils and natural gas (the growing exports of these commodities were in large part caused by price developments). The weakest year-on-year growth was recorded in the exports of finished products, due mainly to growth in furniture, sugar, and footwear exports.

Table 11 Exports from January to March, Year-on-Year Changes

	Year-on-year change in billions of Sk January – March		Proportion of the year-on-year change in % points January – March	
	2006	2005	2006	2005
Raw materials	7.0	3.4	3.3	2.0
Chemicals and semi-finished goods	12.2	14.8	5.7	8.7
Machinery and transport equipment	29.7	-7.2	13.9	-4.2
Finished products	4.1	0.0	1.9	0.0
Exports in total	53.0	11.0	24.8	6.4

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

Table 12 Imports from January to March, Year-on-Year Changes

	Year-on-year change in billions of Sk January – March		Proportion of the year-on-year change in % points January – March	
	2006	2005	2006	2005
Raw materials	18.6	10.6	8.2	5.8
Chemicals and semi-finished goods	10.2	7.0	4.5	3.8
Machinery and transport equipment	22.8	0.4	10.0	0.2
Finished products	11.5	5.5	5.1	3.0
of which: Agricultural and industrial goods	6.5	3.8	2.9	2.1
Passenger cars	0.6	0.4	0.3	0.2
Machines and electrical consumer goods	4.4	1.3	1.9	0.7
Imports in total	63.1	23.5	27.7	12.9

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



Imports Imports grew year-on-year mostly in the 'machinery and transport equipment' category, due to increased imports of machines for construction and industry (other lifting, handling, and loading equipment, electronic integrated circuits and microchips, wires, cables, etc.), as well as imports in the 'transport vehicles' category, mainly motor vehicle parts, components, and accessories, including engines and motor vehicles for freight transport. Strong growth was recorded in raw materials imports, 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). In the 'finished products' category, significant increases were mainly recorded in the imports of industrial products (pharmaceuticals, footwear, and furniture) and machines and electrical consumer goods. The imports of agricultural products also increased (mainly the imports of dairy products, fats, cocoa, etc.), but their year-on-year increase was smaller than last year. Year-on-year increases were also recorded in the imports of chemical products and semi-finished goods, which were mainly caused by growth in the imports of plastics, iron and steel, iron and steel products, copper, and wood.

Balance of services In the first quarter of 2006, the services balance generated a surplus of Sk 2.0 billion, representing a deterioration of Sk 3.3 billion compared with the same period in 2005. The main reason behind the smaller surplus was a decrease in the positive balance of tourism services, caused by a year-on-year fall in receipts, accompanied by an increase in expenses. The increased deficit in 'other services in total' was also supported by a year-on-year decrease in the surplus of services. The growth in deficit was mainly caused by an increased shortfall in financial services and a deterioration in other services (growth in payments for technical, intermediary, and computer engineering services). The deterioration in tourism services and 'other services in total' was partly offset by increased income from transport (caused by higher receipts from and lower payments for air passenger transport and increased receipts from the transit of gas). Within the balance of transport services, net income from other transport increased, while net income from freight railway transport decreased.

Income and current transfers balances Over the first three months of 2006, the income balance deteriorated on a year-on-year basis by Sk 6.0 billion, due to an increase in the shortfall of proceeds from investment. The increased deficit in proceeds from investment was caused by growth in the payments of reinvested earnings and increased interest payments on loans. The estimated payments of reinvested earnings grew by Sk 3.0 billion and interest payments increased by Sk 2.1 billion, while interest received from loans granted to non-residents decreased. The change in current transfers (from a surplus a year earlier to a deficit) resulted from conflicting developments, when the growth in net income from EU funds was accompanied by an increase in unilateral transfers made by legal entities and increased income and property tax payments abroad.

Capital and financial account In March 2006, the b.o.p. capital and financial account generated a surplus of Sk 40.3 billion, which was Sk 43.9 billion more than in the previous month. This increase was mostly caused by an issue of eurobonds by the government in the amount of Sk 37.6 billion. The inflow of funds was also supported by a change from outflow to inflow in foreign direct investment. Within the scope of other investments, this development on the assets side was eliminated by an increase in export receivables from trade credits and an increase in bank deposits on accounts abroad. On the liabilities side, other investments recorded an outflow of funds coming from NBS repo operations, which was, however, covered by an increase in import liabilities.

Over the first three months of 2006, the capital and financial account generated a surplus of Sk 39.7 billion (compared with Sk 117.1 billion in the same period a year earlier). The main reason behind the year-on-year decrease in the financial account surplus was the different development in short-term funds in the banking sector, where last February saw a marked increase in the volume of short-term non-resident deposits at Slovak banks.

Foreign direct investment From January to March 2006, foreign direct investment (FDI) resulted in a surplus of Sk 18.1 billion, representing a year-on-year increase of Sk 15.0 billion. The increase in the balance surplus was mainly generated by a foreign capital inflow into the SR through direct investment, which was Sk 15.8 billion larger this year. The growth in foreign direct investment was mainly caused by increased liability repayment by foreign parent companies and increased borrowing from parent companies abroad. The inflow of property capital also increased (by Sk 2.7 billion), with its volume reaching Sk 3.8 billion during the first quarter. The largest inflows were recorded in industry, real estate business, consulting, business activities, and financial intermediation.

Portfolio investment Portfolio investment resulted in a net inflow of Sk 39.9 billion, compared with a net inflow of Sk 7.8 billion a year earlier. The year-on-year increase (Sk 32.1 billion) was mainly caused by a new eurobond issue in March 2006 (amounting to Sk 37.6 billion), and was partly offset by a decrease in funds from long-term securities denominated in Slovak koruna. The lower outflow of funds on the assets side on a

Table 13 Balance of Payments Capital and Financial Account (Sk billions)				
	Mar. 2006	Mar. 2005	Jan. – Mar. 2006	Jan. – Mar. 2005
Capital account	-0.2	0.0	-0.3	-0.2
Direct investment	7.7	1.9	18.1	3.1
SR abroad	0.3	0.1	-1.2	-0.4
of which: Equity capital abroad	-0.2	0.0	-0.6	0.0
Reinvested earnings	-0.1	-0.1	-0.3	-0.3
In the SR	7.4	1.8	19.3	3.5
of which: Equity capital in the SR	2.6	0.4	3.8	1.1
of which: Other than privatisation	2.6	0.4	3.8	1.1
Reinvested earnings	3.5	2.5	10.5	7.5
Portfolio investment and financial derivatives	44.1	7.9	39.9	7.8
SR abroad	0.1	-5.8	-4.5	-14.8
In the SR	44.0	13.7	44.4	22.6
Other long-term investment	1.8	-1.9	15.5	-17.9
Assets	-0.7	-0.3	1.1	-0.4
Liabilities	2.5	-1.6	14.4	-17.5
Other short-term investment	-13.1	40.5	-33.5	124.3
Assets	-8.6	-4.5	-7.2	-9.0
Liabilities	-4.5	45.0	-26.3	133.3
Capital and financial account	40.3	48.4	39.7	117.1

Source: NBS.

year-on-year basis was a result of a fall in interest in foreign debt securities (on the part of enterprises as well as banks), which exceeded the growing interest in the purchase of equity securities.

In other investments, the first quarter of the year saw an outflow of funds in the amount of Sk 18.0 billion, compared with an inflow of Sk 106.4 billion in the same period a year earlier. The year-on-year change was connected with the non-standard inflow of short-term capital into the banking sector last year (deposits at banks) in both foreign and domestic currency, whereas the first three months of 2006 saw an outflow of funds from accounts held at Slovak banks.

Other investments

From the beginning of the year to the end of March, the outflow of short-term non-resident deposits from Slovak banks reached Sk 28.5 billion, compared with an inflow of Sk 88.9 billion in the same period a year earlier. The year-on-year change from an inflow of short-term deposits to an outflow was the main factor behind the capital outflow in the banking sector and contributed, along with the excess of repayment over drawing of financial credits (in the banking sector), to the year-on-year decline in other investments (Sk 152.9 billion). The increased inflow of funds last year exerted some pressure for appreciation in the Slovak koruna, which strengthened during last February by 1.4%, compared with 0.2% in the same period this year.

Activities in the corporate sector were mainly connected with the financing of trade activities. Over the first three months of 2006, the amount of export credit provided was slightly exceeded by that of import credit received, which led to an inflow of funds from trade credits in the amount of Sk 0.5 billion (the same period a year earlier saw an outflow of Sk 8.2 billion in trade activities). An inflow of funds

Table 14 Capital Inflow in the Form of Other Investment by Sector (Sk billions)			
	Jan. – Mar. 2006	Jan. – Mar. 2005	Year-on-year change
Banks	-20.4	132.5	-152.9
Enterprises	2.9	-10.0	12.9
Government and NBS	-0.5	-16.2	15.7
Total	-18.0	106.3	-124.3

Source: NBS.



(Sk 5.6 billion) was also achieved in financial credits to entrepreneurial entities, after an outflow of Sk 2.1 billion last year. The year-on-year change in the corporate sector caused the inflow of other investments to increase by Sk 12.9 billion.

Other investment in the government sector (including the NBS) resulted in an outflow of Sk 0.5 billion. The outflow decreased year-on-year by Sk 15.7 billion, in connection with the first liability instalment to ČSOB Praha in February 2005 (Sk 16.0 billion).

Foreign exchange reserves of the NBS

The foreign exchange reserves of the NBS increased by Sk 25.1 billion, i.e. USD 0.8 billion (excluding exchange rate differentials). The increase in reserves was caused by an issue of eurobonds (Sk 37.6 billion), and was offset partly by the negative balance of cross-border payments made on behalf of NBS clients.

Table 15 Balance of Payments Adjusted for Government and NBS Activities

(Sk billions)

	January – March 2006	
	Actual ¹⁾	Adjusted ²⁾
Current account	-27.9	-37.7
Capital and financial account	39.7	19.8
of which: FDI in Slovakia – equity capital	3.8	3.8
Items not elsewhere included	13.3	13.3
Interventions by the NBS ³⁾	–	0.0
Change in the net foreign assets of commercial banks (- increase)	–	4.6
Change in NBS reserves (- increase)	-25.1	–

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 balance of payment structure, interventions are part of the foreign exchange reserves of the NBS.

The current account deficit, which exceeded the inflow of funds into the corporate sector, led to a fall in net foreign assets in the banking sector.

External Debt of Slovakia at 31 March 2006

Gross external debt

At the end of March 2006, Slovakia's total gross external debt stood at USD 28.5 billion (EUR 23.6 billion), representing a month-on-month increase of USD 1,617.2 million (EUR 879.1 million). Total long-term foreign debt increased over the period under review by USD 1,417.3 million and total short-term foreign debt grew by USD 199.9 million.

Within the scope of long-term external debt, the period under review saw an increase in the foreign liabilities of the Government and NBS, resulting from an issue of foreign bonds in the amount of EUR

Table 16 External Debt of the SR

	In millions of USD			In millions of EUR		
	31.12.2005	28.2.2006	31.3.2006	31.12.2005	28.2.2006	31.3.2006
Total external debt of the SR	26,897.6	26,908.4	28,525.6	22,704.5	22,700.6	23,579.6
Long-term external debt	11,759.5	12,660.5	14,077.7	9,926.3	10,680.7	11,636.8
Government and NBS ¹⁾	5,578.3	5,699.5	6,856.2	4,708.7	4,808.2	5,667.4
Commercial banks	866.7	1,027.9	1,157.2	731.6	867.1	956.5
Entrepreneurial entities	5,314.5	5,933.1	6,064.3	4,486.0	5,005.4	5,012.9
Short-term external debt	15,138.1	14,247.9	14,447.9	12,778.2	12,019.9	11,942.8
Government and NBS	4.4	244.9	7.7	3.7	206.6	6.3
Commercial banks	9,360.4	8,425.9	8,448.9	7,901.2	7,108.3	6,984.0
Entrepreneurial entities	5,773.3	5,577.1	5,991.3	4,873.3	4,705.0	4,952.5
Foreign assets	25,455.3	25,582.4	27,149.1	21,487.2	21,582.0	22,441.8
Net external debt	1,442.3	1,326.0	1,376.5	1,217.3	1,118.6	1,137.8
SKK/USD and SKK/EUR rates	31.948	31.442	31.127	37.848	37.270	37.656
EUR/USD cross exchange rate	–	–	–	1.185	1.185	1.210

Source: NBS.

1) Including government agencies and municipalities.

1.0 billion (USD 1.2 billion). Within the commercial sector, the same period saw a modest increase in foreign liabilities (USD 260.5 million).

Short-term foreign debt recorded conflicting developments. The short-term foreign liabilities of the Government and the NBS decreased by USD 237.2 million, while the short-term foreign liabilities of the commercial sector increased by USD 437.2 million, of which the short-term foreign liabilities of entrepreneurial entities accounted for USD 414.2 million.

At the end of March 2006, Slovakia's per-capita gross foreign debt stood at USD 5,303. The share of short-term debt in the country's total gross external debt decreased in comparison with the previous month, to 50.7% at the end of March 2006.

The net external debt of Slovakia – expressed as the difference between gross foreign debt, i.e. USD 28.5 billion (liabilities of the Government, the NBS, commercial banks, and the corporate sector – except for capital participation), and foreign assets, i.e. USD 27.1 billion (foreign exchange reserves of the NBS, foreign assets of commercial banks and the corporate sector – except for capital participation), reached USD 1.4 billion (debtor position) at the end of March 2006.

Net external debt

Current Developments

The trade deficit increased in comparison with the previous month, to Sk 10.6 billion, and was the main factor in the month-on-month growth in the current account deficit. The deficit growth in April 2006 was also supported by increased shortfalls in the income and current transfers balances. The only current account item to record positive developments was the balance of services.

The dynamic growth in imports, achieved in previous months, continued to slow in April, but exports also recorded a marked decrease in dynamics. In April, the rate of export growth (9.2%) was again exceeded by the dynamics of imports (11.3%).

Table 17 Balance of Payments Current Account				(Sk billions)
	April 2006	April 2005	Jan. – Apr. 2006	Jan. – Apr. 2005
Balance of trade	-10.6	-7.9	-34.0	-21.3
Exports	87.9	79.8	355.0	293.8
Imports	98.5	87.7	389.0	315.1
Balance of services	0.7	0.9	2.7	6.2
Balance of income	-3.3	-1.0	-9.5	-1.2
of which: Income from investments	-5.7	-3.6	-18.8	-11.5
of which: Reinvested earnings	-1.9	-2.4	-12.1	-9.6
Current transfers	-2.2	1.8	-2.5	2.4
Current account in total	-15.4	-6.2	-43.2	-13.9

Source: NBS and the Statistical Office of the SR.

Compared with the NBS forecast, the trade deficit reached a markedly higher level in April. The increased deficit resulted from a considerable slowdown in export growth, which exceeded the slowdown in imports.

Exports are expected to grow again in May, with regard to their lower level achieved in April. In connection with the expected growth in exports, the value of imported goods is expected to follow a similar course, mainly as a result of higher imports of semi-finished goods.

Export growth is expected to continue in June and July, due mainly to increased exports from the automotive industry, where production (for export) is expected to be launched at the PSA automobile plant. Imports are also likely to reach high levels, mainly as a result of increased imports of semi-finished goods. A further rise in oil prices may lead to stronger than expected growth in raw materials imports.

On the whole, exports are expected to grow in comparison with April (mainly as a result of growth in automobile exports in connection with the start-up of production in the new automobile factory), which should lead to a gradual improvement in the trade balance in the following months.



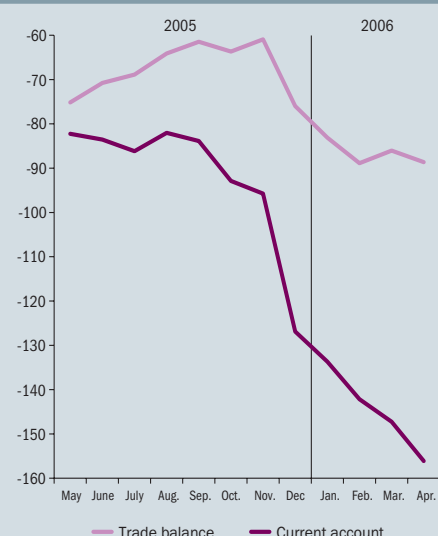
Table 18 Developments in Current Account Components in 2006

(Sk billions)

	January 2006	February 2006	March 2006	April 2006
Balance of trade	-8.9	-10.1	-4.3	-10.6
Balance of services	0.5	1.5	0.0	0.7
Balance of income	-1.8	-0.9	-3.5	-3.3
Current transfers	-0.8	1.8	-1.3	-2.2
Current account	-11.0	-7.7	-9.1	-15.4

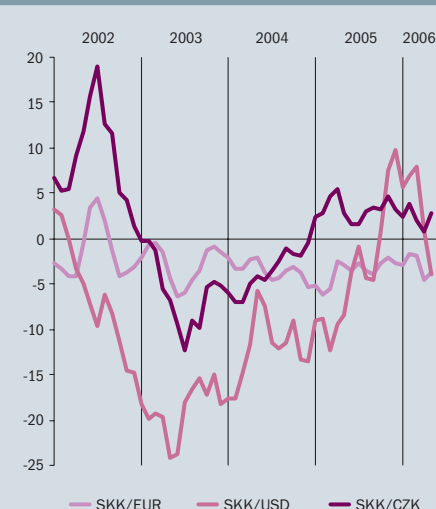
Source: NBS and the Statistical Office of the SR.

Chart 8 Balance of Trade and Current Account Developments (12-month cumulative figures) (Sk billions)



Source: NBS and the Statistical Office of the SR.

Chart 9 Year-on-Year Changes in the Average Monthly Exchange Rates of the Slovak Koruna (%)



Source: NBS.

Note: + depreciation, - appreciation of the SKK.

Total foreign exchange reserves of the NBS

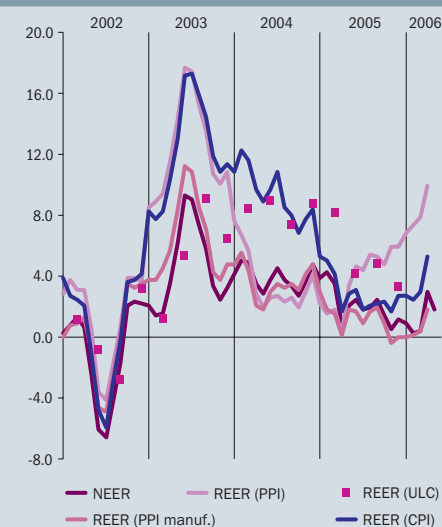
At the end of May, the total foreign exchange reserves of the NBS stood at USD 17,334.7 million, representing a month-on-month increase of USD 410.1 million. The increase in foreign exchange reserves in comparison with the end of April 2006 resulted from a slight shortfall in the balance of receipts and expenses (USD -40.9 million), accompanied by positive exchange rate differentials (USD 451.0 million), caused by a change in the USD/EUR cross-rate in the period under review. At the end of May, the volume of foreign exchange reserves was 5.0 times greater than the volume of average monthly imports of goods and services to Slovakia, over the first four months of 2006.

Nominal effective exchange rate of the Slovak koruna (NEER)

In May, the average exchange rate of the Slovak koruna appreciated most significantly vis-à-vis the US dollar (by 3.5%). In relation to other currencies, the koruna weakened, which was reflected in the appreciation of the Czech koruna (1.2%) and the euro (0.5%).

In relation to the currencies of Slovakia's main trading partners, the average monthly exchange rate of the koruna appreciated year-on-year against the Swiss franc (by 4.5%), the US dollar (by 3.9%), the British pound (by

Chart 10 Year-on-Year Dynamics of the NEER and REER Indices (based on CPI, PPI, PPI manufacturing and ULC, for 9 trading partners, in %)



Source: NBS.

Note: + appreciation, - depreciation of the indices.

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	8.7
2005	1.1	2.7	6.0	0.0	3.3 ^(p)
January 2006 ¹⁾	0.9 / 0.7	2.7 / 2.3	6.9 / 2.7	-0.0 / -0.7	-
February 2006 ¹⁾	0.3 / 0.9	2.5 / 3.2	7.4 / 4.0	0.2 / -0.4	-
March 2006 ¹⁾	0.4 / 0.8	2.9 / 2.8	7.9 / 3.9	0.4 / -0.7	.
April 2006 ¹⁾	3.0 / 0.9	5.3 / 3.0	9.9 / 3.7	1.8 / -0.9	-
May 2006 ¹⁾	1.8 / 0.3	.	.	.	-

Source: NBS.

1) Year-on-year change / cumulative change since the beginning of the year.

2) Year-on-year change based on quarterly data.

(p) Preliminary data.

Chart 11 Development of Real GDP by Quarter (year-on-year growth in %)


Source: Statistical Office of the SR.

3.7%), and the euro (3.7%). The year-on-year dynamics of the nominal effective exchange rate (NEER)³ weakened to 1.8% in May, from 3% in the previous month.

The year-on-year dynamics of the real effective exchange rate (REER) increased in April, on the basis of all price deflators under consideration: the REER based on the consumer price index (CPI) rose to 5.3%, that based on the industrial produce price index (PPI) to 9.9%, and the rate based on the manufacturing products price index excluding raw materials and energy prices (PPI manufacturing) increased to 1.8%.

Real effective exchange rate of the Slovak koruna (REER)

3.3 Real Economy

Development of the Real Economy in the First Quarter of 2006

Gross Domestic Product

In the first quarter of 2006, gross domestic product increased year-on-year by 6.3% at constant 2000 prices (according to revised data⁴ from the Statistical Office

Real economic growth in the 1st quarter of 2006 was 6.3%

of the SR). Compared with the figure for the first quarter of 2005 (5.4%), the rate of economic growth accelerated by 0.9 of a percentage point. Economic growth was stimulated by an increase in both domestic and foreign demand. In terms of production, the growth was connected with an increase in value added, mainly in trade, construction, agriculture, and industry. The nominal volume of GDP created over the period under review amounted to Sk 368.8 billion, which was 8.6% more than a year earlier.

³ 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.

⁴ In May 2006, the Statistical Office of the SR published revised GDP figures for the years 2000-2005, based on the new methodological principles laid down in EU directives and the recommendations of the Eurostat. The revision focussed on the verification and specification of the contents of individual components within the system of national accounts and the use of new data specifying the estimates of individual aggregates. Data for 2003-2005 are based on preliminary annual national accounts. The base year for the revised GDP at constant prices is the year 2000.



Demand

Rapid growth in both domestic and foreign demand

In terms of use, GDP was influenced in the first quarter of 2006 by real growth in both domestic and foreign demand. The growth in foreign demand was almost twice as fast as last year, and thus had a stimulating effect on the overall output of the domestic economy. The year-on-year growth in GDP was also promoted by the individual components of domestic demand.

Domestic demand was stimulated by all its components

The accelerated growth in domestic demand compared with the first quarter of 2005 was primarily caused by developments in its investment component. Gross capital formation in the first quarter of 2006 exceeded its dynamics from the same period a year earlier by 4 percentage points. The higher investment demand was mainly created by the continuing growth in investment activity, whose dynamics reached 16.1% at constant prices. The consumer component of domestic demand grew year-on-year by 6.6% at constant prices, while its growth was mostly stimulated by final consumption in the household and general government sectors.

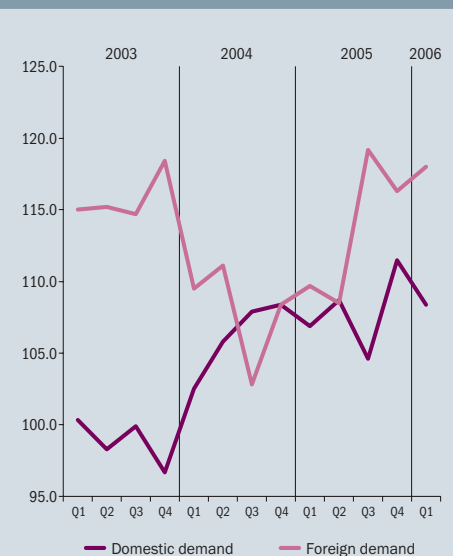
Dynamic growth in investment in almost all sectors

Gross capital formation increased, as a result of growth in fixed investments (16.1% year-on-year). The volume of inventories increased during the first quarter of 2006 by Sk 9.0 billion at constant prices, with the most rapid growth recorded in work in progress and merchandise. Gross fixed capital formation was mainly influenced by investment in new fixed assets, while the volume of acquired used long-term assets decreased. The creation of new fixed assets (a growth of 18.0% at constant prices), together with a relatively marked decrease in used long-term assets (12.1%), provide a basis for an increase in investment productivity and economic output in the future.

Most investments were made by non-financial corporations in new fixed assets

Looking at the breakdown of national accounts by sector, the increase in fixed assets was most significantly affected by the investment activities of non-financial corporations, which were probably influenced by foreign direct investment as well as investment from domestic sources (due to the financial results of corporations). Most investment resources were realised by non-financial corporations, mainly through the creation of new fixed assets. The year-on-year growth in gross fixed capital formation in the first quarter of 2006 was supported by increased investment activity in a broad spectrum of economic sectors. Within the non-financial corporations sector, most investments were made by business companies in food processing, metal production, construction, and agriculture, including forestry and fishing. The growth in gross fixed capital formation in real terms was also supported by investment activity in the public sector, while the creation of fixed assets stagnated in the household and non-financial corporations sectors and fell in the case of non-profit institutions.

Chart 12 Development of Domestic and Foreign Demand
(year-on-year change in %)



Source: Statistical Office of the SR.

Table 20 Development of GDP by Use

(index, same period a year earlier = 100, const. 2000 prices)

	Q1 2005 Q1 2004	Q2 2005 Q2 2004	Q3 2005 Q3 2004	Q4 2005 Q4 2004	2005 2004	Q1 2006 Q1 2005
Gross domestic product	105.4	105.4	106.3	107.4	106.1	106.3
Domestic demand	106.9	108.7	104.6	111.5	108.0	108.4
Final consumption	105.9	105.0	106.4	104.1	105.3	106.6
Households	107.0	107.5	107.8	106.5	107.2	106.6
General government	102.6	98.2	103.2	98.8	100.5	106.7
Non-profit institutions serving households	102.5	95.4	93.6	96.8	97.0	100.5
Gross capital formation	109.5	117.8	100.4	138.6	115.3	113.4
Gross fixed capital formation	102.5	105.8	110.7	116.5	115.1	112.4
Exports of goods and services	109.7	108.5	119.2	116.3	113.5	118.0
Imports of goods and services	111.6	112.3	116.5	120.5	115.5	120.8

Source: Statistical Office of the SR.

Table 21 Structure of Gross Fixed Capital Formation in the First Quarter of 2006

	Gross fixed capital formation (Sk millions)	Proportion (%)	Index Q1 2006 Q1 2005
Economy of the SR in total:	89,108	100.0	116.1
of which (by sector):			
Non-financial corporations	62,421	70.1	124.4
Financial corporations	1,414	1.6	99.9
General government	4,154	4.7	103.1
Households	20,885	23.4	100.2
Non-profit institutions	234	0.3	90.0
of which (by production):			
Buildings and structures	27,356	30.7	106.5
of which: Residential buildings	5,191	5.8	105.2
Other structures	22,165	24.9	106.8
Machinery	55,821	62.6	121.5
of which: Metal goods and machines	42,227	47.4	121.9
Transport equipment	13,594	15.3	120.6

Source: Statistical Office of the SR.

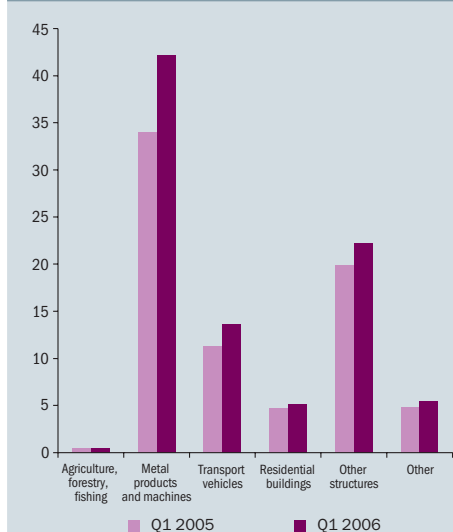
Note: Volumes and proportions are at current prices, indices at constant 2000 prices.

From the viewpoint of production, investment increased in real terms in all categories during the first quarter of 2006. Investment grew most rapidly in machines, which was connected with the dynamic value-added creation and investment activity in manufacturing (19.7% at constant prices). Investment in construction lagged behind investment in machines in terms of dynamics, and its share in gross fixed capital formation decreased year-on-year by 1.9 percentage points, to 30.7%. In construction, investment in infrastructural projects grew at a somewhat faster rate.

Accelerated growth in investment in machines

Final consumption increased in the first quarter of 2006, mainly in the household and general government sectors. Public consumption growth accelerated year-on-year by 4.1 percentage points and reached 6.7% in real terms. The growth in consumer spending in the public sector was probably connected with the growing employment and wages in the general government, increased purchases of goods and services from other sectors, and increased state transfers to non-financial entities. Final consumption by non-profit institutions rendering services to households was stagnant over the first quarter of 2006.

Increased final consumption in the general government and household sectors

Chart 13 Breakdown of Gross Fixed Capital Formation by Production (Sk billions)


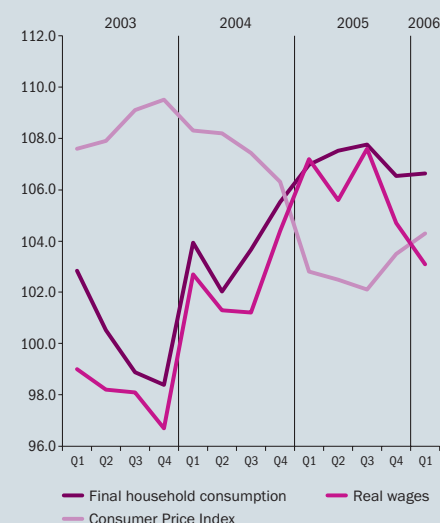
Source: Statistical Office of the SR.

Final household consumption increased year-on-year by 6.6%, but maintained its share of the total volume of GDP from the previous year, which means that households consumed approximately 57%⁵ of the volume of GDP generated in the first quarter of 2006. The dynamics of final household consumption were affected by the growth in wages, employment, and the drawing of credit facilities. Real wage growth in the first quarter of 2006 was not fully reflected in the growth of private consumption but contributed to the dynamic growth in gross household savings.

⁵ Final household consumption as a share of GDP increased in connection with the implementation of further methodological adjustments to ESA 95. Before the revision of national accounts, the use of financial intermediation services indirectly measured (FISIM) had been recorded as intermediate consumption of a fictive sector. In the revised time series of data from the national accounts, FISIM are allocated to the individual sectors as GDP creation and subsequently to institutional sectors as GDP use, mostly in the household sector. As a result, final household consumption and GDP increased in volume. Information from the Statistical Office of the SR indicates that the allocation of FISIM to consumer sectors affected the level of GDP within the range of 1.2% to 1.6% of GDP, which is comparable with the other member states.

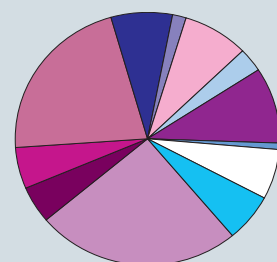


Chart 14 Final Household Consumption, Inflation, and Real Wages
(year-on-year development in %)



Source: Statistical Office of the SR.

Chart 15 Structure of Final Household Consumption in Q1 2006
(share in %)



Food and non-alcoholic beverages	20.7%
Alcoholic beverages and tobacco	4.6%
Clothing and footwear	4.9%
Expenses related to housing	20.1%
Furnishings, household equipment and maintenance	7.2%
Health	2.3%
Transport	10.1%
Post and telecommunications	3.8%
Recreation and culture	9.6%
Education	1.0%
Hotels and restaurants	7.3%
Miscellaneous goods and services	8.3%

Source: Statistical Office of the SR.

Credit to the household sector

Households supplemented their disposable incomes by drawing credit facilities from monetary financial institutions and other corporations. Total credit provided to households by monetary financial institutions as a share of final household consumption reached 22.2% at the end of the first quarter of 2006 (17.5% at the end of the first quarter of 2005). The increased borrowing was connected with the growing household spending on furnishings, household appliances, and routine home maintenance. In all probability, the increased use of credit facilities in the household sector was not only connected with investment in new fixed assets, but also with the reconstruction of existing housing units or with home improvement through the purchase of new furnishings, household equipment, and domestic appliances.

Structure of spending on consumption

In terms of structure, consumption was again dominated by spending on food and non-alcoholic beverages, though their share of total private consumption decreased in comparison with the first quarter of 2005 (to 20.7%). Within private consumption, two-digit real growth was recorded in spending on furnishings, household appliances, and standard maintenance of dwellings, and expenses in restaurants and hotels.

Table 22 Impact of Price and Volume on Exports and Imports

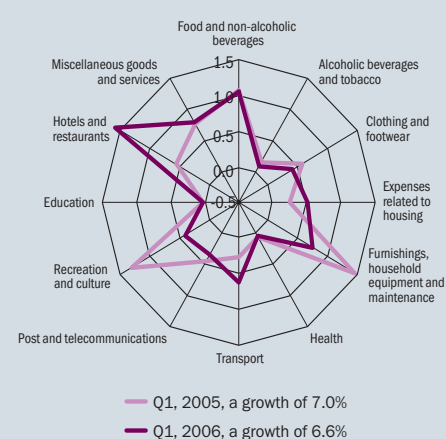
(percentage points)

	<u>Q1 2005</u> <u>Q1 2004</u>	<u>Q2 2005</u> <u>Q2 2004</u>	<u>Q3 2005</u> <u>Q3 2004</u>	<u>Q4 2005</u> <u>Q4 2004</u>	<u>2005</u> <u>2004</u>	<u>Q1 2006</u> <u>Q1 2005</u>
Exports of goods and services						
(year-on-year growth in %, at current prices)	7.1	5.4	15.9	16.4	11.3	22.5
Impact of volume	9.7	8.5	19.2	16.3	13.5	18.0
Impact of price	-2.6	-3.1	-3.3	0.1	-2.2	4.5
Imports of goods and services						
(year-on-year growth in %, at current prices)	9.0	9.8	13.2	21.3	13.6	28.4
Impact of volume	11.6	12.3	16.5	20.5	15.5	20.8
Impact of price	-2.6	-2.6	-3.3	0.8	-1.8	7.6
Net exports as a share of GDP						
(share in %, at current prices)	-1.0	-5.3	-2.5	-8.5	-4.5	-5.1
Impact of volume	-1.0	-5.1	-2.7	-8.2	-4.4	-3.1
Impact of price	0.0	-0.2	0.2	-0.3	-0.1	-2.0

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

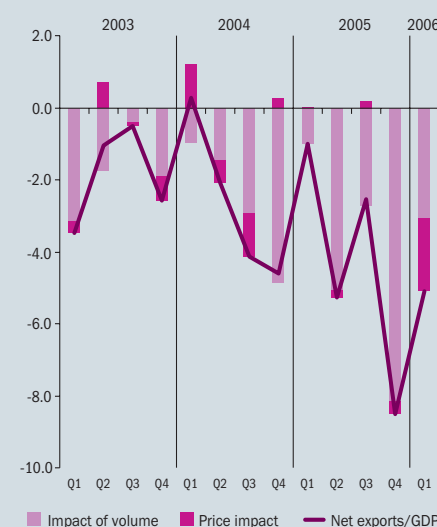
Note: Calculated from GDP figures (in millions of Sk), the values of net exports and GDP are reduced by the contribution of imports of goods and services; the differences in the subtotals are due to rounding.

Chart 16 Contributions of Consumer Expenses to the Growth of Final Household Expenditure by Category (p.p.)



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

Chart 17 Contribution of Net Exports to GDP at Current Prices (%)



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

Table 23 Contributions to GDP Growth

(percentage points, constant 2000 prices)

	Q1 2005 Q1 2004	Q2 2005 Q2 2004	Q3 2005 Q3 2004	Q4 2005 Q4 2004	2005 2004	Q1 2006 Q1 2005
Gross domestic product	5.4	5.4	6.3	7.4	6.1	6.3
Domestic demand	6.8	8.8	4.7	12.2	8.2	8.4
Final consumption	4.4	3.6	4.6	3.4	4.0	4.9
Households	3.9	3.9	4.1	3.7	3.9	3.8
General government	0.4	-0.3	0.6	-0.3	0.1	1.1
Non-profit institutions serving households	0.0	0.0	-0.1	0.0	0.0	0.0
Gross capital formation	2.4	5.2	0.1	8.8	4.2	3.5
Gross fixed capital formation	1.1	3.2	4.3	5.1	3.5	3.7
Change in inventories	1.3	2.0	-4.2	3.7	0.7	-0.2
Net exports	-1.4	-3.4	1.6	-4.8	-2.0	-2.5
Exports of goods and services	8.0	7.2	15.0	14.2	11.2	15.5
Imports of goods and services	9.5	10.6	13.5	19.1	13.3	18.0
Statistical discrepancy	0.0	0.0	0.0	0.0	0.0	0.4

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

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

In terms of relative contributions, the growth in final household consumption was based primarily on increased consumer spending on hotels and restaurants; food and non-alcoholic beverages; furnishings, household equipment, and routine maintenance of dwellings. Price levels in these three categories, which accounted for more than a half of the total growth in private consumption in the first quarter of 2006, were stagnant or showed a falling tendency.

In the first quarter of 2006, exports and imports of goods and services achieved two-digit growth rates. Imports showed stronger dynamics than exports, which led to a deterioration in the trade balance on a year-on-year basis. In nominal terms, net exports resulted in a deficit of Sk 18.8 billion (Sk 3.4 billion in the first quarter of 2005). The increase in the deficit in nominal terms was caused by growing imports of goods and services, mainly in connection with the burgeoning investment demand.

GDP growth was slightly dampened by net exports

Developments in import prices in foreign trade, as measured by the deflators of imports of goods and services, were connected with the rise in producer prices on foreign markets, mainly the price of energy-producing raw materials. The prices of exported goods and services also increased, but to a lesser extent than import prices. In the previous period (2000-2005), the impact of price adjustments in foreign trade



on net exports and GDP growth was eliminated by the effects of transition to 2000 as the base year and the balancing of annual accounts. In the first quarter of 2006, more than a third of the trade deficit at current prices was caused by the unfavourable trend in the relationship between import and export prices.

The openness of the Slovak economy is on the increase

The export performance of the Slovak economy improved in the first quarter of 2006, when the export of goods and services as a share of GDP at current prices reached 82.2% (72.9% in the first quarter of 2005). With the growing export performance, import intensity also increased, at an even faster rate, to 87.3% (from 73.9% a year earlier). The openness of the Slovak economy (expressed in terms of the ratio of exports / imports of goods and services to nominal GDP) increased during the first quarter of 2006 by 22.8 percentage points, to 169.6%.

The supply side of the economy reacted to the increased foreign demand with accelerated value added creation and growth in imports. With price developments on foreign markets taken into account, net exports at constant prices resulted in a deficit of Sk 8.4 billion in the first quarter of 2006 (Sk 1.5 billion in the first quarter of 2005). Foreign trading resulted in a negative contribution of 2.5 percentage points, by net exports to GDP. Domestic effective demand contributed 8.6 percentage points to GDP growth, while the change in the volume of inventories including statistical discrepancies dampened the rate of GDP growth by 0.3 of a percentage point.

Supply

GDP creation

GDP growth in the first quarter of 2006 was influenced by value added creation, which grew year-on-year almost twice as fast as in the same period a year earlier (8.6% at constant 2000 prices, compared with 4.4% a year earlier). Net taxes, including value added tax, excise duty, import tax (minus subsidies), decreased by 9.6%, after increasing a year earlier by 12.5%.

Value added growth, as a consequence of increased consumer and investment demand, was recorded in all sectors, except in financial intermediating, health and social services. The steepest increase in value added was achieved in trade (25.8%), which significantly influenced the growth in value added in business services. Dynamic growth in value added was also recorded in construction (15.1%); agriculture,

Chart 18 Export Performance and Import Intensity



Source: Statistical Office of the SR.

Table 24 GDP Development by Sector

(index, same period a year earlier = 100, const. 2000 prices)

	Q1 2005 Q1 2004	Q2 2005 Q2 2004	Q3 2005 Q3 2004	Q4 2005 Q4 2004	2005 2004	Q1 2006 Q1 2005
Gross domestic product	105.4	105.4	106.3	107.4	106.1	106.3
of which:						
Agriculture, hunting, forestry, and fishing	112.1	116.5	101.5	106.0	108.1	113.2
Industry in total	106.9	102.4	107.2	108.8	106.4	109.2
Construction	101.1	106.8	114.1	113.5	109.8	115.1
Services in total	102.6	105.3	104.9	98.9	103.0	107.3
Business services	97.1	107.6	108.4	113.0	106.4	115.4
Financial services	116.5	108.7	106.2	84.9	103.3	98.2
Public services	95.3	97.6	96.7	98.0	97.0	105.9
Other ¹⁾	112.5	108.3	109.1	134.7	116.3	90.4

Source: Statistical Office of the SR.

1) Value added tax, excise duty, tax on imports less subsidies.

Notes: Business services: trade; hotels and restaurants; transport, storage, post and telecommunications.

Financial services: financial intermediation; real estate, renting, and business activities.

Public services: public administration and defence, compulsory social security insurance; health and social services; other community, social, and personal services.

Table 25 GDP Development by Sector

(contributions to growth, percentage points)

	Q1 2005 Q1 2004	Q2 2005 Q2 2004	Q3 2005 Q3 2004	Q4 2005 Q4 2004	2005 2004	Q1 2006 Q1 2005
Gross domestic product	5.4	5.4	6.3	7.4	6.1	6.3
of which:						
Agriculture, hunting, forestry, and fishing	0.5	0.7	0.1	0.2	0.4	0.5
Industry in total	2.1	0.7	2.0	2.7	1.9	2.8
Construction	0.0	0.4	0.9	0.9	0.6	0.6
Services in total	1.3	2.6	2.4	-0.5	1.5	3.5
Business services	-0.6	1.7	1.9	2.2	1.4	3.2
Financial services	2.5	1.2	0.9	-2.4	0.5	-0.3
Public services	-0.6	-0.3	-0.4	-0.3	-0.4	0.6
Other ¹⁾	1.5	1.0	0.9	3.9	1.8	-1.2

Source: Statistical Office of the SR.

1) Value added tax, excise duty, tax on imports less subsidies.

Notes: Business services: trade; hotels and restaurants; transport, storage, post and telecommunications.

Financial services: financial intermediation; real estate, renting, and business activities.

Public services: public administration and defence, compulsory social security insurance; health and social services; other community, social, and personal services.

Contributions are rounded to one decimal place; hence the sum totals do not correspond to the sums of contributions.

forestry, and fishing (13.2%); other community, social, and personal services (12.9%); and public administration, defence, and compulsory social insurance (10.5%).

Relatively strong growth in value added was maintained in industry (9.2%), mainly as a result of increased value added creation in the production of foodstuffs, beverages and tobacco products; machines, electrical equipment, and transport vehicles; and the production of metals and metal products.

Wages and Labour Productivity

In the first quarter of 2006, the average monthly nominal wage of an employee in the Slovak economy increased year-on-year by 7.5%, to Sk 17,223. Compared with the first quarter of 2005, the rate of wage growth slowed by 2.7 percentage points.

Slowdown in average monthly wage growth in nominal terms ...

The slowdown in overall wage growth took place mostly in manufacturing. Wage dynamics in this sector weakened in comparison with the same period a year earlier by 11.3 percentage points, to 1.7%. Wage growth also remained below the national average in transport, post and telecommunications (5.1%); construction (6.3%); mining and quarrying (6.4%); health and social services (6.5%); other community, social, and personal services (7.0%); and hotels and restaurants (7.2%). Wage growth corresponding to the national average was achieved in trade and repair activities. On the other hand, above-average wage growth was recorded in financial intermediation (17.8%); education (10.6%); agriculture, forestry, and fishing (10.6%); electricity, gas, and water supply (9.1%); real estate, renting, and business activities (8.9%), and public administration, defence, and compulsory social insurance (8.2%).

We can assume that the marked nominal wage growth in financial intermediation was promoted by the payment of bonuses and other flexible wage components for the previous year, which is indicated by the slow wage growth from the fourth quarter of 2005 (0.9%). The average wage growth in education (over 10%) was influenced by the programme of wage adjustments in public services (as from 1 July of the current year), which subsequently determined the rate of wage growth in the first half of the following year. In addition, wage growth in this sector was also affected by a fall in employment. Despite dynamic growth, the average wage in this sector did not even reach 82% of the average wage in the national economy, similar to that in agriculture. The lowest average wage recorded in other community, social, and personal services in the first quarter reached approximately 73% of the national average.

In a breakdown by form of ownership, nominal wages in the entrepreneurial sector increased as follows: in enterprises with 20 and more employees by 7.3%, in small enterprises with up to 19 employees by 9.3%, in budgetary organisations by 10.7%, and in subsidised organisations by 8.3%.

Real wage dynamics weakened considerably in comparison with the first quarter of 2005 (from 7.2% to 3.1%), due to a slowdown in nominal wage growth and increased average inflation in comparison with last year.

...as well as in real terms

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

	2005 year	Q1	Q2	Q3	Q4	2006 Q1
Nominal wage (Sk)	17,274	16,022	16,737	16,816	19,466	17,223
Nominal wage (index)	109.2	110.2	108.2	109.9	108.4	107.5
Real wage (index)	106.3	107.2	105.6	107.6	104.7	103.1
Labour productivity, current prices	106.3	105.4	105.9	106.7	107.0	106.2
Labour productivity, constant prices	103.8	102.7	103.1	104.7	104.8	103.9
Real labour productivity minus real wage (p.p.)	-2.5	-4.5	-2.5	-2.9	0.1	0.8
Consumer prices (average for the period)	102.7	102.8	102.5	102.1	103.5	104.3

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

Note: Labour productivity calculated from revised data on GDP and employment from quarterly statistical reports.

Real wages increased in all sectors of the economy (except in manufacturing, where real wages dropped by 2.5%). The most significant increases took place in financial intermediation (12.9%); education (6%); agriculture, forestry, and fishing (6%); electricity, gas, and water supply (4.6%); and real estate, renting, and business activities (4.4%). Wage dynamics in other sectors ranged from 0.8% to 3.7%.

Development of labour productivity

Labour productivity (GDP per employee) increased in nominal terms by 6.2% and in real terms by 3.9%. Compared with the first quarter of 2005, the rate of productivity growth slowed in nominal terms by 0.8 of a percentage point and in real terms by 1.2 percentage points. The growth of labour productivity was positively influenced by both GDP growth and the level of employment. A positive trend was also seen in the relationship between productivity and wages, as the growth rate of real labour productivity again exceeded (after one and a half years) the dynamics of real wages, by 0.8 of a percentage point.

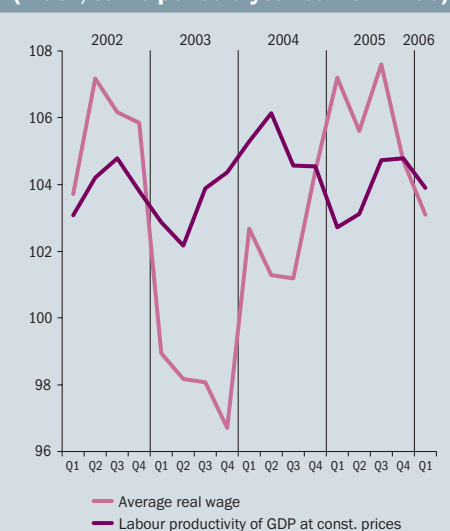
An analysis of real labour productivity in the individual sectors, calculated from ESA 95 data (from value added in the individual sectors at constant 2000 prices divided by total employment in the given sector) indicates that labour productivity is growing in most sectors. Among production sectors, the strongest growth was achieved in manufacturing (17.7%) and agriculture, including forestry and fishing (14%). Among service sectors, productivity grew most dynamically in trade and repair activities (by 21.7%) and other community, social, and personal services (by 8.2%). On the other hand, a marked fall in labour productivity was recorded in electricity, gas, and water supply (15.7%) and financial intermediation (13.3%), accompanied by smaller drops in hotels and restaurants (4.4%) and real estate, renting, and other business services (2.1%). In other sectors, labour productivity increased by 0.4-5.0%. The relationship between real labour productivity and real compensation per employee showed a favourable tendency in production sectors in particular, while productivity growth lagged behind the growth of real compensation in most service sectors, mainly in financial intermediation (by 29.4 percentage points) and health care (by 10.5 percentage points).

Growth in unit labour costs

Unit labour costs according to ECB methodology (ULC_{ECB}), defined as the ratio of growth in nominal compensation per employee to growth in real labour productivity (GDP per total employment) based on ESA 95, increased year-on-year by 3.7%, while falling in real terms by 0.5% (after the revision of national accounts). The growth in ULCs accelerated by 2.7 percentage points compared with the first quarter of 2005. This acceleration was caused by faster growth in employee compensation, while ULC growth was dampened by a slight increase in the dynamics of labour productivity.

Income and Expenditure of Households

According to preliminary data from the Statistical Office of the SR, the current income of households increased over the first quarter of 2006 by 11.1% (in real terms by 6.5%) on a year-on-year basis, to Sk 294.7 billion. In nominal terms, the growth in current income was 4.7 percentage points faster than

Chart 19 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.

Table 27 Real Labour Productivity and Compensation per Employee in Q1 2006
(index, same period a year earlier = 100)

	Labour productivity (ESA 95)	Compensation per employee
Economy of the SR in total	104.1	103.6
of which:		
Agriculture, forestry, and fishing	114.0	103.7
Industry	110.4	100.4
Mining and quarrying	77.4	103.0
Manufacturing	117.7	99.4
Electricity, gas, and water supply	84.3	109.1
Construction	102.5	96.4
Wholesale and retail trade, repairs	121.7	111.6
Hotels and restaurants	95.6	102.1
Transport, storage, post and telecommunications	105.0	105.3
Financial intermediation	86.7	116.1
Real estate, renting, business activities	97.9	92.9
Public administration, defence, and compulsory social insurance	102.5	107.5
Education	100.4	105.3
Health and social services	103.3	113.9
Other community, social, and personal services	108.2	88.4
HICP (Q1 2006)	-	104.2

Source: Statistical Office of the SR and NBS calculations.

Chart 20 Nominal Wage Growth and Compensation per Employee
(index, same period a year earlier = 100)



Source: Statistical Office of the SR.

Chart 21 Unit Labour Costs by Component (ECB Methodology)
(year-on-year change in %)



Source: NBS calculations based on data from SO SR.

in the same period a year earlier. The current expenditure of households (paid to other sector and not used for direct consumption) increased year-on-year by 4.9% (in real terms by 0.6%), to Sk 60.6 billion. In the same period a year earlier, current expenditure increased by 1.9%.

The accelerated growth in current income was mainly caused by a marked increase in the volume of gross mixed income⁶ (by 17.2%), faster growth in employee compensation, and growth in income from property. The rate of growth slowed only in the case of social security benefits.

Accelerated growth in current income, ...

⁶ Gross mixed household income includes the earnings of small entrepreneurs, including the value of agricultural products grown by households for own consumption, imputed rents and the contribution of households to individual housing construction.



Table 28 Generation and Use of Incomes in the Household Sector

(current prices)

	Sk billions		Indices ¹⁾		Share in %	
	Q1	Q1	Q1 2005	Q1 2006	Q1	Q1
	2005	2006	Q1 2004	Q1 2005	2005	2006
Compensation of employees (all sectors)	131.1	142.6	106.7	108.8	49.4	48.4
of which: gross wages and salaries	104.4	115.1	110.6	110.3	39.4	39.1
Gross mixed income	77.6	91.0	105.4	117.2	29.3	30.9
Income from property - received	7.9	8.5	96.7	108.1	3.0	2.9
Social security benefits	39.9	43.2	113.1	108.3	15.0	14.6
Other current transfers - received	8.8	9.4	93.9	107.7	3.3	3.2
Current income in total	265.2	294.7	106.4	111.1	100.0	100.0
Income from property - paid	1.8	2.1	102.9	116.6	3.2	3.5
Current tax on income, property, etc.	7.5	8.1	85.5	108.1	13.0	13.4
Social security contributions	39.6	41.2	102.8	104.0	68.6	68.0
Other current transfers - paid	8.8	9.2	115.9	103.9	15.3	15.1
Current expenditure in total	57.7	60.6	101.9	104.9	100.0	100.0
Gross disposable income	207.5	234.1	107.8	112.8	100.0	100.0
Adjustment for changes in the net equity of households in the reserves of pension funds	0.8	0.7	115.1	93.9	-	-
Final household consumption	197.4	221.5	109.4	112.2	-	-
Gross savings of households	10.8	13.4	84.5	123.6	-	-

Source: Statistical Office of the SR.

1) Indices based on figures expressed in millions of Sk.

Table 29 Gross Disposable Income of Households

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

	Q1	Q2	2005			2006
			Q3	Q4	Year	Q1
Gross disposable income	107.8	111.7	111.0	111.6	110.6	112.8
Final household consumption	109.4	110.2	110.2	110.1	110.0	112.2
Gross household savings	84.5	142.1	136.6	121.6	118.4	123.6
Gross savings as a share of gross disposable income in %	5.2	6.2	4.0	14.4	7.8	5.7

Source: Statistical Office of the SR.

...accompanied by an increase in current expenditure

Apart from other current transfers (whose growth slowed), the accelerated growth in current expenditure was also supported by other expense items, with the most significant increases recorded in expenses related to income from property and current taxes on income and property.

With current expenditure being deducted from current income, the gross disposable income of households amounted to Sk 234.1 billion, representing a year-on-year increase of 12.8% (compared with 7.8% a year earlier). Of the disposable income, 94.6% was used for final household consumption, the remainder went to gross savings. The dynamic growth in gross household savings (23.6%) was apparently affected by the low basis of comparison from the same period last year, and probably by the growth in household income, especially gross mixed income. The effect of saving for retirement (within the second and third pillars of the pension scheme) on gross household savings weakened in comparison with the first quarter of 2005. The accelerated growth in gross savings was reflected in the ratio of gross household savings, which was somewhat higher than a year earlier.

Chart 22 Propensity of Household Consumption and Savings

(%)



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

Employment and Unemployment

The dynamic economic growth continued in the first quarter of 2006 and was accompanied by accelerating growth in employment. According to a labour force sample survey, the average number of workers in the Slovak economy in the first quarter stood at 2,257,500, which represented an increase of 3.7% compared with the figure for the first quarter of 2005 and an acceleration in dynamics of 1.4 percentage points. Such dynamic growth in employment was last recorded in 1996. The positive trend in employment was also supported by a marked increase in the number of employees (3.8%), after a slight decrease a year earlier (0.1%). In addition to the increased creation of jobs in the domestic economy, the level of employment was also influenced by a marked increase in the number of persons working abroad (28.2%).

**Dynamic growth
in employment ...**

Table 30 Employment and Unemployment							
(average for the period)							
	Q1	Q2	2005 Q3	Q4	Year	2006 Q1	
Employment according to statistical reports							
in thousands	2,049.5	2,066.4	2,073.2	2,110.9	2,075.0	2,097.1	
index (same period a year earlier = 100)	102.6	102.2	101.5	102.5	102.2	102.3	
Employment according to a labour force sample survey							
in thousands	2,177.4	2,196.8	2,235.7	2,254.7	2,216.2	2,257.5	
index (same period a year earlier = 100)	102.3	102.1	101.6	102.5	102.1	103.7	
Employment according to ESA 95							
in thousands	2,057.8	2,074.2	2,095.9	2,108.0	2,084.0	2,101.5	
index (same period a year earlier = 100)	101.4	101.3	101.0	101.8	101.4	102.1	
Unemployment rate according to a labour force sample survey							
in thousands	461.9	425.3	415.0	407.6	427.5	395.8	
index (same period a year earlier = 100)	90.3	86.9	88.9	89.6	88.9	85.7	
Unemployment rate according to a labour force sample survey							
in %	17.5	16.2	15.6	15.3	16.2	14.9	
Registered unemployment rate ¹⁾							
in %	13.1	11.4	11.0	11.1	11.6	11.6	

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

1) NBS calculations.

The positive trend in employment was reinforced mostly by developments in construction; trade, real estate, renting, and business activities; and public administration and defence, including compulsory social insurance. These sectors achieved a year-on-year increase in employment ranging from 3.4% to 12.2%. A change in the course of employment from decline to growth was recorded in education.

Table 31 Developments in Employment by Sector							
(index, same period a year earlier = 100)							
	Q1	Q2	2005 Q3	Q4	Year	2006 Q1	
Total	101.4	101.3	101.0	101.8	101.4	102.1	
Agriculture, hunting, and forestry	93.6	97.1	95.5	95.0	95.3	99.3	
Industry	100.8	99.5	97.6	97.1	98.7	98.9	
Mining and quarrying	93.6	94.0	93.4	94.4	93.9	94.1	
Manufacturing	101.4	99.8	97.7	97.0	98.9	99.0	
Electricity, gas, and water supply	95.7	96.9	97.1	98.5	97.0	98.9	
Construction	106.3	104.7	106.0	99.1	104.0	112.2	
Trade	105.4	103.3	108.2	114.4	107.8	103.4	
Hotels and restaurants	105.0	102.7	103.0	98.9	102.3	105.0	
Transport, storage, post and telecommunications	102.2	99.8	95.5	94.3	97.9	99.3	
Financial intermediation	102.8	99.7	94.7	99.9	99.2	96.3	
Real estate, renting, and business activities	100.9	107.7	106.9	112.2	106.9	106.2	
Public administration and defence	101.0	105.5	104.6	105.7	104.2	107.9	
Education	94.2	95.9	96.6	98.7	96.3	100.9	
Health and social services	98.0	98.1	95.0	95.7	96.7	96.0	
Other community, services	108.2	103.2	101.1	97.2	102.2	104.4	

Source: Statistical Office of the SR.

Note: According to ESA 95.



Employment remained below its level from the same period a year earlier in agriculture (where it shows a long-term falling tendency), industry (mainly as a result of a fall in manufacturing), transport and storage, financial intermediation, and health care.

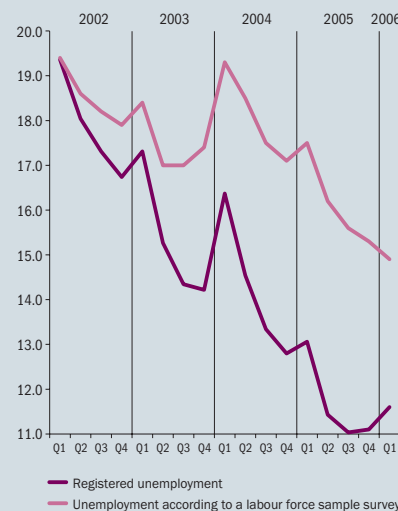
**...accompanied by
a continuing fall in
unemployment**

The increased demand for labour led to a further fall in unemployment. In the first quarter of 2006, the average number of unemployed dropped in comparison with the same period a year earlier by 14.3% (according to a labour force sample survey). This drop was also reflected in the rate of unemployment, which reached its lowest level since 1999, i.e. a quarterly average of 14.9% (compared with 17.5% a year earlier).

The fall in unemployment was also confirmed by data from the registers of offices for labour, social matters, and the family, according to which the average rate of unemployment in the first quarter of 2006 reached 11.6% (compared with 13.1% in the first quarter of 2005). This figure was still relatively high in comparison with the level determined on the basis of a sample survey, which can be explained by the differences in the applied methodologies and by differing definitions of unemployment.

Chart 23 Unemployment Rate

(%)



Source: Statistical Office of the SR and NBS calculations based on data from the Centre for Labour, Social, and Family Matters.

Increased labour supply

The situation in the labour market in the first quarter of 2006 was characterised by an increased supply of labour (i.e. persons in productive and post-production age). As in the previous period, the year-on-year growth in the supply of labour was reflected mostly in the increased number of economically inactive persons (i.e. persons outside the labour market). This fact was also mirrored in the rate of economic activity, which dropped year-on-year by 0.6 of a percentage point, to 59.0%. Within the economically active population, the share of employed persons increased as a result of which employment grew to 58.5%. This represented an increase of 1.7 percentage points on a year-on-year basis.

Financial Results of Corporations

According to preliminary data from the Statistical Office of the SR, financial and non-financial corporations earned a total profit of Sk 63 billion in the first quarter of 2006. This profit was 1.7% lower than in the same period of 2005, which was connected with the lower earnings of financial corporations as a result of a loss recorded by the NBS.

The total profit of non-financial corporations increased by more than 10%. This increase took place in all sectors, except for agriculture. The increased profit was generated for the most part in transport, post and telecommunications, manufacturing, and construction. Among the key sectors, profits dropped year-on-year only in the production and supply of electricity, gas, and water. The loss recorded in agriculture was at the level of last year (Sk 0.1 billion).

Out of 6,301 non-financial corporations (with 20 and more employees), 3,568 were profitable: they generated a total profit of Sk 62.8 billion, representing a year-on-year increase of 5.5%. The remaining corporations recorded a total loss of Sk 16.3 billion, which was 3% less than a year earlier.

The largest profit was earned by non-financial corporations with 1,000 and more employees (52.7%) A significant contribution to the profit was also made by small enterprises with up to 9 employees (11.3%) and corporations with 500 to 999 employees (9.8%). The largest year-on-year increases in profits were achieved by non-financial corporations with 500 to 999 employees, while the profits of enterprises with 10 to 19 employees and large corporations with 1,000 and more employees decreased on a year-on-year basis.

The year-on-year fall in the profits of financial corporations (46.6%) can be mainly attributed to the poor financial results of monetary financial institutions, whose profits fell year-on-year by Sk 6.5 billion, to Sk 3.6 billion. Their results were, among other things, affected by the performance of the NBS, which recorded a loss of Sk 1.1 billion in the first quarter of 2006. In the same period in 2005, the NBS achieved a profit of Sk 6.2 billion. The profits of financial corporations (monetary financial institutions,

Table 32 Financial Results of Corporations		(Sk millions, current prices)	
	Q1 2005	Q1 2006	Index Q1 2006 Q1 2005
Financial result (before taxation)			
Non-financial and financial corporations in total	64,056	62,966	98.3
of which:			
Non-financial and financial corporations, excl. the NBS	57,903	64,073	110.6
Non-financial corporations	50,516	55,739	110.3
Financial corporations	13,540	7,227	53.4
of which:			
NBS	6,153	-1,107	-
Financial corporations, excl. the NBS	7,387	8,334	112.8

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

other financial intermediaries, insurance corporations, and pension funds), excluding the NBS, increased year-on-year by 12.8%. The earnings of other financial intermediaries (Sk 2 billion) decreased year-on-year by Sk 0.5 billion. The profits of insurance corporations and pension funds increased year-on-year by Sk 0.7 billion, to Sk 1.7 billion.

Current Developments

In April, the year-on-year rate of growth in industrial production slowed in comparison with March. Industrial output was affected by slower growth in manufacturing production and electricity, gas, and water supply, accompanied by continuing year-on-year decline in mining and quarrying production.

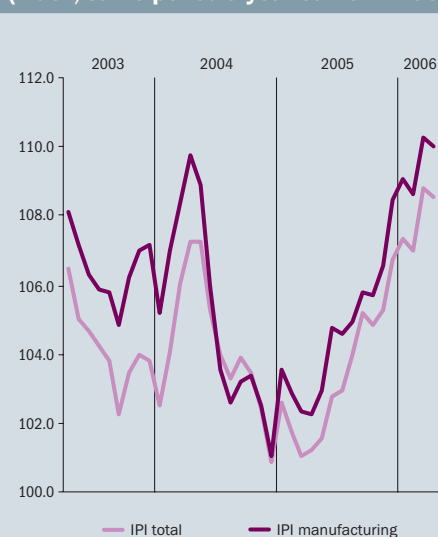
Slowdown in industrial production

Slower growth in output was recorded in all major manufacturing industries, except for the production of coke, refined oil products, and nuclear fuels and that of chemicals, chemical products, including fibres. On a year-on-year basis, output dropped in timber processing and the manufacture of wooden products; transport vehicles; and production not elsewhere classified.

Production in the construction sector slowed somewhat in April, due to a slowdown in domestic production in new construction, reconstruction, and modernisation projects, and a year-on-year decline in production in construction repair and maintenance work.

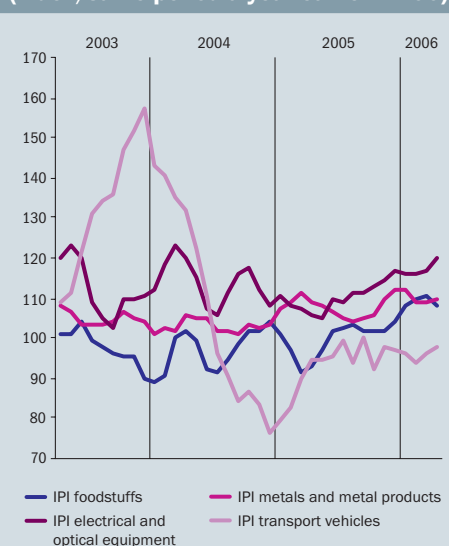
Slower growth in construction

Chart 24 Development of Industrial and Manufacturing Production
(3-month moving averages)
(index, same period a year earlier = 100)



Source: Statistical Office of the SR.
Note: IPI - Industrial Production Index.

Chart 25 Development of Industrial Production in Selected Sectors
(3-month moving averages)
(index, same period a year earlier = 100)



Source: Statistical Office of the SR.
Note: IPI - Industrial Production Index.



Table 33 Production and Receipts

	Sk millions, curr. prices		Indices			
	Apr. 2006	Cumulative since beginning of year	Mar. 2006 Mar. 2005	Apr. 2006 Apr. 2005	Apr. 2005 Apr. 2004	Jan. – Apr. 2006 Jan. – Apr. 2005
Production						
Industrial production index ¹⁾	–	–	115.1	105.7	105.2	108.1
of which:						
Mining and quarrying	–	–	89.4	85.6	92.1	90.4
Manufacturing	–	–	117.2	106.8	106.8	109.5
Electricity, gas, and water supply	–	–	107.0	102.5	98.1	103.2
Construction ²⁾	10,408	33,954	118.0	111.1	118.1	113.3
of which:						
Construction in Slovakia	10,111	32,721	121.1	114.2	117.8	116.0
Construction abroad	297	1,233	74.3	57.7	122.4	69.6
Receipts from own-output and goods						
Industry in total ³⁾	137,992	560,188	116.5	104.1	106.4	109.6
Construction ²⁾	16,182	52,053	129.5	119.1	112.6	121.2
Retail trade ³⁾	33,373	125,236	110.0	108.6	106.8	108.0
Sale and maintenance of vehicles, retail sale of fuels ³⁾	16,456	55,731	120.9	120.7	103.1	115.1
Transport, storage ³⁾	11,114	39,685	119.6	117.5	110.3	121.0
Real estate, renting, and business services ³⁾	14,877	55,234	113.7	117.4	107.2	115.0

Source: Statistical Office of the SR.

1) Adjusted for the variations in the number of working days (the data in the time series are continually revised with retrospective effect).

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).

Continuing growth in receipts from selected services

In April, receipts continued to grow relatively dynamically in all sectors under review (except in wholesale trade). Receipts grew in all segments of retail trade, with the most significant increases achieved in other retail sales in non-specialised shops and other specialised retail trade. Receipts from the retail sale and maintenance of motor vehicles and the retail sale of fuels continued to grow dynamically, mainly as a result of growth in receipts from the sale of motor vehicles. Receipts from the sale of fuels dropped on a year-on-year basis.

In April, relatively dynamic growth in receipts was again recorded in real estate, renting, and other business services. Receipts increased in all segments of this sector.

Wages, Employment, and Unemployment

Nominal wages

In April 2006, the year-on-year dynamics of nominal wages weakened in comparison with April 2005 in most sectors under review. Accelerated nominal wage growth was recorded in retail trade, industry, and transport.

Over the first four months of 2006 (after the revision of data for January to March 2006), nominal wages grew at a slower rate than in the same period a year earlier in most sectors. A marked slowdown was recorded in industry, mainly in manufacturing (where wage dynamics did not reach even a third of the figure from last year) and in post and telecommunications (where wage dynamics dropped by 50%). Nominal wage growth in wholesale trade, real estate business, and transport slowed by approximately a third of the current rate. Slightly stronger wage dynamics were recorded in retail trade and construction.

Real wages

The slowdown in nominal wage growth, coupled with increased year-on-year inflation in the first four months of the year, was reflected in the development of real wages, which grew at a slower rate than in

Chart 26 Receipts from Retail Sales and the Sale of Motor Vehicles and Fuels (3-month moving averages) (index, same period a year earlier = 100)



Source: Statistical Office of the SR.

Table 34 Wage Development by Sector (index, same period a year earlier = 100)

	Average monthly nominal wage			Average monthly real wage		
	Year 2005	Jan. – Apr. 2005	2006	Year 2005	Jan. – Apr. 2005	2006
Industry	107.2	110.1	103.3	104.4	107.1	98.9
of which: Manufacturing	107.5	110.7	102.9	104.7	107.7	98.6
Construction	106.0	105.7	105.9	103.2	102.8	101.4
Retail trade	107.8	107.3	108.1	105.0	104.4	103.5
Wholesale trade	111.4	111.1	107.8	108.5	108.1	103.3
Real estate, renting and other business services	112.0	112.8	108.1	109.1	109.7	103.5
Transport	107.3	107.2	105.1	104.5	104.3	100.7
Post and telecommunications	107.1	108.8	104.4	103.3	105.8	100.0
Consumer prices	102.7	102.8	104.4	–	–	–

Source: Statistical Office of the SR.

Notes: The above sectors accounted for 65.9% of total employment in the year 2005.

Real wage index = nominal wage index / consumer price index.

Data for the first 3 months of 2006 were revised by the SO SR in June 2006.

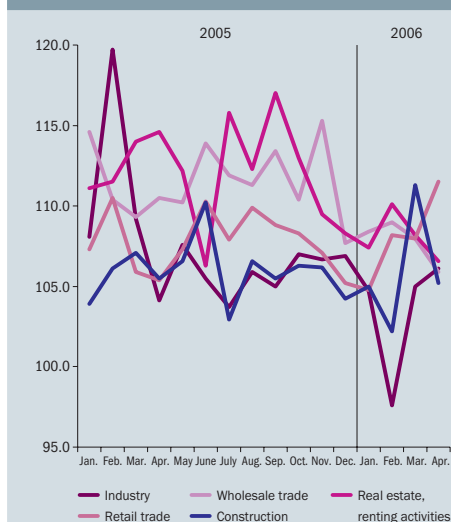
the same period a year earlier in most sectors under review. In industry, real wages even dropped somewhat on a year-on-year basis. Real wage growth did not exceed 3.5% in any of the sectors under review.

The trends in employment remained unchanged in April. Employment continued to grow year-on-year at a faster rate than a year earlier in construction, the sale and maintenance of vehicles, and retail trade. Weaker growth was recorded in wholesale trade, real estate, renting, and business activities, while employment remained below the level of last year in industry, mainly as a result of a fall in employment in manufacturing. During the first four months of 2005, employment grew most rapidly in average terms in the sale and maintenance of vehicles, construction, retail and wholesale trade.

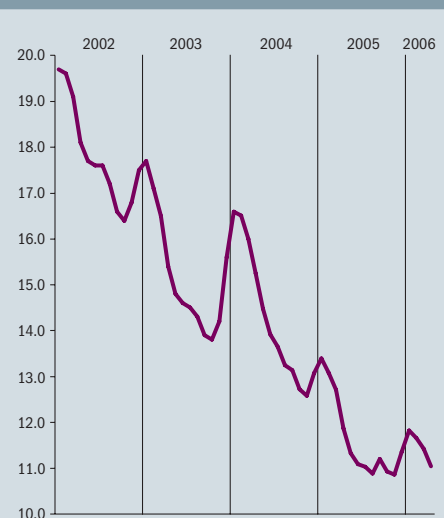
Employment

The unemployment rate continued to fall during the month of April. According to data from the Centre for Labour, Social Matters, and the Family, the total number of unemployed dropped month-on-month by 13,700, to 315,600. The number of disposable unemployed, who may start working immediately, accounted for 282,500, which was 9,800 less than in March. The rate of registered unemployment stood at 11.04% in April, representing a month-on-month drop of 0.38 of a percentage point. This was 0.83 of a percentage point less than in April 2005.

Unemployment

Chart 27 Nominal Wages in Industry, Construction, and Selected Services (index, same period a year earlier = 100)


Source: Statistical Office of the SR.

Chart 28 Registered Unemployment Rate (%)


Source: Centre for Labour, Social Matters, and the Family.



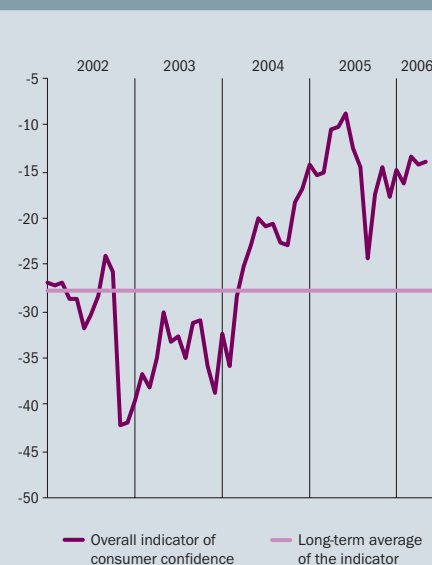
In April, the average length of registration increased in comparison with March by 0.13 of a month (to 11.67 months), while decreasing in comparison with April 2005 by 0.26 of a month. Compared with March, the share of long-term unemployed (out of work for more than 12 months) increased by 1.6 percentage points in April, to 52.1%. This was 1.4 percentage points less than in April 2005.

Consumer Confidence Indicator

Modest improvement in consumer confidence

The value of the consumer confidence indicator slightly improved in May (by 0.3 of a point compared with the previous month), to -14.0 points. Compared with April, deterioration was recorded in the indicators of expected household savings and the expected financial situation of households. The indicators of expected unemployment and expected economic development in the SR improved somewhat. Compared with the same period last year, the consumer confidence indicator deteriorated by 3.7 point.

Chart 29 Consumer Confidence Indicator



Source: Statistical Office of the SR.

Chart 30 Development of Consumer Confidence Indicator



Source: NBS calculations based on data from the Statistical Office of the SR, the 2006 figure is an average for the first five months.

4 Monetary Developments

4.1 Foreign Exchange Market

Over the course of May, the exchange rate of the Slovak koruna against the euro weakened by 0.9% (from SKK/EUR 37.371 to SKK/EUR 37.698), while the average rate depreciated by 0.5%. The Slovak koruna deviated from its central rate (SKK/EUR 38.4550) most significantly on 3 May 2006, when its exchange rate reached SKK/EUR 37.225, representing an appreciation of 3.2% from central parity. In relation to the US dollar, the Slovak koruna strengthened by 2.5% (from SKK/USD 30.105 to SKK/USD 29.358), while appreciating in average terms by 3.5%.

Spot transactions between foreign and domestic banks resulted in a positive balance (USD 709.67 million), i.e. foreign banks purchased mostly foreign currency and sold Slovak koruna.

In compliance with the Bank Board's decision of 25 April 2006 on the optimisation of the level of foreign exchange reserves, the National Bank of Slovakia sold EUR 43 million during May.

Operations on the foreign exchange market

Table 35 Changes in the SKK/EUR and SKK/USD Exchange Rates

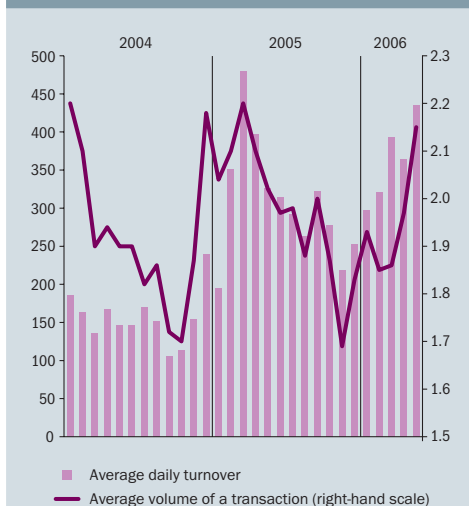
(%)

	Month-on-month change	Ø May 2006 Ø May 2005	Ø Jan. – May 2006 Ø Jan. – May 2005
SKK/EUR	0.9	-3.8	-3.0
SKK/USD	-2.5	-3.9	3.4

Source: NBS.

Note: + Depreciation of the SKK, - Appreciation of the SKK, Ø Means average.

Chart 31 Transactions on the Interbank Foreign Exchange Market (Sk billions)



Source: NBS.

The total volume traded on the interbank foreign exchange market reached USD 101,769.3 million, representing a 20% increase in comparison with the figure for April (USD 84,780 million). Of the total trading volume, 89.9% took place in swap transactions, which were conducted mostly in USD (93.6%). Spot transactions accounted for 8.9% of the total turnover (96.7% of the deals were in EUR). The average daily turnover on the spot market reached USD 434.59 million and the average volume per transaction amounted to USD 2.15 million.

Interbank foreign exchange market

The total volume of transactions between domestic commercial banks increased, from USD 10,794.8 million in April to USD 12,778.4 million in May. Most trading took place in USD (61%, compared with 62.8% in April), followed by EUR (38.7%, compared with 36.6% in April) and other currencies (0.3% of the total turnover between domestic commercial banks).

Transactions between domestic banks accounted for 12.6% of the total volume traded on the interbank foreign exchange market (compared with 12.7% in the previous month). Of the total volume of transactions

between domestic banks, swap operations accounted for 85.8% (87% in April) and spot transactions 14% (12.9% in April).

The volume of trading between domestic and foreign banks increased by 20.2%, from USD 73,984 million to USD 88,936.1 million. Most trading was again conducted in USD (87.7%, compared with 90.1% in April), followed by EUR (12.2%, compared with 9.6% in April), and other currencies (0.2%). Trading between domestic and foreign banks still dominated the country's foreign exchange market (with a share of 87.4%).

Trading between domestic and foreign banks also took place predominantly in the form of swap operations (90.5%, compared with 92.3% in April), while spot transactions accounted for 8.2% (7% in



April). The share of forward dealings on the foreign exchange market was negligible. Option contracts accounted for 1.3% of the volume traded with foreign banks.

Deposits of non-resident banks

The deposits of non-residents banks denominated in Slovak koruna (including financial liabilities in real value against profit or loss, according to IAS39) increased month-on-month by Sk 19.7 billion in April, to Sk 86.3 billion. On a year-on-year basis, however, these deposits dropped by Sk 13.7 billion.

By the end of May, the government securities holdings of non-residents had decreased by Sk 20.8 billion compared with the previous month. The decrease took place exclusively in government bonds, for the volume of SR Treasury bills had been unchanged since January 2006. The most significant drops occurred in 5-, 7-, and 10-year government bonds (a total decrease of Sk 20.0 billion), in issues nos. 143, 144, 188, and 191, maturing in 2008 to 2013. The increases in 15- and 20-year government bonds (totalling Sk 1.6 billion, in issues nos. 204 and 206, maturing in 2019 and 2026) offset the above decrease only to a small extent. The share of non-residents in the total amount of issued government bonds decreased considerably in May, and fluctuated between 30.1% and 20.5% during the month.

The Agency for Debt and Liquidity Management (ARDAL) held no Treasury-bill auctions in May, as in the first four months of 2006.

Table 36 Koruna Deposits from Non-Residents and Government Securities Held by Non-Residents (Sk billions)

	2005			2006				
	28.2.	31.3.	30.4.	31.1.	28.2.	31.3.	28.4.	31.5.
Koruna liabilities	75.1	106.7	104.8	90.2	73.0	74.3	93.5	.
of which: Banks	70.6	102.1	100.0	82.6	65.8	66.6	86.3	.
Non-bank clients	4.5	4.5	4.9	7.6	7.2	7.7	7.2	.
Government securities	65.1	86.4	90.9	98.3	84.2	80.7	90.7	69.9
of which: Government bonds	60.2	84.0	88.0	98.0	84.0	80.5	90.4	69.6
SR Treasury bills	4.9	2.4	2.9	0.2	0.2	0.2	0.2	0.2
Total	140.2	193.0	195.7	188.5	157.2	155.0	184.2	.

Source: NBS and the Central Securities Depository of the SR.

Of the central banks under review, the Fed and the NBS increased their key interest rates in May. While the Fed followed the slowly rising long-term trend in the federal funds rate and raised its level by 0.25 of a percentage point (to 5.0% with effect from 10 May), the NBS increased its key rates for the second time this year, by 0.50 of a percentage point (to 4.0% from 31 May).

In June, the ECB raised its key rates by 0.25 of a percentage point, to 2.75% with effect from 15 June. The NBP lowered its rates to 4.0% with effect from 1 March, but the other central banks have not yet changed their interest rates this year (in 2005, the BoE reduced its key rates to 4.50% from 4 August, the MNB to 6.0% from 20 September, while the CNB increased them to 2.0% from 31 October).

The current interest rate differentials between NBS rates and other key central bank rates changed in the same direction: the positive differentials vis-à-vis the CNB and ECB increased (to 2.0 / 1.25 percentage points) and the negative ones in relation to the NBP, BoE, and the MNB decreased (to 0.0 / -0.5 / -1.0 / -2.0 percentage points).

4.2 Money Market and Monetary Policy Implementation

At its meeting on 30 May 2006, the Bank Board of the NBS decided to raise its key interest rates by 50 basis points with effect from 31 May 2006.

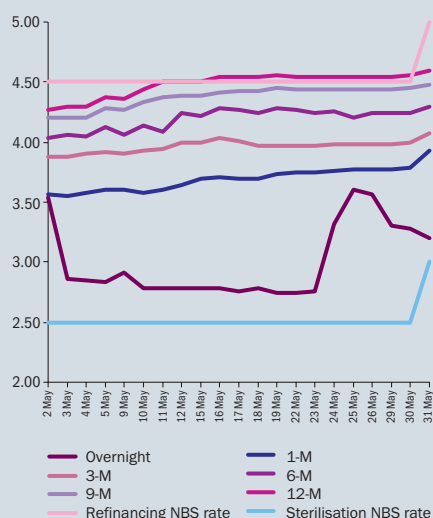
Chart 32 Differentials in the Key Rates of European Central Banks, the ECB, and the Fed (p. b.)



Source: NBS and the relevant central banks.

Chart 33 BRIBOR

(% p.a.)



Source: NBS.

Average money market rates for maturities ranging from one day to two weeks dropped in May, while the rates for one- to twelve-month maturities increased.

Interbank market rates

Rates for medium- and longer-term maturities rose during the first half of May. Their rise was caused by increased interest in the purchase of funds directly and via swaps. The increased activity was mainly stimulated by foreign banks. Growing interest in purchase was also recorded in the case of Forward Rate Agreements (FRAs) and Interest Rate Swaps (IRSs). The increase in interest rates was supported by the conviction of banks that the key rates were to be raised at the end of May, which was also confirmed by a statement by the NBS about the growing risks to price stability in the economy. This increase came to a halt at the end of the month, before the meeting of the Bank Board on the matter of interest rates. They reacted neither to the release of the latest macroeconomic data (GDP for the first quarter, unemployment in April, and the April CPI) nor to the marked changes in the position of the Slovak koruna on the foreign exchange market). This behaviour can be explained by the low trading activity and the conviction of banks that interest levels were high enough

already before the relevant NBS meeting. After the results of the Bank Board meeting had been announced, interest rates were slightly adjusted (upwards), mainly the medium-term rates, in which the expected increase was incorporated in smaller measure than in rates at the long end of the yield curve.

The volume of interbank money market transactions reached Sk 2,395 billion in May (compared with Sk 2,034 billion in April). Reference banks accounted for 93.4% of the total turnover (an increase of 1.1%). Of the total volume of purchases and sales on the interbank market, non-resident and resident bank transactions accounted for 70.05% and 29.95% respectively. In interbank transactions, both resident and non-resident banks achieved the largest share in swap transactions (46.5% and 73.2% respectively).

Table 37 Interbank Transactions

(Sk billions)

	Deposits	Repos	Swaps	FRAs	IRSs
April	632	31	1,321	20	30
May	673	114	1,561	25	22

Source: NBS.

The average daily volume of sterilised excess liquidity decreased in May by Sk 1.1 billion, to Sk 415.6 billion. The need for sterilisation was also reduced to some extent by the increased volume of currency in circulation. Of the total volume of open market transactions, repo tenders accounted for 97.7%, NBS bills 0.1%, overnight repo operations 0.1%, and overnight deposits 2.1%.

Liquidity

The NBS announced five sterilisation repo tenders for May. At these tenders, the bids of banks were accepted in full. At the first three tenders, banks were cautious and made bids for amounts smaller than the due amount. Thus, demand dropped by a total of Sk 40.8 billion. The accumulated surplus liquidity at the end of the month made it possible for banks to increase their bids at the fourth tender, by Sk 33.3 billion. At the last tender, banks reduced their bids by Sk 53.4 billion. The low demand was

Table 38 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
April	392	-7,857	-1,561	-407,655
May	295	-8,539	-510	-406,895

Source: NBS.

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

**Table 39 Tenders in May 2006**

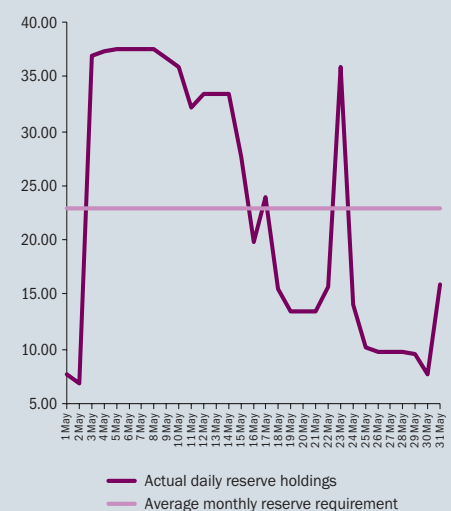
Date	Type of tender ¹⁾	Maturity (days)	Volume accepted (Sk millions)	Rates (%)		
				minimum	average	maximum
3.5.2006	SRT	14	183,100	3.50	3.50	3.50
10.5.2006	SRT	14	218,800	3.50	3.50	3.50
17.5.2006	SRT	14	174,381	3.50	3.50	3.50
24.5.2006	SRT	14	252,095	3.50	3.50	3.50
31.5.2006	SRT	14	121,018	3.50	3.50	3.50

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

caused by expectations among banks of an increase in the key NBS interest rates at the end of May. The share of repo tenders of the total volume of transactions increased by 0.11%.

The NBS announced one NBS-bill auction for May. Demand at the auction reached Sk 1.5 billion, but the NBS accepted none of the bids. This was due to the excessive demands of participants for higher yields. The share of NBS bills of the total trading volume decreased by 0.25%.

Despite a marked surplus of daily liquidity after settlement of the first tender, banks ceased to deposit excess funds at the NBS. They continued to show interest in daily deposits only when the accumulated liquidity had exceeded the level of 130%. Subsequently, banks made such deposits until the end of the month. The largest deposit was placed on the last day of the reserve maintenance period, in the amount of Sk 47.9 billion. Overnight refinancing repo operations were initiated by banks only on two occasions at the end of the month. Despite a seeming sufficiency of daily liquidity (after increased demand at the next to last tender), the uneven distribution of liquidity over the banking sector necessitated refinancing in the amount of up to Sk 5.0 billion.

Chart 34 Survey of Reserve Requirement Fulfilment in the Banking Sector in May 2006 (Sk billions)

Source: NBS.

Reserve requirements For May 2006, the amount of required minimum reserves in the banking sector was set at Sk 22.85 billion. By the end of the month, the reserve requirement had actually been fulfilled to 100.18%.

Developments in Money Market Interest Rate Derivatives

The volume traded in forward rate agreements (FRAs) increased in comparison with the previous month. Most contracts were concluded in the first half of the month, predominantly with foreign banks (56.0%). Most transactions took place in three-month FRAs with an implementation period of one, three, four, six, and nine months (76.0%). The remaining amount was transacted in six-month FRAs with implementation in one and six months.

Trading activity in interest rates swaps (IRSs) weakened for the second successive month. Most transactions were concluded with foreign banks (69.1%). As in the case of FRAs, most IRS contracts were concluded in the first half of May, with one- to ten-year maturities. They were dominated by one- to two-year maturities, which accounted for 41.2% of the total volume of IRS contracts.

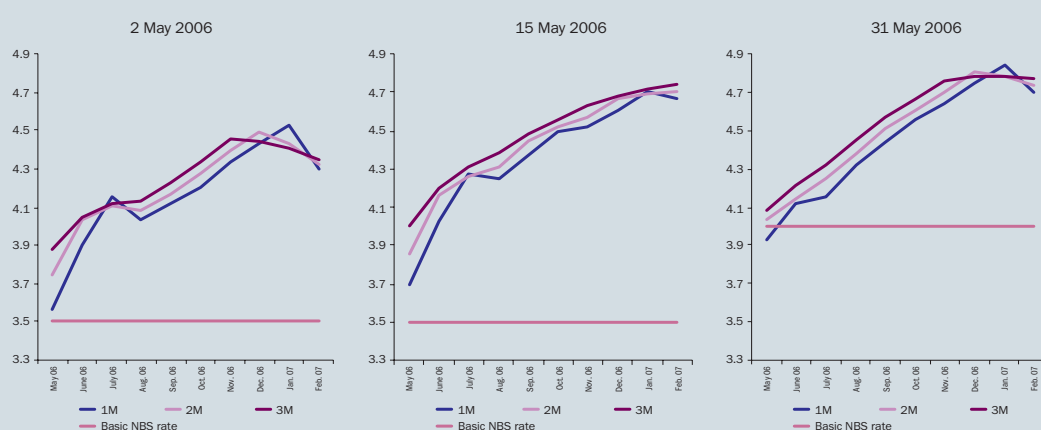
The implied interest rate expectations at the beginning of May predicted a rise in interest levels of up to 57-97 basis points within the time horizon of six to eight months. The rise in interest rates in the middle of the month caused the level of implied expectations to increase to 74-101 basis points, for the next eight to nine months. After the meeting of the Bank Board, the yield curve moved slightly upwards, mainly the rates for medium-term maturities. This change led to a fall in implied expectations to 70-92 basis points, within seven to eight months.

Chart 35 Daily Developments in FRAs (% p.a.)


Source: Reuters.

Chart 36 Daily Developments in IRSs (% p.a.)


Source: Reuters.

Chart 37 Implied Interest Rate Expectations (% p.a.)


Source: NBS.

4.3 Customer Interest Rates in April 2006

Average interest rates on new loans to and new deposits from non-financial corporations increased slightly in April, while the rates for new loans to and new deposits from households were stagnant.

Customer interest rates

During April, the average interest rate on new loans to non-financial corporations rose by 0.12 of a percentage point, and followed the slightly rising trend from the last few months. This development reflected the rise in the level of interbank market rates (0.11 of a percentage point in 3-M BRIBOR). The most significant increases occurred in interest rates on loans with an initial rate fixation (IRF) of over 10 years and loans with a flexible rate and an IRF of up to 1 year.

Average interest rates on new loans

Looking at the breakdown loans by purpose, lending rates increased for other loans (by 0.47 of percentage point), house purchase loans (by 0.32 of a point), and current account overdrafts (by 0.13 of a point). On the other hand, the rate for operating loans dropped slightly (by 0.14 of a point).

The average interest rate on new loans to households was stagnant in April. Interest rates on consumer loans fell slightly, since most loans were granted for specific purposes at lower interest rates. However, the prices of individual types of consumer loans rose slightly. Interest rates on house purchase loans continued to show a slightly rising tendency, with the steepest increases recorded in the prices of house purchase loans (0.19 of a point) and home savings bank loans (0.16 of a point). Modest increases



Table 40 Average Interest Rates on New Loans to Non-Financial Corporations

	Interest rate in %				Change in April in % points		
	IV. 2005	XII. 2005	III. 2006	IV. 2006	year-on- year	against Dec. 2005	month-on- month
Floating rate + IRF ¹⁾							
of up to 1 year inclusive	4.86	4.79	5.39	5.51	0.64	0.71	0.12
IRF of over 1							
and up to 5 years inclusive	5.78	4.46	5.74	5.67	-0.11	1.21	-0.07
IRF of over 5							
and up to 10 years inclusive	5.46	6.12	5.56	5.67	0.21	-0.45	0.11
IRF of over 10 years	4.62	4.20	5.52	6.07	1.45	1.87	0.55
Loans of up to EUR 1 million	4.79	5.20	5.52	5.34	0.56	0.14	-0.18
Loans of over EUR 1 million	3.58	4.28	4.58	4.95	1.37	0.67	0.37
Total	4.89	4.81	5.40	5.52	0.63	0.70	0.12
Total, excluding current account overdrafts and credit cards	4.09	4.53	4.98	5.09	1.00	0.56	0.11

Source: NBS.

1) Initial rate fixation.

Table 41 Average Interest Rates on New Loans to Households

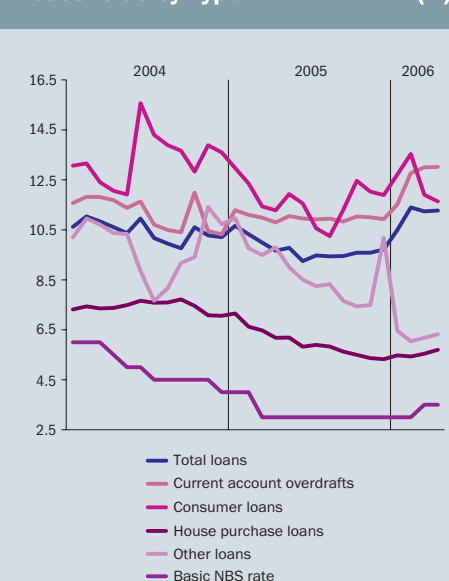
	Interest rate in %				Change in April in % points		
	IV. 2005	XII. 2005	III. 2006	IV. 2006	year-on- year	against Dec. 2005	month-on- month
Current account overdrafts (including credit cards)	10.80	10.93	13.00	13.02	2.22	2.09	0.02
Consumer loans	11.28	11.89	11.91	11.64	0.35	-0.25	-0.27
House purchase loans	6.17	5.32	5.54	5.70	-0.48	0.37	0.16
of which: Mortgage loans	5.37	4.91	4.91	5.00	-0.37	0.09	0.09
Other loans	9.80	10.17	6.18	6.32	-3.48	-3.85	0.14
Total	9.67	9.72	11.24	11.27	1.60	1.56	0.03
Total, excl. current account overdrafts and credit cards	7.97	7.36	7.13	7.31	-0.66	-0.05	0.18

Source: NBS.

were also recorded in rates for mortgage loans and intermediate loans (0.09 and 0.08 of a point respectively). Interest rates on other loans rose slightly, mainly as a result a fall in the price of American mortgages.

In a breakdown by fixation, the most significant rise occurred in rates for loans with a flexible rate and an IRF of over up to 1 year (0.21 of a point). This rise was offset by a fall in interest rates on loans with fixed interest rates. Lending rates dropped significantly for loans with an IRF of over 1 and up to 5 years (by 0.44 of a point) and loans with an IRF of over 5 and up to 10 years (by 0.81 of a point), due to a fall in the prices of consumer loans for specific purposes.

Chart 38 Interest Rates on Loans to Households by Type (%)



Source: NBS.

Average interest rates on new deposits

Average interest rates on new deposits from non-financial corporations rose slightly in April, due primarily to an increase in short-term deposits. Interest rates on deposits redeemable at a period of notice of up to 3 months rose for the second consecutive month (by 0.13 of a point), as well as the price of deposits refundable on demand (by 0.08 of a point). Longer-term deposit rates were stagnant, except for rates for deposits with

Table 42 Average Interest Rates on New Deposits from Non-Financial Corporations

	Interest rate in %				Change in April in % points		
	IV. 2005	XII. 2005	III. 2006	IV. 2006	year-on- year	against Dec. 2005	month-on- month
Deposits redeemable on demand	0.72	0.64	0.87	0.95	0.23	0.31	0.08
Deposits with an agreed maturity							
– of up to 1 year	2.48	2.55	3.16	3.16	0.67	0.61	0.00
– of over 1 and up to 2 years	1.62	-	3.87	1.63	0.01	-	-2.23
– of over 2 years	0.70	0.66	-	0.94	0.24	0.28	-
Deposits redeemable at notice							
– up to 3 months	1.22	1.44	1.78	1.91	0.69	0.47	0.13
– over 3 months	1.37	1.12	1.17	1.17	-0.20	0.05	0.00
Total	1.52	1.40	1.87	2.03	0.51	0.62	0.16

Source: NBS.

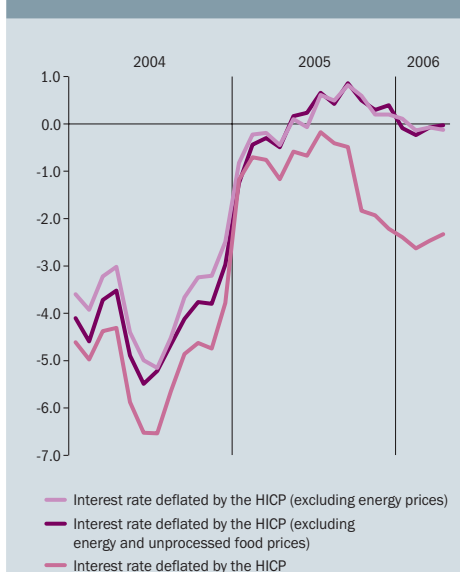
Note: Total deposits include repo transactions and other non-tradable securities.

Table 43 Average Interest Rates on New Deposits from Households

	Interest rate in %				Change in April in % points		
	IV. 2005	XII. 2005	III. 2006	IV. 2006	year-on- year	against Dec. 2005	month-on- month
Deposits redeemable on demand	0.43	0.41	0.44	0.42	-0.01	0.01	-0.02
Deposits with an agreed maturity							
– of up to 1 year	1.69	1.90	2.02	2.17	0.48	0.27	0.15
– of over 1 and up to 2 years	1.03	-	2.33	2.38	1.35	-	0.05
– of over 2 years	2.08	1.79	1.69	0.82	-1.26	-0.97	-0.87
Deposits redeemable at notice							
– up to 3 months	1.07	0.96	1.04	1.05	-0.02	0.09	0.01
– over 3 months	0.94	1.10	1.22	1.25	0.31	0.15	0.03
Total	0.67	0.71	0.79	0.81	0.14	0.11	0.02

Source: NBS.

Note: Total deposits include repo transactions and other non-tradable securities.

Chart 39 Real Interest Rates on Household Deposits (%)


Source: NBS and Statistical Office of the SR.

an agreed maturity of over 1 and up to 2 years, which dropped to a significant extent (by 2.23 percentage points). However, the volume of these deposits was only Sk 0.815 million.

Average interest rates on household deposits were stagnant in April. The slight increase in the price of deposits with the agreed maturity of up to 1 year was offset by a fall in interest rates on deposits with an agreed maturity of over 2 years. Interest rates on other types of deposits remained unchanged.

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 April (-2.33%), which represented a rise of 0.14 of a percentage point in comparison with the previous month. The real interest rate increased for the second consecutive month as a result of a rise in the price of one-year household deposits (by 0.41 of a percentage point in April, compared with February).

Real interest rates



ANNEXES

1 Capital Market

1.1 Primary Market

Government bonds During the month under review, the Agency for Debt and Liquidity Management (ARDAL) held two government-bond auctions, but one of them was unsuccessful (a zero-coupon issue with a residual maturity of 6 years). At the successful action, the first tranche of a new 20-year issue (with a fixed coupon of 4.50%) was placed on the market in the amount of Sk 5.4 billion (with demand reaching Sk 9.4 billion). This issue had the longest maturity ever recorded in the domestic market. The share of non-residents in primary purchase was 11.2%.

Yield payment and bond repayment In May 2006, yields were paid in the amount of Sk 1.5 billion. No issue was repaid in that period. Foreign investors received yields in the amount of Sk 0.3 billion, which was 50.00% more than in the same period a year earlier. Domestic investors received Sk 1.2 billion in yields (30.43% more than in 2005). Bond creditors received no yields during the month.

Table 44 Yields Paid on Government Bonds

	Foreign investors		Domestic investors	
	Yields paid (in billions of Sk)	Share of the paid yields (in %)	Yields paid (in billions of Sk)	Share of the paid yields (in %)
May 2005	0.22	18.99	0.92	81.01
May 2006	0.34	22.66	1.21	80.66

Source: ARDAL.

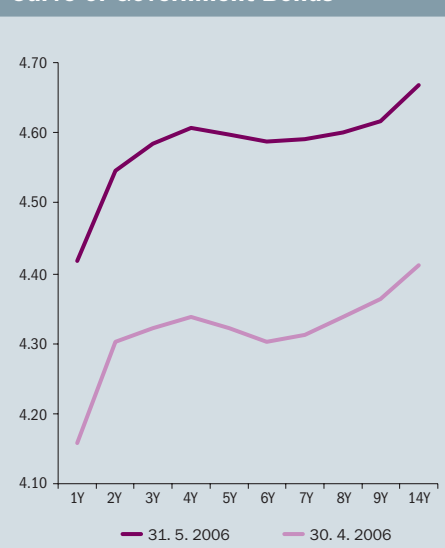
Non-government bonds One corporate bond issue was reported to the NBS in May, by DEMA, a.s., Senica (in the amount of Sk 20.0 million).

1.2 Secondary Market

May 2006 saw substantially increased trading activity on the Bratislava Stock Exchange, a.s. (BCPB), with the trading volume increasing in comparison with the previous month more than threefold.

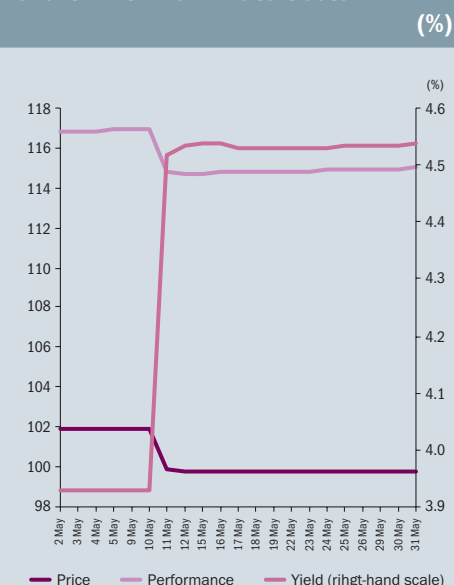
There were 933 transactions during the month (21 trading days), totalling Sk 128.9 billion. Of this amount, Sk 128.2 billion was traded in direct transactions (445 contracts) and Sk 0.7 billion in price-setting transactions (488 contracts).

Chart 40 Change in Benchmark Yield Curve of Government Bonds



Source: Reuters, NBS.

Chart 41 SDXG Private Sector



Source: BCPB.

Table 45 The SDXGroup Indices at the End of May

Sector	SDXGroup indices		Yield to maturity (in %)	Duration (in years)
	Price	Performance		
Public	102.5	113.7	4.551	5.356
SDXG sub-index (≤ 5)	101.6	111.5	4.494	2.697
SDXG sub-index (> 5)	103.7	166.3	4.567	7.404
Private (corporate + mortgagebonds)	99.8	115.0	4.537	2.968
SDXG sub-index (≤ 5)	99.6	115.6	4.261	1.584
SDXG sub-index (> 5)	103.1	114.2	4.694	5.926

Source: BCBP.

SDXGroup indices

Non-resident investors accounted for 47.45% of the total volume traded in May, of which 41.08% were composed of purchases and 53.82% of sales.

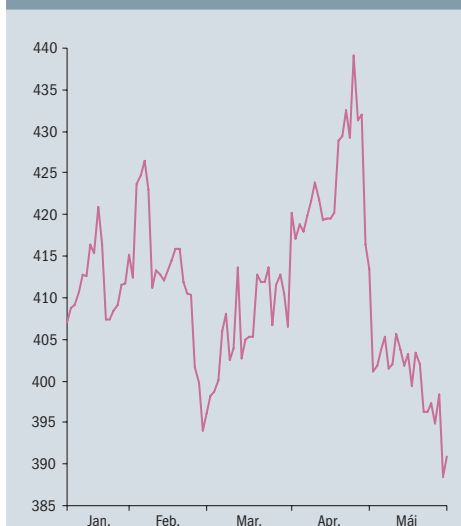
The decision of the NBS to raise its key interest rates by 50 basis points left the level of bond yields unaffected. This can be explained by the fact the interest rate adjustment had been expected by investors and was incorporated into the values of yields as early as the middle of May. The yield curve moved upwards during May, by an average of 27 basis points.

Bonds

There were 254 stock exchange transactions in bonds totalling Sk 128.7 billion in May (i.e. 99.8% of the total volume traded on the BCPB floor during the month). Of this amount, Sk 0.7 billion took place in price-setting contracts and Sk 128.0 billion in direct transactions.

The market capitalisation of bonds as at the last trading day of the month amounted to Sk 413.8 billion, representing a month-on-month increase of 0.9%. The capitalisation of quoted bonds increased from the end of April by 0.9%, to Sk 392.2 billion.

There were 679 transactions in equity securities totalling Sk 202.6 million (representing 0.2% of the total monthly trading volume) in May. Price-setting transactions accounted for Sk 42.5 million (457 contracts) and direct transactions Sk 160.0 million (222 contracts).

Shares
Chart 42 SAX Index in 2006 (points)


Source: BCPB.

By the last trading day of May, the market capitalisation of equity securities had fallen month-on-month by 4.3%, to Sk 155.5 billion. The actual amount of issues that had a market price at least once in the past, except for investment fund shares and participation certificates, was Sk 145.0 billion (a month-on-month fall of 4.5%) and accounted for 93.2% of the total capitalisation of the share market. The market capitalisation of quoted issues decreased from the end of April by 7.2%, to Sk 79.7 billion.

The BCPB placed no new share issues on its markets during May. Trading was ended in five share issues, with a nominal volume of Sk 202.1 million.

No takeover bid expired and no new takeover bids were registered during the month of May.

The SAX index closed the month at 390.96 points, representing a fall of 6.1% month-on-month and 10.1% year-on-year. The SAX index reached a monthly maximum on 2 May (413.45 points) and a minimum on 30 May (388.40 points).

SAX index



2 Monetary Developments in the Euro Area

At its meeting on 4 May 2006, the Governing Council of the European Central Bank (ECB) decided to leave its key interest rates unchanged. The rate for refinancing operations remained at 2.50%, the rate for overnight loans at 3.50%, and that for overnight deposits at 1.50%.

2.1. Exchange Rate Developments

At the beginning of the month, the US dollar continued to depreciate in relation to the euro. The main reasons were the expectation of a possible change in the monetary policy of the USA and the positive economic indicators of Germany, indicating trust in the continuing revival in the largest euro-area economy. Later the unfavourable effects on the American currency were also supported by renewed concern among market participants about a further increase in the b.o.p. current account deficit. In the second half of the month, the exchange rates of the dollar and the euro fluctuated within a narrow band, around the level of USD/EUR 1.27, and the euro markedly appreciated despite the statements of ECB officials about a further monetary policy tightening in the euro area. The exchange rate of the euro against the dollar stood at USD/EUR 1.27 at the end of the month.

During May, the euro appreciated in relation to the US dollar by 1.78% on a month-on-month basis. Since the first trading day of 2006, the single European currency has appreciated vis-à-vis the dollar by 8.81%.

2.2. Real Economy

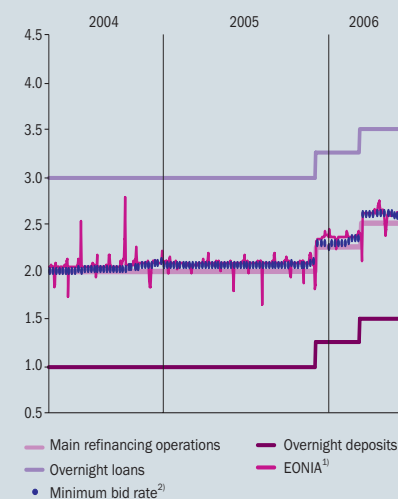
According to the first Eurostat estimate, the euro area economy grew over the first quarter of 2006 by 0.6% compared with the previous quarter, while increasing in comparison with the same quarter of 2005 by 1.9%. Final household consumption increased in the first quarter of 2006 by 0.7% (in the final quarter of 2005 by 0.1%) and investment grew by 0.3% (in the previous quarter by 0.2%). Exports increased by 3.1% (compared with 0.7% in the fourth quarter of 2005) and imports grew by 2.5% (in the previous quarter by 1.3%). Over the final quarter of 2005, euro area GDP increased by 0.3%.

The 12-month inflation rate in the euro area, expressed in terms of the Harmonised Index of Consumer Prices (HICP), rose to 2.4% in April, from 2.2% in the previous month. The strongest year-on-year consumer price dynamics were recorded in Spain (3.9%), Luxembourg and Greece (3.5%). The steepest year-on-year increases took place in prices for dwelling (5.3%) and transport (4.6%). Price levels in telecommunications fell by 3.7%. In the same period a year earlier, consumer prices in the euro area increased by 2.1%. Eurostat foresees a year-on-year inflation rate of 2.5% in May.

During April, industrial producer prices increased year-on-year by 5.4% and month-on-month by 0.8%.

On a year-on-year basis, retail sales increased by 2.8% and in comparison with the previous month by 1.4% in April.

Chart 43 Key ECB Interest Rates and the EONIA (%)



Source: ECB.

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

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

Chart 44 Exchange Rates: SKK/EUR and USD/EUR



Source: NBS and ECB.



The rate of unemployment (seasonally adjusted) remained unchanged in April, at the level of the previous month (8.0%). The lowest unemployment rates were achieved in the Netherlands (3.8%) and Ireland (4.3%). The highest unemployment rates within the euro area were recorded in Greece (9.6% in the fourth quarter of 2005) and France (8.9%). In relative terms, the steepest increase in the year-on-year unemployment rate occurred in Luxembourg (from 4.4% to 4.8%). In the same period a year earlier, the unemployment rate in the euro area stood at 8.9%.

According to the first Eurostat estimate, foreign trade in the euro area resulted in a surplus of EUR 1.2 billion in March, compared with EUR 4.0 billion in the same period a year earlier. Compared with the previous month, euro area exports (seasonally adjusted) increased in March by 1.2%, while imports declined by 1.5%.



3 Methodological Notes to Selected Indicators

3.1 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 ECB methodology, monetary aggregates were calculated in 2003 and 2004 on the basis of a harmonised balance from the 'M (NBS) 1-12 - Statistical Balance' monthly statement, from which the NBS compiles aggregated and consolidated balances 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, and the local branches of foreign banks. With effect from January 2004, in accordance with the ECB methodology, the MFI sector was 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 website of the National Bank of Slovakia)⁷.

From the monthly statistical balances of resident MFIs, an aggregated balance sheet is compiled, as a summary of statistical balances of MFIs for assets and liabilities in all currencies. Then, a consolidated balance sheet is compiled from the aggregated balance sheet of MFIs, through the compensation (netting) of positions between the MFIs, as a basis for the calculation of monetary aggregates and the main counterparts of the M3 aggregate. During consolidation, the mutual relations of MFIs are excluded from the aggregated balance sheet 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 issued equity securities are reduced by MFI shares and other equities held by MFIs.

Table 46 Calculation of Monetary Aggregates According to NBS and ECB Methodologies

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 in circulation [M0]
+	+
DEMAND DEPOSITS (in SKK)	overnight deposits and received loans
= Money (M1 – 'narrow money')	= M1 ('narrow money')
TIME DEPOSITS (all maturities, in SKK)	+ deposits and received loans with an agreed maturity of up to 2 years
+	+ deposits and received loans redeemable at a period of notice of up to 3 months
FOREIGN CURRENCY DEPOSITS	= M2 ('intermediate money')
= QUASI-MONEY [QM - 'quasi money']	+ repurchase operations
	+ money market fund shares/units
	+ debt securities with a maturity of up to 2 years, and other money market products
M2 MONEY MARKET (=M1+QM)	M3 MONETARY AGGREGATE ('broad money')

The main differences between the individual methodologies are as follows:

- **in the definition 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 funds - the deposits of money market

⁷ The actual list of monetary financial institutions (MFIs) and detailed methodological information on harmonised monetary and banking statistics are available on the website of the National Bank of Slovakia (<http://www.nbs.sk>), in the 'Harmonised Monetary and Banking Statistics' section, within the 'Banking Sector in the SR' menu.

funds (MMFs) 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 funds (MMFs) in commercial banks appear in the balance sheets of commercial banks as customer deposits of financial institutions and are directly included in the M2 money supply;
- **in 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 (with regard to maturity, ECB liabilities with a maturity of over 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;
- **in the definitions of deposits and loans:**
 - the ECB methodology extends the definition of deposits to include also 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 also include non-marketable securities issued by clients and held by banks, subordinated debt in the form of loans, receivables in respect of repo operations, and tradable loans);
 - the NBS methodology uses a so-called 'narrow definition' for both 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 structure of monetary aggregates by sector:**
 - the ECB methodology (with the deposits of MMFs being deducted from customer deposits) covers the above sectors, as well as the deposits of local government (S.1313) and social insurance funds (S.1314)⁸;
 - 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 MMF 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 as part of 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 data⁹.

3.2 Statistics of Monetary Aggregates (NBS methodology - Monetary Survey)

In 2005, the National Bank of Slovakia completed the harmonisation process in developing a methodology for monitoring and recording monetary aggregates according to the methodology of the European Central Bank (ECB). Over a temporary period in 2005, the NBS used both the national

⁸ 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.

⁹ In the conditions of the NBS, the recording of seasonally adjusted data according to ECB methodology is currently in the stage of preparation.



methodology and that of the ECB in evaluating the development of monetary aggregates, while placing greater emphasis on ECB methodology in relation to the M3 aggregate and its counterparts.

As from February, i.e. the expiration of the one-year temporary period, the NBS publishes reports on monetary aggregates exclusively according to the ECB methodology.

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

As of the beginning of 2005, customer interest rates are evaluated according to ECB methodology, where interest rates are monitored on loans granted¹⁰ and deposits received (new contracts). According to this methodology, the subjects of monitoring are interest rates on new business volumes. 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 are assessed in the way these sectors are defined in Directive No. 63/2002¹¹ of the European Central Bank, concerning interest rate statistics.

The monitoring 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 sector.

The methodology of the ECB makes it possible to monitor interest rates according to the period of initial rate fixation (IRF) and, in the case of non-financial corporations, according to the volume of loans as well. The initial rate fixation is the period for which an agreed interest rate is fixed. According to IRF, loans are divided into loans with a floating rate and an IRF of up to 1 year (inclusive), loans with an IRF of over 1 and up to 5 years (inclusive), loans with an IRF of over 5 and up to 10 years (inclusive), and loans with an IRF of more than 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 (for sole traders only)
- investment loans
- consumer loans
- real estate loans
 - mortgage loans
 - building loans
 - intermediate loans
 - other real estate loans
- other loans.

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

- current account overdrafts
- investment loans
- operating loans
- loans for house purchase
 - mortgage loans
 - building loans
 - intermediate loans
 - other loans for house purchase
- other loans.

¹⁰ The term 'granted loans' is an equivalent of the term 'new loan'.

¹¹ 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' as defined 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. households and sole traders) and non-profit institutions serving households S.15, and the term 'non-financial corporations' means sector S.11.

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

- deposits repayable 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
- 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 level of interest rates, because banks neither pay nor receive subsidies. For example, interest rates on mortgage loans with government bonuses are recorded without the state subsidies.

3.4 Classification of Loans According to Quality

Year 2005¹²

For statistical purposes, loans were classified into the following categories:

- a) standard loans;
- b) standard loans with qualification;
- c) non-standard loans;
- d) doubtful loans;
- e) loss-making loans;
- f) unclassified loans
 - 1. up to 30 days overdue,
 - 2. 31 to 90 days overdue,
 - 3. 91 to 180 days overdue,
 - 4. 181 to 360 days overdue,
 - 5. more than 360 days overdue.

According to NBS Decree No. 13/2004 of 26 November 2004 on the classification of assets and liabilities of banks and branches of foreign banks, adjustment of their valuation, formation and dissolution of reserves, and related reporting (hereinafter referred to as 'NBS Decree'), claims were classified as follows:

Standard claims – defined as claims where:

- repayment is up to 30 days overdue, the debtor meets his other commitments pursuant to the contract, and an analysis of the debtor's economic situation indicates that the claim will be repaid in full and on time;

Standard claims with qualification – defined as claims where:

- repayment is more than 30, but not more than 90 days overdue;
- the debtor fails to meet another commitment arising from the contract, for example he fails to provide information as required under the contract, or based on an analysis of the debtor's economic situation a loss is expected for the bank as a result of overdue repayment;
- provisions are created in the amount of at least 1%, but less than 20%, of the unsecured value of a standard claim with qualification.

¹²Until 2004, claims had been classified as standard loans, standard loans with qualification, non-standard loans, doubtful loans, and loss-making loans.



Non-standard claims – defined as claims where:

- repayment is more than 90, but not more than 180 days overdue;
- the debtor is in liquidation;
- the claim arises from the realisation of a guarantee provided for the debtor, or based on an analysis of the debtor's economic situation it is assumed that the claim will in large part be repaid;
- provisions are created in the amount of at least 20%, but less than 50%, of the unsecured value of the non-standard claim concerned.

Doubtful claims – defined as claims where:

- repayment is more than 180, but not more than 360 days overdue;
- the debtor is undergoing composition proceedings;
- a bankruptcy petition is filed and a temporary conservator is appointed for the debtor's property, or based on an analysis of the debtor's economic situation it is assumed that only a smaller part of the claim will be repaid;
- provisions are created in the amount of at least 50%, but less than 95%, of the unsecured value of the doubtful claim.

Loss-making claims – defined as claims where:

- repayment is more than 360 days overdue;
- a bankruptcy petition for the debtor's property is rejected for lack of assets;
- bankruptcy is declared for the debtor's property;
- bankruptcy proceedings for the debtor's property are terminated, since there are not enough assets to cover the costs of bankruptcy proceedings;
- this is a claim against a person with a special relationship to the bank, or a person having control over the bank, and repayment of the claim is more than 90 days overdue, or an analysis of the debtor's economic situation indicates that the claim will not be repaid, even in part;
- provisions are created for 100% of the unsecured value of the loss-making claim concerned.

Unclassified loans were defined as loans in the portfolio of claims created according to Article 8 of the NBS Decree.

Year 2006

With effect from January 2006, a new NBS decree is in force: Decree No. 7/2005 of 6 December 2005, amending NBS Decree No. 13/2004 on the classification of assets and liabilities of banks and branches of foreign banks, adjustment of their valuation, formation and dissolution of reserves, and related reporting. The new decree has substantially modified the classification of loans according to quality.

On the basis of changes in accounting practices for banks according to international accounting standards, the method of valuation of financial assets has been modified, while the amendment to NBS Decree No. 13/2004 has changed the regulation function to verification function (for the valuation of selected types of assets) with effect from 1 January 2006.

Selected financial assets are classified for the purposes of banking supervision as follows:

Claims valued **on an individual basis** vis-à-vis corporate entities:

- claims with no identifiable depreciation;
- claims with reduced value:
 - depreciated by not more than 20%;
 - depreciated by more than 20%, but no more than 50%;
 - depreciated by more than 50%, but no more than 95%;
 - depreciated by more than 95%;
- failed claims.

Claims valued **on a portfolio basis** vis-à-vis corporate entities:

- significant and
- insignificant.

**For statistical purposes, the individual claims are categorised as follows:**

Category I covers property valued *on an individual basis with no identifiable depreciation*.

Category II covers property valued *on a portfolio basis (with no identifiable depreciation on an individual basis)*.

Category III covers property valued *on an individual basis with identifiable depreciation*.

Failed claims are defined as assets where a more than 50% drop in value is identified by the bank or where repayment by the debtor is more than 90 days overdue.

For interest rate statistics according to the harmonised methodology, loans are reported to the ECB without the 'failed claims' category, where the so-called 'bad loans' are included.

4. Tables

Selected Indicators of Economic and Monetary Development in the SR

	Unit	2005								2006				
		5	6	7	8	9	10	11	12	1	2	3	4	5
REAL ECONOMY														
Gross domestic product ^{1) 2)}	SKK billions	-	421.391 ⁽⁶⁾	-	-	648.918 ⁽⁶⁾	-	-	876.283 ⁽⁶⁾	-	-	.	-	-
Year-on-year change in GDP ³⁾	%	-	5.1 ⁽⁶⁾	-	-	6.2 ⁽⁶⁾	-	-	6.0 ⁽⁶⁾	-	-	.	-	-
Unemployment rate ^{4) 11)}	%	11.3	11.1	11.0	10.9	11.2	10.93	10.86	11.36	11.82	11.66	11.42	11.04	.
Consumer prices (CPI) ^{3) 10)}	%	2.3	2.5	2.0	2.1	2.3	3.5	3.6	3.9	4.1	4.3	4.3	4.4	4.8
Consumer prices (HICP) ³⁾	%	2.4	2.5	2.0	2.0	2.2	3.3	3.4	3.7	4.1	4.4	4.5	4.5	4.8
BALANCE OF TRADE ^{2) 9) (p)}														
Exports (fob)	SKK millions	374,820	461,260	539,510	620,666	713,795	810,522	911,278	993,516	81,416	166,427	267,101	355,056	.
Imports (fob)	SKK millions	402,677	492,762	575,678	657,294	752,978	856,352	960,948	1,069,517	90,341	185,482	290,481	389,012	.
Balance	SKK millions	-27,857	-31,502	-36,168	-36,628	-39,183	-45,830	-49,670	-76,001	-8,925	-19,055	-23,380	-33,956	.
BALANCE OF PAYMENTS ²⁾														
Current account ⁹⁾	SKK millions	-37,546.4	-50,534.8	-57,770.1	-61,288.0	-68,149.7	-75,307.3	-82,956.3	-126,131.6	-11,059.40	-18,719.80	-27,900.60	.	.
Capital and financial account	SKK millions	93,185.3	110,055.7	125,453.6	136,623.9	137,017.2	128,023.0	138,502.2	176,681.1	3,090.9	-622.7	39,672.9	.	.
Overall balance	SKK millions	70,082.2	68,604.4	69,749.5	72,413.9	73,364.9	65,142.8	69,368.0	71,442.4	-143.40	795.9	25,114.20	.	.
FOREIGN EXCHANGE RESERVES ^{4) 6)}														
Total foreign exchange reserves	USD millions	17,751.8	17,165.7	17,314.7	17,434.8	17,349.5	16,998.0	16,876.3	17,010.6	17,063.7	16,767.9	17,798.4	18,509.9	18,951.6
NBS foreign exchange reserves	USD millions	16,211.5	15,590.0	15,687.0	15,915.6	15,835.6	15,647.8	15,438.4	15,479.5	15,754.6	15,454.6	16,521.3	16,924.6	16,924.6
GROSS EXTERNAL DEBT ^{4) 7)}														
Total gross external debt	USD billions	26.5	26.2	25.9	26.6	26.5	26.1	26.2	26.9	27.9	26.9	28.5	.	.
External debt per capita	USD	4,919	4,876	4,817	4,937	4,933	4,852	4,879	5,000	5,191	5,002	5,303	.	.
MONETARY INDICATORS														
Exchange rate ⁵⁾	SKK/USD	30.672	31.641	32.22	31.494	31.354	32.357	32.808	31.932	31.029	31.298	31.186	30.105	.
M3 monetary aggregate ^{4) 10)}	SKK billions	770.5	774.3	779.7	785.8	792.0	800.4	798.4	831.4	835.2	844.3	851.0	860.8	.
Year-on-year change in M3 ³⁾	%	12.5	9.6	8.9	8.0	7.3	7.6	6.3	7.8	9.9	10.5	11.7	10.7	.
Claims of monetary financial institutions ¹⁰⁾	SKK billions	714.5	724.7	729.7	736.9	753.5	769.0	778.3	795.4	769.2	780.8	794.5	800.0	.
STATE BUDGET ^{2) 4)}														
Revenue	SKK billions	105.4	126.4	154.2	170.5	188.6	214.4	233.7	258.7	32.8	50.4	71.8	95.8	112.1
Expenditure	SKK billions	109.3	127.6	152.3	175.6	196.7	219.5	241.3	292.6	20.7	44.1	71.7	95.6	123.8
Balance	SKK billions	-3.9	-1.1	1.9	-5.1	-8.1	-5.1	-7.6	-33.9	12.1	6.3	0.1	0.2	-11.7
MONEY MARKET														
Interest rates set by the NBS Bank Board														
Date of maturity ⁶⁾		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	1.3.2005	1.3.2006	1.3.2006	1.3.2006
Overnight operations														
- sterilisation		%	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.50	2.50	3.00
- refinancing		%	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.50	4.50	5.00
Limit rate for 2-week repo tenders		%	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.50	3.50	4.00
Basic interest rate of the NBS (until 31/12/02: discount rate)		%	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.50	3.50	4.00
Average interbank deposit rate (BRIBOR)														
overnight		%	2.90	2.77	2.53	2.99	2.71	2.55	2.37	2.80	2.75	2.74	3.10	3.00
7-day		%	2.92	2.93	2.88	2.99	2.91	2.93	2.89	2.94	2.98	2.95	3.44	3.39
14-day		%	2.92	2.96	2.94	3.01	2.96	2.98	2.98	3.02	3.02	3.49	3.51	3.49
1-month		%	2.88	2.93	2.95	3.00	2.99	3.01	3.05	3.02	3.03	3.16	3.57	3.69
2-month		%	2.82	2.90	2.92	2.99	2.98	3.01	3.11	3.06	3.10	3.27	3.66	3.85
3-month		%	2.75	2.88	2.89	2.94	2.93	3.03	3.19	3.12	3.17	3.34	3.75	3.96
6-month		%	2.67	2.79	2.83	2.91	2.90	3.04	3.35	3.24	3.26	3.45	3.88	4.19
9-month		%	2.64	2.74	2.79	2.87	2.86	3.05	3.44	3.29	3.34	3.52	3.98	4.38
12-month		%	2.64	2.71	2.77	2.85	2.85	3.07	3.52	3.34	3.39	3.58	4.06	4.49

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) Methodological change with effect from 1 January 2002.

7) Methodological change with effect from 1 January 1999.

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

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

10) According to the methodology of the ECB.

11) 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)												
		2005									2006			
		4	5	6	7	8	9	10	11	12	1	2	3	4
Claims of MFIs on residents	37.9	449.4	457.2	467.7	478.9	486.9	500.4	511.1	519.2	534.7	540.7	545.5	556.1	561.7
General government	1.6	24.0	23.8	22.8	23.3	23.7	25.7	26.2	26.5	27.9	27.8	27.3	26.2	23.8
Private sector	36.3	425.4	433.4	444.9	455.6	463.3	474.7	484.9	492.7	506.8	512.9	518.2	529.8	538.0
Non-financial corporations	19.2	241.6	244.6	249.5	253.4	255.5	260.7	263.5	266.5	271.4	276.0	277.6	281.9	284.2
– up to 1 year	8.0	104.1	107.6	109.1	110.4	112.3	113.3	111.9	115.3	117.3	120.2	119.5	118.8	119.0
– 1 to 5 years	3.7	54.1	53.8	54.3	54.5	53.5	53.7	54.1	52.9	52.0	52.3	52.2	55.2	55.1
– over 5 years	7.4	83.3	83.2	86.1	88.5	89.6	93.7	97.6	98.3	102.1	103.5	105.9	108.0	110.1
Financial corporations	3.9	43.7	43.6	44.3	46.7	47.0	48.1	50.5	51.1	55.0	53.0	54.2	56.3	57.3
Insurance corporations and pension funds	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Households and non-profit institutions serving households	13.3	140.2	145.2	151.0	155.5	160.7	165.8	170.8	175.1	181.0	183.7	186.3	191.6	196.5
– consumer loans	2.1	20.5	21.8	22.7	23.4	24.4	24.8	24.7	25.0	24.8	29.7	29.8	31.0	31.4
– housing loans	8.7	93.1	96.0	99.7	102.6	106.4	109.5	112.4	115.0	118.9	120.2	122.4	125.6	128.5
– other loans	2.5	26.6	27.5	28.6	29.4	29.9	31.5	33.7	35.2	37.3	34.0	34.0	35.0	36.5
Securities other than shares and participation certificates issued by residents	15.7	253.1	251.9	250.8	244.5	243.7	246.8	251.5	253.0	254.6	222.6	229.5	232.6	232.5
General government	15.1	240.7	239.4	238.3	232.1	231.4	234.4	239.1	243.6	245.6	214.0	221.0	223.8	223.8
Private sector	0.6	12.4	12.5	12.5	12.3	12.3	12.5	12.4	9.4	9.0	8.7	8.5	8.9	8.7
Shares and other equities issued by private sector	0.4	4.5	5.4	6.2	6.3	6.3	6.3	6.3	6.2	6.1	5.8	5.8	5.8	5.8
Foreign assets	40.4	636.6	592.8	590.5	602.2	602.4	605.0	596.0	585.4	589.7	578.3	573.0	598.7	597.7
Fixed assets	2.2	34.5	34.5	34.5	33.6	33.8	33.9	33.6	33.6	34.4	33.6	33.4	33.4	33.2
Other assets	3.3	44.9	45.3	45.8	45.9	42.3	44.1	45.5	46.3	41.4	47.6	47.0	46.3	49.4
Deposits and loans received from the central government	7.1	98.7	73.4	84.1	84.6	78.5	77.3	85.1	92.9	61.3	39.9	47.3	79.5	104.5
Long-term financial liabilities	12.3	197.9	191.7	189.1	199.6	195.7	200.0	199.7	192.5	193.3	182.7	186.1	192.0	182.1
Deposits and loans received with an agreed maturity of over 2 years	4.1	52.7	52.2	52.9	52.5	53.3	53.3	53.1	53.8	57.5	57.5	59.5	59.8	60.4
Deposits redeemable at a period of notice of over 3 months	1.8	29.5	29.1	28.8	28.6	28.2	28.0	27.8	27.7	27.8	27.5	27.2	26.9	26.6
Debt securities issued with a maturity of over 2 years	1.5	12.5	13.3	13.3	14.1	14.4	15.1	13.2	18.3	17.6	18.7	18.8	21.2	21.7
Capital, reserves, and provisions	5.0	103.2	97.1	94.1	104.3	99.8	103.6	105.6	92.8	90.4	78.9	80.6	84.0	73.4
Foreign liabilities	18.9	298.5	297.4	296.3	298.0	308.0	319.4	310.9	308.2	328.0	318.5	307.2	301.5	279.3
Other liabilities	3.6	50.1	53.8	51.4	49.4	47.6	48.0	48.3	56.6	46.8	54.2	49.7	48.4	53.8
Surplus of liabilities among MFIs	0.0	0.7	0.3	0.2	0.2	-0.1	-0.1	-0.3	-5.1	0.0	-1.8	-0.2	0.5	-0.2
M3	58.1	777.2	770.5	774.3	779.7	785.8	792.0	800.4	798.4	831.4	835.2	844.3	851.0	860.8
Total	100.0	1,423.1	1,387.0	1,395.5	1,411.4	1,415.4	1,436.5	1,444.1	1,443.6	1,460.8	1,428.6	1,434.3	1,472.8	1,480.4

1) In the current month.



Average Interest Rates on New Loans

(ECB methodology)

(%)

	2005									2006			
	4	5	6	7	8	9	10	11	12	1	2	3	4
Loans in total¹⁾	6.17	6.39	6.23	6.22	6.19	5.93	6.35	6.14	5.78	6.32	6.50	6.87	7.11
Current account overdrafts	6.60	6.80	6.72	6.52	6.46	6.37	6.58	6.45	6.17	6.25	6.50	6.96	7.12
Operation loans	3.78	3.92	3.99	3.67	3.77	3.55	3.94	3.77	3.82	3.99	4.47	4.28	4.61
Investment loans	5.16	5.24	4.27	4.92	5.29	4.22	4.80	5.61	4.64	5.07	5.21	5.78	5.54
Consumer loans	11.28	11.85	11.56	10.56	10.25	11.30	12.47	12.03	11.89	12.72	13.54	11.91	11.64
Real estate loans	6.05	6.10	5.81	5.88	5.81	5.61	5.49	5.36	5.32	5.47	5.43	5.54	5.70
of which:													
Mortgage loans	5.37	5.34	5.07	4.88	4.82	4.82	4.84	4.87	4.92	4.99	4.91	4.92	5.01
Construction loans	5.19	5.27	5.12	5.18	5.15	5.07	5.26	5.01	5.05	5.07	5.07	5.05	5.21
Intermediate loans	7.21	6.62	6.50	6.54	6.47	6.37	6.24	6.16	6.31	6.26	6.49	6.63	6.71
Other real estate loans	6.25	6.64	6.66	6.50	6.37	6.03	5.63	5.45	5.29	5.47	5.34	5.35	5.54
Other loans	5.21	5.52	5.93	6.68	6.24	5.10	5.56	4.75	5.92	4.20	5.22	5.40	5.65
Floating rate + IRF for up to 1 year incl.	6.08	6.25	6.23	6.16	6.18	6.01	6.34	6.18	5.77	6.28	6.46	6.84	7.14
IRF for over 1 year and up to 5 years incl.	7.80	9.87	7.62	7.81	6.76	5.82	7.04	5.54	6.38	7.36	7.80	7.32	6.61
IRF for over 5 years and up to 10 years incl.	6.45	6.33	5.79	6.25	6.48	6.12	6.22	6.27	6.41	6.59	7.30	7.51	7.24
IRF for over 10 years	6.30	5.61	4.32	4.92	5.50	3.98	5.06	4.98	4.24	6.04	6.09	6.23	6.35
Households													
Loans in total	9.67	9.78	9.25	9.48	9.44	9.45	9.59	9.58	9.72	10.49	11.40	11.24	11.27
Current account overdrafts	10.80	11.05	10.95	10.92	10.94	10.83	11.04	11.00	10.93	10.64	12.15	12.40	12.37
Operation loans	5.15	7.28	6.35	7.70	5.80	7.26	6.54	6.18	5.99	5.84	6.33	6.63	6.51
Investment loans	6.91	6.66	6.60	6.59	6.08	6.00	5.83	5.91	5.87	5.65	6.18	6.25	6.27
Consumer loans	11.28	11.93	11.56	10.56	10.25	11.30	12.47	12.03	11.89	12.72	13.54	11.91	11.64
Real estate loans	6.17	6.19	5.83	5.89	5.83	5.63	5.49	5.36	5.32	5.47	5.43	5.54	5.70
of which:													
Mortgage loans	5.37	5.34	5.06	4.88	4.83	4.83	4.83	4.87	4.91	4.98	4.90	4.91	5.00
Construction loans	5.19	5.27	5.12	5.18	5.15	5.07	5.26	5.01	5.05	5.07	5.07	5.05	5.21
Intermediate loans	7.21	6.62	6.51	6.56	6.50	6.41	6.25	6.18	6.31	6.27	6.50	6.64	6.73
Other real estate loans	6.63	6.93	6.80	6.58	6.38	6.05	5.67	5.45	5.29	5.47	5.33	5.34	5.53
Other loans	9.80	9.01	8.51	8.25	8.32	7.66	7.43	7.49	10.17	6.45	6.04	6.18	6.32
Credit cards	-	-	-	-	-	-	-	-	-	16.10	16.08	16.22	16.58
Floating rate + IRF for up to 1 year incl.	9.70	9.81	9.44	9.88	9.91	9.94	9.99	9.94	9.90	10.70	11.68	11.71	11.92
IRF for over 1 year and up to 5 years incl.	11.66	12.46	11.72	10.28	9.48	9.13	8.34	8.85	9.09	9.25	9.23	8.14	7.70
IRF for over 5 years and up to 10 years incl.	6.92	6.55	6.39	6.55	6.65	6.58	6.80	6.89	7.08	7.12	7.91	8.49	7.67
IRF for over 10 years	6.50	5.93	5.21	4.93	5.07	4.93	5.16	5.18	5.97	6.26	7.20	6.91	6.73
Non-financial corporations													
Loans in total	4.89	4.92	5.00	4.88	4.94	4.68	5.02	4.93	4.81	5.00	5.03	5.40	5.52
Current account overdrafts	5.18	5.16	5.39	5.09	5.02	4.96	5.18	5.12	4.93	5.17	5.09	5.47	5.60
Operation loans	3.62	3.87	3.82	3.47	3.85	3.22	3.91	3.69	3.67	3.98	4.49	4.64	4.51
Investment loans	4.94	5.03	4.14	4.71	5.36	4.12	4.69	5.73	4.90	4.95	5.02	5.71	5.70
Real estate loans	5.38	4.59	5.43	6.19	5.13	5.43	5.49	5.55	5.48	5.56	5.56	5.67	5.99
Other loans	4.23	4.21	4.35	6.21	4.95	4.25	4.10	3.48	5.48	3.87	5.11	5.16	5.63
Credit cards	-	-	-	-	-	-	-	-	-	12.36	13.26	13.83	14.29
Loans up 1 million EUR	4.79	4.75	4.72	4.43	4.96	4.91	4.94	4.91	5.20	4.93	5.21	5.52	5.34
Loans over 1 million EUR	3.58	3.93	3.65	4.11	4.35	3.40	3.85	3.88	4.28	3.91	4.27	4.58	4.95
Floating rate + IRF for up to 1 year incl.	4.86	4.91	5.03	4.82	4.91	4.72	5.01	4.99	4.79	5.00	5.03	5.39	5.51
IRF for over 1 year and up to 5 years incl.	5.78	5.59	4.78	6.44	5.15	5.18	5.04	3.15	4.46	4.87	4.69	5.74	5.67
IRF for over 5 years and up to 10 years incl.	5.46	5.54	4.91	5.35	5.39	5.01	5.22	5.24	6.12	5.55	4.78	5.56	5.67
IRF for over 10 years	4.62	4.34	3.80	4.78	5.76	3.57	4.83	4.14	4.20	5.09	5.56	5.52	6.07

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

Note: IRF – initial rate fixation.



Average Interest Rates on New Deposits

(ECB methodology)

(%)

	2005									2006			
	4	5	6	7	8	9	10	11	12	1	2	3	4
Deposits in total ¹⁾	1.37	1.35	1.41	1.38	1.40	1.36	1.41	1.42	1.29	1.52	1.24	1.59	1.67
Deposits payable on demand	0.59	0.62	0.69	0.60	0.58	0.57	0.65	0.64	0.57	0.95	0.58	0.66	0.74
of which: demand deposits	0.49	0.48	0.49	0.47	0.48	0.49	0.51	0.51	0.46	0.65	0.45	0.52	0.60
overnight deposits	1.69	1.48	2.01	1.79	1.66	1.71	2.09	1.77	1.70	3.19	1.46	2.23	2.64
Deposits with agreed maturity ²⁾	2.54	2.62	2.66	2.58	2.60	2.56	2.56	2.55	2.55	2.40	2.51	3.02	3.05
– up to 1 year in total	2.54	2.62	2.65	2.58	2.59	2.56	2.56	2.55	2.55	2.41	2.52	3.02	3.06
– up to 7 days	1.88	2.48	2.26	2.01	2.10	2.09	2.07	2.03	2.17	2.54	2.12	2.78	2.73
– up to 1 month	2.74	2.74	2.77	2.76	2.75	2.73	2.70	2.68	2.73	2.64	2.66	3.17	3.21
– up to 3 months	1.77	1.97	1.91	1.94	1.91	1.89	1.77	1.81	1.80	1.97	1.97	2.15	2.14
– up to 6 months	1.72	2.03	2.01	1.77	1.90	1.86	1.75	1.78	1.69	1.86	1.83	2.10	2.13
– up to 1 year	1.85	1.98	2.14	2.20	2.27	1.89	1.80	1.84	1.93	-	1.71	1.88	2.12
– over 1 year in total	2.58	2.65	4.62	2.71	2.72	2.06	1.54	1.29	1.68	0.99	0.88	1.87	0.83
– up to 2 years	1.61	1.92	1.54	1.87	1.52	1.52	1.74	1.69	0.97	2.07	2.33	3.58	2.25
– over 2 years	2.72	2.77	4.64	2.76	2.72	2.08	1.54	1.28	1.74	0.94	0.86	1.68	0.80
Savings deposits	0.99	0.93	0.94	0.95	0.97	0.99	1.00	1.02	1.05	1.07	1.10	1.16	1.19
– redeemable at a period of notice of up to 3 months	1.07	0.97	0.95	0.93	0.93	0.93	0.94	0.94	0.96	0.97	0.97	1.05	1.06
– redeemable at a period of notice of over 3 months	0.94	0.90	0.94	0.97	0.99	1.01	1.04	1.06	1.10	1.13	1.17	1.22	1.25
Households													
Deposits in total	0.67	0.66	0.67	0.66	0.68	0.70	0.71	0.71	0.71	0.80	0.69	0.79	0.81
Deposits payable on demand	0.43	0.43	0.43	0.42	0.43	0.42	0.42	0.42	0.41	0.54	0.38	0.44	0.42
of which: demand deposits	0.43	0.42	0.42	0.41	0.42	0.41	0.41	0.41	0.40	0.51	0.37	0.42	0.41
overnight deposits	1.17	1.10	1.45	1.21	1.15	1.13	1.50	1.19	1.16	2.90	1.42	1.89	2.14
Deposits with agreed maturity	1.69	1.95	2.02	1.95	2.01	2.00	1.92	1.90	1.90	1.80	1.76	2.02	2.13
– up to 1 year in total	1.69	1.94	2.02	1.95	2.00	2.00	1.93	1.91	1.90	1.83	1.79	2.02	2.17
– up to 7 days	1.47	1.56	1.83	1.59	1.69	1.69	1.74	1.68	1.69	2.16	1.84	2.24	2.33
– up to 1 month	1.80	2.06	2.16	2.14	2.14	2.13	1.99	1.99	2.00	1.78	1.77	1.99	2.14
– up to 3 months	1.56	1.78	1.76	1.73	1.72	1.71	1.60	1.60	1.57	1.44	1.59	1.73	1.85
– up to 6 months	1.46	1.62	1.73	1.67	1.69	1.71	1.60	1.70	1.39	1.69	1.59	1.90	1.99
– up to 1 year	1.46	1.83	1.90	1.91	1.73	1.81	1.60	1.60	1.60	1.61	1.56	1.73	1.97
– long-term over 1 year	1.99	2.29	2.03	2.12	2.13	2.06	1.55	1.26	1.75	0.98	0.88	1.70	0.83
– up to 2 years	1.03	1.59	1.54	1.53	1.52	1.54	1.74	1.70	0.97	2.08	2.33	2.34	2.35
– over 2 years	2.08	2.33	2.05	2.14	2.14	2.08	1.55	1.26	1.79	0.96	0.87	1.69	0.82
Savings deposits	0.99	0.93	0.94	0.95	0.97	0.98	1.00	1.02	1.05	1.07	1.10	1.16	1.18
– redeemable at a period of notice of up to 3 months	1.07	0.97	0.95	0.92	0.93	0.93	0.93	0.93	0.96	0.96	0.96	1.04	1.05
– redeemable at a period of notice of over 3 months	0.94	0.90	0.94	0.96	0.99	1.01	1.04	1.06	1.10	1.13	1.17	1.22	1.25
Non-financial corporations													
Deposits in total	1.52	1.58	1.55	1.45	1.52	1.48	1.56	1.59	1.40	1.85	1.47	1.87	2.03
Deposits payable on demand	0.72	0.76	0.89	0.69	0.71	0.72	0.81	0.81	0.64	1.23	0.70	0.87	0.95
of which: demand deposits	0.54	0.50	0.55	0.52	0.52	0.55	0.62	0.62	0.47	0.79	0.49	0.58	0.71
overnight deposits	1.70	1.68	2.07	1.76	1.69	1.72	2.05	1.80	1.67	3.29	1.69	2.23	2.62
Deposits with agreed maturity	2.48	2.60	2.57	2.43	2.53	2.46	2.50	2.57	2.55	2.73	2.58	3.16	3.16
– up to 1 year in total	2.35	2.39	2.44	2.31	2.37	2.33	2.42	2.42	2.38	2.73	2.58	3.16	3.16
– up to 7 days	1.93	2.45	2.29	2.04	2.18	2.14	2.09	2.12	2.02	2.54	2.15	2.56	2.80
– up to 1 month	2.75	2.75	2.74	2.72	2.73	2.69	2.68	2.68	2.76	2.81	2.72	3.31	3.30
– up to 3 months	2.16	2.24	2.24	2.27	2.25	2.21	2.18	2.30	2.34	2.62	2.67	2.89	3.06
– up to 6 months	2.06	2.19	2.13	1.63	2.23	2.04	2.28	2.39	2.44	2.49	2.73	2.63	2.90
– up to 1 year	2.21	2.19	1.95	2.49	2.58	2.26	2.03	2.15	2.40	2.31	2.07	2.67	2.93
– long-term over 1 year	1.59	2.02	1.41	1.82	1.71	1.46	1.35	1.57	0.82	2.06	1.38	3.87	1.32
– up to 2 years	1.62	1.94	-	-	-	1.40	-	-	0.98	2.05	-	-	-
– over 2 years	0.70	2.38	1.41	1.82	1.71	2.00	1.35	1.57	0.66	2.06	1.38	-	0.94
Savings deposits	1.23	1.16	1.25	1.26	1.25	1.28	1.27	1.33	1.42	1.51	1.49	1.74	1.86
– redeemable at a period of notice of up to 3 months	1.22	1.16	1.26	1.27	1.26	1.30	1.28	1.35	1.44	1.53	1.51	1.78	1.91
– redeemable at a period of notice of over 3 months	1.37	1.12	1.12	1.12	1.12	1.12	1.12	1.12	1.12	1.15	1.17	1.17	1.17

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)

	2005									2006			
	4	5	6	7	8	9	10	11	12	1	2	3	4
Loans in total ¹⁾	5.90	5.88	5.95	5.92	5.90	5.86	5.89	5.86	5.80	5.89	5.93	6.06	6.15
Current account overdrafts	6.58	6.73	6.68	6.47	6.40	6.37	6.54	6.44	6.14	6.19	6.55	6.97	7.12
Consumer loans	12.24	12.17	12.08	11.98	11.81	11.67	11.88	11.85	11.82	12.26	12.23	12.28	12.21
Operation loans	3.81	3.95	4.06	4.06	4.11	3.94	4.11	4.05	4.00	3.97	4.10	4.32	4.47
Investment loans	4.39	4.30	4.37	4.40	4.44	4.41	4.39	4.52	4.42	4.47	4.50	4.72	4.85
Real estate purchase loans	6.19	6.16	6.12	6.08	6.05	6.00	5.96	5.94	5.91	6.34	6.25	6.20	6.19
Other loans	5.58	5.49	5.56	5.54	5.60	5.68	5.78	5.54	5.79	4.81	4.82	4.95	5.12
Credit cards	18.97	19.11	19.09	19.14	19.15	19.26	19.29	19.15	19.80	16.04	15.99	16.15	16.51
Short-term loans	5.37	5.44	5.66	5.50	5.48	5.42	5.59	5.53	5.42	5.42	5.66	5.91	6.09
Long-term loans over 1 year and up to 5 years	7.34	7.30	7.36	7.32	7.28	7.27	7.25	7.19	7.21	7.15	7.11	7.22	7.24
Long-term loans over 5 years	5.43	5.39	5.40	5.43	5.43	5.40	5.39	5.42	5.36	5.59	5.57	5.63	5.71
Households													
Loans in total	8.24	8.22	8.15	8.10	8.04	7.98	7.96	7.89	7.83	7.81	7.86	7.84	7.81
Current account overdrafts	10.59	10.95	10.87	10.83	10.87	10.92	11.06	11.00	10.83	10.59	12.20	12.32	12.37
Consumer loans	12.28	12.18	12.09	11.98	11.81	11.67	11.88	11.85	11.82	12.26	12.23	12.28	12.21
Real estate purchase loans	6.89	6.85	6.78	6.74	6.69	6.64	6.59	6.52	6.47	6.41	6.33	6.26	6.24
Other loans	10.69	10.48	10.60	10.58	10.81	10.61	10.13	9.92	9.76	7.36	7.20	7.04	6.95
Credit cards	19.01	19.13	19.11	19.17	19.18	19.28	19.32	19.18	19.90	16.14	16.08	16.23	16.57
Short-term loans	10.79	10.94	10.86	10.84	10.91	10.96	11.03	10.96	10.89	10.96	12.09	12.27	12.31
Long-term loans over 1 year and up to 5 years	10.99	11.07	11.04	11.05	10.99	10.96	11.01	10.96	10.91	10.84	10.78	10.87	10.80
Long-term loans over 5 years	6.19	6.17	6.14	6.13	6.10	6.08	6.06	6.03	6.01	6.46	6.38	6.34	6.34
Non-financial institutions													
Loans in total	4.45	4.41	4.54	4.48	4.49	4.45	4.52	4.58	4.52	4.55	4.60	4.88	5.01
Current account overdrafts	5.17	5.18	5.46	5.13	5.05	4.98	5.20	5.11	4.91	5.09	5.05	5.47	5.57
Operation loans	3.58	3.84	3.94	3.95	3.94	3.88	3.95	3.93	3.86	3.81	3.97	4.34	4.46
Investment loans	4.32	4.23	4.24	4.29	4.33	4.31	4.31	4.48	4.44	4.52	4.59	4.80	4.94
Real estate purchase loans	5.00	5.24	5.19	4.81	4.74	4.39	4.95	4.70	4.47	4.71	4.63	4.68	5.14
Other loans	4.67	4.43	4.61	4.67	4.69	4.75	4.63	4.67	4.94	4.49	4.61	4.80	4.92
Credit cards	17.84	18.54	18.35	18.02	17.55	18.11	17.98	18.00	18.27	12.36	13.26	13.83	14.29
Short-term loans	4.41	4.46	4.72	4.54	4.52	4.50	4.64	4.61	4.48	4.53	4.56	4.92	5.05
Long-term loans over 1 year and up to 5 years	5.02	4.90	4.93	4.92	4.93	4.92	4.90	4.92	4.97	4.96	4.96	5.20	5.32
Long-term loans over 5 years	4.14	4.02	4.04	4.13	4.17	4.13	4.15	4.35	4.34	4.40	4.50	4.69	4.83

1) Interest rates on loans include all sectors (i. e. non-financial institutions, households, insurance corporations, pension funds and general government)

Note: Data in this table include only performing loans according to Decree of the NBS No. 7/2005 on the classification of assets and liabilities of banks and branches of foreign banks.



Koruna Deposits and Average Deposit Rates

(National methodology)

	2005									2006			
	4	5	6	7	8	9	10	11	12	1	2	3	4
Deposits in total ¹⁾	1.64	1.55	1.60	1.55	1.54	1.54	1.57	1.57	1.46	1.52	1.37	1.68	1.74
Deposits payable on demand	0.59	0.62	0.69	0.60	0.58	0.57	0.65	0.64	0.57	0.92	0.59	0.66	0.74
of which: demand deposits	0.48	0.48	0.49	0.48	0.48	0.49	0.51	0.52	0.47	0.61	0.47	0.52	0.60
overnight deposits	1.69	1.48	2.01	1.79	1.66	1.71	2.09	1.77	1.70	3.20	1.46	2.22	2.64
Deposits with agreed maturity ²⁾	2.32	2.28	2.29	2.25	2.24	2.24	2.25	2.26	2.19	2.15	2.15	2.52	2.56
- up to 1 year in total	2.20	2.14	2.18	2.13	2.15	2.15	2.19	2.21	2.16	2.02	2.03	2.49	2.55
- up to 7 days	1.91	2.25	2.06	1.86	1.76	1.83	1.89	1.94	2.03	2.53	1.78	2.80	2.49
- up to 1 month	2.37	2.30	2.39	2.39	2.42	2.41	2.45	2.48	2.45	2.37	2.41	2.89	2.96
- up to 3 months	1.80	1.62	1.60	1.61	1.60	1.56	1.54	1.47	1.44	1.42	1.55	1.71	1.82
- up to 6 months	1.89	1.61	1.44	1.29	1.22	1.21	1.20	1.18	1.30	1.39	1.49	1.61	1.76
- up to 1 year	2.18	2.13	2.07	1.98	1.90	1.86	1.83	1.71	1.68	0.80	0.79	0.79	0.87
- over 1 year in total	3.26	3.27	3.16	3.14	3.04	3.02	2.96	2.93	2.77	2.73	2.70	2.66	2.62
- up to 2 years	4.19	4.21	3.60	3.57	3.57	3.56	3.57	3.57	2.18	2.14	2.13	2.16	1.90
- over 2 years	3.04	3.05	3.05	3.04	2.91	2.90	2.82	2.78	2.78	2.00	1.96	1.74	1.71
Savings deposits	0.99	0.93	0.94	0.95	0.97	0.99	1.00	1.02	1.06	1.07	1.10	1.16	1.19
- redeemable at a period of													
notice of up to 3 months	1.07	0.97	0.96	0.93	0.93	0.93	0.94	0.94	0.96	0.97	0.97	1.05	1.06
- redeemable at a period of													
notice of over 3 months	0.94	0.90	0.93	0.97	0.99	1.01	1.04	1.06	1.10	1.13	1.17	1.22	1.25
Households													
Deposits in total	1.26	1.22	1.21	1.18	1.17	1.16	1.16	1.15	1.13	1.20	1.19	1.26	1.29
Deposits payable on demand	0.43	0.43	0.43	0.42	0.42	0.42	0.42	0.42	0.41	0.49	0.41	0.44	0.42
of which: demand deposits	0.43	0.42	0.42	0.42	0.42	0.41	0.41	0.41	0.40	0.45	0.40	0.42	0.41
overnight deposits	1.16	1.10	1.45	1.21	1.15	1.13	1.50	1.20	1.16	2.90	1.42	1.89	2.14
Deposits with agreed maturity	1.91	1.87	1.84	1.80	1.77	1.75	1.74	1.73	1.76	1.88	1.92	2.01	2.09
- up to 1 year in total	1.49	1.42	1.39	1.35	1.34	1.31	1.31	1.31	1.33	1.44	1.51	1.68	1.82
- up to 7 days	1.05	1.08	1.14	1.07	0.98	1.01	1.11	1.08	1.00	1.52	1.17	1.59	1.75
- up to 1 month	1.14	1.16	1.16	1.15	1.19	1.18	1.20	1.25	1.34	1.46	1.51	1.68	1.84
- up to 3 months	1.73	1.59	1.57	1.55	1.56	1.52	1.48	1.41	1.36	1.28	1.42	1.53	1.68
- up to 6 months	1.69	1.51	1.38	1.23	1.11	1.10	1.10	1.14	1.22	1.32	1.43	1.53	1.66
- up to 1 year	2.12	2.04	1.95	1.81	1.73	1.68	1.62	1.55	1.50	1.46	1.46	1.56	1.72
- long-term over 1 year	3.03	3.04	3.02	3.01	2.91	2.89	2.82	2.78	2.78	2.73	2.71	2.66	2.62
- up to 2 years	2.48	2.43	2.47	2.59	2.59	2.49	2.42	2.36	2.25	2.19	2.16	2.13	1.81
- over 2 years	3.04	3.05	3.03	3.02	2.91	2.90	2.83	2.78	2.78	2.21	2.16	2.15	1.86
Savings deposits	0.99	0.93	0.94	0.95	0.97	0.98	1.00	1.02	1.05	1.07	1.10	1.16	1.18
- redeemable at a period of													
notice of up to 3 months	1.07	0.97	0.95	0.92	0.93	0.93	0.93	0.94	0.96	0.96	0.96	1.04	1.05
- redeemable at a period of													
notice of over 3 months	0.94	0.90	0.93	0.97	0.99	1.01	1.04	1.06	1.10	1.13	1.17	1.22	1.25
Non-financial corporations													
Deposits in total	1.66	1.53	1.59	1.48	1.48	1.48	1.58	1.56	1.38	1.82	1.49	1.85	1.99
Deposits payable on demand	0.71	0.76	0.89	0.69	0.71	0.72	0.81	0.81	0.64	1.23	0.70	0.87	0.95
of which: demand deposits	0.54	0.50	0.55	0.52	0.52	0.55	0.62	0.62	0.47	0.79	0.49	0.58	0.71
overnight deposits	1.70	1.68	2.07	1.76	1.69	1.72	2.05	1.80	1.67	3.29	1.69	2.23	2.62
Deposits with agreed maturity	2.40	2.30	2.32	2.28	2.28	2.29	2.35	2.37	2.30	2.68	2.58	3.05	3.07
- up to 1 year in total	2.41	2.30	2.40	2.30	2.29	2.30	2.43	2.40	2.31	2.68	2.58	3.05	3.07
- up to 7 days	2.10	2.09	2.27	1.98	1.92	1.99	2.05	2.15	1.79	2.70	1.94	2.40	2.62
- up to 1 month	2.65	2.62	2.62	2.61	2.62	2.63	2.67	2.69	2.65	2.72	2.71	3.22	3.20
- up to 3 months	2.30	1.92	1.86	2.05	2.07	2.03	2.05	2.05	2.15	2.37	2.46	2.74	2.70
- up to 6 months	3.00	2.58	2.07	1.82	2.16	2.15	2.08	1.37	2.25	2.41	2.24	2.45	2.65
- up to 1 year	2.82	2.77	2.23	2.27	2.22	2.10	2.08	1.89	1.90	1.89	1.97	2.29	2.47
- long-term over 1 year	2.32	2.36	2.53	2.47	2.45	2.44	2.35	2.32	2.17	2.17	2.21	2.41	2.41
- up to 2 years	1.80	1.96	-	-	-	2.27	-	-	2.10	2.23	2.23	2.50	2.50
- over 2 years	2.64	2.72	2.75	2.59	2.57	2.55	2.41	2.33	2.21	2.23	2.21	2.48	2.48
Savings deposits	1.23	1.15	1.25	1.25	1.25	1.28	1.27	1.33	1.41	1.51	1.49	1.74	1.86
- redeemable at a period of													
notice of up to 3 months	1.22	1.16	1.26	1.27	1.26	1.30	1.28	1.35	1.43	1.53	1.51	1.78	1.91
- redeemable at a period of													
notice of over 3 months	1.37	1.12	1.12	1.12	1.12	1.12	1.12	1.12	1.12	1.15	1.18	1.17	1.17

1) Interest rates on deposits in total include also sectors of insurance corporations, pension funds and general government.

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

Note: As from 2005 deposits include also repo operations and other non-negotiable securities.



Shortened Balance Sheet of Commercial Banks as at 30 April 2006

(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	61,147,342	1,236,309,724	31,190,638	146,864,599	57,145,921	1,410,363,540
Cash items	0	10,566,804	0	0	3,113,504	13,680,308
Cash in hand	0	10,566,804	0	0	3,113,504	13,680,308
of which: EUR	0	0	0	0	1,557,235	1,557,235
Gold	0	0	0	0	0	0
Credits and other receivables	23,929,282	905,720,738	8,406,133	135,189,931	35,181,548	1,060,569,068
Deposits with and credits to NBS, foreign central banks and post office banks	296	440,548,014	0	0	2,140	440,549,858
of which: Valued on an individual basis						
with no identifiable depreciation (category I)	296	351,373,345	0	0	2,140	351,375,189
Valued on a portfolio basis (category II)	0	89,174,669	0	0	0	89,174,669
Valued on an individual basis						
with identifiable depreciation (category III)	0	0	0	0	0	0
of which: Failed	0	0	0	0	0	0
of which: Current accounts	0	1,404,077	0	0	1,742	1,405,819
Time deposits	0	344,058	0	0	0	344,058
Credits provided	296	431,056,154	0	0	0	431,055,858
Money reserve accounts	0	7,743,725	0	0	0	7,743,725
of which: Minimum reserve requirements	0	7,740,433	0	0	0	7,740,433
Postal cheque accounts	0	0	0	0	398	398
Deposits with and credits to banks	54,442	21,281,269	5,967,796	15,149,749	21,397,245	63,741,617
of which: Valued on an individual basis						
with no identifiable depreciation (category I)	760	18,829,118	4,847,758	15,122,908	19,137,208	57,936,232
Valued on a portfolio basis (category II)	880	1,979,855	1,120,038	26,841	2,258,234	5,384,088
Valued on an individual basis						
with identifiable depreciation (category III)	52,802	472,296	0	0	1,803	421,297
of which: Failed	42,602	42,602	0	0	0	0
of which: Deposits with and credits to own financial group	1,852	1,913,445	1,390,003	0	9,494,751	12,796,347
of which: Current accounts in banks	1,825	525,593	53,389	93,151	5,369,988	6,040,296
Current accounts of other banks	33	0	1,441,522	0	539,151	1,980,640
Time deposits	760	19,325,600	4,472,885	15,056,598	13,110,517	51,964,840
Credits provided	51,036	1,430,076	0	0	2,377,589	3,756,629
Receivables from clients	23,833,127	426,820,514	2,438,337	114,169,399	13,782,163	533,377,286
of which: Valued on an individual basis						
with no identifiable depreciation (category I)	116,841	136,531,142	1,025,462	57,946,798	9,328,923	204,715,484
Valued on a portfolio basis (category II)	6,884,840	253,284,442	1,054,058	45,773,765	3,268,696	296,496,121
Valued on an individual basis						
with identifiable depreciation (category III)	16,831,446	37,004,930	358,817	10,448,836	1,184,544	32,165,681
of which: Failed	15,947,012	19,398,246	9,574	3,356,377	16,665	6,833,850
of which: PFPT credits	0	0	0	0	0	0
Credits to general government and international organizations (S.13)	41,417	17,070,941	0	5,870,783	0	22,900,307
of which: Valued on an individual basis						
with no identifiable depreciation (category I)	2,574	10,842,239	0	5,272,753	0	16,112,418
Valued on a portfolio basis (category II)	6	6,119,812	0	246,126	0	6,365,932
Valued on an individual basis						
with identifiable depreciation (category III)	38,837	108,890	0	351,904	0	421,957
of which: Failed	5	6	0	0	0	1
of which: Deposits with central government (S.1311)	0	0	0	0	0	0
Credits to central government (S.1311)	1	8,815,904	0	127,585	0	8,943,488
of which: SR Treasury	0	0	0	0	0	0
Other funds	0	535	0	0	0	535
Credits to local governments (S.1313)	11,926	8,008,416	0	5,743,198	0	13,739,688
Credits to social security funds (S.1314)	0	246,621	0	0	0	246,621
of which: Health insurance companies	0	0	0	0	0	0
Social Insurance Corporation	0	246,621	0	0	0	246,621
Debt securities	0	0	0	0	0	0
Financial instruments for sale	343,151	39,220,741	2,042,210	2,811,083	5,200,627	48,931,510
Financial instruments in real value towards profit/loss	0	25,255,862	4,234,431	4,287,317	7,335,275	41,112,885
Tangible assets investments (IAS 40)	77,580	256,736	0	0	0	179,156
Positive real value of fixed forward transactions	0	4,218,764	6,295,076	509,510	461,299	11,484,649
Positive real value of options	0	606,493	1,218,571	162,854	164,324	2,152,242
Financial instruments held to maturity	61,190	176,376,941	8,551,390	3,443,785	4,093,192	192,404,118
Subsidiary and affiliated companies, joint ventures	1,226,768	4,874,948	302,259	0	0	3,950,439
Long-term funds provided to branches abroad	0	0	0	0	533,116	533,116
Tangible assets	24,795,641	47,552,705	683	0	81,282	22,839,029
Intangible assets	9,695,302	13,725,934	0	0	0	4,030,632
Other assets	1,018,428	7,871,479	139,885	460,119	981,754	8,434,809
Subordinated financial assets	0	61,579	0	0	0	61,579
Adjustments	33,460,901	33,460,901	0	0	0	0
Portfolio adjustments not recorded above	0	0	0	0	0	0



Shortened Balance Sheet of Commercial Banks as at 30 April 2006

(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	920,544,385	144,542,706	163,370,054	181,906,395	1,410,363,540
PAYABLES	864,472,173	104,028,497	163,176,636	181,823,955	1,313,501,261
Deposits with and credits to NBS and foreign issuing banks, and postal checking accounts	4,632,284	0	45,697	0	4,677,981
of which: Current accounts	112	0	0	0	112
Time deposits	0	0	0	0	0
Credits received	4,632,172	0	45,697	0	4,677,869
Postal cheque accounts	0	0	0	0	0
Deposits, credits and other liabilities received from banks	15,364,739	60,570,181	13,375,873	133,014,399	222,325,192
of which: Deposits with and credits received from own financial group	104,767	23,486,044	18	88,167,978	111,758,807
of which: Current accounts in banks	0	43,394	0	1,007,441	1,050,835
Current accounts of other banks	525,872	5,337,337	93,252	925,732	6,882,193
Time deposits	13,438,385	37,567,280	13,282,621	117,269,801	181,558,087
Credits received	1,400,482	17,622,170	0	13,811,425	32,834,077
Deposits and credits received from clients	633,218,242	7,221,350	94,636,515	4,581,200	739,657,307
of which: PFPT deposits	10,756,984	0	2,000	0	10,758,984
of which: Current accounts and other financial undated liabilities	261,193,575	4,389,657	47,313,968	3,036,150	315,933,350
Time deposits	326,716,786	2,758,696	45,833,732	1,529,207	376,838,421
Deposits at notice	39,007,100	72,937	1,488,815	15,843	40,584,695
Certificates of deposit	416,704	60	0	0	416,764
Credits received and financial leasing	5,884,077	0	0	0	5,884,077
Deposits of general government and international organizations	95,954,422	12,781	37,183,999	3,277,485	136,428,687
of which: Deposits of central government (S.1311)	71,678,508	12,781	36,958,362	3,277,485	111,927,136
of which: Treasury	2,773,987	0	9,363,328	0	12,137,315
Other funds	4,774,683	0	30,957	0	4,805,640
of which: National Property Fund	4,764,997	0	24,968	0	4,789,965
Deposits of local governments (S.1313)	24,272,966	0	225,637	0	24,498,603
Deposits of social security funds (S.1314)	2,948	0	0	0	2,948
of which: Health insurance companies	2,948	0	0	0	2,948
Social Insurance Corporation	0	0	0	0	0
Securities issued by the accounting unit	63,880,179	1,650,201	1,796,983	25,664	67,353,027
Financial liabilities in real value towards profit/loss (IAS 39)	13,258,790	25,726,055	11,148,261	35,924,570	86,057,676
of which: Current accounts	0	0	0	0	0
Time deposits	13,258,790	25,726,055	11,148,261	35,924,570	86,057,676
Deposits at notice	0	0	0	0	0
Debt securities issued	0	0	0	0	0
Credits received	0	0	0	0	0
Subordinated liabilities	0	0	0	0	0
of which: Loans	0	0	0	0	0
Debt securities issued	0	0	0	0	0
Other liabilities	0	0	0	0	0
Negative real value of fixed forward transactions	4,661,972	7,122,177	355,377	1,319,001	13,458,527
Negative real value of options	910,531	569,575	179,897	163,279	1,823,282
Liabilities from securities sold for a short term	0	0	0	0	0
Subsidies and similar funds	3,332,953	0	0	0	3,332,953
Reserves	5,767,393	69	150,535	79,182	5,997,179
Other liabilities	23,429,090	93,245	4,303,499	2,025,961	29,851,795
Subordinated financial liabilities	61,578	1,062,863	0	1,413,214	2,537,655
EQUITY CAPITAL	56,072,212	40,514,209	193,418	82,440	96,862,279
Registered capital	4,544,453	37,083,235	0	0	41,627,688
of which: Subscribed registered capital	4,544,453	37,083,235	0	0	41,627,688
Receivables from shareholders	0	0	0	0	0
Own shares	0	0	0	0	0
Long-term funds provided to branches of foreign banks	32,000	2,844,579	0	56,057	2,932,636
Share premium	1,684,808	475,000	0	0	2,159,808
Reserve funds and other funds allocated from profits	12,079,775	149,500	0	0	12,229,275
Capital funds	204,579	5,490	0	1,615	211,684
Gains/losses from revaluation	443,886	-43,595	193,418	24,768	618,477
Profit/loss from previous years	26,660,215	0	0	0	26,660,215
of which: Retained earnings	27,349,838	0	0	0	27,349,838
Accumulated loss	-689,623	0	0	0	-689,623
Profit and loss account	5,371,101	0	0	0	5,371,101
Profit/loss in process of approval /+,-/	5,051,395	0	0	0	5,051,395



Monthly Profit and Loss Account of Commercial Banks

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

(SKK millions)

	2005									2006			
	4	5	6	7	8	9	10	11	12	1	2	3	4
NET INCOME FROM INTEREST	10,002	12,507	14,928	17,416	19,807	22,238	24,750	27,232	29,694	2,568	4,889	7,514	10,099
Income from interest on securities	5,626	7,020	8,407	9,837	11,158	12,483	13,810	15,024	16,255	1,143	2,065	3,068	4,046
Income from other interest	12,489	15,791	18,863	21,909	25,129	28,264	31,409	34,760	38,262	3,842	7,308	11,608	15,809
Expenses on interest on securities	891	1,118	1,345	1,581	1,814	2,041	2,271	2,472	2,746	221	444	671	904
Expenses on other interest	7,222	9,186	10,998	12,749	14,666	16,468	18,198	20,079	22,077	2,195	4,040	6,492	8,852
NET NON-INTEREST INCOME	5,907	7,487	9,349	10,912	12,483	14,051	15,868	17,499	19,534	1,871	3,497	5,270	6,981
Income from fees and provisions	3,974	5,037	6,179	7,283	8,442	9,537	10,832	11,961	13,318	1,075	2,169	3,471	4,634
Expenses on fees and provisions	625	771	947	1,108	1,280	1,454	1,619	1,814	2,075	198	389	643	859
Dividends received	167	209	81	86	97	98	100	119	98	3	8	8	211
Income from operations in securities	1,601	1,908	2,481	2,745	2,676	2,922	3,369	3,628	4,019	412	656	942	1,189
Expenses on operations in securities	641	799	981	1,118	1,251	1,408	2,284	2,521	2,624	138	398	1,034	1,328
Profit/loss of foreign exchange operations	1,058	717	810	-63	807	1,206	823	3,286	4,477	1,296	1,759	1,732	3,264
Profit/loss of fixed forward transactions and options	348	1,146	1,665	3,033	2,922	3,068	4,542	2,736	2,188	-611	-355	798	-127
Income from other operations	359	466	601	708	805	908	1,026	1,122	1,301	73	133	96	126
Expenses on other operations	336	426	539	655	736	827	920	1,018	1,168	39	86	101	130
NET OPERATIONAL PROFIT/LOSS	-1,468	-1,879	-2,310	-3,116	-3,445	-3,795	-4,117	-4,245	-6,583	-142	-288	-540	-749
GENERAL OPERATIONAL EXPENSES	8,849	11,244	13,657	15,921	18,088	20,280	22,631	24,949	28,010	2,286	4,656	7,098	9,474
NET ADDITIONS TO RESERVES AND PROVISIONS	68	203	245	643	517	916	484	-45	1,579	-252	-216	-273	-522
INCOME TAX	587	921	977	780	909	1,652	1,840	2,075	2,321	215	391	720	962
CURRENT PERIOD PROFIT/LOSS	5,073	6,152	7,578	9,153	10,364	11,478	12,514	13,419	13,892	1,545	2,835	4,153	5,371



Balance of Payments of the SR for January – March 2006

	Receipts / Credit (+)		Payments / Debit (-)		Balance	
	SKK millions	USD millions	SKK millions	USD millions	SKK millions	USD millions
Goods	267,101.0	8,569.4	290,481.0	9,319.5	-23,380.0	-750.1
Services	32,625.9	1,046.7	30,629.5	982.7	1,996.3	64.0
Transport	12,716.9	408.0	8,793.7	282.1	3,923.2	125.9
Tourism	7,463.2	239.4	6,396.0	205.2	1,067.2	34.2
Other services	12,445.7	399.3	15,439.8	495.4	-2,994.1	-96.1
Income	13,178.6	422.8	19,382.6	621.9	-6,204.0	-199.0
Compensation of employees	7,200.0	231.0	313.7	10.1	6,886.3	220.9
Investment income	5,978.6	191.8	19,068.9	611.8	-13,090.3	-420.0
Current transfers	12,546.5	402.5	12,859.5	412.6	-312.9	-10.0
CURRENT ACCOUNT	325,452.0	10,441.5	353,352.6	11,336.7	-27,900.6	-895.1
Capital account	413.7	13.3	695.0	22.3	-281.4	-9.0
Financial account	1,443,349.6	46,304.7	-1,403,395.3	-45,020.6	39,954.2	1,284.2
Direct investment	196,786.9	6,313.5	-178,703.0	-5,733.4	18,083.9	580.2
Abroad (direct investor = resident)	10,415.8	334.2	-11,589.0	-371.8	-1,173.2	-37.6
Equity capital and reinvested earnings	3.8	0.1	-909.0	-29.2	-905.2	-29.0
Other capital	10,412.0	334.0	-10,680.0	-342.6	-268.0	-8.6
In the SR (recipient of dir. investment = resident)	186,371.1	5,979.4	-167,114.0	-5,361.5	19,257.1	617.8
Equity capital and reinvested earnings	15,638.1	501.7	-1,300.0	-41.7	14,338.1	460.0
Other capital	170,733.0	5,477.7	-165,814.0	-5,319.8	4,919.0	157.8
Portfolio investment	158,950.8	5,096.9	-118,966.0	-3,816.8	39,984.7	1,280.1
Assets	18,570.4	595.8	-25,038.5	-803.3	-6,468.1	-207.5
Liabilities	140,380.4	4,501.1	-93,927.5	-3,013.5	46,452.9	1,487.6
Financial derivatives	461,361.0	14,801.9	-461,461.4	-14,805.1	-100.3	-3.2
Assets	220,302.2	7,068.0	-218,349.6	-7,005.3	1,952.6	62.6
Liabilities	241,058.8	7,733.9	-243,111.7	-7,799.8	-2,052.9	-65.9
Other investment	626,250.9	20,092.4	-644,265.0	-20,665.3	-18,014.1	-572.9
Long-term	101,515.1	3,256.7	-86,034.8	-2,759.8	15,480.3	496.8
Assets	18,373.7	589.2	-17,294.8	-554.8	1,078.9	34.4
Liabilities	83,141.4	2,667.4	-68,740.0	-2,205.0	14,401.4	462.5
Short-term	524,735.8	16,835.7	-558,230.2	-17,905.4	-33,494.4	-1,069.7
Assets	307,576.0	9,868.0	-314,795.2	-10,099.6	-7,219.2	-231.6
Liabilities	217,159.8	6,967.7	-243,435.0	-7,805.8	-26,275.1	-838.1
CAPITAL AND FINANCIAL ACCOUNT	1,443,763.2	46,318.0	-1,404,090.4	-45,042.9	39,672.9	1,275.1
ERRORS AND OMISSIONS					13,341.9	427.8
TOTAL BALANCE	-51,214.8	-1,621.1	76,329.0	2,428.9	25,114.2	807.8
Monetary gold	0.0	0.0	0.0	0.0	0.0	0.0
Special drawing rights	0.0	0.0	0.0	0.0	0.0	0.0
Foreign exchange	51,214.8	1,621.1	-76,329.0	-2,428.9	-25,114.2	-807.8
Currency and deposits	0.0	0.0	-20,759.0	-659.3	-20,759.0	-659.3
Securities	51,214.8	1,621.1	-55,570.0	-1,769.6	-4,355.2	-148.5
Bonds and notes	0.0	0.0	-55,570.0	-1,769.6	-55,570.0	-1,769.6
Money market instruments and financial derivatives	51,214.8	1,621.1	0.0	0.0	51,214.8	1,621.1
RESERVE ASSETS	51,214.8	1,621.1	-76,329.0	-2,428.9	-25,114.2	-807.8

Note: Preliminary data.

Applied rate of exchange: USD 1 = SKK 31.160



Overview of Issues of NBS Bills

Registration number	Date of			DTM	Volume in SKK millions		Type of auction	Interest rate in % p.a.		
	auction	issue	maturity		demand	akcept.		issue	maturity	max.
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	-	-	-
951703017	22.12.2005	23.12.2005	17.3.2006	84	26,711	5,801	American	2.99	3.00	3.00
960704001	12.1.2006	13.1.2006	7.4.2006	84	28,575	5,553	American	3.00	3.00	3.00
960505003	9.2.2006	10.2.2006	5.5.2006	84	13,000	0	American	-	-	-
960906004	16.3.2006	17.3.2006	9.6.2006	84	6,310	210	American	3.50	3.50	3.50
963006005	6.4.2006	7.4.2006	30.6.2006	84	9,053	300	American	3.50	3.50	3.50
962807007	4.5.2006	5.5.2006	28.7.2006	84	1,515	0	American	-	-	-



Basic Characteristics of Slovakia's Foreign Exchange Market in May 2006

	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	54.8	100.0	21	0	0	0	54.8	21
Transactions between domestic banks without foreign participation	7,793.2	61.0	262	4,944.6	38.7	1,030	40.6	0.3	30	12,778.4	1,322
Interbank forex market: NBS + transactions between domestic banks	7,793.2	60.7	262	4,999.4	39.0	1,051	40.6	0.3	30	12,833.2	1,343
Transactions between domestic and foreign banks	77,986.2	87.7	2,079	10,809.2	12.2	5,840	140.7	0.2	141	88,936.1	8,060
Foreign exchange market in the SR – total	85,779.4	84.3	2,341	15,808.6	15.5	6,891	181.3	0.2	171	101,769.3	9,403

	SPOT			FORWARD			SWAP			OPTIONS			Total	
	Volume		No. of transactions	Volume		No. of transactions	Volume		No. of transactions	Volume		No. of transactions	Volume USD millions	No. of transactions
	USD millions	%		USD millions	%		USD millions	%		USD millions	%			
Transactions between domestic banks without foreign participation	1,793.0	14.0	927	4.6	0.0	8	10,948.2	85.8	385	18.8	0.1	2	12,764.5	1,322
Transactions between domestic and foreign banks	7,278.9	8.2	3,301	28.3	0.0	30	80,459.5	90.5	2,098	1,112.1	1.3	2,631	88,878.7	8,060
Foreign exchange market in the SR - excl. the NBS	9,071.9	8.9	4,228	32.9	0.0	38	91,407.6	89.9	2,483	1,130.9	1.1	2,633	101,643.3	9,382



Average Monthly Exchange Rates of the SKK

Midpoint rate	2005								2006				
	5	6	7	8	9	10	11	12	1	2	3	4	5
1 AUD	23.548	24.242	24.264	24.016	23.996	24.431	24.153	23.715	23.220	23.228	22.712	22.411	22.490
1 CYP	67.502	67.136	67.720	67.515	67.132	67.923	67.571	66.059	65.391	65.147	65.132	64.901	65.331
1 CZK	1.291	1.282	1.286	1.306	1.311	1.311	1.322	1.308	1.305	1.317	1.308	1.312	1.328
1 DKK	5.244	5.177	5.207	5.187	5.156	5.215	5.193	5.081	5.027	5.011	5.020	5.011	5.039
1 EUR	39.039	38.537	38.837	38.695	38.450	38.909	38.730	37.871	37.510	37.404	37.455	37.392	37.575
1 EEK	2.495	2.463	2.482	2.473	2.458	2.487	2.476	2.420	2.397	2.391	2.394	2.390	2.401
100 JPY	28.808	29.145	28.798	28.454	28.243	28.227	27.747	26.914	26.862	26.536	26.606	26.048	26.331
1 CAD	24.435	25.427	26.351	26.067	26.583	27.517	27.743	27.487	26.768	27.224	26.958	26.610	26.508
1 LTL	11.308	11.162	11.246	11.207	11.136	11.270	11.22	10.968	10.863	10.833	10.847	10.828	10.881
1 LVL	56.085	55.371	55.799	55.599	55.240	55.869	55.637	54.361	53.886	53.739	53.810	53.721	53.981
100 HUF	15.493	15.455	15.755	15.828	15.646	15.460	15.443	14.987	14.960	14.871	14.392	14.080	14.308
1 MTL	90.933	89.747	90.456	90.140	89.568	90.643	90.247	88.196	87.371	87.147	87.229	87.130	87.563
1 NOK	4.823	4.881	4.902	4.886	4.925	4.964	4.956	4.747	4.667	4.639	4.694	4.761	4.819
1 PLN	9.319	9.482	9.474	9.560	9.798	9.933	9.748	9.822	9.814	9.853	9.662	9.535	9.646
100 SIT	16.299	16.094	16.216	16.156	16.058	16.247	16.176	15.812	15.661	15.619	15.635	15.605	15.678
1 CHF	25.275	25.053	24.929	24.904	24.817	25.111	25.078	24.472	24.201	24.016	23.880	23.734	24.133
1 SEK	4.246	4.166	4.121	4.141	4.118	4.135	4.051	4.013	4.025	4.009	3.984	4.002	4.025
1 USD	30.672	31.641	32.220	31.494	31.354	32.357	32.808	31.932	31.029	31.298	31.186	30.535	29.461
1 GBP	57.073	57.589	56.479	56.421	56.731	57.062	57.036	55.750	54.679	54.748	54.392	53.819	54.961
1 XDR	45.994	46.461	46.740	46.184	45.986	46.795	46.880	45.695	44.866	44.944	44.874	44.280	43.828

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	2005					2006
	Q1	Q2	Q3	Q4	Year	Q1
1 AUD	22.667	23.726	24.089	24.099	23.650	23.040
1 CYP	65.726	67.266	67.458	67.178	66.916	65.222
1 CZK	1.275	1.291	1.301	1.314	1.295	1.310
1 DKK	5.143	5.225	5.184	5.162	5.179	5.020
1 EUR	38.282	38.907	38.662	38.500	38.593	37.457
1 EEK	2.447	2.487	2.471	2.461	2.467	2.394
100 JPY	27.935	28.721	28.497	27.627	28.202	26.668
1 CAD	23.788	24.804	26.325	27.580	25.622	26.979
1 LTL	11.087	11.270	11.197	11.152	11.178	10.848
1 LVL	54.987	55.899	55.548	55.283	55.437	53.813
100 HUF	15.624	15.578	15.746	15.294	15.561	14.728
1 MTL	88.675	90.578	90.057	89.687	89.764	87.250
1 NOK	4.647	4.831	4.904	4.888	4.818	4.668
1 PLN	9.511	9.417	9.609	9.836	9.591	9.772
100 SIT	15.969	16.242	16.143	16.077	16.110	15.639
1 CHF	24.724	25.206	24.884	24.884	24.929	24.028
1 SEK	4.219	4.228	4.127	4.067	4.161	4.005
1 USD	29.160	30.863	31.683	32.359	31.022	31.169
1 GBP	55.172	57.311	56.540	56.609	56.424	54.597
1 XDR	44.429	46.053	46.299	46.450	45.816	44.893

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⁾	298,140	27,907	5,813	331,860	9,056.50	865.20	1,724.15	11,645.85
2005 ⁴⁾	331,044	20,125	-790	350,379	11,617.21	648.73	-1,298.78	10,967.16

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	65,422	5,115	-3,893	66,644	1,987.30	158.58	192.83	2,338.71
2005	66,644	-2	-1	66,641	2,338.71	-0.06	-252.73	2,085.92

Total

	SKK millions				USD millions			
	Volume as at 1 January	Net change	Valuation and other changes	Volume as at 31 December	Volume as at 1 January	Net change	Valuation and other changes	Volume as at 31 December
1999	78,568	16,689	781	96,038	2,128.46	402.95	-259.18	2,272.23
2000	96,038	99,561	-18,458	177,141	2,272.23	2,155.00	-689.21	3,738.02
2001	177,141	61,448	-4,193	234,396	3,738.02	1,270.98	-172.80	4,836.20
2002	234,396	185,594	-100,744	319,246	4,836.20	4,093.83	-956.06	7,973.97
2003 ²⁾	319,497	38,970	-9,967	348,500	7,980.23	1,059.74	1,546.28	10,586.25
2004 ³⁾	363,562	33,022	1,920	398,504	11,043.80	1,023.78	1,916.98	13,984.56
2005 ⁴⁾	397,688	20,123	-791	417,020	13,955.92	648.67	-1,551.51	13,053.08

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).

Inflow of Foreign Direct Investment¹⁾ During January to December 2005

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 31.022									
Inflow of FDI (equity capital + reinvested earnings) in total	20,125	648.7	100.0	-2	-0.1	100.0	20,123	648.7	100.0
Structure of capital by investor									
South Korea	6,278	202.4	31.2	0	0.0	0.0	6,278	202.4	31.2
Germany	6,313	203.5	31.4	-250	-8.1	12,500.0	6,063	195.4	30.1
Czech Republic	1,587	51.2	7.9	-2	-0.1	100.0	1,585	51.1	7.9
Switzerland	1,524	49.1	7.6	0	0.0	0.0	1,524	49.1	7.6
Austria	1,549	49.9	7.7	-45	-1.5	2,250.0	1,504	48.5	7.5
The Netherlands	1,449	46.7	7.2	3	0.1	-150.0	1,452	46.8	7.2
United Kingdom	451	14.5	2.2	125	4.0	-6,250.0	576	18.6	2.9
Lithuania	417	13.4	2.1	0	0.0	0.0	417	13.4	2.1
USA	376	12.1	1.9	0	0.0	0.0	376	12.1	1.9
Belgium	285	9.2	1.4	0	0.0	0.0	285	9.2	1.4
Other countries	-104	-3.4	-0.5	167	5.4	-8,350.0	63	2.0	0.3
Structure of capital by sector									
Agriculture, hunting, and forestry	-34	-1.1	-0.2	0	0.0	0.0	-34	-1.1	-0.2
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Mineral raw materials extraction	13	0.4	0.1	0	0.0	0.0	13	0.4	0.1
Manufacturing	10,096	325.4	50.2	0	0.0	0.0	10,096	325.4	50.2
Electricity, gas, and water supply	13	0.4	0.1	0	0.0	0.0	13	0.4	0.1
Construction	-93	-3.0	-0.5	0	0.0	0.0	-93	-3.0	-0.5
Wholesale and retail trade, repairs of motor vehicles	3,948	127.3	19.6	0	0.0	0.0	3,948	127.3	19.6
Hotels and restaurants	29	0.9	0.1	0	0.0	0.0	29	0.9	0.1
Transport, storage, post and telecommunications	-14	-0.5	-0.1	0	0.0	0.0	-14	-0.5	-0.1
Financial intermediation	3,550	114.4	17.6	-2	-0.1	100.0	3,548	114.4	17.6
Real estate, renting and business activities	2,363	76.2	11.7	0	0.0	0.0	2,363	76.2	11.7
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	53	1.7	0.3	0	0.0	0.0	53	1.7	0.3
Other community, social, and personal services	201	6.5	1.0	0	0.0	0.0	201	6.5	1.0
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 region									
Bratislava region	7,803	251.5	38.8	-2	-0.1	100.0	7,801	251.5	38.8
Trnava region	276	8.9	1.4	0	0.0	0.0	276	8.9	1.4
Trenčín region	2,858	92.1	14.2	0	0.0	0.0	2,858	92.1	14.2
Nitra region	428	13.8	2.1	0	0.0	0.0	428	13.8	2.1
Žilina region	6,974	224.8	34.7	0	0.0	0.0	6,974	224.8	34.7
Banská Bystrica region	845	27.2	4.2	0	0.0	0.0	845	27.2	4.2
Prešov region	123	4.0	0.6	0	0.0	0.0	123	4.0	0.6
Košice region	818	26.4	4.1	0	0.0	0.0	818	26.4	4.1

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	27,907	865.2	100.0	5,115	158.6	100.0	33,022	1,023.8	100.0
Structure of capital by investor									
Hungary	6,863	212.8	24.6	-30	-0.9	-0.6	6,833	211.8	20.7
Austria	2,027	62.8	7.3	4,776	148.1	93.4	6,803	210.9	20.6
United Kingdom	6,050	187.6	21.7	-1,396	-43.3	-27.3	4,654	144.3	14.1
Czech Republic	4,634	143.7	16.6	-11	-0.3	-0.2	4,623	143.3	14.0
France	3,737	115.9	13.4	-136	-4.2	-2.7	3,601	111.6	10.9
Germany	3,267	101.3	11.7	253	7.8	4.9	3,520	109.1	10.7
Luxembourg	3,184	98.7	11.4	0	0.0	0.0	3,184	98.7	9.6
South Korea	2,130	66.0	7.6	0	0.0	0.0	2,130	66.0	6.5
Switzerland	927	28.7	3.3	0	0.0	0.0	927	28.7	2.8
Italy	734	22.8	2.6	-13	-0.4	-0.3	721	22.4	2.2
Other countries	-5,646	-175.0	-20.2	1,672	51.8	32.7	-3,974	-123.2	-12.0
Structure of capital by sector									
Agriculture, hunting, and forestry	348	10.8	1.2	0	0.0	0.0	348	10.8	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	25,092	777.9	89.9	0	0.0	0.0	25,092	777.9	76.0
Electricity, gas, and water supply	-357	-11.1	-1.3	0	0.0	0.0	-357	-11.1	-1.1
Construction	487	15.1	1.7	0	0.0	0.0	487	15.1	1.5
Wholesale and retail trade, repairs of motor vehicles	7,858	243.6	28.2	0	0.0	0.0	7,858	243.6	23.8
Hotels and restaurants	-17	-0.5	-0.1	0	0.0	0.0	-17	-0.5	-0.1
Transport, storage, post and telecommunications	-7,596	-235.5	-27.2	0	0.0	0.0	-7,596	-235.5	-23.0
Financial intermediation	1,248	38.7	4.5	5,115	158.6	100.0	6,363	197.3	19.3
Real estate, renting and business activities	698	21.6	2.5	0	0.0	0.0	698	21.6	2.1
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	18	0.6	0.1	0	0.0	0.0	18	0.6	0.1
Other community, social, and personal services	152	4.7	0.5	0	0.0	0.0	152	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	16,342	506.7	58.6	5,004	155.1	97.8	21,346	661.8	64.6
Trnava region	4,124	127.9	14.8	0	0.0	0.0	4,124	127.9	12.5
Trenčín region	2,292	71.1	8.2	0	0.0	0.0	2,292	71.1	6.9
Nitra region	-33	-1.0	-0.1	0	0.0	0.0	-33	-1.0	-0.1
Žilina region	2,315	71.8	8.3	73	2.3	1.4	2,388	74.0	7.2
Banská Bystrica region	850	26.4	3.0	38	1.2	0.7	888	27.5	2.7
Prešov region	996	30.9	3.6	0	0.0	0.0	996	30.9	3.0
Košice region	1,021	31.7	3.7	0	0.0	0.0	1,021	31.7	3.1

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 31 December 2005

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 31.948									
Total volume of FDI (equity capital + reinvested earnings)	350,379	10,967.2	100.0	66,641	2,085.9	100.0	417,020	13,053.1	100.0
Structure of capital by investor									
The Netherlands	90,683	2,838.5	25.9	616	19.3	0.9	91,299	2,857.7	21.9
Germany	81,027	2,536.2	23.1	860	26.9	1.3	81,887	2,563.1	19.6
Austria	28,482	891.5	8.1	32,868	1,028.8	49.3	61,350	1,920.3	14.7
Hungary	27,327	855.4	7.8	2,007	62.8	3.0	29,334	918.2	7.0
Italy	4,903	153.5	1.4	24,144	755.7	36.2	29,047	909.2	7.0
United Kingdom	27,159	850.1	7.8	473	14.8	0.7	27,632	864.9	6.6
Czech Republic	17,595	550.7	5.0	3,485	109.1	5.2	21,080	659.8	5.1
USA	14,663	459.0	4.2	1,650	51.6	2.5	16,313	510.6	3.9
France	10,667	333.9	3.0	500	15.7	0.8	11,167	349.5	2.7
Cyprus	9,388	293.9	2.7	0	0.0	0.0	9,388	293.9	2.3
Other countries	38,485	1,204.6	11.0	38	1.2	0.1	38,523	1,205.8	9.2
Structure of capital by sector									
Agriculture, hunting, and forestry	1,767	55.3	0.5	0	0.0	0.0	1,767	55.3	0.4
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Mineral raw materials extraction	2,648	82.9	0.8	0	0.0	0.0	2,648	82.9	0.6
Manufacturing	167,248	5,235.0	47.7	0	0.0	0.0	167,248	5,235.0	40.1
Electricity, gas, and water supply	39,652	1,241.1	11.3	0	0.0	0.0	39,652	1,241.1	9.5
Construction	2,832	88.6	0.8	0	0.0	0.0	2,832	88.6	0.7
Wholesale and retail trade, repairs of motor vehicles	54,298	1,699.6	15.5	0	0.0	0.0	54,298	1,699.6	13.0
Hotels and restaurants	2,083	65.2	0.6	0	0.0	0.0	2,083	65.2	0.5
Transport, storage, post and telecommunications	36,374	1,138.5	10.4	0	0.0	0.0	36,374	1,138.5	8.7
Financial intermediation	24,142	755.7	6.9	66,641	2,085.9	100.0	90,783	2,841.6	21.8
Real estate, renting and business activities	15,944	499.1	4.6	0	0.0	0.0	15,944	499.1	3.8
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	1,623	50.8	0.5	0	0.0	0.0	1,623	50.8	0.4
Other community, social, and personal services	1,768	55.3	0.5	0	0.0	0.0	1,768	55.3	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	214,111	6,701.9	61.1	65,691	2,056.2	98.6	279,802	8,758.0	67.1
Trnava region	24,461	765.7	7.0	0	0.0	0.0	24,461	765.7	5.9
Trenčín region	20,294	635.2	5.8	0	0.0	0.0	20,294	635.2	4.9
Nitra region	13,255	414.9	3.8	0	0.0	0.0	13,255	414.9	3.2
Žilina region	24,912	779.8	7.1	950	29.7	1.4	25,862	809.5	6.2
Banská Bystrica region	10,754	336.6	3.1	0	0.0	0.0	10,754	336.6	2.6
Prešov region	7,086	221.8	2.0	0	0.0	0.0	7,086	221.8	1.7
Košice region	35,506	1,111.4	10.1	0	0.0	0.0	35,506	1,111.4	8.5

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)	331,860	11,645.8	100.0	66,644	2,338.7	100.0	398,504	13,984.6	100.0
Structure of capital by investor									
The Netherlands	93,764	3,290.4	28.3	613	21.5	0.9	94,377	3,311.9	23.7
Germany	75,033	2,633.1	22.6	1,110	39.0	1.7	76,143	2,672.1	19.1
Austria	22,840	801.5	6.9	32,926	1,155.5	49.4	55,766	1,957.0	14.0
Hungary	27,353	959.9	8.2	1,952	68.5	2.9	29,305	1,028.4	7.4
Italy	5,023	176.3	1.5	24,143	847.2	36.2	29,166	1,023.5	7.3
United Kingdom	26,980	946.8	8.1	349	12.2	0.5	27,329	959.0	6.9
Czech Republic	17,009	596.9	5.1	3,486	122.3	5.2	20,495	719.2	5.1
USA	13,191	462.9	4.0	1,650	57.9	2.5	14,841	520.8	3.7
France	11,832	415.2	3.6	415	14.6	0.6	12,247	429.8	3.1
Cyprus	9,125	320.2	2.7	0	0.0	0.0	9,125	320.2	2.3
Other countries	29,710	1,042.6	9.0	0	0.0	0.0	29,710	1,042.6	7.5
Structure of capital by sector									
Agriculture, hunting, and forestry	1,718	60.3	0.5	0	0.0	0.0	1,718	60.3	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	159,175	5,585.9	48.0	0	0.0	0.0	159,175	5,585.9	39.9
Electricity, gas, and water supply	40,982	1,438.2	12.3	0	0.0	0.0	40,982	1,438.2	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	50,660	1,777.8	15.3	0	0.0	0.0	50,660	1,777.8	12.7
Hotels and restaurants	2,058	72.2	0.6	0	0.0	0.0	2,058	72.2	0.5
Transport, storage, post and telecommunications	36,324	1,274.7	10.9	0	0.0	0.0	36,324	1,274.7	9.1
Financial intermediation	18,274	641.3	5.5	66,644	2,338.7	100.0	84,918	2,980.0	21.3
Real estate, renting and business activities	14,140	496.2	4.3	0	0.0	0.0	14,140	496.2	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	1,570	55.1	0.5	0	0.0	0.0	1,570	55.1	0.4
Other community, social, and personal services	1,551	54.4	0.5	0	0.0	0.0	1,551	54.4	0.4
Activities of private households	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Extra-territorial organizations and bodies	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Structure of capital by regions									
Bratislava region	207,049	7,265.9	62.4	65,202	2,288.1	97.8	272,251	9,554.0	68.3
Trnava region	23,942	840.2	7.2	0	0.0	0.0	23,942	840.2	6.0
Trenčín region	17,408	610.9	5.2	0	0.0	0.0	17,408	610.9	4.4
Nitra region	12,816	449.7	3.9	0	0.0	0.0	12,816	449.7	3.2
Žilina region	19,180	673.1	5.8	950	33.3	1.4	20,130	706.4	5.1
Banská Bystrica region	10,026	351.8	3.0	492	17.3	0.7	10,518	369.1	2.6
Prešov region	7,029	246.7	2.1	0	0.0	0.0	7,029	246.7	1.8
Košice region	34,410	1,207.5	10.4	0	0.0	0.0	34,410	1,207.5	8.6

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	1,693	-165	19,478	545.26	52.49	85.79	683.54
2005 ³⁾	19,326	2,249	809	22,384	678.20	72.50	-50.06	700.64

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	302	10	839	18.50	9.74	-1.97	26.27

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	20,005	551.22	51.59	99.23	702.04
2005 ³⁾	19,853	2,551	819	23,223	696.70	82.24	-52.03	726.91

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).



Outflow of Foreign Direct Investment¹⁾ During January to December 2005

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 31.022									
Outflow of FDI (equity capital + reinvested earnings) in total	2,249	72.5	100.0	302	9.7	100.0	2,551	82.2	100.0
Structure of capital by country of investment									
Czech Republic	1,091	35.2	48.5	8	0.3	2.6	1,099	35.4	43.1
Switzerland	661	21.3	29.4	0	0.0	0.0	661	21.3	25.9
The Netherlands	0	0.0	0.0	291	9.4	96.4	291	9.4	11.4
Cyprus	266	8.6	11.8	0	0.0	0.0	266	8.6	10.4
Russia	198	6.4	8.8	3	0.1	1.0	201	6.5	7.9
Croatia	109	3.5	4.8	0	0.0	0.0	109	3.5	4.3
Ukraine	69	2.2	3.1	0	0.0	0.0	69	2.2	2.7
Poland	48	1.5	2.1	0	0.0	0.0	48	1.5	1.9
Ethiopia	29	0.9	1.3	0	0.0	0.0	29	0.9	1.1
Serbia and Montenegro	10	0.3	0.4	0	0.0	0.0	10	0.3	0.4
Other countries	-232	-7.5	-10.3	0	0.0	0.0	-232	-7.5	-9.1
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	2.6	0	0.0	0.0	58	1.9	2.3
Manufacturing	383	12.3	17.0	0	0.0	0.0	383	12.3	15.0
Electricity, gas, and water supply	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Construction	-349	-11.3	-15.5	0	0.0	0.0	-349	-11.3	-13.7
Wholesale and retail trade, repairs of motor vehicles	-23	-0.7	-1.0	0	0.0	0.0	-23	-0.7	-0.9
Hotels and restaurants	94	3.0	4.2	0	0.0	0.0	94	3.0	3.7
Transport, storage, post and telecommunications	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Financial intermediation	1,889	60.9	84.0	302	9.7	100.0	2,191	70.6	85.9
Real estate, renting and business activities	194	6.3	8.6	0	0.0	0.0	194	6.3	7.6
Public administration and defence, compulsory social security	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Education	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Health and social work	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Other community, social, and personal services	3	0.1	0.1	0	0.0	0.0	3	0.1	0.1
Activities of private households	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Extra-territorial organizations and bodies	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Structure of capital by regions									
Bratislava region	2,186	70.5	97.2	302	9.7	100.0	2,488	80.2	97.5
Trnava region	111	3.6	4.9	0	0.0	0.0	111	3.6	4.4
Trenčín region	76	2.4	3.4	0	0.0	0.0	76	2.4	3.0
Nitra region	6	0.2	0.3	0	0.0	0.0	6	0.2	0.2
Žilina region	6	0.2	0.3	0	0.0	0.0	6	0.2	0.2
Banská Bystrica region	-212	-6.8	-9.4	0	0.0	0.0	-212	-6.8	-8.3
Prešov region	73	2.4	3.2	0	0.0	0.0	73	2.4	2.9
Košice region	3	0.1	0.1	0	0.0	0.0	3	0.1	0.1

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	1,693	52.5	100.0	-29	-0.9	100.0	1,664	51.6	100.0
Structure of capital by country of investment									
Czech Republic	1,361	42.2	80.4	-29	-0.9	100.0	1,332	41.3	80.0
Ethiopia	229	7.1	13.5	0	0.0	0.0	229	7.1	13.8
The Netherlands	196	6.1	11.6	0	0.0	0.0	196	6.1	11.8
Russia	112	3.5	6.6	0	0.0	0.0	112	3.5	6.7
India	58	1.8	3.4	0	0.0	0.0	58	1.8	3.5
Cyprus	49	1.5	2.9	0	0.0	0.0	49	1.5	2.9
Brazil	26	0.8	1.5	0	0.0	0.0	26	0.8	1.6
Serbia and Montenegro	11	0.3	0.6	0	0.0	0.0	11	0.3	0.7
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	0.2
Other countries	-360	-11.2	-21.3	0	0.0	0.0	-360	-11.2	-21.6
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	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Manufacturing	955	29.6	56.4	0	0.0	0.0	955	29.6	57.4
Electricity, gas, and water supply	1	0.0	0.1	0	0.0	0.0	1	0.0	0.1
Construction	-86	-2.7	-5.1	0	0.0	0.0	-86	-2.7	-5.2
Wholesale and retail trade, repairs of motor vehicles	791	24.5	46.7	0	0.0	0.0	791	24.5	47.5
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	-14.2	-29	-0.9	100.0	-269	-8.3	-16.2
Real estate, renting and business activities	269	8.3	15.9	0	0.0	0.0	269	8.3	16.2
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	-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	1,079	33.5	63.7	-29	-0.9	100.0	1,050	32.6	63.1
Trnava region	-46	-1.4	-2.7	0	0.0	0.0	-46	-1.4	-2.8
Trenčín region	893	27.7	52.7	0	0.0	0.0	893	27.7	53.7
Nitra region	-2	-0.1	-0.1	0	0.0	0.0	-2	-0.1	-0.1
Žilina region	-66	-2.0	-3.9	0	0.0	0.0	-66	-2.0	-4.0
Banská Bystrica region	12	0.4	0.7	0	0.0	0.0	12	0.4	0.7
Prešov region	95	2.9	5.6	0	0.0	0.0	95	2.9	5.7
Košice region	-272	-8.4	-16.1	0	0.0	0.0	-272	-8.4	-16.3

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 31 December 2005

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 31.948									
Total volume of FDI outward (equity capital + reinvested earnings)	22,384	700.6	100.0	839	26.3	100.0	23,223	726.9	100.0
Structure of capital by country of investment									
Czech Republic	10,644	333.2	47.6	499	15.6	59.5	11,143	348.8	48.0
United Kingdom	2,283	71.5	10.2	0	0.0	0.0	2,283	71.5	9.8
Ukraine	1,352	42.3	6.0	0	0.0	0.0	1,352	42.3	5.8
Ireland	1,140	35.7	5.1	0	0.0	0.0	1,140	35.7	4.9
Hungary	1,093	34.2	4.9	0	0.0	0.0	1,093	34.2	4.7
Poland	915	28.6	4.1	0	0.0	0.0	915	28.6	3.9
Switzerland	834	26.1	3.7	0	0.0	0.0	834	26.1	3.6
Luxembourg	808	25.3	3.6	0	0.0	0.0	808	25.3	3.5
Russia	702	22.0	3.1	0	0.0	0.0	702	22.0	3.0
Austria	608	19.0	2.7	0	0.0	0.0	608	19.0	2.6
Other countries	2,005	62.8	9.0	340	10.6	40.5	2,345	73.4	10.1
Structure of capital by sector									
Agriculture, hunting and forestry	20	0.6	0.1	0	0.0	0.0	20	0.6	0.1
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Mining and quarrying	1,789	56.0	8.0	0	0.0	0.0	1,789	56.0	7.7
Manufacturing	8,489	265.7	37.9	0	0.0	0.0	8,489	265.7	36.6
Electricity, gas and water supply	1,450	45.4	6.5	0	0.0	0.0	1,450	45.4	6.2
Construction	58	1.8	0.3	0	0.0	0.0	58	1.8	0.2
Wholesale and retail trade, repairs of motor vehicles	1,887	59.1	8.4	0	0.0	0.0	1,887	59.1	8.1
Hotels and restaurants	91	2.8	0.4	0	0.0	0.0	91	2.8	0.4
Transport, storage and communication	43	1.3	0.2	0	0.0	0.0	43	1.3	0.2
Financial intermediation	4,810	150.6	21.5	839	26.3	100.0	5,649	176.8	24.3
Real estate, renting and business activities	3,213	100.6	14.4	0	0.0	0.0	3,213	100.6	13.8
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	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Other community, social and personal service activities	534	16.7	2.4	0	0.0	0.0	534	16.7	2.3
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	15,043	470.9	67.2	839	26.3	100.0	15,882	497.1	68.4
Trnava region	1,933	60.5	8.6	0	0.0	0.0	1,933	60.5	8.3
Trenčín region	1,629	51.0	7.3	0	0.0	0.0	1,629	51.0	7.0
Nitra region	42	1.3	0.2	0	0.0	0.0	42	1.3	0.2
Žilina region	542	17.0	2.4	0	0.0	0.0	542	17.0	2.3
Banská Bystrica region	1,315	41.2	5.9	0	0.0	0.0	1,315	41.2	5.7
Prešov region	722	22.6	3.2	0	0.0	0.0	722	22.6	3.1
Košice region	1,158	36.2	5.2	0	0.0	0.0	1,158	36.2	5.0

Note: Preliminary data.

1) Equity capital + reinvested earnings.



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

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 28.496									
Total volume of FDI outward (equity capital + reinvested earnings)	19,478	683.5	100.0	527	18.5	100.0	20,005	702.0	100.0
Structure of capital by country of investment									
Czech Republic	8,864	311.1	45.5	481	16.9	91.3	9,345	327.9	46.7
United Kingdom	2,282	80.1	11.7	0	0.0	0.0	2,282	80.1	11.4
Ukraine	1,186	41.6	6.1	0	0.0	0.0	1,186	41.6	5.9
Ireland	1,136	39.9	5.8	0	0.0	0.0	1,136	39.9	5.7
Hungary	1,130	39.7	5.8	0	0.0	0.0	1,130	39.7	5.6
Luxembourg	1,111	39.0	5.7	0	0.0	0.0	1,111	39.0	5.6
Poland	844	29.6	4.3	0	0.0	0.0	844	29.6	4.2
Austria	646	22.7	3.3	0	0.0	0.0	646	22.7	3.2
Russia	474	16.6	2.4	0	0.0	0.0	474	16.6	2.4
Bosnia and Herzegovina	363	12.7	1.9	0	0.0	0.0	363	12.7	1.8
Other countries	1,442	50.6	7.4	46	1.6	8.7	1,488	52.2	7.4
Structure of capital by sector									
Agriculture, hunting, and forestry	30	1.1	0.2	0	0.0	0.0	30	1.1	0.1
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Mineral raw materials extraction	1,666	58.5	8.6	0	0.0	0.0	1,666	58.5	8.3
Manufacturing	8,014	281.2	41.1	0	0.0	0.0	8,014	281.2	40.1
Electricity, gas, and water supply	1,415	49.7	7.3	0	0.0	0.0	1,415	49.7	7.1
Construction	413	14.5	2.1	0	0.0	0.0	413	14.5	2.1
Wholesale and retail trade, repairs of motor vehicles	1,868	65.6	9.6	0	0.0	0.0	1,868	65.6	9.3
Hotels and restaurants	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Transport, storage, post and telecommunications	42	1.5	0.2	0	0.0	0.0	42	1.5	0.2
Financial intermediation	2,942	103.2	15.1	527	18.5	100.0	3,469	121.7	17.3
Real estate, renting and business activities	2,821	99.0	14.5	0	0.0	0.0	2,821	99.0	14.1
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	267	9.4	1.4	0	0.0	0.0	267	9.4	1.3
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	12,219	428.8	62.7	527	18.5	100.0	12,746	447.3	63.7
Trnava region	1,779	62.4	9.1	0	0.0	0.0	1,779	62.4	8.9
Trenčín region	1,460	51.2	7.5	0	0.0	0.0	1,460	51.2	7.3
Nitra region	39	1.4	0.2	0	0.0	0.0	39	1.4	0.2
Žilina region	564	19.8	2.9	0	0.0	0.0	564	19.8	2.8
Banská Bystrica region	1,654	58.0	8.5	0	0.0	0.0	1,654	58.0	8.3
Prešov region	618	21.7	3.2	0	0.0	0.0	618	21.7	3.1
Košice region	1,145	40.2	5.9	0	0.0	0.0	1,145	40.2	5.7

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