



NÁRODNÁ BANKA SLOVENSKA



Monetary Survey

December 2006

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Box 1

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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
GNDI	Gross National Disposable Income
GNI	Gross National Income
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
NARKS	National Association of Slovak Real Estate Agencies
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 December 2006, approved by the NBS Bank Board on 30 January 2007.



1 Introduction

Consumer prices, expressed in terms of the Harmonised Index of Consumer Prices (HICP), increased in comparison with the previous month by 0.1% in December. The year-on-year rate of headline inflation reached 3.7%. Core inflation (excluding energy and unprocessed food prices) recorded a year-on-year rate of 2.5%.

Expressed in terms of the Consumer Price Index (CPI), consumer prices remained unchanged in December, at the level of the previous month. The 12-month headline and core inflation rates reached 4.2% and 2.7% respectively.

The M3 monetary aggregate (according to ECB methodology) grew month-on-month by Sk 20 billion in November, and its year-on-year dynamics increased in comparison with October, to 16.7%.

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 6.7 billion in November, while the year-on-year growth rate slowed by 0.5 of a percentage point, to 13.8%.

The average interest rate on new loans to non-financial corporations dropped in November by 0.36 of a percentage point, to 6.24%, and that on new loans to households increased by 0.25 of a percentage point, to 12.82%. Over the same period, the average rate for new deposits from non-financial corporations dropped by 0.18 of a percentage point, to 2.69%, and that for new household deposits fell by 0.08 of a percentage point, to 1.13%.

At the end of December, the State budget of the SR recorded a deficit of Sk 31.7 billion.

The foreign exchange reserves of the NBS (at current exchange rates) stood at USD 13.4 billion in December. At the end of the month, the volume of foreign exchange reserves was 3.3 times greater than the volume of average monthly imports of goods and services to Slovakia, during the first eleven months of 2006. At the end of December, the coverage of average monthly imports (imports of goods and services according to data from banking statistics) by the official foreign exchange reserves corresponded to 4.2 times the volume of average monthly imports of goods and services to the SR over the first eleven months of 2006.

During December, the National Bank of Slovakia intervened against the excessive strengthening of the Slovak koruna and purchased a total of EUR 495 million in direct foreign exchange interventions.

According to preliminary data, the balance of payments on current account for January to October 2006 resulted in a deficit of Sk 113.9 billion. Over the same period, the capital and financial account produced a shortfall of Sk 1.3 billion. From January to November, the current account produced a deficit of Sk 121.3 billion, and trade resulted in a shortfall of Sk 80.2 billion.

In December, the overall sterilisation position of the NBS vis-à-vis the banking sector averaged Sk 279.73 billion, representing a decrease of Sk 6.6 billion compared with the figure for November.



2 Inflation

In its Monetary Programme for 2005-2008 (of December 2004), the National Bank of Slovakia defined its monetary policy as inflation targeting in the conditions of ERM II. In inflation targeting, the main anchor of monetary policy is the setting of an inflation target. For December 2005, the year-on-year inflation rate was set at 3.5% (± 0.5 of a percentage point). The inflation target for 2006 was set below 2.5% for end-2006 and below 2% for December 2007 and 2008. The NBS also defined exemptions from the inflation target. In December 2005, the actual year-on-year inflation rate stood at 3.9%, which was within the limits defined in the Monetary Programme. In December 2006, however, the actual inflation rate reached 3.7%, which was 1.2 percentage points more than the target figure.

The acceleration of inflation and the exceeding of the inflation target in 2006 were mainly caused by higher-than-expected increases in energy and food prices. Energy prices were mostly affected by a marked increase in the level of regulated prices, caused by commodity price developments on the world markets. Food prices were affected in 2006 by the poorer-than-expected harvest, accompanied by an increase in excise duty on cigarettes, though the Monetary Programme anticipated such tax increases in 2007-2008. The year-on-year rate of increase in non-energy industrial goods prices was somewhat faster and was caused by steeper regulated price increases in health services (pharmaceuticals) during 2006.

Table 1 Comparison of Expected and Actual Contributions to Overall Inflation in December 2006 (percentage points)

	Expected contributions to overall inflation (according to the MP until 2008) in December 2006	Actual contributions to overall inflation in December 2006
Non-energy industrial goods	0.16	0.27
Energy	0.29	1.41
Food	0.67	0.93
Services	1.33	1.05

Source: NBS.

The above factors can be ascribed to commodity price developments on the world markets (with a subsequent upward effect on regulated energy prices), increased regulated prices in health services, the increase in excise duty on cigarettes, and to the climatic conditions (bad harvest). These factors belong to the exemptions from the inflation target, which are exactly defined in the Monetary Programme of the NBS for the Period until 2008 and are outside the domain of NBS monetary policy. Hence, the NBS focuses first and foremost on the mitigation and/or elimination of the impact of secondary factors, especially regulated price increases, in order to prevent price infection spreading to other components of the consumer basket.

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 0.1% in December, with the prices of goods and services rising equally by 0.1%. On a year-on-year basis, consumer prices rose by 3.7% (as in November). Overall inflation excluding energy and unprocessed food prices (core inflation) reached 2.5% (the same figure as in November). The average inflation rate for 2006 reached 4.3%. In December, HICP inflation was lower than expected by the NBS.

HICP in the structure of the CPI inflation

A comparison of the rates of HICP inflation and CPI inflation expressed in the same structure (national index structure) explains the persistent difference in year-on-year dynamics between the HICP and the CPI. This difference (slower rise in the HICP than in the CPI, by 0.5 of a percentage point) was caused by price developments in market services, where the CPI also

Chart 1 HICP Inflation and Its Main Components (%)



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

Table 2 Harmonised Index of Consumer Prices			(year-on-year changes in %)			
	July	Aug.	2006			
			Sep.	Oct.	Nov.	Dec.
Total	5.0	5.0	4.5	3.1	3.7	3.7
Goods	5.4	5.4	4.9	3.1	3.9	4.0
Industrial goods	7.3	7.1	5.8	2.9	3.9	3.9
Non-energy industrial goods	1.1	1.1	1.1	1.1	1.0	1.1
Energy	15.6	14.8	11.9	5.3	7.5	7.4
Foodstuffs	2.3	2.5	3.4	3.4	4.0	4.1
Processed food (including alcohol and tobacco)	1.1	1.8	2.8	2.7	3.4	3.5
Unprocessed food	4.2	4.0	4.7	4.9	5.2	5.3
Services	4.1	4.1	3.5	3.1	3.1	3.1
Total, excl. energy and unprocessed food (core inflation)	2.5	2.6	2.6	2.3	2.5	2.5
Total, excluding energy	2.6	2.8	2.8	2.6	2.7	2.8

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

Table 3 HICP in the Structure of the National Index			(year-on-year changes in %)			
	July	Aug.	2006			
			Sep.	Oct.	Nov.	Dec.
Total	5.0	5.0	4.5	3.1	3.7	3.7
Regulated prices	12.7	12.8	11.4	6.9	8.0	7.8
Core inflation	1.9	1.8	1.4	1.1	1.3	1.4
Foodstuffs	2.4	2.4	2.9	2.9	3.5	3.6
Processed food	0.4	0.9	1.2	1.0	1.9	1.9
Unprocessed food	4.1	3.9	4.7	4.9	5.2	5.3
Tradable goods	0.9	0.5	-0.9	-1.4	-1.1	-0.9
Tradable goods, excluding fuel	-0.2	-0.3	-0.5	-0.6	-0.6	-0.5
Fuel	10.7	6.9	-3.5	-7.8	-5.8	-5.1
Market services	3.2	3.4	3.6	3.6	3.5	3.5
Net inflation (excluding changes in indirect taxes)	1.8	1.6	0.9	0.5	0.7	0.8
Net inflation, excluding fuel (excluding changes in indirect taxes)	1.2	1.3	1.2	1.1	1.2	1.2

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

includes imputed rents and repair funds, i.e. items dynamically growing since the end of 2005, but not included in the HICP.

Industrial good prices showed unchanged year-on-year dynamics, while food prices increased at a somewhat faster rate. The stagnating year-on-year increase in industrial goods prices was due partly to an increase in the year-on-year dynamics of non-energy industrial goods prices (caused by a marked rise in the prices of shoes and clothes) and partly to a slowdown in the rate of increase in energy prices. Within the scope of energy prices, fuel prices recorded a slowdown in the year-on-year rate of decline. The dynamics of food prices increased on a year-on-year basis, due to steeper increases in the prices of both processed and unprocessed foodstuffs. In the 'processed food' category, prices continued to rise for bread, other bakery products, sugar goods, and cigarettes. In 'unprocessed food', the prices of vegetables, including potatoes, showed increased year-on-year dynamics.

The year-on-year rate of increase in services prices remained unchanged, only housing-related services recorded a slight slowdown in price dynamics.

Regulated prices for gas, water, and sewage disposal are expected to fall on a year-on-year basis in January. Electricity prices should remain unchanged. The price increase is expected to continue, for both food and services. VAT rates should be reduced for pharmaceuticals and sanitary goods. In

Stagnation in the year-on-year dynamics of goods prices, as well as services prices

Expectations for the coming month



connection with the current trend in oil prices, fuel prices are expected to fall. The year-on-year rate of overall inflation should slow considerably (to 2%), owing to the base effect.

Consumer expectations regarding inflation

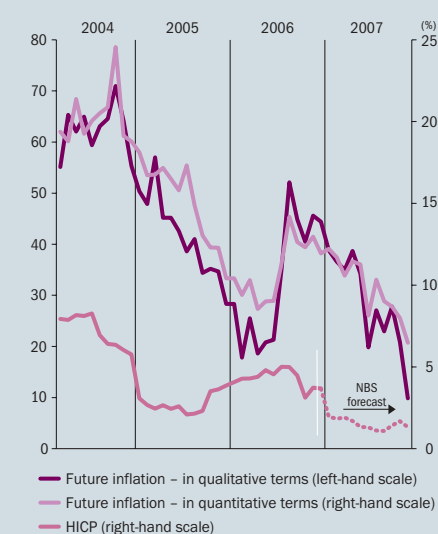
November saw a further reduction in the assessment by consumers of the actual level of price inflation. In answer to questions about the course of inflation to date, the respondents gave an average value of 7.90% (8.62% in the previous month). When asked about the expected inflation rate in the next 12 months, the respondents gave an average value of 6.48%, representing a fall in comparison with the previous month (7.98%).

CPI Inflation

Consumer Price Index

On average, consumer prices were at a standstill in December, at the level of the previous month. Within the basic structure of inflation, regulated prices were stagnant, as well as core inflation. December saw the impact of changes in indirect taxes on cigarette prices, with a contribution of 0.01 of a percentage point to the month-on-month headline inflation rate. The 12-month rate of headline inflation reached 4.2% (compared with 4.3% in November) and that of core inflation 2.7% (in November 2.9%). The average year-on-year inflation rate for the period from January to December 2006 was 4.5%.

Chart 2 HICP Compared with the Views of Respondents on Inflation



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

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

Table 4 Consumer Prices in December 2006

	Change versus	
	Nov. 2006	Dec. 2005
Total in %	0.0	4.2
Regulated prices in %	0.0	7.5
- 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⁾	0.01	-
Core inflation in %	0.0	2.7
- Share of total, in percentage points ¹⁾	0.01	-
of which: Food prices in %	0.3	3.0
- Share of total, in percentage points ¹⁾	0.04	-
Tradable goods in % ¹⁾	-0.2	-1.0
- Share of total, in percentage points ¹⁾	-0.05	-
Tradable goods, excluding fuels, in % ¹⁾	-0.1	-0.5
- Share of total, in percentage points ¹⁾	-0.02	-
Fuels in % ¹⁾	-1.1	-5.1
- Share of total, in percentage points ¹⁾	-0.04	-
Market services in % ¹⁾	0.1	7.3
- Share of total, in percentage points ¹⁾	0.02	-
Net inflation (excluding the impact of changes in indirect taxes) in %	-0.1	2.7
- Share of total, in percentage points ¹⁾	-0.04	-
Net inflation, excluding fuel prices (excluding the impact of changes in indirect taxes) in %¹⁾	0.0	3.2
- Share of total, in percentage points ¹⁾	0.00	-

Source: Statistical Office of the SR, and NBS.

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

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

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

2.2 Producer Prices in November 2006

Industrial producer prices for the domestic market rose month-on-month by an average of 0.4% in November, due to price increases for energy (1%) and mineral raw materials (0.6%). The prices of manufacturing products dropped by 0.3%.

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

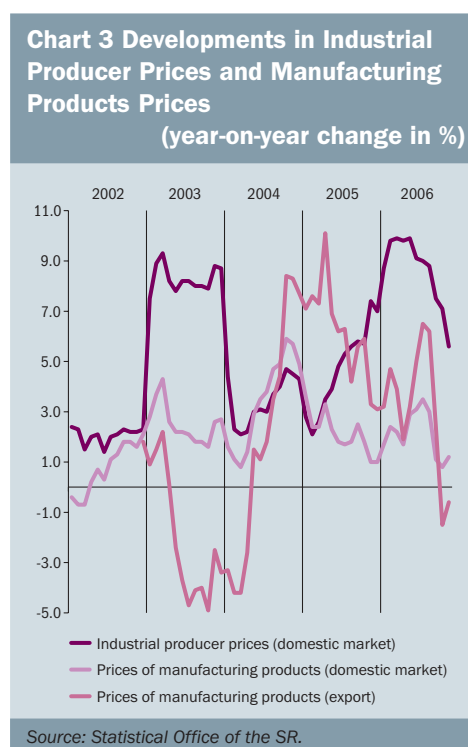
	Month-on-month change		Year-on-year change			
	Oct 2006	Nov. 2006	Oct 2006	Nov. 2006	Average since the beginning of 2006	Nov. 2005
Industrial producer prices (for the domestic market)	0.1	0.4	7.1	5.6	8.6	7.4
– Prices of manufacturing products	-0.4	-0.3	0.8	1.2	2.1	1.0
– Prices of mining and quarrying products	0.0	0.6	46.7	9.5	41.8	39.3
– Prices of electricity, gas, steam, and hot water	0.8	1.0	12.7	10.8	15.0	14.5
Industrial producer prices (for export)	-1.7	-1.1	1.4	-0.7	3.1	3.4
– Prices of manufacturing products	-1.7	-1.0	-1.5	-0.6	3.1	3.3
Construction prices	0.6	0.4	4.2	4.4	4.0	3.6
Building materials prices	1.1	0.5	5.2	5.6	2.8	1.3
Agricultural prices	–	–	1.5	0.1	0.0	-0.8
– Prices of plant products	–	–	5.1	0.6	2.1	-2.5
– Prices of animal products	–	–	-0.7	-0.2	-0.8	0.2

Source: Statistical Office of the SR.

The year-on-year dynamics of domestic industrial producer prices slowed in comparison with the previous month by 1.5 percentage points, to 5.6% in November, due to a marked slowdown in the year-on-year increase in mineral raw materials prices (by 37.2 percentage points, to 9.5%) and, to a lesser extent, in energy prices (by 1.9 percentage points, to 10.8%). Manufacturing products prices increased year-on-year more rapidly than in the previous month (by 0.4 of a percentage point, to 1.2%).

... accompanied by a slowdown in their year-on-year dynamics

The significant slowdown in the prices of mineral raw materials in November was caused by the base effect of their marked year-on-year increase from November 2005.



The year-on-year dynamics of energy prices weakened in November (compared with the previous month), mainly due to a slowdown in the rate of increase in prices for gas production and the transport of gaseous fuels via pipelines (by 7.2 percentage points, to 10.2%). Prices for steam and hot water supply and those for electricity generation and distribution increased more rapidly than a month earlier (by 1.6 percentage points, to 18.5%, and by 0.9 of a percentage point, to 10.1% respectively).

The acceleration in manufacturing products prices was caused by increases in the prices of base metals and finished metal products (6.3%), food products (2%), other non-metal mineral products (2.1%), electrical and optical equipment (2.4%), and paper and paper products (1.7%). On the other hand, an anti-inflationary effect was exerted by the prices of refined oil products (a fall of 5.5%).

Industrial producer prices for export were mostly determined by the export prices of manufacturing products. These dropped month-on-month by 1% in November, representing a year-on-year fall of 0.6%.

Industrial producer prices for export



The November drop in industrial producer prices for export was primarily caused by a steeper year-on-year fall in the export prices of transport vehicles (by 2 percentage points, to 9.7%), coupled by drops in the export prices of refined oil products (5.6%), machinery and equipment (0.1%). The rate of increase slowed month-on-month in the export prices of electrical and optical equipment (by 8.2 percentage points, to 8.3%); food products (by 1.6 percentage points, to 0.7%); rubber and plastic products (by 0.5 of a percentage point, to 0.3%); and chemical products (by 0.1 of a percentage point, to 0.2%). The prices of paper and paper goods for export increased at the same rate as a month earlier (3.1%). The export prices of base metals and finished metal products, wood products, and textile products showed increased year-on-year dynamics.

Agricultural prices On a year-on-year basis, agricultural prices increased by an average of 0.1% in November, due to a rise in the price of plant products (0.6%). The price of animal products dropped by 0.2%.

The rise in plant products prices was caused by increases in the prices of potatoes (51.9%; 54.3% for late potatoes), cereals (15.1%), vegetables (8.8%), legumes (4%), and oilseeds (1.3%). Drops occurred in the prices of sugar beet (18.8%), unprocessed tobacco (8.4%), and fruit (1.5%).

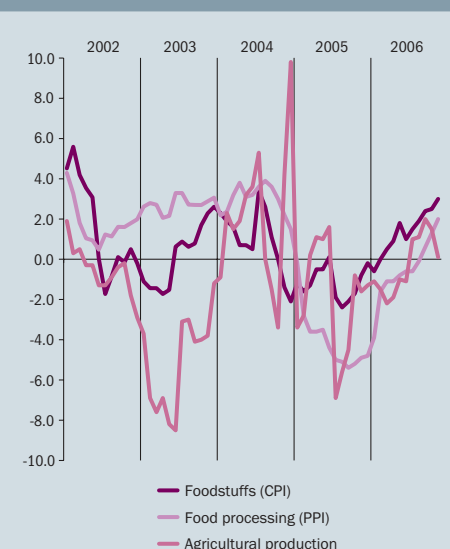
The fall in animal products prices was caused by drops in the prices of fish (16%), poultry (5.3%; 8.3% for chickens), and unpasteurised cow milk (0.3%). Increases were recorded in the prices of eggs (4.5%), beef and mutton (3.1% for live animals), and pork (0.2% for live animals).

The average price of agricultural products (for the period since the beginning of the year) was at the level of last year, while the price of plant products was 2.1% higher and that of animal products 0.8% lower.

Industrial producer prices are expected to be influenced in December 2006 by the world-market price of oil (which are at the same level as a year earlier) and the continuing appreciation of the Slovak koruna against the US dollar. On the other hand, the inflationary effect of food prices is likely to persist, as well as the base effect of smaller energy price increases from December 2005. Owing to these external and internal cost factors, the average year-on-year dynamics of industrial producer prices are expected to weaken somewhat in December, compared with the previous month.

On the basis of agrarian market news, the purchase prices of cereals are again expected to rise slightly on a year-on-year basis in December (due to growing demand for food cereals among domestic and foreign producers / merchants, and to the sale of virtually all intervention supplies to EU markets), as well as the price of late potatoes. A marked anti-inflationary effect is again expected in December from the falling price of sugar beet, which has a considerable weight. Among animal products, the persistent fall in the price of poultry (live animals) and milk is expected to be accompanied by a drop in the price of pork and a modest rise in the price of beef (live animals). In line with these assumptions, agricultural prices are expected to stagnate or fall slightly in December.

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



Source: Statistical Office of the SR.



3 Factors Affecting the Course of Inflation

3.1 Monetary Aggregates

The year-on-year growth rate of the M3 monetary aggregate reached a historical high in November (since January 2004). The main factor determining the level of liquidity in the banking sector was still the continuing increase in the receivables of monetary financial institutions (MFIs) from the resident private sector.

M3 Monetary Aggregate

The M3 monetary aggregate (according to ECB methodology) grew in volume by Sk 20.0 billion compared with the previous month, to Sk 931.7 billion at the end of November. This represented a marked increase in the year-on-year rate of M3 growth¹ (by 2.8 percentage points), exceeding the record figure from the end of 2004 (15.0%).

Accelerated year-on-year growth in the M3 monetary aggregate

Table 6 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	9.6	11.4	11.9	12.5	9.6	8.9	8.0	7.3	7.6	6.3	7.8
Year 2006	8.6 ¹⁾	9.1 ¹⁾	10.3 ¹⁾	9.4 ¹⁾	10.5	11.2	11.8	13.6	12.9	13.9	16.7	.

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

1) Revised data.

The development of M3 in November was mainly influenced by increases in deposits and received loans repayable on demand (Sk 19.6 billion) and money market fund shares/units (Sk 2.4 billion). An upward effect on the level of bank liquidity was caused by month-on-month increases in MFI receivables from the resident private sector (by Sk 5.6 billion, including securities) and the general government sector (by Sk 1.1 billion), coupled with a deterioration in budgetary performance in November (by Sk 5.9 billion). The opposite effect was produced by a decrease in deposits and loans received from the central government (by Sk 4.6 billion, including deposits at the SR Treasury). The November fall in other items net (by Sk 13.1 billion, caused mainly by decreases in capital, reserves, and provisions, totalling Sk 11.0 billion) was connected with the settlement of exchange rate differentials. Thus it did not necessarily represent a major source of monthly increase in M3.

Table 7 Comparison of Month-on-Month Developments in Monetary Aggregates (ECB methodology)

	Volume in billions of Sk ¹⁾			Year-on-year change in %	
	Nov. 2005	Oct. 2006	Nov. 2006	Oct. 2006	Nov. 2006
Currency in circulation	114.9	126.1	127.3	11.0	10.9
Deposits and received loans repayable on demand	349.5	385.7	405.3	16.1	16.0
M1	464.4	511.8	532.6	14.8	14.7
Deposits and loans received with an agreed maturity of up to 2 years	271.7	341.8	339.0	18.2	24.8
Deposits redeemable at a period of notice of up to 3 months	14.6	12.1	11.8	-18.4	-19.3
M2	750.7	865.7	883.4	15.4	17.7
Money market fund shares/units	46.0	41.3	43.7	-11.2	-5.0
Repo operations	0.0	0.0	0.0	-	-
Debt securities issued with a maturity of up to 2 years	1.8	4.7	4.6	-	-
M3	798.4	911.7	931.7	13.9	16.7

Source: NBS.

Note: Differences in the sums are due to rounding. The missing figures 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.

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.

**Main M3 Components****Further acceleration in M2 growth; growth in deposits and received loans repayable on demand**

The weakening trend in year-on-year growth dynamics, ongoing for the past few months, continued in November in both components of the M1 monetary aggregate (i.e. currency in circulation, deposits and received loans repayable on demand).

In other short-term deposits, the steady increase in the negative dynamics of deposits redeemable at a period of notice of up to 3 months continued, but sufficed to offset the rate of M2 growth only in part. The significant increase in the growth rate of deposits and loans taken with an agreed maturity of up to 2 years (by 6.6 percentage points, caused mainly by the base effect, when the actual monthly decrease was markedly exceeded by the decline from November 2005) was also reflected in the accelerating rate of M2 growth.

The less liquid components (marketable instruments) affected the rate of M3 growth only to a limited extent in November. A pro-growth effect was mainly caused by the continuing inflow of funds in money market fund shares/units (Sk 2.4 billion), while the volume of issued debt securities maturing in up to 2 years again recorded a slight decrease.

Investment Through Open-End Investment Funds**Inflow of funds into open-end investment funds in Slovak koruna**

As a result of restored investor confidence, the inflow of funds into open-end investment funds (OIFs) continued in December, though its pace was somewhat slackened by the end-of-year holidays and the lower number of working days. The net value of OIF assets denominated in Slovak koruna increased to Sk 117.6 billion, while monthly net sales reached a positive figure (Sk 1.1 billion). The net sales of OIFs

Table 8 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	1.33	-0.42	0.74	-1.79	-0.09	-0.28	-0.56	-1.68	-0.78	-1.18	2.50	1.14	1.29
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	-0.10	0.61	-0.18	0.34	0.01	-0.05	0.30	2.79

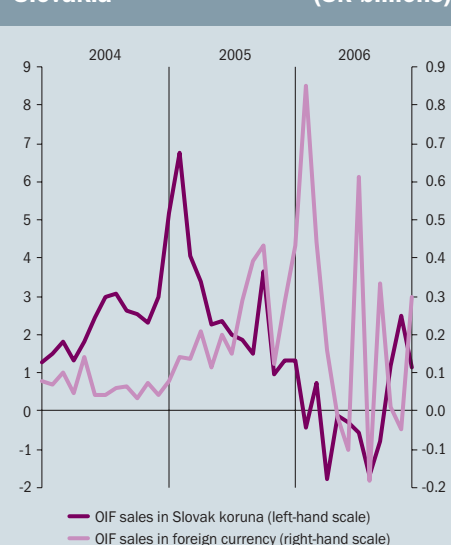
Source: NBS calculations based on data from the Slovak Association of Asset Management Companies (SASS).

denominated in foreign currency were also positive. While the cumulative increase in net OIF sales in Slovak koruna since the beginning of the year was much smaller than in previous years, the annual increase in net OIF sales in foreign currency exceeded the 2005 figure.

The positive December increase was mainly influenced by the net sales of money market funds (Sk 1.4 billion), as well as equity funds, umbrella funds, special and other funds (a total of Sk 0.5 billion). The growth in money market funds was mainly promoted by the rise in money market rates and the expectations of shareholders stemming from their improved performance. On the other hand, bond and mixed funds recorded slightly negative net sales (Sk-0.4 billion in total). The positive monthly net sales of OIFs of all types in both Slovak koruna and foreign currency totalled Sk 1.4 billion.

Main M3 Counterparts**Moderating growth in MFI receivables (including securities) from residents**

The year-on-year growth rate of MFI receivables from residents (including securities issued by clients and held by MFIs) slowed during November, to 13.8%. This was

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

Source: NBS calculations based on data from SASS.

Table 9 Main Counterparts of M3 (ECB methodology)

	Volume in billions of Sk ¹⁾			Year-on-year change in %	
	Nov. 2005	Oct. 2006	Nov. 2006	Oct. 2006	Nov. 2006
Net foreign assets	277.2	284.1	278.4	-0.3	0.4
Foreign assets	585.4	492.4	460.4	-17.4	-21.4
Foreign liabilities	308.2	208.3	182.0	-33.0	-41.0
Receivables of MFIs from residents (incl. securities)	778.3	878.9	885.6	14.3	13.8
Receivables from the general government	270.0	251.6	252.7	-5.2	-6.4
Receivables from the private sector	508.3	627.3	632.9	24.5	24.5
Deposits and loans taken from central government	92.9	85.8	78.7	0.7	-15.4
Long-term financial liabilities (excl. capital and reserves)	99.7	115.0	116.1	22.1	16.4
Deposits and loans taken with an agreed maturity of over 2 years	52.8	62.6	62.9	20.2	19.1
Deposits redeemable at notice of over 3 months	27.7	24.7	24.4	-11.1	-11.9
Debt securities issued with a maturity of over 2 years	19.3	27.6	28.8	94.4	49.7
Other items net	64.4	50.6	37.4	-32.0	-41.8
Capital, reserves, and provisions	92.8	67.3	56.3	-36.2	-39.3
Other liabilities	56.6	64.7	69.5	34.1	22.7
Surplus of liabilities among MFIs	-5.1	-0.1	-0.1	-	-
Fixed assets	33.6	32.7	32.6	-2.9	-2.8
Other assets	46.3	48.7	55.7	7.1	20.2
M3	798.4	911.7	931.7	13.9	16.7

Source: NBS.

Note: Differences in the sums are due to rounding. The missing figures 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.

mainly a result of accelerated decline in MFI receivables from the public sector and stagnation in the growth rate of receivables from the private sector.

After several months, deposits and loans received from the central government (excluding the deposits of local self-governments, social security funds, and non-financial corporations at the SR Treasury) again recorded negative year-on-year dynamics.

The long-term increasing trend in the year-on-year growth dynamics of long-term financial liabilities (excluding capital, reserves, and provisions) recorded a temporary change in November, which was

Table 10 Receivables of Monetary Financial Institutions from the Resident Private Sector

	Volume in billions of Sk ¹⁾			Year-on-year change in %	
	Nov. 2005	Oct. 2006	Nov. 2006	Oct. 2006	Nov. 2006
MFI receivables from the private sector (incl. securities)	508.3	627.3	632.9	24.5	24.5
of which: Securities issued by the private sector	15.5	14.2	14.2	-25.4	-10.2
MFI receivables (excluding securities)	492.7	613.1	618.7	26.4	25.6
Non-financial corporations	266.5	323.5	324.0	22.8	21.6
– up to 1 year	115.3	137.1	136.3	22.5	18.2
– 1 to 5 years	52.9	64.0	65.0	18.4	23.0
– over 5 years	98.3	122.5	122.7	25.5	24.8
Financial corporations	51.1	60.6	61.4	20.0	20.0
Insurance corporations and pension funds	0.0	0.0	0.0	-	-
Households and non-profit institutions serving households	175.1	228.8	233.3	34.0	33.2
– consumer loans	25.0	35.1	35.7	42.3	43.0
– house purchase loans	115.0	149.2	152.2	32.7	32.4
– other loans	35.2	44.5	45.4	31.9	29.1

Source: NBS.

Note: Differences in the sums are due to rounding. The missing figures 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.



mainly caused by a marked slowdown in the growth rate of debt securities issued with a maturity of over 2 years (due to the base effect), coupled with the weakening dynamics of deposits and loans received with an agreed maturity of over 2 years and deposits redeemable at a period of notice of over 3 months.

Stagnating growth in MFI receivables from the private sector

The year-on-year growth rate of MFI receivables from the private sector (including securities) remained unchanged in November, at the average level of the year (24.5%). The rate of decline in securities issued by the private sector moderated, but the growth rate of MFI receivables from the private sector (excluding securities) also slowed slightly (by 0.8 of a percentage point, resulting in a monthly increase of Sk 5.6 billion).

The November developments in receivables were primarily influenced by an increase in MFI receivables from households (Sk 4.4 billion, mostly house purchase loans), while their growth rate continued to slow, steadily without marked fluctuations. Receivables from non-financial corporations also recorded a slight increase (Sk 0.5 billion), which was reflected in the year-on-year rate of growth (a slowdown of 1.2 percentage points).

Structure of MFI Receivables from the Private Sector

Decelerated growth in loans to non-financial corporations as well as households

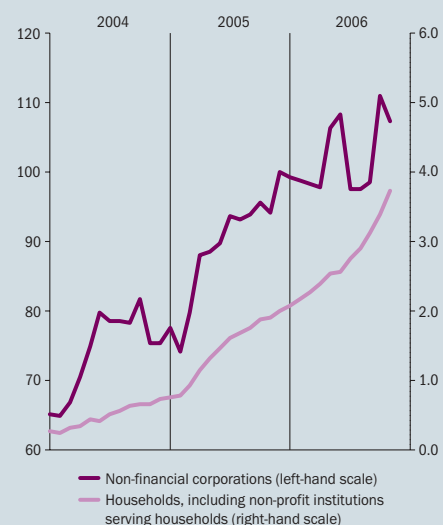
Despite a smaller monthly increase in November, bank lending to non-financial corporations reached its second highest year-on-year growth rate in 2006 (above the 15-21% range, in which it had been stagnating until September).

In the non-financial corporations and household sectors, the cumulative increase in loans over the first 11 months of the year was larger than in the same period of 2005. On the other hand, other financial intermediaries, auxiliary financial institutions, insurance companies, and pension funds achieved a smaller and/or negative increase. The increase in loans to households (Sk 52.3 billion) was virtually equal to the increase in loans to non-financial corporations (Sk 52.6 billion). The year-on-year dynamics of loans to households in total, as well as loans for housing purposes, show a gradually weakening tendency. In overall bank lending to households, loans for house purchases represent the largest

Table 11 Survey of MFI Receivables from the Resident Private Sector (excl. securities)

	Volume (Sk billions)	Change since the beginning of the year (Sk billions)	
	November 2006	November 2005	November 2006
MFI receivables (excluding securities)	618.7	95.0	111.2
Non-financial corporations	324.0	41.2	52.6
– loans in Slovak koruna	216.8	22.4	45.4
– loans in foreign currency	107.2	18.8	7.2
Financial corporations (other financial intermediaries and auxiliary financial institutions)	61.4	6.9	6.4
– loans in Slovak koruna	48.9	4.4	5.9
– loans in foreign currency	12.5	2.6	0.5
Insurance companies 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	233.3	46.9	52.3
– loans in Slovak koruna	229.5	45.7	50.5
– loans in foreign currency	3.7	1.2	1.7
of which: Consumer loans	35.7	5.1	10.9
– loans in Slovak koruna	35.6	5.0	10.9
– loans in foreign currency	0.1	0.1	0.0
House purchase loans	152.2	27.1	33.3
– loans in Slovak koruna	149.9	26.1	32.0
– loans in foreign currency	2.3	0.8	1.3
Other loans	45.4	14.8	8.1
– loans in Slovak koruna	44.1	14.6	7.7
– loans in foreign currency	1.3	0.2	0.4

Source: NBS.

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


Source: NBS.

component in the long term (they increased by Sk 33.3 billion in 11 months), while the share of consumer loans and other loans in total is much smaller (Sk 19.0 billion).

Loans in foreign currency fell in volume by Sk 3.5 billion month-on-month in November, mainly as a result of a decrease in euro loans to non-financial corporations (Sk 3.7 billion). Despite their actual decrease in volume, they still show strong year-on-year growth dynamics, due probably to the rapid appreciation of the koruna and the expected exchange rate profit.

The year-on-year growth dynamics of foreign-currency loans weakened in relation to non-financial corporations, while increasing in relation to households. In the long term, the share of euro loans in the total volume of foreign-currency loans is stable and much higher than the share of loans in other foreign currencies. In November, euro loans accounted for approximately 93% of the loans to non-financial corporations and 90% of the loans to households.

Current Budgetary Developments

December saw a deterioration in budgetary performance in comparison with the previous month (by Sk 24.7 billion), with the budget deficit reaching Sk 31.7 billion at the end of the month. The December increase in revenue was insufficient to cover the traditional end-of-year increase in expenditure, when budget revenue grew by Sk 29.8 billion and expenditure increased by Sk 54.5 billion (in December 2005, the budget deficit increased by Sk 26.3 billion, with revenue growing by Sk 25.0 billion and expenditure by Sk 51.3 billion).

3.2 External Trade

Balance of Payments for October 2006

In October 2006, the balance of payments on current account resulted in a deficit of Sk 8.2 billion. This represented a marked improvement in comparison with the previous month. The most significant change occurred in the balance of income, where the deficit recorded a month-on-month decrease in October, due to lower dividend payments to foreign direct investors. The lower current account deficit was also supported by an improvement in the trade balance, whose deficit shrank in comparison with the previous month. A smaller deficit than in the previous month was also recorded in the balance of current transfers. The only item to show a deterioration in comparison with the previous month was the balance of services. Despite this, the services balance was the only current account component in surplus. On a year-on-year basis, the current account deficit increased only slightly (by Sk 1.1 billion), while all components followed a similar trend as in the same period a year earlier.

Current account

After being revised by the Statistical Office of the SR, foreign trade recorded a deficit of Sk 5.5 billion in October (the originally published deficit amounted to Sk 5.0 billion). Exports recorded a significant

Table 12 Balance of Payments on Current Account
(Sk billions)

	Oct. 2006	Oct. 2005	Jan. – Oct. 2006	Jan. – Oct. 2005
Balance of trade	-5.5	-6.6	-71.0	-45.8
Exports	125.9	96.6	1 014.8	810.5
Imports	131.4	103.2	1 085.8	856.3
Balance of services	0.9	1.4	14.8	10.1
Balance of income	-2.7	-2.2	-56.3	-39.6
of which: Income from investment	-5.2	-4.4	-81.2	-63.1
of which: Reinvested earnings	-1.9	-3.9	-22.0	-29.0
Current transfers	-0.9	0.3	-1.4	0.0
Current account in total	-8.2	-7.1	-113.9	-75.3

Source: NBS and the Statistical Office of the SR.

**Table 13 Exports from January to October, Year-on-Year Changes**

	Year-on-year change in billions of Sk January – October		Proportion of the year-on-year change in % points January – October	
	2006	2005	2006	2005
Raw materials	14.9	9.9	1.8	1.4
Chemicals and semi-finished goods	50.3	33.0	6.2	4.7
Machinery and transport equipment	131.8	16.0	16.3	2.3
Finished products	7.2	7.5	0.9	1.1
Exports in total	204.2	66.4	25.2	9.6

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

Table 14 Imports from January to October, Year-on-Year Changes

	Year-on-year change in billions of Sk January – October		Proportion of the year-on-year change in % points January – October	
	2006	2005	2006	2005
Raw materials	46.3	25.2	5.4	3.4
Chemicals and semi-finished goods	43.8	15.9	5.1	2.2
Machinery and transport equipment	93.4	13.2	10.9	1.8
Finished products	45.7	26.5	5.3	3.6
of which: Agricultural and industrial goods	19.2	14.9	2.2	2.0
Passenger cars	4.3	1.2	0.5	0.2
Machines and electrical consumer goods	22.2	10.4	2.6	1.4
Imports in total	229.2	80.8	26.8	11.0

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

month-on-month increase in October, as well as an acceleration in year-on-year dynamics (to 30.1%). The steepest increase in exports compared with the previous month occurred in the 'machines and transport vehicles' category (television sets and passenger cars). Increased exports were also recorded in semi-finished goods and finished products. The only category to record a month-on-month decline in exports was 'raw materials'. As exports, the imports of goods also increased month-on-month in October, though their year-on-year dynamics weakened to 26.9%. The growth of imports was promoted by increased imports in all categories of goods, except for raw materials (the lower imports of raw materials can be ascribed to price developments). The most significant increases took place in the imports of machinery and transport equipment (liquid crystal products, motor vehicles parts, components, and accessories).

Capital and financial account

The balance of payments on capital and financial account recorded an inflow of Sk 9.0 billion in October.

The October inflow of funds took place predominantly in direct investment. Foreign direct investment inflows into the SR were mainly caused by increases in import liabilities vis-à-vis parent companies and, in smaller measure, by reinvested earnings and ownership interests. The modest deficit in 'other investment' resulted from the fact that the outflow of funds from the banking sector in connection with the increased provision of financial loans to foreign entities and their repayment, was offset by an inflow of funds caused by a decrease in deposits on accounts abroad.

Foreign exchange reserves of the NBS

The foreign exchange reserves of the NBS increased month-on-month by Sk 1.7 billion, i.e. USD 0.1 billion (excluding exchange rate differentials).

External Debt of Slovakia as at 31 October 2006

Gross external debt

At the end of October 2006, Slovakia's total gross external debt stood at USD 30.5 billion (EUR 23.9 billion), representing a month-on-month increase of USD 1.1 billion (EUR 0.9 billion). Total long-term foreign debt grew in October by USD 0.4 billion, while total short-term foreign debt increased by USD 0.7 billion.

Within the scope of long-term external debt, the foreign liabilities of the Government and the NBS decreased by USD 0.1 billion in October. The commercial sector saw increases in the foreign liabilities of entrepreneurial entities (USD 0.4 billion) as well as commercial banks (USD 0.1 billion).

Table 15 Balance of Payments on Capital and Financial Account (Sk billions)				
	Oct. 2006	Oct. 2005	Jan. – Oct. 2006	Jan. – Oct. 2005
Capital account	-0.1	-0.2	-0.8	-0.2
Direct investment	6.3	1.0	99.8	43.9
SR abroad	-0.6	-2.0	-10.0	-4.7
of which: Equity capital abroad	-0.2	-1.4	-9.1	-1.8
Reinvested earnings	-0.1	-0.1	-1.0	-1.0
In the SR	6.9	3.0	109.8	48.6
of which: Equity capital in the SR	1.7	1.1	50.2	14.0
of which: Other than privatisation	1.7	1.1	19.2	14.0
Reinvested earnings	2.0	4.0	23.0	30.0
Portfolio investment and financial derivatives	3.0	-13.0	47.7	-24.0
SR abroad	0.4	2.7	-6.7	-23.5
In the SR	2.6	-15.7	54.4	-0.5
Other long-term investment	1.2	1.4	16.6	-9.5
Assets	1.0	-0.3	5.4	-6.6
Liabilities	0.2	1.7	11.2	-2.9
Other short-term investment	-1.4	1.8	-164.6	117.8
Assets	0.3	8.7	-69.2	-14.7
Liabilities	-1.7	-6.9	-95.4	132.5
Capital and financial account	9.0	-9.0	-1.3	128.0

Source: NBS.

The short-term foreign liabilities of entrepreneurial entities grew in volume by USD 0.7 billion, due to an increase in trade credits.

At the end of October, Slovakia's total per-capita gross foreign debt stood at USD 5,662. The share of short-term foreign debt in the country's total gross external debt increased month-on-month by 0.5 of a percentage point, to 48.9% at the end of October 2006.

The net external debt of Slovakia, expressed as the difference between gross foreign debt, i.e. USD 30.5 billion (liabilities of the Government, the NBS, commercial banks, and the corporate sector – except for capital participation), and foreign assets, i.e. USD 26.4 billion (foreign exchange reserves of the NBS, foreign assets of commercial banks and the corporate sector – except for capital participation), reached USD 4.1 billion (debtor position) at the end of October 2006.

Net external debt

Table 16 External Debt of the SR						
	In millions of USD			In millions of EUR		
	1.1.2006	30.9.2006	31.10.2006	1.1.2006	30.9.2006	31.10.2006
Total external debt of the SR	27,052.5	29,335.9	30,458.6	22,835.3	23,074.7	23,947.9
Long-term external debt	11,850.7	15,124.2	15,548.6	10,003.3	11,896.3	12,225.0
Government and NBS ¹⁾	5,578.3	7,328.9	7,278.2	4,708.7	5,764.7	5,722.5
Commercial banks	866.7	1,237.1	1,342.8	731.6	973.1	1,055.7
Entrepreneurial entities	5,405.7	6,558.2	6,927.6	4,563.0	5,158.5	5,446.8
Short-term external debt	15,201.8	14,211.7	14,910.0	12,832.0	11,178.4	11,722.9
Government and NBS	4.4	0.0	0.0	3.7	0.0	0.0
Commercial banks	9,360.4	6,019.0	6,036.8	7,901.2	4,734.3	4,746.4
Entrepreneurial entities	5,837.0	8,192.7	8,873.2	4,927.1	6,444.1	6,976.5
Foreign assets	25,455.3	26,165.8	26,358.5	21,487.2	20,581.1	20,724.4
Net external debt	1,597.2	3,170.1	4,100.1	1,348.1	2,493.6	3,223.5
SKK/USD and SKK/EUR rates	31.948	29.405	28.629	37.848	37.384	36.412
EUR/USD cross exchange rate	–	–	–	1.185	1.271	1.272

Source: NBS.

¹⁾ Including government agencies and municipalities.

**Current Developments**

The trade deficit increased in comparison with the previous month, to Sk 9.2 billion in November. The only item to show a deterioration in comparison with the previous month was the balance of services. On the other hand, the current account deficit decreased somewhat (by Sk 0.8 billion month-on-month), mainly as a result of lower dividend payments within the income balance and the change from deficit to surplus in the balance of current transfers (caused partly by the increased drawing of EU funds).

November saw a slowdown in the year-on-year dynamics of exports as well as imports, when imports grew by 22.6% and exports increased by 18.5%.

Table 17 Balance of Payments on Current Account				(Sk billions)
	November 2006	November 2005	Jan. – Nov. 2006	Jan. – Nov. 2005
Balance of trade	-9.2	-3.9	-80.2	-49.7
Exports	119.6	100.8	1,134.4	911.3
Imports	128.8	104.7	1,214.6	961.0
Balance of services	-0.3	-0.4	14.5	9.7
Balance of income	0.4	-4.0	-55.9	-43.6
of which: Income from investments	-2.5	-6.3	-83.7	-69.4
of which: Reinvested earnings	-0.4	-3.9	-22.4	-32.9
Current transfers	1.7	0.6	0.3	0.6
Current account in total	-7.4	-7.7	-121.3	-83.0
<i>Source: NBS and the Statistical Office of the SR.</i>				

The trade deficit recorded in November exceeded the expectations of the NBS, mainly as a result of lower than expected exports.

Exports are expected to decline month-on-month in December, as a result of a seasonal downturn in production at the end of the year. This seasonal effect will probably be offset partly by the launch of export in the new automobile assembly plant. In view of the expected lower level of exports, a similar trend can also be expected in imports, where declines are anticipated in both semi-finished goods and goods for final consumption.

In January, exports are expected to remain at the level of December, owing to the persistent seasonal effect from the end of the previous year. Starting from February, exports should follow a steadily growing trend. Imports are again expected to fall month-on-month in January, mainly as a result of lower imports of goods for final consumption and machines. In February, a month-on-month increase is anticipated in imports, promoted mainly by increased imports of semi-finished goods and machines.

On the whole, both exports and imports are expected to remain below the level of the previous months, but then in the following months, they should grow again (in 2007).

Total foreign exchange reserves of the NBS

At the end of December, the total foreign exchange reserves of the NBS stood at USD 13,363.8 million, representing a month-on-month fall of USD 7.3 million. The modest fall in reserves in comparison with the figure for the end of November 2006 was caused by a surplus in the balance of receipts and expenses (USD 94.6 million), offset by negative exchange rate differentials (USD -101.9 million), which resulted from a change in the USD/EUR cross-rate in the period under review. At the end of December, the volume of foreign exchange reserves was 3.3 times greater than the volume of average monthly imports of goods and services to Slovakia, during the first eleven months of 2006.

The ratio of foreign exchange reserves to the amount of payments for goods and services recorded in banking statistics, reached 4.2 times the volume of average monthly imports of goods and services to the SR over the first eleven months of 2006.

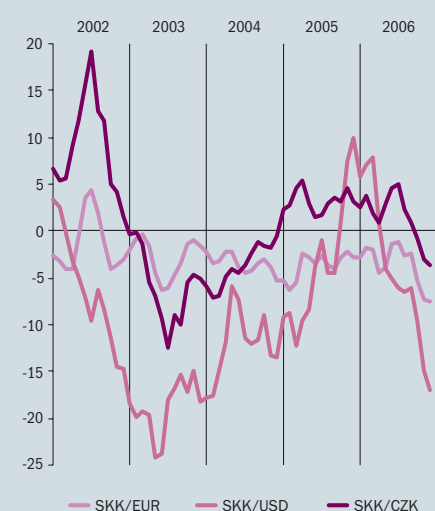
Nominal effective exchange rate of the Slovak koruna (NEER)

The average exchange rate of the Slovak koruna continued to appreciate in December. The strongest month-on-month appreciation occurred in relation to the US dollar (5.1%), the Swiss franc (2.8%), and the euro (2.5%).

The year-on-year appreciation of the koruna accelerated in comparison with the previous month, mainly in relation to the US dollar (17.0%, compared with 14.9% in November). More moderate year-on-year

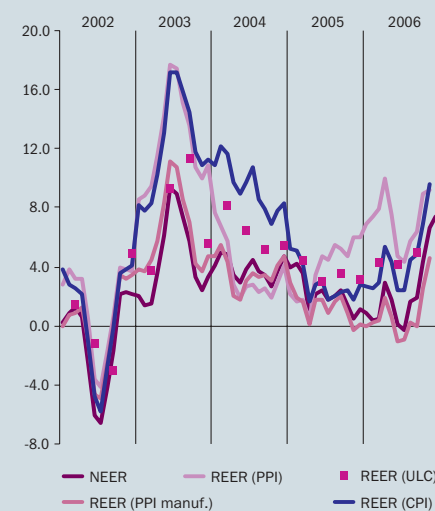
Chart 7 Year-on-year Changes in the Average Monthly Exchange Rates of the Slovak Koruna

(%)



Source: NBS.

Note: + depreciation, – appreciation of the SKK.

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


Source: NBS.

Note: + appreciation, – depreciation of the NEER and REER indices.

appreciation was recorded vis-à-vis the Swiss franc (10.3%), the euro (7.5%), and the British pound (6.6%).

The value of the nominal effective exchange rate² (NEER) followed the same trend, and appreciated on a year-on-year basis by 7.4%.

The strengthening of the Slovak koruna still contributes to the appreciation of the real effective exchange rate (REER). On a year-on-year basis, the REER based on the consumer price index (CPI) appreciated by 9.6%, that based on the industrial producer price index (PPI) by 9.2%, and the rate based on the manufacturing products price index (PPI manuf.) by 4.6%.

Real effective exchange rate of the Slovak koruna (REER)

Table 18 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⁾
December 2002	2.1	4.1	3.6	3.4	5.0
December 2003	3.2	11.3	10.8	4.7	5.7
December 2004	4.7	8.3	4.1	4.7	5.5
December 2005	1.1	2.7	6.0	0.0	3.2
September 2006 ¹⁾	1.9 / 0.8	4.8 / 2.4	6.3 / 4.2	0.0 / 0.3	5.0 ^(p)
October 2006 ¹⁾	4.4 / 2.3	6.9 / 4.2	8.9 / 4.0	2.5 / 1.3	-
November 2006 ¹⁾	6.7 / 4.7	9.6 / 7.1	9.2 / 7.2	4.6 / 2.9	-
December 2006 ¹⁾	7.4 / 7.2

Source: NBS.

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

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

² The methodology applied for calculating the nominal and effective exchange rates of the Slovak koruna (NEER and REER) is the same one used by the IMF. The REER is calculated on the basis of the consumer price index (CPI), the industrial producer price index (PPI), and/or the manufacturing products price index, excluding the prices of mineral raw materials, electricity, gas, steam, and hot water (PPI manufacturing), and the index of unit labour costs (ULC). The initial year for the calculation is 1999, and the weights selected correspond to the structure of foreign trade in 1999, for the nine most important trading partners of Slovakia, representing roughly 70% of the total turnover of foreign trade. These countries are Germany, the Czech Republic, Italy, Austria, France, the Netherlands, the USA, Great Britain, and Switzerland.



3.3 Real Economy

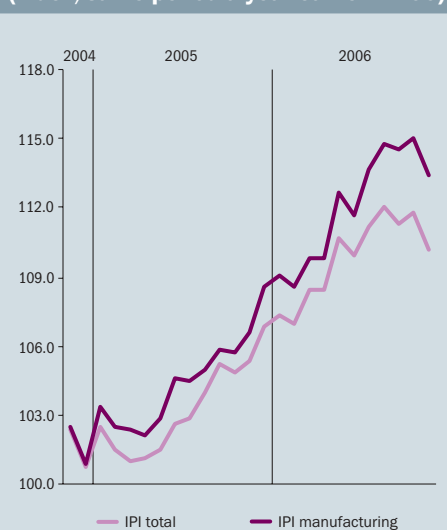
Current Developments

Production and Receipts

Slower growth in industrial production

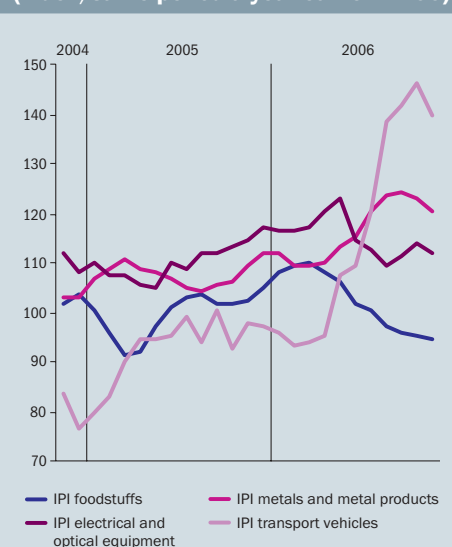
In November, the year-on-year growth rate of industrial production slowed slightly in comparison with October, mainly as a result of slower growth in manufacturing production and continuing year-on-year decline in electricity, gas, and water supply.

Chart 9 Development of Industrial and Manufacturing Production (3-month moving averages) (index, same period a year earlier = 100)



Source: Statistical Office of the SR.

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



Source: Statistical Office of the SR.

Slower growth in production than in October was recorded in virtually all the key manufacturing industries, except for the manufacture of machines, equipment, and transport vehicles, which achieved a year-on-year growth of more than 50%. Output continued to fall on a year-on-year basis in the production of foodstuffs, beverages, and tobacco products; coke, refined oil products, and nuclear fuel; chemicals, chemical products and fibres.

Accelerated growth in construction

The accelerated growth in construction was a result of faster growth in domestic production in construction repair and maintenance work.

Slower growth in receipts in most service sectors

Receipts grew at a slower rate than in October in all service sectors under review, except for services related to the sale and maintenance of vehicles and the retail sale of fuels. The slower growth in retail sales receipts was mainly due to a slowdown in other retail sales in non-specialised shops and retail trade in pharmaceuticals and cosmetics. Faster growth than in October occurred in receipts from retail trade in foodstuffs, beverages, and tobacco in non-specialised and specialised shops and from retail trade outside shops. Faster growth was also recorded in receipts from the sale and maintenance of motor vehicles and the retail sale of fuels, mainly as a result of accelerated growth in receipts from the sale of motor vehicles and renewed growth in receipts from the sale of fuels.

Chart 11 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.

The slower year-on-year growth in receipts from real estate, renting, and business services in November (compared with October) was mainly a result of slower growth in receipts from other business services and a year-on-year fall in receipts from real estate, computer, and related activities.

Table 19 Production and Receipts

	Sk millions, at c. p.		Indices			
	Nov. 2006	Cumul. since begin. of year	Oct. 2006 Oct. 2005	Nov. 2006 Nov. 2005	Nov. 2005 Nov. 2004	Jan. – Nov. 2006 Jan. – Nov. 2005
Production						
Industrial production index ¹⁾	-	-	111.1	109.8	105.8	110.0
of which:						
Mining and quarrying	-	-	92.0	101.7	91.3	90.4
Manufacturing	-	-	114.7	113.0	107.3	112.4
Electricity, gas, and water supply	-	-	90.2	90.9	99.6	98.2
Construction ²⁾	15,034	132,277	109.1	111.7	115.8	114.6
of which:						
Construction in Slovakia	14,363	127,927	108.7	110.4	116.9	115.8
Construction abroad	671	4,350	123.2	150.5	90.8	86.9
Receipts from own-output and goods						
Industry in total ³⁾	175,713	1,689,210	120.5	114.2	111.7	114.4
Construction ²⁾	23,597	202,552	106.2	104.4	123.8	114.0
Retail trade ³⁾	37,994	379,838	107.6	107.4	112.3	108.6
Sale and maintenance of vehicles, retail sale of fuels ³⁾	17,552	172,596	117.9	121.1	107.6	113.9
Transport, storage ³⁾	13,164	130,925	111.4	109.0	113.3	112.8
Real estate, renting, and business services ³⁾	15,612	160,458	114.8	105.7	109.4	111.7

Source: Statistical Office of the SR.

1) Adjusted for variations in the number of working days (the data in the time series are continuously 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).

Wages, Employment, and Unemployment

In November, the year-on-year rate of nominal wage growth accelerated in comparison with October in retail trade, real estate activities, and transport. The most significant slowdown occurred in post and telecommunications, construction, and wholesale trade.

Nominal wages

During the first eleven months of 2006, average nominal wages grew at a slower rate than in the same period a year earlier, in most sectors. The only sectors to record stronger wage dynamics than a year earlier were the sale and maintenance of vehicles and retail trade.

November saw faster year-on-year growth in real wages compared with the previous month only in retail trade; real wage growth slowed most significantly in post and telecommunications, construction, and wholesale trade.

Real wages

The average rate of real wage growth over the first eleven months of 2006 was slower than in the same period a year earlier, in most sectors under review. The slowdown in the year-on-year rate of real wage growth was mainly a result of higher inflation, coupled with weaker nominal wage dynamics compared with the same period a year earlier. The only sectors to record stronger year-on-year real wage dynamics were the sale and maintenance of vehicles and retail trade.

Faster employment growth than a month earlier was recorded in most sectors under review (wholesale trade; retail trade; real estate, renting, and other business services; transport and storage). Employment grew at a slower rate than in the previous month in construction, while continuing to fall in industry, post and telecommunications.

Employment

Compared with November 2005, employment grew more dynamically in construction and wholesale trade. In other sectors (sale and maintenance of vehicles, retail trade, and real estate, renting, and



Table 20 Wage Developments in Selected Sectors
(index, same period a year earlier = 100)

	Average monthly nominal wage			Average monthly real wage		
	Year 2005	Jan. – Nov. 2005	Nov. 2006	Year 2005	Jan. – Nov. 2005	Nov. 2006
Industry	107.2	107.5	105.9	104.4	104.7	101.3
of which: Manufacturing	107.5	107.8	105.8	104.7	105.0	101.2
Construction	106.0	106.1	105.3	103.2	103.4	100.8
Retail trade	107.8	108.1	110.4	105.0	105.3	105.6
Wholesale trade	111.4	111.9	106.3	108.5	109.1	101.7
Sale and maintenance of vehicles	101.3	102.6	109.7	98.6	100.0	105.0
Real estate, renting, and other business services	112.0	112.5	109.2	109.1	109.6	104.5
Transport	107.3	107.4	107.2	104.5	104.6	102.6
Post and telecom.	107.1	107.5	106.1	103.3	104.8	101.5
Consumer prices	102.7	102.6	104.5	-	-	-

Source: Statistical Office of the SR.

Notes: The above sectors accounted for 69.6% of total employment in the first three quarters of 2006.

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

other business services), employment grew at a slower rate than a year earlier. A more favourable trend was recorded in transport and storage, where employment recorded a modest increase, after falling a year earlier. Over the first eleven months of 2006, employment grew most rapidly in average terms in construction, wholesale trade, the sale and maintenance of vehicles, and retail trade.

Unemployment The falling trend in unemployment continued in November. According to data from the Centre for Labour, Social Matters, and the Family, the total number of registered unemployed dropped month-on-month by 2,200, to 268,800. The number of disposable unemployed, who may start working immediately, stood at 233,400, which was 3,800 less than in October. The rate of registered unemployed reached 9.12% in November, and was 0.15 of a percentage point lower than in the previous month. This was 1.74 percentage points less than in November 2005.

The average length of registration decreased in comparison with October by 0.08 of a month, to 10.85 months in November (compared with 11.9 months a year earlier). Compared with October, the share of

Chart 12 Registered Unemployment Rate (%)

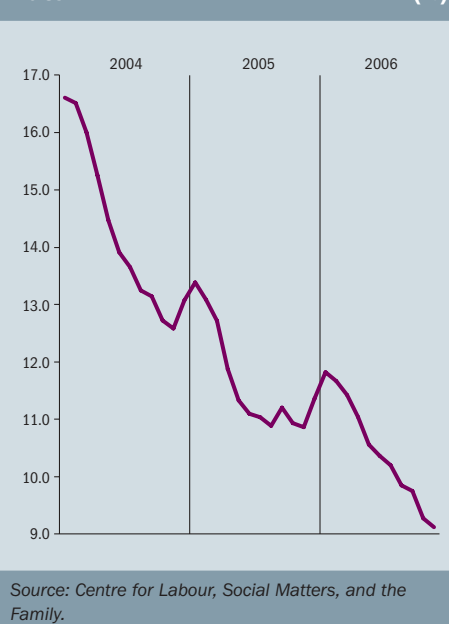
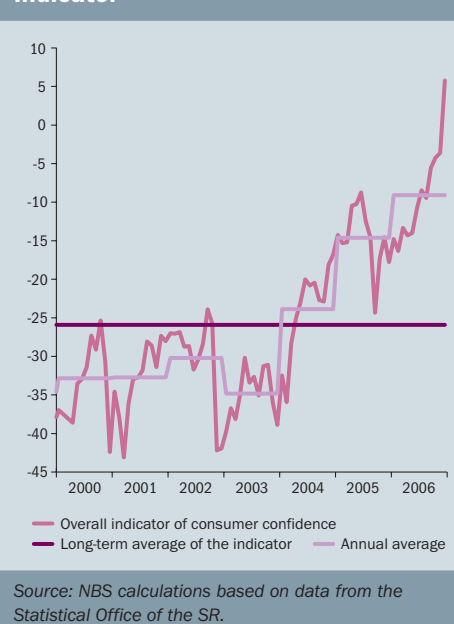


Chart 13 Consumer Confidence Indicator





long-term unemployed (out of work for more than 12 months) decreased by 0.3 of a percentage point, to 54.0% in November (compared with 52.7% in November 2005).

Consumer Confidence Indicator

In December, the consumer confidence indicator considerably improved in comparison with the previous month, to 5.8 points (9.4 points more than in November), representing a new historical high. The indicator reached a positive figure for the first time. Compared with November, improvements were recorded in all four components: the expected economic development, the expected unemployment rate, the expected financial situation of households, and the expected household savings in Slovakia. Compared with the same period last year, the consumer confidence indicator has improved by 23.6 points.

**Marked improvement in
consumer confidence**



4 Monetary Developments

4.1 Foreign Exchange Market

Operations on the foreign exchange market

Over the course of December, the exchange rate of the Slovak koruna against the euro strengthened by 2.6% (from SKK/EUR 35.486 to SKK/EUR 34.573), while the average rate appreciated by 2.5%. The Slovak koruna deviated from its central rate (SKK/EUR 38.4550) most significantly on 28 December 2006, when its exchange rate was fixed at SKK/EUR 34.345, representing an appreciation of 10.69% from central parity. In relation to the US dollar, the koruna strengthened by 2.7% (from SKK/USD 26.972 to SKK/USD 26.246), while appreciating in average terms by 5.1%.

Spot transactions between foreign and domestic banks resulted in a positive balance (USD 306.4 million), i.e. foreign banks mostly purchased foreign currency and sold Slovak koruna.

During December, the National Bank of Slovakia intervened against the excessive strengthening of the Slovak koruna and purchased a total of EUR 495 million in direct foreign exchange interventions.

Table 21 Changes in the SKK/EUR and SKK/USD Exchange Rates

(%)

	Month-on-month change	Ø Dec. 2006 Ø Dec. 2005	Ø Jan. – Dec. 2006 Ø Jan. – Dec. 2005
SKK/EUR	-2.6	-7.5	-3.5
SKK/USD	-2.7	-17.0	-4.2

Source: NBS.

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

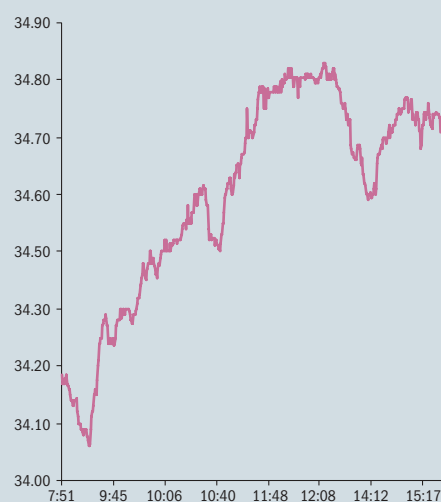
Box 1

Developments in the SKK/EUR exchange rate during 28 December 2006, when the NBS intervened

In December 2006, the exchange rate of the Slovak koruna against the euro followed a strong appreciating trend, and strengthened in comparison with its initial level at the beginning of December by more than 4%. Thus, the koruna deviated from its central rate (SKK/EUR 38.455) by 11.43%. This appreciation was not a result of changes in economic fundamentals, but a consequence of growing interest among investors in all currencies of the region (for example, the Czech koruna also reached a new historical high in relation to the euro), while the low level of liquidity on the financial markets also contributed to this trend. In December, the NBS decided to intervene in order to moderate the volatility of the exchange rate.

The exchange rate of the koruna against the euro opened the day (28 December 2006) at SKK/EUR 34.185¹, and appreciated during the afternoon hours to SKK/EUR 34.060. This rate represents a new historical high. Subsequently, the NBS intervened to weaken the Slovak koruna and purchased EUR 495 million in the process. During the intervention, the koruna exchange rate weakened to SKK/EUR 34.730 (a daily minimum). After the intervention, the exchange rate stabilised and closed the day at the level of SKK/EUR 34.600. The exchange rate was fixed for the given day at the level of SKK/EUR 34.573.

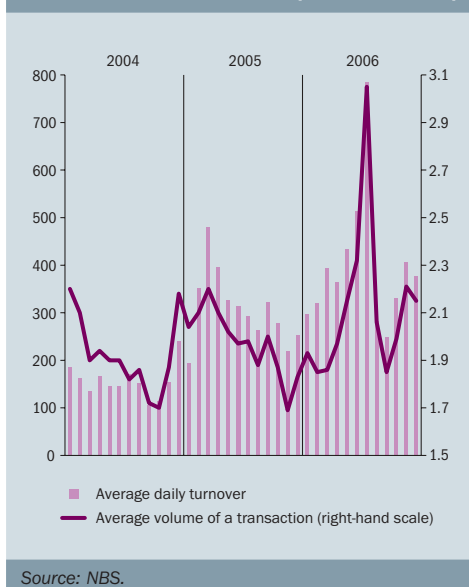
Chart A Developments in the SKK/EUR Exchange Rate During 28 December 2006



Source: NBS.

¹ The achieved values of the SKK/EUR exchange rate were set on the basis of rates for transactions carried out through the Reuters Matching 3000 system.

Chart 14 Transactions on the Interbank Foreign Exchange Market (USD millions)



The total volume traded on the interbank foreign exchange market reached USD 63,880.3 million, representing a decrease of 2% compared with the figure for November (USD 65,162.7 million). Of the total trading volume, 87.8% took place in swap transactions, which were conducted mostly in US dollars (94.5%). Spot transactions accounted for 11.2% of the total turnover (95.7% of the deals were in EUR). The average daily turnover on the spot market reached USD 377.32 million and the average volume per transaction amounted to USD 2.15 million.

Interbank foreign exchange market

The volume of transactions between domestic commercial banks increased, from USD 8,246.7 million in November to USD 9,159.7 million in December. Most trading took place in USD (69.9%, compared with 65.2% in November), followed by EUR (29.5%, compared with 34% in November) and other currencies (0.6% of the total turnover among domestic commercial banks).

Transactions between domestic banks accounted for 14.3% 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 84.2% (80.2% in November) and spot transactions 15.8% (19.8% in November).

The volume of trading between domestic and foreign banks decreased by 3.8%, from USD 56,864.5 million to USD 54,720.6 million. Most trading was again conducted in USD (85.5%, compared with 83.2% in November), followed by EUR (14%, compared with 16.6% in November), and other currencies (0.5%). Trading between domestic and foreign banks still dominated the country's foreign exchange market (with a share of 85.7%).

Trading between domestic and foreign banks also took place predominantly in the form of swap operations (88.5%, compared with 87.1% in November), while spot transactions accounted for 10.5% (11.4% in November). The share of forward dealings on the forex market was negligible. Option contracts accounted for 0.5% of the volume traded with foreign banks.

At the end of November, the Slovak-koruna deposits of non-resident banks amounted to Sk 71.2 billion, representing a month-on-month increase of Sk 2.9 billion, while their year-on-year decline moderated to Sk 4.3 billion (from Sk 5.5 billion in October).

Compared with November, the government securities holdings of non-residents decreased by Sk 2.7 billion in December, while non-residents still possessed no Treasury bills. The Agency for Debt and Liquidity Management (ARDAL) held no Treasury-bill auctions in December.

Table 22 Koruna Assets/Liabilities and Government Securities Held by Non-Residents (Sk billions)

	2005 30.11.	2006 30.6.	2006 31.7.	2006 31.8.	2006 30.9.	2006 31.10.	2006 30.11.	2006 31.12. ^(p)	2007 9.1. ^(p)
Koruna assets, banks	8.7	29.3	12.8	14.0	12.7	14.9	10.6	14.2	16.1
Koruna liabilities	81.5	104.6	60.1	87.8	84.1	76.2	78.7	.	.
of which: Banks	75.5	97.6	52.6	80.3	75.7	68.3	71.2	54.0	49.4
Non-bank clients	6.1	6.9	7.5	7.4	8.5	7.9	7.5	.	.
Government securities	89.5	94.2	79.7	90.3	91.0	86.5	89.1	86.4	.
of which: Government bonds	89.5	94.2	79.7	90.3	91.0	86.5	89.1	86.4	.
SR Treasury bills	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	.
Total	171.0	198.8	139.8	178.1	175.1	162.8	167.8	.	.

Source: NBS and the Central Securities Depository of the SR, a.s.

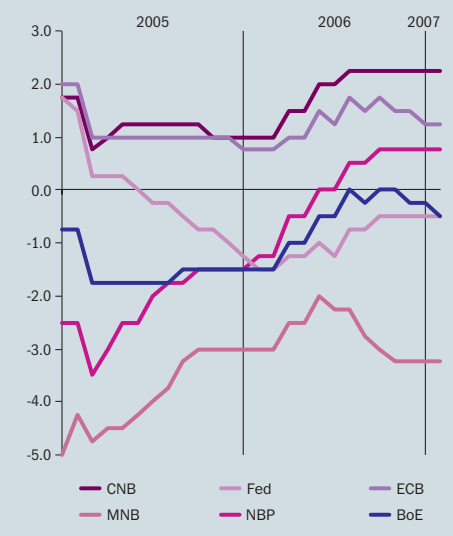


The December decrease in the volume of government bonds mostly took place in 3-year government bonds maturing in January 2007 (Issue No. 200, a decrease of Sk 4.0 billion), which was partly offset by an increase in 10-year government bonds maturing in January 2013 (Issue No. 188, an increase of Sk 1.9 billion). The share of non-residents in the total volume of issued government bonds decreased in December (from 25.5% to 24.7%).

Of the central banks under review, only the ECB changed its key interest rates in December, by 0.25 of a percentage point upwards (to 3.50%). The other banks (including the NBS) left their key rates unchanged: the CNB at 2.50%, the NBP at 4.00%, the BoP at 5.00%, the Fed at 5.25%, the MNB at 8.00%, and the NBS at 4.75%.

In January, the ECB and the BoE confirmed their key interest rates (on January 11) as follows: the ECB left their rates unchanged, while the BoE increased them by 0.25 of a percentage point (to 5.25%). The current positive interest rate differentials between NBS rates and the key rates of the NBP, the ECB, and the CNB remained unchanged (+0.75; +1.25; +2.25 percentage points), as well as the negative differentials in relation to the Fed and the MNB (-0.50; -3.25 percentage points). However, the negative interest rate differential vis-à-vis the BoE decreased (to -0.50 of a percentage point).

Chart 15 Differentials Between the Key Rates of Selected European Central Banks, the ECB, and the Fed (in percentage points)



Source: NBS, ECB and the relevant central banks.

4.2 Money Market and Monetary Policy Implementation

At its 53rd meeting on 20 December 2006, the Bank Board of the NBS decided to leave its key interest rates unchanged.

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

The shortage of interbank liquidity at the beginning of the month made it necessary to maintain the price of overnight deposits at 5%. Despite an increase in the volume of daily liquidity after the settlement of repo tenders in the middle of the month, no marked fall occurred in the overnight rate. This was due to the uneven distribution of liquidity among banks and their attempt to ease the cumulative shortage. A change occurred in the middle of the month, when the banking sector ran into a serious shortage of daily liquidity after accepting a large amount at an NBS-bill auction. The price of overnight deposits exceeded the overnight rate for NBS refinancing repo operations (6.25%). The shift to a surplus of daily liquidity after lower demand at tenders at the end of the month gave rise to another fall in the overnight rate, which closed the month below the level of 4%.

There were modest drops in medium- and longer-term rates at the beginning of the month, stimulated by changes on the foreign exchange market, when banks modified the quotations of their rates downwards owing to the appreciation of the Slovak koruna. The impact of appreciation in the SKK exchange rate persisted over the first half of the month in the conditions of minimal trading activity on the interbank market. A factor preventing interest rates from falling more sharply was the release of an OECD report anticipating that the rapid growth of the Slovak economy may have a negative impact upon the economy in the future. The fall in interest rates in the middle of the month temporarily brought the weakening of the Slovak koruna to a halt. The subsequent strengthening of the koruna gave rise to another fall in interest levels. The decision of the Bank Board to leave the key NBS rates unchanged was anticipated by banks and had therefore no impact on interest rates. Banks mainly concentrated on the commentary, from which some of the market participants drew the conclusion that the NBS was considering the possibility of lowering its interest rates.

The foreign exchange intervention at the end of the month had no direct effect on interest rates. The trading activities of banks focussed on maturities of up to one month; trading in longer maturities was exceptional.

Chart 16 BRIBOR

(% p.a.)



Source: NBS.

The volume of trading on the interbank money market reached Sk 1,503 billion in December (compared with Sk 1,540 billion in November). Reference banks accounted for 87.7% of the total turnover (a decrease of 2.8%). Of the total volume of purchases and sales on the interbank market, non-resident and resident bank transactions accounted for 67.4% and 32.6% respectively. In interbank transactions, domestic banks achieved the largest share in deposit transactions (58.4%), while non-resident banks led the way in swaps (62.5%).

The average daily volume of sterilised excess liquidity decreased in December by Sk 6.6 billion, to Sk 279.7 billion. The need for sterilisation was mainly reduced by an increase in the volume of currency in circulation. Of the total volume of open-market transactions, repo tenders accounted for 91.1%, NBS bills 7.5%, overnight deposits 0.3%, and overnight repo operations 1.1%.

Liquidity

The NBS announced four sterilisation repo tenders for December. At these tenders, the bids of banks were accepted in full. Banks tended to make smaller bids than the due amount. In order to ease the cumulative

shortage, banks reduced their bids by Sk 19.5 billion at the first two tenders. After a large volume had been accepted at NBS-bill auctions, banks reduced their bids by Sk 42.7 billion at the third tender. Due to the persistent cumulative shortage, banks also showed lower interest at the last tender (by Sk 3.4 billion). The share of repo tenders of the total volume of open-market transactions decreased by 6.74 percentage points.

Table 23 Interbank Transactions

(Sk billions)

	Deposits	Repos	Swaps	FRAs	IRSs
November 2006	573	48	881	22	16
December 2006	611	42	824	19	7

Source: NBS.

Table 24 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
November 2006	92	-4,161	-1,957	-280,304
December 2006	3,115	-907	-21,454	-260,438

Source: NBS.

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

Table 25 Tenders in December 2006

Date	Type of tender ¹⁾	Maturity (days)	Volume accepted (Sk millions)	minimum	Rates (%) average	maximum
6.12.2006	SRT	14	159,978	4.75	4.75	4.75
13.12.2006	SRT	14	112,763	4.75	4.75	4.75
20.12.2006	SRT	14	117,320	4.75	4.75	4.75
27.12.2006	SRT	14	109,340	4.75	4.75	4.75

Source: NBS.

1) SRT – sterilisation repo tender.



The NBS announced one NBS-bill auction for December. Demand reached Sk 36.6 billion, of which Sk 36.1 billion was accepted by the NBS. The share of NBS bills of the total trading volume increased by 6.82 percentage points.

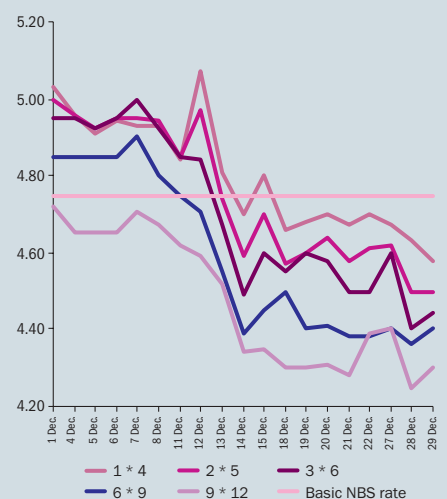
The daily shortage of liquidity at the beginning of the month forced banks to purchase funds from the NBS. The transition to liquidity surplus after lower demand at tenders in the first half of the month eliminated the need for refinancing. The situation changed in the middle of the month after a large amount had been accepted at an NBS-bill auction. The need for the replenishment koruna resources from the NBS was renewed by a shift to a marked shortage of liquidity. Banks in that period recorded a record volume of refinancing (Sk 18.6 billion). The need for refinancing was eliminated by return to liquidity surplus in the second half of the month. The gradual alleviation of the cumulative shortage at the end of the month made it possible for banks to deposit their excess funds at the NBS. Most overnight deposits were made on the last day of the month (Sk 8.7 billion).

Reserve requirements For December 2006, the amount of required minimum reserves in the banking sector was set at Sk 21.93 billion. By the end of the month, the reserve requirement had actually been fulfilled to 100.35%.

Developments in Money Market Interest Rate Derivatives

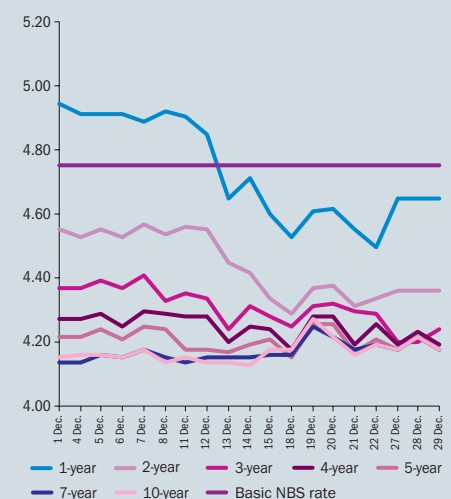
Trading in forward rate agreements (FRAs) recorded a decline in December. Most transactions took place between domestic banks (66.0%). Increased trading activity was recorded in the first half of the

Chart 17 Daily Developments in FRAs
(% p.a.)



Source: Reuters.

Chart 18 Daily Developments in IRSs
(% p.a.)



Source: Reuters.

Chart 19 Implied Expectations Derived from BRIBOR Rates

(% p.a.)



Source: NBS.



month. Contracts were concluded with a maturity of two months and an implementation period of one month, and with a maturity of three months and an implementation period of one, three, six, and nine months. Most transactions took place in three-month FRAs with an implementation period of one month (31.4%).

The volume traded in interest rate swaps (IRSs) also recorded a decrease in December. Most transactions took place in the first half of the month. Most contracts were concluded with foreign banks (84.3%). The contracts were concluded with a maturity of one to ten years. They were dominated by transactions with one-year maturity, which accounted for 51.5% of the total volume of IRS contracts. They were followed by transactions with five-year to ten-year maturities (29.3%).

In December, the money market yield curve had an inverse shape throughout the month. At the beginning of the month, the implied expectations included an initial interest rate increase of up to 8 basis points, within two months. Later an interest rate fall of 20 to 27 basis points was expected, within nine months. The fall at the long end of the yield curve in the middle of the month changed the implied expectations to an interest rate fall of 31 to 34 basis points, within nine months. Interest rates continued to fall even at the end of the month. A sharper fall in longer-term rates increased the maximum values of expected interest rate drops to 32 to 42 basis points and shortened the expected time horizons to seven to nine months.

4.3 Customer Interest Rates in November 2006

Average interest rates on new loans and deposits for non-financial corporations fell during November. The rates for new household loans increased, while those for new deposits dropped slightly.

Customer interest rates

The average interest rate on new loans to non-financial corporations dropped in November. Lending rates for non-financial corporations were affected by the fall in interbank market rates, which reflected the expectation that there would be no further increase in the key NBS rates. The fall in interbank market rates was mostly reflected in interest rates on loans with a floating rate and an initial rate fixation (IRF) of up to 1 year (a fall of 0.38 of a percentage point). On the other hand, a marked increase was recorded in rates for loans with an IRF of over 10 years, and a smaller increase in the price of loans with an IRF of over 1 and up to 5 years.

Average interest rates on new loans

Regarding the structure of loans by purpose, lending rates dropped most significantly for house purchase loans (by 0.68 of a percentage point) and operating loans (by 0.63 of a point). A modest fall was also recorded in interest rates on current account overdrafts. On the other hand, lending rates for other loans increased (by 0.77 of a percentage point). Interest rates on investment loans were stagnant.

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

	Interest rate in %				Change in November in % points		
	XI. 2005	XII. 2005	X. 2006	XI. 2006	year-on- -year	against Dec. 2005	month-on- -month
Floating rate + IRF ¹⁾ of up to and including 1 year	4.99	4.79	6.63	6.25	1.25	1.45	-0.38
IRF of over 1 and up to 5 years inclusive	3.15	4.46	6.57	6.73	3.59	2.27	0.16
IRF of over 5 and up to 10 years inclusive	5.24	6.12	6.52	6.51	1.27	0.39	-0.01
IRF of over 10 years	4.14	4.20	6.64	7.94	3.80	3.74	1.30
Loans of up to EUR 1 million	4.91	5.20	6.80	6.31	1.40	1.10	-0.49
Loans of over EUR 1 million	3.88	4.28	5.54	5.29	1.40	1.01	-0.25
Total	4.93	4.81	6.62	6.26	1.32	1.44	-0.36
Total, excl. current account overdrafts and credit cards	4.24	4.53	6.09	5.52	1.27	0.99	-0.57

Source: NBS.

1) Initial rate fixation.



Chart 20 Interest Rates on Loans to Non-Financial Corporations, 3M BRIBOR, and the Basic NBS Rate (%)

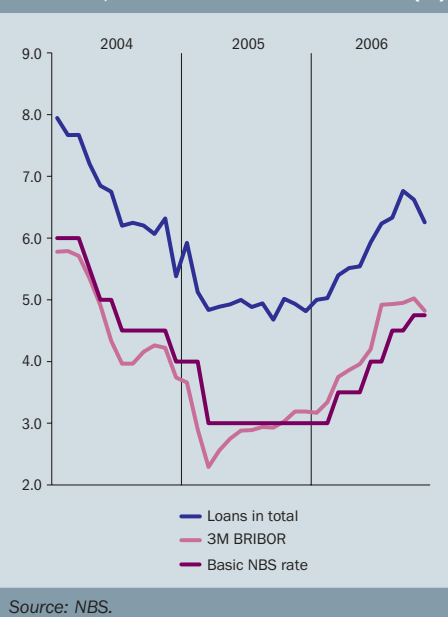


Chart 21 Interest Rates on Loans to Households by Type (%)

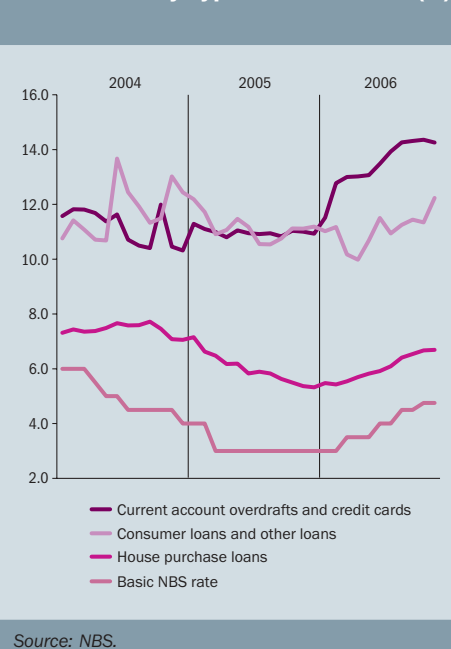


Table 27 Average Interest Rates on New Loans to Households

	Interest rate in %				Change in November in % points		
	XI. 2005	XII. 2005	X. 2006	XI. 2006	year-on- -year	against Dec. 2005	month-on- -month
Current account overdrafts (including credit cards)	11.00	10.93	14.36	14.26	3.26	3.33	-0.10
Consumer loans	12.03	11.89	12.77	13.95	1.92	2.05	1.17
House purchase loans	5.36	5.32	6.67	6.69	1.32	1.37	0.02
of which: mortgage loans	4.87	4.91	6.33	6.34	1.47	1.43	0.01
Other loans	9.60	10.38	7.84	7.38	-2.23	-3.00	-0.46
Total	9.80	9.73	12.57	12.82	3.02	3.09	0.25
Total, excl. current account overdrafts and credit cards	7.34	7.38	8.39	8.90	1.56	1.53	0.51

Source: NBS.

The average interest rate on loans to households recorded a modest rise in November. The steepest increases occurred in rates for consumer loans, mainly in the rate for non-specific consumer loans. On the other hand, lending rates dropped considerably for other loans (mainly for American mortgages). Interest rates also fell somewhat on current account overdrafts and credit cards. The increase in the price of house purchase loans came to a halt in November. Within this category, building loans and other house purchase loans recorded a fall in price, which was, however, offset by a rise in the price of intermediate loans.

Looking at the breakdown of loans by interest rate fixation, increases were recorded in rates for loans with an IRF of up to 10 years (mainly for loans with an IRF of over 1 and up to 5 years). The slight drop occurred in rates for loans with an initial rate fixation of over 10 years.

Average interest rates on new deposits

Average interest rates on new deposits from non-financial corporations dropped slightly in November. This development was mainly caused by a reduction in the price of deposits repayable on demand (both demand and overnight deposits). The price of deposits with an agreed maturity of up to 1 year also fell slightly. The opposite trend was recorded in longer-term deposits with agreed maturity, whose price increased more significantly. Their volume is, however, negligible and highly volatile. Thus, the interest level may be affected even by a single new deposit of a smaller volume. A marked increase was also recorded in the price of deposits redeemable at notice.

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

	Interest rate in %				Change in November in % points		
	XI. 2005	XII. 2005	X. 2006	XI. 2006	year-on- -year	against Dec. 2005	month-on- -month
Deposits repayable on demand	0.81	0.64	1.47	1.30	0.49	0.66	-0.17
Deposits with an agreed maturity							
– of up to 1 year	2.57	2.55	4.42	4.34	1.77	1.78	-0.08
– of over 1 and up to 2 years	-	-	2.39	4.38	-	-	1.99
– of over 2 years	1.57	0.66	1.98	2.42	0.85	1.76	0.44
Deposits redeemable at notice							
– up to 3 months	1.35	1.44	2.19	2.23	0.89	0.79	0.04
– over 3 months	1.12	1.12	1.20	2.83	1.71	1.71	1.63
Total	1.59	1.40	2.87	2.69	1.10	1.28	-0.18

Source: NBS.

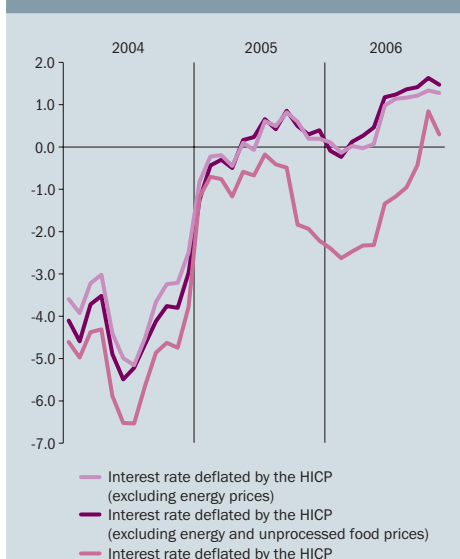
Note: Total deposits also include repo operations and other non-marketable securities.

Table 29 Average Interest Rates on New Deposits from Households

	Interest rate in %				Change in November in % points		
	XI. 2005	XII. 2005	X. 2006	XI. 2006	year-on- -year	against Dec. 2005	month-on- -month
Deposits repayable on demand	0.42	0.41	0.51	0.50	0.08	0.09	-0.01
Deposits with an agreed maturity							
– of up to 1 year	1.91	1.90	3.92	3.83	1.91	1.92	-0.09
– of over 1 and up to 2 years	1.70	-	3.94	3.99	2.29	-	0.05
– of over 2 years	1.26	1.79	4.04	3.74	2.48	1.95	-0.30
Deposits redeemable at notice							
– up to 3 months	0.93	0.96	1.52	1.54	0.60	0.58	0.02
– over 3 months	1.06	1.10	1.91	1.93	0.87	0.83	0.02
Total	0.71	0.71	1.21	1.13	0.42	0.42	-0.08

Source: NBS.

Note: Total deposits also include repo operations and other non-marketable securities.

Chart 22 Real Interest Rates on Household Deposits (%)


Source: NBS and the Statistical Office of the SR.

The average interest rate on household deposits fell somewhat in November. This was mainly due to a fall in the price of deposits with an agreed maturity of up to 1 year, representing almost 98% of the deposits with agreed maturity. The sharpest fall was, however, recorded in the price of deposits with an agreed maturity of over 2 years. Interest rates on other types of deposits remained virtually unchanged.

The average 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 positive figure in November (0.30%), which represented a fall of 0.54 of a percentage point in comparison with the previous month. The marked fall in real interest rates in November was mainly caused by a rise in inflation, accompanied by stagnation in interest rates on household deposits.

Real interest rates



ANNEXES

1 Capital Market

1.1 Bonds

Primary Market

Government bonds In December, the Agency for Debt and Liquidity Management (ARDAL) held one auction in government securities, with a fixed yield of 4.50% and a residual maturity of 19.4 years. At the said auction, government bonds were placed on the primary market in the amount of Sk 1.0 billion, representing 80.1% of the total demand.

Yield payment and bond repayment December witnessed no payments of government bond yields, nor nominal value repayments.

Non-government bonds During December, twelve new non-government bond issues were registered with the Central Securities Depository, of which eleven were denominated in Slovak koruna (in the amount of Sk 4.5 billion) and one in euro (in the amount of EUR 60 million).

Secondary Market

The total volume traded on the Bratislava Stock Exchange (BCPB) reached Sk 107.0 billion in December (in 1,943 transactions), representing a month-on-month decline of 4.2%. Price-setting transactions accounted for Sk 0.2 billion and direct transactions Sk 106.8 billion.

Non-resident investors accounted for 50.50% of the total volume traded in December, of which 49.19% were composed of purchases and 51.80% of sales.

Bonds Bond yields were relatively stable in December, with minimal fluctuation.

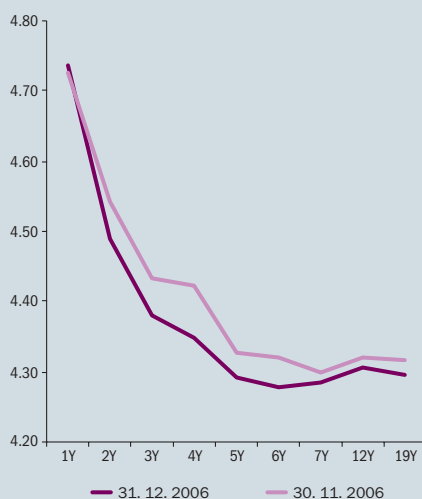
There were 245 bond transactions totalling Sk 106.6 billion during the month (i.e. 99.6% of the total volume traded on the BCPB floor in December).

Chart 23 Government Bond No. 206 Auction Results Compared with the Values of Quoted Yields (%)



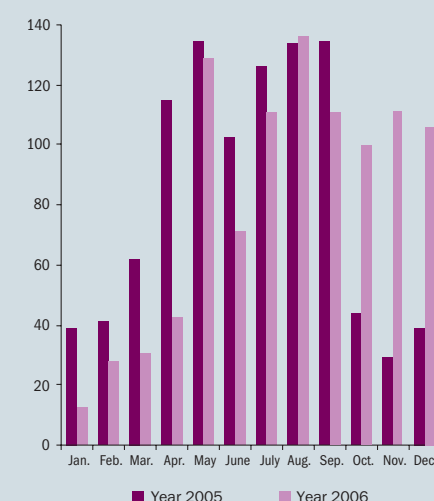
Source: ARDAL, Reuters.
Note: Original maturity 20 years.

Chart 24 Shift in the Benchmark Government Bond Yield Curve (%)



Source: Reuters, NBS.

Chart 25 Bond Transactions on the BCPB (Sk billions)



Source: Bratislava Stock Exchange (BCPB).

The market capitalisation of bonds as at the last trading day of December reached Sk 428.7 billion, representing a month-on-month increase of 0.6%. The capitalisation of quoted bonds had increased since the end of November by 0.8%, to Sk 408.9 billion.

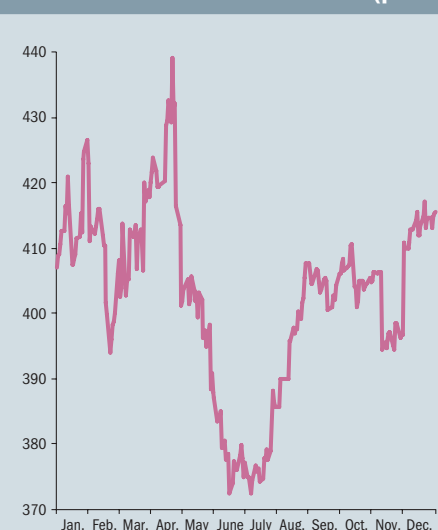
Table 30 Values of SDXGroup Indices at the End of December 2006
SDXGroup indices

Sector	SDXGroup indices		Yield to maturity (in %)	Duration (in years)
	Price	Performance		
Public	104.2	118.9	4.178	5.064
SDXG sub-index (<=5)	101.9	115.2	4.232	2.229
SDXG sub-index (>5)	106.6	122.7	4.166	7.052
Private (corporate + mortgage bonds)	99.0	117.7	4.827	3.445
SDXG sub-index (<=5)	98.1	117.6	5.246	1.588
SDXG sub-index (>5)	103.1	117.6	4.695	5.329

Source: BCPB.

1.2 Shares

Equity securities were traded in December in 1,698 transactions, totalling Sk 375.5 million. Price-setting transactions accounted for Sk 177.8 million (in 1,540 contracts) and direct transactions Sk 197.7 million (in 158 contracts).

Chart 26 Developments in the SAX Index in 2006 (point)


Source: BCPB.

By the last trading day of December, the market capitalisation of equity securities had fallen month-on-month by 0.7%, to Sk 153.0 billion. The actual amount of issues that had a market price at least once in the past, except for investment fund shares and certificates, was Sk 145.7 billion (a month-on-month increase of 1.2%) and accounted for 95.2% of the total share market capitalisation. The market capitalisation of quoted issues had increased since the end of November by 1.7%, to Sk 85.5 billion.

The BCPB accepted no new share issues for trading on the quoted and/or open markets in the course of December. Trading was ended in sixteen share issues, with a total nominal value of Sk 6.3 billion.

One compulsory takeover bid expired on the BCPB in December, for the Autorenova Páračka company. Six new bids were announced in that period, for the issues of SLK Rajecké Teplice, Bučina 2, V-TRADING, Transport and Mechanization, Vural, and Hydina.

The Slovak Share Index (SAX) closed the month at 415.61 points, representing a rise of 0.7% month-on-month and 0.6% year-on-year. The index reached a monthly maximum on 12 December (417.12 points) and a minimum on 6 December (411.99 points).

SAX index
Table 31 Weights of Basic SAX Index Components
(end-of-month figures, in %)

Company	2006											
	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.
Biotika. a. s.	2.59	2.64	2.77	2.83	3.24	3.10	2.80	2.67	3.04	3.22	3.62	4.18
OTP Banka Slovensko. a. s.	27.04	29.70	27.89	26.40	28.22	26.23	26.87	26.90	26.76	25.50	25.16	24.93
SES Tlmače. a. s.	7.74	8.50	7.93	8.11	7.09	6.70	7.32	7.92	8.04	7.85	7.79	8.14
Slovnaft. a. s.	29.52	28.27	31.16	31.21	31.81	32.49	32.25	32.11	31.50	31.82	32.38	32.00
Všeobecná úverová banka. a. s.	33.10	30.89	30.25	31.45	29.64	31.49	30.76	30.40	30.65	31.61	31.05	30.76

Source: BCPB.



2 Monetary Developments in the Euro Area

At its meeting on 7 December 2006, the Governing Council of the ECB decided to increase its key interest rates by 0.25 of a percentage point. With effect from 13 December 2006, the rate for refinancing operations was raised to 3.50%, that for overnight refinancing transactions to 4.50%, and the rate for overnight sterilisation operations to 2.50%.

2.1 Exchange Rate Developments

At the beginning of December, the exchange rate of the single European currency against the US dollar hovered around the level of USD/EUR 1.32.

The first half of the month saw a slowly appreciating trend in the USD/EUR exchange rate in favour of the dollar, followed by stabilisation in the second half, at the level of approximately USD/EUR 1.32 from the beginning of the month. In the first half of December, the exchange rate was primarily determined by positive macroeconomic news about the US economy (industrial statistics, foreign capital inflow), while its course in the second half of the month was influenced by expectations for the US and euro-area economies in the coming year ('soft landing' and revival in the US economy, and/or a further increase in key ECB interest rates).

During December, the euro depreciated somewhat in relation to the US dollar, by 0.56% on a month-on-month basis. Compared with the first trading day of 2006, the euro appreciated vis-à-vis the dollar by 11.36%.

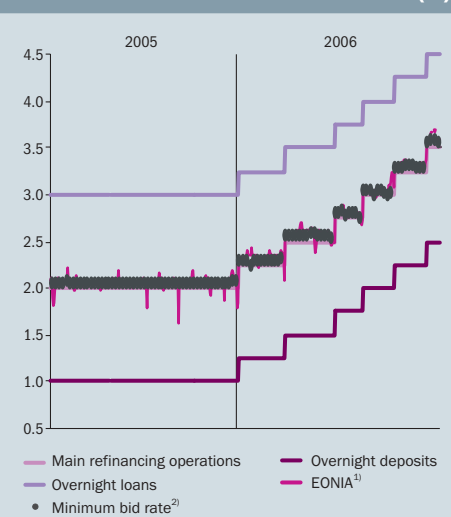
2.2 Real Economy

According to the second Eurostat estimate, the euro-area economy grew over the third quarter of 2006 by 0.5% compared with the previous quarter, and expanded in comparison with the same quarter of 2005 by 2.7%. Final household consumption increased in the third quarter of 2006 by 0.7% (in the second quarter of 2006 by 0.3%) and investment grew by 0.6% (in the previous quarter by 2.3%). Exports increased by 1.8% (in the second quarter of 2006 by 1.1%) and imports grew by 2.4% (in the previous quarter by 1.1%). In the second quarter of 2006, euro-area GDP increased by 1.0%.

The 12-month inflation rate in the euro area, expressed in terms of the Harmonised Index of Consumer Prices (HICP), rose to 1.9% in November, from 1.6% in the previous month. The strongest year-on-year dynamics were recorded in consumer prices in Greece (3.2%), Spain (2.7%), and Portugal (2.6% in October). The steepest year-on-year increases took place in prices for dwelling (3.6%) and education (3.5%). Price levels fell in telecommunications (by 2.7%), recreation and culture (by 0.1%). In the same period a year earlier, consumer prices in the euro area increased by 2.3%. Eurostat foresees a year-on-year inflation rate of 1.9% in December.

In November, industrial producer prices increased year-on-year by 4.3%, while remaining unchanged on a month-on-month basis.

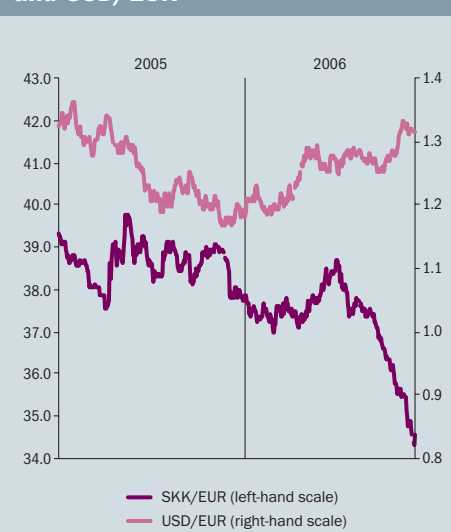
Chart 27 Key ECB Interest Rates and the EONIA (%)



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 28 Exchange Rates: SKK/EUR and USD/EUR



Source: NBS and ECB.



Retail sales grew on a year-on-year basis by 1.3% and in comparison with the previous month by 0.5% in November.

The unemployment rate (seasonally adjusted) dropped to 7.6% in November, from 7.7% in the previous month. The lowest unemployment rates were achieved in the Netherlands (3.8%), Ireland (4.2%), and Austria (4.6%). The highest unemployment rates within the euro area were recorded in Greece (8.7% in the third quarter of 2006) and France (8.6%). In the same period a year earlier, the unemployment rate in the euro area stood at 8.4%.

According to the first Eurostat estimate, foreign trade in the euro area resulted in a surplus of EUR 2.4 billion in October, compared with EUR 0.1 billion in the same period a year earlier. Compared with the previous month, euro-area exports (seasonally adjusted) stagnated in October, while imports increased by 0.6%.



3 Methodological Notes to Selected Indicators

3.1 Monetary Statistics

3.1.1 Statistics of Monetary Aggregates (ECB Methodology)

The methodology of the ECB is implemented on the basis of data from harmonised statements of monetary and banking statistics, which were introduced by the NBS in 2003. According to 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)³.

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 32 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

³ 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)⁴;
 - the NBS methodology includes deposits in the M2 money supply from the following economic sectors:
 - *non-financial corporations (S.11);*
 - *financial corporations (S.123 and S.124) – including 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 data⁵.

3.1.2 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

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

⁵ In the conditions of the NBS, the recording of seasonally adjusted data according to 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.

3.1.3 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 granted⁶ 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. 63/2002⁷ 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.

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

⁷ According to Article 1 paragraph 2 of Decree No. 63/2002 of the European Central Bank of 20 December 2001, concerning the statistics of interest rates of monetary financial institutions on loans to and deposits from households and non-financial corporations, the term 'households' 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.

3.1.4 Classification of Loans According to Quality

Year 2005⁸

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.

⁸ Until 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.

3.2 Basic Macroeconomic Indicators

3.2.1 Gross Domestic Product (GDP)

Gross production (gross output) – expresses the value of the goods and services resulting from the production activity of resident producer units in the territory of the Slovak Republic during an accounting period. According to the methodology of the European System of Accounts (ESA 95), production can be divided into market production, production for own final consumption, and other non-market production.

Intermediate consumption – consists of the value of the goods and services consumed as inputs or transformed by a production process during a given accounting period.

Value added – is the value of gross production, less the value of intermediate consumption. The sum of value added in the individual economic sectors (produced by a market activity, an activity for own consumption, a non-market activity) and indirect taxes, less subsidies on products, represents **gross domestic product**.

Gross domestic product (GDP) at market prices – is the final result of the production activity of resident producer units in the period under review. In geographical terms, GDP data cover the entire territory of the Slovak Republic. Statistical methods used for GDP calculation are in principle based on the respondent's accounting records, from the period in which the activity took place (accrual principle). The hidden (illegal) economy is assessed on the basis of estimates. Gross domestic product at market prices can be defined in three ways – on the basis of production (output), consumption (expenditure), and income.

Production (output) approach – Output-based GDP (referred to as produced GDP) is the sum of value added produced in agriculture, industry, construction, services, and taxes (excised duties, VAT, net taxes on imports), less subsidies on products.

Consumption (expenditure) approach – Expenditure-based GDP (referred to as used GDP) is the sum of the final consumption of households, final consumption of non-profit institutions serving households, final consumption of general government, gross fixed capital formation, changes in inventories, and the balance of exports and imports of goods and services. The differences arising during the calculation of GDP according to the output- and expenditure-based methods, are recorded under the item 'statistical discrepancy'.

Income approach – an experimental method used by the Statistical Office of the SR for the calculation of GDP according to the income-based method, which takes into account the flows of individual incomes in the economy, i.e. the compensation of employees, gross operating surplus, mixed income, net taxes on production and imports. On the basis of this method, GDP is calculated only once a year, at current prices.

Final consumption of households – consists of expenditure incurred by households on food, beverages, tobacco, clothing, footwear, services related to housing, furnishings, household equipment, maintenance of dwellings, health services, transport, post and telecommunications, recreation, education, hotels and restaurants, and other goods. Household final consumption also includes housing services for the owners of dwellings, including lost profits (imputed rent), long-term consumables which are not classified as gross fixed capital formation, and agricultural production for own final consumption, and income in kind.

Final consumption of non-profit institutions – includes the value of goods and services produced by non-profit institutions and the expenditure of non-profit institutions for purchases of goods and services from market producers, which are supplied directly to households for consumption as social transfers in kind.



Final consumption of general government – includes the value of goods and services produced by general government (except for own-account capital formation) and purchases by general government of goods and services produced by market producers, which are consumed by households (social transfers in kind).

Gross fixed capital formation – consists of resident producers' acquisitions, less disposals, of fixed assets during a given period. Fixed assets are tangible or intangible assets produced as outputs from processes of production that are themselves used repeatedly, or continuously, in processes of production for more than a year, and whose acquisition value was Sk 30,000.- or more for long-term tangible assets and Sk 50,000.- or more for intangible assets. Additions to the value of certain non-produced assets (e.g. land reclamation), and expenses incurred in connection with the transfer of property, are also taken into account.

Changes in inventories – are measured by the value of the entries into inventories, less the value of withdrawals and the value of any recurrent losses of goods held in inventories. Inventories include the stocks of materials, work-in-progress, finished products, and stocks of articles of commerce.

Exports of goods and services – include all transactions in goods and services (sale, barter, trade gifts, or grants) directed to non-residents. **Imports of goods and services** – include transactions in goods and services (purchase, barter, trade, gifts, and grants) directed from non-residents.

Flash estimate of GDP and employment – the Statistical Office of the SR publishes a flash (first) estimate of selected economic indicators within 45 days of the end of a given quarter. The publication contains the estimated rate of economic growth and the estimated level of overall employment according to the ESA 95 methodology. The released estimate represents a compromise between the economic projections of the Statistical Office of the SR (based on preliminary, partial information from statistical reports and own estimates) and the macroeconomic forecasts of other participating institutions, including the NBS.

3.2.2 Wage Statistics

Average nominal wage – gross wage, not reduced by any wage deductions prescribed by law or agreed with the employer, including an estimate for the employees of sole traders (without entrepreneurial incomes). Dividends from profits and remuneration for stand-by duty are not taken into account.

Average real wage index – the ratio of the nominal wage index to the consumer price index.

Compensation of employees (remuneration) – is defined as the total remuneration, in cash or in kind, payable by an employer to an employee in return for work done by the latter during the accounting period, including social contributions payable by employers. The compensation of employees is composed of wages and salaries, and employers' social contributions.

Unit labour costs (according to ECB methodology) – ULC indicator: is a composite expression of the cost pressures in a given economy stemming from the labour force and is regarded as one of the main indicators of economic competitiveness. This indicator provides information about the amount of 'obligatory' expenses on an employee per unit of output. It shows the relationship between the amount of funds spent on an employee and the output of his work.

- **in nominal terms** – the ratio of total expenditure on an employee in nominal terms to real labour productivity (this method of ULC calculation is used by most foreign institutions – ECB, EC, OECD). Unit labour costs calculated according to this methodology demonstrate price developments in the area of wages. Since nominal labour costs are compared with real GDP, it is possible in the long term to compare the developments in current labour costs in the individual years in relation to the unit of real output.

- **in real terms** – the ratio of total expenditure on an employee in real terms to real labour productivity. Real ULC indicate whether price pressures has a tendency to strengthen or weaken. Growth in real ULC, with employee compensation growing more rapidly than labour productivity, may be an indication of rising inflation as a result of demand pressures.

ULC expressed according to NBS methodology – the ratio of the average nominal wage to labour productivity, calculated from employment according to statistical reports.

3.2.3 Employment and Unemployment Statistics

Employment

– **according to statistical reports, i.e. statements submitted by employers** (monthly, quarterly) – containing the average number of registered employees, both permanent and temporary employees, who have an employment, service, or membership relationship with the organisation, regardless of whether they are or not present at work (e.g. due to illness, annual leave, military exercise, etc.), as well as not working employees (e.g. due to strike, exclusion, protest). Persons working part-time are also included in this statement. Persons on maternity leave, persons doing military or community service, apprentices, and students in vocational practice are not included.

– **according to a labour force survey (LFS), i.e. an inquiry directed to a sample of households (quarterly) according to the methodology of the International Labour Office (ILO)** – a statement of the number of workers, including all persons doing at least one hour of any paid work or work aimed at making a profit in the week under review. The workers include employees, entrepreneurs (with and without employees), unpaid family workers helping in family enterprises, as well as persons absent from work in the week under review due to illness, leave, maternity leave, military service, strike, exclusion, bad weather conditions, etc. The ‘entrepreneurs’ category includes, according to the LFS methodology, the owners of enterprises, sole traders, independent farmers, and persons in freelance professions (as main employment).

– **according to the ESA 95 methodology** – employment is expressed in terms of the number of persons (employed and self-employed) engaged in a production activity defined as production under the national system of accounts. In compiling the indicators of labour accounts, the method of balancing is applied, i.e. the supply of labour is balanced against demand. The harmonised data obtained from corporate sources are compared with data obtained from a labour force survey of households, according to the definitions laid down by the ILO and ESNA 95.

Employment rate – persons in employment as a percentage of the population aged 15 years and over.

Rate of economic activity – the economically active population (working and unemployed persons) as a percentage of the population aged 15 years and over.

Unemployment

Unemployed persons -- **according to a labour force survey (LFS)** – all persons who are without employment in the reference week, who have actively sought employment over the previous four weeks, and who are available for work within two weeks. Such persons may be, but are not necessarily, registered with an office for work, social matters, and the family. With effect from 2002, the duration of unemployment is defined by Eurostat as the duration of search for a job, or the length of the period since the last job was held (if this period is shorter than the duration of search for a job).

Unemployment rate according to a labour force survey (LFS) – the number of unemployed persons as a percentage of the economically active population.

Registered unemployment rate -- in agreement with the International Labour Organisation, registered unemployment rate is calculated from the number of disposable job applicants who can start working immediately after receiving an adequate job offer and from the number of economically active persons in the previous year according to a labour force survey.

3.2.4 Household Income and Expenditure Statistics

Current household income

Compensation of employees – gross wages and salaries, plus employers’ compulsory social contributions.

Gross mixed income – profit and income from business activity, supply of agricultural products from own production, and imputed rent.

Property income – interest, dividends, income from land lease, and other.



Social benefits – retirement benefits, sickness benefits, state social benefits, unemployment benefits (to the registered unemployed)

Other current transfers – insurance payments from various types of insurance, private transfers from abroad, lottery winnings, court and out-of-court rehabilitation, scholarships, and contributions to school meals.

Current household expenditure

Property income – interest paid on loans provided and other payments of this type. Current tax on income, property, etc.

Social contributions – direct taxes and fees paid to the state budget and the budgets of municipalities; social contributions paid to health insurance companies, social insurance schemes, and to the employment fund; private transfers abroad; various contributions to non-profit organisations; lotteries, penalties, and charges.

Other current transfers – payments for non-life, life, and health insurance outside the social protection systems, contributions to funds, etc.

Gross disposable household income – difference between the current income and current expenditure of households.

Adjustment for changes in the net assets of households in the reserves of pension funds – changes in the net assets of households in pension funds (differences between increases and decreases in pension funds).

Gross household savings (difference between the gross disposable income and final consumption of households) – include the koruna deposits of citizens and small entrepreneurs, and their activities related to the purchase of tangible and intangible investments.

Ratio of gross household savings – expresses the ratio of gross household savings to the gross disposable income of households.

3.2.5 Financial Statistics

Corporation – a uniform term covering the various organisational forms of financial and non-financial entities (joint stock companies, limited liability companies, cooperatives, state enterprises, natural persons, etc.).

Non-financial corporations – entrepreneurial entities registered in the commercial register and engaged in activities aimed at earning a profit in any branch of activity, except banking and insurance. The category also includes subsidised organisations, which finance more than 50% of their expenses from receipts. Households, sole traders, freelance professionals, and farmers are not included.

Financial corporations – entities principally engaged in financial intermediation or in auxiliary financial activities. The financial corporations sector includes the National Bank of Slovakia, commercial banks, entities engaged in financial leasing, exchange offices, asset management companies, commercial insurance companies, and investment funds.

National Bank of Slovakia – in accordance with the 'Statistical Classification of Economic Activities', the NBS is included in sector 65 'Financial Intermediation, Except Insurance and Pension Funding'.



4 Tables

Selected Indicators of Economic and Monetary Development in the SR

	Unit	2005	2006											
		12	1	2	3	4	5	6	7	8	9	10	11	12
REAL ECONOMY														
Gross domestic product ^{1) 2)}	SKK billions	1,177.892 ^(p)	-	-	288.649 ^(p)	-	-	605.388 ^(p)	-	-	940.440 ^(p)	-	-	-
Year-on-year change in GDP ³⁾	%	6.0 ^(p)	-	-	6.7 ^(p)	-	-	6.7 ^(p)	-	-	7.8 ^(p)	-	-	-
Unemployment rate ^{4) 11)}	%	11.36	11.82	11.66	11.42	11.04	10.56	10.36	10.2	9.9	9.8	9.3	9.1	-
Consumer prices (HICP) ^{3) 10)}	%	3.9	4.1	4.3	4.3	4.4	4.8	4.5	5.0	5.0	4.5	3.1	3.7	3.7
Consumer prices (CPI) ³⁾	%	3.7	4.1	4.4	4.5	4.5	4.8	4.6	5.0	5.1	4.6	3.7	4.3	4.2
BALANCE OF TRADE ^{2) 9) (p)}														
Exports (fob)	SKK millions	993,516	81,158	166,099	267,567	356,632	460,543	566,654	665,287	773,820	888,947	1,014,781	1,134,385	-
Imports (fob)	SKK millions	1,069,517	89,261	184,386	290,519	388,947	500,317	613,738	717,576	829,424	954,429	1,085,741	1,214,595	-
Balance	SKK millions	-76,001	-8,103	-18,287	-22,952	-32,315	-39,774	-47,084	-52,289	-55,604	-65,482	-70,960	-80,210	-
BALANCE OF PAYMENTS ²⁾														
Current account ⁹⁾	SKK millions	-126,131.6	-8,888.10	-15,844.40	-23,181.00	-36,714.90	-54,664.30	-63,202.50	-85,828.1	-88,365.9	-105,618.4	-113,868.7	-	-
Capital and financial account	SKK millions	176,681.1	3,090.90	-622.70	39,672.9	44,616.60	51,286.10	63,846.20	-29,921.4	-13,778.1	-10,303.7	-1,263.2	-	-
Overall balance	SKK millions	71,442.4	-143.40	795.90	25,114.20	26,100.50	24,882.50	7,670.5	-84,844.0	-82,462.8	-80,296.1	-81,998.3	-	-
FOREIGN EXCHANGE RESERVES ^{4) 6)}														
Total foreign exchange reserves	USD millions	17,010.6	17,063.7	16,767.9	17,798.4	18,509.9	18,938.20	17,904.70	16,499.70	16,349.20	15,876.20	15,567.40	15,479.50	15,788.60
NBS foreign exchange reserves	USD millions	15,479.5	15,754.6	15,454.6	16,521.3	16,924.60	17,334.60	16,128.90	13,140.00	13,243.10	13,234.20	13,145.50	13,371.10	13,363.80
GROSS EXTERNAL DEBT ^{4) 7)}														
Total gross external debt	USD billions	26.9	27.9	26.9	28.5	28.9	31.0	31.5	28.3	29.8	29.3	30.5	-	-
External debt per capita	USD	5,000	5,191	5,002	5,303	5,371	5,768	5,856	5,255	5,536	5,453	5,662	-	-
MONETARY INDICATORS														
Exchange rate ⁵⁾	SKK/USD	31.932	31.029	31.298	31.186	30.535	29.461	30.054	30.286	29.426	29.448	29.225	27.915	26.504
M3 monetary aggregate ^{4) 10)}	SKK billions	831.4	824.9	833.9	840.7	850.2	851.2	861.2	871.8	892.4	894.3	911.7	931.7	-
Year-on-year change in M3 ³⁾	%	7.8	8.6	9.1	10.3	9.4	10.5	11.2	11.8	13.6	12.9	13.9	16.7	-
Claims of monetary financial institutions ¹⁰⁾	SKK billions	795.4	769.2	780.8	794.5	800	822.2	833.1	829.2	843.2	850.3	878.9	885.6	-
STATE BUDGET ^{2) 4)}														
Revenue	SKK billions	258.7	32.8	50.4	71.8	95.8	112.1	138.0	166.5	188.9	212.2	240.6	262.1	291.9
Expenditure	SKK billions	292.6	20.7	44.1	71.7	95.6	123.8	148.3	171.7	194.6	217.3	241.7	269.1	323.6
Balance	SKK billions	-33.9	12.1	6.3	0.1	0.2	-11.7	-10.3	-5.2	-5.7	-5.1	-1.1	-7.0	-31.7
MONEY MARKET														
Interest rates set by the NBS Bank Board														
Date of validity ⁸⁾		01/03/2005	01/03/2005	01/03/2005	01/03/2006	01/03/2006	31/05/2006	31/05/2006	26/07/2006	26/07/2006	27/09/2006	27/09/2006	27/09/2006	27/09/2006
Overnight operations														
- sterilisation	%	2.00	2.00	2.00	2.50	2.50	3.00	3.00	3.00	3.00	3.25	3.25	3.25	3.25
- refinancing	%	4.00	4.00	4.00	4.50	4.50	5.00	5.00	6.00	6.00	6.25	6.25	6.25	6.25
Limit rate for 2-week repo tenders	%	3.00	3.00	3.00	3.50	3.50	4.00	4.00	4.50	4.50	4.75	4.75	4.75	4.75
Basic interest rate of the NBS (until 31/12/02: discount rate)	%	3.00	3.00	3.00	3.50	3.50	4.00	4.00	4.50	4.50	4.75	4.75	4.75	4.75
Average interbank deposit rate (BRIBOR)														
overnight	%	2.80	2.75	2.74	3.10	3.34	3.00	4.51	3.83	4.11	4.85	4.59	4.02	5.03
7-day	%	2.94	2.98	2.95	3.44	3.47	3.39	4.17	4.11	4.49	4.68	4.79	4.67	4.82
14-day	%	2.98	3.02	3.02	3.49	3.51	3.49	4.11	4.22	4.54	4.66	4.84	4.77	4.81
1-month	%	3.02	3.03	3.16	3.57	3.59	3.69	4.11	4.50	4.63	4.72	4.93	4.86	4.83
2-month	%	3.06	3.10	3.27	3.66	3.72	3.85	4.14	4.75	4.77	4.88	4.99	4.92	4.84
3-month	%	3.12	3.17	3.34	3.75	3.86	3.96	4.20	4.92	4.93	4.95	5.02	4.94	4.82
6-month	%	3.24	3.26	3.45	3.88	4.06	4.19	4.45	5.18	5.22	5.19	5.06	4.96	4.80
9-month	%	3.29	3.34	3.52	3.98	4.21	4.38	4.62	5.35	5.34	5.28	5.09	4.96	4.78
12-month	%	3.34	3.39	3.58	4.06	4.28	4.49	4.71	5.47	5.43	5.36	5.11	4.94	4.76

(p) Preliminary data.

1) Constant 2000 prices.

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										
		11	12	1	2	3	4	5	6	7	8	9	10	11
Claims of MFIs on residents	44.4	519.2	535.3	540.7	545.5	556.1	561.7	578.1	592.4	589.1	598.3	602.6	631.1	636.7
General government	1.2	26.5	27.9	27.8	27.3	26.2	23.8	23.7	23.0	23.0	23.0	17.2	17.8	17.7
Private sector	43.2	492.7	507.5	512.9	518.2	529.8	538.0	554.4	569.4	566.1	575.3	585.3	613.3	618.9
Non-financial corporations	22.6	266.5	271.4	276.0	277.6	281.9	284.2	292.2	299.3	291.2	295.7	300.9	323.5	324.0
– up to 1 year	9.5	115.3	117.3	120.2	119.5	118.8	119.0	127.6	133.8	126.6	127.0	130.2	137.1	136.3
– 1 to 5 years	4.5	52.9	52.0	52.3	52.2	55.2	55.1	58.6	56.7	54.5	56.2	56.0	64.0	65.0
– over 5 years	8.6	98.3	102.1	103.5	105.9	108.0	110.1	106.0	108.8	110.1	112.5	114.7	122.5	122.7
Financial corporations	4.3	51.1	55.0	53.0	54.2	56.3	57.3	59.7	61.3	61.2	60.8	60.5	60.6	61.4
Insurance corporations and pension funds	0.0	0.0	0.0	0.0	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	16.3	175.1	181.0	183.8	186.3	191.6	196.5	202.5	208.7	213.5	218.6	223.6	228.8	233.3
– consumer loans	2.5	25.0	24.8	29.7	29.8	31.0	31.4	32.0	32.6	33.0	33.5	34.3	35.1	35.7
– housing loans	10.6	115.0	118.9	120.2	122.4	125.6	128.5	132.1	136.2	139.4	142.9	145.9	149.2	152.2
– other loans	3.2	35.2	37.3	34.0	34.0	35.0	36.5	38.4	39.9	41.2	42.2	43.4	44.5	45.4
Securities other than shares and participation certificates issued by residents	17.0	253.0	254.6	222.6	229.5	232.6	232.5	238.3	234.9	234.4	239.4	242.1	242.3	243.3
General government	16.4	243.6	245.6	214.0	221.0	223.8	223.8	229.6	225.9	225.5	230.5	233.6	233.8	234.9
Private sector	0.6	9.4	9.0	8.7	8.5	8.9	8.7	8.8	9.0	8.9	8.8	8.5	8.4	8.4
Shares and other equities issued by private sector	0.4	6.2	5.3	5.8	5.8	5.8	5.8	5.7	5.7	5.6	5.6	5.6	5.6	5.6
Foreign assets	32.1	585.4	746.3	578.3	573.0	598.7	597.7	608.6	607.8	524.1	529.9	512.9	492.4	460.4
Fixed assets	2.3	33.6	34.4	33.6	33.4	33.4	33.2	33.1	33.0	33.1	32.9	32.7	32.7	32.6
Other assets	3.9	46.3	39.7	37.3	36.6	36.0	38.9	40.7	46.3	43.0	44.3	42.7	48.7	55.7
Deposits and loans received from the central government	5.5	92.9	61.3	39.9	47.3	79.5	104.5	107.6	106.0	99.6	95.5	84.8	85.8	78.7
Long-term financial liabilities	12.0	192.5	191.0	182.7	186.1	192.0	182.1	183.0	192.9	194.2	191.2	190.3	182.3	172.5
Deposits and loans received with an agreed maturity of over 2 years	4.4	52.8	56.5	57.5	59.5	59.8	60.4	60.5	61.0	61.9	62.1	62.4	62.6	62.9
Deposits redeemable at a period of notice of over 3 months	1.7	27.7	27.8	27.5	27.2	26.9	26.6	26.4	26.1	25.8	25.3	25.0	24.7	24.4
Debt securities issued with a maturity of over 2 years	2.0	19.3	18.6	18.7	18.8	21.2	21.7	21.9	24.9	25.1	25.5	25.9	27.6	28.8
Capital, reserves, and provisions	3.9	92.8	88.0	78.9	80.6	84.0	73.4	74.3	80.9	81.4	78.3	77.0	67.3	56.3
Foreign liabilities	12.7	308.2	484.9	318.5	307.2	301.5	279.3	306.3	305.2	212.4	219.5	216.5	208.3	182.0
Other liabilities	4.8	56.6	47.0	54.2	49.7	48.4	53.8	56.6	54.9	51.3	52.0	52.8	64.7	69.5
Surplus of liabilities among MFIs	0.0	-5.1	0.0	-1.8	-0.2	0.5	-0.2	-0.1	-0.1	0.0	0.0	-0.1	-0.1	-0.1
M3	65.0	798.4	831.4	824.9	833.9	840.7	850.2	851.2	861.2	871.8	892.4	894.3	911.7	931.7
Total	100.0	1,443.6	1,615.6	1,418.3	1,423.9	1,462.5	1,469.8	1,504.6	1,520.2	1,429.3	1,450.4	1,438.6	1,452.7	1,434.2

1) In the current month.



Average Interest Rates on New Loans

(ECB methodology)

(%)

	2005		2006										
	11	12	1	2	3	4	5	6	7	8	9	10	11
Loans in total¹⁾	6.14	5.78	6.32	6.50	6.87	7.11	6.99	7.40	7.71	8.05	8.21	8.16	7.85
Current account overdrafts	6.45	6.17	6.25	6.50	6.96	7.12	7.12	7.63	7.81	7.96	8.35	8.25	8.08
Operation loans	3.77	3.82	3.99	4.47	4.28	4.61	4.32	4.74	5.35	5.42	5.53	5.66	5.15
Investment loans	5.61	4.64	5.07	5.21	5.78	5.54	5.75	6.18	6.45	6.60	6.69	6.41	6.44
Consumer loans	12.03	11.89	12.72	13.54	11.91	11.64	12.82	13.66	13.13	13.62	13.09	12.77	13.94
Real estate loans	5.36	5.32	5.47	5.43	5.54	5.70	5.83	5.92	6.09	6.39	6.53	6.62	6.58
of which:													
Mortgage loans	4.87	4.92	4.99	4.91	4.92	5.01	5.20	5.39	5.68	6.11	6.18	6.33	6.35
Construction loans	5.01	5.05	5.07	5.07	5.05	5.21	5.09	5.01	5.19	5.00	5.03	5.12	4.91
Intermediate loans	6.16	6.31	6.26	6.49	6.63	6.71	6.66	6.59	6.54	6.35	6.41	6.78	6.90
Other real estate loans	5.45	5.29	5.47	5.34	5.35	5.54	5.83	6.07	6.20	6.75	6.97	6.86	6.61
Other loans	4.75	5.92	4.20	5.22	5.40	5.65	5.55	6.36	6.51	7.13	6.89	6.26	7.08
Floating rate + IRF for up to 1 year incl.	6.18	5.77	6.28	6.46	6.84	7.14	6.97	7.40	7.71	8.10	8.25	8.21	7.84
IRF for over 1 year and up to 5 years incl.	5.54	6.38	7.36	7.80	7.32	6.61	7.38	7.95	7.82	7.63	7.75	7.56	8.34
IRF for over 5 years and up to 10 years incl.	6.27	6.41	6.59	7.30	7.51	7.24	7.34	7.03	7.26	7.32	7.50	7.70	7.65
IRF for over 10 years	4.98	4.24	6.04	6.09	6.23	6.35	6.63	6.01	6.72	6.63	6.94	6.99	6.94
Households													
Loans in total	9.80	9.73	10.49	11.42	11.24	11.27	11.18	11.42	12.16	12.32	12.56	12.57	12.82
Current account overdrafts	11.00	10.93	10.64	12.15	12.40	12.37	12.55	13.05	13.15	13.51	13.57	13.65	13.54
Operation loans	6.18	5.99	5.84	6.35	6.63	6.51	6.50	6.47	7.38	7.30	6.09	6.78	6.98
Investment loans	5.91	5.87	5.65	6.31	6.25	6.27	6.44	6.91	7.55	7.60	7.25	7.51	7.13
Consumer loans	12.03	11.89	12.72	13.55	11.91	11.64	12.82	13.66	13.13	13.62	13.09	12.77	13.95
Real estate loans	5.36	5.32	5.47	5.43	5.54	5.70	5.82	5.92	6.09	6.41	6.54	6.67	6.69
of which:													
Mortgage loans	4.87	4.91	4.98	4.90	4.91	5.00	5.20	5.39	5.68	6.11	6.17	6.33	6.34
Construction loans	5.01	5.05	5.07	5.07	5.05	5.21	5.09	5.01	5.19	5.00	5.03	5.12	4.91
Intermediate loans	6.18	6.31	6.27	6.50	6.64	6.73	6.69	6.62	6.54	6.41	6.44	6.84	7.03
Other real estate loans	5.45	5.29	5.47	5.33	5.34	5.53	5.82	6.06	6.20	6.76	7.01	7.00	6.86
Other loans	9.60	10.38	6.45	6.07	6.18	6.32	6.35	6.49	6.60	7.08	7.34	7.84	7.38
Credit cards	-	-	16.10	16.09	16.22	16.58	15.88	15.81	18.04	18.09	18.17	18.03	17.80
Floating rate + IRF for up to 1 year incl.	10.05	9.90	10.70	11.71	11.71	11.92	11.84	12.15	12.85	13.27	13.37	13.33	13.47
IRF for over 1 year and up to 5 years incl.	8.86	9.09	9.25	9.19	8.14	7.70	7.82	8.46	8.30	8.24	8.38	8.83	9.38
IRF for over 5 years and up to 10 years incl.	7.00	7.08	7.12	7.91	8.49	7.67	7.65	7.74	7.58	7.64	7.71	8.20	8.56
IRF for over 10 years	5.73	6.26	6.26	7.20	6.91	6.73	6.69	5.99	6.89	6.63	6.95	7.18	6.90
Non-financial corporations													
Loans in total	4.93	4.81	5.00	5.03	5.40	5.52	5.54	5.93	6.24	6.33	6.76	6.62	6.26
Current account overdrafts	5.12	4.93	5.17	5.09	5.47	5.60	5.64	6.04	6.28	6.38	6.89	6.73	6.53
Operation loans	3.69	3.67	3.98	4.49	4.64	4.51	4.67	4.87	5.59	5.41	5.66	5.71	5.08
Investment loans	5.73	4.90	4.95	5.02	5.71	5.70	5.67	6.00	6.37	6.53	6.70	6.64	6.71
Real estate loans	5.55	5.48	5.56	5.56	5.67	5.99	5.93	6.24	5.85	5.99	6.07	6.80	6.12
Other loans	3.48	5.48	3.87	5.11	5.16	5.63	5.30	6.32	6.12	7.05	6.59	5.98	6.75
Credit cards	-	-	12.36	13.26	13.83	14.29	13.92	14.22	17.24	17.12	16.49	17.47	16.68
Loans up 1 million EUR	4.91	5.20	4.93	5.21	5.52	5.34	5.72	6.17	6.49	6.35	7.45	6.80	6.31
Loans over 1 million EUR	3.88	4.28	3.91	4.27	4.58	4.95	4.71	4.96	5.63	5.72	5.36	5.54	5.29
Floating rate + IRF for up to 1 year incl.	4.99	4.79	5.00	5.03	5.39	5.51	5.54	5.93	6.23	6.33	6.77	6.63	6.25
IRF for over 1 year and up to 5 years incl.	3.15	4.46	4.87	4.69	5.74	5.67	5.71	6.13	6.56	6.48	6.74	6.57	6.73
IRF for over 5 years and up to 10 years incl.	5.24	6.12	5.55	4.78	5.56	5.67	5.80	5.53	6.46	6.25	6.74	6.52	6.51
IRF for over 10 years	4.14	4.20	5.09	5.56	5.52	6.07	6.34	6.43	6.31	6.56	6.81	6.64	7.94

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										
	11	12	1	2	3	4	5	6	7	8	9	10	11
Deposits in total ¹⁾	1.42	1.29	1.52	1.24	1.59	1.67	1.66	2.01	1.91	2.09	2.37	2.46	2.35
Deposits payable on demand	0.64	0.57	0.95	0.58	0.66	0.74	0.82	1.12	0.93	0.83	1.27	1.02	0.95
of which: demand deposits	0.51	0.46	0.65	0.45	0.52	0.60	0.63	0.78	0.73	0.69	0.92	0.82	0.76
overnight deposits	1.77	1.70	3.19	1.46	2.23	2.64	2.55	4.39	2.69	3.18	5.53	3.92	3.17
Deposits with agreed maturity ²⁾	2.55	2.55	2.40	2.51	3.02	3.05	3.12	3.81	3.65	3.99	4.29	4.43	4.36
- up to 1 year in total	2.55	2.55	2.41	2.52	3.02	3.06	3.13	3.82	3.66	3.99	4.29	4.43	4.36
- up to 7 days	2.03	2.17	2.54	2.12	2.78	2.73	2.64	4.10	3.24	3.27	4.57	3.98	3.68
- up to 1 month	2.68	2.73	2.64	2.66	3.17	3.21	3.27	3.80	3.80	4.24	4.27	4.57	4.52
- up to 3 months	1.81	1.80	1.97	1.97	2.12	2.16	2.56	3.01	3.49	3.67	3.58	3.88	3.98
- up to 6 months	1.78	1.69	1.86	1.83	2.09	2.17	2.64	2.90	3.74	3.75	3.81	3.98	3.66
- up to 1 year	1.84	1.93	-	1.71	1.87	2.12	2.53	3.27	3.43	3.92	3.73	3.90	3.64
- over 1 year in total	1.29	1.68	0.99	0.88	2.45	1.64	1.51	2.37	2.48	3.88	3.84	3.86	3.94
- up to 2 years	1.69	0.97	2.07	2.33	2.95	2.08	2.04	2.60	3.50	3.89	3.75	3.93	4.06
- over 2 years	1.28	1.74	0.94	0.86	2.42	1.60	1.45	2.37	2.45	3.97	4.04	3.99	3.99
Deposits redeemable at notice	1.02	1.05	1.07	1.10	1.16	1.19	1.21	1.23	1.54	1.65	1.75	1.79	1.81
- up to 3 months	0.94	0.96	0.97	0.97	1.05	1.06	1.07	1.09	1.45	1.47	1.47	1.54	1.55
- over 3 months	1.06	1.10	1.13	1.17	1.22	1.25	1.28	1.30	1.59	1.75	1.89	1.91	1.93
Households													
Deposits in total	0.71	0.71	0.80	0.69	0.79	0.81	0.86	0.96	0.99	1.10	1.16	1.21	1.13
Deposits payable on demand	0.42	0.41	0.54	0.38	0.44	0.42	0.45	0.51	0.50	0.51	0.54	0.51	0.50
of which: demand deposits	0.41	0.40	0.51	0.37	0.42	0.41	0.43	0.45	0.47	0.49	0.49	0.48	0.47
overnight deposits	1.19	1.16	2.90	1.42	1.90	2.14	2.35	3.97	2.41	2.83	5.02	3.73	3.09
Deposits with agreed maturity	1.90	1.90	1.80	1.76	2.01	2.17	2.55	3.21	3.16	3.59	3.85	3.92	3.83
- up to 1 year in total	1.91	1.90	1.83	1.79	2.02	2.18	2.57	3.23	3.20	3.58	3.85	3.92	3.83
- up to 7 days	1.68	1.69	2.16	1.84	2.24	2.33	2.38	3.69	2.79	3.11	4.29	3.69	3.34
- up to 1 month	1.99	2.00	1.78	1.77	2.00	2.16	2.62	3.13	3.17	3.49	3.65	3.90	3.90
- up to 3 months	1.60	1.57	1.44	1.59	1.70	1.86	2.33	2.82	3.15	3.29	3.33	3.65	3.58
- up to 6 months	1.70	1.39	1.69	1.59	1.89	1.99	2.43	2.76	3.29	3.54	3.70	3.59	3.52
- up to 1 year	1.60	1.60	1.61	1.56	1.72	1.98	2.37	3.10	3.77	4.00	4.05	3.97	4.01
- long-term over 1 year	1.26	1.75	0.98	0.88	1.82	1.64	1.50	2.38	2.19	3.89	3.90	3.86	3.90
- up to 2 years	1.70	0.97	2.08	2.33	2.06	2.24	2.00	3.00	3.44	3.89	3.95	3.93	3.99
- over 2 years	1.26	1.79	0.96	0.87	1.81	1.61	1.47	2.35	2.14	3.89	3.86	4.04	3.74
Deposits redeemable at notice	1.02	1.05	1.07	1.10	1.16	1.18	1.21	1.22	1.54	1.65	1.75	1.78	1.81
- up to 3 months	0.93	0.96	0.96	0.96	1.04	1.05	1.06	1.07	1.43	1.45	1.46	1.52	1.54
- over 3 months	1.06	1.10	1.13	1.17	1.22	1.25	1.28	1.30	1.59	1.75	1.89	1.91	1.93
Non-financial corporations													
Deposits in total	1.59	1.40	1.85	1.47	1.86	2.03	1.95	2.51	2.11	2.34	3.00	2.87	2.69
Deposits payable on demand	0.81	0.64	1.23	0.70	0.87	0.95	1.05	1.62	1.10	1.05	1.98	1.47	1.30
of which: demand deposits	0.62	0.47	0.79	0.49	0.58	0.71	0.73	1.01	0.72	0.78	1.35	1.12	0.98
overnight deposits	1.80	1.67	3.29	1.69	2.23	2.62	2.64	4.44	2.71	3.18	5.58	3.98	3.14
Deposits with agreed maturity	2.57	2.55	2.73	2.58	3.16	3.16	3.15	3.95	3.66	3.90	4.41	4.42	4.34
- up to 1 year in total	2.42	2.38	2.73	2.58	3.16	3.16	3.15	3.95	3.66	3.90	4.41	4.42	4.34
- up to 7 days	2.12	2.02	2.54	2.15	2.56	2.80	2.63	4.17	3.31	3.28	4.58	4.00	3.68
- up to 1 month	2.68	2.76	2.81	2.72	3.31	3.30	3.32	3.83	3.82	4.21	4.34	4.59	4.54
- up to 3 months	2.30	2.34	2.62	2.67	2.87	3.07	3.16	3.57	3.89	4.08	4.11	4.26	4.43
- up to 6 months	2.39	2.44	2.49	2.73	2.61	2.90	3.51	3.70	4.21	4.54	4.20	4.72	4.19
- up to 1 year	2.15	2.40	2.31	2.07	2.67	2.93	3.59	3.78	2.59	4.29	3.87	4.51	4.21
- long-term over 1 year	1.57	0.82	2.06	1.38	3.84	1.32	1.92	2.63	3.53	1.99	5.29	2.02	4.25
- up to 2 years	-	0.98	2.05	-	3.87	1.63	2.45	4.05	4.91	-	2.56	2.39	4.38
- over 2 years	1.57	0.66	2.06	1.38	-	0.94	1.42	1.54	3.52	1.99	8.40	1.98	2.42
Deposits redeemable at notice	1.33	1.42	1.51	1.49	1.74	1.86	1.83	1.96	1.95	1.92	1.91	2.13	2.27
- up to 3 months	1.35	1.44	1.53	1.51	1.78	1.91	1.88	2.01	2.00	1.96	1.96	2.19	2.23
- over 3 months	1.12	1.12	1.15	1.17	1.17	1.17	1.16	1.21	1.21	1.21	1.21	1.20	2.83

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 non-negotiable securities (according to the ECB methodology).

Note: Deposits in total include also repo operations and other non-negotiable securities.



Interest Rates on Outstanding Loans

	2005		2006										
	11	12	1	2	3	4	5	6	7	8	9	10	11
Loans in total¹⁾	5.86	5.80	5.89	5.93	6.06	6.15	6.19	6.40	6.55	6.66	6.87	6.90	6.90
Current account overdrafts	6.44	6.14	6.19	6.55	6.97	7.12	7.10	7.58	7.79	7.93	8.34	8.28	8.07
Consumer loans	11.85	11.82	12.26	12.23	12.28	12.21	12.31	12.63	12.68	12.74	12.86	12.85	12.89
Operation loans	4.05	4.00	3.97	4.10	4.32	4.47	4.42	4.81	4.98	5.19	5.30	5.38	5.35
Investment loans	4.52	4.42	4.47	4.50	4.72	4.85	4.94	5.18	5.41	5.57	5.83	5.92	5.94
Real estate purchase loans	5.94	5.91	6.34	6.25	6.20	6.19	6.17	6.20	6.22	6.25	6.28	6.35	6.39
Other loans	5.54	5.79	4.81	4.82	4.95	5.12	5.24	5.40	5.59	5.76	6.08	6.06	6.20
Credit cards	19.15	19.80	16.04	15.99	16.15	16.51	16.14	16.08	18.05	18.06	18.13	18.07	17.82
Short-term loans	5.53	5.42	5.42	5.66	5.91	6.09	6.07	6.42	6.69	6.88	7.13	7.17	7.01
Long-term loans over 1 year and up to 5 years	7.19	7.21	7.15	7.11	7.22	7.24	7.27	7.47	7.56	7.67	7.99	7.99	7.97
Long-term loans over 5 years	5.42	5.36	5.59	5.57	5.63	5.71	5.78	5.92	6.03	6.12	6.27	6.32	6.40
Households													
Loans in total	7.89	7.83	7.81	7.86	7.84	7.81	7.82	7.91	7.95	8.00	8.05	8.09	8.11
Current account overdrafts	11.00	10.83	10.59	12.20	12.32	12.37	12.47	12.91	13.10	13.43	13.45	13.64	13.43
Consumer loans	11.85	11.82	12.26	12.23	12.28	12.21	12.31	12.63	12.68	12.74	12.86	12.85	12.89
Real estate purchase loans	6.52	6.47	6.41	6.33	6.26	6.24	6.23	6.26	6.26	6.29	6.31	6.34	6.39
Other loans	9.92	9.76	7.36	7.20	7.04	6.95	6.92	6.93	6.94	7.02	7.08	7.21	7.24
Credit cards	19.18	19.90	16.14	16.08	16.23	16.57	16.20	16.14	18.07	18.09	18.17	18.08	17.85
Short-term loans	10.96	10.89	10.96	12.09	12.27	12.31	12.37	12.69	13.14	13.49	13.57	13.72	13.53
Long-term loans over 1 year and up to 5 years	10.96	10.91	10.84	10.78	10.87	10.80	10.83	10.99	10.99	11.05	11.13	11.11	11.15
Long-term loans over 5 years	6.03	6.01	6.46	6.38	6.34	6.34	6.34	6.41	6.44	6.48	6.53	6.59	6.65
Non-financial institutions													
Loans in total	4.58	4.52	4.55	4.60	4.88	5.01	5.09	5.41	5.65	5.82	6.14	6.16	6.13
Current account overdrafts	5.11	4.91	5.09	5.05	5.47	5.57	5.59	6.00	6.25	6.36	6.91	6.78	6.56
Operation loans	3.93	3.86	3.81	3.97	4.34	4.46	4.39	4.92	5.11	5.33	5.45	5.52	5.47
Investment loans	4.48	4.44	4.52	4.59	4.80	4.94	5.05	5.31	5.56	5.74	5.97	6.07	6.09
Real estate purchase loans	4.70	4.47	4.71	4.63	4.68	5.14	5.08	5.30	5.56	5.55	5.83	6.53	6.53
Other loans	4.67	4.94	4.49	4.61	4.80	4.92	5.18	5.31	5.53	5.77	6.06	5.89	6.13
Credit cards	18.00	18.27	12.36	13.26	13.83	14.29	14.31	14.49	17.24	17.12	16.49	17.47	16.68
Short-term loans	4.61	4.48	4.53	4.56	4.92	5.05	5.04	5.45	5.70	5.85	6.26	6.24	6.10
Long-term loans over 1 year and up to 5 years	4.92	4.97	4.96	4.96	5.20	5.32	5.43	5.69	5.91	6.14	6.31	6.41	6.35
Long-term loans over 5 years	4.35	4.34	4.40	4.50	4.69	4.83	4.96	5.20	5.45	5.61	5.88	5.94	6.04

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.



Interest Rates on Outstanding Deposits

	2005		2006										
	11	12	1	2	3	4	5	6	7	8	9	10	11
Deposits in total ¹⁾	1.57	1.46	1.52	1.37	1.68	1.74	1.72	2.02	1.94	2.11	2.39	2.38	2.32
Deposits payable on demand	0.64	0.57	0.92	0.59	0.66	0.74	0.80	1.12	0.86	0.82	1.26	1.01	0.95
of which: demand deposits	0.52	0.47	0.61	0.47	0.52	0.60	0.61	0.77	0.66	0.69	0.90	0.81	0.75
overnight deposits	1.77	1.70	3.20	1.46	2.22	2.64	2.55	4.39	2.68	3.19	5.54	3.93	3.17
Deposits with agreed maturity ²⁾	2.26	2.19	2.15	2.15	2.52	2.56	2.56	2.91	2.92	3.16	3.36	3.46	3.45
– up to 1 year in total	2.21	2.16	2.02	2.03	2.49	2.55	2.55	2.98	2.99	3.28	3.51	3.62	3.61
– up to 7 days	1.94	2.03	2.53	1.78	2.80	2.49	2.49	3.83	2.85	3.16	4.82	3.88	3.52
– up to 1 month	2.48	2.45	2.37	2.41	2.89	2.96	2.95	3.39	3.44	3.76	3.83	4.09	4.07
– up to 3 months	1.47	1.44	1.42	1.55	1.71	1.82	1.98	2.15	2.45	2.72	2.78	2.85	2.92
– up to 6 months	1.18	1.30	1.39	1.49	1.61	1.76	1.93	2.12	2.41	2.69	2.94	3.07	3.19
– up to 1 year	1.71	1.68	0.80	0.79	0.79	0.87	0.97	1.12	1.29	1.68	1.90	2.08	2.20
– over 1 year in total	2.93	2.77	2.73	2.70	2.66	2.62	2.59	2.56	2.55	2.55	2.55	2.56	2.57
– up to 2 years	3.57	2.18	2.14	2.13	2.16	1.90	1.94	2.30	2.36	2.52	2.83	3.07	3.26
– over 2 years	2.78	2.78	2.74	2.71	2.67	2.64	2.60	2.57	2.55	2.55	2.55	2.55	2.55
Deposits redeemable at notice	1.02	1.06	1.07	1.10	1.16	1.19	1.21	1.23	1.54	1.65	1.75	1.79	1.81
– up to 3 months	0.94	0.96	0.97	0.97	1.05	1.06	1.07	1.09	1.45	1.47	1.47	1.54	1.55
– over 3 months	1.06	1.10	1.13	1.17	1.22	1.25	1.28	1.30	1.59	1.75	1.89	1.91	1.93
Households													
Deposits in total	1.15	1.13	1.20	1.19	1.26	1.29	1.31	1.43	1.51	1.64	1.74	1.79	1.81
Deposits payable on demand	0.42	0.41	0.49	0.41	0.44	0.42	0.45	0.51	0.50	0.51	0.54	0.51	0.50
of which: demand deposits	0.41	0.40	0.45	0.40	0.42	0.41	0.43	0.45	0.47	0.49	0.49	0.48	0.47
overnight deposits	1.20	1.16	2.90	1.42	1.89	2.14	2.35	3.97	2.41	2.83	5.02	3.73	3.09
Deposits with agreed maturity	1.73	1.76	1.88	1.92	2.01	2.09	2.13	2.33	2.42	2.61	2.74	2.83	2.87
– up to 1 year in total	1.31	1.33	1.44	1.51	1.68	1.82	1.89	2.21	2.36	2.65	2.83	2.94	3.00
– up to 7 days	1.08	1.00	1.52	1.17	1.59	1.75	1.70	2.80	2.19	2.22	3.62	3.01	2.54
– up to 1 month	1.25	1.34	1.46	1.51	1.68	1.84	1.85	2.20	2.33	2.51	2.56	2.71	2.72
– up to 3 months	1.41	1.36	1.28	1.42	1.53	1.68	1.83	2.03	2.25	2.50	2.59	2.69	2.72
– up to 6 months	1.14	1.22	1.32	1.43	1.53	1.66	1.82	2.01	2.24	2.53	2.76	2.90	3.03
– up to 1 year	1.55	1.50	1.46	1.46	1.56	1.72	1.83	2.09	2.45	3.01	3.26	3.40	3.53
– long-term over 1 year	2.78	2.78	2.73	2.71	2.66	2.62	2.59	2.57	2.54	2.54	2.55	2.56	2.57
– up to 2 years	2.36	2.25	2.19	2.16	2.13	1.81	1.84	2.24	2.32	2.53	2.92	3.17	3.38
– over 2 years	2.78	2.78	2.74	2.71	2.67	2.63	2.60	2.57	2.55	2.54	2.54	2.55	2.55
Deposits redeemable at notice	1.02	1.05	1.07	1.10	1.16	1.18	1.21	1.22	1.54	1.65	1.75	1.78	1.81
– up to 3 months	0.94	0.96	0.96	0.96	1.04	1.05	1.06	1.07	1.43	1.45	1.46	1.52	1.54
– over 3 months	1.06	1.10	1.13	1.17	1.22	1.25	1.28	1.30	1.59	1.75	1.89	1.91	1.93
Non-financial corporations													
Deposits in total	1.56	1.38	1.82	1.49	1.85	1.99	1.89	2.43	2.09	2.34	3.03	2.80	2.60
Deposits payable on demand	0.81	0.64	1.23	0.70	0.87	0.95	1.05	1.62	1.10	1.05	1.98	1.47	1.30
of which: demand deposits	0.62	0.47	0.79	0.49	0.58	0.71	0.73	1.01	0.72	0.78	1.35	1.12	0.98
overnight deposits	1.80	1.67	3.29	1.69	2.23	2.62	2.64	4.44	2.71	3.18	5.58	3.98	3.15
Deposits with agreed maturity	2.37	2.30	2.68	2.58	3.05	3.07	3.07	3.72	3.58	3.86	4.35	4.34	4.28
– up to 1 year in total	2.40	2.31	2.68	2.58	3.05	3.07	3.08	3.73	3.58	3.87	4.36	4.35	4.29
– up to 7 days	2.15	1.79	2.70	1.94	2.40	2.62	2.66	4.02	3.00	3.35	5.13	4.07	3.68
– up to 1 month	2.69	2.65	2.72	2.71	3.22	3.20	3.16	3.70	3.72	4.07	4.20	4.45	4.40
– up to 3 months	2.05	2.15	2.37	2.46	2.74	2.70	2.97	3.09	3.56	3.78	3.90	3.97	4.16
– up to 6 months	1.37	2.25	2.41	2.24	2.45	2.65	2.89	3.08	3.22	3.34	3.91	4.11	4.24
– up to 1 year	1.89	1.90	1.89	1.97	2.29	2.47	2.73	2.96	2.92	3.10	3.34	3.66	3.65
– long-term over 1 year	2.32	2.17	2.17	2.21	2.41	2.41	2.41	2.47	2.86	2.80	2.82	2.85	3.01
– up to 2 years	2.30	2.10	2.23	2.23	2.50	2.50	2.51	2.69	2.77	2.69	2.69	2.74	3.39
– over 2 years	2.33	2.21	2.15	2.19	2.37	2.37	2.36	2.36	2.88	2.82	2.85	2.87	2.86
Deposits redeemable at notice	1.33	1.41	1.51	1.49	1.74	1.86	1.83	1.96	1.95	1.92	1.91	2.13	2.27
– up to 3 months	1.35	1.43	1.53	1.51	1.78	1.91	1.88	2.01	2.00	1.96	1.96	2.19	2.23
– over 3 months	1.12	1.12	1.15	1.18	1.17	1.17	1.16	1.21	1.21	1.21	1.21	1.20	2.83

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 non-negotiable securities (according to the ECB methodology).

Note: Deposits in total include also repo operations and other non-negotiable securities.



Shortened Balance Sheet of Commercial Banks as at 30 November 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	59,970,616	1,200,624,027	44,984,929	157,058,472	64,244,133	1,406,940,945
Cash items	0	10,950,176	0	0	3,304,951	14,255,127
Cash in hand	0	10,950,176	0	0	3,304,951	14,255,127
of which: EUR	0	0	0	0	1,670,602	1,670,602
Gold	0	0	0	0	0	0
Credits and other receivables	22,528,843	852,358,248	14,571,252	142,237,946	41,860,518	1,028,499,121
Deposits with and credits to NBS, foreign central banks and post office banks	546	304,868,598	0	0	112,019	304,980,071
of which: Valued on an individual basis						
with no identifiable depreciation (category I)	546	269,219,304	0	0	112,019	269,330,777
Valued on a portfolio basis (category II)	0	35,649,294	0	0	0	35,649,294
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	1,265,846	0	0	76,618	1,342,464
Time deposits	0	1,193,100	0	0	0	1,193,100
Credits provided	546	290,152,399	0	0	35,194	290,187,047
Money reserve accounts	0	12,257,253	0	0	0	12,257,253
of which: Minimum reserve requirements	0	12,161,496	0	0	0	12,161,496
Postal cheque accounts	0	0	0	0	207	207
Deposits with and credits to banks	98,508	37,117,661	10,620,126	13,056,252	28,500,011	89,195,542
of which: Valued on an individual basis						
with no identifiable depreciation (category I)	842	33,420,841	10,438,805	12,991,563	25,092,769	81,943,136
Valued on a portfolio basis (category II)	2,055	3,302,398	181,321	64,689	2,806,987	6,353,340
Valued on an individual basis						
with identifiable depreciation (category III)	95,611	394,422	0	0	600,255	899,066
of which: Failed	58,794	66,727	0	0	0	7,933
of which: Deposits with and credits to own financial group	37	1,607,667	1,094,610	196,207	4,186,416	7,084,863
of which: Current accounts in banks	92	625,794	103,295	61,414	5,947,060	6,737,471
Current accounts of other banks	0	8,768	1,641,860	4,419	565,827	2,220,874
Time deposits	820	35,031,897	8,874,971	12,990,419	18,065,161	74,961,628
Credits provided	65,624	1,451,202	0	0	3,921,963	5,307,541
Receivables from clients	22,397,725	499,263,291	3,951,126	123,570,237	13,142,705	617,529,634
of which: Valued on an individual basis						
with no identifiable depreciation (category I)	181,413	158,984,876	2,848,717	68,137,411	10,125,899	239,915,490
Valued on a portfolio basis (category II)	7,400,032	304,153,136	769,332	44,364,271	2,013,128	343,899,835
Valued on an individual basis						
with identifiable depreciation (category III)	14,816,280	36,125,279	333,077	11,068,555	1,003,678	33,714,309
of which: Failed	15,190,356	19,092,413	190,207	2,095,485	362,823	6,550,572
of which: MMIF credits	0	0	0	0	0	0
Credits to general government and international organizations (S.13)	32,064	11,108,698	0	5,611,457	105,783	16,793,874
of which: Valued on an individual basis						
with no identifiable depreciation (category I)	3,136	9,190,254	0	5,224,962	31,230	14,443,310
Valued on a portfolio basis (category II)	272	1,843,703	0	225,865	74,553	2,143,849
Valued on an individual basis						
with identifiable depreciation (category III)	28,656	74,741	0	160,630	0	206,715
of which: Failed	6	7	0	0	0	1
of which: Deposits with central government (S.1311)	0	0	0	0	0	0
Credits to central government (S.1311)	236	2,145,404	0	78,517	105,783	2,329,468
of which: SR Treasury	0	0	0	0	0	0
Other funds	4	1,199	0	0	0	1,195
Credits to local governments (S.1313)	3,592	8,756,695	0	5,532,940	0	14,286,043
Credits to social security funds (S.1314)	0	206,599	0	0	0	206,599
of which: Health insurance companies	0	0	0	0	0	0
Social Insurance Corporation	0	206,599	0	0	0	206,599
Debt securities	0	0	0	0	0	0
Financial instruments for sale	325,551	41,911,929	3,480,755	4,518,796	5,128,083	54,714,012
Financial instruments in real value towards profit/loss	0	22,920,512	3,966,972	6,312,560	7,750,183	40,950,227
Tangible assets investments (IAS 40)	87,760	259,482	0	0	0	171,722
Positive real value of fixed forward transactions	0	7,374,218	14,707,753	496,404	824,216	23,402,591
Positive real value of options	0	1,045,201	2,011,874	315,922	443,496	3,816,493
Financial instruments held to maturity	55,525	190,019,941	5,619,995	2,602,364	3,733,782	201,920,557
Subsidiary and affiliated companies, joint ventures	1,146,000	4,805,341	556,471	0	0	4,215,812
Long-term funds provided to branches abroad	0	0	0	0	514,845	514,845
Tangible assets	24,694,129	46,592,951	0	6,645	65,891	21,971,358
Intangible assets	10,122,927	14,669,203	0	0	0	4,546,276
Other assets	1,009,881	7,656,794	69,857	567,835	618,168	7,902,773
Subordinated financial assets	0	60,031	0	0	0	60,031
Adjustments	33,871,871	33,871,871	0	0	0	0
Portfolio adjustments not recorded above	0	0	0	0	0	0



Shortened Balance Sheet of Commercial Banks as at 30 November 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	1,004,341,580	136,301,306	159,565,887	106,732,172	1,406,940,945
PAYABLES	941,288,751	96,007,792	159,374,017	106,664,061	1,303,334,621
Deposits with and credits to NBS and foreign issuing banks	3,254,264	0	33,530	0	3,287,794
of which: Current accounts	81	0	0	0	81
Time deposits	0	0	0	0	0
Credits received	3,254,183	0	33,530	0	3,287,713
Postal cheque accounts	0	0	0	0	0
Deposits, credits and other liabilities received from banks	26,372,119	59,189,077	11,810,680	62,659,684	160,031,560
of which: Deposits with and credits received from own financial group	707,566	13,767,925	0	30,066,567	44,542,058
of which: Current accounts in banks	8,697	28,772	4,416	3,272,822	3,314,707
Current accounts of other banks	626,064	9,298,410	61,656	410,721	10,396,851
Time deposits	24,315,911	26,227,755	11,744,608	49,579,278	111,867,552
Credits received	1,421,447	23,634,140	0	9,396,863	34,452,450
Deposits and credits received from clients	693,311,726	7,454,068	102,632,411	6,585,375	809,983,580
of which: MMIF deposits	16,022,034	0	2,192	0	16,024,226
of which: Current accounts and other financial undated liabilities	285,142,122	4,792,055	54,815,782	3,030,549	347,780,508
Time deposits	367,085,958	2,597,237	46,549,070	3,545,751	419,778,016
Deposits at notice	35,204,596	64,716	1,267,559	9,075	36,545,946
Certificates of deposit	74,883	60	0	0	74,943
Credits received and financial leasing	5,804,167	0	0	0	5,804,167
Deposits of general government and international organizations	84,369,152	9,234	30,993,432	3,129,926	118,501,744
of which: Deposits of central government (S.1311)	59,024,728	9,234	30,909,237	3,129,895	93,073,094
of which: Treasury	1,191,021	0	11,252,389	0	12,443,410
Other funds	6,579,171	0	88,405	0	6,667,576
of which: National Property Fund	6,567,113	0	82,660	0	6,649,773
Deposits of local governments (S.1313)	25,340,947	0	84,195	31	25,425,173
Deposits of social security funds (S.1314)	3,477	0	0	0	3,477
of which: Health insurance companies	1,738	0	0	0	1,738
Social Insurance Corporation	1,739	0	0	0	1,739
Securities issued by the accounting unit	74,767,773	2,345,062	1,713,952	7,863,492	86,690,279
Financial liabilities in real value towards profit/loss (IAS 39)	19,369,935	12,025,324	4,484,465	19,595,708	55,475,432
of which: Current accounts	0	0	0	0	0
Time deposits	19,369,935	12,025,324	4,484,465	19,595,708	55,475,432
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	9,319,958	12,853,117	1,023,914	2,249,227	25,446,216
Negative real value of options	1,975,206	1,005,762	438,188	337,473	3,756,629
Liabilities from securities sold for a short term	0	0	0	0	0
Subsidies and similar funds	3,414,429	0	0	0	3,414,429
Reserves	4,962,503	83	392,677	0	5,355,263
Other liabilities	20,111,655	69,606	5,850,768	2,908,597	28,940,626
Subordinated financial liabilities	60,031	1,056,459	0	1,334,579	2,451,069
EQUITY CAPITAL	63,052,829	40,293,514	191,870	68,111	103,606,324
Registered capital	4,598,014	36,595,121	0	0	41,193,135
of which: Subscribed registered capital	4,603,825	36,595,121	0	0	41,198,946
Receivables from shareholders	0	0	0	0	0
Own shares	-5,811	0	0	0	-5,811
Long-term funds provided to branches of foreign banks	32,000	3,124,579	0	35,486	3,192,065
Share premium	2,251,463	475,000	0	0	2,726,463
Reserve funds and other funds allocated from profits	12,475,577	119,500	0	0	12,595,077
Capital funds	203,716	5,490	0	1,447	210,653
Gains/losses from revaluation	420,312	-26,176	191,870	31,178	617,184
Profit/loss from previous years	28,090,155	0	0	0	28,090,155
of which: Retained earnings	28,778,342	0	0	0	28,778,342
Accumulated loss	-688,187	0	0	0	-688,187
Profit and loss account	14,988,940	0	0	0	14,988,940
Profit/loss in process of approval	-7,348	0	0	0	-7,348



Monthly Profit and Loss Account of Commercial Banks

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

(SKK millions)

	2005		2006										
	11	12	1	2	3	4	5	6	7	8	9	10	11
NET INCOME FROM INTEREST	27,232	29,694	2,568	4,889	7,514	10,099	12,769	15,601	18,717	21,689	24,727	27,855	30,980
Income from interest on securities	15,024	16,255	1,143	2,065	3,068	4,046	5,032	5,966	7,085	8,227	9,298	10,406	11,492
Income from other interest	34,760	38,262	3,842	7,308	11,608	15,809	20,368	25,451	30,078	34,711	39,421	44,561	49,834
Expenses on interest on securities	2,472	2,746	221	444	671	904	1,149	1,391	1,655	1,948	2,234	2,535	2,857
Expenses on other interest	20,079	22,077	2,195	4,040	6,492	8,852	11,483	14,426	16,791	19,300	21,758	24,577	27,489
NET NON-INTEREST INCOME	17,499	19,534	1,871	3,497	5,270	6,981	8,346	10,217	11,942	13,424	14,706	16,314	17,786
Income from fees and provisions	11,961	13,318	1,075	2,169	3,471	4,634	5,905	6,957	8,117	9,303	10,454	11,626	12,844
Expenses on fees and provisions	1,814	2,075	198	389	643	859	1,128	1,377	1,635	1,908	2,197	2,439	2,720
Dividends received	119	98	3	8	8	211	221	333	389	399	399	440	443
Income from operations in securities	3,628	4,019	412	656	942	1,189	1,325	1,489	1,788	2,039	2,442	2,622	2,869
Expenses on operations in securities	2,521	2,624	138	398	1,034	1,328	1,815	2,435	2,481	2,601	2,517	2,614	2,649
Profit/loss of foreign exchange operations	3,286	4,477	1,296	1,759	1,732	3,264	3,768	2,021	3,196	4,113	5,012	6,880	8,703
Profit/loss of fixed forward transactions and options	2,736	2,188	-611	-355	798	-127	87	3,294	2,615	2,155	1,142	-160	-1,674
Income from other operations	1,122	1,301	73	133	96	126	152	159	192	250	286	317	422
Expenses on other operations	1,018	1,168	39	86	101	130	169	224	240	327	315	358	452
NET OPERATIONAL PROFIT/LOSS	-4,245	-6,583	-142	-288	-540	-749	-990	-1,103	-1,254	-1,263	-1,636	-1,594	-1,433
GENERAL OPERATIONAL EXPENSES	24,949	28,010	2,286	4,656	7,098	9,474	11,917	14,255	16,739	19,367	21,682	24,188	26,840
NET ADDITIONS TO RESERVES AND PROVISIONS	-45	1,579	-252	-216	-273	-522	-337	-982	-1,217	-1,526	-1,806	-2,301	-2,513
INCOME TAX	2,075	2,321	215	391	720	962	1,225	1,361	1,606	1,846	2,337	2,682	2,992
CURRENT PERIOD PROFIT/LOSS	13,419	13,892	1,545	2,835	4,153	5,371	6,646	8,117	9,844	11,112	11,972	13,403	14,989



Balance of Payments of the SR for January – October 2006

	Receipts / Credit (+)		Payments / Debit (-)		Balance	
	SKK millions	USD millions	SKK millions	USD millions	SKK millions	USD millions
Goods	1,014,781.0	33,610.9	1,085,741.0	35,961.2	-70,960.0	-2,350.3
Services	129,063.9	4,274.8	114,261.7	3,784.5	14,802.1	490.3
Transport	44,516.8	1,474.5	30,526.7	1,011.1	13,990.1	463.4
Tourism	36,835.1	1,220.0	26,365.1	873.2	10,470.0	346.8
Other services	47,711.9	1,580.3	57,369.9	1,900.2	-9,658.0	-319.9
Income	48,320.2	1,600.4	104,654.1	3,466.3	-56,333.9	-1,865.9
Compensation of employees	26,000.0	861.2	1,162.7	38.5	24,837.3	822.6
Investment income	22,320.2	739.3	103,491.4	3,427.8	-81,171.2	-2,688.5
Current transfers	38,803.3	1,285.2	40,180.3	1,330.8	-1,377.0	-45.6
CURRENT ACCOUNT	1,230,968.4	40,771.3	1,344,837.1	44,542.8	-113,868.7	-3,771.5
Capital account	980.7	32.5	1,734.0	57.4	-753.3	-25.0
Financial account	5,136,714.8	170,081.1	-5,137,224.7	-170,132.4	-509.8	-51.3
Direct investment	845,349.9	27,999.1	-745,530.9	-24,693.0	99,819.0	3,306.1
<i>Abroad (direct investor = resident)</i>	43,723.8	1,448.2	-53,676.0	-1,777.8	-9,952.2	-329.6
Equity capital and reinvested earnings	502.8	16.7	-10,573.0	-350.2	-10,070.2	-333.5
Other capital	43,221.0	1,431.5	-43,103.0	-1,427.6	118.0	3.9
<i>In the SR (recipient of dir. investment = resident)</i>	801,626.1	26,550.9	-691,854.9	-22,915.2	109,771.1	3,635.8
Equity capital and reinvested earnings	78,376.1	2,595.9	-5,157.9	-170.8	73,218.1	2,425.1
Other capital	723,250.0	23,955.0	-686,697.0	-22,744.3	36,553.0	1,210.7
Portfolio investment	561,740.8	18,563.9	-511,251.3	-16,933.3	50,489.6	1,630.5
Assets	61,227.0	2,027.9	-62,052.5	-2,055.3	-825.5	-27.3
Liabilities	500,513.8	16,536.0	-449,198.8	-14,878.1	51,315.0	1,657.9
Financial derivatives	1,531,409.3	50,722.4	-1,534,183.2	-50,814.2	-2,773.9	-91.9
Assets	731,485.2	24,227.8	-737,304.7	-24,420.5	-5,819.5	-192.7
Liabilities	799,924.2	26,494.6	-796,878.6	-26,393.7	3,045.6	100.9
Other investment	2,198,214.8	72,795.7	-2,346,259.3	-77,691.8	-148,044.5	-4,896.1
<i>Long-term</i>	355,340.7	11,771.0	-338,753.5	-11,219.7	16,587.2	551.3
Assets	84,657.0	2,802.7	-79,243.7	-2,624.7	5,413.3	178.0
Liabilities	270,683.7	8,968.3	-259,509.8	-8,595.0	11,173.9	373.3
<i>Short-term</i>	1,842,874.0	61,024.7	-2,007,505.7	-66,472.1	-164,631.7	-5,447.4
Assets	1,085,183.0	35,942.7	-1,154,414.7	-38,235.8	-69,231.7	-2,293.0
Liabilities	757,691.0	25,082.0	-853,091.0	-28,236.3	-95,400.0	-3,154.4
CAPITAL AND FINANCIAL ACCOUNT	5,137,695.5	170,113.5	-5,138,958.7	-170,189.8	-1,263.2	-76.2
ERRORS AND OMISSIONS	-	-	-	-	33,133.6	1,133.5
TOTAL BALANCE	-81,998.3	-2,714.2	0.0	0.0	-81,998.3	-2,714.2
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	81,998.3	2,714.2	0.0	0.0	81,998.3	2,714.2
<i>Currency and deposits</i>	13,265.7	439.1	0.0	0.0	13,265.7	439.1
<i>Securities</i>	68,732.6	2,275.1	0.0	0.0	68,732.6	2,275.1
Bonds and notes	67,841.6	2,245.5	0.0	0.0	67,841.6	2,245.5
Money market instruments and financial derivatives	891.0	29.6	0.0	0.0	891.0	29.6
RESERVE ASSETS	81,998.3	2,714.2	0.0	0.0	81,998.3	2,714.2

Note: Preliminary data.

Applied rate of exchange: USD 1 = SKK 30.192.



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	accept.		min.	average	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	-	-	-
963108008	8.6.2006	9.6.2006	31.8.2006	84	23,445	22,691	American	3.98	4.00	4.00
962209010	29.6.2006	30.6.2006	22.9.2006	84	400	0	American	-	-	-
962010011	27.7.2006	28.7.2006	20.10.2006	84	1,364	222	American	4.50	4.50	4.50
962411013	30.8.2006	31.8.2006	24.11.2006	85	2,883	1,550	American	4.50	4.50	4.50
961512014	21.9.2006	22.9.2006	15.12.2006	84	9,550	0	American	-	-	-
961512015	19.10.2006	20.10.2006	12.1.2007	84	7,100	500	American	4.75	4.75	4.75
961602017	23.11.2006	24.11.2006	16.2.2007	84	1,950	1,150	American	4.75	4.75	4.75
960903018	14.12.2006	15.12.2006	9.3.2007	84	36,613	36,113	American	4.74	4.75	4.75



Basic Characteristics of Slovakia's Foreign Exchange Market in December 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	-	-	-	0.0	0
Transactions between domestic banks without foreign participation	6,403.2	69.9	199	2,699.1	29.5	726	57.4	0.6	36	9,159.7	961
Interbank forex market: NBS + transactions between domestic banks	6,403.2	69.9	199	2,699.1	29.5	726	57.4	0.6	36	9,159.7	961
Transactions between domestic and foreign banks	46,787.2	85.5	1,748	7,683.1	14.0	2,767	250.3	0.5	189	54,720.6	4,704
Foreign exchange market in the SR – total	53,190.4	83.3	1,947	10,382.2	16.3	3,493	307.7	0.5	225	63,880.3	5,665

	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	1,447.4	15.8	725	0.0	0.0	0	7,703.7	84.2	236	0.0	0.0	0	9,151.0	961
Transactions between domestic and foreign banks	5,721.8	10.5	2,607	291.1	0.5	53	48,351.6	88.5	1,807	293.7	0.5	237	54,658.2	4,704
Foreign exchange market in the SR - excl. the NBS	7,169.1	11.2	3,332	291.1	0.5	53	56,055.2	87.8	2,043	293.7	0.5	237	63,809.2	5,665



Average Monthly Exchange Rates of the SKK

	2005	2006											
Midpoint rate	12	1	2	3	4	5	6	7	8	9	10	11	12
1 AUD	23.715	23.220	23.228	22.712	22.411	22.490	22.247	22.748	22.455	22.286	21.992	21.537	20.828
1 CYP	66.059	65.391	65.147	65.132	64.901	65.331	66.157	66.770	65.472	65.088	63.909	62.197	60.595
1 CZK	1.308	1.305	1.317	1.308	1.312	1.328	1.340	1.350	1.336	1.322	1.302	1.281	1.260
1 DKK	5.081	5.027	5.011	5.020	5.011	5.039	5.101	5.146	5.051	5.029	4.942	4.818	4.698
1 EUR	37.871	37.510	37.404	37.455	37.392	37.575	38.036	38.388	37.688	37.505	36.852	35.914	35.025
1 EEK	2.420	2.397	2.391	2.394	2.390	2.401	2.431	2.453	2.409	2.398	2.355	2.296	2.239
100 JPY	26.914	26.862	26.536	26.606	26.048	26.331	26.220	26.170	25.421	25.181	24.624	23.790	22.654
1 CAD	27.487	26.768	27.224	26.958	26.610	26.508	26.997	26.845	26.266	26.398	25.902	24.599	23.043
1 LTL	10.968	10.863	10.833	10.847	10.828	10.881	11.014	11.117	10.914	10.863	10.671	10.403	10.143
1 LVL	54.361	53.886	53.739	53.810	53.721	53.981	54.642	55.156	54.151	53.899	52.937	51.550	50.207
100 HUF	14.987	14.960	14.871	14.392	14.080	14.308	14.022	13.814	13.743	13.672	13.769	13.866	13.779
1 MTL	88.196	87.371	87.147	87.229	87.130	87.563	88.593	89.435	87.798	87.390	85.836	83.694	81.595
1 NOK	4.747	4.667	4.639	4.694	4.761	4.819	4.845	4.834	4.724	4.545	4.392	4.355	4.296
1 PLN	9.822	9.814	9.853	9.662	9.535	9.646	9.460	9.596	9.658	9.465	9.434	9.386	9.189
100 SIT	15.812	15.661	15.619	15.635	15.605	15.678	15.871	16.020	15.728	15.658	15.377	14.990	14.615
1 CHF	24.472	24.201	24.016	23.880	23.734	24.133	24.382	24.474	23.893	23.699	23.177	22.567	21.945
1 SEK	4.013	4.025	4.009	3.984	4.002	4.025	4.117	4.164	4.094	4.049	3.981	3.945	3.875
1 USD	31.932	31.029	31.298	31.186	30.535	29.461	30.054	30.286	29.426	29.448	29.225	27.915	26.504
1 GBP	55.750	54.679	54.748	54.392	53.819	54.961	55.412	55.805	55.649	55.570	54.751	53.320	52.044
1 XDR	45.695	44.866	44.944	44.874	44.280	43.828	44.414	44.734	43.753	43.649	43.051	41.567	39.980

Average Quarterly Exchange Rates of the SKK

	2005					2006				
Midpoint rate	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4	Year
1 AUD	22.667	23.726	24.089	24.099	23.65	23.04	22.379	22.499	21.480	22.358
1 CYP	65.726	67.266	67.458	67.178	66.916	65.222	65.502	65.778	62.316	64.711
1 CZK	1.275	1.291	1.301	1.314	1.295	1.31	1.328	1.336	1.282	1.314
1 DKK	5.143	5.225	5.184	5.162	5.179	5.02	5.053	5.075	4.825	4.994
1 EUR	38.282	38.907	38.662	38.500	38.593	37.457	37.687	37.861	35.975	37.248
1 EEK	2.447	2.487	2.471	2.461	2.467	2.394	2.408	2.420	2.299	2.381
100 JPY	27.935	28.721	28.497	27.627	28.202	26.668	26.208	25.592	23.737	25.565
1 CAD	23.788	24.804	26.325	27.580	25.622	26.979	26.714	26.497	24.584	26.203
1 LTL	11.087	11.270	11.197	11.152	11.178	10.848	10.914	10.965	10.419	10.787
1 LVL	54.987	55.899	55.548	55.283	55.437	53.813	54.143	54.402	51.632	53.501
100 HUF	15.624	15.578	15.746	15.294	15.561	14.728	14.137	13.744	13.804	14.111
1 MTL	88.675	90.578	90.057	89.687	89.764	87.25	87.807	88.208	83.813	86.775
1 NOK	4.647	4.831	4.904	4.888	4.818	4.668	4.811	4.704	4.350	4.634
1 PLN	9.511	9.417	9.609	9.836	9.591	9.772	9.546	9.577	9.342	9.562
100 SIT	15.969	16.242	16.143	16.077	16.110	15.639	15.726	15.802	15.013	15.546
1 CHF	24.724	25.206	24.884	24.884	24.929	24.028	24.105	24.023	22.593	23.692
1 SEK	4.219	4.228	4.127	4.067	4.161	4.005	4.052	4.103	3.936	4.024
1 USD	29.160	30.863	31.683	32.359	31.022	31.169	29.991	29.715	27.948	29.724
1 GBP	55.172	57.311	56.540	56.609	56.424	54.597	54.787	55.676	53.438	54.624
1 XDR	44.429	46.053	46.299	46.450	45.816	44.893	44.173	44.042	41.608	43.694

**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