



NÁRODNÁ BANKA SLOVENSKA



# Monetary Survey

January 2007

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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

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*Symbols used in the tables*

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



## 1 Introduction

Consumer prices, expressed in terms of the Harmonised Index of Consumer Prices (HICP), increased in comparison with the previous month by 0.5% in January. The year-on-year rate of headline inflation reached 2.2%. Core inflation (excluding energy and unprocessed food prices) recorded a year-on-year rate of 1.8%.

Expressed in terms of the Consumer Price Index (CPI), consumer prices increased on a month-on-month basis by 1% in January. The 12-month headline and core inflation rates reached 3.0% and 2.9% respectively.

The M3 monetary aggregate (according to ECB methodology) grew month-on-month by Sk 31.7 billion in December, but its year-on-year dynamics weakened in comparison with November, to 15.3%.

The total volume of MFI receivables from residents (including securities issued by clients and held by MFIs, according to ECB methodology) increased month-on-month by Sk 10.1 billion in December, but the year-on-year growth rate slowed by 1.2 percentage points, to 12.6%.

The average interest rate on new loans to non-financial corporations increased in December by 0.09 of a percentage point, to 6.35%, while that on new loans to households dropped by 0.24 of a percentage point, to 12.58%. Over the same period, the average interest rate on new deposits from non-financial corporations increased by 0.01 of a percentage point, to 2.70%, and that on new household deposits by 0.05 of a percentage point, to 1.18%.

At the end of January, the State budget of the SR resulted in a surplus of Sk 2.9 billion.

The foreign exchange reserves of the NBS (at current exchange rates) stood at USD 14.0 billion in January. At the end of the month, the volume of foreign exchange reserves was 3.4 times greater than the volume of average monthly imports of goods and services to Slovakia in 2006. At the end of January, 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 in 2006.

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

According to preliminary data, the balance of payments on current account for January to November 2006 resulted in a deficit of Sk 122.2 billion. Over the same period, the capital and financial account generated a surplus of Sk 7.7 billion. From January to December, the current account produced a deficit of Sk 129.6 billion, while trade resulted in a shortfall of Sk 92.1 billion.



## 2 Inflation

### 2.1 Consumer Price Index

#### HICP Inflation

#### Harmonised Index of Consumer Prices

Consumer prices, expressed in terms of the Harmonised Index of Consumer Prices (HICP), increased month-on-month by 0.5% in January, with the prices of goods and services rising by 0.2% and 1.1% respectively. On a year-on-year basis, consumer prices rose by 2.2% (in December by 3.7%). Overall inflation excluding energy and unprocessed food prices (core inflation) reached 1.8% (compared with 2.5% in December). The average inflation rate for the period since the beginning of the year reached 2.2%. The average 12-month inflation rate for the period from February 2006 to January 2007 was 4.1%. In January, HICP inflation was somewhat higher than expected by the NBS.

			2006			2007
	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.
<b>Total</b>	5.0	4.5	3.1	3.7	3.7	2.2
<b>Goods</b>	5.4	4.9	3.1	3.9	4.0	2.0
Industrial goods	7.1	5.8	2.9	3.9	3.9	0.7
Non-energy industrial goods	1.1	1.1	1.1	1.0	1.1	-0.5
Energy	14.8	11.9	5.3	7.5	7.4	2.0
Foodstuffs	2.5	3.4	3.4	4.0	4.1	4.6
Processed food (including alcohol and tobacco)	1.8	2.8	2.7	3.4	3.5	3.6
Unprocessed food	4.0	4.7	4.9	5.2	5.3	6.6
<b>Services</b>	4.1	3.5	3.1	3.1	3.1	2.7
<b>Total, excluding unprocessed food and energy (core inflation)</b>	2.6	2.6	2.3	2.5	2.5	1.8
<b>Total, excluding energy</b>	2.8	2.8	2.6	2.7	2.8	2.2

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

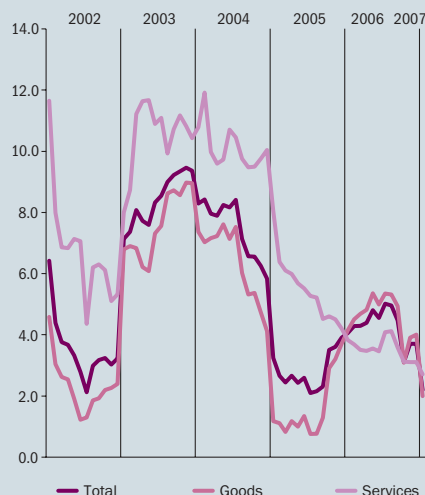
#### HICP in the structure of the CPI inflation

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 0.8 of a percentage point) was mainly caused by price developments in market services, where the CPI also includes imputed rents and repair funds, i.e. items dynamically growing since the end of 2005, but not included in the HICP.

			2006			2007
	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.
<b>Total</b>	5.0	4.5	3.1	3.7	3.7	2.2
<b>Regulated prices</b>	12.8	11.4	6.9	8.0	7.8	2.9
<b>Core inflation</b>	1.8	1.4	1.1	1.3	1.4	1.5
Foodstuffs	2.4	2.9	2.9	3.5	3.6	4.4
Processed food	0.9	1.2	1.0	1.9	1.9	2.2
Unprocessed food	3.9	4.7	4.9	5.2	5.3	6.6
Tradable goods	0.5	-0.9	-1.4	-1.1	-0.9	-0.9
Tradable goods, excluding fuel	-0.3	-0.5	-0.6	-0.6	-0.5	-0.2
Fuel	6.9	-3.5	-7.8	-5.8	-5.1	-7.2
Market services	3.4	3.6	3.6	3.5	3.5	3.0
<b>Net inflation (excluding changes in indirect taxes)</b>	1.6	0.9	0.5	0.7	0.8	0.7
<b>Net inflation, excluding fuel (excl. changes in indirect taxes)</b>	1.3	1.2	1.1	1.2	1.2	1.2

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



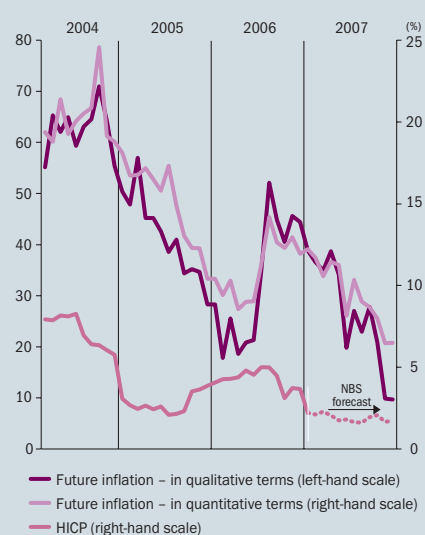
**Chart 1 HICP Inflation and Its Main Components (%)**


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

The year-on-year rate of increase in goods prices slowed, when the dynamics of industrial goods prices weakened, while food prices showed increased dynamics. The slowdown in the year-on-year increase in industrial goods prices was affected by a year-on-year fall in the prices of non-energy industrial goods (due partly to a cut in VAT rates for pharmaceuticals) and, in particular, by the weakening dynamics of energy prices. Within the scope of energy prices, fuel prices continued to fall and other energy prices recorded a marked slowdown in dynamics on a year-on-year basis. Year-on-year increases were recorded in the prices of heating, gas, and other solid fuels (brown coal and firewood). The dynamics of food prices increased on a year-on-year basis, due to steeper year-on-year increases in the prices of processed and unprocessed foodstuffs in particular. In the 'processed food' category, prices continued to rise for bread, other bakery products, sugar goods, and dairy products (cheese). In 'unprocessed foodstuffs', the prices of vegetables, including potatoes, showed increased year-on-year dynamics.

The year-on-year rate of increase in services prices slowed, mainly as a result of a slowdown in the year-on-year dynamics of prices for services related to housing. A slowdown was also recorded in the year-on-year price increase in recreational and personal services. On the other hand, the year-on-year increase in prices for transport services accelerated as a result of an increase in bus fares.

The year-on-year rate of headline inflation should slow somewhat in February (compared with January), due to the predicted developments in goods prices, where the year-on-year dynamics of energy and food prices are expected to weaken. At the same time, prices for services are expected to accelerate slightly on a year-on-year basis. At the end of 2007, the inflation rate should remain below the inflation target of the NBS.

**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.

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

The year-on-year rate of increase in services prices slowed, mainly as a result of a slowdown in the year-on-year dynamics of prices for services related to housing. A slowdown was also recorded in the year-on-year price increase in recreational and personal services. On the other hand, the year-on-year increase in prices for transport services accelerated as a result of an increase in bus fares.

**Expectations for the coming month**

December 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 7.17% (7.90% in the previous month). When asked about the expected inflation rate in the next 12 months, the respondents gave an average value of 6.49%, representing a slight increase in comparison with the previous month (6.48%).

**Consumer expectations regarding inflation**

### CPI Inflation

Consumer prices increased by an average of 1.0% in January. Within the basic structure of CPI inflation, regulated prices were stagnant, while core inflation rose month-on-month by 1.3%. Within the scope of regulated prices, prices increased in transport and miscellaneous goods and services. At the same time, prices dropped in health care and housing. The rise in core inflation was mainly a result of a marked increase in prices for housing-related services and a rise in food prices. The 12-month rate of headline inflation reached 3.0% (compared with 4.2% in December) and that of core inflation 2.9% (2.7% in the previous month). The average year-on-year inflation rate for the period from February 2006 to January 2007 was 4.4%.

**Consumer Price Index (CPI)**



**Table 3 Consumer Price Developments in January 2007**

	Change versus	
	December 2006	January 2006
<b>Total in %</b>	1.0	3.0
<b>Regulated prices in %</b>	0.0	2.6
– Share of total, in percentage points <sup>1)</sup>	0.00	-
<b>Impact of changes in indirect taxes on non-regulated prices</b>		
– Share of total, in percentage points <sup>1)</sup>	0.00	-
<b>Core inflation in %</b>	1.3	2.9
– Share of total, in percentage points <sup>1)</sup>	0.95	-
of which: Food prices in %	1.6	3.4
– Share of total, in percentage points <sup>1)</sup>	0.23	-
Tradable goods in % <sup>1)</sup>	-0.1	-0.9
– Share of total, in percentage points <sup>1)</sup>	-0.04	-
Tradable goods excluding fuels, in % <sup>1)</sup>	0.2	-0.2
– Share of total, in percentage points <sup>1)</sup>	0.06	-
Fuels in % <sup>1)</sup>	-2.8	-7.2
– Share of total, in percentage points <sup>1)</sup>	-0.10	-
Market services in % <sup>1)</sup>	2.8	7.3
– Share of total, in percentage points <sup>1)</sup>	0.76	-
<b>Net inflation</b>		
<b>(excluding the impact of changes in indirect taxes) in %</b>	1.2	2.8
– Share of total, in percentage points <sup>1)</sup>	0.73	-
<b>Net inflation excluding fuel prices</b>		
<b>(excluding the impact of changes in indirect taxes) in %<sup>1)</sup></b>	1.4	3.4
– Share of total, in percentage points <sup>1)</sup>	0.82	-

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 December 2006**

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

Industrial producer prices for the domestic market fell month-on-month by 0.8% in December, due to price drops in all three basic sub-categories. Energy prices dropped by 1.2%, manufacturing products prices by 0.3% (as in the previous month), and mining and quarrying products prices by 3.2%.

**Table 4 Producer Price Developments in December 2006**

(in %)

	Month-on-month change		Year-on-year change			
	Nov.	Dec.	Dec.	Nov.	Dec.	Average since the beginning of 2006
	2006	2006	2005	2006	2006	
Industrial producer prices (for the domestic market)	0.4	-0.8	7.0	5.6	5.4	8.4
– Prices of manufacturing products	-0.3	-0.3	1.0	1.2	1.5	2.1
– Prices of mining and quarrying products	0.6	-3.2	35.4	9.5	8.3	38.4
– Prices of electricity, gas, steam, and hot water	1.0	-1.2	13.3	10.8	10.1	14.5
Industrial producer prices (for export)	-1.1	-1.3	3.2	-0.7	-0.8	2.7
– Prices of manufacturing products	-1.0	-1.4	3.1	-0.6	-0.8	2.8
Construction prices	0.2	0.1	3.6	4.0	4.0	3.9
Building materials prices	0.5	-0.3	1.2	5.6	5.2	3.0
Agricultural prices	-	-	-1.3	0.1	-2.6	-0.2
– Prices of plant products	-	-	-4.1	0.6	-5.4	1.1
– Prices of animal products	-	-	0.8	-0.2	-0.9	-0.7

Source: Statistical Office of the SR.

The year-on-year dynamics of domestic industrial producer prices weakened somewhat in comparison with the previous month (by 0.2 of a percentage point, to 5.4%), due to a slowdown in the rate of increase in energy prices (by 0.7 of a percentage point, to 10.1%) and mining and quarrying products prices (by 1.2 percentage points, to 8.3%). Manufacturing products prices increased year-on-year more rapidly than in the previous month (by 0.3 of a percentage point, to 1.5%).

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

The year-on-year increase in energy prices slowed in December (compared with the previous month), due to a slowdown in the rate of increase in prices for gas production and the transport of gaseous fuels via pipelines (by 1.5 percentage points, to 8.7%) and prices for electricity generation and supply (by 0.5 of a percentage point, to 9.6%). Prices for water treatment and supply remained at the level of the previous month, while prices for steam and hot water supply increased more rapidly than a month earlier (by 0.2 of a percentage point, to 18.7%).

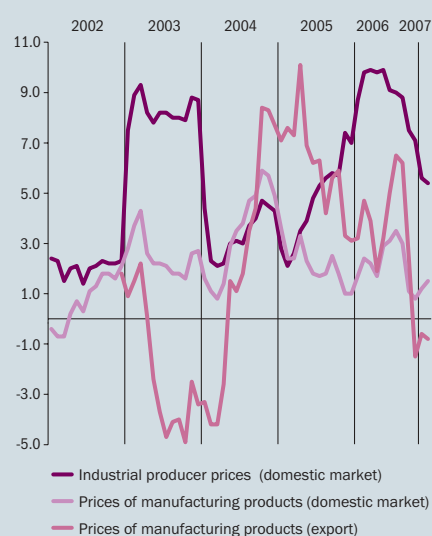
The rise in manufacturing products prices was caused by increases in the prices of base metals and finished metal products (5.1%), food products (2.3%), other non-metal mineral products (2.4%), chemical products (2.5%), electrical and optical equipment (2.3%), and paper and paper products (1.2%). On the other hand, an anti-inflationary effect was exerted by the prices of refined oil products in particular (a fall of 2.6%).

During 2006, industrial producer prices rose by 8.4%, due to increases in the prices of energy (14.5%), manufacturing products (2.1%), and mining and quarrying products (38.4%).

Industrial producer prices for export, which are mostly determined by the export prices of manufacturing products, dropped month-on-month by 1.4% in December, representing a year-on-year fall of 0.8%.

**Industrial producer prices for export**

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



Source: Statistical Office of the SR.

The year-on-year fall in industrial producer prices for export in December was primarily caused by drops in the export prices of transport vehicles (9.7%) and refined oil products (2.9%). On the other hand, inflationary pressures were caused on a year-on-year basis by the export prices of electrical and optical equipment (a rise of 8.6%), base metals and finished metal products (3.1%), paper and paper products (2%), and chemical products (1.2%).

After rising for five months, the level of agricultural prices fell year-on-year by 2.6%, due to drops in the prices of plant products (5.4%) as well as animal products (0.9%).

**Agricultural prices**

The drop in plant products prices was mainly caused by reductions in the prices of sugar beet (18.1%) and tobacco (2.5%). Prices for other plant products were higher than a year earlier. The steepest increases took place the prices of potatoes (51.7%) and cereals (21.6%). Fruit and vegetable prices rose by 6.5% (fruit prices by 0.3% and vegetable prices by 16.3%), prices for legumes and oilseeds by 3.5% and 0.3% respectively.

The fall in animal products prices was caused by drops in the prices of fish (18.1%), poultry (3.2%; 4.9% for chickens), and pork (0.2% for live animals). Increases were recorded in the prices of eggs (6.9%) and dairy farming products (0.5%).

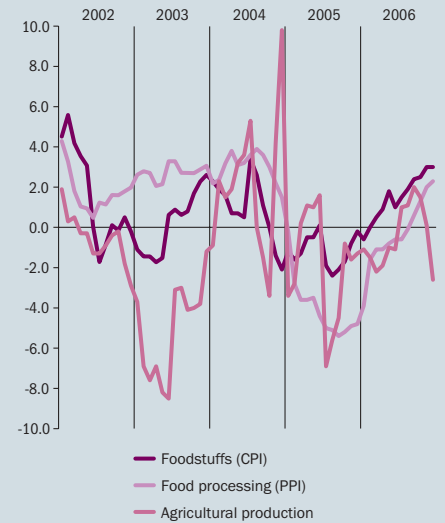
Since the beginning of the year, the average price of agricultural products had dropped by 0.2%, with plant products prices rising by 1.1% and animal products prices falling by 0.7%.

Industrial producer prices should be influenced in January 2007 by the lower price of oil on the world market (by roughly 15% compared with the previous year), the appreciation of the Slovak koruna vis-à-vis the US dollar, and the base effect of the accelerated increase in energy prices in January 2006. On the other hand, the slight inflationary effect of food prices is expected to persist. Owing to these external and internal cost factors, the average year-on-year dynamics of industrial producer prices are expected to weaken in January, compared with the previous month.



On the basis of agrarian market news, the purchase prices of food cereals are again expected to rise slightly on a year-on-year basis in January, as well as the price of late potatoes. Inflation should be dampened in January by the falling price of sugar beet. Among animal products, the stagnation in the price of unpasteurised milk and the persistent fall in the price of poultry (live animals) are expected to be accompanied by a drop in the price of pork and a slight slowdown in the price of beef (live animals). In line with these assumptions, agricultural prices are expected to increase somewhat in January.

**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

After reaching a historical high in November, the year-on-year growth rate of the M3 monetary aggregate slowed somewhat in December. The main factor influencing the banking system's liquidity position and developments in monetary aggregates is 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 31.7 billion compared with the previous month, to Sk 958.5 billion at the end of December. The year-on-year rate of M3 growth<sup>1</sup> moderated to 15.3% (by 0.8 of a percentage point), but was still higher than its maximums from 2004 and 2005.

**Slowdown in the rate of M3 growth**

**Table 5 Year-on-year growth in the M3 monetary aggregate (ECB methodology) (in %)**

	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 <sup>1)</sup>	9.1 <sup>1)</sup>	10.3 <sup>1)</sup>	9.4 <sup>1)</sup>	10.5	11.2	11.8	13.6	12.9	13.9	16.1 <sup>1)</sup>	15.3

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

1) Revised data.

The development of M3 was influenced by increases in deposits and received loans with an agreed maturity of up to 2 years (Sk 16.5 billion) and those repayable on demand (Sk 9.6 billion). Within the scope of other counterparts, a marked decrease was recorded in deposits and loans received from the central government (Sk 35.0 billion, including deposits at the SR Treasury, i.e. deposits from self-governments, social security funds, and non-financial companies), mainly in connection with the December increase in the budget deficit, accompanied by a decrease in capital, reserves, and provisions (Sk 9.4 billion). On the assets side, upward pressure on the bank balances was exerted by a month-on-month increase in MFI receivables from residents (Sk 10.2 billion, including securities).

**Table 6 Comparison of month-on-month developments in monetary aggregates (ECB methodology)**

	Volume in billions of Sk <sup>1)</sup>			Year-on-year change in %	
	Dec. 2005	Nov. 2006	Dec. 2006	Nov. 2006	Dec. 2006
Currency in circulation	119.8	127.3	131.2	10.9	9.5
Deposits and received loans repayable on demand	366.0	405.3	414.9	16.0	13.4
<b>M1</b>	485.8	532.6	546.1	14.7	12.4
Deposits and loans received with an agreed maturity of up to 2 years	284.4	334.0	350.5	22.9	23.2
Deposits redeemable at a period of notice of up to 3 months	14.8	11.8	11.6	-19.3	-21.4
<b>M2</b>	785.0	878.4	908.1	17.0	15.7
Money market fund shares/units	45.9	43.7	45.0	-5.0	-2.0
Repo operations	0.0	0.0	0.0	-	-
Debt securities issued with a maturity of up to 2 years	0.6	4.6	5.4	-	-
<b>M3</b>	831.4	926.7	958.5	16.1	15.3

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

The weakening trend in year-on-year growth dynamics accelerated in both components of the M1 monetary aggregate (i.e. currency in circulation, as well as deposits and received loans repayable on demand) in December. The growth rate of currency fell to the lowest level in the last two years.

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

In other short-term deposits, the gradual increase in the negative dynamics of deposits redeemable at a period of notice of up to 3 months continued, but had, owing to their small volume, only a minimal impact on the overall M2 dynamics. Although the largest monthly increase among the main M3 components took place in deposits and loans received with an agreed maturity of up to 2 years (Sk 16.5 billion), causing a slight increase in their dynamics, the rate of M2 growth slowed.

Among the less liquid components (marketable instruments), the rate of M3 growth was to some extent supported by an inflow of funds into money market fund shares/units (Sk 1.3 billion) and an increase in the volume of debt securities issued with a maturity of up to 2 years.

### Investment Through Open-End Investment Funds

**Continuing inflow of funds into open-end investment funds in Sk**

In January, the inflow of funds into open-end investment funds (OIFs) intensified still further, and reached its highest level since the first quarter of 2005. The net value of OIF assets denominated in Slovak koruna increased to Sk 122.7 billion, with monthly net sales reaching Sk 3.7 billion, markedly exceeding the cumulative increase in net OIF sales in Sk during 2006. The net sales of OIFs denominated in foreign currency were also slightly positive.

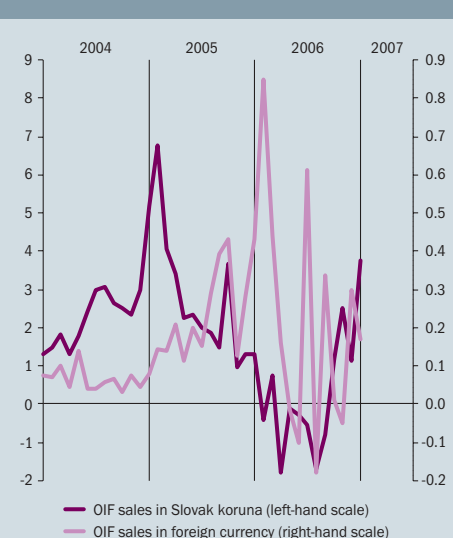
**Table 7 Net sales of open-end investment funds (OIFs)**  
(month-on-month change in billions of Sk)

	Year	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.	CUM.
OIF sales denominated in Slovak koruna	2004	1.29	1.49	1.81	1.31	1.80	2.43	2.99	3.08	2.64	2.52	2.32	2.99	26.68
	2005	5.17	6.77	4.06	3.40	2.27	2.34	1.98	1.85	1.49	3.67	0.98	1.31	35.29
	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
	2007	3.74	.	.	.	.	.	.	.	.	.	.	.	3.74
OIF sales denominated in foreign currency	2004	0.08	0.07	0.10	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
	2007	0.17	.	.	.	.	.	.	.	.	.	.	.	0.17

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

The exceptionally steep positive increase in January was mainly affected by the net monthly sales of other funds (i.e. funds that cannot be included in any other category; Sk 3.7 billion), of which the most successful were secured funds, whose net sales reached Sk 3.3 billion during the subscription period. Positive net sales were also achieved by money market funds, equity funds, and special funds (a total of Sk 1.0 billion). The increased interest in funds is probably motivated by the growing incomes of households, the availability of free funds for investment, and the expected improvement in their performance. Other funds actually exceeded even the traditionally high interest in money market funds, whose growth was mostly promoted by the rising money market rates last year. On the other hand, bond, mixed, and umbrella funds recorded negative net sales (a total of Sk -0.8 billion) and the net sales of OIFs of all types in Sk and foreign currency totalled Sk 3.9 billion.

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



Source: NBS calculations based on data from SASS.





### Main M3 Counterparts

The gradually weakening trend in the year-on-year growth dynamics of MFI receivables from residents (including securities issued by clients and held by MFIs), which began in June 2006, continued in December. The determining factor in this development was a slowdown in the growth rate of receivables from the private sector (by 1.7 percentage points, to 22.8%) and a modest acceleration in rate of decline in receivables from the general government sector.

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

	Volume in billions of Sk <sup>1)</sup>			Year-on-year change in %	
	Dec. 2005	Nov. 2006	Dec. 2006	Nov. 2006	Dec. 2006
Net foreign assets	261.4	278.4	256.0	0.4	-2.1
Foreign assets	746.3	460.4	452.3	-21.4	-39.4
Foreign liabilities	484.9	182.0	196.3	-41.0	-59.5
Receivables of MFIs from residents (incl. securities)	795.2	885.6	895.7	13.8	12.6
Receivables from general government	273.5	252.7	254.8	-6.4	-6.8
Receivables from the private sector	521.7	632.9	640.9	24.5	22.8
Deposits and loans received from central government	61.3	83.7	45.0	-10.0	-26.5
Long-term financial liabilities (excl. capital and reserves)	102.9	116.1	122.6	16.4	19.1
Deposits and loans taken with an agreed maturity of over 2 years	56.5	62.9	66.7	19.1	18.0
Deposits redeemable at notice of over 3 months	27.8	24.4	24.3	-11.9	-12.4
Debt securities issued with a maturity of over 2 years	18.6	28.8	31.6	49.7	69.8
Other items net	61.0	37.4	25.6	-41.8	-58.0
Capital, reserves, and provisions	88.0	56.3	47.0	-39.3	-46.7
Other liabilities	47.0	69.5	70.9	22.7	50.8
Surplus of liabilities among MFIs	0.0	-0.1	-0.1	-	-
Fixed assets	34.4	32.6	34.5	-2.8	0.3
Other assets	39.7	55.7	57.7	20.2	45.5
<b>M3</b>	<b>831.4</b>	<b>926.7</b>	<b>958.5</b>	<b>16.1</b>	<b>15.3</b>

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.

	Volume in billions of Sk <sup>1)</sup>			Year-on-year change in %	
	Dec. 2005	Nov. 2006	Dec. 2006	Nov. 2006	Dec. 2006
MFI receivables from the private sector (incl. securities)	521.7	632.9	640.9	24.5	22.8
of which: Securities issued by the private sector	14.3	14.2	13.5	-10.2	-6.9
MFI receivables (excluding securities)	507.5	618.7	627.4	25.6	23.6
Non-financial corporations	271.4	324.0	326.5	21.6	20.3
– up to 1 year	117.3	136.3	135.0	18.2	15.1
– 1 to 5 years	52.0	65.0	64.0	23.0	23.2
– over 5 years	102.1	122.7	127.4	24.8	24.8
Financial corporations	55.0	61.4	63.0	20.0	14.5
Insurance corporations and pension funds	0.0	0.0	0.0	-	-
Households and non-profit institutions serving households	181.0	233.3	237.9	33.2	31.4
– consumer loans	24.8	35.7	36.0	43.0	45.0
– house purchase loans	118.9	152.2	156.7	32.4	31.8
– other loans	37.3	45.4	45.2	29.1	21.2

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.



Owing to the December increase in the budget deficit (by Sk 24.7 billion), deposits and loans received from the central government recorded a marked and traditional decrease, and their negative year-on-year dynamics increased.

After a correction, the long-term increasing trend in the 12-month growth dynamics of long-term financial liabilities (excluding capital, reserves, and provisions) continued in December, due to accelerated growth in debt securities issued with a maturity of over 2 years and growth in deposits and loans received with an agreed maturity of over 2 years. The opposite effect was exerted by a decline in deposits redeemable at a period of notice of over 3 months.

**Decelerated growth in MFI receivables from the resident private sector**

The year-on-year growth rate of MFI receivables from the private sector (including securities) slowed to 22.8% in December, after reaching an average level of 24.4% during 2006. The rate of decline in securities issued by the private sector again moderated, as well as the growth rate of MFI receivables from the private sector (excluding securities, by 2 percentage points, resulting in a monthly increase of Sk 8.7 billion).

The December developments in receivables were mainly influenced by an increase in MFI receivables from households (Sk 4.6 billion, mostly house purchase loans), while their growth rate continued to slow. Receivables from non-financial corporations also recorded a fall in dynamics, as well as those from financial corporations.

**Structure of MFI Receivables from the Private Sector**

**Decelerating growth in loans to non-financial corporations as well as households**

Despite a slowdown in December (to 20.3%), the year-on-year growth in loans to non-financial corporations remained above the level of 2006 (19.0%), unlike loans to households which showed above-average dynamics (31.4%, compared with 37.3%).

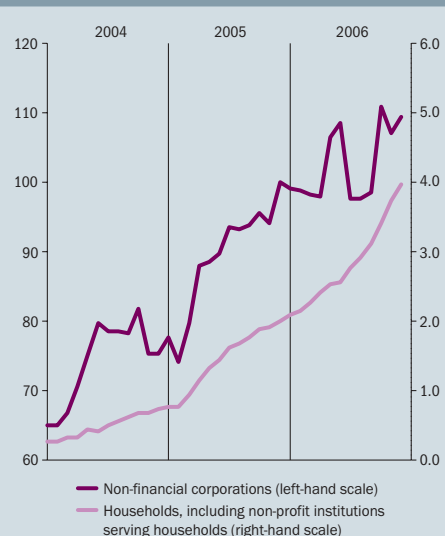
While non-financial corporations and households achieved larger cumulative increases in loans during 2006 (compared with 2005), other financial intermediaries and auxiliary financial institutions, insurance companies, and pension funds recorded smaller increases. The increase in loans to households (Sk 56.9

**Table 10 Survey of MFI Receivables from the Resident Private Sector (excl. securities)**

	Volume	Change since the beginning	
	(Sk billions)	of the year (Sk billions)	
	December 2006	December 2005	December 2006
MFI receivables (excluding securities)	627.4	109.8	119.9
Non-financial corporations	326.5	46.1	55.1
– loans in Slovak koruna	217.1	21.5	45.7
– loans in foreign currency	109.4	24.6	9.4
Financial corporations (other financial intermediaries and auxiliary financial institutions)	63.0	10.8	8.0
– loans in Slovak koruna	50.9	6.5	7.9
– loans in foreign currency	12.1	4.3	0.1
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	237.9	52.8	56.9
– loans in Slovak koruna	233.9	51.5	54.9
– loans in foreign currency	4.0	1.3	2.0
of which: Consumer loans	36.0	4.9	11.2
– loans in Slovak koruna	35.9	4.8	11.2
– loans in foreign currency	0.1	0.1	0.0
House purchase loans	156.7	31.0	37.8
– loans in Slovak koruna	154.0	30.0	36.1
– loans in foreign currency	2.7	0.9	1.7
Other loans	45.2	16.9	7.9
– loans in Slovak koruna	44.0	16.7	7.6
– loans in foreign currency	1.2	0.2	0.3

Source: NBS.



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


Source: NBS.

billion) slightly exceeded the increase in loans to non-financial corporations (Sk 55.1 billion). In overall bank lending to households, loans for house purchases represent the largest component in the long term (with an annual increase of Sk 37.8 billion), while the share of consumer loans and other loans in total is roughly 50% smaller (Sk 19.1 billion).

The volume of loans in foreign currency increased month-on-month by Sk 2.5 billion in December, mainly as a result of an increase in euro loans to non-financial corporations (Sk 2.3 billion). In the long term, the annual rate of growth in foreign-currency loans to non-financial corporations shows a slowing tendency (to 9.4% in December). On the other hand, loans to households have shown increasing dynamics since the middle of the year, but the volume of loans granted to households in foreign currency is incomparable with the volume of loans provided to non-financial corporations (see chart No. 6).

In the long term, the share of euro loans in the total volume of foreign-currency loans is much higher than the share of loans in other foreign currencies. In 2006, the share of euro loans to non-financial corporations

was very stable, in the 93-94% range, while that of euro loans to households fluctuated within a wider range, then gradually increased from the middle of the year, to nearly 91% in December.

### Current Budgetary Developments

Budgetary performance during January resulted in a surplus. With budget revenues and expenditures totalling Sk 27.2 billion and Sk 24.2 billion respectively, the state budget closed the month with a surplus of Sk 2.9 billion.

### 3.2 External Trade

#### Balance of Payments for November 2006

In November 2006, the balance of payments on current account resulted in a deficit of Sk 9.0 billion. This represented a slight deterioration compared with the November deficit. The most significant change occurred in the trade balance, where the deficit increased as a result of lower exports. The increased current account deficit was also supported by a deterioration in the balance of services (caused mainly by increased payments for other freight transport). On the other hand, the increased current account deficit was partly offset by an improvement in the balance of income, from a deficit to a surplus in November, mainly as a result of lower dividend payments to foreign direct investors. The modest surplus (after a deficit last month) achieved in the balance of current transfers also dampened the month-on-month increase in the b.o.p. current account deficit. In comparison with the same period a year earlier, the current account deficit increased only slightly (by Sk 1.3 billion), when the increased trade deficit was in large part offset by an improvement in the balance of income.

#### Current account

	Nov. 2006	Nov. 2005	Jan. – Nov. 2006	Jan. – Nov. 2005
Balance of trade	-9.4	-3.9	-79.7	-49.7
Exports	121.1	100.8	1 137.1	911.3
Imports	130.5	104.7	1 216.8	961.0
Balance of services	-0.3	-0.4	14.5	9.7
Balance of income	0.5	-4.0	-55.8	-43.6
of which: Income from investment	-2.4	-6.3	-83.6	-69.4
of which: Reinvested earnings	-0.4	-3.9	-22.4	-32.9
Current transfers	0.2	0.6	-1.2	0.6
Current account in total	-9.0	-7.7	-122.2	-83.0

Source: NBS and the Statistical Office of the SR.



After being revised by the Statistical Office of the SR, foreign trade recorded a deficit of Sk 9.4 billion in November (the originally published deficit amounted to Sk 9.3 billion). Exports recorded a month-on-month decline in November, as well as a slowdown in year-on-year dynamics (to 19.9%). The decline in exports compared with the previous month was caused by lower exports in the 'machines and transport vehicles' category (passenger cars and television sets). This decline in exports was partly offset by increased exports of raw materials (an increase in natural gas exports). The exports of finished products and semi-finished goods had a neutral effect on the month-on-month change, with a value at approximately the level of the previous month. As exports, imports also recorded a month-on-month decline in November, as well as a slowdown in year-on-year dynamics (to 24.2%). The decline in imports mostly took place in 'machinery and transport equipment' and partly in 'semi-finished goods' (lower imports of components for the electrical and automotive industries). This decline was partly offset by a modest increase in the imports of finished products and raw materials.

**Table 12 Exports from January to November, Year-on-Year Changes**

	Year-on-year change in billions of Sk		Proportion of the year-on-year change in % points	
	January – November		January – November	
	2006	2005	2006	2005
Raw materials	12.5	13.4	1.4	1.7
Chemicals and semi-finished goods	55.8	35.2	6.1	4.5
Machinery and transport equipment	149.7	27.4	16.4	3.5
Finished products	7.5	9.0	0.8	1.1
Exports in total	225.5	85.0	24.7	10.8

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

**Table 13 Imports from January to November, Year-on-Year Changes**

	Year-on-year change in billions of Sk		Proportion of the year-on-year change in % points	
	January – November		January – November	
	2006	2005	2006	2005
Raw materials	48.1	27.2	5.0	3.3
Chemicals and semi-finished goods	48.7	19.7	5.1	2.4
Machinery and transport equipment	105.3	19.5	10.9	2.3
Finished products	53.0	31.6	5.5	3.8
of which: Agricultural and industrial goods	20.5	18.1	2.1	2.2
Passenger cars	5.3	1.1	0.6	0.1
Machines and electrical consumer goods	27.2	12.4	2.8	1.5
Imports in total	255.1	98.0	26.5	11.7

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

#### Capital and financial account

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

The November inflow of funds took place predominantly in portfolio and direct investments. The increased interest of non-residents in government securities and the lower interest in foreign equity securities, mainly in the corporate sector, were the main factors behind the growth in portfolio investment. Foreign direct investment inflows were mainly caused by an increase in import liabilities vis-à-vis parent companies and a decrease in the ownership interests of Slovak investors abroad. The equilibrium balance of other investments resulted from the fact that the outflow of funds from the banking sector (the outflow of non-resident deposits from accounts at Slovak banks exceeded the inflow of funds resulting from a decrease in deposits on accounts abroad and the increased provision of financial credits to foreign entities and their repayment) was offset by an inflow of funds in the corporate sector caused by an increased drawing of financial credits and an inflow of funds in connection with the financing of trade activities.

#### Foreign exchange reserves of the NBS

The foreign exchange reserves of the NBS increased month-on-month by Sk 1.4 billion, i.e. USD 0.1 billion (excluding exchange rate differentials).



	Nov. 2006	Nov. 2005	Jan. – Nov. 2006	Jan. – Nov. 2005
Capital account	-0.1	-0.2	-0.9	-0.4
Direct investment	4.2	7.0	104.0	50.9
SR abroad	1.6	0.5	-8.4	-4.2
of which: Equity capital abroad	2.0	-0.3	-7.1	-2.1
Reinvested earnings	-0.1	-0.1	-1.1	-1.1
In the SR	2.6	6.5	112.4	55.1
of which: Equity capital in the SR	0.7	3.3	50.9	17.3
of which: Other than privatisation	0.7	3.3	19.9	17.3
Reinvested earnings	0.5	4.0	23.5	34.0
Portfolio investment and financial derivatives	4.7	-0.8	52.4	-24.8
SR abroad	-1.4	-1.6	-8.1	-25.1
In the SR	6.1	0.8	60.5	0.3
Other long-term investment	6.6	2.3	23.2	-7.2
Assets	-0.5	-0.8	4.9	-7.4
Liabilities	7.1	3.1	18.3	0.2
Other short-term investment	-6.4	2.2	-171.0	120.0
Assets	19.1	0.4	-50.1	-14.3
Liabilities	-25.5	1.8	-120.9	134.3
Capital and financial account	9.0	10.5	7.7	138.5

Source: NBS.

### External Debt of Slovakia as at 30 November 2006

At the end of November 2006, Slovakia's total gross external debt stood at USD 31.5 billion (EUR 24.0 billion), representing a month-on-month increase of USD 1.1 billion (EUR 10.5 billion). Total long-term foreign debt grew in November by USD 1.2 billion, while total short-term foreign debt dropped by USD 0.1 billion.

### Gross external debt

Within the scope of short-term external debt, the foreign liabilities of commercial banks decreased by USD 0.6 billion in November (a drop of USD 0.8 billion was recorded in cash and deposits), while the foreign liabilities of entrepreneurial entities increased by USD 0.5 billion (of which the fall in trade credits accounted for USD 0.4 billion).

Within the scope of long-term external debt, the foreign liabilities of the SR Government and the NBS increased by USD 0.4 billion, mainly as a result of increased demand for Sk-denominated government bonds. In the period under review, the liabilities of entrepreneurial entities recorded an increase of

	In millions of USD			In millions of EUR		
	1.1.2006	31.10.2006	30.11.2006	1.1.2006	31.10.2006	30.11.2006
Total external debt of the SR	27,052.5	30,458.6	31,521.1	22,835.3	23,947.9	23,958.4
Long-term external debt	11,850.7	15,548.6	16,744.0	10,003.3	12,225.0	12,726.7
Government and NBS <sup>1)</sup>	5,578.3	7,278.2	7,696.4	4,708.7	5,722.5	5,849.9
Commercial banks	866.7	1,342.8	1,494.0	731.6	1,055.7	1,135.5
Entrepreneurial entities	5,405.7	6,927.6	7,553.6	4,563.0	5,446.8	5,741.3
Short-term external debt	15,201.8	14,910.0	14,771.1	12,832.0	11,722.9	11,231.7
Government and NBS	4.4	0.0	0.0	3.7	0.0	0.0
Commercial banks	9,360.4	6,036.8	5,415.1	7,901.2	4,746.4	4,115.9
Entrepreneurial entities	5,837.0	8,873.2	9,362.0	4,927.1	6,976.5	7,115.8
Foreign assets	25,455.3	26,358.5	26,868.6	21,487.2	20,724.4	20,422.1
Net external debt	1,597.2	4,100.1	4,652.5	1,348.1	3,223.5	3,536.3
SKK/USD and SKK/EUR rates	31.948	28.629	26.972	37.848	36.412	35.486
EUR/USD cross exchange rate	-	-	-	1.185	1.272	1.316

Source: NBS.

1) Including government agencies and municipalities.



USD 0.6 billion, which took place in loans. The foreign liabilities of commercial banks grew by USD 0.2 billion.

At the end of November, Slovakia's total per-capita gross foreign debt stood at USD 5,860. The share of short-term foreign debt in the country's total gross external debt decreased month-on-month by 2 percentage points, to 46.9% at the end of November 2006.

**Net external debt** The net external debt of Slovakia, expressed as the difference between gross foreign debt, i.e. USD 31.5 billion (liabilities of the NBS and the Government, commercial banks, and the corporate sector – except for capital participation), and foreign assets, i.e. USD 26.9 billion (foreign exchange reserves of the NBS, foreign assets of commercial banks and the corporate sector – except for capital participation), reached USD 4.6 billion (debtor position) at the end of November 2006.

### Current Developments

The trade deficit increased in comparison with the previous month, to Sk 12.4 billion in December. A slight deterioration in comparison with the previous month was also recorded in the current transfers and income balances. At the same time, an improvement in the balance of transport services, coupled with increased revenue from tourism within the balance of services, caused the current account deficit to decrease month-on-month by Sk 1.6 billion.

December saw a slowdown in the year-on-year dynamics of exports as well as imports, when exports grew by 18.0% and imports increased by 1.0%. The marked slowdown in the growth rate of imports was caused by the base effect from December 2005, when imports reached an unusually high level (mainly as a result of increased imports of raw materials and machines).

	December 2006	December 2005	Jan. – Dec. 2006	Jan. – Dec. 2005
Balance of trade	-12.4	-26.3	-92.1	-76.0
Exports	97.9	82.2	1,235.0	993.5
Imports	110.3	108.5	1,327.1	1,069.5
Balance of services	5.2	0.2	19.7	9.9
Balance of income	0.2	-17.7	-55.6	-61.3
of which: Income from investments	-2.8	-19.9	-86.4	-89.3
of which: Reinvested earnings	-1.4	-4.9	-23.8	-37.8
Current transfers	-0.4	-0.1	-1.6	0.5
Current account in total	-7.4	-43.9	-129.6	-126.9

Source: NBS and the Statistical Office of the SR.

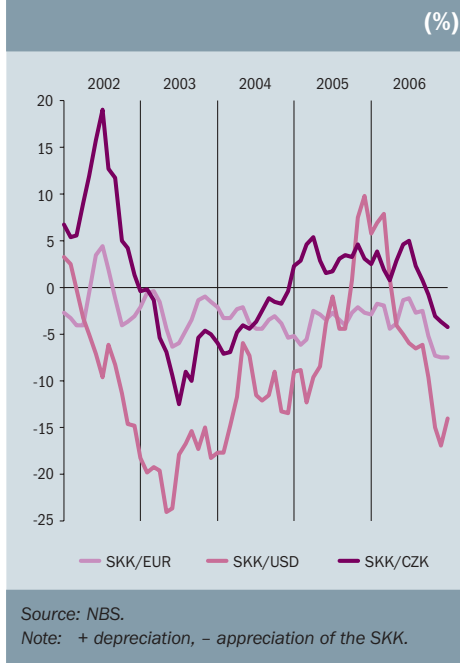
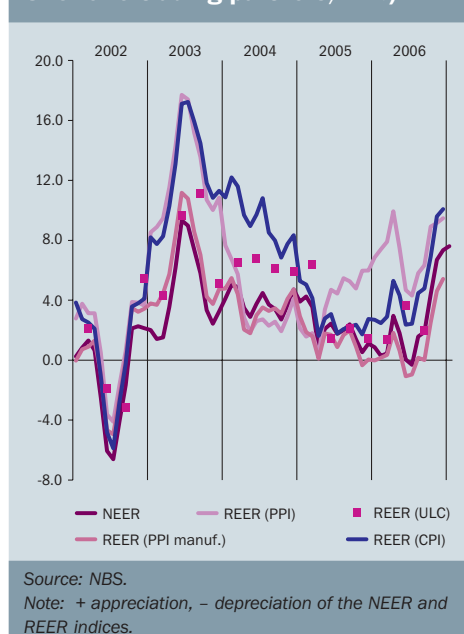
The trade deficit recorded in December exceeded the expectations of the NBS, mainly as a result of lower-than-expected exports.

In January, exports are expected to grow on a month-on-month basis. Owing to the lower-than-expected level of exports in December 2006, exports in January should record a steeper increase than in previous years. Unlike exports, imports are expected to decline somewhat on a month-on-month basis. This decline will probably result from the fact that the expected modest increase in the imports of semi-finished goods should be exceeded by a decrease in the imports of machines and goods for final consumption.

Since exports are usually lower at the beginning of the year, they are expected to increase gradually in both February and March. A marked increase is to be expected mainly in March, when exports should reach the level of the strongest months of 2006. Imports are also expected to grow in February and March. In addition to increased imports of semi-finished goods (as a result of growth in exports), the imports of machines and goods for final consumption are also expected to grow.

On the whole, both exports and imports are expected to grow steadily, while the trade balance should improve over the course of 2007.

**Total foreign exchange reserves of the NBS** At the end of January, the total foreign exchange reserves of the NBS stood at USD 14,004.7 million, representing a month-on-month increase of USD 640.9 million. The increase in foreign exchange reserves

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

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


in comparison with the end-2006 figure was caused by a surplus in the balance of receipts and expenses (USD 829.0 million, of which interbank foreign exchange market interventions accounted for USD 654.2 million), offset by negative exchange rate differences (USD -179.1 million), which resulted from a change in the USD/EUR cross-rate in the period under review. At the end of January, the volume of foreign exchange reserves was 3.4 times greater than the volume of monthly imports of goods and services to Slovakia in 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 in 2006.

In January, the appreciation of the Slovak koruna slowed in comparison with the previous month. The strongest month-on-month appreciation occurred in relation to the Swiss franc (by 2%), the euro and the Czech koruna (by 0.9% equally).

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

The year-on-year appreciation of the koruna slowed in comparison with the previous month, mainly in relation to the US dollar (from 17% to 14%), the euro (from 7.5% to 7.4%), and the British pound (from 6.6% to 4.3%). Despite this slowdown, the koruna maintained the fastest year-on-year rate of appreciation vis-à-vis the US dollar, followed by accelerating appreciation vis-à-vis the Swiss franc (from 10.3% to 11.1%). The rate of appreciation also accelerated in relation to the Czech koruna (from 3.7% to 4.3%).

In January, the value of the nominal effective exchange rate<sup>2</sup> (NEER) followed the upward trend from December, and appreciated on a year-on-year basis by 7.6%.

The strengthening of the Slovak koruna still contributes to the appreciation of the real effective exchange rate (REER). In December, the REER based on the consumer price index (CPI) appreciated by 10.1%, that based on the industrial producer price index (PPI) by 9.5%, and the rate based on the manufacturing products price index (PPI manuf.) by 5.4%.

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

<sup>2</sup> The methodology applied for calculating the nominal and effective exchange rates of the Slovak koruna (NEER and REER) is the same one used by the IMF. The REER is calculated on the basis of the consumer price index (CPI), the industrial producer price index (PPI), and/or the 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.



Table 17 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) <sup>(2)</sup>
December 2002	2.1	4.1	3.6	3.4	5.5
December 2003	3.2	11.3	10.8	4.7	5.1
December 2004	4.7	8.3	4.1	4.7	5.9
December 2005	1.1	2.7	6.0	0.0	1.5
September 2006 <sup>(1)</sup>	1.9 / 0.8	4.8 / 2.4	6.3 / 4.2	0.0 / 0.3	2.0 <sup>(2)</sup>
November 2006 <sup>(1)</sup>	6.7 / 4.7	9.6 / 7.1	9.2 / 7.2	4.6 / 2.9	-
December 2006 <sup>(1)</sup>	7.4	10.1	9.5	5.4	.
Január 2007 <sup>(1)</sup>	7.6 / 0.9	.	.	.	-

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

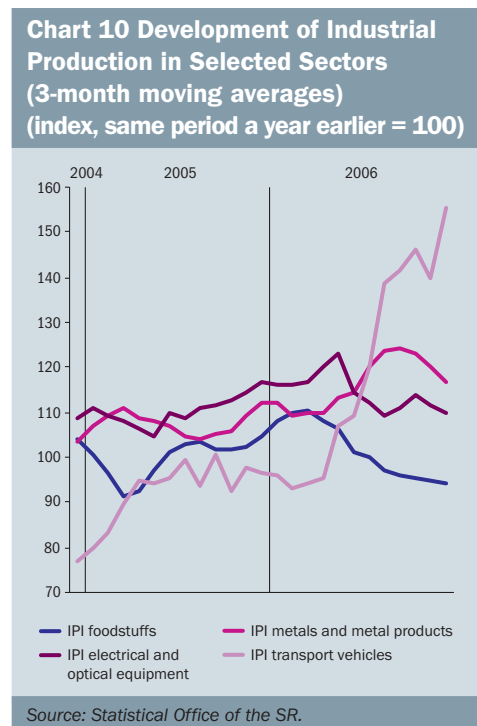
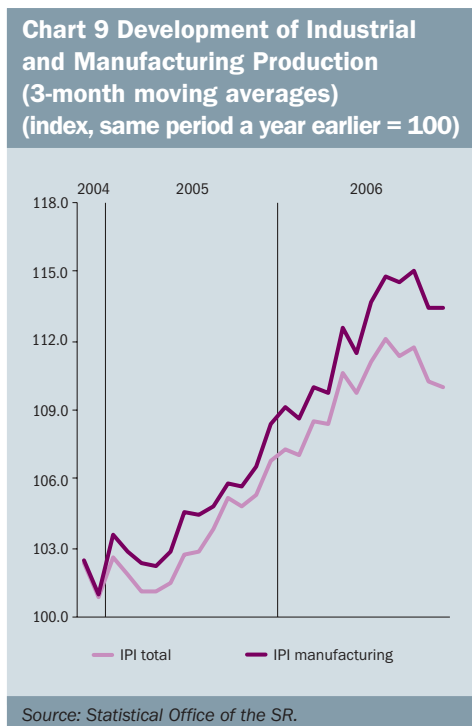
### 3.3 Real Economy

#### Current Developments

##### Production and Receipts

#### Slower growth in industrial production

In December 2006, the year-on-year growth rate of industrial production slowed slightly in comparison with November, mainly as a result of slower growth in manufacturing production. In electricity, gas, and water supply, the year-on-year decline in production continued, though at a slower rate.



Slower growth in production than in November 2006 was recorded in the key manufacturing industries (the production of metals and metal products, machinery and equipment, electrical and optical equipment). Despite the slowdown, all these sectors achieved two-digit rates of year-on-year growth. On the other hand, a marked acceleration in production was recorded in the production of transport vehicles, which grew year-on-year by 73%.

#### Accelerated growth in construction

The accelerated growth in construction was a result of faster growth in domestic production in new construction, reconstruction, and modernisation projects. The marked growth can be ascribed to the climatic conditions and the lower basis of comparison in construction from December 2005.



**Table 18 Production and Receipts**

	Sk millions, at c. p.		Indices			
	Dec. 2006	Cumul. since begin. of year	Dec. 2006 Dec. 2005	Nov. 2006 Nov. 2005	Dec. 2005 Dec. 2004	Jan. – Dec. 2006 Jan. – Dec. 2005
<b>Production</b>						
Industrial production index <sup>1)</sup>	-	-	108.9	109.8	109.6	109.9
of which:						
Mining and quarrying	-	-	90.3	101.7	99.0	90.4
Manufacturing	-	-	112.5	113.0	112.4	112.4
Electricity, gas, and water supply	-	-	92.7	90.7	98.4	97.6
Construction <sup>2)</sup>	13,699	145,975	117.6	111.7	100.5	114.8
of which:						
Construction in Slovakia	13,324	141,250	118.1	110.4	100.9	116.0
Construction abroad	375	4,725	99.9	150.5	90.0	87.8
<b>Receipts from own-output and goods</b>						
Industry in total <sup>3)</sup>	153,926	1,843,136	109.1	114.2	110.9	114.0
Construction <sup>2)</sup>	21,975	224,527	106.6	104.4	113.7	113.2
Retail trade <sup>3)</sup>	43,434	423,271	105.8	107.4	106.3	108.3
Sale and maintenance of vehicles, retail sale of fuels <sup>3)</sup>	17,102	189,697	115.8	121.1	99.1	113.9
Transport, storage <sup>3)</sup>	11,933	142,862	99.3	109.0	114.2	111.6
Real estate, renting, and business services <sup>3)</sup>	20,298	180,756	105.3	105.7	113.4	110.9

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).

**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 growth in retail sales receipts was mainly due to a slowdown in retail trade in foodstuffs, beverages, and tobacco in specialised and non-specialised shops, retail trade in pharmaceuticals and cosmetics, and retail trade outside shops. Faster growth than in November was recorded in other retail sales in non-specialised shops and other specialised retail trade.

The relatively slower growth in receipts from the sale and maintenance of motor vehicles and the retail sale of fuels in comparison with November 2006 was mainly a result of slower growth in receipts from the sale of motor vehicles, despite a slight acceleration in the rate of growth in receipts from the sale of fuels.

The somewhat slower year-on-year growth in receipts from services related to real estate, renting, and other business services in December 2006 (compared with November) was mainly a result of a year-on-year decline in receipts from computer and related activities.

### Wages, Employment, and Unemployment

In December, the year-on-year rate of nominal wage growth accelerated in comparison with November most significantly in wholesale trade, post and telecommunications, and real estate services.

### Slower growth in receipts in most service sectors

### Nominal wages

On the other hand, slower wage growth was recorded in transport and storage, construction, and retail trade. In industry, nominal wages grew at the same rate as in the previous month.



Over the twelve 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.

**Real wages** December saw slower year-on-year growth in real wages compared with the previous month in transport, storage, and construction. In other sectors, real wages grew at a faster rate in December, compared with November.

The average rate of real wage growth over the twelve 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 a result of higher year-on-year inflation, coupled with weaker nominal wage dynamics compared with the same period a year earlier. Accelerating year-on-year growth was recorded in real wages in the sale and maintenance of vehicles and retail trade.

**Table 19 Wage Developments in Selected Sectors**  
(index, same period a year earlier = 100)

	Average monthly nominal wage			Average monthly real wage		
	Dec.	Jan. – Dec.		Dec.	Jan. – Dec.	
	2006	2005	2006	2006	2005	2006
Industry	104.8	107.2	105.8	100.6	104.4	101.2
of which: Manufacturing	104.7	107.5	105.7	100.5	104.7	101.1
Construction	102.0	106.0	105.0	97.9	103.2	100.5
Retail trade	114.2	107.8	110.7	109.6	105.0	105.9
Wholesale trade	106.3	111.4	106.4	102.0	108.5	101.8
Sale and maintenance of vehicles	112.8	101.3	109.9	108.3	98.6	105.2
Real estate, renting, and other business services	113.2	112.0	109.5	108.6	109.1	104.8
Transport	105.9	107.3	107.1	101.6	104.5	102.5
Post and telecom.	110.8	107.1	106.5	106.3	103.3	101.9
Consumer prices	104.2	102.7	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.

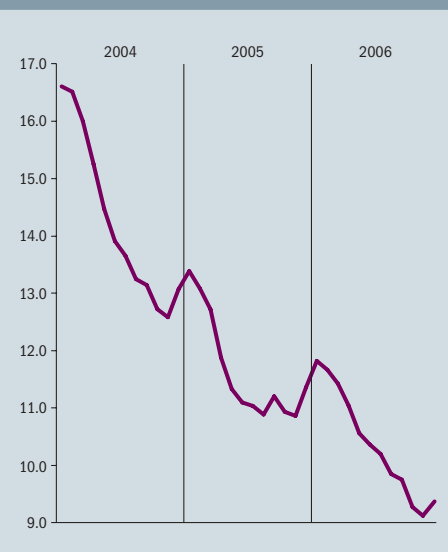
**Employment** Employment continued to grow year-on-year in December, in most of the sectors under review. Compared with the previous month, employment grew more dynamically in the real estate business, construction, and wholesale trade. Slower wage growth was recorded in hotels and restaurants, retail trade, transport, and the sale and maintenance of vehicles. Employment continued to fall in industry, post and telecommunications.

Compared with December 2005, employment grew at a faster rate in wholesale trade, construction, transport and storage. The other sectors recorded a slowdown in the rate of employment growth, while employment in industry followed the opposite trend, characterised by a shift from employment growth last year to decline this year. Over the twelve months of the year, employment grew most dynamically in average terms in construction, wholesale trade, hotels and restaurants, the sale and maintenance of vehicles, and retail trade.

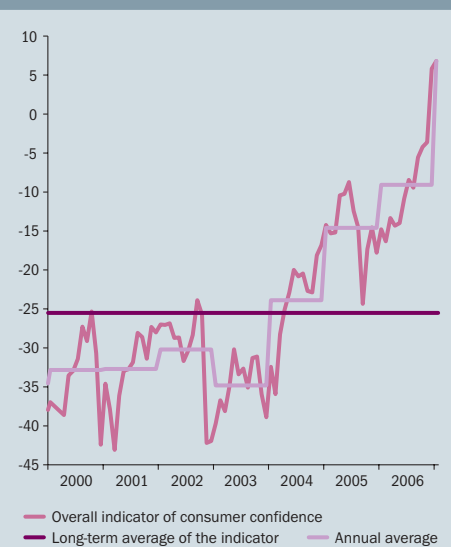
**Unemployment** December saw an increase in unemployment in comparison with November. According to data from the Centre for Labour, Social, and Family Matters, the total number of unemployed increased month-on-month by 4,600, to 273,400 in December. The number of disposable unemployed, who may start working immediately, accounted for 240,600, which was almost 7,200 more than in November. The rate of registered unemployment stood at 9.4% in December, representing a month-on-month rise of 0.3 of a percentage point. Compared with December 2005, the unemployment rate dropped by 2 percentage points.

In December, the average length of registration remained unchanged, at 10.8 months (representing a decrease of 1.1 months compared with December 2005). Compared with November, the share of long-term unemployed (out of work for more than 12 months) decreased by 1 percentage point, to 53% in December (compared with 51.2% in December 2005).



**Chart 12 Registered Unemployment Rate (%)**

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

**Chart 13 Consumer Confidence Indicator**

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

### Consumer Confidence Indicator

In January, the consumer confidence indicator further improved in comparison with the previous month, to 6.8 points (1.0 point more than in December), representing a new historical high. Compared with December, improvements were recorded in the indicators of expected economic development and expected unemployment in the SR, as well as in the expected savings of households. At the same time, a slight deterioration was recorded in the indicator of households' expected financial situation. Compared with the same period last year, the consumer confidence indicator has improved by 21.6 points.

**Further improvement in consumer confidence**



## 4 Monetary Developments

### 4.1 Foreign Exchange Market

#### Operations on the foreign exchange market

Over the course of January, the exchange rate of the Slovak koruna against the euro weakened by 2% (from SKK/EUR 34.573 to SKK/EUR 35.279), while the average rate appreciated by 0.9%. The Slovak koruna deviated from its central rate (SKK/EUR 38.4550) most significantly on 4 January 2007, when its exchange rate was fixed at SKK/EUR 34.321, representing an appreciation of 10.75% from central parity. In relation to the US dollar, the koruna weakened by 3.6% (from SKK/USD 26.246 to SKK/USD 27.195), while depreciating in average terms by 0.7%.

Spot transactions between foreign and domestic banks resulted in a positive balance (USD 697.79 million), i.e. foreign banks purchased mostly foreign currency and sold Slovak koruna.

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

**Table 20 Changes in the SKK/EUR and SKK/USD Exchange Rates**

	Month-on-month change	Ø Jan. 2007 Ø Jan. 2006
SKK/EUR	2.0	-7.4
SKK/USD	3.6	-14.0

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

#### Interbank foreign exchange market

The volume of trading on the interbank foreign exchange market totalled USD 80,709.1 million, representing an increase of 26.3% compared with the figure for December (USD 63,880.3 million). Of the total trading volume, 83.7% took place in swap transactions, which were conducted mostly in USD (96.7%). Spot transactions accounted for 15.8% of the total turnover (97.6% of the deals were in EUR). The average daily turnover on the spot market reached USD 603.89 million and the average volume per transaction amounted to USD 2.35 million.

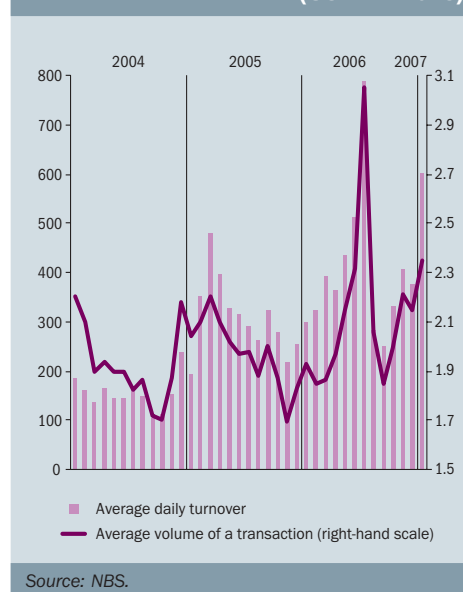
The total volume of transactions between domestic commercial banks decreased, from USD 9,159.7 million in December to USD 8,907.7 million in January. Most trading took place in USD (68.5%, compared with 69.9% in December), followed by EUR (31.1%, compared with 29.5% in December) and other currencies (0.4% of the total turnover between domestic commercial banks).

Transactions between domestic banks accounted for 11.8% of the total volume traded on the interbank foreign exchange market (compared with 14.3% in the previous month). Of the total volume of transactions between domestic banks, swap operations accounted for 73.8% (84.2% in December) and spot transactions 26.2% (15.8% in December).

The volume of trading between domestic and foreign banks increased by 30%, from USD 54,720.6 million to USD 71,156.8 million. The largest amount was again traded in USD (82.8%, compared with 85.5% in December), followed by EUR (17%, compared with 14% in December), and other currencies (0.2%). Trading between domestic and foreign banks still dominated the country's foreign exchange market (with a share of 88.2%).

Trading between domestic and foreign banks also took place predominantly in the form of swap operations (84.9%, compared with 88.5% in December), while spot transactions accounted for 14.5% (10.5% in December). The share of forward dealings on the foreign exchange market was negligible. Option contracts accounted for 0.3% of the volume traded with foreign banks.

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



At the end of December, the Slovak-koruna deposits of non-resident banks amounted to Sk 53.7 billion, representing a decline of Sk 17.5 billion month-on-month and Sk 24.4 billion year-on-year.

Compared with December, the government securities holdings of non-residents decreased by Sk 23.0 billion in January. This was mainly due to the repayment of 2 government-bond issues (3-year and 5-year issue nos. 200 and 166, in a total amount of Sk 47.0 billion, of which non-residents accounted for Sk 15.8 billion) and a decrease in 10-year government bonds (issue nos. 144 and 188, maturing in 2011 and 2013, in a total amount of Sk 11.5 billion). This decrease was partly offset by investments by non-residents in new 7-year and 15-year government bonds (issue nos. 205/I and 204/R, in a total amount of Sk 4.7 billion). The share of non-residents in the total amount of issued government bonds decreased in January (from 24.7% in December), and fluctuated between 18.8% and 20.7%. The Agency for Debt and Liquidity Management (ARDAL) held no Treasury-bill auctions in January, and no Treasury bills were possessed by non-residents.

**Table 21 Koruna Assets/Liabilities and Government Securities Held by Non-Residents (Sk billions)**

	2005 31.12.	2006					
		31.7.	31.8.	30.9.	31.10.	30.11.	31.12.
Koruna assets, banks	7.9	12.8	14.0	12.7	14.9	10.6	.
Koruna liabilities	85.0	60.1	87.8	84.1	76.2	78.7	.
of which: banks	78.1	52.6	80.3	75.7	68.3	71.2	.
non-bank clients	6.9	7.5	7.4	8.5	7.9	7.5	.
Government securities	84.0	79.7	90.3	91.0	86.5	89.1	86.4
of which: government bonds	83.9	79.7	90.3	91.0	86.5	89.1	86.4
SR Treasury bills	0.1	0.0	0.0	0.0	0.0	0.0	0.0
Total	169.0	139.8	178.1	175.1	162.8	167.8	.

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

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

Up to now, two central banks have approved their key rates for February: the ECB and the BoE (on February 8). Thus, the current interest rate differentials between the NBS and selected central banks have remained unchanged in comparison with the previous month: i.e. positive vis-à-vis the key rates of the NBP, ECB, and CNB (+0.75 /+1.25/+2.25 percentage points) and negative in relation to the BoE, Fed, and MNB (-0.50 /-0.50 /-3.25 percentage points).

**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

Trading on the interbank money market in January 2007 was influenced by the continuing appreciation of the Slovak koruna and the effort of the National Bank of Slovakia to dampen this tendency through monetary policy operations in the Slovak koruna. With the exception of the last sterilisation repo tender, the Bank Board of the NBS restricted bidding at all four tenders in order to stop the appreciation of the domestic currency. At the same time, the Bank cancelled a projected auction in three-month Treasury bills in which the banking sector had shown increased interest. The resulting surplus pushed the price of free funds downwards and thus reduced the attractiveness of investment in the Slovak koruna. This development gave rise to growing expectations in the banking sector of a

### Interbank market rates



possible change in the key NBS rates at the last January meeting of the Bank Board. These expectations were also reflected in the level of money market rates.

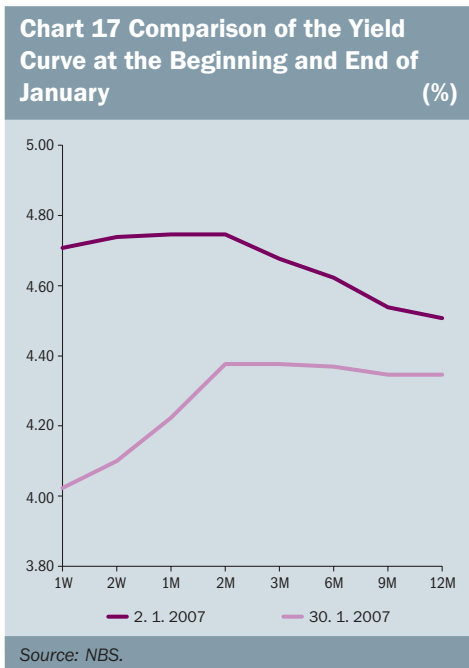
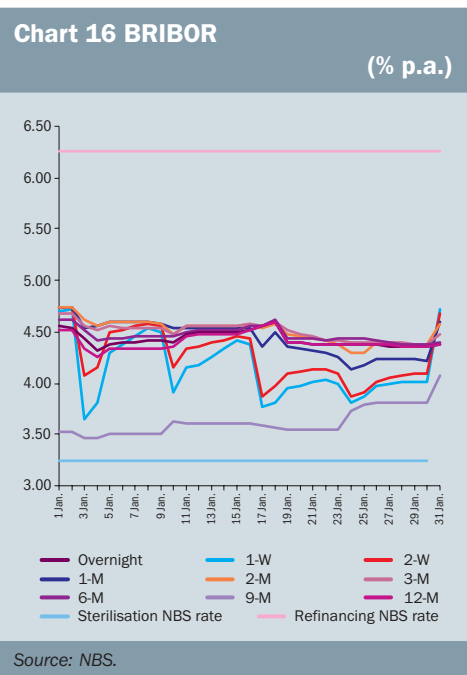
The most sensitive reaction came from rates whose maturities correlate with the maturity of the tender. Interest rates on seven-day and fourteen-day deposits dropped in comparison with the beginning of the month, to the four-percent level. A similar reaction was shown by one-month rates. Rates with other maturities also dropped slightly, causing an overall fall in the yield curve. Its inverse shape moderated, but remained basically preserved. The expected key interest rate reduction was also reflected in derivatives. Thus, the fluctuations in interest levels, deposits, and derivatives indicated a change of 25 to 75 basis points in the key rates.

In the second half of the month, the situation on the money market, as well as the expectations, changed after the appreciating trend in the Slovak koruna had come to a halt. The NBS also contributed to this by moderating the pressure exerted through standard sterilisation tenders. The increase in the volume accepted and the change in the situation on the foreign exchange market moderated the expectations regarding a fall on the part of the banking sector.

**Liquidity**

The multiple reductions in the amounts accepted at tenders and the non-renewal of a due NBS-bill auction, caused a marked increase in the surplus of free funds in the sector. Banks utilised these free two-week and three-month funds as overnights deposits with the NBS. Such deposits were made throughout the month and their actual volume varied depending on the amount accepted at tenders. In the middle of the month, the value of overnight deposits exceeded Sk 50 billion. Subsequently, after the amount accepted at tenders had been slightly increased, the volume of deposits decreased. This fact markedly affected the overall structure of monetary-policy operations. Compared with the previous month, the share of the main instrument, i.e. standard tenders, decreased to 78.8%. On the other hand, the share of overnight deposits reached its highest level since March 2005 (8.6%).

In addition to a preference for overnight deposits with the NBS, the liquidity surplus led to a fall in overnight rates on the market and the widening of the spreads between their buying and selling values.





Some of the banks also used this method for quoting seven-day and fourteen-day deposits with the aim of restricting the room for speculative transactions on the part of other banks.

The non-acceptance in full of bids at standard tenders forced banks to increase their activities on the interbank market. This led to an increase in the overall money market turnover. A marked increase occurred in swap contracts, which are mostly preferred by foreign investors. However, the largest increase in turnover took place in the derivatives market, i.e. forward rate agreements (FRAs) and interest rate swaps (IRSs), which were traded intensely owing to the expected changes in the key rates.

#### Developments in trading volumes

	Deposits	Repos	Swaps	FRAs	IRSs
December 2006	611,257	42,001	823,597	19,100	6,993
January 2007	672,019	19,799	1,017,281	42,000	34,139

Source: NBS.

Date	Type of tender <sup>1)</sup>	Maturity (days)	Volume accepted (Sk millions)	Rates (%)		
				minimum	average	maximum
3.1.2007	SRT	14	133,200	4.70	4.75	4.75
10.1.2007	SRT	14	80,000	4.45	4.68	4.70
17.1.2007	SRT	14	150,000	4.09	4.37	4.49
24.1.2007	SRT	14	100,000	3.84	3.97	4.00
31.1.2007	SRT	14	168,585	3.64	3.94	4.24

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

For January 2007, the amount of required minimum reserves in the banking sector was set at Sk 21.62 billion. By the end of the month, the reserve requirement had actually been fulfilled to 100.18%.

#### Reserve requirements

### 4.3 Customer Interest Rates in December 2006

The average interest rate on new loans to non-financial corporations slightly increased over the course December. The opposite trend was recorded in rates for new loans to households. Interest rates on new deposits remained unchanged, for both households and non-financial corporations.

#### Customer interest rates

The average interest rate on new loans to non-financial corporations rose slightly in December. This was mostly due to an increase in the price of loans with a floating rate and an initial rate fixation (IRF)

#### Average interest rates on new loans

	Interest rate in %			Change in December in % points	
	Dec. 2005	Nov. 2006	Dec. 2006	year-on-year	month-on-month
Floating rate + IRF <sup>1)</sup> of up to and including 1 year	4.79	6.25	6.35	1.56	0.10
IRF of over 1 and up to 5 years inclusive	4.46	6.73	6.46	2.00	-0.27
IRF of over 5 and up to 10 years inclusive	6.12	6.51	6.66	0.54	0.15
IRF of over 10 years	4.20	7.94	5.83	1.63	-2.11
Loans of up to EUR 1 million	5.20	6.31	6.40	1.20	0.09
Loans of over EUR 1 million	4.28	5.29	5.79	1.51	0.50
Total	4.81	6.26	6.35	1.54	0.09
Total, excl. current account overdrafts and credit cards	4.53	5.52	5.90	1.37	0.38

Source: NBS.  
1) Initial rate fixation.



of up to 1 year, due to their large share in the total volume of loans. Interest levels also rose for loans with an IRF of over 5 and up to 10 years. On the other hand, marked drops occurred in interest rates on loans with an IRF of over 10 years and loans with an IRF of over 1 and up to 5 years.

Regarding the structure of loans by purpose, interest rates dropped most significantly on investment loans (by 0.40 of a percentage point) and other loans (by 0.25 of a point). On the other hand, lending rates increased for operating loans (by 0.24 of a percentage point) and house purchase loans (by 0.17 of a point). Rates for current account overdrafts and credit cards were stagnant.

November and December saw marked increases in the volumes of new operating loans, investment loans, and house purchase loans. Such loans were provided during the year in an average amount of Sk 8 billion per month, and their total volume reached Sk 22 billion in December. This is probably connected with the new investment operations of entrepreneurial entities.

The average interest rate on loans to households fell slightly in December, when the rates dropped for current account overdrafts, credit cards, and consumer loans. The most significant drops took place in rates for consumer loans, mainly in the rate for non-specific consumer loans. The opposite trend was recorded in the prices of house purchase loans and other loans. After stagnating last month, interest rates on house purchase loans again increased slightly, mainly as a result of a rise in rates for mortgage loans and other real estate loans. On the other hand, lending rates fell somewhat for home savings bank loans.

**Table 25 Average Interest Rates on New Loans to Households**

	Interest rate in %			Change in December in % points	
	Dec. 2005	Nov. 2006	Dec. 2006	year-on-year	month-on-month
Current account overdrafts (including credit cards)	10.93	14.26	14.12	3.19	-0.14
Consumer loans	11.89	13.95	13.65	1.76	-0.30
House purchase loans	5.32	6.69	6.76	1.44	0.07
of which: mortgage loans	4.91	6.34	6.43	1.52	0.09
Other loans	10.38	7.38	7.46	-2.92	0.08
Total	9.73	12.82	12.58	2.85	-0.24
Total, excl. current account overdrafts and credit cards	7.38	8.90	8.39	1.02	-0.51

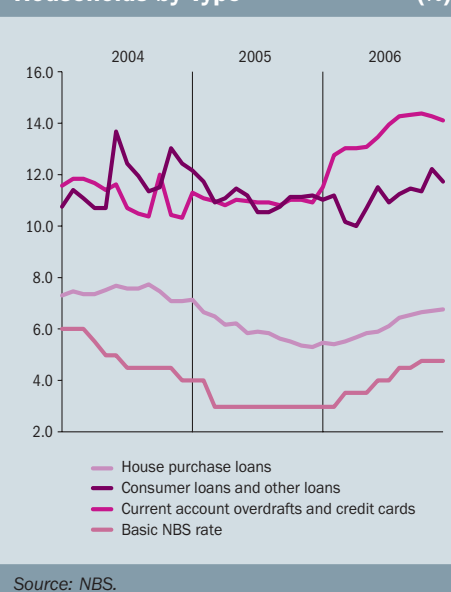
Source: NBS.

Looking at the breakdown of loans by interest rate fixation, marked drops occurred in the prices of loans with a floating rate and an IRF of up to 1 year and loans with an IRF of over 1 and up to 5 years. A modest increase was recorded in the price of loans with an IRF of over 10 years.

#### Average interest rates on new deposits

Average interest rates on new deposits from non-financial corporations were stagnant in December. The rate for the most popular type of deposits (demand deposits), accounting for 56% of the new deposits, remained at the level of the previous month. Interest rates on short-term tied deposits (deposits with agreed maturities of up to 7 days and 1 month) increased only slightly. This increase had no marked effect on the average price of deposits with an agreed maturity of up to 1 year. Longer-term deposit rates showed conflicting tendencies: the rate for deposits with an agreed maturity of over 1 year and up to 2 years dropped, while the rate for deposits with an agreed maturity of over 2 years increased. However, with regard to the negligible volumes of these deposits, the changes in their prices (as in the case of deposits at notice) have virtually no impact on the average deposit rate.

**Chart 19 Interest Rates on Loans to Households by Type (%)**



Source: NBS.

**Table 26 Average Interest Rates on New Deposits from Non-Financial Corporations**

	Interest rate in %			Change in December in % points	
	Dec. 2005	Nov. 2006	Dec. 2006	year-on-year	month-on-month
Deposits repayable on demand	0.64	1.30	1.30	0.65	0.00
Deposits with an agreed maturity					
– of up to 1 year	2.55	4.34	4.39	1.84	0.05
– of over 1 and up to 2 years	-	4.38	3.06	-	-1.32
– of over 2 years	0.66	2.42	2.62	1.96	0.20
Deposits redeemable at notice					
– up to 3 months	1.44	2.23	2.14	0.70	-0.09
– over 3 months	1.12	2.83	1.20	0.08	-1.63
<b>Total</b>	<b>1.40</b>	<b>2.69</b>	<b>2.70</b>	<b>1.29</b>	<b>0.01</b>

Source: NBS.

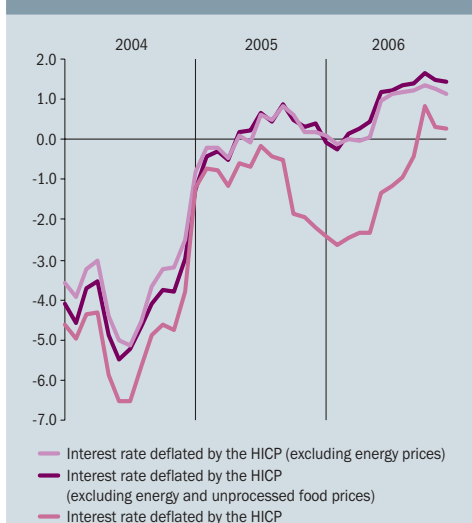
Note: Total deposits also include repo operations and other non-marketable securities.

**Table 27 Average Interest Rates on New Deposits from Households**

	Interest rate in %			Change in December in % points	
	Dec. 2005	Nov. 2006	Dec. 2006	year-on-year	month-on-month
Deposits repayable on demand	0.41	0.50	0.50	0.09	0.00
Deposits with an agreed maturity					
– of up to 1 year	1.90	3.83	3.92	2.02	0.09
– of over 1 and up to 2 years	-	3.99	3.98	-	-0.01
– of over 2 years	1.79	3.74	3.61	1.82	-0.13
Deposits redeemable at notice					
– up to 3 months	0.96	1.54	1.54	0.58	0.00
– over 3 months	1.10	1.93	1.97	0.87	0.04
<b>Total</b>	<b>0.71</b>	<b>1.13</b>	<b>1.18</b>	<b>0.47</b>	<b>0.05</b>

Source: NBS.

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

**Chart 20 Real Interest Rates on Household Deposits (%)**


Source: NBS and the Statistical Office of the SR.

The last two months of 2006 saw a marked increase in the volume of new deposits from non-financial corporations. During this period, these deposits increased by approximately Sk 34 billion. Similar developments were also recorded in previous years, though in smaller amounts.

The average interest rate on household deposits was stagnant in December. A modest increase recorded in deposits with agreed maturity was connected with a rise in interest rates on the shortest-term deposits in this category (up to 7 days). On the other hand, long-term deposits recorded a slight fall, owing to a drop in interest rates on non-marketable securities maturing in over 2 years.

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 December (0.27%), which represented a fall of 0.03 of a percentage point in comparison with the previous month.

**Real interest rates**





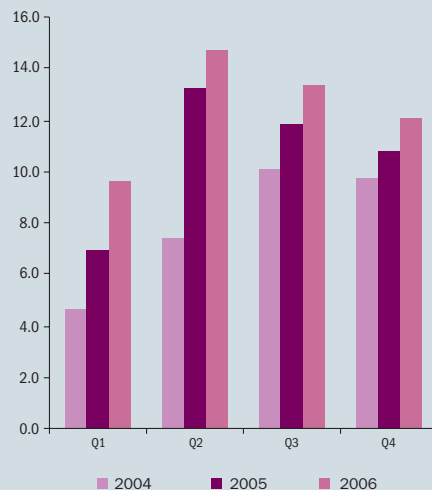
## Box 1

## Loans to Households for House Purchases and Their Prices

In 2006, the banking sector provided loans to households for house purchases in a total amount of almost Sk 50 billion, which was approximately Sk 7 billion more than in 2005. House purchase loans accounted for almost 17.5% of the total volume of loans provided (excluding current account overdrafts and credit cards, which are reported as quantity indicators, house purchase loans accounted for approximately 43% of the total loans), while this share decreased in comparison with 2005 by 4 percentage points. An analysis of the quarterly volumes of provided loans confirms that there was a strong demand for house purchase loans in the second quarter in particular, which gradually slowed in the following quarters. This is probably connected with the seasonal nature of construction and the housing market, and with the gradual increase in loan prices.

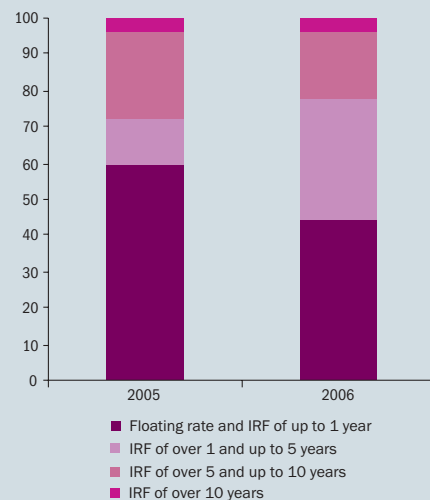
Lending for house purchases in the period under review was dominated by loans with a floating rate and an initial rate fixation (IRF) of up to 1 year (43.8%) and loans with an IRF of over 1 year and up to 5 years (34.5%). Loans with an IRF of over 5 and up to 10 years accounted for 18.1% and loans with an IRF of over 10 years for 3.6%. In comparison with 2005, the most significant change occurred in loans with an IRF of over 1 and up to 5 years, whose proportion markedly increased (by approximately 22 percentage points). During 2006, the NBS increased its key interest rates by 1.75 percentage points in cumulative terms, which was connected with the rise in the price of house purchase loans. As a result, households began to increasingly use the possibility of interest rate fixation for a period of over 1 year. The breakdown of loans by interest rate fixation shows that most mortgage loans are still provided with a floating rate and an IRF of up to 1 year (approximately 62%). Other loans for house purchases are dominated by loans with an IRF of over 1 and up to 5 years (46%). Home savings bank loans are available at rates fixed for a longer period, which stems from the character of home savings.

**Chart A Loans to Households for House Purchases in the Individual Quarters**  
(Sk billions)



Source: NBS.

**Chart B Breakdown of Loans by Interest Rate Fixation**  
(%)



Source: NBS.

In 2006, the structure of loans by type was dominated by other loans for house purchases with a share of approximately 41% (an increase of 11 percentage points compared with 2005), followed by mortgage loans with a share of almost 34% (a decrease of 11 points) and home savings bank loans (with a virtually unchanged share, at the level of 25%).

The relatively large volume of loans provided to households for house purchases led to growth in the volume of house purchase loans. From end-December 2005 to end-December 2006, the



volume of household loans increased by Sk 38 billion (2005 saw an increase of Sk 31 billion). This development was mostly affected by the growth of other loans for house purchases (by Sk 18 billion) and mortgage loans (by Sk 14 billion). Loans from home savings banks grew in volume by approximately Sk 6 billion. The year-on-year growth rate of house purchase loans reached the highest figure in the first half of the year (approximately 41%), which was followed by a slowdown in the next period, to 34% in December 2006.

**Chart C Developments in House Purchase Loans in Slovak Koruna by Type (Sk billions)**



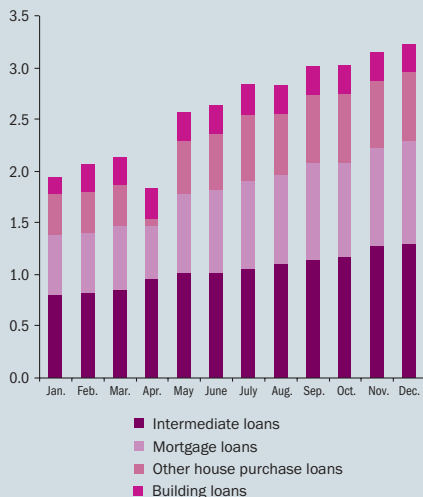
Source: NBS.

**Chart D Absolute Year-on-Year Changes in Loans to Households (Sk billions)**



Source: NBS.

**Chart E Non-Performing House Purchase Loans in the Household Sector (Sk billions)**



Source: NBS.

The increased provision of loans to households for house purchases and the growing indebtedness of households were also reflected in the increasing volume of non-performing<sup>1</sup> house purchase loans. Within the structure of loans by type, the most significant increases took place in non-performing intermediate loans, followed by mortgage loans, and other house purchase loans. At the end of 2006, the share of bad loans reached approximately 2.0% of the total volume of house purchase loans, which represents an increase of 0.4 of a percentage point<sup>2</sup> in comparison with January 2006.

The rate of growth in house purchase loans accelerated somewhat over the first few months of 2006, which was followed by a moderate slowdown in the second half of the year. In addition to seasonal factors, this development was probably influenced by the level of interest rates, which followed an upward trend throughout 2006. In the first half of the year, however, interest levels rose only slowly and still

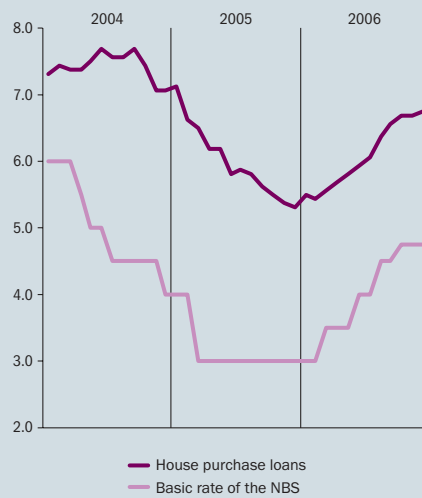
1 Non-performing loans are defined in the NBS Decree No. 7/2005 on the classification of assets and liabilities of banks and branches of foreign banks as receivables where a more than 50% depreciation is identified by the bank or where repayment by the debtor is more than 90 days overdue.

2 Comparison with the previous year is not possible, owing to a change in the methodology applied for the classification and reporting of bad loans.



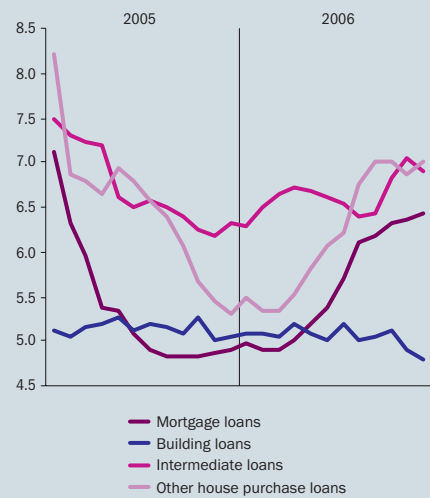
had a stimulating effect. In the following period, the changes in the key NBS rates had a more intense effect, which probably also contributed to the fall in demand for loan products for house purchases. In December 2006, the price of house purchase loans reached 6.8%, which represented a year-on-year increase of 1.4 percentage points. Within the scope of house purchase loans, interest rates increased markedly on other loans for house purchases (by 1.7 percentage points) and mortgage loans (by 1.5 points). The rate for intermediate loans also increased (by 0.6 of a percentage point), while that for building loans recorded a modest fall (0.2 of a point).

**Chart F Interest Rates on House Purchase Loans and the Basic NBS Rate (%)**



Source: NBS.

**Chart G Interest Rates on House Purchase Loans by Type (%)**



Source: NBS.

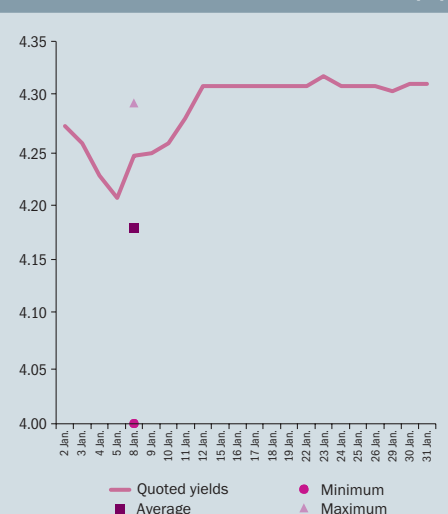
## Annexes

### 1 Capital Market

#### 1.1 Primary Market

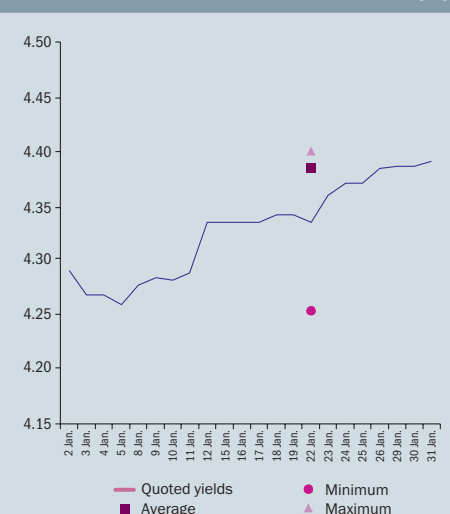
The Agency for Debt and Liquidity Management (ARDAL) held in January 2007 two auctions in government securities (with residual maturities of 5 and 12 years). At these auctions, government bonds were placed on the primary market in the amount of Sk 16.8 billion, representing 79.0% of the total demand (Sk 21.3 billion). Increased bids were made by investors at the first auction (Sk 14.8 billion), where bonds were offered with shorter maturities and there was an inflow of funds from two maturing issues in the amount of Sk 47.0 billion.

**Chart 21 Government Bond No. 205 Auction Results Compared with the Values of 5-year Benchmark Yields (%)**



Source: ARDAL, Reuters.  
Note: Maturity 5 years.

**Chart 22 Government Bond No. 204 Auction Results Compared with the Values of Quoted Yields (%)**



Source: ARDAL, Reuters.  
Note: Maturity 12 years.

**Chart 23 Shift in the Benchmark Government Bond Yield Curve (%)**



Source: Reuters, NBS.

#### 1.2 Secondary Market

The total volume traded on the Bratislava Stock Exchange (BCPB) reached Sk 78.0 billion in January (in 852 transactions), representing a month-on-month decline of 27.0%. Price-setting transactions accounted for Sk 0.8 billion and direct transactions Sk 77.2 billion.

Non-resident investors accounted for 47.16% of the total volume traded in January, of which 40.03% were composed of purchases and 52.28% of sales.

##### Bonds

The yield curve changed in shape in January, from being inverse to being more levelled-out. While shorter maturities dropped as a result of developments on the domestic money and foreign exchange markets, the longer end of the yield curve followed the trend in euro-area bond yields and rose by 17 basis points.

There were 246 stock exchange transactions in bonds totalling Sk 78.0 billion during the month (i.e. 99.9% of the total volume traded on the BCPB floor in January).



## SDXGroup indices

Table 28 Values of SDXGroup Indices at the End of January 2007

Sector	SDXGroup indices		Yield to maturity (in %)	Duration (in years)
	Price	Performance		
Public	103.9	118.9	4.242	5.106
SDXG sub-index (<=5)	102.0	115.8	4.125	2.178
SDXG sub-index (>5)	105.9	122.3	4.265	6.943
Private (corporate + mortgage bonds)	99.1	118.2	4.793	3.373
SDXG sub-index (<=5)	98.3	118.3	5.130	1.512
SDXG sub-index (>5)	103.1	118.0	4.695	5.259

Source: BCPB.

The market capitalisation of bonds as at the last trading day of January amounted to Sk 398.5 billion, representing a month-on-month decrease of 7.1%. The capitalisation of quoted bonds had increased since the end of December by 7.5%, to Sk 378.2 billion.

**Shares**

Equity securities were traded in January in 606 transactions, totalling Sk 50.2 million. Price-setting transactions accounted for Sk 31.7 million (in 551 contracts) and direct transactions Sk 18.5 million (in 55 contracts).

By the last trading day of January, the market capitalisation of equity securities had fallen month-on-month by 0.2%, to Sk 152.8 billion. The actual amount of issues that had a market price at least once in the past, except for investment fund shares and participating certificates, was Sk 145.7 billion (the same amount as last month) and accounted for 95.4% of the total equity market capitalisation. The market capitalisation of quoted issues had decreased since the end of December by 1.3%, to Sk 84.4 billion.

The BCPB accepted no new share issues for trading on the quoted and/or open markets during the month under review. Trading was ended in two share issues, having a total nominal value of Sk 2.0 billion.

Seven compulsory takeover bids expired during January, for SLK Rajecké Teplice, Bučina 2, V-TRADING, Transport and Mechanisation, Vural, Projektink Humenné, and Ingeo Žilina. No new takeover bids were announced during that period.

**SAX Index**

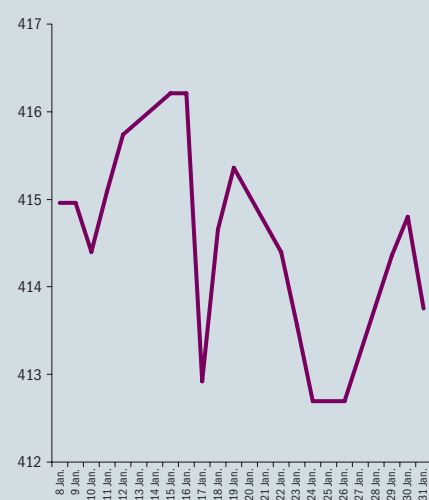
The SAX index closed the month at 413.75 points, representing a fall of 0.5% month-on-month and 0.4% year-on-year. The index reached a monthly maximum on 15 January (416.21 points) and a monthly minimum on 24 January (412.69 points).

Chart 24 Bond Transactions on the BCPB (Sk billions)



Source: Bratislava Stock Exchange (BCPB).

Chart 25 Developments in the SAX Index, January 2007 (point)



Source: BCPB.



Table 29 Weights of Basic SAX Index Components (end-of-month figures, in %)

Spoločnosť	Weights in %						Change in January 2007	
	Aug.	Sep.	2006 Oct.	Nov.	Dec.	2007 Jan.	p. b. MoM	YoY
Biotika. a. s.	2.67	3.04	3.22	3.62	4.18	4.18	0.00	1.59
OTP Banka Slovensko. a. s.	26.90	26.76	25.50	25.16	24.93	25.04	0.11	-2.00
SES Tlmače. a. s.	7.92	8.04	7.85	7.79	8.14	8.80	0.66	1.06
Slovnaft. a. s.	32.11	31.50	31.82	32.38	32.00	31.40	-0.60	1.88
Všeobecná úverová banka. a. s.	30.40	30.65	31.61	31.05	30.76	30.58	-0.18	-2.52

Source: BCPB.



## 2 Monetary Developments in the Euro Area

At its meeting on 11 January 2007, the Governing Council of the European Central Bank (ECB) decided to leave its key interest rates unchanged. The rate for refinancing operations remained at 3.50%, that for overnight loans at 4.50%, and the rate for overnight deposits at 2.50%.

### 2.1 Exchange Rate Developments

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

The exchange rate of the dollar against the euro followed an appreciating trend over the first ten days of the month, which came to a halt in the subsequent period and thus the exchange rate fluctuated within a narrow band until the end of the month, around the level of USD/EUR 1.29. This was mainly attributable to positive macroeconomic news from the USA, coupled with signs of 'soft landing' in the US economy without marked recession in 2007. This development was also supported by the ECB's decision to leave its key rates for the euro area unchanged. The exchange rate of the euro against the dollar reached USD/EUR 1.30 at the end of the month.

During January, the euro depreciated somewhat in relation to the US dollar, by 2.38% on a month-on-month basis.

### 2.2 Real Economy

According to a 'flash' Eurostat estimate, the euro area economy grew over the fourth quarter of 2006 by 0.9% compared with the previous quarter, and expanded in comparison with the same quarter of 2005 by 3.3%. In the third quarter of 2006, euro area GDP grew by 0.5%.

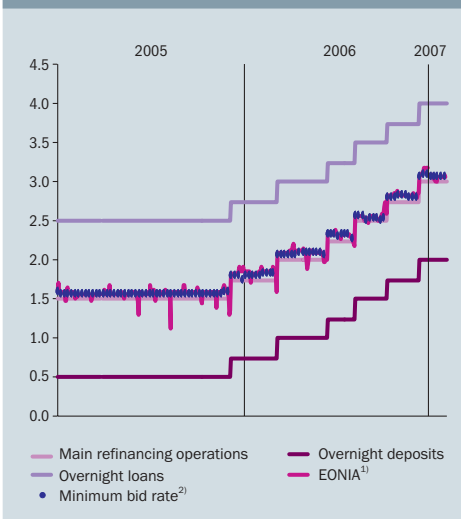
The 12-month inflation rate in the euro area, expressed in terms of the Harmonised Index of Consumer Prices (HICP), remained unchanged in December, at the level of the previous month (1.9%). The strongest year-on-year dynamics were recorded in consumer prices in Greece (3.2%), Slovenia (3.0%)<sup>3</sup>, and Spain (2.7%). The steepest year-on-year increases took place in prices for dwelling (3.6%), education (3.5%), and alcohol and tobacco products (3.1%). Price levels in telecommunications dropped by 2.3%. In the same period a year earlier, consumer prices in the euro area rose by 2.2%. Eurostat foresees a year-on-year inflation rate of 1.9% in January 2007.

In December, industrial producer prices increased year-on-year by 4.1%, while remaining unchanged on a month-on-month basis.

Retail sales grew year-on-year by 2.1% and month-on-month by 0.3% in December.

The unemployment rate (seasonally adjusted) dropped to 7.5% in December, from 7.6% in the previous month. The lowest unemployment rates were recorded in the Netherlands (3.6%), Ireland (4.3%), and

**Chart 26 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 27 Exchange Rates: SKK/EUR and USD/EUR**



Source: NBS and ECB.

<sup>3</sup> Slovenia is included in the calculation of the euro-area inflation rate with effect from January 2007.



Austria (4.6%). The highest unemployment rates within the euro area were recorded in Greece (8.7% in the third quarter of 2006), France and Spain (8.5% equally). 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 (EA12)<sup>4</sup> resulted in a surplus of EUR 3.1 billion in November, compared with a deficit of EUR 2.0 billion in the same period a year earlier. Compared with the previous month, euro-area exports (seasonally adjusted) grew in volume by 1.7%, while imports declined by 0.1% in November.

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<sup>4</sup> According to the Eurostat guidelines on the release of data after EU and/or euro-area enlargement, the time series of overall data that are commented on in Eurostat press releases refer to the official composition of these groupings at the time when the given data are available.



### 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)<sup>5</sup>.

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 30 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
= <b>Money (M1 - 'narrow money')</b>	= <b>M1 ('narrow money')</b>
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	= <b>M2 ('intermediate money')</b>
= 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
<b>M2 MONEY MARKET (=M1+QM)</b>	<b>M3 MONETARY AGGREGATE ('broad money')</b>

**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

<sup>5</sup> 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)<sup>6</sup>;
    - 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 data<sup>7</sup>.

### 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

<sup>6</sup> 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.

<sup>7</sup> 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 granted<sup>8</sup> 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. 63/2002<sup>9</sup> 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.

<sup>8</sup> The term 'granted loans' is an equivalent of the term 'new loan'.

<sup>9</sup> 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 2005<sup>10</sup>

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.

<sup>10</sup> 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.

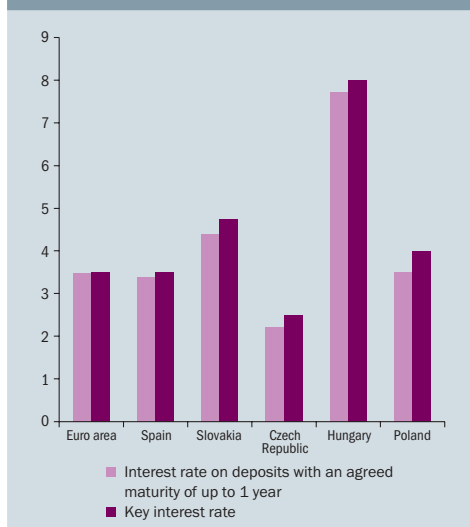
**Financial corporations** – entities principally engaged in financial intermediation or in auxiliary financial activities. The financial corporations sector includes the National Bank of Slovakia, commercial banks, entities engaged in financial leasing, exchange offices, asset management companies, 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 Comparison of interest rates on selected types of loans and deposits in the non-financial corporations and household sectors in the euro area, Spain, and the V4 countries

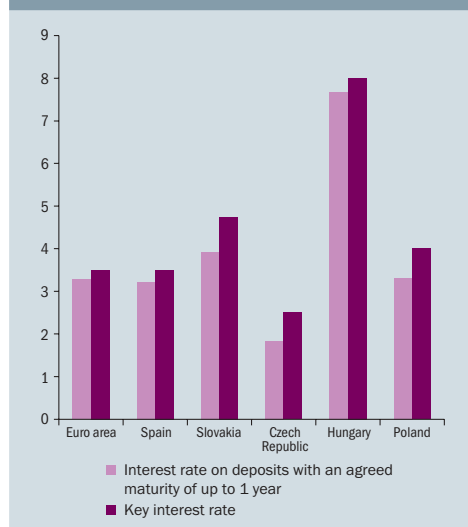
The first group of charts presents a comparison of interest rates (from December 2006) on selected types of loans and deposits in the non-financial corporations and household sectors in the euro area, Spain, and the V4 countries. The second group of charts shows an analysis of developments in the key rates of central banks and the impact of their changes on selected customer interest rates. Interest rates on the individual types of loans and deposits were selected on the basis of their comparability in all countries under review (an exception is Poland where the rate for deposits with an agreed maturity of up to 2 years is used instead of the rate for deposits with an agreed maturity of up to 1 year) and

**Chart 28 Interest rates on deposits from non-financial corporations and the key rates of central banks in December 2006 (%)**



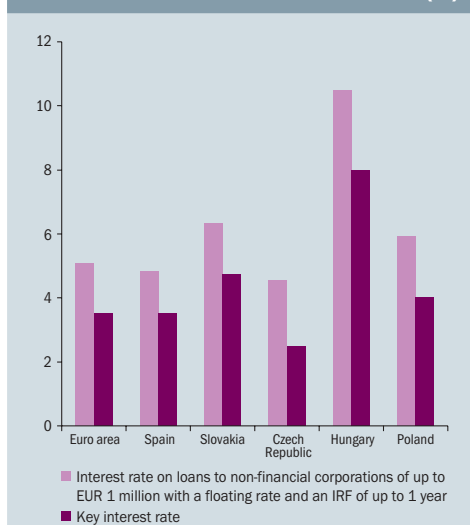
Source: The Web sites of central banks on the Internet.

**Chart 29 Interest rates on household deposits and the key rates of central banks in December 2006 (%)**



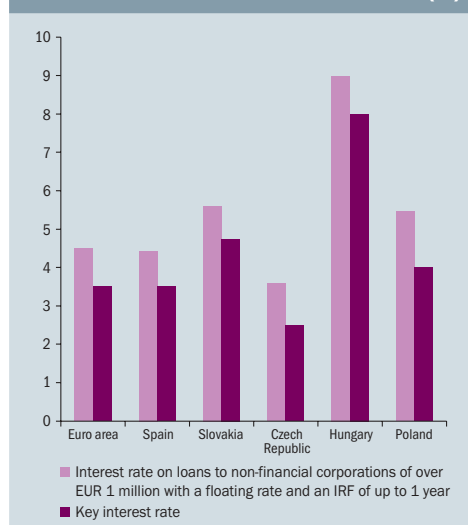
Source: The Web sites of central banks on the Internet.

**Chart 30 Interest rates on loans to non-financial corporations and the key rates of central banks in December 2006 (%)**



Source: The Web sites of central banks on the Internet.

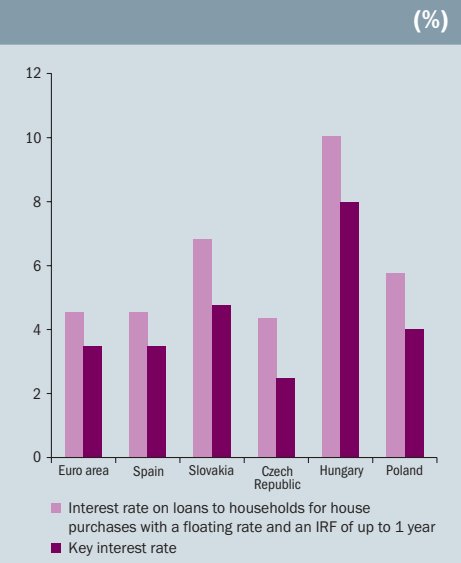
**Chart 31 Interest rates on loans to non-financial corporations and the key rates of central banks in December 2006 (%)**



Source: The Web sites of central banks on the Internet.

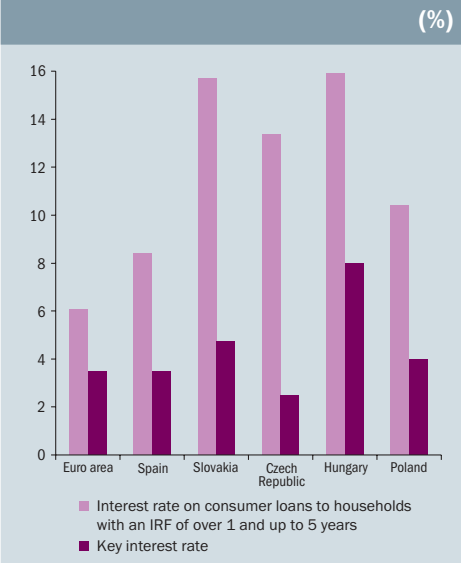


Chart 32 Interest rates on loans to households and the key rates of central banks (%)



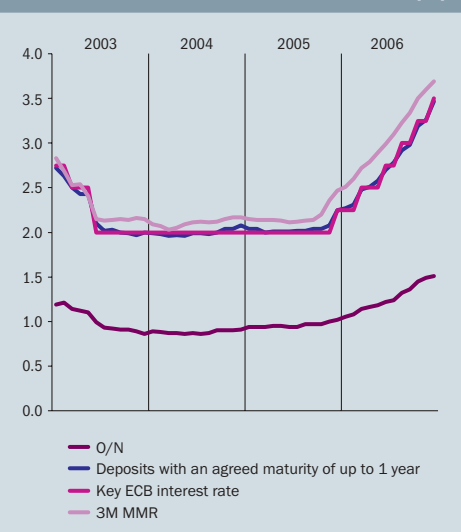
Source: The Web sites of central banks on the Internet.

Chart 33 Interest rates on loans to households and the key rates of central banks (%)



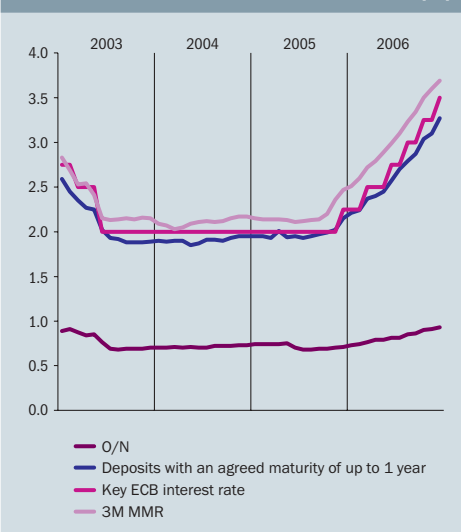
Source: The Web sites of central banks on the Internet.

Chart 34 Interest rates on deposits from non-financial corporations in euro area, the key ECB interest rate, and the 3M EURIBOR (%)



Source: ECB. Note: 3M MMR (3-month money market rate) - three-month interest rate on the interbank money market.

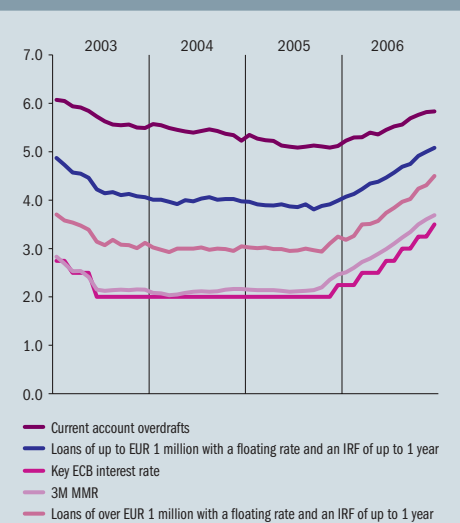
Chart 35 Interest rates on household deposits in euro area, the key ECB interest rate, and the 3M EURIBOR (%)



Source: ECB. Note: 3M MMR (3-month money market rate) - three-month interest rate on the interbank money market.

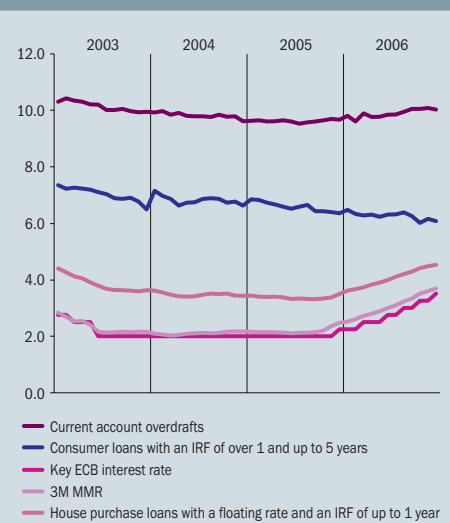
applicability. The second and most important factor in the selection process was our theoretical and empirical knowledge about the reaction of individual interest rates to changes in the key rates of central banks.

In evaluating and comparing the spreads between lending rates in the euro area, Spain, and the V4 countries, it is necessary to take into account the risk premium which is higher in the V4 countries. The charts indicate that the spreads between deposits rates for households and non-financial corporations are approximately the same in the V4 and euro-area countries, though they are somewhat larger in the case of households. In the case of loans to non-financial corporations, the differences between lending rates and the key central bank rates are approximately the same in all countries. In the case of households, marked differences were identified in the spreads between the rates for consumer loans

**Chart 36 Interest rates on loans to non-financial corporations in euro area, the key ECB interest rate, and the 3M EURIBOR (%)**


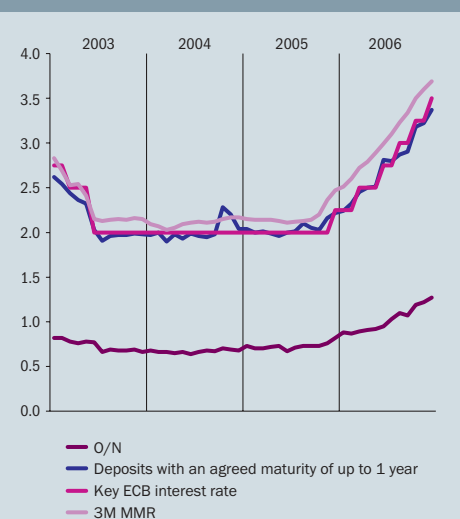
Source: ECB.

Note: 3M MMR (3-month money market rate) – three-month interest rate on the interbank money market.

**Chart 37 Interest rates on loans to households in euro area, the key ECB interest rate, and the 3M EURIBOR (%)**


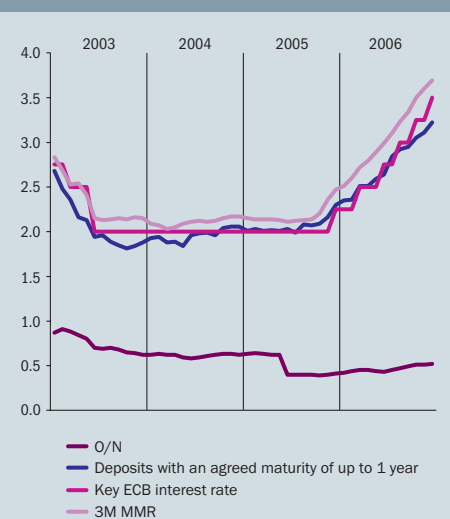
Source: ECB.

Note: 3M MMR (3-month money market rate) – three-month interest rate on the interbank money market.

**Chart 38 Interest rates on deposits from non-financial corporations in Spain, the key ECB interest rate, and the 3M EURIBOR (%)**


Source: The Web sites of central banks on the Internet.

Note: 3M MMR (3-month money market rate) – three-month interest rate on the interbank money market.

**Chart 39 Interest rates on household deposits in Spain, the key ECB interest rate, and the 3M EURIBOR (%)**


Source: The Web sites of central banks on the Internet.

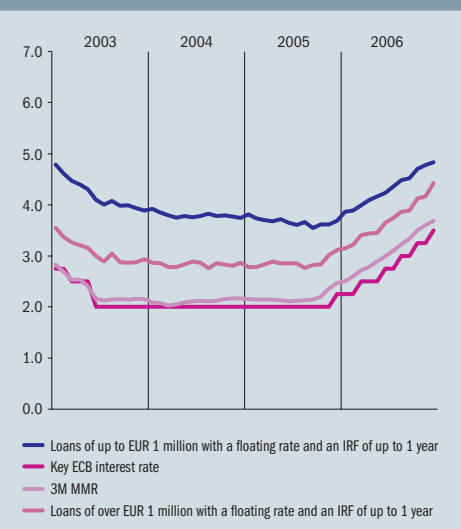
Note: 3M MMR (3-month money market rate) – three-month interest rate on the interbank money market.

and the key central bank rates in the V4 countries and the euro area, and/or Spain. These differences, however, can hardly be ascribed to the risk premium only. They are probably also influenced by the policies of commercial banks in the V4 countries.

The charts in the second part illustrate developments in the key rates of central banks (in the euro area and the V4 countries) and the reaction of interbank market rates, as well as customer interest rates. In virtually all cases (in the evaluation of sectors and the types of loans and deposits), the reaction of commercial banks is relatively flexible, except in the case of consumer loans to households, where customer interest rates show no reaction and/or an asymmetric reaction (with a long time delay in the case of a reduction).

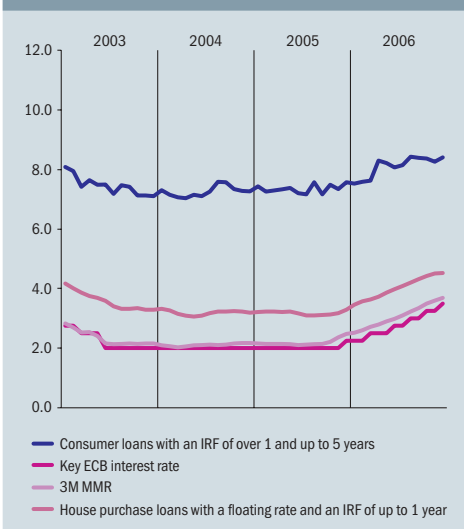


**Chart 40 Interest rates on loans to non-financial corporations in Spain, the key ECB interest rate, and the 3M EURIBOR (%)**



Source: The Web sites of central banks on the Internet.  
 Note: 3M MMR (3-month money market rate) – three-month interest rate on the interbank money market.

**Chart 41 Interest rates on loans to households in Spain, the key ECB interest rate, and the 3M EURIBOR (%)**



Source: The Web sites of central banks on the Internet.  
 Note: 3M MMR (3-month money market rate) – three-month interest rate on the interbank money market.

**Chart 42 Interest rates on deposits from non-financial corporations in Slovakia, the key NBS interest rate, and the 3M BRIBOR (%)**



Source: NBS.  
 Note: 3M MMR (3-month money market rate) – three-month interest rate on the interbank money market.

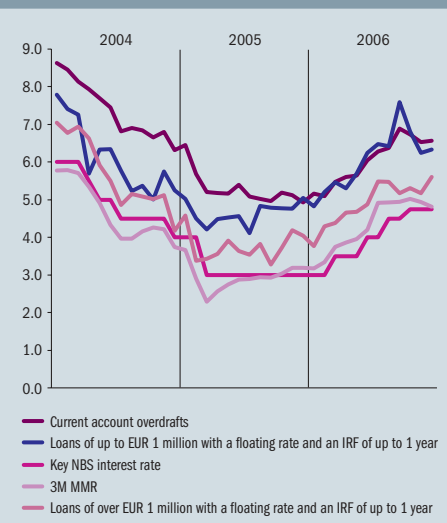
**Chart 43 Interest rates on household deposits in Slovakia, the key NBS interest rate, and the 3M BRIBOR (%)**



Source: NBS.  
 Note: 3M MMR (3-month money market rate) – three-month interest rate on the interbank money market.

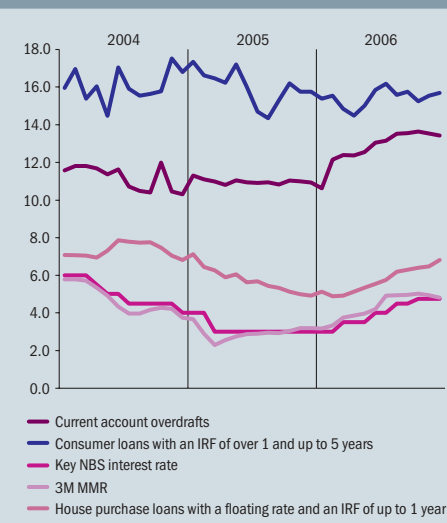


**Chart 44 Interest rates on loans to non-financial corporations in Slovakia, the key NBS interest rate, and the 3M BRIBOR (%)**



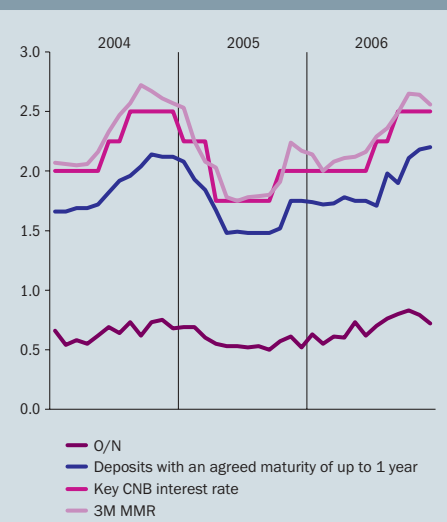
Source: NBS.  
 Note: 3M MMR (3-month money market rate) – three-month interest rate on the interbank money market.

**Chart 45 Interest rates on loans to households in Slovakia, the key NBS interest rate, and the 3M BRIBOR (%)**



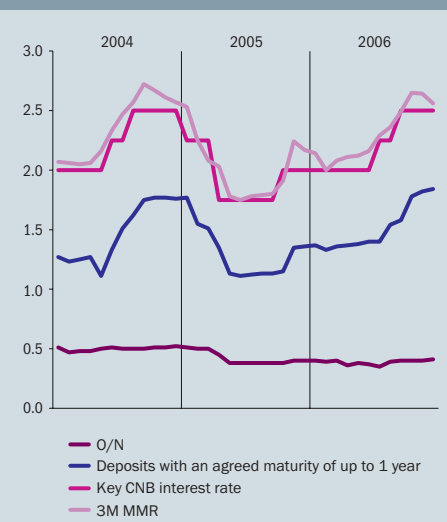
Source: NBS.  
 Note: 3M MMR (3-month money market rate) – three-month interest rate on the interbank money market.

**Chart 46 Interest rates on deposits from non-financial corporations in the Czech Republic, the key CNB interest rate, and the 3M PRIBOR (%)**



Source: CNB.  
 Note: 3M MMR (3-month money market rate) – three-month interest rate on the interbank money market.

**Chart 47 Interest rates on household deposits in the Czech Republic, the key CNB interest rate, and the 3M PRIBOR (%)**



Source: CNB.  
 Note: 3M MMR (3-month money market rate) – three-month interest rate on the interbank money market.

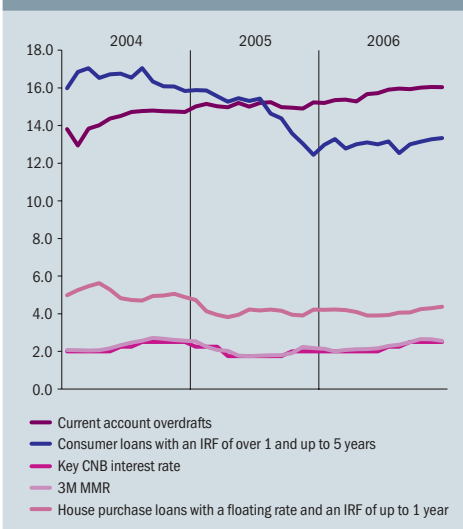


**Chart 48 Interest rates on loans to non-financial corporations in the Czech Republic, the key CNB interest rate, and the 3M PRIBOR (%)**



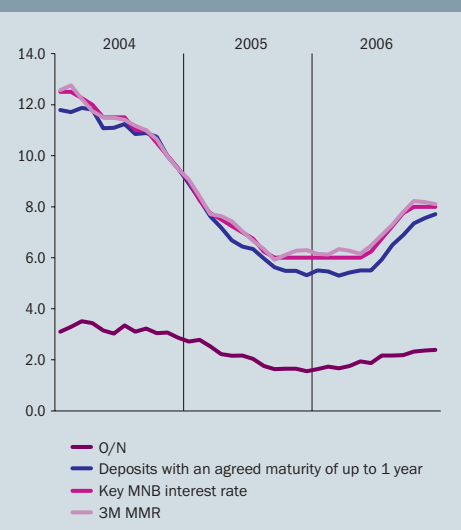
Source: CNB.  
 Note: 3M MMR (3-month money market rate) – three-month interest rate on the interbank money market.

**Chart 49 Interest rates on loans to households in the Czech Republic, the key CNB interest rate, and the 3M PRIBOR (%)**



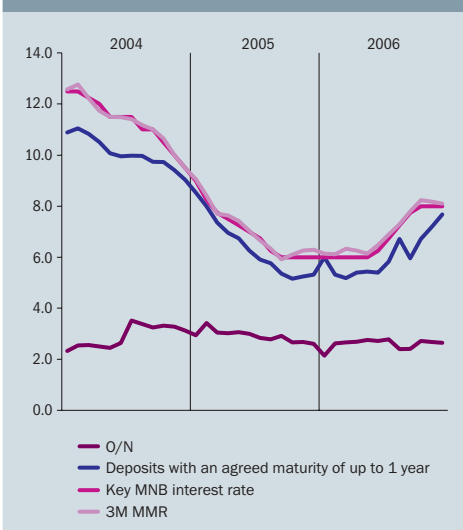
Source: CNB.  
 Note: 3M MMR (3-month money market rate) – three-month interest rate on the interbank money market.

**Chart 50 Interest rates on deposits from non-financial corporations in Hungary, the key MNB interest rate, and the 3M BUBOR (%)**



Source: MNB.  
 Note: 3M MMR (3-month money market rate) – three-month interest rate on the interbank money market.

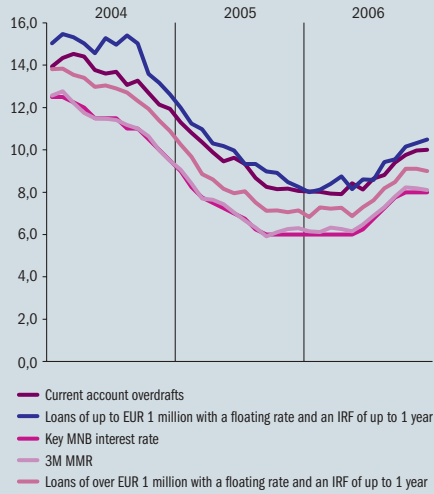
**Chart 51 Interest rates on household deposits in Hungary, the key MNB interest rate, and the 3M BUBOR (%)**



Source: MNB.  
 Note: 3M MMR (3-month money market rate) – three-month interest rate on the interbank money market.



**Chart 52 Interest rates on loans to non-financial corporations in Hungary, the key MNB interest rate, and the 3M BUBOR (%)**



Source: MNB.

Note: 3M MMR (3-month money market rate) – three-month interest rate on the interbank money market.

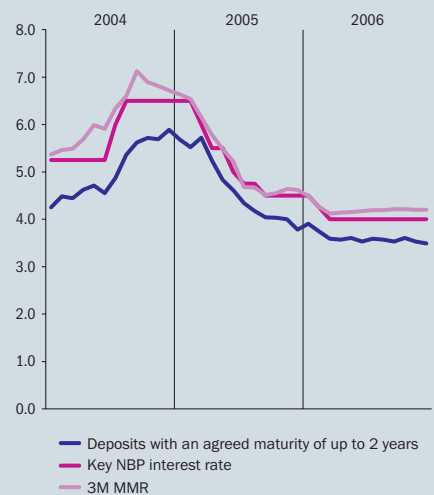
**Chart 53 Interest rates on loans to households in Hungary, the key MNB interest rate, and the 3M BUBOR (%)**



Source: MNB.

Note: 3M MMR (3-month money market rate) – three-month interest rate on the interbank money market.

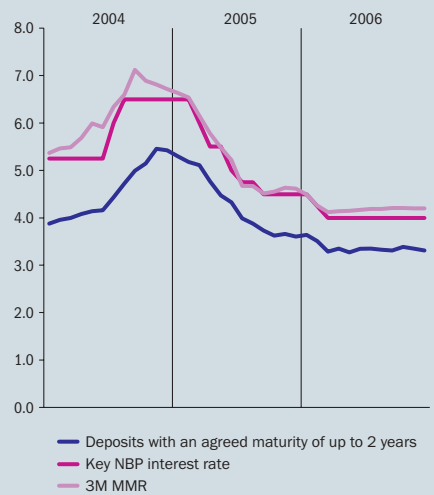
**Chart 54 Interest rates on deposits from non-financial corporations in Poland, the key NBP interest rate, and the 3M WIBOR (%)**



Source: NBP.

Note: 3M MMR (3-month money market rate) – three-month interest rate on the interbank money market.

**Chart 55 Interest rates on household deposits in Poland, the key NBP interest rate, and the 3M WIBOR (%)**

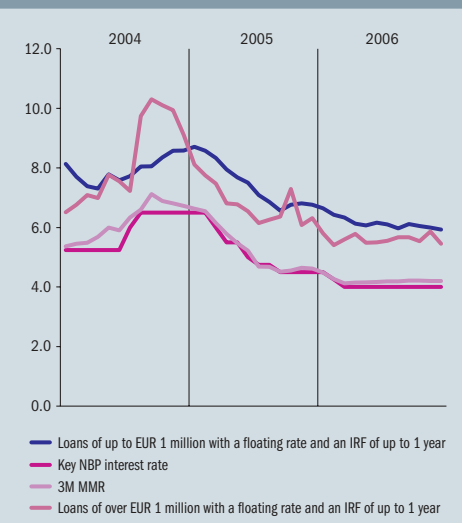


Source: NBP.

Note: 3M MMR (3-month money market rate) – three-month interest rate on the interbank money market.



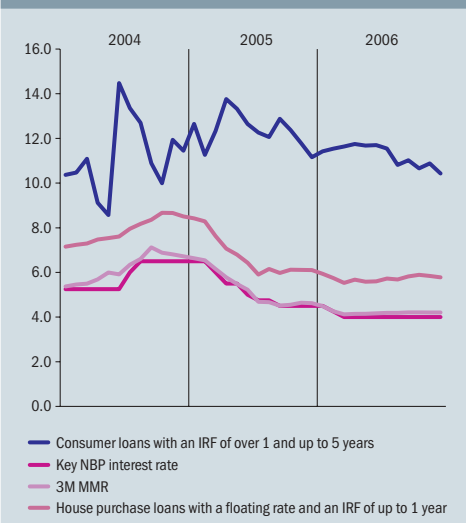
**Chart 56 Interest rates on loans to non-financial corporations in Poland, the key NBP interest rate, and the 3M WIBOR (%)**



Source: NBP.

Note: 3M MMR (3-month money market rate) – three-month interest rate on the interbank money market.

**Chart 57 Interest rates on loans to households in Poland, the key NBP interest rate, and the 3M WIBOR (%)**



Source: NBP.

Note: 3M MMR (3-month money market rate) – three-month interest rate on the interbank money market.

## 5 Tables

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

	Unit	2006												2007
		1	2	3	4	5	6	7	8	9	10	11	12	1
<b>REAL ECONOMY</b>														
Gross domestic product <sup>1) 2)</sup>	SKK billions	-	-	288.7 <sup>(p)</sup>	-	-	605.4 <sup>(p)</sup>	-	-	940.4 <sup>(p)</sup>	-	-	-	-
Year-on-year change in GDP <sup>3)</sup>	%	-	-	6.7 <sup>(p)</sup>	-	-	6.7 <sup>(p)</sup>	-	-	7.8 <sup>(p)</sup>	-	-	-	-
Unemployment rate <sup>4) 11)</sup>	%	11.8	11.7	11.4	11.0	10.6	10.4	10.2	9.9	9.8	9.3	9.1	9.4	-
Consumer prices (HICP) <sup>3) 10)</sup>	%	4.1	4.3	4.3	4.4	4.8	4.5	5.0	5.0	4.5	3.1	3.7	3.7	2.2
Consumer prices (CPI) <sup>3)</sup>	%	4.1	4.4	4.5	4.5	4.8	4.6	5.0	5.1	4.6	3.7	4.3	4.2	3.0
<b>BALANCE OF TRADE<sup>2) 9) (p)</sup></b>														
Exports (fob)	SKK billions	81,153	166,076	267,538	356,548	460,421	566,473	664,806	773,367	888,599	1,015,997	1,137,115	1,235,009	-
Imports (fob)	SKK billions	89,264	184,344	290,455	388,698	500,349	613,791	717,203	828,920	953,794	1,086,265	1,216,758	1,327,127	-
Balance	SKK billions	-8,110	-18,268	-22,916	-32,150	-39,928	-47,318	-52,397	-55,553	-65,195	-70,268	-79,643	-92,118	-
<b>BALANCE OF PAYMENTS<sup>2)</sup></b>														
Current account <sup>9)</sup>	SKK billions	-8,888.1	-15,844.4	-23,181.0	-36,714.9	-54,664.3	-63,202.5	-85,828.1	-88,365.9	-105,618.4	-113,868.7	-122,166.6	-	-
Capital and financial account	SKK billions	3,090.9	-622.7	39,672.9	44,616.6	51,286.1	63,846.2	-29,921.4	-13,778.1	-10,303.7	-1,263.2	7,660.7	-	-
Overall balance	SKK billions	-143.4	795.9	25,114.2	26,100.5	24,882.5	7,670.5	-84,844.0	-82,462.8	-80,296.1	-81,998.3	-80,591.6	-	-
<b>FOREIGN EXCHANGE RESERVES<sup>4) 6)</sup></b>														
Total foreign exchange reserves	USD billions	17,063.7	16,767.9	17,798.4	18,509.9	18,938.2	17,904.7	16,499.7	16,349.2	15,876.2	15,567.4	15,479.5	15,512.9	16,077.3
NBS foreign exchange reserves	USD billions	15,754.6	15,454.6	16,521.3	16,924.6	17,334.6	16,128.9	13,140.0	13,243.1	13,234.2	13,145.5	13,371.1	13,363.8	14,004.7
<b>GROSS EXTERNAL DEBT<sup>4) 7)</sup></b>														
Total gross external debt	USD billions	27.9	26.9	28.5	28.9	31.0	31.5	28.3	29.8	29.3	30.5	31.5	-	-
External debt per capita	USD	5,191	5,002	5,303	5,371	5,768	5,856	5,255	5,536	5,453	5,662	5,860	-	-
<b>MONETARY INDICATORS</b>														
Exchange rate <sup>5)</sup>	SKK/USD	31.029	31.298	31.186	30.535	29.461	30.054	30.286	29.426	29.448	29.225	27.915	26.504	26.694
M3 monetary aggregate <sup>4) 10)</sup>	SKK billions	824.9	833.9	840.7	850.2	851.2	861.2	871.8	892.4	894.3	911.7	926.7	958.5	-
Year-on-year change in M3 <sup>3)</sup>	%	8.6	9.1	10.3	9.4	10.5	11.2	11.8	13.6	12.9	13.9	16.1	15.3	-
Claims of monetary financial institutions <sup>10)</sup>	SKK billions	769.2	780.8	794.5	800.0	822.2	833.1	829.2	843.2	850.3	878.9	885.6	895.7	-
<b>STATE BUDGET<sup>2) 4)</sup></b>														
Revenue	SKK billions	32.8	50.4	71.8	95.8	112.1	138.0	166.5	188.9	212.2	240.6	262.1	291.9	27.1
Expenditure	SKK billions	20.7	44.1	71.7	95.6	123.8	148.3	171.7	194.6	217.3	241.7	269.1	323.6	24.2
Balance	SKK billions	12.1	6.3	0.1	0.2	-11.7	-10.3	-5.2	-5.7	-5.1	-1.1	-7.0	-31.7	2.9
<b>MONEY MARKET</b>														
Interest rates set by the NBS Bank Board														
Date of validity <sup>6)</sup>														
Overnight operations		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	27/09/2006
- sterilisation	%	2.00	2.00	2.50	2.50	3.00	3.00	3.00	3.00	3.25	3.25	3.25	3.25	3.25
- refinancing	%	4.00	4.00	4.50	4.50	5.00	5.00	6.00	6.00	6.25	6.25	6.25	6.25	6.25
Limit rate for 2-week repo tenders	%	3.00	3.00	3.50	3.50	4.00	4.00	4.50	4.50	4.75	4.75	4.75	4.75	4.75
Basic interest rate of the NBS (until 31/12/02: discount rate)	%	3.00	3.00	3.50	3.50	4.00	4.00	4.50	4.50	4.75	4.75	4.75	4.75	4.75
Average interbank deposit rate (BRIBOR)														
overnight	%	2.75	2.74	3.10	3.34	3.00	4.51	3.83	4.11	4.85	4.59	4.02	5.03	3.63
7-day	%	2.98	2.95	3.44	3.47	3.39	4.17	4.11	4.49	4.68	4.79	4.67	4.82	4.11
14-day	%	3.02	3.02	3.49	3.51	3.49	4.11	4.22	4.54	4.66	4.84	4.77	4.81	4.24
1-month	%	3.03	3.16	3.57	3.59	3.69	4.11	4.50	4.63	4.72	4.93	4.86	4.83	4.44
2-month	%	3.10	3.27	3.66	3.72	3.85	4.14	4.75	4.77	4.88	4.99	4.92	4.84	4.50
3-month	%	3.17	3.34	3.75	3.86	3.96	4.20	4.92	4.93	4.95	5.02	4.94	4.82	4.50
6-month	%	3.26	3.45	3.88	4.06	4.19	4.45	5.18	5.22	5.19	5.06	4.96	4.80	4.47
9-month	%	3.34	3.52	3.98	4.21	4.38	4.62	5.35	5.34	5.28	5.09	4.96	4.78	4.42
12-month	%	3.39	3.58	4.06	4.28	4.49	4.71	5.47	5.43	5.36	5.11	4.94	4.76	4.41

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

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

8) According to the methodology of the ECB.

9) 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 %) <sup>1)</sup>	Volume (SKK billions)												
		2005	2006											
		12	1	2	3	4	5	6	7	8	9	10	11	12
Claims of MFIs on residents	44.9	535.3	540.7	545.5	556.1	561.7	578.1	592.4	589.1	598.3	602.6	631.1	636.7	646.5
General government	1.3	27.9	27.8	27.3	26.2	23.8	23.7	23.0	23.0	23.0	17.2	17.8	17.7	18.8
Private sector	43.6	507.5	512.9	518.2	529.8	538.0	554.4	569.4	566.1	575.3	585.3	613.3	618.9	627.7
Non-financial corporations	22.7	271.4	276.0	277.6	281.9	284.2	292.2	299.3	291.2	295.7	300.9	323.5	324.0	326.5
- up to 1 year	9.4	117.3	120.2	119.5	118.8	119.0	127.6	133.8	126.6	127.0	130.2	137.1	136.3	135.0
- 1 to 5 years	4.4	52.0	52.3	52.2	55.2	55.1	58.6	56.7	54.5	56.2	56.0	64.0	65.0	64.0
- over 5 years	8.8	102.1	103.5	105.9	108.0	110.1	106.0	108.8	110.1	112.5	114.7	122.5	122.7	127.4
Financial corporations	4.4	55.0	53.0	54.2	56.3	57.3	59.7	61.3	61.2	60.8	60.5	60.6	61.4	63.0
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	16.5	181.0	183.8	186.3	191.6	196.5	202.5	208.7	213.5	218.6	223.6	228.8	233.3	237.9
- consumer loans	2.5	24.8	29.7	29.8	31.0	31.4	32.0	32.6	33.0	33.5	34.3	35.1	35.7	36.0
- housing loans	10.9	118.9	120.2	122.4	125.6	128.5	132.1	136.2	139.4	142.9	145.9	149.2	152.2	156.7
- other loans	3.1	37.3	34.0	34.0	35.0	36.5	38.4	39.9	41.2	42.2	43.4	44.5	45.4	45.2
Securities other than shares and participation certificates issued by residents	16.9	254.6	222.6	229.5	232.6	232.5	238.3	234.9	234.4	239.4	242.1	242.3	243.3	243.8
General government	16.4	245.6	214.0	221.0	223.8	223.8	229.6	225.9	225.5	230.5	233.6	233.8	234.9	236.0
Private sector	0.5	9.0	8.7	8.5	8.9	8.7	8.8	9.0	8.9	8.8	8.5	8.4	8.4	7.8
Shares and other equities issued by private sector	0.4	5.3	5.8	5.8	5.8	5.8	5.7	5.7	5.6	5.6	5.6	5.6	5.6	5.5
Foreign assets	31.4	746.3	578.3	573.0	598.7	597.7	608.6	607.8	524.1	529.9	512.9	492.4	460.4	452.3
Fixed assets	2.4	34.4	33.6	33.4	33.4	33.2	33.1	33.0	33.1	32.9	32.7	32.7	32.6	34.5
Other assets	4.0	39.7	37.3	36.6	36.0	38.9	40.7	46.3	43.0	44.3	42.7	48.7	55.7	57.7
Deposits and loans received from the central government	3.1	61.3	39.9	47.3	79.5	104.5	107.6	106.0	99.6	95.5	84.8	85.8	83.7	45.0
Long-term financial liabilities	11.8	191.0	182.7	186.1	192.0	182.1	183.0	192.9	194.2	191.2	190.3	182.3	172.5	169.6
Deposits and loans received with an agreed maturity of over 2 years	4.6	56.5	57.5	59.5	59.8	60.4	60.5	61.0	61.9	62.1	62.4	62.6	62.9	66.7
Deposits redeemable at a period of notice of over 3 months	1.7	27.8	27.5	27.2	26.9	26.6	26.4	26.1	25.8	25.3	25.0	24.7	24.4	24.3
Debt securities issued with a maturity of over 2 years	2.2	18.6	18.7	18.8	21.2	21.7	21.9	24.9	25.1	25.5	25.9	27.6	28.8	31.6
Capital, reserves, and provisions	3.3	88.0	78.9	80.6	84.0	73.4	74.3	80.9	81.4	78.3	77.0	67.3	56.3	47.0
Foreign liabilities	13.6	484.9	318.5	307.2	301.5	279.3	306.3	305.2	212.4	219.5	216.5	208.3	182.0	196.3
Other liabilities	4.9	47.0	54.2	49.7	48.4	53.8	56.6	54.9	51.3	52.0	52.8	64.7	69.5	70.9
Surplus of liabilities among MFIs	0.0	0.0	-1.8	-0.2	0.5	-0.2	-0.1	-0.1	0.0	0.0	-0.1	-0.1	-0.1	-0.1
M3	66.6	831.4	824.9	833.9	840.7	850.2	851.2	861.2	871.8	892.4	894.3	911.7	926.7	958.5
<b>Total</b>	100.0	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	1,440.2

1) In the current month.

## Average Interest Rates on New Loans

(ECB methodology)

(%)

	2005	2006											
	12	1	2	3	4	5	6	7	8	9	10	11	12
<b>Loans in total<sup>1)</sup></b>	5.78	6.32	6.50	6.87	7.11	6.99	7.40	7.71	8.05	8.21	8.16	7.85	7.72
Current account overdrafts	6.17	6.25	6.50	6.96	7.12	7.12	7.63	7.81	7.96	8.35	8.25	8.08	8.20
Operation loans	3.82	3.99	4.47	4.28	4.61	4.32	4.74	5.35	5.42	5.53	5.66	5.15	5.32
Investment loans	4.64	5.07	5.21	5.78	5.54	5.75	6.18	6.45	6.60	6.69	6.41	6.44	6.17
Consumer loans	11.89	12.72	13.54	11.91	11.64	12.82	13.66	13.13	13.62	13.09	12.77	13.94	13.65
Real estate loans	5.32	5.47	5.43	5.54	5.70	5.83	5.92	6.09	6.39	6.53	6.62	6.58	6.52
of which:													
Mortgage loans	4.92	4.99	4.91	4.92	5.01	5.20	5.39	5.68	6.11	6.18	6.33	6.35	6.45
Construction loans	5.05	5.07	5.07	5.05	5.21	5.09	5.01	5.19	5.00	5.03	5.12	4.91	4.80
Intermediate loans	6.31	6.26	6.49	6.63	6.71	6.66	6.59	6.54	6.35	6.41	6.78	6.90	6.87
Other real estate loans	5.29	5.47	5.34	5.35	5.54	5.83	6.07	6.20	6.75	6.97	6.86	6.61	6.49
Other loans	5.92	4.20	5.22	5.40	5.65	5.55	6.36	6.51	7.13	6.89	6.26	7.08	6.64
Floating rate + IRF for up to 1 year incl.	5.77	6.28	6.46	6.84	7.14	6.97	7.40	7.71	8.10	8.25	8.21	7.84	7.79
IRF for over 1 year and up to 5 years incl.	6.38	7.36	7.80	7.32	6.61	7.38	7.95	7.82	7.63	7.75	7.56	8.34	7.05
IRF for over 5 years and up to 10 years incl.	6.41	6.59	7.30	7.51	7.24	7.34	7.03	7.26	7.32	7.50	7.70	7.65	8.08
IRF for over 10 years	4.24	6.04	6.09	6.23	6.35	6.63	6.01	6.72	6.63	6.94	6.99	6.94	6.02
<b>Households</b>													
Loans in total	9.73	10.49	11.42	11.24	11.27	11.18	11.42	12.16	12.32	12.56	12.57	12.82	12.58
Current account overdrafts	10.93	10.64	12.15	12.40	12.37	12.55	13.05	13.15	13.51	13.57	13.65	13.54	13.43
Operation loans	5.99	5.84	6.35	6.63	6.51	6.50	6.47	7.38	7.30	6.09	6.78	6.98	6.83
Investment loans	5.87	5.65	6.31	6.25	6.27	6.44	6.91	7.55	7.60	7.25	7.51	7.13	7.02
Consumer loans	11.89	12.72	13.55	11.91	11.64	12.82	13.66	13.13	13.62	13.09	12.77	13.95	13.65
Real estate loans	5.32	5.47	5.43	5.54	5.70	5.82	5.92	6.09	6.41	6.54	6.67	6.69	6.76
of which:													
Mortgage loans	4.91	4.98	4.90	4.91	5.00	5.20	5.39	5.68	6.11	6.17	6.33	6.34	6.43
Construction loans	5.05	5.07	5.07	5.05	5.21	5.09	5.01	5.19	5.00	5.03	5.12	4.91	4.80
Intermediate loans	6.31	6.27	6.50	6.64	6.73	6.69	6.62	6.54	6.41	6.44	6.84	7.03	6.90
Other real estate loans	5.29	5.47	5.33	5.34	5.53	5.82	6.06	6.20	6.76	7.01	7.00	6.86	7.02
Other loans	10.38	6.45	6.07	6.18	6.32	6.35	6.49	6.60	7.08	7.34	7.84	7.38	7.46
Credit cards	-	16.10	16.09	16.22	16.58	15.88	15.81	18.04	18.09	18.17	18.03	17.80	17.44
Floating rate + IRF for up to 1 year incl.	9.90	10.70	11.71	11.71	11.92	11.84	12.15	12.85	13.27	13.37	13.33	13.47	13.23
IRF for over 1 year and up to 5 years incl.	9.09	9.25	9.19	8.14	7.70	7.82	8.46	8.30	8.24	8.38	8.83	9.38	8.86
IRF for over 5 years and up to 10 years incl.	7.08	7.12	7.91	8.49	7.67	7.65	7.74	7.58	7.64	7.71	8.20	8.56	8.49
IRF for over 10 years	6.26	6.26	7.20	6.91	6.73	6.69	5.99	6.89	6.63	6.95	7.18	6.90	7.02
<b>Non-financial corporations</b>													
Loans in total	4.81	5.00	5.03	5.40	5.52	5.54	5.93	6.24	6.33	6.76	6.62	6.26	6.35
Current account overdrafts	4.93	5.17	5.09	5.47	5.60	5.64	6.04	6.28	6.38	6.89	6.73	6.53	6.57
Operation loans	3.67	3.98	4.49	4.64	4.51	4.67	4.87	5.59	5.41	5.66	5.71	5.08	5.32
Investment loans	4.90	4.95	5.02	5.71	5.70	5.67	6.00	6.37	6.53	6.70	6.64	6.71	6.31
Real estate loans	5.48	5.56	5.56	5.67	5.99	5.93	6.24	5.85	5.99	6.07	6.80	6.12	6.30
Other loans	5.48	3.87	5.11	5.16	5.63	5.30	6.32	6.12	7.05	6.59	5.98	6.75	6.50
Credit cards	-	12.36	13.26	13.83	14.29	13.92	14.22	17.24	17.12	16.49	17.47	16.68	17.34
Loans up 1 million EUR	5.20	4.93	5.21	5.52	5.34	5.72	6.17	6.49	6.35	7.45	6.80	6.31	6.40
Loans over 1 million EUR	4.28	3.91	4.27	4.58	4.95	4.71	4.96	5.63	5.72	5.36	5.54	5.29	5.79
Floating rate + IRF for up to 1 year incl.	4.79	5.00	5.03	5.39	5.51	5.54	5.93	6.23	6.33	6.77	6.63	6.25	6.35
IRF for over 1 year and up to 5 years incl.	4.46	4.87	4.69	5.74	5.67	5.71	6.13	6.56	6.48	6.74	6.57	6.73	6.46
IRF for over 5 years and up to 10 years incl.	6.12	5.55	4.78	5.56	5.67	5.80	5.53	6.46	6.25	6.74	6.52	6.51	6.66
IRF for over 10 years	4.20	5.09	5.56	5.52	6.07	6.34	6.43	6.31	6.56	6.81	6.64	7.94	5.83

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											
	12	1	2	3	4	5	6	7	8	9	10	11	12
<b>Deposits in total <sup>1)</sup></b>	1.29	1.52	1.24	1.59	1.67	1.66	2.01	1.91	2.09	2.37	2.46	2.35	2.32
Deposits payable on demand	0.57	0.95	0.58	0.66	0.74	0.82	1.12	0.93	0.83	1.27	1.02	0.95	1.00
of which: demand deposits	0.46	0.65	0.45	0.52	0.60	0.63	0.78	0.73	0.69	0.92	0.82	0.76	0.79
overnight deposits	1.70	3.19	1.46	2.23	2.64	2.55	4.39	2.69	3.18	5.53	3.92	3.17	3.70
Deposits with agreed maturity <sup>2)</sup>	2.55	2.40	2.51	3.02	3.05	3.12	3.81	3.65	3.99	4.29	4.43	4.36	4.40
- up to 1 year in total	2.55	2.41	2.52	3.02	3.06	3.13	3.82	3.66	3.99	4.29	4.43	4.36	4.40
- up to 7 days	2.17	2.54	2.12	2.78	2.73	2.64	4.10	3.24	3.27	4.57	3.98	3.68	4.00
- up to 1 month	2.73	2.64	2.66	3.17	3.21	3.27	3.80	3.80	4.24	4.27	4.57	4.52	4.55
- up to 3 months	1.80	1.97	1.97	2.12	2.16	2.56	3.01	3.49	3.67	3.58	3.88	3.98	3.92
- up to 6 months	1.69	1.86	1.83	2.09	2.17	2.64	2.90	3.74	3.75	3.81	3.98	3.66	3.87
- up to 1 year	1.93	-	1.71	1.87	2.12	2.53	3.27	3.43	3.92	3.73	3.90	3.64	3.90
- over 1 year in total	1.68	0.99	0.88	2.45	1.64	1.51	2.37	2.48	3.88	3.84	3.86	3.94	3.72
- up to 2 years	0.97	2.07	2.33	2.95	2.08	2.04	2.60	3.50	3.89	3.75	3.93	4.06	4.06
- over 2 years	1.74	0.94	0.86	2.42	1.60	1.45	2.37	2.45	3.97	4.04	3.99	3.99	4.00
Deposits redeemable at notice	1.05	1.07	1.10	1.16	1.19	1.21	1.23	1.54	1.65	1.75	1.79	1.81	1.83
- up to 3 months	0.96	0.97	0.97	1.05	1.06	1.07	1.09	1.45	1.47	1.47	1.54	1.55	1.55
- over 3 months	1.10	1.13	1.17	1.22	1.25	1.28	1.30	1.59	1.75	1.89	1.91	1.93	1.97
<b>Households</b>													
Deposits in total	0.71	0.80	0.69	0.79	0.81	0.86	0.96	0.99	1.10	1.16	1.21	1.13	1.18
Deposits payable on demand	0.41	0.54	0.38	0.44	0.42	0.45	0.51	0.50	0.51	0.54	0.51	0.50	0.50
of which: demand deposits	0.40	0.51	0.37	0.42	0.41	0.43	0.45	0.47	0.49	0.49	0.48	0.47	0.48
overnight deposits	1.16	2.90	1.42	1.90	2.14	2.35	3.97	2.41	2.83	5.02	3.73	3.09	3.11
Deposits with agreed maturity	1.90	1.80	1.76	2.01	2.17	2.55	3.21	3.16	3.59	3.85	3.92	3.83	3.91
- up to 1 year in total	1.90	1.83	1.79	2.02	2.18	2.57	3.23	3.20	3.58	3.85	3.92	3.83	3.92
- up to 7 days	1.69	2.16	1.84	2.24	2.33	2.38	3.69	2.79	3.11	4.29	3.69	3.34	3.83
- up to 1 month	2.00	1.78	1.77	2.00	2.16	2.62	3.13	3.17	3.49	3.65	3.90	3.90	3.90
- up to 3 months	1.57	1.44	1.59	1.70	1.86	2.33	2.82	3.15	3.29	3.33	3.65	3.58	3.66
- up to 6 months	1.39	1.69	1.59	1.89	1.99	2.43	2.76	3.29	3.54	3.70	3.59	3.52	3.54
- up to 1 year	1.60	1.61	1.56	1.72	1.98	2.37	3.10	3.77	4.00	4.05	3.97	4.01	3.98
- long-term over 1 year	1.75	0.98	0.88	1.82	1.64	1.50	2.38	2.19	3.89	3.90	3.86	3.90	3.67
- up to 2 years	0.97	2.08	2.33	2.06	2.24	2.00	3.00	3.44	3.89	3.95	3.93	3.99	3.95
- over 2 years	1.79	0.96	0.87	1.81	1.61	1.47	2.35	2.14	3.89	3.86	4.04	3.74	3.61
Deposits redeemable at notice	1.05	1.07	1.10	1.16	1.18	1.21	1.22	1.54	1.65	1.75	1.78	1.81	1.83
- up to 3 months	0.96	0.96	0.96	1.04	1.05	1.06	1.07	1.43	1.45	1.46	1.52	1.54	1.54
- over 3 months	1.10	1.13	1.17	1.22	1.25	1.28	1.30	1.59	1.75	1.89	1.91	1.93	1.97
<b>Non-financial corporations</b>													
Deposits in total	1.40	1.85	1.47	1.86	2.03	1.95	2.51	2.11	2.34	3.00	2.87	2.69	2.70
Deposits payable on demand	0.64	1.23	0.70	0.87	0.95	1.05	1.62	1.10	1.05	1.98	1.47	1.30	1.30
of which: demand deposits	0.47	0.79	0.49	0.58	0.71	0.73	1.01	0.72	0.78	1.35	1.12	0.98	1.02
overnight deposits	1.67	3.29	1.69	2.23	2.62	2.64	4.44	2.71	3.18	5.58	3.98	3.14	3.81
Deposits with agreed maturity	2.55	2.73	2.58	3.16	3.16	3.15	3.95	3.66	3.90	4.41	4.42	4.34	4.39
- up to 1 year in total	2.38	2.73	2.58	3.16	3.16	3.15	3.95	3.66	3.90	4.41	4.42	4.34	4.39
- up to 7 days	2.02	2.54	2.15	2.56	2.80	2.63	4.17	3.31	3.28	4.58	4.00	3.68	3.99
- up to 1 month	2.76	2.81	2.72	3.31	3.30	3.32	3.83	3.82	4.21	4.34	4.59	4.54	4.58
- up to 3 months	2.34	2.62	2.67	2.87	3.07	3.16	3.57	3.89	4.08	4.11	4.26	4.43	4.37
- up to 6 months	2.44	2.49	2.73	2.61	2.90	3.51	3.70	4.21	4.54	4.20	4.72	4.19	4.39
- up to 1 year	2.40	2.31	2.07	2.67	2.93	3.59	3.78	2.59	4.29	3.87	4.51	4.21	4.05
- long-term over 1 year	0.82	2.06	1.38	3.84	1.32	1.92	2.63	3.53	1.99	5.29	2.02	4.25	2.99
- up to 2 years	0.98	2.05	-	3.87	1.63	2.45	4.05	4.91	-	2.56	2.39	4.38	3.06
- over 2 years	0.66	2.06	1.38	-	0.94	1.42	1.54	3.52	1.99	8.40	1.98	2.42	2.62
Deposits redeemable at notice	1.42	1.51	1.49	1.74	1.86	1.83	1.96	1.95	1.92	1.91	2.13	2.27	2.08
- up to 3 months	1.44	1.53	1.51	1.78	1.91	1.88	2.01	2.00	1.96	1.96	2.19	2.23	2.14
- over 3 months	1.12	1.15	1.17	1.17	1.17	1.16	1.21	1.21	1.21	1.21	1.20	2.83	1.20

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											
	12	1	2	3	4	5	6	7	8	9	10	11	12
<b>Loans in total<sup>1)</sup></b>	5.80	5.89	5.93	6.06	6.15	6.19	6.40	6.55	6.66	6.87	6.90	6.90	6.90
Current account overdrafts	6.14	6.19	6.55	6.97	7.12	7.10	7.58	7.79	7.93	8.34	8.28	8.07	8.21
Consumer loans	11.82	12.26	12.23	12.28	12.21	12.31	12.63	12.68	12.74	12.86	12.85	12.89	12.93
Operation loans	4.00	3.97	4.10	4.32	4.47	4.42	4.81	4.98	5.19	5.30	5.38	5.35	5.29
Investment loans	4.42	4.47	4.50	4.72	4.85	4.94	5.18	5.41	5.57	5.83	5.92	5.94	5.86
Real estate purchase loans	5.91	6.34	6.25	6.20	6.19	6.17	6.20	6.22	6.25	6.28	6.35	6.39	6.42
Other loans	5.79	4.81	4.82	4.95	5.12	5.24	5.40	5.59	5.76	6.08	6.06	6.20	6.22
Credit cards	19.80	16.04	15.99	16.15	16.51	16.14	16.08	18.05	18.06	18.13	18.07	17.82	17.43
Short-term loans	5.42	5.42	5.66	5.91	6.09	6.07	6.42	6.69	6.88	7.13	7.17	7.01	7.00
Long-term loans over 1 year and up to 5 years	7.21	7.15	7.11	7.22	7.24	7.27	7.47	7.56	7.67	7.99	7.99	7.97	7.99
Long-term loans over 5 years	5.36	5.59	5.57	5.63	5.71	5.78	5.92	6.03	6.12	6.27	6.32	6.40	6.42
<b>Households</b>													
Loans in total	7.83	7.81	7.86	7.84	7.81	7.82	7.91	7.95	8.00	8.05	8.09	8.11	8.12
Current account overdrafts	10.83	10.59	12.20	12.32	12.37	12.47	12.91	13.10	13.43	13.45	13.64	13.43	13.43
Consumer loans	11.82	12.26	12.23	12.28	12.21	12.31	12.63	12.68	12.74	12.86	12.85	12.89	12.93
Real estate purchase loans	6.47	6.41	6.33	6.26	6.24	6.23	6.26	6.26	6.29	6.31	6.34	6.39	6.42
Other loans	9.76	7.36	7.20	7.04	6.95	6.92	6.93	6.94	7.02	7.08	7.21	7.24	7.28
Credit cards	19.90	16.14	16.08	16.23	16.57	16.20	16.14	18.07	18.09	18.17	18.08	17.85	17.43
Short-term loans	10.89	10.96	12.09	12.27	12.31	12.37	12.69	13.14	13.49	13.57	13.72	13.53	13.57
Long-term loans over 1 year and up to 5 years	10.91	10.84	10.78	10.87	10.80	10.83	10.99	10.99	11.05	11.13	11.11	11.15	11.14
Long-term loans over 5 years	6.01	6.46	6.38	6.34	6.34	6.34	6.41	6.44	6.48	6.53	6.59	6.65	6.68
<b>Non-financial institutions</b>													
Loans in total	4.52	4.55	4.60	4.88	5.01	5.09	5.41	5.65	5.82	6.14	6.16	6.13	6.11
Current account overdrafts	4.91	5.09	5.05	5.47	5.57	5.59	6.00	6.25	6.36	6.91	6.78	6.56	6.60
Operation loans	3.86	3.81	3.97	4.34	4.46	4.39	4.92	5.11	5.33	5.45	5.52	5.47	5.38
Investment loans	4.44	4.52	4.59	4.80	4.94	5.05	5.31	5.56	5.74	5.97	6.07	6.09	6.00
Real estate purchase loans	4.47	4.71	4.63	4.68	5.14	5.08	5.30	5.56	5.55	5.83	6.53	6.53	6.49
Other loans	4.94	4.49	4.61	4.80	4.92	5.18	5.31	5.53	5.77	6.06	5.89	6.13	6.15
Credit cards	18.27	12.36	13.26	13.83	14.29	14.31	14.49	17.24	17.12	16.49	17.47	16.68	17.34
Short-term loans	4.48	4.53	4.56	4.92	5.05	5.04	5.45	5.70	5.85	6.26	6.24	6.10	6.08
Long-term loans over 1 year and up to 5 years	4.97	4.96	4.96	5.20	5.32	5.43	5.69	5.91	6.14	6.31	6.41	6.35	6.38
Long-term loans over 5 years	4.34	4.40	4.50	4.69	4.83	4.96	5.20	5.45	5.61	5.88	5.94	6.04	6.02

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											
	12	1	2	3	4	5	6	7	8	9	10	11	12
<b>Deposits in total<sup>1)</sup></b>	1.46	1.52	1.37	1.68	1.74	1.72	2.02	1.94	2.11	2.39	2.38	2.32	2.35
Deposits payable on demand	0.57	0.92	0.59	0.66	0.74	0.80	1.12	0.86	0.82	1.26	1.01	0.95	1.00
of which: demand deposits	0.47	0.61	0.47	0.52	0.60	0.61	0.77	0.66	0.69	0.90	0.81	0.75	0.78
overnight deposits	1.70	3.20	1.46	2.22	2.64	2.55	4.39	2.68	3.19	5.54	3.93	3.17	3.72
Deposits with agreed maturity <sup>2)</sup>	2.19	2.15	2.15	2.52	2.56	2.56	2.91	2.92	3.16	3.36	3.46	3.45	3.54
- up to 1 year in total	2.16	2.02	2.03	2.49	2.55	2.55	2.98	2.99	3.28	3.51	3.62	3.61	3.73
- up to 7 days	2.03	2.53	1.78	2.80	2.49	2.49	3.83	2.85	3.16	4.82	3.88	3.52	3.52
- up to 1 month	2.45	2.37	2.41	2.89	2.96	2.95	3.39	3.44	3.76	3.83	4.09	4.07	4.05
- up to 3 months	1.44	1.42	1.55	1.71	1.82	1.98	2.15	2.45	2.72	2.78	2.85	2.92	2.92
- up to 6 months	1.30	1.39	1.49	1.61	1.76	1.93	2.12	2.41	2.69	2.94	3.07	3.19	3.28
- up to 1 year	1.68	0.80	0.79	0.79	0.87	0.97	1.12	1.29	1.68	1.90	2.08	2.20	3.34
- over 1 year in total	2.77	2.73	2.70	2.66	2.62	2.59	2.56	2.55	2.55	2.55	2.56	2.57	2.57
- up to 2 years	2.18	2.14	2.13	2.16	1.90	1.94	2.30	2.36	2.52	2.83	3.07	3.26	3.28
- over 2 years	2.78	2.74	2.71	2.67	2.64	2.60	2.57	2.55	2.55	2.55	2.55	2.55	2.55
Deposits redeemable at notice	1.06	1.07	1.10	1.16	1.19	1.21	1.23	1.54	1.65	1.75	1.79	1.81	1.83
- up to 3 months	0.96	0.97	0.97	1.05	1.06	1.07	1.09	1.45	1.47	1.47	1.54	1.55	1.55
- over 3 months	1.10	1.13	1.17	1.22	1.25	1.28	1.30	1.59	1.75	1.89	1.91	1.93	1.97
<b>Households</b>													
Deposits in total	1.13	1.20	1.19	1.26	1.29	1.31	1.43	1.51	1.64	1.74	1.79	1.81	1.87
Deposits payable on demand	0.41	0.49	0.41	0.44	0.42	0.45	0.51	0.50	0.51	0.54	0.51	0.50	0.50
of which: demand deposits	0.40	0.45	0.40	0.42	0.41	0.43	0.45	0.47	0.49	0.49	0.48	0.47	0.48
overnight deposits	1.16	2.90	1.42	1.89	2.14	2.35	3.97	2.41	2.83	5.02	3.73	3.09	3.11
Deposits with agreed maturity	1.76	1.88	1.92	2.01	2.09	2.13	2.33	2.42	2.61	2.74	2.83	2.87	2.92
- up to 1 year in total	1.33	1.44	1.51	1.68	1.82	1.89	2.21	2.36	2.65	2.83	2.94	3.00	3.07
- up to 7 days	1.00	1.52	1.17	1.59	1.75	1.70	2.80	2.19	2.22	3.62	3.01	2.54	2.84
- up to 1 month	1.34	1.46	1.51	1.68	1.84	1.85	2.20	2.33	2.51	2.56	2.71	2.72	2.76
- up to 3 months	1.36	1.28	1.42	1.53	1.68	1.83	2.03	2.25	2.50	2.59	2.69	2.72	2.75
- up to 6 months	1.22	1.32	1.43	1.53	1.66	1.82	2.01	2.24	2.53	2.76	2.90	3.03	3.10
- up to 1 year	1.50	1.46	1.46	1.56	1.72	1.83	2.09	2.45	3.01	3.26	3.40	3.53	3.62
- long-term over 1 year	2.78	2.73	2.71	2.66	2.62	2.59	2.57	2.54	2.54	2.55	2.56	2.57	2.57
- up to 2 years	2.25	2.19	2.16	2.13	1.81	1.84	2.24	2.32	2.53	2.92	3.17	3.38	3.44
- over 2 years	2.78	2.74	2.71	2.67	2.63	2.60	2.57	2.55	2.54	2.54	2.55	2.55	2.55
Deposits redeemable at notice	1.05	1.07	1.10	1.16	1.18	1.21	1.22	1.54	1.65	1.75	1.78	1.81	1.83
- up to 3 months	0.96	0.96	0.96	1.04	1.05	1.06	1.07	1.43	1.45	1.46	1.52	1.54	1.54
- over 3 months	1.10	1.13	1.17	1.22	1.25	1.28	1.30	1.59	1.75	1.89	1.91	1.93	1.97
<b>Non-financial corporations</b>													
Deposits in total	1.38	1.82	1.49	1.85	1.99	1.89	2.43	2.09	2.34	3.03	2.80	2.60	2.56
Deposits payable on demand	0.64	1.23	0.70	0.87	0.95	1.05	1.62	1.10	1.05	1.98	1.47	1.30	1.30
of which: demand deposits	0.47	0.79	0.49	0.58	0.71	0.73	1.01	0.72	0.78	1.35	1.12	0.98	1.02
overnight deposits	1.67	3.29	1.69	2.23	2.62	2.64	4.44	2.71	3.18	5.58	3.98	3.15	3.81
Deposits with agreed maturity	2.30	2.68	2.58	3.05	3.07	3.07	3.72	3.58	3.86	4.35	4.34	4.28	4.21
- up to 1 year in total	2.31	2.68	2.58	3.05	3.07	3.08	3.73	3.58	3.87	4.36	4.35	4.29	4.22
- up to 7 days	1.79	2.70	1.94	2.40	2.62	2.66	4.02	3.00	3.35	5.13	4.07	3.68	3.53
- up to 1 month	2.65	2.72	2.71	3.22	3.20	3.16	3.70	3.72	4.07	4.20	4.45	4.40	4.45
- up to 3 months	2.15	2.37	2.46	2.74	2.70	2.97	3.09	3.56	3.78	3.90	3.97	4.16	4.12
- up to 6 months	2.25	2.41	2.24	2.45	2.65	2.89	3.08	3.22	3.34	3.91	4.11	4.24	4.41
- up to 1 year	1.90	1.89	1.97	2.29	2.47	2.73	2.96	2.92	3.10	3.34	3.66	3.65	3.85
- long-term over 1 year	2.17	2.17	2.21	2.41	2.41	2.41	2.47	2.86	2.80	2.82	2.85	3.01	2.93
- up to 2 years	2.10	2.23	2.23	2.50	2.50	2.51	2.69	2.77	2.69	2.69	2.74	3.39	3.16
- over 2 years	2.21	2.15	2.19	2.37	2.37	2.36	2.36	2.88	2.82	2.85	2.87	2.86	2.85
Deposits redeemable at notice	1.41	1.51	1.49	1.74	1.86	1.83	1.96	1.95	1.92	1.91	2.13	2.27	2.08
- up to 3 months	1.43	1.53	1.51	1.78	1.91	1.88	2.01	2.00	1.96	1.96	2.19	2.23	2.14
- over 3 months	1.12	1.15	1.18	1.17	1.17	1.16	1.21	1.21	1.21	1.21	1.20	2.83	1.20

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 31 December 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	
<b>Total assets</b>	58,166,347	1,198,770,171	49,868,043	154,217,155	63,920,864	1,408,609,886
Cash items	0	12,351,922	0	0	4,558,473	16,910,395
Cash in hand	0	12,351,922	0	0	4,558,473	16,910,395
of which: EUR	0	0	0	0	2,280,225	2,280,225
Gold	0	0	0	0	0	0
Credits and other receivables	22,256,499	809,960,193	17,706,359	140,323,639	41,644,505	987,378,197
Deposits with and credits to NBS, foreign central banks and post office banks	791	263,387,746	0	0	96,014	263,482,969
of which: Valued on an individual basis						
with no identifiable depreciation (category I)	791	236,931,344	0	0	96,014	237,026,567
Valued on a portfolio basis (category II)	0	26,456,402	0	0	0	26,456,402
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	2,544,176	0	0	61,497	2,605,673
Time deposits	0	8,740,139	0	0	0	8,740,139
Credits provided	791	225,928,127	0	0	34,449	225,961,785
Money reserve accounts	0	26,175,304	0	0	0	26,175,304
of which: Minimum reserve requirements	0	26,052,306	0	0	0	26,052,306
Postal cheque accounts	0	0	0	0	68	68
Deposits with and credits to banks	76,345	29,887,101	13,536,340	8,856,008	27,665,932	79,869,036
of which: Valued on an individual basis						
with no identifiable depreciation (category I)	1,568	27,528,271	12,687,953	8,851,350	24,272,669	73,338,675
Valued on a portfolio basis (category II)	1,954	2,287,551	848,387	4,658	2,777,989	5,916,631
Valued on an individual basis						
with identifiable depreciation (category III)	72,823	71,279	0	0	615,274	613,730
of which: Failed	40,655	40,920	0	0	0	265
of which: Deposits with and credits to own financial group	48	1,329,231	1,421,233	0	7,303,182	10,053,598
of which: Current accounts in banks	69	653,666	49,712	53,737	3,217,899	3,974,945
Current accounts of other banks	2	14,446	4,018,398	0	566,692	4,599,534
Time deposits	1,525	27,745,005	9,468,230	8,802,271	19,941,701	65,955,682
Credits provided	42,062	1,473,984	0	0	3,939,640	5,371,562
Receivables from clients	22,143,846	505,140,847	4,170,007	125,334,540	13,779,108	626,280,656
of which: Valued on an individual basis						
with no identifiable depreciation (category I)	206,806	165,407,896	3,082,080	69,813,241	9,914,017	248,010,428
Valued on a portfolio basis (category II)	7,847,951	304,839,349	767,651	44,597,797	2,884,509	345,241,355
Valued on an individual basis						
with identifiable depreciation (category III)	14,089,089	34,893,602	320,276	10,923,502	980,582	33,028,873
of which: Failed	14,928,330	19,332,615	170,970	1,681,255	556,700	6,813,210
of which: MMIF credits	0	1	0	0	0	1
Credits to general government and international organizations (S.13)	35,517	11,544,499	12	6,133,091	103,451	17,745,536
of which: Valued on an individual basis						
with no identifiable depreciation (category I)	4,944	9,651,711	12	5,755,849	103,451	15,506,079
Valued on a portfolio basis (category II)	2,291	1,864,113	0	220,252	0	2,082,074
Valued on an individual basis						
with identifiable depreciation (category III)	28,282	28,675	0	156,990	0	157,383
of which: Failed	9	10	0	0	0	1
of which: Deposits with central government (S.1311)	0	0	0	0	0	0
Credits to central government (S.1311)	1	1,988,848	12	77,012	103,451	2,169,322
of which: SR Treasury	0	3	0	0	0	3
Other funds	0	0	0	0	0	0
Credits to local governments (S.1313)	7,336	9,350,983	0	6,056,079	0	15,399,726
Credits to social security funds (S.1314)	0	204,668	0	0	0	204,668
of which: Health insurance companies	0	0	0	0	0	0
Social Insurance Corporation	0	204,668	0	0	0	204,668
Debt securities	0	0	0	0	0	0
Financial instruments for sale	340,810	44,310,266	4,093,287	4,209,502	4,991,289	57,263,534
Financial instruments in real value towards profit/loss	0	56,439,380	2,688,120	6,013,751	6,521,053	71,662,304
Tangible assets investments (IAS 40)	60,928	157,972	0	0	0	97,044
Positive real value of fixed forward transactions	0	7,629,783	16,729,037	475,214	1,143,881	25,977,915
Positive real value of options	0	1,141,710	2,314,226	209,419	548,621	4,213,976
Financial instruments held to maturity	55,304	192,368,083	5,639,352	2,311,070	3,697,519	203,960,720
Subsidiary and affiliated companies, joint ventures	737,714	4,730,215	609,830	0	0	4,602,331
Long-term funds provided to branches abroad	0	0	0	0	509,973	509,973
Tangible assets	23,615,976	46,649,015	0	3,900	67,307	23,104,246
Intangible assets	10,129,326	15,268,128	0	0	0	5,138,802
Other assets	969,790	7,553,035	87,832	670,660	238,243	7,579,980
Subordinated financial assets	0	210,469	0	0	0	210,469
Adjustments	33,353,818	33,353,818	0	0	0	0
Portfolio adjustments not recorded above	0	0	0	0	0	0



## Shortened Balance Sheet of Commercial Banks as at 31 December 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	
<b>Total liabilities</b>	1,006,750,208	119,916,375	142,145,612	139,797,691	1,408,609,886
<b>PAYABLES</b>	941,986,824	79,619,450	141,988,028	139,743,476	1,303,337,778
Deposits with and credits to NBS and foreign issuing banks	3,261,844	0	32,779	0	3,294,623
of which: Current accounts	16	0	0	0	16
Time deposits	0	0	0	0	0
Credits received	3,261,828	0	32,779	0	3,294,607
Postal cheque accounts	0	0	0	0	0
Deposits, credits and other liabilities received from banks	26,773,880	51,713,931	8,534,119	72,580,436	159,602,366
of which: Deposits with and credits received from own financial group	712,234	13,682,515	28,019	43,902,076	58,324,844
of which: Current accounts in banks	14,430	17,973	0	3,676,932	3,709,335
Current accounts of other banks	653,907	10,150,377	53,834	315,026	11,173,144
Time deposits	24,659,512	18,909,802	8,480,285	59,875,783	111,925,382
Credits received	1,446,031	22,635,779	0	8,712,695	32,794,505
Deposits and credits received from clients	721,760,354	7,961,110	100,499,624	5,274,813	835,495,901
of which: MMIF deposits	15,179,794	0	359	0	15,180,153
of which: Current accounts and other financial undated liabilities	304,182,418	5,440,723	54,214,538	3,381,435	367,219,114
Time deposits	376,845,736	2,455,302	45,094,608	1,884,629	426,280,275
Deposits at notice	34,823,367	65,025	1,190,478	8,749	36,087,619
Certificates of deposit	68,273	60	0	0	68,333
Credits received and financial leasing	5,840,560	0	0	0	5,840,560
Deposits of general government and international organizations	65,322,887	12,126	21,779,892	3,038,881	90,153,786
of which: Deposits of central government (S.1311)	47,778,035	12,126	21,750,344	3,038,881	72,579,386
of which: Treasury	2,382,933	0	6,644,122	0	9,027,055
Other funds	6,757,505	0	140,045	0	6,897,550
of which: National Property Fund	6,745,165	0	134,439	0	6,879,604
Deposits of local governments (S.1313)	17,541,710	0	29,548	0	17,571,258
Deposits of social security funds (S.1314)	3,142	0	0	0	3,142
of which: Health insurance companies	1,397	0	0	0	1,397
Social Insurance Corporation	1,745	0	0	0	1,745
Securities issued by the accounting unit	77,514,711	3,110,777	1,721,186	9,764,387	92,111,061
Financial liabilities in real value towards profit/loss (IAS 39)	4,321,947	1,973,873	2,119,471	41,778,032	50,193,323
of which: Current accounts	0	0	0	0	0
Time deposits	4,321,947	1,973,873	2,119,471	41,778,032	50,193,323
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	10,256,100	12,538,412	1,095,426	3,237,106	27,127,044
Negative real value of options	2,246,086	1,147,939	519,146	252,405	4,165,576
Liabilities from securities sold for a short term	0	0	0	0	0
Subsidies and similar funds	3,402,583	0	0	0	3,402,583
Reserves	5,164,896	81	355,276	33	5,520,286
Other liabilities	21,751,067	101,049	5,331,109	2,512,523	29,695,748
Subordinated financial liabilities	210,469	1,060,152	0	1,304,860	2,575,481
<b>EQUITY CAPITAL</b>	64,763,384	40,296,925	157,584	54,215	105,272,108
Registered capital	4,627,740	36,594,862	0	0	41,222,602
of which: Subscribed registered capital	4,630,359	36,594,862	0	0	41,225,221
Receivables from shareholders	0	0	0	0	0
Own shares	-2,619	0	0	0	-2,619
Long-term funds provided to branches of foreign banks	32,000	3,124,579	0	34,573	3,191,152
Share premium	2,470,333	475,000	0	0	2,945,333
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	1,408	210,614
Gains/losses from revaluation	492,782	-22,506	157,584	18,234	646,094
Profit/loss from previous years	28,612,254	0	0	0	28,612,254
of which: Retained earnings	29,325,496	0	0	0	29,325,496
Accumulated loss	-713,242	0	0	0	-713,242
Profit and loss account	15,856,330	0	0	0	15,856,330
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											
	12	1	2	3	4	5	6	7	8	9	10	11	12
NET INCOME FROM INTEREST	29,694	2,568	4,889	7,514	10,099	12,769	15,601	18,717	21,689	24,727	27,855	30,980	34,584
Income from interest on securities	16,255	1,143	2,065	3,068	4,046	5,032	5,966	7,085	8,227	9,298	10,406	11,492	12,663
Income from other interest	38,262	3,842	7,308	11,608	15,809	20,368	25,451	30,078	34,711	39,421	44,561	49,834	55,391
Expenses on interest on securities	2,746	221	444	671	904	1,149	1,391	1,655	1,948	2,234	2,535	2,857	3,193
Expenses on other interest	22,077	2,195	4,040	6,492	8,852	11,483	14,426	16,791	19,300	21,758	24,577	27,489	30,277
NET NON-INTEREST INCOME	19,534	1,871	3,497	5,270	6,981	8,346	10,217	11,942	13,424	14,706	16,314	17,786	19,112
Income from fees and provisions	13,318	1,075	2,169	3,471	4,634	5,905	6,957	8,117	9,303	10,454	11,626	12,844	14,134
Expenses on fees and provisions	2,075	198	389	643	859	1,128	1,377	1,635	1,908	2,197	2,439	2,720	3,021
Dividends received	98	3	8	8	211	221	333	389	399	399	440	443	456
Income from operations in securities	4,019	412	656	942	1,189	1,325	1,489	1,788	2,039	2,442	2,622	2,869	3,124
Expenses on operations in securities	2,624	138	398	1,034	1,328	1,815	2,435	2,481	2,601	2,517	2,614	2,649	2,993
Profit/loss of foreign exchange operations	4,477	1,296	1,759	1,732	3,264	3,768	2,021	3,196	4,113	5,012	6,880	8,703	10,205
Profit/loss of fixed forward transactions and options	2,188	-611	-355	798	-127	87	3,294	2,615	2,155	1,142	-160	-1,674	-2,688
Income from other operations	1,301	73	133	96	126	152	159	192	250	286	317	422	467
Expenses on other operations	1,168	39	86	101	130	169	224	240	327	315	358	452	573
NET OPERATIONAL PROFIT/LOSS	-6,583	-142	-288	-540	-749	-990	-1,103	-1,254	-1,263	-1,636	-1,594	-1,433	-1,906
GENERAL OPERATIONAL EXPENSES	28,010	2,286	4,656	7,098	9,474	11,917	14,255	16,739	19,367	21,682	24,188	26,840	29,856
NET ADDITIONS TO RESERVES AND PROVISIONS	1,579	-252	-216	-273	-522	-337	-982	-1,217	-1,526	-1,806	-2,301	-2,513	-2,453
INCOME TAX	2,321	215	391	720	962	1,225	1,361	1,606	1,846	2,337	2,682	2,992	3,624
CURRENT PERIOD PROFIT/LOSS	13,892	1,545	2,835	4,153	5,371	6,646	8,117	9,844	11,112	11,972	13,403	14,989	15,856



**Balance of Payments of the SR for January – November 2006**

	Receipts / Credit (+)		Payments / Debit (-)		Balance	
	SKK millions	USD millions	SKK millions	SKK millions	USD millions	SKK millions
<b>Goods</b>	1,137,115.0	37,913.9	1,216,758.0	40,569.4	-79,643.0	-2,655.5
<b>Services</b>	140,749.7	4,692.9	126,238.5	4,209.1	14,511.2	483.8
Transport	48,799.5	1,627.1	34,325.0	1,144.5	14,474.5	482.6
Tourism	40,093.2	1,336.8	28,960.9	965.6	11,132.3	371.2
Other services	51,857.0	1,729.0	62,952.6	2,099.0	-11,095.5	-369.9
<b>Income</b>	52,874.2	1,762.9	108,659.8	3,623.0	-55,785.6	-1,860.0
Compensation of employees	29,100.0	970.3	1,266.0	42.2	27,834.0	928.0
Investment income	23,774.2	792.7	107,393.8	3,580.7	-83,619.6	-2,788.1
<b>Current transfers</b>	43,217.0	1,441.0	44,466.2	1,482.6	-1,249.2	-41.7
<b>CURRENT ACCOUNT</b>	1,373,955.9	45,810.7	1,496,122.4	49,884.1	-122,166.6	-4,073.3
<b>Capital account</b>	1,067.3	35.6	1,919.7	64.0	-852.4	-28.4
<b>Financial account</b>	5,838,534.3	194,602.6	-5,830,021.2	-194,361.6	8,513.1	241.0
Direct investment	942,329.9	31,419.4	-838,371.9	-27,953.2	103,958.0	3,466.2
<i>Abroad (direct investor = resident)</i>	48,017.8	1,601.0	-56,466.0	-1,882.7	-8,448.2	-281.7
Equity capital and reinvested earnings	2,818.8	94.0	-11,005.0	-366.9	-8,186.2	-272.9
Other capital	45,199.0	1,507.0	-45,461.0	-1,515.8	-262.0	-8.7
<i>In the SR (recipient of dir. investment = resident)</i>	894,312.1	29,818.4	-781,905.9	-26,070.5	112,406.1	3,747.9
Equity capital and reinvested earnings	79,601.1	2,654.1	-5,170.9	-172.4	74,430.1	2,481.7
Other capital	814,711.0	27,164.3	-776,735.0	-25,898.1	37,976.0	1,266.2
Portfolio investment	625,830.9	20,816.6	-570,562.5	-19,023.8	55,268.4	1,792.7
Assets	68,340.3	2,278.6	-66,729.9	-2,224.9	1,610.5	53.7
Liabilities	557,490.6	18,537.9	-503,832.6	-16,798.9	53,658.0	1,739.0
Financial derivatives	1,721,698.8	57,405.3	-1,724,620.5	-57,502.7	-2,921.7	-97.4
Assets	824,009.0	27,474.3	-833,766.5	-27,799.6	-9,757.5	-325.3
Liabilities	897,689.9	29,931.0	-890,854.0	-29,703.1	6,835.8	227.9
Other investment	2,548,674.7	84,961.4	-2,696,466.3	-89,881.9	-147,791.6	-4,920.5
<i>Long-term</i>	438,027.3	14,605.5	-414,861.7	-13,831.3	23,165.7	774.2
Assets	97,410.2	3,246.6	-92,501.7	-3,084.3	4,908.4	162.3
Liabilities	340,617.2	11,359.0	-322,359.9	-10,747.1	18,257.3	611.9
<i>Short-term</i>	2,110,647.3	70,355.9	-2,281,604.6	-76,050.6	-170,957.3	-5,694.7
Assets	1,264,903.0	42,174.7	-1,315,003.7	-43,845.1	-50,100.7	-1,670.5
Liabilities	845,744.3	28,181.2	-966,601.0	-32,205.4	-120,856.6	-4,024.2
<b>CAPITAL AND FINANCIAL ACCOUNT</b>	5,839,601.6	194,638.2	-5,831,940.9	-194,425.6	7,660.7	212.6
<b>ERRORS AND OMISSIONS</b>	-	-	-	-	33,914.3	1,198.9
<b>TOTAL BALANCE</b>	-80,591.6	-2,661.8	0.0	0.0	-80,591.6	-2,661.8
Monetary gold	0.0	0.0	0.0	0.0	0.0	0.0
Special drawing rights	0.0	0.0	0.0	0.0	0.0	0.0
Foreign exchange	80,591.6	2,661.8	0.0	0.0	80,591.6	2,661.8
<i>Currency and deposits</i>	15,213.9	514.7	0.0	0.0	15,213.9	514.7
<i>Securities</i>	65,377.7	2,147.1	0.0	0.0	65,377.7	2,147.1
Bonds and notes	62,592.7	2,083.6	0.0	0.0	62,592.7	2,083.6
Money market instruments and financial derivatives	2,785.0	63.5	0.0	0.0	2,785.0	63.5
<b>RESERVE ASSETS</b>	80,591.6	2,661.8	0.0	0.0	80,591.6	2,661.8

Note: Preliminary data.

Applied rate of exchange: USD 1 = SKK 29.992.



## Overview of Issues of NBS Bills

Registration number	Date of			DTM	Volume in SKK millions		Type of auction	Interest rate in % p.a.		
	auction	issue	maturity		demand	akcept.		issue	maturity	max.
951504001	20.1.2005	21.1.2005	15.4.2005	84	47,662	25,000	American	3.41	3.59	3.68
950807004	14.4.2005	15.4.2005	8.7.2005	84	47,657	35,000	American	2.42	2.64	2.74
952907005	5.5.2005	6.5.2005	29.7.2005	84	37,470	35,000	American	2.70	2.91	3.00
952608007	2.6.2005	3.6.2005	26.8.2005	84	47,539	35,000	American	2.95	2.99	2.99
953009008	7.7.2005	8.7.2005	30.9.2005	84	53,872	35,000	American	2.88	2.95	2.98
952110010	28.7.2005	29.7.2005	21.10.2005	84	43,900	35,000	American	2.93	2.97	2.98
951811011	25.8.2005	26.8.2005	18.11.2005	84	36,898	35,000	American	2.96	2.98	2.99
952312013	29.9.2005	30.9.2005	23.12.2005	84	36,288	35,000	American	2.95	2.99	3.00
951301014	20.10.2005	21.10.2005	13.1.2006	84	30,353	14,253	American	2.99	3.00	3.00
951002015	16.11.2005	18.11.2005	10.2.2006	84	23,800	0	American	-	-	-
951703017	22.12.2005	23.12.2005	17.3.2006	84	26,711	5,801	American	2.99	3.00	3.00
960704001	12.1.2006	13.1.2006	7.4.2006	84	28,575	5,553	American	3.00	3.00	3.00
960505003	9.2.2006	10.2.2006	5.5.2006	84	13,000	0	American	-	-	-
960906004	16.3.2006	17.3.2006	9.6.2006	84	6,310	210	American	3.50	3.50	3.50
963006005	6.4.2006	7.4.2006	30.6.2006	84	9,053	300	American	3.50	3.50	3.50
962807007	4.5.2006	5.5.2006	28.7.2006	84	1,515	0	American	-	-	-
963108008	8.6.2006	9.6.2006	31.8.2006	83	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	-	-	-
961201015	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 January 2007

	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	-	-	-	644.7	100.0	95	-	-	-	644.7	95
Transactions between domestic banks without foreign participation	6,100.2	68.5	215	2,768.1	31.1	1,098	39.4	0.4	18	8,907.7	1,331
Interbank forex market: NBS + transactions between domestic banks	6,100.2	63.9	215	3,412.8	35.7	1,193	39.4	0.4	18	9,552.4	1,426
Transactions between domestic and foreign banks	58,929.1	82.8	2,038	12,086.9	17.0	4,878	140.8	0.2	129	71,156.8	7,045
Foreign exchange market in the SR – total	65,029.2	80.6	2,253	15,499.7	19.2	6,071	180.1	0.2	147	80,709.1	8,471

	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	2,333.9	26.2	1,126	0.2	0.0	1	6,573.8	73.8	200	3.9	0.0	4	8,911.8	1,331
Transactions between domestic and foreign banks	10,308.0	14.5	4,444	212.5	0.3	43	60,414.9	84.9	2,094	233.5	0.3	464	71,168.9	7,045
Foreign exchange market in the SR - excl. the NBS	12,641.9	15.8	5,570	212.7	0.3	44	66,988.7	83.7	2,294	237.4	0.3	468	80,080.7	8,376



## Average Monthly Exchange Rates of the SKK

Midpoint rate	2006												2007
	1	2	3	4	5	6	7	8	9	10	11	12	1
1 AUD	23.220	23.228	22.712	22.411	22.490	22.247	22.748	22.455	22.286	21.992	21.537	20.828	20.921
1 BGN	-	-	-	-	-	-	-	-	-	-	-	-	17.754
1 CYP	65.391	65.147	65.132	64.901	65.331	66.157	66.770	65.472	65.088	63.909	62.197	60.595	60.044
1 CZK	1.305	1.317	1.308	1.312	1.328	1.340	1.350	1.336	1.322	1.302	1.281	1.260	1.249
1 DKK	5.027	5.011	5.020	5.011	5.039	5.101	5.146	5.051	5.029	4.942	4.818	4.698	4.658
1 EUR	37.510	37.404	37.455	37.392	37.575	38.036	38.388	37.688	37.505	36.852	35.914	35.025	34.721
1 EEK	2.397	2.391	2.394	2.390	2.401	2.431	2.453	2.409	2.398	2.355	2.296	2.239	2.219
100 JPY	26.862	26.536	26.606	26.048	26.331	26.220	26.170	25.421	25.181	24.624	23.790	22.654	22.183
1 CAD	26.768	27.224	26.958	26.610	26.508	26.997	26.845	26.266	26.398	25.902	24.599	23.043	22.723
1 LTL	10.863	10.833	10.847	10.828	10.881	11.014	11.117	10.914	10.863	10.671	10.403	10.143	10.055
1 LVL	53.886	53.739	53.810	53.721	53.981	54.642	55.156	54.151	53.899	52.937	51.550	50.207	49.779
100 HUF	14.960	14.871	14.392	14.080	14.308	14.022	13.814	13.743	13.672	13.769	13.866	13.779	13.690
1 MTL	87.371	87.147	87.229	87.130	87.563	88.593	89.435	87.798	87.390	85.836	83.694	81.595	80.887
1 NOK	4.667	4.639	4.694	4.761	4.819	4.845	4.834	4.724	4.545	4.392	4.355	4.296	4.193
1 PLN	9.814	9.853	9.662	9.535	9.646	9.460	9.596	9.658	9.465	9.434	9.386	9.189	8.961
1 RON	-	-	-	-	-	-	-	-	-	-	-	-	10.239
100 SIT	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	24.201	24.016	23.880	23.734	24.133	24.382	24.474	23.893	23.699	23.177	22.567	21.945	21.503
1 SEK	4.025	4.009	3.984	4.002	4.025	4.117	4.164	4.094	4.049	3.981	3.945	3.875	3.825
1 USD	31.029	31.298	31.186	30.535	29.461	30.054	30.286	29.426	29.448	29.225	27.915	26.504	26.694
1 GBP	54.679	54.748	54.392	53.819	54.961	55.412	55.805	55.649	55.570	54.751	53.320	52.044	52.321
1 XDR	44.866	44.944	44.874	44.280	43.828	44.414	44.734	43.753	43.649	43.051	41.567	39.980	39.916

Note: With affect from 1 January 2007, the Slovenian tolar (SIT) has been excluded and the Bulgarian lev (BGN) and the Romanian leu (RON) included in the exchange rate table of the NBS. On 1 January 2007, Slovenia introduced the euro and Bulgaria and Romania joined the EU.

## Average Quarterly Exchange Rates of the SKK

Midpoint rate	2005					2006				
	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 Investment<sup>1)</sup> 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 <sup>3)</sup>	298,140	27,907	5,813	331,860	9,056.50	865.20	1,724.15	11,645.85
2005 <sup>4)</sup>	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 <sup>2)</sup>	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 <sup>2)</sup>	319,497	38,970	-9,967	348,500	7,980.23	1,059.74	1,546.28	10,586.25
2004 <sup>3)</sup>	363,562	33,022	1,920	398,504	11,043.80	1,023.78	1,916.98	13,984.56
2005 <sup>4)</sup>	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 Investment<sup>1)</sup> 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									
<b>Inflow of FDI (equity capital + reinvested earnings) in total</b>	20,125	648.7	100.0	-2	-0.1	100.0	20,123	648.7	100.0
<b>Structure of capital by investor</b>									
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
<b>Structure of capital by sector</b>									
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
<b>Structure of capital by region</b>									
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 Investment<sup>1)</sup> 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									
<b>Inflow of FDI (equity capital + reinvested earnings) in total</b>	27,907	865.2	100.0	5,115	158.6	100.0	33,022	1,023.8	100.0
<b>Structure of capital by investor</b>									
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
<b>Structure of capital by sector</b>									
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
<b>Structure of capital by regions</b>									
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 Investment<sup>1)</sup> During January to December 2003

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 36.773									
<b>Inflow of FDI (equity capital + reinvested earnings) in total</b>	37,157	1,010.4	100.0	1,813	49.3	100.0	38,970	1,059.7	100.0
<b>Structure of capital by investor</b>									
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
<b>Structure of capital by sector</b>									
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
<b>Structure of capital by regions</b>									
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 Investment<sup>1)</sup> 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									
<b>Total volume of FDI (equity capital + reinvested earnings)</b>	350,379	10,967.2	100.0	66,641	2,085.9	100.0	417,020	13,053.1	100.0
<b>Structure of capital by investor</b>									
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
<b>Structure of capital by sector</b>									
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
<b>Structure of capital by regions</b>									
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 Investment<sup>1)</sup> 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									
<b>Total volume of FDI (equity capital + reinvested earnings)</b>	331,860	11,645.8	100.0	66,644	2,338.7	100.0	398,504	13,984.6	100.0
<b>Structure of capital by investor</b>									
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
<b>Structure of capital by sector</b>									
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
<b>Structure of capital by regions</b>									
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 Investment<sup>1)</sup> as at 31 December 2003**

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 32.920									
<b>Total volume of FDI (equity capital + reinvested earnings)</b>	283,078	8,599.0	100.0	65,422	1,987.3	100.0	348,500	10,586.3	100.0
<b>Structure of capital by investor</b>									
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
<b>Structure of capital by sector</b>									
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
<b>Structure of capital by regions</b>									
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 Investment<sup>1)</sup> 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 <sup>3)</sup>	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 <sup>2)</sup>	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 <sup>2)</sup>	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 <sup>3)</sup>	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 Investment<sup>1)</sup> 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									
<b>Outflow of FDI (equity capital + reinvested earnings) in total</b>	2,249	72.5	100.0	302	9.7	100.0	2,551	82.2	100.0
<b>Structure of capital by country of investment</b>									
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
<b>Structure of capital by sector</b>									
Agriculture, hunting, and forestry	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Mineral raw materials extraction	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
<b>Structure of capital by regions</b>									
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 Investment<sup>1)</sup> 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									
<b>Outflow of FDI (equity capital + reinvested earnings) in total</b>	1,693	52.5	100.0	-29	-0.9	100.0	1,664	51.6	100.0
<b>Structure of capital by country of investment</b>									
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
<b>Structure of capital by sector</b>									
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
<b>Structure of capital by regions</b>									
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 Investment<sup>1)</sup> During January to December 2003

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 36.773									
<b>Outflow of FDI (equity capital + reinvested earnings) in total</b>	664	18.1	100.0	43	1.2	100.0	707	19.2	100.0
<b>Structure of capital by country of investment</b>									
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
<b>Structure of capital by sector</b>									
Agriculture, hunting, and forestry	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Mineral raw materials extraction	-230	-6.3	-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
<b>Structure of capital by regions</b>									
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 Investment<sup>1)</sup> 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									
<b>Total volume of FDI outward (equity capital + reinvested earnings)</b>	22,384	700.6	100.0	839	26.3	100.0	23,223	726.9	100.0
<b>Structure of capital by country of investment</b>									
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
<b>Structure of capital by sector</b>									
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
<b>Structure of capital by regions</b>									
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 Investment<sup>1)</sup> 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									
<b>Total volume of FDI outward (equity capital + reinvested earnings)</b>	19,478	683.5	100.0	527	18.5	100.0	20,005	702.0	100.0
<b>Structure of capital by country of investment</b>									
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
<b>Structure of capital by sector</b>									
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
<b>Structure of capital by regions</b>									
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 Investment<sup>1)</sup> Outward as at 31 December 2003

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 32.920									
<b>Total volume of FDI outward (equity capital + reinvested earnings)</b>	17,950	545.3	100.0	196	6.0	100.0	18,146	551.2	100.0
<b>Structure of capital by country of investment</b>									
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
<b>Structure of capital by sector</b>									
Agriculture, hunting, and forestry	24	0.7	0.1	0	0.0	0.0	24	0.7	0.1
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
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
<b>Structure of capital by regions</b>									
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.