



NÁRODNÁ BANKA SLOVENSKA



# Monetary Survey

March 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
BRIBOR	Bratislava Interbank Offered Rate
CDCP SR	Centrálny depozitár cenných papierov SR – Central Securities Depository of the Slovak Republic
CPI	Consumer Price Index
ECB	European Central Bank
EMU	Economic and Monetary Union
EU	European Union
Eurostat	Statistical Office of the European Communities
FDI	Foreign Direct Investment
Fed	Federal Reserve System
FNM	Fond národného majetku – National Property Fund
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
IMF	International Monetary Fund
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
NBS	Národná banka Slovenska – National Bank of Slovakia
NEER	Nominal Effective Exchange Rate
NPF	National Property Fund
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
SASS	Slovenská asociácia správcovských spoločností – Slovak Association of Asset Management Companies
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
SO SR	Statistical Office of the SR
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 Executive Summary

Consumer prices, expressed in terms of the Harmonised Index of Consumer Prices (HICP), increased in comparison with the previous month by 0.1% in March. The year-on-year rate of headline inflation reached 2.1%. Core inflation (excluding energy and unprocessed food prices) recorded a year-on-year rate of 1.9%.

Expressed in terms of the Consumer Price Index (CPI), consumer prices remained unchanged in March, at the level of the previous month. The 12-month headline and core inflation rates reached 2.7% and 2.5% respectively.

The M3 monetary aggregate (according to ECB methodology) grew month-on-month by Sk 12.9 billion in February, and its year-on-year growth dynamics increased in comparison with January, to 16.8%.

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 2.4 billion in February, but the year-on-year growth rate slowed by 1.4 percentage points, to 14%.

The average interest rate on new loans to non-financial corporations increased in February by 0.28 of a percentage point, to 6.49%, while that on new loans to households dropped by 0.05 of a percentage point, to 12.80%. Over the same period, the average rate for new deposits from non-financial corporations increased by 0.51 of a percentage point, to 3.09%, and that for new household deposits rose by 0.02 of a percentage point, to 1.18%.

At the end of March, the State budget of the SR recorded a deficit of Sk 11.9 billion.

The foreign exchange reserves of the NBS (at current exchange rates) stood at USD 16.6 billion in March. At the end of the month, the volume of foreign exchange reserves was 3.7 times greater than the volume of average monthly imports of goods and services to Slovakia over the first two months of 2007. At the end of March, 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 4.7 times the volume of average monthly imports of goods and services to the SR over the first two months of 2007.

The National Bank of Slovakia conducted two foreign exchange interventions in March, in the total amount of EUR 1,930 million (EUR 530 million on 8 March and EUR 1,400 million on 20 March).

According to preliminary data, the balance of payments on current account for January 2007 resulted in a surplus of Sk 8.5 billion. Over the same period, the capital and financial account produced a surplus of Sk 3.1 billion. During January to February, the current account achieved a surplus of Sk 6.9 billion, and trade resulted in a positive balance of Sk 2.8 billion.

As a result of an inflow of funds from foreign exchange interventions, the average daily sterilisation position of the NBS increased month-on-month by Sk 24.7 billion, to Sk 322.9 billion in March.



## 2 Inflation

### 2.1 Consumer Price Index

#### HICP Inflation

#### Harmonised Index of Consumer Prices

Consumer prices, as measured by the Harmonised Index of Consumer Prices (HICP), increased month-on-month by 0.1% in March, with the prices of goods stagnating and services prices rising by 0.2%. On a year-on-year basis, consumer prices rose by 2.1% (in February by 2.0%). Overall inflation excluding energy and unprocessed food prices (core inflation) reached 1.9% (compared with 1.8% in February). The average inflation rate for the period since the beginning of the year reached 2.1%. The average year-on-year inflation rate for the 12 months under review, from April 2006 to March 2007, was 3.7%. In March, HICP inflation was somewhat lower than expected by the NBS.

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

	2006			2007		
	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
<b>Total</b>	3.1	3.7	3.7	2.2	2.0	2.1
<b>Goods</b>	3.1	3.9	4.0	2.0	1.6	1.7
Industrial goods	2.9	3.9	3.9	0.7	0.2	0.4
Non-energy industrial goods	1.1	1.0	1.1	-0.5	-0.5	-0.4
Energy	5.3	7.5	7.4	2.0	1.0	1.5
Foodstuffs	3.4	4.0	4.1	4.6	4.4	4.1
Processed food (including alcohol and tobacco)	2.7	3.4	3.5	3.6	3.6	3.9
Unprocessed food	4.9	5.2	5.3	6.6	6.0	4.4
<b>Services</b>	3.1	3.1	3.1	2.7	2.7	2.8
<b>Total, excluding unprocessed food and energy (core inflation)</b>	2.3	2.5	2.5	1.8	1.8	1.9
<b>Total, excluding energy</b>	2.6	2.7	2.8	2.2	2.2	2.2

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

#### HICP in the structural breakdown of CPI inflation

A comparison of the rates of HICP inflation in the structural breakdown of the national index and CPI inflation reveals the remaining difference in year-on-year dynamics between the HICP and the CPI. This difference (a slower rise in the HICP than in the CPI, by 0.6 of a percentage point) was mainly caused by price developments in market services, where the CPI also includes imputed rents and repair funds,

**Table 2 HICP in the Structural Breakdown of the National Index** (year-on-year changes in %)

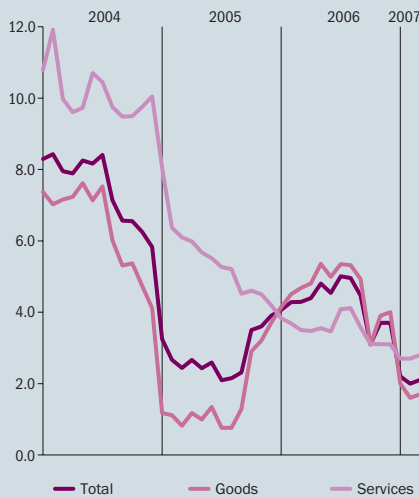
	2006			2007		
	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
<b>Total</b>	3.1	3.7	3.7	2.2	2.0	2.1
<b>Regulated prices</b>	6.9	8.0	7.8	2.9	2.6	2.6
<b>Core inflation</b>	1.1	1.3	1.4	1.5	1.3	1.3
Foodstuffs	2.9	3.5	3.6	4.4	4.2	3.6
Processed food	1.0	1.9	1.9	2.2	2.5	2.7
Unprocessed food	4.9	5.2	5.3	6.6	6.0	4.4
Tradable goods	-1.4	-1.1	-0.9	-0.9	-1.2	-0.8
Tradable goods, excluding fuel	-0.6	-0.6	-0.5	-0.2	-0.3	-0.2
Fuel	-7.8	-5.8	-5.1	-7.2	-9.7	-6.4
Market services	3.6	3.5	3.5	3.0	3.1	3.1
<b>Net inflation (excluding changes in indirect taxes)</b>	0.5	0.7	0.8	0.7	0.5	0.7
<b>Net inflation, excluding fuel (excl. changes in indirect taxes)</b>	1.1	1.2	1.2	1.2	1.1	1.2

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





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



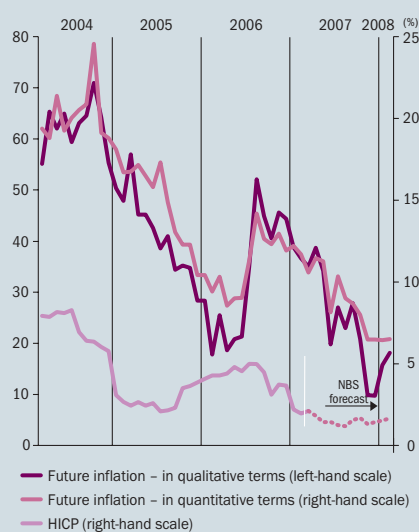
Source: NBS calculations based on data from the Statistical Office of the SR.

i.e. items dynamically growing since the end of 2005, but not included in the HICP inflation. The difference, however, diminished somewhat in comparison with the previous month.

The year-on-year rate of increase in goods prices accelerated somewhat, when the dynamics of industrial goods prices strengthened, while food prices showed weaker year-on-year dynamics. The acceleration in the year-on-year increase in industrial good prices was affected by an increase in energy price dynamics, when the year-on-year decline in fuel prices slowed considerably, while other energy prices were stagnant on a year-on-year basis. Industrial goods prices (excluding energy prices) recorded a somewhat smaller year-on-year fall than in the previous month. The dynamics of food prices weakened on a year-on-year basis, due to a slowdown in unprocessed food prices, while processed food prices accelerated on a year-on-year basis.

**Modest increase in the year-on-year dynamics of goods and services prices**

**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.

The year-on-year rate of increase in services prices slightly accelerated, when prices for transport services showed stronger dynamics than in the previous month (a price increase in passenger railway transport). In other services, prices were stagnant on a year-on-year basis, or recorded only minor changes.

The year-on-year rate of headline inflation is expected to slow in April (compared with March), due to the anticipated developments in the regulated prices of pharmaceuticals, which recorded an increase in the same period a year earlier, but are likely to fall in April 2007 (in connection with the new categorisation of pharmaceuticals). Food prices are also expected to show weaker year-on-year dynamics. On the other hand, the steeper increase in fuel prices in the recent period should moderate the pace of their year-on-year decline.

**Expectations for the coming month**

March witnessed a slight increase 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 6.89% (6.85% in the previous month). When asked about the expected inflation rate in the next 12 months, the respondents gave an average value of 6.50%, representing a slight deterioration in comparison with the previous month (6.43%).

**Consumer expectations regarding inflation**

**CPI Inflation**

In March 2007, consumer prices were stagnant on a month-on-month basis. Within the basic structure of inflation, both regulated prices and core inflation were at a standstill in comparison with the previous month. Among regulated prices, prices increased in railway transport (2nd class train fares, for 91 to 100 kms). Core inflation was influenced in March by a modest rise in prices for

**Consumer Price Index**

market services and an increase in fuel prices. A disinflationary effect was exerted by developments in the prices of tradable goods, excluding fuels, and in food prices (unprocessed food prices dropped, while processed food prices increased). The 12-month rate of headline inflation reached 2.7% (compared with 2.7% in February) and that of core inflation 2.5% (2.5% in the previous month). The average year-on-year inflation rate for the period from April 2006 to March 2007 was 4.1%. The year-on-year inflation rate for the period since the beginning of the year reached an average of 2.8%.



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

	Change versus	
	February 2007	March 2006
<b>Total in %</b>	0.0	2.7
<b>Regulated prices in %</b>	0.0	2.3
– Share of total, in percentage points <sup>1)</sup>	0.01	-
<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>	0.0	2.5
– Share of total, in percentage points <sup>1)</sup>	0.02	-
of which: Food prices in %	-0.1	2.9
– Share of total, in percentage points <sup>1)</sup>	-0.01	-
Tradable goods in % <sup>1)</sup>	0.0	-0.8
– Share of total, in percentage points <sup>1)</sup>	0.00	-
Tradable goods excluding fuels, in % <sup>1)</sup>	-0.3	-0.2
– Share of total, in percentage points <sup>1)</sup>	-0.09	-
Fuels in % <sup>1)</sup>	2.8	-6.4
– Share of total, in percentage points <sup>1)</sup>	0.09	-
Market services in % <sup>1)</sup>	0.1	6.6
– Share of total, in percentage points <sup>1)</sup>	0.03	-
<b>Net inflation</b>		
<b>(excluding the impact of changes in indirect taxes) in %</b>	0.1	2.5
– Share of total, in percentage points <sup>1)</sup>	0.04	-
<b>Net inflation excluding fuel prices</b>		
<b>(excluding the impact of changes in indirect taxes) in %<sup>1)</sup></b>	-0.1	3.0
– Share of total, in percentage points <sup>1)</sup>	-0.06	-

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 February 2007

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

Industrial producer prices for the domestic market rose month-on-month by an average of 1.8% in February, due to price increases for energy (4.4%) and mining and quarrying products (0.9%). The prices of manufacturing products dropped by 0.1%.

**Table 4 Producer Price Developments**

(in %)

	Month-on-month change		Year-on-year change			
	Jan.	Feb.	Feb.	Jan.	Feb.	Average since the beginning of 2007
	2007	2007	2006	2007	2007	
Industrial producer prices (for the domestic market)	-0.5	1.8	9.8	3.4	3.8	3.6
– Prices of manufacturing products	-0.6	-0.1	2.4	1.1	0.6	0.9
– Prices of mining and quarrying products	-2.2	0.9	41.3	0.4	0.5	0.5
– Prices of electricity, gas, steam, and hot water	-0.3	4.4	17.8	6.4	8.1	7.3
Industrial producer prices (for export)	-1.7	-0.7	1.5	-1.5	-3.8	-2.7
– Prices of manufacturing products	-1.8	-0.1	1.7	-1.6	-3.3	-2.4
Construction prices	0.5	0.7	3.8	4.1	3.9	4.0
Building materials prices	0.3	0.6	1.0	5.6	4.9	5.3
Agricultural prices	-	-	-1.5	2.2	0.5	1.3
– Prices of plant products	-	-	-12.5	20.3	24.3	22.2
– Prices of animal products	-	-	0.8	-0.9	-3.7	-2.3

Source: Statistical Office of the SR.

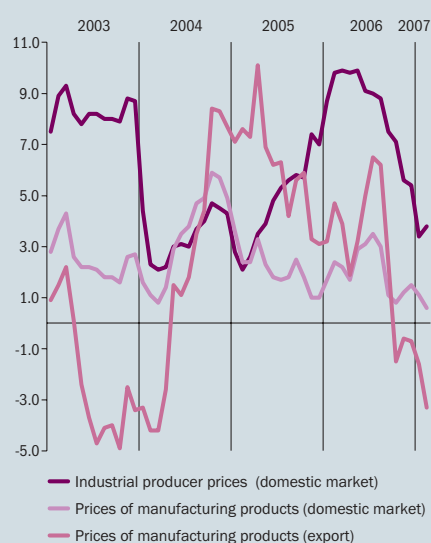
In February, the year-on-year dynamics of domestic industrial producer prices accelerated in comparison with the previous month (by 0.4 of a percentage point, to 3.8%), due to a rise in energy prices (by 8.1%).

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

The energy price increase accelerated in comparison with January, as a result of steeper increases in prices for electricity generation and supply (by 2.1 percentage points, to 8.2%) and prices for gas production and the transport of gaseous fuels via pipelines (by 0.5 of a percentage point, to 9%). Prices for steam and hot water supply and for water treatment and supply rose at a slower rate than a month earlier.

Among manufacturing products, year-on-year increases were recorded in February in the prices of base metals and finished metal products (5.2%), food products (2.7%), other non-metal mineral products (3.4%), and electrical and optical equipment (2%). On the other hand, a marked anti-inflationary effect was exerted by the prices of refined oil products (a fall of 21.4%).

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



Source: Statistical Office of the SR.

Industrial producer prices for export, which are mostly determined by the export prices of manufacturing products, dropped month-on-month by 0.1% in February, representing a year-on-year fall of 3.3%.

**Industrial producer prices for export**

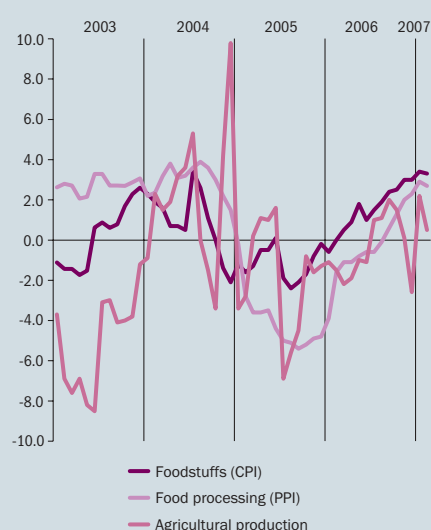
The year-on-year fall in industrial producer prices for export in February was mainly caused by drops in the export prices of refined oil products (21.4%) and transport vehicles (7%). On the other hand, inflationary pressures were caused on a year-on-year basis by the export prices of base metals and finished metal products (3.5%), rubber and plastic products (3%), food products (1.4%), and wood products, except for furniture (1.9%).

In February, agricultural prices increased year-on-year by an average of 0.5%, due to a rise in the price of plant products (24.3%) and a fall in animal products prices (3.7%).

**Agricultural prices**

The rise in plant products prices was mainly caused by persistent increases in the prices of potatoes (56.4%), cereals (24.4%), and vegetables (17.8%). Price levels also increased for legumes (by 1.4%). Tobacco and oil-seed prices dropped by 5.8% and 3.8% respectively.

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



Source: Statistical Office of the SR.

The fall in animal products prices was caused by drops in the prices of all products under review, except for eggs (an average rise of 0.1%). Prices dropped for fish (by 15.2%), pork (by 11.4% for live animals), poultry (by 1.8%), unpasteurised milk (by 0.2%), and beef, including veal (0.1%).

Industrial producer prices are likely to be influenced in March 2007 by the virtually unchanged world-market price of oil (compared with the same period a year earlier) and the continuing appreciation of the Slovak koruna against the US dollar. On the other hand, the moderate year-on-year increase in food prices is expected to continue. In view of these external and internal cost factors, the average year-on-year dynamics of industrial producer prices are expected to stagnate during March.

On the basis of agrarian market news, purchase prices are expected to increase still further on a year-on-year basis in March, mainly for food cereals and late potatoes. Among animal products, the decline in pork prices (for live animals) is expected to continue. Due to the dominant share of animal products in agricultural production, the prices of agricultural products are likely to fall somewhat in March, despite a marked increase in plant products prices.



### 3 Factors Affecting the Course of Inflation

#### 3.1 Monetary Aggregates

In February, the year-on-year growth rate of the M3 monetary aggregate surpassed the historical high from the previous month. The main factor historically influencing the trends in monetary aggregates was still the continuing growth in the receivables of monetary financial institutions (MFIs) from the resident private sector.

#### M3 Monetary Aggregate

##### Moderate increase in the growth dynamics of M3

The M3 monetary aggregate (according to ECB methodology) grew in volume by Sk 12.9 billion compared with January, to Sk 974.0 billion at the end of February. The year-on-year rate of M3 growth<sup>1</sup> accelerated by 0.3 of a percentage point, to 16.8%.

**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
Year 2007	16.5	16.8	.	.	.	.	.	.	.	.	.	.

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

The February development of the M3 aggregate was mostly influenced by an increase in deposits and received loans repayable on demand (Sk 10.2 billion). Among the M3 counterparts, the actual month-on-month increase in MFI receivables from residents (Sk 2.4 billion, including securities), mainly from the private sector, was below the average, but historically represents the main source of growth in monetary aggregates. Deposits and loans received from the central government (including deposits at the SR Treasury) decreased by Sk 3.8 billion.

**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 %	
	Feb. 2006	Jan. 2007	Feb. 2007	Jan. 2007	Feb. 2007
Currency in circulation	119.4	129.4	129.4	8.9	8.4
Deposits and received loans repayable on demand	374.1	407.4	417.6	13.5	11.6
<b>M1</b>	493.5	536.8	547.0	12.4	10.8
Deposits and loans received with an agreed maturity of up to 2 years	280.7	360.9	362.3	25.7	29.1
Deposits redeemable at a period of notice of up to 3 months	14.2	11.3	11.0	-21.9	-22.8
<b>M2</b>	788.5	909.0	920.3	16.6	16.7
Money market fund shares/units	44.3	45.6	46.6	2.5	5.2
Repo operations	0.5	0.0	0.0	-	-
Debt securities issued with a maturity of up to 2 years	0.6	6.5	7.1	-	-
<b>M3</b>	833.9	961.1	974.0	16.5	16.8

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.

<sup>1</sup> 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 year-on-year growth rate of the M1 monetary aggregate followed its falling historical trend in February, and dropped to the lowest level observed since the second half of 2004. The fall took place in both components of M1, when the growth rate of currency in circulation slowed, as well as the dynamics of deposits and received loans repayable on demand (despite a month-on-month increase of Sk 10.2 billion).

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

In other short-term deposits, the negative dynamics of deposits redeemable at a period of notice of up to 3 months continued to deepen. Although deposits and loans received with an agreed maturity of up to 2 years recorded a small month-on-month increase (Sk 1.4 billion), their growth rate continued to accelerate, which led to a modest increase in M2 dynamics.

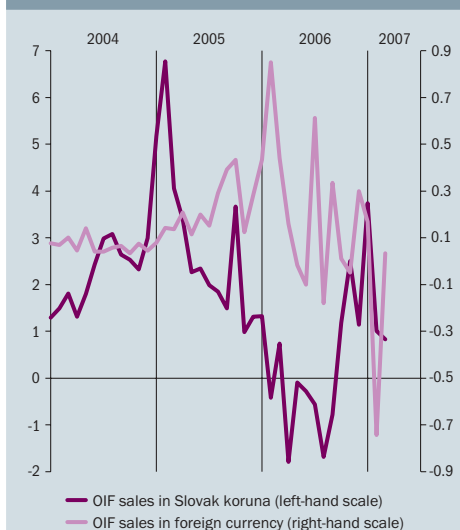
Among the less liquid components (marketable instruments), the inflow of funds into money market fund shares/units continued in February (Sk 1.0 billion), as well as the growth in volume of debt securities issued with a maturity of up to 2 years, which also had a pro-growth effect (though very modest) on the overall growth dynamics of the M3 aggregate.

### Investment Through Open-End Investment Funds

In March, the inflow of funds into open-end investment funds (OIFs) increased in comparison with the previous month, due mainly to continued growth in Sk-denominated money market funds, coupled by a fall in interbank deposit rates and increased interest in koruna assets. The net value of OIF assets denominated in Slovak koruna increased to Sk 124.4 billion, and the monthly net sales of OIFs reached a positive figure (Sk 0.8 billion). Since OIF assets denominated in foreign currency again decreased in net value, their net sales were slightly positive (Sk 34.8 million).

**Inflow of funds into open-end investment funds in Slovak koruna**

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



Source: NBS calculations based on data from SASS.

Positive month-on-month increases in net sales were recorded by money market funds (Sk 0.7 billion), the funds of funds (Sk 0.4 billion), special and other funds (Sk 0.4 billion), and equity funds (Sk 0.3 billion). On the other hand, negative net sales were recorded by bond funds (Sk-0.7 billion, throughout the month) and mixed funds (Sk-0.2 billion). Thus, the net sales of OIFs of all types in Slovak koruna and foreign currency totalled Sk 0.9 billion in March.

In the 12 months to the end of March (in cumulative terms), the net sales of the 10 best performing investment funds in the SR reached Sk 21.6 billion and a net assets value of Sk 48.7 billion, which represented 35.3% of the net assets value of all OIFs in Slovakia.

**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	1.3	1.5	1.8	1.3	1.8	2.4	3.0	3.1	2.6	2.5	2.3	3.0	26.7
	2005	5.2	6.8	4.1	3.4	2.3	2.3	2.0	1.8	1.5	3.7	1.0	1.3	35.3
	2006	1.3	-0.4	0.7	-1.8	-0.1	-0.3	-0.6	-1.7	-0.8	1.2	2.5	1.1	1.3
	2007	3.7	1.0	0.8	.	.	.	.	.	.	.	.	.	5.6
OIF sales denominated in foreign currency	2004	0.1	0.1	0.1	0.0	0.1	0.0	0.0	0.1	0.1	0.0	0.1	0.0	0.8
	2005	0.1	0.1	0.1	0.2	0.1	0.2	0.2	0.3	0.4	0.4	0.1	0.3	2.6
	2006	0.4	0.8	0.4	0.2	0.0	-0.1	0.6	-0.2	0.3	0.0	0.0	0.3	2.8
	2007	0.2	-0.7	0.0	.	.	.	.	.	.	.	.	.	-0.5

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

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

In February, the year-on-year growth in total MFI receivables from residents (including securities issued by clients and held by MFIs) slowed by 1.4 percentage points compared with the previous month, as a result of the base effect. In line with the weakening trend in dynamics continuing since the beginning of 2006, the growth rate of receivables from the private sector also slowed somewhat.

Owing to the base effect and the accelerated growth in the domestic debt of the State in February 2006, the negative year-on-year dynamics of deposits and loans received from the central government increased significantly.

The accelerating historical trend in the year-on-year growth rate of long-term financial liabilities (excluding capital, reserves, and provisions), culminating in the second half of 2006, discontinued in February, when their dynamics weakened still further. This was mainly a result of slower growth in debt securities issued with a maturity of over 2 years and deposits and received loans with an agreed maturity of over 2 years. On the other hand, the negative dynamics of deposits redeemable at a period of notice of over 3 months moderated.

**Table 8 Main M3 counterparts (ECB methodology)**

	Volume in billions of Sk <sup>1)</sup>			Year-on-year change in %	
	Feb. 2006	Jan. 2007	Feb. 2007	Jan. 2007	Feb. 2007
Net foreign assets	265.8	252.9	259.8	-2.6	-2.2
Foreign assets	573.0	478.4	468.2	-17.3	-18.3
Foreign liabilities	307.2	225.5	208.4	-29.2	-32.2
Receivables of MFIs from residents (incl. securities)	780.8	887.5	889.9	15.4	14.0
Receivables from general government	248.3	239.2	239.7	-1.1	-3.5
Receivables from the private sector	532.5	648.3	650.3	22.9	22.1
Deposits and loans received from central government	47.3	20.8	15.5	-47.9	-67.3
Long-term financial liabilities (excl. capital and reserves)	105.5	123.0	123.7	18.5	17.2
Deposits and loans taken with an agreed maturity of over 2 years	59.5	67.4	69.1	17.1	16.0
Deposits redeemable at notice of over 3 months	27.2	24.0	23.8	-12.9	-12.5
Debt securities issued with a maturity of over 2 years	18.8	31.7	30.9	68.9	64.0
Other items net	60.0	35.5	36.6	-41.1	-39.0
Capital, reserves, and provisions	80.6	51.1	43.7	-35.2	-45.8
Other liabilities	49.7	68.3	77.2	26.1	55.3
Surplus of liabilities among MFIs	-0.2	-0.1	-0.1	-	-
Fixed assets	33.4	33.3	33.0	-0.8	-1.2
Other assets	36.6	50.5	51.1	35.4	39.6
<b>M3</b>	<b>833.9</b>	<b>961.1</b>	<b>974.0</b>	<b>16.5</b>	<b>16.8</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.

**Slight slowdown in the growth rate of MFI receivables from the resident private sector**

The year-on-year rate of growth in MFI receivables from the private sector (including securities) slowed in February, to 22.1%. This slowdown was mainly caused by a decrease in the growth dynamics of receivables from the private sector, excluding securities (by 0.9 of a percentage point). The rate of decline in securities issued by the private sector moderated in comparison with the previous month.

The February developments in receivables were mostly affected by an increase in MFI receivables from households (Sk 3.2 billion), as a result of which the gradual slowdown in loans to households came to a halt. The monthly increase in loans to non-financial corporations dropped to Sk 0.5 billion, due to decline in long-term loans with a maturity of over 5 years.

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

	Volume in billions of Sk <sup>1)</sup>			Year-on-year change in %	
	Feb. 2006	Jan. 2007	Feb. 2007	Jan. 2007	Feb. 2007
MFI receivables from the private sector (incl. securities)	532.5	648.3	650.3	22.9	22.1
of which: Securities issued by the private sector	14.6	13.6	13.9	-7.8	-4.8
MFI receivables (excluding securities)	517.9	634.7	636.4	23.8	22.9
Non-financial corporations	277.6	331.1	331.6	20.0	19.5
– up to 1 year	119.5	136.2	140.3	13.4	17.4
– 1 to 5 years	52.2	65.0	65.7	24.3	25.9
– over 5 years	105.9	129.9	125.6	25.5	18.6
Financial corporations	54.2	62.9	60.8	18.6	12.2
Insurance corporations and pension funds	0.0	0.0	0.0	-10.1	-10.0
Households and non-profit institutions					
serving households	186.1	240.7	243.9	31.1	31.1
– consumer loans	29.7	36.3	36.7	22.6	23.3
– house purchase loans	122.3	159.6	161.7	32.9	32.2
– other loans	34.0	44.8	45.5	31.8	33.7

Source: NBS.

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

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

2) Securities issued by the private sector including NBS receivables

### Structure of MFI Receivables from the Private Sector

The dynamics of bank lending to the private sector weakened in February, due to slower growth in loans to financial corporations as a result of a decrease in volume. The growth in loans to non-financial corporations continued to slow, while the dynamics of lending to households were at a standstill.

The slowdown in the growth rate of MFI receivables from non-financial corporations was caused by a decline in long-term loans with a maturity of over 5 years (by Sk 4.3 billion month-on-month), which was reflected in their weakening growth dynamics. This decline was offset by an increase in demand for short-term loans with a maturity of up to 1 year and the continuing growth in loans with maturity of over 1 and up to 5 years.

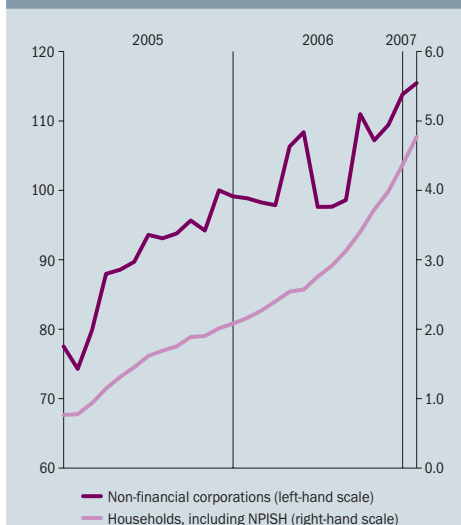
The weakening trend in the dynamics of MFI receivables from households, which had continued since March 2006, came to a halt in February. Its stagnation

**Moderating growth in loans to non-financial corporations, accompanied by stagnation in lending to households**

can be ascribed to renewed interest in consumer and other loans, which increased month-on-month by Sk 1.1 billion (after falling in the previous month). Loans to households for house purchases recorded a slight slowdown in the rate of growth, when their month-on-month increase shrank to Sk 2.1 billion (from Sk 2.9 billion in January 2007).

Loans in foreign currency recorded a smaller month-on-month increase in February (Sk 1.8 billion), mainly as a result of a smaller increase in euro loans to non-financial corporations (Sk 0.3 billion, compared with Sk 4.7 billion in January). On the other hand, loans in other foreign currencies increased month-on-month by Sk 1.3 billion, but their share in total loans to enterprises remained negligible. The year-on-year rate of growth in foreign-currency loans to non-financial corporations increased to 16.8%. Foreign-currency loans to households also grew at an accelerating rate (as in the previous period), but had a negligible share in total loans to households (only 2.0%).

Although euro loans as a share of total foreign-currency loans decreased in comparison with the previous month,

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


Source: NBS.

**Table 10 Receivables of MFIs from the Resident Private Sector (excluding securities)**

	Volume (Sk bn)	Year-on-year change (in %)					Cumulative change since beginning of year (Sk billion)	
		Feb. 2007	2006 Q1	2006 Q2	2006 Q3	2006 Q4	Feb. 2007	Feb. 2007
MFI receivables (excluding securities)	636.4	27.0	27.9	23.3	23.6	22.9	10.4	9.0
Non-financial corporations	331.6	18.9	19.9	15.4	20.3	19.5	6.1	5.1
– loans in Slovak koruna	216.2	16.8	19.5	21.2	26.7	21.0	7.3	-0.9
– loans in foreign currency	115.4	23.1	20.8	5.1	9.4	16.8	-1.2	6.1
Financial corporations (other financial inter- mediaries and auxiliary financial institutions)	60.8	28.2	38.2	26.0	14.5	12.2	-0.8	-2.1
– loans in Slovak koruna	48.6	20.4	29.6	22.1	18.3	15.8	-1.0	-2.3
– loans in foreign currency	12.2	-	-	-	-	-	0.3	0.2
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	-	-	-	-	-	0.1	0.0
Households and non-profit institutions serving households	243.9	40.7	38.1	34.8	31.4	31.1	5.1	6.0
– loans in Slovak koruna	239.1	40.0	37.8	34.4	30.7	30.0	4.9	5.2
– loans in foreign currency	4.8	-	-	-	-	-	0.2	0.8
z toho: consumer loans	36.7	57.8	43.8	38.3	45.0	23.3	4.9	0.7
– loans in Slovak koruna	36.5	57.8	44.0	38.5	45.2	23.4	4.9	0.6
– loans in foreign currency	0.1	-	-	-	-	-	0.0	0.0
house purchase loans	161.7	37.9	36.6	33.3	31.8	32.2	3.4	5.0
– loans in Slovak koruna	158.4	36.9	36.0	32.6	30.6	30.6	3.3	4.3
– loans in foreign currency	3.4	-	-	-	-	-	0.1	0.7
other loans	45.5	37.4	39.1	37.7	21.2	33.7	-3.3	0.3
– loans in Slovak koruna	44.2	37.0	38.9	37.3	21.0	33.9	-3.3	0.2
– loans in foreign currency	1.3	-	-	-	-	-	0.1	0.1

Source: NBS.

Note: The missing figures have been excluded because of the high values of year-on-year changes, resulting from the relatively small volumes of the given indicators.

their share is still much larger than the share of loans in other foreign currencies to non-financial corporations (92.9% in February) as well as households (91.5%).

### Current Budgetary Developments

In March, the state budget deficit increased in comparison with February by Sk 3.4 billion, to Sk 11.9 billion. Revenues totalled Sk 70.2 billion and expenditures Sk 82.1 billion.

### 3.2 External Environment

#### Balance of Payments for January 2007

**Current account** In January 2007, the balance of payments on current account resulted in a surplus of Sk 8.5 billion, for the first time since February 2005. Compared with the previous month, the current account balance improved by more than Sk 22 billion. The most significant change occurred in the trade balance, where the December deficit changed into a surplus as a result of increased exports. The reduction in the current account deficit was also supported by an improvement in the balance of income, from a deficit to a surplus in January, mainly as a result of lower dividend payments to foreign direct investors. A similar trend was recorded in the balance of current transfers, where the main factor behind the month-on-month change from a deficit to a surplus was increased drawing on EU funds. On the other hand, the increase in the current account surplus was moderated by deterioration in the services balance, caused mainly by lower receipts for the transit of gas. Compared with the same period a year earlier, the b.o.p. current account balance significantly improved (by Sk 17.5 billion), while the change from a deficit to a surplus was mainly caused by an improvement in foreign trade.





Table 11 Balance of Payments on Current Account		(Sk billions)	
	Január 2007	Január 2006	
Balance of trade	4.9	-8.2	
Exports	109.9	81.3	
Imports	105.0	89.5	
Balance of services	-0.1	0.7	
Balance of income	1.4	-0.6	
of which: Income from investment	-1.5	-3.1	
of which: Reinvested earnings	-1.9	-3.4	
Current transfers	2.3	-0.9	
Current account in total	8.5	-9.0	

Source: NBS and the Statistical Office of the SR.

After being revised by the Statistical Office of the SR, foreign trade recorded a surplus of Sk 4.9 billion in January (the originally published surplus amounted to Sk 4.0 billion). Exports grew month-on-month in January, and recorded a marked acceleration in the year-on-year rate of growth as well (35.5%). The growth in exports in comparison with the previous month was caused by increased exports in the 'machines and transport vehicles' (television sets, motor vehicles, including components) and 'semi-finished goods' categories (copper, paper, aluminium, and iron and steel products). The exports of finished products and raw materials recorded only a minimal month-on-month change. Unlike exports, the imports of goods declined month-on-month in January (in absolute terms), but the year-on-year rate of growth increased to 17.5%. The decline in imports was mainly a result of lower imports of machines and transport vehicles (liquid crystal products, automatic data processing machines, machine tools, etc.) and certain finished products (electrical products, fruit, and beverages). This decline was partly offset by a modest increase in the imports of raw materials.

The balance of payments on capital and financial account recorded an inflow of Sk 3.1 billion in January.

**Capital and financial account**

Table 12 Exports in January, Year-on-Year Changes				
	Year-on-year change		Proportion of the year-on-year change in % points	
	Sk billions		January	
	2007	2006	2007	2006
Raw materials	0.2	1.9	0.2	2.9
Chemicals and semi-finished goods	4.5	2.9	5.5	4.4
Machinery and transport equipment	24.0	8.6	29.5	13.0
Finished products	0.1	1.2	0.1	1.8
Exports in total	28.8	14.6	35.5	22.1

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

Table 13 Imports in January, Year-on-Year Changes				
	Year-on-year change		Proportion of the year-on-year change in % points	
	in billions of Sk		January - December	
	2006	2005	2006	2005
Raw materials	-3.1	6.9	-3.5	10.1
Chemicals and semi-finished goods	6.7	1.7	7.5	2.5
Machinery and transport equipment	6.1	7.3	6.8	10.7
Finished products	5.9	5.2	6.6	7.6
of which: Agricultural and industrial goods	2.3	2.2	2.6	3.2
Passenger cars	0.4	0.8	0.4	1.2
Machines and electrical consumer goods	3.2	2.2	3.6	3.2
Imports in total	15.6	21.1	17.5	30.9

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



The January inflow of funds was a result of conflicting developments, when an outflow in portfolio investment was slightly exceeded by an inflow stemming from an increase in short-term liabilities in other investment. The surplus in other investment resulted from the fact that the inflow of funds in the banking sector (inflow of non-resident deposits on accounts at Slovak banks, coupled with an inflow of funds resulting from a decrease in deposits on accounts abroad) exceeded the outflow of funds in the corporate sector, caused by an outflow of funds in connection with the financing of business activities. The outflow of funds in portfolio investment was mainly due to the lower government securities holdings of non-residents. The inflow in foreign direct investment (FDI) mainly resulted from an increase in the equity participation of foreign investors in Slovakia and an increase in the estimate of reinvested earnings. On the other hand, the outflow of funds in the form of 'other capital' reduced the total inflow of funds in FDI.

<b>Table 14 Balance of Payments on Capital and Financial Account</b>		<b>(Sk billions)</b>	
	Január 2007	Január 2006	
Capital account	-0.2	-0.1	
Direct investment	1.2	11.3	
SR abroad	-0.5	-1.1	
of which: Equity capital abroad	0.0	-0.3	
Reinvested earnings	-0.1	-0.1	
In the SR	1.7	12.4	
of which: Equity capital in the SR	1.7	1.1	
of which: Other than privatisation	1.7	1.1	
Reinvested earnings	2.0	3.5	
Portfolio investment and financial derivatives	-23.0	13.2	
SR abroad	0.8	-1.2	
In the SR	-23.8	14.4	
Other long-term investment	-2.3	7.3	
Assets	-1.3	1.4	
Liabilities	-1.0	5.9	
Other short-term investment	27.4	-28.6	
Assets	4.0	-6.8	
Liabilities	23.4	-21.8	
Capital and financial account	3.1	3.1	

Source: NBS.

#### **Foreign exchange reserves of the NBS**

The foreign exchange reserves of the NBS increased month-on-month by Sk 20.5 billion, i.e. USD 0.8 billion (excluding exchange rate differentials). The increase in reserves was mainly connected with the December intervention of the NBS (it took place on 28 December, but did not appear in the balance of payments until the value date, i.e. 2 January).

#### **External Debt of Slovakia as at 31 January 2007**

#### **Gross external debt**

At the end of January 2007, Slovakia's total gross external debt stood at USD 31.3 billion (EUR 24.1 billion), representing a month-on-month decrease of USD 0.9 billion (EUR 0.3 billion). Total long-term foreign debt decreased in January by USD 1.2 billion, while total short-term foreign debt increased by USD 0.3 billion.

Within the scope of short-term external debt, the foreign liabilities of the Government and the NBS increased by USD 0.1 billion in January. The commercial sector saw conflicting developments: the foreign liabilities of commercial banks increased by USD 0.9 billion, while the short-term foreign liabilities of entrepreneurial entities decreased by USD 0.7 billion.

Within the scope of long-term external debt, the foreign liabilities of the Government and the NBS decreased by USD 1.0 billion, due to lower interest in the purchase of Sk-denominated government bonds. The foreign liabilities of entrepreneurial entities dropped by USD 0.2 billion, due to a slight decrease in long-term foreign liabilities of commercial banks.

At the end of January, Slovakia's total per-capita gross foreign debt stood at USD 5,815. The share of short-term foreign debt in the country's total gross external debt increased month-on-month by 2.3 percentage points, to 50.6% at the end of January 2007.



Table 15 External Debt of the SR

	In millions of USD			In millions of EUR		
	31.12.2006	1.1.2007	31.1.2007	31.12.2006	1.1.2007	31.1.2007
Total external debt of the SR	32,205.9	32,205.9	31,279.6	24,448.9	24,448.9	24,112.0
Long-term external debt	16,649.7	16,649.7	15,444.4	12,639.5	12,639.5	11,905.3
Government and NBS <sup>1)</sup>	7,702.1	7,702.1	6683.8	5,847.0	5,847.0	5,152.2
Commercial banks	1,559.2	1,559.2	1,529.0	,1,183.6	,1,183.6	1,178.6
Entrepreneurial entities	7,388.4	7,388.4	7,231.6	5,608.9	5,608.9	5,574.5
Short-term external debt	15,556.2	15,556.2	15,835.2	11,809.4	11,809.4	12,206.7
Government and NBS	0.0	0.0	64.8	0.0	0.0	50.0
Commercial banks	6,148.8	6,148.8	7,005.3	4,667.8	4,667.8	5,400.1
Entrepreneurial entities	9,407.4	9,407.4	8,765.1	7,141.6	7,141.6	6,756.6
Foreign assets	26,718.4	26,718.4	27,242.7	20,283.2	20,283.2	21,000.2
Net external debt	5,487.5	5,487.5	4,036.9	4,165.7	4,165.7	3,111.8
SKK/USD and SKK/EUR rates	26.246	26.246	27.195	34.573	34.573	35.279
EUR/USD cross exchange rate	-	-	-	1.317	1.317	1.297

Source: NBS.

1) Including government agencies and municipalities.

The net external debt of Slovakia, expressed as the difference between gross foreign debt in the amount of USD 31.3 billion (liabilities of the Government, the NBS, commercial banks, and the corporate sector – except for equity participation), and foreign assets amounting to USD 27.3 billion (foreign exchange reserves of the NBS, foreign assets of commercial banks and the corporate sector – except for equity participation), reached USD 4.0 billion (debtor position) at the end of January 2007.

**Net external debt****Current Developments**

In February, the trade balance resulted in a deficit of Sk 2.1 billion, representing deterioration in comparison with the previous month. A month-on-month deterioration was also recorded in the balance of current transfers. The month-on-month change was connected with the payments of the SR to the EU budget. The other current account components developed along similar lines as in January. Thus, the deterioration in the trade and current transfers balances was the main factor behind the month-on-month deterioration in the current account balance (by Sk 10.1 billion). The b.o.p. current account balance improved year-on-year by Sk 23.1 billion over the first two months of 2007, to a surplus of Sk 6.9 billion. The main factor in the change from a deficit to a surplus was a significant improvement in foreign trade.

February saw a slowdown in the year-on-year dynamics of exports as well as imports, when exports grew by 27.4% and imports increased by 15.7%.

Table 16 Balance of Payments on Current Account

(Sk billions)

	February 2007	February 2006	Jan. – Feb. 2007	Jan. – Feb. 2006
Balance of trade	-2.1	-10.3	2.8	-18.5
Exports	108.3	84.9	218.2	166.2
Imports	110.4	95.2	215.4	184.7
Balance of services	-0.7	1.9	-0.8	2.6
Balance of income	1.4	-0.6	2.8	-1.2
of which: Income from investments	-1.5	-3.1	-3.0	-6.2
of which: Reinvested earnings	-1.9	-3.4	-3.8	-6.8
Current transfers	-0.2	1.8	2.1	0.9
Current account in total	-1.6	-7.2	6.9	-16.2

Source: NBS and the Statistical Office of the SR.

The trade deficit recorded in February exceeded the expectations of the NBS, mainly as a result of an unexpected month-on-month decline in exports.



In March, exports are expected to grow on a month-on-month basis. After experiencing a seasonal downturn at the beginning of the year, exports are likely to increase substantially in March, in connection with the run-up to production at a standard level. Imports, like exports, are also expected to grow on a month-on-month basis. This growth should be supported by increased imports of semi-finished goods, as well as machines and goods for final consumption.

In April and May, the value of exports is expected to remain at roughly the level of March. In the upcoming months, the automotive and electrical industries are likely to have a stronger impact on exports. In April and May, imports should also remain at the level of March (like exports). In addition to the increased imports of semi-finished goods (resulting from the dynamic export growth), goods imports for final consumption are also likely to grow in May.

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

#### Total foreign exchange reserves of the NBS

At the end of March, the total foreign exchange reserves of the NBS stood at USD 16,605.2 million, representing a month-on-month increase of USD 2,524.7 million. The increase in foreign exchange reserves in comparison with the end-February figure was caused by a marked surplus in the balance of receipts and expenses (USD 2,460.9 million, resulting mainly from an inflow of funds from NBS interventions in the interbank foreign exchange market), accompanied by positive exchange rate differentials (USD 63.8 million), which resulted from a change in the USD/EUR cross-rate in the period under review. At the end of March, the volume of foreign exchange reserves was 3.7 times greater than the volume of average monthly imports of goods and services to Slovakia over the first two months of 2007.

The ratio of foreign exchange reserves to the amount of payments for goods and services recorded in banking statistics, reached 4.7 times the volume of average monthly imports of goods and services to the SR over the first two months of 2007.

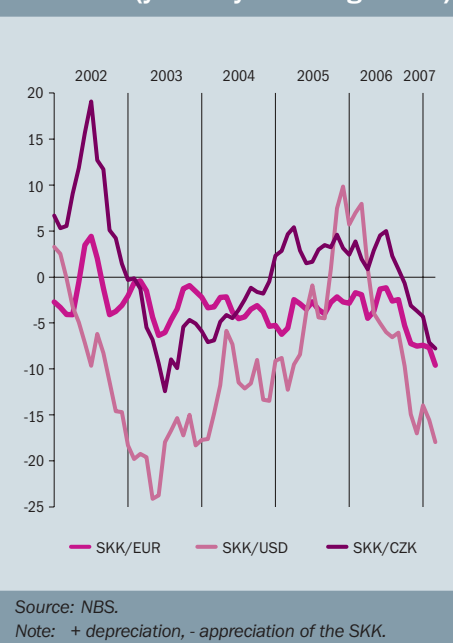
#### Nominal effective exchange rate of the Slovak koruna (NEER)

In March, the month-on-month appreciation of the nominal effective exchange rate<sup>2</sup> (NEER) of the Slovak koruna accelerated in comparison with the previous month, from 0.8% to 1.9%. The most significant contribution to the appreciation of the NEER was made by the strengthening of the koruna against the euro (by 1.4 percentage points).

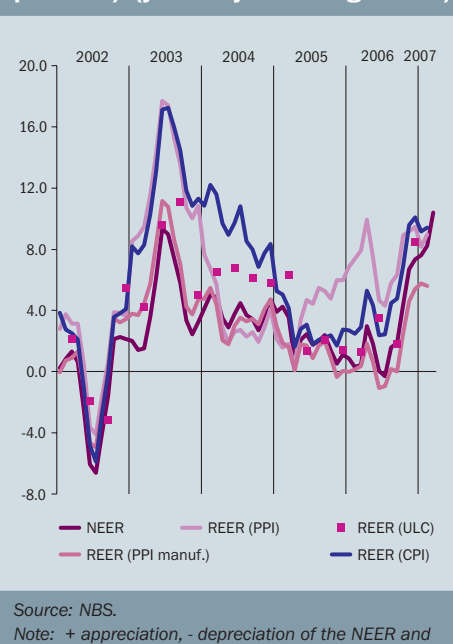
The year-on-year appreciation of the NEER accelerated in comparison with February, from 8.2% to 10.4%. The record-breaking appreciation of the koruna was a re-

<sup>2</sup> For calculating the nominal and effective exchange rates of the Slovak koruna (NEER and REER), the IMF methodology has been applied. 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 United States, the United Kingdom, and Switzerland.

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



**Chart 8 Developments in the NEER and REER Indices (9 trading partners) (year-on-year changes in %)**



sult of a steadily accelerating upward trend ongoing since the middle of last year. The most significant contribution to the appreciation of the NEER index was made by the strengthening of the koruna against the euro (by 7.2 percentage points).

As a consequence of the dynamic appreciation of the Slovak koruna, the real effective exchange rate (REER) also appreciated. In February, the REER based on the consumer price index (CPI) appreciated by 9.4%, that based on the industrial producer price index (PPI) by 9%, and the rate based on the manufacturing products price index (PPI manuf.) by 5.6%.

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

**Table 17 Year-on-Year Dynamics of the NEER and REER Indices (year-on-year 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	5.8
December 2005	1.1	2.7	6.0	0.0	1.5
December 2006	7.4	10.1	9.5	5.4	8.5 <sup>(b)</sup>
January 2007 <sup>1)</sup>	7.6 / 0.9	9.2 / 1.5	8.2 / 1.5	5.8 / -0.3	-
February 2007 <sup>1)</sup>	8.2 / 1.7	9.4 / 2.6	9.0 / 3.5	5.6 / -0.2	-
March 2007 <sup>1)</sup>	10.4 / 3.7	.	.	.	.

Source: NBS.

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

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

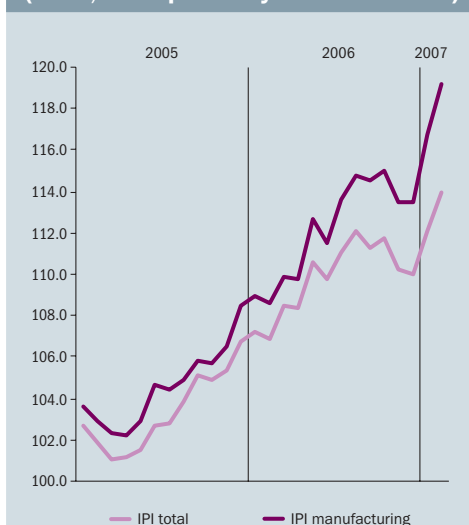
### 3.3 Real Economy

#### Current Developments

#### Production and Receipts

In February, the year-on-year growth rate of industrial production slowed slightly in comparison with January 2007, mainly as a result of slower growth in manufacturing production. In manufacturing production, the year-on-year growth rate slowed as a result of slower growth in all the key manufacturing sectors (manufacture of transport vehicles, electrical and optical equipment, machines and equipment, metals and metal products).

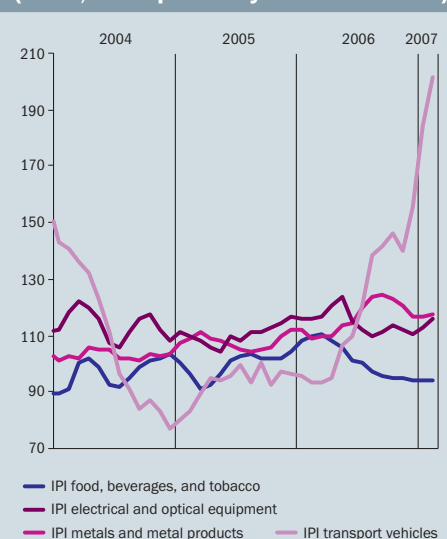
**Chart 9 Development of Industrial and Manufacturing Production (3-month moving averages) (Index, same period a year earlier = 100)**



Source: Statistical Office of the SR.

Note: Adjusted for calendar effects.

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



Source: Statistical Office of the SR.

Note: Adjusted for calendar effects.



The accelerated growth in construction was a result of faster growth in domestic production in new construction, reconstruction, and modernisation projects. The dynamic growth was attributable to the favourable climatic conditions and the lower basis of comparison in construction from February 2006.

The faster growth in retail sales was mainly a result of year-on-year increases in retail sales in non-specialised shops, other specialised retail sales, retail sales of pharmaceuticals and cosmetics, and slower year-on-year declines in the retail sales of food, beverages, and tobacco in specialised and non-specialised shops, and in retail sales outside shops.

The slower year-on-year growth in the receipts of entities specialising in the sale and maintenance of motor vehicles and the retail sale of fuels in comparison with January 2007 was mainly a result of a marked slowdown in receipts from the sale of fuels, despite an acceleration in the year-on-year growth of receipts from the sale of motor vehicles.

The slight acceleration in the year-on-year growth of receipts from services related to real estate, renting, and business activities in February 2007 (compared with January) was connected with a year-on-year growth in receipts from other business services, computer and related activities.

**Chart 11 Retail Sales**  
(3-month moving averages)  
(Index, same period a year earlier = 100)



Source: Statistical Office of the SR.

**Table 18 Production and Receipts**

	Sk millions, curr. prices		Indices			
	Feb. 2007	Cumul. since begin. of year	Feb. 2006	Jan. - Dec. 2006	Jan. 2007	Feb. 2007
<b>Production</b>						
Industrial production index <sup>1)</sup>	-	-	104.7	109.9	117.5	115.5
of which:						
Mining and quarrying	-	-	102.6	90.4	96.7	91.5
Manufacturing	-	-	105.9	112.5	124.7	120.5
Electricity, gas, and water supply	-	-	98.5	97.6	84.8	90.4
Construction <sup>2)</sup>	9,646	18,520	119.9	114.9	124.1	125.6
of which:						
Construction in Slovakia	9,379	17,985	121.6	116.1	124.7	127.3
Construction abroad	267	535	91.2	87.9	106.5	84.9
<b>Receipts from own-output and goods</b>						
Industry in total <sup>3)</sup>	166,536	333,082	108.8	114.5	134.3	127.4
Construction <sup>2)</sup>	15,043	28,733	121.7	113.3	127.6	131.8
Retail trade <sup>3)</sup>	31,681	62,485	106.5	108.8	100.9	104.6
Sale and maintenance of vehicles, retail sale of fuels <sup>3)</sup>	15,500	29,916	109.7	113.6	138.6	134.1
Transport, storage <sup>3)</sup>	12,645	24,776	121.5	111.6	106.9	110.3
Real estate, renting, and business services <sup>3)</sup>	14,683	27,962	114.9	110.9	106.2	110.1

Source: Statistical Office of the SR.

1) Adjusted for calendar effects (the data in the time series are continually revised with retrospective effect).

2) Index, same period of the previous year = 100 (constant prices, average for 2000 = 100).

3) Index, same period of the previous year = 100 (constant prices, December 2000 = 100, transport and storage - current prices).

### Wages, Employment, and Unemployment

**Nominal wages** In February 2007, the year-on-year rate of nominal wage growth accelerated in comparison with January 2007 in two sectors: the sale and maintenance of vehicles and transport and storage. In the other sectors, nominal wages grew at a slower rate or at the same rate as in the previous month.



Over the first two months of 2007, the average rate of nominal wage growth accelerated most significantly in comparison with the same period a year earlier in industry, the sale and maintenance of vehicles, and construction. On the other hand, a marked slowdown was recorded in hotels and restaurants, wholesale trade, post and telecommunications.

February 2007 saw slower year-on-year growth in real wages compared with the previous month in real estate and renting activities, hotels and restaurants. In the other sectors, real wages grew in February at a faster pace than in January.

**Real wages**

The average rate of real wage growth during the first two months of 2007 was faster than in the same period a year earlier, in most sectors under review. The acceleration in the year-on-year rate of real wage growth was a result of lower year-on-year inflation, coupled with stronger nominal wage dynamics than a year earlier in most sectors. On the other hand, the rate of year-on-year growth moderated in hotels and restaurants, wholesale trade, post and telecommunications.

	Average monthly nominal wage			Average monthly real wage		
	Year	Jan. – Feb.		Year	Jan. – Feb.	
	2006	2006	2007	2006	2006	2007
Industry	106.8	101.2	111.9	102.2	97.1	108.7
of which: manufacturing	106.9	100.4	113.0	102.3	96.3	109.8
Construction	105.0	103.6	109.3	100.5	99.4	106.2
Retail trade	110.7	106.5	105.6	105.9	102.2	102.6
Wholesale trade	107.4	108.7	104.2	102.8	104.3	101.3
Sale and maintenance of vehicles	109.9	99.1	109.2	105.2	95.1	106.1
Real estate, renting, and other business services	109.5	108.8	108.3	104.8	104.4	105.2
Transport	107.1	105.1	107.3	102.5	100.8	104.3
Post and telecommunications	106.1	107.3	104.6	101.5	103.0	101.7
Consumer prices	104.5	104.3	102.8	-	-	-

Source: Statistical Office of the SR.  
Notes: The above sectors accounted for 65.9% of total employment in the year 2005.  
Real wage index = nominal wage index / consumer price index.

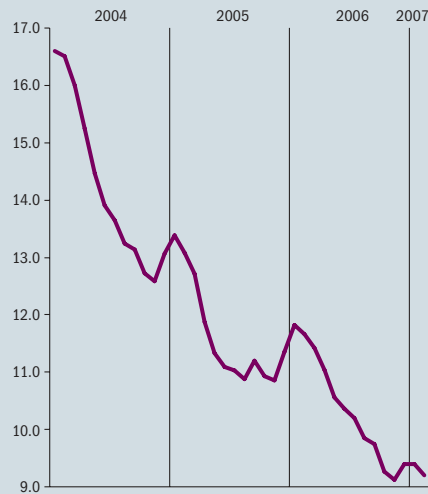
In February 2007, the year-on-year growth in employment accelerated in comparison with January 2007 in most sectors under review. The only sector to record a slowdown in employment growth was wholesale trade.

**Employment**

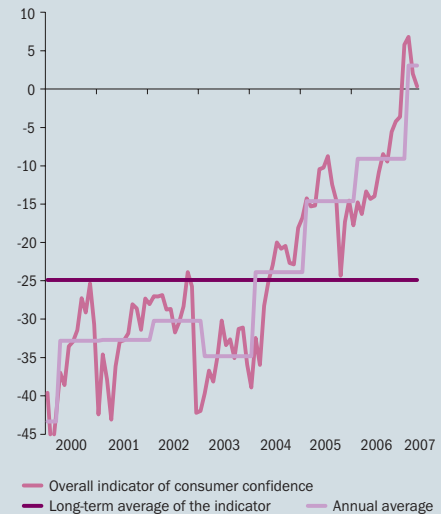
Over the first two months of 2007, the average employment growth accelerated in comparison with the same period a year earlier in industry (after declining last year), the sale and maintenance of vehicles, and transport and storage.

	Employment		
	Year	Jan. – Feb.	
	2006	2006	2007
Industry	98.7	99.1	104.9
of which: manufacturing	98.9	99.4	105.6
Construction	109.3	111.6	106.3
Retail trade	107.4	108.5	108.0
Wholesale trade	109.2	105.7	105.7
Sale and maintenance of vehicles	108.4	113.5	118.8
Real estate, renting, and business activities, and other services	104.1	107.4	103.3
Transport	99.8	101.2	102.1
Post and telecommunications	98.8	98.7	97.0

Source: Statistical Office of the SR.

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

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

**Chart 13 Consumer Confidence Indicator**

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

**Unemployment** According to data from the Centre for Labour, Social, and Family Matters, the total number of unemployed dropped month-on-month by 5,400, to 273,500 in February 2007. The number of disposable unemployed, who may start working immediately, accounted for 239,200, which was 6,500 less than in January. The rate of registered unemployment stood at 9.2% in February. This was 2.5 percentage points less than in February 2006.

The average length of registration was 10.6 months (representing a decrease of 1 month compared with February 2006). Compared with January, the share of long-term unemployed (out of work for more than 12 months) increased by 0.3 of a percentage point, to 51.8% in February (compared with 49.9% in February 2006).

#### **Consumer Confidence Indicator**

**Fall in the consumer confidence indicator** In March, the consumer confidence indicator dropped further in comparison with the previous month, to 0.4 of a point (1.6 points less than in February). Compared with February, deteriorations were recorded in the indicators of the expected financial situation of households and their expected savings. Improvements were recorded in the expected unemployment rate and expected economic development in the SR. Compared with the same period last year, the consumer confidence indicator has improved by 13.7 points.





## 4 Monetary Developments

### 4.1 Foreign Exchange Market

Over the course of March, the exchange rate of the Slovak koruna against the euro appreciated by 3.1% (from SKK/EUR 34.464 to SKK/EUR 33.381), while the average rate strengthened by 1.8%. The Slovak koruna deviated from its central rate (SKK/EUR 35.4424) most significantly on 21 March 2007, when its exchange rate was fixed at SKK/EUR 33.24, representing an appreciation of 6.21% from central parity. In relation to the US dollar, the koruna strengthened by 4.0% (from SKK/USD 26.046 to SKK/USD 25.001), while appreciating in average terms by 3.1%.

#### Operations on the foreign exchange market

Spot transactions between foreign and domestic banks resulted in a negative balance (USD-2,320.72 million), i.e. sales of foreign currency and purchases of Slovak koruna by foreign banks prevailed.

The National Bank of Slovakia conducted two foreign exchange interventions in March, in the total amount of EUR 1,930 million (EUR 530 million on 8 March and EUR 1,400 million on 20 March).

	Month-on-month change	Ø Mar. 2007 Ø Mar. 2006	Ø Jan. – Mar. 2007 Ø Jan. – Mar. 2006
SKK/EUR	-3.1	-9.6	-8.3
SKK/USD	-4.0	-18.0	-15.8

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

The exchange rate continued to appreciate in March 2007, under the influence of positive sentiments and positive data on GDP growth and industrial production, which led to the break of the psychological SKK/EUR 34.000 barrier. At the SKK/EUR 33.800 level, the NBS intervened in the market on 8 March (up to the amount of EUR 530 million), causing the exchange rate to stabilise at roughly the level of SKK/EUR 34.100.

The most important event in the period under review was the revaluation by 8.5% of the central rate under ERM II on 16 March 2007. The new central parity was fixed at SKK/EUR 35.4424 (the previous figure was SKK/EUR 38.455) with a standard +/-15% fluctuation band. The lower limit of the fluctuation band is SKK/EUR 30.1260 (it previously stood at SKK/EUR 32.6868) and the upper limit is SKK/EUR 40.7588 (the previous figure was SKK/EUR 44.2233).

On Sunday (18 March), the SKK/EUR exchange rate strengthened by 2.8%, from SKK/EUR 33.980 (the closing value on Friday) to SKK/EUR 33.040. On Monday (in the morning hours), the koruna continued to appreciate slowly and reached a maximum of SKK/EUR 32.790.

In response to this unjustified appreciation, the NBS intervened on Tuesday (20 March) in order to weaken the Slovak koruna, up to the amount of EUR 1.4 billion during the day. After the intervention, the exchange rate temporarily weakened to SKK/EUR 33.400, then changed slightly to a more stable level, close to SKK/EUR 33.355 (1.9% from the strongest figure, i.e. 32.710).

The total volume traded on the interbank foreign exchange market reached USD 106,299.0 million in March, representing an increase of 19.98% compared with the February figure (USD 88,589.9 million). Of the total trading volume, 87.7% took place in swap transactions, which were conducted mostly in USD (97.3%). Spot transactions accounted for 11.4% of the total turnover (98.1% of the deals were in EUR). The average daily turnover on the spot market reached USD 543.25 million and the average volume per transaction amounted to USD 2.08 million.

#### Interbank foreign exchange market

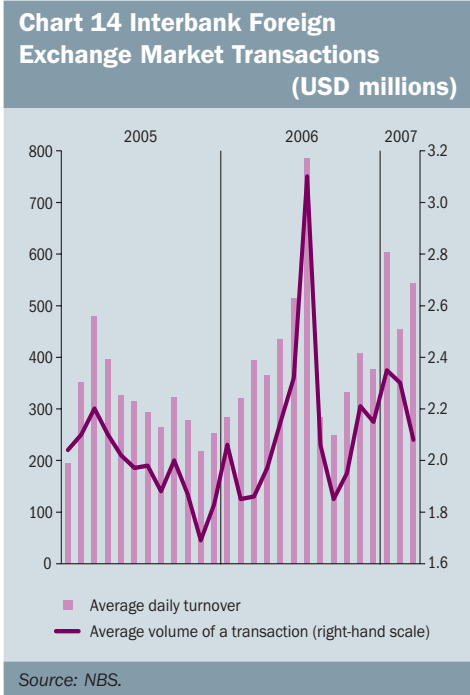
The volume of all transactions between domestic commercial banks increased, from USD 7,049.9 million in February to USD 9,356.2 million in March. Most trading took place in USD (78.6%, compared with 77.8% in February), followed by EUR (20.7%, compared with 21.7% in February) and other currencies (0.7% of the total turnover between domestic commercial banks).



Transactions between domestic banks accounted for 8.8% of the total volume traded on the interbank foreign exchange market (compared with 10.2% in the previous month). Of the total volume of transactions between domestic banks, swap operations accounted for 87.6% (73.8% in February) and spot transactions, excluding interventions 12.4% (26.2% in February).

The volume of trading between domestic and foreign banks increased by 18.7%, from USD 79,531.7 million in February to USD 94,405.4 million in March. Most trading was again conducted in USD (86.8%, compared with 88.2% in February), followed by EUR (13%, compared with 11% in February), and other currencies (0.2%). Trading between domestic and foreign banks still dominated the country's foreign exchange market (with a share of 88.8%).

Trading between domestic and foreign banks also took place predominantly in the form of swap operations (87.7%, compared with 90.1% in February), while spot transactions accounted for 11.3% (9.3% in February). The share of forward dealings on the foreign exchange market was negligible. Option contracts accounted for 0.9% of the volume traded with foreign banks.



### 4.2 Money Market and Monetary Policy Implementation

At its 13th meeting on 27 March 2007, the Bank Board of the NBS decided to lower its key interest rates. With effect from 28 March 2007, the rate for overnight refinancing operations was reduced by a quarter of a percentage point, to 6.00%, and that for two-week REPO tenders for commercial banks, to 4.50%. The interest rate on overnight sterilisation transactions was cut by 0.75%, to 2.50%, which is below the level of the corresponding ECB rate.

During March, the central parity of the Slovak koruna was changed and two foreign exchange interventions were conducted. These events substantially affected the situation on the money market.

**Interest rates** Average monthly deposit rates recorded drops during the month of March, for maturities ranging from one day to six months. The average nine-month and twelve-month rates increased slightly.

Money market deposit rates were influenced by the performance of monetary policy operations and in particular by the expectations of the banking sector that were induced by these operations.

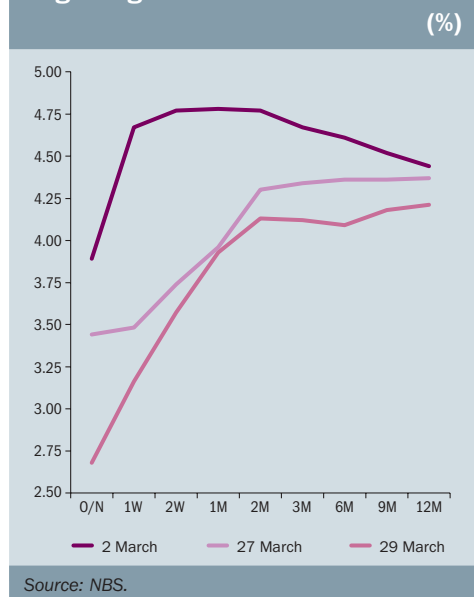
From this point of view, March can be divided into two periods. The first period when the NBS accepted bids in sterilisation tenders in full was interpreted by the banking sector as return to the standard approach. The interest rate curve reacted to this development with a move up, mainly with regard to the rates directly correlating with the length of the tender, which again approached the limit rate for sterilisation repo tenders (SRT).

In the second part of the month, which was influenced by the strengthening of the Slovak koruna, the NBS significantly reduced and/or rejected the bid amounts at both tenders and at the auction of NBS bills. This was a signal for the interest rate curve to move down as an expression of concerns about a possible key interest rate cut at the meeting of the NBS Board.

Interest rate drops and a change in expectations are indicated by a comparison of interest rate curves at the



**Chart 16 Yield Curve at the Beginning and End of the Month**



beginning and end of the month. Chart 15 also shows the reaction of the banking sector to the change in the key interest rates. It indicates that, though the interest rate cuts had been anticipated by the sector before the meeting of the NBS Board, the immediate reaction occurring in the form of an appreciation of the Slovak koruna gave rise to another fall in money market rates.

Liquidity, mainly its structure, was also affected by the current steps of the NBS. The support of foreign exchange interventions through the limitation and/or rejection of bids at SRTs and NBS-bill auctions led to a decrease in the volume of sterilised funds in the medium and long term in favour of overnight deposits.

**Liquidity**

The change in the structure of transactions was most clearly reflected in the lessening impact of NBS bills on the level of liquidity in the banking sector, when their share in total transactions decreased in March by more than 9 percentage points, to 2.89%. The impact of standard sterilisation tenders also weakened considerably, to 74.72% (from 88.19% in the previous month). The declines in these two forms contributed to the growth in overnight transactions. Owing to an inflow of funds

from foreign exchange interventions, the average daily sterilisation position of the NBS increased month-on-month by Sk 24.7 billion, to Sk 322.9 billion in March.

At the last tender in March, the excess liquidity was fully reflected in the bids of banks. In an effort to distribute this liquidity evenly among the standard tenders, the NBS Board accepted only half of the amount offered. Banks interpreted this step, as well as the key interest rate reduction, as return to standard practises.

**Table 22 Average Daily Impact of NBS Transactions on the Level of Banking Sector Liquidity** (Sk millions)

	Repo tenders	O/N repos	O/N deposits	NBS bills	Total
February	-262,944	1,638	-119	-36,729	-298,154
March	-241,255	1,230	-73,545	-9,319	-322,889

Source: NBS.

The volume of trading on the interbank money market reached Sk 2,019.9 billion in March (compared with Sk 1,905 billion in February). Of the total volume of purchases and sales on the interbank market, non-resident and resident bank transactions accounted for 71.72% and 28.28% respectively. In interbank transactions, domestic banks achieved the largest share in deposit transactions (62.27%), while non-resident banks led the way in swaps (72.05%).

**Interbank transactions**

**Table 23 Interbank Transactions** (Sk millions)

	Deposits	Repos	Swaps	FRAs	IRSs
February	692,234	34,815	1,149,085	19,750	9,439
March	713,516	39,421	1,235,575	17,000	14,402

Source: NBS.

For March 2007, the amount of minimum required reserves in the banking sector was set at Sk 22.33 billion. By the end of the month, the reserve requirement had actually been fulfilled to 100.4%.

**Reserve requirements**

**Developments in Money Market Interest Rate Derivatives**

Trading in forward rate agreements (FRA) recorded a downturn in March, compared with the previous month. Transactions were concluded with a maturity of three months and settlement in three, six, and nine months. Most transactions took place in three-month FRAs with settlement in three months (91.18%). Most FRA contracts were concluded with foreign banks (79.41%).



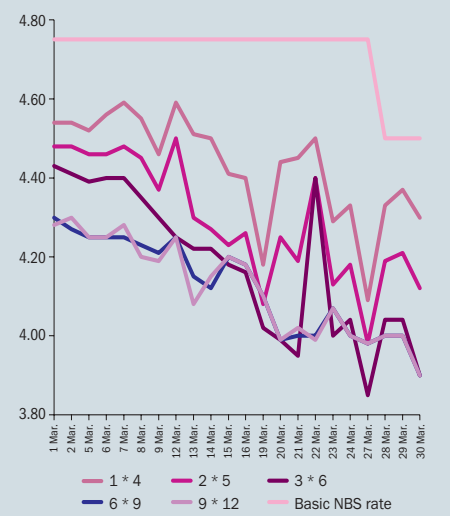
**Table 24 Tenders in March 2007**

Date	Type of tender <sup>1)</sup>	Maturity (days)	Demand	Volume accepted (Sk millions)	Rates (%)		
					minimum	average	maximum
07.03.07	SRT	14	121,901	121,901	4.72	4.75	4.75
14.03.07	SRT	14	250,186	170,000	4.20	4.42	4.60
21.03.07	SRT	14	199,717	0	-	-	-
28.03.07	SRT	14	342,426	185,000	3.38	3.61	3.88

Source: NBS.

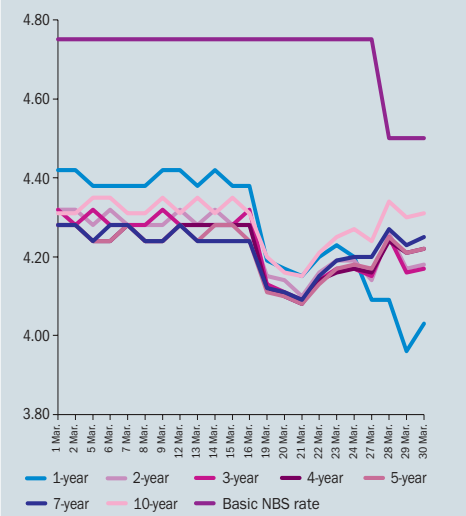
1) SRT – sterilization repo tender.

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



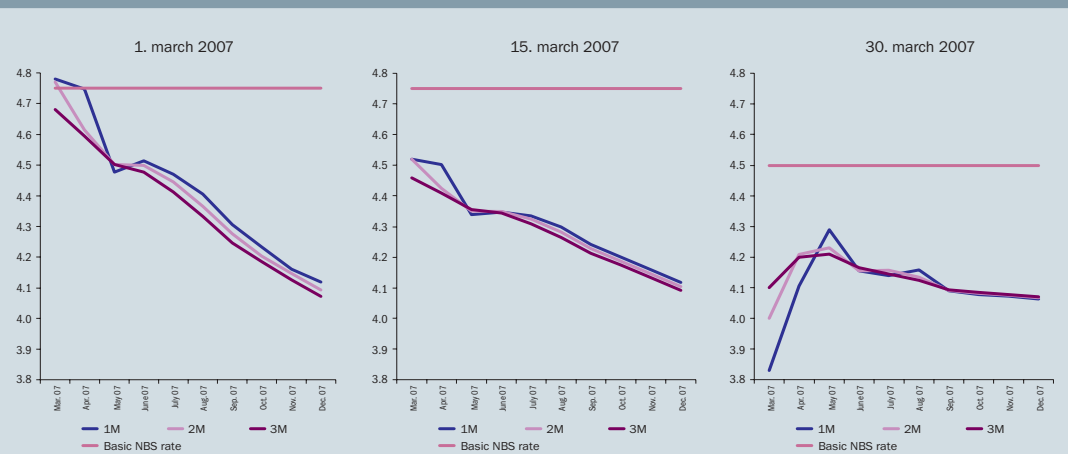
Source: Reuters.

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



Source: Reuters.

**Chart 19 Implied expectations derived from BRIBOR rates (% p. a.)**



Source: NBS.

Trading in interest rate swaps (IRS) recorded an increase in volume in comparison with the previous month. Most IRS contracts were made with foreign banks (87.50%). Such transactions were concluded with one- to ten-year maturities. They were dominated by contracts with one-year maturity, which accounted for 49.99% of the total volume of IRS contracts. They were followed by transactions with one- to five-year maturities (22.77%).

During the month, the implied expectations indicated a decline in interest rates to the level of 4.10% by the end of the year. At the end of the month, FRAs suggested a correction in the low rates over a horizon of two months and their subsequent fall to a level almost identical with the expectations from the beginning and middle of the month.

### 4.3 Customer Interest Rates in February 2007

#### Customer interest rates

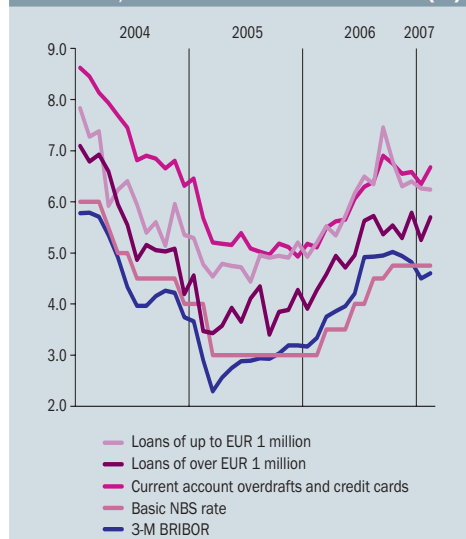
Average interest rates on new loans to non-financial corporations increased slightly in February, while lending rates for loans to households remained more or less unchanged. Interest rates on deposits from non-financial corporations and households followed different trends, depending on the term of deposit.

#### Average interest rates on new loans

Customer interest rates on loans to non-financial corporations rose somewhat, in line with the ongoing trends in interbank market rates. The steepest increase occurred in rates for current account overdrafts, as a result of developments in the interbank rates. At the end of February, the market rates were approximately 0.2 to 0.3 of a percentage point higher than in the same period a month earlier. The

interest conditions slightly deteriorated in February, especially for large enterprises. Lending rates increased for loans of over EUR 1 million, especially for those with a floating rate and an initial rate fixation (IRF) of up to 1 year. Interest rates on loans of up to EUR 1 million remained virtually unchanged.

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



Source: NBS.

From a historical perspective, it is possible to state that, since August 2006, interest rates on loans to non-financial corporations of up to EUR 1 million with a short period of fixation have shown a slightly falling tendency, while rates for loans of over EUR 1 million have been stagnant. Since the end of 2006, interest rates on loans with a long fixation period have followed a stable course.

Regarding the structure of loans by purpose, lending rates slightly increased for investment loans, operating loans, other loans, and current account overdrafts. The falling trend in the prices of these loans from the last few months came to a halt, mainly as a result of developments in interbank market rates.

Looking at the breakdown of loans by interest rate fixation, lending rates increased for all types of loans, except for loans with an IRF from 5 to 10 years.

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



Source: NBS.

Interest rates on household loans remained virtually unchanged. Thus, the increasing trend from the beginning of 2006 came to a halt. A modest rise was only recorded in rates for consumer loans (especially for non-specific loans). Interest rates on real estate purchase loans were stagnant in February. Within the scope of real estate purchase loans, lending rates slightly increased for intermediate loans and mortgage loans<sup>3</sup>. On the other hand, interest rates on other loans for real estate purchases dropped.

Broken down by interest rate fixation, lending rates remained virtually unchanged. A modest increase was only recorded in the price of loans with an IRF of over 1 and up to 5 years.

<sup>3</sup> Interest rates on mortgage loans do not reflect the reduced interest rate on preferential mortgage loans for the young, since third-party subsidies (e.g. state subsidies) are not recorded in the statistics according to ECB methodology.

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

	Interest rate in %						Change in % points	
	Q1 2006	Q2 2006	Q3 2006	Q4 2006	Jan. 2006	Feb. 2007	against Q1 2006	month-on- month
<b>Loans to non-financial corporations</b>								
Current account overdrafts and credit cards	5.49	6.06	6.90	6.59	6.35	6.68	1.19	0.33
Loans of up to EUR 1 million – with a floating rate	5.52	6.17	7.45	6.40	6.26	6.24	0.72	-0.02
and an IRF of up to 1 year	5.47	6.25	7.58	6.33	6.22	6.16	0.70	-0.06
– with an IRF of over 5 years	5.53	5.75	6.47	6.52	6.48	6.46	0.93	-0.02
Loans of over EUR 1 million – with a floating rate	4.58	4.96	5.36	5.79	5.25	5.70	1.12	0.45
and an IRF of up to 1 year	4.38	4.87	5.17	5.60	5.21	5.67	1.29	0.46
– with an IRF of over 5 years	5.62	5.62	7.03	5.73	-	6.17	0.55	-
<b>Total</b>	<b>5.40</b>	<b>5.93</b>	<b>6.76</b>	<b>6.35</b>	<b>6.21</b>	<b>6.49</b>	<b>1.09</b>	<b>0.28</b>
<b>Total, excluding CA overdrafts and credit cards</b>	<b>4.98</b>	<b>5.38</b>	<b>6.04</b>	<b>5.90</b>	<b>5.61</b>	<b>5.85</b>	<b>0.87</b>	<b>0.24</b>
<b>Loans to households</b>								
Current account overdrafts and credit cards	13.00	13.48	14.32	14.12	14.18	14.25	1.25	0.07
Consumer loans	11.91	13.66	13.09	13.65	12.76	13.03	1.12	0.27
House purchase loans	5.54	5.92	6.54	6.76	6.59	6.62	1.08	0.03
of which : mortgage loans	4.91	5.39	6.17	6.43	6.32	6.41	1.49	0.09
Other loans	6.18	6.49	7.34	7.46	7.41	7.22	1.04	-0.19
<b>Total</b>	<b>11.24</b>	<b>11.42</b>	<b>12.56</b>	<b>12.58</b>	<b>12.85</b>	<b>12.80</b>	<b>1.56</b>	<b>-0.05</b>
<b>Total, excluding CA overdrafts and credit cards</b>	<b>7.13</b>	<b>7.71</b>	<b>8.32</b>	<b>8.39</b>	<b>8.43</b>	<b>8.52</b>	<b>1.39</b>	<b>0.09</b>
Basic NBS rate	3.50	4.00	4.50	4.75	4.75	4.75	1.25	0.00
3-M BRIBOR	3.75	4.20	4.95	4.82	4.50	4.60	0.85	0.10

Source: NBS.

Note: Quarterly data refer to the last month of the quarter.

**Average interest rates on new deposits**

Interest rates on short-term deposits from non-financial corporations considerably increased in February, as a result of developments in market rates over the last few days of the month. On the other hand, the inverse shape of the money market rate curve was mirrored in the falling trend in long-term deposit rates. Within the 'deposits repayable on demand' category, a marked increase occurred in the price of overnight deposits, accompanied by a modest rise in demand deposit rates. Among short-term deposits with agreed maturity, deposit rates increased for the shortest maturities (up to 7 days and up to 1 month). Within the 'long-term deposits with agreed maturity' category, interest rates dropped on deposits with an agreed maturity from 1 to 2 years and over 5 years.

A similar trend as in the case of non-financial corporations was recorded in household deposits. On the one hand, interest rates on short-term deposits (repayable on demand and deposits with an agreed maturity of up to 1 year) increased, while the rates for long-term deposits with agreed maturity dropped significantly. Within the 'deposits repayable on demand' category, interest rates increased on overnight deposits. Among short-term deposits with agreed maturity, deposit rates rose for deposits with a maturity of up to 7 days and up to 1 month. Within the 'long-term deposits with agreed maturity' category, interest rates dropped on deposits with an agreed maturity from 1 to 2 years and from 2 to 5 years.

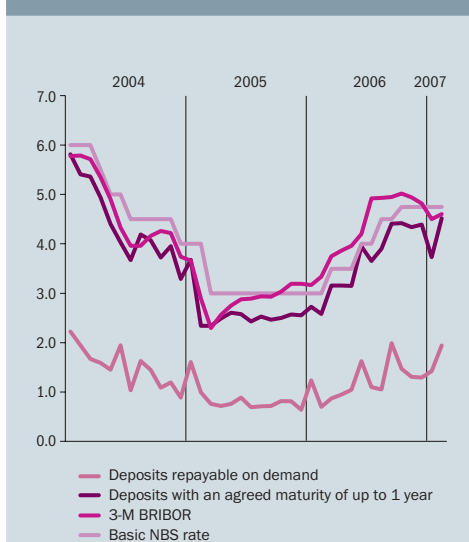
Interest rates on deposits from non-financial corporations and households are mostly influenced by interbank market developments. Deposit rates for non-financial corporations react more intensely than rates for household deposits.

**Table 26 Average Interest Rates on New Deposits**

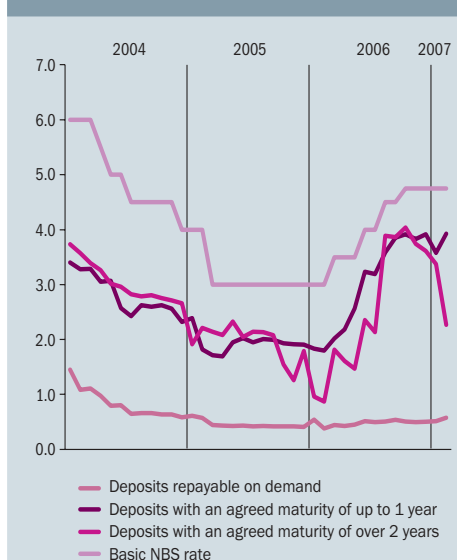
	Interest rate in %						Change in % points	
	Q1 2006	Q2 2006	Q3 2006	Q4 2006	Jan. 2007	Feb. 2007	against Q1 2006	month-on- month
<b>New deposits from non-financial corporations</b>								
Deposits repayable on demand	0.87	1.62	1.98	1.30	1.42	1.94	1.07	0.52
Deposits with agreed maturity								
– up to 1 year	3.16	3.95	4.41	4.39	3.73	4.52	1.36	0.79
– over 1and up to 2 years	3.87	4.05	2.56	3.06	3.23	2.84	-1.02	-0.39
– over 2 years	3.83	1.54	8.40	2.62	1.98	1.32	-2.51	-0.66
<b>Total</b>	<b>1.86</b>	<b>2.51</b>	<b>3.00</b>	<b>2.70</b>	<b>2.58</b>	<b>3.09</b>	<b>1.23</b>	<b>0.51</b>
<b>New deposits from households</b>								
Deposits repayable on demand	0.44	0.51	0.54	0.50	0.51	0.58	0.13	0.07
Deposits with agreed maturity								
– up to 1 year	2.02	3.23	3.85	3.92	3.58	3.93	1.91	0.35
– over 1and up to 2 years	2.29	3.06	3.94	3.98	3.67	3.48	1.19	-0.19
– over 2 years	1.81	2.35	3.86	3.61	3.37	2.27	0.46	-1.10
Deposits redeemable at notice								
– up to 3 months	1.04	1.07	1.46	1.54	1.46	1.47	0.43	0.01
– over 3 months	1.22	1.30	1.89	1.97	1.93	1.98	0.76	0.05
<b>Total</b>	<b>0.79</b>	<b>0.96</b>	<b>1.16</b>	<b>1.18</b>	<b>1.16</b>	<b>1.18</b>	<b>0.39</b>	<b>0.02</b>
Basic NBS rate	3.50	4.00	4.50	4.75	4.75	4.75	1.25	0.00
3-M BRIBOR	3.75	4.20	4.95	4.82	4.50	4.60	0.85	0.10

Source: NBS.

Note: Quarterly data refer to the last month of the quarter.

**Chart 22 Interest Rates on Deposits from Non-Financial Corporations (%)**


Source: NBS.

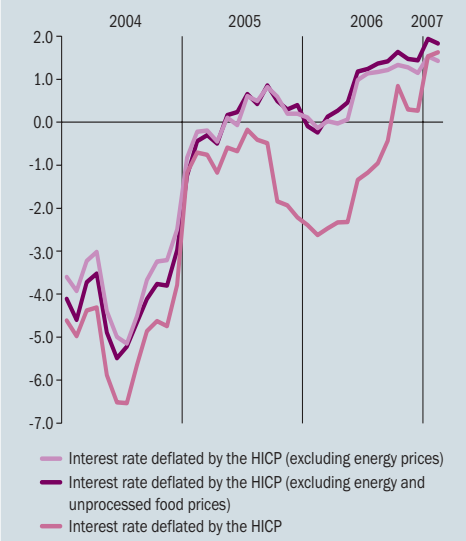
**Chart 23 Interest Rates on Household Deposits (%)**


Source: NBS.



**Real interest rates** The real interest rate on household deposits, calculated by deflating the rate of interest on the outstanding volume of one-year household deposits by HICP inflation, reached a positive figure in February (1.63%), which represented an increase of 0.09 of a percentage point in comparison with the previous month. This was a result of a faster fall in inflation than in the rate of interest on household deposits.

**Chart 24 Real Interest Rates on Household Deposits (%)**



Source: NBS and ŠÚ SR.

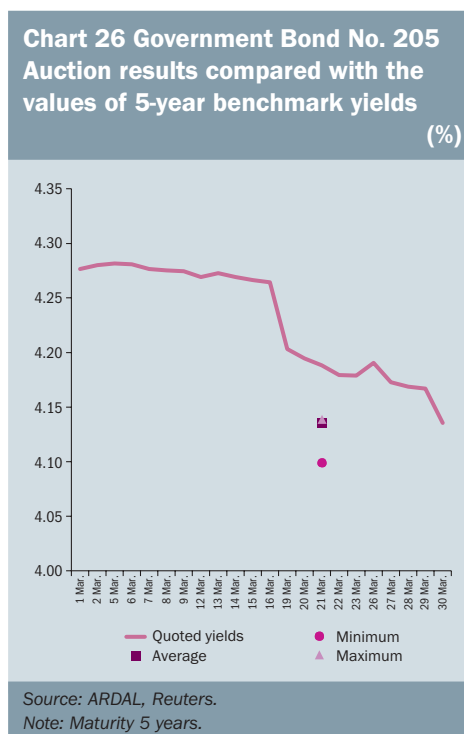


## Annexes

### 1 Capital Market

#### 1.1 Primary Market

In March, the Agency for Debt and Liquidity Management (ARDAL) held two auctions in government bonds (with residual maturities of 6.9 and 5.1 years). At these auctions, government bonds were placed on the primary market in the amount of Sk 10.2 billion, representing 41.6% of the total demand (Sk 24.6 billion). More pronounced demand (Sk 18.1 billion, 41.4% of which was generated by foreign investors) was mainly recorded at the auction for 5-year zero-coupon bonds, which took place on the day when the ERM II central rate of the koruna against the euro was updated. Since the bids of non-residents were more attractive to the Government, they accounted for up to 87.4% of the total accepted amount.



#### 1.2 Secondary Market

The total volume traded on the Bratislava Stock Exchange (BCPB) reached Sk 75.5 billion in March (in 855 transactions), representing a month-on-month increase of 150.8%. Price-setting transactions accounted for Sk 1.0 billion and direct transactions Sk 74.5 billion.

Non-resident investors accounted for 48.2% of the total volume traded in March, of which 48.4% were purchases and 48.1% sales.

The government bond yield curve moved considerably down in the course of March, especially its shorter end, and thus it took on a more normal shape. Influenced by the new ERM II central rate of the SKK against the EUR, the strengthening of the domestic currency, and the expected interest rate reduction, bond yields declined month-on-month by an average of 14 basis points. One-year bond yields

**Bonds**



dropped by up to 28 basis points, to 2 basis points below the level of German bonds with comparable maturities.

The BCPB recorded 78 bond transactions totalling Sk 75.5 billion during the month (i.e. 99.9% of the total volume traded on the BCPB floor in March).

The market capitalisation of bonds as at the last trading day of March reached Sk 418.6 billion, representing a month-on-month increase of 2.5%. The capitalisation of quoted bonds had increased since the end of February by 2.8%, to Sk 399.3 billion.

**SDXGroup indices**

**Table 27 Values of SDXGroup Indices at the End of March 2007**

Sector	SDXGroup indices		Yield to maturity (in %)	Duration (in years)
	Price	Performance		
Public	104.6	120.5	4.113	5.356
SDXG sub-index (<=5)	102.6	117.3	3.874	2.531
SDXG sub-index (>5)	106.8	124.0	4.163	7.015
Private (corporate + mortgage bonds)	99.3	119.4	4.716	3.282
SDXG sub-index (<=5)	98.8	119.8	4.796	1.355
SDXG sub-index (>5)	103.1	118.9	4.694	5.350

Source: BCPB.

**Shares** In March, shares were traded in 585 transactions (29,953 shares), totalling Sk 43.325 million. Most shares changed hands in anonymous transactions, in which Sk 26.921 million was traded in 400 transactions.

By the last trading day of the month, the market capitalisation of equity securities had increased by 0.38% month-on-month, to Sk 155.87 billion. The actual amount of issues for which a market price was generated at least once in the past, except for investment fund shares and participation certificates, was Sk 149.00 billion (a month-on-month increase of 0.4%) and accounted for 95.6% of the total equity market capitalisation. The market capitalisation of quoted issues had increased since the end of February by 0.49% to Sk 84.444 billion.

During March, the BCPB accepted no new share issues for trading on the quoted market, nor on regulated open market. Trading was ended in one stock, capitalised at Sk 338.5 million (in nominal terms).

**Table 28 Weights of Basic SAX Index Components (end-of-month figures)**

Company	Weights in %						Monthly change in March 2007 p. b.
	2006		2007				
	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	
Biotika, a. s.	3.22	3.62	4.18	4.18	4.47	4.14	-0.33
OTP Banka Slovensko, a. s.	25.50	25.16	24.93	25.04	23.69	26.06	2.37
SES Tlmače, a. s.	7.85	7.79	8.14	8.80	12.51	9.36	-3.15
Slovnaft, a. s.	31.82	32.38	32.00	31.40	29.30	30.09	0.79
Všeobecná úverová banka, a. s.	31.61	31.05	30.76	30.58	30.03	30.36	0.33

Source: BCPB.

**Chart 29 Developments in the SAX Index, March 2007 (in points)**


Source: BCPB.

The SAX index closed the month at 418.21 points, representing a rise of 0.16% month-on-month and 0.25% year-on-year. The index reached a monthly maximum on 9 March (427.482 points) and a monthly minimum on 26 March (412.042 points).

**SAX index**



## 2 Monetary Developments in the Euro Area

At its meeting on 8 March 2007, the Governing Council of the ECB decided to increase its key interest rates by a quarter of a percentage point. With effect from 14 March 2007, the rate on main refinancing operations was raised to 3.75%, that on marginal lending facility to 4.75%, and the rate on marginal deposit facility to 2.75%.

### 2.1 Exchange Rate Developments

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

After appreciating somewhat at the beginning of the month, the US dollar recorded a continuous slight depreciation in relation to the euro. This was mainly a result of renewed concern over developments on the US real estate market and their implications for the future development of the US economy (i.e. expectations of a marked slowdown in economic growth). The expected increase in the key ECB interest rates had no marked effect on the USD/EUR exchange rate. Thus, the exchange rate of the euro against the dollar reached USD/EUR 1.33 at the end of the month.

During March, the euro appreciated somewhat in relation to the US dollar, by 0.70% month-on-month. From the first trading day of 2007, the single European currency appreciated vis-à-vis the dollar by 0.36%.

### 2.2 Real Economy

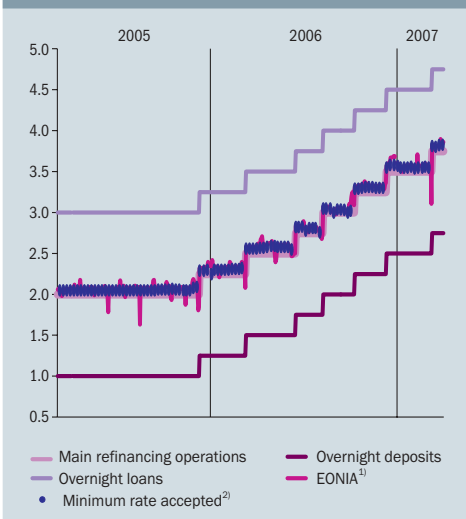
According to Eurostat's second estimate, the euro-area economy grew over the fourth quarter of 2006 by 0.9% compared with the previous quarter, while growing in comparison with the same quarter a year earlier by 3.3%. Final household consumption increased in the fourth quarter of 2006 by 0.4% (in the third quarter by 0.7%) and investment grew by 1.5% (in the previous quarter by 0.9%). Exports increased by 3.6% (compared with 1.9% in the third quarter of 2006) and imports grew by 1.7% (in the previous quarter by 2.2%). In the third quarter of 2006, euro-area GDP grew by 0.6%.

The 12-month inflation rate in the euro area, expressed in terms of the Harmonised Index of Consumer Prices (HICP), remained unchanged in February, at the level of the previous month (1.8%). The strongest year-on-year consumer price dynamics were recorded in Greece (3.0%), Ireland (2.6%), and Spain (2.5%). The steepest year-on-year increases took place in prices for alcoholic beverages and tobacco products (4.1%) and education (3.3%). Price levels in telecommunications dropped by 1.7%. In the same period a year earlier, consumer prices in the euro area increased by 2.3%. Eurostat foresees a year-on-year inflation rate of 1.9% in March.

In February, industrial producer prices increased year-on-year by 2.9% and month-on-month by 0.3%.

Retail sales grew on a year-on-year basis by 1.2% and in comparison with the previous month by 0.3% in February.

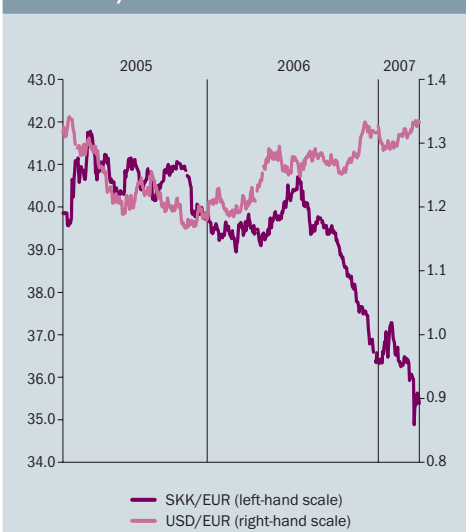
**Chart 30 Key ECB Interest Rates and the EONIA (%)**



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 31 Exchange Rates: SKK/EUR and USD/EUR**



Source: NBS and ECB.



The unemployment rate (seasonally adjusted) dropped to 7.3% in February, from 7.4% in the previous month. The lowest unemployment rates were achieved in the Netherlands (3.5%), Ireland (4.4%), and Austria (4.5%). The highest unemployment rates within the euro area were recorded in France (8.4%), Spain (8.6%), and Greece (8.6% in the third quarter of 2006). In the same period a year earlier, the unemployment rate in the euro area stood at 8.2%.

According to the first Eurostat estimate, foreign trade in the euro area (EA12)<sup>4</sup> resulted in a deficit of EUR 7.8 billion in January 2007, compared with a shortfall of EUR 9.9 billion in the same period a year earlier. Compared with the previous month, euro area exports (seasonally adjusted) declined in January by 0.4%, while imports grew by 0.2%.

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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 29 Calculation of Monetary Aggregates**

Methodology of the NBS	Methodology of the ECB <i>(the items are included in the individual sub-aggregates in both Slovak koruna and foreign currency)</i>
CURRENCY OUTSIDE BANKS [M0]	currency 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 (=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 Tables

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

	Unit	2006										2007			
		3	4	5	6	7	8	9	10	11	12	1	2	3	
<b>REAL ECONOMY</b>															
Gross domestic product <sup>1) 2)</sup>	SKK billions	288.649 <sup>(p)</sup>	-	-	605.388 <sup>(p)</sup>	-	-	940.440 <sup>(p)</sup>	-	-	1275.254 <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>	-	-	8.3 <sup>(p)</sup>	-	-	-	-
Unemployment rate <sup>4) 11)</sup>	%	11.4	11.0	10.6	10.4	10.2	9.9	9.8	9.3	9.1	9.4	9.5	9.2	-	
Consumer prices (HICP) <sup>3) 10)</sup>	%	4.3	4.4	4.8	4.5	5.0	5.0	4.5	3.1	3.7	3.7	2.2	2.0	2.1	
Consumer prices (CPI) <sup>3)</sup>	%	4.5	4.5	4.8	4.6	5.0	5.1	4.6	3.7	4.3	4.2	3.0	2.7	2.7	
<b>BALANCE OF TRADE</b> <sup>2) 9) (p)</sup>															
Exports (fob)	SKK millions	267,768	356,879	460,795	569,719	670,878	776,894	892,061	1,019,193	1,140,390	1,239,359	109,929	218,171	-	
Imports (fob)	SKK millions	291,049	389,333	500,976	614,718	718,573	830,426	955,690	1,088,580	1,219,711	1,330,986	105,048	215,344	-	
Balance	SKK millions	-23,281	-32,454	-40,181	-44,999	-47,695	-53,532	-63,630	-69,387	-79,320	-91,627	4,881	2,827	-	
<b>BALANCE OF PAYMENTS</b> <sup>2)</sup>															
Current account <sup>9)</sup>	SKK millions	-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	-135,597.0	8,452.7	-	-	
Capital and financial account	SKK millions	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	32,400.7	3,114.1	-	-	
Overall balance	SKK millions	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	-78,095.9	20,494.8	-	-	
<b>FOREIGN EXCHANGE RESERVES</b> <sup>4) 6)</sup>															
Total foreign exchange reserves	USD millions	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	16,263.1	20,025.2	
NBS foreign exchange reserves	USD millions	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	14,080.6	16,605.2	
<b>GROSS EXTERNAL DEBT</b> <sup>4) 7)</sup>															
Total gross external debt	USD billions	28.5	28.9	31.0	31.5	28.3	29.8	29.3	30.5	31.5	32.2	31.3	-	-	
External debt per capita	USD	5303	5371	5,768	5,856	5,255	5,536	5,453	5,662	5,860	5,987	5,815	-	-	
<b>MONETARY INDICATORS</b>															
Exchange rate <sup>5)</sup>	SKK/USD	31.186	30.535	29.461	30.054	30.286	29.426	29.448	29.225	27.915	26.504	26.694	26.434	25.583	
M3 monetary aggregate <sup>4) 10)</sup>	SKK billions	840.7	850.2	851.2	861.2	871.8	892.4	894.3	911.7	926.7	958.5	961.1	974.0	-	
Year-on-year change in M3 <sup>3)</sup>	%	10.3	9.4	10.5	11.2	11.8	13.6	12.9	13.9	16.1	15.3	16.5	16.8	-	
Claims of monetary financial institutions <sup>10)</sup>	SKK billions	794.5	800.0	822.2	833.1	829.2	843.2	850.3	878.9	885.6	895.7	887.5	889.9	-	
<b>STATE BUDGET</b> <sup>2) 4)</sup>															
Revenue	SKK billions	71.8	95.8	112.1	138.0	166.5	188.9	212.2	240.6	262.1	291.9	27.1	46.0	70.2	
Expenditure	SKK billions	71.7	95.6	123.8	148.3	171.7	194.6	217.3	241.7	269.1	323.6	24.2	54.5	82.1	
Balance	SKK billions	0.1	0.2	-11.7	-10.3	-5.2	-5.7	-5.1	-1.1	-7.0	-31.7	2.9	-8.5	-11.9	
<b>MONEY MARKET</b>															
Interest rates set by the NBS Bank Board															
Date of validity <sup>6)</sup>															
Overnight operations		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	27/09/2006	28/03/2007	
- sterilisation	%	2.50	2.50	3.00	3.00	3.00	3.00	3.25	3.25	3.25	3.25	3.25	3.25	2.50	
- refinancing	%	4.50	4.50	5.00	5.00	6.00	6.00	6.25	6.25	6.25	6.25	6.25	6.25	6.00	
Limit rate for 2-week repo tenders	%	3.50	3.50	4.00	4.00	4.50	4.50	4.75	4.75	4.75	4.75	4.75	4.75	4.50	
Basic interest rate of the NBS (until 31/12/02: discount rate)	%	3.50	3.50	4.00	4.00	4.50	4.50	4.75	4.75	4.75	4.75	4.75	4.75	4.50	
Average interbank deposit rate (BRIBOR)															
overnight	%	3.10	3.34	3.00	4.51	3.83	4.11	4.85	4.59	4.02	5.03	3.63	5.61	3.80	
7-day	%	3.44	3.47	3.39	4.17	4.11	4.49	4.68	4.79	4.67	4.82	4.11	4.93	4.11	
14-day	%	3.49	3.51	3.49	4.11	4.22	4.54	4.66	4.84	4.77	4.81	4.24	4.82	4.25	
1-month	%	3.57	3.59	3.69	4.11	4.50	4.63	4.72	4.93	4.86	4.83	4.44	4.75	4.40	
2-month	%	3.66	3.72	3.85	4.14	4.75	4.77	4.88	4.99	4.92	4.84	4.50	4.67	4.52	
3-month	%	3.75	3.86	3.96	4.20	4.92	4.93	4.95	5.02	4.94	4.82	4.50	4.60	4.48	
6-month	%	3.88	4.06	4.19	4.45	5.18	5.22	5.19	5.06	4.96	4.80	4.47	4.49	4.44	
9-month	%	3.98	4.21	4.38	4.62	5.35	5.34	5.28	5.09	4.96	4.78	4.42	4.40	4.41	
12-month	%	4.06	4.28	4.49	4.71	5.47	5.43	5.36	5.11	4.94	4.76	4.41	4.36	4.39	

(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)												
		2006										2007		
		2	3	4	5	6	7	8	9	10	11	12	1	2
Claims of MFIs on residents	45.6	545.5	556.1	561.7	578.1	592.4	589.1	598.3	602.6	631.1	636.7	646.5	653.5	658.1
General government	1.5	27.3	26.2	23.8	23.7	23.0	23.0	23.0	17.2	17.8	17.7	18.8	18.6	21.4
Private sector	44.1	518.2	529.8	538.0	554.4	569.4	566.1	575.3	585.3	613.3	618.9	627.7	635.0	636.7
Non-financial corporations	23.0	277.6	281.9	284.2	292.2	299.3	291.2	295.7	300.9	323.5	324.0	326.5	331.1	331.6
- up to 1 year	9.7	119.5	118.8	119.0	127.6	133.8	126.6	127.0	130.2	137.1	136.3	135.0	136.2	140.3
- 1 to 5 years	4.6	52.2	55.2	55.1	58.6	56.7	54.5	56.2	56.0	64.0	65.0	64.0	65.0	65.7
- over 5 years	8.7	105.9	108.0	110.1	106.0	108.8	110.1	112.5	114.7	122.5	122.7	127.4	129.9	125.6
Financial corporations	4.2	54.2	56.3	57.3	59.7	61.3	61.2	60.8	60.5	60.6	61.4	63.0	62.9	60.8
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	16.9	186.3	191.6	196.5	202.5	208.7	213.5	218.6	223.6	228.8	233.3	237.9	240.7	243.9
- consumer loans	2.5	29.8	31.0	31.4	32.0	32.6	33.0	33.5	34.3	35.1	35.7	36.0	36.3	36.7
- housing loans	11.2	122.4	125.6	128.5	132.1	136.2	139.4	142.9	145.9	149.2	152.2	156.7	159.6	161.7
- other loans	3.2	34.0	35.0	36.5	38.4	39.9	41.2	42.2	43.4	44.5	45.4	45.2	44.8	45.5
Securities other than shares and participation certificates issued by residents	15.6	229.5	232.6	232.5	238.3	234.9	234.4	239.4	242.1	242.3	243.3	243.8	228.1	225.6
General government	15.1	221.0	223.8	223.8	229.6	225.9	225.5	230.5	233.6	233.8	234.9	236.0	220.7	218.2
Private sector	0.5	8.5	8.9	8.7	8.8	9.0	8.9	8.8	8.5	8.4	8.4	7.8	7.5	7.4
Shares and other equities issued by private sector	0.4	5.8	5.8	5.8	5.7	5.7	5.6	5.6	5.6	5.6	5.6	5.5	5.9	6.2
Foreign assets	32.5	573.0	598.7	597.7	608.6	607.8	524.1	529.9	512.9	492.4	460.4	452.3	478.4	468.2
Fixed assets	2.3	33.4	33.4	33.2	33.1	33.0	33.1	32.9	32.7	32.7	32.6	34.5	33.3	33.0
Other assets	3.5	36.6	36.0	38.9	40.7	46.3	43.0	44.3	42.7	48.7	55.7	57.7	50.5	51.1
Deposits and loans received from the central government	1.1	47.3	79.5	104.5	107.6	106.0	99.6	95.5	84.8	85.8	83.7	45.0	20.8	15.5
Long-term financial liabilities	11.6	186.1	192.0	182.1	183.0	192.9	194.2	191.2	190.3	182.3	172.5	169.6	174.2	167.4
Deposits and loans received with an agreed maturity of over 2 years	4.8	59.5	59.8	60.4	60.5	61.0	61.9	62.1	62.4	62.6	62.9	66.7	67.4	69.1
Deposits redeemable at a period of notice of over 3 months	1.6	27.2	26.9	26.6	26.4	26.1	25.8	25.3	25.0	24.7	24.4	24.3	24.0	23.8
Debt securities issued with a maturity of over 2 years	2.1	18.8	21.2	21.7	21.9	24.9	25.1	25.5	25.9	27.6	28.8	31.6	31.7	30.9
Capital, reserves, and provisions	3.0	80.6	84.0	73.4	74.3	80.9	81.4	78.3	77.0	67.3	56.3	47.0	51.1	43.7
Foreign liabilities	14.4	307.2	301.5	279.3	306.3	305.2	212.4	219.5	216.5	208.3	182.0	196.3	225.5	208.4
Other liabilities	5.3	49.7	48.4	53.8	56.6	54.9	51.3	52.0	52.8	64.7	69.5	70.9	68.3	77.2
Surplus of liabilities among MFIs	0.0	-0.2	0.5	-0.2	-0.1	-0.1	0.0	0.0	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1
M3	67.5	833.9	840.7	850.2	851.2	861.2	871.8	892.4	894.3	911.7	926.7	958.5	961.1	974.0
<b>Total</b>	<b>100.0</b>	<b>1,423.9</b>	<b>1,462.5</b>	<b>1,469.8</b>	<b>1,504.6</b>	<b>1,520.2</b>	<b>1,429.3</b>	<b>1,450.4</b>	<b>1,438.6</b>	<b>1,452.7</b>	<b>1,434.2</b>	<b>1,440.2</b>	<b>1,449.7</b>	<b>1,442.3</b>

1) In the current month.



## Average Interest Rates on New Loans

(ECB methodology)

(%)

	2006											2007	
	2	3	4	5	6	7	8	9	10	11	12	1	2
<b>Loans in total<sup>1)</sup></b>	6.50	6.87	7.11	6.99	7.40	7.71	8.05	8.21	8.16	7.85	7.72	7.94	7.92
Current account overdrafts	6.50	6.96	7.12	7.12	7.63	7.81	7.96	8.35	8.25	8.08	8.20	7.99	8.24
Operation loans	4.47	4.28	4.61	4.32	4.74	5.35	5.42	5.53	5.66	5.15	5.32	5.32	5.72
Investment loans	5.21	5.78	5.54	5.75	6.18	6.45	6.60	6.69	6.41	6.44	6.17	6.10	6.06
Consumer loans	13.54	11.91	11.64	12.82	13.66	13.13	13.62	13.09	12.77	13.94	13.65	12.76	13.01
Real estate loans	5.43	5.54	5.70	5.83	5.92	6.09	6.39	6.53	6.62	6.58	6.52	6.49	6.11
of which:													
Mortgage loans	4.91	4.92	5.01	5.20	5.39	5.68	6.11	6.18	6.33	6.35	6.45	6.36	6.40
Construction loans	5.07	5.05	5.21	5.09	5.01	5.19	5.00	5.03	5.12	4.91	4.80	5.02	4.97
Intermediate loans	6.49	6.63	6.71	6.66	6.59	6.54	6.35	6.41	6.78	6.90	6.87	6.64	7.00
Other real estate loans	5.34	5.35	5.54	5.83	6.07	6.20	6.75	6.97	6.86	6.61	6.49	6.55	5.90
Other loans	5.22	5.40	5.65	5.55	6.36	6.51	7.13	6.89	6.26	7.08	6.64	6.13	6.33
Floating rate + IRF for up to 1 year incl.	6.46	6.84	7.14	6.97	7.40	7.71	8.10	8.25	8.21	7.84	7.79	7.95	7.95
IRF for over 1 year and up to 5 years incl.	7.80	7.32	6.61	7.38	7.95	7.82	7.63	7.75	7.56	8.34	7.05	7.61	7.13
IRF for over 5 years and up to 10 years incl.	7.30	7.51	7.24	7.34	7.03	7.26	7.32	7.50	7.70	7.65	8.08	7.99	8.03
IRF for over 10 years	6.09	6.23	6.35	6.63	6.01	6.72	6.63	6.94	6.99	6.94	6.02	6.77	7.12
<b>Households</b>													
Loans in total	11.42	11.24	11.27	11.18	11.42	12.16	12.32	12.56	12.57	12.82	12.58	12.85	12.80
Current account overdrafts	12.15	12.40	12.37	12.55	13.05	13.15	13.51	13.57	13.65	13.54	13.43	13.54	13.64
Operation loans	6.35	6.63	6.51	6.50	6.47	7.38	7.30	6.09	6.78	6.98	6.83	6.65	6.72
Investment loans	6.31	6.25	6.27	6.44	6.91	7.55	7.60	7.25	7.51	7.13	7.02	7.02	7.27
Consumer loans	13.55	11.91	11.64	12.82	13.66	13.13	13.62	13.09	12.77	13.95	13.65	12.76	13.03
Real estate loans	5.43	5.54	5.70	5.82	5.92	6.09	6.41	6.54	6.67	6.69	6.76	6.59	6.62
of which:													
Mortgage loans	4.90	4.91	5.00	5.20	5.39	5.68	6.11	6.17	6.33	6.34	6.43	6.32	6.41
Construction loans	5.07	5.05	5.21	5.09	5.01	5.19	5.00	5.03	5.12	4.91	4.80	5.02	4.97
Intermediate loans	6.50	6.64	6.73	6.69	6.62	6.54	6.41	6.44	6.84	7.03	6.90	6.73	7.00
Other real estate loans	5.33	5.34	5.53	5.82	6.06	6.20	6.76	7.01	7.00	6.86	7.02	6.96	6.68
Other loans	6.07	6.18	6.32	6.35	6.49	6.60	7.08	7.34	7.84	7.38	7.46	7.41	7.22
Credit cards	16.09	16.22	16.58	15.88	15.81	18.04	18.09	18.17	18.03	17.80	17.44	17.28	17.29
Floating rate + IRF for up to 1 year incl.	11.71	11.71	11.92	11.84	12.15	12.85	13.27	13.37	13.33	13.47	13.23	13.48	13.51
IRF for over 1 year and up to 5 years incl.	9.19	8.14	7.70	7.82	8.46	8.30	8.24	8.38	8.83	9.38	8.86	8.27	8.39
IRF for over 5 years and up to 10 years incl.	7.91	8.49	7.67	7.65	7.74	7.58	7.64	7.71	8.20	8.56	8.49	8.66	8.59
IRF for over 10 years	7.20	6.91	6.73	6.69	5.99	6.89	6.63	6.95	7.18	6.90	7.02	7.15	7.19
<b>Non-financial corporations</b>													
Loans in total	5.03	5.40	5.52	5.54	5.93	6.24	6.33	6.76	6.62	6.26	6.35	6.21	6.49
Current account overdrafts	5.09	5.47	5.60	5.64	6.04	6.28	6.38	6.89	6.73	6.53	6.57	6.33	6.66
Operation loans	4.49	4.64	4.51	4.67	4.87	5.59	5.41	5.66	5.71	5.08	5.32	5.40	5.72
Investment loans	5.02	5.71	5.70	5.67	6.00	6.37	6.53	6.70	6.64	6.71	6.31	5.79	6.01
Real estate loans	5.56	5.67	5.99	5.93	6.24	5.85	5.99	6.07	6.80	6.12	6.30	6.17	6.88
Other loans	5.11	5.16	5.63	5.30	6.32	6.12	7.05	6.59	5.98	6.75	6.50	5.74	5.80
Credit cards	13.26	13.83	14.29	13.92	14.22	17.24	17.12	16.49	17.47	16.68	17.34	17.22	17.29
Loans up 1 million EUR	5.21	5.52	5.34	5.72	6.17	6.49	6.35	7.45	6.80	6.31	6.40	6.26	6.24
Loans over 1 million EUR	4.27	4.58	4.95	4.71	4.96	5.63	5.72	5.36	5.54	5.29	5.79	5.25	5.70
Floating rate + IRF for up to 1 year incl.	5.03	5.39	5.51	5.54	5.93	6.23	6.33	6.77	6.63	6.25	6.35	6.21	6.49
IRF for over 1 year and up to 5 years incl.	4.69	5.74	5.67	5.71	6.13	6.56	6.48	6.74	6.57	6.73	6.46	6.24	6.55
IRF for over 5 years and up to 10 years incl.	4.78	5.56	5.67	5.80	5.53	6.46	6.25	6.74	6.52	6.51	6.66	6.48	6.41
IRF for over 10 years	5.56	5.52	6.07	6.34	6.43	6.31	6.56	6.81	6.64	7.94	5.83	6.24	7.04

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)

(%)

	2006											2007	
	2	3	4	5	6	7	8	9	10	11	12	1	2
<b>Deposits in total <sup>1)</sup></b>	1.24	1.59	1.67	1.66	2.01	1.91	2.09	2.37	2.46	2.35	2.32	2.12	2.40
Deposits payable on demand	0.58	0.66	0.74	0.82	1.12	0.93	0.83	1.27	1.02	0.95	1.00	1.02	1.31
of which: demand deposits	0.45	0.52	0.60	0.63	0.78	0.73	0.69	0.92	0.82	0.76	0.79	0.83	0.95
overnight deposits	1.46	2.23	2.64	2.55	4.39	2.69	3.18	5.53	3.92	3.17	3.70	3.12	4.26
Deposits with agreed maturity <sup>2)</sup>	2.51	3.02	3.05	3.12	3.81	3.65	3.99	4.29	4.43	4.36	4.40	3.74	4.44
- up to 1 year in total	2.52	3.02	3.06	3.13	3.82	3.66	3.99	4.29	4.43	4.36	4.40	3.74	4.45
- up to 7 days	2.12	2.78	2.73	2.64	4.10	3.24	3.27	4.57	3.98	3.68	4.00	3.47	4.61
- up to 1 month	2.66	3.17	3.21	3.27	3.80	3.80	4.24	4.27	4.57	4.52	4.55	3.83	4.50
- up to 3 months	1.97	2.12	2.16	2.56	3.01	3.49	3.67	3.58	3.88	3.98	3.92	3.78	3.75
- up to 6 months	1.83	2.09	2.17	2.64	2.90	3.74	3.75	3.81	3.98	3.66	3.87	3.90	3.77
- up to 1 year	1.71	1.87	2.12	2.53	3.27	3.43	3.92	3.73	3.90	3.64	3.90	3.65	3.56
- over 1 year in total	0.88	2.45	1.64	1.51	2.37	2.48	3.88	3.84	3.86	3.94	3.72	3.39	2.29
- up to 2 years	2.33	2.95	2.08	2.04	2.60	3.50	3.89	3.75	3.93	4.06	4.06	3.62	3.03
- over 2 years	0.86	2.42	1.60	1.45	2.37	2.45	3.97	4.04	3.99	3.99	4.00	3.41	2.28
Deposits redeemable at notice	1.10	1.16	1.19	1.21	1.23	1.54	1.65	1.75	1.79	1.81	1.83	1.79	1.82
- up to 3 months	0.97	1.05	1.06	1.07	1.09	1.45	1.47	1.47	1.54	1.55	1.55	1.48	1.49
- over 3 months	1.17	1.22	1.25	1.28	1.30	1.59	1.75	1.89	1.91	1.93	1.97	1.93	1.98
<b>Households</b>													
Deposits in total	0.69	0.79	0.81	0.86	0.96	0.99	1.10	1.16	1.21	1.13	1.18	1.16	1.18
Deposits payable on demand	0.38	0.44	0.42	0.45	0.51	0.50	0.51	0.54	0.51	0.50	0.50	0.51	0.58
of which: demand deposits	0.37	0.42	0.41	0.43	0.45	0.47	0.49	0.49	0.48	0.47	0.48	0.49	0.48
overnight deposits	1.42	1.90	2.14	2.35	3.97	2.41	2.83	5.02	3.73	3.09	3.11	2.86	4.00
Deposits with agreed maturity	1.76	2.01	2.17	2.55	3.21	3.16	3.59	3.85	3.92	3.83	3.91	3.57	3.86
- up to 1 year in total	1.79	2.02	2.18	2.57	3.23	3.20	3.58	3.85	3.92	3.83	3.92	3.58	3.93
- up to 7 days	1.84	2.24	2.33	2.38	3.69	2.79	3.11	4.29	3.69	3.34	3.83	3.62	4.38
- up to 1 month	1.77	2.00	2.16	2.62	3.13	3.17	3.49	3.65	3.90	3.90	3.90	3.39	3.89
- up to 3 months	1.59	1.70	1.86	2.33	2.82	3.15	3.29	3.33	3.65	3.58	3.66	3.73	3.47
- up to 6 months	1.59	1.89	1.99	2.43	2.76	3.29	3.54	3.70	3.59	3.52	3.54	3.14	3.21
- up to 1 year	1.56	1.72	1.98	2.37	3.10	3.77	4.00	4.05	3.97	4.01	3.98	3.77	3.66
- long-term over 1 year	0.88	1.82	1.64	1.50	2.38	2.19	3.89	3.90	3.86	3.90	3.67	3.39	2.29
- up to 2 years	2.33	2.06	2.24	2.00	3.00	3.44	3.89	3.95	3.93	3.99	3.95	3.65	3.09
- over 2 years	0.87	1.81	1.61	1.47	2.35	2.14	3.89	3.86	4.04	3.74	3.61	3.37	2.27
Deposits redeemable at notice	1.10	1.16	1.18	1.21	1.22	1.54	1.65	1.75	1.78	1.81	1.83	1.79	1.82
- up to 3 months	0.96	1.04	1.05	1.06	1.07	1.43	1.45	1.46	1.52	1.54	1.54	1.46	1.47
- over 3 months	1.17	1.22	1.25	1.28	1.30	1.59	1.75	1.89	1.91	1.93	1.97	1.93	1.98
<b>Non-financial corporations</b>													
Deposits in total	1.47	1.86	2.03	1.95	2.51	2.11	2.34	3.00	2.87	2.69	2.70	2.58	3.09
Deposits payable on demand	0.70	0.87	0.95	1.05	1.62	1.10	1.05	1.98	1.47	1.30	1.30	1.42	1.94
of which: demand deposits	0.49	0.58	0.71	0.73	1.01	0.72	0.78	1.35	1.12	0.98	1.02	1.10	1.41
overnight deposits	1.69	2.23	2.62	2.64	4.44	2.71	3.18	5.58	3.98	3.14	3.81	3.18	4.52
Deposits with agreed maturity	2.58	3.16	3.16	3.15	3.95	3.66	3.90	4.41	4.42	4.34	4.39	3.73	4.52
- up to 1 year in total	2.58	3.16	3.16	3.15	3.95	3.66	3.90	4.41	4.42	4.34	4.39	3.73	4.52
- up to 7 days	2.15	2.56	2.80	2.63	4.17	3.31	3.28	4.58	4.00	3.68	3.99	3.44	4.64
- up to 1 month	2.72	3.31	3.30	3.32	3.83	3.82	4.21	4.34	4.59	4.54	4.58	3.82	4.52
- up to 3 months	2.67	2.87	3.07	3.16	3.57	3.89	4.08	4.11	4.26	4.43	4.37	3.89	4.06
- up to 6 months	2.73	2.61	2.90	3.51	3.70	4.21	4.54	4.20	4.72	4.19	4.39	4.02	4.05
- up to 1 year	2.07	2.67	2.93	3.59	3.78	2.59	4.29	3.87	4.51	4.21	4.05	3.55	3.70
- long-term over 1 year	1.38	3.84	1.32	1.92	2.63	3.53	1.99	5.29	2.02	4.25	2.99	2.80	2.55
- up to 2 years	-	3.87	1.63	2.45	4.05	4.91	-	2.56	2.39	4.38	3.06	3.23	2.84
- over 2 years	1.38	-	0.94	1.42	1.54	3.52	1.99	8.40	1.98	2.42	2.62	1.98	1.32
Deposits redeemable at notice	1.49	1.74	1.86	1.83	1.96	1.95	1.92	1.91	2.13	2.27	2.08	2.30	2.33
- up to 3 months	1.51	1.78	1.91	1.88	2.01	2.00	1.96	1.96	2.19	2.23	2.14	2.38	2.42
- over 3 months	1.17	1.17	1.17	1.16	1.21	1.21	1.21	1.21	1.20	2.83	1.20	1.19	1.19

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.

## Average Interest Rates on Outstanding Loans

	2006											2007	
	2	3	4	5	6	7	8	9	10	11	12	1	2
<b>Loans in total<sup>1)</sup></b>	5.93	6.06	6.15	6.19	6.40	6.55	6.66	6.87	6.90	6.90	6.90	6.83	6.90
Current account overdrafts	6.55	6.97	7.12	7.10	7.58	7.79	7.93	8.34	8.28	8.07	8.21	8.03	8.24
Consumer loans	12.23	12.28	12.21	12.31	12.63	12.68	12.74	12.86	12.85	12.89	12.93	12.96	12.99
Operation loans	4.10	4.32	4.47	4.42	4.81	4.98	5.19	5.30	5.38	5.35	5.29	5.10	5.23
Investment loans	4.50	4.72	4.85	4.94	5.18	5.41	5.57	5.83	5.92	5.94	5.86	5.70	5.68
Real estate purchase loans	6.25	6.20	6.19	6.17	6.20	6.22	6.25	6.28	6.35	6.39	6.42	6.44	6.44
Other loans	4.82	4.95	5.12	5.24	5.40	5.59	5.76	6.08	6.06	6.20	6.22	6.13	6.22
Credit cards	15.99	16.15	16.51	16.14	16.08	18.05	18.06	18.13	18.07	17.82	17.43	17.32	17.34
Short-term loans	5.66	5.91	6.09	6.07	6.42	6.69	6.88	7.13	7.17	7.01	7.00	6.87	7.01
Long-term loans over 1 year and up to 5 years	7.11	7.22	7.24	7.27	7.47	7.56	7.67	7.99	7.99	7.97	7.99	7.86	7.86
Long-term loans over 5 years	5.57	5.63	5.71	5.78	5.92	6.03	6.12	6.27	6.32	6.40	6.42	6.40	6.44
<b>Households</b>													
Loans in total	7.86	7.84	7.81	7.82	7.91	7.95	8.00	8.05	8.09	8.11	8.12	8.13	8.17
Current account overdrafts	12.20	12.32	12.37	12.47	12.91	13.10	13.43	13.45	13.64	13.43	13.43	13.54	13.65
Consumer loans	12.23	12.28	12.21	12.31	12.63	12.68	12.74	12.86	12.85	12.89	12.93	12.96	12.99
Real estate purchase loans	6.33	6.26	6.24	6.23	6.26	6.26	6.29	6.31	6.34	6.39	6.42	6.44	6.49
Other loans	7.20	7.04	6.95	6.92	6.93	6.94	7.02	7.08	7.21	7.24	7.28	7.34	7.31
Credit cards	16.08	16.23	16.57	16.20	16.14	18.07	18.09	18.17	18.08	17.85	17.43	17.32	17.35
Short-term loans	12.09	12.27	12.31	12.37	12.69	13.14	13.49	13.57	13.72	13.53	13.57	13.68	13.76
Long-term loans over 1 year and up to 5 years	10.78	10.87	10.80	10.83	10.99	10.99	11.05	11.13	11.11	11.15	11.14	11.15	11.12
Long-term loans over 5 years	6.38	6.34	6.34	6.34	6.41	6.44	6.48	6.53	6.59	6.65	6.68	6.72	6.78
<b>Non-financial institutions</b>													
Loans in total	4.60	4.88	5.01	5.09	5.41	5.65	5.82	6.14	6.16	6.13	6.11	5.95	6.03
Current account overdrafts	5.05	5.47	5.57	5.59	6.00	6.25	6.36	6.91	6.78	6.56	6.60	6.38	6.66
Operation loans	3.97	4.34	4.46	4.39	4.92	5.11	5.33	5.45	5.52	5.47	5.38	5.11	5.25
Investment loans	4.59	4.80	4.94	5.05	5.31	5.56	5.74	5.97	6.07	6.09	6.00	5.84	5.83
Real estate purchase loans	4.63	4.68	5.14	5.08	5.30	5.56	5.55	5.83	6.53	6.53	6.49	6.42	6.23
Other loans	4.61	4.80	4.92	5.18	5.31	5.53	5.77	6.06	5.89	6.13	6.15	5.97	6.09
Credit cards	13.26	13.83	14.29	14.31	14.49	17.24	17.12	16.49	17.47	16.68	17.34	17.23	17.30
Short-term loans	4.56	4.92	5.05	5.04	5.45	5.70	5.85	6.26	6.24	6.10	6.08	5.88	6.03
Long-term loans over 1 year and up to 5 years	4.96	5.20	5.32	5.43	5.69	5.91	6.14	6.31	6.41	6.35	6.38	6.19	6.24
Long-term loans over 5 years	4.50	4.69	4.83	4.96	5.20	5.45	5.61	5.88	5.94	6.04	6.02	5.92	5.91

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.



### Average Interest Rates on Outstanding Deposits

	2006											2007	
	2	3	4	5	6	7	8	9	10	11	12	1	2
<b>Deposits in total<sup>1)</sup></b>	1.37	1.68	1.74	1.72	2.02	1.94	2.11	2.39	2.38	2.32	2.35	2.18	2.45
Deposits payable on demand	0.59	0.66	0.74	0.80	1.12	0.86	0.82	1.26	1.01	0.95	1.00	1.00	1.28
of which: demand deposits	0.47	0.52	0.60	0.61	0.77	0.66	0.69	0.90	0.81	0.75	0.78	0.81	0.94
overnight deposits	1.46	2.22	2.64	2.55	4.39	2.68	3.19	5.54	3.93	3.17	3.72	3.11	4.02
Deposits with agreed maturity <sup>2)</sup>	2.15	2.52	2.56	2.56	2.91	2.92	3.16	3.36	3.46	3.45	3.54	3.22	3.52
- up to 1 year in total	2.03	2.49	2.55	2.55	2.98	2.99	3.28	3.51	3.62	3.61	3.73	3.36	3.73
- up to 7 days	1.78	2.80	2.49	2.49	3.83	2.85	3.16	4.82	3.88	3.52	3.52	3.22	3.99
- up to 1 month	2.41	2.89	2.96	2.95	3.39	3.44	3.76	3.83	4.09	4.07	4.05	3.43	3.99
- up to 3 months	1.55	1.71	1.82	1.98	2.15	2.45	2.72	2.78	2.85	2.92	2.92	3.02	3.05
- up to 6 months	1.49	1.61	1.76	1.93	2.12	2.41	2.69	2.94	3.07	3.19	3.28	3.41	3.39
- up to 1 year	0.79	0.79	0.87	0.97	1.12	1.29	1.68	1.90	2.08	2.20	3.34	3.42	3.43
- over 1 year in total	2.70	2.66	2.62	2.59	2.56	2.55	2.55	2.55	2.56	2.57	2.57	2.55	2.57
- up to 2 years	2.13	2.16	1.90	1.94	2.30	2.36	2.52	2.83	3.07	3.26	3.28	3.32	3.27
- over 2 years	2.71	2.67	2.64	2.60	2.57	2.55	2.55	2.55	2.55	2.55	2.55	2.53	2.54
Deposits redeemable at notice	1.10	1.16	1.19	1.21	1.23	1.54	1.65	1.75	1.79	1.81	1.83	1.78	1.82
- up to 3 months	0.97	1.05	1.06	1.07	1.09	1.45	1.47	1.47	1.54	1.55	1.55	1.46	1.49
- over 3 months	1.17	1.22	1.25	1.28	1.30	1.59	1.75	1.89	1.91	1.93	1.97	1.93	1.98
<b>Households</b>													
Deposits in total	1.19	1.26	1.29	1.31	1.43	1.51	1.64	1.74	1.79	1.81	1.87	1.84	1.91
Deposits payable on demand	0.41	0.44	0.42	0.45	0.51	0.50	0.51	0.54	0.51	0.50	0.50	0.51	0.57
of which: demand deposits	0.40	0.42	0.41	0.43	0.45	0.47	0.49	0.49	0.48	0.47	0.48	0.49	0.48
overnight deposits	1.42	1.89	2.14	2.35	3.97	2.41	2.83	5.02	3.73	3.09	3.11	2.86	3.94
Deposits with agreed maturity	1.92	2.01	2.09	2.13	2.33	2.42	2.61	2.74	2.83	2.87	2.92	2.87	2.94
- up to 1 year in total	1.51	1.68	1.82	1.89	2.21	2.36	2.65	2.83	2.94	3.00	3.07	3.01	3.11
- up to 7 days	1.17	1.59	1.75	1.70	2.80	2.19	2.22	3.62	3.01	2.54	2.84	2.58	3.48
- up to 1 month	1.51	1.68	1.84	1.85	2.20	2.33	2.51	2.56	2.71	2.72	2.76	2.58	2.73
- up to 3 months	1.42	1.53	1.68	1.83	2.03	2.25	2.50	2.59	2.69	2.72	2.75	2.85	2.85
- up to 6 months	1.43	1.53	1.66	1.82	2.01	2.24	2.53	2.76	2.90	3.03	3.10	3.12	3.10
- up to 1 year	1.46	1.56	1.72	1.83	2.09	2.45	3.01	3.26	3.40	3.53	3.62	3.69	3.71
- long-term over 1 year	2.71	2.66	2.62	2.59	2.57	2.54	2.54	2.55	2.56	2.57	2.57	2.55	2.57
- up to 2 years	2.16	2.13	1.81	1.84	2.24	2.32	2.53	2.92	3.17	3.38	3.44	3.49	3.44
- over 2 years	2.71	2.67	2.63	2.60	2.57	2.55	2.54	2.54	2.55	2.55	2.55	2.52	2.54
Deposits redeemable at notice	1.10	1.16	1.18	1.21	1.22	1.54	1.65	1.75	1.78	1.81	1.83	1.78	1.82
- up to 3 months	0.96	1.04	1.05	1.06	1.07	1.43	1.45	1.46	1.52	1.54	1.54	1.45	1.47
- over 3 months	1.17	1.22	1.25	1.28	1.30	1.59	1.75	1.89	1.91	1.93	1.97	1.93	1.98
<b>Non-financial corporations</b>													
Deposits in total	1.49	1.85	1.99	1.89	2.43	2.09	2.34	3.03	2.80	2.60	2.56	2.48	3.03
Deposits payable on demand	0.70	0.87	0.95	1.05	1.62	1.10	1.05	1.98	1.47	1.30	1.30	1.41	1.89
of which: demand deposits	0.49	0.58	0.71	0.73	1.01	0.72	0.78	1.35	1.12	0.98	1.02	1.09	1.40
overnight deposits	1.69	2.23	2.62	2.64	4.44	2.71	3.18	5.58	3.98	3.15	3.81	3.18	4.26
Deposits with agreed maturity	2.58	3.05	3.07	3.07	3.72	3.58	3.86	4.35	4.34	4.28	4.21	3.72	4.36
- up to 1 year in total	2.58	3.05	3.07	3.08	3.73	3.58	3.87	4.36	4.35	4.29	4.22	3.73	4.37
- up to 7 days	1.94	2.40	2.62	2.66	4.02	3.00	3.35	5.13	4.07	3.68	3.53	3.33	4.15
- up to 1 month	2.71	3.22	3.20	3.16	3.70	3.72	4.07	4.20	4.45	4.40	4.45	3.76	4.49
- up to 3 months	2.46	2.74	2.70	2.97	3.09	3.56	3.78	3.90	3.97	4.16	4.12	3.83	4.00
- up to 6 months	2.24	2.45	2.65	2.89	3.08	3.22	3.34	3.91	4.11	4.24	4.41	3.98	3.99
- up to 1 year	1.97	2.29	2.47	2.73	2.96	2.92	3.10	3.34	3.66	3.65	3.85	3.63	3.72
- long-term over 1 year	2.21	2.41	2.41	2.41	2.47	2.86	2.80	2.82	2.85	3.01	2.93	2.83	2.67
- up to 2 years	2.23	2.50	2.50	2.51	2.69	2.77	2.69	2.69	2.74	3.39	3.16	3.16	3.07
- over 2 years	2.19	2.37	2.37	2.36	2.36	2.88	2.82	2.85	2.87	2.86	2.85	2.71	2.51
Deposits redeemable at notice	1.49	1.74	1.86	1.83	1.96	1.95	1.92	1.91	2.13	2.27	2.08	1.96	2.33
- up to 3 months	1.51	1.78	1.91	1.88	2.01	2.00	1.96	1.96	2.19	2.23	2.14	2.01	2.42
- over 3 months	1.18	1.17	1.17	1.16	1.21	1.21	1.21	1.21	1.20	2.83	1.20	1.19	1.19

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 28 February 2007

(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	nerезidenti	
<b>Total assets</b>	58,312,253	1,206,734,817	51,091,040	157,278,568	58,581,762	1,415,373,934
Cash items	0	12,156,475	0	42,270	3,259,285	15,458,030
Cash in hand	0	11,490,854	0	0	2,989,285	14,480,139
of which: EUR	0	0	0	0	1,463,502	1,463,502
Gold	0	0	0	0	0	0
Amounts in transit	0	665,621	0	42,270	270,000	977,891
Loans and other receivables	21,903,160	783,278,793	20,485,964	144,816,841	39,005,344	965,683,782
Deposits and loans to NBS, foreign central banks and post office banks	791	225,697,875	0	0	59,152	225,756,236
of which: Valued on an individual basis						
with no identifiable depreciation (category I)	791	184,162,520	0	0	59,152	184,220,881
Valued on a portfolio basis (category II)	0	41,535,355	0	0	0	41,535,355
Valued on an individual basis						
with identifiable depreciation (category III)	0	0	0	0	0	0
of which: Failed	0	0	0	0	0	0
of which: Current accounts	0	1,203,424	0	0	58,104	1,261,528
Time deposits	0	2,130,192	0	0	0	2,130,192
Loans provided	791	184,086,831	0	0	0	184,086,040
Money reserve accounts	0	38,277,428	0	0	0	38,277,428
of which: Minimum reserve requirements	0	38,132,400	0	0	0	38,132,400
Postal cheque accounts	0	0	0	0	1,048	1,048
Deposits and loans to banks	77,417	33,735,048	16,088,742	5,381,776	24,059,084	79,187,233
of which: Valued on an individual basis						
with no identifiable depreciation (category I)	1,568	29,003,269	14,285,275	4,943,826	20,677,645	68,908,447
Valued on a portfolio basis (category II)	1,929	4,689,891	1,803,467	437,950	2,623,389	9,552,768
Valued on an individual basis						
with identifiable depreciation (category III)	73,920	41,888	0	0	758,050	726,018
of which: Failed	41,287	41,716	0	0	0	429
of which: Deposits with and loans to own financial group	48	2,041,093	2,194,065	0	3,688,855	7,923,965
of which: Current accounts in banks	69	589,531	3,390	60,687	3,534,756	4,188,295
Current accounts of other banks	755	29,289	4,424,106	0	718,477	5,171,117
Time deposits	1,525	29,582,658	11,647,963	5,230,024	15,842,382	62,301,502
Loans provided	75,068	3,480,283	0	0	3,945,965	7,351,180
Other receivables from banks	0	53,287	13,283	91,065	17,504	175,139
Receivables from customers	21,817,439	508,734,206	4,397,215	133,221,295	14,720,315	639,255,592
of which: Valued on an individual basis						
with no identifiable depreciation (category I)	230,183	165,505,038	3,109,391	83,512,563	9,579,279	261,476,088
Valued on a portfolio basis (category II)	12,629,274	323,052,142	964,049	44,520,169	4,193,897	360,100,983
Valued on an individual basis						
with identifiable depreciation (category III)	8,957,982	20,177,026	323,775	5,188,563	947,139	17,678,521
of which: Failed	14,799,737	19,354,031	182,262	990,647	536,097	6,263,300
of which: MMIF loans	0	0	0	0	0	0
Loans to general government and international organizations (S.13)	7,513	15,111,664	7	6,213,770	166,793	21,484,721
of which: Valued on an individual basis						
with no identifiable depreciation (category I)	4,944	11,483,452	7	5,854,289	166,793	17,499,597
Valued on a portfolio basis (category II)	2,468	3,603,365	0	359,481	0	3,960,378
Valued on an individual basis						
with identifiable depreciation (category III)	101	24,847	0	0	0	24,746
of which: Failed	7	8	0	0	0	1
of which: Deposits to central government (S.1311)	0	0	7	0	0	7
Loans to central government (S.1311)	1	4,767,851	0	77,747	166,793	5,012,390
of which: SR Treasury	0	0	0	0	0	0
Other funds	0	3	0	0	0	3
Loans to local governments (S.1313)	7,512	10,143,090	0	6,136,023	0	16,271,601
Loans to social security funds (S.1314)	0	200,723	0	0	0	200,723
of which: Health insurance companies	0	0	0	0	0	0
Social Insurance Corporation	0	200,723	0	0	0	200,723
Debt securities	0	0	0	0	0	0
Financial instruments available for sale	339,316	35,343,451	4,110,171	4,221,774	5,096,747	48,432,827
Financial instruments at fair value through profit/loss: held for trading (excluding derivatives)	0	104,002,942	1,630,005	1,242,854	1,391,858	108,267,659
Financial instruments at fair value towards profit/loss: others (from the point of settlement)	0	5,899,356	1,640,172	4,329,647	5,278,332	17,147,507
Positive fair value of derivative transactions for trading	0	8,119,860	16,594,850	-	-	24,714,710
Financial instruments held to maturity	54,814	184,741,742	5,685,342	2,316,614	3,722,034	196,410,918
Positive fair value of derivative hedge transactions	0	154,865	45,409	-	-	200,274
Change in fair value of hedged items in the portfolio of interest rate risk hedges	0	0	0	0	0	0
Subsidiary and affiliated companies, joint ventures	701,318	5,429,414	860,063	0	0	5,588,159
Funds to branches abroad	0	0	0	0	491,295	491,295
Tangible assets	23,209,422	45,272,796	0	631	70,058	22,134,063
Intangible assets	10,370,370	15,152,198	0	0	0	4,781,828
Other assets	955,304	4,335,557	39,064	307,937	266,809	3,994,063
Tax receivables	0	1,381,239	0	0	0	1,381,239
Depreciation	32,995,468	32,995,468	0	0	0	0
Non-current assets held for sale (IFRS 5)	778,549	1,466,129	0	0	0	687,580



## Shortened Balance Sheet of Commercial Banks as at 28 February 2007

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

(SKK thousands)

LIABILITIES	Slovak koruna		Foreign currency		Total
	Residents	Non-residents	Residents	nerezidenti	Residents
<b>Total liabilities</b>	1,004,847,300	100,152,065	138,895,880	171,478,689	1,415,373,934
<b>PAYABLES</b>	934,819,741	59,847,654	138,752,627	171,422,225	1,304,842,247
Deposits and loans from NBS and foreign central banks	3,061,788	0	32,896	0	3,094,684
of which: Current accounts	83	0	0	0	83
Time deposits	0	0	0	0	0
Loans received	3,061,705	0	32,896	0	3,094,601
Postal cheque accounts	0	0	0	0	0
Financial liabilities valued at amortized costs	883,366,448	43,342,065	134,694,160	118,709,048	1,180,111,721
Deposits, loans and other liabilities received from banks	23,622,210	32,625,079	4,939,886	98,464,401	159,651,576
of which: Deposits and loans received from own financial group	1,754,359	18,632,542	16	72,828,990	93,215,907
of which: Current accounts in banks	29,289	20,044	0	4,854,427	4,903,760
Current accounts of other banks	590,129	9,025,093	60,813	452,467	10,128,502
Time deposits	19,406,403	21,903,114	4,799,943	79,227,543	125,337,003
Subordinate debts	212,500	1,061,328	0	4,746,717	6,020,545
Loans received	3,239,755	606,004	0	8,595,745	12,441,504
Other liabilities received from banks	144,134	9,496	79,130	587,502	820,262
Deposits and loans received from customers	745,222,823	7,570,494	104,291,154	7,424,647	864,509,118
of which: MMIF deposits	18,703,189	0	1,957	0	18,705,146
of which: Current accounts and other financial undated liabilities	287,310,355	5,240,911	54,272,127	3,283,798	350,107,191
Time deposits	406,059,902	2,258,232	46,593,442	1,790,883	456,702,459
Deposits redeemable at notice	33,738,070	64,233	1,127,534	7,961	34,937,798
Certificates of deposit	106,709	60	0	0	106,769
Loans received and financial leasing	5,962,835	0	0	0	5,962,835
Other liabilities received from customers	12,044,952	7,058	2,298,051	2,342,005	16,692,066
Deposits of general government and international organizations	35,907,057	16,264	23,753,033	3,091,993	62,768,347
of which: Deposits of central government (S.1311)	14,472,205	16,264	23,728,938	3,091,960	41,309,367
of which: Treasury	2,383,747	0	9,163,998	0	11,547,745
Other funds	6,853,542	0	140,044	0	6,993,586
of which: National Property Fund	6,842,225	0	134,435	0	6,976,660
Deposits of local governments (S.1313)	21,433,202	0	24,093	33	21,457,328
Deposits of social security funds (S.1314)	1,650	0	2	0	1,652
of which: Health insurance companies	1,535	0	0	0	1,535
Social Insurance Corporation	115	0	2	0	117
Securities issued by the accounting unit	78,614,358	3,130,228	1,710,087	9,728,007	93,182,680
Financial liabilities held for trading (excluding derivatives)	0	0	0	0	0
Financial liabilities in fair value through profit/loss (IAS 39)	16,008,078	739,394	2,267,607	52,556,327	71,571,406
of which: Current accounts	0	0	0	0	0
Time deposits	16,008,078	739,394	2,267,607	52,556,327	71,571,406
Deposits redeemable at notice	0	0	0	0	0
Debt securities issued	0	0	0	0	0
Loans 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 fair value of derivative transactions for trading	12,719,667	15,563,999	-	-	28,283,666
Negative fair value of derivative hedge transactions	62,496	182,836	-	-	245,332
Change in fair value of hedged items in the portfolio of interest rate risk hedges	0	0	0	0	0
Financial liabilities arising from the transfer of financial assets	0	0	0	0	0
Subsidies and similar funds	80,000	0	0	0	80,000
Reserves	5,257,446	882	460,277	324	5,718,929
Other liabilities	12,146,565	18,478	1,296,459	156,526	13,618,028
Tax liabilities	2,117,253	0	1,228	0	2,118,481
<b>EQUITY</b>	70,027,559	40,304,411	143,253	56,464	110,531,687
Share capital	4,627,198	36,594,862	0	0	41,222,060
of which: Subscribed share capital	5,270,359	36,594,862	0	0	41,865,221
Receivables from shareholders	-640,000	0	0	0	-640,000
Own shares	-3,161	0	0	0	-3,161
Funds to branches of foreign banks	32,000	3,124,579	0	34,464	3,191,043
Share premium	2,476,587	475,000	0	0	2,951,587
Reserve funds and other funds created from profits	12,475,577	119,500	0	0	12,595,077
Other funds	203,716	5,490	0	1,397	210,603
Valuation changes	632,613	-15,020	143,253	20,603	781,449
Profit/loss from previous years	28,525,587	0	0	0	28,525,587
of which: Retained earnings	29,288,928	0	0	0	29,288,928
Accumulated loss	-763,341	0	0	0	-763,341
Profit and loss account	3,223,820	0	0	0	3,223,820
Profit/loss in process of approval	17,830,461	0	0	0	17,830,461



## Monthly Profit and Loss Account of Commercial Banks

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

(SKK millions)

	2006											2007	
	2	3	4	5	6	7	8	9	10	11	12	1	2
NET INTEREST INCOME	4,889	7,514	10,099	12,769	15,601	18,717	21,689	24,727	27,855	30,980	34,584	3,298	6,056
Interest income on securities	2,065	3,068	4,046	5,032	5,966	7,085	8,227	9,298	10,406	11,492	12,663	1,202	2,344
Other interest income	7,308	11,608	15,809	20,368	25,451	30,078	34,711	39,421	44,561	49,834	55,391	5,479	9,999
Interest expenses on securities	444	671	904	1,149	1,391	1,655	1,948	2,234	2,535	2,857	3,193	316	659
Other interest expenses	4,040	6,492	8,852	11,483	14,426	16,791	19,300	21,758	24,577	27,489	30,277	3,067	5,629
NET NON-INTEREST INCOME	3,497	5,270	6,981	8,346	10,217	11,942	13,424	14,706	16,314	17,786	19,112	1,719	3,292
Fee and commission income	2,169	3,471	4,634	5,905	6,957	8,117	9,303	10,454	11,626	12,844	14,134	1,206	2,399
Fees and commission expenses	389	643	859	1,128	1,377	1,635	1,908	2,197	2,439	2,720	3,021	225	458
Dividends received	8	8	211	221	333	389	399	399	440	443	456	5	5
Income from transactions in securities	656	942	1,189	1,325	1,489	1,788	2,039	2,442	2,622	2,869	3,124	274	445
Expenses related to transactions in securities	398	1,034	1,328	1,815	2,435	2,481	2,601	2,517	2,614	2,649	2,993	226	299
Profit/loss on foreign exchange transactions	1,759	1,732	3,264	3,768	2,021	3,196	4,113	5,012	6,880	8,703	10,205	-1,978	-288
Profit/loss on fixed forward transactions and options	-355	798	-127	87	3,294	2,615	2,155	1,142	-160	-1,674	-2,688	2,691	1,523
Income from other transactions	133	96	126	152	159	192	250	286	317	422	467	4	26
Expenses related to other transactions	86	101	130	169	224	240	327	315	358	452	573	34	62
NET OPERATING PROFIT/LOSS	-288	-540	-749	-990	-1,103	-1,254	-1,263	-1,636	-1,594	-1,433	-1,906	-90	-852
GENERAL OPERATING EXPENSES	4,656	7,098	9,474	11,917	14,255	16,739	19,367	21,682	24,188	26,840	29,856	2,555	5,039
NET CREATION OF RESERVES AND PROVISIONS	-216	-273	-522	-337	-982	-1,217	-1,526	-1,806	-2,301	-2,513	-2,453	-375	287
INCOME TAX	391	720	962	1,225	1,361	1,606	1,846	2,337	2,682	2,992	3,624	347	520
CURRENT PERIOD PROFIT/LOSS	2,835	4,153	5,371	6,646	8,117	9,844	11,112	11,972	13,403	14,989	15,856	1,650	3,224



### Balance of Payments of the SR for January 2007

	Receipts / Credit (+)		Payments / Debit (-)		Balance	
	SKK millions	USD millions	SKK millions	USD millions	SKK millions	USD millions
<b>Goods</b>	109,929.0	4,118.1	105,048.0	3,935.3	4,881.0	182.9
<b>Services</b>	11,680.6	437.6	11,765.0	440.7	-84.5	-3.2
Transport	4,336.2	162.4	3,027.8	113.4	1,308.4	49.0
Tourism	3,558.1	133.3	2,547.9	95.4	1,010.2	37.8
Other services	3,786.3	141.8	6,189.4	231.9	-2,403.1	-90.0
<b>Income</b>	5,455.0	204.4	4,086.6	153.1	1,368.4	51.3
Compensation of employees	3,000.0	112.4	127.0	4.8	2,873.0	107.6
Investment income	2,455.0	92.0	3,959.6	148.3	-1,504.5	-56.4
<b>Current transfers</b>	5,734.3	214.8	3,446.6	129.1	2,287.7	85.7
<b>CURRENT ACCOUNT</b>	132,798.9	4,974.9	124,346.2	4,658.2	8,452.7	316.7
<b>Capital account</b>	62.1	2.3	236.9	8.9	-174.8	-6.5
<b>Financial account</b>	683,337.9	25,599.4	-680,049.1	-25,475.5	3,288.9	124.0
Direct investment	83,186.0	3,116.3	-82,002.0	-3,071.9	1,184.0	44.4
<i>Abroad (direct investor = resident)</i>	2,548.0	95.5	-3,033.0	-113.6	-485.0	-18.2
Equity capital and reinvested earnings	11.0	0.4	-149.0	-5.6	-138.0	-5.2
Other capital	2,537.0	95.0	-2,884.0	-108.0	-347.0	-13.0
<i>In the SR (recipient of dir. investment = resident)</i>	80,638.0	3,020.8	-78,969.0	-2,958.3	1,669.0	62.5
Equity capital and reinvested earnings	3,807.0	142.6	-60.0	-2.2	3,747.0	140.4
Other capital	76,831.0	2,878.2	-78,909.0	-2,956.1	-2,078.0	-77.8
Portfolio investment	39,962.6	1,497.1	-63,454.7	-2,377.1	-23,492.1	-880.1
Assets	4,791.9	179.5	-7,936.2	-297.3	-3,144.3	-117.8
Liabilities	35,170.7	1,317.6	-55,518.5	-2,079.8	-20,347.8	-762.3
Financial derivatives	270,778.8	10,143.8	-270,285.1	-10,125.3	493.6	18.5
Assets	143,558.9	5,377.9	-139,641.5	-5,231.2	3,917.4	146.8
Liabilities	127,219.8	4,765.9	-130,643.6	-4,894.1	-3,423.8	-128.3
Other investment	289,410.5	10,842.3	-264,307.2	-9,901.1	25,103.3	941.2
<i>Long-term</i>	78,869.5	2,954.6	-81,154.9	-3,039.9	-2,285.4	-85.4
Assets	986.0	36.9	-2,266.3	-84.9	-1,280.3	-48.0
Liabilities	77,883.5	2,917.6	-78,888.6	-2,955.0	-1,005.1	-37.4
<i>Short-term</i>	210,541.0	7,887.7	-183,152.3	-6,861.2	27,388.7	1,026.5
Assets	104,482.8	3,914.1	-100,525.3	-3,765.8	3,957.5	148.3
Liabilities	106,058.3	3,973.6	-82,627.1	-3,095.3	23,431.2	878.3
<b>CAPITAL AND FINANCIAL ACCOUNT</b>	683,400.0	25,601.8	-680,285.9	-25,484.3	3,114.1	117.4
<b>ERRORS AND OMISSIONS</b>					8,928.0	348.6
<b>TOTAL BALANCE</b>	0.0	0.0	20,494.8	782.7	20,494.8	782.7
Monetary gold	0.0	0.0	-0.3	0.0	-0.3	0.0
Special drawing rights	0.0	0.0	0.0	0.0	0.0	0.0
Foreign exchange assets	0.0	0.0	-20,494.5	-782.7	-20,494.5	-782.7
Deposits	0.0	0.0	-3,088.7	-116.7	-3,088.7	-116.7
Securities	0.0	0.0	-17,405.8	-666.0	-17,405.8	-666.0
Bonds and notes	0.0	0.0	-2,236.7	-92.1	-2,236.7	-92.1
Money market instruments and financial derivatives	0.0	0.0	-15,169.1	-573.9	-15,169.1	-573.9
<b>RESERVE ASSETS</b>	0.0	0.0	-20,494.8	-782.7	-20,494.8	-782.7

Note: Preliminary data.

Applied rate of exchange: USD 1 = SKK 26.694.





## Overview of Issues of NBS Bills

Registration number	Date of			Maturity	Volume in SKK millions		Type of auction	Interest rate in % p.a.		
	auction	issue	maturity		demand	accept.		min.	average	max.
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
971105002	15.2.2007	16.2.2007	11.5.2007	84	60,980	0	American	-	-	-
970106003	8.3.2007	9.3.2007	1.6.2007	84	63,740	0	American	-	-	-



### Basic Characteristics of Slovakia's Foreign Exchange Market in March 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	-	-	-	2,537.4	100.0	138	-	-	-	2,537.4	138
Transactions between domestic banks without foreign participation	7,355.3	78.6	265	1,939.9	20.7	1,012	61.0	0.7	72	9,356.2	1,349
Interbank forex market: NBS + transactions between domestic banks	7,355.3	61.8	265	4,477.3	37.6	1,150	61.0	0.5	72	11,893.6	1,487
Transactions between domestic and foreign banks	81,922.2	86.8	2,229	12,312.4	13.0	4,605	170.7	0.2	176	94,405.4	7,010
Foreign exchange market in the SR – total	89,277.5	84.0	2,494	16,789.7	15.8	5,755	231.8	0.2	248	106,299.0	8,497

	SPOT			FORWARD			SWAP			OPTIONS		
	Volume		No. of transactions	Volume		No. of transactions	Volume		No. of transactions	Volume		No. of transactions
	USD millions	%		USD millions	%		USD millions	%		USD millions	%	
Transactions between domestic banks without foreign participation	1,158.0	12.4	1,071	4.2	0.0	4	8,186.1	87.6	274	0.3	0.0	1
Transactions between domestic and foreign banks	10,793.6	11.3	4,655	90.1	0.1	65	83,493.3	87.7	2,290	836.1	0.9	2,094
Foreign exchange market in the SR - excl. the NBS	11,951.6	11.4	5,726	94.4	0.1	69	91,679.3	87.7	2,564	836.4	0.8	2,095



## Average Monthly Exchange Rates of the SKK against Selected Currencies

Midpoint rate	2006										2007		
	3	4	5	6	7	8	9	10	11	12	1	2	3
1 AUD	22.712	22.411	22.490	22.247	22.748	22.455	22.286	21.992	21.537	20.828	20.921	20.664	20.257
1 BGN	-	-	-	-	-	-	-	-	-	-	17.754	17.656	17.316
1 CYP	65.132	64.901	65.331	66.157	66.770	65.472	65.088	63.909	62.197	60.595	60.044	59.625	58.415
1 CZK	1.308	1.312	1.328	1.340	1.350	1.336	1.322	1.302	1.281	1.260	1.249	1.223	1.206
1 DKK	5.020	5.011	5.039	5.101	5.146	5.051	5.029	4.942	4.818	4.698	4.658	4.632	4.546
1 EUR	37.455	37.392	37.575	38.036	38.388	37.688	37.505	36.852	35.914	35.025	34.721	34.524	33.863
1 EEK	2.394	2.390	2.401	2.431	2.453	2.409	2.398	2.355	2.296	2.239	2.219	2.207	2.164
100 JPY	26.606	26.048	26.331	26.220	26.170	25.421	25.181	24.624	23.790	22.654	22.183	21.903	21.822
1 CAD	26.958	26.610	26.508	26.997	26.845	26.266	26.398	25.902	24.599	23.043	22.723	22.561	21.885
1 LTL	10.847	10.828	10.881	11.014	11.117	10.914	10.863	10.671	10.403	10.143	10.055	9.999	9.807
1 LVL	53.810	53.721	53.981	54.642	55.156	54.151	53.899	52.937	51.550	50.207	49.779	49.345	47.792
100 HUF	14.392	14.080	14.308	14.022	13.814	13.743	13.672	13.769	13.866	13.779	13.690	13.624	13.536
1 MTL	87.229	87.130	87.563	88.593	89.435	87.798	87.390	85.836	83.694	81.595	80.887	80.445	78.930
1 NOK	4.694	4.761	4.819	4.845	4.834	4.724	4.545	4.392	4.355	4.296	4.193	4.269	4.164
1 PLN	9.662	9.535	9.646	9.460	9.596	9.658	9.465	9.434	9.386	9.189	8.961	8.865	8.710
1 RON	-	-	-	-	-	-	-	-	-	-	10.239	10.207	10.044
100 SIT	15.635	15.605	15.678	15.871	16.020	15.728	15.658	15.377	14.990	14.615	-	-	-
1 CHF	23.880	23.734	24.133	24.382	24.474	23.893	23.699	23.177	22.567	21.945	21.503	21.293	21.009
1 SEK	3.984	4.002	4.025	4.117	4.164	4.094	4.049	3.981	3.945	3.875	3.825	3.763	3.643
1 USD	31.186	30.535	29.461	30.054	30.286	29.426	29.448	29.225	27.915	26.504	26.694	26.434	25.583
1 GBP	54.392	53.819	54.961	55.412	55.805	55.649	55.570	54.751	53.320	52.044	52.321	51.737	49.810
1 XDR	44.874	44.280	43.828	44.414	44.734	43.753	43.649	43.051	41.567	39.980	39.916	39.569	38.568

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 against Selected Currencies

Midpoint rate	2006					2007
	Q1	Q2	Q3	Q4	Year	Q1
1 AUD	23.04	22.379	22.499	21.480	22.358	20.612
1 BGN	-	-	-	-	-	17.573
1 CYP	65.222	65.502	65.778	62.316	64.711	59.353
1 CZK	1.31	1.328	1.336	1.282	1.314	1.226
1 DKK	5.02	5.053	5.075	4.825	4.994	4.612
1 EUR	37.457	37.687	37.861	35.975	37.248	34.364
1 EEK	2.394	2.408	2.420	2.299	2.381	2.197
100 JPY	26.668	26.208	25.592	23.737	25.565	21.971
1 CAD	26.979	26.714	26.497	24.584	26.203	22.384
1 LTL	10.848	10.914	10.965	10.419	10.787	9.952
1 LVL	53.813	54.143	54.402	51.632	53.501	48.960
100 HUF	14.728	14.137	13.744	13.804	14.111	13.616
1 MTL	87.25	87.807	88.208	83.813	86.775	80.076
1 NOK	4.668	4.811	4.704	4.350	4.634	4.207
1 PLN	9.772	9.546	9.577	9.342	9.562	8.845
1 RON	-	-	-	-	-	10.162
100 SIT	15.639	15.726	15.802	15.013	15.546	-
1 CHF	24.028	24.105	24.023	22.593	23.692	21.268
1 SEK	4.005	4.052	4.103	3.936	4.024	3.743
1 USD	31.169	29.991	29.715	27.948	29.724	26.231
1 GBP	54.597	54.787	55.676	53.438	54.624	51.275
1 XDR	44.893	44.173	44.042	41.608	43.694	39.344

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.

**Inflow of Foreign Direct Investment into Slovakia in 1999 – 2006***(Flows and stocks)***Corporate sector**

	SKK millions		USD millions	
	Inflows from January to December	Volume as at 31 December	Inflows from January to December	Volume as at 31 December
1999	16,729	83,061	403.92	1,965.20
2000	97,454	161,988	2,109.39	3,418.26
2001	24,353	182,151	503.71	3,758.25
2002	174,180	259,517	3,842.06	6,482.09
2003	37,157	283,078	1,010.44	8,598.97
2004 <sup>2)</sup>	29,008	329,948	899.33	11,578.75
2005 <sup>3)</sup>	21,885	353,255	705.47	11,057.19
2006	58,159	409,752	1,956.63	15,611.98

**Banking sector**

	SKK millions		USD millions	
	Inflows from January to December	Volume as at 31 December	Inflows from January to December	Volume as at 31 December
1999	-40	12,977	-0.97	307.03
2000	2,107	15,153	45.61	319.76
2001	37,095	52,245	767.27	1,077.95
2002	11,414	59,729	251.77	1,491.88
2003 <sup>1)</sup>	1,813	65,422	49.30	1,987.30
2004	5,115	66,644	158.58	2,338.71
2005	-2	66,641	-0.06	2,085.92
2006	-456	66,182	-15.34	2,521.60

**Total**

	SKK millions		USD millions	
	Inflows from January to December	Volume as at 31 December	Inflows from January to December	Volume as at 31 December
1999	16,689	96,038	402.95	2,272.23
2000	99,561	177,141	2,155.00	3,738.02
2001	61,448	234,396	1,270.98	4,836.20
2002	185,594	319,246	4,093.83	7,973.97
2003 <sup>1)</sup>	38,970	348,500	1,059.74	10,586.27
2004 <sup>2)</sup>	34,123	396,592	1,057.91	13,917.46
2005 <sup>3)</sup>	21,883	419,896	705.40	13,143.11
2006	57,703	475,934	1,941.29	18,133.58

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

2) Other capital funds included in the equity capital.

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

Inflow of Foreign Direct Investment<sup>1)</sup> During January to December 2006

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 29.724									
<b>Inflow of FDI in total</b>	58,159	1,956.6	100.0	-456	-15.3	100.0	57,703	1,941.3	100.0
<b>Structure of capital by investor</b>									
Italy	31,679	1,065.8	54.5	45	1.5	-9.9	31,724	1,067.3	55.0
Austria	7,777	261.6	13.4	196	6.6	-43.0	7,973	268.2	13.8
Korea	7,884	265.2	13.6	0	0.0	0.0	7,884	265.2	13.7
Germany	4,504	151.5	7.7	0	0.0	0.0	4,504	151.5	7.8
Cyprus	3,213	108.1	5.5	0	0.0	0.0	3,213	108.1	5.6
Czech Republic	1,056	35.5	1.8	1	0.0	-0.2	1,057	35.6	1.8
Sweden	483	16.2	0.8	0	0.0	0.0	483	16.2	0.8
Switzerland	479	16.1	0.8	0	0.0	0.0	479	16.1	0.8
USA	472	15.9	0.8	0	0.0	0.0	472	15.9	0.8
Hungary	438	14.7	0.8	0	0.0	0.0	438	14.7	0.8
Other countries	174	5.9	0.3	-698	-23.5	153.1	-524	-17.6	-0.9
<b>Structure of capital by sector</b>									
Agriculture, hunting, and forestry	45	1.5	0.1	0	0.0	0.0	45	1.5	0.1
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Mineral raw materials extraction	267	9.0	0.5	0	0.0	0.0	267	9.0	0.5
Manufacturing	14,789	497.5	25.4	0	0.0	0.0	14,789	497.5	25.6
Electricity, gas, and water supply	1	0.0	0.0	0	0.0	0.0	1	0.0	0.0
Construction	173	5.8	0.3	0	0.0	0.0	173	5.8	0.3
Wholesale and retail trade, repairs of motor vehicles	2,938	98.8	5.1	0	0.0	0.0	2,938	98.8	5.1
Hotels and restaurants	32	1.1	0.1	0	0.0	0.0	32	1.1	0.1
Transport, storage, post and telecommunications	1,758	59.1	3.0	0	0.0	0.0	1,758	59.1	3.0
Financial intermediation	3,891	130.9	6.7	-456	-15.3	100.0	3,435	115.6	6.0
Real estate, renting and business activities	2,843	95.6	4.9	0	0.0	0.0	2,843	95.6	4.9
Public administration and defence, compulsory social security	31,355	1,054.9	53.9	0	0.0	0.0	31,355	1,054.9	54.3
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	67	2.3	0.1	0	0.0	0.0	67	2.3	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 region</b>									
Bratislava region	42,971	1,445.7	73.9	-456	-15.3	100.0	42,515	1,430.3	73.7
Trnava region	1,553	52.2	2.7	0	0.0	0.0	1,553	52.2	2.7
Trenčín region	2,493	83.9	4.3	0	0.0	0.0	2,493	83.9	4.3
Nitra region	987	33.2	1.7	0	0.0	0.0	987	33.2	1.7
Žilina region	7,711	259.4	13.3	0	0.0	0.0	7,711	259.4	13.4
Banská Bystrica region	845	28.4	1.5	0	0.0	0.0	845	28.4	1.5
Prešov region	435	14.6	0.7	0	0.0	0.0	435	14.6	0.8
Košice region	1,164	39.2	2.0	0	0.0	0.0	1,164	39.2	2.0

Note: Preliminary data.

1) Equity capital.



### 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 in total</b>	21,885	705.5	100.0	-2	-0.1	100.0	21,883	705.4	100.0
<b>Structure of capital by investor</b>									
Korea	6,543	210.9	29.9	0	0.0	0.0	6,543	210.9	29.9
Germany	6,431	207.3	29.4	-250	-8.1	12,500.0	6,181	199.2	28.2
Austria	3,107	100.2	14.2	-45	-1.5	2,250.0	3,062	98.7	14.0
Holand	1,378	44.4	6.3	3	0.1	-150.0	1,381	44.5	6.3
Switzerland	1,191	38.4	5.4	0	0.0	0.0	1,191	38.4	5.4
USA	1,031	33.2	4.7	0	0.0	0.0	1,031	33.2	4.7
Spain	784	25.3	3.6	0	0.0	0.0	784	25.3	3.6
United Kingdom	506	16.3	2.3	125	4.0	-6,250.0	631	20.3	2.9
Litva	417	13.4	1.9	0	0.0	0.0	417	13.4	1.9
Cyprus	321	10.3	1.5	0	0.0	0.0	321	10.3	1.5
Other countries	176	5.7	0.8	165	5.3	-8,250.0	341	11.0	1.6
<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	8	0.3	0.0	0	0.0	0.0	8	0.3	0.0
Manufacturing	10,642	343.0	48.6	0	0.0	0.0	10,642	343.0	48.6
Electricity, gas, and water supply	323	10.4	1.5	0	0.0	0.0	323	10.4	1.5
Construction	190	6.1	0.9	0	0.0	0.0	190	6.1	0.9
Wholesale and retail trade, repairs of motor vehicles	3,183	102.6	14.5	0	0.0	0.0	3,183	102.6	14.5
Hotels and restaurants	29	0.9	0.1	0	0.0	0.0	29	0.9	0.1
Transport, storage, post and telecommunications	1,280	41.3	5.8	0	0.0	0.0	1,280	41.3	5.8
Financial intermediation	4,263	137.4	19.5	-2	-0.1	100.0	4,261	137.4	19.5
Real estate, renting and business activities	1,882	60.7	8.6	0	0.0	0.0	1,882	60.7	8.6
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	53	1.7	0.2	0	0.0	0.0	53	1.7	0.2
Other community, social, and personal services	66	2.1	0.3	0	0.0	0.0	66	2.1	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	7,136	230.0	32.6	-2	-0.1	100.0	7,134	230.0	32.6
Trnava region	682	22.0	3.1	0	0.0	0.0	682	22.0	3.1
Trenčín region	3,213	103.6	14.7	0	0.0	0.0	3,213	103.6	14.7
Nitra region	641	20.7	2.9	0	0.0	0.0	641	20.7	2.9
Žilina region	7,122	229.6	32.5	0	0.0	0.0	7,122	229.6	32.5
Banská Bystrica region	1,253	40.4	5.7	0	0.0	0.0	1,253	40.4	5.7
Prešov region	158	5.1	0.7	0	0.0	0.0	158	5.1	0.7
Košice region	1,680	54.2	7.7	0	0.0	0.0	1,680	54.2	7.7

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 in total</b>	29,008	899.3	100.0	5,115	158.6	100.0	34,123	1,057.9	100.0
<b>Structure of capital by investor</b>									
Austria	2,974	92.2	10.3	4,776	148.1	93.4	7,750	240.3	22.7
Hungary	6,863	212.8	23.7	-30	-0.9	-0.6	6,833	211.8	20.0
United Kingdom	6,050	187.6	20.9	-1,396	-43.3	-27.3	4,654	144.3	13.6
Czech Republic	4,605	142.8	15.9	-11	-0.3	-0.2	4,594	142.4	13.5
France	3,749	116.2	12.9	-136	-4.2	-2.7	3,613	112.0	10.6
Germany	3,340	103.5	11.5	253	7.8	4.9	3,593	111.4	10.5
Louxeembourg	3,185	98.7	11.0	0	0.0	0.0	3,185	98.7	9.3
Korea	2,208	68.5	7.6	0	0.0	0.0	2,208	68.5	6.5
Switzerland	950	29.5	3.3	0	0.0	0.0	950	29.5	2.8
Italy	734	22.8	2.5	-13	-0.4	-0.3	721	22.4	2.1
Other countries	-5,650	-175.2	-19.5	1,672	51.8	32.7	-3,978	-123.3	-11.7
<b>Structure of capital by sector</b>									
Agriculture, hunting, and forestry	348	10.8	1.2	0	0.0	0.0	348	10.8	1.0
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Mineral raw materials extraction	-8	-0.2	0.0	0	0.0	0.0	-8	-0.2	0.0
Manufacturing	25,670	795.8	88.5	0	0.0	0.0	25,670	795.8	75.2
Electricity, gas, and water supply	-253	-7.8	-0.9	0	0.0	0.0	-253	-7.8	-0.7
Construction	487	15.1	1.7	0	0.0	0.0	487	15.1	1.4
Wholesale and retail trade, repairs of motor vehicles	8,673	268.9	29.9	0	0.0	0.0	8,673	268.9	25.4
Hotels and restaurants	-17	-0.5	-0.1	0	0.0	0.0	-17	-0.5	0.0
Transport, storage, post and telecommunications	-8,436	-261.5	-29.1	0	0.0	0.0	-8,436	-261.5	-24.7
Financial intermediation	1,155	35.8	4.0	5,115	158.6	100.0	6,270	194.4	18.4
Real estate, renting and business activities	1,239	38.4	4.3	0	0.0	0.0	1,239	38.4	3.6
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	18	0.6	0.1	0	0.0	0.0	18	0.6	0.1
Other community, social, and personal services	132	4.1	0.5	0	0.0	0.0	132	4.1	0.4
Activities of private households	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Extra-territorial organizations and bodies	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
<b>Structure of capital by regions</b>									
Bratislava region	17,205	533.4	59.3	5,004	155.1	97.8	22,209	688.5	65.1
Trnava region	4,124	127.9	14.2	0	0.0	0.0	4,124	127.9	12.1
Trenčín region	2,292	71.1	7.9	0	0.0	0.0	2,292	71.1	6.7
Nitra region	120	3.7	0.4	0	0.0	0.0	120	3.7	0.4
Žilina region	2,315	71.8	8.0	73	2.3	1.4	2,388	74.0	7.0
Banská Bystrica region	850	26.4	2.9	38	1.2	0.7	888	27.5	2.6
Prešov region	1,081	33.5	3.7	0	0.0	0.0	1,081	33.5	3.2
Košice region	1,021	31.7	3.5	0	0.0	0.0	1,021	31.7	3.0

1) Equity capital + reinvested earnings.



**Volume of Foreign Direct Investment<sup>1)</sup> as at 31 December 2006**

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 26.246									
<b>Total volume of FDI</b>	409,752	15,612.0	100.0	66,182	2,521.6	100.0	475,934	18,133.6	100.0
<b>Structure of capital by investor</b>									
The Netherlands	92,066	3,507.8	22.5	612	23.3	0.9	92,678	3,531.1	19.5
Germany	85,993	3,276.4	21.0	861	32.8	1.3	86,854	3,309.2	18.2
Austria	37,574	1,431.6	9.2	33,067	1,259.9	50.0	70,641	2,691.5	14.8
Italy	34,761	1,324.4	8.5	24,185	921.5	36.5	58,946	2,245.9	12.4
Hungary	27,181	1,035.6	6.6	2,007	76.5	3.0	29,188	1,112.1	6.1
United Kingdom	25,136	957.7	6.1	0	0.0	0.0	25,136	957.7	5.3
Czech Republic	16,136	614.8	3.9	3,486	132.8	5.3	19,622	747.6	4.1
Korea	17,063	650.1	4.2	0	0.0	0.0	17,063	650.1	3.6
USA	14,195	540.8	3.5	1,650	62.9	2.5	15,845	603.7	3.3
Cyprus	12,892	491.2	3.1	0	0.0	0.0	12,892	491.2	2.7
Other countries	46,755	1,781.4	11.4	314	12.0	0.5	47,069	1,793.4	9.9
<b>Structure of capital by sector</b>									
Agriculture, hunting, and forestry	1,828	69.6	0.4	0	0.0	0.0	1,828	69.6	0.4
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Mineral raw materials extraction	2,736	104.2	0.7	0	0.0	0.0	2,736	104.2	0.6
Manufacturing	186,017	7,087.4	45.4	0	0.0	0.0	186,017	7,087.4	39.1
Electricity, gas, and water supply	66,001	2,514.7	16.1	0	0.0	0.0	66,001	2,514.7	13.9
Construction	3,330	126.9	0.8	0	0.0	0.0	3,330	126.9	0.7
Wholesale and retail trade, repairs of motor vehicles	54,796	2,087.8	13.4	0	0.0	0.0	54,796	2,087.8	11.5
Hotels and restaurants	2,370	90.3	0.6	0	0.0	0.0	2,370	90.3	0.5
Transport, storage, post and telecommunications	40,161	1,530.2	9.8	0	0.0	0.0	40,161	1,530.2	8.4
Financial intermediation	25,416	968.4	6.2	66,182	2,521.6	100.0	91,598	3,490.0	19.2
Real estate, renting and business activities	23,907	910.9	5.8	0	0.0	0.0	23,907	910.9	5.0
Public administration and defence, compulsory social security	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Education	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Health and social work	1,623	61.8	0.4	0	0.0	0.0	1,623	61.8	0.3
Other community, social, and personal services	1,567	59.7	0.4	0	0.0	0.0	1,567	59.7	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	253,699	9,666.2	61.9	65,232	2,485.4	98.6	318,931	12,151.6	67.0
Trnava region	26,265	1,000.7	6.4	0	0.0	0.0	26,265	1,000.7	5.5
Trenčín region	23,164	882.6	5.7	0	0.0	0.0	23,164	882.6	4.9
Nitra region	14,484	551.9	3.5	0	0.0	0.0	14,484	551.9	3.0
Žilina region	34,138	1,300.7	8.3	950	36.2	1.4	35,088	1,336.9	7.4
Banská Bystrica region	12,414	473.0	3.0	0	0.0	0.0	12,414	473.0	2.6
Prešov region	7,858	299.4	1.9	0	0.0	0.0	7,858	299.4	1.7
Košice region	37,730	1,437.6	9.2	0	0.0	0.0	37,730	1,437.6	7.9

Note: Preliminary data.

1) Equity capital.



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</b>	353,255	11,057.2	100.0	66,641	2,085.9	100.0	419,896	13,143.1	100.0
<b>Structure of capital by investor</b>									
The Netherlands	88,893	2,782.4	25.2	616	19.3	0.9	89,509	2,801.7	21.3
Germany	82,047	2,568.1	23.2	860	26.9	1.3	82,907	2,595.1	19.7
Austria	31,571	988.2	8.9	32,868	1,028.8	49.3	64,439	2,017.0	15.3
Hungary	27,311	854.9	7.7	2,007	62.8	3.0	29,318	917.7	7.0
Italy	5,118	160.2	1.4	24,144	755.7	36.2	29,262	915.9	7.0
United Kingdom	27,263	853.4	7.7	473	14.8	0.7	27,736	868.2	6.6
Czech Republic	15,641	489.6	4.4	3,485	109.1	5.2	19,126	598.7	4.6
USA	13,945	436.5	3.9	1,650	51.6	2.5	15,595	488.1	3.7
France	10,848	339.6	3.1	500	15.7	0.8	11,348	355.2	2.7
Cyprus	9,406	294.4	2.7	0	0.0	0.0	9,406	294.4	2.2
Other countries	41,212	1,290.0	11.7	38	1.2	0.1	41,250	1,291.2	9.8
<b>Structure of capital by sector</b>									
Agriculture, hunting, and forestry	1,783	55.8	0.5	0	0.0	0.0	1,783	55.8	0.4
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Mineral raw materials extraction	2,640	82.6	0.7	0	0.0	0.0	2,640	82.6	0.6
Manufacturing	169,956	5,319.8	48.1	0	0.0	0.0	169,956	5,319.8	40.5
Electricity, gas, and water supply	38,271	1,197.9	10.8	0	0.0	0.0	38,271	1,197.9	9.1
Construction	3,159	98.9	0.9	0	0.0	0.0	3,159	98.9	0.8
Wholesale and retail trade, repairs of motor vehicles	51,433	1,609.9	14.6	0	0.0	0.0	51,433	1,609.9	12.2
Hotels and restaurants	2,348	73.5	0.7	0	0.0	0.0	2,348	73.5	0.6
Transport, storage, post and telecommunications	38,185	1,195.2	10.8	0	0.0	0.0	38,185	1,195.2	9.1
Financial intermediation	24,955	781.1	7.1	66,641	2,085.9	100.0	91,596	2,867.0	21.8
Real estate, renting and business activities	17,422	545.3	4.9	0	0.0	0.0	17,422	545.3	4.1
Public administration and defence, compulsory social security	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Education	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Health and social work	1,622	50.8	0.5	0	0.0	0.0	1,622	50.8	0.4
Other community, social, and personal services	1,481	46.4	0.4	0	0.0	0.0	1,481	46.4	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	213,503	6,682.8	60.4	65,691	2,056.2	98.6	279,194	8,739.0	66.5
Trnava region	24,807	776.5	7.0	0	0.0	0.0	24,807	776.5	5.9
Trenčín region	20,990	657.0	5.9	0	0.0	0.0	20,990	657.0	5.0
Nitra region	13,735	429.9	3.9	0	0.0	0.0	13,735	429.9	3.3
Žilina region	25,272	791.0	7.2	950	29.7	1.4	26,222	820.8	6.2
Banská Bystrica region	11,467	358.9	3.2	0	0.0	0.0	11,467	358.9	2.7
Prešov region	7,394	231.4	2.1	0	0.0	0.0	7,394	231.4	1.8
Košice region	36,087	1,129.6	10.2	0	0.0	0.0	36,087	1,129.6	8.6

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</b>	329,948	11,578.7	100.0	66,644	2,338.7	100.0	396,592	13,917.5	100.0
<b>Structure of capital by investor</b>									
The Netherlands	90,510	3,176.2	27.4	613	21.5	0.9	91,123	3,197.7	23.0
Germany	75,333	2,643.6	22.8	1,110	39.0	1.7	76,443	2,682.6	19.3
Austria	23,895	838.5	7.2	32,926	1,155.5	49.4	56,821	1,994.0	14.3
Hungary	27,353	959.9	8.3	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	7.4
United Kingdom	26,980	946.8	8.2	349	12.2	0.5	27,329	959.0	6.9
Czech Republic	17,033	597.7	5.2	3,486	122.3	5.2	20,519	720.1	5.2
USA	12,374	434.2	3.8	1,650	57.9	2.5	14,024	492.1	3.5
France	11,888	417.2	3.6	415	14.6	0.6	12,303	431.7	3.1
Cyprus	9,128	320.3	2.8	0	0.0	0.0	9,128	320.3	2.3
Other countries	30,431	1,067.9	9.2	0	0.0	0.0	30,431	1,067.9	7.7
<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	2,556	89.7	0.8	0	0.0	0.0	2,556	89.7	0.6
Manufacturing	160,407	5,629.1	48.6	0	0.0	0.0	160,407	5,629.1	40.4
Electricity, gas, and water supply	38,056	1,335.5	11.5	0	0.0	0.0	38,056	1,335.5	9.6
Construction	2,876	100.9	0.9	0	0.0	0.0	2,876	100.9	0.7
Wholesale and retail trade, repairs of motor vehicles	51,159	1,795.3	15.5	0	0.0	0.0	51,159	1,795.3	12.9
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	36,322	1,274.6	11.0	0	0.0	0.0	36,322	1,274.6	9.2
Financial intermediation	17,158	602.1	5.2	66,644	2,338.7	100.0	83,802	2,940.8	21.1
Real estate, renting and business activities	14,546	510.5	4.4	0	0.0	0.0	14,546	510.5	3.7
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	1,570	55.1	0.5	0	0.0	0.0	1,570	55.1	0.4
Other community, social, and personal services	1,522	53.4	0.5	0	0.0	0.0	1,522	53.4	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	204,560	7,178.6	62.0	65,202	2,288.1	97.8	269,762	9,466.7	68.0
Trnava region	23,939	840.1	7.3	0	0.0	0.0	23,939	840.1	6.0
Trenčín region	17,533	615.3	5.3	0	0.0	0.0	17,533	615.3	4.4
Nitra region	12,999	456.2	3.9	0	0.0	0.0	12,999	456.2	3.3
Žilina region	19,184	673.2	5.8	950	33.3	1.4	20,134	706.6	5.1
Banská Bystrica region	10,185	357.4	3.1	492	17.3	0.7	10,677	374.7	2.7
Prešov region	7,114	249.6	2.2	0	0.0	0.0	7,114	249.6	1.8
Košice region	34,434	1,208.4	10.4	0	0.0	0.0	34,434	1,208.4	8.7

1) Equity capital + reinvested earnings.

## Outflow of Foreign Direct Investment from Slovakia in 1999 – 2006

(Flows and stocks)

### Corporate sector

	SKK millions		USD millions	
	Net change	Volume as at 31 December	Net change	Volume as at 31 December
1999	739	12,732	17.84	301.24
2000	975	15,222	21.10	321.21
2001	3,441	21,403	71.17	441.60
2002	364	19,121	8.03	477.60
2003	664	17,950	18.06	545.26
2004 <sup>2)</sup>	2,536	20,321	78.62	713.12
2005 <sup>3)</sup>	3,139	23,744	101.19	743.21
2006	9,463	32,275	318.36	1,229.71

### Banking sector

	SKK millions		USD millions	
	Net change	Volume as at 31 December	Net change	Volume as at 31 December
1999	-17,110	69	-413.12	1.63
2000	99	189	2.14	3.99
2001	8	198	0.17	4.09
2002	0	164	0.00	4.10
2003 <sup>1)</sup>	43	196	1.17	5.95
2004	-29	527	-0.90	18.49
2005	302	839	9.74	26.26
2006	58	861	1.95	32.80

### Total

	SKK millions		USD millions	
	Net change	Volume as at 31 December	Net change	Volume as at 31 December
1999	-16,371	12,801	-395.27	302.87
2000	1,074	15,411	23.25	325.20
2001	3,449	21,601	71.34	445.68
2002	364	19,285	8.03	481.69
2003 <sup>1)</sup>	707	18,146	19.23	551.22
2004 <sup>2)</sup>	2,507	20,848	77.72	731.61
2005 <sup>3)</sup>	3,441	24,583	110.92	769.47
2006	9,521	33,136	320.31	1,262.52

Note: The data for 2004 – 2006 are preliminary.

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

2) Change in methodology – other capital funds included.

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



### Outflow of Foreign Direct Investment<sup>1)</sup> During January to December 2006

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 29.724									
<b>Outflow of FDI in total</b>	9,463	318.4	100.0	58	2.0	100.0	9,521	320.3	100.0
<b>Structure of capital by country of investment</b>									
Luxembourg	7,139	240.2	75.4	0	0.0	0.0	7,139	240.2	75.0
Czech Republic	3,058	102.9	32.3	10	0.3	17.2	3,068	103.2	32.2
Russia	568	19.1	6.0	0	0.0	0.0	568	19.1	6.0
Cyprus	422	14.2	4.5	0	0.0	0.0	422	14.2	4.4
United Kingdom	308	10.4	3.3	0	0.0	0.0	308	10.4	3.2
Ukraine	308	10.4	3.3	0	0.0	0.0	308	10.4	3.2
Poland	192	6.5	2.0	0	0.0	0.0	192	6.5	2.0
Austria	140	4.7	1.5	0	0.0	0.0	140	4.7	1.5
Croatia	40	1.3	0.4	0	0.0	0.0	40	1.3	0.4
Bosna and Hercegovina	27	0.9	0.3	0	0.0	0.0	27	0.9	0.3
Other countries	-2,739	-92.1	-28.9	48	1.6	82.8	-2,691	-90.5	-28.3
<b>Structure of capital by sector</b>									
Agriculture, hunting, and forestry	-1	0.0	0.0	0	0.0	0.0	-1	0.0	0.0
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Mineral raw materials extraction	424	14.3	4.5	0	0.0	0.0	424	14.3	4.5
Manufacturing	-1,438	-48.4	-15.2	0	0.0	0.0	-1,438	-48.4	-15.1
Electricity, gas, and water supply	13	0.4	0.1	0	0.0	0.0	13	0.4	0.1
Construction	204	6.9	2.2	0	0.0	0.0	204	6.9	2.1
Wholesale and retail trade, repairs of motor vehicles	541	18.2	5.7	0	0.0	0.0	541	18.2	5.7
Hotels and restaurants	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Transport, storage, post and telecommunications	263	8.8	2.8	0	0.0	0.0	263	8.8	2.8
Financial intermediation	4,562	153.5	48.2	58	2.0	100.0	4,620	155.4	48.5
Real estate, renting and business activities	4,921	165.6	52.0	0	0.0	0.0	4,921	165.6	51.7
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	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Other community, social, and personal services	-26	-0.9	-0.3	0	0.0	0.0	-26	-0.9	-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	7,782	261.8	82.2	58	2.0	100.0	7,840	263.8	82.3
Trnava region	433	14.6	4.6	0	0.0	0.0	433	14.6	4.5
Trenčín region	496	16.7	5.2	0	0.0	0.0	496	16.7	5.2
Nitra region	143	4.8	1.5	0	0.0	0.0	143	4.8	1.5
Žilina region	39	1.3	0.4	0	0.0	0.0	39	1.3	0.4
Banská Bystrica region	526	17.7	5.6	0	0.0	0.0	526	17.7	5.5
Prešov region	36	1.2	0.4	0	0.0	0.0	36	1.2	0.4
Košice region	8	0.3	0.1	0	0.0	0.0	8	0.3	0.1

Note: Preliminary data.

1) Equity capital.


**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 in total</b>	3,139	101.2	100.0	302	9.7	100.0	3,441	110.9	100.0
<b>Structure of capital by country of investment</b>									
Czech Republic	2,135	68.8	68.0	8	0.3	2.6	2,143	69.1	62.3
Switzerland	661	21.3	21.1	0	0.0	0.0	661	21.3	19.2
The Netherlands	0	0.0	0.0	291	9.4	96.4	291	9.4	8.5
Cyprus	266	8.6	8.5	0	0.0	0.0	266	8.6	7.7
Russia	106	3.4	3.4	3	0.1	1.0	109	3.5	3.2
Croatia	97	3.1	3.1	0	0.0	0.0	97	3.1	2.8
Poland	48	1.5	1.5	0	0.0	0.0	48	1.5	1.4
Ethiopia	29	0.9	0.9	0	0.0	0.0	29	0.9	0.8
Bosna and Hercegovina	29	0.9	0.9	0	0.0	0.0	29	0.9	0.8
Serbia and Montenegro	8	0.3	0.3	0	0.0	0.0	8	0.3	0.2
Other countries	-240	-7.7	-7.6	0	0.0	0.0	-240	-7.7	-7.0
<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	58	1.9	1.8	0	0.0	0.0	58	1.9	1.7
Manufacturing	466	15.0	14.8	0	0.0	0.0	466	15.0	13.5
Electricity, gas, and water supply	40	1.3	1.3	0	0.0	0.0	40	1.3	1.2
Construction	-349	-11.3	-11.1	0	0.0	0.0	-349	-11.3	-10.1
Wholesale and retail trade, repairs of motor vehicles	252	8.1	8.0	0	0.0	0.0	252	8.1	7.3
Hotels and restaurants	94	3.0	3.0	0	0.0	0.0	94	3.0	2.7
Transport, storage, post and telecommunications	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Financial intermediation	1,909	61.5	60.8	302	9.7	100.0	2,211	71.3	64.3
Real estate, renting and business activities	666	21.5	21.2	0	0.0	0.0	666	21.5	19.4
Public administration and defence, compulsory social security	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Education	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Health and social work	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Other community, social, and personal services	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	2,924	94.3	93.2	302	9.7	100.0	3,226	104.0	93.8
Trnava region	111	3.6	3.5	0	0.0	0.0	111	3.6	3.2
Trenčín region	-14	-0.5	-0.4	0	0.0	0.0	-14	-0.5	-0.4
Nitra region	27	0.9	0.9	0	0.0	0.0	27	0.9	0.8
Žilina region	-2	-0.1	-0.1	0	0.0	0.0	-2	-0.1	-0.1
Banská Bystrica region	100	3.2	3.2	0	0.0	0.0	100	3.2	2.9
Prešov region	-22	-0.7	-0.7	0	0.0	0.0	-22	-0.7	-0.6
Košice region	15	0.5	0.5	0	0.0	0.0	15	0.5	0.4

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 in total</b>	2,536	78.6	100.0	-29	-0.9	100.0	2,507	77.7	100.0
<b>Structure of capital by country of investment</b>									
Czech Republic	1,620	50.2	63.9	-29	-0.9	100.0	1,591	49.3	63.5
Slovenia	468	14.5	18.5	0	0.0	0.0	468	14.5	18.7
Ethiopia	229	7.1	9.0	0	0.0	0.0	229	7.1	9.1
The Netherlands	196	6.1	7.7	0	0.0	0.0	196	6.1	7.8
Russia	112	3.5	4.4	0	0.0	0.0	112	3.5	4.5
India	58	1.8	2.3	0	0.0	0.0	58	1.8	2.3
Cyprus	49	1.5	1.9	0	0.0	0.0	49	1.5	2.0
Bosnia and Herzegovina	28	0.9	1.1	0	0.0	0.0	28	0.9	1.1
Brazil	26	0.8	1.0	0	0.0	0.0	26	0.8	1.0
Poland	22	0.7	0.9	0	0.0	0.0	22	0.7	0.9
Other countries	-272	-8.4	-10.7	0	0.0	0.0	-272	-8.4	-10.8
<b>Structure of capital by sector</b>									
Agriculture, hunting, and forestry	7	0.2	0.3	0	0.0	0.0	7	0.2	0.3
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	993	30.8	39.2	0	0.0	0.0	993	30.8	39.6
Electricity, gas, and water supply	1	0.0	0.0	0	0.0	0.0	1	0.0	0.0
Construction	-86	-2.7	-3.4	0	0.0	0.0	-86	-2.7	-3.4
Wholesale and retail trade, repairs of motor vehicles	1,596	49.5	62.9	0	0.0	0.0	1,596	49.5	63.7
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	0.0	0	0.0	0.0	1	0.0	0.0
Financial intermediation	-240	-7.4	-9.5	-29	-0.9	100.0	-269	-8.3	-10.7
Real estate, renting and business activities	269	8.3	10.6	0	0.0	0.0	269	8.3	10.7
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	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Other community, social, and personal services	-5	-0.2	-0.2	0	0.0	0.0	-5	-0.2	-0.2
Activities of private households	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Extra-territorial organizations and bodies	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
<b>Structure of capital by regions</b>									
Bratislava region	1,921	59.6	75.7	-29	-0.9	100.0	1,892	58.7	75.5
Trnava region	-46	-1.4	-1.8	0	0.0	0.0	-46	-1.4	-1.8
Trenčín region	893	27.7	35.2	0	0.0	0.0	893	27.7	35.6
Nitra region	-2	-0.1	-0.1	0	0.0	0.0	-2	-0.1	-0.1
Žilina region	-66	-2.0	-2.6	0	0.0	0.0	-66	-2.0	-2.6
Banská Bystrica region	12	0.4	0.5	0	0.0	0.0	12	0.4	0.5
Prešov region	96	3.0	3.8	0	0.0	0.0	96	3.0	3.8
Košice region	-272	-8.4	-10.7	0	0.0	0.0	-272	-8.4	-10.8

1) Equity capital + reinvested earnings.

Volume of Foreign Direct Investment<sup>1)</sup> Outward as at 31 December 2006

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 26.246									
<b>Total volume of FDI outward</b>	32,275	1,229.7	100.0	861	32.8	100.0	33,136	1,262.5	100.0
<b>Structure of capital by country of investment</b>									
Czech Republic	12,527	477.3	38.8	546	20.8	63.4	13,073	498.1	39.5
Luxembourg	7,889	300.6	24.4	0	0.0	0.0	7,889	300.6	23.8
United Kingdom	2,578	98.2	8.0	0	0.0	0.0	2,578	98.2	7.8
Ukraine	2,057	78.4	6.4	0	0.0	0.0	2,057	78.4	6.2
Poland	1,209	46.1	3.7	0	0.0	0.0	1,209	46.1	3.6
Ireland	1,069	40.7	3.3	0	0.0	0.0	1,069	40.7	3.2
Russia	1,049	40.0	3.3	0	0.0	0.0	1,049	40.0	3.2
Cyprus	957	36.5	3.0	0	0.0	0.0	957	36.5	2.9
Austria	610	23.2	1.9	0	0.0	0.0	610	23.2	1.8
Slovenia	468	17.8	1.5	0	0.0	0.0	468	17.8	1.4
Other countries	1,862	70.9	5.8	315	12.0	36.6	2,177	82.9	6.6
<b>Structure of capital by sector</b>									
Agriculture, hunting and forestry	18	0.7	0.1	0	0.0	0.0	18	0.7	0.1
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Mining and quarrying	1,560	59.4	4.8	0	0.0	0.0	1,560	59.4	4.7
Manufacturing	6,177	235.4	19.1	0	0.0	0.0	6,177	235.4	18.6
Electricity, gas and water supply	1,456	55.5	4.5	0	0.0	0.0	1,456	55.5	4.4
Construction	255	9.7	0.8	0	0.0	0.0	255	9.7	0.8
Wholesale and retail trade, repairs of motor vehicles	3,156	120.2	9.8	0	0.0	0.0	3,156	120.2	9.5
Hotels and restaurants	84	3.2	0.3	0	0.0	0.0	84	3.2	0.3
Transport, storage and communication	298	11.4	0.9	0	0.0	0.0	298	11.4	0.9
Financial intermediation	9,366	356.9	29.0	861	32.8	100.0	10,227	389.7	30.9
Real estate, renting and business activities	8,439	321.5	26.1	0	0.0	0.0	8,439	321.5	25.5
Public administration and defence, compulsory social security	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Education	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Health and social work	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Other community, social and personal service activities	1,466	55.9	4.5	0	0.0	0.0	1,466	55.9	4.4
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	23,362	890.1	72.4	861	32.8	100.0	24,223	922.9	73.1
Trnava region	2,252	85.8	7.0	0	0.0	0.0	2,252	85.8	6.8
Trenčín region	1,763	67.2	5.5	0	0.0	0.0	1,763	67.2	5.3
Nitra region	213	8.1	0.7	0	0.0	0.0	213	8.1	0.6
Žilina region	209	8.0	0.6	0	0.0	0.0	209	8.0	0.6
Banská Bystrica region	2,065	78.7	6.4	0	0.0	0.0	2,065	78.7	6.2
Prešov region	567	21.6	1.8	0	0.0	0.0	567	21.6	1.7
Košice region	1,844	70.3	5.7	0	0.0	0.0	1,844	70.3	5.6

Note: Preliminary data.

1) Equity capital.



### 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</b>	23,744	743.2	100.0	839	26.3	100.0	24,583	769.5	100.0
<b>Structure of capital by country of investment</b>									
Czech Republic	12,225	382.7	51.5	499	15.6	59.5	12,724	398.3	51.8
United Kingdom	2,283	71.5	9.6	0	0.0	0.0	2,283	71.5	9.3
Ukraine	1,812	56.7	7.6	0	0.0	0.0	1,812	56.7	7.4
Ireland	1,140	35.7	4.8	0	0.0	0.0	1,140	35.7	4.6
Poland	930	29.1	3.9	0	0.0	0.0	930	29.1	3.8
Switzerland	854	26.7	3.6	0	0.0	0.0	854	26.7	3.5
Luxembourg	808	25.3	3.4	0	0.0	0.0	808	25.3	3.3
Russia	623	19.5	2.6	0	0.0	0.0	623	19.5	2.5
Cyprus	512	16.0	2.2	0	0.0	0.0	512	16.0	2.1
Slovenia	469	14.7	2.0	0	0.0	0.0	469	14.7	1.9
Other countries	2,088	65.4	8.8	340	10.6	40.5	2,428	76.0	9.9
<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
Mineral raw materials extraction	1,149	36.0	4.8	0	0.0	0.0	1,149	36.0	4.7
Manufacturing	5,152	161.3	21.7	0	0.0	0.0	5,152	161.3	21.0
Electricity, gas, and water supply	1,495	46.8	6.3	0	0.0	0.0	1,495	46.8	6.1
Construction	53	1.7	0.2	0	0.0	0.0	53	1.7	0.2
Wholesale and retail trade, repairs of motor vehicles	5,751	180.0	24.2	0	0.0	0.0	5,751	180.0	23.4
Hotels and restaurants	91	2.8	0.4	0	0.0	0.0	91	2.8	0.4
Transport, storage, post and telecommunications	43	1.3	0.2	0	0.0	0.0	43	1.3	0.2
Financial intermediation	4,943	154.7	20.8	839	26.3	100.0	5,782	181.0	23.5
Real estate, renting and business activities	3,487	109.1	14.7	0	0.0	0.0	3,487	109.1	14.2
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	1,560	48.8	6.6	0	0.0	0.0	1,560	48.8	6.3
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	15,459	483.9	65.1	839	26.3	100.0	16,298	510.1	66.3
Trnava region	1,935	60.6	8.1	0	0.0	0.0	1,935	60.6	7.9
Trenčín region	1,518	47.5	6.4	0	0.0	0.0	1,518	47.5	6.2
Nitra region	74	2.3	0.3	0	0.0	0.0	74	2.3	0.3
Žilina region	545	17.1	2.3	0	0.0	0.0	545	17.1	2.2
Banská Bystrica region	1,617	50.6	6.8	0	0.0	0.0	1,617	50.6	6.6
Prešov region	744	23.3	3.1	0	0.0	0.0	744	23.3	3.0
Košice region	1,852	58.0	7.8	0	0.0	0.0	1,852	58.0	7.5

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</b>	20,321	713.1	100.0	527	18.5	100.0	20,848	731.6	100.0
<b>Structure of capital by country of investment</b>									
Czech Republic	9,123	320.2	44.9	481	16.9	91.3	9,604	337.0	46.1
United Kingdom	2,282	80.1	11.2	0	0.0	0.0	2,282	80.1	10.9
Ukraine	1,238	43.4	6.1	0	0.0	0.0	1,238	43.4	5.9
Ireland	1,136	39.9	5.6	0	0.0	0.0	1,136	39.9	5.4
Hungary	1,130	39.7	5.6	0	0.0	0.0	1,130	39.7	5.4
Luxembourg	1,111	39.0	5.5	0	0.0	0.0	1,111	39.0	5.3
Poland	867	30.4	4.3	0	0.0	0.0	867	30.4	4.2
Austria	646	22.7	3.2	0	0.0	0.0	646	22.7	3.1
Russia	474	16.6	2.3	0	0.0	0.0	474	16.6	2.3
Slovenia	468	16.4	2.3	0	0.0	0.0	468	16.4	2.2
Other countries	1,846	64.8	9.1	46	1.6	8.7	1,892	66.4	9.1
<b>Structure of capital by sector</b>									
Agriculture, hunting, and forestry	30	1.1	0.1	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	521	18.3	2.6	0	0.0	0.0	521	18.3	2.5
Manufacturing	4,680	164.2	23.0	0	0.0	0.0	4,680	164.2	22.4
Electricity, gas, and water supply	1,414	49.6	7.0	0	0.0	0.0	1,414	49.6	6.8
Construction	413	14.5	2.0	0	0.0	0.0	413	14.5	2.0
Wholesale and retail trade, repairs of motor vehicles	5,808	203.8	28.6	0	0.0	0.0	5,808	203.8	27.9
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	3,079	108.1	15.2	527	18.5	100.0	3,606	126.5	17.3
Real estate, renting and business activities	2,836	99.5	14.0	0	0.0	0.0	2,836	99.5	13.6
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	1,498	52.6	7.4	0	0.0	0.0	1,498	52.6	7.2
Activities of private households	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Extra-territorial organizations and bodies	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
<b>Structure of capital by regions</b>									
Bratislava region	13,061	458.3	64.3	527	18.5	100.0	13,588	476.8	65.2
Trnava region	1,779	62.4	8.8	0	0.0	0.0	1,779	62.4	8.5
Trenčín region	1,460	51.2	7.2	0	0.0	0.0	1,460	51.2	7.0
Nitra region	39	1.4	0.2	0	0.0	0.0	39	1.4	0.2
Žilina region	564	19.8	2.8	0	0.0	0.0	564	19.8	2.7
Banská Bystrica region	1,654	58.0	8.1	0	0.0	0.0	1,654	58.0	7.9
Prešov region	619	21.7	3.0	0	0.0	0.0	619	21.7	3.0
Košice region	1,145	40.2	5.6	0	0.0	0.0	1,145	40.2	5.5

1) Equity capital + reinvested earnings.