



NÁRODNÁ BANKA SLOVENSKA



Monetary Survey

June 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

Symbols used in the tables

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



1 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 June. The year-on-year rate of headline inflation reached 1.5%. Core inflation (excluding energy and unprocessed food prices) recorded a year-on-year rate of 1.7%.

Expressed in terms of the Consumer Price Index (CPI), consumer prices rose in comparison with the previous month by 0.3% in June. The 12-month headline and core inflation rates reached 2.5% and 2.5% respectively.

The M3 monetary aggregate (according to the ECB's methodology) grew month-on-month by SKK 24.7 billion in May, and its year-on-year dynamics increased in comparison with April, to 19.2%.

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 SKK 25.9 billion in May, and the year-on-year growth rate accelerated by 0.1 of a percentage point, to 13.9%.

The average interest rate on new loans to non-financial corporations rose in May by 0.33 of a percentage point, to 5.97%, while that on new loans to households dropped by 0.11 of a percentage point, to 11.05%. Over the same period, the average interest rate on new deposits from non-financial corporations increased by 0.38 of a percentage point, to 2.49%, and that on new household deposits rose by 0.08 of a percentage point, to 1.07%.

At the end of June, the State budget of the SR recorded a deficit of SKK 11 billion.

The foreign exchange reserves of the NBS (at current exchange rates) reached USD 17.6 billion in June. At the end of the month, the volume of foreign exchange reserves was 3.6 times greater than the volume of average monthly imports of goods and services to Slovakia during the first five months of 2007. At the end of May, 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 4.8 times the volume of average monthly imports of goods and services to the SR over the first five months of 2007.

Národná banka Slovenska (NBS) conducted no foreign exchange interventions in June.

According to preliminary data, the balance of payments on current account for January to April 2007 resulted in a deficit of SKK 3.7 billion. Over the same period, the capital and financial account generated a surplus of SKK 85.4 billion. From January to May, the b.o.p. current account produced a deficit of SKK 12.4 billion, while trade resulted in a shortfall of SKK 5.4 billion.

The average daily sterilisation position of the NBS fell in comparison with May by SKK 64 million, to SKK 382.11 billion in June.



2 The External Economic Environment

Euro-Area Countries

Inflation The 12-month inflation rate in the euro area, expressed in terms of the Harmonised Index of Consumer Prices (HICP), remained unchanged in June, at the level of the previous month (1.9%). The strongest year-on-year dynamics were recorded in consumer prices in Slovenia (3.8%), Ireland (2.8%), and Greece (2.6%). The steepest year-on-year increases took place in prices for education (9.2%), alcoholic beverages and tobacco products (3.6%), and hotel and restaurant services (3.2%). Price levels in telecommunications dropped by 1.7%. In the same period a year earlier, consumer prices in the euro area increased by 2.5%.

EUR/USD exchange rate At the end of May, the exchange rate of the single European currency hovered around the level of USD/EUR 1.345. The appreciating trend in the US dollar from May, supported by favourable confidence indicators in industry as well as among consumers, persisted almost until the middle of June. Despite an increase in the key ECB rates at the beginning of June, ten-year bond yields to maturity in the United States increased at a faster rate than in the euro area. In the second half of the month, the strong appreciation of the USD from the previous period came to an end and the dollar started to weaken. Thus, the long-term weakening trend in the US currency persisting since the last quarter of 2006 continued still further. At the end of June, the exchange rate of the euro against the dollar reached USD/EUR 1.350, representing an appreciation of 0.4% compared with the last day of May. On average, the exchange rate strengthened in comparison with the previous month by 0.7% in June. Compared with the first trading day of 2007, the euro appreciated vis-à-vis the dollar by almost 1.8%.

Chart 1 Exchange Rates: SKK/EUR and USD/EUR



Source: ECB, NBS.

Key ECB interest rates In view of the June increase (by 0.25 of a percentage point), the Governing Council of the ECB decided (at its meeting on 5 July 2007) to leave the key interest rates unchanged. The rates for main refinancing operations and overnight refinancing and sterilisation operations thus remained at 4.00%, 5.00%, and 3.00%.

Visegrad Countries (V4)

Inflation After accelerating in April, inflation slowed in May to 2.4% in the Czech Republic and to 8.4% in Hungary, while recording a slight month-on-month rise in Poland (to 2.3%). In June, Poland's inflation rate rose still further, to 2.6%. The same figure was recorded in the Czech Republic, where price inflation also accelerated somewhat in June. Thus, the long-term accelerating trend in the year-on-year inflation rate continued in both countries. A slight increase in consumer price dynamics was also recorded in Hungary (to 8.5%). Thus, the temporary favourable trend in inflation, which had been slowing since February 2007 (from 9%), came to a halt.

Exchange rates of V4 currencies The exchange rates of Central European currencies were marked in June by the discontinuation of the slightly weakening trend vis-à-vis the euro from May. On the other hand, the exchange rates of these currencies strengthened in June by approximately 1.0-1.6% compared with the last day in May. The course of exchange rates since the beginning of the year showed a marked difference between the Czech koruna and the

Chart 2 Exchange Rate Indices of V4 Currencies against the Euro (29.12.2006 = 100)



Source: Eurostat, NBS calculations.

Note: A fall in value denotes an appreciation.



other three currencies of the region. The Czech koruna was the only currency to record a longer-term depreciating trend in comparison with the beginning of the year. This trend was probably influenced by the persistent negative interest rate differential vis-à-vis the euro area, as a result of which the Czech koruna is used as a so-called 'funding currency'. In contrast with the Czech koruna, the relatively strong correlation between the other V4 currencies has become even more pronounced in the last few months.

As of the beginning of June, two Central European national central banks decided to change their key interest rates. On June 26, the Hungarian central bank lowered its key interest rate by 25 basis points (to 7.75%), but this rate is still the highest in the region. However, on June 28, the key rate of the NBP was raised by 25 basis points, to 4.5%. In their decisions, both banks took into account the inflation forecasts in particular. The May decision of the CNB to increase its key interest rate by 25 basis points (to 2.75%) came into effect on June 1.



3 Inflation

3.1 Consumer Price Index

HICP Inflation in June 2007

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 June, with the prices of goods stagnating and services prices rising by 0.2%. On a year-on-year basis, consumer prices rose by 1.5% (in May by 1.5%). Overall inflation excluding energy and unprocessed food prices (core inflation) reached 1.7% (the same figure as in May). The average inflation rate for the period since the beginning of the year reached 1.9%. The average 12-month inflation rate for the period from July 2006 to June 2007 was 3.0%. In June, HICP inflation was somewhat lower than expected by the NBS.

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

	2007					
	Jan.	Feb.	Mar.	Apr.	May	June
Total	2.2	2.0	2.1	2.0	1.5	1.5
Goods	2.0	1.6	1.7	1.7	1.0	0.9
Industrial goods	0.7	0.2	0.4	0.2	-0.3	-0.1
Non-energy industrial goods	-0.5	-0.5	-0.4	-0.7	-1.2	-1.1
Energy	2.0	1.0	1.5	1.5	1.0	1.2
Foodstuffs	4.6	4.4	4.1	4.5	3.5	2.8
Processed food (including alcohol and tobacco)	3.6	3.6	3.9	4.1	4.4	4.5
Unprocessed food	6.6	6.0	4.4	5.3	2.0	-0.1
Services	2.7	2.7	2.8	2.6	2.5	2.6
Total, excluding unprocessed food and energy (core inflation)	1.8	1.8	1.9	1.8	1.7	1.7
Total, excluding energy	2.2	2.2	2.2	2.1	1.7	1.5

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

Slowdown in the year-on-year dynamics of goods prices

Within the basic structure of inflation, the year-on-year rate of increase slowed somewhat for goods prices, while accelerating slightly for services prices.

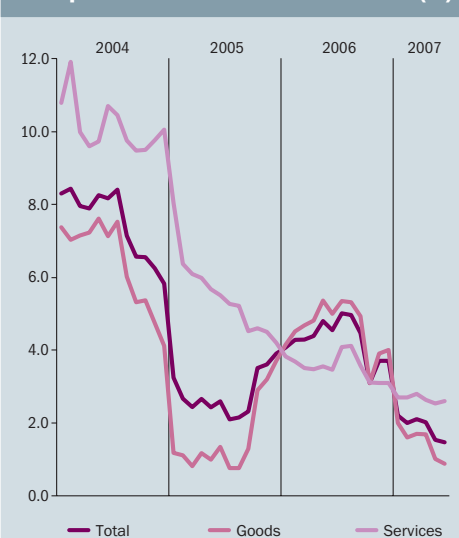
In goods prices, the prices of industrial goods recorded a certain slowdown in the year-on-year rate of decline. The year-on-year dynamics of food prices weakened. Industrial goods prices were influenced by a slowdown in the year-on-year decline in the prices of non-energy industrial goods and an increase in energy price dynamics (caused by a slowdown in the year-on-year decline in fuel prices). The slowdown in the year-on-year increase in food prices was primarily caused by developments in unprocessed food prices. These recorded a year-on-year slowdown in the rate of increase, due to a fall in vegetable prices on a year-on-year basis, which was probably caused by a shift in the seasonal development of these commodities. The year-on-year increase in processed food prices accelerated somewhat (steeper increases in the prices of flour and flour products).

The year-on-year rate of increase in services prices accelerated somewhat, when housing, recreation, and personal services recorded stronger year-on-year price dynamics compared with the previous month. On the other hand, prices for transport services showed weaker year-on-year dynamics.

Expectations for the coming month

The year-on-year rate of headline inflation is likely to slow somewhat in July (compared with June 2007),

Chart 3 HICP Inflation and Its Main Components (%)



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

Chart 4 HICP Compared with the Views of Respondents on Inflation


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

mainly as a result of an expected slowdown in the year-on-year dynamics of services prices in the coming months (the base effect of a steep increase in prices for transport and recreation services in the same period last year) and a further year-on-year decline in industrial goods prices, caused by steeper increases in the regulated prices of pharmaceuticals in the same period a year earlier (base effect).

May 2007 saw a fall in the assessment by consumers of the actual level of price inflation. In answer to questions about the actual level of inflation, the respondents gave an average value of 6.81% (7.51% in the previous month). When asked about the expected inflation rate in the next 12 months, the respondents gave an average value of 6.86%, representing a reduction in comparison with the previous month (7.46%).

Consumer expectations regarding inflation
CPI Inflation in June 2007

In June 2007, consumer prices rose month-on-month by an average of 0.3% and showed stronger dynamics than expected by the NBS, mainly as a result of a rise in repair prices. Within the basic structure of inflation, regulated prices were stagnant and core inflation rose in comparison with the previous month by 0.4%. Core inflation was mainly influenced by increases in prices for market services (repair prices rose month-on-month by 2.0%) and tradable goods prices (fuel prices).

Consumer Price Index
Table 2 Consumer Price Developments in June 2007

	Change versus		HICP in the structure of CPI	
	May 2007	June 2006	May 2007	June 2006
Total in %	0.3	2.5	0.1	1.5
Regulated prices in %	0.0	1.5	0.0	1.9
Share of total, in percentage points ¹⁾	0.01	-	0.01	-
Impact of changes in indirect taxes on non-regulated prices – Share of total, in percentage points¹⁾	0.00	-	0.00	-
Core inflation in %	0.4	2.5	0.1	0.8
Share of total, in percentage points ¹⁾	0.27	-	0.08	-
of which: Food prices in %	-0.2	2.0	-0.3	1.7
Share of total, in percentage points ¹⁾	-0.02	-	-0.05	-
Tradable goods in % ¹⁾	0.2	-1.0	0.2	-0.8
Share of total, in percentage points ¹⁾	0.05	-	0.05	-
Tradable goods excluding fuels, in % ¹⁾	0.1	-0.2	0.1	0.1
Share of total, in percentage points ¹⁾	0.01	-	0.02	-
Fuels in % ¹⁾	1.0	-7.9	1.0	-7.9
Share of total, in percentage points ¹⁾	0.04	-	0.03	-
TMarket services in % ¹⁾	0.8	7.0	0.4	2.8
Share of total, in percentage points ¹⁾	0.24	-	0.08	-
Net inflation (excluding the impact of changes in indirect taxes) in %	0.5	2.6	0.2	0.6
Share of total, in percentage points ¹⁾	0.29	-	0.13	-
Net inflation, excluding fuel prices (excluding the impact of changes in indirect taxes) in %¹⁾	0.4	3.3	0.2	1.2
Share of total, in percentage points ¹⁾	0.26	-	0.1	-

Source: Statistical Office of the SR.

Notes: Net inflation – includes prices increases in the categories 'tradable goods excluding food' and 'market services'.

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



A deflationary effect was exerted by food prices, which dropped by 0.2% in comparison with May 2007. Consumer prices increased year-on-year by 2.5% (in May by 2.3%) and core inflation rose by 2.5% (a month earlier by 2.2%). The average year-on-year inflation rate for the period from July 2006 to June 2007 was 3.6%. The year-on-year inflation rate for the period since the beginning of the year reached an average of 2.6%.

3.2 Producer Prices in May 2007

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

Industrial producer prices for the domestic market fell month-on-month by an average of 0.1% in May, due to drops in the prices of manufacturing products and energy (0.1% and 0.2% respectively). The prices of mineral raw materials rose by 0.3%.

	Month-on-month change		Year-on-year change			
	Apr. 2007	May 2007	May 2006	Apr. 2007	May 2007	Average since the beginning of 2007
	Industrial producer prices (for the domestic market)	-0.3	-0.1	9.8	2.2	1.3	2.8
– Prices of manufacturing products	-0.1	-0.1	3.0	0.4	-0.7	0.5
– Prices of mining and quarrying products	-0.5	0.3	48.6	-3.1	-4.4	-1.8
– Prices of electricity, gas, steam, and hot water	-0.4	-0.2	16.6	4.8	4.1	5.8
Industrial producer prices (for export)	0.4	0.2	3.2	-4.3	-5.0	-3.6
– Prices of manufacturing products	0.4	0.3	3.2	-3.6	-4.3	-3.2
Construction prices	0.4	0.7	3.7	4.6	5.1	4.4
Building materials prices	0.3	0.9	1.7	5.1	5.6	5.3
Agricultural prices	-	-	-1.0	-1.2	-2.6	-0.3
– Prices of plant products	-	-	-6.3	18.4	16.6	20.6
– Prices of animal products	-	-	-0.5	-3.4	-4.4	-3.2

Source: Statistical Office of the SR.

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

The year-on-year dynamics of domestic industrial producer prices weakened in May compared with the previous month (by 0.9 of a percentage point, to 1.3%), due to drops in the prices of manufacturing products (0.7%) and mining and quarrying products (4.4%), and a slowdown in the rate of increase in energy prices (by 0.7 of a percentage point, to 4.1%).

The year-on-year drop in manufacturing products prices in May was mainly caused by a fall in the price of refined oil products and a slowdown and/or stagnation in prices in most sub-categories. Prices continued to fall for refined oil products (by 5.3 percentage points, to 14.5%) and transport equipment (by 0.3 of a percentage point, to 3.9%). The prices of base metals and finished metal products rose at a slower pace (by 1.4 percentage points, to 2.6%). The same increases as a year earlier were recorded in the prices of chemical products (2.2%), other non-metal mineral products (4.7%), and wood products (7.2%). Steeper year-on-year increases than a month earlier were only recorded in the prices of food products (by 0.1 of a percentage point, to 2.8%) and machinery and equipment (by 0.3 of a percentage point, to 0.6%). Among food products, steeper increases occurred mostly in the prices of flour products (by 9.2%) and, after stagnation in April, in meat and meat products prices (by 2.4%).

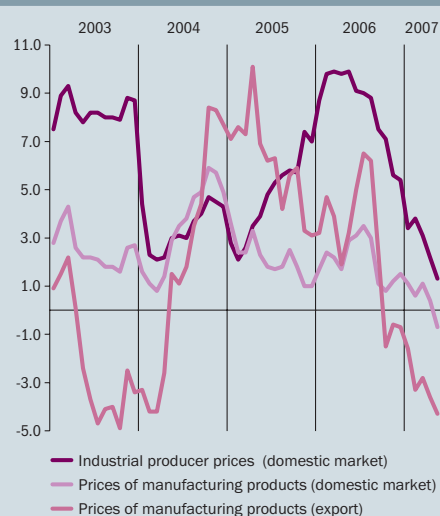
On average, energy prices recorded a slower year-on-year rise in May (compared with the previous month), due to declines in prices for gas production and the transport of gaseous fuels via pipelines (by 6.4%) and prices for water treatment and supply (by 0.9%). Prices increased more dynamically than in April for steam and hot water supply (by 1.3 percentage points, to 10.4%) and electricity generation and supply (by 0.7 of a percentage point, to 9.3%).

Industrial producer prices for export

The export prices of manufacturing products, which are mostly determined by industrial producer prices for export, dropped month-on-month by 0.1% in May, representing a year-on-year fall of 4.3%. This can, to some extent, be attributed to the year-on-year appreciation of the Slovak koruna.

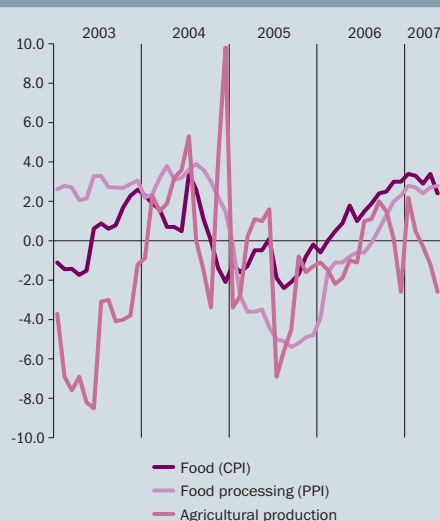
The year-on-year fall in industrial producer prices for export in May was mainly caused by drops in the export prices of refined oil products (16.3%) and transport vehicles (7.9%). On the other hand, upward price pressures were exerted on a year-on-year basis by the export prices of base metals and finished

Chart 5 Developments in Industrial Producer Prices and Manufacturing Products Prices
(year-on-year changes in %)



Source: Statistical Office of the SR.

Chart 6 Developments in Food Prices in Primary Production, Processing, and Consumption
(year-on-year changes in %)



Source: Statistical Office of the SR.

metal products (1.6%); paper products (1.8%); rubber and plastic products (1.4%); and food products (0.7%).

In May, agricultural prices declined year-on-year by an average of 2.6%, due to a fall in the price of animal products (4.4%). The prices of plant products increased by 16.6%.

Agricultural prices

The fall in animal products prices was mainly caused by a drop in the price of pork (16.6% for live animals). Drops were also recorded in the prices of fish (8.7%); beef, including veal (1% for live animals); unprocessed wool (1%); and eggs (0.1%). The price of unpasteurised cow milk remained at the level of last year. Increases were recorded in the prices of mutton (3.2% for live animals); poultry (3.1%); honey (0.2%); and unpasteurised sheep milk (0.1%).

The rise in plant products prices was mainly caused by increases in the prices of late potatoes (45.3%) and cereals (18.1% on average, 25.4% for corn and 24.6% for wheat). Price levels also increased for fruit and vegetables (by 3.2%). The average price of legumes remained unchanged. Oilseed prices dropped by an average of 4.3%.

In May, agricultural prices had a more profound dampening effect than a year earlier, when price levels were lower for both plant and animal products. One of the reasons was the current two-digit drop in pork prices (compared with a rise of 2.2% a year earlier), which exceeded even the relatively steep rise in the average price of plant products.

On the one hand, industrial producer prices should be influenced in June 2007 by the rising price of oil on the world market (its average price was, for the first time this year, roughly 3% higher than a year earlier) and the year-on-year appreciation of the Slovak koruna against the US dollar. Food prices are expected to record a further modest rise on a year-on-year basis. Owing to these external and internal cost factors, the average year-on-year dynamics of industrial producer prices are expected to stagnate in June.

On the basis of agrarian market news, the International Council for Cereals reduced its estimate for wheat production by almost 3 million tons, mainly in view of the drought in Europe. Although the relatively unfavourable preliminary balance of cereal production in Slovakia from May has improved somewhat in the

last few weeks, the external circumstances indicate that purchase prices for cereals will probably increase year-on-year in the coming months. Among animal products, the marked dampening effect of pork prices (for live animals) is expected to persist. In agricultural production, the rising prices of plant products (mainly cereals) are not likely to offset the drop in the average price of animal products (mainly pork) even in June. Thus, the level of agricultural prices is again expected to fall slightly in June.



4 Factors Affecting the Course of Inflation

4.1 Monetary Aggregates

In May, for the first time, the volume of the M3 monetary aggregate exceeded SKK 1,000 billion. After stagnating over the previous 4 months, the year-on-year dynamics of M3 growth markedly increased, reaching a historical high for the period since 2003. Broken down by component, the development of the M3 aggregate was mainly influenced by the accelerating growth of deposits and received loans with an agreed maturity of up to 2 years. These deposits, together with deposits and received loans repayable on demand, formed the majority of short-term deposits, as well as the entire M3 monetary aggregate (roughly 85% and 80% respectively). On the M3 counterparts side, the main source of growth for the monetary aggregates was still economic activity and demand for loans in the resident private sector, while the dynamic growth in the receivables of monetary financial institutions (MFIs) had been moderating since the first half of 2006.

M3 Monetary Aggregate

Marked increase in the growth dynamics of M3

At the end of May, the M3 monetary aggregate (according to ECB methodology) reached SKK 1,014.3 billion, which was SKK 24.7 billion more than in April. The year-on-year rate of M3 growth¹ was also faster (19.2%).

	Jan.	Feb.	Mar.	Apr.	Máj	Jún	Júl	Aug.	Sep.	Okt.	Nov.	Dec.
Year 2004	6.4	9.9	6.9	11.1	8.6	14.0	5.8	11.9	13.3	13.6	12.7	15.0
Year 2005	10.0	9.6	11.4	11.9	12.5	9.6	8.9	8.0	7.3	7.6	6.3	7.8
Year 2006	8.6 ¹⁾	9.1 ¹⁾	10.3 ¹⁾	9.4 ¹⁾	10.5	11.2	11.8	13.6	12.9	13.9	16.1 ¹⁾	15.3
Year 2007	16.5	16.8	16.7	16.4	19.2	.	.	.	.	.	.	.

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

Among the main M3 components, the largest monthly increase in May was recorded in deposits and received loans repayable on demand (SKK 20.6 billion), while the increase in deposits and received loans with an agreed maturity of up to 2 years was several times smaller than in the previous month. The modest but stable growth in the volume of money market fund shares/units continued.

	Volume (in billions of SKK) ¹⁾			Year-on-year change (in %)	
	May 2006	Apr. 2007	May 2007	Apr. 2007	May 2007
Currency in circulation	121.9	131.2	132.4	8.2	8.6
Deposits and received loans repayable on demand	391.0	405.7	426.3	11.4	9.0
M1	512.9	536.9	558.7	10.6	8.9
Deposits and loans received with an agreed maturity of up to 2 years	285.0	387.4	390.0	25.2	36.9
Deposits redeemable at a period of notice of up to 3 months	13.4	10.4	10.2	-24.4	-24.2
M2	811.3	934.7	958.9	15.6	18.2
Money market fund shares/units	39.6	49.0	50.1	19.9	26.3
Repo operations	0.0	0.0	0.0	-	-
Debt securities issued with a maturity of up to 2 years	0.3	6.0	5.4	-	-
M3	851.2	989.6	1 014.3	16.4	19.2

Source: NBS.
Note: Differences in the sums are due to rounding. 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.
1) Volume as at the last day of the given month.

¹ The year-on-year growth dynamics of monetary aggregates and their counterparts are calculated from end-of-month data, including non-transaction operations, which comprise all movements in the balance-sheet items, resulting from changes in the valuation of tradable instruments, the depreciation/write-off of loans, exchange rate differentials, reclassification, and other changes.



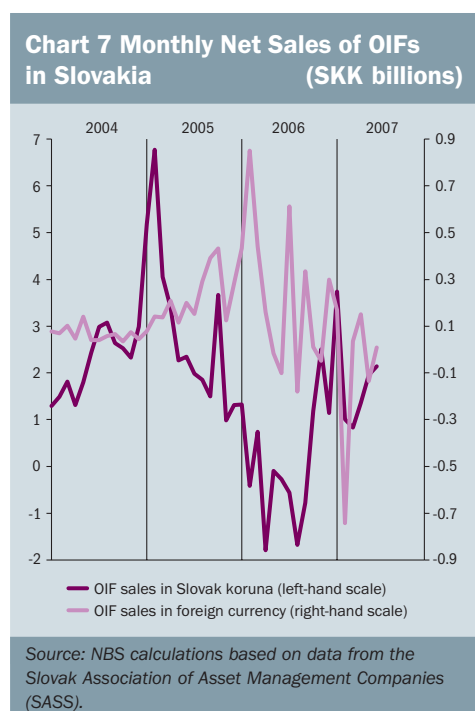
Of the M3 counterparts, MFI receivables from residents (including securities), the general government, and the private sector recorded the most significant increases (a total of SKK 25.9 billion). The May issue of 10-year government bonds abroad in the amount of EUR 1 billion (SKK 33.6 billion) led to further growth in deposits and loans received from the central government, including deposits at the SR Treasury (by SKK 15.9 billion).

Main M3 Components

The weakening trend in the year-on-year dynamics of the M1 monetary aggregate continued in May, while the dynamics of the individual M1 components showed conflicting tendencies. Despite a steep monthly increase in deposits and received loans repayable on demand, their dynamics weakened as a result of developments in the same period last year (an increase of SKK 26.8 billion in May 2006). On the other hand, currency in circulation grew month-on-month only slightly (by SKK 1.2 billion), but the rate of growth increased.

Growth in deposits and received loans repayable on demand

As for other short-term deposits, deposits redeemable at a period of notice of up to 3 months continued to decline steadily and their negative dynamics moderated. The base effect was also reflected in the development of deposits and received loans with an agreed maturity of up to 2 years, when their marked monthly decrease from May 2006 (SKK-24.3 billion), coupled with a relatively small current monthly increase (SKK 2.7 billion), led to a marked increase in dynamics. The growth rate of the M2 monetary aggregate also rose sharply.



Owing to the relatively small share of marketable instruments in the overall M3 aggregate (roughly 5%), their influence on the rate of M3 growth is limited. The inflow of funds in money market fund shares/units (which is more intense than last year) continued in the amount of SKK 1.1 billion, and its dynamics increased still further. The volume of debt securities issued with a maturity of up to 2 years decreased.

Investment Through Open-End Investment Funds

The inflow of funds into open-end investment funds (OIFs) had been intensifying since March and continued in June. There was persistent interest in SKK-denominated money market funds in the Slovak market, but was greatly exceeded in June by demand for guaranteed funds (belonging to the 'other funds' category), supported by a massive advertising campaign. The net value of OIF assets denominated in Slovak koruna increased to SKK 132.9 billion, and the monthly net sales of OIFs reached a positive figure (SKK 2.1 billion). The net sales of OIFs denominated in foreign currency were only slightly positive (SKK 0.008 billion).

Inflow of funds into open-end investment funds

Table 6 Net sales of open-end investment funds (month-on-month changes in SKK billions)

	Year	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.	Cumulative
OIF sales 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	1.4	1.9	2.1	.	.	.	.	.	.	11.0
OIF sales 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	0.2	-0.1	0.0	.	.	.	.	.	.	-0.5

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



Positive monthly net sales were mainly recorded by other and special funds, as well as real estate funds. Positive net sales were also achieved by money market funds (SKK 0.3 billion) and the funds of funds (SKK 0.1 billion), while negative net sales were recorded by bond funds, equity funds, and mixed funds (a total of SKK 0.6 billion). The net sales of OIFs of all types in Slovak koruna and foreign currency totalled SKK 2.1 billion.

In the 12 months to the end of June, the net sales of the ten best performing investment funds in the SR reached SKK 25.2 billion in cumulative terms. This represented an increase of SKK 1.4 billion compared with the previous month and SKK 5.9 billion since the beginning of the year.

Main M3 Counterparts

Slightly faster growth in MFI receivables from residents (including securities)

In May, the year-on-year growth in MFI receivables from residents in total (including securities issued by clients and held by MFIs) again accelerated in comparison with the previous month, but only slightly (by 0.1 of a percentage point). This was mostly influenced by the renewed (after more than two years) positive dynamics of receivables from the general government, when their negative dynamics had gradually moderated since the beginning of 2006. The opposite trend was followed by receivables from the private sector: a marked slowdown in the rate of growth.

This year's eurobond issue and the increased volume of government bonds issued in the domestic market in May (compared with last year) created conditions for a further moderation in the negative year-on-year dynamics of deposits and loans received from the central government (including deposits held at the SR Treasury), despite a marked increase in the budget deficit.

The year-on-year growth in long-term financial liabilities (excluding capital, reserves, and provisions) accelerated in May, but remained within the limits of the slowly decelerating trend ongoing since the fourth quarter of 2006. This was mainly due to the increased dynamics of deposits and received loans with an agreed maturity of over 2 years, which constitute the majority of the long-term financial liabilities. This was mainly a result of accelerated growth in debt securities issued with a maturity of over 2 years and a further moderation in the negative dynamics of deposits redeemable at a period of notice of over 3 months.

Table 7 Main M3 counterparts (ECB methodology)

	Volume (in billions of SKK) ¹⁾			Year-on-year change (in %)	
	May 2006	Apr. 2007	May 2007	Apr. 2007	May 2007
Net foreign assets	302.4	271.9	287.8	-14.6	-4.8
Foreign assets	608.6	542.3	544.6	-9.3	-10.5
Foreign liabilities	306.3	270.4	256.8	-3.2	-16.1
MFI receivables from residents (including securities)	822.2	910.8	936.7	13.8	13.9
Receivables from general government	253.3	247.0	255.5	-0.2	0.9
Receivables from the private sector	568.9	663.8	681.2	20.1	19.7
Deposits and loans received from central government	107.6	43.6	59.0	-58.2	-45.1
Long-term financial liabilities (excluding capital and reserves)	108.7	125.5	126.6	15.4	16.5
Deposits and loans taken with an agreed maturity of over 2 years	60.5	68.1	68.5	12.6	13.3
Deposits redeemable at notice of over 3 months	26.4	23.7	23.6	-11.1	-10.4
Debt securities issued with a maturity of over 2 years	21.9	33.8	34.5	55.7	57.7
Other items net	57.0	23.8	24.5	-56.6	-57.0
Capital, reserves, and provisions	74.3	32.2	34.9	-56.1	-53.0
Other liabilities	56.6	80.8	78.5	50.1	38.7
Surplus of liabilities among MFIs	-0.1	-2.0	-0.9	-	-
Fixed assets	33.1	32.8	32.6	-1.4	-1.6
Other assets	40.7	54.5	55.4	40.2	36.2
M3	851.2	989.6	1014.3	16.4	19.2

Source: NBS.

Note: Differences in the sums are due to rounding. 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.

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



In May, the year-on-year rate of growth in MFI receivables from the private sector (including securities) slowed slightly, by 0.4 of a percentage point (to 19.7%). The growth rate of receivables from the private sector continued to slow (by 0.5 of a percentage point), despite steep monthly increases in loans to non-financial corporations and households. The acceleration in the rate of decline in securities issued by the private sector came to a halt in May.

Continuing slowdown in the growth rate MFI receivables from the resident private sector

In May, developments in receivables were mainly influenced by an increase in receivables from non-financial corporations, to SKK 9.2 billion. The monthly increase in loans to households reached SKK 7.1 billion, mainly as a result of growth in house purchase loans.

Table 8 MFI receivables from the resident private sector

	Volume (in billions of SKK) ¹⁾			Year-on-year change (in %)	
	May	Apr.	May	Apr.	May
	2006	2007	2007	2007	2007
MFI receivables from the private sector (incl. securities)	568.9	663.8	681.2	20.1	19.7
- of which: securities issued by the private sector ²⁾	14.7	13.7	14.1	-7.2	-4.5
MFI receivables (excluding securities)	554.1	650.1	667.1	20.9	20.4
Non-financial corporations	292.1	337.5	346.7	18.8	18.7
- up to 1 year	127.5	142.3	146.3	19.7	14.7
- 1 to 5 years	58.6	68.5	69.2	24.3	18.0
- over 5 years	105.9	126.8	131.3	15.1	23.9
Financial corporations	59.7	59.6	60.4	4.1	1.1
Insurance corporations and pension funds	0.0	0.0	0.0	-12.2	-13.0
Households and non-profit institutions serving households	202.3	252.8	260.0	28.8	28.5
- consumer loans	31.9	36.7	37.4	17.0	17.1
- housing loans	131.9	168.4	173.4	31.2	31.4
- other loans	38.4	47.7	49.2	30.8	28.2

Source: NBS.

Note: Differences in the sums are due to rounding.

1) Figure for the last day of the period under review.

2) Securities issued by the private sector, including NBS receivables.

Structure of MFI Receivables from the Private Sector

The growth rate of MFI receivables from the private sector slowed somewhat in May, mainly as a result of a slowdown in receivables from financial corporations. The dynamics of lending to non-financial corporations and households also decreased, but this decrease was much smaller than in the previous month.

Continuing moderation in the growth rate of loans to households Slightly decelerated growth in loans to non-financial corporations

The rate of growth in loans to non-financial corporations slowed only slightly in May, by 0.1 of a percentage point. This was due to a month-on-month increase in the volume of loans of all types. The steepest increases took place in long-term loans maturing in over 5 years (SKK 4.5 billion) and short-term loans with a maturity of up to 1 year (SKK 4.0 billion). Long-term loans with 1-year to 5-year maturities increased by SKK 0.7 billion. A large part of the monthly increase in loans to corporations took place in euro loans (an increase of SKK 8.4 billion).

The rate of growth in household loans again slowed in May, by 0.3 of a percentage point compared with the previous month. This slowdown was, however, smaller than a month earlier, when the dynamics of lending to households weakened by 1.4 percentage points. This was caused by an increase in loans for house purchases (by SKK 5.0 billion month-on-month), which was the largest monthly increase recorded since 2004. The slowdown in the growth rate of loans to households was caused by a moderation in the dynamics of consumer and other loans, whose volume increased month-on-month by SKK 2.2 billion (compared with a monthly increase of SKK 2.5 billion in May 2006).



Table 9 MFI Receivables from the Resident Private Sector (excluding securities)

	Volume (SKK billions)	Year-on-year change (in %)					Cumulative change since beginning of year (SKK billions)	
		May 2007	2006 2.Q	2006 3.Q	2006 4.Q	2007 1.Q	May 2007	May 2006
		2007	2006	2006	2006	2007	2006	2007
MFI receivables (excluding securities)	667.1	27.9	23.3	23.6	21.6	20.4	46.7	39.8
Non-financial corporations	346.7	19.9	15.4	20.3	18.2	18.7	20.7	20.3
– loans in Slovak koruna	221.4	19.5	21.2	26.6	18.7	19.2	14.4	4.3
– loans in foreign currency	125.3	20.8	5.1	9.4	17.3	17.9	6.3	15.9
Financial corporations (other financial intermediaries and auxiliary financial institutions)	60.4	38.2	26.0	14.5	9.4	1.1	4.7	-2.6
– loans in Slovak koruna	47.3	29.6	22.1	18.3	12.6	2.9	2.9	-3.6
– loans in foreign currency	13.1	-	-	-	-	-	1.8	1.0
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	-	-	-	-	-	-	-
Households and non-profit institutions serving households	260.0	38.1	34.8	31.4	30.2	28.5	21.3	22.1
– loans in Slovak koruna	253.7	37.8	34.4	30.7	29.0	27.0	20.7	19.8
– loans in foreign currency	6.3	-	-	-	-	-	0.5	2.3
z toho: consumer loans	37.4	43.8	38.3	44.4	21.3	17.1	7.1	1.6
– loans in Slovak koruna	37.4	44.0	38.5	44.6	21.3	17.5	7.1	1.6
– loans in foreign currency	0.0	-	-	-	-	-	0.0	-0.1
house purchase loans	173.4	36.6	33.3	31.9	31.3	31.4	13.1	16.5
– loans in Slovak koruna	168.6	36.0	32.6	30.7	29.5	29.0	12.8	14.4
– loans in foreign currency	4.8	-	-	-	-	-	0.3	2.1
other loans	49.2	39.1	37.7	21.2	34.1	28.2	1.1	4.0
– loans in Slovak koruna	47.7	38.9	37.3	20.9	34.1	28.1	0.9	3.7
– loans in foreign currency	1.5	-	-	-	-	-	0.2	0.3

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.

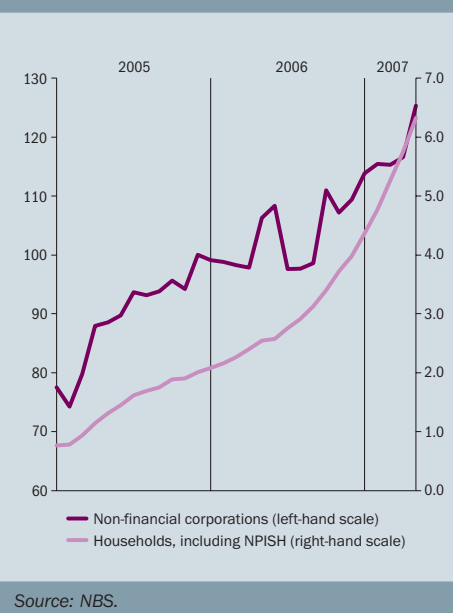
The month-on-month growth in foreign-currency loans markedly increased in May, to SKK 10.5 billion (compared with SKK 0.9 billion in April). This was due to renewed interest in euro loans among non-financial corporations; their volume increased month-on-month by SKK 8.4 billion. However, the rate of growth in loans to non-financial corporations in foreign currency slowed to 17.9% in May, owing to a base effect. Loans to households in foreign currency grew to a similar extent as a month earlier; this growth, however, had no influence on the total volume of loans to households, since the share of foreign-currency loans was negligible.

In May, euro-denominated MFI receivables constituted the largest part of receivables in foreign currency, in the case of both non-financial corporations (91.8%) and households (93.0%).

Current Budgetary Developments

On 30 June 2007, the State budget recorded a deficit of SKK 11.0 billion, which was SKK 2.0 billion less than in May. Revenues totalled SKK 145.8 billion and expenditures SKK 156.8 billion.

Chart 8 Lending in Foreign Currency (SKK billions)



Source: NBS.



4.2 The external sector

Balance of Payments for April 2007

In April 2007, the balance of payments on current account resulted in a deficit of SKK 1.0 billion, representing a month-on-month improvement of SKK 4.5 billion. The most significant change occurred in the trade balance, where the deficit diminished as a result of a marked decrease in the volume of imports. The improvement in the current account balance was also supported by favourable developments in the balances of services and current transfers. The only item to remain unchanged in comparison with the previous month was the balance of income. Compared with the same period a year earlier, the b.o.p. current account balance improved (by SKK 12.2 billion), while the main factor behind the year-on-year change in the deficit was the smaller shortfall in foreign trade.

Current account

	April		January – April	
	2007	2006	2007	2006
Balance of trade	-1.0	-9.0	-1.8	-32.5
Exports	110.6	89.1	449.5	356.7
Imports	111.6	98.1	451.3	389.2
Balance of services	2.7	2.2	3.8	6.7
Balance of income	-1.2	-4.2	-0.1	-8.6
of which: income from investment	-4.1	-6.6	-11.6	-18.5
of which: reinvested earnings	-1.9	-1.9	-7.6	-12.1
Current transfers	-1.5	-2.2	-5.6	-2.7
Current account in total	-1.0	-13.2	-3.7	-37.1

Source: NBS and the Statistical Office of the SR.

After being revised by the Statistical Office of the SR, foreign trade recorded a deficit of SKK 1.0 billion in April (the originally published deficit amounted to SKK 1.2 billion). Exports decreased month-on-month in April, but their dynamics strengthened (to 24.0%). The increase in dynamics was connected

	Year-on-year change in SKK billions		Proportion of the year-on-year change in % points	
	January – April		January – April	
	2007	2006	2007	2006
Raw materials	-3.3	11.1	-0.9	3.8
Chemicals and semi-finished goods	13.1	13.8	3.7	4.7
Machinery and transport equipment	81.7	36.1	22.9	12.3
Finished products	1.2	3.3	0.3	1.1
EXPORTS in total	92.7	64.3	26.0	22.0

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

	Year-on-year change in SKK billions		Proportion of the year-on-year change in % points	
	January – April		January – April	
	2007	2006	2007	2006
Raw materials	-19.4	25.2	-5.0	8.0
Chemicals and semi-finished goods	24.7	10.0	6.3	3.2
Machinery and transport equipment	24.0	22.2	6.2	7.1
Finished products	32.9	17.9	8.5	5.7
of which: – agricultural and industrial goods	7.5	5.5	1.9	1.7
– passenger cars	3.5	7.2	0.9	2.3
– machines and electrical consumer goods	21.9	5.2	5.6	1.7
IMPORTS in total	62.1	75.2	16.0	24.0

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



with the base effect, which resulted from the low level of exports last year. The decline in exports compared with the previous month was mainly caused by lower exports in the 'machinery and transport equipment' category (passenger cars and automated data processing machines). The lower exports were also supported by declines in the exports of semi-finished goods (rubber, iron and steel products) and finished products. On the other hand, the exports of raw materials increased somewhat on a month-on-month basis. Like exports, imports also recorded a month-on-month decline in absolute terms in April, as well as a slowdown in the year-on-year rate of growth (to 13.7%). The decline in imports was mainly supported by lower imports of machinery and transport equipment (motor vehicle parts, components, accessories, and engines), as well as finished products (electrical products in particular) and semi-finished goods (rubber, iron and steel, including products, plastics). This decline was, though to a minimum extent only, offset by a modest increase in the imports of raw materials, caused by increased oil imports.

Capital and financial account The balance of payments on capital and financial account recorded an inflow of SKK 29.0 billion in April.

The inflow of funds in April was supported by all components of the b.o.p. financial account, while the most significant transactions took place on the liabilities side, with all the sectors of the economy involved. While foreign direct investment (FDI) inflows resulted mainly from increases in the import liabilities of domestic enterprises to their parent companies, inflows in portfolio investment mostly stemmed from government activities, when the excess of purchases over sales of debt securities by non-residents led to an inflow of funds in the amount of SKK 10.7 billion. The most significant change in the banking sector occurred in the balance of short-term investments, where the inflow of funds resulted from an increase in non-resident deposits held in accounts at Slovak banks.

		April		January - April	
		2007	2006	2007	2006
Table 13 Balance of Payments Capital and Financial Account		(SKK billions)			
Capital account		0.4	0.0	4.6	-0.3
Direct investment		8.1	34.6	5.0	52.7
SR abroad		0.4	-0.6	-1.0	-1.8
of which: equity capital abroad		-0.6	0.1	-0.7	-0.5
reinvested earnings		-0.1	-0.1	-0.4	-0.4
In the SR		7.7	35.2	6.0	54.5
of which: equity capital in the SR		0.5	32.1	1.8	35.9
of which: other than privatisation		0.5	1.1	1.8	4.9
reinvested earnings		2.0	2.0	8.0	12.5
Portfolio investment and financial derivatives		8.3	3.1	-11.5	43.0
SR abroad		-1.4	1.1	-7.6	-3.4
In the SR		9.7	2.0	-3.9	46.4
Other long-term investments		3.8	-3.6	2.2	11.9
Assets		-0.5	-2.1	-2.7	-1.0
Liabilities		4.3	-1.5	4.9	12.9
Other short-term investments		8.4	-29.2	85.1	-62.7
Assets		-4.2	-9.3	1.8	-16.5
Liabilities		12.6	-19.9	83.3	-46.2
Capital and financial account		29.0	4.9	85.4	44.6
Source: NBS.					

Foreign reserves of the NBS The foreign reserves of the NBS increased month-on-month by SKK 22.9 billion, i.e. USD 0.9 billion (excluding exchange rate differentials). The increase in reserves was caused by NBS interventions (conducted in the amount of SKK 23.5 billion).

External Debt of Slovakia as at 30 April 2007

Gross external debt At the end of April 2007, Slovakia's total gross external debt stood at USD 37.0 billion (EUR 27.1 billion), representing a month-on-month increase of USD 1.8 billion (EUR 0.7 billion). Total long-term foreign debt grew in April by USD 1.0 billion, while total short-term foreign debt increased by USD 0.8 billion.



Within the scope of short-term external debt, the foreign liabilities of commercial banks increased (mainly in cash and deposits) by SKK 0.7 billion in April. The short-term foreign liabilities of entrepreneurial entities grew by a total of USD 0.2 million.

Within the scope of long-term external debt, the foreign liabilities of the Government and the NBS increased by USD 0.6 billion, mainly due to increased interest in the purchase of SKK-denominated government bonds. Foreign liabilities in the commercial sector increased by USD 0.3 billion, and those in the entrepreneurial sector grew by USD 0.2 billion.

At the end of April, Slovakia's total per-capita gross foreign debt stood at USD 6,883. The share of short-term foreign debt in the country's total gross external debt decreased month-on-month by 0.3 of a percentage point, to 52.3% at the end of April 2007.

Table 14 External Debt of the SR

	In millions of USD			In millions of EUR		
	31.12.2006	31.3.2007	30.4.2007	31.12.2006	31.3.2007	30.4.2007
Total external debt of the SR	32.205.9	35.229.9	37.027.9	24.448.9	26.385.7	27.095.4
Long-term external debt	16.649.7	16.697.5	17.648.6	12.639.5	12.505.7	12.914.5
Government and NBS ¹⁾	7.702.1	7.263.7	7.887.4	5.847.0	5.440.2	5.771.7
Commercial banks	1.559.2	1.710.7	1.831.9	1.183.6	1.281.3	1.340.5
Entrepreneurial entities	7.388.4	7.723.0	7.929.3	5.608.9	5.784.2	5.802.3
Short-term external debt	15.556.2	18.532.4	19.379.3	11.809.4	13.880.0	14.180.9
Government and NBS	0.0	0.0	0.0	0.0	0.0	0.0
Commercial banks	6.148.8	8.967.0	9.637.9	4.667.8	6.716.0	7.052.6
Entrepreneurial entities	9.407.4	9.565.4	9.741.4	7.141.6	7.164.1	7.128.3
Foreign assets	26.718.4	31.553.5	33.236.4	20.283.2	23.632.3	24.320.9
Net external debt	5.487.5	3.676.3	3.791.5	4.165.7	2.753.5	2.774.5
SKK/USD and SKK/EUR rates	26.246	25.001	24.636	34.573	33.381	33.667
EUR/USD cross exchange rate	-	-	-	1.317	1.335	1.367

Source: NBS.

1) Including government agencies and municipalities.

The net external debt of Slovakia, expressed as the difference between gross foreign debt, i.e. USD 37.0 billion (liabilities of the Government, the NBS, commercial banks, and the corporate sector – except for equity participation), and foreign assets, i.e. USD 33.2 billion (foreign reserves of the NBS, foreign assets of commercial banks and the corporate sector – except for equity participation), reached USD 3.8 billion (debtor position) at the end of April 2007.

Net external debt**Current Developments**

In May, the trade balance resulted in a deficit of SKK 3.6 billion, representing a deterioration in comparison with the previous month. A deterioration in comparison with the previous month was also recorded in the balance of income, where the deficit increased in connection with the payment of

Table 15 Balance of Payments Current Account**(SKK billions)**

	May		January – May	
	2007	2006	2007	2006
Balance of trade	-3.6	-7.7	-5.4	-40.2
Exports	120.3	103.9	569.8	460.6
Imports	123.9	111.6	575.2	500.8
Balance of services	0.8	1.1	4.6	7.8
Balance of income	-5.0	-13.1	-5.1	-21.7
of which: income from investments	-7.8	-15.6	-19.4	-34.1
of which: reinvested earnings	-1.9	-2.4	-9.5	-14.5
Current transfers	-0.9	1.5	-6.5	-1.2
Current account in total	-8.7	-18.2	-12.4	-55.3

Source: NBS and the Statistical Office of the SR.



dividends to foreign direct investors, and a lower surplus was recorded in the balance of services. The only item to record a certain improvement was the balance of current transfers. The deteriorations in the income and trade balances were the main factors behind the month-on-month increase in the current account deficit (by SKK 7.7 billion).

In May, the year-on-year dynamics of exports weakened to 15.9%, and was accompanied by a decrease in import dynamics (to 11.0%).

The trade deficit recorded in May was in line with the NBS's expectations.

In exports, a slight month-on-month increase is expected in June, but the rate of growth is likely to slow somewhat in comparison with May. Imports, like exports, are also expected to grow on a month-on-month basis. This growth will probably be supported by increased imports of semi-finished goods.

In July and August, the value of exports is expected to fall, mainly as a result of the holiday season. Imports, like exports, are also likely to decline in July and August. In addition to the lower imports of semi-finished goods (resulting from a fall in exports), goods imports for final consumption are also expected to decline.

Overall, export and import dynamics are expected to reach two-digit figures, and the year-on-year improvement in the trade balance should continue in the next months of 2007.

Total foreign reserves of the NBS

At the end of June, the total foreign reserves of the NBS stood at USD 17,597.7 million, representing a modest month-on-month increase (USD 26.6 million). The increase in reserves in comparison with the figure for the end of May resulted from a slight deficit in the balance of receipts and expenses (USD 11.6 million, mainly caused by debt service payments), offset by positive exchange rate differentials (USD 38.2 million), which resulted from a change in the USD/EUR cross-rate in the period under review. At the end of June, the volume of foreign reserves was 3.6 times greater than the volume of average monthly imports of goods and services to Slovakia over the first five months of 2007.

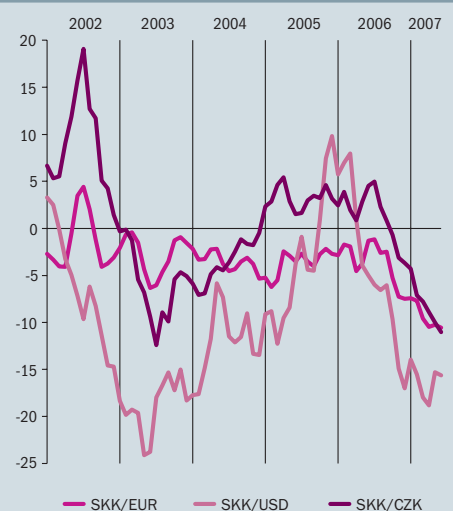
The ratio of foreign reserves to the amount of payments for goods and services recorded in banking statistics, reached 4.8 times the volume of average monthly imports of goods and services to the SR over the first five months of 2007.

Nominal effective exchange rate of the Slovak koruna (NEER)

In June, the month-on-month depreciation of the nominal effective exchange rate² (NEER) of the Slovak koruna accelerated in comparison with the previous month, from 0.4% to 0.7%. The most significant contribution to the depreciation of the NEER index came from the weakening of the koruna against the euro (by 0.6 of a percentage point).

The year-on-year appreciation of the NEER accelerated in comparison with May, from 11.8% to 12.2%. This development again confirmed the steadily accelerating trend in the year-on-year appreciation, which began in the middle of last year. Despite its depreciation on a month-on-month basis, the NEER index appreciated year-on-year at an accelerating rate (like in the previous month) as a result of the koruna's sharper month-on-month depreciation in June 2006 in connection with the parliamentary elections, accompanied by

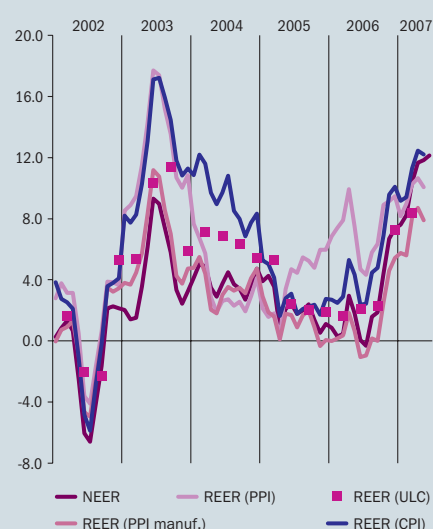
Chart 9 Average Monthly Exchange Rates of the Slovak Koruna (year-on-year changes in %)



Source: NBS.

Note: + depreciation, - appreciation of the SKK.

² For calculating the nominal and effective exchange rates of the Slovak koruna (NEER and REER), the IMF methodology is 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 10 Developments in the NEER and REER Indices (9 trading partners)
(year-on-year changes in %)**


Source: NBS.

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

uncertainty among foreign exchange market participants. The greatest contribution to the appreciation of the NEER index was made by the strengthening of the koruna against the euro (by 8.0 percentage points).

The continuing dynamic year-on-year appreciation of the Slovak koruna in nominal terms led to the strengthening of the real effective exchange rate (REER), which was, however, weaker than in the previous month. In May, the REER based on the consumer price index (CPI) appreciated by 12.2%, that based on the industrial producer price index (PPI) by 10.1%, and the rate based on the manufacturing products price index (PPI manuf.) by 7.9%. The slower appreciation in all three REER indices in spite of a faster appreciation in the NEER index was largely the result of a slower rise in the relevant domestic price indices used in the definition of the REER.

Real effective exchange rate of the Slovak koruna (REER)
Table 16 Developments in the NEER and REER Indices (year-on-year changes in %)

For 9 partners, based on the deflator:	NEER	REER (CPI)	REER (PPI)	REER (PPI manuf.)	REER (ULC) ²⁾
December 2002	2.1	4.1	3.6	3.4	5.3
December 2003	3.2	11.3	10.8	4.7	5.9
December 2004	4.7	8.3	4.1	4.7	5.5
December 2005	1.1	2.7	6.0	0.0	1.9
December 2006	7.4	10.1	9.5	5.4	7.3 ^(p)
March 2007 ¹⁾ (p)	10.4 / 3.7	11.3 / 3.9	10.3 / 4.6	8.1 / 1.8	8.4 ^(p)
May 2007 ¹⁾	11.8 / 4.5	12.2 / 4.2	10.1 / 3.6	7.9 / 1.3	-
June 2007 ¹⁾	12.2 / 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.

4.3 Real Economy

Current Developments

Production and Receipts

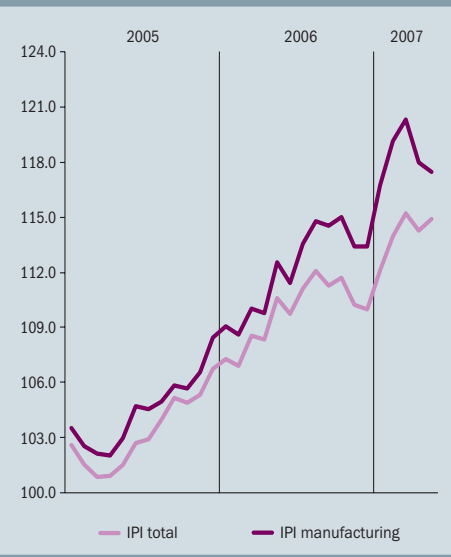
In May, the year-on-year growth rate of industrial production accelerated in comparison with April 2007, mainly as a result of faster growth in production in electricity, gas and water supply, accompanied by a slight acceleration in manufacturing production. The somewhat stronger growth in manufacturing production in comparison with the previous month was stimulated by accelerated year-on-year growth in the production of transport vehicles, metals and metal products, rubber and plastic products, and electrical and optical equipment.

The decelerated year-on-year growth in construction was a result of slower growth in production in both Slovakia and abroad.

The somewhat faster growth in retail sales was mainly the result of stronger year-on-year growth in receipts from other specialised retail trade; the retail sales of food, beverages, and tobacco in specialised and non-specialised shops; other retail sales in non-specialised shops; and the retail sales of

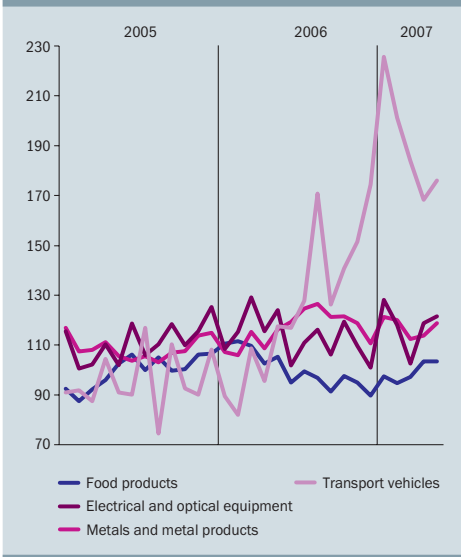


Chart 11 Development of Industrial, Manufacturing and Construction Production (3-month moving averages) (index, same period a year earlier = 100)



Source: Statistical Office of the SR.
Notes: IPI - Industrial Production Index. The index is adjusted for calendar effects.

Chart 12 Development of Manufacturing Production in Selected Sectors (3-month moving averages) (index, same period a year earlier = 100)



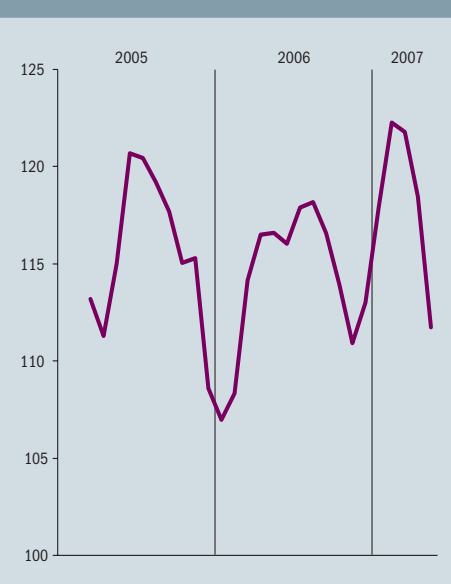
Source: Statistical Office of the SR.
Note: The index is adjusted for calendar effects.

pharmaceuticals and cosmetics. An accelerated year-on-year decline in sales was recorded in retail trade outside shops.

The year-on-year growth in the receipts of entities specialising in the sale and maintenance of motor vehicles and the retail sale of fuels was at approximately the same level as in April 2007. The acceleration in the dynamics of receipts from the sale of motor vehicles was offset by a slowdown in the year-on-year growth of receipts from the retail sale of fuels and the maintenance of motor vehicles.

The acceleration in the year-on-year growth of receipts from services related to real estate, renting, and business activities in May 2007 (compared with April) was mostly the result of faster year-on-year

Chart 13 Production in the Construction Sector (3-month moving averages) (index, same period a year earlier = 100)



Source: Statistical Office of the SR.
Note: Corporate method at constant 2000 prices.

Chart 14 Retail Sales (3-month moving averages) (index, same period a year earlier = 100)



Source: Statistical Office of the SR.
Note: The indices are at constant December 2000 prices.



Table 17 Production and sales

	SKK millions, at c. p.		Indices			
	May 2007	Cum. since the begin. of the year	May 2006	Jan. – Dec. 2006	Apr. 2007	May 2007
Produkcia						
Industrial production index ¹⁾	-	-	111.4	109.9	114.8	117.4
of which:						
Mining and quarrying	-	-	87.3	90.4	108.2	102.9
Manufacturing	-	-	114.4	112.4	118.0	118.7
Electricity, gas, and water supply	-	-	94.2	97.6	92.3	108.4
Construction ²⁾	13,885	56,043	120.2	114.9	114.1	105.0
of which:						
Construction in Slovakia	13,403	54,190	122.7	116.1	113.6	104.6
Construction abroad	482	1,853	74.0	87.9	130.4	117.5
Receipts from own-output and goods						
Industry in total ³⁾	170,085	826,699	114.3	114.5	117.1	117.5
Construction ²⁾	21,089	86,531	114.5	113.3	113.0	110.2
Retail trade ³⁾	38,781	172,280	109.3	108.8	106.2	109.7
Sale and maintenance of vehicles, retail sale of fuels ³⁾	19,458	86,173	112.3	113.6	128.4	128.6
Transport, storage ³⁾	14,463	66,302	110.8	111.6	101.8	109.8
Real estate, renting, and business activities ³⁾	15,706	75,032	114.2	110.9	101.8	104.1

Source: Statistical Office of the SR.

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

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

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

growth in receipts from other business services and slower year-on-year decline in receipts from real estate activities.

Wages, Employment, and Unemployment

In May 2007, the year-on-year dynamics of nominal wages weakened in comparison with April 2007 in most sectors under review. Accelerated wage growth was recorded in construction, the sale and maintenance of vehicles, and industry.

Nominal wages

Table 18 Wage Developments in Selected Sectors (index. same period a year earlier = 100)

	Average monthly nominal wage			Average monthly real wage		
	Year	January – May		Year	January – May	
	2006	2006	2007	2006	2006	2007
Industry	106.8	105.0	108.4	102.2	100.5	105.6
of which: manufacturing	106.9	104.6	108.9	102.3	100.2	106.0
Construction	105.0	105.7	107.6	100.5	101.2	104.8
Retail trade	110.7	108.7	107.0	105.9	104.0	104.2
Wholesale trade	107.4	108.2	104.4	102.8	103.6	101.7
Sale and maintenance of vehicles	109.9	105.7	108.1	105.2	101.2	105.3
Real estate and renting activities	109.5	108.3	109.8	104.8	103.7	106.9
Transport	107.1	106.1	107.7	102.5	101.5	104.9
Post and telecommunication	106.1	104.7	113.2	101.5	100.2	110.2
Consumer prices	104.5	104.5	102.7	-	-	-

Source: Statistical Office of the SR.

Notes: The selected sectors accounted for 67.8% of total employment in the first quarter of 2007.

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



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

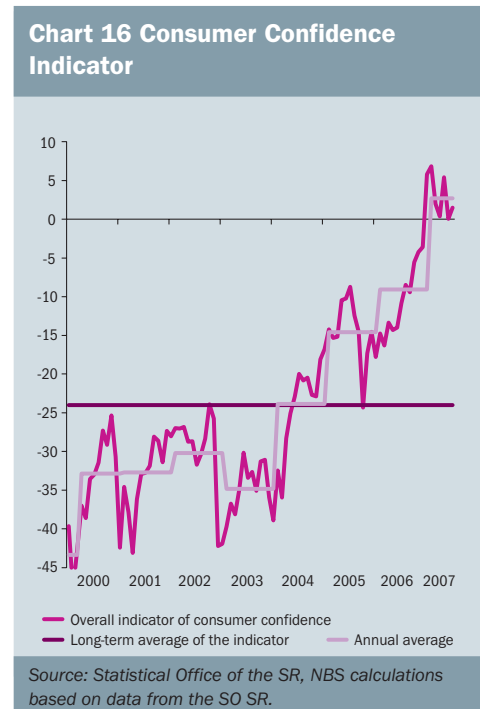
May 2007 saw slower year-on-year growth in real wages compared with the previous month in transport and storage, post and telecommunications, and real estate activities.

The average rate of real wage growth over the first five 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 largely the result of lower year-on-year inflation compared with the same period a year earlier. Slower year-on-year growth was recorded in the wholesale trade sector. In hotels and restaurants, real wages fell on a year-on-year basis.

Employment In May 2007, the year-on-year growth in employment slowed in comparison with April 2007 in most sectors under review. Accelerated growth was recorded in transport and storage, and the sale and maintenance of vehicles. In hotels and restaurants, employment grew at the same rate as in the previous month.

	Employment		
	Year	January - May	
	2006	2006	2007
Industry	98.7	98.6	104.5
of which: manufacturing	98.9	98.8	105.1
Construction	109.3	111.0	106.6
Retail trade	107.4	108.3	107.8
Wholesale trade	109.2	107.4	103.0
Sale and maintenance of vehicles	108.4	112.8	119.5
Real estate and renting activities	104.1	105.2	104.8
Transport	99.8	100.0	103.0
Post and telecommunications	98.8	99.1	96.5

Source: Statistical Office of the SR.





Over the first five months of 2007, the average rate of employment growth accelerated in comparison with the same period a year earlier in the sale and maintenance of vehicles, industry, and transport and storage.

According to data from the Centre for Labour, Social, and Family Matters, the total number of unemployed dropped month-on-month by 6,000, to 247,400 in May 2007. The number of disposable unemployed, who may start working immediately, accounted for 216,700, which was 4,300 less than in April. The rate of registered unemployment stood at 8.3% in May. This was 2.2 percentage points less than in May 2006.

Unemployment

The average length of registration was 10.6 months (representing a year-on-year decrease of 1 month). Compared with April, the share of long-term unemployed (out of work for more than 12 months) increased by 0.3 of a percentage point, to 54.2% in May.

Consumer Confidence Indicator

In June, the consumer confidence indicator increased in comparison with the previous month, to 1.5 points (1.5 points more than in May). Compared with May, improvements were recorded in two components: the expected rate of unemployment and the expected economic development in the SR. On the other hand, deteriorations occurred in the expected financial situation of households and expected household savings. Compared with the same period last year, the consumer confidence indicator has improved by 12.3 points.

Rise in the consumer confidence indicator



5 Monetary Developments

5.1 Foreign Exchange Market

Operations on the foreign exchange market

Over the course of June, the exchange rate of the Slovak koruna against the euro strengthened by 0.8% (from SKK/EUR 34.084 to SKK/EUR 33.828), while the average rate weakened by 0.9%. The Slovak koruna deviated from its central rate (SKK/EUR 35.4424) most significantly on 25 June 2007, when its exchange rate was fixed at SKK/EUR 33.706, representing an appreciation of 4.9% from central parity. In relation to the US dollar, the koruna appreciated by 1.1% (from SKK/USD 25.397 to SKK/USD 25.118), while depreciating in average terms by 1.6%.

Spot transactions between foreign and domestic banks resulted in a positive balance (USD 41.73 million), i.e. foreign banks purchased mostly foreign currency and sold Slovak koruna.

Národná banka Slovenska conducted no foreign exchange interventions in June.

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

	Month-on-month change	Ø June 2007 Ø June 2006	Ø Jan. – June 2007 Ø Jan. – June 2006
SKK/EUR	-0.8	-10.6	-9.3
SKK/USD	-1.1	-15.6	-16.2

Source: NBS.

Notes: – appreciation of the SKK, + depreciation of the SKK, Ø means average.

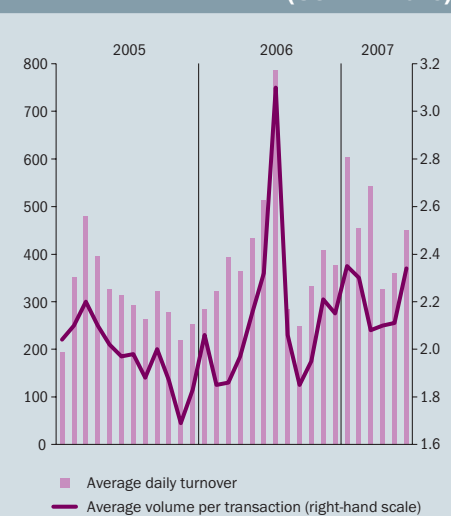
At the beginning of June, the Statistical Office released data on GDP growth in the first quarter. The data indicated no inflationary pressures, though household consumption was higher than expected, and the koruna strengthened somewhat, below the level of SKK/EUR 33.900. During the following days, the Slovak koruna was determined by the effects of the region, mainly by the prevailing negative sentiment. The koruna gradually weakened from SKK/EUR 34.000 to a new four-month minimum, above the level of SKK/EUR 34.400. This can partly attributed to a change in risk perception, towards aversion to risks among investors, which led to a fall in international share and bond market prices. During the following days, the koruna started to appreciate slowly as a result of positive sentiments; this was also supported by the publication of recommendations by analysts of large banks to sell Czech koruna and buy Slovak koruna. In Hungary, speculation started spreading about the change or cancellation of the unofficial fluctuation band against the euro. The chief executive of the Romanian national bank stated that there would be no central bank invention if the lei strengthens vis-à-vis the euro. The forint reacted to these developments by strengthening by 1.3% and the lei by 1.1%. At the end of the month, the koruna strengthened to SKK/EUR 33.600. The same was true for the other currencies of the region, subsequent to the key interest rate increase in Poland (to 4.50%).

Interbank foreign exchange market

The total volume traded on the interbank foreign exchange market reached USD 75,590.8 million in June, representing a fall of 6.5% compared with the figure for May (USD 80,804.3 million). Of the total trading volume, 86.2% took place in swap transactions, which were conducted mostly in USD (96.4%). Spot transactions accounted for 12.5% of the total turnover (97.2% of the deals were in EUR). The average daily turnover on the spot market reached USD 449.74 million and the average volume per transaction amounted to USD 2.34 million.

The volume of transactions between domestic commercial banks increased, from USD 8,143.7 million in May to USD 10,730.79 million in June. Most trading

Chart 17 Transactions on the Interbank Foreign Exchange Market (USD millions)



Source: NBS.



took place in USD (77%, compared with 75.4% in May), followed by EUR (22.5%, compared with 23.7% in May) and other currencies (0.5% of the total turnover between domestic commercial banks).

Transactions between domestic banks accounted for 14.2% of the total volume traded on the interbank foreign exchange market (compared with 10.1% in the previous month). Of the total volume of transactions between domestic banks, swap operations accounted for 82.2% (81.6% in May) and spot transactions (excluding interventions) for 17.5% (18.0% in May).

The volume of trading between domestic and foreign banks dropped by 10.7%, from USD 72,660.6 million in May to USD 64,860 million in June. Most trading was again conducted in USD (84.4%, compared with 87.3% in May), followed by EUR (15.3%, compared with 12.5% in May), and other currencies (0.3%). Trading between domestic and foreign banks still dominated the country's foreign exchange market (with a share of 85.8%).

Trading between domestic and foreign banks also took place predominantly in the form of swap operations (86.8%, compared with 90.3% in May), while spot transactions accounted for only 11.7% (7.9% in May). The share of forward dealings on the foreign exchange market was negligible. Option contracts accounted for 1.2% of the volume traded with foreign banks.

At the end of May, the Slovak-koruna deposits of non-resident banks amounted to SKK 40.6 billion, representing a decline of SKK 18.3 billion compared with the previous month and SKK 17.9 billion compared with the same period a year earlier.

Although the volume of government securities held by non-residents as at the end of June was SKK 0.3 billion higher than a month earlier, non-residents invested no funds in government bond issues at primary auctions over the course of June. Inflows and outflows were only realised in smaller amounts in a number of different issues (the largest amount, i.e. SKK 0.3 billion, was recorded in a 5-year government bond issue, No. 201, maturing in January 2009).

The share of non-residents in the total volume of issued government bonds remained virtually unchanged in June (22.3%), compared with May. In 2007 (to date), the Agency for Debt and Liquidity Management (ARDAL) held no Treasury-bill auctions and thus no Treasury bills were acquired by non-residents.

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

	2006		2007						
	31.5.	31.12.	31.1.	28.2.	31.3.	30.4.	31.5.	29.6. ^(p)	10.7. ^(p)
Koruna assets, banks	18.1	13.5	13.6	16.1	12.8	18.0	14.6	16.2	15.2
Koruna liabilities	66.6	61.7	60.2	41.0	46.0	68.7	51.1	.	.
of which: banks	58.6	53.7	51.9	33.4	37.6	59.0	40.6	43.6	37.6
non-bank clients	8.0	8.0	8.3	7.6	8.3	9.7	10.4	.	.
Government securities	69.9	86.4	63.4	63.1	70.8	82.8	81.9	82.2	.
of which: government bonds	69.6	86.4	63.4	63.1	70.8	82.8	81.9	82.2	.
SR Treasury bills	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	.
Total	136.4	148.1	123.6	104.0	116.8	151.5	133.0	.	.

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

(p) Preliminary data from Dev (NBS) 20-98 "Daily Statement of Foreign Exchange Positions".

5.2 Money Market and Monetary Policy Implementation

At its 23rd meeting on 26 June 2007, the Bank Board of the NBS decided to leave its key interest rates unchanged, at 2.25% for overnight sterilisation operations, 5.75% for overnight refinancing transactions, and 4.25% for two-week repo tenders with commercial banks.

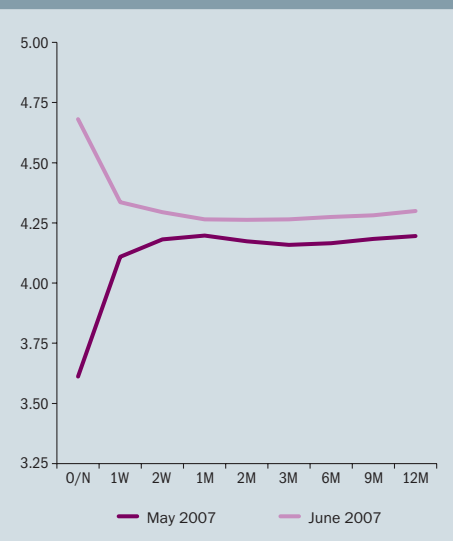
Average monthly interbank deposit rates increased in June (compared with the previous month) and stabilised above the level of the basic NBS rate. Thus, the entire yield curve shifted upwards, its shorter end by an average 0.5% and the longer end by 0.1%.

Interest rates

Interest rates at the short end of the yield curve were influenced by the level of liquid resources in the sector. During the period under review, the long end of the curve was almost completely independent



Chart 18 Average Monthly Interbank Market Rates (BRIBOR) (%)



Source: NBS.

Chart 19 Developments in Interbank Market Rates (BRIBOR) (% p. a.)



Source: NBS.

of the influence of the foreign exchange market and was actually affected by the expectations of the sector regarding the future values of the key rates.

The NBS Board's decision to leave the key interest rates unchanged had again been expected by the banking sector. As a result, the prices of interbank deposits remained stable, close to the reference rate (4.25%). The market participants still expect that the NBS will leave its rates unchanged until the anticipated increase in the ECB rates in September, as a result of which the Slovak and European interest rates should level out. Subsequently, both rates are expected to follow the same course next year. Different interest rate developments are only expected in the case of a marked appreciation in the Slovak koruna.

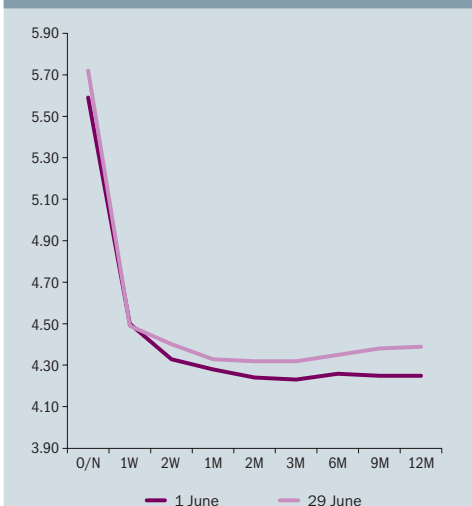
Money market rates were close to the reference rate (two-week repo) throughout the month. Towards the end of the period under review, the long end of the yield curve rose and approached the 4.40% level. Along with the rise in 3-month FRA rates (to 4.25%), this indicates that sector expects that the rates will not be raised and/or will be left at the current level until at least the end of the year. Besides overnight rates, intense movements were also recorded in 1- and 2-week rates, which followed a trend in line with the expected demand at tenders with regard to the level of liquidity in the sector.

The NBS continued conducting sterilisation repo tenders in a standard manner throughout the month of June and accepted in full the bids at four actions. This development had been expected by the banking sector, which was reflected in the minimum, average, and maximum interest rates accepted, which were at the level of 4.25%.

There was one auction in NBS bills in June. At this auction, banks made smaller bids than at the previous auction (by SKK 26.5 billion). The minimum yield demanded was 4.24%, the average 4.27%, and the maximum 4.40%. It was obviously not advantageous for banks to buy NBS bills, when the money market rate with a maturity equivalent to the NBS bills was almost 0.1% higher.

A comparison of the yield curves from the beginning and end of the month indicates a slight rise in rates for all maturities above the level of 4.30%. The prices of deposits rose above this level after the NBS had announced its decision to leave the key rates unchanged.

Chart 20 Comparison of BRIBOR Yield Curves at the Beginning of June and following the decision to leave key interest rates unchanged (%)



Source: NBS.



The level of liquidity in June was mostly influenced by repo tenders and NBS-bill auctions. Within the structure of liquidity, the share of sterilisation tenders in overall sterilisation decreased in comparison with the previous month by almost 9%. They were replaced by NBS bills, whose proportion increased to 13.4%, from 3.5% a month earlier. The smallest amounts were sterilised through overnight deposits, whose share decreased by 0.8%, to 0.02%. Despite this, the share of overnight repo operations increased; the funds were used for the replenishment of daily liquidity. The average daily sterilisation position of the NBS fell in comparison with May by SKK 64 million, to SKK 382.11 billion in June.

Liquidity**Table 22 Average Daily Impact of NBS Operations on the Level of Banking Sector Liquidity**

	Repo tenders		O/N repos		O/N deposits		NBS bills		Total
	Volume SKK mil.	Share in %	Volume SKK mil.	Share in %	Volume SKK mil.	Share in %	Volume SKK mil.	Share in %	
May 2007	-365,725	95.70	220,	0.06	-3,121	0.82	13,548	3.54	-382,175
June 2007	-332,012	86.89	1,121,	0.29	-87	0.02	-51,133	13.38	-382,112

Source: NBS.

The volume of trading on the interbank money market reached SKK 1,552.1 billion in June (compared with SKK 1,617.4 billion in May). Of the total volume of purchases and sales on the interbank market, the share of resident bank transactions increased to 33.8% and that of transactions with non-resident banks decreased to 66.2% compared with May. In interbank transactions, both resident and non-resident banks achieved the largest share in swap transactions (57.6% and 65.4% respectively). Compared with May, the volumes of deposits and repo operations increased, while those of swaps, FRA and IRS transactions decreased.

Interbank transactions**Table 23 Interbank Transactions**

(SKK millions)

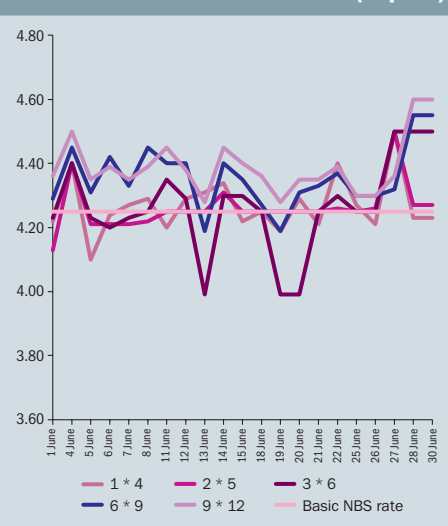
	Deposits	Repos	Swaps	FRAs	IRs
May 2007	631,552	0	962,008	11,500	12,290
June 2007	643,012	516	894,818	7,800	5,995

Source: NBS.

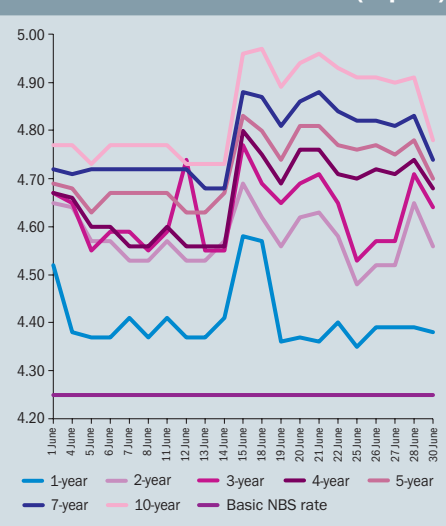
For June 2007, the amount of required minimum reserves in the banking sector was set at SKK 24.33 billion. By the end of the month, the reserve requirement had actually been fulfilled to 100.09%.

Reserve requirements**Developments in Money Market Interest Rate Derivatives**

Trading in forward rate agreements (FRA) recorded a downturn in June, compared with the previous month. Transactions were concluded exclusively with a maturity of three months and settlement in

Chart 21 Daily Developments in FRAs (% p. a.)

Source: Reuters.

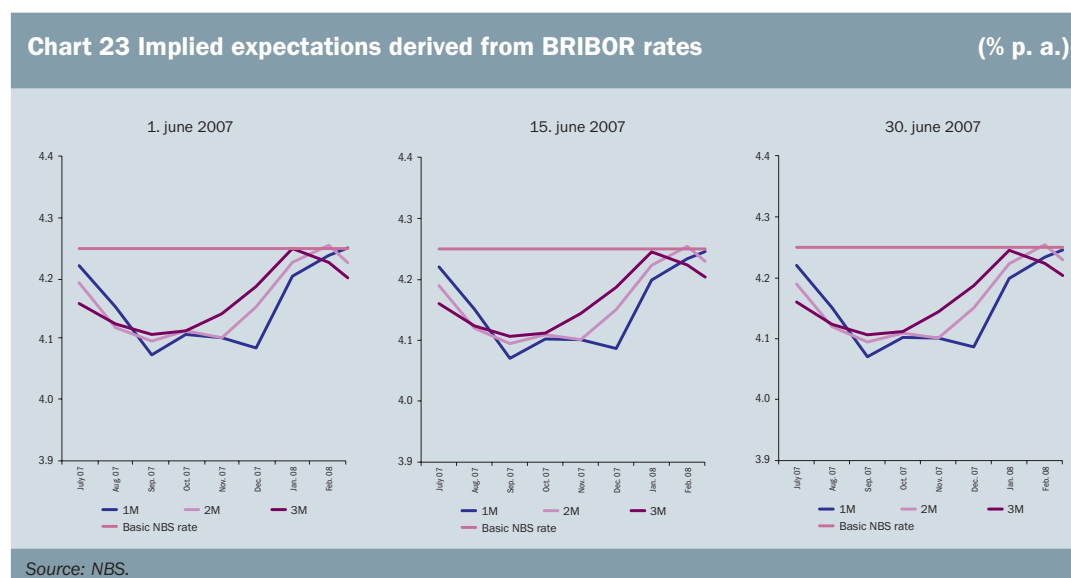
Chart 22 Daily Developments in IRs (% p. a.)

Source: Reuters.



three months (they accounted for 100% of the trading volume). Half of the transactions were conducted with domestic banks and the second half with foreign banks.

Trading in interest rate swaps (IRS) also recorded a decline in volume in comparison with the previous month. The transactions were, like FRAs, divided equally between domestic and foreign banks. Swap transactions were concluded with one- to ten-year maturities. They were dominated by contracts with a maturity of one year, which accounted for 46.71% of the total volume of IRS contracts. They were followed by transactions with one- to two-year maturities (43.37%).



The values of implied FRA rates for the beginning, middle, and end of the month indicated unchanged expectations, according to which the rates should fall to approximately 4.10% by October 2007 and then, at the beginning of next year, they are likely to rise to the level of the current reference rate (4.25%).

5.3 Customer Interest Rates in May 2007

Customer interest rates Average interest rates on new loans to non-financial corporations rose slightly in May, while those on loans to households followed the falling trend from the previous months. Interest rates on deposits from non-financial corporations and households rose somewhat.

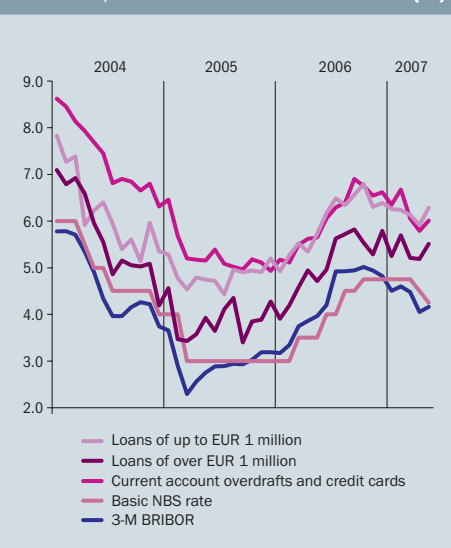
Average interest rates on new loans In May, the falling trend in interest rates on loans to non-financial corporations came to a halt and a slight rise occurred mainly as a result of developments in interbank market rates. Interest rates increased for current account overdrafts, which react to changes in market rates relatively sensitively. Lending rates rose to the same extent for small and medium-sized enterprises (loans of up to EUR 1 million), as well as large enterprises (loans of over EUR 1 million). The rise in interest rates was mainly reflected in short-term lending rates. Looking at the breakdown of loans by initial rate fixation (IRF), the steepest increases occurred in rates for loans with an IRF of up to 1 year. Interest rates on loans with longer fixation periods were stagnant in May. Regarding the structure of loans by purpose, lending rates increased for other loans and operating loans. Rates for investment loans continued to show a falling tendency in May.

Average interest rates on loans to households showed conflicting tendencies depending on the type of the loan provided. Interest rates on consumer loans and house purchase loans dropped, while the prices of current account overdrafts and other loans increased. Interest rates on loans for house purchases followed the slowly falling trend ongoing since the beginning of the year, and dropped by approximately 0.5 of a percentage point (to 6%). Within the scope of house purchase loans, the most significant drops occurred in rates for mortgage loans and building loans. The falling interest rates on loans for house purchases led to growth in demand for these products: house purchase loans were granted in the amount of SKK 11.3 billion during May (SKK 5.4 billion in mortgage loans and SKK 4.8 billion in other loans for house purchases), which is the largest amount recorded since the beginning of interest rate and loan reporting according to the ECB methodology (for comparison, the average for the first four months was less than SKK 5 billion, with a maximum recorded in April – SKK 9 billion). Interest rates on consumer loans dropped considerably in May, which was mainly reflected in rates for non-specific consumer loans. Since October 2006, interest rates on ‘American mortgages’ have shown a falling tendency, which is also connected with the increased volume of American mortgages granted



in the last few months (compared with last year). Looking at the breakdown of loans by initial rate fixation (IRF), lending rates for loans with a floating rate and an IRF of up to 1 year dropped, while long-term rates (with longer fixation periods) increased.

Chart 24 Interest Rates on Loans to Non-Financial Corporations, 3-M BRIBOR, and the Basic NBS Rate (%)



Source: NBS.

Chart 25 Interest Rates on Loans to Households by Type (%)



Source: NBS.

Table 24 Average Interest Rates on New Loans

	Interest rate in %						Change in May, in p.p.	
	Q1 2006	Q2 2006	Q3 2006	Q4 2006	Apr. 2007	May 2007	against Q2 2006	month-on-month
Loans granted to non-financial corporations								
Current account overdrafts and credit cards	5.49	6.06	6.90	6.62	5.79	6.02	-0.04	0.23
Loans of up to EUR 1 million – with a floating rate and an IRF of up to 1 year	5.47	6.25	6.49	6.33	6.04	6.52	0.28	0.48
– with an IRF of over 5 years	5.53	5.75	6.47	6.49	4.78	4.83	-0.92	0.05
Loans of over EUR 1 million – with a floating rate and an IRF of up to 1 year	4.38	4.87	5.71	5.60	5.19	5.67	0.80	0.48
– with an IRF of over 5 years	5.62	5.62	7.03	5.73	4.63	4.64	-0.98	0.01
Total	5.40	5.93	6.76	6.37	5.64	5.97	0.04	0.33
Total, excluding current account overdrafts and credit cards	4.98	5.38	6.04	5.89	5.42	5.85	0.47	0.43
Loans granted to households								
Current account overdrafts and credit cards	13.00	13.48	14.32	14.12	14.01	14.26	0.77	0.25
Consumer loans	11.91	13.66	13.09	13.65	12.69	12.02	-1.64	-0.67
House purchase loans of which: mortgage loans	5.54	5.92	6.54	6.76	6.07	5.99	0.07	-0.08
4.91	5.39	6.17	6.43	6.20	6.02	0.63	-0.18	
Other loans	6.18	6.49	7.34	7.46	6.41	6.71	0.22	0.30
Total	11.24	11.42	12.56	12.58	11.16	11.05	-0.37	-0.11
Total, excluding current account overdrafts and credit cards	7.13	7.71	8.32	8.39	7.35	7.11	-0.60	-0.24
Basic NBS rate	3.50	4.00	4.50	4.75	4.50	4.25	0.25	-0.25
3M BRIBOR	3.75	4.20	4.95	4.82	4.05	4.16	-0.04	0.11

Source: NBS.

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



Average interest rates on new deposits

Interest rates on deposit rates from non-financial corporations followed different trends according to the term of the deposit. Short-term deposit rates increased somewhat, while long-term deposit rates dropped. Within the scope of short-term deposits, interest rates rose significantly for deposits with an agreed maturity of up to 7 days and up to 1 month, and the price of deposits repayable on demand also increased slightly (mainly for demand deposits). Interest rates on deposits from non-financial corporations with agreed maturity reflected the increases in market rates for the relevant maturities. Within the scope of long-term deposits, interest rates dropped most significantly for deposits with an agreed maturity of over 2 years.

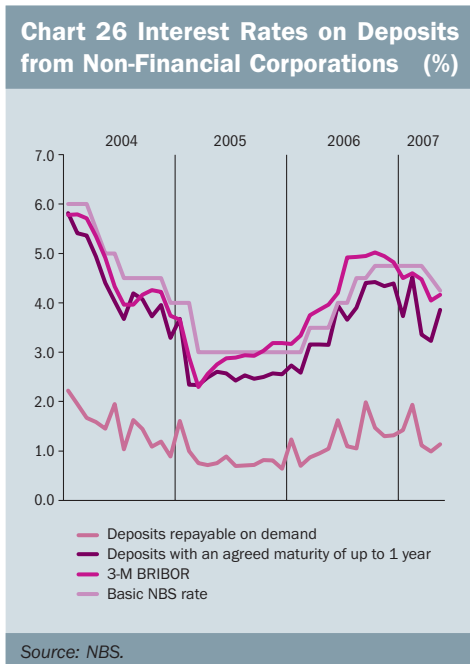


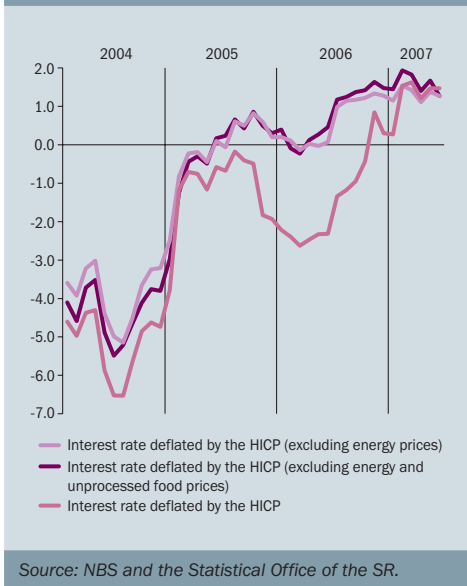
Table 25 Average Interest Rates on New Deposits

	Interest rate in %				Change in May, in p.p.		against Q2 2006	month-on-month
	Q1 2006	Q2 2006	Q3 2006	Q4 2006	Apr. 2007	May 2007		
New deposits from non-financial corporations								
Deposits repayable on demand	0.87	1.62	1.98	1.32	0.99	1.14	-0.48	0.15
Deposits with an agreed maturity of up to 1 year	3.16	3.95	4.41	4.39	3.23	3.86	-0.09	0.63
Deposits with an agreed maturity of over 1 and up to 2 years	3.87	4.05	2.56	3.28	-	1.77	-2.28	-
Deposits with an agreed maturity of over 2 years	3.83	1.54	8.40	2.62	3.00	2.66	1.12	-0.34
Total	1.86	2.51	3.00	2.70	2.11	2.49	-0.02	0.38
New deposits from households								
Deposits repayable on demand	0.44	0.51	0.54	0.50	0.51	0.54	0.03	0.03
Deposits with an agreed maturity								
– up to 1 year	2.02	3.23	3.85	3.92	2.87	3.17	-0.06	0.30
– over 1 and up to 2 years	2.29	3.06	3.94	3.98	3.20	2.88	-0.18	-0.32
– over 2 years	1.81	2.35	3.86	3.61	2.31	2.78	0.42	0.47
Deposits redeemable at notice								
– up to 3 months	1.04	1.07	1.46	1.54	1.36	1.47	0.40	0.11
– over 3 months	1.22	1.30	1.89	1.97	1.95	1.99	0.69	0.04
Total	0.79	0.96	1.16	1.18	0.99	1.07	0.11	0.08
Basic NBS rate	3.50	4.00	4.50	4.75	4.50	4.25	0.25	-0.25
3M BRIBOR	3.75	4.20	4.95	4.82	4.05	4.16	0.41	0.11

Source: NBS.

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

Chart 28 Real Interest Rates on Household Deposits (%)



In the case of household deposits, the rates of interest changed only for deposits with agreed maturity and deposits redeemable at notice. Interest rates on deposits repayable on demand remained unchanged in May. Regarding deposits with agreed maturity, interest rates rose for short-term deposits (up to 7 days and up to 1 month), like in the case of deposits from non-financial corporations. On the other hand, the prices of deposits with an agreed maturity of over 1 and up to 2 years dropped. A modest rise was recorded in rates for the longest-term deposits (over 2 and up to 5 years); this was also mirrored in the average interest rate on long-term household deposits. Interest rates also rose slightly for deposits redeemable at a period of notice of up to 3 months.

Overall, it is possible to say that deposit rates reacted to changes in interbank market rates, mainly those for non-financial corporations (they reacted more intensely than deposit rates for households).

The real interest rate on household deposits, calculated by deflating the rate of interest on new one-year household deposits by HICP inflation, stagnated in May

Real interest rates

at the level of 1.47%. Interest rates on one-year deposits dropped, but this drop was offset by a corresponding fall in inflation (by 0.5 of a percentage point).



Annexes

1 International Economy: An Overview in Tabular and Graphical Form

Table 26 Euro Area		(year-on-year changes in %, unless otherwise specified)						
	HICP	Prices HICP ¹ (core inflation)	PPI	GDP ^{2,3,4}	Real economy Industrial production ^{2,3}	Retail trade (sales) ^{2,3}	Unemployment (% of the labour force) ⁵	Financial market 10-years bonds (yield to maturity in %) ⁶
2004	2.1	2.1	2.3	2.0	2.2	1.6	8.8	4.14
2005	2.2	1.5	4.1	1.5	1.3	1.3	8.6	3.44
2006	2.2	1.5	5.1	2.8	4.0	2.1	7.9	3.86
2006 Q1	2.3	1.4	5.2	2.4	3.5	1.2	8.2	3.56
2006 Q2	2.5	1.5	5.8	2.9	4.3	2.3	7.9	4.05
2006 Q3	2.1	1.5	5.4	2.8	4.2	2.3	7.8	3.97
2006 Q4	1.8	1.6	4.1	3.3	4.0	2.3	7.6	3.86
2007 Q1	1.9	1.9	2.9	3.1	3.7	1.7	7.2	4.08
III.07	1.9	1.9	2.8		4.0	2.7	7.1	4.02
IV.07	1.9	1.9	2.4		2.9	1.6	7.1	4.25
V.07	1.9	1.9	2.3		2.5	0.4	7.0	4.37
VI.07	1.9	1.9						4.66

Source: Eurostat, ECB, NBS calculations.
¹⁾ Overall inflation, excluding energy and unprocessed food prices.
²⁾ Constant prices.
³⁾ Adjusted for seasonal and calendar effects.
⁴⁾ Adjusted for calendar effects.
⁵⁾ Annual data are not adjusted for calendar effects.
⁶⁾ Harmonised data, ILO definition, seasonally adjusted.

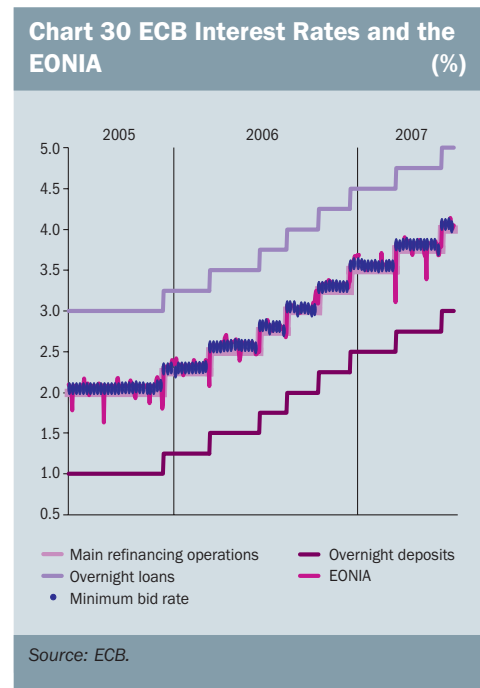




Table 27 Czech Republic (year-on-year changes in %, unless otherwise specified)

	Prices			Real economy				Financial market 10-years bonds (yield to maturity in %) ⁶
	HICP	HICP ¹ (core inflation)	PPI	GDP ^{2,3,4}	Industrial production ^{2,3}	Retail trade (sales) ^{2,3}	Unemployment (% of the labour force) ⁵	
2004	2.6	2.5	5.7	4.2	9.2	2.8	8.3	4.75
2005	1.6	0.9	3.0	6.1	6.7	3.9	7.9	3.51
2006	2.1	0.9	1.6	6.1	11.4	6.9	7.1	3.78
2006 Q1	2.4	0.8	0.3	6.6	13.9	7.2	7.7	3.46
2006 Q2	2.5	0.9	1.3	6.5	11.3	7.2	7.2	3.94
2006 Q3	2.4	1.0	2.5	6.4	10.2	5.9	7.0	3.93
2006 Q4	1.1	1.0	2.2	6.1	10.3	7.1	6.5	3.78
2007 Q1	1.7	1.9	3.1	6.2	12.3	8.4	5.9	3.79
III.07	2.1	2.3	3.5		13.0	10.1	5.7	3.76
IV.07	2.7	2.7	3.7		11.6	7.7	5.8	3.92
V.07	2.4	2.8	4.0		5.5		5.7	4.21
VI.07	2.6	3.0						4.51

Source: Eurostat, ECB, NBS calculations.

¹⁾ Overall inflation, excluding energy and unprocessed food prices.

²⁾ Constant prices.

³⁾ Adjusted for seasonal and calendar effects.

⁴⁾ Adjusted for calendar effects.

⁵⁾ Annual data are not adjusted for calendar effects.

⁶⁾ Harmonised data, ILO definition, seasonally adjusted.

Table 28 Hungary (year-on-year changes in %, unless otherwise specified)

	Prices			Real economy				Financial market 10-years bonds (yield to maturity in %) ⁶
	HICP	HICP ¹ (core inflation)	PPI	GDP ^{2,3,4}	Industrial production ^{2,3}	Retail trade (sales) ^{2,3}	Unemployment (% of the labour force) ⁵	
2004	6.8	6.4	8.4	4.8	6.7	5.4	6.1	8.19
2005	3.5	2.7	8.3	4.1	7.2	5.7	7.2	6.60
2006	4.0	2.5	8.4	3.9	10.8	4.3	7.5	7.12
2006 Q1	2.4	1.1	6.2	4.5	11.4	6.1	7.5	6.79
2006 Q2	2.7	1.4	7.0	3.9	8.7	4.4	7.3	7.04
2006 Q3	4.6	2.8	10.4	3.9	11.2	4.6	7.5	7.54
2006 Q4	6.4	4.6	9.7	3.3	11.7	2.6	7.5	7.10
2007 Q1	8.8	6.7	8.7	2.9	9.8	0.2	7.4	6.90
III.07	9.0	7.2	8.6		6.8	-0.5	7.4	6.79
IV.07	8.7	7.0	8.0		8.0	-2.5	7.6	6.65
V.07	8.4	7.2	7.8		5.7		7.7	6.53
VI.07	8.5	7.3					7.7	6.71

Source: Eurostat, ECB, NBS calculations.

¹⁾ Overall inflation, excluding energy and unprocessed food prices.

²⁾ Constant prices.

³⁾ Adjusted for seasonal and calendar effects.

⁴⁾ Adjusted for calendar effects.

⁵⁾ Annual data are not adjusted for calendar effects.

⁶⁾ Harmonised data, ILO definition, seasonally adjusted.



Table 29 Poland (year-on-year changes in %, unless otherwise specified)

	Prices			GDP ^{2,3,4}	Real economy			Financial market 10-years bonds (yield to maturity in %) ⁶
	HICP	HICP ¹ (core inflation)	PPI		Industrial production ^{2,3}	Retail trade (sales) ^{2,3}	Unemployment (% of the labour force) ⁵	
2004	3.6	2.8	7.6	5.3	12.2	4.8	19.0	6.90
2005	2.2	1.2	2.1	3.6	4.6	1.3	17.7	5.22
2006	1.3	0.6	2.5	6.1	12.2	9.6	13.8	5.23
2006 Q1	0.9	0.2	0.6	5.1	10.7	7.8	15.4	4.84
2006 Q2	1.4	0.4	2.7	6.0	13.7	10.8	14.2	5.28
2006 Q3	1.5	0.7	3.8	6.2	13.6	8.7	13.3	5.55
2006 Q4	1.3	1.0	3.1	6.9	10.9	10.6	12.3	5.25
2007 Q1	2.0	1.2	3.9	6.8	14.0	16.3	11.0	5.18
III.07	2.4	1.2	4.1		13.7	18.8	10.6	5.19
IV.07	2.2	1.5	3.0		10.3	10.4	10.7	5.28
V.07	2.3	1.8	3.3		8.1	8.4	10.5	5.29
VI.07	2.6	2.0						

Source: Eurostat, ECB, NBS calculations.

¹⁾ Overall inflation, excluding energy and unprocessed food prices.

²⁾ Constant prices.

³⁾ Adjusted for seasonal and calendar effects.

⁴⁾ Annual data are not adjusted for calendar effects.

⁵⁾ Harmonised data, ILO definition, seasonally adjusted.

⁶⁾ Long-term interest rates according to the Maastricht criteria.

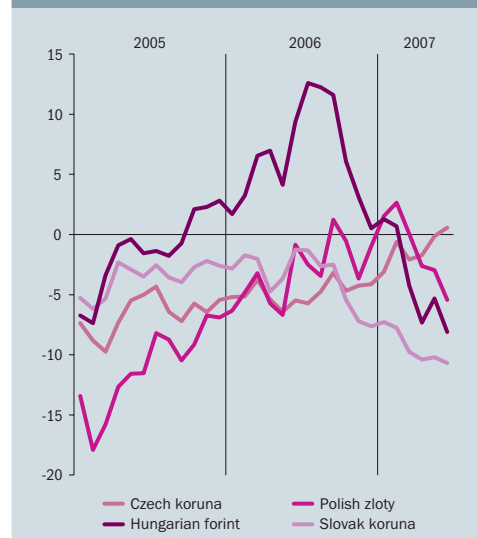
Chart 31 Exchange Rate Indices of V4 Currencies against the Euro
(31. 12. 2004 = 100)



Zdroj: Eurostat, výpočty NBS.

Poznámka: Pokles hodnoty predstavuje apreciáciu.

Chart 32 Exchange Rates of V4 Currencies against the Euro
(year-on-year changes in %)



Zdroj: Eurostat, výpočty NBS.

Poznámka. Záporné hodnoty znamenajú apreciáciu.



Table 30 United States (year-on-year changes in %, unless otherwise specified)

	Prices			GDP ³	Real economy		Unemployment	Financial market 10-years bonds (yield to maturity in %)
	CPI	CPI ¹ (core inflation)	PPI ²		Industrial production ⁴	Retail trade ⁵		
2004	2.7	1.8	3.6	3.9	2.5	6.1	5.5	4.27
2005	3.4	2.2	4.9	3.2	3.2	6.6	5.1	4.29
2006	3.2	2.5	2.9	3.3	4.0	6.1	4.6	4.80
2006 Q1	3.6	2.1	4.4	3.7	3.3	7.9	4.7	4.57
2006 Q2	4.0	2.5	4.4	3.5	4.2	6.4	4.6	5.07
2006 Q3	3.3	2.8	2.8	3.0	5.1	5.4	4.7	4.90
2006 Q4	1.9	2.6	0.3	3.1	3.5	5.0	4.5	4.63
2007 Q1	2.4	2.6	2.0	1.9	2.4	3.4	4.5	4.68
III.07	2.8	2.5	3.1		2.1	4.4	4.4	4.56
IV.07	2.6	2.3	3.2		1.6	3.1	4.5	4.69
V.07	2.7	2.2	3.9		1.6	5.0	4.5	4.75
VI.07								5.10

Source: Bureau of Economic Analysis, Bureau of Labour Statistics, Federal Reserve System, U.S. Department of Commerce.
¹ Core CPI (excluding food and energy) inflation, excluding food and energy.
² PPI finished products (commodity data - finished goods).
³ Seasonally adjusted.
⁴ Industrial production in total (seasonally adjusted.)
⁵ Retail trade and restaurant services (retail sales and food services).

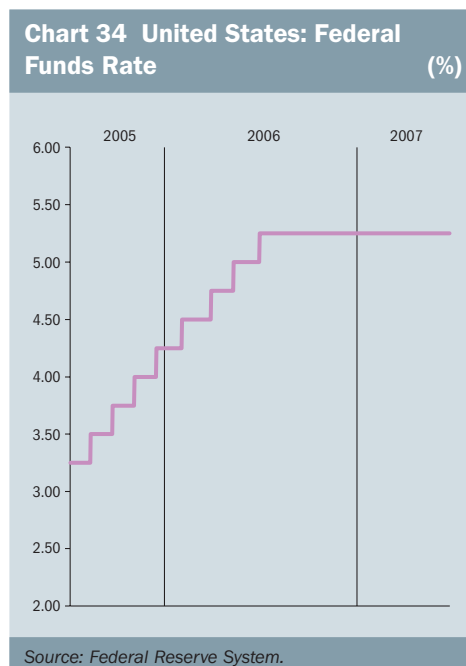
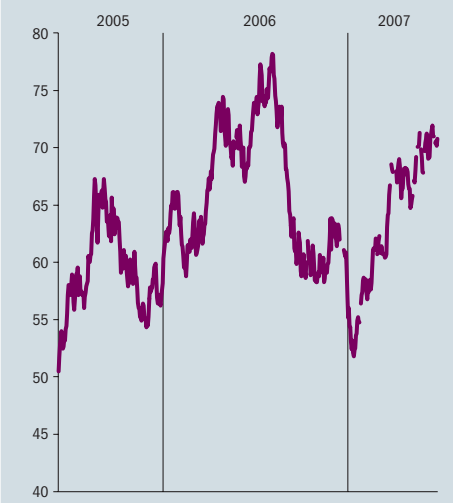




Chart 35 Oil Prices: USD/Barrel
(USD)



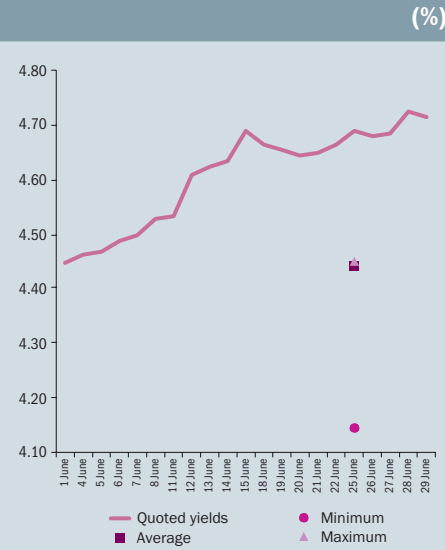
Source: Reuters.

2 Capital Market

2.1 Primary Market

In June, the Agency for Debt and Liquidity Management (ARDAL) held two auctions in government bonds. At one of these auctions (bonds with a residual maturity of 12 years), no bids were accepted. At the other June auction (5-year zero-coupon bonds), bonds were placed on the primary market in the amount of SKK 2.2 billion. According to the issuer's statement, no further government bonds are planned to be issued this year in significant amounts.

Chart 36 Government Bond No. 207 – auction results compared with the values of quoted yields (%)



Source: ARDAL, Reuters.
Note: 5-year maturity.

On the primary market for non-government bonds, eight mortgage bond issues were floated in June, in the amount of SKK 5.6 billion (four of them were in mortgage bonds amounting to SKK 3.2 billion).

2.2 Secondary Market

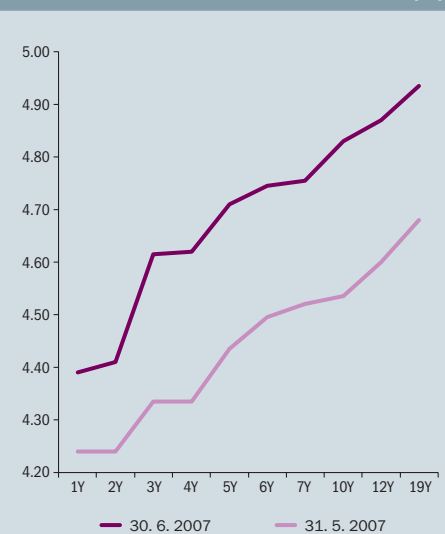
The total volume traded on the Bratislava Stock Exchange (BCPB) reached SKK 6.9 billion in June (in 497 transactions), representing a month-on-month decline of 37.3%. Price-setting transactions accounted for SKK 0.1 billion and direct transactions SKK 6.8 billion.

Non-resident investors were responsible for 63.0% of the total volume traded in June, of which 64.5% were purchases and 61.6% sales.

The upward trend in bond yields from May continued in the first half of June, due to developments in the domestic currency and a rise in euro-area yields. During June, the government bond yield curve shifted upwards by an average of 25 basis points.

Bonds

Chart 37 Benchmark Government Bond Yield Curves (%)



Source: Reuters, NBS.

Chart 38 Bond Transactions on the BCPB (SKK billions)



Source: Bratislava Stock Exchange (BCPB).

The BCPB recorded 117 bond transactions totalling SKK 6.9 billion during the month (i.e. 99.5% of the total volume traded on the BCPB floor in June).



The market capitalisation of bonds as at the last trading day of June reached SKK 443.5 billion, representing a month-on-month increase of 1.0%. Compared with the end of May, the capitalisation of quoted bonds recorded the same increase in percentage terms, to SKK 424.1 billion.

SDXGroup indices

Table 31 The values of SDXGroup indices as at the end of June 2007

Sector	SDXGroup indices		Yield to maturity (%)	Duration (in years)
	Price	Performance		
Public	101.9	118.6	4.627	5.169
SDXG sub-index (<=5)	101.1	116.9	4.414	3.044
SDXG sub-index (>5)	102.9	121.0	4.716	7.303
Private (corporate + mortgage bonds)	99.1	120.7	4.768	3.271
SDXG sub-index (<=5)	98.4	120.8	5.106	1.233
SDXG sub-index (>5)	103.1	120.4	4.695	5.100

Source: BCPB.

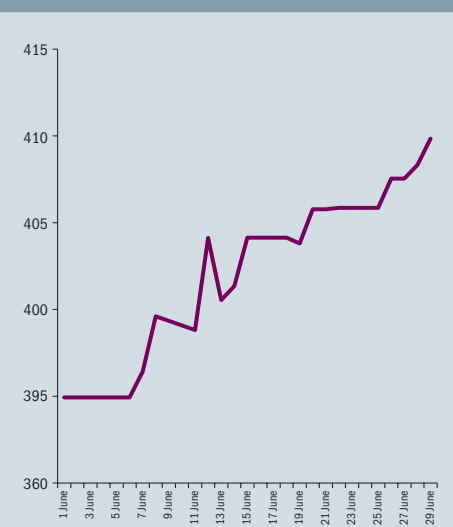
Shares During the month under review, the volume traded in equity securities reached only SKK 33.1 million. Shares were traded in 380 transactions, in which 19,676 pieces of shares changed hands. Direct transactions accounted for 48.0% of the total volume, the remaining 52.0% took place in price-setting transactions.

By the last trading day of June, the market capitalisation of equity securities had increased by 1.6% month-on-month, to SKK 150.9 billion. The actual amount of issues that had a market price at least once in the past, except for investment fund shares and participation certificates, was SKK 144.0 billion (a month-on-month decrease of 1.7%) and accounted for 95.5% of the total equity market capitalisation. The market capitalisation of quoted issues increased from the end of May by 4.0%, to SKK 5.1 billion.

During the month under review, the BCPB accepted no new share issues for trading on the quoted market, nor on the regulated open market, and did not stop trading in shares on any of its markets.

SAX index The SAX index closed the month at 409.84 points, representing a month-on-month rise of 3.8%. The index reached a monthly maximum on the last day of June (409.84 points) and a minimum on the first day (394.93 points).

Chart 39 Developments in the SAX Index in June 2007 (points)



Source: BCPB.

Table 32 Weights of Basic SAX Index Components

Company	Weights in % 2007						Monthly change June 2007
	Jan.	Feb.	Mar.	Apr.	May	June	
Biotika, a. s.	4.18	4.47	4.14	5.02	4.65	4.70	0.05
OTP Banka Slovensko, a. s.	25.04	23.69	26.06	22.95	23.01	23.33	0.32
SES Tlmače, a. s.	8.80	12.51	9.36	10.57	11.02	11.83	0.81
Slovnaft, a. s.	31.40	29.30	30.09	29.88	30.86	30.40	-0.46
Všeobecná úverová banka, a. s.	30.58	30.03	30.36	31.59	30.46	29.74	-0.72

Source: BCPB.



3 Methodological Notes to Selected Indicators

3.1 Monetary Statistics

3.1.1 Statistics of Monetary Aggregates (ECB Methodology)

The methodology of the ECB is implemented on the basis of data from harmonised statements of monetary and banking statistics, which were introduced by the NBS in 2003. According to ECB methodology, monetary aggregates were calculated in 2003 and 2004 on the basis of a harmonised balance from the 'M (NBS) 1-12 - Statistical Balance' monthly statement, from which the NBS compiles aggregated and consolidated balances for the 'monetary financial institutions' (MFI) sector. In 2003, as in the national methodology, the MFI sector was composed of the National Bank of Slovakia, commercial banks with a registered office in the SR, home savings banks, and the local branches of foreign banks. With effect from January 2004, in accordance with the ECB methodology, the MFI sector was extended to include money market investment funds, which are now required to report to the NBS on a monthly basis (the list of all MFIs monitored by the NBS is regularly updated on the website of the National Bank of Slovakia)³.

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

- liabilities arising from issued debt securities are reduced by debt securities issued by MFIs in the holdings of MFIs;
- deposits and loans received from MFIs are reduced by receivables from MFIs;
- liabilities arising from issued equity securities are reduced by MFI shares and other equities held by MFIs.

Table 33 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
= Money (M1 - 'narrow money')	= M1 ('narrow money')
TIME DEPOSITS (all maturities, in SKK)	+ deposits and received loans with an agreed maturity of up to 2 years
+	+ deposits and received loans redeemable at a period of notice of up to 3 months
FOREIGN CURRENCY DEPOSITS	= M2 ('intermediate money')
= QUASI-MONEY [QM - 'quasi money']	+ repurchase operations
	+ money market fund shares/units
	+ debt securities with a maturity of up to 2 years, and other money market products
= Money supply M2 (=M1+QM)	M3 MONETARY AGGREGATE ('broad money')

The main differences between the individual methodologies are as follows:

- **in the definition of monetary financial institutions:**
 - the ECB methodology uses an extended file of monetary financial institutions (MFIs), which includes the NBS, commercial banks, and money market funds - the deposits of money market

³ The actual list of monetary financial institutions (MFIs) and detailed methodological information on harmonised monetary and banking statistics are available on the website of the National Bank of Slovakia (<http://www.nbs.sk>), in the 'Harmonised Monetary and Banking Statistics' section, within the 'Banking Sector in the SR' menu.



- funds (MMFs) in commercial banks are treated in this sense as interbank operations and are not directly included in the monetary aggregates;
- the NBS methodology includes only NBS and commercial bank liabilities in the monetary aggregates - hence the deposits of money market funds (MMFs) in commercial banks appear in the balance sheets of commercial banks as customer deposits of financial institutions and are directly included in the M2 money supply;
- **in the nature and liquidity of the resources:**
 - the ECB methodology monitors liquidity through the broader M3 aggregate, which also includes repo operations, the unit certificates of open-end money market investment funds, and debt securities, which represent, in terms of liquidity and profitability, a substitute for bank deposits (with regard to maturity, ECB liabilities with a maturity of over 2 years are not included in the monetary aggregates);
 - the NBS methodology monitors the money supply measured in terms of the M2 aggregate, which is composed of currency in circulation and bank deposits irrespective of the time of maturity;
 - **in the definitions of deposits and loans:**
 - the ECB methodology extends the definition of deposits to include also subordinated debt in the form of deposits, liabilities arising from repo operations, and non-negotiable securities issued by banks and held by clients (in the case of loans, they also include non-marketable securities issued by clients and held by banks, subordinated debt in the form of loans, receivables in respect of repo operations, and tradable loans);
 - the NBS methodology uses a so-called 'narrow definition' for both loans and deposits, i.e. they only correspond to the amount of funds recorded by MFIs as loans (including classified loans) and deposits;
 - **in the structure of monetary aggregates by sector:**
 - the ECB methodology (with the deposits of MMFs being deducted from customer deposits) covers the above sectors, as well as the deposits of local government (S.1313) and social insurance funds (S.1314)⁴;
 - the NBS methodology includes deposits in the M2 money supply from the following economic sectors:
 - *non-financial corporations (S.11);*
 - *financial corporations (S.123 and S.124) – including MMF deposits;*
 - *insurance companies and pension funds (S.125);*
 - *non-profit institutions mainly serving households (S.15);*
 - *households (S.14 – sole traders);*
 - *households (S.14 – accounts of citizens).*
 - **in respect of the residence of economic entities:**
 - the ECB methodology exclusively takes into account the funds of residents (in Slovak koruna as well as foreign currency);
 - the NBS methodology also monitors the koruna deposits of non-residents as part of the monetary aggregates;
 - **in respect of accrued assets and liabilities:**
 - in the ECB methodology, accrued assets and liabilities are excluded from the monetary aggregates;
 - in the NBS methodology, accrued assets and liabilities are included in the deposit and loan accounts of clients;
 - **in respect of the seasonal adjustment of time series:**
 - unlike the ECB methodology, the NBS methodology uses seasonally unadjusted data⁵.

3.1.2 Statistics of Monetary Aggregates (NBS methodology – Monetary Survey)

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

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

⁵ In the conditions of the NBS, the recording of seasonally adjusted data according to ECB methodology is currently in the stage of preparation.



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

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

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

As of the beginning of 2005, customer interest rates are evaluated according to ECB methodology, where interest rates are monitored on loans granted⁶ and deposits received (new contracts). According to this methodology, the subjects of monitoring are interest rates on new business volumes. New loans and new deposits are understood to be contracts signed for the first time, fixing the rate of interest agreed between the bank and the customer, and new contracts negotiated with the active participation of the customer.

In a breakdown by sector, lending and deposit rates for households and non-financial corporations are assessed in the way these sectors are defined in Directive No. 63/2002⁷ of the European Central Bank, concerning interest rate statistics.

The monitoring of interest rates on loans to and deposits from households and non-financial corporations is expected to provide more detailed information on the functioning of the transmission mechanism, since interest rates are analysed irrespective of the sectors that have a special position vis-à-vis the banking sector, i.e. insurance companies, pension funds, and the general government sector.

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

Loans to households are classified by purpose as follows:

- current account overdrafts
- operation loans (for sole traders only)
- investment loans
- consumer loans
- real estate loans
 - mortgage loans
 - building loans
 - intermediate loans
 - other real estate loans
- other loans.

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

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

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

⁷ According to Article 1 paragraph 2 of Decree No. 63/2002 of the European Central Bank of 20 December 2001, concerning the statistics of interest rates of monetary financial institutions on loans to and deposits from households and non-financial corporations, the term 'households' as defined in Annex A to Directive No. 2223/96 of the European Communities of 25 June 1996 on the European System of National and Regional Accounts (ESA95) means the household sector S.14 (i.e. households and sole traders) and non-profit institutions serving households S.15, and the term 'non-financial corporations' means sector S.11.



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

- deposits repayable on demand
 - demand deposits
 - overnight deposits
- deposits with agreed maturity
 - up to 1 year
 - up to 7 days
 - up to 1 month
 - up to 3 months
 - up to 6 months
 - up to 1 year
 - more than 1 year
 - up to 2 years
 - over 2 years
- deposits
 - redeemable at a period of notice of up to 3 months
 - redeemable at a period of notice of over 3 months.

Interest rates on loans and deposits are calculated as a weighted arithmetical average of all interest rates on loans/deposits for each category separately. The weight of new loans represents the total amount laid down in contracts, regardless of whether the given amount is drawn within the month under review or not.

Subsidies granted to clients by third parties are not taken into account in determining the level of interest rates, because banks neither pay nor receive subsidies. For example, interest rates on mortgage loans with government bonuses are recorded without the state subsidies.

3.1.4 Classification of Loans According to Quality

Year 2005⁸

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

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

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

Standard claims – defined as claims where:

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

Standard claims with qualification – defined as claims where:

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

⁸ Until 2004, claims had been classified as standard loans, standard loans with qualification, non-standard loans, doubtful loans, and loss-making loans.



Non-standard claims – defined as claims where:

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

Doubtful claims – defined as claims where:

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

Loss-making claims – defined as claims where:

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

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

Year 2006

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

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

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

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

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

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

- significant and
- insignificant.

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

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



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

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

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

3.1.5 Balance of Payments

In 2006, a methodological change was introduced in respect of the reporting of funds received from the EU budget. Originally, all receipts were recorded within the balance of current transfers. The new categorisation reflects the character of the individual funds through which money is drawn from the EU, i.e. distinguishes between funds used for common and/or investment purposes. This led to the shift of part of these funds from the balance of current transfers to the balance of capital transfers with a subsequent negative impact on the current account balance. The methodological change has no effect on the external equilibrium, since the lower receipts in the current account are fully offset by increased inflows in the capital and financial account.

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.

Národná banka Slovenska (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						
		6	7	8	9	10	11	12	1	2	3	4	5	6
REAL ECONOMY														
Gross domestic product ^{1) 2)}	SKK billions	605.388 ^(p)	-	-	940.440 ^(p)	-	-	1275.254 ^(p)	-	-	314.724 ^(p)	-	-	.
Year-on-year change in GDP ³⁾	%	6.7 ^(p)	-	-	7.8 ^(p)	-	-	8.3 ^(p)	-	-	9.0 ^(p)	-	-	.
Unemployment rate ^{4) 9)}	%	10.4	10.2	9.9	9.8	9.3	9.1	9.4	9.5	9.2	8.9	8.5	8.3	.
Consumer prices (HICP) ^{3) 8)}	%	4.5	5.0	5.0	4.5	3.1	3.7	3.7	2.2	2.0	2.1	2.0	1.5	1.5.
Consumer prices (CPI) ³⁾	%	4.6	5.0	5.1	4.6	3.7	4.3	4.2	3.0	2.7	2.7	2.7	2.3	2.5
BALANCE OF TRADE ^{2) 7) (p)}														
Exports (fob)	SKK millions	569,719	670,878	776,894	892,061	1,019,193	1,140,390	1,239,359	110,683	218,369	338,918	449,449	569,832	.
Imports (fob)	SKK millions	614,718	718,573	830,426	955,690	1,088,580	1,219,711	1,330,986	105,494	215,982	339,759	451,292	575,214	.
Balance	SKK millions	-44,999	-47,695	-53,532	-63,630	-69,387	-79,320	-91,627	5,189	2,388	-841	-1,843	-5,382	.
BALANCE OF PAYMENTS ²⁾														
Current account ⁹⁾	SKK millions	-63,202.5	-85,828.1	-88,365.9	-105,618.4	-113,868.7	-122,166.6	-135,597.0	8,452.7	6,356.6	-3,587.3	-3,741.0	.	.
Capital and financial account	SKK millions	63,846.2	-29,921.4	-13,778.1	-10,303.7	-1,263.2	7,660.7	32,400.7	3,114.1	-8,469.4	56,425.6	85,406.7	.	.
Overall balance	SKK millions	7,670.5	-84,844.0	-82,462.8	-80,296.1	-81,998.3	-80,591.6	-78,095.9	20,494.8	16,710.9	76,763.8	99,653.0	.	.
FOREIGN EXCHANGE RESERVES ⁴⁾														
Total foreign exchange reserves	USD millions	17,904.7	16,499.7	16,349.2	15,876.2	15,567.4	15,479.5	15,512.9	15,851.6	15,982.6	18,365.4	20,165.6	19,426.2	19,837.1
NBS foreign exchange reserves	USD millions	16,128.9	13,140.0	13,243.1	13,234.2	13,145.5	13,371.1	13,363.8	14,004.6	14,080.5	16,605.2	17,739.3	17,657.5	17,597.7
GROSS EXTERNAL DEBT ⁴⁾														
Total gross external debt	USD billions	31.5	28.3	29.8	29.3	30.5	31.5	32.2	31.3	32.2	35.2	37	.	.
External debt per capita	USD	5,856	5,255	5,536	5,453	5,662	5,860	5,987	5,815	5,981	6,549	6,883	.	.
MONETARY INDICATORS														
Exchange rate ⁵⁾	SKK/USD	30.054	30.286	29.426	29.448	29.225	27.915	26.504	26.694	26.434	25.583	24.788	24.954	25.355
M3 monetary aggregate ^{4) 8)}	SKK billions	861.2	871.8	892.4	894.3	911.7	926.7	958.5	961.1	974.0	980.8	989.6	1014.3	.
Year-on-year change in M3 ³⁾	%	11.2	11.8	13.6	12.9	13.9	16.1	15.3	16.5	16.8	16.7	16.4	19.2	.
Claims of monetary financial institutions ⁸⁾	SKK billions	833.1	829.2	843.2	850.3	878.9	885.6	895.7	887.5	889.9	900.2	910.8	936.7	.
STATE BUDGET ^{2) 4)}														
Revenue	SKK billions	138.0	166.5	188.9	212.2	240.6	262.1	291.9	27.1	46.0	70.2	107.4	121.5	145.8
Expenditure	SKK billions	148.3	171.7	194.6	217.3	241.7	269.1	323.6	24.2	54.5	82.1	108.9	134.5	156.8
Balance	SKK billions	-10.3	-5.2	-5.7	-5.1	-1.1	-7.0	-31.7	2.9	-8.5	-11.9	1.5	11.5	11.0
MONEY MARKET														
Interest rates set by the NBS Bank Board														
Date of validity ⁶⁾		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	25/04/2007	25/04/2007	25/04/2007
Overnight operations														
- sterilisation	%	3.00	3.00	3.00	3.25	3.25	3.25	3.25	3.25	3.25	2.50	2.25	2.25	2.25
- refinancing	%	5.00	6.00	6.00	6.25	6.25	6.25	6.25	6.25	6.25	6.00	5.75	5.75	5.75
Limit rate for 2-week repo tenders	%	4.00	4.50	4.50	4.75	4.75	4.75	4.75	4.75	4.75	4.50	4.25	4.25	4.25
Basic interest rate of the NBS (until 31/12/02: discount rate)	%	4.00	4.50	4.50	4.75	4.75	4.75	4.75	4.75	4.75	4.50	4.25	4.25	4.25
Average interbank deposit rate (BRIBOR)														
overnight	%	4.51	3.83	4.11	4.85	4.59	4.02	5.03	3.63	5.61	3.80	2.99	3.61	4.68
7-day	%	4.17	4.11	4.49	4.68	4.79	4.67	4.82	4.11	4.93	4.11	3.47	4.11	4.34
14-day	%	4.11	4.22	4.54	4.66	4.84	4.77	4.81	4.24	4.82	4.25	3.64	4.18	4.30
1-month	%	4.11	4.50	4.63	4.72	4.93	4.86	4.83	4.44	4.75	4.40	3.88	4.20	4.27
2-month	%	4.14	4.75	4.77	4.88	4.99	4.92	4.84	4.50	4.67	4.52	3.98	4.17	4.26
3-month	%	4.20	4.92	4.93	4.95	5.02	4.94	4.82	4.50	4.60	4.48	4.05	4.16	4.27
6-month	%	4.45	5.18	5.22	5.19	5.06	4.96	4.80	4.47	4.49	4.44	4.10	4.16	4.27
9-month	%	4.62	5.35	5.34	5.28	5.09	4.96	4.78	4.42	4.40	4.41	4.13	4.18	4.28
12-month	%	4.71	5.47	5.43	5.36	5.11	4.94	4.76	4.41	4.36	4.39	4.16	4.20	4.30

(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 %) ¹⁾	Volume (SKK billions)												
		2006						2007						
		5	6	7	8	9	10	11	12	1	2	3	4	5
Claims of MFIs on residents	44.0	578.1	592.4	589.1	598.3	602.6	631.1	636.7	646.4	653.5	658.1	667.7	674.6	690.3
General government	1.5	23.7	23.0	23.0	23.0	17.2	17.8	17.7	18.8	18.6	21.4	23.4	24.3	23.0
Private sector	42.5	554.4	569.4	566.1	575.3	585.3	613.3	618.9	627.6	635.0	636.7	644.3	650.3	667.4
Non-financial corporations	22.1	292.2	299.3	291.2	295.7	300.9	323.5	324.0	326.5	331.1	331.6	333.2	337.6	346.7
- up to 1 year	9.3	127.6	133.8	126.6	127.0	130.2	137.1	136.3	135.0	136.2	140.3	144.3	142.3	146.3
- 1 to 5 years	4.4	58.6	56.7	54.5	56.2	56.0	64.0	65.0	64.0	65.0	65.7	64.2	68.5	69.2
- over 5 years	8.4	106.0	108.8	110.1	112.5	114.7	122.5	122.7	127.4	129.9	125.6	124.7	126.8	131.3
Financial corporations	3.8	59.7	61.3	61.2	60.8	60.5	60.6	61.4	63.0	62.9	60.8	61.6	59.6	60.4
Insurance corporations and pension funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Households and non-profit institutions serving households	16.6	202.3	208.5	213.5	218.6	223.6	228.8	233.3	237.9	240.7	243.9	249.2	252.8	260.0
- consumer loans	2.4	31.9	32.6	33.0	33.5	34.3	35.1	35.7	36.0	36.3	36.7	37.5	36.7	37.4
- housing loans	11.0	131.9	136.1	139.4	142.9	145.9	149.2	152.2	156.7	159.6	161.7	164.8	168.4	173.4
- other loans	3.1	38.4	39.8	41.2	42.2	43.4	44.5	45.4	45.2	44.8	45.5	46.9	47.7	49.2
Securities other than shares and participation certificates issued by residents	15.3	238.3	234.9	234.4	239.4	242.1	242.3	243.3	243.8	228.1	225.6	226.3	230.0	239.4
General government	14.8	229.6	225.9	225.5	230.5	233.6	233.8	234.9	236.0	220.7	218.2	218.9	222.7	232.5
Private sector	0.4	8.8	9.0	8.9	8.8	8.5	8.4	8.4	7.8	7.5	7.4	7.4	7.3	6.9
Shares and other equities issued by private sector	0.4	5.7	5.7	5.6	5.6	5.6	5.6	5.6	5.6	5.9	6.2	6.2	6.2	6.9
Foreign assets	34.7	608.6	607.8	524.1	529.9	512.9	492.4	460.4	452.4	478.4	468.2	508.8	542.3	544.6
Fixed assets	2.1	33.1	33.0	33.1	32.9	32.7	32.7	32.6	34.2	33.3	33.0	33.1	32.8	32.6
Other assets	3.5	40.7	46.3	43.0	44.3	42.7	48.7	55.7	57.2	50.5	51.1	53.6	54.5	55.4
Deposits and loans received from the central government	3.8	107.6	106.0	99.6	95.5	84.8	88.8	83.7	45.0	20.8	15.5	17.6	43.6	59.0
Long-term financial liabilities	10.3	183.0	192.9	194.2	191.2	190.3	182.3	172.5	169.6	174.2	167.4	156.3	157.7	161.5
Deposits and loans received with an agreed maturity of over 2 years	4.4	60.5	61.0	61.9	62.1	62.4	62.6	62.9	66.7	67.4	69.1	68.7	68.1	68.5
Deposits redeemable at a period of notice of over 3 months	1.5	26.4	26.1	25.8	25.3	25.0	24.7	24.4	24.3	24.0	23.8	23.6	23.7	23.6
Debt securities issued with a maturity of over 2 years	2.2	21.9	24.9	25.1	25.5	25.9	27.6	28.8	31.6	31.7	30.9	32.0	33.8	34.5
Capital, reserves, and provisions	2.2	74.3	80.9	81.4	78.3	77.0	67.3	56.3	47.0	51.1	43.7	32.1	32.2	34.9
Foreign liabilities	16.4	306.3	305.2	212.4	219.5	216.5	208.3	182.0	196.3	225.5	208.4	258.1	270.4	256.8
Other liabilities	5.0	56.6	54.9	51.3	52.0	52.8	64.7	69.5	71.8	68.3	77.2	83.5	80.8	78.5
Surplus of liabilities among MFIs	-0.1	-0.1	-0.1	0.0	0.0	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.5	-2.0	-0.9
M3	64.6	851.2	861.2	871.8	892.4	894.3	911.7	926.7	958.5	961.1	974.0	980.8	989.6	1,014.3
Total	100.0	1,504.6	1,520.2	1,429.3	1,450.4	1,438.6	1,452.7	1,434.2	1,439.6	1,449.7	1,442.3	1,495.7	1,540.2	1,569.3

1) In the current month.



Average Interest Rates on New Loans

(ECB methodology)

	2006								2007				
	5	6	7	8	9	10	11	12	1	2	3	4	5
Loans in total¹⁾	6.99	7.40	7.71	8.05	8.22	8.16	7.85	7.73	7.94	7.92	7.50	6.91	7.22
Current account overdrafts	7.12	7.63	7.81	7.96	8.35	8.25	8.08	8.22	7.99	8.24	7.73	7.55	7.94
Operation loans	4.32	4.74	5.35	5.42	5.53	5.66	5.15	5.32	5.32	5.72	4.92	4.62	5.00
Investment loans	5.75	6.18	6.45	6.60	6.69	6.41	6.44	6.17	6.10	6.06	5.93	5.64	5.51
Consumer loans	12.82	13.66	13.13	13.62	13.09	12.77	13.94	13.67	12.76	13.01	14.11	12.26	11.73
Real estate loans	5.83	5.92	6.09	6.39	6.53	6.62	6.58	6.52	6.49	6.11	6.13	6.05	5.96
of which:													
Mortgage loans	5.20	5.39	5.68	6.11	6.18	6.33	6.35	6.46	6.36	6.40	6.30	6.19	6.03
Construction loans	5.09	5.01	5.19	5.00	5.03	5.12	4.91	4.79	5.02	4.97	4.88	5.03	4.91
Intermediate loans	6.66	6.59	6.54	6.35	6.41	6.78	6.90	6.87	6.64	7.00	6.84	6.92	6.88
Other real estate loans	5.83	6.07	6.20	6.75	6.97	6.86	6.61	6.49	6.55	5.90	5.95	5.79	5.77
Other loans	5.55	6.36	6.51	7.13	6.89	6.26	7.08	6.63	6.13	6.33	6.29	5.23	5.82
Floating rate + IRF for up to 1 year incl.	6.97	7.40	7.71	8.10	8.25	8.21	7.84	7.80	7.95	7.95	7.53	7.07	7.46
IRF for over 1 year and up to 5 years incl.	7.38	7.95	7.82	7.63	7.75	7.56	8.34	7.05	7.61	7.13	7.82	5.61	5.52
IRF for over 5 years and up to 10 years incl.	7.34	7.03	7.26	7.32	7.50	7.70	7.65	8.06	7.99	8.03	6.40	6.34	6.61
IRF for over 10 years	6.63	6.01	6.72	6.63	6.94	6.99	6.94	6.02	6.77	7.12	6.52	5.67	5.85
Households													
Loans in total	11.18	11.42	12.16	12.32	12.56	12.57	12.82	12.54	12.85	12.80	12.56	11.16	11.05
Current account overdrafts	12.55	13.05	13.15	13.51	13.57	13.65	13.54	13.44	13.54	13.64	13.56	13.42	13.78
Operation loans	6.50	6.47	7.38	7.30	6.09	6.78	6.98	6.83	6.65	6.72	6.45	6.51	6.83
Investment loans	6.44	6.91	7.55	7.60	7.25	7.51	7.13	7.02	7.02	7.27	6.66	6.89	6.38
Consumer loans	12.82	13.66	13.13	13.62	13.23	12.77	13.95	13.67	12.76	13.03	14.11	12.69	12.02
Real estate loans	5.82	5.92	6.09	6.41	6.54	6.67	6.69	6.76	6.59	6.62	6.50	6.07	5.99
of which:													
Mortgage loans	5.20	5.39	5.68	6.11	6.16	6.33	6.34	6.45	6.32	6.41	6.29	6.20	6.02
Construction loans	5.09	5.01	5.19	5.00	5.03	5.12	4.91	4.79	5.02	4.97	4.88	5.03	4.91
Intermediate loans	6.69	6.62	6.54	6.41	6.44	6.84	7.03	6.90	6.73	7.00	6.85	6.95	6.91
Other real estate loans	5.82	6.06	6.20	6.76	7.01	7.00	6.86	7.02	6.96	6.68	6.63	5.78	5.78
Other loans	6.35	6.49	6.60	7.08	7.34	7.84	7.38	7.46	7.41	7.22	7.19	6.41	6.71
Credit cards	15.88	15.81	18.04	18.09	18.17	18.03	17.80	17.27	17.28	17.29	17.05	16.99	16.82
Floating rate + IRF for up to 1 year incl.	11.84	12.15	12.85	13.27	13.35	13.33	13.47	13.18	13.48	13.51	13.37	11.58	11.45
IRF for over 1 year and up to 5 years incl.	7.82	8.46	8.30	8.24	8.65	8.83	9.38	8.86	8.27	8.39	8.22	7.89	7.72
IRF for over 5 years and up to 10 years incl.	7.65	7.74	7.58	7.64	7.96	8.20	8.56	8.49	8.66	8.59	8.68	9.13	9.43
IRF for over 10 years	6.69	5.99	6.89	6.63	6.95	7.18	6.90	7.02	7.15	7.19	7.07	7.11	8.07
Non-financial corporations													
Loans in total	5.54	5.93	6.24	6.33	6.76	6.62	6.26	6.37	6.21	6.49	5.92	5.64	5.97
Current account overdrafts	5.64	6.04	6.28	6.38	6.89	6.73	6.53	6.60	6.33	6.66	6.04	5.78	6.00
Operation loans	4.67	4.87	5.59	5.41	5.66	5.71	5.08	5.32	5.40	5.72	4.96	4.73	5.05
Investment loans	5.67	6.00	6.37	6.53	6.70	6.64	6.71	6.31	5.79	6.01	5.92	5.62	5.58
Real estate loans	5.93	6.24	5.85	5.99	6.07	6.80	6.12	6.29	6.17	6.88	5.83	5.93	5.80
Other loans	5.30	6.32	6.12	7.05	6.59	5.98	6.75	6.49	5.74	5.80	5.55	5.74	6.75
Credit cards	13.92	14.22	17.24	17.12	16.49	17.47	16.68	17.27	17.22	17.29	17.08	17.12	16.37
Loans up 1 million EUR	5.72	6.17	6.49	6.35	7.45	6.80	6.31	6.39	6.26	6.24	6.13	5.92	6.29
Loans over 1 million EUR	4.71	4.96	5.63	5.72	5.36	5.54	5.29	5.79	5.25	5.70	5.21	5.19	5.51
Floating rate + IRF for up to 1 year incl.	5.54	5.93	6.23	6.33	6.77	6.63	6.25	6.37	6.21	6.49	5.92	5.66	6.03
IRF for over 1 year and up to 5 years incl.	5.71	6.13	6.56	6.48	6.74	6.57	6.73	6.46	6.24	6.55	6.53	5.68	5.54
IRF for over 5 years and up to 10 years incl.	5.80	5.53	6.46	6.25	6.74	6.52	6.51	6.50	6.48	6.41	5.82	4.67	4.73
IRF for over 10 years	6.34	6.43	6.31	6.56	6.81	6.64	7.94	5.83	6.24	7.04	5.97	4.70	5.14

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				
	5	6	7	8	9	10	11	12	1	2	3	4	5
Deposits in total ¹⁾	1.66	2.01	1.91	2.09	2.37	2.46	2.35	2.32	2.12	2.40	1.81	1.85	2.16
Deposits payable on demand	0.82	1.12	0.93	0.83	1.27	1.02	0.95	1.02	1.02	1.31	0.86	0.77	0.88
of which: demand deposits	0.63	0.78	0.73	0.69	0.92	0.82	0.76	0.79	0.83	0.95	0.71	0.68	0.78
overnight deposits	2.55	4.39	2.69	3.18	5.53	3.92	3.17	3.65	3.12	4.26	2.19	2.12	2.02
Deposits with agreed maturity ²⁾	3.12	3.81	3.65	3.99	4.29	4.43	4.36	4.40	3.74	4.44	3.36	3.33	3.85
- up to 1 year in total	3.13	3.82	3.66	3.99	4.29	4.43	4.36	4.40	3.74	4.45	3.36	3.33	3.85
- up to 7 days	2.64	4.10	3.24	3.27	4.57	3.98	3.68	4.00	3.47	4.61	2.72	2.34	3.30
- up to 1 month	3.27	3.80	3.80	4.24	4.27	4.57	4.52	4.55	3.83	4.50	3.65	3.57	4.00
- up to 3 months	2.56	3.01	3.49	3.67	3.58	3.88	3.98	3.92	3.78	3.75	3.63	2.87	3.05
- up to 6 months	2.64	2.90	3.74	3.75	3.81	3.98	3.66	3.87	3.90	3.77	3.66	3.43	2.78
- up to 1 year	2.53	3.27	3.43	3.92	3.73	3.90	3.64	3.90	3.65	3.56	3.21	3.33	3.44
- over 1 year in total	1.51	2.37	2.48	3.88	3.84	3.86	3.94	3.72	3.39	2.29	2.35	2.02	2.77
- up to 2 years	2.04	2.60	3.50	3.89	3.75	3.93	4.06	4.07	3.62	3.03	2.24	3.08	2.77
- over 2 years	1.45	2.37	2.45	3.97	4.04	3.99	3.99	4.00	3.41	2.28	3.80	1.94	2.87
Deposits redeemable at notice	1.21	1.23	1.54	1.65	1.75	1.79	1.81	1.83	1.79	1.82	1.82	1.78	1.84
- up to 3 months	1.07	1.09	1.45	1.47	1.47	1.54	1.55	1.55	1.48	1.49	1.48	1.39	1.50
- over 3 months	1.28	1.30	1.59	1.75	1.89	1.91	1.93	1.97	1.93	1.98	1.98	1.95	1.99
Households													
Deposits in total	0.86	0.96	0.99	1.10	1.16	1.21	1.13	1.18	1.16	1.18	1.07	0.99	1.07
Deposits payable on demand	0.45	0.51	0.50	0.51	0.54	0.51	0.50	0.50	0.51	0.58	0.54	0.51	0.54
of which: demand deposits	0.43	0.45	0.47	0.49	0.49	0.48	0.47	0.48	0.49	0.48	0.52	0.50	0.53
overnight deposits	2.35	3.97	2.41	2.83	5.02	3.73	3.09	3.11	2.86	4.00	2.08	1.75	1.74
Deposits with agreed maturity	2.55	3.21	3.16	3.59	3.85	3.92	3.83	3.91	3.57	3.86	3.17	2.87	3.16
- up to 1 year in total	2.57	3.23	3.20	3.58	3.85	3.92	3.83	3.92	3.58	3.93	3.17	2.87	3.17
- up to 7 days	2.38	3.69	2.79	3.11	4.29	3.69	3.34	3.83	3.62	4.38	2.85	2.48	3.08
- up to 1 month	2.62	3.13	3.17	3.49	3.65	3.90	3.90	3.90	3.39	3.89	3.16	2.86	3.22
- up to 3 months	2.33	2.82	3.15	3.29	3.33	3.65	3.58	3.66	3.73	3.47	3.30	2.65	2.73
- up to 6 months	2.43	2.76	3.29	3.54	3.70	3.59	3.52	3.54	3.14	3.21	3.19	2.70	2.57
- up to 1 year	2.37	3.10	3.77	4.00	4.05	3.97	4.01	3.98	3.77	3.66	3.33	3.50	2.99
- long-term over 1 year	1.50	2.38	2.19	3.89	3.90	3.86	3.90	3.67	3.39	2.29	2.61	2.43	2.77
- up to 2 years	2.00	3.00	3.44	3.89	3.95	3.93	3.99	3.95	3.65	3.09	2.28	3.09	2.79
- over 2 years	1.47	2.35	2.14	3.89	3.86	4.04	3.74	3.61	3.37	2.27	3.24	2.31	2.78
Deposits redeemable at notice	1.21	1.22	1.54	1.65	1.75	1.78	1.81	1.83	1.79	1.82	1.82	1.78	1.83
- up to 3 months	1.06	1.07	1.43	1.45	1.46	1.52	1.54	1.54	1.46	1.47	1.46	1.36	1.47
- over 3 months	1.28	1.30	1.59	1.75	1.89	1.91	1.93	1.97	1.93	1.98	1.98	1.95	1.99
Non-financial corporations													
Deposits in total	1.95	2.51	2.11	2.34	3.00	2.87	2.69	2.70	2.58	3.09	2.17	2.11	2.49
Deposits payable on demand	1.05	1.62	1.10	1.05	1.98	1.47	1.30	1.32	1.42	1.94	1.11	0.99	1.14
of which: demand deposits	0.73	1.01	0.72	0.78	1.35	1.12	0.98	1.02	1.10	1.41	0.89	0.84	0.96
overnight deposits	2.64	4.44	2.71	3.18	5.58	3.98	3.14	3.70	3.18	4.52	2.14	2.11	2.11
Deposits with agreed maturity	3.15	3.95	3.66	3.90	4.41	4.42	4.34	4.39	3.73	4.52	3.36	3.23	3.86
- up to 1 year in total	3.15	3.95	3.66	3.90	4.41	4.42	4.34	4.39	3.73	4.52	3.36	3.23	3.86
- up to 7 days	2.63	4.17	3.31	3.28	4.58	4.00	3.68	3.99	3.44	4.64	2.73	2.32	3.36
- up to 1 month	3.32	3.83	3.82	4.21	4.34	4.59	4.54	4.58	3.82	4.52	3.64	3.49	4.01
- up to 3 months	3.16	3.57	3.89	4.08	4.11	4.26	4.43	4.37	3.89	4.06	4.04	3.16	3.33
- up to 6 months	3.51	3.70	4.21	4.54	4.20	4.72	4.19	4.39	4.02	4.05	4.03	3.97	3.63
- up to 1 year	3.59	3.78	2.59	4.29	3.87	4.51	4.21	4.05	3.55	3.70	3.06	3.20	3.67
- long-term over 1 year	1.92	2.63	3.53	1.99	5.29	2.02	4.25	3.19	2.80	2.55	2.54	3.00	2.46
- up to 2 years	2.45	4.05	4.91	-	2.56	2.39	4.38	3.28	3.23	2.84	2.66	-	-
- over 2 years	1.42	1.54	3.52	1.99	8.40	1.98	2.42	2.62	1.98	1.32	1.50	3.00	2.66
Deposits redeemable at notice	1.83	1.96	1.95	1.92	1.91	2.13	2.27	2.08	2.30	2.33	2.40	2.86	2.98
- up to 3 months	1.88	2.01	2.00	1.96	1.96	2.19	2.23	2.14	2.38	2.42	2.48	2.96	3.11
- over 3 months	1.16	1.21	1.21	1.21	1.21	1.20	2.83	1.20	1.19	1.19	1.21	1.36	1.65

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				
	5	6	7	8	9	10	11	12	1	2	3	4	5
Loans in total¹⁾	6.19	6.40	6.55	6.66	6.87	6.90	6.90	6.91	6.83	6.90	6.83	6.74	6.86
Current account overdrafts	7.10	7.58	7.79	7.93	8.34	8.28	8.07	8.22	8.02	8.24	7.73	7.54	7.94
Consumer loans	12.31	12.63	12.68	12.74	12.86	12.85	12.89	12.94	12.96	12.99	13.12	13.37	13.38
Operation loans	4.42	4.81	4.98	5.19	5.30	5.38	5.35	5.29	5.10	5.23	4.95	4.74	4.80
Investment loans	4.94	5.18	5.41	5.57	5.83	5.92	5.94	5.86	5.70	5.68	5.55	5.52	5.48
Real estate purchase loans	6.17	6.20	6.22	6.25	6.28	6.35	6.39	6.42	6.44	6.46	6.56	6.55	6.59
Other loans	5.24	5.40	5.59	5.76	6.08	6.06	6.20	6.27	6.15	6.22	6.25	5.88	5.99
Credit cards	16.14	16.08	18.05	18.06	18.13	18.07	17.82	17.30	17.31	17.34	17.08	17.01	16.81
Short-term loans	6.07	6.42	6.69	6.88	7.13	7.17	7.01	7.01	6.87	7.04	6.69	6.52	6.90
Long-term loans over 1 year and up to 5 years	7.27	7.47	7.56	7.67	7.99	7.99	7.97	7.99	7.87	7.86	7.91	7.95	8.01
Long-term loans over 5 years	5.78	5.92	6.03	6.12	6.27	6.32	6.40	6.42	6.41	6.44	6.50	6.41	6.43
Households													
Loans in total	7.82	7.91	7.95	8.00	8.05	8.09	8.11	8.12	8.13	8.17	8.29	8.28	8.34
Current account overdrafts	12.47	12.91	13.10	13.43	13.45	13.64	13.43	13.44	13.54	13.65	13.56	13.39	13.78
Consumer loans	12.31	12.63	12.68	12.74	12.86	12.85	12.89	12.95	12.96	12.99	13.12	13.38	13.40
Real estate purchase loans	6.23	6.26	6.26	6.29	6.31	6.34	6.39	6.42	6.44	6.49	6.65	6.66	6.69
Other loans	6.92	6.93	6.94	7.02	7.08	7.21	7.24	7.28	7.29	7.31	7.21	7.20	7.20
Credit cards	16.20	16.14	18.07	18.09	18.17	18.08	17.85	17.30	17.32	17.35	17.09	17.01	16.83
Short-term loans	12.37	12.69	13.14	13.49	13.57	13.72	13.53	13.57	13.63	13.76	13.61	13.53	13.80
Long-term loans over 1 year and up to 5 years	10.83	10.99	10.99	11.05	11.13	11.11	11.15	11.15	11.15	11.12	11.26	11.23	11.22
Long-term loans over 5 years	6.34	6.41	6.44	6.48	6.53	6.59	6.65	6.69	6.72	6.78	6.92	6.94	6.98
Non-financial institutions													
Loans in total	5.09	5.41	5.65	5.82	6.14	6.16	6.13	6.11	5.95	6.05	5.80	5.58	5.71
Current account overdrafts	5.59	6.00	6.25	6.36	6.91	6.78	6.56	6.60	6.38	6.66	6.05	5.78	6.00
Operation loans	4.39	4.92	5.11	5.33	5.45	5.52	5.47	5.37	5.11	5.25	4.94	4.63	4.72
Investment loans	5.05	5.31	5.56	5.74	5.97	6.07	6.09	6.00	5.84	5.83	5.69	5.58	5.53
Real estate purchase loans	5.08	5.30	5.56	5.55	5.83	6.53	6.53	6.49	6.42	6.35	6.20	6.05	6.09
Other loans	5.18	5.31	5.53	5.77	6.06	5.89	6.13	6.15	5.97	6.09	6.19	5.75	6.09
Credit cards	14.31	14.49	17.24	17.12	16.49	17.47	16.68	17.27	17.23	17.30	17.08	17.12	16.34
Short-term loans	5.04	5.45	5.70	5.85	6.26	6.24	6.10	6.08	5.88	6.07	5.66	5.42	5.68
Long-term loans over 1 year and up to 5 years	5.43	5.69	5.91	6.14	6.31	6.41	6.35	6.38	6.19	6.24	6.13	5.88	5.94
Long-term loans over 5 years	4.96	5.20	5.45	5.61	5.88	5.94	6.04	6.02	5.92	5.91	5.79	5.62	5.60

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				
	5	6	7	8	9	10	11	12	1	2	3	4	5
Deposits in total¹⁾	1.72	2.02	1.94	2.11	2.39	2.38	2.32	2.34	2.18	2.45	1.97	2.03	2.23
Deposits payable on demand	0.80	1.12	0.86	0.82	1.26	1.01	0.95	1.02	1.01	1.28	0.86	0.77	0.88
of which: demand deposits	0.61	0.77	0.66	0.69	0.90	0.81	0.75	0.79	0.82	0.94	0.71	0.68	0.78
overnight deposits	2.55	4.39	2.68	3.19	5.54	3.93	3.17	3.65	3.11	4.02	2.19	2.13	1.95
Deposits with agreed maturity ²⁾	2.56	2.91	2.92	3.16	3.36	3.46	3.45	3.54	3.22	3.52	2.96	3.01	3.28
- up to 1 year in total	2.55	2.98	2.99	3.28	3.51	3.62	3.61	3.74	3.36	3.73	3.04	3.09	3.41
- up to 7 days	2.49	3.83	2.85	3.16	4.82	3.88	3.52	3.55	3.22	3.99	2.38	2.38	3.12
- up to 1 month	2.95	3.39	3.44	3.76	3.83	4.09	4.07	4.05	3.43	3.99	3.07	3.21	3.65
- up to 3 months	1.98	2.15	2.45	2.72	2.78	2.85	2.92	2.93	3.03	3.05	2.99	2.60	2.48
- up to 6 months	1.93	2.12	2.41	2.69	2.94	3.07	3.19	3.28	3.41	3.39	3.36	3.26	2.93
- up to 1 year	0.97	1.12	1.29	1.68	1.90	2.08	2.20	3.35	3.42	3.43	3.49	3.53	3.58
- over 1 year in total	2.59	2.56	2.55	2.55	2.55	2.56	2.57	2.57	2.55	2.57	2.58	2.59	2.57
- up to 2 years	1.94	2.30	2.36	2.52	2.83	3.07	3.26	3.28	3.32	3.27	3.10	3.19	3.17
- over 2 years	2.60	2.57	2.55	2.55	2.55	2.55	2.55	2.55	2.53	2.54	2.56	2.58	2.55
Deposits redeemable at notice	1.21	1.23	1.54	1.65	1.75	1.79	1.81	1.83	1.78	1.82	1.82	1.78	1.81
- up to 3 months	1.07	1.09	1.45	1.47	1.47	1.54	1.55	1.55	1.46	1.49	1.48	1.39	1.50
- over 3 months	1.28	1.30	1.59	1.75	1.89	1.91	1.93	1.97	1.93	1.98	1.98	1.95	1.94
Households													
Deposits in total	1.31	1.43	1.51	1.64	1.74	1.79	1.81	1.87	1.84	1.91	1.82	1.74	1.76
Deposits payable on demand	0.45	0.51	0.50	0.51	0.54	0.51	0.50	0.50	0.51	0.57	0.54	0.51	0.54
of which: demand deposits	0.43	0.45	0.47	0.49	0.49	0.48	0.47	0.48	0.49	0.48	0.52	0.50	0.53
overnight deposits	2.35	3.97	2.41	2.83	5.02	3.73	3.09	3.11	2.86	3.94	2.08	1.75	1.80
Deposits with agreed maturity	2.13	2.33	2.42	2.61	2.74	2.83	2.87	2.92	2.87	2.94	2.81	2.70	2.71
- up to 1 year in total	1.89	2.21	2.36	2.65	2.83	2.94	3.00	3.07	3.01	3.11	2.91	2.74	2.77
- up to 7 days	1.70	2.80	2.19	2.22	3.62	3.01	2.54	2.84	2.58	3.48	1.90	1.68	2.73
- up to 1 month	1.85	2.20	2.33	2.51	2.56	2.71	2.72	2.76	2.58	2.73	2.46	2.17	2.28
- up to 3 months	1.83	2.03	2.25	2.50	2.59	2.69	2.72	2.75	2.85	2.85	2.79	2.48	2.31
- up to 6 months	1.82	2.01	2.24	2.53	2.76	2.90	3.03	3.10	3.12	3.10	3.03	2.95	2.85
- up to 1 year	1.83	2.09	2.45	3.01	3.26	3.40	3.53	3.62	3.69	3.71	3.75	3.76	3.75
- long-term over 1 year	2.59	2.57	2.54	2.54	2.55	2.56	2.57	2.57	2.55	2.57	2.58	2.60	2.57
- up to 2 years	1.84	2.24	2.32	2.53	2.92	3.17	3.38	3.44	3.49	3.44	3.47	3.38	3.29
- over 2 years	2.60	2.57	2.55	2.54	2.54	2.55	2.55	2.55	2.52	2.54	2.56	2.59	2.56
Deposits redeemable at notice	1.21	1.22	1.54	1.65	1.75	1.78	1.81	1.83	1.78	1.82	1.82	1.77	1.80
- up to 3 months	1.06	1.07	1.43	1.45	1.46	1.52	1.54	1.54	1.45	1.47	1.46	1.36	1.47
- over 3 months	1.28	1.30	1.59	1.75	1.89	1.91	1.93	1.97	1.93	1.98	1.98	1.95	1.94
Non-financial corporations													
Deposits in total	1.89	2.43	2.09	2.34	3.03	2.80	2.60	2.56	2.48	3.03	2.08	2.14	2.42
Deposits payable on demand	1.05	1.62	1.10	1.05	1.98	1.47	1.30	1.32	1.41	1.89	1.11	0.99	1.13
of which: demand deposits	0.73	1.01	0.72	0.78	1.35	1.12	0.98	1.02	1.09	1.40	0.89	0.84	0.96
overnight deposits	2.64	4.44	2.71	3.18	5.58	3.98	3.15	3.70	3.18	4.26	2.14	2.11	2.04
Deposits with agreed maturity	3.07	3.72	3.58	3.86	4.35	4.34	4.28	4.24	3.72	4.36	3.20	3.28	3.81
- up to 1 year in total	3.08	3.73	3.58	3.87	4.36	4.35	4.29	4.25	3.73	4.37	3.20	3.28	3.81
- up to 7 days	2.66	4.02	3.00	3.35	5.13	4.07	3.68	3.58	3.33	4.15	2.42	2.55	3.23
- up to 1 month	3.16	3.70	3.72	4.07	4.20	4.45	4.40	4.45	3.76	4.49	3.31	3.43	3.97
- up to 3 months	2.97	3.09	3.56	3.78	3.90	3.97	4.16	4.12	3.83	4.00	3.86	3.28	3.27
- up to 6 months	2.89	3.08	3.22	3.34	3.91	4.11	4.24	4.41	3.98	3.99	4.03	3.98	3.70
- up to 1 year	2.73	2.96	2.92	3.10	3.34	3.66	3.65	3.85	3.63	3.72	3.69	3.71	3.69
- long-term over 1 year	2.41	2.47	2.86	2.80	2.82	2.85	3.01	2.93	2.83	2.67	2.50	2.45	2.39
- up to 2 years	2.51	2.69	2.77	2.69	2.69	2.74	3.39	3.18	3.16	3.07	2.94	2.86	3.23
- over 2 years	2.36	2.36	2.88	2.82	2.85	2.87	2.86	2.85	2.71	2.51	2.32	2.30	2.28
Deposits redeemable at notice	1.83	1.96	1.95	1.92	1.91	2.13	2.27	2.08	1.96	2.33	2.40	2.86	2.98
- up to 3 months	1.88	2.01	2.00	1.96	1.96	2.19	2.23	2.14	2.01	2.42	2.48	2.96	3.11
- over 3 months	1.16	1.21	1.21	1.21	1.21	1.20	2.83	1.20	1.19	1.19	1.21	1.36	1.65

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

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

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



Shortened Balance Sheet of Commercial Banks as at 31 May 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	nonresidenti	
Total assets	58,910,213	1,303,171,420	51,851,032	177,563,393	56,348,816	1,530,024,448
Cash items	0	12,501,081	0	41,263	3,430,864	15,973,208
Cash in hand	0	11,438,699	0	0	3,198,112	14,636,811
of which: EUR	0	0	0	0	1,621,537	1,621,537
Gold	0	0	0	0	0	0
Amounts in transit	0	1,062,382	0	41,263	232,752	1,336,397
Loans and other receivables	22,360,238	868,188,371	20,106,949	157,478,296	33,097,767	1,056,511,145
Deposits and loans to NBS, foreign central banks and post office banks	807	308,856,316	0	0	93,917	308,949,426
of which: Valued on an individual basis						
with no identifiable depreciation (category I)	807	239,477,978	0	0	93,917	239,571,088
Valued on a portfolio basis (category II)	0	69,378,338	0	0	0	69,378,338
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	841,328	0	0	93,604	934,932
Time deposits	0	24,769,550	0	0	0	24,769,550
Loans provided	807	272,024,976	0	0	0	272,024,169
Money reserve accounts	0	11,220,462	0	0	0	11,220,462
of which: Minimum reserve requirements	0	11,054,837	0	0	0	11,054,837
Postal cheque accounts	0	0	0	0	313	313
Deposits and loans to banks	73,540	15,960,645	14,644,461	5,837,888	15,268,288	51,637,742
of which: Valued on an individual basis						
with no identifiable depreciation (category I)	1,542	14,636,006	10,417,009	5,820,334	12,150,867	43,022,674
Valued on a portfolio basis (category II)	2,249	1,283,045	4,227,452	17,554	2,426,838	7,952,640
Valued on an individual basis						
with identifiable depreciation (category III)	69,749	41,594	0	0	690,583	662,428
of which: Failed	40,378	40,419	0	0	0	41
of which: Deposits with and loans to own financial group	113	705,288	3,759,405	0	6,080,802	10,545,382
of which: Current accounts in banks	0	501,629	25,650	72,341	4,675,002	5,274,622
Current accounts of other banks	50	49,690	4,421,682	1	842,316	5,313,639
Time deposits	473	12,457,703	10,184,235	5,559,510	5,727,630	33,928,605
Loans provided	73,017	2,825,021	0	0	3,925,468	6,677,472
Other receivables from banks	0	126,602	12,894	206,036	97,872	443,404
Receivables from customers	22,275,996	526,851,800	5,462,467	145,315,704	17,280,529	672,634,504
of which: Valued on an individual basis						
with no identifiable depreciation (category I)	202,146	144,956,760	3,837,196	73,546,423	11,120,653	233,258,886
Valued on a portfolio basis (category II)	13,304,227	361,840,719	1,312,081	66,389,894	5,066,769	421,305,236
Valued on an individual basis						
with identifiable depreciation (category III)	8,769,623	20,054,321	313,190	5,379,387	1,093,107	18,070,382
of which: Failed	15,838,308	20,726,259	179,882	843,973	471,588	6,383,394
of which: MMIF loans	0	0	0	0	0	0
Loans to general government and international organizations (S.13)	9,895	16,519,610	21	6,324,704	173,951	23,008,391
of which: Valued on an individual basis						
with no identifiable depreciation (category I)	6,193	11,148,238	21	5,835,973	173,951	17,151,990
Valued on a portfolio basis (category II)	3,702	5,347,069	0	488,731	0	5,832,098
Valued on an individual basis						
with identifiable depreciation (category III)	0	24,303	0	0	0	24,303
of which: Failed	4	5	0	0	0	1
of which: Deposits to central government (S.1311)	0	0	0	0	0	0
Loans to central government (S.1311)	0	6,323,355	21	55,751	173,951	6,553,078
of which: SR Treasury	0	13	0	0	0	13
Other funds	0	0	0	0	0	0
Loans to local governments (S.1313)	9,895	10,067,801	0	6,268,953	0	16,326,859
Loans to social security funds (S.1314)	0	128,454	0	0	0	128,454
of which: Health insurance companies	0	0	0	0	0	0
Social Insurance Corporation	0	128,454	0	0	0	128,454
Debt securities	0	0	0	0	281,082	281,082
Financial instruments available for sale	337,269	33,520,256	4,513,249	4,136,015	7,223,441	49,055,692
Financial instruments at fair value through profit/loss: held for trading (excluding derivatives)	0	104,778,374	1,770,223	3,240,918	1,834,905	111,624,420
Financial instruments at fair value towards profit/loss: others (from the point of settlement)	0	9,625,085	1,721,855	5,725,758	6,561,873	23,634,571
Positive fair value of derivative transactions for trading	0	7,566,578	16,319,958	-	-	23,886,536
Financial instruments held to maturity	28,899	193,288,703	5,695,246	3,411,097	3,580,638	205,946,785
Positive fair value of derivative hedge transactions	0	97,911	297,229	-	-	395,140
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	683,318	5,376,998	873,345	0	0	5,567,025
Funds to branches abroad	0	0	0	0	488,047	488,047
Tangible assets	23,191,334	44,707,835	0	6,640	69,285	21,592,426
Intangible assets	10,432,771	15,392,009	0	0	0	4,959,238
Other assets	951,341	4,697,420	552,978	3,523,406	61,996	7,884,459
Tax receivables	0	1,521,114	0	0	0	1,521,114
Depreciation	34,128,082	35,128,082	0	0	0	1,000,000
Non-current assets held for sale (IFRS 5)	925,043	1,909,685	0	0	0	984,642



Shortened Balance Sheet of Commercial Banks as at 31 May 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
Total liabilities	1,067,067,435	110,612,238	140,788,980	211,555,795	1,530,024,448
PAYABLES	1,001,290,155	68,921,240	140,700,324	211,521,949	1,422,433,668
Deposits and loans from NBS and foreign central banks	2,996,382	0	22,597	0	3,018,979
of which: Current accounts	47	0	0	0	47
Time deposits	0	0	0	0	0
Loans received	2,996,335	0	22,597	0	3,018,932
Postal cheque accounts	0	0	0	0	0
Financial liabilities valued at amortized costs	959,292,381	52,869,567	128,842,908	157,404,278	1,298,409,134
Deposits, loans and other liabilities received from banks	14,985,986	38,541,498	5,400,930	137,240,160	196,168,574
of which: Deposits and loans received from own financial group	215,946	24,731,321	0	105,462,323	130,409,590
of which: Current accounts in banks	49,690	25,009	0	7,627,781	7,702,480
Current accounts of other banks	495,427	10,569,009	72,486	3,445,088	14,582,010
Time deposits	11,542,786	26,253,265	5,313,662	111,435,523	154,545,236
Subordinate debts	213,392	1,066,368	0	4,733,964	6,013,724
Loans received	2,600,436	605,837	0	9,372,346	12,578,619
Other liabilities received from banks	84,255	22,010	14,782	625,458	746,505
Deposits and loans received from customers	776,445,561	10,410,885	101,229,119	10,018,674	898,104,239
of which: MMIF deposits	21,431,452	0	384	0	21,431,836
of which: Current accounts and other financial undated liabilities	303,735,731	5,503,223	51,872,292	3,685,242	364,796,488
Time deposits	422,858,188	4,781,544	44,657,658	2,454,817	474,752,207
Deposits redeemable at notice	32,929,155	59,698	1,040,702	8,027	34,037,582
Certificates of deposit	113,757	0	0	0	113,757
Loans received and financial leasing	6,147,884	0	0	2,114,274	8,262,158
Other liabilities received from customers	10,660,846	66,420	3,658,467	1,756,314	16,142,047
Deposits of general government and international organizations	88,339,058	7,751	20,504,390	431,348	109,282,547
of which: Deposits of central government (S.1311)	62,010,854	7,750	20,477,129	431,318	82,927,051
of which: Treasury	7,834,735	0	5,394,127	0	13,228,862
Other funds	5,305,148	0	5,578	0	5,310,726
of which: National Property Fund	5,291,493	0	0	0	5,291,493
Deposits of local governments (S.1313)	26,327,155	1	27,261	30	26,354,447
Deposits of social security funds (S.1314)	1,049	0	0	0	1,049
of which: Health insurance companies	1,049	0	0	0	1,049
Social Insurance Corporation	0	0	0	0	0
Securities issued by the accounting unit	79,521,776	3,909,433	1,708,469	9,714,096	94,853,774
Financial liabilities held for trading (excluding derivatives)	0	0	0	0	0
Financial liabilities in fair value through profit/loss (IAS 39)	7,481,897	2,098,090	5,601,349	53,983,784	69,165,120
of which: Current accounts	0	0	0	0	0
Time deposits	7,481,897	2,098,090	5,601,349	53,983,784	69,165,120
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	11,230,100	12,928,798	-	-	24,158,898
Negative fair value of derivate hedge transactions	503	100,971	-	-	101,474
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	4,795,179	76	442,515	45	5,237,815
Other liabilities	13,886,526	923,738	5,790,955	133,842	20,735,061
Tax liabilities	1,527,187	0	0	0	1,527,187
EQUITY	65,777,280	41,690,998	88,656	33,846	107,590,780
Share capital	3,871,229	37,990,218	0	0	41,861,447
of which: Subscribed share capital	3,875,003	37,990,218	0	0	41,865,221
Receivables from shareholders	0	0	0	0	0
Own shares	-3,774	0	0	0	-3,774
Funds to branches of foreign banks	32,000	3,124,809	0	34,084	3,190,893
Share premium	2,488,073	475,000	0	0	2,963,073
Reserve funds and other funds created from profits	12,726,127	119,500	0	0	12,845,627
Other funds	193,216	5,490	0	1,363	200,069
Valuation changes	390,623	-24,019	88,656	-1,601	453,659
Profit/loss from previous years	32,653,177	0	0	0	32,653,177
of which: Retained earnings	33,418,339	0	0	0	33,418,339
Accumulated loss	-765,162	0	0	0	-765,162
Profit and loss account	7,471,861	0	0	0	7,471,861
Profit/loss in process of approval	5,950,974	0	0	0	5,950,974



Monthly Profit and Loss Account of Commercial Banks

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

(SKK millions)

	2006								2007				
	5	6	7	8	9	10	11	12	1	2	3	4	5
NET INTEREST INCOME	12,769	15,601	18,717	21,689	24,727	27,855	30,980	34,591	3,298	6,056	9,317	12,243	15,557
Interest income on securities	5,032	5,966	7,085	8,227	9,298	10,406	11,492	12,637	1,202	2,344	3,472	4,538	5,715
Other interest income	20,368	25,451	30,078	34,711	39,421	44,561	49,834	55,416	5,479	9,999	15,579	20,236	25,840
Interest expenses on securities	1,149	1,391	1,655	1,948	2,234	2,535	2,857	3,186	316	659	1,014	1,303	1,640
Other interest expenses	11,483	14,426	16,791	19,300	21,758	24,577	27,489	30,276	3,067	5,629	8,720	11,227	14,358
NET NON-INTEREST INCOME	8,346	10,217	11,942	13,424	14,706	16,314	17,786	19,090	1,719	3,292	5,225	6,603	8,221
Fee and commission income	5,905	6,957	8,117	9,303	10,454	11,626	12,844	14,304	1,206	2,399	3,794	4,930	6,166
Fees and commission expenses	1,128	1,377	1,635	1,908	2,197	2,439	2,720	3,055	225	458	693	925	1,219
Dividends received	221	333	389	399	399	440	443	456	5	5	9	27	116
Income from transactions in securities	1,325	1,489	1,788	2,039	2,442	2,622	2,869	3,124	274	445	878	903	1,065
Expenses related to transactions in securities	1,815	2,435	2,481	2,601	2,517	2,614	2,649	3,025	226	299	425	541	896
Profit/loss on foreign exchange transactions	3,768	2,021	3,196	4,113	5,012	6,880	8,703	10,026	-1,978	-288	3,716	2,537	3,384
Profit/loss on fixed forward transactions and options	87	3,294	2,615	2,155	1,142	-160	-1,674	-2,659	2,691	1,523	-2,022	-244	-288
Income from other transactions	152	159	192	250	286	317	422	455	4	26	69	50	88
Expenses related to other transactions	169	224	240	327	315	358	452	536	34	62	100	134	195
NET OPERATING PROFIT/LOSS	-990	-1,103	-1,254	-1,263	-1,636	-1,594	-1,433	1,400	-90	-852	-868	-910	-1,138
GENERAL OPERATING EXPENSES	11,917	14,255	16,739	19,367	21,682	24,188	26,840	30,046	2,555	5,039	7,843	10,446	13,474
NET CREATION OF RESERVES AND PROVISIONS	-337	-982	-1,217	-1,526	-1,806	-2,301	-2,513	-2,637	-375	287	109	-458	-438
INCOME TAX	1,225	1,361	1,606	1,846	2,337	2,682	2,992	4,625	347	520	919	1,014	1,256
CURRENT PERIOD PROFIT/LOSS	6,646	8,117	9,844	11,112	11,972	13,403	14,989	17,773	1,650	3,224	5,021	6,018	7,472



Balance of Payments of the SR for January – April 2007

	Collection / Credit (+)		Payments / Debit (-)		Balance	
	SKK millions	USD millions	SKK millions	USD millions	SKK millions	USD millions
Goods	449,449.0	17,352.6	451,292.0	17,423.7	-1,843.0	-71.2
Services	49,659.2	1,917.3	45,862.8	1,770.7	3,796.4	146.6
Transport	16,260.5	627.8	12,716.8	491.0	3,543.6	136.8
Tourism	14,873.3	574.2	10,544.7	407.1	4,328.6	167.1
Other services	18,525.5	715.2	22,601.2	872.6	-4,075.8	-157.4
Income	19,079.0	736.6	19,141.7	739.0	-62.7	-2.4
Compensation of employees	12,000.0	463.3	496.9	19.2	11,503.1	444.1
Investment income	7,079.0	273.3	18,644.8	719.8	-11,565.8	-446.5
Current transfers	11,622.1	448.7	17,253.8	666.1	-5,631.7	-217.4
CURRENT ACCOUNT	529,809.3	20,455.2	533,550.2	20,599.6	-3,741.0	-144.4
Capital account	5,122.2	197.8	550.8	21.3	4,571.4	176.5
Financial account	2,426,196.0	93,671.7	-2,345,360.7	-90,552.3	80,835.3	3,119.4
Direct investment	347,492.4	13,416.2	-342,485.1	-13,222.9	5,007.3	193.3
<i>Abroad (direct investor = resident)</i>	10,695.0	412.9	-11,693.0	-451.4	-998.0	-38.5
Equity capital and reinvested earnings	15.0	0.6	-1,086.0	-41.9	-1,071.0	-41.3
Other capital	10,680.0	412.3	-10,607.0	-409.5	73.0	2.8
<i>In the SR (recipient of dir. investment = resident)</i>	336,797.4	13,003.3	-330,792.1	-12,771.4	6,005.3	231.9
Equity capital and reinvested earnings	13,009.4	502.3	-3,257.1	-125.8	9,752.3	376.5
Other capital	323,788.0	12,501.0	-327,535.0	-12,645.7	-3,747.0	-144.7
Portfolio investment	170,690.4	6,590.1	-183,707.8	-7,092.7	-13,017.4	-502.6
Assets	20,720.1	800.0	-30,159.2	-1,164.4	-9,439.0	-364.4
Liabilities	149,970.3	5,790.1	-153,548.6	-5,928.3	-3,578.3	-138.2
Financial derivatives	982,986.2	37,951.7	-981,464.0	-37,892.9	1,522.2	58.8
Assets	483,621.3	18,671.9	-481,783.4	-18,601.0	1,837.9	71.0
Liabilities	499,364.9	19,279.8	-499,680.6	-19,291.9	-315.8	-12.2
Other investment	925,027.0	35,713.7	-837,703.7	-32,343.9	87,323.2	3,369.8
<i>Long-term</i>	146,095.1	5,641.8	-143,886.6	-5,556.6	2,208.5	85.2
Assets	3,951.3	152.6	-6,601.7	-254.9	-2,650.4	-102.3
Liabilities	142,143.8	5,489.2	-137,284.9	-5,301.7	4,858.9	187.5
<i>Short-term</i>	778,931.8	30,072.0	-693,817.1	-26,787.3	85,114.7	3,284.6
Assets	405,320.7	15,648.8	-403,508.8	-15,578.9	1,811.9	70.0
Liabilities	373,611.2	14,423.1	-290,308.3	-11,208.4	83,302.8	3,214.7
CAPITAL AND FINANCIAL ACCOUNT	2,431,318.2	93,869.5	-2,345,911.5	-90,573.6	85,406.7	3,295.9
ERRORS AND OMISSIONS					17,987.3	778.1
TOTAL BALANCE	0.0	0.0	99,653.0	3,929.5	99,653.0	3,929.5
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	-99,652.7	-3,929.5	-99,652.7	-3,929.5
Deposits	0.0	0.0	-38,772.9	-1,525.9	-38,772.9	-1,525.9
Securities	0.0	0.0	-60,879.8	-2,403.6	-60,879.8	-2,403.6
Bonds and notes	0.0	0.0	-22,447.9	-888.2	-22,447.9	-888.2
Money market instruments and financial derivatives	0.0	0.0	-38,431.9	-1,515.4	-38,431.9	-1,515.4
RESERVE ASSETS	0.0	0.0	-99,653.0	-3,929.5	-99,653.0	-3,929.5

Note: Preliminary data.

Applied rate of exchange: USD 1 = SKK 25.901.



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	-	-	-
970308005	10.05.2007	11.05.2007	3.08.2007	84	73,661	20,000	American	4.05	4.15	4.18
972408007	31.05.2007	1.06.2007	24.08.2007	84	50,400	30,000	American	4.15	4.23	4.25
972109008	28.06.2007	29.06.2007	21.09.2007	84	23,900	17,000	American	4.24	4.27	4.40



Basic Characteristics of Slovakia's Foreign Exchange Market in June 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	0.0	-	0	0.0	-	0	-	-	-	0.0	0
Transactions between domestic banks without foreign participation	8,263.5	77.0	244	2,410.3	22.5	788	57.0	0.5	51	10,730.8	1,083
Interbank forex market: NBS + transactions between domestic banks	8,263.5	77.0	244	2,410.3	22.5	788	57.0	0.5	51	10,730.8	1,083
Transactions between domestic and foreign banks	54,719.9	84.4	2,077	9,936.2	15.3	4,549	203.9	0.3	180	64,860.0	6,806
Foreign exchange market in the SR – total	62,983.4	83.3	2,321	12,346.5	16.3	5,337	260.9	0.3	231	75,590.8	7,889

	SPOT			FORWARD			SWAP			OPTIONS			Total	
	Volume		No. of transactions	Volume		No. of transactions	Volume		No. of transactions	Volume		No. of transactions	Volume USD millions	No. of transactions
	USD millions	%		USD millions	%		USD millions	%		USD millions	%			
Transactions between domestic banks without foreign participation	1,875.6	17.5	833	25.5	0.2	7	8,830.1	82.2	243	5.5	0.1	3	10,736.7	1,086
Transactions between domestic and foreign banks	7,568.9	11.7	3,203	201.2	0.3	61	56,317.9	86.8	2,134	758.4	1.2	1,405	64,846.4	6,803
Foreign exchange market in the SR - excl. the NBS	9,444.5	12.5	4,036	226.7	0.3	68	65,148.0	86.2	2,377	763.9	1.0	1,408	75,583.1	7,889



Average Monthly Exchange Rates of the SKK against Selected Currencies

Midpoint rate	2006							2007					
	6	7	8	9	10	11	12	1	2	3	4	5	6
1 AUD	22.247	22.748	22.455	22.286	21.992	21.537	20.828	20.921	20.664	20.257	20.478	20.584	21.329
1 BGN	-	-	-	-	-	-	-	17.754	17.656	17.316	17.108	17.247	17.392
1 CYP	66.157	66.770	65.472	65.088	63.909	62.197	60.595	60.044	59.625	58.415	57.566	57.864	58.299
1 CZK	1.340	1.350	1.336	1.322	1.302	1.281	1.260	1.249	1.223	1.206	1.195	1.195	1.192
1 DKK	5.101	5.146	5.051	5.029	4.942	4.818	4.698	4.658	4.632	4.546	4.490	4.527	4.568
1 EUR	38.036	38.388	37.688	37.505	36.852	35.914	35.025	34.721	34.524	33.863	33.468	33.726	34.017
1 EEK	2.431	2.453	2.409	2.398	2.355	2.296	2.239	2.219	2.207	2.164	2.139	2.156	2.174
100 JPY	26.220	26.170	25.421	25.181	24.624	23.790	22.654	22.183	21.903	21.822	20.861	20.666	20.691
1 CAD	26.997	26.845	26.266	26.398	25.902	24.599	23.043	22.723	22.561	21.885	21.807	22.758	23.786
1 LTL	11.014	11.117	10.914	10.863	10.671	10.403	10.143	10.055	9.999	9.807	9.689	9.769	9.851
1 LVL	54.642	55.156	54.151	53.899	52.937	51.550	50.207	49.779	49.345	47.792	47.521	48.426	48.859
100 HUF	14.022	13.814	13.743	13.672	13.769	13.866	13.779	13.690	13.624	13.536	13.598	13.579	13.581
1 MTL	88.593	89.435	87.798	87.390	85.836	83.694	81.595	80.887	80.445	78.930	77.973	78.575	79.242
1 NOK	4.845	4.834	4.724	4.545	4.392	4.355	4.296	4.193	4.269	4.164	4.121	4.144	4.217
1 PLN	9.460	9.596	9.658	9.465	9.434	9.386	9.189	8.961	8.865	8.710	8.763	8.921	8.928
1 RON	-	-	-	-	-	-	-	10.239	10.207	10.044	10.030	10.265	10.526
100 SIT	15.871	16.020	15.728	15.658	15.377	14.990	14.615	-	-	-	-	-	-
1 CHF	24.382	24.474	23.893	23.699	23.177	22.567	21.945	21.503	21.293	21.009	20.446	20.435	20.566
1 SEK	4.117	4.164	4.094	4.049	3.981	3.945	3.875	3.825	3.763	3.643	3.618	3.666	3.646
1 USD	30.054	30.286	29.426	29.448	29.225	27.915	26.504	26.694	26.434	25.583	24.788	24.954	25.355
1 GBP	55.412	55.805	55.649	55.570	54.751	53.320	52.044	52.321	51.737	49.810	49.266	49.496	50.324
1 XDR	44.414	44.734	43.753	43.649	43.051	41.567	39.980	39.916	39.569	38.568	37.667	37.875	38.321

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	Q2
1 AUD	23.040	22.379	22.499	21.480	22.358	20.612	20.808
1 BGN	-	-	-	-	-	17.573	17.254
1 CYP	65.222	65.502	65.778	62.316	64.711	59.353	57.921
1 CZK	1.310	1.328	1.336	1.282	1.314	1.226	1.194
1 DKK	5.020	5.053	5.075	4.825	4.994	4.612	4.529
1 EUR	37.457	37.687	37.861	35.975	37.248	34.364	33.746
1 EEK	2.394	2.408	2.420	2.299	2.381	2.197	2.157
100 JPY	26.668	26.208	25.592	23.737	25.565	21.971	20.735
1 CAD	26.979	26.714	26.497	24.584	26.203	22.384	22.816
1 LTL	10.848	10.914	10.965	10.419	10.787	9.952	9.772
1 LVL	53.813	54.143	54.402	51.632	53.501	48.960	48.293
100 HUF	14.728	14.137	13.744	13.804	14.111	13.616	13.586
1 MTL	87.250	87.807	88.208	83.813	86.775	80.076	78.617
1 NOK	4.668	4.811	4.704	4.350	4.634	4.207	4.162
1 PLN	9.772	9.546	9.577	9.342	9.562	8.845	8.874
1 RON	-	-	-	-	-	10.162	10.282
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	20.484
1 SEK	4.005	4.052	4.103	3.936	4.024	3.743	3.644
1 USD	31.169	29.991	29.715	27.948	29.724	26.231	25.040
1 GBP	54.597	54.787	55.676	53.438	54.624	51.275	49.710
1 XDR	44.893	44.173	44.042	41.608	43.694	39.344	37.964

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 ²⁾	29,008	329,948	899.33	11,578.75
2005 ³⁾	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 ¹⁾	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 ¹⁾	38,970	348,500	1,059.74	10,586.27
2004 ²⁾	34,123	396,592	1,057.91	13,917.46
2005 ³⁾	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 Investment¹⁾ 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									
Inflow of FDI in total	58,159	1,956.6	100.0	-456	-15.3	100.0	57,703	1,941.3	100.0
Structure of capital by investor									
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
Structure of capital by sector									
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
Structure of capital by region									
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 Investment¹⁾ During January to December 2005

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 31.022									
Inflow of FDI in total	21,885	705.5	100.0	-2	-0.1	100.0	21,883	705.4	100.0
Structure of capital by investor									
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
Structure of capital by sector									
Agriculture, hunting, and forestry	-34	-1.1	-0.2	0	0.0	0.0	-34	-1.1	-0.2
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Mineral raw materials extraction	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
Structure of capital by regions									
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.

Inflow of Foreign Direct Investment¹⁾ During January to December 2004

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 32.255									
Inflow of FDI in total	29,008	899.3	100.0	5,115	158.6	100.0	34,123	1,057.9	100.0
Structure of capital by investor									
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
Structure of capital by sector									
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
Structure of capital by regions									
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 Investment¹⁾ 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									
Total volume of FDI	409,752	15,612.0	100.0	66,182	2,521.6	100.0	475,934	18,133.6	100.0
Structure of capital by investor									
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
Structure of capital by sector									
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
Structure of capital by regions									
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 Investment¹⁾ as at 31 December 2005

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 31.948									
Total volume of FDI	353,255	11,057.2	100.0	66,641	2,085.9	100.0	419,896	13,143.1	100.0
Structure of capital by investor									
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
Structure of capital by sector									
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
Structure of capital by regions									
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 Investment¹⁾ as at 31 December 2004

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 28.496									
Total volume of FDI	329,948	11,578.7	100.0	66,644	2,338.7	100.0	396,592	13,917.5	100.0
Structure of capital by investor									
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
Structure of capital by sector									
Agriculture, hunting, and forestry	1,718	60.3	0.5	0	0.0	0.0	1,718	60.3	0.4
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Mineral raw materials extraction	2,556	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
Structure of capital by regions									
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 ²⁾	2,536	20,321	78.62	713.12
2005 ³⁾	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 ¹⁾	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 ¹⁾	707	18,146	19.23	551.22
2004 ²⁾	2,507	20,848	77.72	731.61
2005 ³⁾	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 Investment¹⁾ 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									
Outflow of FDI in total	9,463	318.4	100.0	58	2.0	100.0	9,521	320.3	100.0
Structure of capital by country of investment									
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
Structure of capital by sector									
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
Structure of capital by regions									
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 Investment¹⁾ During January to December 2005

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 31.022									
Outflow of FDI in total	3,139	101.2	100.0	302	9.7	100.0	3,441	110.9	100.0
Structure of capital by country of investment									
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
Structure of capital by sector									
Agriculture, hunting, and forestry	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Mineral raw materials extraction	58	1.9	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
Structure of capital by regions									
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 Investment¹⁾ During January to December 2004

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 32.255									
Outflow of FDI in total	2,536	78.6	100.0	-29	-0.9	100.0	2,507	77.7	100.0
Structure of capital by country of investment									
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
Structure of capital by sector									
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
Structure of capital by regions									
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 Investment¹⁾ 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									
Total volume of FDI outward	32,275	1,229.7	100.0	861	32.8	100.0	33,136	1,262.5	100.0
Structure of capital by country of investment									
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
Structure of capital by sector									
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
Structure of capital by regions									
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 Investment¹⁾ Outward as at 31 December 2005

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 31.948									
Total volume of FDI outward	23,744	743.2	100.0	839	26.3	100.0	24,583	769.5	100.0
Structure of capital by country of investment									
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
Structure of capital by sector									
Agriculture, hunting, and forestry	20	0.6	0.1	0	0.0	0.0	20	0.6	0.1
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
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
Structure of capital by regions									
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 Investment¹⁾ Outward as at 31 December 2004

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 28.496									
Total volume of FDI outward	20,321	713.1	100.0	527	18.5	100.0	20,848	731.6	100.0
Structure of capital by country of investment									
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
Structure of capital by sector									
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
Structure of capital by regions									
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.