



NÁRODNÁ BANKA SLOVENSKA



# Monetary Survey

December 2007

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**Abbreviations**

ARDAL	Agentúra pre riadenie dlhu a likvidity – Agency for Debt and Liquidity Management
BCPB	Burza cenných papierov v Bratislave – Bratislava Stock Exchange
BRIBOR	Bratislava Interbank Offered Rate
CDCP SR	Centrálny depozitár cenných papierov SR – Central Securities Depository of the Slovak Republic
CPI	Consumer Price Index
ECB	European Central Bank
EMU	Economic and Monetary Union
EU	European Union
Eurostat	Statistical Office of the European Communities
FDI	Foreign Direct Investment
Fed	Federal Reserve System
FNM	Fond národného majetku – National Property Fund
FRA	Forward Rate Agreement
GDP	Gross Domestic Product
GNDI	Gross National Disposable Income
GNI	Gross National Income
HICP	Harmonised Index of Consumer Prices
HZL	hypotekárne záložné listy – mortgage bonds
IMF	International Monetary Fund
IPI	Industrial Production Index
IRF	Initial Rate Fixation
IRS	Interest Rate Swap
MFI	Monetary Financial Institutions
MMIF	Money Market Investment Funds
NARKS	National Association of Slovak Real Estate Agencies
NBS	Národná banka Slovenska – National Bank of Slovakia
NEER	Nominal Effective Exchange Rate
NPF	National Property Fund
OIF	Open-end Investment Funds
p.a.	per annum
p.p.	percentage points
PPI	Producer Price Index
REER	Real Effective Exchange Rate
repo	repurchase operation
RULC	Real Unit Labour Costs
SASS	Slovenská asociácia správcovských spoločností – Slovak Association of Asset Management Companies
SAX	slovenský akciový index – Slovak Share Index
SDX	slovenský dlhopisový index – Slovak Bond Index
SDXG	SDXGroup
Sk, SKK	Slovak Koruna
SKONIA	Slovak OverNight Index Average
SO SR	Statistical Office of the SR
SR	Slovenská republika – Slovak Republic
SRT	Sterilisation Repo Tender
ULC	Unit Labour Costs
VAT	Value Added Tax

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*Symbols used in the tables*

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



## 1 Summary

Consumer prices, expressed in terms of the Harmonized Index of Consumer Prices (HICP), increased by 0.3% in December in comparison with the previous month. The year-on-year rate of headline inflation reached 2.5%. Core inflation (excluding energy and unprocessed food prices) recorded a year-on-year growth rate of 2.8%.

Measured in terms of the Consumer Price Index (CPI), consumer prices increased by 0.3% in December, compared with the previous month. The 12-month headline and core inflation rates reached 3.4% and 4.2%, respectively.

The M3 monetary aggregate (according to ECB methodology) increased month-on-month by SKK 1.4 billion in November and its year-on-year growth rate slowed to 12.3%, compared to October.

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 16.6 billion in November and the year-on-year growth rate accelerated by 1 percentage point to 17.2%.

The average interest rate on new loans to non-financial corporations decreased in November by 0.3 of a percentage point to 5.71%, while that on new loans to households increased by 0.11 of a percentage point to 12.15%. Over the same period, the average interest rate on new deposits from non-financial corporations decreased by 0.17 of a percentage point to 2.19%, and that on new household deposits also went down by 0.02 of a percentage point, to 1.01%.

At the end of December, the State budget of the Slovak Republic resulted in a deficit of SKK 23.5 billion.

The foreign reserves of NBS (at current exchange rates) stood at USD 19.0 billion in December. At the end of the month, the volume of reserves was 3.5 times greater than the volume of average monthly imports of goods and services to Slovakia during the first eleven months of 2007. At the end of November, the coverage of average monthly imports (payments for imports of goods and services according to data from banking statistics) by the official foreign reserves corresponded to 4.6 times the volume of average monthly imports of goods and services to Slovakia over the first eleven months of 2007.

Národná banka Slovenska conducted no foreign exchange intervention in December.

According to preliminary data, the balance of payments on current account from January till October 2007 resulted in a deficit of SKK 74.4 billion. Over the same period, the capital and financial account generated a surplus of SKK 156.4 billion. From January till November, the b.o.p. current account produced a deficit of SKK 80.1 billion, while trade balance resulted into a shortfall of SKK 11.4 billion.

The average daily sterilisation position of NBS decreased in comparison with November by SKK 7.7 billion to SKK 368.3 billion in December.



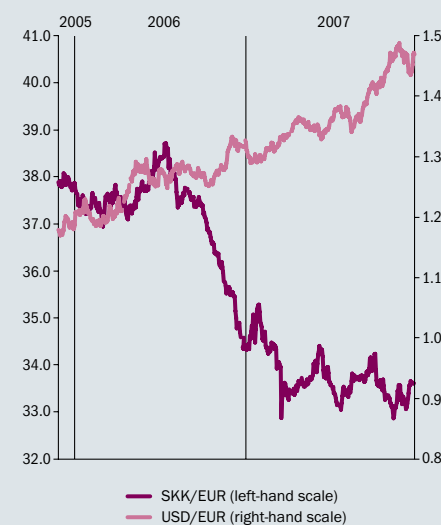
## 2 The External Economic Environment<sup>1</sup>

### Euro-area countries

**Inflation** The 12-month inflation rate in the euro area, as measured by the Harmonised Index of Consumer Prices (HICP), remained unchanged in December, compared with the previous month and hovered around the level of 3.1%. The highest year-on-year growth in consumer prices was reported by Slovenia (5.7%), Luxemburg and Spain (both countries 4.3%). The steepest year-on-year increases were recorded in prices for education (9.4%), transportation (5.6%) and food (4.8%). Price levels in telecommunications dropped by 2.3%. In the same period a year earlier, consumer prices in the euro area increased by 1.9%.

**EUR/USD exchange rate** After the exchange rate of the dollar to the euro had weakened close to the level of 1.5 USD/EUR in November, the exchange rate saw a correction at the beginning of December, and the dollar appreciated. The dollar was likely, and paradoxically, supported by the expected reduction of the federal funds rate, as well as its actual reduction by 0.25 percentage points. From the investors' perspective, the reduction of the rates improved the outlook of future economic growth of the U.S. At the end of December, however, the dollar depreciated again to reach a level close to that prevailing at the end of November, in response to indications of actual slowdown of economic activity and deepening recession in the real estate market. Compared with the last trading day in November (1.4761 USD/EUR), the single European currency depreciated slightly at the end of December by 0.3%. Compared with the beginning of the year, however, it appreciated by 10.9%.

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



Source: ECB, NBS.

**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.

**ECB key interest rates** In its January meeting (held on 10 January 2008), the Governing Council of the European Central Bank (ECB) decided to leave its key interest rates unchanged. The rates for main refinancing operations, overnight refinancing and sterilisation transactions thus remained at 4.00%, 5.00% and 3.00%, respectively.

### Visegrad Countries (V4)

**Inflation** The annual rate of inflation, measured by the Harmonised Index of Consumer Prices, went up in all three remaining countries of the region in December, mainly due to growing prices of energy and food. Inflation increased most in Poland by 0.5 percentage points to 4.2%; in the Czech Republic, inflation increased by 0.4 percentage points to 5.5% and the price growth in Hungary accelerated by 0.2 percentage points to reach 7.4%.

**Exchange rates of V4 currencies** At the beginning of December, the long-term appreciation of the currencies of V4 countries against the euro continued, supported by positive moods in the region. As a result of the closing of end-of-year positions, the currencies started to depreciate in the second week of December. At the end of the year, currency developments in the V4 countries were supported by increased provision of liquidity to international financial markets by major central banks and the resulting reduction of risk aversion with respect to the currencies of Central Europe. Compared with the last trading day of the previous month, the Czech koruna recorded the highest

<sup>1</sup> The chapter on international economic developments has been supplemented by a tabular and graphical overview, which is provided in the annex.





loss in value (1.4%). The Hungarian forint depreciated by 0.29%. The Polish zloty, on the other hand, appreciated moderately by 0.55%.

None of the central banks in the region changed its key interest rates in December. The interest rates thus remained at the level of 3.5% in the Czech Republic, 7.5% in Hungary and 5% in Poland.

**Key interest rates in  
V4 countries**



### 3 Inflation

#### 3.1 Consumer Price Index

##### HICP Inflation

##### Harmonised index of consumer prices

Consumer prices, as measured by HICP, increased month-on-month by 0.3% in December with the prices of goods and services growing by 0.3% and 0.1%, respectively. On a year-on-year basis, consumer prices rose 2.5% (by 2.3% in November). Overall inflation, excluding energy and unprocessed food prices (core inflation) reached 2.8% year-on-year (2.6% in November). The average 12-month inflation rate from January 2007 till December 2007 stood at 1.9%. December's inflation measured by harmonised consumer price index was higher than expected by NBS, mainly due to a steeper-than-expected growth in food prices, fuel prices and industrial goods prices. The price growth in services, on the other hand, was slower than expected by NBS.

##### Development in 2007 compared with the inflation target

Compared with the inflation target of NBS for the end of 2007 (below 2%), the actual level of end-of-year inflation was higher by 0.5 percentage points. The failure to meet the set target was caused by factors beyond the influence of monetary policy, including in particular global price growth in food and energy commodities, which led to elevated consumer prices of foods and fuels at the end of 2007.

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

	2007					
	July	Aug.	Sep.	Oct.	Nov.	Dec.
<b>TOTAL</b>	1.2	1.2	1.7	2.4	2.3	2.5
<b>Goods</b>	0.6	0.6	1.0	1.9	1.6	1.8
Industrial goods	-0.5	-0.7	-0.1	0.2	-0.4	-0.2
Non-energy industrial goods	-1.6	-1.7	-1.4	-1.4	-1.3	-1.2
Energy	0.9	0.8	1.8	2.1	0.8	1.2
<b>Foodstuffs</b>	2.8	2.9	3.0	5.4	5.5	5.8
Processed food (including alcohol and tobacco)	4.6	4.1	3.8	5.6	6.5	7.4
Unprocessed food	-0.5	0.5	1.3	4.8	3.3	2.6
<b>Services</b>	2.4	2.6	3.2	3.4	3.7	3.7
<b>Total, excluding unprocessed food and energy (core inflation)</b>	1.5	1.4	1.8	2.2	2.6	2.8
<b>Total, excluding energy</b>	1.3	1.3	1.7	2.5	2.6	2.8

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

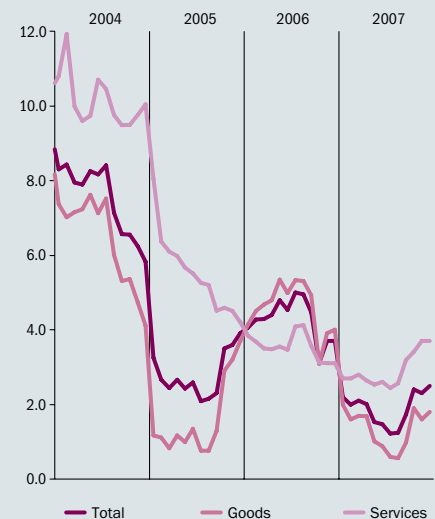
##### Stagnating rate of growth of services prices

Looking at the basic structure of inflation, the prices of goods were growing year-on-year at a faster pace. The rate of price growth in services, on the other hand, stagnated.

In goods prices, the growth in the prices of industrial goods slowed even more. Food prices, on the other hand, were growing at a faster pace. Development of industrial goods prices was influenced by slower annual decline in the prices of industrial goods (excluding energy) and faster annual growth in energy prices. Looking at the prices of energy, the price growth of fuels accelerated. The annual growth in food prices also accelerated, driven by soaring prices of processed food (bread, flour and flour products, milk and butter). The rate of growth in the prices of unprocessed food, on the other hand, decreased (year-on-year decline in vegetables prices).

The prices of services stagnated on a year-on-year basis, with the annual growth rate of prices of most services remaining unchanged, with the exception of financial services and restaurant services, whose prices increased.

**Chart 3 HICP Inflation and its Main Components** (%)



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

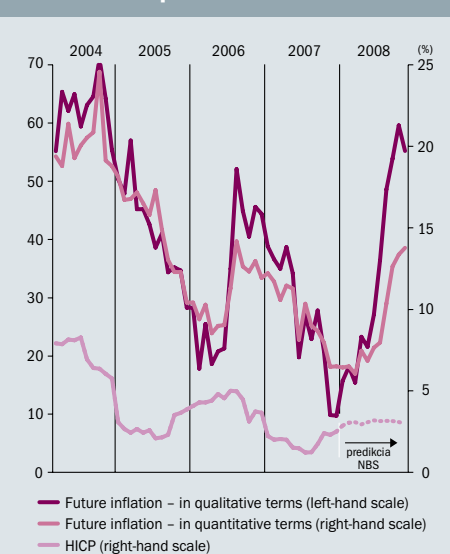
The year-on-year rate of headline inflation is expected to go up in January 2008, compared with December 2007, mainly as a result of the increase in regulated prices. As concerns the regulated prices, an increase is expected in the prices of electricity, along with a moderate increase in the prices of natural gas and heat; the prices of public transport services are also expected to grow, and so should the fees for waste disposal. The prices of food and services are expected to grow annually at a higher pace.

Consumers estimated the current level of inflation at 12.47% (11.72% in the previous month). In their answers to the question about the expected inflation in the coming 12 months, the respondents stated higher values, with the average of 13.73% (13.38% in the previous month).

### CPI Inflation

In December 2007, consumer prices rose month-on-month by 0.3%, which was moderately faster than expected by NBS. This was attributable particularly to the dynamic growth in the prices of food and market services. The growth in regulated prices followed the expectations of NBS. Looking at the basic structure of inflation, core inflation increased more than expected, compared with the previous month. Core inflation was driven mainly by growing food prices (prices of bread and bakery products, milk and dairy products, fats and oils and vegetables growing most notably). The month-on-

**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.

### Expectations for the next month

### Consumer inflation expectations

### Consumer Price Index

**Table 2 Consumer Prices in December 2007**

	Changes versus		HICP in the structure of CPI	
	November 2007	December 2006	November 2007	December 2006
<b>Total in %</b>	0.3	3.4	0.3	2.5
<b>Regulated prices in %</b>	0.0	0.8	0.0	1.0
Share of total, in percentage points <sup>1)</sup>	0.00	-	0.01	-
<b>Impact of changes in indirect taxes on non-regulated prices – Share of total, in percentage points<sup>1)</sup></b>	0.00	-	0.00	-
<b>Core inflation in %</b>	0.4	4.2	0.4	3.1
Share of total, in percentage points <sup>1)</sup>	0.31	-	0.27	-
of which: Food prices in %	0.9	8.0	0.9	7.5
Share of total, in percentage points <sup>1)</sup>	0.13	-	0.15	-
Tradable goods in % <sup>1)</sup>	0.2	0.6	0.2	1.0
Share of total, in percentage points <sup>1)</sup>	0.06	-	0.07	-
Tradable goods excluding fuels, in % <sup>1)</sup>	0.0	-0.2	0.0	0.3
Share of total, in percentage points <sup>1)</sup>	-0.01	-	0.01	-
Fuels in % <sup>1)</sup>	1.9	7.6	1.9	7.6
Share of total, in percentage points <sup>1)</sup>	0.07	-	0.06	-
Market services in % <sup>1)</sup>	0.4	6.8	0.2	3.4
Share of total, in percentage points <sup>1)</sup>	0.13	-	0.05	-
<b>Net inflation (excluding the impact of changes in indirect taxes) in %</b>	0.3	3.4	0.2	1.9
Share of total, in percentage points <sup>1)</sup>	0.19	-	0.12	-
<b>Net inflation, excluding fuel prices (excluding the impact of changes in indirect taxes) in %<sup>2)</sup></b>	0.4	3.1	0.1	1.6
Share of total, in percentage points <sup>1)</sup>	0.12	-	0.06	-

Sources: Statistical Office of the SR and NBS.

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

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



month price growth in market services was caused by continued growth of bank fees (keeping of current accounts) and house-maintenance services. The prices of tradable goods (excluding fuels) grew in line with the predictions, while the price growth in fuels was slightly higher than expected. The annual growth in consumer prices accelerated to 3.4% (3.1% in November). Core inflation reached 4.2% (3.8% one month ago). The average year-on-year inflation from January 2007 till December 2007 stood at 2.8%.

### 3.2 Producer Prices in November 2007

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

Industrial producer prices for the domestic market increased month-on-month by an average of 0.6% in November, as a result of price growth in all its three components.

	Month-on-month change		Year-on-year changes			
	Oct. 2007	Nov. 2007	Nov. 2006	Oct. 2007	Nov. 2007	Average since the beginning of 2007
Industrial producer prices (for the domestic market)	0.3	0.6	5.6	1.8	2.0	1.9
– Prices of manufacturing products	0.4	0.5	1.3	0.8	1.5	0.2
– Prices of mining and quarrying products	-0.6	0.3	9.5	-4.8	-5.2	-3.4
– Energy prices	0.3	0.6	10.9	3.5	3.1	4.7
Industrial producer prices (for export)	0.1	1.4	-0.7	-3.8	-1.4	-4.4
– Prices of manufacturing products	-0.1	-0.2	-0.6	-3.1	-2.3	-3.9
Construction prices	0.1	0.2	4.0	3.4	3.3	3.9
Building materials prices	-0.5	-0.3	5.5	5.5	4.7	5.6
Agricultural prices	-	-	0.1	13.7	11.4	5.4
– Prices of plant products	-	-	0.6	33.3	28.5	25.5
– Prices of animal products	-	-	-0.2	-0.2	-0.1	-2.2

Source: Statistical Office of the SR.

**... accompanied by faster growth on a year-on-year basis**

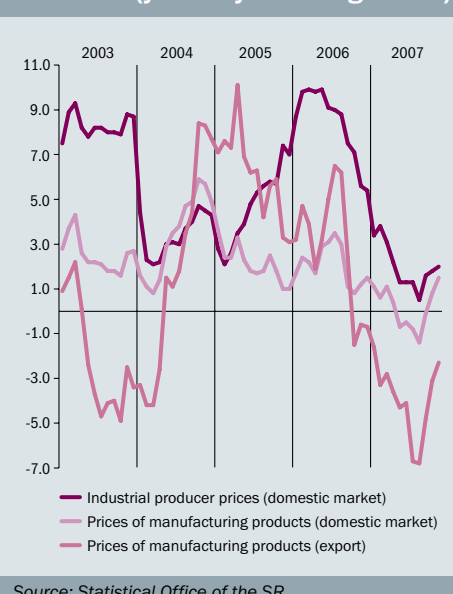
The year-on-year rate of growth in industrial producer prices for the domestic market reached 2.0% in November, which was by 0.2 of a percentage more than in October. This was mainly the result of a faster growth in the prices of industrial products (1.5%, faster by 0.7 percentage points). The growth in energy prices slowed (by 0.4 of a percentage point to 3.1%) and the decline in the prices of mineral raw materials accelerated (by 0.4 of a percentage point to 5.2%).

Faster year-on-year growth in industrial producer prices in November was driven mostly by the growing prices of food (increase of 2 percentage points to 5.8%), refined oil products (increase of 8.3 percentage points to 11.0%) and other non-metal mineral products (increase of 0.7 percentage points to 7.0%). The prices of transport equipment (-3.3%), other industrial products (-6.2%) and electrical and optical devices (-1.3%) on the other hand, dampened the price growth.

The slowdown in the price growth of energy on a year-on-year basis in November was the result of declining prices of gas production and transport of gaseous fuels via pipelines (-5.7%) and treatment and distribution of water (-0.9%), as well as the lower growth in the prices of steam and hot water supply (0.5%, lower by 3.1 percentage points) and stagnating prices of electricity generation and distribution (9.1%).

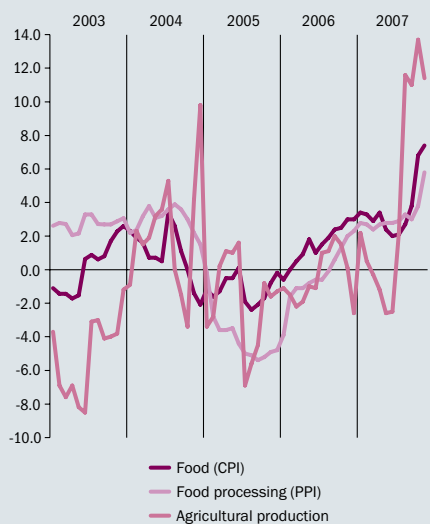
Among food products, the largest increase in November was reported in the prices of industrial fodder (19.4%). The prices of animal and plant fats and oils (18.7%), flour products (15.6%) and dairy products (12.0%) also

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





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



Source: Statistical Office of the SR.

grew at a notably faster rate. The growth in the prices of beverages (1.7%) slowed slightly and the prices of meat and meat products even went down (-1.1%).

Export prices of manufacturing products, the decisive factor for the development of industrial producer prices for export, dropped month-on-month by 0.2% in November. On a year-on-year basis, however, the rate of decline was lower by 0.8%, compared with October, and stood at 2.3%.

The year-on-year fall in industrial producer prices for export in November was mainly caused by drops in the export prices of transport equipment (-8.0%), base metals and finished metal products (-5.3%), electrical and optical devices (-1.7%), chemical products (-6.0%) and plant and machinery (-2.4%). Price growth on a year-on-year basis was driven by export prices for refined oil products (15.8%), food products (6.5%) and paper products (1.4%).

The prices of agricultural products rose a total of 11.4% in November, driven by an increase of the prices of plant products by 28.5%. The prices of animal products went down by 0.1%.

**Industrial producer prices for export**

**Agricultural prices**

The steep growth in plant product prices was driven mostly by higher prices of cereals by 57.5% (corn by 72.8%, rye by 44.1%, wheat by 43.5%, barley by 37.7% and oat by 33.3%) and oil seeds by 55.9% (sunflower by as much as 72.7%). The prices of vegetables, fruits and pulses increased by 12.1%, 11.9% and 7.4%, respectively. The prices of sugar beet, potatoes and tobacco went down by 9.6%, 7.2% and 7.1%, respectively.

The decrease in the prices of animal products is attributable mainly to lower prices of pigs by 14.3% and cattle (including calves) by 3.0%. The prices of poultry went up by 7.6% (chicken by 13.2%), eggs by 7.5% and raw cows' milk by 6.3%.

In December 2007, industrial producer prices are expected to be influenced by a notable annual growth in oil prices in the world markets. The year-on-year appreciation of the Slovak koruna still has a dampening effect on industrial producer prices. Owing to these cost factors, the rate of year-on-year growth in industrial producer prices is expected to accelerate in December, compared to November.

According to latest agrarian market news, the purchase prices of cereals are expected to continue their moderate growth. The prices of corn and sunflower should also continue to grow moderately. As to animal products, a slightly slower pork price decline is expected, while the downward trend in the prices of cattle is likely to continue. The purchase price of raw cows' milk is on an upward trend. Overall, two-digit growth rates in the prices of agricultural products are expected in December.



## 4 Factors Influencing Development of Inflation

### 4.1 Monetary Aggregates

#### Further slowdown in M3 growth

The M3 monetary aggregate (according to ECB methodology) rose to SKK 1041.0 billion in November, which was by SKK 1.3 billion more than in the previous month. The annual growth of M3<sup>2</sup> continued to slow down at a rapid pace, reaching the lowest level since August 2006 (12.3%, a month-on-month decrease by 2.1 percentage points).

The time structure of deposits was most likely influenced by tighter monetary policy of NBS in 2006. The changes became obvious in the second half of 2007 with the increasing share of term deposits, or conversion of a part of deposits repayable on demand to term deposits.

#### Main M3 Components

#### Increase in deposits and received loans repayable on demand and decrease in deposits and received loans with agreed maturity of up to 2 years

Both M1 components developed in the same direction, compared with the previous month. Deposits and received loans repayable on demand increased by SKK 23.4 billion; currency in circulation rose SKK 0.1 billion. The annual growth of deposits repayable on demand and of the M1 monetary aggregate increased moderately in November (by 0.3 percentage points).

In other deposits, the largest decrease was recorded in deposits and loans received with an agreed maturity of up to 2 years (decrease of SKK 24.9 billion). Deposits with notice period of up to 3 months remained on the downward curve. The main factor behind the slower growth of the M2 monetary aggregate (by 2.1 percentage points) was the significantly lower pace in the growth of deposits and loans received with an agreed maturity of up to 2 years (decrease of 5.7 percentage points).

Chart 7 Largest Contributions of M3 Components to Year-on-year Dynamics of M3 (p.p.)

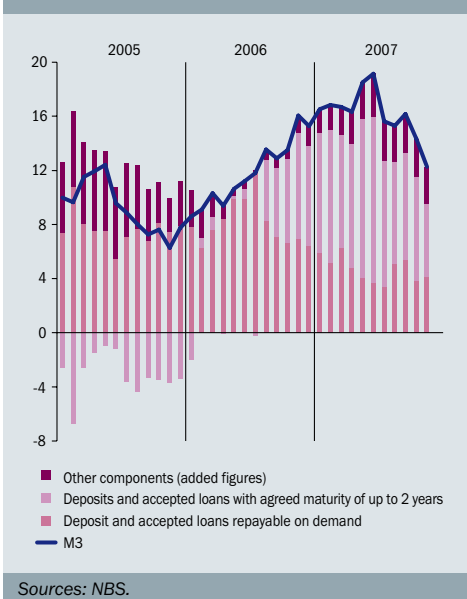


Table 4 Comparison of Month-on-Month Developments in Monetary Aggregates (ECB methodology)

	Volume (in billions of SKK) <sup>1)</sup>			Year-on-year change (in %) <sup>2)</sup>	
	Nov. 2006	Oct. 2007	Nov. 2007	Oct. 2007	Nov. 2007
Currency in circulation	127.3	137.6	138.6	9.1	8.9
Deposits and received loans repayable on demand	405.3	421.2	444.6	9.0	9.5
<b>M1</b>	532.6	558.8	583.2	9.1	9.4
Deposits and loans received with an agreed maturity of up to 2 years	334.0	408.9	384.0	20.7	15.0
Deposits redeemable at a period of notice of up to 3 months	11.8	9.7	9.7	-19.8	-18.1
<b>M2</b>	878.4	977.4	976.9	13.2	11.1
Money market fund shares/units	43.6	55.5	57.4	34.9	31.8
Repo operations	0.0	0.0	0.0	-	-
Debt securities issued with a maturity of up to 2 years	4.6	6.7	6.6	44.6	45.4
<b>M3</b>	926.6	1 039.6	1 041.0	14.4	12.3

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.

2) Year-on-changes are calculated on the basis of chain indices; index reference period is January 2005.

2 The year-on-year growth rate 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.



The development of marketable instruments was the same as in the previous month. While money market fund shares/units increased by SKK 2.0 billion, repo operations did not change and debt securities issued with a maturity of up to 2 years recorded a moderate decline.

### Main M3 Counterparts

November's development of M3 aggregate was influenced particularly by MFI receivables from residents (including securities issued by clients and held by MFIs), which increased by SKK 16.5 billion over the previous month. The rate of their year-on-year growth increased by 1.0 percentage points (17.2%), compared with the previous month. The rate of growth in receivables from the general government and the private sector increased to 3.4% and 22.6%, respectively, the latter recording an increase of SKK 13.6 billion in absolute terms.

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

This growth in MFI receivables was partly offset by a decline in net foreign assets by SKK 5.6 billion, caused particularly by lower foreign assets.

Deposits and loans received from the central government (including deposits held at the SR Treasury) increased by SKK 11.8 billion, representing a high annual growth rate.

**Table 5 Main M3 Counterparts (ECB methodology)**

	Volume (in billions of SKK) <sup>1)</sup>			Year-on-year changes (in %) <sup>2)</sup>	
	Nov. 2006	Oct. 2007	Nov. 2007	Oct. 2007	Nov. 2007
Net foreign assets	278.3	270.7	265.2	-7.0	-7.0
Foreign assets	460.4	554.8	544.4	11.3	16.8
Foreign liabilities	182.1	284.1	279.2	36.3	53.3
MFI receivables from residents (including securities)	885.6	1,012.8	1,029.4	16.2	17.2
Receivables from general government	252.7	257.6	260.6	2.6	3.4
Receivables from the private sector	632.9	755.2	768.8	21.6	22.6
Deposits and loans received from central government	83.7	82.4	90.6	6.7	25.8
Long-term financial liabilities (excluding capital and reserves)	116.1	134.9	137.3	17.4	18.3
Deposits and loans taken with an agreed maturity of over 2 years	62.9	70.2	71.1	12.0	13.0
Deposits redeemable at notice of over 3 months	24.4	23.3	23.3	-5.7	-4.7
Debt securities issued with a maturity of over 2 years	28.8	41.5	43.0	50.4	49.1
Other items net	37.4	26.6	25.7	-44.3	-29.0
Capital, reserves, and provisions	56.3	33.7	33.6	-99.8	-99.8
Other liabilities	69.5	84.9	84.3	84.9	87.2
Surplus of liabilities among MFIs	-0.1	0.0	-0.1	-50.2	-27.1
Fixed assets	32.6	32.0	32.2	-2.0	-1.4
Other assets	55.7	59.9	60.0	-65.6	-67.2
<b>M3</b>	<b>926.6</b>	<b>1,039.6</b>	<b>1,041.0</b>	<b>14.4</b>	<b>12.3</b>

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) Volumes as at the last day of the given period.

2) Year-on-changes are calculated on the basis of chain indices; index reference period is January 2005.

Long-term financial liabilities (excluding capital, reserves and provisions) went up by SKK 2.3 billion, increasing their year-on-year growth rate to 18.3%. Increases were reported in debt securities issued with a maturity of over 2 years (of SKK 1.5 billion) and in deposits and loans received with an agreed maturity of over 2 years (of SKK 0.9 billion). Deposits with a notice period of over 3 months, on the other hand, continued to fall moderately.

### Structure of MFI Receivables from the Private Sector (excluding securities and NBS receivables)

In November, the rate of growth in MFI receivables from the private sector increased moderately, driven by faster growth in loans in all sectors.

**Faster growth in loans to non-financial corporations and households**



**Table 6 MFI Receivables from the Resident Private Sector**

	Volume (SKK billions) <sup>1)</sup>			Year-on-year changes (%) <sup>3)</sup>	
	Nov. 2006	Oct. 2007	Nov. 2007	Oct. 2007	Nov. 2007
MFI receivables from the private sector (including securities)	632.9	755.2	768.8	21.6	22.6
– of which: securities issued by the private sector <sup>2)</sup>	14.2	14.3	15.1	0.4	6.3
MFI receivables (excluding securities)	618.7	740.9	753.7	22.1	23.0
* Non-financial corporations	324.0	385.1	389.3	20.8	21.9
– up to 1 year	136.3	165.2	169.3	24.3	28.0
– 1 to 5 years	65.0	74.8	76.9	17.8	19.0
– over 5 years	122.6	145.1	143.1	18.6	16.8
* Financial corporations	61.4	64.5	66.2	6.4	7.8
* Insurance corporations and pension funds	0.0	0.0	0.0	-	-
* Households and non-profit institutions serving Households	233.3	291.2	298.2	28.1	28.5
– consumer loans	35.7	40.5	41.1	17.8	17.2
– construction loans	152.2	194.7	199.3	30.7	31.3
– other loans	45.4	56.1	57.7	27.2	27.8

Source: NBS.

Note: Differences in the sums are due to rounding. The missing data were omitted due to a high year-on-year dynamics, resulting from relatively low levels of given measures.

1) Figures refer to the last day of the given period.

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

3) Year-on-changes are calculated on the basis of chain indices; index reference period is January 2005.

The rate of growth in loans to non-financial corporations increased by 1.1 percentage points. The volume of MFI receivables from non-financial corporations increased by SKK 4.2 billion in November, compared with the previous month. The highest increase was recorded in short-term loans of up to 1 year. The volume of long-term loans increased only slightly by SKK 0.1 billion.

As in the previous month, November saw a moderately accelerated rate of growth in loans to households (increase of 0.4 percentage points). Their volume increased by SKK 7.0 billion over the previous month. Broken down by the purpose of loan, house purchase loans, consumer loans and other loans recorded the same increase as in the previous month.

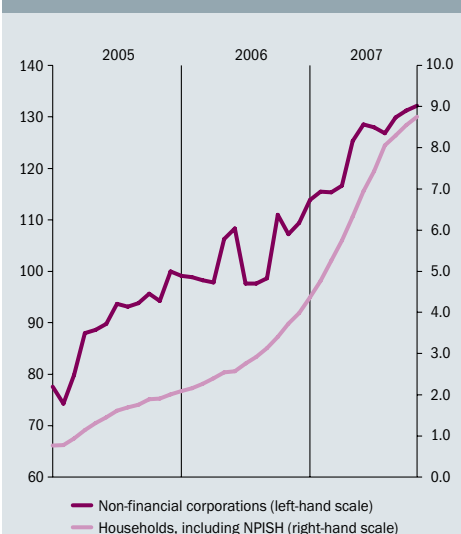
Foreign currency loans went up by SKK 2.9 billion in November month-on month. The increase in foreign currency MFI receivables from non-financial corporations was moderately lower than in the previous month, mainly due to lower growth in euro-denominated loans. The volume of foreign currency loans to households increased only moderately (by SKK 0.2 billion). Loans denominated in EUR and in other foreign currencies increased identically by SKK 0.1 billion. Euro-denominated receivables constituted the largest part of receivables in foreign currencies in all sectors in November.

**Investment through Open-End Investment Funds (OIFs)**

**Inflow of funds into open-end investment funds**

The inflow of funds into open-end money market investment funds continued in December. This type of funds was the most popular one throughout 2007, as the development in the global markets significantly reduced the credibility of the other funds in the second

**Chart 8 Lending in Foreign Currency (SKK billions)**



Source: NBS.





**Table 7 MFI Receivables from the Resident Private Sector (excluding securities and receivables from NBS)**

	Volume (SKK billions)	Year-on-year change (in %)					Cumulative change since beginning of year (SKK billions)	
		Nov. 2007	2006 Q4	2007 Q1	2007 Q2	2007 Q3	Nov. 2007	Nov. 2006
<b>MFI receivables (excluding securities)</b>	753.7	24.7	22.6	21.4	24.8	23.0	111.2	126.4
Non-financial corporations	389.3	21.5	19.5	20.6	26.9	21.9	52.6	62.9
– loans in Slovak koruna	257.2	28.5	20.4	21.5	24.4	21.2	45.4	40.1
– loans in foreign currency	132.2	9.6	17.7	19.0	32.1	23.6	7.2	22.8
Financial corporations (other financial intermediaries and auxiliary financial institutions)	66.2	14.5	9.4	-0.2	3.4	7.8	6.4	3.2
– loans in Slovak koruna	49.2	18.3	12.6	2.8	0.3	0.7	5.9	-1.7
– loans in foreign currency	16.9	0.8	-1.1	-9.6	14.5	35.5	0.5	4.9
Insurance companies and pension funds	0.0	-	-	-	-	-	0.0	0.0
Households and non-profit institutions serving households	298.2	32.5	31.2	28.8	27.8	28.5	52.3	60.3
– loans in Slovak koruna	289.4	31.8	30.0	27.1	25.9	26.8	50.5	55.5
– loans in foreign currency	8.7	-	-	-	-	-	1.7	4.8
of which: consumer loans	41.1	48.8	24.7	20.0	18.8	17.2	10.9	5.3
house purchase loans	199.3	32.1	31.5	30.9	30.3	31.3	33.3	42.5
other loans	57.7	22.8	35.9	28.8	26.7	28.1	8.1	12.5

Source: NBS.

Note: Figures may not add 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.

As at the last day of the given period.

Year-on-changes are calculated on the basis of chain indices; index reference period is January 2005.

**Table 8 Net Sales of Open-end Investment Funds in the SR (month-on-month changes in SKK billions)**

	Year	Jan.	Feb.	Mar.	Apr.	May	Jun	Jul	Aug.	Sep.	Oct.	Nov.	Dec.	Cum.
OIF sales	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
in Slovak koruna	2007	3.7	1.0	0.8	1.4	2.0	2.1	2.2	2.0	1.1	0.7	1.5	1.9	20.5
OIF sales	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
in foreign currency	2007	0.2	-0.7	0.0	0.2	-0.1	0.0	-0.1	0.2	0.2	0.0	-0.3	0.1	-0.5

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

half of the year. The net value of OIF assets denominated in SKK increased to SKK 145.6 billion, and the monthly net sales of OIFs reached SKK 1.9 billion. The figure of net sales of OIFs denominated in foreign currencies was also positive (SKK 0.1 billion).

The highest monthly net sales were traditionally reported by money market funds (SKK 1.4 billion). Net sales in the other funds, except for bond funds (mixed funds, equity funds, funds of funds, other / secured funds and special real estate funds) were also positive (SKK 0.7 billion in total). Negative net sales were reported by bond funds (SKK -0.1 billion). The net sales of OIFs of all types in the Slovak Republic, denominated in SKK and foreign currencies totalled SKK 2.0 billion.

### Current Budgetary Developments

On 31 December 2007, the state budget of the Slovak Republic recorded a deficit of SKK 23.5 billion. This figure was by almost SKK 15 billion lower than the approved deficit (SKK 38.4 billion). Total revenues amounted to SKK 322.2 billion; total expenditures stood at SKK 345.7 billion.



## 4.2 The External Sector

### Balance of Payments Balance in October 2007

**Current account** In October 2007, the balance of payments current account reached a deficit of SKK 14.0 billion. The month-on-month deterioration of this figure by SKK 11.2 billion is attributable particularly to higher dividend payments to foreign investors, which resulted into a higher deficit of the balance of income and partly also to the negative development of the services balance. The growing surplus of the trade balance, and the lower deficit of the balance of current transfers, on the other hand, mitigated the month-on-month deterioration of the current account balance. Compared with the same period last year, the deficit of the balance of payments current account increased by SKK 6.8 billion, particularly due to a worse development of the balance of income.

Foreign trade balance surplus in October (after revision by the Statistical Office) stood at SKK 3.5 billion (the originally published surplus was SKK 2.4 billion). Exports increased month-on-month in October. Their rate of annual growth also increased and reached 14.5%. The increase in exports, compared with the previous month, was caused mainly by higher exports of machinery and transport equipment (TV sets). In addition to higher exports of machinery and transport equipment, the exports of semi-finished products (plastic materials, steel and iron objects, rubber) and finished products (particularly furniture) also increased, accompanied, to a lesser extent, by growing exports of raw mate-

Chart 9 Monthly Net Sales of OIFs in Slovakia (SKK billions)

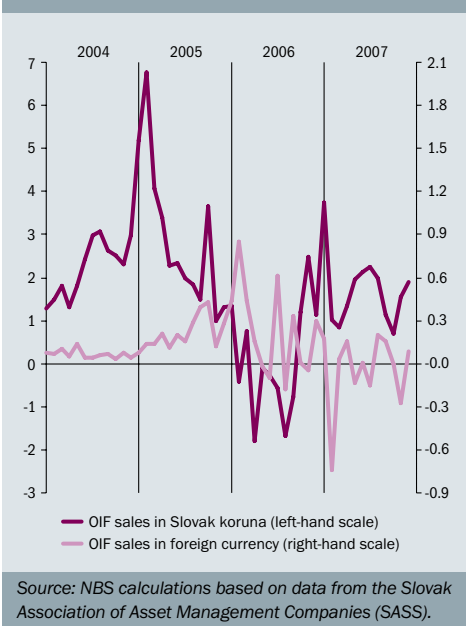


Table 9 Balance of Payments Current Account (SKK billions)

	October		January – October	
	2007	2006	2007	2006
Balance of trade	3.5	-4.5	-3.6	-55.4
Exports	144.8	126.5	1,174.6	1,013.2
Imports	141.3	131.0	1,178.2	1,068.6
Balance of services	-1.6	0.9	9.7	16.4
Balance of income	-15.8	-2.7	-68.7	-56.3
of which: income from investment	-18.7	-5.2	-97.4	-81.2
of which: reinvested earnings	-2.4	-1.9	-21.0	-22.0
Current transfers	-0.1	-0.9	-11.8	-1.4
Current account in total	-14.0	-7.2	-74.4	-96.7

Source: NBS and the Statistical Office of the SR.

Table 10 Exports in January to October, Year-on-year Changes

	Year-on-year changes in SKK billions		Contribution to the year-on-year changes in p.p.	
	January – October		January – October	
	2007	2006	2007	2006
Raw materials	-5.9	13.4	-0.6	1.7
Chemicals and semi-finished goods	17.7	50.6	1.7	6.3
Machinery and transport equipment	143.6	137.1	14.2	17.0
Finished products	5.9	5.1	0.6	0.6
EXPORTS in total	161.4	206.2	15.9	25.5

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

rials. Similarly to exports, imports of goods also increased month-on-month in October, increasing the rate of annual growth to 7.9%. The highest growth was recorded in imports of machinery and transport equipment (products with liquid crystals and parts, components and accessories for passenger cars). This increase, as well as the increase in imports of semi-finished products (plastic materials, steel and iron products, rubber, etc.) was related to the growth of exports (due to their import intensity). Increased imports of finished products (pharmaceuticals, toys, clothing, etc.) were influenced by imports in the pre-Christmas season. The overall growth in imports was further supported by higher imports of raw materials (particularly crude oil).

**Table 11 Imports in January to October, Year-on-year Changes**

	Year-on-year changes in SKK billions		Contribution to the year-on-year changes in p.p.	
	January-October		January-October	
	2007	2006	2007	2006
Raw materials	-25.1	41.9	-2.4	4.9
Chemicals and semi-finished goods	34.0	42.1	3.2	4.9
Machinery and transport equipment	78.2	107.6	7.3	12.6
Finished products	22.6	25.9	2.1	3.0
of which: – agricultural and industrial goods	16.5	12.1	1.5	1.4
– passenger cars	5.9	4.0	0.6	0.5
– machines and electrical consumer goods	0.1	9.8	0.0	1.1
IMPORTS in total	109.7	217.4	10.3	25.5

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

The capital and financial account of the balance of payments saw an inflow of funds (SKK 9.9 billion) in October. Almost one half of the funds coming in (SKK 4.4 billion) went to the capital account.

#### Capital and financial account

The inflow of resources on the financial account in October was supported particularly by the development of the balance of other investments. The inflow of funds resulted from the increase of deposits of non-residents on accounts opened with Slovak banks, which was only partly offset by an outflow of funds in the form of growing deposits of Slovak banks on accounts opened with foreign banks. The overall inflow of funds in the balance of other investments was supported by the use of long-term financial loans by the corporate sector. As to FDI, inflow of funds was recorded particularly on the liabilities side, supported by inflow of funds in the form of equity participation and reinvested profits.

The total foreign reserves of NBS increased by SKK 0.9 billion (USD 44.8 million, excluding FX differences) month-on-month.

#### Foreign reserves of NBS

#### External Debt of the Slovak Republic as at 31 October 2007

The total gross external debt reached USD 42.2 billion (EUR 29.3 billion) at the end of October 2007. The total long-term external debt increased by USD 0.6 billion in October, accompanied by a growth in short-term external debt by USD 1.8 billion. A major part of this increase is attributable to the development of the USD/EUR exchange rate.

#### Gross external debt

Looking at the short-term foreign debt, foreign liabilities of commercial banks increased by USD 1.0 billion in October (cash and deposits in particular). Short-term foreign liabilities of the corporate sector increased by USD 0.8 billion in total, mainly as a result of an increase in trade credits and borrowings.

Looking at the long-term foreign debt, the foreign liabilities of the government and NBS decreased moderately. The commercial sector reported an increase in long-term foreign liabilities of businesses (of USD 0.4 billion) under item 'borrowings' and an increase in foreign liabilities of commercial banks of USD 0.2 billion, influenced mainly by item 'cash and deposits'.

Slovakia's per capita gross external debt reached USD 7,848 at the end of October. The share of short-term foreign debt in Slovakia's total gross foreign debt rose 1.5 percentage points month-on-month and reached 50.2% at the end of October.



	October		January-October	
	2007	2006	2007	2006
	Capital account	4.4	-0.1	10.1
Direct investment	2.3	6.3	47.5	99.8
SR abroad	0.1	-0.6	-2.3	-10.0
of which: equity capital abroad	0.1	-0.2	-1.6	-9.1
reinvested earnings	-0.1	-0.1	-1.0	-1.0
In the SR	2.2	6.9	49.8	109.8
of which: equity capital in the SR	2.5	1.7	18.6	50.2
of which: other than privatisation	2.5	1.7	18.6	19.2
reinvested earnings	2.5	2.0	22.0	23.0
Portfolio investment and financial derivatives	-4.6	3.1	1.7	47.8
SR abroad	-5.3	0.4	-12.3	-6.6
In the SR	0.7	2.7	14.0	54.4
Other long-term investments	7.6	1.2	16.5	16.6
Assets	0.1	1.0	-8.1	5.4
Liabilities	7.5	0.2	24.6	11.2
Other short-term investments	0.2	-1.4	80.6	-164.6
Assets	-20.6	0.3	-20.8	-69.2
Liabilities	20.8	-1.7	101.4	-95.4
Capital and financial account	9.9	9.1	156.4	-1.2

Source: NBS.

	In millions of USD			In millions of EUR		
	31.12.2006	30.9.2007	31.10.2007	31.12.2006	30.9.2007	31.10.2007
Total external debt of the SR	32,205.9	39,798.9	42,216.4	24,448.9	28,056.5	29,297.5
Long-term external debt	16,649.7	19,816.3	20,380.5	12,639.5	13,969.6	14,143.7
Government and NBS <sup>1)</sup>	7,702.1	9,423.4	9,373.3	5,847.0	6,643.1	6,504.9
Commercial banks	1,559.2	2,132.5	2,329.9	1,183.6	1,503.3	1,616.9
Entrepreneurial entities	7,388.4	8,260.4	8,677.3	5,608.9	5,823.2	6,021.9
Short-term external debt	15,556.2	19,982.6	21,835.9	11,809.4	14,086.9	15,153.8
Government and NBS	0.0	0.0	0.0	0.0	0.0	0.0
Commercial banks	6,148.8	9,606.0	10,640.3	4,667.8	6,771.8	7,384.2
Entrepreneurial entities	9,407.4	10,376.6	11,195.6	7,141.6	7,315.1	7,769.6
Foreign assets	26,718.4	34,748.0	36,417.4	20,283.2	24,495.8	25,273.2
Net external debt	5,487.5	5,050.9	5,799.0	4,165.7	3,560.7	4,024.3
SKK/USD and SKK/EUR rates:	26.246	23.879	23.150	34.573	33.873	33.358
EUR/USD cross exchange rate:	-	-	-	1.317	1.419	1.441

Source: NBS.

1) Including government agencies and municipalities.

**Net external debt** The net external debt, expressed as the difference between gross foreign debt of USD 42.2 billion (liabilities of the Government, NBS, commercial banks, and the corporate sector – excluding equity participation) and foreign assets of USD 36.4 billion (foreign reserves of NBS, foreign assets of commercial banks and the corporate sector – excluding equity participation), reached USD 5.8 billion (debtor position) at the end of October 2007.

**Current Developments**

The trade balance showed a high deficit of SKK 7.7 billion in November, with the balance of foreign trade deteriorating by SKK 11.2 billion compared with the previous month. The negative result of foreign trade was more than compensated by the development of all other items of the current account, which reported an improvement in November, compared with the previous month. The change from October's deficit to a surplus in the services balance and balance of current transfers was accompanied by a decrease in the deficit on the balance of income (resulting from lower payment of dividends to foreign investors). The improved development of the balance of income, which surpassed the deterioration of the trade balance, was the main factor behind the month-on-month improvement of the current account balance of SKK 8.3 billion.

November saw a notable slowdown in the annual growth of exports, which reached 9.9%. The growth rate of exports still exceeds that of imports; the latter reaching 8.3% at the end of November.

		(SKK billions)			
		November		January – November	
		2007	2006	2007	2006
Balance of trade		-7.7	-8.9	-11.4	-64.3
Exports		132.5	120.6	1,307.0	1,133.8
Imports		140.2	129.5	1,318.4	1,198.1
Balance of services		1.8	0.2	11.5	16.6
Balance of income		-1.3	0.5	-70.0	-55.8
of which: income from investments		-4.1	-2.4	-101.5	-83.6
of which: reinvested earnings		-2.4	-1.5	-23.4	-23.5
Current transfers		1.6	0.2	-10.2	-1.2
Current account in total		-5.7	-8.0	-80.1	-104.7

Source: NBS and the Statistical Office of the SR.

The November's result of the trade balance was much worse than expected by NBS, mainly due to the higher (than expected) volume of imports.

Exports are likely to decrease in December month-on-month; the annual growth rate of exports, however, should go down only slightly, as exports decrease at the end of each year. Similarly to exports, imports are also expected to decrease on a month-on-month basis; this decrease should be supported by lower imports of semi-finished products and products for the final consumption.

In January and February, exports are expected to return on the growth curve; their growth, however, should not exceed the levels from 2007. Imports are expected to decrease in January, driven particularly by lower imports of products for the final production and, to a lesser extent, of machinery. In February, the value of imports is expected to increase again.

Overall, lower annual growth rates of both exports and imports than in the previous months are expected and the trade balance should improve year-on-year.

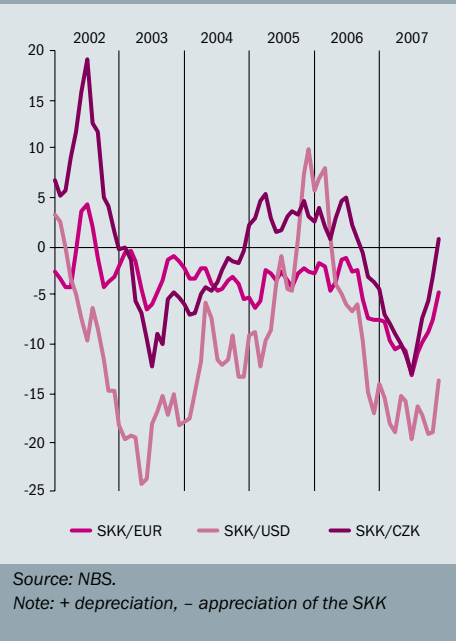
At the end of December, the total foreign reserves of NBS stood at USD 18,971.2 million, representing a month-on-month decrease of USD 139.7 million. The decline in foreign reserves compared to the end of November is the result of a surplus on the balance of income and expenses of USD 19.9 million, offset by negative foreign exchange differences (USD -159.6 million) due to a change in the cross exchange rate between USD and EUR during the period under review. At the end of the month, the volume of foreign reserves of NBS was 3.5 times greater than the volume of average monthly imports of goods and services to Slovakia over the first eleven months of 2007.

**Total Foreign Reserves of NBS**

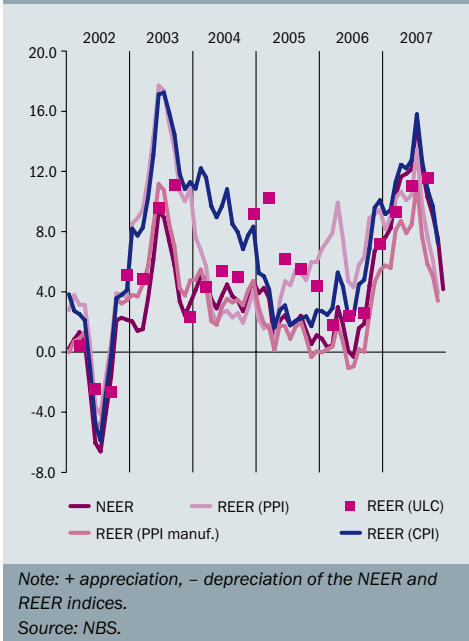
The ratio of foreign reserves to the amount of payments for goods and services recorded in banking statistics, reached 4.6 times the volume of average monthly imports of goods and services to the SR over the first eleven months of 2007.



**Chart 10 Average Monthly Exchange Rates of the Slovak Koruna (year-on-year changes in %)**



**Chart 11 Developments in the NEER and REER Indices (9 trading partners) (year-on-year changes in %)**



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

The nominal effective exchange rate<sup>3</sup> of the Slovak koruna weakened by 0.7% month-on-month, compared with an appreciation of 0.9% in the previous month. Depreciation of the nominal effective exchange rate was caused mainly by the depreciation of the domestic currency against the Czech koruna by 0.5 percentage points.

On a year-on-year basis, the strengthening trend of the nominal effective exchange rate slowed from 7.5% in November to 4.2%. The main contributor strengthening the NEER was the appreciation of the koruna against the euro by 3.4 percentage points.

**Table 15 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) <sup>2)</sup>
December 2002	2.1	4.1	3.6	3.4	5.1
December 2003	3.2	11.3	10.8	4.7	2.3
December 2004	4.7	8.3	4.1	4.7	9.2
December 2005	1.1	2.7	6.0	0.0	4.4
December 2006	7.4	10.1	9.5	5.4	7.2
September 2007 <sup>1)</sup>	10.3 / 3.5	10.8 / 3.0	7.6 / 2.4	5.8 / 0.7	11.6 <sup>(p)</sup>
November 2007 <sup>1)</sup>	7.5 / 4.9	7.2 / 4.5	3.9 / 1.8	3.4 / 0.9	-
December 2007	4.2	.	.	.	.

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

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

The slower appreciation of the real effective exchange rate in November was caused particularly by slower annual nominal appreciation of the Slovak koruna and faster growth of price indices of most relevant foreign trade partners. The REER based on the consumer price index (CPI) appreciated by 7.2%, that

<sup>3</sup> For calculating the nominal and real effective exchange rates of the Slovak koruna (NEER and REER), 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.

based on the industrial producer price index (PPI) by 3.9%, and the rate based on the manufacturing products price index (PPI manuf.) by 3.4%.

### 4.3 Real Economy

#### Current Developments

##### Production and Sales

In November, the annual rate of growth in industrial production slowed, in comparison with October 2007, particularly due to the slower year-on-year growth in manufacturing production. Industrial production grew at a rate of 13.2% (17.2% in the previous month). A slowdown in the year-on-year growth in production was recorded in the production of transport vehicles, electrical and optical devices and plant and machinery.

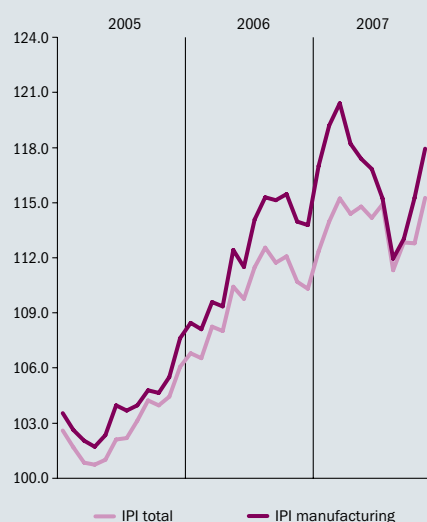
Construction recorded a moderate decrease (of -1.7%) in November. This development is attributable particularly to the annual drop in foreign construction by 19% as a result of high volume of foreign construction in November 2006 (annual growth by 21% one year ago).

The annual growth in retail trade sales had been hovering around 2 percent for the three previous months (2.0% in November). Compared with the previous month, the annual growth in retail sales of food, beverages, and tobacco in specialised and non-specialised shops slowed moderately. Sales growth in other retail trade in non-specialised shops and in other specialised retail trade, on the other hand, increased its pace (12.3% in November). The annual growth in receipts from retail trade with pharmaceuticals and cosmetics reached 15.3% (15.2% in the previous month) and is the fastest growing sector of retail trade.

The year-on-year growth in receipts of entities specialising in selling and maintaining motor vehicles and in retail sale of fuels slowed in November, compared to October 2007, due to a slower year-on-year growth in receipts for the maintenance of motor vehicles, slower growth in retail sales of motor vehicles and a significant annual drop in the sales of parts and accessories for motor vehicles, despite a faster growth in retail sales of fuels.

The faster year-on-year growth in receipts from services related to real estate, renting and business activities compared with the previous month is attributable mainly to the November's recovery of real estate related activities and renting of plant and machinery without operators, both of them recording

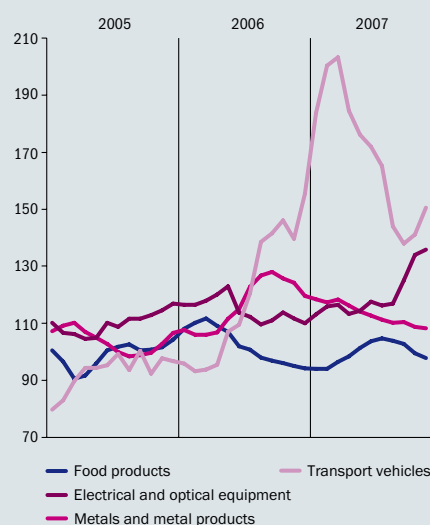
**Chart 12 Development of Industrial Production and Manufacturing (3-month moving averages) (index, same period a year earlier = 100)**



Source: Statistical Office of the SR.

Notes: IPI - Industrial Production Index. The index is adjusted for calendar effects.

**Chart 13 Development of Manufacturing Production (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.

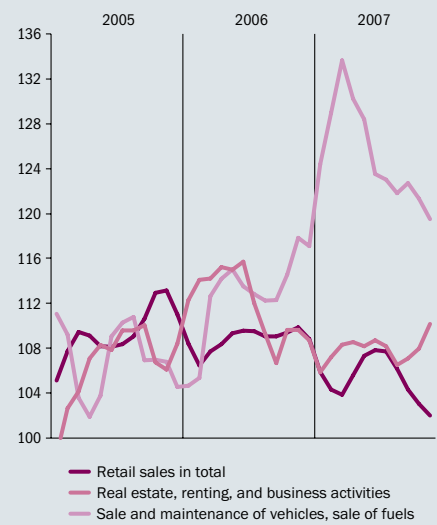


**Chart 14 Production in the Construction Sector (3-month moving averages) (index, same period a year earlier = 100)**



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

**Chart 15 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.

an annual growth in sales, compared with an annual decrease in October. The faster growth in other business services positively influenced the overall development of services related to real estate, renting and trading activities, despite a notably slower annual growth in receipts from computer-related activities.

**Table 16 Production and Sales**

	SKK millions, at current prices		Indices			
	Oct. 2007	Cumul. since the begin. of the year	Nov. 2006	Jan. - Dec. 2006	Oct. 2007	Nov. 2007
<b>Industrial production index<sup>1)</sup></b>	-	-	110.4	110.0	117.2	113.2
of which:						
Mining and quarrying	-	-	101.7	90.4	96.8	96.0
Manufacturing	-	-	113.7	112.6	120.3	116.0
Electricity, gas, and water supply	-	-	90.7	97.6	93.8	93.6
Construction <sup>2)</sup>	15,276	146,170	112.1	114.9	100.3	98.3
of which:						
Construction in Slovakia	14,714	141,104	110.8	116.1	99.6	99.1
Construction abroad	562	5,066	151.1	87.9	121.0	81.0
<b>Receipts from own-output and goods:</b>						
Industry in total <sup>3)</sup>	201,748	1 905,666	116.0	114.5	112.5	114.3
Construction <sup>2)</sup>	24,958	228,191	104.7	113.3	104.7	102.3
Retail trade <sup>3)</sup>	40,377	405,632	109.4	108.8	102.1	102.0
Sale and maintenance of vehicles, retail sale of fuel <sup>3)</sup>	20,725	202,139	120.3	113.6	122.8	119.6
Transport, storage <sup>3)</sup>	14,343	154,130	109.0	111.6	106.5	108.9
Real estate, renting, and business activities <sup>3)</sup>	17,419	174,943	106.0	110.9	107.9	110.6

Source: Statistical Office of the SR.

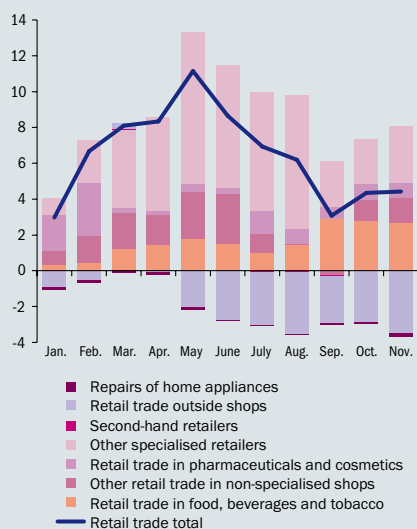
1) Adjusted for calendar effects (the data in the time series are continuously revised).

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

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



**Chart 16 Contribution to the Year-on-year Growth in Retail Sales (p. p.)**



Sources: Statistical Office of the SR and NBS calculations.

**Wages, Employment and Unemployment**

In November 2007, the annual rate of growth in nominal wages accelerated most in transport and storage, retail trade and industry, compared with October 2007. The average monthly nominal wage in November 2007 for all sectors indicates a moderate increase in the annual growth rate, compared with the previous month.

**Development of nominal wage**

Using the comparison of quarterly data and estimates based on preliminary monthly data on nominal wage, we could predict a moderately lower growth of nominal wage, compared with the previous quarter. In the 3<sup>rd</sup> quarter of 2007, the nominal wage increased by 6.8% year-on-year; average data for selected sectors of the national economy for the first two months of the 4<sup>th</sup> quarter indicate a moderately lower growth in nominal wages.

The annual growth in employment slowed in November 2007, compared with October 2007, in transport and storage, real estate and rental business, retail trade and industry. The average employment figure for November 2007 for all sectors indicates a moderate slowdown of annual employment growth, compared with the previous month.

**Employment**

Comparison of quarterly and monthly employment indicators indicates that the annual growth of employment in the 4th quarter (average growth of employment in October and November) should be moderately lower than the figure reported in the 3rd quarter of 2007.

**Table 17 Wage Developments in Selected Sectors**

(index, same period a year earlier = 100)

	Average monthly nominal wage		Average monthly real wage	
	October	November	October	November
Industry	103.6	104.7	100.3	101.6
of which: Manufacturing	103.4	102.2	100.1	99.1
Construction	106.4	106.3	103.0	103.1
Retail trade	105.0	106.9	101.6	103.7
Wholesale trade	103.6	103.4	100.3	100.3
Sale and maintenance of vehicles	110.0	110.2	106.5	106.9
Real estate and renting activities	111.0	109.1	107.5	105.8
Transport	108.5	110.6	105.0	107.3
Post and telecom	111.9	109.7	108.3	106.4
Average for the selected sectors	105.4	105.8	102.0	102.6
Consumer prices	103.3	103.1	-	-

Source: Statistical Office of the SR.

Notes: The selected sectors accounted for 70% of total employment in the third quarter of 2007.

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

According to data from the Centre for Labour, Social Affairs and Family, the total number of unemployed dropped month-on-month by 2.7 thousand to 235.7 thousand in November 2007. The number of disposable unemployed, who may start working immediately, was 201.9 thousand, which was by 4.1 thousand less than in October. The rate of registered unemployment stood at 7.8% in November, representing a month-on-month decrease by 0.1 of a percentage point. Compared with the same period last year, it went down by 1.4 percentage points.

**Unemployment**



**Chart 17 Comparison of Average Monthly Wages Based on Monthly and Quarterly Data (%)**



**Chart 18 Comparison of Employment Rates Based on Monthly and Quarterly Data (%)**



**Table 18 Employment in Selected Sectors (index, same period a year earlier = 100)**

	Employment	
	October	November
Industry	101.7	101.5
of which: manufacturing	102.1	101.8
Construction	105.6	105.9
Retail trade	106.0	105.7
Wholesale trade	97.4	97.8
Sale and maintenance of vehicles	121.1	121.5
Real estate and renting activities	105.5	104.8
Transport	105.8	105.1
Post and telecommunications	97.6	100.0
Average for the selected sectors	103.3	103.2

Source: Statistical Office of the SR.

The average length of registration was 10.6 months. The share of long-term unemployed (out of work for more than 12 months) stood at 52% in November.

**Consumer Confidence Indicator**

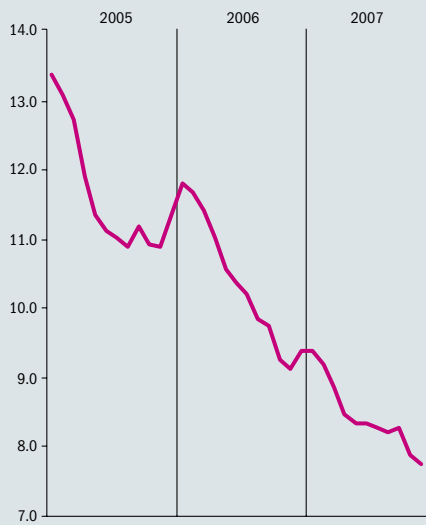
**Increase of the consumer confidence indicator**

After four months of declining, the Consumer Confidence Indicator increased to -5.6 points (by 5.2 points more than in November). Compared with November, the positive moods prevailed in the assessment of all its components. Expectations concerning development of unemployment and household savings improved most notably. In year-to-year comparison, the consumer confidence indicator went down by 11.4 points.

**International comparison of the consumer confidence indicator in 2007**

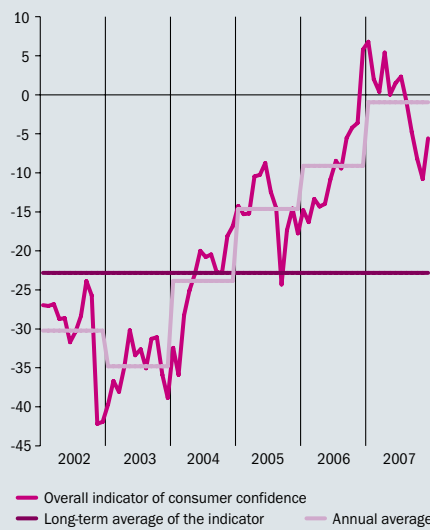
Development of the consumer confidence indicator in the EU in 2007 was characterised with two tendencies. While the indicator was improving till May, consumers' expectations started to deteriorate in June. Analysing the individual components of the indicator in a year-to-year comparison, consumers lost their confidence particularly with respect to economic development and expected financial situation of households. On the other hand, respondents were more optimistic with respect to the expected development of unemployment.

**Chart 19 Registered Unemployment Rate (%)**



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

**Chart 20 Consumer Confidence Indicator**



Sources: Statistical Office of the SR, NBS calculations based on Statistical Office data.

**Chart 21 Comparison of Consumer Confidence Indicators in the EU and in the Slovak Republic**



Source: European Commission and NBS calculations based on Commission data.

**Chart 22 Comparison of Year-on-year Changes in Consumer Confidence Indicators (December 2007 versus December 2006)**



Source: European Commission and NBS calculations based on Commission data.  
Note: The most recent data for Bulgaria refer to November 2007.

In the annual comparison, Slovakia belonged to the group of countries with a notable decrease of consumer confidence indicator (by 11.4 points); the EU average was -2.1 points. As the value of the indicator was improving faster in Slovakia than in other EU countries in 2006, it stood at about the average level of EU countries at the end of 2007.



## 5 Monetary Developments

### 5.1 Foreign Exchange Market

#### Operations in the foreign exchange market

As at the end of December, the exchange rate of the Slovak koruna weakened by 0.7% (from SKK/EUR 33.376 to SKK/EUR 33.603), while the monthly average rate weakened by 0.4%. The Slovak koruna deviated from its central rate (SKK/EUR 35.4424) most significantly on 11 December 2007, when its exchange rate was fixed at SKK/EUR 33.058, representing an appreciation of 6.7% from the central parity. In relation to the US dollar, the koruna lost 1.0% in value (from SKK/USD 22.638 to SKK/USD 22.870) at the end of December. The monthly average exchange rate depreciated by 1.1%.

Spot transactions between foreign and domestic banks resulted in a positive balance of USD 603.3 million, i.e. foreign banks tended to sell the Slovak koruna and buy foreign currencies.

Národná banka Slovenska conducted no foreign exchange intervention in December.

**Table 19 Changes in the SKK/EUR and SKK/USD Exchange Rates (%)**

	Month-on-month change	Ø Dec. 2007	Ø Jan. – Dec. 2007
		Ø Dec. 2006	Ø Jan. – Dec. 2006
SKK/EUR	0.7	-4.7	-9.3
SKK/USD	1.0	-13.7	-16.9

Source: NBS.  
Notes: - appreciation of the SKK, + depreciation of the SKK; Ø means average.

Slovak koruna opened the month at the level of 33.200 SKK/EUR. It hovered around this level throughout the first week of December and then, influenced by the developments in the region, strengthened to 33.000 SKK/EUR, which was the highest value recorded in December. In the middle of December, however, the koruna started to loose value, due to low liquidity in the market and regional influences, to a level of 33.600 SKK/EUR. No extraordinary events happened till the end of the year; the market saw little activity and the koruna closed the year at 33.600 SKK/EUR.

#### Interbank foreign exchange market

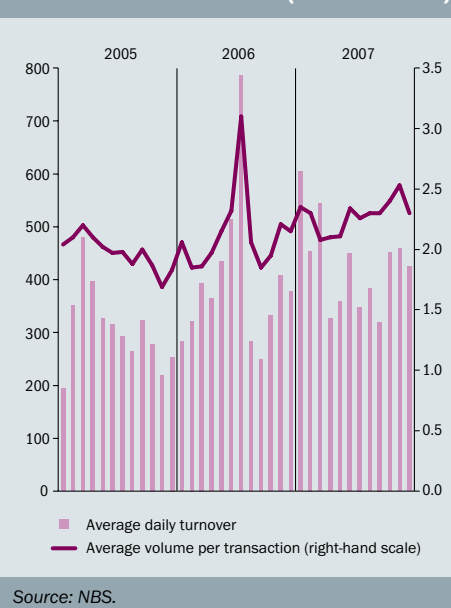
The total volume traded in the interbank foreign exchange market reached USD 81,186.0 million in December, representing a decrease of 4.2% compared with the figure for November (USD 84,761.8 million). Of the total trading volume, swap transactions accounted for 89.6%. These were made mostly in USD (94.7%). Spot transactions accounted for 9.4% of the total turnover (93.9% of the deals were in EUR). The average daily turnover in the spot market reached USD 425.5 million and the average volume per transaction amounted to USD 2.3 million.

The total volume of transactions between domestic commercial banks decreased, from November's figure of USD 8,592 million to USD 4,922 million in December. Most trading took place in USD (53.4%, compared with 62.3% in November), followed by EUR (43.6%, compared with 36.7% in November). Deals in other currencies accounted for 3.0% of the total turnover between domestic commercial banks only.

Transactions between domestic banks accounted for 6.1% of the total volume traded in 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 68.6% (78.0% in November) and spot transactions (excluding interventions) for 30.7% (21.9% in November).

The total volume of transactions with foreign banks increased only negligibly from USD 76,169.9 million in November to USD 76,211.7 million in December. USD deals again accounted for the largest volume of transactions (87.0%, compared with 85.3% in November), followed by EUR deals with a share of 12.4% (14.5% in November). Trading in other currencies accounted

**Chart 23 Transactions in the Interbank Foreign Exchange Market (USD millions)**





for 0.5%. Trading between domestic and foreign banks still dominated the country's foreign exchange market with a share of 93.9%.

As was the case with deals between domestic banks, trading between domestic and foreign banks took place predominantly in the form of swap operations (91.0%, compared with 88.7% in November). Spot transactions accounted for 8.1% (10.2% in July). The share of forward dealings in the foreign exchange market was negligible. Option contracts accounted for 0.4% of the volume traded with foreign banks.

Slovak-koruna deposits of non-resident banks decreased to SKK 48.9 billion in November, representing a decrease of SKK 8.8 billion, compared with the previous month, and a decrease of SKK 22.4 billion compared with the same period a year earlier.

The volume of government securities held by non-residents at the end of December was by SKK 4.7 billion smaller than a month earlier. This includes a decrease of SKK 4.3 billion for 3-year government bonds No 207. Due to the favourable development in the financing of the state budget and oversupply of financial resources, ARDAL was able to reject all bids received from banks in the December's auction of government bonds. The volume of Treasury Bills owned by non-residents was equal to zero, as the Agency for Debt and Liquidity Management (ARDAL) did not issue any Treasury Bills in 2007.

The December's development confirms the historical downward trend, with the volume of government bonds held by non-residents and their share in the value number of government bonds issued (SKK 61.8 billion, or 16.8%) equals to about one half of the highest values from September 2005.

**Table 20 Koruna Assets / Liabilities and Government Securities Held by Non-Residents  
(SKK billions)**

	2006		2007						2008
	31.11.	30.6.	31.7.	31.8.	30.9.	31.10.	30.11.	31.12. <sup>(p)</sup>	8.1. <sup>(p)</sup>
Koruna assets, banks	10.6	15.7	12.3	18.6	13.0	15.5	15.2	25.5	28.7
Koruna liabilities	78.7	55.0	47.2	56.7	58.4	68.0	58.8	.	.
of which: banks	71.2	44.4	36.6	46.4	48.4	57.7	48.9	58.2	51.1
non-bank clients	7.5	10.6	10.6	10.3	10.0	10.4	10.0	.	.
Government securities	89.1	82.2	81.4	80.3	80.0	74.3	66.5	61.8	.
of which: government bonds	89.1	82.2	81.4	80.3	80.0	74.3	66.5	61.8	.
SR Treasury bills	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	.
Total	167.8	137.2	128.6	137.1	138.4	142.3	125.4	.	.

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

In its 47<sup>th</sup> meeting held on 18 December 2007, the NBS Bank Board 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 interest rates of the interbank money market yield curve went down slightly in December, in comparison with the previous month. The volatile O/N rate recorded the largest change compared with the previous month (decrease of 1.1 percentage points on average). Interest rates of one and two-week maturities went down by 0.2 percentage points on average. The average decline in the rates of short maturities is attributable to the surplus of liquidity prevailing in the sector throughout December, in approaching the end of the year. The prices of deposits at the long end of the yield curve went down only negligibly, by 0.01 percentage points on average.

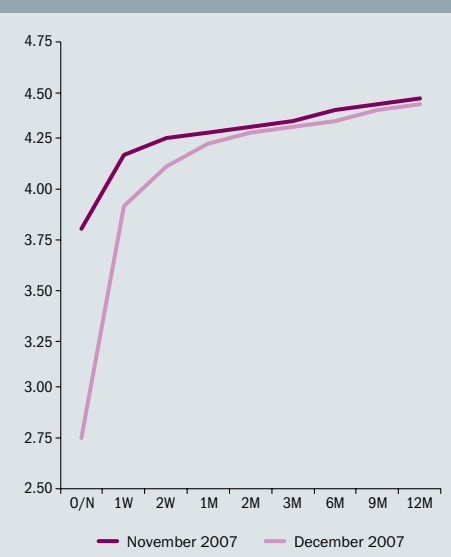
### Interest rates

The December decision of the NBS Bank Board to leave the key interest rates at an unchanged level was expected by the banking sector and the interest rates of the money market thus remained virtually unchanged.

The long-term interbank interest rates remained stable throughout December and the minimum movements recorded were caused by technical corrections of banks in their quotations. Compared to November, however, the volume of longer-term operations increased. Due to the low liquidity at the long end of the yield curve, their share in the total trading remains low. Investors in the interbank market still prefer swap deals. Compared with the previous month, the spreads between the Slovak and European long-term



Chart 24 Average Monthly Interbank Market Rates (BRIBOR) (%)



Source: NBS.

Chart 25 Developments in Interbank Market Rates (BRIBOR) (% p.a.)



Source: NBS.

deposit interest rates widened. The spread was 0.4 percentage points on average. In the first half of the month, European long-term interest rates increased moderately. At the end of the month, however, this increase was corrected. This development had no impact on the prices of Slovak deposits.

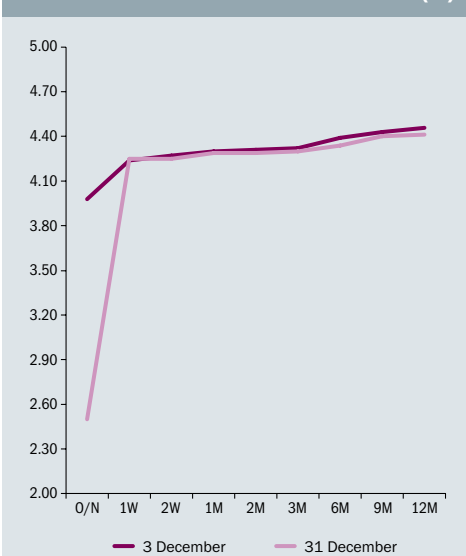
NBS continued conducting its monetary policy operations in a standard manner throughout December and accepted all bids received in four sterilisation repo tenders. The minimum, average and maximum interest yields were at the level of 2W reference rate (4.25%). In December, one auction of Treasury Bills was held by NBS and NBS accepted all bids received. The minimum, average and maximum interest yields were at the level of 4.25%.

The comparison of yield curves from the beginning and from the end of the month shows that the interest rates changed to a minimum extent only (except for O/N rate).

**Liquidity** The banking sector opened the new month with a surplus of liquidity on a daily basis and reported cumulative surplus right at the beginning of the month. Despite that, the banks showed significantly lower demand in three out of the four December's sterilisation repo tenders in comparison with the maturing volume, which increased the volume of daily funds even further. The low interest in sterilisation through repo tenders was influenced by approaching end of the year and the related tendency to prefer higher liquidity. Throughout the month, the banks preferred overnight sterilisation deals with NBS for reducing the cumulative surplus liquidity and for investing the funds in excess.

The preference for overnight deals led to a change in the structure of liquidity, compared with the previous month. The share of sterilisation repo tenders in the total sterilisation decreased by 6.0 percentage points. These funds were rerouted to O/N deposits, whose share increased to 4.3% in December, from 0.6% in November. The share of sterilisation through treasury bills of NBS increased moderately to 17.1%. Compared with the previous month, no change was recorded in O/N repo transactions. The average daily sterilisation position of NBS decreased in comparison with November by SKK 7.7 billion to SKK 368.3 billion in December.

Chart 26 BRIBOR Yield Curve in December (%)



Source: NBS.



**Table 21 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 %	Volume SKK mil.
November 2007	-317,934	84.55	0	0.00	-2,084	0.55	-55,995	14.89	-376,013
December 2007	-289,334	78.56	0	0.00	-15,856	4.31	-63,100	17.13	-368,290

Source: NBS.

Lower trading activity in December led to a decrease in the volume of trades in the interbank market, which reached SKK 1,576.9 billion in December (compared with SKK 1,671.5 million in November). Of the total volume of purchases and sales in the interbank market, the share of resident bank transactions decreased to 19.9% and that of transactions with non-resident banks increased to 80.1% compared with November. Broken down by the type of interbank transactions, domestic banks achieved the largest share in deposits (76.2%). Transactions with non-resident banks were dominated by swaps (65.0%). Compared with November, the volumes of deposits, FRA and IRS contracts and swaps decreased.

**Interbank transactions**

**Table 22 Interbank Transactions (SKK millions)**

	Deposits	Repos	Swaps	FRAs	IRSs
November 2007	746 222	0	911 132	3 500	10 650
December 2007	673 476	0	893 297	2 500	7 667

Source: NBS.

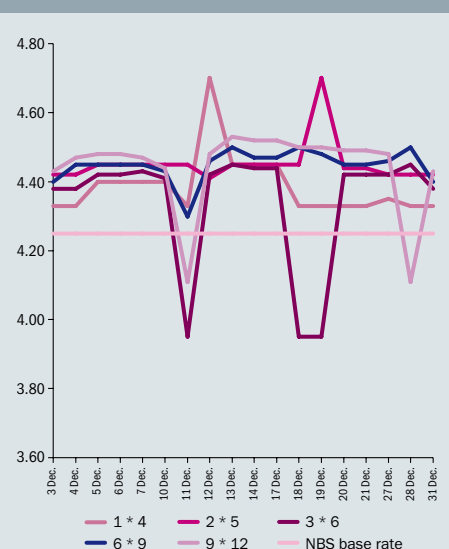
The minimum reserve requirement of the banking sector for December 2007 was SKK 26.16 billion. During the month, the reserve requirement was fulfilled to 100.23%.

**Required reserves**

**Development of Money Market Interest Rate Derivatives**

Trading in FRA contracts was marked with lower activity in December, compared with the previous month. Deals were made with three month maturity and settlement in 3 months; these deals accounted for 100% of all the deals. FRA deals were entered into with foreign investors only; the share of non-residents in all FRA deals thus represented 100.0%.

**Chart 27 Daily Developments in FRAs (% p.a.)**



Source: Reuters.

**Chart 28 Daily Developments in IRSs (% p.a.)**

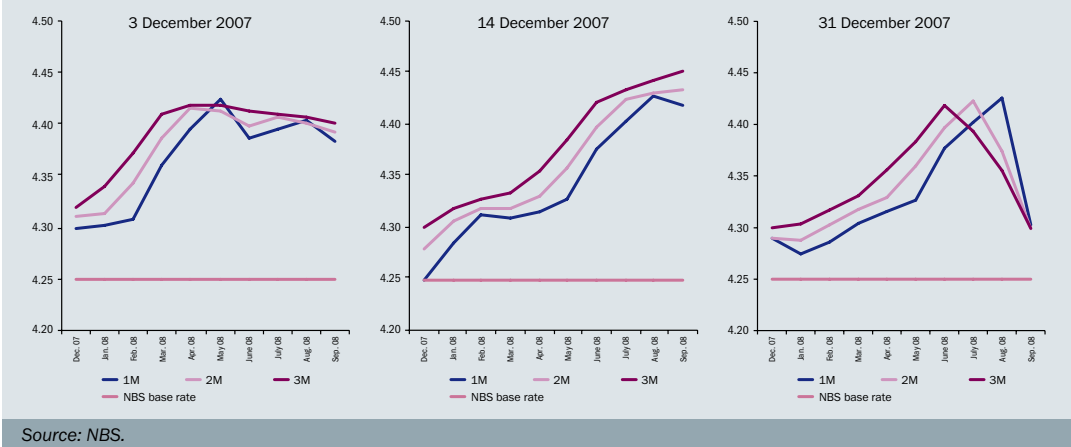


Source: Reuters.



Chart 29 Implied Expectations Derived from BRIBOR Rates

(%, p.a.)



Source: NBS.

Trading in interest rate swaps (IRS) also recorded a decrease in volume, compared with the previous month. Almost 60.9% of the contracts were made with foreign banks. The remaining 39.1% of the deals involved domestic entities only. Swap transactions were concluded with one- to ten-year maturities. They were dominated by contracts with one year maturity, representing 42.6% of the total volume traded. They were followed by transactions with two- to five-year maturities, which accounted for 27.4%.

The implied FRA rates at the beginning of December indicated expected growth of 1-, 2- and 3-month rates in March 2008 to a level of about 4.4%. In the middle of the month, they indicated the expected growth in August this year to about 4.45%. At the end of the month, market expectations derived from implied FRA rates changed again, indicating an increase of the rates in June to 4.4% and then a decline to their previous level.

### 5.3 Customer Interest Rates in November 2007

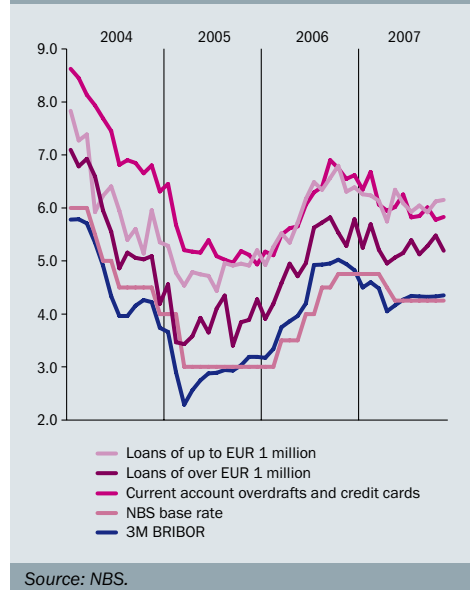
#### Customer interest rates

Average interest rates on new loans to non-financial corporations decreased slightly, while interest rates on new loans to households went up slightly. Interest rates on new deposits from non-financial corporations and households recorded a moderate increase.

#### Average interest rates on new loans

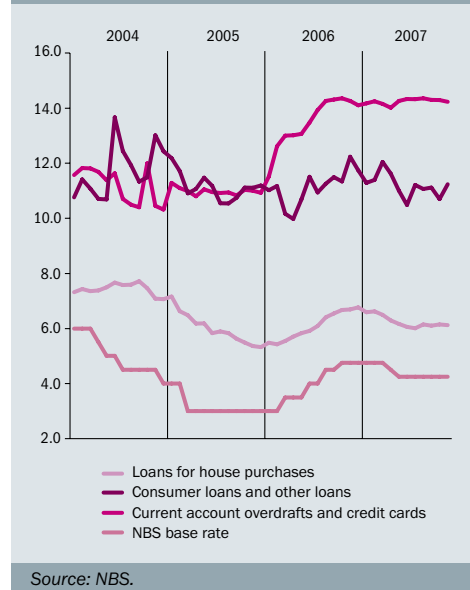
Average interest rates on new loans to non-financial corporations decreased slightly in November. This was mainly the result of a lower price of loans to large enterprises (loans of over 1 million EUR), the interest

Chart 30 Interest Rates on Loans to Non-Financial Corporations, 3-M BRIBOR, and the NBS Base Rate (%)



Source: NBS.

Chart 31 Interest Rates on Loans to Households by Type (%)



Source: NBS.





rate on which went down by 0.28 percentage points. Within the category of loans to large enterprises, a different development was recorded, depending on the length of rate fixation. Interest rates went down notably on loans without rate fixation and with initial rate fixation (IRF) of up to 1 year. Interest rates on loans with long periods of fixation, on the other hand, increased. The interest rates on loans of over EUR 1 million show a moderately increasing trend since a longer period of time. The interest on loans of up to EUR 1 million to small and medium-sized enterprises increased slightly, particularly due to higher interest rates on loans with longer periods of fixation. The interest rate on current account overdrafts and credit cards remained without any significant change in November. Regarding the structure of loans by purpose, lending rates decreased for operating and house purchase loans; the rates applicable to investment and other loans, on the other hand, increased moderately. The rates on investment loans and current account overdrafts showed a moderately decreasing trend in the last year.

Average interest rates on loans to households increased slightly in November. This development was influenced by growing rates on other loans, which reported a notable increase (of 0.51 percentage points). A notable decrease in interest rates was recorded in consumer loans, with rates decreasing both for specific and non-specific loans. Interest rates on house purchase loans had developed quite steadily in the previous months, responding to the development of key interest rates of NBS and market rates in the interbank market. Concerning the individual types of real estate loans, the interest rates went down slightly on construction loans. Current account overdrafts and credit cards bear interest slightly above 14%. These interest rates had remained quite stable for a longer period of time.

**Table 23 Average Interest Rates on New Loans**

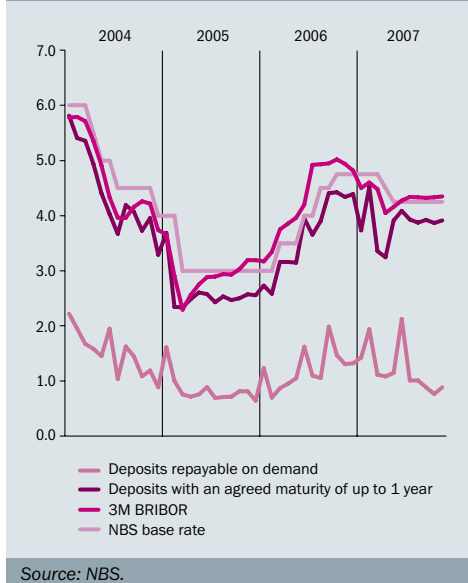
	Interest rate in %						Changes in November in p.p.	
	Q4 2006	Q1 2007	Q2 2007	Q3 2007	Oct. 2007	Nov. 2007	against Q4 2006	Month- on-month changes
<b>Loans to non-financial corporations</b>								
Current account overdrafts and credit cards	6.62	6.06	6.26	6.01	5.78	5.83	-0.79	0.05
Loans of up to EUR 1 million	6.39	6.13	6.09	5.92	6.12	6.16	-0.23	0.04
– with a floating rate and an IRF of up to 1 year	6.33	6.08	6.06	5.90	6.11	6.16	-0.18	0.05
– with an IRF of up to 5 years	6.52	6.05	6.12	6.06	6.12	6.30	-0.22	0.18
Loans of over EUR 1 million	5.79	5.21	5.15	5.28	5.48	5.20	-0.59	-0.28
– with a floating rate and an IRF of up to 1 year	5.60	5.04	5.05	5.15	5.50	5.15	-0.45	-0.35
– with an IRF of up to 5 years	5.73	5.82	5.69	5.99	5.65	6.07	0.34	0.42
Total	6.37	5.93	6.05	5.88	5.74	5.71	-0.66	-0.03
Total, excluding current account overdrafts and credit cards	5.89	5.47	5.37	5.42	5.63	5.38	-0.52	-0.25
<b>Loans to households</b>								
Current account overdrafts and credit cards	14.10	14.16	14.34	14.30	14.29	14.23	0.07	-0.06
Consumer loans	13.67	14.11	12.44	13.59	13.66	13.30	-0.81	-0.36
House purchase loans	6.76	6.50	6.06	6.10	6.14	6.12	-0.37	-0.02
of which: mortgage loans	6.45	6.29	5.79	5.78	5.74	5.76	-0.53	0.02
Other loans	7.46	7.19	6.75	6.97	6.67	7.18	-0.02	0.51
Total	12.54	12.56	12.16	12.21	12.04	12.15	-0.41	0.11
Total, excluding current account overdrafts and credit cards	8.36	8.66	7.65	7.58	7.49	7.73	-0.93	0.24
NBS base rate	4.75	4.75	4.25	4.25	4.25	4.25	-0.50	0.00
3M BRIBOR	4.82	4.48	4.27	4.32	4.33	4.35	-0.47	0.02

Source: NBS.

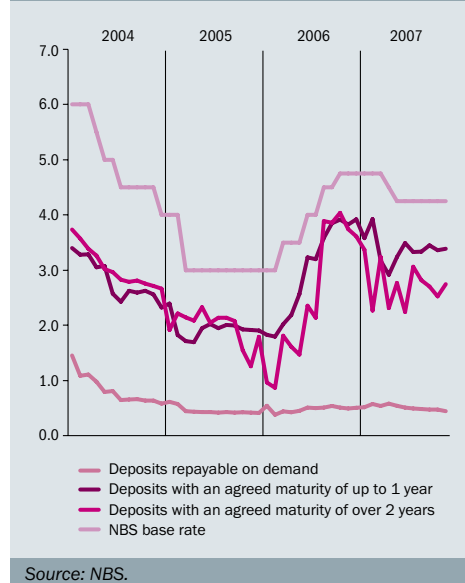
Note: Quarterly data refer to the last month of the given quarter.



**Chart 32 Interest Rates on Deposits from Non-Financial Corporations (%)**



**Chart 33 Interest Rates on Household Deposits (%)**



**Average interest rates on new deposits**

Interest rates on deposits from non-financial corporations increased moderately in November. Interest rates on deposits with longer maturities (maturities from 1 to 2 years and over 2 years) increased most notably. As the volume of long-term deposits is low, their interest rates are very volatile. Interest rates

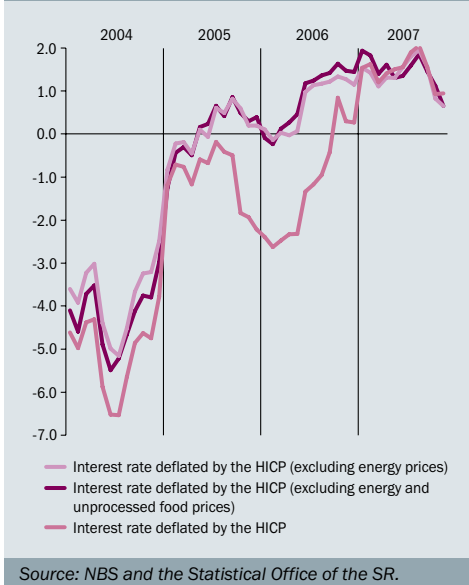
**Table 24 Average Interest Rates on New Deposits**

	Interest rate in %						Changes in November in p.p.	
	Q4 2006	Q1 2007	Q2 2007	Q3 2007	Oct. 2007	Nov. 2007	against Q4 2006	Month-on-month changes
<b>New deposits from non-financial corporations</b>								
Deposits repayable on demand	1.32	1.11	2.12	0.88	0.76	0.89	-0.43	0.13
Deposits with an agreed maturity of								
– up to 1 year	4.39	3.36	4.09	3.93	3.87	3.91	-0.48	0.04
– over 1 and up to 2 years	3.28	2.66	-	3.50	3.60	4.35	1.07	0.75
– over 2 years	2.62	1.50	1.91	2.77	2.00	4.57	1.95	2.57
Total	2.70	2.17	3.09	2.28	2.36	2.19	-0.51	-0.17
<b>New deposits from households</b>								
Deposits repayable on demand	0.50	0.54	0.51	0.47	0.47	0.44	-0.06	-0.03
<b>Deposits with an agreed maturity of</b>								
– up to 1 year	3.92	3.17	3.49	3.45	3.36	3.39	-0.53	0.03
– over 1 and up to 2 years	3.98	2.47	3.34	3.50	3.57	3.71	-0.27	0.14
– over 2 years	3.61	3.24	2.24	2.70	2.52	2.75	-0.87	0.23
<b>Deposits redeemable at notice</b>								
– up to 3 months	1.54	1.46	1.23	1.33	1.33	1.42	-0.12	0.09
– over 3 months	1.97	1.98	1.90	1.96	1.97	2.00	0.03	0.03
Total	1.18	1.07	1.00	1.00	1.03	1.01	-0.17	-0.02
Basic NBS rate	4.75	4.75	4.25	4.25	4.25	4.25	-0.50	0.00
3M BRIBOR	4.82	4.48	4.27	4.32	4.33	4.35	-0.47	0.02

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



**Chart 34 Real Interest Rates on Household Deposits (%)**



on deposits with agreed maturity of up to 1 year stagnated. Interest rates on deposits repayable on demand increased moderately, responding to the development of overnight deposit rates.

Interest rates on household deposits did not change much in November and continued in their stagnation. Interest rates on deposits with an agreed maturity, the rates on deposits with longer maturities from 1 to 2 years and over 2 years increased moderately. Interest rates on short-term deposits were stagnant.

The real interest rate on household deposits, calculated by deflating the rate of interest on new one-year household deposits by HICP inflation, stood at 0.95% in November, which represented a rise of 0.02 of a percentage point compared with the previous month. This development was influenced by a moderate decrease of the rate of inflation and of the interest rate on household deposits.

**Real interest rate**



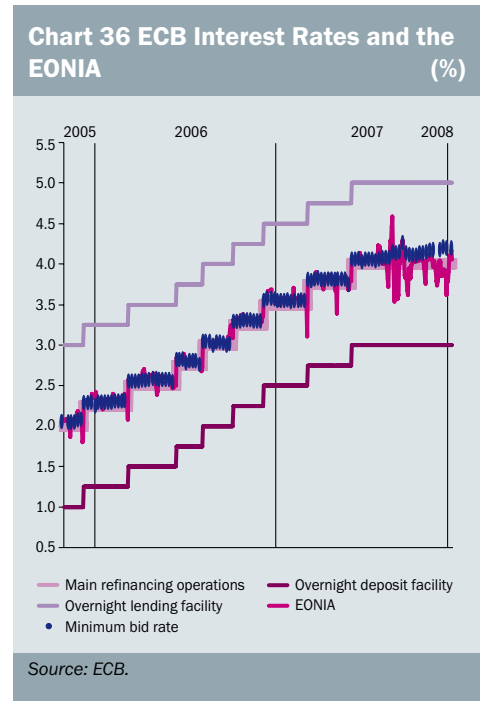
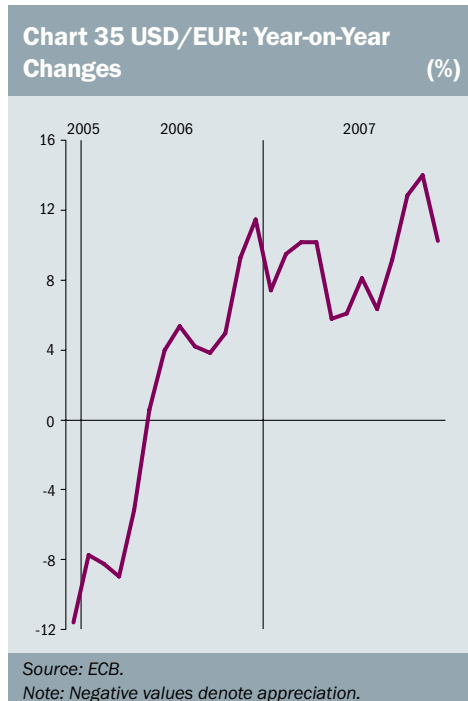
**Annexes**

**1 International Economy: Tables and Graphs**

**Table 25 Euro Area (year-on-year changes in %, unless otherwise specified)**

	Prices			Real economy				Financial market
	HICP	HICP <sup>1)</sup> (core inflation)	PPI	GDP <sup>2),4),5)</sup>	Industrial production <sup>2),3)</sup>	Retail trade (sales) <sup>2),3)</sup>	Unemployment (% of the labour force) <sup>6)</sup>	10-years bonds (yield to maturity in %)
2005	2.2	1.5	4.1	1.5	1.3	1.3	8.8	3.44
2006	2.2	1.5	5.1	2.8	4.0	2.1	8.2	3.86
2007	2.1	2.0	.	.	.	.	.	4.33
2006 Q4	1.8	1.6	4.1	3.2	4.0	2.3	7.9	3.86
2007 Q1	1.9	1.9	2.9	3.2	3.9	1.6	7.6	4.08
2007 Q2	1.9	1.9	2.4	2.5	2.7	0.9	7.5	4.42
2007 Q3	1.9	2.0	2.2	2.7	3.9	1.2	7.4	4.48
2007 Q4	2.9	2.3	.	.	.	.	7.4	4.34
IX.07	2.1	2.0	2.7	-	3.4	1.4	7.3	4.37
X.07	2.6	2.1	3.3	-	4.1	0.4	7.2	4.40
XI.07	3.1	2.3	4.1	-	2.7	-1.4	7.2	4.25
XII.07	3.1	2.3	.	-	.	.	.	4.38

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





**Table 26 Czech Republic (year-on-year changes in %, unless otherwise specified)**

	Prices			Real economy				Financial market
	HICP	HICP <sup>1)</sup> (core inflation)	PPI	GDP <sup>2),4),5)</sup>	Industrial production <sup>2),3)</sup>	Retail trade (sales) <sup>2),3)</sup>	Unemployment (% of the labour force) <sup>6)</sup>	10-years bonds (yield to maturity in %) <sup>7)</sup>
2005	1.6	0.9	3.0	6.4	6.7	3.9	7.9	3.51
2006	2.1	0.9	1.6	6.4	11.4	6.9	7.1	3.78
2007	3.0	3.1	.	.	.	.	.	4.28
2006 Q4	1.1	1.0	2.2	6.1	10.2	7.1	6.5	3.78
2007 Q1	1.7	1.9	3.1	6.3	12.3	8.3	5.8	3.79
2007 Q2	2.6	2.8	4.1	6.2	9.0	7.8	5.5	4.23
2007 Q3	2.7	3.1	3.9	6.1	6.0	7.3	5.2	4.54
2007 Q4	4.9	4.5	.	.	.	.	.	4.56
IX.07	2.8	3.3	4.0	-	3.2	8.2	5.1	4.54
X.07	4.0	3.8	4.4	-	6.6	6.3	5.0	4.50
XI.07	5.1	4.7	5.3	-	.	.	4.8	4.54
XII.07	5.5	5.1	.	-	.	.	.	4.65

Source: Eurostat, ECB, NBS calculations.  
 1) Overall inflation, excluding energy and unprocessed food prices.  
 2) Constant prices.  
 3) Adjusted for calendar effects.  
 4) Adjusted for seasonal and calendar effects.  
 5) Annual data are not adjusted for calendar effects.  
 6) Harmonised data, ILO definition, seasonally adjusted.  
 7) Long-term interest rates according to the Maastricht criteria.

**Table 27 Hungary (year-on-year changes in %, unless otherwise specified)**

	Prices			Real economy				Financial market
	HICP	HICP <sup>1)</sup> (core inflation)	PPI	GDP <sup>2),4),5)</sup>	Industrial production <sup>2),3)</sup>	Retail trade (sales) <sup>2),3)</sup>	Unemployment (% of the labour force) <sup>6)</sup>	10-years bonds (yield to maturity in %) <sup>7)</sup>
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	10.6	4.3	7.5	7.12
2007	7.9	6.7	.	.	.	.	.	6.74
2006 Q4	6.4	4.6	9.7	3.3	11.6	2.6	7.5	7.10
2007 Q1	8.8	6.7	8.7	2.6	10.1	0.3	7.3	6.90
2007 Q2	8.5	7.2	7.7	1.6	7.6	-3.2	7.2	6.63
2007 Q3	7.3	6.7	4.2	1.1	9.9	-4.1	7.2	6.68
2007 Q4	7.1	6.2	.	.	.	.	.	6.76
IX.07	6.4	5.8	3.1	-	8.7	-4.6	7.2	6.67
X.07	6.9	6.0	4.0	-	5.9	-4.1	7.3	6.61
XI.07	7.2	6.2	5.4	-	.	.	7.3	6.74
XII.07	7.4	6.3	.	-	.	.	.	6.93

Source: Eurostat, ECB, NBS calculations.  
 1) Overall inflation, excluding energy and unprocessed food prices.  
 2) Constant prices.  
 3) Adjusted for calendar effects.  
 4) Adjusted for seasonal and calendar effects.  
 5) Annual data are not adjusted for calendar effects.  
 6) Harmonised data, ILO definition, seasonally adjusted.  
 7) Long-term interest rates according to the Maastricht criteria.



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

	Prices			Real economy				Financial market
	HICP	HICP <sup>1)</sup> (core inflation)	PPI	GDP <sup>2),4),5)</sup>	Industrial production <sup>2),3)</sup>	Retail trade (sales) <sup>2),3)</sup>	Unemployment (% of the labour force) <sup>6)</sup>	10-years bonds (yield to maturity in %) <sup>7)</sup>
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
2007	2.6	2.0	.	.	.	.	.	5.48
2006 Q4	1.3	1.0	3.1	7.0	10.9	10.6	12.2	5.25
2007 Q1	2.0	1.2	3.9	6.7	14.0	16.3	10.9	5.18
2007 Q2	2.3	1.8	3.2	6.6	8.7	13.9	9.9	5.36
2007 Q3	2.4	2.3	3.2	5.8	8.0	12.9	9.2	5.66
2007 Q4	3.7	3.0	.	.	.	.	.	5.73
IX.07	2.7	2.5	3.7	-	7.0	12.0	8.9	5.69
X.07	3.1	2.7	4.1	-	8.9	13.3	8.7	5.64
XI.07	3.7	3.1	4.6	-	8.2	13.1	8.5	5.70
XII.07	4.2	3.3	.	-	.	.	.	5.86

Source: Eurostat, ECB, NBS calculations.  
 1) Overall inflation, excluding energy and unprocessed food prices.  
 2) Constant prices.  
 3) Adjusted for calendar effects.  
 4) Adjusted for seasonal and calendar effects.  
 5) Annual data are not adjusted for calendar effects.  
 6) Harmonised data, ILO definition, seasonally adjusted.  
 7) Long-term interest rates according to the Maastricht criteria.

**Chart 37 Exchange Rate Indices of V4 Currencies against the Euro** (31 December 2004 = 100)



Source: Eurostat, NBS calculations.  
 Note: A fall in value denotes an appreciation.

**Chart 38 Exchange Rates of V4 Currencies against the Euro** (year-on-year changes in %)



Source: Eurostat, NBS calculations.  
 Note: Negative values denotes appreciation.

**Table 29 United States** (year-on-year changes in %, unless otherwise specified)

	Prices			Real economy				Financial market
	CPI	CPI <sup>1)</sup> (core inflation)	PPI <sup>2)</sup>	GDP <sup>3)</sup>	Industrial production <sup>4)</sup>	Retail trade <sup>5)</sup>	Unemployment	10-years bonds (yield to maturity in %)
2005	3.4	2.2	4.9	3.1	3.2	6.6	5.1	4.29
2006	3.2	2.5	2.9	2.9	4.0	6.1	4.6	4.80
2007	2.8	2.3	3.9	.	.	4.1	4.6	4.64
2006 Q4	1.9	2.6	0.3	2.6	3.5	5.0	4.5	4.63
2007 Q1	2.4	2.6	2.0	1.5	2.5	3.4	4.5	4.68
2007 Q2	2.7	2.3	3.4	1.9	1.7	4.0	4.5	4.85
2007 Q3	2.4	2.2	3.5	2.6	1.8	4.1	4.6	4.74
2007 Q4	4.0	2.3	6.8	.	.	5.1	4.8	4.27
IX.07	2.8	2.1	4.4	-	2.1	5.0	4.7	4.52
X.07	3.5	2.2	6.0	-	1.8	5.2	4.7	4.53
XI.07	4.3	2.3	7.7	-	2.1	5.8	4.7	4.15
XII.07	4.1	2.4	6.8	-	.	4.2	5.0	4.10

Source: Bureau of Economic Analysis, Bureau of Labour Statistics, Federal Reserve System, U.S. Department of Commerce.

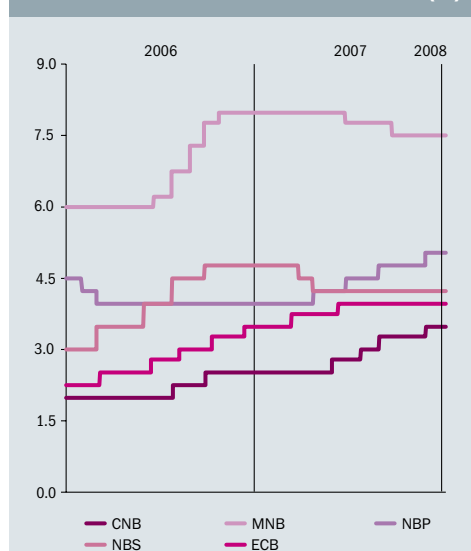
1) Core CPI - inflation excluding food and energy.

2) PPI finished products.

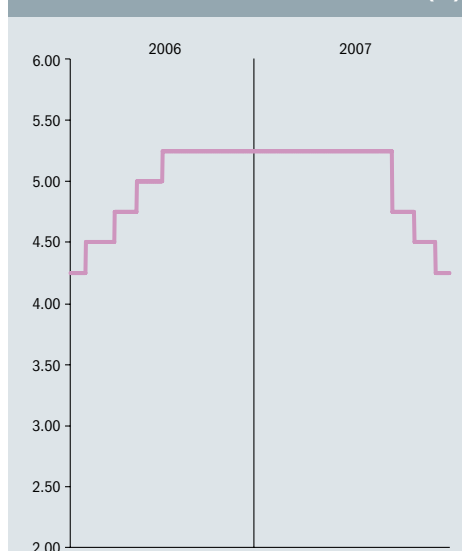
3) Seasonally adjusted.

4) Industrial production in total (seasonally adjusted.)

5) Retail trade and restaurant services.

**Chart 39 Key Interest Rates of the NCBs of V4 Countries** (%)


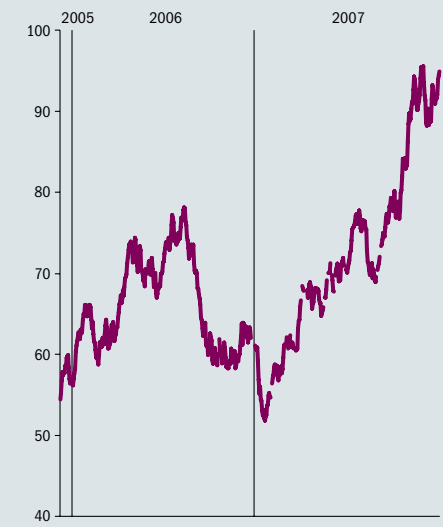
Source: ECB, national central banks.

**Chart 40 United States: Federal Funds Rate** (%)


Source: Federal Reserve System.



Chart 41 Oil Prices in USD/Barrel



Source: Reuters.





## 2 Capital Market

### 2.1 Primary Market

In December, the Agency for Debt and Liquidity Management (ARDAL) held one auction in government bonds (with a residual maturity of 6.2 years), at which, however, no bids were accepted, due to low demand (SKK 1.1 billion) and high yields requested by investors (4.61% on average) on the one hand and the satisfactory course of national debt financing on the other.

In the primary market for non-government bonds, six bond issues, denominated in Slovak korunas, Czech korunas and Bulgarian leva of SKK 3.9 billion were floated in December, of which one was issue of mortgage bonds denominated in CZK, worth SKK 1.0 billion.

### 2.2 Secondary Market

The total volume traded in the Bratislava Stock Exchange (BCPB) reached SKK 32.2 billion in December (in 265 transactions), representing a month-on-month increase of 20.38%. Price-setting transactions accounted for SKK 35.9 million and direct transactions for SKK 31.2 billion.

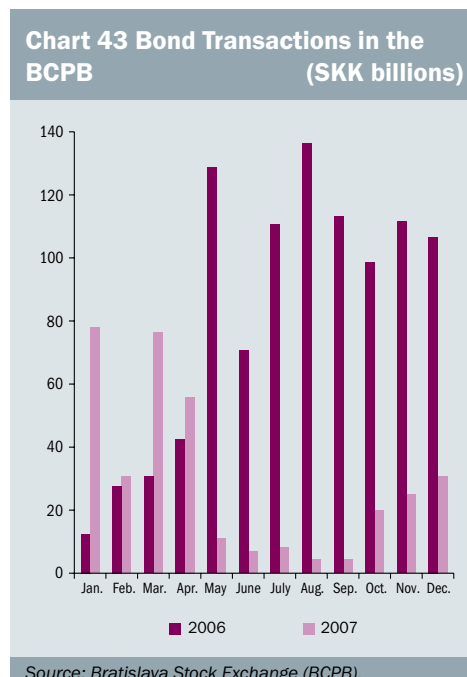
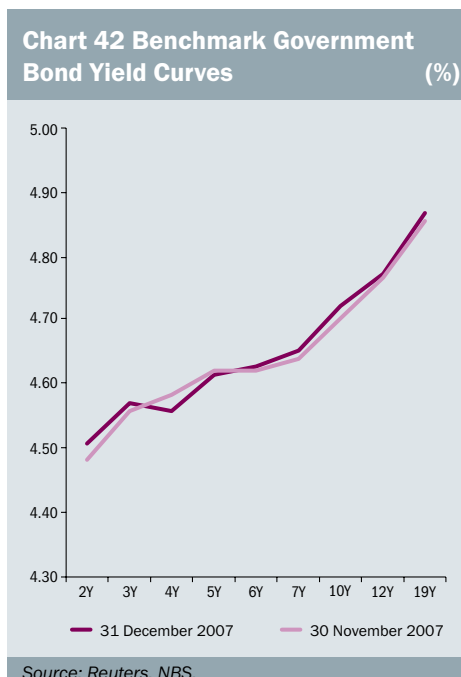
Non-resident investors accounted for 62.44% of the total volume traded in December, of which 55.40% were purchases and 69.48% sales

Benchmark government bond yields increased month-to-month by 0.01 of a percentage point on average. Yields on bonds with four-year maturity changed most notably, decreasing by 0.03 of a percentage point. Bonds with two-, three- and twelve-year maturity rose 0.02 of a percentage point. Bond yields were influenced, in addition to the development of exchange rates, by movements in yields in euro area countries.

#### Bonds

The BCPB recorded 99 bond transactions totalling SKK 31.1 billion during the month (i.e. 99.68% of the total volume traded on the BCPB floor in December).

The market capitalisation of bonds as at the last trading day of December reached SKK 449.6 billion, representing a month-on-month increase of 0.01%. Market capitalisation of listed bonds decreased since the end of November by 0.02% to SKK 430.7 billion.





**SDXGroup indices**

**Table 30 The Values of SDXGroup Indices at the End of December 2007**

Sector	SDXGroup indices		Yield to maturity (%)	Duration (in years)
	Price	Performance		
Public	102.1	121.6	4.600	4.680
SDXG sub-index (<=5)	101.2	119.4	4.454	2.551
SDXG sub-index (>5)	103.3	124.4	4.654	6.789
Private (corporate + mortgage bonds)	98.9	123.4	4.695	4.586
SDXG sub-index (>5)	103.1	123.4	4.695	4.586

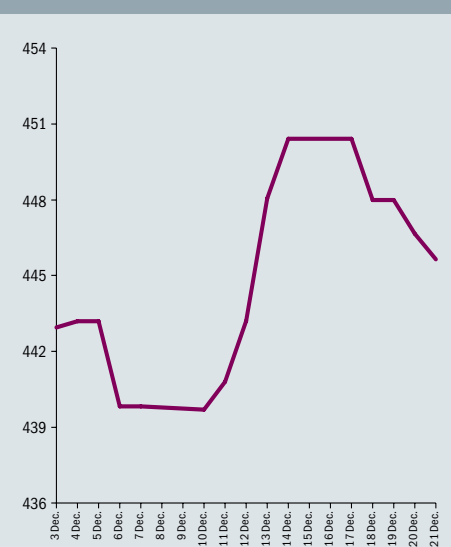
Source: BCPB.

Calculation of the short-term private sub-index SDXG (<=5) was cancelled, as the last base title was removed from the basket, because its residual maturity fell below 1 year.

**Shares** During the month under review, 2,076,143 equity securities worth SKK 100.7 million were traded in 166 transactions. The significant increase in the number of shares traded is attributable to several direct deals with the shares of Novitech a.s. in the last trading days of 2007. Price-setting transactions (involving shares) accounted for SKK 13.0 million and direct transactions for SKK 87.7 million.

By the last trading day of December 2007, the market capitalisation of equity securities increased by 0.74% month-on-month to SKK 159.4 billion. The amount of issues that had a market price at least once in the past, except for investment fund shares and participation certificates, was SKK 153.1 billion (a month-on-month increase of 0.8%) and accounted for 96.0% of the total equity market capitalisation. Market capitalisation of listed issues had increased since the end of November by 0.49%, to SKK 89.4 billion.

**Chart 44 Developments in the SAX Index in October 2007 (points)**



Source: BCPB.

During the month of December, the BCPB accepted no new share issues for trading on the quoted market or the regulated open market. In the same period, trading of five issues of equity securities worth SKK 367.6 million on the BCPB was stopped, as the issuers failed to fulfil their statutory obligation to provide information by 30 June 2007. In December, the quoted parallel market of BCPB received three new issues of mortgage bonds with total value of SKK 1.9 billion. At the same time, one issue of mortgage bonds (worth SKK 1 billion) expired.

**SAX Index** The SAX index closed the month at 445.65 points, which represents an increase of 0.61% month-on-month and 7.23% year-on-year. The index reached its monthly high on 14 December (450.43 points) and its monthly low on 10 August (439.69 points).

**Table 31 Weights of Basic SAX Index Components at the Month-ends**

Company	Weights in %						Monthly change
	July	Aug.	Sep.	Oct.	Nov.	Dec.	
Biotika, a. s.	4.24	4.48	4.71	5.10	4.58	4.04	-0.54
OTP Banka Slovensko, a. s.	24.08	22.92	21.87	22.00	21.59	21.46	-0.13
SES Tlmače, a. s.	12.48	14.09	14.80	15.33	16.38	16.66	0.28
Slovnaft, a. s.	30.13	30.58	30.49	29.96	29.65	29.55	-0.10
Všeobecná úverová banka, a. s.	29.07	27.92	28.14	27.61	27.81	28.30	0.49

Source: BCPB.

### 3 Methodological Notes to Selected Indicators

#### 3.1 Monetary Statistics

##### 3.1.1 Statistics of Monetary Aggregates (ECB methodology)

In implementing ECB methodology, data from harmonized statements of monetary and banking statistics were applied. These statistics were introduced by Národná banka Slovenska in 2003.

In 2003, similarly as in national methodology, the MFI sector was composed of Národná banka Slovenska, commercial banks headquartered in the SR, home savings banks, and the local branches of foreign banks. With effect from January 2004, in accordance with ECB methodology, the MFI sector was extended to include money market investment funds, which are now required to report data to NBS on a monthly basis (the list of MFIs monitored by NBS is regularly updated and published on the website of Národná banka Slovenska)<sup>4</sup>.

The aggregated balance sheet of monetary financial institutions (excluding the NBS) is the sum of statistical balance sheets of MFIs (except of the NBS balance sheet). The structure and content of the items of the statistical balance sheet was defined to allow compilation of a “consolidated balance sheet of MFIs”.

The consolidated balance sheet of monetary financial institutions is obtained by netting out inter-MFI positions on the aggregated balance sheet of monetary financial institutions, which also includes the assets and liabilities of NBS. The consolidated balance sheet of MFIs serves for the calculation of monetary aggregates and their counterparts. In netting out, 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.

Monetary aggregates according to ECB methodology are calculated from monthly statistical balance sheet of banks, on the basis of which NBS compiles the aggregated and consolidated balance sheets for the MFI sector. The monetary aggregates consist of highly liquid liabilities of MFIs and central government to residents in the money-holding sector. The rest of the consolidated balance sheet, after deduction of the M3 monetary aggregate, is constituted by its counterparts.

The calculation of the annual growth rate of the monetary aggregates and their counterparts requires a-calculation of transactions. Annual growth rates are calculated using a-chain index fixed to a-basis period (January 2005, January 2005 = 100).

The formula for the calculation of the index is as follows:

$$I_t = I_{t-1} \times \left( 1 + \frac{T_t}{S_{t-1}} \right)$$

$I_t$  – index at period t

$T_t$  – transactions in period t

$S_{t-1}$  – outstanding amount in period t-1

Transactions are business-to-business transactions that are based on mutual agreement, which involves the simultaneous creation or end of an asset and related liability or change in the ownership of the asset or the entering into a-liability. The transactions are calculated indirectly using data on non-transactions, which express changes in stocks resulting from:

1. reclassifications and other changes,
2. exchange rate variations,
3. changes in the valuation of tradable instruments + write-downs of loans

<sup>4</sup> The actual list of MFIs and detailed methodological information on harmonised monetary and banking statistics are available on the website of Národná banka Slovenska (<http://www.nbs.sk>), in the ‘Monetary and Banking Statistics / Monetary Statistics of the MFIs’, under ‘Banking sector of the SR’ menu.



Transaction = differences in end-of-the-month stocks minus non-transactions

$$F_t = (S_t - S_{t-1}) - C_t - V_t - E_t$$

$F_t$  – transactions

$S_t$  – stocks at the end of the current period

$S_{t-1}$  – stocks at the end of the previous period

$C_t$  – adjustment related to reclassification

$V_t$  – adjustment related to revaluation

$E_t$  – exchange rate adjustment (has not been calculated as yet)

Indices calculated in this way are used for the calculation of the annual growth rate for period t ( $a_t$ ):

$$a_t = \left( \frac{I_t}{I_{t-12}} - 1 \right) \times 100$$

### 3.1.2 Statistics on monetary aggregates (NBS methodology – Monetary Survey)

In 2005, Národná banka Slovenska completed the harmonization process in methodology implementation for reporting and monitoring monetary aggregates in line with that of the European Central Bank (ECB). From February 2006, when a 1-year transition period ended, NBS has published monetary aggregates and evaluated their development using ECB methodology only.

In a transition period, the NBS used both national methodology and that of the ECB in evaluating the development of monetary aggregates, nevertheless, greater emphasis was placed on ECB methodology in relation to the M3 aggregate and its counterparts.

**Table 32 Calculation of Monetary Aggregates**

Methodology of the NBS	Methodology of the ECB
CURRENCY OUTSIDE BANKS [M0]	(the items are included in the individual sub-aggregates in both Slovak koruna and foreign currency)
+	currency in circulation [M0]
DEMAND DEPOSITS (in SKK)	+
<b>= Money (M1 – 'narrow money')</b>	overnight deposits and received loans
	<b>= M1 ('narrow money')</b>
TIME DEPOSITS (all maturities, in SKK)	+ deposits and received loans with an agreed maturity of up to 2 years
+	+ deposits and received loans redeemable at a period of notice of up to 3 months
FOREIGN CURRENCY DEPOSITS	<b>= M2 ('intermediate money')</b>
<b>= QUASI-MONEY [QM - 'quasi money']</b>	+ repurchase operations
	+ money market fund shares/units
	+ debt securities with a maturity of up to 2 years, and other money market products
<b>= Money supply M2 (=M1+QM)</b>	<b>M3 MONETARY AGGREGATE ('broad money')</b>

**The main differences between the individual methodologies are as follows:**

- **in the definition of monetary financial institutions:**
  - the ECB methodology uses an extended file of monetary financial institutions (MFIs), which includes NBS, commercial banks, and money market funds – the deposits of money market funds (MMFs) in commercial banks are treated in this sense as interbank operations and are not directly included in the monetary aggregates;
  - the NBS methodology includes only NBS and commercial bank liabilities in the monetary aggregates - hence the deposits of money market funds (MMFs) in commercial banks appear in



the balance sheets of commercial banks as customer deposits of financial institutions and are directly included in the M2 money supply;

- **in the nature and liquidity of the resources:**
  - the ECB methodology monitors liquidity through the broader M3 aggregate, which also includes repo operations, the unit certificates of open-end money market investment funds, and debt securities, which represent, in terms of liquidity and profitability, a substitute for bank deposits (with regard to maturity, ECB liabilities with a maturity of over 2 years are not included in the monetary aggregates);
  - the NBS methodology monitors the money supply measured in terms of the M2 aggregate, which is composed of currency in circulation and bank deposits irrespective of the time of maturity;
- **in the definitions of deposits and loans:**
  - the ECB methodology extends the definition of deposits to include also subordinated debt in the form of deposits, liabilities arising from repo operations, and non-negotiable securities issued by banks and held by clients (in the case of loans, they also include non-marketable securities issued by clients and held by banks, subordinated debt in the form of loans, receivables in respect of repo operations, and tradable loans);
  - the NBS methodology uses a so-called 'narrow definition' for both loans and deposits, i.e. they only correspond to the amount of funds recorded by MFIs as loans (including classified loans) and deposits;
- **in the structure of monetary aggregates by sector:**
  - the ECB methodology (with the deposits of MMFs being deducted from customer deposits) covers the above sectors, as well as the deposits of local government (S.1313) and social insurance funds (S.1314)<sup>5</sup>;
  - the NBS methodology includes deposits in the M2 money supply from the following economic sectors:
    - non-financial corporations (S.11);
    - financial corporations (S.123 and S.124) – including MMF deposits;
    - insurance companies and pension funds (S.125);
    - non-profit institutions mainly serving households (S.15);
    - households (S.14 – sole traders);
    - households (S.14 – accounts of citizens).
- **in respect of the residence of economic entities:**
  - the ECB methodology exclusively takes into account the funds of residents (in Slovak koruna as well as foreign currency);
  - the NBS methodology also monitors the koruna deposits of non-residents as part of the monetary aggregates;
- **in respect of accrued assets and liabilities:**
  - in the ECB methodology, accrued assets and liabilities are excluded from the monetary aggregates;
  - in the NBS methodology, accrued assets and liabilities are included in the deposit and loan accounts of clients;
- **in respect of the seasonal adjustment of time series:**
  - unlike the ECB methodology, the NBS methodology uses seasonally unadjusted data<sup>6</sup>.

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

As of the beginning of 2005, customer interest rates are evaluated according to ECB methodology, where interest rates are monitored on loans granted<sup>7</sup> and deposits received (new contracts). According to this methodology, the subjects of monitoring are interest rates on new business volumes. New loans and new deposits are understood to be contracts signed for the first time, fixing the rate of interest agreed between the bank and the customer, and new contracts negotiated with the active participation of the customer.

<sup>5</sup> In the methodology of NBS, the M2 money supply excludes public sector deposits, which are monitored separately as part of net credit to the general government.

<sup>6</sup> In the conditions of NBS, the recording of seasonally adjusted data according to ECB methodology is currently in the stage of preparation.

<sup>7</sup> The term 'granted loans' is an equivalent of the term 'new loan'.



In a breakdown by sector, lending and deposit rates for households and non-financial corporations are assessed in the way these sectors are defined in Directive No. 63/2002<sup>8</sup> of the European Central Bank, concerning interest rate statistics.

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

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

Loans to households are classified by purpose as follows:

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

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

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

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.

<sup>8</sup> According to Article 1 paragraph 2 of Decree No. 63/2002 of the European Central Bank of 20 December 2001, concerning the statistics of interest rates of monetary financial institutions on loans to and deposits from households and non-financial corporations, the term 'households' as defined in Annex A to Directive No. 2223/96 of the European Communities of 25 June 1996 on the European System of National and Regional Accounts (ESA95) means the household sector S.14 (i.e. households and sole traders) and non-profit institutions serving households S.15, and the term 'non-financial corporations' means sector S.11.



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

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

### 3.1.4 Classification of Loans According to Quality

#### Year 2005<sup>9</sup>

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

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

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

Standard claims – defined as claims where:

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

Standard claims with qualification – defined as claims where:

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

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.

<sup>9</sup> Until 2004, claims had been classified as standard loans, standard loans with qualification, non-standard loans, doubtful loans, and loss-making loans.



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 produc-



tion 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', 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												
		12	1	2	3	4	5	6	7	8	9	10	11	12	
<b>REAL ECONOMY</b>															
Gross domestic product <sup>1)2)</sup>	SKKbillions	1295.3 <sup>(p)</sup>	-	-	325.9 <sup>(p)</sup>	-	-	683.7 <sup>(p)</sup>	-	-	1,052.2 <sup>(p)</sup>	-	-	-	
Year-on-year change in GDP <sup>3)</sup>	%	8.5 <sup>(p)</sup>	-	-	8.3 <sup>(p)</sup>	-	-	8.8 <sup>(p)</sup>	-	-	9.0 <sup>(p)</sup>	-	-	-	
Unemployment rate <sup>4)9)</sup>	%	9.4	9.5	9.2	8.9	8.5	8.3	8.3	8.3	8.2	8.3	7.9	7.8	.	
Consumer prices (HICP) <sup>3)8)</sup>	%	3.7	2.2	2.0	2.1	2.0	1.5	1.5	1.2	1.2	1.7	2.4	2.3	2.5	
Consumer prices (CPI) <sup>3)</sup>	%	4.2	3.0	2.7	2.7	2.7	2.3	2.5	2.3	2.3	2.8	3.3	3.1	3.4	
<b>BALANCE OF TRADE <sup>7) (p)</sup></b>															
Exports (fob)	SKKmillions	1,232,888	109,088	215,703	334,966	445,486	566,783	684,108	798,457	906,208	1,029,753	1,174,624	1,307,069	.	
Imports (fob)	SKKmillions	1,308,143	102,381	209,396	330,033	439,873	564,003	685,459	800,972	915,163	1,036,855	1,178,246	1,318,426	.	
Balance	SKKmillions	-75,256	6,707	6,307	4,933	5,613	2,780	-1,351	-2,514	-8,955	-7,102	-3,622	-11,358	.	
<b>BALANCE OF PAYMENTS</b>															
Current account <sup>7)</sup>	SKKmillions	-135,597.0	8,452.7	6,356.6	-3,587.3	-3,741.0	-17,088.9	-40,420.4	-51,259.1	-55,975.6	-59,641.8	-74,414.5	.	.	
Capital and financial account	SKKmillions	32,400.7	3,114.1	-8,469.4	56,425.6	85,406.7	94,550.7	106,368.5	139,344.7	146,578.3	146,474.3	156,371.3	.	.	
Overall balance	SKKmillions	-78,095.9	20,494.8	16,710.9	76,763.8	99,653.0	98,721.4	98,478.0	98,601.6	98,507.1	99,074.9	100,046.2	.	.	
<b>FOREIGN EXCHANGE RESERVES <sup>4)</sup></b>															
Total foreign exchange reserves	USD millions	15,512.9	15,851.6	15,982.6	18,365.4	19,730.8	19,393.2	19,600.5	19,717.1	19,807.3	20,668.3	21,371.7	21,868.6	21,598.6	
NBS foreign exchange reserves	USD millions	13,363.8	14,004.6	14,080.5	16,605.2	17,823.1	17,571.2	17,597.5	17,879.1	17,815.1	18,507.1	18,798.3	19,110.9	18,581.6	
<b>GROSS EXTERNAL DEBT <sup>4)</sup></b>															
Total gross external debt	USD billions	32.2	31.3	32.2	35.2	37.0	35.4	36.7	38.2	38.3	39.8	42.2	.	.	
External debt per capita	USD	5,987	5,815	5,981	6,549	6,883	6,571	6,814	7,109	7,111	7,398	7,848	.	.	
<b>MONETARY INDICATORS</b>															
Exchange rate <sup>5)</sup>	SKK/USD	26.504	26.694	26.434	25.583	24.788	24.954	25.355	24.311	24.647	24.378	23.669	22.637	22.882	
M3 monetary aggregate <sup>4)8)</sup>	SKKbillions	958.4	961.1	974.0	980.8	989.6	1,009.3	1,026.6	1,008.5	1,029.3	1,039.4	1,039.6	1,041.0	.	
Year-on-year change in M3 <sup>3)</sup>	%	15.3	16.5	16.8	16.7	16.3	18.5	19.2	15.6	15.3	16.2	14.4	12.3	.	
Claims of monetary financial institutions <sup>8)</sup>	SKKbillions	895.7	887.5	889.9	900.2	910.8	936.7	954.5	967.5	973.2	988.6	1,012.8	1,029.4	.	
<b>STATE BUDGET <sup>2) 4)</sup></b>															
Revenue	SKKbillions	291.9	27.1	46.0	70.2	107.4	121.5	145.8	185.4	206.3	228.5	263.1	290.3	322.2	
Expenditure	SKKbillions	323.6	24.2	54.5	82.1	108.9	134.5	156.8	181.5	205.9	229.1	256.2	284.9	345.7	
Balance	SKKbillions	-31.7	2.9	-8.5	-11.9	-1.5	-13.0	-11.0	9.3	0.4	-0.6	6.9	5.4	-23.5	
<b>MONEY MARKET</b>															
Interest rates set by the NBS Bank Board															
Date of validity <sup>6)</sup>															
Overnight operations															
– sterilisation	%	27.9.2006	27.9.2006	27.9.2006	28.3.2007	25.4.2007	25.4.2007	25.4.2007	25.4.2007	25.4.2007	25.4.2007	25.4.2007	25.4.2007	25.4.2007	25.4.2007
– refinancing	%	3.25	3.25	3.25	2.50	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	
Limit rate for 2-week repo tenders	%	6.25	6.25	6.25	6.00	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75	
Basic interest rate of the NBS (until 31/12/02: discount rate)	%	4.75	4.75	4.75	4.50	4.25	4.25	4.25	4.25	4.25	4.25	4.25	4.25	4.25	
Average interbank deposit rate (BRIBOR)															
overnight	%	5.03	3.63	5.61	3.80	2.99	3.61	4.68	3.73	3.52	4.10	3.78	3.82	2.75	
7-day	%	4.82	4.11	4.93	4.11	3.47	4.11	4.34	4.19	4.08	4.24	4.20	4.19	3.93	
14-day	%	4.81	4.24	4.82	4.25	3.64	4.18	4.30	4.25	4.20	4.25	4.25	4.25	4.12	
1-month	%	4.83	4.44	4.75	4.40	3.88	4.20	4.27	4.28	4.28	4.28	4.28	4.28	4.25	
2-month	%	4.84	4.50	4.67	4.52	3.98	4.17	4.26	4.32	4.30	4.31	4.31	4.32	4.28	
3-month	%	4.82	4.50	4.60	4.48	4.05	4.16	4.27	4.34	4.33	4.32	4.33	4.35	4.31	
6-month	%	4.80	4.47	4.49	4.44	4.10	4.16	4.27	4.37	4.40	4.38	4.38	4.40	4.36	
9-month	%	4.78	4.42	4.40	4.41	4.13	4.18	4.28	4.40	4.44	4.41	4.42	4.43	4.41	
12-month	%	4.76	4.41	4.36	4.39	4.16	4.20	4.30	4.42	4.47	4.44	4.45	4.45	4.45	

<sup>(p)</sup> Preliminary data.<sup>1)</sup> Constant 2000 prices.<sup>2)</sup> Cumulative since the beginning of the year.<sup>3)</sup> Change compared with the same period a year earlier.<sup>4)</sup> End-of-period figures.<sup>5)</sup> Exchange rate (mid), average for the period.<sup>6)</sup> The date from which the given interest rate is effective pursuant to the Bank Board's decision.<sup>7)</sup> As from May 2004, foreign trade and current account figures are revised on a monthly basis.<sup>8)</sup> According to the methodology of the ECB.<sup>9)</sup> Registered unemployment.

Source: Statistical Office of the SR, Ministry of Finance, NBS.



**Summary of Assets and Liabilities in the Consolidated Balance Sheet of MFIs**

	Share of the total (in %) <sup>1)</sup>	Volume (SKK billions)												
		2006		2007										
		11	12	1	2	3	4	5	6	7	8	9	10	11
Claims of MFIs on residents	46.6	636.7	646.3	653.5	658.1	667.7	674.6	690.3	706.9	720.8	725.9	742.8	762.3	776.4
General government	1.3	17.7	18.8	18.6	21.4	23.4	24.3	23.0	21.1	21.0	21.4	21.4	21.0	22.4
Private sector	45.3	618.9	627.5	635.0	636.7	644.3	650.3	667.4	685.8	699.8	704.5	721.5	741.2	754.0
Non-financial corporations	23.4	324.0	326.5	331.1	331.6	333.2	337.6	346.7	357.5	364.4	364.2	374.5	385.1	389.3
– up to 1 year	10.2	136.3	135.0	136.2	140.3	144.3	142.3	146.3	158.4	156.9	153.5	160.8	165.2	169.3
– 1 to 5 years	4.6	65.0	64.0	65.0	65.7	64.2	68.5	69.2	67.5	72.4	72.7	72.4	74.8	76.9
– over 5 years	8.6	122.7	127.4	129.9	125.6	124.7	126.8	131.3	131.6	135.1	138.0	141.3	145.1	143.1
Financial corporations	4.0	61.4	63.0	62.9	60.8	61.6	59.6	60.4	61.2	62.4	61.6	62.6	64.5	66.2
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	17.9	233.5	238.1	240.9	244.1	249.4	253.1	260.2	267.1	273.0	278.7	284.4	291.5	298.5
– consumer loans	2.5	35.8	35.9	36.3	36.7	37.5	36.8	37.5	38.2	39.0	39.4	40.0	40.5	41.1
– housing loans	12.0	152.3	157.0	159.8	161.9	165.0	168.6	173.6	178.1	181.9	186.1	190.0	194.9	199.6
– other loans	3.5	45.4	45.2	44.8	45.5	46.9	47.8	49.2	50.8	52.0	53.3	54.4	56.1	57.7
Securities other than shares and participation certificates issued by residents	14.7	243.3	243.8	228.1	225.6	226.3	230.0	239.4	240.6	239.7	240.2	238.7	243.5	245.0
General government	14.3	234.9	236.0	220.7	218.2	218.9	222.7	232.5	233.9	232.9	233.4	231.7	236.6	238.2
Private sector	0.4	8.4	7.8	7.5	7.4	7.4	7.3	6.9	6.7	6.7	6.8	7.0	6.9	6.8
Shares and other equities issued by private sector	0.5	5.6	5.6	5.9	6.2	6.2	6.2	6.9	7.0	7.0	7.0	7.1	7.1	8.0
Foreign assets	32.7	460.4	452.4	478.4	468.2	508.8	542.3	544.6	545.9	537.9	554.9	551.4	554.8	544.4
Fixed assets	1.9	32.6	34.2	33.3	33.0	33.1	32.8	32.6	32.3	32.3	32.2	32.1	32.0	32.2
Other assets	3.6	55.7	56.5	50.5	51.1	53.6	54.5	55.4	54.4	53.7	53.1	55.7	59.9	60.0
Deposits and loans received from the central government	5.4	83.7	45.0	20.8	15.5	17.6	43.6	64.0	68.8	85.4	79.7	74.8	82.4	90.6
Long-term financial liabilities	10.3	172.5	168.0	174.2	167.4	156.3	157.7	161.5	165.3	157.6	164.5	169.2	168.6	170.9
Deposits and loans received with an agreed maturity of over 2 years	4.3	62.9	66.7	67.4	69.1	68.7	68.1	68.5	69.2	69.1	69.9	70.2	70.2	71.1
Deposits redeemable at a period of notice of over 3 months	1.4	24.4	24.3	24.0	23.8	23.6	23.7	23.6	23.7	23.6	23.4	23.4	23.3	23.3
Debt securities issued with a maturity of over 2 years	2.6	28.8	31.6	31.7	30.9	32.0	33.8	34.5	37.5	37.0	37.3	39.0	41.5	43.0
Capital, reserves, and provisions	2.0	56.3	45.3	51.1	43.7	32.1	32.2	34.9	35.0	28.0	33.9	36.6	33.7	33.6
Foreign liabilities	16.8	182.1	196.4	225.5	208.4	258.1	270.4	256.8	254.4	264.9	271.8	267.0	284.1	279.2
Other liabilities	5.1	69.5	71.1	68.3	77.2	83.5	80.8	78.5	76.4	75.0	68.2	77.4	84.9	84.3
Surplus of liabilities among MFIs	0.0	-0.1	-0.1	-0.1	-0.1	-0.5	-2.0	-0.9	-4.3	-0.1	-0.1	-0.1	0.0	-0.1
M3	62.5	926.6	958.4	961.1	974.0	980.8	989.6	1,009.3	1,026.6	1,008.5	1,029.3	1,039.4	1,039.6	1,041.0
<b>Total</b>	100.0	1,434.2	1,438.9	1,449.7	1,442.3	1,495.7	1,540.2	1,569.3	1,587.2	1,591.4	1,613.4	1,627.7	1,659.6	1,665.9

<sup>1)</sup> In the current month.



## Average Interest Rates on New Loans

(ECB methodology)

(%)

	2006		2007										
	11	12	1	2	3	4	5	6	7	8	9	10	11
<b>Loans in total<sup>1)</sup></b>	7.85	7.73	7.94	7.92	7.50	7.64	7.66	7.76	7.44	7.30	7.45	7.22	7.36
Current account overdrafts	8.08	8.22	7.99	8.24	7.73	7.66	7.94	8.00	7.61	7.68	7.71	7.47	7.52
Operation loans	5.15	5.32	5.32	5.72	4.92	4.43	4.97	4.97	4.85	4.57	4.82	4.76	4.91
Investment loans	6.44	6.17	6.10	6.06	5.93	5.41	5.72	5.46	5.48	5.71	5.67	5.65	5.52
Consumer loans	13.94	13.67	12.76	13.01	14.11	13.79	12.86	12.44	13.41	13.46	13.55	13.66	13.30
Real estate loans	6.58	6.52	6.49	6.11	6.13	6.21	6.06	5.96	5.98	6.11	6.10	6.09	6.07
of which:													
Mortgage loans	6.35	6.46	6.36	6.40	6.30	6.09	5.93	5.79	5.80	5.81	5.78	5.75	5.76
Construction loans	4.91	4.79	5.02	4.97	4.88	5.03	4.91	4.94	5.04	4.92	4.88	5.03	4.88
Intermediate loans	6.90	6.87	6.64	7.00	6.84	6.92	6.88	6.87	6.72	6.68	6.74	6.76	6.73
Other real estate loans	6.61	6.49	6.55	5.90	5.95	6.11	5.97	5.89	5.97	6.25	6.22	6.11	6.15
Other loans	7.08	6.63	6.13	6.33	6.29	6.18	6.80	6.41	6.51	6.09	6.17	6.36	6.43
Floating rate + IRF for up to 1 year incl.	7.84	7.80	7.95	7.95	7.53	7.64	7.70	7.78	7.46	7.31	7.47	7.20	7.32
IRF for over 1 year and up to 5 years incl.	8.34	7.05	7.61	7.13	7.82	7.42	6.77	7.15	6.77	6.84	7.02	7.35	7.61
IRF for over 5 years and up to 10 years incl.	7.65	8.06	7.99	8.03	6.40	8.25	8.45	8.87	7.80	8.05	7.72	8.26	8.90
IRF for over 10 years	6.94	6.02	6.77	7.12	6.52	7.40	6.56	6.26	6.67	6.75	7.04	6.18	6.43
<b>Households</b>													
Loans in total	12.82	12.54	12.85	12.80	12.56	12.29	12.22	12.16	12.25	12.38	12.21	12.04	12.15
Current account overdrafts	13.54	13.44	13.54	13.64	13.56	13.41	13.78	13.84	13.85	13.90	13.84	13.87	13.80
Operation loans	6.98	6.83	6.65	6.72	6.45	6.99	6.98	7.11	6.76	6.84	7.44	7.33	6.20
Investment loans	7.13	7.02	7.02	7.27	6.66	6.59	6.51	6.62	6.78	6.60	6.44	6.36	6.57
Consumer loans	13.95	13.67	12.76	13.03	14.11	13.79	12.89	12.44	13.41	13.46	13.59	13.66	13.30
Real estate loans	6.69	6.76	6.59	6.62	6.50	6.29	6.17	6.06	6.00	6.14	6.10	6.14	6.12
of which:													
Mortgage loans	6.34	6.45	6.32	6.41	6.29	6.08	5.92	5.79	5.79	5.81	5.78	5.74	5.76
Construction loans	4.91	4.79	5.02	4.97	4.88	5.03	4.91	4.94	5.04	4.92	4.88	5.04	4.88
Intermediate loans	7.03	6.90	6.73	7.00	6.85	6.95	6.91	6.92	6.73	6.72	6.77	6.78	6.75
Other real estate loans	6.86	7.02	6.96	6.68	6.63	6.29	6.18	6.08	6.04	6.46	6.25	6.30	6.37
Other loans	7.38	7.46	7.41	7.22	7.19	7.11	7.34	6.75	6.96	7.00	6.97	6.67	7.18
Credit cards	17.80	17.27	17.28	17.29	17.05	16.99	16.82	16.94	16.74	16.64	16.61	16.39	16.07
Floating rate + IRF for up to 1 year incl.	13.47	13.18	13.48	13.51	13.37	12.96	12.90	12.86	12.93	12.95	12.83	12.62	12.61
IRF for over 1 year and up to 5 years incl.	9.38	8.86	8.27	8.39	8.22	7.90	7.73	7.58	7.27	7.57	8.45	8.70	8.93
IRF for over 5 years and up to 10 years incl.	8.56	8.49	8.66	8.59	8.68	9.49	9.74	9.59	9.56	9.59	9.11	8.75	9.83
IRF for over 10 years	6.90	7.02	7.15	7.19	7.07	7.89	8.07	7.51	8.00	7.99	7.23	7.16	7.34
<b>Non-financial corporations</b>													
Loans in total	6.26	6.37	6.21	6.49	5.93	5.82	5.93	6.05	5.76	5.74	5.88	5.74	5.71
Current account overdrafts	6.53	6.60	6.33	6.66	6.05	5.93	6.00	6.24	5.81	5.83	6.00	5.76	5.81
Operation loans	5.08	5.32	5.40	5.72	4.96	4.66	4.94	4.97	5.03	4.89	4.96	5.41	4.90
Investment loans	6.71	6.31	5.79	6.01	5.92	5.39	5.92	5.39	5.48	5.73	5.67	5.61	5.70
Real estate loans	6.12	6.29	6.17	6.88	5.83	5.93	5.78	5.79	5.92	6.06	6.36	6.16	5.94
Other loans	6.75	6.49	5.74	5.80	5.55	5.89	6.54	6.06	6.50	5.51	6.17	6.32	6.42
Credit cards	16.68	17.27	17.22	17.29	17.08	17.12	16.37	17.58	17.95	17.72	17.49	16.62	17.25
Loans up 1 million EUR	6.31	6.39	6.26	6.24	6.13	5.75	6.34	6.09	5.93	6.05	5.92	6.12	6.16
Loans over 1 million EUR	5.29	5.79	5.25	5.70	5.21	4.95	5.06	5.15	5.39	5.13	5.28	5.48	5.20
Floating rate + IRF for up to 1 year incl.	6.25	6.37	6.21	6.49	5.93	5.81	5.93	6.05	5.75	5.74	5.89	5.75	5.71
IRF for over 1 year and up to 5 years incl.	6.73	6.46	6.24	6.55	6.53	6.34	5.74	6.24	6.03	5.62	5.74	5.45	5.66
IRF for over 5 years and up to 10 years incl.	6.51	6.50	6.48	6.41	5.82	5.61	5.48	6.22	5.96	5.98	6.01	6.31	6.28
IRF for over 10 years	7.94	5.83	6.24	7.04	5.97	6.23	5.83	5.64	5.89	5.96	6.26	5.65	5.94

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

Note: IRF – Initial Rate Fixation.





## Average Interest Rates on Outstanding Loans

(%)

	2006		2007										
	11	12	1	2	3	4	5	6	7	8	9	10	11
<b>Loans in total<sup>1)</sup></b>	6.90	6.91	6.83	6.90	6.83	6.74	6.86	6.86	6.78	6.83	6.82	6.77	6.76
Current account overdrafts	8.07	8.22	8.02	8.24	7.73	7.54	7.94	8.03	7.63	7.70	7.73	7.49	7.56
Consumer loans	12.89	12.94	12.96	12.99	13.12	13.37	13.38	13.37	13.28	13.55	13.54	13.51	13.44
Operation loans	5.35	5.29	5.10	5.23	4.95	4.74	4.80	4.79	4.74	4.78	4.83	4.88	4.87
Investment loans	5.94	5.86	5.70	5.68	5.55	5.52	5.48	5.46	5.48	5.51	5.47	5.49	5.49
Real estate purchase loans	6.39	6.42	6.44	6.46	6.56	6.55	6.59	6.59	6.57	6.57	6.55	6.51	6.48
Other loans	6.20	6.27	6.15	6.22	6.25	5.88	5.99	5.95	5.98	6.02	6.08	6.08	6.06
Credit cards	17.82	17.30	17.31	17.34	17.08	17.01	16.81	16.95	16.73	16.65	16.63	16.39	16.09
Short-term loans	7.01	7.01	6.87	7.04	6.69	6.52	6.90	6.91	6.68	6.74	6.78	6.69	6.69
Long-term loans over 1 year and up to 5 years	7.97	7.99	7.87	7.86	7.91	7.95	8.01	8.06	7.99	8.07	8.05	7.97	7.93
Long-term loans over 5 years	6.40	6.42	6.41	6.44	6.50	6.41	6.43	6.42	6.41	6.45	6.43	6.40	6.40
<b>Households</b>													
Loans in total	8.11	8.12	8.13	8.17	8.29	8.28	8.34	8.32	8.28	8.31	8.26	8.20	8.16
Current account overdrafts	13.43	13.44	13.54	13.65	13.56	13.39	13.78	13.95	13.95	13.99	13.95	13.97	13.94
Consumer loans	12.89	12.95	12.96	12.99	13.12	13.38	13.40	13.38	13.29	13.56	13.55	13.52	13.46
Real estate purchase loans	6.39	6.42	6.44	6.49	6.65	6.66	6.69	6.67	6.65	6.66	6.62	6.58	6.54
Other loans	7.24	7.28	7.29	7.31	7.21	7.20	7.20	7.17	7.13	7.17	7.14	7.08	7.06
Credit cards	17.85	17.30	17.32	17.35	17.09	17.01	16.83	16.94	16.70	16.63	16.61	16.38	16.06
Short-term loans	13.53	13.57	13.63	13.76	13.61	13.53	13.80	13.93	13.89	13.89	13.86	13.73	13.66
Long-term loans over 1 year and up to 5 years	11.15	11.15	11.15	11.12	11.26	11.23	11.22	11.20	11.16	11.32	11.31	11.29	11.23
Long-term loans over 5 years	6.65	6.69	6.72	6.78	6.92	6.94	6.98	6.97	6.94	6.98	6.95	6.91	6.89
<b>Non-financial institutions</b>													
Loans in total	6.13	6.11	5.95	6.05	5.80	5.58	5.71	5.75	5.65	5.68	5.72	5.69	5.68
Current account overdrafts	6.56	6.60	6.38	6.66	6.05	5.78	6.00	6.24	5.81	5.83	6.00	5.76	5.82
Operation loans	5.47	5.37	5.11	5.25	4.94	4.63	4.72	4.79	4.72	4.79	4.82	4.89	4.89
Investment loans	6.09	6.00	5.84	5.83	5.69	5.58	5.53	5.50	5.52	5.55	5.51	5.54	5.53
Real estate purchase loans	6.53	6.49	6.42	6.35	6.20	6.05	6.09	6.17	6.18	6.18	6.21	6.20	6.17
Other loans	6.13	6.15	5.97	6.09	6.19	5.75	6.09	5.87	5.95	5.97	6.01	6.07	6.04
Credit cards	16.68	17.27	17.23	17.30	17.08	17.12	16.34	17.37	17.76	17.56	17.62	16.66	17.47
Short-term loans	6.10	6.08	5.88	6.07	5.66	5.42	5.68	5.79	5.55	5.57	5.67	5.59	5.59
Long-term loans over 1 year and up to 5 years	6.35	6.38	6.19	6.24	6.13	5.88	5.94	5.99	5.98	6.02	6.07	6.03	6.02
Long-term loans over 5 years	6.04	6.02	5.92	5.91	5.79	5.62	5.60	5.57	5.59	5.62	5.58	5.61	5.61

<sup>1)</sup> 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										
	11	12	1	2	3	4	5	6	7	8	9	10	11
<b>Deposits in total<sup>1)</sup></b>	2.32	2.34	2.18	2.45	1.97	2.03	2.23	2.46	2.20	2.20	2.18	2.21	2.14
Deposits payable on demand	0.95	1.02	1.01	1.28	0.86	0.77	0.88	1.29	0.79	0.78	0.70	0.66	0.71
of which: demand deposits	0.75	0.79	0.82	0.94	0.71	0.68	0.78	0.93	0.64	0.67	0.62	0.60	0.58
overnight deposits	3.17	3.65	3.11	4.02	2.19	2.13	1.95	4.76	2.14	2.14	1.86	1.88	1.90
Deposits with agreed maturity <sup>2)</sup>	3.45	3.54	3.22	3.52	2.96	3.01	3.28	3.38	3.32	3.28	3.30	3.31	3.27
– up to 1 year in total	3.61	3.74	3.36	3.73	3.04	3.09	3.41	3.52	3.45	3.41	3.43	3.43	3.39
– up to 7 days	3.52	3.55	3.22	3.99	2.38	2.38	3.12	4.05	2.96	2.51	3.09	2.61	2.63
– up to 1 month	4.07	4.05	3.43	3.99	3.07	3.21	3.65	3.70	3.70	3.70	3.70	3.73	3.70
– up to 3 months	2.92	2.93	3.03	3.05	2.99	2.60	2.48	2.39	2.41	2.38	2.34	2.41	2.39
– up to 6 months	3.19	3.28	3.41	3.39	3.36	3.26	2.93	2.88	2.97	2.96	2.96	2.97	2.98
– up to 1 year	2.20	3.35	3.42	3.43	3.49	3.53	3.58	3.57	3.56	3.49	3.52	3.38	3.33
– over 1 year in total	2.57	2.57	2.55	2.57	2.58	2.59	2.57	2.56	2.56	2.54	2.57	2.58	2.58
– up to 2 years	3.26	3.28	3.32	3.27	3.10	3.19	3.17	3.18	3.21	3.30	3.32	3.35	3.44
– over 2 years	2.55	2.55	2.53	2.54	2.56	2.58	2.55	2.54	2.54	2.51	2.54	2.54	2.54
Deposits redeemable at notice	1.81	1.83	1.78	1.82	1.82	1.78	1.81	1.71	1.72	1.73	1.78	1.79	1.83
– up to 3 months	1.55	1.55	1.46	1.49	1.48	1.39	1.50	1.26	1.26	1.27	1.35	1.36	1.44
– over 3 months	1.93	1.97	1.93	1.98	1.98	1.95	1.94	1.90	1.91	1.93	1.96	1.97	2.00
<b>Households</b>													
Deposits in total	1.81	1.87	1.84	1.91	1.82	1.74	1.76	1.74	1.71	1.71	1.72	1.72	1.72
Deposits payable on demand	0.50	0.50	0.51	0.57	0.54	0.51	0.54	0.51	0.49	0.48	0.47	0.47	0.44
of which: demand deposits	0.47	0.48	0.49	0.48	0.52	0.50	0.53	0.46	0.46	0.46	0.46	0.46	0.43
overnight deposits	3.09	3.11	2.86	3.94	2.08	1.75	1.80	4.40	2.23	2.02	1.81	1.78	1.78
Deposits with agreed maturity	2.87	2.92	2.87	2.94	2.81	2.70	2.71	2.72	2.71	2.69	2.73	2.71	2.71
– up to 1 year in total	3.00	3.07	3.01	3.11	2.91	2.74	2.77	2.79	2.76	2.75	2.78	2.75	2.76
– up to 7 days	2.54	2.84	2.58	3.48	1.90	1.68	2.73	3.30	2.54	2.38	2.87	2.57	2.73
– up to 1 month	2.72	2.76	2.58	2.73	2.46	2.17	2.28	2.36	2.40	2.43	2.45	2.49	2.50
– up to 3 months	2.72	2.75	2.85	2.85	2.79	2.48	2.31	2.21	2.21	2.23	2.22	2.24	2.24
– up to 6 months	3.03	3.10	3.12	3.10	3.03	2.95	2.85	2.79	2.75	2.71	2.69	2.68	2.70
– up to 1 year	3.53	3.62	3.69	3.71	3.75	3.76	3.75	3.75	3.71	3.62	3.66	3.49	3.43
– long-term over 1 year	2.57	2.57	2.55	2.57	2.58	2.60	2.57	2.56	2.57	2.54	2.58	2.59	2.58
– up to 2 years	3.38	3.44	3.49	3.44	3.47	3.38	3.29	3.30	3.33	3.36	3.41	3.43	3.48
– over 2 years	2.55	2.55	2.52	2.54	2.56	2.59	2.56	2.55	2.55	2.52	2.55	2.55	2.54
Deposits redeemable at notice	1.81	1.83	1.78	1.82	1.82	1.77	1.80	1.71	1.72	1.73	1.78	1.79	1.83
– up to 3 months	1.54	1.54	1.45	1.47	1.46	1.36	1.47	1.24	1.23	1.24	1.33	1.33	1.42
– over 3 months	1.93	1.97	1.93	1.98	1.98	1.95	1.94	1.90	1.91	1.93	1.96	1.97	2.00
<b>Non-financial corporations</b>													
Deposits in total	2.60	2.56	2.48	3.03	2.08	2.14	2.42	3.02	2.26	2.26	2.23	2.28	2.11
Deposits payable on demand	1.30	1.32	1.41	1.89	1.11	0.99	1.13	2.15	1.03	1.03	0.87	0.76	0.88
of which: demand deposits	0.98	1.02	1.09	1.40	0.89	0.84	0.96	1.52	0.74	0.83	0.70	0.63	0.65
overnight deposits	3.15	3.70	3.18	4.26	2.14	2.11	2.04	4.76	2.38	2.15	1.85	1.88	1.91
Deposits with agreed maturity	4.28	4.24	3.72	4.36	3.20	3.28	3.81	3.97	3.82	3.73	3.75	3.71	3.70
– up to 1 year in total	4.29	4.25	3.73	4.37	3.20	3.28	3.81	3.98	3.83	3.74	3.76	3.72	3.71
– up to 7 days	3.68	3.58	3.33	4.15	2.42	2.55	3.23	4.10	3.13	2.62	2.76	2.59	2.61
– up to 1 month	4.40	4.45	3.76	4.49	3.31	3.43	3.97	3.98	3.94	3.92	3.96	3.93	3.90
– up to 3 months	4.16	4.12	3.83	4.00	3.86	3.28	3.27	3.35	3.46	3.35	3.31	3.42	3.36
– up to 6 months	4.24	4.41	3.98	3.99	4.03	3.98	3.70	3.62	3.69	3.71	3.76	3.73	3.79
– up to 1 year	3.65	3.85	3.63	3.72	3.69	3.71	3.69	3.71	3.69	3.67	3.66	3.66	3.65
– long-term over 1 year	3.01	2.93	2.83	2.67	2.50	2.45	2.39	2.34	2.36	2.34	2.32	2.31	2.33
– up to 2 years	3.39	3.18	3.16	3.07	2.94	2.86	3.23	3.18	3.21	3.13	3.24	3.17	3.15
– over 2 years	2.86	2.85	2.71	2.51	2.32	2.30	2.28	2.24	2.23	2.22	2.17	2.15	3.12
Deposits redeemable at notice	2.27	2.08	1.96	2.33	2.40	2.86	2.98	1.83	1.92	2.25	2.19	2.02	2.22
– up to 3 months	2.23	2.14	2.01	2.42	2.48	2.96	3.11	1.94	1.97	2.32	2.36	2.49	2.33
– over 3 months	2.83	1.20	1.19	1.19	1.21	1.36	1.65	0.68	1.09	1.06	0.76	0.30	1.29

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

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

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



## Shortened Balance Sheet of Commercial Banks as at 30 November 2007

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

(SKK thousands)

ASSETS	Depreciation and provisions	Slovak koruna		Foreign currency		Total
		Residents	Non-residents	Residents	Non-residents	
<b>Total assets</b>	57,649,286	1,385,796,757	50,638,559	196,212,508	66,185,386	1,641,183,924
Cash items	0	12,842,052	0	84,074	3,648,489	16,574,615
Cash in hand	0	11,748,875	0	0	3,417,748	15,166,623
of which: EUR	0	0	0	0	1,703,761	1,703,761
Gold	0	0	0	0	606	606
Amounts in transit	0	1,093,177	0	84,074	230,135	1,407,386
Loans and other receivables	19,777,802	934,829,204	22,275,022	172,518,227	43,112,718	1,152,957,369
Deposits and loans to NBS, foreign central banks and post office banks	1,685	292,799,823	0	0	120,306	292,918,444
of which: Valued on an individual basis						
with no identifiable depreciation (category I)	1,685	215,986,927	0	0	120,306	216,105,548
Valued on a portfolio basis (category II)	0	76,812,896	0	0	0	76,812,896
Valued on an individual basis						
with identifiable depreciation (category III)	0	0	0	0	0	0
of which: Failed	0	0	0	0	0	0
of which: Current accounts	0	1,030,779	0	0	119,784	1,150,563
Time deposits	0	10,205,642	0	0	0	10,205,642
Loans provided	1,685	256,919,972	0	0	0	256,918,287
Money reserve accounts	0	24,643,430	0	0	0	24,643,430
of which: Minimum reserve requirements	0	24,486,145	0	0	0	24,486,145
Postal cheque accounts	0	0	0	0	522	522
Deposits and loans to banks	90,160	26,298,709	15,196,043	5,816,486	18,179,536	65,400,614
of which: Valued on an individual basis						
with no identifiable depreciation (category I)	3,381	19,797,137	11,717,450	5,806,548	12,837,879	50,155,633
Valued on a portfolio basis (category II)	18,067	6,460,099	3,478,593	9,938	4,676,985	14,607,548
Valued on an individual basis with						
identifiable depreciation (category III)	68,712	41,473	0	0	664,672	637,433
of which: Failed	43,763	40,697	0	0	64,741	61,675
of which: Deposits with and loans to own financial group	327	592,465	4,724,576	0	8,195,057	13,511,771
of which: Current accounts in banks	0	720,406	1,171	64,072	3,227,997	4,013,646
Current accounts of other banks	24	9,345	1,043,270	2	898,753	1,951,346
Time deposits	1,949	22,216,287	8,982,391	5,716,053	10,008,533	46,921,315
Loans provided	88,187	2,797,856	5,137,264	0	3,848,459	11,695,392
Other receivables from banks	0	554,815	31,947	36,359	195,794	818,915
Receivables from customers	19,674,215	601,160,662	7,078,973	159,033,136	23,988,919	771,587,475
of which: Valued on an individual basis						
with no identifiable depreciation (category I)	238,979	122,798,042	5,416,769	61,694,099	11,148,130	200,818,061
Valued on a portfolio basis (category II)	11,007,575	456,360,109	1,511,803	92,594,432	11,801,292	551,260,061
Valued on an individual basis						
with identifiable depreciation (category III)	8,427,661	22,002,511	150,401	4,744,605	1,039,497	19,509,353
of which: Failed	12,946,261	18,595,068	161,955	1,518,408	333,100	7,662,270
of which: MMIF loans	0	0	0	0	0	0
Loans to general government and international organizations (S.13)	11,742	14,570,010	6	7,668,605	167,124	22,394,003
of which: Valued on an individual basis						
with no identifiable depreciation (category I)	8,595	9,100,058	6	7,207,205	0	16,298,674
Valued on a portfolio basis (category II)	3,147	5,436,934	0	461,400	167,124	6,062,311
Valued on an individual basis						
with identifiable depreciation (category III)	0	33,018	0	0	0	33,018
of which: Failed	2	1,070	0	0	0	1,068
of which: Deposits to central government (S.1311)	0	0	0	0	0	0
Loans to central government (S.1311)	0	4,004,207	6	34,933	167,124	4,206,270
of which: SR Treasury	0	1	0	0	0	1
Other funds	0	13,848	0	0	0	13,848
Loans to local governments (S.1313)	11,742	10,537,909	0	7,633,672	0	18,159,839
Loans to social security funds (S.1314)	0	27,894	0	0	0	27,894
of which: Health insurance companies	0	0	0	0	0	0
Social Insurance Corporation	0	27,894	0	0	0	27,894
Debt securities	0	0	0	0	656,833	656,833
Financial instruments available for sale	339,100	38,592,703	4,375,482	4,148,800	8,109,428	54,887,313
Financial instruments at fair value through profit/loss: held for trading (excluding derivatives)	0	110,232,405	1,017,917	1,750,032	1,103,169	114,103,523
Financial instruments at fair value towards profit/loss: others (from the point of settlement)	0	9,732,397	1,664,617	5,724,807	4,691,669	21,813,490
Positive fair value of derivative transactions for trading	0	6,394,182	15,116,981	-	-	21,511,163
Financial instruments held to maturity	30,195	198,650,251	4,986,694	3,347,333	4,883,065	211,837,148
Positive fair value of derivative hedge transactions	0	112,977	229,284	-	-	342,261
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	705,235	6,436,841	887,706	0	0	6,619,312
Funds to branches abroad	0	0	0	0	513,627	513,627
Tangible assets	23,948,710	44,840,860	0	23,463	39,241	20,954,854
Intangible assets	11,291,764	16,626,541	0	0	0	5,334,777
Other assets	736,836	3,882,547	84,856	8,615,772	83,980	11,930,319
Tax receivables	0	912,576	0	0	0	912,576
Depreciation	35,691,600	35,691,600	0	0	0	0
Non-current assets held for sale (IFRS 5)	819,644	1,711,221	0	0	0	891,577

**Shortened Balance Sheet of Commercial Banks as at 30 November 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	Non-residents	
<b>Total liabilities</b>	1,125,477,545	127,777,739	155,907,041	232,021,599	1,641,183,924
PAYABLES	1,053,419,504	79,320,510	155,884,327	231,447,139	1,520,071,480
Deposits and loans from NBS and foreign central banks	2,745,591	0	12,698	0	2,758,289
of which: Current accounts	22,840	0	0	0	22,840
Time deposits	0	0	0	0	0
Loans received	2,722,751	0	12,698	0	2,735,449
Postal cheque accounts	0	0	0	0	0
Financial liabilities valued at amortized costs	1,011,091,984	60,922,640	139,865,430	176,121,458	1,388,001,512
Deposits, loans and other liabilities received from banks	26,193,896	46,400,795	4,086,306	150,904,401	227,585,398
of which: Deposits and loans received from own financial group	215,815	31,075,469	0	126,747,303	158,038,587
of which: Current accounts in banks	9,345	25,670	0	1,057,028	1,092,043
Current accounts of other banks	720,433	12,721,011	64,274	167,757	13,673,475
Time deposits	22,067,431	31,156,469	4,021,496	134,083,939	191,329,335
Subordinate debts	211,499	1,712,651	0	7,156,791	9,080,941
Loans received	2,576,670	605,480	0	8,003,671	11,185,821
Other liabilities received from banks	608,518	179,514	536	435,215	1,223,783
Deposits and loans received from customers	786,983,548	9,970,921	107,462,121	13,209,869	917,626,459
of which: MMIF deposits	24,534,389	0	323	0	24,534,712
of which: Current accounts and other financial undated liabilities	316,221,999	6,153,939	54,115,286	3,754,255	380,245,479
Time deposits	422,337,741	3,697,170	48,178,384	4,564,524	478,777,819
Deposits redeemable at notice	32,295,686	56,698	879,543	7,065	33,238,992
Certificates of deposit	107,206	20	0	0	107,226
Loans received and financial leasing	5,772,056	0	0	2,035,176	7,807,232
Other liabilities received from customers	10,248,860	63,094	4,288,908	2,848,849	17,449,711
Deposits of general government and international organizations	104,418,315	14,879	26,756,934	309,228	131,499,356
of which: Deposits of central government (S.1311)	79,723,090	14,799	25,580,228	309,198	105,627,315
of which: Treasury	7,085,166	0	11,149,200	0	18,234,366
Other funds	9,083,954	0	5,262	0	9,089,216
of which: National Property Fund	9,064,956	0	0	0	9,064,956
Deposits of local governments (S.1313)	24,694,490	80	1,176,706	30	25,871,306
Deposits of social security funds (S.1314)	735	0	0	0	735
of which: Health insurance companies	735	0	0	0	735
Social Insurance Corporation	0	0	0	0	0
Securities issued by the accounting unit	93,496,225	4,536,045	1,560,069	11,697,960	111,290,299
Financial liabilities held for trading (excluding derivatives)	0	0	0	0	0
Financial liabilities in fair value through profit/loss (IAS 39)	9,956,521	2,461,386	5,791,891	55,154,994	73,364,792
of which: Current accounts	0	0	0	0	0
Time deposits	9,956,521	2,461,386	5,791,891	55,154,994	73,364,792
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	10,717,517	14,890,500	-	-	25,608,017
Negative fair value of derivate hedge transactions	17,540	204,900	-	-	222,440
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	4,496,303	0	30,636	364	4,527,303
Other liabilities	11,793,995	841,084	10,183,672	170,323	22,989,074
Tax liabilities	2,520,053	0	0	0	2,520,053
<b>EQUITY</b>	72,058,041	48,457,229	22,714	574,460	121,112,444
Share capital	4,903,790	40,296,832	0	0	45,200,622
of which: Subscribed share capital	5,110,941	40,296,832	0	0	45,407,773
Receivables from shareholders	-196,221	0	0	0	-196,221
Own shares	-10,930	0	0	0	-10,930
Funds to branches of foreign banks	32,000	7,592,957	0	592,252	8,217,209
Share premium	2,464,259	475,000	0	0	2,939,259
Reserve funds and other funds created from profits	15,542,154	119,500	0	0	15,661,654
Other funds	193,217	5,490	0	2,346	201,053
Valuation changes	265,090	-32,550	22,714	-20,138	235,116
Profit/loss from previous years	31,600,676	0	0	0	31,600,676
of which: Retained earnings	32,365,994	0	0	0	32,365,994
Accumulated loss	-765,318	0	0	0	-765,318
Profit and loss account	17,071,748	0	0	0	17,071,748
Profit/loss in process of approval	-14,893	0	0	0	-14,893

## Monthly Profit and Loss Account of Commercial Banks

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

(SKK millions)

	2006		2007										
	11	12	1	2	3	4	5	6	7	8	9	10	11
NET INTEREST INCOME	30,980	34,648	3,216	6,056	9,391	12,243	15,557	18,800	22,070	25,418	28,759	32,218	35,787
Interest income on securities	11,492	12,740	1,202	2,344	3,576	4,538	5,715	7,013	8,418	9,809	11,135	12,508	13,811
Other interest income	49,834	55,490	5,266	9,999	15,550	20,236	25,840	31,504	36,999	42,471	48,151	53,986	59,782
Interest expenses on securities	2,857	3,361	315	659	1,027	1,303	1,640	1,987	2,337	2,691	3,058	3,442	3,793
Other interest expenses	27,489	30,221	2,937	5,629	8,708	11,227	14,358	17,729	21,011	24,171	27,470	30,835	34,013
NET NON-INTEREST INCOME	17,786	18,990	1,723	3,292	5,156	6,603	8,221	10,207	11,816	13,276	14,636	16,568	17,996
Fee and commission income	12,844	14,392	1,204	2,399	3,795	4,930	6,166	7,496	8,843	10,135	11,374	12,440	13,758
Fees and commission expenses	2,720	3,115	224	458	695	925	1,219	1,509	1,794	2,071	2,360	2,331	2,612
Dividends received	443	456	5	5	9	27	116	228	222	222	243	243	243
Income from transactions in securities	2,869	3,124	274	445	833	903	1,065	1,150	1,257	1,401	1,511	1,747	1,909
Expenses related to transactions in securities	2,649	3,025	226	299	425	541	896	1,169	1,314	1,585	1,879	1,915	2,162
Profit/loss on foreign exchange transactions	8,703	10,026	-1,973	-288	3,703	2,537	3,384	2,519	4,533	3,769	5,752	7,669	8,979
Profit/loss on fixed forward transactions and options	-1,674	-2,722	2,691	1,523	-2,046	-244	-288	1,594	181	1,540	33	-1,229	-2,054
Income from other transactions	422	397	4	26	83	50	88	135	140	156	187	195	218
Expenses related to other transactions	452	544	34	62	100	134	195	237	252	291	224	251	282
NET OPERATING PROFIT/LOSS	-1,433	1,449	-88	-852	-868	-910	-1,138	-1,308	-1,473	-1,561	-1,748	-1,999	-2,218
GENERAL OPERATING EXPENSES	26,840	30,240	2,486	5,039	7,913	10,446	13,474	16,090	18,829	21,552	24,282	27,057	30,010
NET CREATION OF RESERVES AND PROVISIONS	-2,513	-2,449	-375	287	-144	-458	-438	-649	-883	-1,060	-1,180	-1,316	-1,432
INCOME TAX	2,992	4,625	345	520	896	1,014	1,256	1,662	1,851	2,091	2,432	2,781	3,052
CURRENT PERIOD PROFIT/LOSS	14,989	17,773	1,644	3,224	4,726	6,018	7,472	9,300	10,850	12,431	13,753	15,632	17,072



**Balance of Payments of the SR for January – October 2007**

	Collection / Credit (+)		Payments / Debit (-)		Balance	
	SKK millions	USD millions	SKK millions	USD millions	SKK millions	USD millions
<b>Goods</b>	1.174.624.0	46.842.6	1.178.246.0	46.987.0	-3.622.0	-144.4
<b>Services</b>	141.721.4	5.651.7	132.007.7	5.264.3	9.713.7	387.4
Transport	45.013.5	1.795.1	36.912.2	1.472.0	8.101.4	323.1
Tourism	40.748.4	1.625.0	32.347.3	1.290.0	8.401.1	335.0
Other services	55.959.5	2.231.6	62.748.2	2.502.3	-6.788.7	-270.7
<b>Income</b>	47.211.3	1.882.7	115.934.4	4.623.3	-68.723.1	-2.740.6
Compensation of employees	30.000.0	1.196.4	1.307.4	52.1	28.692.6	1.144.2
Investment income	17.211.3	686.4	114.627.0	4.571.2	-97.415.7	-3.884.8
<b>Current transfers</b>	37.024.6	1.476.5	48.807.7	1.946.4	-11.783.1	-469.9
<b>CURRENT ACCOUNT</b>	1.400.581.4	55.853.5	1.474.995.8	58.821.0	-74.414.5	-2.967.6
<b>Capital account</b>	13.824.7	551.3	3.738.3	149.1	10.086.4	402.2
<b>Financial account</b>	5.822.473.1	232.210.4	-5.676.188.2	-226.354.8	146.284.8	5.855.6
Direct investment	1.046.518.4	41.733.9	-999.039.3	-39.840.5	47.479.1	1.893.4
<i>Abroad (direct investor = resident)</i>	31.004.0	1.236.4	-33.291.0	-1.327.6	-2.287.0	-91.2
Equity capital and reinvested earnings	622.0	24.8	-3.198.0	-127.5	-2.576.0	-102.7
Other capital	30.382.0	1.211.6	-30.093.0	-1.200.1	289.0	11.5
<i>In the SR (recipient of dir. investment = resident)</i>	1.015.514.4	40.497.5	-965.748.3	-38.512.9	49.766.1	1.984.6
Equity capital and reinvested earnings	46.117.4	1.839.1	-5.499.3	-219.3	40.618.1	1.619.8
Other capital	969.397.0	38.658.4	-960.249.0	-38.293.5	9.148.0	364.8
Portfolio investment	280.125.3	11.191.8	-280.090.3	-11.169.7	35.0	22.2
Assets	52.656.8	2.099.9	-68.963.3	-2.750.2	-16.306.5	-650.3
Liabilities	227.468.5	9.091.9	-211.127.0	-8.419.5	16.341.5	672.5
Financial derivatives	2.271.347.5	90.578.5	-2.269.640.9	-90.510.5	1.706.6	68.1
Assets	1.132.265.7	45.153.4	-1.128.271.1	-44.994.1	3.994.6	159.3
Liabilities	1.139.081.8	45.425.2	-1.141.369.8	-45.516.4	-2.288.0	-91.2
Other investment	2.224.481.8	88.706.2	-2.127.417.7	-84.834.2	97.064.1	3.871.9
<i>Long-term</i>	283.074.9	11.288.9	-266.609.2	-10.629.6	16.465.7	659.3
Assets	15.796.3	629.9	-23.898.1	-953.0	-8.101.8	-323.1
Liabilities	267.278.6	10.658.9	-242.711.1	-9.676.5	24.567.5	982.4
<i>Short-term</i>	1.941.406.9	77.417.3	-1.860.808.5	-74.204.6	80.598.4	3.212.6
Assets	1.094.657.0	43.653.6	-1.115.474.4	-44.483.7	-20.817.4	-830.2
Liabilities	846.749.9	33.763.7	-745.334.1	-29.720.9	101.415.8	4.042.8
<b>CAPITAL AND FINANCIAL ACCOUNT</b>	5.836.297.8	232.761.7	-5.679.926.5	-226.503.9	156.371.3	6.257.8
<b>ERRORS AND OMISSIONS</b>	-	-	-	-	18.089.4	658.1
<b>TOTAL BALANCE</b>	0.0	0.0	100.046.2	3.948.4	100.046.2	3.948.4
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	-100.045.9	-3.948.4	-100.045.9	-3.948.4
<i>Deposits</i>	0.0	0.0	-16.989.6	-680.2	-16.989.6	-680.2
<i>Securities</i>	0.0	0.0	-83.056.3	-3.268.2	-83.056.3	-3.268.2
Bonds and notes	0.0	0.0	-29.145.5	-1.125.8	-29.145.5	-1.125.8
Money market instruments and financial derivatives	0.0	0.0	-53.910.8	-2.142.4	-53.910.8	-2.142.4
<b>RESERVE ASSETS</b>	0.0	0.0	-100.046.2	-3.948.4	-100.046.2	-3.948.4

Note: Preliminary data.

Applied rate of exchange: USD 1 = SKK 25.076.



## Overview of Issues of NBS Bills

Registration number	Date of			Maturity (in days)	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	americká	3.00	3.00	3.00
960505003	9.2.2006	10.2.2006	5.5.2006	84	13,000	0	americká	-	-	-
960906004	16.3.2006	17.3.2006	9.6.2006	84	6,310	210	americká	3.50	3.50	3.50
963006005	6.4.2006	7.4.2006	30.6.2006	84	9,053	300	americká	3.50	3.50	3.50
962807007	4.5.2006	5.5.2006	28.7.2006	84	1,515	0	americká	-	-	-
963108008	8.6.2006	9.6.2006	31.8.2006	83	23,445	22,691	americká	3.98	4.00	4.00
962209010	29.6.2006	30.6.2006	22.9.2006	84	400	0	americká	-	-	-
962010011	27.7.2006	28.7.2006	20.10.2006	84	1,364	222	americká	4.50	4.50	4.50
962411013	30.8.2006	31.8.2006	24.11.2006	85	2,883	1,550	americká	4.50	4.50	4.50
961512014	21.9.2006	22.9.2006	15.12.2006	84	9,550	0	americká	-	-	-
961201015	19.10.2006	20.10.2006	12.1.2007	84	7,100	500	americká	4.75	4.75	4.75
961602017	23.11.2006	24.11.2006	16.2.2007	84	1,950	1,150	americká	4.75	4.75	4.75
960903018	14.12.2006	15.12.2006	9.3.2007	84	36,613	36,113	americká	4.74	4.75	4.75
971105002	15.2.2007	16.2.2007	11.5.2007	84	60,980	0	americká	-	-	-
970106003	8.3.2007	9.3.2007	1.6.2007	84	63,740	0	americká	-	-	-
970308005	10.5.2007	11.5.2007	3.8.2007	84	73,661	20,000	americká	4.05	4.15	4.18
972408007	31.5.2007	1.6.2007	24.8.2007	84	50,400	30,000	americká	4.15	4.23	4.25
972109008	28.6.2007	29.6.2007	21.9.2007	84	23,900	17,000	americká	4.24	4.27	4.40
972610009	2.8.2007	3.8.2007	26.10.2007	84	22,490	22,290	americká	4.24	4.25	4.25
971611011	23.8.2007	24. 8.2007	16.11.2007	84	29,110	23,110	americká	4.24	4.25	4.25
971412012	20.9.2007	21.9.2007	14.12.2007	84	20,500	19,000	americká	4.25	4.25	4.25
971801014	25.10.2007	26.10.2007	18.1.2008	84	14,690	13,690	americká	4.25	4.25	4.25
971801015	15.11.2007	16.11.2007	8.2.2008	84	28,500	23,500	americká	4.25	4.25	4.25
970703016	13.12.2007	14.12.2007	7.3.2008	84	30,900	30,900	americká	4.25	4.25	4.25



**Basic Characteristics of Slovakia's Foreign Exchange Market in December 2007**

	USD			EUR			Other currencies			Total	
	Volume		Number of transactions	Objem		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
Transactions between domestic banks without foreign participation	2,629.7	53.4	133	2,144.1	43.6	667	148.4	3.0	93	4,922.2	893
Interbank forex market: NBS + transactions between domestic banks	2,629.7	53.4	133	2,144.1	43.6	667	148.4	3.0	93	4,922.2	893
Transactions between domestic and foreign banks	66,387.3	87.0	1,764	9,486.4	12.4	3,041	390.1	0.5	259	76,263.8	5,064
Foreign exchange market in the SR - total	69,017.1	85.0	1,897	11,630.5	14.3	3,708	538.5	0.7	352	81,186.0	5,957

	SPOT			FORWARD			SWAP			OPTION			Total	
	Volume		No. of transactions	Volume		No. of transactions	Volume		No. of transactions	Volume		No. of transactions	USD millions	No. of transactions
	USD	%		USD millions	%		USD millions	%		USD millions	%			
Transactions between domestic banks without foreign participation	1,507.7	30.7	745	35.1	0.7	10	3,371.5	68.6	138	0.0	0.0	0	4,914.3	893
Transactions between domestic and foreign banks	6,151.4	8.1	2,573	399.7	0.5	89	69,347.5	91.0	1,917	313.1	0.4	485	76,211.7	5,064
Foreign exchange market in the SR - excl. the NBS	7,659.1	9.4	3,318	434.8	0.5	99	72,719.0	89.6	2,055	313.1	0.4	485	81,126.0	5,957



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

Midpoint rate	2006	2007											
	12	1	2	3	4	5	6	7	8	9	10	11	12
1 AUD	20.828	20.921	20.664	20.257	20.478	20.584	21.329	21.089	20.486	20.526	21.224	20.324	19.972
1 BGN	-	17.754	17.656	17.316	17.108	17.247	17.392	17.040	17.167	17.289	17.205	16.996	17.060
1 CYP	60.595	60.044	59.625	58.415	57.566	57.864	58.299	57.061	57.468	57.881	57.599	56.897	57.045
1 CZK	1.260	1.249	1.223	1.206	1.195	1.195	1.192	1.174	1.204	1.226	1.230	1.243	1.269
1 DKK	4.698	4.658	4.632	4.546	4.490	4.527	4.568	4.479	4.512	4.539	4.515	4.459	4.473
1 EUR	35.025	34.721	34.524	33.863	33.468	33.726	34.017	33.330	33.577	33.821	33.645	33.236	33.365
1 EEK	2.239	2.219	2.207	2.164	2.139	2.156	2.174	2.130	2.146	2.161	2.151	2.125	2.133
100 JPY	22.654	22.183	21.903	21.822	20.861	20.666	20.691	19.973	21.078	21.187	20.420	20.414	20.413
1 CAD	23.043	22.723	22.561	21.885	21.807	22.758	23.786	23.139	23.274	23.666	24.197	23.523	22.767
1 LTL	10.143	10.055	9.999	9.807	9.689	9.769	9.851	9.652	9.724	9.794	9.746	9.627	9.663
1 LVL	50.207	49.779	49.345	47.792	47.521	48.426	48.859	47.820	48.126	48.192	47.867	47.455	47.822
100 HUF	13.779	13.690	13.624	13.536	13.598	13.579	13.581	13.509	13.169	13.341	13.410	13.058	13.183
1 MTL	81.595	80.887	80.445	78.930	77.973	78.575	79.242	77.671	78.245	78.767	78.395	77.438	77.727
1 NOK	4.296	4.193	4.269	4.164	4.121	4.144	4.217	4.198	4.210	4.312	4.374	4.187	4.159
1 PLN	9.189	8.961	8.865	8.710	8.763	8.921	8.928	8.846	8.813	8.919	9.065	9.084	9.262
1 RON	-	10.239	10.207	10.044	10.030	10.265	10.526	10.636	10.435	10.112	10.036	9.573	9.450
100 SIT	14.615	-	-	-	-	-	-	-	-	-	-	-	-
1 CHF	21.945	21.503	21.293	21.009	20.446	20.435	20.566	20.113	20.488	20.537	20.151	20.168	20.113
1 SEK	3.875	3.825	3.763	3.643	3.618	3.666	3.646	3.627	3.606	3.639	3.668	3.580	3.540
1 USD	26.504	26.694	26.434	25.583	24.788	24.954	25.355	24.311	24.647	24.378	23.669	22.637	22.882
1 GBP	52.044	52.321	51.737	49.810	49.266	49.496	50.324	49.422	49.556	49.156	48.338	46.897	46.387
1 XDR	39.980	39.916	39.569	38.568	37.667	37.875	38.321	37.167	37.696	37.606	36.880	35.928	36.087

Note: With effect 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	Q1-Q4	Q1	Q2	Q3	Q4	Q1-Q4
1 AUD	23.040	22.379	22.499	21.480	22.358	20.612	20.808	20.700	20.555	20.668
1 BGN	-	-	-	-	-	17.573	17.254	17.164	17.092	17.273
1 CYP	65.222	65.502	65.778	62.316	64.711	59.353	57.921	57.463	57.200	57.994
1 CZK	1.310	1.328	1.336	1.282	1.314	1.226	1.194	1.201	1.246	1.217
1 DKK	5.020	5.053	5.075	4.825	4.994	4.612	4.529	4.509	4.484	4.534
1 EUR	37.457	37.687	37.861	35.975	37.248	34.364	33.746	33.572	33.425	33.781
1 EEK	2.394	2.408	2.420	2.299	2.381	2.197	2.157	2.146	2.137	2.159
100 JPY	26.668	26.208	25.592	23.737	25.565	21.971	20.735	20.744	20.416	20.975
1 CAD	26.979	26.714	26.497	24.584	26.203	22.384	22.816	23.353	23.553	23.024
1 LTL	10.848	10.914	10.965	10.419	10.787	9.952	9.772	9.722	9.682	9.783
1 LVL	53.813	54.143	54.402	51.632	53.501	48.960	48.293	48.045	47.715	48.258
100 HUF	14.728	14.137	13.744	13.804	14.111	13.616	13.586	13.337	13.225	13.441
1 MTL	87.250	87.807	88.208	83.813	86.775	80.076	78.617	78.220	77.877	78.707
1 NOK	4.668	4.811	4.704	4.350	4.634	4.207	4.162	4.238	4.248	4.214
1 PLN	9.772	9.546	9.577	9.342	9.562	8.845	8.874	8.858	9.128	8.926
1 RON	-	-	-	-	-	10.162	10.282	10.400	9.709	10.139
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	20.379	20.146	20.574
1 SEK	4.005	4.052	4.103	3.936	4.024	3.743	3.644	3.624	3.601	3.654
1 USD	31.169	29.991	29.715	27.948	29.724	26.231	25.040	24.450	23.091	24.713
1 GBP	54.597	54.787	55.676	53.438	54.624	51.275	49.710	49.384	47.284	49.427
1 XDR	44.893	44.173	44.042	41.608	43.694	39.344	37.964	37.491	36.327	37.792

Note: With effect 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<sup>1)</sup> into Slovakia in 1999 – 2006***(Flows and stocks)***Corporate sector**

	SKK millions		USD millions	
	Inflows from January to December	Volume as at 31 December	Inflows from January to December	Volume as at 31 December
1999	16,729	83,061	403.92	1,965.20
2000	97,454	161,988	2,109.39	3,418.26
2001	24,353	182,151	503.71	3,758.25
2002	174,180	259,517	3,842.06	6,482.09
2003	37,157	283,078	1,010.44	8,598.97
2004 <sup>3)</sup>	29,008	329,948	899.33	11,578.75
2005 <sup>4)</sup>	22,147	353,770	713.91	11,073.31
2006	61,994	418,071	2,085.65	15,928.94

**Banking sector**

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

**Total**

	SKK millions		USD millions	
	Inflows from January to December	Volume as at 31 December	Inflows from January to December	Volume as at 31 December
1999	16,689	96,038	402.95	2,272.23
2000	99,561	177,141	2,155.00	3,738.02
2001	61,448	234,396	1,270.98	4,836.20
2002	185,594	319,246	4,093.83	7,973.97
2003 <sup>2)</sup>	38,970	348,500	1,059.74	10,586.27
2004 <sup>3)</sup>	34,123	396,592	1,057.91	13,917.46
2005 <sup>4)</sup>	22,145	420,411	713.85	13,159.23
2006	61,538	484,253	2,070.31	18,450.54

Note: Preliminary data for 2005–2006.

<sup>1)</sup> Equity capital.<sup>2)</sup> Change in methodology – new accounting standards for banks.<sup>3)</sup> Other capital funds included in the equity capital.<sup>4)</sup> Change in methodology (higher limit for foreign exchange reporting obligation).

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

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 29.724									
<b>Inflow of FDI in total</b>	61,994	2,085.7	100.0	-456	-15.3	100.0	61,538	2,070.3	100.0
<b>Structure of capital by investor</b>									
Italy	31,682	1,065.9	51.1	45	1.5	-9.9	31,727	1,067.4	51.6
Austria	8,781	295.4	14.2	196	6.6	-43.0	8,977	302.0	14.6
Korea	7,886	265.3	12.7	0	0.0	0.0	7,886	265.3	12.8
Germany	4,878	164.1	7.9	0	0.0	0.0	4,878	164.1	7.9
Cyprus	3,788	127.4	6.1	0	0.0	0.0	3,788	127.4	6.2
USA	1,403	47.2	2.3	0	0.0	0.0	1,403	47.2	2.3
Czech Republic	1,354	45.6	2.2	1	0.0	-0.2	1,355	45.6	2.2
Sweden	483	16.2	0.8	0	0.0	0.0	483	16.2	0.8
Switzerland	481	16.2	0.8	0	0.0	0.0	481	16.2	0.8
Hungary	439	14.8	0.7	0	0.0	0.0	439	14.8	0.7
Other countries	819	27.6	1.3	-698	-23.5	153.1	121	4.1	0.2
<b>Structure of capital by sector</b>									
Agriculture, hunting, and forestry	18	0.6	0.0	0	0.0	0.0	18	0.6	0.0
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Mining and quarrying	266	8.9	0.4	0	0.0	0.0	266	8.9	0.4
Manufacturing	15,327	515.6	24.7	0	0.0	0.0	15,327	515.6	24.9
Electricity, gas, and water supply	-354	-11.9	-0.6	0	0.0	0.0	-354	-11.9	-0.6
Construction	173	5.8	0.3	0	0.0	0.0	173	5.8	0.3
Wholesale and retail trade, repairs of motor vehicles	4,154	139.8	6.7	0	0.0	0.0	4,154	139.8	6.8
Hotels and restaurants	62	2.1	0.1	0	0.0	0.0	62	2.1	0.1
Transport, storage and communication	1,758	59.1	2.8	0	0.0	0.0	1,758	59.1	2.9
Financial intermediation	5,104	171.7	8.2	-456	-15.3	100.0	4,648	156.4	7.6
Real estate, renting and business activities	3,868	130.1	6.2	0	0.0	0.0	3,868	130.1	6.3
Public administration and defence, compulsory social security	31,505	1,059.9	50.8	0	0.0	0.0	31,505	1,059.9	51.2
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	113	3.8	0.2	0	0.0	0.0	113	3.8	0.2
Activities of private households	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Extra-territorial organizations and bodies	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
<b>Structure of capital by region</b>									
Bratislava region	45,636	1,535.3	73.6	-456	-15.3	100.0	45,180	1,520.0	73.4
Trnava region	1,902	64.0	3.1	0	0.0	0.0	1,902	64.0	3.1
Trenčín region	2,580	86.8	4.2	0	0.0	0.0	2,580	86.8	4.2
Nitra region	1,084	36.5	1.7	0	0.0	0.0	1,084	36.5	1.8
Žilina region	8,308	279.5	13.4	0	0.0	0.0	8,308	279.5	13.5
Banská Bystrica region	932	31.4	1.5	0	0.0	0.0	932	31.4	1.5
Prešov region	439	14.8	0.7	0	0.0	0.0	439	14.8	0.7
Košice region	1,113	37.4	1.8	0	0.0	0.0	1,113	37.4	1.8

Note: Preliminary data.

<sup>1)</sup> Equity capital.



### Inflow of Foreign Direct Investment<sup>1)</sup> during January to December 2005

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 31.022									
<b>Inflow of FDI in total</b>	22,147	713.9	100.0	-2	-0.1	100.0	22,145	713.8	100.0
<b>Structure of capital by investor</b>									
Korea	6,603	212.8	29.8	0	0.0	0.0	6,603	212.8	29.8
Germany	6,431	207.3	29.0	-250	-8.1	12,500.0	6,181	199.2	27.9
Austria	3,112	100.3	14.1	-45	-1.5	2,250.0	3,067	98.9	13.8
Holand	1,401	45.2	6.3	3	0.1	-150.0	1,404	45.3	6.3
Switzerland	1,191	38.4	5.4	0	0.0	0.0	1,191	38.4	5.4
USA	1,045	33.7	4.7	0	0.0	0.0	1,045	33.7	4.7
Spain	784	25.3	3.5	0	0.0	0.0	784	25.3	3.5
United Kingdom	506	16.3	2.3	125	4.0	-6,250.0	631	20.3	2.8
Litva	417	13.4	1.9	0	0.0	0.0	417	13.4	1.9
Cyprus	323	10.4	1.5	0	0.0	0.0	323	10.4	1.5
Other countries	334	10.8	1.5	165	5.3	-8,250.0	499	16.1	2.3
<b>Structure of capital by sector</b>									
Agriculture, hunting, and forestry	-31	-1.0	-0.1	0	0.0	0.0	-31	-1.0	-0.1
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Mining and quarrying	10	0.3	0.0	0	0.0	0.0	10	0.3	0.0
Manufacturing	10,846	349.6	49.0	0	0.0	0.0	10,846	349.6	49.0
Electricity, gas, and water supply	322	10.4	1.5	0	0.0	0.0	322	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	3,216	103.7	14.5	0	0.0	0.0	3,216	103.7	14.5
Hotels and restaurants	29	0.9	0.1	0	0.0	0.0	29	0.9	0.1
Transport, storage and communication	1,280	41.3	5.8	0	0.0	0.0	1,280	41.3	5.8
Financial intermediation	4,263	137.4	19.2	-2	-0.1	100.0	4,261	137.4	19.2
Real estate, renting and business activities	1,900	61.2	8.6	0	0.0	0.0	1,900	61.2	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	69	2.2	0.3	0	0.0	0.0	69	2.2	0.3
Activities of private households	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Extra-territorial organizations and bodies	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
<b>Structure of capital by regions</b>									
Bratislava region	7,345	236.8	33.2	-2	-0.1	100.0	7,343	236.7	33.2
Trnava region	682	22.0	3.1	0	0.0	0.0	682	22.0	3.1
Trenčín region	3,346	107.9	15.1	0	0.0	0.0	3,346	107.9	15.1
Nitra region	642	20.7	2.9	0	0.0	0.0	642	20.7	2.9
Žilina region	7,123	229.6	32.2	0	0.0	0.0	7,123	229.6	32.2
Banská Bystrica region	1,166	37.6	5.3	0	0.0	0.0	1,166	37.6	5.3
Prešov region	163	5.3	0.7	0	0.0	0.0	163	5.3	0.7
Košice region	1,680	54.2	7.6	0	0.0	0.0	1,680	54.2	7.6

Note: Preliminary data.

<sup>1)</sup> Equity capital and reinvested profits.

## Inflow of Foreign Direct Investment<sup>1)</sup> during January to December 2004

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 32.255									
<b>Inflow of FDI (equity capital + reinvested earnings) in total</b>	29,008	899.3	100.0	5,115	158.6	100.0	34,123	1,057.9	100.0
<b>Structure of capital by investor</b>									
Austria	2,974	92.2	10.3	4,776	148.1	93.4	7,750	240.3	22.7
Hungary	6,863	212.8	23.7	-30	-0.9	-0.6	6,833	211.8	20.0
United Kingdom	6,050	187.6	20.9	-1,396	-43.3	-27.3	4,654	144.3	13.6
Czech Republic	4,605	142.8	15.9	-11	-0.3	-0.2	4,594	142.4	13.5
France	3,749	116.2	12.9	-136	-4.2	-2.7	3,613	112.0	10.6
Germany	3,340	103.5	11.5	253	7.8	4.9	3,593	111.4	10.5
Louxeubourg	3,185	98.7	11.0	0	0.0	0.0	3,185	98.7	9.3
Korea	2,208	68.5	7.6	0	0.0	0.0	2,208	68.5	6.5
Switzerland	950	29.5	3.3	0	0.0	0.0	950	29.5	2.8
Italy	734	22.8	2.5	-13	-0.4	-0.3	721	22.4	2.1
Other countries	-5,650	-175.2	-19.5	1,672	51.8	32.7	-3,978	-123.3	-11.7
<b>Structure of capital by sector</b>									
Agriculture, hunting, and forestry	348	10.8	1.2	0	0.0	0.0	348	10.8	1.0
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Mining and quarrying	-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 and communication	-8,436	-261.5	-29.1	0	0.0	0.0	-8,436	-261.5	-24.7
Financial intermediation	1,155	35.8	4.0	5,115	158.6	100.0	6,270	194.4	18.4
Real estate, renting and business activities	1,239	38.4	4.3	0	0.0	0.0	1,239	38.4	3.6
Public administration and defence, compulsory social security	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Education	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Health and social work	18	0.6	0.1	0	0.0	0.0	18	0.6	0.1
Other community, social, and personal services	132	4.1	0.5	0	0.0	0.0	132	4.1	0.4
Activities of private households	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Extra-territorial organizations and bodies	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
<b>Structure of capital by regions</b>									
Bratislava region	17,205	533.4	59.3	5,004	155.1	97.8	22,209	688.5	65.1
Trnava region	4,124	127.9	14.2	0	0.0	0.0	4,124	127.9	12.1
Trenčín region	2,292	71.1	7.9	0	0.0	0.0	2,292	71.1	6.7
Nitra region	120	3.7	0.4	0	0.0	0.0	120	3.7	0.4
Žilina region	2,315	71.8	8.0	73	2.3	1.4	2,388	74.0	7.0
Banská Bystrica region	850	26.4	2.9	38	1.2	0.7	888	27.5	2.6
Prešov region	1,081	33.5	3.7	0	0.0	0.0	1,081	33.5	3.2
Košice region	1,021	31.7	3.5	0	0.0	0.0	1,021	31.7	3.0

<sup>1)</sup> Equity capital and reinvested profits.



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

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 26.246									
<b>Total volume of FDI</b>	418,071	15,928.9	100.0	66,182	2,521.6	100.0	484,253	18,450.5	100.0
<b>Structure of capital by investor</b>									
Netherlands	97,182	3,702.7	23.2	612	23.3	0.9	97,794	3,726.1	20.2
Germany	81,150	3,091.9	19.4	861	32.8	1.3	82,011	3,124.7	16.9
Austria	38,578	1,469.9	9.2	33,067	1,259.9	50.0	71,645	2,729.7	14.8
Italy	35,105	1,337.5	8.4	24,185	921.5	36.5	59,290	2,259.0	12.2
Hungary	27,195	1,036.2	6.5	2,007	76.5	3.0	29,202	1,112.6	6.0
United Kingdom	25,284	963.3	6.0	0	0.0	0.0	25,284	963.3	5.2
Czech Republic	19,536	744.3	4.7	3,486	132.8	5.3	23,022	877.2	4.8
Korea	17,125	652.5	4.1	0	0.0	0.0	17,125	652.5	3.5
USA	14,466	551.2	3.5	1,650	62.9	2.5	16,116	614.0	3.3
Cyprus	13,800	525.8	3.3	0	0.0	0.0	13,800	525.8	2.8
Other countries	48,650	1,853.6	11.6	314	12.0	0.5	48,964	1,865.6	10.1
<b>Structure of capital by sector</b>									
Agriculture, hunting, and forestry	1,218	46.4	0.3	0	0.0	0.0	1,218	46.4	0.3
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Mining and quarrying	2,695	102.7	0.6	0	0.0	0.0	2,695	102.7	0.6
Manufacturing	191,067	7,279.9	45.7	0	0.0	0.0	191,067	7,279.9	39.5
Electricity, gas, and water supply	67,843	2,584.9	16.2	0	0.0	0.0	67,843	2,584.9	14.0
Construction	3,346	127.5	0.8	0	0.0	0.0	3,346	127.5	0.7
Wholesale and retail trade, repairs of motor vehicles	55,455	2,112.9	13.3	0	0.0	0.0	55,455	2,112.9	11.5
Hotels and restaurants	2,412	91.9	0.6	0	0.0	0.0	2,412	91.9	0.5
Transport, storage and communication	40,270	1,534.3	9.6	0	0.0	0.0	40,270	1,534.3	8.3
Financial intermediation	27,172	1,035.3	6.5	66,182	2,521.6	100.0	93,354	3,556.9	19.3
Real estate, renting and business activities	23,163	882.5	5.5	0	0.0	0.0	23,163	882.5	4.8
Public administration and defence, compulsory social security	150	5.7	0.0	0	0.0	0.0	150	5.7	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	1,657	63.1	0.4	0	0.0	0.0	1,657	63.1	0.3
Activities of private households	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Extra-territorial organizations and bodies	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
<b>Structure of capital by regions</b>									
Bratislava region	258,143	9,835.5	61.7	65,232	2,485.4	98.6	323,375	12,320.9	66.8
Trnava region	26,114	995.0	6.2	0	0.0	0.0	26,114	995.0	5.4
Trenčín region	23,251	885.9	5.6	0	0.0	0.0	23,251	885.9	4.8
Nitra region	17,892	681.7	4.3	0	0.0	0.0	17,892	681.7	3.7
Žilina region	34,638	1,319.7	8.3	950	36.2	1.4	35,588	1,355.9	7.3
Banská Bystrica region	12,489	475.8	3.0	0	0.0	0.0	12,489	475.8	2.6
Prešov region	7,770	296.0	1.9	0	0.0	0.0	7,770	296.0	1.6
Košice region	37,774	1,439.2	9.0	0	0.0	0.0	37,774	1,439.2	7.8

Note: Preliminary data.

<sup>1)</sup> Equity capital.

## Volume of Foreign Direct Investment<sup>1)</sup> as at 31 December 2005

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 31.948									
<b>Total volume of FDI</b>	353,770	11,073.3	100.0	66,641	2,085.9	100.0	420,411	13,159.2	100.0
<b>Structure of capital by investor</b>									
Netherlands	88,907	2,782.9	25.1	616	19.3	0.9	89,523	2,802.1	21.3
Germany	82,097	2,569.7	23.2	860	26.9	1.3	82,957	2,596.6	19.7
Austria	31,592	988.9	8.9	32,868	1,028.8	49.3	64,460	2,017.7	15.3
Italy	5,340	167.1	1.5	24,144	755.7	36.2	29,484	922.9	7.0
Hungary	27,323	855.2	7.7	2,007	62.8	3.0	29,330	918.1	7.0
United Kingdom	27,263	853.4	7.7	473	14.8	0.7	27,736	868.2	6.6
Czech Republic	15,655	490.0	4.4	3,485	109.1	5.2	19,140	599.1	4.6
USA	13,959	436.9	3.9	1,650	51.6	2.5	15,609	488.6	3.7
France	10,883	340.6	3.1	500	15.7	0.8	11,383	356.3	2.7
Cyprus	9,340	292.4	2.6	0	0.0	0.0	9,340	292.4	2.2
Other countries	41,411	1,296.2	11.7	38	1.2	0.1	41,449	1,297.4	9.9
<b>Structure of capital by sector</b>									
Agriculture, hunting, and forestry	1,797	56.2	0.5	0	0.0	0.0	1,797	56.2	0.4
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Mining and quarrying	2,642	82.7	0.7	0	0.0	0.0	2,642	82.7	0.6
Manufacturing	170,453	5,335.3	48.2	0	0.0	0.0	170,453	5,335.3	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	51,454	1,610.6	14.5	0	0.0	0.0	51,454	1,610.6	12.2
Hotels and restaurants	2,360	73.9	0.7	0	0.0	0.0	2,360	73.9	0.6
Transport, storage and communication	38,185	1,195.2	10.8	0	0.0	0.0	38,185	1,195.2	9.1
Financial intermediation	24,956	781.1	7.1	66,641	2,085.9	100.0	91,597	2,867.1	21.8
Real estate, renting and business activities	17,386	544.2	4.9	0	0.0	0.0	17,386	544.2	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	1,485	46.5	0.4	0	0.0	0.0	1,485	46.5	0.4
Activities of private households	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Extra-territorial organizations and bodies	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
<b>Structure of capital by regions</b>									
Bratislava region	213,750	6,690.6	60.4	65,691	2,056.2	98.6	279,441	8,746.7	66.5
Trnava region	24,806	776.4	7.0	0	0.0	0.0	24,806	776.4	5.9
Trenčín region	21,213	664.0	6.0	0	0.0	0.0	21,213	664.0	5.0
Nitra region	13,790	431.6	3.9	0	0.0	0.0	13,790	431.6	3.3
Žilina region	25,272	791.0	7.1	950	29.7	1.4	26,222	820.8	6.2
Banská Bystrica region	11,454	358.5	3.2	0	0.0	0.0	11,454	358.5	2.7
Prešov region	7,398	231.6	2.1	0	0.0	0.0	7,398	231.6	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.

<sup>1)</sup> Equity capital and reinvested profits.



**Volume of Foreign Direct Investment<sup>1)</sup> as at 31 December 2004**

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 28.496									
<b>Total volume of FDI (equity capital + reinvested earnings)</b>	329,948	11,578.7	100.0	66,644	2,338.7	100.0	396,592	13,917.5	100.0
<b>Structure of capital by investor</b>									
Netherlands	90,510	3,176.2	27.4	613	21.5	0.9	91,123	3,197.7	23.0
Germany	75,333	2,643.6	22.8	1,110	39.0	1.7	76,443	2,682.6	19.3
Austria	23,895	838.5	7.2	32,926	1,155.5	49.4	56,821	1,994.0	14.3
Hungary	27,353	959.9	8.3	1,952	68.5	2.9	29,305	1,028.4	7.4
Italy	5,023	176.3	1.5	24,143	847.2	36.2	29,166	1,023.5	7.4
United Kingdom	26,980	946.8	8.2	349	12.2	0.5	27,329	959.0	6.9
Czech Republic	17,033	597.7	5.2	3,486	122.3	5.2	20,519	720.1	5.2
USA	12,374	434.2	3.8	1,650	57.9	2.5	14,024	492.1	3.5
France	11,888	417.2	3.6	415	14.6	0.6	12,303	431.7	3.1
Cyprus	9,128	320.3	2.8	0	0.0	0.0	9,128	320.3	2.3
Other countries	30,431	1,067.9	9.2	0	0.0	0.0	30,431	1,067.9	7.7
<b>Structure of capital by sector</b>									
Agriculture, hunting, and forestry	1,718	60.3	0.5	0	0.0	0.0	1,718	60.3	0.4
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Mining and quarrying	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 and communication	36,322	1,274.6	11.0	0	0.0	0.0	36,322	1,274.6	9.2
Financial intermediation	17,158	602.1	5.2	66,644	2,338.7	100.0	83,802	2,940.8	21.1
Real estate, renting and business activities	14,546	510.5	4.4	0	0.0	0.0	14,546	510.5	3.7
Public administration and defence, compulsory social security	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Education	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Health and social work	1,570	55.1	0.5	0	0.0	0.0	1,570	55.1	0.4
Other community, social, and personal services	1,522	53.4	0.5	0	0.0	0.0	1,522	53.4	0.4
Activities of private households	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Extra-territorial organizations and bodies	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
<b>Structure of capital by regions</b>									
Bratislava region	204,560	7,178.6	62.0	65,202	2,288.1	97.8	269,762	9,466.7	68.0
Trnava region	23,939	840.1	7.3	0	0.0	0.0	23,939	840.1	6.0
Trenčín region	17,533	615.3	5.3	0	0.0	0.0	17,533	615.3	4.4
Nitra region	12,999	456.2	3.9	0	0.0	0.0	12,999	456.2	3.3
Žilina region	19,184	673.2	5.8	950	33.3	1.4	20,134	706.6	5.1
Banská Bystrica region	10,185	357.4	3.1	492	17.3	0.7	10,677	374.7	2.7
Prešov region	7,114	249.6	2.2	0	0.0	0.0	7,114	249.6	1.8
Košice region	34,434	1,208.4	10.4	0	0.0	0.0	34,434	1,208.4	8.7

<sup>1)</sup> Equity capital and reinvested profits.



## Outflow of Foreign Direct Investment<sup>1)</sup> from Slovakia in 1999 – 2006

(Flows and stocks)

### Corporate sector

	SKK millions		USD millions	
	Net change	Volume as at 31 December	Net change	Volume as at 31 December
1999	739	12,732	17.84	301.24
2000	975	15,222	21.10	321.21
2001	3,441	21,403	71.17	441.60
2002	364	19,121	8.03	477.60
2003	664	17,950	18.06	545.26
2004 <sup>3)</sup>	2,536	20,321	78.62	713.12
2005 <sup>4)</sup>	3,129	23,721	100.86	742.49
2006	9,427	30,790	317.15	1,173.13

### Banking sector

	SKK millions		USD millions	
	Net change	Volume as at 31 December	Net change	Volume as at 31 December
1999	-17,110	69	-413.12	1.63
2000	99	189	2.14	3.99
2001	8	198	0.17	4.09
2002	0	164	0.00	4.10
2003 <sup>2)</sup>	43	196	1.17	5.95
2004	-29	527	-0.90	18.49
2005	302	839	9.74	26.26
2006	58	861	1.95	32.80

### Total

	SKK millions		USD millions	
	Net change	Volume as at 31 December	Net change	Volume as at 31 December
1999	-16,371	12,801	-395.27	302.87
2000	1,074	15,411	23.25	325.20
2001	3,449	21,601	71.34	445.68
2002	364	19,285	8.03	481.69
2003 <sup>2)</sup>	707	18,146	19.23	551.22
2004 <sup>3)</sup>	2,507	20,848	77.72	731.61
2005 <sup>4)</sup>	3,431	24,560	110.60	768.75
2006	9,485	31,651	319.10	1,205.94

Note: The data for 2004 – 2006 are preliminary.

<sup>1)</sup> Equity capital and reinvested profits.

<sup>2)</sup> Change in methodology – new accounting standards for banks.

<sup>3)</sup> Change in methodology – other capital funds included.

<sup>4)</sup> Change in methodology (higher limit for foreign exchange reporting obligation).



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

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 29.724									
<b>Outflow of FDI in total</b>	9,427	317.2	100.0	58	2.0	100.0	9,485	319.1	100.0
<b>Structure of capital by country of investment</b>									
Luxembourg	7,139	240.2	75.7	0	0.0	0.0	7,139	240.2	75.3
Czech Republic	827	27.8	8.8	10	0.3	17.2	837	28.2	8.8
Russia	546	18.4	5.8	0	0.0	0.0	546	18.4	5.8
Cyprus	444	14.9	4.7	0	0.0	0.0	444	14.9	4.7
Ukraine	309	10.4	3.3	0	0.0	0.0	309	10.4	3.3
United Kingdom	299	10.1	3.2	0	0.0	0.0	299	10.1	3.2
Hungary	196	6.6	2.1	0	0.0	0.0	196	6.6	2.1
Poland	193	6.5	2.0	0	0.0	0.0	193	6.5	2.0
Austria	140	4.7	1.5	0	0.0	0.0	140	4.7	1.5
Croatia	30	1.0	0.3	0	0.0	0.0	30	1.0	0.3
Other countries	-696	-23.4	-7.4	48	1.6	82.8	-648	-21.8	-6.8
<b>Structure of capital by sector</b>									
Agriculture, hunting, and forestry	-1	0.0	0.0	0	0.0	0.0	-1	0.0	0.0
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Mining and quarrying	424	14.3	4.5	0	0.0	0.0	424	14.3	4.5
Manufacturing	-1,455	-49.0	-15.4	0	0.0	0.0	-1,455	-49.0	-15.3
Electricity, gas, and water supply	13	0.4	0.1	0	0.0	0.0	13	0.4	0.1
Construction	201	6.8	2.1	0	0.0	0.0	201	6.8	2.1
Wholesale and retail trade, repairs of motor vehicles	514	17.3	5.5	0	0.0	0.0	514	17.3	5.4
Hotels and restaurants	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Transport, storage and communication	263	8.8	2.8	0	0.0	0.0	263	8.8	2.8
Financial intermediation	4,562	153.5	48.4	58	2.0	100.0	4,620	155.4	48.7
Real estate, renting and business activities	4,932	165.9	52.3	0	0.0	0.0	4,932	165.9	52.0
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	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Other community, social, and personal services	-26	-0.9	-0.3	0	0.0	0.0	-26	-0.9	-0.3
Activities of private households	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Extra-territorial organizations and bodies	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
<b>Structure of capital by regions</b>									
Bratislava region	7,771	261.4	82.4	58	2.0	100.0	7,829	263.4	82.5
Trnava region	434	14.6	4.6	0	0.0	0.0	434	14.6	4.6
Trenčín region	468	15.7	5.0	0	0.0	0.0	468	15.7	4.9
Nitra region	131	4.4	1.4	0	0.0	0.0	131	4.4	1.4
Žilina region	43	1.4	0.5	0	0.0	0.0	43	1.4	0.5
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	18	0.6	0.2	0	0.0	0.0	18	0.6	0.2

Note: Preliminary data.

<sup>1)</sup> Equity capital.

## Outflow of Foreign Direct Investment<sup>1)</sup> During January to December 2005

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 31.022									
<b>Outflow of FDI in total</b>	3,129	100.9	100.0	302	9.7	100.0	3,431	110.6	100.0
<b>Structure of capital by country of investment</b>									
Czech Republic	2,125	68.5	67.9	8	0.3	2.6	2,133	68.8	62.2
Switzerland	661	21.3	21.1	0	0.0	0.0	661	21.3	19.3
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	7.8
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	-7.7	0	0.0	0.0	-240	-7.7	-7.0
<b>Structure of capital by sector</b>									
Agriculture, hunting, and forestry	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Mining and quarrying	58	1.9	1.9	0	0.0	0.0	58	1.9	1.7
Manufacturing	466	15.0	14.9	0	0.0	0.0	466	15.0	13.6
Electricity, gas, and water supply	40	1.3	1.3	0	0.0	0.0	40	1.3	1.2
Construction	-349	-11.3	-11.2	0	0.0	0.0	-349	-11.3	-10.2
Wholesale and retail trade, repairs of motor vehicles	242	7.8	7.7	0	0.0	0.0	242	7.8	7.1
Hotels and restaurants	94	3.0	3.0	0	0.0	0.0	94	3.0	2.7
Transport, storage and communication	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Financial intermediation	1,909	61.5	61.0	302	9.7	100.0	2,211	71.3	64.4
Real estate, renting and business activities	666	21.5	21.3	0	0.0	0.0	666	21.5	19.4
Public administration and defence, compulsory social security	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Education	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Health and social work	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Other community, social, and personal services	3	0.1	0.1	0	0.0	0.0	3	0.1	0.1
Activities of private households	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Extra-territorial organizations and bodies	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
<b>Structure of capital by regions</b>									
Bratislava region	2,915	94.0	93.2	302	9.7	100.0	3,217	103.7	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	26	0.8	0.8	0	0.0	0.0	26	0.8	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.

<sup>1)</sup> Equity capital and reinvested profits.



**Outflow of Foreign Direct Investment<sup>1)</sup> During January to December 2004**

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 32.255									
<b>Outflow of FDI (equity capital + reinvested earnings) in total</b>	2,536	78.6	100.0	-29	-0.9	100.0	2,507	77.7	100.0
<b>Structure of capital by country of investment</b>									
Czech Republic	1,620	50.2	63.9	-29	-0.9	100.0	1,591	49.3	63.5
Slovenia	468	14.5	18.5	0	0.0	0.0	468	14.5	18.7
Ethiopia	229	7.1	9.0	0	0.0	0.0	229	7.1	9.1
Netherlands	196	6.1	7.7	0	0.0	0.0	196	6.1	7.8
Russia	112	3.5	4.4	0	0.0	0.0	112	3.5	4.5
India	58	1.8	2.3	0	0.0	0.0	58	1.8	2.3
Cyprus	49	1.5	1.9	0	0.0	0.0	49	1.5	2.0
Bosnia and Herzegovina	28	0.9	1.1	0	0.0	0.0	28	0.9	1.1
Brazil	26	0.8	1.0	0	0.0	0.0	26	0.8	1.0
Poland	22	0.7	0.9	0	0.0	0.0	22	0.7	0.9
Other countries	-272	-8.4	-10.7	0	0.0	0.0	-272	-8.4	-10.8
<b>Structure of capital by sector</b>									
Agriculture, hunting, and forestry	7	0.2	0.3	0	0.0	0.0	7	0.2	0.3
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Mining and quarrying	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 and communication	1	0.0	0.0	0	0.0	0.0	1	0.0	0.0
Financial intermediation	-240	-7.4	-9.5	-29	-0.9	100.0	-269	-8.3	-10.7
Real estate, renting and business activities	269	8.3	10.6	0	0.0	0.0	269	8.3	10.7
Public administration and defence, compulsory social security	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Education	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Health and social work	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Other community, social, and personal services	-5	-0.2	-0.2	0	0.0	0.0	-5	-0.2	-0.2
Activities of private households	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Extra-territorial organizations and bodies	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
<b>Structure of capital by regions</b>									
Bratislava region	1,921	59.6	75.7	-29	-0.9	100.0	1,892	58.7	75.5
Trnava region	-46	-1.4	-1.8	0	0.0	0.0	-46	-1.4	-1.8
Trenčín region	893	27.7	35.2	0	0.0	0.0	893	27.7	35.6
Nitra region	-2	-0.1	-0.1	0	0.0	0.0	-2	-0.1	-0.1
Žilina region	-66	-2.0	-2.6	0	0.0	0.0	-66	-2.0	-2.6
Banská Bystrica region	12	0.4	0.5	0	0.0	0.0	12	0.4	0.5
Prešov region	96	3.0	3.8	0	0.0	0.0	96	3.0	3.8
Košice region	-272	-8.4	-10.7	0	0.0	0.0	-272	-8.4	-10.8

<sup>1)</sup> Equity capital and reinvested profits.

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

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 26.246									
<b>Total volume of FDI outward</b>	30,790	1,173.1	100.0	861	32.8	100.0	31,651	1,205.9	100.0
<b>Structure of capital by country of investment</b>									
Czech Republic	12,691	483.5	41.2	546	20.8	63.4	13,237	504.3	41.8
Luxembourg	7,889	300.6	25.6	0	0.0	0.0	7,889	300.6	24.9
United Kingdom	2,569	97.9	8.3	0	0.0	0.0	2,569	97.9	8.1
Ukraine	1,793	68.3	5.8	0	0.0	0.0	1,793	68.3	5.7
Poland	1,303	49.6	4.2	0	0.0	0.0	1,303	49.6	4.1
Ireland	1,017	38.7	3.3	0	0.0	0.0	1,017	38.7	3.2
Russia	957	36.5	3.1	0	0.0	0.0	957	36.5	3.0
Cyprus	468	17.8	1.5	0	0.0	0.0	468	17.8	1.5
Slovenia	426	16.2	1.4	0	0.0	0.0	426	16.2	1.3
Austria	402	15.3	1.3	0	0.0	0.0	402	15.3	1.3
Other countries	1,275	48.6	4.1	315	12.0	36.6	1,590	60.6	5.0
<b>Structure of capital by sector</b>									
Agriculture, hunting and forestry	17	0.6	0.1	0	0.0	0.0	17	0.6	0.1
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Mining and quarrying	1,460	55.6	4.7	0	0.0	0.0	1,460	55.6	4.6
Manufacturing	6,154	234.5	20.0	0	0.0	0.0	6,154	234.5	19.4
Electricity, gas and water supply	1,454	55.4	4.7	0	0.0	0.0	1,454	55.4	4.6
Construction	249	9.5	0.8	0	0.0	0.0	249	9.5	0.8
Wholesale and retail trade, repairs of motor vehicles	2,990	113.9	9.7	0	0.0	0.0	2,990	113.9	9.4
Hotels and restaurants	83	3.2	0.3	0	0.0	0.0	83	3.2	0.3
Transport, storage and communication	164	6.2	0.5	0	0.0	0.0	164	6.2	0.5
Financial intermediation	9,390	357.8	30.5	861	32.8	100.0	10,251	390.6	32.4
Real estate, renting and business activities	8,456	322.2	27.5	0	0.0	0.0	8,456	322.2	26.7
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 service activities	373	14.2	1.2	0	0.0	0.0	373	14.2	1.2
Activities of private households	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Extra – territorial organizations and bodies	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
<b>Structure of capital by regions</b>									
Bratislava region	23,032	877.5	74.8	861	32.8	100.0	23,893	910.3	75.5
Trnava region	1,191	45.4	3.9	0	0.0	0.0	1,191	45.4	3.8
Trenčín region	1,743	66.4	5.7	0	0.0	0.0	1,743	66.4	5.5
Nitra region	202	7.7	0.7	0	0.0	0.0	202	7.7	0.6
Žilina region	135	5.1	0.4	0	0.0	0.0	135	5.1	0.4
Banská Bystrica region	2,049	78.1	6.7	0	0.0	0.0	2,049	78.1	6.5
Prešov region	592	22.6	1.9	0	0.0	0.0	592	22.6	1.9
Košice region	1,846	70.3	6.0	0	0.0	0.0	1,846	70.3	5.8

Note: Preliminary data.

<sup>1)</sup> Equity capital.



**Volume of Foreign Direct Investment<sup>1)</sup> Outward as at 31 December 2005**

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 31.948									
<b>Total volume of FDI outward</b>	23,721	742.5	100.0	839	26.3	100.0	24,560	768.7	100.0
<b>Structure of capital by country of investment</b>									
Czech Republic	12,215	382.3	51.5	499	15.6	59.5	12,714	398.0	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	1,043	32.6	4.4	0	0.0	0.0	1,043	32.6	4.2
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	1,962	61.4	8.3	340	10.6	40.5	2,302	72.1	9.4
<b>Structure of capital by sector</b>									
Agriculture, hunting, and forestry	20	0.6	0.1	0	0.0	0.0	20	0.6	0.1
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Mining and quarrying	1,149	36.0	4.8	0	0.0	0.0	1,149	36.0	4.7
Manufacturing	5,151	161.2	21.7	0	0.0	0.0	5,151	161.2	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	5,731	179.4	24.2	0	0.0	0.0	5,731	179.4	23.3
Hotels and restaurants	91	2.8	0.4	0	0.0	0.0	91	2.8	0.4
Transport, storage and communication	43	1.3	0.2	0	0.0	0.0	43	1.3	0.2
Financial intermediation	4,943	154.7	20.8	839	26.3	100.0	5,782	181.0	23.5
Real estate, renting and business activities	3,485	109.1	14.7	0	0.0	0.0	3,485	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	6.4
Activities of private households	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Extra-territorial organizations and bodies	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
<b>Structure of capital by regions</b>									
Bratislava region	15,451	483.6	65.1	839	26.3	100.0	16,290	509.9	66.3
Trnava region	1,935	60.6	8.2	0	0.0	0.0	1,935	60.6	7.9
Trenčín region	1,513	47.4	6.4	0	0.0	0.0	1,513	47.4	6.2
Nitra region	65	2.0	0.3	0	0.0	0.0	65	2.0	0.3
Žilina region	544	17.0	2.3	0	0.0	0.0	544	17.0	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.

<sup>1)</sup> Equity capital and reinvested profits.

## Volume of Foreign Direct Investment<sup>1)</sup> Outward as at 31 December 2004

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 28.496									
<b>Total volume of FDI outward (equity capital + reinvested earnings)</b>	20,321	713.1	100.0	527	18.5	100.0	20,848	731.6	100.0
<b>Structure of capital by country of investment</b>									
Czech Republic	9,123	320.2	44.9	481	16.9	91.3	9,604	337.0	46.1
United Kingdom	2,282	80.1	11.2	0	0.0	0.0	2,282	80.1	10.9
Ukraine	1,238	43.4	6.1	0	0.0	0.0	1,238	43.4	5.9
Ireland	1,136	39.9	5.6	0	0.0	0.0	1,136	39.9	5.4
Hungary	1,130	39.7	5.6	0	0.0	0.0	1,130	39.7	5.4
Luxembourg	1,111	39.0	5.5	0	0.0	0.0	1,111	39.0	5.3
Poland	867	30.4	4.3	0	0.0	0.0	867	30.4	4.2
Austria	646	22.7	3.2	0	0.0	0.0	646	22.7	3.1
Russia	474	16.6	2.3	0	0.0	0.0	474	16.6	2.3
Slovenia	468	16.4	2.3	0	0.0	0.0	468	16.4	2.2
Other countries	1,846	64.8	9.1	46	1.6	8.7	1,892	66.4	9.1
<b>Structure of capital by sector</b>									
Agriculture, hunting, and forestry	30	1.1	0.1	0	0.0	0.0	30	1.1	0.1
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Mining and quarrying	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 and communication	42	1.5	0.2	0	0.0	0.0	42	1.5	0.2
Financial intermediation	3,079	108.1	15.2	527	18.5	100.0	3,606	126.5	17.3
Real estate, renting and business activities	2,836	99.5	14.0	0	0.0	0.0	2,836	99.5	13.6
Public administration and defence, compulsory social security	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Education	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Health and social work	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Other community, social, and personal services	1,498	52.6	7.4	0	0.0	0.0	1,498	52.6	7.2
Activities of private households	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Extra-territorial organizations and bodies	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
<b>Structure of capital by regions</b>									
Bratislava region	13,061	458.3	64.3	527	18.5	100.0	13,588	476.8	65.2
Trnava region	1,779	62.4	8.8	0	0.0	0.0	1,779	62.4	8.5
Trenčín region	1,460	51.2	7.2	0	0.0	0.0	1,460	51.2	7.0
Nitra region	39	1.4	0.2	0	0.0	0.0	39	1.4	0.2
Žilina region	564	19.8	2.8	0	0.0	0.0	564	19.8	2.7
Banská Bystrica region	1,654	58.0	8.1	0	0.0	0.0	1,654	58.0	7.9
Prešov region	619	21.7	3.0	0	0.0	0.0	619	21.7	3.0
Košice region	1,145	40.2	5.6	0	0.0	0.0	1,145	40.2	5.5

<sup>1)</sup> Equity capital and reinvested profits.