



NÁRODNÁ BANKA SLOVENSKA



Monetary Survey

January 2008

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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 správocských spoločností – Slovak Association of Asset Management Companies
SAX	slovenský akciový index – Slovak Share Index
SDX	slovenský dlhopisový index – Slovak Bond Index
SDXG	SDXGroup
Sk, SKK	Slovak Koruna
SKONIA	Slovak OverNight Index Average
SO SR	Statistical Office of the SR
SR	Slovenská republika – Slovak Republic
SRT	Sterilisation Repo Tender
ULC	Unit Labour Costs
VAT	Value Added Tax

Symbols used in the tables

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



1 Summary

Consumer prices, expressed in terms of the Harmonized Index of Consumer Prices (HICP), increased by 1.2% in January in comparison with the previous month. The year-on-year rate of headline inflation reached 3.2%. Core inflation (excluding energy and unprocessed food prices) recorded a year-on-year growth rate of 3.2%.

Measured in terms of the Consumer Price Index (CPI), consumer prices increased by 1.3% in January, compared with the previous month. The 12-month headline and core inflation rates reached 3.8% and 4.1%, respectively.

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 15.3 billion in December, and the rate of annual growth increased by 0.3 percentage points to 17.5%.

The average interest rate for new loans to non-financial corporations decreased by 0.09 of a percentage point to 5.62% in December. The rates for new loans to households went down by 0.03 of a percentage point to 12.12%. Over the same period, the average interest rate for new deposits from non-financial corporations decreased by 0.36 of a percentage point to 1.83%, and that on new household deposits also went down by 0.02 of a percentage point, to 0.99%.

At the end of January, the State Budget of the Slovak Republic resulted in a surplus of SKK 13.0 billion.

The foreign reserves of NBS (at current exchange rates) stood at USD 19.0 billion in January. 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 twelve months of 2007. At the end of December, 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 twelve months of 2007.

Národná banka Slovenska conducted no foreign exchange intervention in January.

According to preliminary data, the balance of payments on current account for January to November 2007 resulted in a deficit of SKK 88.5 billion. Over the same period, the capital and financial account generated a surplus of SKK 170.3 billion. From January to December, the b.o.p. current account produced a deficit of SKK 97.9 billion, while trade balance resulted into a shortfall of SKK 19.7 billion.

In January, the average daily sterilisation position of NBS increased in comparison with December by SKK 3.4 billion to SKK 371.6 billion.

2 The External Economic Environment¹

HICP for January 2008 will be published by Eurostat on 29 February, i.e. after the deadline for this report. For the euro area, the text contains a flash estimate of HICP inflation by Eurostat, for the Czech Republic a flash estimate by the Czech Statistical Office and for Hungary, preliminary data published by the Hungarian Statistical Office. Data relating to Poland were not available at the time of writing the report.

Euro-area countries

Based on Eurostat's flash estimate, the annual inflation in the euro area should reach 3.2% in January, compared with the December's figure of 3.1%.

Inflation



In January, the development of the euro/USD exchange rate was influenced by changing outlook of future economic growth in both monetary areas, but also by the interest rate differential. The negative signals of the increasing likelihood of recession in the US economy weakened the US dollar against the euro in the first half of January to almost 1.49 USD/EUR. Later on, however, the fears of a notable slowdown in the economic growth in the euro area increased. Combined with strong turbulences in European stock markets, these sentiments led to a relatively sharp weakening of the euro against the US dollar (by almost 3%) in the third week of January. In the last third of the month, the dollar suffered from the reduction of federal funds rate (decided on an extraordinary meeting held on 22 January) of 75 basis points to 3.5%. At the end of the month, as a result of Fed's efforts to minimise the impact of the risks on economic activity, this rate was reduced once again, by 0.5 percentage points. Compared with the last trading day in December (1.4721 USD/EUR), the single European currency appreciated slightly at the end of January by 1.0%. Compared with the beginning of the year, it appreciated by 1.2% (compared with the beginning of 2007, the euro appreciated by 12.1% against the dollar).

EUR/USD exchange rate

In its meeting on 7 February 2008, the Governing Council of the ECB decided to leave its key interest rates unchanged. The rates for main refinancing operations, overnight refinancing and sterilisation operations thus remained at 4.00%, 5.00% and 3.00%, respectively.

Visegrad Countries (V4)

According to a preliminary estimate by the Czech statistical office, the annual rate of inflation in the Czech Republic, as measured by the Harmonised Index of Consumer Prices, reached 7.9% in January. Compared with December, the growth rate increased by 2.4 percentage points. On a month-on-month basis, the prices increased by 3.3%. According to the data of the national statistical office, the annual rate of inflation (HICP) in Hungary stood at 7.4% and remained virtually unchanged, compared with December. On a month-on-month basis, the prices increased by 1.7%.

Inflation

After the weakening tendency from the end of the year, related to the seasonal closing on positions, the Czech koruna and the Polish zloty in particular appreciated relatively strongly at the beginning of January. The Hungarian forint developed in a different way, depreciating for almost the whole month. In the second half of January, the turbulences in international stock markets led to increased risk aversion and subsequently to a relatively strong depreciation of the currencies of V4 countries. The sharp cuts in FED rates in the last third of the month, however, helped to stabilise the financial markets and led to a renewed interest in the currencies of the Central European region. The Czech koruna responded to this impetus with the strongest appreciation. The Polish zloty and, to some extent, also the Hungarian

Exchange rates of V4 currencies

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



forint gained value but stayed below the level from the beginning of the month. Compared with the last trading day of the previous month, the Czech koruna appreciated by 2.1%; the Polish zloty and the Hungarian forint, on the other hand, depreciated by 0.9% and 2.3%, respectively.

Key interest rates in V4 countries

Since the beginning of the year, two central banks in the region increased their interest rates. With effect from the 31 January, Narodowy Bank Polski increased its reference rate by 25 basis points to 5.25%. Česká národní banka increased its two-week REPO rate equally by 25 basis points to 3.75%, with effect from 8 February. Magyar Nemzeti Bank left its base interest rate without any change at the level of 7.5%.

Chart 2 Exchange Rate Indices of V4 Currencies against the Euro (29 December 2006=100)



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

3 Inflation

3.1 Consumer Price Index

HICP Inflation in January 2008

Consumer prices, as measured by HICP, increased month-on-month by 1.2% in January, with the prices of goods and services growing 1.2% and 1.1%, respectively. On a year-on-year basis, consumer prices rose 3.2% (2.5 % in December). Overall inflation, excluding energy and unprocessed food prices (core inflation) reached 3.2% year-on-year (2.8% in December). The average 12-month inflation rate from February 2007 till January 2008 stood at 2.0%. January's inflation measured by harmonised consumer price index was higher than expected by NBS, mainly due to a steeper-than-expected growth in regulated prices of heat, transportation and health services; the prices of food and fuels increased slightly more than expected. The price growth in (unregulated) services, on the other hand, followed the forecasts of NBS.

**Harmonized
consumer price
index**

	2007					2008
	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.
TOTAL	1.2	1.7	2.4	2.3	2.5	3.2
Goods	0.6	1.0	1.9	1.6	1.8	2.9
Industrial goods	-0.7	-0.1	0.2	-0.4	-0.2	1.2
Non-energy industrial goods	-1.7	-1.4	-1.4	-1.3	-1.2	-0.5
Energy	0.8	1.8	2.1	0.8	1.2	3.6
Foodstuffs	2.9	3.0	5.4	5.5	5.8	6.1
Processed food (including alcohol and tobacco)	4.1	3.8	5.6	6.5	7.4	8.3
Unprocessed food	0.5	1.3	4.8	3.3	2.6	1.7
Services	2.6	3.2	3.4	3.7	3.7	3.8
Total, excluding unprocessed food and energy (core inflation)	1.4	1.8	2.2	2.6	2.8	3.2
Total, excluding energy	1.3	1.7	2.5	2.6	2.8	3.1

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

Looking at the basic structure of inflation, the prices of goods and services were growing at a higher pace year-on-year.

**Acceleration of
the growth rate of
services prices**

In goods prices, the prices of industrial goods recorded an annual growth for the first time after a period of one year, while the growth in food prices accelerated even more. 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 industrial goods excluding energy, the effect of lower VAT on medication and selected medical aids faded out in January 2007. As to energy prices, the annual growth in the prices of fuels increased in January and so did electricity and heat prices. The prices of natural gas, on the other hand, decreased moderately. The annual growth in food prices also accelerated, driven by soaring prices of processed food (bread, flour and flour products, milk and butter, as well as fats and oils). The rate of growth in the prices of unprocessed food, on the other hand, decreased (notable year-on-year decline in vegetables prices).



The prices of services increased moderately on a year-on-year basis. Compared with the previous month, the rate of growth accelerated in the prices of services related to housing and those related to winter tourism, restaurant services, medical and financial services.



Next month expectations The year-on-year rate of headline inflation is expected to go up in February 2008, compared with January 2008, mainly as a result of the faster annual growth in the prices of fuels and food and regulated prices of transportation services.

CPI Inflation in January 2008

Consumer Price Index In January 2008, consumer prices rose month-on-month by 1.3%, faster than expected by NBS. This is attributable particularly to the dynamic growth in the prices of food and regulated prices. The growth in regulated prices was faster than expected by NBS (particularly the prices of heat and transportation). Looking at the basic structure of inflation, core inflation increased slightly more than forecasted. Core inflation was driven mainly by the growth in food prices (prices of fruits, fats and oils and vegetables growing most notably). The month-on-month price growth in market services was caused by continued price growth of house maintenance services within the so-called 'repair fund'. The prices of market services were growing at a slower pace than expected. The growth in the prices of tradable goods excluding fuels (increasing prices of books net of changes in indirect taxation, non-alcoholic and alcoholic beverages) and in the prices of fuels surpassed the forecasts. The annual growth in consumer prices accelerated to 3.8% (3.4% in December). Core inflation reached 4.1% (4.2% one month ago). The average year-on-year inflation from February 2007 till January 2008 stood at 2.8%.

Table 2 Consumer Prices in January 2008

	Changes versus	
	December 2007	January 2007
Total in %	1.3	3.8
Regulated prices in %	2.0	2.9
Share of total, in percentage points ¹⁾	0.49	-
Impact of changes in indirect taxes on non-regulated prices	-0.04	-
Share of total, in percentage points ¹⁾		
Core inflation in %	1.1	4.1
Share of total, in percentage points ¹⁾	0.83	-
of which: Food prices in %	2.0	8.3
Share of total, in percentage points ¹⁾	0.15	-
Tradable goods in % ¹⁾	0.4	1.2
Share of total, in percentage points ¹⁾	0.16	-
Tradable goods excluding fuels, in % ¹⁾	0.4	0.0
Share of total, in percentage points ¹⁾	0.13	-
Fuels in % ¹⁾	0.8	11.6
Share of total, in percentage points ¹⁾	0.03	-
Market services in % ¹⁾	1.5	5.5
Share of total, in percentage points ¹⁾	0.39	-
Net inflation (excluding the impact of changes in indirect taxes) in %	0.9	3.1
Share of total, in percentage points ¹⁾	0.55	-
Net inflation, excluding fuel prices (excluding the impact of changes in indirect taxes) in %¹⁾	0.9	2.6
Share of total, in percentage points ¹⁾	0.52	-

Sources: Statistical Office of the SR and NBS.

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

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

3.2 Producer Prices in December 2007

Stagnating industrial producer prices for the domestic market (on a month-on-month basis)

In total, industrial producer prices for the domestic market did not change month-on-month in December, with the price growth in industrial products and mineral raw materials (of 0.1% and 0.6%, respectively) being offset by decreasing prices of energy (-0.2%).

	Month-on-month changes		Year-on-year changes			
	Nov. 2007	Dec. 2007	Dec. 2006	Nov. 2007	Dec. 2007	Average since the beginning of 2007
Industrial producer prices (for the domestic market)	0.6	0.0	5.4	2.0	2.8	2.0
– Prices of manufacturing products	0.5	0.1	1.5	1.5	1.9	0.3
– Prices of mining and quarrying products	0.3	0.6	8.3	-5.2	-1.4	-3.3
– Prices of electricity, gas, steam, and hot water	0.6	-0.2	10.1	3.1	4.2	4.6
Industrial producer prices (for export)	1.4	-0.3	-0.7	-1.4	-0.4	-4.1
– Prices of manufacturing products	-0.2	-0.3	-0.7	-2.3	-1.2	-3.7
Construction prices	0.2	0.7	3.9	3.3	4.6	4.0
Building materials prices	-0.3	-0.1	5.2	4.7	4.9	5.6
Agricultural prices	-	-	-2.6	11.4	6.0	5.4
– Prices of plant products	-	-	-3.4	28.5	13.4	24.0
– Prices of animal products	-	-	-0.6	-0.1	1.4	-2.0

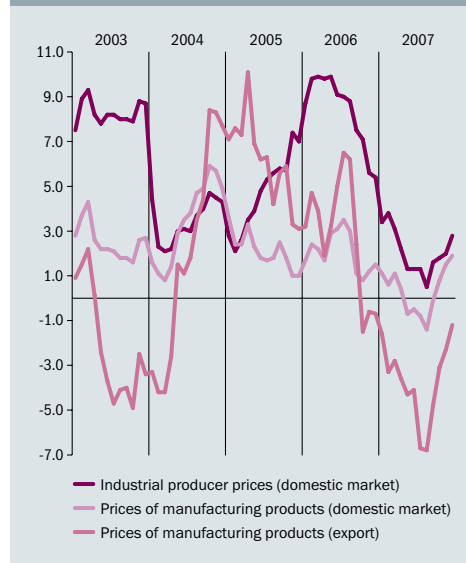
Source: Statistical Office of the SR.

Compared with November, the year-on-year rate of growth in industrial producer prices for the domestic market accelerated by 0.8 percentage points to 2.8% in December, mainly due to the faster growth in energy prices (of 4.2%, faster by 1.1 percentage points) and in the prices of industrial products (1.9%, by 0.4 percentage points faster). The decline in the prices of mineral raw materials slowed in December.

The annual growth in energy prices in December was the result of growing prices of electricity generation and distribution (8.2%), combined with slower decline in the prices of gas production and transport of gaseous fuels via pipelines (-1.2%, slower by 4.5 percentage points). The prices of steam and hot water supply increased moderately (by 0.3%), while the prices of water treatment and distribution declined (-0.6%).

Faster year-on-year growth in industrial producer prices in December was driven mostly by the growing prices of food (increase of 0.7 percentage points to 6.5%) and refined oil products (increase of 5.3 percentage points to 15.8%). The price growth in other non-metal mineral products slowed moderately (by 0.4 percentage points to 6.2%). The prices of transport equipment (-3.8%), other industrial products (-5.3%), electrical and optical devices (-2.0%) and base metals and finished metal products (-1.1%) for the domestic market, on the other hand, as usual, dampened the price growth.

Chart 4 Developments in Industrial Producer Prices and Manufacturing Products Prices (year-on-year changes in %)



Source: Statistical Office of the SR.

Among food products, the largest increase in December was reported in the prices of animal and plant fats and oils (21.6%), industrial fodder (19.8%), flour products (18.8%) and dairy products (13.4%). The prices of beverages were growing at a slower pace (3.9%). The prices of meat and meat products (-1.9%) and processed and canned fruits and vegetables (-2.9%) plunged even deeper.

The export prices of manufacturing products, which are mostly determined by industrial producer prices for export, dropped month-on-month by 0.3% in December. As a result, the annual rate of their decrease compared with November went down by 1.1 percentage point to -1.2%.

The year-on-year fall in industrial producer prices for export in December was mainly caused by drops in export prices of transport equipment (-6.6%), base

Industrial producer prices for export



metals and finished metal products (-4.4%), electrical and optical devices (-0.9%), chemical products (-4.2%) and plant and machinery (-1.6%). Price growth on a year-on-year basis was driven by export prices for refined oil products (16.7%), food products (7.6%), paper products (1.7%), and rubber and plastic products (0.5%).

Agricultural prices The prices of agricultural products rose by a total of 6.0% in December, driven by an increase of plant product prices of 13.4%. The prices of animal products increased for the first time in 2007 (by 1.4%).

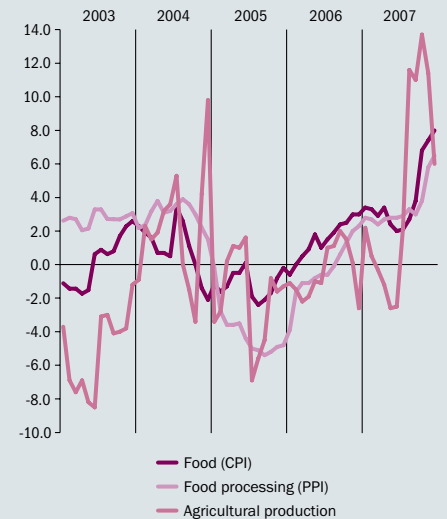
The growth in plant product prices was driven mostly by higher prices of cereals by 52.7% (corn by 65.4%, rye by 53.5%, wheat by 45.5%, barley by 38.8% and oat by 27.7%) and oil seeds by 37.3% (sunflower by as much as 66.1%). The prices of vegetables and fruits increased by 10.5% (vegetables by 5.3% and fruits by 14.6%); the prices of pulses rose 6.9%. The prices of tobacco, potatoes and sugar beet went down by 10.0%, 8.3% and 7.3%, respectively.

The increase in the prices of animal products was influenced by growing prices of raw cows' milk by 8.8%, eggs by 7.4% and poultry by 6.3% (chicken by 11.8%). The prices of pigs (decrease of 13.0%) and cattle including calves (decrease of 2.1%) remained on a downward curve.

In January 2008, industrial producer prices should be influenced by the steep annual growth in the prices of crude oil in the world markets and by the base effect of a significant drop in crude oil prices from January 2007. Owing to these cost factors, the rate of year-on-year growth in industrial producer prices is expected to accelerate in January, compared to December.

According to latest agrarian market news, the purchase prices of cereals are expected to continue their growth in January 2008. The Commission, seeking to support the supply side of the cereals market suspended the application of customs duties on almost all types of cereals till 30 June 2008 (except for oat, millet and buckwheat). The abolishment of import duties should support importation of cereals from third countries and mitigate the tensions in the European cereals market. The prices of sunflower and corn are expected to remain on their current high levels. As to animal products, the deep plunge of pork prices is expected to come to an end, while the prices of cattle should decrease moderately. The purchase price of raw cows' milk is on an upward trend. With the aim of mitigating the market tensions, the Commission approved the proposal to increase the milk quotas of the EU by 2%, with effect from 1 April 2008 (this decision will allow the supply of additional 2.84 million tons of milk to the European and world markets). Overall, the prices of agricultural products are expected to grow in January.

Chart 5 Developments in Food Prices in Primary Production, Processing, and Consumption
(year-on-year changes in %)



Source: Statistical Office of the SR.

Box 1

Development of average residential property prices in 2007

The average residential property prices in Slovakia continued to grow dynamically also in the 4th quarter of 2007. The comparison of the available data reveals that the prices of houses and apartments reached SKK 41,893 per sq. m. in the 4th quarter of 2007, which is by 8.2% more than in the 3rd quarter of 2007 and by 32.5% more than in the 4th quarter of 2006.

In 2007, the average price of residential properties reached SKK 37,306 per sq. m (apartments approximately SKK 38,500 per sq. m., houses more than SKK 34,000 per sq. m.), representing an increase of more than 7 percentage points to almost 24%. The average price per square meter of floor space in apartments was growing faster than that in houses (by 27.8% and 12.6%, respectively).

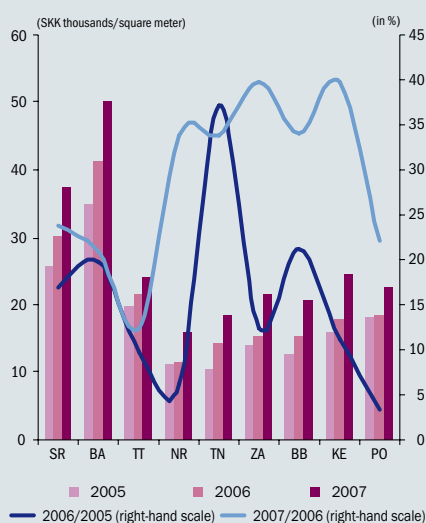
Table A Average Prices of Residential Property in Recent Years by Region (SKK/square meters)

	SR	of which:								
	Total	BA	TT	NR	TN	ZA	BB	KE	PO	
2005	25,780	34,594	19,535	11,005	10,395	13,612	12,711	15,740	17,842	
2006	30,114	41,464	21,449	11,652	14,262	15,275	15,410	17,489	18,425	
2007	37,306	50,188	24,074	15,581	18,447	21,373	20,655	24,472	22,516	

Source: Slovak National Association of Real Estate Agencies.

The average price per square meter of floor area of residential properties in the Bratislava region rose in 2007 beyond the value of SKK 50 thousand, which is by almost one third more than the nationwide average. Almost all other regions (except for Trnava) reported faster growth in average prices of residential properties in 2007 (compared with 2006) than the Bratislava region (21.0%). In 2007, the highest annual growth in residential property prices was recorded in the regions of Košice, Žilina and Nitra. The 2007 annual rate of growth in residential property prices was slightly lower than one year ago in the region of Trenčín only.

Chart A Developments in Prices of Residential Property in Slovakia by Region



Source: Slovak National Association of Real Estate Agencies; NBS chart.



4 Factors Influencing Development of Inflation

4.1 Monetary Aggregates

Development of Key M3 Components and Counterparts in 2007

Looking at the main M3 components, it was deposits and loans received repayable on demand and deposits and loans received with an agreed maturity of up to 2 years that contributed most to the overall annual growth of the M3 aggregate last year. Even though the contribution of the other components was lower, the highest positive change (compared to 2006) was recorded in money market mutual funds (SKK 15.1 billion).

Table 4 Comparison of Developments in Monetary Aggregates and M3 Counterparts

	Outstanding amounts (in billions of SKK)		Year-on-year changes			
			(in billions of SKK)		(in %)	
	Dec. 2006	Dec. 2007	Dec. 2006	Dec. 2007	Dec. 2006	Dec. 2007
Currency in circulation	131.2	141.7	11.3	10.5	9.5	8.0
Deposits and received loans repayable on demand	419.5	480.9	53.6	61.4	14.6	14.6
M1	550.7	622.6	64.9	71.9	13.4	13.1
Deposits and loans received with an agreed maturity of up to 2 years	345.8	382.7	61.5	36.9	21.6	10.7
Deposits redeemable at a period of notice of up to 3 months	11.6	9.7	-3.2	-1.9	-21.4	-16.4
M2	908.2	1 015.1	123.2	106.9	15.7	11.8
Money market fund shares/units	44.8	58.8	-1.1	14.0	-2.3	31.2
Repo operations	0.0	0.0	0.0	0.0	-	-
Debt securities issued with a maturity of up to 2 years	5.4	8.5	4.8	3.1	835.1	59.9
M3		1				
	958.4	082.4	127.0	124.0	15.3	13.0
Net foreign assets	256.0	262.7	-5.5	6.8	-2.8	-0.5
MFI receivables from residents (including securities)		1				
	895.7	044.7	100.5	149.0	13.4	17.5
Receivables from general government	254.8	261.6	-18.7	6.8	-6.3	3.0
Receivables from the private sector	640.9	783.1	119.2	142.2	23.6	23.3
Deposits and loans received from central government (excluding deposits with State Treasury)	45.0	61.0	-16.3	16.0	-17.0	39.5
Long-term financial liabilities (excluding capital and reserves)	122.6	141.8	19.7	19.2	19.0	15.6
Other net items (including capital and reserves and deposits from central government)	-70.7	-83.3	51.6	-12.6	-54.8	-16.3
Capital, reserves, and provisions	45.3	38.7	-42.7	-6.6	-44.9	-99.7
Other liabilities	71.1	76.5	24.1	5.4	20.0	82.4
Surplus of liabilities among MFIs	-0.1	-0.1	0.0	0.0	121.9	11.9
Fixed assets	34.2	33.2	-0.1	-1.0	-0.4	-2.9
Other assets	56.5	59.6	16.8	3.1	7.3	-65.0
M3		1				
	958.4	082.4	127.0	124.0	15.3	13.0

With regard to the main M3 counterparts, the annual increase in MFI receivables from residents was attributable to the private sector in particular. While the general government reported an annual decrease in receivables in 2006, it reported an increase last year, representing a total change of SKK 25.5 billion (from SKK -18.7 billion to SKK +6.8 billion). For the same period of time, the change in receivables from the private sector amounted to SKK 23.0 billion (from SKK 119.2 billion to SKK 142.2 billion), i.e. it was slightly lower in absolute terms. The above-mentioned increase in loans was offset by the other counterparts, particularly by lower decrease in capital, reserves and provisions (SKK 36.1 billion) and increase of deposits from the central government (SKK 32.2 billion).

Table 5 Comparison of Month-on-Month Developments in Monetary Aggregates (ECB methodology)

	Outstanding amounts (in billions of SKK) ¹⁾			Year-on-year changes (in %) ²⁾	
	Dec. 2006	Nov. 2007	Dec. 2007	Nov. 2007	Dec. 2007
Currency in circulation	131.2	138.6	141.7	8.9	8.0
Deposits and received loans repayable on demand	419.5	444.6	480.9	9.7	14.6
M1	550.7	583.2	622.6	9.5	13.1
Deposits and loans received with an agreed maturity of up to 2 years	345.8	384.0	382.7	15.0	10.7
Deposits redeemable at a period of notice of up to 3 months	11.6	9.7	9.7	-18.1	-16.4
M2	908.2	976.9	1,015.1	11.2	11.8
Money market fund shares/units	44.8	57.4	58.8	31.8	31.2
Repo operations	0.0	0.0	0.0	-	-
Debt securities issued with a maturity of up to 2 years	5.4	6.6	8.5	45.4	59.9
M3	958.4	1,041.0	1,082.4	12.4	13.0

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.

Chart 6 Largest Contributions of M3 Components to Year-on-year Dynamics of M3 (p.p.)


Source: NBS.

The M3 monetary aggregate (according to ECB methodology) rose to SKK 1082.4 billion in December, which was by SKK 41.4 billion more than in the previous month. The year-on-year rate of M3² growth increased to 13.0% (increase of 0.6 of a percentage point month-on-month).

Faster M3 growth

The current term structure of deposits is influenced particularly by the decreasing contribution of deposits with an agreed maturity of up to 2 years (driven mainly by interest rate cuts from the previous year and growing share of deposits repayable on demand)

Main M3 Components

The end of the year most likely influenced the development of both M1 components, with currency in circulation growing by SKK 3.1 billion and deposits and received loans repayable on demand by SKK 36.3 billion. The accelerated annual growth in demand deposits of 14.6% recorded in December (by 4.9 percentage points more than in November) was the decisive factor influencing the development of M1 and the other monetary aggregates.

High growth of deposits and received loans repayable on demand

In other short-term deposits, a decrease was recorded in deposits and loans received with an agreed maturity of up to 2 years (decrease of SKK 1.3 billion). Deposits with a notice period of up to 3 months, on the other hand, increased moderately. Deposits and received loans with an agreed maturity of more than 2 years were growing at a notably slower pace, which was less than one third of the figure from mid 2007 (monthly decrease of 4.3 percentage points to 10.7%).

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.



From the marketable instruments, debt securities with a maturity of up to 2 years rose by SKK 1.9 billion; money market fund shares/units increased by SKK 1.4 billion and repo operations remained stable.

Main M3 Counterparts

Accelerated growth in MFI receivables from residents (including securities)

Looking at the main M3 counterparts, MFI receivables from residents (including securities issued by clients and held by MFIs) increased by SKK 15.3 billion over the previous month in December, similarly as in the previous month. The rate of annual growth increased to 17.5% (increase of 0.3 percentage points). The rate of growth in receivables from the private sector rose to 23.3% (increase of SKK 14.3 billion in absolute terms) and that of receivables from the general government decreased to 3.0%.

Deposits and loans received from the central government (including deposits held at the SR Treasury) reported a massive decrease of SKK 28.5 billion, owing to the traditionally higher budget deficit in December. The growth in MFI receivables was partly offset by a decline in the other net items by SKK 3.4 billion (particularly other liabilities and decrease in net foreign assets by SKK 2.4 billion attributable to higher growth in foreign liabilities).

Table 6 Main M3 Counterparts (ECB methodology)

	Outstanding amounts (in billions of SKK) ¹⁾			Year-on-year changes (in %) ²⁾	
	Dec. 2006	Nov. 2007	Dec. 2007	Nov. 2007	Dec. 2007
Net foreign assets	256.0	265.2	262.7	-7.0	-0.5
Foreign assets	452.4	544.4	569.9	16.8	24.0
Foreign liabilities	196.4	279.2	307.1	53.3	56.3
MFI receivables from residents (including securities)	895.7	1,029.4	1,044.7	17.2	17.5
Receivables from general government	254.8	260.6	261.6	3.4	3.0
Receivables from the private sector	640.9	768.8	783.1	22.6	23.3
Deposits and loans received from central government	45.0	90.6	61.0	24.0	39.5
Long-term financial liabilities (excluding capital and reserves)	122.6	137.3	141.8	18.3	15.6
Deposits and loans taken with an agreed maturity of over 2 years	66.7	71.1	73.7	13.0	10.5
Deposits redeemable at notice of over 3 months	24.3	23.3	23.5	-4.7	-3.5
Debt securities issued with a maturity of over 2 years	31.6	43.0	44.6	49.1	41.3
Other items net	25.7	25.7	22.3	-29.0	-16.3
Capital, reserves, and provisions	45.3	33.6	38.7	-99.8	-99.7
Other liabilities	71.1	84.3	76.5	87.5	82.4
Surplus of liabilities among MFIs	-0.1	-0.1	-0.1	-27.1	11.9
Fixed assets	34.2	32.2	33.2	-1.4	-2.9
Other assets	56.5	60.0	59.6	-67.2	-65.0
M3	958.4	1,041.0	1,082.4	12.4	13.0

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 4.5 billion in December, compared with the previous month. The rate of their annual growth, however, slowed to 15.6%. A positive change was recorded in all components: deposits and loans received with an agreed maturity of over 2 years rose by SKK 2.6 billion, debt securities issued with a maturity of over 2 years (by SKK 1.7 billion) and deposits with a notice period of over 3 months by SKK 0.2 billion.

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

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

In December, similarly to the previous month, the rate of growth in MFI receivables from the private sector increased moderately. The reason for that was faster growth in loans to non-financial corporations, while the pace of growth in household loans stagnated.



Table 7 MFI Receivables from the Resident Private Sector

	Outstanding amounts (SKK billions) ¹⁾			Year-on-year changes (%) ³⁾	
	Dec. 2006	Nov. 2007	Dec. 2007	Nov. 2007	Dec. 2007
MFI receivables from the private sector (including securities)	640.9	768.8	783.1	22.6	23.3
of which: securities issued by the private sector ²⁾	13.7	15.1	15.0	6.3	9.9
MFI receivables (excluding securities)	627.3	753.7	768.1	23.0	23.6
Non-financial corporations	326.4	389.3	397.5	21.9	23.4
– up to 1 year	135.0	169.3	168.5	28.0	28.4
– 1 to 5 years	64.0	76.9	82.3	19.0	29.1
– over 5 years	127.4	143.1	146.7	16.8	15.3
Financial corporations	63.0	66.2	66.4	7.8	5.7
Insurance corporations and pension funds	0.0	0.0	0.0	-	-
Households and non-profit institutions serving Households	237.9	298.2	304.2	28.5	28.6
– consumer loans	35.8	41.1	41.5	17.2	17.9
– construction loans	156.8	199.3	203.9	31.3	30.3
– other loans	45.2	57.7	58.8	28.1	31.2

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.

Table 8 MFI Receivables from the Resident Private Sector (excluding securities and receivables from NBS)

	Outstanding amounts (SKK billions)	Year-on-year changes (in %)					Cumulative changes since beginning of year (SKK billions)	
		Dec. 2007	2006 Q4	2007 Q1	2007 Q2	2007 Q3	Dec. 2007	Dec. 2006
MFI receivables (excluding securities)	768.1	24.7	22.6	21.4	24.8	23.6	119.8	140.8
Non-financial corporations	397.5	21.5	19.5	20.6	26.9	23.4	55.0	71.1
– loans in Slovak koruna	260.5	28.5	20.4	21.5	24.4	22.4	45.6	43.4
– loans in foreign currency	137.1	9.6	17.7	19.0	32.1	25.4	9.4	27.7
Financial corporations (other financial intermediaries and auxiliary financial institutions)	66.4	14.5	9.4	-0.2	3.4	5.7	8.0	3.4
– loans in Slovak koruna	49.2	18.3	12.6	2.8	0.3	-2.9	7.9	-1.7
– loans in foreign currency	17.1	0.8	-1.1	-9.6	14.5	42.1	0.1	5.1
Insurance companies and pension funds	0.0	-	-	-	-	-	0.0	0.0
Households and non-profit institutions serving households	304.2	32.5	31.2	28.8	27.8	28.6	56.9	66.3
– loans in Slovak koruna	295.2	31.8	30.0	27.1	25.9	26.9	54.9	61.3
– loans in foreign currency	9.0	-	-	-	-	-	2.0	5.0
of which: consumer loans	41.5	48.8	24.7	20.0	18.8	17.9	11.0	5.7
house purchase loans	203.9	32.1	31.5	30.9	30.3	30.3	37.9	47.0
other loans	58.8	22.8	35.9	28.8	26.7	31.2	7.9	13.6

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.

1) 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.



The annual rate of growth in loans to non-financial corporations increased by 1.5 percentage points and their volume increased by SKK 8.2 billion, compared with the previous month. Broken down by maturity, the volume of long-term loans (with maturities between 1 and 5 years and more than 5 years) increased and that of short-term loans moderately decreased.

The pace of growth in MFI receivables from households stagnated in December and stayed at previous month levels. Their volume increased by SKK 6.0 billion over the previous month. The highest increase was again reported in house purchase loans (of SKK 4.5 billion); the volume of consumer and other loans increased by SKK 1.5 billion.

Foreign currency loans went up by SKK 5.3 billion in December month-on-month. The most notable increase was recorded in loans to non-financial corporations denominated in euros (of SKK 4.3 billion). Loans denominated in other foreign currencies increased by SKK 0.6 billion. MFI receivables from households denominated in foreign currencies increased similarly to the previous months by SKK 0.2 billion, which means that their rate of growth slowed, compared to the first half of 2007. Euro-denominated MFI receivables constituted the largest part of foreign currency receivables in December.

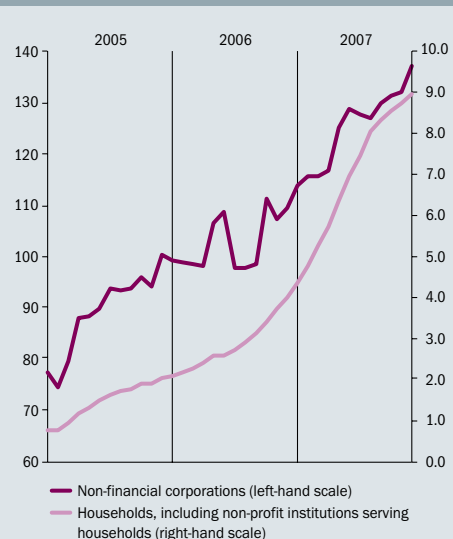
Investment through Open-End Investment Funds (OIFs)

Higher inflow of funds into open-end investment funds

The inflow of funds into open-end investment funds of the money market continued in January, as they could preserve their attractiveness for conservative Slovak investors on the background of declining confidence in equity funds. The net value of OIF assets denominated in SKK increased to SKK 145.9 billion, and the monthly net sales of OIFs reached SKK 2.1 billion. The net sales of OIF denominated in foreign currencies reached a relatively high volume (SKK 0.9 billion, the highest value since the start of monitoring in 2004).

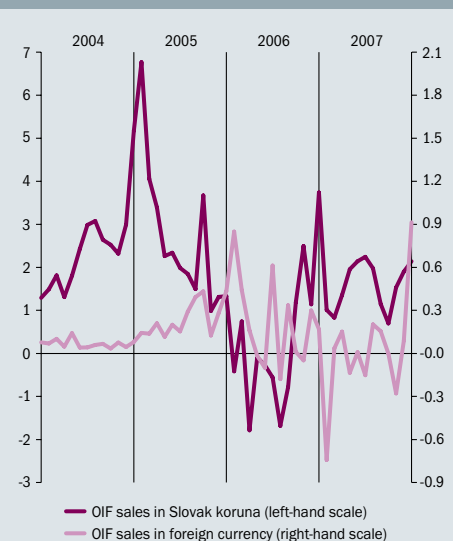
Money market funds again reached the highest monthly net sales in January (SKK 2.1 billion). Due to the introduction of a new secured fund by one asset management company, other funds also reported high net sales (SKK 1.7 billion). Equity funds, mixed funds

Chart 7 Lending in Foreign Currency (SKK billions)



Source: NBS.

Chart 8 Monthly Net Sales of OIFs in Slovakia (SKK billions)



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

Table 9 Net Sales of Open-end Investment Funds in the SR (month-on-month changes in SKK billions)

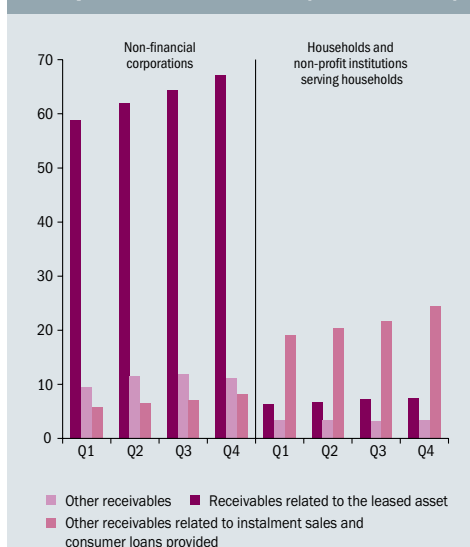
	Year	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.	Cumulative
OIF sales in Slovak koruna	2006	1.3	-0.4	0.7	-1.8	-0.1	-0.3	-0.6	-1.7	-0.8	1.2	2.5	1.1	1.3
	2007	3.7	1.0	0.8	1.4	2.0	2.1	2.2	2.0	1.1	0.7	1.5	1.9	20.5
	2008	2.1												
OIF sales in foreign currency	2006	0.4	0.8	0.4	0.2	0.0	-0.1	0.6	-0.2	0.3	0.0	0.0	0.3	2.8
	2007	0.2	-0.7	0.0	0.2	-0.1	0.0	-0.1	0.2	0.2	0.0	-0.3	0.1	-0.5
	2008	0.9												0.9

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

Table 10 Receivables of leasing companies, factoring companies and consumer finance companies
 (mld. SKK)

	2007			
	Q1	Q2	Q3	Q4
Receivables from the private sector in total	103.4	110.7	115.7	122.1
In SKK	80.7	84.4	87.2	92.8
In EUR	22.4	25.9	27.4	28.4
In other foreign currencies	0.3	0.4	1.2	0.8
Non-financial corporations	74.3	80.0	83.4	86.6
Receivables related to the leased asset	58.9	62.0	64.4	67.2
Other receivables	15.4	18.0	19.0	19.3
Of which: Receivables related to instalment sales and consumer loans provided	5.9	6.5	7.0	8.2
Other financial intermediaries and auxiliary financial institutions	0.3	0.2	0.2	0.2
Insurance companies and pension funds	0.0	0.1	0.1	0.1
Households and non-profit institutions serving households	28.8	30.4	32.1	35.2
Receivables related to the leased asset	6.3	6.7	7.2	7.4
Other receivables	22.5	23.8	24.9	27.9
Of which: Receivables related to instalment sales and consumer loans provided	19.1	20.4	21.7	24.5

Source: NBS.

Chart 9 Developments in Receivables of Leasing Companies, Factoring Companies and Consumer Finance Companies
 (SKK billions)


Source: NBS.

and special real estate funds also reported positive net sales (of SKK 0.6 billion in total). Negative net sales figures were reported by funds of funds and bond funds. The net sales of OIFs of all types in the Slovak Republic, denominated in SKK and foreign currencies totalled SKK 3.1 billion.

Receivables of leasing companies, factoring companies and consumer finance companies

The volume of receivables of leasing, factoring and consumer finance companies from the private sector amounted to SKK 122.1 billion at the end of 2007. Compared with the previous quarter, their volume increased by SKK 6.3 billion. Almost 62.0% of all receivables are receivables arising from the provision of leased assets; the rest are other receivables. Broken down by maturity, the highest increase was reported in long-term receivables (constituting the largest part of all receivables). Short-term receivables reported only a moderate increase, after a notable drop in the second quarter.

The volume of receivables from non-financial corporations was growing throughout the year and reached SKK 86.6 billion at the end of December. Broken down by purpose, the largest part of all receivables from

businesses consists of receivables from the provision of leased assets (SKK 67.2 billion). Their volume had been increasing throughout the year. Taking a closer look at the other receivables, receivables from instalment sales and consumer credits granted were growing at the highest pace. The volume of the other components of these receivables went down moderately at the end of 2007.

Receivables from households developed upwards; with the average quarterly increase amounting to SKK 2.2 billion. Higher growth was recorded in the last quarter (SKK 3.1 billion), caused particularly by increasing volume of receivables from instalment sales and consumer credits granted. The volume of receivables from the provision of leased assets reached SKK 7.4 billion at the end of the year.



Current Budgetary Developments

On 31 January 2008, the state budget recorded a surplus of SKK 13.0 billion. Total revenues amounted to SKK 35.0 billion; total expenditures stood at SKK 22.0 billion.

4.2 The External Sector

Balance of Payments in November 2007

Current account In November 2007, the balance of payments' current account reached a deficit of SKK 14.4 billion. Compared with the previous month, the deficit decreased only slightly (by SKK 0.8 billion), however, with a changed structure. After the October's surplus, a high deficit (the highest for the first 11 months of 2007) was reported in the trade balance. Lower deficit on the balance of income and the changeover from a deficit to a surplus on the services balance and current transfers balance offset the weak foreign trade balance. Compared with the same period last year, the deficit of the balance of payments' current account increased by SKK 6.4 billion, particularly due to a worse development of the balance of income.

Table 11 Balance of Payments Current Account**(SKK billions)**

	November		January – November	
	2007	2006	2007	2006
Balance of trade	-6.9	-8.9	-10.2	-64.3
Exports	135.6	120.6	1,310.2	1,133.8
Imports	142.5	129.5	1,320.4	1,198.1
Balance of services	1.5	0.2	11.2	16.6
Balance of income	-10.5	0.5	-79.2	-55.8
of which: income from investment	-13.4	-2.4	-110.8	-83.6
of which: reinvested earnings	-2.4	-1.5	-23.4	-23.5
Current transfers	1.5	0.2	-10.3	-1.2
Current account in total	-14.4	-8.0	-88.5	-104.7

Source: NBS and the Statistical Office of the SR.

Foreign trade balance deficit in November (after the revision by the Statistical Office) stood at SKK 6.9 billion (the originally published figure was SKK 7.7 billion). Exports decreased month-on-month in November. The rate of annual growth in exports also decreased and reached 12.5%. The decrease in exports, compared with the previous month, was caused mainly by lower exports of machinery and transport equipment (TV sets and passenger cars). In addition to lower exports of machinery and transport equipment, the exports of finished products, semi-finished products and raw materials also decreased, but to a lesser extent. Unlike exports, imports of goods increased month-on-month in November in absolute terms, increasing the rate of annual growth to 10.1%. Highest growth was recorded in the imports of machinery and transport equipment (parts, components and accessories for motor vehicles and electrical equipment, engines, etc.) and raw materials (natural gas and crude oil). On the background of lower exports, the imports of semi-finished products (plastics, iron and steel products, wood, etc.) decreased as well. To a lesser extent, imports of finished products (clothing, toys, shoes etc.) also decreased.

Table 12 Exports in January to November, Year-on-year Changes

	Year-on-year changes in SKK billions		Contribution to the year-on-year changes in p.p.	
	January – November		January – November	
	2007	2006	2007	2006
Raw materials	-5.6	10.6	-0.5	1.2
Chemicals and semi-finished goods	17.0	55.6	1.5	6.1
Machinery and transport equipment	157.0	155.2	13.8	17.1
Finished products	8.0	4.5	0.7	0.5
EXPORTS in total	176.4	226.0	15.6	24.9

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



Table 13 Imports in January to November, Year-on-year Changes

	Year-on-year changes in SKK billions		Contribution to the year-on-year changes in p.p.	
	January – November		January – November	
	2007	2006	2007	2006
Raw materials	-21.0	43.1	-1.8	4.5
Chemicals and semi-finished goods	33.3	47.2	2.8	4.9
Machinery and transport equipment	86.6	121.6	7.2	12.7
Finished products	23.5	30.3	2.0	3.2
of which: agricultural and industrial goods	17.9	12.6	1.5	1.3
passenger cars	7.3	5.2	0.6	0.5
machines and electrical consumer goods	-1.7	12.6	-0.1	1.3
Imports in total	122.4	242.3	10.2	25.3

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

In November, the balance of payments' capital and financial account saw an inflow of funds of SKK 13.9 billion.

Capital and financial account

The inflow of resources to the financial account in November was supported particularly by the development of the balance of other investments (decreasing deposits of Slovak banks in accounts opened with foreign banks). As to FDI, inflow of funds was recorded particularly on the liabilities side, resulting from the inflow of other capital and reinvested profits. Regarding portfolio investment, the overall inflow of funds to the financial account was partly offset by net repayment of government debt securities.

Table 14 Balance of Payments Capital and Financial Account (SKK billions)

	November		January – November	
	2007	2006	2007	2006
Capital account	-0.5	-0.1	9.6	-0.9
Direct investment	6.7	4.2	54.2	104.0
SR abroad	0.4	1.6	-1.9	-8.4
of which: equity capital abroad	0.7	2.0	-0.9	-7.1
reinvested earnings	-0.1	-0.1	-1.1	-1.1
In the SR	6.3	2.6	56.1	112.4
of which: equity capital in the SR	-0.2	0.7	18.4	50.9
of which: other than privatisation	-0.2	0.7	18.4	19.9
reinvested earnings	2.5	0.5	24.5	23.5
Portfolio investment and financial derivatives	-4.6	4.6	-2.9	52.4
SR abroad	2.6	-1.5	-9.7	-8.1
In the SR	-7.2	6.1	6.8	60.5
Other long-term investments	-1.4	6.6	15.1	23.2
Assets	-1.0	-0.5	-9.1	4.9
Liabilities	-0.4	7.1	24.2	18.3
Other short-term investments	13.7	-6.4	94.3	-171.0
Assets	11.8	19.1	-9.0	-50.1
Liabilities	1.9	-25.5	103.3	-120.9
Capital and financial account	13.9	8.9	170.3	7.7

Source: NBS.

The total foreign reserves of NBS decreased by SKK 4.2 billion (USD 0.2 million, excluding foreign exchange differences) month-on-month.

Foreign reserves of NBS

**External Debt of the Slovak Republic as at 30 November 2007**

Gross external debt The total gross external debt reached USD 43.1 billion (EUR 29.2 billion) at the end of November 2007. The total long-term external debt increased by USD 0.1 billion in November, accompanied by a growth in short-term external debt by USD 0.8 billion.

Looking at the short-term external debt, foreign liabilities of commercial banks increased by USD 0.2 billion in November (cash and deposits and other liabilities in particular). Short-term foreign liabilities of the corporate sector increased by USD 0.6 billion in total, mainly as a result of an increase in trade credits and borrowings.

The long-term external debt of the commercial sector developed in the opposite direction, with long-term foreign liabilities of businesses increasing by USD 0.3 billion (driven mostly by borrowings, with a decrease in long-term foreign liabilities of commercial banks by USD 0.1 billion). Foreign liabilities of the government and NBS went down by USD 0.1 billion in the period under review.

Slovakia's per capita gross external debt reached USD 8,014 at the end of November. The share of short-term external debt in Slovakia's total gross external debt rose 2.3 percentage points month-on-month and reached 52.5% at the end of November 2007.

Table 15 External Debt of the SR

	In millions of USD			In millions of EUR		
	31.12.2006	31.10.2007	30.11.2007	31.12.2006	31.10.2007	30.11.2007
Total external debt of the SR	32,205.9	42,216.4	43,112.0	24,448.9	29,297.5	29,241.5
Long-term external debt	16,649.7	20,380.5	20,495.8	12,639.5	14,143.7	13,901.6
Government and NBS ¹⁾	7,702.1	9,373.3	9,242.4	5,847.0	6,504.9	6,268.8
Commercial banks	1,559.2	2,329.9	2,269.9	1,183.6	1,616.9	1,539.6
Short-term external debt	7,388.4	8,677.3	8,983.5	5,608.9	6,021.9	6,093.2
Entrepreneurial entities	15,556.2	21,835.9	22,616.2	11,809.4	15,153.8	15,339.9
Government and NBS ¹⁾	0.0	0.0	0.0	0.0	0.0	0.0
Commercial banks	6,148.8	10,640.3	10,793.9	4,667.8	7,384.2	7,321.2
Short-term external debt	9,407.4	11,195.6	11,822.2	7,141.6	7,769.6	8,018.7
Foreign assets	26,718.4	36,417.4	36,911.8	20,283.2	25,273.2	25,036.2
Net external debt	5,487.5	5,799.0	6,200.1	4,165.7	4,024.3	4,205.3
<i>SKK/USD and SKK/EUR rates</i>	26.246	23.150	22.638	34.573	33.358	33.376
<i>EUR/USD cross exchange rate</i>	-	-	-	1.317	1.441	1.474

Source: NBS.

¹⁾ Including government agencies and municipalities.

Net external debt The net external debt, expressed as the difference between gross external debt, i.e. USD 43.1 billion (liabilities of the Government, NBS, commercial banks, and the corporate sector – excluding equity participation) and foreign assets, i.e. USD 36.9 billion (foreign reserves of NBS, foreign assets of commercial banks and the corporate sector – excluding equity participation), reached USD 6.2 billion (debtor position) at the end of November 2007.

Current Developments

The trade balance showed a high deficit of SKK 9.5 billion in December, with the balance of foreign trade deteriorating by SKK 2.6 billion compared with the previous month. Compared with the previous month, the balance of current transfers slightly worsened. The current account balance was positively influenced by a marked decrease of the balance of income deficit and, to a certain extent, by growing surplus of the services balance. 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 4.9 billion.

December saw a notable slowdown in the annual growth of exports, which reached 9.2%. The growth rate of exports still exceeds that of imports; the latter reaching 6.9% in December. Comparing the data for the whole year, the growth rate of exports (15.0%) was higher than that of imports (9.9%).



	December		January – December	
	2007	2006	2007	2006
Balance of trade	-9.5	-11.0	-19.7	-75.3
Exports	108.2	99.1	1 418.4	1 232.9
Imports	117.7	110.1	1 438.1	1 308.2
Balance of services	1.9	5.9	13.1	22.5
Balance of income	-1.0	-6.3	-80.2	-62.1
of which: income from investments	-4.1	-9.3	-114.9	-92.9
of which: reinvested earnings	0.1	-0.3	-23.3	-23.8
Current transfers	-0.8	-0.4	-11.1	-1.6
Current account in total	-9.4	-11.8	-97.9	-116.5

Source: NBS and the Statistical Office of the SR.

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

Exports are expected to grow month-on-month in January. The rate of their annual growth, however, is likely to slow down. The expected slower growth in exports is the result of last year's unusually high volume of exports in January. Imports, on the other hand, are expected to go down on a month-on-month basis; this decrease should be supported by lower imports of products for the final consumption.

In February and March, exports are expected to continue their gradual growth, which is likely to reach higher levels of 2007 as lately as March. Imports, similarly as exports, are also expected to grow in the two months, driven mostly by increased imports of semi-finished products.

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

At the end of January, the total foreign reserves of NBS stood at USD 19,257.0 million, representing a month-on-month increase by USD 285.8 million. The growth in foreign reserves compared to the end of December is the result of a surplus of the balance of income and expenses of USD 94.8 million, accompanied by positive foreign exchange differences (USD 191.0 million) due to a change in the cross exchange rate between USD and EUR during the period under review. At the end of January, the volume of foreign reserves was 3.6 times greater than the volume of average monthly imports of goods and services to Slovakia over the twelve 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 twelve months of 2007.

The month-on-month depreciation of the nominal effective exchange rate³ of the Slovak koruna accelerated to 0.8% from 0.7% 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 and euro (both by 0.4 percentage points).

Nominal effective exchange rate of the Slovak koruna (NEER)

On a year-on-year basis, the trend of gradual slowdown in the appreciation of the nominal effective exchange rate prevailing for as many as six months continued. The rate of appreciation went down from 4.2% to 2.4% (of this figure, 2.3 percentage points are attributable to the appreciation of the Slovak koruna against the euro).

³ 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.



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

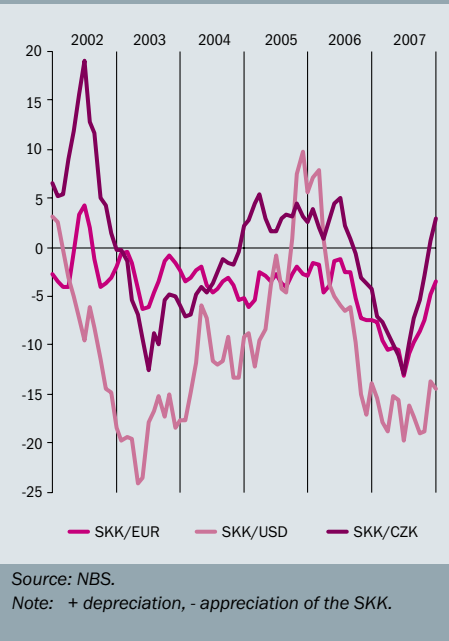
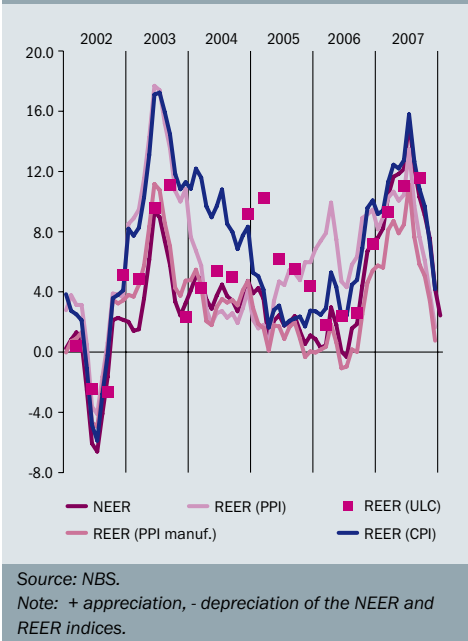


Chart 11 Developments in the NEER and REER Indices (9 trading partners) (year-on-year changes in %)



Real effective exchange rate of the Slovak koruna (REER)

The slower appreciation of the real effective exchange rate in December was caused by slower annual nominal appreciation of the Slovak koruna. The REER based on the consumer price index (CPI) appreciated by 4.2%, that based on the industrial producer price index (PPI) by 1.7%, and the rate based on the manufacturing products price index (PPI manuf.) by 0.8%.

Table 17 Developments in the NEER and REER Indices (year-on-year changes in %)

For 9 partners, based on the deflator:	NEER	REER (CPI)	REER (PPI)	REER (PPI manuf.)	REER (ULC) ²⁾
December 2002	2.1	4.1	3.6	3.4	5.1
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 ¹⁾	10.3 / 3.5	10.8 / 3.0	7.6 / 2.4	5.8 / 0.7	11.6 ^(p)
December 2007	4.2	4.2	1.7	0.8	.
January 2008 ¹⁾	2.4 / -0.8	.	.	.	-

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

4.3 Real Economy

Flash GDP and Employment Estimate for the 4th Quarter of 2007

According to the flash estimate of economic growth and overall employment (using ESA 95 methodology) for the 4th quarter of 2007, as published by the Statistical Office of the Slovak Republic, annual economic growth should reach 14.1% at constant prices (11.4% at current prices); employment should increase annually by 2.3%. The published estimate of GDP growth for the 4th quarter is higher than the medium-term forecast (Q1 2008).

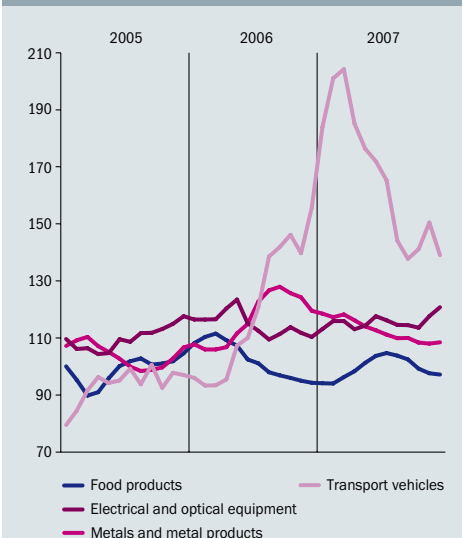
Based on preliminary data on the structure of expected GDP growth (according to statements of Statistical Office representatives), faster GDP growth is attributable to an extraordinary increase in the volume of taxes on products, namely value added tax and excise duty (advance purchases of cigarettes amounting

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.

to SKK 8.7 billion in the 4th quarter) and expected growth in value added in the industrial production (production of machinery, electrical equipment and transport equipment in particular).

On the consumption side, GDP growth was influenced by persistent foreign demand and resilient growth in domestic demand (particularly inventories). After netting off the impact of advance purchases, GDP increased by 9.7% in the 4th quarter of 2007.

According to the flash estimate, GDP rose 10.3% in 2007 (by 11.5% at constant prices). Netting off the impact of the extraordinary increase in the volume of taxes on products, GDP increased by 9.2%,



according to the flash estimate. The total employment reached 2,177 thousand persons. Compared with the year of 2006, it went up by 2.1%.

Current Developments

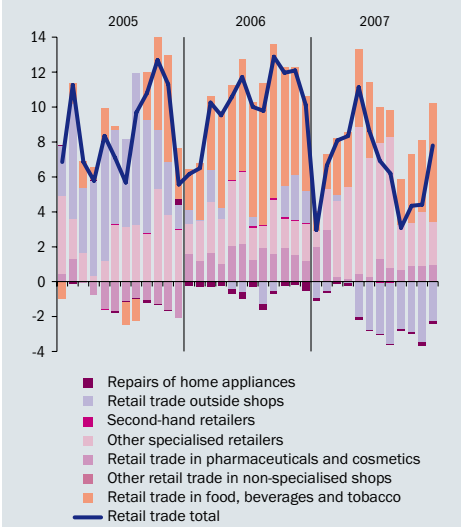
Production and Sales

In December, the rate of annual growth in industrial production slowed, in comparison with November 2007, particularly due to a slower year-on-year growth in manufacturing production. Industrial production grew at a rate of 6.4% (13.2% in the previous month). The rate of year-on-year growth decreased particularly in the production of oil products and coke, production of transport equipment, production of electrical and optical devices and production of plant and machinery.

Construction output reported a moderate annual decrease (-1.2%), due to faster annual drop in domestic construction (-2.3% in December 2007 and annual decrease by 0.9% one month ago).

In December 2007, retail trade sales recorded an annual increase of 5.1% at constant prices (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 and that of pharmaceuticals and cosmetics accelerated moderately. Other retail trade in non-specialised shops reported notably faster growth in sales. On the other hand, the annual growth in sales in other specialized retail trade slowed in December 2007 to 9.4% (12.3% in November).

Chart 16 Contribution to the Year-on-year Growth in Retail Sales (current prices)



Sources: Statistical Office of the SR and NBS calculations.

Table 18 Production and Sales

	SKK millions, at current prices		Indices			
	Dec. 2007	Cumul. since the begin. of the year	Dec. 2006	Jan. – Dec. 2006	Nov. 2007	Dec. 2007
Produkcia						
Industrial production index ¹⁾	-	-	109.2	110.1	113.2	106.4
of which:						
Mining and quarrying	-	-	90.6	90.4	96.0	102.9
Manufacturing	-	-	112.9	112.6	116.1	108.2
Electricity, gas, and water supply	-	-	92.8	97.6	93.6	95.3
Construction ²⁾	14,157	160,327	117.6	114.9	98.3	98.8
of which:						
Construction in Slovakia	13,618	154,721	118.1	116.1	99.1	97.7
Construction abroad	539	5,606	99.9	87.9	81.0	137.4
Receipts from own-output and goods:						
Industry in total ³⁾	172,407	2,078,072	110.7	114.5	114.3	109.4
Construction ²⁾	24,278	252,469	106.6	113.3	102.3	105.6
Retail trade ³⁾	47,544	453,175	107.4	108.8	102.0	105.1
Sale and maintenance of vehicles, retail sale of fuels ³⁾	20,062	222,202	114.3	113.6	119.6	117.4
Transport, storage ³⁾	13,055	167,186	99.3	111.6	108.9	109.4
Real estate, renting, and business activities ³⁾	22,574	197,515	105.3	110.9	110.6	110.7

Source: Statistical Office of the SR.

1) Adjusted for calendar effects (data series are regularly revised)

2) Index, the same period of a year earlier = 100 (constant prices; 2000 average = 100)

3) The same period of a year earlier = 100 (constant prices; December 2000 = 100; transport and storage: current prices)

The year-on-year growth in the receipts of entities specialising in the sale and maintenance of motor vehicles and retail sale of fuels slowed in December, compared with November 2007, due to a slower year-on-year growth in retail sales of motor vehicles and fuels.

The annual growth in receipts from services related to real estates, renting and business activities preserved its pace from the previous month. The annual decrease in receipts from activities related to real estates was offset by the annual growth in receipts from computer-related activities (28.9% in December).

Wages, Employment and Unemployment

In December 2007, the year-on-year rate of growth in nominal wages accelerated in post and telecommunications, construction industry, hotels and restaurants and real estates, compared to November 2007. The average monthly nominal wage in December 2007 for all sectors indicates

Development of nominal wage

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

	Average monthly nominal wage		Average monthly real wage	
	November	December	November	December
Industry	104.7	102.8	101.6	99.4
of which: manufacturing	102.2	102.2	99.1	98.8
Construction	106.3	109.6	103.1	106.0
Retail trade	106.9	105.6	103.7	102.1
Wholesale trade	103.4	102.0	100.3	98.6
Sale and maintenance of vehicles	110.2	107.6	106.9	104.1
Real estate and renting activities	109.1	110.2	105.8	106.6
Transport	110.6	107.1	107.3	103.6
Post and telecommunications	109.7	124.2	106.4	120.1
Average for the selected sectors	105.8	105.3	102.6	101.8
Whole economy, Q3 2007	106.8	-	104.2	-
Consumer prices	103.1	103.4	-	-

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.



a moderate decrease in the rate of annual growth, compared with the previous month.

Using the comparison of quarterly data and estimates based on preliminary monthly data on nominal wage, we could predict a slower growth in nominal wage, compared with the previous quarter, which saw an increase in nominal wage of 6.8% on a year-on-year basis.

Employment

The annual growth in employment slowed in transport and storage, real estates and wholesale trade in December 2007, compared to November 2007. The average employment figure for December 2007 for all sectors indicates a moderate slowdown of annual employment growth, compared with the previous month.

Comparison of quarterly and monthly employment indicators reveals that the annual growth of employment in the 4th quarter of 2007 should be moderately lower than the figure reported for the 3rd quarter of the year.

Unemployment

According to data from the Centre for Labour, Social Affairs and Family, the total number of unemployed increased month-on-month by 4.2 thousand to

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

	Employment	
	November	December
Industry	101.5	101.6
of which: manufacturing	101.8	102.0
Construction	105.9	106.1
Retail trade	105.7	106.0
Wholesale trade	97.8	97.2
Sale and maintenance of vehicles	121.5	121.5
Real estate and renting activities	104.8	104.6
Transport	105.1	103.7
Post and telecommunications	100.0	100.1
Average for the selected sectors	103.2	103.1
Whole economy, Q3 2007	102.6	-

Source: Statistical Office of the SR.

Chart 18 Comparison of Employment Rates Based on Monthly and Quarterly Data (%)**Chart 19 Registered Unemployment Rate** (%)

239.9 thousand in December 2007. The number of disposable unemployed, who may start working immediately, was 207.9 thousand, which was by 5.9 thousand more than in November. The rate of registered unemployment stood at 8.0% in December, representing a month-on-month increase of 0.2 of a percentage point. Compared with the same period last year, it went down by 1.4 percentage points.

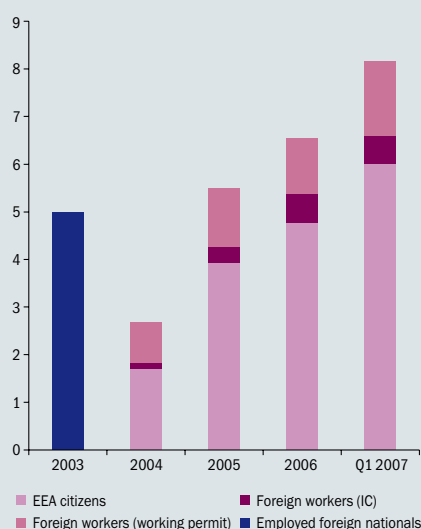
The average length of registration was 10.5 months. Compared with November, the share of long-term unemployed (out of work for more than 12 months) decreased by 1.2 percentage points, to 50.7% in December.

Box 2

Foreign workers as a potential source of labour supply

The term ‘work-related migration’ refers to movements of population, which do not lead to a change of domicile. Information on foreign nationals working in Slovakia is provided by the Centre for Labour, Social Affairs and Family (CLSAF) in the form of data on valid work permits. The changes in legislation due to Slovakia’s accession to the EU also changed the manner of registration of foreign nationals working in Slovakia. Prior to EU enlargement, foreign nationals could work in Slovakia based on a work permit (for individual employment) and based on bilateral agreements on the employment of citizens. After the accession to the EU, Slovakia opened its labour market to the citizens of the EU/EEA and to the citizens of Switzerland. That means, citizens of EU/EEA member states enjoy the same rights and have the same obligations on the territory of Slovakia as Slovak nationals. In this case, however, employers are obliged to report the employment of such a person by submitting an information sheet of the centre for Labour, Social Affairs and the Family in the place of employment. A special procedure applies to third/country nationals, in which case a work permit is required. An exception from this rule are asylum seekers entering the labour market of Slovakia according to specific regulations.

Chart A Foreign Workers in the SR (thousands of persons)



Source: CLSAF and NBS calculations.

EU/EEA citizens take the largest part of the Slovak labour market. In 2006, the number of persons from these countries employed in Slovakia reached 4.8 thousand. According to preliminary data of CLSAF, the number of foreigners working in Slovakia in 2005 was about 5.5 thousand. In 2006, about 6.5 thousand foreigners worked on the territory of Slovakia according to preliminary data, which was by 19.1% more than in the previous year. The low number of employed foreigners in 2004 (2.8 thousand) is probably related to problems with the changeover to a new system of registration of foreign workforce. Compared with the neighbouring countries, the number of foreigners working in Slovakia is relatively low (for example, about 219 thousand foreigners worked in the Czech Republic in 2005; in 2006, this figure was 251 thousand).

Slovak citizens working abroad

Data on outbound work-related migration are provided by the Slovak Statistical Office according to Labour Force Sample Survey (VZPS) methodology. The number of Slovak citizens working abroad is several times higher than the number of foreigners working in Slovakia. In 2004, about 103.6 thousand Slovak citizens worked abroad; in 2005, this figure rose by 21% to 125.4 thousand. In 2006, the number of Slovak citizens employed abroad reached 158.1 thousand. The main target country for work-related migration from Slovakia is the Czech Republic. Slovak citizens form the largest group of foreign workers there (in 2006, it was 99.6 thousand persons). The other target countries are particularly Ireland, United Kingdom and Hungary. Slovaks work mostly in the health sector, industry, construction and hotels and restaurants.

Table A Work Migration (numbers of persons – cumulative data)

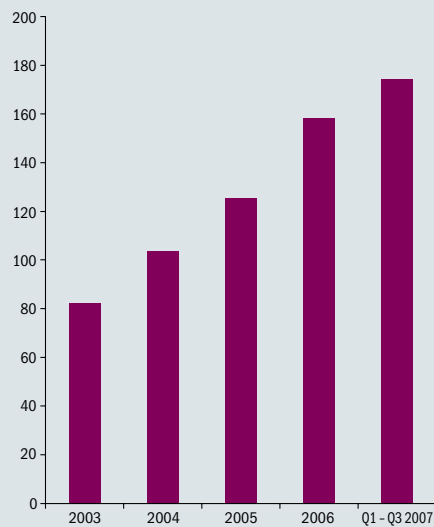
	2003	2004 ¹⁾	2005	2006	Q1 – Q3 2007
Number of permits issued in the SR (CLSAF data)	5,000	2,679	5,497	6,546	8,150 ²⁾
Slovak nationals working abroad (VZPS)	82,201	103,594	125,383	158,125	174,400

1) Change in registration methodology.

2) Q1 2007 only.



Chart B Slovak Citizens Working Abroad (thousands of persons)



Source: Statistical Office of the SR and NBS calculations.

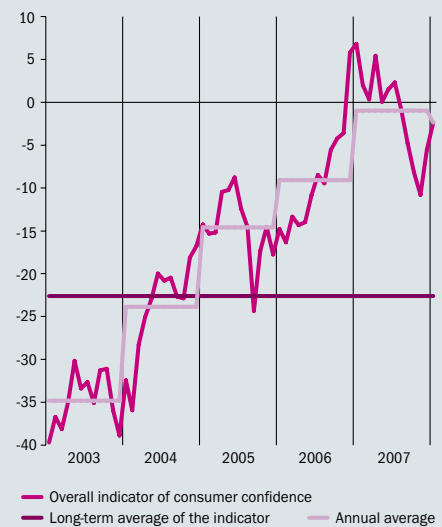
The inflow of FDI to Slovakia leads to increased inflow of qualified workforce. The shortage of workforce in some sectors of the national economy is, to a certain extent, compensated by foreign nationals. This shortage of workforce is questionable, considering the relatively high rate of unemployment in Slovakia. At present, foreign work-related migration is not an important source of labour supply in Slovakia. Filling of existing vacancies would require higher mobility of workforce within Slovakia.

Consumer Confidence Indicator

Increase of the consumer confidence indicator

The Consumer Confidence Indicator increased to -2.4 points in January (by 3.2 points more than in December). Expectations concerning development of household savings and economic situation in Slovakia improved most notably. Expectations concerning unemployment also developed in a positive direction; consumers were more pessimistic with regard to the expected financial situation of households. In year-to-year comparison, the consumer confidence indicator went down by 9.2 points.

Chart 20 Consumer Confidence Indicator



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



5 Monetary Developments

5.1 Foreign Exchange Market

As at the end of January, the exchange rate of the Slovak koruna weakened by 0.2% (from SKK/EUR 33.603 to SKK/EUR 33.665), while the monthly average rate weakened by 0.1%. The Slovak koruna deviated from its central rate (SKK/EUR 35.4424) most significantly on 14 January 2008, when its exchange rate was fixed at SKK/EUR 33.268, representing an appreciation of 6.1% from the central parity. In relation to the US dollar, the koruna strengthened by 0.6% (from SKK/USD 22.870 to SKK/USD 22.730). The average exchange rate appreciated by 0.4%.

Operations in the foreign exchange market

Spot transactions between foreign and domestic banks resulted in a negative balance of USD -171.1 million, i.e. foreign banks tended to purchase the Slovak koruna and sell foreign currency.

Národná banka Slovenska conducted no foreign exchange intervention in January.

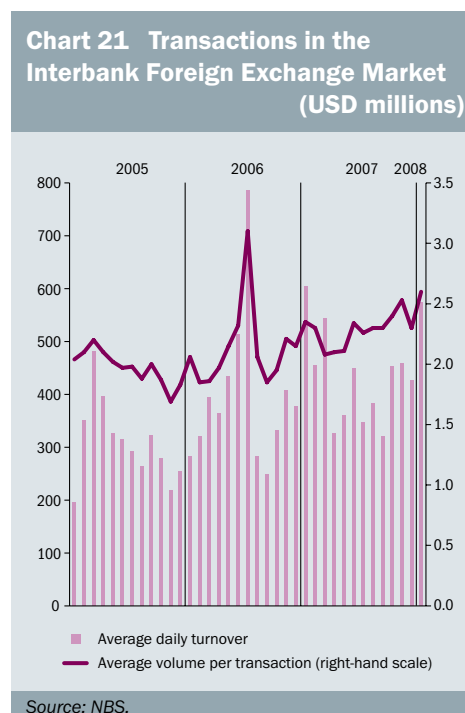
	Month-on-month change	Average January 2008
		Average January 2007
SKK/EUR	0.2	-3.4
SKK/USD	-0.6	-14.6

Source: NBS.
Notes: - appreciation of the SKK, + depreciation of the SKK

The Slovak koruna opened the year of 2008 at the level of 33.600 SKK/EUR. During the first two weeks of calm trading, the koruna strengthened to the level of SKK/EUR 33.100. In the middle of the month, risk aversion appeared in the world markets, leading to increased sales of assets. As a result, the Slovak koruna started to depreciate. On 22 January, it broke the value of SKK/EUR 34.000, which was the low of the month. After the subsequent events in the world markets (a base rate cut of 1.25% by the FED in ten days), trading with the koruna calmed down and the Slovak currency closed the month at the level of SKK/EUR 33.500.

The total volume traded in the interbank foreign exchange market reached USD 109,159.7 million in January, representing an increase of 34.5%, compared with the figure for December (USD 81,186.0 million). Of the total trading volume, swap transactions accounted for 87.1%. These were made mostly in USD (92.7%). Spot transactions accounted for 11.6% of the total turnover (97.0% of the deals were in EUR). The average daily turnover in the spot market reached USD 574.8 million and the average volume per transaction amounted to USD 2.6 million.

Interbank foreign exchange market



The total volume of transactions between domestic commercial banks increased from December's figure of USD 4,922 million to USD 10,143.4 million in January. Most trading took place in USD (60.2%, compared with 53.4% in December), followed by EUR (37.9%, compared with 43.6% in December). Deals in other currencies accounted for 1.8% of the total turnover between domestic commercial banks only.

Transactions between domestic banks accounted for 9.3% of the total volume traded in the interbank foreign exchange market (compared with 6.1% in the previous month). Of the total volume of transactions between domestic banks, swap operations accounted for 76.4% (68.6% in December) and spot transactions (excluding interventions) for 23.4% (30.7% in December)

The total volume of transactions with foreign banks increased by 30.0%, from USD 76,211.7 million in December to USD 99,016.3 million in January. USD deals again accounted for the largest volume of transactions (83.1%, compared with 87.0% in December), followed



by EUR deals with a share of 16.5% (12.4% in December). Trading in other currencies accounted for 0.4%. Trading between domestic and foreign banks still dominated the country's foreign exchange market with a share of 90.7%.

As was the case with deals between domestic banks, trading between domestic and foreign banks took place predominantly in the form of swap operations (88.2%, compared with 91.0% in December). Spot transactions accounted for 10.4% (8.1% in December). The share of forward dealings in the foreign exchange market was negligible. Option contracts accounted for 1.2% of the volume traded with foreign banks.

Slovak-koruna deposits of non-resident banks increased to SKK 61.4 billion in December (the highest value since December 2006), representing an increase of SKK 12.6 billion, compared with the previous month, and an increase of SKK 7.7 billion, compared with the same period a year earlier.

The volume of government securities held by non-residents at the end of January was by SKK 12.6 billion higher than a month earlier. The highest increase of SKK 11.4 billion was recorded in 3-year government bonds No 207, with the Agency for Debt and Liquidity Management (ARDAL) accepting the bids submitted by banks worth SKK 9.1 billion in two government bond auctions held in January. The volume of treasury bills owned by non-residents was equal to zero, as ARDAL did not issue any treasury bills this year.

The current development in January partly corrected the lasting trend of decreasing volume and share of government bonds held by non-residents in the total volume of government bond issued. This share rose to 21.3% from 16.8% in December last year.

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

	2006	2007						2008	
	31.12.	31.7.	31.8.	30.9.	31.10.	30.11.	31.12.	31.1. ^(p)	6.2. ^(p)
Koruna assets, banks	13.5	12.3	18.6	13.0	15.5	15.2	22.0	21.2	16.8
Koruna liabilities	61.7	47.2	56.7	58.4	68.0	58.8	73.1	.	.
of which: banks	53.7	36.6	46.4	48.4	57.7	48.9	61.4	51.4	53.9
non-bank clients	8.0	10.6	10.3	10.0	10.4	10.0	11.7	.	.
Government securities	86.4	81.4	80.3	80.0	74.3	66.5	61.8	74.5	.
of which: government bonds	86.4	81.4	80.3	80.0	74.3	66.5	61.8	74.5	.
SR Treasury bills	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	.
Total	148.1	128.6	137.1	138.4	142.3	125.4	135.0	.	.

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

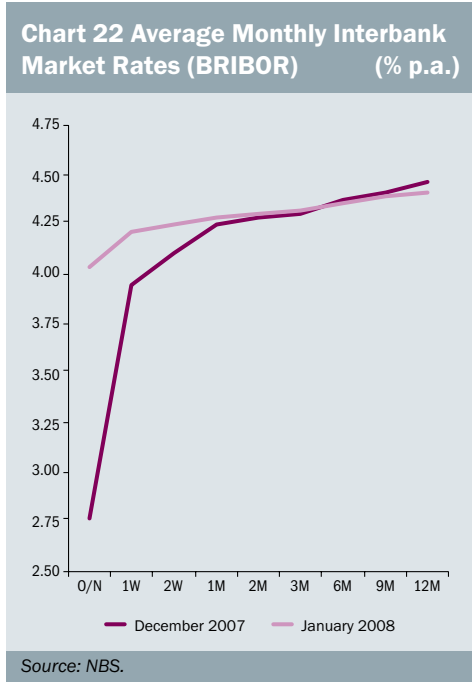
(p) Preliminary data from Dev (NBS) 20-98 "Daily Statement of Foreign Exchange Positions".

5.2 Money Market and Monetary Policy Implementation

In its 4th meeting on 29 January 2008, the Bank Board of NBS decided to leave its key interest rates unchanged, at 2.25% for overnight sterilisation operations, 5.75% for overnight refinancing operations, and 4.25% for two-week repo tenders with commercial banks.

Interest rates Average monthly interest rates of the interbank money market yield curve moved up moderately in January, compared with the previous month, except for the longest maturities, whose interest rates went down slightly. The volatile O/N rate recorded the largest change compared with the previous month (increase of 1.3 percentage points on average). Interest rates of one and two-week maturities went up by 0.2 percentage points on average. The growth in average rates for short maturities is attributable to the renewed preference by the banking sector to sterilisation deals with NBS over funds accumulation and to the preference given to O/N deals in December in light of the upcoming end of the year. The prices of deposits at the long end of the yield curve moved downwards (by 0.03 percentage points on average).

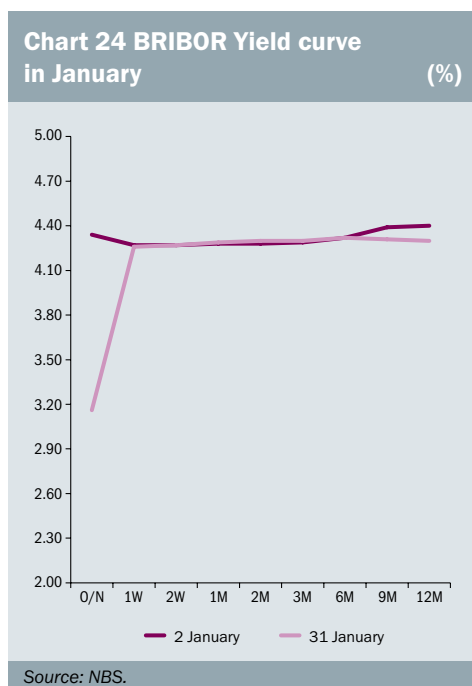
The decision of NBS Bank Board from January to leave the key interest rates at an unchanged level was expected by the banking sector and the interest rates of the money market thus remained virtually unchanged.



Interest rates on long-term maturities recorded a moderately volatile development in January. Since the middle of the month, they more or less copied the developments in the European money market. The European rates of the money market with longest maturities fell at the beginning of the new year to a level close to Slovak interest rates. From this point of time, Slovak rates developed in concordance with the movements in the euro area money market. The volume of deals with medium-term maturities increased moderately. Deposits on the longest end of the money curve were almost completely absent.

NBS continued conducting its monetary policy operations in a standard manner throughout January and accepted all bids received in five sterilisation repo tenders. The minimum, average and maximum interest yields were at the level of 2W reference rate (4.25%). In January, one auction of NBS treasury bills was held by NBS and NBS accepted all bids received, up to a yield of 4.25%. The minimum, average and maximum interest yields were at the level of the key rate applicable to 2W repo tenders.

The comparison of yield curves from the beginning and from the end of the month shows that it was the O/N rate that changed most significantly. Interest rates with nine-month and one-year maturities also decreased.



The banking sector opened the new month with a surplus of liquidity on a daily basis. In the first two repo tenders in January, however, the demand by the sector exceeded the maturing volume. In this way, the sector wanted to reduce the surplus liquidity held by the banks throughout December in connection with the end of the year and increased demand for liquidity. In the third repo tender, the banks significantly reduced their demand, compared with the maturing volume, with the aim of accumulating funds for the expected auction in treasury bills of NBS scheduled for the same week. The banking sector used this auction to deposit its surplus liquidity with NBS for a longer period of time. The sector, however, remained in the condition of surplus liquidity. The banks reduced it through the next repo tender. In the last tender, banks submitted bids in an amount that was almost equal to the maturing volumes. On the background of unstable development of daily liquidity caused by the differences between bids submitted in auctions and maturing volumes, the fulfilment of the minimum reserve requirement (on a cumulative basis)

Liquidity



recorded a volatile development. At the end of the month, banks settled their positions and the sector had no problems to meet the set minimum reserve requirement.

January confirmed the preference given by banks to longer-term forms of sterilisation over O/N deposits with NBS. The share of O/N deposits fell from 4.3% in December to less than half a percent in January. These funds were rerouted to treasury bills of NBS, whose share increased to 20.2%. Sterilisation structure, however, is still dominated by repo tenders, whose share also increased to 79.3% from 78.6% in December. Compared with the previous month, O/N repo deals recorded a slight increase, but this had no impact on the structure of the deals. In January, the average daily sterilisation position of NBS increased in comparison with December by SKK 3.4 billion to SKK 371.6 billion.

Table 23 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.
December 2007	-289,334	78.56	0	0.00	-15,856	4.31	-63,100	17.13	-368,290
January 2008	-294,826	79.33	5	0.00	-1,828	0.49	-74,993	20.18	-371,641

Source: NBS.

Interbank trading

Higher trading activity in January led to an increase in the volume of trading in the interbank market, which reached SKK 2,155.7 billion (compared with SKK 1,576.9 billion in December). Of the total volume of purchases and sales in the interbank market, the share of resident bank transactions increased to 27.9% (compared with December) and that of transactions with non-resident banks decreased to 72.1%. Broken down by the type of interbank transactions, domestic banks achieved the largest share in deposits (66.0%). Transactions with non-resident banks were dominated by swaps (61.6%). Compared with December, the volume of deposits, FRA and IRS deals and swaps increased, due to increased interest by the banking sector in this segment in the new year.

Table 24 Interbank Transactions

(SKK millions)

	Deposits	Repos	Swaps	FRAs	IRSs
December 2007	673,476	0	893,297	2,500	7,667
January 2008	961,046	0	1,141,814	17,800	35,075

Source: NBS.

Required reserves

For January 2008, the minimum reserve requirement for the banking sector was set to SKK 26.15 billion. During the month, the reserve requirement had been fulfilled to 100.06%.

Development of Money Market Interest Rate Derivatives

Trading in FRA contracts was marked with higher activity in January, compared with the previous month. Deals were made with three- and six-month maturity and settlement in 3, 9, 12 and 18 months; these deals accounted for 100% of all the deals. 77.5% of all FRA deals were entered into with foreign investors; the rest comprised deals between domestic banks.

Trading in interest rate swaps (IRS) also recorded an increase in volume, compared with the previous month. Almost 55.5% of the contracts were made with foreign banks. The remaining 44.5% 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 56.7% of the total volume traded. They were followed by transactions with two- to five-year maturities, which accounted for 24.0%.

Chart 25 Daily Developments in FRAs
(%, p.a.)



Source: Reuters.

**Chart 26 Daily Developments in IRSs**
(%, p.a.)

Source: Reuters.

Interest rates of FRA and IRS deals went down during January, following the development of European yields.

The values of implied FRA rates at the beginning of January indicated expected growth of 1-, 2- and 3-month rates in August 2008 to a level of about 4.45%. By the middle of the month, they indicated an expected growth in August this year beyond 4.50%. At the end of the month, market expectations calculated from implied FRA rates changed again, indicating a decrease of the rates in November 2008 below 4.15%.

Chart 27 Implied Expectations Derived from BRIBOR Rates (% p.a.)

Source: NBS.

5.3 Customer Interest Rates in December 2007

Average interest rates on new loans to non-financial corporations developed differently, depending on the amount of the loan. The lending rates on new loans to households went down moderately. Interest rates on new deposits from non-financial corporations and households recorded a moderate decrease.

Customer interest rates

Average interest rates on new loans to non-financial corporations were developing differently in December, depending on the amount of the loan. In the case of loans to small and medium-sized enterprises (loans of up to EUR 1 million), the interest rate on loans with short period of fixation went down. In the case of loans with initial rate fixation (IRF) of more than 5 years, however, the rates recorded a moderate increase. Overall, banks grant most loans with short periods of fixation. As a result, the overall interest rate charged to small and medium-sized enterprises decreased moderately. With regard to large enterprises, the conditions deteriorated slightly in December, due to a moderate increase of lending rates. Lending rates increased both for short and longer periods of fixation. In the historic perspective, one could observe a tendency of moderate growth in interest rates on loans to large enterprises and, to a smaller extent, to small and medium-sized enterprises. In the case of bank overdrafts, the trend of moderate decrease of interest rates could be observed in recent months.

Average interest rates on new loans

Average interest rates on loans to households were mostly decreasing during December. The interest rate on current account overdrafts and credit cards recorded the highest decrease. A moderate decrease in interest rates was recorded in consumer loans (both specific and non-specific loans) and house



Chart 28 Interest Rates on Loans to Non-Financial Corporations, 3-M BRIBOR, and the NBS Base Rate (%)

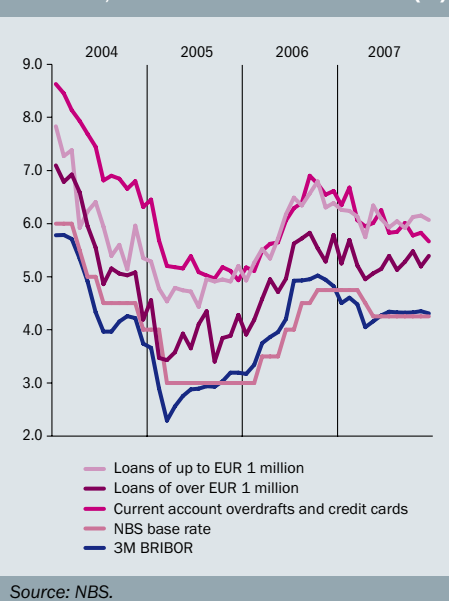


Chart 29 Interest Rates on Loans to Households by Type (%)

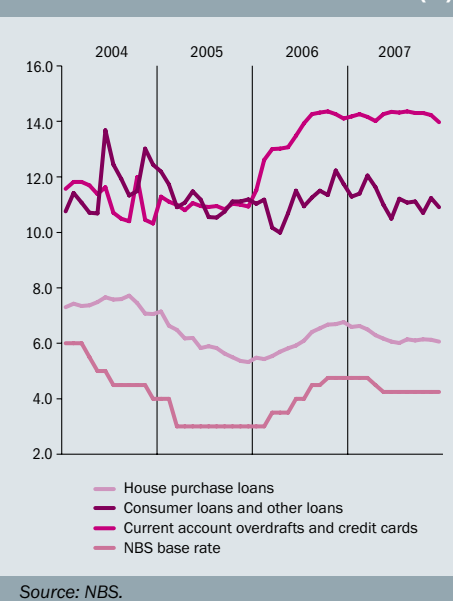


Table 25 Average Interest Rates on New Loans

	Interest rate in %						December change (in p.p.)	
	Q4 2006	Q1 2007	Q2 2007	Q3 2007	Nov. 2007	Dec. 2007	against Q4 2006	month-on-month
Loans to non-financial corporations								
Current account overdrafts and credit cards	6.62	6.06	6.26	6.01	5.83	5.67	-0.95	-0.16
Loans of up to EUR 1 million – with a floating rate and an IRF of up to 1 year	6.39	6.13	6.09	5.92	6.16	6.07	-0.32	-0.09
– with an IRF of up to 5 years	6.33	6.08	6.06	5.90	6.16	6.07	-0.26	-0.09
Loans of over EUR 1 million – with a floating rate and an IRF of up to 1 year	6.52	6.05	6.12	6.06	6.30	6.44	-0.09	0.14
– with an IRF of up to 5 years	5.79	5.21	5.15	5.28	5.20	5.39	-0.39	0.19
Total	5.60	5.04	5.05	5.15	5.15	5.36	-0.24	0.21
Total, excluding current account overdrafts and credit cards	5.73	5.82	5.69	5.99	6.07	6.25	0.52	0.18
	6.37	5.93	6.05	5.88	5.71	5.62	-0.75	-0.09
Loans to households								
Current account overdrafts and credit cards	5.89	5.47	5.37	5.42	5.38	5.52	-0.38	0.14
Current account overdrafts and credit cards	14.10	14.16	14.34	14.30	14.23	13.96	-0.20	-0.27
Consumer loans	13.67	14.11	12.44	13.59	13.30	13.23	-0.88	-0.07
House purchase loans	6.76	6.50	6.06	6.10	6.12	6.06	-0.44	-0.06
of which: mortgage loans	6.45	6.29	5.79	5.78	5.76	5.72	-0.56	-0.04
Other loans	7.46	7.19	6.75	6.97	7.18	7.00	-0.19	-0.18
Total	7.46	7.19	6.75	6.97	7.18	7.00	-0.19	-0.18
Total, excluding current account overdrafts and credit cards	12.54	12.56	12.16	12.21	12.15	12.12	-0.43	-0.03
Total, excluding current account overdrafts and credit cards	8.36	8.66	7.65	7.58	7.73	7.52	-1.15	-0.21
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	4.35	4.31	-0.51	-0.04

Source: NBS.

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



Chart 30 Interest Rates on Deposits from Non-Financial Corporations (%)



Source: NBS.

Chart 31 Interest Rates on Household Deposits (%)



Source: NBS.

purchase loans. In this category, the rates on mortgage loans went down slightly. The rates on other house purchase loans stagnated. The rates on house purchase loans have been hovering closely around 6.1% from April 2007. A moderate decrease in interest rates on other loans was caused by a drop in interest rates on home equity loans (loans without special-purpose secured by real estate). Overall, the stable development of (key and market) interest rates supports the stagnation of client rates.

Table 26 Average Interest Rates on New Deposits

	Interest rate in %						December change (in p.p.)	
	Q4 2006	Q1 2007	Q2 2007	Q3 2007	Nov. 2007	Dec. 2007	against Q4 2006	month-on- month
New deposits from non-financial corporations								
Deposits repayable on demand	1.32	1.11	2.12	0.88	0.89	0.78	-0.54	-0.11
Deposits with an agreed ma- turity of								
– up to 1 year	4.39	3.36	4.09	3.93	3.91	3.60	-0.80	-0.31
– over 1 and up to 2 years	3.28	2.66	0.00	3.50	4.35	3.79	0.51	-0.56
– over 2 years	2.62	1.50	1.91	2.77	4.57	2.30	-0.32	-2.27
Total	2.70	2.17	3.09	2.28	2.19	1.83	-0.86	-0.36
New deposits from households								
Vklady splatné na požiadanie	0.50	0.54	0.51	0.47	0.44	0.47	-0.04	0.03
Deposits repayable on demand								
– up to 1 year	3.92	3.17	3.49	3.45	3.39	3.28	-0.64	-0.11
– over 1 and up to 2 years	3.98	2.47	3.34	3.50	3.71	3.58	-0.40	-0.13
– over 2 years	3.61	3.24	2.24	2.70	2.75	2.20	-1.41	-0.55
Deposits redeemable at notice								
– up to 3 months	1.54	1.46	1.23	1.33	1.42	1.42	-0.12	0.00
– over 3 months	1.97	1.98	1.90	1.96	2.00	2.05	0.09	0.05
Total	1.18	1.07	1.00	1.00	1.01	0.99	-0.19	-0.02
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	4.35	4.31	-0.51	-0.04

Source: NBS.

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

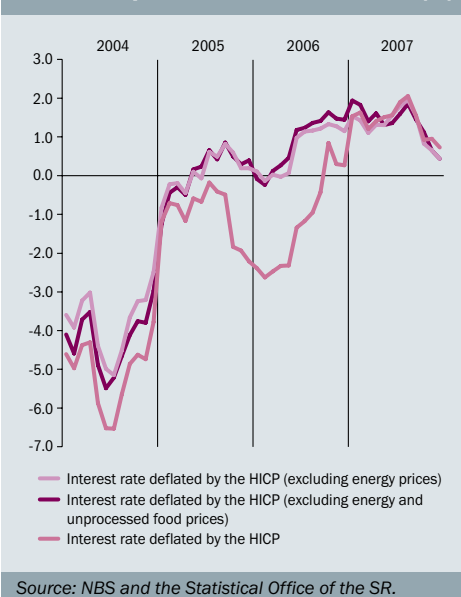
**Average interest rates on new deposits**

Interest rates on deposits from non-financial corporations decreased moderately in December. This decrease in interest rates on deposits was caused by the growth of deposits on current accounts (bearing low interest). The notable increase in deposits from non-financial corporations in December is of seasonal nature and is related to payments by the general government for goods and services (in the government sector, a decrease in deposits was recorded). Helped by the fact that the banking sector maintained a moderate surplus of liquidity throughout December, interest rates on deposits decreased. This decrease was observed in the case of all maturities. Interest rates on deposits with longer maturities decreased most; that on deposits with shortest maturities went down only slightly.

Interest rates on household deposits decreased moderately in December. As was the case with non-financial corporations, this was related to the overall position of the banking sector with a moderate increase in the volume of deposits on current accounts (bearing low interest). The rate of interest on deposits with longer maturities (above one 2 years) decreased most notably. Interest rates on deposits repayable on demand and on deposits with notice period were stagnant.

Real interest rate

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 0.73% in December, which was by 0.23 percentage points less than in the previous month. The decreasing trend of real interest rate is influenced by moderate growth of inflation, with relatively stable nominal interest rates on household deposits.

Chart 32 Real Interest Rates on Household Deposits (%)

Source: NBS and the Statistical Office of the SR.

Box 3**House purchase loans to households and their interest rates**

In the fourth quarter of 2007, the banking sector provided house purchase loans to households in a total volume of SKK 20.1 billion, which was by SKK 0.9 billion more than in the previous quarter (and by SKK 7.9 billion more than in the same period of the previous year). The development of the volume of house purchase loans was different from the development in past years (decreasing growth in volume of loans starting from the second quarter in the past), by showing a continued growth in volume during all four quarters. The share of house purchase loans in the total volume of loans granted (leaving account overdrafts and credit cards out of account) was equal to two thirds.

Looking at individual types of house purchase loans, mortgage loans dominated also in the fourth quarter of 2007, maintaining a share of about 49% (increase of 12 percentage points compared with the same period last year). They were followed by other house purchase loans with a share of about 32% (decrease compared with the fourth quarter of 2007 by 5 percentage points) and the rest consisted of loans provided by home savings banks (with 19% share). In the last three quarters, the volume of mortgage loans has been growing at an increased pace, displacing other house purchase loans. The volume of loans provided by home savings banks stabilised in the same period at the level between 16 and 19%.

From the beginning of 2007, the share of loans with variable rate and IRF of up to 1 year was increasing gradually (from slightly more than 30% in the first quarter of 2007 to almost 60% in the final quarter). This is attributable mainly to forecasted decrease in lending rates in the future (due to differences between the base rates of central banks, which will no longer exist once Slovakia joins the euro area). Customer interest rates on house purchase loans in Slovakia are higher than in the euro area and are expected to go down. This would not apply, if the ECB increased its base rates. Market rates in the euro area are higher than in Slovakia (partly as a result of lack of liquidity after the problems of the financial sector with sub prime mortgages in the United States).

Chart A Real Estate Loans by Type (outstanding amounts in SKK billion)



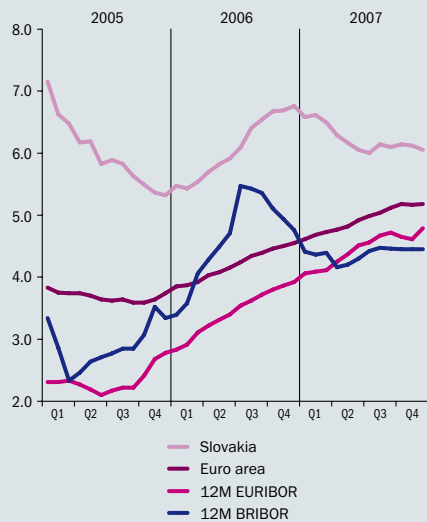
Source: NBS.

Chart B Real Estate Loans by Interest Rate Fixation



Source: NBS.

Chart C Developments in Interest Rates on Real Estate Loans and Market Rates in Slovakia and in the Euro Area (%)



Source: NBS.

Chart D Real Estate Loans in SKK by Type (outstanding amounts in SKK billion)



Source: NBS.

The difference between interest rates on house purchase loans in Slovakia and in the euro area is becoming smaller. When comparing these figures with market interest rates, one can see that the risk margin is moderately higher in Slovakia than in the euro area. Even though market rates in the euro area are higher than in Slovakia, customer rates on house purchase loans are by about 1 percentage point higher in our country than in the euro area.

The growing volume of new house purchase loans granted to households led to an increase in the total volume of house purchase loans. At the end of 2007, the volume of household loans increased by SKK 42.4 billion, compared with December of 2006 (in 2006, the annual increase equalled to SKK 38.3 billion). In the last months of 2007, the growth in house purchase loans accelerated moderately (the rate of growth increased by about 1 percentage point, compared

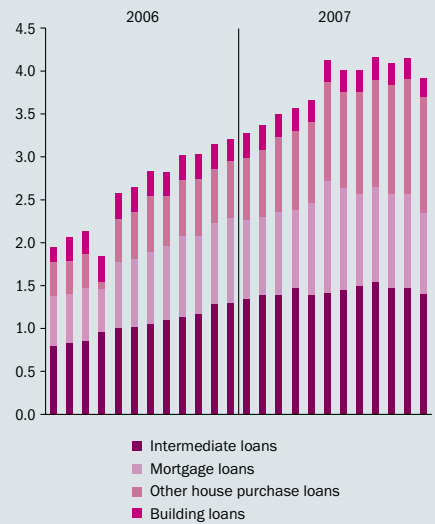


Chart E Year-on-year Changes in Loans to Households (outstanding amounts in SKK billion)



Source: NBS.

Chart F Developments in Failed Real Estate Loans to Households (SKK billion)

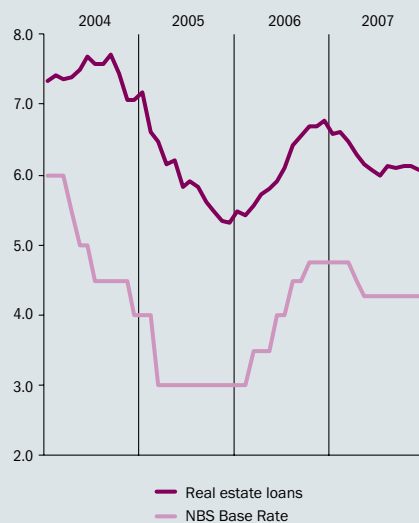


Source: NBS.

with the third quarter). Comparing the December's figures with those from the previous year, the volume of mortgage loans increased by almost SKK 21 billion, other house purchase loans by SKK 16 billion and loans provided by home savings banks by SKK 5.5 billion. The total growth in house purchase loans (28.1%) is attributable mainly to mortgage loans (13.9 percentage points) and other house purchase loans (10.6 percentage points).

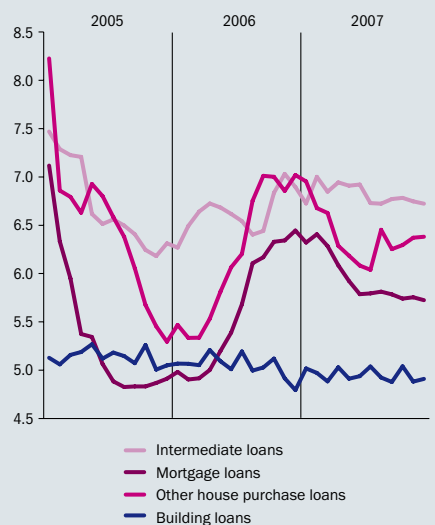
In December 2007, the volume of failed¹ house purchase loans reached SKK 3.9 billion, which was by SKK 0.3 billion less than in the third quarter. The volume decreased in all types of loans.

Chart G Developments in Interest Rates on Real Estate Loans and NBS Base Rate (%)



Source: NBS.

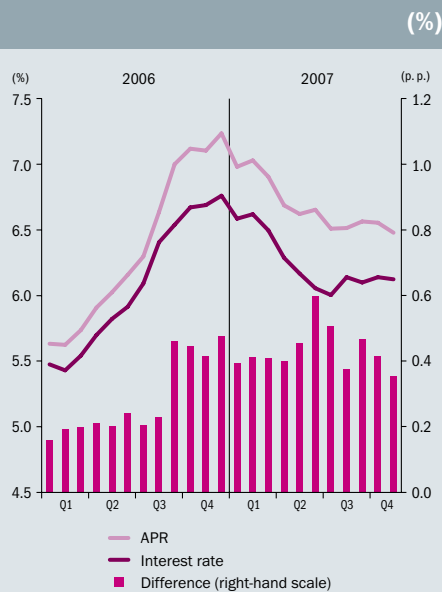
Chart H Developments in Interest Rates on Real Estate Loans by Type (%)



Source: NBS.

¹ Failed loans are defined by NBS policy No 7/2005 on the classification of assets and liabilities of banks and branch offices of foreign banks as claims, where a drop in value of more than 50% has been identified by the bank or where repayment by debtor is delayed by more than 90 days.

Chart I House Purchase Loans



Source: NBS.

Intermediate loans had the highest share in failed loans, followed by mortgage loans and other house purchase loans. The share of failed loans reached about 2.0% of all house purchase loans at the end of 2007, representing a decrease of 0.3 percentage points compared with the third quarter.

The high volume of house purchase loans granted responded to higher prices of real property, increased number of new residential projects that went on sale and the relatively favourable development of interest rates during 2007. The trend of moderate decline in interest rates on house purchase loans, which started at the beginning of 2007, stopped in the middle of the year and the rates stagnated. The rate of interest on house purchase loans, however, is just slightly lower than the lowest values from the end of 2005 and beginning of 2006. In December 2007, the interest rate on house purchase loans was about 6.1% and, compared with January 2007, went down by 0.5 of a percentage point, following the decrease in the NBS base rate.

Looking at individual types of house purchase loans, the development of interest rates was relatively stable. The stagnation was the result of the development of key interest rates of NBS and the relatively stable development of interest rates in the interbank market.

The difference between the annual percentage rate (APR) and the interest rate represents the amount of cost related to the loan product (particularly fees). In case of house purchase loans, this difference is about 0.4 percentage points and has been relatively stable since the middle of 2006. In the category of house purchase loans, the highest difference between APR and the interest rate was in loans by home savings banks (the annual average is 0.7 percentage points in the case of building loans and more than 1 percentage point in the case of intermediate loans, with a growth trend reported in 2007). In case of mortgage loans and other house purchase loans, this figure is about 0.2 percentage points. The more pronounced costs of loans provided by home savings banks compared with loans by commercial banks seem to be related to loan amounts (and tougher competition between banks). As a general rule, the amount of mortgage loans and other house purchase loans is higher than that of loans provided by home savings banks and the former are usually provided for a longer period of time. As a result, the charges do not increase the overall annual percentage rate as much as in the case of loans provided by home savings banks.



Annexes

1 International Economy: Tables and Graphs

Table 27 Euro Area (year-on-year changes in %, unless otherwise specified)

	Prices			Real economy				Financial market
	HICP	HICP ¹⁾ (core inflation)	PPI	GDP ^{2),4),5)}	Industrial production ^{2),3)}	Retail trade (sales) ^{2),3)}	Unemployment (% of the labour force) ⁶⁾	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	8.3	3.86
2007	2.1	2.0	.	.	.	.	7.4	4.33
2006 Q4	1.8	1.6	4.1	3.2	4.1	2.3	7.9	3.86
2007 Q1	1.9	1.9	2.9	3.2	4.0	1.6	7.6	4.08
2007 Q2	1.9	1.9	2.4	2.5	2.8	0.9	7.5	4.42
2007 Q3	1.9	2.0	2.2	2.7	4.0	1.3	7.4	4.48
2007 Q4	2.9	2.3	.	.	.	.	7.2	4.34
X.07	2.6	2.1	3.3	-	4.3	0.8	7.3	4.40
XI.07	3.1	2.3	4.2	-	3.1	-1.2	7.2	4.25
XII.07	3.1	2.3	4.3	-	1.3	-2.0	7.2	4.38
I.08	3.2	.	.	-	.	.	.	4.23

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.

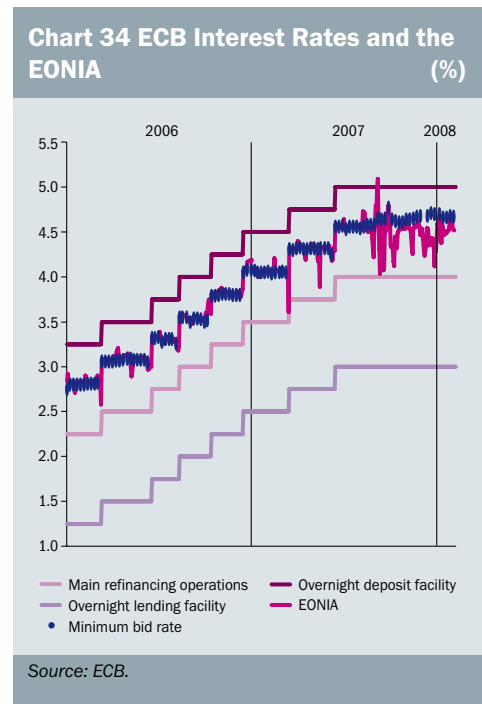
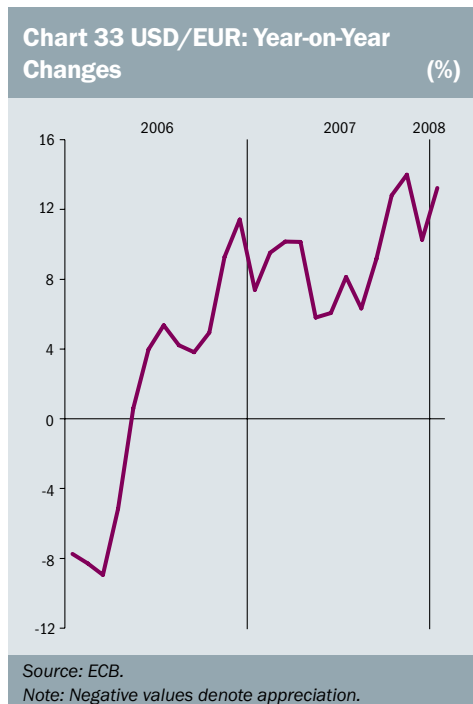




Table 28 Czech Republic (year-on-year changes in %, unless otherwise specified)

	Prices			Real economy				Financial market
	HICP	HICP ¹⁾ (core inflation)	PPI	GDP ^{2),4),5)}	Industrial production ^{2),3)}	Retail trade (sales) ^{2),3)}	Unemployment (% of the labour force) ⁶⁾	10-years bonds (yield to maturity in %) ⁷⁾
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	4.0	.	.	.	5.3	4.28
2006 Q4	1.1	1.0	2.2	6.1	10.2	7.0	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	7.7	5.5	4.23
2007 Q3	2.7	3.1	3.9	6.1	6.0	7.2	5.2	4.54
2007 Q4	4.9	4.5	5.0	.	.	.	4.8	4.56
X.07	4.0	3.8	4.4	-	6.6	6.1	5.0	4.50
XI.07	5.1	4.7	5.3	-	4.9	3.2	4.8	4.54
XII.07	5.5	5.1	5.2	-	.	.	4.7	4.65
I.08	7.9	.	.	-	.	.	.	4.54

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

	Prices			Real economy				Financial market
	HICP	HICP ¹⁾ (core inflation)	PPI	GDP ^{2),4),5)}	Industrial production ^{2),3)}	Retail trade (sales) ^{2),3)}	Unemployment (% of the labour force) ⁶⁾	10-years bonds (yield to maturity in %) ⁷⁾
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	7.4	7.12
2007	7.9	6.7	6.4	.	.	.	7.3	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	5.2	.	.	.	7.3	6.76
X.07	6.9	6.0	4.0	-	5.9	-4.1	7.3	6.61
XI.07	7.2	6.2	5.4	-	5.5	-4.2	7.3	6.74
XII.07	7.4	6.3	6.1	-	.	.	7.3	6.93
I.08	7.4	.	.	-	.	.	.	7.11

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

	Prices			Real economy				Financial market
	HICP	HICP ¹⁾ (core inflation)	PPI	GDP ^{2),4),5)}	Industrial production ^{2),3)}	Retail trade (sales) ^{2),3)}	Unemployment (% of the labour force) ⁶⁾	10-years bonds (yield to maturity in %) ⁷⁾
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	.	.	9.4	13.4	9.6	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	10.0	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	.	.	7.4	11.2	8.4	5.73
X.07	3.1	2.7	4.1	-	8.9	13.3	8.7	5.64
XI.07	3.7	3.1	4.6	-	8.3	13.1	8.4	5.70
XII.07	4.2	3.3	.	-	5.1	8.0	8.1	5.86
I.08	.	.	.	-	.	.	.	5.81

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.

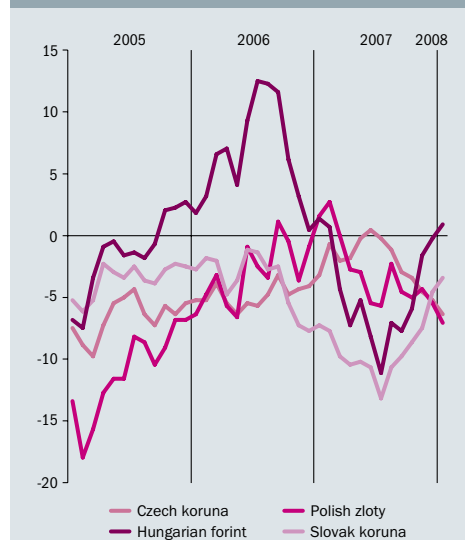
Chart 35 Exchange Rate Indices of V4 Currencies against the Euro
(31 December 2004 = 100)



Source: Eurostat, NBS calculations.

Note: A fall in value denotes an appreciation.

Chart 36 Exchange Rates of V4 Currencies against the Euro
(year-on-year changes in %)



Source: Eurostat, NBS calculations.

Note: Negative values denotes appreciation.

Table 31 United States (year-on-year changes in %, unless otherwise specified)

	Prices			Real economy				Financial market
	CPI	CPI ¹⁾ (core inflation)	PPI ²⁾	GDP ³⁾	Industrial production ⁴⁾	Retail trade ⁵⁾	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	2.2	2.6	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	2.8	1.1	4.1	4.6	4.74
2007 Q4	4.0	2.3	6.8	2.5	1.8	5.1	4.8	4.27
X.07	3.5	2.2	6.0	-	1.5	5.2	4.7	4.53
XI.07	4.3	2.3	7.7	-	2.2	5.8	4.7	4.15
XII.07	4.1	2.4	6.8	-	1.5	4.2	5.0	4.10
I.08	.	.	.	-	.	.	4.9	3.74

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

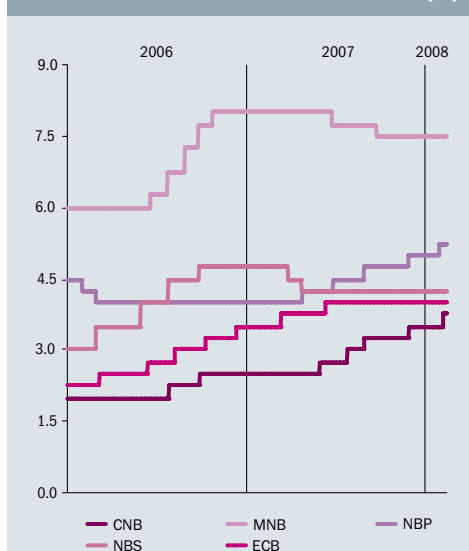
1) Core CPI – inflation excluding food and energy.

2) PPI finished products.

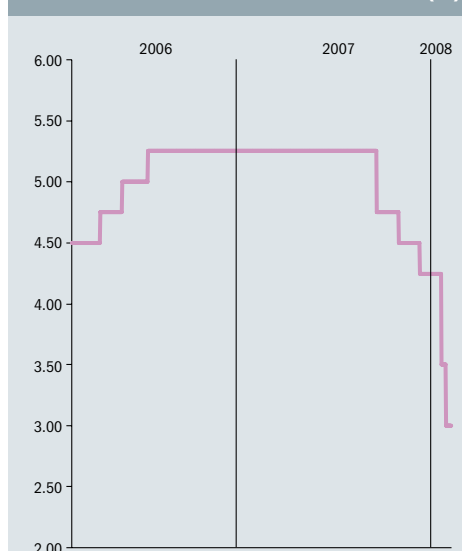
3) Seasonally adjusted.

4) Industrial production in total (seasonally adjusted.)

5) Retail trade and restaurant services.

Chart 37 Key Interest Rates of the NCBs of V4 Countries (%)


Source: ECB, national central banks.

Chart 38 United States: Federal Funds Rate (%)


Source: Federal Reserve System.

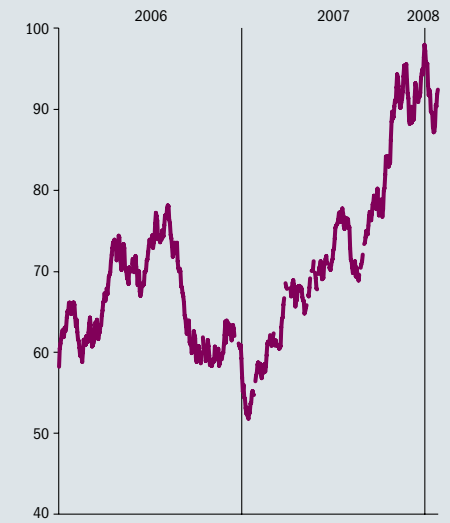


Table 32 Year-on-year Inflation in Individual EU-countries during the Last 12 Months

2007	Belgium	Bulgaria	Czech Republic	Denmark	Germany	Estonia	Ireland	Greece	Spain	France	Italy	Cyprus	Latvia	Lithuania	Luxembourg	Hungary	Malta	Netherlands	Austria	Poland	Portugal	Romania	Slovenia	Slovakia	Finland	Sveden	United Kingdom
January	1.7	6.8	1.4	1.8	1.8	5.0	2.9	3.0	2.4	1.4	1.9	1.4	7.1	4.0	2.3	8.4	1.2	1.2	1.7	1.6	2.6	4.1	2.8	2.2	1.3	1.6	2.7
February	1.8	4.6	1.7	1.9	1.9	4.6	2.6	3.0	2.5	1.2	2.1	1.2	7.2	4.4	1.8	9.0	0.8	1.4	1.7	1.9	2.3	3.9	2.3	2.0	1.2	1.7	2.8
March	1.8	4.4	2.1	1.9	2.0	5.6	2.9	2.8	2.5	1.2	2.1	1.4	8.5	4.8	2.4	9.0	0.5	1.9	1.9	2.4	2.4	3.7	2.6	2.1	1.6	1.6	3.1
April	1.8	4.4	2.7	1.7	2.0	5.6	2.9	2.6	2.5	1.3	1.8	1.6	8.8	4.9	2.5	8.7	-1.1	1.9	1.8	2.2	2.8	3.8	2.9	2.0	1.5	1.6	2.8
May	1.3	4.5	2.4	1.7	2.0	5.9	2.7	2.6	2.4	1.2	1.9	1.9	7.8	5.0	2.3	8.4	-1.0	2.0	1.9	2.3	2.4	3.9	3.1	1.5	1.3	1.2	2.5
June	1.3	5.3	2.6	1.3	2.0	6.0	2.8	2.6	2.5	1.3	1.9	1.7	8.9	5.0	2.3	8.5	-0.6	1.8	1.9	2.6	2.4	3.9	3.8	1.5	1.4	1.3	2.4
July	1.3	6.8	2.5	1.1	2.0	6.5	2.7	2.7	2.3	1.2	1.7	2.3	9.5	5.1	2.0	8.3	-0.2	1.4	2.0	2.5	2.3	4.1	4.0	1.2	1.6	1.4	1.9
August	1.2	9.3	2.6	0.9	2.0	6.1	2.3	2.7	2.2	1.3	1.7	2.2	10.2	5.6	1.9	7.1	0.6	1.1	1.7	2.1	1.9	5.0	3.4	1.2	1.3	1.2	1.8
September	1.4	11.0	2.8	1.2	2.7	7.5	2.9	2.9	2.7	1.6	1.7	2.3	11.5	7.1	2.5	6.4	0.9	1.3	2.1	2.7	2.0	6.1	3.6	1.7	1.7	1.6	1.8
October	2.2	10.6	4.0	1.8	2.7	8.7	3.0	3.0	3.6	2.1	2.3	2.7	13.2	7.6	3.6	6.9	1.6	1.6	2.9	3.1	2.5	6.9	5.1	2.4	1.8	1.9	2.1
November	2.9	11.4	5.1	2.5	3.3	9.3	3.5	3.9	4.1	2.6	2.6	3.2	13.7	7.9	4.0	7.2	2.9	1.8	3.2	3.7	2.8	6.8	5.7	2.3	2.2	2.4	2.1
December	3.1	11.6	5.5	2.4	3.1	9.7	.	3.9	4.3	2.8	2.8	3.7	14.0	8.2	4.3	7.4	3.1	1.6	3.5	4.2	2.7	6.7	5.7	2.5	1.9	2.5	2.1

Source: Eurostat.

Chart 39 Oil Prices in USD/Barrel



Source: Reuters.

2 Capital Market

2.1 Primary Market

In January, the Agency for Debt and Liquidity Management (ARDAL) organised two auctions of government bonds (with residual maturity of 2.1 and 6 years). In the first auction, it accepted SKK 5.01 billion of all the bids received worth SKK 9.3 billion. In the second, SKK 4.1 billion of all bids worth SKK 6.5 billion were accepted. In the second auction, the maximum volume of the issue of SKK 40 billion (original maturity 10 years) was reached. The required yields were 4.43% in the first and 4.33% in the second auction on average. The reasons for meeting almost 60% of all the bids received comprised favourable interest rates offered by investors and the need to finance the national budget.

On the primary market for non-government bonds, two bond issues denominated in CZK and EUR, worth SKK 3.5 billion, were floated in January, including 1 issue of mortgage bonds denominated in EUR, worth SKK 3.4 billion.

2.2 Secondary Market

The total volume traded on the Bratislava Stock Exchange (BCPB) reached SKK 22.5 billion in January (in 333 transactions), representing a month-on-month increase of 28.1%. Price-setting transactions accounted for SKK 741.0 million and direct transactions for SKK 21.7 billion.

Non-resident investors accounted for 58.6% of the total volume traded in January, of which 84.1% were purchases and 33.1% sales.

Benchmark government bond yields went down by an average of 0.21 percentage points, compared with the previous month. Yields on bonds with four-, five- and six-month maturity changed most notably, decreasing by 0.26 of a percentage point on average. Bond yields were influenced by movements in yields in euro area countries, which, however, recorded a larger decrease than yields in Slovakia. As a result, the spreads between the Slovak and the European benchmark widened.

Bonds

The BCPB recorded 143 bond transactions totalling SKK 22.4 billion during the month (i.e. 99.5% of the total volume traded on the BCPB floor in January).

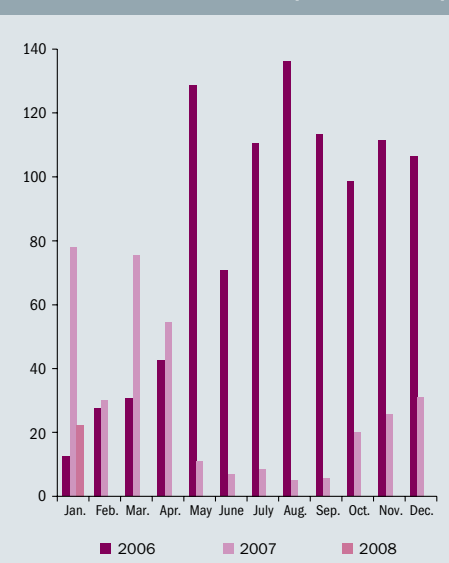
The market capitalisation of bonds as at the last trading day of January reached SKK 433.8 billion, representing a month-on-month decrease of 3.5%. Market capitalisation of listed bonds decreased since the end of December by 3.7%, to SKK 414.6 billion.

Chart 40 Benchmark Government Bond Yield Curves (%)



Source: Reuters, NBS.

Chart 41 Bond Transactions in the BCPB (SKK billions)



Source: Bratislava Stock Exchange (BCPB).



SDXGroup indices

Table 33 The Values of SDXGroup Indices at the End of January 2008

Sector	SDXGroup indices		Yield to maturity (%)	Duration (in years)
	Price	Performance		
Public	103.4	123.5	4.325	4.679
SDXG sub-index (<=5)	102.1	120.7	4.138	2.755
SDXG sub-index (>5)	105.1	127.0	4.416	7.076
Private (corporate + mortgage bonds)	98.9	123.8	4.695	4.513
SDXG sub-index (>5)	103.1	123.9	4.695	4.513

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, 29,767 equity securities worth SKK 110.7 million were traded in 190 transactions. Price-setting transactions (involving shares) accounted for SKK 9.3 million and direct transactions for SKK 101.4 million.

By the last trading day of January 2008, the market capitalisation of equity securities had increased by 0.1% month-on-month to SKK 159.6 billion. The actual amount of issues that had a market price at least once in the past, except for investment fund shares and participation certificates, was SKK 153.2 billion (a month-on-month increase of 0.1%) and accounted for 96.0% of the total equity market capitalisation. Market capitalisation of listed issues increased since the end of December by 0.5%, to SKK 89.9 billion.

In January, the BCPB accepted no new share issues for trading in the quoted market or the regulated open market and did not suspend trading with any issue in either of the two markets. During the month under review, the number of debt securities traded in the regulated open market increased by one new issue of bonds (nominal value SKK 223.8 million). In the bond market, one government bond worth SKK 27.8 billion and one corporate bond worth SKK 375 million expired.

SAX Index The SAX index closed the month at 447.88 points, representing an increase of 0.5% month-on-month and 8.25% year-on-year. The index reached its monthly maximum on 9 January (452.10 points) and its monthly minimum on 8 January (444.36 points)

Chart 42 Developments in the SAX Index in October 2007 (points)



Source: BCPB.

Table 34 Weights of Basic SAX Index Components at the Month-ends

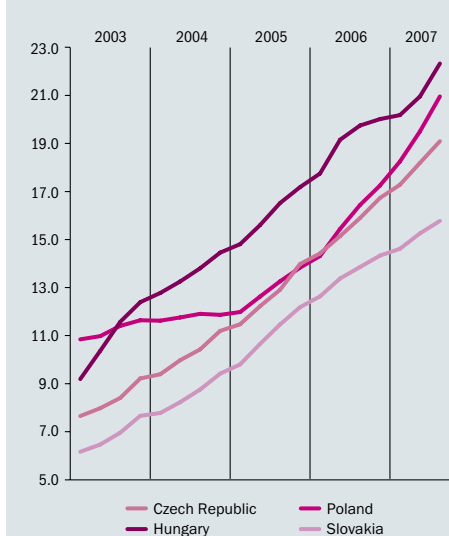
Company	Weights in %						Monthly change
	Aug. 2007	Sep. 2007	Oct. 2007	Nov. 2007	Dec. 2007	Jan. 2008	
Biotika, a. s.	4.48	4.71	5.10	4.58	4.04	4.02	-0.02
OTP Banka Slovensko, a. s.	22.92	21.87	22.00	21.59	21.46	21.35	-0.11
SES Tlmače, a. s.	14.09	14.80	15.33	16.38	16.66	17.28	0.62
Slovnaft, a. s.	30.58	30.49	29.96	29.65	29.55	29.93	0.38
Všeobecná úverová banka, a. s.	27.92	28.14	27.61	27.81	28.30	27.43	-0.87

Source: BCPB.

3 Household Indebtedness

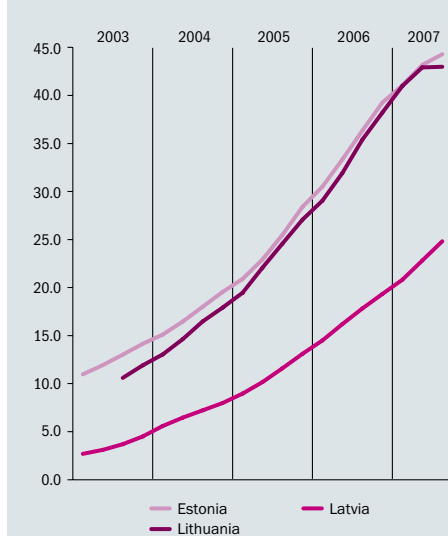
Household indebtedness expressed as the volume of household loans relative to GDP, stood at 15.8% in the third quarter of 2007. The indebtedness figure has been growing since a longer period of time. Annually, it increased by 1.9 percentage points, which represents a moderate slowdown (increase of 2.4 percentage points in the third quarter of 2006 compared with the same period a year earlier). Compared with the other Visegrad countries, the indebtedness of Slovak households is at the lowest levels, with all countries reporting growth in indebtedness. The highest figure of household loans relative to GDP was reported by Hungary (22.3% in the third quarter of 2007). Household indebtedness is higher in the Baltic countries: about 43% in Estonia and Latvia and 25% in Lithuania. Compared with the euro area countries and the United Kingdom, these levels are still low. The ratio of household loans to GDP

Chart 43 Share of MFI Receivables from Households in GDP in V4-countries (%)



Sources: NBS calculations, banks' web sites, Eurostat.

Chart 44 Share of MFI Receivables from Households in GDP in Baltic Countries (%)



Sources: NBS calculations, banks' web sites, Eurostat.

Chart 45 Share of MFI Receivables from Households in GDP (%)



Sources: NBS calculations, banks' web sites, Eurostat.

in the euro area countries shows a trend of moderate growth and currently stands at 54.3%. In the United Kingdom, this indicator is quite stable and equals to 72.4% on average.

Loan financing of final household consumption

The level of loan financing of final household consumption is expressed as the growth in household loans relative to household consumption in the relevant quarter. Slovakia reported an average level of loan financing of 5.4%. Looking at the purpose of use, the share of consumer and other loans in final household consumption hovers around 2%. House purchase loans are the only category to report growing figures.

Compared with the other Visegrad countries, Slovakia has currently the lowest level of loan financing of final household consumption, which is about the same as in the previous year. The highest growth since 2003 was reported by Poland (increase of 10.4 percentage points) and the Czech Republic (increase of 7.6 percentage points). In the Baltic countries, the level of loan financing has been rapidly growing since 2005. In Estonia and



Chart 46 Share of MFI Receivables from Households in their Final Consumption (%)

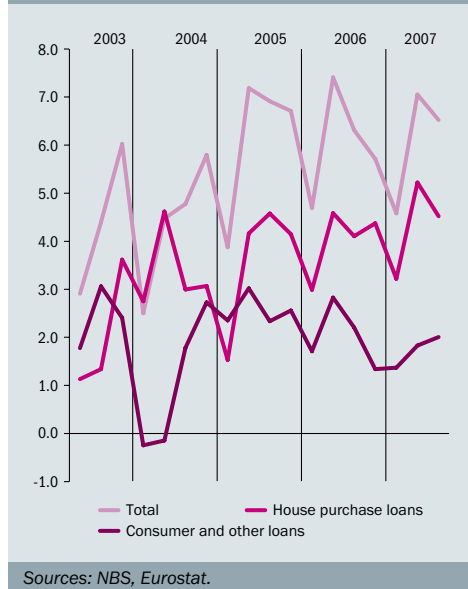
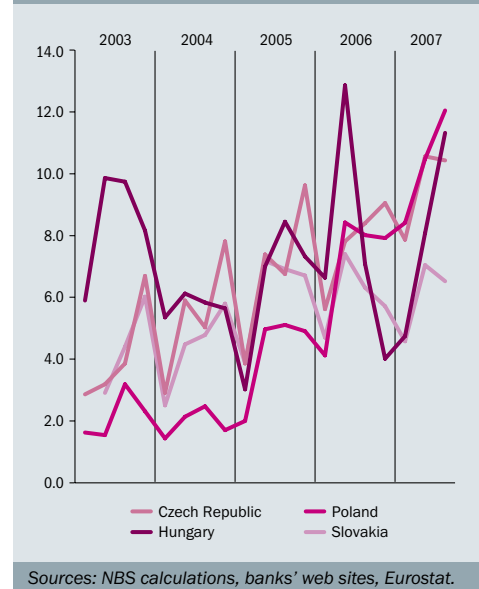


Chart 47 Share of MFI Receivables from Households in their Final Consumption (%)



Latvia, it hovered between 20 and 30%; in Lithuania, it was between 10 and 15%. The level of loan financing of final household consumption in the euro area and in the United Kingdom was almost equal (6.5% on average).

Conclusion

The charts indicate that the current moderate slowdown in the growth of household loans results in a slower growth of household indebtedness and widens the difference in indebtedness to the other Visegrad countries. The convergence to the high levels of household loans relative to GDP in the euro area and in the United Kingdom suggests that a more significant slowdown in the growth of loans in the future is not likely. To the contrary, development in the Baltic countries might be an indication of possible accelerated growth in loans and, as a result, also in household indebtedness.

4 Methodological Notes to Selected Indicators

4.1 Monetary Statistics

4.1.1 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)⁴.

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

⁴ 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):

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

4.1.2 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 35 Calculation of Monetary Aggregates

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

The main differences between the individual methodologies are as follows:

- **in the definition of monetary financial institutions:**
 - the ECB methodology uses an extended file of monetary financial institutions (MFIs), which includes 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)⁵;
 - 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 data⁶.

4.1.3 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 granted⁷ 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.

⁵ 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.

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

⁷ 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. 63/2002⁸ 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.

⁸ 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.

4.1.4 Classification of Loans According to Quality

Year 2005⁹

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.

⁹ 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.

4.1.5 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.



4.2 Basic Macroeconomic Indicators

4.2.1 Gross Domestic Product (GDP)

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

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

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

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

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

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

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

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

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

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

Gross fixed capital formation – consists of resident producers' acquisitions, less disposals, of fixed assets during a given period. Fixed assets are tangible or intangible assets produced as outputs from processes of production that are themselves used repeatedly, or continuously, in processes of production



for more than a year, and whose acquisition value was Sk 30,000.- or more for long-term tangible assets and Sk 50,000.- or more for intangible assets. Additions to the value of certain non-produced assets (e.g. land reclamation), and expenses incurred in connection with the transfer of property, are also taken into account.

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

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

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

4.2.2 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.

4.2.3 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.

4.2.4 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.

4.2.5 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'.

5 Tables

Selected Indicators of Economic and Monetary Development in the SR

	Unit	2007												2008
		1	2	3	4	5	6	7	8	9	10	11	12	1
REAL ECONOMY														
Gross domestic product ¹⁾²⁾	SKKbillions	-	-	325.9*	-	-	683.7*	-	-	1,052.2*	-	-	-	-
Year-on-year change in GDP ³⁾	%			8.3*			8.8*			9.0*				
Unemployment rate ⁴⁾⁹⁾	%	9.5	9.2	8.9	8.5	8.3	8.3	8.3	8.2	8.3	7.9	7.8	8.0	
Consumer prices (HICP) ³⁾⁸⁾	%	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) ³⁾	%	3.0	2.7	2.7	2.7	2.3	2.5	2.3	2.3	2.8	3.3	3.1	3.4	3.8
BALANCE OF TRADE ⁷⁾⁹⁾														
Exports (fob)	SKKmillions	109,098	215,715	334,970	445,481	566,837	684,151	798,498	906,940	1,030,797	1,174,620	1,310,189	1,418,434	
Imports (fob)	SKKmillions	102,384	209,423	330,087	439,801	564,232	686,000	801,651	915,987	1,036,536	1,177,959	1,320,419	1,438,134	
Balance	SKKmillions	6,714	6,293	4,883	5,680	2,606	-1,850	-3,153	-9,047	-5,739	-3,340	-10,230	-19,700	
BALANCE OF PAYMENTS														
Current account ⁷⁾	SKKmillions	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	-88,466.2		
Capital and financial account	SKKmillions	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	170,341.9		
Overall balance	SKKmillions	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	95,796.3		
FOREIGN EXCHANGE RESERVES ⁴⁾														
Total foreign exchange reserves	USD millions	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	21,928.5
NBS foreign exchange reserves	USD millions	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	19,257.0
GROSS EXTERNAL DEBT ⁴⁾														
Total gross external debt	USD billions	31.3	32.2	35.2	37.0	35.4	36.7	38.2	38.3	39.8	42.2	43.1		
External debt per capita	USD	5,815	5,981	6,549	6,883	6,571	6,814	7,109	7,111	7,398	7,848	8,014		
MONETARY INDICATORS														
Exchange rate ⁵⁾	SKK/USD	26.694	26.434	25.583	24.788	24.954	25.355	24.311	24.647	24.378	23.669	22.637	22.882	22.797
M3 monetary aggregate ⁴⁾⁸⁾	SKKbillions	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	1,082.40	
Year-on-year change in M3 ³⁾	%	16.5	16.8	16.7	16.3	18.5	19.2	15.6	15.3	16.2	14.4	12.3	13.0	
Claims of monetary financial institutions ⁸⁾	SKKbillions	887.5	889.9	900.2	910.8	936.7	954.5	967.5	973.2	988.6	1012.8	1029.4	1,044.70	
STATE BUDGET ²⁾⁴⁾														
Revenue	SKKbillions	27.1	46.0	70.2	107.4	121.5	145.8	185.4	206.3	228.5	263.1	290.3	322.2	35.0
Expenditure	SKKbillions	24.2	54.5	82.1	108.9	134.5	156.8	181.5	205.9	229.1	256.2	284.9	345.7	22.0
Balance	SKKbillions	2.9	-8.5	-11.9	-1.5	-13.0	-11.0	9.3	0.4	-0.6	6.9	5.4	-23.5	13.0
MONEY MARKET														
Interest rates set by the NBS Bank Board														
Date of validity ⁶⁾														
Overnight operations		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
- sterilisation	%	3.25	3.25	2.50	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25
- refinancing	%	6.25	6.25	6.00	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75
Limit rate for 2-week repo tenders	%	4.75	4.75	4.50	4.25	4.25	4.25	4.25	4.25	4.25	4.25	4.25	4.25	4.25
Basic interest rate of the NBS (until 31/12/02: discount rate)	%	4.75	4.75	4.50	4.25	4.25	4.25	4.25	4.25	4.25	4.25	4.25	4.25	4.25
Average interbank deposit rate (BRIBOR)														
overnight	%	3.63	5.61	3.80	2.99	3.61	4.68	3.73	3.52	4.10	3.78	3.82	2.75	4.01
7-day	%	4.11	4.93	4.11	3.47	4.11	4.34	4.19	4.08	4.24	4.20	4.19	3.93	4.22
14-day	%	4.24	4.82	4.25	3.64	4.18	4.30	4.25	4.20	4.25	4.25	4.25	4.12	4.24
1-month	%	4.44	4.75	4.40	3.88	4.20	4.27	4.28	4.28	4.28	4.28	4.28	4.25	4.28
2-month	%	4.50	4.67	4.52	3.98	4.17	4.26	4.32	4.30	4.31	4.31	4.32	4.28	4.30
3-month	%	4.50	4.60	4.48	4.05	4.16	4.27	4.34	4.33	4.32	4.33	4.35	4.31	4.32
6-month	%	4.47	4.49	4.44	4.10	4.16	4.27	4.37	4.40	4.38	4.38	4.40	4.36	4.35
9-month	%	4.42	4.40	4.41	4.13	4.18	4.28	4.40	4.44	4.41	4.42	4.43	4.41	4.38
12-month	%	4.41	4.36	4.39	4.16	4.20	4.30	4.42	4.47	4.44	4.45	4.45	4.45	4.41

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

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



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

	Share of the total (in %) ¹⁾	Volume (SKK billions)												
		2006	2007											
		12	1	2	3	4	5	6	7	8	9	10	11	12
Claims of MFIs on residents	46.4	646.3	653.5	658.1	667.7	674.6	690.3	706.9	720.8	725.9	742.8	762.3	776.4	791.5
General government	1.3	18.8	18.6	21.4	23.4	24.3	23.0	21.1	21.0	21.4	21.4	21.0	22.4	23.0
Private sector	45.0	627.5	635.0	636.7	644.3	650.3	667.4	685.8	699.8	704.5	721.5	741.2	754.0	768.4
Non-financial corporations	23.3	326.5	331.1	331.6	333.2	337.6	346.7	357.5	364.4	364.2	374.5	385.1	389.3	397.5
– up to 1 year	9.9	135.0	136.2	140.3	144.3	142.3	146.3	158.4	156.9	153.5	160.8	165.2	169.3	168.5
– 1 to 5 years	4.8	64.0	65.0	65.7	64.2	68.5	69.2	67.5	72.4	72.7	72.4	74.8	76.9	82.3
– over 5 years	8.6	127.4	129.9	125.6	124.7	126.8	131.3	131.6	135.1	138.0	141.3	145.1	143.1	146.7
Financial corporations	3.9	63.0	62.9	60.8	61.6	59.6	60.4	61.2	62.4	61.6	62.6	64.5	66.2	66.4
Insurance corporations and pension funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Households and non-profit institutions serving households	17.8	238.1	240.9	244.1	249.4	253.1	260.2	267.1	273.0	278.7	284.4	291.5	298.5	304.5
– consumer loans	2.4	35.9	36.3	36.7	37.5	36.8	37.5	38.2	39.0	39.4	40.0	40.5	41.1	41.6
– housing loans	12.0	157.0	159.8	161.9	165.0	168.6	173.6	178.1	181.9	186.1	190.0	194.9	199.6	204.1
– other loans	3.4	45.2	44.8	45.5	46.9	47.8	49.2	50.8	52.0	53.3	54.4	56.1	57.7	58.8
Securities other than shares and participation certificates issued by residents	14.4	243.8	228.1	225.6	226.3	230.0	239.4	240.6	239.7	240.2	238.7	243.5	245.0	245.3
General government	14.0	236.0	220.7	218.2	218.9	222.7	232.5	233.9	232.9	233.4	231.7	236.6	238.2	238.6
Private sector	0.4	7.8	7.5	7.4	7.4	7.3	6.9	6.7	6.7	6.8	7.0	6.9	6.8	6.7
Shares and other equities issued by private sector	0.5	5.6	5.9	6.2	6.2	6.2	6.9	7.0	7.0	7.0	7.1	7.1	8.0	8.0
Foreign assets	33.4	452.4	478.4	468.2	508.8	542.3	544.6	545.9	537.9	554.9	551.4	554.8	544.4	569.9
Fixed assets	1.9	34.2	33.3	33.0	33.1	32.8	32.6	32.3	32.3	32.2	32.1	32.0	32.2	33.2
Other assets	3.5	56.5	50.5	51.1	53.6	54.5	55.4	54.4	53.7	53.1	55.7	59.9	60.0	59.6
Deposits and loans received from the central government	3.6	45.0	20.8	15.5	17.6	43.6	64.0	68.8	85.4	79.7	74.8	82.4	90.6	61.0
Long-term financial liabilities	10.6	168.0	174.2	167.4	156.3	157.7	161.5	165.3	157.6	164.5	169.2	168.6	170.9	180.5
Deposits and loans received with an agreed maturity of over 2 years	4.3	66.7	67.4	69.1	68.7	68.1	68.5	69.2	69.1	69.9	70.2	70.2	71.1	73.7
Deposits redeemable at a period of notice of over 3 months	1.4	24.3	24.0	23.8	23.6	23.7	23.6	23.7	23.6	23.4	23.4	23.3	23.3	23.5
Debt securities issued with a maturity of over 2 years	2.6	31.6	31.7	30.9	32.0	33.8	34.5	37.5	37.0	37.3	39.0	41.5	43.0	44.6
Capital, reserves, and provisions	2.3	45.3	51.1	43.7	32.1	32.2	34.9	35.0	28.0	33.9	36.6	33.7	33.6	38.7
Foreign liabilities	18.0	196.4	225.5	208.4	258.1	270.4	256.8	254.4	264.9	271.8	267.0	284.1	279.2	307.1
Other liabilities	4.5	71.1	68.3	77.2	83.5	80.8	78.5	76.4	75.0	68.2	77.4	84.9	84.3	76.5
Surplus of liabilities among MFIs	-0.0	-0.1	-0.1	-0.1	-0.5	-2.0	-0.9	-4.3	-0.1	-0.1	-0.1	-0.0	-0.1	-0.1
M3	63.4	958.4	961.1	974.0	981.0	989.6	1,009.3	1,026.6	1,008.5	1,029.3	1,039.4	1,039.6	1,041.0	1,082.4
Total	100.0	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	1,707.4

¹⁾ In the current month.

Average Interest Rates on New Loans

(ECB methodology)

(%)

	2006	2007											
	12	1	2	3	4	5	6	7	8	9	10	11	12
Loans in total¹⁾	7.73	7.94	7.92	7.50	7.64	7.66	7.76	7.44	7.30	7.45	7.22	7.36	7.04
Current account overdrafts	8.22	7.99	8.24	7.73	7.66	7.94	8.00	7.61	7.68	7.71	7.47	7.52	7.39
Operation loans	5.32	5.32	5.72	4.92	4.43	4.97	4.97	4.85	4.57	4.82	4.76	4.91	5.09
Investment loans	6.17	6.10	6.06	5.93	5.41	5.72	5.46	5.48	5.71	5.67	5.65	5.52	5.48
Consumer loans	13.67	12.76	13.01	14.11	13.79	12.86	12.44	13.41	13.46	13.55	13.66	13.30	13.12
Real estate loans	6.52	6.49	6.11	6.13	6.21	6.06	5.96	5.98	6.11	6.10	6.09	6.07	6.07
of which:													
Mortgage loans	6.46	6.36	6.40	6.30	6.09	5.93	5.79	5.80	5.81	5.78	5.75	5.76	5.73
Construction loans	4.79	5.02	4.97	4.88	5.03	4.91	4.94	5.04	4.92	4.88	5.03	4.88	4.91
Intermediate loans	6.87	6.64	7.00	6.84	6.92	6.88	6.87	6.72	6.68	6.74	6.76	6.73	6.70
Other real estate loans	6.49	6.55	5.90	5.95	6.11	5.97	5.89	5.97	6.25	6.22	6.11	6.15	6.24
Other loans	6.63	6.13	6.33	6.29	6.18	6.80	6.41	6.51	6.09	6.17	6.36	6.43	5.74
Floating rate + IRF for up to 1 year incl.	7.80	7.95	7.95	7.53	7.64	7.70	7.78	7.46	7.31	7.47	7.20	7.32	7.00
IRF for over 1 year and up to 5 years incl.	7.05	7.61	7.13	7.82	7.42	6.77	7.15	6.77	6.84	7.02	7.35	7.61	7.65
IRF for over 5 years and up to 10 years incl.	8.06	7.99	8.03	6.40	8.25	8.45	8.87	7.80	8.05	7.72	8.26	8.90	8.47
IRF for over 10 years	6.02	6.77	7.12	6.52	7.40	6.56	6.26	6.67	6.75	7.04	6.18	6.43	6.97
Households													
Loans in total	12.54	12.85	12.80	12.56	12.29	12.22	12.16	12.25	12.38	12.21	12.04	12.15	12.12
Current account overdrafts	13.44	13.54	13.64	13.56	13.41	13.78	13.84	13.85	13.90	13.84	13.87	13.80	13.54
Operation loans	6.83	6.65	6.72	6.45	6.99	6.98	7.11	6.76	6.84	7.44	7.33	6.20	6.11
Investment loans	7.02	7.02	7.27	6.66	6.59	6.51	6.62	6.78	6.60	6.44	6.36	6.57	6.27
Consumer loans	13.67	12.76	13.03	14.11	13.79	12.89	12.44	13.41	13.46	13.59	13.66	13.30	13.23
Real estate loans	6.76	6.59	6.62	6.50	6.29	6.17	6.06	6.00	6.14	6.10	6.14	6.12	6.06
of which:													
Mortgage loans	6.45	6.32	6.41	6.29	6.08	5.92	5.79	5.79	5.81	5.78	5.74	5.76	5.72
Construction loans	4.79	5.02	4.97	4.88	5.03	4.91	4.94	5.04	4.92	4.88	5.04	4.88	4.91
Intermediate loans	6.90	6.73	7.00	6.85	6.95	6.91	6.92	6.73	6.72	6.77	6.78	6.75	6.72
Other real estate loans	7.02	6.96	6.68	6.63	6.29	6.18	6.08	6.04	6.46	6.25	6.30	6.37	6.38
Other loans	7.46	7.41	7.22	7.19	7.11	7.34	6.75	6.96	7.00	6.97	6.67	7.18	7.00
Credit cards	17.27	17.28	17.29	17.05	16.99	16.82	16.94	16.74	16.64	16.61	16.39	16.07	15.73
Floating rate + IRF for up to 1 year incl.	13.18	13.48	13.51	13.37	12.96	12.90	12.86	12.93	12.95	12.83	12.62	12.61	12.46
IRF for over 1 year and up to 5 years incl.	8.86	8.27	8.39	8.22	7.90	7.73	7.58	7.27	7.57	8.45	8.70	8.93	8.81
IRF for over 5 years and up to 10 years incl.	8.49	8.66	8.59	8.68	9.49	9.74	9.59	9.56	9.59	9.11	8.75	9.83	10.50
IRF for over 10 years	7.02	7.15	7.19	7.07	7.89	8.07	7.51	8.00	7.99	7.23	7.16	7.34	7.34
Non-financial corporations													
Loans in total	6.37	6.21	6.49	5.93	5.82	5.93	6.05	5.76	5.74	5.88	5.74	5.71	5.62
Current account overdrafts	6.60	6.33	6.66	6.05	5.93	6.00	6.24	5.81	5.83	6.00	5.76	5.81	5.65
Operation loans	5.32	5.40	5.72	4.96	4.66	4.94	4.97	5.03	4.89	4.96	5.41	4.90	5.31
Investment loans	6.31	5.79	6.01	5.92	5.39	5.92	5.39	5.48	5.73	5.67	5.61	5.70	5.65
Real estate loans	6.29	6.17	6.88	5.83	5.93	5.78	5.79	5.92	6.06	6.36	6.16	5.94	6.13
Other loans	6.49	5.74	5.80	5.55	5.89	6.54	6.06	6.50	5.51	6.17	6.32	6.42	5.51
Credit cards	17.27	17.22	17.29	17.08	17.12	16.37	17.58	17.95	17.72	17.49	16.62	17.25	17.85
Loans up 1 million EUR	6.39	6.26	6.24	6.13	5.75	6.34	6.09	5.93	6.05	5.92	6.12	6.16	6.07
Loans over 1 million EUR	5.79	5.25	5.70	5.21	4.95	5.06	5.15	5.39	5.13	5.28	5.48	5.20	5.39
Floating rate + IRF for up to 1 year incl.	6.37	6.21	6.49	5.93	5.81	5.93	6.05	5.75	5.74	5.89	5.75	5.71	5.61
IRF for over 1 year and up to 5 years incl.	6.46	6.24	6.55	6.53	6.34	5.74	6.24	6.03	5.62	5.74	5.45	5.66	6.39
IRF for over 5 years and up to 10 years incl.	6.50	6.48	6.41	5.82	5.61	5.48	6.22	5.96	5.98	6.01	6.31	6.28	6.28
IRF for over 10 years	5.83	6.24	7.04	5.97	6.23	5.83	5.64	5.89	5.96	6.26	5.65	5.94	6.10

¹⁾ Interest rates on total loans include insurance companies, pension funds, and the general government.
Note: IRF – Initial Rate Fixation.



Average Interest Rates on New Deposits

(ECB methodology)

(%)

	2006	2007											
	12	1	2	3	4	5	6	7	8	9	10	11	12
Deposits in total¹⁾	2.32	2.12	2.40	1.81	1.85	2.12	2.43	2.15	2.11	2.05	2.09	2.01	1.77
Deposits payable on demand	1.02	1.02	1.31	0.86	0.77	0.88	1.28	0.78	0.78	0.71	0.67	0.71	0.70
of which: demand deposits	0.79	0.83	0.95	0.71	0.68	0.78	0.93	0.64	0.67	0.62	0.60	0.58	0.61
overnight deposits	3.65	3.12	4.26	2.19	2.12	2.02	4.61	2.09	2.10	1.98	1.92	1.93	1.89
Deposits with agreed maturity ²⁾	4.40	3.74	4.44	3.36	3.33	3.89	4.06	3.99	3.90	3.95	3.91	3.93	3.74
– up to 1 year in total	4.40	3.74	4.45	3.36	3.33	3.89	4.06	3.99	3.91	3.95	3.91	3.94	3.74
– up to 7 days	4.00	3.47	4.61	2.72	2.34	3.33	4.10	3.36	2.92	3.44	2.95	3.07	2.27
– up to 1 month	4.55	3.83	4.50	3.65	3.57	4.02	4.09	4.10	4.06	4.09	4.07	4.07	3.97
– up to 3 months	3.92	3.78	3.75	3.63	2.87	3.22	3.28	3.37	3.31	3.29	3.44	3.30	3.38
– up to 6 months	3.87	3.90	3.77	3.66	3.43	2.97	2.95	3.70	3.24	3.40	3.37	3.23	3.31
– up to 1 year	3.90	3.65	3.56	3.21	3.29	3.48	3.41	3.28	3.19	2.95	3.35	2.93	3.64
– over 1 year in total	3.72	3.39	2.29	2.35	2.02	2.77	2.33	3.25	3.02	2.97	3.25	2.87	2.95
– up to 2 years	4.07	3.62	3.03	2.24	3.07	2.78	2.92	3.52	3.50	3.17	3.55	3.65	3.57
– over 2 years	4.00	3.41	2.28	3.80	1.94	2.86	2.29	3.45	2.85	2.76	3.20	2.58	2.50
Deposits redeemable at notice	1.83	1.79	1.82	1.82	1.78	1.84	1.71	1.72	1.73	1.78	1.79	1.83	1.87
– up to 3 months	1.55	1.48	1.49	1.48	1.39	1.50	1.25	1.26	1.27	1.35	1.36	1.44	1.44
– over 3 months	1.97	1.93	1.98	1.98	1.95	1.99	1.90	1.91	1.93	1.96	1.97	2.00	2.05
Households													
Deposits in total	1.18	1.16	1.18	1.07	0.98	1.02	1.00	0.99	1.01	1.00	1.03	1.01	0.99
Deposits payable on demand	0.50	0.51	0.58	0.54	0.51	0.54	0.51	0.50	0.48	0.47	0.47	0.44	0.47
of which: demand deposits	0.48	0.49	0.48	0.52	0.50	0.53	0.46	0.46	0.47	0.46	0.46	0.43	0.46
overnight deposits	3.11	2.86	4.00	2.08	1.75	1.75	4.31	2.27	1.95	1.80	1.72	1.76	1.76
Deposits with agreed maturity	3.91	3.57	3.86	3.17	2.86	3.22	3.47	3.33	3.32	3.44	3.36	3.38	3.26
– up to 1 year in total	3.92	3.58	3.93	3.17	2.86	3.23	3.49	3.33	3.34	3.45	3.36	3.39	3.28
– up to 7 days	3.83	3.62	4.38	2.85	2.48	3.20	3.76	3.12	2.93	3.33	2.97	3.12	2.32
– up to 1 month	3.90	3.39	3.89	3.16	2.86	3.29	3.49	3.38	3.39	3.52	3.45	3.43	3.33
– up to 3 months	3.66	3.73	3.47	3.30	2.65	2.90	3.03	3.13	3.15	3.08	3.17	3.11	3.11
– up to 6 months	3.54	3.14	3.21	3.19	2.69	2.75	2.91	3.00	3.00	3.15	3.03	3.10	3.13
– up to 1 year	3.98	3.77	3.66	3.33	3.44	3.03	3.08	3.12	3.28	3.28	3.35	3.27	3.25
– long-term over 1 year	3.67	3.39	2.29	2.61	2.43	2.77	2.36	3.25	3.02	3.11	3.25	2.90	2.93
– up to 2 years	3.95	3.65	3.09	2.28	3.07	2.79	3.31	3.51	3.50	3.50	3.55	3.65	3.57
– over 2 years	3.61	3.37	2.27	3.24	2.31	2.77	2.24	3.06	2.81	2.70	2.52	2.75	2.20
Deposits redeemable at notice	1.83	1.79	1.82	1.82	1.78	1.83	1.71	1.72	1.73	1.78	1.79	1.83	1.87
– up to 3 months	1.54	1.46	1.47	1.46	1.36	1.47	1.23	1.23	1.24	1.33	1.33	1.42	1.42
– over 3 months	1.97	1.93	1.98	1.98	1.95	1.99	1.90	1.91	1.93	1.96	1.97	2.00	2.05
Non-financial corporations													
Deposits in total	2.70	2.58	3.09	2.17	2.12	2.47	3.09	2.31	2.30	2.28	2.36	2.19	1.83
Deposits payable on demand	1.32	1.42	1.94	1.11	0.99	1.15	2.12	1.01	1.01	0.88	0.76	0.89	0.78
of which: demand deposits	1.02	1.10	1.41	0.89	0.84	0.97	1.52	0.74	0.82	0.70	0.63	0.65	0.66
overnight deposits	3.70	3.18	4.52	2.14	2.11	2.11	4.60	2.28	2.06	1.96	1.88	1.93	1.91
Deposits with agreed maturity	4.39	3.73	4.52	3.36	3.23	3.91	4.09	3.93	3.87	3.92	3.87	3.92	3.60
– up to 1 year in total	4.39	3.73	4.52	3.36	3.23	3.91	4.09	3.93	3.87	3.93	3.87	3.91	3.60
– up to 7 days	3.99	3.44	4.64	2.73	2.32	3.38	4.10	3.43	3.07	3.19	2.89	3.03	2.26
– up to 1 month	4.58	3.82	4.52	3.64	3.49	4.06	4.09	4.05	4.03	4.09	4.07	4.06	3.88
– up to 3 months	4.37	3.89	4.06	4.04	3.16	3.51	3.65	3.71	3.63	3.68	3.73	3.67	3.67
– up to 6 months	4.39	4.02	4.05	4.03	3.97	3.66	3.35	3.86	3.37	3.78	3.44	3.74	3.85
– up to 1 year	4.05	3.55	3.70	3.06	3.20	3.68	3.71	3.67	3.22	3.42	3.63	3.38	4.34
– long-term over 1 year	3.19	2.80	2.55	2.54	3.00	2.55	1.91	3.70	2.96	3.16	3.10	2.79	3.14
– up to 2 years	3.28	3.23	2.84	2.66	-	2.00	-	3.79	3.87	3.50	3.60	3.09	3.79
– over 2 years	2.62	1.98	1.32	1.50	3.00	2.66	1.91	2.21	2.81	2.77	2.00	4.57	2.30
Deposits redeemable at notice	2.08	2.30	2.33	2.40	2.86	2.98	1.83	1.92	2.25	2.19	2.02	2.22	2.29
– up to 3 months	2.14	2.38	2.42	2.48	2.96	3.11	1.94	1.97	2.32	2.36	2.49	2.33	2.41
– over 3 months	1.20	1.19	1.19	1.21	1.36	1.65	0.68	1.09	1.06	0.76	0.30	1.29	1.29

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

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

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

Average Interest Rates on Outstanding Loans

(%)

	2006	2007											
	12	1	2	3	4	5	6	7	8	9	10	11	12
Loans in total¹⁾	6.91	6.83	6.90	6.83	6.74	6.86	6.86	6.78	6.83	6.82	6.77	6.76	6.71
Current account overdrafts	8.22	8.02	8.24	7.73	7.54	7.94	8.03	7.63	7.70	7.73	7.49	7.56	7.41
Consumer loans	12.94	12.96	12.99	13.12	13.37	13.38	13.37	13.28	13.55	13.54	13.51	13.44	13.44
Operation loans	5.29	5.10	5.23	4.95	4.74	4.80	4.79	4.74	4.78	4.83	4.88	4.87	4.89
Investment loans	5.86	5.70	5.68	5.55	5.52	5.48	5.46	5.48	5.51	5.47	5.49	5.49	5.51
Real estate purchase loans	6.42	6.44	6.46	6.56	6.55	6.59	6.59	6.57	6.57	6.55	6.51	6.48	6.44
Other loans	6.27	6.15	6.22	6.25	5.88	5.99	5.95	5.98	6.02	6.08	6.08	6.06	6.02
Credit cards	17.30	17.31	17.34	17.08	17.01	16.81	16.95	16.73	16.65	16.63	16.39	16.09	15.41
Short-term loans	7.01	6.87	7.04	6.69	6.52	6.90	6.91	6.68	6.74	6.78	6.69	6.69	6.56
Long-term loans over 1 year and up to 5 years	7.99	7.87	7.86	7.91	7.95	8.01	8.06	7.99	8.07	8.05	7.97	7.93	7.90
Long-term loans over 5 years	6.42	6.41	6.44	6.50	6.41	6.43	6.42	6.41	6.45	6.43	6.40	6.40	6.39
Households													
Loans in total	8.12	8.13	8.17	8.29	8.28	8.34	8.32	8.28	8.31	8.26	8.20	8.16	8.08
Current account overdrafts	13.44	13.54	13.65	13.56	13.39	13.78	13.95	13.95	13.99	13.95	13.97	13.94	13.63
Consumer loans	12.95	12.96	12.99	13.12	13.38	13.40	13.38	13.29	13.56	13.55	13.52	13.46	13.45
Real estate purchase loans	6.42	6.44	6.49	6.65	6.66	6.69	6.67	6.65	6.66	6.62	6.58	6.54	6.51
Other loans	7.28	7.29	7.31	7.21	7.20	7.20	7.17	7.13	7.17	7.14	7.08	7.06	7.04
Credit cards	17.30	17.32	17.35	17.09	17.01	16.83	16.94	16.70	16.63	16.61	16.38	16.06	15.37
Short-term loans	13.57	13.63	13.76	13.61	13.53	13.80	13.93	13.89	13.89	13.86	13.73	13.66	13.36
Long-term loans over 1 year and up to 5 years	11.15	11.15	11.12	11.26	11.23	11.22	11.20	11.16	11.32	11.31	11.29	11.23	11.25
Long-term loans over 5 years	6.69	6.72	6.78	6.92	6.94	6.98	6.97	6.94	6.98	6.95	6.91	6.89	6.86
Non-financial institutions													
Loans in total	6.11	5.95	6.05	5.80	5.58	5.71	5.75	5.65	5.68	5.72	5.69	5.68	5.64
Current account overdrafts	6.60	6.38	6.66	6.05	5.78	6.00	6.24	5.81	5.83	6.00	5.76	5.82	5.65
Operation loans	5.37	5.11	5.25	4.94	4.63	4.72	4.79	4.72	4.79	4.82	4.89	4.89	4.91
Investment loans	6.00	5.84	5.83	5.69	5.58	5.53	5.50	5.52	5.55	5.51	5.54	5.53	5.56
Real estate purchase loans	6.49	6.42	6.35	6.20	6.05	6.09	6.17	6.18	6.18	6.21	6.20	6.17	6.14
Other loans	6.15	5.97	6.09	6.19	5.75	6.09	5.87	5.95	5.97	6.01	6.07	6.04	5.95
Credit cards	17.27	17.23	17.30	17.08	17.12	16.34	17.37	17.76	17.56	17.62	16.66	17.47	17.43
Short-term loans	6.08	5.88	6.07	5.66	5.42	5.68	5.79	5.55	5.57	5.67	5.59	5.59	5.48
Long-term loans over 1 year and up to 5 years	6.38	6.19	6.24	6.13	5.88	5.94	5.99	5.98	6.02	6.07	6.03	6.02	5.99
Long-term loans over 5 years	6.02	5.92	5.91	5.79	5.62	5.60	5.57	5.59	5.62	5.58	5.61	5.61	5.65

¹⁾ Interest rates on loans include all sectors (i. e. non-financial institutions, households, insurance corporations, pension funds and general government).

Note: Data in this table include only performing loans according to Decree of the NBS No. 7/2005 on the classification of assets and liabilities of banks and branches of foreign banks.



Average Interest Rates on Outstanding Deposits

(%)

	2006	2007											
	12	1	2	3	4	5	6	7	8	9	10	11	12
Deposits in total¹⁾	2.34	2.18	2.45	1.97	2.03	2.23	2.46	2.20	2.20	2.18	2.21	2.14	1.99
Deposits payable on demand	1.02	1.01	1.28	0.86	0.77	0.88	1.29	0.79	0.78	0.70	0.66	0.71	0.70
of which: demand deposits	0.79	0.82	0.94	0.71	0.68	0.78	0.93	0.64	0.67	0.62	0.60	0.58	0.61
overnight deposits	3.65	3.11	4.02	2.19	2.13	1.95	4.76	2.14	2.14	1.86	1.88	1.90	1.83
Deposits with agreed maturity ²⁾	3.54	3.22	3.52	2.96	3.01	3.28	3.38	3.32	3.28	3.30	3.31	3.27	3.15
– up to 1 year in total	3.74	3.36	3.73	3.04	3.09	3.41	3.52	3.45	3.41	3.43	3.43	3.39	3.27
– up to 7 days	3.55	3.22	3.99	2.38	2.38	3.12	4.05	2.96	2.51	3.09	2.61	2.63	2.17
– up to 1 month	4.05	3.43	3.99	3.07	3.21	3.65	3.70	3.70	3.70	3.70	3.73	3.70	3.59
– up to 3 months	2.93	3.03	3.05	2.99	2.60	2.48	2.39	2.41	2.38	2.34	2.41	2.39	2.45
– up to 6 months	3.28	3.41	3.39	3.36	3.26	2.93	2.88	2.97	2.96	2.96	2.97	2.98	2.88
– up to 1 year	3.35	3.42	3.43	3.49	3.53	3.58	3.57	3.56	3.49	3.52	3.38	3.33	3.31
– over 1 year in total	2.57	2.55	2.57	2.58	2.59	2.57	2.56	2.56	2.54	2.57	2.58	2.58	2.58
– up to 2 years	3.28	3.32	3.27	3.10	3.19	3.17	3.18	3.21	3.30	3.32	3.35	3.44	3.42
– over 2 years	2.55	2.53	2.54	2.56	2.58	2.55	2.54	2.54	2.51	2.54	2.54	2.54	2.53
Deposits redeemable at notice	1.83	1.78	1.82	1.82	1.78	1.81	1.71	1.72	1.73	1.78	1.79	1.83	1.87
– up to 3 months	1.55	1.46	1.49	1.48	1.39	1.50	1.26	1.26	1.27	1.35	1.36	1.44	1.44
– over 3 months	1.97	1.93	1.98	1.98	1.95	1.94	1.90	1.91	1.93	1.96	1.97	2.00	2.05
Households													
Deposits in total	1.87	1.84	1.91	1.82	1.74	1.76	1.74	1.71	1.71	1.72	1.72	1.72	1.71
Deposits payable on demand	0.50	0.51	0.57	0.54	0.51	0.54	0.51	0.49	0.48	0.47	0.47	0.44	0.47
of which: demand deposits	0.48	0.49	0.48	0.52	0.50	0.53	0.46	0.46	0.46	0.46	0.46	0.43	0.46
overnight deposits	3.11	2.86	3.94	2.08	1.75	1.80	4.40	2.23	2.02	1.81	1.78	1.78	1.74
Deposits with agreed maturity	2.92	2.87	2.94	2.81	2.70	2.71	2.72	2.71	2.69	2.73	2.71	2.71	2.69
– up to 1 year in total	3.07	3.01	3.11	2.91	2.74	2.77	2.79	2.76	2.75	2.78	2.75	2.76	2.73
– up to 7 days	2.84	2.58	3.48	1.90	1.68	2.73	3.30	2.54	2.38	2.87	2.57	2.73	2.23
– up to 1 month	2.76	2.58	2.73	2.46	2.17	2.28	2.36	2.40	2.43	2.45	2.49	2.50	2.51
– up to 3 months	2.75	2.85	2.85	2.79	2.48	2.31	2.21	2.21	2.23	2.22	2.24	2.24	2.26
– up to 6 months	3.10	3.12	3.10	3.03	2.95	2.85	2.79	2.75	2.71	2.69	2.68	2.70	2.71
– up to 1 year	3.62	3.69	3.71	3.75	3.76	3.75	3.75	3.71	3.62	3.66	3.49	3.43	3.37
– long-term over 1 year	2.57	2.55	2.57	2.58	2.60	2.57	2.56	2.57	2.54	2.58	2.59	2.58	2.58
– up to 2 years	3.44	3.49	3.44	3.47	3.38	3.29	3.30	3.33	3.36	3.41	3.43	3.48	3.50
– over 2 years	2.55	2.52	2.54	2.56	2.59	2.56	2.55	2.55	2.52	2.55	2.55	2.54	2.53
Deposits redeemable at notice	1.83	1.78	1.82	1.82	1.77	1.80	1.71	1.72	1.73	1.78	1.79	1.83	1.87
– up to 3 months	1.54	1.45	1.47	1.46	1.36	1.47	1.24	1.23	1.24	1.33	1.33	1.42	1.42
– over 3 months	1.97	1.93	1.98	1.98	1.95	1.94	1.90	1.91	1.93	1.96	1.97	2.00	2.05
Non-financial corporations													
Deposits in total	2.56	2.48	3.03	2.08	2.14	2.42	3.02	2.26	2.26	2.23	2.28	2.11	1.86
Deposits payable on demand	1.32	1.41	1.89	1.11	0.99	1.13	2.15	1.03	1.03	0.87	0.76	0.88	0.78
of which: demand deposits	1.02	1.09	1.40	0.89	0.84	0.96	1.52	0.74	0.83	0.70	0.63	0.65	0.66
overnight deposits	3.70	3.18	4.26	2.14	2.11	2.04	4.76	2.38	2.15	1.85	1.88	1.91	1.85
Deposits with agreed maturity	4.24	3.72	4.36	3.20	3.28	3.81	3.97	3.82	3.73	3.75	3.71	3.70	3.54
– up to 1 year in total	4.25	3.73	4.37	3.20	3.28	3.81	3.98	3.83	3.74	3.76	3.72	3.71	3.54
– up to 7 days	3.58	3.33	4.15	2.42	2.55	3.23	4.10	3.13	2.62	2.76	2.59	2.61	2.17
– up to 1 month	4.45	3.76	4.49	3.31	3.43	3.97	3.98	3.94	3.92	3.96	3.93	3.90	3.79
– up to 3 months	4.12	3.83	4.00	3.86	3.28	3.27	3.35	3.46	3.35	3.31	3.42	3.36	3.40
– up to 6 months	4.41	3.98	3.99	4.03	3.98	3.70	3.62	3.69	3.71	3.76	3.73	3.79	3.07
– up to 1 year	3.85	3.63	3.72	3.69	3.71	3.69	3.71	3.69	3.67	3.66	3.66	3.65	4.03
– long-term over 1 year	2.93	2.83	2.67	2.50	2.45	2.39	2.34	2.36	2.34	2.32	2.31	2.33	2.38
– up to 2 years	3.18	3.16	3.07	2.94	2.86	3.23	3.18	3.21	3.13	3.24	3.17	3.15	3.10
– over 2 years	2.85	2.71	2.51	2.32	2.30	2.28	2.24	2.23	2.22	2.17	2.15	3.12	3.10
Deposits redeemable at notice	2.08	1.96	2.33	2.40	2.86	2.98	1.83	1.92	2.25	2.19	2.02	2.22	2.29
– up to 3 months	2.14	2.01	2.42	2.48	2.96	3.11	1.94	1.97	2.32	2.36	2.49	2.33	2.41
– over 3 months	1.20	1.19	1.19	1.21	1.36	1.65	0.68	1.09	1.06	0.76	0.30	1.29	1.29

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

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

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



Shortened Balance Sheet of Commercial Banks as at 31 December 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	
Total assets	57,554,491	1,388,020,254	58,683,695	200,170,685	79,899,080	1,669,219,223
Cash items	0	13,775,201	0	16,038	4,925,784	18,717,023
Cash in hand	0	13,441,348	0	0	4,894,089	18,335,437
of which: EUR	0	0	0	0	2,512,238	2,512,238
Gold	0	0	0	0	0	0
Amounts in transit	0	333,853	0	16,038	31,695	381,586
Loans and other receivables	19,536,334	925,709,093	29,797,212	176,845,212	53,732,454	1,166,547,637
Deposits and loans to NBS, foreign central banks and post office banks	1,445	279,718,796	0	0	46,784	279,764,135
of which: Valued on an individual basis with no identifiable depreciation (category I)	1,445	207,374,839	0	0	46,784	207,420,178
Valued on a portfolio basis (category II)	0	72,343,957	0	0	0	72,343,957
Valued on an individual basis with identifiable depreciation (category III)	0	0	0	0	0	0
of which: Failed	0	0	0	0	0	0
of which: Current accounts	0	2,522,316	0	0	46,260	2,568,576
Time deposits	0	32,836,060	0	0	0	32,836,060
Loans provided	1,445	226,565,023	0	0	0	226,563,578
Money reserve accounts	0	17,795,397	0	0	0	17,795,397
of which: Minimum reserve requirements	0	17,622,556	0	0	0	17,622,556
Postal cheque accounts	0	0	0	0	524	524
Deposits and loans to banks	127,227	22,064,337	21,968,113	4,932,341	29,159,215	77,996,779
of which: Valued on an individual basis with no identifiable depreciation (category I)	2,660	21,069,925	18,687,752	4,916,148	24,452,090	69,123,255
Valued on a portfolio basis (category II)	59,714	949,410	3,280,361	16,193	3,992,498	8,178,748
Valued on an individual basis with identifiable depreciation (category III)	64,853	45,002	0	0	714,627	694,776
of which: Failed	43,768	40,938	0	0	65,181	62,351
of which: Deposits with and loans to own financial group	241	620,311	5,857,663	0	12,590,424	19,068,157
of which: Current accounts in banks	121	885,169	81,838	111,254	3,974,451	5,052,591
Current accounts of other banks	6	1,680	1,057,170	6,403	1,553,560	2,618,807
Time deposits	1,582	14,924,724	11,843,405	4,797,212	19,815,385	51,379,144
Loans provided	125,518	2,769,703	8,804,232	0	3,771,074	15,219,491
Other receivables from banks	0	3,483,061	181,468	17,472	44,745	3,726,746
Receivables from customers	19,393,653	608,772,923	7,829,097	164,161,441	23,697,247	785,067,055
of which: Valued on an individual basis with no identifiable depreciation (category I)	207,381	114,343,217	5,860,272	56,618,999	8,964,374	185,579,481
Valued on a portfolio basis (category II)	11,148,487	478,802,133	1,717,587	104,848,672	13,948,112	588,168,017
Valued on an individual basis with identifiable depreciation (category III)	8,037,785	15,627,573	251,238	2,693,770	784,761	11,319,557
of which: Failed	13,055,944	18,443,792	161,027	1,405,851	299,497	7,254,223
of which: MMIF loans	0	0	0	0	0	0
Loans to general government and international organizations (S.13)	14,009	15,153,037	2	7,751,430	169,022	23,059,482
of which: Valued on an individual basis with no identifiable depreciation (category I)	8,192	9,917,592	2	7,285,924	0	17,195,326
Valued on a portfolio basis (category II)	5,357	5,234,946	0	465,506	169,022	5,864,117
Valued on an individual basis with identifiable depreciation (category III)	460	499	0	0	0	39
of which: Failed	462	461	0	1	0	0
of which: Deposits to central government (S.1311)	0	0	0	0	0	0
Loans to central government (S.1311)	0	3,733,833	2	35,527	169,022	3,938,384
of which: SR Treasury	0	1	0	0	0	1
Other funds	0	13,879	0	0	0	13,879
Loans to local governments (S.1313)	14,009	11,419,204	0	7,715,903	0	19,121,098
Loans to social security funds (S.1314)	0	0	0	0	0	0
of which: Health insurance companies	0	0	0	0	0	0
Social Insurance Corporation	0	0	0	0	0	0
Debt securities	0	0	0	0	660,186	660,186
Financial instruments available for sale	339,100	38,107,072	4,356,471	4,180,915	8,551,675	54,857,033
Financial instruments at fair value through profit/loss: held for trading (excluding derivatives)	0	119,562,030	3,522,248	1,548,881	2,484,706	127,117,865
Financial instruments at fair value towards profit/loss: others (from the point of settlement)	0	9,736,150	1,817,585	5,726,139	4,658,937	21,938,811
Positive fair value of derivative transactions for trading	0	5,977,504	13,087,925	-	-	19,065,429
Financial instruments held to maturity	26,216	199,254,198	5,001,324	3,378,305	4,922,285	212,529,896
Positive fair value of derivative hedge transactions	0	120,308	286,266	-	-	406,574
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	690,136	6,379,837	724,122	0	0	6,413,823
Funds to branches abroad	0	0	0	0	512,815	512,815
Tangible assets	24,576,379	45,804,343	0	0	40,158	21,268,122
Intangible assets	11,391,907	17,471,844	0	0	0	6,079,937
Other assets	723,046	4,518,170	90,542	8,475,195	70,266	12,431,127
Tax receivables	0	854,030	0	0	0	854,030
Depreciation	35,534,774	35,534,774	0	0	0	0
Non-current assets held for sale (IFRS 5)	271,373	750,474	0	0	0	479,101



Shortened Balance Sheet of Commercial Banks as at 31 December 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	
Total liabilities	1,121,088,713	140,149,352	159,866,084	248,115,074	1,669,219,223
PAYABLES	1,049,027,357	90,332,612	159,824,583	247,792,436	1,546,976,988
Deposits and loans from NBS and foreign central banks	2,741,795	0	12,843	0	2,754,638
of which: Current accounts	19,626	0	0	0	19,626
Time deposits	0	0	0	0	0
Loans received	2,722,169	0	12,843	0	2,735,012
Postal cheque accounts	0	0	0	0	0
Financial liabilities valued at amortized costs	1,010,520,665	69,358,250	147,136,298	182,152,026	1,409,167,239
Deposits, loans and other liabilities received from banks	23,826,537	53,091,894	5,123,813	154,265,436	236,307,680
of which: Deposits and loans received from own financial group	213,422	43,476,364	16	129,078,650	172,768,452
of which: Current accounts in banks	1,679	0	6,442	2,253,471	2,261,592
Current accounts of other banks	885,034	7,384,036	111,284	602,057	8,982,411
Time deposits	16,991,132	43,270,679	5,003,617	135,276,936	200,542,364
Subordinate debts	210,461	1,716,932	0	7,158,857	9,086,250
Loans received	2,549,338	598,232	0	7,780,434	10,928,004
Other liabilities received from banks	3,188,893	122,015	2,470	1,193,681	4,507,059
Deposits and loans received from customers	820,201,206	11,707,539	111,737,378	12,461,578	956,107,701
of which: MMIF deposits	25,559,212	1,190	385	0	25,560,787
of which: Current accounts and other financial undated liabilities	357,972,002	7,398,221	57,235,173	6,202,369	428,807,765
Time deposits	417,636,194	4,217,134	50,704,068	2,810,987	475,368,383
Deposits redeemable at notice	32,392,012	58,916	868,682	7,327	33,326,937
Certificates of deposit	105,039	21	0	0	105,060
Loans received and financial leasing	5,479,306	0	0	1,984,342	7,463,648
Other liabilities received from customers	6,616,653	33,247	2,929,455	1,456,553	11,035,908
Deposits of general government and international organizations	75,205,529	15,086	28,310,940	319,013	103,850,568
of which: Deposits of central government (S.1311)	54,601,521	15,081	27,326,726	318,806	82,262,134
of which: Treasury	5,674,565	0	12,739,300	0	18,413,865
Other funds	6,694,145	0	5,279	0	6,699,424
of which: National Property Fund	6,681,543	0	0	0	6,681,543
Deposits of local governments (S.1313)	20,603,273	5	984,214	207	21,587,699
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	91,287,393	4,543,731	1,964,167	15,105,999	112,901,290
Financial liabilities held for trading (excluding derivatives)	0	0	0	0	0
Financial liabilities in fair value through profit/loss (IAS 39)	7,367,885	8,324,723	3,385,011	65,234,480	84,312,099
of which: Current accounts	0	0	0	0	0
Time deposits	7,367,885	8,324,723	3,385,011	65,234,480	84,312,099
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	8,608,510	12,160,865	-	-	20,769,375
Negative fair value of derivate hedge transactions	16,206	197,119	-	-	213,325
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	180,000	0	0	0	180,000
Reserves	5,001,269	0	20,593	0	5,021,862
Other liabilities	11,706,074	291,655	9,269,838	405,930	21,673,497
Tax liabilities	2,884,953	0	0	0	2,884,953
EQUITY	72,061,356	49,816,740	41,501	322,638	122,242,235
Share capital	3,969,236	41,501,030	0	0	45,470,266
of which: Subscribed share capital	3,973,031	41,501,030	0	0	45,474,061
Receivables from shareholders	0	0	0	0	0
Own shares	-3,795	0	0	0	-3,795
Funds to branches of foreign banks	32,000	7,734,172	0	355,552	8,121,724
Share premium	3,324,940	491,664	0	0	3,816,604
Reserve funds and other funds created from profits	15,542,154	119,500	0	0	15,661,654
Other funds	193,216	5,490	0	2,371	201,077
Valuation changes	216,420	-35,116	41,501	-35,285	187,520
Profit/loss from previous years	31,609,936	0	0	0	31,609,936
of which: Retained earnings	32,390,147	0	0	0	32,390,147
Accumulated loss	-780,211	0	0	0	-780,211
Profit and loss account	17,173,454	0	0	0	17,173,454
Profit/loss in process of approval	0	0	0	0	0



Monthly Profit and Loss Account of Commercial Banks

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

(SKK millions)

	2006	2007											
	12	1	2	3	4	5	6	7	8	9	10	11	12
NET INTEREST INCOME	34,648	3,216	6,056	9,391	12,243	15,557	18,800	22,070	25,418	28,759	32,218	35,787	39,933
Interest income on securities	12,740	1,202	2,344	3,576	4,538	5,715	7,013	8,418	9,809	11,135	12,508	13,811	15,183
Other interest income	55,490	5,266	9,999	15,550	20,236	25,840	31,504	36,999	42,471	48,151	53,986	59,782	66,162
Interest expenses on securities	3,361	315	659	1,027	1,303	1,640	1,987	2,337	2,691	3,058	3,442	3,793	4,258
Other interest expenses	30,221	2,937	5,629	8,708	11,227	14,358	17,729	21,011	24,171	27,470	30,835	34,013	37,153
NET NON-INTEREST INCOME	18,990	1,723	3,292	5,156	6,603	8,221	10,207	11,816	13,276	14,636	16,568	17,996	19,724
Fee and commission income	14,392	1,204	2,399	3,795	4,930	6,166	7,496	8,843	10,135	11,374	12,440	13,758	15,289
Fees and commission expenses	3,115	224	458	695	925	1,219	1,509	1,794	2,071	2,360	2,331	2,612	2,995
Dividends received	456	5	5	9	27	116	228	222	222	243	243	243	264
Income from transactions in securities	3,124	274	445	833	903	1,065	1,150	1,257	1,401	1,511	1,747	1,909	2,118
Expenses related to transactions in securities	3,025	226	299	425	541	896	1,169	1,314	1,585	1,879	1,915	2,162	2,551
Profit/loss on foreign exchange transactions	10,026	-1,973	-288	3,703	2,537	3,384	2,519	4,533	3,769	5,752	7,669	8,979	8,845
Profit/loss on fixed forward transactions and options	-2,722	2,691	1,523	-2,046	-244	-288	1,594	181	1,540	33	-1,229	-2,054	-1,146
Income from other transactions	397	4	26	83	50	88	135	140	156	187	195	218	247
Expenses related to other transactions	544	34	62	100	134	195	237	252	291	224	251	282	347
NET OPERATING PROFIT/LOSS	1,449	-88	-852	-868	-910	-1,138	-1,308	-1,473	-1,561	-1,748	-1,999	-2,218	-2,979
GENERAL OPERATING EXPENSES	30,240	2,486	5,039	7,913	10,446	13,474	16,090	18,829	21,552	24,282	27,057	30,010	33,538
NET CREATION OF RESERVES AND PROVISIONS	-2,449	-375	287	-144	-458	-438	-649	-883	-1,060	-1,180	-1,316	-1,432	-2,379
INCOME TAX	4,625	345	520	896	1,014	1,256	1,662	1,851	2,091	2,432	2,781	3,052	3,588
CURRENT PERIOD PROFIT/LOSS	17,773	1,644	3,224	4,726	6,018	7,472	9,300	10,850	12,431	13,753	15,632	17,072	17,173



Balance of Payments of the SR for January – November 2007

	Collection / Credit (+)		Payments / Debit (-)		Balance	
	SKK millions	USD millions	SKK millions	USD millions	SKK millions	USD millions
Goods	1,310,188.0	52,713.3	1,320,417.0	53,124.8	-10,229.0	-411.5
Services	156,666.1	6,303.2	145,426.5	5,851.0	11,239.6	452.2
Transport	49,927.0	2,008.7	41,187.4	1,657.1	8,739.6	351.6
Tourism	44,800.1	1,802.5	34,944.8	1,405.9	9,855.3	396.5
Other services	61,939.1	2,492.0	69,294.3	2,787.9	-7,355.2	-295.9
Income	51,517.8	2,072.7	130,745.8	5,260.3	-79,227.9	-3,187.6
Compensation of employees	33,000.0	1,327.7	1,467.9	59.1	31,532.1	1,268.6
Investment income	18,517.8	745.0	129,277.9	5,201.3	-110,760.1	-4,456.2
Current transfers	43,876.2	1,765.3	54,125.1	2,177.6	-10,248.9	-412.3
CURRENT ACCOUNT	1,562,248.1	62,854.5	1,650,714.3	66,413.8	-88,466.2	-3,559.3
Capital account	14,328.6	576.5	4,677.3	188.2	9,651.3	388.3
Financial account	6,446,209.0	259,357.1	-6,285,518.5	-252,880.6	160,690.6	6,476.5
Direct investment	1,170,765.5	47,103.8	-1,116,573.8	-44,923.5	54,191.7	2,180.3
<i>Abroad (direct investor = resident)</i>	34,937.0	1,405.6	-36,822.0	-1,481.5	-1,885.0	-75.8
Equity capital and reinvested earnings	1,616.0	65.0	-3,617.0	-145.5	-2,001.0	-80.5
Other capital	33,321.0	1,340.6	-33,205.0	-1,335.9	116.0	4.7
<i>In the SR (recipient of dir. investment = resident)</i>	1,135,828.5	45,698.2	-1,079,751.8	-43,442.0	56,076.7	2,256.2
Equity capital and reinvested earnings	49,666.5	1,998.2	-6,726.8	-270.6	42,939.7	1,727.6
Other capital	1,086,162.0	43,699.9	-1,073,025.0	-43,171.4	13,137.0	528.5
Portfolio investment	306,068.1	12,323.0	-311,689.5	-12,540.3	-5,621.4	-217.3
Assets	58,702.9	2,361.8	-72,986.9	-2,936.5	-14,284.1	-574.7
Liabilities	247,365.2	9,961.2	-238,702.6	-9,603.8	8,662.6	357.4
Financial derivatives	2,508,522.1	100,926.3	-2,505,815.8	-100,817.4	2,706.3	108.9
Assets	1,248,570.2	50,234.2	-1,243,962.8	-50,048.8	4,607.3	185.4
Liabilities	1,259,951.9	50,692.1	-1,261,853.0	-50,768.6	-1,901.1	-76.5
Other investment	2,460,853.3	99,004.0	-2,351,439.3	-94,599.4	109,414.0	4,404.6
<i>Long-term</i>	301,126.7	12,115.2	-286,069.0	-11,505.3	15,057.7	609.9
Assets	22,576.8	908.3	-31,725.5	-1,276.4	-9,148.7	-368.1
Liabilities	278,549.9	11,206.9	-254,343.5	-10,228.9	24,206.4	978.0
<i>Short-term</i>	2,159,726.6	86,888.8	-2,065,370.3	-83,094.1	94,356.3	3,794.7
Assets	1,235,478.1	49,707.4	-1,244,448.8	-50,068.3	-8,970.7	-360.9
Liabilities	924,248.5	37,181.4	-820,921.6	-33,025.7	103,326.9	4,155.6
CAPITAL AND FINANCIAL ACCOUNT	6,460,537.6	259,933.6	-6,290,195.8	-253,068.8	170,341.9	6,864.8
ERRORS AND OMISSIONS	-	-	-	-	13,920.6	458.7
TOTAL BALANCE	0.0	0.0	95,796.3	3,764.2	95,796.3	3,764.2
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	-95,796.0	-3,764.2	-95,796.0	-3,764.2
Deposits	0.0	0.0	-21,939.7	-884.9	-21,939.7	-884.9
Securities	0.0	0.0	-73,856.3	-2,879.3	-73,856.3	-2,879.3
Bonds and notes	0.0	0.0	-31,090.4	-1,189.7	-31,090.4	-1,189.7
Money market instruments and financial derivatives	0.0	0.0	-42,765.9	-1,689.6	-42,765.9	-1,689.6
RESERVE ASSETS	0.0	0.0	-95,796.3	-3,764.2	-95,796.3	-3,764.2

Note: Preliminary data.

Applied rate of exchange: USD 1 = SKK 24.855.



Overview of Issues of NBS Bills 2007-2008

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.
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
981104001	17.1.2008	18.1.2008	11.4.2008	84	28,975	28,975	americká	4.24	4.25	4.25



Basic Characteristics of Slovakia's Foreign Exchange Market in January 2008

	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	0
Transactions between domestic banks without foreign participation	6,110.4	60.2	198	3,846.8	37.9	1,000	186.3	1.8	107	10,143.4	1,305
Interbank forex market: NBS + transactions between domestic banks	6,110.4	60.2	198	3,846.8	37.9	1,000	186.3	1.8	107	10,143.4	1,305
Transactions between domestic and foreign banks	82,305.2	83.1	2,146	16,298.7	16.5	5,581	412.4	0.4	218	99,016.3	7,945
Foreign exchange market in the SR - total	88,415.6	81.0	2,344	20,145.5	18.5	6,581	598.6	0.5	325	109,159.7	9,250

	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	2,369.2	23.4	1,078	11.7	0.1	4	7,724.7	76.4	138	4.5	0.0	2	10,110.1	1,222
Transactions between domestic and foreign banks	10,277.2	10.4	3,713	211.3	0.2	71	87,353.3	88.2	1,917	1,175.5	1.2	1,845	99,017.2	7,546
Foreign exchange market in the SR - excl. the NBS	12,646.4	11.6	4,791	223.0	0.2	75	95,078.0	87.1	2,055	1,180.0	1.1	1,847	10,9127.3	8,768

Average Monthly Exchange Rates of the SKK against Selected Currencies

Midpoint rate	2007												2008
	1	2	3	4	5	6	7	8	9	10	11	12	1
1 AUD	20.921	20.664	20.257	20.478	20.584	21.329	21.089	20.486	20.526	21.224	20.324	19.972	20.088
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	17.148
1 CYP	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	1.249	1.223	1.206	1.195	1.195	1.192	1.174	1.204	1.226	1.230	1.243	1.269	1.286
1 DKK	4.658	4.632	4.546	4.490	4.527	4.568	4.479	4.512	4.539	4.515	4.459	4.473	4.502
1 EUR	34.721	34.524	33.863	33.468	33.726	34.017	33.330	33.577	33.821	33.645	33.236	33.365	33.538
1 EEK	2.219	2.207	2.164	2.139	2.156	2.174	2.130	2.146	2.161	2.151	2.125	2.133	2.144
100 JPY	22.183	21.903	21.822	20.861	20.666	20.691	19.973	21.078	21.187	20.420	20.414	20.413	21.102
1 CAD	22.723	22.561	21.885	21.807	22.758	23.786	23.139	23.274	23.666	24.197	23.523	22.767	22.595
1 LTL	10.055	9.999	9.807	9.689	9.769	9.851	9.652	9.724	9.794	9.746	9.627	9.663	9.712
1 LVL	49.779	49.345	47.792	47.521	48.426	48.859	47.820	48.126	48.192	47.867	47.455	47.822	48.045
100 HUF	13.690	13.624	13.536	13.598	13.579	13.581	13.509	13.169	13.341	13.410	13.058	13.183	13.114
1 MTL	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	4.193	4.269	4.164	4.121	4.144	4.217	4.198	4.210	4.312	4.374	4.187	4.159	4.218
1 PLN	8.961	8.865	8.710	8.763	8.921	8.928	8.846	8.813	8.919	9.065	9.084	9.262	9.297
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	9.093
1 CHF	21.503	21.293	21.009	20.446	20.435	20.566	20.113	20.488	20.537	20.151	20.168	20.113	20.672
1 SEK	3.825	3.763	3.643	3.618	3.666	3.646	3.627	3.606	3.639	3.668	3.580	3.540	3.557
1 USD	26.694	26.434	25.583	24.788	24.954	25.355	24.311	24.647	24.378	23.669	22.637	22.882	22.797
1 GBP	52.321	51.737	49.810	49.266	49.496	50.324	49.422	49.556	49.156	48.338	46.897	46.387	44.924
1 XDR	39.916	39.569	38.568	37.667	37.875	38.321	37.167	37.696	37.606	36.880	35.928	36.087	36.100

Note: With effect from 1 January 2008, Cyprus and Malta introduced the euro. Therefore, the Cyprian pound and Maltese lira were excluded from the exchange rate table of NBS.

Average Quarterly Exchange Rates of the SKK against Selected Currencies

Midpoint rate	2006					2007				
	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4	Year
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 Investment¹⁾ 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 ³⁾	29,008	329,948	899.33	11,578.75
2005 ⁴⁾	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 ²⁾	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 ²⁾	38,970	348,500	1,059.74	10,586.27
2004 ³⁾	34,123	396,592	1,057.91	13,917.46
2005 ⁴⁾	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.

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

Inflow of Foreign Direct Investment¹⁾ during January to December 2006

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 29.724									
Inflow of FDI in total	61,994	2,085.7	100.0	-456	-15.3	100.0	61,538	2,070.3	100.0
Structure of capital by investor									
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
Structure of capital by sector									
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
Structure of capital by region									
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.

¹⁾ Equity capital.



Inflow of Foreign Direct Investment¹⁾ during January to December 2005

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 31.022									
Inflow of FDI in total	22,147	713.9	100.0	-2	-0.1	100.0	22,145	713.8	100.0
Structure of capital by investor									
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
Structure of capital by sector									
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
Structure of capital by regions									
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.

¹⁾ Equity capital and reinvested profits.

Inflow of Foreign Direct Investment¹⁾ during January to December 2004

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 32.255									
Inflow of FDI (equity capital + reinvested earnings) in total	29,008	899.3	100.0	5,115	158.6	100.0	34,123	1,057.9	100.0
Structure of capital by investor									
Austria	2,974	92.2	10.3	4,776	148.1	93.4	7,750	240.3	22.7
Hungary	6,863	212.8	23.7	-30	-0.9	-0.6	6,833	211.8	20.0
United Kingdom	6,050	187.6	20.9	-1,396	-43.3	-27.3	4,654	144.3	13.6
Czech Republic	4,605	142.8	15.9	-11	-0.3	-0.2	4,594	142.4	13.5
France	3,749	116.2	12.9	-136	-4.2	-2.7	3,613	112.0	10.6
Germany	3,340	103.5	11.5	253	7.8	4.9	3,593	111.4	10.5
Louxeembourg	3,185	98.7	11.0	0	0.0	0.0	3,185	98.7	9.3
Korea	2,208	68.5	7.6	0	0.0	0.0	2,208	68.5	6.5
Switzerland	950	29.5	3.3	0	0.0	0.0	950	29.5	2.8
Italy	734	22.8	2.5	-13	-0.4	-0.3	721	22.4	2.1
Other countries	-5,650	-175.2	-19.5	1,672	51.8	32.7	-3,978	-123.3	-11.7
Structure of capital by sector									
Agriculture, hunting, and forestry	348	10.8	1.2	0	0.0	0.0	348	10.8	1.0
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
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
Structure of capital by regions									
Bratislava region	17,205	533.4	59.3	5,004	155.1	97.8	22,209	688.5	65.1
Trnava region	4,124	127.9	14.2	0	0.0	0.0	4,124	127.9	12.1
Trenčín region	2,292	71.1	7.9	0	0.0	0.0	2,292	71.1	6.7
Nitra region	120	3.7	0.4	0	0.0	0.0	120	3.7	0.4
Žilina region	2,315	71.8	8.0	73	2.3	1.4	2,388	74.0	7.0
Banská Bystrica region	850	26.4	2.9	38	1.2	0.7	888	27.5	2.6
Prešov region	1,081	33.5	3.7	0	0.0	0.0	1,081	33.5	3.2
Košice region	1,021	31.7	3.5	0	0.0	0.0	1,021	31.7	3.0

¹⁾ Equity capital and reinvested profits.



Volume of Foreign Direct Investment¹⁾ as at 31 December 2006

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 26.246									
Total volume of FDI	418,071	15,928.9	100.0	66,182	2,521.6	100.0	484,253	18,450.5	100.0
Structure of capital by investor									
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
Structure of capital by sector									
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
Structure of capital by regions									
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.

¹⁾ Equity capital.

Volume of Foreign Direct Investment¹⁾ as at 31 December 2005

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 31.948									
Total volume of FDI	353,770	11,073.3	100.0	66,641	2,085.9	100.0	420,411	13,159.2	100.0
Structure of capital by investor									
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
Structure of capital by sector									
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
Structure of capital by regions									
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.

¹⁾ Equity capital and reinvested profits.



Volume of Foreign Direct Investment¹⁾ as at 31 December 2004

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

¹⁾ Equity capital and reinvested profits.

Outflow of Foreign Direct Investment¹⁾ 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 ³⁾	2,536	20,321	78.62	713.12
2005 ⁴⁾	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 ²⁾	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 ²⁾	707	18,146	19.23	551.22
2004 ³⁾	2,507	20,848	77.72	731.61
2005 ⁴⁾	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.

¹⁾ Equity capital and reinvested profits.²⁾ Change in methodology – new accounting standards for banks.³⁾ Change in methodology – other capital funds included.⁴⁾ Change in methodology (higher limit for foreign exchange reporting obligation).



Outflow of Foreign Direct Investment¹⁾ During January to December 2006

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 29.724									
Outflow of FDI in total	9,427	317.2	100.0	58	2.0	100.0	9,485	319.1	100.0
Structure of capital by country of investment									
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
Structure of capital by sector									
Agriculture, hunting, and forestry	-1	0.0	0.0	0	0.0	0.0	-1	0.0	0.0
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
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
Structure of capital by regions									
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.

¹⁾ Equity capital.


Outflow of Foreign Direct Investment¹⁾ During January to December 2005

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 31.022									
Outflow of FDI in total	3,129	100.9	100.0	302	9.7	100.0	3,431	110.6	100.0
Structure of capital by country of investment									
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
Structure of capital by sector									
Agriculture, hunting, and forestry	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
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
Structure of capital by regions									
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.

¹⁾ Equity capital and reinvested profits.



Outflow of Foreign Direct Investment¹⁾ During January to December 2004

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 32.255									
Outflow of FDI (equity capital + reinvested earnings) in total	2,536	78.6	100.0	-29	-0.9	100.0	2,507	77.7	100.0
Structure of capital by country of investment									
Czech Republic	1,620	50.2	63.9	-29	-0.9	100.0	1,591	49.3	63.5
Slovenia	468	14.5	18.5	0	0.0	0.0	468	14.5	18.7
Ethiopia	229	7.1	9.0	0	0.0	0.0	229	7.1	9.1
Netherlands	196	6.1	7.7	0	0.0	0.0	196	6.1	7.8
Russia	112	3.5	4.4	0	0.0	0.0	112	3.5	4.5
India	58	1.8	2.3	0	0.0	0.0	58	1.8	2.3
Cyprus	49	1.5	1.9	0	0.0	0.0	49	1.5	2.0
Bosnia and Herzegovina	28	0.9	1.1	0	0.0	0.0	28	0.9	1.1
Brazil	26	0.8	1.0	0	0.0	0.0	26	0.8	1.0
Poland	22	0.7	0.9	0	0.0	0.0	22	0.7	0.9
Other countries	-272	-8.4	-10.7	0	0.0	0.0	-272	-8.4	-10.8
Structure of capital by sector									
Agriculture, hunting, and forestry	7	0.2	0.3	0	0.0	0.0	7	0.2	0.3
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
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
Structure of capital by regions									
Bratislava region	1,921	59.6	75.7	-29	-0.9	100.0	1,892	58.7	75.5
Trnava region	-46	-1.4	-1.8	0	0.0	0.0	-46	-1.4	-1.8
Trenčín region	893	27.7	35.2	0	0.0	0.0	893	27.7	35.6
Nitra region	-2	-0.1	-0.1	0	0.0	0.0	-2	-0.1	-0.1
Žilina region	-66	-2.0	-2.6	0	0.0	0.0	-66	-2.0	-2.6
Banská Bystrica region	12	0.4	0.5	0	0.0	0.0	12	0.4	0.5
Prešov region	96	3.0	3.8	0	0.0	0.0	96	3.0	3.8
Košice region	-272	-8.4	-10.7	0	0.0	0.0	-272	-8.4	-10.8

¹⁾ Equity capital and reinvested profits.

Volume of Foreign Direct Investment¹⁾ Outward as at 31 December 2006

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 26.246									
Total volume of FDI outward	30,790	1,173.1	100.0	861	32.8	100.0	31,651	1,205.9	100.0
Structure of capital by country of investment									
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
Structure of capital by sector									
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
Structure of capital by regions									
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.

¹⁾ Equity capital.



Volume of Foreign Direct Investment¹⁾ Outward as at 31 December 2005

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 31.948									
Total volume of FDI outward	23,721	742.5	100.0	839	26.3	100.0	24,560	768.7	100.0
Structure of capital by country of investment									
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
Structure of capital by sector									
Agriculture, hunting, and forestry	20	0.6	0.1	0	0.0	0.0	20	0.6	0.1
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Mining and quarrying	1,149	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
Structure of capital by regions									
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.

¹⁾ Equity capital and reinvested profits.

Volume of Foreign Direct Investment¹⁾ Outward as at 31 December 2004

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 28.496									
Total volume of FDI outward (equity capital + reinvested earnings)	20,321	713.1	100.0	527	18.5	100.0	20,848	731.6	100.0
Structure of capital by country of investment									
Czech Republic	9,123	320.2	44.9	481	16.9	91.3	9,604	337.0	46.1
United Kingdom	2,282	80.1	11.2	0	0.0	0.0	2,282	80.1	10.9
Ukraine	1,238	43.4	6.1	0	0.0	0.0	1,238	43.4	5.9
Ireland	1,136	39.9	5.6	0	0.0	0.0	1,136	39.9	5.4
Hungary	1,130	39.7	5.6	0	0.0	0.0	1,130	39.7	5.4
Luxembourg	1,111	39.0	5.5	0	0.0	0.0	1,111	39.0	5.3
Poland	867	30.4	4.3	0	0.0	0.0	867	30.4	4.2
Austria	646	22.7	3.2	0	0.0	0.0	646	22.7	3.1
Russia	474	16.6	2.3	0	0.0	0.0	474	16.6	2.3
Slovenia	468	16.4	2.3	0	0.0	0.0	468	16.4	2.2
Other countries	1,846	64.8	9.1	46	1.6	8.7	1,892	66.4	9.1
Structure of capital by sector									
Agriculture, hunting, and forestry	30	1.1	0.1	0	0.0	0.0	30	1.1	0.1
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
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
Structure of capital by regions									
Bratislava region	13,061	458.3	64.3	527	18.5	100.0	13,588	476.8	65.2
Trnava region	1,779	62.4	8.8	0	0.0	0.0	1,779	62.4	8.5
Trenčín region	1,460	51.2	7.2	0	0.0	0.0	1,460	51.2	7.0
Nitra region	39	1.4	0.2	0	0.0	0.0	39	1.4	0.2
Žilina region	564	19.8	2.8	0	0.0	0.0	564	19.8	2.7
Banská Bystrica region	1,654	58.0	8.1	0	0.0	0.0	1,654	58.0	7.9
Prešov region	619	21.7	3.0	0	0.0	0.0	619	21.7	3.0
Košice region	1,145	40.2	5.6	0	0.0	0.0	1,145	40.2	5.5

¹⁾ Equity capital and reinvested profits.