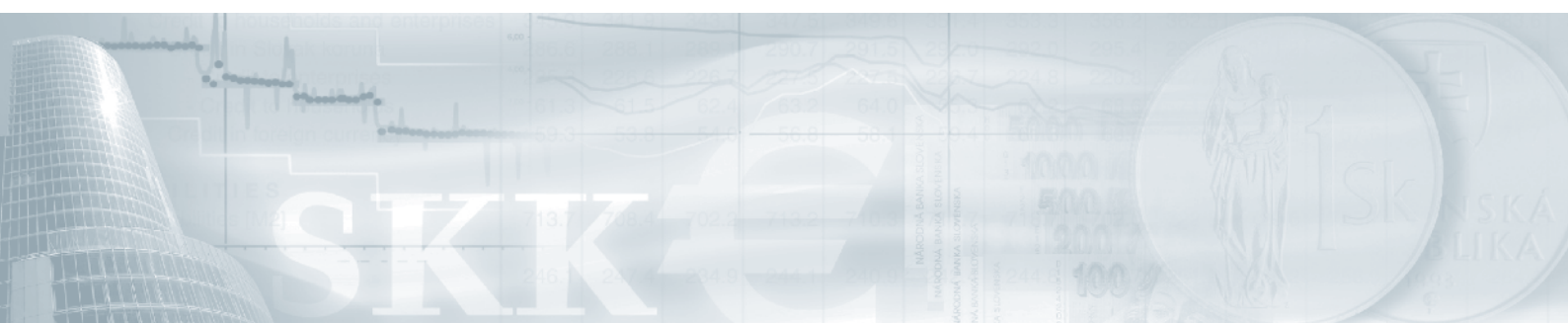




NÁRODNÁ BANKA SLOVENSKA



Monetary Survey

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

Symbols used in the tables

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



1 Summary

Consumer prices, expressed in terms of the Harmonized Index of Consumer Prices (HICP), increased by 0.4% in May in comparison with the previous month. The year-on-year rate of headline inflation reached 4.0%. Core inflation (excluding energy and unprocessed food prices) recorded a year-on-year growth rate of 4.0%.

Measured in terms of CPI, consumer prices increased by 0.3% in May, compared with the previous month. The 12-month headline and core inflation rates reached 4.6% and 4.8%, respectively.

Gross domestic product in real terms increased by 8.7% in the 1st quarter of 2008.

The M3 monetary aggregate (according to ECB methodology) increased month-on-month by SKK 6.2 billion in April; its annual growth, however, decreased in comparison with March to 10.2%.

The total volume of MFI receivables from residents (including securities issued by clients and held by MFIs, according to ECB methodology) increased month-on-month by SKK 13.6 billion in April, and the year-on-year growth rate accelerated by 0.1 of a percentage point to 17.0%.

The average interest rate on new loans to non-financial corporations decreased by 0.01 of a percentage point to 5.69% in April, while that on new loans to households decreased by 0.45 of a percentage point to 11.82%. Over the same period, the average interest rate on new deposits from non-financial corporations increased by 0.23 of a percentage point to 2.13%, and that on new household deposits decreased by 0.02 of a percentage point, to 1.16%.

At the end of May, the state budget of the Slovak Republic resulted in a deficit of SKK 3.1 billion.

The foreign reserves of NBS (at current exchange rates) stood at USD 19.7 billion in May. At the end of the month, the volume of reserves was 3.0 times greater than the volume of average monthly imports of goods and services to Slovakia over the first four months of 2008. At the end of April, the coverage of average monthly imports (imports of goods and services according to data from banking statistics) by the official foreign reserves corresponded to 4.0 times the volume of average monthly imports of goods and services to Slovakia for the first four months of 2008.

Národná banka Slovenska conducted no foreign exchange intervention in April.

According to preliminary data, the balance of payments on current account for March 2008 resulted in a deficit of SKK 6.1 billion. Over the same period, the capital and financial account generated a surplus of SKK 9.4 billion. From January till April, the b.o.p. current account produced a deficit of SKK 16.9 billion, while the trade balance resulted into a surplus of SKK 0.5 billion.

The average daily sterilisation position of NBS increased in comparison with April by almost SKK 2 billion to SKK 374.1 billion in May.

With effect from 29 May 2008, the central parity of the koruna against the euro was revalued by 17.65%. The lower limit for mandatory interventions is SKK/EUR 25.6071 and the upper limit is SKK/EUR 34.6449.



2 The External Economic Environment¹

Even though the global economic growth remained relatively strong in the first quarter of 2008, the impact of the developments on the mortgage market and of the financial turmoil on the US economy became more visible. Strong economic activity in the Asian emerging markets was the main factor that helped to preserve the global growth, substituting the slowdown of US economy and limiting its negative impact on the global economic activity.

In the first quarter of 2008, GDP growth in OECD countries reached 0.5%, virtually unchanged from the previous quarter. On a year-on-year basis, economic growth decreased to 2.6%, from 2.7% in the fourth quarter. Despite the relatively stable GDP growth, economic sentiment indicators have been decreasing in OECD countries for a prolonged period of time. In the first quarter, consumer and business confidence indicators fell below the 100 points margin. Economic sentiment indicators thus suggest negative expectations concerning economic development in OECD countries.

The price development accelerated again in the first quarter, driven by the development in commodity prices. The annual rate of inflation in OECD countries reached 3.5% in March, compared to 3.3 in December. The most significant contributors to this growth were energy and food prices (growing by 13.3% and 5.1%, respectively). The core inflation in OECD countries remained relatively stable, reaching 2.1% in March on an annual basis, unchanged from December. Due to the global growth in the prices of agricultural commodities and energy, inflation level remains at elevated levels in OECD countries. Inflation pressures were strong also in the emerging economies, due to a higher weight of food in their consumer basket than in the baskets of other OECD countries.

The risks for the global economy remain still include notable slowdown in economic activity in the United States and its possible spillover to the global economy. Due to commodities prices, inflation levels remain at elevated levels in OECD countries. In the first half of the year, the risks to economic activity remained clearly on the downside. Other risks include the soaring prices of crude oil, inflation pressures, protracted global imbalances and a rise in protectionism in the world trade.

Commodities

Prices of crude oil recorded relatively high volatility in the first quarter of 2008. They were strongly increasing at the beginning of January, and later on, at the end of the month and in February, followed a decreasing trend. This development was reversed at the end of February, when crude oil prices exceeded the level of 100 USD per barrel and have remained above that level since then. Oil price reached its first quarter's high in March, at USD 109.18 per barrel. The price growth continued also in the coming months, with new high reported in May at USD 127.85 per barrel.

The price of crude oil is very sensitive to any change of the underlying factors. High oil prices are, on the one hand, driven by strong demand and limited extraction and processing capacities. Oil prices further strongly depend on geopolitical tensions and crises in the world jeopardizing the production of crude oil. On the other hand, oil prices are pushed downwards by fears of recession in the United States with subsequent decrease in global demand for oil, mild winter and gradual replenishment of oil reserves.

The outlook for oil prices in the medium and long term remains unchanged, with oil prices expected to stay at high levels. Future contracts for Brent oil prices for December 2010 are made at prices exceeding USD 100 per barrel.

The prices of other world commodities increased again in the first quarter (particularly in January and February). The prices of agricultural commodities continued to grow, due to strong demand in Asian emerging economies. Price growth was also driven by low harvest of cereals, lower global stock of cereals and growing acreages used for growing commodities needed for the production of biodiesel. As far as the other commodities are concerned, non-ferrous metals recorded a particularly strong price growth in February, due to production shortfalls in China and South Africa.

United States

The development of the US economy in the first quarter of 2008 recorded a moderate acceleration in annualised growth per quarter to 0.9%, compared with 0.6% in the previous quarter. The US economy grew by 2.5% year-on-year, at the same pace as in the previous quarter.

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

Economic growth was driven mainly by net change of inventory, net exports and federal government expenditure. GDP growth was dampened by slower growth in private consumption, with particularly strong decline in the consumption of durables. The consumption of non-durables also decreased moderately. A positive contribution of private consumption to GDP growth could be maintained particularly thanks to services. Decreasing investments also dampened the GDP growth. The contribution of net exports to GDP creation remained positive in the first quarter. It, however, decreased, compared with the previous quarter.

In the first quarter, the annual headline inflation developed relatively stable and reached 4.0% in March, compared to 4.1% in December. Despite the moderate decrease, the inflation rate remains at high levels. After the initial increase in January, its growth gradually slowed down to 3.9% in April. Inflation remained high particularly due to growing energy and food prices.

Core inflation recorded a relatively stable development and stood at 2.4% in March, unchanged from December's figure. Despite the sharp increase in headline inflation in the last months of 2007 and due to the development in energy and food prices, core inflation remains relatively stable.

The US Federal Open Market Committee (FOMC) decided to cut its target for the federal funds rate in its meetings in the first quarter in January and in March by a total of 200 basis points to 2.25%. The rates were reduced significantly in the January's ordinary and extraordinary meeting of FOMC (by a total of 125 basis points). Another cut by 25 basis points to 2.0% followed in April.

In January and March, the FOMC reduced its base rate by a total of 225 basis points to 2.5%. The rate was further reduced by 25 basis points to 2.25% in April. These significant cuts were carried out in response to incoming data indicating a deterioration in the construction sector and worse labour market conditions.

Euro-area countries

Even though business and consumer sentiment surveys indicated further slowdown in economic activity, the euro area economy recorded a pronounced growth in the first quarter. While its growth in the fourth quarter of 2007 stood at 0.3%, it increased to 0.8% in the first quarter of 2008. The economy of the euro area countries grew faster also on an annual basis, increasing by 2.2% in the 1st quarter of 2008, against 2.1% in the last quarter of 2007. The increase in euro area's economic activity was driven mainly by the favourable development of the German economy.

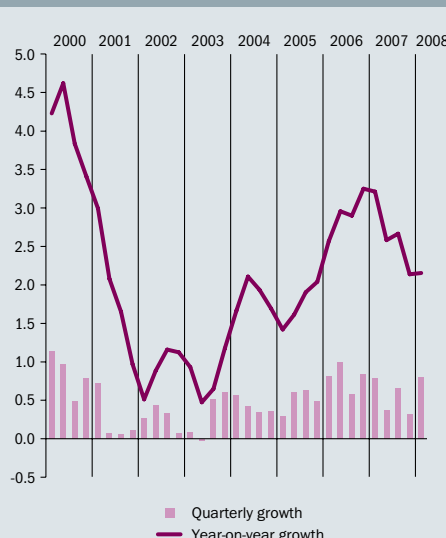
Looking at the structure of economic growth, the dominating factor was domestic demand, particularly its investment component. Gross fixed investments and inventories both increased. The relatively favourable development in investment demand could be influenced by the relatively warm winter, with the

Chart 1 Overall and Core Inflation in the United States (%)



Source: Bureau of Labour Statistics.

Chart 2 Euro Area Economic Growth (constant 2000 prices) (%)



Source: Eurostat.



Chart 3 Contributions of Individual Components to Quarterly GDP Growth in the Euro Area (p.p.)

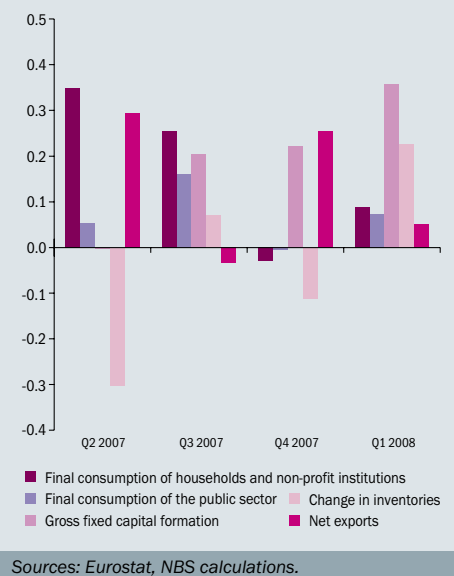
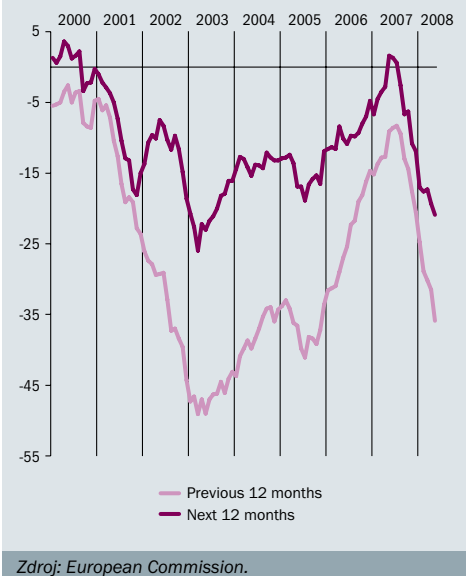


Chart 4 Consumer Confidence in the Euro Area (Balance of responses)



construction sector recording a notable acceleration of quarterly growth. After a moderate decrease in final household consumption and consumption of non-profit institutions of 0.1% in the last quarter of 2007, this factor increased by 0.2% in the first quarter of 2008. This development is attributable mainly to the growing consumption demand in Germany (increase of 0.3%), as opposed to its decrease of 0.8% in the previous quarter. Economic growth was also supported by government consumption. The contribution of net exports to economic growth remained positive in the first quarter. It, however, decreased, compared with the last quarter of 2007.

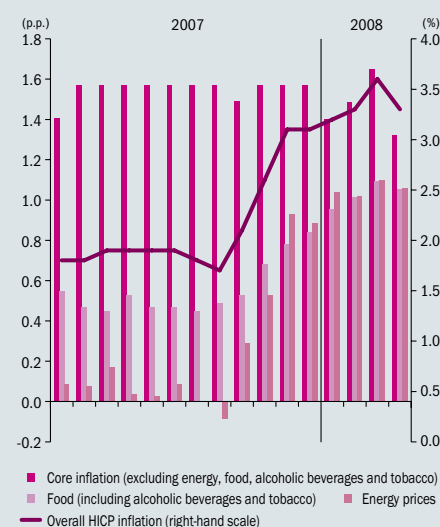
The expectations of further slowdown in the euro area economy, as indicated by several surveys, did not come true in the first quarter. Almost all indicators, however, still suggest that the economic growth could slow down and the economic situation deteriorate. Consumer and industry confidence both went down and so did the overall economic sentiment indicator. IFO, the index of economic climate for Germany, is the only exception. The index surprisingly recorded an increase in May. Consumer surveys assessing the overall economic situation indicate a deteriorated assessment of the current condition of the economy and its outlook.

Chart 5 Unemployment Rate and Consumer Expectations for Unemployment in the Next 12 Months



Despite deteriorating consumer expectations concerning development of unemployment, the rate of unemployment went down again moderately in the first quarter of 2008. At the end of March, the unemployment rate stood at 7.1%, down by 0.1% from the figure reported at the end of 2007. It remained at the same level also in April. With deteriorating outlook for economic activity, consumers remain rather pessimistic, as far as the future development of unemployment is concerned.

The acceleration in the pace of consumer prices growth continued also in the first quarter. At the end of March, the annual rate of inflation stood at 3.6%, up by 0.5% from the figure reported at the end of 2007. Compared with the same period of the previous year, the rate of price growth almost doubled. The price growth decreased to 3.3% in April, mainly due to temporary influences (the seasonal influence

Chart 6 Euro Area: Overall HICP Inflation (Year-on-year) and Contributions of Selected Components


Sources: Eurostat, NBS calculations.

Chart 7 Expectations of Future Prices in Manufacturing and Retail Trade, Developments in Food Prices

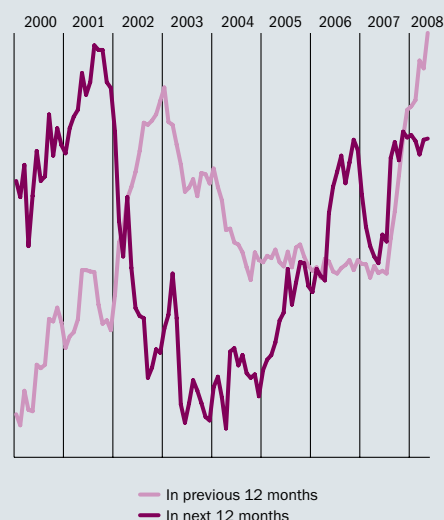

Sources: Eurostat, European Commission.

Note: Expectations in manufacturing are defined for "next months", and expectations in retail trade for "the next three months".

of Easter Holiday on consumer prices). According to Eurostat's flash estimate, inflation returned to the level from the end of the first quarter in May.

Accelerated price growth in the first quarter was driven mainly by world prices of crude oil and foods. This was reflected in the higher contribution of energy and food prices to the growth of consumer prices. While the prices of these items accounted for about 25% of the total inflation in July 2007, their contribution in April 2008 reached 64%. In March, accelerated price growth was also supported by services, which, to some extent, was related to earlier Easter Holidays compared with the previous year. This influence faded out in April.

Accelerated growth in food prices from the first quarter of 2008 continued also in April, despite lower price expectations of food producers and retailers. As far as the processing industry is concerned, price expectations are lower for the coming period; expectations of the retail sector do not provide a clear clue.

Chart 8 Euro Area: Consumer Price Expectations (balance of responses)


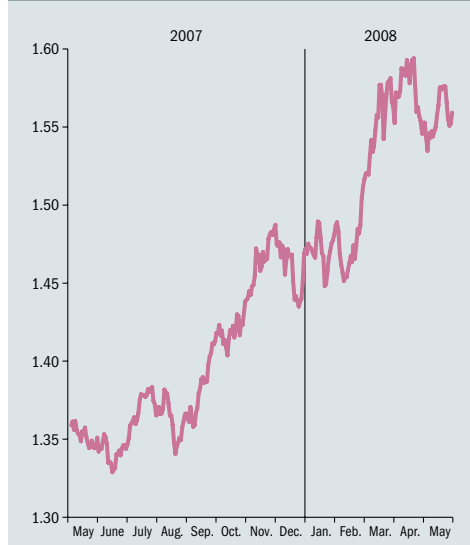
Source: European Commission.

Core inflation increased by 0.4 percentage points in the first quarter to reach 2.7%. It then decreased to 2.4% in April. The temporary higher growth in core inflation in March and its subsequent decline in April was influenced by the above-mentioned effect of the Easter Holidays, which were in March this year and not in April as in the previous year.

The structure of inflation in the euro area countries does not point to a significant transmission of cost inflation factors in the form of secondary effects. The prices of industrial goods, excluding energy, have so far stayed below the average of 2007. Their development was, to some extent, influenced by the appreciation of the euro and strong international competition. Services prices also recorded no acceleration of growth. After the price expectations of consumers had increased significantly in the second half of 2007, they have been rather stable in 2008, albeit relatively high. Compared with that, the assessment of past inflation is more and more pessimistic and reaches historically high levels.

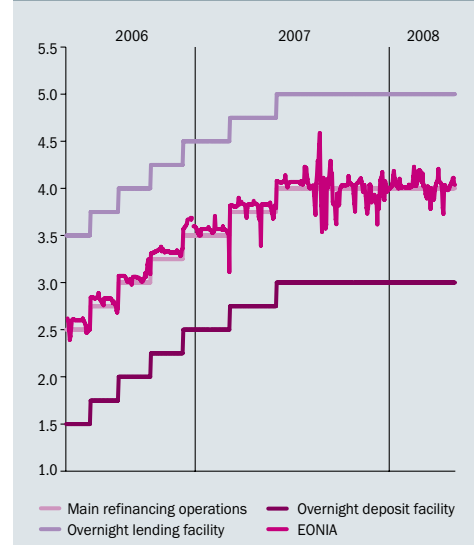


Chart 9 USD/EUR Exchange Rates (%)



Source: ECB.

Chart 10 ECB Interest Rates and the EONIA (%)



Source: ECB.

The interruption of the appreciation tendency of the euro against the US dollar from December continued also in January. The tendency was then renewed in the following two months of the first quarter of 2008. The exchange rate reached its highest level of USD/EUR 1.58 at the end of March, appreciating by almost 7.5% compared with the beginning of the year. The development of exchange rates responded to deteriorating outlook of the US economy, negative signals from the labour market and the real estate sector, falling consumer confidence and decrease of interest rate differential following the rather aggressive interest rate cuts by FED (by 2 percentage points during a quarter). Temporarily, the dollar was supported by turbulences on the European stock markets in January and fears of a more pronounced impact of the global slowdown on euro area economy. In April, the euro appreciated to a level of almost 1.60 dollar per euro. At the end of April, a rather pronounced correction followed and the euro depreciated quite strongly. This was related to improved investor sentiments in response to a moderate revival on the US stock markets and, to some extent, to further cuts of the federal funds rate at the end of the month. At the end of May, the euro appreciated again and, compared with the beginning of the year, it appreciated by more than 5% (more than 15% year-on-year).

At its meeting in June, the Governing Council of the ECB decided to leave its key interest rates unchanged. The rates were not changed in the first quarter of 2008 or in the following months. ECB rate for main refinancing operations has remained unchanged at 4.0% for one year. The Governing Council emphasized in its decisions that inflation risks were on the upside and that the priority of the European Central Bank would be to eliminate the secondary cost inflation effects of food and oil prices. In this connection, the ECB warns of attempts to index wages according to inflation. Inflation risks were also confirmed by the relatively dynamic growth in M3 aggregate and loans.

ECB responded to the prevailing problems with money market liquidity in the euro area by renewing additional long-term refinancing operations with 3 months maturity. Both these operations had a pre-set volume of SKK 60 billion; one took place in the last ten days of February, the other in the middle of March. At the end of March, the ECB decided to further support the normalisation

Chart 11 Euro Area: Money Market Interest Rate Differential against ECB Main Refinancing Rate (p.p.)



Sources: ECB, NBS calculations.

of the money market, by announcing two new supplementary long-term refinancing operations with 6 months maturity. The volume of both operations was EUR 25 billion; the first was carried out in April, the other was scheduled for the first ten-day period of July. At the same time, the ECB decided to renew three-month long-term refinancing operations in May and June. The volume of both operations was set to EUR 50 billion. Both operations were supposed to replace previous three month refinancing operations (each with a volume of EUR 60 billion)

Despite these normalisation measures of the ECB, the money market further struggled with liquidity problems. These problems were reflected in the relatively high differentials between money market rates and the ECB main refinancing rate. Based on surveys conducted by the ECB, the banks responded by tightening their lending standards.

Box 1

Euro area: tightening of lending standards

The surveys conducted by the ECB among commercial banks concerning their lending conditions (The euro area bank lending survey) indicate that the credit market responded to the unstable situation on the financial markets and deteriorated outlook for global economic growth. The

Chart A: Changes in Corporate Credit Standards (balance of responses in %)



Chart B: Changes in Demand for Corporate Loans (balance of responses in %)



Source: ECB.

Note: Responses relating to changes made refer to the previous three months; responses concerning expected changes refer to the next three months. When assessing changes in lending standards, increase of the balance of responses means tightening of lending standards; when assessing the demand for loans, decrease in the balance of responses means lower demand.

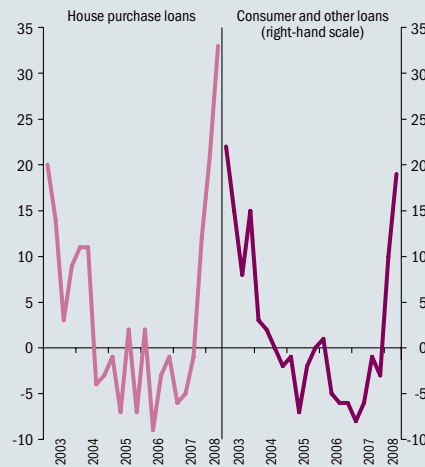
crisis on the financial markets and the related liquidity problems led to a tightening of lending standards, particularly in the form of higher margins. Deteriorated outlook for global economic growth, pronounced slowdown in the US economy and spillover effects on the economy of the euro area are important factors contributing to tighter credit standards. Fears concerning future development on the real estate markets and development of consumer sentiments lead to stricter collateral requirements and stricter limits on loans granted.

The survey conducted in April confirmed deterioration of credit conditions both for businesses and individuals. At the same time, further tightening of the lending conditions can be expected in the coming months, according to the survey (expectations for the coming three months).

Tightening of lending conditions for businesses reflects particularly the deteriorated outlook for economic growth and specific industry outlook. Banks increased their margins and limited

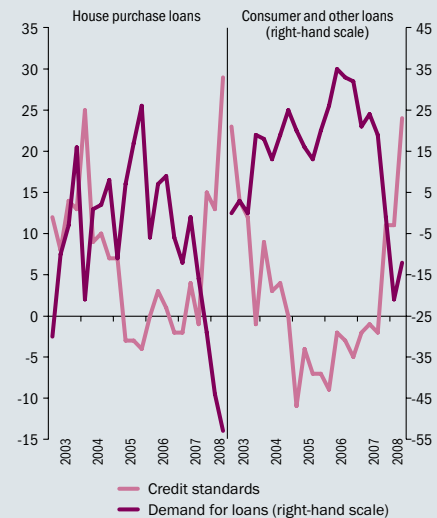


Chart C: Actual Changes in Household Credit Standards
(balance of responses in %)



Source: ECB.

Chart D: Expected Developments in Credit Standards and Demand for Loans
(balance of responses in %)



Source: ECB.

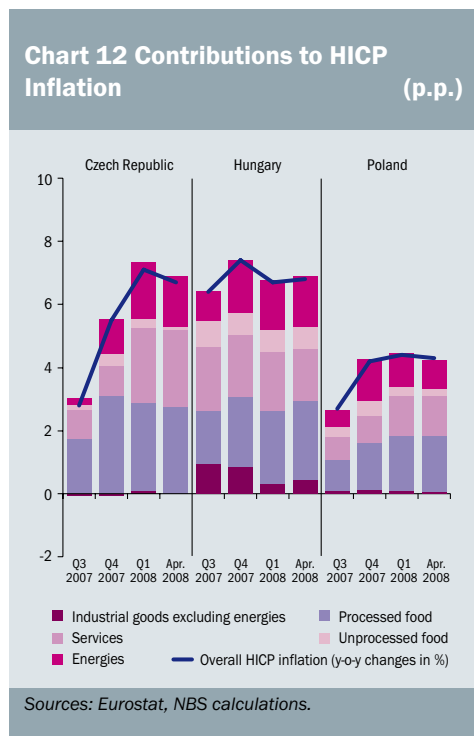
the volume of loans. The survey also indicates a decreasing demand for loans, particularly to finance fixed investments, mergers and acquisitions and restructuring measures.

Surveys indicate deterioration of lending standards for household loans also (both house purchase loans and consumer loans). With house purchase loans, the tightening of the lending conditions is attributable mainly to expectations concerning economic activity and outlook for the real estate markets; the growing cost of funds and balance sheet limitations also played a certain role. Expectations concerning future development of economy also contributed to deterioration of standards for the provision of consumer and other loans. In this case, the creditworthiness of consumers and growing collateral risk also played a role.

Surveys indicate that the demand for loans by individuals decreased similarly as in the case of businesses. This applies particularly to house purchase loans. The cause identified in both categories of loans was lower consumer confidence and, with house purchase loans, deteriorated outlook for the real estate market. Based on the results of the survey, further tightening of the lending standards can be expected also in the future.

Developments in Visegrad (V4) countries

In the first quarter of 2008, the Czech economy recorded a pronounced slowdown. Economic activity slowed down moderately also in Poland. The levels of economic growth in both economies, however, remained relatively high. The Hungarian economy, on the other hand, recorded a moderate acceleration, albeit remaining at low levels. GDP growth in the Czech Republic stood at 5.3%, by 1 percentage point less than in the last quarter of 2007. The main reason for this slowdown was lower consumption. Slower growth was observed in household consumption and government consumption. Lower consumer demand was most likely attributable to the negative effect of indirect tax increases and pronounced growth in administered prices on the level of income. Fixed capital formation also slowed down, partly offset by the increase in inventories. The contribution of net exports to economic growth also decreased. The growth of the Polish economy slowed down by 0.3 percentage points to 6.4% in the first quarter. Lower growth was observed in consumption, particularly by the government. Investment demand also weakened, with the pronounced slowdown in the growth of fixed investments partly offset by increasing inventory and investments. Economic growth, on the other hand, was supported by net exports. While net exports had a dampening effect on GDP growth in the fourth quarter of 2007, their contribution turned to be positive in the 1st quarter, mainly due to the slowdown in imports. The growth of the Hungarian economy in the first quarter of 2008 accelerated moderately by 0.3 percentage points to 0.8%. Net exports remained the main growth factor. Household consumption and consumption of non-profit organisations serving households recorded a moderate revival. Consumption by the general government still had a dampening



effect on the economy. Investment demand also decreased, particularly due to a deep plunge in fixed investment creation, which was partly offset by increasing inventories.

Compared with the previous quarter, inflation in the Czech Republic and Poland increased by 1.6 percentage points (to 7.1%) and 0.2% (to 4.4%), respectively. Faster price growth in the Czech Republic was driven mainly by administered prices and by the implementation of reform measures from January 2008 (particularly increase of the reduced VAT rate, changes to indirect taxes and introduction of payments in the health sector). Similarly in Poland, inflation growth was supported by administrative changes of the prices of housing related services and energy. The growth in energy prices and prices of other marketable goods, including food, was partly dampened by appreciating currencies in both economies. In April, the rate of inflation decreased by 0.4 percentage points to 6.7% in the Czech Republic. This was attributable particularly to the growth in food prices. In Poland, inflation decreased by 0.1 percentage points to 4.3% in April, mainly due to lower growth in fuel prices. Inflation in Hungary decreased by 0.7 percentage points to 6.7% in the first quarter. A slowdown in price growth was observed in all categories, except for processed food, whose prices increased moderately. In April, the price growth accelerated moderately by 0.1 percentage points to 6.8%, due to the development in food and energy prices. Cancellation of payments by citizens for health services dampened somehow the price growth in April.

The decrease in the negative interest rate differential compared with the euro and other V4 countries increased the demand by investors for the Czech koruna, which, as a result, appreciated strongly in the first quarter. The appreciation of the Czech currency was also supported by the favourable development of the local economy. The currency then weakened after the announcement in March of the agreement between ČNB and the Czech Ministry of Finance on the mitigation of the fast appreciation of koruna's exchange rate. At the beginning of April, the exchange rate recovered to its original values; the fast appreciation tendency of the koruna, however, came to an end.

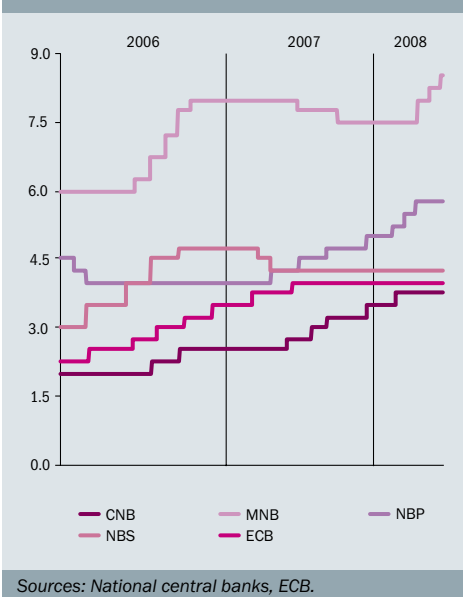
The exchange rate of the Hungarian forint developed in the opposite way as the other currencies in the region in the first quarter. The depreciation of the forint was interrupted after the cancellation of its fluctuation band at the end of February. The reason for the relaxation of the exchange rate mechanism was the improvement of the conditions for meeting the inflation target and the subsequent attainment of the nominal convergence criterion for entry to ERM II. In March, the forint started to appreciate again, supported by April's increase of the key interest rates, and this appreciation tendency lasted till the end of May. The Polish zloty appreciated in the first quarter mainly due to the increase of interest rates and market expectations of their further growth. The appreciation trend lasted more or less in April and May.

In the first quarter of 2008 and till the end of May, all central banks in the region changed their key interest rates. Česká národní banka increased its two-week REPO rate by 0.25 p.p. to 3.75% in its



February meeting. The reason for the increase was the risk that higher inflation would influence inflation expectations. Magyar Nemzeti Bank increased its base interest rate in three steps during the period under review. With effect from 1 April 2008, it increased its key interest rate by 0.5 percentage points and in its two meetings in April and May equally by 0.25 percentage points to 8.5%. By doing so, the bank responded to deteriorating inflation outlook. The objective of MNB was to prevent possible secondary effects of higher inflation, particularly the risk of accelerated wage growth. Inflation in Hungary is decreasing at a slower pace than expected, jeopardizing the central bank's ambition to meet the 3 percent inflation target in 2009. Narodowy Bank Polski increased its reference rate in three steps since the beginning of the year, each time by 0.25 percentage points to 5.75%. The reason for this was higher inflation exceeding the upper fluctuation limit from the inflation target, combined with high wage growth above the level of labour productivity growth.

Chart 14 Key NCB Interest Rates in the V4-countries (%)



Box 2

Abrogation of excessive deficit procedure against the Czech Republic

Based on the recommendation of the European Commission, the ECOFIN Council suspended the excessive deficit procedures against the Czech Republic (together with Slovakia, Italy and Portugal) at its meeting on 3 June.

In July 2004, the Council decided, again based on the recommendation by the EC, to renew the excessive deficit procedures against the Czech Republic. The Czech Republic was required to reduce its fiscal deficit by the end of 2008. In October 2007, the Council concluded that the measures taken by the Czech Republic were not sufficient and published new recommendations for reduction of public expenditure. At the same time, a new medium-term fiscal objective was set: cyclically adjusted deficit of 1% GDP.

Since 2003, when the fiscal deficit of the Czech Republic reached 6.6%, the country's deficit has never been higher than 3%, with the exception of 2005. Lower than expected deficit in 2006 and 2007 was achieved thanks to higher revenues, higher economic growth and gradual reduction of government expenditure. Since 2008, the reform of the public finance entered into force, which should have a further positive impact on the budget, due to restrictions of social expenditure.

The government debt to GDP ratio decreased gradually from 2004 to 28.7% in 2007.

Table A Deficit Ratio and Debt Ratio in the Czech Republic

	2003	2004	2005	2006	2007	2008 ¹⁾	2009 ¹⁾
Fiscal deficit	-6.6	-3	-3.6	-2.7	-1.6	-1.4	-1.1
Government debt	30.1	30.4	29.7	29.4	28.7	28.1	27.2

1) Prediction. Convergence Report of the European Commission 2008.
Sources: Eurostat, European Commission.

3 Inflation

3.1 Consumer Price Index

HICP Inflation

Consumer prices, as measured by HICP, increased month-on-month by 0.4% in May, with the prices of goods and services growing by 0.5% and 0.2%, respectively. On a year-on-year basis, consumer prices rose by 4.0% (3.7% in April). Overall inflation, excluding energy and unprocessed food prices (core inflation) reached 4.0% year-on-year (3.9% in April). The average 12-month inflation rate from June 2007 till May 2008 stood at 2.6%. The average inflation rate since the beginning of the year reached 3.6%. HICP inflation in May was slightly higher than expected by NBS, mainly due to a steeper-than-expected growth in administered prices (heat, healthcare services) and moderately faster than expected growth in food prices.

Harmonized Index of Consumer Prices

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

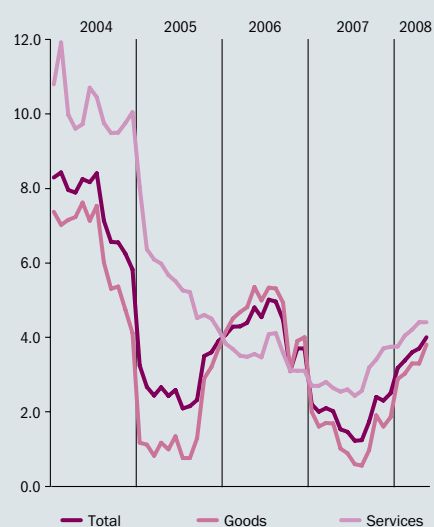
	2007		2008			
	Dec.	Jan.	Feb.	Mar.	Apr.	May
TOTAL	2.5	3.2	3.4	3.6	3.7	4.0
Goods	1.8	2.9	3.0	3.3	3.3	3.8
Industrial goods	-0.2	1.2	1.3	1.6	1.5	2.0
Industrial goods (excl. energies)	-1.2	-0.5	-0.3	0.2	0.1	0.7
Energies	1.2	3.6	3.7	3.8	3.6	4.1
Food	5.8	6.1	6.3	6.5	6.7	7.1
Processed food (including alcohol and tobacco)	7.4	8.3	8.6	8.6	9.3	8.9
Unprocessed food	2.6	1.7	1.6	2.5	1.8	3.7
Services	3.7	3.8	4.0	4.2	4.4	4.4
Total, excluding unprocessed food and energies (core inflation)	2.8	3.2	3.5	3.7	3.9	4.0
Total, excluding energies	2.8	3.1	3.3	3.6	3.7	4.0

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

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

Stagnating rate of growth of services prices

Chart 15 HICP Inflation and its Main Components (%)



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

In goods, faster annual growth was observed in the prices of industrial goods and food. Development of industrial goods prices was influenced by accelerated growth in the prices of industrial goods (excluding energy) and energy prices. Industrial goods prices (excluding energy) were influenced by the base effect of the reduction of medicinal drug prices (or the replacement of one drug, which is no longer produced and distributed, with a less expensive one) in the same period a year earlier. As to energy prices, the prices of heat increased in May and the annual rate of growth in fuel prices accelerated. The annual growth in food prices accelerated, supported by accelerated growth in unprocessed food prices (higher prices of meat, fruits and vegetables) and dampened by the slower annual growth in the processed food prices (month-on-month decline in the prices of milk and dairy products and eggs).

The prices of services stagnated on a year-on-year basis, with the prices of transport services, personal and recreation services growing moderately faster than in the previous month. Slower growth, on the other hand, was observed in the prices of telecommunication and social services.



Slower growth of core inflation The annual core inflation (total, excluding energy and unprocessed food prices) accelerated moderately in May, particularly due to faster growth in the prices of industrial goods excluding energy. The annual price growth in services stagnated and processed food prices recorded slower annual growth.

Expectations for the next month The year-on-year rate of headline inflation is expected to accelerate moderately in June 2008, compared with May 2008, mainly as a result of the expected faster growth in goods and services prices. In the goods category, faster annual growth is expected particularly in food prices.

CPI inflation

Consumer Price Index In May 2008, consumer prices rose month-on-month by 0.3%, faster than expected by NBS. The growth in regulated prices was faster than expected by NBS (particularly the prices of heat, health services and public transportation increasing beyond expectations). Core inflation grew also faster. Its development was driven mainly by the growth in food prices (steep increase in vegetable prices). The annual growth in consumer prices accelerated to 4.6% (4.3% in April). Core inflation reached 4.8% (4.6% one month ago). The average year-on-year inflation from June 2007 till May 2008 stood at 3.4%.

Table 2 Consumer Prices in May 2008

	CPI inflation		HICP inflation by CPI component	
	Change versus			
	Apr. 2008	May 2007	Apr. 2008	May 2007
Total in %	0.3	4.6	0.4	4.0
Regulated prices in %	0.2	4.1	0.3	4.4
Share of total, in percentage points ¹⁾	0.05	-	0.07	-
Impact of changes in indirect taxes on non-regulated prices – Share of total, in percentage points¹⁾	0.00	-	0.00	-
Core inflation in %	0.4	4.8	0.4	4.0
Share of total, in percentage points ¹⁾	0.27	-	0.31	-
of which: Food prices in %	1.1	10.1	1.2	8.9
Share of total, in percentage points ¹⁾	0.17	-	0.19	-
Tradable goods in % ¹⁾	0.2	1.5	0.2	1.8
Share of total, in percentage points ¹⁾	0.08	-	0.07	-
Tradable goods excluding fuels, in % ¹⁾	0.0	0.5	0.0	0.9
Share of total, in percentage points ¹⁾	-0.01	-	0.00	-
Fuels in % ¹⁾	2.5	10.7	2.5	10.7
Share of total, in percentage points ¹⁾	0.08	-	0.07	-
Market services in % ¹⁾	0.1	6.6	0.2	3.8
Share of total, in percentage points ¹⁾	0.02	-	0.04	-
Net inflation (excluding the impact of changes in indirect taxes) in %	0.2	3.5	0.2	2.6
Share of total, in percentage points ¹⁾	0.10	-	0.11	-
Net inflation, excluding fuel prices (excluding the impact of changes in indirect taxes) in %¹⁾	0.0	3.1	0.1	2.1
Share of total, in percentage points ¹⁾	0.02	-	0.04	-

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 April 2008

Month-on-month increase in industrial producer prices for the domestic market... Industrial producer prices for the domestic market increased month-on-month by an average of 0.2% in April 2008, as a result of equal growth in industrial products and energy prices. The prices of mineral raw materials went down by 0.4%.

Table 3 Producer Price Developments in April 2008 (%)

	Month-on-month changes		Year-on-year changes			
	Mar. 2008	Apr. 2008	Apr. 2007	Mar. 2008	Apr. 2008	Average since the beginning of 2008
Industrial producer prices (for the domestic market)	0.2	0.2	2.2	5.3	5.8	5.1
– Prices of manufacturing products	-0.2	0.2	0.4	2.5	2.8	2.9
– Prices of mining and quarrying products	1.9	-0.4	-3.1	10.3	10.5	7.9
– Energy prices	0.7	0.2	4.8	8.9	9.6	8.1
Industrial producer prices (for export)	-0.1	-0.3	-4.3	3.0	2.2	2.4
– Prices of manufacturing products	-0.2	0.0	-3.6	1.8	1.4	1.7
Construction prices	0.9	0.8	4.2	4.8	5.7	4.9
Building materials prices	0.4	1.1	5.1	4.1	4.9	4.4
Agricultural prices	-	-	-1.2	14.9	15.1	13.7
– Prices of plant products	-	-	18.4	47.8	52.7	45.7
– Prices of animal products	-	-	-3.4	8.9	9.9	7.6

Source: Statistical Office of the SR.

The year-on-year rate of growth in industrial producer prices for the domestic market accelerated by 0.5 percentage points compared with March to reach 5.8% in April. This is attributable to the faster growth in energy prices (9.6%, increase of 0.7 percentage points), industrial production prices (2.8%, increase of 0.3 percentage points) and raw materials (10.5%, increase of 0.2 percentage points).

... accompanied by faster growth

The faster annual growth in energy prices in April was the result of accelerated price growth in all its basic components. Prices of gas production and transport of gaseous fuels via pipelines rose by 1.3 percentage points to 9.0%, prices of steam and hot water supply by 1.8 percentage points to 3.7% and water treatment and distribution by 1.3 percentage points to 8.2%. The annual growth in the prices of electricity generation and distribution remained unchanged from the previous month (11.0%).

Faster year-on-year growth in industrial producer prices in April was driven mostly by growing prices of refined oil products (which grew by 22.4%). Price growth was also supported by the prices of food products (8.1%), other non-metal mineral products (4.9%), chemical products (3.0%), electrical and





optical devices (2.8%), textile products (0.7%) and wood products (0.4%). The prices of transport equipment (-5.1%), products not classified elsewhere (-2.2%), leather products (-1.9%), paper, rubber and plastic products and base metals and finished metal products (equally -0.9%) decreased.

Among food products, the largest increase (larger than in March) was observed in the prices of industrial fodder (26.8%), animal and plant fats and oils (26.5%) and flour products (25.9%). The prices of dairy products (increase of 10.3%) and beverages (4.1%) recorded a slower growth than one month ago. After several months (the last time in October 2007), the prices of meat and meat products increased on an annual basis (by 0.7%). The prices of processed and canned fruits and vegetables (-3.2%) continued on the downward curve.

Industrial producer prices for export

The export prices of manufacturing products, as the main factor influencing the development of industrial producer prices for export, stagnated on a month-on-month basis in April. On an annual basis, however, they increased.

The annual growth in industrial producer prices for export in April was driven mostly by quickly growing export prices of refined oil products (increase of 27.2%, albeit by 3.9 percentage points lower than in March). Price growth on a year-on-year basis was also supported by export prices for food products (12.8%), chemical products (3.3%), other non-metal mineral products (2.6%) and paper products (0.8%). Drops in the prices of transport equipment (-5.3%), electrical and optical devices (-1.7%), base metals and finished metal products (-1.0%) and textile products (-3.0%) dampened the overall price growth.

Agricultural prices

The year-on-year rate of growth in agricultural prices increased by 0.2 percentage points on the previous month to reach 15.1% in April, due to the protracted growth in plant product prices (increase of 4.9 percentage points to 52.7%) and animal product prices (increase of 1 percentage point to 9.9%).

The growth in plant product prices was driven mostly by higher prices of cereals, which increased by 60.0% (corn by 63.7%, rye by 63.6%, wheat by 60.3%, barley by 50.4% and oat by 49.7%) and oil seeds, which increased by 40.5% (sunflower by 66.7% and soya beans by 33.7%). The prices of pulses, fruits and vegetables rose by 14.7%, 1.5% and 1.2%, respectively. The prices of potatoes decreased by 14.0%.

As far as animal products are concerned, the prices of fish went up by 21.8%, poultry by 17.8%, raw cows' milk by 16.7% and eggs by 11.1%. The prices of pigs and cattle including calves decreased by 0.5% and 0.8%, respectively.

In May 2008, industrial producer prices should be influenced by the high price of crude oil on the world markets, resulting into energy price growth pressures. Price growth should further be supported by the prices of food. The appreciation of the Slovak koruna still has a dampening effect on the price growth. Owing to these cost factors, the rate of year-on-year growth in industrial producer prices is expected to stagnate or accelerate moderately in May, compared to April.

According to latest agrarian market news, the purchase prices of cereals are expected to increase moderately in May. The prices of rape and sunflower will remain at relatively high levels, with no significant changes to their purchase prices expected in the near future. As to animal products, pork prices are expected to grow gradually, while the prices of cattle should stay at about the last year's level. The purchase price of raw cow's milk remains on a markedly higher level than one year ago, although it has been decreasing since the beginning of the year. Overall, the prices of agricultural products are expected to grow in May.

Chart 18 Developments in Food Prices in Primary Production, Processing, and Consumption
(year-on-year changes in %)



Source: Statistical Office of the SR.

4 Factors Influencing Development of Inflation

4.1 Monetary Aggregates

The M3 monetary aggregate (according to ECB methodology) rose to SKK 1,090.8 billion in April, which was by SKK 6.2 billion more than in the previous month. The rate of annual growth of M3² further decreased to 10.2%.

**Moderate decrease
in the growth rate of M3**

The current rate of growth of the monetary aggregates is influenced by the development of deposits and loans received with an agreed maturity of up to 2 years, whose contribution to the overall annual rate of M3 growth was by 5.1 percentage points lower in April than in the same period of the previous year. The contribution of deposits and loans received repayable on demand to the growth of the M3 aggregate went down by 1.4 percentage points over the same period of time, while the contribution of the other main M3 components was relatively stable. The overall annual change of the M3 monetary aggregate in April 2008 was by 6.2 percentage points lower than in April 2007.

Table 4 Year-on-year Changes in M3 and Contributions of its Main Counterparts

	Contributions in p.p.			Year-on-year changes in % ¹⁾	
	Apr. 2007	Mar. 2008	Apr. 2008	Mar. 2008	Apr. 2008
Deposits and received loans repayable on demand	4.8	3.4	3.4	8.0	8.2
Deposits and loans received with an agreed maturity of up to 2 years	9.2	4.4	4.1	11.7	10.5
Other components in total (added figure)	2.4	2.7	2.7	83.8	108.6
M3	16.4	10.5	10.2	10.5	10.2

Source: NBS.

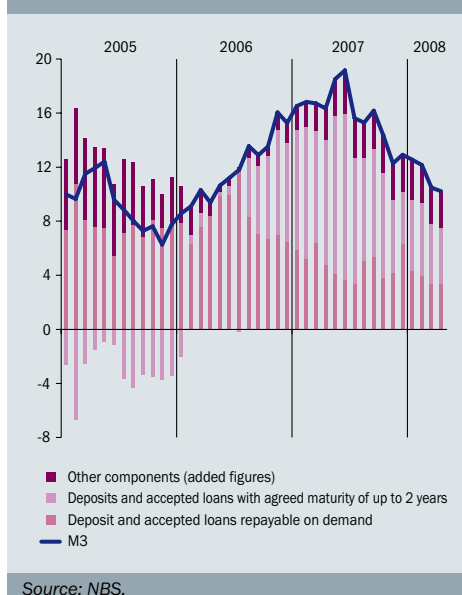
1) Year-on-changes are calculated on the basis of chain indices; index reference period is January 2005.

Main M3 components

Looking at the individual components of the M1 monetary aggregate, cash in circulation and deposits and loans received repayable on demand both decreased (by SKK 0.6 billion and SKK 14.7 billion, respectively), with a shift to deposits with an agreed maturity of up to 2 years (as was the case one year ago, this applied particularly to deposits from the corporate sector). The development of cash in circulation is most likely already influenced by the planned introduction of the common European currency in Slovakia. As a result, the annual growth rate in the volume of cash in circulation and the M1 aggregate reached its historically lowest levels (of 3.8% and 7.1%, respectively).

**Slower growth in
monetary aggregates**

Chart 19 Contributions of M3 Main Components to Year-on-year Dynamics of M3 (p.p.)



In other short-term deposits, deposits and loans received with an agreed maturity of up to 2 years increased by SKK 18.7 billion; deposits with a notice period of up to 3 months, on the other hand, decreased moderately. The slowdown in the growth of short-term deposits continued, with the rate of growth in deposits and received loans with an agreed maturity of up to 2 years falling to 10.5% (down by 1.1 percentage points from March) and in the M2 aggregate to 8.3% (down by 0.4 percentage points).

From the marketable instruments, money market fund shares/units continued to grow (by SKK 1.5 billion, compared with the previous month). The volume of

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.



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⁾	
	Apr. 2007	Mar. 2008	Apr. 2008	Mar. 2008	Apr. 2008
Currency in circulation	131.2	136.8	136.2	4.6	3.8
Deposits and received loans repayable on demand	405.7	453.7	439.0	8.0	8.2
M1	536.9	590.5	575.2	7.2	7.1
Deposits and loans received with an agreed maturity of up to 2 years	387.4	409.5	428.2	11.7	10.5
Deposits repayable at a period of notice of up to 3 months	10.4	9.3	9.2	-13.3	-11.7
M2	934.7	1,009.3	1,012.6	8.7	8.3
Money market fund shares/units	49.0	64.3	65.8	35.6	34.4
Repo operations	0.0	0.0	0.0	-	-
Debt securities issued with a maturity of up to 2 years	6.0	11.0	12.4	83.8	108.6
M3	989.6	1,084.6	1,090.8	10.5	10.2

Source: NBS.
 Note: Differences in the sums are due to rounding. The missing figures have been excluded because of the high values of year-on-year changes, resulting from the relatively small volumes of the given indicators.
 1) Volume as at the last day of the given month.
 2) Year-on-changes are calculated on the basis of chain indices; index reference period is January 2005.

debt securities issued with a maturity of up to 2 years rose by SKK 1.4 billion; the volume of repo operations equalled to zero.

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 13.6 billion in April, compared with the previous month, attributable mainly to the increase in receivables from the private sector (of SKK 11.6 billion) and from the general government (of SKK 2.0 billion). The annual rate of growth in receivables from residents increased moderately (to 17.0%, i.e. increase of 0.1 percentage points), with the rate of growth in receivables from the private sector increasing to 26.3% and increasing negative contribution of receivables from the general government.

In April, the decrease in net foreign assets continued (decrease of SKK 4.9 billion), reflecting the increase of foreign liabilities (of SKK 21.8 billion) and lower growth in foreign assets (of SKK 16.9 billion).

Table 6 Main M3 Counterparts (ECB methodology)

	Outstanding amounts (in billions of SKK) ¹⁾			Year-on-year changes (in %) ²⁾	
	Apr. 2007	Mar. 2008	Apr. 2008	Mar. 2008	Apr. 2008
MFI receivables from residents (including securities)	910.8	1,045.0	1,058.6	16.9	17.0
Receivables from general government	247.0	224.9	226.9	-7.0	-7.9
Receivables from the private sector	663.8	820.1	831.7	25.8	26.3
Net foreign assets	271.9	242.3	237.4	-7.6	-15.2
Foreign assets	542.3	532.8	549.7	2.4	-0.2
Foreign liabilities	270.4	290.5	312.3	12.5	15.5
Long-term financial liabilities (excluding capital and reserves)	125.5	142.8	143.3	14.9	14.2
Other items net ³⁾	-67.5	-59.9	-61.9	32.9	-6.9
M3	989.6	1,084.6	1,090.8	10.5	10.2

Source: NBS.
 Note: Differences in the sums are due to rounding. The missing figures have been excluded because of the high values of year-on-year changes resulting from the relatively small volumes of the given indicators.
 1) 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.
 3) Other items net include capital, reserves and provisions, as well as deposits and loans received from the central government.



Table 7 MFI Receivables from the Resident Private Sector

	Outstanding amounts (SKK billions) ¹⁾			Year-on-year changes (%) ³⁾	
	Apr. 2007	Mar. 2008	Apr. 2008	Mar. 2008	Apr. 2008
MFI receivables from the private sector (including securities)	663.8	820.1	831.7	25.8	26.3
– of which: securities issued by the private sector ²⁾	13.7	17.7	18.0	27.0	31.3
MFI receivables (excluding securities)	650.1	802.4	813.7	25.8	26.2
Non-financial corporations	337.5	415.0	420.5	26.3	26.0
– up to 1 year	142.3	176.6	177.8	26.2	28.2
– 1 to 5 years	68.5	86.0	86.2	34.0	26.0
– over 5 years	126.8	152.4	156.5	22.4	23.5
Financial corporations	59.6	68.5	66.6	11.5	12.0
Insurance corporations and pension funds	0.0	0.0	0.0	-	-
Households and non-profit institutions serving Households	252.8	318.9	326.6	28.6	29.7
– consumer loans	36.7	43.0	44.3	16.4	22.1
– construction loans	168.4	214.4	219.6	30.3	30.6
– other loans	47.7	61.4	62.7	32.1	32.3

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.

Long-term financial liabilities (excluding capital, reserves and provisions) went up by SKK 0.5 billion in April, while their annual growth rate decreased to 14.2%. This increase was supported mainly by debt securities issued with a maturity of over 2 years (increase of SKK 1.3 billion); deposits and loans received with an agreed maturity of over 2 years and deposits repayable at a period of notice of over 3 months, on the other hand, decreased by SKK 0.8 billion in total.

The decrease in other net counterparts of SKK 1.9 billion was influenced particularly by the decrease in capital, reserves and provisions (of SKK 10.1 billion), more than offset by the increasing deposits and loans received from the central government (excluding deposits held at the State Treasury), which went up by SKK 16.2 billion.

Structure of MFI receivables from the private sector (excluding securities and NBS receivables)

The growth in MFI receivables from the private sector accelerated in April, particularly due to the faster growth in household loans. The growth in loans to non-financial corporations, on the other hand, slowed down moderately.

Faster growth in household loans and moderate slowdown in the growth of loans to non-financial corporations

The pace of growth in MFI receivables from non-financial corporations slowed down moderately by 0.3 percentage points, with the volume of loans increasing by SKK 5.5 billion, compared with the previous month. Broken down by term, the volume of all types of loans increased; the highest growth was recorded in long-term loans with maturities of more than 5 years (increase of SKK 4.0 billion).

In April, the rate of growth in household loans increased by 1.1 percentage points to 29.7%. The main reason was accelerated growth in consumer and other loans, which recorded the highest increase since the beginning of the year (SKK 2.5 billion over the previous month). The pace of their growth, however, is also influenced by the development in the previous year, when the volume of consumer and other loans stagnated. House purchase loans continued the upward trend, with their volume increasing by SKK 5.2 billion.

The volume of foreign currency MFI receivables from the private sector stagnated at the level of SKK 167.1 billion in April. In the sector of non-financial corporations, loans denominated in EUR and in other foreign currencies increased equally by SKK 0.6 billion over the previous month. The volume of household loans denominated in foreign currencies did not change in April. A moderate increase in foreign



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

	Volume (SKK billion) ¹⁾	Year-on-year changes (in %) ²⁾					Cumulative changes since beginning of year (SKK billion)	
		Apr. 2008	2007 Q2	2007 Q3	2007 Q4	2008 Q1	Apr. 2008	Apr. 2008
MFI receivables (excluding securities)	813.7	21.4	24.8	23.9	25.8	26.2	22.8	43.7
Non-financial corporations	420.5	20.6	26.9	24.1	26.3	26.0	11.1	20.9
– loans in Slovak koruna	279.3	21.5	24.4	23.4	29.1	28.7	3.9	16.8
– loans in foreign currency	141.1	19.0	32.1	25.4	21.1	21.0	7.2	4.1
Financial corporations (other financial intermediaries and auxiliary institutions)	66.6	-0.2	3.4	5.7	11.5	12.0	-3.3	0.2
– loans in Slovak koruna	49.8	2.8	0.3	-2.9	3.8	4.6	-3.1	0.6
– loans in foreign currency	16.8	-9.6	14.5	42.1	40.9	41.5	-0.2	-0.3
Insurance companies and pension funds	0.0	-	-	-	-	-	0.0	0.0
Households and non-profit institutions serving households	326.6	28.8	27.8	28.5	28.6	29.7	15.0	22.6
– loans in Slovak koruna	317.5	27.1	25.9	26.8	27.6	29.0	13.2	22.4
– loans in foreign currency	9.1	170.5	165.5	126.5	74.0	59.6	1.8	0.2
of which: consumer loans	44.3	20.0	18.8	17.9	16.4	22.1	0.9	2.8
house purchase loans	219.6	30.9	30.3	30.2	30.3	30.6	11.6	15.8
other loans	62.7	28.8	26.7	31.0	32.1	32.3	2.6	4.0

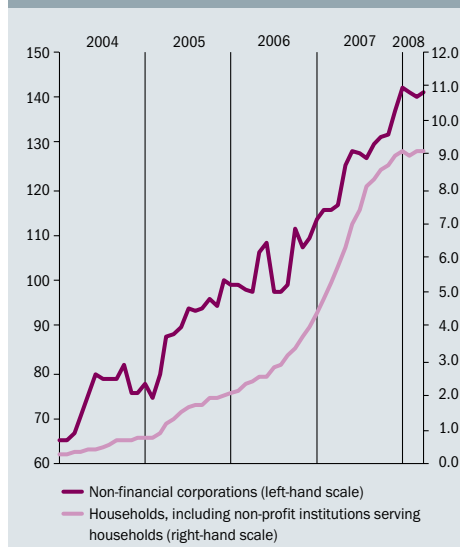
Source: NBS.

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.

Chart 20 Lending in Foreign Currency (SKK billion)



Source: NBS.

Chart 21 Cumulative 12-Month Net Sales of OIFs in Slovakia, both in SKK and foreign currency (SKK billion)



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

currency loans to non-financial corporations was offset by the decreasing volume of loans to financial corporations. Euro-denominated receivables still constitute the largest part of MFI receivables in foreign currencies in all sectors.



Table 9 Net Sales of Open-end Investment Funds in the SR

(in SKK billions)

	Year	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.	Cum.
OIF sales in total,	2006	1.8	0.4	1.2	-1.6	-0.1	-0.4	0.1	-1.9	-0.4	1.2	2.4	1.4	4.1
in Slovak koruna	2007	3.9	0.3	0.9	1.5	1.8	2.1	2.1	2.2	1.3	0.7	1.3	2.0	20.0
and foreign currency	2008	3.1	2.1	-0.7	0.6	0.7	.	.	.	.	.	.	.	5.8

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

Investment through open end investment funds (OIFs)

The inflow of money into open-end investment funds in Slovakia remained moderate in May. Signs of possible revival of the stock markets and of the ending lending crisis in the world were not confirmed yet; the appreciating Slovak currency fully eliminated the profitability in foreign currency denominated funds. The net value of OIF assets denominated in SKK increased to SKK 150.4 billion (by SKK 1.4 billion), with monthly net sales of OIFs standing at SKK 0.7 billion. The figure of net sales of OIFs denominated in foreign currencies was slightly positive (SKK 0.063 billion).

Inflow of funds into open-end investment funds

The highest monthly net sales were traditionally reported by money market funds (SKK 0.8 billion) in May. Equity funds, other funds and special real estate funds also reported slightly positive net sales (SKK 0.4 billion in total). Negative net sales were reported by other OIFs, namely by bond funds, funds of funds and mixed funds (SKK -0.5 billion in total). The net sales of OIFs of all types in the Slovak Republic, denominated in SKK and foreign currencies totalled SKK 0.7 billion.

Current budgetary developments

At the meeting of the Ecofin Council in Luxemburg held on 3 June 2008 the Finance Ministers of the Member States of the European Union abrogated the excessive deficit procedure against the Slovak Republic. Slovakia thus fulfilled another condition for its entry to the euro area on 1 January 2009. The finance ministers also suspended excessive deficit procedures against the Czech Republic, Italy and Portugal.

On 31 May 2008, the state budget of the Slovak Republic generated a deficit of SKK 3.1 billion. Total revenues amounted to SKK 133.3 billion; total expenditures stood at SKK 136.4 billion.

4.2 The External Sector**Payment balance for March and the 1st quarter of 2008**

In March 2008, the balance of payments' current account reached a deficit of SKK 6.1 billion. Compared with the previous month, the balance of payments' current account deteriorated by SKK 9.5 billion. The main factors behind this development was deteriorated development of the balance of income and the trade balance (in both cases, the surplus reported in February changed to a deficit). The balance of current transfers also developed worse than in the previous month. The services balance, on the other hand, showed a lower deficit, positively influencing the total month-on-month change of the current account balance.

Current account

In the first quarter of 2008, the balance of the current account deteriorated annually by SKK 9.4 billion. The change from last year's surplus to a deficit was supported by worse development on the balance of income and the services balance and, to a lesser extent, on the balance of current transfers. The only item that improved compared with the same period of 2007 was the trade balance (increase of trade balance surplus of SKK 1.5 billion).

Compared with the first quarter of 2007, exports increased by 14.3% (in USD by 35.4%, in EUR by 18.7%) and imports by 14.0% (in USD by 35.1% and in EUR by 18.4%) in the same period of 2008.

Compared with the same period of the previous year, exports of machinery and transport equipment recorded the highest increase in the first three months of 2008. The increase of exports in this category, however, was lower than in the same period of 2007. Within the 'machinery and transport equipment' category, more than 61% of the year-on-year growth in exports was attributable to the machinery category (TV sets). In addition to the 'machinery and transport equipment' category, exports of chemical products and semi-finished products also reported growth, with strong demand on the world markets for both semi-

Exports



Table 10 Balance of Payments Current Account

(SKK billion)

	March		January – March	
	2008	2007	2008	2007
	Balance of trade	-1.7	-1.4	6.3	4.8
Exports	126.0	119.3	382.8	335.0
Imports	127.7	120.7	376.5	330.2
Balance of services	-0.1	0.9	-2.8	1.1
Balance of income	-3.8	-1.0	-3.5	1.1
of which: income from investment	-7.1	-3.8	-12.4	-7.5
of which: reinvested earnings	-1.4	-1.9	-4.2	-5.7
Current transfers	-0.5	-2.2	-6.5	-4.1
Current account in total	-6.1	-3.7	-6.5	2.9
Share of the current account balance in GDP (%)	-	-	-1.4	0.7
Share of the current account balance (excl. dividends and reinvested earnings) in GDP (%)	-	-	0.2	2.3

Source: NBS and the Statistical Office of the SR.

Table 11 Exports in January to March, Year-on-year Changes

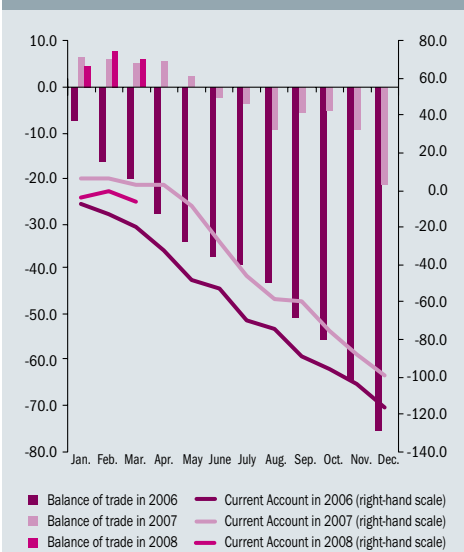
	Year-on-year changes in SKK billions		Contribution to the year-on-year changes in p.p.	
	January – March		January – March	
	2008	2007	2008	2007
Raw materials	5.8	-3.8	1.7	-1.4
Chemicals and semi-finished goods	7.9	10.2	2.4	3.8
Machinery and transport equipment	28.2	61.2	8.4	23.0
Finished products	5.9	1.0	1.7	0.4
EXPORTS in total	47.8	68.7	14.3	25.8

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

finished products (steel and iron, copper) and chemical products. Even though the exports of chemical products and semi-finished products reported the second highest growth figure, their growth slowed down compared with the previous year (similarly to the 'machinery and transport equipment' category). Exports of finished products, on the other hand, reported higher annual growth than in the previous year. The most important commodities in this category were shoes, beverages and clothes. Higher exports of raw materials were attributable to higher exports of refined oil products. The increase in exports of the named commodities was partly caused by price developments.

Imports Annual growth in imports was recorded particularly in the raw materials category, caused, to a large extent, by higher prices of oil and natural gas and increased value of imports of the two commodities. Compared with 2007, the growth in the 'machines and transport equipment' category slowed down, with lower growth in imports of 'transport equipment' sub-category (parts, components and accessories of motor vehicles). Lower growth in imports than in the previous year was also recorded in the 'finished products' category. Imports increased particularly in industrial products (pharmaceutical products and shoes) and, to a lesser

Chart 22 Balance of Trade and the Current Account in 2006, 2007 and 2008 (cumulative figures; SKK billion)



Sources: NBS and the Statistical Office of the SR.



extent, in automobiles and agricultural and food products (diary products and fruits). Imports of engineering and electrical consumer products, on the other hand, remained unchanged. The annual growth in imports of chemical products and semi-finished products was another factor supporting the year-on-year growth in total imports. Compared with the first quarter of 2007, however, their contribution was three times lower. Higher imports of semi-finished goods were attributable to increased imports of steel and iron, steel and iron products and copper. In the 'chemical products' category, imports of inorganic chemistry products and soaps grew at the highest pace.

Table 12 Imports in January to March, Year-on-year Changes

	Year-on-year changes in SKK billions		Contribution to the year-on-year changes in p.p.	
	January – March		January – March	
	2008	2007	2008	2007
Raw materials	21.0	-16.9	6.4	-5.9
Chemicals and semi-finished goods	5.2	17.8	1.6	6.2
Machinery and transport equipment	12.3	29.2	3.7	10.2
Finished products	7.8	13.7	2.4	4.8
of which: – agricultural and industrial goods	5.5	6.6	1.7	2.3
– passenger cars	2.3	5.5	0.7	1.9
– machines and electrical consumer goods	-0.1	1.6	0.0	0.6
IMPORTS in total	46.3	43.6	14.0	15.2

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

The services balance reported a deficit of SKK 2.8 billion from January till March 2008. This figure was by SKK 3.9 billion worse than that reported in the same period last year. The main categories that contributed to the change from a surplus to a deficit were 'other services total' and, to a lesser extent, tourism services. The surplus generated by transport services, on the other hand, increased annually. The main causes of the increase in the "other services total" deficit included pronounced increase in payments for financial services, other services (intermediation services) and construction services (in the financial services and other services, a decrease in revenues was also observed). The negative development of tourism services balance year-on-year was caused by steeper growth of expenses of Slovak residents on tourism-related services, which surpassed the growth in revenues for the provided tourism services. In the case of transport services, the increased surplus was caused mainly by higher revenues from the transit of natural gas and oil.

Services balance

The year-on-year deterioration in the balance of income for the first three months of 2008 of SKK 4.7 billion was the result of growing deficit on investment income balance. The deterioration of the resulting figure was caused by higher payments of dividends to foreign direct investors and increased interest payments on portfolio investments (payment of interest on Eurobonds). Compensation payments to workers, on the other hand, improved slightly compared with the previous year and partly dampened the annual deterioration of the balance of income.

Income and current transfers balances

The annual increase in the deficit on the current transfers balance of SKK 2.4 billion was caused mainly by higher payments to EU budget. In the balance of private transfers, the faster growth of payments made than those received also supported the growing deficit of the current transfers balance.

In March 2008, the balance of payments on capital and financial account resulted in a surplus of SKK 9.4 billion. More than one half of the inflow of funds was observed on the balance of other investments. The inflow of funds resulted from deposit operations on bank accounts (with the increase of deposits of non-residents on accounts opened with Slovak banks surpassing the increase of deposits of Slovak entities on accounts opened with foreign banks).

Capital and financial account

In the first three months of 2008, the capital and financial account generated a surplus of SKK 20.3 billion (last year's surplus for the same period was SKK 56.4 billion). In the balance of other investments, the lower surplus (year-on-year) was caused by differing developments in short-term deposits with Slovak banks (in the first three months of 2007, an inflow of deposits of SKK 86.2 billion was observed, compared to the outflow of SKK 22.5 billion in the same period of 2008). The decline of the overall inflow of funds was partly offset by the balance of portfolio investments, where



Table 13 Balance of Payments Capital and Financial Account (SKK billion)

	March		January – March	
	2008	2007	2008	2007
Capital account	1.6	0.3	4.2	4.2
Direct investment	1.2	-10.3	-5.9	-3.1
SR abroad	-0.5	-0.3	-1.5	-1.4
of which: equity capital abroad	0.2	-0.1	-0.8	-0.1
reinvested earnings	-0.1	-0.1	-0.3	-0.3
In the SR	1.7	-10.0	-4.4	-1.7
of which: equity capital in the SR	0.7	1.8	1.4	1.3
of which: other than privatisation	0.7	1.8	1.4	1.3
reinvested earnings	1.5	2.0	4.5	6.0
Portfolio investment and financial derivatives	1.8	2.6	19.8	-19.7
SR abroad	2.9	-6.9	5.3	-6.2
In the SR	-1.1	9.5	14.5	-13.5
Other long-term investments	0.5	-4.2	7.0	-1.7
Assets	-0.6	-0.6	-0.2	-2.3
Liabilities	1.1	-3.6	7.2	0.6
Other short-term investments	4.3	72.4	-4.8	76.7
Assets	-5.8	10.2	11.8	6.0
Liabilities	10.1	62.2	-16.6	70.7
Capital and financial account	9.4	60.8	20.3	56.4

Source: NBS.

Table 14 Inflow of Capital in 'Other Investment' Category by Sector (SKK billion)

	January – March 2008	January – March 2007	Year-on-year changes
Banks	5.7	79.3	-73.6
Enterprises	-3.5	-0.5	-3.0
Government + NBS	0.0	-3.8	3.8
In total	2.2	75.0	72.8

Source: NBS.

Table 15 Balance of Payments Adjusted for Government and NBS Activities (SKK billion)

	January – March 2008	
	Actual ¹⁾	Adjusted ²⁾
Current account	-6.5	9.4
Capital and financial account	20.3	1.1
Of which: FDI in the SR – equity participation	1.4	2.9
Errors and omissions	-17.7	-17.7
NBS interventions ³⁾	0.0	0.0
Change in net foreign assets of banks (- increase)	-	7.1
Change in NBS reserves (- increase)	3.9	-

Source: NBS.

1) Original calculation of the balance of payments, i.e. including effects of collections and payments on NBS reserves.

2) Adjusted for activities of the Slovak Government and NBS that do not influence the position of commercial banks vis-à-vis non-residents and do not represent current account real financing.

3) Interventions are part of NBS foreign reserves in original balance of payments calculations.

a decrease in net repayments of long-term government debt securities was observed. On the assets side, this development was supported by decreasing interest of Slovak residents to invest into foreign (equity and debt) securities.

Foreign direct investments From January till March 2008, an outflow of foreign direct investments (FDI) of SKK 5.9 billion was observed, representing a year-on-year decrease of SKK 2.8 billion, compared with 2007. The annual



change in the balance of direct investments was influenced particularly by a lower estimate of earnings reinvested by foreign investors in the economy and by the development of other capital under FDI, where the decrease in export receivables was more than offset by a decrease in import payables.

The net inflow of portfolio investments amounted to SKK 19.8 billion, compared with last year's net outflow of SKK 19.7 billion. The reversal from outflow to inflow (change of SKK 39.5 billion in absolute terms) in the year-to-year comparison was, on the assets side, influenced by growing interest of Slovak residents in long-term foreign equity and debt securities. On the liabilities side, the higher inflow was caused by increased interest of investors in long-term debt securities of the government.

Portfolio investments

An inflow of funds in the amount of SKK 2.2 billion was reported under other investment from January till March 2008, compared to an inflow of SKK 75.0 billion for the same period of the previous year. The amount of the annual change (of SKK 72.8 billion) was almost entirely attributable to the development in the banking sector, with the outflow of capital from Slovak banks (bank deposits) being the main factor (as opposed to the inflow of SKK 86.2 billion in the same period of 2007). This inflow of capital in the previous year was, to a large extent, the result of the development on interbank foreign exchange markets in March and April, causing high volatility of the Slovak koruna and the subsequent interventions by NBS.

Other investments

In the first quarter of 2008, the foreign reserves of NBS decreased by SKK 3.9 billion (USD 0.2 billion) (excluding foreign exchange differences).

Foreign reserves of NBS**External debt of the Slovak Republic as at 31 March 2008**

The total gross external debt reached USD 49.4 billion (EUR 31.3 billion) at the end of March 2008. The total long-term external debt increased by USD 1.1 billion in March, accompanied by a growth in short-term external debt of USD 1.6 billion. The increase in external debt at the end of March 2008 was largely caused by the exchange rate of EUR/USD.

Gross external debt

Looking at the short-term foreign debt, foreign liabilities of commercial banks increased by USD 1.1 billion month-on-month (of which the increase of USD 1.0 billion was attributable to items cash and deposits) in March. Short-term foreign liabilities of the corporate sector increased by USD 0.5 billion in total, of which trade credits and borrowings increased by USD 0.3 billion and USD 0.2 billion, respectively.

Looking at the long-term foreign debt, the foreign liabilities of the government and NBS increased by USD 0.3 billion. Long-term foreign liabilities of commercial banks increased by USD 0.1 billion. Long-term foreign liabilities of the corporate sector increased by USD 0.7 billion (item 'borrowings').

Table 16 External Debt of the SR

	In millions of USD			In millions of EUR		
	31.12.2007	29.02.2008	31.03.2008	31.12.2007	29.02.2008	31.03.2008
Total external debt of the SR	44,308.7	46,632.2	49,380.2	30,156.2	30,843.8	31,261.0
Long-term external debt	20,709.7	22,631.9	23,775.5	14,094.9	14,969.4	15,051.5
Government and NBS ¹⁾	9,502.4	10,398.4	10,677.4	6,467.3	6,877.8	6,759.5
Commercial banks	2,150.8	2,375.3	2,497.8	1,463.8	1,571.1	1,581.3
Entrepreneurial entities	9,056.5	9,858.2	10,600.3	6,163.8	6,520.5	6,710.7
Short-term external debt	23,599.0	24,000.3	25,604.7	16,061.3	15,874.4	16,209.5
Government and NBS	0.0	0.0	0.0	0.0	0.0	0.0
Commercial banks	12,095.6	11,503.2	12,605.1	8,232.2	7,608.5	7,979.9
Entrepreneurial entities	11,503.4	12,497.1	12,999.6	7,829.1	8,265.9	8,229.6
Foreign assets	37,017.4	38,222.0	40,420.8	25,193.8	24,632.8	25,589.1
Net external debt	7,291.3	8,410.2	8,959.4	4,962.4	6,211.0	5,671.9
SKK/USD and SKK/EUR rates:	22.870	21.696	20.645	33.603	32.802	32.611
EUR/USD cross exchange rate:	-	-	-	1.469	1.552	1.580

Source: NBS.

¹⁾ Including government agencies and municipalities.



Slovakia's per capita gross external debt reached USD 9,180 at the end of March. The share of short-term foreign debt in Slovakia's total gross foreign debt rose by 0.4 percentage points month-on-month and reached 51.9% at the end of March 2008.

Net foreign debt The net external debt, expressed as the difference between gross foreign debt of USD 49.4 billion (liabilities of the Government, NBS, commercial banks, and the corporate sector – excluding equity participation) and foreign assets of USD 40.0 billion (foreign reserves of NBS, foreign assets of commercial banks and the corporate sector – excluding equity participation), reached USD 9.0 billion (debtor position) at the end of March 2008.

Current developments

The b.o.p. current account deficit increased in April and reached SKK 10.4 billion. The increase of the deficit of SKK 4.3 billion over the previous month was caused mainly by higher trade balance deficit. The balance of current transfers and the services balance also reported higher deficits. On the other hand, the current account balance was positively influenced by lower deficit on the balance of income.

The year-on-year rate of growth in exports and imports accelerated in April. Imports were growing at a higher pace despite the higher baseline value from the previous year. The higher baseline from the previous year was also the reason why the growth rate of exports (21.2%) remained clearly below the growth rate of imports (27.3%).

	April		January – April	
	2008	2007	2008	2007
Balance of trade	-5.8	0.7	0.5	5.5
Exports	133.9	110.5	516.7	445.5
Imports	139.7	109.8	516.2	440.0
Balance of services	-1.3	2.7	-4.1	3.8
Balance of income	-0.2	-1.2	-3.7	-0.1
of which: income from investments	-3.5	-4.1	-15.9	-11.6
of which: reinvested earnings	-1.4	-1.9	-5.6	-7.6
Current transfers	-3.1	-1.5	-9.6	-5.6
Current account in total	-10.4	0.7	-16.9	3.6

Source: NBS and the Statistical Office of the SR.

The trade balance deficit recorded in April was higher than expected by NBS, with both exports and imports reporting notably higher than expected values.

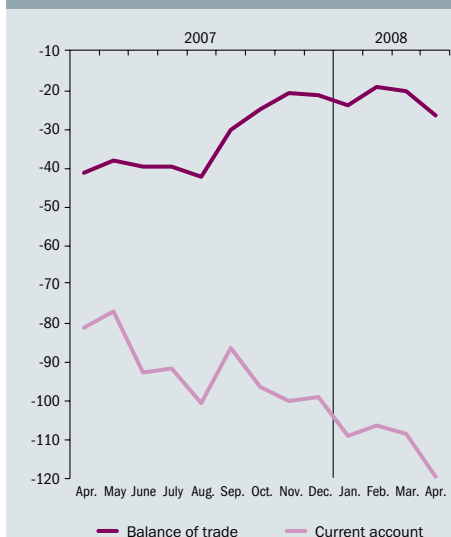
The high rate of growth in exports is expected to decrease in May, with the volume of exports likely to increase moderately on a month-on-month basis. Imports, on the other hand, are likely to reach slightly lower levels than in the previous month, accompanied by a moderate decline in their annual growth rate.

In June, similar growth rates (on a year-on-year basis) are expected as in the previous month (the actual rate could slightly exceed the 10% threshold), with the volume of exports and imports expected to stay at the levels from May. In July, exports are likely to go down on a month-on-month basis, owing to seasonal

	2008			
	Jan.	Feb.	Mar.	Apr.
Balance of trade	4.5	3.5	-1.7	-5.8
Balance of services	-0.9	-1.8	-0.1	-1.3
Balance of income	-1.4	1.7	-3.8	-0.2
Current transfers	-6.0	0.0	-0.5	-3.1
Current account	-3.8	3.4	-6.1	-10.4

Sources: NBS and the Statistical Office of the SR.

Chart 23 Balance of Payments and Current Account Developments (moving 12-month cumulative figures) (SKK billion)



Sources: NBS and the Statistical Office of the SR.

Chart 24 Coverage of the Current Account Deficit by Foreign Direct Investment (%)



Source: NBS.

fluctuations (beginning of the holiday season). Imports are expected to develop similarly to exports in June and July. In June and July, developments in imports should be similar to those in exports. The main cause of the expected July decline in imports should be lower imports of semi-finished products and products for final consumption.

Overall, an improvement of the foreign trade balance on a year-on-year basis can be expected in the three months to come.

At the end of May, the total foreign reserves of NBS stood at USD 19,698.4 million, representing a month-on-month decrease of USD 143.4 million. The decrease in foreign reserves compared to the end of April is the result of the deficit on the balance of income and expenses of USD 200.4 million, offset by positive foreign exchange differences (USD 57.0 million) due to a change in the cross exchange rate between USD and the euro during the period under review. At the end of April, the volume of foreign reserves was 3.0 times greater than the volume of average monthly imports of goods and services to Slovakia during the first four months of 2008.

Total foreign reserves of NBS

The ratio of foreign reserves to the amount of payments for goods and services recorded in banking statistics, reached 4.0 times the volume of average monthly imports of goods and services to the SR for the first four months of 2008.

The month-on-month appreciation of the nominal effective exchange rate³ of the Slovak koruna accelerated by 0.6% to reach 2.7% in May. Appreciation of the nominal effective exchange rate was caused mainly by the appreciation of the domestic currency against the euro by 1.9 percentage points.

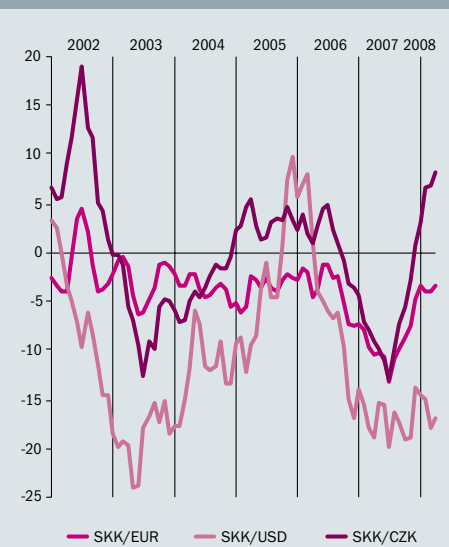
Nominal effective exchange rate of the Slovak koruna (NEER)

On a year-on-year basis, the strengthening trend of the nominal effective exchange rate of the Slovak koruna accelerated from 1.5% in April to 4.7%. The strengthening of the nominal effective exchange rate index was caused primarily by the appreciation of the koruna against the euro by 4.7 percentage points. The appreciation of the domestic currency continued to be dampened by its depreciation against the Czech koruna with a negative contribution of 1.2 percentage points.

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



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

Chart 26 Developments in the NEER and REER Indices (9 trading partners) (year-on-year changes in %)



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

Real effective exchange rate of the Slovak koruna (REER)

The slower annual appreciation of the real effective exchange rate defined on the basis of consumer price index to 2.1% in April was the result of lower appreciation of the nominal effective exchange rate compared to the impact of the increase of domestic CPI inflation, accompanied by a decrease of the corresponding indicator reported by most relevant trading partners. Appreciation of the REER based on producer price index (PPI) accelerated to 0.9%, due to the faster growth of the index, compared to foreign countries. Depreciation of the REER based on manufacturing products price index (PPI manuf) remained at the level of 2.0%.

Table 19 Developments in the NEER and REER Indices (year-on-year changes in %)

For 9 partners, based on the deflator:	NEER	REER (CPI)	REER (PPI)	REER (PPI manuf.)	REER (ULC) ²⁾
December 2002	2.1	4.1	3.6	3.4	5.3
December 2003	3.2	11.3	10.8	4.7	2.2
December 2004	4.7	8.3	4.1	4.7	9.3
December 2005	1.1	2.7	6.0	0.0	4.3
December 2006	7.4	10.1	9.5	5.4	7.5
December 2007	4.2	4.2	1.7	0.8	6.4(p)
March 2008 ¹⁾	2.1 / 1.6	2.2 / 1.9	0.7 / 3.6	-2.0 / -0.9	.
April 2008 ¹⁾	1.5 / 2.2	2.1 / 3.1	0.9 / 4.1	-2.0 / -0.6	-
May 2008 ¹⁾	4.7 / 5.0	.	.	.	-

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

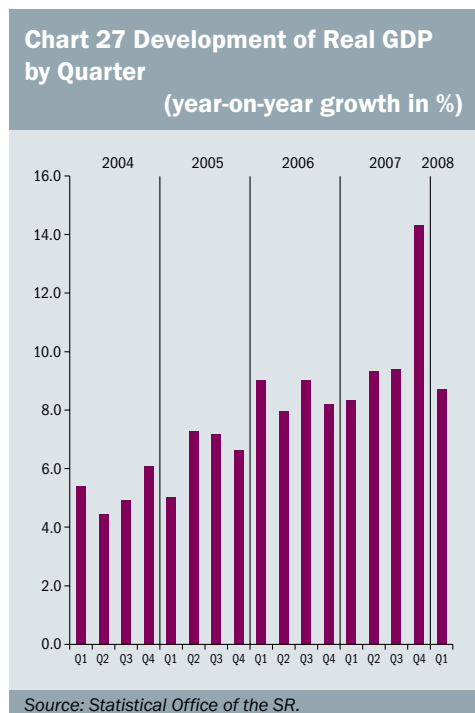
4.3 Real Economy

Development of the real economy in the 1st quarter of 2008

Gross Domestic Product

Real economic growth in the 1st quarter of 2008 was 8.7%.

The gross domestic product (GDP) at constant prices increased annually by 8.7% in the 1st quarter of 2008, according to the revised data of the Statistical Office of the Slovak Republic. Compared with the figure for the 1st quarter of 2007, the rate of economic growth accelerated by 0.4 of a percentage point.



In terms of production, GDP growth in the 1st quarter of 2008 was attributable to the increase in value added creation in industry, hotels, restaurants and transportation; construction; general government, education, health sector and other services and financial intermediation and real property. The nominal volume of GDP generated in the 1st quarter of 2008 amounted to SKK 472.5 billion, which was by 12.8% more than one year earlier.

Demand

In terms of use, the structure of economic growth in the 1st quarter of 2008 was influenced by both domestic and foreign effective demand. The growth in foreign demand (12.2% at constant prices) outpaced the growth in domestic effective demand⁴ (5.5%) and had a stimulating effect on the overall performance of the national economy. Economic growth was fostered by all components of the domestic demand.

Growth of both foreign and domestic effective demand

The growth in domestic effective demand in the 1st quarter of 2008 was by 1.5 percentage points slower than one year ago and stood at 5.5% in real terms. This slowdown was attributable mainly to lower gross fixed capital formation, which grew by 2.4% in real terms (by 8.6 percentage points less

Slower annual growth in domestic effective demand

Table 20 Development of GDP by Use
(index, same period a year earlier = 100; constant prices)

	2007					2008
	Q1	Q2	Q3	Q4	Q1-Q4	Q1
Gross domestic product	108.3	109.3	109.4	114.3	110.4	108.7
Domestic demand	107.0	105.3	106.7	105.7	106.1	105.5
Final consumption	105.6	105.0	106.8	104.5	105.5	106.6
Households	106.3	107.8	108.3	105.9	107.1	108.4
General government	103.5	96.5	102.2	100.8	100.7	100.6
Non-profit institutions serving households	102.2	107.2	108.7	109.5	106.8	104.5
Gross capital formation	111.0	105.9	106.5	108.9	107.9	102.4
Exports of goods and services	122.7	118.1	108.5	116.0	116.0	112.2
Imports of goods and services	114.5	113.2	103.0	111.6	110.4	112.9

Source: Statistical Office of the SR.

⁴ Sum of final consumption and gross fixed capital creation. After the revision in November 2007, the Statistical Office ceased to publish data on the development of domestic demand. Since June 2008, changes in inventory at constant prices have not been published.



Table 21 Structure of Gross Fixed Capital Formation in the First Quarter of 2008 (constant prices)

	Gross fixed capital formation (SKK million)	Proportion (%)	Index <u>Q1 2008</u> / <u>Q1 2007</u>
Slovak economy in total	104,477	100.0	106.3
In which, by sector:			
Non-financial corporations	71,755	68.7	104.2
Financial corporations	1,204	1.2	145.4
General government	5,998	5.7	106.6
Households	25,259	24.2	111.5
Non-profit institutions	241	0.2	110.6
Of which (by production):			
Plant and machinery	49,350	47.2	104.2
Of which: other machines and equipment	36,138	34.6	104.9
Transport equipment	13,212	12.6	102.4
Buildings and structures	49,033	46.9	108.3
Of which: residential buildings	9,704	9.3	108.8
Other structures	39,329	37.6	108.1

Source: Statistical Office of the SR.

than one year ago). The consumption component of the domestic demand increased by 6.6% year-on-year, faster than in the previous year. This development was influenced mainly by higher growth in consumption expenditure of households.

Growing investments into buildings and plant and machinery

In the 1st quarter of 2008, investment increased in all categories of production. The fastest growth was recorded in investments into buildings (particularly residential buildings). Compared with the 1st quarter of 2007, investments into buildings increased at the expense of investments into plant and machinery, whose share decreased moderately. All sectors of the economy contributed to the growth of fixed investments.

Higher final household consumption

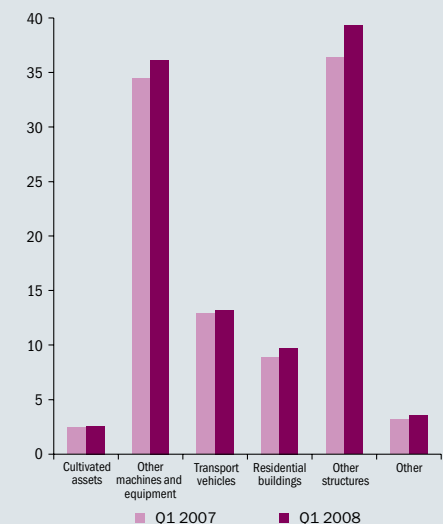
Final consumption expenditure in the 1st quarter of 2008 increased by 6.6% at constant prices year-on-year (by 5.6% one year earlier). The faster growth in final consumption was caused particularly by household consumption, whose growth was by 2.1 percentage points higher than in the 1st quarter of 2007. Final consumption of the general government grew at a slower pace (on an annual basis) than one year ago (0.6%, compared to 3.5%). Consumption expenditure of non-profit institutions increased by 4.5%.

The development of final household consumption was affected by the growth of wages and employment and continued borrowing. The share of total MFI receivables from households in their final consumption continued on the growth curve and reached 29.9% in the first quarter of 2008 (29.3% at the end of 2007).

Structure of spending on consumption

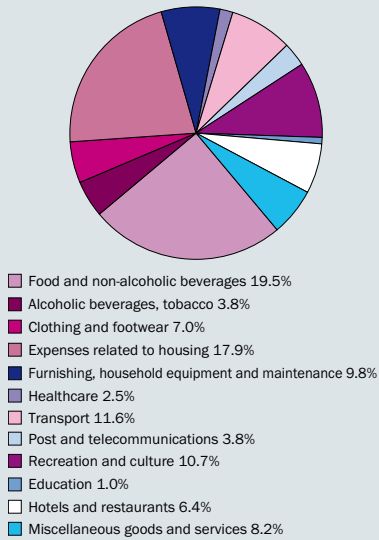
In terms of relative contributions, the growth in final household consumption in the 1st quarter of 2008 (compared to the same period of the previous year) was based primarily on increased consumer spending on furniture, house equipment and routine house maintenance, clothing and shoes and recreation and culture. As was the case in the previous year, the largest consumption components were expenses on food and non-alcoholic beverages (19.5%) and housing related expenses (17.9%). Compared with the 1st quarter of 2007, the share of both components decreased by about 1 percentage point.

Chart 29 Breakdown of Gross Fixed Capital Formation by Production (SKK billion)



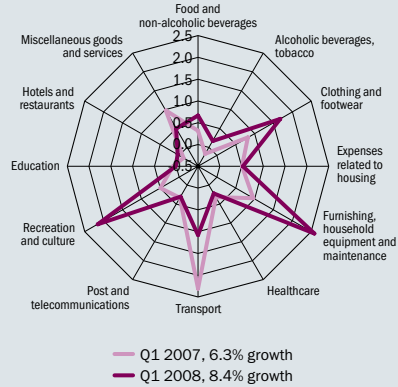
Source: Statistical Office of the SR.

Chart 30 Structure of Final Household Consumption in the First Quarter of 2008 (shares in %)



Source: Statistical Office of the SR.
Note: Individual items of final consumption do not add.

Chart 31 Contributions of Consumer Expenditure Groups to Growth in Household Final Consumption (p.p.)



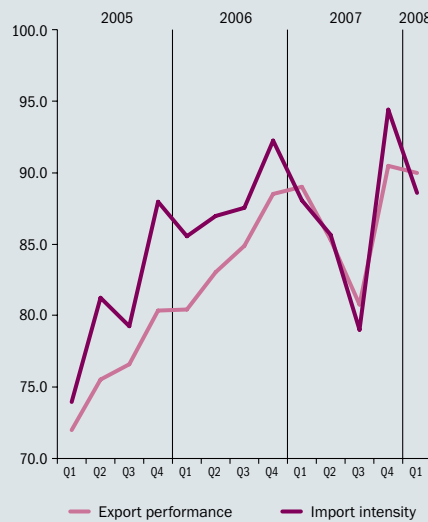
Source: NBS calculations based on data from the Statistical Office of the SR.
Note: Individual items of final consumption do not add.

Chart 32 Contributions of Net Exports to GDP (at current prices) (%)



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

Chart 33 Export Performance and Import Intensity (%)



Source: Statistical Office of the SR.

Imports and exports of goods and services again reported two-digit growth figures. Exports (at current prices) grew by 0.6 percentage points faster than imports (in the 1st quarter of 2007, this difference was 8.7 percentage points). Annually, nominal net exports increased by about SKK 2.8 billion and reached a surplus of SKK 6.7 billion.

Net exports

Net exports at constant prices, after accounting for the price development on foreign markets, generated a surplus of SKK 22.9 billion in the first quarter of 2008 (by SKK 0.6 billion more than one year ago).

Development in import prices in foreign trade, as measured by the deflators of imports of goods and services, was caused primarily by rising prices of energy-producing raw materials. Import prices

**Table 22 Impact of Price and Volume on Exports and Imports** (percentage points)

	Q1 07 Q1 06	Q2 07 Q2 06	Q3 07 Q3 06	Q4 07 Q4 06	2007 2006	Q1 08 Q1 07
Exports of goods and services (year-on-year growth in %; current prices)	24.1	13.8	6.5	14.0	14.2	14.1
Impact of volume	22.7	18.1	8.5	16.0	16.0	12.2
Impact of price	1.4	-4.3	-2.0	-2.0	-1.8	1.9
Imports of goods and services (year-on-year growth in %, current prices)	15.4	9.1	1.0	14.2	9.8	13.5
Impact of volume	14.5	13.2	3.0	11.6	10.4	12.9
Impact of price	0.9	-4.1	-2.0	2.5	-0.6	0.6
Net exports as a share of GDP (share in %; current prices)	0.9	-0.3	1.8	-3.9	-0.5	1.4
Impact of volume	0.6	-0.4	1.8	-0.3	0.5	0.4
Impact of price	0.3	0.0	0.0	-3.7	-0.9	1.0
Terms of trade (index)	100.4	100.0	100.1	96.1	98.9	101.1

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

Notes: Calculations are based on GDP data in SKK million; the contribution of imports of goods and services reduces the values of net exports and GDP; figures may not add up due to rounding. Terms of trade calculations are based on year-on-year changes in the deflators of exports and imports of goods and services.

Table 23 Creation of GDP by Component (index, same period a year earlier = 100; constant prices)

	2007					2008
	Q1	Q2	Q3	Q4	Q1-Q4	Q1
Gross production	112,9	109,4	105,8	113,2	110,4	107,7
Intermediate consumption	114,7	108,9	102,5	115,3	110,4	106,9
Value added	110,1	110,2	110,7	109,9	110,2	109,1
Others ¹⁾	92,6	101,8	97,8	160,9	111,8	104,6

Source: Statistical Office of the SR.

1) Value added tax, excise duty, import tax, minus subsidies.

increased annually by 0.6%, particularly due to rising oil prices (expressed in korunas). Export prices increased by 1.7%. That means, terms of trade improved in the 1st quarter of 2008, as was the case in the previous year.

Growth in export performance and import intensity of exports

Export performance of the Slovak economy increased annually by 1.0 percentage point in the 1st quarter of 2008, with exports of goods and services as GDP percentage (at current prices) reaching 90.0%. Import intensity of exports recorded a lower increase (of 0.5 percentage points) and stood at 88.6% in the 1st quarter of 2008. The openness of the Slovak economy (expressed as the ratio of exports and imports of goods and services to nominal GDP) increased by 1.5 percentage points year-on-year to a level of 178.6%.

Supply

GDP growth

GDP growth in the 1st quarter of 2008 was influenced by value added creation, which grew by 9.1% at constant prices year-on-year (compared with 10.1% in the same period last year). Net taxes, which include value added tax, excise duties and import tax (minus subsidies), increased by 4.6% (decrease of 7.4% last year). The slower annual growth in value added was influenced by slower growth in gross production, accompanied by slower growth in interim consumption.

Value added increased in all sectors, except for agriculture. The highest growth in value added was recorded in industry (17.5%) and in trade, hotels and restaurants and transportation (9.7%).



Table 24 Gross Domestic Product by Branch
(index, same period a year earlier = 100; constant prices)

	<u>Q1 07</u> <u>Q1 06</u>	<u>Q2 07</u> <u>Q2 06</u>	<u>Q3 07</u> <u>Q3 06</u>	<u>Q4 07</u> <u>Q4 06</u>	<u>2007</u> <u>2006</u>	<u>Q1 08</u> <u>Q1 07</u>
GDP	108.3	109.3	109.4	114.3	110.4	108.7
of which:						
Agriculture	83.9	79.1	81.3	72.6	79.8	99.3
Industry	118.5	121.5	118.1	121.2	119.7	117.5
Construction	80.5	99.4	87.9	98.3	104.0	106.8
Trade, hotels and restaurants and transportation	118.8	107.5	107.5	105.5	109.4	109.7
Financial intermediation and real estate	98.2	100.2	119.1	108.4	101.5	101.1
Public administration, education, health care and other community, social and personal services	114.1	118.4	116.2	111.9	115.2	103.8
Others ¹⁾	92.6	101.8	97.8	160.9	111.8	104.6

Source: Statistical Office of the SR.

1) Value added tax, excise duty, import tax, minus subsidies.

Table 25 Comparison of GDP, GNP, and GNDI (SKK billion; current prices)

	<u>Q1 07</u> <u>Q1 06</u>	<u>Q2 07</u> <u>Q2 06</u>	<u>Q3 07</u> <u>Q3 06</u>	<u>Q4 07</u> <u>Q4 06</u>	<u>2007</u> <u>2006</u>	<u>Q1 08</u> <u>Q1 07</u>
Gross domestic product (GDP)	418.7	453.8	482.5	496.9	1,851.8	472.5
Gross national product (GNP)	420.3	454.1	441.9	472.4	1,788.7	471.7
Gross national disposable income (GNDI)	414.3	450.3	432.5	471.0	1,768.1	462.6
GDP – growth indices	112.1	110.8	112.0	111.5	111.6	112.8
GND – growth indices	114.1	117.6	105.2	106.8	110.6	112.2
GNDI – growth indices	114.4	118.1	104.3	107.6	110.8	111.7
GND to GDP ratio in %	100.4	100.1	91.6	95.1	96.6	99.8
GND to GNDI ratio in %	98.9	99.2	89.7	94.8	95.5	97.9

Source: Statistical Office of the SR.

Gross National Income

In the 1st quarter of 2008, gross national income⁵ (GNI) increased by 12.2% at current prices year-on-year. Compared with the same period last year, the rate of GNI growth slowed down by 1.9 percentage points, staying behind GDP growth at current prices (12.8%). Gross national disposable income (GNDI) increased annually by 11.7% at current prices.

**Gross National Income
lower than GDP**

The lower volume of GNI compared with GDP indicates that, in the 1st quarter of 2008, the inflow of income earned by persons working abroad (employee compensation) into the domestic economy was lower than income from economic activity on the territory of the domestic economy transferred abroad (income from property, reinvested earnings and interest).

Wages and labour productivity

In the 1st quarter of 2008, the average monthly nominal wage per employee in the Slovak economy increased by 10.4% year-on-year and reached SKK 20,443. Compared with the 1st quarter of 2007, the rate of wage growth accelerated by 3.3 percentage points.

**Slowdown in average
monthly wage growth
in nominal terms**

⁵ Gross national income (GNI) is one of the macroeconomic indicators used for measuring the output of the economy according to the national concept, while GDP is based on the domestic concept, which represents the final result of resident producer units achieved in the period under review. GNI is calculated as follows: GDP at market prices minus primary income paid by residents to non-residents, plus primary income received by residents from non-residents. Gross national disposable income (GNDI) is a balance-sheet item in the non-financial national accounts, and is calculated from GNI reduced by current transfers paid to non-resident units and increased by current transfers received from non-resident units.



The highest nominal wage growth in the 1st quarter of 2008 was recorded in the following sectors: general government, defence and mandatory social security (18.1%), health care and social assistance (16.4%), mining and quarrying (14.8%), real estates, rental and business activities (11.7%) and education (11.4%).

Faster average monthly wage growth in real terms

Real wage growth accelerated by 2.0 percentage points (from 4.2% to 6.2%), compared with the 1st quarter of 2007, influenced by higher nominal wage growth.

In the 1st quarter of 2008, real wages increased in all sectors of the economy, except for hotels and restaurants. The highest growth was recorded in the following sectors: general government and defence and mandatory social security (13.6%), health care and social assistance (11.9%), mining and quarrying (10.4%), real estate, rental and trading activities (7.4%) and education (7.1%).

Table 26 Average Monthly Wages and Labour Productivity in the Slovak Economy (index, same period a year earlier =100)

	2007					2008
	Q1	Q2	Q3	Q4	Q1-Q4	Q1
Nominal wage (index)	107.1	106.7	106.8	108.0	107.2	110.4
Real wage	104.2	104.1	104.2	104.5	104.3	106.2
Labour productivity in current prices	109.3	108.1	109.2	109.1	108.9	109.8
Labour productivity in constant prices	105.6	106.6	106.6	111.8	107.7	105.8
Real labour productivity less real wage (p. p.)	1.4	2.5	2.4	7.3	3.4	-0.4
Consumer prices (average for the period)	102.8	102.5	102.5	103.3	102.8	104.0

Sources: Statistical Office of the SR and NBS calculations.

Note: Labour productivity calculations are based on GDP and employment data from quarterly statistics.

Labour productivity

In the 1st quarter of 2008, labour productivity (GDP per person employed) increased by 9.8% in nominal terms and by 5.8% in real terms. Compared with the 1st quarter of 2007, the rate of productivity growth accelerated by 0.6 percentage points in nominal terms and by 0.2 percentage points in real terms. The growth of real labour productivity stayed behind the growth in real wages by 0.4 percentage points.

Development of labour market indicators according to ESA 95 methodology for the national economy and...

In the 1st quarter of 2008, nominal employee compensation (according to ESA 95 methodology) increased by 11.6% year-on-year, meaning that it grew by 2.9 percentage points faster than in the same period last year. The rate of growth of employee compensation in real terms accelerated by 1.5 percentage points, compared with the same period last year.

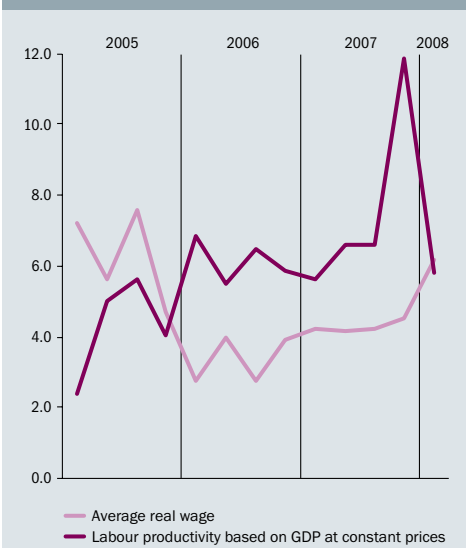
...broken down by sectors

Labour productivity, computed according to ESA 95 methodology, increased annually by 9.7% in nominal terms and by 5.7% in real terms. Broken down by sectors, real labour productivity calculated from ESA 95 data increased in most sectors in the 1st quarter of 2008. The highest growth was recorded in industry (13.9%), and in general government, education, the health sector and other community, social and personal services (5.8%). Labour productivity, on the other hand, decreased in agriculture and financial intermediation. The comparison of real labour productivity and real employee compensation shows that the growth in labour productivity was faster than the growth in employee compensation in industrial production in the 1st quarter of 2008. In the other sectors, this relation was reversed.

Unit labour costs according to ESA 95 methodology

Unit labour costs according to ECB methodology (ULC_{ECB}), defined as the ratio of the growth in nominal compensation per employee to the growth in real labour productivity (GDP per total employment) based

Chart 34 Development of Real Wages and Real Labour Productivity



Sources: NBS calculations, Statistical Office of the SR.

Table 27 Development of Average Compensation per Employee and Labour Productivity in the Slovak Economy (ESA 95 Methodology) (index, same period of year earlier = 100)

	2007					2008
	Q1	Q2	Q3	Q4	Q1-Q4	Q1
Nominal compensation per employee	108.7	106.8	107.6	109.9	108.2	111.6
Real compensation per employee	106.4	105.1	106.1	107.4	106.2	107.9
Labour productivity at current prices	109.7	108.6	109.8	109.0	109.3	109.7
Labour productivity at constant prices	106.0	107.2	107.2	111.7	108.1	105.7
Real labour productivity less real compensation per employee (p. p.)	-0.4	2.1	1.1	4.3	1.9	-2.2
HICP (average for the period)	102.1	101.6	101.4	102.4	101.9	103.4

Sources: Statistical Office of the SR and NBS calculations.

Note: Labour productivity is calculated from revised GDP and employment data based on ESA 95.

Table 28 Development of Real Labour Productivity and Compensation per Employee in the first quarter of 2008 (index, same period a year earlier = 100)

	Real labour productivity (ESA 95)	Real compensation per employee
Economy in total	105.7	107.9
Agriculture and fishing	98.5	101.2
Industry	113.9	106.4
Construction	100.7	105.3
Trade, hotels and restaurants and transportation	103.9	104.1
Financial intermediation and real estate	98.0	110.0
Public administration, education, healthcare and other community, social and personal services	105.8	114.0
HICP (Q1 2008)	-	103.4

Sources: Statistical Office of the SR and NBS calculations.

Chart 35 Unit Labour Costs and their components in ECB Methodology (year-on-year changes in %)


Sources: Statistical Office of the SR and NBS calculations.

on ESA 95 data, increased year-on-year by 5.5% in the 1st quarter of 2008. This was the highest growth figure observed since the 1st quarter of 2005.

Household income and spending

According to preliminary data from the Statistical Office of the SR, the current income of households reached SKK 367.5 billion in the 1st quarter of 2008, recording a nominal year-on-year growth of 10.8%. Compared with the 1st quarter of 2007, the rate of growth accelerated by 0.5 percentage points. Of the current income items, the fastest growth was recorded in other current transfers (16.6%), employee compensation and gross mixed income (12.6%). Income from property, on the other hand, decreased annually by 18.7% in the 1st quarter of 2008.

Accelerated growth in current income...

The current expenditure of households (paid to other sectors and not used for direct consumption) increased year-on-year by 12.5% to SKK 89.5 billion. In the same period a year earlier, current household spending increased by 9.7%. The annual growth in current expenditure was related to increasing current taxes on income and property and social security contributions.

...accompanied by an increase in current expenditure



Table 29 Generation and Use of Income in the Household Sector (current prices)

	SKK billion		Index ¹⁾		Share in %	
	Q1	Q1	Q1 07	Q1 08	Q1	Q1
	2007	2008	Q1 06	Q1 07	2007	2008
Compensation per employee (all sectors)	160.8	181.0	110.8	112.6	48.5	49.3
of which: gross wages and salaries	129.0	145.9	111.0	113.1	38.9	39.7
Gross mixed income	97.2	109.5	110.1	112.6	29.3	29.8
Property income – received	9.6	7.8	118.9	81.3	2.9	2.1
Social benefits	53.7	57.3	108.5	106.7	16.2	15.6
Other current transfers – received	10.3	12.0	106.5	116.6	3.1	3.3
Current income in total	331.5	367.5	110.3	110.8	100.0	100.0
Property income – paid	6.0	6.3	130.2	106.3	7.5	7.1
Current tax on income, property, etc.	10.0	12.0	110.0	119.8	12.6	13.4
Social contributions	54.4	61.8	108.6	113.6	68.4	69.1
Other current transfers – paid	9.2	9.3	104.4	101.8	11.5	10.4
Current expenditure in total	79.5	89.5	109.7	112.5	100.0	100.0
Gross disposable income	252.0	278.0	110.5	110.3	-	-
Adjustment for changes in net assets of households in pension funds reserves	6.6	7.7	104.6	116.6	-	-
Final household consumption	242.6	273.8	109.3	112.9	-	-
Gross household savings	16.0	12.0	129.1	74.7	-	-

1) Indices are based on figures in billions of SKK.
Source: Statistical Office of the SR.

Table 30 Development of Gross Disposable Income (index, same period a year earlier = 100; current prices)

	2007					2008
	Q1	Q2	Q3	Q4	Q1-Q4	Q1
Gross disposable income	110,5	110,8	111,2	111,1	110,9	110,3
Final household consumption	109,3	109,8	110,3	110,0	109,9	112,9
Gross household savings	129,1	118,2	112,1	113,3	117,0	74,4
Share of gross household savings in gross disposable income (%)	6,4	7,5	4,6	12,0	7,8	4,3

Sources: Statistical Office of the SR and NBS calculations.

After deducting current expenditure from current income, the gross disposable income of households amounted to SKK 278 billion, representing a year-on-year increase of 10.3% (compared with 10.5% a year earlier). Of the disposable income, 98.5% was used for final household consumption; the remainder went to gross savings, which decreased by 25.6% year-on-year. The ratio of gross savings reached 4.3% and, compared with the same period of the previous year, was by 2.1 percentage points lower.

Employment and unemployment

Continued dynamic growth in employment

The favourable economic development in the 1st quarter of 2008 was also reflected in the development of employment. According to statistical surveys, employment increased year-on-year by 2.7%. The growth figure according to the methodology of national accounts (ESA 95) was 2.8%. The year-on-year growth in employment according to a labour force sample survey (LFSS) reached 2.8%. Compared with the 1st quarter of 2007, employment growth slowed down by 0.3 percentage points. Slower growth in employment

Chart 36 Propensity of Households to Save and to Consume (%)



Sources: Statistical Office of the SR, NBS calculations.



Table 31 Employment and Unemployment		(average for the period)					
		2007					2008
		Q1	Q2	Q3	Q4	Q1-Q4	Q1
Employment according to statistical records ¹⁾	in thousands	2,201.3	2,214.3	2,222.8	2,252.5	2,222.7	2,260.9
	Index, same period a year earlier = 100	102.6	102.5	102.6	102.2	102.5	102.7
Number of employed according to a labour force sample survey	in thousands	2,326.6	2,337.7	2,366.5	2,398.4	2,357.3	2,391.3
	Index, same period a year earlier = 100	103.1	101.9	102.0	102.8	102.4	102.8
Employment according to ESA 95	in thousands	2,147.8	2,163.8	2,191.5	2,204.7	2,177.0	2,207.7
	Index, same period a year earlier = 100	102.2	102.0	102.0	102.3	102.1	102.8
Unemployment according to a labour force sample survey	in thousands	303.0	291.2	297.9	275.3	291.9	280.5
	Index, same period a year earlier = 100	76.6	81.5	87.2	86.3	82.6	92.6
Unemployment rate according to a labour force sample survey	in %	11.5	11.1	11.2	10.3	11.0	10.5
Rate of registered unemployed	in % ²⁾	9.2	8.4	8.3	7.9	8.4	7.8

Source: Statistical Office of the SR.
 1) Including professional soldiers from 2007; the indices are calculated on the basis of revised data.
 2) NBS calculations based on monthly data from the Centre for Labour, Social Affairs, and Family.

according to the sample survey was attributable to the decreasing number of persons working abroad. Concerning the structure of workers, the development of total employment (VZPS) in the 1st quarter of 2008 was affected mainly by an increase in the number of entrepreneurs (increase of 9.0%). The number of employees increased annually by 2.1%.

Broken down by sector, employment in the 1st quarter of 2008 (ESA 95 methodology) increased year-on-year particularly in hotels and restaurants, transport and storage, construction industry, financial intermediation and industrial production. On the other hand, employment in public services stayed below the level from one year ago.

Development of employment by sector

Table 32 Employment by Branches (ESA 95 methodology)		(index, same period a year earlier = 100)					
		2007					2008
		Q1	Q2	Q3	Q4	Q1-Q4	Q1
In total		102.2	102.0	102.0	102.3	102.1	102.8
Agriculture and hunting		97.6	91.6	95.2	92.6	94.2	100.8
Industry		102.6	103.7	102.3	102.1	102.7	103.2
Mining and quarrying		99.4	96.0	102.8	102.1	100.1	102.0
Manufacturing		103.0	104.3	102.8	102.6	103.2	103.9
Electricity, gas and water supply		97.4	96.7	95.5	95.0	96.1	94.0
Construction		105.6	110.0	108.4	108.1	108.1	106.1
Trade		101.5	100.9	103.1	104.9	102.6	104.5
Hotels and restaurants		106.8	99.6	100.6	101.8	102.1	109.6
Transportation, storage, post and telecommunications		101.9	102.0	103.0	102.6	102.4	106.8
Financial intermediation		98.8	99.8	100.5	99.0	99.5	104.1
Real estate, renting, and business activities		108.0	103.4	104.4	106.2	105.5	103.0
Public administration and defence, compulsory social security		100.4	98.5	98.5	97.1	98.6	99.5
Education		98.5	97.7	96.4	96.0	97.2	97.7
Health and social care		103.6	107.4	102.6	106.0	104.9	96.4
Other social services		95.7	98.2	99.9	97.9	97.9	99.4

Source: Statistical Office of the SR.



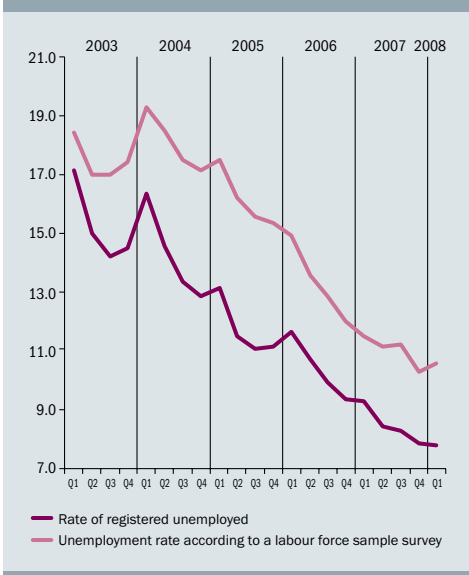
Continued fall in unemployment

The persistent demand for labour was reflected in the rate of unemployment. According to the labour force sample survey, the number of unemployed went down by 7.4% year-on-year in the 1st quarter of 2008. Lower number of the unemployed reduced the rate of unemployment, which reached 10.5% in the 1st quarter of 2008, down by 1.0 percentage point compared with the 1st quarter of 2007. The downward trend in unemployment is also confirmed by registered unemployment data. According to the registers of offices for labour, social affairs and family, the average unemployment rate in the 1st quarter of 2008 stood at 7.8%, which was by 1.4 percentage points less than one year ago.

Higher supply of labour

The continuing year-on-year growth in labour supply (i.e. persons in productive and post-productive age) led to a faster growth in the number of economically active persons in the 1st quarter of 2008. This development resulted into an increase in the level of economic activity (which reached 59.1%) of 0.6 percentage points in year-to-year comparison. Among the economically active population, the increasing share of persons in employment led to a rise in the employment rate to 61.3% (a year-on-year increase of 1.2 percentage points) in the 1st quarter of 2008.

Chart 37 Unemployment Rate (%)



Sources: Centre for Labour, Social Affairs and Family and the Statistical Office of the SR.

Financial performance

According to preliminary data from the Statistical Office of the SR, non-financial and financial corporations generated a profit of SKK 82.9 billion in the first quarter of 2008. The profit generated was by 3.6% higher than in the same period of 2007. This increase was caused by higher profit generation by non-financial corporations, positive result of NBS and lower profitability of financial corporations.

					Index		
	2006	2007	Q4 2007	Q1 2008	Q4 2007 / Q4 2006	Q1 2008 / Q1 2007	2007 / 2006
Profit/loss (pre tax)							
Financial and non-financial corporations	268,380	327,980	48,980	82,901	134.2	103.6	122.2
Of which							
Non-financial corporations	280,350	308,606	58,934	75,830	83.6	108.5	110.1
Financial corporations	-11,970	19,374	-9,954	7,070	.	69.6	.
Of which							
NBS	-45,128	-19,464	-18,369	159 ¹⁾	.	.	.
Financial corporations excl. NBS	33,158	38,838	8,415	6,912	88.7	65.3	117.3

*Source: Statistical Office of the SR and NBS calculations.
1) Unaudited results.*

Higher profits of non-financial corporations were caused by the annual growth in profits in wholesale and retail trade, generation and distribution of electricity, gas and water, real estates, rental and trade activities and construction industry. The annual growth in the profitability of industrial production (of 9.5%) was higher than the overall annual growth in profits of financial and non-financial corporations.

From among the non-financial corporations, it was industrial enterprises and businesses operating in trade and generation and distribution of electricity, gas and water that contributed to profit generation with the highest share in the 1st quarter of 2008.

Lower profits of insurance corporations, pension funds and other financial intermediaries contributed to the deteriorated performance of financial corporations, compared with the first quarter of 2007.



Table 34 Profitability of Non-financial Corporations by Branch

	Profit/loss (pre tax)	
	Q1 2008 (SKK million)	Indices Q1 2008 Q1 2007
Non-financial corporations in total	75,830	108.6
Agriculture, hunting and forestry, fisheries and fishing	-856	193.2
Industry in total	43,105	109.5
Mining and quarrying	638	141.5
Manufacturing	24,751	103.3
Production of food, beverages and tobacco products	1,583	126.7
Textile and clothing	134	104.7
Leather and leather products	168	40.4
Timber and wood products	180	125.9
Production of cellulose, paper and paper products, printing houses and print	1,397	115.4
Production of coke, refined oil products and nuclear fuels	1,592	96.2
Production of bulk chemicals and chemical products and fibres	1,561	139.0
Rubber and plastic products	1,201	170.4
Other non-metal mineral products	1,104	114.4
Metal production and metal products	6,998	90.8
Plant and machinery	2,097	139.3
Production of electrical and optical devices	2,063	73.1
Production of transport equipment	4,015	96.5
Non-classified production	658	3.8x
Production and distribution of electricity, gas and water	17,716	118.6
Construction	3,102	120.7
Wholesale retail and trade, repairs of motor vehicles, motorbikes and consumer goods	17,537	129.6
Hotels and restaurants	212	52.0
Transportation, storage, post and telecommunications	6,585	53.4
Real estate, renting, and business activities	4,252	282.9
Education	139	257.4
Health and social care	292	-
Other community, social and personal services	1,462	170.0

Source: Statistical Office of the SR.

Current developments

Production and sales

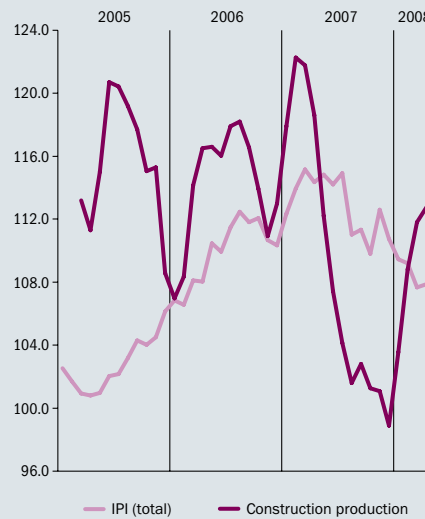
The year-on-year rate of growth in industrial production accelerated significantly in April, in comparison with March 2008, particularly due to the faster year-on-year growth in manufacturing production. The annual rate of growth in industrial production stood at 9.7% (2.0% one month ago). Accelerated annual growth in production was recorded particularly in the production of transport vehicles (annual growth of 42.6%), metals and metal products and plant and machinery. In April 2008, production of oil products and coke reported an annual decrease of 35.3%; production of chemical products went down by 19.7%.

The annual growth in construction output accelerated in April (17.6% in April, compared to 7.6% in March 2008), due to faster annual growth in new construction and modernisation and renewal projects in domestic construction.

Sales in the industry sector recorded higher annual growth at current prices (increase from 6.7% in March to 23.8% in April 2008). The annual growth in receipts of Slovakia's key industry sectors (production of transport equipment, production of metals and metal products, production of plant and machinery and manufacturing of electrical and optical devices) accelerated from 4.4% in March to 29.5% in April 2008.

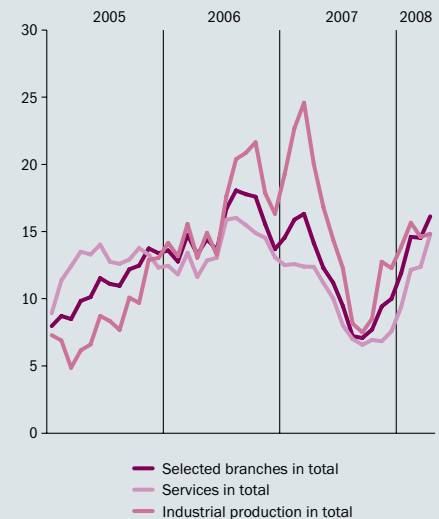


Chart 38 Development of Industrial, Manufacturing and Construction Production (3-month moving averages) (index; same period a year earlier = 100)



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

Chart 39 Year-on-year Dynamics of Sales in Selected Branches (at current prices; 3-month moving averages; %)



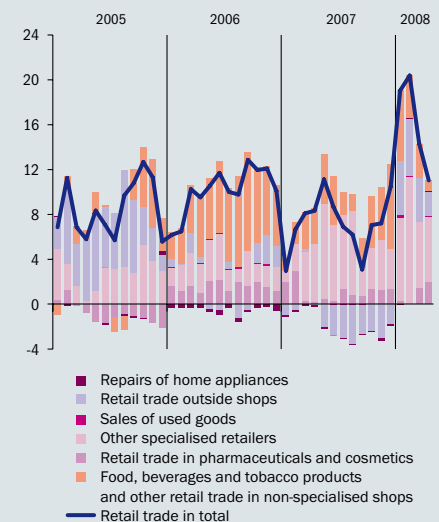
Sources: Statistical Office of the SR, NBS calculations.

Chart 40 Retail Sales (current prices; 3-month moving averages; index, same period a year earlier = 100)



Source: Statistical Office of the SR, NBS calculations.

Chart 41 Contributions to Year-on-year Growth in Retail Sales (p.p.)



Sources: Statistical Office of the SR and NBS calculations.

The annual growth in retail trade sales, measured at current prices, slowed down to 11.0% (down from 14.3% in March). At constant prices, growth in sales slowed down from 10.5% in March to 7.2% in April 2008. The main factors behind the slower growth in retail trade sales included slower growth in receipts from other retail trade in non-specialised shops, from retail trade with food and retail trade outside of shops, and, to a lesser extent, from other specialised retail trade. The year-on-year growth in receipts of entities specialising in selling and maintaining motor vehicles and in retail sales of fuels accelerated in April 2008, compared to March, due to a faster year-on-year growth in retail sales of fuels, but mainly due to the annual growth in receipts from selling motor vehicles of 13.8% (as opposed to annual decrease of 1.1% in March). The rate of growth in receipts from wholesale trade accelerated due to the fast growth of wholesale sales of non-agricultural interim products, food, tobacco and beverages.



Table 35 Production and Sales

	SKK million, current prices	Indices			
		April 2008	April 2007	Jan.-Dec. 2007	March 2008	April 2008
Industrial production index ¹⁾	-	114.9	112.8	102.0	109.7
Construction production ²⁾	15,442	114.5	105.7	107.6	117.6
Industry in total ³⁾	194,208	113.2	112.8	106.7	123.8
Construction ³⁾	24,232	118.2	114.8	127.5	126.7
Wholesale trade ³⁾	80,815	112.9	106.3	110.5	120.4
Retail trade	40,149	108.3	107.2	114.3	111.0
Sale and maintenance of vehicles, retail sales of fuels ³⁾	20,415	119.7	118.0	103.1	111.8
Hotels and restaurants ³⁾	3,739	100.8	104.1	101.4	109.6
Transport, storage ³⁾	15,427	128.5	119.1	114.3	117.9
Real estate, renting, business activities ³⁾	23,522	109.0	111.1	112.2	115.7
Post and telecommunications ³⁾	6,743	112.7	108.2	101.1	106.5
Receipts from own output and sales (total for the selected branches) ³⁾	409,250	113.3	111.1	109.4	120.1

Source: Statistical Office of the SR, NBS calculations.
Notes: 1) Adjusted for calendar effects (revised time series).
2) Index, same period of the previous year = 100 (constant prices, average for 2000 = 100).
3) Index, same period of the previous year = 100 (constant prices)

Table 36 Wage Developments in Selected Sectors (index, same period a year earlier = 100)

	Average monthly wage – nominal		Average monthly wage – real	
	March 2008	April 2008	March 2008	April 2008
Industry	108.4	109.3	104.0	104.8
of which: Manufacturing	108.6	109.6	104.2	105.1
Construction	106.0	110.3	101.7	105.8
Retail trade	105.4	108.2	101.2	103.7
Wholesale trade	102.5	110.5	98.4	105.9
Sale and maintenance of vehicles	104.7	104.7	100.5	100.4
Real estate and renting activities	112.6	110.1	108.1	105.6
Transport	108.7	109.3	104.3	104.8
Post and telecom.	110.2	99.5	105.8	95.4
Average for the selected sectors	107.8	109.2	103.5	104.7
Economy in total in Q1 2008	110.4	-	106.2	-
Consumer prices	104.2	104.3	-	-

Source: Statistical Office of the SR.
Notes: The selected sector accounted for 69% of total employment in the first quarter of 2008.
Real wage index = nominal wage index / consumer price index.
Average wage data for March are unrevised.

The annual growth in receipts from services related to real estates, renting and business activities and other services, measured at current prices, accelerated somewhat compared with the previous month.

Wages, employment and unemployment

Compared with March 2008, the year-on-year rate of nominal wage growth decreased in real estates, rental activities and retail trade. In post and telecommunications, the average nominal wage decreased on a year-on-year basis. In the other sectors, nominal wages grew faster than or at the same pace as in the previous month. The average monthly nominal wage in April 2008 for all sectors indicates a moderate increase in the annual growth rate, compared with the previous month.

Development of nominal wage



Chart 42 Comparison of Average Monthly Wages Based on Monthly and Quarterly Data (%)

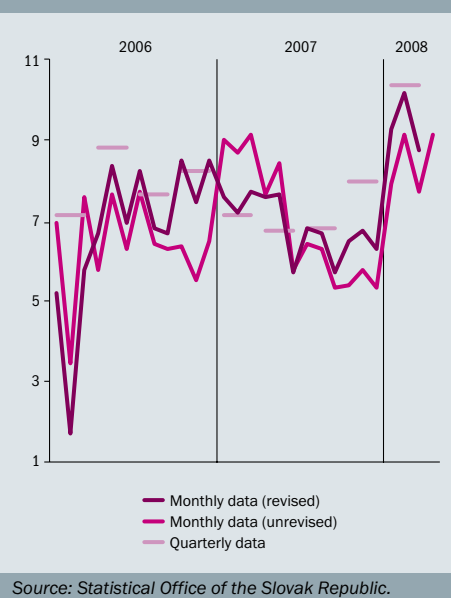


Chart 43 Comparison of Employment Rates Based on Monthly and Quarterly Data (%)



Employment The annual growth in employment accelerated in April 2008, compared to March 2008, in construction, retail trade, hotels and restaurants and industry. In the other sectors, employment grew slower than in the previous month. The average employment in April 2008 for all sectors indicates an increase in the annual growth rate, compared with the previous month.

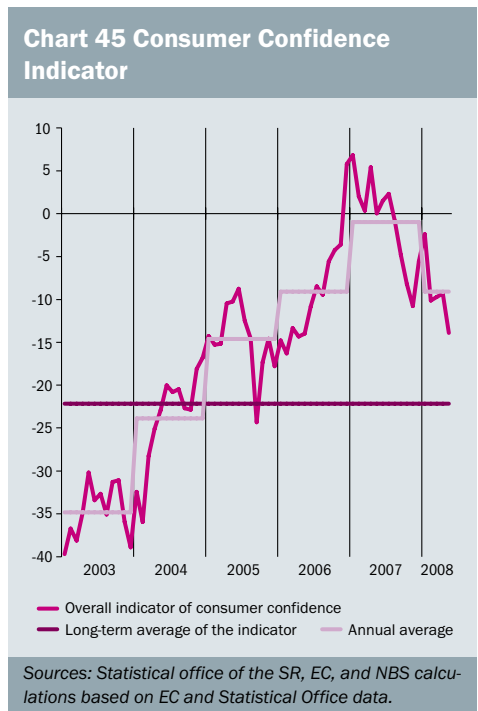
Comparison of quarterly and monthly employment indicators suggests that the annual growth of employment in the 2nd quarter of 2008 (average growth of employment in the first month of the second quarter) should be higher than the figure reported in the 1st quarter of 2008.

Table 37 Employment in Selected Sectors (index, same period a year earlier = 100)

	Employment	
	March 2008	April 2008
Industry	101.3	102.9
of which: manufacturing	101.9	103.7
Construction	107.6	108.2
Retail trade	101.2	101.8
Wholesale trade	97.3	102.3
Sale and maintenance of vehicles	103.1	101.6
Real estate and renting activities	107.4	106.0
Transport	107.6	106.0
Post and telecommunications	100.9	99.2
Average for the selected sectors	102.6	103.7
Economy in total in Q1 2008	102.7	-

Source: Statistical Office of the SR.
Note: Unemployment data for March are unrevised.

Unemployment According to the data from the Centre for Labour, Social Affairs and Family, the total number of unemployed dropped month-on-month by 6.3 thousand to 223.3 thousand in April 2008. The number of disposable unemployed, who may start working immediately, was 192.5 thousand, which was by 5.5 thousand less than in March. The rate of registered unemployment stood at 7.4% in April, representing a month-on-month decrease of 0.2 of a percentage point. Compared with the same period last year, it went down by 1.2 percentage points.



The average length of registration was 10.3 months. Compared with March 2008, the share of long-term unemployed (out of work for more than 12 months) increased by 0.5 of a percentage point and stood at 51.4% in April 2008.

Consumer Confidence Indicator

Consumer confidence decreased in May, with the Consumer Confidence Indicator going down to -13.9 points (by 4.7 points less than in April). Compared with April, consumers were less optimistic when assessing all components of the indicator. Consumers lost their confidence particularly with respect to expected development of economic situation in Slovakia and financial situation of households. In the year-to-year comparison, the consumer confidence indicator went down by 13.9 points.

Decline in the consumer confidence indicator



5 Monetary Developments

5.1 Foreign Exchange Market

Operations in the foreign exchange market

The exchange rate of the Slovak koruna strengthened by 6.2% in May (from SKK/EUR 32.239 to SKK/EUR 30.241); the average exchange rate appreciated by 2.6%. The Slovak koruna deviated from its central rate (SKK/EUR 35.4424) most significantly on 28 May 2008, when its exchange rate was fixed at SKK/EUR 31.108, representing an appreciation of 12.2% from the central parity. After the change of the central parity on 28 May 2008 to SKK/EUR 30.126, the Slovak koruna deviated from its central rate most significantly on 29 May 2008, when its exchange rate was fixed at SKK/EUR 30.662, representing a depreciation of 1.8% from the new central parity. In relation to the US dollar, the koruna appreciated by 6.1% (from SKK/USD 20.712 to SKK/USD 19.444). The average exchange rate appreciated by 1.4%.

Spot transactions between foreign and domestic banks resulted into a negative balance of USD -1,453.8 million, i.e. foreign banks tended to purchase the Slovak koruna and sell foreign currency.

Národná banka Slovenska conducted no foreign exchange intervention in April.

	Month-on-month change	Average May 2008	Average Jan.-May 2008
		Average May 2007	Average Jan.-May 2007
SKK/EUR	-6.2	-2.6	-4.2
SKK/USD	-6.1	-1.4	-16.6

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

The Slovak koruna opened the month of May at levels below SKK/EUR 32.300. At the beginning of the month ahead of the publication of a positive convergence report (due on 7 May), trading was characterised by a narrow band with gradual appreciation of the koruna to levels above SKK/EUR 32.000. After the publication of the report containing the recommendation by the European Commission for Slovakia's entry to the euro area, the exchange rate appreciated below the level of SKK/EUR 32.000 and closed the second week of May at the level of SKK/EUR 31.900. Later during the month, the koruna continued the appreciation trend, and reached a level of SKK/EUR 31.000. On Wednesday, 28 May, during night hours, the revaluation of the central parity by 17.65% to SKK/EUR 30.126 was announced. In the trading during the night, the Slovak koruna strengthened and reached its historical high at SKK/EUR 30.080. In the following days, trading with the koruna stabilised at levels between SKK/EUR 30.200 and SKK/EUR 30.300, which, after accounting for forward points and liquidity premium correspond to the future conversion rate around the new central parity.

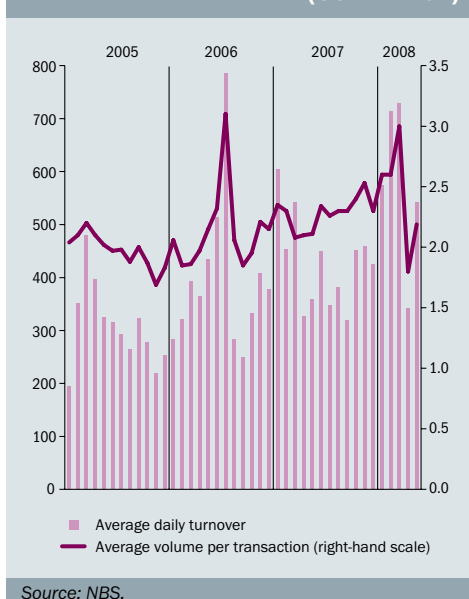
Interbank Foreign Exchange Market

The total volume traded in the interbank foreign exchange market reached USD 108,002.7 million in May (USD 123,916.1 in April). Of the total trading volume, swap transactions accounted for 87.2%. These were made mostly in USD (87.9%). Spot transactions accounted for 10.1% of the total turnover (96.2% of the deals were in EUR). The average daily turnover on the spot market reached USD 543.25 million and the average volume per transaction amounted to USD 2.19 million.

The total volume of transactions between domestic commercial banks increased, from USD 6,423.7 million in April to USD 9,105.8 million in May. Most trading took place in EUR (59.3%, compared with 55.4% in April), followed by USD (38.7%, compared with 42.3% in April). Deals in other currencies accounted for 2.0% of the total turnover between domestic commercial banks only.

Transactions between domestic banks accounted for 8.4% of the total volume traded on the interbank foreign exchange market (compared to 5.2% in the previous month). Of the total volume of transactions between domestic banks, swap operations accounted for 74.1% (79.3% in April) and spot transactions (excluding interventions) for 24.3% (18.8% in April).

The total volume of transactions with foreign banks decreased by 15.8%, from USD 117,492.7 million in April to USD 98,896.8 in May. USD deals again accounted for the largest volume of transactions (80.4%, compared with 85.3% in April), followed by EUR deals with a share of 18.8% (13.5% in April). Trading in other currencies accounted for 0.8%. Trading between domestic and foreign banks still dominated the country's foreign exchange market with a share of 91.5%.

Chart 46 Transactions in the Interbank Foreign Exchange Market (USD million)


As was the case with deals between domestic banks, trading between domestic and foreign banks took place predominantly in the form of swap operations (92.8%, compared to 92.8% in April). Spot transactions accounted for 8.8% (5.4% in April). The share of forward dealings in the foreign exchange market was negligible. Option contracts accounted for 2.2% of the volume traded with foreign banks.

Slovak-koruna deposits of non-resident banks increased to SKK 66.4 billion in April, representing an increase of SKK 4.3 billion, compared with the previous month, and an increase of SKK 7.4 billion, compared with the same period a year earlier.

The volume of government bonds held by non-residents continued to fall in May, decreasing by SKK 0.4 billion compared with April to this year's new low. This was caused mainly by the decrease in 3 year government bonds No. 207 maturing in 2010. The Agency for Debt and Liquidity Management (ARDAL) announced that the cancelled issue of treasury bills from the portfolio of the Ministry of Finance from May would, in the second half of 2008, be replaced by an issue meeting the eligibility criteria for Eurosystem's monetary policy operations. In 2008, ARDAL offered

no treasury bills in the market and the volume of treasury bills held by non-residents was equal to zero.

The long-term trend of decreasing volume of government bonds held by non-residents continued in May, with the share of government bonds held by non-residents in the total volume of government bonds issued going down to 20.3%.

Table 39 Koruna Assets/Liabilities and Government Securities Held by Non-Residents (SKK billion)

	2007			2008					
	30.4.	30.11.	31.12.	31.1.	29.2.	31.3.	30.4.	30.5. ^(p)	5.6. ^(p)
Koruna assets, banks	18.0	15.2	22.0	20.6	15.4	11.3	25.9	19.7	25.2
Koruna liabilities	68.7	58.8	73.1	62.8	67.8	73.8	77.8	.	.
of which: banks	59.0	48.9	61.4	51.8	57.2	62.1	66.4	68.7	75.9
non-bank clients	9.7	10.0	11.7	11.0	10.6	11.7	11.4	.	.
Government securities	82.8	66.5	61.8	74.5	73.6	70.1	69.0	68.6	.
of which: government									
bonds	82.8	66.5	61.8	74.5	73.6	70.1	69.0	68.6	.
SR Treasury bills	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	.
Total	151.5	125.4	135.0	137.2	141.4	143.9	146.7	.	.

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

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

5.2 Money Market and Monetary Policy Implementation

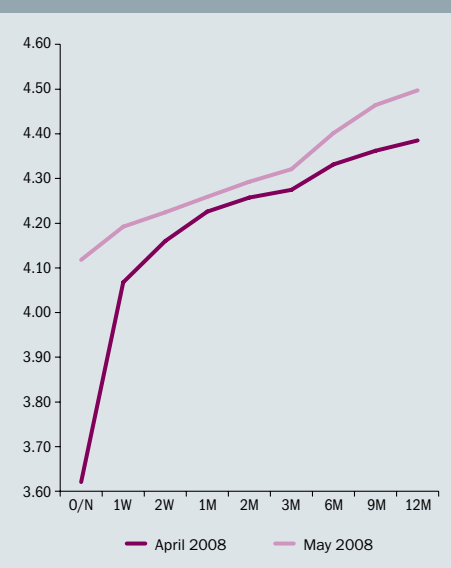
At its 21st meeting on 27 May 2008, the Bank Board of NBS decided to leave its key interest rates unchanged, at 2.25% for overnight sterilisation operations, 5.75% for overnight refinancing transactions, and 4.25% for two-week repo tenders with commercial banks.

Average monthly interest rates of the interbank money market yield curve moved clearly upwards in May, compared with the previous month. The rates of short maturities were, on average, close to the NBS key rate for two week repo tenders. The prices of deposits of medium-term maturities increased only slightly. The increase was more pronounced in rates of the longest maturities (of 0.11 percentage points). The reason for this was the gradual move of the rates, which are partly applicable to the year of 2009, towards European levels.

Interest rates

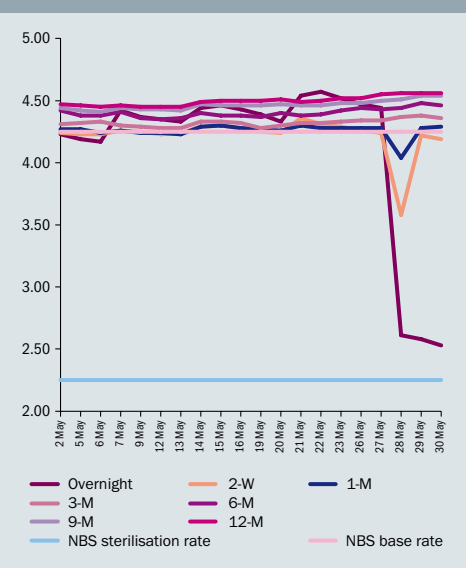


Chart 47 Average Monthly Interbank Market Rates (BRIBOR) (% p.a.)



Source: NBS.

Chart 48 Developments in Interbank Market Rates (BRIBOR) (% p.a.)



Source: NBS.

The decision of the NBS Bank Board from May 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 without any change.

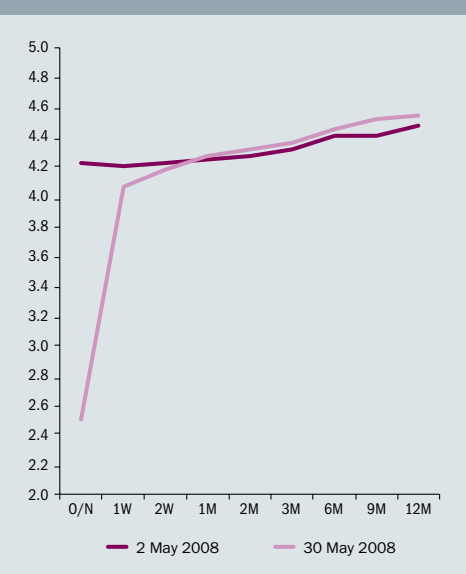
The prices of deposits of long maturities recorded a slow, albeit steady growth in May. A similar development was observed in interest rates of the same maturities on the European money market. There still exists a margin of 0.50 percentage points between the two rates, with the long end of the Slovak yield curve standing close to 4.55% at the end of the month under review. European rates of long maturities were close to 5.00%. The reason for the growth in domestic market rates was their move closer to European levels. The deposit market was dominated by deals with shorter maturities in May; from time to time, there also appeared longer-term deposits on the interbank market. Market participants still preferred swap operations for longer maturities.

NBS continued conducting its monetary policy operations in a standard manner throughout May and accepted all bids received in four sterilisation repo tenders. The minimum, average and maximum interest yields were at the level of 2W reference rate (4.25%). In May, one auction in Treasury Bills was held by NBS and NBS accepted all bids received. The minimum interest yield equalled to 4.24% and the 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. Six, nine and twelve-month maturities also reported a moderate growth. The middle part of the yield curve remained virtually unchanged.

Liquidity The first working day of May was the day of settlement of the maturing treasury bills of NBS, whose auction was held on the last day of the previous month. This increased the liquidity of the banking sector by almost SKK 10 billion and the sector reached excess liquidity on a daily basis. The daily surplus also led to a gradual growth in the cumulative position. The banks used the first sterilisation repo tender to get rid of the excess liquidity. In the following two repo tenders, they placed bids in an amount roughly equalling the maturing amount, with no

Chart 49 Yield Curve in May (%)



Source: NBS.



impact on the liquidity position of the banking sector. By reducing their demand in the last repo tender, banks replenished their liquid funds and exceeded 100% of the minimum reserve requirement on the last day of the month. In the auction of NBS treasury bills held on the last day of May, the sector showed significantly lower interest than the maturing volume. The reason was more prudent approach concerning the future development on the money market after the revaluation of the SKK/EUR central rate.

The total sterilisation position of NBS increased moderately in comparison with April, by almost SKK 2 billion to SKK 374.1 billion in May. The sterilisation structure was still dominated by sterilisation repo tenders, whose share increased to 77.7% in May from 74.9% in April. These funds were rerouted mainly from NBS treasury bills, whose share went down from 24.4% in April to 21.6%. At the same time, the share of overnight deposits with NBS in the total sterilisation decreased to 0.8% in May. The banks made no recourse to O/N refinancing operations in May.

Table 40 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 in SKK mil.	Share in % p.a.	Volume in SKK mil.	Share in % p.a.	Volume in SKK mil.	Share in % p.a.	Volume in SKK mil.	Share in % p.a.	Volume in SKK mil.
Apríl 2008	-278,665	74.88	0	0.00	-2,870	0.77,	-90,638	24.35	-372,173
Máj 2008	-290,641	77.69	0	0.00	-2,844	0.76,	-80,615	21.55	-374,100

Source: NBS.

Slightly lower trading activity in May led to a decrease in the volume of trading on the interbank market to SKK 1,918.2 (compared with SKK 2,134.8 billion in April). Of the total volume of purchases and sales on the interbank market, the share of resident bank transactions decreased to 20.3% and that of transactions with non-resident banks increased to 79.7%. Broken down by the type of interbank transactions, domestic banks achieved the largest share in deposits (62.2%). Transactions with non-resident banks were dominated by swaps (60.8%). Compared with April, the volumes of FRA, deposits and swaps increased, while the volume of IRS contracts decreased.

Interbank transactions

Table 41 Interbank Transactions (SKK million)

	Deposits	Repos	Swaps	FRAs	IRs
April 2008	902,290	0	1,196,674	26,000	9,817
May 2008	825,941	0	1,073,771	8,200	10,260

Source: NBS.

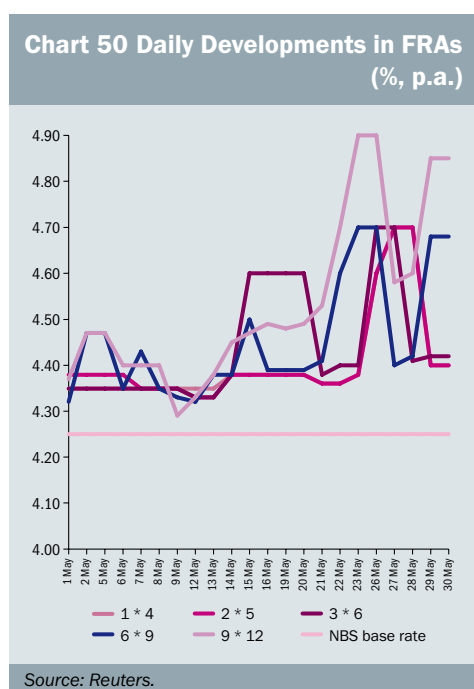
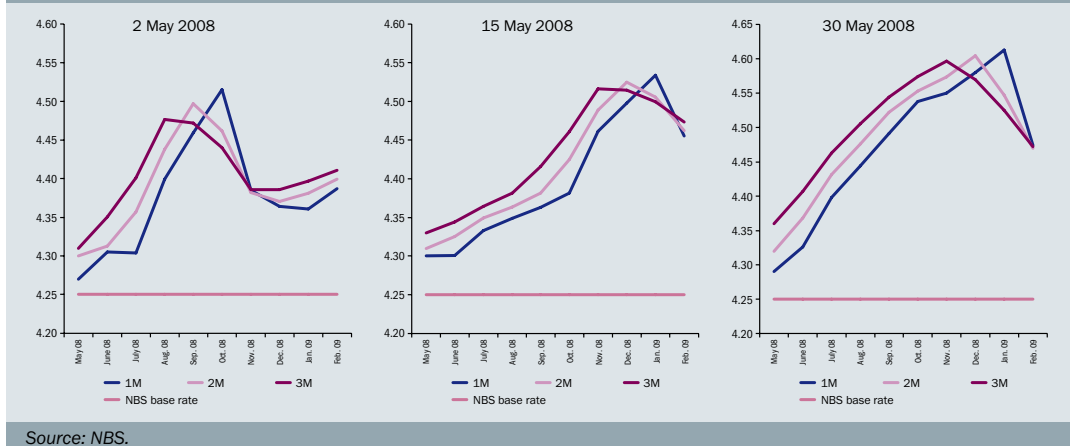




Chart 52 Implied Expectations Derived from BRIBOR Rates

(% p.a.)



Minimum reserve requirements For May 2008, the minimum reserve requirement of the banking sector was set at SKK 26.04 billion. This reserve requirement had actually been met to 100.3% during the month.

Development of money market interest rate derivatives

Trading in FRA contracts was marked with lower activity in May, compared with the previous month. Deals were made with three- and six-month maturity and settlement in 3, 6 and 15 months; these deals accounted for 100% of all the deals. The share of FRA deals involving foreign entities accounted for 90.2%. The remaining part of the deals involved domestic entities only.

Trading in interest rate swaps (IRS) recorded an increase in volume, compared with the previous month. Almost 75.4% of the contracts were made with foreign banks. The remaining 24.6% of the deals involved domestic entities only. Transactions were concluded with one- to ten-year maturities. They were dominated by contracts with a maturity from two to five years, representing 53.2% of the total volume traded. They were followed by transactions with one to two-year maturities, which accounted for 41.9%.

Implied expectations derived from BRIBOR rates

Implied FRA rates computed from BRIBOR at the beginning of May indicated an increase in 1-, 2- and 3-month rates to the level of 4.50% till September 2008 and a decrease afterwards. In the middle of the month, they indicated an increase in the rates to the same level for December 2008. At the end of the month, market expectations calculated from implied FRA rates developed similarly as in the middle of the month.

5.3 Customer Interest Rates in April 2008

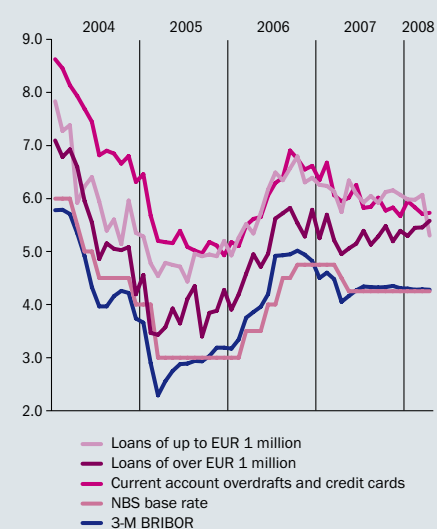
Customer interest rates Average interest rates on new loans to non-financial corporations stagnated and that on loans to households decreased slightly in April. In the case of deposits from non-financial corporations, a moderate increase was observed. Interest rates on household deposits remained unchanged.

Average interest rates on new loans Average interest rates on new loans to non-financial corporations showed differing developments in April, depending on the loan amount. Interest rates on loans of up to EUR 1 million went down quite notably. An opposing development was observed in loans of more than EUR 1 million. In this category, lending rates increased moderately and continued the upward trend from the previous months. In the category of loans of up to EUR 1 million, a decrease was observed in both short-term and long-term rates. The rates on current account overdrafts stagnated in April.

Average interest rates on loans to households decreased slightly in April. This development was influenced particularly by the high volume of house purchase loans with low interest rates, compared to other types of loans. The change in interest rates was thus caused by the changed structure of loans rather than by a decrease in the rates. The rates charged on individual types of household loans recorded no significant change. In the category of house purchase loans, the lending rates increased moderately for mortgage loans. This increase was offset by lower lending rates on other house purchase loans.

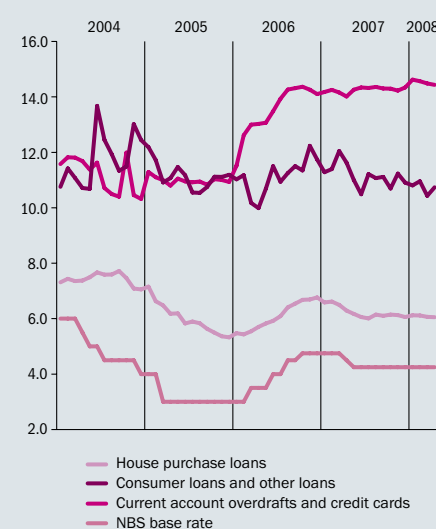


Chart 53 Interest Rates on Loans to Non-financial Corporations, 3-M BRIBOR, and the NBS Base Rate (%)



Source: NBS.

Chart 54 Interest Rates on Loans to Households by Type (%)



Source: NBS.

Table 42 Average Interest Rates on New Loans

	Interest rate in %						April change (in p.p.)	
	Q1 2007	Q2 2007	Q3 2007	Q4 2007	Mar. 2008	Apr. 2008	against Q2 2007	month-on- month
Loans to non-financial corporations								
Current account overdrafts and credit cards	6.06	6.26	6.01	5.67	5.71	5.73	-0.52	0.02
Loans of up to EUR 1 million	6.13	6.09	5.92	6.07	6.07	5.30	-0.78	-0.77
– with a floating rate and an IRF of up to 1 year	6.08	6.06	5.90	6.07	6.06	5.28	-0.78	-0.78
– with an IRF of up to 5 years	6.05	6.12	6.06	6.44	6.40	5.93	-0.20	-0.47
Loans of over EUR 1 million	5.21	5.15	5.28	5.39	5.46	5.58	0.43	0.12
– with a floating rate and an IRF of up to 1 year	5.04	5.05	5.15	5.39	5.47	5.58	0.53	0.11
– with an IRF of up to 5 years	5.82	5.69	5.99	4.54	4.70	-	-	-
Total	5.93	6.05	5.88	5.62	5.70	5.69	-0.36	-0.01
Total, excluding current account overdrafts and credit cards	5.47	5.37	5.42	5.52	5.63	5.47	0.11	-0.16
Loans to households								
Current account overdrafts and credit cards	14.16	14.34	14.30	14.34	14.48	14.43	0.10	-0.05
Consumer loans	14.11	12.44	13.59	13.23	12.85	12.92	0.48	0.07
House purchase loans	6.50	6.06	6.10	6.06	6.06	6.05	-0.01	-0.01
of which: mortgage loans	6.29	5.79	5.78	5.72	5.75	5.80	0.01	0.05
Other loans	7.19	6.75	6.97	7.00	6.84	6.90	0.14	0.06
Total	12.56	12.16	12.21	12.38	12.27	11.82	-0.33	-0.45
Total, excluding current account overdrafts and credit cards	8.66	7.65	7.58	7.52	7.45	7.52	-0.13	0.07
NBS base rate	4.75	4.25	4.25	4.25	4.25	4.25	0.00	0.00
3M BRIBOR	4.48	4.27	4.32	4.31	4.29	4.28	0.01	-0.01

Source: NBS.

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



Chart 55 Interest Rates on Deposits from Non-Financial Corporations (%)

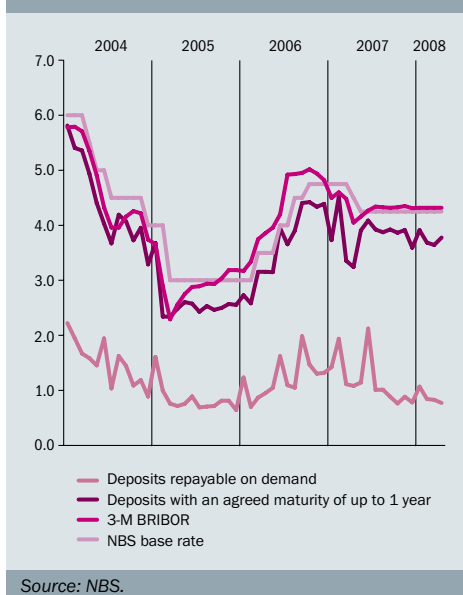


Chart 56 Interest Rates on Household Deposits (%)

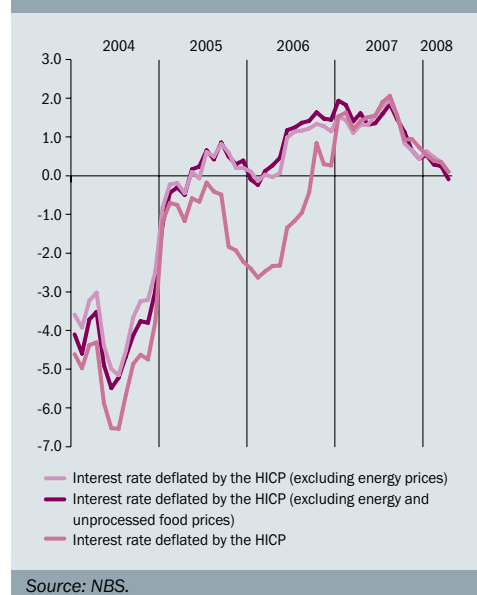


Table 43 Average Interest Rates on New Deposits

	Interest rate in %						Changes in April in p.p.	
	Q1 2007	Q2 2007	Q3 2007	Q4 2007	Mar. 2008	April 2008	against Q2 2007	Month- on-month changes
New deposits from non-financial corporations								
Deposits repayable on demand	1.11	2.12	0.88	0.78	0.83	0.77	-1.35	-0.06
Deposits with an agreed maturity of								
- up to 1 year	3.36	4.09	3.93	3.60	3.64	3.78	-0.31	0.14
- over 1 and up to 2 years	2.66	0.00	3.50	3.79	1.70	3.02	3.02	1.32
- over 2 years	1.50	1.91	2.77	2.30	1.35	4.35	2.44	3.00
Total	2.17	3.09	2.28	1.83	2.13	2.36	-0.73	0.23
New deposits from households								
Deposits repayable on demand	0.54	0.51	0.47	0.47	0.47	0.49	-0.02	0.02
Deposits with an agreed maturity of								
- up to 1 year	3.17	3.49	3.45	3.28	3.41	3.47	-0.02	0.06
- over 1 and up to 2 years	2.47	3.34	3.50	3.58	3.73	3.71	0.37	-0.02
- over 2 years	3.24	2.24	2.70	2.20	2.28	0.54	-1.70	-1.74
Deposits payable at notice								
- up to 3 months	1.46	1.23	1.33	1.42	1.45	1.45	0.21	0.00
- over 3 months	1.98	1.90	1.96	2.05	2.14	2.12	0.22	-0.02
Total	1.07	1.00	1.00	0.99	1.18	1.16	0.15	-0.02
NBS base rate	4.75	4.25	4.25	4.25	4.25	4.25	-0.50	0.00
3M BRIBOR	4.48	4.27	4.32	4.31	4.32	4.32	-0.16	0.00

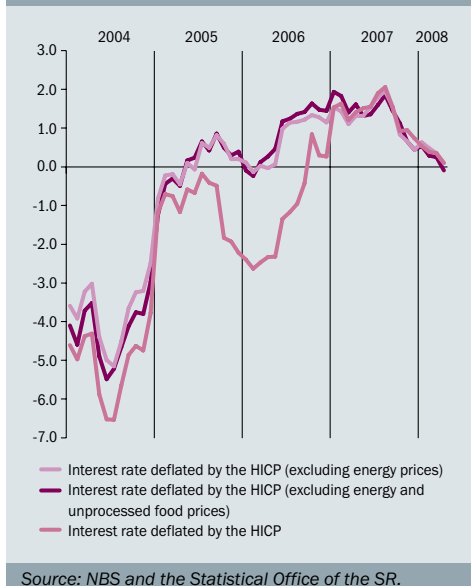
Source: NBS.

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 increased moderately in April. This was mainly the result of higher interest rates on deposits with an agreed maturity. The highest increase was observed in deposits with longest maturities, whose volume, however, was very small. The increase in interest rates on deposits with an agreed maturity was caused mainly by the increase in the rate

Chart 57 Real Interest Rates on Household Deposits (%)



of interest on deposits with an agreed maturity of up to 7 days, considering their high share in the overall structure of deposits. The rate of interest on deposits payable on demand continued to decrease moderately for the fourth consecutive month.

Interest rates on household deposits were stagnant in April, except for deposits with longest maturities. The rates of interest on demand deposits, short-term deposits with an agreed maturity and deposits with a notice period remained virtually unchanged. In deposits with an agreed maturity, the rates decreased on deposits with the shortest maturities (up to 7 days) and the longest maturities (above 2 years).

In April, the development of interest rates on deposits with maturities of more than 2 years was influenced by the introduction of a new product by one of the banks. The product guarantees the amount of the deposit and the development of the bonus depends on the performance of the underlying asset. As a result, these deposits are shown with 0% interest rate at the moment.

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 0.10% in April, which represented a decrease of 0.25 percentage points compared with the previous month. This decreasing trend of real interest rate lasting for relatively long period of time is attributable mainly to growing inflation, with interest rates on one-year deposits being relatively stable.

Real interest rate



Annexes

1 International Economy: Tables and Graphs

Table 44 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	1.6	1.3	1.2	8.8	3.44
2006	2.2	1.5	5.1	2.8	4.0	1.6	8.2	3.86
2007	2.1	2.0	2.8	2.6	3.5	0.9	7.4	4.33
2007 Q1	1.9	1.9	2.9	3.2	4.0	1.9	7.6	4.08
2007 Q2	1.9	1.9	2.4	2.6	2.9	1.0	7.5	4.42
2007 Q3	1.9	2.0	2.1	2.7	4.0	1.4	7.4	4.48
2007 Q4	2.9	2.3	4.0	2.1	3.1	-0.4	7.2	4.34
2008 Q1	3.1	2.3	5.4	2.2	2.8	-0.1	7.1	4.15
II.08	3.3	2.4	5.4	-	3.2	1.3	7.1	4.14
III.08	3.6	2.7	5.8	-	2.0	-2.3	7.1	4.07
IV.08	3.3	2.4	6.1	-	.	-2.9	.	4.28
V.08	.	.	.	-	.	.	.	.

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.

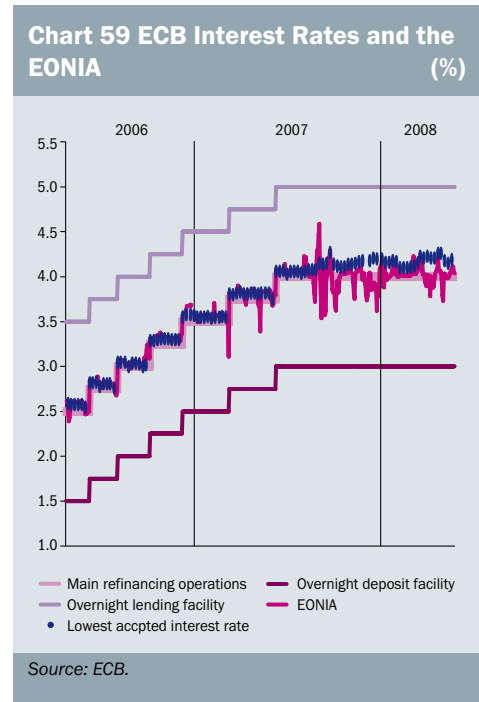
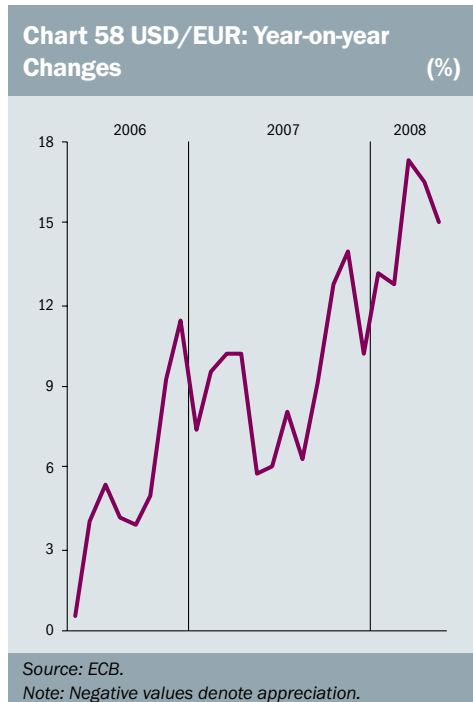




Table 45 Czech Republic (year-on-year changes in %, unless otherwise specified)

	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	3.54
2006	2.1	0.9	1.6	6.4	11.5	6.9	7.1	3.80
2007	3.0	3.1	4.0	6.5	8.1	6.8	5.3	4.30
2007 Q1	1.7	1.9	3.1	6.8	12.0	8.3	5.8	3.90
2007 Q2	2.6	2.8	4.1	6.8	9.0	7.7	5.5	4.20
2007 Q3	2.7	3.1	3.9	6.5	6.2	7.3	5.1	4.52
2007 Q4	4.9	4.5	5.0	6.3	5.4	4.5	4.9	4.59
2008 Q1	7.6	6.9	5.7	5.3	6.8	1.9	4.6	4.59
II.08	7.6	7.0	5.7	-	10.7	3.4	4.6	4.53
III.08	7.1	6.6	5.4	-	1.5	-0.7	4.5	4.68
IV.08	6.7	6.5	4.7	-	.	.	4.4	4.72
V.08	6.8	6.2	.	-	.	.	.	4.84

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 46 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	7.3	5.7	7.2	6.60
2006	4.0	2.5	8.4	3.9	10.6	4.3	7.5	7.12
2007	7.9	6.7	6.4	1.3	8.3	-3.0	7.4	6.74
2007 Q1	8.8	6.7	8.7	2.3	10.2	0.2	7.2	6.90
2007 Q2	8.5	7.2	7.7	1.6	7.7	-3.2	7.1	6.63
2007 Q3	7.3	6.7	4.2	1.0	10.1	-4.1	7.3	6.68
2007 Q4	7.1	6.2	5.2	0.5	5.7	-4.0	7.7	6.76
2008 Q1	6.9	5.9	10.7	0.8	6.5	-3.1	7.6	7.70
II.08	6.7	5.8	10.6	-	9.1	-2.7	7.6	7.58
III.08	6.7	5.6	10.8	-	4.3	-3.7	7.6	8.41
IV.08	6.8	5.7	11.7	-	.	.	7.6	8.02
V.08	6.9	5.6	.	-	.	.	.	8.08

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 47 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	4.5	1.3	17.7	5.22
2006	1.3	0.6	2.5	6.2	12.2	9.6	13.8	5.23
2007	2.6	2.0	3.6	6.5	9.5	13.5	9.6	5.48
2007 Q1	2.0	1.2	3.9	6.9	14.5	16.4	10.8	5.18
2007 Q2	2.3	1.7	3.2	6.8	8.1	14.0	9.9	5.36
2007 Q3	2.4	2.2	3.2	6.3	8.1	12.8	9.2	5.66
2007 Q4	3.7	3.0	4.4	6.7	7.9	11.4	8.6	5.73
2008 Q1	4.5	3.7	5.4	6.4	9.3	8.2	8.1	5.87
II.08	4.6	3.8	5.6	-	12.4	9.7	8.1	5.82
III.08	4.4	3.8	5.6	-	5.5	4.1	7.8	5.99
IV.08	4.3	3.9	5.4	-	12.0	8.4	7.7	5.99
V.08	4.3	3.7	.	-	.	.	.	6.10

Source: Eurostat, ECB, NBS calculations.

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

2) Constant prices.

3) Adjusted for calendar effects.

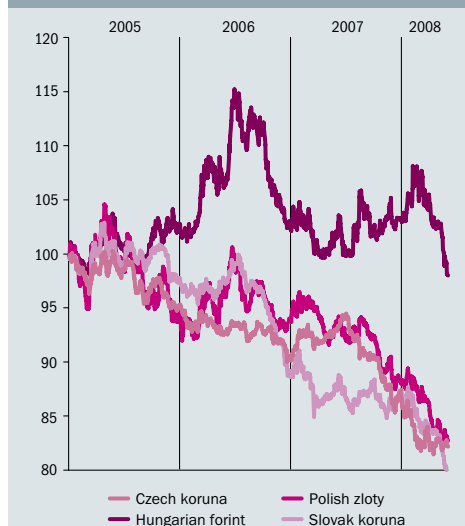
4) Adjusted for seasonal and calendar effects.

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 60 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 61 Exchange Rates of V4 Currencies against the Euro
(year-on-year changes in %)



Sources: Eurostat, NBS calculations.

Note: Negative values denotes appreciation.

Table 48 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	3.3	6.6	5.1	4.29
2006	3.2	2.5	3.0	2.9	2.2	6.2	4.6	4.80
2007	2.9	2.3	3.9	2.2	2.3	4.1	4.6	4.64
2007 Q1	2.4	2.6	2.0	1.5	1.3	3.5	4.5	4.68
2007 Q2	2.7	2.3	3.4	1.9	1.4	4.0	4.5	4.85
2007 Q3	2.4	2.2	3.6	2.8	1.2	4.1	4.6	4.74
2007 Q4	4.0	2.3	6.8	2.5	1.8	4.7	4.8	4.27
2008 Q1	4.1	2.4	7.1	2.5	1.7	2.4	4.9	3.67
II.08	4.0	2.3	6.8	-	1.1	2.4	4.8	3.74
III.08	4.0	2.4	6.9	-	1.4	1.6	5.1	3.51
IV.08	3.9	2.3	6.4	-	0.2	1.7	5.0	3.68
V.08	.	.	.	-	.	.	5.5	3.87

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

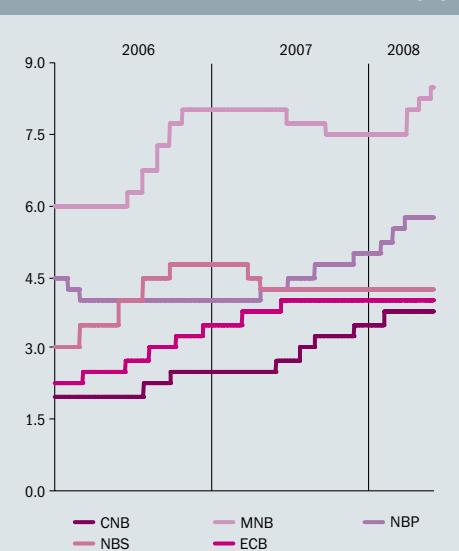
1) Core CPI – inflation excluding food and energy.

2) PPI finished products.

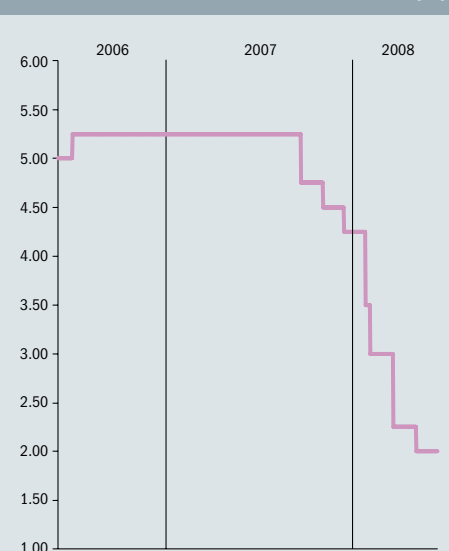
3) Seasonally adjusted.

4) Industrial production in total (seasonally adjusted.)

5) Retail trade and restaurant services.

Chart 62 Key Interest Rates of the NCBs of V4 Countries (%)


Sources: ECB, national central banks.

Chart 63 United States: Federal Funds Rate (%)


Source: Federal Reserve System.

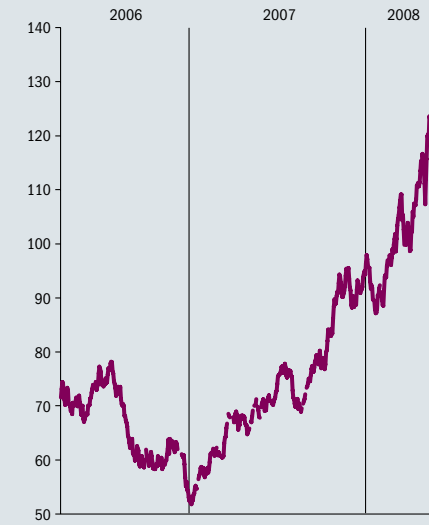


Table 49 Year-on-year HICP Inflation in Individual EU-countries during the Last 12 Months

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	
June 2007	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 2007	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	1.3	
Aug. 2007	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	
Sep. 2007	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	
Oct. 2007	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	
Nov. 2007	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	
Dec. 2007	3.1	11.6	5.5	2.4	3.1	9.7	3.2	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	
Jan. 2008	3.5	11.7	7.9	3.0	2.9	11.3	3.1	3.9	4.4	3.2	3.1	4.1	15.6	10.0	4.2	7.4	3.8	1.8	3.1	4.4	2.9	7.3	6.4	3.2	3.5	3.0	2.2	
Feb. 2008	3.6	12.2	7.6	3.3	3.0	11.5	3.5	4.5	4.4	3.2	3.1	4.7	16.5	10.9	4.2	6.7	4.0	2.0	3.1	4.6	2.9	8.0	6.4	3.4	3.3	2.9	2.5	
March 2008	4.4	13.2	7.1	3.3	3.3	11.2	3.7	4.4	4.6	3.5	3.6	4.4	16.6	11.4	4.4	6.7	4.3	1.9	3.5	4.4	3.1	8.7	6.6	3.6	3.6	3.2	2.5	
April 2008	4.1	13.4	6.7	3.4	2.6	11.6	3.3	4.4	4.2	3.4	3.6	4.3	17.4	11.9	4.3	6.8	4.1	1.7	3.4	4.3	2.5	8.7	6.2	3.7	3.3	3.2	3.0	
May 2008	5.1	14.0	6.8	3.6	3.1	11.4	3.7	4.9	4.7	3.7	3.7	4.6	17.7	12.3	4.8	6.9	4.1	2.1	3.8	4.3	2.8	8.5	6.2	4.0	4.1	3.9	3.2	3.0

Source: Eurostat.

Chart 64 Oil Prices in USD/Barrel



Source: Reuters.



2 Capital Market

2.1 Primary market

In May, ARDAL held two auctions in government bonds (with a residual maturity of 2.9 and 18 years). In the first auction, it accepted SKK 3.0 billion of the total demand of SKK 3.3 billion. The yields required were 4.398% on average. The reason for satisfying a high portion of the demand in this auction was the need to finance the state budget also through government bonds. Another reason could be the likely absence of a planned bond issue on foreign markets, which made it necessary to place more instruments on the domestic market. In the second bond auction held towards the end of May, the agency did not accept any of the bids submitted for a total amount of SKK 1.2 billion with an average yield of 5.129%.

On the primary market for non-government bonds, 6 bond issues were floated in May in the total amount of SKK 7.5 billion, of which 5 issues were denominated in SKK and one issue in EUR (the value of the latter equalling to SKK 6.1 billion). Two of the issues involved mortgage bonds, 1 of which was denominated in SKK (of SKK 0.5 billion) and the other in EUR.

2.2 Secondary market

The total volume traded on the Bratislava Stock Exchange (BCPB) reached SKK 8.7 billion in May (in 228 transactions), representing a month-on-month decrease of 35.5%. Price-setting transactions accounted for SKK 294.4 million and direct transactions for SKK 8.4 billion.

Non-resident investors accounted for 81.3% of the total volume traded in May, of which 75.7% were purchases and 86.9% sales.

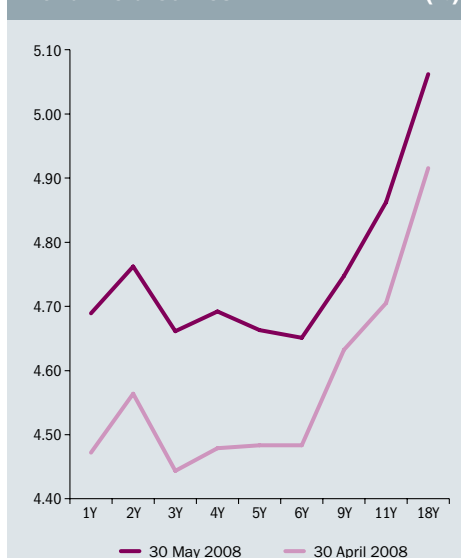
Benchmark government bond yields increased month-on-month by 0.18 of a percentage point on average. Yields on bonds with two and four year maturity changed most notably, increasing by 0.22 of a percentage point on average. The yields on bonds were influenced by movements in yields in the euro area, which increased by a higher margin compared with Slovak ones. This narrowed the spreads between the Slovak and the European benchmark.

Bonds

The BCPB recorded 119 bond transactions totaling SKK 8.6 billion during the month (i.e. 99.6% of the total volume traded on the BCPB floor in May).

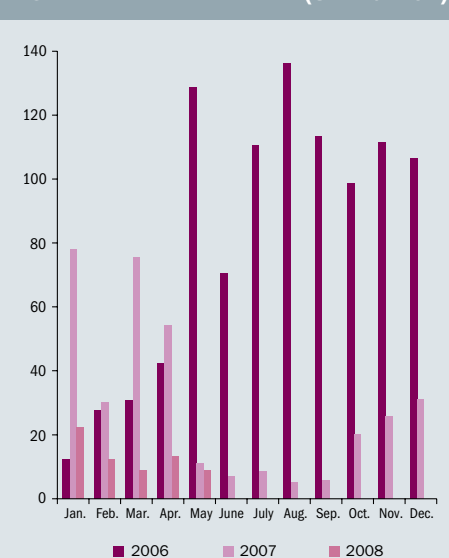
Market capitalization of bonds as at the last trading day of May reached SKK 426.8 billion, representing a month-on-month increase of 0.9%. Market capitalization of listed bonds increased since the end of April by 1.2%, to SKK 409.5 billion.

Chart 65 Benchmark Government Bond Yield Curves (%)



Sources: Reuters, NBS.

Chart 66 Bond Transactions in the BCPB (SKK billion)



Source: Bratislava Stock Exchange (BCPB).



SDXGroup indices

Table 50 The Values of SDXGroup Indices at the End of May 2008

Sector	SDXGroup indices		Yield to maturity (%)	Duration (in years)
	Price	Performance		
Public	101.7	123.0	4.690	5.303
SDXG sub-index (<=5)	100.7	120.5	4.633	3.288
SDXG sub-index (>5)	102.9	126.3	4.708	7.085
Private (corporate + mortgage bonds)	100.8	128.1	4.263	4.405
SDXG sub-index (>5)	100.0	100.7	4.263	4.405

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, a volume of SKK 32.6 million was traded in 109 transactions. Price-setting transactions (involving shares) accounted for SKK 9.2 million and direct transactions for SKK 23.4 million.

By the last trading day of May 2008, the market capitalization of equity securities increased by 0.7% month-on-month to SKK 149.7 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 143.2 billion (a month-on-month increase of 0.7%) and accounted for 95.7% of the total equity market capitalization. Market capitalization of listed issues increased since the end of April by 1.6%, to SKK 87.2 billion.

At the same time, the quoted parallel market of BCPB received four new issues of mortgage bonds with a total value of SKK 1.8 billion. In addition to that, the volume of registered government bond issues was increased by SKK 5.0 billion. In May, no issue of debt securities was excluded from trading on BCPB markets.

During the month under review, the BCPB accepted no new share issues for trading on the quoted market, nor on the regulated open market. Trading on the regulated open market with one share issue (with a nominal volume of SKK 15 million) was suspended at the request of issuer. 11 share issues with a volume of SKK 3.6 billion were excluded from trading due to the failure by issuers to submit an interim management statement.

SAX Index The SAX index closed the month of May at 449.32 points, representing an increase of 0.7% month-on-month and 13.8% year-on-year. The index reached its monthly maximum on 21 May (456.33 points) and its monthly minimum on 14 May (441.88 points)

Chart 67 Developments in the SAX Index in May 2008 (points)



Source: BCPB.

Table 51 Weights of Basic SAX Index Components at the Month-ends in 2007 and 2008

Company	Weights in %						Monthly change in p.p.
	2007	2008					
	Dec.	Jan.	Feb.	Mar.	Apr.	May	
Biotika, a. s.	4.04	4.02	4.03	4.62	4.56	4.31	-0.25
OTP Banka Slovensko, a. s.	21.46	21.35	22.09	21.68	22.44	22.36	-0.08
SES Tlmače, a. s.	16.66	17.28	16.62	16.68	17.81	18.25	0.44
Slovnaft, a. s.	29.55	29.93	29.40	29.98	27.93	28.66	0.73
Všeobecná úverová banka, a. s.	28.30	27.43	27.86	27.03	27.26	26.41	-0.85

Source: BCPB.



3 Methodological Notes to Selected Indicators

3.1 Monetary Statistics

3.1.1 Statistics of Monetary Aggregates (ECB methodology)

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

In 2003, similarly as in national methodology, the MFI sector was composed of Národná banka Slovenska, commercial banks headquartered in the SR, home savings banks, and the local branches of foreign banks. With effect from January 2004, in accordance with ECB methodology, the MFI sector was extended to include money market investment funds, which are now required to report data to NBS on a monthly basis (the list of MFIs monitored by NBS is regularly updated and published on the website of Národná banka Slovenska)⁶.

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

⁶ The actual list of MFIs and detailed methodological information on harmonised monetary and banking statistics are available on the website of Národná banka Slovenska (<http://www.nbs.sk>), in the ‘Monetary and Banking Statistics / Monetary Statistics of the MFIs’, under ‘Banking sector of the SR’ menu.



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

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

F_t – transactions

S_t – stocks at the end of the current period

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

C_t – adjustment related to reclassification

V_t – adjustment related to revaluation

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

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

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

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

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

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

Table 52 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 [MO]	currency in circulation [MO]
+	+
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)⁷;
 - 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 data⁸.

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

As of the beginning of 2005, customer interest rates are evaluated according to ECB methodology, where interest rates are monitored on loans granted⁹ 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.

⁷ 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.

⁸ In the conditions of NBS, the recording of seasonally adjusted data according to ECB methodology is currently in the stage of preparation.

⁹ 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. 63/2002¹⁰ 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
 - repayable at a period of notice of up to 3 months
 - repayable at a period of notice of over 3 months.

¹⁰ According to Article 1 paragraph 2 of Decree No. 63/2002 of the European Central Bank of 20 December 2001, concerning the statistics of interest rates of monetary financial institutions on loans to and deposits from households and non-financial corporations, the term 'households' as defined in Annex A to Directive No. 2223/96 of the European Communities of 25 June 1996 on the European System of National and Regional Accounts (ESA95) means the household sector S.14 (i.e. households and sole traders) and non-profit institutions serving households S.15, and the term 'non-financial corporations' means sector S.11.



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

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

3.1.4 Classification of Loans According to Quality

Year 2005¹¹

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.

¹¹ Until 2004, claims had been classified as standard loans, standard loans with qualification, non-standard loans, doubtful loans, and loss-making loans.



Loss-making claims – defined as claims where:

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

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

Year 2006

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

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

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

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

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

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

- significant and
- insignificant.

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

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

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

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

3.1.5 Balance of Payments

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



3.2 Basic Macroeconomic Indicators

3.2.1 Gross Domestic Product (GDP)

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

3.2.2 Wage Statistics

Average nominal wage – gross wage, not reduced by any wage deductions prescribed by law or agreed with the employer, including an estimate for the employees of sole traders (without entrepreneurial incomes). Dividends from profits and remuneration for stand-by duty are not taken into account.

Average real wage index – the ratio of the nominal wage index to the consumer price index.

Compensation of employees (remuneration) – is defined as the total remuneration, in cash or in kind, payable by an employer to an employee in return for work done by the latter during the accounting period, including social contributions payable by employers. The compensation of employees is composed of wages and salaries, and employers' social contributions.

Unit labour costs (according to ECB methodology) – ULC indicator: is a composite expression of the cost pressures in a given economy stemming from the labour force and is regarded as one of the main indicators of economic competitiveness. This indicator provides information about the amount of 'obligatory' expenses on an employee per unit of output. It shows the relationship between the amount of funds spent on an employee and the output of his work.

In nominal terms – the ratio of total expenditure on an employee in nominal terms to real labour productivity (this method of ULC calculation is used by most foreign institutions – ECB, EC, OECD). Unit labour costs calculated according to this methodology demonstrate price developments in the area of wages. Since nominal labour costs are compared with real GDP, it is possible in the long term to compare the developments in current labour costs in the individual years in relation to the unit of real output.

In real terms – the ratio of total expenditure on an employee in real terms to real labour productivity. Real ULC indicate whether price pressures has a tendency to strengthen or weaken. Growth in real ULC, with employee compensation growing more rapidly than labour productivity, may be an indication of rising inflation as a result of demand pressures.

ULC expressed according to NBS methodology – the ratio of the average nominal wage to labour productivity, calculated from employment according to statistical reports.

3.2.3 Employment and Unemployment Statistics

Employment

– **according to statistical reports, i.e. statements submitted by employers (monthly, quarterly)** – containing the average number of registered employees, both permanent and temporary employees, who have an employment, service, or membership relationship with the organisation, regardless of whether they are or not present at work (e.g. due to illness, annual leave, military exercise, etc.), as well



as not working employees (e.g. due to strike, exclusion, protest). Persons working part-time are also included in this statement. Persons on maternity leave, persons doing military or community service, apprentices, and students in vocational practice are not included.

– **according to a labour force survey (LFS), i.e. an inquiry directed to a sample of households (quarterly) according to the methodology of the International Labour Office (ILO)** – a statement of the number of workers, including all persons doing at least one hour of any paid work or work aimed at making a profit in the week under review. The workers include employees, entrepreneurs (with and without employees), unpaid family workers helping in family enterprises, as well as persons absent from work in the week under review due to illness, leave, maternity leave, military service, strike, exclusion, bad weather conditions, etc. The ‘entrepreneurs’ category includes, according to the LFS methodology, the owners of enterprises, sole traders, independent farmers, and persons in freelance professions (as main employment).

– **according to the ESA 95 methodology** – employment is expressed in terms of the number of persons (employed and self-employed) engaged in a production activity defined as production under the national system of accounts. In compiling the indicators of labour accounts, the method of balancing is applied, i.e. the supply of labour is balanced against demand. The harmonised data obtained from corporate sources are compared with data obtained from a labour force survey of households, according to the definitions laid down by the ILO and ESNA 95.

Employment rate – persons in employment as a percentage of the population aged 15 years and over.

Rate of economic activity – the economically active population (working and unemployed persons) as a percentage of the population aged 15 years and over.

Unemployment

Unemployed persons – according to a labour force survey (LFS) – all persons who are without employment in the reference week, who have actively sought employment over the previous four weeks, and who are available for work within two weeks. Such persons may be, but are not necessarily, registered with an office for work, social matters, and the family. With effect from 2002, the duration of unemployment is defined by Eurostat as the duration of search for a job, or the length of the period since the last job was held (if this period is shorter than the duration of search for a job).

Unemployment rate according to a labour force survey (LFS) – the number of unemployed persons as a percentage of the economically active population.

Registered unemployment rate – in agreement with the International Labour Organisation, registered unemployment rate is calculated from the number of disposable job applicants who can start working immediately after receiving an adequate job offer and from the number of economically active persons in the previous year according to a labour force survey.

3.2.4 Household Income and Expenditure Statistics

Current household income

Compensation of employees – gross wages and salaries, plus employers’ compulsory social contributions.

Gross mixed income – profit and income from business activity, supply of agricultural products from own production, and imputed rent.

Property income – interest, dividends, income from land lease, and other.

Social benefits – retirement benefits, sickness benefits, state social benefits, unemployment benefits (to the registered unemployed)

Other current transfers – insurance payments from various types of insurance, private transfers from abroad, lottery winnings, court and out-of-court rehabilitation, scholarships, and contributions to school meals.



Current household expenditure

Property income – interest paid on loans provided and other payments of this type. Current tax on income, property, etc.

Social contributions – direct taxes and fees paid to the state budget and the budgets of municipalities; social contributions paid to health insurance companies, social insurance schemes, and to the employment fund; private transfers abroad; various contributions to non-profit organisations; lotteries, penalties, and charges.

Other current transfers – payments for non-life, life, and health insurance outside the social protection systems, contributions to funds, etc.

Gross disposable household income – difference between the current income and current expenditure of households.

Adjustment for changes in the net assets of households in the reserves of pension funds – changes in the net assets of households in pension funds (differences between increases and decreases in pension funds).

Gross household savings (difference between the gross disposable income and final consumption of households) – include the koruna deposits of citizens and small entrepreneurs, and their activities related to the purchase of tangible and intangible investments.

Ratio of gross household savings – expresses the ratio of gross household savings to the gross disposable income of households.

3.2.5 Financial Statistics

Corporation – a uniform term covering the various organisational forms of financial and non-financial entities (joint stock companies, limited liability companies, cooperatives, state enterprises, natural persons, etc.).

Non-financial corporations – entrepreneurial entities registered in the commercial register and engaged in activities aimed at earning a profit in any branch of activity, except banking and insurance. The category also includes subsidised organisations, which finance more than 50% of their expenses from receipts. Households, sole traders, freelance professionals, and farmers are not included.

Financial corporations – entities principally engaged in financial intermediation or in auxiliary financial activities. The financial corporations sector includes the National Bank of Slovakia, commercial banks, entities engaged in financial leasing, exchange offices, asset management companies, commercial insurance companies, and investment funds.

Národná banka Slovenska (National Bank of Slovakia) – in accordance with the 'Statistical Classification of Economic Activities', NBS is included in sector 65 'Financial Intermediation, Except Insurance and Pension Funding'.

4 Tables

Selected Indicators of Economic and Monetary Development in the SR

	Unit	2007										2008				
		5	6	7	8	9	10	11	12	1	2	3	4	5		
REAL ECONOMY																
Gross domestic product ¹⁾²⁾	SKKbillions	-	683.7*	-	-	1,052.2*	-	-	1,429.5*	-	-	354.3*	-	-		
Year-on-year change in GDP ³⁾	%	-	8.8*	-	-	9.0*	-	-	10.4*	-	-	8.7*	-	-		
Unemployment rate ⁴⁾⁹⁾	%	8.3	8.3	8.3	8.2	8.3	7.9	7.8	8.0	8.1	7.8	7.6	7.4	-		
Consumer prices (HICP) ³⁾⁸⁾	%	1.5	1.5	1.2	1.2	1.7	2.4	2.3	2.5	3.2	3.4	3.6	3.7	4.0		
Consumer prices (CPI) ³⁾	%	2.3	2.5	2.3	2.3	2.8	3.3	3.1	3.4	3.8	4.1	4.2	4.3	4.6		
BALANCE OF TRADE⁷⁾⁹⁾																
Exports (fob)	SKKmillions	567,001	684,372	798,733	906,896	1,030,426	1,173,213	1,312,257	1,420,738	124,939	256,802	382,763	516,742	-		
Imports (fob)	SKKmillions	564,665	686,582	802,506	916,474	1,036,352	1,178,389	1,322,055	1,442,123	120,490	248,876	376,500	516,234	-		
Balance	SKKmillions	2,337	-2,211	-3,773	-9,578	-5,926	-5,176	-9,798	-21,385	4,448	7,926	6,263	508	-		
BALANCE OF PAYMENTS																
Current account ⁷⁾	SKKmillions	-17,088.9	-40,420.4	-51,259.1	-55,975.6	-59,641.8	-74,414.5	-88,466.2	-98,746.3	-1,097.5	3,096.1	-6,521.0	-	-		
Capital and financial account	SKKmillions	94,550.7	106,368.5	139,344.7	146,578.3	146,474.3	156,371.3	170,341.9	183,903.6	-4,180.7	10,938.1	20,297.2	-	-		
Overall balance	SKKmillions	98,721.4	98,478.0	98,601.6	98,507.1	99,074.9	100,046.2	95,796.3	95,971.0	-218.3	-558.3	-3,880.7	-	-		
FOREIGN EXCHANGE RESERVES⁴⁾																
Total foreign exchange reserves	USDmillions	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	22,232.2	22,850.2	23,188.4	23,460.6		
NBS foreign exchange reserves	USDmillions	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	19,554.5	20,041.4	19,841.8	19,698.4		
GROSS EXTERNAL DEBT⁴⁾																
Total gross external debt	USDbillions	35.4	36.7	38.2	38.3	39.8	42.2	43.1	44.3	43.7	46.6	49.4	-	-		
External debt per capita	USD	6,571	6,814	7,109	7,111	7,398	7,848	8,014	8,237	8,117	8,669	9,180	-	-		
MONETARY INDICATORS																
Exchange rate ⁵⁾	SKK/USD	24.954	25.355	24.311	24.647	24.378	23.669	22.637	22.882	22.797	22.495	20.977	20.55	20.253		
M3 monetary aggregate ⁴⁾⁸⁾	SKKbillions	1,009.3	1,026.6	1,008.5	1,029.3	1,039.4	1,039.6	1,041.0	1,082.4	1,082.3	1,093.1	1,084.6	1,090.8	-		
Year-on-year change in M3 ³⁾	%	18.5	19.2	15.6	15.3	16.2	14.4	12.3	13.0	12.6	12.2	10.5	10.2	-		
Claims of monetary financial institutions ⁸⁾	SKKbillions	936.7	954.5	967.5	973.2	988.6	1012.8	1029.4	1,044.7	1,041.1	1,049.8	1045.0	1058.6	-		
STATE BUDGET²⁾⁴⁾																
Revenue	SKKbillions	121.5	145.8	185.4	206.3	228.5	263.1	290.3	322.2	35.0	51.5	81.0	113.4	133.3		
Expenditure	SKKbillions	134.5	156.8	181.5	205.9	229.1	256.2	284.9	345.7	22.0	50.0	77.6	105.7	136.4		
Balance	SKKbillions	-13.0	-11.0	9.3	0.4	-0.6	6.9	5.4	-23.5	13.0	1.5	3.4	7.7	-3.1		
MONEY MARKET																
Interest rates set by the NBS Bank Board																
Date of validity ⁶⁾																
Overnight operations																
- sterilisation	%	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25		
- refinancing	%	5.75	5.75	5.75	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	%	4.25	4.25	4.25	4.25	4.25	4.25	4.25	4.25	4.25	4.25	4.25	4.25	4.25		
NBS base rate (until 31/12/02: discount rate)	%	4.25	4.25	4.25	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	%	3.61	4.68	3.73	3.52	4.10	3.78	3.82	2.75	4.01	3.39	3.25	3.62	4.12		
7-day	%	4.11	4.34	4.19	4.08	4.24	4.20	4.19	3.93	4.22	4.00	3.98	4.07	4.19		
14-day	%	4.18	4.30	4.25	4.20	4.25	4.25	4.25	4.12	4.24	4.12	4.10	4.16	4.22		
1-month	%	4.20	4.27	4.28	4.28	4.28	4.28	4.28	4.25	4.28	4.23	4.21	4.23	4.26		
2-month	%	4.17	4.26	4.32	4.30	4.31	4.31	4.32	4.28	4.30	4.26	4.27	4.26	4.29		
3-month	%	4.16	4.27	4.34	4.33	4.32	4.33	4.35	4.31	4.32	4.28	4.29	4.28	4.32		
6-month	%	4.16	4.27	4.37	4.40	4.38	4.38	4.40	4.36	4.35	4.30	4.32	4.33	4.40		
9-month	%	4.18	4.28	4.40	4.44	4.41	4.42	4.43	4.41	4.38	4.30	4.32	4.36	4.46		
12-month	%	4.20	4.30	4.42	4.47	4.44	4.45	4.45	4.45	4.41	4.30	4.32	4.39	4.50		

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

⁰⁾ Preliminary data.¹⁾ In constant prices, calculated by chaining values; the reference period is the year 2000.²⁾ 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.



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

	Share of the total (in %) ¹⁾	Volume (SKK billion)												
		2007										2008		
		4	5	6	7	8	9	10	11	12	1	2	3	4
Claims of MFIs on residents	49.4	674.6	690.3	706.9	720.8	725.9	742.8	762.3	776.4	793.3	808.0	815.1	825.0	835.7
General government	1.3	24.3	23.0	21.1	21.0	21.4	21.4	21.0	22.4	23.0	23.0	22.7	22.2	21.7
Private sector	48.1	650.3	667.4	685.8	699.8	704.5	721.5	741.2	754.0	770.3	785.0	792.4	802.8	814.0
Non-financial corporations	24.8	337.6	346.7	357.5	364.4	364.2	374.5	385.1	389.3	399.5	410.5	413.2	415.0	420.5
– up to 1 year	10.5	142.3	146.3	158.4	156.9	153.5	160.8	165.2	169.3	170.5	174.7	175.7	176.6	177.8
– 1 to 5 years	5.1	68.5	69.2	67.5	72.4	72.7	72.4	74.8	76.9	82.3	86.1	86.7	86.0	86.2
– over 5 years	9.2	126.8	131.3	131.6	135.1	138.0	141.3	145.1	143.1	146.7	149.6	150.8	152.4	156.5
Financial corporations	3.9	59.6	60.4	61.2	62.4	61.6	62.6	64.5	66.2	66.4	66.1	65.9	68.5	66.6
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	19.3	253.1	260.2	267.1	273.0	278.7	284.4	291.5	298.5	304.3	308.4	313.2	319.2	326.9
– consumer loans	2.6	36.8	37.5	38.2	39.0	39.4	40.0	40.5	41.1	41.6	41.8	42.3	43.1	44.3
– house purchase loans	13.0	168.6	173.6	178.1	181.9	186.1	190.0	194.9	199.6	204.1	207.4	210.9	214.7	219.9
– other loans	3.7	47.8	49.2	50.8	52.0	53.3	54.4	56.1	57.7	58.6	59.1	60.0	61.4	62.7
Securities other than shares and participation certificates issued by residents	12.5	230.0	239.4	240.6	239.7	240.2	238.7	243.5	245.0	245.4	222.2	223.9	209.1	211.9
General government	12.1	222.7	232.5	233.9	232.9	233.4	231.7	236.6	238.2	238.6	215.9	217.5	202.7	205.2
Private sector	0.4	7.3	6.9	6.7	6.7	6.8	7.0	6.9	6.8	6.7	6.3	6.4	6.4	6.7
Shares and other equities issued by private sector	0.6	6.2	6.9	7.0	7.0	7.0	7.1	7.1	8.0	8.2	10.8	10.9	11.0	11.0
Foreign assets	32.5	542.3	544.6	545.9	537.9	554.9	551.4	554.8	544.4	570.0	565.0	546.9	532.8	549.7
Fixed assets	1.9	32.8	32.6	32.3	32.3	32.2	32.1	32.0	32.2	33.1	33.1	33.0	33.0	32.9
Other assets	3.1	54.5	55.4	54.4	53.7	53.1	55.7	59.9	60.0	50.7	50.0	53.2	53.7	52.2
Deposits and loans received from the central government	2.2	43.6	64.0	68.8	85.4	79.7	74.8	82.4	90.6	61.0	54.3	42.2	21.6	37.8
Long-term financial liabilities	10.2	157.7	161.5	165.3	157.6	164.5	169.2	168.6	170.9	182.6	196.5	188.7	181.5	172.0
Deposits and loans received with an agreed maturity of over 2 years	4.3	68.1	68.5	69.2	69.1	69.9	70.2	70.2	71.1	73.7	73.9	74.2	73.4	72.8
Deposits repayable at a period of notice of over 3 months	1.4	23.7	23.6	23.7	23.6	23.4	23.4	23.3	23.3	23.5	23.6	23.4	23.2	23.1
Debt securities issued with a maturity of over 2 years	2.8	33.8	34.5	37.5	37.0	37.3	39.0	41.5	43.0	44.7	43.5	45.1	46.1	47.4
Capital, reserves, and provisions	1.7	32.2	34.9	35.0	28.0	33.9	36.6	33.7	33.6	40.7	55.5	46.1	38.8	28.7
Foreign liabilities	18.4	270.4	256.8	254.4	264.9	271.8	267.0	284.1	279.2	307.8	280.1	283.8	290.5	312.3
Other liabilities	4.9	80.8	78.5	76.4	75.0	68.2	77.4	84.9	84.3	67.0	76.0	75.0	86.3	83.1
Surplus of liabilities among MFIs	-0.2	-2.0	-0.9	-4.3	-0.1	-0.1	-0.1	-0.0	-0.1	-0.4	-0.0	0.1	-0.0	-2.6
M3	64.4	989.6	1,009.3	1,026.6	1,008.5	1,029.3	1,039.4	1,039.6	1,041.0	1,082.7	1,082.3	1,093.1	1,084.6	1,090.8
Total	100.0	1,540.2	1,569.3	1,587.2	1,591.4	1,613.4	1,627.7	1,659.6	1,665.9	1,700.8	1,689.2	1,682.9	1,664.5	1,693.4

¹⁾ In the current month.

Average Interest Rates on New Loans

(ECB methodology)

(%)

	2007									2008			
	4	5	6	7	8	9	10	11	12	1	2	3	4
Loans in total¹⁾	7.64	7.66	7.76	7.44	7.30	7.45	7.22	7.36	7.10	7.43	7.47	7.36	7.19
Current account overdrafts	7.66	7.94	8.00	7.61	7.68	7.71	7.47	7.52	7.39	7.61	7.41	7.29	7.25
operating loans	4.43	4.97	4.97	4.85	4.57	4.82	4.76	4.91	5.09	4.74	4.91	4.83	4.49
Investment loans	5.41	5.72	5.46	5.48	5.71	5.67	5.65	5.52	5.47	5.61	5.54	5.65	5.39
Consumer loans	13.79	12.86	12.44	13.41	13.46	13.55	13.66	13.30	13.12	12.92	12.85	12.84	12.90
House purchase loans	6.21	6.06	5.96	5.98	6.11	6.10	6.09	6.07	6.07	6.09	6.15	6.07	6.07
of which:													
Mortgage loans	6.09	5.93	5.79	5.80	5.81	5.78	5.75	5.76	5.73	5.81	5.80	5.76	5.81
Construction loans	5.03	4.91	4.94	5.04	4.92	4.88	5.03	4.88	4.91	4.88	4.83	4.82	4.87
Intermediate loans	6.92	6.88	6.87	6.72	6.68	6.74	6.76	6.73	6.70	6.68	6.74	6.79	6.82
Other real estate loans	6.11	5.97	5.89	5.97	6.25	6.22	6.11	6.15	6.24	6.22	6.29	6.18	6.19
Other loans	6.18	6.80	6.41	6.51	6.09	6.17	6.36	6.43	5.74	6.57	6.03	6.71	6.30
Floating rate + IRF for up to 1 year incl.	7.64	7.70	7.78	7.46	7.31	7.47	7.20	7.32	7.06	7.40	7.44	7.32	7.12
IRF for over 1 year and up to 5 years incl.	7.42	6.77	7.15	6.77	6.84	7.02	7.35	7.61	7.74	7.80	7.64	8.53	7.90
IRF for over 5 years and up to 10 years incl.	8.25	8.45	8.87	7.80	8.05	7.72	8.26	8.90	8.69	12.22	12.28	11.32	12.47
IRF for over 10 years	7.40	6.56	6.26	6.67	6.75	7.04	6.18	6.43	6.97	8.29	8.42	7.10	7.42
Households													
Loans in total	12.29	12.22	12.16	12.25	12.38	12.21	12.04	12.15	12.38	12.62	12.50	12.27	11.82
Current account overdrafts	13.41	13.78	13.84	13.85	13.90	13.84	13.87	13.80	13.54	13.85	13.76	13.73	13.68
Operating loans	6.99	6.98	7.11	6.76	6.84	7.44	7.33	6.20	6.11	6.05	6.10	6.30	6.36
Investment loans	6.59	6.51	6.62	6.78	6.60	6.44	6.36	6.57	6.27	6.12	7.00	6.30	6.83
Consumer loans	13.79	12.89	12.44	13.41	13.46	13.59	13.66	13.30	13.23	12.92	12.85	12.85	12.92
House purchase loans	6.29	6.17	6.06	6.00	6.14	6.10	6.14	6.12	6.06	6.12	6.12	6.06	6.05
of which:													
Mortgage loans	6.08	5.92	5.79	5.79	5.81	5.78	5.74	5.76	5.72	5.81	5.80	5.75	5.80
Construction loans	5.03	4.91	4.94	5.04	4.92	4.88	5.04	4.88	4.91	4.88	4.83	4.82	4.87
Intermediate loans	6.95	6.91	6.92	6.73	6.72	6.77	6.78	6.75	6.72	6.73	6.80	6.81	6.84
Other real estate loans	6.29	6.18	6.08	6.04	6.46	6.25	6.30	6.37	6.38	6.34	6.37	6.24	6.18
Other loans	7.11	7.34	6.75	6.96	7.00	6.97	6.67	7.18	7.00	7.27	7.02	6.84	6.90
Credit cards	16.99	16.82	16.94	16.74	16.64	16.61	16.39	16.07	17.78	17.87	17.94	17.81	17.70
Floating rate + IRF for up to 1 year incl.	12.96	12.90	12.86	12.93	12.95	12.83	12.62	12.61	12.76	12.98	12.84	12.57	12.30
IRF for over 1 year and up to 5 years incl.	7.90	7.73	7.58	7.27	7.57	8.45	8.70	8.93	8.81	8.25	8.46	8.61	8.00
IRF for over 5 years and up to 10 years incl.	9.49	9.74	9.59	9.56	9.59	9.11	8.75	9.83	10.50	12.32	12.73	12.56	12.68
IRF for over 10 years	7.89	8.07	7.51	8.00	7.99	7.23	7.16	7.34	7.34	8.81	8.90	7.27	8.25
Non-financial corporations													
Loans in total	5.82	5.93	6.05	5.76	5.74	5.88	5.74	5.71	5.62	5.88	5.79	5.70	5.69
Current account overdrafts	5.93	6.00	6.24	5.81	5.83	6.00	5.76	5.81	5.65	5.94	5.82	5.69	5.72
Operating loans	4.66	4.94	4.97	5.03	4.89	4.96	5.41	4.90	5.31	5.23	5.12	5.13	5.01
Investment loans	5.39	5.92	5.39	5.48	5.73	5.67	5.61	5.70	5.65	5.60	5.53	5.71	5.29
House purchase loans	5.93	5.78	5.79	5.92	6.06	6.36	6.16	5.94	6.13	5.90	6.23	6.11	6.21
Other loans	5.89	6.54	6.06	6.50	5.51	6.17	6.32	6.42	5.51	6.16	5.84	6.38	6.07
Credit cards	17.12	16.37	17.58	17.95	17.72	17.49	16.62	17.25	18.53	17.65	17.96	17.98	17.66
Loans up 1 million EUR	5.75	6.34	6.09	5.93	6.05	5.92	6.12	6.16	6.07	5.99	5.98	6.07	5.30
Loans over 1 million EUR	4.95	5.06	5.15	5.39	5.13	5.28	5.48	5.20	5.39	5.30	5.45	5.46	5.58
Floating rate + IRF for up to 1 year incl.	5.81	5.93	6.05	5.75	5.74	5.89	5.75	5.71	5.62	5.88	5.79	5.70	5.68
IRF for over 1 year and up to 5 years incl.	6.34	5.74	6.24	6.03	5.62	5.74	5.45	5.66	5.86	6.61	5.82	6.30	6.38
IRF for over 5 years and up to 10 years incl.	5.61	5.48	6.22	5.96	5.98	6.01	6.31	6.28	5.16	8.40	5.82	4.84	5.93
IRF for over 10 years	6.23	5.83	5.64	5.89	5.96	6.26	5.65	5.94	6.10	6.65	6.37	6.52	6.02

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)

(%)

	2007										2008			
	4	5	6	7	8	9	10	11	12	1	2	3	4	
Deposits in total¹⁾	1.85	2.12	2.43	2.15	2.11	2.05	2.09	2.01	1.77	2.03	1.86	1.86	1.93	
Deposits payable on demand	0.77	0.88	1.28	0.78	0.78	0.71	0.67	0.71	0.70	0.79	0.69	0.69	0.67	
of which: demand deposits	0.68	0.78	0.93	0.64	0.67	0.62	0.60	0.58	0.61	0.65	0.59	0.59	0.60	
overnight deposits	2.12	2.02	4.61	2.09	2.10	1.98	1.92	1.93	1.89	2.48	2.01	1.78	1.88	
Deposits with agreed maturity ²⁾	3.33	3.89	4.06	3.99	3.90	3.95	3.91	3.93	3.74	3.91	3.76	3.68	3.76	
– up to 1 year in total	3.33	3.89	4.06	3.99	3.91	3.95	3.91	3.94	3.74	3.91	3.76	3.68	3.77	
– up to 7 days	2.34	3.33	4.10	3.36	2.92	3.44	2.95	3.07	2.27	3.49	3.09	2.61	2.83	
– up to 1 month	3.57	4.02	4.09	4.10	4.06	4.09	4.07	4.07	3.97	4.05	3.99	3.94	4.01	
– up to 3 months	2.87	3.22	3.28	3.37	3.31	3.29	3.44	3.30	3.38	3.51	3.31	3.30	3.43	
– up to 6 months	3.43	2.97	2.95	3.70	3.24	3.40	3.37	3.23	3.31	3.56	3.04	3.53	3.23	
– up to 1 year	3.29	3.48	3.41	3.28	3.19	2.95	3.35	2.93	3.64	3.63	3.78	3.91	3.91	
– over 1 year in total	2.02	2.77	2.33	3.25	3.02	2.97	3.25	2.87	2.95	3.58	3.08	2.67	2.10	
– up to 2 years	3.07	2.78	2.92	3.52	3.50	3.17	3.55	3.65	3.57	3.88	3.68	2.70	3.70	
– over 2 years	1.94	2.86	2.29	3.45	2.85	2.76	3.20	2.58	2.50	2.62	0.46	3.90	2.01	
Deposits payable at notice	1.78	1.84	1.71	1.72	1.73	1.78	1.79	1.83	1.87	1.92	1.93	1.94	1.93	
– up to 3 months	1.39	1.50	1.25	1.26	1.27	1.35	1.36	1.44	1.44	1.47	1.44	1.45	1.45	
– over 3 months	1.95	1.99	1.90	1.91	1.93	1.96	1.97	2.00	2.05	2.11	2.12	2.13	2.12	
Households														
Deposits in total	0.98	1.02	1.00	0.99	1.01	1.00	1.03	1.01	0.99	1.10	1.06	1.18	1.16	
Deposits payable on demand	0.51	0.54	0.51	0.50	0.48	0.47	0.47	0.44	0.47	0.46	0.46	0.47	0.49	
of which: demand deposits	0.50	0.53	0.46	0.46	0.47	0.46	0.46	0.43	0.46	0.44	0.44	0.46	0.48	
overnight deposits	1.75	1.75	4.31	2.27	1.95	1.80	1.72	1.76	1.76	2.34	1.77	1.78	1.39	
Deposits with agreed maturity	2.86	3.22	3.47	3.33	3.32	3.44	3.36	3.38	3.26	3.49	3.43	3.41	3.44	
– up to 1 year in total	2.86	3.23	3.49	3.33	3.34	3.45	3.36	3.39	3.28	3.48	3.44	3.41	3.47	
– up to 7 days	2.48	3.20	3.76	3.12	2.93	3.33	2.97	3.12	2.32	3.30	2.80	2.73	2.85	
– up to 1 month	2.86	3.29	3.49	3.38	3.39	3.52	3.45	3.43	3.33	3.48	3.44	3.31	3.48	
– up to 3 months	2.65	2.90	3.03	3.13	3.15	3.08	3.17	3.11	3.11	3.16	3.14	3.08	3.13	
– up to 6 months	2.69	2.75	2.91	3.00	3.00	3.15	3.03	3.10	3.13	3.16	3.12	3.29	3.11	
– up to 1 year	3.44	3.03	3.08	3.12	3.28	3.28	3.35	3.27	3.25	3.75	3.80	3.96	3.80	
– long-term over 1 year	2.43	2.77	2.36	3.25	3.02	3.11	3.25	2.90	2.93	3.57	2.95	3.51	2.08	
– up to 2 years	3.07	2.79	3.31	3.51	3.50	3.50	3.55	3.65	3.57	3.89	3.56	3.73	3.70	
– over 2 years	2.31	2.77	2.24	3.06	2.81	2.70	2.52	2.75	2.20	2.22	2.23	2.28	0.54	
Deposits payable at notice	1.78	1.83	1.71	1.72	1.73	1.78	1.79	1.83	1.87	1.92	1.93	1.94	1.93	
– up to 3 months	1.36	1.47	1.23	1.23	1.24	1.33	1.33	1.42	1.42	1.44	1.44	1.45	1.45	
– over 3 months	1.95	1.99	1.90	1.91	1.93	1.96	1.97	2.00	2.05	2.11	2.12	2.14	2.12	
Non-financial corporations														
Deposits in total	2.12	2.47	3.09	2.31	2.30	2.28	2.36	2.19	1.83	2.37	2.12	2.13	2.36	
Deposits payable on demand	0.99	1.15	2.12	1.01	1.01	0.88	0.76	0.89	0.78	1.07	0.84	0.83	0.77	
of which: demand deposits	0.84	0.97	1.52	0.74	0.82	0.70	0.63	0.65	0.66	0.81	0.65	0.64	0.63	
overnight deposits	2.11	2.11	4.60	2.28	2.06	1.96	1.88	1.93	1.91	2.58	2.00	1.83	1.88	
Deposits with agreed maturity	3.23	3.91	4.09	3.93	3.87	3.92	3.87	3.92	3.60	3.91	3.69	3.64	3.78	
– up to 1 year in total	3.23	3.91	4.09	3.93	3.87	3.93	3.87	3.91	3.60	3.91	3.69	3.64	3.78	
– up to 7 days	2.32	3.38	4.10	3.43	3.07	3.19	2.89	3.03	2.26	3.49	2.63	2.61	2.85	
– up to 1 month	3.49	4.06	4.09	4.05	4.03	4.09	4.07	4.06	3.88	4.06	3.99	3.96	4.05	
– up to 3 months	3.16	3.51	3.65	3.71	3.63	3.68	3.73	3.67	3.67	3.82	3.66	3.65	3.73	
– up to 6 months	3.97	3.66	3.35	3.86	3.37	3.78	3.44	3.74	3.85	3.90	3.55	4.10	3.80	
– up to 1 year	3.20	3.68	3.71	3.67	3.22	3.42	3.63	3.38	4.34	3.82	3.58	4.10	4.39	
– long-term over 1 year	3.00	2.55	1.91	3.70	2.96	3.16	3.10	2.79	3.14	2.76	1.93	1.58	4.32	
– up to 2 years	-	2.00	-	3.79	3.87	3.50	3.60	3.09	3.79	3.60	3.00	1.70	3.02	
– over 2 years	3.00	2.66	1.91	2.21	2.81	2.77	2.00	4.57	2.30	2.00	1.78	1.35	4.35	
Deposits payable at notice	2.86	2.98	1.83	1.92	2.25	2.19	2.02	2.22	2.29	2.46	1.28	1.26	1.27	
– up to 3 months	2.96	3.11	1.94	1.97	2.32	2.36	2.49	2.33	2.41	2.56	1.31	1.28	1.30	
– over 3 months	1.36	1.65	0.68	1.09	1.06	0.76	0.30	1.29	1.29	1.10	1.10	1.12	1.10	

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

(%)

	2007									2008			
	4	5	6	7	8	9	10	11	12	1	2	3	4
Loans in total¹⁾	6.74	6.86	6.86	6.78	6.83	6.82	6.77	6.76	6.71	6.75	6.71	6.68	6.69
Current account overdrafts	7.54	7.94	8.03	7.63	7.70	7.73	7.49	7.56	7.41	7.61	7.39	7.27	7.26
Consumer loans	13.37	13.38	13.37	13.28	13.55	13.54	13.51	13.44	13.42	13.35	13.31	13.26	13.27
Operating loans	4.74	4.80	4.79	4.74	4.78	4.83	4.88	4.87	4.90	4.99	4.96	4.92	4.94
Investment loans	5.52	5.48	5.46	5.48	5.51	5.47	5.49	5.49	5.49	5.54	5.52	5.52	5.51
House purchase loans	6.55	6.59	6.59	6.57	6.57	6.55	6.51	6.48	6.43	6.42	6.39	6.35	6.34
Other loans	5.88	5.99	5.95	5.98	6.02	6.08	6.08	6.06	6.02	6.02	6.03	6.09	6.12
Credit cards	17.01	16.81	16.95	16.73	16.65	16.63	16.39	16.09	17.39	17.85	17.92	17.77	17.69
Short-term loans	6.52	6.90	6.91	6.68	6.74	6.78	6.69	6.69	6.61	6.77	6.70	6.64	6.68
Long-term loans over 1 year and up to 5 years	7.95	8.01	8.06	7.99	8.07	8.05	7.97	7.93	7.88	7.81	7.80	7.80	7.81
Long-term loans over 5 years	6.41	6.43	6.42	6.41	6.45	6.43	6.40	6.40	6.38	6.39	6.37	6.36	6.36
Households													
Loans in total	8.28	8.34	8.32	8.28	8.31	8.26	8.20	8.16	8.10	8.08	8.04	8.00	7.97
Current account overdrafts	13.39	13.78	13.95	13.95	13.99	13.95	13.97	13.94	13.63	13.85	13.76	13.73	13.68
Consumer loans	13.38	13.40	13.38	13.29	13.56	13.55	13.52	13.46	13.43	13.36	13.32	13.27	13.28
House purchase loans	6.66	6.69	6.67	6.65	6.66	6.62	6.58	6.54	6.50	6.48	6.45	6.42	6.40
Other loans	7.20	7.20	7.17	7.13	7.17	7.14	7.08	7.06	7.04	7.04	7.05	7.02	7.00
Credit cards	17.01	16.83	16.94	16.70	16.63	16.61	16.38	16.06	17.38	17.86	17.92	17.78	17.70
Short-term loans	13.53	13.80	13.93	13.89	13.89	13.86	13.73	13.66	13.69	13.92	13.96	13.85	13.81
Long-term loans over 1 year and up to 5 years	11.23	11.22	11.20	11.16	11.32	11.31	11.29	11.23	11.23	11.14	11.10	11.08	11.12
Long-term loans over 5 years	6.94	6.98	6.97	6.94	6.98	6.95	6.91	6.89	6.85	6.85	6.83	6.81	6.81
Non-financial institutions													
Loans in total	5.58	5.71	5.75	5.65	5.68	5.72	5.69	5.68	5.64	5.74	5.70	5.66	5.69
Current account overdrafts	5.78	6.00	6.24	5.81	5.83	6.00	5.76	5.82	5.65	5.93	5.79	5.67	5.73
Operating loans	4.63	4.72	4.79	4.72	4.79	4.82	4.89	4.89	4.92	5.04	5.02	5.00	5.00
Investment loans	5.58	5.53	5.50	5.52	5.55	5.51	5.54	5.53	5.54	5.60	5.58	5.58	5.56
House purchase loans	6.05	6.09	6.17	6.18	6.18	6.21	6.20	6.17	6.14	6.17	6.14	6.08	6.10
Other loans	5.75	6.09	5.87	5.95	5.97	6.01	6.07	6.04	5.95	5.91	5.92	5.91	6.00
Credit cards	17.12	16.34	17.37	17.76	17.56	17.62	16.66	17.47	17.99	17.83	18.10	18.04	17.66
Short-term loans	5.42	5.68	5.79	5.55	5.57	5.67	5.59	5.59	5.48	5.68	5.60	5.54	5.60
Long-term loans over 1 year and up to 5 years	5.88	5.94	5.99	5.98	6.02	6.07	6.03	6.02	5.99	6.00	6.00	5.99	6.01
Long-term loans over 5 years	5.62	5.60	5.57	5.59	5.62	5.58	5.61	5.61	5.63	5.67	5.65	5.63	5.62

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 NBS No. 7/2005 on the classification of assets and liabilities of banks and branches of foreign banks.



Average Interest Rates on Outstanding Deposits

(%)

	2007									2008			
	4	5	6	7	8	9	10	11	12	1	2	3	4
Deposits in total¹⁾	2.03	2.23	2.46	2.20	2.20	2.18	2.21	2.14	1.99	2.15	2.08	2.02	2.10
Deposits payable on demand	0.77	0.88	1.29	0.79	0.78	0.70	0.66	0.71	0.70	0.78	0.69	0.69	0.67
of which: demand deposits	0.68	0.78	0.93	0.64	0.67	0.62	0.60	0.58	0.61	0.65	0.59	0.59	0.60
overnight deposits	2.13	1.95	4.76	2.14	2.14	1.86	1.88	1.90	1.86	2.37	2.01	1.78	1.88
Deposits with agreed maturity ²⁾	3.01	3.28	3.38	3.32	3.28	3.30	3.31	3.27	3.15	3.27	3.22	3.19	3.26
– up to 1 year in total	3.09	3.41	3.52	3.45	3.41	3.43	3.43	3.39	3.27	3.40	3.35	3.33	3.40
– up to 7 days	2.38	3.12	4.05	2.96	2.51	3.09	2.61	2.63	2.17	3.23	3.16	2.60	2.84
– up to 1 month	3.21	3.65	3.70	3.70	3.70	3.70	3.73	3.70	3.59	3.66	3.60	3.58	3.66
– up to 3 months	2.60	2.48	2.39	2.41	2.38	2.34	2.41	2.39	2.45	2.51	2.45	2.48	2.53
– up to 6 months	3.26	2.93	2.88	2.97	2.96	2.96	2.97	2.98	2.88	2.92	2.91	2.95	2.95
– up to 1 year	3.53	3.58	3.57	3.56	3.49	3.52	3.38	3.33	3.31	3.30	3.36	3.51	3.56
– over 1 year in total	2.59	2.57	2.56	2.56	2.54	2.57	2.58	2.58	2.58	2.60	2.59	2.56	2.56
– up to 2 years	3.19	3.17	3.18	3.21	3.30	3.32	3.35	3.44	3.42	3.49	3.49	3.42	3.44
– over 2 years	2.58	2.55	2.54	2.54	2.51	2.54	2.54	2.54	2.53	2.54	2.52	2.49	2.48
Deposits payable at notice	1.78	1.81	1.71	1.72	1.73	1.78	1.79	1.83	1.87	1.92	1.93	1.94	1.93
– up to 3 months	1.39	1.50	1.26	1.26	1.27	1.35	1.36	1.44	1.44	1.47	1.44	1.45	1.45
– over 3 months	1.95	1.94	1.90	1.91	1.93	1.96	1.97	2.00	2.05	2.11	2.12	2.13	2.12
Households													
Deposits in total	1.74	1.76	1.74	1.71	1.71	1.72	1.72	1.72	1.71	1.75	1.76	1.79	1.81
Deposits payable on demand	0.51	0.54	0.51	0.49	0.48	0.47	0.47	0.44	0.47	0.46	0.46	0.47	0.49
of which: demand deposits	0.50	0.53	0.46	0.46	0.46	0.46	0.46	0.43	0.46	0.44	0.44	0.46	0.48
overnight deposits	1.75	1.80	4.40	2.23	2.02	1.81	1.78	1.78	1.86	2.37	1.77	1.78	1.39
Deposits with agreed maturity	2.70	2.71	2.72	2.71	2.69	2.73	2.71	2.71	2.69	2.74	2.75	2.79	2.83
– up to 1 year in total	2.74	2.77	2.79	2.76	2.75	2.78	2.75	2.76	2.73	2.79	2.82	2.88	2.93
– up to 7 days	1.68	2.73	3.30	2.54	2.38	2.87	2.57	2.73	2.23	2.91	2.57	2.62	2.64
– up to 1 month	2.17	2.28	2.36	2.40	2.43	2.45	2.49	2.50	2.51	2.54	2.56	2.56	2.63
– up to 3 months	2.48	2.31	2.21	2.21	2.23	2.22	2.24	2.24	2.26	2.27	2.29	2.31	2.35
– up to 6 months	2.95	2.85	2.79	2.75	2.71	2.69	2.68	2.70	2.71	2.73	2.75	2.77	2.77
– up to 1 year	3.76	3.75	3.75	3.71	3.62	3.66	3.49	3.43	3.37	3.35	3.40	3.55	3.61
– long-term over 1 year	2.60	2.57	2.56	2.57	2.54	2.58	2.59	2.58	2.58	2.60	2.58	2.57	2.57
– up to 2 years	3.38	3.29	3.30	3.33	3.36	3.41	3.43	3.48	3.50	3.56	3.57	3.58	3.59
– over 2 years	2.59	2.56	2.55	2.55	2.52	2.55	2.55	2.54	2.53	2.54	2.51	2.49	2.48
Deposits payable at notice	1.77	1.80	1.71	1.72	1.73	1.78	1.79	1.83	1.87	1.92	1.93	1.94	1.93
– up to 3 months	1.36	1.47	1.24	1.23	1.24	1.33	1.33	1.42	1.42	1.44	1.44	1.45	1.45
– over 3 months	1.95	1.94	1.90	1.91	1.93	1.96	1.97	2.00	2.05	2.11	2.12	2.14	2.12
Non-financial corporations													
Deposits in total	2.14	2.42	3.02	2.26	2.26	2.23	2.28	2.11	1.86	2.29	2.15	2.09	2.28
Deposits payable on demand	0.99	1.13	2.15	1.03	1.03	0.87	0.76	0.88	0.78	1.05	0.84	0.83	0.78
of which: demand deposits	0.84	0.96	1.52	0.74	0.83	0.70	0.63	0.65	0.66	0.81	0.65	0.64	0.63
overnight deposits	2.11	2.04	4.76	2.38	2.15	1.85	1.88	1.91	1.85	2.43	2.00	1.83	1.88
Deposits with agreed maturity	3.28	3.81	3.97	3.82	3.73	3.75	3.71	3.70	3.54	3.87	3.76	3.76	3.83
– up to 1 year in total	3.28	3.81	3.98	3.83	3.74	3.76	3.72	3.71	3.54	3.87	3.77	3.77	3.83
– up to 7 days	2.55	3.23	4.10	3.13	2.62	2.76	2.59	2.61	2.17	3.38	2.51	2.70	2.84
– up to 1 month	3.43	3.97	3.98	3.94	3.92	3.96	3.93	3.90	3.79	3.94	3.92	3.91	3.98
– up to 3 months	3.28	3.27	3.35	3.46	3.35	3.31	3.42	3.36	3.40	3.65	3.42	3.52	3.55
– up to 6 months	3.98	3.70	3.62	3.69	3.71	3.76	3.73	3.79	3.07	3.84	3.84	3.92	3.88
– up to 1 year	3.71	3.69	3.71	3.69	3.67	3.66	3.66	3.65	4.03	4.04	4.03	4.08	4.14
– long-term over 1 year	2.45	2.39	2.34	2.36	2.34	2.32	2.31	2.33	2.38	2.30	2.27	2.23	2.26
– up to 2 years	2.86	3.23	3.18	3.21	3.13	3.24	3.17	3.15	3.10	3.11	3.11	3.09	3.25
– over 2 years	2.30	2.28	2.24	2.23	2.22	2.17	2.15	3.12	3.10	3.04	2.98	2.93	2.85
Deposits payable at notice	2.86	2.98	1.83	1.92	2.25	2.19	2.02	2.22	2.29	2.46	1.28	1.26	1.27
– up to 3 months	2.96	3.11	1.94	1.97	2.32	2.36	2.49	2.33	2.41	2.56	1.31	1.28	1.30
– over 3 months	1.36	1.65	0.68	1.09	1.06	0.76	0.30	1.29	1.29	1.10	1.10	1.13	1.10

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 30 April 2008

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

(SKK thousand)

ASSETS	Depreciation and provisions	Slovak koruna		Foreign currency		Total
		Residents	Non-residents	Residents	Non-residents	
Total assets	61,757,500	1,402,387,320	57,545,207	193,228,534	90,603,227	1,682,006,788
Cash items	0	14,075,527	0	63,522	3,573,455	17,712,504
Cash in hand	0	12,820,902	0	0	3,289,502	16,110,404
of which: EUR	0	0	0	0	1,719,649	1,719,649
Gold	0	0	0	0	0	0
Amounts in transit	0	1,254,625	0	63,522	283,953	1,602,100
Loans and other receivables	22,775,228	949,153,667	28,621,549	179,151,328	70,394,587	1,204,545,903
Deposits and loans to NBS, foreign central banks and post office banks	922	260,701,078	0	0	100,799	260,800,955
of which: Valued on an individual basis with no identifiable depreciation (category I)	922	182,908,886	0	0	100,799	183,008,763
Valued on a portfolio basis (category II)	0	77,792,192	0	0	0	77,792,192
Valued on an individual basis with identifiable depreciation (category III)	0	0	0	0	0	0
of which: Failed	0	0	0	0	0	0
of which: Current accounts	0	1,222,415	0	0	99,864	1,322,279
Term deposits	0	7,222,459	0	0	0	7,222,459
Loans provided	922	239,027,612	0	0	0	239,026,690
Money reserve accounts	0	13,228,592	0	0	0	13,228,592
of which: Minimum reserve requirements	0	13,012,612	0	0	0	13,012,612
Postal cheque accounts	0	0	0	0	935	935
Deposits and loans to banks	69,068	22,514,077	19,343,782	3,690,397	40,261,395	85,740,583
of which: Valued on an individual basis with no identifiable depreciation (category I)	2,117	16,288,298	11,106,746	3,680,817	35,938,889	67,012,633
Valued on a portfolio basis (category II)	6,187	6,165,693	8,237,036	9,580	3,729,993	18,136,115
Valued on an individual basis with identifiable depreciation (category III)	60,764	60,086	0	0	592,513	591,835
of which: Failed	40,457	40,609	0	0	0	152
of which: Deposits with and loans to own financial group	207	286,801	6,941,234	0	20,002,871	27,230,699
of which: Current accounts in banks	172	524,434	66,309	52,416	6,770,034	7,413,021
Current accounts of other banks	43	5,322	675,773	0	817,901	1,498,953
Term deposits	976	19,038,732	16,434,113	3,518,718	27,954,673	66,945,260
Loans provided	67,877	2,716,818	0	0	4,423,018	7,071,959
Other receivables from banks	0	228,771	2,167,587	119,263	295,769	2,811,390
Receivables from customers	22,686,811	651,578,829	9,277,715	168,247,463	29,234,375	835,651,571
of which: Valued on an individual basis with no identifiable depreciation (category I)	225,337	115,855,858	6,627,898	60,126,831	12,623,191	195,008,441
Valued on a portfolio basis (category II)	11,943,018	515,916,748	2,435,282	104,416,499	15,965,573	626,791,084
Valued on an individual basis with identifiable depreciation (category III)	10,518,456	19,806,223	214,535	3,704,133	645,611	13,852,046
of which: Failed	16,420,462	22,774,119	156,124	1,296,263	310,489	8,116,533
of which: MMIF loans	0	0	0	0	0	0
Loans to general government and international organizations (S.13)	18,427	14,359,683	52	7,213,468	165,013	21,719,789
of which: Valued on an individual basis with no identifiable depreciation (category I)	8,614	9,896,353	52	6,787,852	0	16,675,643
Valued on a portfolio basis (category II)	7,306	4,449,027	0	425,616	165,013	5,032,350
Valued on an individual basis with identifiable depreciation (category III)	2,507	14,303	0	0	0	11,796
of which: Failed	451	1,132	0	1	0	682
of which: Deposits to central government (S.1311)	0	0	0	0	0	0
Loans to central government (S.1311)	2,082	2,965,997	52	0	165,013	3,128,980
of which: SR Treasury	0	0	0	0	0	0
Other funds	2,082	19,632	0	0	0	17,550
Loans to local governments (S.1313)	16,345	11,393,686	0	7,213,468	0	18,590,809
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 Agency	0	0	0	0	0	0
Debt securities	0	0	0	0	633,005	633,005
Financial instruments available for sale	328,927	34,393,082	4,506,572	3,906,546	8,648,218	51,125,491
Financial instruments at fair value through profit/loss: held for trading (excluding derivatives)	0	148,273,068	1,330,074	1,342,191	1,408,890	152,354,223
Financial instruments at fair value towards profit/loss: others (from the point of settlement)	0	9,477,735	1,109,570	5,418,377	969,461	16,975,143
Positive fair value of derivative transactions for trading	0	7,657,231	15,585,247	0	0	23,242,478
Financial instruments held to maturity	24,352	160,494,953	5,073,451	3,144,093	4,952,868	173,641,013
Positive fair value of derivative hedge transactions	0	58,643	289,847	0	0	348,490
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	970,550	9,980,382	895,879	0	0	9,905,711
Funds to branches abroad	0	0	0	0	518,093	518,093
Tangible assets	24,459,519	45,770,772	0	0	0	21,311,253
Intangible assets	12,293,227	17,888,859	0	0	0	5,595,632
Other assets	702,407	4,244,033	133,018	202,477	137,655	4,014,776
Tax receivables	0	440,014	0	0	0	440,014
Depreciation	36,473,751	36,473,751	0	0	0	0
Non-current assets held for sale (IFRS 5)	203,290	479,354	0	0	0	276,064



Shortened Balance Sheet of Commercial Banks as at 30 April 2008

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

(SKK thousand)

LIABILITIES	Slovak koruna		Foreign currency		Total
	Residents	Non-residents	Residents	Non-residents	
Total liabilities	1,115,668,115	162,275,169	153,037,509	251,025,995	1,682,006,788
PAYABLES	1,050,139,161	96,759,069	153,201,207	250,478,685	1,550,578,122
Deposits and loans from NBS and foreign central banks	2,426,236	0	3,108	0	2,429,344
of which: Current accounts	20,106	0	0	0	20,106
Term deposits	0	0	0	0	0
Loans received	2,406,130	0	3,108	0	2,409,238
Postal cheque accounts	0	0	0	0	0
Financial liabilities valued at amortized costs	1,003,631,056	70,163,343	149,953,402	198,639,898	1,422,387,699
Deposits, loans and other liabilities received from banks	18,020,283	53,194,029	3,102,886	166,140,861	240,458,059
of which: Deposits and loans received from own financial group	1,176,344	44,070,707	0	150,500,910	195,747,961
of which: Current accounts in banks	5,308	32,320	0	2,293,999	2,331,627
Current accounts of other banks	524,416	4,862,389	52,468	426,809	5,866,082
Term deposits	14,559,703	44,712,608	2,989,951	149,382,783	211,645,045
Subordinate debts	212,373	1,725,673	0	6,897,246	8,835,292
Loans received	2,490,208	1,811,558	0	6,457,752	10,759,518
Other liabilities received from banks	228,275	49,481	60,467	682,272	1,020,495
Deposits and loans received from customers	831,977,988	11,351,451	107,948,752	13,753,129	965,031,320
of which: MMIF deposits	31,871,848	272	50,066	0	31,922,186
of which: Current accounts and other financial undated liabilities	329,621,018	6,244,102	54,712,743	3,580,106	394,157,969
Term deposits	453,446,826	4,405,371	48,011,333	3,223,831	509,087,361
Deposits payable at notice	31,623,580	56,039	764,338	6,815	32,450,772
Certificates of deposit	73,359	0	0	0	73,359
Loans received and financial leasing	6,040,726	600,459	0	3,359,493	10,000,678
Subordinated liabilities	0	0	0	937,985	937,985
Other liabilities received from customers	11,172,479	45,480	4,460,338	2,644,899	18,323,196
Deposits of general government and international organizations	58,610,903	18,181	35,572,674	238,537	94,440,295
of which: Deposits of central government (S.1311)	30,803,505	18,180	35,542,906	238,510	66,603,101
of which: Treasury	3,226,045	0	21,602,813	0	24,828,858
Deposits of local governments (S.1313)	27,806,663	1	29,768	27	27,836,459
Deposits of social security funds (S.1314)	735	0	0	0	735
Securities issued by the accounting unit	95,021,882	5,599,682	3,329,090	18,507,371	122,458,025
Financial liabilities held for trading (excluding derivatives)	0	0	0	0	0
Financial liabilities in fair value through profit/loss (IAS 39)	5,112,012	13,230,189	1,508,182	51,770,346	71,620,729
of which: Current accounts	0	0	0	0	0
Term deposits	5,112,012	13,212,523	1,508,182	51,770,346	71,603,063
Deposits payable 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	17,666	0	0	17,666
Negative fair value of derivative transactions for trading	12,209,792	12,778,875	0	0	24,988,667
Negative fair value of derivative hedge transactions	26,863	198,256	0	0	225,119
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	4,387,391	0	22,898	0	4,410,289
Other liabilities	19,616,463	388,406	1,713,617	68,441	21,786,927
Tax liabilities	2,549,348	0	0	0	2,549,348
EQUITY	65,528,954	65,516,100	-163,698	547,310	131,428,666
Share capital	4,637,412	45,830,853	0	0	50,468,265
of which: Subscribed share capital	4,643,208	45,830,853	0	0	50,474,061
Receivables from shareholders	0	0	0	0	0
Own shares	-5,796	0	0	0	-5,796
Funds to branches of foreign banks	32,000	4,769,579	0	583,513	5,385,092
Share premium	3,332,201	15,093,454	0	0	18,425,655
Reserve funds and other funds created from profits	16,272,505	119,500	0	0	16,392,005
Other funds	158,074	-253,749	0	2,147	-93,528
Valuation changes	-6,348,373	-43,537	-163,698	-38,350	-6,593,958
Profit/loss from previous years	38,347,601	0	0	0	38,347,601
of which: Retained earnings	39,029,687	0	0	0	39,029,687
Accumulated loss	-682,086	0	0	0	-682,086
Profit and loss account	6,618,307	0	0	0	6,618,307
Profit/loss in process of approval	2,479,227	0	0	0	2,479,227



Monthly Profit and Loss Account of Commercial Banks

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

(SKK million)

	2007									2008			
	4	5	6	7	8	9	10	11	12	1	2	3	4
NET INTEREST INCOME	12,243	15,557	18,800	22,070	25,418	28,759	32,218	35,787	39,775	3,707	7,256	11,069	14,791
Interest income on securities	4,538	5,715	7,013	8,418	9,809	11,135	12,508	13,811	15,083	1,401	2,619	3,890	5,123
Other interest income	20,236	25,840	31,504	36,999	42,471	48,151	53,986	59,782	66,201	6,000	11,774	17,831	23,862
Interest expenses on securities	1,303	1,640	1,987	2,337	2,691	3,058	3,442	3,793	4,258	420	846	1,325	1,786
Other interest expenses	11,227	14,358	17,729	21,011	24,171	27,470	30,835	34,013	37,250	3,274	6,291	9,327	12,408
NET NON-INTEREST INCOME	6,603	8,221	10,207	11,816	13,276	14,636	16,568	17,996	19,708	1,594	3,433	4,911	6,990
Fee and commission income	4,930	6,166	7,496	8,843	10,135	11,374	12,440	13,758	15,291	1,327	2,709	4,080	5,499
Fees and commission expenses	925	1,219	1,509	1,794	2,071	2,360	2,331	2,612	3,002	255	511	761	1,039
Dividends received	27	116	228	222	222	243	243	243	272	0	0	0	156
Income from transactions in securities	903	1,065	1,150	1,257	1,401	1,511	1,747	1,909	2,112	444	834	1,170	1,267
Expenses related to transactions in securities	541	896	1,169	1,314	1,585	1,879	1,915	2,162	2,568	414	812	1,094	1,299
Profit/loss on foreign exchange transactions	2,537	3,384	2,519	4,533	3,769	5,752	7,669	8,979	8,796	329	3,036	4,372	5,043
Profit/loss on fixed forward transactions and options	-244	-288	1,594	181	1,540	33	-1,229	-2,054	-1,146	130	-1,877	-2,882	-2,634
Income from other transactions	50	88	135	140	156	187	195	218	294	22	57	67	93
Expenses related to other transactions	134	195	237	252	291	224	251	282	340	-11	4	41	97
NET OPERATING PROFIT/LOSS	-910	-1,138	-1,308	-1,473	-1,561	-1,748	-1,999	-2,218	-3,070	-150	-223	-244	-331
GENERAL OPERATING EXPENSES	10,446	13,474	16,090	18,829	21,552	24,282	27,057	30,010	33,500	2,712	5,832	8,609	11,686
NET CREATION OF RESERVES AND PROVISIONS	-458	-438	-649	-883	-1,060	-1,180	-1,316	-1,432	-1,994	-198	-427	-1,068	-1,439
INCOME TAX	1,014	1,256	1,662	1,851	2,091	2,432	2,781	3,052	3,591	389	796	1,275	1,707
CURRENT PERIOD PROFIT/LOSS	6,018	7,472	9,300	10,850	12,431	13,753	15,632	17,072	17,328	1,851	3,412	4,783	6,618



Balance of Payments of the SR for January – March 2008

	Collection / Credit (+)		Payments / Debit (-)		Balance	
	SKK million	USD million	SKK million	USD million	SKK million	USD million
Goods	382,763.0	17,290.6	376,500.0	17,007.7	6,263.0	282.9
Services	41,846.0	1,890.3	44,641.3	2,016.6	-2,795.2	-126.3
Transport	15,707.0	709.5	12,355.6	558.1	3,351.4	151.4
Tourism	11,817.9	533.9	9,273.6	418.9	2,544.3	114.9
Other services	14,321.1	646.9	23,012.0	1,039.5	-8,690.9	-392.6
Income	16,605.3	750.1	20,142.9	909.9	-3,537.5	-159.8
Compensation of employees	10,500.0	474.3	1,684.0	76.1	8,816.0	398.2
Investment income	6,105.3	275.8	18,458.9	833.8	-12,353.6	-558.0
Current transfers	15,768.2	712.3	22,219.4	1,003.7	-6,451.3	-291.4
CURRENT ACCOUNT	456,982.5	20,643.4	463,503.5	20,938.0	-6,521.0	-294.6
Capital account	4,813.4	217.4	623.1	28.1	4,190.3	189.3
Financial account	1,810,376.4	81,779.8	-1,794,269.5	-81,054.5	16,106.9	725.2
Direct investment	424,235.7	19,164.1	-430,114.6	-19,429.7	-5,879.0	-265.6
<i>Abroad (direct investor = resident)</i>	7,963.6	359.7	-9,432.0	-426.1	-1,468.4	-66.3
Equity capital and reinvested earnings	285.6	12.9	-1,398.0	-63.2	-1,112.4	-50.3
Other capital	7,678.0	346.8	-8,034.0	-362.9	-356.0	-16.1
<i>In the SR (recipient of dir. investment = resident)</i>	416,272.1	18,804.4	-420,682.6	-19,003.6	-4,410.5	-199.2
Equity capital and reinvested earnings	8,068.1	364.5	-2,128.6	-96.2	5,939.5	268.3
Other capital	408,204.0	18,439.9	-418,554.0	-18,907.4	-10,350.0	-467.5
Portfolio investment	72,063.3	3,255.3	-53,127.6	-2,399.9	18,935.7	855.4
Assets	29,509.0	1,333.0	-21,770.9	-983.5	7,738.2	349.6
Liabilities	42,554.3	1,922.3	-31,356.8	-1,416.5	11,197.5	505.8
Financial derivatives	626,193.4	28,287.2	-625,367.8	-28,249.9	825.6	37.3
Assets	316,186.4	14,283.2	-318,666.2	-14,395.2	-2,479.8	-112.0
Liabilities	310,007.0	14,004.0	-306,701.7	-13,854.7	3,305.4	149.3
Other investment	687,884.0	31,073.2	-685,659.4	-30,975.0	2,224.6	98.1
<i>Long-term</i>	48,196.5	2,176.4	-41,160.0	-1,860.9	7,036.5	315.5
Assets	6,482.9	292.9	-6,687.7	-302.1	-204.8	-9.3
Liabilities	41,713.6	1,883.5	-34,472.3	-1,558.8	7,241.3	324.7
<i>Short-term</i>	639,687.6	28,896.8	-644,499.4	-29,114.1	-4,811.9	-217.4
Assets	392,038.3	17,709.6	-380,271.7	-17,178.1	11,766.6	531.5
Liabilities	247,649.3	11,187.1	-264,227.8	-11,936.0	-16,578.5	-748.9
CAPITAL AND FINANCIAL ACCOUNT	1,815,189.9	81,997.2	-1,794,892.6	-81,082.7	20,297.2	914.5
ERRORS AND OMISSIONS	-	-	-	-	-17,656.9	-801.1
TOTAL BALANCE	-111,108.8	-5,113.0	107,228.1	4,931.9	-3,880.7	-181.1
Monetary gold	0.0	0.0	0.0	0.0	0.0	0.0
Special drawing rights	0.0	0.0	0.0	0.0	0.0	0.0
Foreign exchange assets	111,108.8	5,113.0	-107,228.1	-4,931.9	3,880.7	181.1
<i>Deposits</i>	19,857.8	913.8	0.0	0.0	19,857.8	913.8
<i>Securities</i>	91,251.0	4,199.2	-107,228.1	-4,931.9	-15,977.1	-732.7
Bonds and notes	0.0	0.0	-107,228.1	-4,931.9	-107,228.1	-4,931.9
Money market instruments and financial derivatives	91,251.0	4,199.2	0.0	0.0	91,251.0	4,199.2
	0.0	0.0	0.0	0.0	0.0	0.0
RESERVE ASSETS	111,108.8	5,113.0	-107,228.1	-4,931.9	3,880.7	181.1

Note: Preliminary data.

Applied rate of exchange: USD 1 = SKK 22.137.

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
980205002	7.2.2008	8.2.2008	2.5.2008	84	33,980	30,980	americká	4.24	4.25	4.25
983005004	6.3.2008	7.3.2008	30.5.2008	84	43,250	30,000	americká	4.24	4.25	4.25
980407005	10.4.2008	11.4.2008	4.7.2008	84	34,275	30,000	americká	4.24	4.25	4.25
982507006	30.4.2008	2.5.2008	25.7.2008	84	21,100	21,100	americká	4.24	4.25	4.25
982208008	29.5.2008	30.5.2008	22.8.2008	84	17,550	17,550	americká	4.24	4.25	4.25



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

	USD			EUR			Other currencies			Total	
	Volume		Number of transactions	Volume		Number of transactions	Volume		Number of transactions	Volume USD million	Number of transactions
	USD million	%		USD million	%		USD million	%			
NBS	-	-	0	0.0	-	0	-	-	-	0.0	0
Transactions between domestic banks	3,527.5	38.7	130	5,400.5	59.3	831	177.8	2.0	93.0	9,105.8	1,054
Interbank forex market: NBS + transactions between domestic banks	3,527.5	38.7	130	5,400.5	59.3	831	177.8	2.0	93	9,105.8	1,054
Transactions between domestic and foreign banks	79,547.1	80.4	1,998	18,603.3	18.8	4,947	746.5	0.8	1,498.0	98,896.8	8,443
Foreign exchange market in the SR - total	83,074.6	76.9	2,128	24,003.8	22.2	5,778	924.3	0.9	1,591	108,002.7	9,497

	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	2,208.7	24.3	819.0	0.0	0.0	0.0	6,741.8	74.1	220.0	142.7	1.6	15.0	9,093.2	1,054.0
Transactions between domestic and foreign banks	8,657.0	8.8	4,132.0	648.9	0.7	1,685.0	87,403.2	88.4	2,101.0	2,153.2	2.2	525.0	98,862.3	8,443.0
Foreign exchange market in the SR - excl. the NBS	10,865.6	10.1	4,951.0	648.9	0.6	1,685.0	94,145.0	87.2	2,321.0	2,295.9	2.1	540.0	107,955.4	9,497.0

Average Monthly Exchange Rates of the SKK against Selected Currencies

Midpoint rate	2007								2008				
	5	6	7	8	9	10	11	12	1	2	3	4	5
1 AUD	20.584	21.329	21.089	20.486	20.526	21.224	20.324	19.972	20.088	20.488	19.456	19.096	19.223
1 BGN	17.247	17.392	17.040	17.167	17.289	17.205	16.996	17.060	17.148	16.947	16.610	16.560	16.123
1 CYP	57.864	58.299	57.061	57.468	57.881	57.599	56.897	57.045	-	-	-	-	-
1 CZK	1.195	1.192	1.174	1.204	1.226	1.230	1.243	1.269	1.286	1.304	1.289	1.292	1.256
1 DKK	4.527	4.568	4.479	4.512	4.539	4.515	4.459	4.473	4.502	4.446	4.357	4.342	4.227
1 EUR	33.726	34.017	33.330	33.577	33.821	33.645	33.236	33.365	33.538	33.141	32.497	32.388	31.534
1 EEK	2.156	2.174	2.130	2.146	2.161	2.151	2.125	2.133	2.144	2.118	2.076	2.070	2.016
100 JPY	20.666	20.691	19.973	21.078	21.187	20.420	20.414	20.413	21.102	20.987	20.740	20.082	19.424
1 CAD	22.758	23.786	23.139	23.274	23.666	24.197	23.523	22.767	22.595	22.490	21.039	20.260	20.279
1 LTL	9.769	9.851	9.652	9.724	9.794	9.746	9.627	9.663	9.712	9.599	9.409	9.379	9.132
1 LVL	48.426	48.859	47.820	48.126	48.192	47.867	47.455	47.822	48.045	47.576	46.608	46.447	45.150
100 HUF	13.579	13.581	13.509	13.169	13.341	13.410	13.058	13.183	13.114	12.658	12.487	12.751	12.715
1 MTL	78.575	79.242	77.671	78.245	78.767	78.395	77.438	77.727	-	-	-	-	-
1 NOK	4.144	4.217	4.198	4.210	4.312	4.374	4.187	4.159	4.218	4.166	4.080	4.066	4.008
1 PLN	8.921	8.928	8.846	8.813	8.919	9.065	9.084	9.262	9.297	9.255	9.186	9.402	9.257
1 RON	10.265	10.526	10.636	10.435	10.112	10.036	9.573	9.450	9.093	9.068	8.733	8.887	8.616
1 CHF	20.435	20.566	20.113	20.488	20.537	20.151	20.168	20.113	20.672	20.604	20.656	20.314	19.418
1 SEK	3.666	3.646	3.627	3.606	3.639	3.668	3.580	3.540	3.557	3.538	3.455	3.456	3.386
1 USD	24.954	25.355	24.311	24.647	24.378	23.669	22.637	22.882	22.797	22.495	20.977	20.550	20.253
1 GBP	49.496	50.324	49.422	49.556	49.156	48.338	46.897	46.387	44.924	44.188	42.016	40.740	39.795
1 XDR	37.875	38.321	37.167	37.696	37.606	36.880	35.928	36.087	36.100	35.659	34.185	33.644	32.898

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	2007					2008
	Q1	Q2	Q3	Q4	Q1-Q4	Q1
1 AUD	20.612	20.808	20.700	20.555	20.668	20.030
1 BGN	17.573	17.254	17.164	17.092	17.273	16.915
1 CYP	59.353	57.921	57.463	57.200	57.994	-
1 CZK	1.226	1.194	1.201	1.246	1.217	1.293
1 DKK	4.612	4.529	4.509	4.484	4.534	4.439
1 EUR	34.364	33.746	33.572	33.425	33.781	33.085
1 EEK	2.197	2.157	2.146	2.137	2.159	2.114
100 JPY	21.971	20.735	20.744	20.416	20.975	20.952
1 CAD	22.384	22.816	23.353	23.553	23.024	22.082
1 LTL	9.952	9.772	9.722	9.682	9.783	9.581
1 LVL	48.960	48.293	48.045	47.715	48.258	47.446
100 HUF	13.616	13.586	13.337	13.225	13.441	12.768
1 MTL	80.076	78.617	78.220	77.877	78.707	-
1 NOK	4.207	4.162	4.238	4.248	4.214	4.158
1 PLN	8.845	8.874	8.858	9.128	8.926	9.249
1 RON	10.162	10.282	10.400	9.709	10.139	8.974
1 CHF	21.268	20.484	20.379	20.146	20.574	20.644
1 SEK	3.743	3.644	3.624	3.601	3.654	3.519
1 USD	26.231	25.040	24.450	23.091	24.713	22.137
1 GBP	51.275	49.710	49.384	47.284	49.427	43.784
1 XDR	39.344	37.964	37.491	36.327	37.792	35.364

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.

**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
Louxeubourg	3,185	98.7	11.0	0	0.0	0.0	3,185	98.7	9.3
Korea	2,208	68.5	7.6	0	0.0	0.0	2,208	68.5	6.5
Switzerland	950	29.5	3.3	0	0.0	0.0	950	29.5	2.8
Italy	734	22.8	2.5	-13	-0.4	-0.3	721	22.4	2.1
Other countries	-5,650	-175.2	-19.5	1,672	51.8	32.7	-3,978	-123.3	-11.7
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 2005 – 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.