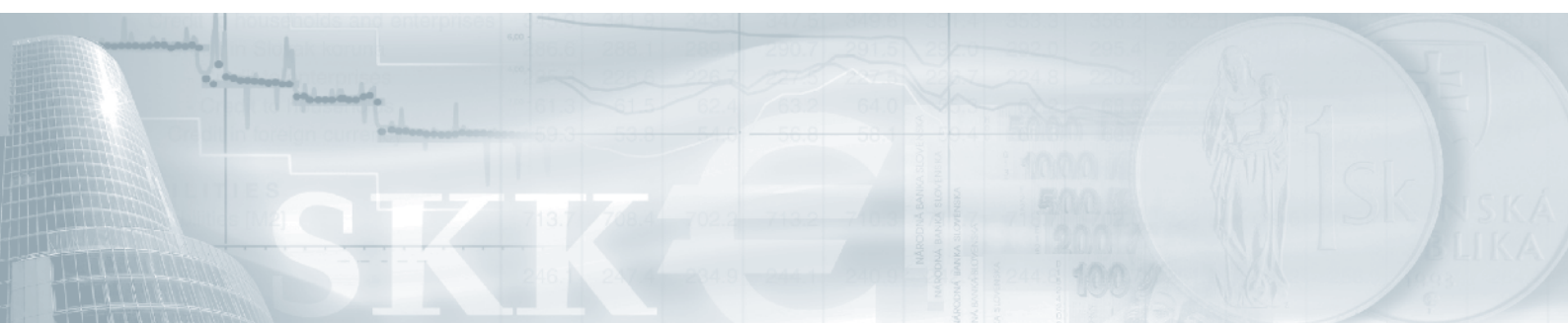




NÁRODNÁ BANKA SLOVENSKA



# Monetary Survey

June 2008

© NÁRODNÁ BANKA SLOVENSKA

Imricha Karvaša 1  
813 25 Bratislava  
Slovakia

Contact:  
Communication Section  
Phone No.: +421 2 5787 2141, 5787 2146  
Fax No.: +421 2 5787 1128

<http://www.nbs.sk>

*Prepared on the basis of the Situation Report on the Monetary Development in June 2008,  
approved by the NBS Bank Board on 29 July 2008.*

ISSN 1336-6459 (online)

---

The advance release calendars and the prescribed components of IMF's Special Data Dissemination Standards for the following data categories, are published exclusively on the Internet and are available on the home page of the National Bank of Slovakia: Analytical accounts of the banking sector, analytical accounts of the central bank (advance release calendar only), Balance of payments, International reserves (advance release calendar only), International investment position, exchange rates, interest rates. Data categories are also published in other media, but appear for the first time on Internet, the NBS web site.

**CONTENTS**

1	Summary .....	5
2	The External Economic Environment.....	6
3	Inflation.....	8
3.1	Consumer Price Index.....	8
3.2	Producer Prices in May 2008.....	10
4	Factors Affecting the Course of Inflation.....	12
4.1	Monetary Aggregates.....	12
4.2	The External Sector.....	16
4.3	Real Economy.....	20
5	Monetary Developments .....	25
5.1	Foreign Exchange Market.....	25
5.2	Money Market and Monetary Policy Implementation.....	26
	Annexes .....	33
1	International Economy: Tables and Charts .....	33
2	Capital Market.....	38
2.1	Primary Market .....	38
2.2	Secondary Market.....	38
3	Methodological Notes to Selected Indicators .....	40
3.1	Monetary Statistics.....	40
3.2	Basic Macroeconomic Indicators.....	46
4	Tables.....	50
	Selected Indicators of Economic and Monetary Development in the SR .....	50
	Summary of Assets and Liabilities in the Consolidated Balance Sheet of MFIs.....	51
	Average Interest Rates on New Loans.....	52
	Average Interest Rates on New Deposits .....	53
	Average Interest Rates on Outstanding Loans .....	54
	Average Interest Rates on Outstanding Deposits.....	55
	Shortened Balance Sheet of Commercial Banks as at 31 May 2008 .....	56
	Monthly Profit and Loss Account of Commercial Banks .....	58
	Balance of Payments of the SR for January – April 2008 .....	59
	Overview of Issues of NBS Bills 2007-2008.....	60
	Basic Characteristics of Slovakia's Foreign Exchange Market in June 2008.....	61
	Average Monthly Exchange Rates of the SKK against Selected Currencies .....	62
	Average Quarterly Exchange Rates of the SKK against Selected Currencies .....	62
	Inflow of Foreign Direct Investment into Slovakia in 1999 – 2006 .....	63
	Inflow of Foreign Direct Investment during January to December 2006.....	64
	Inflow of Foreign Direct Investment during January to December 2005.....	65
	Inflow of Foreign Direct Investment during January to December 2004.....	66
	Volume of Foreign Direct Investment as at 31 December 2006.....	67
	Volume of Foreign Direct Investment as at 31 December 2005.....	68
	Volume of Foreign Direct Investment as at 31 December 2004.....	69
	Outflow of Foreign Direct Investment from Slovakia in 1999 – 2006.....	70
	Outflow of Foreign Direct Investment During January to December 2006.....	71
	Outflow of Foreign Direct Investment During January to December 2005.....	72
	Outflow of Foreign Direct Investment During January to December 2004.....	73
	Volume of Foreign Direct Investment Outward as at 31 December 2006.....	74
	Volume of Foreign Direct Investment Outward as at 31 December 2005.....	75
	Volume of Foreign Direct Investment Outward as at 31 December 2004.....	76

**LIST OF CHARTS**

Chart 1	Exchange Rates: SKK/EUR and USD/EUR.....	6
Chart 2	Exchange Rate Indices of V4 Currencies against the Euro.....	6
Chart 3	HICP Inflation and Its Main Components.....	8
Chart 4	Developments in Industrial Producer Prices and Manufacturing Products Prices.....	10
Chart 5	Developments in Food Prices in Primary Production, Processing, and Consumption.....	11
Chart 6	Largest Contributions of M3 Components to Year-on-year Dynamics of M3.....	12
Chart 7	Lending in Foreign Currency.....	15
Chart 8	Impact of Changes in NBS Interest Rates on Net Sales of OIFs.....	16
Chart 9	Average Exchange Rates of the Slovak Koruna.....	20
Chart 10	Developments in the NEER and REER Indices (9 trading partners).....	20
Chart 11	Development of Industrial Production and Construction Production.....	21
Chart 12	Retail Sales in Selected Sectors at Current Prices.....	21
Chart 13	Retail Sales at Current Prices (3-month moving averages).....	22
Chart 14	Contributions to Year-on-year Growth in Retail Sales.....	22
Chart 15	Comparison of Average Monthly Wages Based on Monthly and Quarterly Data.....	23
Chart 16	Comparison of Employment Rates Based on Monthly and Quarterly Data.....	23
Chart 17	Registered Unemployment Rate.....	24
Chart 18	Consumer Confidence Indicator.....	24
Chart 19	Transactions in the Interbank Foreign Exchange Market.....	25
Chart 20	Banking Sector: Koruna Liabilities to Non-residents.....	26
Chart 21	Average Monthly Interbank Market Rates (BRIBOR).....	27
Chart 22	Developments in Interbank Market Rates (BRIBOR).....	27
Chart 23	Yield Curve in June.....	27
Chart 24	Daily Developments in FRAs.....	28
Chart 25	Daily Developments in IRs.....	28
Chart 26	Implied Expectations Derived from BRIBOR Rates.....	29
Chart 27	Interest Rates on Loans to Non-financial Corporations, 3-M BRIBOR, and the NBS Base Rate.....	30
Chart 28	Interest Rates on Loans to Households by Type.....	30
Chart 29	Interest Rates on Deposits from Non-financial Corporations.....	31
Chart 30	Interest Rates on Household Deposits.....	31
Chart 31	Real Interest Rates on Household Deposits.....	32
Chart 32	USD/EUR: Year-on-year Changes.....	33
Chart 33	ECB Interest Rates and the EONIA.....	33
Chart 34	Exchange Rate Indices of V4 Currencies against the Euro.....	35
Chart 35	Exchange Rates of V4 Currencies against the Euro.....	35
Chart 36	Key Interest Rates of the NCBs of V4 Countries.....	36
Chart 37	United States: Federal Funds Rate.....	36
Chart 38	Oil Prices in USD/Barrel.....	37
Chart 39	Benchmark Government Bond Yield Curves.....	38
Chart 40	Bond Transactions in the BCPB.....	38
Chart 41	Developments in the SAX Index in June 2008.....	39

**LIST OF TABLES**

Table 1	Harmonised Index of Consumer Prices .....	8
Table 2	Consumer Prices in June 2008 .....	9
Table 3	Producer Price Developments in May 2008 .....	10
Table 4	Comparison of Month-on-month Developments in Monetary Aggregates(ECB methodology)...	13
Table 5	Main M3 Counterparts (ECB methodology) .....	13
Table 6	MFI Receivables from the Resident Private Sector .....	14
Table 7	MFI Receivables from the Resident Private Sector .....	14
Table 8	Net Sales of Open-end Investment Funds in the SR .....	15
Table 9	Balance of Payments Current Account .....	16
Table 10	Exports from January to April, year-on-year changes.....	17
Table 11	Imports from January to February, year-on-year changes .....	17
Table 12	Balance of Payments Capital and Financial Account .....	17
Table 13	External Debt of the SR .....	18
Table 14	Balance of Payments Current Account.....	19
Table 15	Developments in the NEER and REER Indices .....	20
Table 16	Production and Sales.....	22
Table 17	Wage Developments in Selected Sectors .....	23
Table 18	Employment in Selected Sectors .....	24
Table 19	Changes in the SKK/EUR and SKK/USD Exchange Rates .....	25
Table 20	Koruna Assets/Liabilities and Government Securities Held by Non-Residents .....	26
Table 21	Average Daily Impact of NBS Operations on the Level of Banking Sector Liquidity .....	28
Table 22	Interbank Transactions .....	28
Table 23	Average Interest Rates on New Loans .....	30
Table 24	Average Interest Rates on New Deposits .....	31
Table 25	Euro Area .....	33
Table 26	Czech Republic.....	34
Table 27	Hungary .....	34
Table 28	Poland .....	35
Table 29	United States.....	36
Table 30	The Values of SDXGroup Indices at the End of June 2008.....	39
Table 31	Weights of Basic SAX Index Components at Month-Ends in 2008.....	39
Table 32	Calculation of Monetary Aggregates.....	41

**Abbreviations**

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

---

*Symbols used in the tables*

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



## 1 Summary

Consumer prices, expressed in terms of the Harmonised Index of Consumer Prices (HICP), increased by 0.4% in June compared with the previous month. The year-on-year rate of headline inflation reached 4.3%. Core inflation (excluding energy and unprocessed food prices) recorded a year-on-year rate of 4.1%.

Measured in terms of the Consumer Price Index (CPI), consumer prices rose in comparison with the previous month by 0.4% in June. The 12-month headline and core inflation rates reached 4.6% and 4.8%, respectively.

The M3 monetary aggregate (according to ECB methodology) increased month-on-month by SKK 17.3 billion in May, while its year-on-year growth slowed in comparison with April, to 9.8%.

The total volume of MFI receivables from residents (including securities issued by clients and held by MFIs, according to ECB methodology) increased month-on-month by SKK 2.8 billion in May, while the year-on-year growth rate slowed by 3 percentage points, to 14.0%.

The average interest rate on new loans to non-financial corporations rose by 0.06 of a percentage point to 5.75% in May, and that on new loans to households increased by 0.15 of a percentage point to 11.97%. Over the same period, the average interest rate on new deposits from non-financial corporations increased by 0.20 of a percentage point to 2.33%, and that on new household deposits fell by 0.04 of a percentage point to 1.12%.

At the end of June, the State budget of the Slovak Republic resulted in a deficit of SKK 4.1 billion.

The foreign reserves of NBS (at current exchange rates) reached USD 19.9 billion in June. At the end of the month, the volume of foreign reserves was 3.0 times greater than the volume of average monthly imports of goods and services to Slovakia over the first five months of 2008. At the end of May, the coverage of average monthly imports (imports of goods and services according to data from banking statistics) by the official foreign reserves corresponded to 4.0 times the volume of average monthly imports of goods and services to the SR over the first five months of 2008.

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

According to preliminary data, the balance of payments on current account for April 2008 resulted in a deficit of SKK 14.0 billion. Over the same period, the capital and financial account generated a surplus of SKK 11.6 billion. From January to May, the b.o.p. current account produced a deficit of SKK 25.6 billion, while trade resulted in a surplus of SKK 2.0 billion.

The overall sterilisation position of NBS increased in comparison with May by approximately SKK 400 million in June, to SKK 374.5 billion.



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

### Euro-area countries

**Inflation** The 12-month inflation rate in the euro area, as measured by the Harmonised Index of Consumer Prices (HICP), accelerated to 4.0% in June, from 3.7% in the previous month. The strongest year-on-year consumer price dynamics were recorded in Slovenia (6.8%), Belgium (5.8%), and Luxembourg (5.3%). The steepest year-on-year increases occurred in transport prices (7.1%), food prices (6.4%), and in housing costs (6.1%). Price levels in telecommunications dropped by 1.6%. In the same period a year earlier, consumer prices in the euro area had increased by 1.9%.

**EUR/USD exchange rate** During June, the exchange rate of the euro against the dollar was alternately influenced by data releases on economic developments in the United States and the euro area and by the statements of top Fed and ECB officials. The dollar was favourably influenced in particular by the statements of the Fed, aimed at supporting the US currency and inspiring confidence in the fundamentals of the US economy. The opposite effect was exerted by statistical reports on the US economy, pointing to a further decrease in job vacancies, a fall in employment / increase in unemployment, growth in the aversion of investors to risks, and a drop in the number of new construction projects. At the same time, the euro was favourably influenced by the expected increase in the ECB key rates and closed the month at USD/EUR 1.58. From the last trading day in May (USD/EUR 1.55) to the end of June, the single European currency strengthened against the dollar by 1.7%, representing an appreciation of 7.3% since the beginning of the year (16.7% in comparison with the same period of 2007).

At its meeting on 3 July 2008, the Governing Council of the ECB decided to raise the Bank's key interest rates by 25 basis points, with effect from 9 July 2008. The minimum bid rate for the main refinancing operations of the Eurosystem was set at 4.25% and the rates for the marginal lending facility and the deposit facility at 5.25% and 3.25%, respectively.

### Visegrad (V4) countries

**Inflation** In June, price developments in the Czech Republic and Hungary moderated in comparison with the previous month. The year-on-year inflation rate slowed by 0.2 of a percentage point in the CR (to 6.6%) and by 0.3 of a percentage point in Hungary (to 6.6% too). In Poland, the price level recorded a year-on-

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



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



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





year rise of 4.3%, but remained unchanged in comparison with the previous month. Inflation continued to be determined by food prices, energy prices, and regulated prices.

The increase in the aversion of investors to risks in the first half of June led to depreciation in the Hungarian forint and, to some extent, in the Polish zloty. At the same time, the Czech koruna appreciated, which was connected with its perception as a safe investment. In the second half of the month, the currencies of the V4 countries started to appreciate again, due to market expectations of a rise in interest rates and the improving economic sentiment in the Central European region. In comparison with the last trading day of the previous month, the most significant appreciation vis-à-vis the euro was achieved by the Czech koruna (4.8%), with the Hungarian forint and Polish zloty appreciating by 2.4% and 0.7%, respectively.

**Exchange rates of the V4 currencies**

The only central bank to adjust its key interest rates in June was Narodowy Bank Polski. The Polish central bank raised its reference interest rate by 0.25 of a percentage point (to 6%), with effect from 26 June 2008. This was, in fact, a reaction to the persistent labour market imbalance coupled by inflation, fluctuating above the upper limit of the inflation target for some time. Česká národní banka and Magyar Nemzeti Bank left their key interest rates unchanged, at 3.75% and 8.5%, respectively.

**NCB key interest rates in the V4 countries**



### 3 Inflation

#### 3.1 Consumer Price Index

##### HICP inflation in June 2008

##### Harmonised index of consumer prices

Consumer prices, as measured by the Harmonised Index of Consumer Prices (HICP), increased month-on-month by 0.4% in June, with the prices of goods and services rising by 0.3% and 0.4%, respectively. On a year-on-year basis, consumer prices increased by 4.3% (4.0% in May). Overall inflation, excluding energy and unprocessed food prices (core inflation), reached 4.1% year-on-year (4.0% in May). The average 12-month inflation rate for the period from July 2007 to June 2008 stood at 2.8%. The average inflation rate for the period since the beginning of the year reached 3.7%. In June, HICP inflation was somewhat higher than expected by NBS, mainly due to a steeper-than-expected rise in energy prices (fuel and heating), and a slightly faster-than-expected increase in services and food prices.

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

	2008					
	Jan.	Feb.	Mar.	Apr.	May	June
<b>TOTAL</b>	3.2	3.4	3.6	3.7	4.0	4.3
<b>Goods</b>	2.9	3.0	3.3	3.3	3.8	4.2
Industrial goods	1.2	1.3	1.6	1.5	2.0	2.1
Industrial goods (excl. energies)	-0.5	-0.3	0.2	0.1	0.7	0.6
Energies	3.6	3.7	3.8	3.6	4.1	4.4
<b>Food</b>	6.1	6.3	6.5	6.7	7.1	8.0
Processed food (including alcohol and tobacco)	8.3	8.6	8.6	9.3	8.9	8.9
Unprocessed food	1.7	1.6	2.5	1.8	3.7	6.8
<b>Services</b>	3.8	4.0	4.2	4.4	4.4	4.6
<b>Total, excluding unprocessed food and energies (core inflation)</b>	3.2	3.5	3.7	3.9	4.0	4.1
<b>Total, excluding energies</b>	3.1	3.3	3.6	3.7	4.0	4.3

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

##### Accelerated rise in goods and services prices

Within the basic structure of inflation, the year-on-year rate of price increase accelerated for both goods and services.

##### Rise in energy and unprocessed food prices, and in core inflation

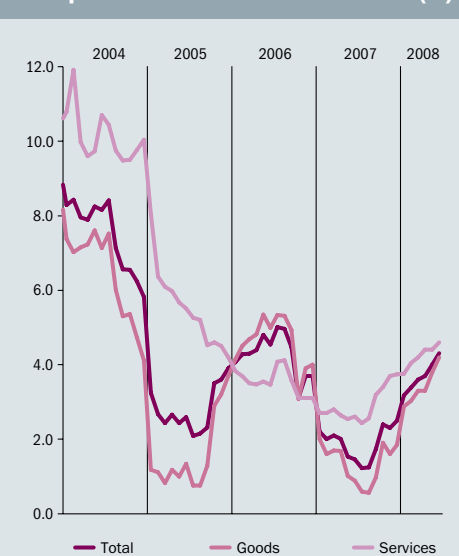
Increases were recorded in both energy and unprocessed food prices. The rate of core inflation (overall inflation, excluding energy and unprocessed food prices) also accelerated.

In energy prices, the price of heating was raised still further in June, and the year-on-year increase in fuel prices accelerated. The accelerated increase in unprocessed food prices on average was due to a year-on-year rise in vegetable prices, accompanied by a faster increase in the price of pork.

##### Within the structure of core inflation, the rise in non-energy industrial goods and processed food prices slowed on a year-on-year basis

The year-on-year rate of core inflation (overall inflation, excluding energy and unprocessed food prices) was mainly influenced by a steeper rise in services prices, while the prices of industrial goods recorded a slowdown (excluding energy and processed food prices). The prices of non-energy industrial goods were affected by a reduction in the regulated prices of pharmaceuticals. On a year-on-year basis, processed food prices rose at a decelerating rate for the second consecutive month, with slowdowns recorded in the prices of milk, dairy products, eggs, butter, sugar, sugar goods, and beer. The prices of bread and flour products showed the same year-on-year dynamics as in the previous month. At the same time, the prices of cooking oil and margarine increased year-on-year at a faster pace. Services prices

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



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



accelerated somewhat on a year-on-year basis: steeper year-on-year increases than a month earlier were recorded in prices for transport services (air and municipal public transport fares), personal, recreation, and sporting services, and health care services. On the other hand, prices showed weaker dynamics in telecommunications, while those for housing-related services were stagnant.

The year-on-year rate of headline inflation is expected to accelerate slightly in July, compared with June 2008, due to an anticipated increase in the year-on-year dynamics of goods prices. In the goods category, a faster year-on-year increase is expected in food prices, due to the continuing rise in pork prices and the pass-through of increases in cigarette prices. Fuel prices are also expected to show stronger year-on-year dynamics. In regulated prices, a slight fall is expected in the prices of pharmaceuticals. On the other hand, municipal public transport fares are likely to rise still further.

**Expectations for the next month**

**CPI inflation in June 2008**

In June 2008, consumer prices rose month-on-month by 0.4%, which was a rate somewhat faster than expected by the NBS. Within the scope of regulated prices, the steepest increases took place in municipal public transport fares and in the price of heating. The rate of core inflation was influenced by food prices (the rise in pork and fruit prices). The prices of tradable goods rose slightly (excluding fuel prices) as a result of increases of furniture and household goods prices. Fuel prices rose in connection with the current developments in oil prices on the world market. Owing to the rising prices of recreation services, culture, and housing-related services, prices for market services increased at a somewhat faster rate than the year-on-year core inflation. The 12-month rate of consumer-price inflation reached 4.6% (the same figure as in May). Core inflation reached 4.8% in June (4.8% in May). The average year-on-year inflation rate for the period from July 2007 to June 2008 was 3.6%.

**Consumer Price Index**

**Table 2 Consumer Prices in June 2008**

	CPI inflation		HICP inflation by CPI component	
	Change versus			
	May 2008	June 2007	May 2008	June 2007
<b>Total in %</b>	0.4	4.6	0.4	4.3
<b>Regulated prices in %</b>	0.1	4.2	0.1	4.4
Share of total, in percentage points <sup>1)</sup>	0.02	-	0.03	-
<b>Impact of changes in indirect taxes on non-regulated prices – Share of total, in percentage points<sup>1)</sup></b>	0.00	-	0.00	-
<b>Core inflation in %</b>	0.4	4.8	0.4	4.3
Share of total, in percentage points <sup>1)</sup>	0.33	-	0.32	-
of which: Food prices in %	0.8	11.1	0.8	10.1
Share of total, in percentage points <sup>1)</sup>	0.11	-	0.13	-
Tradable goods in % <sup>1)</sup>	0.3	1.6	0.3	1.9
Share of total, in percentage points <sup>1)</sup>	0.10	-	0.09	-
Tradable goods excluding fuels, in % <sup>1)</sup>	0.1	0.5	0.1	0.9
Share of total, in percentage points <sup>1)</sup>	0.02	-	0.02	-
Fuels in % <sup>1)</sup>	2.3	12.0	2.3	12.0
Share of total, in percentage points <sup>1)</sup>	0.08	-	0.07	-
Market services in % <sup>1)</sup>	0.5	5.7	0.5	4.1
Share of total, in percentage points <sup>1)</sup>	0.12	-	0.11	-
<b>Net inflation (excluding the impact of changes in indirect taxes) in %</b>	0.4	3.4	0.3	2.7
Share of total, in percentage points <sup>1)</sup>	0.22	-	0.20	-
<b>Net inflation, excluding fuel prices (excluding the impact of changes in indirect taxes) in %<sup>1)</sup></b>	0.3	2.9	0.2	2.2
Share of total, in percentage points <sup>1)</sup>	0.15	-	0.13	-

Sources: Statistical Office of the SR and NBS.

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

**3.2 Producer Prices in May 2008****Month-on-month increase in industrial producer prices for the domestic market, ...**

Industrial producer prices for the domestic market rose month-on-month by 0.5% in May, due to increases in all three basic sub-categories.

**Table 3 Producer Price Developments in May 2008**

(%)

	Month-on-month changes		Year-on-year changes			
	Apr. 2008	May 2008	May 2007	Apr. 2008	May 2008	Average since the beginning of 2008
Industrial producer prices (for the domestic market)	0.2	0.5	1.3	5.8	6.4	5.4
– Prices of manufacturing products	0.2	0.7	-0.7	2.8	3.6	3.1
– Prices of mining and quarrying products	-0.4	2.5	-4.4	10.5	12.9	9.0
– Prices of electricity, gas, steam, and hot water	0.2	0.3	4.1	9.6	10.1	8.5
Industrial producer prices (for export)	-0.3	1.5	-5.0	2.2	3.6	2.6
– Prices of manufacturing products	0.0	1.1	-4.3	1.4	2.2	1.8
Construction prices	0.8	0.9	4.2	5.7	6.4	5.2
Building materials prices	1.1	1.2	5.6	4.9	5.3	4.6
Agricultural prices	-	-	-2.6	15.1	13.6	13.5
– Prices of plant products	-	-	16.6	52.7	43.1	45.4
– Prices of animal products	-	-	-4.4	9.9	10.3	8.2

Source: Statistical Office of the SR.

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

The year-on-year dynamics of domestic industrial producer prices strengthened in comparison with April by 0.6 of a percentage point in May (to 6.4%), due to accelerated increases in manufacturing products prices, energy prices, and mining & quarrying products prices.

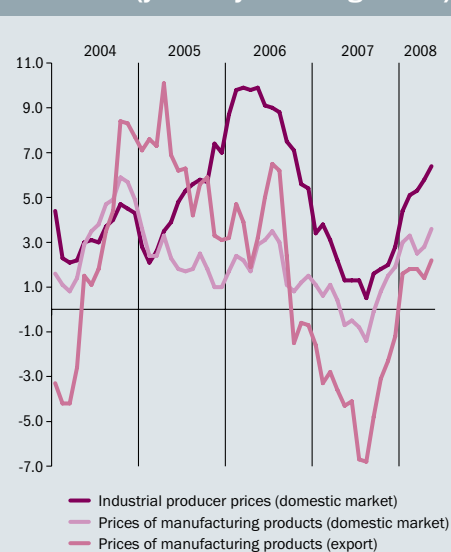
The year-on-year rise in manufacturing products prices in May was stimulated mostly by increases in the prices of food products (8.1%) and refined oil products (26.4%). The price increase was also supported by the prices of other non-metal mineral products (5.2%), base metals and finished metal products (2.6%), electrical and optical devices (3.5%), and chemical products (2.7%). A dampening effect was exerted by the prices of transport equipment (-5.7%).

Among food products, the steepest increases (steeper than in April) were observed in the prices of animal fats and vegetable oils (29.4%) and industrial fodder (28.7%). Compared with the previous month, more modest increases were recorded in the prices of flour products (25.1%), dairy products (9.1%), and beverages (3.4%). Meat and meat products prices rose on a year-on-year basis for the second successive month (by 0.9%). The prices of processed and canned fruits and vegetables continued falling (by 3.4%).

The faster year-on-year increase in energy prices in May was the result of accelerated rise in prices for gas production and the transport of gaseous fuels via pipelines (by 3.8 percentage points, to 12.8%). The prices of other basic components increased year-on-year in May at a slower rate than in April. Price levels also rose for electricity generation and supply (by 10.3%), water treatment and supply (by 7.9%), and steam and hot water supply (by 3.4%).

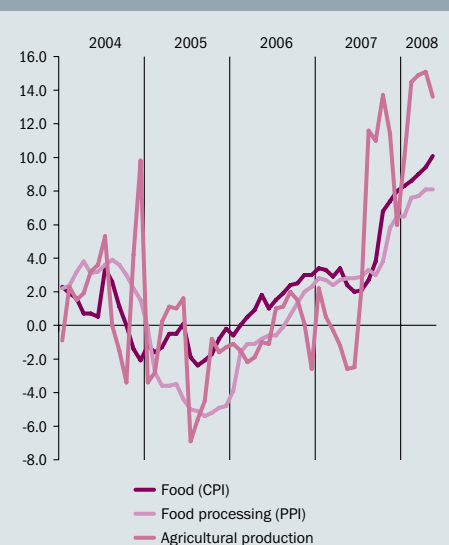
**Industrial producer prices for export**

The export prices of manufacturing products, which are the main factor influencing the level of industrial producer prices for export, rose month-on-month by 1.1% and year-on-year by 2.2% in May.

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

Source: Statistical Office of the SR.

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



Source: Statistical Office of the SR.

In May, the year-on-year increase in manufacturing products prices for export was again driven by the steeply rising export prices of refined oil products (rising by 31.5%). After several months (for the last time in July 2007), the year-on-year price increase was also supported by the export prices of base metals and finished products (2.8%), food products (12.3%), chemicals (4.1%), and other non-metal mineral products (1.5%). A dampening effect was exerted by falling prices of transport equipment (-5.6%), electrical and optical devices (-3.1%), and after a longer period (for the last time in March 2007), the prices of paper products (-1.9%).

The year-on-year rate of increase in agricultural prices slowed by 1.5 percentage points in May, compared with the previous month (to 13.6%), as a result of a slower rise in plant products prices, though animal products prices increased more rapidly than in the previous month.

**Agricultural prices**

The year-on-year rise in plant products prices was driven mostly by higher prices of cereals, which increased by 51.3% (corn by 56.8%, wheat by 50.4%, oat by 48.7%, rye by 48.1%, barley by 40.6%), and oil seeds, which rose by 27.9% (sunflower by 66.3% and soya beans by 25.8%). Price levels also increased for legumes (by 15.8%), fruits (by 5.0%), and vegetables (by 1.6%). The price of potatoes dropped 19.2%.

The price of potatoes dropped 19.2%.

The level of animal products prices was influenced by price increases in virtually all categories. Prices increased for fish (by 20.2%), poultry (by 18.0%), unpasteurised cow milk (by 14.4%), and eggs (by 7.0%). The price of pigs rose by 5.1% (previously in November 2006). A fall occurred in the price of cattle, including calves (0.5%).

Industrial producer prices are expected to be influenced in June 2008 by the high price of crude oil in the world markets, which puts upward pressure on energy prices. The price increase is likely to be stimulated further on by food prices. Owing to these factors, the year-on-year dynamics of industrial producer prices are expected to stagnate or strengthen somewhat in June, compared with May.

According to the latest agrarian market news, the relatively positive cereal crop forecasts indicate a possible gradual fall in the level of purchase prices. In international futures markets, cereal prices have been on the decline since March. From March (when the highest price was recorded) to the beginning of June, the price of wheat on the Chicago commodity exchange fell by more than 40%. In the same period, wheat prices in the Paris commodity market dropped by 35%. In the Slovak market, the purchase prices of cereals are expected to remain relatively high in June. Among animal products, a steady increase is expected in beef prices and a further rise in pork prices (for live animals). The purchase price of unpasteurised cow milk is at a much higher level than a year earlier, though it has been falling slowly since the beginning of the year. Overall, agricultural prices are expected to rise further in June.



## 4 Factors Affecting the Course of Inflation

### 4.1 Monetary Aggregates

#### Continuing slowdown in the rate of M3 growth

The year-on-year growth dynamics of the M3 monetary aggregate (according to ECB methodology)<sup>2</sup> weakened further in May, to the lowest level recorded in the last two years (by 0.4 of a percentage point, to 9.8%).

The dynamics of the monetary aggregates are still influenced by developments in deposits and loans received with an agreed maturity of up to 2 years, though their contribution to the overall year-on-year rate of M3 growth in May was 7.5 percentage points smaller than in the same period a year earlier. The reduced contribution can be attributed to the deposits and received loans of non-financial corporations (with an agreed maturity of up to 2 years), which have shown negative dynamics over the last few months. Non-financial corporations often react to changes in the current money market rates, as well as to liquidity changes, by transferring part of their short-term deposits with agreed maturity to deposits payable on demand and vice versa.

The contribution of deposits and received loans payable on demand to the rate of M3 growth diminished by 1.0 percentage point over the same period; the total contribution of the other main M3 components was 0.2 of a percentage point smaller. The overall year-on-year change in the M3 monetary aggregate in May 2008 was 8.7 percentage points smaller than in May 2007.

#### Main M3 components

#### Continuing slowdown in the growth of monetary aggregates

The individual components of the M3 monetary aggregate (except for deposits and received loans payable on demand) recorded only minimal monthly movements in May. Developments in deposits are increasingly influenced by the forthcoming introduction of the euro in Slovakia and the strengthening expectations of a rise in interest rates in Europe. This is reflected in the year-on-year dynamics of cash in circulation and the M1 aggregate (5.9%), which reached historical lows in the period under review.

In other short-term deposits, certain decreases were recorded in deposits and loans received with an agreed maturity of up to 2 years and deposits redeemable at a period of notice of up to 3 months. The year-on-year dynamics of deposits and loans received with an agreed maturity of up to 2 years increased to 11.1%, and the negative dynamics of deposits with a notice period of up to 3 months moderated. The growth rate of the M2 aggregate slowed to 7.8%, representing its sharpest slowdown in more than two years.

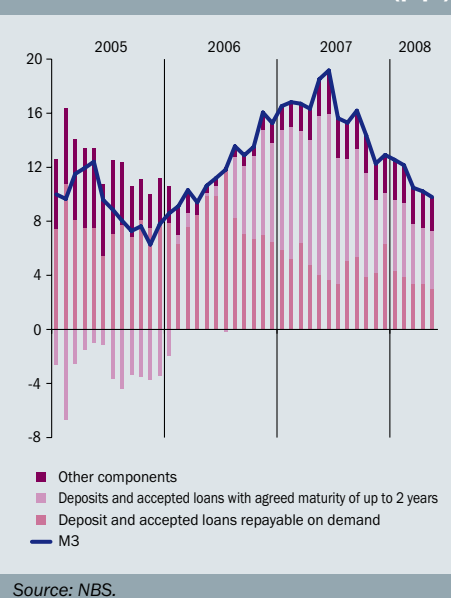
Among marketable instruments, money market fund shares/units still show strong year-on-year dynamics (33.3%, despite a slight fall). The dynamics of debt securities issued with a maturity of up to 2 years markedly increased (to 139.1%, but their volume was much smaller).

#### Main M3 counterparts

#### Slower growth in MFI receivables from residents (including securities)

Among the main M3 counterparts, MFI receivables from residents (including securities issued by clients and held by MFIs) has historically been a determining factor in the development of deposits and monetary aggregates. They increased year-on-year by SKK 124.7 billion in May, due to growth in receivables from the private sector (SKK 152.5 billion), offset partly by a fall in receivables from the general government (SKK 27.8 billion). The year-on-year rate of growth in receivables from residents fell

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



<sup>2</sup> The year-on-year growth rates 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 4 Comparison of Month-on-month Developments in Monetary Aggregates (ECB methodology)**

	Outstanding amounts (in billions of SKK) <sup>1)</sup>			Year-on-year changes (in %) <sup>2)</sup>	
	May 2007	Apr. 2008	May 2008	Apr. 2008	May 2008
Currency in circulation	132.4	136.2	134.7	3.8	1.7
Deposits and received loans repayable on demand	426.3	439.0	457.0	8.2	7.2
Of which: Non-financial corporations	173.6	165.2	183.0	2.5	5.4
Households and non-profit institutions serving households	197.0	224.7	228.8	15.4	16.1
<b>M1</b>	558.7	575.2	591.7	7.1	5.9
Deposits and loans received with an agreed maturity of up to 2 years	385.0	428.2	427.8	10.5	11.1
Of which: Non-financial corporations	132.6	132.8	127.9	-4.8	-3.5
Households and non-profit institutions serving households	191.7	225.3	223.4	19.3	16.6
Deposits repayable at a period of notice of up to 3 months	10.2	9.2	9.0	-11.7	-11.2
<b>M2</b>	953.9	1,012.6	1,028.5	8.3	7.8
Money market fund shares/units	50.1	65.8	66.7	34.4	33.3
Repo operations	0.0	0.0	0.0	-	-
Debt securities issued with a maturity of up to 2 years	5.4	12.4	12.8	108.6	139.1
<b>M3</b>	1,009.3	1,090.8	1,108.1	10.2	9.8

Source: NBS.

Note: Figures may not add up due to rounding. The missing figures were 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 month.

2) Year-on-year changes (except for figures for non-financial corporations and households) are calculated on the basis of chain indices, the index reference period is January 2005.

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

	Outstanding amounts (in billions of SKK) <sup>1)</sup>			Year-on-year changes (in %) <sup>2)</sup>	
	May 2007	Apr. 2008	May 2008	Apr. 2008	May 2008
MFI receivables from residents (including securities)	936.7	1,058.6	1,061.4	17.0	14.0
Receivables from general government	255.5	226.9	227.7	-7.9	-10.6
Receivables from the private sector	681.2	831.7	833.7	26.3	23.3
Net foreign assets	287.8	237.4	216.6	-15.2	-26.6
Foreign assets	544.6	549.7	512.4	-0.2	-7.2
Foreign liabilities	256.8	312.3	295.8	15.5	15.2
Long-term financial liabilities (excluding capital and reserves)	126.6	143.3	143.8	14.2	13.5
Other items net <sup>3)</sup>	-88.5	-61.9	-26.1	-6.9	-64.8
<b>M3</b>	1,009.3	1,090.8	1,108.1	10.2	9.8

Source: NBS.

Note: Figures may not add up due to rounding.

1) As at the last day of the given month.

2) Year-on-year changes calculated on the basis of chain indices; the 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.

considerably (to 14.0%, i.e. by 3.0 percentage points), due mainly to the weakened growth dynamics of receivables from the private sector (to 23.3%) and the strengthened negative dynamics of receivables from the general government.

Net foreign assets continued to decrease in May; their year-on-year decrease and stronger negative dynamics were caused partly by an increase in foreign liabilities (by SKK 39.0 billion) and partly by a smaller decrease in foreign assets (by SKK 32.1 billion).



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

	Outstanding amounts (SKK billion) <sup>1)</sup>			Year-on-year changes (%) <sup>3)</sup>	
	May 2007	Apr. 2008	May 2008	Apr. 2008	May 2008
MFI receivables from the private sector (including securities)	681.2	831.7	833.7	26.3	23.3
– of which: securities issued by the private sector <sup>2)</sup>	14.1	18.0	18.4	31.3	30.9
MFI receivables (excluding securities)	667.1	813.7	815.3	26.2	23.2
Non-financial corporations	346.7	420.4	419.6	26.0	22.5
– up to 1 year	146.3	177.8	177.5	28.2	24.6
– 1 to 5 years	69.2	86.2	85.6	26.0	23.8
– over 5 years	131.3	156.5	156.5	23.5	19.3
Financial corporations	60.4	66.6	61.5	12.0	2.1
Insurance corporations and pension funds	0.0	0.0	0.0	-	-
Households and non-profit institutions serving Households	260.0	326.6	334.1	29.7	29.0
– consumer loans	37.4	44.3	45.4	22.1	22.8
– construction loans	173.4	219.6	224.6	30.6	29.7
– other loans	49.2	62.7	64.1	32.3	31.3

Source: NBS.

Note: Figures may not add up due to rounding. The missing figures were 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) Securities issued by the private sector, including NBS receivables.

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

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

	Outstanding amounts (SKK billion) <sup>1)</sup>	Year-on-year changes (in %) <sup>2)</sup>					Cumulative changes since beginning of year (SKK billion)	
		May 2008	Q2 2007	Q3 2007	Q4 2007	Q1 2008	May 2008	May 2008
<b>MFI receivables (excluding securities)</b>	815.3	21.4	24.8	23.9	25.8	23.2	39.8	45.3
Non-financial corporations	419.6	20.6	26.9	24.1	26.3	22.5	20.3	20.1
– loans in Slovak koruna	289.0	21.5	24.4	23.4	29.1	32.9	4.3	26.5
– loans in foreign currency	130.7	19.0	32.1	25.4	21.1	4.3	15.9	-6.4
Financial corporations (other financial intermediaries and auxiliary financial institutions)	61.5	-0.2	3.4	5.7	11.5	2.1	-2.6	-4.9
– loans in Slovak koruna	45.3	2.8	0.3	-2.9	3.8	-3.9	-3.6	-3.9
– loans in foreign currency	16.2	-9.6	14.5	42.1	40.9	23.9	1.0	-0.9
Insurance companies and pension funds	0.0	-	-	-	-	-	0.0	0.0
Households and non-profit institutions serving households	334.1	28.8	27.8	28.5	28.6	29.0	22.1	30.1
– loans in Slovak koruna	325.5	27.1	25.9	26.8	27.6	28.8	19.8	30.4
– loans in foreign currency	8.6	170.5	165.5	126.5	74.0	37.3	2.3	-0.3
of which: consumer loans	45.4	20.0	18.8	17.9	16.4	22.8	1.6	3.9
house purchase loans	224.6	30.9	30.3	30.2	30.3	29.7	16.5	20.8
other loans	64.1	28.8	26.7	31.0	32.1	31.3	4.0	5.5

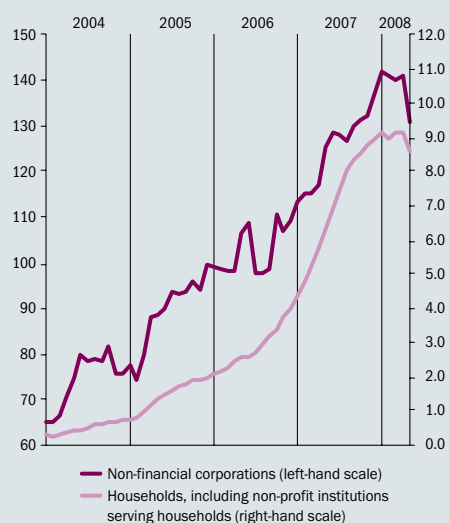
Source: NBS.

Note: Figures may not add due to rounding. The missing figures were 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-year changes calculated on the basis of chain indices; the index reference period is January 2005.



**Chart 7 Lending in Foreign Currency (SKK billion)**


Source: NBS.

Long-term financial liabilities (excluding capital, reserves, and provisions) increased year-on-year by SKK 17.2 billion in May, but their year-on-year growth rate slowed to 13.5%. Of this amount, the increase in debt securities issued with a maturity of over 2 years accounted for SKK 13.3 billion, the increase in deposits and loans received with an agreed maturity of over 2 years for SKK 4.5 billion, while deposits with a notice period of over 3 months decreased slightly.

The increase in other items net was mainly due to a decrease in capital, reserves, and provisions (SKK 26.0 billion), coupled with a decrease in deposits and loans received from the central government (excluding deposits held at the SR Treasury).

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

In May 2008, the growth rate of MFI receivables from the private sector slowed by 3.0 percentage points, mainly due to a slowdown in bank lending to non-financial and financial corporations.

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

The growth in MFI receivables from non-financial corporations slowed by 3.6 percentage points in May, with their volume decreasing by SKK 0.8 billion compared with the previous month. Broken down by maturity, a decrease in volume was recorded in loans with shorter maturities (up to 1 year + over 1 and up to 5 years); broken down by currency, a decrease occurred in foreign currency loans only.

Loans to household grew month-on-month by SKK 7.5 billion, but their dynamics weakened somewhat, to 29.0%. The strongest growth was again recorded in house purchase loans: their volume increased by SKK 5.0 billion. Consumer loans and other loans increased by SKK 2.5 billion (as in the previous month).

The volume of foreign-currency MFI receivables from the private sector fell by SKK 11.6 billion in May. The sharpest fall took place in the sector of non-financial corporations, where euro-denominated loans decreased by SKK 9.1 billion and loans in other foreign currencies by SKK 1.4 billion. A slight fall in volume compared with the previous month (SKK 0.5 billion) was recorded in household loans in foreign currency. Euro-denominated MFI receivables still form the largest part of loans in foreign currencies in all sectors.

#### Investment through open-end investment funds (OIFs)

In June, the moderate inflow of funds into open-end investment funds continued in Slovakia. The net value of OIF assets denominated in SKK decreased to SKK 149.9 billion (by SKK 0.4 billion) and the positive monthly net sales of OIFs reached SKK 1.2 billion. The net sales of OIFs denominated in foreign currency (FC) amounted to SKK-0.3 billion (a negative figure).

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

**Table 8 Net Sales of Open-end Investment Funds in the SR**

(SKK billion)

		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	0.9	.	.	.	.	.	.	6.7

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

The impact of the lending crises in the world is reflected in the unfavourable results of most investment funds this year, for which the strengthening Slovak koruna is, to a certain extent, also responsible. In the first half of 2008, the net sales of OIFs of all types operating in the SR, in SKK and FC in total, reached less than SKK 8 billion<sup>3</sup>, which was roughly one-third less than the figure recorded a year earlier. Positive net sales in

<sup>3</sup> The different volume of cumulative net sales in the first half of the year can be ascribed to the fact that SASS data from regular weekly statistical reports and the data of individual OIF administrators sometimes refer to different periods: SASS makes data releases on Fridays, but some of its members issue data on Thursdays.



the first six months were only reported by money market funds (SKK 8.9 billion), other funds and special real estate funds (SKK 2.9 billion in total), and equity funds. Other OIFs achieved negative net sales in the total amount of SKK 4.4 billion, of which bond funds accounted for SKK 2.3 billion and the funds of funds for SKK 2.0 billion.

**Current budgetary developments**

On 30 June 2008, the State budget of the Slovak Republic recorded a deficit of SKK 4.1 billion, with revenues totalling SKK 156.2 billion and expenditures SKK 160.3 billion.

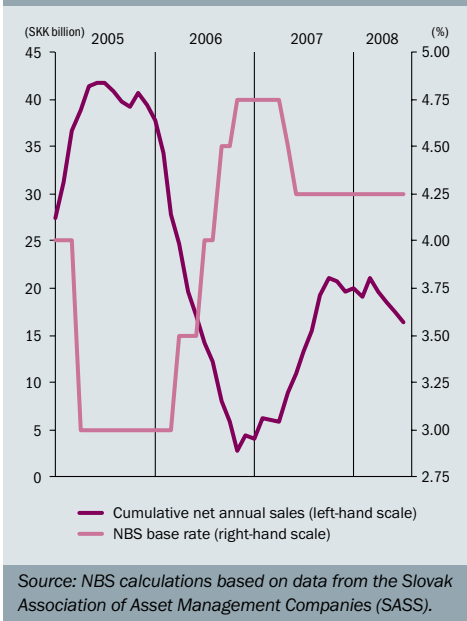
**4.2 The External Sector**

**Balance of payments for January to April 2008**

**Current account**

In April 2008, the balance of payments on current account resulted in a deficit of SKK 14.0 billion. Compared with the previous month, the current account balance deteriorated by SKK 8.0 billion. The most significant change occurred in the trade balance, the deficit of which increased month-on-month by SKK 5.2 billion. Deteriorations in comparison with the previous month were also recorded in the current transfers and services balances. At the same time, the month-on-month deterioration in the current account balance was mitigated by a decrease in the income balance deficit. Compared with the same period a year earlier, the b.o.p. current account balance worsened to a considerable extent (by SKK 14.7 billion), with deteriorations recorded in all the current account components.

**Chart 8 Impact of Changes in NBS Interest Rates on Net Sales of OIFs**



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

**Table 9 Balance of Payments Current Account**

(SKK billion)

	April		January – April	
	2008	2007	2008	2007
Balance of trade	-6.8	0.7	-2.1	5.5
Exports	134.8	110.5	517.9	445.5
Imports	141.6	109.8	520.0	440.0
Balance of services	-1.3	2.7	-4.1	3.8
Balance of income	-2.8	-1.2	-6.3	-0.1
of which: income from investment	-6.1	-4.1	-18.5	-11.6
of which: reinvested earnings	-1.4	-1.9	-5.6	-7.6
Current transfers	-3.1	-1.5	-9.7	-5.6
Current account in total	-14.0	0.7	-22.2	3.6

Source: NBS and the Statistical Office of the SR.

After being revised by the Statistical Office of the SR, foreign trade recorded a deficit of SKK 6.8 billion in April (the originally published deficit amounted to SKK 5.8 billion, the difference was mainly due to an increase in imports). Exports grew month-on-month in April, and recorded a marked acceleration in the year-on-year rate of growth, which reached 22.0%. The growth in exports compared with the previous month was mainly caused by higher exports in the 'machinery and transport equipment' category (motor vehicles and components). The exports of semi-finished goods (plastics, rubber, copper, iron and steel products, wood, and other) and finished products also grew, to a lesser extent. Like exports, imports also recorded a month-on-month increase in absolute terms in April, as well as acceleration in the year-on-year rate of growth (to 28.9%). The growth in imports was stimulated by increased imports in all categories. The most significant increases occurred in the imports of 'machinery and transport equipment' (motor vehicle components, spare parts, and accessories; products used in electrical engineering). In the 'semi-finished goods' category, the strongest export growth took place in iron, steel, and plastic products. The strong growth was also stimulated by increased imports of finished products (passenger cars, pharmaceuticals). The higher raw material imports were mainly caused by increased crude oil imports (in terms of volume).

**Capital and financial account**

The balance of payments on capital and financial account recorded an inflow of SKK 11.6 billion in April.


**Table 10 Exports from January to April, year-on-year changes**

	Year-on-year changes in SKK billions		Contribution to the year-on-year changes in p.p.	
	January - April		January - April	
	2008	2007	2008	2007
Raw materials	7.1	-5.0	1.6	-1.4
Chemicals and semi-finished goods	14.0	13.5	3.1	3.8
Machinery and transport equipment	43.0	80.1	9.6	22.6
Finished products	8.3	2.1	1.9	0.6
EXPORTS in total	72.4	90.7	16.2	25.6

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

**Table 11 Imports from January to February, year-on-year changes**

	Year-on-year changes in SKK billions		Contribution to the year-on-year changes in p.p.	
	January - April		January - April	
	2008	2007	2008	2007
Raw materials	30.8	-22.1	7.0	-5.8
Chemicals and semi-finished goods	11.7	23.4	2.7	6.1
Machinery and transport equipment	23.2	42.2	5.2	11.1
Finished products	14.4	13.4	3.3	3.5
of which: - agricultural and industrial goods	9.5	8.0	2.2	2.1
- passenger cars	4.0	3.2	0.9	0.8
- machines and electrical consumer goods	0.9	2.2	0.2	0.6
IMPORTS in total	80.1	56.9	18.2	14.9

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

**Table 12 Balance of Payments Capital and Financial Account (SKK billion)**

	April		January - April	
	2008	2007	2008	2007
Capital account	9.4	0.4	13.6	4.6
Direct investment	3.0	8.1	-2.9	5.0
SR abroad	0.6	0.4	-0.9	-1.0
of which: equity capital abroad	-1.0	-0.6	-1.8	-0.7
reinvested earnings	-0.1	-0.1	-0.4	-0.4
In the SR	2.4	7.7	-2.0	6.0
of which: equity capital in the SR	1.9	0.5	3.3	1.8
of which: other than privatisation	1.9	0.5	3.3	1.8
reinvested earnings	1.5	2.0	6.0	8.0
Portfolio investment and financial derivatives	-3.1	8.2	16.7	-11.5
SR abroad	-2.6	-1.4	2.7	-7.6
In the SR	-0.5	9.6	14.0	-3.9
Other long-term investments	-1.0	3.9	6.0	2.2
Assets	-3.1	-0.4	-3.3	-2.7
Liabilities	2.1	4.3	9.3	4.9
Other short-term investments	3.3	8.4	-1.5	85.1
Assets	-23.5	-4.2	-11.7	1.8
Liabilities	26.8	12.6	10.2	83.3
Capital and financial account	11.6	29.0	31.9	85.4

Source: NBS.



The April inflow was mostly caused by the drawing-down of resources from EU funds via the capital account, and was to a certain extent supported in the financial account by inflows in direct and other investments. The inflow of funds in direct investment was mainly supported by interest in direct investment on the part of foreign investors. The modest inflow of funds in other investment resulted from deposit operations in the banking sector, where the increase in non-resident deposits on accounts kept with Slovak banks surpassed the increase in the deposits of Slovak residents on accounts held abroad.

**Foreign reserves of NBS** The foreign reserves of NBS increased month-on-month by SKK 2.4 billion, i.e. USD 109.4 million (excluding exchange rate differences).

#### *External debt of the Slovak Republic as at 30 April 2008*

**Gross external debt** At the end of April 2008, the total gross external debt of Slovakia reached USD 50.1 billion (EUR 32.2 billion). Total long-term foreign debt dropped in March by USD 0.1 billion, while total short-term foreign debt increased by USD 0.9 billion.

Within the structure of short-term external debt, the foreign liabilities of commercial banks increased month-on-month by SKK 0.9 billion in April, while cash and deposits grew by USD 1.0 billion. The short-term foreign liabilities of entrepreneurial entities decreased by USD 0.1 million.

In long-term external debt, the foreign liabilities of the Government and NBS decreased by USD 0.2 billion, while the foreign liabilities of commercial banks increased by USD 0.1 billion.

At the end of April, Slovakia's total per-capita gross foreign debt stood at USD 9,322. The share of short-term foreign debt in the country's total gross external debt increased by 0.9 of a percentage point, to 52.8% at the end of April 2008.

**Table 13 External Debt of the SR**

	In millions of USD			In millions of EUR		
	31.12.2007	31.03.2008	30.04.2008	31.12.2007	31.03.2008	30.04.2008
Total external debt of the SR	44,308.7	49,380.2	50,145.3	30,156.2	31,261.0	32,216.0
Long-term external debt	20,709.7	23,775.5	23,683.4	14,094.9	15,051.5	15,215.5
Government and NBS <sup>1)</sup>	9,502.4	10,677.4	10,511.9	6,467.3	6,759.5	6,753.4
Commercial banks	2,150.8	2,497.8	2,578.2	1,463.8	1,581.3	1,656.4
Entrepreneurial entities	9,056.5	10,600.3	10,593.4	6,163.8	6,710.7	6,805.7
Short-term external debt	23,599.0	25,604.7	26,461.9	16,061.3	16,209.5	17,000.5
Government and NBS	0.0	0.0	0.0	0.0	0.0	0.0
Commercial banks	12,095.6	12,605.1	13,549.6	8,232.2	7,979.9	8,705.0
Entrepreneurial entities	11,503.4	12,999.6	12,912.3	7,829.1	8,229.6	8,295.5
Foreign assets	37,017.4	40,420.8	41,810.3	25,193.8	25,589.1	26,861.1
Net external debt	7,291.3	8,959.4	8,335.1	4,962.4	5,671.9	5,354.9
SKK/USD and SKK/EUR rates:	22.870	20.645	20.712	33.603	32.611	32.239
EUR/USD cross exchange rate:	-	-	-	1.469	1.580	1.557

Source: NBS.

<sup>1)</sup> Including government agencies and municipalities.

**Net foreign debt** The net external debt of Slovakia, expressed as the difference between gross foreign debt, i.e. USD 50.1 billion (liabilities of the Government, NBS, commercial banks, and the corporate sector - excluding equity participation), and foreign assets, i.e. USD 41.8 billion (foreign reserves of NBS, foreign assets of commercial banks and the corporate sector - excluding equity participation), reached USD 8.3 billion (debtor position) at the end of April 2008.

#### *Current developments*

The current account deficit achieved in May was substantially lower than the figure in the previous month. The month-on-month decrease in the deficit was caused mainly by the positive balance of trade, supported by a change in the balance of current transfers, from a deficit in April to a surplus in May. On the other hand, the balance of income markedly deteriorated in comparison with the previous month,



due to increased dividends paid to foreign investors. Thus, the improved trade and current transfers balances were the main factors behind the month-on-month improvement in the current account balance (by SKK 10.6 billion).

May 2008 saw significant slowdowns in the year-on-year growth rates of exports as well as imports, to 6.0% and 0.2%, respectively.

	May		January – May	
	2008	2007	2008	2007
Balance of trade	4.1	-3.2	2.0	2.3
Exports	129.1	121.5	647.0	567.0
Imports	125.0	124.7	645.0	564.7
Balance of services	-1.1	0.8	-5.2	4.6
Balance of income	-7.9	-8.7	-14.2	-8.8
of which: income from investments	-11.2	-11.6	-29.7	-23.2
of which: reinvested earnings	-1.4	-1.9	-7.0	-9.5
Current transfers	1.4	-0.9	-8.2	-6.5
Current account in total	-3.4	-12.0	-25.6	-8.4

Source: NBS and the Statistical Office of the SR.

The trade balance achieved in May was more favourable than expected by NBS, while both exports and imports were substantially lower.

Exports are expected to grow somewhat on a month-on-month basis in June. With regard to the lower level of exports in May, the growth in exports should take place as a gradual return to the levels of the previous months. Imports are expected to reach a slightly higher level, and the growth rate is expected to accelerate as in the case of exports.

In July and August, exports are expected to decline on a month-on-month basis, due to seasonal effects (the beginning of the holiday season). Imports, like exports, are expected to fall in July and August, mainly due to the lower imports of semi-finished goods and goods for final consumption.

Overall, the trade balance is expected to improve somewhat on a year-on-year basis in all three months.

At the end of June, the total foreign reserves of NBS stood at USD 19,917.4 million, representing a month-on-month increase of USD 219.0 million. The increase in foreign reserves in comparison with the figure from the end of May resulted from a slight deficit in the balance of receipts and expenses (USD-17.3 million), offset by positive exchange rate differences (USD 236.3 million), which resulted from a change in the USD/EUR cross-rate in the period under review. At the end of June, the volume of foreign reserves was 3.0 times greater than the volume of average monthly imports of goods and services to Slovakia over the first five 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 over the first five months of 2008.

The month-on-month appreciation of the nominal effective exchange rate<sup>4</sup> of the Slovak koruna accelerated in comparison with the previous month, from 2.7% in May to 3.0% in June. The most significant contribution to the appreciation of the NEER index came from the strengthening of the koruna against the euro (by 2.6 percentage points).

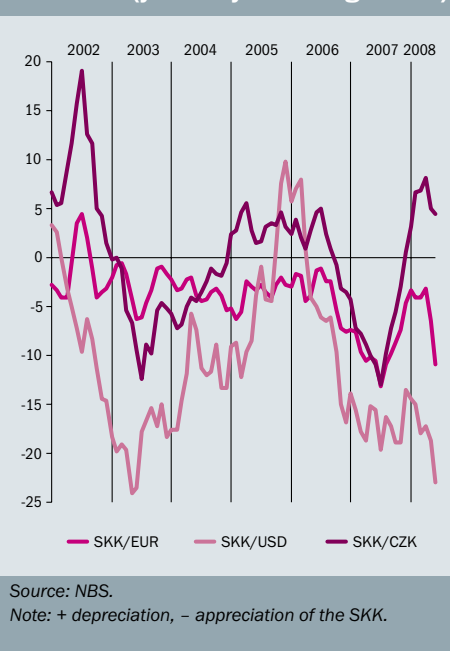
**Nominal effective exchange rate of the Slovak koruna (NEER)**

On a year-on-year basis, the appreciation of the koruna's nominal effective exchange rate accelerated in comparison with May, from 4.7% to 8.6%. The appreciation of the NEER index was most significantly

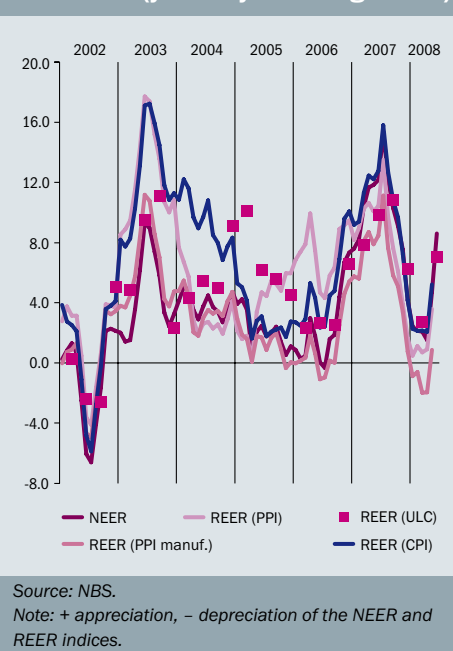
<sup>4</sup> For calculating the nominal and effective exchange rates of the Slovak koruna (NEER and REER), the IMF methodology is applied. The REER is calculated on the basis of the consumer price index (CPI), the industrial producer price index (PPI), and/or the manufacturing products price index, excluding the prices of mineral raw materials, electricity, gas, steam, and hot water (PPI manufacturing), and the index of unit labour costs (ULC). The initial year for the calculation is 1999, and the weights selected correspond to the structure of foreign trade in 1999, for the nine most important trading partners of Slovakia, representing roughly 70% of the total turnover of foreign trade. These countries are Germany, the Czech Republic, Italy, Austria, France, the Netherlands, the United States, the United Kingdom, and Switzerland.



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



**Chart 10 Developments in the NEER and REER Indices (9 trading partners)**  
(year-on-year changes in %)



supported by the strengthening of the koruna against the euro (by 8.2 percentage points); the appreciation was still dampened by the depreciation of the domestic currency against the Czech koruna (a negative contribution of 1.1 percentage points).

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

The appreciation of the nominal effective exchange rate led to acceleration in the year-on-year appreciation of the real effective exchange rate (REER). In May, the REER index defined on the basis of the Consumer Price Index (CPI) appreciated by 5.2%, that based on the Producer Price Index (PPI) by 3.6%, and the index based on the Manufacturing Products Price Index (PPI manuf.) by 0.9%.

**Table 15 Developments in the NEER and REER Indices** (year-on-year changes in %)

For 9 partners, based on the deflator:	NEER	REER (CPI)	REER (PPI)	REER (PPI manuf.)	REER (ULC) <sup>2)</sup>
December 2002	2.1	4.1	3.6	3.4	5.1
December 2003	3.2	11.3	10.8	4.7	2.3
December 2004	4.7	8.3	4.1	4.7	9.2
December 2005	1.1	2.7	6.0	0.0	4.5
December 2006	7.4	10.1	9.5	5.4	6.6
December 2007	4.2	4.2	1.7	0.8	6.3
March 2008 <sup>1)</sup>	2.1/1.6	2.2/1.9	0.7/3.6	-2.0/-0.9	2.8
May 2008 <sup>1)</sup>	4.7/5.0	5.2/5.3	3.6/5.5	0.9/1.4	-
June 2008 <sup>1)</sup>	8.6/8.2	.	.	.	7.1

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

**4.3 Real Economy**

**Current developments**

**Production and sales**

The year-on-year growth in industrial production slowed in May compared with April 2008, due to a slowdown in manufacturing production on a year-on-year basis, despite acceleration in the year-on-year rate of growth in electricity, gas, and water supply. The year-on-year rate of growth in industrial

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



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

**Chart 12 Retail Sales in Selected Sectors at Current Prices (3-month moving averages) (index, same period a year earlier = 100)**



Source: Statistical Office of the SR, NBS calculations.

production reached 4.0% (9.8% in the previous month). Slower year-on-year growth was recorded particularly in the production of transport vehicles, machinery and equipment. In May 2008, the production of electrical and optical equipment recorded a year-on-year decline of 6.7%; food production dropped by 3.4%.

Production in the construction sector recorded a slowdown in the year-on-year rate of growth (from 17.6% in April to 8.4% in May), due to slower year-on-year growth in new construction, modernisation, and reconstruction projects, despite the accelerating growth in repair and maintenance works.

Sales in the industrial sector recorded a significant slowdown in the year-on-year rate of growth at current prices, from 23.8% in April to 7.5% in May 2008. The year-on-year growth in sales in Slovakia's key industrial sectors (production of transport vehicles, metals and metal products, machinery and equipment, electrical and optical equipment) slowed to 4.8% in May, from 29.5% in April 2008.

In May 2008, retail sales at current prices recorded year-on-year growth at virtually the same rate as in April (11.0% in April and 11.1% in May). At constant prices, they recorded a certain slowdown, from 7.2% in April to 6.7% in May. The dynamics of retail sales were influenced by the following developments: accelerated year-on-year decline in receipts from other retail trade in non-specialised shops, slower year-on-year growth in receipts from retail trade in pharmaceuticals and cosmetics, slower growth in receipts from other specialised retail trade, accompanied by faster year-on-year growth in receipts from retail trade in foodstuffs and retail trade outside shops.

The year-on-year growth in the receipts of entities specialising in the sale and maintenance of motor vehicles and the retail sale of fuels slowed in May compared with April, due to a slowdown in the year-on-year growth rate of receipts from the sale of motor vehicles (from 11.8% in April to 4.1% in May). The dynamics of wholesale sales weakened (from 20.4% in April to 13.3% in May), due to a marked slowdown in the growth rate of receipts from wholesale trade in non-agricultural interim products; food, tobacco, and beverages; and a year-on-year decline in receipts from wholesale trade in household goods.

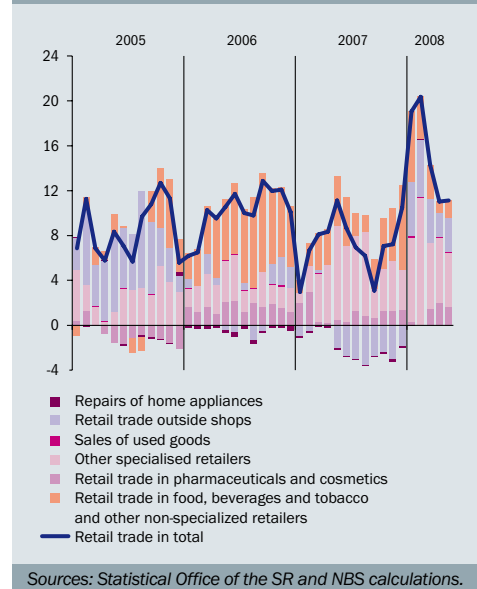
The year-on-year growth in receipts from real estate, renting, and business activities, and from other services (at current prices) slowed in comparison with the previous month.



**Chart 13 Retail Sales at Current Prices (3-month moving averages) (index, same period a year earlier = 100)**



**Chart 14 Contributions to Year-on-year Growth in Retail Sales (current prices)**



**Table 16 Production and Sales**

	SKK million, current prices	Indices				
		May 2008	May 2007	Jan.-Dec. 2007	April 2008	May 2008
Industrial production index <sup>1)</sup>	-		116.7	112.7	109.8	104.0
Construction production <sup>2)</sup>	16,019		106.0	105.7	117.6	108.4
Industry in total <sup>3)</sup>	194,208		113.4	112.8	123.8	107.5
Construction <sup>3)</sup>	24,232		115.9	114.8	126.7	120.8
Wholesale trade <sup>3)</sup>	80,815		105.7	106.3	120.4	113.3
Retail trade	40,149		111.1	107.2	111.0	111.1
Sale and maintenance of vehicles, retail sales of fuels <sup>3)</sup>	20,415		118.7	118.0	111.8	104.1
Hotels and restaurants <sup>3)</sup>	3,739		100.3	104.1	109.6	104.5
Transport, storage <sup>3)</sup>	15,427		131.8	119.1	117.9	109.7
Real estate, renting, business activities <sup>3)</sup>	23,522		111.3	111.1	115.7	109.2
Posts and telecommunications <sup>3)</sup>	6,743		100.8	108.2	106.5	103.4
Receipts from own output and sales (total for the selected branches) <sup>3)</sup>	409,250		112.1	111.1	120.1	109.7

Source: Statistical Office of the SR, NBS calculations.  
 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)

**Wages, employment and unemployment**

**Nominal wage developments**

Compared with April 2008, the year-on-year rate of nominal wage growth accelerated in retail trade, post and telecommunications, and hotels and restaurants. In the other sectors, nominal wages grew at a slower rate than in the previous month. The average monthly nominal wage in all sectors in May 2008 indicates a slowdown in the year-on-year rate of growth in comparison with the previous month.

The comparison of quarterly data and estimates based on preliminary monthly data on nominal wages implies that nominal wages grew at a slower pace than in the previous quarter. In the first quarter of 2008, nominal wages increased year-on-year by 10.4%; data from the first two months of the second quarter point to a slower average nominal wage growth in the selected sectors.



**Table 17 Wage Developments in Selected Sectors (index, same period a year earlier = 100)**

	Average monthly wage – nominal		Average monthly wage – real	
	April 2008	May 2008	April 2008	May 2008
Industry	109.3	107.6	104.8	102.9
of which: manufacturing	109.6	108.0	105.1	103.3
Construction	110.3	105.6	105.8	101.0
Retail trade	108.2	110.2	103.7	105.4
Wholesale trade	110.5	108.1	105.9	103.3
Sale and maintenance of vehicles	104.7	102.2	100.4	97.7
Real estate and renting activities	110.1	108.8	105.6	104.0
Transport	109.3	107.7	104.8	103.0
Post and telecommunications	99.5	101.4	95.4	96.9
Average for the selected sectors	109.0	107.5	104.5	102.8
Whole economy, Q4 2007	110.4	-	106.2	-
Consumer prices	104.3	104.6	-	-

Source: Statistical Office of the SR and NBS calculations.

Notes: The selected sectors accounted for 69% of total employment in the first quarter of 2008.

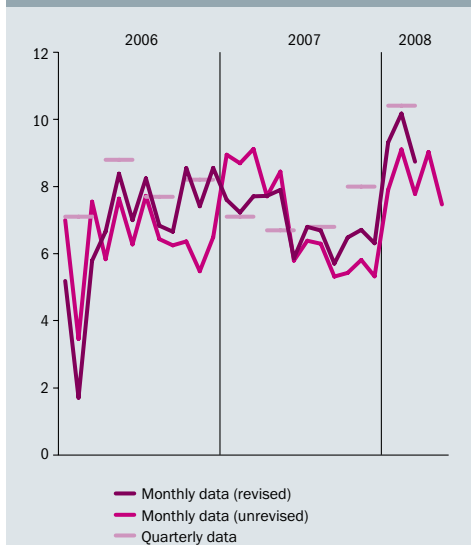
Real wage index = nominal wage index / consumer price index.

**Employment**

The year-on-year growth in employment slowed in May, compared with April 2008, in the sale and maintenance of vehicles, industry, hotels and restaurants, and transport. In the other sectors, employment grew at a faster rate or at the same rate as in the previous month. The average level of employment in all sectors in May 2008 points to a slight slowdown in the year-on-year rate of growth, compared with the previous month.

The comparison of quarterly and monthly employment indicators implies that the year-on-year growth in employment in the second quarter of 2008 (average employment growth in the first two months of the second quarter) was faster than in the first quarter of 2008.

**Chart 15 Comparison of Average Monthly Wages Based on Monthly and Quarterly Data (%)**



Source: Statistical Office of the SR.

**Chart 16 Comparison of Employment Rates Based on Monthly and Quarterly Data (%)**



Source: Statistical Office of the SR.

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

	Employment	
	April 2008	May 2008
Industry	102.9	102.6
of which: manufacturing	103.7	103.3
Construction	108.2	108.2
Retail trade	101.8	101.8
Wholesale trade	102.3	102.4
Sale and maintenance of vehicles	101.6	100.2
Real estate and renting activities	106.0	106.3
Transport	106.0	105.9
Post and telecommunications	99.2	100.5
Average for the selected sectors	103.6	103.5
Economy in total in Q4 2007	102.7	-

Source: Statistical Office of the SR.

**Unemployment** According to data from the Centre for Labour, Social Affairs and Family, the total number of unemployed dropped month-on-month by 1,000, to 222,300 in May 2008. The number of disposable unemployed, who may start working immediately, accounted for 194,000, which was 1,500 more than in April. The rate of registered unemployment stood at 7.4% in May, representing a year-on-year drop of 1 percentage point.

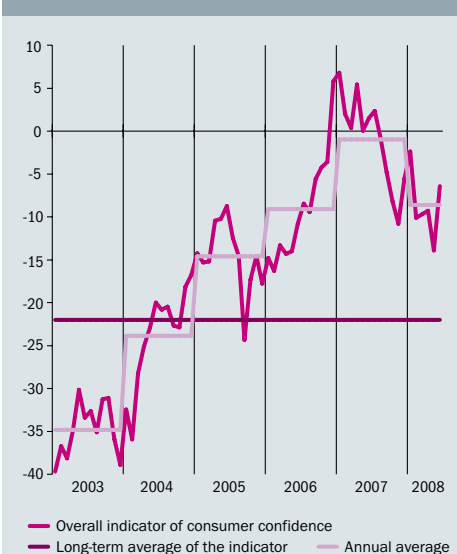
The average length of registration was 10.3 months. Compared with April 2008, the share of long-term unemployed (out of work for more than 12 months) decreased by 0.6 of a percentage point, to 50.8% in May.

#### Consumer Confidence Indicator

**Increase in consumer confidence** Consumer confidence increased in May, with the consumer confidence indicator rising to -6.4 points (by 7.5 points compared with April). In comparison with April, improvements were recorded in all components of the indicator (the expected financial situation of households, expected household savings, expected unemployment rate, and expected economic development in the SR). Compared with the same period last year, the consumer confidence indicator has deteriorated by 7.9 points.

**Chart 17 Registered Unemployment Rate (%)**

Source: Centre for Labour, Social Affairs and Family.

**Chart 18 Consumer Confidence Indicator**

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



## 5 Monetary Developments

### 5.1 Foreign Exchange Market

Over the course of June, the exchange rate of the Slovak koruna against the euro weakened by 0.2% (from SKK/EUR 30.241 to SKK/EUR 30.312), while the average rate appreciated month-on-month by 3.8%. The Slovak koruna deviated from its central rate (SKK/EUR 30.1260) most significantly on 24 June 2008, when its exchange rate was fixed at SKK/EUR 30.346, representing a depreciation of 0.73% from the central parity. In relation to the US dollar, the koruna appreciated by 1.0% (from SKK/USD 19.444 to SKK/USD 19.247), with the average rate appreciating month-on-month by 3.7%.

**Operations in the foreign exchange market**

Spot transactions between foreign and domestic banks resulted in a positive balance (USD 418.1 million), i.e. foreign banks tended to sell SKK and purchase foreign currency.

Národná banka Slovenska conducted no foreign exchange intervention in June.

	Month-on-month changes	Average Jun. 2008	Average Jan.-Jun. 2008
		Average Jun. 2007	Average Jan.-Jun. 2007
SKK/EUR	0.2	-10.9	-5.3
SKK/USD	-1.0	-23.0	-17.7

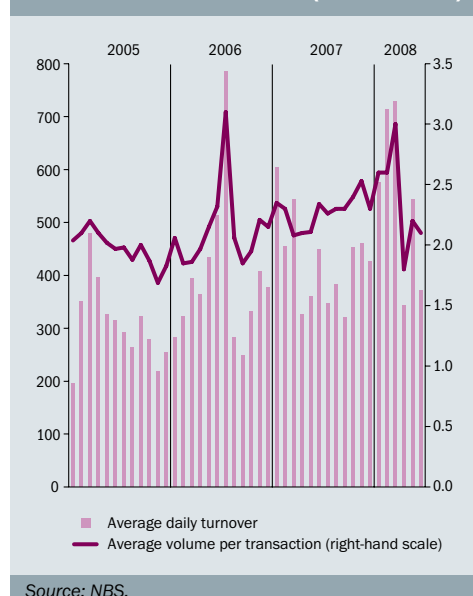
Source: NBS.  
Notes: - appreciation of the SKK, + depreciation of the SKK

The Slovak koruna was traded within a very narrow band (SKK/EUR 30.250 – 30.370) virtually throughout the entire month. This was mainly the result of the central parity change at the end of May and the expectations of the market that the conversion rate will not differ significantly from the central rate. The only exception occurred on the last day of June, when the Chairman of the SR Government expressed a wish to achieve a conversion rate stronger than the central parity. The Slovak koruna appreciated in reaction to this statement, to around SKK/EUR 30.150.

The total volume traded on the interbank foreign exchange market reached USD 124,809.7 million in June, representing an increase of 15.6% compared with the figure for May (USD 108,002.7 million). Of the total trading volume, 92.1% took place in swap transactions, which were conducted mostly in USD (85.3%). Spot transactions accounted for 6.2% of the total turnover (94.4% of the deals were in EUR). The average daily turnover on the spot market reached USD 370.8 million and the average volume per transaction amounted to USD 2.1 million.

**Interbank foreign exchange market**

**Chart 19 Transactions in the Interbank Foreign Exchange Market (USD million)**



The total volume of transactions between domestic commercial banks increased, from USD 9,105.8 million in May to USD 9,248.0 million in June. Most trading took place in EUR (50.2%, compared with 59.3% in May), followed by USD (49.0%, compared with 38.7% in May) and other currencies (0.8% of the total turnover between domestic commercial banks).

Transactions between domestic banks accounted for 7.4% of the total volume traded on the interbank foreign exchange market (compared with 8.4% in the previous month). Of the total volume of transactions between domestic banks, swap operations accounted for 76.9% (74.1% in May) and spot transactions (excluding interventions) for 15.4% (24.3% in May).

The total volume of transactions with foreign banks increased by 16.9%, from USD 98,896.8 million in May to USD 115,561.1 million in June. Most trading was again conducted in USD (81.1%, compared with



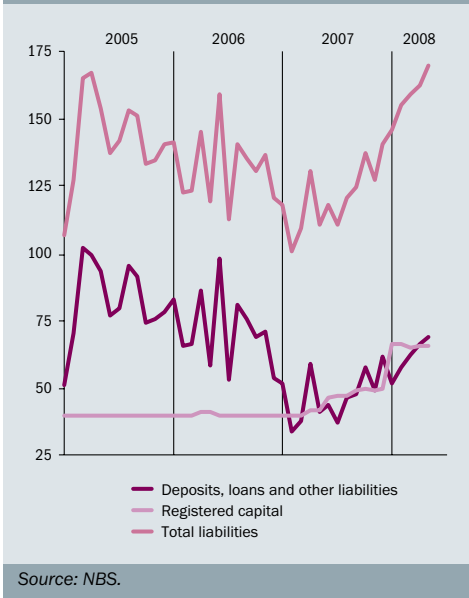
80.4% in May), followed by EUR (18.4%, compared with 18.8% in May), and other currencies (0.5%). Trading between domestic and foreign banks still dominated the country's foreign exchange market (with a share of 92.6%).

Like deals between domestic banks, trading between domestic and foreign banks took place predominantly in the form of swap operations (93.3%, compared with 92.8% in May), while spot transactions accounted for 5.5% (8.8% in May). The share of forward dealings on the foreign exchange market was negligible. Option contracts accounted for 0.3% of the volume traded with foreign banks.

The medium-term growing trend in the koruna deposits of non-resident banks continued in May: they increased to SKK 68.3 billion, i.e. by SKK 27.7 billion compared with the same period a year earlier.

Discontinuing the downward trend observed over several years, the volume of government bonds held by non-residents increased month-on-month by SKK 10.2 billion in June, representing the largest volume this year. This was mainly caused by increases in 10-year restructuring government bonds, No. 144 (SKK 6.8 billion), and 15- and 7-year government bonds, Nos. 204 and 205 (SKK 4.5 billion in total). After stagnating within the 20-21% range for several months, the share of government bonds held by non-residents exceeded the 23% level, for the first time this year.

**Chart 20 Banking Sector: Koruna Liabilities to Non-residents (SKK billion)**



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

	2007		2008						
	31.5.	31.12.	31.1.	29.2.	31.3.	30.4.	31.5.	30.6. <sup>(p)</sup>	9.7. <sup>(p)</sup>
Koruna assets, banks	14.6	22.0	20.6	15.4	11.3	19.3	18.3	41.5	26.3
Koruna liabilities	51.1	73.1	62.8	67.8	73.8	77.8	79.5	.	.
of which: banks	40.6	61.4	51.8	57.2	62.1	66.4	68.3	92.0	79.6
non-bank clients	10.4	11.7	11.0	10.6	11.7	11.4	11.1	.	.
Government securities	81.9	61.8	74.5	73.6	70.1	69.0	68.6	78.8	.
of which: government bonds	81.9	61.8	74.5	73.6	70.1	69.0	68.6	78.8	.
SR Treasury bills	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	.
Total	133.0	135.0	137.2	141.4	143.9	146.7	148.1	.	.

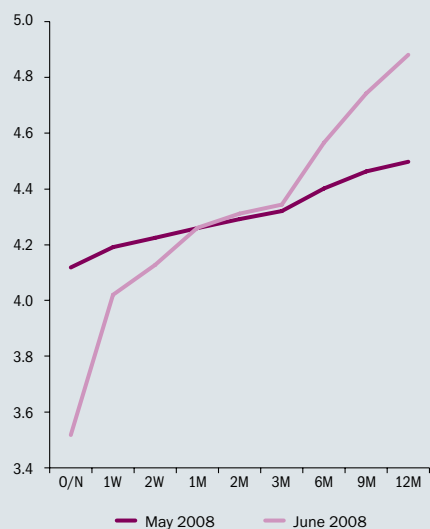
Source: NBS and the Central Securities Depository of the SR, a.s.  
(p) Preliminary data from Dev (NBS) 20-98 "Daily Statement of Foreign Exchange Positions".

In 2008 (to date), the Agency for Debt and Liquidity Management (ARDAL) held no Treasury-bill auctions, hence the volume of Treasury bills held by non-residents was still equal to zero.

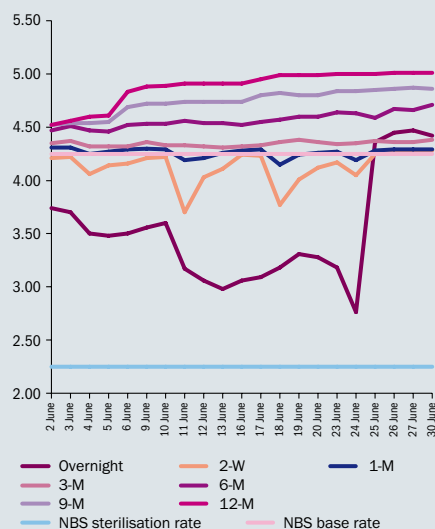
**5.2 Money Market and Monetary Policy Implementation**

At its 27th meeting on 24 June 2008, the NBS Bank Board decided to leave the NBS 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.

**Interest rates** The interbank money market yield curve implies that average monthly interest rates with longer maturities increased noticeably in June, compared with the previous month. This was due to the gradual movement of these rates (which partly fall within the year 2009) towards the European levels. Average interest rates with short maturities were, however, considerably lower than in May, which was the result of full liquidity in the banking sector. The prices of medium-term deposits remained unchanged.

**Chart 21 Average Monthly Interbank Market Rates (BRIBOR) (% p.a.)**


Source: NBS.

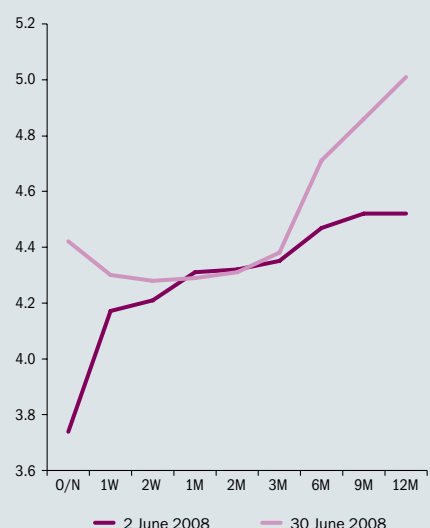
**Chart 22 Developments in Interbank Market Rates (BRIBOR) (% p.a.)**


Source: NBS.

The decision of the Bank Board in June to leave the NBS key interest rates unchanged had been expected by the banking sector and thus the money market rates also remained unchanged.

The prices of deposits with longer maturities continued to rise in June. The first half of the month also saw a rise in European rates, which, however, sank somewhat in the second half of June. As a result, the spread between Slovak and European deposit rates diminished. The rise in domestic market rates can be attributed to their continuing tendency to approach the European levels. During June, the deposit market was dominated by deals in shorter maturities; however, longer-term deposits were also traded sporadically on the interbank market. Of longer-term products, preference is still given to swap, FRA, and IRS contracts.

NBS continued conducting monetary-policy operations in a standard manner throughout June and accepted in full the bids received at all four sterilisation repo tenders. The minimum, average, and maximum interest yields were at the level of the two-week reference rate (4.25%). No NBS-bill auction was held in June, because there was no due issue that month.

**Chart 23 Yield Curve in June (%)**


Source: NBS.

The comparison of yield curves from the beginning and end of the month shows that the most significant change was again recorded in the O/N rate. However, noticeable increases were also observed in rates with six-, nine-, and twelve-month maturities. The middle part of the yield curve remained virtually unchanged.

The banking sector entered the new month with a high daily liquidity surplus, which was also reflected in its high cumulative liquidity position. To utilise part of this excess liquidity, banks placed bids at the first June repo tender in amounts in excess of the due amount. Until the second half of the month, the sector had a liquidity surplus on a daily basis, which allowed only a very slow reduction in the level of cumulative liquidity. Banks made bids in excess of the due amount at each sterilisation repo tender and closed the period under review with a shortage of daily liquidity. This quickly reduced the sector's cumulative liquidity position, to 100% of the minimum reserve requirement. Some of the banks also utilised the overnight deposit facility offered by NBS.

### Liquidity

The overall sterilisation position of NBS moderately increased in comparison with May, by almost SKK 400



**Table 21 Average Daily Impact of NBS Operations on the Level of Banking Sector Liquidity**

	Repo tenders		O/N repos		O/N deposits		NBS bills		Total
	Volume (SKK mil.)	Share (% p.a.)	Volume (SKK mil.)	Share (% p.a.)	Volume (SKK mil.)	Share (% p.a.)	Volume (SKK mil.)	Share (% p.a.)	Volume (SKK mil.)
May 2008	-290,641	77.69	0	0.00	-2,844	0.76	-80,615	21.55	-374,100
June 2008	-304,557	81.32	0	0.00	-1,311	0.35	-68,650	18.33	-374,518

Source: NBS.

million, to SKK 374.5 billion in June. The structure of sterilisation was still dominated by sterilisation repo tenders, the share of which increased to 81.3% in June, from 77.7% in May. These funds came mostly from NBS bills, the share of which decreased to 18.3%, from 21.6% in May. The share of overnight deposits with NBS also decreased slightly, to 0.4% in June. Overnight refinancing operations were not used at all.

**Interbank transactions**

The slightly increased trading activity in June led to growth in the volume of interbank market transactions, to SKK 2,100.3 billion (from SKK 1,918.2 billion in May). Of the total volume of purchases and sales on the interbank market, the share of resident bank transactions increased to 26.5% and that of transactions with non-resident banks decreased to 73.5%. Broken down by the type of interbank transaction, domestic banks achieved the largest share in deposits (77.1%). Transactions with non-resident banks were dominated by swaps (67.0%). Compared with May, the volumes of deposits, swaps, and FRAs increased, while that of IRS contracts decreased.

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

	Deposits	Repos	Swaps	FRAs	IRs
May 2008	825,941	0	1,073,771	8,200	10,260
June 2008	924,931	0	1,157,215	9,000	9,162

Source: NBS.

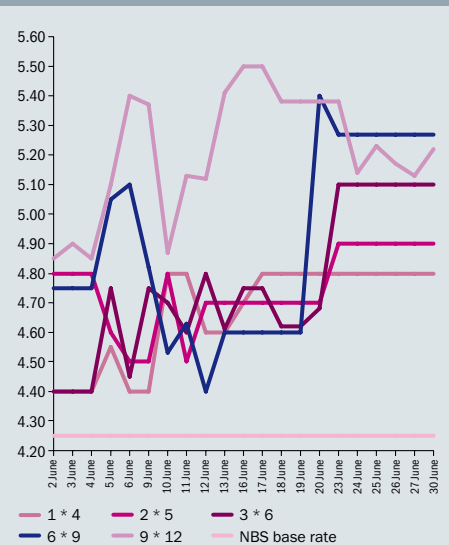
**Minimum required reserves**

For June 2008, the minimum reserve requirement for the banking sector was set at SKK 26.84 billion. This reserve requirement was actually fulfilled to 100.37% during the month.

**Developments in money market interest rate derivatives**

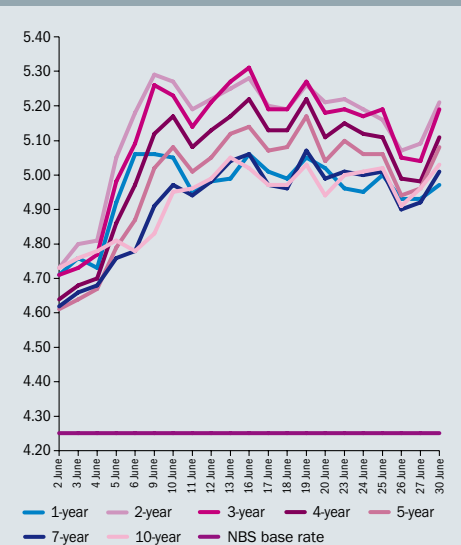
Trading in forward rate agreements (FRAs) recorded an upturn in June, compared with the previous month. Transactions were concluded with three- and six-month maturities and with settlement in 3 and 6 months; they accounted for 100.0% of the trading volume. The share of FRA contracts involving foreign entities accounted for 88.9%. The remaining deals took place with domestic entities.

**Chart 24 Daily Developments in FRAs (% p.a.)**

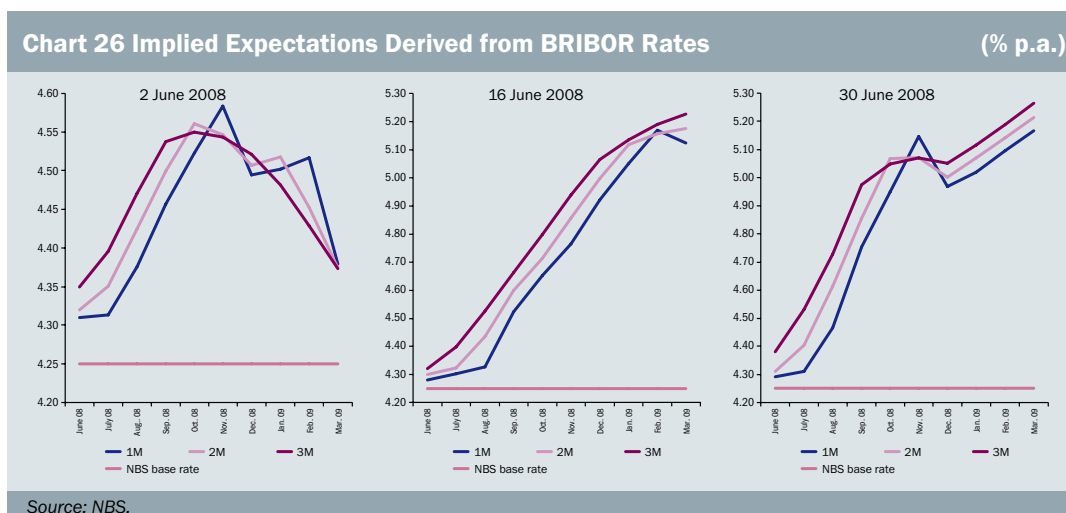


Source: Reuters.

**Chart 25 Daily Developments in IRs (% p.a.)**



Source: Reuters.



Trading in interest rate swaps (IRS) recorded a certain decline in volume, compared with the previous month. Most contracts were concluded with foreign banks (almost 65.7%). The remaining 34.3% of the deals involved domestic entities only. Swap transactions were concluded with one- to five-year maturities. They were dominated by contracts with a maturity of one year, which accounted for 71.0% of the total trading volume. They were followed by transactions with one- to two-year maturities, which accounted for 16.0%.

The values of implied FRA rates, calculated from BRIBOR rates at the beginning of June, indicated a rise in one-, two-, and three-month rates to approximately 4.55% by October 2008, and a fall in the subsequent period. In the middle of the month, they indicated a rise in these rates to 5.20%, expected in February 2009. At the end of the month, the market expectations derived from implied FRA rates pointed to a rise to the level of 5.15% in November 2008 and to 5.25% by March 2009.

### 5.3 Customer Interest Rates in May 2008

The more or less stable market interest rates were again reflected in the levels of customer interest rates in May. Smaller changes were recorded in the prices of certain types of loans and deposits, such as loans to non-financial corporations. They are probably influenced, to some extent, by the situation in the euro-area interbank market.

#### Customer interest rates

Average interest rates on new loans to non-financial corporations recorded differing developments in May, depending on the loan amount. Following the sharp fall in the price of loans of up to EUR 1 million in the previous month, the relevant interest rates rose to the average level of the year. At the same time, lending rates for loans of over EUR 1 million dropped slightly. These changes occurred mostly in the case of loans with a floating rate and an initial rate fixation period of up to 1 year. The price of current account overdrafts recorded a very slight increase only. Broken down by purpose, the steepest increases took place in interest rates on other loans and investment loans.

#### Average interest rates on new loans

Average interest rates on loans to households showed a falling tendency in May. Interest rates on consumer loans dropped considerably (mainly the price of non-specific loans). Other loans also recorded a slight fall in interest levels. The other lending rates remained virtually unchanged. Within the scope of house purchase loans, a slight increase was recorded in the price of other loans for house purchases.

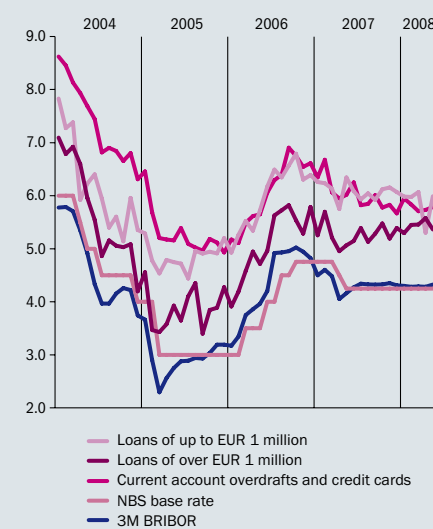
In May, interest rates on deposits from non-financial corporations recorded changes depending on the term of fixation. A slight increase was recorded in interest rates on deposits payable on demand (mainly current account deposits). A fall in interest levels occurred in the case of deposits with longer maturities (over 2 years). Other deposits with agreed maturity and deposits with shorter maturities recorded a modest rise in interest rates.

#### Average interest rates on new deposits

Interest rates on household deposits showed a rising tendency in May. This was mainly apparent in the case of deposits with longer maturities (over 1 year and over 2 years), the price of which noticeably increased. This was connected with the sharp fall in interest rates on deposits with an agreed maturity of over 5 years last year, owing to the 0% interest rate on structured deposits. Interest rates on the other types of deposits remained stagnant.

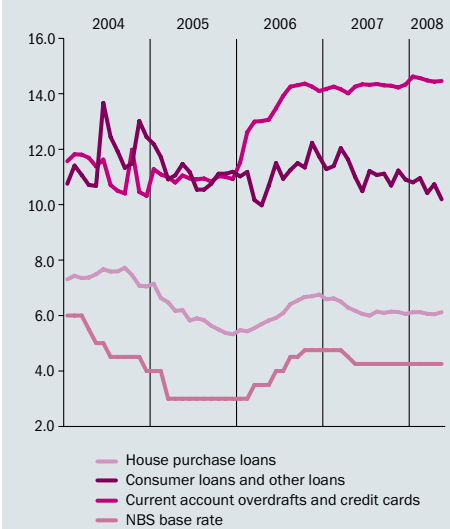


**Chart 27 Interest Rates on Loans to Non-financial Corporations, 3-M BRIBOR, and the NBS Base Rate (%)**



Source: NBS.

**Chart 28 Interest Rates on Loans to Households by Type (%)**



Source: NBS.

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

	Interest rate in %						Changes in May (p.p.)	
	Q2 2007	Q3 2007	Q4 2007	Q1 2008	Apr. 2008	May 2008	against Q2 2007	month-on-month
<b>Loans to non-financial corporations</b>								
Current account overdrafts and credit cards	6.26	6.01	5.67	5.71	5.73	5.79	-0.46	0.06
Loans of up to EUR 1 million	6.09	5.92	6.07	6.07	5.30	5.99	-0.10	0.69
– with a floating rate and an IRF of up to 1 year	6.06	5.90	6.07	6.06	5.28	5.97	-0.08	0.69
– with an IRF of up to 5 years	6.12	6.06	6.44	6.40	5.93	6.39	0.26	0.46
Loans of over EUR 1 million	5.15	5.28	5.39	5.46	5.58	5.36	0.21	-0.22
– with a floating rate and an IRF of up to 1 year	5.05	5.15	5.39	5.47	5.58	5.33	0.29	-0.25
– with an IRF of up to 5 years	5.69	5.99	4.54	4.70	-	5.51	-0.18	-
Total	6.05	5.88	5.62	5.70	5.69	5.75	-0.30	0.06
Total, excluding current account overdrafts and credit cards	5.37	5.42	5.52	5.63	5.47	5.59	0.22	0.12
<b>Loans to households</b>								
Current account overdrafts and credit cards	14.34	14.30	14.34	14.48	14.43	14.46	0.13	0.03
Consumer loans	12.44	13.59	13.23	12.85	12.92	12.41	-0.03	-0.51
House purchase loans	6.06	6.10	6.06	6.06	6.05	6.12	0.06	0.07
of which: mortgage loans	5.79	5.78	5.72	5.75	5.80	5.79	0.00	-0.01
Other loans	6.75	6.97	7.00	6.84	6.90	6.75	0.00	-0.15
Total	12.16	12.21	12.38	12.27	11.82	11.97	-0.19	0.15
Total, excluding current account overdrafts and credit cards	7.65	7.58	7.52	7.45	7.52	7.43	-0.22	-0.09
NBS base rate	4.25	4.25	4.25	4.25	4.25	4.25	0.00	0.00
3M BRIBOR	4.27	4.32	4.31	4.29	4.28	4.32	0.05	0.04

Source: NBS.

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



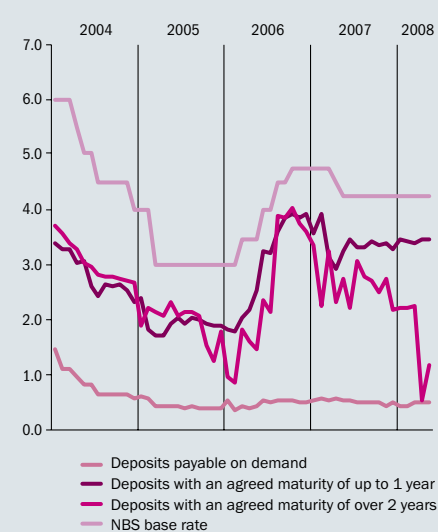


**Chart 29 Interest Rates on Deposits from Non-financial Corporations (%)**



Source: NBS.

**Chart 30 Interest Rates on Household Deposits (%)**



Source: NBS.

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

	Interest rate in %						Changes in May (p.p.)	
	Q2 2007	Q3 2007	Q4 2007	Q1 2008	Apr. 2008	May 2008	against Q2 2007	Month- on-month changes
<b>New deposits from non-financial corporations</b>								
Deposits repayable on demand	2.12	0.88	0.78	0.83	0.77	0.92	-1.20	0.15
Deposits with an agreed maturity of								
– up to 1 year	4.09	3.93	3.60	3.64	3.78	3.84	-0.24	0.06
– over 1 and up to 2 years	0.00	3.50	3.79	1.70	3.02	3.42	3.42	0.40
– over 2 years	1.91	2.77	2.30	1.35	4.35	1.99	0.09	-2.36
Total	3.09	2.28	1.83	2.13	2.36	2.33	-0.76	-0.03
<b>New deposits from households</b>								
Deposits repayable on demand	0.51	0.47	0.47	0.47	0.49	0.50	-0.01	0.01
Deposits with an agreed ma- turity of								
– up to 1 year	3.49	3.45	3.28	3.41	3.47	3.48	-0.01	0.01
– over 1 and up to 2 years	3.34	3.50	3.58	3.73	3.71	3.98	0.64	0.27
– over 2 years	2.24	2.70	2.20	2.28	0.54	1.16	-1.08	0.62
Deposits redeemable at notice								
– up to 3 months	1.23	1.33	1.42	1.45	1.45	1.45	0.22	0.00
– over 3 months	1.90	1.96	2.05	2.14	2.12	2.13	0.23	0.01
Total	1.00	1.00	0.99	1.18	1.16	1.12	0.12	-0.04
Basic NBS rate	4.25	4.25	4.25	4.25	4.25	4.25	0.00	0.00
3M BRIBOR	4.27	4.32	4.31	4.32	4.32	4.32	0.05	0.00

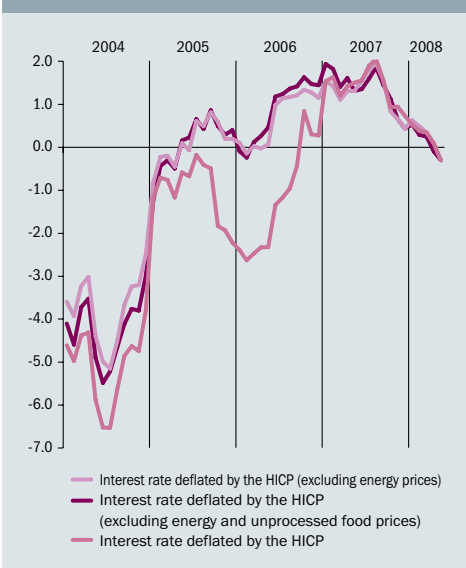
Source: NBS.

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



**Real interest rate** The real interest rate on household deposits, calculated by deflating the rate of interest on new one-year household deposits by HICP inflation, reached -0.30% (negative figure) in June, which represented a fall of 0.40 of a percentage point compared with the previous month. The accelerating inflation in recent months, accompanied by stagnation (or a slight fall) in interest levels, has led to a longer-term downward trend in the real interest rate.

**Chart 31 Real Interest Rates on Household Deposits (%)**



Source: NBS.

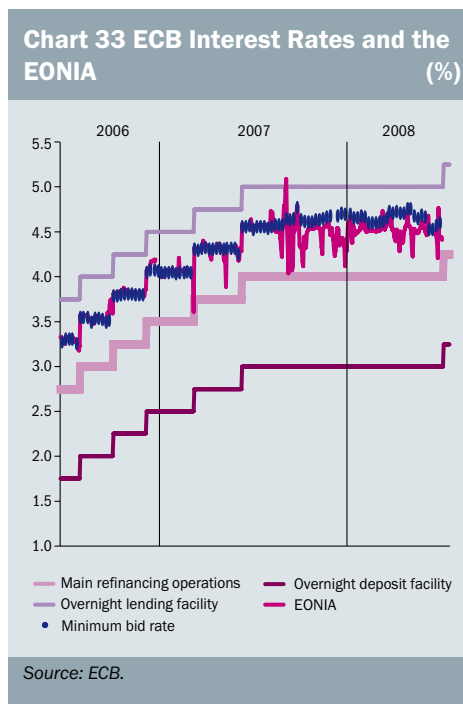
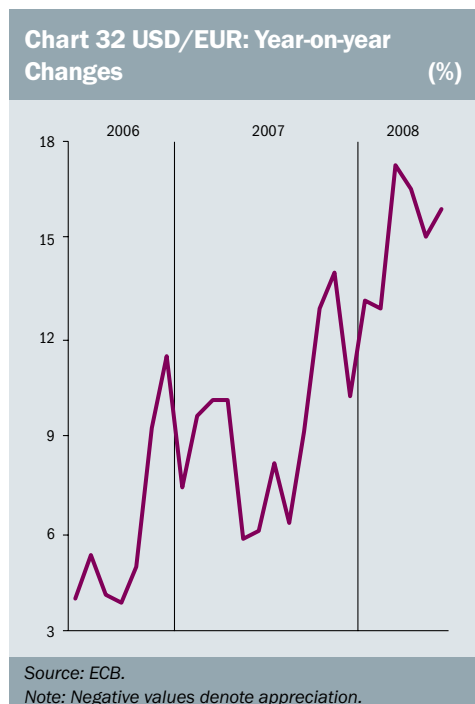
## Annexes

### 1 International Economy: Tables and Charts

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

	Prices			Real economy				Financial market
	HICP	HICP <sup>1)</sup> (core inflation)	PPI	GDP <sup>2),4),5)</sup>	Industrial production <sup>2),3)</sup>	Retail trade (sales) <sup>2),3)</sup>	Unemployment (% of the labour force) <sup>6)</sup>	10-years bonds (yield to maturity in %)
2005	2.2	1.5	4.1	1.7	1.4	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	2.7	3.4	0.9	7.4	4.33
2007 Q2	1.9	1.9	2.4	2.6	2.8	1.0	7.5	4.42
2007 Q3	1.9	2.0	2.1	2.7	3.9	1.4	7.4	4.48
2007 Q4	2.9	2.3	4.0	2.2	3.0	-0.4	7.3	4.34
2008 Q1	3.4	2.5	5.4	2.1	2.5	-0.1	7.2	4.15
2008 Q2	3.6	2.5	.	.	.	.	.	4.50
III.08	3.6	2.7	5.8	-	1.3	-2.3	7.2	4.07
IV.08	3.3	2.4	6.2	-	4.0	-3.0	7.2	4.28
V.08	3.7	2.5	7.1	-	-0.6	0.2	7.2	4.42
VI.08	4.0	2.5	.	-	.	.	.	4.81

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





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

	Prices			Real economy				Financial market
	HICP	HICP <sup>1)</sup> (core inflation)	PPI	GDP <sup>2),4),5)</sup>	Industrial production <sup>2),3)</sup>	Retail trade (sales) <sup>2),3)</sup>	Unemployment (% of the labour force) <sup>6)</sup>	10-years bonds (yield to maturity in %) <sup>7)</sup>
2005	1.6	0.9	3.0	6.4	6.7	3.9	7.9	3.54
2006	2.1	0.9	1.6	6.4	11.5	6.9	7.2	3.80
2007	3.0	3.1	4.0	6.5	8.8	6.5	5.3	4.30
2007 Q2	2.6	2.8	4.1	6.8	9.2	7.5	5.5	4.20
2007 Q3	2.7	3.1	3.9	6.5	6.8	7.0	5.1	4.52
2007 Q4	4.9	4.5	5.0	6.3	7.5	4.0	4.9	4.59
2008 Q1	7.6	6.9	5.7	5.3	6.9	2.0	4.5	4.59
2008 Q2	6.7	6.2	.	.	.	.	.	4.90
III.08	7.1	6.6	5.4	-	1.8	-1.0	4.4	4.68
IV.08	6.7	6.5	4.7	-	8.0	2.1	4.4	4.72
V.08	6.8	6.2	5.2	-	5.2	.	4.4	4.84
VI.08	6.6	5.9	.	-	.	.	.	5.13

Source: Eurostat, ECB, NBS calculations.

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

2) Constant prices.

3) Adjusted for calendar effects.

4) Adjusted for seasonal and calendar effects.

5) Annual data are not adjusted for calendar effects.

6) Harmonised data, ILO definition, seasonally adjusted.

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

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

	Prices			Real economy				Financial market
	HICP	HICP <sup>1)</sup> (core inflation)	PPI	GDP <sup>2),4),5)</sup>	Industrial production <sup>2),3)</sup>	Retail trade (sales) <sup>2),3)</sup>	Unemployment (% of the labour force) <sup>6)</sup>	10-years bonds (yield to maturity in %) <sup>7)</sup>
2005	3.5	2.7	8.3	4.1	7.3	5.7	7.2	6.60
2006	4.0	2.5	8.4	3.9	10.7	4.3	7.5	7.12
2007	7.9	6.7	6.4	1.3	8.3	-3.0	7.4	6.74
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	7.8	6.76
2008 Q1	6.9	5.9	10.7	0.8	6.5	-3.1	7.7	7.70
2008 Q2	6.8	5.6	.	.	.	.	.	8.20
III.08	6.7	5.6	10.8	-	4.4	-3.7	7.6	8.41
IV.08	6.8	5.7	11.7	-	6.5	-1.4	7.6	8.02
V.08	6.9	5.6	11.7	-	4.7	.	7.6	8.08
VI.08	6.6	5.6	.	-	.	.	.	8.50

Source: Eurostat, ECB, NBS calculations.

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

2) Constant prices.

3) Adjusted for calendar effects.

4) Adjusted for seasonal and calendar effects.

5) Annual data are not adjusted for calendar effects.

6) Harmonised data, ILO definition, seasonally adjusted.

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

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

	Prices			Real economy				Financial market
	HICP	HICP <sup>1)</sup> (core inflation)	PPI	GDP <sup>2),4),5)</sup>	Industrial production <sup>2),3)</sup>	Retail trade (sales) <sup>2),3)</sup>	Unemployment (% of the labour force) <sup>6)</sup>	10-years bonds (yield to maturity in %) <sup>7)</sup>
2005	2.2	1.2	2.1	3.6	4.5	1.3	17.8	5.22
2006	1.3	0.6	2.5	6.2	12.2	9.6	13.9	5.23
2007	2.6	2.0	3.6	6.5	9.5	13.5	9.6	5.48
2007 Q2	2.3	1.7	3.2	6.8	8.1	14.0	9.8	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	8.5	5.73
2008 Q1	4.5	3.7	5.4	6.4	9.3	8.2	7.7	5.87
2008 Q2	4.3	3.8	.	.	.	.	.	6.17
III.08	4.4	3.8	5.6	-	5.5	4.1	7.5	5.99
IV.08	4.3	3.9	5.4	-	12.2	8.4	7.6	5.99
V.08	4.3	3.7	6.0	-	2.4	6.2	7.5	6.10
VI.08	4.3	3.7	.	-	.	.	.	6.42

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 34 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 35 Exchange Rates of V4 Currencies against the Euro**  
(year-on-year changes in %)



Sources: Eurostat, NBS calculations.

Note: Negative values denotes appreciation.



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

	Prices			Real economy				Financial market
	CPI	CPI <sup>1)</sup> (core inflation)	PPI <sup>2)</sup>	GDP <sup>3)</sup>	Industrial production <sup>4)</sup>	Retail trade <sup>5)</sup>	Unemployment	10-years bonds (yield to maturity in %)
2005	3.4	2.2	4.9	3.1	3.3	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 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	4.7	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
2008 Q2	4.4	2.3	7.6	.	.	1.3	5.3	3.88
III.08	4.0	2.4	6.9	-	1.4	1.9	5.1	3.51
IV.08	3.9	2.3	6.4	-	0.1	2.5	5.0	3.68
V.08	4.2	2.3	7.2	-	-0.1	1.7	5.5	3.87
VI.08	5.0	2.4	9.1	-	.	2.5	5.5	4.10

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

1) Core CPI – inflation excluding food and energy.

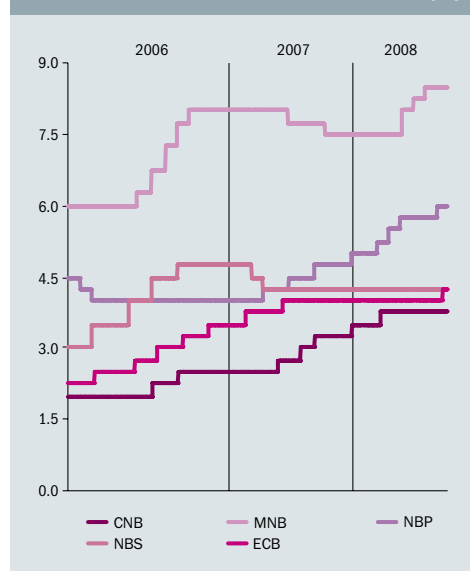
2) PPI finished products.

3) Seasonally adjusted.

4) Industrial production in total (seasonally adjusted.)

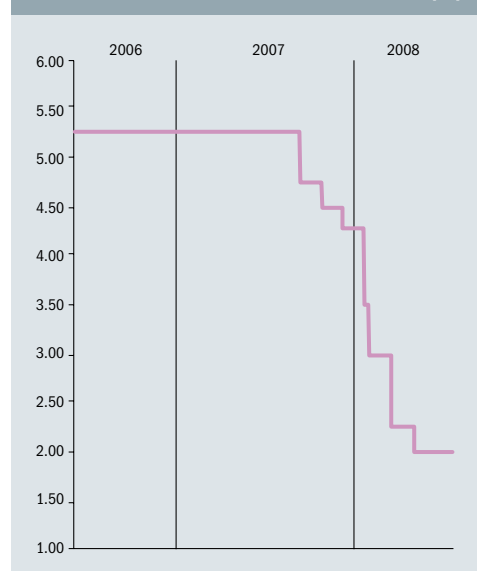
5) Retail trade and restaurant services.

**Chart 36 Key Interest Rates of the NCBs of V4 Countries (%)**



Sources: ECB, national central banks.

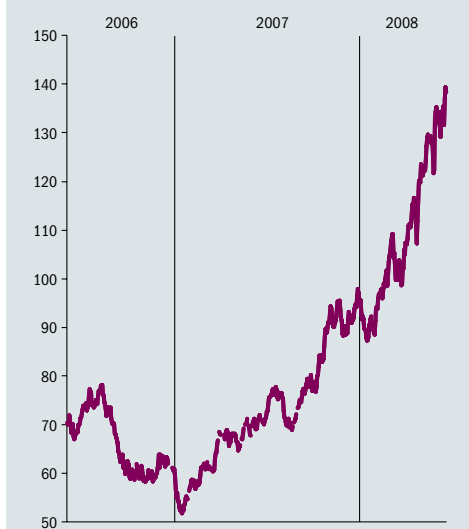
**Chart 37 United States: Federal Funds Rate (%)**



Source: Federal Reserve System.



Chart 38 Oil Prices in USD/Barrel



Source: Reuters.



## 2 Capital Market

### 2.1 Primary Market

In June, the Agency for Debt and Liquidity Management (ARDAL) held two auctions in government bonds (with residual maturities of 8.8 and 2.8 years). Demand at the first auction reached SKK 2.6 billion, of which SKK 1.8 billion was accepted. The yields required averaged 4.916%. At the second auction, which took place at the end of June, ARDAL accepted SKK 1.1 billion of the bids submitted for a total amount SKK 2.7 billion, with an average yield of 5.227%.

On the primary market for non-government bonds, 6 bond issues were floated in June in the total amount of SKK 4.3 billion, of which five issues were denominated in SKK and one issue in EUR (the value of the latter was SKK 1.8 billion). Three of the issues involved mortgage bonds in the amount of SKK 2.8 billion, two of which were denominated in SKK and one in EUR.

### 2.2 Secondary Market

The total volume traded on the Bratislava Stock Exchange (BCPB) reached SKK 52.8 billion in June (in 295 transactions), representing a month-on-month increase of 509.8%. Price-setting transactions accounted for SKK 272.5 million and direct transactions for SKK 52.6 billion.

Non-resident investors accounted for 58.2% of the total volume traded in June, of which 68.2% were purchases and 48.2% sales.

**Bonds** Benchmark government bond yields rose month-on-month by an average of 0.33 of a percentage point. The most significant changes in bond yields were recorded at two-year to four-year maturities (an average rise of 0.44 of a percentage point). Bond yields were influenced by the fluctuation in euro-area bond yields, which, however, recorded smaller increases than those in Slovakia. As a result, the spread between the Slovak and European benchmarks has widened.

The BCPB recorded 161 bond transactions totalling SKK 52.8 billion during the month (i.e. almost 100% of the total volume traded on the BCPB floor in June).

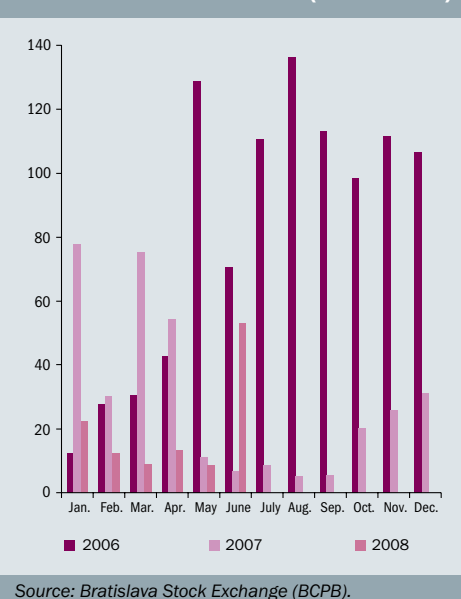
The market capitalisation of bonds as at the last trading day of June reached SKK 426.7 billion, representing a month-on-month decrease of 0.01%. The market capitalisation of listed bonds had dropped since the end of May by 0.07%, to SKK 409.2 billion.

The SDXG (<=5) short-term private sub-index is no longer calculated, since the last base issue has been excluded from the basket, because its residual maturity fell below one year.

**Chart 39 Benchmark Government Bond Yield Curves (%)**



**Chart 40 Bond Transactions in the BCPB (SKK billion)**





**Table 30 The Values of SDXGroup Indices at the End of June 2008**
**SDXGroup indices**

Sector	SDXGroup indices		Yield to maturity (%)	Duration (in years)
	Price	Performance		
Public	99.6	121.0	5.094	5.197
SDXG sub-index (<=5)	99.3	119.2	5.101	3.301
SDXG sub-index (>5)	100.3	123.6	5.090	7.172
Private (corporate + mortgage bonds)	100.8	128.6	4.263	4.325
SDXG sub-index (>5)	100.0	101.1	4.263	4.325

Source: BCPB.

**Chart 41 Developments in the SAX Index in June 2008 (points)**


Source: BCPB.

During the month under review, SKK 11.4 million was traded in shares, in 134 transactions. Price-setting transactions accounted for SKK 6.6 million and direct transactions for SKK 4.8 billion.

**Shares**

By the last trading day of June, the market capitalisation of equity securities had fallen month-on-month by 0.4%, to SKK 149.1 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 142.6 billion (a month-on-month decrease of 0.4%) and accounted for 95.7% of the total equity market capitalisation. The market capitalisation of listed issues had decreased since the end of May by 1.6%, to SKK 85.8 billion.

Over the period under review, two new bond issues were accepted for trading on the BCPB floor. One of them was an issue of bank bonds put on the quoted parallel market in the amount of SKK 110 million, the other was a corporate bond issue of SKK 215.6 million on the regulated open market. Excluded from trading with effect from June was a corporate bond issue of SKK 125 million, on account of maturity.

**New and cancelled issues**

In June, the BCPB accepted no new share issue for trading on the quoted market, nor on the regulated open market. Trading was ended, at the issuer's request, in one share issue on the quoted market (SKK 10 million) and in three share issues on the regulated open market (SKK 340.5 million in total).

The SAX index closed the month at 437.76 points in June, representing a fall of 2.6% month-on-month and 6.8% year-on-year. The index reached a monthly maximum on 6 June (451.68 points) and a monthly minimum on 26 June (434.6 points).

**SAX Index**
**Table 31 Weights of Basic SAX Index Components at Month-Ends in 2008**

Company	Weights in %						Monthly change in p.p.
	2008						
	Jan.	Feb.	Mar.	Apr.	May	June	
Biotika, a. s.	4.02	4.03	4.62	4.56	4.31	4.43	0.12
OTP Banka Slovensko, a. s.	21.35	22.09	21.68	22.44	22.36	19.39	-2.97
SES Tlmače, a. s.	17.28	16.62	16.68	17.81	18.25	20.40	2.15
Slovnaft, a. s.	29.93	29.40	29.98	27.93	28.66	29.42	0.76
Všeobecná úverová banka, a. s.	27.43	27.86	27.03	27.26	26.41	26.36	-0.05

Source: BCPB.



### 3 Methodological Notes to Selected Indicators

#### 3.1 Monetary Statistics

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

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

In 2003, similarly as in national methodology, the MFI sector was composed of Národná banka Slovenska, commercial banks headquartered in the SR, home savings banks, and the local branches of foreign banks. With effect from January 2004, in accordance with ECB methodology, the MFI sector was extended to include money market investment funds, which are now required to report data to NBS on a-monthly basis (the list of MFIs monitored by NBS is regularly updated and published on the website of Národná banka Slovenska)<sup>5</sup>.

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

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

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

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

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

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

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

$I_t$  – index at period t

$T_t$  – transactions in period t

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

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

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

<sup>5</sup> The actual list of MFIs and detailed methodological information on harmonised monetary and banking statistics are available on the website of Národná banka Slovenska (<http://www.nbs.sk>), in the 'Monetary and Banking Statistics / Monetary Statistics of the MFIs', under 'Banking sector of the SR' menu.

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

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

$F_t$  – transactions

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

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

$C_t$  – adjustment related to reclassification

$V_t$  – adjustment related to revaluation

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

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

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

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

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

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

**Table 32 Calculation of Monetary Aggregates**

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

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

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



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

- **in the nature and liquidity of the resources:**
  - the ECB methodology monitors liquidity through the broader M3 aggregate, which also includes repo operations, the unit certificates of open-end money market investment funds, and debt securities, which represent, in terms of liquidity and profitability, a substitute for bank deposits (with regard to maturity, ECB liabilities with a maturity of over 2 years are not included in the monetary aggregates);
  - the NBS methodology monitors the money supply measured in terms of the M2 aggregate, which is composed of currency in circulation and bank deposits irrespective of the time of maturity;
- **in the definitions of deposits and loans:**
  - the ECB methodology extends the definition of deposits to include also subordinated debt in the form of deposits, liabilities arising from repo operations, and non-negotiable securities issued by banks and held by clients (in the case of loans, they also include non-marketable securities issued by clients and held by banks, subordinated debt in the form of loans, receivables in respect of repo operations, and tradable loans);
  - the NBS methodology uses a so-called 'narrow definition' for both loans and deposits, i.e. they only correspond to the amount of funds recorded by MFIs as loans (including classified loans) and deposits;
- **in the structure of monetary aggregates by sector:**
  - the ECB methodology (with the deposits of MMFs being deducted from customer deposits) covers the above sectors, as well as the deposits of local government (S.1313) and social insurance funds (S.1314)<sup>6</sup>;
  - the NBS methodology includes deposits in the M2 money supply from the following economic sectors:
    - non-financial corporations (S.11);
    - financial corporations (S.123 and S.124) – including MMF deposits;
    - insurance companies and pension funds (S.125);
    - non-profit institutions mainly serving households (S.15);
    - households (S.14 – sole traders);
    - households (S.14 – accounts of citizens).
- **in respect of the residence of economic entities:**
  - the ECB methodology exclusively takes into account the funds of residents (in Slovak koruna as well as foreign currency);
  - the NBS methodology also monitors the koruna deposits of non-residents as part of the monetary aggregates;
- **in respect of accrued assets and liabilities:**
  - in the ECB methodology, accrued assets and liabilities are excluded from the monetary aggregates;
  - in the NBS methodology, accrued assets and liabilities are included in the deposit and loan accounts of clients;
- **in respect of the seasonal adjustment of time series:**
  - unlike the ECB methodology, the NBS methodology uses seasonally unadjusted data<sup>7</sup>.

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

As of the beginning of 2005, customer interest rates are evaluated according to ECB methodology, where interest rates are monitored on loans granted<sup>8</sup> and deposits received (new contracts). According to this methodology, the subjects of monitoring are interest rates on new business volumes. New loans and new deposits are understood to be contracts signed for the first time, fixing the rate of interest agreed between the bank and the customer, and new contracts negotiated with the active participation of the customer.

<sup>6</sup> In the methodology of NBS, the M2 money supply excludes public sector deposits, which are monitored separately as part of net credit to the general government.

<sup>7</sup> In the conditions of NBS, the recording of seasonally adjusted data according to ECB methodology is currently in the stage of preparation.

<sup>8</sup> The term 'granted loans' is an equivalent of the term 'new loan'.



In a breakdown by sector, lending and deposit rates for households and non-financial corporations are assessed in the way these sectors are defined in Directive No. 63/2002<sup>9</sup> of the European Central Bank, concerning interest rate statistics.

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

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

Loans to households are classified by purpose as follows:

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

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

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

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.

<sup>9</sup> According to Article 1 paragraph 2 of Decree No. 63/2002 of the European Central Bank of 20 December 2001, concerning the statistics of interest rates of monetary financial institutions on loans to and deposits from households and non-financial corporations, the term 'households' as defined in Annex A to Directive No. 2223/96 of the European Communities of 25 June 1996 on the European System of National and Regional Accounts (ESA95) means the household sector S.14 (i.e. households and sole traders) and non-profit institutions serving households S.15, and the term 'non-financial corporations' means sector S.11.



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

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

### 3.1.4 Classification of Loans According to Quality

#### Year 2005<sup>10</sup>

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

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

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

Standard claims – defined as claims where:

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

Standard claims with qualification – defined as claims where:

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

Non-standard claims – defined as claims where:

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

Doubtful claims – defined as claims where:

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

<sup>10</sup> Until 2004, claims had been classified as standard loans, standard loans with qualification, non-standard loans, doubtful loans, and loss-making loans.



Loss-making claims – defined as claims where:

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

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

### Year 2006

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

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

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

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

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

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

- significant and
- insignificant.

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

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

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

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

### 3.1.5 Balance of Payments

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



## 3.2 Basic Macroeconomic Indicators

### 3.2.1 Gross Domestic Product (GDP)

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

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

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

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

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

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

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

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

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

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

**Gross fixed capital formation** – consists of resident producers' acquisitions, less disposals, of fixed assets during a given period. Fixed assets are tangible or intangible assets produced as outputs from processes of production that are themselves used repeatedly, or continuously, in processes of 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					
		6	7	8	9	10	11	12	1	2	3	4	5	6
<b>REAL ECONOMY</b>														
Gross domestic product <sup>1)2)</sup>	SKKbillions	683.7*	-	-	1,052.2*	-	-	1,429.5*	-	-	354.3*	-	-	-
Year-on-year change in GDP <sup>3)</sup>	%	8.8*	-	-	9.0*	-	-	10.4*	-	-	8.7*	-	-	-
Unemployment rate <sup>4)9)</sup>	%	8.3	8.3	8.2	8.3	7.9	7.8	8.0	8.1	7.8	7.6	7.4	7.4	-
Consumer prices (HICP) <sup>3)8)</sup>	%	1.5	1.2	1.2	1.7	2.4	2.3	2.5	3.2	3.4	3.6	3.7	4.0	4.3
Consumer prices (CPI) <sup>3)</sup>	%	2.5	2.3	2.3	2.8	3.3	3.1	3.4	3.8	4.1	4.2	4.3	4.6	4.6
<b>BALANCE OF TRADE <sup>7) (p)</sup></b>														
Exports (fob)	SKKmillions	684,372	798,733	906,896	1,030,426	1,173,213	1,312,257	1,420,738	124,740	256,442	383,080	517,889	646,992	-
Imports (fob)	SKKmillions	686,582	802,506	916,474	1,036,352	1,178,389	1,322,055	1,442,123	121,068	250,310	378,458	520,030	645,013	-
Balance	SKKmillions	-2,211	-3,773	-9,578	-5,926	-5,176	-9,798	-21,385	3,673	6,132	4,621	-2,141	1,979	-
<b>BALANCE OF PAYMENTS</b>														
Current account <sup>7)</sup>	SKKmillions	-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	-22,186.7	-	-
Capital and financial account	SKKmillions	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	31,936.8	-	-
Overall balance	SKKmillions	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	-1,549.9	-	-
<b>FOREIGN EXCHANGE RESERVES <sup>4)</sup></b>														
Total foreign exchange reserves	USDmillions	19,600.5	19,717.1	19,807.3	20,668.3	21,371.7	21,868.6	21,598.6	21,956.0	22,401.5	23,122.9	23,504.3	23,460.6	23,617.5
NBS foreign exchange reserves	USDmillions	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	19,917.4
<b>GROSS EXTERNAL DEBT <sup>4)</sup></b>														
Total gross external debt	USDbillions	36.7	38.2	38.3	39.8	42.2	43.1	44.3	43.7	46.6	49.4	50.1	-	-
External debt per capita	USD	6,814	7,109	7,111	7,398	7,848	8,014	8,237	8,117	8,669	9,180	9,322	-	-
<b>MONETARY INDICATORS</b>														
Exchange rate <sup>5)</sup>	SKK/USD	25.355	24.311	24.647	24.378	23.669	22.637	22.882	22.797	22.495	20.977	20.550	20.253	19.512
M3 monetary aggregate <sup>4)8)</sup>	SKKbillions	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	1,108.1	-
Year-on-year change in M3 <sup>3)</sup>	%	19.2	15.6	15.3	16.2	14.4	12.3	13.0	12.6	12.2	10.5	10.2	9.8	-
Claims of monetary financial institutions <sup>8)</sup>	SKKbillions	954.5	967.5	973.2	988.6	1,012.8	1,029.4	1,044.7	1,041.1	1,049.8	1,045.0	1,058.6	1,061.4	-
<b>STATE BUDGET <sup>2)4)</sup></b>														
Revenue	SKKbillions	145.8	185.4	206.3	228.5	263.1	290.3	322.2	35.0	51.5	81.0	113.4	133.3	156.2
Expenditure	SKKbillions	156.8	181.5	205.9	229.1	256.2	284.9	345.7	22.0	50.0	77.6	105.7	136.4	160.3
Balance	SKKbillions	-11.0	9.3	0.4	-0.6	6.9	5.4	-23.5	13.0	1.5	3.4	7.7	-3.1	-4.1
<b>MONEY MARKET</b>														
Interest rates set by the NBS Bank Board														
Date of validity <sup>6)</sup>														
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	%	4.68	3.73	3.52	4.10	3.78	3.82	2.75	4.01	3.39	3.25	3.62	4.12	3.52
7-day	%	4.34	4.19	4.08	4.24	4.20	4.19	3.93	4.22	4.00	3.98	4.07	4.19	4.02
14-day	%	4.30	4.25	4.20	4.25	4.25	4.25	4.12	4.24	4.12	4.10	4.16	4.22	4.13
1-month	%	4.27	4.28	4.28	4.28	4.28	4.28	4.25	4.28	4.23	4.21	4.23	4.26	4.26
2-month	%	4.26	4.32	4.30	4.31	4.31	4.32	4.28	4.30	4.26	4.27	4.26	4.29	4.31
3-month	%	4.27	4.34	4.33	4.32	4.33	4.35	4.31	4.32	4.28	4.29	4.28	4.32	4.34
6-month	%	4.27	4.37	4.40	4.38	4.38	4.40	4.36	4.35	4.30	4.32	4.33	4.40	4.57
9-month	%	4.28	4.40	4.44	4.41	4.42	4.43	4.41	4.38	4.30	4.32	4.36	4.46	4.74
12-month	%	4.30	4.42	4.47	4.44	4.45	4.45	4.45	4.41	4.30	4.32	4.39	4.50	4.88

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

<sup>1)</sup> Preliminary data.

<sup>2)</sup> In constant prices, calculated by chaining values; the reference period is the year 2000.

<sup>3)</sup> Cumulative since the beginning of the year.

<sup>4)</sup> Change compared with the same period a year earlier.

<sup>5)</sup> End-of-period figures.

<sup>6)</sup> Exchange rate (mid), average for the period.

<sup>7)</sup> The date from which the given interest rate is effective pursuant to the Bank Board's decision.

<sup>8)</sup> As from May 2004, foreign trade and current account figures are revised on a monthly basis.

<sup>9)</sup> According to the methodology of the ECB.

<sup>10)</sup> Registered unemployment.



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

	Share of the total (in %) <sup>1)</sup>	Volume (SKK billion)												
		2007										2008		
		5	6	7	8	9	10	11	12	1	2	3	4	5
Claims of MFIs on residents	50.2	690.3	706.9	720.8	725.9	742.8	762.3	776.4	793.3	808.0	815.1	825.0	835.7	836.9
General government	1.3	23.0	21.1	21.0	21.4	21.4	21.0	22.4	23.0	23.0	22.7	22.2	21.7	21.3
Private sector	48.9	667.4	685.8	699.8	704.5	721.5	741.2	754.0	770.3	785.0	792.4	802.8	814.0	815.6
Non-financial corporations	25.2	346.7	357.5	364.4	364.2	374.5	385.1	389.3	399.5	410.5	413.2	415.0	420.5	419.6
– up to 1 year	10.6	146.3	158.4	156.9	153.5	160.8	165.2	169.3	170.5	174.7	175.7	176.6	177.8	177.5
– 1 to 5 years	5.1	69.2	67.5	72.4	72.7	72.4	74.8	76.9	82.3	86.1	86.7	86.0	86.2	85.6
– over 5 years	9.4	131.3	131.6	135.1	138.0	141.3	145.1	143.1	146.7	149.6	150.8	152.4	156.5	156.5
Financial corporations	3.7	60.4	61.2	62.4	61.6	62.6	64.5	66.2	66.4	66.1	65.9	68.5	66.6	61.5
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	20.0	260.2	267.1	273.0	278.7	284.4	291.5	298.5	304.3	308.4	313.2	319.2	326.9	334.4
– consumer loans	2.7	37.5	38.2	39.0	39.4	40.0	40.5	41.1	41.6	41.8	42.3	43.1	44.3	45.4
– house purchase loans	13.5	173.6	178.1	181.9	186.1	190.0	194.9	199.6	204.1	207.4	210.9	214.7	219.9	224.9
– other loans	3.8	49.2	50.8	52.0	53.3	54.4	56.1	57.7	58.6	59.1	60.0	61.4	62.7	64.1
Securities other than shares and participation certificates issued by residents	12.8	239.4	240.6	239.7	240.2	238.7	243.5	245.0	245.4	222.2	223.9	209.1	211.9	213.2
General government	12.4	232.5	233.9	232.9	233.4	231.7	236.6	238.2	238.6	215.9	217.5	202.7	205.2	206.4
Private sector	0.4	6.9	6.7	6.7	6.8	7.0	6.9	6.8	6.7	6.3	6.4	6.4	6.7	6.8
Shares and other equities issued by private sector	0.7	6.9	7.0	7.0	7.0	7.1	7.1	8.0	8.2	10.8	10.9	11.0	11.0	11.3
Foreign assets	30.7	544.6	545.9	537.9	554.9	551.4	554.8	544.4	570.0	565.0	546.9	532.8	549.7	512.4
Fixed assets	2.0	32.6	32.3	32.3	32.2	32.1	32.0	32.2	33.1	33.1	33.0	33.0	32.9	32.7
Other assets	3.7	55.4	54.4	53.7	53.1	55.7	59.9	60.0	50.7	50.0	53.2	53.7	52.2	61.9
Deposits and loans received from the central government	1.6	64.0	68.8	85.4	79.7	74.8	82.4	90.6	61.0	54.3	42.2	21.6	37.8	26.4
Long-term financial liabilities	8.8	161.5	165.3	157.6	164.5	169.2	168.6	170.9	182.6	196.1	188.7	181.5	172.0	146.6
Deposits and loans received with an agreed maturity of over 2 years	4.4	68.5	69.2	69.1	69.9	70.2	70.2	71.1	73.7	73.9	74.2	73.4	72.8	73.0
Deposits repayable at a period of notice of over 3 months	1.4	23.6	23.7	23.6	23.4	23.4	23.3	23.3	23.5	23.6	23.4	23.2	23.1	23.0
Debt securities issued with a maturity of over 2 years	2.9	34.5	37.5	37.0	37.3	39.0	41.5	43.0	44.7	43.5	45.1	46.1	47.4	47.8
Capital, reserves, and provisions	0.2	34.9	35.0	28.0	33.9	36.6	33.7	33.6	40.7	55.1	46.1	38.8	28.7	2.8
Foreign liabilities	17.7	256.8	254.4	264.9	271.8	267.0	284.1	279.2	307.8	280.1	283.8	290.5	312.3	295.8
Other liabilities	5.5	78.5	76.4	75.0	68.2	77.4	84.9	84.3	67.0	76.4	75.0	86.3	83.1	92.1
Surplus of liabilities among MFIs	0.0	-0.9	-4.3	-0.1	-0.1	-0.1	-0.0	-0.1	-0.4	-0.0	0.1	-0.0	-2.6	-0.4
M3	66.4	1009.3	1026.6	1008.5	1029.3	1039.4	1039.6	1041.0	1082.7	1082.3	1093.1	1084.6	1090.8	1108.1
<b>Total</b>	<b>100.0</b>	<b>1569.3</b>	<b>1587.2</b>	<b>1591.4</b>	<b>1613.4</b>	<b>1627.7</b>	<b>1659.6</b>	<b>1665.9</b>	<b>1700.8</b>	<b>1689.2</b>	<b>1682.9</b>	<b>1664.5</b>	<b>1693.4</b>	<b>1668.5</b>

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



### Average Interest Rates on New Loans

(ECB methodology)

(%)

	2007								2008				
	5	6	7	8	9	10	11	12	1	2	3	4	5
<b>Loans in total<sup>1)</sup></b>	7.66	7.76	7.44	7.30	7.45	7.22	7.36	7.10	7.43	7.47	7.36	7.19	7.22
Current account overdrafts	7.94	8.00	7.61	7.68	7.71	7.47	7.52	7.39	7.61	7.41	7.29	7.25	7.29
operating loans	4.97	4.97	4.85	4.57	4.82	4.76	4.91	5.09	4.74	4.91	4.83	4.49	4.87
Investment loans	5.72	5.46	5.48	5.71	5.67	5.65	5.52	5.47	5.61	5.54	5.65	5.39	5.55
Consumer loans	12.86	12.44	13.41	13.46	13.55	13.66	13.30	13.12	12.92	12.85	12.84	12.90	12.40
House purchase loans	6.06	5.96	5.98	6.11	6.10	6.09	6.07	6.07	6.09	6.15	6.07	6.07	6.15
of which:													
Mortgage loans	5.93	5.79	5.80	5.81	5.78	5.75	5.76	5.73	5.81	5.80	5.76	5.81	5.79
Construction loans	4.91	4.94	5.04	4.92	4.88	5.03	4.88	4.91	4.88	4.83	4.82	4.87	4.85
Intermediate loans	6.88	6.87	6.72	6.68	6.74	6.76	6.73	6.70	6.68	6.74	6.79	6.82	6.79
Other real estate loans	5.97	5.89	5.97	6.25	6.22	6.11	6.15	6.24	6.22	6.29	6.18	6.19	6.32
Other loans	6.80	6.41	6.51	6.09	6.17	6.36	6.43	5.74	6.57	6.03	6.71	6.30	6.53
Floating rate + IRF for up to 1 year incl.	7.70	7.78	7.46	7.31	7.47	7.20	7.32	7.06	7.40	7.44	7.32	7.12	7.20
IRF for over 1 year and up to 5 years incl.	6.77	7.15	6.77	6.84	7.02	7.35	7.61	7.74	7.80	7.64	8.53	7.90	6.96
IRF for over 5 years and up to 10 years incl.	8.45	8.87	7.80	8.05	7.72	8.26	8.90	8.69	12.22	12.28	11.32	12.47	11.64
IRF for over 10 years	6.56	6.26	6.67	6.75	7.04	6.18	6.43	6.97	8.29	8.42	7.10	7.42	7.49
<b>Households</b>													
Loans in total	12.22	12.16	12.25	12.38	12.21	12.04	12.15	12.38	12.62	12.50	12.27	11.82	11.97
Current account overdrafts	13.78	13.84	13.85	13.90	13.84	13.87	13.80	13.54	13.85	13.76	13.73	13.68	13.70
Operating loans	6.98	7.11	6.76	6.84	7.44	7.33	6.20	6.11	6.05	6.10	6.30	6.36	6.33
Investment loans	6.51	6.62	6.78	6.60	6.44	6.36	6.57	6.27	6.12	7.00	6.30	6.83	6.87
Consumer loans	12.89	12.44	13.41	13.46	13.59	13.66	13.30	13.23	12.92	12.85	12.85	12.92	12.41
House purchase loans	6.17	6.06	6.00	6.14	6.10	6.14	6.12	6.06	6.12	6.12	6.06	6.05	6.12
of which:													
Mortgage loans	5.92	5.79	5.79	5.81	5.78	5.74	5.76	5.72	5.81	5.80	5.75	5.80	5.79
Construction loans	4.91	4.94	5.04	4.92	4.88	5.04	4.88	4.91	4.88	4.83	4.82	4.87	4.85
Intermediate loans	6.91	6.92	6.73	6.72	6.77	6.78	6.75	6.72	6.73	6.80	6.81	6.84	6.86
Other real estate loans	6.18	6.08	6.04	6.46	6.25	6.30	6.37	6.38	6.34	6.37	6.24	6.18	6.31
Other loans	7.34	6.75	6.96	7.00	6.97	6.67	7.18	7.00	7.27	7.02	6.84	6.90	6.75
Credit cards	16.82	16.94	16.74	16.64	16.61	16.39	16.07	17.78	17.87	17.94	17.81	17.70	17.68
Floating rate + IRF for up to 1 year incl.	12.90	12.86	12.93	12.95	12.83	12.62	12.61	12.76	12.98	12.84	12.57	12.30	12.64
IRF for over 1 year and up to 5 years incl.	7.73	7.58	7.27	7.57	8.45	8.70	8.93	8.81	8.25	8.46	8.61	8.00	7.38
IRF for over 5 years and up to 10 years incl.	9.74	9.59	9.56	9.59	9.11	8.75	9.83	10.50	12.32	12.73	12.56	12.68	12.04
IRF for over 10 years	8.07	7.51	8.00	7.99	7.23	7.16	7.34	7.34	8.81	8.90	7.27	8.25	7.89
<b>Non-financial corporations</b>													
Loans in total	5.93	6.05	5.76	5.74	5.88	5.74	5.71	5.62	5.88	5.79	5.70	5.69	5.75
Current account overdrafts	6.00	6.24	5.81	5.83	6.00	5.76	5.81	5.65	5.94	5.82	5.69	5.72	5.77
Operating loans	4.94	4.97	5.03	4.89	4.96	5.41	4.90	5.31	5.23	5.12	5.13	5.01	5.23
Investment loans	5.92	5.39	5.48	5.73	5.67	5.61	5.70	5.65	5.60	5.53	5.71	5.29	5.54
House purchase loans	5.78	5.79	5.92	6.06	6.36	6.16	5.94	6.13	5.90	6.23	6.11	6.21	6.34
Other loans	6.54	6.06	6.50	5.51	6.17	6.32	6.42	5.51	6.16	5.84	6.38	6.07	6.55
Credit cards	16.37	17.58	17.95	17.72	17.49	16.62	17.25	18.53	17.65	17.96	17.98	17.66	18.21
Loans up 1 million EUR	6.34	6.09	5.93	6.05	5.92	6.12	6.16	6.07	5.99	5.98	6.07	5.30	5.99
Loans over 1 million EUR	5.06	5.15	5.39	5.13	5.28	5.48	5.20	5.39	5.30	5.45	5.46	5.58	5.36
Floating rate + IRF for up to 1 year incl.	5.93	6.05	5.75	5.74	5.89	5.75	5.71	5.62	5.88	5.79	5.70	5.68	5.75
IRF for over 1 year and up to 5 years incl.	5.74	6.24	6.03	5.62	5.74	5.45	5.66	5.86	6.61	5.82	6.30	6.38	6.56
IRF for over 5 years and up to 10 years incl.	5.48	6.22	5.96	5.98	6.01	6.31	6.28	5.16	8.40	5.82	4.84	5.93	5.86
IRF for over 10 years	5.83	5.64	5.89	5.96	6.26	5.65	5.94	6.10	6.65	6.37	6.52	6.02	6.27

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

## Average Interest Rates on New Deposits

(ECB methodology)

(%)

	2007								2008				
	5	6	7	8	9	10	11	12	1	2	3	4	5
<b>Deposits in total<sup>1)</sup></b>	2.12	2.43	2.15	2.11	2.05	2.09	2.01	1.77	2.03	1.86	1.86	1.93	1.90
Deposits payable on demand	0.88	1.28	0.78	0.78	0.71	0.67	0.71	0.70	0.79	0.69	0.69	0.67	0.73
of which: demand deposits	0.78	0.93	0.64	0.67	0.62	0.60	0.58	0.61	0.65	0.59	0.59	0.60	0.63
overnight deposits	2.02	4.61	2.09	2.10	1.98	1.92	1.93	1.89	2.48	2.01	1.78	1.90	1.97
Deposits with agreed maturity <sup>2)</sup>	3.89	4.06	3.99	3.90	3.95	3.91	3.93	3.74	3.91	3.76	3.68	3.76	3.82
– up to 1 year in total	3.89	4.06	3.99	3.91	3.95	3.91	3.94	3.74	3.91	3.76	3.68	3.77	3.82
– up to 7 days	3.33	4.10	3.36	2.92	3.44	2.95	3.07	2.27	3.49	3.09	2.61	2.83	3.14
– up to 1 month	4.02	4.09	4.10	4.06	4.09	4.07	4.07	3.97	4.05	3.99	3.94	4.01	4.03
– up to 3 months	3.22	3.28	3.37	3.31	3.29	3.44	3.30	3.38	3.51	3.31	3.30	3.43	3.25
– up to 6 months	2.97	2.95	3.70	3.24	3.40	3.37	3.23	3.31	3.56	3.04	3.53	3.23	3.14
– up to 1 year	3.48	3.41	3.28	3.19	2.95	3.35	2.93	3.64	3.63	3.78	3.91	3.91	3.56
– over 1 year in total	2.77	2.33	3.25	3.02	2.97	3.25	2.87	2.95	3.58	3.08	2.67	2.10	1.41
– up to 2 years	2.78	2.92	3.52	3.50	3.17	3.55	3.65	3.57	3.88	3.68	2.70	3.70	3.79
– over 2 years	2.86	2.29	3.45	2.85	2.76	3.20	2.58	2.50	2.62	0.46	3.90	2.01	1.05
Deposits payable at notice	1.84	1.71	1.72	1.73	1.78	1.79	1.83	1.87	1.92	1.93	1.94	1.93	1.94
– up to 3 months	1.50	1.25	1.26	1.27	1.35	1.36	1.44	1.44	1.47	1.44	1.45	1.45	1.46
– over 3 months	1.99	1.90	1.91	1.93	1.96	1.97	2.00	2.05	2.11	2.12	2.13	2.12	2.13
<b>Households</b>													
Deposits in total	1.02	1.00	0.99	1.01	1.00	1.03	1.01	0.99	1.10	1.06	1.18	1.16	1.12
Deposits payable on demand	0.54	0.51	0.50	0.48	0.47	0.47	0.44	0.47	0.46	0.46	0.47	0.49	0.50
of which: demand deposits	0.53	0.46	0.46	0.47	0.46	0.46	0.43	0.46	0.44	0.44	0.46	0.48	0.49
overnight deposits	1.75	4.31	2.27	1.95	1.80	1.72	1.76	1.76	2.34	1.77	1.78	1.59	1.74
Deposits with agreed maturity	3.22	3.47	3.33	3.32	3.44	3.36	3.38	3.26	3.49	3.43	3.41	3.44	3.44
– up to 1 year in total	3.23	3.49	3.33	3.34	3.45	3.36	3.39	3.28	3.48	3.44	3.41	3.47	3.48
– up to 7 days	3.20	3.76	3.12	2.93	3.33	2.97	3.12	2.32	3.30	2.80	2.73	2.85	2.99
– up to 1 month	3.29	3.49	3.38	3.39	3.52	3.45	3.43	3.33	3.48	3.44	3.31	3.48	3.54
– up to 3 months	2.90	3.03	3.13	3.15	3.08	3.17	3.11	3.11	3.16	3.14	3.08	3.13	3.05
– up to 6 months	2.75	2.91	3.00	3.00	3.15	3.03	3.10	3.13	3.16	3.12	3.29	3.11	3.01
– up to 1 year	3.03	3.08	3.12	3.28	3.28	3.35	3.27	3.25	3.75	3.80	3.96	3.80	3.69
– long-term over 1 year	2.77	2.36	3.25	3.02	3.11	3.25	2.90	2.93	3.57	2.95	3.51	2.08	1.39
– up to 2 years	2.79	3.31	3.51	3.50	3.50	3.55	3.65	3.57	3.89	3.56	3.73	3.70	3.82
– over 2 years	2.77	2.24	3.06	2.81	2.70	2.52	2.75	2.20	2.22	2.23	2.28	0.54	1.16
Deposits payable at notice	1.83	1.71	1.72	1.73	1.78	1.79	1.83	1.87	1.92	1.93	1.94	1.93	1.94
– up to 3 months	1.47	1.23	1.23	1.24	1.33	1.33	1.42	1.42	1.44	1.44	1.45	1.45	1.45
– over 3 months	1.99	1.90	1.91	1.93	1.96	1.97	2.00	2.05	2.11	2.12	2.14	2.12	2.13
<b>Non-financial corporations</b>													
Deposits in total	2.47	3.09	2.31	2.30	2.28	2.36	2.19	1.83	2.37	2.12	2.13	2.36	2.33
Deposits payable on demand	1.15	2.12	1.01	1.01	0.88	0.76	0.89	0.78	1.07	0.84	0.83	0.77	0.92
of which: demand deposits	0.97	1.52	0.74	0.82	0.70	0.63	0.65	0.66	0.81	0.65	0.64	0.63	0.73
overnight deposits	2.11	4.60	2.28	2.06	1.96	1.88	1.93	1.91	2.58	2.00	1.83	1.88	1.94
Deposits with agreed maturity	3.91	4.09	3.93	3.87	3.92	3.87	3.92	3.60	3.91	3.69	3.64	3.78	3.84
– up to 1 year in total	3.91	4.09	3.93	3.87	3.93	3.87	3.91	3.60	3.91	3.69	3.64	3.78	3.84
– up to 7 days	3.38	4.10	3.43	3.07	3.19	2.89	3.03	2.26	3.49	2.63	2.61	2.85	3.11
– up to 1 month	4.06	4.09	4.05	4.03	4.09	4.07	4.06	3.88	4.06	3.99	3.96	4.05	4.06
– up to 3 months	3.51	3.65	3.71	3.63	3.68	3.73	3.67	3.67	3.82	3.66	3.65	3.73	3.48
– up to 6 months	3.66	3.35	3.86	3.37	3.78	3.44	3.74	3.85	3.90	3.55	4.10	3.80	3.93
– up to 1 year	3.68	3.71	3.67	3.22	3.42	3.63	3.38	4.34	3.82	3.58	4.10	4.39	3.53
– long-term over 1 year	2.55	1.91	3.70	2.96	3.16	3.10	2.79	3.14	2.76	1.93	1.58	4.32	3.01
– 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	3.42
– over 2 years	2.66	1.91	2.21	2.81	2.77	2.00	4.57	2.30	2.00	1.78	1.35	4.35	1.99
Deposits payable at notice	2.98	1.83	1.92	2.25	2.19	2.02	2.22	2.29	2.46	1.28	1.26	1.27	1.27
– up to 3 months	3.11	1.94	1.97	2.32	2.36	2.49	2.33	2.41	2.56	1.31	1.28	1.30	1.29
– over 3 months	1.65	0.68	1.09	1.06	0.76	0.30	1.29	1.29	1.10	1.10	1.12	1.10	1.10

<sup>1)</sup> Interest rates on deposits in total include also sectors of insurance corporations, pension funds and general government.<sup>2)</sup> Interest rates on deposits with agreed maturity include other non-negotiable securities (according to the ECB methodology).

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



### Average Interest Rates on Outstanding Loans

(%)

	2007								2008				
	5	6	7	8	9	10	11	12	1	2	3	4	5
<b>Loans in total<sup>1)</sup></b>	6.86	6.86	6.78	6.83	6.82	6.77	6.76	6.71	6.75	6.71	6.68	6.69	6.68
Current account overdrafts	7.94	8.03	7.63	7.70	7.73	7.49	7.56	7.41	7.61	7.39	7.27	7.26	7.29
Consumer loans	13.38	13.37	13.28	13.55	13.54	13.51	13.44	13.42	13.35	13.31	13.26	13.27	13.17
Operating loans	4.80	4.79	4.74	4.78	4.83	4.88	4.87	4.90	4.99	4.96	4.92	4.94	4.98
Investment loans	5.48	5.46	5.48	5.51	5.47	5.49	5.49	5.49	5.54	5.52	5.52	5.51	5.51
House purchase loans	6.59	6.59	6.57	6.57	6.55	6.51	6.48	6.43	6.42	6.39	6.35	6.34	6.31
Other loans	5.99	5.95	5.98	6.02	6.08	6.08	6.06	6.02	6.02	6.03	6.09	6.12	6.08
Credit cards	16.81	16.95	16.73	16.65	16.63	16.39	16.09	17.39	17.85	17.92	17.77	17.69	17.69
Short-term loans	6.90	6.91	6.68	6.74	6.78	6.69	6.69	6.61	6.77	6.70	6.64	6.68	6.71
Long-term loans over 1 year and up to 5 years	8.01	8.06	7.99	8.07	8.05	7.97	7.93	7.88	7.81	7.80	7.80	7.81	7.77
Long-term loans over 5 years	6.43	6.42	6.41	6.45	6.43	6.40	6.40	6.38	6.39	6.37	6.36	6.36	6.34
<b>Households</b>													
Loans in total	8.34	8.32	8.28	8.31	8.26	8.20	8.16	8.10	8.08	8.04	8.00	7.97	7.93
Current account overdrafts	13.78	13.95	13.95	13.99	13.95	13.97	13.94	13.63	13.85	13.76	13.73	13.68	13.70
Consumer loans	13.40	13.38	13.29	13.56	13.55	13.52	13.46	13.43	13.36	13.32	13.27	13.28	13.18
House purchase loans	6.69	6.67	6.65	6.66	6.62	6.58	6.54	6.50	6.48	6.45	6.42	6.40	6.37
Other loans	7.20	7.17	7.13	7.17	7.14	7.08	7.06	7.04	7.04	7.05	7.02	7.00	6.94
Credit cards	16.83	16.94	16.70	16.63	16.61	16.38	16.06	17.38	17.86	17.92	17.78	17.70	17.68
Short-term loans	13.80	13.93	13.89	13.89	13.86	13.73	13.66	13.69	13.92	13.96	13.85	13.81	13.81
Long-term loans over 1 year and up to 5 years	11.22	11.20	11.16	11.32	11.31	11.29	11.23	11.23	11.14	11.10	11.08	11.12	11.04
Long-term loans over 5 years	6.98	6.97	6.94	6.98	6.95	6.91	6.89	6.85	6.85	6.83	6.81	6.81	6.79
<b>Non-financial institutions</b>													
Loans in total	5.71	5.75	5.65	5.68	5.72	5.69	5.68	5.64	5.74	5.70	5.66	5.69	5.68
Current account overdrafts	6.00	6.24	5.81	5.83	6.00	5.76	5.82	5.65	5.93	5.79	5.67	5.73	5.77
Operating loans	4.72	4.79	4.72	4.79	4.82	4.89	4.89	4.92	5.04	5.02	5.00	5.00	5.02
Investment loans	5.53	5.50	5.52	5.55	5.51	5.54	5.53	5.54	5.60	5.58	5.58	5.56	5.55
House purchase loans	6.09	6.17	6.18	6.18	6.21	6.20	6.17	6.14	6.17	6.14	6.08	6.10	6.06
Other loans	6.09	5.87	5.95	5.97	6.01	6.07	6.04	5.95	5.91	5.92	5.91	6.00	5.91
Credit cards	16.34	17.37	17.76	17.56	17.62	16.66	17.47	17.99	17.83	18.10	18.04	17.66	18.21
Short-term loans	5.68	5.79	5.55	5.57	5.67	5.59	5.59	5.48	5.68	5.60	5.54	5.60	5.60
Long-term loans over 1 year and up to 5 years	5.94	5.99	5.98	6.02	6.07	6.03	6.02	5.99	6.00	6.00	5.99	6.01	6.01
Long-term loans over 5 years	5.60	5.57	5.59	5.62	5.58	5.61	5.61	5.63	5.67	5.65	5.63	5.62	5.59

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

Note: Data in this table include only performing loans according to Decree of 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				
	5	6	7	8	9	10	11	12	1	2	3	4	5
<b>Deposits in total<sup>1)</sup></b>	2.23	2.46	2.20	2.20	2.18	2.21	2.14	1.99	2.15	2.08	2.02	2.10	2.08
Deposits payable on demand	0.88	1.29	0.79	0.78	0.70	0.66	0.71	0.70	0.78	0.69	0.69	0.67	0.73
of which: demand deposits	0.78	0.93	0.64	0.67	0.62	0.60	0.58	0.61	0.65	0.59	0.59	0.60	0.63
overnight deposits	1.95	4.76	2.14	2.14	1.86	1.88	1.90	1.86	2.37	2.01	1.78	1.88	1.97
Deposits with agreed maturity <sup>2)</sup>	3.28	3.38	3.32	3.28	3.30	3.31	3.27	3.15	3.27	3.22	3.19	3.26	3.25
- up to 1 year in total	3.41	3.52	3.45	3.41	3.43	3.43	3.39	3.27	3.40	3.35	3.33	3.40	3.38
- up to 7 days	3.12	4.05	2.96	2.51	3.09	2.61	2.63	2.17	3.23	3.16	2.60	2.84	2.88
- up to 1 month	3.65	3.70	3.70	3.70	3.70	3.73	3.70	3.59	3.66	3.60	3.58	3.66	3.65
- up to 3 months	2.48	2.39	2.41	2.38	2.34	2.41	2.39	2.45	2.51	2.45	2.48	2.53	2.54
- up to 6 months	2.93	2.88	2.97	2.96	2.96	2.97	2.98	2.88	2.92	2.91	2.95	2.95	2.95
- up to 1 year	3.58	3.57	3.56	3.49	3.52	3.38	3.33	3.31	3.30	3.36	3.51	3.56	3.48
- over 1 year in total	2.57	2.56	2.56	2.54	2.57	2.58	2.58	2.58	2.60	2.59	2.56	2.56	2.66
- up to 2 years	3.17	3.18	3.21	3.30	3.32	3.35	3.44	3.42	3.49	3.49	3.42	3.44	3.48
- over 2 years	2.55	2.54	2.54	2.51	2.54	2.54	2.54	2.53	2.54	2.52	2.49	2.48	2.58
Deposits payable at notice	1.81	1.71	1.72	1.73	1.78	1.79	1.83	1.87	1.92	1.93	1.94	1.93	1.94
- up to 3 months	1.50	1.26	1.26	1.27	1.35	1.36	1.44	1.44	1.47	1.44	1.45	1.45	1.46
- over 3 months	1.94	1.90	1.91	1.93	1.96	1.97	2.00	2.05	2.11	2.12	2.13	2.12	2.13
<b>Households</b>													
Deposits in total	1.76	1.74	1.71	1.71	1.72	1.72	1.72	1.71	1.75	1.76	1.79	1.81	1.81
Deposits payable on demand	0.54	0.51	0.49	0.48	0.47	0.47	0.44	0.47	0.46	0.46	0.47	0.49	0.50
of which: demand deposits	0.53	0.46	0.46	0.46	0.46	0.46	0.43	0.46	0.44	0.44	0.46	0.48	0.49
overnight deposits	1.80	4.40	2.23	2.02	1.81	1.78	1.78	1.86	2.37	1.77	1.78	1.39	1.74
Deposits with agreed maturity	2.71	2.72	2.71	2.69	2.73	2.71	2.71	2.69	2.74	2.75	2.79	2.83	2.84
- up to 1 year in total	2.77	2.79	2.76	2.75	2.78	2.75	2.76	2.73	2.79	2.82	2.88	2.93	2.91
- up to 7 days	2.73	3.30	2.54	2.38	2.87	2.57	2.73	2.23	2.91	2.57	2.62	2.64	2.75
- up to 1 month	2.28	2.36	2.40	2.43	2.45	2.49	2.50	2.51	2.54	2.56	2.56	2.63	2.67
- up to 3 months	2.31	2.21	2.21	2.23	2.22	2.24	2.24	2.26	2.27	2.29	2.31	2.35	2.36
- up to 6 months	2.85	2.79	2.75	2.71	2.69	2.68	2.70	2.71	2.73	2.75	2.77	2.77	2.78
- up to 1 year	3.75	3.75	3.71	3.62	3.66	3.49	3.43	3.37	3.35	3.40	3.55	3.61	3.51
- long-term over 1 year	2.57	2.56	2.57	2.54	2.58	2.59	2.58	2.58	2.60	2.58	2.57	2.57	2.66
- up to 2 years	3.29	3.30	3.33	3.36	3.41	3.43	3.48	3.50	3.56	3.57	3.58	3.59	3.63
- over 2 years	2.56	2.55	2.55	2.52	2.55	2.55	2.54	2.53	2.54	2.51	2.49	2.48	2.58
Deposits payable at notice	1.80	1.71	1.72	1.73	1.78	1.79	1.83	1.87	1.92	1.93	1.94	1.93	1.94
- up to 3 months	1.47	1.24	1.23	1.24	1.33	1.33	1.42	1.42	1.44	1.44	1.45	1.45	1.45
- over 3 months	1.94	1.90	1.91	1.93	1.96	1.97	2.00	2.05	2.11	2.12	2.14	2.12	2.13
<b>Non-financial corporations</b>													
Deposits in total	2.42	3.02	2.26	2.26	2.23	2.28	2.11	1.86	2.29	2.15	2.09	2.28	2.25
Deposits payable on demand	1.13	2.15	1.03	1.03	0.87	0.76	0.88	0.78	1.05	0.84	0.83	0.78	0.92
of which: demand deposits	0.96	1.52	0.74	0.83	0.70	0.63	0.65	0.66	0.81	0.65	0.64	0.63	0.73
overnight deposits	2.04	4.76	2.38	2.15	1.85	1.88	1.91	1.85	2.43	2.00	1.83	1.88	1.94
Deposits with agreed maturity	3.81	3.97	3.82	3.73	3.75	3.71	3.70	3.54	3.87	3.76	3.76	3.83	3.84
- up to 1 year in total	3.81	3.98	3.83	3.74	3.76	3.72	3.71	3.54	3.87	3.77	3.77	3.83	3.85
- up to 7 days	3.23	4.10	3.13	2.62	2.76	2.59	2.61	2.17	3.38	2.51	2.70	2.84	2.61
- up to 1 month	3.97	3.98	3.94	3.92	3.96	3.93	3.90	3.79	3.94	3.92	3.91	3.98	4.00
- up to 3 months	3.27	3.35	3.46	3.35	3.31	3.42	3.36	3.40	3.65	3.42	3.52	3.55	3.53
- up to 6 months	3.70	3.62	3.69	3.71	3.76	3.73	3.79	3.07	3.84	3.84	3.92	3.88	3.91
- up to 1 year	3.69	3.71	3.69	3.67	3.66	3.66	3.65	4.03	4.04	4.03	4.08	4.14	4.14
- long-term over 1 year	2.39	2.34	2.36	2.34	2.32	2.31	2.33	2.38	2.30	2.27	2.23	2.26	2.24
- up to 2 years	3.23	3.18	3.21	3.13	3.24	3.17	3.15	3.10	3.11	3.11	3.09	3.25	3.32
- over 2 years	2.28	2.24	2.23	2.22	2.17	2.15	3.12	3.10	3.04	2.98	2.93	2.85	2.75
Deposits payable at notice	2.98	1.83	1.92	2.25	2.19	2.02	2.22	2.29	2.46	1.28	1.26	1.27	1.27
- up to 3 months	3.11	1.94	1.97	2.32	2.36	2.49	2.33	2.41	2.56	1.31	1.28	1.30	1.29
- over 3 months	1.65	0.68	1.09	1.06	0.76	0.30	1.29	1.29	1.10	1.10	1.13	1.10	1.10

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

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

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



### Shortened Balance Sheet of Commercial Banks as at 31 May 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	
<b>Total assets</b>	62,349,698	1,416,198,864	64,396,190	178,694,452	82,809,635	1,679,749,443
Cash items	0	13,693,455	0	110,025	3,567,068	17,370,548
Cash in hand	0	12,601,347	0	0	3,370,450	15,971,797
of which: EUR	0	0	0	0	1,786,243	1,786,243
Gold	0	0	0	0	0	0
Amounts in transit	0	1,092,108	0	110,025	196,618	1,398,751
Loans and other receivables	23,086,188	979,488,045	28,542,398	165,522,022	63,609,160	1,214,075,437
Deposits and loans to NBS, foreign central banks and post office banks	922	282,963,308	0	0	20,174	282,982,560
of which: Valued on an individual basis with no identifiable depreciation (category I)	922	200,517,318	0	0	20,174	200,536,570
Valued on a portfolio basis (category II)	0	82,445,990	0	0	0	82,445,990
Valued on an individual basis with identifiable depreciation (category III)	0	0	0	0	0	0
of which: Failed	0	0	0	0	0	0
of which: Current accounts	0	1,203,363	0	0	19,785	1,223,148
Term deposits	0	23,414,927	0	0	0	23,414,927
Loans provided	922	224,677,272	0	0	0	224,676,350
Money reserve accounts	0	33,667,746	0	0	0	33,667,746
of which: Minimum reserve requirements	0	33,435,608	0	0	0	33,435,608
Postal cheque accounts	0	0	0	0	389	389
Deposits and loans to banks	69,106	16,774,402	18,290,350	1,909,860	33,648,335	70,553,841
of which: Valued on an individual basis with no identifiable depreciation (category I)	2,116	10,857,654	9,075,034	1,900,721	30,353,626	52,184,919
Valued on a portfolio basis (category II)	6,091	5,837,685	9,215,316	9,139	2,733,997	17,790,046
Valued on an individual basis with identifiable depreciation (category III)	60,899	79,063	0	0	560,712	578,876
of which: Failed	43,402	41,172	0	0	48,831	46,601
of which: Deposits with and loans to own financial group	207	501,716	5,868,776	0	18,223,171	24,593,456
of which: Current accounts in banks	175	496,929	3,483	39,014	6,397,668	6,936,919
Current accounts of other banks	39	2,968	1,043,605	4	739,262	1,785,800
Term deposits	976	13,276,045	14,658,055	1,835,586	22,385,503	52,154,213
Loans provided	67,916	2,732,298	0	-1,828	4,098,588	6,761,142
Other receivables from banks	0	266,162	2,585,207	37,084	27,314	2,915,767
Receivables from customers	22,996,347	665,300,592	10,252,000	156,846,058	29,192,679	838,594,982
of which: Valued on an individual basis with no identifiable depreciation (category I)	235,404	117,909,884	7,414,477	52,520,263	12,162,745	189,771,965
Valued on a portfolio basis (category II)	12,270,166	527,674,323	2,623,802	100,750,707	16,363,654	635,142,320
Valued on an individual basis with identifiable depreciation (category III)	10,490,777	19,716,385	213,721	3,575,088	666,280	13,680,697
of which: Failed	16,886,842	23,974,050	153,134	1,233,325	361,234	8,834,901
of which: MMIF loans	0	0	0	0	0	0
Loans to general government and international organizations (S.13)	19,813	14,449,743	48	6,766,104	151,481	21,347,563
of which: Valued on an individual basis with no identifiable depreciation (category I)	8,614	9,892,046	48	6,365,474	20	16,248,974
Valued on a portfolio basis (category II)	7,302	4,543,392	0	400,630	151,461	5,088,181
Valued on an individual basis with identifiable depreciation (category III)	3,897	14,305	0	0	0	10,408
of which: Failed	453	1,130	0	1	0	678
of which: Deposits to central government (S.1311)	0	0	0	0	0	0
Loans to central government (S.1311)	3,471	2,947,795	48	0	151,481	3,095,853
of which: SR Treasury	0	0	0	0	0	0
Other funds	3,470	19,683	0	0	0	16,213
Loans to local governments (S.1313)	16,342	11,501,948	0	6,766,104	0	18,251,710
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	596,491	596,491
Financial instruments available for sale	328,927	36,170,669	4,380,047	3,649,557	8,119,259	51,990,605
Financial instruments at fair value through profit/loss: held for trading (excluding derivatives)	0	128,281,408	1,830,035	1,376,638	1,337,465	132,825,546
Financial instruments at fair value towards profit/loss: others (from the point of settlement)	0	9,436,131	1,114,995	4,961,055	940,281	16,452,462
Positive fair value of derivative transactions for trading	0	10,748,675	22,165,517	0	0	32,914,192
Financial instruments held to maturity	22,946	159,464,697	4,993,271	2,880,055	4,622,773	171,937,850
Positive fair value of derivate hedge transactions	0	70,695	370,124	0	0	440,819
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	10,324,157	895,879	0	0	10,249,486
Funds to branches abroad	0	0	0	0	490,483	490,483
Tangible assets	24,584,348	45,752,979	0	0	0	21,168,631
Intangible assets	12,445,628	18,033,348	0	0	0	5,587,720
Other assets	701,896	3,749,895	103,924	195,100	123,146	3,470,169
Tax receivables	0	488,366	0	0	0	488,366
Depreciation	36,770,914	36,770,914	0	0	0	0
Non-current assets held for sale (IFRS 5)	209,215	496,344	0	0	0	287,129



## Shortened Balance Sheet of Commercial Banks as at 31 May 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	
<b>Total liabilities</b>	1,126,344,604	169,670,854	147,092,473	236,641,512	1,679,749,443
<b>PAYABLES</b>	1,059,591,374	103,949,646	147,273,294	236,206,859	1,547,021,173
Deposits and loans from NBS and foreign central banks	2,427,182	0	2,928	0	2,430,110
of which: Current accounts	20,249	0	0	0	20,249
Term deposits	0	0	0	0	0
Loans received	2,406,933	0	2,928	0	2,409,861
Postal cheque accounts	0	0	0	0	0
Financial liabilities valued at amortized costs	1,014,511,271	72,852,376	144,804,520	191,435,146	1,423,603,313
Deposits, loans and other liabilities received from banks	19,213,662	56,086,309	1,240,530	159,804,624	236,345,125
of which: Deposits and loans received from own financial group	217,945	44,713,007	14	140,060,986	184,991,952
of which: Current accounts in banks	2,932	102	1	1,660,804	1,663,839
Current accounts of other banks	496,945	4,472,545	39,098	441,448	5,450,036
Term deposits	15,289,207	48,043,090	1,193,953	142,410,780	206,937,030
Subordinate debts	213,386	1,730,276	0	6,484,694	8,428,356
Loans received	2,503,940	1,815,920	0	6,043,054	10,362,914
Other liabilities received from banks	707,252	24,376	7,478	2,763,844	3,502,950
Deposits and loans received from customers	851,156,416	11,120,884	104,473,330	12,663,838	979,414,468
of which: MMIF deposits	32,131,074	0	51,490	0	32,182,564
of which: Current accounts and other financial undated liabilities	342,282,865	6,036,921	53,270,333	3,169,384	404,759,503
Term deposits	462,073,524	4,334,034	46,656,123	2,843,190	515,906,871
Deposits payable at notice	31,499,543	56,176	711,138	6,487	32,273,344
Certificates of deposit	69,354	0	0	0	69,354
Loans received and financial leasing	5,936,037	602,671	0	3,170,979	9,709,687
Subordinated liabilities	0	0	0	884,453	884,453
Other liabilities received from customers	9,295,093	91,082	3,835,736	2,589,345	15,811,256
Deposits of general government and international organizations	49,812,717	16,754	36,146,817	195,364	86,171,652
of which: Deposits of central government (S.1311)	20,802,129	16,753	36,120,490	195,279	57,134,651
of which: Treasury	3,337,213	0	21,775,742	0	25,112,955
Deposits of local governments (S.1313)	29,009,853	1	26,327	85	29,036,266
Deposits of social security funds (S.1314)	735	0	0	0	735
Securities issued by the accounting unit	94,328,476	5,628,429	2,943,843	18,771,320	121,672,068
Financial liabilities held for trading (excluding derivatives)	0	0	0	0	0
Financial liabilities in fair value through profit/loss (IAS 39)	559,502	12,242,198	645,056	44,707,278	58,154,034
of which: Current accounts	0	0	0	0	0
Term deposits	559,502	12,219,102	645,056	44,707,278	58,130,938
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	23,096	0	0	23,096
Negative fair value of derivative transactions for trading	22,149,498	18,289,492	0	0	40,438,990
Negative fair value of derivative hedge transactions	21,162	102,277	0	0	123,439
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	4,145,578	0	24,350	0	4,169,928
Other liabilities	12,872,055	463,303	1,796,440	64,435	15,196,233
Tax liabilities	2,725,126	0	0	0	2,725,126
<b>EQUITY</b>	66,753,230	65,721,208	-180,821	434,653	132,728,270
Share capital	4,636,592	45,830,853	0	0	50,467,445
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	-6,616	0	0	0	-6,616
Funds to branches of foreign banks	32,000	4,975,967	0	476,928	5,484,895
Share premium	3,330,558	15,093,418	0	0	18,423,976
Reserve funds and other funds created from profits	16,350,713	119,500	0	0	16,470,213
Other funds	152,643	-246,823	0	2,019	-92,161
Valuation changes	-6,471,302	-51,707	-180,821	-44,294	-6,748,124
Profit/loss from previous years	38,793,910	0	0	0	38,793,910
of which: Retained earnings	39,475,996	0	0	0	39,475,996
Accumulated loss	-682,086	0	0	0	-682,086
Profit and loss account	8,734,240	0	0	0	8,734,240
Profit/loss in process of approval	1,193,876	0	0	0	1,193,876

**Monthly Profit and Loss Account of Commercial Banks**

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

(SKK million)

	2007								2008				
	5	6	7	8	9	10	11	12	1	2	3	4	5
<b>NET INTEREST INCOME</b>	15,557	18,800	22,070	25,418	28,759	32,218	35,787	39,775	3,707	7,256	11,069	14,791	18,688
Interest income on securities	5,715	7,013	8,418	9,809	11,135	12,508	13,811	15,083	1,401	2,619	3,890	5,123	6,392
Other interest income	25,840	31,504	36,999	42,471	48,151	53,986	59,782	66,201	6,000	11,774	17,831	23,862	30,260
Interest expenses on securities	1,640	1,987	2,337	2,691	3,058	3,442	3,793	4,258	420	846	1,325	1,786	2,263
Other interest expenses	14,358	17,729	21,011	24,171	27,470	30,835	34,013	37,250	3,274	6,291	9,327	12,408	15,700
<b>NET NON-INTEREST INCOME</b>	8,221	10,207	11,816	13,276	14,636	16,568	17,996	19,708	1,594	3,433	4,911	6,990	9,069
Fee and commission income	6,166	7,496	8,843	10,135	11,374	12,440	13,758	15,291	1,327	2,709	4,080	5,499	6,883
Fees and commission expenses	1,219	1,509	1,794	2,071	2,360	2,331	2,612	3,002	255	511	761	1,039	1,353
Dividends received	116	228	222	222	243	243	243	272	0	0	0	156	164
Income from transactions in securities	1,065	1,150	1,257	1,401	1,511	1,747	1,909	2,112	444	834	1,170	1,267	1,340
Expenses related to transactions in securities	896	1,169	1,314	1,585	1,879	1,915	2,162	2,568	414	812	1,094	1,299	1,565
Profit/loss on foreign exchange transactions	3,384	2,519	4,533	3,769	5,752	7,669	8,979	8,796	329	3,036	4,372	5,043	10,200
Profit/loss on fixed forward transactions and options	-288	1,594	181	1,540	33	-1,229	-2,054	-1,146	130	-1,877	-2,882	-2,634	-6,569
Income from other transactions	88	135	140	156	187	195	218	294	22	57	67	93	112
Expenses related to other transactions	195	237	252	291	224	251	282	340	-11	4	41	97	143
<b>NET OPERATING PROFIT/LOSS</b>	-1,138	-1,308	-1,473	-1,561	-1,748	-1,999	-2,218	-3,070	-150	-223	-244	-331	-517
<b>GENERAL OPERATING EXPENSES</b>	13,474	16,090	18,829	21,552	24,282	27,057	30,010	33,500	2,712	5,832	8,609	11,686	14,712
<b>NET CREATION OF RESERVES AND PROVISIONS</b>	-438	-649	-883	-1,060	-1,180	-1,316	-1,432	-1,994	-198	-427	-1,068	-1,439	-1,643
<b>INCOME TAX</b>	1,256	1,662	1,851	2,091	2,432	2,781	3,052	3,591	389	796	1,275	1,707	2,151
<b>CURRENT PERIOD PROFIT/LOSS</b>	7,472	9,300	10,850	12,431	13,753	15,632	17,072	17,328	1,851	3,412	4,783	6,618	8,734



## Balance of Payments of the SR for January – April 2008

	Collection / Credit (+)		Payments / Debit (-)		Balance	
	SKK million	USD million	SKK million	USD million	SKK million	USD million
<b>Goods</b>	517,888.8	23,842.8	520,029.6	23,941.3	-2,140.7	-98.6
<b>Services</b>	56,599.7	2,605.8	60,729.0	2,795.9	-4,129.3	-190.1
Transport	21,037.2	968.5	16,681.9	768.0	4,355.3	200.5
Tourism	15,965.3	735.0	12,817.0	590.1	3,148.3	144.9
Other services	19,597.2	902.2	31,230.1	1,437.8	-11,632.9	-535.6
<b>Income</b>	24,027.3	1,106.2	30,304.3	1,395.2	-6,277.0	-289.0
Compensation of employees	14,000.0	644.5	1,824.5	84.0	12,175.5	560.5
Investment income	10,027.3	461.6	28,479.8	1,311.2	-18,452.5	-849.5
<b>Current transfers</b>	19,892.6	915.8	29,532.2	1,359.6	-9,639.6	-443.8
<b>CURRENT ACCOUNT</b>	618,408.4	28,470.5	640,595.0	29,492.0	-22,186.7	-1,021.4
<b>Capital account</b>	14,383.2	662.2	791.9	36.5	13,591.2	625.7
<b>Financial account</b>	2,404,620.3	110,704.5	-2,386,274.8	-109,860.9	18,345.5	843.6
Direct investment	600,135.7	27,629.3	-603,079.6	-27,764.8	-2,943.9	-135.5
<i>Abroad (direct investor = resident)</i>	12,157.6	559.7	-13,045.0	-600.6	-887.4	-40.9
Equity capital and reinvested earnings	408.6	18.8	-2,644.0	-121.7	-2,235.4	-102.9
Other capital	11,749.0	540.9	-10,401.0	-478.8	1,348.0	62.1
<i>In the SR (recipient of dir. investment = resident)</i>	587,978.1	27,069.6	-590,034.6	-27,164.2	-2,056.5	-94.7
Equity capital and reinvested earnings	11,678.1	537.6	-2,330.6	-107.3	9,347.5	430.3
Other capital	576,300.0	26,531.9	-587,704.0	-27,056.9	-11,404.0	-525.0
Portfolio investment	87,573.8	4,031.8	-69,299.3	-3,190.4	18,274.5	841.3
Assets	33,550.2	1,544.6	-28,273.7	-1,301.7	5,276.5	242.9
Liabilities	54,023.6	2,487.2	-41,025.5	-1,888.8	12,998.1	598.4
Financial derivatives	847,619.3	39,023.0	-849,189.6	-39,095.3	-1,570.3	-72.3
Assets	434,726.2	20,014.1	-437,331.7	-20,134.0	-2,605.4	-120.0
Liabilities	412,893.0	19,008.9	-411,857.9	-18,961.3	1,035.1	47.7
Other investment	869,291.5	40,020.4	-864,706.3	-39,810.3	4,585.2	210.1
<i>Long-term</i>	57,291.9	2,637.2	-51,213.8	-2,358.4	6,078.1	278.8
Assets	7,982.7	367.5	-11,246.6	-517.8	-3,263.9	-150.3
Liabilities	49,309.2	2,269.7	-39,967.2	-1,840.7	9,341.9	429.1
<i>Short-term</i>	811,999.6	37,383.2	-813,492.4	-37,451.9	-1,492.8	-68.7
Assets	485,078.7	22,332.2	-496,815.7	-22,872.6	-11,737.0	-540.4
Liabilities	326,920.9	15,050.9	-316,676.7	-14,579.3	10,244.2	471.6
<b>CAPITAL AND FINANCIAL ACCOUNT</b>	2,419,003.4	111,366.7	-2,387,066.7	-109,897.4	31,936.8	1,469.3
<b>ERRORS AND OMISSIONS</b>	-	-	-	-	-11,300.0	-519.6
<b>TOTAL BALANCE</b>	-110,272.3	-5,067.0	108,722.4	4,995.3	-1,549.9	-71.7
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	110,272.3	5,067.0	-108,621.0	-4,990.4	1,651.3	76.6
<i>Deposits</i>	19,801.8	909.9	0.0	0.0	19,801.8	909.9
<i>Securities</i>	90,470.5	4,157.1	-108,621.0	-4,990.4	-18,150.5	-833.3
Bonds and notes	0.0	0.0	-108,621.0	-4,990.4	-108,621.0	-4,990.4
Money market instruments and financial derivatives	90,470.5	4,157.1	0.0	0.0	90,470.5	4,157.1
	0.0	0.0	-101.4	-4.9	-101.4	-4.9
<b>RESERVE ASSETS</b>	110,272.3	5,067.0	-108,722.4	-4,995.3	1,549.9	71.7

Note: Preliminary data.

Applied rate of exchange: USD 1 = SKK 21.721.



## 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	American	-	-	-
970106003	8.3.2007	9.3.2007	1.6.2007	84	63,740	0	American	-	-	-
970308005	10.5.2007	11.5.2007	3.8.2007	84	73,661	20,000	American	4.05	4.15	4.18
972408007	31.5.2007	1.6.2007	24.8.2007	84	50,400	30,000	American	4.15	4.23	4.25
972109008	28.6.2007	29.6.2007	21.9.2007	84	23,900	17,000	American	4.24	4.27	4.40
972610009	2.8.2007	3.8.2007	26.10.2007	84	22,490	22,290	American	4.24	4.25	4.25
971611011	23.8.2007	24.8.2007	16.11.2007	84	29,110	23,110	American	4.24	4.25	4.25
971412012	20.9.2007	21.9.2007	14.12.2007	84	20,500	19,000	American	4.25	4.25	4.25
971801014	25.10.2007	26.10.2007	18.1.2008	84	14,690	13,690	American	4.25	4.25	4.25
971801015	15.11.2007	16.11.2007	8.2.2008	84	28,500	23,500	American	4.25	4.25	4.25
970703016	13.12.2007	14.12.2007	7.3.2008	84	30,900	30,900	American	4.25	4.25	4.25
981104001	17.1.2008	18.1.2008	11.4.2008	84	28,975	28,975	American	4.24	4.25	4.25
980205002	7.2.2008	8.2.2008	2.5.2008	84	33,980	30,980	American	4.24	4.25	4.25
983005004	6.3.2008	7.3.2008	30.5.2008	84	43,250	30,000	American	4.24	4.25	4.25
980407005	10.4.2008	11.4.2008	4.7.2008	84	34,275	30,000	American	4.24	4.25	4.25
982507006	30.4.2008	2.5.2008	25.7.2008	84	21,100	21,100	American	4.24	4.25	4.25
982208008	29.5.2008	30.5.2008	22.8.2008	84	17,550	17,550	American	4.24	4.25	4.25



## Basic Characteristics of Slovakia's Foreign Exchange Market in June 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	4,534.7	49.0	120	4,642.5	50.2	577	70.8	0.8	76	9,248.0	773
Interbank forex market: NBS + transactions between domestic banks	4,534.7	49.0	120	4,642.5	50.2	577	70.8	0.8	76	9,248.0	773
Transactions between domestic and foreign banks	93,749.2	81.1	2,102	21,212.4	18.4	3,740	599.6	0.5	1,558	115,561.1	7,400
Foreign exchange market in the SR - total	98,283.9	78.7	2,222	25,854.9	20.7	4,317	670.3	0.5	1,634	124,809.1	8,173

	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	1,427.4	15.4	569	691.9	7.5	47	7,108.0	76.9	152	15.9	0.2	5	9,243.1	773
Transactions between domestic and foreign banks	6,358.7	5.5	3,212	1,122.2	1.0	1,793	107,730.0	93.3	2,285	300.7	0.3	110	115,511.6	7,400
Foreign exchange market in the SR - excl. the NBS	7,786.0	6.2	3,781	1,814.2	1.5	1,840	114,838.0	92.1	2,437	316.6	0.3	115	124,754.8	8,173



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

Midpoint rate	2007							2008					
	6	7	8	9	10	11	12	1	2	3	4	5	6
1 AUD	21.329	21.089	20.486	20.526	21.224	20.324	19.972	20.088	20.488	19.456	19.096	19.223	18.566
1 BGN	17.392	17.040	17.167	17.289	17.205	16.996	17.060	17.148	16.947	16.610	16.560	16.123	15.506
1 CYP	58.299	57.061	57.468	57.881	57.599	56.897	57.045	-	-	-	-	-	-
1 CZK	1.192	1.174	1.204	1.226	1.230	1.243	1.269	1.286	1.304	1.289	1.292	1.256	1.244
1 DKK	4.568	4.479	4.512	4.539	4.515	4.459	4.473	4.502	4.446	4.357	4.342	4.227	4.066
1 EUR	34.017	33.330	33.577	33.821	33.645	33.236	33.365	33.538	33.141	32.497	32.388	31.534	30.323
1 EEK	2.174	2.130	2.146	2.161	2.151	2.125	2.133	2.144	2.118	2.076	2.070	2.016	1.938
100 JPY	20.691	19.973	21.078	21.187	20.420	20.414	20.413	21.102	20.987	20.740	20.082	19.424	18.256
1 CAD	23.786	23.139	23.274	23.666	24.197	23.523	22.767	22.595	22.490	21.039	20.260	20.279	19.227
1 LTL	9.851	9.652	9.724	9.794	9.746	9.627	9.663	9.712	9.599	9.409	9.379	9.132	8.782
1 LVL	48.859	47.820	48.126	48.192	47.867	47.455	47.822	48.045	47.576	46.608	46.447	45.150	43.129
100 HUF	13.581	13.509	13.169	13.341	13.410	13.058	13.183	13.114	12.658	12.487	12.751	12.715	12.498
1 MTL	79.242	77.671	78.245	78.767	78.395	77.438	77.727	-	-	-	-	-	-
1 NOK	4.217	4.198	4.210	4.312	4.374	4.187	4.159	4.218	4.166	4.080	4.066	4.008	3.798
1 PLN	8.928	8.846	8.813	8.919	9.065	9.084	9.262	9.297	9.255	9.186	9.402	9.257	8.987
1 RON	10.526	10.636	10.435	10.112	10.036	9.573	9.450	9.093	9.068	8.733	8.887	8.616	8.297
1 CHF	20.566	20.113	20.488	20.537	20.151	20.168	20.113	20.672	20.604	20.656	20.314	19.418	18.779
1 SEK	3.646	3.627	3.606	3.639	3.668	3.580	3.540	3.557	3.538	3.455	3.456	3.386	3.238
1 USD	25.355	24.311	24.647	24.378	23.669	22.637	22.882	22.797	22.495	20.977	20.550	20.253	19.512
1 GBP	50.324	49.422	49.556	49.156	48.338	46.897	46.387	44.924	44.188	42.016	40.740	39.795	38.329
1 XDR	38.321	37.167	37.696	37.606	36.880	35.928	36.087	36.100	35.659	34.185	33.644	32.898	31.588

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	Q2
1 AUD	20.612	20.808	20.700	20.555	20.668	20.030	18.960
1 BGN	17.573	17.254	17.164	17.092	17.273	16.915	16.070
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	1.265
1 DKK	4.612	4.529	4.509	4.484	4.534	4.439	4.213
1 EUR	34.364	33.746	33.572	33.425	33.781	33.085	31.429
1 EEK	2.197	2.157	2.146	2.137	2.159	2.114	2.009
100 JPY	21.971	20.735	20.744	20.416	20.975	20.952	19.265
1 CAD	22.384	22.816	23.353	23.553	23.024	22.082	19.922
1 LTL	9.952	9.772	9.722	9.682	9.783	9.581	9.102
1 LVL	48.960	48.293	48.045	47.715	48.258	47.446	44.929
100 HUF	13.616	13.586	13.337	13.225	13.441	12.768	12.655
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	3.958
1 PLN	8.845	8.874	8.858	9.128	8.926	9.249	9.218
1 RON	10.162	10.282	10.400	9.709	10.139	8.974	8.605
1 CHF	21.268	20.484	20.379	20.146	20.574	20.644	19.518
1 SEK	3.743	3.644	3.624	3.601	3.654	3.519	3.361
1 USD	26.231	25.040	24.450	23.091	24.713	22.137	20.110
1 GBP	51.275	49.710	49.384	47.284	49.427	43.784	39.636
1 XDR	39.344	37.964	37.491	36.327	37.792	35.364	32.722

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 Investment<sup>1)</sup> into Slovakia in 1999 – 2006

(Flows and stocks)

### Corporate sector

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

### Banking sector

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

### Total

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

Note: Preliminary data for 2005–2006.

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

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

<sup>3)</sup> Other capital funds included in the equity capital.

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



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

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

Note: Preliminary data.

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

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

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 31.022									
<b>Inflow of FDI in total</b>	22,147	713.9	100.0	-2	-0.1	100.0	22,145	713.8	100.0
<b>Structure of capital by investor</b>									
Korea	6,603	212.8	29.8	0	0.0	0.0	6,603	212.8	29.8
Germany	6,431	207.3	29.0	-250	-8.1	12,500.0	6,181	199.2	27.9
Austria	3,112	100.3	14.1	-45	-1.5	2,250.0	3,067	98.9	13.8
Holland	1,401	45.2	6.3	3	0.1	-150.0	1,404	45.3	6.3
Switzerland	1,191	38.4	5.4	0	0.0	0.0	1,191	38.4	5.4
USA	1,045	33.7	4.7	0	0.0	0.0	1,045	33.7	4.7
Spain	784	25.3	3.5	0	0.0	0.0	784	25.3	3.5
United Kingdom	506	16.3	2.3	125	4.0	-6,250.0	631	20.3	2.8
Litva	417	13.4	1.9	0	0.0	0.0	417	13.4	1.9
Cyprus	323	10.4	1.5	0	0.0	0.0	323	10.4	1.5
Other countries	334	10.8	1.5	165	5.3	-8,250.0	499	16.1	2.3
<b>Structure of capital by sector</b>									
Agriculture, hunting, and forestry	-31	-1.0	-0.1	0	0.0	0.0	-31	-1.0	-0.1
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Mining and quarrying	10	0.3	0.0	0	0.0	0.0	10	0.3	0.0
Manufacturing	10,846	349.6	49.0	0	0.0	0.0	10,846	349.6	49.0
Electricity, gas, and water supply	322	10.4	1.5	0	0.0	0.0	322	10.4	1.5
Construction	190	6.1	0.9	0	0.0	0.0	190	6.1	0.9
Wholesale and retail trade, repairs of motor vehicles	3,216	103.7	14.5	0	0.0	0.0	3,216	103.7	14.5
Hotels and restaurants	29	0.9	0.1	0	0.0	0.0	29	0.9	0.1
Transport, storage and communication	1,280	41.3	5.8	0	0.0	0.0	1,280	41.3	5.8
Financial intermediation	4,263	137.4	19.2	-2	-0.1	100.0	4,261	137.4	19.2
Real estate, renting and business activities	1,900	61.2	8.6	0	0.0	0.0	1,900	61.2	8.6
Public administration and defence, compulsory social security	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Education	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Health and social work	53	1.7	0.2	0	0.0	0.0	53	1.7	0.2
Other community, social, and personal services	69	2.2	0.3	0	0.0	0.0	69	2.2	0.3
Activities of private households	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Extra-territorial organizations and bodies	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
<b>Structure of capital by regions</b>									
Bratislava region	7,345	236.8	33.2	-2	-0.1	100.0	7,343	236.7	33.2
Trnava region	682	22.0	3.1	0	0.0	0.0	682	22.0	3.1
Trenčín region	3,346	107.9	15.1	0	0.0	0.0	3,346	107.9	15.1
Nitra region	642	20.7	2.9	0	0.0	0.0	642	20.7	2.9
Žilina region	7,123	229.6	32.2	0	0.0	0.0	7,123	229.6	32.2
Banská Bystrica region	1,166	37.6	5.3	0	0.0	0.0	1,166	37.6	5.3
Prešov region	163	5.3	0.7	0	0.0	0.0	163	5.3	0.7
Košice region	1,680	54.2	7.6	0	0.0	0.0	1,680	54.2	7.6

Note: Preliminary data.

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



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

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 32.255									
<b>Inflow of FDI (equity capital + reinvested earnings) in total</b>	29,008	899.3	100.0	5,115	158.6	100.0	34,123	1,057.9	100.0
<b>Structure of capital by investor</b>									
Austria	2,974	92.2	10.3	4,776	148.1	93.4	7,750	240.3	22.7
Hungary	6,863	212.8	23.7	-30	-0.9	-0.6	6,833	211.8	20.0
United Kingdom	6,050	187.6	20.9	-1,396	-43.3	-27.3	4,654	144.3	13.6
Czech Republic	4,605	142.8	15.9	-11	-0.3	-0.2	4,594	142.4	13.5
France	3,749	116.2	12.9	-136	-4.2	-2.7	3,613	112.0	10.6
Germany	3,340	103.5	11.5	253	7.8	4.9	3,593	111.4	10.5
Louxeembourg	3,185	98.7	11.0	0	0.0	0.0	3,185	98.7	9.3
Korea	2,208	68.5	7.6	0	0.0	0.0	2,208	68.5	6.5
Switzerland	950	29.5	3.3	0	0.0	0.0	950	29.5	2.8
Italy	734	22.8	2.5	-13	-0.4	-0.3	721	22.4	2.1
Other countries	-5,650	-175.2	-19.5	1,672	51.8	32.7	-3,978	-123.3	-11.7
<b>Structure of capital by sector</b>									
Agriculture, hunting, and forestry	348	10.8	1.2	0	0.0	0.0	348	10.8	1.0
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Mining and quarrying	-8	-0.2	0.0	0	0.0	0.0	-8	-0.2	0.0
Manufacturing	25,670	795.8	88.5	0	0.0	0.0	25,670	795.8	75.2
Electricity, gas, and water supply	-253	-7.8	-0.9	0	0.0	0.0	-253	-7.8	-0.7
Construction	487	15.1	1.7	0	0.0	0.0	487	15.1	1.4
Wholesale and retail trade, repairs of motor vehicles	8,673	268.9	29.9	0	0.0	0.0	8,673	268.9	25.4
Hotels and restaurants	-17	-0.5	-0.1	0	0.0	0.0	-17	-0.5	0.0
Transport, storage and communication	-8,436	-261.5	-29.1	0	0.0	0.0	-8,436	-261.5	-24.7
Financial intermediation	1,155	35.8	4.0	5,115	158.6	100.0	6,270	194.4	18.4
Real estate, renting and business activities	1,239	38.4	4.3	0	0.0	0.0	1,239	38.4	3.6
Public administration and defence, compulsory social security	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Education	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Health and social work	18	0.6	0.1	0	0.0	0.0	18	0.6	0.1
Other community, social, and personal services	132	4.1	0.5	0	0.0	0.0	132	4.1	0.4
Activities of private households	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Extra-territorial organizations and bodies	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
<b>Structure of capital by regions</b>									
Bratislava region	17,205	533.4	59.3	5,004	155.1	97.8	22,209	688.5	65.1
Trnava region	4,124	127.9	14.2	0	0.0	0.0	4,124	127.9	12.1
Trenčín region	2,292	71.1	7.9	0	0.0	0.0	2,292	71.1	6.7
Nitra region	120	3.7	0.4	0	0.0	0.0	120	3.7	0.4
Žilina region	2,315	71.8	8.0	73	2.3	1.4	2,388	74.0	7.0
Banská Bystrica region	850	26.4	2.9	38	1.2	0.7	888	27.5	2.6
Prešov region	1,081	33.5	3.7	0	0.0	0.0	1,081	33.5	3.2
Košice region	1,021	31.7	3.5	0	0.0	0.0	1,021	31.7	3.0

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

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

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 26.246									
<b>Total volume of FDI</b>	418,071	15,928.9	100.0	66,182	2,521.6	100.0	484,253	18,450.5	100.0
<b>Structure of capital by investor</b>									
Netherlands	97,182	3,702.7	23.2	612	23.3	0.9	97,794	3,726.1	20.2
Germany	81,150	3,091.9	19.4	861	32.8	1.3	82,011	3,124.7	16.9
Austria	38,578	1,469.9	9.2	33,067	1,259.9	50.0	71,645	2,729.7	14.8
Italy	35,105	1,337.5	8.4	24,185	921.5	36.5	59,290	2,259.0	12.2
Hungary	27,195	1,036.2	6.5	2,007	76.5	3.0	29,202	1,112.6	6.0
United Kingdom	25,284	963.3	6.0	0	0.0	0.0	25,284	963.3	5.2
Czech Republic	19,536	744.3	4.7	3,486	132.8	5.3	23,022	877.2	4.8
Korea	17,125	652.5	4.1	0	0.0	0.0	17,125	652.5	3.5
USA	14,466	551.2	3.5	1,650	62.9	2.5	16,116	614.0	3.3
Cyprus	13,800	525.8	3.3	0	0.0	0.0	13,800	525.8	2.8
Other countries	48,650	1,853.6	11.6	314	12.0	0.5	48,964	1,865.6	10.1
<b>Structure of capital by sector</b>									
Agriculture, hunting, and forestry	1,218	46.4	0.3	0	0.0	0.0	1,218	46.4	0.3
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Mining and quarrying	2,695	102.7	0.6	0	0.0	0.0	2,695	102.7	0.6
Manufacturing	191,067	7,279.9	45.7	0	0.0	0.0	191,067	7,279.9	39.5
Electricity, gas, and water supply	67,843	2,584.9	16.2	0	0.0	0.0	67,843	2,584.9	14.0
Construction	3,346	127.5	0.8	0	0.0	0.0	3,346	127.5	0.7
Wholesale and retail trade, repairs of motor vehicles	55,455	2,112.9	13.3	0	0.0	0.0	55,455	2,112.9	11.5
Hotels and restaurants	2,412	91.9	0.6	0	0.0	0.0	2,412	91.9	0.5
Transport, storage and communication	40,270	1,534.3	9.6	0	0.0	0.0	40,270	1,534.3	8.3
Financial intermediation	27,172	1,035.3	6.5	66,182	2,521.6	100.0	93,354	3,556.9	19.3
Real estate, renting and business activities	23,163	882.5	5.5	0	0.0	0.0	23,163	882.5	4.8
Public administration and defence, compulsory social security	150	5.7	0.0	0	0.0	0.0	150	5.7	0.0
Education	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Health and social work	1,623	61.8	0.4	0	0.0	0.0	1,623	61.8	0.3
Other community, social, and personal services	1,657	63.1	0.4	0	0.0	0.0	1,657	63.1	0.3
Activities of private households	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Extra-territorial organizations and bodies	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
<b>Structure of capital by regions</b>									
Bratislava region	258,143	9,835.5	61.7	65,232	2,485.4	98.6	323,375	12,320.9	66.8
Trnava region	26,114	995.0	6.2	0	0.0	0.0	26,114	995.0	5.4
Trenčín region	23,251	885.9	5.6	0	0.0	0.0	23,251	885.9	4.8
Nitra region	17,892	681.7	4.3	0	0.0	0.0	17,892	681.7	3.7
Žilina region	34,638	1,319.7	8.3	950	36.2	1.4	35,588	1,355.9	7.3
Banská Bystrica region	12,489	475.8	3.0	0	0.0	0.0	12,489	475.8	2.6
Prešov region	7,770	296.0	1.9	0	0.0	0.0	7,770	296.0	1.6
Košice region	37,774	1,439.2	9.0	0	0.0	0.0	37,774	1,439.2	7.8

Note: Preliminary data.

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



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

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 31.948									
<b>Total volume of FDI</b>	353,770	11,073.3	100.0	66,641	2,085.9	100.0	420,411	13,159.2	100.0
<b>Structure of capital by investor</b>									
Netherlands	88,907	2,782.9	25.1	616	19.3	0.9	89,523	2,802.1	21.3
Germany	82,097	2,569.7	23.2	860	26.9	1.3	82,957	2,596.6	19.7
Austria	31,592	988.9	8.9	32,868	1,028.8	49.3	64,460	2,017.7	15.3
Italy	5,340	167.1	1.5	24,144	755.7	36.2	29,484	922.9	7.0
Hungary	27,323	855.2	7.7	2,007	62.8	3.0	29,330	918.1	7.0
United Kingdom	27,263	853.4	7.7	473	14.8	0.7	27,736	868.2	6.6
Czech Republic	15,655	490.0	4.4	3,485	109.1	5.2	19,140	599.1	4.6
USA	13,959	436.9	3.9	1,650	51.6	2.5	15,609	488.6	3.7
France	10,883	340.6	3.1	500	15.7	0.8	11,383	356.3	2.7
Cyprus	9,340	292.4	2.6	0	0.0	0.0	9,340	292.4	2.2
Other countries	41,411	1,296.2	11.7	38	1.2	0.1	41,449	1,297.4	9.9
<b>Structure of capital by sector</b>									
Agriculture, hunting, and forestry	1,797	56.2	0.5	0	0.0	0.0	1,797	56.2	0.4
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Mining and quarrying	2,642	82.7	0.7	0	0.0	0.0	2,642	82.7	0.6
Manufacturing	170,453	5,335.3	48.2	0	0.0	0.0	170,453	5,335.3	40.5
Electricity, gas, and water supply	38,271	1,197.9	10.8	0	0.0	0.0	38,271	1,197.9	9.1
Construction	3,159	98.9	0.9	0	0.0	0.0	3,159	98.9	0.8
Wholesale and retail trade, repairs of motor vehicles	51,454	1,610.6	14.5	0	0.0	0.0	51,454	1,610.6	12.2
Hotels and restaurants	2,360	73.9	0.7	0	0.0	0.0	2,360	73.9	0.6
Transport, storage and communication	38,185	1,195.2	10.8	0	0.0	0.0	38,185	1,195.2	9.1
Financial intermediation	24,956	781.1	7.1	66,641	2,085.9	100.0	91,597	2,867.1	21.8
Real estate, renting and business activities	17,386	544.2	4.9	0	0.0	0.0	17,386	544.2	4.1
Public administration and defence, compulsory social security	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Education	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Health and social work	1,622	50.8	0.5	0	0.0	0.0	1,622	50.8	0.4
Other community, social, and personal services	1,485	46.5	0.4	0	0.0	0.0	1,485	46.5	0.4
Activities of private households	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Extra-territorial organizations and bodies	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
<b>Structure of capital by regions</b>									
Bratislava region	213,750	6,690.6	60.4	65,691	2,056.2	98.6	279,441	8,746.7	66.5
Trnava region	24,806	776.4	7.0	0	0.0	0.0	24,806	776.4	5.9
Trenčín region	21,213	664.0	6.0	0	0.0	0.0	21,213	664.0	5.0
Nitra region	13,790	431.6	3.9	0	0.0	0.0	13,790	431.6	3.3
Žilina region	25,272	791.0	7.1	950	29.7	1.4	26,222	820.8	6.2
Banská Bystrica region	11,454	358.5	3.2	0	0.0	0.0	11,454	358.5	2.7
Prešov region	7,398	231.6	2.1	0	0.0	0.0	7,398	231.6	1.8
Košice region	36,087	1,129.6	10.2	0	0.0	0.0	36,087	1,129.6	8.6

Note: Preliminary data.

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

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

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 28.496									
<b>Total volume of FDI (equity capital + reinvested earnings)</b>	329,948	11,578.7	100.0	66,644	2,338.7	100.0	396,592	13,917.5	100.0
<b>Structure of capital by investor</b>									
Netherlands	90,510	3,176.2	27.4	613	21.5	0.9	91,123	3,197.7	23.0
Germany	75,333	2,643.6	22.8	1,110	39.0	1.7	76,443	2,682.6	19.3
Austria	23,895	838.5	7.2	32,926	1,155.5	49.4	56,821	1,994.0	14.3
Hungary	27,353	959.9	8.3	1,952	68.5	2.9	29,305	1,028.4	7.4
Italy	5,023	176.3	1.5	24,143	847.2	36.2	29,166	1,023.5	7.4
United Kingdom	26,980	946.8	8.2	349	12.2	0.5	27,329	959.0	6.9
Czech Republic	17,033	597.7	5.2	3,486	122.3	5.2	20,519	720.1	5.2
USA	12,374	434.2	3.8	1,650	57.9	2.5	14,024	492.1	3.5
France	11,888	417.2	3.6	415	14.6	0.6	12,303	431.7	3.1
Cyprus	9,128	320.3	2.8	0	0.0	0.0	9,128	320.3	2.3
Other countries	30,431	1,067.9	9.2	0	0.0	0.0	30,431	1,067.9	7.7
<b>Structure of capital by sector</b>									
Agriculture, hunting, and forestry	1,718	60.3	0.5	0	0.0	0.0	1,718	60.3	0.4
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Mining and quarrying	2,556	89.7	0.8	0	0.0	0.0	2,556	89.7	0.6
Manufacturing	160,407	5,629.1	48.6	0	0.0	0.0	160,407	5,629.1	40.4
Electricity, gas, and water supply	38,056	1,335.5	11.5	0	0.0	0.0	38,056	1,335.5	9.6
Construction	2,876	100.9	0.9	0	0.0	0.0	2,876	100.9	0.7
Wholesale and retail trade, repairs of motor vehicles	51,159	1,795.3	15.5	0	0.0	0.0	51,159	1,795.3	12.9
Hotels and restaurants	2,058	72.2	0.6	0	0.0	0.0	2,058	72.2	0.5
Transport, storage and communication	36,322	1,274.6	11.0	0	0.0	0.0	36,322	1,274.6	9.2
Financial intermediation	17,158	602.1	5.2	66,644	2,338.7	100.0	83,802	2,940.8	21.1
Real estate, renting and business activities	14,546	510.5	4.4	0	0.0	0.0	14,546	510.5	3.7
Public administration and defence, compulsory social security	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Education	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Health and social work	1,570	55.1	0.5	0	0.0	0.0	1,570	55.1	0.4
Other community, social, and personal services	1,522	53.4	0.5	0	0.0	0.0	1,522	53.4	0.4
Activities of private households	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Extra-territorial organizations and bodies	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
<b>Structure of capital by regions</b>									
Bratislava region	204,560	7,178.6	62.0	65,202	2,288.1	97.8	269,762	9,466.7	68.0
Trnava region	23,939	840.1	7.3	0	0.0	0.0	23,939	840.1	6.0
Trenčín region	17,533	615.3	5.3	0	0.0	0.0	17,533	615.3	4.4
Nitra region	12,999	456.2	3.9	0	0.0	0.0	12,999	456.2	3.3
Žilina region	19,184	673.2	5.8	950	33.3	1.4	20,134	706.6	5.1
Banská Bystrica region	10,185	357.4	3.1	492	17.3	0.7	10,677	374.7	2.7
Prešov region	7,114	249.6	2.2	0	0.0	0.0	7,114	249.6	1.8
Košice region	34,434	1,208.4	10.4	0	0.0	0.0	34,434	1,208.4	8.7

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

**Outflow of Foreign Direct Investment<sup>1)</sup> from Slovakia in 1999 – 2006***(Flows and stocks)***Corporate sector**

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

**Banking sector**

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

**Total**

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

Note: The data for 2005 – 2006 are preliminary.

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



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

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 29.724									
<b>Outflow of FDI in total</b>	9,427	317.2	100.0	58	2.0	100.0	9,485	319.1	100.0
<b>Structure of capital by country of investment</b>									
Luxembourg	7,139	240.2	75.7	0	0.0	0.0	7,139	240.2	75.3
Czech Republic	827	27.8	8.8	10	0.3	17.2	837	28.2	8.8
Russia	546	18.4	5.8	0	0.0	0.0	546	18.4	5.8
Cyprus	444	14.9	4.7	0	0.0	0.0	444	14.9	4.7
Ukraine	309	10.4	3.3	0	0.0	0.0	309	10.4	3.3
United Kingdom	299	10.1	3.2	0	0.0	0.0	299	10.1	3.2
Hungary	196	6.6	2.1	0	0.0	0.0	196	6.6	2.1
Poland	193	6.5	2.0	0	0.0	0.0	193	6.5	2.0
Austria	140	4.7	1.5	0	0.0	0.0	140	4.7	1.5
Croatia	30	1.0	0.3	0	0.0	0.0	30	1.0	0.3
Other countries	-696	-23.4	-7.4	48	1.6	82.8	-648	-21.8	-6.8
<b>Structure of capital by sector</b>									
Agriculture, hunting, and forestry	-1	0.0	0.0	0	0.0	0.0	-1	0.0	0.0
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Mining and quarrying	424	14.3	4.5	0	0.0	0.0	424	14.3	4.5
Manufacturing	-1,455	-49.0	-15.4	0	0.0	0.0	-1,455	-49.0	-15.3
Electricity, gas, and water supply	13	0.4	0.1	0	0.0	0.0	13	0.4	0.1
Construction	201	6.8	2.1	0	0.0	0.0	201	6.8	2.1
Wholesale and retail trade, repairs of motor vehicles	514	17.3	5.5	0	0.0	0.0	514	17.3	5.4
Hotels and restaurants	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Transport, storage and communication	263	8.8	2.8	0	0.0	0.0	263	8.8	2.8
Financial intermediation	4,562	153.5	48.4	58	2.0	100.0	4,620	155.4	48.7
Real estate, renting and business activities	4,932	165.9	52.3	0	0.0	0.0	4,932	165.9	52.0
Public administration and defence, compulsory social security	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Education	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Health and social work	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Other community, social, and personal services	-26	-0.9	-0.3	0	0.0	0.0	-26	-0.9	-0.3
Activities of private households	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Extra-territorial organizations and bodies	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
<b>Structure of capital by regions</b>									
Bratislava region	7,771	261.4	82.4	58	2.0	100.0	7,829	263.4	82.5
Trnava region	434	14.6	4.6	0	0.0	0.0	434	14.6	4.6
Trenčín region	468	15.7	5.0	0	0.0	0.0	468	15.7	4.9
Nitra region	131	4.4	1.4	0	0.0	0.0	131	4.4	1.4
Žilina region	43	1.4	0.5	0	0.0	0.0	43	1.4	0.5
Banská Bystrica region	526	17.7	5.6	0	0.0	0.0	526	17.7	5.5
Prešov region	36	1.2	0.4	0	0.0	0.0	36	1.2	0.4
Košice region	18	0.6	0.2	0	0.0	0.0	18	0.6	0.2

Note: Preliminary data.

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



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

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 31.022									
<b>Outflow of FDI in total</b>	3,129	100.9	100.0	302	9.7	100.0	3,431	110.6	100.0
<b>Structure of capital by country of investment</b>									
Czech Republic	2,125	68.5	67.9	8	0.3	2.6	2,133	68.8	62.2
Switzerland	661	21.3	21.1	0	0.0	0.0	661	21.3	19.3
Netherlands	0	0.0	0.0	291	9.4	96.4	291	9.4	8.5
Cyprus	266	8.6	8.5	0	0.0	0.0	266	8.6	7.8
Russia	106	3.4	3.4	3	0.1	1.0	109	3.5	3.2
Croatia	97	3.1	3.1	0	0.0	0.0	97	3.1	2.8
Poland	48	1.5	1.5	0	0.0	0.0	48	1.5	1.4
Ethiopia	29	0.9	0.9	0	0.0	0.0	29	0.9	0.8
Bosna and Hercegovina	29	0.9	0.9	0	0.0	0.0	29	0.9	0.8
Serbia and Montenegro	8	0.3	0.3	0	0.0	0.0	8	0.3	0.2
Other countries	-240	-7.7	-7.7	0	0.0	0.0	-240	-7.7	-7.0
<b>Structure of capital by sector</b>									
Agriculture, hunting, and forestry	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Mining and quarrying	58	1.9	1.9	0	0.0	0.0	58	1.9	1.7
Manufacturing	466	15.0	14.9	0	0.0	0.0	466	15.0	13.6
Electricity, gas, and water supply	40	1.3	1.3	0	0.0	0.0	40	1.3	1.2
Construction	-349	-11.3	-11.2	0	0.0	0.0	-349	-11.3	-10.2
Wholesale and retail trade, repairs of motor vehicles	242	7.8	7.7	0	0.0	0.0	242	7.8	7.1
Hotels and restaurants	94	3.0	3.0	0	0.0	0.0	94	3.0	2.7
Transport, storage and communication	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Financial intermediation	1,909	61.5	61.0	302	9.7	100.0	2,211	71.3	64.4
Real estate, renting and business activities	666	21.5	21.3	0	0.0	0.0	666	21.5	19.4
Public administration and defence, compulsory social security	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Education	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Health and social work	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Other community, social, and personal services	3	0.1	0.1	0	0.0	0.0	3	0.1	0.1
Activities of private households	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Extra-territorial organizations and bodies	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
<b>Structure of capital by regions</b>									
Bratislava region	2,915	94.0	93.2	302	9.7	100.0	3,217	103.7	93.8
Trnava region	111	3.6	3.5	0	0.0	0.0	111	3.6	3.2
Trenčín region	-14	-0.5	-0.4	0	0.0	0.0	-14	-0.5	-0.4
Nitra region	26	0.8	0.8	0	0.0	0.0	26	0.8	0.8
Žilina region	-2	-0.1	-0.1	0	0.0	0.0	-2	-0.1	-0.1
Banská Bystrica region	100	3.2	3.2	0	0.0	0.0	100	3.2	2.9
Prešov region	-22	-0.7	-0.7	0	0.0	0.0	-22	-0.7	-0.6
Košice region	15	0.5	0.5	0	0.0	0.0	15	0.5	0.4

Note: Preliminary data.

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

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

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 32.255									
<b>Outflow of FDI (equity capital + reinvested earnings) in total</b>	2,536	78.6	100.0	-29	-0.9	100.0	2,507	77.7	100.0
<b>Structure of capital by country of investment</b>									
Czech Republic	1,620	50.2	63.9	-29	-0.9	100.0	1,591	49.3	63.5
Slovenia	468	14.5	18.5	0	0.0	0.0	468	14.5	18.7
Ethiopia	229	7.1	9.0	0	0.0	0.0	229	7.1	9.1
Netherlands	196	6.1	7.7	0	0.0	0.0	196	6.1	7.8
Russia	112	3.5	4.4	0	0.0	0.0	112	3.5	4.5
India	58	1.8	2.3	0	0.0	0.0	58	1.8	2.3
Cyprus	49	1.5	1.9	0	0.0	0.0	49	1.5	2.0
Bosnia and Herzegovina	28	0.9	1.1	0	0.0	0.0	28	0.9	1.1
Brazil	26	0.8	1.0	0	0.0	0.0	26	0.8	1.0
Poland	22	0.7	0.9	0	0.0	0.0	22	0.7	0.9
Other countries	-272	-8.4	-10.7	0	0.0	0.0	-272	-8.4	-10.8
<b>Structure of capital by sector</b>									
Agriculture, hunting, and forestry	7	0.2	0.3	0	0.0	0.0	7	0.2	0.3
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Mining and quarrying	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Manufacturing	993	30.8	39.2	0	0.0	0.0	993	30.8	39.6
Electricity, gas, and water supply	1	0.0	0.0	0	0.0	0.0	1	0.0	0.0
Construction	-86	-2.7	-3.4	0	0.0	0.0	-86	-2.7	-3.4
Wholesale and retail trade, repairs of motor vehicles	1,596	49.5	62.9	0	0.0	0.0	1,596	49.5	63.7
Hotels and restaurants	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Transport, storage and communication	1	0.0	0.0	0	0.0	0.0	1	0.0	0.0
Financial intermediation	-240	-7.4	-9.5	-29	-0.9	100.0	-269	-8.3	-10.7
Real estate, renting and business activities	269	8.3	10.6	0	0.0	0.0	269	8.3	10.7
Public administration and defence, compulsory social security	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Education	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Health and social work	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Other community, social, and personal services	-5	-0.2	-0.2	0	0.0	0.0	-5	-0.2	-0.2
Activities of private households	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Extra-territorial organizations and bodies	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
<b>Structure of capital by regions</b>									
Bratislava region	1,921	59.6	75.7	-29	-0.9	100.0	1,892	58.7	75.5
Trnava region	-46	-1.4	-1.8	0	0.0	0.0	-46	-1.4	-1.8
Trenčín region	893	27.7	35.2	0	0.0	0.0	893	27.7	35.6
Nitra region	-2	-0.1	-0.1	0	0.0	0.0	-2	-0.1	-0.1
Žilina region	-66	-2.0	-2.6	0	0.0	0.0	-66	-2.0	-2.6
Banská Bystrica region	12	0.4	0.5	0	0.0	0.0	12	0.4	0.5
Prešov region	96	3.0	3.8	0	0.0	0.0	96	3.0	3.8
Košice region	-272	-8.4	-10.7	0	0.0	0.0	-272	-8.4	-10.8

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



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

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

Note: Preliminary data.

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

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

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 31.948									
<b>Total volume of FDI outward</b>	23,721	742.5	100.0	839	26.3	100.0	24,560	768.7	100.0
<b>Structure of capital by country of investment</b>									
Czech Republic	12,215	382.3	51.5	499	15.6	59.5	12,714	398.0	51.8
United Kingdom	2,283	71.5	9.6	0	0.0	0.0	2,283	71.5	9.3
Ukraine	1,812	56.7	7.6	0	0.0	0.0	1,812	56.7	7.4
Ireland	1,140	35.7	4.8	0	0.0	0.0	1,140	35.7	4.6
Poland	1,043	32.6	4.4	0	0.0	0.0	1,043	32.6	4.2
Switzerland	854	26.7	3.6	0	0.0	0.0	854	26.7	3.5
Luxembourg	808	25.3	3.4	0	0.0	0.0	808	25.3	3.3
Russia	623	19.5	2.6	0	0.0	0.0	623	19.5	2.5
Cyprus	512	16.0	2.2	0	0.0	0.0	512	16.0	2.1
Slovenia	469	14.7	2.0	0	0.0	0.0	469	14.7	1.9
Other countries	1,962	61.4	8.3	340	10.6	40.5	2,302	72.1	9.4
<b>Structure of capital by sector</b>									
Agriculture, hunting, and forestry	20	0.6	0.1	0	0.0	0.0	20	0.6	0.1
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Mining and quarrying	1,149	36.0	4.8	0	0.0	0.0	1,149	36.0	4.7
Manufacturing	5,151	161.2	21.7	0	0.0	0.0	5,151	161.2	21.0
Electricity, gas, and water supply	1,495	46.8	6.3	0	0.0	0.0	1,495	46.8	6.1
Construction	53	1.7	0.2	0	0.0	0.0	53	1.7	0.2
Wholesale and retail trade, repairs of motor vehicles	5,731	179.4	24.2	0	0.0	0.0	5,731	179.4	23.3
Hotels and restaurants	91	2.8	0.4	0	0.0	0.0	91	2.8	0.4
Transport, storage and communication	43	1.3	0.2	0	0.0	0.0	43	1.3	0.2
Financial intermediation	4,943	154.7	20.8	839	26.3	100.0	5,782	181.0	23.5
Real estate, renting and business activities	3,485	109.1	14.7	0	0.0	0.0	3,485	109.1	14.2
Public administration and defence, compulsory social security	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Education	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Health and social work	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Other community, social, and personal services	1,560	48.8	6.6	0	0.0	0.0	1,560	48.8	6.4
Activities of private households	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Extra-territorial organizations and bodies	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
<b>Structure of capital by regions</b>									
Bratislava region	15,451	483.6	65.1	839	26.3	100.0	16,290	509.9	66.3
Trnava region	1,935	60.6	8.2	0	0.0	0.0	1,935	60.6	7.9
Trenčín region	1,513	47.4	6.4	0	0.0	0.0	1,513	47.4	6.2
Nitra region	65	2.0	0.3	0	0.0	0.0	65	2.0	0.3
Žilina region	544	17.0	2.3	0	0.0	0.0	544	17.0	2.2
Banská Bystrica region	1,617	50.6	6.8	0	0.0	0.0	1,617	50.6	6.6
Prešov region	744	23.3	3.1	0	0.0	0.0	744	23.3	3.0
Košice region	1,852	58.0	7.8	0	0.0	0.0	1,852	58.0	7.5

Note: Preliminary data.

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



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

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 28.496									
<b>Total volume of FDI outward (equity capital + reinvested earnings)</b>	20,321	713.1	100.0	527	18.5	100.0	20,848	731.6	100.0
<b>Structure of capital by country of investment</b>									
Czech Republic	9,123	320.2	44.9	481	16.9	91.3	9,604	337.0	46.1
United Kingdom	2,282	80.1	11.2	0	0.0	0.0	2,282	80.1	10.9
Ukraine	1,238	43.4	6.1	0	0.0	0.0	1,238	43.4	5.9
Ireland	1,136	39.9	5.6	0	0.0	0.0	1,136	39.9	5.4
Hungary	1,130	39.7	5.6	0	0.0	0.0	1,130	39.7	5.4
Luxembourg	1,111	39.0	5.5	0	0.0	0.0	1,111	39.0	5.3
Poland	867	30.4	4.3	0	0.0	0.0	867	30.4	4.2
Austria	646	22.7	3.2	0	0.0	0.0	646	22.7	3.1
Russia	474	16.6	2.3	0	0.0	0.0	474	16.6	2.3
Slovenia	468	16.4	2.3	0	0.0	0.0	468	16.4	2.2
Other countries	1,846	64.8	9.1	46	1.6	8.7	1,892	66.4	9.1
<b>Structure of capital by sector</b>									
Agriculture, hunting, and forestry	30	1.1	0.1	0	0.0	0.0	30	1.1	0.1
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Mining and quarrying	521	18.3	2.6	0	0.0	0.0	521	18.3	2.5
Manufacturing	4,680	164.2	23.0	0	0.0	0.0	4,680	164.2	22.4
Electricity, gas, and water supply	1,414	49.6	7.0	0	0.0	0.0	1,414	49.6	6.8
Construction	413	14.5	2.0	0	0.0	0.0	413	14.5	2.0
Wholesale and retail trade, repairs of motor vehicles	5,808	203.8	28.6	0	0.0	0.0	5,808	203.8	27.9
Hotels and restaurants	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Transport, storage and communication	42	1.5	0.2	0	0.0	0.0	42	1.5	0.2
Financial intermediation	3,079	108.1	15.2	527	18.5	100.0	3,606	126.5	17.3
Real estate, renting and business activities	2,836	99.5	14.0	0	0.0	0.0	2,836	99.5	13.6
Public administration and defence, compulsory social security	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Education	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Health and social work	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Other community, social, and personal services	1,498	52.6	7.4	0	0.0	0.0	1,498	52.6	7.2
Activities of private households	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Extra-territorial organizations and bodies	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
<b>Structure of capital by regions</b>									
Bratislava region	13,061	458.3	64.3	527	18.5	100.0	13,588	476.8	65.2
Trnava region	1,779	62.4	8.8	0	0.0	0.0	1,779	62.4	8.5
Trenčín region	1,460	51.2	7.2	0	0.0	0.0	1,460	51.2	7.0
Nitra region	39	1.4	0.2	0	0.0	0.0	39	1.4	0.2
Žilina region	564	19.8	2.8	0	0.0	0.0	564	19.8	2.7
Banská Bystrica region	1,654	58.0	8.1	0	0.0	0.0	1,654	58.0	7.9
Prešov region	619	21.7	3.0	0	0.0	0.0	619	21.7	3.0
Košice region	1,145	40.2	5.6	0	0.0	0.0	1,145	40.2	5.5

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