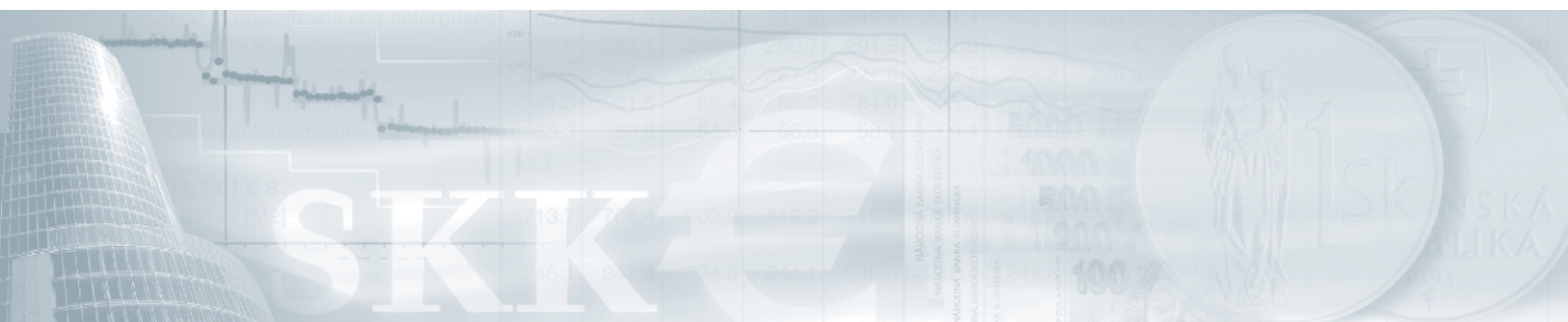




NÁRODNÁ BANKA SLOVENSKA



# Monetary Survey

July 2008

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**CONTENTS**

1	Summary .....	5
2	The External Economic Environment.....	6
3	Inflation.....	8
3.1	Consumer Price Index.....	8
3.2	Producer Prices in June 2008.....	10
4	Factors Affecting the Course of Inflation.....	12
4.1	Monetary Aggregates.....	12
4.2	The External Sector.....	20
4.3	Real Economy.....	26
5	Monetary Developments .....	31
5.1	Foreign Exchange Market.....	31
5.2	Money Market and Monetary Policy Implementation.....	33
5.3	Customer Interest Rates in June 2008 .....	36
	Annexes .....	42
1	International Economy: Tables and Charts .....	42
2	Capital Market.....	47
2.1	Primary Market .....	47
2.2	Secondary Market.....	47
3	Methodological Notes to Selected Indicators .....	49
3.1	Monetary Statistics.....	49
3.2	Basic Macroeconomic Indicators.....	55
4	Tables.....	59
	Selected Indicators of Economic and Monetary Development in the SR .....	59
	Selected Indicators of Economic and Monetary Development in the SR (SKK converted to EUR).....	60
	Summary of Assets and Liabilities in the Consolidated Balance Sheet of MFIs.....	61
	Average Interest Rates on New Loans.....	62
	Average Interest Rates on New Deposits .....	63
	Average Interest Rates on Outstanding Loans .....	64
	Average Interest Rates on Outstanding Deposits .....	65
	Shortened Balance Sheet of Commercial Banks as at 30 June 2008 .....	66
	Monthly Profit and Loss Account of Commercial Banks .....	68
	Balance of Payments of the SR for January – May 2008.....	69
	Overview of Issues of NBS Bills 2007-2008.....	70
	Basic Characteristics of Slovakia's Foreign Exchange Market in July 2008 .....	71
	Average Monthly Exchange Rates of the SKK against Selected Currencies .....	72
	Average Quarterly Exchange Rates of the SKK against Selected Currencies .....	72
	Inflow of Foreign Direct Investment into Slovakia in 1999 – 2006 .....	73
	Inflow of Foreign Direct Investment during January to December 2006.....	74
	Inflow of Foreign Direct Investment during January to December 2005.....	75
	Inflow of Foreign Direct Investment during January to December 2004.....	76
	Volume of Foreign Direct Investment as at 31 December 2006.....	77
	Volume of Foreign Direct Investment as at 31 December 2005.....	78
	Volume of Foreign Direct Investment as at 31 December 2004.....	79
	Outflow of Foreign Direct Investment from Slovakia in 1999 – 2006.....	80
	Outflow of Foreign Direct Investment During January to December 2006.....	81
	Outflow of Foreign Direct Investment During January to December 2005.....	82
	Outflow of Foreign Direct Investment During January to December 2004.....	83
	Volume of Foreign Direct Investment Outward as at 31 December 2006.....	84
	Volume of Foreign Direct Investment Outward as at 31 December 2005.....	85
	Volume of Foreign Direct Investment Outward as at 31 December 2004.....	86

**LIST OF BOXES**

Box 1	Loans to Households for House Purchase and Their Prices.....	39
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**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	Contributions of M3 Components to Year-on-year Dynamics of M3 .....	12
Chart 7	Lending in Foreign Currency .....	16
Chart 8	Impact of Changes in NBS Interest Rates on Net Sales of OIFs .....	18
Chart 9	Receivables from Leasing Companies, Factoring Companies and Consumer Credit Companies .....	18
Chart 10	Average Monthly Exchange Rates of the Slovak Koruna .....	25
Chart 11	Developments in the NEER and REER Indices (9 trading partners).....	25
Chart 12	Development of Industrial Production and Construction Production.....	26
Chart 13	Retail Sales in Selected Sectors at Current Prices (3-month moving averages) .....	26
Chart 14	Retail Sales at Current Prices (3-month moving averages) .....	27
Chart 15	Contributions to Year-on-year Growth in Retail Sales .....	27
Chart 16	Comparison of Average Monthly Wages Based on Monthly and Quarterly Data.....	29
Chart 17	Comparison of Employment Rates Based on Monthly and Quarterly Data .....	29
Chart 18	Registered Unemployment Rate .....	30
Chart 19	Consumer Confidence Indicator .....	30
Chart 20	Transactions in the Interbank Foreign Exchange Market.....	31
Chart 21	Banking Sector: Koruna Liabilities to Non-residents .....	32
Chart 22	Average Monthly Interbank Market Rates (BRIBOR).....	33
Chart 23	Developments in Interbank Market Rates (BRIBOR) .....	33
Chart 24	Yield Curve in July .....	34
Chart 25	Daily Developments in FRAs.....	35
Chart 26	Daily Developments in IRSs.....	35
Chart 27	Implied Expectations Derived from BRIBOR Rates.....	36
Chart 28	Interest Rates on Loans to Non-financial Corporations, 3-M BRIBOR, and the NBS Base Rate....	36
Chart 29	Interest Rates on Loans to Households by Type .....	36
Chart 30	Interest Rates on Deposits from Non-financial Corporations .....	37
Chart 31	Interest Rates on Household Deposits .....	37
Chart 32	Real Interest Rates on Household Deposits .....	38
Chart 33	USD/EUR: Year-on-year Changes.....	42
Chart 34	ECB Interest Rates and the EONIA.....	42
Chart 35	Exchange Rate Indices of V4 Currencies against the Euro .....	44
Chart 36	Exchange Rates of V4 Currencies against the Euro .....	44
Chart 37	Key Interest Rates of the NCBs of V4 Countries .....	45
Chart 38	United States: Federal Funds Rate .....	45
Chart 39	Oil Prices in USD/Barrel.....	46
Chart 40	Benchmark Government Bond Yield Curves.....	47
Chart 41	Bond Transactions in the BCPB .....	47
Chart 42	Developments in the SAX Index in July 2008 .....	48

**Box 1**

Chart A	House Purchase Loans by Type .....	39
Chart B	House Purchase Loans by Fixation Period .....	39
Chart C	SKK House Purchase Loans by Type .....	40
Chart D	Year-on-year Changes in Loans to Households .....	40
Chart E	Developments in Failed House Purchase Loans to Households .....	40
Chart F	Developments in Interest Rates on House Purchase Loans and NBS Base Rate.....	40
Chart G	Developments in Interest Rates on House Purchase Loans and Market Rates in Slovakia and in the Euro Area .....	41
Chart H	Developments in Interest Rates on House Purchase Loans by Type .....	41

**LIST OF TABLES**

Table 1	Harmonised Index of Consumer Prices .....	8
Table 2	Consumer Prices in July 2008 .....	9
Table 3	Producer Price Developments in June 2008 .....	10
Table 4	Comparison of Month-on-month Developments in Monetary Aggregates(ECB methodology)..	13
Table 5	Main M3 Counterparts (ECB methodology) .....	14
Table 6	MFI Receivables from the Resident Private Sector .....	15
Table 7	MFI Receivables from the Resident Private Sector .....	16
Table 8	Net Sales of Open-end Investment Funds in the SR .....	17
Table 9	Receivables of Factoring, Leasing, and Instalment Financing Companies .....	19
Table 10	Balance of Payments Current Account .....	20
Table 11	Exports from January to May, year-on-year changes .....	21
Table 12	Imports in January to May, year-on-year changes.....	21
Table 13	Balance of Payments Capital and Financial Account .....	22
Table 14	External Debt of the SR .....	23
Table 15	Balance of Payments Current Account.....	24
Table 16	Developments in the NEER and REER Indices .....	25
Table 17	Output and Revenues .....	27
Table 18	Wage Developments in Selected Sectors .....	28
Table 19	Employment in Selected Sectors .....	29
Table 20	Changes in the SKK/EUR and SKK/USD Exchange Rates .....	31
Table 21	Koruna Assets/Liabilities and Government Securities Held by Non-Residents .....	32
Table 22	Average Daily Impact of NBS Operations on the Level of Banking Sector Liquidity .....	34
Table 23	Interbank Transactions .....	35
Table 24	Average Interest Rates on New Loans .....	37
Table 25	Average Interest Rates on New Deposits .....	38
Table 26	Euro Area .....	42
Table 27	Czech Republic.....	43
Table 28	Hungary .....	43
Table 29	Poland .....	44
Table 30	United States.....	45
Table 31	The Values of SDXGroup Indices at the End of July 2008 .....	48
Table 32	Weights of Basic SAX Index Components at Month-Ends in 2008.....	48
Table 33	Calculation of Monetary Aggregates.....	50

**Abbreviations**

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

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*Symbols used in the tables*

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



## 1 Summary

Consumer prices, expressed in terms of the Harmonised Index of Consumer Prices (HICP), were stagnant during July in comparison with the previous month. The year-on-year rate of headline inflation reached 4.4%. Core inflation (excluding energy and unprocessed food prices) recorded a year-on-year rate of 4.2%.

Measured in terms of the Consumer Price Index (CPI), consumer prices rose in comparison with the previous month by 0.1% in July. The 12-month headline and core inflation rates reached 4.8% and 5.1%, respectively.

The M3 monetary aggregate (according to ECB methodology) decreased month-on-month by SKK 13.5 billion in June, and its year-on-year growth dynamics weakened in comparison with May to 6.6%.

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 21.20 billion in June, and the year-on-year growth rate accelerated by 0.2 of a percentage point, to 14.2%.

The average interest rate on new loans to non-financial corporations rose by 0.20 of a percentage point to 5.95% in June, while that on new loans to households dropped by 0.08 of a percentage point to 11.89%. Over the same period, the average interest rate on new deposits from non-financial corporations increased by 0.26 of a percentage point to 2.59%, and that on new household deposits rose by 0.02 of a percentage point to 1.14%.

At the end of July, the State budget of the Slovak Republic resulted in a deficit of SKK 0.6 billion.

The foreign reserves of NBS (at current exchange rates) reached USD 19.8 billion in July. At the end of the month, the volume of reserves was 2.9 times greater than the volume of average monthly imports of goods and services to Slovakia over the first six months of 2008. At the end of June, the coverage of average monthly imports (imports of goods and services according to data from banking statistics) by the official foreign reserves corresponded to 3.9 times the volume of average monthly imports of goods and services to the SR over the first six months of 2008.

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

According to preliminary data, the balance of payments on current account for May 2008 resulted in a deficit of SKK 8.7 billion. Over the same period, the capital and financial account generated a surplus of SKK 3.6 billion. From January to June, the b.o.p. current account produced a deficit of SKK 47.6 billion, while trade resulted in a shortfall of SKK 1.7 billion.

The overall sterilisation position of NBS increased in comparison with June by approximately SKK 2.6 million in July, to SKK 377.1 billion.



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

### Euro-Area Countries

**Inflation** The 12-month inflation rate in the euro area, expressed in terms of the Harmonised Index of Consumer Prices (HICP), remained unchanged in July, at the level of the previous month (4.0%). The strongest year-on-year consumer price dynamics were recorded in Slovenia (6.9%), Belgium (5.9%), and Luxembourg (5.8%). The steepest year-on-year increases occurred in transport prices (7.2%), food prices (6.7%), and in housing costs (6.7%). Price levels fell for telecommunications services (by 2.2%) and clothes (0.5%). In the same period a year earlier, consumer prices in the euro area had increased year-on-year by 1.8%.

**EUR/USD exchange rate** In July, the exchange rate of the euro against the dollar was again 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 euro was favourably influenced by the ECB's decision to raise its key interest rates with effect from 7 July 2008. At the same time, the dollar was exposed to the depreciating effect of the situation arisen in connection with the mortgage agencies Fannie Mae and Freddy Mac. In this environment, the exchange rate of the dollar could not even be maintained by the positive news from the labour market and the improved trade deficit of the United States. The exchange rate of the euro was not significantly affected by the euro area's worsening consumer and business confidence indicators, which reached several years' lows. In the second half of the month, the negative news about the US economy was overshadowed by a sharp fall in Germany's IFO business confidence index. From the last trading day in June (USD/EUR 1.5764) to the end of July, the single European currency depreciated against the dollar by 1.0%, while appreciating since the beginning of the year by 6.3% (in comparison with the same period of 2007 by 13.9%).

At its meeting on 7 August 2008, the Governing Council of the European Central Bank (ECB) decided to leave its key interest rates unchanged. Thus, the minimum bid rate for the main refinancing operations of the Eurosystem remained at 4.25% and the rates for the marginal lending facility and the deposit facility at 5.25% and 3.25%, respectively.

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

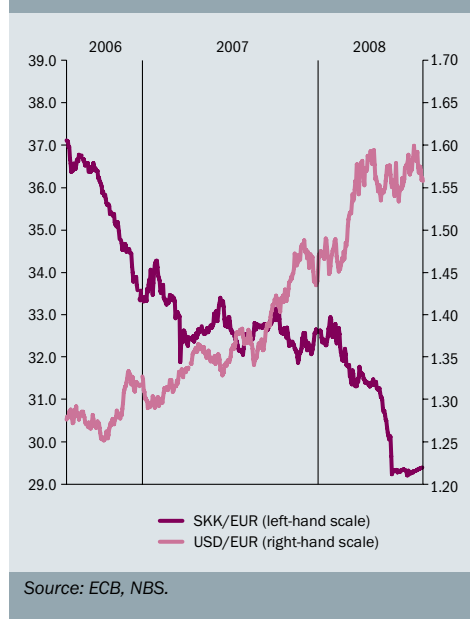
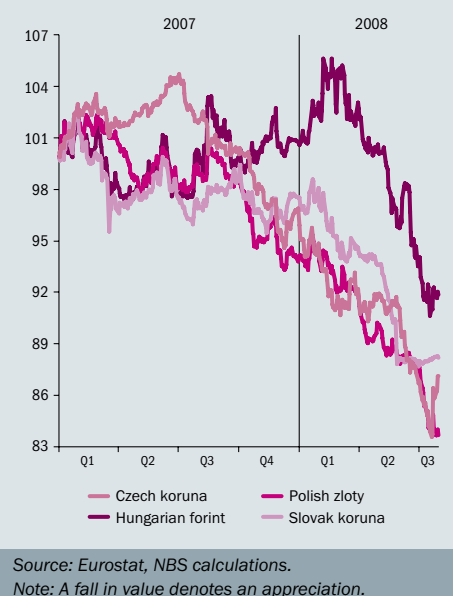


Chart 2 Exchange Rate Indices of V4 Currencies against the Euro (29 December 2006=100)



<sup>1</sup> The chapter on international economic developments includes a tabular / graphical overview, which is available in the annex.



**Visegrad (V4) countries**

Annual HICP inflation rose throughout the V4 region in July. Compared with the previous month, Hungary's inflation rate accelerated by 0.4 of a percentage point, to 7%. In the Czech Republic and Poland, inflation rose equally by 0.2 of a percentage point, to 6.8% and 4.5%, respectively. Price developments in the V4 countries were mostly influenced by regulated prices, as well as food and energy prices. In the Czech Republic, price levels also reflected the delayed pass-through of the excise tax increase for tobacco and tobacco products, which took place half a year earlier.

**Inflation**

The first half of July was dominated by appreciating trends from the previous month, due to positive sentiments in the region. In the middle of the month, the Hungarian forint recorded a slight depreciation as a result of increased risk aversion. At the beginning of the last third of July, the Czech koruna recorded a relatively sharp depreciation, due to increased expectations of a cut in the key CNB interest rates. The Polish zloty also weakened for a short period, along with the Hungarian forint. The depreciating trend in the Czech koruna persisted until the end of the month. Compared with the last trading day in June, the Hungarian forint and the Polish zloty appreciated against the euro by 1.8% and 4.3%, respectively, while the Czech koruna depreciated by 0.2%.

**Exchange rates of the V4 currencies**

The only national central bank in the region to modify its key interest rates in July was Česká národní banka (CNB). With effect from 8 August, the Czech central bank lowered its two-week repo rate by 0.25 of a percentage point, to 3.5%. Narodowy Bank Polski and Magyar Nemzeti Bank left their key interest rates unchanged, at 6% and 8.5%, respectively.

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



### 3 Inflation

#### 3.1 Consumer Price Index

##### HICP inflation

##### Harmonised Index of Consumer Prices

Consumer prices, as measured by the Harmonised Index of Consumer Prices (HICP), were stagnant on a month-on-month basis in July, with goods prices falling by 0.2% and services prices rising by 0.5%. On a year-on-year basis, consumer prices increased by 4.4% (compared with 4.3% in June). Overall inflation, excluding energy and unprocessed food prices (core inflation), reached 4.2% year-on-year (4.1% in June). The average 12-month inflation rate for the period from August 2007 to July 2008 was 3.1%. The average inflation rate for the period since the beginning of the year reached 3.8%. In July, HICP inflation was in line with the expectations of NBS.

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

	2008					
	Feb.	Mar.	Apr.	May	June	July
<b>TOTAL</b>	3.4	3.6	3.7	4.0	4.3	4.4
<b>Goods</b>	3.0	3.3	3.3	3.8	4.2	4.3
Industrial goods	1.3	1.6	1.5	2.0	2.1	2.4
Industrial goods (excl. energies)	-0.3	0.2	0.1	0.7	0.6	0.9
Energies	3.7	3.8	3.6	4.1	4.4	4.7
<b>Food</b>	6.3	6.5	6.7	7.1	8.0	8.1
Processed food (including alcohol and tobacco)	8.6	8.6	9.3	8.9	8.7	8.7
Unprocessed food	1.6	2.5	1.8	3.7	6.8	6.8
<b>Services</b>	4.0	4.2	4.4	4.4	4.6	4.7
<b>Total, excluding unprocessed food and energies (core inflation)</b>	3.5	3.7	3.9	4.0	4.1	4.2
<b>Total, excluding energies</b>	3.3	3.6	3.7	4.0	4.3	4.4

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

##### Rise in energy prices, as well as in core inflation

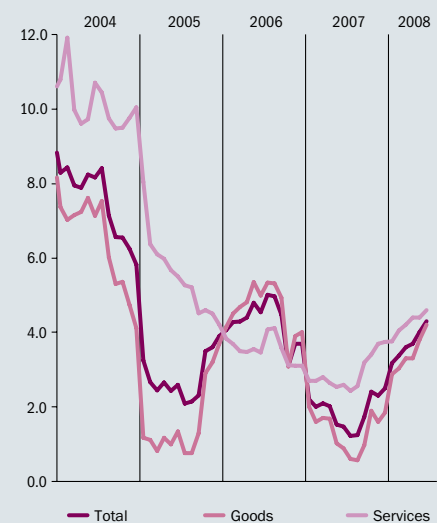
Within the structure of inflation, the year-on-year dynamics of energy prices increased and the rate of core inflation (overall inflation, excluding energy and unprocessed food prices) accelerated, while unprocessed food prices remained unchanged.

In energy prices, the year-on-year rate of increase accelerated mostly in fuel prices during July. Modest increases were recorded in solid fuel (coal) and heating prices. The price of liquefied petroleum gas was exempted from excise tax (-0.01 of a percentage point to headline inflation). The stagnation in the year-on-year dynamics of unprocessed food prices was caused by conflicting developments in the individual components: fruit and vegetable prices showed increased dynamics, while meat and fish prices rose at a slower pace on a year-on-year basis.

##### Steep rise in the prices of newspapers and magazines

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, as well as in non-energy industrial goods prices. Processed food prices (like unprocessed food prices) were at a standstill. The stronger dynamics of non-energy industrial goods prices can be attributed to the increased prices of newspaper and magazines. Steeper year-on-year increases were also observed in the prices of clothes, furniture, and carpets. On the other hand, the prices of pharmaceuticals recorded a marked slowdown. Processed food prices stagnated on a year-on-year basis: the prices of milk and dairy products rose at a slower

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



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



pace, while those of bread and flour products showed increased dynamics. Prices for services accelerated in comparison with the previous month, with faster year-on-year increases recorded in prices for household, restaurant, and health services.

The year-on-year rate of headline inflation is expected to accelerate slightly in August, compared with July 2008, due to an anticipated increase in the year-on-year dynamics of goods prices. In the goods category, steeper year-on-year increases are expected in food prices owing to the rise in cigarette prices, resulting from the excise tax increase.

**Expectations for the next month**

**CPI inflation**

Consumer prices increased month-on-month by 0.1% in July 2008. Despite this, the dynamics of regulated prices remained unchanged, due to a rise in municipal public transport fares, accompanied by a slight increase in the price of heating. The rate of core inflation, which rose somewhat on a month-on-month basis, was influenced by tradable goods prices (higher prices for fuels, recreation, and culture). Prices for market services also increased (due mainly to increases in the prices of newspapers/magazines, recreational and cultural services, and services related to housing). Although bread and cereal prices rose, fruit and vegetable prices were falling (due to seasonal factors). Excise tax on LPG fuel was reduced to zero in July; the overall impact of this measure on inflation was -0.01 of a percentage point. The 12-month rate of consumer-price inflation stood at 4.8% (4.6% in June). Core inflation reached 5.1% (4.8% in the previous month). The average year-on-year inflation rate for the period from August 2007 to July 2008 was 3.8%.

**Consumer Price Index**

**Table 2 Consumer Prices in July 2008**

	CPI inflation		HICP inflation by CPI component	
	Change versus			
	June 2008	July 2007	June 2008	July 2007
<b>Total in %</b>	0.1	4.8	0.0	4.4
<b>Regulated prices in %</b>	0.0	4.1	0.0	4.4
Share of total, in percentage points <sup>1)</sup>	-0.01	-	-0.01	-
<b>Impact of changes in indirect taxes on non-regulated prices – Share of total, in percentage points<sup>1)</sup></b>	-0.01	-	-0.01	-
<b>Core inflation in %</b>	0.2	5.1	0.0	4.6
Share of total, in percentage points <sup>1)</sup>	0.14	-	0.01	-
of which: Food prices in %	-1.2	10.7	-1.4	10.3
Share of total, in percentage points <sup>1)</sup>	-0.17	-	-0.23	-
Tradable goods in % <sup>1)</sup>	0.4	2.0	0.4	2.1
Share of total, in percentage points <sup>1)</sup>	0.15	-	0.12	-
Tradable goods excluding fuels, in % <sup>1)</sup>	0.3	0.8	0.2	1.1
Share of total, in percentage points <sup>1)</sup>	0.09	-	0.07	-
Fuels in % <sup>1)</sup>	1.7	13.2	1.7	13.2
Share of total, in percentage points <sup>1)</sup>	0.06	-	0.05	-
Market services in % <sup>1)</sup>	0.6	6.2	0.5	4.4
Share of total, in percentage points <sup>1)</sup>	0.16	-	0.12	-
<b>Net inflation (excluding the impact of changes in indirect taxes) in %</b>	0.5	3.8	0.4	3.0
Share of total, in percentage points <sup>1)</sup>	0.31	-	0.24	-
<b>Net inflation, excluding fuel prices (excluding the impact of changes in indirect taxes) in %<sup>1)</sup></b>	0.4	3.3	0.4	2.5
Share of total, in percentage points <sup>1)</sup>	0.25	-	0.19	-

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 June 2008

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

Industrial producer prices for the domestic market rose month-on-month by an average of 0.2% in June, due to price increases for energy (0.6%) and mining and quarrying products (2.3%). The prices of manufacturing products dropped 0.3%.

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

(%)

	Month-on-month changes		Year-on-year changes			
	May 2008	June 2008	June 2007	May 2008	June 2008	Average since the beginning of 2008
Industrial producer prices (for the domestic market)	0.5	0.2	1.3	6.4	6.3	5.5
– Prices of manufacturing products	0.7	-0.3	-0.5	3.6	3.0	3.0
– Prices of mining and quarrying products	2.5	2.3	-2.5	12.9	14.1	9.7
– Prices of electricity, gas, steam, and hot water	0.3	0.6	3.9	10.1	10.6	8.9
Industrial producer prices (for export)	1.5	-1.3	-4.8	3.6	1.4	2.4
– Prices of manufacturing products	1.1	-1.1	-4.1	2.2	0.2	1.5
Construction prices	0.4	0.1	4.0	5.7	5.8	5.2
Building materials prices	1.2	-0.3	5.5	5.3	4.7	4.6
Agricultural prices	-	-	-2.5	13.6	12.7	13.5
– Prices of plant products	-	-	12.2	43.1	41.1	44.9
– Prices of animal products	-	-	-4.0	10.3	9.4	8.4

Source: Statistical Office of the SR.

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

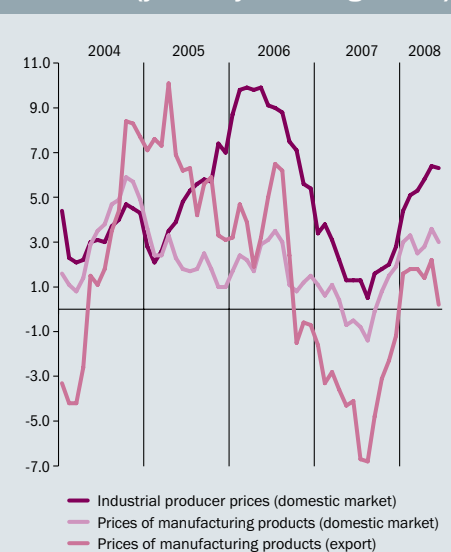
In June, the year-on-year dynamics of domestic industrial producer prices weakened somewhat in comparison with May (by 0.1 of a percentage point, to 6.3%), due to a slowdown in the rate of increase in manufacturing products prices (by 0.6 of a percentage point, to 3.0%), while energy prices rose by 0.5 of a percentage point (to 10.6%) and mining & quarrying products prices by 1.2 percentage point (to 14.1%).

The slower year-on-year rise in manufacturing products prices in June, compared with May, was mainly caused by a further fall in the price of transport equipment (2 percentage points, to -7.7%). Slower increases than a month earlier were recorded in the prices of base metals and finished metal products (0.6 of a percentage point, to 2.0%), electrical and optical equipment (0.8 of a percentage point, to 2.7%), and chemical products (1.5 percentage points, to 1.2%). Stronger upward pressures than in May were exerted by the prices of refined oil products (rising by 4 percentage points, to 30.4%) and food products (by 0.5 of a percentage point, to 8.6%).

Among food products, the steepest rise (steeper than in May) was observed in industrial fodder prices (2.4 percentage points, to 31.1%). Compared with the previous month, more rapid increases were recorded in the prices of flour products (26.1%), beverages (4.1%), meat and meat products (3.3%). Prices increased more moderately than a month earlier for animal fats and vegetable oils (29.0%) and dairy products (8.0%). The prices of processed and canned fruits & vegetables continued to fall slightly (-4.9%).

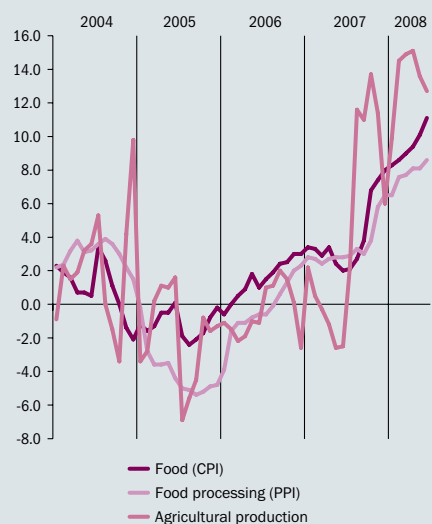
The faster year-on-year rise in energy prices in June was the result of accelerated increases in prices for gas production and the transport of gaseous fuels via pipelines (2.9 percentage points, to 15.7%), water treatment and supply (0.3 of a percentage point, to 8.2%), and steam & hot water supply (0.3 of a percentage point, to 3.7%).

**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.

The rise in electricity prices slowed in comparison with May by 0.4 of a percentage point, to 9.9% in June.

The export prices of manufacturing products, which are the main factor influencing the level of industrial producer prices for export, fell month-on-month by 1.1% in June, while rising year-on-year by 0.2%.

**Industrial producer prices for export**

In June, the year-on-year increase in manufacturing products prices for export was again driven by the sharply rising export prices of refined oil products (by 36.4%). The year-on-year price increase was also supported by the export prices of base metals and finished products (2.2%), food products (9.8%), chemicals (0.1%), and leather products (0.3%). A dampening effect was exerted by the falling prices of transport equipment (-10.0%), electrical and optical equipment (-5.8%), and paper products (-6.2%).

**Agricultural prices**

The year-on-year rate of increase in agricultural prices slowed by 0.9 of a percentage point in June, compared with the previous month (to 12.7%), due to slower rise in plant products prices (by 2 percentage points, to 41.1%) and animal products prices (by 0.9 of a percentage point, to 9.4%).

The year-on-year rise in plant products prices was driven mostly by the higher prices of cereals, which increased by 48.3% (wheat and rye by 53.9%, oat by 52.1%, corn by 46.5%, and barley by 36.6%), and oil seeds, which rose by 46.2% (sunflower by 67.1% and rape by 47.1%). Price levels also increased for legumes (by 17.1%), fruits (by 2.3%), and vegetables (by 3.6%). Potato prices dropped 10.2%.

Regarding animal products, prices increased for poultry (by 16.7%), live fish (by 14.5%), unpasteurised cow milk (by 11.5%), pigs (by 8.7%), and eggs (by 7.3%). A fall occurred in the price of cattle, including calves (0.5%).

Industrial producer prices are expected to be influenced in July 2008 by the high price of crude oil on the world markets, which places upward pressure on energy prices. The price increase is likely to be stimulated further on by food prices. A dampening factor in July 2008 should be the base effect of the sharp rise in crude oil, refined oil product, and energy prices from July 2007, as in the previous month. Owing to these factors, the year-on-year dynamics of industrial producer prices are expected to stagnate in July, compared with June.

According to the latest agrarian market news, this year's crops of densely sown cereals and rape in Slovakia will be at average levels, only slightly higher than last year. On the Slovak commodity market, purchase prices are expected to remain relatively high in July, with a tendency to fall slightly after the supply of cereals from this year's harvest. 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 has been falling slightly since the beginning of the year, but is still almost 10% higher than a year earlier. Overall, agricultural prices are expected to rise further in July.



## 4 Factors Affecting the Course of Inflation

### 4.1 Monetary Aggregates

#### Faster 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 June, to the lowest level recorded since November 2005, i.e. by 3.2 percentage points on a month-on-month basis (to 6.6%).

The weakening dynamics of the monetary aggregates can be attributed to developments in deposits and loans received with an agreed maturity of up to 2 years; their contribution to the overall year-on-year rate of M3 growth in June was 10.7 percentage points smaller than in the same period a year earlier. The reduced contribution was mainly caused by developments in the deposits of non-financial corporations, the negative year-on-year dynamics of which increased to 17.8%.

The contribution of deposits and received loans repayable on demand to the year-on-year rate of M3 growth diminished by 0.4 of a percentage point in June; the total contribution made by the other main M3 components was 1.4 percentage points smaller. The overall year-on-year change in the M3 monetary aggregate in June 2008 was 12.5 percentage points smaller than in June 2007.

#### Main M3 components

#### Slowdown in the growth of monetary aggregates

The individual components of the M1 monetary aggregate showed different dynamics in June: the dynamics of currency in circulation continued weakening, while the growth rate of deposits and received loans repayable on demand accelerated somewhat. The structure of deposits is more and more influenced by the forthcoming euro changeover in Slovakia (as from January 2009) and the growing expectations of a rise in interest rate levels in Europe. This is reflected in the year-on-year dynamics of cash in circulation, which recorded a negative figure for the first time (-1.8%). Despite the increased dynamics of deposits and received loans repayable on demand (7.8%), the dynamics of the M1 aggregate weakened to 5.5%.

In other short-term deposits, month-on-month decreases were mainly observed in deposits and loans received with an agreed maturity of up to 2 years, as well as in deposits payable 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 weakened to 4.1% (by 7.0 percentage points), and the negative dynamics of deposits with a notice period of up to 3 months moderated. The dynamics of the M2 aggregate diminished to 4.8%, representing the lowest level since May 2004.

Among marketable instruments, money market fund shares/units still show strong year-on-year dynamics (34.7%), whereas the dynamics of debt securities issued with a maturity of up to 2 years (in much smaller amounts) weakened to 49.3%.

#### Main M3 counterparts

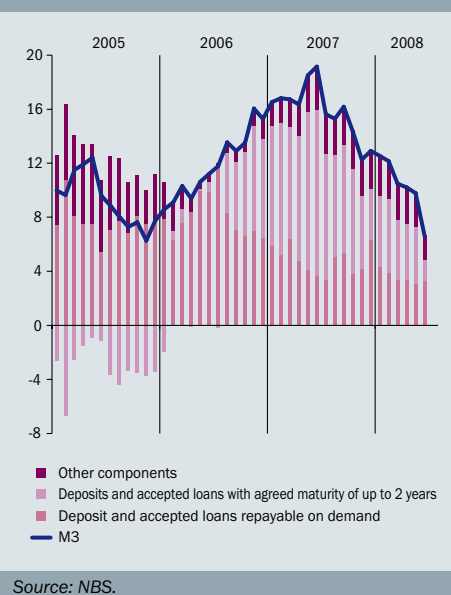
#### Stagnating growth in MFI receivables from the private sector (including securities)

Among the main M3 counterparts, MFI receivables from residents (including securities issued by clients and held by MFIs) represent historically a major factor in the development of deposits and monetary aggregates. They increased month-on-month by SKK 21.2 billion in June, of which receivables from the private sector accounted for SKK 21.8 billion.

In June, the year-on-year increase in the M3 aggregate reached SKK 68.1 billion, which was SKK 97.5

<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.

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





**Table 4a 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>	
	June 2007	May 2008	June 2008	May 2008	June 2008
Currency in circulation	134.6	134.7	132.1	1.7	-1.8
Deposits and received loans repayable on demand	429.7	457.0	463.4	7.2	7.8
Of which: Non-financial corporations	178.2	183.0	179.9	5.4	1.0
Households and non-profit institutions serving households	201.0	228.8	232.8	16.1	15.8
<b>M1</b>	564.3	591.7	595.5	5.9	5.5
Deposits and loans received with an agreed maturity of up to 2 years	392.8	427.8	408.9	11.1	4.1
Of which: Non-financial corporations	131.8	127.9	108.3	-3.5	-17.8
Households and non-profit institutions serving households	192.5	223.4	227.5	16.6	18.2
Deposits repayable at a period of notice of up to 3 months	10.1	9.0	9.0	-11.2	-11.0
<b>M2</b>	967.2	1,028.5	1,013.4	7.8	4.8
Money market fund shares/units	50.5	66.7	68.0	33.3	34.7
Repo operations	0.0	0.0	0.0	-	-
Debt securities issued with a maturity of up to 2 years	8.9	12.8	13.3	139.1	49.3
<b>M3</b>	1,026.6	1,108.1	1,094.6	9.8	6.6

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 4b Comparison of Month-on-month Developments in Monetary Aggregates (ECB methodology)**

	Outstanding amounts (in billions of EUR) <sup>1)</sup>			Year-on-year changes (in %) <sup>2)</sup>	
	June 2007	May 2008	June 2008	May 2008	June 2008
Currency in circulation	4.5	4.5	4.4	1.7	-1.8
Deposits and received loans repayable on demand	14.3	15.2	15.4	7.2	7.8
Of which: Non-financial corporations	5.9	6.1	6.0	5.4	1.0
Households and non-profit institutions serving households	6.7	7.6	7.7	16.1	15.8
<b>M1</b>	18.7	19.6	19.8	5.9	5.5
Deposits and loans received with an agreed maturity of up to 2 years	13.0	14.2	13.6	11.1	4.1
Of which: Non-financial corporations	4.4	4.2	3.6	-3.5	-17.8
Households and non-profit institutions serving households	6.4	7.4	7.6	16.6	18.2
Deposits repayable at a period of notice of up to 3 months	0.3	0.3	0.3	-11.2	-11.0
<b>M2</b>	32.1	34.1	33.6	7.8	4.8
Money market fund shares/units	1.7	2.2	2.3	33.3	34.7
Repo operations	0.0	0.0	0.0	-	-
Debt securities issued with a maturity of up to 2 years	0.3	0.4	0.4	139.1	49.3
<b>M3</b>	34.1	36.8	36.3	9.8	6.6

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.





billion less than in June 2007. Receivables increased on a year-on-year basis by SKK 128.0 billion in June; receivables from the private sector increased by SKK 155.9 billion, which was partly offset by a decrease in receivables from the general government sector (SKK 27.9 billion). The year-on-year growth dynamics of receivables from residents increased slightly (by 0.1 of a percentage point, to 14.2%), while the dynamics of receivables from the private sector weakened by 0.1 of a percentage point (to 23.2%) and the negative dynamics of receivables from the general government stagnated (at -10.6%).

Net foreign assets continued to decrease in June (by SKK 29.1 billion month-on-month); their year-on-year decrease and stronger negative dynamics (-37.3%) were mainly caused by an increase in foreign liabilities (by SKK 33.8 billion month-on-month).

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

	Outstanding amounts (in billions of SKK) <sup>1)</sup>			Year-on-year changes (in %) <sup>2)</sup>	
	June 2007	May 2008	June 2008	May 2008	June 2008
MFI receivables from residents (including securities)	954.5	1,061.4	1,082.6	14.0	14.2
Receivables from general government	255.0	227.7	227.1	-10.6	-10.6
Receivables from the private sector	699.6	833.7	855.5	23.3	23.2
Net foreign assets	291.6	216.6	187.5	-26.6	-37.3
Foreign assets	545.9	512.4	517.1	-7.2	-6.6
Foreign liabilities	254.4	295.8	329.6	15.2	29.6
Long-term financial liabilities (excluding capital and reserves)	130.3	143.8	144.7	13.5	11.0
Other items net <sup>3)</sup>	-89.2	-26.1	-30.7	-66.7	-57.3
<b>M3</b>	<b>1,026.6</b>	<b>1,108.1</b>	<b>1,094.6</b>	<b>9.8</b>	<b>6.6</b>

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 are 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.

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

	Outstanding amounts (in billions of EUR) <sup>1)</sup>			Year-on-year changes (in %) <sup>2)</sup>	
	June 2007	May 2008	June 2008	May 2008	June 2008
MFI receivables from residents (including securities)	31.7	35.2	35.9	14.0	14.2
Receivables from general government	8.5	7.6	7.5	-10.6	-10.6
Receivables from the private sector	23.2	27.7	28.4	23.3	23.2
Net foreign assets	9.7	7.2	6.2	-26.6	-37.3
Foreign assets	18.1	17.0	17.2	-7.2	-6.6
Foreign liabilities	8.4	9.8	10.9	15.2	29.6
Long-term financial liabilities (excluding capital and reserves)	4.3	4.8	4.8	13.5	11.0
Other items net <sup>3)</sup>	-3.0	-0.9	-1.0	-66.7	-57.3
<b>M3</b>	<b>34.1</b>	<b>36.8</b>	<b>36.3</b>	<b>9.8</b>	<b>6.6</b>

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 are 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.

Long-term financial liabilities (excluding capital, reserves, and provisions) increased month-on-month by SKK 0.9 billion in June, but their year-on-year growth rate slowed to 11.0%. The increase took place in debt securities issued with a maturity of over 2 years (SKK 2.2 billion) but was offset partly by a decrease in deposits and loans received with an agreed maturity of over 2 years (SKK 1.3 billion).





The total month-on-month decrease in other items net (SKK 4.5 billion) was mainly due to decreases in other assets (SKK 3.7 billion) and other liabilities (SKK 9.0 billion), offset partly by an increase in deposits and loans received from the central government (SKK 8.1 billion, excluding deposits held at the SR Treasury).

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

	Outstanding amounts at end of period (SKK billion) <sup>1)</sup>			Year-on-year changes (%) <sup>3)</sup>	
	June 2007	May 2008	June 2008	May 2008	June 2008
MFI receivables from the private sector (including securities)	699.6	833.7	855.5	23.3	23.2
– of which: securities issued by the private sector <sup>2)</sup>	14.0	18.4	19.0	30.9	36.1
MFI receivables (excluding securities)	685.6	815.3	836.5	23.2	23.0
Non-financial corporations	357.5	419.6	433.4	22.5	22.7
– up to 1 year	158.4	177.5	185.7	24.6	20.4
– 1 to 5 years	67.5	85.6	88.1	23.8	30.6
– over 5 years	131.6	156.5	159.6	19.3	21.4
Financial corporations	61.2	61.5	60.8	2.1	-0.4
Insurance corporations and pension funds	0.0	0.0	0.0	-	-
Households and non-profit institutions serving Households	266.9	334.1	342.3	29.0	28.8
– consumer loans	38.2	45.4	46.3	22.8	22.8
– construction loans	177.9	224.6	230.1	29.7	29.5
– other loans	50.8	64.1	65.9	31.3	30.7

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

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

	Outstanding amounts at end of period (EUR billion) <sup>1)</sup>			Year-on-year changes (%) <sup>3)</sup>	
	June 2007	May 2008	June 2008	May 2008	June 2008
MFI receivables from the private sector (including securities)	23.2	27.7	28.4	23.3	23.2
– of which: securities issued by the private sector <sup>2)</sup>	0.5	0.6	0.6	30.9	36.1
MFI receivables (excluding securities)	22.8	27.1	27.8	23.2	23.0
Non-financial corporations	11.9	13.9	14.4	22.5	22.7
– up to 1 year	5.3	5.9	6.2	24.6	20.4
– 1 to 5 years	2.2	2.8	2.9	23.8	30.6
– over 5 years	4.4	5.2	5.3	19.3	21.4
Financial corporations	2.0	2.0	2.0	2.1	-0.4
Insurance corporations and pension funds	0.0	0.0	0.0	-	-
Households and non-profit institutions serving Households	8.9	11.1	11.4	29.0	28.8
– consumer loans	1.3	1.5	1.5	22.8	22.8
– construction loans	5.9	7.5	7.6	29.7	29.5
– other loans	0.1	0.1	0.1	31.3	30.7

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



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

**Slower growth in loans to households, faster growth in loans to non-financial corporations**

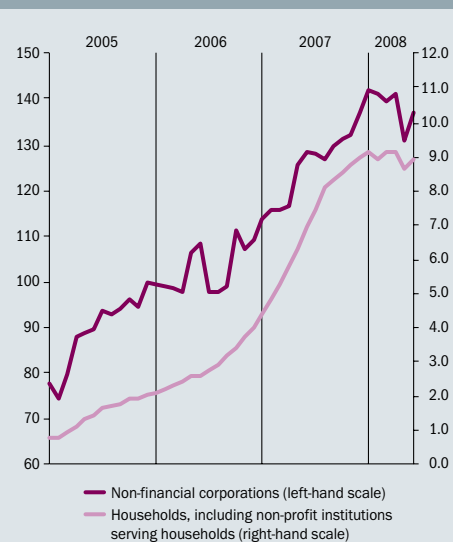
In June 2008, the growth rate of MFI receivables from the private sector slowed slightly, by 0.2 of a percentage point. The main factors behind the weakening dynamics of bank lending were a decline in lending to financial corporations and a slowdown in lending to households.

In June 2008, the volume of MFI receivables from non-financial corporations increased by SKK 13.7 billion compared with the previous month; the rate of growth accelerated by 0.2 of a percentage point. Broken down by maturity, increases were recorded in all types of loans, with the largest increase observed in short-term loans with a maturity of up to 1 year (SKK 8.1 billion).

Loans to households continued growing in June 2008 (by SKK 8.2 billion compared with May 2008), but the rate of growth slowed somewhat (by 0.3 of a percentage point). The largest increase was again recorded in house purchase loans (SKK 5.5 billion). Consumer loans and other loans grew by SKK 2.7 billion.

The volume of foreign-currency MFI receivables from the private sector grew by SKK 6.4 billion. The steepest increase took place in loans to non-financial corporations in EUR (SKK 5.2 billion), while loans in other foreign currencies also grew in volume. MFI receivables from households in foreign currencies also recorded a modest increase in comparison with the previous month (SKK 0.3 billion). Euro-denominated MFI receivables still form the largest part of foreign-currency loans in all sectors.

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



Source: NBS.

**Table 7a 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)	
		June 2008	Q2 2007	Q3 2007	Q4 2007	Q1 2008	June 2008	June 2007
<b>MFI receivables (excluding securities)</b>	836.5	21.4	24.8	23.9	25.8	23.0	58.3	66.5
Non-financial corporations	433.4	20.6	26.9	24.1	26.3	22.7	31.0	33.8
– loans in Slovak koruna	296.2	21.5	24.4	23.4	29.1	31.8	11.9	33.8
– loans in foreign currency	137.1	19.0	32.1	25.4	21.1	6.7	19.2	0.1
Financial corporations (other financial intermediaries and auxiliary financial institutions)	60.8	-0.2	3.4	5.7	11.5	-0.4	-1.8	-5.6
– loans in Slovak koruna	44.9	2.8	0.3	-2.9	3.8	-5.4	-3.2	-4.3
– loans in foreign currency	15.8	-9.6	14.5	42.1	40.9	17.2	1.5	-1.3
Insurance companies and pension funds	0.0	-	-	-	-	-	0.0	0.0
Households and non-profit institutions serving households	342.3	28.8	27.8	28.5	28.6	28.8	29.0	38.3
– loans in Slovak koruna	333.4	27.1	25.9	26.8	27.6	28.8	26.1	38.4
– loans in foreign currency	8.9	170.5	165.5	126.5	74.0	29.0	3.0	-0.1
of which: consumer loans	46.3	20.0	18.8	17.9	16.4	22.8	2.4	4.8
house purchase loans	230.1	30.9	30.3	30.2	30.3	29.5	21.1	26.3
other loans	65.9	28.8	26.7	31.0	32.1	30.7	5.6	7.2

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.



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

	Outstanding amounts (EUR billion) <sup>1)</sup>	Year-on-year changes (in %) <sup>2)</sup>					Cumulative changes since beginning of year (EUR billion)	
		June 2008	Q2 2007	Q3 2007	Q4 2007	Q1 2008	June 2008	June 2007
<b>MFI receivables (excluding securities)</b>	27.8	21.4	24.8	23.9	25.8	23.0	1.9	2.2
Non-financial corporations	14.4	20.6	26.9	24.1	26.3	22.7	1.0	1.1
– loans in Slovak koruna	9.8	21.5	24.4	23.4	29.1	31.8	0.4	1.1
– loans in foreign currency	4.6	19.0	32.1	25.4	21.1	6.7	0.6	0.0
Financial corporations (other financial intermediaries and auxiliary financial institutions)	2.0	-0.2	3.4	5.7	11.5	-0.4	-0.1	-0.2
– loans in Slovak koruna	1.5	2.8	0.3	-2.9	3.8	-5.4	-0.1	-0.1
– loans in foreign currency	0.5	-9.6	14.5	42.1	40.9	17.2	0.0	0.0
Insurance companies and pension funds	0.0	-	-	-	-	-	0.0	0.0
Households and non-profit institutions serving households	11.4	28.8	27.8	28.5	28.6	28.8	1.0	1.3
– loans in Slovak koruna	11.1	27.1	25.9	26.8	27.6	28.8	0.9	1.3
– loans in foreign currency	0.3	170.5	165.5	126.5	74.0	29.0	0.1	0.0
of which: consumer loans	1.5	20.0	18.8	17.9	16.4	22.8	0.1	0.2
house purchase loans	7.6	30.9	30.3	30.2	30.3	29.5	0.7	0.9
other loans	0.1	28.8	26.7	31.0	32.1	30.7	0.2	0.2

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.

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

The moderate inflow of funds into Slovakia's open-end investment funds stopped in July, and changed into an outflow. The net value of OIF assets denominated in SKK decreased to SKK 149.5 billion (by SKK 0.4 billion) and negative monthly net sales were achieved (SKK-0.9 billion). The net sales of OIFs denominated in foreign currency (FC) also resulted in a negative figure (SKK-1.0 billion).

### Outflows from open-end investment funds

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

(SKK billion)

	Year	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.	Cum
OIF sales in total,	2006	1.8	0.4	1.2	-1.6	-0.1	-0.4	0.1	-1.9	-0.4	1.2	2.4	1.4	4.1
in Slovak koruna	2007	3.9	0.3	0.9	1.5	1.8	2.1	2.1	2.2	1.3	0.7	1.3	2.0	20.0
and foreign currency	2008	3.1	2.1	-0.7	0.6	0.7	0.9	-1.0	.	.	.	.	.	5.7

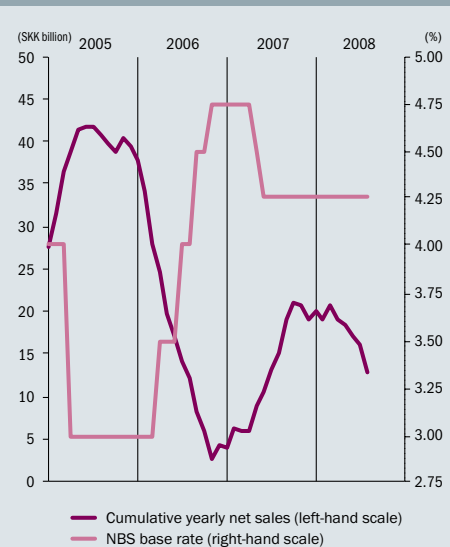
Source: NBS calculations based on data from the Slovak Association of Asset Management Companies (SASS).

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

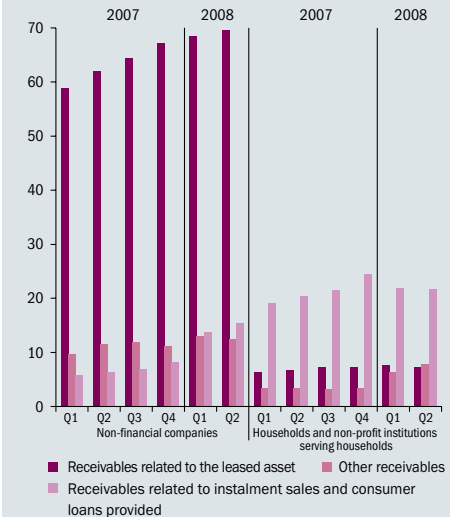
(EUR billion)

	Year	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.	Cum
OIF sales in total,	2006	58.4	14.3	39.2	-54.0	-3.6	-12.5	1.8	-61.8	-14.8	39.6	81.3	47.8	136.1
in Slovak koruna	2007	129.9	8.9	28.7	50.0	60.4	71.2	69.6	72.1	43.2	23.0	41.6	65.8	663.9
and foreign currency	2008	101.3	70.3	-22.1	19.4	24.3	29.6	-32.5	.	.	.	.	.	190.3

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

**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).

**Chart 9 Receivables from Leasing Companies, Factoring Companies and Consumer Credit Companies (SKK billion)**

Source: NBS

Over the first seven months of 2008, the net sales of OIFs of all categories operating in the SR, in SKK and FC in total, reached SKK 5.7 billion<sup>3</sup> (a positive figure), which was, however, less than half the figure recorded in the same period a year earlier. The current lending crisis in the United States and the situation in the global stock markets are still reflected in the poor results of most investment funds, though the last week of July saw some renewed interest on the part of investors in all categories of OIFs, except for equity funds.

The negative net sales of OIFs reached roughly SKK 1.0 billion in July, of which money market funds accounted for almost SKK 0.5 billion, bond funds and the funds of funds for roughly SKK 0.5 billion both. The net sales of equity funds and other funds were also slightly negative. Positive net sales were only reported by mixed funds and special real estate funds, but in the total amount of SKK 40.5 million only.

### Receivables of factoring, leasing, and instalment financing companies

The receivables of factoring, leasing, and instalment financing companies from the private sector reached SKK 134.9 billion at the end of the second quarter of 2008. Compared with the previous quarter, they increased in volume by SKK 3.2 billion, but the year-on-year rate of growth slowed to 21.8% (from 27.4% in the previous quarter). Total receivables are still dominated by leasing receivables; the remainder is formed by other receivables (including instalment sale and consumer loan receivables). Broken down by term, the most significant increase took place in long-term receivables, representing the largest component. The volume of short-term receivables increased only slightly, by SKK 0.6 billion compared with the previous quarter.

The volume of receivables from non-financial corporations increased only slightly (by SKK 2.1 billion) over the second quarter, and the rate of growth slowed to 21.8%. In terms of purpose, receivables from enterprises were dominated by leasing receivables; their volume increased only slightly in the second quarter (by SKK 1.0 billion). Other receivables increased by virtually the same amount (SKK 1.1 billion); the increase took place in receivables arising from instalment sales and other consumer loans.

The growth in receivables from households slowed to 21.1%, and their volume increased only slightly (by SKK 0.7 billion) compared with the first quarter of 2008. The slowdown was mainly caused by a fall in leasing receivables and other receivables arising from instalment sales and consumer loans provided (by a total of SKK 0.6 billion). This fall was offset by the continuing growth in other receivables.

<sup>3</sup> The different amounts of monthly and cumulative net sales can be explained by the fact that the data of SASS obtained 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).



**Table 9a Receivables of Factoring, Leasing, and Instalment Financing Companies**

	Outstanding amounts in billions of SKK					Year-on-year growth in %	
	2007			2008		2008	
	Q2	Q3	Q4	Q1	Q2	Q1	Q2
Receivables in total	110.7	115.7	124.8	131.7	134.9	27.4	21.8
In SKK	84.4	87.2	95.2	98.4	101.4	21.9	20.1
In EUR	25.9	27.4	28.8	33.0	33.1	47.5	27.8
In other currency	0.4	1.2	0.8	0.3	0.4	16.0	-9.9
Non-financial corporations	80.0	83.4	88.4	95.4	97.4	28.4	21.8
Leasing receivables	62.0	64.4	65.8	68.5	69.5	16.4	12.1
Other receivables	18.0	19.0	22.6	26.9	27.9	-	-
Of which: instalment sale and consumer loans receivables	6.5	7.0	10.7	13.7	15.5	-	-
Other financial intermediaries and auxiliary financial institutions	0.2	0.2	0.2	0.2	0.1	-	-
Insurance companies and pension funds	0.1	0.1	0.1	0.0	0.4	-	-
Households and non-profit institutions serving households	30.4	32.1	35.4	36.1	36.8	25.4	21.1
Leasing receivables	6.7	7.2	6.9	7.6	7.4	20.8	10.3
Other receivables	23.8	24.9	28.5	28.5	29.5	26.7	24.1
Of which: instalment sales and consumer loans receivables	20.4	21.7	25.1	22.0	21.7	15.1	6.3

Source: NBS.

Note: The missing figures are excluded because of the high values of year-on-year dynamics resulting from the relatively small volumes of the given indicators.

**Table 9b Receivables of Factoring, Leasing, and Instalment Financing Companies**

	Outstanding amounts in billions of EUR					Year-on-year growth in %	
	2007			2008		2008	
	Q2	Q3	Q4	Q1	Q2	Q1	Q2
Receivables in total	3.7	3.8	4.1	4.4	4.5	27.4	21.8
In SKK	2.8	2.9	3.2	3.3	3.4	21.9	20.1
In EUR	0.9	0.9	1.0	1.1	1.1	47.5	27.8
In other currency	0.0	0.0	0.0	0.0	0.0	16.0	-9.9
Non-financial corporations	2.7	2.8	2.9	3.2	3.2	28.4	21.8
Leasing receivables	2.1	2.1	2.2	2.3	2.3	16.4	12.1
Other receivables	0.6	0.6	0.7	0.9	0.9	-	-
Of which: instalment sale and consumer loans receivables	0.2	0.2	0.4	0.5	0.5	-	-
Other financial intermediaries and auxiliary financial institutions	0.0	0.0	0.0	0.0	0.0	-	-
Insurance companies and pension funds	0.0	0.0	0.0	0.0	0.0	-	-
Households and non-profit institutions serving households	1.0	1.1	1.2	1.2	1.2	25.4	21.1
Leasing receivables	0.2	0.2	0.2	0.3	0.2	20.8	10.3
Other receivables	0.8	0.8	0.9	0.9	1.0	26.7	24.1
Of which: instalment sales and consumer loans receivables	0.7	0.7	0.8	0.7	0.7	15.1	6.3

Source: NBS.

Note: The missing figures are excluded because of the high values of year-on-year dynamics resulting from the relatively small volumes of the given indicators.

**Current budgetary developments**

On 31 July 2008, the State budget of the Slovak Republic recorded a deficit of SKK 0.6 billion, with revenues totalling SKK 186.8 billion and expenditures SKK 187.4 billion.

**4.2 The External Sector****Balance of payments for January to May 2008**

**Current account** In May 2008, the balance of payments on current account resulted in a deficit of SKK 8.7 billion, representing an improvement of SKK 5.2 billion compared with the previous month. The most significant change occurred in the trade balance, where the previous month's deficit changed into a surplus, thus contributing to the overall improvement in the current account balance. An improvement in comparison with the previous month was also recorded in the balance of current transfers. On the other hand, the income balance deficit increased, causing the month-on-month decrease in the current account deficit to moderate. Compared with the same period a year earlier, the balance of payments on current account improved by SKK 3.3 billion; its reduced deficit was supported by an improvement in the trade balance and, to a lesser extent, in the balance of current transfers.

**Table 10a Balance of Payments Current Account****(SKK billion)**

	May		January - May	
	2008	2007	2008	2007
Balance of trade	3.6	-3.2	-0.6	2.3
Exports	128.5	121.5	646.0	567.0
Imports	124.9	124.7	646.6	564.7
Balance of services	-1.2	0.8	-5.3	4.6
Balance of income	-12.5	-8.7	-18.8	-8.8
of which: income from investment	-15.8	-11.6	-34.3	-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	-8.7	-12.0	-32.9	-8.4

Source: NBS and the Statistical Office of the SR.

**Table 10b Balance of Payments Current Account****(EUR billion)**

	May		January - May	
	2008	2007	2008	2007
Balance of trade	119.5	-106.2	-19.9	76.3
Exports	4 265.4	4 033.1	21 443.3	18 821.0
Imports	4 145.9	4 139.3	21 463.2	18 744.6
Balance of services	-39.8	26.6	-175.9	152.7
Balance of income	-414.9	-288.8	-624.0	-292.1
of which: income from investment	-524.5	-385.0	-1 138.6	-770.1
of which: reinvested earnings	-46.5	-63.1	-232.4	-315.3
Current transfers	46.5	-29.9	-272.2	-215.8
Current account in total	-288.8	-398.3	-1 092.1	-278.8

Source: NBS and the Statistical Office of the SR.

After being revised by the Statistical Office of the SR, the balance of foreign trade recorded a surplus of SKK 3.6 billion in May (the originally published surplus amounted to SKK 4.1 billion, the difference was mainly due to a decline in exports). Exports declined on a month-on-month basis in May, and their year-on-year growth slowed considerably (to 5.8%). The fall in exports compared with the previous month was mainly caused by lower exports in the 'machinery and transport equipment' category (motor vehicles and components). The exports of semi-finished goods (rubber, iron and steel products, etc.) and finished products also declined, to a lesser extent. Like exports, imports also recorded a month-on-month decline in absolute terms in May, as well as a marked slowdown in the year-on-year rate of growth (to 0.2%). The decline in imports was caused by reduced imports in all categories. The sharpest fall 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 sharpest decline took place in iron, steel, plastic, and rubber products. The decline in imports was also supported by lower imports in the 'finished products' category (pharmaceuticals, furniture, footwear, and clothes). The lower imports of raw materials were mainly caused by reduced crude oil and gas imports (in terms of volume).



**Table 11a Exports from January to May, year-on-year changes**

	Year-on-year changes in SKK billions		Contribution to the year-on-year changes in p.p.	
	January – May		January – May	
	2008	2007	2008	2007
Raw materials	9.1	-6.7	1.6	-1.5
Chemicals and semi-finished goods	15.0	15.2	2.7	3.3
Machinery and transport equipment	46.6	97.8	8.2	21.3
Finished products	8.3	2.6	1.5	0.6
EXPORTS in total	79.0	108.9	13.9	23.8

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

**Table 11b Exports from January to May, year-on-year changes**

	Year-on-year changes in EUR billions	
	January – May	
	2008	2007
Raw materials	303.6	-220.9
Chemicals and semi-finished goods	499.1	504.5
Machinery and transport equipment	1,545.3	3,245.2
Finished products	273.9	86.8
EXPORTS in total	2,621.9	3,615.6

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

**Table 12a Imports in January to May, year-on-year changes**

	Year-on-year changes in SKK billions		Contribution to the year-on-year changes in p.p.	
	January – May		January – May	
	2008	2007	2008	2007
Raw materials	35.9	-25.5	6.4	-5.2
Chemicals and semi-finished goods	12.1	27.2	2.1	5.5
Machinery and transport equipment	18.2	55.6	3.2	11.3
Finished products	15.8	14.9	2.8	3.0
of which: – agricultural and industrial goods	9.3	9.5	1.6	1.9
– passenger cars	5.6	3.3	1.0	0.7
– machines and electrical consumer goods	0.9	2.2	0.2	0.4
IMPORTS in total	82.0	72.2	14.5	14.7

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

**Table 12b Imports in January to May, year-on-year changes**

	Year-on-year changes in EUR millions	
	January – May	
	2008	2007
Raw materials	1,190.6	-846.2
Chemicals and semi-finished goods	402.1	902.1
Machinery and transport equipment	603.6	1,844.7
Finished products	524.5	495.3
of which: – agricultural and industrial goods	307.9	313.9
– passenger cars	186.9	109.7
– machines and electrical consumer goods	29.6	71.6
IMPORTS in total	2,720.7	2,395.9

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





**Capital and financial account** The balance of payments on capital and financial account recorded an inflow of SKK 3.6 billion in May.

The May inflow of funds took place mostly in direct investment, and was supported by developments in other capital, where a decrease in receivables from foreign direct investors was accompanied by an increase in liabilities. The outflow of funds in other investments resulted from deposit operations in the banking sector, where non-resident deposits on accounts kept with Slovak banks decreased to a greater extent than the deposits of Slovak residents on accounts held abroad.

		May		January – May	
		2008	2007	2008	2007
<b>Table 13a Balance of Payments Capital and Financial Account (SKK billion)</b>					
Capital account		1.2	-0.1	14.8	4.5
Direct investment		6.7	-0.9	3.8	4.1
SR abroad		0.0	0.1	-0.9	-0.9
of which: equity capital abroad		0.3	0.4	-1.5	-0.3
reinvested earnings		-0.1	-0.1	-0.5	-0.5
In the SR		6.7	-1.0	4.7	5.0
of which: equity capital in the SR		0.0	2.3	3.3	4.1
of which: other than privatisation		0.0	2.3	3.3	4.1
reinvested earnings		1.5	2.0	7.5	10.0
Portfolio investment and financial derivatives		0.9	21.7	17.6	10.2
SR abroad		-6.3	0.9	-3.6	-6.7
In the SR		7.2	20.8	21.2	16.9
Other long-term investments		-2.8	1.8	3.2	4.0
Assets		-3.1	-0.3	-6.4	-3.0
Liabilities		0.3	2.1	9.6	7.0
Other short-term investments		-2.4	-13.3	-3.9	71.8
Assets		7.8	-0.8	-3.9	1.0
Liabilities		-10.2	-12.5	0.0	70.8
Capital and financial account		3.6	9.2	35.5	94.6
<i>Source: NBS.</i>					

		May		January – May	
		2008	2007	2008	2007
<b>Table 13b Balance of Payments Capital and Financial Account (EUR million)</b>					
Capital account		39.8	-3.3	491.3	149.4
Direct investment		222.4	-29.9	126.1	136.1
SR abroad		0.0	3.3	-29.9	-29.9
of which: equity capital abroad		10.0	13.3	-49.8	-10.0
reinvested earnings		-3.3	-3.3	-16.6	-16.6
In the SR		222.4	-33.2	156.0	166.0
of which: equity capital in the SR		0.0	76.3	109.5	136.1
of which: other than privatisation		0.0	76.3	109.5	136.1
reinvested earnings		49.8	66.4	249.0	331.9
Portfolio investment and financial derivatives		29.9	720.3	584.2	338.6
SR abroad		-209.1	29.9	-119.5	-222.4
In the SR		239.0	690.4	703.7	561.0
Other long-term investments		-92.9	59.7	106.2	132.8
Assets		-102.9	-10.0	-212.4	-99.6
Liabilities		10.0	69.7	318.7	232.4
Other short-term investments		-79.7	-441.5	-129.5	2,383.3
Assets		258.9	-26.6	-129.5	33.2
Liabilities		-338.6	-414.9	0.0	2,350.1
Capital and financial account		119.5	305.4	1,178.4	3,140.1
<i>Source: NBS.</i>					





The foreign reserves of NBS fell month-on-month by SKK 2.0 billion, i.e. USD 100.5 million (excluding exchange rate differences).

**Foreign reserves of NBS****External Debt of the Slovak Republic as at 31 May 2008**

At the end of May 2008, the total gross external debt of Slovakia reached USD 52.4 billion (EUR 33.7 billion). Total long-term foreign debt grew in May by USD 1.7 billion, and total short-term foreign debt increased by USD 0.5 billion.

**Gross external debt**

Within the structure of short-term external debt, the foreign liabilities of the commercial sector increased month-on-month by USD 0.5 billion in May. The short-term foreign liabilities of commercial banks increased by USD 0.3 billion, while cash and deposits grew by USD 0.2 billion.

In long-term external debt, the foreign liabilities of the Government and NBS increased by USD 0.2 billion and those of the commercial sector grew by USD 1.5 billion, of which long-term loans to entrepreneurs accounted for USD 1.3 billion.

At the end of May, Slovakia's total per-capita gross foreign debt stood at USD 9,735. The share of short-term foreign debt in the country's total gross external debt decreased by 1.2 percentage points, to 51.6% at the end of May 2008.

**Table 14 External Debt of the SR**

	In millions of USD			In millions of EUR		
	31.12.2007	30.04.2008	31.05.2008	31.12.2007	30.04.2008	31.05.2008
Total external debt of the SR	44,308.7	50,145.3	52,367.5	30,156.2	32,216.0	33,670.6
Long-term external debt	20,709.7	23,683.4	25,350.3	14,094.9	15,215.5	16,299.4
Government and NBS <sup>1)</sup>	9,502.4	10,511.9	10,728.6	6,467.3	6,753.4	6,898.1
Commercial banks	2,150.8	2,578.2	2,692.8	1,463.8	1,656.4	1,731.4
Entrepreneurial entities	9,056.5	10,593.4	11,928.9	6,163.8	6,805.7	7,669.9
Short-term external debt	23,599.0	26,461.9	27,017.2	16,061.3	17,000.5	17,371.2
Government and NBS	0.0	0.0	0.0	0.0	0.0	0.0
Commercial banks	12,095.6	13,549.6	13,843.8	8,232.2	8,705.0	8,901.1
Entrepreneurial entities	11,503.4	12,912.3	13,173.4	7,829.1	8,295.5	8,470.1
Foreign assets	37,017.4	41,810.3	42,649.1	25,193.8	26,861.1	27,422.0
Net external debt	7,291.3	8,335.1	9,718.4	4,962.4	5,354.9	6,248.6
SKK/USD and SKK/EUR rates:	22.870	20.712	19.444	33.603	32.239	30.241
EUR/USD cross exchange rate:	-	-	-	1.469	1.557	1.555

Source: NBS.

1) Including government agencies and municipalities.

The net external debt of Slovakia, expressed as the difference between gross foreign debt, i.e. USD 52.4 billion (liabilities of the Government, NBS, commercial banks, and the corporate sector – except for equity participation), and foreign assets, i.e. USD 42.7 billion (foreign reserves of NBS, foreign assets of commercial banks and the corporate sector – except for equity participation), reached USD 9.7 billion (debtor position) at the end of May 2008.

**Net external debt****Current developments**

The current account deficit recorded in June was higher than the figure in the previous month. The month-on-month increase in the deficit was caused mainly by changes in the current transfers and trade balances, from a surplus in May to a deficit in June. On the other hand, an improvement was recorded in the income balance and, to a lesser extent, in the balance of services. Thus, the deteriorated current transfers and trade balances were the main factors behind the month-on-month deterioration in the current account balance (by SKK 6.0 billion).

After a marked slowdown in May, the year-on-year growth continued to accelerate in both exports and imports: exports grew by 11.9% and imports increased by 8.5% in June.



	June		January – June	
	2008	2007	2008	2007
	Balance of trade	-1.1	-4.5	-1.7
Exports	131.2	117.4	777.2	684.4
Imports	132.3	121.9	778.9	686.6
Balance of services	-0.7	2.2	-6.0	6.8
Balance of income	-8.1	-17.0	-26.9	-25.8
of which: income from investments	-11.4	-19.8	-45.7	-43.0
of which: reinvested earnings	-1.4	-1.9	-8.4	-11.4
Current transfers	-4.8	-0.8	-13.0	-7.3
Current account in total	-14.7	-20.1	-47.6	-28.5

Source: NBS and the Statistical Office of the SR.

	June		January – June	
	2008	2007	2008	2007
	Balance of trade	-36.5	-149.4	-56.4
Exports	4 355.0	3 897.0	25 798.3	22 717.9
Imports	4 391.6	4 046.3	25 854.7	22 790.9
Balance of services	-23.2	73.0	-199.2	225.7
Balance of income	-268.9	-564.3	-892.9	-856.4
of which: income from investments	-378.4	-657.2	-1 517.0	-1 427.3
of which: reinvested earnings	-46.5	-63.1	-278.8	-378.4
Current transfers	-159.3	-26.6	-431.5	-242.3
Current account in total	-488.0	-667.2	-1 580.0	946.0

Source: NBS and the Statistical Office of the SR.

The trade balance achieved in June was somewhat better than expected by NBS, and the values of exports and imports differed only marginally.

Exports are expected to decline on a month-on-month basis in July. Owing to the holiday season, exports are likely to fall in most categories of goods. With regard to the given import intensity, imports are also expected to be lower; they are likely to show similar dynamics as in the previous month (like exports).

In August, exports are expected to decline on a month-on-month basis, due to seasonal effects (holiday season). In September, they are likely to return to the level from the pre-holiday period. Imports, like exports, are expected to fall in August, mainly as a result of reduced semi-finished goods imports. Imports in this category are likely to grow in September, thus causing a month-on-month increase in total imports.

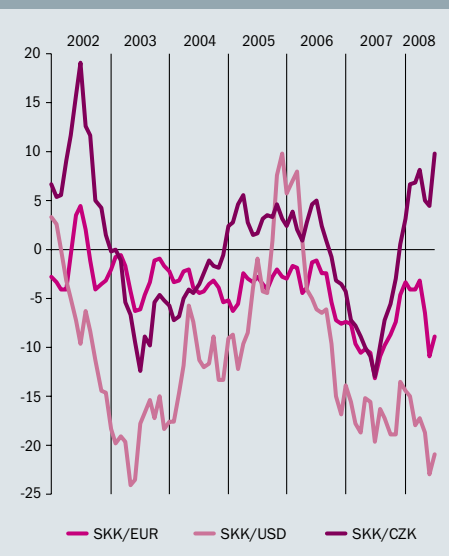
Overall, the modest year-on-year improvement in the trade balance is expected to continue (except in September).

#### **Total foreign reserves of NBS**

At the end of July, the total foreign reserves of NBS stood at USD 19,773.0 million, representing a month-on-month fall of USD 144.4 million. The fall in reserves in comparison with the end-June figure resulted from a modest surplus in the balance of receipts and expenses (USD 57.8 million), offset by negative exchange rate differences (USD-202.2 million), resulting from a change in the USD/EUR cross-rate in the period under review. At the end of July, the volume of foreign reserves was 2.9 times greater than the volume of average monthly imports of goods and services to Slovakia over the first six months of 2008.

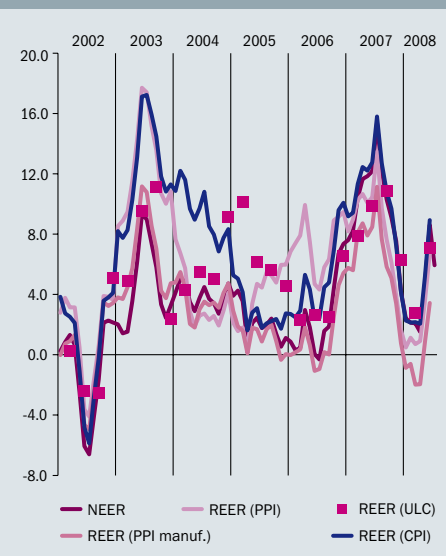
The ratio of foreign reserves to the amount of payments for goods and services recorded in banking statistics, reached 3.9 times the volume of average monthly imports of goods and services to the SR over the first six months of 2008.

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



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

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



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

The nominal effective exchange rate (NEER)<sup>4</sup> of the Slovak koruna depreciated month-on-month by 0.6% in July, after appreciating by 3.0% in the previous month. The most significant contribution to the depreciation of the NEER index came from the weakening of the domestic currency against the Czech koruna (0.8 of a percentage point).

**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 slowed, from 8.6% in June to 5.9% in July. The appreciation of the NEER index was most strongly supported by the strengthening of the koruna against the euro (by 6.8 percentage points); the appreciation was again dampened by the depreciation of the domestic currency against the Czech koruna (a negative contribution of 2.1 percentage points).

The real effective exchange rate (REER) defined on the basis of the consumer price index (CPI) appreciated by 8.9% in June, that based on the producer price index (PPI) by 6.7%, and the index based on the manufacturing products price index (PPI manuf.) by 3.4%.

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

**Table 16 Developments in the NEER and REER Indices (year-on-year changes in %)**

For 9 partners, based on the deflator:	NEER	REER (CPI)	REER (PPI)	REER (PPI manuf.)	REER (ULC) <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
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	8.9/8.6	6.7/9.0	3.4/4.3	7.1
July 2008 <sup>1)</sup>	5.9/7.5	.	.	.	-

Source: NBS.

1) Year-on-year changes/cumulative change since the beginning of the year.

2) Year-on-year changes based on quarterly data.

<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.



### 4.3 Real Economy

#### Current Developments

##### Output and revenues

The growth in industrial output accelerated in June, compared with May 2008, due to accelerated year-on-year growth in manufacturing output, despite a year-on-year decline in electricity production, gas and water supply. The year-on-year rate of growth in manufacturing output reached 7.2% (2.7% in the previous month). The accelerated year-on-year growth in manufacturing output took place mostly in the production of transport vehicles, electrical and optical equipment. June 2008 saw a certain slowdown in the production of machinery and equipment, metals and metal products.

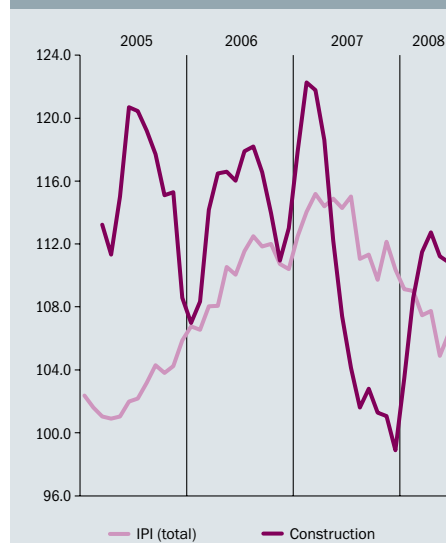
Production in the construction sector recorded a slowdown in the year-on-year rate of growth (from 8.4% in May to 6.5% in June), due to slower year-on-year growth in new construction, modernisation, and renewal projects, despite the accelerating growth in construction output abroad.

Revenues in the industrial sector recorded an acceleration in the year-on-year rate of growth at current prices, from 7.5% in May to 9.0% in June 2008. The growth in revenues in Slovakia's key industrial sectors (production of transport vehicles, metals and metal products, machinery and equipment, electrical and optical equipment) accelerated to 7.7% in June, from 4.8% in May 2008.

In June 2008, retail sales at current prices recorded a slowdown in the year-on-year rate of growth, from 11.1% in May and 7.8% in June. At constant prices, the growth dynamics weakened from 6.7% in May to 3.1% in June. The slowdown in the year-on-year growth rate of retail sales took place mostly in the sales of food, beverages, and tobacco products in specialised and non-specialised shops. Sales in other specialised retail shops also grew at a slower rate on a year-on-year basis. The retail sales of pharmaceuticals and cosmetics maintained their strong year-on-year dynamics, as well as retail sales outside shops.

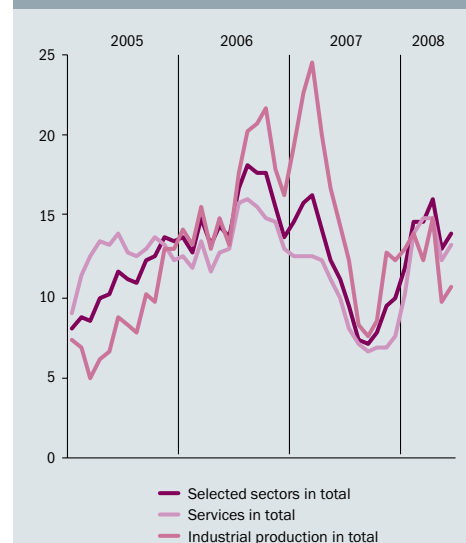
The growth in the revenues of entities specialising in the sale and maintenance of motor vehicles and the retail sale of fuels accelerated in June, compared with May 2008, due to an acceleration in the year-on-year rate of growth in the sales of motor vehicles (from 4.1% in May to 7.7% in June). Wholesale sales have shown strong dynamics since the beginning of the year (over 10%). In June, the rate of growth accelerated still further (from 13.3% in May to 19.2% in June), due to a marked acceleration

**Chart 12 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.

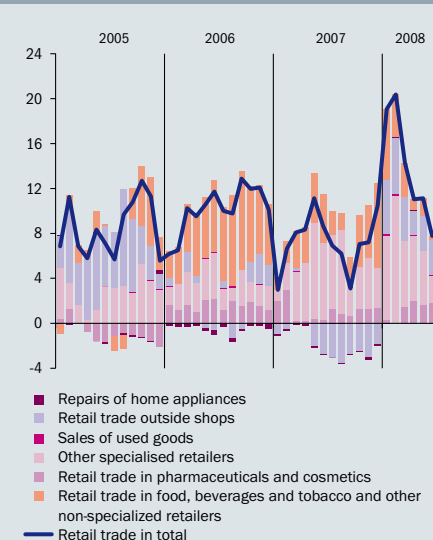
**Chart 13 Retail Sales in Selected Sectors at Current Prices (3-month moving averages) (index, same period a year earlier = 100)**



Source: Statistical Office of the SR, NBS calculations.

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


Source: Statistical Office of the SR, NBS calculations.

**Chart 15 Contributions to Year-on-year Growth in Retail Sales (current prices)**


Sources: Statistical Office of the SR and NBS calculations.

in the dynamics of wholesale sales of household goods, machines, and non-agricultural intermediate goods (showing dynamics in excess of 50% since the beginning of 2008).

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

**Table 17a Output and Revenues**

	SKK million, current prices	Indices			
		June 2008	June 2007	Jan.-Dec. 2007	May 2008
Industrial production index <sup>1)</sup>	-	111.1	112.7	103.3	106.2
Production in construction <sup>2)</sup>	16,278	101.7	105.7	108.4	106.5
Industry in total <sup>3)</sup>	184,010	109.5	112.8	107.5	109.0
Construction <sup>3)</sup>	26,962	109.9	114.8	120.8	119.2
Wholesale trade <sup>3)</sup>	81,823	101.9	106.3	113.3	119.2
Retail trade	41,959	108.7	107.2	111.1	107.8
Sale and maintenance of vehicles, retail sales of fuels <sup>3)</sup>	20,591	105.5	118.0	104.1	107.7
Hotels and restaurants <sup>3)</sup>	3,770	100.0	104.1	104.5	108.4
Transport, storage <sup>3)</sup>	16,360	121.8	119.1	109.7	117.2
Real estate, renting, business activities and other services <sup>3)</sup>	24,826	112.5	111.1	109.2	113.6
Posts and telecommunications <sup>3)</sup>	6,889	109.3	108.2	103.4	103.7
Revenues from own output and sales (total for the selected sectors) <sup>3)</sup>	407,190	112.1	111.1	109.7	111.8

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)

**Table 17b Output and Revenues**

	EUR million, current prices	Indices			
		June 2008	June 2007	Jan.-Dec. 2007	May 2008
Industrial production index <sup>1)</sup>	-	111.1	112.7	103.3	106.2
Production in construction <sup>2)</sup>	540	101.7	105.7	108.4	106.5
Industry in total <sup>3)</sup>	6,108	109.5	112.8	107.5	109.0
Construction <sup>3)</sup>	895	109.9	114.8	120.8	119.2
Wholesale trade <sup>3)</sup>	2,716	101.9	106.3	113.3	119.2
Retail trade	1,393	108.7	107.2	111.1	107.8
Sale and maintenance of vehicles, retail sales of fuels <sup>3)</sup>	683	105.5	118.0	104.1	107.7
Hotels and restaurants <sup>3)</sup>	125	100.0	104.1	104.5	108.4
Transport, storage <sup>3)</sup>	543	121.8	119.1	109.7	117.2
Real estate, renting, business activities and other services <sup>3)</sup>	824	112.5	111.1	109.2	113.6
Posts and telecommunications <sup>3)</sup>	229	109.3	108.2	103.4	103.7
Revenues from own output and sales (total for the selected sectors) <sup>3)</sup>	13,516	112.1	111.1	109.7	111.8

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** In June, the year-on-year rate of nominal wage growth accelerated in comparison with May 2008 in the sale and maintenance of vehicles, industry, and construction. In the other sectors, nominal wages grew at a slower pace or at the same pace as in the previous month. The monthly wage statistics for the selected sectors indicate no major change in the trend of nominal wage developments in the economy for the second quarter, compared with the previous quarter.

**Employment** The year-on-year growth in employment slowed in June, compared with May 2008, in post and telecommunications, industry, and transport. In the other sectors, employment grew at a faster pace than in the previous month.

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

	Average monthly wage – nominal		Average monthly wage – real	
	May 2008	June 2008	May 2008	June 2008
Industry	107.6	110.2	102.9	105.4
of which: manufacturing	108.0	110.1	103.3	105.3
Construction	105.6	106.3	101.0	101.6
Retail trade	110.2	108.1	105.4	103.3
Wholesale trade	108.1	108.1	103.3	103.3
Sale and maintenance of vehicles	102.2	105.2	97.7	100.6
Real estate and renting activities	108.8	108.5	104.0	103.7
Transport	107.7	106.9	103.0	102.2
Post and telecommunications	101.4	99.5	96.9	95.1
Average for the selected sectors	107.5	108.3	102.8	103.5
Consumer prices	104.6	104.6	-	-

Source: Statistical Office of the SR and NBS calculations.



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

	Employment	
	May 2008	June 2008
Industry	102,6	101,9
of which: manufacturing	103,3	102,6
Construction	108,2	108,8
Retail trade	101,8	102,1
Wholesale trade	102,4	103,1
Sale and maintenance of vehicles	100,2	101,1
Real estate and renting activities	106,3	107,0
Transport	105,9	105,8
Post and telecommunications	100,5	98,4
Average for the selected sectors	103,5	103,4

Source: Statistical Office of the SR and NBS calculations.

According to data from the Centre for Labour, Social Affairs, and Family, the total number of unemployed increased month-on-month by 650, to 222,900 in June 2008. The number of disposable unemployed, who may start working immediately, accounted for 193,500, which was 500 less than in May. The rate of registered unemployment stood at 7.4% in June, representing a year-on-year drop of 0.9 of a percentage point.

**Unemployment**

The average length of registration was 10.3 months. Compared with May 2008, the share of long-term unemployed (out of work for more than 12 months) decreased by 0.8 of a percentage point, to 50% in June.

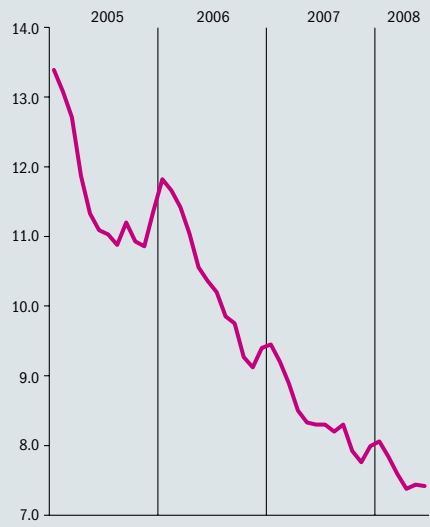
**Consumer confidence indicator**

The consumer confidence indicator dropped to -8.8 points in June, 2.4 points below the level of May. Deteriorations in comparison with May were recorded in the following components: expected economic development in the SR, expected unemployment, and expected household savings. Expectations concerning the financial situation of households improved in June. Compared with the same period last year, the consumer confidence indicator has deteriorated by 11.1 points.

**Fall in consumer confidence**

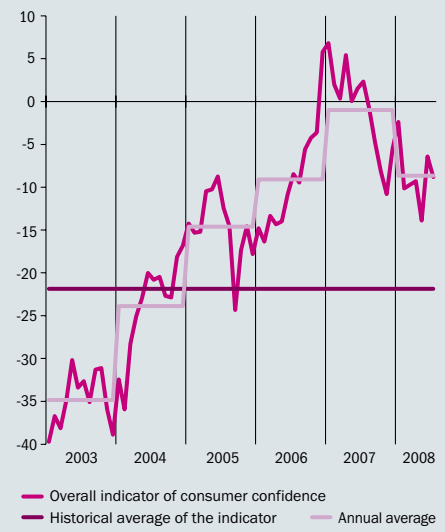


**Chart 18 Registered Unemployment Rate (%)**



Source: Centre for Labour, Social Affairs and Family.

**Chart 19 Consumer Confidence Indicator**



Source: Statistical Office of the SR, European Commission, NBS calculations based on data from the SO SR and the EC.





## 5 Monetary Developments

### 5.1 Foreign Exchange Market

Over the course of July, the exchange rate of the Slovak koruna against the euro weakened by 0.26% (from SKK/EUR 30.312 to SKK/EUR 30.390), while the average rate strengthened by 0.03%. The Slovak koruna deviated from its central rate (SKK/EUR 30.126) most significantly on 31 July 2008, when its exchange rate was fixed at SKK/EUR 30.390, representing a depreciation of 0.87% from the central parity. In relation to the US dollar, the koruna weakened by 1.27% (from SKK/USD 19.247 to SKK/USD 19.491), while appreciating in average terms by 1.53%.

#### Operations in the foreign exchange market

Spot transactions between foreign and domestic banks resulted in a positive balance (USD 348.5 million), i.e. foreign banks tended to sell SKK and to purchase foreign currency.

Národná banka Slovenska conducted no foreign exchange intervention in July.

	Month-on-month changes	Average July 2008 Average July 2007	Average Jan.-July 2008 Average Jan.-July 2007
SKK/EUR	0.26	-9.05	-5.91
SKK/USD	1.27	-20.96	-18.83

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

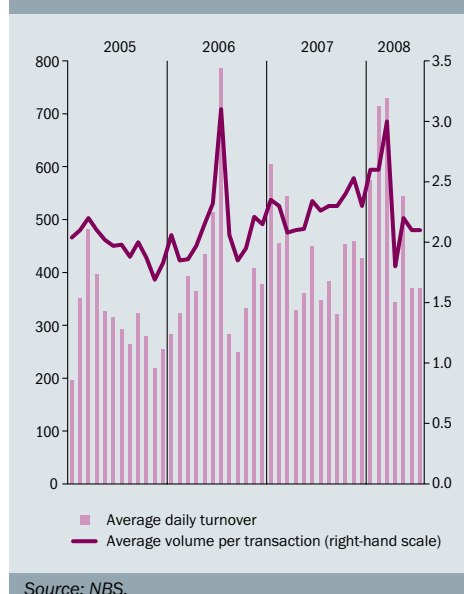
The Slovak koruna was traded within a very narrow band (SKK/EUR 30.250 – 30.370) virtually throughout the month.

The total volume traded on the interbank foreign exchange market reached USD 124,814.3 million in July, representing an increase of 1% compared with the figure for June (USD 124,809.7 million). Of the total trading volume, 92.8% took place in swap transactions, which were conducted mostly in USD (84.4%). Spot transactions accounted for 6.5% of the total turnover (93.6% of the deals were in EUR). The average daily turnover on the spot market reached USD 369.7 million and the average volume per transaction amounted to USD 2.1 million.

#### Interbank foreign exchange market

The total volume of transactions between domestic commercial banks increased, from USD 9,248.0 million in June to USD 10,428.3 million in July. Unlike in the previous month, most trading took place in USD (60.6%, compared with 49.0% in June), followed by EUR (38.2%, compared with 50.2% in June) and other currencies (1.2% of the total turnover between domestic commercial banks).

Chart 20 Transactions in the Interbank Foreign Exchange Market (USD million)



Transactions between domestic banks accounted for 8.4% of the total volume traded on the interbank foreign exchange market (compared with 7.4% in the previous month). Of the total volume of transactions between domestic banks, swap operations accounted for 83.6% (76.9% in June) and spot transactions 14.5%, excluding interventions (15.4% in June).

The volume of trading between domestic and foreign banks dropped by 1.01%, from USD 115,561.1 million in June to USD 114,393.4 million in July. Most trading was again conducted in USD (80.2%, compared with 81.1% in June), followed by EUR (18.9%, compared with 18.4% in June), and other currencies (0.9%). Trading between domestic and foreign banks still dominated the country's foreign exchange market (with a share of 91.6%).

Trading between domestic and foreign banks also took place predominantly in the form of swap opera-

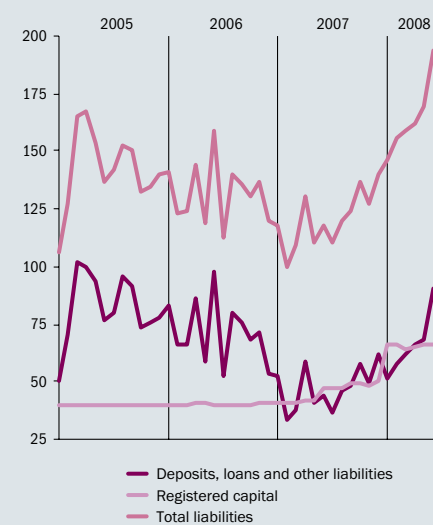


tions (93.6%, compared with 93.3% in June), while spot transactions accounted for only 5.8% (5.5% in June). The share of forward dealings in the foreign exchange market was negligible. Option contracts accounted for 0.1% of the volume traded with foreign banks.

The longer lasting upward trend in the koruna deposits of non-resident banks continued in June: their volume reached SKK 90.4 billion, representing an increase of SKK 22.1 billion month-on-month and SKK 46.1 billion year-on-year.

In July, the volume of government bonds held by non-residents again increased in comparison with June, to a record level this year (by SKK 5.7 billion). This was mainly the result of an increase in 10-year government bonds maturing in 2013, No. 188 (SKK 6.3 billion), offset partly by decreases in 10- and 7-year government bonds, Nos. 202 and 205 (SKK 1.2 billion in total). The average share of government bonds held by non-residents reached 24.6% in July (yearly maximum), representing an increase of 7% since the beginning of the year.

**Chart 21 Banking Sector: Koruna Liabilities to Non-residents (SKK billion)**



Source: NBS.

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

	2007	2008							
	30.6.	31.1.	29.2.	31.3.	30.4.	31.5.	30.6.	31.7. <sup>(p)</sup>	8.8. <sup>(p)</sup>
Koruna assets, banks	15.7	20.6	15.4	11.3	19.3	18.3	24.4	30.8	36.6
Koruna liabilities	55.0	62.8	67.8	73.8	77.8	79.5	106.4	.	.
of which: banks	44.4	51.8	57.2	62.1	66.4	68.3	90.4	92.0	96.4
non-bank clients	10.6	11.0	10.6	11.7	11.4	11.1	15.9	.	.
Government securities	82.2	74.5	73.6	70.1	69.0	68.6	78.8	84.5	.
of which: government bonds	82.2	74.5	73.6	70.1	69.0	68.6	78.8	84.5	.
SR Treasury bills	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	.
Total	137.2	137.2	141.4	143.9	146.7	148.1	185.2	.	.

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".

**Table 21b Koruna Assets/Liabilities and Government Securities Held by Non-Residents (EUR billion)**

	2007	2008							
	30.6.	31.1.	29.2.	31.3.	30.4.	31.5.	30.6.	31.7. <sup>(p)</sup>	8.8. <sup>(p)</sup>
Koruna assets, banks	0.5	0.7	0.5	0.4	0.6	0.6	0.8	1.0	1.2
Koruna liabilities	1.8	2.1	2.3	2.4	2.6	2.6	3.5	.	.
of which: banks	1.5	1.7	1.9	2.1	2.2	2.3	3.0	3.1	3.2
non-bank clients	0.4	0.4	0.4	0.4	0.4	0.4	0.5	.	.
Government securities	2.7	2.5	2.4	2.3	2.3	2.3	2.6	2.8	.
of which: government bonds	2.7	2.5	2.4	2.3	2.3	2.3	2.6	2.8	.
SR Treasury bills	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	.
Total	4.6	4.6	4.7	4.8	4.9	4.9	6.1	.	.

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 July, like in the preceding six months, the Agency for Debt and Liquidity Management (ARDAL) held no Treasury-bill auction, hence the volume of Treasury bills held by non-residents remained zero.

### 5.2 Money Market and Monetary Policy Implementation

At its 32nd meeting, on 29 July 2008, the Bank Board decided to leave the key NBS interest rates unchanged, at 2.25% for overnight sterilisation operations, 5.75% for overnight refinancing operations, and 4.25% for two-week repo tenders with commercial banks.

The interbank money market yield curve shows that average monthly interest rates at longer maturities recorded only negligible changes in July, compared with the previous month. The shorter end of the yield curve was at a lower level under the influence of the liquidity situation in the banking sector. Among long-term deposit rates, a noticeable change was only recorded in the one-year deposit rate, which was at a higher level than in the previous month. The prices of medium-term deposits remained unchanged.

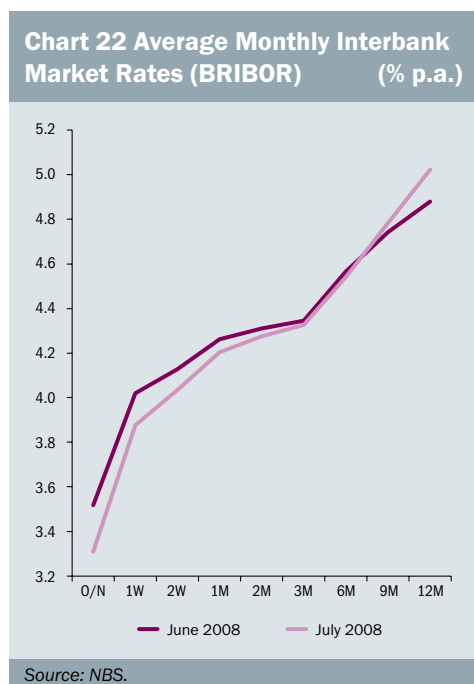
#### Interest rates

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

In July, following the fixation of the conversion rate, the prices of long-term deposits showed some volatility in both directions. According to market participants, this was due to their dependence on other investment products, since their levels are no longer determined by the actual volume of transactions. In the absence of such transactions, investors tend to use swap and IRS deals for trading at longer maturities.

NBS continued conducting standard monetary-policy operations throughout July and accepted in full the bids received at all five sterilisation repo tenders. The minimum, average, and maximum interest yields were at the level of the two-week reference rate (4.25%). During the month under review, two NBS-bill auctions were held, at which the NBS also accepted the bids in full. At the first auction, the minimum, average, and maximum interest yields were at the level of the two-week reference rate (4.25%). At the second auction, the minimum interest yield stood at 4.19%, while the average and maximum interest yields reached 4.25%.

The comparison of the yield curves from the beginning and end of the month shows that the most significant change occurred in the six-month rate. Minor changes were also recorded at the short end of the yield curve. The middle part of the yield curve remained virtually unchanged.

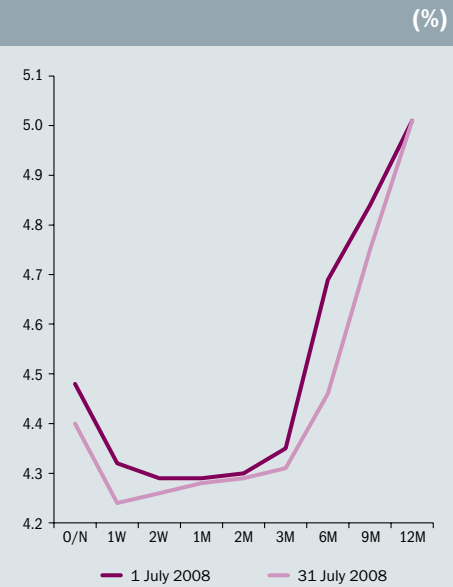




**Liquidity** The banking sector entered the new month with a shortage of daily liquidity. To replenish their liquidity supplies, banks substantially reduced their demand at the first repo tender in July, as well as at the first NBS-bill auction. The restored level of daily liquidity in the banking sector caused a rapid increase in the cumulative surplus, well above 100% of the minimum reserve requirement. At the following four repo tenders, banks placed bids in amounts in excess of the due amount, which led to a reduction in daily liquidity and a fall in the cumulative surplus. The overnight deposit facility of NBS was also utilised by banks in large amounts, virtually throughout the month. At the second NBS-bill auction, banks made bids in amounts below the maturing amount.

The overall sterilisation position of NBS slightly increased in comparison with June, by almost SKK 2.6 million, to SKK 377.1 billion in July. The structure of sterilisation was still dominated by sterilisation repo tenders, the share of which increased to 85.1% in July, from 81.3% in June. These funds came mostly from NBS bills, the share of which decreased to 14.2%, from 18.3% in June. The share of overnight deposits with NBS also increased somewhat, to 0.8% in July. Overnight refinancing operations were used by bank in the amount of SKK 175 million.

Chart 24 Yield Curve in July (%)



Source: NBS.

Table 22a 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.)
June 2008	-304,557	81.32	0	0.00	-1,311	0.35	-68,650	18.33	-374,518
July 2008	-320,926	85.11	175	0.05	-2,925	0.78	-53,397	14.16	-377,072

Source: NBS.

Table 22b 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 (EUR mil.)	Share (% p.a.)	Volume (EUR mil.)	Share (% p.a.)	Volume (EUR mil.)	Share (% p.a.)	Volume (EUR mil.)	Share (% p.a.)	Volume (EUR mil.)
June 2008	-10,109	81.32	0	0.00	-44	0.35	-2,279	18.33	-12,432
July 2008	-10,653	85.11	0	0.00	-91	0.73	-1,772	14.16	-12,517

Source: NBS.

**Interbank transactions** The slightly increased trading activity in July led to growth in the volume of interbank market transactions, to SKK 2,222.9 billion (from SKK 2,100.3 billion in June). Of the total volume of purchase and sales on the interbank market, the share of resident bank transactions decreased to 25.6%, while that of deals with non-resident banks increased to 74.4%, compared with June. Broken down by the type of interbank transaction, domestic banks achieved the largest share in deposits (69.8%). Transactions with non-resident banks were dominated by swaps (60.6%). Compared with June, the volumes of deposits and swaps increased, while those of FRA and IRS contracts decreased.



	Deposits	Repos	Swaps	FRAs	IRs
June 2008	924,931	0	1,157,215	9,000	9,162
July 2008	1,045,844	0	1,172,210	500	4,382

Source: NBS.

	Deposits	Repos	Swaps	FRAs	IRs
June 2008	30,702	0	38,413	299	304
July 2008	34,716	0	38,910	17	145

Source: NBS.

For July 2008, the minimum reserve requirement for the banking sector was set at SKK 26.69 billion. The reserve requirement was actually fulfilled to 100.08% during the month.

#### Developments in money market interest rate derivatives

Trading in forward rate agreements (FRA) recorded a downturn in July, compared with the previous month. Transactions were concluded with three-month maturities and settlement in three months; they accounted for 100.0% of the total trading volume. All FRA contracts were made with foreign entities. Such contracts were not concluded with domestic entities.

Trading in interest rate swaps (IRS) also recorded a fall in volume compared with the previous month. Most contracts were concluded with foreign banks (almost 68.1%). The remaining 31.9% of the deals involved domestic entities only. Swap transactions were concluded with one- to five-year maturities. They were dominated by contracts with two- to five-year maturities, which accounted for 81.7% of the total trading volume. They were followed by transactions with one- to two-year maturities, which accounted for 18.3%.

The values of implied FRA rates, calculated from BRIBOR rates from the beginning of July, indicated a rise in one-, two-, and three-month rates to approximately 5.10% by December 2008, and their further rise in the subsequent period. In the middle of the month, they indicated a rise in these rates to 5.55%, by April 2009. At the end of the month, the market expectations derived from implied FRA rates pointed to a rise up to the level of 5.55% by April 2009.

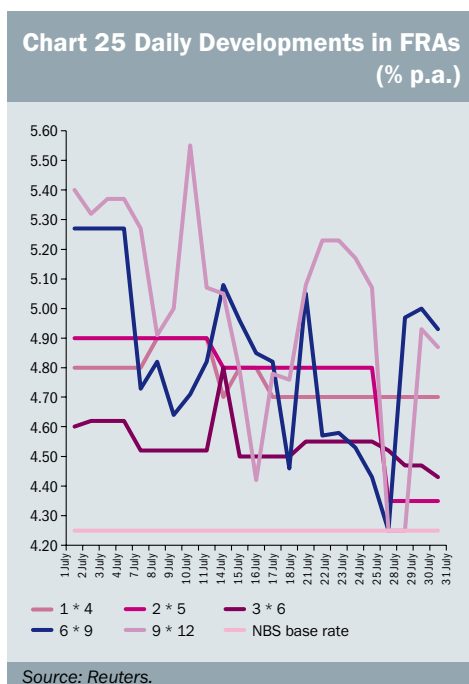
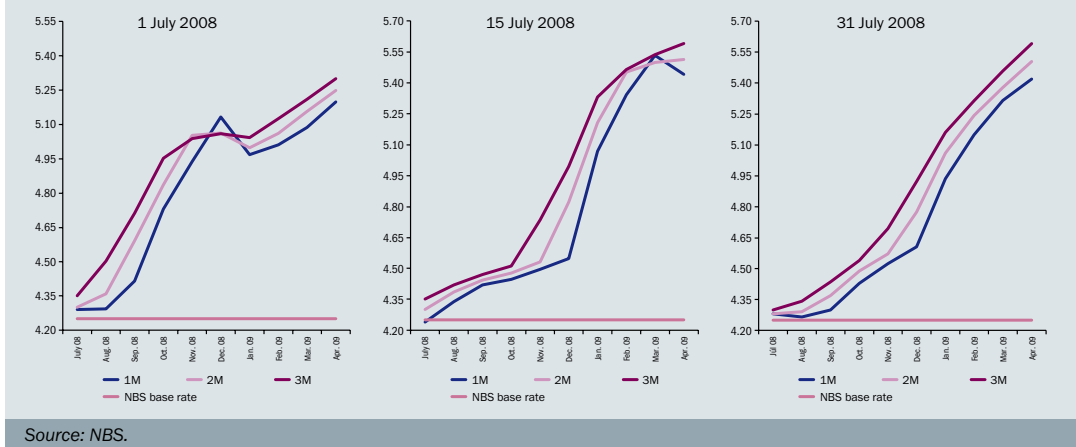




Chart 27 Implied Expectations Derived from BRIBOR Rates

(% p.a.)



### 5.3 Customer Interest Rates in June 2008

**Customer interest rates** The steep rise in market interest rates at the end of the month was also reflected in the prices of loans and deposits for non-financial corporations. Customer interest rates for households remained virtually unaffected.

**Average interest rates on new loans** Average interest rates on new loans to non-financial corporations recorded a modest rise in June. This was caused by a rise in the shortest-term market rates at the end of the month, which was mainly reflected in rates for current account overdrafts. Interbank market rates were also reflected, though to a lesser extent, in interest rates on other types of loans. Slight increases were recorded in the prices of loans of up to EUR 1 million as well as loans of over EUR 1 million; this was the result of developments in short-term rates. On the other hand, interest rates with longer fixation periods fell significantly. Broken down by purpose, interest rates on operating loans and other loans dropped, while those on investment loans rose slightly.

Average interest rates on loans to households remained unchanged in June. Interest rates on current account overdrafts for households were at a standstill, because they are not influenced by market rates (unlike the rates for non-financial corporations). Interest rates on house purchase loans and consumer loans rose slightly. Within the scope of house purchase loans, the most significant increase occurred in the price of other loans for house purchase. Interest rates on other loans continued to fall.

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

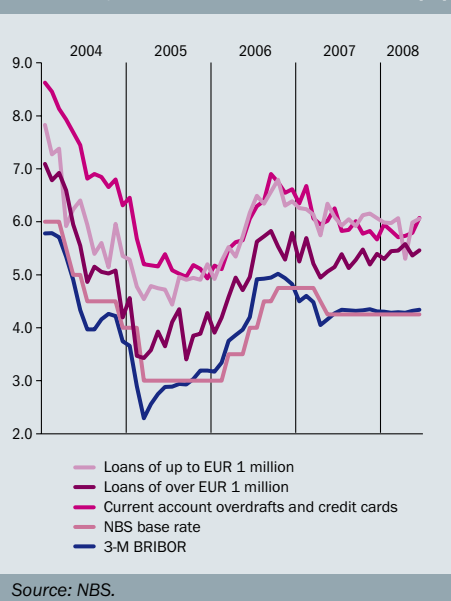
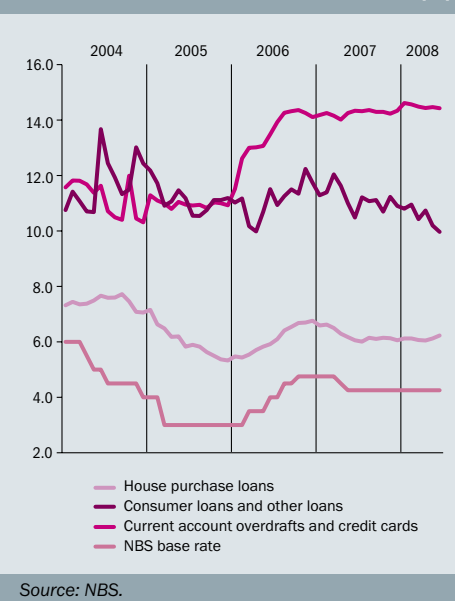


Chart 29 Interest Rates on Loans to Households by Type (%)





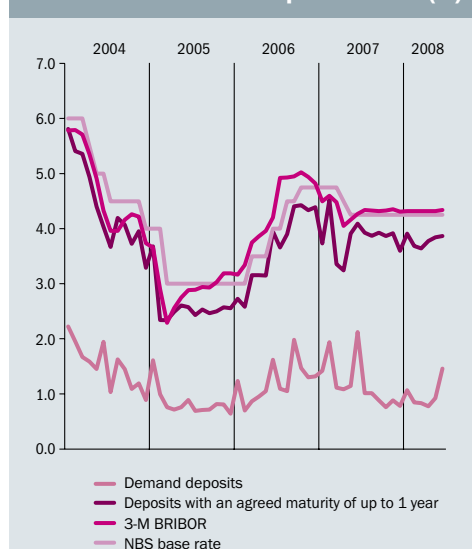
**Table 24 Average Interest Rates on New Loans**

	Interest rate in %						Changes in May (p.p.)	
	Q2 2007	Q3 2007	Q4 2007	Q1 2008	May 2008	June 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	5.79	6.07	-0.18	0.28
Loans of up to EUR 1 million	6.09	5.92	6.07	6.07	5.99	6.06	-0.03	0.07
– with a floating rate and an IRF of up to 1 year	6.06	5.90	6.07	6.06	5.97	6.03	-0.02	0.06
– with an IRF of up to 5 years	6.12	6.06	6.44	6.40	6.39	6.28	0.16	-0.11
Loans of over EUR 1 million	5.15	5.28	5.39	5.46	5.36	5.47	0.32	0.11
– with a floating rate and an IRF of up to 1 year	5.05	5.15	5.39	5.47	5.33	5.45	0.40	0.12
– with an IRF of up to 5 years	5.69	5.99	4.54	4.70	5.51	4.66	-1.03	-0.85
Total	6.05	5.88	5.62	5.70	5.75	5.95	-0.10	0.20
Total, excluding current account overdrafts and credit cards	5.37	5.42	5.52	5.63	5.59	5.60	0.24	0.01
<b>Loans to households</b>								
Current account overdrafts and credit cards	14.34	14.30	14.34	14.48	14.46	14.43	0.09	-0.03
Consumer loans	12.44	13.59	13.23	12.85	12.41	12.53	0.09	0.12
House purchase loans	6.06	6.10	6.06	6.06	6.12	6.22	0.17	0.10
of which: mortgage loans	5.79	5.78	5.72	5.75	5.79	5.85	0.06	0.06
Other loans	6.75	6.97	7.00	6.84	6.75	6.65	-0.10	-0.10
Total	12.16	12.21	12.38	12.27	11.97	11.89	-0.26	-0.08
Total, excluding current account overdrafts and credit cards	7.65	7.58	7.52	7.45	7.43	7.39	-0.26	-0.04
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	4.32	4.34	0.07	0.02

Source: NBS.

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

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



Source: NBS.

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



Source: NBS.





**Average interest rates on new deposits**

Interest rates on deposits from non-financial corporations markedly increased in June. This was mainly the result of developments in interbank market rates at the end of the month. The relatively steep rise in overnight market rates was mainly reflected in the prices of deposits with the shortest maturities (demand deposits). Interest rates on deposits with an agreed maturity of up to 1 year remained unchanged. The steep increase in long-term deposit rates (over 1 year) was mainly influenced by the rising rates for non-marketable securities with a maturity of over 1 year.

Interest rates on the individual types of household deposits were more or less stagnant in June. Slight increases were recorded in rates for deposits with an agreed maturity of over 1 and up to 2 years. Interest rates on long-term deposits rose significantly, close to the average level of the current year. Interest rates on other types of deposits were at a standstill. The showed virtually no reaction to the fluctuation in the market rates at the end of the month.

**Table 25 Average Interest Rates on New Deposits**

	Interest rate in %						Changes (p.p.)	
	Q2 2007	Q3 2007	Q4 2007	Q1 2008	May 2008	June 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	0.92	1.46	-0.66	0.54
Deposits with an agreed maturity of								
- up to 1 year	4.09	3.93	3.60	3.64	3.84	3.86	-0.22	0.02
- over 1 and up to 2 years	0.00	3.50	3.79	1.70	3.42	4.42	4.42	1.00
- over 2 years	1.91	2.77	2.30	1.35	1.99	4.59	2.69	2.60
Total	3.09	2.28	1.83	2.13	2.33	2.59	-0.50	0.26
<b>New deposits from households</b>								
Deposits repayable on demand	0.51	0.47	0.47	0.47	0.50	0.53	0.02	0.03
Deposits with an agreed maturity of								
- up to 1 year	3.49	3.45	3.28	3.41	3.48	3.50	0.01	0.02
- over 1 and up to 2 years	3.34	3.50	3.58	3.73	3.98	4.05	0.71	0.07
- over 2 years	2.24	2.70	2.20	2.28	1.16	2.04	-0.19	0.88
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	2.13	2.14	0.24	0.01
Total	1.00	1.00	0.99	1.18	1.12	1.14	0.14	0.02
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	4.34	0.07	0.02

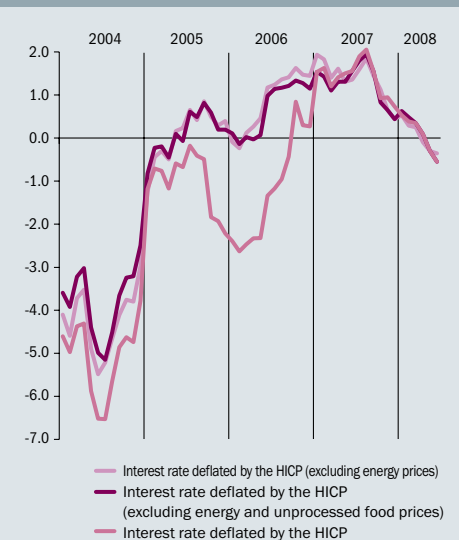
Source: NBS.

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

**Real interest rates**

The real interest rate on household deposits, calculated by deflating the rate of interest on new one-year household deposits by HICP inflation, reached -0.55% (negative figure) in June, which represented a fall of 0.25 of a percentage point compared with the previous month. The continuing fall in the real interest rate was mainly the result of accelerating inflation, coupled with relatively stable interest rates.

**Chart 32 Real Interest Rates on Household Deposits (%)**



Source: NBS.



Box 1

**Loans to Households for House Purchase and Their Prices**

In the second quarter of 2008, the banking sector provided loans to households for house purchase in the total amount of SKK 26.7 billion, which was SKK 7.9 billion more than in the previous quarter. This development is of a seasonal nature. In the last few years, increased bank lending for house purchase has always been recorded in the second quarter. This may be connected with the beginning of new construction projects and the subsequent sale of houses/flats. Loans for house purchase constitute a stable two-third share of the total volume loans provided (excluding current account overdrafts and credit cards).

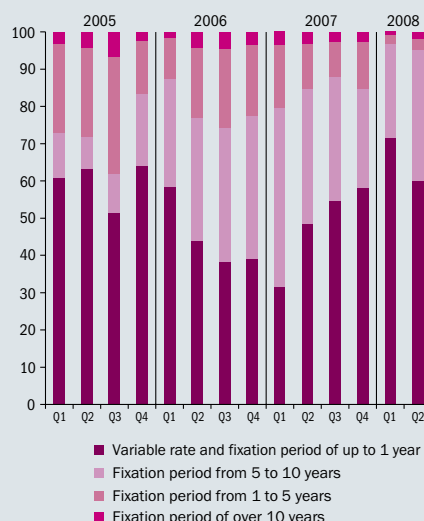
Broken down by loan type, lending for house purchase in the second quarter of 2008 was still dominated by mortgage loans, with a share of approximately 47% (a slight fall compared with the previous quarter), followed by other loans for house purchase with a share of approximately 39% (a slight increase) and home savings bank loans (with a share of 14%).

**Chart A House Purchase Loans by Type (outstanding amounts in SKK billions)**



Source: NBS.

**Chart B House Purchase Loans by Fixation Period (share in %)**



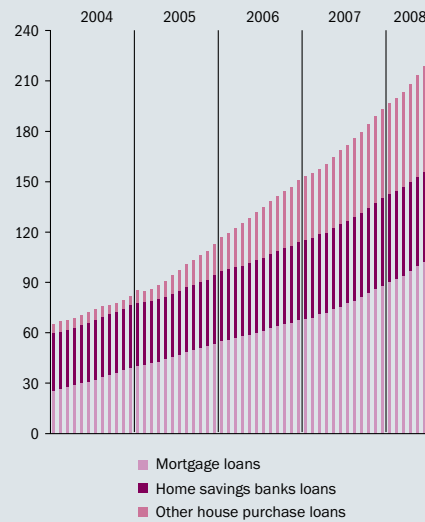
Source: NBS.

After increasing for a year, the share of house purchase loans with a floating rate and an initial rate fixation (IRF) of up to 1 year recorded a slight decrease. At the same time, the share of loans with an IRF of over 1 and up to 5 years increased. This probably indicates a change in the expectations of households regarding the future trends in interest rates. Since market rates in the euro area are higher than in Slovakia, households can anticipate that interest rates on house purchase loans will rise in the future; hence they prefer interest rates fixed for a period longer than 1 year. The share of loans with an IRF of over 5 and up to 10 years increased slightly, but is still negligible.

The growing volume of loans provided to households for house purchase was reflected in the increased outstanding amount of these loans. By the end of June 2008, the outstanding amount of household loans had increased since March 2008 by SKK 15.5 billion (a year-on-year increase of SKK 50.1 billion). The accelerating trend in the growth of house purchase loans is still continuing, at a very moderate pace (by approximately 1 percentage point compared with the first quarter). Since the beginning of 2007, the growth dynamics of loans have been fluctuating within a relatively narrow band (27-30%). On a year-on-year basis, mortgage loans grew in volume by SKK 26.4 billion, other loans for house purchase by SKK 19.1 billion, and home savings bank loans by SKK 4.6 billion in June 2008. The largest contributions to growth in house purchase loans (almost 30%) came from mortgage loans (15.7 percentage points) and other loans for house purchase (11.4 percentage points). These figures have been virtually unchanged since last year.

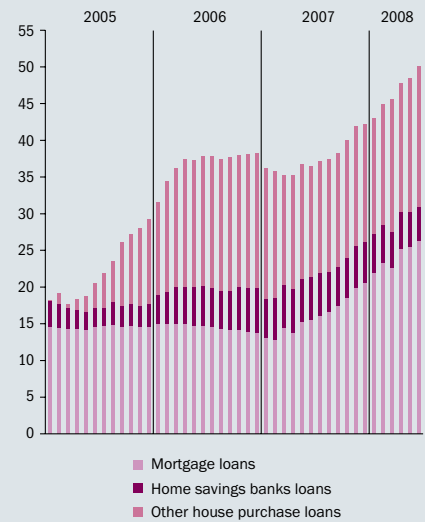


**Chart C SKK House Purchase Loans by Type (outstanding amounts in SKK billions)**



Source: NBS.

**Chart D Year-on-year Changes in Loans to Households (outstanding amounts in SKK billions)**



Source: NBS.

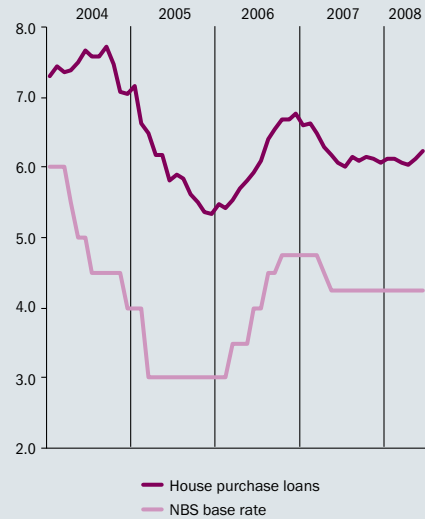
At the end of June 2008, the volume of non-performing house purchase loans<sup>1</sup> reached SKK 4.9 billion, representing an increase of SKK 0.4 billion compared with the end of March 2008. The largest share of non-performing loans was recorded in the intermediate loans of home savings banks. However, the share of bad loans markedly increased in the case of other loans for house purchase, close to the level of non-performing intermediate loans. At the end of the second quarter of 2008, the share of bad loans reached approximately 2.25% of the total volume of house purchase loans, representing the same level as in March 2008.

**Chart E Developments in Failed House Purchase Loans to Households (SKK billion)**



Source: NBS.

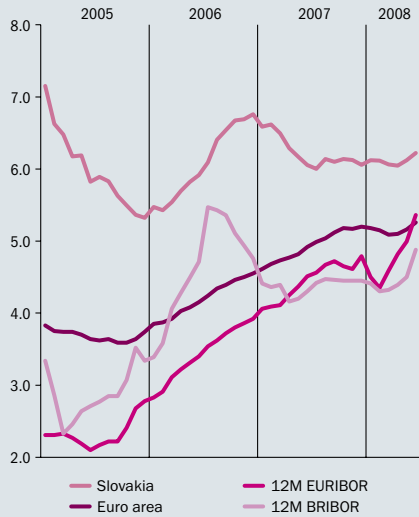
**Chart F Developments in Interest Rates on House Purchase Loans and NBS Base Rate (%)**



Source: NBS.

<sup>1</sup> Non-performing loans are defined in NBS Decree No. 7/2005 on the classification of assets and liabilities of banks and branches of foreign banks, as claims where a more than 50% depreciation is identified by the bank or where repayment by the debtor is more than 90 days overdue.

**Chart G Developments in Interest Rates on House Purchase Loans and Market Rates in Slovakia and in the Euro Area (%)**



Source: NBS.

**Chart H Developments in Interest Rates on House Purchase Loans by Type (%)**



Source: NBS.

After a period of stagnancy, interest rates on house purchase loans rose slightly in the second quarter. This was probably the result of developments in interbank market rates (spot and swap rates). Longer-term market rates (exceeding the date of the euro changeover) approached the comparable euro-area rates in the period under review, which could cause a slight increase in lending rates for house purchase in Slovakia.

Interest rates on the individual types of house purchase loans were relatively stable. Interest rates on other loans for house purchase and intermediate loans followed a slightly rising trend. Interest rates on mortgage loans and building loans remained relatively stable.



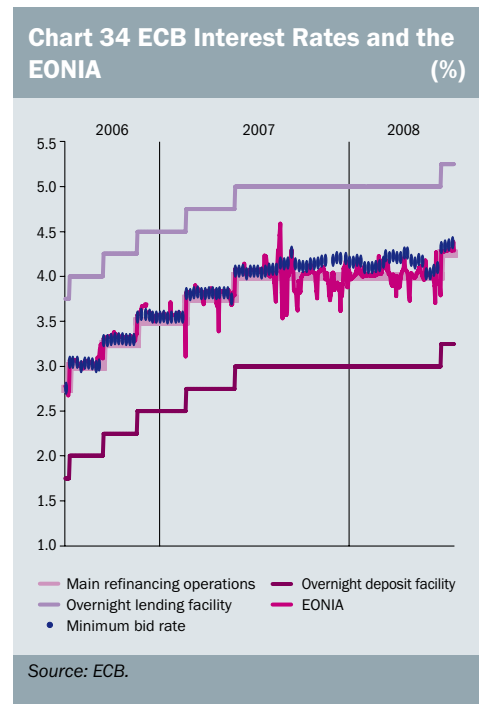
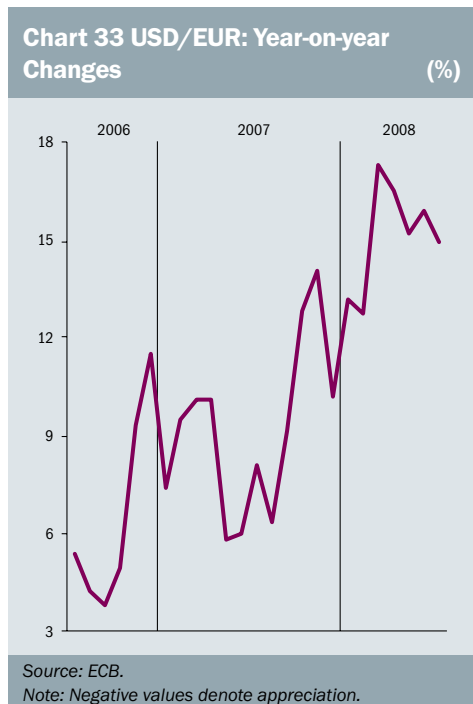
**Annexes**

**1 International Economy: Tables and Charts**

**Table 26 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	1.4	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	0.9	7.5	4.42
2007 Q3	1.9	2.0	2.1	2.7	3.9	1.3	7.4	4.48
2007 Q4	2.9	2.3	4.0	2.2	2.9	-0.3	7.3	4.34
2008 Q1	3.4	2.5	5.4	2.1	2.6	-0.2	7.2	4.15
2008 Q2	3.6	2.5	.	1.5	1.0	-1.7	7.3	4.50
IV.08	3.3	2.4	6.2	-	4.0	-1.8	7.2	4.28
V.08	3.7	2.5	7.1	-	-0.4	-0.1	7.3	4.42
VI.08	4.0	2.5	8.0	-	-0.5	-3.1	7.3	4.81
VII.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 27 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	7.0	2.0	4.5	4.59
2008 Q2	6.7	6.2	5.1	4.5	5.1	.	4.4	4.90
IV.08	6.7	6.5	4.7	-	8.0	2.0	4.4	4.72
V.08	6.8	6.2	5.2	-	5.2	2.4	4.4	4.84
VI.08	6.6	5.9	5.4	-	2.2	.	4.3	5.13
VII.08	6.8	6.0	.	-	.	.	.	4.90

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 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	7.6	7.70
2008 Q2	6.8	5.6	11.8	1.8	.	.	7.6	8.20
IV.08	6.8	5.7	11.7	-	6.5	-1.4	7.5	8.02
V.08	6.9	5.6	11.7	-	4.7	-1.6	7.6	8.08
VI.08	6.6	5.6	12.1	-	.	.	7.6	8.50
VII.08	7.0	5.6	.	-	.	.	.	8.11

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



**Table 29 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	8.6	5.73
2008 Q1	4.5	3.7	5.4	6.4	9.3	8.2	7.8	5.87
2008 Q2	4.3	3.8	5.7	.	7.2	6.6	7.5	6.17
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	5.8	-	7.3	5.2	7.3	6.42
VII.08	4.5	3.7	.	-	.	.	.	6.45

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

**Chart 35 Exchange Rate Indices of V4 Currencies against the Euro** (31 December 2005 = 100)



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

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



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

**Table 30 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	2.9	3.3	6.6	5.1	4.29
2006	3.2	2.5	3.0	2.8	2.2	6.2	4.6	4.80
2007	2.9	2.3	3.9	2.0	2.3	4.1	4.6	4.64
2007 Q2	2.7	2.3	3.4	1.8	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	2.3	1.8	4.7	4.8	4.27
2008 Q1	4.1	2.4	7.1	2.5	1.9	2.4	4.9	3.67
2008 Q2	4.4	2.3	7.6	1.8	0.8	1.3	5.3	3.88
IV.08	3.9	2.3	6.4	-	0.4	2.5	5.0	3.68
V.08	4.2	2.3	7.2	-	0.2	1.7	5.5	3.87
VI.08	5.0	2.4	9.1	-	0.3	2.5	5.5	4.10
VII.08	5.6	2.5	.	-	.	.	5.7	4.01

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

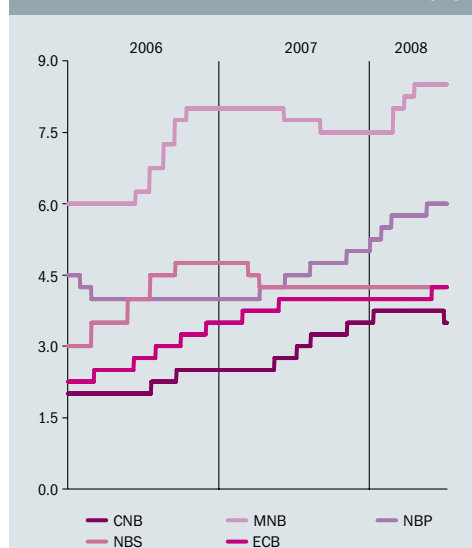
1) Core CPI – inflation excluding food and energy.

2) PPI finished products.

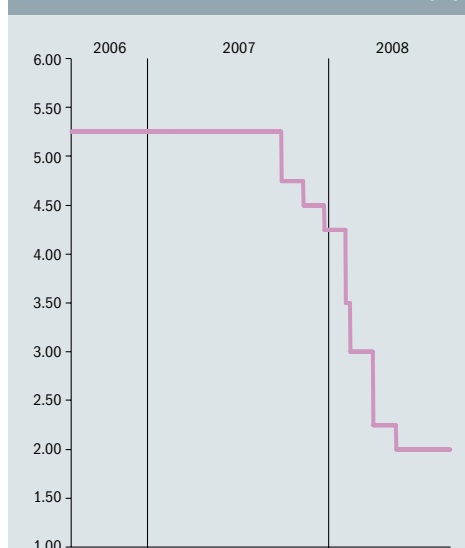
3) Seasonally adjusted.

4) Industrial production in total (seasonally adjusted.)

5) Retail trade and restaurant services.

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


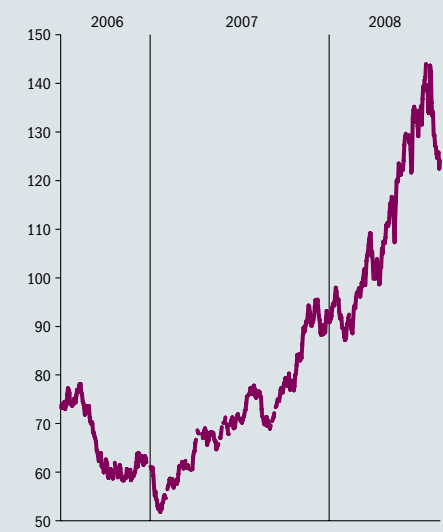
Sources: ECB, national central banks.

**Chart 38 United States: Federal Funds Rate** (%)


Source: Federal Reserve System.



Chart 39 Oil Prices in USD/Barrel



Source: Reuters.





## 2 Capital Market

### 2.1 Primary Market

In July, the Agency for Debt and Liquidity Management (ARDAL) held one auction for government bonds (with a residual maturity of 11 years). Of the total amount of bids (SKK 3.9 billion), ARDAL accepted SKK 1.4 billion, thus selling the entire issue. The average yield stood at 5.21%.

On the primary market for non-government bonds, seven bond issues were floated in July in the total amount of SKK 5.3 billion, of which six were denominated in SKK and one in EUR (the value of the latter was SKK 0.1 billion). Six issues involved mortgage bonds in the amount of SKK 5.2 billion, they all were denominated in SKK.

### 2.2 Secondary Market

The total volume traded on the Bratislava Stock Exchange (BCPB) reached SKK 124.9 billion in July (in 365 transactions), representing a month-on-month increase of 136.3%. Price-setting transactions accounted for SKK 596.3 million and direct transactions for SKK 124.3 billion.

Non-resident investors accounted for 59.5% of the total volume traded in July, of which 61.8% were purchases and 57.3% sales.

Benchmark government bond yields fell month-on-month by an average of 0.05 of a percentage point. The most significant changes in bond yields took place at one-year to four-year maturities (an average fall of 0.10 of a percentage point). Bond yields were influenced by fluctuations in euro-area bond yields, which, however, recorded sharper drops than those in Slovakia. As a result, the spread between the Slovak and European benchmarks has widened.

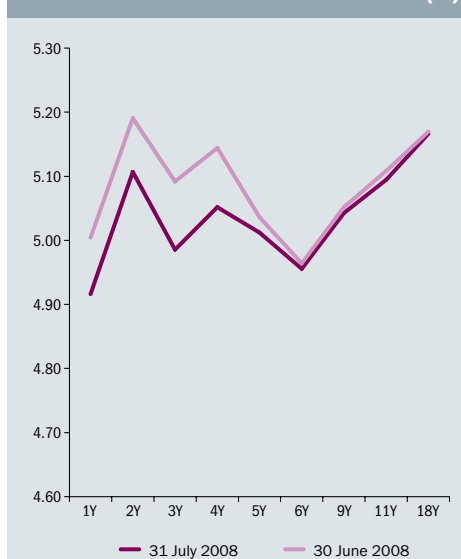
#### Bonds

The BCPB recorded 197 bond transactions totalling SKK 124.8 billion during the month (i.e. almost 100% of the total volume traded on the BCPB floor in July). Direct transactions accounted for SKK 124.3 million and price-setting transactions for SKK 600 billion.

The market capitalisation of bonds as at the last trading day of July reached SKK 430.1 billion, representing a month-on-month increase of 0.8%. The capitalisation of listed bonds had increased since the end of June by 0.8%, to SKK 412.6 billion.

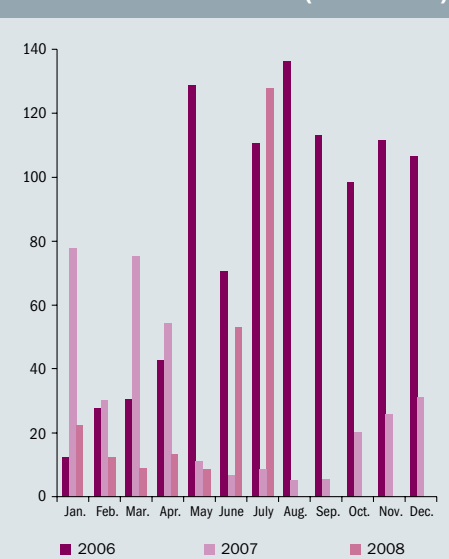
The SDXG (<=5) short-term private sector sub-index is no longer calculated, since the last base issue has been excluded from the basket, because its residual maturity fell below one year.

**Chart 40 Benchmark Government Bond Yield Curves (%)**



Sources: Reuters, NBS.

**Chart 41 Bond Transactions in the BCPB (SKK billion)**



Source: Bratislava Stock Exchange (BCPB).



**SDXGroup indices**

**Table 31 The Values of SDXGroup Indices at the End of July 2008**

Sector	SDXGroup indices		Yield to maturity (%)	Duration (in years)
	Price	Performance		
Public	100.1	122.1	5.004	5.126
SDXG sub-index (<=5)	100.1	120.5	4.887	3.212
SDXG sub-index (>5)	100.5	124.4	5.059	7.099
Private (corporate + mortgage bonds)	100.8	129.2	4.263	4.236
SDXG sub-index (>5)	100.0	101.6	4.263	4.236

Source: BCPB.

**Shares** During the month under review, SKK 10.2 million was traded in shares, in 168 transactions. Price-setting transactions accounted for SKK 6.9 million and direct transactions for SKK 3.3 billion.

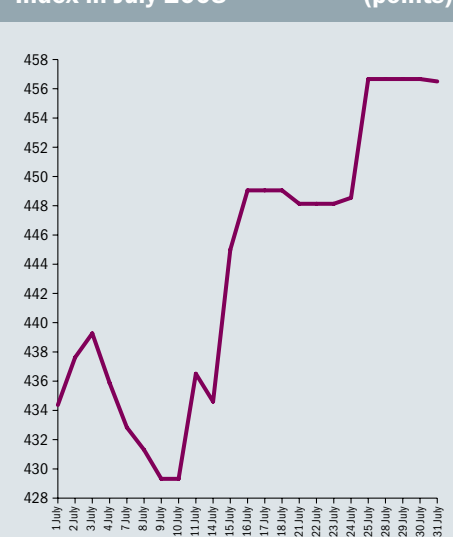
By the last trading day of July, the market capitalisation of equity securities had increased month-on-month by 0.2%, to SKK 149.3 billion. The actual amount of issues that had a market price at least once in the past, except for investment fund shares/participation certificates, was SKK 142.8 billion (a month-on-month increase of 0.2%) and accounted for 95.7% of the total equity market capitalisation. The market capitalisation of listed issues had decreased since the end of June by 2.6%, to SKK 83.6 billion.

**New and cancelled issues** Over the period under review, four new mortgage bond issues were accepted for trading on the quoted parallel market of BCPB in the total amount of SKK 1.8 billion and one corporate bond issue in the amount of SKK 500 million. In June, two mortgage bond issues amounting to SKK 1.8 billion were excluded from trading at the BCPB, owing to maturity.

**SAX Index** During the month under review, 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 amounting to SKK 30.0 million on the regulated open market.

The SAX index closed the month at 456.50 points in July, representing a rise of 4.3% month-on-month and 8.6% year-on-year. The index reached a monthly maximum on 25 July (456.66 points) and a monthly minimum on 9 July (429.32 points).

**Chart 42 Developments in the SAX Index in July 2008 (points)**



Source: BCPB.

**Table 32 Weights of Basic SAX Index Components at Month-Ends in 2008**

Company	Weights in % 2008						Monthly change in p.p.
	Feb.	Mar.	Apr.	May	June	July	
Biotika, a. s.	4.03	4.62	4.56	4.31	4.43	3.91	-0.52
OTP Banka Slovensko, a. s.	22.09	21.68	22.44	22.36	19.39	18.60	-0.79
SES Tlmače, a. s.	16.62	16.68	17.81	18.25	20.40	26.68	6.28
Slovnaft, a. s.	29.40	29.98	27.93	28.66	29.42	26.73	-2.69
Všeobecná úverová banka, a. s.	27.86	27.03	27.26	26.41	26.36	24.08	-2.28

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, 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 33 Calculation of Monetary Aggregates**

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

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

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



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

- **in the nature and liquidity of the resources:**
  - the ECB methodology monitors liquidity through the broader M3 aggregate, which also includes repo operations, the unit certificates of open-end money market investment funds, and debt securities, which represent, in terms of liquidity and profitability, a substitute for bank deposits (with regard to maturity, ECB liabilities with a maturity of over 2 years are not included in the monetary aggregates);
  - the NBS methodology monitors the money supply measured in terms of the M2 aggregate, which is composed of currency in circulation and bank deposits irrespective of the time of maturity;
- **in the definitions of deposits and loans:**
  - the ECB methodology extends the definition of deposits to include also subordinated debt in the form of deposits, liabilities arising from repo operations, and non-negotiable securities issued by banks and held by clients (in the case of loans, they also include non-marketable securities issued by clients and held by banks, subordinated debt in the form of loans, receivables in respect of repo operations, and tradable loans);
  - the NBS methodology uses a so-called 'narrow definition' for both loans and deposits, i.e. they only correspond to the amount of funds recorded by MFIs as loans (including classified loans) and deposits;
- **in the structure of monetary aggregates by sector:**
  - the ECB methodology (with the deposits of MMFs being deducted from customer deposits) covers the above sectors, as well as the deposits of local government (S.1313) and social insurance funds (S.1314)<sup>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 produc-



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

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

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

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

### 3.2.2 Wage Statistics

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

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

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

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

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

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

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

### 3.2.3 Employment and Unemployment Statistics

#### *Employment*

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



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

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

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

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

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

### *Unemployment*

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

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

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

### **3.2.4 Household Income and Expenditure Statistics**

#### **Current household income**

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

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

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

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

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



### Current household expenditure

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

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

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

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

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

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

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

### 3.2.5 Financial Statistics

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

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

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

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

## 4 Tables

## Selected Indicators of Economic and Monetary Development in the SR

	Unit	2007						2008						
		7	8	9	10	11	12	1	2	3	4	5	6	7
<b>REAL ECONOMY</b>														
Gross domestic product <sup>1)2)</sup>	SKK billion	-	-	1,052.2*	-	-	1,429.5*	-	-	354.3*	-	-	-	-
Year-on-year change in GDP <sup>3)</sup>	%	-	-	9.0*	-	-	10.4*	-	-	8.7*	-	-	-	-
Unemployment rate <sup>4)9)</sup>	%	8.3	8.2	8.3	7.9	7.8	8.0	8.1	7.8	7.6	7.4	7.4	7.4	-
Consumer prices (HICP) <sup>3)8)</sup>	%	1.2	1.2	1.7	2.4	2.3	2.5	3.2	3.4	3.6	3.7	4.0	4.3	4.4
Consumer prices (CPI) <sup>3)</sup>	%	2.3	2.3	2.8	3.3	3.1	3.4	3.8	4.1	4.2	4.3	4.6	4.6	4.8
<b>BALANCE OF TRADE <sup>7) (p)</sup></b>														
Exports (fob)	SKK million	798,733	906,896	1,030,426	1,173,213	1,312,257	1,420,738	124,786	256,428	382,753	517,457	645,988	777,267	-
Imports (fob)	SKK million	802,506	916,474	1,036,352	1,178,389	1,322,055	1,442,123	122,018	252,438	380,338	521,722	646,630	778,928	-
Balance	SKK million	-3,773	-9,578	-5,926	-5,176	-9,798	-21,385	2,767	3,990	2,415	-4,266	-642	-1,661	-
<b>BALANCE OF PAYMENTS</b>														
Current account <sup>7)</sup>	SKK million	-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	-32,913.2	-	-
Capital and financial account	SKK million	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	35,522.6	-	-
Overall balance	SKK million	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	-3,537.4	-	-
<b>FOREIGN EXCHANGE RESERVES <sup>4)</sup></b>														
Total foreign exchange reserves	USD million	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	23,754.1
NBS foreign exchange reserves	USD million	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	19,773.0
<b>GROSS EXTERNAL DEBT <sup>4)</sup></b>														
Total gross external debt	USD billion	38.2	38.3	39.8	42.2	43.1	44.3	43.7	46.6	49.4	50.1	52.4	-	-
External debt per capita	USD	7,109	7,111	7,398	7,848	8,014	8,237	8,117	8,669	9,180	9,322	9,735	-	-
<b>MONETARY INDICATORS</b>														
Exchange rate <sup>5)</sup>	SKK/USD	24.311	24.647	24.378	23.669	22.637	22.882	22.797	22.495	20.977	20.550	20.253	19.512	19.215
M3 monetary aggregate <sup>4)8)</sup>	SKK billion	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	1,094.6	-
Year-on-year change in M3 <sup>3)</sup>	%	15.6	15.3	16.2	14.4	12.3	13.0	12.6	12.2	10.5	10.2	9.8	6.6	-
Claims of monetary financial institutions <sup>8)</sup>	SKK billion	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	1,082.6	-
<b>STATE BUDGET <sup>2) 4)</sup></b>														
Revenue	SKK billion	185.4	206.3	228.5	263.1	290.3	322.2	35.0	51.5	81.0	113.4	133.3	156.2	186.8
Expenditure	SKK billion	181.5	205.9	229.1	256.2	284.9	345.7	22.0	50.0	77.6	105.7	136.4	160.3	187.4
Balance	SKK billion	9.3	0.4	-0.6	6.9	5.4	-23.5	13.0	1.5	3.4	7.7	-3.1	-4.1	-0.6
<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	%	3.73	3.52	4.10	3.78	3.82	2.75	4.01	3.39	3.25	3.62	4.12	3.52	3.31
7-day	%	4.19	4.08	4.24	4.20	4.19	3.93	4.22	4.00	3.98	4.07	4.19	4.02	3.88
14-day	%	4.25	4.20	4.25	4.25	4.25	4.12	4.24	4.12	4.10	4.16	4.22	4.13	4.03
1-month	%	4.28	4.28	4.28	4.28	4.28	4.25	4.28	4.23	4.21	4.23	4.26	4.26	4.20
2-month	%	4.32	4.30	4.31	4.31	4.32	4.28	4.30	4.26	4.27	4.26	4.29	4.31	4.28
3-month	%	4.34	4.33	4.32	4.33	4.35	4.31	4.32	4.28	4.29	4.28	4.32	4.34	4.33
6-month	%	4.37	4.40	4.38	4.38	4.40	4.36	4.35	4.30	4.32	4.33	4.40	4.57	4.54
9-month	%	4.40	4.44	4.41	4.42	4.43	4.41	4.38	4.30	4.32	4.36	4.46	4.74	4.78
12-month	%	4.42	4.47	4.44	4.45	4.45	4.45	4.41	4.30	4.32	4.39	4.50	4.88	5.02

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

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



**Selected Indicators of Economic and Monetary Development in the SR (SKK converted to EUR)**

	Unit	2007						2008						
		7	8	9	10	11	12	1	2	3	4	5	6	7
<b>REAL ECONOMY</b>														
Gross domestic product <sup>1)2)</sup>	bill. EUR	-	-	34.9*	-	-	47.5*	-	-	11.8*	-	-	-	-
Year-on-year change in GDP <sup>3)</sup>	%	-	-	9.0*	-	-	10.4*	-	-	8.7*	-	-	-	-
Unemployment rate <sup>4)9)</sup>	%	8.3	8.2	8.3	7.9	7.8	8.0	8.1	7.8	7.6	7.4	7.4	7.4	.
Consumer prices (HICP) <sup>3)8)</sup>	%	1.2	1.2	1.7	2.4	2.3	2.5	3.2	3.4	3.6	3.7	4.0	4.3	4.4
Consumer prices (CPI) <sup>3)</sup>	%	2.3	2.3	2.8	3.3	3.1	3.4	3.8	4.1	4.2	4.3	4.6	4.6	4.8
<b>BALANCE OF TRADE <sup>7) (p)</sup></b>														
Exports (fob)	mill. EUR	26 513	30 103	34 204	38 944	43 559	47 160	4 142	8 512	12 705	17 176	21 443	25 801	.
Imports (fob)	mill. EUR	26 638	30 421	34 401	39 115	43 884	47 870	4 050	8 379	12 625	17 318	21 464	25 856	.
Balance	mill. EUR	-125	-318	-197	-172	-325	-710	92	132	80	-142	-21	-55	.
<b>BALANCE OF PAYMENTS</b>														
Current account <sup>7)</sup>	mill. EUR	-1 701.5	-1 858.0	-1 979.7	-2 470.1	-2 936.5	-3 277.8	-36.4	102.8	-216.5	-736.5	-1 092.5	.	.
Capital and financial account	mill. EUR	4 625.4	4 865.5	4 862.1	5 190.6	5 654.3	6 104.5	-138.8	363.1	673.7	1 060.1	1 179.1	.	.
Overall balance	mill. EUR	3 273.0	3 269.8	3 288.7	3 320.9	3 179.9	3 185.7	-7.2	-18.5	-128.8	-51.4	-117.4	.	.
<b>FOREIGN EXCHANGE RESERVES <sup>4)</sup></b>														
Total foreign exchange reserves	mill. USD	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	23 754.1
NBS foreign exchange reserves	mill. USD	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	19 773.0
<b>GROSS EXTERNAL DEBT <sup>4)</sup></b>														
Total gross external debt	bill. USD	38.2	38.3	39.8	42.2	43.1	44.3	43.7	46.6	49.4	50.1	52.4	.	.
External debt per capita	USD	7 109	7 111	7 398	7 848	8 014	8 237	8 117	8 669	9 180	9 322	9 735	.	.
<b>MONETARY INDICATORS</b>														
Exchange rate <sup>5)</sup>	Sk/USD	24.311	24.647	24.378	23.669	22.637	22.882	22.797	22.495	20.977	20.550	20.253	19.512	19.215
M3 monetary aggregate <sup>4)8)</sup>	bill. EUR	33.5	34.2	34.5	34.5	34.6	35.9	35.9	36.3	36.0	36.2	36.8	36.3	.
Year-on-year change in M3 <sup>3)</sup>	%	15.6	15.3	16.2	14.4	12.3	13.0	12.6	12.2	10.5	10.2	9.8	6.6	.
Claims of monetary financial institutions <sup>8)</sup>	bill. EUR	32.1	32.3	32.8	33.6	34.2	34.7	34.6	34.8	34.7	35.1	35.2	35.9	.
<b>STATE BUDGET <sup>2)4)</sup></b>														
Revenue	bill. EUR	6.15	6.85	7.58	8.73	9.64	10.70	1.16	1.71	2.69	3.76	4.42	5.18	6.20
Expenditure	bill. EUR	6.02	6.83	7.60	8.50	9.46	11.48	0.73	1.66	2.58	3.51	4.53	5.32	6.22
Balance	bill. EUR	0.31	0.01	-0.02	0.23	0.18	-0.78	0.43	0.05	0.11	0.26	-0.10	-0.14	-0.02
<b>MONEY MARKET</b>														
Interest rates set by the NBS Bank Board														
Date of validity <sup>6)</sup>		25.4.2007	25.4.2007	25.4.2007	25.4.2007	25.4.2007	25.4.2007	25.4.2007	25.4.2007	25.4.2007	25.4.2007	25.4.2007	25.4.2007	25.4.2007
Overnight operations														
- sterilisation	%	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25
- refinancing	%	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75
Limit rate for 2-week repo tenders	%	4.25	4.25	4.25	4.25	4.25	4.25	4.25	4.25	4.25	4.25	4.25	4.25	4.25
NBS base rate (until 31/12/02: discount rate)	%	4.25	4.25	4.25	4.25	4.25	4.25	4.25	4.25	4.25	4.25	4.25	4.25	4.25
Average interbank deposit rate (BRIBOR)														
overnight	%	3.73	3.52	4.10	3.78	3.82	2.75	4.01	3.39	3.25	3.62	4.12	3.52	3.31
7-day	%	4.19	4.08	4.24	4.20	4.19	3.93	4.22	4.00	3.98	4.07	4.19	4.02	3.88
14-day	%	4.25	4.20	4.25	4.25	4.25	4.12	4.24	4.12	4.10	4.16	4.22	4.13	4.03
1-month	%	4.28	4.28	4.28	4.28	4.28	4.25	4.28	4.23	4.21	4.23	4.26	4.26	4.20
2-month	%	4.32	4.30	4.31	4.31	4.32	4.28	4.30	4.26	4.27	4.26	4.29	4.31	4.28
3-month	%	4.34	4.33	4.32	4.33	4.35	4.31	4.32	4.28	4.29	4.28	4.32	4.34	4.33
6-month	%	4.37	4.40	4.38	4.38	4.40	4.36	4.35	4.30	4.32	4.33	4.40	4.57	4.54
9-month	%	4.40	4.44	4.41	4.42	4.43	4.41	4.38	4.30	4.32	4.36	4.46	4.74	4.78
12-month	%	4.42	4.47	4.44	4.45	4.45	4.45	4.41	4.30	4.32	4.39	4.50	4.88	5.02

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

<sup>(p)</sup> Preliminary data.

<sup>1)</sup> In constant prices, calculated by chaining values; the reference period is the year 2000.

<sup>2)</sup> Cumulative since the beginning of the year.

<sup>3)</sup> Change compared with the same period a year earlier.

<sup>4)</sup> End-of-period figures.

<sup>5)</sup> Exchange rate (mid), average for the period.

<sup>6)</sup> The date from which the given interest rate is effective pursuant to the Bank Board's decision.

<sup>7)</sup> As from May 2004, foreign trade and current account figures are revised on a monthly basis.

<sup>8)</sup> According to the methodology of the ECB.

<sup>9)</sup> Registered unemployment.

## 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						
		6	7	8	9	10	11	12	1	2	3	4	5	6
Claims of MFIs on residents	50.7	706.9	720.8	725.9	742.8	762.3	776.4	793.3	808.0	815.1	825.0	835.7	836.9	857.3
General government	1.2	21.1	21.0	21.4	21.4	21.0	22.4	23.0	23.0	22.7	22.2	21.7	21.3	20.5
Private sector	49.5	685.8	699.8	704.5	721.5	741.2	754.0	770.3	785.0	792.4	802.8	814.0	815.6	836.8
Non-financial corporations	25.6	357.5	364.4	364.2	374.5	385.1	389.3	399.5	410.5	413.2	415.0	420.5	419.6	433.4
– up to 1 year	11.0	158.4	156.9	153.5	160.8	165.2	169.3	170.5	174.7	175.7	176.6	177.8	177.5	185.7
– 1 to 5 years	5.2	67.5	72.4	72.7	72.4	74.8	76.9	82.3	86.1	86.7	86.0	86.2	85.6	88.1
– over 5 years	9.4	131.6	135.1	138.0	141.3	145.1	143.1	146.7	149.6	150.8	152.4	156.5	156.5	159.6
Financial corporations	3.6	61.2	62.4	61.6	62.6	64.5	66.2	66.4	66.1	65.9	68.5	66.6	61.5	60.8
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	20.3	267.1	273.0	278.7	284.4	291.5	298.5	304.3	308.4	313.2	319.2	326.9	334.4	342.6
– consumer loans	2.7	38.2	39.0	39.4	40.0	40.5	41.1	41.6	41.8	42.3	43.1	44.3	45.4	46.3
– house purchase loans	13.6	178.1	181.9	186.1	190.0	194.9	199.6	204.1	207.4	210.9	214.7	219.9	224.9	230.5
– other loans	3.9	50.8	52.0	53.3	54.4	56.1	57.7	58.6	59.1	60.0	61.4	62.7	64.1	65.9
Securities other than shares and participation certificates issued by residents	12.7	240.6	239.7	240.2	238.7	243.5	245.0	245.4	222.2	223.9	209.1	211.9	213.2	214.1
General government	12.2	233.9	232.9	233.4	231.7	236.6	238.2	238.6	215.9	217.5	202.7	205.2	206.4	206.6
Private sector	0.4	6.7	6.7	6.8	7.0	6.9	6.8	6.7	6.3	6.4	6.4	6.7	6.8	7.5
Shares and other equities issued by private sector	0.7	7.0	7.0	7.0	7.1	7.1	8.0	8.2	10.8	10.9	11.0	11.0	11.3	11.2
Foreign assets	30.6	545.9	537.9	554.9	551.4	554.8	544.4	570.0	565.0	546.9	532.8	549.7	512.4	517.1
Fixed assets	1.9	32.3	32.3	32.2	32.1	32.0	32.2	33.1	33.1	33.0	33.0	32.9	32.7	32.4
Other assets	3.4	54.4	53.7	53.1	55.7	59.9	60.0	50.7	50.0	53.2	53.7	52.2	61.9	58.2
Deposits and loans received from the central government	2.0	68.8	85.4	79.7	74.8	82.4	90.6	61.0	54.3	42.2	21.6	37.8	26.4	34.4
Long-term financial liabilities	8.8	165.3	157.6	164.5	169.2	168.6	170.9	182.6	196.1	188.7	181.5	172.0	146.6	148.5
Deposits and loans received with an agreed maturity of over 2 years	4.2	69.2	69.1	69.9	70.2	70.2	71.1	73.7	73.9	74.2	73.4	72.8	73.0	71.6
Deposits repayable at a period of notice of over 3 months	1.4	23.7	23.6	23.4	23.4	23.3	23.3	23.5	23.6	23.4	23.2	23.1	23.0	23.0
Debt securities issued with a maturity of over 2 years	3.0	37.5	37.0	37.3	39.0	41.5	43.0	44.7	43.5	45.1	46.1	47.4	47.8	50.0
Capital, reserves, and provisions	0.2	35.0	28.0	33.9	36.6	33.7	33.6	40.7	55.1	46.1	38.8	28.7	2.8	3.8
Foreign liabilities	19.5	254.4	264.9	271.8	267.0	284.1	279.2	307.8	280.1	283.8	290.5	312.3	295.8	329.6
Other liabilities	4.9	76.4	75.0	68.2	77.4	84.9	84.3	67.0	76.4	75.0	86.3	83.1	92.1	83.1
Surplus of liabilities among MFIs	0.0	-4.3	-0.1	-0.1	-0.1	-0.0	-0.1	-0.4	-0.0	0.1	-0.0	-2.6	-0.4	0.0
M3	64.8	1,026.6	1,008.5	1,029.3	1,039.4	1,039.6	1,041.0	1,082.7	1,082.3	1,093.1	1,084.6	1,090.8	1,108.1	1,094.6
<b>Total</b>	<b>100.0</b>	<b>1,587.2</b>	<b>1,591.4</b>	<b>1,613.4</b>	<b>1,627.7</b>	<b>1,659.6</b>	<b>1,665.9</b>	<b>1,700.8</b>	<b>1,689.2</b>	<b>1,682.9</b>	<b>1,664.5</b>	<b>1,693.4</b>	<b>1,668.5</b>	<b>1,690.3</b>

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





### Average Interest Rates on New Loans

(ECB methodology)

(%)

	2007							2008					
	6	7	8	9	10	11	12	1	2	3	4	5	6
<b>Loans in total<sup>1)</sup></b>	7.76	7.44	7.30	7.45	7.22	7.36	7.10	7.43	7.47	7.36	7.19	7.22	7.18
Current account overdrafts	8.00	7.61	7.68	7.71	7.47	7.52	7.39	7.61	7.41	7.29	7.25	7.29	7.59
operating loans	4.97	4.85	4.57	4.82	4.76	4.91	5.09	4.74	4.91	4.83	4.49	4.87	4.41
Investment loans	5.46	5.48	5.71	5.67	5.65	5.52	5.47	5.61	5.54	5.65	5.39	5.55	5.77
Consumer loans	12.44	13.41	13.46	13.55	13.66	13.30	13.12	12.92	12.85	12.84	12.90	12.40	12.48
House purchase loans	5.96	5.98	6.11	6.10	6.09	6.07	6.07	6.09	6.15	6.07	6.07	6.15	6.23
of which:													
Mortgage loans	5.79	5.80	5.81	5.78	5.75	5.76	5.73	5.81	5.80	5.76	5.81	5.79	5.85
Construction loans	4.94	5.04	4.92	4.88	5.03	4.88	4.91	4.88	4.83	4.82	4.87	4.85	4.89
Intermediate loans	6.87	6.72	6.68	6.74	6.76	6.73	6.70	6.68	6.74	6.79	6.82	6.79	6.89
Other real estate loans	5.89	5.97	6.25	6.22	6.11	6.15	6.24	6.22	6.29	6.18	6.19	6.32	6.37
Other loans	6.41	6.51	6.09	6.17	6.36	6.43	5.74	6.57	6.03	6.71	6.30	6.53	6.37
Floating rate + IRF for up to 1 year incl.	7.78	7.46	7.31	7.47	7.20	7.32	7.06	7.40	7.44	7.32	7.12	7.20	7.16
IRF for over 1 year and up to 5 years incl.	7.15	6.77	6.84	7.02	7.35	7.61	7.74	7.80	7.64	8.53	7.90	6.96	7.10
IRF for over 5 years and up to 10 years incl.	8.87	7.80	8.05	7.72	8.26	8.90	8.69	12.22	12.28	11.32	12.47	11.64	10.97
IRF for over 10 years	6.26	6.67	6.75	7.04	6.18	6.43	6.97	8.29	8.42	7.10	7.42	7.49	7.98
<b>Households</b>													
Loans in total	12.16	12.25	12.38	12.21	12.04	12.15	12.38	12.62	12.50	12.27	11.82	11.97	11.89
Current account overdrafts	13.84	13.85	13.90	13.84	13.87	13.80	13.54	13.85	13.76	13.73	13.68	13.70	13.65
Operating loans	7.11	6.76	6.84	7.44	7.33	6.20	6.11	6.05	6.10	6.30	6.36	6.33	6.96
Investment loans	6.62	6.78	6.60	6.44	6.36	6.57	6.27	6.12	7.00	6.30	6.83	6.87	6.95
Consumer loans	12.44	13.41	13.46	13.59	13.66	13.30	13.23	12.92	12.85	12.85	12.92	12.41	12.53
House purchase loans	6.06	6.00	6.14	6.10	6.14	6.12	6.06	6.12	6.12	6.06	6.05	6.12	6.22
of which:													
Mortgage loans	5.79	5.79	5.81	5.78	5.74	5.76	5.72	5.81	5.80	5.75	5.80	5.79	5.85
Construction loans	4.94	5.04	4.92	4.88	5.04	4.88	4.91	4.88	4.83	4.82	4.87	4.85	4.89
Intermediate loans	6.92	6.73	6.72	6.77	6.78	6.75	6.72	6.73	6.80	6.81	6.84	6.86	6.97
Other real estate loans	6.08	6.04	6.46	6.25	6.30	6.37	6.38	6.34	6.37	6.24	6.18	6.31	6.40
Other loans	6.75	6.96	7.00	6.97	6.67	7.18	7.00	7.27	7.02	6.84	6.90	6.75	6.65
Credit cards	16.94	16.74	16.64	16.61	16.39	16.07	17.78	17.87	17.94	17.81	17.70	17.68	17.71
Floating rate + IRF for up to 1 year incl.	12.86	12.93	12.95	12.83	12.62	12.61	12.76	12.98	12.84	12.57	12.30	12.64	12.55
IRF for over 1 year and up to 5 years incl.	7.58	7.27	7.57	8.45	8.70	8.93	8.81	8.25	8.46	8.61	8.00	7.38	7.47
IRF for over 5 years and up to 10 years incl.	9.59	9.56	9.59	9.11	8.75	9.83	10.50	12.32	12.73	12.56	12.68	12.04	11.52
IRF for over 10 years	7.51	8.00	7.99	7.23	7.16	7.34	7.34	8.81	8.90	7.27	8.25	7.89	8.97
<b>Non-financial corporations</b>													
Loans in total	6.05	5.76	5.74	5.88	5.74	5.71	5.62	5.88	5.79	5.70	5.69	5.75	5.95
Current account overdrafts	6.24	5.81	5.83	6.00	5.76	5.81	5.65	5.94	5.82	5.69	5.72	5.77	6.06
Operating loans	4.97	5.03	4.89	4.96	5.41	4.90	5.31	5.23	5.12	5.13	5.01	5.23	4.97
Investment loans	5.39	5.48	5.73	5.67	5.61	5.70	5.65	5.60	5.53	5.71	5.29	5.54	5.75
House purchase loans	5.79	5.92	6.06	6.36	6.16	5.94	6.13	5.90	6.23	6.11	6.21	6.34	6.29
Other loans	6.06	6.50	5.51	6.17	6.32	6.42	5.51	6.16	5.84	6.38	6.07	6.55	6.16
Credit cards	17.58	17.95	17.72	17.49	16.62	17.25	18.53	17.65	17.96	17.98	17.66	18.21	18.61
Loans up 1 million EUR	6.09	5.93	6.05	5.92	6.12	6.16	6.07	5.99	5.98	6.07	5.30	5.99	6.06
Loans over 1 million EUR	5.15	5.39	5.13	5.28	5.48	5.20	5.39	5.30	5.45	5.46	5.58	5.36	5.47
Floating rate + IRF for up to 1 year incl.	6.05	5.75	5.74	5.89	5.75	5.71	5.62	5.88	5.79	5.70	5.68	5.75	5.95
IRF for over 1 year and up to 5 years incl.	6.24	6.03	5.62	5.74	5.45	5.66	5.86	6.61	5.82	6.30	6.38	6.56	5.82
IRF for over 5 years and up to 10 years incl.	6.22	5.96	5.98	6.01	6.31	6.28	5.16	8.40	5.82	4.84	5.93	5.86	5.33
IRF for over 10 years	5.64	5.89	5.96	6.26	5.65	5.94	6.10	6.65	6.37	6.52	6.02	6.27	6.61

<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					
	6	7	8	9	10	11	12	1	2	3	4	5	6
<b>Deposits in total<sup>1)</sup></b>	2.43	2.15	2.11	2.05	2.09	2.01	1.77	2.03	1.86	1.86	1.93	1.90	2.06
Deposits payable on demand	1.28	0.78	0.78	0.71	0.67	0.71	0.70	0.79	0.69	0.69	0.67	0.73	1.02
of which: demand deposits	0.93	0.64	0.67	0.62	0.60	0.58	0.61	0.65	0.59	0.59	0.60	0.63	0.74
overnight deposits	4.61	2.09	2.10	1.98	1.92	1.93	1.89	2.48	2.01	1.78	1.90	1.97	3.96
Deposits with agreed maturity <sup>2)</sup>	4.06	3.99	3.90	3.95	3.91	3.93	3.74	3.91	3.76	3.68	3.76	3.82	3.86
– up to 1 year in total	4.06	3.99	3.91	3.95	3.91	3.94	3.74	3.91	3.76	3.68	3.77	3.82	3.87
– up to 7 days	4.10	3.36	2.92	3.44	2.95	3.07	2.27	3.49	3.09	2.61	2.83	3.14	3.39
– up to 1 month	4.09	4.10	4.06	4.09	4.07	4.07	3.97	4.05	3.99	3.94	4.01	4.03	4.04
– up to 3 months	3.28	3.37	3.31	3.29	3.44	3.30	3.38	3.51	3.31	3.30	3.43	3.25	3.39
– up to 6 months	2.95	3.70	3.24	3.40	3.37	3.23	3.31	3.56	3.04	3.53	3.23	3.14	3.30
– up to 1 year	3.41	3.28	3.19	2.95	3.35	2.93	3.64	3.63	3.78	3.91	3.91	3.56	3.76
– over 1 year in total	2.33	3.25	3.02	2.97	3.25	2.87	2.95	3.58	3.08	2.67	2.10	1.41	2.57
– up to 2 years	2.92	3.52	3.50	3.17	3.55	3.65	3.57	3.88	3.68	2.70	3.70	3.79	3.81
– over 2 years	2.29	3.45	2.85	2.76	3.20	2.58	2.50	2.62	0.46	3.90	2.01	1.05	2.05
Deposits payable at notice	1.71	1.72	1.73	1.78	1.79	1.83	1.87	1.92	1.93	1.94	1.93	1.94	1.95
– up to 3 months	1.25	1.26	1.27	1.35	1.36	1.44	1.44	1.47	1.44	1.45	1.45	1.46	1.46
– over 3 months	1.90	1.91	1.93	1.96	1.97	2.00	2.05	2.11	2.12	2.13	2.12	2.13	2.14
<b>Households</b>													
Deposits in total	1.00	0.99	1.01	1.00	1.03	1.01	0.99	1.10	1.06	1.18	1.16	1.12	1.14
Deposits payable on demand	0.51	0.50	0.48	0.47	0.47	0.44	0.47	0.46	0.46	0.47	0.49	0.50	0.53
of which: demand deposits	0.46	0.46	0.47	0.46	0.46	0.43	0.46	0.44	0.44	0.46	0.48	0.49	0.49
overnight deposits	4.31	2.27	1.95	1.80	1.72	1.76	1.76	2.34	1.77	1.78	1.59	1.74	2.98
Deposits with agreed maturity	3.47	3.33	3.32	3.44	3.36	3.38	3.26	3.49	3.43	3.41	3.44	3.44	3.49
– up to 1 year in total	3.49	3.33	3.34	3.45	3.36	3.39	3.28	3.48	3.44	3.41	3.47	3.48	3.50
– up to 7 days	3.76	3.12	2.93	3.33	2.97	3.12	2.32	3.30	2.80	2.73	2.85	2.99	3.20
– up to 1 month	3.49	3.38	3.39	3.52	3.45	3.43	3.33	3.48	3.44	3.31	3.48	3.54	3.49
– up to 3 months	3.03	3.13	3.15	3.08	3.17	3.11	3.11	3.16	3.14	3.08	3.13	3.05	3.13
– up to 6 months	2.91	3.00	3.00	3.15	3.03	3.10	3.13	3.16	3.12	3.29	3.11	3.01	3.13
– up to 1 year	3.08	3.12	3.28	3.28	3.35	3.27	3.25	3.75	3.80	3.96	3.80	3.69	3.73
– long-term over 1 year	2.36	3.25	3.02	3.11	3.25	2.90	2.93	3.57	2.95	3.51	2.08	1.39	2.59
– up to 2 years	3.31	3.51	3.50	3.50	3.55	3.65	3.57	3.89	3.56	3.73	3.70	3.82	4.03
– over 2 years	2.24	3.06	2.81	2.70	2.52	2.75	2.20	2.22	2.23	2.28	0.54	1.16	2.04
Deposits payable at notice	1.71	1.72	1.73	1.78	1.79	1.83	1.87	1.92	1.93	1.94	1.93	1.94	1.95
– up to 3 months	1.23	1.23	1.24	1.33	1.33	1.42	1.42	1.44	1.44	1.45	1.45	1.45	1.45
– over 3 months	1.90	1.91	1.93	1.96	1.97	2.00	2.05	2.11	2.12	2.14	2.12	2.13	2.14
<b>Non-financial corporations</b>													
Deposits in total	3.09	2.31	2.30	2.28	2.36	2.19	1.83	2.37	2.12	2.13	2.36	2.33	2.59
Deposits payable on demand	2.12	1.01	1.01	0.88	0.76	0.89	0.78	1.07	0.84	0.83	0.77	0.92	1.46
of which: demand deposits	1.52	0.74	0.82	0.70	0.63	0.65	0.66	0.81	0.65	0.64	0.63	0.73	1.02
overnight deposits	4.60	2.28	2.06	1.96	1.88	1.93	1.91	2.58	2.00	1.83	1.88	1.94	3.72
Deposits with agreed maturity	4.09	3.93	3.87	3.92	3.87	3.92	3.60	3.91	3.69	3.64	3.78	3.84	3.87
– up to 1 year in total	4.09	3.93	3.87	3.93	3.87	3.91	3.60	3.91	3.69	3.64	3.78	3.84	3.86
– up to 7 days	4.10	3.43	3.07	3.19	2.89	3.03	2.26	3.49	2.63	2.61	2.85	3.11	3.38
– up to 1 month	4.09	4.05	4.03	4.09	4.07	4.06	3.88	4.06	3.99	3.96	4.05	4.06	4.07
– up to 3 months	3.65	3.71	3.63	3.68	3.73	3.67	3.67	3.82	3.66	3.65	3.73	3.48	3.77
– up to 6 months	3.35	3.86	3.37	3.78	3.44	3.74	3.85	3.90	3.55	4.10	3.80	3.93	3.88
– up to 1 year	3.71	3.67	3.22	3.42	3.63	3.38	4.34	3.82	3.58	4.10	4.39	3.53	4.07
– long-term over 1 year	1.91	3.70	2.96	3.16	3.10	2.79	3.14	2.76	1.93	1.58	4.32	3.01	2.41
– up to 2 years	-	3.79	3.87	3.50	3.60	3.09	3.79	3.60	3.00	1.70	3.02	3.42	1.74
– over 2 years	1.91	2.21	2.81	2.77	2.00	4.57	2.30	2.00	1.78	1.35	4.35	1.99	4.59
Deposits payable at notice	1.83	1.92	2.25	2.19	2.02	2.22	2.29	2.46	1.28	1.26	1.27	1.27	1.43
– up to 3 months	1.94	1.97	2.32	2.36	2.49	2.33	2.41	2.56	1.31	1.28	1.30	1.29	1.48
– over 3 months	0.68	1.09	1.06	0.76	0.30	1.29	1.29	1.10	1.10	1.12	1.10	1.10	1.11

<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					
	6	7	8	9	10	11	12	1	2	3	4	5	6
<b>Loans in total<sup>1)</sup></b>	6.86	6.78	6.83	6.82	6.77	6.76	6.71	6.75	6.71	6.68	6.69	6.68	6.76
Current account overdrafts	8.03	7.63	7.70	7.73	7.49	7.56	7.41	7.61	7.39	7.27	7.26	7.29	7.59
Consumer loans	13.37	13.28	13.55	13.54	13.51	13.44	13.42	13.35	13.31	13.26	13.27	13.17	13.12
Operating loans	4.79	4.74	4.78	4.83	4.88	4.87	4.90	4.99	4.96	4.92	4.94	4.98	5.10
Investment loans	5.46	5.48	5.51	5.47	5.49	5.49	5.49	5.54	5.52	5.52	5.51	5.51	5.59
House purchase loans	6.59	6.57	6.57	6.55	6.51	6.48	6.43	6.42	6.39	6.35	6.34	6.31	6.31
Other loans	5.95	5.98	6.02	6.08	6.08	6.06	6.02	6.02	6.03	6.09	6.12	6.08	6.19
Credit cards	16.95	16.73	16.65	16.63	16.39	16.09	17.39	17.85	17.92	17.77	17.69	17.69	17.72
Short-term loans	6.91	6.68	6.74	6.78	6.69	6.69	6.61	6.77	6.70	6.64	6.68	6.71	6.95
Long-term loans over 1 year and up to 5 years	8.06	7.99	8.07	8.05	7.97	7.93	7.88	7.81	7.80	7.80	7.81	7.77	7.78
Long-term loans over 5 years	6.42	6.41	6.45	6.43	6.40	6.40	6.38	6.39	6.37	6.36	6.36	6.34	6.36
<b>Households</b>													
Loans in total	8.32	8.28	8.31	8.26	8.20	8.16	8.10	8.08	8.04	8.00	7.97	7.93	7.90
Current account overdrafts	13.95	13.95	13.99	13.95	13.97	13.94	13.63	13.85	13.76	13.73	13.68	13.70	13.64
Consumer loans	13.38	13.29	13.56	13.55	13.52	13.46	13.43	13.36	13.32	13.27	13.28	13.18	13.13
House purchase loans	6.67	6.65	6.66	6.62	6.58	6.54	6.50	6.48	6.45	6.42	6.40	6.37	6.36
Other loans	7.17	7.13	7.17	7.14	7.08	7.06	7.04	7.04	7.05	7.02	7.00	6.94	6.91
Credit cards	16.94	16.70	16.63	16.61	16.38	16.06	17.38	17.86	17.92	17.78	17.70	17.68	17.71
Short-term loans	13.93	13.89	13.89	13.86	13.73	13.66	13.69	13.92	13.96	13.85	13.81	13.81	13.77
Long-term loans over 1 year and up to 5 years	11.20	11.16	11.32	11.31	11.29	11.23	11.23	11.14	11.10	11.08	11.12	11.04	11.02
Long-term loans over 5 years	6.97	6.94	6.98	6.95	6.91	6.89	6.85	6.85	6.83	6.81	6.81	6.79	6.78
<b>Non-financial institutions</b>													
Loans in total	5.75	5.65	5.68	5.72	5.69	5.68	5.64	5.74	5.70	5.66	5.69	5.68	5.83
Current account overdrafts	6.24	5.81	5.83	6.00	5.76	5.82	5.65	5.93	5.79	5.67	5.73	5.77	6.06
Operating loans	4.79	4.72	4.79	4.82	4.89	4.89	4.92	5.04	5.02	5.00	5.00	5.02	5.12
Investment loans	5.50	5.52	5.55	5.51	5.54	5.53	5.54	5.60	5.58	5.58	5.56	5.55	5.63
House purchase loans	6.17	6.18	6.18	6.21	6.20	6.17	6.14	6.17	6.14	6.08	6.10	6.06	6.15
Other loans	5.87	5.95	5.97	6.01	6.07	6.04	5.95	5.91	5.92	5.91	6.00	5.91	6.11
Credit cards	17.37	17.76	17.56	17.62	16.66	17.47	17.99	17.83	18.10	18.04	17.66	18.21	18.52
Short-term loans	5.79	5.55	5.57	5.67	5.59	5.59	5.48	5.68	5.60	5.54	5.60	5.60	5.84
Long-term loans over 1 year and up to 5 years	5.99	5.98	6.02	6.07	6.03	6.02	5.99	6.00	6.00	5.99	6.01	6.01	6.07
Long-term loans over 5 years	5.57	5.59	5.62	5.58	5.61	5.61	5.63	5.67	5.65	5.63	5.62	5.59	5.68

<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					
	6	7	8	9	10	11	12	1	2	3	4	5	6
<b>Deposits in total<sup>1)</sup></b>	2.46	2.20	2.20	2.18	2.21	2.14	1.99	2.15	2.08	2.02	2.10	2.08	2.18
Deposits payable on demand	1.29	0.79	0.78	0.70	0.66	0.71	0.70	0.78	0.69	0.69	0.67	0.73	0.99
of which: demand deposits	0.93	0.64	0.67	0.62	0.60	0.58	0.61	0.65	0.59	0.59	0.60	0.63	0.74
overnight deposits	4.76	2.14	2.14	1.86	1.88	1.90	1.86	2.37	2.01	1.78	1.88	1.97	3.55
Deposits with agreed maturity <sup>2)</sup>	3.38	3.32	3.28	3.30	3.31	3.27	3.15	3.27	3.22	3.19	3.26	3.25	3.30
– up to 1 year in total	3.52	3.45	3.41	3.43	3.43	3.39	3.27	3.40	3.35	3.33	3.40	3.38	3.42
– up to 7 days	4.05	2.96	2.51	3.09	2.61	2.63	2.17	3.23	3.16	2.60	2.84	2.88	3.45
– up to 1 month	3.70	3.70	3.70	3.70	3.73	3.70	3.59	3.66	3.60	3.58	3.66	3.65	3.65
– up to 3 months	2.39	2.41	2.38	2.34	2.41	2.39	2.45	2.51	2.45	2.48	2.53	2.54	2.54
– up to 6 months	2.88	2.97	2.96	2.96	2.97	2.98	2.88	2.92	2.91	2.95	2.95	2.95	2.95
– up to 1 year	3.57	3.56	3.49	3.52	3.38	3.33	3.31	3.30	3.36	3.51	3.56	3.48	3.49
– over 1 year in total	2.56	2.56	2.54	2.57	2.58	2.58	2.58	2.60	2.59	2.56	2.56	2.66	2.67
– up to 2 years	3.18	3.21	3.30	3.32	3.35	3.44	3.42	3.49	3.49	3.42	3.44	3.48	3.52
– over 2 years	2.54	2.54	2.51	2.54	2.54	2.54	2.53	2.54	2.52	2.49	2.48	2.58	2.60
Deposits payable at notice	1.71	1.72	1.73	1.78	1.79	1.83	1.87	1.92	1.93	1.94	1.93	1.94	1.95
– up to 3 months	1.26	1.26	1.27	1.35	1.36	1.44	1.44	1.47	1.44	1.45	1.45	1.46	1.46
– over 3 months	1.90	1.91	1.93	1.96	1.97	2.00	2.05	2.11	2.12	2.13	2.12	2.13	2.14
<b>Households</b>													
Deposits in total	1.74	1.71	1.71	1.72	1.72	1.72	1.71	1.75	1.76	1.79	1.81	1.81	1.83
Deposits payable on demand	0.51	0.49	0.48	0.47	0.47	0.44	0.47	0.46	0.46	0.47	0.49	0.50	0.53
of which: demand deposits	0.46	0.46	0.46	0.46	0.46	0.43	0.46	0.44	0.44	0.46	0.48	0.49	0.49
overnight deposits	4.40	2.23	2.02	1.81	1.78	1.78	1.86	2.37	1.77	1.78	1.39	1.74	2.98
Deposits with agreed maturity	2.72	2.71	2.69	2.73	2.71	2.71	2.69	2.74	2.75	2.79	2.83	2.84	2.88
– up to 1 year in total	2.79	2.76	2.75	2.78	2.75	2.76	2.73	2.79	2.82	2.88	2.93	2.91	2.95
– up to 7 days	3.30	2.54	2.38	2.87	2.57	2.73	2.23	2.91	2.57	2.62	2.64	2.75	3.01
– up to 1 month	2.36	2.40	2.43	2.45	2.49	2.50	2.51	2.54	2.56	2.56	2.63	2.67	2.68
– up to 3 months	2.21	2.21	2.23	2.22	2.24	2.24	2.26	2.27	2.29	2.31	2.35	2.36	2.35
– up to 6 months	2.79	2.75	2.71	2.69	2.68	2.70	2.71	2.73	2.75	2.77	2.77	2.78	2.78
– up to 1 year	3.75	3.71	3.62	3.66	3.49	3.43	3.37	3.35	3.40	3.55	3.61	3.51	3.55
– long-term over 1 year	2.56	2.57	2.54	2.58	2.59	2.58	2.58	2.60	2.58	2.57	2.57	2.66	2.68
– up to 2 years	3.30	3.33	3.36	3.41	3.43	3.48	3.50	3.56	3.57	3.58	3.59	3.63	3.65
– over 2 years	2.55	2.55	2.52	2.55	2.55	2.54	2.53	2.54	2.51	2.49	2.48	2.58	2.59
Deposits payable at notice	1.71	1.72	1.73	1.78	1.79	1.83	1.87	1.92	1.93	1.94	1.93	1.94	1.95
– up to 3 months	1.24	1.23	1.24	1.33	1.33	1.42	1.42	1.44	1.44	1.45	1.45	1.45	1.45
– over 3 months	1.90	1.91	1.93	1.96	1.97	2.00	2.05	2.11	2.12	2.14	2.12	2.13	2.14
<b>Non-financial corporations</b>													
Deposits in total	3.02	2.26	2.26	2.23	2.28	2.11	1.86	2.29	2.15	2.09	2.28	2.25	2.50
Deposits payable on demand	2.15	1.03	1.03	0.87	0.76	0.88	0.78	1.05	0.84	0.83	0.78	0.92	1.46
of which: demand deposits	1.52	0.74	0.83	0.70	0.63	0.65	0.66	0.81	0.65	0.64	0.63	0.73	1.02
overnight deposits	4.76	2.38	2.15	1.85	1.88	1.91	1.85	2.43	2.00	1.83	1.88	1.94	3.72
Deposits with agreed maturity	3.97	3.82	3.73	3.75	3.71	3.70	3.54	3.87	3.76	3.76	3.83	3.84	3.94
– up to 1 year in total	3.98	3.83	3.74	3.76	3.72	3.71	3.54	3.87	3.77	3.77	3.83	3.85	3.95
– up to 7 days	4.10	3.13	2.62	2.76	2.59	2.61	2.17	3.38	2.51	2.70	2.84	2.61	3.69
– up to 1 month	3.98	3.94	3.92	3.96	3.93	3.90	3.79	3.94	3.92	3.91	3.98	4.00	4.00
– up to 3 months	3.35	3.46	3.35	3.31	3.42	3.36	3.40	3.65	3.42	3.52	3.55	3.53	3.64
– up to 6 months	3.62	3.69	3.71	3.76	3.73	3.79	3.07	3.84	3.84	3.92	3.88	3.91	3.96
– up to 1 year	3.71	3.69	3.67	3.66	3.66	3.65	4.03	4.04	4.03	4.08	4.14	4.14	4.00
– long-term over 1 year	2.34	2.36	2.34	2.32	2.31	2.33	2.38	2.30	2.27	2.23	2.26	2.24	2.23
– up to 2 years	3.18	3.21	3.13	3.24	3.17	3.15	3.10	3.11	3.11	3.09	3.25	3.32	3.29
– over 2 years	2.24	2.23	2.22	2.17	2.15	3.12	3.10	3.04	2.98	2.93	2.85	2.75	3.21
Deposits payable at notice	1.83	1.92	2.25	2.19	2.02	2.22	2.29	2.46	1.28	1.26	1.27	1.27	1.43
– up to 3 months	1.94	1.97	2.32	2.36	2.49	2.33	2.41	2.56	1.31	1.28	1.30	1.29	1.48
– over 3 months	0.68	1.09	1.06	0.76	0.30	1.29	1.29	1.10	1.10	1.13	1.10	1.10	1.11

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

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

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



### Shortened Balance Sheet of Commercial Banks as at 30 June 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>	62,851,088	1,447,478,798	66,478,407	185,755,948	83,361,906	1,720,223,971
Cash items	0	14,140,203	0	26,883	3,888,598	18,055,684
Cash in hand	0	12,889,061	0	0	3,544,497	16,433,558
of which: EUR	0	0	0	0	1,812,207	1,812,207
Gold	0	0	0	0	0	0
Amounts in transit	0	1,251,142	0	26,883	344,101	1,622,126
Loans and other receivables	23,362,303	1,009,882,637	35,131,111	172,630,163	63,269,670	1,257,551,278
Deposits and loans to NBS, foreign central banks and post office banks	817	281,786,569	0	0	1,543	281,787,295
of which: Valued on an individual basis with no identifiable depreciation (category I)	817	200,084,913	0	0	1,543	200,085,639
Valued on a portfolio basis (category II)	0	81,701,656	0	0	0	81,701,656
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	1,480,626	0	0	957	1,481,583
Term deposits	0	4,218,264	0	0	0	4,218,264
Loans provided	817	268,182,417	0	0	0	268,181,600
Money reserve accounts	0	7,905,262	0	0	0	7,905,262
of which: Minimum reserve requirements	0	7,709,112	0	0	0	7,709,112
Postal cheque accounts	0	0	0	0	586	586
Deposits and loans to banks	73,112	34,626,088	24,413,102	3,213,826	37,798,066	99,977,970
of which: Valued on an individual basis with no identifiable depreciation (category I)	2,010	26,711,766	8,262,093	3,200,694	33,796,930	71,969,473
Valued on a portfolio basis (category II)	5,514	7,821,510	16,151,009	13,132	3,421,655	27,401,792
Valued on an individual basis with identifiable depreciation (category III)	65,588	92,812	0	0	579,481	606,705
of which: Failed	48,517	52,176	0	0	48,946	52,605
of which: Deposits with and loans to own financial group	210	782,549	4,952,359	0	19,126,640	24,861,338
of which: Current accounts in banks	137	544,447	447,791	39,733	6,020,852	7,052,686
Current accounts of other banks	22	6,028	7,841,649	1	808,160	8,655,816
Term deposits	1,165	30,856,773	13,193,987	3,170,879	26,501,780	73,722,254
Loans provided	71,788	2,711,000	0	-1,820	4,389,023	7,026,415
Other receivables from banks	0	507,840	2,929,675	5,033	78,251	3,520,799
Receivables from customers	23,266,316	679,631,422	10,717,980	162,779,206	24,717,018	854,579,310
of which: Valued on an individual basis with no identifiable depreciation (category I)	212,600	117,337,881	7,813,638	54,340,789	11,988,126	191,267,834
Valued on a portfolio basis (category II)	12,557,668	542,662,379	2,691,460	104,798,711	12,051,580	649,646,462
Valued on an individual basis with identifiable depreciation (category III)	10,496,048	19,631,162	212,882	3,639,706	677,312	13,665,014
of which: Failed	16,996,570	24,026,319	154,868	1,284,375	388,987	8,857,979
of which: MMIF loans	0	0	0	0	0	0
Loans to general government and international organizations (S.13)	22,058	13,838,558	29	6,637,131	152,517	20,606,177
of which: Valued on an individual basis with no identifiable depreciation (category I)	8,922	9,945,378	29	6,235,274	0	16,171,759
Valued on a portfolio basis (category II)	7,983	3,876,052	0	401,857	152,517	4,422,443
Valued on an individual basis with identifiable depreciation (category III)	5,153	17,128	0	0	0	11,975
of which: Failed	5,162	14,892	0	2	0	9,732
of which: Deposits to central government (S.1311)	0	0	0	0	0	0
Loans to central government (S.1311)	4,166	2,301,263	29	0	152,517	2,449,643
of which: SR Treasury	0	0	0	0	0	0
Other funds	0	0	0	0	0	0
Loans to local governments (S.1313)	17,892	11,537,295	0	6,637,131	0	18,156,534
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	600,526	600,526
Financial instruments available for sale	328,927	37,671,155	3,982,865	3,645,256	8,292,268	53,262,617
Financial instruments at fair value through profit/loss: held for trading (excluding derivatives)	0	128,708,901	994,895	1,426,897	1,801,683	132,932,376
Financial instruments at fair value towards profit/loss: others (from the point of settlement)	0	8,818,792	1,168,138	4,907,260	944,801	15,838,991
Positive fair value of derivative transactions for trading	0	8,327,134	18,713,426	0	0	27,040,560
Financial instruments held to maturity	22,531	160,351,282	5,003,337	2,884,340	4,498,861	172,715,289
Positive fair value of derivate hedge transactions	0	129,088	524,485	0	0	653,573
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	950,550	10,304,157	877,009	0	0	10,230,616
Funds to branches abroad	0	0	0	0	512,815	512,815
Tangible assets	24,687,924	45,754,065	0	0	0	21,066,141
Intangible assets	12,589,275	18,196,605	0	0	0	5,607,330
Other assets	700,888	4,078,080	83,141	235,149	153,210	3,848,692
Tax receivables	0	620,903	0	0	0	620,903
Depreciation	37,027,452	37,027,452	0	0	0	0
Non-current assets held for sale (IFRS 5)	208,690	495,796	0	0	0	287,106



## Shortened Balance Sheet of Commercial Banks as at 30 June 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>	1,131,473,923	194,121,332	150,040,903	244,587,813	1,720,223,971
<b>PAYABLES</b>	1,064,269,818	127,806,938	150,260,137	243,401,319	1,585,738,212
Deposits and loans from NBS and foreign central banks	2,428,361	0	2,948	0	2,431,309
of which: Current accounts	19,551	0	0	0	19,551
Term deposits	0	0	0	0	0
Loans received	2,408,810	0	2,948	0	2,411,758
Postal cheque accounts	0	0	0	0	0
Financial liabilities valued at amortized costs	1,019,805,544	101,080,506	148,570,724	199,309,734	1,468,766,508
Deposits, loans and other liabilities received from banks	28,188,716	79,576,605	3,053,773	165,244,501	276,063,595
of which: Deposits and loans received from own financial group	215,589	71,333,427	14	145,932,279	217,481,309
of which: Current accounts in banks	6,005	0	1	2,783,612	2,789,618
Current accounts of other banks	544,447	6,839,343	39,819	1,266,415	8,690,024
Term deposits	24,875,127	57,756,273	2,997,455	147,753,960	233,382,815
Subordinate debts	212,305	1,721,283	0	6,456,919	8,390,507
Loans received	2,483,077	13,226,520	0	5,877,127	21,586,724
Other liabilities received from banks	67,755	33,186	16,498	1,106,468	1,223,907
Deposits and loans received from customers	837,114,138	15,910,655	105,192,990	12,876,594	971,094,377
of which: MMIF deposits	32,925,869	0	137,645	0	33,063,514
of which: Current accounts and other financial undated liabilities	340,824,521	10,717,460	53,368,703	3,647,580	408,558,264
Term deposits	447,498,376	4,480,383	46,877,661	2,582,351	501,438,771
Deposits payable at notice	31,413,962	56,248	706,525	6,607	32,183,342
Certificates of deposit	64,706	0	0	0	64,706
Loans received and financial leasing	5,598,503	598,352	0	3,574,925	9,771,780
Subordinated liabilities	0	0	0	886,221	886,221
Other liabilities received from customers	11,714,070	58,212	4,240,101	2,178,910	18,191,293
Deposits of general government and international organizations	59,837,058	19,295	37,372,538	199,612	97,428,503
of which: Deposits of central government (S.1311)	29,902,494	19,294	37,348,997	199,588	67,470,373
of which: Treasury	2,707,552	0	23,216,534	0	25,924,086
Deposits of local governments (S.1313)	29,933,837	1	23,541	24	29,957,403
Deposits of social security funds (S.1314)	727	0	0	0	727
Securities issued by the accounting unit	94,665,632	5,573,951	2,951,423	20,989,027	124,180,033
Financial liabilities held for trading (excluding derivatives)	0	0	0	0	0
Financial liabilities in fair value through profit/loss (IAS 39)	7,041,520	10,856,317	173,408	43,977,785	62,049,030
of which: Current accounts	0	0	0	0	0
Term deposits	7,041,520	10,826,810	173,408	43,977,785	62,019,523
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	29,507	0	0	29,507
Negative fair value of derivative transactions for trading	15,323,299	15,286,208	0	0	30,609,507
Negative fair value of derivative hedge transactions	90	121,411	0	0	121,501
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	4,239,352	0	23,585	0	4,262,937
Other liabilities	12,689,798	462,496	1,489,472	113,800	14,755,566
Tax liabilities	2,561,854	0	0	0	2,561,854
<b>EQUITY</b>	67,204,105	66,314,394	-219,234	1,186,494	134,485,759
Share capital	4,633,286	45,833,467	0	0	50,466,753
of which: Subscribed share capital	4,640,594	45,833,467	0	0	50,474,061
Receivables from shareholders	0	0	0	0	0
Own shares	-7,308	0	0	0	-7,308
Funds to branches of foreign banks	0	5,957,621	0	1,242,135	7,199,756
Share premium	3,329,967	15,093,418	0	0	18,423,385
Reserve funds and other funds created from profits	16,358,444	119,500	0	0	16,477,944
Other funds	146,232	-621,921	0	236	-475,453
Valuation changes	-6,675,449	-67,691	-219,234	-55,877	-7,018,251
Profit/loss from previous years	38,975,585	0	0	0	38,975,585
of which: Retained earnings	39,588,095	0	0	0	39,588,095
Accumulated loss	-612,510	0	0	0	-612,510
Profit and loss account	10,437,329	0	0	0	10,437,329
Profit/loss in process of approval	-1,289	0	0	0	-1,289

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

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

(SKK million)

	2007							2008					
	6	7	8	9	10	11	12	1	2	3	4	5	6
<b>NET INTEREST INCOME</b>	18,800	22,070	25,418	28,759	32,218	35,787	39,775	3,707	7,256	11,069	14,791	18,688	22,662
Interest income on securities	7,013	8,418	9,809	11,135	12,508	13,811	15,083	1,401	2,619	3,890	5,123	6,392	7,569
Other interest income	31,504	36,999	42,471	48,151	53,986	59,782	66,201	6,000	11,774	17,831	23,862	30,260	36,751
Interest expenses on securities	1,987	2,337	2,691	3,058	3,442	3,793	4,258	420	846	1,325	1,786	2,263	2,710
Other interest expenses	17,729	21,011	24,171	27,470	30,835	34,013	37,250	3,274	6,291	9,327	12,408	15,700	18,948
<b>NET NON-INTEREST INCOME</b>	10,207	11,816	13,276	14,636	16,568	17,996	19,708	1,594	3,433	4,911	6,990	9,069	10,795
Fee and commission income	7,496	8,843	10,135	11,374	12,440	13,758	15,291	1,327	2,709	4,080	5,499	6,883	8,355
Fees and commission expenses	1,509	1,794	2,071	2,360	2,331	2,612	3,002	255	511	761	1,039	1,353	1,633
Dividends received	228	222	222	243	243	243	272	0	0	0	156	164	506
Income from transactions in securities	1,150	1,257	1,401	1,511	1,747	1,909	2,112	444	834	1,170	1,267	1,340	1,553
Expenses related to transactions in securities	1,169	1,314	1,585	1,879	1,915	2,162	2,568	414	812	1,094	1,299	1,565	2,114
Profit/loss on foreign exchange transactions	2,519	4,533	3,769	5,752	7,669	8,979	8,796	329	3,036	4,372	5,043	10,200	8,033
Profit/loss on fixed forward transactions and options	1,594	181	1,540	33	-1,229	-2,054	-1,146	130	-1,877	-2,882	-2,634	-6,569	-3,863
Income from other transactions	135	140	156	187	195	218	294	22	57	67	93	112	117
Expenses related to other transactions	237	252	291	224	251	282	340	-11	4	41	97	143	160
<b>NET OPERATING PROFIT/LOSS</b>	-1,308	-1,473	-1,561	-1,748	-1,999	-2,218	-3,070	-150	-223	-244	-331	-517	-689
<b>GENERAL OPERATING EXPENSES</b>	16,090	18,829	21,552	24,282	27,057	30,010	33,500	2,712	5,832	8,609	11,686	14,712	17,581
<b>NET CREATION OF RESERVES AND PROVISIONS</b>	-649	-883	-1,060	-1,180	-1,316	-1,432	-1,994	-198	-427	-1,068	-1,439	-1,643	-2,092
<b>INCOME TAX</b>	1,662	1,851	2,091	2,432	2,781	3,052	3,591	389	796	1,275	1,707	2,151	2,658
<b>CURRENT PERIOD PROFIT/LOSS</b>	9,300	10,850	12,431	13,753	15,632	17,072	17,328	1,851	3,412	4,783	6,618	8,734	10,437



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

	Collection / Credit (+)		Payments / Debit (-)		Balance	
	SKK million	USD million	SKK million	USD million	SKK million	USD million
<b>Goods</b>	645,988.0	30,131.4	646,630.0	30,161.4	-642.0	-29.9
<b>Services</b>	71,227.2	3,322.3	76,547.0	3,570.5	-5,319.7	-248.1
Transport	26,326.0	1,227.9	20,569.1	959.4	5,756.9	268.5
Tourism	20,019.1	933.8	16,672.7	777.7	3,346.4	156.1
Other services	24,882.2	1,160.6	39,305.2	1,833.4	-14,423.0	-672.7
<b>Income</b>	29,738.0	1,387.1	48,497.1	2,262.1	-18,759.1	-875.0
Compensation of employees	17,500.0	816.3	1,989.5	92.8	15,510.5	723.5
Investment income	12,238.0	570.8	46,507.6	2,169.3	-34,269.6	-1,598.5
<b>Current transfers</b>	26,916.4	1,255.5	35,108.8	1,637.6	-8,192.4	-382.1
<b>CURRENT ACCOUNT</b>	773,869.7	36,096.4	806,782.8	37,631.6	-32,913.2	-1,535.2
<b>Capital account</b>	15,722.8	733.4	936.8	43.7	14,786.0	689.7
<b>Financial account</b>	2,999,471.9	139,905.9	-2,978,735.3	-138,940.0	20,736.6	965.9
Direct investment	741,512.7	34,587.1	-737,702.3	-34,409.4	3,810.5	177.7
<i>Abroad (direct investor = resident)</i>	15,086.6	703.7	-15,972.0	-745.0	-885.4	-41.3
Equity capital and reinvested earnings	752.6	35.1	-2,750.0	-128.3	-1,997.4	-93.2
Other capital	14,334.0	668.6	-13,222.0	-616.7	1,112.0	51.9
<i>In the SR (recipient of dir. investment = resident)</i>	726,426.1	33,883.4	-721,730.3	-33,664.4	4,695.9	219.0
Equity capital and reinvested earnings	15,436.1	720.0	-4,662.3	-217.5	10,773.9	502.5
Other capital	710,990.0	33,163.4	-717,068.0	-33,446.9	-6,078.0	-283.5
Portfolio investment	99,734.4	4,652.0	-79,277.5	-3,697.8	20,457.0	954.2
Assets	38,018.0	1,773.3	-32,301.7	-1,506.7	5,716.2	266.6
Liabilities	61,716.5	2,878.7	-46,975.8	-2,191.1	14,740.7	687.6
Financial derivatives	1,066,038.3	49,724.3	-1,068,899.5	-49,857.7	-2,861.2	-133.5
Assets	539,699.0	25,173.7	-549,008.0	-25,607.9	-9,309.0	-434.2
Liabilities	526,339.3	24,550.6	-519,891.5	-24,249.8	6,447.8	300.8
Other investment	1,092,186.4	50,942.5	-1,092,856.1	-50,975.1	-669.6	-32.6
<i>Long-term</i>	69,150.5	3,224.1	-65,905.5	-3,074.1	3,244.9	150.0
Assets	9,839.9	459.0	-16,185.5	-755.0	-6,345.6	-296.0
Liabilities	59,310.5	2,765.1	-49,720.0	-2,319.1	9,590.6	446.0
<i>Short-term</i>	1,023,036.0	47,718.5	-1,026,950.5	-47,901.0	-3,914.6	-182.6
Assets	626,642.6	29,229.1	-630,580.7	-29,412.8	-3,938.1	-183.7
Liabilities	396,393.4	18,489.4	-396,369.9	-18,488.3	23.5	1.1
<b>CAPITAL AND FINANCIAL ACCOUNT</b>	3,015,194.7	140,639.3	-2,979,672.1	-138,983.7	35,522.6	1,655.6
<b>ERRORS AND OMISSIONS</b>	-	-	-	-	-6,146.8	-292.6
<b>TOTAL BALANCE</b>	-101,402.0	-4,817.1	97,864.6	4,644.9	-3,537.4	-172.2
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	101,402.0	4,817.1	-97,595.3	-4,631.9	3,806.7	185.2
<i>Deposits</i>	16,092.5	764.5	0.0	0.0	16,092.5	764.5
<i>Securities</i>	85,309.5	4,052.6	-97,595.3	-4,631.9	-12,285.8	-579.3
Bonds and notes	0.0	0.0	-97,595.3	-4,631.9	-97,595.3	-4,631.9
Money market instruments and financial derivatives	85,309.5	4,052.6	0.0	0.0	85,309.5	4,052.6
	0.0	0.0	-269.3	-13.0	-269.3	-13.0
<b>RESERVE ASSETS</b>	101,402.0	4,817.1	-97,864.6	-4,644.9	3,537.4	172.2

Note: Preliminary data.

Applied rate of exchange: USD 1 = SKK 21,439.





## 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
982609009	3.7.2008	4.7.2008	4.7.2008	84	14,800	14,800	American	4.25	4.25	4.25
981710011	24.7.2008	25.7.2008	17.10.2008	84	14,350	14,350	American	4.19	4.25	4.25




**Basic Characteristics of Slovakia's Foreign Exchange Market in July 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	6,321.7	60.6	162	3,982.1	38.2	513	124.6	1.2	60	10,428.3	735
Interbank forex market: NBS + transactions between domestic banks	6,321.7	60.6	162	3,982.1	38.2	513	124.6	1.2	60	10,428.3	735
Transactions between domestic and foreign banks	91,757.6	80.2	2,198	21,627.4	18.9	3,533	1,001.0	0.9	1,692	114,386.0	7,423
Foreign exchange market in the SR - total	98,079.3	78.6	2,360	25,609.4	20.5	4,046	1,125.6	0.9	1,752	124,814.3	8,158

	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	1,512.2	14.5	502	203.0	1.9	17	8,716.1	83.6	216.0	0.0	0.0	0	10,431.2	735
Transactions between domestic and foreign banks	6,622.0	5,341.2	3,292	707.1	570.3	1,751	107,064.4	86,356.2	2,380	124.0	0.1	142	114,517.4	7,565
Foreign exchange market in the SR - excl. the NBS	8,134.2	6,560.9	3,794	910.0	734.0	1,768	115,780.4	93,386.4	2,596	124.0	0.1	142	124,948.6	8,300

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

Midpoint rate	2007						2008						
	7	8	9	10	11	12	1	2	3	4	5	6	7
1 AUD	21.089	20.486	20.526	21.224	20.324	19.972	20.088	20.488	19.456	19.096	19.223	18.566	18.513
1 BGN	17.040	17.167	17.289	17.205	16.996	17.060	17.148	16.947	16.610	16.560	16.123	15.506	15.502
1 CYP	57.061	57.468	57.881	57.599	56.897	57.045	-	-	-	-	-	-	-
1 CZK	1.174	1.204	1.226	1.230	1.243	1.269	1.286	1.304	1.289	1.292	1.256	1.244	1.289
1 DKK	4.479	4.512	4.539	4.515	4.459	4.473	4.502	4.446	4.357	4.342	4.227	4.066	4.065
1 EUR	33.330	33.577	33.821	33.645	33.236	33.365	33.538	33.141	32.497	32.388	31.534	30.323	30.314
1 EEK	2.130	2.146	2.161	2.151	2.125	2.133	2.144	2.118	2.076	2.070	2.016	1.938	1.938
100 JPY	19.973	21.078	21.187	20.420	20.414	20.413	21.102	20.987	20.740	20.082	19.424	18.256	18.010
1 CAD	23.139	23.274	23.666	24.197	23.523	22.767	22.595	22.490	21.039	20.260	20.279	19.227	18.984
1 LTL	9.652	9.724	9.794	9.746	9.627	9.663	9.712	9.599	9.409	9.379	9.132	8.782	8.780
1 LVL	47.820	48.126	48.192	47.867	47.455	47.822	48.045	47.576	46.608	46.447	45.150	43.129	43.106
100 HUF	13.509	13.169	13.341	13.410	13.058	13.183	13.114	12.658	12.487	12.751	12.715	12.498	13.071
1 MTL	77.671	78.245	78.767	78.395	77.438	77.727	-	-	-	-	-	-	-
1 NOK	4.198	4.210	4.312	4.374	4.187	4.159	4.218	4.166	4.080	4.066	4.008	3.798	3.768
1 PLN	8.846	8.813	8.919	9.065	9.084	9.262	9.297	9.255	9.186	9.402	9.257	8.987	9.288
1 RON	10.636	10.435	10.112	10.036	9.573	9.450	9.093	9.068	8.733	8.887	8.616	8.297	8.464
1 CHF	20.113	20.488	20.537	20.151	20.168	20.113	20.672	20.604	20.656	20.314	19.418	18.779	18.740
1 SEK	3.627	3.606	3.639	3.668	3.580	3.540	3.557	3.538	3.455	3.456	3.386	3.238	3.206
1 USD	24.311	24.647	24.378	23.669	22.637	22.882	22.797	22.495	20.977	20.550	20.253	19.512	19.215
1 GBP	49.422	49.556	49.156	48.338	46.897	46.387	44.924	44.188	42.016	40.740	39.795	38.329	38.230
1 XDR	37.167	37.696	37.606	36.880	35.928	36.087	36.100	35.659	34.185	33.644	32.898	31.588	31.345

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
Holand	1,401	45.2	6.3	3	0.1	-150.0	1,404	45.3	6.3
Switzerland	1,191	38.4	5.4	0	0.0	0.0	1,191	38.4	5.4
USA	1,045	33.7	4.7	0	0.0	0.0	1,045	33.7	4.7
Spain	784	25.3	3.5	0	0.0	0.0	784	25.3	3.5
United Kingdom	506	16.3	2.3	125	4.0	-6,250.0	631	20.3	2.8
Litva	417	13.4	1.9	0	0.0	0.0	417	13.4	1.9
Cyprus	323	10.4	1.5	0	0.0	0.0	323	10.4	1.5
Other countries	334	10.8	1.5	165	5.3	-8,250.0	499	16.1	2.3
<b>Structure of capital by sector</b>									
Agriculture, hunting, and forestry	-31	-1.0	-0.1	0	0.0	0.0	-31	-1.0	-0.1
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Mining and quarrying	10	0.3	0.0	0	0.0	0.0	10	0.3	0.0
Manufacturing	10,846	349.6	49.0	0	0.0	0.0	10,846	349.6	49.0
Electricity, gas, and water supply	322	10.4	1.5	0	0.0	0.0	322	10.4	1.5
Construction	190	6.1	0.9	0	0.0	0.0	190	6.1	0.9
Wholesale and retail trade, repairs of motor vehicles	3,216	103.7	14.5	0	0.0	0.0	3,216	103.7	14.5
Hotels and restaurants	29	0.9	0.1	0	0.0	0.0	29	0.9	0.1
Transport, storage and communication	1,280	41.3	5.8	0	0.0	0.0	1,280	41.3	5.8
Financial intermediation	4,263	137.4	19.2	-2	-0.1	100.0	4,261	137.4	19.2
Real estate, renting and business activities	1,900	61.2	8.6	0	0.0	0.0	1,900	61.2	8.6
Public administration and defence, compulsory social security	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Education	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Health and social work	53	1.7	0.2	0	0.0	0.0	53	1.7	0.2
Other community, social, and personal services	69	2.2	0.3	0	0.0	0.0	69	2.2	0.3
Activities of private households	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Extra-territorial organizations and bodies	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
<b>Structure of capital by regions</b>									
Bratislava region	7,345	236.8	33.2	-2	-0.1	100.0	7,343	236.7	33.2
Trnava region	682	22.0	3.1	0	0.0	0.0	682	22.0	3.1
Trenčín region	3,346	107.9	15.1	0	0.0	0.0	3,346	107.9	15.1
Nitra region	642	20.7	2.9	0	0.0	0.0	642	20.7	2.9
Žilina region	7,123	229.6	32.2	0	0.0	0.0	7,123	229.6	32.2
Banská Bystrica region	1,166	37.6	5.3	0	0.0	0.0	1,166	37.6	5.3
Prešov region	163	5.3	0.7	0	0.0	0.0	163	5.3	0.7
Košice region	1,680	54.2	7.6	0	0.0	0.0	1,680	54.2	7.6

Note: Preliminary data.

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



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

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 32.255									
<b>Inflow of FDI (equity capital + reinvested earnings) in total</b>	29,008	899.3	100.0	5,115	158.6	100.0	34,123	1,057.9	100.0
<b>Structure of capital by investor</b>									
Austria	2,974	92.2	10.3	4,776	148.1	93.4	7,750	240.3	22.7
Hungary	6,863	212.8	23.7	-30	-0.9	-0.6	6,833	211.8	20.0
United Kingdom	6,050	187.6	20.9	-1,396	-43.3	-27.3	4,654	144.3	13.6
Czech Republic	4,605	142.8	15.9	-11	-0.3	-0.2	4,594	142.4	13.5
France	3,749	116.2	12.9	-136	-4.2	-2.7	3,613	112.0	10.6
Germany	3,340	103.5	11.5	253	7.8	4.9	3,593	111.4	10.5
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.