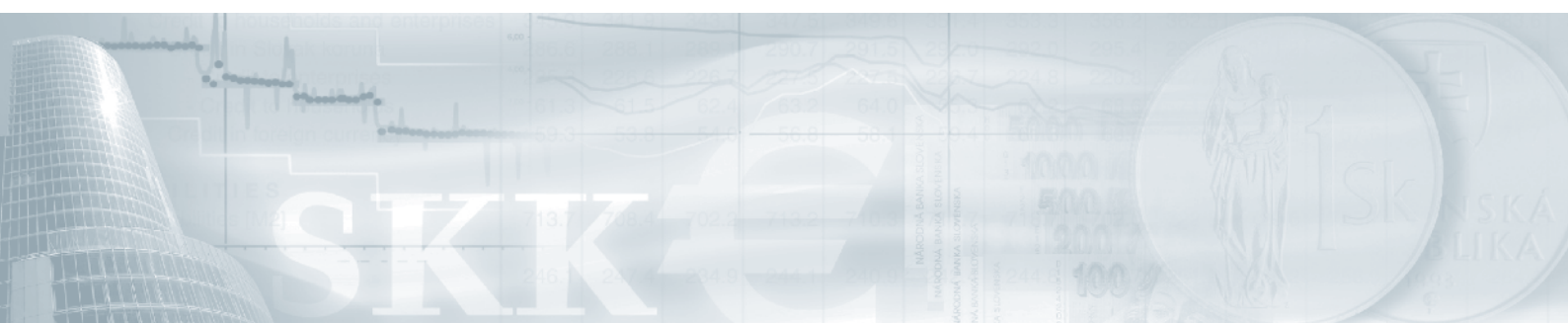




NÁRODNÁ BANKA SLOVENSKA



Monetary Survey

October 2008

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Box 1

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**Abbreviations**

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

Symbols used in the tables

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



1 Summary

Consumer prices, expressed in terms of the Harmonised Index of Consumer Prices (HICP), increased by 0.3% in October compared with the previous month. The year-on-year rate of headline inflation reached 4.2%. Core inflation (excluding energy and unprocessed food prices) recorded a year-on-year rate of 4.1%.

Measured in terms of the Consumer Price Index (CPI), consumer prices rose in comparison with the previous month by 0.4% in October. The 12-month headline and core inflation rates reached 5.1% and 4.9%, respectively.

The M3 monetary aggregate (according to ECB methodology) decreased month-on-month by SKK 7.6 billion in September, and its year-on-year dynamics weakened in comparison with August to 6.4%.

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 11.6 billion in September, while the year-on-year growth rate slowed by 0.7 of a percentage point to 14.2%.

The average interest rate on new loans to non-financial corporations dropped in September by 0.16 of a percentage point to 5.80%, and that on new loans to households fell by 0.19 of a percentage point to 12.45%. Over the same period, the average rate for new deposits from non-financial corporations dropped by 0.22 of a percentage point to 2.19%, and that for new household deposits rose by 0.02 of a percentage point to 1.24%.

At the end of October, the State budget of the SR resulted in a surplus of SKK 7.9 billion.

The foreign reserves of Národná banka Slovenska (at current exchange rates) stood at USD 17.1 billion in October. At the end of the month, the volume of reserves was 2.5 times greater than the volume of average monthly imports of goods and services to Slovakia during the first nine months of 2008. The coverage of average monthly imports (imports of goods and services according to data from banking statistics) by the official foreign reserves corresponded to 3.3 times the volume of average monthly imports of goods and services to the SR over the first nine months of 2008.

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

According to preliminary data, the balance of payments on current account for September 2008 resulted in a deficit of SKK 4.1 billion (from January to September, the deficit reached SKK 84.0 billion), while trade resulted in a shortfall of SKK 2.8 billion.

In October, the overall sterilisation position of NBS fell somewhat in comparison with September, by less than SKK 0.4 billion, to SKK 382.8 billion.



2 The External Economic Environment¹

Euro-Area Countries

Inflation The 12-month inflation rate in the euro area, as measured by the Harmonised Index of Consumer Prices (HICP), slowed to 3.2% in October, from 3.6% in the previous month. The strongest year-on-year consumer price dynamics were recorded in Malta (5.8%), and in Slovenia, Cyprus, and Belgium (4.8% each). The steepest year-on-year increases occurred in prices for housing services (5.9%), food prices (4.7%), and in transport prices (3.7%). Prices for telecommunications services dropped 2.2%. In the same period a year earlier, consumer prices in the euro area rose 2.6%.

EUR/USD exchange rate The exchange rate of the euro against the US dollar remained highly volatile in October. The dollar appreciated virtually throughout the month, due largely to non-cyclical factors. These factors include the outflow of foreign investments to the United States and increased demand for dollar liquidity. From the last trading day in September (USD/EUR 1.4303) to the end of October, the single European currency weakened against the dollar by 10.8%, while depreciating since the beginning of the year by 13.1% (in comparison with the same period of 2007 by 11.7%).

At its meeting on 6 November 2008, the Governing Council of the ECB decided to cut the key interest rates by 50 basis points, with effect from 12 November 2008. The minimum bid rate for the main refinancing operations of the Eurosystem was set at 3.25% and the rates for overnight refinancing and sterilisation operations at 3.75% and 2.75%, respectively.

The ECB again took steps to satisfy the liquidity needs of the euro money market and, with the help of Denmark's Nationalbank, opened a swap line in the amount of EUR 12 billion (on 27 October 2008), which will remain opened as long as needed.

Developments in Poland, Hungary, and the Czech Republic

Inflation In October, the year-on-year inflation rate, as measured by the Harmonised Index of Consumer Prices, slowed in all countries of the region under review. In comparison with September, inflation in the Czech Republic fell by 0.7 of a percentage point to 5.7%, in Hungary by 0.5 of a percentage point to 5.1%, and in Poland by 0.1 of a percentage point to 4.0%.

Exchange rates of the V4 currencies The continuing sale of risky assets from the Central European region and the recent strains in global financial markets were most noticeably reflected in the exchange rate of the Hungarian forint in Oc-

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



Chart 2 Exchange rate indices of V4 currencies against the euro (29 December 2006=100)



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



tober. The forint weakened against the euro to a significant extent in the first half of the month. After a relatively modest depreciation in the first week of October, forint assets started to be sold off in large amounts, which led to a marked increase in demand for foreign currencies. To provide liquidity for Hungary's foreign exchange market, MNB started to conduct two-way overnight FX swap tenders on 10 October. As of 16 October, this facility is also supported by an ECB credit line provided to MNB in the amount of EUR 5 billion. The situation calmed down only after an extraordinary increase in the key MNB interest rates; the forint strengthened somewhat in the last third of October. The Polish zloty and the Czech koruna were also affected by the tense situation in the region; they depreciated over the first three weeks in October. At the end of the month, the exchange rates strengthened somewhat in response to the announced financial aid to Hungary from the ECB, IMF, and the World Bank (EUR 20 billion in total). Compared with the last trading day of the previous month, the Hungarian forint and the Polish zloty depreciated by 7.7% and 5.9%, respectively, while the Czech koruna appreciated by 1.9%. At the beginning of November, the CNB announced the Board's decision that, starting from 2009, the regular CNB projections will also contain a nominal CZK/EUR exchange rate forecast.

In connection with the tense situation in the financial markets, MNB raised its base rate by 3 percentage points at an extraordinary meeting on 22 October 2008, to 11.5%, with immediate effect. At the same time, the MNB reduced the interest rate corridor formed by overnight refinancing and sterilisation facilities around the base rate, to +/-50 basis points. At the beginning of November, Česká národní banka decided to cut its two-week repo rate by 0.75 of a percentage point, to 2.75%. Narodowy Bank Polski left its reference interest rate unchanged, at 6%.

Key NCB interest rates in the V4 countries



3 Inflation

3.1 Consumer Price Index

HICP Inflation in October 2008

Harmonised index of consumer prices

Consumer prices, as measured by the Harmonised Index of Consumer Prices (HICP), increased month-on-month by 0.3% in October, with the prices of goods and services rising by 0.3% and 0.4%, respectively. Consumer prices increased year-on-year by 4.2% (in September by 4.5%). Overall inflation, excluding energy and unprocessed food prices (core inflation), reached 4.1% year-on-year (4.3% in September). The average 12-month inflation rate for the past 12 months, from November 2007 to October 2008, was 3.7%. The average inflation rate for the period since the beginning of the year reached 4.0%. In October, HICP inflation was lower than expected by NBS, due to a slowdown in food price dynamics.

Table 1 Harmonised index of consumer prices (year-on-year changes in %)

	2008					
	May	June	July	Aug.	Sep.	Oct.
TOTAL	4.0	4.3	4.4	4.4	4.5	4.2
Goods	3.8	4.2	4.3	4.3	4.1	3.4
Industrial goods	2.0	2.1	2.4	2.4	2.8	2.7
Industrial goods (excl. energies)	0.7	0.6	0.9	0.9	0.7	0.5
Energies	4.1	4.4	4.7	4.7	6.0	6.2
Food	7.1	8.0	8.1	7.9	6.7	4.8
Processed food (including alcohol and tobacco)	8.9	8.7	8.7	8.7	8.1	6.8
Unprocessed food	3.7	6.8	6.8	6.3	3.8	0.7
Services	4.4	4.6	4.7	4.8	5.5	5.7
Total, excluding unprocessed food and energies (core inflation)	4.0	4.1	4.2	4.2	4.3	4.1
Total, excluding energies	4.0	4.3	4.4	4.4	4.3	3.8

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

Further slowdown in the dynamics of unprocessed food prices

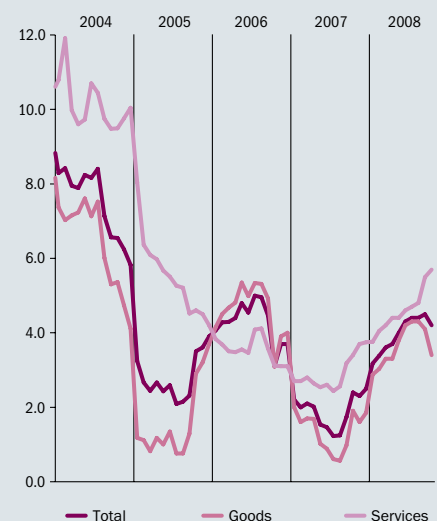
Within the structure of inflation, the year-on-year dynamics of energy prices accelerated, those of unprocessed food prices slowed, as well as the year-on-year rate of core inflation (overall inflation, excluding energy and unprocessed food prices).

In energy prices, the year-on-year rate of increase in fuel prices continued to slow in October. On the other hand, the year-on-year dynamics of heating prices continued to accelerate. The slowdown in the year-on-year increase in unprocessed food prices took place in fruit, vegetable, and meat prices.

Slowdown in the rate of core inflation

After accelerating for 13 months, core inflation (overall inflation, excluding energy and unprocessed food prices), like headline inflation, recorded a slowdown. The year-on-year rate of core inflation was influenced by processed food and non-energy industrial goods prices, the dynamics of which weakened on a year-on-year basis. Prices for services recorded a slight acceleration in their year-on-year dynamics. Compared with the previous month, prices rose more rapidly for transport-related services (driving school fees, parking tickets, public transport and bus service fares, but prices in air transport fell year-on-year at a much slower pace), as well as prices for housing services (charges and services in rented houses). Prices also increased for medical, educational, and social services. The weaker year-on-year dynamics of non-energy industrial goods prices were mainly due to developments in the prices of

Chart 3 HICP inflation and its main components (%)



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



non-durables (washing powders) and durables (motor vehicles). Processed food prices recorded a slow-down in dynamics on a year-on-year basis, due to slower price increases in the following sub-categories: bread and cereals, cooking oil and fats, milk and dairy products. Within the 'processed food' category, cigarette prices began to rise as a result of increased excise duties.

Box 1**Price Monitoring at Ten-Day Intervals**

Starting from 1 August 2008, the Statistical Office of the SR began monitoring the consumer prices of selected goods and services at ten-day intervals. The project will last from 1 August 2008 to 30 June 2009, and is aimed at monitoring the consumer prices of selected goods and services during the period of dual price display. Overall, 196 consumer-basket goods and services will be monitored, mostly items that are frequently purchased by citizens.

Table A Indices for the previous period

	Sk			Euro		
	No. of October ten-day period			No. of October ten-day period		
	28	29	30	28	29	30
Total	100.3	100.1	99.3	100.3	100.1	99.3
Bread and cereals	101.5	100.2	99.7	101.4	100.2	99.7
Meat	98.8	100.8	98.8	98.9	100.8	98.8
Fish	100.5	99.6	99.1	100.4	99.6	99.1
Milk, cheese and eggs	100.1	100.5	100.5	100.2	100.4	100.5
Oils and fats	102.5	99.4	97.8	102.5	99.3	97.8
Fruits	100.4	97.7	99.6	100.4	97.7	99.8
Vegetables, including potatoes and other tubers	101.8	107.8	102.1	101.9	107.8	102.1
Sugar, jam, honey, syrups, chocolate and confectionary	99.6	101.2	100.4	99.6	101.2	100.4
Food products not classified elsewhere	100.4	99.0	99.7	100.5	99.1	99.7
Coffee, tea and cocoa	99.6	99.6	99.6	99.7	99.6	99.6
Mineral water, non-alcoholic beverages and juices	100.4	100.8	100.0	100.4	100.8	100.0
Spirits	100.1	100.2	100.6	100.1	100.2	100.6
Wine	100.0	100.1	100.3	100.0	100.2	100.3
Beer	99.6	99.7	100.4	99.9	99.7	100.4
Non-durables	103.5	98.5	97.9	103.5	98.5	97.9
Pharmaceuticals	100.4	100.1	100.3	100.4	100.1	100.2
Other medical products	99.7	100.0	100.4	100.0	100.0	100.4
Fuels and greases	99.1	97.8	96.0	99.0	97.9	95.9
Office and drawing products	99.7	101.1	99.6	99.7	101.1	99.6
Restaurants, cafés, snack bars, confectioneries etc.	100.5	100.0	100.0	100.5	100.0	100.0
Hair saloons and personal care	100.3	100.0	100.0	100.3	100.0	100.0
Other devices, items and products for personal care	101.5	99.5	99.4	101.5	99.5	99.4

The year-on-year rate of headline inflation is expected to slow in November, compared with October 2008, due to base effects in food prices, restaurant and café prices, coupled by a marked fall in fuel prices. On the other hand, the increase in cigarette prices is likely to continue in November, and a modest rise is expected in heating prices.

Expectations for the next month**CPI Inflation in October 2008**

Consumer prices rose month-on-month by 0.4% in October 2008, due to increases in regulated prices and core inflation. Due to core inflation and regulated prices, inflation showed stronger dynamics than expected by NBS. Within the scope of regulated prices, price levels rose for heating (by 2.5%), transport (by 0.7%), health services (by 1.1%), education (by 1.2%), school canteens and accommodation (by 1.1%). Core inflation was, as in the previous month, influenced by a rise in prices for market services, a rise in house maintenance prices and imputed rents (2.2%, compared with 4.3% in the previous month), and modest price increases in hotels, restaurants, and cafés. The prices of tradable goods, excluding

Consumer Price Index (CPI)



fuels, were stagnant in line with expectations (a rise in clothing and footwear prices, offset by a fall in transport prices and slight fall in the price of furniture). Fuel prices fell more rapidly than expected, due to developments in oil prices. Food prices stagnated (though a slight increase had been expected) as a result of a sharper fall in vegetable prices. The prices of bread, bakery products, cereals, cooking oil and fats continued to rise slightly, but the rise in bakery products prices was not in line with the current trend in the global cereal markets. The changes in indirect taxes on tobacco contributed 0.08 of a percentage point to the rise in consumer prices. The 12-month rate of consumer-price inflation stood at 5.1% (5.4% in September). Core inflation reached 4.9% (5.5% in the previous month). The average year-on-year inflation rate for the period from November 2007 to October 2008 was 4.4%.

Table 2 Consumer prices in October 2008

	CPI inflation		HICP inflation by CPI component	
	Change versus			
	September 2008	October 2007	September 2008	October 2007
Total in %	0.4	5.1	0.3	4.2
Regulated prices in %	0.7	5.7	0.9	6.6
<i>Share of total, in percentage points¹⁾</i>	0.17	-	0.25	-
Impact of changes in indirect taxes on non-regulated prices – Share of total, in percentage points¹⁾	0.08	-	0.11	-
Core inflation in %	0.2	4.9	0.0	3.2
<i>Share of total, in percentage points¹⁾</i>	0.12	-	-0.02	-
of which: Food prices in %	0.0	5.2	-0.1	4.7
<i>Share of total, in percentage points¹⁾</i>	0.00	-	-0.01	-
Tradable goods in % ¹⁾	-0.3	1.0	-0.2	1.2
<i>Share of total, in percentage points¹⁾</i>	-0.10	-	-0.07	-
Tradable goods excluding fuels, in % ¹⁾	0.0	0.6	0.1	0.9
<i>Share of total, in percentage points¹⁾</i>	0.02	-	0.02	-
Fuels in % ¹⁾	-3.3	4.2	-3.3	4.1
<i>Share of total, in percentage points¹⁾</i>	-0.11	-	-0.09	-
Market services in % ¹⁾	0.8	9.9	0.3	5.3
<i>Share of total, in percentage points¹⁾</i>	0.22	-	0.06	-
Net inflation (excluding the impact of changes in indirect taxes) in %	0.2	4.8	0.0	2.8
<i>Share of total, in percentage points¹⁾</i>	0.13	-	-0.01	-
Net inflation, excluding fuel prices (excluding the impact of changes in indirect taxes) in %¹⁾	0.4	4.9	0.2	2.7
<i>Share of total, in percentage points¹⁾</i>	0.24	-	0.09	-

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 September 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 0.6% in September, due to price increases for energy and mining / quarrying products, while manufacturing products prices dropped.

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

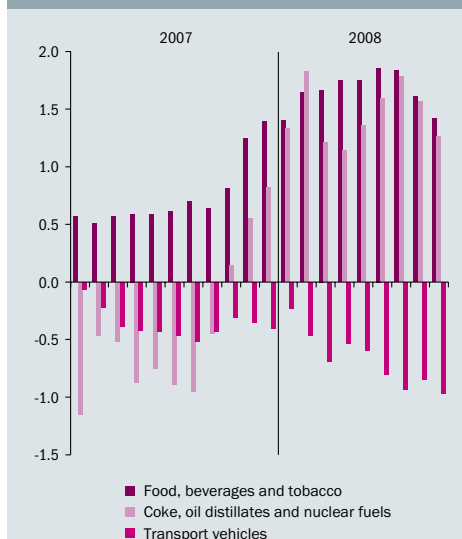
The year-on-year dynamics of domestic industrial producer prices accelerated slightly in September, by 0.1 of a percentage point compared with August (to 6.8%). Energy prices increased 1.7 percentage points (to 13.3%) and mining / quarrying products prices 5.6 percentage points (to 22.6%). Manufacturing products prices increased year-on-year at a slower pace than in the previous month (by 1.1 percentage points, to 1.8%).

Energy prices have obviously had an upward effect on the level of industrial producer prices since the beginning of 2008.

The faster year-on-year increase in energy prices in September was the result of accelerated price increases in all basic components. Prices for gas production and the transport of gaseous fuels via pipelines increased by 2.9 percentage points (to 23.7%), prices for electricity generation and supply

Chart 4 Developments of main component contributions to year-on-year changes in industrial producer prices (domestic market) (p.p.)


Source: Statistical Office of the SR.

Chart 5 Developments of contributions of selected groups of manufacturing products to year-on-year changes in the level of producer prices


Source: Statistical Office of the SR.

Table 3 Producer price developments in September 2008 (%)

(%)

	Month-on-month changes		Year-on-year changes			
	Aug. 2008	Sep. 2008	Sep. 2007	Aug. 2008	Sep. 2008	Average since begin. of 2008
Industrial producer prices (for the domestic market)	0.2	0.6	1.6	6.7	6.8	5.8
– Prices of manufacturing products	0.1	-0.5	-0.1	2.9	1.8	2.8
– Prices of mining and quarrying products	0.8	6.0	-4.3	17.0	22.6	12.5
– Energy prices	0.4	1.7	4.1	11.6	13.3	9.8
Industrial producer prices (for export)	-0.8	-1.0	-5.5	1.6	0.0	2.1
– Prices of manufacturing products	-0.6	-0.9	-4.8	0.5	-1.1	1.0
Construction prices	0.7	0.3	3.6	6.2	6.6	5.6
Building materials prices	0.6	-0.2	7.2	3.2	1.8	3.9
Agricultural prices	-	-	11.0	6.4	-0.6	11.3
– Prices of plant products	-	-	30.6	6.9	-5.0	21.3
– Prices of animal products	-	-	-1.2	5.8	3.2	7.4

Source: Statistical Office of the SR.

by 0.6 of a percentage point (to 9.5%), prices for steam and hot water supply by 3.9 percentage points (to 9.3%), and prices for water treatment and supply by 0.1 of a percentage point (to 8.5%).

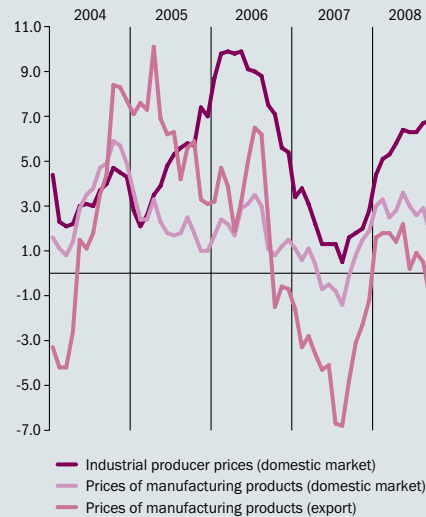
Manufacturing products prices have recently been influenced mostly by food prices and the prices of refined oil products and transport equipment.

The slower year-on-year increase in manufacturing products prices in September, compared with August, was mainly the result of slower rise in prices for food products (by 0.9 of a percentage point, to 6.5%), refined oil products (by 6.0 percentage points, to 23.8%), and a further fall in the prices of transport equipment (by 1.1 percentage points, to -9.3%). Somewhat smaller year-on-year increases, compared with the previous month, were recorded in the prices of base metals and finished metal products, electrical and optical equipment, and chemical products. Prices continued to fall for rubber and plastic products (-2.3%), paper products (-2.2%), wood products (-5.0%), and textile products (-2.2%).

In the 'food products' category, September saw a slowdown in the year-on-year price increase compared with August in most components. The price increase slowed in flour products, industrially prepared

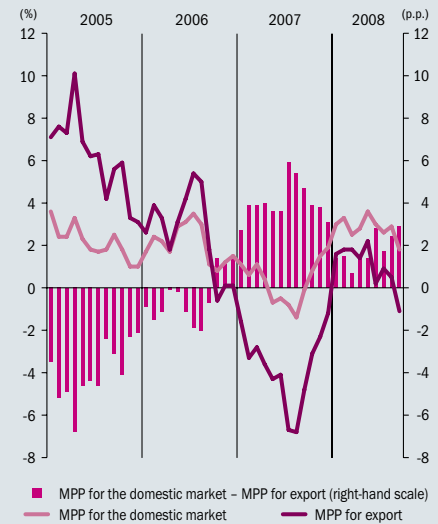


Chart 6 Developments in industrial producer prices and manufacturing products prices (year-on-year changes in %)



Source: Statistical Office of the SR.

Chart 7 Year-on-year changes in manufacturing product prices (MPP) for the domestic market and export (p.p.)



Source: Statistical Office of the SR.

animal fodder, meat and meat products, and dairy products. The prices of processed and canned fruits and vegetables continued falling. Steeper increases than in the previous month occurred in the prices of animal and vegetable oils and fats, and beverages.

Industrial producer prices for export

The export prices of manufacturing products, which are the main factor influencing the level of industrial producer prices for export, fell month-on-month by 0.9% and year-on-year by 1.1% in September.

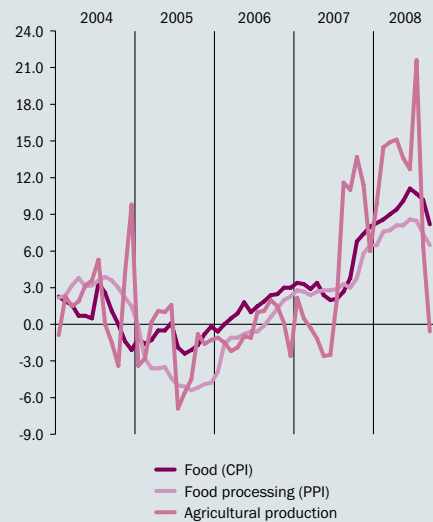
In the last two months, the differences between the year-on-year changes in domestic and export prices of manufacturing products have shown a growing tendency. These differences are, however, still below the level of 2007, which was mainly caused by differences between the domestic and export prices of chemical products and transport equipment.

The trend of year-on-year slowdown in the domestic prices of manufacturing products was accompanied by a fall in their export prices in September. The absolute differences between the domestic and export prices of manufacturing products increased in September, mainly as a result of developments in the prices of electrical and optical equipment (domestic prices rose by 1.7%, but export prices fell by 7.7%) and paper products (domestic prices dropped by 2.2% and export prices by 10.0%). The increase in these differences was also driven to a lesser extent by a steeper year-on-year rise in the prices of refined oil products compared with their export prices (23.8%, compared with 21.3%) and food products (6.5%, compared with 5.0%). The opposite effect on these differences was exerted by the prices of chemical products (domestic prices rose by 3.1% and export prices by 9.0%) and those of base metals and finished metal products (domestic prices rose by 1.3% and export prices by 3.3%).

Agricultural prices

In September, the prices of agricultural products fell on a year-on-year basis for the first time this year (by 0.6%), due to a drop in the prices of plant products (by 5.0%). The prices of animal products increased 3.2%.

Chart 8 Developments in food prices in primary production, processing, and consumption (year-on-year changes in %)



Source: Statistical Office of the SR.



The fall in plant products prices was caused by drops in the prices of sugar beet (16.1%), potatoes (11.1%), cereals (10.4%, the price of industrial wheat dropped by 23.8%, that of fodder barley and rye by 13.4% and 5.1%, respectively), and tobacco (1.7%). Price levels rose for oil seeds (by 15.4%), legumes (by 13.0%), vegetables (by 7.2%), and fruit (by 2.5%).

The rise in animal products prices was caused by price increases in most categories. Prices increased for live fish (by 22.9%), sheep farming products (by 12.0%), pigs (by 5.6%), unpasteurised milk (by 4.0%), poultry (by 1.4%, for chicken by 5.6%), and eggs (by 0.8%). A fall occurred in the price of cattle, including calves (0.6%).

Industrial producer prices are expected to be influenced in October 2008 by the fall in oil prices on global markets below the level recorded a year earlier. Food prices are still expected to have a moderate upward effect. Owing to these factors, the year-on-year dynamics of industrial producer prices are likely to slow somewhat in October, compared with September.

According to the latest agrarian market news, purchase prices are expected to fall still further on the Slovak cereal market as a result of above-average cereal crops (cereal production grew by more than 35% in Slovakia, compared with roughly 10% in the world). In animal production, beef prices (for live animals) are expected to continue falling. Prices for pigs are not expected to rise, due to cheap imports from Poland and the weaker exchange rate of the Polish zloty against the Slovak koruna. The average purchase price of milk dropped year-on-year by 3.0% in September, reaching its lowest level this year. The fall in the purchase price of milk is expected to stop in the coming period. Overall, agricultural prices are expected to fall further in October.



4 Factors Affecting the Course of Inflation

4.1 Monetary Aggregates

Slowdown in M3 growth dynamics

The year-on-year growth dynamics of the M3 monetary aggregate (according to ECB methodology²) continued to weaken in September, by 1.8 percentage points compared with the previous month (to 6.4%).

The slower growth in monetary aggregates on the liabilities side is still influenced by developments in short-term deposits and a fall in the volume of currency in circulation. While the contribution of demand deposits to the overall annual dynamics of M3 increased by 1.2 percentage points in September compared with the previous month, the contribution of deposits with agreed maturity decreased by 2.0 percentage points. Short-term deposits were mainly influenced by the conversion of deposits with an agreed maturity of up to 2 years into demand deposits in the sector of non-financial corporations, motivated obviously by interest rate expectations.

The contribution of the other main M3 components (currency, deposits payable at a period of notice of up to 3 months, and marketable instruments) to the annual rate of M3 growth decreased month-on-month by 1.0 percentage point in September.

Main M3 components

Slowdown in the growth of monetary aggregates

Among short-term deposits, the individual components of the M1 monetary aggregate followed different trends: the volume of currency in circulation continued to fall, but the volume of deposits and received loans repayable on demand increased by SKK 15.0 billion (of which non-financial corporations accounted for SKK 12.7 billion). The structure of deposits is greatly influenced by interest rate expectations (mainly in the corporate sector) and by the forthcoming euro changeover in Slovakia (in the household sector). The year-on-year dynamics of currency in circulation weakened, but the growth rate of demand deposits accelerated by 3.0 percentage points. As a result, the M1 monetary aggregate again recorded positive dynamics (0.7%, representing a month-on-month increase of 1.0 percentage point).

Among other short-term deposits, deposits and received loans with an agreed maturity of up to 2 years decreased (by SKK 14.8 billion, in the corporate sector by SKK 16.6 billion), while their year-on-year dynamics weakened to 11.7% (by 5.4 percentage points). Since the negative dynamics of deposits payable at a period of notice of up to 3 months strengthened still further, the dynamics of the M2 monetary aggregate weakened (by 5.1%, representing a fall of 1.6 percentage points).

Chart 9 Contributions of M3 components to year-on-year dynamics of M3 (p.p.)

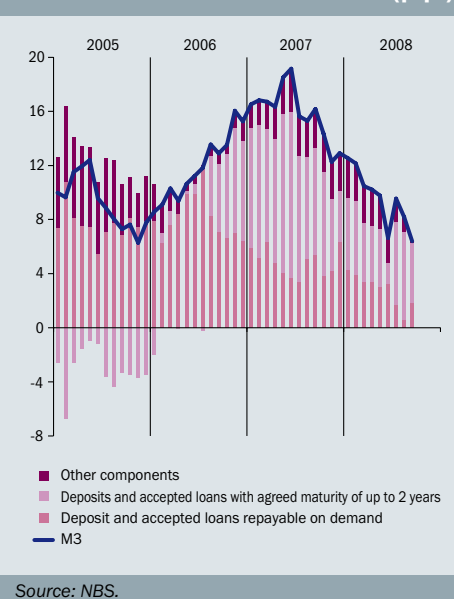
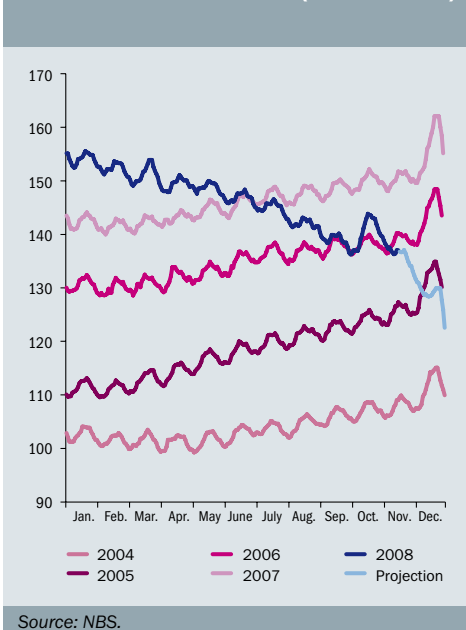


Chart 10 Currency in circulation (SKK billions)



² The year-on-year growth rates of monetary aggregates and their counterparts are calculated from end-of-month data, including non-transaction operations, which comprise all movements in the balance-sheet items, resulting from changes in the valuation of tradable instruments, the depreciation/write-off of loans, exchange rate differentials, reclassification, and other changes.



Table 4a Comparison of month-on-month developments in monetary aggregates (ECB methodology)

	Outstanding amounts (in billions of SKK) ¹⁾			Year-on-year changes (in %) ²⁾	
	Sep. 2007	Aug. 2008	Sep. 2008	Aug. 2008	Sep. 2008
Currency in circulation	137.7	127.8	122.7	-5.7	-10.8
Deposits and received loans repayable on demand	435.0	439.2	454.2	1.4	4.4
Of which: Non-financial corporations	174.0	163.4	176.1	-7.3	1.2
Households and non-profit institutions serving households	209.1	233.8	232.0	12.8	11.0
M1	572.7	567.0	576.9	-0.3	0.7
Deposits and loans received with an agreed maturity of up to 2 years	396.5	457.9	443.1	17.1	11.7
Of which: Non-financial corporations	133.5	135.1	118.6	5.2	-11.2
Households and non-profit institutions serving households	198.2	242.0	245.8	22.9	24.0
Deposits repayable at a period of notice of up to 3 months	9.8	8.9	8.8	-9.7	-10.4
M2	979.1	1 033.8	1 028.7	6.6	5.1
Money market fund shares/units	53.6	67.0	63.5	27.5	18.5
Repo operations	0.0	0.0	0.0	-	-
Debt securities issued with a maturity of up to 2 years	6.8	12.7	13.6	85.9	100.4
M3	1 039.4	1 113.5	1 105.9	8.2	6.4

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) ¹⁾			Year-on-year changes (in %) ²⁾	
	Sep. 2007	Aug. 2008	Sep. 2008	Aug. 2008	Sep. 2008
Currency in circulation	4.6	4.2	4.1	-5.7	-10.8
Deposits and received loans repayable on demand	14.4	14.6	15.1	1.4	4.4
Of which: Non-financial corporations	5.8	5.4	5.8	-7.3	1.2
Households and non-profit institutions serving households	6.9	7.8	7.7	12.8	11.0
M1	19.0	18.8	19.1	-0.3	0.7
Deposits and loans received with an agreed maturity of up to 2 years	13.2	15.2	14.7	17.1	11.7
Of which: Non-financial corporations	4.4	4.5	3.9	5.2	-11.2
Households and non-profit institutions serving households	6.6	8.0	8.2	22.9	24.0
Deposits repayable at a period of notice of up to 3 months	0.3	0.3	0.3	-9.7	-10.4
M2	32.5	34.3	34.1	6.6	5.1
Money market fund shares/units	1.8	2.2	2.1	27.5	18.5
Repo operations	0.0	0.0	0.0	-	-
Debt securities issued with a maturity of up to 2 years	0.2	0.4	0.5	85.9	100.4
M3	34.5	37.0	36.7	8.2	6.4

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.



Among marketable instruments, money market fund shares/units decreased by SKK 3.6 billion in September, owing to a marked slowdown in their year-on-year dynamics (by 9.0 percentage points, to 18.5%, which was less than half the figure recorded a year earlier, i.e. 38.2%). The volume of debt securities issued with a maturity of up to 2 years increased slightly.

Main M3 counterparts

Slower growth in MFI receivables from residents (including securities)

Among the main M3 counterparts, MFI receivables from residents (including securities issued by clients and held by MFIs) are the main factor influencing the development of monetary aggregates in historical terms. Receivables from residents increased month-on-month by SKK 11.6 billion in September, of which receivables from the private sector accounted for SKK 8.5 billion. However, the year-on-year dynamics of receivables from residents weakened to 14.2%, due mainly to a slowdown in the growth rate of receivables from the private sector (by 1.7 percentage points, to 21.3%). The negative dynamics of receivables from the public sector continued to moderate.

Net foreign assets continued to grow in September, due mainly to an increase in foreign assets (by SKK 18.6 billion), accompanied by slower growth in foreign liabilities (by SKK 9.6 billion).

Table 5a Main M3 counterparts (ECB methodology)

	Outstanding amounts (in billions of SKK) ¹⁾			Year-on-year changes (in %) ²⁾	
	Sep. 2007	Aug. 2008	Sep. 2008	Aug. 2008	Sep. 2008
MFI receivables from residents (including securities)	988.6	1 115.6	1 127.2	14.9	14.2
Receivables from general government	253.1	233.8	236.9	-8.0	-6.1
Receivables from the private sector	735.5	881.8	890.3	23.0	21.3
Net foreign assets	284.4	187.5	196.5	-34.8	-32.3
Foreign assets	551.4	509.0	527.6	-9.1	-5.3
Foreign liabilities	267.0	321.5	331.1	18.3	24.0
Long-term financial liabilities (excluding capital and reserves)	132.5	148.6	154.0	13.7	16.2
Other items net ³⁾	-101.0	-41.0	-63.9	-46.9	-12.0
M3	1 039.4	1 113.5	1 105.9	8.2	6.4

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) ¹⁾			Year-on-year changes (in %) ²⁾	
	Sep. 2007	Aug. 2008	Sep. 2008	Aug. 2008	Sep. 2008
MFI receivables from residents (including securities)	32.8	37.0	37.4	14.9	14.2
Receivables from general government	8.4	7.8	7.9	-8.0	-6.1
Receivables from the private sector	24.4	29.3	29.6	23.0	21.3
Net foreign assets	9.4	6.2	6.5	-34.8	-32.3
Foreign assets	18.3	16.9	17.5	-9.1	-5.3
Foreign liabilities	8.9	10.7	11.0	18.3	24.0
Long-term financial liabilities (excluding capital and reserves)	4.4	4.9	5.1	13.7	16.2
Other items net ³⁾	-3.4	-1.4	-2.1	-46.9	-12.0
M3	34.5	37.0	36.7	8.2	6.4

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 6a MFI Receivables from the resident private sector

	Outstanding amounts at end of period (SKK billions) ¹⁾			Year-on-year changes (%) ³⁾	
	Sep. 2007	Aug. 2008	Sep. 2008	Aug. 2008	Sep. 2008
MFI receivables from the private sector (including securities)	735.5	881.8	890.3	23.0	21.3
– of which: securities issued by the private sector ²⁾	14.3	18.6	19.4	31.5	35.5
MFI receivables (excluding securities)	721.2	863.2	870.8	22.8	21.0
Non-financial corporations	374.5	446.2	447.7	22.6	19.6
– up to 1 year	160.8	187.2	185.3	22.1	15.3
– 1 to 5 years	72.4	96.0	97.5	32.2	34.8
– over 5 years	141.3	163.0	164.8	18.2	16.7
Financial corporations	62.6	60.1	59.4	-2.2	-4.8
Insurance corporations and pension funds	0.0	0.0	0.1	-	-
Households and non-profit institutions serving Households	284.1	356.9	363.7	28.7	28.4
– consumer loans	39.9	48.7	49.6	25.4	25.8
– construction loans	189.8	240.1	244.7	29.3	29.0
– other loans	54.4	68.2	69.4	28.9	28.5

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 billions) ¹⁾			Year-on-year changes (%) ³⁾	
	Sep. 2007	Aug. 2008	Sep. 2008	Aug. 2008	Sep. 2008
MFI receivables from the private sector (including securities)	24.4	29.3	29.6	23.0	21.3
– of which: securities issued by the private sector ²⁾	0.5	0.6	0.6	31.5	35.5
MFI receivables (excluding securities)	23.9	28.7	28.9	22.8	21.0
Non-financial corporations	12.4	14.8	14.9	22.6	19.6
– up to 1 year	5.3	6.2	6.2	22.1	15.3
– 1 to 5 years	2.4	3.2	3.2	32.2	34.8
– over 5 years	4.7	5.4	5.5	18.2	16.7
Financial corporations	2.1	2.0	2.0	-2.2	-4.8
Insurance corporations and pension funds	0.0	0.0	0.0	-	-
Households and non-profit institutions serving Households	9.4	11.8	12.1	28.7	28.4
– consumer loans	1.3	1.6	1.6	25.4	25.8
– construction loans	6.3	8.0	8.1	29.3	29.0
– other loans	0.1	0.1	0.1	28.9	28.5

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.



The year-on-year dynamics of long-term financial liabilities (excluding capital, reserves, and provisions) continued to grow in September (to 16.2%) in line with the trend observed since the middle of the year. A major contribution to the year-on-year growth in long-term financial liabilities came from debt securities issued with a maturity of over 2 years (SKK 16.4 billion) and deposits with an agreed maturity of over 2 years (SKK 5.8 billion). Deposits payable at a period of notice of over 3 months made a modest negative contribution.

The year-on-year increase in other items net was mainly due to a decrease in deposits and loans received from the central government, excluding deposits held at the SR Treasury (SKK 25.8 billion), and a decrease in capital, reserves, and provisions (SKK 15.7 billion).

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

Slower growth in loans to non-financial corporations and loans to households

The year-on-year growth rate of MFI receivables from the private sector slowed in September, due mainly to the weakening dynamics of bank lending to non-financial corporations.

The volume of MFI receivables from non-financial corporations increased by SKK 1.5 billion compared with August 2008, representing a slowdown of 3.0 percentage points. Decline was mainly recorded in short-term loans, specifically in operating loans, current account overdrafts, and other loans. This decline was slightly exceeded by the growth of long-term loans maturing in 1 to 5 years and over 5 years (investment loans and house purchase loans).

The growth rate of MFI receivables from households slowed 0.2 of a percentage point in September. However, they still recorded a large month-on-month increase, and lending to households grew SKK 6.7 billion (compared with SKK 6.4 billion in the previous month). Looking at the structure of loans by purpose, loans for house purchases grew in volume by SKK 4.5 billion as in the previous month. Consumer loans and other loans recorded a somewhat greater increase than in the previous month.

The volume of foreign-currency MFI receivables from the private sector fell by SKK 0.1 billion in September 2008. This fall was caused by a decrease in the volume of loans to financial corporations in foreign

Table 7a MFI receivables from the resident private sector (excluding securities and receivables from NBS)

	Outstanding amounts (SKK billions) ¹⁾	Year-on-year changes (in %) ²⁾					Cumulative changes since beginning of year (SKK billions)	
		Sep. 2008	2007 Q3	2007 Q4	2008 Q1	2008 Q2	Sep. 2008	Sep. 2007
MFI receivables (excluding securities)	870.8	24.8	23.9	25.8	23.0	21.0	93.9	100.9
Non-financial corporations	447.7	26.9	24.1	26.3	22.7	19.6	48.0	48.1
– loans in Slovak koruna	309.2	24.4	23.4	29.1	31.8	26.5	27.6	46.7
– loans in foreign currency	138.5	32.1	25.4	21.1	6.7	6.6	20.5	1.4
Financial corporations (other financial intermediaries and auxiliary financial institutions)	59.4	3.4	5.7	11.5	-0.4	-4.8	-0.4	-7.0
– loans in Slovak koruna	44.5	0.3	-2.9	3.8	-5.4	-6.5	-3.1	-4.7
– loans in foreign currency	14.9	14.5	42.1	40.9	17.2	0.4	2.8	-2.2
Insurance companies and pension funds	0.1	-	-	-	-	-	0.0	0.1
Households and non-profit institutions serving households	363.7	27.8	28.5	28.6	28.8	28.4	46.2	59.6
– loans in Slovak koruna	354.5	25.9	26.8	27.6	28.8	29.0	41.9	59.5
– loans in foreign currency	9.1	165.5	126.5	74.0	29.0	10.5	4.3	0.1
of which: consumer loans	49.6	18.8	17.9	16.4	22.8	25.8	4.1	8.1
house purchase loans	244.7	30.3	30.2	30.3	29.5	29.0	33.0	40.8
other loans	69.4	26.7	31.0	32.1	30.7	28.5	9.2	10.7

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 billions) ¹⁾	Year-on-year changes (in %) ²⁾					Cumulative changes since beginning of year (EUR billions)	
		Sep. 2008	2007 Q3	2007 Q4	2008 Q1	2008 Q2	Sep. 2008	Sep. 2007
MFI receivables (excluding securities)	28.9	24.8	23.9	25.8	23.0	21.0	3.1	3.3
Non-financial corporations	14.9	26.9	24.1	26.3	22.7	19.6	1.6	1.6
– loans in Slovak koruna	10.3	24.4	23.4	29.1	31.8	26.5	0.9	1.6
– loans in foreign currency	4.6	32.1	25.4	21.1	6.7	6.6	0.7	0.0
Financial corporations (other financial intermediaries and auxiliary financial institutions)	2.0	3.4	5.7	11.5	-0.4	-4.8	0.0	-0.2
– loans in Slovak koruna	1.5	0.3	-2.9	3.8	-5.4	-6.5	-0.1	-0.2
– loans in foreign currency	0.5	14.5	42.1	40.9	17.2	0.4	0.1	-0.1
Insurance companies and pension funds	0.0	-	-	-	-	-	0.0	0.0
Households and non-profit institutions serving households	12.1	27.8	28.5	28.6	28.8	28.4	1.5	2.0
– loans in Slovak koruna	11.8	25.9	26.8	27.6	28.8	29.0	1.4	2.0
– loans in foreign currency	0.3	165.5	126.5	74.0	29.0	10.5	0.1	0.0
of which: consumer loans	1.6	18.8	17.9	16.4	22.8	25.8	0.1	0.3
house purchase loans	8.1	30.3	30.2	30.3	29.5	29.0	1.1	1.4
other loans	0.1	26.7	31.0	32.1	30.7	28.5	0.3	0.4

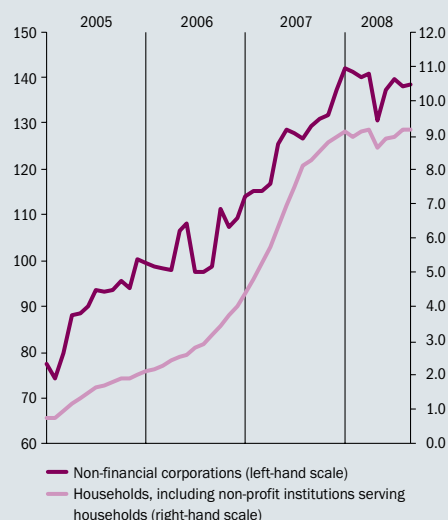
Source: NBS.

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.

currency. Loans to non-financial corporations in foreign currency recorded an increase of SKK 0.3 billion, which took place mostly in loans in other foreign currencies, while the volume of euro loans remained unchanged. Foreign-currency loans were also stagnant in the household sector (in both euro and other foreign currencies).

Chart 11 Lending in foreign currency (SKK billion)


Source: NBS.

Investment through open-end investment funds (OIF)

The outflow of funds from Slovakia's open-end investment funds reached large amounts in October. The net value of OIF assets denominated in SKK fell to SKK 117.8 billion (by SKK 24.9 billion, i.e. 17.4%) and negative monthly net sales were reported (SKK-18.3 billion). The net sales of OIFs denominated in foreign currency (FC) also resulted in a negative figure (SKK-1.2 billion). In total, the negative net sales of all OIFs reached SKK-19.5 billion, representing an inflow into OIFs virtually throughout 2007.

Over the first ten months of 2008, the net sales of OIFs of all categories operating in the SR, in SKK and FC in total, reached SKK 20.1 billion³ (a negative figure), representing a fall of SKK 36.9 billion compared with the same period in 2007. The impact of the global financial crisis negatively affected the results of investment funds in all categories, significantly lowering confidence among Slovak investors.

Marked outflows from open-end investment funds

³ 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 (openiazoch.zoznam.sk) sometimes refer to different periods (SASS makes data releases on Fridays, but some of its members issue data on Thursdays).



In October, OIFs again failed to achieve positive net sales in all categories; the most significant contribution to the total negative net sales came from money market funds (SKK 13.5 billion). The other categories recorded substantially smaller negative net sales (SKK 6.0 billion in total); the largest figures were recorded by bond funds and the funds of funds (SKK 1.7 billion each), mixed funds and equity funds (SKK 1.1 billion each), and special real estate funds (SKK 0.4 billion in total).

Table 8a Net sales of open-end investment funds in the SR

(SKK billions)

	Year	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.	Cum.
OIF sales in total,	2006	1.8	0.4	1.2	-1.6	-0.1	-0.4	0.1	-1.9	-0.4	1.2	2.4	1.4	4.1
in Slovak koruna	2007	3.9	0.3	0.9	1.5	1.8	2.1	2.1	2.2	1.3	0.7	1.3	2.0	20.0
and foreign currency	2008	3.1	2.1	-0.7	0.6	0.7	0.9	-1.0	-1.6	-4.7	-19.5	.	.	-20.1

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 billions)

	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	135.7
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	664.4
and foreign currency	2008	101.3	70.3	-22.1	19.4	24.3	29.6	-32.5	-52.0	-157.2	-648.0	.	.	-666.9

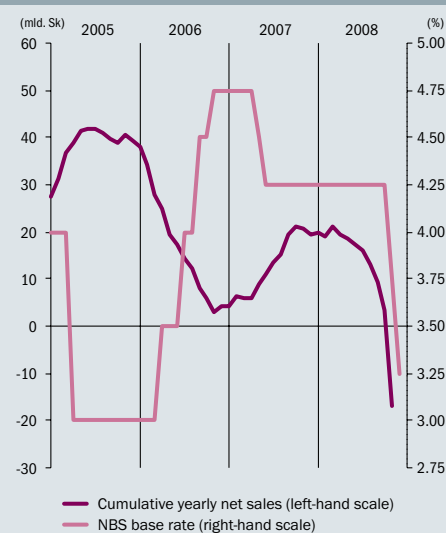
Source: NBS calculations based on data from the Slovak Association of Asset Management Companies (SASS).

Receivables of factoring, leasing, and instalment financing companies

The receivables of factoring, leasing, and instalment financing companies from the private sector reached SKK 143.9 billion (SKK 4.0 billion more than in the previous quarter), and their dynamics slowed to 24.4% at the end of the third quarter. They were still dominated by finance lease receivables (with a share of almost 60%), the volume of which, however, increased only slightly (by SKK 0.4 billion). The largest contribution to the growth of total receivables came from instalment sale receivables and consumer loan receivables (10.6 percentage points; their volume increased by SKK 2.5 billion).

In the third quarter, receivables from non-financial corporations grew in volume by SKK 2.8 billion, but the rate of growth slowed slightly, to 25.3%. In terms of purpose, the said receivables were dominated by finance lease receivables, though they increased only slightly (by

Chart 12 Changes in NBS key rates and net sales of OIFs in the SR



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

Chart 13 Receivables of factoring, leasing, and instalment financing companies (SKK billions)



Source: NBS.



Table 9a Receivables of factoring, leasing, and instalment financing companies

	Outstanding amounts in billions of SKK					Year-on-year growth in %	
	2007		2008			2008	
	Q3	Q4	Q1	Q2	Q3	Q2	Q3
Total receivables	115.7	124.1	136.5	139.9	143.9	26.3	24.4
In SKK	87.2	94.5	101.8	104.8	107.6	24.2	23.5
In EUR	27.4	28.8	34.4	34.7	35.9	33.8	31.2
In other currency	1.2	0.8	0.3	0.4	0.4	-9.2	-64.7
Non-financial corporations	83.4	88.4	99.0	101.7	104.5	27.1	25.3
Finance lease receivables	64.4	65.8	71.3	72.5	73.3	17.0	13.8
credit and loan receivables	19.0	22.6	27.7	29.2	31.2	-	-
Of which: instalment sale and consumer loans receivables	7.0	10.7	14.3	16.1	17.6	-	-
Other financial intermediaries and auxiliary financial institutions	0.2	0.2	0.2	0.1	0.3	-	-
Insurance companies and pension funds	0.1	0.1	0.0	0.0	0.0	-	-
Households and non-profit institutions serving households	32.1	35.4	37.2	38.0	39.1	24.9	21.8
finance lease receivables	7.2	6.9	8.0	7.6	7.3	14.5	1.4
Credit and loan receivables	24.9	28.5	29.2	30.4	31.8	27.8	27.7
Of which: instalment sales and consumer loans receivables	21.7	25.1	22.6	22.3	23.3	9.5	7.8

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
Total receivables	3.8	4.1	4.5	4.6	4.8	26.3	24.4
In SKK	2.9	3.1	3.4	3.5	3.6	24.2	23.5
In EUR	0.9	1.0	1.1	1.2	1.2	33.8	31.2
In other currency	0.0	0.0	0.0	0.0	0.0	-9.2	-64.7
Non-financial corporations	2.8	2.9	3.3	3.4	3.5	27.1	25.3
Finance lease receivables	2.1	2.2	2.4	2.4	2.4	17.0	13.8
credit and loan receivables	0.6	0.7	0.9	1.0	1.0	-	-
Of which: instalment sale and consumer loans receivables	0.2	0.4	0.5	0.5	0.6	-	-
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	1.1	1.2	1.2	1.3	1.3	24.9	21.8
finance lease receivables	0.2	0.2	0.3	0.3	0.2	14.5	1.4
Credit and loan receivables	0.8	0.9	1.0	1.0	1.1	27.8	27.7
Of which: instalment sales and consumer loans receivables	0.7	0.8	0.7	0.7	0.8	9.5	7.8

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.



SKK 0.8 billion). The growth in receivables from enterprises took place mostly in credit and loan receivables, especially in other instalment sale receivables and other consumer credit receivables (an increase of SKK 1.5 billion compared with the second quarter).

The rate of growth also slowed in the household sector, where the volume of receivables increased only slightly (by SKK 1.1 billion). Credit and loan receivables underwent a change in trend: instalment sale receivables and consumer credit receivables recorded an increase of almost SKK 1.0 billion, after decreasing since the beginning of 2008. Finance lease receivables continued to decrease slightly, as in the previous quarter.

Current budgetary developments

On 31 October 2008, the State budget of the Slovak Republic recorded a surplus of SKK 7.9 billion, with revenues totalling SKK 274.9 billion and expenditures SKK 267.0 billion.

4.2 The External Sector

Balance of Payments for January to August 2008

Current account In August 2008, the balance of payments on current account resulted in a deficit of SKK 0.9 billion, representing an improvement of SKK 14.2 billion compared with the previous month. The most significant changes occurred in the trade and income balances, where the deficit reduction was supported by lower dividend payments to foreign investors. Improvements in comparison with the previous month were also recorded in the current transfers and services balances. Compared with the same period a year earlier, the balance of payments on current account has improved, mainly due to improvements in the trade balance and, to a lesser extent, in the current transfers and income balances.

	August		January – August	
	2008	2007	2008	2007
Balance of trade	2.7	-5.8	-5.4	-9.6
Exports	111.3	108.2	1,011.8	906.9
Imports	108.6	114.0	1,017.2	916.5
Balance of services	1.8	3.2	-4.0	11.6
Balance of income	-4.6	-5.4	-54.4	-49.2
of which: income from investments	-8.0	-8.3	-79.9	-72.1
of which: reinvested earnings	-1.4	-2.4	-11.2	-16.2
Current transfers	-0.8	-4.0	-16.1	-11.0
Current account in total	-0.9	-12.0	-79.9	-58.2

Source: NBS and the Statistical Office of the SR.

	August		January – August	
	2008	2007	2008	2007
Balance of trade	0.1	-0.2	-0.2	-0.3
Exports	3.7	3.6	33.6	30.1
Imports	3.6	3.8	33.8	30.4
Balance of services	0.1	0.1	-0.1	0.4
Balance of income	-0.2	-0.2	-1.8	-1.6
of which: income from investments	-0.3	-0.3	-2.7	-2.4
of which: reinvested earnings	0.0	-0.1	-0.4	-0.5
Current transfers	0.0	-0.1	-0.5	-0.4
Current account in total	0.0	-0.4	-2.7	-1.9

Source: NBS and the Statistical Office of the SR.

After being revised by the Statistical Office of the SR, foreign trade recorded a surplus of SKK 2.7 billion in August (the originally published surplus amounted to SKK 0.6 billion). Exports declined on a month-on-month basis in August, and their year-on-year growth rate slowed to 2.9%. The decline in exports compared with the previous month was mainly caused by lower exports in the 'machinery



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

	Year-on-year changes in SKK billions		Contribution to the year-on-year changes in p.p.	
	January – August		January – August	
	2008	2007	2008	2007
Raw materials	13.6	-9.6	1.5	-1.2
Chemicals and semi-finished goods	21.3	15.2	2.3	2.0
Machinery and transport equipment	59.3	125.2	6.5	16.2
Finished products	10.7	4.0	1.2	0.5
EXPORTS in total	104.9	134.7	11.6	17.5

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

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

	Year-on-year changes in EUR billions	
	January – August	
	2008	2007
Raw materials	0.5	-0.3
Chemicals and semi-finished goods	0.7	0.5
Machinery and transport equipment	2.0	4.2
Finished products	0.4	0.1
EXPORTS in total	3.5	4.5

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

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

	Year-on-year changes in SKK billions		Contribution to the year-on-year changes in p.p.	
	January – August		January – August	
	2008	2007	2008	2007
Raw materials	45.5	-26.9	5.0	-3.3
Chemicals and semi-finished goods	14.9	33.3	1.6	4.1
Machinery and transport equipment	16.2	75.2	1.8	9.2
Finished products	24.2	19.8	2.6	2.4
of which: – agricultural and industrial goods	12.0	13.4	1.3	1.6
– passenger cars	10.8	4.7	1.2	0.6
– machines and electrical consumer goods	1.4	1.7	0.2	0.2
IMPORTS in total	100.8	101.4	11.0	12.4

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

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

	Year-on-year changes in EUR billions	
	Január – August	
	2008	2007
Raw materials	1.5	-0.9
Chemicals and semi-finished goods	0.5	1.1
Machinery and transport equipment	0.5	2.5
Finished products	0.8	0.7
of which: – agricultural and industrial goods	0.4	0.4
– passenger cars	0.4	0.2
– machines and electrical consumer goods	0.0	0.1
IMPORTS in total	3.3	3.4

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



and transport equipment' category (passenger cars). The exports of finished products (pharmaceuticals) and semi-finished goods (iron and steel, aluminium, etc.) also declined, to a lesser extent. Like exports, imports also recorded a month-on-month drop in absolute terms in August, as well as a year-on-year decline of 4.7%. The decline in imports was mainly supported by lower imports of machinery and transport equipment (motor vehicle parts, components, and accessories, products for the electrical industry), semi-finished goods (plastics, iron and steel products), and finished products (pharmaceuticals and furniture). The lower imports of raw materials were mainly the result of reduced gas imports (in terms of volume).

		July		January – August	
		2008	2007	2008	2007
Capital account		1.0	0.2	18.0	6.5
Direct investment		11.8	6.5	25.4	48.7
SR abroad		0.8	-1.9	-2.1	-2.5
of which: equity capital abroad		-0.3	-0.6	-1.8	-1.5
reinvested earnings		-0.1	-0.1	-0.8	-0.8
In the SR		11.0	8.4	27.5	51.2
of which: equity capital in the SR		5.4	1.5	10.0	13.6
of which: other than privatisation		5.4	1.5	10.0	13.6
reinvested earnings		1.5	2.5	12.0	17.0
Portfolio investment and financial derivatives		8.2	0.3	45.4	4.2
SR abroad		2.3	0.8	2.5	-6.5
In the SR		5.9	-0.5	42.9	10.7
Other long-term investments		2.4	0.5	3.6	6.3
Assets		-0.9	-0.6	-8.7	-6.8
Liabilities		3.3	1.1	12.3	13.1
Other short-term investments		-15.7	-0.2	23.9	80.9
Assets		17.8	-9.5	0.4	1.0
Liabilities		-33.5	9.3	23.5	79.9
Capital and financial account		7.7	7.3	116.3	146.6

Source: NBS.

		July		January – August	
		2008	2007	2008	2007
Capital account		0.0	0.0	0.6	0.2
Direct investment		0.4	0.2	0.8	1.6
SR abroad		0.0	-0.1	-0.1	-0.1
of which: equity capital abroad		0.0	0.0	-0.1	0.0
reinvested earnings		0.0	0.0	0.0	0.0
In the SR		0.4	0.3	0.9	1.7
of which: equity capital in the SR		0.2	0.0	0.3	0.5
of which: other than privatisation		0.2	0.0	0.3	0.5
reinvested earnings		0.0	0.1	0.4	0.6
Portfolio investment and financial derivatives		0.3	0.0	1.5	0.1
SR abroad		0.1	0.0	0.1	-0.2
In the SR		0.2	0.0	1.4	0.4
Other long-term investments		0.1	0.0	0.1	0.2
Assets		0.0	0.0	-0.3	-0.2
Liabilities		0.1	0.0	0.4	0.4
Other short-term investments		-0.5	0.0	0.8	2.7
Assets		0.6	-0.3	0.0	0.0
Liabilities		-1.1	0.3	0.8	2.7
Capital and financial account		0.3	0.2	3.9	4.9

Source: NBS.



The balance of payments on capital and financial account recorded an inflow of SKK 7.7 billion in August.

Capital and financial account

The inflows of funds took place mostly in direct investment, in the form of capital participations and other capital, and, to a lesser extent, in portfolio investment (increased interest in Slovak long-term debt securities). The total inflow of funds in other investment was offset by an outflow, resulting from developments in short-term capital in the banking sector.

The foreign reserves of NBS fell month-on-month by SKK 0.1 billion, i.e. USD 8.0 million (excluding exchange rate differences).

Foreign reserves of NBS**The External Debt of Slovakia as at 31 August 2008**

At the end of August 2008, Slovakia's total gross external debt reached USD 52.8 billion (EUR 35.8 billion). Total long-term foreign debt decreased in August by USD 0.4 billion, while total short-term foreign debt dropped by USD 3.8 billion.

Gross external debt

The commercial sector saw conflicting developments in August: the long-term foreign liabilities of commercial banks increased month-on-month by USD 0.3 billion, while the short-term foreign liabilities of entrepreneurial entities decreased USD 0.5 billion. The short-term foreign liabilities of the Government and NBS fell USD 0.2 billion.

Within the scope of short-term foreign debt, the short-term liabilities of commercial banks decreased by USD 2.4 billion, of which USD 2.2 billion took place in cash and deposits. During the period under review, the short-term foreign liabilities of entrepreneurial entities decreased by USD 1.4 billion, of which loans accounted for USD 0.6 billion and trade credits for USD 0.8 billion.

At the end of August, Slovakia's total per-capita gross foreign debt stood at USD 9,819. The share of short-term foreign debt in the country's total gross external debt decreased month-on-month by 3.0 percentage points, to 50.2% at the end of August 2008.

Table 14 External debt of the Slovak Republic

	In millions of USD			In millions of EUR		
	31.12.2007	31.07.2008	31.08.2008	31.12.2007	31.07.2008	31.08.2008
Total external debt of the SR	44,308.7	56,984.5	52,823.3	30,156.2	36,547.8	35,767.9
Long-term external debt	20,709.7	26,695.4	26,309.1	14,094.9	17,121.5	17,757.1
Government and NBS ¹⁾	9,502.4	11,549.4	11,307.2	6,467.3	7,407.4	7,656.4
Commercial banks	2,150.8	2,845.0	3,167.3	1,463.8	1,824.7	2,144.6
Entrepreneurial entities	9,056.5	12,301.0	11,834.6	6,163.8	7,889.4	8,013.5
Short-term external debt	23,599.0	30,289.1	26,514.1	16,061.3	19,426.3	17,953.4
Government and NBS	0.0	0.0	0.0	0.0	0.0	0.0
Commercial banks	12,095.6	16,283.0	13,880.0	8,232.2	10,443.3	9,398.5
Entrepreneurial entities	11,503.4	14,006.1	12,634.1	7,829.1	8,983.0	8,554.9
Foreign assets	37,017.4	43,290.6	38,821.7	25,193.8	27,765.0	26,287.2
Net external debt	7,291.3	13,693.9	14,001.5	4,962.4	8,782.8	9,480.7
SKK/USD and SKK/EUR rates:	22.870	19.491	20.523	33.603	30.390	30.309
EUR/USD cross exchange rate:	-	-	-	1.469	1.559	1.477

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 52.8 billion (liabilities of the Government, NBS, commercial banks, and the corporate sector – except for equity participation), and foreign assets, i.e. USD 38.8 billion (foreign reserves of NBS, foreign assets of commercial banks and the corporate sector – except for equity participation), reached USD 14.0 billion (debtor position) at the end of August 2008. This represented a month-on-month increase of USD 0.3 billion.

Net external debt

**Current developments**

The current account deficit recorded in September was higher than the figure for the previous month. The month-on-month increase in the deficit was mainly caused by deterioration in the balance of services and an increase in the shortfall of current transfers. At the same time, the increase in the current account deficit was moderated by an improvement in the income balance. The trade balance surplus remained virtually unchanged in September, compared with the previous month. Developments in the individual components of the current account resulted in a month-on-month increase in the current account deficit (by SKK 3.2 billion).

The year-on-year dynamics of exports and imports accelerated in September. The rate of growth in exports reached 6.5%, while imports increased in comparison with last year by 7.6%.

	September		January – September	
	2008	2007	2008	2007
Balance of trade	2.6	3.7	-2.8	-5.9
Exports	131.6	123.5	1 143.4	1 030.4
Imports	129.0	119.8	1 146.2	1 036.3
Balance of services	-4.2	-0.3	-8.2	11.3
Balance of income	0.3	-3.7	-54.1	-52.9
of which: income from investments	-3.0	-6.6	-82.9	-78.7
of which: reinvested earnings	-1.4	-2.4	-12.6	-18.6
Current transfers	-2.8	-0.7	-18.9	-11.7
Current account in total	-4.1	-1.0	-84.0	-59.2

Source: NBS and the Statistical Office of the SR.

	September		January – September	
	2008	2007	2008	2007
Balance of trade	0.1	0.1	-0.1	-0.2
Exports	4.4	4.1	38.0	34.2
Imports	4.3	4.0	38.0	34.4
Balance of services	-0.1	0.0	-0.3	0.4
Balance of income	0.0	-0.1	-1.8	-1.8
of which: income from investments	-0.1	-0.2	-2.8	-2.6
of which: reinvested earnings	0.0	-0.1	-0.4	-0.6
Current transfers	-0.1	0.0	-0.6	-0.4
Current account in total	-0.1	0.0	-2.8	-2.0

Source: NBS and the Statistical Office of the SR.

The trade balance achieved in September was more favourable than expected by NBS, owing to the lower value of imports.

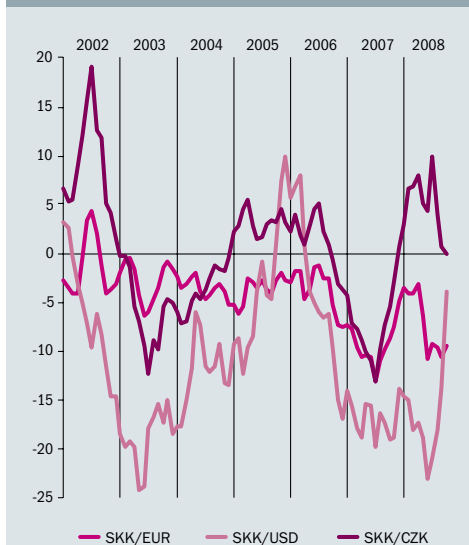
In October, exports are expected to increase on a month-on-month basis, in all categories of goods. In view of the given import intensity, imports are also expected to grow, due partly to increased goods imports for final consumption.

Increased exports are also expected in November (as in the previous month), but December is likely to witness a month-on-month drop in exports due to seasonal effects. Imports and exports are expected to follow similar trends in both months, while the December fall will probably be supported by a drop in the imports of goods for final consumption (in addition to lower imports of semi-finished goods).

Overall, the current trend is expected to continue, i.e. the trade balance will fluctuate around the level of the previous year.

Total foreign reserves of NBS At the end of October, the total foreign reserves of NBS stood at USD 17,056.6 million, representing a month-on-month fall of USD 1,467.7 million. The fall in reserves in comparison with the end-September figure resulted from a modest surplus in the balance of receipts and expenses (USD 19.8 million), offset

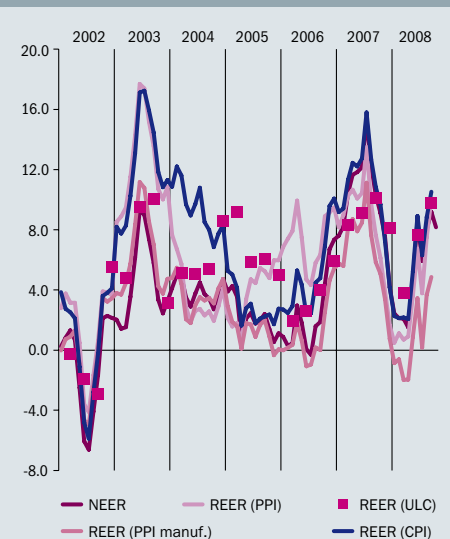
Chart 14 Average monthly exchange rates of the Slovak koruna (year-on-year changes in %)



Source: NBS.

Note: + depreciation, - appreciation of the SKK.

Chart 15 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.

by negative exchange rate differences (USD-1,487.5 million), stemming from a change in the USD/EUR cross-rate in the period under review. At the end of October, the volume of foreign reserves was 2.5 times greater than the volume of average monthly imports of goods and services to Slovakia, over the first nine months of 2008.

The ratio of foreign reserves to the amount of payments for goods and services recorded in banking statistics, reached 3.3 times the volume of average monthly imports of goods and services to the SR over the first nine months of 2008.

In October, the nominal effective exchange rate (NEER)⁴ of the Slovak koruna depreciated month-on-month by 0.4%, compared with an appreciation of 0.1% in the previous month. The most significant contributions to the depreciation of the NEER index came from the weakening of the domestic currency against the US dollar and the euro (0.2 of a percentage point in both cases).

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 9.2% in September to 8.2% in October. The largest contribution to the appreciation of the NEER index was made by the strengthening of the koruna against the euro (by 7.4 percentage points).

The increased appreciation of the nominal effective exchange rate in September caused acceleration in the year-on-year appreciation of the real effective exchange rate (REER). The real effective exchange rate (REER) defined on the basis of the consumer price index (CPI) appreciated by 10.5%, that based on the producer price index (PPI) by 10.0%, and the index based on the manufacturing products price index (PPI manuf.) by 4.9%. The dynamic appreciation of the PPI-based REER index, and to a smaller extent of the CPI-based REER index, was also supported by acceleration in domestic inflation, coupled with a slowdown in price inflation in the countries of Slovakia's major trading partners.

Real effective exchange rate of the Slovak koruna (REER)

⁴ 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.



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) ²⁾
December 2002	2.1	4.1	3.6	3.4	5.5
December 2003	3.2	11.3	10.8	4.7	3.2
December 2004	4.7	8.3	4.1	4.7	8.6
December 2005	1.1	2.7	6.0	0.0	5.0
December 2006	7.4	10.1	9.5	5.4	5.9
December 2007	4.2	4.2	1.7	0.8	8.1
August 2008 ¹⁾	8.0 / 8.4	8.8 / 8.4	7.5 / 10.8	3.7 / 4.5	-
September 2008 ¹⁾	9.2 / 8.5	10.5 / 9.3	10.0 / 10.8	4.9 / 4.8	9.8(p)
October 2008 ¹⁾	8.2 / 8.0	.	.	.	-

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

4.3 The Real Economy

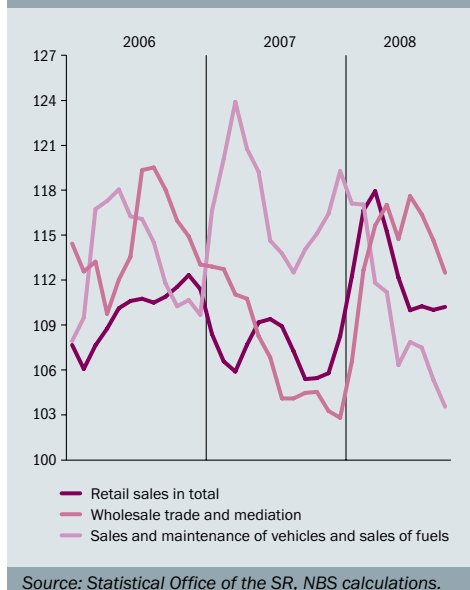
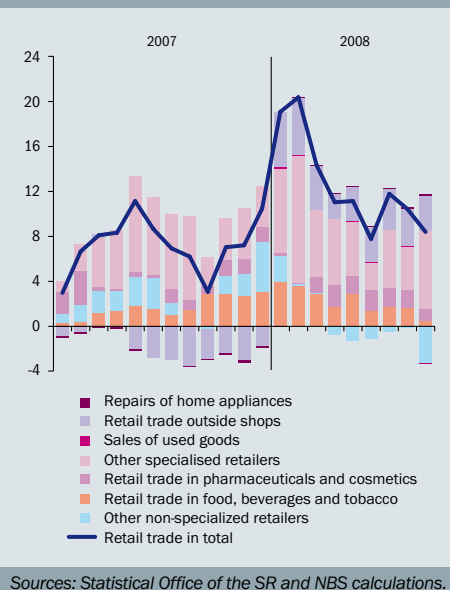
Flash estimate of GDP and employment for the third quarter of 2008

According to a flash estimate by the Statistical Office of the SR for the third quarter of 2008 (based on the ESA 95 methodology), GDP grew in that period by 7.1% at constant prices (10.3% at current prices) and employment increased year-on-year by 3.1%. Since the data released are based on revised data, they cannot be compared exactly with the latest medium-term forecast of NBS (MTF-2008Q3). Nonetheless, the course of real economic development was in line with NBS expectations.

Output and revenues

In September, the dynamics in industrial output accelerated in comparison with August 2008, due to accelerated growth in manufacturing production. The year-on-year dynamics of manufacturing production reached 6.0%, compared with 0.3% in the previous month. The acceleration in the year-on-year growth of manufacturing output took place in the key industries. In transport vehicle production, the growth in output slowed from 16.5% in August to 5.5% in September. On the other hand, output growth in the production of electrical and optical equipment accelerated, from 1.8% to 23.8%. The dynamics



Chart 18 Retail sales in sectors at current prices (3-month moving averages) (index, same period a year earlier = 100)

Chart 19 Contributions to year-on-year growth in retail sales (current prices)


of output in machinery and equipment production weakened by 8.9% in August, and then strengthened by 8.0% in September. In the production of metals and metal products, output fell year-on-year for the second consecutive month (in August by 2.8% and in September by 3.5%).

The output of the construction sector showed accelerated year-on-year growth (from 7.7% in August to 17.2% in September 2008), due to faster year-on-year growth in new construction, modernisation, and renovation projects, as well as in repair and renovation work.

Revenues in the industrial sector recorded a slight acceleration in the year-on-year rate of growth at current prices, from 2.4% in August to 4.5% in September 2008. Revenues in Slovakia's key industries (production of transport vehicles, metals and metal products, machinery and equipment, electrical and optical equipment) increased by 1.3% in September, after falling in August by 0.7%.

Retail sales at current prices recorded a moderate slowdown in their year-on-year growth dynamics, from 10.4% in August to 8.4% in September. At constant prices, the growth rate slowed from 5.8% in August to 4.6% in September. The slowdown was mainly caused by acceleration in the year-on-year decline in other retail sales in non-specialised shops (a year-on-year decline of 10.4% in September). A slowdown in the year-on-year dynamics of sales was recorded in retail trade in pharmaceuticals and cosmetics (from 21.1% in August to 14.2% in September). This was counterbalanced by acceleration in the growth of sales in other specialised retail shops (from 12.5% in August to 24.6% in September).

The growth in the revenues of entities specialising in the sale and maintenance of motor vehicles and the retail sales of fuels accelerated year-on-year by 2.4% in September, compared with a slowdown of 2.3% in August 2008 (at constant prices a 0.2% year-on-year growth was recorded in September). This was due to a slowdown in the year-on-year decline in the sales of motor vehicles (they fell by 1.9% in September, compared with 10.3% in August). This development does not correspond to the year-on-year growth in new passenger car and utility vehicle registrations (a year-on-year increase of 24.0% in September, compared with 7.2% in August). A possible explanation for the disproportion between the growth of sales and registrations is the shift of consumer demand to the segment of cheaper cars/vehicles.

The dynamics of wholesale revenues strengthened (from 8.1% in August to 12.7% in September), mainly as a result of accelerated growth in revenues in wholesale trade in food, beverages, and tobacco (from 29.7% in August to 52.0% in September).

The year-on-year growth in revenues from real estate, renting, and business activities, and from other services slowed in comparison with the previous month as a result of the base effect of a marked increase in receipts from computer and related activities from September 2007 to date.



Table 17a Output and revenues

	SKK millions, current prices	Indices			
		September 2008	September 2007	Jan.-Dec. 2007	August 2008
Industrial production index ¹⁾	-	112.1	112.7	100.9	105.5
Production in construction ²⁾	19,479	105.3	105.7	107.7	117.2
Industry in total ³⁾	191,955	110.2	112.8	102.4	104.5
Construction ³⁾	31,436	106.8	114.8	122.3	131.5
Wholesale trade ³⁾	80,462	103.0	106.3	108.1	112.7
Retail trade	40,760	103.1	107.2	110.4	108.4
Sale and maintenance of vehicles, retail sales of fuels ³⁾	18,838	110.2	118.0	97.7	102.4
Hotels and restaurants ³⁾	3,805	112.4	104.1	104.2	97.8
Transport, storage ³⁾	17,102	100.8	119.1	106.1	120.6
Real estate, renting, business activities and other services ³⁾	24,233	116.3	111.1	115.0	109.2
Posts and telecommunications ³⁾	7,026	107.8	108.2	102.1	106.7
Revenues from own output and sales (total for the selected sectors) ³⁾	415,617	107.8	111.1	106.3	108.9

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 millions, current prices	Indices			
		September 2008	September 2007	Jan.-Dec. 2007	August 2008
Industrial production index ¹⁾	-	112.1	112.7	100.9	105.5
Production in construction ²⁾	646.6	105.3	105.7	107.7	117.2
Industry in total ³⁾	6,371.7	110.2	112.8	102.4	104.5
Construction ³⁾	1,043.5	106.8	114.8	122.3	131.5
Wholesale trade ³⁾	2,670.8	103.0	106.3	108.1	112.7
Retail trade	1,353.0	103.1	107.2	110.4	108.4
Sale and maintenance of vehicles, retail sales of fuels ³⁾	625.3	110.2	118.0	97.7	102.4
Hotels and restaurants ³⁾	126.3	112.4	104.1	104.2	97.8
Transport, storage ³⁾	567.7	100.8	119.1	106.1	120.6
Real estate, renting, business activities and other services ³⁾	804.4	116.3	111.1	115.0	109.2
Posts and telecommunications ³⁾	233.2	107.8	108.2	102.1	106.7
Revenues from own output and sales (total for the selected sectors) ³⁾	13,796.0	107.8	111.1	106.3	108.9

Source: Statistical Office of the SR, NBS calculations.

1) Adjusted for calendar effects (revised time series).

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

3) Index, same period of the previous year = 100 (constant prices)

Wages, employment and unemployment

Nominal wage developments

Compared with August 2008, the year-on-year dynamics of nominal wages weakened in September in post and telecommunications, retail trade, and in the real estate business. In the other sectors, nominal wages grew at a faster rate than 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 third quarter of 2008, compared with the previous quarter.

Table 18 Wage developments in selected sectors (index, same period a year earlier = 100)

	Average monthly wage – nominal		Average monthly wage – real	
	August 2008	September 2008	August 2008	September 2008
Industry	105.7	109.6	100.7	104.0
of which: manufacturing	105.5	110.4	100.5	104.7
Construction	105.0	113.5	100.0	107.7
Retail trade	108.7	108.1	103.5	102.6
Wholesale trade	112.6	113.5	107.2	107.7
Sale and maintenance of vehicles	103.2	105.9	98.3	100.5
Real estate and renting activities	107.2	106.6	102.1	101.1
Transport	104.4	107.9	99.4	102.4
Post and telecommunications	115.3	107.3	109.8	101.8
Average for the selected sectors	106.7	109.4	101.6	103.8
Consumer prices	105.0	105.4	-	-

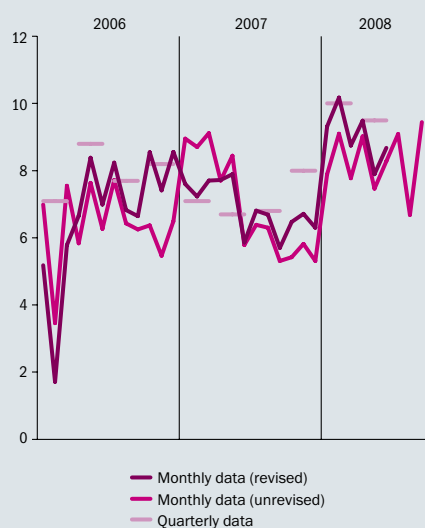
Source: Statistical Office of the SR and NBS calculations.
 Real wage index = Nominal wage index / Consumer price index.

Table 19 Employment in selected sectors (index, same period a year earlier = 100)

	Employment	
	August 2008	September 2008
Industry	102.0	101.5
of which: manufacturing	102.7	102.2
Construction	109.5	110.1
Retail trade	103.0	102.6
Wholesale trade	102.4	102.2
Sale and maintenance of vehicles	99.9	99.6
Real estate and renting activities	107.3	107.7
Transport	104.6	104.5
Post and telecommunications	98.9	99.0
Average for the selected sectors	103.5	103.2

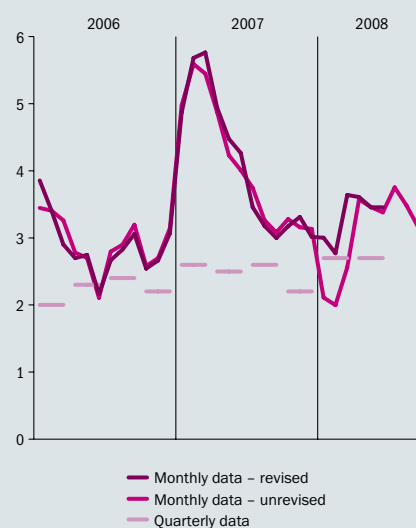
Source: Statistical Office of the SR and NBS calculations.

Chart 20 Comparison of average monthly wages based on monthly and quarterly data (%)

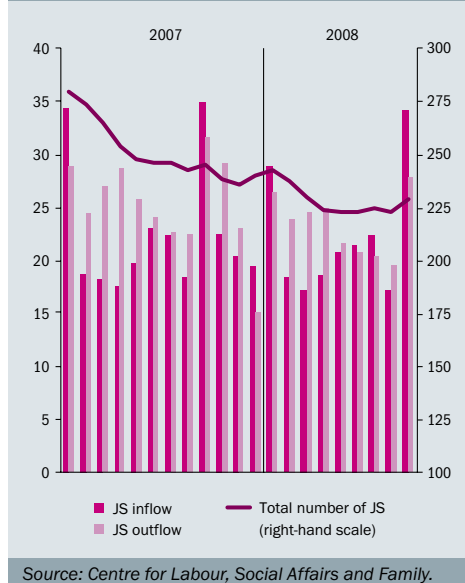


Source: Statistical Office of the SR.

Chart 21 Comparison of employment rates based on monthly and quarterly data (%)



Source: Statistical Office of the SR.

**Chart 22 Inflow, outflow and the total number of job seekers (JS)****Chart 23 Registered unemployment rate (%)**

Employment The year-on-year growth in employment accelerated in September, compared with August 2008, in construction, the real estate business, post and telecommunications. In the other sectors, employment grew at a slower pace than in the previous month.

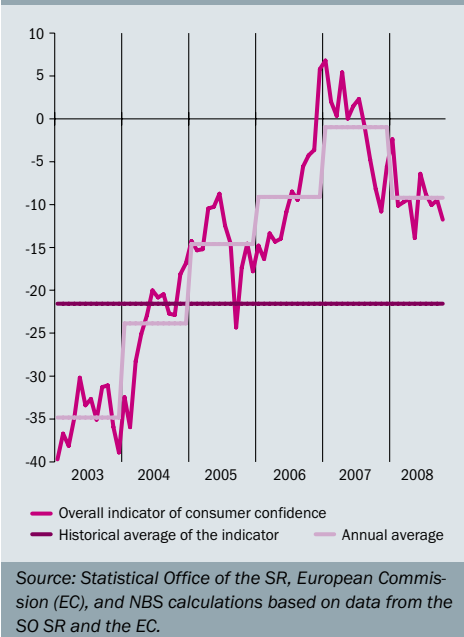
Unemployment According to data from the Centre for Labour, Social Affairs and Family, the total number of unemployed increased month-on-month by 6,300, to 228,700 in September 2008. The number of disposable unemployed, who may start working immediately, accounted for 196,700, which was 4,600 more than in August. The rate of registered unemployment stood at 7.5% in September, representing a month-on-month rise of 0.2 of a percentage point and a year-on-year fall of 0.8 of a percentage point.

The average length of registration was 10.3 months. Compared with August 2008, the share of long-term unemployed (out of work for more than 12 months) decreased by 1.3 percentage points, to 47.9% in September 2008.

Consumer confidence indicator

Fall in consumer confidence

The consumer confidence indicator fell to -11.8 points in October, which was 2.3 points less than in September. Compared with September, deteriorations were recorded in expectations regarding the financial situation of households and the rate of unemployment. On the other hand, expectations of the future trend in economic development improved. Consumer expectations regarding the trend in households savings remained unchanged, at the level of the previous month. Compared with the same period last year, the consumer confidence indicator has deteriorated by 3.6 points.

Chart 24 Consumer confidence indicator



5 Monetary Developments

5.1 Foreign Exchange Market

Over the course of October, the exchange rate of the Slovak koruna against the euro weakened by 0.3% (from SKK/EUR 30.297 to SKK/EUR 30.391), while the average rate depreciated by 0.6%. The Slovak koruna deviated from its central rate (SKK/EUR 30.126) most significantly on 13 October 2008, when its exchange rate was fixed at SKK/EUR 30.670, representing a depreciation of 1.8% from the central parity. In relation to the US dollar, the koruna weakened by 10.4% (from SKK/USD 21.112 to SKK/USD 23.306), while depreciating in average terms by 8.2%.

Operations in the foreign exchange market

Spot transactions between foreign and domestic banks resulted in a positive balance (USD 314.5 million), i.e. foreign banks tended to sell SKK and to purchase foreign currency.

Národná banka Slovenska conducted no foreign exchange intervention in October.

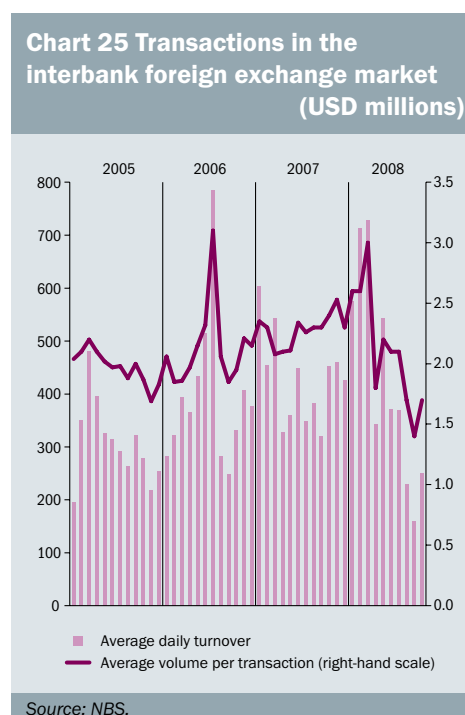
	Month-on-month changes	Average Oct. 2008 Average Oct. 2007	Average Jan.-Oct. 2008 Average Jan.-Oct. 2007
SKK/EUR	0.3	-9.5	-7.1
SKK/USD	10.4	-3.8	-16.3

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

The Slovak koruna was traded within a narrow band virtually throughout the month (SKK/EUR 30.300 – 30.500); in the middle of the month, it was traded for a short time at SKK/EUR 30.750 because of low liquidity.

The total volume traded on the interbank foreign exchange market reached USD 68,136.8 million in October, representing a decrease of 20.6% compared with the figure for September (USD 85,841.8 million). Of the total trading volume, 90.3% took place in swap transactions, which were conducted mostly in EUR (64.2%). Spot transactions accounted for 8.5% of the total turnover (93.6% of the deals were in EUR). The average daily turnover on the spot market reached USD 250.9 million and the average volume per transaction amounted to USD 1.7 million.

Interbank foreign exchange market



The total volume of transactions between domestic commercial banks increased, from USD 4,341.6 million in September to USD 5,284.6 million in October. Most trading took place in EUR (93.1%, compared with 60.7% in September), followed by USD (4.3%, compared with 36.5% in September) and other currencies (2.7% of the total turnover between domestic commercial banks).

Transactions between domestic banks accounted for 7.8% of the total volume traded on the interbank foreign exchange market (compared with 5.1% in the previous month). Of the total volume of transactions between domestic banks, swap operations accounted for 81.9% (85.4% in September) and spot transactions, excluding interventions, accounted for 18.1% (14.5% in September).

The volume of trading between domestic and foreign banks decreased by 22.9%, from USD 81,500.1 million in September to USD 62,851.7 million in October. Most trading was again conducted in EUR (64.7%, compared with 40.7% in September), followed by USD (33.1%, compared with 58.3% in September) and other currencies (2.2%). Trading between domestic and foreign banks still dominated the country's foreign exchange market (with a share of 92.2%).

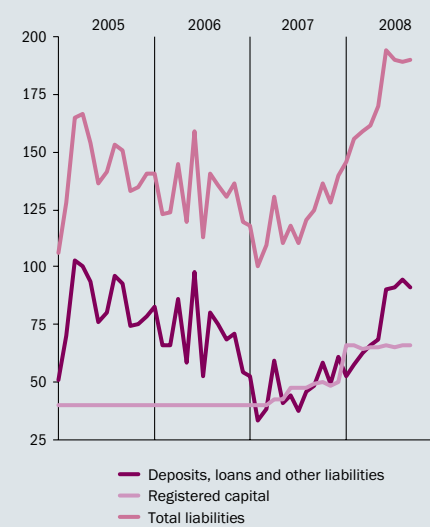


Trading between domestic and foreign banks also took place predominantly in the form of swap operations (91.0%, compared with 96.2% in September), while spot transactions accounted for only 7.7% (3.7% in September). The share of option deals in the foreign exchange market was negligible. Forward dealings accounted for 0.9% of the volume traded with foreign banks.

Owing to the global financial crisis, the medium-term growth trend in the koruna deposits of non-resident banks came to a halt in September; the volume of these deposits fell month-on-month by SKK 3.8 billion, to SKK 91.1 billion (which was, however, SKK 42.7 billion more than a year earlier).

In October, the volume of government bonds held by non-residents fell by SKK 3.4 billion compared with September, due mainly to decreases in 5-year government bonds (issues No. 203 and 201) maturing in April and January 2009 (by SKK 1.4 billion and SKK 1.1 billion, respectively). New 10-year government bonds increased by SKK 1.8 billion (issue No. 208/D), but this increase was not large enough to offset the fall in government bonds.

Chart 26 Banking sector: koruna liabilities to non-residents (SKK billions)



Source: NBS.

Table 21a Koruna assets/liabilities and government securities held by non-residents (SKK billions)

	2007	2008							
	30.9.	30.4.	31.5.	30.6.	31.7.	31.8.	30.9.	31.10. ^(p)	6.11. ^(p)
Koruna assets, banks	13.0	19.3	18.3	24.4	20.0	13.0	22.3	20.4	17.6
Koruna liabilities	58.4	77.8	79.5	106.4	104.5	104.3	102.6	.	.
of which: banks	48.4	66.4	68.3	90.4	91.7	94.9	91.1	93.5	87.1
non-bank clients	10.0	11.4	11.1	15.9	12.8	9.5	11.6	.	.
Government securities	80.0	69.0	68.6	78.8	84.5	91.8	88.9	85.4	.
of which: government bonds	80.0	69.0	68.6	78.8	84.5	91.8	88.9	85.4	.
SR Treasury bills	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	.
Total	138.4	146.7	148.1	185.2	189.0	196.2	191.5	.	.

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 billions)

	2007	2008							
	30.9.	30.4.	31.5.	30.6.	31.7.	31.8.	30.9.	31.10. ^(p)	6.11. ^(p)
Koruna assets, banks	0.4	0.6	0.6	0.8	0.7	0.4	0.7	0.7	0.6
Koruna liabilities	1.9	2.6	2.6	3.5	3.5	3.5	3.4	.	.
of which: banks	1.6	2.2	2.3	3.0	3.0	3.1	3.0	3.1	2.9
non-bank clients	0.3	0.4	0.4	0.5	0.4	0.3	0.4	.	.
Government securities	2.7	2.3	2.3	2.6	2.8	3.0	3.0	2.8	.
of which: government bonds	2.7	2.3	2.3	2.6	2.8	3.0	3.0	2.8	.
SR Treasury bills	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	.
Total	4.6	4.9	4.9	6.1	6.3	6.5	6.4	.	.

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

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



Although the average share of non-residents in the total volume of issued government bonds decreased to 23.6% in October, the average for the first 10 months of 2008 was 22.3%.

In connection with the euro changeover and the need for an instrument acceptable in trade with the ECB, the Agency for Debt and Liquidity Management (ARDAL) held an auction for one-year SR Treasury bills (No. 01) in October, after almost three years, with an issue-amount of max. SKK 45.189 billion (EUR 1.5 billion at SKK/EUR 30.1260). Of an open Treasury-bill issue auctioned in October (in two parts), ARDAL accepted SKK 11.1 billion at a rate of 4.6% (at Dutch-style auctions), but the volume of Treasury bills held by non-residents remained zero.

5.2 Money Market and Monetary Policy Implementation

At its 45th meeting on 28 October 2008, the Bank Board of NBS decided to change its key interest rates, i.e. to increase the rate for overnight sterilisation operations to 2.75%, and to lower the rates for overnight refinancing transactions and two-week repo tenders with commercial banks to 4.75% and 3.75%, respectively.

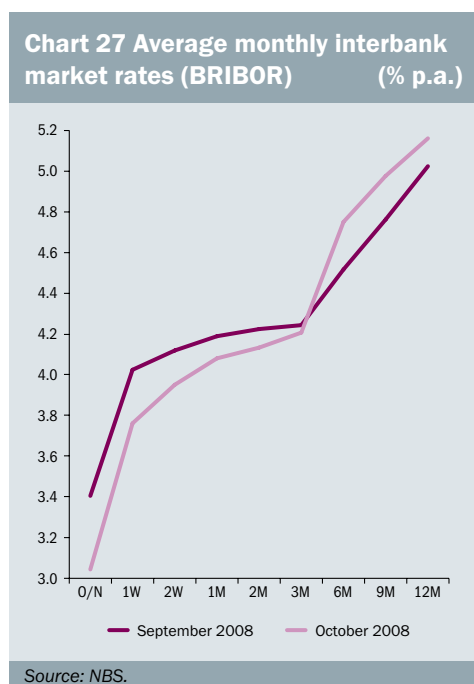
Subsequent to the ECB's decision to cut the key interest rates (6 November 2008), the Bank Board of NBS decided, at its 47th meeting on 11 November 2008, to change the key NBS interest rates, i.e. to lower the rate for overnight sterilisation operations to 2.25%, that for overnight refinancing operations to 4.25%, and the rate for two-week repo tenders with commercial banks to 3.25%.

The interbank money market yield curve for short maturities, especially the overnight rate, was much closer to the overnight sterilisation rate in October (compared with September), due to the liquidity situation in the banking sector. The prices of medium-term deposits fell slightly. The long-end of the yield curve rose in October, compared with September, above the level of 5.00%.

Interest rates

The prices of long-term deposits showed some volatility in both directions during October. Owing to the absence of transactions at these maturities, investors continued using swaps and IRS deals for trading at these maturities.

NBS continued conducting monetary-policy operations in a standard manner throughout October, 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%). In the month under review, one auction was held for NBS bills; the bids submitted were accepted by NBS in full. At this auction, the minimum, average, and maximum interest yields were at the level of the two-week reference rate (4.25%).

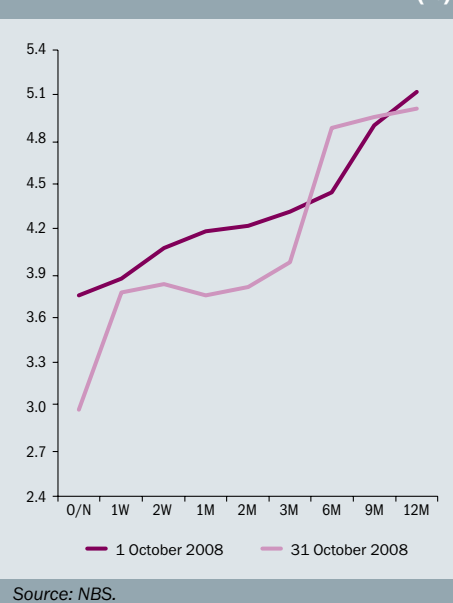




A comparison of yield curves from the beginning and end of the month shows that the biggest change occurred in the overnight rate. The middle part of the yield curve fell as a result of the Bank Board's decision to cut the key NBS interest rates, while its long end remained virtually unchanged, except for the six-month rate.

Liquidity The banking sector entered the new month with a surplus of daily liquidity, which grew still further after the settlement of the last repo tender from September on the first working day of October. This led to an increase in the cumulative surplus of liquidity. The further increase in funds in the sector can be ascribed to the lower demand at the first repo tender. The participants in the market got rid of the excess liquidity by making overnight sterilisation deposits at NBS and increased bids at the second repo tender. Banks showed less interest in NBS-bill auctions (by almost 50%), which led to a modest increase in funds in the sector. Despite the substantially reduced demand at the third repo tender, this fact had no upward effect on the level of daily liquidity, because liquidity was increasingly reduced by banks through the overnight deposit facility of NBS. This activity continued until the end of the month. The surplus of funds was also reduced by the higher demand at the last repo tender in October.

Chart 29 Yield curve in October (%)



Source: NBS.

In October, the overall sterilisation position of NBS fell somewhat in comparison with September, by almost SKK 0.4 billion, to SKK 382.8 billion. The structure of sterilisation was still dominated by sterilisation repo tenders, the share of which decreased to 85.9% in October, from 86.2% in September. These funds were utilised as overnight deposits, the share of which increased to 2.7%, from 2.0% in September. The share of NBS bills in overall sterilisation decreased slightly, to 11.4% in October. Overnight refinancing operations were also used during the month under review.

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.)
September 2008	-330,415	86.23	27	0.01	-7,594	1.98	-45,193	11.79	-383,175
October 2008	-328,959	85.94	19	0.01	-10,367	2.71	-43,455	11.35	-382,762

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.)
September 2008	-10,968	86.23	1	0.01	-252	1.98	-1,500	11.79	-12,719
October 2008	-10,919	85.94	1	0.01	-344	2.71	-1,442	11.35	-12,705

Source: NBS.

Interbank transactions There was a small change in trading activity in October, causing a certain fall in the volume of interbank market transactions, to SKK 1,734.9 billion (from SKK 1,736.2 billion in September). Of the total volume of purchases and sales on the interbank market, the share of resident bank transactions increased to 32.7% in October, and that of transactions with non-resident banks decreased to 67.3%. Broken down by the type of transaction, most transactions between domestic banks were concluded in deposits (81.6%). Transactions with non-resident banks were dominated by swaps (54.9%). Compared with September, the volume of deposits and IRS deals increased, while that of swaps and FRA deals decreased.

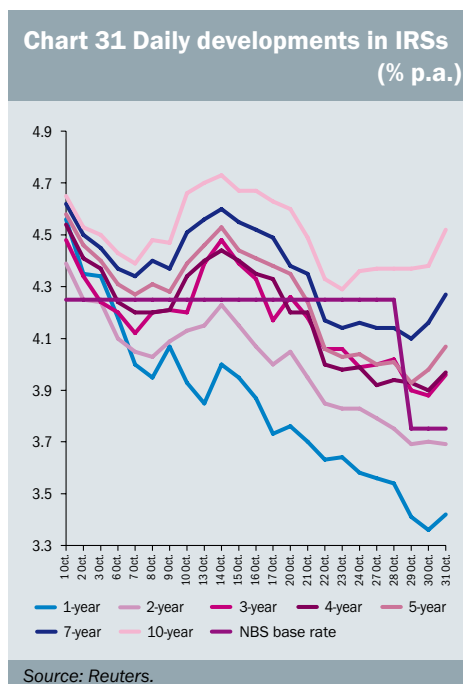
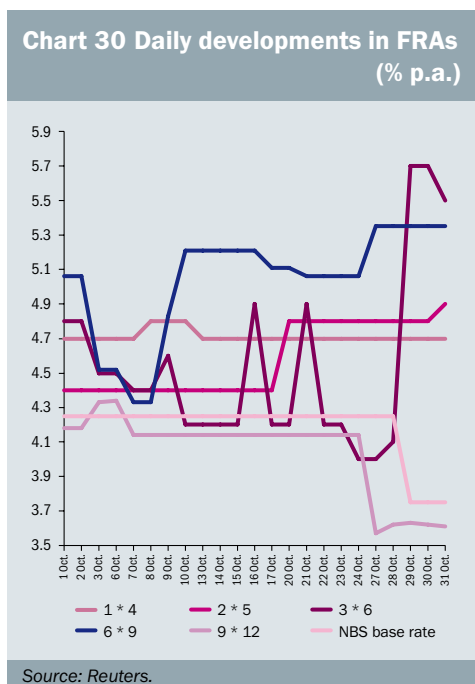


Table 23a Interbank transactions (SKK millions)

	Deposits	Repos	Swaps	FRAs	IRSs
September 2008	831,435	0	899,396	4,500	908
October 2008	988,476	0	744,757	0	1,650

Source: NBS.

Table 23b Interbank transactions (EUR millions)

	Deposits	Repos	Swaps	FRAs	IRSs
September 2008	27,599	0	29,854	149	30
October 2008	32,811	0	24,721	0	55

Source: NBS.

For October 2008, the minimum reserve requirement for the banking sector was set at SKK 27.55 billion. The reserve requirement was actually fulfilled to 101.29% during the month.

Minimum reserve requirements

Developments in money market interest rate derivatives

In the area of forward rate agreements (FRA), there was no trading activity in the market in October.

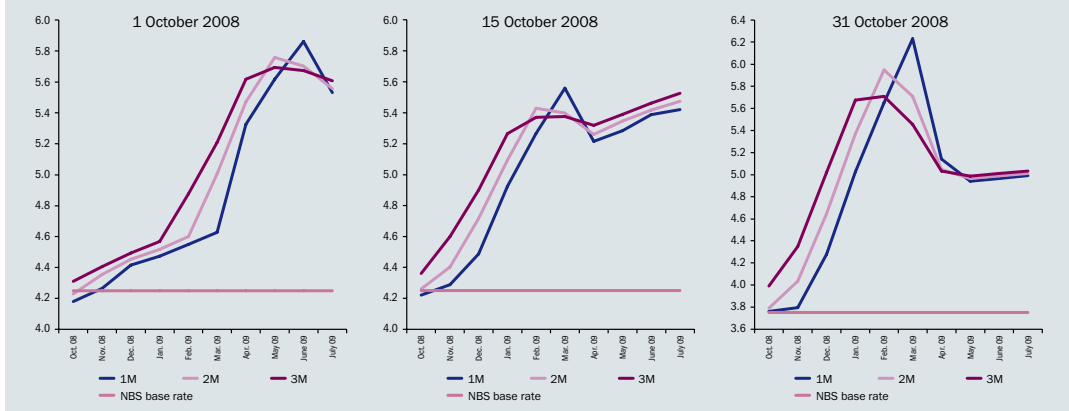
Interest rate swap (IRS) transactions recorded an increase in volume in comparison with the previous month. Transactions with foreign banks accounted for 75.8%. The deals were concluded with one- to ten-year maturities. They were dominated by deals with five- to ten-year maturities, which accounted for 48.5% of the total trading volume. They were followed by deals with two- to five-year maturities (39.4%).

The values of implied FRA rates, calculated from BRIBOR rates from the beginning of October, indicate a rise in one-, two-, and three-month rates to approximately 4.49% by December 2008, and a further rise in the following period. In the middle of the month, they indicate a rise in three-month rates to 5.53% in July 2009. At the end of the month, the market expectations derived from implied FRA rates also point to a rise, to the level of 5.04% in July 2009.



Chart 32 Implied expectations derived from BRIBOR rates

(% p.a.)



Source: NBS.

5.3 Customer Interest Rates in September 2008

Customer interest rates

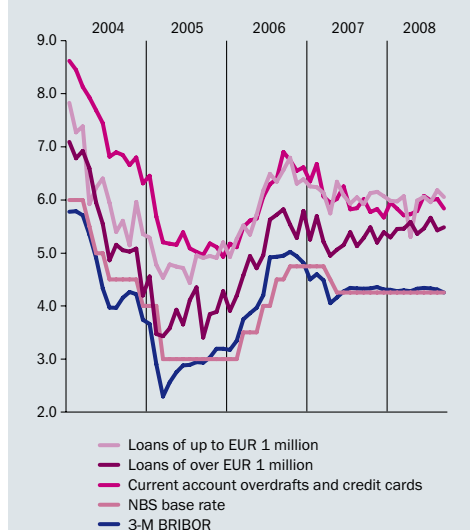
Customer interest rates on loans and deposits were stagnant in September, or fell slightly for certain types of loans and deposits.

Average interest rates on new loans

Average interest rates on new loans to non-financial corporations followed a slightly falling trend. The most significant drop occurred in the rate for current account overdrafts. This was probably due to a slight fall in short-term interbank market rates. A slight fall was also recorded in lending rates for small- and medium-sized enterprises (up to EUR 1 million), mainly in short-term rates. On the other hand, long-term interest rates on loans of up to EUR 1 million increased. A minimal rise was also recorded in the price of loans to large corporations (over EUR 1 million). An interesting fact is that, during 2008, loans to non-financial corporations with long-term interest rate fixation (over 5 years) were only provided in three months in a minimal amount (SKK 0.19 billion), which is much less than the figure for 2007 (SKK 6.4 billion).

Average interest rates on loans to households followed different trends, depending on the purpose of the loan. On the one hand, interest rates on consumer loans and other loans continued to rise. On the other hand, the rise in the price of house purchase loans came to a halt. This trend was mainly apparent in other loans for house purchases and, to a lesser extent, in home savings bank loans. A possible explanation may be the competition in the banking sector as a result of stagnation in the real estate market. Interest rates on mortgage loans remained unchanged.

Chart 33 Interest rates on loans to non-financial corporations, 3-M BRIBOR, and the NBS base rate (%)



Source: NBS.

Chart 34 Interest rates on loans to households by type (%)



Source: NBS.



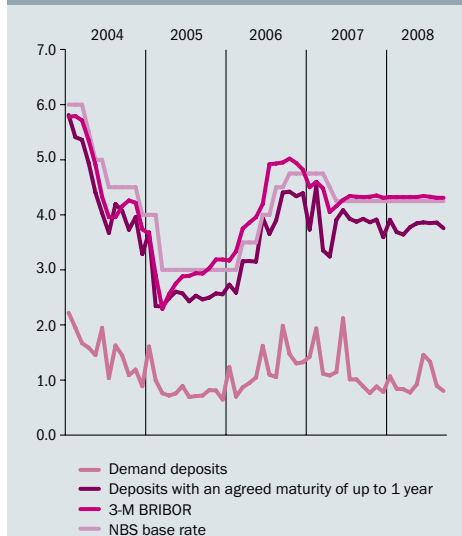
Table 24 Average interest rates on new loans

	Interest rate in %						Changes (p.p.)	
	Q3 2007	Q4 2007	Q1 2008	Q2 2008	Aug. 2008	Sep. 2008	against Q3 2007	month-on- month
Loans to non-financial corporations								
Current account overdrafts and credit cards	6.01	5.67	5.71	6.07	6.02	5.84	-0.18	-0.18
Loans of up to EUR 1 million	5.92	6.07	6.07	6.06	6.19	6.06	0.14	-0.13
– with a floating rate and an IRF of up to 1 year	5.90	6.07	6.06	6.03	6.16	5.99	0.09	-0.17
– with an IRF of up to 5 years	6.06	6.44	6.40	6.28	6.53	7.18	1.12	0.65
Loans of over EUR 1 million	5.28	5.39	5.46	5.47	5.43	5.49	0.20	0.06
– with a floating rate and an IRF of up to 1 year	5.15	5.39	5.47	5.45	5.40	5.48	0.33	0.08
– with an IRF of up to 5 years	5.99	4.54	4.70	4.66	-	-	-	-
Total	5.88	5.62	5.70	5.95	5.96	5.80	-0.08	-0.16
Total, excluding current account overdrafts and credit cards	5.42	5.52	5.63	5.60	5.66	5.64	0.22	-0.02
Loans to households								
Current account overdrafts and credit cards	14.30	14.34	14.48	14.43	14.67	14.65	0.35	-0.02
Consumer loans	13.59	13.23	12.85	12.53	13.21	13.34	-0.25	0.13
House purchase loans	6.10	6.06	6.06	6.20	6.52	6.38	0.28	-0.14
of which: mortgage loans	5.78	5.72	5.75	5.85	6.15	6.17	0.38	0.02
Other loans	6.97	7.00	6.84	6.65	6.84	7.04	0.08	0.20
Total	12.21	12.38	12.27	11.90	12.64	12.45	0.25	-0.19
Total, excluding current account overdrafts and credit cards	7.58	7.52	7.45	7.39	8.00	8.01	0.42	0.01
NBS base rate	4.25	4.25	4.25	4.25	4.25	4.25	0.00	0.00
3M BRIBOR	4.32	4.31	4.29	4.34	4.31	4.25	-0.07	-0.06

Source: NBS.

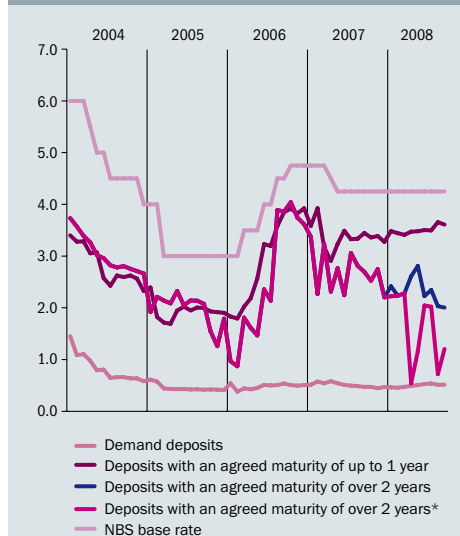
Note: Quarterly data refer to the last month of the given quarter.

Chart 35 Interest rates on deposits from non-financial corporations (%)



Source: NBS.

Chart 36 Interest rates on household deposits (%)



* Interest rates are adjusted for structured deposits, for which banks report very low interest rates, since they are not able to assess future appreciation of a deposit.
Source: NBS.



Average interest rates on new deposits

Interest rates on deposits from non-financial corporations followed different trends, according to maturity. Short-term deposit rates followed the downward trend from the previous months. This was mainly due to the low overnight rate on the interbank market on the last day of the month. Deposit rates fixed for a short period also fell somewhat. On the other hand, the prices of deposits with an agreed maturity of over 1 year increased to a significant extent.

Interest rates on the individual types of household deposits remained virtually unchanged. Interest rates on long-term deposits (deposits with an agreed maturity of over 1 year) remained relatively high in September. Interest rates on passbooks (savings deposits) also rose somewhat.

Table 25 Average interest rates on new deposits

	Interest rate in %						Changes (p.p.)	
	Q3 2007	Q4 2007	Q1 2008	Q2 2008	Aug. 2008	Sep. 2008	against Q3 2007	Month-on-month
New deposits from non-financial corporations								
Deposits repayable on demand	0.88	0.78	0.83	1.46	0.89	0.80	-0.09	-0.09
Deposits with an agreed maturity of								
- up to 1 year	3.93	3.60	3.64	3.86	3.86	3.76	-0.17	-0.10
- over 1 and up to 2 years	3.50	3.79	1.70	4.42	4.19	5.15	1.66	0.96
- over 2 years	2.77	2.30	1.35	4.59	1.37	1.90	-0.87	0.53
Total	2.28	1.83	2.13	2.59	2.41	2.19	-0.09	-0.22
New deposits from households								
Deposits repayable on demand	0.47	0.47	0.47	0.53	0.51	0.51	0.04	0.00
Deposits with an agreed maturity of								
- up to 1 year	3.45	3.28	3.41	3.50	3.66	3.61	0.16	-0.05
- over 1 and up to 2 years	3.50	3.58	3.73	4.05	4.45	4.46	0.96	0.01
- over 2 years	2.70	2.20	2.28	2.04	0.72	1.21	-1.49	0.49
Deposits redeemable at notice								
- up to 3 months	1.33	1.42	1.45	1.45	2.02	2.13	0.80	0.12
- over 3 months	1.96	2.05	2.14	2.14	2.29	2.53	0.56	0.24
Total	1.00	0.99	1.18	1.14	1.22	1.24	0.25	0.02
Basic NBS rate	4.25	4.25	4.25	4.25	4.25	4.25	0.00	0.00
3M BRIBOR	4.32	4.31	4.32	4.34	4.31	4.31	-0.01	0.00

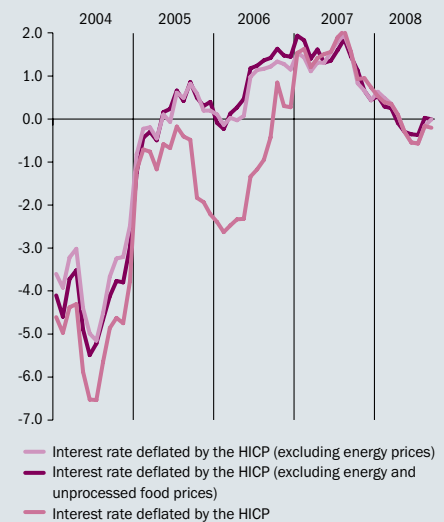
Source: NBS.

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 -0.20% (a negative figure) in September, which represented a fall of 0.04 of a percentage point compared with the previous month. This resulted from the fact that the same month-on-month rise was recorded in the rates of interest and inflation.

Chart 37 Real interest rates on household deposits (%)



Source: NBS and the Statistical Office of the SR.

Box 2

Loans to Households for House Purchases and Their Prices

In the third quarter of 2008, the banking sector provided loans to households for house purchases in the total amount of SKK 23.0 billion, which was SKK 3.7 billion less than in the previous quarter. On a year-on-year basis, the volume of new loans increased SKK 3.8 billion. The share of house purchase loans in the total volume of loans provided (excluding current account overdrafts and credit cards) decreased somewhat, to 63%.

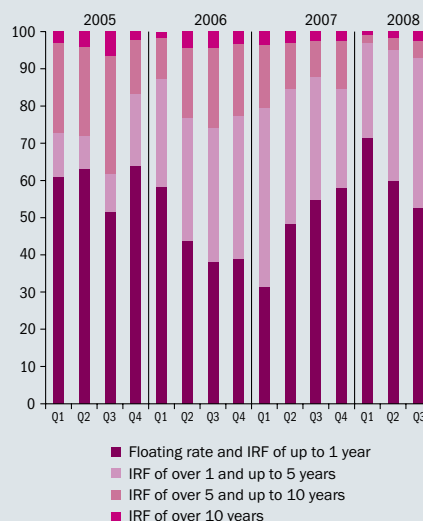
In the third quarter, the structure of house purchase loans by type was dominated by other loans, which accounted for half of the loans provided for house purchases. They were followed by mortgage loans (35%) and home savings bank loans (15%).

Chart A Amounts of loans provided for house purchases by loan type (SKK billions)



Source: NBS.

Chart B Structure of house purchase loans by initial rate fixation (%)



Source: NBS.

Owing to the economic outlook and the expectations of households regarding the future trends in key rates, as well as in market interest rates, the structure of loans also changed according to the period of interest rate fixation. Interest rate fixation was also influenced by the forthcoming entry of Slovakia into the euro area (January 2009), where market interest rates are somewhat higher than in Slovakia. This is probably one of the reasons why the share of loans with a floating rate and an initial rate fixation (IRF) of up to 1 year decreased also in the third quarter. The share of loans with and IRF of over 1 and up to 5 years increased slightly.

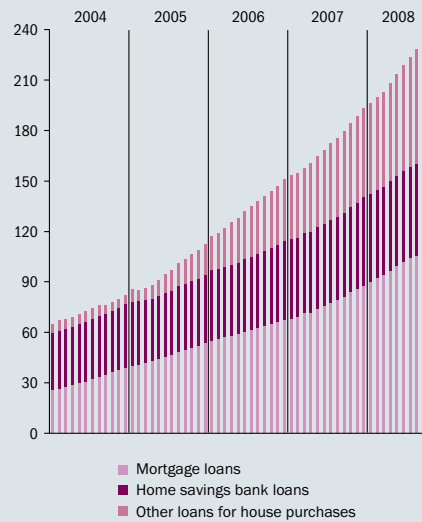
During the third quarter of 2008, the outstanding amount of loans provided to households for house purchases increased by SKK 13.8 billion, representing a certain slowdown in comparison with the second quarter. On a year-on-year basis, the volume of these loans increased by SKK 53.0 billion. The year-on-year growth dynamics of lending to households for house purchases remained relatively strong, approximately 30%. On a year-on-year basis, mortgage loans grew in volume by SKK 25.6 billion, other loans for house purchases by SKK 22.7 billion, and home savings bank loans by SKK 4.7 billion in September 2008.

At the end of September 2008, the outstanding amount of defaulted¹ house purchase loans reached SKK 5.4 billion, representing an increase of SKK 0.5 billion compared with the end of

¹ Defaulted 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 more than 50% depreciation is identified by the bank or where repayment by the debtor is more than 90 days overdue.



Chart C Loans for house purchases in Slovak koruna by type (SKK billions)



Source: NBS.

Chart D Year-on-year changes in the outstanding amounts of household loans in absolute terms (SKK billions)

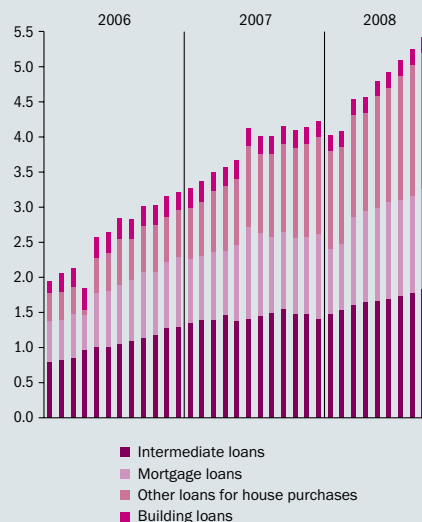


Source: NBS.

the previous quarter. The increase in defaulted loans took place mostly in other loans for house purchases, which show a growing tendency for the fifth consecutive month. Within the scope of house purchase loans, most defaulted loans are recorded in other house purchase loans and intermediate loans. At the end of the third quarter of 2008, defaulted loans accounted for approximately 2.33% of the total volume of house purchase loans, representing a negligible increase in comparison with June 2008.

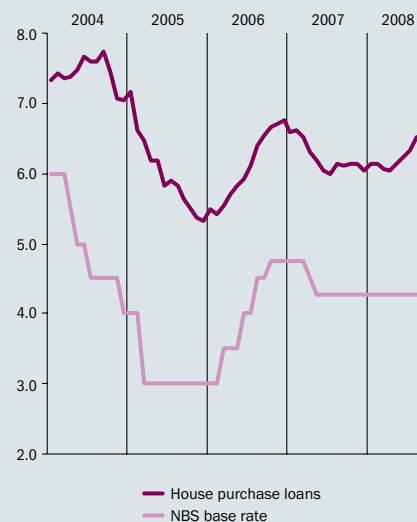
Over the third quarter of 2008, interest rates on house purchase loans continued rising up to August, when a moderate fall was recorded. After a steady rise in interest rates on house purchase loans over the second quarter and the first two months of the third quarter, which mirrored the higher market rates in the euro area, there was probably increased competition among banks on the house purchase loan market.

Chart E Defaulted house purchase loans in the household sector (SKK billions)



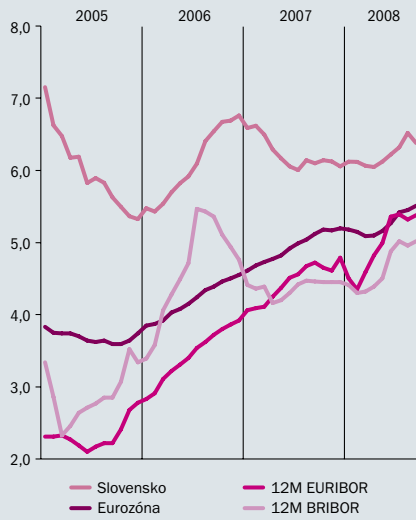
Source: NBS.

Chart F Interest rates on house purchase loans and the NBS base rate (in %)



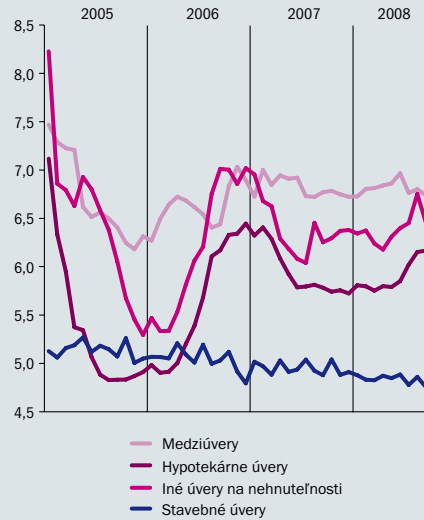
Source: NBS.

Chart G Lending rates for house purchases and market rates in Slovakia and the euro area (in %)



Source: NBS.

Chart H Interest rates on house purchase loans by loan type (in %)



Source: NBS.

Within the scope of house purchase loans, a rising trend was recorded in interest rates on mortgage loans. On the other hand, the price of other loans for house purchases fell in September (after a marked increase). Interest rates on home savings bank loans followed a slightly falling trend over the third quarter.



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 ¹⁾ (core inflation)	PPI	GDP ^{2),4),5)}	Industrial production ^{2),3)}	Retail trade (sales) ^{2),3)}	Unemployment (% of the labour force) ⁶⁾	10-years bonds (yield to maturity in %)
2005	2.2	1.5	4.1	1.7	1.4	1.4	8.8	3.44
2006	2.2	1.5	5.1	2.9	4.0	1.5	8.2	3.86
2007	2.1	2.0	2.8	2.6	3.4	0.9	7.4	4.33
2007 Q3	1.9	2.0	2.1	2.6	3.9	1.3	7.4	4.48
2007 Q4	2.9	2.3	4.0	2.1	3.0	-0.3	7.3	4.34
2008 Q1	3.4	2.5	5.4	2.1	2.5	-0.2	7.2	4.15
2008 Q2	3.6	2.5	7.1	1.4	1.1	-1.6	7.4	4.50
2008 Q3	3.8	2.5	8.5	.	-1.5	-1.5	7.5	4.61
VII.08	4.0	2.5	9.2	-	-1.1	-1.6	7.4	4.81
VIII.08	3.8	2.6	8.5	-	-0.7	-1.5	7.5	4.50
IX.08	3.6	2.5	7.9	-	-2.4	-1.6	7.5	4.50
X.08	3.2	2.4	.	-	.	.	.	4.42

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

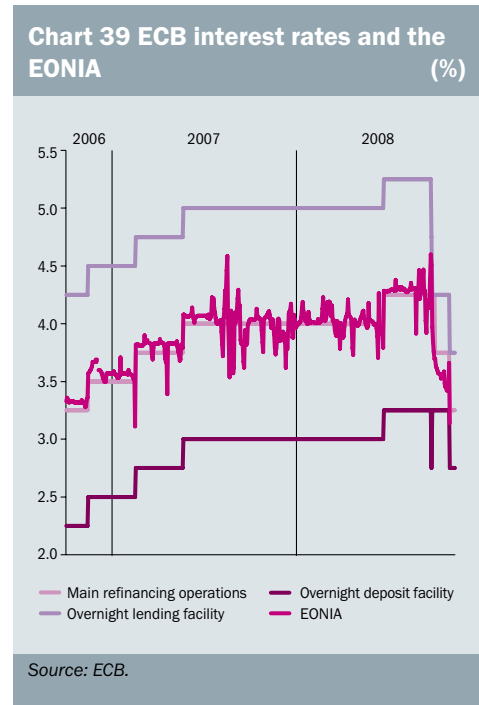
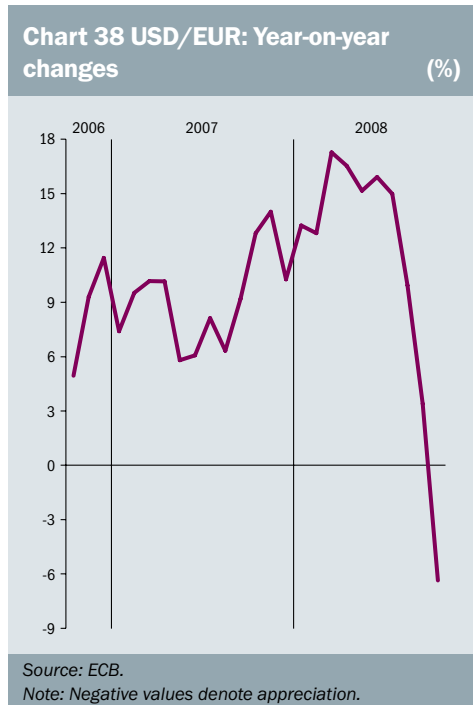




Table 27 Czech Republic (year-on-year changes in %, unless otherwise specified)

	Prices			Real economy				Financial market
	HICP	HICP ¹⁾ (core inflation)	PPI	GDP ^{2),4),5)}	Industrial production ^{2),3)}	Retail trade (sales) ^{2),3)}	Unemployment (% of the labour force) ⁶⁾	10-years bonds (yield to maturity in %) ⁷⁾
2005	1.6	0.9	3.0	6.4	6.7	3.9	7.9	3.54
2006	2.1	0.9	1.6	6.4	11.5	6.9	7.2	3.80
2007	3.0	3.1	4.0	6.5	8.8	6.5	5.3	4.30
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	4.8	4.59
2008 Q1	7.6	6.9	5.7	5.4	6.7	1.8	4.5	4.59
2008 Q2	6.7	6.2	5.1	4.6	5.3	2.3	4.4	4.90
2008 Q3	6.5	5.9	5.5	.	1.9	.	4.3	4.60
VII.08	6.8	6.0	5.3	-	0.4	-0.6	4.4	4.90
VIII.08	6.2	5.7	5.7	-	1.7	-0.3	4.3	4.47
IX.08	6.4	5.9	5.5	-	3.4	.	4.3	4.42
X.08	5.7	5.2	.	-	.	.	.	4.53

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 ¹⁾ (core inflation)	PPI	GDP ^{2),4),5)}	Industrial production ^{2),3)}	Retail trade (sales) ^{2),3)}	Unemployment (% of the labour force) ⁶⁾	10-years bonds (yield to maturity in %) ⁷⁾
2005	3.5	2.7	8.3	4.1	7.3	5.7	7.2	6.60
2006	4.0	2.5	8.4	3.9	10.6	4.3	7.4	7.12
2007	7.9	6.7	6.4	1.3	8.4	-2.9	7.3	6.74
2007 Q3	7.3	6.7	4.2	1.0	10.1	-4.0	7.3	6.68
2007 Q4	7.1	6.2	5.2	0.7	6.0	-4.0	7.7	6.76
2008 Q1	6.9	5.9	10.7	1.2	6.3	-2.9	7.7	7.70
2008 Q2	6.8	5.6	11.8	1.7	3.6	-1.7	7.8	8.20
2008 Q3	6.3	5.2	13.0	.	.	.	7.9	7.96
VII.08	7.0	5.6	13.3	-	-1.7	-1.7	7.8	8.11
VIII.08	6.4	5.4	13.0	-	-1.3	-1.4	7.9	7.77
IX.08	5.6	4.7	12.7	-	.	.	7.9	7.99
X.08	5.1	4.2	.	-	.	.	.	9.57

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 ¹⁾ (core inflation)	PPI	GDP ^{2),4),5)}	Industrial production ^{2),3)}	Retail trade (sales) ^{2),3)}	Unemployment (% of the labour force) ⁶⁾	10-years bonds (yield to maturity in %) ⁷⁾
2005	2.2	1.2	2.1	3.6	4.5	1.3	17.8	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 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	6.6	7.9	11.4	8.5	5.73
2008 Q1	4.5	3.7	5.4	6.2	9.3	8.2	7.8	5.87
2008 Q2	4.3	3.8	5.7	6.1	7.2	8.2	7.3	6.17
2008 Q3	4.4	3.7	5.3	.	2.4	6.6	6.7	6.15
VII.08	4.5	3.7	5.6	-	3.9	6.6	6.9	6.45
VIII.08	4.4	3.8	5.3	-	0.0	6.2	6.7	6.11
IX.08	4.1	3.6	5.1	-	3.3	7.1	6.5	5.89
X.08	4.0	3.3	.	-	.	.	.	6.35

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 40 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 41 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 ¹⁾ (core inflation)	PPI ²⁾	GDP ³⁾	Industrial production ⁴⁾	Retail trade ⁵⁾	Unemployment	10-years bonds (yield to maturity in %)
2005	3,4	2,2	4,9	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 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	4,0	4,8	4,27
2008 Q1	4,1	2,4	7,1	2,5	1,8	2,5	4,9	3,67
2008 Q2	4,4	2,3	7,6	2,1	0,7	1,3	5,3	3,88
2008 Q3	5,3	2,5	9,4	0,8	0,1	0,9	6,0	3,86
VII.08	5,6	2,5	9,8	-	-0,5	1,2	5,7	4,01
VIII.08	5,4	2,5	9,7	-	-1,4	0,7	6,1	3,89
IX.08	4,9	2,5	8,7	-	-4,5	-1,3	6,1	3,69
X.08	.	.	.	-	.	.	6,5	3,81

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

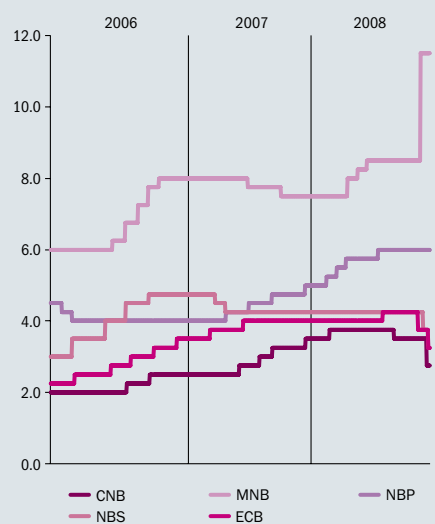
1) Core CPI – inflation excluding food and energy.

2) PPI finished products.

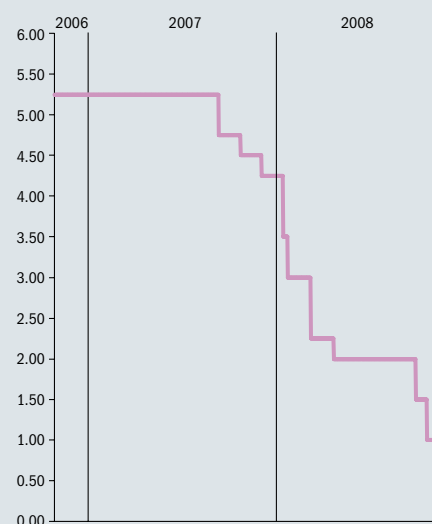
3) Seasonally adjusted.

4) Industrial production in total (seasonally adjusted.)

5) Retail trade and restaurant services.

Chart 42 Key interest rates of the NCBs of V4 countries (%)


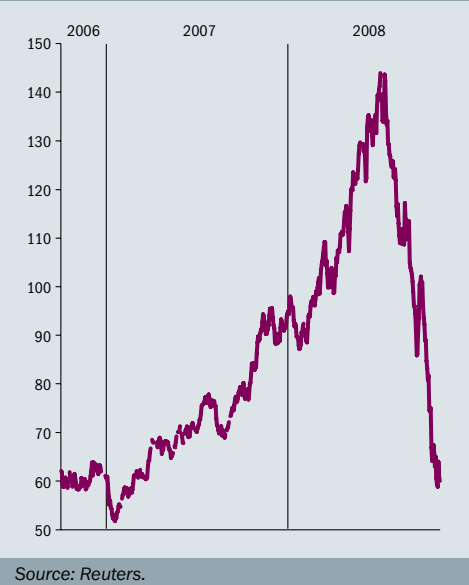
Sources: ECB, national central banks.

Chart 43 United States: federal funds rate (%)


Source: Federal Reserve System.



Chart 44 Oil prices in USD/Barrel



2 Capital Market

2.1 Primary Market

In October, the Agency for Debt and Liquidity Management (ARDAL) held two auctions for government bonds (with a residual maturity of 2.5 and 8.5 years). Demand at the first auction reached SKK 3.2 billion, of which SKK 0.3 billion was accepted. The average yield required stood at 4.300%. At the second auction, ARDAL accepted SKK 2.9 billion of the bids submitted for a total amount SKK 5.3 billion, with an average yield of 5.063%.

On the primary market for non-government bonds, 13 bond issues were floated in October in the total amount of SKK 7.7 billion, Eight issues were denominated in SKK, three issues in EUR, and one issue in USD and CZK. Seven issues were mortgage bonds in the amount of SKK 2.7 billion, of which six issues were denominated in SKK and one in EUR.

2.2 Secondary Market

The total volume traded on the Bratislava Stock Exchange (BSSE) reached SKK 128.1 billion in October (in 572 transactions), representing a month-on-month increase of 62.3%. Price-setting transactions accounted for SKK 5.2 billion and direct transactions for SKK 122.9 billion.

Non-resident investors accounted for 50.9% of the total volume traded in October, of which 49.3% were purchases and 52.4% sales.

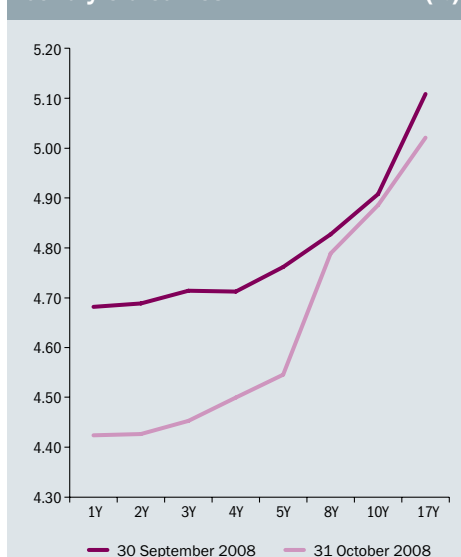
The benchmark government bond yield curve fell month-on-month by an average of 0.17 of a percentage point. The most significant changes in bond yields took place at one-year, two-year, and three-year maturities (an average drop of 0.26 of a percentage point). Bond yields were influenced by fluctuations in euro-area bond yields, which, however, recorded sharper drops than those in Slovakia. As a result, the gap between the Slovak and European benchmarks has widened.

Bonds

On the BSSE floor, bonds changed hands during the month in 382 transactions, totalling SKK 128.1 billion (i.e. almost 100% of the total volume traded on the stock exchange in October). Direct transactions accounted for SKK 122.9 billion and price-setting transactions for SKK 5.2 billion.

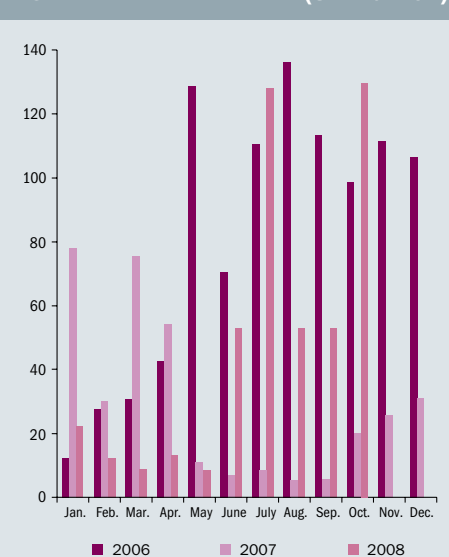
The market capitalisation of bonds as at the last trading day of October reached SKK 489.7 billion, representing a month-on-month increase of 9.6%. The capitalisation of listed bonds had increased since the end of September by 10.0%, to SKK 472.2 billion.

Chart 45 Benchmark government bond yield curves (%)



Sources: Reuters, NBS.

Chart 46 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 October 2008

Sector	SDXGroup indices		Yield to maturity (%)	Duration (in years)
	Price	Performance		
Public	101.4	124.9	4.771	4.882
SDXG sub-index (<=5)	102.0	123.8	4.356	2.995
SDXG sub-index (>5)	101.2	126.7	4.958	6.827
Private (corporate + mortgage bonds)	100.8	130.7	4.263	3.986
SDXG sub-index (>5)	100.0	102.8	4.263	3.986

Source: Bratislava Stock Exchange.

The SDXG (>5) long-term private sector sub-index is no longer calculated, for the last base issue has been excluded from the basket, after its residual maturity fell below five years.

Shares During the month under review, SKK 32.9 million was traded in shares, in 190 transactions. Price-setting transactions accounted for SKK 10.2 million and direct transactions for SKK 22.7 million.

By the last trading day of October, the market capitalisation of equity securities had fallen month-on-month by 8.7%, to SKK 131.9 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 125.0 billion (a month-on-month decline of 9.4%) and accounted for 94.8% of the total equity market capitalisation. The market capitalisation of listed issues had decreased since the end of September by 12.9%, to SKK 71.1 billion.

New and cancelled issues

The period under review saw the first SR Treasury-bill issue accepted for trading on the main quoted debt securities market, in the total amount of SKK 45.2 billion. In addition, the already accepted government bond issues (series 208 and 209) were extended to include tranche D and/or E in the total amount of SKK 3.2 billion. At the same time, three new mortgage bond issues were accepted for trading on the quoted parallel market of BSSE in the total amount of SKK 698 million and one issue of bank bonds in the nominal value of BGN 30 million. In October, four mortgage bond issues and one bond issue (in the total amount of SKK 3.2 billion) were excluded from trading on the BSSE, due to maturity.

During the month under review, the BSSE registered a new share issue for trading on the regulated open market, in the nominal amount of SKK 375.6 million. In the same month, however, the BSSE excluded another share issue in the nominal amount of SKK 71.8 million from trading on the regulated open market, because the issuer failed to meet his statutory reporting obligation, i.e. failed to present preliminary statements in accordance with the provisions of Article 36 (1) of Act No. 429/2002 Coll. on the Stock Exchange as amended by subsequent regulations.

SAX Index The SAX index closed the month of October at 369.44 points, representing a fall of 18.5% month-on-month and 17.4% year-on-year. The index reached a monthly maximum on 1 October (453.35 points) and a monthly minimum on 31 October (369.44 points).

Chart 47 Developments in the SAX index in October 2008 (points)

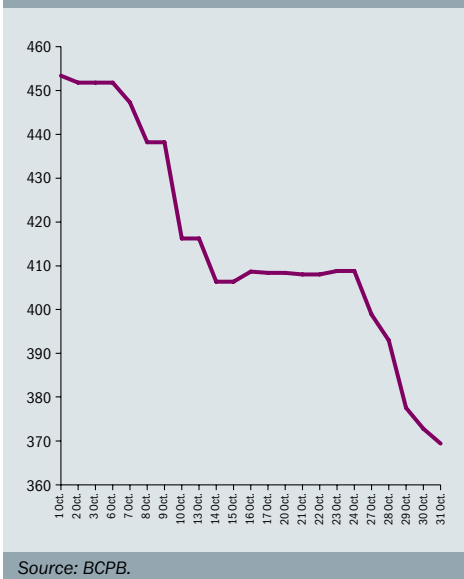


Table 32 Weights of basic SAX index components at month-ends in 2008

Company	Weights in % 2008						Monthly change in p.p.
	May	June	July	Aug.	Sep.	Oct.	
Biotika, a. s.	4.31	4.43	3.91	4.01	3.94	5.25	1.31
OTP Banka Slovensko, a. s.	22.36	19.39	18.60	19.09	24.41	24.51	0.10
SES Tlmače, a. s.	18.25	20.40	26.68	26.48	21.49	22.20	0.71
Slovnaft, a. s.	28.66	29.42	26.73	28.16	26.16	27.52	1.36
Všeobecná úverová banka, a. s.	26.41	26.36	24.08	22.26	24.00	20.52	-3.48

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)⁵.

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, IJanuary 2005 = 100).

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

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

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

⁵ 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)	+
= Money (M1 – ‘narrow money’)	overnight deposits and received loans
	= M1 (‘narrow money’)
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	= M2 (‘intermediate money’)
= QUASI-MONEY [QM - ‘quasi money’]	+ repurchase operations
	+ money market fund shares/units
	+ debt securities with a maturity of up to 2 years, and other money market products
= Money supply M2 (=M1+QM)	M3 MONETARY AGGREGATE (‘broad money’)

The main differences between the individual methodologies are as follows:

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



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

- **in the nature and liquidity of the resources:**
 - the ECB methodology monitors liquidity through the broader M3 aggregate, which also includes repo operations, the unit certificates of open-end money market investment funds, and debt securities, which represent, in terms of liquidity and profitability, a substitute for bank deposits (with regard to maturity, ECB liabilities with a maturity of over 2 years are not included in the monetary aggregates);
 - the NBS methodology monitors the money supply measured in terms of the M2 aggregate, which is composed of currency in circulation and bank deposits irrespective of the time of maturity;
- **in the definitions of deposits and loans:**
 - the ECB methodology extends the definition of deposits to include also subordinated debt in the form of deposits, liabilities arising from repo operations, and non-negotiable securities issued by banks and held by clients (in the case of loans, they also include non-marketable securities issued by clients and held by banks, subordinated debt in the form of loans, receivables in respect of repo operations, and tradable loans);
 - the NBS methodology uses a so-called 'narrow definition' for both loans and deposits, i.e. they only correspond to the amount of funds recorded by MFIs as loans (including classified loans) and deposits;
- **in the structure of monetary aggregates by sector:**
 - the ECB methodology (with the deposits of MMFs being deducted from customer deposits) covers the above sectors, as well as the deposits of local government (S.1313) and social insurance funds (S.1314)⁶;
 - 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 data⁷.

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 granted⁸ 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.

⁶ 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.

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

⁸ 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. 63/2002⁹ 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.

⁹ 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 2005¹⁰

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.

¹⁰ 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									
		10	11	12	1	2	3	4	5	6	7	8	9	10
REAL ECONOMY														
Gross domestic product ¹⁾²⁾	SKK billion	-	-	1,429.5*	-	-	354.3*	-	-	385.0*	-	-	-	-
Year-on-year change in GDP ³⁾	%	-	-	10.4*	-	-	8.7*	-	-	7.6*	-	-	-	-
Unemployment rate ⁴⁾⁹⁾	%	7.9	7.8	8.0	8.1	7.8	7.6	7.4	7.4	7.4	7.5	7.4	7.5	-
Consumer prices (HICP) ³⁾⁸⁾	%	2.4	2.3	2.5	3.2	3.4	3.6	3.7	4.0	4.3	4.4	4.4	4.5	4.2
Consumer prices (CPI) ³⁾	%	3.3	3.1	3.4	3.8	4.1	4.2	4.3	4.6	4.6	4.8	5.0	5.4	5.1
BALANCE OF TRADE ⁷⁾⁹⁾														
Exports (fob)	SKK million	1,173,213	1,312,257	1,420,738	125,253	257,262	383,670	518,375	646,506	777,017	900,519	1,011,837	1,143,381	-
Imports (fob)	SKK million	1,178,389	1,322,055	1,442,123	123,954	255,683	383,749	525,258	649,748	781,360	908,648	1,017,235	1,146,201	-
Balance	SKK million	-5,176	-9,798	-21,385	1,299	1,579	-79	-6,884	-3,242	-4,343	-8,129	-5,398	-2,820	-
BALANCE OF PAYMENTS														
Current account ⁷⁾	SKK million	-74,414.5	-88,466.2	-98,746.3	-1,097.5	3,096.1	-6,521.0	-22,186.7	-32,913.2	-63,013.1	-80,955.2	-79,887.2	-	-
Capital and financial account	SKK million	156,371.3	170,341.9	183,903.6	-4,180.7	10,938.1	20,297.2	31,936.8	35,522.6	82,104.2	108,565.5	116,317.9	-	-
Overall balance	SKK million	100,046.2	95,796.3	95,971.0	-218.3	-558.3	-3,880.7	-1,549.9	-3,537.4	-3,842.8	-2,492.2	-2,632.3	-	-
FOREIGN EXCHANGE RESERVES ⁴⁾														
Total foreign exchange reserves	USD million	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	22,388.0	22,214.0	19,429.8
NBS foreign exchange reserves	USD million	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	18,840.4	18,524.3	17,056.6
GROSS EXTERNAL DEBT ⁴⁾														
Total gross external debt	USD billion	42.2	43.1	44.3	43.7	46.6	49.4	50.1	52.4	56.1	57.0	52.8	-	-
External debt per capita	USD	7,848	8,014	8,237	8,117	8,669	9,180	9,322	9,735	10,430	10,593	9,819	-	-
MONETARY INDICATORS														
Exchange rate ⁵⁾	SKK/USD	23.669	22.637	22.882	22.797	22.495	20.977	20.55	20.25	19.51	19.22	20.20	21.05	22.78
M3 monetary aggregate ⁴⁾⁸⁾	SKK billion	1,039.6	1,041.0	1,082.4	1,082.3	1,093.1	1,084.6	1,090.80	1,108.10	1,094.60	1,104.90	1,113.50	1,105.90	-
Year-on-year change in M3 ³⁾	%	14.4	12.3	13.0	12.6	12.2	10.5	10.2	9.8	6.6	9.6	8.2	6.4	-
Claims of monetary financial institutions ⁸⁾	SKK billion	1,012.8	1,029.4	1,044.7	1,041.1	1,049.8	1,045.0	1,058.60	1,061.40	1,082.60	1,100.70	1,115.60	1,127.20	-
STATE BUDGET ²⁾⁴⁾														
Revenue	SKK billion	263.1	290.3	322.2	35.0	51.5	81.0	113.4	133.3	156.2	186.8	216.7	241.9	274.9
Expenditure	SKK billion	256.2	284.9	345.7	22.0	50.0	77.6	105.7	136.4	160.3	187.4	211.6	237.6	267.0
Balance	SKK billion	6.9	5.4	-23.5	13.0	1.5	3.4	7.7	-3.1	-4.1	-0.6	5.1	4.3	7.9
MONEY MARKET														
Interest rates set by the NBS Bank Board														
Date of validity ⁶⁾														
Overnight operations		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	29.10.2008
- 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	2.75
- 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	4.75
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	3.75
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	3.75
Average interbank deposit rate (BRIBOR)														
overnight	%	3.78	3.82	2.75	4.01	3.39	3.25	3.62	4.12	3.52	3.31	4.19	3.40	3.04
7-day	%	4.20	4.19	3.93	4.22	4.00	3.98	4.07	4.19	4.02	3.88	4.22	4.03	3.76
14-day	%	4.25	4.25	4.12	4.24	4.12	4.10	4.16	4.22	4.13	4.03	4.24	4.12	3.95
1-month	%	4.28	4.28	4.25	4.28	4.23	4.21	4.23	4.26	4.26	4.20	4.27	4.19	4.08
2-month	%	4.31	4.32	4.28	4.30	4.26	4.27	4.26	4.29	4.31	4.28	4.28	4.22	4.13
3-month	%	4.33	4.35	4.31	4.32	4.28	4.29	4.28	4.32	4.34	4.33	4.31	4.25	4.21
6-month	%	4.38	4.40	4.36	4.35	4.30	4.32	4.33	4.40	4.57	4.54	4.45	4.52	4.75
9-month	%	4.42	4.43	4.41	4.38	4.30	4.32	4.36	4.46	4.74	4.78	4.73	4.76	4.98
12-month	%	4.45	4.45	4.45	4.41	4.30	4.32	4.39	4.50	4.88	5.02	4.96	5.02	5.16

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

⁰⁾ Preliminary data.¹⁾ In constant prices, calculated by chaining values; the reference period is the year 2000.²⁾ Cumulative since the beginning of the year.³⁾ Change compared with the same period a year earlier.⁴⁾ End-of-period figures.⁵⁾ Exchange rate (mid), average for the period.⁶⁾ The date from which the given interest rate is effective pursuant to the Bank Board's decision.⁷⁾ As from May 2004, foreign trade and current account figures are revised on a monthly basis.⁸⁾ According to the methodology of the ECB.⁹⁾ Registered unemployment.



Selected indicators of economic and monetary development in the SR (SKK converted to EUR)

	Unit	2007			2008									
		10	11	12	1	2	3	4	5	6	7	8	9	10
REAL ECONOMY														
Gross domestic product ¹⁾²⁾	bill. EUR	-	-	47.5*	-	-	11.8*	-	-	12.8*	-	-	-	-
Year-on-year change in GDP ³⁾	%	-	-	10.4*	-	-	8.7*	-	-	7.6*	-	-	-	-
Unemployment rate ⁴⁾⁹⁾	%	7.9	7.8	8.0	8.1	7.8	7.6	7.4	7.4	7.4	7.5	7.4	7.5	.
Consumer prices (HICP) ³⁾⁸⁾	%	2.4	2.3	2.5	3.2	3.4	3.6	3.7	4.0	4.3	4.4	4.4	4.5	4.2
Consumer prices (CPI) ³⁾	%	3.3	3.1	3.4	3.8	4.1	4.2	4.3	4.6	4.6	4.8	5.0	5.4	5.1
BALANCE OF TRADE ^{7) (p)}														
Exports (fob)	mill. EUR	38,944	43,559	47,160	3,735	7,718	11,608	15,767	19,830	24,134	28,208	31,877	36,222	.
Imports (fob)	mill. EUR	39,115	43,884	47,870	3,696	7,671	11,612	15,981	19,929	24,269	28,468	32,047	36,306	.
Balance	mill. EUR	-172	-325	-710	39	47	-4	-214	-98	-135	-260	-170	-85	.
BALANCE OF PAYMENTS														
Current account ⁷⁾	mill. EUR	-2,470.1	-2,936.5	-3,277.8	-36.4	102.8	-216.5	-736.5	-1,092.5	-2,091.7	-2,687.2	-2,651.8	.	.
Capital and financial account	mill. EUR	5,190.6	5,654.3	6,104.5	-138.8	363.1	673.7	1,060.1	1,179.1	2,725.4	3,603.7	3,861.0	.	.
Overall balance	mill. EUR	3,320.9	3,179.9	3,185.7	-7.2	-18.5	-128.8	-51.4	-117.4	-127.6	-82.7	-87.4	.	.
FOREIGN EXCHANGE RESERVES ⁴⁾														
Total foreign exchange reserves	mill. USD	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	22,388.0	22,214.0	19,429.8
NBS foreign exchange reserves	mill. USD	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	18,840.4	18,524.3	17,056.6
GROSS EXTERNAL DEBT ⁴⁾														
Total gross external debt	bill. USD	42.2	43.1	44.3	43.7	46.6	49.4	50.1	52.4	56.1	57.0	52.8	.	.
External debt per capita	USD	7,848	8,014	8,237	8,117	8,669	9,180	9,322	9,735	10,430.0	10,593.0	9,819.0	.	.
MONETARY INDICATORS														
Exchange rate ⁵⁾	SKK/USD	23.669	22.637	22.882	22.797	22.495	20.977	20.550	20.253	19.512	19.215	20.196	21.047	22.778
M3 monetary aggregate ⁴⁾⁸⁾	bill. EUR	34.5	34.6	35.9	35.9	36.3	36.0	36.2	36.8	36.3	36.7	37.0	36.7	.
Year-on-year change in M3 ³⁾	%	14.4	12.3	13.0	12.6	12.2	10.5	10.2	9.8	6.6	9.6	9.6	6.4	.
Claims of monetary financial institutions ⁸⁾	bill. EUR	33.6	34.2	34.7	34.6	34.8	34.7	35.1	35.2	35.9	36.5	37.0	37.4	.
STATE BUDGET ²⁾⁴⁾														
Revenue	bill. EUR	8.73	9.64	10.70	1.16	1.71	2.69	3.76	4.42	5.18	6.20	7.19	8.03	9.13
Expenditure	bill. EUR	8.50	9.46	11.48	0.73	1.66	2.58	3.51	4.53	5.32	6.22	7.02	7.89	8.86
Balance	bill. EUR	0.23	0.18	-0.78	0.43	0.05	0.11	0.26	-0.10	-0.14	-0.02	0.17	0.14	0.26
MONEY MARKET														
Interest rates set by the NBS Bank Board														
Date of validity ⁶⁾		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	29.10.2008
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	2.75
- 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	4.75
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	3.75
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	3.75
Average interbank deposit rate (BRIBOR)														
overnight	%	3.78	3.82	2.75	4.01	3.39	3.25	3.62	4.12	3.52	3.31	4.19	3.40	3.04
7-day	%	4.20	4.19	3.93	4.22	4.00	3.98	4.07	4.19	4.02	3.88	4.22	4.03	3.76
14-day	%	4.25	4.25	4.12	4.24	4.12	4.10	4.16	4.22	4.13	4.03	4.24	4.12	3.95
1-month	%	4.28	4.28	4.25	4.28	4.23	4.21	4.23	4.26	4.26	4.20	4.27	4.19	4.08
2-month	%	4.31	4.32	4.28	4.30	4.26	4.27	4.26	4.29	4.31	4.28	4.28	4.22	4.13
3-month	%	4.33	4.35	4.31	4.32	4.28	4.29	4.28	4.32	4.34	4.33	4.31	4.25	4.21
6-month	%	4.38	4.40	4.36	4.35	4.30	4.32	4.33	4.40	4.57	4.54	4.45	4.52	4.75
9-month	%	4.42	4.43	4.41	4.38	4.30	4.32	4.36	4.46	4.74	4.78	4.73	4.76	4.98
12-month	%	4.45	4.45	4.45	4.41	4.30	4.32	4.39	4.50	4.88	5.02	4.96	5.02	5.16

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

^(p) Preliminary data.

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

²⁾ Cumulative since the beginning of the year.

³⁾ Change compared with the same period a year earlier.

⁴⁾ End-of-period figures.

⁵⁾ Exchange rate (mid), average for the period.

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

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

⁸⁾ According to the methodology of the ECB.

⁹⁾ Registered unemployment.

Summary of assets and liabilities in the consolidated balance sheet of MFIs

	Share of the total (in %) ¹⁾	Volume (SKK billion)												
		2007				2008								
		9	10	11	12	1	2	3	4	5	6	7	8	9
Claims of MFIs on residents	51.1	742.8	762.3	776.4	793.3	808.0	815.1	825.0	835.7	836.9	857.3	873.7	885.1	892.3
General government	1.2	21.4	21.0	22.4	23.0	23.0	22.7	22.2	21.7	21.3	20.5	21.1	21.5	21.1
Private sector	49.9	721.5	741.2	754.0	770.3	785.0	792.4	802.8	814.0	815.6	836.8	852.6	863.5	871.2
Non-financial corporations	25.7	374.5	385.1	389.3	399.5	410.5	413.2	415.0	420.5	419.6	433.4	441.5	446.2	447.7
– up to 1 year	10.6	160.8	165.2	169.3	170.5	174.7	175.7	176.6	177.8	177.5	185.7	186.3	187.2	185.3
– 1 to 5 years	5.6	72.4	74.8	76.9	82.3	86.1	86.7	86.0	86.2	85.6	88.1	93.3	96.0	97.5
– over 5 years	9.4	141.3	145.1	143.1	146.7	149.6	150.8	152.4	156.5	156.5	159.6	161.9	163.0	164.8
Financial corporations	3.4	62.6	64.5	66.2	66.4	66.1	65.9	68.5	66.6	61.5	60.8	60.3	60.1	59.4
Insurance corporations and pension funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1
Households and non-profit institutions serving households	20.9	284.4	291.5	298.5	304.3	308.4	313.2	319.2	326.9	334.4	342.6	350.8	357.2	364.0
– consumer loans	2.8	40.0	40.5	41.1	41.6	41.8	42.3	43.1	44.3	45.4	46.3	47.8	48.7	49.6
– house purchase loans	14.0	190.0	194.9	199.6	204.1	207.4	210.9	214.7	219.9	224.9	230.5	235.8	240.4	245.0
– other loans	4.0	54.4	56.1	57.7	58.6	59.1	60.0	61.4	62.7	64.1	65.9	67.1	68.2	69.4
Securities other than shares and participation certificates issued by residents	12.8	238.7	243.5	245.0	245.4	222.2	223.9	209.1	211.9	213.2	214.1	215.5	219.0	223.7
General government	12.4	231.7	236.6	238.2	238.6	215.9	217.5	202.7	205.2	206.4	206.6	208.3	212.2	215.8
Private sector	0.4	7.0	6.9	6.8	6.7	6.3	6.4	6.4	6.7	6.8	7.5	7.2	6.8	7.8
Shares and other equities issued by private sector	0.6	7.1	7.1	8.0	8.2	10.8	10.9	11.0	11.0	11.3	11.2	11.5	11.5	11.3
Foreign assets	30.2	551.4	554.8	544.4	570.0	565.0	546.9	532.8	549.7	512.4	517.1	524.8	509.0	527.6
Fixed assets	1.9	32.1	32.0	32.2	33.1	33.1	33.0	33.0	32.9	32.7	32.4	32.5	32.4	32.4
Other assets	3.3	55.7	59.9	60.0	50.7	50.0	53.2	53.7	52.2	61.9	58.2	57.0	58.1	57.8
Deposits and loans received from the central government	2.8	74.8	82.4	90.6	61.0	54.3	42.2	21.6	37.8	26.4	34.4	35.4	44.9	49.0
Long-term financial liabilities	10.0	169.2	168.6	170.9	182.6	196.1	188.7	181.5	172.0	146.6	148.5	153.2	162.4	174.9
Deposits and loans received with an agreed maturity of over 2 years	4.4	70.2	70.2	71.1	73.7	73.9	74.2	73.4	72.8	73.0	71.6	72.0	71.8	76.0
Deposits repayable at a period of notice of over 3 months	1.3	23.4	23.3	23.3	23.5	23.6	23.4	23.2	23.1	23.0	23.0	22.9	22.8	22.6
Debt securities issued with a maturity of over 2 years	3.2	39.0	41.5	43.0	44.7	43.5	45.1	46.1	47.4	47.8	50.0	50.1	54.0	55.4
Capital, reserves, and provisions	1.2	36.6	33.7	33.6	40.7	55.1	46.1	38.8	28.7	2.8	3.8	8.2	13.9	20.9
Foreign liabilities	19.0	267.0	284.1	279.2	307.8	280.1	283.8	290.5	312.3	295.8	329.6	346.4	321.5	331.1
Other liabilities	4.8	77.4	84.9	84.3	67.0	76.4	75.0	86.3	83.1	92.1	83.1	74.4	72.8	84.2
Surplus of liabilities among MFIs	0.0	-0.1	0.0	-0.1	-0.4	0.0	0.1	0.0	-2.6	-0.4	0.0	0.6	0.0	0.0
M3	63.4	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	1,104.9	1,113.5	1,105.9
Total	100.0	1,627.7	1,659.6	1,665.9	1,700.8	1,689.2	1,682.9	1,664.5	1,693.4	1,668.5	1,690.3	1,714.9	1,715.1	1,745.0

¹⁾ In the current month.



Average interest rates on new loans

(ECB methodology)

(%)

	2007				2008								
	9	10	11	12	1	2	3	4	5	6	7	8	9
Loans in total¹⁾	7.45	7.22	7.36	7.10	7.43	7.47	7.36	7.19	7.22	7.18	7.58	7.63	7.47
Current account overdrafts	7.71	7.47	7.52	7.39	7.61	7.41	7.29	7.25	7.29	7.59	7.50	7.50	7.41
operating loans	4.82	4.76	4.91	5.09	4.74	4.91	4.83	4.49	4.87	4.41	5.20	5.12	4.51
Investment loans	5.67	5.65	5.52	5.47	5.61	5.54	5.65	5.39	5.55	5.77	5.73	5.57	5.80
Consumer loans	13.55	13.66	13.30	13.12	12.92	12.85	12.84	12.90	12.40	12.48	12.45	13.21	13.33
House purchase loans	6.10	6.09	6.07	6.07	6.09	6.15	6.07	6.07	6.15	6.22	6.39	6.42	6.32
of which:													
Mortgage loans	5.78	5.75	5.76	5.73	5.81	5.80	5.76	5.81	5.79	5.85	6.02	6.15	6.16
Construction loans	4.88	5.03	4.88	4.91	4.88	4.83	4.82	4.87	4.85	4.89	4.78	4.86	4.76
Intermediate loans	6.74	6.76	6.73	6.70	6.68	6.74	6.79	6.82	6.79	6.78	6.71	6.75	6.71
Other real estate loans	6.22	6.11	6.15	6.24	6.22	6.29	6.18	6.19	6.32	6.37	6.52	6.52	6.34
Other loans	6.17	6.36	6.43	5.74	6.57	6.03	6.71	6.30	6.53	6.37	6.46	6.02	6.43
Floating rate + IRF for up to 1 year incl.	7.47	7.20	7.32	7.06	7.40	7.44	7.32	7.12	7.20	7.16	7.56	7.56	7.38
IRF for over 1 year and up to 5 years incl.	7.02	7.35	7.61	7.74	7.80	7.64	8.53	7.90	6.96	7.08	7.58	8.02	7.80
IRF for over 5 years and up to 10 years incl.	7.72	8.26	8.90	8.69	12.22	12.28	11.32	12.47	11.64	10.97	11.03	12.81	12.22
IRF for over 10 years	7.04	6.18	6.43	6.97	8.29	8.42	7.10	7.42	7.49	7.98	8.00	8.21	8.04
Households													
Loans in total	12.21	12.04	12.15	12.38	12.62	12.50	12.27	11.82	11.97	11.90	11.93	12.64	12.45
Current account overdrafts	13.84	13.87	13.80	13.54	13.85	13.76	13.73	13.68	13.70	13.65	13.64	13.93	13.95
Operating loans	7.44	7.33	6.20	6.11	6.05	6.10	6.30	6.36	6.33	6.96	6.55	6.99	6.47
Investment loans	6.44	6.36	6.57	6.27	6.12	7.00	6.30	6.83	6.87	6.95	6.57	6.77	6.76
Consumer loans	13.59	13.66	13.30	13.23	12.92	12.85	12.85	12.92	12.41	12.53	12.45	13.21	13.34
House purchase loans	6.10	6.14	6.12	6.06	6.12	6.12	6.06	6.05	6.12	6.20	6.32	6.52	6.38
of which:													
Mortgage loans	5.78	5.74	5.76	5.72	5.81	5.80	5.75	5.80	5.79	5.85	6.02	6.15	6.17
Construction loans	4.88	5.04	4.88	4.91	4.88	4.83	4.82	4.87	4.85	4.89	4.78	4.86	4.76
Intermediate loans	6.77	6.78	6.75	6.72	6.73	6.80	6.81	6.84	6.86	6.86	6.77	6.80	6.74
Other real estate loans	6.25	6.30	6.37	6.38	6.34	6.37	6.24	6.18	6.31	6.40	6.45	6.75	6.46
Other loans	6.97	6.67	7.18	7.00	7.27	7.02	6.84	6.90	6.75	6.65	6.73	6.84	7.04
Credit cards	16.61	16.39	16.07	17.78	17.87	17.94	17.81	17.70	17.68	17.71	17.54	17.65	17.47
Floating rate + IRF for up to 1 year incl.	12.83	12.62	12.61	12.76	12.98	12.84	12.57	12.30	12.64	12.55	12.59	13.16	13.16
IRF for over 1 year and up to 5 years incl.	8.45	8.70	8.93	8.81	8.25	8.46	8.61	8.00	7.38	7.45	7.72	8.24	7.83
IRF for over 5 years and up to 10 years incl.	9.11	8.75	9.83	10.50	12.32	12.73	12.56	12.68	12.04	11.52	11.32	13.03	12.69
IRF for over 10 years	7.23	7.16	7.34	7.34	8.81	8.90	7.27	8.25	7.89	8.97	8.93	8.99	8.82
Non-financial corporations													
Loans in total	5.88	5.74	5.71	5.62	5.88	5.79	5.70	5.69	5.75	5.95	5.95	5.96	5.80
Current account overdrafts	6.00	5.76	5.81	5.65	5.94	5.82	5.69	5.72	5.77	6.06	5.98	6.00	5.82
Operating loans	4.96	5.41	4.90	5.31	5.23	5.12	5.13	5.01	5.23	4.97	5.27	5.43	5.22
Investment loans	5.67	5.61	5.70	5.65	5.60	5.53	5.71	5.29	5.54	5.75	5.75	5.53	5.70
House purchase loans	6.36	6.16	5.94	6.13	5.90	6.23	6.11	6.21	6.34	6.29	6.62	6.19	6.24
Other loans	6.17	6.32	6.42	5.51	6.16	5.84	6.38	6.07	6.55	6.16	6.10	5.89	5.84
Credit cards	17.49	16.62	17.25	18.53	17.65	17.96	17.98	17.66	18.21	18.61	18.41	18.32	18.18
Loans up 1 million EUR	5.92	6.12	6.16	6.07	5.99	5.98	6.07	5.30	5.99	6.06	5.96	6.19	6.06
Loans over 1 million EUR	5.28	5.48	5.20	5.39	5.30	5.45	5.46	5.58	5.36	5.47	5.67	5.43	5.49
Floating rate + IRF for up to 1 year incl.	5.89	5.75	5.71	5.62	5.88	5.79	5.70	5.68	5.75	5.95	5.95	5.96	5.80
IRF for over 1 year and up to 5 years incl.	5.74	5.45	5.66	5.86	6.61	5.82	6.30	6.38	6.56	5.82	6.47	6.43	6.94
IRF for over 5 years and up to 10 years incl.	6.01	6.31	6.28	5.16	8.40	5.82	4.84	5.93	5.86	5.33	5.16	6.53	7.18
IRF for over 10 years	6.26	5.65	5.94	6.10	6.65	6.37	6.52	6.02	6.27	6.61	6.31	6.62	6.21

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



Average interest rates on new deposits

(ECB methodology)

(%)

	2007				2008								
	9	10	11	12	1	2	3	4	5	6	7	8	9
Deposits in total¹⁾	2.05	2.09	2.01	1.77	2.03	1.86	1.86	1.93	1.90	2.04	2.15	2.03	1.92
Deposits payable on demand	0.71	0.67	0.71	0.70	0.79	0.69	0.69	0.67	0.73	0.99	0.94	0.69	0.67
of which: demand deposits	0.62	0.60	0.58	0.61	0.65	0.59	0.59	0.60	0.63	0.74	0.75	0.61	0.57
overnight deposits	1.98	1.92	1.93	1.89	2.48	2.01	1.78	1.90	1.97	3.54	3.58	2.42	1.75
Deposits with agreed maturity ²⁾	3.95	3.91	3.93	3.74	3.91	3.76	3.68	3.76	3.82	3.86	3.85	3.88	3.81
– up to 1 year in total	3.95	3.91	3.94	3.74	3.91	3.76	3.68	3.77	3.82	3.87	3.86	3.88	3.82
– up to 7 days	3.44	2.95	3.07	2.27	3.49	3.09	2.61	2.83	3.14	3.39	3.26	3.28	2.75
– up to 1 month	4.09	4.07	4.07	3.97	4.05	3.99	3.94	4.01	4.03	4.04	4.04	4.03	4.02
– up to 3 months	3.29	3.44	3.30	3.38	3.51	3.31	3.30	3.43	3.25	3.39	3.22	3.38	3.28
– up to 6 months	3.40	3.37	3.23	3.31	3.56	3.04	3.53	3.23	3.14	3.30	3.22	3.76	3.64
– up to 1 year	2.95	3.35	2.93	3.64	3.63	3.78	3.91	3.91	3.56	3.76	4.33	4.22	4.17
– over 1 year in total	2.97	3.25	2.87	2.95	3.58	3.08	2.67	2.10	1.41	2.57	3.06	3.27	2.92
– up to 2 years	3.17	3.55	3.65	3.57	3.88	3.68	2.70	3.70	3.79	3.81	4.07	4.45	4.31
– over 2 years	2.76	3.20	2.58	2.50	2.62	0.46	3.90	2.01	1.05	2.05	2.02	0.60	1.04
Deposits payable at notice	1.78	1.79	1.83	1.87	1.92	1.93	1.94	1.93	1.94	1.95	1.97	2.21	2.41
– up to 3 months	1.35	1.36	1.44	1.44	1.47	1.44	1.45	1.45	1.46	1.46	1.46	2.01	2.12
– over 3 months	1.96	1.97	2.00	2.05	2.11	2.12	2.13	2.12	2.13	2.14	2.16	2.29	2.52
Households													
Deposits in total	1.00	1.03	1.01	0.99	1.10	1.06	1.18	1.16	1.12	1.14	1.18	1.22	1.24
Deposits payable on demand	0.47	0.47	0.44	0.47	0.46	0.46	0.47	0.49	0.50	0.53	0.53	0.51	0.51
of which: demand deposits	0.46	0.46	0.43	0.46	0.44	0.44	0.46	0.48	0.49	0.49	0.50	0.50	0.50
overnight deposits	1.80	1.72	1.76	1.76	2.34	1.77	1.78	1.59	1.74	2.98	2.89	2.33	1.91
Deposits with agreed maturity	3.44	3.36	3.38	3.26	3.49	3.43	3.41	3.44	3.44	3.49	3.45	3.64	3.57
– up to 1 year in total	3.45	3.36	3.39	3.28	3.48	3.44	3.41	3.47	3.48	3.50	3.50	3.66	3.61
– up to 7 days	3.33	2.97	3.12	2.32	3.30	2.80	2.73	2.85	2.99	3.20	3.03	3.08	2.80
– up to 1 month	3.52	3.45	3.43	3.33	3.48	3.44	3.31	3.48	3.54	3.49	3.53	3.60	3.53
– up to 3 months	3.08	3.17	3.11	3.11	3.16	3.14	3.08	3.13	3.05	3.13	3.05	3.22	3.15
– up to 6 months	3.15	3.03	3.10	3.13	3.16	3.12	3.29	3.11	3.01	3.13	3.16	3.27	3.53
– up to 1 year	3.28	3.35	3.27	3.25	3.75	3.80	3.96	3.80	3.69	3.73	3.81	4.23	4.29
– long-term over 1 year	3.11	3.25	2.90	2.93	3.57	2.95	3.51	2.08	1.39	2.59	2.42	3.27	2.97
– up to 2 years	3.50	3.55	3.65	3.57	3.89	3.56	3.73	3.70	3.82	4.03	4.08	4.45	4.44
– over 2 years	2.70	2.52	2.75	2.20	2.22	2.23	2.28	0.54	1.16	2.04	2.02	0.72	1.21
Deposits payable at notice	1.78	1.79	1.83	1.87	1.92	1.93	1.94	1.93	1.94	1.95	1.97	2.22	2.41
– up to 3 months	1.33	1.33	1.42	1.42	1.44	1.44	1.45	1.45	1.45	1.45	1.45	2.02	2.13
– over 3 months	1.96	1.97	2.00	2.05	2.11	2.12	2.14	2.12	2.13	2.14	2.16	2.29	2.53
Non-financial corporations													
Deposits in total	2.28	2.36	2.19	1.83	2.37	2.12	2.13	2.36	2.33	2.59	2.60	2.41	2.19
Deposits payable on demand	0.88	0.76	0.89	0.78	1.07	0.84	0.83	0.77	0.92	1.46	1.33	0.89	0.80
of which: demand deposits	0.70	0.63	0.65	0.66	0.81	0.65	0.64	0.63	0.73	1.02	1.00	0.74	0.60
overnight deposits	1.96	1.88	1.93	1.91	2.58	2.00	1.83	1.88	1.94	3.72	3.64	2.35	1.96
Deposits with agreed maturity	3.92	3.87	3.92	3.60	3.91	3.69	3.64	3.78	3.84	3.87	3.85	3.86	3.76
– up to 1 year in total	3.93	3.87	3.91	3.60	3.91	3.69	3.64	3.78	3.84	3.86	3.85	3.86	3.76
– up to 7 days	3.19	2.89	3.03	2.26	3.49	2.63	2.61	2.85	3.11	3.38	2.97	3.00	2.72
– up to 1 month	4.09	4.07	4.06	3.88	4.06	3.99	3.96	4.05	4.06	4.07	4.08	4.05	4.06
– up to 3 months	3.68	3.73	3.67	3.67	3.82	3.66	3.65	3.73	3.48	3.77	3.54	3.68	3.57
– up to 6 months	3.78	3.44	3.74	3.85	3.90	3.55	4.10	3.80	3.93	3.88	3.61	4.26	3.98
– up to 1 year	3.42	3.63	3.38	4.34	3.82	3.58	4.10	4.39	3.53	4.07	3.79	3.90	4.20
– long-term over 1 year	3.16	3.10	2.79	3.14	2.76	1.93	1.58	4.32	3.01	2.41	3.07	3.38	1.96
– up to 2 years	3.50	3.60	3.09	3.79	3.60	3.00	1.70	3.02	3.42	1.74	3.97	4.04	3.92
– over 2 years	2.77	2.00	4.57	2.30	2.00	1.78	1.35	4.35	1.99	4.59	4.24	1.37	1.90
Deposits payable at notice	2.19	2.02	2.22	2.29	2.46	1.28	1.26	1.27	1.27	1.43	1.43	1.33	1.30
– up to 3 months	2.36	2.49	2.33	2.41	2.56	1.31	1.28	1.30	1.29	1.48	1.47	1.35	1.32
– over 3 months	0.76	0.30	1.29	1.29	1.10	1.10	1.12	1.10	1.10	1.11	1.19	1.20	1.19

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

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

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



Average interest rates on outstanding loans

(%)

	2007				2008								
	9	10	11	12	1	2	3	4	5	6	7	8	9
Loans in total¹⁾	6.82	6.77	6.76	6.71	6.75	6.71	6.68	6.69	6.68	6.76	6.76	6.78	6.78
Current account overdrafts	7.73	7.49	7.56	7.41	7.61	7.39	7.27	7.26	7.29	7.59	7.50	7.50	7.41
Consumer loans	13.54	13.51	13.44	13.42	13.35	13.31	13.26	13.27	13.17	13.12	13.25	13.25	13.25
Operating loans	4.83	4.88	4.87	4.90	4.99	4.96	4.92	4.94	4.98	5.10	5.14	5.17	5.14
Investment loans	5.47	5.49	5.49	5.49	5.54	5.52	5.52	5.51	5.51	5.59	5.63	5.65	5.64
House purchase loans	6.55	6.51	6.48	6.43	6.42	6.39	6.35	6.34	6.31	6.31	6.31	6.32	6.31
Other loans	6.08	6.08	6.06	6.02	6.02	6.03	6.09	6.12	6.08	6.19	6.18	6.21	6.25
Credit cards	16.63	16.39	16.09	17.39	17.85	17.92	17.77	17.69	17.69	17.72	17.55	17.66	17.49
Short-term loans	6.78	6.69	6.69	6.61	6.77	6.70	6.64	6.68	6.71	6.95	6.92	6.96	6.93
Long-term loans over 1 year and up to 5 years	8.05	7.97	7.93	7.88	7.81	7.80	7.80	7.81	7.77	7.78	7.73	7.72	7.70
Long-term loans over 5 years	6.43	6.40	6.40	6.38	6.39	6.37	6.36	6.36	6.34	6.36	6.41	6.43	6.45
Households													
Loans in total	8.26	8.20	8.16	8.10	8.08	8.04	8.00	7.97	7.93	7.90	7.91	7.92	7.93
Current account overdrafts	13.95	13.97	13.94	13.63	13.85	13.76	13.73	13.68	13.70	13.64	13.64	13.93	13.95
Consumer loans	13.55	13.52	13.46	13.43	13.36	13.32	13.27	13.28	13.18	13.13	13.26	13.25	13.26
House purchase loans	6.62	6.58	6.54	6.50	6.48	6.45	6.42	6.40	6.37	6.36	6.35	6.36	6.36
Other loans	7.14	7.08	7.06	7.04	7.04	7.05	7.02	7.00	6.94	6.91	6.88	6.88	6.90
Credit cards	16.61	16.38	16.06	17.38	17.86	17.92	17.78	17.70	17.68	17.71	17.54	17.65	17.47
Short-term loans	13.86	13.73	13.66	13.69	13.92	13.96	13.85	13.81	13.81	13.77	13.74	13.99	13.96
Long-term loans over 1 year and up to 5 years	11.31	11.29	11.23	11.23	11.14	11.10	11.08	11.12	11.04	11.02	10.99	10.99	11.00
Long-term loans over 5 years	6.95	6.91	6.89	6.85	6.85	6.83	6.81	6.81	6.79	6.78	6.83	6.84	6.87
Non-financial institutions													
Loans in total	5.72	5.69	5.68	5.64	5.74	5.70	5.66	5.69	5.68	5.83	5.82	5.86	5.81
Current account overdrafts	6.00	5.76	5.82	5.65	5.93	5.79	5.67	5.73	5.77	6.06	5.98	6.00	5.82
Operating loans	4.82	4.89	4.89	4.92	5.04	5.02	5.00	5.00	5.02	5.12	5.15	5.21	5.15
Investment loans	5.51	5.54	5.53	5.54	5.60	5.58	5.58	5.56	5.55	5.63	5.68	5.69	5.68
House purchase loans	6.21	6.20	6.17	6.14	6.17	6.14	6.08	6.10	6.06	6.15	6.16	6.22	6.15
Other loans	6.01	6.07	6.04	5.95	5.91	5.92	5.91	6.00	5.91	6.11	6.06	6.10	6.19
Credit cards	17.62	16.66	17.47	17.99	17.83	18.10	18.04	17.66	18.21	18.52	18.40	18.32	18.18
Short-term loans	5.67	5.59	5.59	5.48	5.68	5.60	5.54	5.60	5.60	5.84	5.80	5.87	5.76
Long-term loans over 1 year and up to 5 years	6.07	6.03	6.02	5.99	6.00	6.00	5.99	6.01	6.01	6.07	6.08	6.08	6.10
Long-term loans over 5 years	5.58	5.61	5.61	5.63	5.67	5.65	5.63	5.62	5.59	5.68	5.71	5.73	5.71

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

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



Average interest rates on outstanding deposits

(%)

	2007				2008								
	9	10	11	12	1	2	3	4	5	6	7	8	9
Deposits in total¹⁾	2.18	2.21	2.14	1.99	2.15	2.08	2.02	2.10	2.08	2.18	2.25	2.24	2.19
Deposits payable on demand	0.70	0.66	0.71	0.70	0.78	0.69	0.69	0.67	0.73	0.99	0.94	0.70	0.67
of which: demand deposits	0.62	0.60	0.58	0.61	0.65	0.59	0.59	0.60	0.63	0.74	0.75	0.62	0.57
overnight deposits	1.86	1.88	1.90	1.86	2.37	2.01	1.78	1.88	1.97	3.55	3.58	2.42	1.75
Deposits with agreed maturity ²⁾	3.30	3.31	3.27	3.15	3.27	3.22	3.19	3.26	3.25	3.30	3.35	3.40	3.39
– up to 1 year in total	3.43	3.43	3.39	3.27	3.40	3.35	3.33	3.40	3.38	3.42	3.48	3.53	3.53
– up to 7 days	3.09	2.61	2.63	2.17	3.23	3.16	2.60	2.84	2.88	3.45	3.56	3.20	2.68
– up to 1 month	3.70	3.73	3.70	3.59	3.66	3.60	3.58	3.66	3.65	3.65	3.69	3.77	3.77
– up to 3 months	2.34	2.41	2.39	2.45	2.51	2.45	2.48	2.53	2.54	2.54	2.51	2.62	2.62
– up to 6 months	2.96	2.97	2.98	2.88	2.92	2.91	2.95	2.95	2.95	2.95	2.89	3.02	3.10
– up to 1 year	3.52	3.38	3.33	3.31	3.30	3.36	3.51	3.56	3.48	3.49	3.59	3.68	3.78
– over 1 year in total	2.57	2.58	2.58	2.58	2.60	2.59	2.56	2.56	2.66	2.67	2.67	2.69	2.71
– up to 2 years	3.32	3.35	3.44	3.42	3.49	3.49	3.42	3.44	3.48	3.52	3.55	3.71	3.83
– over 2 years	2.54	2.54	2.54	2.53	2.54	2.52	2.49	2.48	2.58	2.60	2.62	2.58	2.55
Deposits payable at notice	1.78	1.79	1.83	1.87	1.92	1.93	1.94	1.93	1.94	1.95	1.97	2.21	2.41
– up to 3 months	1.35	1.36	1.44	1.44	1.47	1.44	1.45	1.45	1.46	1.46	1.46	2.01	2.12
– over 3 months	1.96	1.97	2.00	2.05	2.11	2.12	2.13	2.12	2.13	2.14	2.16	2.29	2.52
Households													
Deposits in total	1.72	1.72	1.72	1.71	1.75	1.76	1.79	1.81	1.81	1.83	1.85	1.93	1.99
Deposits payable on demand	0.47	0.47	0.44	0.47	0.46	0.46	0.47	0.49	0.50	0.53	0.53	0.51	0.51
of which: demand deposits	0.46	0.46	0.43	0.46	0.44	0.44	0.46	0.48	0.49	0.49	0.50	0.50	0.50
overnight deposits	1.81	1.78	1.78	1.86	2.37	1.77	1.78	1.39	1.74	2.98	2.89	2.33	1.91
Deposits with agreed maturity	2.73	2.71	2.71	2.69	2.74	2.75	2.79	2.83	2.84	2.88	2.89	3.01	3.05
– up to 1 year in total	2.78	2.75	2.76	2.73	2.79	2.82	2.88	2.93	2.91	2.95	2.97	3.13	3.20
– up to 7 days	2.87	2.57	2.73	2.23	2.91	2.57	2.62	2.64	2.75	3.01	2.91	2.89	2.81
– up to 1 month	2.45	2.49	2.50	2.51	2.54	2.56	2.56	2.63	2.67	2.68	2.71	2.99	2.97
– up to 3 months	2.22	2.24	2.24	2.26	2.27	2.29	2.31	2.35	2.36	2.35	2.36	2.46	2.52
– up to 6 months	2.69	2.68	2.70	2.71	2.73	2.75	2.77	2.77	2.78	2.78	2.80	2.87	2.96
– up to 1 year	3.66	3.49	3.43	3.37	3.35	3.40	3.55	3.61	3.51	3.55	3.58	3.70	3.80
– long-term over 1 year	2.58	2.59	2.58	2.58	2.60	2.58	2.57	2.57	2.66	2.68	2.68	2.68	2.69
– up to 2 years	3.41	3.43	3.48	3.50	3.56	3.57	3.58	3.59	3.63	3.65	3.68	3.82	3.94
– over 2 years	2.55	2.55	2.54	2.53	2.54	2.51	2.49	2.48	2.58	2.59	2.58	2.56	2.53
Deposits payable at notice	1.78	1.79	1.83	1.87	1.92	1.93	1.94	1.93	1.94	1.95	1.97	2.22	2.41
– up to 3 months	1.33	1.33	1.42	1.42	1.44	1.44	1.45	1.45	1.45	1.45	1.45	2.02	2.13
– over 3 months	1.96	1.97	2.00	2.05	2.11	2.12	2.14	2.12	2.13	2.14	2.16	2.29	2.53
Non-financial corporations													
Deposits in total	2.23	2.28	2.11	1.86	2.29	2.15	2.09	2.28	2.25	2.50	2.54	2.37	2.15
Deposits payable on demand	0.87	0.76	0.88	0.78	1.05	0.84	0.83	0.78	0.92	1.46	1.34	0.90	0.80
of which: demand deposits	0.70	0.63	0.65	0.66	0.81	0.65	0.64	0.63	0.73	1.02	1.01	0.75	0.61
overnight deposits	1.85	1.88	1.91	1.85	2.43	2.00	1.83	1.88	1.94	3.72	3.64	2.35	1.96
Deposits with agreed maturity	3.75	3.71	3.70	3.54	3.87	3.76	3.76	3.83	3.84	3.94	3.95	3.84	3.80
– up to 1 year in total	3.76	3.72	3.71	3.54	3.87	3.77	3.77	3.83	3.85	3.95	3.96	3.85	3.81
– up to 7 days	2.76	2.59	2.61	2.17	3.38	2.51	2.70	2.84	2.61	3.69	3.58	2.72	2.72
– up to 1 month	3.96	3.93	3.90	3.79	3.94	3.92	3.91	3.98	4.00	4.00	4.01	4.00	3.99
– up to 3 months	3.31	3.42	3.36	3.40	3.65	3.42	3.52	3.55	3.53	3.64	3.52	3.63	3.48
– up to 6 months	3.76	3.73	3.79	3.07	3.84	3.84	3.92	3.88	3.91	3.96	3.94	4.10	4.08
– up to 1 year	3.66	3.66	3.65	4.03	4.04	4.03	4.08	4.14	4.14	4.00	4.03	4.01	4.03
– long-term over 1 year	2.32	2.31	2.33	2.38	2.30	2.27	2.23	2.26	2.24	2.23	2.23	2.20	2.23
– up to 2 years	3.24	3.17	3.15	3.10	3.11	3.11	3.09	3.25	3.32	3.29	3.23	3.44	3.57
– over 2 years	2.17	2.15	3.12	3.10	3.04	2.98	2.93	2.85	2.75	3.21	3.12	2.69	2.60
Deposits payable at notice	2.19	2.02	2.22	2.29	2.46	1.28	1.26	1.27	1.27	1.43	1.43	1.33	1.30
– up to 3 months	2.36	2.49	2.33	2.41	2.56	1.31	1.28	1.30	1.29	1.48	1.47	1.35	1.32
– over 3 months	0.76	0.30	1.29	1.29	1.10	1.10	1.13	1.10	1.10	1.11	1.19	1.20	1.19

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

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

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



Shortened balance sheet of commercial banks as at 30 September 2008

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

(SKK thousand)

ASSETS	Depreciation and provisions	Slovak koruna		Foreign currency		Total
		Residents	Non-residents	Residents	Non-residents	
Total assets	64,849,862	1,494,311,550	58,390,168	188,370,175	86,548,908	1,762,770,939
Cash items	0	14,629,451	0	11,851	4,255,809	18,897,111
Cash in hand	0	13,160,423	0	0	3,995,636	17,156,059
of which: EUR	0	0	0	0	2,245,195	2,245,195
Gold	0	0	0	0	0	0
Amounts in transit	0	1,469,028	0	11,851	260,173	1,741,052
Loans and other receivables	24,663,618	1,060,398,348	32,558,682	174,442,111	65,939,911	1,308,675,434
Deposits and loans to NBS, foreign central banks and post office banks	767	306,806,408	0	0	5,805	306,811,446
of which: Valued on an individual basis with no identifiable depreciation (category I)	767	235,110,205	0	0	5,805	235,115,243
Valued on a portfolio basis (category II)	0	71,696,203	0	0	0	71,696,203
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	1,651,050	0	0	5,513	1,656,563
Term deposits	0	25,540,598	0	0	0	25,540,598
Loans provided	767	269,937,907	0	0	0	269,937,140
Money reserve accounts	0	9,676,853	0	0	0	9,676,853
of which: Minimum reserve requirements	0	9,439,956	0	0	0	9,439,956
Postal cheque accounts	0	0	0	0	292	292
Deposits and loans to banks	80,973	25,512,611	22,277,554	3,580,567	33,612,261	84,902,020
of which: Valued on an individual basis with no identifiable depreciation (category I)	2,257	20,637,655	12,371,344	3,569,585	26,911,134	63,487,461
Valued on a portfolio basis (category II)	6,549	4,747,265	9,906,210	10,982	6,133,122	20,791,030
Valued on an individual basis with identifiable depreciation (category III)	72,167	127,691	0	0	568,005	623,529
of which: Failed	56,285	40,810	0	0	159,499	144,024
of which: Deposits with and loans to own financial group	196	535,221	8,285,258	11,192	14,190,697	23,022,172
of which: Current accounts in banks	69	580,996	27,416	89,656	6,073,133	6,771,132
Current accounts of other banks	37	25	1,306,194	589	658,131	1,964,902
Term deposits	9,617	21,365,849	14,013,319	3,458,575	20,171,743	58,999,869
Loans provided	71,250	3,486,290	3,630,265	0	6,648,143	13,693,448
Other receivables from banks	0	79,451	3,300,360	31,747	61,111	3,472,669
Receivables from customers	24,556,214	713,915,425	10,281,115	163,924,527	31,574,231	895,139,084
of which: Valued on an individual basis with no identifiable depreciation (category I)	267,376	119,585,640	7,353,460	55,235,267	12,683,963	194,590,954
Valued on a portfolio basis (category II)	13,596,193	574,188,923	2,717,099	104,857,437	18,400,745	686,568,011
Valued on an individual basis with identifiable depreciation (category III)	10,692,645	20,140,862	210,556	3,831,823	489,523	13,980,119
of which: Failed	18,168,220	25,146,439	169,463	1,562,574	560,765	9,271,021
of which: MMIF loans	0	130,010	0	0	0	130,010
Loans to general government and international organizations (S.13)	25,664	14,163,904	13	6,937,017	154,589	21,229,859
of which: Valued on an individual basis with no identifiable depreciation (category I)	9,106	10,300,196	13	6,877,908	0	17,169,011
Valued on a portfolio basis (category II)	7,343	3,841,823	0	59,109	154,589	4,048,178
Valued on an individual basis with identifiable depreciation (category III)	9,215	21,885	0	0	0	12,670
of which: Failed	12,284	19,575	0	1	0	7,292
of which: Deposits to central government (S.1311)	0	0	0	0	0	0
Loans to central government (S.1311)	7,634	2,188,354	13	1	154,589	2,335,323
of which: SR Treasury	0	0	0	0	0	0
Other funds	0	0	0	0	0	0
Loans to local governments (S.1313)	18,030	11,975,550	0	6,937,016	0	18,894,536
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	593,025	593,025
Financial instruments available for sale	310,239	37,999,636	3,532,983	3,705,785	8,844,393	53,772,558
Financial instruments at fair value through profit/loss: held for trading (excluding derivatives)	0	120,363,334	951,131	1,697,909	1,556,883	124,569,257
Financial instruments at fair value towards profit/loss: others (from the point of settlement)	0	7,966,879	681,485	5,065,839	947,097	14,661,300
Positive fair value of derivative transactions for trading	0	8,434,104	14,210,104	0	0	22,644,208
Financial instruments held to maturity	21,969	163,920,423	5,053,039	3,196,548	4,412,907	176,560,948
Positive fair value of derivate hedge transactions	0	48,301	404,195	0	0	452,496
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	10,169,502	883,901	0	0	10,102,853
Funds to branches abroad	0	0	0	0	500,228	500,228
Tangible assets	24,875,636	45,748,771	0	0	0	20,873,135
Intangible assets	13,055,427	18,881,711	0	0	0	5,826,284
Other assets	744,016	4,396,732	114,648	250,132	91,680	4,109,176
Tax receivables	0	812,215	0	0	0	812,215
Depreciation	37,723,899	37,723,899	0	0	0	0
Non-current assets held for sale (IFRS 5)	228,407	542,143	0	0	0	313,736



Shortened balance sheet of commercial banks as at 30 September 2008

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

(SKK thousand)

LIABILITIES	Slovak koruna		Foreign currency		Total
	Residents	Non-residents	Residents	Non-residents	
Total liabilities	1,170,267,630	189,579,592	144,296,607	258,627,110	1,762,770,939
PAYABLES	1,097,150,385	122,968,130	144,531,358	257,762,917	1,622,412,790
Deposits and loans from NBS and foreign central banks	2,921,755	0	416	0	2,922,171
of which: Current accounts	20,321	0	0	0	20,321
Term deposits	0	0	0	0	0
Loans received	2,901,434	0	416	0	2,901,850
Postal cheque accounts	0	0	0	0	0
Financial liabilities valued at amortized costs	1,054,872,683	92,309,824	140,069,368	204,325,043	1,491,576,918
Deposits, loans and other liabilities received from banks	22,555,472	74,536,072	1,449,807	164,206,056	262,747,407
of which: Deposits and loans received from own financial group	1,025,059	58,862,060	14	143,475,620	203,362,753
of which: Current accounts in banks	0	0	589	2,759,828	2,760,417
Current accounts of other banks	580,996	6,611,309	89,761	340,945	7,623,011
Term deposits	18,355,716	44,861,290	1,324,078	138,525,887	203,066,971
Subordinate debts	213,202	1,709,527	0	9,202,391	11,125,120
Loans received	3,258,315	19,524,092	0	8,968,124	31,750,531
Other liabilities received from banks	147,243	1,829,854	35,379	4,408,881	6,421,357
Deposits and loans received from customers	847,992,246	11,535,113	112,070,882	15,083,102	986,681,343
of which: MMIF deposits	25,599,449	0	176,184	0	25,775,633
of which: Current accounts and other financial undated liabilities	336,801,596	7,423,591	55,235,051	4,439,911	403,900,149
Term deposits	464,095,212	3,404,219	51,382,288	3,732,491	522,614,210
Deposits payable at notice	30,925,083	52,129	710,974	6,010	31,694,196
Certificates of deposit	55,363	0	0	0	55,363
Loans received and financial leasing	5,423,894	598,447	0	3,575,384	9,597,725
Subordinated liabilities	0	0	0	885,961	885,961
Other liabilities received from customers	10,691,098	56,727	4,742,569	2,443,345	17,933,739
Deposits of general government and international organizations	84,825,271	21,836	22,458,617	60,474	107,366,198
of which: Deposits of central government (S.1311)	55,702,093	21,836	22,440,218	60,449	78,224,596
of which: Treasury	2,725,699	0	22,316,051	0	25,041,750
Deposits of local governments (S.1313)	29,122,451	0	18,399	25	29,140,875
Deposits of social security funds (S.1314)	727	0	0	0	727
Securities issued by the accounting unit	99,499,694	6,216,803	4,090,062	24,975,411	134,781,970
Financial liabilities held for trading (excluding derivatives)	0	0	0	0	0
Financial liabilities in fair value through profit/loss (IAS 39)	9,050,087	16,544,219	2,687,216	53,373,821	81,655,343
of which: Current accounts	0	0	0	0	0
Term deposits	9,050,087	16,520,118	2,687,216	53,373,821	81,631,242
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	24,101	0	0	24,101
Negative fair value of derivative transactions for trading	9,441,484	13,455,542	0	0	22,897,026
Negative fair value of derivative hedge transactions	20,532	185,274	0	0	205,806
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	4,329,474	0	34,800	0	4,364,274
Other liabilities	13,814,853	473,271	1,739,558	64,053	16,091,735
Tax liabilities	2,519,517	0	0	0	2,519,517
EQUITY	73,117,245	66,611,462	-234,751	864,193	140,358,149
Share capital	4,632,137	45,832,945	0	0	50,465,082
of which: Subscribed share capital	4,641,116	45,832,945	0	0	50,474,061
Receivables from shareholders	0	0	0	0	0
Own shares	-8,979	0	0	0	-8,979
Funds to branches of foreign banks	0	6,183,028	0	925,531	7,108,559
Share premium	3,331,323	15,093,418	0	0	18,424,741
Reserve funds and other funds created from profits	16,358,444	119,500	0	0	16,477,944
Other funds	151,638	-571,006	0	259	-419,109
Valuation changes	-6,755,095	-46,423	-234,751	-61,597	-7,097,866
Profit/loss from previous years	38,990,284	0	0	0	38,990,284
of which: Retained earnings	39,601,535	0	0	0	39,601,535
Accumulated loss	-611,251	0	0	0	-611,251
Profit and loss account	16,409,803	0	0	0	16,409,803
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								
	9	10	11	12	1	2	3	4	5	6	7	8	9
NET INTEREST INCOME	28,759	32,218	35,787	39,775	3,707	7,256	11,069	14,791	18,688	22,662	26,717	30,719	34,441
Interest income on securities	11,135	12,508	13,811	15,083	1,401	2,619	3,890	5,123	6,392	7,569	8,749	9,912	11,042
Other interest income	48,151	53,986	59,782	66,201	6,000	11,774	17,831	23,862	30,260	36,751	43,463	50,463	57,352
Interest expenses on securities	3,058	3,442	3,793	4,258	420	846	1,325	1,786	2,263	2,710	3,187	3,682	4,183
Other interest expenses	27,470	30,835	34,013	37,250	3,274	6,291	9,327	12,408	15,700	18,948	22,309	25,974	29,771
NET NON-INTEREST INCOME	14,636	16,568	17,996	19,708	1,594	3,433	4,911	6,990	9,069	10,795	12,681	14,568	17,579
Fee and commission income	11,374	12,440	13,758	15,291	1,327	2,709	4,080	5,499	6,883	8,355	9,854	11,225	12,639
Fees and commission expenses	2,360	2,331	2,612	3,002	255	511	761	1,039	1,353	1,633	1,924	2,213	2,510
Dividends received	243	243	243	272	0	0	0	156	164	506	507	520	567
Income from transactions in securities	1,511	1,747	1,909	2,112	444	834	1,170	1,267	1,340	1,553	1,730	1,921	3,228
Expenses related to transactions in securities	1,879	1,915	2,162	2,568	414	812	1,094	1,299	1,565	2,114	2,155	2,071	2,131
Profit/loss on foreign exchange transactions	5,752	7,669	8,979	8,796	329	3,036	4,372	5,043	10,200	8,033	6,393	6,942	7,000
Profit/loss on fixed forward transactions and options	33	-1,229	-2,054	-1,146	130	-1,877	-2,882	-2,634	-6,569	-3,863	-1,678	-1,703	-1,170
Income from other transactions	187	195	218	294	22	57	67	93	112	117	150	164	201
Expenses related to other transactions	224	251	282	340	-11	4	41	97	143	160	195	217	246
NET OPERATING PROFIT/LOSS	-1,748	-1,999	-2,218	-3,070	-150	-223	-244	-331	-517	-689	-888	-1,063	-1,254
GENERAL OPERATING EXPENSES	24,282	27,057	30,010	33,500	2,712	5,832	8,609	11,686	14,712	17,581	20,696	23,646	26,758
NET CREATION OF RESERVES AND PROVISIONS	-1,180	-1,316	-1,432	-1,994	-198	-427	-1,068	-1,439	-1,643	-2,092	-2,364	-2,880	-3,387
INCOME TAX	2,432	2,781	3,052	3,591	389	796	1,275	1,707	2,151	2,658	3,114	3,504	4,209
CURRENT PERIOD PROFIT/LOSS	13,753	15,632	17,072	17,328	1,851	3,412	4,783	6,618	8,734	10,437	12,337	14,195	16,410



Balance of payments of the SR for January – August 2008

	Collection / Credit (+)		Payments / Debit (-)		Balance	
	SKK million	USD million	SKK million	USD million	SKK million	USD million
Goods	1,011,837.0	48,772.6	1,017,235.0	49,032.8	-5,398.0	-260.2
Services	121,666.1	5,864.6	125,656.7	6,056.9	-3,990.6	-192.4
Transport	41,395.6	1,995.4	33,473.6	1,613.5	7,922.1	381.9
Tourism	35,259.1	1,699.6	30,149.9	1,453.3	5,109.2	246.3
Other services	45,011.4	2,169.6	62,033.3	2,990.1	-17,021.9	-820.5
Income	46,989.9	2,265.0	101,380.5	4,886.7	-54,390.5	-2,621.7
Compensation of employees	28,000.0	1,349.7	2,503.0	120.6	25,497.0	1,229.0
Investment income	18,989.9	915.4	98,877.5	4,766.1	-79,887.5	-3,850.7
Current transfers	38,162.2	1,839.5	54,270.3	2,615.9	-16,108.1	-776.4
CURRENT ACCOUNT	1,218,655.2	58,741.7	1,298,542.4	62,592.4	-79,887.2	-3,850.7
Capital account	19,160.3	923.6	1,197.8	57.7	17,962.5	865.8
Financial account	5,093,050.1	245,492.3	-4,994,694.6	-240,754.5	98,355.4	4,737.8
Direct investment	1,246,386.8	60,078.4	-1,220,951.1	-58,852.4	25,435.7	1,226.1
<i>Abroad (direct investor = resident)</i>	24,911.6	1,200.8	-26,949.7	-1,299.0	-2,038.1	-98.2
Equity capital and reinvested earnings	1,000.6	48.2	-3,613.7	-174.2	-2,613.1	-126.0
Other capital	23,911.0	1,152.6	-23,336.0	-1,124.8	575.0	27.7
<i>In the SR (recipient of dir. investment = resident)</i>	1,221,475.3	58,877.6	-1,194,001.5	-57,553.3	27,473.8	1,324.3
Equity capital and reinvested earnings	28,815.3	1,389.0	-6,826.5	-329.1	21,988.8	1,059.9
Other capital	1,192,660.0	57,488.7	-1,187,175.0	-57,224.3	5,485.0	264.4
Portfolio investment	245,204.3	11,819.4	-198,105.2	-9,549.1	47,099.1	2,270.3
Assets	60,585.0	2,920.3	-55,761.2	-2,687.8	4,823.8	232.5
Liabilities	184,619.3	8,899.0	-142,344.0	-6,861.3	42,275.3	2,037.8
Financial derivatives	1,812,937.3	87,387.3	-1,814,628.5	-87,468.8	-1,691.2	-81.5
Assets	1,000,856.4	48,243.3	-1,003,141.8	-48,353.5	-2,285.4	-110.2
Liabilities	812,081.0	39,144.0	-811,486.8	-39,115.3	594.2	28.6
Other investment	1,788,521.6	86,207.2	-1,761,009.7	-84,884.3	27,511.9	1,323.0
<i>Long-term</i>	97,970.2	4,719.2	-94,396.2	-4,550.0	3,573.9	169.1
Assets	18,030.7	869.1	-26,744.8	-1,289.2	-8,714.1	-420.0
Liabilities	79,939.5	3,850.0	-67,651.4	-3,260.9	12,288.1	589.1
<i>Short-term</i>	1,690,551.4	81,488.1	-1,666,613.5	-80,334.2	23,938.0	1,153.9
Assets	1,042,538.8	50,252.5	-1,042,165.8	-50,234.5	373.0	18.0
Liabilities	648,012.6	31,235.5	-624,447.6	-30,099.7	23,565.0	1,135.9
CAPITAL AND FINANCIAL ACCOUNT	5,112,210.4	246,415.9	-4,995,892.5	-240,812.3	116,317.9	5,603.6
ERRORS AND OMISSIONS	-	-	-	-	-39,063.0	-1,892.7
TOTAL BALANCE	-111,379.7	-5,155.2	108,747.4	5,015.4	-2,632.3	-139.8
Monetary gold	0.0	0.0	0.0	0.0	0.0	0.0
Special drawing rights	0.0	0.0	0.0	0.0	0.0	0.0
Foreign exchange assets	111,379.7	5,155.2	-108,478.1	-5,002.4	2,901.6	152.8
<i>Deposits</i>	15,905.1	736.3	0.0	0.0	15,905.1	736.3
<i>Securities</i>	95,474.6	4,418.9	-108,478.1	-5,002.4	-13,003.5	-583.5
Bonds and notes	0.0	0.0	-108,478.1	-5,002.4	-108,478.1	-5,002.4
Money market instruments and financial derivatives	95,474.6	4,418.9	0.0	0.0	95,474.6	4,418.9
0.0	0.0	-269.3	-13.0	-269.3	-13.0	
RESERVE ASSETS	111,379.7	5,155.2	-108,747.4	-5,015.4	2,632.3	139.8

Note: Preliminary data.

Applied rate of exchange: USD 1 = SKK 20,746.



Overview of Issues of NBS Bills 2007–2008

Registration number	Date of			Maturity (in days)	Volume in SKK millions		Type of auction	Interest rate in % p.a.		
	auction	issue	maturity		demand	accept.		min.	average	max.
971105002	15.2.2007	16.2.2007	11.5.2007	84	60,980	0	americká	-	-	-
970106003	8.3.2007	9.3.2007	1.6.2007	84	63,740	0	americká	-	-	-
970308005	10.5.2007	11.5.2007	3.8.2007	84	73,661	20,000	americká	4.05	4.15	4.18
972408007	31.5.2007	1.6.2007	24.8.2007	84	50,400	30,000	americká	4.15	4.23	4.25
972109008	28.6.2007	29.6.2007	21.9.2007	84	23,900	17,000	americká	4.24	4.27	4.40
972610009	2.8.2007	3.8.2007	26.10.2007	84	22,490	22,290	americká	4.24	4.25	4.25
971611011	23.8.2007	24.8.2007	16.11.2007	84	29,110	23,110	americká	4.24	4.25	4.25
971412012	20.9.2007	21.9.2007	14.12.2007	84	20,500	19,000	americká	4.25	4.25	4.25
971801014	25.10.2007	26.10.2007	18.1.2008	84	14,690	13,690	americká	4.25	4.25	4.25
971801015	15.11.2007	16.11.2007	8.2.2008	84	28,500	23,500	americká	4.25	4.25	4.25
970703016	13.12.2007	14.12.2007	7.3.2008	84	30,900	30,900	americká	4.25	4.25	4.25
981104001	17.1.2008	18.1.2008	11.4.2008	84	28,975	28,975	americká	4.24	4.25	4.25
980205002	7.2.2008	8.2.2008	2.5.2008	84	33,980	30,980	americká	4.24	4.25	4.25
983005004	6.3.2008	7.3.2008	30.5.2008	84	43,250	30,000	americká	4.24	4.25	4.25
980407005	10.4.2008	11.4.2008	4.7.2008	84	34,275	30,000	americká	4.24	4.25	4.25
982507006	30.4.2008	2.5.2008	25.7.2008	84	21,100	21,100	americká	4.24	4.25	4.25
982208008	29.5.2008	30.5.2008	22.8.2008	84	17,550	17,550	americká	4.24	4.25	4.25
982609009	3.7.2008	4.7.2008	4.7.2008	84	14,800	14,800	americká	4.25	4.25	4.25
981710011	24.7.2008	25.7.2008	17.10.2008	84	14,350	14,350	americká	4.19	4.25	4.25
981411012	21.8.2008	22.8.2008	14.11.2008	84	15,670	15,670	americká	4.25	4.25	4.25
981912014	25.9.2008	26.9.2008	19.12.2008	84	17,040	17,040	americká	4.25	4.25	4.25
983112015	16.10.2008	17.10.2008	31.12.2008	75	6,900	6,900	americká	4.25	4.25	4.25



Basic characteristics of Slovakia's foreign exchange market in October 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	225.5	4.3	43	4,917.9	93.1	504	141.2	2.7	65	5,284.6	612
Interbank forex market: NBS + transactions between domestic banks	225.5	4.3	43	4,917.9	93.1	504	141.2	2.7	65	5,284.6	612
Transactions between domestic and foreign banks	20,813.0	33.1	1,221	40,669.3	64.7	4,163	1,369.4	2.2	1,615	62,851.7	6,999
Foreign exchange market in the SR - total	21,038.5	30.9	1,264	45,587.2	66.9	4,667	1,510.6	2.2	1,680	68,136.3	7,611

	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	958.6	18.1	439	0.0	0.0	0	4,331.0	81.9	171	0.7	0.0	2	5,290.2	612
Transactions between domestic and foreign banks	4,811.6	7.7	2,933	569.7	0.9	1,917	57,247.0	91.0	2,050	265.2	0.4	99	62,893.5	6,999
Foreign exchange market in the SR - excl. the NBS	5,770.1	8.5	3,372	569.7	0.8	1,917	61,578.0	90.3	2,221	265.9	0.4	101	68,183.7	7,611



Average monthly exchange rates of the SKK against selected currencies

Midpoint rate	2007					2008							
	10	11	12	1	2	3	4	5	6	7	8	9	10
1 AUD	21.224	20.324	19.972	20.088	20.488	19.456	19.096	19.223	18.566	18.513	17.924	17.277	15.832
1 BGN	17.205	16.996	17.060	17.148	16.947	16.610	16.560	16.123	15.506	15.502	15.513	15.480	15.575
1 CYP	57.599	56.897	57.045	-	-	-	-	-	-	-	-	-	-
1 CZK	1.230	1.243	1.269	1.286	1.304	1.289	1.292	1.256	1.244	1.289	1.252	1.236	1.229
1 DKK	4.515	4.459	4.473	4.502	4.446	4.357	4.342	4.227	4.066	4.065	4.068	4.059	4.086
1 EUR	33.645	33.236	33.365	33.538	33.141	32.497	32.388	31.534	30.323	30.314	30.339	30.280	30.453
1 EEK	2.151	2.125	2.133	2.144	2.118	2.076	2.070	2.016	1.938	1.938	1.939	1.935	1.947
100 JPY	20.420	20.414	20.413	21.102	20.987	20.740	20.082	19.424	18.256	18.010	18.487	19.713	22.754
1 CAD	24.197	23.523	22.767	22.595	22.490	21.039	20.260	20.279	19.227	18.984	19.206	19.910	19.528
1 LTL	9.746	9.627	9.663	9.712	9.599	9.409	9.379	9.132	8.782	8.780	8.786	8.768	8.823
1 LVL	47.867	47.455	47.822	48.045	47.576	46.608	46.447	45.150	43.129	43.106	43.098	42.889	42.954
100 HUF	13.410	13.058	13.183	13.114	12.658	12.487	12.751	12.715	12.498	13.071	12.889	12.587	11.772
1 MTL	78.395	77.438	77.727	-	-	-	-	-	-	-	-	-	-
1 NOK	4.374	4.187	4.159	4.218	4.166	4.080	4.066	4.008	3.798	3.768	3.803	3.719	3.552
1 PLN	9.065	9.084	9.262	9.297	9.255	9.186	9.402	9.257	8.987	9.288	9.248	8.972	8.551
1 RON	10.036	9.573	9.450	9.093	9.068	8.733	8.887	8.616	8.297	8.464	8.609	8.363	8.127
1 CHF	20.151	20.168	20.113	20.672	20.604	20.656	20.314	19.418	18.779	18.740	18.700	18.978	20.003
1 SEK	3.668	3.580	3.540	3.557	3.538	3.455	3.456	3.386	3.238	3.206	3.229	3.170	3.095
1 USD	23.669	22.637	22.882	22.797	22.495	20.977	20.550	20.253	19.512	19.215	20.196	21.047	22.778
1 GBP	48.338	46.897	46.387	44.924	44.188	42.016	40.740	39.795	38.329	38.230	38.344	37.871	38.722
1 XDR	36.880	35.928	36.087	36.100	35.659	34.185	33.644	32.898	31.588	31.345	32.071	32.761	34.576

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	Year	Q1	Q2	Q3
1 AUD	20.612	20.808	20.700	20.555	20.668	20.030	18.960	17.933
1 BGN	17.573	17.254	17.164	17.092	17.273	16.915	16.070	15.499
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	1.261
1 DKK	4.612	4.529	4.509	4.484	4.534	4.439	4.213	4.064
1 EUR	34.364	33.746	33.572	33.425	33.781	33.085	31.429	30.311
1 EEK	2.197	2.157	2.146	2.137	2.159	2.114	2.009	1.937
100 JPY	21.971	20.735	20.744	20.416	20.975	20.952	19.265	18.702
1 CAD	22.384	22.816	23.353	23.553	23.024	22.082	19.922	19.348
1 LTL	9.952	9.772	9.722	9.682	9.783	9.581	9.102	8.778
1 LVL	48.960	48.293	48.045	47.715	48.258	47.446	44.929	43.035
100 HUF	13.616	13.586	13.337	13.225	13.441	12.768	12.655	12.860
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	3.763
1 PLN	8.845	8.874	8.858	9.128	8.926	9.249	9.218	9.175
1 RON	10.162	10.282	10.400	9.709	10.139	8.974	8.605	8.478
1 CHF	21.268	20.484	20.379	20.146	20.574	20.644	19.518	18.803
1 SEK	3.743	3.644	3.624	3.601	3.654	3.519	3.361	3.202
1 USD	26.231	25.040	24.450	23.091	24.713	22.137	20.110	20.108
1 GBP	51.275	49.710	49.384	47.284	49.427	43.784	39.636	38.152
1 XDR	39.344	37.964	37.491	36.327	37.792	35.364	32.722	32.025

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.



Foreign Direct Investment

Data on foreign direct investment are available on NBS web site at [www.nbs.sk/Statistics/Balance of Payment Statistics/Foreign Direct Investment](http://www.nbs.sk/Statistics/Balance%20of%20Payment%20Statistics/Foreign%20Direct%20Investment).