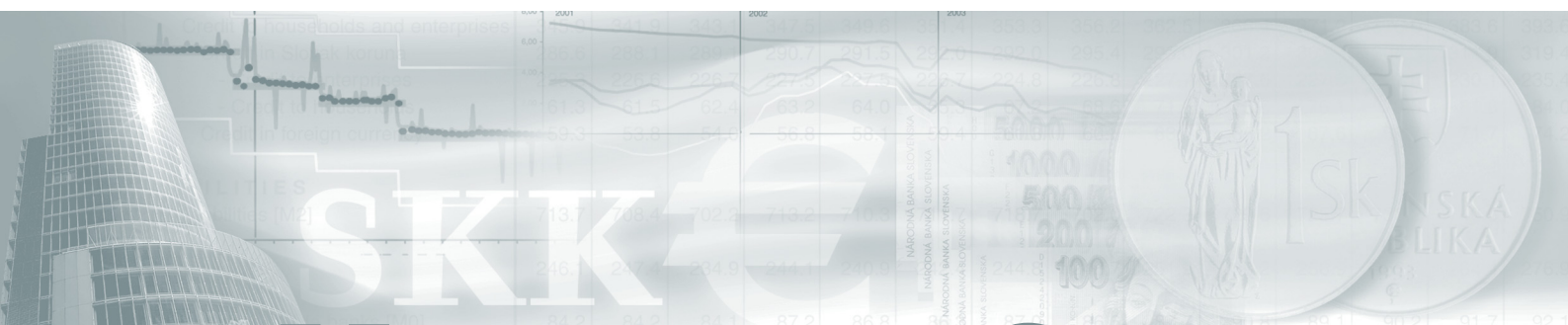




NÁRODNÁ BANKA SLOVENSKA



# Monetary Survey

June 2004





NÁRODNÁ BANKA SLOVENSKA

# Monetary Survey

June 2004

© NÁRODNÁ BANKA SLOVENSKA

Imricha Karvaša 1  
813 25 Bratislava

Contact:  
Public Relations Department  
Phone No.: +421 2 5787 2141, 5787 2149  
Fax No.: +421 2 5787 1128

<http://www.nbs.sk>

Register No. MK SR: 3162/2004

**ISSN 1336-460X**

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

**CONTENTS**

1. Introduction .....	3
2. Inflation .....	3
2.1. Consumer Price Index .....	3
2.2. Producer Prices in May 2004 .....	5
3. Factors Affecting the Course of Inflation .....	7
3.1. Monetary Aggregates .....	7
3.2. Foreign Trade .....	11
3.3. Real Economy .....	16
4. Monetary Developments .....	20
4.1. Foreign Exchange Market .....	20
4.2. Money Market and Monetary Policy Implementation .....	21
4.3. Customer Interest Rates in May 2004 .....	24
Annexes .....	31
1. Capital Market .....	31
1.1. Primary Market .....	31
1.2. Secondary Market .....	31
2. Monetary Developments in the Euro Area .....	32
2.1. Exchange Rate Developments .....	32
2.2. Real Economy .....	32
3. Tables .....	35
Selected Indicators of Economic and Monetary Development in the SR .....	35
Monetary Survey .....	36
Money Supply M2 .....	39
Developments in Credit .....	40
Developments in Deposit .....	40
Balance of Payments of the SR for January to April 2004 .....	41
Inflow of Foreign Direct Investment into the SR in 1998 - 2004 .....	42
Inflow of Foreign Direct Investment .....	43
Volume of Foreign Direct Investment .....	46
Outflow of Foreign Direct Investment from Slovakia in 1998 - 2004 .....	49
Outflow of Foreign Direct Investment .....	50
Volume of Foreign Direct Investment Outward .....	53
Average Lending Rates of Commercial Banks .....	56
Volumes of New Loans and Average Lending Rates of Commercial Banks .....	57
Koruna Deposits and Average Deposit Rates .....	58
Basic Characteristics of Interest Rates on Loans and Deposits .....	59
Monetary Policy Instruments .....	60
Basic Characteristics of Slovakia's Foreign Exchange Market in June 2004 .....	61
Average Exchange Rates of the SKK .....	62
Monetary Base of the NBS .....	63
Shortened Balance Sheet of Commercial Banks as at 31 May 2004 .....	64
Monthly Profit and Loss Account of Commercial Banks .....	66



*Prepared on the basis of the Situation Report on the Monetary Development in June 2004, approved by the NBS Bank Board on 30 July 2004.*



## 1. Introduction

The level of consumer prices rose by 0.2 of a percentage point in June, while the prices of core inflation components increased month-on-month by 0.3%. The 12-month rate of consumer-price inflation reached 8.1%, with core inflation accounting for 1.73 percentage points. The rate of core inflation reached 2.3% on a year-on-year basis. In June, the Statistical Office of the SR published, for the first time, the rate of inflation expressed in terms of the Harmonised Index of Consumer Prices (HICP), which reached 8.1% on a year-on-year basis in June.

The M2 money supply (at fixed 1993 exchange rates) dropped in May by Sk 8.9 billion, while recording a year-on-year increase of 1.8%. Slovak-koruna deposits, as a component of the M2 monetary aggregate, fell month-on-month by Sk 10.7 billion in May, while growing year-on-year by 2.2%. At current exchange rates, the money supply increased year-on-year by 1.1%.

The volume of loans to enterprises and households (at fixed exchange rates from 1 January 1993) increased in May by Sk 4.3 billion, representing an acceleration in year-on-year dynamics to 13.8%. At current exchange rates, loans to enterprises and households grew year-on-year by 13.7%.

The average interest rate on new loans rose by 1.3 percentage points in May, to 8.8%. This rise was affected by the rate for current account overdrafts, due to a change in methodology. With effect from 2004, the method of cumulative debit turnover is applied, causing an increase in the share of current account overdrafts in total new loans with a consequent effect on the level of average interest rates. If we exclude current account overdrafts, the average interest rate on new loans fell month-on-month by 0.5 of a percentage point, to 6.3%. The average deposit rate dropped by 0.4 of a percentage point, to 2.6%.

On 30 June 2004, the State Budget of the SR resulted in a deficit of Sk 12.4 billion.

The foreign exchange reserves of the NBS (at current exchange rates) fell by USD 1,194.3 million in June. At the end of the month, the volume of foreign exchange reserves was 4.9 times greater than the volume of average monthly imports of goods and services to Slovakia, during the first five months of 2004.

In June, the National Bank of Slovakia (NBS) purchased EUR 87 million in direct transactions.

From January to April, the balance of payments on current account generated a surplus of Sk 4.0 billion. In the same period the capital and financial account achieved a surplus of Sk 0.1 billion. From January to May, the current account produced a deficit of Sk 8.7 billion, while trade resulted in a shortfall of Sk 4.2 billion.

In June, the overall sterilisation position of the NBS vis-à-vis the banking sector stood at Sk 200.6 billion, representing a decrease of Sk 2.4 billion compared with the figure for May.

On 30 June 2004, the Board of the National Bank of Slovakia decided to lower its key interest rates by 0.5 of a percentage point, to 4.5% for two-week NBS repo tenders, 3.0% for overnight sterilisation operations, and 6.0% for overnight refinancing transactions. Inflation

## 2. Inflation

### 2.1. Consumer Price Index

Compared with the previous month, consumer price dynamics weakened in June, both month-on-month and on a year-on-year basis.

**Slowdown in the 12-month rate of consumer price increase**

Consumer prices increased in June by 0.2%, with regulated prices rising by 0.1% and the prices of core inflation components by 0.3%. The 12-month rate of overall inflation reached 8.1% (in May 8.3%) and that of core inflation 2.3% (in May 2.8%). The level of consumer prices rose by 8.2% over the first six months of the year.

Within the structure of core inflation, increases were recorded in food prices and prices for market services. Tradable goods prices were stagnant, while fuel prices increased somewhat and the prices of other tradable goods fell slightly.

**Virtually all core inflation components increased**

Food prices increased by 0.5% in June, with processed and non-processed food prices showing conflicting tendencies. Processed food prices dropped by 0.3% (mainly due to a fall in the price of milk and

**Conflicting trends in food prices**



dairy products), while non-processed food prices increased by 1.8% owing to a seasonal rise in fruit prices (mainly tropical fruit), accompanied by a fall in vegetable prices. On a year-on-year basis, food prices rose by 0.5% (in May by 0.7%).

**Continued increase in fuel prices**

On a month-on-month basis, tradable goods prices remained unchanged (only fuel prices recorded a marked increase as a result of the high price of oil on the world markets). The prices of tradable goods, excluding fuels, fell slightly (for the second consecutive month) as a result of drops in the prices of clothes, furniture, non-alcoholic beverages, consumer electronics, and household goods. Increases were recorded in tobacco and footwear prices. On a year-on-year basis, the prices of tradable goods rose by 0.7% (in May by 1.6%).

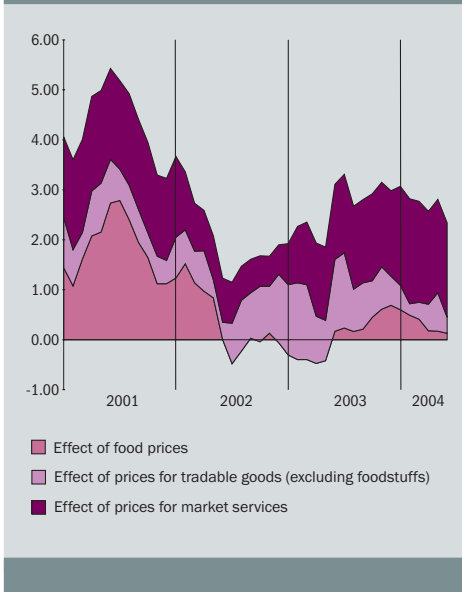
**Seasonal rise in prices for recreation services**

Prices for market services increased month-on-month by 0.5%, due to a rise in the prices of recreation services (a seasonal rise) and meals at restaurants (a seasonal price increase, coupled with cost effects in particular). On a year-on-year basis, market services prices increased by 7.3% (in May by 7.2%).

**Further fall in the 12-month net inflation rate, excluding fuel prices**

On a month-on-month basis, the prices of net inflation components (market services and tradable goods, excluding fuel prices) increased by 0.1%. The 12-month rate of net inflation (excluding fuel prices) slowed in June to 2.4%, from 3.1% in May.

**Structure of the 12-Month Core Inflation Rate (%)**



**Consumer Prices in June 2004**

Structure of the consumer basket	Constant weight	Comparative change	
		May 2004	June 2003
<b>Total in %</b>	100.0	0.2	8.1
Regulated prices in %	19.9	0.1	15.7
Share of total, in percentage points		0.02	3.86
<b>Impact of changes in indirect taxes on non-regulated prices</b>			
share of total, in percentage points		0.00	2.54
<b>Core inflation in %</b>	80.1	0.3	2.3
Share of total, in percentage points		0.19	1.73
of which: food prices in %	21.4	0.5	0.5
Share of total, in percentage points		0.09	0.10
<b>Net inflation</b>			
(excluding the impact of changes in indirect taxes) in %	58.7	0.2	3.0
Share of total, in percentage points		0.10	1.63

Source: Statistical Office of the SR.

**Increase in regulated prices in education**

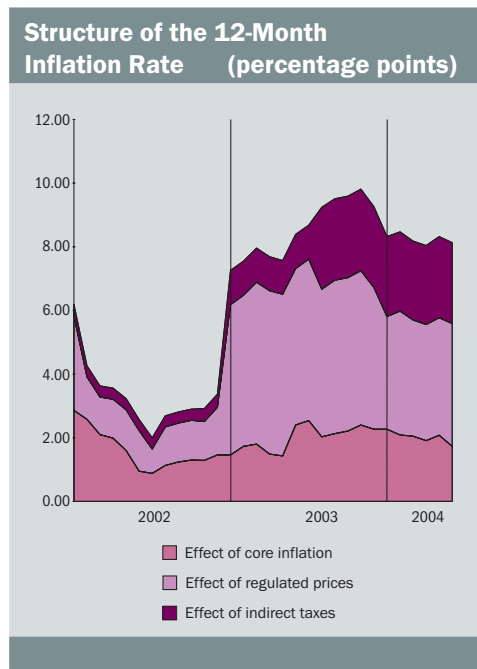
Regulated prices increased by an average of 0.1% in June. The steepest increases were recorded in prices in education (in nursery school fees and charges for children's clubs at primary schools). Modest increases were also recorded in prices for health services and transport (mainly municipal public transport fares). On a year-on-year basis, the level of regulated prices rose by 15.7% (in May by 14.9%).

**Harmonised Index of Consumer Prices**

The Statistical Office of the SR published, for the first time, the value of inflation expressed in terms of the Harmonised Index of Consumer Prices (HICP). The Harmonised Index is calculated according to the methodology of Eurostat and is comparable throughout the EU. The consumer basket is slightly different from the one applied for calculating the current (domestic) consumer price index.

Since one of the convergence criteria is the use of a 12-month average HICP inflation rate, the National Bank of Slovakia will carefully monitor and analyse the course of this indicator.





The month-on-month inflation rate, expressed in terms of the Harmonised Index of Consumer Prices (HICP), reached 0.2% in June. This corresponded to 8.1% on a year-on-year basis.

In answer to questions about the previous course of inflation, the average value of inflation (17.3%, compared with 14.8% in the previous month) was higher than the actual value of year-on-year inflation for May. In response to questions concerning the expected rate of inflation, the respondents gave an average value of 17.17% (16.76% in the previous month). The increase in the expectations of consumers is probably connected with the news about the situation on the market for meat and butter.

**Expectations of consumers concerning inflation**

Although the values of inflation expected by consumers are still high, they have shown a tendency to fall in the last few months, which roughly corresponds to the expectations of the NBS in respect of price developments in the next 12 months.

**Forecasts of the NBS for the next month**

Price levels in July are expected to be affected by conflicting trends in food prices, resulting, on the one hand, from the situation on the meat and butter markets (increased export stimulated by the higher price of these commodities on foreign markets), which leads to a fall in supply on the domestic market and a consequent price increase. On the other hand, fruit and vegetable prices are expected to drop on a seasonal basis. Fuel prices are expected to rise slightly in July and market services prices are likely to be affected by a seasonal increase in the price of services related to recreation.

Harmonised Index of Consumer Prices	(year-on-year changes in %)					
	2004					
	Jan.	Feb.	Mar.	Apr.	May	Jun.
TOTAL	8.2	8.4	7.9	7.8	8.2	8.1
Goods	7.3	6.9	7.1	7.1	7.5	7.0
Industrial goods	6.7	6.4	6.7	7.1	7.5	7.6
Industrial goods (excluding energy)	1.6	1.3	1.7	1.6	1.4	1.3
Energy	14.1	13.9	14.2	15.3	16.6	16.9
Foodstuffs	8.2	7.8	7.6	7.2	7.5	6.2
Food – processed (including alcohol and tobacco)	10.9	10.5	10.0	9.6	10.1	8.4
Food – non-processed	1.7	1.3	1.7	1.3	1.0	1.0
Services	10.8	11.9	10.0	9.6	9.7	10.7
Total, excluding energy and non-processed food	7.6	7.9	7.2	6.9	7.0	6.9
Total, excluding energy	7.0	7.2	6.6	6.3	6.4	6.3

Note: Estimate of the NBS.

**2.2. Consumer Prices in May 2004**

Industrial producer prices for the domestic market rose month-on-month by an average of 0.2% in May, due to increases in the prices of industrial products (0.8%) and mineral raw materials (1.0%). The price of electricity, gas, steam, and hot water continued to fall for the third consecutive month, by 0.5%.

**Month-on-month increase in industrial producer prices for the domestic market ...**

The rise in industrial products prices was due, in large measure, to an increase in the price of refined oil products (8.9%). This was due to a further rise in oil prices on the world markets, as a consequence of concern about insufficient oil supplies at the beginning of the tourist season and growing demand for oil in China. The prices of base metals and finished metal products, electrical and optical equipment, and machines were also higher than in the previous month.

On a month-on-month basis, the prices of rubber products and foodstuffs dropped by 0.2% and 0.5% respectively. Among foodstuffs, price levels fell for meat, meat products, dairy products, and other foodstuffs.

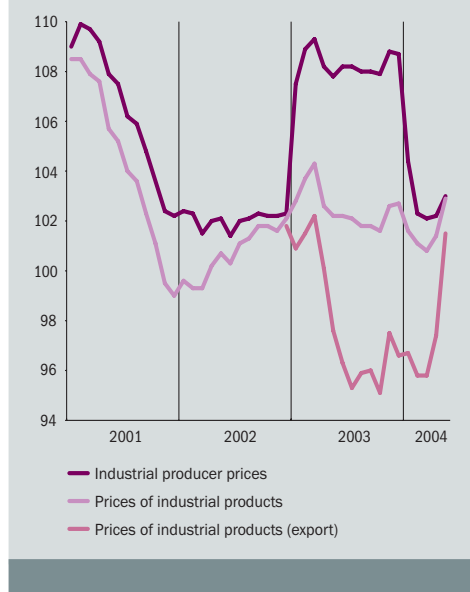


**Producer Price Indices in May 2004**

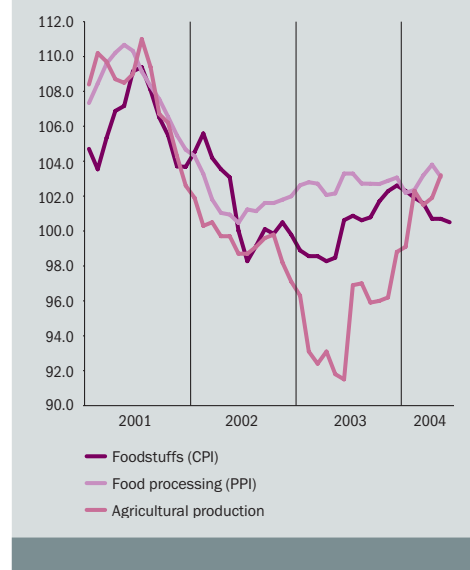
	Previous period = 100		Same period a year earlier = 100			
	April	May	April	May	Jan.- May	May
	2004	2004	2004	2004	2004	2003
Industrial producer prices (for the domestic market)	99.9	100.2	102.2	103.0	102.8	107.8
– Prices of industrial products	100.2	100.8	101.4	102.9	101.6	102.2
– Prices of mineral raw materials	99.4	101.0	108.2	111.2	108.1	100.9
– Prices of electricity, gas, steam, and hot water	99.6	99.5	102.9	102.4	104.1	117.3
Industrial producer prices (for export)	100.5	102.7	97.3	101.5	97.3	97.5
– Prices of industrial products	100.6	102.7	97.4	101.5	97.4	97.6
Construction prices	100.9	101.0	105.9	106.8	105.8	105.3
Building materials prices	100.4	100.6	102.7	103.7	103.4	103.5
Agricultural prices	-	-	101.9	103.2	101.6	91.8
– Prices of plant products	-	-	117.6	119.4	114.9	89.4
– Prices of animal products	-	-	99.8	101.4	99.5	92.1

-- Not monitored by the Statistical Office of the SR.

**Developments in Industrial Producer Prices and Industrial Products Prices (index, same period a year earlier = 100)**



**Developments in Food Prices in Primary Production, Processing, and Consumption (index, same period a year earlier = 100)**



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

The year-on-year dynamics of industrial producer prices for the domestic market increased (from 2.2% in April to 3.0% in May), due to steeper increases in the prices of industrial products (2.9%, compared with 1.4% in April) and mineral raw materials (11.2%, compared with 8.2% in April). Weaker dynamics were recorded in electricity, gas, steam, and hot water prices (2.4%, compared with 2.9% in April).

Developments in industrial products prices were affected mainly by an acceleration in the rate of increase in the price of refined oil products (by 19.2 percentage points, to 20.7%), as a result of markedly different trends of development in May 2004 and May 2003. Increased dynamics were also recorded in the prices of metals, finished metal products, and machines and equipment not included in any other category. Food prices rose by 3.1%, thus the trend of increase in dynamics persisting since the beginning of the year, came to a halt.

**Prices of industrial products for export**

Compared with April, the prices of industrial products for export rose by an average of 2.7% in May, due to increases in the prices of refined oil products (18.5%) and metals, including metal products (3.3%). The prices of transport vehicles and products of rubber and plastics were lower than in April.



On a year-on-year basis, industrial products prices for export rose by 1.5% (the previous rise was recorded in April 2003), with the most significant increases being recorded in the prices of refined oil and metal products. The prices of transport vehicles remained below the level of the previous year.

Agricultural prices continued to increase in May on a year-on-year basis. Compared with the same period of 2003, agricultural prices rose by an average of 3.2%, with the prices of plant and animal products increasing by 19.4% and 1.4% respectively.

### Prices in agriculture

Increases in plant products prices were found in the prices of all plants under review (except fruit), mainly potatoes (45.2%) and cereals (20.6% on average). In animal production, the most significant increases were recorded in the prices of sheep farming products (24.5% on average), while beef and pork prices (live animals) dropped.

## 3. Factors Affecting the Course of Inflation

### 3.1. Monetary Aggregates

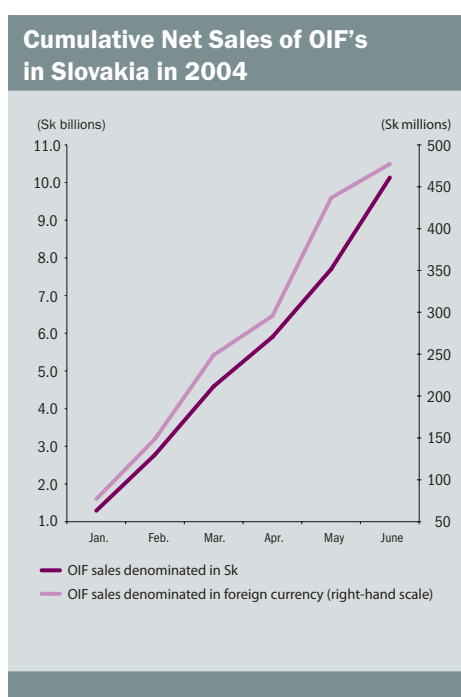
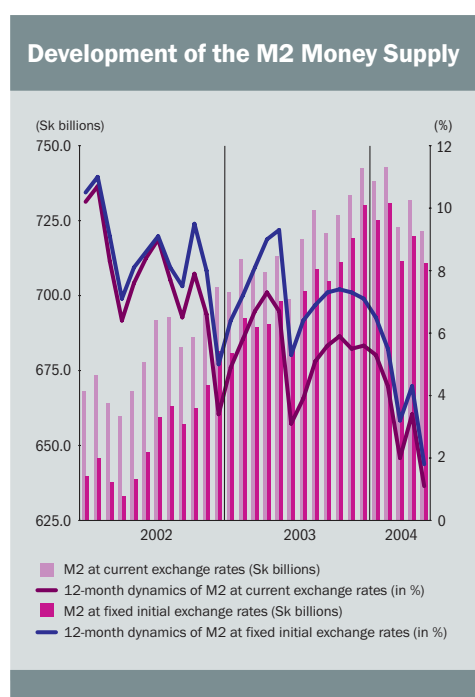
The development of the money supply was affected mostly by non-standard factors in May, when bank deposits in the corporate sector dropped in favour of the public sector, owing to the payment of dividends. Bank lending to enterprises and households continued to grow. The May issue of government eurobonds on foreign markets caused the external debt of the government to increase, together with the foreign exchange reserves of the NBS.

#### Money Supply (M2)

The M2 money supply (at fixed 1993 exchange rates) fell month-on-month by Sk 8.9 billion in May, to Sk 710.9 billion. The year-on-year rate of growth in M2 slowed in comparison with April by 2.5 percentage points (to 1.8%), since May 2003 saw a money supply growth of Sk 7.9 billion.

At current exchange rates, the M2 money supply reached Sk 721.5 billion at the end of May, representing a month-on-month fall of Sk 10.2 billion and a slowdown in year-on-year dynamics of 2.2 percentage points, to 1.1%.

The month-on-month fall in the M2 money supply was caused primarily by the transfer of income from dividends from the entrepreneurial sector, leading to an outflow of part of the koruna deposits of customers from the banking sector to the general government sector and abroad. Since the same transfer in the previous year took place (in a smaller amount) in June, the 12-month dynamics of M2 are distorted to a certain extent.





Development of the M2 Money Supply						
	Month-on-month change (Sk billions)			Year-on-year change (%)		Change since the beginning of the year (Sk billions)
	April 2004	May 2004	May 2003	April 2004	May 2004	May 2004
<b>At fixed 1993 exchange rates:</b>						
Money supply [M2]	8.2	-8.9	7.9	4.3	1.8	-14.6
Money [M1]	1.9	7.2	2.4	7.6	9.5	-7.4
Currency outside banks [M0]	0.1	1.0	0.7	5.3	5.6	0.1
Demand deposits	1.8	6.2	1.7	8.8	11.6	-7.5
- households	-1.6	-2.0	-1.1	-5.1	-5.5	-4.5
- enterprises (inc. insurance cos.)	1.4	4.4	0.6	10.7	15.4	-11.8
Quasi-money [QM]	6.3	-16.1	5.5	2.5	-2.3	-7.2
Time deposits	7.7	-16.9	8.7	5.2	-1.7	-2.7
- households	-1.0	-1.6	-1.8	-5.2	-5.1	-2.5
- enterprises (inc. insurance cos.)	9.3	-14.9	9.8	26.9	5.6	1.8
Foreign-currency deposits	-1.4	0.8	-3.2	-10.0	-5.4	-4.5
- households	-1.1	-0.1	-1.8	-15.8	-13.0	-2.7
- enterprises (inc. insurance cos.)	-0.3	0.9	-1.4	0.0	8.1	-1.8
Koruna deposits	9.5	-10.7	10.4	6.3	2.2	-10.2
- households	-1.2	-0.2	0.0	-2.2	-2.3	-0.2
- enterprises (inc. insurance cos.)	10.7	-10.5	10.4	20.4	9.3	-10.0
<b>At current exchange rates:</b>						
Money supply [M2]	9.0	-10.2	5.5	3.4	1.1	-17.1
Foreign-currency deposits	-0.6	-0.5	-5.6	-13.8	-9.2	-7.0
- households	-0.6	-1.0	-3.2	-19.3	-16.6	-4.2
- enterprises (inc. insurance cos.)	0.0	0.5	-2.4	-4.4	3.8	-2.8
<b>At fixed 1993 exchange rates:</b>						
Net foreign assets	9.8	-13.2	-5.5	5.1	0.5	6.1
Net domestic assets	-1.6	4.3	13.4	4.0	2.2	-20.7
Domestic credits	-8.8	-1.0	11.1	13.4	11.1	-9.3
Net credit to the general government	-8.5	-5.3	9.7	13.8	7.5	-15.8
Loans to enterprises and households	-0.3	4.3	1.4	13.0	13.8	6.5
Loans in Sk	-2.9	-0.6	0.0	8.9	8.7	-5.7
- households	2.4	2.5	1.9	42.6	42.3	10.5
- enterprises (inc. insurance cos.)	-5.3	-3.1	-1.9	-0.8	-1.3	-16.2
Loans in foreign currency	2.6	4.9	1.4	38.4	44.5	12.2
Money supply [M2]	8.2	-8.9	7.9	4.3	1.8	-14.6

Net Sales of Open-End Investment Funds	(Sk billions)					
	2004					
	Jan.	Feb.	Mar.	Apr.	May	Jun.
Net sales of OIF, denominated in Slovak koruna	1.29	1.49	1.81	1.31	1.80	2.40
Net sales of OIF, denominated in foreign currency	0.08	0.07	0.10	0.05	0.14	0.04

**Fall in the 12-month dynamics of the M2 money supply** The year-on-year dynamics of M2 weakened in May, mainly as a result of developments in corporate time deposits. These deposits recorded a relatively sharp decline, mainly in connection with the payment of dividends, as a result of which their growth dynamics weakened to a significant extent. The demand deposits of enterprises recorded a slight acceleration in the rate of growth. They followed a



relatively volatile course, but their year-on-year dynamics diminished in comparison with 2003 (when the average rate of growth was 18.3%), to 13.2% over the first five months.

The demand deposits of households recorded an increase in growth dynamics in May, but compared with the level of 2003, the rate of growth has slowed by almost 8 percentage points this year. The time deposits of households continued to decline on a year-on-year basis, while the rate of decline increased slightly on a month-on-month basis.

The year-on-year rate of decline in foreign-currency deposits slowed in May, due to both corporate and household deposits. While corporate deposits in foreign currency have followed a volatile course of development since the beginning of the year, household deposits in foreign currency are characterised (as of the second half of 2003) by a relatively stable rate of year-on-year decline (13% on average).

The year-on-year rate of growth in currency in circulation outside banks accelerated somewhat in May. In the first five months of 2004, currency in circulation outside banks showed weaker dynamics (6%) than in 2003, when the average rate of growth was 9.7%.

The net value of Sk-denominated assets held by open-end investment funds (OIF) reached Sk 54.5 billion at the end of June. Of this amount, the net value of Sk-denominated OIF assets administered by Slovak trust companies accounted for 81%. The net sales of Sk-denominated OIF assets reached Sk 2.4 billion and the net sales in Slovakia of OIF assets denominated in foreign currency totalled Sk 40.5 million.

### **Loans to Enterprises and Households**

After a period of stagnancy in April, the volume of loans to enterprises and households (at fixed 1993 exchange rates) increased by Sk 4.3 billion in May, to Sk 388.2 billion. Thus, after falling in the previous month, the year-on-year dynamics of bank lending increased by 0.8 of a percentage point, to 13.8% (corresponding to roughly the level of March).

### **Acceleration in the year-on-year growth rate of loans**

At current exchange rates, bank lending to enterprises and households followed a similar course, with the total volume of loans growing month-on-month by Sk 4.0 billion, representing an increase of 0.9 of a percentage point in year-on-year dynamics (to 13.7%). In May, however, bank lending to enterprises and households (at current exchange rates) showed stronger growth dynamics than in previous months.

The May increase in the volume of loans to enterprises and households (at fixed 1993 exchange rates) took place predominantly in foreign-currency loans, drawn mainly in the corporate sector (Sk 4.9 billion), and koruna loans to households (Sk 2.5 billion), while koruna loans to enterprises declined (by Sk 3.1 billion), with the volume of classified loans to the enterprise sector falling by Sk 1.2 billion and that of loans to enterprises for current assets by Sk 1.1 billion.

Koruna loans to households continued to grow in May: they increased in comparison with the beginning of the year by a total of Sk 10.5 billion. The dominant part of the May increase in loans to households took place in mortgage loans with a maturity of over 5 years, which grew month-on-month by Sk 1.4 billion and in total since the beginning of the year by Sk 5.4 billion. Consumer loans and loans for housing purposes increased by Sk 1.1 billion in May (since the beginning of the year, by a total of Sk 3.4 billion). Current account overdrafts have grown since the beginning of the year by a total of Sk 1.1 billion.

### **Fiscal Developments, Net Credit to the Government**

At the end of May, the volume of net credit to the general government (including the FNM) reached Sk 281.4 billion (at fixed 1993 exchange rates), representing a month-on-month fall of Sk 5.3 billion. This favourable development was in large part connected with the creditor position of the FNM, which fell by Sk 7.5 billion as a result of the payment of dividends in the amount of Sk 9.4 billion to a specialised account of the FNM at the NBS (accompanied by a decline in FNM deposits at commercial banks).

### **Net credit to the government**

Net credit to the government (excluding the FNM) recorded a month-on-month increase of Sk 2.2 billion. The increase was connected with the current budgetary performance of the central government, which resulted in a deficit of Sk 2.3 billion at the end of May (compared with a surplus of Sk 5.7 billion at the end of April), with budget revenues totalling Sk 109.2 billion and expenditures Sk 111.5 billion.

In May, the government floated an issue of eurobonds, in the amount of EUR 1 billion with a maturity of 10 years. The funds obtained were not used in the course of May, i.e. they were deposited in full



amount in the government's accounts with the NBS (the koruna equivalent of Sk 20 billion in a time deposit account of the Ministry of Finance and the rest in a short-term currency account at the NBS). This caused a change in the structure of government debt, namely a reduction in the internal part of the debt at the cost of an increase in its external component.

**Primary market for Treasury bills** In line with the Issuing Schedule for 2004, the Agency for Debt and Liquidity Management (ARDAL) announced three issues of SR Treasury bills for June. Both issues were placed on the market through a Dutch auction, with an unlimited issue-amount and unset issue-rate.

In June, ARDAL placed Treasury bills on the market in the amount of Sk 5.3 billion, representing 15.9% of the total demand of investors. The yield accepted reached 3.96%, i.e. 27 basis points less than the BRIBOR rate for the corresponding maturity in the case of a comparable tax burden. The low level of accepted demand and the fall in the average yield were caused by increased interest in government securities in connection with the non-acceptance of bids at an auction in NBS treasury bills and a cut in demand at repo tenders.

### Net Foreign Assets

**Decrease in net foreign assets** Net foreign assets (at fixed 1993 exchange rates) decreased month-on-month by Sk 13.2 billion, to Sk 161.1 billion. Foreign liabilities increased month-on-month by Sk 47.1 billion, exceeding the growth in foreign assets (Sk 33.9 billion).

Within the structure of foreign assets, the foreign exchange reserves of the NBS increased by Sk 38.3 billion (mainly due to the borrowing activities of the Government through eurobond issues in the amount of Sk 34.7 billion), while the foreign assets of commercial banks decreased by Sk 4.3 billion (of which Sk 3.1 billion took place in short-term assets and Sk 1.2 billion in long-term assets).

On the foreign liabilities side, the long-term liabilities of the NBS and the Government increased by Sk 34.8 billion, the volume of government securities in the holdings of non-residents by Sk 5.7 billion, and the short-term liabilities of the NBS by Sk 3.6 billion. The foreign liabilities of commercial banks increased by a total of Sk 3.0 billion (of which Sk 3.2 billion took place in short-term liabilities and Sk 0.1 billion in long-term liabilities).

The growth in the long-term liabilities of the Government and the NBS was connected primarily with the issue of government eurobonds on foreign markets and tended to increase the foreign exchange reserves of the NBS on the foreign assets side. A similar impact on the level of foreign exchange reserves was exerted by the growth in short-term NBS liabilities, caused by the Bank's repo operations on the foreign exchange market. Thus the month-on-month change in net foreign assets was determined mostly by the foreign positions of commercial banks and a change in the structure of government securities holders in favour of non-residents.

**Bank deposits of non-residents** On the domestic money market, non-resident banks focussed mainly on government bonds, but Treasury bills were also in demand in the second quarter. Compared with the end of 2003, the koruna deposits of non-resident banks grew in volume by Sk 14.2 billion, to Sk 28.2 billion at the end of May.

Koruna Assets in the Holdings of Non-Residents											(Sk billions)
	2003					2004					
	31. 1.	31. 5.	30. 6.	31. 7.	31. 12.	31. 1.	29. 2.	31. 3.	30. 4.	31. 5.	30. 6.
Total assets	54.3	29.8	31.0	71.7	28.8	38.5	28.6	24.1	29.6	30.7	.
Koruna liabilities	15.8	12.7	19.1	13.4	18.2	22.6	24.9	26.2	29.0	32.5	.
of which: banks	11.9	8.9	15.3	8.8	14.0	18.4	21.3	22.1	24.5	28.2	.
non-bank clients	3.9	3.8	3.8	4.6	4.2	4.2	3.6	4.1	4.5	4.3	.
Government securities	46.8	33.6	32.7	79.7	34.3	36.9	44.8	45.4	48.1	53.5	61.7
of which: government bonds	46.8	33.6	32.7	79.7	33.8	36.4	43.3	41.9	42.5	49.0	58.1
SR Treasury bills	0	0	0	0	0.5	0.5	1.5	3.5	5.6	4.5	3.6
Total	62.6	46.3	51.8	93.1	52.5	59.5	69.7	71.5	77.1	86.0	.
Total liabilities	53.2	52.9	59.2	54.4	61.2	65.1	67.6	69.1	76.3	79.1	.

Note: Based on data from the reports BIL(NBS) 1-12 'Monthly Balance of Assets and Liabilities' and from the Central Depository of Securities in the SR, a.s.



The volume of government securities held by non-residents (government bonds and Treasury bills in total) has increased month-on-month by Sk 8.2 billion by the end of June. This was mainly due to government bonds, which grew in volume by Sk 9.1 billion, mainly Issue No. 142 (five-year government bonds issued for restructuring) and Issues No. 203 and 204 (five- and fifteen-year government bonds). The volume of Treasury bills again recorded a slight decrease.

### Government securities held by non-residents

## 3.2. Foreign Trade

### Balance of Payments for January to April 2004

The current account generated a surplus over the first four months of the year, with all components improving in comparison with the same period a year earlier.

### Current account

The year-on-year improvement in the trade balance (based on data from April) was due to the higher growth in exports (19.2%; corresponding to 41.1% in USD and 22.6% in EUR) over growth in imports (14.3%; 35.3% in USD and 17.5% in EUR).

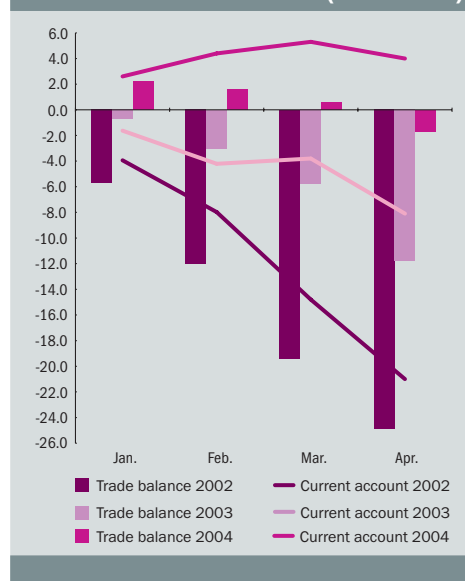
### Balance of trade

The increased volume of exports in April, which was concentrated mainly in machines and furniture, caused the share of motor vehicles in the total increase in exports to fall to 53%, from 70% in March. In the 'machines and instruments' category, the most significant increases were recorded in the exports of automatic data processing machines, white technology, wires and cables, and TV sets. The exports of iron, steel, and some chemicals continued to decline, while the exports of iron, steel, and rubber products recorded a steady growth. A moderate increase in exports in the 'raw materials' category was caused by growth in electricity exports, which offset the fall in the exports of refined oil products.

### Exports

Balance of Payments on Current Account	(Sk billions)	
	January - April 2004	January - April 2003
Balance of trade	-1.7	-11.8
Exports	283.4	237.7
Imports	285.1	249.5
Services balance	3.7	1.7
Income balance	-0.6	-1.7
of which: income from investment	-4.7	-7.3
Current transfers	2.6	3.7
Current account in total	4.0	-8.1

### Balance of Trade and Current Account Developments (Sk billions)



In the structure of imports, the steepest year-on-year increases were recorded in the category 'machines and transport equipment'. In addition to growth in imports for motor vehicle production, increased imports were recorded in electrical engineering products (cables, circuits, neon tubes, illuminants, signalling instruments, etc.), machines and equipment for electricity generation, and machines and equipment used in the individual sectors of industry. The imports of finished products also recorded a slightly greater increase than in the same period a year earlier. The increase took place mainly in the imports of agricultural and industrial products (vegetables, fruit, sugar, furniture, footwear, etc.) and consumer electronics.

### Imports

In the balance of services, which generated a higher surplus than a year earlier, a favourable trend was recorded in transport services and 'other services in total'. The growth in receipts, from freight transport in particular, which was accompanied by a fall in expenses, generated an increase of Sk 1.5 billion in net income from transport. The decrease in deficits in financial, legal, accounting, and advisory services reduced

### Services balance



**Exports from January to April, Year-on-year Changes**

	Year-on-year change in billions of Sk January - April		Proportion of the year-on-year change in % January - April	
	2004	2003	2004	2003
	Raw materials	0.2	2.9	0.1
Chemicals and semi-finished goods	3.2	10.0	1.3	5.1
Machines and transport equipment	37.3	23.1	15.7	11.7
Finished goods (agricultural + industrial)	5.0	3.9	2.1	2.0
Exports in total	45.7	39.9	19.2	20.3

**Imports From January to April, Year-on-year Changes**

	Year-on-year change in billions of Sk January - April		Proportion of the year-on-year change in % January - April	
	2004	2003	2004	2003
	Raw materials	-2.0	3.7	-0.8
Chemicals and semi-finished goods	9.6	9.2	3.9	4.1
Machines and transport equipment	19.8	8.9	7.9	4.0
Finished products	8.2	5.0	3.3	2.2
of which:				
Agricultural and industrial products	5.3	2.0	2.1	0.9
Automobiles	0.2	1.2	0.1	0.5
Machine- and electrical-engineering consumer goods	2.7	1.8	1.1	0.8
Imports in total	35.6	26.8	14.3	12.0

the shortfall in 'other services in total' by Sk 1.6 billion. Due to continued decline in foreign currency receipts from foreign tourists, the positive balance of tourism fell to 63% of the figure for the same period a year earlier, despite a fall in the expenses of Slovak citizens while travelling abroad.

**Income and current transfers balances**

The year-on-year improvement in the income balance deficit was caused by a fall in interest payments on portfolio investments. Since receipts from the transfers of legal persons and non-investment subsidies fell on a year-on-year basis, the balance of current transfers resulted in a somewhat smaller surplus than in the same period a year earlier.

**Capital and financial account**

The inflow of funds in the capital and financial account took the form of direct and portfolio investments.

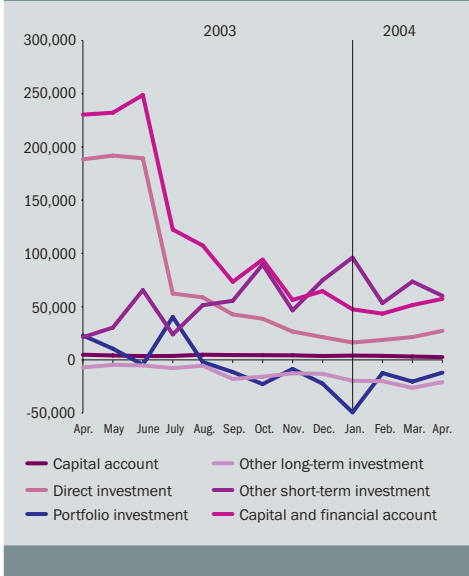
**Foreign direct investment**

The growth in foreign direct investment (FDI) in the form of capital investment by foreign investors in Slovakia, was affected by an inflow of funds into industrial production. Of the individual sectors, the largest inflow took place in the production of coke and refined oil products and in motor vehicle production. April saw the sale of a 10% stake in Slovenská sporiteľňa [Slovak Savings Bank], in the amount of Sk 2.9 billion.

**Portfolio investment**

The inflow of funds in the area of portfolio investment was stimulated by the purchase of government bonds and Treasury bills on the part of non-residents. The involvement of non-residents in the purchase of other securities issued by Slovak entities was insignificant. On the assets side, the activities of the banking and corporate sectors focussed on the purchase of foreign bonds.

**Development of the Capital and Financial Account and its Components (moving cumulative figures) (Sk millions)**







Balance of Payments Capital and Financial Account	(Sk billions)	
	January – April 2004	January – April 2003
Capital account	-0.5	0.5
Direct investment	20.8	19.8
of which: investment in the SR	16.2	19.5
of which: other than privatisation	13.3	10.1
Portfolio investment and financial derivatives	10.2	-13.3
SR abroad	-5.8	-11.6
In the SR	16.0	-1.7
Other long-term investment	-12.2	-3.3
Assets	-4.2	8.0
Liabilities	-8.0	-11.3
Short-term investment	-18.2	14.8
Assets	3.1	-7.4
Liabilities	-21.3	22.2
Capital and financial account	0.1	18.5

Balance of Payments Adjusted for the Activities of the Government and the NBS	(Sk billions)	
	Actual <sup>1/</sup>	Adjusted <sup>2/</sup>
Current account	4.0	4.3
Capital and financial account	0.1	7.1
of which: FDI in Slovakia – capital participation	16.2	13.3
Items not included elsewhere	3.6	3.6
Interventions by the NBS <sup>3/</sup>	x	-11.2
Change in the net foreign assets of commercial banks (- increase)	x	-3.8
Change in NBS reserves (- increase)	-7.7	x

*1/ Original balance of payments structure, i.e. effect of receipts and payments on NBS reserves.  
2/ Adjusted for the effects of activities of the Government and the NBS, which do not affect the positions of commercial banks vis-à-vis non-residents and do not qualify as a source of finance for the current account.  
3/ In the original structure of the balance of payments, interventions were included in the foreign exchange reserves of the NBS.*

The outflow of funds within the scope of other investments took place in long- and short-term capital. The excess of repayments over drawings in the corporate sector was the main factor behind the fall in long-term liabilities and in large part in other long-term capital in total. The outflow of other long-term capital was offset partly by an inflow of funds into the government sector, when the third tranche of an EFSAL loan was received from the World Bank.

#### Other investment

In addition to an outflow of short-term funds via NBS repo operations, the outflow of short-term capital was supported mainly by other capital in the banking sector, when the repayment of funds provided by parent banks to their branch offices in the SR in 2003 continued. On the other hand, the repayment of these funds led to a fall in the deposits of commercial banks abroad and other short-term assets in the banking sector.

The foreign exchange reserves of the NBS increased by Sk 7.7 billion, i.e. USD 0.2 billion (excluding exchange rate differentials).

#### Foreign exchange reserves of the NBS

After several months, the net foreign assets of the banking sector again increased in April, mainly due to direct and portfolio investments.

#### External Debt of Slovakia at 30 April 2004

At the end of April 2004, the total gross external debt of the SR stood at USD 17.0 billion (EUR 14.4 billion), representing a decrease of USD 478.5 million (EUR 404.6 million) compared with the previous month. Total long-term and short-term foreign debt dropped by USD 270.5 million and USD 208.0 million respectively.

#### Gross foreign debt



	In millions of USD			In millions of EUR		
	1.1.2004	31.3.2004	30.4.2004	1.1.2004	31.3.2004	30.4.2004
Total external debt of the SR	18,322.3	17,458.4	16,979.9	14,654.0	14,321.3	14,357.6
Long-term external debt	10,287.9	10,158.4	9,887.8	8,228.1	8,333.0	8,360.8
Government and the NBS <sup>1/</sup>	4,347.7	4,715.5	4,672.7	3,477.2	3,868.2	3,951.1
Commercial banks	322.2	361.6	331.9	257.7	296.6	280.7
Entrepreneurial entities	5,618.0	5,081.3	4,883.2	4,493.2	4,168.2	4,129.0
Short-term external debt	8,034.4	7,300.0	7,092.1	6,425.9	5,988.3	5,996.8
Government and the NBS	915.5	957.7	894.1	732.2	785.6	756.0
Commercial banks	2,951.2	2,374.8	2,274.7	2,360.4	1,948.1	1,923.4
Entrepreneurial entities	4,167.7	3,967.5	3,923.3	3,333.3	3,254.6	3,317.4
Foreign assets	18,907.5	18,754.4	18,567.4	15,122.0	15,384.3	15,699.9
Net external debt	-585.2	-1,296.0	-1,587.5	-468.0	-1,063.0	-1,342.3
SKK/USD and SKK/EUR rates	32.920	32.982	34.126	41.161	40.207	40.359
EUR/USD cross exchange rate	1.250	1.219	1.183	x	x	x

*1/ Including government agencies and municipalities.*

The fall in total gross external debt was caused, for the most part, by an appreciation of the euro against the dollar (by 3.0%) and a fall in the volume of long-term liabilities of entrepreneurial entities (by USD 198.1 million).

The fall in the volume of short-term foreign liabilities took place partly in the commercial sector, where the external debt of commercial banks dropped month-on-month by USD 100.1 million, the liabilities of entrepreneurial entities by USD 44.2 million, while the foreign liabilities of the NBS decreased as a result of a month-on-month decline in the volume of NBS repo operations.

At the end of April, Slovakia's per-capita gross foreign debt stood at USD 3,156. The share of short-term debt in the country's total gross external debt remained virtually unchanged during the month, at the level of 41.8%.

**Net external debt**

The net external debt of Slovakia – expressed as the difference between gross foreign debt, i.e. USD 17.0 billion (liabilities of the Government, NBS, commercial banks, and the corporate sector – except for capital participation), and foreign assets, i.e. USD 18.6 billion (foreign exchange reserves of the NBS, foreign assets of commercial banks and the corporate sector – except for capital participation), reached USD 1.6 billion (creditor position) at the end of April 2004.

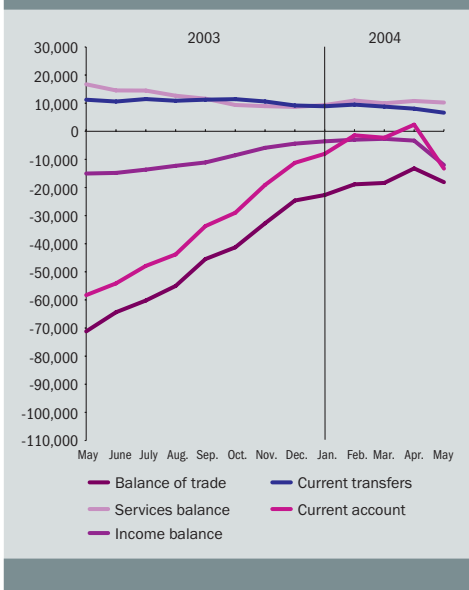
**Current Developments**

In May, foreign trade resulted in a deficit of Sk 2.1 billion, representing a deterioration of Sk 4.4 billion compared with the figure for May 2003 (when foreign trade recorded, for the first time in 2003, a surplus). The payment of dividends to foreign investors caused a marked increase in the income balance deficit and a change in the current account, from a surplus to a deficit.

In comparison with the same period in 2003, exports grew over the first five months by 18.8% (37.7% in USD and 22.0% in EUR) and imports by 16.5% (35.1% in USD and 19.7% in EUR).

In June, foreign trade is expected to follow a similar course of development as in May, when its balance deteriorated on a year-on-year basis, while the exports and imports of goods remained below the level of May.

**Development of the Current Account and its Components (moving cumulative figures) (Sk millions)**





Balance of Payments on Current Account		(Sk billions)	
	January – May 2004	January – May 2003	
Balance of trade	-4.2	-9.4	
Exports	363.9	306.4	
Imports	368.1	315.9	
Services balance	3.5	1.9	
Income balance	-10.1	-2.4	
of which: income from investment	-15.2	-9.7	
Current transfers	2.1	4.5	
Current account in total	-8.7	-5.5	

Monthly Data on the Current Account by Component		(Sk billions)				
	January 2004	February 2004	March 2004	April 2004	May 2004	
Balance of trade	1.1	0.6	-2.4	-1.4	-2.1	
Services balance	0.1	0.8	1.1	1.7	-0.2	
Income balance	-0.3	0.7	0.1	-1.1	-9.5	
Current transfers	0.5	1.0	0.7	0.4	-0.5	
Current account	1.4	3.1	-0.5	-0.4	-12.3	

In July and August, both exports and imports are expected to undergo a marked decline, in connection with the summer holidays. In the long-term, the fulfilment of this assumption will mean a moderate increase in the 12-month moving cumulative negative balance of trade.

At the end of June, the total foreign exchange reserves of the NBS stood at USD 12,362.5 million, representing a month-on-month fall of USD 1,194.3 million. The fall in foreign exchange reserves in comparison with the end of May was due to a shortfall in the balance of receipts and expenses, caused mainly by an outflow of funds via NBS repo operations and the payment of principal and interest on eurobonds. The said fall was offset partly by receipts from NBS interventions on the foreign exchange market. At the end of the month, the volume of foreign exchange reserves was 4.9 times greater than

**Total foreign exchange reserves of the NBS**





Cumulative NEER and REER Dynamics since the Beginning of the Year				(%)
For 9 partners, based on deflator:	NEER	REER CPI	REER PPI	REER PPI manuf.
2002	2.1	4.1	3.6	3.4
2003	3.2	11.3	10.8	4.7

the volume of average monthly imports of goods and services to Slovakia, in the first five months of the year.

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

In June, the average monthly exchange rate of the Slovak koruna appreciated on a month-on-month basis, in relation to both the euro and the US dollar (by 0.7% and 1.8% respectively). Against the reference currency, the koruna continued to strengthen after a one-month period of depreciation in May, but in relation to the dollar, the appreciation began with a delay of three months. On a year-on-year basis, the rate of appreciation increased in relation to both currencies: for the SKK/EUR exchange rate from 2.1% to 3.8% and for SKK/USD from 5.9% to 7.3%. The 12-month dynamics of the nominal effective exchange rate (NEER)<sup>1</sup> reached 3.8% in June, compared with 2.9% in May.

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

In May, the 12-month dynamics of the real effective exchange rate (REER) again diminished on a month-on-month basis in all variants of calculation, but to a much lesser extent than in April. The year-on-year rate of appreciation in the REER based on the CPI fell to 9.0% (from 9.7% in April), based on the PPI to 1.9% (from 2.8%), and based on industrial products prices to 1.8% (from 2.0%).

### 3.3. Real Economy

#### Current Developments

##### Production Receipts

#### Accelerated growth in industrial production

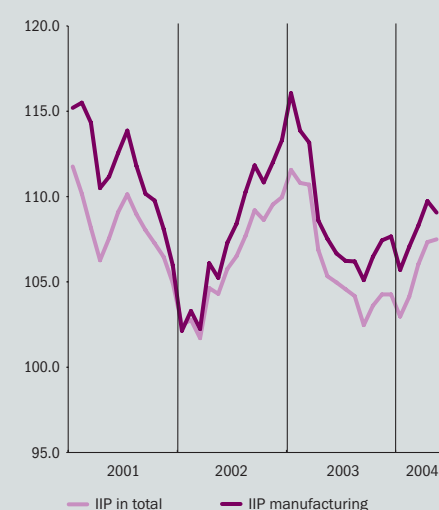
After a temporary slowdown in April, the growth in industrial production again accelerated in May, due to dynamic growth in manufacturing production, electricity generation and distribution, and in gas and water supply. On the other hand, production in raw materials extraction continued to decline.

Production in the manufacturing sectors was affected positively by accelerated growth in wood processing and the production of woodenware, coke and refined oil products, other non-metal mineral products, machines and equipment not included elsewhere, and electrical and optical equipment. In May, the rate of growth moderated in comparison with April in the production of foodstuffs, beverages, and tobacco products; pulp, paper, and paper goods; rubber and plastic products; metals and metal articles, and in the production of transport vehicles.

#### Continued slowdown in construction

In the construction sector, the growth in output continued to slow in May, when production exceeded the level of the previous year only slightly. The slowdown in comparison with April was caused mainly by a marked decline in domestic production in construction repair

#### Development of Industrial and Manufacturing Production (3-month sliding averages) (Index same period a year earlier = 100)

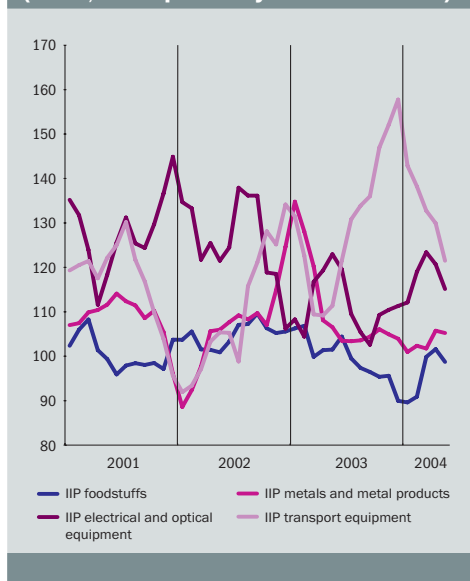


IIP - Index of Industrial Production

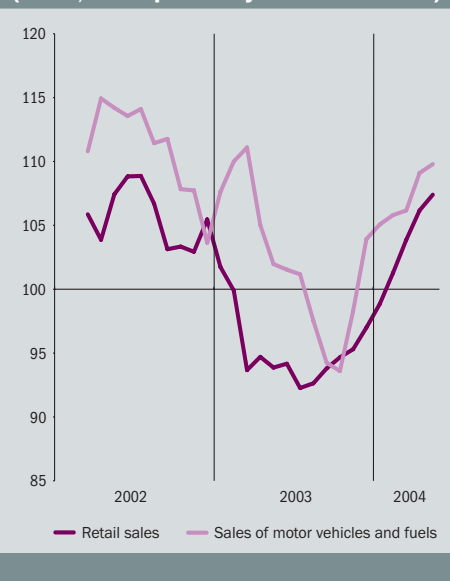
<sup>1</sup> The methodology applied for calculating the nominal and effective exchange rates of the Slovak koruna (NEER and REER) is the same one used by the IMF. The REER is calculated on the basis of the consumer price index (CPI), the industrial producer price index (PPI), and/or the industrial products price index, excluding the price of mineral raw materials, electricity, gas, steam, and hot water (PPI manufacturing). 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, Czech Republic, Italy, Austria, France, the Netherlands, the USA, Great Britain, and Switzerland.



**Development of Industrial Production in Selected Sectors (3-month sliding averages) (Index, same period a year earlier = 100)**



**Receipts from Retail Sales and the Sale of Motor Vehicles and Fuels (3-month sliding averages) (Index, same period a year earlier = 100)**



and maintenance work and a slight slowdown in production in new construction, reconstruction, and modernisation projects.

Except for real estate, leasing, and other business services, receipts continued to grow on a year-on-year basis in all services sectors. The growth in retail sales receipts accelerated, with the most signifi-

**Receipts from selected services**

	Sk millions, current prices		Indices			
	May 2004	Cumulative since the beginning of the year	Apr. 2004 / Apr. 2003	May 2004 / May 2003	May 2003 / May 2002	Jan. - May 2004 / Jan. - May 2003
<b>Production:</b>						
Index of industrial production <sup>1/ 2/</sup>	.	.	105.0	108.0	103.2	106.2
of which:						
Raw materials extraction	.	.	84.5	85.1	99.8	87.4
Manufacturing	.	.	106.8	108.8	103.9	108.2
Electricity, gas, and water supply	.	.	99.3	108.2	99.8	100.2
Construction <sup>2/</sup>	8,115	32,103	102.0	100.1	100.3	101.8
of which:						
Construction in Slovakia	7,747	30,528	102.4	101.4	97.5	102.1
Construction abroad	368	1,575	96.2	79.0	171.8	95.8
<b>Receipts from own-output and goods:</b>						
Industry in total <sup>3/</sup>	122,358	589,631	111.1	113.8	108.1	112.1
Construction <sup>2/</sup>	12,449	49,114	108.9	105.2	102.5	108.6
Retail trade <sup>3/</sup>	29,128	136,734	107.4	107.8	93.7	105.4
Sale and maintenance of vehicles,						
retail sale of fuels <sup>3/</sup>	13,461	58,615	109.5	109.4	101.7	108.0
Transport, storage <sup>3/</sup>	8,386	39,337	120.5	111.1	87.7	112.5
Real estate, leasing,						
retail sale of fuels <sup>3/</sup>	14,124	68,884	99.9	97.5	97.4	99.6

<sup>1/</sup> Adjusted for the effect of the number of working days (the data in the time series are revised on a continuous basis).

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

<sup>3/</sup> Index, same period of the previous year = 100 (constant prices, December 2000 = 100, transport and storage - current prices).



cant increases being recorded in proceeds from the sale of pharmaceuticals and cosmetics and in receipts in other non-specialised retail shops. Receipts from retail trade in foodstuffs, beverages, and tobacco products again fell on a year-on-year basis.

Receipts from the sale and maintenance of motor vehicles and the retail sale of fuels continued to grow in May, at a somewhat slower rate. The total volume of receipts was affected by a dynamic growth in proceeds from the sale and maintenance of motor vehicle and the sale of vehicle components and accessories (while receipts from the sale of fuels were at a standstill).

In May, the receipts of entities specialising in transport services grew at a slower rate than in the previous three months. Slower growth in receipts was recorded in two key sectors – rail and road transport.

After falling in April, the receipts of entities rendering real estate, leasing, and business services failed to reach the level of the same period a year earlier even in May, mainly due to a fall in receipts from business, computer engineering, and related services.

**Consumer Confidence Indicator**

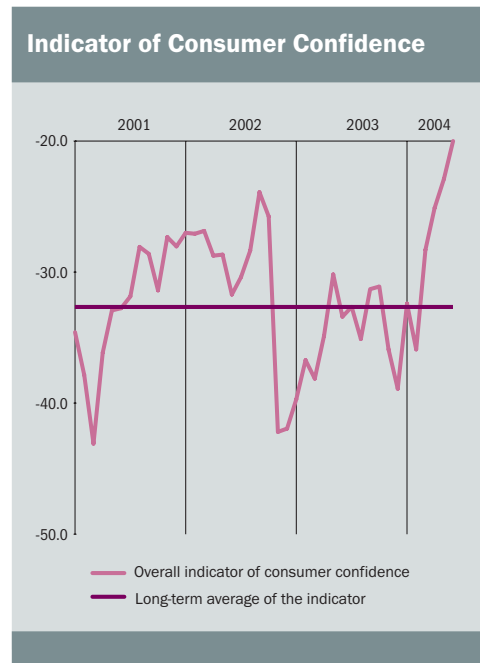
**The consumer confidence indicator reached an all-time high**

Slovakia’s consumer confidence indicator continued to improve, for the fourth successive month. As a result of a further fall in the level of pessimism, the value of the indicator increased by 2.9 points compared with the previous month. The actual value of the indicator (20.0) again represented the most favourable figure since April 1999, when the indicator was introduced in Slovakia. Compared with the same period a year earlier, the consumer confidence indicator has improved by 13.4 points. Improvement was recorded in answers to questions about the expectations of consumers concerning economic development, the financial situation of households and household savings. A moderate deterioration was recorded in answers concerning unemployment.

**Wages and Unemployment**

**Nominal wages**

The slowdown in the year-on-year dynamics of nominal wages recorded in April, continued in most sectors in May. The most significant slowdown was reported from industry and transport, while the wholesale trade recorded a modest increase in nominal wage dynamics.



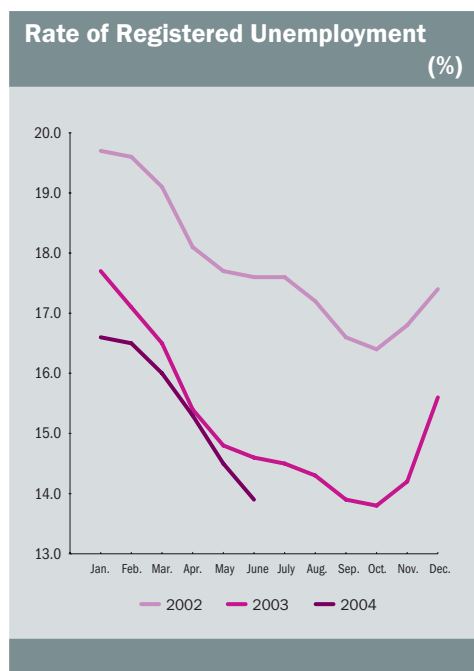
Wage Developments by Sector	(index, same period a year earlier = 100)							
	Average monthly nominal wage				Average monthly real wage			
	May		January - May		May		January - May	
	2003	2004	2003	2004	2003	2004	2003	2004
Industry	107.4	103.9	106.3	108.4	99.8	95.9	98.8	100.1
Construction	103.9	108.2	105.0	108.7	96.6	99.9	97.6	100.4
Retail trade	103.5	108.7	103.9	112.2	96.2	100.4	96.6	103.6
Wholesale trade	108.5	111.3	108.2	111.3	100.8	102.8	100.6	102.8
Real estate, leasing, business, and other services	109.2	106.2	110.0	107.4	101.5	98.1	102.2	99.2
Transport	106.9	108.4	105.3	109.9	99.3	100.1	97.9	101.5
Post and telecommunications	110.6	116.3	108.5	119.5	102.8	107.4	100.8	110.3
Consumer prices	107.6	108.3	107.6	108.3	x	x	x	x

*Notes: The above sectors accounted for 57.2% of total employment in 2003 (on average).  
Real wage index = nominal wage index / consumer price index.*



Wages, Labour Productivity, and Employment in January to May 2004 (index, same period a year earlier = 100)							
	Industry	Construction	Wholesale trade	Retail trade	Real estate and leasing	Transport	Post and telecom.
<b>Wages</b>							
- nominal	108.4	108.7	111.3	112.2	107.4	109.9	119.5
- real	100.1	100.4	102.8	103.6	99.2	101.5	110.3
<b>Labour productivity</b>							
- nominal	.	.	104.2	.	.	117.0	113.9
- real	113.4	98.6	.	104.0	97.8	.	.
<b>Productivity minus wages (percentage points)</b>							
- nominal	.	.	-7.1	.	.	7.1	-5.6
- real	13.3	-1.8	.	0.4	-1.4	.	.
Number of employees	98.8	103.3	100.0	101.4	101.9	96.2	97.5

*Note: Labour productivity is based on receipts from own-output and goods (in the construction sector, on the volume of production).*



In the first five months of 2004, the average rate of year-on-year growth in nominal wages reached, in most sectors under review, higher values than in the corresponding period of the previous year. Slower growth in nominal wages was recorded only in real estate, leasing, business, and other services, which was connected with the higher basis of comparison. Over the first four months of the year, the year-on-year rate of growth in nominal wages slowed in comparison with the previous period.

The average real monthly wage for January to May exceeded the level of the same period a year earlier in most sectors under review. Lower wages were recorded only in real estate, leasing, business, and other services. The growth in real wages was caused in part by nominal wages, while the rise in consumer prices (which was 0.7 of a percentage points steeper than a year earlier) had a dampening effect on the development of real wages. In connection with the slowdown in real wage growth in most sectors in comparison the previous period, the year-on-year rate of growth in real wages slowed over the first four months.

**Real wages**

In the first five months of the year, the relationship between wages and labour productivity followed a different course of development in the individual sectors. In sectors, where labour productivity (based on receipts from own-output and goods) is monitored at current prices, productivity grew at a faster rate than nominal wages only in transport, while in post & telecommunications and the wholesale trade, the growth in labour productivity lagged behind the dynamics of nominal wages. In sectors, where labour productivity is monitored in real terms, the growth in productivity significantly exceeded the rate of real wage growth in industry. In the retail trade, the growth in productivity exceeded the rate of wage growth only slightly, whereas in construction, there was a modest growth in real wages accompanied by a fall in labour productivity. In real estate, leasing, business, and other services, both real wages and labour productivity fell, but the fall in productivity was greater in size.

**Labour productivity and wages**

The trend of pronounced fall in unemployment, persisting since March 2004, continued in May. The total number of registered unemployed reached 410,800 in May, which was approximately 21,000 (4.86%) less than in April. Of this figure, the number of disposable unemployed, who are prepared to start work immediately, accounted for 378,800, which was 20,500 less than in April. A favourable trend was also recorded in the rate of registered unemployment, which fell further in May, to 14.47% (0.78 of a percentage point below the level of April). This represented a fall of 0.34 of a percentage point in comparison with the same period a year earlier.

**Unemployment**



In May, 27,100 new unemployed signed on at offices for labour, social, and family matters (compared with 26,200 in April), and more than 48,000 persons were removed from the registers (47,100 in April). Approximately 21% of these persons were removed for unwillingness to co-operate and more than 60% of them found employment.

The average period of registration increased month-on-month by 0.02 of a month in May, to 12.41 months, representing a decrease of 0.58 of a month in comparison with May 2003.

## 4. Monetary Developments

### 4.1. Foreign Exchange Market

#### Operations on the foreign exchange market

By the end of June, the exchange rate of the Slovak koruna against the euro had strengthened by 0.3% (from SKK 40.069/EUR to SKK 39.946/EUR), while the average rate had appreciated by 0.7%. In relation to the US dollar, the koruna weakened by 0.5% (from SKK 32.695/USD to SKK 32.844/USD), while appreciating in average terms by 1.8%.

In June, the National Bank of Slovakia purchased EUR 87 million in individual direct transactions.

Changes in the Exchange Rates of the SKK to EUR and USD (%)			
	Month-on-month change	Ø June 2004 Ø June 2003	Ø (Jan. - June) 2004 Ø (Jan. - June) 2003
SKK/EUR	-0.3	-3.8	-2.8
SKK/USD	0.5	-7.3	-12.7

+ Depreciation of the SKK  
- Appreciation of the SKK.  
Ø Average

#### Interbank foreign exchange market

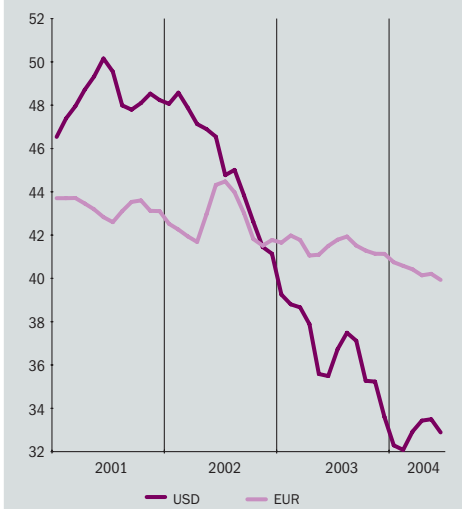
The volume of trading on the interbank foreign exchange market totalled USD 35,477.2 million, representing an increase of 0.8% compared with the figure for May (USD 35,202.7 million). Of the total volume of trading, 91.5% took place in swap transactions, which were conducted mostly in USD (86.5%). Spot transactions accounted for 7.7% of the total turnover (97.1% of the deals were in EUR). The average daily turnover on the spot market reached USD 146.8 million and the average volume per transaction amounted to USD 1.9 million.

The volume of transactions between domestic commercial banks increased, from USD 6,603.7 million in May to USD 7,958.8 million in June. Most trading took place in USD (69.7%, compared with 82.3% in May), followed by EUR (29.7%, compared with 17% in May) and other currencies (0.6% of the total turnover between domestic banks).

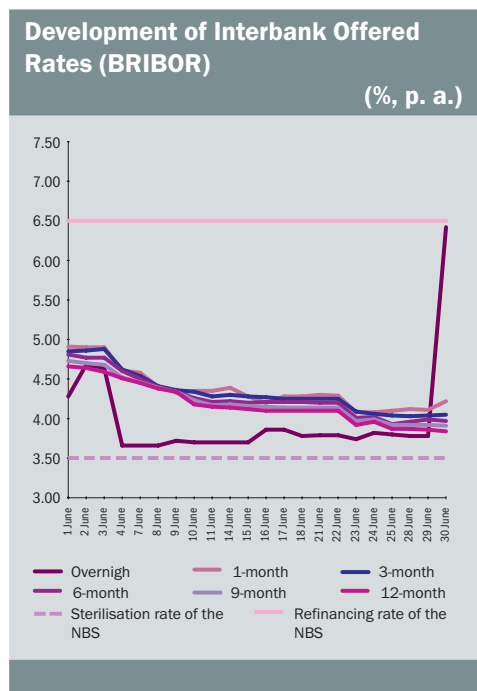
Transactions between domestic banks accounted for 22.4% of the total volume of trading on the interbank foreign exchange market (compared with 18.8% in the previous month). Of the total volume of transactions between domestic banks, swap operations accounted for 89.5% (88.6% in May) and spot transactions 10.5% (11.4% in May).

The volume of trading between domestic and foreign banks dropped by 3.8%, from USD 28,599.5 million to USD 27,518.4 million. Most trading was again conducted in USD (82.0%, compared with 87.6% in May), followed by EUR (15.7%, compared with 10.3% in May), and other currencies (2.2%). Trading between domestic and foreign banks still accounted for 77.6% of the country's foreign exchange market.

#### Average Monthly Exchange Rate of the SKK







Trading between domestic and foreign banks also took place predominantly in the form of swap operations (92.1%, compared with 91.8% in May), while spot transactions accounted for 7.7% (8.2% in May). The share of forward dealings on the forex market was negligible.

**4.2. Money Market and Monetary Policy Implementation**

At its meeting on 30 June 2004, the Bank Board decided to lower the key NBS interest rates by 0.5 of a percentage point, to 3.0% for overnight sterilisation operations, 6.0% for overnight refinancing transactions, and 4.5% for two-week repo tenders for commercial banks.

Average money market interest rates continued to fall in June. The daily course of the rates was influenced by the NBS throughout the month, since the Bank tried to eliminate the excessive pressure for appreciation in the exchange rate of the Slovak koruna by reducing the level of demand at tenders and auctions in NBS bills, which caused a fall in money market rates. The announcement of the result of an NBS-bill auction at the beginning of the month led to a steady fall in the price

**Interbank interest rates**

of deposits, mainly in the case of deposits with a maturity of one to fourteen days.

The repeated cuts in demand at the tenders left the banking sector in a marked surplus of daily liquidity, which kept the price of deposits below the level of 4.5% along the entire yield curve. The fall in the price of longer-term deposits was also supported by a reduction in the yield accepted at a Treasury-bill auction in the second half of the month. The money market did not react to the cut in the key NBS rates, since the effect of their reduction had already been incorporated in the prices of interbank deposits. Forward rate agreements (FRAs) also reacted to money market changes with a fall in price.

The volume of trading on the interbank money market reached Sk 1,284 billion in June (compared with Sk 1,397 billion in May). Reference banks accounted for 84.4% of the total turnover (a decrease of 2.6 percentage points). Non-resident and resident bank transactions accounted for 59.2% and 40.8% of the total trading volume respectively. Within the structure of interbank transactions by type, domestic banks achieved the largest share in forward rate agreements (50.4%) and foreign banks in interest rate swaps (93.9%).

Interbank Transactions	(Sk billions)				
	Deposits	Repos	Swaps	FRA	IRS
May 2004	735	0	627	26	9
June 2004	570	0	658	46	10

The average daily volume of liquidity sterilised on the money market dropped in June by Sk 2.4 billion, to Sk 200.6 billion. The fall in need for sterilisation was partly due to the increased volume of currency in circulation and the increased amount of government securities issued in comparison with the due amount. Of the total volume of sterilisation, repo tenders accounted for 74.3%, NBS treasury bills 21.4%, and overnight transactions 4.3%.

**Liquidity**

The level of liquidity in the banking sector was in part reduced through the balance of current budget revenues and expenditures in relation to the banking sector, which, together with the transfer of funds from the SR Treasury to state accounts at the NBS, absorbed liquidity in the cumulative amount of Sk 5.7 billion. Another factor behind the fall in the banking sector's reserves was the placement of daily deposits with the NBS by the Agency for Debt and Liquidity Management, which absorbed liquid assets in the amount of Sk 12.3 billion (owing to a large deposit on the last day of the month). Part of the liquidity was absorbed by an increase in the volume of currency in circulation (Sk 1.5 billion in cumulative terms).



A pro-growth effect on the reserves of commercial banks was exerted by NBS operations on the foreign exchange market against the excessive appreciation of the Slovak koruna (Sk 3.5 billion) and in part by funds released from the deposits of non-budgetary funds of state authorities (approximately Sk 3 billion), the deposits of regional self-governments (approximately Sk 1 billion), and from the other balance accounts of the NBS.

On 30 June 2004, the sterilisation position of the NBS vis-à-vis the banking sector reached Sk 215.6 billion.

The overall sterilisation position of the NBS (including the deposits of the Ministry of Finance, SR Treasury, and the FNM at the NBS) amounted to Sk 332.9 billion at the end of June.

Average Daily Effect of NBS Transactions on the Level of Banking Sector Liquidity (Sk millions)				
	O/N repos	O/N deposits	NBS bills	Repo tenders
May 2004	0	-1,471	-70,000	-131,546
June 2004	439	-8,992	-43,000	-149,067
+ inflow of liquidity - outflow of liquidity				

Tenders in June 2004						
Date	Type of tender <sup>1/</sup>	Maturity (days)	Volume accepted (Sk millions)	Rates (%)		
				minimum	average	maximum
2.6.2004	SRT	14	82,034	4.99	5.00	5.00
9.6.2004	SRT	14	75,000	4.18	4.49	4.70
16.6.2004	SRT	14	80,026	4.00	4.42	4.59
23.6.2004	SRT	14	65,000	4.24	4.63	4.70
30.6.2004	SRT	14	119,276	3.95	4.41	4.70

<sup>1/</sup> SRT - sterilisation repo tender

The NBS announced five repo tenders for June. Demand was accepted in full only at the first tender; at the following four tenders, the bank bids were limited by the NBS. The reason for this was the use of monetary policy instruments for ending the appreciation of the Slovak koruna through a substantial cut in the volume accepted at the tenders, with the aim of maintaining a large volume of surplus liquidity in the banking sector. The attempt of banks to successfully utilise their free funds at the tenders led to a fall of up to 59 basis points in the average yield, and thus the minimum yield fell below the level of 4%. After lowering its key interest rates at the end of the month, the NBS modified its approach and curtailed the amount of bids accepted at the last tender only to a minimum extent. Although some of the bids were rejected at the tenders, the share of tenders in the total volume of sterilisation increased, mainly at the expense of the share of NBS bills.

In June, the NBS held one auction in 84-day NBS bills. Demand at the auction reached Sk 49.2 billion, but the NBS accepted none of the bids.

Owing to the persistent surplus of liquidity in the banking sector, banks deposited their excess funds with the NBS on a regular basis, except for the first two days. Most deposits were made in the second half of the month, in the total amount of Sk 23.2 billion. Overnight refinancing repo operations were used by banks on two occasions. The first such operation was conducted on the first working day, due to the non-repayment of an intra-day loan in due time, which required a refinancing repo operation as a penal-





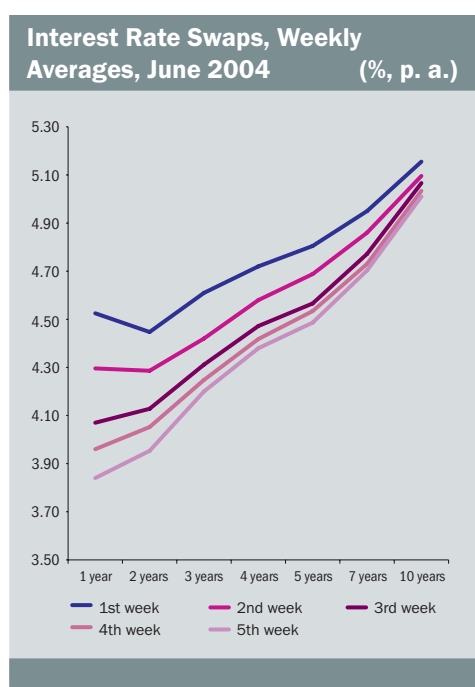
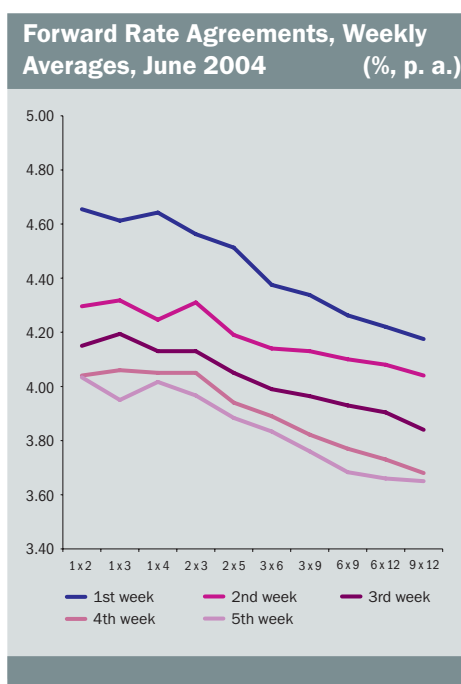
ty. The reason for refinancing on the last working day was a marked fall in daily liquidity, resulting from the acceptance of a large volume at the last repo tender. Thus banks used refinancing at the end of the month, in the amount of Sk 11.2 billion.

For June 2004, the amount of required minimum reserves in the banking sector was set at Sk 16.16 billion. By the end of the month, the reserve requirement had been fulfilled to 100.45%. The reserve requirements were met by all banks in June.

### Reserve requirements

### Developments in Money Market Interest Rate Derivatives

The change in the NBS's approach to the money market, consisting in the maintenance of a liquidity surplus, encouraged trading in forward rate agreements (FRAs) as early as the beginning of the month. The fall in BRIBOR rates for longer maturities created room for speculation about the future course of interest rates and the sale of FRAs led to a fall in their price, mainly in the case of contracts maturing in one to two months



The weakening of the Slovak koruna in the middle of the month generated an increase in demand for inter-bank deposits with longer maturities and a temporary rise in the price of FRAs. The continued balanced course of development in the prices of FRAs was interrupted by a marked reduction at a tender held before the meeting of the Bank Board of the NBS. At the end of the month, the prices of FRAs were more sensitive to changes in foreign exchange market developments and were, to a lesser extent, affected by money market developments.

The comparison of interest rates derived from FRAs quoted for the 1st, 15th, and 30th days of the month indicates that, despite the shift of the implicated interest rates to a lower level, the inclination of the curve remained virtually unchanged. The shape of the curve indicates that a fall of 50 basis points is expected by banks no earlier than in seven to eight months.

The course of weekly averages of FRAs recorded a greater initial fall in price in the case of contracts due in one month and a smaller fall in the case of con-



tracts due in six to twelve months. The price drops of different size became equal at the end of the month.

In reaction to the fall in money market rates and accepted yields at auctions in government securities, the prices of interest rate swaps (IRS) fell, mainly in the case of one to five-year maturities.

#### 4.3. Customer Interest Rates in May 2004

From the end of 2003 to the end of May 2004, the Bank Board of the NBS lowered its key interest rates on three occasions; during that period, they were reduced in cumulative terms by 1.25 percentage points. This change was almost immediately reflected in money market rates (from the end of last year to the end of May, the level of BRIBOR rates fell by approximately 1 percentage point for all maturities), but customer interest rates reacted differently.

Unambiguous reaction was recorded mainly in interest rates on deposits, where commercial banks responded to the cut in key interest rates without delay. The comparison of corporate and household deposits shows relatively marked differences between the rates of interest attracted (mainly in the case of time deposits), but with regard to a significant fall in interest rates on corporate deposits, the differences moderated during the year.

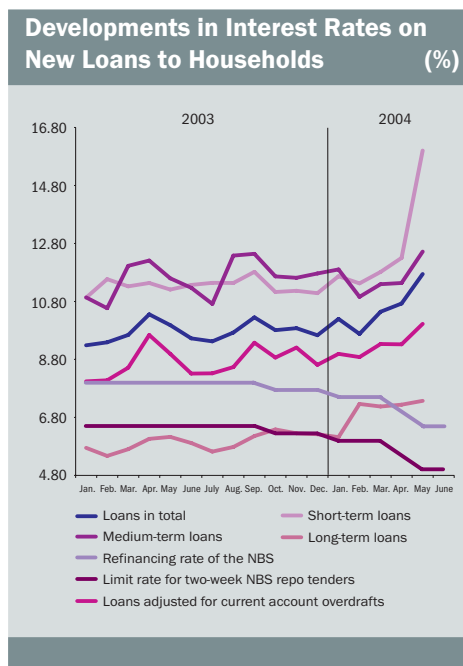
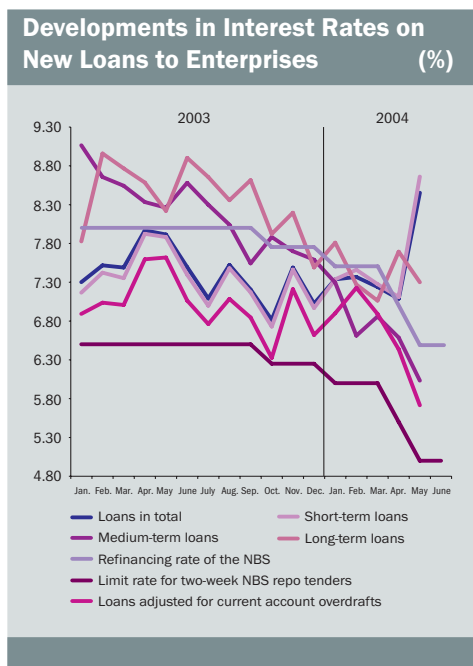
	Developments in interest rates on deposits								
	(% , percentage points)								
	Total			Households			Enterprises		
	Dec. 03	May 04	Differ.	Dec. 03	May 04	Differ.	Dec. 03	May 04	Differ.
Deposits in total	3.0	2.6	-0.4	2.7	2.2	-0.5	3.5	2.8	-0.7
Demand deposits	1.5	0.9	-0.6	1.1	0.9	-0.2	1.3	0.9	-0.4
Time and savings deposits	3.9	3.4	-0.5	3.2	2.8	-0.4	5.1	4.2	-0.9
time deposits	4.3	3.6	-0.7	3.5	2.9	-0.6	5.1	4.2	-0.9
savings deposits	2.8	2.5	-0.3	2.7	2.5	-0.2	3.2	2.6	-0.6
Short-term deposits	4.1	3.4	-0.7	3.2	2.7	-0.5	5.1	4.2	-0.9
Medium-term deposits	3.1	4.1	1.0	3.0	2.8	-0.2	4.4	4.1	-0.3
Long-term deposits	3.1	2.9	-0.2	3.1	2.9	-0.2	3.1	3.1	0.0

The opposite trend was recorded in the average interest rate on new loans, the course of which (mainly in 2004) is to a significant extent influenced by the rate of interest on current account overdrafts, where the methodology has been changed. With effect from 2004, its calculation is based on the method of cumulative debit turnovers, which has caused a marked increase in the share of current account overdrafts in total new loans with a consequent effect on the average interest rate. The average interest rate on total new loans in 2003 exceeded the average rate for new loans adjusted for current account overdrafts by an average of 0.5 of a percentage point; this difference increased in 2004 (to 3.0 percentage points in May), with the share of these loans in the total volume of loans increasing from 16% (the average for 2003) to 34% (the average for the first five months of 2004).

With regard to the dominant share of new short-term loans to enterprises (90%) in total loans, the change in methodology has a significant impact on the value of the average interest rate. At the same time, current account overdrafts have a major share in new short-term loans, i.e. approximately 37% (the average for January to May). If we adjust interest rates for the effect of current account overdrafts, the effect of reduction in the key rates becomes noticeable: since March, the interest rates on total loans and new short-term loans have fallen by 1.1 points and 1.2 points respectively. Interest rates on new medium- and long-term loans to enterprises follow a relatively volatile course of development. In the longer term, however, the rates for these maturities show a relatively stable tendency to fall, with a noticeable reaction to changes in the key interest rates, mainly in the case of medium-term loans.

So far, the reduction in the key interest rates has not been reflected in the rates for new loans to households. On the contrary, these rates increased (even after being adjusted for current account overdrafts).

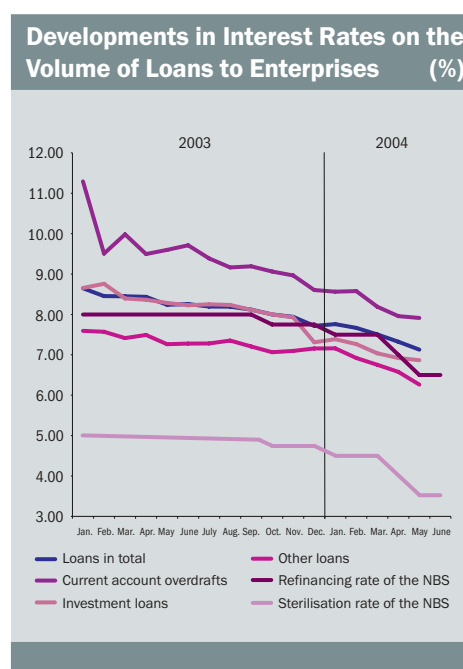
Interest rates on new mortgage loans (including government bonuses) have shown a tendency to rise steadily, since October 2003. Until September, these rates had hovered around the level of 5%, close to the sterilisation rate. In May 2004, mortgage lending rates reached almost 6% and thus exceeded the level of the basic interest rate. This development is probably due to the reduction in the govern-

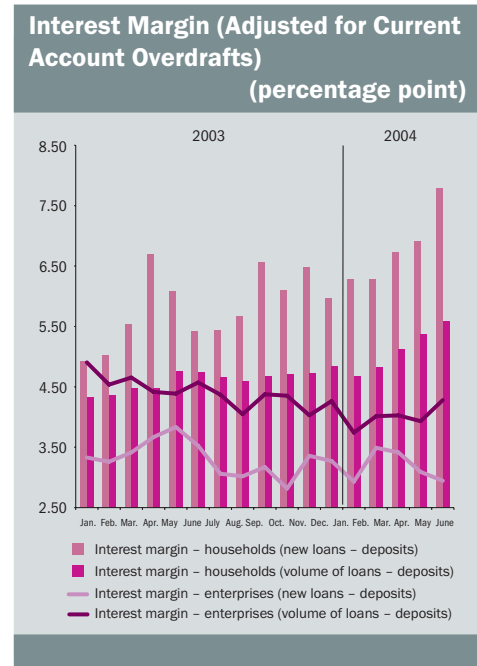


ment bonus, from 2.5% in 2003 to 1.0% in 2004. Thus banks gradually transfer the costs incurred in connection with the cut in government support to customers.

The reduction in the key interest rates led to a gradual fall in interest rates on the volume of loans. In comparison with the end of 2003, the average interest rate on the volume of loans fell by 0.3 of a percentage point in May, when the rates for short-term and medium-term loans dropped by 0.4 of a percentage point and that for long-term loans by 0.2 of a point. If we, however, compare the rates of interest on the volume of loans to enterprises and households, a relatively marked difference can be observed. The interest rate on the volume of loans to enterprises fell over the first five months (by 0.6 of a point), while the rate for loans to households recorded a steady increase (0.4 of a point).

Interest rates on the volume of loans to enterprises are characterised by a trend of steady fall: the rate for medium-term loans dropped in comparison with the end of 2003 by 0.8 of a percentage point, the rate for short-term loans by 0.6 of a point, and that for long-term loans by 0.4 of a point. In a breakdown by the type of loans (with a major influence on interest levels), the cut in the key interest rates was





reflected first and foremost in other loans<sup>2</sup> (a fall of 0.9 of a point), current account overdrafts<sup>3</sup> (a fall of 0.7 of a point), and investment loans (a fall of 0.4 of a point).

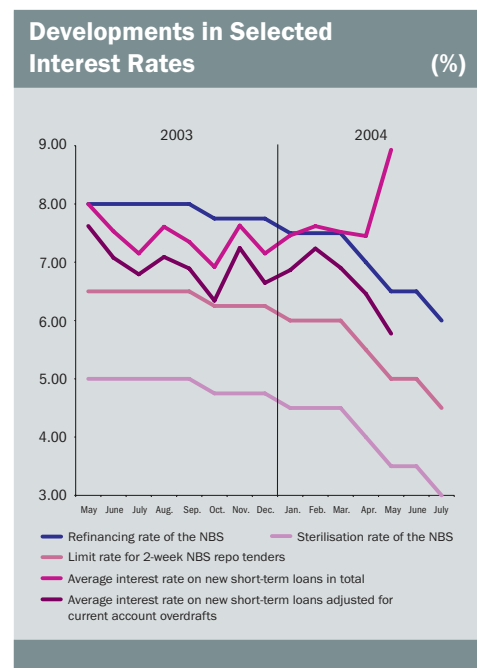
On the other hand, interest rates on the volume of loans to households followed an upward trend: the rate for short-term loans rose in comparison with December by 1.1 percentage points, the rate for medium-term loans by 0.5 of a point, and that for long-term loans by 0.3 of a point. Within the structure of loans by type (with the largest share in total loans), the price of current account overdrafts increased by 0.3 of a point, that of intermediate loans by 0.2 of a point, while the price of housing loans remained unchanged. Although the price of mortgage loans fell in comparison with the end of the year (by 0.3 of a point), its level basically corresponded to the sterilisation rate of the NBS over the course of last year; the cut in the key rates this year has left the price of mortgage loans virtually unaffected.

If we compare the customer interest rates of individual economic entities, a marked difference can be observed between the interest margins on deposit and loan products between the enterprise and household sectors. While in 2003 the difference between interest rates on new loans (adjusted for current account overdrafts) and deposits hovered around the level of 5.8 percentage points on average, this year saw conflicting trends in the rates for new loans and deposits as a result of which the difference increased to 6.8 points (an average figure for January to May). In the case of enterprises, the interest margin fluctuates well below the figure for households: after reaching an average of 3.3 percentage points in 2003, it decreased slightly in the course of this year, to an average of 3.2 points. This development indicates that banks apply a different approach to enterprises and households.

### Current Developments

#### Developments in customer interest rates in May

The reduction in key NBS interest rates at the end of April (by 0.5 of a percentage point) affected first and foremost the average deposit rate, which remained be-



<sup>2</sup> Despite a change in the methodology applied (with effect from 2004), 'other loans' are not expected to be substantially affected with regard to the type of loans drawn by enterprises within the scope of this category.

<sup>3</sup> The change in the methodology applied for calculating the rates of interest on current account overdrafts, does not apply to interest rates on the volume of loans.



low the level of the sterilisation rate. The interest rate on new short-term loans was affected by a change in the methodology of reporting current account overdrafts, which caused a marked increase in its level. If we leave this change out of consideration, the rates of interest on new short-term loans also fell below the level of the refinancing rate.

The increase in the average interest rate on new loans was affected by the said change in the methodology of current account overdraft reporting, which led to a rise in the rate of interest for new short-term loans. These loans had the largest share in new loans in total (43.0%), while current account overdrafts accounted for 51% of the short-term loans. On the other hand, interest rates on medium-term loans fell, while long-term lending rates remained unchanged.

#### Interest rates on new loans

Average Interest Rates on New Loans							
	Interest rate in %				Change in percentage points		
	May 2003	December 2003	April 2004	May 2004	year-on-year	compared with the end of year	month-on-month
New short-term loans	8.0	7.1	7.4	8.9	0.9	1.8	1.5
New medium-term loans	9.0	8.6	8.3	8.2	-0.8	-0.4	-0.1
New long-term loans	7.1	7.0	7.3	7.3	0.2	0.3	0.0
Total	8.1	7.2	7.5	8.8	0.7	1.6	1.3

If we leave the change in the methodology of current account overdraft reporting out of consideration, interest rates on new short-term loans dropped month-on-month by 0.7 of a percentage point, to a level of 5.8%.

The May increase in the average interest rate on new loans to enterprises was affected by a rise in interest rates on new short-term loans, mainly on current account overdrafts. After the time series had been adjusted for current account overdrafts, interest rates on short-term loans and total loans fell month-on-month by 0.7 of a percentage point and 0.8 of a point respectively. The fall in interest rates on new medium-term loans was due to a drop in the price of other loans (by 0.7 of a percentage point). Interest rates on new long-term loans fell, mainly as a result of a drop in the price of investment loans (by 0.4 of a percentage point).

#### Average interest rates on new loans to enterprises

New loans to households recorded a rise in interest rates in May, due primarily to an increase in rates for new short-term loans (the rate for current account overdrafts rose by 3.7 percentage points). Even if

#### Average interest rates on new loans to households

Average Interest Rates on New Loans to Enterprises and Households							
	Interest rate in %				Change in percentage points		
	May 2003	December 2003	April 2004	May 2004	year-on-year	compared with the end of year	month-on-month
<b>Enterprises</b>							
New short-term loans	7.9	7.0	7.1	8.7	0.8	1.7	1.6
New medium-term loans	8.3	7.6	6.6	6.0	-2.3	-1.6	-0.6
New long-term loans	8.2	7.5	7.7	7.3	-0.9	-0.2	-0.4
Total	7.9	7.0	7.1	8.5	0.6	1.5	1.4
<b>Households</b>							
New short-term loans	11.2	11.1	12.3	15.9	4.7	4.8	3.6
New medium-term loans	11.6	11.8	11.4	12.5	0.9	0.7	1.1
New long-term loans	6.1	6.2	7.2	7.4	1.3	1.2	0.2
of which: new mortgage loans with a government bonus (client)	5.4	5.2	5.7	5.8	0.4	0.6	0.1
Total	10.0	9.6	10.7	11.7	1.7	2.1	1.0



we exclude current account overdrafts (representing 90% of the new short-term loans), these rates increased, mainly as a result of rates for short-term consumer loans (a month-on-month rise of 3.0 percentage points). Interest rates on medium-term loans rose primarily as a result of consumer loans, the price of which increased by 0.7 of a percentage point. This trend in new long-term loans was determined mainly by the price of housing loans, which increased by 0.1 of a percentage point.

Average Interest Rates Excluding Current Account Overdrafts							
	Interest rate in %				Change in percentage points		
	May 2003	December 2003	April 2004	May 2004	year-on-year	compared with the end of year	month-on-month
<b>Enterprises</b>							
New short-term loans	7.6	6.6	6.4	5.7	-1.9	-0.9	-0.7
Total	7.7	6.7	6.5	5.7	-2.0	-1.0	-0.8
<b>Households</b>							
New short-term loans	8.5	10.3	10.0	14.0	5.5	3.7	4.0
Total	9.0	8.6	9.3	10.0	1.0	1.4	0.7

**Average interest rates on deposits** In May, average interest rates fell on demand deposits, time deposits, as well as savings deposits.

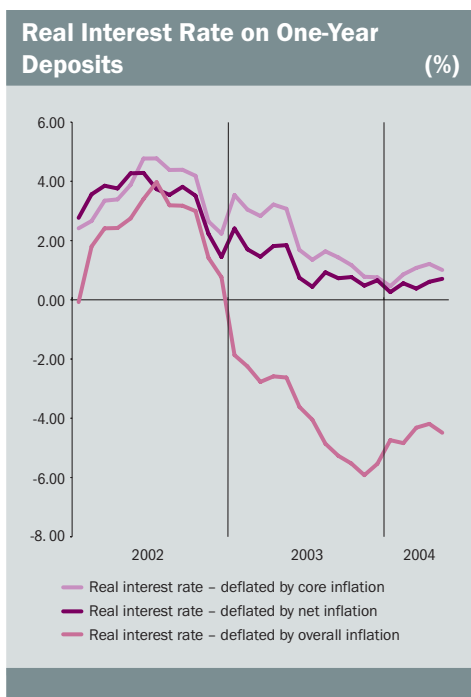
Average Interest Rates on Deposits (Demand, Time, and Savings Deposits)							
	Interest rate in %				Change in percentage points		
	May 2003	December 2003	April 2004	May 2004	year-on-year	compared with the end of year	month-on-month
Demand deposits	1.5	1.5	1.2	0.9	-0.6	-0.6	-0.3
Short-term deposits	4.3	4.1	3.8	3.4	-0.9	-0.7	-0.4
Medium-term deposits	3.3	3.1	4.1	4.0	0.7	0.9	-0.1
Long-term deposits	3.0	3.1	2.9	2.9	-0.1	-0.2	0.0
Total	3.3	3.0	3.0	2.6	-0.7	-0.4	-0.4

Average Interest Rates on Corporate and Household Deposits							
	Interest rate in %				Change in percentage points		
	May 2003	December 2003	April 2004	May 2004	year-on-year	compared with the end of year	month-on-month
<b>Enterprises</b>							
Demand deposits	1.5	1.3	1.1	0.9	-0.6	-0.4	-0.2
Short-term deposits	5.3	5.1	4.7	4.2	-1.1	-0.9	-0.5
Medium-term deposits	5.0	4.4	4.1	4.1	-0.9	-0.3	0.0
Long-term deposits	3.3	3.1	3.1	2.7	-0.6	-0.4	-0.4
Total	3.9	3.5	3.4	2.8	-1.1	-0.7	-0.6
<b>Households</b>							
Demand deposits	1.4	1.1	1.0	0.9	-0.5	-0.2	-0.1
Short-term deposits	3.5	3.2	2.9	2.7	-0.8	-0.5	-0.2
Medium-term deposits	3.1	3.0	2.9	2.8	-0.3	-0.2	-0.1
Long-term deposits	3.0	3.1	2.9	2.9	-0.1	-0.2	0.0
Total	2.9	2.7	2.4	2.2	-0.7	-0.5	-0.2





Real Interest Rate on One-Year Deposits		(%)
Year-on-year inflation rate in May 2004	8.3	Real interest rate
Average interest rate on short-term deposits at up to 1 year's notice in May 2004	3.8	-4.5
Average interest rate on short-term deposits at up to 1 year's notice in May 2003	5.0	-3.3



The fall in the average rate for corporate deposits in May was affected by a drop in interest rates on demand deposits, short- and long-term time deposits, and savings deposits. Within the structure of short-term time deposits, interest rates dropped mainly on deposits redeemable at up to one month's notice (by 0.5 of a percentage point), with the sharpest fall being recorded in the rate for one-day deposits (by 0.7 of a percentage point). Rates for deposits with an agreed maturity of 1 to 5 years remained unchanged, while those for deposits with a maturity of over 5 years dropped by 0.4 of a percentage point.

**Average interest rates on corporate deposits**

With the exception of long-term deposits, average interest rates on household deposits fell for all maturities. The rates for long-term savings and time deposits were at a standstill in May.

**Average interest rates on household deposits**

In May, the real interest rate on one-year deposits reached a negative figure (-4.5%), which had increased in comparison with the previous month by 0.3 of a percentage point. This was due to a rise in the 12-month inflation rate (by 0.3 of a percentage point) and stagnation in the average rate for one-year deposits.

**Real interest rates**

If we compare the average interest rate on one-year deposits in May 2003 (due in May 2004) with the 12-month rate of inflation in May 2004, the real interest rate on one-year deposits becomes -3.3% (negative figure).

If the rate of interest on one-year deposits is deflated by core and/or net inflation, the value of the real interest rate for May becomes positive (1.0% and/or 0.7% respectively), representing a fall of 0.2 and/or a rise of 0.1 of a percentage point on a month-on-month basis.





## Annexes

### 1. Capital Market

#### 1.1. Primary Market

Two government bond issues were floated in June, with a maturity of 10 and 5 years. Total demand amounted to Sk 17.7 billion, 48.9% of which was accepted.

#### Government bonds



In June, Issue No. 203 (a five-year issue) was opened for the second time, with a fixed coupon of 4.80% and demand totalling Sk 13.6 billion. Of this amount, Sk 6.1 billion was accepted, with yields ranging from 4.66% to 4.80%. The yields of a similar 5-year benchmark government bond fluctuated between 4.37% and 4.69% in June. Of the planned amount of Issue No. 203 (Sk 40.0 billion), 19.13% had been sold by the end of June.

In the second tranche of Issue No. 204 (15-year government bonds), which was opened with a fixed coupon of 5.30%, demand reached Sk 8.2 billion. Of this amount, Sk 5.2 billion was accepted, with yields ranging from 5.10% to 5.30%. Of the planned amount of Issue No. 204 (Sk 40.0 billion), 18.37% had been sold by the end of June. There is no similar 15-year government bond included in the benchmark yield curve.

In June 2004, yields were paid only on one government-bond issue to domestic investors, in the total amount of Sk 28.0 million. No issue fell due in the course of the month.

#### Yield payment and bond repayments

June saw two issues of publicly negotiable non-government bonds. They were mortgage bonds issued by Tatrabanka and Slovenská sporiteľňa.

#### Non-government bonds

#### 1.2. Secondary Market

In June, there were 22 trading days on the Bratislava Stock Exchange (BCPB). During that period, Sk 53.5 billion was traded in 907 transactions. The financial volume of transactions on the BCPB floor in June has so far been the largest in 2004 and is the largest among the June figures recorded since the foundation of the Stock Exchange. Compared with the same period a year earlier, the volume of trading increased by 80.3%, and exceeded the figure for the previous month by 33.9%. Non-resident investors accounted for 50.1% of the total volume traded in June, of which 57.0% were composed of purchases and 43.2% of sales.

Debt securities recorded 290 transactions totalling Sk 51.5 billion. Government bonds were traded in the amount of Sk 51.1 billion (in 204 transactions), representing 99.1% of the total volume of bond transactions. The volume of trading increased by 38.8% compared with the previous month.

#### Bonds

In terms of financial volume, the market for quoted bonds was dominated by trading in government bonds, namely Issue No. 142 (Sk 31.3 billion in 21 transactions) and Issue No. 200 (Sk 6.7 billion in 37 transactions). The volume traded in the private sector was dominated by mortgage bonds, i.e. HZL VÚB XII (Sk 161.2 million in 6 transaction), and I.D.C. Holding IV bonds (Sk 23.6 million, in 29 transactions). Most trading took place in government bonds, Issue No. 200 (37 transactions). In the market-maker system, 10 transactions were included in June, in government bonds No. 188; No. 189; B.O.F. 05; and mortgage bonds HZL VÚB VI. and HZL ISTROBANKA I, in the total amount of Sk 64.9 million.

The market capitalisation of bonds amounted to Sk 334.2 billion (a month-on-month decrease of 2.0%) on the last trading day of the month. The capitalisation of quoted bonds increased month-on-month by 5.0%, to Sk 311.5 billion.



Interest rates continued to fall in June, mainly for short-term bonds (in the case of 2 to 3-year issues, the yield to maturity fell by an average of 8.1%), as well as yields on long-term investments (i.e. 9 to 10-year money was quoted at a price 0.8% lower than in May). The price of three-year money was quoted at 3.73% to 4.73%; four-year money at 4.00% to 4.59%; six-year money at 4.55% to 4.97%; eight-year money at 4.83% to 5.10%, nine-year money at 5.00% to 5.14%; and ten-year money at 5.00% to 5.16%.

**SDX index** The component of the SDX (Slovak Bond Index) for corporate and bank bonds closed the month at 248.64% of the nominal value (a monthly increase of 0.9%), with an average yield of 5.44% to maturity and a duration of 1.95 years. The component of SDX for government bonds increased by 1.7%, to 228.00% of the nominal value, corresponding to a yield of 4.3% and a duration of 3.87 years.

**Shares** Shares were traded in the total amount of Sk 1.9 billion (2.5 million shares), in 617 transactions. The volume of transactions fell by 31.0% compared with the previous month. At present, no issue of equity securities can be traded in the market-maker system.

By the last trading day of June, the market capitalisation of equity securities had fallen month-on-month by 3.2%, to Sk 109.2 billion.

**SAX index** The Slovak Share Index (SAX) opened the month at 194.64 points, representing an appreciation of 0.02% in comparison with the figure for the end of May, and closed the month at 195.65 points.

## 2. Monetary Developments in the Euro Area

At its June meeting (03/06/04), the Governing Council of the European Central Bank (ECB) decided to leave its key interest rates unchanged. The rate for refinancing operations remained at 2.00%, the rate for overnight loans at 3.00%, and that for overnight deposits at 1.00%.

### 2.1. Exchange Rate Developments

At the beginning of June, the exchange rate of the single European currency against the US dollar hovered around the level of USD 1.22/EUR.

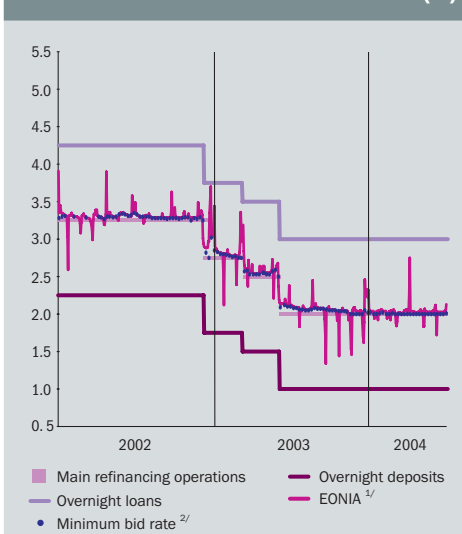
Developments on the foreign exchange markets at the beginning of June were affected first and foremost by the expectations of investors and the publication of America's macro-economic indicators, mainly the May increase in the number of new jobs. The exchange rate of the dollar was negatively affected by the expectation of a too slight tightening of monetary policy by the Fed and a record current account deficit in America's balance of payments. As a result of these factors, the exchange rate of the dollar against the euro showed a tendency to weaken gradually in the second half of the month, from USD 1.200/EUR to USD 1.216/EUR.

During June, the euro depreciated in relation to the US dollar by 0.62% on a month-on-month basis. Since the first trading day of the year, the European currency has depreciated vis-à-vis the dollar by 3.47%.

### 2.2. Real Economy

According to the second Eurostat estimate, the euro area economy grew in the first quarter of 2004 by 0.6% compared with the previous quarter. Final household

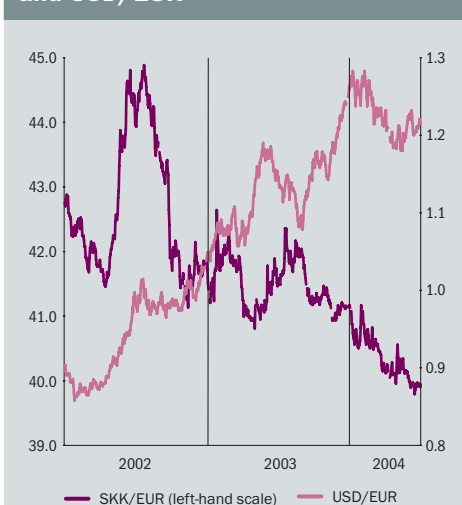
Key ECB Interest Rates and the EONIA (%)



1/ Euro OverNight Index Average (EONIA) – overnight reference rate of commercial banks operating in the euro area.

2/ Minimum bid rate – the lowest rate accepted at a variable rate tender (the average value of minimum bid rates during the reserve maintenance period is used as the rate of interest on reserves).

Exchange Rates: SKK/EUR and USD/EUR





consumption increased over the first quarter by 0.6% (compared with 0.2% in the 4th quarter of 2003) and investment grew by 0.2% (0.8% in the previous quarter). Exports grew by 1.5% (in the 4th quarter of 2003 by 0.3%) and imports by 0.9% (in the previous quarter by 1.4%). Euro area GDP grew by 1.3% over the first quarter of 2004.

The 12-month inflation rate in the euro area, expressed in terms of the Harmonised Index of Consumer Prices (HICP), rose to 2.5% in May, from 2.0% in the previous month. The strongest year-on-year dynamics were recorded in consumer prices in Luxembourg and Spain (3.4% each) and Greece (3.1%). Fall in consumer prices was recorded in Finland (0.1%). The steepest increases took place in the prices of alcohol and tobacco (8.4%) and health services (7.7%). Price levels fell in telecommunications (by 1.9%), recreation and culture (by 0.2%). In the same period a year earlier, consumer prices in the euro area rose by 1.8%. Eurostat foresees a year-on-year inflation rate of 2.4% in June.

In May, industrial producer prices increased year-on-year by 2.4% and month-on-month by 0.6%.

Retail sales declined year-on-year by 0.9% in May, while falling in comparison with the previous month by 1.3%.

The rate of unemployment (seasonally adjusted) remained unchanged in May, at the level of the previous month (9.0%). The lowest unemployment rates were recorded in Luxembourg and Austria (4.2%), Ireland (4.5%), and the Netherlands (4.9% in April). Spain remained the country with the highest rate of unemployment in the euro area (11.1%). In relative terms, the most significant increase in the year-on-year rate of unemployment has occurred in the Netherlands (from 3.6% to 4.9% in April) and Luxembourg (from 3.6% to 4.2%). In the same period a year earlier, the unemployment rate in the euro area stood at 8.9%.

According to the first Eurostat estimate, foreign trade in the euro area resulted in a surplus of EUR 6.0 billion in April, compared with EUR 2.7 billion in the same period a year earlier. Compared with the previous month, euro area exports (seasonally adjusted) increased in April by 1.8%, while imports grew by 4.8%.



## 3. Tables

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

	Unit	2003							2004					
		6	7	8	9	10	11	12	1	2	3	4	5	6
<b>REAL ECONOMY</b>														
Gross domestic product <sup>1/ 2/</sup>	SKK billions	378.8 <sup>*/</sup>	-	-	581.3 <sup>*/</sup>	-	-	779.9 <sup>*/</sup>	-	-	190.6 <sup>*/</sup>	-	-	.
Year-on-year change in GDP <sup>3/</sup>	%	3.9 <sup>*/</sup>	-	-	4.0 <sup>*/</sup>	-	-	4.2 <sup>*/</sup>	-	-	5.5 <sup>*/</sup>	-	-	.
Unemployment rate <sup>4/</sup>	%	14.6	14.5	14.3	13.9	13.8	14.2	15.6	16.6	16.5	16.0	15.3	14.5	.
Consumer prices <sup>3/</sup>	%	8.4	8.7	9.2	9.5	9.6	9.8	9.3	8.3	8.5	8.2	8.0	8.3	8.1
<b>BALANCE OF TRADE <sup>2/ **</sup></b>														
Exports (fob)	SKK millions	375,240	444,730	509,948	581,516	657,409	732,330	803,037	60,556	127,259	202,231	283,444	363,868	.
Imports (fob)	SKK millions	385,070	459,192	523,827	596,315	674,587	750,811	826,625	58,899	125,939	202,554	285,162	368,094	.
Balance	SKK millions	-9,830	-14,462	-13,879	-14,799	-17,178	-18,481	-23,588	1,657	1,320	-323	-1,718	-4,226	.
<b>BALANCE OF PAYMENTS <sup>2/ **</sup></b>														
Current account	SKK millions	-7,549.2	-8,524.1	-6,421.3	-7,335.5	-7,308.0	-7,140.6	-10,198.5	2,249.3	4,189.9	5,330.9	3,980.5	.	.
Capital and financial account	SKK millions	28,991.8	34,462.9	20,673.7	8,653.5	47,531.6	40,564.1	64,541.5	-1,704.5	14,449.2	-1,030.9	86.6	.	.
Overall balance	SKK millions	20,725.7	31,729.3	23,517.8	12,160.4	46,323.8	36,798.0	52,446.2	3,370.5	22,742.0	8,501.6	7,682.1	.	.
<b>FOREIGN EXCHANGE RESERVES <sup>4/</sup></b>														
Total foreign exchange reserves	USD millions	11,549.0	12,109.9	11,383.9	11,282.8	12,899.2	12,698.2	13,406.1	13,493.8	13,939.2	13,275.2	13,016.5	14,597.0	.
NBS foreign exchange reserves	USD millions	10,487.5	10,842.5	10,266.9	10,271.9	11,409.2	11,311.9	12,149.0	12,242.2	12,755.6	12,214.2	11,920.8	13,556.8	.
<b>GROSS EXTERNAL DEBT <sup>4/</sup></b>														
Total gross external debt	USD billions	15.3	16.6	14.6	15.4	16.7	17.0	18.3	17.9	18.2	17.5	17.0	.	.
External debt per capita	USD	2,850	3,084	2,717	2,860	3,111	3,157	3,406	3,329	3,389	3,245	3,156	.	.
<b>MONETARY INDICATORS</b>														
Exchange rate <sup>5/</sup>	SKK/USD	35.491	36.729	37.490	37.116	35.273	35.234	33.604	32.292	32.083	32.927	33.433	33.498	32.888
Money supply [M2] <sup>4/ 6/</sup>	SKK billions	682.3	701.5	708.8	705.0	711.2	719.2	730.1	725.5	730.7	711.6	719.8	710.9	.
Year-on-year change in M2 <sup>3/ 6/</sup>	%	5.3	6.4	6.9	7.3	7.4	7.3	7.1	6.5	5.5	3.2	4.3	1.8	.
Loans to enterprises and households <sup>4/ 6/</sup>	SKK billions	344.1	349.8	353.4	357.7	362.1	369.3	378.1	374.9	378.8	384.2	383.9	388.2	.
<b>STATE BUDGET <sup>2/ 4/</sup></b>														
Revenue	SKK billions	100.9	127.7	147.1	163.4	186.8	203.6	233.1	21.0	36.4	67.0	98.1	109.2	120.7
Expenditure	SKK billions	128.5	158.8	180.2	201.1	227.2	246.4	289.0	23.7	40.8	65.8	92.4	111.5	133.2
Balance	SKK billions	-27.6	-31.2	-33.1	-37.7	-40.4	-42.8	-55.9	-2.7	-4.4	1.2	5.7	-2.3	-12.5
<b>CONSUMER RATES</b>														
Average interest rate on:														
one-year deposits	%	4.78	4.65	4.34	4.23	4.07	3.88	3.76	3.56	3.66	3.88	3.81	3.81	.
short-term loans	%	8.33	8.22	8.27	8.13	8.01	8.01	7.75	7.82	7.72	7.57	7.49	7.31	.
new short-term loans	%	7.53	7.15	7.62	7.36	6.93	7.60	7.15	7.50	7.62	7.52	7.45	8.93	.
<b>MONEY MARKET</b>														
Interest rates set by the Bank Board of the NBS														
with effect to														
Basic interest rate of the NBS (until 31 Dec. 2002: discount rate)	%	30.6.2003	31.7.2003	31.8.2003	30.9.2003	31.10.2003	30.11.2003	31.12.2003	31.1.2004	29.2.2004	31.3.2004	30.4.2004	31.5.2004	30.6.2004
Overnight transactions	%	6.50	6.50	6.50	6.25	6.25	6.25	6.00	6.00	6.00	5.50	5.00	5.00	5.00
- for sterilisation	%	5.00	5.00	5.00	4.75	4.75	4.75	4.50	4.50	4.50	4.00	3.50	3.50	3.50
- for refinancing	%	8.00	8.00	8.00	7.75	7.75	7.75	7.50	7.50	7.50	7.00	6.50	6.50	6.50
Limit rate of the NBS for standard 2-week repo tenders	%	6.50	6.50	6.50	6.25	6.25	6.25	6.00	6.00	6.00	5.50	5.00	5.00	5.00
Bratislava Interbank Offered Rates (BRIBOR)														
overnight	%	5.92	5.48	5.94	5.97	5.27	6.40	5.32	5.66	5.93	5.67	4.95	4.22	3.98
1-week	%	6.39	6.30	6.38	6.35	5.93	6.25	5.99	5.98	6.02	5.82	5.31	4.82	4.29
2-week	%	6.44	6.38	6.42	6.38	6.03	6.23	6.06	5.96	6.01	5.86	5.36	4.89	4.36
1-month	%	6.42	6.43	6.43	6.38	6.09	6.14	6.08	5.92	5.96	5.85	5.37	4.94	4.37
2-month	%	6.34	6.40	6.39	6.33	6.04	6.06	6.04	5.86	5.87	5.78	5.36	4.93	4.35
3-month	%	6.26	6.39	6.37	6.28	5.98	6.00	5.98	5.78	5.79	5.71	5.35	4.91	4.33
6-month	%	5.93	6.16	6.26	6.16	5.84	5.80	5.81	5.61	5.58	5.53	5.29	4.85	4.27
9-month	%	5.70	6.03	6.04	6.01	5.74	5.68	5.68	5.48	5.43	5.39	5.17	4.79	4.22
12-month	%	5.63	5.95	5.96	5.93	5.65	5.63	5.65	5.44	5.34	5.31	5.13	4.73	4.18

1/ Constant prices, average for 1995.

2/ Cumulative since the beginning of the year.

3/ Change compared with the same period of the previous year.

4/ Figure for the end of the period.

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

6/ At fixed exchange rates from 1 January 1993.

\*/ Preliminary data.

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



## Monetary Survey

(At fixed exchange rates from 1 January 1993)

(SKK billions)

	2003								2004					
	31.5.	30.6.	31.7.	31.8.	30.9.	31.10.	30.11.	31.12.	1.1.	31.1.	29.2.	31.3.	30.4.	31.5.
Fixed SKK/USD exchange rate	28.899	28.899	28.899	28.899	28.899	28.899	28.899	28.899	28.899	28.899	28.899	28.899	28.899	28.899
Fixed SKK/EUR exchange rate	34.912	34.912	34.912	34.912	34.912	34.912	34.912	34.912	34.912	34.912	34.912	34.912	34.912	34.912
<b>ASSETS</b>														
Net foreign assets	160.3	159.7	127.7	159.7	144.9	168.8	163.4	151.2	155.0	154.4	164.3	164.5	174.3	161.1
Foreign assets	346.5	354.1	372.2	360.6	345.6	391.4	379.0	388.9	385.8	388.2	402.1	387.1	390.9	424.8
Foreign liabilities	186.2	194.4	244.5	200.9	200.7	222.6	215.6	237.7	230.8	233.8	237.8	222.6	216.6	263.7
Net domestic assets	538.0	522.6	573.8	549.1	560.1	542.4	555.8	578.8	570.5	570.8	566.4	547.1	545.5	549.8
Domestic credits	602.7	602.5	609.6	620.3	628.5	634.3	641.9	669.1	678.9	678.6	686.9	679.4	670.6	669.6
Net credit to general government	261.7	258.4	259.8	266.9	270.8	272.2	272.6	291.1	297.2	303.7	308.1	295.2	286.7	281.4
- Net credit to government (excluding NPF)	271.9	265.5	267.4	274.3	276.9	278.7	279.9	294.2	300.3	306.8	311.0	298.9	293.5	295.7
- Net credit to National Property Fund	-10.2	-7.1	-7.6	-7.4	-6.1	-6.5	-7.3	-3.1	-3.1	-3.1	-2.9	-3.7	-6.8	-14.3
Credits to enterprises and households	341.0	344.1	349.8	353.4	357.7	362.1	369.3	378.0	381.7	374.9	378.8	384.2	383.9	388.2
Credits in Slovak koruna	292.0	295.4	299.0	301.2	303.6	306.3	311.9	318.9	323.1	314.5	317.7	320.9	318.0	317.4
- Credits to enterprises	224.8	226.8	227.7	227.6	227.5	227.0	230.1	233.8	238.0	228.6	229.5	230.2	224.9	221.8
- Credits to households	67.2	68.6	71.3	73.6	76.1	79.3	81.8	85.1	85.1	85.9	88.2	90.7	93.1	95.6
Credits in foreign currency	49.0	48.7	50.8	52.2	54.1	55.8	57.4	59.1	58.6	60.4	61.1	63.3	65.9	70.8
<b>LIABILITIES</b>														
Liquid liabilities [M2]	698.3	682.3	701.5	708.8	705.0	711.2	719.2	730.0	725.5	725.2	730.7	711.6	719.8	710.9
Money [M1]	244.8	248.7	251.9	256.2	256.9	258.7	264.4	276.9	275.4	261.2	265.5	258.9	260.8	268.0
Currency outside banks [M0]	87.0	86.6	87.7	90.8	89.1	90.2	91.7	91.8	91.8	91.7	91.7	90.8	90.9	91.9
Demand deposits	157.8	162.1	164.2	165.4	167.8	168.5	172.7	185.1	183.6	169.5	173.8	168.1	169.9	176.1
- Households	79.4	80.2	81.7	82.6	82.2	81.7	82.6	82.8	81.3	83.0	85.0	83.4	83.8	85.6
- Enterprises	76.2	79.2	80.2	80.5	83.2	84.3	87.4	98.9	98.9	82.7	85.3	81.1	84.0	89.0
- Insurance companies	2.2	2.7	2.3	2.3	2.4	2.5	2.7	3.4	3.4	3.8	3.5	3.6	2.1	1.5
Quasi-money [QM]	453.5	433.6	449.6	452.6	448.1	452.5	454.8	453.1	450.1	464.0	465.2	452.7	459.0	442.9
Time and savings deposits	375.1	357.8	369.7	372.7	368.5	371.8	372.5	373.6	371.4	380.9	383.7	377.9	385.6	368.7
- Households	246.5	245.2	244.2	244.3	242.0	240.7	238.7	240.4	237.4	236.0	237.5	236.5	234.9	232.9
- Enterprises	112.6	97.9	110.4	113.6	113.7	117.5	120.2	116.9	117.7	127.4	128.9	125.0	134.2	119.1
- Insurance companies	16.0	14.7	15.1	14.8	12.8	13.6	13.6	16.3	16.3	17.5	17.3	16.4	16.5	16.7
Foreign-currency deposits	78.4	75.8	79.9	79.9	79.6	80.7	82.3	79.5	78.7	83.1	81.5	74.8	73.4	74.2
- Households	50.0	48.4	47.7	47.7	48.1	48.3	47.7	46.8	46.2	45.8	45.7	44.7	43.6	43.5
- Enterprises	28.4	27.4	32.2	32.2	31.5	32.4	34.6	32.7	32.5	37.3	35.8	30.1	29.8	30.7
<b>Other items net</b>	64.7	79.9	35.8	71.2	68.4	91.9	86.1	90.3	108.4	107.8	120.5	132.3	125.1	119.8

## Memorandum Items

Net foreign assets of banking sector (excluding foreign liabilities of government)	271.9	270.5	285.4	266.7	262.0	275.1	281.2	270.4	274.3	277.2	294.5	294.2	309.7	337.0
- of which: foreign assets	346.5	354.1	372.2	360.6	345.6	391.4	379.0	388.9	385.8	388.2	402.1	387.1	390.9	424.8
- of which: foreign liabilities	74.6	83.6	86.8	93.9	83.6	116.3	97.8	118.5	111.5	111.0	107.6	92.9	81.2	87.8
Net credit to central government	365.9	362.5	365.4	369.1	373.6	377.2	377.9	390.2	390.2	395.7	398.0	392.7	389.0	393.3
Net credit to general government (excluding foreign liabilities of government)	185.3	182.0	183.3	191.1	196.0	197.2	186.6	205.2	211.3	217.7	222.6	210.7	199.0	158.9
- of which: liabilities of government and NPF (gross)	396.3	386.3	361.5	361.0	374.7	383.2	384.6	399.1	405.2	422.2	423.1	420.9	416.1	418.5
- of which: claims of government and NPF (gross)	211.0	204.3	178.2	169.9	178.7	186.0	198.0	193.9	193.9	204.5	200.5	210.2	217.1	259.6
Foreign liabilities of government	76.4	76.4	76.5	75.8	74.8	75.0	86.0	85.9	85.9	86.0	85.5	84.5	87.7	122.5
Deposits of higher territorial units, deposits of government in foreign currency (EU funds) and non-budgetary deposits of government agencies in NBS	15.0	15.7	16.1	15.2	15.2	16.6	15.0	19.7	-	16.4	15.2	11.4	14.0	13.3
Money market funds' shares/units	-	-	-	-	-	-	-	-	-	12.9	14.2	15.7	17.0	18.3





## Monetary Survey

(At fixed exchange rates)

(SKK billions)

	2003								2004					
	31.5.	30.6.	31.7.	31.8.	30.9.	31.10.	30.11.	31.12.	1.1.	31.1.	29.2.	31.3.	30.4.	31.5.
Fixed SKK/USD exchange rate	40.036	40.036	40.036	40.036	40.036	40.036	40.036	40.036	32.920	32.920	32.920	32.920	32.920	32.920
Fixed SKK/EUR exchange rate	41.722	41.722	41.722	41.722	41.722	41.722	41.722	41.722	41.161	41.161	41.161	41.161	41.161	41.161
<b>ASSETS</b>														
Net foreign assets	220.1	221.4	190.3	222.2	207.2	231.2	226.2	216.3	194.1	193.8	204.7	205.6	215.2	202.0
Foreign assets	426.0	438.7	458.6	445.8	427.4	479.0	464.4	479.7	445.5	448.4	465.3	447.6	451.5	492.5
Foreign liabilities	205.9	217.3	268.3	223.6	220.2	247.8	238.2	263.4	251.4	254.6	260.6	242.0	236.3	290.5
Net domestic assets	498.6	480.6	532.0	507.4	518.5	501.0	514.3	534.4	544.5	545.2	539.4	518.4	516.7	521.2
Domestic credits	631.3	631.0	638.6	649.4	657.9	664.1	674.2	701.9	704.3	704.3	712.6	705.3	697.5	700.2
Net credit to general government	278.0	274.8	276.1	283.0	286.7	288.1	290.6	309.1	312.6	319.1	323.4	310.3	302.4	299.9
- Net credit to government (excluding NPF)	288.2	281.9	283.7	290.4	292.8	294.6	297.9	312.2	315.7	322.2	326.3	314.0	309.2	314.2
- Net credit to National Property Fund	-10.2	-7.1	-7.6	-7.4	-6.1	-6.5	-7.3	-3.1	-3.1	-3.1	-2.9	-3.7	-6.8	-14.3
Credits to enterprises and households	353.3	356.2	362.5	366.4	371.2	376.0	383.6	392.8	391.7	385.2	389.2	395.0	395.1	400.3
Credits in Slovak koruna	292.0	295.4	299.0	301.2	303.6	306.3	311.9	318.9	323.1	314.5	317.7	320.9	318.0	317.4
- Credits to enterprises	224.8	226.8	227.7	227.6	227.5	227.0	230.1	233.8	238.0	228.6	229.5	230.2	224.9	221.8
- Credits to households	67.2	68.6	71.3	73.6	76.1	79.3	81.8	85.1	85.1	85.9	88.2	90.7	93.1	95.6
Credits in foreign currency	61.3	60.8	63.5	65.2	67.6	69.7	71.7	73.9	68.6	70.7	71.5	74.1	77.1	82.9
<b>LIABILITIES</b>														
Liquid liabilities [M2]	718.7	702.0	722.3	729.6	725.7	732.2	740.5	750.7	738.6	739.0	744.1	724.0	731.9	723.2
Money [M1]	244.8	248.7	251.9	256.2	256.9	258.7	264.4	276.9	275.4	261.2	265.5	258.9	260.8	268.0
Currency outside banks [M0]	87.0	86.6	87.7	90.8	89.1	90.2	91.7	91.8	91.8	91.7	91.7	90.8	90.9	91.9
Demand deposits	157.8	162.1	164.2	165.4	167.8	168.5	172.7	185.1	183.6	169.5	173.8	168.1	169.9	176.1
- Households	79.4	80.2	81.7	82.6	82.2	81.7	82.6	82.8	81.3	83.0	85.0	83.4	83.8	85.6
- Enterprises	76.2	79.2	80.2	80.5	83.2	84.3	87.4	98.9	98.9	82.7	85.3	81.1	84.0	89.0
- Insurance companies	2.2	2.7	2.3	2.3	2.4	2.5	2.7	3.4	3.4	3.8	3.5	3.6	2.1	1.5
Quasi-money [QM]	473.9	453.3	470.4	473.4	468.8	473.5	476.1	473.8	463.2	477.8	478.6	465.1	471.1	455.2
Time and savings deposits	375.1	357.8	369.7	372.7	368.5	371.8	372.5	373.6	371.4	380.9	383.7	377.9	385.6	368.7
- Households	246.5	245.2	244.2	244.3	242.0	240.7	238.7	240.4	237.4	236.0	237.5	236.5	234.9	232.9
- Enterprises	112.6	97.9	110.4	113.6	113.7	117.5	120.2	116.9	117.7	127.4	128.9	125.0	134.2	119.1
- Insurance companies	16.0	14.7	15.1	14.8	12.8	13.6	13.6	16.3	16.3	17.5	17.3	16.4	16.5	16.7
Foreign-currency deposits	98.8	95.5	100.7	100.7	100.3	101.7	103.6	100.2	91.8	96.9	94.9	87.2	85.5	86.5
- Households	63.1	60.9	60.1	60.1	60.6	60.9	60.1	58.9	53.9	53.4	53.2	52.1	50.8	50.7
- Enterprises	35.7	34.6	40.6	40.6	39.7	40.8	43.5	41.3	37.9	43.5	41.7	35.1	34.7	35.8
<b>Other items net</b>	132.7	150.4	106.6	142.0	139.4	163.1	159.9	167.5	159.8	159.1	173.2	186.9	180.8	179.0

## Memorandum Items

Net foreign assets of banking sector (excluding foreign liabilities of government)	348.1	348.5	364.4	345.3	340.2	353.4	362.0	353.6	328.7	332.0	350.2	350.3	366.4	399.9
- of which: foreign assets	426.0	438.7	458.6	445.8	427.4	479.0	464.4	479.7	445.5	448.4	465.3	447.6	451.5	492.5
- of which: foreign liabilities	77.9	90.2	94.2	100.5	87.2	125.6	102.4	126.1	116.8	116.4	115.1	97.3	85.1	92.6
Net credit to central government	382.2	378.8	381.7	385.3	389.4	393.1	396.0	408.2	405.5	411.0	413.3	407.8	404.7	411.8
Net credit to general government (excluding foreign liabilities of government)	185.3	182.0	183.3	191.1	196.0	197.2	186.6	205.2	211.3	217.7	222.6	210.7	199.0	155.5
- of which: liabilities of government and NPF (gross)	396.3	386.3	361.5	361.0	374.7	383.2	384.6	399.1	405.2	422.2	423.1	420.9	416.1	418.5
- of which: claims of government and NPF (gross)	211.0	204.3	178.2	169.9	178.7	186.0	198.0	193.9	193.9	204.5	200.5	210.2	217.1	263.0
Foreign liabilities of government	92.7	92.8	92.8	91.9	90.7	90.9	104.0	103.9	101.3	101.4	100.8	99.6	103.4	144.4
Deposits of higher territorial units, deposits of government in foreign currency (EU funds) and non-budgetary deposits of government agencies in NBS	15.4	16.1	16.5	15.6	15.6	17.1	15.4	20.1	-	16.8	15.6	11.7	14.5	13.7
Money market funds' shares/units	-	-	-	-	-	-	-	-	-	12.9	14.2	15.7	17.0	18.3



## Monetary Survey

(At current exchange rates)

(SKK billions)

	2003								2004					
	31.5.	30.6.	31.7.	31.8.	30.9.	31.10.	30.11.	31.12.	1.1.	31.1.	29.2.	31.3.	30.4.	31.5.
Current SKK/USD exchange rate	35.212	36.509	36.571	38.550	36.055	35.368	34.383	32.920	32.920	32.637	32.621	32.982	34.126	32.695
Current SKK/EUR exchange rate	41.246	41.737	41.845	41.996	41.173	41.359	40.969	41.161	41.161	40.822	40.528	40.207	40.359	40.069
<b>ASSETS</b>														
Net foreign assets	204.5	209.6	179.4	219.3	193.2	215.4	205.4	189.5	194.1	190.9	200.2	202.1	215.1	196.1
Foreign assets	407.2	424.1	445.5	442.3	410.4	459.9	440.3	447.9	445.5	444.4	458.6	441.9	450.2	482.2
Foreign liabilities	202.7	214.5	266.1	223.0	217.2	244.5	234.9	258.4	251.4	253.5	258.4	239.8	235.1	286.1
Net domestic assets	508.8	489.1	539.6	509.2	527.7	511.5	528.1	553.1	544.5	547.2	542.6	520.6	516.6	525.4
Domestic credits	626.2	628.3	636.3	649.1	653.2	659.4	667.6	694.0	704.3	702.9	710.0	701.8	695.1	695.1
Net credit to general government	275.9	273.9	275.5	283.2	284.8	286.5	288.3	306.5	312.6	318.3	321.8	308.2	300.7	296.7
- Net credit to government (excluding NPF)	286.1	281.0	283.1	290.6	290.9	293.0	295.6	309.6	315.7	321.4	324.7	311.9	307.5	311.0
- Net credit to National Property Fund	-10.2	-7.1	-7.6	-7.4	-6.1	-6.5	-7.3	-3.1	-3.1	-3.1	-2.9	-3.7	-6.8	-14.3
Credits to enterprises and households	350.3	354.4	360.8	365.9	368.4	372.9	379.3	387.5	391.7	384.6	388.2	393.6	394.4	398.4
Credits in Slovak koruna	292.0	295.4	299.0	301.2	303.6	306.3	311.9	318.9	323.1	314.5	317.7	320.9	318.0	317.4
- Credits to enterprises	224.8	226.8	227.7	227.6	227.5	227.0	230.1	233.8	238.0	228.6	229.5	230.2	224.9	221.8
- Credits to households	67.2	68.6	71.3	73.6	76.1	79.3	81.8	85.1	85.1	85.9	88.2	90.7	93.1	95.6
Credits in foreign currency	58.3	59.0	61.8	64.7	64.8	66.6	67.4	68.6	68.6	70.1	70.5	72.7	76.4	81.0
<b>LIABILITIES</b>														
Liquid liabilities [M2]	713.3	698.7	719.0	728.5	720.9	726.9	733.5	742.6	738.6	738.1	742.8	722.7	731.7	721.5
Money [M1]	244.8	248.7	251.9	256.2	256.9	258.7	264.4	276.9	275.4	261.2	265.5	258.9	260.8	268.0
Currency outside banks [M0]	87.0	86.6	87.7	90.8	89.1	90.2	91.7	91.8	91.8	91.7	91.7	90.8	90.9	91.9
Demand deposits	157.8	162.1	164.2	165.4	167.8	168.5	172.7	185.1	183.6	169.5	173.8	168.1	169.9	176.1
- Households	79.4	80.2	81.7	82.6	82.2	81.7	82.6	82.8	81.3	83.0	85.0	83.4	83.8	85.6
- Enterprises	76.2	79.2	80.2	80.5	83.2	84.3	87.4	98.9	98.9	82.7	85.3	81.1	84.0	89.0
- Insurance companies	2.2	2.7	2.3	2.3	2.4	2.5	2.7	3.4	3.4	3.8	3.5	3.6	2.1	1.5
Quasi-money [QM]	468.5	450.0	467.1	472.3	464.0	468.2	469.1	465.7	463.2	476.9	477.3	463.8	470.9	453.5
Time and savings deposits	375.1	357.8	369.7	372.7	368.5	371.8	372.5	373.6	371.4	380.9	383.7	377.9	385.6	368.7
- Households	246.5	245.2	244.2	244.3	242.0	240.7	238.7	240.4	237.4	236.0	237.5	236.5	234.9	232.9
- Enterprises	112.6	97.9	110.4	113.6	113.7	117.5	120.2	116.9	117.7	127.4	128.9	125.0	134.2	119.1
- Insurance companies	16.0	14.7	15.1	14.8	12.8	13.6	13.6	16.3	16.3	17.5	17.3	16.4	16.5	16.7
Foreign-currency deposits	93.4	92.2	97.4	99.6	95.5	96.4	96.6	92.1	91.8	96.0	93.6	85.9	85.3	84.8
- Households	59.6	58.8	58.1	59.5	57.7	57.7	56.0	54.2	53.9	52.9	52.5	51.3	50.7	49.7
- Enterprises	33.8	33.4	39.3	40.1	37.8	38.7	40.6	37.9	37.9	43.1	41.1	34.6	34.6	35.1
<b>Other items net</b>	117.4	139.2	96.7	139.9	125.5	147.9	139.5	140.9	159.8	155.7	167.4	181.2	178.5	169.7

## Memorandum Items

Net foreign assets of banking sector (excluding foreign liabilities of government)	330.4	335.9	352.8	342.7	324.3	336.0	338.9	324.2	328.7	328.3	344.3	344.7	364.5	390.2
- of which: foreign assets	407.2	424.1	445.5	442.3	410.4	459.9	440.3	447.9	445.5	444.4	458.6	441.9	450.2	482.2
- of which: foreign liabilities	76.8	88.2	92.7	99.6	86.1	123.9	101.4	123.7	116.8	116.1	114.3	97.2	85.7	92.0
Net credit to central government	380.1	378.0	381.1	385.5	387.6	391.6	393.7	405.5	405.5	410.2	411.7	405.7	403.0	408.7
Net credit to general government (excluding foreign liabilities of government)	185.3	182.0	183.3	191.1	196.0	197.2	186.6	205.2	211.3	217.7	222.6	210.7	199.0	156.1
- of which: liabilities of government and NPF (gross)	396.3	386.3	361.5	361.0	374.7	383.2	384.6	399.1	405.2	422.2	423.1	420.9	416.1	418.5
- of which: claims of government and NPF (gross)	211.0	204.3	178.2	169.9	178.7	186.0	198.0	193.9	193.9	204.5	200.5	210.2	217.1	262.4
Foreign liabilities of government	90.6	91.9	92.2	92.1	88.8	89.3	101.7	101.3	101.3	100.6	99.2	97.5	101.7	140.6
Deposits of higher territorial units, deposits of government in foreign currency (EU funds) and non-budgetary deposits of government agencies in NBS	15.4	16.1	16.5	15.6	15.6	17.0	15.3	20.1	-	16.8	15.5	11.7	14.4	13.6
Money market funds' shares/units	-	-	-	-	-	-	-	-	-	12.9	14.2	15.7	17.0	18.3



## Money Supply M2

(At fixed exchange rates from 1 January 1993)

(SKK billions)

	1.1.2004	30.4.2004	31.5.2004	Month-on-month change	Month-on-month change (in %)	Change since beginning of year	Change since beginning of year (in %)	31.5.2003	Year-on-year change	Year-on-year change (in %)
Money supply [M2]	725.5	719.8	710.9	-8.9	-1.2	-14.6	-2.0	698.3	12.6	1.8
Money [M1]	275.4	260.8	268.0	7.2	2.8	-7.4	-2.7	244.8	23.2	9.5
Currency outside banks [M0]	91.8	90.9	91.9	1.0	1.1	0.1	0.1	87.0	4.9	5.6
Demand deposits	183.6	169.9	176.1	6.2	3.6	-7.5	-4.1	157.8	18.3	11.6
Quasi-money [QM]	450.1	459.0	442.9	-16.1	-3.5	-7.2	-1.6	453.5	-10.6	-2.3
Time and savings deposits	371.4	385.6	368.7	-16.9	-4.4	-2.7	-0.7	375.1	-6.4	-1.7
Foreign-currency deposits	78.7	73.4	74.2	0.8	1.1	-4.5	-5.7	78.4	-4.2	-5.4
Slovak-koruna deposits	555.0	555.5	544.8	-10.7	-1.9	-10.2	-1.8	532.9	11.9	2.2
- Households	318.7	318.7	318.5	-0.2	-0.1	-0.2	-0.1	325.9	-7.4	-2.3
- Enterprises (incl. insurance cos.)	236.3	236.8	226.3	-10.5	-4.4	-10.0	-4.2	207.0	19.3	9.3

**Developments in Credit**

(SKK billions)

	30. 4. 2004	31. 5. 2004	Change
<b>Credits in total (in SKK and foreign currency)</b>	419.5	422.3	2.8
<b>Credits in Slovak koruna</b>	328.6	327.8	-0.8
of which			
- Enterprises	207.7	204.4	-3.3
- General government	25.5	25.2	-0.3
- Households	93.1	95.6	2.5
- Other <sup>1/</sup>	2.4	2.5	0.1
<b>Credits in foreign currency<sup>2/</sup></b>	90.9	94.6	3.6

1/ Non-profit organisations and entities not included in sectors.

2/ In convertible currencies (residents and non-residents).

**Developments in Deposit**

(SKK billions)

	30. 4. 2004	31. 5. 2004	Change
<b>Deposits in total (in SKK and foreign currency)</b>	825.3	835.1	9.8
<b>Deposits in Slovak koruna</b>	733.5	745.6	12.1
of which			
- Enterprises	220.1	209.0	-11.1
- General government	177.9	200.8	22.9
- Households	318.7	318.5	-0.2
- Other <sup>1/</sup>	16.7	17.3	0.5
<b>Deposits in foreign currency<sup>2/</sup></b>	91.8	89.5	-2.2

1/ Non-profit organisations and entities not included in sectors.

2/ In convertible currencies (residents and non-residents).



## Balance of Payments of the SR for January – April 2004

	Receipts / Credit (+)		Payments / Debit (-)		Balance	
	SKK millions	USD millions	SKK millions	USD millions	SKK millions	USD millions
<b>Goods</b>	283,444.0	8,670.1	285,162.0	8,722.7	-1,718.0	-52.6
<b>Services</b>	39,304.9	1,202.3	35,574.5	1,088.2	3,730.4	114.1
Transport	17,914.3	548.0	10,662.6	326.2	7,251.7	221.8
Tourism	7,999.3	244.7	6,227.9	190.5	1,771.4	54.2
Other services	13,391.3	409.6	18,684.0	571.5	-5,292.7	-161.9
<b>Income</b>	9,011.5	275.6	9,606.2	293.8	-594.7	-18.2
Compensation of employees	4,342.5	132.8	230.0	7.0	4,112.5	125.8
Investment income	4,669.0	142.8	9,376.2	286.8	-4,707.2	-144.0
<b>Current transfers</b>	5,669.4	173.4	3,106.6	95.0	2,562.8	78.4
<b>CURRENT ACCOUNT</b>	337,429.8	10,321.5	333,449.3	10,199.7	3,980.5	121.8
<b>Capital account</b>	1,041.6	31.9	1,574.0	48.1	-532.4	-16.3
<b>Financial account</b>	999,208.4	30,572.7	-998,589.4	-30,549.8	619.0	22.9
Direct investment	179,406.7	5,487.8	-158,606.8	-4,851.5	20,799.9	636.2
<i>Abroad (direct investor = resident)</i>	4,505.1	137.8	-4,936.8	-151.0	-431.7	-13.2
Equity capital and reinvested earnings	522.1	16.0	-282.8	-8.7	239.3	7.3
Other capital	3,983.0	121.8	-4,654.0	-142.4	-671.0	-20.5
<i>In the SR (recipient of dir. investment = resident)</i>	174,901.6	5,350.0	-153,670.0	-4,700.5	21,231.6	649.4
Equity capital and reinvested earnings	18,458.6	564.6	-2,306.0	-70.5	16,152.6	494.1
Other capital	156,443.0	4,785.4	-151,364.0	-4,630.0	5,079.0	155.4
Portfolio investment	81,703.0	2,499.2	-70,748.4	-2,164.1	10,954.6	335.1
Assets	33,110.4	1,012.8	-38,028.1	-1,163.2	-4,917.7	-150.4
Liabilities	48,592.6	1,486.4	-32,720.3	-1,000.9	15,872.3	485.5
Financial derivatives	263,222.9	8,051.6	-263,927.9	-8,073.2	-705.0	-21.6
Assets	107,310.6	3,282.5	-108,210.2	-3,310.0	-899.6	-27.5
Liabilities	155,912.3	4,769.1	-155,717.7	-4,763.2	194.6	6.0
Other investment	474,875.8	14,534.2	-505,306.3	-15,461.0	-30,430.5	-926.9
<i>Long-term</i>	52,239.0	1,594.7	-64,441.8	-1,971.4	-12,202.8	-376.7
Assets	8,531.6	260.9	-12,734.1	-389.5	-4,202.5	-128.6
Liabilities	43,707.4	1,333.8	-51,707.7	-1,581.9	-8,000.3	-248.1
<i>Short-term</i>	422,636.8	12,939.5	-440,864.5	-13,489.6	-18,227.7	-550.1
Assets	149,178.9	4,563.2	-146,125.1	-4,469.8	3,053.8	93.4
Liabilities	273,457.9	8,376.3	-294,739.4	-9,019.9	-21,281.5	-643.6
<b>CAPITAL AND FINANCIAL ACCOUNT</b>	1,000,250.0	30,604.6	-1,000,163.4	-30,598.0	86.6	6.6
<b>ERRORS AND OMISSIONS</b>	x	x	x	x	3,615.0	119.0
<b>TOTAL BALANCE</b>	-66,569.0	-1,981.4	74,251.1	2,228.8	7,682.1	247.4
Monetary gold	0.0	0.0	0.0	0.0	0.0	0.0
Special drawing rights	0.0	0.0	-0.5	0.0	-0.5	0.0
Foreign exchange	66,569.0	1,981.4	-74,250.6	-2,228.8	-7,681.6	-247.4
<i>Currency and deposits</i>	0.0	0.0	-51,391.2	-1,536.5	-51,391.2	-1,536.5
<i>Securities</i>	66,569.0	1,981.4	-22,859.4	-692.3	43,709.6	1,289.1
Bonds and notes	0.0	0.0	-22,859.4	-692.3	-22,859.4	-692.3
Money market instruments and financial derivatives	66,569.0	1,981.4	0.0	0.0	66,569.0	1,981.4
<b>RESERVE ASSETS</b>	66,569.0	1,981.4	-74,251.1	-2,228.8	-7,682.1	-247.4

Note: Preliminary data.

Applied rate of exchange: USD 1 = SKK 32.692

**Inflow of Foreign Direct Investment <sup>1/</sup> into the SR in 1998 – 2004**

(Flows and stocks)

**Corporate sector**

	SKK millions				USD millions			
	Volume as at 1 January	Net change	Valuation and other changes	Volume as at 31 December	Volume as at 1 January	Net change	Valuation and other changes	Volume as at 31 December
1998	46,499	17,248	1,890	65,637	1,336.87	489.42	-48.13	1,778.16
1999	65,637	16,729	695	83,061	1,778.16	403.92	-216.87	1,965.21
2000	83,061	97,454	-18,527	161,988	1,965.21	2,109.39	-656.33	3,418.27
2001	161,988	24,353	-4,190	182,151	3,418.27	503.71	-163.73	3,758.25
2002	182,151	174,180	-102,942	253,389	3,758.25	3,842.06	-1,271.28	6,329.03
2003	253,389	35,504	-8,194	280,699	6,329.03	965.49	1,232.18	8,526.70
2004 <sup>3/</sup>	293,763	9,458	-7,333	295,888 <sup>4/</sup>	8,923.54	289.31	-241.65	8,971.20 <sup>4/</sup>

**Banking sector**

	SKK millions				USD millions			
	Volume as at 1 January	Net change	Valuation and other changes	Volume as at 31 December	Volume as at 1 January	Net change	Valuation and other changes	Volume as at 31 December
1998	11,608	1,334	-11	12,931	333.74	37.85	-21.28	350.31
1999	12,931	-40	86	12,977	350.31	-0.97	-42.31	307.03
2000	12,977	2,107	69	15,153	307.03	45.61	-32.88	319.76
2001	15,153	37,095	-3	52,245	319.76	767.27	-9.07	1,077.96
2002	52,245	11,414	-3,930	59,729	1,077.96	251.77	162.16	1,491.89
2003 <sup>2/</sup>	59,980	1,813	3,629	65,422	1,498.15	49.30	439.85	1,987.30
2004	65,422	2,569	-2,319	65,672 <sup>4/</sup>	1,987.30	78.58	-74.74	1,991.14 <sup>4/</sup>

**Total**

	SKK millions				USD millions			
	Volume as at 1 January	Net change	Valuation and other changes	Volume as at 31 December	Volume as at 1 January	Net change	Valuation and other changes	Volume as at 31 December
1998	58,107	18,582	1,879	78,568	1,670.61	527.27	-69.41	2,128.47
1999	78,568	16,689	781	96,038	2,128.47	402.95	-259.18	2,272.24
2000	96,038	99,561	-18,458	177,141	2,272.24	2,155.00	-689.21	3,738.03
2001	177,141	61,448	-4,193	234,396	3,738.03	1,270.98	-172.80	4,836.21
2002	234,396	185,594	-106,872	313,118	4,836.21	4,093.83	-1,109.12	7,820.92
2003 <sup>2/</sup>	313,369	37,317	-4,565	346,121	7,827.18	1,014.79	1,672.03	10,514.00
2004 <sup>3/</sup>	359,185	12,027	-9,652	361,560 <sup>4/</sup>	10,910.84	367.89	-316.39	10,962.34 <sup>4/</sup>

Note: The data for 2002 – 2004 are preliminary.

1/ Equity capital + reinvested earnings.

2/ Change in methodology – new accounting standards for banks.

3/ Other capital funds included in the equity capital.

4/ Data at 31 March.

Inflow of Foreign Direct Investment <sup>1/</sup> During January to March 2004

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 32.692									
<b>Inflow of FDI (equity capital + reinvested earnings) in total</b>	9,458	289.3	100.0	2,569	78.6	100.0	12,027	367.9	100.0
<b>Structure of capital by investor</b>									
Hungary	5,859	179.2	61.9	-32	-1.0	-1.2	5,827	178.2	48.4
Austria	-13	-0.4	-0.1	2,382	72.9	92.7	2,369	72.5	19.7
France	2,203	67.4	23.3	-36	-1.1	-1.4	2,167	66.3	18.0
Germany	306	9.4	3.2	246	7.5	9.6	552	16.9	4.6
United Kingdom	417	12.8	4.4	20	0.6	0.8	437	13.4	3.6
Italy	269	8.2	2.8	-16	-0.5	-0.6	253	7.7	2.1
Cyprus	153	4.7	1.6	0	0.0	0.0	153	4.7	1.3
Switzerland	143	4.4	1.5	0	0.0	0.0	143	4.4	1.2
Czech Republic	49	1.5	0.5	-2	-0.1	-0.1	47	1.4	0.4
Canada	38	1.2	0.4	0	0.0	0.0	38	1.2	0.3
Other countries	34	1.0	0.4	7	0.2	0.3	41	1.3	0.3
<b>Structure of capital by sector</b>									
Agriculture, hunting, and forestry	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Mineral raw materials extraction	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Manufacturing	9,175	280.6	97.0	0	0.0	0.0	9,175	280.6	76.3
Electricity, gas, and water supply	1	0.0	0.0	0	0.0	0.0	1	0.0	0.0
Construction	3	0.1	0.0	0	0.0	0.0	3	0.1	0.0
Wholesale and retail trade, repairs of motor vehicles	153	4.7	1.6	0	0.0	0.0	153	4.7	1.3
Hotels and restaurants	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Transport, storage, post and telecommunications	44	1.3	0.5	0	0.0	0.0	44	1.3	0.4
Financial intermediation	58	1.8	0.6	2,569	78.6	100.0	2,627	80.4	21.8
Real estate, renting and business activities	-7	-0.2	-0.1	0	0.0	0.0	-7	-0.2	-0.1
Public administration and defence, compulsory social security	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Education	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Health and social work	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Other community, social, and personal services	31	0.9	0.3	0	0.0	0.0	31	0.9	0.3
Activities of private households	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Extra-territorial organizations and bodies	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
<b>Structure of capital by region</b>									
Bratislava region	6,704	205.1	70.9	2,569	78.6	100.0	9,273	283.6	77.1
Trnava region	2,422	74.1	25.6	0	0.0	0.0	2,422	74.1	20.1
Trenčín region	36	1.1	0.4	0	0.0	0.0	36	1.1	0.3
Nitra region	60	1.8	0.6	0	0.0	0.0	60	1.8	0.5
Žilina region	-19	-0.6	-0.2	0	0.0	0.0	-19	-0.6	-0.2
Banská Bystrica region	81	2.5	0.9	0	0.0	0.0	81	2.5	0.7
Prešov region	286	8.7	3.0	0	0.0	0.0	286	8.7	2.4
Košice region	-112	-3.4	-1.2	0	0.0	0.0	-112	-3.4	-0.9

Note: Preliminary data.

1/ Equity capital + reinvested earnings.



**Inflow of Foreign Direct Investment <sup>1/</sup> During January to December 2003**

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 32.692									
<b>Inflow of FDI (equity capital + reinvested earnings) in total</b>	35,504	965.5	100.0	1,813	49.3	100.0	37,317	1,014.8	100.0
<b>Structure of capital by investor</b>									
Germany	10,942	297.6	30.8	21	0.6	1.2	10,963	298.1	29.4
Hungary	7,365	200.3	20.7	984	26.8	54.3	8,349	227.0	22.4
Czech Republic	5,499	149.5	15.5	-7	-0.2	-0.4	5,492	149.3	14.7
United Kingdom	2,738	74.5	7.7	104	2.8	5.7	2,842	77.3	7.6
The Netherlands	2,554	69.5	7.2	7	0.2	0.4	2,561	69.6	6.9
Austria	902	24.5	2.5	603	16.4	33.3	1,505	40.9	4.0
USA	1,214	33.0	3.4	-27	-0.7	-1.5	1,187	32.3	3.2
Switzerland	998	27.1	2.8	0	0.0	0.0	998	27.1	2.7
Denmark	856	23.3	2.4	0	0.0	0.0	856	23.3	2.3
Italy	526	14.3	1.5	142	3.9	7.8	668	18.2	1.8
Other countries	1,910	51.9	5.4	-14	-0.4	-0.8	1,896	51.6	5.1
<b>Structure of capital by sector</b>									
Agriculture, hunting, and forestry	36	1.0	0.1	0	0.0	0.0	36	1.0	0.1
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Mineral raw materials extraction	89	2.4	0.3	0	0.0	0.0	89	2.4	0.2
Manufacturing	17,273	469.7	48.7	0	0.0	0.0	17,273	469.7	46.3
Electricity, gas, and water supply	-557	-15.1	-1.6	0	0.0	0.0	-557	-15.1	-1.5
Construction	845	23.0	2.4	0	0.0	0.0	845	23.0	2.3
Wholesale and retail trade, repairs of motor vehicles	4,979	135.4	14.0	0	0.0	0.0	4,979	135.4	13.3
Hotels and restaurants	49	1.3	0.1	0	0.0	0.0	49	1.3	0.1
Transport, storage, post and telecommunications	332	9.0	0.9	0	0.0	0.0	332	9.0	0.9
Financial intermediation	833	22.7	2.3	1,813	49.3	100.0	2,646	72.0	7.1
Real estate, renting and business activities	1,129	30.7	3.2	0	0.0	0.0	1,129	30.7	3.0
Public administration and defence, compulsory social security	10,463	284.5	29.5	0	0.0	0.0	10,463	284.5	28.0
Education	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Health and social work	9	0.2	0.0	0	0.0	0.0	9	0.2	0.0
Other community, social, and personal services	23	0.6	0.1	0	0.0	0.0	23	0.6	0.1
Activities of private households	1	0.0	0.0	0	0.0	0.0	1	0.0	0.0
Extra-territorial organizations and bodies	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
<b>Structure of capital by region</b>									
Bratislava region	29,864	812.1	84.1	1,813	49.3	100.0	31,677	861.4	84.9
Trnava region	1,048	28.5	3.0	0	0.0	0.0	1,048	28.5	2.8
Trenčín region	2,036	55.4	5.7	0	0.0	0.0	2,036	55.4	5.5
Nitra region	1,299	35.3	3.7	0	0.0	0.0	1,299	35.3	3.5
Žilina region	504	13.7	1.4	0	0.0	0.0	504	13.7	1.4
Banská Bystrica region	118	3.2	0.3	0	0.0	0.0	118	3.2	0.3
Prešov region	44	1.2	0.1	0	0.0	0.0	44	1.2	0.1
Košice region	591	16.1	1.7	0	0.0	0.0	591	16.1	1.6

Note: Preliminary data.

1/ Equity capital + reinvested earnings.



Inflow of Foreign Direct Investment <sup>1/</sup> During January to December 2002

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 45.335									
<b>Inflow of FDI (equity capital + reinvested earnings) in total</b>	174,180	3,842.1	100.0	11,414	251.8	100.0	185,594	4,093.8	100.0
<b>Structure of capital by investor</b>									
Germany	79,206	1,747.1	45.5	-36	-0.8	-0.3	79,170	1,746.3	42.7
France	66,664	1,470.5	38.3	33	0.7	0.3	66,697	1,471.2	35.9
United Kingdom	12,210	269.3	7.0	-236	-5.2	-2.1	11,974	264.1	6.5
Austria	59	1.3	0.0	7,265	160.3	63.6	7,324	161.6	3.9
Italy	342	7.5	0.2	5,332	117.6	46.7	5,674	125.2	3.1
Cyprus	5,574	123.0	3.2	0	0.0	0.0	5,574	123.0	3.0
Czech Republic	4,765	105.1	2.7	21	0.5	0.2	4,786	105.6	2.6
The Netherlands	6,350	140.1	3.6	-1,947	-42.9	-17.1	4,403	97.1	2.4
Panama	926	20.4	0.5	0	0.0	0.0	926	20.4	0.5
Luxembourg	716	15.8	0.4	0	0.0	0.0	716	15.8	0.4
Other countries	-2,632	-58.1	-1.5	982	21.7	8.6	-1,650	-36.4	-0.9
<b>Structure of capital by sector</b>									
Agriculture, hunting, and forestry	9	0.2	0.0	0	0.0	0.0	9	0.2	0.0
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Mineral raw materials extraction	182	4.0	0.1	0	0.0	0.0	182	4.0	0.1
Manufacturing	12,642	278.9	7.3	0	0.0	0.0	12,642	278.9	6.8
Electricity, gas, and water supply	138,671	3,058.8	79.6	0	0.0	0.0	138,671	3,058.8	74.7
Construction	116	2.6	0.1	0	0.0	0.0	116	2.6	0.1
Wholesale and retail trade, repairs of motor vehicles	9,315	205.5	5.3	0	0.0	0.0	9,315	205.5	5.0
Hotels and restaurants	3	0.1	0.0	0	0.0	0.0	3	0.1	0.0
Transport, storage, post and telecommunications	-1,029	-22.7	-0.6	0	0.0	0.0	-1,029	-22.7	-0.6
Financial intermediation	8,779	193.6	5.0	11,414	251.8	100.0	20,193	445.4	10.9
Real estate, renting and business activities	2,389	52.7	1.4	0	0.0	0.0	2,389	52.7	1.3
Public administration and defence, compulsory social security	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Education	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Health and social work	2,628	58.0	1.5	0	0.0	0.0	2,628	58.0	1.4
Other community, social, and personal services	273	6.0	0.2	0	0.0	0.0	273	6.0	0.1
Activities of private households	178	3.9	0.1	0	0.0	0.0	178	3.9	0.1
Extra-territorial organizations and bodies	24	0.5	0.0	0	0.0	0.0	24	0.5	0.0
<b>Structure of capital by region</b>									
Bratislava region	159,324	3,514.4	91.5	11,414	251.8	100.0	170,738	3,766.1	92.0
Trnava region	3,497	77.1	2.0	0	0.0	0.0	3,497	77.1	1.9
Trenčín region	2,185	48.2	1.3	0	0.0	0.0	2,185	48.2	1.2
Nitra region	1,148	25.3	0.7	0	0.0	0.0	1,148	25.3	0.6
Žilina region	6,468	142.7	3.7	0	0.0	0.0	6,468	142.7	3.5
Banská Bystrica region	407	9.0	0.2	0	0.0	0.0	407	9.0	0.2
Prešov region	189	4.2	0.1	0	0.0	0.0	189	4.2	0.1
Košice region	962	21.2	0.6	0	0.0	0.0	962	21.2	0.5

Note: Preliminary data.

1/ Equity capital + reinvested earnings.



**Volume of Foreign Direct Investment <sup>1/</sup> as at 31 March 2004**

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 32.982									
<b>Total volume of FDI (equity capital + reinvested earnings)</b>	295,888	8,971.2	100.0	65,672	1,991.1	100.0	361,560	10,962.3	100.0
<b>Structure of capital by investor</b>									
Germany	85,538	2,593.5	28.9	1,102	33.4	1.7	86,640	2,626.9	24.0
The Netherlands	59,398	1,800.9	20.1	595	18.0	0.9	59,993	1,819.0	16.6
Austria	19,911	603.7	6.7	30,473	923.9	46.4	50,384	1,527.6	13.9
Italy	4,957	150.3	1.7	24,143	732.0	36.8	29,100	882.3	8.0
France	25,770	781.3	8.7	515	15.6	0.8	26,285	796.9	7.3
Hungary	21,668	657.0	7.3	1,950	59.1	3.0	23,618	716.1	6.5
United Kingdom	20,775	629.9	7.0	1,749	53.0	2.7	22,524	682.9	6.2
Czech Republic	17,113	518.9	5.8	3,495	106.0	5.3	20,608	624.8	5.7
USA	13,033	395.2	4.4	1,650	50.0	2.5	14,683	445.2	4.1
Belgium	4,733	143.5	1.6	0	0.0	0.0	4,733	143.5	1.3
Other countries	22,992	697.1	7.8	0	0.0	0.0	22,992	697.1	6.4
<b>Structure of capital by sector</b>									
Agriculture, hunting, and forestry	762	23.1	0.3	0	0.0	0.0	762	23.1	0.2
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Mineral raw materials extraction	2,619	79.4	0.9	0	0.0	0.0	2,619	79.4	0.7
Manufacturing	139,206	4,220.7	47.0	0	0.0	0.0	139,206	4,220.7	38.5
Electricity, gas, and water supply	41,008	1,243.3	13.9	0	0.0	0.0	41,008	1,243.3	11.3
Construction	2,308	70.0	0.8	0	0.0	0.0	2,308	70.0	0.6
Wholesale and retail trade, repairs of motor vehicles	39,083	1,185.0	13.2	0	0.0	0.0	39,083	1,185.0	10.8
Hotels and restaurants	1,703	51.6	0.6	0	0.0	0.0	1,703	51.6	0.5
Transport, storage, post and telecommunications	36,013	1,091.9	12.2	0	0.0	0.0	36,013	1,091.9	10.0
Financial intermediation	17,416	528.0	5.9	65,672	1,991.1	100.0	83,088	2,519.2	23.0
Real estate, renting and business activities	12,291	372.7	4.2	0	0.0	0.0	12,291	372.7	3.4
Public administration and defence, compulsory social security	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Education	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Health and social work	1,427	43.3	0.5	0	0.0	0.0	1,427	43.3	0.4
Other community, social, and personal services	2,052	62.2	0.7	0	0.0	0.0	2,052	62.2	0.6
Activities of private households	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Extra-territorial organizations and bodies	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
<b>Structure of capital by regions</b>									
Bratislava region	184,562	5,595.8	62.4	65,672	1,991.1	100.0	250,234	7,587.0	69.2
Trnava region	20,342	616.8	6.9	0	0.0	0.0	20,342	616.8	5.6
Trenčín region	12,854	389.7	4.3	0	0.0	0.0	12,854	389.7	3.6
Nitra region	11,953	362.4	4.0	0	0.0	0.0	11,953	362.4	3.3
Žilina region	16,320	494.8	5.5	0	0.0	0.0	16,320	494.8	4.5
Banská Bystrica region	8,845	268.2	3.0	0	0.0	0.0	8,845	268.2	2.4
Prešov region	6,158	186.7	2.1	0	0.0	0.0	6,158	186.7	1.7
Košice region	34,854	1,056.8	11.8	0	0.0	0.0	34,854	1,056.8	9.6

Note: Preliminary data.

1/ Equity capital + reinvested earnings.

Volume of Foreign Direct Investment <sup>1/</sup> as at 31 December 2003

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 32.920									
<b>Total volume of FDI (equity capital + reinvested earnings)</b>	280,699	8,526.7	100.0	65,422	1,987.3	100.0	346,121	10,514.0	100.0
<b>Structure of capital by investor</b>									
Germany	82,172	2,496.1	29.3	852	25.9	1.3	83,024	2,522.0	24.0
The Netherlands	56,998	1,731.4	20.3	595	18.1	0.9	57,593	1,749.5	16.6
Austria	18,195	552.7	6.5	30,383	922.9	46.4	48,578	1,475.6	14.0
Italy	4,113	124.9	1.5	24,143	733.4	36.9	28,256	858.3	8.2
United Kingdom	23,242	706.0	8.3	1,749	53.1	2.7	24,991	759.1	7.2
France	23,201	704.8	8.3	550	16.7	0.8	23,751	721.5	6.9
Czech Republic	16,930	514.3	6.0	3,495	106.2	5.3	20,425	620.4	5.9
Hungary	15,748	478.4	5.6	2,005	60.9	3.1	17,753	539.3	5.1
USA	11,532	350.3	4.1	1,650	50.1	2.5	13,182	400.4	3.8
Cyprus	7,446	226.2	2.7	0	0.0	0.0	7,446	226.2	2.2
Other countries	21,122	641.6	7.5	0	0.0	0.0	21,122	641.6	6.1
<b>Structure of capital by sector</b>									
Agriculture, hunting, and forestry	736	22.4	0.3	0	0.0	0.0	736	22.4	0.2
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Mineral raw materials extraction	2,709	82.3	1.0	0	0.0	0.0	2,709	82.3	0.8
Manufacturing	129,788	3,942.5	46.2	0	0.0	0.0	129,788	3,942.5	37.5
Electricity, gas, and water supply	40,378	1,226.5	14.4	0	0.0	0.0	40,378	1,226.5	11.7
Construction	2,477	75.2	0.9	0	0.0	0.0	2,477	75.2	0.7
Wholesale and retail trade, repairs of motor vehicles	38,819	1,179.2	13.8	0	0.0	0.0	38,819	1,179.2	11.2
Hotels and restaurants	1,662	50.5	0.6	0	0.0	0.0	1,662	50.5	0.5
Transport, storage, post and telecommunications	34,551	1,049.5	12.3	0	0.0	0.0	34,551	1,049.5	10.0
Financial intermediation	15,936	484.1	5.7	65,422	1,987.3	100.0	81,358	2,471.4	23.5
Real estate, renting and business activities	11,032	335.1	3.9	0	0.0	0.0	11,032	335.1	3.2
Public administration and defence, compulsory social security	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Education	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Health and social work	1,426	43.3	0.5	0	0.0	0.0	1,426	43.3	0.4
Other community, social, and personal services	1,185	36.0	0.4	0	0.0	0.0	1,185	36.0	0.3
Activities of private households	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Extra-territorial organizations and bodies	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
<b>Structure of capital by regions</b>									
Bratislava region	178,359	5,418.0	63.5	65,422	1,987.3	100.0	243,781	7,405.3	70.4
Trnava region	17,272	524.7	6.2	0	0.0	0.0	17,272	524.7	5.0
Trenčín region	12,003	364.6	4.3	0	0.0	0.0	12,003	364.6	3.5
Nitra region	10,613	322.4	3.8	0	0.0	0.0	10,613	322.4	3.1
Žilina region	13,920	422.8	5.0	0	0.0	0.0	13,920	422.8	4.0
Banská Bystrica region	8,684	263.8	3.1	0	0.0	0.0	8,684	263.8	2.5
Prešov region	5,872	178.4	2.1	0	0.0	0.0	5,872	178.4	1.7
Košice region	33,976	1,032.1	12.1	0	0.0	0.0	33,976	1,032.1	9.8

Note: Preliminary data.

1/ Equity capital + reinvested earnings.



### Volume of Foreign Direct Investment <sup>1/</sup> as at 31 December 2002

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 40.036									
<b>Total volume of FDI (equity capital + reinvested earnings)</b>	253,389	6,329.0	100.0	59,729	1,491.9	100.0	313,118	7,820.9	100.0
<b>Structure of capital by investor</b>									
Germany	77,640	1,939.3	30.6	827	20.7	1.4	78,467	1,959.9	25.1
The Netherlands	50,421	1,259.4	19.9	587	14.7	1.0	51,008	1,274.1	16.3
Austria	18,958	473.5	7.5	26,487	661.6	44.3	45,445	1,135.1	14.5
Italy	3,567	89.1	1.4	23,541	588.0	39.4	27,108	677.1	8.7
France	22,338	557.9	8.8	550	13.7	0.9	22,888	571.7	7.3
United Kingdom	19,201	479.6	7.6	1,598	39.9	2.7	20,799	519.5	6.6
Czech Republic	13,419	335.2	5.3	3,485	87.0	5.8	16,904	422.2	5.4
USA	10,535	263.1	4.2	1,650	41.2	2.8	12,185	304.4	3.9
Hungary	8,294	207.2	3.3	1,000	25.0	1.7	9,294	232.1	3.0
Cyprus	7,186	179.5	2.8	0	0.0	0.0	7,186	179.5	2.3
Other countries	21,830	545.3	8.6	4	0.1	0.0	21,834	545.4	7.0
<b>Structure of capital by sector</b>									
Agriculture, hunting, and forestry	715	17.9	0.3	0	0.0	0.0	715	17.9	0.2
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Mineral raw materials extraction	2,804	70.0	1.1	0	0.0	0.0	2,804	70.0	0.9
Manufacturing	114,296	2,854.8	45.1	0	0.0	0.0	114,296	2,854.8	36.5
Electricity, gas, and water supply	38,847	970.3	15.3	0	0.0	0.0	38,847	970.3	12.4
Construction	1,928	48.2	0.8	0	0.0	0.0	1,928	48.2	0.6
Wholesale and retail trade, repairs of motor vehicles	33,185	828.9	13.1	0	0.0	0.0	33,185	828.9	10.6
Hotels and restaurants	1,613	40.3	0.6	0	0.0	0.0	1,613	40.3	0.5
Transport, storage, post and telecommunications	33,676	841.1	13.3	0	0.0	0.0	33,676	841.1	10.8
Financial intermediation	13,097	327.1	5.2	59,729	1,491.9	100.0	72,826	1,819.0	23.3
Real estate, renting and business activities	10,302	257.3	4.1	0	0.0	0.0	10,302	257.3	3.3
Public administration and defence, compulsory social security	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Education	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Health and social work	1,418	35.4	0.6	0	0.0	0.0	1,418	35.4	0.5
Other community, social, and personal services	1,433	35.8	0.6	0	0.0	0.0	1,433	35.8	0.5
Activities of private households	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Extra-territorial organizations and bodies	75	1.9	0.0	0	0.0	0.0	75	1.9	0.0
<b>Structure of capital by regions</b>									
Bratislava region	163,299	4,078.8	64.4	59,729	1,491.9	100.0	223,028	5,570.7	71.2
Trnava region	13,472	336.5	5.3	0	0.0	0.0	13,472	336.5	4.3
Trenčín region	9,137	228.2	3.6	0	0.0	0.0	9,137	228.2	2.9
Nitra region	8,566	214.0	3.4	0	0.0	0.0	8,566	214.0	2.7
Žilina region	12,241	305.7	4.8	0	0.0	0.0	12,241	305.7	3.9
Banská Bystrica region	8,290	207.1	3.3	0	0.0	0.0	8,290	207.1	2.6
Prešov region	5,721	142.9	2.3	0	0.0	0.0	5,721	142.9	1.8
Košice region	32,663	815.8	12.9	0	0.0	0.0	32,663	815.8	10.4

Note: Preliminary data.

1/ Equity capital + reinvested earnings.

## Outflow of Foreign Direct Investment <sup>1/</sup> from Slovakia in 1998 – 2004

(Flows and stocks)

### Corporate sector

	SKK millions				USD millions			
	Volume as at 1 January	Net change	Valuation and other changes	Volume as at 31 December	Volume as at 1 January	Net change	Valuation and other changes	Volume as at 31 December
1998	6,169	4,883	1,345	12,397	177.36	138.56	19.93	335.85
1999	12,397	739	-404	12,732	335.85	17.84	-52.45	301.24
2000	12,732	975	1,515	15,222	301.24	21.10	-1.13	321.21
2001	15,222	3,441	2,740	21,403	321.21	71.17	49.21	441.59
2002	21,403	364	-2,758	19,009	441.59	8.03	25.17	474.79
2003	19,009	653	-1,513	18,149	474.79	17.76	58.75	551.30
2004	18,149	-188	-242	17,719 <sup>3/</sup>	551.30	-5.75	-8.32	537.23 <sup>3/</sup>

### Banking sector

	SKK millions				USD millions			
	Volume as at 1 January	Net change	Valuation and other changes	Volume as at 31 December	Volume as at 1 January	Net change	Valuation and other changes	Volume as at 31 December
1998	1,300	-7	299	1,592	37.38	-0.20	5.95	43.13
1999	1,592	-17,110	15,587	69	43.13	-413.12	371.62	1.63
2000	69	99	21	189	1.63	2.14	0.21	3.98
2001	189	8	1	198	3.98	0.17	-0.07	4.08
2002	198	0	-34	164	4.08	0.00	0.01	4.09
2003 <sup>2/</sup>	162	43	-9	196	4.05	1.17	0.74	5.96
2004	196	-39	364	521 <sup>3/</sup>	5.96	-1.19	11.04	15.81 <sup>3/</sup>

### Total

	SKK millions				USD millions			
	Volume as at 1 January	Net change	Valuation and other changes	Volume as at 31 December	Volume as at 1 January	Net change	Valuation and other changes	Volume as at 31 December
1998	7,469	4,876	1,644	13,989	214.74	138.36	25.88	378.98
1999	13,989	-16,371	15,183	12,801	378.98	-395.28	319.17	302.87
2000	12,801	1,074	1,536	15,411	302.87	23.24	-0.92	325.19
2001	15,411	3,449	2,741	21,601	325.19	71.34	49.14	445.67
2002	21,601	364	-2,792	19,173	445.67	8.03	25.18	478.88
2003 <sup>2/</sup>	19,171	696	-1,522	18,345	478.84	18.93	59.49	557.26
2004	18,345	-227	122	18,240 <sup>3/</sup>	557.26	-6.94	2.72	553.04 <sup>3/</sup>

Note: The data for 2002 – 2004 are preliminary.

1/ Equity capital + reinvested earnings.

2/ Change in methodology – new accounting standards for banks.

3/ Data at 31 March.



**Outflow of Foreign Direct Investment <sup>1/</sup> During January to March 2004**

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 32.692									
<b>Outflow of FDI (equity capital + reinvested earnings) in total</b>	-188	-5.8	100.0	-39	-1.2	100.0	-227	-6.9	100.0
<b>Structure of capital by country of investment</b>									
The Netherlands	51	1.6	-27.1	0	0.0	0.0	51	1.6	-22.5
Ukraine	10	0.3	-5.3	0	0.0	0.0	10	0.3	-4.4
Czech Republic	47	1.4	-25.0	-40	-1.2	102.6	7	0.2	-3.1
Russia	3	0.1	-1.6	0	0.0	0.0	3	0.1	-1.3
Bulgaria	2	0.1	-1.1	0	0.0	0.0	2	0.1	-0.9
USA	1	0.0	-0.5	0	0.0	0.0	1	0.0	-0.4
Poland	1	0.0	-0.5	0	0.0	0.0	1	0.0	-0.4
Bosnia and Herzegovina	1	0.0	-0.5	0	0.0	0.0	1	0.0	-0.4
Hungary	-3	-0.1	1.6	0	0.0	0.0	-3	-0.1	1.3
Austria	-6	-0.2	3.2	0	0.0	0.0	-6	-0.2	2.6
Other countries	-295	-9.0	156.9	1	0.0	-2.6	-294	-9.0	129.5
<b>Structure of capital by sector</b>									
Agriculture, hunting, and forestry	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Mineral raw materials extraction	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Manufacturing	17	0.5	-9.0	0	0.0	0.0	17	0.5	-7.5
Electricity, gas, and water supply	1	0.0	-0.5	0	0.0	0.0	1	0.0	-0.4
Construction	-2	-0.1	1.1	0	0.0	0.0	-2	-0.1	0.9
Wholesale and retail trade, repairs of motor vehicles	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Hotels and restaurants	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Transport, storage, post and telecommunications	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Financial intermediation	-291	-8.9	154.8	-39	-1.2	100.0	-330	-10.1	145.4
Real estate, renting and business activities	87	2.7	-46.3	0	0.0	0.0	87	2.7	-38.3
Public administration and defence, compulsory social security	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Education	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Health and social work	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Other community, social, and personal services	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Activities of private households	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Extra-territorial organizations and bodies	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
<b>Structure of capital by regions</b>									
Bratislava region	86	2.6	-45.7	-39	-1.2	100.0	47	1.4	-20.7
Trnava region	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Trenčín region	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Nitra region	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Žilina region	3	0.1	-1.6	0	0.0	0.0	3	0.1	-1.3
Banská Bystrica region	3	0.1	-1.6	0	0.0	0.0	3	0.1	-1.3
Prešov region	6	0.2	-3.2	0	0.0	0.0	6	0.2	-2.6
Košice region	-286	-8.7	152.1	0	0.0	0.0	-286	-8.7	126.0

Note: Preliminary data.

1/ Equity capital + reinvested earnings.

**Outflow of Foreign Direct Investment <sup>1/</sup> During January to December 2003**

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 36.773									
<b>Outflow of FDI (equity capital + reinvested earnings) in total</b>	653	17.8	100.0	43	1.2	100.0	696	18.9	100.0
<b>Structure of capital by country of investment</b>									
Czech Republic	781	21.2	119.6	30	0.8	69.8	811	22.1	116.5
Austria	296	8.0	45.3	0	0.0	0.0	296	8.0	42.5
United Kingdom	82	2.2	12.6	0	0.0	0.0	82	2.2	11.8
Bosnia and Herzegovina	78	2.1	11.9	0	0.0	0.0	78	2.1	11.2
USA	39	1.1	6.0	0	0.0	0.0	39	1.1	5.6
Germany	25	0.7	3.8	0	0.0	0.0	25	0.7	3.6
The Netherlands	21	0.6	3.2	0	0.0	0.0	21	0.6	3.0
Croatia	3	0.1	0.5	13	0.4	30.2	16	0.4	2.3
Poland	7	0.2	1.1	0	0.0	0.0	7	0.2	1.0
Switzerland	6	0.2	0.9	0	0.0	0.0	6	0.2	0.9
Other countries	-685	-18.6	-104.9	0	0.0	0.0	-685	-18.6	-98.4
<b>Structure of capital by sector</b>									
Agriculture, hunting, and forestry	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Mineral raw materials extraction	-230	-6.3	-35.2	0	0.0	0.0	-230	-6.3	-33.0
Manufacturing	1,161	31.6	177.8	0	0.0	0.0	1,161	31.6	166.8
Electricity, gas, and water supply	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Construction	-13	-0.4	-2.0	0	0.0	0.0	-13	-0.4	-1.9
Wholesale and retail trade, repairs of motor vehicles	7	0.2	1.1	0	0.0	0.0	7	0.2	1.0
Hotels and restaurants	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Transport, storage, post and telecommunications	-111	-3.0	-17.0	0	0.0	0.0	-111	-3.0	-15.9
Financial intermediation	-14	-0.4	-2.1	43	1.2	100.0	29	0.8	4.2
Real estate, renting and business activities	-187	-5.1	-28.6	0	0.0	0.0	-187	-5.1	-26.9
Public administration and defence, compulsory social security	-1	0.0	-0.2	0	0.0	0.0	-1	0.0	-0.1
Education	41	1.1	6.3	0	0.0	0.0	41	1.1	5.9
Health and social work	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Other community, social, and personal services	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Activities of private households	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Extra-territorial organizations and bodies	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
<b>Structure of capital by regions</b>									
Bratislava region	780	21.2	119.4	43	1.2	100.0	823	22.4	118.2
Trnava region	51	1.4	7.8	0	0.0	0.0	51	1.4	7.3
Trenčín region	-23	-0.6	-3.5	0	0.0	0.0	-23	-0.6	-3.3
Nitra region	6	0.2	0.9	0	0.0	0.0	6	0.2	0.9
Žilina region	172	4.7	26.3	0	0.0	0.0	172	4.7	24.7
Banská Bystrica region	-343	-9.3	-52.5	0	0.0	0.0	-343	-9.3	-49.3
Prešov region	93	2.5	14.2	0	0.0	0.0	93	2.5	13.4
Košice region	-83	-2.3	-12.7	0	0.0	0.0	-83	-2.3	-11.9

Note: Preliminary data.

1/ Equity capital + reinvested earnings.



### Outflow of Foreign Direct Investment <sup>1/</sup> During January to December 2002

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 45.335									
<b>Outflow of FDI (equity capital + reinvested earnings) in total</b>	364	8.0	100.0	0	0.0	100.0	364	8.0	100.0
<b>Structure of capital by country of investment</b>									
Poland	549	12.1	150.8	0	0.0	0.0	549	12.1	150.9
Austria	302	6.7	83.0	0	0.0	0.0	302	6.7	83.0
Bosnia and Herzegovina	286	6.3	78.6	0	0.0	0.0	286	6.3	78.6
Yugoslavia	53	1.2	14.6	0	0.0	0.0	53	1.2	14.6
France	12	0.3	3.3	0	0.0	0.0	12	0.3	3.3
Sweden	12	0.3	3.3	0	0.0	0.0	12	0.3	3.3
Croatia	0	0.0	0.0	10	0.2	0.0	10	0.2	2.6
Hungary	9	0.2	2.5	0	0.0	0.0	9	0.2	2.5
Germany	6	0.1	1.6	0	0.0	0.0	6	0.1	1.6
Ireland	5	0.1	1.4	0	0.0	0.0	5	0.1	1.4
Other countries	-870	-19.2	-239.0	-10	-0.2	0.0	-880	-19.4	-241.7
<b>Structure of capital by sector</b>									
Agriculture, hunting, and forestry	1	0.0	0.3	0	0.0	0.0	1	0.0	0.3
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Mineral raw materials extraction	67	1.5	18.4	0	0.0	0.0	67	1.5	18.4
Manufacturing	828	18.3	227.5	0	0.0	0.0	828	18.3	227.5
Electricity, gas, and water supply	-404	-8.9	-111.0	0	0.0	0.0	-404	-8.9	-111.0
Construction	21	0.5	5.8	0	0.0	0.0	21	0.5	5.8
Wholesale and retail trade, repairs of motor vehicles	-51	-1.1	-14.0	0	0.0	0.0	-51	-1.1	-14.0
Hotels and restaurants	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Transport, storage, post and telecommunications	1	0.0	0.3	0	0.0	0.0	1	0.0	0.3
Financial intermediation	-303	-6.7	-83.2	0	0.0	0.0	-303	-6.7	-83.3
Real estate, renting and business activities	295	6.5	81.0	0	0.0	0.0	295	6.5	81.1
Public administration and defence, compulsory social security	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Education	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Health and social work	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Other community, social, and personal services	-91	-2.0	-25.0	0	0.0	0.0	-91	-2.0	-25.0
Activities of private households	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Extra-territorial organizations and bodies	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
<b>Structure of capital by regions</b>									
Bratislava region	-273	-6.0	-75.0	0	0.0	0.0	-273	-6.0	-75.0
Trnava region	48	1.1	13.2	0	0.0	0.0	48	1.1	13.2
Trenčín region	88	1.9	24.2	0	0.0	0.0	88	1.9	24.2
Nitra region	-35	-0.8	-9.6	0	0.0	0.0	-35	-0.8	-9.6
Žilina region	285	6.3	78.3	0	0.0	0.0	285	6.3	78.3
Banská Bystrica region	336	7.4	92.3	0	0.0	0.0	336	7.4	92.3
Prešov region	-6	-0.1	-1.6	0	0.0	0.0	-6	-0.1	-1.6
Košice region	-79	-1.7	-21.7	0	0.0	0.0	-79	-1.7	-21.7

Note: Preliminary data.

1/ Equity capital + reinvested earnings.



Volume of Foreign Direct Investment <sup>1/</sup> Outward as at 31 March 2004

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 32.982									
<b>Total volume of FDI outward (equity capital + reinvested earnings)</b>	17,719	537.2	100.0	521	15.8	100.0	18,240	553.0	100.0
<b>Structure of capital by country of investment</b>									
Czech Republic	7,031	213.2	39.7	476	14.4	91.4	7,507	227.6	41.2
United Kingdom	2,042	61.9	11.5	0	0.0	0.0	2,042	61.9	11.2
Ukraine	1,273	38.6	7.2	0	0.0	0.0	1,273	38.6	7.0
Ireland	1,247	37.8	7.0	0	0.0	0.0	1,247	37.8	6.8
Hungary	1,131	34.3	6.4	0	0.0	0.0	1,131	34.3	6.2
Luxemburg	1,112	33.7	6.3	0	0.0	0.0	1,112	33.7	6.1
Austria	954	28.9	5.4	0	0.0	0.0	954	28.9	5.2
Poland	761	23.1	4.3	0	0.0	0.0	761	23.1	4.2
Russia	402	12.2	2.3	0	0.0	0.0	402	12.2	2.2
Bosnia and Herzegovina	384	11.6	2.2	0	0.0	0.0	384	11.6	2.1
Other countries	1,382	41.9	7.8	45	1.4	8.6	1,427	43.3	7.8
<b>Structure of capital by sector</b>									
Agriculture, hunting and forestry	24	0.7	0.1	0	0.0	0.0	24	0.7	0.1
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Mining and quarrying	1,914	58.0	10.8	0	0.0	0.0	1,914	58.0	10.5
Manufacturing	7,766	235.5	43.8	0	0.0	0.0	7,766	235.5	42.6
Electricity, gas and water supply	1,181	35.8	6.7	0	0.0	0.0	1,181	35.8	6.5
Construction	145	4.4	0.8	0	0.0	0.0	145	4.4	0.8
Wholesale and retail trade, repairs of motor vehicles	548	16.6	3.1	0	0.0	0.0	548	16.6	3.0
Hotels and restaurants	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Transport, storage and communication	36	1.1	0.2	0	0.0	0.0	36	1.1	0.2
Financial intermediation	3,117	94.5	17.6	521	15.8	100.0	3,638	110.3	19.9
Real estate, renting and business activities	2,701	81.9	15.2	0	0.0	0.0	2,701	81.9	14.8
Public administration and defence, compulsory social security	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Education	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Health and social work	9	0.3	0.1	0	0.0	0.0	9	0.3	0.0
Other community, social and personal service activities	278	8.4	1.6	0	0.0	0.0	278	8.4	1.5
Activities of private households	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Extra - territorial organizations and bodies	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
<b>Structure of capital by regions</b>									
Bratislava region	11,016	334.0	62.2	521	15.8	100.0	11,537	349.8	63.3
Trnava region	1,945	59.0	11.0	0	0.0	0.0	1,945	59.0	10.7
Trenčín region	747	22.6	4.2	0	0.0	0.0	747	22.6	4.1
Nitra region	47	1.4	0.3	0	0.0	0.0	47	1.4	0.3
Žilina region	698	21.2	3.9	0	0.0	0.0	698	21.2	3.8
Banská Bystrica region	1,634	49.5	9.2	0	0.0	0.0	1,634	49.5	9.0
Prešov region	513	15.6	2.9	0	0.0	0.0	513	15.6	2.8
Košice region	1,119	33.9	6.3	0	0.0	0.0	1,119	33.9	6.1

Note: Preliminary data.

1/ Equity capital + reinvested earnings.



**Volume of Foreign Direct Investment <sup>1/</sup> Outward as at 31 December 2003**

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 32.920									
<b>Total volume of FDI outward (equity capital + reinvested earnings)</b>	18,149	551.3	100.0	196	6.0	100.0	18,345	557.3	100.0
<b>Structure of capital by country of investment</b>									
Czech Republic	7,196	218.6	39.6	151	4.6	77.0	7,347	223.2	40.0
United Kingdom	2,293	69.7	12.6	0	0.0	0.0	2,293	69.7	12.5
Ukraine	1,367	41.5	7.5	0	0.0	0.0	1,367	41.5	7.5
Ireland	1,212	36.8	6.7	0	0.0	0.0	1,212	36.8	6.6
Hungary	1,117	33.9	6.2	0	0.0	0.0	1,117	33.9	6.1
Luxemburg	1,111	33.7	6.1	0	0.0	0.0	1,111	33.7	6.1
Austria	968	29.4	5.3	0	0.0	0.0	968	29.4	5.3
Poland	798	24.2	4.4	0	0.0	0.0	798	24.2	4.3
Russia	404	12.3	2.2	0	0.0	0.0	404	12.3	2.2
Bosnia and Herzegovina	383	11.6	2.1	0	0.0	0.0	383	11.6	2.1
Other countries	1,300	39.5	7.2	45	1.4	23.0	1,345	40.9	7.3
<b>Structure of capital by sector</b>									
Agriculture, hunting, and forestry	23	0.7	0.1	0	0.0	0.0	23	0.7	0.1
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Mineral raw materials extraction	1,879	57.1	10.4	0	0.0	0.0	1,879	57.1	10.2
Manufacturing	8,521	258.8	47.0	0	0.0	0.0	8,521	258.8	46.4
Electricity, gas, and water supply	1,224	37.2	6.7	0	0.0	0.0	1,224	37.2	6.7
Construction	389	11.8	2.1	0	0.0	0.0	389	11.8	2.1
Wholesale and retail trade, repairs of motor vehicles	768	23.3	4.2	0	0.0	0.0	768	23.3	4.2
Hotels and restaurants	1	0.0	0.0	0	0.0	0.0	1	0.0	0.0
Transport, storage, post and telecommunications	36	1.1	0.2	0	0.0	0.0	36	1.1	0.2
Financial intermediation	3,054	92.8	16.8	196	6.0	100.0	3,250	98.7	17.7
Real estate, renting and business activities	1,917	58.2	10.6	0	0.0	0.0	1,917	58.2	10.4
Public administration and defence, compulsory social security	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Education	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Health and social work	23	0.7	0.1	0	0.0	0.0	23	0.7	0.1
Other community, social, and personal services	314	9.5	1.7	0	0.0	0.0	314	9.5	1.7
Activities of private households	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Extra-territorial organizations and bodies	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
<b>Structure of capital by regions</b>									
Bratislava region	11,114	337.6	61.2	196	6.0	100.0	11,310	343.6	61.7
Trnava region	1,926	58.5	10.6	0	0.0	0.0	1,926	58.5	10.5
Trenčín region	750	22.8	4.1	0	0.0	0.0	750	22.8	4.1
Nitra region	50	1.5	0.3	0	0.0	0.0	50	1.5	0.3
Žilina region	694	21.1	3.8	0	0.0	0.0	694	21.1	3.8
Banská Bystrica region	1,647	50.0	9.1	0	0.0	0.0	1,647	50.0	9.0
Prešov region	547	16.6	3.0	0	0.0	0.0	547	16.6	3.0
Košice region	1,421	43.2	7.8	0	0.0	0.0	1,421	43.2	7.7

Note: Preliminary data.

1/ Equity capital + reinvested earnings.

Volume of Foreign Direct Investment <sup>1/</sup> Outward as at 31 December 2002

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 40.036									
<b>Total volume of FDI outward (equity capital + reinvested earnings)</b>	19,009	474.8	100.0	164	4.1	100.0	19,173	478.9	100.0
<b>Structure of capital by country of investment</b>									
Czech Republic	6,854	171.2	36.1	131	3.3	79.9	6,985	174.5	36.4
United Kingdom	2,642	66.0	13.9	0	0.0	0.0	2,642	66.0	13.8
Ukraine	1,703	42.5	9.0	0	0.0	0.0	1,703	42.5	8.9
Hungary	1,388	34.7	7.3	0	0.0	0.0	1,388	34.7	7.2
Ireland	1,331	33.2	7.0	0	0.0	0.0	1,331	33.2	6.9
Luxembourg	1,182	29.5	6.2	0	0.0	0.0	1,182	29.5	6.2
Poland	932	23.3	4.9	0	0.0	0.0	932	23.3	4.9
Austria	692	17.3	3.6	0	0.0	0.0	692	17.3	3.6
Russia	493	12.3	2.6	0	0.0	0.0	493	12.3	2.6
Croatia	324	8.1	1.7	0	0.0	0.0	324	8.1	1.7
Other countries	1,468	36.7	7.7	33	0.8	20.1	1,501	37.5	7.8
<b>Structure of capital by sector</b>									
Agriculture, hunting, and forestry	59	1.5	0.3	0	0.0	0.0	59	1.5	0.3
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Mineral raw materials extraction	2,393	59.8	12.6	0	0.0	0.0	2,393	59.8	12.5
Manufacturing	7,821	195.3	41.1	0	0.0	0.0	7,821	195.3	40.8
Electricity, gas, and water supply	1,288	32.2	6.8	0	0.0	0.0	1,288	32.2	6.7
Construction	465	11.6	2.4	0	0.0	0.0	465	11.6	2.4
Wholesale and retail trade, repairs of motor vehicles	1,005	25.1	5.3	0	0.0	0.0	1,005	25.1	5.2
Hotels and restaurants	299	7.5	1.6	0	0.0	0.0	299	7.5	1.6
Transport, storage, post and telecommunications	164	4.1	0.9	0	0.0	0.0	164	4.1	0.9
Financial intermediation	3,243	81.0	17.1	164	4.1	100.0	3,407	85.1	17.8
Real estate, renting and business activities	1,841	46.0	9.7	0	0.0	0.0	1,841	46.0	9.6
Public administration and defence, compulsory social security	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Education	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Health and social work	25	0.6	0.1	0	0.0	0.0	25	0.6	0.1
Other community, social, and personal services	406	10.1	2.1	0	0.0	0.0	406	10.1	2.1
Activities of private households	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Extra-territorial organizations and bodies	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
<b>Structure of capital by regions</b>									
Bratislava region	12,864	321.3	67.7	164	4.1	100.0	13,028	325.4	67.9
Tmava region	2,056	51.4	10.8	0	0.0	0.0	2,056	51.4	10.7
Trenčín region	909	22.7	4.8	0	0.0	0.0	909	22.7	4.7
Nitra region	51	1.3	0.3	0	0.0	0.0	51	1.3	0.3
Žilina region	959	24.0	5.0	0	0.0	0.0	959	24.0	5.0
Banská Bystrica region	574	14.3	3.0	0	0.0	0.0	574	14.3	3.0
Prešov region	507	12.7	2.7	0	0.0	0.0	507	12.7	2.6
Košice region	1,089	27.2	5.7	0	0.0	0.0	1,089	27.2	5.7

Note: Preliminary data.

1/ Equity capital + reinvested earnings.



### Average Lending Rates of Commercial Banks

(%)

Interest rates on:	2003								2004				
	5	6	7	8	9	10	11	12	1	2	3	4	5
VOLUME OF LOANS IN TOTAL <sup>1/</sup>	8.13	8.12	8.04	8.02	7.98	7.87	7.82	7.68	7.65	7.60	7.57	7.48	7.35
A) Loans by sector of which:													
a) Enterprises	8.22	8.24	8.17	8.18	8.10	7.98	7.91	7.69	7.75	7.65	7.49	7.31	7.10
- Public sector	8.09	8.09	8.08	8.07	8.06	7.90	7.83	7.68	7.91	7.92	7.90	7.53	7.23
- Private sector (incl. cooperatives)	8.51	8.53	8.44	8.37	8.37	8.27	8.14	7.92	7.89	7.83	7.64	7.49	7.34
- Under foreign control	7.65	7.67	7.63	7.63	7.42	7.28	7.39	6.95	7.10	6.69	6.48	6.41	6.13
b) Households	7.68	7.65	7.55	7.48	7.50	7.49	7.47	7.50	7.39	7.44	7.73	7.80	7.85
B) Loans by term of which:													
- Short-term	8.28	8.33	8.22	8.27	8.13	8.01	8.01	7.76	7.82	7.72	7.57	7.49	7.31
- Medium-term	9.00	9.01	8.94	8.88	8.99	8.93	8.85	8.78	8.74	8.68	8.63	8.54	8.41
- Long-term	7.33	7.29	7.24	7.21	7.11	7.02	6.95	6.84	6.72	6.75	6.85	6.74	6.66
NEW LOANS IN TOTAL <sup>1/</sup>	8.06	7.64	7.28	7.69	7.45	7.10	7.70	7.25	7.53	7.61	7.55	7.51	8.77
A) Loans by sector of which:													
a) Enterprises	7.90	7.46	7.04	7.52	7.20	6.80	7.48	7.02	7.36	7.37	7.24	7.07	8.51
- Public sector	7.83	7.80	7.56	7.69	7.61	7.00	7.23	7.68	7.20	7.50	7.47	7.21	8.44
- Private sector (incl. cooperatives)	8.55	8.65	8.15	8.85	8.14	8.10	8.28	7.87	7.83	7.46	7.81	7.78	10.12
- Under foreign control	7.48	6.79	6.40	6.76	6.76	6.19	7.10	6.41	7.03	7.30	6.81	6.31	6.64
b) Households	9.99	9.52	9.42	9.73	10.25	9.81	9.88	9.63	10.20	9.68	10.45	10.73	11.75
B) Loans by term of which:													
- Short-term	8.00	7.53	7.15	7.62	7.36	6.93	7.63	7.15	7.50	7.62	7.52	7.45	8.93
- Medium-term	8.99	9.15	8.92	9.04	8.87	9.04	8.61	8.58	8.08	7.65	8.06	8.25	8.17
- Long-term	7.08	6.88	7.15	7.12	7.06	6.95	6.91	6.96	6.78	7.30	7.14	7.34	7.28

1/ Excluding loans at zero interest rate.

### Volumes of New Loans and Average Lending Rates of Commercial Banks

		2003								2004				
		5	6	7	8	9	10	11	12	1	2	3	4	5
Loans in total	a	72.78	87.35	93.17	86.61	89.59	85.45	83.44	100.68	90.16	92.17	101.80	94.69	93.50
	b	8.06	7.63	7.28	7.69	7.45	7.09	7.69	7.24	7.51	7.60	7.55	7.51	8.77
Overdrafts on current accounts	a	11.90	13.17	13.35	14.29	14.86	14.89	14.69	17.83	25.08	20.44	33.44	39.18	40.51
	b	9.63	9.74	8.99	9.90	9.38	9.26	9.13	9.10	8.73	8.66	8.48	8.52	11.96
Investment loans	a	3.19	3.65	3.07	2.38	2.84	2.95	2.35	4.18	5.14	4.48	5.19	4.02	3.93
	b	8.27	8.72	8.47	8.46	7.56	7.96	7.92	7.70	7.25	6.71	6.82	6.91	6.52
Consumer credit for goods and services	a	-	-	-	-	-	-	-	-	0.65	0.77	1.06	1.35	2.36
	b	-	-	-	-	-	-	-	-	15.64	14.44	14.71	13.27	13.88
Loans for house purchase	a	-	-	-	-	-	-	-	-	2.75	4.08	3.39	3.39	4.09
	b	-	-	-	-	-	-	-	-	7.19	7.25	7.17	7.17	7.37
of which: mortgage loans without state bonus	a	0.07	0.09	0.13	0.08	0.31	0.46	0.39	0.57	0.21	0.12	0.11	0.13	0.18
	b	6.87	7.10	8.07	8.08	7.81	7.69	7.81	7.68	8.03	8.38	8.13	7.86	7.96
mortgage loans with state bonus - client	a	0.96	1.60	1.65	1.57	1.16	1.26	1.11	1.49	1.01	1.46	1.60	1.58	1.64
	b	5.44	5.31	5.11	5.17	5.10	5.25	5.23	5.23	5.28	5.31	5.84	5.70	5.80
mortgage loans with state bonus - bank	a	-	-	-	-	-	-	-	-	1.01	1.46	1.60	1.58	1.64
	b	-	-	-	-	-	-	-	-	7.29	7.24	7.33	7.24	7.25
home savings bank loans	a	0.09	0.11	0.10	0.13	0.39	0.16	0.14	0.14	0.12	0.11	0.21	0.12	0.14
	b	6.12	6.24	5.85	5.53	7.06	5.77	5.98	5.10	5.10	5.15	6.61	4.94	5.17
intermediary loans	a	0.57	0.61	1.04	0.79	0.71	1.05	0.89	1.07	0.75	0.71	0.69	0.81	1.00
	b	7.14	7.12	7.43	7.45	7.49	7.39	7.26	7.25	7.27	7.46	7.13	7.39	7.44
Other loans	a	-	-	-	-	-	-	-	-	53.84	60.22	54.08	38.35	37.37
	b	-	-	-	-	-	-	-	-	6.89	7.21	6.81	6.03	5.67
Short-term loans	a	63.80	77.15	82.72	76.92	80.14	74.80	72.53	86.78	78.73	75.91	86.37	81.99	79.48
	b	8.00	7.53	7.15	7.61	7.35	6.92	7.63	7.15	7.46	7.62	7.52	7.45	8.93
- with a maturity of up to 7 days	a	30.30	46.35	50.62	48.50	54.73	51.16	48.21	52.23	46.91	45.87	50.06	47.17	50.68
	b	7.80	6.90	6.40	7.20	6.91	6.26	7.38	6.70	7.38	7.70	7.52	7.32	9.32
- up to 1 month	a	11.16	7.52	8.26	8.80	4.88	4.75	4.50	8.13	9.71	7.91	7.18	6.21	5.05
	b	7.74	8.17	8.18	7.88	7.81	7.49	7.74	7.12	6.73	6.84	6.74	6.51	7.07
- up to 3 months	a	5.40	5.16	5.46	3.83	3.87	3.45	4.13	6.57	3.29	4.22	5.13	2.63	3.54
	b	7.76	7.73	7.49	7.61	7.76	7.66	7.22	7.26	7.46	6.89	6.69	6.36	6.30
- up to 6 months	a	1.73	2.18	2.62	1.24	1.71	0.80	0.86	1.15	1.33	1.99	1.16	1.10	0.53
	b	7.66	8.14	7.96	8.72	7.68	7.55	7.24	7.73	6.78	6.53	7.00	6.61	6.67
- up to 12 months	a	15.21	15.94	15.76	14.56	14.95	14.64	14.83	18.70	17.49	15.92	22.84	24.87	19.67
	b	8.71	8.91	8.74	8.76	8.69	8.83	8.55	8.33	8.14	8.11	7.94	8.07	8.92
Long-term loans with a maturity of 1 to 5 years	a	6.63	6.92	6.64	5.97	6.24	6.89	7.89	7.49	7.84	11.15	10.39	7.95	9.09
	b	8.99	9.14	8.92	9.04	8.87	9.03	8.61	8.58	8.06	7.65	8.06	8.25	8.17
Long-term loans with a maturity of over 5 years	a	2.35	3.29	3.81	3.72	3.22	3.76	3.02	6.41	3.60	5.10	5.04	4.75	4.93
	b	7.08	6.88	7.15	7.12	7.06	6.95	6.91	6.96	7.38	7.30	7.13	7.34	7.28

a - Volume (SKK billions).

b - Average interest rate (%).



### Koruna Deposits and Average Deposit Rates

		2003								2004				
		5	6	7	8	9	10	11	12	1	2	3	4	5
Deposits in total	a	572,542	560,708	575,286	579,267	577,913	583,743	588,403	599,379	601,608	606,774	601,390	632,696	625,532
	b	3.31	3.23	3.29	3.41	3.22	3.17	3.26	3.01	3.36	3.15	3.06	2.98	2.60
of which:														
Demand deposits	a	177,772	184,141	185,481	185,994	189,904	190,541	195,379	219,235	189,816	191,728	190,487	193,257	199,017
	b	1.53	1.52	1.53	1.65	1.48	1.37	1.49	1.49	1.74	1.34	1.28	1.19	0.95
Time deposits	a	286,644	268,910	283,133	286,596	282,793	289,074	289,717	275,462	311,296	315,079	312,852	342,996	331,330
	b	4.58	4.54	4.60	4.76	4.53	4.48	4.60	4.31	4.53	4.37	4.22	4.11	3.62
- short-term	a	275,900	258,134	272,406	276,053	272,424	278,720	279,320	264,927	290,389	294,061	291,849	323,170	310,951
	b	4.53	4.47	4.55	4.72	4.47	4.43	4.57	4.27	4.43	4.26	4.11	4.00	3.48
- one-day deposits	a	6,796	16,162	16,491	4,846	17,489	5,246	4,687	4,520	8,516	13,152	17,231	20,892	35,059
	b	4.64	4.59	4.68	6.29	4.45	4.28	5.87	4.08	6.32	4.20	3.40	4.09	2.42
- up to 7 days	a	52,054	27,875	31,585	35,673	28,027	40,819	44,399	27,165	36,024	31,625	19,963	43,885	28,175
	b	4.63	4.42	4.59	5.50	4.43	4.52	5.43	4.22	5.61	4.24	3.83	4.19	3.51
- up to 1 month	a	114,373	116,547	124,375	130,948	130,331	133,243	131,935	143,754	153,581	159,755	151,135	163,928	146,793
	b	4.73	4.73	4.82	4.90	4.82	4.71	4.69	4.61	4.50	4.63	4.46	4.24	3.78
- up to 3 months	a	61,629	59,426	62,944	67,966	60,209	63,975	64,041	55,115	56,939	53,954	63,651	55,655	62,520
	b	4.15	4.12	4.20	4.24	4.06	4.13	4.07	3.75	3.69	3.57	3.70	3.28	3.27
- up to 6 months	a	22,314	20,227	19,228	19,591	19,081	18,900	17,739	18,768	20,005	20,609	21,451	20,030	18,991
	b	3.93	3.70	3.70	3.70	3.67	3.63	3.60	3.76	3.69	3.77	3.85	3.67	3.40
- up to 12 months	a	18,733	17,896	17,782	17,029	17,286	16,536	16,519	15,605	15,324	14,966	18,419	18,780	19,414
	b	4.97	4.78	4.65	4.34	4.23	4.07	3.88	3.76	3.56	3.66	3.88	3.81	3.81
- medium-term	a	9,722	9,739	9,698	9,507	9,323	9,293	9,312	9,399	19,735	19,825	19,807	18,987	19,241
	b	5.52	5.83	5.76	5.61	5.61	5.46	5.08	4.97	5.74	5.69	5.67	5.89	5.72
- up to 2 years	a	2,367	2,323	2,244	2,200	2,172	2,155	2,499	2,478	13,154	13,298	13,149	12,783	13,413
	b	5.18	5.12	5.07	4.79	4.66	4.54	4.30	4.15	6.09	6.03	6.03	6.12	5.98
- up to 5 years	a	7,355	7,416	7,454	7,307	7,151	7,138	6,813	6,921	6,581	6,527	6,658	6,204	5,828
	b	5.63	6.06	5.97	5.86	5.90	5.73	5.37	5.26	5.05	5.01	4.96	5.42	5.14
- long-term	a	1,022	1,037	1,029	1,036	1,046	1,061	1,085	1,136	1,172	1,193	1,196	839	1,138
	b	8.86	8.76	8.79	8.75	8.69	8.66	8.53	8.81	8.61	8.32	8.16	8.95	7.29
- over 5 years	a	1,022	1,037	1,029	1,036	1,046	1,061	1,085	1,136	1,172	1,193	1,196	839	1,138
	b	8.86	8.76	8.79	8.75	8.69	8.66	8.53	8.81	8.61	8.32	8.16	8.95	7.29
Savings deposits	a	108,125	107,657	106,671	106,678	105,216	104,129	103,308	104,682	100,496	99,967	98,050	96,442	95,184
	b	2.87	2.87	2.86	2.85	2.86	2.85	2.86	2.75	2.81	2.78	2.79	2.57	2.50
- short-term	a	48,484	48,429	48,159	47,737	47,149	46,581	45,966	45,151	42,853	42,185	41,408	40,614	39,900
	b	3.15	3.18	3.16	3.13	3.14	3.13	3.14	2.88	2.99	2.96	2.95	2.59	2.42
- medium-term	a	20,983	20,698	20,355	20,045	19,582	19,125	18,742	18,133	16,300	15,680	15,104	14,716	14,450
	b	2.22	2.23	2.21	2.19	2.21	2.23	2.26	2.13	2.29	2.30	2.31	1.85	1.83
- long-term	a	38,658	38,529	38,157	38,896	38,486	38,424	38,600	41,398	41,344	42,102	41,538	41,113	40,834
	b	2.83	2.83	2.83	2.83	2.83	2.83	2.83	2.90	2.84	2.79	2.80	2.80	2.80
Short-term (time and savings)	a	324,384	306,563	320,565	323,789	319,573	325,300	325,285	310,078	333,242	336,245	333,258	363,784	350,851
	b	4.32	4.26	4.34	4.48	4.27	4.25	4.37	4.06	4.24	4.10	3.96	3.84	3.36
Medium-term (time and savings)	a	30,706	30,437	30,053	29,552	28,904	28,417	28,054	27,532	36,035	35,505	34,911	33,703	33,692
	b	3.27	3.38	3.35	3.29	3.31	3.28	3.20	3.10	4.19	4.20	4.21	4.12	4.05
Long-term (time and savings)	a	39,680	39,566	39,186	39,933	39,532	39,485	39,685	42,534	42,515	43,295	42,734	41,952	41,972
	b	2.99	2.99	2.98	2.98	2.98	2.99	2.99	3.06	3.00	2.94	2.95	2.92	2.92

a - Volume (SKK billions).  
b - Average interest rate (%).



## Basic Characteristics of Interest Rates on Loans and Deposits

(% , percentage points)

	Line	2003								2004				
		5	6	7	8	9	10	11	12	1	2	3	4	5
Average interest rate on total credit <sup>1/</sup>	1	8.13	8.12	8.04	8.02	7.98	7.87	7.82	7.68	7.65	7.60	7.57	7.48	7.35
Average interest rate on deposits	2	3.31	3.23	3.29	3.41	3.22	3.17	3.26	3.01	3.36	3.15	3.06	2.98	2.60
Average interest rate on new loans	3	8.06	7.64	7.28	7.69	7.45	7.10	7.70	7.25	7.53	7.61	7.55	7.51	8.77
Average interbank money market rate (1D to 12M - mid rates)	4	5.92	5.98	6.02	6.10	6.12	5.76	5.88	5.70	5.60	5.62	5.51	5.11	4.63
Average interest rate on new short-term loans	5	8.00	7.53	7.15	7.62	7.36	6.93	7.63	7.15	7.50	7.62	7.52	7.45	8.93
Average interest rate on short-term deposits	6	4.32	4.26	4.34	4.48	4.27	4.25	4.37	4.06	4.24	4.10	3.96	3.84	3.36
Difference between the average interest rates on new short-term loans and short-term deposits (line 5 - line 6)	7	3.68	3.27	2.81	3.14	3.09	2.68	3.26	3.09	3.26	3.52	3.56	3.61	5.57
Basic interest rate of the NBS (until 31 Dec. 2002 discount rate)	8	6.50	6.50	6.50	6.50	6.50	6.25	6.25	6.00	6.00	6.00	6.00	5.50	6.50
12-month rate of inflation	9	7.60	8.40	8.70	9.20	9.50	9.60	9.80	9.30	8.30	8.50	8.20	8.00	8.30
Year-on-year increase in industrial producer prices	10	7.80	8.20	8.20	8.00	8.00	7.90	8.80	8.70	4.40	2.30	2.10	2.20	3.00
Real interest rate on new short-term loans (line 5 - line 10)	11	0.20	-0.67	-1.05	-0.38	-0.64	-0.97	-1.17	-1.55	3.10	5.32	5.42	5.25	5.93
Difference between the average interest rate on new short-term loans and the rate of inflation (line 5 - line 9)	12	0.40	-0.87	-1.55	-1.58	-2.14	-2.67	-2.17	-2.15	-0.80	-0.88	-0.68	-0.55	0.63
Average interest rate on one-year deposits	13	4.97	4.78	4.65	4.34	4.23	4.07	3.88	3.76	3.56	3.66	3.88	3.81	3.81
Real interest rate on one-year deposits (line 13 - line 9)	14	-2.63	-3.62	-4.05	-4.86	-5.27	-5.53	-5.92	-5.54	-4.74	-4.84	-4.32	-4.19	-4.49
Nominal interest margin (line 1 - line 2)	15	4.82	4.89	4.75	4.61	4.76	4.70	4.56	4.67	4.29	4.45	4.51	4.50	4.75
Difference between the average interest rates on new loans and total deposits (line 3 - line 2)	16	4.75	4.41	3.99	4.28	4.23	3.93	4.44	4.24	4.17	4.46	4.49	4.53	6.17
Difference between the average interest rate on new short-term loans and the average interbank money market rate (line 5 - line 4)	17	2.08	1.61	1.17	1.60	1.26	0.81	1.75	1.45	1.90	2.00	2.01	2.34	4.30
Difference between the average interest rate on new loans and the average interbank money market rate (line 3 - line 4)	18	2.14	1.72	1.30	1.67	1.35	0.98	1.82	1.55	1.93	1.99	2.04	2.40	4.14
Average interest rate on loans including the zero rate <sup>2/</sup>	19	7.64	7.65	7.60	7.58	7.54	7.45	8.00	7.30	7.33	7.31	7.30	7.20	7.07
Nominal interest margin (line 19 - line 2)	20	4.33	4.42	4.31	4.17	4.32	4.28	4.74	4.29	3.97	4.16	4.24	4.22	4.47

1/ Excluding unpaid interest.

2/ Including unpaid interest.

**Monetary Policy Instruments**

	As at 1 January 2003	Change over the year 2003	As at 1 January 2004	Change over the year 2004
<b>1. Interest rates set by the Bank Board of the NBS:</b>				
Basic interest rate of the NBS <sup>1/</sup>	6.50%	26 Sep. 6.25% 22 Dec. 6.00%	6.00%	29 Mar. 5.50% 29 Apr. 5.00% 1 July 4.50%
Interest rate for overnight transactions				
for sterilisation purpose	5.00%	26 Sep. 4.75% 22 Dec. 4.50%	4.50%	29 Mar. 4.00% 29 Apr. 3.50% 1 July 3.00%
for refinancing purpose	8.00%	26 Sep. 7.75% 22 Dec. 7.50%	7.50%	29 Mar. 7.00% 29 Apr. 6.50% 1 July 6.00%
Limit rate of the NBS for standard 2-week repo tenders	6.50%	26 Sep. 6.25% 22 Dec. 6.00%	6.00%	29 Mar. 5.50% 29 Apr. 5.00% 1 July 4.50%
<b>2. Reserve requirement</b>	3%		2%	
<b>3. Exchange rate regime</b>	Floating rate  Reference currency: EUR		Floating rate  Reference currency: EUR	

1/ Until 31 December 2002, the discount rate had been applied.





### Basic Characteristics of Slovakia's Foreign Exchange Market in June 2004

	USD			EUR			Other currencies			Total	
	Volume		Number of transactions	Volume		Number of transactions	Volume		Number of transactions	Volume	Number of transactions
	USD millions	(%)		USD millions	(%)		USD millions	(%)			
NBS	-	-	-	0.0	-	0	-	-	-	0.0	0
Transactions between domestic banks without foreign participation	5,549.4	69.7	314	2,365.2	29.7	457	44.2	0.6	40	7,958.8	811
Interbank forex market: NBS + transactions between domestic banks	5,549.4	69.7	314	2,365.2	29.7	457	44.2	0.6	40	7,958.8	811
Transactions between domestic and foreign banks	22,576.2	82.0	1,727	4,328.9	15.7	1,147	613.3	2.2	59	27,518.4	2,933
Foreign exchange market in the SR - total	28,125.6	79.3	2,041	6,694.1	18.9	1,604	657.5	1.9	99	35,477.2	3,744

	SPOT			FORWARD			SWAP			Total	
	Volume		Number of transactions	Volume		Number of transactions	Volume		Number of transactions	Volume	Number of transactions
	USD millions	(%)		USD millions	(%)		USD millions	(%)			
Transactions between domestic banks without foreign participation	835.4	10.5	449	0.3	0.0	1	7,123.7	89.5	361	7,959.3	811
Transactions between domestic and foreign banks	2,128.6	7.7	1,056	40.0	0.1	20	25,350.5	92.1	1,857	27,519.0	2,933
Foreign exchange market in the SR - excl. the NBS	2,963.9	8.4	1,505	40.3	0.1	21	32,474.2	91.5	2,218	35,478.3	3,744

**Average Monthly Exchange Rates of the SKK**

Midpoint rate	2003						2004						
	6	7	8	9	10	11	12	1	2	3	4	5	6
1 AUD	23.557	24.345	24.452	24.473	24.433	25.193	24.783	24.869	24.936	24.676	24.919	23.642	22.861
1 CZK	1.322	1.312	1.300	1.282	1.291	1.287	1.274	1.245	1.233	1.226	1.234	1.255	1.263
1 DKK	5.589	5.621	5.641	5.590	5.557	5.531	5.527	5.471	5.446	5.426	5.392	5.404	5.371
1 EUR	41.502	41.788	41.932	41.516	41.288	41.134	41.130	40.747	40.577	40.421	40.139	40.209	39.931
100 JPY	30.016	30.958	31.504	32.230	32.189	32.243	31.119	30.341	30.158	30.271	31.163	29.904	30.041
1 CAD	26.220	26.681	26.830	27.125	26.612	26.793	25.576	24.944	24.166	24.727	25.006	24.299	24.176
100 HUF	15.941	15.826	16.121	16.246	16.163	15.877	15.527	15.402	15.407	15.931	16.038	15.902	15.779
1 NOK	5.094	5.035	5.080	5.061	5.018	5.016	5.007	4.749	4.625	4.724	4.830	4.898	4.822
1 PLN	9.360	9.407	9.597	9.319	8.997	8.908	8.828	8.647	8.368	8.468	8.437	8.497	8.687
100 SIT	17.765	17.828	17.843	17.651	17.519	17.422	17.382	17.172	17.090	16.978	16.837	16.846	16.686
1 CHF	26.959	27.002	27.210	26.835	26.676	26.386	26.464	26.022	25.804	25.781	25.808	26.087	26.283
1 SEK	4.555	4.547	4.541	4.574	4.588	4.572	4.563	4.462	4.422	4.379	4.375	4.403	4.368
1 USD	35.491	36.729	37.490	37.116	35.273	35.234	33.604	32.292	32.083	32.927	33.433	33.498	32.888
1 GBP	58.948	59.723	59.879	59.651	59.113	59.447	58.616	58.765	59.845	60.196	60.380	59.809	60.145

**Average Quarterly Exchange Rates of the SKK**

Midpoint rate	2003					2004	
	Q1	Q2	Q3	Q4	Year	Q1	Q2
1 AUD	23.099	23.205	24.420	24.779	23.881	24.820	23.774
1 CZK	1.322	1.309	1.299	1.284	1.304	1.235	1.251
1 DKK	5.625	5.551	5.618	5.539	5.584	5.446	5.389
1 EUR	41.799	41.221	41.747	41.190	41.491	40.574	40.089
100 JPY	32.769	30.639	31.535	31.860	31.704	30.257	30.352
1 CAD	25.786	25.943	26.869	26.333	26.237	24.618	24.48
100 HUF	17.165	16.452	16.053	15.870	16.383	15.597	15.902
1 NOK	5.528	5.184	5.057	5.014	5.195	4.700	4.85
1 PLN	9.994	9.463	9.439	8.915	9.453	8.493	8.545
100 SIT	18.075	17.690	17.776	17.445	17.747	17.075	16.787
1 CHF	28.516	27.184	27.015	26.519	27.308	25.865	26.067
1 SEK	4.552	4.509	4.554	4.575	4.548	4.419	4.382
1 USD	38.956	36.307	37.093	34.723	36.773	32.457	33.264
1 GBP	62.470	58.757	59.750	59.055	60.012	59.630	60.107


**Monetary Base of the NBS <sup>1/</sup>**

(SKK billions)

	10. 6. 2004	20. 6. 2004	30. 6. 2004
<b>SOURCES OF THE MONETARY BASE</b>	115.76	119.30	107.35
Autonomous factors	316.55	321.96	322.96
Net foreign assets	408.67	412.98	391.73
Reserves	442.01	438.50	406.03
Foreign liabilities	33.34	25.52	14.30
Net credit to government	-23.24	-23.08	-23.42
Other assets net	-68.88	-67.94	-45.35
Monetary policy factors <sup>2/</sup>	-200.78	-202.66	-215.61
Holdings of securities	0.00	0.00	0.00
SR treasury bills	0.00	0.00	0.00
Other government securities	0.00	0.00	0.00
NBS treasury bills	370.00	370.00	420.00
of which: in NBS portfolio	172.97	174.97	206.87
Overnight deposits of banks with NBS	3.75	7.63	2.49
<b>USE OF THE MONETARY BASE <sup>3/</sup></b>	115.76	119.30	107.35
Currency in circulation	102.11	101.69	102.44
Reserves of commercial banks	13.65	17.61	4.91
Required reserves	16.16	16.16	16.16
Excess reserves	-2.51	1.45	-11.25

1/ As of January 2004, the monetary base is compiled for ten-day periods.

2/ Including NBS treasury bills in the portfolios of commercial banks and one-day deposits by commercial banks with the NBS.

3/ Use of the monetary base = Reserve money = Currency in circulation + Reserves of commercial banks.



## Shortened Balance Sheet of Commercial Banks as at 31 May 2004

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

(SKK thousands)

ASSETS	Accumulated depreciation and provisions	Slovak koruna		Foreign currency		Total
		Residents	Non-residents	Residents	Non-residents	
<b>Total assets</b>	63,900,632	910,467,723	30,653,925	112,546,852	39,728,575	1,029,496,443
Cash items	0	9,717,714	0	20,259	3,544,226	13,282,199
Cash in hand	0	8,768,677	0	0	3,344,442	12,113,119
Gold	0	0	0	0	0	0
Other cash items	0	949,037	0	20,259	199,784	1,169,080
Deposits with and credits to NBS, foreign issuing banks, and post office banks	0	148,307,397	0	0	293	148,307,690
Money reserve accounts with the NBS	0	7,352,193	0	0	0	7,352,193
Deposits, credits, and other receivables	133,374	42,442,989	11,164,981	6,880,938	12,322,544	72,678,078
Current accounts with banks	0	509,496	6,811	101,575	6,705,020	7,322,902
Credits provided	4,546	4,967,894	0	0	1,249,603	6,212,951
Time deposits with banks	0	36,833,268	7,341,978	6,778,486	4,053,423	55,007,155
Current accounts of other banks	0	0	2,196,160	198	211	2,196,569
Other receivables	0	82,782	1,620,032	679	197,557	1,901,050
Standard credits, qualified deposits, classified credits, deposits, and other receivables	128,828	49,549	0	0	116,730	37,451
of which: Short-term receivables	110,348	0	0	0	116,137	5,789
Interest on non-performing credits	831	526	0	0	337	32
Standard credits to customers	1,110,792	201,951,804	813,154	55,254,141	8,861,465	265,769,772
Short-term credits	47,068	46,238,364	607,112	17,547,532	4,041,376	68,387,316
Long-term credits	1,063,724	155,713,440	206,042	37,706,609	4,820,089	197,382,456
of which: Credits repayable in 1 to and including 5 years	45,464	69,255,750	176,732	17,479,263	1,588,840	88,455,121
Other receivables from customers	960	1,190,773	12,991	1,565,040	363,807	3,131,651
of which: Credits for commercial claims	0	394,309	3,747	1,454,954	325,423	2,178,433
Current accounts of customers - debit balances, overdrafts	29,612	26,841,444	317,951	7,550,556	558,524	35,238,863
Standard receivables with conditions, classified credits, and other receivables from customers	25,342,728	62,090,416	1,069,309	16,737,986	490,331	55,045,314
of which: Interest due, but unpaid	3,625,140	3,647,744	11,542	30,083	2,386	66,615
Standard credits with conditions	1,717,402	37,100,455	692,799	12,035,645	210,607	48,322,104
Sub-standard receivables	1,392,808	2,559,296	359,414	2,303,831	274,284	4,104,017
Doubtful and controversial claims	1,923,043	3,096,927	177	804,964	505	1,979,530
Loss-making receivables	20,309,475	19,333,738	16,919	1,593,546	4,935	639,663
Other specific receivables	0	0	0	0	0	0
Accounts of state authorities, local governments, and funds	91,404	18,680,921	0	3,321,839	0	21,911,356
Standard credits with conditions, classified loans, and other receivables	58,082	152,865	0	298,886	0	393,669
Credits to state authorities	32,795	12,950,890	0	1,178,801	0	14,096,896
Credits to social security funds	0	86,258	0	0	0	86,258
Credits to local governments	527	5,208,114	0	1,844,152	0	7,051,739
Credits to funds	0	282,794	0	0	0	282,794
Fixed forward transactions	0	3,038,054	2,763,491	383,613	718,431	6,903,589
Claims in respect of money collection	0	162,512	35	841,492	108,235	1,112,274
Branches and representative offices	0	0	313,598	8,553	1,500,422	1,822,573
Receivables and other suspense accounts	1,062,950	4,547,731	107,343	493,888	27,251	4,113,263
Securities for sale and other shareholdings	201,798	32,085,623	3,516,158	2,833,869	2,922,729	41,156,581
Receivables from trade in securities and from securities issued by the accounting unit	0	588,058	86	10,873	19	599,036
Securities intended for trading	0	90,182,210	332,022	5,459,070	1,253,742	97,227,044
Options - purchase	0	135,664	64,807	34,674	2,209	237,354
Financial investment	1,840,817	199,357,499	10,177,999	11,147,977	5,124,652	223,967,310
Long-term funds provided to branches abroad	0	0	0	0	511,191	511,191
Tangible assets	25,912,617	49,492,098	0	0	0	23,579,481
Acquisition of tangible and intangible assets	20,077	2,211,113	0	2,084	0	2,193,120
Subordinated financial assets	0	61,907	0	0	1,418,504	1,480,411
Intangible assets	8,146,503	9,863,895	0	0	0	1,717,392
Inventories	7,000	165,708	0	0	0	158,708
Adjustments and accumulated depreciation	63,900,632	60,102,538	112,273	3,341,121	344,700	0

## Shortened Balance Sheet of Commercial Banks as at 31 May 2004

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

(SKK thousands)

LIABILITIES	Slovak koruna		Foreign currency		Total
	Residents	Non-residents	Residents	Non-residents	
<b>Total liabilities</b>	803,280,343	76,311,753	100,660,010	55,561,332	1,035,813,438
Deposits with and credits to NBS and foreign issuing banks, and postal checking accounts	9,626,342	0	154,867	0	9,781,209
Current accounts with NBS and foreign issuing banks	2,835,046	0	0	0	2,835,046
Time deposits of NBS and and foreign issuing banks	0	0	0	0	0
Credits received from NBS and foreign issuing banks	6,791,296	0	154,867	0	6,946,163
of which: Redistribution credit	5,698,860	0	0	0	5,698,860
Refinancing repo credit	0	0	0	0	0
Deposits, credits, and other liabilities	48,773,529	24,508,091	6,368,000	32,249,074	111,898,694
Current accounts with banks	0	0	0	1,311,063	1,311,063
Current accounts of other banks	552,784	1,966,837	83,979	628,421	3,232,021
Other payables	401,089	1,014	55,316	392,067	849,486
Credits received	4,807,320	1,983,126	0	7,393,205	14,183,651
Time deposits of other banks	43,012,336	20,557,114	6,228,705	22,524,318	92,322,473
Payables in respect of other items	37,209	0	0	0	37,209
Payables in respect of securities	1,963,623	0	0	0	1,963,623
Deposits of customers	544,839,004	4,540,584	85,372,698	4,109,142	638,861,428
Current accounts of customers	167,378,832	2,113,487	41,562,149	3,017,433	214,071,901
Time deposits of customers	279,081,201	2,307,814	41,217,956	1,065,452	323,672,423
Savings deposits of customers	97,125,499	117,422	2,591,744	26,257	99,860,922
Certificates of deposit	1,253,472	1,861	849	0	1,256,182
Other liabilities to customers	10,616,690	1,757,995	3,804,738	15,507	16,194,930
Credits received from customers	4,498,148	0	0	0	4,498,148
Short-term securities issued by the accounting unit	5,141,569	9,930	1,230,222	0	6,381,721
Earmarked deposits	19,000	200	214	0	19,414
Other specific payables	16,387	0	759	0	17,146
Accounts of state authorities, local governments, and funds	81,319,684	0	2,276,521	0	83,596,205
Non-budgetary money deposits of state authorities	42,773,109	0	881,849	0	43,654,958
Deposits of social security funds	19,443,186	0	9,612	0	19,452,798
Deposits of local governments	12,896,427	0	64,022	0	12,960,449
Deposits of funds	6,206,962	0	1,321,038	0	7,528,000
Fixed forward transactions	4,002,790	2,778,838	338,199	578,328	7,698,155
Payables in respect of money collection	450,294	35	850,711	43,521	1,344,561
Branches and representative offices	273,188	2,130,247	0	18,318,980	20,722,415
Various payables, adjustment and other suspense accounts	4,763,086	15,383	155,044	59,037	4,992,550
Liabilities from trading in securities and securities issued by the accounting unit	4,276,558	851,093	76,568	13	5,204,232
Options - sale	112,318	116,884	733	50,972	280,907
Subsidies and similar funds	3,364,997	0	0	0	3,364,997
Long-term securities issued by the accounting unit	18,079,233	0	238	0	18,079,471
Subordinated financial liabilities	0	61,589	0	0	61,589
Reserves	7,264,105	0	30,498	136,634	7,431,237
Reserve funds and other funds allocated from profits	10,260,584	146,500	0	0	10,407,084
Registered capital	4,689,160	36,544,315	0	0	41,233,475
Long-term funds provided to branches of foreign banks	0	2,844,579	0	0	2,844,579
Share premium	1,836,786	0	0	0	1,836,786
Own shares	0	0	0	0	0
Capital of mutual funds (unit trusts)	0	0	0	0	0
Other capital funds	205,086	5,490	0	0	210,576
Gains or losses from revaluation of net investments connected with shares and deposits	-1,483	0	0	124	-1,359
Gains or losses from revaluation of security derivatives	0	0	0	0	0
Gains or losses from revaluation of assets and liabilities	0	0	0	0	0
Retained earnings from previous years /+/-	29,216,304	0	0	0	29,216,304
Accumulated losses from previous years /-/-	-2,678,917	0	0	0	-2,678,917
Profit and loss account /+/-	4,489,581	0	0	0	4,489,581
Profit or loss in process of approval /+/-	5,825,488	0	0	0	5,825,488



## Monthly Profit and Loss Account of Commercial Banks

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

(SKK millions)

	2003								2004				
	5	6	7	8	9	10	11	12	1	2	3	4	5
<b>EXPENSES</b>													
Expenses on financial operations:	94,535	114,895	131,401	145,562	169,182	188,093	206,671	225,688	28,513	49,577	71,903	94,242	119,559
Other interest	11,744	13,867	15,858	17,968	20,054	22,137	24,218	26,293	2,143	4,210	6,786	8,979	11,067
Fees and commissions	1,296	1,460	1,551	1,660	1,803	1,919	2,116	1,664	94	201	341	462	588
Renting expenses	0	0	0	0	0	0	0	0	0	0	0	0	0
Operations in securities	1,988	2,359	2,806	3,101	3,586	4,227	4,732	4,977	281	486	726	939	1,144
Interest on securities	1,127	1,095	1,313	1,481	1,652	1,840	2,006	2,656	170	322	499	678	852
Foreign exchange operations	33,568	43,325	50,238	54,599	67,283	75,181	82,611	92,488	11,491	20,899	30,386	39,748	51,416
Operations in derivatives	44,282	52,186	58,878	65,916	73,894	81,780	89,940	96,381	14,277	23,312	32,919	43,109	54,062
Other operations	530	604	757	835	909	1,008	1,048	1,229	58	147	245	328	430
General operating expenses	9,644	11,796	13,923	15,927	18,128	20,314	22,416	25,550	1,928	3,958	6,182	8,383	10,700
Additions to reserves and provisions	11,486	14,169	15,618	17,166	19,012	20,058	21,107	29,917	1,159	2,486	5,806	7,293	8,625
Other operating expenses	5,694	6,365	7,259	8,164	8,752	9,617	9,899	13,261	3,761	4,299	5,136	5,712	6,341
Extraordinary expenses	15	16	16	17	17	18	27	19	5	5	5	5	5
Income tax	119	382	455	503	557	591	617	37	41	115	368	422	551
Current period profit	5,314	6,213	6,946	8,079	9,217	9,662	10,429	11,548	1,273	2,513	3,015	4,490	5,511
<b>TOTAL EXPENSES, PLUS PROFIT</b>	<b>126,807</b>	<b>153,837</b>	<b>175,619</b>	<b>195,418</b>	<b>224,865</b>	<b>248,353</b>	<b>271,166</b>	<b>306,020</b>	<b>36,679</b>	<b>62,951</b>	<b>92,415</b>	<b>120,547</b>	<b>151,292</b>
<b>INCOME</b>													
Income from financial operations:	111,281	134,922	154,390	171,894	198,784	220,676	242,216	265,226	32,234	57,005	83,139	109,324	138,363
Income from other interest	15,633	18,595	21,515	24,649	27,692	30,755	33,896	36,972	3,161	6,128	9,423	12,511	15,894
Income from fees and provisions	3,505	4,355	5,191	5,859	6,653	7,474	8,211	9,270	709	1,464	2,359	3,277	4,144
Income from shares and stakes	65	77	87	100	292	381	388	799	12	22	24	46	84
Income from renting	0	0	0	0	0	0	0	0	0	0	0	0	0
Income from operations in securities	3,116	2,765	2,590	2,905	3,239	3,322	3,445	4,033	519	1,031	1,445	1,719	1,914
Income from interest on securities	9,135	11,358	13,189	14,800	16,454	18,186	19,754	21,518	1,822	3,625	5,484	7,252	8,976
Income from foreign exchange operations	36,433	45,832	52,897	57,135	70,811	79,205	87,035	96,716	11,788	21,668	31,282	41,919	53,477
Income from operations in derivatives	43,069	51,627	58,531	66,014	73,136	80,760	88,906	95,196	14,165	22,947	32,948	42,374	53,587
Income from other operations	327	313	390	432	508	593	582	721	57	120	172	226	285
Use of reserves and provisions	14,366	16,802	18,426	20,429	22,672	23,935	24,800	34,868	3,831	5,214	8,385	10,160	11,715
Other operating income	1,144	2,097	2,768	3,072	3,382	3,700	4,081	5,678	613	731	888	1,062	1,212
Extraordinary income	15	16	16	16	16	17	18	16	0	0	0	0	0
Current period loss	0	0	20	7	11	25	51	232	0	2	3	0	1
<b>TOTAL INCOME, PLUS LOSS</b>	<b>126,807</b>	<b>153,837</b>	<b>175,619</b>	<b>195,418</b>	<b>224,865</b>	<b>248,353</b>	<b>271,166</b>	<b>306,020</b>	<b>36,679</b>	<b>62,951</b>	<b>92,415</b>	<b>120,547</b>	<b>151,292</b>

Symbols used in the tables

- . - Data are not yet available.
- x - No entry for logical reasons.
- - Data do not exist / data are not applicable.