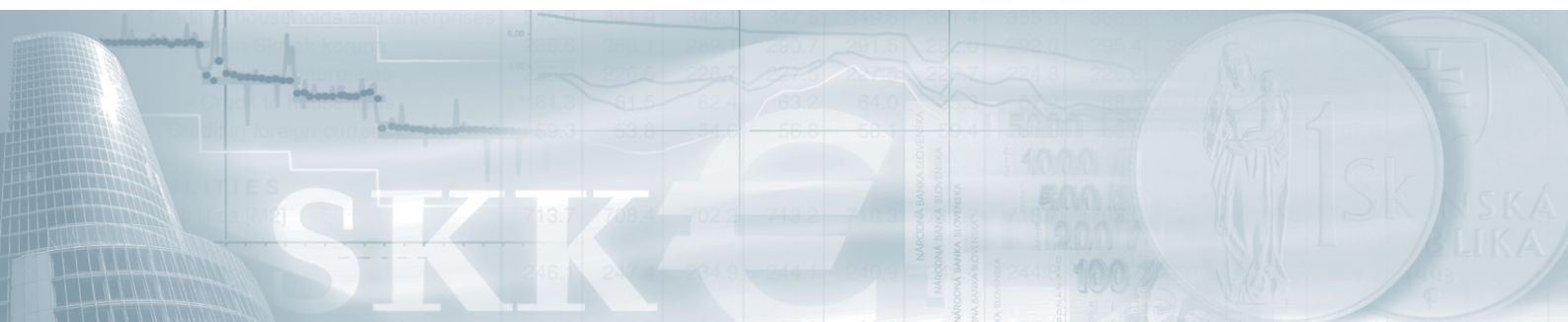




NÁRODNÁ BANKA SLOVENSKA



Monetary Survey

July 2005



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**Abbreviations**

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

Prepared on the basis of the Situation Report on the Monetary Development in June 2005, approved by the NBS Bank Board on 26 August 2005.



1. Introduction

The level of consumer prices, expressed in terms of the Harmonised Index of Consumer Prices (HICP), fell month-on-month by 0.3% in July. The 12-month headline and core inflation rates reached 2.0% and 1.2% (excluding energy and non-processed food prices) respectively.

Consumer prices, expressed in terms of the Consumer Price Index (CPI), dropped in comparison with the previous month by 0.3% in July, with the prices of core inflation components falling by 0.2%. The 12-month headline and core inflation rates reached 2.0% and 0.5% respectively.

The M3 monetary aggregate (according to ECB methodology) remained unchanged in June, while the year-on-year growth rate slowed in comparison with May, to 9.3%. At current rates, the M2 money supply (according to NBS methodology) increased in June by Sk 7.5 billion, while its year-on-year dynamics weakened to 4.9%.

The total receivables of monetary financial institutions including securities issued (according to ECB methodology) increased month-on-month by Sk 10.2 billion in June, while their year-on-year growth dynamics diminished to 6.6%. At current rates, the volume of loans to enterprises and households (according to NBS methodology) grew month-on-month by Sk 11.2 billion, representing an acceleration in year-on-year dynamics, to 15.3%.

The average interest rate on new loans to non-financial corporations rose in June by 0.08 of a percentage point, to 5.00%, and that on new loans to households fell by 0.53 of a percentage point, to 9.25%. Over the same period, the average rate for new deposits from non-financial corporations dropped by 0.03 of a percentage point, to 1.53%, and that for new household deposits rose by 0.01 of a percentage point, to 0.66%.

On 31 July 2005, the State Budget of the SR recorded a surplus of Sk 1.9 billion.

The foreign exchange reserves of the NBS (at current rates) increased by USD 97 million in July, to USD 15,687.0 million. At the end of the month, the volume of foreign exchange reserves was 5.2 times greater than the volume of average monthly imports of goods and services to Slovakia, during the first six months of 2005.

The National Bank of Slovakia conducted no foreign exchange intervention in the month of July.

According to preliminary data, the balance of payments on current account for January to May 2005 resulted in a deficit of Sk 33.7 billion. Over the same period, the capital and financial account generated a surplus of Sk 93.2 billion. From January to June, the current account produced a deficit of Sk 46.2 billion, while trade resulted in a shortfall of Sk 27.6 billion.

In July, the overall sterilisation position of the NBS vis-à-vis the banking sector stood at Sk 413.5 billion, representing a decrease of Sk 2.3 billion compared with the figure for June.

On 28 July 2005, the Bank Board of the NBS decided, by a unanimous vote (6:0), to leave the key rates of the National Bank of Slovakia unchanged, i.e. 3.0% for two-week repo tenders, 2.0% for overnight sterilisation operations, and 4.0% for overnight refinancing transactions.



2. Inflation¹

2.1. Consumer Price Index

HICP Inflation in July 2005

Harmonised Index of Consumer Prices

Consumer prices, expressed in terms of the HICP, dropped month-on-month by 0.3% in July, with the prices of goods falling by 0.5% and services prices remaining unchanged. The 12-month rate of headline inflation reached 2.0% (in June 2.5%) and that of core inflation 1.2% (in June 1.5%). The average 12-month inflation rate for the first seven months of the year was 2.5%. The average 12-month inflation rate for the period from August 2004 to July 2005 was 4.0%.

Table 1 Harmonised Index of Consumer Prices

	(year-on-year changes in %)					
	2005					
	Feb.	Mar.	Apr.	May	June	July
Total	2.6	2.3	2.5	2.3	2.5	2.0
Goods	0.9	0.6	1.0	0.8	1.1	0.6
Industrial goods	2.1	1.5	1.7	1.4	1.5	1.7
Industrial goods (excluding energy)	-0.3	-1.1	-1.4	-1.4	-1.4	-1.4
Energy	5.2	5.0	6.0	5.4	5.6	6.1
Foodstuffs	-0.9	-0.9	-0.3	-0.3	0.5	-1.1
Processed food (including alcohol and tobacco)	-1.3	-1.6	-1.1	-1.7	-1.7	-2.5
Non-processed food	-0.5	0.4	1.2	2.6	4.6	1.1
Services	6.4	6.1	6.0	5.7	5.5	5.3
Core inflation (excl. energy and non-processed food prices)	2.2	1.8	1.8	1.5	1.5	1.2
Total, excluding energy	2.0	1.7	1.7	1.6	1.8	1.2

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

The slower increase in goods prices was mainly due to food prices

The slower year-on-year increase in the prices of goods can be attributed mostly to food prices (processed and non-processed). Processed food prices fell markedly in comparison with the previous month, due to drops in the prices of bread and cereals, sugar goods, and tobacco products. Non-processed food prices (slowdown in the rate of increase) were affected by a year-on-year fall in meat prices and a slowdown in the prices of seasonal foodstuffs. On the other hand, energy prices increased at a faster rate (due to developments in fuel prices). The prices of industrial goods (excluding energy) maintained a stable rate of deflation, for the fourth successive month.

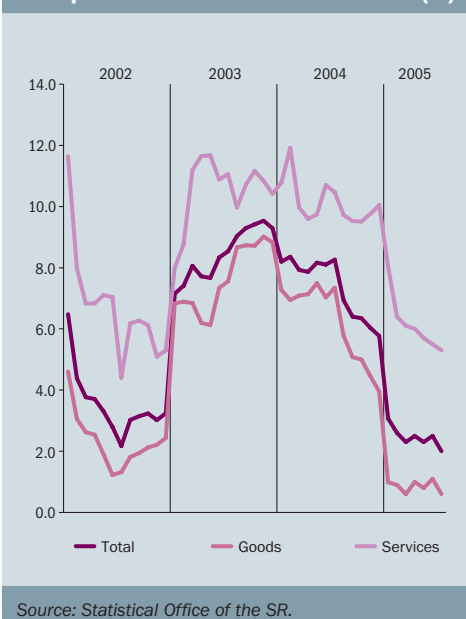
Continuing disinflation in services prices

Similar to goods prices, services prices showed slower dynamics in comparison with the previous month. They were affected first and foremost by price developments in telecommunications services (cheaper telephone calls at weekends) and services related to dwelling (slower increase in rent and prices for other services).

Consumer expectations in respect of inflation

In comparison with June, the expectations of consumers in respect of price inflation remained virtually unchanged. The current level of inflation was estimated

Chart 1 HICP Inflation and its Main Components (%)



Source: Statistical Office of the SR.

¹ The situation report also includes 'Information on Differences Between CPI and HICP Dynamics in Selected EMU Member States' – Annex 4.



Chart 2 HICP Compared with the Views of Respondents on Price Developments in the Past 12 Months (%)



Source: Statistical Office of the SR, Consumer Barometer and NBS.
 Note: The qualitative assessment of the future course of inflation is based on answers to the query whether consumer prices in the next 12 months will increase at a faster, slower, or unchanged rate, or will remain at the current level. Quantitative assessment means that those who say that consumer prices will increase in the next 12 months at a faster, unchanged, or slower rate than today, are asked in the next part of the question to specify the rate of acceleration or slowdown.

by consumers at 10.20% (compared with 10.36% in the previous month).

CPI Inflation in July 2005

Consumer prices dropped in July by 0.3%, with regulated prices falling by 0.3% and the prices of core inflation components by 0.2%. The 12-month rate of headline inflation reached 2.0% (in June 2.5%) and that of core inflation 0.5% (in June 1.1%). The average 12-month inflation rate for the first seven months of the year was 2.6%.

Consumer Price Index

2.2. Producer Prices in June 2005

Industrial producer prices for the domestic market rose month-on-month by an average of 0.9% in June, due to increases in the prices of electricity, gas, steam, and hot water (2.3%) and mineral raw materials (0.8%). The prices of manufacturing products remained at the level of the previous month.

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

The year-on-year dynamics of industrial producer prices for the domestic market increased (from 3.9% in May to 4.8% in June), due to a steeper rise in electricity, gas, steam, and hot water prices (9.1%, compared with 6.7% in May). The rate of increase in manufacturing products prices slowed, from 2.3% in May to 1.8% in June. The trend of steady year-on-year decline in raw materials prices changed in June, when price levels rose by 1.5%.

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

Table 2 Consumer Prices in July 2005

	Comparative change	
	June 2005	July 2004
Total in %	-0.3	2.0
Regulated prices in %	-0.3	6.5
- Share of total, in percentage points ¹⁾	-0.07	1.47
Impact of changes in indirect taxes on non-regulated prices		
- Share of total, in percentage points ¹⁾	0.00	0.00
Core inflation in %	-0.2	0.5
- Share of total, in percentage points ¹⁾	-0.18	0.50
of which: Food prices in %	-1.4	-1.9
- Share of total, in percentage points ¹⁾	-0.23	-0.36
Tradable goods in % ¹⁾	-0.1	-1.6
- Share of total, in percentage points ¹⁾	-0.03	-0.53
Tradable goods excluding fuels in % ¹⁾	-0.4	-2.3
- Share of total, in percentage points ¹⁾	-0.11	-0.72
Fuels in % ¹⁾	2.1	4.4
- Share of total, in percentage points ¹⁾	0.08	0.19
Market services in % ¹⁾	0.3	5.6
- Share of total, in percentage points ¹⁾	0.08	1.39
Net inflation (excluding the impact of changes in indirect taxes) in %	0.1	1.4
- Share of total, in percentage points ¹⁾	0.05	0.71
Net inflation, excluding fuel prices (excl. the impact of changes in indirect taxes) in %¹⁾	-0.1	1.2
- Share of total, in percentage points ¹⁾	-0.03	0.57

Source: Statistical Office of the SR.
 Notes: Net inflation – comprises price increases in the sectors of tradable goods, excluding foodstuffs and market services. The rounding of the values of year-on-year and month-on-month price dynamics to one decimal place and their contributions to the headline inflation rate to two decimal places may lead to a situation that, in the case of price stagnation, the contributions of prices are not equal to zero. In reality, the prices change, but the changes are so small that they cannot be noticed if the figures are rounded to one decimal place, but in the case of price contributions rounded to two decimal places, even a small change is apparent.
 1) NBS estimates based on data from the Statistical Office of the SR.



Table 3 Producer Price Developments

(%)

	Month-on-month change		Year-on-year change			
	May	June	May	June	Average since the	June
	2005	2005	2005	2005	beginning of 2005	2004
Industrial producer prices (for the domestic market)	0.7	0.9	3.9	4.8	3.3	3.1
– Prices of manufacturing products	-0.2	0.0	2.3	1.8	2.7	3.5
– Prices of mining and quarrying products	0.2	0.8	-3.4	1.5	-1.1	6.7
– Prices of electricity, gas, steam, and hot water	1.8	2.3	6.7	9.1	4.5	2.5
Industrial producer prices (for export)	-0.3	-1.0	6.9	6.3	7.6	1.0
Construction prices	0.3	0.2	4.6	3.7	4.9	6.5
Building materials prices	0.0	-0.2	6.7	5.1	7.0	5.0
Agricultural prices	-	-	1.0	1.6	-0.4	3.6
– Prices of plant products	-	-	-17.5	-14.2	-15.7	17.4
– Prices of animal products	-	-	3.3	3.5	2.3	2.2

Source: Statistical Office of the SR.

The month-on-month and year-on-year increases in energy prices were mainly generated by price increases for gas production and the distribution of gaseous fuels by pipeline (5.9% and 25.2% respectively).

The month-on-month stagnation in manufacturing products prices and their reduced year-on-year dynamics in June were mainly attributable to a fall in food prices (0.3% month-on-month and 4.4% year-on-year). These developments were also supported by the prices of base metals and finished metal products, which fell month-on-month by 1.5% and whose year-on-year increase (7.8%) was more than 4 percentage points slower than in May. Marked month-on-month and year-on-year increases were only recorded in the prices of refined oil products (3.9% and 21.2% respectively). The prices of other manufacturing products recorded no significant changes in June.

Prices of manufacturing products for export

Compared with May, the prices of manufacturing products for export fell in June by an average of 1%, due to drops in the prices of transport vehicles (0.8%); base metals and finished metal products (2.1%); and chemical products, including fibres (4.1%). The steepest increase took place in the price of refined oil products (0.7%).

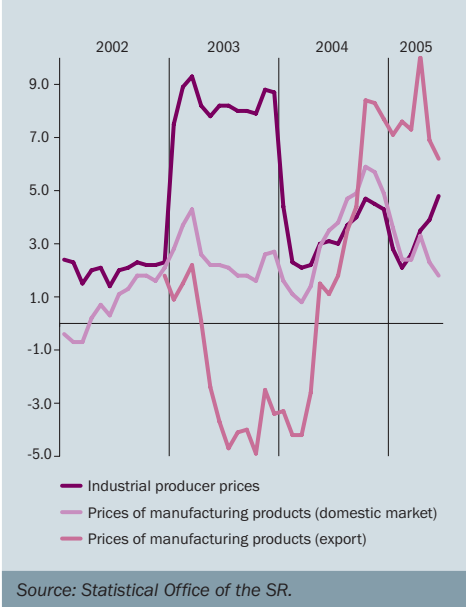
The year-on-year dynamics of manufacturing products prices for export again slowed in June, to 6.3% (from 6.9% in May). This was mainly due to a slowdown in the rate of increase in the prices of base metals and finished metal products, chemicals and chemical products, and a further decline in the prices of paper and paper goods, leather and leather products. The export prices of transport vehicles maintained a long-term falling tendency on a year-on-year basis.

Prices in agriculture

Agricultural prices continued to increase in June (for the fourth consecutive month) on a year-on-year basis. Compared with the same period a year earlier, agricultural prices rose by an average of 1.6%, with the prices of animal products increasing by 3.5% and those of plant products falling by 14.2%.

The rise in animal products prices was mainly due to increases in the prices (for live animals) of pork (7.9%),

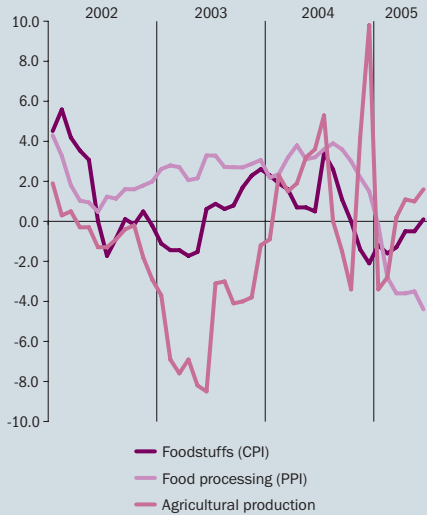
Chart 3 Developments in Industrial Producer Prices and Manufacturing Products Prices (year-on-year change in %)



Source: Statistical Office of the SR.



Chart 4 Developments in Food Prices in Primary Production, Processing, and Consumption
(year-on-year change in %)



Source: Statistical Office of the SR.

beef and veal (5%), and non-pasteurised cow milk (3.7%). Year-on-year drops were recorded in the prices of eggs, mutton, and poultry (live animals).

The fall in the prices of plant products was mainly caused by drops in the prices of cereals (19.6% on average, mostly in wheat prices, i.e. 23%) and potatoes (5.3%). The prices of oil-seeds and plants increased by 6.7%, vegetable prices by 0.3%, and fruit prices by 4.3%.

In July, price developments in industry are expected to be mostly influenced by the rising price of oil on the world market and the moderate appreciation of the US dollar against the Slovak koruna. At the same time, the prices of food products are expected to continue falling during the month. The month-on-month increase in industrial producer prices is expected to be maintained by the action of external and internal cost factors, which tend to accelerate their year-on-year dynamics against the previous month.

Agricultural prices are expected to be determined by the continuing fall in the price of plant products (partly due to an expected reduction in the purchase price of cereals from this year's crop) and an increase in the price of animal products (mainly in pork and beef prices, for live animals). Since animal products have much

greater weight than plant products, the average price of agricultural products is expected to increase at a faster rate than in the previous month.



3. Factors Affecting the Course of Inflation

The M3 monetary aggregate stagnated in June, mainly as a result of decreases in the less liquid components. Thus, the year-on-year growth rate of M3 was exclusively affected by the base effect. The receivables of monetary financial institutions (MFIs) continued to increase in June, due to growth in receivables from both households and non-financial corporations.

3.1. Monetary Aggregates

M3 Monetary Aggregate

Stagnation in the volume of M3, accompanied by a slowdown in its year-on-year growth dynamics

The M3 monetary aggregate (according to ECB methodology) reached Sk 772.3 billion at the end of June, corresponding to the figure for the previous month. Thus, the June change in the year-on-year growth rate² of M3, representing a month-on-month fall of 3.5 percentage points, was fully affected by the development of M3 in the same period a year earlier, when the total volume of the aggregate increased month-on-month by Sk 22.0 billion.

Table 4 12-month Growth Dynamics of Monetary Aggregates

(%)

	2004											
	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.
M3 monetary aggregate (ECB methodology)	6.4	9.9	6.9	11.1	8.6	14.0	5.8	11.9	13.3	13.6	12.7	15.0
- excluding the effect of repo operations ¹⁾	10.5	10.0	9.1	11.3	8.7	14.1	12.4	11.7	14.1	13.2	12.4	14.6
M3 monetary aggregate, including the estimates of money market funds for 2003 ²⁾	6.2	9.6	6.5	10.5	7.8	13.0	4.8	10.5	11.9	12.0	11.0	13.1
- excluding the effect of repo operations ¹⁾	10.4	9.7	8.6	10.7	7.8	13.1	11.2	10.4	12.6	11.6	10.7	12.7
	2005											
M3 monetary aggregate (ECB methodology)	10.4	10.2	12.3	12.6	12.8	9.3	.	.	.	.	.	.

Source: NBS and NBS estimates based on data from the Slovak Association of Administrator Companies (SASS).

1) The level of the M3 monetary aggregate in 2003 was affected by the active conduct of repo operations by commercial banks in connection with the payment of coupons on government bonds (mainly in January 2003: in the amount of Sk 24.2 billion; in March 2003: in the amount of Sk 12.9 billion; and in July 2003: in the amount of Sk 40.2 billion), as a result of which the base of the overall aggregate became volatile (since banks conducted no repo operations from October 2003 to the end of the month). For that reason, the 12-month growth rate of M3 was also monitored for analytical purposes in 2004, without the volume of repo operations being taken into account.

2) Since data on money market fund shares/units were not available in the reports of monetary and financial statistics for 2003, their volume was estimated on the basis of data provided by the Slovak Association of Administrator Companies (SASS).

The June 2004 growth in the M3 aggregate was affected first and foremost by an inflow of funds from bond issues in the corporate sector, allocated mostly for short-term time deposits.

Main Components of M3

Modest increases in M1 and M2; conversion of part of the longer-term financial assets to deposits repayable on demand

As in the previous month, the M1 monetary aggregate recorded a month-on-month increase of Sk 7.6 billion in June, with its volume reaching Sk 428.5 billion at the end of the month. Thus, the most liquid monetary aggregate continued to follow the volatile course of development, characteristic of the first half of the year. Within the structure of M1, the volume of deposits and received loans repayable on demand recorded an increase of Sk 5.9 billion, which took place mostly in funds deposited on current accounts (in contrast with the previous months, when the crucial factor affecting the volatility of demand

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



Table 5 Comparison of Month-on-month Developments in Monetary Aggregates (ECB methodology)

	Volume in billions of Sk ¹⁾			Year-on-year change in %	
	June	May	June	May	June
	2004	2005	2005	2005	2005
Currency	93.2	106.3	108.1	15.6	16.0
Deposits and received loans, repayable on demand	281.7	314.6	320.5	19.5	13.8
M1	374.9	420.9	428.5	18.5	14.3
Deposits and received loans, with an agreed maturity of up to 2 years	290.0	286.3	280.8	-1.2	-3.2
Deposits redeemable at a period of notice of up to 3 months	16.7	16.0	15.8	-4.1	-5.3
M2	681.6	723.2	725.2	9.3	6.4
Money market fund shares/units	20.2	45.9	46.4	-	-
Repo operations	0.0	2.1	0.4	-	-
Debt securities issued for up to 2 years	5.0	1.1	0.3	-	-
M3	706.8	772.3	772.3	12.8	9.3

Source: NBS.

Note: Differences in the sums are due to rounding.

1) Volume as at the last day of the given period.

deposits was the development of overnight deposits). The volume of currency in circulation followed a growing trend, and increased in comparison with the previous month by Sk 1.8 billion.

The source of growth in deposits and received loans repayable on demand were, as in the previous period, mostly deposits and received loans with an agreed maturity of up to 2 years, which decreased by Sk 5.5 billion, and thus funds from maturing time deposits were again converted to short-term financial assets within the structure of the M2 aggregate. Since the decrease in deposits and received loans with an agreed maturity of up to 2 years was smaller in size than the increase in deposits repayable on demand and currency in circulation, the total volume of the M2 monetary aggregate increased somewhat on a month-on-month basis (by Sk 2.0 billion).

The less liquid components of the M3 monetary aggregate decreased in volume for the first time this year (by Sk 2.0 billion), to Sk 47.1 billion at the end of the month. This development was mainly determined by decreases in the volume of repo operations (Sk 1.7 billion) and debt securities issued for up to 2 years (Sk 0.8 billion), which were partly offset by a modest increase in the volume of issued money market fund shares/units (Sk 0.5 billion). Thus, investment in money market fund shares/units confirmed the slowdown in the rate of growth from the first quarter, when the total increase in the volume of issued money market fund shares/units in the second quarter was less than half the figure for the first 3 months.

Decline in the less liquid components of M3

Investment Through Open-End Investment Funds

The net value of Sk-denominated assets held by open-end investment funds (OIFs) reached Sk 113.8 billion at the end of July. The net sales of Sk-denominated OIF assets reached Sk 2.0 billion in July and the net sales in the SR of OIF assets denominated in foreign currency amounted to Sk 0.15 billion.

Net value of assets and net sales of open-end investment funds

Table 6 Overview of Net Sales of Open-End Investment Funds (month-on-month changes in billions of Sk)

	Year	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.	CUM.
OIF assets denominated in Slovak koruna	2004	1.3	1.5	1.8	1.3	1.8	2.4	3.0	3.1	2.6	2.5	2.3	3.0	26.7
	2005	5.2	6.8	4.1	3.4	2.3	2.3	.	.	.	.	.	.	26.0
OIF assets denominated in foreign currency	2004	0.08	0.07	0.1	0.05	0.14	0.04	0.04	0.06	0.07	0.03	0.07	0.04	0.80
	2005	0.08	0.14	0.14	0.21	0.12	0.20	0.15	.	.	.	.	.	1.03

Source: NBS estimates based on data from the Slovak Association of Administrator Companies (SASS).

**Main Counterparts of M3****Increase in the volume of total MFI receivables (incl. securities) from residents, with conflicting developments in their components**

The total volume of MFI receivables from residents (including securities issued by clients and held by MFIs) increased month-on-month by Sk 10.2 billion, and thus followed the upward trend from May (after being stagnant in April). The conflicting developments in components continued, when the increase in MFI receivables from the private sector (Sk 12.3 billion) exceeded, as in the previous month, the decrease in MFI receivables from the general government (by Sk 2.1 billion). The year-on-year rate of growth in MFI receivables from residents remained roughly at the level of May, and recorded a slight slowdown only (0.1 of a percentage point, to 6.6%).

Table 7 Main Counterparts of M3 (ECB methodology)

	Volume in billions of Sk ¹⁾			Year-on-year change in %	
	June 2004	May 2005	June 2005	May 2005	June 2005
Net foreign assets	371.8	295.4	294.2	-23.9	-20.9
Foreign assets	479.1	592.8	590.5	15.5	23.3
Foreign liabilities	107.2	297.4	296.3	137.6	176.3
Receivables of MFIs from residents (incl. securities)	679.7	714.5	724.7	6.7	6.6
Receivables from the general government	278.0	263.2	261.1	-5.4	-6.1
Receivables from the private sector	401.6	451.3	463.6	15.3	15.4
Deposits and loans received from the central government	166.5	73.4	84.1	-61.2	-49.5
Long-term financial liabilities (excl. capital and reserves)	98.7	94.6	95.0	-5.1	-3.7
Deposits and loans received with an agreed maturity of over 2 years	48.5	52.2	52.9	7.8	9.2
Deposits redeemable at a notice period of over 3 months	40.3	29.1	28.8	-29.7	-28.6
Debt securities issued with a maturity of over 2 years	9.9	13.3	13.3	35.0	34.0
Other items net	79.5	69.6	67.5	-17.5	-15.2
Capital, reserves and provisions	104.3	97.1	94.1	-12.6	-9.8
Other liabilities	43.1	52.8	51.4	24.0	19.5
Surplus of liabilities among MFIs	-0.3	-0.6	2.2	-	-
Fixed assets	35.6	34.5	34.5	-3.3	-3.0
Other assets	32.0	45.3	45.8	31.4	43.2
M3	706.8	772.3	772.3	12.8	9.3

Source: NBS.
Note: Differences in the sums are due to rounding.
1) Volume as at the last day of the given period.

Continuing growth in MFI receivables from the private sector

The volume of MFI receivables from the private sector (including securities) increased month-on-month by Sk 12.3 billion in June, in line with the relatively strong growing trend from the previous three months (Sk 13.1 billion in March, Sk 8.4 billion in April, and Sk 9.0 billion in May). The June increase was mainly generated by growth in MFI receivables from households (Sk 5.8 billion) and non-financial corporations (Sk 4.9 billion, especially in short-term and long-term receivables with up to 1-year and over 5-year maturities respectively). Growth in the total volume of MFI receivables from the private sector was also stimulated, as in May, by an increase in the holdings of securities issued by the private sector (Sk 0.8 billion).

The relatively marked increase in MFI receivables from households took place predominantly, as in the previous two months, in housing loans (Sk 3.7 billion). The remainder of the total increase in MFI receivables from households took place, in roughly equal measure, in consumer loans (Sk 0.9 billion) and other loans (Sk 1.1 billion).

Modest growth in the total volume of long-term financial liabilities

The total volume of long-term financial liabilities of MFIs (excluding capital and reserves) recorded a modest month-on-month increase in June (Sk 0.4 billion), when the growth in the volume of deposits and received loans with an agreed maturity of over 2 years (Sk 0.7 billion) exceeded the decline in deposits redeemable at a period of notice of over 3 months (Sk 0.3 billion), while the volume of issued debt securities with a maturity of over 2 years remained unchanged, at the level of the previous month.

Marked decrease in net foreign assets

Net foreign assets decreased slightly on a month-on-month basis in June (by Sk 1.2 billion), when foreign assets recorded a greater decline in volume (Sk 2.3 billion) than foreign liabilities (Sk 1.1 billion).

**Table 8 Receivables of Monetary Financial Institutions from the Private Sector**

	Volume in billions of Sk ¹⁾			Year-on-year change in %	
	June	May	June	May	June
	2004	2005	2005	2005	2005
MFI receivables from the private sector (incl. securities)	401.6	451.3	463.6	15.3	15.4
of which: Securities issued by the private sector	17.4	17.9	18.7	23.0	7.5
MFI receivables (excluding securities)	384.2	433.4	444.9	15.0	15.8
Non-financial corporations	239.4	244.6	249.5	3.3	4.2
- Up to 1 year	102.7	107.6	109.1	7.4	6.3
- 1 to 5 years	60.7	53.8	54.3	-13.0	-10.6
- Over 5 years	76.0	83.2	86.1	11.4	13.4
Financial corporations	38.0	43.6	44.3	19.2	16.6
Insurance companies and pension funds	0.0	0.0	0.1	-	-
Households and non-profit institutions serving households	106.8	145.2	151.0	40.0	41.4
- Consumer loans	15.0	21.8	22.7	46.5	51.5
- Housing loans	75.7	96.0	99.7	30.0	31.7
- Other loans	16.2	27.5	28.6	82.9	77.2

Source: NBS.

Note: Differences in the sums are due to rounding.

1) Volume as at the last day of the given period.

Among the other main counterparts of the M3 monetary aggregate, a decrease was recorded, as in May, in capital, reserves and provisions (Sk 3.0 billion), while the volume of fixed assets remained unchanged, at the level of the previous month.

Developments in the other main counterparts of M3

Developments in Monetary Aggregates According to NBS Methodology

The M2 money supply (according to NBS methodology, at current rates) recorded a month-on-month increase of Sk 7.5 billion in June, and closed the month at Sk 778.8 billion. The year-on-year rate of growth slowed in comparison with the previous month by 2 percentage points (to 4.9%), since the increase in the money supply in June 2004 (Sk 21.2 billion) was larger than the figure for this year. The June increase took place mostly in foreign-currency deposits (Sk 3.5 billion), demand deposits (Sk 2.4 billion), and currency in circulation (Sk 1.8 billion), while the volume of time deposits recorded a slight decrease (Sk 0.2 billion).

Slowdown in the 12-month growth dynamics of the M2 money supply (according to NBS methodology)

Loans to Enterprises and Households

The volume of loans to enterprises and households (according to NBS methodology, at current rates) grew month-on-month by Sk 11.2 billion, to Sk 450.0 billion at the end of June. The year-on-year dynamics of bank lending accelerated in comparison with May by 0.9 of a percentage point, to 15.3%.

Continued increase in the 12-month dynamics of loans to enterprises and households (NBS methodology)

The June increase in loans to enterprises and households took place in koruna loans to enterprises (Sk 5.2 billion) and koruna loans to households (Sk 5.0 billion), while the volume of foreign-currency loans maintained a more moderate increase, at the level of the previous month (Sk 1.0 billion).

Fiscal Developments

Net credit to the general government (including the FNM, at current rates) reached Sk 338.4 billion at the end of June, representing a month-on-month decrease of Sk 6.0 billion.

Net credit to the general government

The June decrease in net credit to the general government was mainly connected with the improved performance of the State budget, which resulted in a deficit of Sk 1.1 billion (on 30 June 2005), with budget revenues totalling Sk 126.4 billion and expenditures Sk 127.6 billion, representing a month-on-month improvement of Sk 2.7 billion in the balance. Net credit to the general government was also improved by an increase in FNM (National Property Fund) deposits and the non-budgetary funds of state authorities at commercial banks, an increase in the deposits of funds from the European Community on accounts at the SR Treasury, and a decrease in the credit exposure of state authorities to commercial banks and the indebtedness of the general government vis-à-vis abroad.



The positive effect of the above factors on the level of net credit to the general government was partly offset by a decrease in the deposits of public-law institutions at the SR Treasury and a deterioration in the net position of regional self-governments (mainly as a result of a fall in the deposits of regional self-governments at commercial banks).

Current Budgetary Developments in July

Developments in the State Budget

Budgetary performance resulted in a surplus of Sk 1.9 billion at the end of July, with budget revenues totalling Sk 154.2 billion and expenditures Sk 152.3 billion.

Primary market for SR Treasury bills

No Treasury-bill issues were placed on the market in July.

3.2. Foreign Trade

Balance of Payments for January to May 2005

Current account

The deficit in the balance of payments on current account continued to grow on a year-on-year basis, mainly due to increases in the trade and income balance deficits, accompanied by a decrease in the surplus in current transfers. The only item to record an improvement in comparison with the same period a year earlier was the balance of services.

	Jan. – May 2005	Jan. – May 2004 ¹⁾
Balance of trade	-24.5	-1.8
Exports	374.5	360.9
Imports	399.0	362.7
Balance of services	6.0	3.5
Balance of income	-16.2	-10.6
of which: income from investment	-28.8	-15.8
of which: reinvested earnings	-12.0	0.0
Current transfers	1.0	5.5
Current account in total	-33.7	-3.4

*Source: NBS and Statistical Office of the SR.
1) Foreign trade in 2004, according to the methodology for 2005.*

In comparison with the same period in 2004, exports grew by 3.8% (14.8% in USD and 8.6% in EUR) and imports by 10.0% (21.7% in USD and 15.2% in EUR).

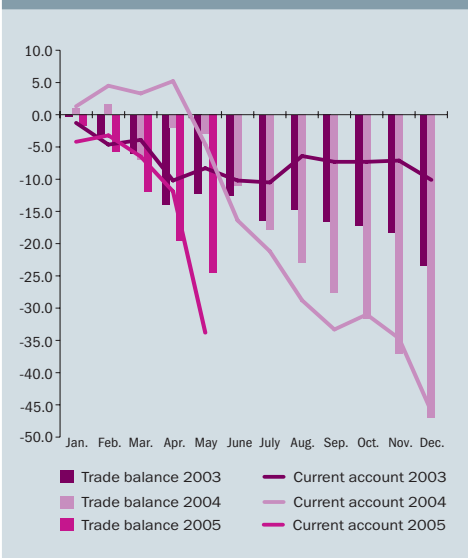
Exports

The year-on-year growth in exports took place largely in semi-finished goods, whose year-on-year increase was several times greater than the figure for the previous year. In a breakdown by commodity, the most significant increases in this category took place in the exports of iron, steel, and iron and steel products. In the 'machines and transport vehicles' category, a marked change was recorded in exports, when the steep year-on-year increase from last year was replaced by an overall decline. The decline in machine and transport vehicle exports was caused by a downturn in the exports of motor vehicles, while the fall in their exports exceeded the growth in the exports of machines and instruments. A major role in the change in trend, from a year-on-year increase to a year-on-year decrease in finished products, was played by a decline in the exports of clothes, footwear, and furniture (seats) in particular.

Imports

In imports, increased year-on-year growth was recorded in 'raw materials' only (oil and gas). The year-on-year

Chart 5 Balance of Trade and Current Account Developments (cumulative figures) (Sk billions)



Source: NBS and Statistical Office of the SR.

**Table 10 Exports in January – May, Year-on-year Change**

	Year-on-year change in billions of Sk January – May		Proportion of the year-on-year change in % points January – May	
	2005	2004	2005	2004
	Raw materials	1.9	2.9	0.5	0.9
Chemicals and semi-finished goods	22.0	8.0	6.2	2.6
Machines and transport equipment	-10.1	40.1	-2.8	13.2
Finished products	-0.2	4.1	-0.1	1.3
Exports in total	13.6	55.1	3.8	18.0

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

Table 11 Imports in January – May, Year-on-year Change

	Year-on-year change in billions of Sk January – May		Proportion of the year-on-year change in % points January – May	
	2005	2004	2005	2004
	Raw materials	18.3	-1.7	5.0	-0.5
Chemicals and semi-finished goods	8.3	12.3	2.3	3.9
Machines and transport equipment	0.2	22.5	0.1	7.1
Finished products	9.6	10.9	2.6	3.4
of which: agricultural and industrial goods	6.6	5.4	1.8	1.7
passenger cars	0.1	1.6	0.0	0.5
machines and electrical consumer goods	2.9	3.9	0.8	1.2
Imports in total	36.4	44.0	10.0	13.8

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

increase in 2005 was somewhat smaller than in 2004 in 'finished products', as a result of reduced imports of industrial products (pharmaceuticals, furniture, footwear, etc.). On the other hand, the imports of agricultural products (meat, dairy products, fruit, vegetables, beverages, etc.) grew at a faster rate than last year. The year-on-year increases diminished most significantly in the 'machines and transport vehicles' category, where imports grew in electrical machines, and optical and measuring instruments only. Apart from a decline in the imports of motor vehicle parts, components, and accessories (including engines), lower imports compared with the same period a year earlier were recorded in the 'machines for industry' and 'laboratory equipment' categories.

The balance of services resulted in a surplus of Sk 6.0 billion, which represented an improvement of Sk 2.5 billion in comparison with the same period in 2004. The increase in the positive balance of services was caused by developments in tourism services and 'other services in total'. In tourism, the balance surplus increased as a result of steady growth in receipts. The deficit in 'other services in total' diminished as a result of smaller shortfalls in financial, legal, accounting, consulting, and computer engineering services. The improvement in these two services-balance items was partly offset by a decrease in net income from transport, caused by lower receipts from the transit of gas and road freight service, and increased payments for air passenger service.

Balance of services

The year-on-year deterioration in the balance of income resulted from two conflicting tendencies. The most significant increases within the income balance took place in the payments of reinvested earnings and dividends. Dividends paid to direct foreign investors increased year-on-year by Sk 2.5 billion and reinvested earnings recorded an increase of Sk 12.0 billion (due to a change in methodology). Within the balance of income, the steep increase in the deficit in receipts from investments was reduced by the increased incomes of Slovak citizens working abroad (caused by a methodological change concerning the incomes of persons working abroad, from net income to gross income). Taxes and social contributions paid abroad, which are responsible for the gap between gross and net wages, were included in current transfers and, together with an increase in transfers abroad by legal entities, caused the positive balance of current transfer to diminish on a year-on-year basis.

Income and current transfers balances

The inflow of funds in the capital and financial account reached Sk 93.2 billion and took place mostly in short-term capital, while the short-term liabilities of commercial banks increased to a significant extent.

Capital and financial account



Foreign direct investment Foreign direct investment in the SR totalled Sk 12.6 billion. Of this amount, Sk 3.8 billion was allocated for increases in the ownership interests of foreign investors in the SR; Sk 12.5 billion for the creation of reinvested earnings that belong to foreign investors; and Sk 3.7 billion for the repayment of foreign loans to parent companies.

Portfolio investment The outflow of funds in the area of portfolio investment was mainly caused by continued purchases of foreign bonds in the corporate sectors. Apart from the declining interest in Sk-denominated government bonds, the liabilities side was affected by the repayment of government bonds in the amount of Sk 29.2 billion.

Other investments The inflow of foreign capital within the scope of other investments reached Sk 100.6 billion, mainly as a result of an increase in the short-term liabilities of commercial banks, in both foreign and domestic currency.

At commercial banks, the volume of short-term deposits from non-residents increased and a net inflow of Sk 125.0 billion (including the amount paid to ČSOB) was recorded. The corporate sector financed predominantly trade-related activities. The provision of export credits, coupled with the repayment of import liabilities, caused an outflow of funds of Sk 8.0 billion. The outflow from the government sector (including the NBS) in the amount of Sk 16.4 billion was connected with the first instalment of the liability to ČSOB Praha.

Chart 6 Capital and Financial Account Developments by Components (moving cumulative figures) (Sk millions)

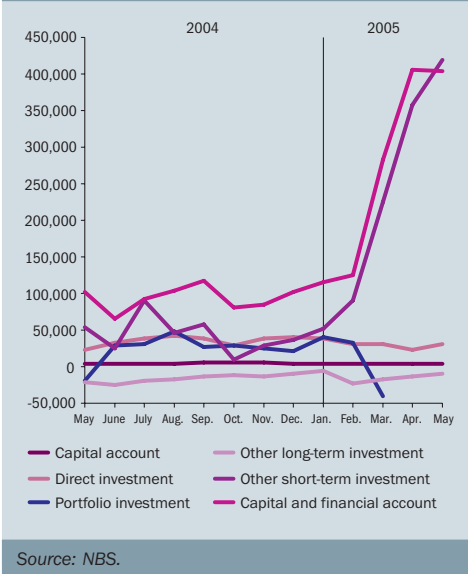


Table 12 Capital and Financial Account		(Sk billions)	
	Jan. – May 2005	Jan. – May 2004	
Capital account	0.0	0.8	
Direct investment	12.0	21.6	
Abroad	-0.6	-0.9	
of which: capital participation abroad	0.2	0.2	
reinvested earnings	-0.5	0.0	
In the SR	12.6	22.5	
of which: capital participation in the SR	3.8	19.2	
of which: other than privatisation	3.8	16.3	
reinvested earnings	12.5	0.0	
Portfolio investment and financial derivatives	-19.4	50.8	
SR abroad	-19.3	-6.9	
In the SR	-0.1	57.7	
Other long-term investment	-10.9	-11.3	
Assets	-0.6	-3.2	
Liabilities	-10.3	-8.1	
Other short-term investment	111.5	-5.3	
Assets	-11.4	4.3	
Liabilities	122.9	-9.6	
Capital and financial account	93.2	56.6	

Source: NBS.

Foreign exchange reserves of the NBS The foreign exchange reserves of the NBS increased by Sk 70.1 billion, i.e. USD 2.5 billion (excluding exchange rate differentials).

The growing current account deficit, exceeding the inflow of funds into the corporate sector, coupled with the sale of foreign currency to the Central Bank, caused a significant decrease in the net foreign assets of the banking sector.

**Table 13 Balance of Payments Adjusted for the Activities of the Government and the NBS
(Sk billions)**

	January – May 2005	
	Actual ¹⁾	Adjusted ²⁾
Current account	-33.8	-37.9
Capital and financial account	93.2	15.8
of which: FDI in Slovakia – capital participation	3.8	3.8
Items not elsewhere included	10.7	10.7
Interventions by the NBS ³⁾	-	-102.3
Change in the net foreign assets of commercial banks (- increase)	-	113.7
Change in NBS reserves (- increase)	-70.1	-

Source: NBS.

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 real source of finance for the current account.

3) In the original structure of the balance of payment, interventions were included in the foreign exchange reserves of the NBS.

External Debt of Slovakia at 31 May 2005

At the end of May 2005, Slovakia's total gross external debt stood at USD 26.5 billion (EUR 21.1 billion), representing a fall of USD 1,458.4 million (EUR 460.9 million) compared with the previous month. Total long-term and short-term foreign debt dropped by USD 1,196.4 million and USD 262.0 million respectively.

Gross external debt

Within the scope of short-term external debt, the period under review saw a decrease in the short-term foreign liabilities of commercial banks (by USD 210.6 million). This decrease was substantially affected by a drop in short-term foreign liabilities in the 'loans and other liabilities in total' category (by USD 446.9 million), and an increase in the short-term liabilities of commercial banks in 'cash and deposits' (by USD 236.3 million).

Within the scope of long-term external debt, a marked decrease was recorded in the foreign liabilities of the Government and the NBS (USD 1,249.1 million), due primarily to the repayment of two-year foreign bonds by the Ministry of Finance in the amount of EUR 750 million and a decline in the purchase of government bonds denominated in domestic currency on the part of non-residents (a month-on-month decrease of USD 175.6 million).

At the end of May, Slovakia's per-capita gross foreign debt stood at USD 4,919. The share of short-term debt in the country's total gross external debt increased by 1.8% on a month-on-month basis. At the end of May 2005, the volume of total short-term foreign liabilities exceeded the volume of total long-term foreign liabilities, while reaching 52.2%.

Table 14 External Debt of the SR

	In millions of USD			In millions of EUR		
	31.12.2004	30.4.2005	31.5.2005	31.12.2004	30.4.2005	31.5.2005
Total external debt of the SR	23,763.6	27,919.2	26,460.9	17,421.1	21,601.5	21,140.6
Long-term external debt	13,315.8	13,844.5	12,648.1	9,747.1	10,711.8	10,105.0
Government and NBS ¹⁾	6,691.4	7,362.5	6,113.4	4,881.5	5,696.5	4,884.2
Commercial banks	496.3	807.1	827.0	364.6	624.5	660.7
Entrepreneurial entities	6,128.1	5,674.9	5,707.7	4,501.1	4,390.8	4,560.1
Short-term external debt	10,447.8	14,074.7	13,812.8	7,674.0	10,889.7	11,035.6
Government and the NBS	209.3	168.2	141.8	153.8	130.1	113.3
Commercial banks	5,380.2	8,825.5	8,614.9	3,951.8	6,828.4	6,882.8
Entrepreneurial entities	4,858.3	5,081.0	5,056.1	3,568.4	3,931.2	4,039.5
Foreign assets	23,367.0	27,583.0	25,701.4	17,163.3	21,341.4	20,533.9
Net external debt	396.6	336.2	759.5	257.9	260.1	606.7
SKK/USD and SKK/EUR rates:	28.496	30.667	31.213	38.796	39.636	39.068
EUR/USD cross exchange rate:	-	-	-	1.361	1.292	1.252

Source: NBS.

1) Including government agencies and municipalities.



Net external debt The net external debt of Slovakia - expressed as the difference between gross foreign debt, i.e. USD 26.5 billion (liabilities of the Government, the NBS, commercial banks, and the corporate sector – except for capital participation), and foreign assets, i.e. USD 25.7 billion (foreign exchange reserves of the NBS, foreign assets of commercial banks and the corporate sector – except for capital participation), reached USD 0.8 billion (debtor position) at the end of May 2005.

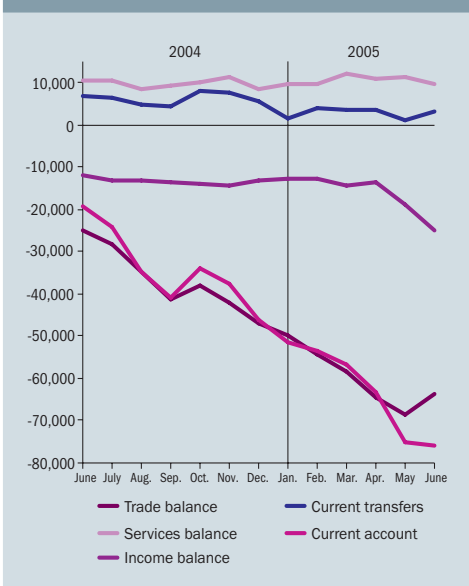
Current Developments

June 2005 saw shortfalls in all current account components, causing the cumulative current account deficit to increase, from Sk 33.7 billion in May to Sk 46.2 billion in June.

In comparison with the same period in 2004, exports grew by 5.2% (15.0% in USD and 9.9% in EUR) and imports by 9.0% (19.2% in USD and 13.9% in EUR).

Balance of trade The balance of foreign trade is expected to improve on a year-on-year basis in July. This is a result of developments from last year, when exports declined significantly after entry into the EU, and caused the trade balance to deteriorate. Among the exports of goods, exports in July are expected to remain somewhat below the level of the previous month (due to above-average exports in June and the beginning of the holiday season), while imports are expected to grow slightly on a month-on-month basis as a result of an increase in raw materials imports.

Chart 7 Current Account Developments by Components (moving cumulative figures) (Sk millions)



Source: NBS a Statistical Office of the SR.

Table 15 Balance of Payments on Current Account

(Sk billions)

	January – June 2005	January – June 2004 ¹⁾
Balance of trade	-27.6	-10.1
Exports	459.1	436.6
Imports	486.7	446.7
Balance of services	5.2	4.3
Balance of income	-24.5	-12.7
of which: income from investment	-39.4	-18.8
of which: reinvested earnings	-14.4	0.0
Current transfers	0.7	3.1
Current account in total	-46.2	-15.4

Source: NBS and Statistical Office of the SR.

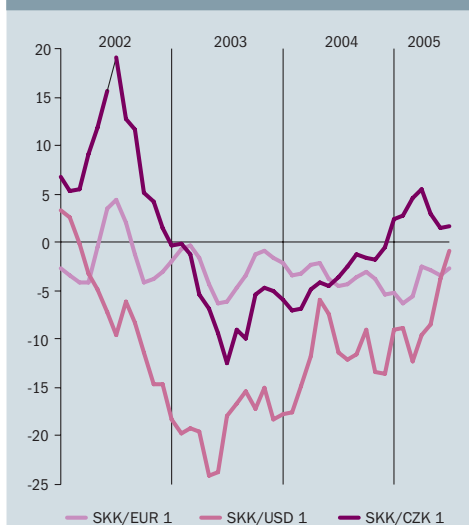
1) Foreign trade in 2004, according to the methodology for 2005.

Table 16 Monthly Data on the Current Account by Component

(Sk billions)

	2005					
	January	February	March	April	May	June
Balance of trade	-1.8	-3.9	-6.3	-7.6	-4.9	-3.1
Balance of services	1.0	0.9	3.4	0.9	-0.2	-0.8
Balance of income	0.1	0.6	-1.1	-0.4	-15.4	-8.3
Current transfers	-3.5	3.4	0.8	1.7	-1.4	-0.3
Current account	-4.2	1.0	-3.2	-5.4	-21.9	-12.5

Source: NBS and Statistical Office of the SR.

Chart 8 Year-on-year changes in the Average Monthly Exchange Rates of the Slovak Koruna (%)


Source: NBS.

Note: + Depreciation, - Appreciation.

Chart 9 Year-on-year Dynamics of the NEER and REER Indices (based on CPI, PPI, PPI manufacturing and ULC, for 9 trading partners, in %)


Source: NBS.

In August and September, the trade balance is expected to deteriorate on a year-on-year basis. In connection with the holiday season, the exports of goods are expected to decline markedly in August. In September, however, exports are expected to increase again, to the level of the pre-holiday period. Imports of goods are expected to follow a similar course of development as exports, in both months.

At the end of July, the total foreign exchange reserves of the NBS stood at USD 15,687.0 million, representing a month-on-month increase of USD 97 million. The month-on-month increase was due to a surplus in the balance of receipts and expenses (USD 74.1 million), accompanied by positive exchange rate differences (USD 22.9 million) resulting from a change in the USD/EUR cross-rate in the period under review. At the end of the month, the volume of foreign exchange reserves was 5.2 times greater than the volume of average monthly imports of goods and services to Slovakia, over the first six months of 2005.

Total foreign exchange reserves

The exchange rate of the Slovak koruna weakened in relation to most currencies in July. The average monthly exchange rate of the koruna against the euro depreciated in comparison with the previous month by 0.8% and in relation to the Czech koruna by 0.3%. The continuing month-on-month appreciation in the cross-rate of the US dollar against the euro contributed to the further weakening of the koruna vis-à-vis the dollar (by 1.8%).

Nominal effective exchange rate of the Slovak koruna (NEER)

The current developments in the average monthly exchange rates indicate that the year-on-year appreciation of the Slovak koruna against the US dollar has been almost completely offset: the SKK/EUR rate appreciated year-on-year by 2.7% in July (in June by 3.5%), the SKK/USD rate by 0.9% (in June by 3.8%), while the SKK/CZK rate depreciated year-on-year by 1.7% (in June by 1.5%). The 12-month dynamics of the nominal effective exchange rate (NEER)³ weakened to 1.8% in July, from 2.4% in June.

While the 12-month dynamics of the real effective exchange rate based on consumer prices and manufacturing products prices (excluding raw materials and energy) followed the course of the NEER index during June, the dynamics of the REER index based on industrial producer prices were determined, from May onwards, by developments in energy prices in connection with the rise in oil prices on the

Real effective exchange rate of the Slovak koruna (REER)

³ 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 manufacturing products price index, excluding the prices of mineral raw materials, electricity, gas, steam, and hot water (PPI manufacturing) and the index of unit labour costs (ULC). The initial year for the calculation is 1999, and the weights selected correspond to the structure of foreign trade in 1999, for the nine most important trading partners of Slovakia, representing roughly 70% of the total turnover of foreign trade. These countries are Germany, the Czech Republic, Italy, Austria, France, the Netherlands, the USA, Great Britain, and Switzerland.



world market. The 12-month rate of appreciation in the REER based on the CPI rose to 3.1% in June (from 2.8% in May) and that based on the PPI to 4.7% (from 3.4%). The appreciation of the REER based on PPI manufacturing slowed slightly, from 1.8% to 1.7%.

Table 17 Year-on-Year Dynamics of the NEER and REER Indices (year-on-year change, in %)

For 9 partners, based on the deflator:	NEER	REER CPI	REER PPI	REER PPI manuf.	REER ULC ²⁾
2002	2.1	4.1	3.6	3.4	3.4
2003	3.2	11.3	10.8	4.7	6.5
2004	4.7	8.3	4.1	4.7	8.6
March 2005 ¹⁾	3.6 / 1.5	4.1 / 2.6	1.8 / 2.0	1.6 / -1.0	8.8
May 2005 ¹⁾	2.1 / -0.4	2.8 / 0.7	3.4 / 1.6	1.8 / -1.6	-
June 2005 ¹⁾	2.4 / 0.4	3.1 / 1.8	4.7 / 4.2	1.7 / -0.2	-
July 2005 ¹⁾	1.8 / -0.2	.	.	.	.

Source: NBS.

1) Year-on-year change / cumulative change since the beginning of 2005.

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

3.3. Real Economy

Current Developments

Production and Receipts

Slightly accelerated growth in industrial production

The year-on-year rate of growth in industrial production accelerated somewhat in comparison with the previous month in June. This development was affected by an acceleration in the growth rate of manufacturing production, while production in electricity generation and transmission, gas and water supply, and raw materials extraction again declined.

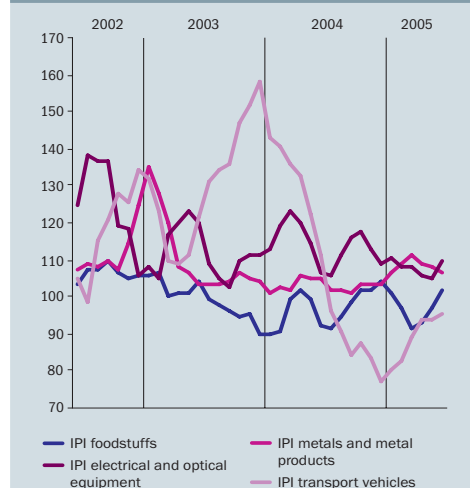
The June output of manufacturing production was positively affected by a faster growth in the production of foodstuffs, beverages, and tobacco; timber processing and the manufacture of wood products; the production of chemicals, chemical goods, including fibres; other non-metal mineral products; and in the manufacture of electrical and optical equipment. On the other hand, the rate of growth slowed in the production of pulp and paper, rubber and plastics, metals and metal products, and machinery and equipment not elsewhere classified, while the year-on-year decline persisted in the production of textiles and clothes, coke, refined oil products, and nuclear fuels, and in the manufacture of transport vehicles.

Chart 10 Development of Industrial and Manufacturing Production (3-month moving averages) (index, same period a year earlier = 100)



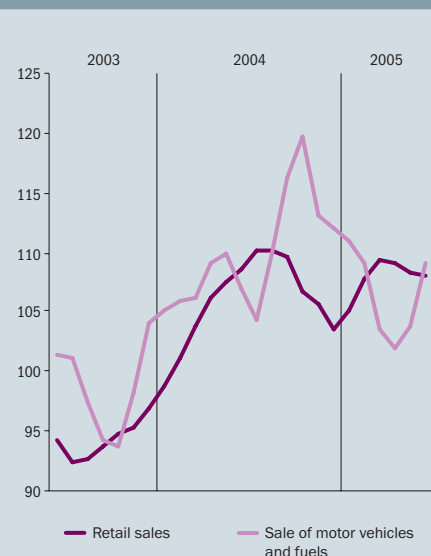
Source: Statistical Office of the SR.
Note: IPI – Industrial Production Index

Chart 11 Development of Industrial Production in Selected Sectors (3-month moving averages) (index, same period a year earlier = 100)



Source: Statistical Office of the SR.

Chart 12 Receipts from Retail Sales and the Sale of Motor Vehicles and Fuels (3-month moving averages) (index, same period a year earlier = 100)



Source: Statistical Office of the SR.

Production in the construction sector continued to grow dynamically in June, at an accelerated rate. Accelerated growth was achieved in domestic production, especially in new construction, reconstruction, and modernisation projects, as well as in construction repair and maintenance work.

Accelerated growth in construction

In June, receipts continued to increase year-on-year in all sectors under review. The rate of growth in retail sales receipts slowed somewhat, mainly as a result of slower growth in receipts in non-specialised shops and retail trade outside shops. Receipts in other specialised retail shops grew at a faster rate than in May.

Receipts from selected services

Receipts from the sale and maintenance of motor vehicles and the retail sale of fuels recorded a marked year-on-year increase, mainly in connection with the dynamic growth in proceeds from the sale of motor vehicles.

Receipts for real estate, leasing, and other business services grew at a slower rate than in May. Growth in receipts was recorded in all sectors under review, except for services related to real estate activities.

Consumer Confidence Indicator

The favourable trend in consumer confidence came to a halt in July 2005, when the indicator reached -12.4 points. This represented a month-on-month deterioration of 3.7 points. Compared with June, deterioration was recorded in the indicators of expected household savings, expected economic development in Slovakia, and the expected financial situation of households. The indicator of expected unemployment recorded a certain improvement. Compared with the same period last year, the consumer confidence indicator has improved by 8.4 points.

Table 18 Production and Receipts

	Sk millions, curr. prices		Indices			
	June 2005	Cumul. since beginning of year	May 2005	June 2005	June 2004	Jan. - June 2005
			May 2004	June 2004	June 2003	Jan. - June 2004
Production						
Industrial production index ¹⁾	-	-	101.1	101.6	103.1	101.7
Mining and quarrying	-	-	100.1	99.7	92.3	94.6
Manufacturing	-	-	103.2	103.8	102.6	103.3
Electricity, gas, and water supply	-	-	87.6	87.9	109.9	94.0
Construction ²⁾	11,321	50,221	118.5	125.2	102.4	117.3
Construction in Slovakia	10,817	47,505	117.9	125.2	103.6	116.6
Construction abroad	504	2,716	131.7	125.9	81.2	132.2
Receipts from own-output and goods						
Industry in total ³⁾	128,980	747,531	100.3	98.9	111.8	101.1
Construction ²⁾	17,494	74,140	117.5	129.6	101.8	113.8
Retail trade ³⁾	32,069	179,408	109.6	108.0	110.5	108.6
Sale and maintenance of vehicles, retail sale of fuels ³⁾	15,205	76,274	106.7	117.3	102.4	106.2
Transport, storage ³⁾	10,268	52,973	118.1	116.3	111.7	110.0
Real estate, renting, and business services ³⁾	16,844	93,803	112.3	107.3	96.9	106.5

Source: Statistical Office of the SR.

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

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

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



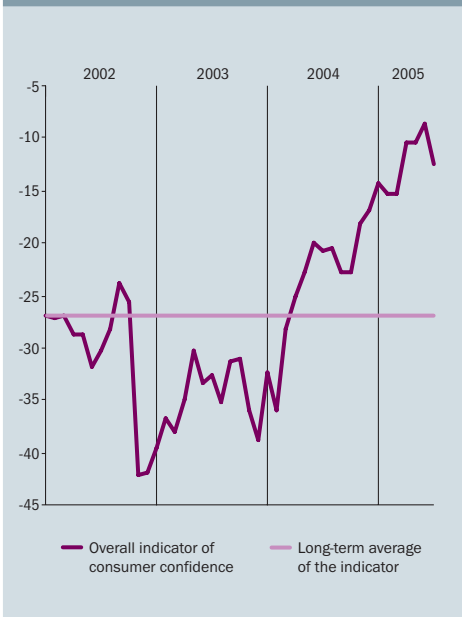
Wages and Unemployment

Nominal wages In June, the year-on-year rate of growth in nominal wages again accelerated in comparison with May in most sectors. Slower wage growth was recorded in industry (due to a slowdown in wage dynamics in manufacturing), the sale and maintenance of vehicles and fuels, and in real estate, leasing, and other business services.

During the first six months of 2005, average nominal wages grew at a slower rate than in the same period a year earlier in most sectors. Stronger growth than a year earlier was only recorded in wholesale trade and real estate, leasing, and other business services.

Real wages The average real monthly wage in the first six months of 2005 exceeded the level of the same period a year earlier in all sectors under review, and the dynamics of real wages increased in most sectors. Marked year-on-year growth in real wages was recorded in wholesale trade, real estate, leasing, and other business services. The slowest wage growth was reported from post and telecommunications, and construction. The acceleration in the year-on-year growth rate of real wages was primarily caused by a substantial fall in inflation, since nominal wages showed weaker dynamics than a year earlier in most sectors.

Chart 13 Consumer Confidence Indicator



Source: Statistical Office of the SR.

Table 19 Wage Development by Sector (index, same period of the year earlier = 100)

	Average monthly nominal wage				Average monthly real wage			
	June		January - June		June		January - June	
	2004	2005	2004	2005	2004	2005	2004	2005
Industry	109.0	107.2	109.6	109.5	100.8	104.6	101.3	106.6
Construction	106.8	110.2	108.5	106.7	98.8	107.5	100.3	103.9
Retail trade	110.4	110.3	111.9	107.8	102.1	107.6	103.4	105.0
Wholesale trade	111.0	113.9	111.3	111.5	102.7	111.1	102.9	108.6
Real estate, renting, and other business services	115.0	106.3	108.7	111.6	106.4	103.7	100.5	108.7
Transport	107.9	107.8	109.6	107.4	99.8	105.2	101.3	104.6
Post and telecommunications	137.5	104.6	123.5	106.6	127.2	102.0	114.1	103.8
Consumer prices	108.1	102.5	108.2	102.7	-	-	-	-

Source: Statistical Office of the SR.

Notes: The above sectors accounted for 65% of total employment in 2004 (on average).

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

Labour productivity and wages In the first six months of the year, the relationship between wages and labour productivity (based on receipts from own-output and goods) followed a different course of development in the individual sectors. In sectors, where labour productivity is monitored at current prices, productivity grew at a faster rate than nominal wages in post & telecommunications and transport, while nominal wages in wholesale trade grew almost twice as fast as labour productivity.

In real terms, the only sector where labour productivity grew at a faster rate than real wages was construction. Real wages grew at a faster rate than productivity in retail trade, and despite a fall in productivity, real wages in industry, real estate, leasing, and other business services showed relatively strong dynamics. The fall in productivity in these sectors was connected with a slower growth in receipts than in employment.

Unemployment Unemployment continued to fall in June, when the number of unemployed dropped in comparison with May by 5,300, to 325,400 (according to data from the Office for Labour, Social and Family Matters).

Table 20 Wages, Labour Productivity, and Employment in January to June 2005
(index, same period a year earlier = 100)

	Industry	Construction	Wholesale trade	Retail trade	Real estate and renting	Transport	Post and telecom.
Wages							
- nominal	109.5	106.7	111.5	107.8	111.6	107.4	106.6
- real	106.6	103.9	108.6	105.0	108.7	104.6	103.8
Labour productivity							
- nominal	-	-	105.3	-	-	113.2	113.7
- real	98.8	110.1	-	101.5	99.6	-	-
Productivity minus wages (% points)							
- nominal	-	-	-6.2	-	-	5.8	7.1
- real	-7.8	6.2	-	-3.5	-9.1	-	-
Number of employees							
- persons	563,203	138,134	120,139	135,115	134,782	86,503	27,787
- year-on-year index	102.3	106.6	114.5	107.0	106.9	97.2	94.1

Source: Statistical Office of the SR.

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

Chart 14 Registered Unemployment Rate (%)



Source: Statistical Office of the SR.

The number of disposable unemployed, who may start working immediately, was below the level of 300,000 for the second consecutive month, at 286,800, representing a month-on-month decrease of 6,300. The rate of registered unemployment fell in comparison with the previous month by 0.2 of a percentage point, to 11.09% in June. This was 2.8 percentage points less than in June 2004.

In June, 25,000 new unemployed persons signed on at offices for labour, social, and family matters (2,300 more than in May), and more than 30,000 persons were removed from the registers (compared with over 36,000 in May). Approximately 18% of these persons were removed from the registers for unwillingness to cooperate, and more than 61% found employment.

In June, the average length of registration decreased month-on-month by 0.03 of a month (to 11.94 months) and in comparison with last June by 0.53 of a month. The share of long-term unemployed (out of work for more than 12 months) reached 54.1% in June, representing a month-on-month decrease of 0.1 of a percentage point.

The year-on-year growth in employment accelerated in most sectors under review (retail trade, wholesale trade, sale and maintenance of vehicles, construction) in June. Slower growth than in May was recorded in employment in industry and in real estate, leasing, and other business services; employment in transport, post and telecommunications continued to decline. During the first six months of 2005, employment grew most dynamically in average terms in wholesale trade; the sale and maintenance of vehicles; retail trade; real estate, leasing, and other business services; and in construction.

Employment



4. Monetary Developments

4.1. Foreign Exchange Market

Operations on the foreign exchange market

Over the course of July, the exchange rate of the Slovak koruna against the euro weakened by 1.9% (from SKK 38.370/EUR to SKK 39.118/EUR), while the average rate depreciated by 0.8%. In relation to the US dollar, the koruna weakened by 1.9% (from SKK 31.825/USD to SKK 32.423/USD), while depreciating in average terms by 1.8%.

Spot transactions between foreign and domestic banks resulted in a positive balance (USD 304.01 million), i.e. foreign banks purchased mostly foreign currency and sold Slovak koruna.

The National Bank of Slovakia conducted no foreign exchange intervention in July.

	Month-on-month change	Ø July 2005 Ø July 2004	Ø Jan. - July 2005 Ø Jan. - July 2004
SKK/EUR	1.9	-2.7	-4.1
SKK/USD	1.9	-0.9	-7.5

Source: NBS.
Note: - Appreciation of the SKK, + Depreciation of the SKK, Ø Average.

Interbank foreign exchange market

The volume of trading on the interbank foreign exchange market totalled USD 50,984.3 million, representing a decline of 19.1% compared with the figure for June (USD 63,010.3 million). Of the total volume of trading, 88.1% took place in swap transactions, which were conducted mostly in USD (93.8%). Spot transactions accounted for 11.5% of the total turnover (97.8% of the deals were in EUR). The average daily turnover on the spot market reached USD 292.00 million and the average volume per transaction amounted to USD 1.98 million.

The volume of transactions between domestic commercial banks decreased, from USD 8,615.8 million in June to USD 7,655.9 million in July. Most trading took place in USD (65.3%, compared with 67.0% in June), followed by EUR (32.6%, compared with 32.3% in June) and other currencies (2.1% of the total turnover between domestic banks).

Transactions between domestic banks accounted for 15.0% of the total volume traded on the interbank foreign exchange market (compared with 13.7% in the previous month). Of the total volume of transactions between domestic banks, swap operations accounted for 82.9% (82.3% in June) and spot transactions 17.0% (17.7% in June).

The volume of trading between domestic and foreign banks decreased by 20.3%, from USD 54,386.5 million to USD 43,328.4 million. Most trading was again conducted in USD (86.0%, compared with 86.0% in June), followed by EUR (13.3%, compared with 13.4% in June), and other currencies (0.7%). Trading between domestic and foreign banks still dominated the country's foreign exchange market (with a share of 85.0%).

Trading between domestic and foreign banks also took place predominantly in the form of swap operations (89.1%, compared with 89.4% in June), while spot transactions accounted for 10.5% (9.9% in June). The share of forward dealings on the forex market was negligible. Option contracts accounted for 0.3% of the volume traded with foreign banks.

Deposits of non-resident banks

The Slovak-koruna deposits of non-resident banks continued to decline in June, by Sk 16.9 billion in comparison with May (compared with the figure for the end of March by Sk 25.5 billion), while growing on a year-on-year basis by Sk 42.9 billion.

Government securities held by non-residents

The volume of government securities held by non-residents grew month-on-month by Sk 9.0 billion in July, when government bonds increased by Sk 9.5 billion and SR Treasury bills decreased by Sk 0.5 billion. The share of non-residents in the total holdings of government bonds increased to the highest level recorded in 2005 (28.1-31.0% in July). With regard to the favourable development in the budget deficit and the decision of the Agency for Debt and Liquidity Management to cancel the Treasury-bill auctions planned for June and August 2005, however, the share of non-residents in the holdings of Treasury bills reached the lowest level in 2005 (1.8%).

Table 22 Koruna Deposits and Government Securities Held by Non-Residents (Sk billions)

	2004		2005						
	30.6.	31.12.	31.1.	28.2.	31.3.	30.4.	31.5.	30.6.	29.7.
Koruna liabilities	38,1	46,4	55,2	75,1	106,7	104,8	99,0	82,3	.
of which: banks	33,7	42,1	50,8	70,6	102,1	100,0	93,6	76,7	.
non-bank clients	4,4	4,3	4,4	4,5	4,5	4,9	5,4	5,6	.
Government securities	61,7	66,8	71,2	65,1	86,4	90,9	86,3	93,0	102,0
of which: Government bonds	58,1	60,9	65,2	60,2	84,0	88,0	84,1	91,0	100,5
SR Treasury bills	3,6	6,0	5,9	4,9	2,4	2,9	2,2	2,0	1,4
Total	99,8	113,2	126,3	140,2	193,0	195,7	185,2	175,3	.

Source: NBS and CDCP SR.

4.2. Money Market and Monetary Policy Implementation

At its meeting on 28 July 2005, the Bank Board of the NBS decided to leave its key interest rates unchanged.

Average money market interest rates increased in July for all maturities, except for overnight and two-week rates.

Interbank market rates

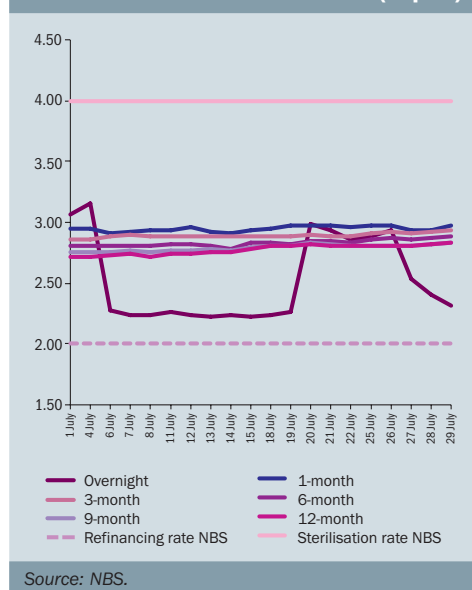
The price of overnight money fluctuated above the level of 3% at the beginning of July, due to the shift of a daily liquidity shortage from the previous month to the new period. After a fall in demand at the first repo tender, the banking sector moved into the opposite position and the price of overnight money fell below 2.5% and remained low until the second half of July, when banks increased their bids at the tenders, and thus the banking sector again went into a shortage. The reaction was a rise in the price of the shortest-term deposits (to the level of 3%), followed by a fall at the end of the month after the cut in demand at the last tender.

The upward change in longer-term rates at the beginning of the month was a reaction of interest rates to the weakening of the Slovak koruna. A modest increase at the beginning of July was recorded in three-month rates as a reaction to the yield achieved at an NBS-bill auction, which was above the level of the three-month BRIBOR rate.

The low activity in trading in the middle of July left longer-term funds unaffected, with minimum volatility; their correlation with the foreign exchange market only became apparent after the Slovak koruna had weakened, to above the level of SKK 39/EUR. The closing of koruna positions on the part of foreign banks before the end of July, especially through swaps, continued to cause a slight rise in longer-term interest rates. The confirmed expectation of banks that the NBS would leave its key rates unchanged at the end of the month and the continued strengthening of the Slovak koruna created room for a further increase in longer-term money market rates.

Chart 15 Developments in Interbank Offered Rates (BRIBOR)

(% p.a.)



Source: NBS.

The volume of trading on the interbank market reached Sk 1,437 billion in July (compared with Sk 1,758 billion in June). Reference banks accounted for 90.7% of the total turnover (an increase of 0.1%). Of the total volume of purchases and sales on the interbank market, non-resident and resident bank transactions accounted for 64.5% and 35.5% respectively. In interbank transactions, domestic banks achieved the largest share in deposit transactions (61.4%), while non-resident banks led the way in swaps (65.3%).



Table 23 Interbank Transactions						(Sk billions)
	Deposit	Repo	Swap	FRA	IRS	
June 2005	782	0	965	4	7	
July 2005	624	0	799	11	3	

Source: NBS.

Liquidity The average daily volume of sterilised excess liquidity decreased in July by Sk 2.3 billion, to Sk 413.5 billion. The volume of interbank liquidity decreased, mainly as a result of an increase in the volume of currency in circulation. Of the total volume of open-market operations, repo tenders accounted for 74.0%, NBS bills 25.4%, and overnight transactions 0.6%.

At the end of July, the sterilisation position of the NBS vis-à-vis the banking sector reached Sk 420.3 billion. The overall sterilisation position of the NBS (including the deposits of the SR Treasury and the FNM at the NBS) amounted to Sk 422.0 billion at the end of July.

Table 24 Average Daily Impact of NBS Transactions on the Level of Banking Sector Liquidity					(Sk millions)
	O/N repo	O/N deposit	NBS bill	Repo tender	
June 2005	1 216	-702	-102 667	-313 601	
July 2005	242	-2 794	-105 000	-305 958	

Source: NBS.
Note: + Inflow of liquidity, - Outflow of liquidity.

Repo tenders The NBS announced four sterilisation repo tenders for July. At the tenders, the bids of banks were accepted in full. By reducing their bids at the first tender (by Sk 27.4 billion), banks intended to offset the previous shortage of daily liquidity and reserve funds for the expected NBS-bill auction. The created surplus of liquidity made it possible for banks to increase their bids at the following two tenders (by Sk 15.5 billion and Sk 7.9 billion). Owing to a shortage at the end of the month, banks reduced their bids at the last tender (by Sk 6.4 billion), and thus reached the level of pre-set required reserves. The share of repo tenders of the total volume of transactions decreased by 1.4% in July.

Table 25 Tenders in July 2005						
Date	Type of tender ¹⁾	Maturity (days)	Volume accepted (Sk millions)	Rates (%)		
				minimum	average	maximum
6.7.2005	SRT	14	106,744	2.98	3.00	3.00
13.7.2005	SRT	14	198,764	2.98	3.00	3.00
20.7.2005	SRT	14	114,679	2.98	3.00	3.00
27.7.2005	SRT	14	192,412	2.98	3.00	3.00

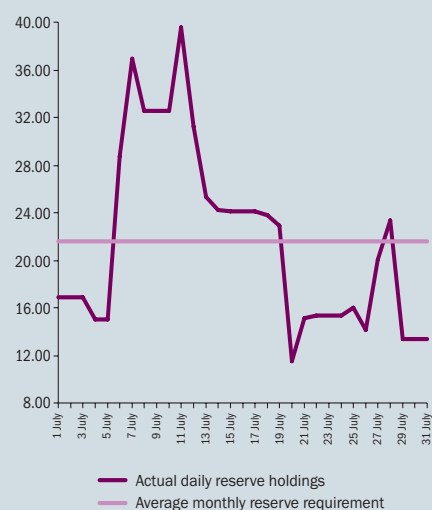
Source: NBS.
1) SRT - Sterilisation repo tender.

NBS treasury bills The NBS announced two auctions for NBS bills in July. Bids were received for Sk 53.9 billion and Sk 43.9 billion respectively. The NBS accepted Sk 35 billion at both auctions. At the first auction, the difference between the minimum and maximum yields amounted to 10 basis points. The average yield accepted at the auction was 2.95%, which was 5 basis points above the level of the three-month rate fixed on auction day. At the second auction, the difference between the minimum and maximum yields diminished to 5 basis points. The average yield accepted at the auction was 2.97%, which was 5 basis points above the level of the three-month rate fixed on auction day. The share of NBS bills of the total volume of sterilisation increased by 0.7%.

Overnight transactions With the exception of the first day, banks used exclusively overnight deposits during the month. The reason behind refinancing on the first day in July was the low initial level of liquidity, which banks replenished from NBS resources in the amount of Sk 2.5 billion. After demand had been reduced at the first tender, the banking sector went into a liquidity surplus. In that period, banks made deposits in



Chart 16 Fulfilment of Reserve Requirements by Banking Sector in July 2005 (Sk billions)



Source: NBS.

a record amount (Sk 13.5 billion). Except for several days, banks continued depositing their excess funds with the NBS throughout the month.

For July 2005, the amount of minimum required reserves in the banking sector was set at Sk 21.54 billion. By the end of the month, the reserve requirement had been fulfilled to 100.27%.

Reserve requirements

Developments in Money Market Interest Rate Derivatives

In July, FRA (Forward Rate Agreement) contracts recorded an increase in the trading volume, to more than twice the figure for the previous month. Most transactions were concluded with non-residents (81.0%). Fewer transactions took place at the beginning of the month, mainly in six-month contracts. Most transactions were conducted in the middle and at the end of the month under review, largely in three-month contracts.

Trading in FRAs

Trading in IRSs (Interest Rate Swaps) continued to decline in volume. The transactions took place in one- to five year maturities. The increasing trend in their price

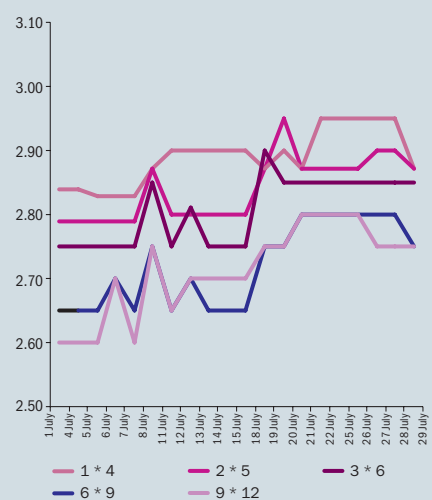
Trading in IRSs

followed the rise in money market rates. Most contracts were again concluded by foreign banks (85.7%).

After the June meeting of the NBS Board, minor changes occurred in the shape of the BRIBOR yield curve at the beginning of the month and the implied expectations included an interest-rate cut of 43 basis points in nine months. The weakening of the Slovak koruna in the middle of the month caused a rise in deposit prices, as a result of which longer-term rates increased and the slope of the yield curve became less steep. This change led to a fall in the implied expectations of a possible interest-rate cut to a level not exceeding 28 basis points, within the next nine months. The unchanged level of NBS rates at the end of the month brought about a minimal change in the implied expectations.

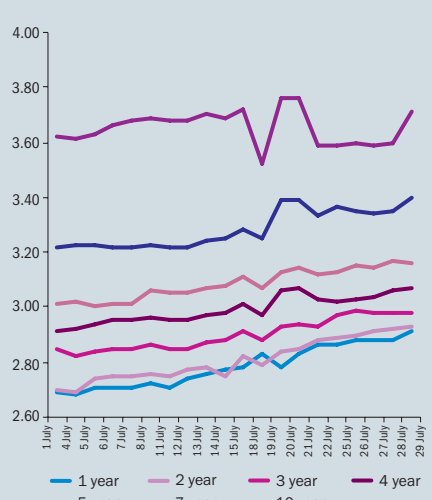
Implied yield curves of BRIBOR rates

Chart 17 Daily Developments in FRA Prices (% p.a.)



Source: Reuters.

Chart 18 Daily Developments in IRS Prices (% p.a.)



Source: Reuters.



Chart 19 Implied Yield Curves of BRIBOR Rates

(% p.a.)



Source: NBS.

4.3. Customer Interest Rates in June 2005

Average interest rates on new loans to households fell significantly in June, while rates for new loans to non-financial corporations rose slightly. Interest rates on new deposits from households and non-financial corporations remained at a standstill.

Average interest rates on new loans

The average interest rate on new loans to non-financial corporations rose slightly in the last three months. This was largely due to an increase in rates for loans with a floating rate and an initial rate fixation (IRF) of up to 1 year. This increase was partly offset by a drop in interest rates on loans with a fixation period of over 1 year (mainly investment loans).

In a breakdown by purpose, interest rates on current account overdrafts rose somewhat in June (after falling for several months). On the other hand, the price of investment loans dropped by 0.89 of a percentage point, while their volume increased to a considerable extent (the average monthly volume of loans provided during the period January to May was Sk 2.4 billion, while investment loans were extended in June in the amount of Sk 6.0 billion).

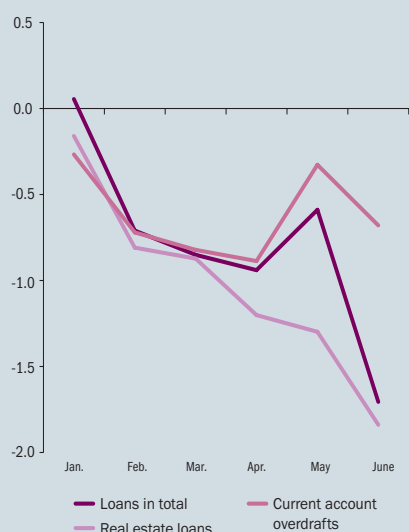
On a year-on-year basis, interest rates on loans to non-financial corporations dropped by 1.75 percentage points, with drops being recorded in rates for all fixation periods, especially for loans with a floating rate and an initial rate fixation (IRF) of up to 1 year and loans with an IRF of over 10 years.

Table 26 Average Interest Rates on New Loans to Non-Financial Corporations

	Interest rate in %				Change in % points		
	June 2004	Dec. 2004	May 2005	June 2005	Year-on-year	Against Dec. 2004	Month-on-month
Floating rate + IRF ¹⁾							
of up to 1 year inclusive	6.78	5.38	4.91	5.03	-1.75	-0.35	0.12
IRF of over 1							
and up to 5 years inclusive	6.22	5.74	5.59	4.78	-1.44	-0.96	-0.81
IRF of over 5							
and up to 10 years inclusive	6.48	5.20	5.54	4.91	-1.57	-0.29	-0.63
IRF of over 10 years	6.88	6.07	4.34	3.80	-3.08	-2.27	-0.54
Loans up to EUR 1 million	6.40	5.35	4.75	4.72	-1.69	-0.64	-0.03
Loans of over EUR 1 million	5.55	4.19	3.93	3.65	-1.90	-0.54	-0.28
Total	6.75	5.38	4.92	5.00	-1.75	-0.39	0.08
Total, excluding current account overdrafts	5.88	4.52	4.24	4.04	-1.84	-0.48	-0.20

Source: NBS.

1) Initial rate fixation.

Chart 20 Interest Rates on Loans to Households
 (year-on-year change; percentage points)


Source: NBS.

After a modest increase last month, interest rates on loans provided to households continued to fall step by step, an ongoing trend since the beginning of the year. This development was mainly affected by a fall in interest rates on real estate loans, which was accompanied by an increase in the volume of mortgage loans and loans for real estate purchases.

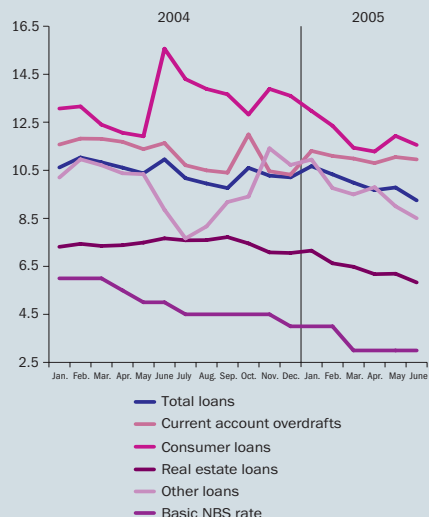
On a year-on-year basis, interest rates on loans to households dropped by 1.71 points, mainly as a result of a fall in the price of real estate loans. Within the scope of real estate loans, the sharpest drop occurred in rates for mortgage loans (2.35 points). The price of consumer loans recorded a year-on-year fall of 4.01 points, resulting from last year's base affected by the initial problems of the banking sector in producing interest-rate statistics according to ECB methodology.

The average interest rate on deposits from non-financial corporations and households was stagnant in June. In the first quarter, deposit rates for non-financial corporations and households dropped as a result of a cut in key NBS rates, but then remained virtually unchanged.

Average interest rates on new deposits
Table 27 Average Interest Rates on New Loans to Households

	Interest rate in %				Change in % points		
	June 2004	Dec. 2004	May 2005	June 2005	Year-on-year	Against Dec. 2004	Month-on-month
Current account overdrafts	11.63	10.32	11.05	10.95	-0.68	0.63	-0.10
Consumer loans	15.57	13.60	11.93	11.56	-4.01	-2.04	-0.38
Real estate loans	7.66	7.06	6.19	5.83	-1.84	-1.23	-0.36
of which: mortgage loans	7.42	6.76	5.34	5.06	-2.35	-1.70	-0.28
Other loans	8.85	10.73	9.01	8.51	-0.35	-2.22	-0.50
Total	10.95	10.21	9.78	9.25	-1.71	-0.96	-0.53
Total, excl. current account overdrafts	10.09	10.04	8.11	7.26	-2.82	-2.78	-0.84

Source: NBS.

Chart 21 Interest Rates on Loans to Households by Type (%)


Source: NBS.

On a year-on-year basis, interest rates on deposits from non-financial corporations fell more significantly (by 1.25 percentage points) than deposit rates for households (by 0.50 of a point).



Table 28 Average Interest Rates on New Deposits from Non-Financial Corporations

	Interest rate in %				Change in % points		
	June 2004	Dec. 2004	May 2005	June 2005	Year-on-year	Against Dec. 2004	Month-on-month
Deposits redeemable on demand	1.95	0.89	0.76	0.89	-1.05	0.00	0.13
Deposits with an agreed maturity							
- of up to 1 year	4.03	3.29	2.60	2.57	-1.46	-0.72	-0.03
- of over 2 years	2.53	2.92	2.38	1.41	-1.12	-1.51	-0.97
Savings deposits redeemable at a period of notice							
- of up to 3 months	2.73	2.20	1.16	1.26	-1.47	-0.93	0.10
- of over 3 months	2.77	2.38	1.12	1.12	-1.65	-1.26	0.00
Total	2.78	1.88	1.56	1.53	-1.25	-0.35	-0.03

Source: NBS.

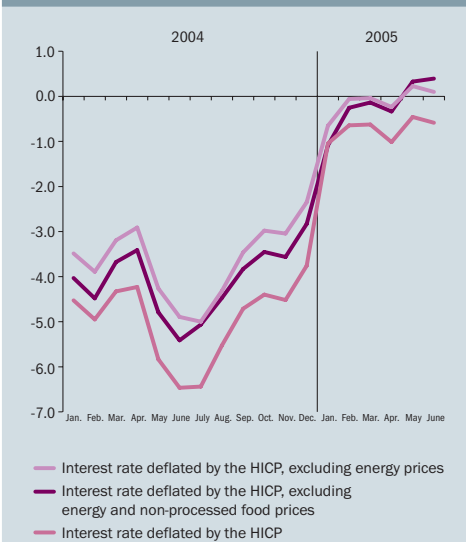
Table 29 Average Interest Rates on New Household Deposits

	Interest rate in %				Change in % points		
	June 2004	Dec. 2004	May 2005	June 2005	Year-on-year	Against Dec. 2004	Month-on-month
Deposits redeemable on demand	0.81	0.58	0.43	0.43	-0.38	-0.15	0.00
Deposits with an agreed maturity							
- of up to 1 year	2.57	2.32	1.94	2.02	-0.55	-0.30	0.08
- of over 2 years	2.96	2.66	2.33	2.05	-0.91	-0.61	-0.28
Savings deposits redeemable at a period of notice							
- of up to 3 months	2.40	1.79	0.97	0.95	-1.45	-0.84	-0.02
- of over 3 months	1.11	1.16	0.90	0.94	-0.18	-0.23	0.03
Total	1.16	0.94	0.65	0.66	-0.50	-0.28	0.01

Source: NBS.

Real interest rates The real interest rate on household deposits, calculated by deflating the rate of interest on the volume of one-year household deposits by HICP inflation, reached a negative figure in June (-0.59%), which represented a fall of 0.13 of a percentage point in comparison with the previous month. This development was affected by a rise in HICP inflation.

Chart 22 Real Interest Rates on Household Deposits (%)



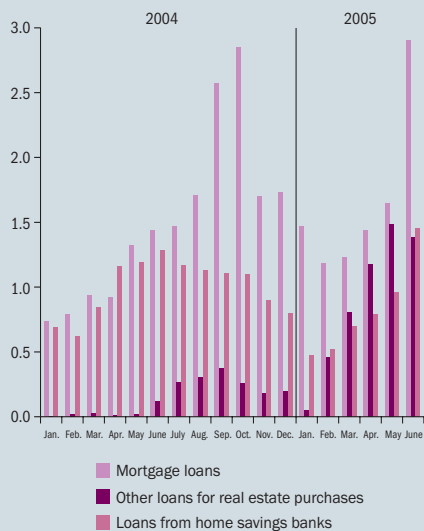
Source: NBS and the Statistical Office of the SR.

Box 1 Loans for Real Estate Purchases, Including Interest Rates

In the first half of the year, loans for real estate purchases showed relatively dynamic growth. The total volume of real estate loans reached Sk 20.2 billion over the first six months (an increase of Sk 8 billion compared with the same period a year earlier), and accounted for 21% of the total volume of loans to households (compared with 19% a year earlier). Of this figure, real estate loans with a floating rate and an initial rate fixation (IRF) of up to 1 year accounted for 62.42%; loans with an IRF of over 5 and up to 10 years accounted for 23.86%; loans with an IRF of over 1 and up to 5 years accounted for 9.86%, and loans with an IRF of over 10 years accounted for 3.87%. Compared with the first half of 2004, the preferences of loan applicants have changed, from loans with interest rate fixation for longer periods to loans with a floating rate and fixation for up to 1 year.

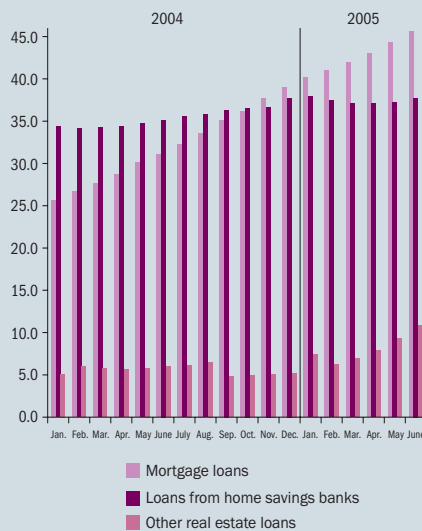
The structure of real estate loans by type was dominated by mortgage loans (49%), followed by other loans for real estate purchases (26%) and loans from home savings banks (24%). The growing share of other loans for real estate purchases is probably connected with the extended portfolios of banks and their adjustment to the requirements of customers. It is also likely that banks thus provide quasi-mortgage loans, which, however, need not be covered by costly issues of mortgage bonds.

Chart A Developments in Real Estate Loans by Type
(Sk billions)



Source: NBS.

Chart B Loans to Households for Real Estate Purchases
(Sk billions)



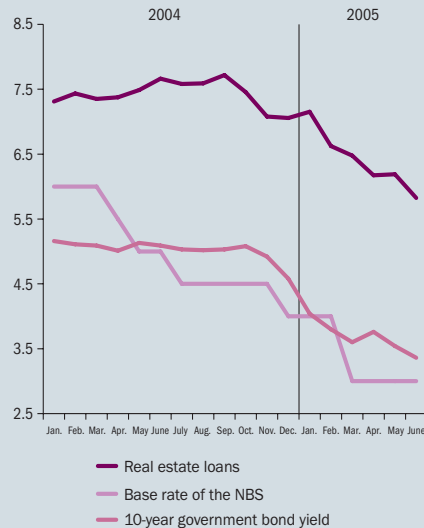
Source: NBS.

The developments in these loans are important primarily from the perspective of interest rate statistics, needed for the monitoring and evaluation of real interest rates in the given month. The volume of loans provided indicates the amount in which new real estate loan agreements were concluded. These loans, however, may be drawn step by step, within a pre-set time limit. Therefore, not all loans granted for real estate purchases will automatically appear in the quantity indicator of loans in the given month, which provides a better picture of the actual changes in loans in the given month. The increase or decrease depends on the number of loans provided and the portion of the loans that has been repaid.

During the first half of 2005, the volume of loans to households for real estate purchases grew by Sk 12.3 billion (compared with more than Sk 8 billion in the same period a year earlier), due mainly to increases in mortgage loans (Sk 6.5 billion, compared with Sk 6.2 billion a year earlier) and other loans for real estate purchases (Sk 5.7 billion). In June, the volume of loans from home savings banks remained at the level of December 2004, while the first half of 2004 saw an increase of Sk 1 billion.

**Chart C Development of Selected Interest Rates**

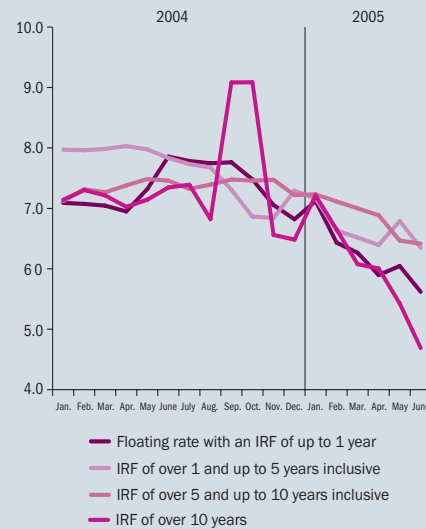
(%)



Source: NBS.

Chart D Interest Rates on Real Estate Loans by Fixation

(%)



Source: NBS.

Chart E Yield Curves of Real Estate Loans

(%)



Source: NBS.

The growing demand for real estate loans in the first half of the year (especially for mortgage loans) resulted from a fall in interest rates. Although most real estate loans are provided with a floating rate and/or an initial rate fixation of up to one year, these interest rates are mainly influenced by developments in long-term rates on the market for government securities. They react to changes in the key NBS rates less flexibly. This is also documented by developments in 2004, when the cumulative 2 percentage-point cut in NBS rates was not reflected in lending rates for real estate loans. These rates began to fall later, in line with the gradual reduction in ten-year government bond yields to maturity.

Compared with the end of last year, interest rates on real estate loans fell by 1.23 percentage points in June, mainly due to a drop in the price of mortgage loans (1.70 points). In June 2005, mortgage loans bore interest at an average rate of 5.06%, compared with 7.43% in the same period a year earlier.

In a breakdown by fixation, the first half of the year saw the sharpest fall in interest rates on real estate loans with an initial rate fixation of over 10 years and real estate loans with a floating rate and an IRF of up to 1 year. Since some banks offer loans with a longer period of fixation combined with other financial products (e.g. insurance), the interest rate on loans with an IRF of over 10 years may provide a slightly distorted picture.

Yield curves according to the length of initial rate fixation give of picture of developments in interest rates on real estate loans in various moments of the period under review. Chart 5 illustrates the falling trend in interest rates on real estate loans during the last year. The yield curve moved downwards as a whole, and its shape also changed. If the deformation of the interest rate on loans to households for real estate purchases with an IRF of over 10 years is left



out of the equation (adjustment for banks offering loans in combination with insurance), the yield curve acquires a virtually standard course. While the inverse and/or flat shape of yield curve in the previous period indicated expectations of an interest rate reduction, the shape of the yield curve in June indicated an increase in interest rates in the longer term.



Annexes

1. Capital Market

1.1. Primary Market

Government bonds

Two government-bond auctions were held in July, with 5 and 15-year maturities. Total demand for bonds amounted to Sk 14.2 billion, 49.26% of which was accepted.

At the first auction, a 15-year government-bond issue (No. 204) was re-opened for the seventh time, with a fixed coupon of 5.30% p. a. Of the planned issue-amount (Sk 40.0 billion), bonds were sold in the amount of Sk 1.2 billion, representing 50.63% of the total demand (Sk 2.4 billion). The total amount issued so far was Sk 20.817 billion (52.04% of the planned issue-amount). On the primary market, non-residents purchased government securities for Sk 0.2 billion, i.e. 16.7% of the turnover. The average yield was 3.50%, the minimum 3.40%, and the maximum 3.50%.

Yields on a similar benchmark government bonds fluctuated during July between 3.55% and 3.60%

At the second auction, Issue No. 201 was re-opened for the ninth time (5-year government bonds with a flexible 12M BRIBOR coupon, i.e. 3.35% p.a.). Of the planned issue-amount (Sk 40.0 billion), bonds were sold in the amount of Sk 5.8 billion, representing 49.07% of the total demand (Sk 11.82 billion). The total amount issued so far was Sk 25.035 billion, i.e. 62.59% of the planned issue-amount. The share of non-residents in the primary market for government bonds reached 20.7%. The average accepted price was Sk 100,421, the minimum price stood at Sk 100,350 and the maximum at Sk 100,650.

Yields on a comparable 5-year benchmark government-bond issue fluctuated over the course of July between 3.00% and 3.04%.

Yield payment and bond repayment

In July, yields were paid in the total amount of Sk 3.38 billion, representing 87.11% of the amount paid for the same period a year earlier. One issue was repaid in the amount of Sk 7.0 billion. The distribution of yields changed in comparison with last year: foreign investors recorded an increase (524.44%) and domestic investors a decrease in yields (9.61%). Bond creditors received 3.25% of the total amount of yields paid in July. In nominal-value repayment, virtually all payments went to domestic investors.

Non-government bonds

July saw two issues of publicly negotiable non-government bonds, in the total amount of Sk 1.8 billion. Both issues were in mortgage bonds and were floated by Slovenská sporiteľňa and HVB Bank.

1.2. Secondary Market

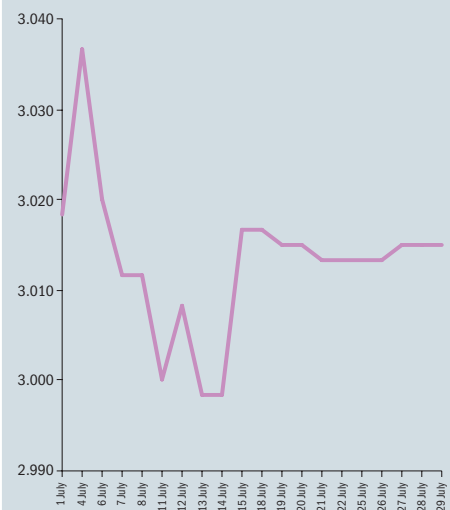
The Bratislava Stock Exchange (BCPB) was open for 20 days in July. During that period, Sk 126.2 billion was traded in 661 transactions. On a month-on-month basis, the trading volume increased by 22.9%.

Chart 23 Benchmark Government Bond No. 204 (%)



Source: NBS.

Chart 24 Five-Year Benchmark Government Bond (%)



Source: NBS.

**Table 30 Yield Payments on Government Bonds**

	Foreign investors		Domestic investors	
	Yields paid (in billions of Sk)	Share of the paid yields (in %)	Yields paid (in billions of Sk)	Share of the paid yields (in %)
July 2004	0.07	1.80	3.81	98.19
July 2005	0.38	11.24	3.00	88.75

Source: NBS.

Table 31 Nominal-Value Repayments on Government Bonds

	Foreign investors		Domestic investors	
	Repaid nominal value (in billions of Sk)	Share of repaid nominal value (in %)	Repaid nominal value (in billions of Sk)	Share of repaid nominal value (in %)
July 2004	0	0	0	0
July 2005	0.09	1.29	6.90	98.57

Source: NBS.

There were 228 bond transactions totalling Sk 126.2 billion in July (i.e. 99.98% of the total trading volume), of which Sk 0.5 billion took place in price-setting transactions (22 contracts) and Sk 125.6 billion in direct transactions (206 contracts).

Bonds

The market capitalisation of bonds amounted to Sk 399.3 billion (a month-on-month increase of 0.3%) on the last trading day of the month. From the end of June, the market capitalisation of quoted bonds grew by 0.2%, to Sk 377.2 billion.

The component of the SDX (Slovak Bond Index) for corporate and bank bonds closed the month at 268.20% of the nominal value (a monthly increase of 0.6%), with an average yield of 3.32% to maturity and a duration of 1.7 years. The component of SDX for government bonds rose by 0.45%, to 255.10% of the nominal value, corresponding to a yield of 2.83% and a duration of 4.4 years.

SDX index

The SDXG for the public sector, represented by government bonds, closed the month at 110.76 (price component) and 118.33 (development component), with a yield of 3.06% to maturity and a duration of 4.6 years. The value of the short-term SDXG(≤ 5) sub-index reached 107.45 (for price) and 113.66 (for development), with a yield of 2.61% to maturity and a duration of 2.56 years. The long-term SDXG(> 5) sub-index closed the month at 114.27 (for price) and 123.29 (for development), with a yield of 3.27% to maturity and a duration of 7.2 years.

SDXGroup indices

The SDXG for the private sector, represented by corporate and mortgage bonds, closed the month at 103.49 (price component) and 113.73 (development component), with a yield of 3.49% to maturity and a duration of 3.02 years. The value of the short-term SDXG(≤ 5) sub-index reached 102.09 (for price) and 112.70 (for development), with a yield of 3.15% to maturity and a duration of 2 years. The long-term SDXG(> 5) sub-index closed the month at 109.12 (for price) and 116.27 (for development), with a yield of 3.83% to maturity and a duration of 6.5 years.

On the basis of a regular revision at the end of July 2005, the current structure of the SDXGroup and SDX bond indices was left unchanged for the period from 1 August 2005 to the end of January 2006.

There were 433 transactions in shares totalling Sk 24.0 billion in July. Of this amount, Sk 9.0 million took place in direct transactions (39 contracts) and Sk 14.9 million in price-setting transactions (394). On a month-on-month basis, the volume traded in shares dropped by 94.0%.

Shares

By the last trading day of July, the market capitalisation of equity securities had fallen month-on-month by 1.7%, to Sk 164.4 billion. The actual amount of issues that had a market price at least once in the past, except for investment fund shares and unit certificates, was Sk 150.9 billion and accounted for 91.8% of the total capitalisation of the stock market. This represented a month-on-month decrease of 1.67%. The market capitalisation of quoted issues decreased from the end of June by 2.3%, to Sk 89.3 billion.

SAX index closed the month at 475.2 points, representing an increase of 8.97% month-on-month and 146.5% year-on-year. The index reached a monthly maximum at the end of July (475.2) and a minimum on 1 July (434.6).

SAX index



Since Nafta shares ceased to be traded on the main quoted market, the BCPB decided to revise the base of the SAX index with effect from 18 July 2005. After the revision, the number of corporations included in the base was reduced to five (Slovnaft, VÚB, OTP Banka Slovensko, Biotika, and SES Tlmače).

2. Monetary Developments in the Euro Area

At its July meeting (07/07/05), 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 one-day loans at 3.00%, and that for overnight deposits at 1.00%.

Chart 25 Key ECB Interest Rates and the EONIA (%)



Source: ECB

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).

2.1. Exchange Rate Developments

At the beginning of July, the exchange rate of the single European currency against the US dollar hovered around the level of USD 1.20/EUR.

During July, the exchange rate of the dollar against the euro was affected primarily by economic factors, such as the rate of unemployment in the USA, the lower trade deficit in May, and the increased business confidence in the euro area. Non-economic factors (e.g. the terrorist attacks in London and Egypt) had no marked impact on the USD/EUR exchange rate. The increase in the interest rate differential between the USA and the euro area caused no significant depreciation in the value of the single currency. On the other hand, the revaluation of the Chinese currency caused no marked pressure for appreciation in the US dollar in the long-term. At the end of the month, the exchange rate hovered around the level of USD 1.21/EUR.

During July, the euro appreciated in relation to the US dollar by 0.05% 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 10.47%.

2.2. Real Economy

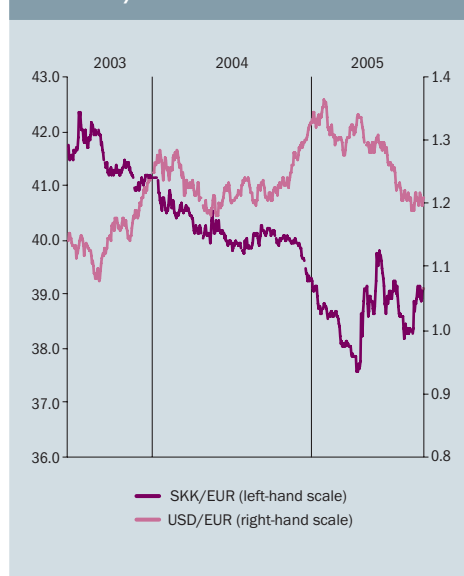
According to a flash Eurostat estimate, the euro area economy grew in the second quarter of 2005 by 0.3% compared with the previous quarter, while increasing in comparison with the same quarter of 2004 by 1.2%. In the first quarter of 2005, euro area GDP grew by 0.5%.

The 12-month inflation rate in the euro area, expressed in terms of the Harmonised Index of Consumer Prices (HICP), increased to 2.1% in June, from 2.0% in the previous month. The strongest year-on-year dynamics were recorded in consumer prices in Greece, Spain, and Luxembourg (3.2%). The steepest year-on-year increases took place in prices for dwelling (4.8%), alcohol and tobacco products (4.0%). Price levels fell in telecommunications (by 2.1%), and recreation and culture (by 0.3%). In the same period a year earlier, consumer prices in the euro area rose by 2.4%. Eurostat foresees a year-on-year inflation rate of 2.2% in July.

In June, industrial producer prices increased year-on-year by 4.0% and month-on-month by 0.5%.

On a year-on-year basis, retail sales increased by 0.9% and in comparison with the previous month by 0.4% in June.

Chart 26 Exchange Rates: SKK/EUR and USD/EUR



Source: NBS and ECB.

The rate of unemployment (seasonally adjusted) remained unchanged in June, at the level of the previous month (8.7%). The lowest unemployment rates were achieved in Ireland (4.3%), the Netherlands (4.8%), and Austria (5.1%). The highest unemployment rates within the euro area were recorded in Greece (9.9% in March 2005), Spain (9.8%), and France (9.7%). In relative terms, the most significant increases



in the year-on-year unemployment rates occurred in Luxembourg (from 4.8% to 5.4%) and Portugal (from 6.7% to 7.1%). In the same period a year earlier, the unemployment rate in the euro area stood at 9.0%.

According to the first Eurostat estimate, foreign trade in the euro area resulted in a surplus of EUR 2.2 billion in May 2005, compared with EUR 7.2 billion in the same period a year earlier. Compared with the previous month, euro area exports (seasonally adjusted) increased in May by 1.4%, while imports grew by 2.6%.

3. Methodological Notes to Selected Indicators

3.1. Monetary Statistics

3.1.1. Statistics of Monetary Aggregates (ECB Methodology)

The methodology of the ECB is implemented on the basis of data from harmonised statements of monetary and banking statistics, which were introduced by the NBS in 2003. According to the ECB methodology, monetary aggregates were calculated in 2003 and 2004 on the basis of a harmonised balance from the 'M (NBS) 1-12 – Statistical Balance' monthly statement, from which the NBS compiles a consolidated balance for the 'monetary financial institutions' (MFI) sector. In 2003, as in the national methodology, the MFI sector was composed of the National Bank of Slovakia, commercial banks with a registered office in the SR, home savings banks (building societies), and the local branches of foreign banks. With effect from January 2004, in accordance with the ECB methodology, the MFI sector has been extended to include money market investment funds, which are now required to report to the NBS on a monthly basis (the list of all MFIs monitored by the NBS is regularly updated on the web site of the National Bank of Slovakia)⁴.

From the monthly statistical balances of resident MFIs, an aggregate balance is compiled, as a summary of statistical balances of MFIs for assets and liabilities in all currencies. Then, a consolidated balance is compiled from the aggregate balance of MFIs, through the compensation (netting) of positions between the MFIs, as a basis for the calculation of monetary aggregates and the M3 counterparts. During consolidation, the mutual relations of MFIs are excluded from the aggregate balance as follows:

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

Table 30 Calculation of Monetary Aggregates

Methodology of the NBS	Methodology of the ECB
	<i>(the items are included in the individual sub-aggregates in both Slovak koruna and foreign currency)</i>
Currency outside banks (M0)	Currency outside banks (M0)
+	+
Demand deposits (in SKK)	Daily (overnight) deposits and loans received
= Money (M1 – 'narrow money')	= M1 ('narrow money')
Time deposits (all maturities, in SKK)	+ Deposits and loans received, with an agreed maturity of up to 2 years
+	+ Deposits and loans received, at a period of notice of up to 3 months
Deposits in foreign currency	= M2 ('intermediate money')
= Quasi-money (QM)	+ repo operations
	+ shares and participation certificates of money market investment funds
	+ debt securities issued, with a maturity of up to 2 years, and other money market products
M2 money supply (M1 + QM)	M3 monetary aggregate ('broad money')

The main differences between the individual methodologies are as follows:

- **definitions of monetary financial institutions:**
 - the ECB methodology uses an extended file of monetary financial institutions (MFIs), which includes the NBS, commercial banks, and money market investment funds – the deposits of

⁴ The actual list of monetary financial institutions (MFIs) and detailed methodological information on harmonised monetary and banking statistics are available on the web site of the National Bank of Slovakia (<http://www.nbs.sk>) in the section 'Harmonised Monetary and Banking Statistics' in the menu 'Banking Sector in the SR.'



- money market investment funds (MMIFs) in commercial banks are treated in this sense as interbank operations and are not directly included in the monetary aggregates;
- the NBS methodology includes only NBS and commercial bank liabilities in the monetary aggregates – hence the deposits of money market investment funds (MMIFs) in commercial banks appear in the balances of commercial banks as customer deposits in financial institutions and are directly included in the M2 money supply;
- **the nature and liquidity of the resources:**
 - the ECB methodology monitors liquidity through the broader M3 aggregate, which also includes repo operations, the unit certificates of open-end money market investment funds, and debt securities, which represent, in terms of liquidity and profitability, a substitute for bank deposits. As for maturity, the liabilities of the ECB with a maturity of more than 2 years are not included in the monetary aggregates;
 - the NBS methodology monitors the money supply measured in terms of the M2 aggregate, which is composed of currency in circulation and bank deposits irrespective of the time of maturity;
 - **definitions of deposits and loans:**
 - the ECB methodology extends the definition of deposits to include subordinated debt in the form of deposits, liabilities arising from repo operations, and non-negotiable securities issued by banks and held by clients (in the case of loans, they include non-negotiable securities issued by clients and held by banks, subordinated debt in the form of loans, claims related to repo operations, and tradable loans);
 - the NBS methodology uses a so-called narrow definition for loans and deposits, i.e. they only correspond to the amount of funds recorded by MFIs as loans (including classified loans) and deposits;
 - **in the composition of monetary aggregates:**
 - the ECB methodology (with the deposits of MMIFs being deducted from customer deposits) covers the above-mentioned sectors and the deposits of local governments (S.1313) and social insurance funds (S.1314)⁵;
 - the NBS methodology includes deposits in the M2 money supply from the following economic sectors:
 - *non-financial corporations (S.11);*
 - *financial corporations (S.123 and S.124) – including MMIF deposits;*
 - *insurance companies and pension funds (S.125);*
 - *non-profit institutions mainly serving households (S.15);*
 - *households (S.14 - sole traders);*
 - *households (S.14 - accounts of citizens).*
 - **in respect of the residence of economic entities:**
 - the ECB methodology exclusively takes into account the funds of residents (in Slovak koruna as well as foreign currency);
 - the NBS methodology also monitors the koruna deposits of non-residents in the monetary aggregates;
 - **in respect of accrued assets and liabilities:**
 - in the ECB methodology, accrued assets and liabilities are excluded from the monetary aggregates;
 - in the NBS methodology, accrued assets and liabilities are included in the deposit and loan accounts of clients;
 - **in respect of the seasonal adjustment of time series:**
 - unlike the ECB methodology, the NBS methodology uses seasonally unadjusted data⁶.

3.1.2. Statistics of Monetary Aggregates (NBS methodology – Monetary Survey)

In 2005, the reporting of loans to enterprises and households was affected by a methodological change, which resulted from the decision of the International Center for the Settlement of Investment Disputes (ICSID) in Washington, settling the long-lasting trade dispute between ČSOB and the Slovak Republic

⁵ In the methodology of the NBS, the M2 money supply excludes public sector deposits, which are monitored separately as part of net credit to the general government.

⁶ In the conditions of the NBS, the recording of seasonally adjusted data according to the methodology of the ECB is currently in the stage of preparation.



(with regard to the fact that the claim of ČSOB on Slovenská inkasná, s.r.o., was originally classified in the Monetary Survey as a loan to enterprises). Since Slovenská inkasná, s.r.o. was placed under bankruptcy proceedings on 6 May 1998 and its liabilities were removed from the statistical records of the NBS with effect from April 1998, the statistically recorded volume of loans to enterprises in the Monetary Survey was increased by the last known amount of ČSOB's receivable from Slovenská inkasná, s.r.o. in order to maintain the continuity of the time series concerned. As this receivable (including interest) has become a liability for the SR Government under the ruling of the international tribunal, it is presently monitored in the Monetary Survey separately, as part of net credit to the general government, without a need for further methodological adjustments to the statistically recorded volume of loans to enterprises and households (with effect from 1 January 2005).

In order to maintain the consistency of time series, loans to enterprises recorded in the Monetary Survey were revised in 2004 so that only the statistically registered volume of loans is recorded, as in 2005 (excluding the receivable of ČSOB from Slovenská inkasná).

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

With effect from 2005, customer interest rates on loans and deposits will be analysed in the situation reports (Monetary Surveys) according to ECB methodology (statistics since 2004). In contrast with the previously applied national methodology, a characteristic feature of the ECB methodology is the evaluation of interest rates on loans provided⁷ and deposits received (new contracts). According to this methodology, the subjects of monitoring are interest rates on new contracts (new business). New loans and new deposits are understood to be contracts signed for the first time, fixing the rate of interest agreed between the bank and the client, and new contracts re-negotiated with the active participation of the client.

In a breakdown by sector, lending and deposit rates for households and non-financial corporations will be analysed separately, in the way these sectors are defined in Directive No. 63/2002⁸ of the European Central Bank, concerning interest rate statistics.

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

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

Loans to households are classified by purpose as follows:

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

⁷ The term 'loan provided' is an equivalent of the term 'new loan'.

⁸ According to Article 1 paragraph 2 of Decree No. 63/2002 of the European Central Bank of 20 December 2001, concerning the statistics of interest rates of monetary financial institutions on loans to and deposits from households and non-financial corporations, the term 'households' in the definitions in Annex A to Directive No. 2223/96 of the European Communities of 25 June 1996 on the European System of National and Regional Accounts (ESA95) means the household sector S.14 (i.e. the population and sole traders) and non-profit institutions serving households S.15, and the term 'non-financial corporations' means sector S.11.



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

- current account overdrafts
- investment loans
- operation loans
- real estate loans
 - mortgage loans
 - building loans
 - intermediate loans
 - other real estate loans
- other loans

Classification of deposits (for both households and non-financial corporations):

- deposits payable on demand
 - demand deposits
 - overnight deposits
- deposits with agreed maturity
 - up to 1 year
 - up to 7 days
 - up to 1 month
 - up to 3 months
 - up to 6 months
 - up to 1 year
 - more than 1 year
 - up to 2 years
 - over 2 years
- savings deposits
 - redeemable at a period of notice of up to 3 months
 - redeemable at a period of notice of over 3 months

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

Subsidies granted to clients by third parties are not taken into account in determining the rate of interest, because subsidies are neither paid nor received by banks. For example, interest rates on mortgage loans with a government bonus were recorded last year without the government bonus.

With effect from this year, the NBS will also monitor interest rates on new loans and new deposits in euros; they will begin to be analysed when a sufficiently long time span is available for the NBS (at least 12 months).

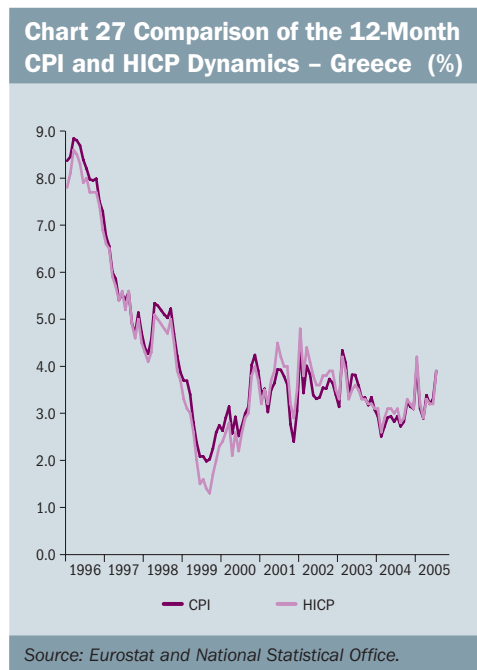
3.2. Balance of Payments

The compilation of the balance of payments is subject to two methodological changes in 2005. One of them is a change in the methodology of calculating the compensation of employees and will affect the balance of income (employee compensation received will be increased by social contributions paid in the host country) and current transfers (social contributions will be included in current transfers paid). These changes will have no impact on the overall balance of the current account. The second change against the methodology of previous years will be the reporting of reinvested earnings as part of in the income balance. Although the inclusion of reinvested earnings in the balance of income will mean an increase in the current account deficit, reinvested earnings will exert no pressure for an external imbalance, for they will have a counterpart in foreign direct investment.

4. Analysis of the Differences Between CPI and HICP Dynamics in Selected EMU Member States

The purpose of this analysis is to make a comparison between CPI and HICP dynamics in selected EMU countries and Slovakia. It may lead to a better understanding of the differences between the CPI and HICP, which may subsequently be utilised in the preparation of short-term as well as medium-term HICP-based consumer price forecasts.

Of the countries under analysis (Greece, Spain, Portugal, Ireland, and Slovakia), the largest differences between the two consumer price indices were recorded in Ireland and the smallest in Spain, while Slovakia was among the countries with smaller differences. These differences depend on the extent to which the harmonised indices of individual countries are comparable with the national indices (the size of differences within the consumer basket structure). Of the countries under analysis, this problem is most apparent in Ireland.



Greece

The differences between the year-on-year dynamics of the CPI and HICP in Greece may be divided into two periods. From 1996 to 2000, the CPI showed stronger dynamics (by up to 0.6 of a percentage point) most of the time. From 2001 to 2005, however, faster year-on-year dynamics were shown by the HICP inflation (by up to 0.5 of a percentage point). As from 2003, the differences show a tendency to diminish and do not exceed 0.2 of a percentage point.



Spain

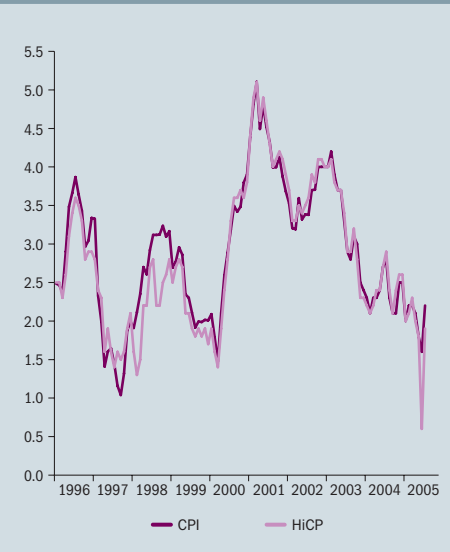
In the case of Spain, there are minimum differences between the 12-month dynamics of the CPI and HICP, up to 0.2 of a percentage point, except for 2001, when a difference of 1.6 percentage points was recorded (August 2001). However, the cause of these differences cannot be identified from the available data. Historical data indicate that, as in the case of other countries under analysis, the period from January 1996 to the beginning of 2000 saw a faster rate of year-on-year increase in the CPI, while the period starting from 2000 (except for 2001 and the beginning of 2002) saw stronger dynamics mostly on the part of the HICP.

Portugal

In Portugal, the differences between the year-on-year dynamics of the CPI and HICP showed a tendency to diminish gradually from 1996 to 2005. The largest differences were recorded in 1998; they ranged up to 1.0 percentage point. However, the differences gradually diminished: the maximum difference since 1999 reached 0.3 of a percentage point, except for the last two months under review (June and July 2005).

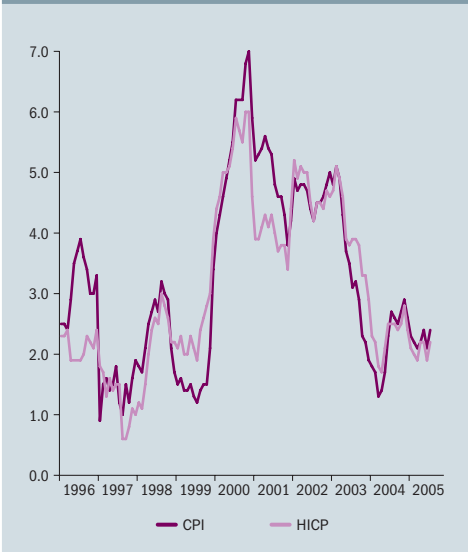


Chart 29 Comparison of the 12-Month CPI and HICP Dynamics – Portugal (%)



Source: Eurostat and National Statistical Office.

Chart 30 Comparison of the 12-Month CPI and HICP Dynamics – Ireland (%)



Source: Eurostat and National Statistical Office.

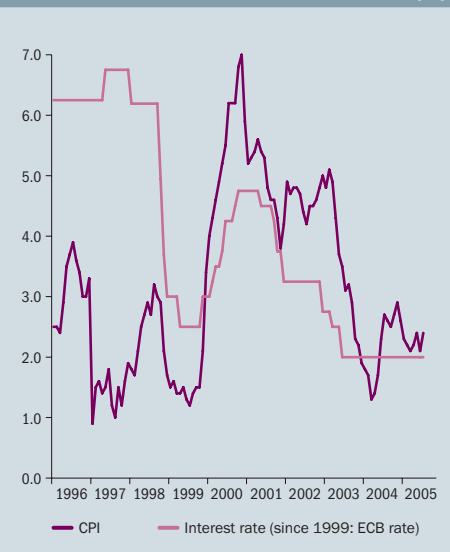
Ireland

Among the countries under analysis, the largest differences in year-on-year dynamics between the CPI and HICP were reported from Ireland. The largest difference (2.0 percentage points) was recorded in July 1996. These large differences arise from the differences in structure between the consumer baskets for the HICP and CPI; Ireland’s CPI contain several items that are not included in the HICP, such as interest paid on mortgage loans, building materials, trade union membership fees, etc.

Slovakia

The differences in year-on-year dynamics between Slovakia’s CPI and HICP may be divided into three periods. From January 1997 to December 1999, the CPI showed stronger year-on-year dynamics than the HICP, most of the time. From January 2000 to December 2002, however, the dynamics of the HICP exceeded the figure for the CPI. From January onwards, the CPI showed stronger year-on-year dynamics than the HICP. The largest difference was recorded in December 2001, when the 12-month dynamics

Chart 31 Comparison of CPI Inflation and Basic Interest Rates in Ireland (%)



Source: Eurostat and National Statistical Office.

Chart 32 Comparison of the 12-Month CPI and HICP Dynamics – Slovakia (%)



Source: Eurostat and Statistical Office of the SR.



of the HICP was 0.4 of a percentage point stronger than the figure for the CPI. The largest difference in year-on-year dynamics in favour of the CPI was recorded in August 2004 (0.28 of a percentage point).

Of the total number of observations, i.e. 89 (from December 1997 to April 2005), the year-on-year dynamics of the CPI was stronger in 48 cases and weaker in 41 cases. The CPI showed stronger year-on-year dynamics in the periods from December 1997 to March 1998, January to December 1999, December 2002 to March 2003, and from July 2003 to date.

In conclusion, we may say that, despite the marked differences recorded in the past, there is a noticeable diminishing trend in the differences between HICP and CPI dynamics in all countries under analysis.



5. Tables

Selected Indicators of Economic and Monetary Development in the SR

	Unit	2004						2005						
		7	8	9	10	11	12 ^(p)	1	2	3	4	5	6	7
REAL ECONOMY														
Gross domestic product ^{1) 2)}	SKK billions	-	-	615.2 ^(p)	-	-	826.5 ^(p)	-	-	200.65 ^(p)	-	-	-	-
Year-on-year change in GDP ³⁾	%	-	-	5.3 ^(p)	-	-	5.5 ^(p)	-	-	5.1 ^(p)	-	-	-	-
Unemployment rate ^{4) 16)}	%	13.7	13.2	13.14	12.7	12.6	13.1	13.4	13.1	12.7	11.9	11.3	11.1	-
Consumer prices (CPI) ^{3) 15)}	%	-	-	-	-	-	-	3.1	2.6	2.3	2.5	2.3	2.5	2.0
Consumer prices (HICP) ³⁾	%	8.5	7.2	6.7	6.6	6.3	5.9	3.2	2.7	2.5	2.7	2.4	2.5	2.0
BALANCE OF TRADE ^{2) 11) (p)}														
Exports (fob)	SKK millions	510,149	580,122	659,719	744,196	826,578	895,205	68,834	143,286	226,779	313,072	399,040	486,725	-
Imports (fob)	SKK millions	527,918	603,164	687,351	775,853	863,705	942,160	67,072	137,597	214,770	293,455	374,499	459,061	-
Balance	SKK millions	-17,769	-23,042	-27,632	-31,657	-37,127	-46,955	-1,762	-5,689	-12,009	-19,617	-24,541	-27,664	-
BALANCE OF PAYMENTS ²⁾														
Current account ¹¹⁾	SKK millions	-21,161.9	-28,844.5	-33,315.3	-30,996.2	-34,698.3	-46,026.2	-4,200.9	-3,147.0	-6,483.0	-11,893.6	-33,823.4	-	-
Capital and financial account	SKK millions	60,391.2	57,763.6	55,078.2	58,176.1	54,848.7	95,646.4	10,754.1	69,758.2	118,449.3	116,127.4	93,185.3	-	-
Overall balance	SKK millions	44,184.7	39,298.8	32,987.4	33,599.4	31,116.7	55,205.1	10,715.8	79,042.4	110,225.2	101,864.8	70,082.2	-	-
FOREIGN EXCHANGE RESERVES ^{4) 7)}														
Total foreign exchange reserves	USD millions	14,302.7	14,344.0	14,410.9	14,822.6	15,466.1	16,778.7	16,602.6	18,854.6	19,940.1	19,694.4	17,751.8	17,165.7	-
NBS foreign exchange reserves	USD millions	13,220.3	13,128.3	13,218.7	13,517.1	13,912.9	14,913.1	14,811.2	17,218.5	18,062.1	18,061.3	16,211.5	15,590.0	-
GROSS EXTERNAL DEBT ^{4) 9)}														
Total gross external debt	USD billions	19.0	18.9	19.5	20.7	21.8	23.7	24.0	26.6	28.2	27.9	26.5	-	-
External debt per capita	USD	3,534	3,520	3,632	3,842	4,059	4,405	4,456	4,942	5,237	5,190	4,919	-	-
MONETARY INDICATORS														
Exchange rate ⁵⁾	SKK/USD	32.512	32.939	32.825	32.081	30.532	29.074	29.348	29.259	28.885	30.249	30.672	31.641	32.22
Money supply (M2) ^{4) 6) 12) 14)}	SKK billions	736.8	742.3	748.4	749.3	758.4	779.9	-	-	-	-	-	-	-
Year-on-year change in M2 ³⁾	%	5.0	4.7	6.2	5.4	5.5	7.5	-	-	-	-	-	-	-
M3 monetary aggregate ^{4) 15)}	SKK billions	-	-	-	-	-	-	762.7	768.4	767.9	782.0	772.3	772.3	-
Year-on-year change in M3 ³⁾	%	-	-	-	-	-	-	10.4	10.2	12.3	12.6	12.8	9.3	-
Loans to enterprises and households ^{4) 6) 13) 14)}	SKK billions	391.2	395.4	402.1	408.3	409.3	409.2	-	-	-	-	-	-	-
Claims of monetary financial institutions ¹⁵⁾	SKK billions	-	-	-	-	-	-	701.4	696.8	707.6	707.0	714.5	724.7	-
STATE BUDGET ^{2) 4)}														
Revenue	SKK billions	139.1	153.7	172.8	195.9	213.7	242.4	24.6	39.8	65.0	90.6	105.4	126.4	154.2
Expenditure	SKK billions	157.7	178.5	202.3	226.4	247.8	312.7	20.3	40.9	62.2	84.3	109.3	127.6	152.3
Balance	SKK billions	-18.6	-24.8	-29.4	-30.5	-34.1	-70.3	4.3	-1.1	2.8	6.3	-3.9	-1.1	1.9
CUSTOMER RATES														
Average interest rate on:														
- one-year deposits	%	3.46	3.38	2.95	2.91	2.83	2.71	2.49	2.46	2.37	2.18	2.13	2.07	-
- short-term loans ⁸⁾	%	6.51	6.49	6.47	6.57	6.46	5.87	6.15	5.80	5.51	5.53	5.54	5.75	-
- new short-term loans	%	8.26	8.21	8.11	8.10	8.16	7.45	7.65	6.70	6.79	7.12	7.31	7.34	-
MONEY MARKET														
Interest rates set by the NBS Bank Board														
Date of maturity ¹⁰⁾		1.7.2004	1.7.2004	1.7.2004	1.7.2004	29.11.2004	29.11.2004	29.11.2004	29.11.2004	1.3.2005	1.3.2005	1.3.2005	1.3.2005	1.3.2005
Overnight operations														
- sterilisation	%	3.00	3.00	3.00	3.00	2.50	2.50	2.50	2.50	2.00	2.00	2.00	2.00	2.00
- refinancing	%	6.00	6.00	6.00	6.00	5.50	5.50	5.50	5.50	4.00	4.00	4.00	4.00	4.00
Limit rate for 2-week repo tenders	%	4.50	4.50	4.50	4.50	4.00	4.00	4.00	4.00	3.00	3.00	3.00	3.00	3.00
Basic interest rate of the NBS (until 31/12/02: discount rate)	%	4.50	4.50	4.50	4.50	4.00	4.00	4.00	4.00	3.00	3.00	3.00	3.00	3.00
Average interbank deposit rate (BRIBOR)														
overnight	%	3.92	4.06	3.98	3.94	4.35	3.22	4.25	2.58	2.09	2.27	2.90	2.77	2.53
7-day	%	4.20	4.25	4.30	4.33	4.44	3.78	4.03	2.63	2.37	2.70	2.92	2.93	2.88
14-day	%	4.26	4.25	4.33	4.38	4.42	3.85	3.98	2.69	2.41	2.75	2.92	2.96	2.94
1-month	%	4.15	4.14	4.25	4.37	4.36	3.82	3.87	2.84	2.37	2.72	2.88	2.93	2.95
2-month	%	4.05	4.05	4.19	4.34	4.31	3.81	3.75	2.89	2.33	2.63	2.82	2.90	2.92
3-month	%	3.96	3.96	4.16	4.26	4.22	3.74	3.66	2.90	2.29	2.56	2.75	2.88	2.89
6-month	%	3.85	3.86	4.05	4.12	4.07	3.66	3.46	2.88	2.31	2.50	2.67	2.79	2.83
9-month	%	3.77	3.79	3.95	4.05	4.00	3.64	3.38	2.87	2.32	2.47	2.64	2.74	2.79
12-month	%	3.71	3.75	3.93	4.03	3.97	3.62	3.34	2.86	2.33	2.46	2.64	2.71	2.77

1) Constant prices, average for 1995.

2) Cumulative since the beginning of the year.

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

4) End-of-period figures.

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

6) At fixed initial exchange rates from 1 January 1993.

7) Methodological change with effect from 1 January 2002.

8) Excluding loans at zero interest rate.

9) Methodological change with effect from 1 January 1999.

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

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

12) As from January 2005, the NBS focuses on the analysis of M3 monetary aggregate.

13) As from January 2005, 'loans to enterprises and households' are replaced by the 'claims of monetary financial institutions' aggregate.

14) Since the Monetary Survey is at current exchange rates (as from January 2005), data on the 'M2 money supply' and 'loans to enterprises and households' must also be obtained at current rates.

The data are available on the web site of the NBS.

15) According to the methodology of the ECB.

16) Registered unemployment.

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



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

	Share of the total (in %) ¹⁾	Volume (Sk billions)												
		2004						2005						
		6	7	8	9	10	11	12	1	2	3	4	5	6
Claims of MFIs on residents	33.5	411.9	409.1	414.0	419.2	425.1	423.7	439.0	428.4	429.0	441.1	449.4	457.2	467.7
General government	1.6	27.7	27.8	28.3	27.5	27.9	27.8	41.3	25.2	24.9	24.1	24.0	23.8	22.8
Private sector	31.9	384.2	381.3	385.6	391.7	397.2	395.9	397.7	403.2	404.1	417.0	425.4	433.4	444.9
Non-financial corporations	17.9	239.4	232.3	233.8	234.8	237.9	233.9	225.3	230.1	228.9	236.9	241.6	244.6	249.5
– up to 1 year	7.8	102.7	101.2	101.9	101.4	102.9	101.1	91.6	96.2	94.6	99.9	104.1	107.6	109.1
– 1 to 5 years	3.9	60.7	57.9	57.0	57.6	56.8	57.3	57.9	57.6	57.5	56.9	54.1	53.8	54.3
– over 5 years	6.2	76.0	73.2	74.9	75.8	78.2	75.5	75.7	76.3	76.8	80.1	83.3	83.2	86.1
Financial corporations	3.2	38.0	39.0	38.8	40.7	40.0	39.3	44.2	43.2	43.0	43.9	43.7	43.6	44.3
Insurance corporations and pension funds	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.1
Households and non-profit institutions serving households	10.8	106.8	110.0	113.1	116.2	119.2	122.7	128.2	129.9	132.2	136.1	140.2	145.2	151.0
– consumer loans	1.6	15.0	15.1	15.2	15.5	16.0	16.8	19.9	19.0	18.9	19.6	20.5	21.8	22.7
– housing loans	7.1	75.7	77.5	79.5	81.6	83.2	85.1	87.9	87.8	89.5	91.0	93.1	96.0	99.7
– other loans	2.1	16.2	17.4	18.4	19.1	20.0	20.8	20.4	23.1	23.9	25.5	26.6	27.5	28.6
Securities other than shares and participation certificates issued by residents	18.0	263.9	264.7	269.7	277.3	276.5	281.4	266.0	268.6	263.4	261.9	253.1	251.9	250.8
General government	17.1	250.4	251.2	256.2	264.0	263.0	268.1	253.9	256.2	251.1	249.6	240.7	239.4	238.3
Private sector	0.9	13.5	13.5	13.6	13.3	13.5	13.3	12.2	12.4	12.3	12.4	12.4	12.5	12.5
Shares and other equities issued by private sector	0.4	3.9	3.9	3.9	3.9	4.0	4.0	4.1	4.4	4.4	4.5	4.5	5.4	6.2
Foreign assets	42.3	479.1	505.3	506.0	497.6	492.8	490.9	591.6	522.3	574.7	628.9	636.6	592.8	590.5
Fixed assets	2.5	35.6	35.5	35.6	35.6	35.6	35.6	36.6	34.8	34.6	34.5	34.5	34.5	34.5
Other assets	3.3	32.0	31.1	31.4	31.7	34.5	36.6	36.5	38.3	39.0	41.0	44.9	45.3	45.8
Deposits and loans received from the central government	6.0	166.5	157.5	160.0	159.7	154.4	156.4	125.4	125.5	97.3	99.9	98.7	73.4	84.1
Long-term financial liabilities	13.6	203.0	206.1	206.1	200.9	196.5	185.7	180.9	184.2	177.7	191.9	197.9	191.7	189.1
Deposits and loans received with an agreed maturity of over 2 years	3.8	48.5	48.7	48.5	48.2	48.0	48.2	51.8	52.9	53.5	52.7	52.7	52.2	52.9
Deposits redeemable at a period of notice of over 3 months	2.1	40.3	38.9	37.5	36.7	35.9	34.9	34.4	31.9	30.8	30.0	29.5	29.1	28.8
Debt securities issued with a maturity of over 2 years	1.0	9.9	10.0	10.0	10.5	11.2	11.6	12.2	13.6	13.9	14.2	12.5	13.3	13.3
Capital, reserves, and provisions	6.7	104.3	108.5	110.2	105.5	101.5	91.0	82.5	85.8	79.5	95.0	103.2	97.1	94.1
Foreign liabilities	21.2	107.2	132.0	132.1	129.2	136.2	134.5	254.4	183.6	257.5	307.3	298.5	297.4	296.3
Other liabilities	3.7	43.1	37.9	35.2	37.6	38.9	45.1	42.0	45.6	50.1	51.8	50.1	52.8	51.4
Surplus of liabilities among MFIs	0.2	-0.3	-0.1	-0.2	-0.1	-1.1	-0.7	0.0	-4.8	-5.9	-6.9	-4.1	-0.6	2.2
M3	55.3	706.8	716.2	727.3	738.1	743.6	751.2	771.2	762.7	768.4	767.9	782.0	772.3	772.3
Total	100.0	1,226.3	1,249.5	1,260.5	1,265.3	1,268.5	1,272.2	1,373.9	1,296.8	1,345.1	1,411.9	1,423.1	1,387.0	1,395.5

1) In the current month.



Monetary Survey

(At current exchange rates)

(SKK billions)

	2004							2005						
	30.6.	31.7.	31.8.	30.9.	31.10.	30.11.	31.12.	1.1.	31.1.	28.2.	31.3.	30.4.	31.5.	30.6.
Current SKK/USD exchange rate	32.844	33.370	33.408	32.492	31.386	29.627	28.496	28.496	29.447	28.710	29.943	30.667	31.213	31.825
Current SKK/EUR exchange rate	39.946	40.138	40.218	40.048	39.940	39.288	38.796	38.796	38.426	37.880	38.832	39.636	39.068	38.370
ASSETS														
Net foreign assets	195.2	205.0	211.8	189.4	179.2	177.9	169.5	168.9	173.4	178.4	199.1	209.1	182.6	153.4
Foreign assets	456.6	481.9	483.8	473.0	470.0	463.1	484.0	483.3	494.9	547.5	602.7	610.2	560.9	554.1
Foreign liabilities	261.4	276.9	272.0	283.6	290.8	285.2	314.5	314.4	321.5	369.1	403.6	401.1	378.3	400.7
Net domestic assets	547.5	543.6	542.6	570.4	581.0	588.6	615.9	615.6	599.6	599.6	574.1	576.2	588.7	625.4
Domestic credits	701.6	701.8	714.4	724.8	734.1	735.2	755.7	770.0	762.9	766.6	776.3	777.3	783.2	788.4
Net credit to general government	311.3	314.2	322.6	326.9	330.3	333.0	354.4	368.6	355.2	357.6	354.5	346.5	344.4	338.4
- Net credit to government (excluding the NPF)	325.3	320.5	329.3	333.6	337.0	336.7	357.6	371.8	358.4	360.5	357.4	349.4	346.6	342.4
- Net credit to the National Property Fund	-14.0	-6.3	-6.7	-6.7	-6.7	-3.7	-3.2	-3.2	-3.2	-2.9	-2.9	-2.9	-2.2	-4.0
Credits to enterprises and households	390.3	387.6	391.8	397.9	403.8	402.2	401.3	401.4	407.7	409.0	421.8	430.8	438.8	450.0
Credits in Slovak koruna	304.2	301.6	306.2	311.7	314.3	319.1	318.2	318.3	322.3	326.8	333.1	332.8	339.8	350.0
- Credits to enterprises ¹⁾	205.2	199.9	201.1	204.0	203.8	205.7	201.5	201.6	203.5	205.6	208.5	204.7	206.5	211.7
- Credits to households	99.0	101.7	105.1	107.7	110.5	113.4	116.7	116.7	118.8	121.2	124.6	128.1	133.3	138.3
Credits in foreign currency	86.1	86.0	85.6	86.2	89.5	83.1	83.1	83.1	85.4	82.2	88.7	98.0	99.0	100.0
LIABILITIES														
Money Supply (M2)	742.7	748.6	754.4	759.8	760.2	766.5	785.4	784.5	773.0	778.0	773.2	785.3	771.3	778.8
Money (M1)	279.2	279.7	282.8	288.7	284.8	293.4	311.3	309.6	299.4	315.7	313.1	318.6	326.8	331.0
Currency outside banks (M0)	93.2	93.8	95.4	96.3	97.6	97.8	100.5	100.4	100.5	101.5	102.8	105.2	106.3	108.1
Demand deposits	186.0	185.9	187.4	192.4	187.2	195.6	210.8	209.2	198.9	214.2	210.3	213.4	220.5	222.9
- Households	87.8	89.2	89.6	90.5	91.1	92.4	96.2	94.7	97.8	102.6	104.3	106.9	109.5	110.6
- Enterprises	96.3	94.2	95.7	99.6	94.3	100.7	113.2	113.1	98.1	107.8	103.7	103.9	108.1	109.8
- Insurance companies	1.9	2.5	2.1	2.3	1.8	2.5	1.4	1.4	3.0	3.8	2.3	2.6	2.9	2.5
Quasi-money (QM)	463.5	468.9	471.6	471.1	475.4	473.1	474.1	474.9	473.6	462.3	460.1	466.7	444.5	447.8
Time and savings deposits	368.8	379.5	381.1	378.3	377.0	374.1	386.2	386.9	385.1	381.1	381.6	388.7	368.9	368.7
- Households	230.3	228.1	225.2	224.0	222.8	221.1	222.8	223.9	222.9	218.1	213.5	210.5	206.1	203.7
- Enterprises	122.2	129.3	133.9	131.2	133.2	131.5	136.5	136.4	137.3	138.9	144.5	153.7	139.5	137.5
- Insurance companies	16.3	22.1	22.0	23.1	21.0	21.5	26.9	26.6	24.9	24.1	23.6	24.5	23.3	27.5
Foreign-currency deposits	94.7	89.4	90.5	92.8	98.4	99.0	87.9	88.0	88.5	81.2	78.5	78.0	75.6	79.1
- Households	49.4	49.3	48.7	48.3	47.8	46.1	44.4	42.5	41.4	39.8	39.4	39.5	39.2	38.9
- Enterprises	45.3	40.1	41.8	44.5	50.6	52.9	43.5	45.5	47.1	41.4	39.1	38.5	36.4	40.2
Other items net	154.1	158.2	171.8	154.4	153.1	146.6	139.8	154.4	163.3	167.0	202.2	201.1	194.5	163.0

Memorandum Items

Net foreign assets of the banking sector (excluding foreign liabilities of government)	385.8	390.9	396.6	380.8	373.1	367.5	360.0	359.3	366.7	363.7	406.9	423.8	361.5	337.5
- of which: foreign assets	456.6	481.9	483.8	473.0	470.0	463.1	484.0	483.3	494.9	547.5	602.7	610.2	560.9	554.1
- of which: foreign liabilities	70.8	91.0	87.2	92.2	96.9	95.6	124.0	124.0	128.2	183.8	195.8	186.4	199.4	216.6
Net credit to the central government	427.8	426.8	432.7	439.3	440.5	440.6	446.7	-	-	-	-	-	-	-
Net credit to the general government (excluding foreign liabilities of government)	182.4	185.2	191.7	198.4	202.4	207.2	230.6	244.8	232.9	237.2	233.1	222.7	251.6	247.3
- of which: liabilities of government and NPF	417.8	417.0	395.4	409.0	409.4	422.0	456.7	412.4	398.9	376.0	373.7	365.3	369.8	373.0
- of which: claims of government and NPF	235.4	231.8	203.7	210.6	207.0	214.8	226.1	167.6	166.0	138.8	140.6	142.6	118.2	125.7
Foreign liabilities of government	128.9	129.0	130.9	128.5	127.9	125.8	123.8	123.8	122.3	120.4	121.4	123.8	92.8	91.1
Other public sector deposits in NBS ²⁾	9.5	12.0	14.6	14.6	18.3	16.6	11.6	-	8.6	9.4	3.0	3.7	3.2	0.6
Money market fund shares/units	20.2	22.3	24.7	26.7	28.4	30.7	32.7	-	36.0	39.7	42.4	44.0	45.9	46.4

1) Revision of data for 2004 (see section 3. Methodological Notes to Selected Indicators in annexes).

2) Deposits of higher territorial units, deposits of government in foreign currency (EU funds) and non-budgetary deposits of government agencies in NBS are included in Net credit to government, since 1 January 2005.



Average Interest Rates on New Loans

(ECB methodology)

(%)

	2004							2005					
	6	7	8	9	10	11	12	1	2	3	4	5	6
Loans in total¹⁾	7.64	7.21	7.17	7.17	7.29	7.32	5.60	6.94	6.22	6.15	6.17	6.39	6.23
Current account overdrafts	8.38	7.86	7.90	7.74	8.08	7.75	7.48	7.72	7.08	6.62	6.60	6.80	6.72
Operation loans	-	-	-	-	-	-	-	4.74	3.32	3.49	3.78	3.92	3.99
Investment loans	-	-	-	-	-	-	-	5.41	4.67	5.05	5.16	5.24	4.27
Consumer loans	15.57	14.30	13.89	13.66	12.83	13.89	13.60	12.97	12.36	11.43	11.28	11.85	11.56
Real estate loans	7.66	7.58	7.58	7.72	7.45	7.05	7.05	7.15	6.63	6.46	6.05	6.10	5.81
of which:													
Mortgage loans	7.42	7.48	7.44	7.66	7.38	6.67	6.76	7.12	6.34	5.96	5.37	5.34	5.07
Construction loans	5.13	5.33	5.13	5.08	5.24	5.10	5.06	5.13	5.06	5.16	5.19	5.27	5.12
Intermediate loans	7.64	7.54	7.60	7.60	7.58	7.58	7.45	7.46	7.27	7.22	7.21	6.62	6.50
Other real estate loans	-	-	-	-	-	-	-	8.23	6.86	6.71	6.25	6.64	6.66
Other loans	5.95	5.35	5.35	5.54	5.30	5.81	4.02	6.45	5.88	5.68	5.21	5.52	5.93
Floating rate + IRF for up to 1 year incl.	7.49	7.04	7.07	7.06	7.20	7.23	5.42	6.90	6.13	6.05	6.08	6.25	6.23
IRF for over 1 year and up to 5 years incl.	9.63	9.73	8.61	8.68	8.48	8.56	8.82	8.03	7.76	8.03	7.80	9.87	7.62
IRF for over 5 years and up to 10 years incl.	7.44	7.40	7.02	7.39	7.18	7.06	6.55	6.87	6.44	6.35	6.45	6.33	5.79
IRF for over 10 years	7.57	6.30	7.06	8.78	8.75	6.26	6.83	6.82	6.06	6.01	6.30	5.61	4.32
Households													
Loans in total	10.95	10.17	9.95	9.76	10.60	10.28	10.21	10.67	10.33	9.99	9.67	9.78	9.25
Current account overdrafts	11.63	10.71	10.50	10.40	11.99	10.46	10.32	11.31	11.10	10.99	10.80	11.05	10.95
Consumer loans	15.57	14.30	13.89	13.66	12.83	13.89	13.60	12.97	12.36	11.44	11.28	11.93	11.56
Real estate loans	7.66	7.58	7.59	7.72	7.46	7.08	7.06	7.15	6.63	6.48	6.17	6.19	5.83
of which:													
Mortgage loans	7.42	7.48	7.44	7.66	7.38	6.67	6.76	7.12	6.34	5.95	5.37	5.34	5.06
Construction loans	5.13	5.33	5.13	5.08	5.24	5.10	5.06	5.13	5.06	5.16	5.19	5.27	5.12
Intermediate loans	7.66	7.55	7.63	7.60	7.60	7.69	7.47	7.47	7.29	7.23	7.21	6.62	6.51
Other real estate loans	-	-	-	-	-	-	-	8.23	6.86	6.79	6.63	6.93	6.80
Other loans	8.85	7.66	8.16	9.18	9.41	11.42	10.73	10.94	9.76	9.50	9.80	9.01	8.51
Floating rate + IRF for up to 1 year incl.	11.14	10.31	10.16	10.00	11.23	10.43	10.12	10.72	10.35	10.07	9.70	9.81	9.44
IRF for over 1 year and up to 5 years incl.	12.86	11.30	10.44	10.00	9.51	10.91	12.31	12.41	12.24	11.89	11.66	12.46	11.72
IRF for over 5 years and up to 10 years incl.	7.61	7.52	7.56	7.58	7.55	7.52	7.76	7.28	7.24	7.05	6.92	6.55	6.39
IRF for over 10 years	8.15	8.48	7.65	8.97	8.88	8.00	6.95	7.72	7.19	6.54	6.50	5.93	5.21
Non-financial corporations													
Loans in total	6.75	6.20	6.25	6.20	6.07	6.32	5.38	5.92	5.13	4.83	4.89	4.92	5.00
Current account overdrafts	7.45	6.81	6.90	6.85	6.66	6.80	6.31	6.46	5.68	5.20	5.18	5.16	5.39
Operation loans	-	-	-	-	-	-	-	4.61	3.31	3.38	3.62	3.87	3.82
Investment loans	-	-	-	-	-	-	-	5.66	4.64	4.89	4.94	5.03	4.14
Other loans	5.88	5.24	5.24	5.22	5.08	5.40	4.52	6.10	4.71	4.22	4.23	4.21	4.35
Loans up 1 million EUR	6.40	5.95	5.40	5.60	5.14	5.96	5.35	5.29	4.78	4.53	4.79	4.75	4.72
Loans over 1 million EUR	5.55	4.86	5.16	5.06	5.03	5.08	4.19	4.56	3.47	3.43	3.58	3.93	3.65
Floating rate + IRF for up to 1 year incl.	6.78	6.19	6.27	6.21	6.07	6.35	5.38	5.93	5.12	4.82	4.86	4.91	5.03
IRF for over 1 year and up to 5 years incl.	6.22	6.56	5.90	5.00	5.79	5.62	5.74	5.54	5.56	5.05	5.78	5.59	4.78
IRF for over 5 years and up to 10 years incl.	6.48	6.84	4.90	6.68	6.70	6.28	5.20	5.96	4.92	4.97	5.46	5.54	4.91
IRF for over 10 years	6.88	5.59	6.21	7.93	6.05	5.63	6.07	5.76	4.95	4.87	4.62	4.34	3.80

Note: IRF – initial rate fixation.

1) Interest rates on total loans include insurance companies, pension funds, and the general government.

Average Interest Rates on New Deposits

(ECB methodology)

(%)

	2004							2005					
	6	7	8	9	10	11	12	1	2	3	4	5	6
Deposits in total ¹⁾	2.22	1.87	2.30	2.09	1.95	1.95	1.67	1.96	1.23	1.29	1.36	1.33	1.40
Deposits payable on demand	1.62	0.92	1.29	1.12	0.94	0.96	0.90	1.17	0.84	0.62	0.59	0.62	0.69
of which: demand deposits	1.15	0.78	0.96	0.86	0.76	0.76	0.83	0.81	0.58	0.48	0.49	0.48	0.49
overnight deposits	4.92	2.56	4.90	3.63	2.76	2.54	2.45	3.37	2.07	1.49	1.69	1.48	2.01
Deposits with agreed maturity ²⁾	-	-	-	-	-	-	-	3.58	2.29	2.43	2.54	2.62	2.66
- up to 1 year in total	3.84	3.63	4.07	3.97	3.79	3.95	3.30	3.59	2.29	2.43	2.54	2.62	2.65
- up to 7 days	3.52	3.34	4.33	3.76	3.18	3.52	2.75	3.57	2.20	1.83	1.88	2.48	2.26
- up to 1 month	4.05	3.88	4.10	4.12	4.08	4.10	3.59	3.66	2.56	2.65	2.74	2.74	2.77
- up to 3 months	3.05	3.12	3.40	2.90	2.95	2.97	2.76	2.61	2.02	1.73	1.77	1.97	1.91
- up to 6 months	2.89	2.58	2.27	2.19	2.57	2.29	2.27	2.09	2.02	1.77	1.72	2.03	2.01
- up to 1 year	1.31	1.50	1.55	1.81	2.08	2.03	2.85	2.24	2.01	1.76	1.85	1.98	2.14
- over 1 year in total	2.95	2.85	2.68	2.75	2.76	2.70	2.59	3.42	2.30	2.47	2.58	2.65	4.62
- up to 2 years	2.95	2.88	2.32	2.74	2.76	2.69	2.18	2.44	1.92	2.03	1.61	1.92	1.54
- over 2 years	2.96	2.81	2.74	2.80	2.76	2.71	2.67	3.76	2.35	2.71	2.72	2.77	4.64
Savings deposits	1.47	1.28	1.32	1.34	1.35	1.35	1.35	1.35	1.18	0.98	0.99	0.93	0.94
- redeemable at a period of notice of up to 3 months	2.41	1.99	1.97	1.98	1.98	1.97	1.80	1.75	1.46	1.11	1.07	0.97	0.95
- redeemable at a period of notice of over 3 months	1.12	1.00	1.06	1.08	1.09	1.10	1.16	1.14	1.03	0.91	0.94	0.90	0.94
Households													
Deposits in total	1.16	0.99	1.02	1.01	1.00	0.98	0.94	0.95	0.81	0.68	0.66	0.65	0.66
Deposits payable on demand	0.81	0.65	0.66	0.66	0.64	0.64	0.58	0.61	0.57	0.44	0.43	0.43	0.43
of which: demand deposits	0.77	0.64	0.63	0.63	0.62	0.62	0.57	0.57	0.56	0.43	0.43	0.42	0.42
overnight deposits	4.49	2.24	3.96	3.24	2.11	1.98	1.73	3.07	1.40	1.18	1.17	1.10	1.45
Deposits with agreed maturity	-	-	-	-	-	-	-	2.39	1.82	1.71	1.69	1.95	2.02
- up to 1 year in total	2.57	2.42	2.62	2.59	2.62	2.56	2.32	2.39	1.82	1.71	1.69	1.94	2.02
- up to 7 days	2.57	2.20	3.25	2.80	2.58	2.60	2.13	2.68	1.45	1.55	1.47	1.56	1.83
- up to 1 month	2.65	2.67	2.68	2.70	2.74	2.58	2.35	2.45	1.95	1.83	1.80	2.06	2.16
- up to 3 months	2.78	2.39	2.58	2.61	2.59	2.75	2.41	2.18	1.83	1.57	1.56	1.78	1.76
- up to 6 months	2.74	1.99	1.97	2.14	2.49	2.29	2.27	1.89	1.79	1.70	1.46	1.62	1.73
- up to 1 year	1.11	1.32	1.09	1.39	1.62	1.21	1.83	2.02	1.94	1.66	1.46	1.83	1.90
- long-term over 1 year	2.86	2.70	2.71	2.71	2.70	2.66	2.62	2.42	2.20	1.99	1.99	2.29	2.03
- up to 2 years	2.53	2.50	2.28	2.28	2.39	2.28	2.25	2.64	2.17	1.16	1.03	1.59	1.54
- over 2 years	2.96	2.82	2.79	2.81	2.76	2.71	2.66	1.91	2.21	2.14	2.08	2.33	2.05
Savings deposits	1.46	1.27	1.31	1.33	1.34	1.35	1.35	1.34	1.18	0.98	0.99	0.93	0.94
- redeemable at a period of notice of up to 3 months	2.40	1.97	1.95	1.96	1.96	1.96	1.79	1.75	1.45	1.10	1.07	0.97	0.95
- redeemable at a period of notice of over 3 months	1.11	1.00	1.06	1.08	1.08	1.10	1.16	1.13	1.03	0.91	0.94	0.90	0.94
Non-financial corporations													
Deposits in total	2.78	2.24	2.85	2.57	2.26	2.19	1.88	2.41	1.43	1.37	1.50	1.56	1.53
Deposits payable on demand	1.95	1.04	1.63	1.45	1.09	1.19	0.89	1.61	1.00	0.76	0.72	0.76	0.89
of which: demand deposits	1.26	0.80	1.16	0.97	0.80	0.81	0.70	1.02	0.58	0.49	0.54	0.50	0.55
overnight deposits	5.35	2.72	4.97	3.84	2.74	2.56	2.49	3.76	2.08	1.66	1.70	1.68	2.07
Deposits with agreed maturity	-	-	-	-	-	-	-	3.68	2.34	2.34	2.48	2.60	2.57
- up to 1 year in total	4.30	3.55	4.28	4.03	3.57	3.57	3.19	3.70	2.25	2.16	2.35	2.39	2.44
- up to 7 days	3.64	3.14	4.38	3.78	3.14	3.61	2.67	3.62	2.22	1.86	1.93	2.45	2.29
- up to 1 month	4.20	3.99	4.18	4.19	4.10	4.08	3.67	3.73	2.82	2.57	2.75	2.75	2.74
- up to 3 months	3.46	3.60	3.39	3.35	3.02	3.42	3.14	3.16	2.24	2.00	2.16	2.24	2.24
- up to 6 months	3.47	2.28	3.40	2.25	1.52	2.20	1.39	2.86	2.30	2.11	2.06	2.19	2.13
- up to 1 year	1.28	1.34	1.16	1.15	2.24	3.13	3.25	2.85	2.01	1.64	2.21	2.19	1.95
- long-term over 1 year	2.57	1.91	2.40	3.35	3.46	3.57	2.20	2.24	1.64	1.24	1.59	2.02	1.41
- up to 2 years	2.82	2.59	3.24	3.35	4.25	3.84	2.11	2.11	1.65	1.24	1.62	1.94	0.00
- over 2 years	2.53	1.54	2.35	0.00	2.99	3.21	2.92	3.00	1.41	0.00	0.70	2.38	1.41
Savings deposits	2.73	2.58	2.58	2.45	2.44	2.44	2.21	2.27	1.69	1.22	1.23	1.16	1.25
- redeemable at a period of notice of up to 3 months	2.73	2.60	2.60	2.46	2.44	2.45	2.20	2.26	1.72	1.20	1.22	1.16	1.26
- redeemable at a period of notice of over 3 months	2.77	2.34	2.34	2.41	2.40	2.40	2.38	2.36	1.37	1.44	1.37	1.12	1.12

1) Total deposits include the deposits of insurance corporations, pension funds and the general government.

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



Volumes of New Loans and Average Lending Rates of Commercial Banks

(National methodology)

		2004						2005						
		6	7	8	9	10	11	12	1	2	3	4	5	6
Loans in total ¹⁾	a	103.07	91.11	98.22	99.55	100.50	105.84	141.04	98.41	98.25	99.27	92.82	95.38	107.27
	b	8.53	8.15	8.08	7.91	8.05	8.08	7.40	7.64	6.57	6.63	7.01	7.17	6.96
of which:														
Current account overdrafts	a	40.13	38.38	39.29	40.66	43.67	42.95	53.09	45.88	48.91	47.17	47.26	48.97	57.67
	b	12.68	11.47	11.70	11.05	10.99	11.14	11.65	9.84	8.62	9.16	9.17	9.24	8.77
Investment loans	a	5.97	4.42	5.21	6.44	4.10	4.78	7.25	3.14	4.65	6.43	3.64	3.40	7.93
	b	6.07	5.85	5.56	5.46	5.73	5.65	5.02	4.94	4.38	3.85	4.53	4.70	3.85
Operation loans	a	-	-	-	-	-	-	-	31.45	26.34	27.99	22.30	23.32	20.26
	b	-	-	-	-	-	-	-	4.77	3.48	3.12	3.44	3.83	3.93
Consumer loans	a	2.30	2.20	2.14	2.16	2.69	3.44	4.15	3.09	1.20	1.54	1.64	1.92	1.75
	b	13.97	13.39	12.90	12.52	12.24	12.71	12.48	11.43	12.35	11.30	11.55	12.17	11.87
Housing loans	a	4.37	4.65	4.69	4.89	5.05	4.88	5.07	2.90	3.14	3.58	3.99	4.50	5.35
	b	7.16	7.30	7.54	7.59	7.52	7.46	6.93	6.27	5.76	5.90	5.92	5.70	5.44
of which: mortgage loans														
without state bonus														
	a	0.18	0.36	0.53	0.56	0.70	0.76	0.84	0.75	0.66	0.77	0.78	0.98	1.49
	b	7.54	7.82	7.63	7.52	6.95	6.85	6.88	6.73	6.54	6.36	5.71	5.31	5.19
mortgage loans with state bonus – client														
	a	1.77	1.82	1.54	1.46	1.45	1.41	1.39	0.88	0.54	0.57	0.55	0.52	0.57
	b	6.03	5.98	6.22	6.27	6.21	6.15	6.03	6.48	6.01	6.25	6.08	5.83	5.19
mortgage loans with state bonus – bank														
	a	1.77	1.82	1.54	1.46	1.45	1.41	1.39	0.88	0.54	0.57	0.55	0.52	0.57
	b	7.06	6.93	6.99	6.93	6.90	6.79	6.77	6.82	6.69	6.34	6.14	5.79	5.29
construction loans														
	a	0.14	0.15	0.11	0.10	0.12	0.09	0.10	0.08	0.09	0.09	0.11	0.11	0.11
	b	5.06	5.25	5.33	5.31	5.39	5.32	5.24	5.26	5.26	5.26	5.33	5.29	5.26
intermediate loans														
	a	1.14	1.03	1.03	1.04	1.03	0.96	0.99	0.51	0.51	0.61	0.69	0.74	1.14
	b	7.41	7.41	7.48	7.35	7.39	7.32	7.33	7.28	7.22	7.16	7.16	7.04	6.56
other real estate loans														
	a	-	-	-	-	-	-	-	0.67	1.34	1.53	1.87	2.14	2.04
	b	-	-	-	-	-	-	-	4.83	4.76	5.06	5.55	5.39	5.09
Other loans	a	45.50	35.92	41.88	39.23	39.98	44.13	64.86	5.32	8.16	5.79	7.02	6.32	4.83
	b	5.25	4.91	4.99	5.06	4.94	5.17	3.91	5.77	4.12	4.48	4.46	4.47	4.51
Short-term loans														
	a	86.62	77.63	83.82	82.16	86.86	88.54	120.67	87.09	84.41	85.33	80.16	81.81	87.96
	b	8.71	8.26	8.21	8.11	8.10	8.16	7.45	7.68	6.78	6.81	7.15	7.35	7.36
- with a maturity of up to 7 days														
	a	56.54	30.29	38.68	33.85	36.71	40.16	52.36	35.77	40.21	31.91	29.28	30.50	29.13
	b	9.21	6.58	6.87	6.16	6.04	5.84	5.69	5.99	5.57	4.96	5.11	5.40	5.52
- up to 1 month														
	a	7.34	6.19	6.19	8.27	5.09	6.52	17.97	7.62	6.94	8.66	6.30	7.65	7.50
	b	5.57	5.37	5.31	5.86	5.52	5.69	3.77	5.51	4.23	3.99	4.01	4.44	4.65
- up to 3 months														
	a	2.85	5.93	4.19	3.05	5.90	3.14	5.24	5.59	3.67	4.36	4.20	2.87	2.53
	b	6.09	5.37	5.41	6.26	5.49	5.53	5.36	4.91	3.58	3.48	4.44	3.88	4.21
- up to 6 months														
	a	0.96	0.61	1.54	0.82	0.99	0.66	1.38	1.03	0.75	1.66	1.15	0.56	1.82
	b	6.45	5.27	4.54	5.30	5.32	5.70	5.04	4.66	4.28	3.10	3.43	4.07	3.82
- up to 12 months														
	a	18.93	34.60	33.22	36.17	38.17	38.05	43.73	37.08	32.85	38.75	39.24	40.24	46.98
	b	8.96	10.79	10.83	10.67	10.90	11.30	11.38	10.24	9.21	9.50	9.58	9.67	9.24
Long-term loans with a maturity of 1 to 5 years														
	a	8.69	8.12	8.56	9.67	7.40	9.92	10.64	6.83	9.76	7.08	6.92	7.57	8.05
	b	8.18	7.86	7.58	7.17	8.11	7.98	7.80	7.31	4.83	5.70	6.10	6.31	5.76
Long-term loans with a maturity of over 5 years														
	a	7.77	5.36	5.84	7.72	6.23	7.38	9.72	4.50	4.08	6.85	5.74	6.00	11.27
	b	6.89	7.07	7.01	6.73	7.27	7.21	6.39	7.42	6.28	5.25	6.10	5.87	4.70

a – Volume (SKK billions).

b – Average interest rate (%).

1) Excluding loans at zero interest rate.



Koruna Deposits and Average Deposit Rates

(National methodology)

		2004						2005						
		6	7	8	9	10	11	12	1	2	3	4	5	6
Deposits in total	a	625.03	637.29	666.03	663.68	656.28	662.96	669.70	659.78	614.32	668.07	690.90	673.53	678.29
	b	2.49	2.24	2.51	2.37	2.30	2.28	2.01	2.19	1.56	1.59	1.64	1.54	1.58
of which:														
Demand deposits	a	213.25	206.66	209.81	214.26	207.98	216.82	247.20	215.47	229.87	226.16	231.30	239.71	242.19
	b	1.10	0.78	0.96	0.86	0.76	0.76	0.83	0.81	0.56	0.48	0.48	0.48	0.49
Time deposits	a	317.69	337.71	364.97	359.66	359.65	358.21	331.22	397.33	338.66	397.12	415.53	390.49	393.21
	b	3.55	3.21	3.53	3.37	3.27	3.27	2.88	3.03	2.29	2.29	2.34	2.26	2.32
- short-term	a	296.96	316.90	344.44	338.94	339.18	337.59	311.01	332.65	273.28	332.36	351.81	327.28	329.27
	b	3.46	3.10	3.47	3.29	3.18	3.19	2.78	2.97	2.05	2.10	2.17	2.06	2.16
- overnight	a	30.83	17.59	19.24	21.78	20.77	27.20	12.09	35.42	47.87	36.09	21.22	38.81	35.89
	b	4.92	2.56	4.90	3.62	2.76	2.54	2.44	3.37	2.06	1.49	1.69	1.48	2.01
- up to 7 days	a	20.96	37.91	35.36	32.98	33.68	27.47	53.16	27.31	50.55	29.47	34.49	37.43	19.39
	b	3.27	2.75	4.24	3.55	3.00	3.24	2.79	3.14	2.02	2.01	1.91	2.25	2.06
- up to 1 month	a	143.92	159.15	180.56	186.29	186.73	193.42	156.29	183.77	86.63	183.72	214.03	172.72	198.39
	b	3.37	3.33	3.50	3.53	3.54	3.57	3.01	3.17	1.88	2.27	2.37	2.31	2.39
- up to 3 months	a	60.91	62.39	70.76	63.25	63.48	55.24	55.33	52.14	53.49	49.81	47.92	46.07	43.96
	b	2.99	2.80	2.83	2.67	2.66	2.51	2.37	2.27	2.15	1.90	1.80	1.62	1.60
- up to 6 months	a	20.01	20.30	19.59	18.77	18.52	18.41	18.29	18.62	18.36	17.00	18.18	16.64	15.97
	b	3.26	3.06	2.75	2.42	2.40	2.33	2.34	2.32	2.22	1.97	1.89	1.61	1.44
- up to 12 months	a	20.33	19.55	18.94	15.86	15.99	15.86	15.85	15.40	16.38	16.27	15.97	15.61	15.67
	b	3.62	3.46	3.38	2.95	2.91	2.83	2.71	2.49	2.46	2.37	2.18	2.13	2.07
- medium-term	a	19.45	19.57	19.70	19.98	19.73	19.87	19.46	26.17	26.29	26.01	25.00	24.78	25.06
	b	4.72	4.67	4.65	4.64	4.65	4.58	4.33	3.75	3.71	3.65	3.69	3.69	3.35
- up to 2 years	a	13.58	13.66	13.52	13.65	13.29	13.38	12.99	12.87	12.88	13.14	12.18	12.09	12.09
	b	4.64	4.60	4.56	4.51	4.54	4.50	4.15	4.12	4.09	4.05	4.19	4.21	3.60
- up to 5 years	a	5.87	5.91	6.18	6.33	6.43	6.48	6.47	13.30	13.41	12.87	12.82	12.69	12.97
	b	4.91	4.83	4.85	4.93	4.88	4.75	4.70	3.40	3.34	3.25	3.21	3.21	3.11
- long-term over 5 years	a	1.27	1.24	0.82	0.75	0.75	0.76	0.76	38.51	39.09	38.74	38.71	38.42	38.88
	b	7.99	8.11	5.06	5.03	5.06	5.10	5.11	3.01	3.00	2.99	2.99	3.00	3.04
Savings deposits	a	94.09	92.92	91.25	89.76	88.64	87.93	91.27	46.98	45.79	44.80	44.07	43.34	42.90
	b	2.04	1.95	1.98	2.00	2.01	2.03	2.06	1.35	1.18	0.98	0.99	0.93	0.94
- short-term	a	39.21	38.23	37.03	36.16	35.44	34.79	34.59	34.86	33.84	32.86	32.08	31.27	30.74
	b	1.72	1.46	1.48	1.50	1.52	1.54	1.46	1.48	1.26	0.98	0.96	0.87	0.86
- medium-term	a	14.18	13.76	13.40	13.14	12.95	12.77	12.64	12.09	11.92	11.90	11.96	12.03	12.15
	b	0.79	0.78	0.89	0.89	1.01	1.01	0.69	0.70	0.98	1.01	1.09	1.12	1.17
- long-term	a	40.69	40.93	40.82	40.46	40.25	40.37	44.04	0.04	0.04	0.03	0.03	0.03	0.00
	b	2.80	2.80	2.81	2.81	2.82	2.82	2.83	0.88	0.78	0.57	0.57	0.57	1.40
Time and savings deposits	a	411.78	430.63	456.22	449.42	448.30	446.14	422.50	444.31	384.45	441.91	459.60	433.82	436.11
	b	3.21	2.94	3.22	3.09	3.01	3.02	2.70	2.85	2.16	2.15	2.21	2.13	2.19
- short-term	a	336.18	355.13	381.47	375.09	374.62	372.38	345.60	367.51	307.12	365.23	383.89	358.56	360.01
	b	3.25	2.93	3.27	3.11	3.02	3.03	2.65	2.83	1.96	2.00	2.07	1.96	2.05
- medium-term	a	33.63	33.33	33.10	33.12	32.68	32.64	32.10	38.26	38.20	37.91	36.96	36.81	37.22
	b	3.06	3.06	3.13	3.15	3.20	3.18	2.90	2.78	2.86	2.82	2.85	2.85	2.63
- long-term	a	41.97	42.17	41.65	41.21	41.00	41.13	44.79	38.55	39.13	38.78	38.75	38.46	38.88
	b	2.96	2.96	2.85	2.85	2.86	2.86	2.87	3.01	3.00	2.99	2.98	3.00	3.04

a - Volume (SKK billions).

b - Average interest rate (%).



Basic Characteristics of Interest Rates on Loans and Deposits

(National methodology)

(%, percentage points)

	li- ne	2004							2005					
		6	7	8	9	10	11	12	1	2	3	4	5	6
Average interest rate on total credit ¹⁾	1	7.18	6.81	6.81	6.74	6.73	6.69	6.43	6.49	6.26	6.06	5.96	5.93	6.01
Average interest rate on deposits	2	2.49	2.24	2.51	2.37	2.30	2.28	2.01	2.18	1.56	1.59	1.64	1.54	1.58
Average interest rate on new loans ¹⁾	3	8.53	8.15	8.08	7.92	8.05	8.10	7.35	7.64	6.57	6.63	7.01	7.17	6.96
Average interbank money market rate (1D to 12M – mid rates)	4	4.10	3.80	3.86	3.98	4.06	4.10	3.54	3.60	2.64	2.16	2.42	2.65	2.70
Average interest rate on new short-term loans ¹⁾	5	8.72	8.26	8.21	8.12	8.10	8.18	7.44	7.68	6.78	6.81	7.14	7.35	7.36
Average interest rate on short-term deposits	6	3.25	2.93	3.27	3.11	3.02	3.03	2.65	2.83	1.96	2.00	2.07	1.96	2.05
Difference between the average interest rates on new short-term loans and short-term deposits (line 5 – line 6)	7	5.46	5.33	4.94	5.01	5.08	5.15	4.79	4.85	4.82	4.81	5.07	5.39	5.31
Basic interest rate of the NBS (until 31 Dec. 2002 discount rate)	8	5.00	4.50	4.50	4.50	4.50	4.50	4.00	4.00	4.00	3.00	3.00	3.00	3.00
12-month rate of inflation	9	8.10	8.50	7.20	6.70	6.60	6.30	5.90	3.20	2.70	2.50	2.70	2.40	2.50
Year-on-year increase in industrial producer prices	10	3.10	3.00	3.70	4.00	4.70	4.50	4.30	2.80	2.10	2.60	3.50	3.90	4.80
Real interest rate on new short-term loans (line 5 – line 10)	11	5.62	5.26	4.51	4.12	3.40	3.68	3.14	4.88	4.68	4.21	3.64	3.45	2.56
Difference between the average interest rate on new short-term loans and the rate of inflation (line 5 – line 9)	12	0.62	-0.24	1.01	1.42	1.50	1.88	1.54	4.48	4.08	4.31	4.44	4.95	4.86
Average interest rate on one-year deposits	13	3.62	3.46	3.38	2.95	2.91	2.83	2.71	2.49	2.46	2.37	2.18	2.13	2.07
Real interest rate on one-year deposits (line 13 – line 9)	14	-4.48	-5.04	-3.82	-3.75	-3.69	-3.47	-3.19	-0.71	-0.24	-0.13	-0.52	-0.27	-0.43
Nominal interest margin (line 1 – line 2)	15	4.69	4.57	4.30	4.37	4.43	4.41	4.42	4.31	4.70	4.47	4.33	4.39	4.43
Difference between the average interest rates on new loans and total deposits (line 3 – line 2)	16	6.05	5.91	5.57	5.55	5.75	5.82	5.34	5.46	5.01	5.04	5.37	5.63	5.38
Difference between the average interest rate on new short-term loans and the average interbank money market rate (line 5 – line 4)	17	4.62	4.46	4.35	4.14	4.04	4.08	3.90	4.08	4.14	4.65	4.72	4.70	4.66
Difference between the average interest rate on new loans and the average interbank money market rate (line 3 – line 4)	18	4.44	4.35	4.22	3.94	3.99	4.00	3.81	4.04	3.93	4.47	4.59	4.52	4.26
Average interest rate on loans ²⁾	19	6.91	6.55	6.56	6.51	6.51	6.47	6.23	6.28	6.05	5.86	5.78	5.75	5.83
Nominal interest margin (line 19 – line 2)	20	4.43	4.31	4.05	4.14	4.21	4.19	4.22	4.10	4.49	4.27	4.14	4.21	4.25

1) Excluding loans at zero interest rate.

2) Including loans at zero interest rate.



Shortened Balance Sheet of Commercial Banks as at 30 June 2005

(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	
Total assets	64,258,131	1,176,107,176	37,563,628	125,898,559	57,970,351	1,333,281,583
Cash items	0	10,575,202	0	22,626	3,327,162	13,924,990
Cash in hand	0	9,735,666	0	0	3,068,220	12,803,886
Gold	0	1	0	0	0	1
Other cash items	0	839,535	0	22,626	258,942	1,121,103
Deposits with and credits to NBS, foreign issuing banks, and post office banks	242	321,952,654	0	0	4,548	321,956,960
Money reserve accounts with the NBS	0	10,179,455	0	0	0	10,179,455
Deposits, credits, and other receivables	56,585	35,091,953	10,465,008	6,758,414	13,300,339	65,559,129
Current accounts with banks	6	481,246	16,836	92,213	5,104,969	5,695,258
Credits provided	0	1,230,069	452,284	0	2,089,989	3,772,342
Time deposits with banks	850	32,987,810	5,486,628	6,666,194	5,656,471	50,796,253
Current accounts of other banks	0	0	3,972,096	1	147,122	4,119,219
Other receivables	0	312,162	537,164	6	297,140	1,146,472
Standard credits, qualified deposits, classified credits, deposits, and other receivables	55,729	80,666	0	0	4,648	29,585
of which: Short-term receivables	43	0	0	0	43	0
Interest on non-performing credits	560	1,201	0	0	0	641
Standard credits to customers	969,436	245,043,369	565,007	67,383,045	9,314,373	321,336,358
Short-term credits	406,059	36,742,384	250,368	16,007,481	2,526,115	55,120,289
Long-term credits	563,377	208,300,985	314,639	51,375,564	6,788,258	266,216,069
of which: Credits repayable in 1 to and including 5 years	441,991	74,503,398	93,085	22,436,925	3,280,581	99,871,998
Receivables from financial leasing	0	3,063	0	34,400	2,685	40,148
Other receivables from customers	3,417	2,439,102	4,337	1,919,625	1,134,689	5,494,336
of which: Credits for commercial claims	3,417	533,402	0	1,682,789	248,091	2,460,865
Current accounts of customers - debit balances, overdrafts	236,211	44,387,534	180,777	12,097,834	427,095	56,857,029
Standard receivables with conditions, classified credits, and other receivables from customers	24,188,484	51,962,173	386,147	18,776,930	1,572,459	48,509,225
of which: Interest due, but unpaid	2,572,722	2,605,602	1,876	31,538	1,123	67,417
Standard credits with conditions	2,408,432	24,772,774	164,183	14,143,996	1,213,368	37,885,889
Sub-standard receivables	2,016,385	7,159,284	204,712	2,326,693	336,908	8,011,212
Doubtful and controversial claims	2,166,804	3,251,941	122	611,150	40	1,696,449
Loss-making receivables	17,596,863	16,778,174	17,130	1,695,091	22,143	915,675
Receivables with reduced value	277,834	339,696	0	14,331	36,232	112,425
Unclassified receivables from customers	0	0	0	0	0	0
Other specific receivables	0	0	0	0	0	0
Accounts of state authorities, local governments, and funds	95,888	16,569,846	0	6,361,891	0	22,835,849
Standard credits with conditions, classified loans, and other receivables	92,245	117,322	0	449,076	0	474,153
Credits to state authorities	0	10,213,653	0	432,764	0	10,646,417
Credits to social security funds	0	262,854	0	0	0	262,854
Credits to local governments	3,643	5,976,017	0	5,480,051	0	11,452,425
Credits to funds	0	0	0	0	0	0
Fixed forward transactions	0	4,592,072	8,558,615	656,209	2,706,623	16,513,519
Claims in respect of money collection	0	77,859	5,913	647,676	79,231	810,679
Branches and representative offices	0	450	3,800,214	0	35,302	3,835,966
Receivables and other suspense accounts	1,282,248	5,178,845	14,134	262,219	15,028	4,187,978
Securities for sale and other shareholdings	196,815	38,366,465	804,304	3,278,615	4,550,854	46,803,423
Receivables from trade in securities and from securities issued by the accounting unit	0	49,826	1	49,344	16	99,187
Securities intended for trading	0	124,798,198	3,470,182	3,357,309	16,061,767	147,687,456
Options - purchase	0	1,113,825	656,652	178,182	76,418	2,025,077
Financial investment	1,553,350	199,719,632	8,652,337	4,099,194	4,790,630	215,708,443
Long-term funds provided to branches abroad	0	0	0	0	519,311	519,311
Tangible assets	26,439,302	49,711,286	0	161	0	23,272,145
Acquisition of tangible and intangible assets	3,200	2,190,418	0	285	15,589	2,203,092
Subordinated financial assets	0	62,194	0	0	0	62,194
Intangible assets	8,955,119	11,573,876	0	0	0	2,618,757
Inventories	0	128,183	0	269	0	128,452
Adjustments and accumulated depreciation	64,254,246	60,039,399	28,893	3,788,518	397,436	0



Shortened Balance Sheet of Commercial Banks as at 30 June 2005

(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	
Total liabilities	875,660,486	136,544,881	108,259,472	212,816,744	1,333,281,583
Deposits with and credits to NBS and foreign issuing banks, and postal checking accounts	5,905,767	0	77,254	0	5,983,021
Current accounts with NBS and foreign issuing banks	1,730,163	0	0	0	1,730,163
Time deposits of NBS and foreign issuing banks	0	0	0	0	0
Credits received from NBS and foreign issuing banks	4,175,604	0	77,254	0	4,252,858
of which: Redistribution credit	3,570,286	0	0	0	3,570,286
Refinancing repo credit	0	0	0	0	0
Deposits, credits, and other liabilities	35,065,405	76,688,755	6,791,100	157,055,960	275,601,220
Current accounts with banks	0	11,174	0	2,063,951	2,075,125
Current accounts of other banks	541,131	7,257,838	92,316	272,639	8,163,924
Other payables	123,123	3,729	32,589	621,450	780,891
Credits received	1,280,440	18,809,572	0	24,156,716	44,246,728
Time deposits of other banks	33,120,711	50,606,442	6,666,195	129,941,204	220,334,552
Payables in respect of other items	0	0	0	0	0
Liabilities in respect of short selling securities	0	0	0	0	0
Deposits of customers	579,466,010	5,633,584	79,038,908	3,813,934	667,952,436
Current accounts of customers	218,650,280	3,703,993	42,882,490	2,700,808	267,937,571
Time deposits of customers	279,372,005	1,839,284	34,306,815	1,087,753	316,605,857
Savings deposits of customers	80,629,754	90,187	1,849,603	25,373	82,594,917
Certificates of deposit	813,971	120	0	0	814,091
Other liabilities to customers	12,080,725	184,536	4,243,576	2,254,345	18,763,182
Loans received from customers	6,318,835	0	0	0	6,318,835
Liabilities from financial leasing	11,243	0	0	0	11,243
Short-term securities issued by the accounting unit	11,176,983	32,432	1,856,588	2,815	13,068,818
Earmarked deposits	331	0	0	6,491,627	6,491,958
Other specific payables	16,187	0	5	0	16,192
Accounts of state authorities, local governments, and funds	110,960,236	5,367	14,003,884	14,616	124,984,103
Non-budgetary money deposits of state authorities	87,696,321	5,367	13,913,039	14,615	101,629,342
Deposits of social security funds	389,123	0	0	0	389,123
Deposits of local governments	18,576,310	0	61,531	1	18,637,842
Deposits of funds	4,298,482	0	29,314	0	4,327,796
Fixed forward transactions	4,221,104	7,827,618	528,320	3,592,860	16,169,902
Payables in respect of money collection	348,336	5,300	665,104	66,263	1,085,003
Branches and representative offices	374,028	3,323,558	0	39,117,116	42,814,702
Various payables, adjustment and other suspense accounts	6,254,671	16,172	331,943	49,999	6,652,785
Liabilities from trading in securities and securities issued by the accounting unit	865,595	60,645	178,924	25	1,105,189
Options – sale	754,949	1,001,078	82,222	181,787	2,020,036
Subsidies and similar funds	3,329,356	0	0	0	3,329,356
Long-term securities issued by the accounting unit	36,328,546	1,129,111	1,934	0	37,459,591
Subordinated financial liabilities	0	514,757	0	0	514,757
Reserves	6,403,676	0	65,549	98,843	6,568,068
Reserve funds and other funds allocated from profits	12,443,889	146,500	0	0	12,590,389
Registered capital	4,618,608	36,831,593	0	0	41,450,201
Long-term funds provided to branches of foreign banks	0	2,844,579	0	0	2,844,579
Share premium	1,950,191	250,000	0	0	2,200,191
Own shares	-22,664	0	0	0	-22,664
Capital fund	205,409	5,490	0	0	210,899
Gains or losses from revaluation of net investments connected with shares and deposits	14,283	0	2,173	304	16,760
Gains or losses from revaluation of security derivatives	1,894,534	43,806	391,988	76,250	2,406,578
Retained earnings from previous years +/-	27,570,063	0	0	0	27,570,063
Accumulated losses from previous years -/-	-983,109	0	0	0	-983,109
Profit and loss account /+,-/	7,577,847	0	0	0	7,577,847
Profit or loss in process of approval /+,-/	509,452	0	0	0	509,452



Monthly Profit and Loss Account of Commercial Banks

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

(SKK millions)

	2004							2005					
	6	7	8	9	10	11	12	1	2	3	4	5	6
EXPENSES													
Expenses on financial operations:	134,320	149,803	164,229	177,710	192,022	210,392	234,692	19,396	35,034	58,931	79,761	97,229	120,455
Other interest	12,993	14,788	16,664	18,661	20,544	22,497	24,202	2,023	3,750	5,427	7,222	9,186	10,998
of which: Financial renting expenses	0	0	0	0	0	0	0	0	0	0	0	0	0
Fees and commissions	733	870	1,004	1,139	1,281	1,470	1,592	135	270	390	625	771	947
Operations in securities	1,315	1,450	1,677	1,873	2,068	2,202	2,464	74	179	492	641	799	981
Interest on securities	1,033	1,284	1,484	1,687	1,903	2,119	2,383	230	432	673	891	1,118	1,345
Foreign exchange operations	57,605	64,710	71,850	77,730	83,985	92,354	106,069	8,728	15,593	31,356	43,886	54,988	67,918
Operations in derivatives	60,071	66,052	70,844	75,822	81,342	88,762	96,882	8,113	14,642	20,346	26,161	29,941	37,728
Other operations	569	649	706	797	899	987	1,100	94	166	248	336	426	539
General operating expenses	13,014	15,112	17,300	19,499	21,722	24,068	26,341	2,136	4,407	6,640	8,849	11,244	13,657
Additions to reserves and provisions	12,831	14,740	16,521	19,932	21,645	23,817	30,941	2,727	4,968	7,709	9,344	10,979	14,256
Other operating expenses	7,111	7,928	8,399	9,934	10,992	11,699	13,700	595	1,138	1,863	2,422	3,123	4,048
Extraordinary expenses	5	0	0	0	0	0	200	0	0	0	0	0	0
Income tax	611	749	857	857	1,019	1,048	1,788	96	191	367	587	921	977
Current period profit	6,942	8,262	9,518	10,167	11,061	12,347	12,287	1,446	2,702	3,748	5,073	6,152	7,581
TOTAL EXPENSES, PLUS PROFIT	174,833	196,595	216,825	238,099	258,461	283,371	319,950	26,396	48,440	79,258	106,035	129,649	160,974
INCOME													
Income from financial operations:	157,307	176,806	195,014	212,238	230,318	252,735	281,542	23,648	43,303	71,135	95,670	117,223	144,732
Income from other interest	18,982	22,085	25,179	28,342	31,409	34,570	37,660	3,306	6,231	9,284	12,489	15,791	18,863
of which: Income from financial renting	0	0	0	0	0	0	1	0	0	0	0	0	1
Income from shares and stakes	89	140	224	248	275	276	280	32	107	155	167	209	81
Income from fees and provisions	5,121	6,037	6,928	7,874	8,807	9,743	10,962	917	1,840	2,937	3,974	5,037	6,179
Income from operations in securities	2,512	2,796	3,067	3,276	3,577	4,130	5,261	661	1,229	1,397	1,601	1,908	2,481
Income from interest on securities	10,554	12,111	13,645	15,205	16,777	18,366	20,452	1,599	2,947	4,370	5,626	7,020	8,407
Income from foreign exchange operations	59,826	67,543	74,996	81,292	87,911	96,709	109,859	8,717	16,511	32,214	44,944	55,705	68,728
Income from operations in derivatives	59,864	65,670	70,480	75,425	80,919	88,217	96,246	8,330	14,258	20,523	26,509	31,087	39,392
Income from other operations	358	424	495	575	643	723	822	85	179	255	359	466	601
Use of reserves and provisions	16,098	18,163	20,051	23,801	25,795	28,068	35,248	2,663	4,919	7,751	9,679	11,629	15,057
Other operating income	1,428	1,625	1,758	2,058	2,344	2,566	3,153	82	216	372	687	797	1,183
Extraordinary income	0	0	0	0	0	0	0	2	3	0	0	0	0
Current period loss	0	0	1	2	4	3	7	1	0	0	0	0	3
TOTAL INCOME, PLUS LOSS	174,833	196,595	216,825	238,099	258,461	283,371	319,950	26,396	48,440	79,258	106,035	129,649	160,974



Balance of Payments of the SR for January – May 2005

	Receipts / Credit (+)		Payments / Debit (-)		Balance	
	SKK millions	USD millions	SKK millions	USD millions	SKK millions	USD millions
Goods	374,499.0	12,609.8	399,040.0	13,436.1	-24,541.0	-826.3
Services	52,980.8	1,783.9	46,999.2	1,582.5	5,981.6	201.4
Transport	19,485.0	656.1	14,074.4	473.9	5,410.6	182.2
Tourism	14,678.3	494.2	9,471.0	318.9	5,207.3	175.3
Other services	18,817.5	633.6	23,453.8	789.7	-4,636.3	-156.1
Income	21,355.6	719.1	37,583.0	1,265.5	-16,227.4	-546.4
Compensation of employees	13,042.9	439.2	461.6	15.5	12,581.3	423.6
Investment income	8,312.7	279.9	37,121.4	1,249.9	-28,808.7	-970.0
Current transfers	17,930.5	603.7	16,967.1	571.3	963.4	32.4
CURRENT ACCOUNT	466,765.9	15,716.6	500,589.3	16,855.4	-33,823.4	-1,138.9
Capital account	223.8	7.5	305.6	10.3	-81.8	-2.8
Financial account	1,558,674.1	52,482.0	-1,465,407.0	-49,316.2	93,267.1	3,165.8
Direct investment	254,090.4	8,555.5	-242,135.7	-8,153.0	11,954.7	402.5
<i>Abroad (direct investor = resident)</i>	15,340.7	516.5	-15,959.5	-537.4	-618.8	-20.8
Equity capital and reinvested earnings	288.7	9.7	-573.5	-19.3	-284.8	-9.6
Other capital	15,052.0	506.8	-15,386.0	-518.1	-334.0	-11.2
<i>In the SR (recipient of dir. investment = resident)</i>	238,749.7	8,039.0	-226,176.2	-7,615.6	12,573.5	423.4
Equity capital and reinvested earnings	19,298.7	649.8	-2,964.2	-99.8	16,334.5	550.0
Other capital	219,451.0	7,389.2	-223,212.0	-7,515.8	-3,761.0	-126.6
Portfolio investment	312,388.5	10,518.5	-331,643.0	-11,132.9	-19,254.5	-614.4
Assets	22,392.6	754.0	-38,023.9	-1,280.3	-15,631.3	-526.3
Liabilities	289,995.9	9,764.5	-293,619.1	-9,852.6	-3,623.2	-88.1
Financial derivatives	386,450.0	13,012.2	-386,570.7	-13,016.3	-120.7	-4.1
Assets	163,081.7	5,491.2	-166,701.7	-5,613.0	-3,620.0	-121.9
Liabilities	223,368.3	7,521.1	-219,869.0	-7,403.2	3,499.3	117.8
Other investment	605,745.2	20,395.8	-505,057.6	-17,014.1	100,687.6	3,381.8
<i>Long-term</i>	38,586.5	1,299.3	-49,393.1	-1,672.5	-10,806.6	-373.3
Assets	10,109.4	340.4	-10,660.3	-358.9	-550.9	-18.5
Liabilities	28,477.1	958.9	-38,732.8	-1,313.6	-10,255.7	-354.7
<i>Short-term</i>	567,158.7	19,096.6	-455,664.5	-15,341.5	111,494.2	3,755.0
Assets	186,238.3	6,270.9	-197,655.1	-6,655.3	-11,416.8	-384.4
Liabilities	380,920.4	12,825.7	-258,009.4	-8,686.2	122,911.0	4,139.5
CAPITAL AND FINANCIAL ACCOUNT	1,558,897.9	52,489.6	-1,465,712.6	-49,326.5	93,185.3	3,163.1
ERRORS AND OMISSIONS	-	-	-	-	10,720.3	486.7
TOTAL BALANCE	-26,865.0	-882.2	96,947.2	3,393.1	70,082.2	2,510.9
Monetary gold	0.0	0.0	0.0	0.0	0.0	0.0
Special drawing rights	0.0	0.0	-0.2	0.0	-0.2	0.0
Foreign exchange	26,865.0	882.2	-96,947.0	-3,393.1	-70,082.0	-2,510.9
<i>Currency and deposits</i>	26,865.0	882.2	0.0	0.0	26,865.0	882.2
<i>Securities</i>	0.0	0.0	-96,947.0	-3,393.1	-96,947.0	-3,393.1
Bonds and notes	0.0	0.0	-53,525.4	-1,880.6	-53,525.4	-1,880.6
Money market instruments and financial derivatives	0.0	0.0	-43,421.6	-1,512.5	-43,421.6	-1,512.5
RESERVE ASSETS	26,865.0	882.2	-96,947.2	-3,393.1	-70,082.2	-2,510.9

Note: Preliminary data.

Applied rate of exchange: USD 1 = SKK 29.699



Overview of Issues of NBS Bills

Registration number	Date of			DTM	Volume in Sk millions		Type of auction auction	Interest rate in % p.a.		
	auction	issue	maturity		demand	akcept.		issue	maturity	max.
940804001	15.1.2004	16.1.2004	8.4.2004	83	35,502	20,202	American	5.79	5.91	5.95
941405003	19.2.2004	20.2.2004	14.5.2004	84	37,360	20,000	American	5.80	5.88	5.90
940406004	11.3.2004	12.3.2004	4.6.2004	84	46,245	30,000	American	5.69	5.80	5.85
940207006	7.4.2004	8.4.2004	2.7.2004	85	31,698	20,000	American	5.29	5.34	5.42
940608007	13.5.2004	14.5.2004	6.8.2004	84	37,762	20,000	American	4.74	4.84	4.88
942708008	3.6.2004	4.6.2004	27.8.2004	84	49,193	0	American	-	-	-
942409011	1.7.2004	2.7.2004	24.9.2004	84	43,410	20,000	American	3.79	4.13	4.27
942910012	5.8.2004	6.8.2004	29.10.2004	84	50,529	20,000	American	3.74	4.07	4.10
941911014	26.8.2004	27.8.2004	19.11.2004	84	26,011	20,000	American	4.16	4.30	4.47
941712015	23.9.2004	24.9.2004	17.12.2004	84	31,115	20,000	American	3.97	4.31	4.39
942101017	28.10.2004	29.10.2004	21.1.2005	84	37,730	20,000	American	4.28	4.32	4.34
942101018	18.11.2004	19.11.2004	11.2.2005	84	41,001	20,000	American	4.05	4.14	4.18
941103019	16.12.2004	17.12.2004	11.3.2005	84	46,747	20,000	American	3.40	3.54	3.60
951504001	20.1.2005	21.1.2005	15.4.2005	84	47,662	25,000	American	3.41	3.59	3.68
950807004	14.4.2005	15.4.2005	8.7.2005	84	47,657	35,000	American	2.42	2.64	2.74
952907005	5.5.2005	6.5.2005	29.7.2005	84	37,470	35,000	American	2.70	2.91	3.00
952608007	2.6.2005	3.6.2005	26.8.2005	84	47,539	35,000	American	2.95	2.99	2.99
953009008	7.7.2005	8.7.2005	30.9.2005	84	53,872	35,000	American	2.88	2.95	2.98
952110010	28.7.2005	29.7.2005	21.10.2005	84	43,900	35,000	American	2.93	2.97	2.98

**Monetary Base of the NBS**

(SKK billions)

	2005		
	10.7.	20.7.	31.7.
SOURCES OF THE MONETARY BASE	151.18	132.59	133.10
Autonomous factors	555.15	555.03	553.35
Net foreign assets	499.10	502.21	504.78
Reserves	502.93	506.05	508.62
Foreign liabilities	3.83	3.84	3.84
Net credit to the government ¹⁾	-0.37	-0.19	-1.76
Other assets net	56.41	53.01	50.33
Monetary policy factors ²⁾	-403.97	-422.44	-420.25
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	605.00	1 105.00	1 105.00
of which: in NBS portfolio	210.03	686.56	692.91
Overnight deposits of commercial banks with the NBS	9.00	4.00	8.16
USE OF THE MONETARY BASE³⁾	151.18	132.59	133.10
Currency in circulation	118.62	121.11	119.70
Reserves of commercial banks	32.56	11.48	13.41
Required reserves	21.54	21.54	21.54
Excess reserves	11.01	-10.07	-8.14

1) Including the deposits of the SR Treasury at the NBS.

2) Including NBS treasury bills in the portfolios of commercial banks and the one-day deposits of commercial banks at the NBS.

3) Use of the Monetary Base = Reserve money = Currency in circulation + Reserves of commercial banks.



Basic Characteristics of Slovakia's Foreign Exchange Market in July 2005

	USD			EUR			Other currencies			Total	
	Volume		Number of transactions	Volume		Number of transactions	Volume		Number of transactions	Volume USD millions	Number of transactions
	USD millions	%		USD millions	%		USD millions	%			
NBS	-	-	-	0.0	-	0	0.0,	0.0,	0.0	0.0	0
Transactions between domestic banks without foreign participation	4,997.0	65.3	216	2,494.4	32.6	853	164.5	2.1	58	7,655.9	1,127
Interbank forex market: NBS + transactions between domestic banks	4,997.0	65.3	216	2,494.4	32.6	853	164.5	2.1	58	7,655.9	1,127
Transactions between domestic and foreign banks	37,272.8	86.0	1,738	5,747.4	13.3	2,379	308.2	0.7	58	43,328.4	4,175
Foreign exchange market in the SR – total	42,269.8	82.9	1,954	8,241.8	16.2	3,232	472.7	0.9	116	50,984.3	5,302

	SPOT			FORWARD			SWAP			OPTIONS			Total	
	Volume		No. of transactions	Volume		No. of transactions	Volume		No. of transactions	Volume		No. of transactions	Volume USD millions	No. of transactions
	USD millions	%		USD millions	%		USD millions	%		USD millions	%			
Transactions between domestic banks without foreign participation	1,303.9	17.0	803	2.5	0.0	7	6,349.7	82.9	316	0.01	0.0	1	7,656.2	1,127
Transactions between domestic and foreign banks	4,536.1	10.5	2,146	61.1	0.1	33	38,597.7	89.1	1,816	142.7	0.3	180	43,337.5	4,175
Foreign exchange market in the SR - excl. the NBS	5,840.0	11.5	2,949	63.6	0.1	40	44,947.4	88.1	2,132	142.7	0.3	181	50,993.7	5,302



Average Monthly Exchange Rates of the SKK

Midpoint rate	2004						2005						
	7	8	9	10	11	12	1	2	3	4	5	6	7
1 AUD	23.265	23.394	23.020	23.448	23.472	22.322	22.483	22.813	22.705	23.372	23.548	24.242	24.264
1 CYP	-	-	-	-	-	-	66.426	65.282	65.483	67.153	67.502	67.136	67.720
1 CZK	1.265	1.268	1.267	1.270	1.264	1.268	1.274	1.268	1.283	1.301	1.291	1.282	1.286
1 DKK	5.366	5.395	5.386	5.378	5.326	5.237	5.190	5.112	5.128	5.256	5.244	5.177	5.207
1 EUR	39.901	40.115	40.056	40.004	39.578	38.925	38.614	38.051	38.185	39.157	39.039	38.537	38.837
1 EEK	-	-	-	-	-	-	2.468	2.432	2.441	2.503	2.495	2.463	2.482
100 JPY	29.761	29.809	29.813	29.385	29.093	28.006	28.421	27.914	27.493	28.186	28.808	29.145	28.798
1 CAD	24.561	25.066	25.420	25.622	25.487	23.926	24.033	23.610	23.722	24.538	24.435	25.427	26.351
1 LTL	-	-	-	-	-	-	11.183	11.020	11.059	11.342	11.308	11.162	11.246
1 LVL	-	-	-	-	-	-	55.447	54.669	54.853	56.256	56.085	55.371	55.799
100 HUF	15.956	16.111	16.172	16.211	16.130	15.828	15.665	15.596	15.612	15.797	15.493	15.455	15.755
1 MTL	-	-	-	-	-	-	89.297	88.303	88.438	91.078	90.933	89.747	90.456
1 NOK	4.712	4.813	4.790	4.852	4.860	4.740	4.700	4.575	4.664	4.787	4.823	4.881	4.902
1 PLN	8.922	9.057	9.151	9.256	9.282	9.387	9.466	9.528	9.537	9.451	9.319	9.482	9.474
100 SIT	16.631	16.715	16.692	16.673	16.505	16.233	16.105	15.872	15.931	16.338	16.299	16.094	16.216
1 CHF	26.135	26.079	25.963	25.913	25.994	25.374	24.974	24.541	24.660	25.295	25.275	25.053	24.929
1 SEK	4.341	4.363	4.406	4.416	4.394	4.338	4.267	4.187	4.204	4.273	4.246	4.166	4.121
1 USD	32.512	32.939	32.825	32.081	30.532	29.074	29.348	29.259	28.885	30.249	30.672	31.641	32.220
1 GBP	59.895	59.981	58.856	57.882	56.675	56.066	55.217	55.168	55.134	57.270	57.073	57.589	56.479
1 XDR	47.901	48.257	48.056	47.419	46.163	44.756	44.785	44.383	44.132	45.689	45.994	46.461	46.740

Note: With effect from 1 January 2005 the National Bank of Slovakia has expanded its exchange list by currencies of Cyprus, Estonia, Lithuania, Latvia and Malta.

Average Quarterly Exchange Rates of the SKK

Midpoint rate	2004					2005	
	Q1	Q2	Q3	Q4	Year	Q1	Q2
1 AUD	24.820	23.774	23.232	23.062	23.722	22.667	23.726
1 CYP	-	-	-	-	-	65.726	67.266
1 CZK	1.235	1.251	1.267	1.268	1.255	1.275	1.291
1 DKK	5.446	5.389	5.382	5.312	5.382	5.143	5.225
1 EUR	40.574	40.089	40.025	39.492	40.045	38.282	38.907
1 EEK	-	-	-	-	-	2.447	2.487
100 JPY	30.257	30.352	29.794	28.811	29.804	27.935	28.721
1 CAD	24.618	24.480	25.010	24.987	24.774	23.788	24.804
1 LTL	-	-	-	-	-	11.087	11.270
1 LVL	-	-	-	-	-	54.987	55.899
100 HUF	15.597	15.902	16.079	16.051	15.907	15.624	15.578
1 MTL	-	-	-	-	-	88.675	90.578
1 NOK	4.700	4.850	4.772	4.815	4.784	4.647	4.831
1 PLN	8.493	8.545	9.042	9.310	8.847	9.511	9.417
100 SIT	17.075	16.787	16.680	16.466	16.752	15.969	16.242
1 CHF	25.865	26.067	26.061	25.750	25.936	24.724	25.206
1 SEK	4.419	4.382	4.369	4.382	4.388	4.219	4.228
1 USD	32.457	33.264	32.761	30.539	32.255	29.160	30.863
1 GBP	59.630	60.107	59.595	56.865	59.049	55.172	57.311
1 XDR	48.234	48.560	48.074	46.090	47.740	44.429	46.053

Note: With effect from 1 January 2005 the National Bank of Slovakia has expanded its exchange list by currencies of Cyprus, Estonia, Lithuania, Latvia and Malta.

Inflow of Foreign Direct Investment¹⁾ into Slovakia in 1999 – 2005

(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
1999	65,637	16,729	695	83,061	1,778.15	403.92	-216.87	1,965.20
2000	83,061	97,454	-18,527	161,988	1,965.20	2,109.39	-656.33	3,418.26
2001	161,988	24,353	-4,190	182,151	3,418.26	503.71	-163.73	3,758.24
2002	182,151	174,180	-96,814	259,517	3,758.24	3,842.06	-1,118.22	6,482.08
2003	259,517	37,223	-13,941	282,799	6,482.08	1,012.24	1,096.16	8,590.48
2004 ³⁾	298,247	23,575	1,836	323,658	9,059.75	730.89	1,567.37	11,358.01
2005 ⁴⁾	322,507	1,083	331	323,921 ⁵⁾	11,317.62	37.14	-536.84	10,817.92 ⁵⁾

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
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 ²⁾	59,980	1,813	3,629	65,422	1,498.15	49.30	439.85	1,987.30
2004 ³⁾	65,422	5,115	-3,893	66,644	1,987.30	158.58	192.83	2,338.71
2005	66,644	23	0	66,667 ⁵⁾	2,338.71	0.79	-113.04	2,226.46 ⁵⁾

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
1999	78,568	16,689	781	96,038	2,128.46	402.95	-259.18	2,272.23
2000	96,038	99,561	-18,458	177,141	2,272.23	2,155.00	-689.21	3,738.02
2001	177,141	61,448	-4,193	234,396	3,738.02	1,270.98	-172.80	4,836.20
2002	234,396	185,594	-100,744	319,246	4,836.20	4,093.83	-956.06	7,973.97
2003 ²⁾	319,497	39,036	-10,312	348,221	7,980.23	1,061.54	1,536.01	10,577.78
2004 ³⁾	363,669	28,690	-2,057	390,302	11,047.05	889.47	1,760.20	13,696.72
2005 ⁴⁾	389,151	1,106	331	390,588 ⁵⁾	13,656.33	37.93	-649.88	13,044.38 ⁵⁾

Note: The data for 2003 – 2005 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) Change in methodology (higher limit for foreign exchange reporting obligation).
- 5) Data at 31 March.



Inflow of Foreign Direct Investment¹⁾ During January to March 2005

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 29.160									
Inflow of FDI (equity capital + reinvested earnings) in total	1,083	37.1	100.0	23	0.8	100.0	1,106	37.9	100.0
Structure of capital by investor									
United Kingdom	538	18.4	49.7	0	0.0	0.0	538	18.4	48.6
Austria	460	15.8	42.5	23	0.8	100.0	483	16.6	43.7
Czech Republic	437	15.0	40.4	0	0.0	0.0	437	15.0	39.5
Germany	400	13.7	36.9	0	0.0	0.0	400	13.7	36.2
Poland	132	4.5	12.2	0	0.0	0.0	132	4.5	11.9
USA	106	3.6	9.8	0	0.0	0.0	106	3.6	9.6
Hungary	20	0.7	1.8	0	0.0	0.0	20	0.7	1.8
South Korea	18	0.6	1.7	0	0.0	0.0	18	0.6	1.6
The Netherlands	17	0.6	1.6	0	0.0	0.0	17	0.6	1.5
Anquilla	5	0.2	0.5	0	0.0	0.0	5	0.2	0.5
Other countries	-1,050	-36.0	-97.0	0	0.0	0.0	-1,050	-36.0	-94.9
Structure of capital by sector									
Agriculture, hunting, and forestry	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Mineral raw materials extraction	4	0.1	0.4	0	0.0	0.0	4	0.1	0.4
Manufacturing	608	20.9	56.1	0	0.0	0.0	608	20.9	55.0
Electricity, gas, and water supply	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Construction	-132	-4.5	-12.2	0	0.0	0.0	-132	-4.5	-11.9
Wholesale and retail trade, repairs of motor vehicles	484	16.6	44.7	0	0.0	0.0	484	16.6	43.8
Hotels and restaurants	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Transport, storage, post and telecommunications	-53	-1.8	-4.9	0	0.0	0.0	-53	-1.8	-4.8
Financial intermediation	380	13.0	35.1	23	0.8	100.0	403	13.8	36.4
Real estate, renting and business activities	-214	-7.3	-19.8	0	0.0	0.0	-214	-7.3	-19.3
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	6	0.2	0.6	0	0.0	0.0	6	0.2	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	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Structure of capital by region									
Bratislava region	398	13.6	36.7	23	0.8	100.0	421	14.4	38.1
Trnava region	48	1.6	4.4	0	0.0	0.0	48	1.6	4.3
Trenčín region	411	14.1	38.0	0	0.0	0.0	411	14.1	37.2
Nitra region	27	0.9	2.5	0	0.0	0.0	27	0.9	2.4
Žilina region	152	5.2	14.0	0	0.0	0.0	152	5.2	13.7
Banská Bystrica region	7	0.2	0.6	0	0.0	0.0	7	0.2	0.6
Prešov region	27	0.9	2.5	0	0.0	0.0	27	0.9	2.4
Košice region	13	0.4	1.2	0	0.0	0.0	13	0.4	1.2

Note: Preliminary data.

1) Equity capital + reinvested earnings.

Inflow of Foreign Direct Investment¹⁾ During January to December 2004

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 32.255									
Inflow of FDI (equity capital + reinvested earnings) in total	23,575	730.9	100.0	5,115	158.6	100.0	28,690	889.5	100.0
Structure of capital by investor									
Austria	1,650	51.2	7.0	4,776	148.1	93.4	6,426	199.2	22.4
Hungary	6,222	192.9	26.4	-30	-0.9	-0.6	6,192	192.0	21.6
Czech Republic	4,601	142.6	19.5	-11	-0.3	-0.2	4,590	142.3	16.0
United Kingdom	5,856	181.6	24.8	-1,396	-43.3	-27.3	4,460	138.3	15.5
France	3,786	117.4	16.1	-136	-4.2	-2.7	3,650	113.2	12.7
Luxemburg	3,567	110.6	15.1	0	0.0	0.0	3,567	110.6	12.4
Germany	3,125	96.9	13.3	253	7.8	4.9	3,378	104.7	11.8
The Netherlands	729	22.6	3.1	18	0.6	0.4	747	23.2	2.6
Italy	692	21.5	2.9	-13	-0.4	-0.3	679	21.1	2.4
South Korea	373	11.6	1.6	0	0.0	0.0	373	11.6	1.3
Other countries	-7,026	-217.8	-29.8	1,654	51.3	32.3	-5,372	-166.5	-18.7
Structure of capital by sector									
Agriculture, hunting, and forestry	319	9.9	1.4	0	0.0	0.0	319	9.9	1.1
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Mineral raw materials extraction	-24	-0.7	-0.1	0	0.0	0.0	-24	-0.7	-0.1
Manufacturing	21,669	671.8	91.9	0	0.0	0.0	21,669	671.8	75.5
Electricity, gas, and water supply	-301	-9.3	-1.3	0	0.0	0.0	-301	-9.3	-1.0
Construction	567	17.6	2.4	0	0.0	0.0	567	17.6	2.0
Wholesale and retail trade, repairs of motor vehicles	7,818	242.4	33.2	0	0.0	0.0	7,818	242.4	27.2
Hotels and restaurants	-63	-2.0	-0.3	0	0.0	0.0	-63	-2.0	-0.2
Transport, storage, post and telecommunications	-8,004	-248.1	-34.0	0	0.0	0.0	-8,004	-248.1	-27.9
Financial intermediation	793	24.6	3.4	5,115	158.6	100.0	5,908	183.2	20.6
Real estate, renting and business activities	641	19.9	2.7	0	0.0	0.0	641	19.9	2.2
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	19	0.6	0.1	0	0.0	0.0	19	0.6	0.1
Other community, social, and personal services	141	4.4	0.6	0	0.0	0.0	141	4.4	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	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Structure of capital by regions									
Bratislava region	14,994	464.9	63.6	5,115	158.6	100.0	20,109	623.4	70.1
Trnava region	3,833	118.8	16.3	0	0.0	0.0	3,833	118.8	13.4
Trenčín region	2,199	68.2	9.3	0	0.0	0.0	2,199	68.2	7.7
Nitra region	-174	-5.4	-0.7	0	0.0	0.0	-174	-5.4	-0.6
Žilina region	469	14.5	2.0	0	0.0	0.0	469	14.5	1.6
Banská Bystrica region	250	7.8	1.1	0	0.0	0.0	250	7.8	0.9
Prešov region	996	30.9	4.2	0	0.0	0.0	996	30.9	3.5
Košice region	1,008	31.3	4.3	0	0.0	0.0	1,008	31.3	3.5

Note: Preliminary data.

1) Equity capital + reinvested earnings.



Inflow of Foreign Direct Investment¹⁾ 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									
Inflow of FDI (equity capital + reinvested earnings) in total	37,223	1,012.2	100.0	1,813	49.3	100.0	39,036	1,061.5	100.0
Structure of capital by investor									
Germany	12,282	334.0	33.0	21	0.6	1.2	12,303	334.6	31.5
Hungary	7,489	203.7	20.1	984	26.8	54.3	8,473	230.4	21.7
United Kingdom	5,945	161.7	16.0	104	2.8	5.7	6,049	164.5	15.5
The Netherlands	2,816	76.6	7.6	7	0.2	0.4	2,823	76.8	7.2
Czech Republic	2,028	55.1	5.4	-7	-0.2	-0.4	2,021	55.0	5.2
USA	1,980	53.8	5.3	-27	-0.7	-1.5	1,953	53.1	5.0
Austria	1,137	30.9	3.1	603	16.4	33.3	1,740	47.3	4.5
Denmark	1,132	30.8	3.0	0	0.0	0.0	1,132	30.8	2.9
Switzerland	998	27.1	2.7	0	0.0	0.0	998	27.1	2.6
Italy	566	15.4	1.5	142	3.9	7.8	708	19.3	1.8
Other countries	850	23.1	2.3	-14	-0.4	-0.8	836	22.7	2.1
Structure of capital by sector									
Agriculture, hunting, and forestry	296	8.0	0.8	0	0.0	0.0	296	8.0	0.8
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Mineral raw materials extraction	77	2.1	0.2	0	0.0	0.0	77	2.1	0.2
Manufacturing	13,944	379.2	37.5	0	0.0	0.0	13,944	379.2	35.7
Electricity, gas, and water supply	-546	-14.8	-1.5	0	0.0	0.0	-546	-14.8	-1.4
Construction	737	20.0	2.0	0	0.0	0.0	737	20.0	1.9
Wholesale and retail trade, repairs of motor vehicles	9,111	247.8	24.5	0	0.0	0.0	9,111	247.8	23.3
Hotels and restaurants	63	1.7	0.2	0	0.0	0.0	63	1.7	0.2
Transport, storage, post and telecommunications	332	9.0	0.9	0	0.0	0.0	332	9.0	0.9
Financial intermediation	896	24.4	2.4	1,813	49.3	100.0	2,709	73.7	6.9
Real estate, renting and business activities	1,724	46.9	4.6	0	0.0	0.0	1,724	46.9	4.4
Public administration and defence, compulsory social security	10,463	284.5	28.1	0	0.0	0.0	10,463	284.5	26.8
Education	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Health and social work	3	0.1	0.0	0	0.0	0.0	3	0.1	0.0
Other community, social, and personal services	123	3.3	0.3	0	0.0	0.0	123	3.3	0.3
Activities of private households	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Extra-territorial organizations and bodies	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Structure of capital by regions									
Bratislava region	29,459	801.1	79.1	1,813	49.3	100.0	31,272	850.4	80.1
Trnava region	1,374	37.4	3.7	0	0.0	0.0	1,374	37.4	3.5
Trenčín region	3,339	90.8	9.0	0	0.0	0.0	3,339	90.8	8.6
Nitra region	1,510	41.1	4.1	0	0.0	0.0	1,510	41.1	3.9
Žilina region	749	20.4	2.0	0	0.0	0.0	749	20.4	1.9
Banská Bystrica region	121	3.3	0.3	0	0.0	0.0	121	3.3	0.3
Prešov region	54	1.5	0.1	0	0.0	0.0	54	1.5	0.1
Košice region	617	16.8	1.7	0	0.0	0.0	617	16.8	1.6

Note: Preliminary data.

1) Equity capital + reinvested earnings.

Volume of Foreign Direct Investment¹⁾ as at 31 March 2005

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 29.943									
Total volume of FDI (equity capital + reinvested earnings)	323,921	10,817.9	100.0	66,667	2,226.5	100.0	390,588	13,044.4	100.0
Structure of capital by investor									
The Netherlands	93,633	3,127.0	28.9	613	20.5	0.9	94,246	3,147.5	24.1
Germany	74,800	2,498.1	23.1	1,110	37.1	1.7	75,910	2,535.2	19.4
Austria	23,225	775.6	7.2	32,949	1,100.4	49.4	56,174	1,876.0	14.4
Italy	4,801	160.3	1.5	24,143	806.3	36.2	28,944	966.6	7.4
United Kingdom	26,397	881.6	8.1	349	11.7	0.5	26,746	893.2	6.8
Hungary	22,610	755.1	7.0	1,952	65.2	2.9	24,562	820.3	6.3
Czech Republic	17,232	575.5	5.3	3,486	116.4	5.2	20,718	691.9	5.3
USA	14,109	471.2	4.4	1,650	55.1	2.5	15,759	526.3	4.0
France	11,890	397.1	3.7	415	13.9	0.6	12,305	410.9	3.2
Cyprus	8,236	275.1	2.5	0	0.0	0.0	8,236	275.1	2.1
Other countries	26,988	901.3	8.3	0	0.0	0.0	26,988	901.3	6.9
Structure of capital by sector									
Agriculture, hunting, and forestry	1,670	55.8	0.5	0	0.0	0.0	1,670	55.8	0.4
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Mineral raw materials extraction	2,588	86.4	0.8	0	0.0	0.0	2,588	86.4	0.7
Manufacturing	150,503	5,026.3	46.5	0	0.0	0.0	150,503	5,026.3	38.5
Electricity, gas, and water supply	41,224	1,376.7	12.7	0	0.0	0.0	41,224	1,376.7	10.6
Construction	2,625	87.7	0.8	0	0.0	0.0	2,625	87.7	0.7
Wholesale and retail trade, repairs of motor vehicles	50,918	1,700.5	15.7	0	0.0	0.0	50,918	1,700.5	13.0
Hotels and restaurants	1,903	63.6	0.6	0	0.0	0.0	1,903	63.6	0.5
Transport, storage, post and telecommunications	35,819	1,196.2	11.1	0	0.0	0.0	35,819	1,196.2	9.2
Financial intermediation	20,404	681.4	6.3	66,667	2,226.5	100.0	87,071	2,907.9	22.3
Real estate, renting and business activities	13,153	439.3	4.1	0	0.0	0.0	13,153	439.3	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	1,464	48.9	0.5	0	0.0	0.0	1,464	48.9	0.4
Other community, social, and personal services	1,650	55.1	0.5	0	0.0	0.0	1,650	55.1	0.4
Activities of private households	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Extra-territorial organizations and bodies	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Structure of capital by regions									
Bratislava region	202,236	6,754.0	62.4	66,667	2,226.5	100.0	268,903	8,980.5	68.8
Trnava region	22,812	761.8	7.0	0	0.0	0.0	22,812	761.8	5.8
Trenčín region	17,580	587.1	5.4	0	0.0	0.0	17,580	587.1	4.5
Nitra region	12,682	423.5	3.9	0	0.0	0.0	12,682	423.5	3.2
Žilina region	17,725	592.0	5.5	0	0.0	0.0	17,725	592.0	4.5
Banská Bystrica region	9,344	312.1	2.9	0	0.0	0.0	9,344	312.1	2.4
Prešov region	7,028	234.7	2.2	0	0.0	0.0	7,028	234.7	1.8
Košice region	34,514	1,152.7	10.7	0	0.0	0.0	34,514	1,152.7	8.8

Note: Preliminary data.

1) Equity capital + reinvested earnings.



Volume of Foreign Direct Investment¹⁾ as at 31 December 2004

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 28.496									
Total volume of FDI (equity capital + reinvested earnings)	323,658	11,358.0	100.0	66,644	2,338.7	100.0	390,302	13,696.7	100.0
Structure of capital by investor									
The Netherlands	94,278	3,308.5	29.1	613	21.5	0.9	94,891	3,330.0	24.3
Germany	74,579	2,617.2	23.0	1,110	39.0	1.7	75,689	2,656.1	19.4
Austria	21,929	769.5	6.8	32,926	1,155.5	49.4	54,855	1,925.0	14.1
Italy	5,275	185.1	1.6	24,143	847.2	36.2	29,418	1,032.4	7.5
United Kingdom	25,879	908.2	8.0	349	12.2	0.5	26,228	920.4	6.7
Hungary	22,913	804.1	7.1	1,952	68.5	2.9	24,865	872.6	6.4
Czech Republic	16,970	595.5	5.2	3,486	122.3	5.2	20,456	717.9	5.2
USA	13,976	490.5	4.3	1,650	57.9	2.5	15,626	548.4	4.0
France	11,745	412.2	3.6	415	14.6	0.6	12,160	426.7	3.1
Cyprus	9,051	317.6	2.8	0	0.0	0.0	9,051	317.6	2.3
Other countries	27,063	949.7	8.4	0	0.0	0.0	27,063	949.7	6.9
Structure of capital by sector									
Agriculture, hunting, and forestry	1,674	58.7	0.5	0	0.0	0.0	1,674	58.7	0.4
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Mineral raw materials extraction	2,549	89.5	0.8	0	0.0	0.0	2,549	89.5	0.7
Manufacturing	149,879	5,259.7	46.3	0	0.0	0.0	149,879	5,259.7	38.4
Electricity, gas, and water supply	40,952	1,437.1	12.7	0	0.0	0.0	40,952	1,437.1	10.5
Construction	2,801	98.3	0.9	0	0.0	0.0	2,801	98.3	0.7
Wholesale and retail trade, repairs of motor vehicles	51,175	1,795.9	15.8	0	0.0	0.0	51,175	1,795.9	13.1
Hotels and restaurants	1,908	67.0	0.6	0	0.0	0.0	1,908	67.0	0.5
Transport, storage, post and telecommunications	35,865	1,258.6	11.1	0	0.0	0.0	35,865	1,258.6	9.2
Financial intermediation	19,984	701.3	6.2	66,644	2,338.7	100.0	86,628	3,040.0	22.2
Real estate, renting and business activities	14,134	496.0	4.4	0	0.0	0.0	14,134	496.0	3.6
Public administration and defence, compulsory social security	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Education	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Health and social work	1,465	51.4	0.5	0	0.0	0.0	1,465	51.4	0.4
Other community, social, and personal services	1,272	44.6	0.4	0	0.0	0.0	1,272	44.6	0.3
Activities of private households	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Extra-territorial organizations and bodies	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Structure of capital by regions									
Bratislava region	201,953	7,087.1	62.4	66,644	2,338.7	100.0	268,597	9,425.8	68.8
Trnava region	23,637	829.5	7.3	0	0.0	0.0	23,637	829.5	6.1
Trenčín region	16,983	596.0	5.2	0	0.0	0.0	16,983	596.0	4.4
Nitra region	12,671	444.7	3.9	0	0.0	0.0	12,671	444.7	3.2
Žilina region	17,329	608.1	5.4	0	0.0	0.0	17,329	608.1	4.4
Banská Bystrica region	9,229	323.9	2.9	0	0.0	0.0	9,229	323.9	2.4
Prešov region	7,034	246.8	2.2	0	0.0	0.0	7,034	246.8	1.8
Košice region	34,822	1,222.0	10.8	0	0.0	0.0	34,822	1,222.0	8.9

Note: Preliminary data.

1) Equity capital + reinvested earnings.

Volume of Foreign Direct Investment¹⁾ 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									
Total volume of FDI (equity capital + reinvested earnings)	282,799	8,590.5	100.0	65,422	1,987.3	100.0	348,221	10,577.8	100.0
Structure of capital by investor									
The Netherlands	91,270	2,772.5	32.3	595	18.1	0.9	91,865	2,790.6	26.4
Germany	67,881	2,062.0	24.0	852	25.9	1.3	68,733	2,087.9	19.7
Austria	18,456	560.6	6.5	30,383	922.9	46.4	48,839	1,483.6	14.0
Italy	4,320	131.2	1.5	24,143	733.4	36.9	28,463	864.6	8.2
United Kingdom	24,222	735.8	8.6	1,749	53.1	2.7	25,971	788.9	7.5
Hungary	16,062	487.9	5.7	2,005	60.9	3.1	18,067	548.8	5.2
Czech Republic	14,279	433.7	5.0	3,495	106.2	5.3	17,774	539.9	5.1
USA	12,542	381.0	4.4	1,650	50.1	2.5	14,192	431.1	4.1
France	7,826	237.7	2.8	550	16.7	0.8	8,376	254.4	2.4
Cyprus	4,693	142.6	1.7	0	0.0	0.0	4,693	142.6	1.3
Other countries	21,248	645.4	7.5	0	0.0	0.0	21,248	645.4	6.1
Structure of capital by sector									
Agriculture, hunting, and forestry	1,349	41.0	0.5	0	0.0	0.0	1,349	41.0	0.4
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	122,174	3,711.2	43.2	0	0.0	0.0	122,174	3,711.2	35.1
Electricity, gas, and water supply	40,379	1,226.6	14.3	0	0.0	0.0	40,379	1,226.6	11.6
Construction	2,842	86.3	1.0	0	0.0	0.0	2,842	86.3	0.8
Wholesale and retail trade, repairs of motor vehicles	43,974	1,335.8	15.5	0	0.0	0.0	43,974	1,335.8	12.6
Hotels and restaurants	1,932	58.7	0.7	0	0.0	0.0	1,932	58.7	0.6
Transport, storage, post and telecommunications	35,768	1,086.5	12.6	0	0.0	0.0	35,768	1,086.5	10.3
Financial intermediation	17,800	540.7	6.3	65,422	1,987.3	100.0	83,222	2,528.0	23.9
Real estate, renting and business activities	11,285	342.8	4.0	0	0.0	0.0	11,285	342.8	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	1,445	43.9	0.5	0	0.0	0.0	1,445	43.9	0.4
Other community, social, and personal services	1,142	34.7	0.4	0	0.0	0.0	1,142	34.7	0.3
Activities of private households	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Extra-territorial organizations and bodies	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Structure of capital by regions									
Bratislava region	175,230	5,322.9	62.0	65,422	1,987.3	100.0	240,652	7,310.2	69.1
Trnava region	17,877	543.0	6.3	0	0.0	0.0	17,877	543.0	5.1
Trenčín region	14,263	433.3	5.0	0	0.0	0.0	14,263	433.3	4.1
Nitra region	11,628	353.2	4.1	0	0.0	0.0	11,628	353.2	3.3
Žilina region	14,471	439.6	5.1	0	0.0	0.0	14,471	439.6	4.2
Banská Bystrica region	9,061	275.2	3.2	0	0.0	0.0	9,061	275.2	2.6
Prešov region	6,020	182.9	2.1	0	0.0	0.0	6,020	182.9	1.7
Košice region	34,249	1,040.4	12.1	0	0.0	0.0	34,249	1,040.4	9.8

Note: Preliminary data.

1) Equity capital + reinvested earnings.

**Outflow of Foreign Direct Investment¹⁾ from Slovakia in 1999 – 2005**

(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
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	-2,646	19,121	441.59	8.03	27.97	477.59
2003	19,121	655	-1,830	17,946	477.59	17.81	49.73	545.13
2004	17,946	1,501	-262	19,185	545.13	46.54	81.58	673.25
2005 ³⁾	19,086	30	160	19,276 ⁴⁾	669.78	1.03	-27.05	643.76 ⁴⁾

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
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 ²⁾	162	43	-9	196	4.05	1.17	0.74	5.96
2004	196	-29	360	527	5.96	-0.90	13.44	18.50
2005	527	0	9	536 ⁴⁾	18.50	0.00	-0.59	17.91 ⁴⁾

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
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	-2,680	19,285	445.67	8.03	27.98	481.68
2003 ²⁾	19,283	698	-1,839	18,142	481.64	18.98	50.47	551.09
2004	18,142	1,472	98	19,712	551.09	45.64	95.02	691.75
2005 ³⁾	19,613	30	169	19,812 ⁴⁾	688.28	1.03	-27.64	661.67 ⁴⁾

Note: The data for 2003 – 2005 are preliminary.

1) Equity capital + reinvested earnings.

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

3) Change in methodology (higher limit for foreign exchange reporting obligation).

4) Data at 31 March.


Outflow of Foreign Direct Investment¹⁾ During January to March 2005

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 29.160									
Outflow of FDI (equity capital + reinvested earnings) in total	30	1.0	100.0	0	0.0	100.0	30	1.0	100.0
Structure of capital by country of investment									
Belgium	22	0.8	73.3	0	0.0	0.0	22	0.8	73.3
Serbia and Montenegro	10	0.3	33.3	0	0.0	0.0	10	0.3	33.3
Czech Republic	4	0.1	13.3	0	0.0	0.0	4	0.1	13.3
Romania	-1	0.0	-3.3	0	0.0	0.0	-1	0.0	-3.3
Hungary	-2	-0.1	-6.7	0	0.0	0.0	-2	-0.1	-6.7
Ukraine	-3	-0.1	-10.0	0	0.0	0.0	-3	-0.1	-10.0
Other countries	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Structure of capital by sector									
Agriculture, hunting, and forestry	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Mineral raw materials extraction	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Manufacturing	7	0.2	23.3	0	0.0	0.0	7	0.2	23.3
Electricity, gas, and water supply	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Construction	-2	-0.1	-6.7	0	0.0	0.0	-2	-0.1	-6.7
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	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Real estate, renting and business activities	25	0.9	83.3	0	0.0	0.0	25	0.9	83.3
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
Structure of capital by regions									
Bratislava region	24	0.8	80.0	0	0.0	0.0	24	0.8	80.0
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	7	0.2	23.3	0	0.0	0.0	7	0.2	23.3
Banská Bystrica region	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Prešov region	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Košice region	-1	0.0	-3.3	0	0.0	0.0	-1	0.0	-3.3

Note: Preliminary data.

1) Equity capital + reinvested earnings.



Outflow of Foreign Direct Investment¹⁾ During January to December 2004

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 32.255									
Outflow of FDI (equity capital + reinvested earnings) in total	1,501	46.5	100.0	-29	-0.9	100.0	1,472	45.6	100.0
Structure of capital by country of investment									
Czech Republic	1,254	38.9	83.5	-29	-0.9	100.0	1,225	38.0	83.2
Ethiopia	229	7.1	15.3	0	0.0	0.0	229	7.1	15.6
Cyprus	154	4.8	10.3	0	0.0	0.0	154	4.8	10.5
Ukraine	150	4.7	10.0	0	0.0	0.0	150	4.7	10.2
Russia	111	3.4	7.4	0	0.0	0.0	111	3.4	7.5
The Netherlands	73	2.3	4.9	0	0.0	0.0	73	2.3	5.0
Brazil	26	0.8	1.7	0	0.0	0.0	26	0.8	1.8
Bulgaria	18	0.6	1.2	0	0.0	0.0	18	0.6	1.2
Switzerland	8	0.2	0.5	0	0.0	0.0	8	0.2	0.5
Romania	4	0.1	0.3	0	0.0	0.0	4	0.1	0.3
Other countries	-526	-16.3	-35.0	0	0.0	0.0	-526	-16.3	-35.7
Structure of capital by sector									
Agriculture, hunting, and forestry	-3	-0.1	-0.2	0	0.0	0.0	-3	-0.1	-0.2
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Mineral raw materials extraction	-51	-1.6	-3.4	0	0.0	0.0	-51	-1.6	-3.5
Manufacturing	829	25.7	55.2	0	0.0	0.0	829	25.7	56.3
Electricity, gas, and water supply	1	0.0	0.1	0	0.0	0.0	1	0.0	0.1
Construction	-86	-2.7	-5.7	0	0.0	0.0	-86	-2.7	-5.8
Wholesale and retail trade, repairs of motor vehicles	768	23.8	51.2	0	0.0	0.0	768	23.8	52.2
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	0.1	0	0.0	0.0	1	0.0	0.1
Financial intermediation	-240	-7.4	-16.0	-29	-0.9	100.0	-269	-8.3	-18.3
Real estate, renting and business activities	287	8.9	19.1	0	0.0	0.0	287	8.9	19.5
Public administration and defence, compulsory social security	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Education	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Health and social work	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Other community, social, and personal services	-5	-0.2	-0.3	0	0.0	0.0	-5	-0.2	-0.3
Activities of private households	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Extra-territorial organizations and bodies	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Structure of capital by regions									
Bratislava region	1,053	32.6	70.2	-29	-0.9	100.0	1,024	31.7	69.6
Trnava region	-46	-1.4	-3.1	0	0.0	0.0	-46	-1.4	-3.1
Trenčín region	746	23.1	49.7	0	0.0	0.0	746	23.1	50.7
Nitra region	-2	-0.1	-0.1	0	0.0	0.0	-2	-0.1	-0.1
Žilina region	-74	-2.3	-4.9	0	0.0	0.0	-74	-2.3	-5.0
Banská Bystrica region	12	0.4	0.8	0	0.0	0.0	12	0.4	0.8
Prešov region	36	1.1	2.4	0	0.0	0.0	36	1.1	2.4
Košice region	-224	-6.9	-14.9	0	0.0	0.0	-224	-6.9	-15.2

Note: Preliminary data.

1) Equity capital + reinvested earnings.

Outflow of Foreign Direct Investment¹⁾ 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									
Outflow of FDI (equity capital + reinvested earnings) in total	655	17.8	100.0	43	1.2	100.0	698	19.0	100.0
Structure of capital by country of investment									
Czech Republic	800	21.8	122.1	30	0.8	69.8	830	22.6	118.9
Austria	308	8.4	47.0	0	0.0	0.0	308	8.4	44.1
United Kingdom	82	2.2	12.5	0	0.0	0.0	82	2.2	11.7
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
The Netherlands	21	0.6	3.2	0	0.0	0.0	21	0.6	3.0
Croatia	4	0.1	0.6	13	0.4	30.2	17	0.5	2.4
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
Equador	4	0.1	0.6	0	0.0	0.0	4	0.1	0.6
Other countries	-694	-18.9	-106.0	0	0.0	0.0	-694	-18.9	-99.4
Structure of capital by sector									
Agriculture, hunting, and forestry	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Mineral raw materials extraction	-230	-6.3	-35.1	0	0.0	0.0	-230	-6.3	-33.0
Manufacturing	1,183	32.2	180.6	0	0.0	0.0	1,183	32.2	169.5
Electricity, gas, and water supply	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Construction	-14	-0.4	-2.1	0	0.0	0.0	-14	-0.4	-2.0
Wholesale and retail trade, repairs of motor vehicles	20	0.5	3.1	0	0.0	0.0	20	0.5	2.9
Hotels and restaurants	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Transport, storage, post and telecommunications	-108	-2.9	-16.5	0	0.0	0.0	-108	-2.9	-15.5
Financial intermediation	-14	-0.4	-2.1	43	1.2	100.0	29	0.8	4.2
Real estate, renting and business activities	-222	-6.0	-33.9	0	0.0	0.0	-222	-6.0	-31.8
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	-1	0.0	-0.2	0	0.0	0.0	-1	0.0	-0.1
Other community, social, and personal services	41	1.1	6.3	0	0.0	0.0	41	1.1	5.9
Activities of private households	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Extra-territorial organizations and bodies	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Structure of capital by regions									
Bratislava region	751	20.4	114.7	43	1.2	100.0	794	21.6	113.8
Trnava region	50	1.4	7.6	0	0.0	0.0	50	1.4	7.2
Trenčín region	-20	-0.5	-3.1	0	0.0	0.0	-20	-0.5	-2.9
Nitra region	6	0.2	0.9	0	0.0	0.0	6	0.2	0.9
Žilina region	184	5.0	28.1	0	0.0	0.0	184	5.0	26.4
Banská Bystrica region	-343	-9.3	-52.4	0	0.0	0.0	-343	-9.3	-49.1
Prešov region	110	3.0	16.8	0	0.0	0.0	110	3.0	15.8
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.



Volume of Foreign Direct Investment¹⁾ Outward as at 31 March 2005

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 29.943									
Total volume of FDI outward (equity capital + reinvested earnings)	19,276	643.8	100.0	536	17.9	100.0	19,812	661.7	100.0
Structure of capital by country of investment									
Czech Republic	8,699	290.5	45.1	490	16.4	91.4	9,189	306.9	46.4
United Kingdom	2,283	76.2	11.8	0	0.0	0.0	2,283	76.2	11.5
Ukraine	1,247	41.6	6.5	0	0.0	0.0	1,247	41.6	6.3
Ireland	1,169	39.0	6.1	0	0.0	0.0	1,169	39.0	5.9
Hungary	1,112	37.1	5.8	0	0.0	0.0	1,112	37.1	5.6
Luxemburg	1,110	37.1	5.8	0	0.0	0.0	1,110	37.1	5.6
Poland	839	28.0	4.4	0	0.0	0.0	839	28.0	4.2
Austria	644	21.5	3.3	0	0.0	0.0	644	21.5	3.3
Russia	475	15.9	2.5	0	0.0	0.0	475	15.9	2.4
Bosnia and Herzegovina	363	12.1	1.9	0	0.0	0.0	363	12.1	1.8
Other countries	1,335	44.6	6.9	46	1.5	8.6	1,381	46.1	7.0
Structure of capital by sector									
Agriculture, hunting and forestry	20	0.7	0.1	0	0.0	0.0	20	0.7	0.1
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Mining and quarrying	1,725	57.6	8.9	0	0.0	0.0	1,725	57.6	8.7
Manufacturing	8,364	279.3	43.4	0	0.0	0.0	8,364	279.3	42.2
Electricity, gas and water supply	1,383	46.2	7.2	0	0.0	0.0	1,383	46.2	7.0
Construction	398	13.3	2.1	0	0.0	0.0	398	13.3	2.0
Wholesale and retail trade, repairs of motor vehicles	1,381	46.1	7.2	0	0.0	0.0	1,381	46.1	7.0
Hotels and restaurants	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Transport, storage and communication	40	1.3	0.2	0	0.0	0.0	40	1.3	0.2
Financial intermediation	2,930	97.9	15.2	536	17.9	100.0	3,466	115.8	17.5
Real estate, renting and business activities	2,998	100.1	15.6	0	0.0	0.0	2,998	100.1	15.1
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 service activities	37	1.2	0.2	0	0.0	0.0	37	1.2	0.2
Activities of private households	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Extra – territorial organizations and bodies	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Structure of capital by regions									
Bratislava region	12,051	402.5	62.5	536	17.9	100.0	12,587	420.4	63.5
Trnava region	1,811	60.5	9.4	0	0.0	0.0	1,811	60.5	9.1
Trenčín region	1,427	47.7	7.4	0	0.0	0.0	1,427	47.7	7.2
Nitra region	37	1.2	0.2	0	0.0	0.0	37	1.2	0.2
Žilina region	567	18.9	2.9	0	0.0	0.0	567	18.9	2.9
Banská Bystrica region	1,648	55.0	8.5	0	0.0	0.0	1,648	55.0	8.3
Prešov region	560	18.7	2.9	0	0.0	0.0	560	18.7	2.8
Košice region	1,175	39.2	6.1	0	0.0	0.0	1,175	39.2	5.9

Note: Preliminary data.

1) Equity capital + reinvested earnings.

Volume of Foreign Direct Investment¹⁾ Outward as at 31 December 2004

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 28.496									
Total volume of FDI outward (equity capital + reinvested earnings)	19,185	673.3	100.0	527	18.5	100.0	19,712	691.7	100.0
Structure of capital by country of investment									
Czech Republic	8,630	302.8	45.0	481	16.9	91.3	9,111	319.7	46.2
United Kingdom	2,282	80.1	11.9	0	0.0	0.0	2,282	80.1	11.6
Ukraine	1,227	43.1	6.4	0	0.0	0.0	1,227	43.1	6.2
Ireland	1,136	39.9	5.9	0	0.0	0.0	1,136	39.9	5.8
Hungary	1,129	39.6	5.9	0	0.0	0.0	1,129	39.6	5.7
Luxemburg	1,111	39.0	5.8	0	0.0	0.0	1,111	39.0	5.6
Poland	843	29.6	4.4	0	0.0	0.0	843	29.6	4.3
Austria	649	22.8	3.4	0	0.0	0.0	649	22.8	3.3
Russia	462	16.2	2.4	0	0.0	0.0	462	16.2	2.3
Bosnia and Herzegovina	384	13.5	2.0	0	0.0	0.0	384	13.5	1.9
Other countries	1,332	46.7	6.9	46	1.6	8.7	1,378	48.4	7.0
Structure of capital by sector									
Agriculture, hunting, and forestry	20	0.7	0.1	0	0.0	0.0	20	0.7	0.1
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Mineral raw materials extraction	1,666	58.5	8.7	0	0.0	0.0	1,666	58.5	8.5
Manufacturing	8,447	296.4	44.0	0	0.0	0.0	8,447	296.4	42.9
Electricity, gas, and water supply	1,230	43.2	6.4	0	0.0	0.0	1,230	43.2	6.2
Construction	407	14.3	2.1	0	0.0	0.0	407	14.3	2.1
Wholesale and retail trade, repairs of motor vehicles	1,407	49.4	7.3	0	0.0	0.0	1,407	49.4	7.1
Hotels and restaurants	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Transport, storage, post and telecommunications	43	1.5	0.2	0	0.0	0.0	43	1.5	0.2
Financial intermediation	3,412	119.7	17.8	527	18.5	100.0	3,939	138.2	20.0
Real estate, renting and business activities	2,540	89.1	13.2	0	0.0	0.0	2,540	89.1	12.9
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	13	0.5	0.1	0	0.0	0.0	13	0.5	0.1
Activities of private households	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Extra-territorial organizations and bodies	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Structure of capital by regions									
Bratislava region	11,973	420.2	62.4	527	18.5	100.0	12,500	438.7	63.4
Tmava region	1,781	62.5	9.3	0	0.0	0.0	1,781	62.5	9.0
Trenčín region	1,393	48.9	7.3	0	0.0	0.0	1,393	48.9	7.1
Nitra region	39	1.4	0.2	0	0.0	0.0	39	1.4	0.2
Žilina region	597	21.0	3.1	0	0.0	0.0	597	21.0	3.0
Banská Bystrica region	1,654	58.0	8.6	0	0.0	0.0	1,654	58.0	8.4
Prešov region	562	19.7	2.9	0	0.0	0.0	562	19.7	2.9
Košice region	1,186	41.6	6.2	0	0.0	0.0	1,186	41.6	6.0

Note: Preliminary data.

1) Equity capital + reinvested earnings.

Volume of Foreign Direct Investment¹⁾ 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									
Total volume of FDI outward (equity capital + reinvested earnings)	17,946	545.1	100.0	196	6.0	100.0	18,142	551.1	100.0
Structure of capital by country of investment									
Czech Republic	7,301	221.8	40.7	151	4.6	77.0	7,452	226.4	41.1
United Kingdom	2,293	69.7	12.8	0	0.0	0.0	2,293	69.7	12.6
Ukraine	1,365	41.5	7.6	0	0.0	0.0	1,365	41.5	7.5
Ireland	1,212	36.8	6.8	0	0.0	0.0	1,212	36.8	6.7
Hungary	1,128	34.3	6.3	0	0.0	0.0	1,128	34.3	6.2
Luxemburg	1,113	33.8	6.2	0	0.0	0.0	1,113	33.8	6.1
Poland	794	24.1	4.4	0	0.0	0.0	794	24.1	4.4
Austria	677	20.6	3.8	0	0.0	0.0	677	20.6	3.7
Russia	403	12.2	2.2	0	0.0	0.0	403	12.2	2.2
Croatia	383	11.6	2.1	0	0.0	0.0	383	11.6	2.1
Other countries	1,277	38.8	7.1	45	1.4	23.0	1,322	40.2	7.3
Structure of capital by sector									
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	10.5	0	0.0	0.0	1,879	57.1	10.4
Manufacturing	8,298	252.1	46.2	0	0.0	0.0	8,298	252.1	45.7
Electricity, gas, and water supply	1,226	37.2	6.8	0	0.0	0.0	1,226	37.2	6.8
Construction	388	11.8	2.2	0	0.0	0.0	388	11.8	2.1
Wholesale and retail trade, repairs of motor vehicles	1,033	31.4	5.8	0	0.0	0.0	1,033	31.4	5.7
Hotels and restaurants	1	0.0	0.0	0	0.0	0.0	1	0.0	0.0
Transport, storage, post and telecommunications	34	1.0	0.2	0	0.0	0.0	34	1.0	0.2
Financial intermediation	2,763	83.9	15.4	196	6.0	100.0	2,959	89.9	16.3
Real estate, renting and business activities	1,964	59.7	10.9	0	0.0	0.0	1,964	59.7	10.8
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	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
Structure of capital by regions									
Bratislava region	10,902	331.2	60.7	196	6.0	100.0	11,098	337.1	61.2
Trnava region	1,935	58.8	10.8	0	0.0	0.0	1,935	58.8	10.7
Trenčín region	751	22.8	4.2	0	0.0	0.0	751	22.8	4.1
Nitra region	49	1.5	0.3	0	0.0	0.0	49	1.5	0.3
Žilina region	676	20.5	3.8	0	0.0	0.0	676	20.5	3.7
Banská Bystrica region	1,647	50.0	9.2	0	0.0	0.0	1,647	50.0	9.1
Prešov region	565	17.2	3.1	0	0.0	0.0	565	17.2	3.1
Košice region	1,421	43.2	7.9	0	0.0	0.0	1,421	43.2	7.8

Note: Preliminary data.

1) Equity capital + reinvested earnings.

Symbols used in the tables

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