



NÁRODNÁ BANKA SLOVENSKA  
EUROSYSTEM

# STATISTICAL BULLETIN

MONETARY  
AND FINANCIAL  
STATISTICS

Q4  
2014

Published by:  
© Národná banka Slovenska

Address:  
Národná banka Slovenska  
Imricha Karvaša 1,  
813 25 Bratislava  
Slovakia

Statistics Department  
Monetary and Financial Statistics Section  
02/5787 2690  
02/5787 2179  
[mbs@nbs.sk](mailto:mbs@nbs.sk)

<http://www.nbs.sk>  
<http://www.nbs.sk/en/statistics/money-and-banking-statistics>

All rights reserved.

Reproduction for educational and non-commercial purposes  
is permitted provided that the source is acknowledged.

Unedited.

ISSN 1338-6565 (online)



# CONTENTS

<b>FOREWORD</b>	<b>5</b>	2.9.1 Interest rates and volumes: loans to non-financial corporations (new business)	34
<b>1 STRUCTURE OF THE FINANCIAL MARKET IN SLOVAKIA</b>	<b>7</b>	2.9.2 Interest rates and volumes: loans to households (new business)	37
1.1 Overview of participants	8	2.9.3 Interest rates and volumes: loans to non-financial corporations (outstanding amounts)	40
1.2 Employees in the banking sector	9	2.9.4 Interest rates and volumes: loans to households (outstanding amounts)	41
1.3 Structure of share capital in the banking sector	10	2.10 Deposits received from non-financial corporations and households	42
<b>2 STATISTICS OF OTHER MONETARY FINANCIAL INSTITUTIONS</b>	<b>11</b>	2.10.1 Deposits received from non-financial corporations	42
2.1 Balance-sheet statistics of credit institutions: assets	12	2.10.2 Deposits received from non-financial corporations (euro area comparison)	43
2.2 Balance-sheet statistics of credit institutions: liabilities	13	2.10.3 Deposits received from households	44
2.3 Selected asset and liability items by residency of counterparty	14	2.10.4 Deposits received from households (euro area comparison)	44
2.4 Selected asset and liability items by sector of counterparty	14	2.11 Interest rates and volumes: deposits received	45
2.5 Assets and liabilities of credit institutions: year-on-year changes	16	2.11.1 Interest rates and volumes: deposits received from households (outstanding amounts)	45
2.6 Aggregated balance sheet of other monetary financial institutions	18	2.11.2 Interest rates and volumes: deposits received from households (new business)	46
2.7 Profit / loss analysis for credit institutions	24	2.11.3 Interest rates and volumes: deposits received from non-financial corporations (outstanding amounts)	47
2.7.1 Current period profit / loss in the fourth quarter of 2014	24	2.11.4 Interest rates and volumes: deposits received from non-financial corporations (new business)	47
2.7.2 Selected revenue / expenditure items as reflected in profits / losses	26	<b>3 COLLECTIVE INVESTMENT: MUTUAL FUNDS</b>	<b>49</b>
2.8 Lending to non-financial corporations and households	27	3.1 Current developments in the domestic mutual funds market	50
2.8.1 Loans to non-financial corporations by maturity	27	3.2 Structure of mutual funds in Slovakia and in the euro area	51
2.8.2 Loans to non-financial corporations (euro area comparison)	28	3.3 Asset structure of domestic mutual funds	52
2.8.3 Loans to households by maturity	29	3.3.1 Money market funds	52
2.8.4 Loans to households by purpose (euro area comparison)	29	3.3.2 Bond funds	54
2.8.5 Loans to non-financial corporations by type of loan	30	3.3.3 Equity funds	55
2.8.6 Loans to households by type of loan	30	3.3.4 Mixed funds	56
2.8.7 Loans to non-financial corporations by sector of economic activity	30	3.3.5 Real estate funds	58
2.8.8 Non-performing loans in the non-financial corporations sector	31	3.3.6 Other funds	59
2.8.9 Non-performing loans in the household sector	33		
2.9 Interest rates and volumes: loans provided	34		



<b>4</b>	<b>LEASING COMPANIES, FACTORING COMPANIES, AND CONSUMER CREDIT COMPANIES</b>	<b>61</b>	<b>7</b>	<b>METHODOLOGICAL NOTES</b>	<b>77</b>
			7.1	Balance-sheet statistics of monetary financial institutions	78
			7.2	Interest rate statistics of monetary financial institutions	79
			7.3	Statistics of mutual funds	80
			7.4	Statistics of other financial intermediaries	81
			7.5	Securities statistics	82
			7.5.1	Securities issuance statistics	82
			7.5.2	Debt securities	83
			7.5.3	Quoted shares	84
			7.6	Long-term interest rates	84
<b>5</b>	<b>SECURITIES</b>	<b>65</b>	<b>GLOSSARY AND ABBREVIATIONS</b>	<b>86</b>	
5.1	Debt securities	66	<b>LIST OF CHARTS AND TABLES</b>	<b>93</b>	
5.2	Comparison of debt securities: Slovakia vs euro area	70			
5.3	Quoted shares	71			
5.4	Comparison of quoted shares: Slovakia vs euro area	73			
<b>6</b>	<b>SELECTED MACROECONOMIC INDICATORS</b>	<b>75</b>			
6.1	Long-term interest rates	76			
6.2	Key ECB interest rates	76			



NÁRODNÁ BANKA SLOVENSKA  
EUROSYSTEM



# FOREWORD



## FOREWORD

The *Statistical Bulletin – Monetary and Financial Statistics* is a quarterly publication issued by the Statistics Department of Národná banka Slovenska.

The present issue is based on preliminary data as at December 2014. The publication is based on statistical data which are the main source for compilation of the European Central Bank's euro area statistics, of the International Monetary Fund's and Eurostat's statistics, and for monetary and financial stability analyses at the national level. The last chapter is summarising the methodological notes to the individual areas of statistics under analysis.

The publication is supplemented with a comparison of national statistics with euro area statistics on selected categories of assets and liabilities from the banking sector and mutual funds, interest rates on selected categories of deposits and loans and securities statistics. The final chapter summarises the methodological notes to the individual areas of statistics under analysis.

Main goal of the Bulletin is to improve the presentation of monthly and quarterly data published on the website of Národná banka Slovenska and

to provide users with more comprehensive data on monetary and financial statistics. The Bulletin presents the available aggregated data compiled according to the ECB's methodology and detailed national data presented in the form of tables, charts and commentaries.

The information published in the Bulletin comprises data that are processed and reported by domestic financial institutions, specifically by banks and branches of foreign banks, collective investment undertakings, securities and derivatives dealers, leasing companies, factoring companies, and consumer credit companies.

The Bulletin is available in electronic form on the NBS website ([www.nbs.sk](http://www.nbs.sk)), in PDF format.

We hope that by processing the data in this way, and with the help of feedback from our readers and data users, we will succeed in providing an overview that is quick and easy to use. Any remarks or suggestions regarding the quality of this publication and how it may be improved can be sent to [mbs@nbs.sk](mailto:mbs@nbs.sk).

Editors of the Monetary  
and Financial Statistics Section



NÁRODNÁ BANKA SLOVENSKA  
EUROSYSTEM

CHAPTER 1

# STRUCTURE OF THE FINANCIAL MARKET IN SLOVAKIA



# 1 STRUCTURE OF THE FINANCIAL MARKET IN SLOVAKIA

## 1.1 OVERVIEW OF PARTICIPANTS

The structure of financial market underwent no major changes over the last quarter of 2014. In comparison with the same period a year earlier, the only noteworthy change was a decrease in the number of pension funds from 36 as at end-2013 to 35 as at end-2014. With effect from 2 January 2014, *Aegon, d.s.s., a.s.*, a pension fund management company, has merged with *Vital, d.f.*, a non-guaranteed equity pension fund and *Bal-*

*ans, d.f.*, a non-guaranteed mixed pension fund. The legal successor is *Vital, d.f. – Aegon, d.s.s., a.s.* while the other fund (*Balans, d. f.*) has been dissolved.

The last quarter of 2014 also saw a year-on-year change in the number of asset management companies, after *Alico Funds Central Europe* had been transformed into an asset management company, *IAD Investments, správ. spol., a.s.*

Table 1 Structure of the financial market in Slovakia

	XII. 2013	III. 2014	VI. 2014	IX. 2014	XII. 2014
<b>Monetary financial institutions (S.121 + S.122)</b>	<b>30</b>	<b>30</b>	<b>30</b>	<b>31</b>	<b>31</b>
<b>Central bank (S.121)</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>
<b>Credit institutions (S.122)</b>	<b>28</b>	<b>28</b>	<b>28</b>	<b>28</b>	<b>28</b>
Banks	10	10	10	10	10
Branches of foreign banks	14	14	14	14	14
Credit cooperatives	1	1	1	1	1
Building societies	3	3	3	3	3
<b>Money Market Funds (S.122)</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>
<b>Other financial intermediaries (S.123)</b>	<b>177</b>	<b>176</b>	<b>180</b>	<b>180</b>	<b>180</b>
Investment Funds	82	81	85	85	85
Equity funds	11	11	11	11	11
Bond funds	21	21	22	22	22
Mixed funds	26	25	28	31	31
Real estate funds	6	6	6	6	6
Other funds	18	18	18	15	15
Leasing companies (financial leasing)	47	47	47	47	47
Consumer credit companies	39	39	39	39	39
Factoring companies	5	5	5	5	5
Securities and derivatives dealers <sup>1</sup>	4	4	4	4	4
<b>Financial auxiliaries (S.124)</b>	<b>16</b>	<b>16</b>	<b>16</b>	<b>16</b>	<b>15</b>
Asset Management Companies	6	6	6	6	5
Pension Savings Companies	6	6	6	6	6
Supplementary Pension Asset Management Companies	4	4	4	4	4
<b>Insurance corporations and pension funds (S.125)</b>	<b>53</b>	<b>52</b>	<b>52</b>	<b>52</b>	<b>52</b>
Insurance corporations	17	17	17	17	17
Pension funds	36	35	35	35	35

Source: NBS

1) Securities and derivatives dealers that hold a licence under Act No 566/2001 Coll., except for banks, branches of foreign banks, asset management companies, and branches of foreign asset management companies; and that according to its licence make business on their own account.



**Table 2 Total assets of individual sectors of the financial market in Slovakia (EUR millions)**

	XII. 2013	III. 2014	VI. 2014	IX. 2014	XII. 2014
<b>Monetary financial institutions (S.121 + S.122)</b>	<b>77,716</b>	<b>83,462</b>	<b>79,894</b>	<b>83,257</b>	<b>82,283</b>
Central bank (S.121)	16,684	21,662	17,703	19,662	18,125
Credit institutions (S.122)	60,950	61,725	62,116	63,519	64,158
Money Market Funds (S.122)	82	75	75	76	78
<b>Other financial intermediaries (S.123)</b>	<b>9,342</b>	<b>9,685</b>	<b>9,854</b>	<b>10,361</b>	<b>10,516</b>
Investment funds	4,524	4,752	5,037	5,323	5,375
Leasing companies (financial leasing)	3,249	3,262	3,103	3,301	3,372
Consumer credit companies	1,409	1,508	1,560	1,582	1,611
Factoring companies	152	155	146	147	150
Securities and derivatives dealers <sup>1)</sup>	8	8	8	8	8
<b>Financial auxiliaries (S.124)</b>	<b>264</b>	<b>272</b>	<b>276</b>	<b>291</b>	<b>294</b>
<b>Insurance corporations and pension funds (S.125)</b>	<b>14,053</b>	<b>14,651</b>	<b>14,721</b>	<b>14,914</b>	<b>15,170</b>
Insurance corporations <sup>2)</sup>	6,896	7,293	7,105	7,146	7,260
Pension funds	7,157	7,358	7,616	7,768	7,910

Source: NBS.

1) Securities and derivatives dealers that hold a licence under Act No 566/2001 Coll., except for banks, branches of foreign banks, asset management companies, and branches of foreign asset management companies; and that according to its licence make business on their own account.

2) Slovak Insurers' bureau (SIB) has been established by virtue of the Act No. 381/2001 on Compulsory MTPL Insurance and on changes in, and amendments to, some laws.

## 1.2 EMPLOYEES IN THE BANKING SECTOR

In the last quarter of 2014, the total number of employees in the banking sector increased somewhat in quarter-on-quarter terms. From 31 December 2013 to 31 December 2014, the number of employees increased by 0.35%, representing 70 employees in absolute terms. In year-on-year terms, however, the number of employees increased by 0.67%, i.e. by 132 persons. The number of employees in foreign bank branches recorded a marked increase at the

end of 2013, owing to the transformation of *UniCredit Bank Slovakia, a.s.*, into *UniCredit Bank Czech Republic and Slovakia, a.s.*, a foreign bank branch. The central bank also reported a quarter-on-quarter increase in its staff numbers in connection with the creation of a new department for the protection of financial consumers (after the Government had approved the concept of financial consumer protection, designed to create, inter alia, a framework for setting up a contact place for the customers of all financial institutions).

**Table 3 Number of employees in the banking sector**

	2012	2013				2014			
	31.12.	31.3.	30.6.	30.9.	31.12.	31.3.	30.6.	30.9.	31.12.
<b>Banking sector</b>	19,662	19,628	19,576	19,623	19,551	19,584	19,560	19,613	19,683
Central bank	1,007	1,003	1,001	1,013	1,011	1,008	1,007	1,001	1,027
<b>Banks and branches of foreign banks</b>	18,655	18,625	18,575	18,610	18,540	18,576	18,533	18,612	18,656
<i>of which: Banks</i>	17,769	17,779	17,719	17,763	16,674	16,719	16,795	16,861	16,870
<i>Branches of foreign banks</i>	886	846	856	847	1,866	1,857	1,758	1,751	1,786

Source: NBS.



### 1.3 STRUCTURE OF SHARE CAPITAL IN THE BANKING SECTOR

The ratio of domestic share capital to total subscribed capital in the banking sector fell in the quarter under review only slightly in year-on-year terms, from 5.86% as at 31 December 2014 to 5.62% as at 31 December 2014.

As at the end of the last quarter of 2014, domestic share capital was part of the subscribed capital of nine domestic credit institutions (out of the total of 28), with two banks (*ČSOB stavebná sporiteľňa, a.s.*, and *Slovenská záručná a rozvojová banka, a.s.*) having a 100% share of domestic capital.

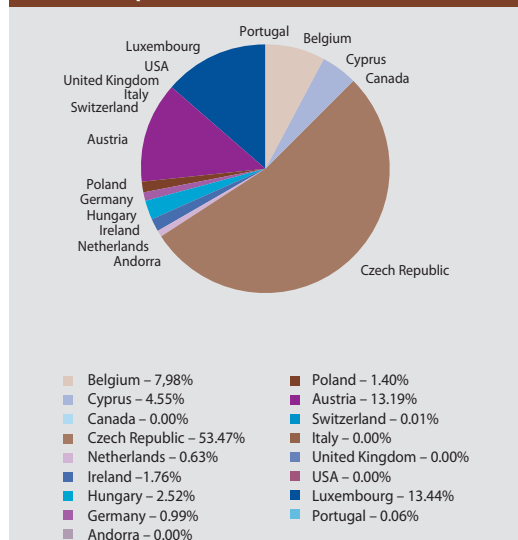
The ratio of foreign share capital to total subscribed capital in domestic banks rose only marginally in year-on-year terms, from 94.14% as at

31 December 2014 to 94.38% as at 31 December 2014.

During the same period, the volume of foreign share capital increased in absolute terms by €143.55 million (in relative terms by 4.62%).

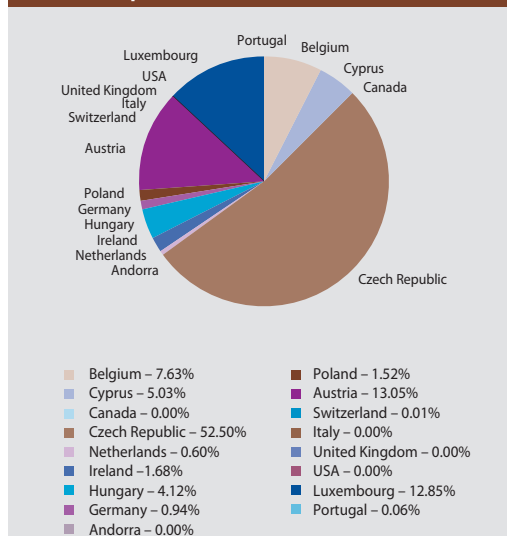
This growth was stimulated largely by foreign capital from Cyprus and Hungary. From 31 December 2014 to 31 December 2014, capital from Cyprus as a percentage of total foreign capital increased from 4.55% to 5.03% (an increase of €22.2 million), while that from Hungary increased from 2.52% to 4.12% (an increase of €55.68 million). Capital from Cyprus was used to increase the capital of Prima banka, while the increase in Hungarian capital took place in OTP Bank and, to a greater extent, in KDB Bank, a foreign bank branch.

Chart 1 Foreign capital in the banks in the Slovak Republic as at 31 December 2013



Source: NBS.

Chart 2 Foreign capital in the banks in the Slovak Republic as at 31 December 2014



Source: NBS.



NÁRODNÁ BANKA SLOVENSKA  
EUROSYSTEM

## CHAPTER 2

# STATISTICS OF OTHER MONETARY FINANCIAL INSTITUTIONS

## 2 STATISTICS OF OTHER MONETARY FINANCIAL INSTITUTIONS

### 2.1 BALANCE-SHEET STATISTICS OF CREDIT INSTITUTIONS: ASSETS

The total assets of banks and branches of foreign banks operating in Slovakia, excluding NBS (hereinafter referred to as 'credit institutions') reached €64.2 billion at the end of the last quarter of 2014, and were by €3.2 billion (by 5.26%) higher than a year earlier. This increase took place mostly in the outstanding amount of loan claims.

The structure of total assets was dominated by loan claims, with a share of 73.44% as at 31 December 2014. This was by 1.65 percentage points more than a year earlier. The outstanding amount of these claims grew by €3.4 billion (by 7.69%) year-on-year. This growth took place mostly in long-term claims with a maturity of over five years, which increased by €3.0 billion. The outstanding amount of loan claims with a maturity of up to one year increased by €0.3 billion and that of claims with a maturity of over one and up to five years increased by €0.1 billion.

The proportion of securities other than shares and mutual fund shares/units decreased year-on-year by 1.6 percentage point, to 20.07% as at the end of the fourth quarter of 2014. The outstanding amount of such securities in the portfolio of credit institutions fell year-on-year by €0.3 billion (2.52%), owing to a decrease in the outstanding amount of securities with a maturity of over one and up to two years (by €0.1 billion) and in that of securities with a maturity of over two years (by €0.2 billion).

Shares and other equity participations accounted for 0.94% of total assets (as at 31 December 2014). This was by 0.11 percentage point less than in the same period a year earlier. In year-on-year terms, the outstanding amount of shares and other equity participations in the aggregated portfolio of credit institutions decreased by €0.04 billion (by 5.74%).

The proportion of other assets (including fixed assets) to total assets decreased year-on-year by 0.05 percentage point, to 4.23% as at 31 December 2014. The outstanding amount of other assets (including fixed assets) increased by €0.1 billion (by 4.03%) year-on-year.

Chart 3 Structure of assets of credit institutions as at 31 December 2013

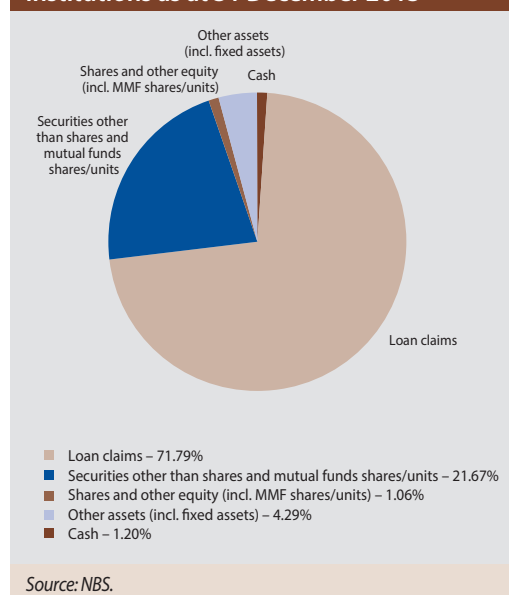


Table 4 Structure of assets of credit institutions in the SR (EUR thousands)

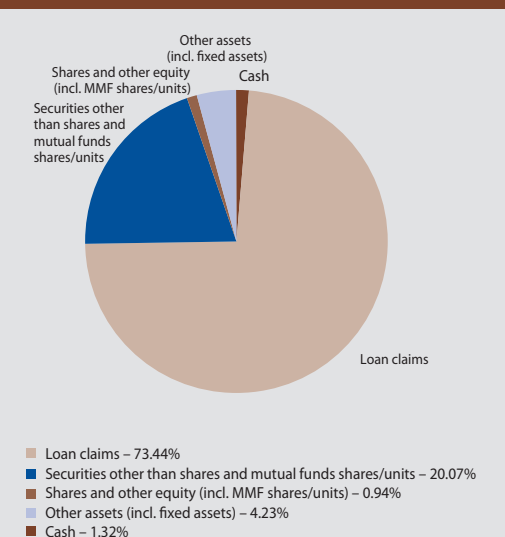
	XII. 2013	III. 2014	VI. 2014	IX. 2014	XII. 2014
<b>ASSETS</b>	<b>60,949,720</b>	<b>61,725,423</b>	<b>62,115,971</b>	<b>63,519,462</b>	<b>64,158,601</b>
Cash	732,879	649,765	679,079	709,382	844,028
Loan claims	43,753,052	44,252,378	44,857,753	46,025,919	47,115,740
Securities other than shares and mutual funds shares/units	13,208,903	13,636,597	13,396,705	13,480,556	12,875,668
Shares and other equity (incl. MMF shares/units)	643,134	605,578	652,173	658,598	606,196
Other assets (incl. fixed assets)	2,611,752	2,581,105	2,530,261	2,645,007	2,716,969

Source: NBS.

1) Loan claims – including deposits of banks with other entities and non-tradable securities.

2) Assets excluding depreciation and including provisions.

**Chart 4 Structure of assets of credit institutions as at 31 December 2014**



Source: NBS.

year-on-year, to 76.90% as at 31 December 2014. Their outstanding amount increased year-on-year by €2.5 billion (by 5.23%), as a result of growth in deposits and loans received with a maturity of up to one year.

The share of capital and provisions in the total liabilities of credit institutions decreased year-on-year by 0.31 percentage point, to 14.20% as at 31 December 2014. The total amount of capital and provisions increased year-on-year by €0.3 billion (3.01%).

The proportion of issued debt securities to the total liabilities of credit institutions increased year-on-year by 0.06 percentage point, to 6.15%. At the end of the last quarter of 2014, the outstanding amount of these securities stood at €3.9 billion, representing an increase by €0.2 billion (by 6.30%) compared with the same period a year

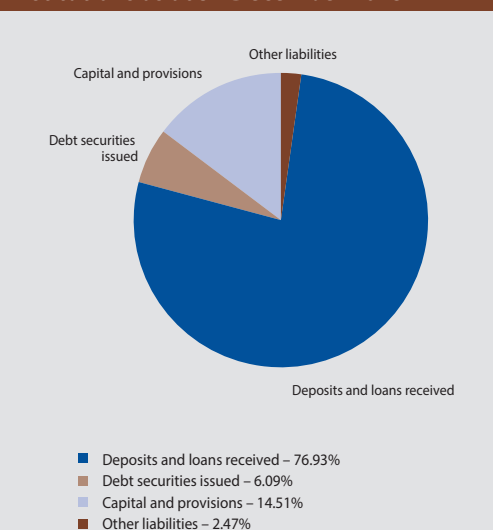
The cash holdings of credit institutions as a percentage of total assets increased by 0.11 percentage point year-on-year, to 1.32% as at the end of the fourth quarter of 2014. The outstanding amount of cash holdings increased by €0.1 billion (by 15.17%) compared with the same period a year earlier.

## 2.2 BALANCE-SHEET STATISTICS OF CREDIT INSTITUTIONS: LIABILITIES

The total liabilities of credit institutions operating in Slovakia reached €64.2 billion at the end of the fourth quarter of 2014. This represented a year-on-year increase by €3.2 billion (by 5.26%), and took place mostly in deposits received.

Total liabilities continued to be dominated by deposits and loans received, the share of which, however, decreased by 0.03 percentage point

**Chart 5 Structure of liabilities of credit institutions as at 31 December 2013**



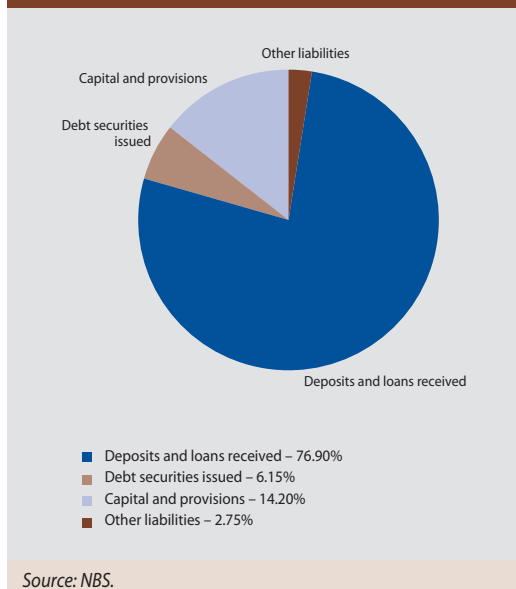
Source: NBS.

**Table 5 Structure of liabilities of credit institutions in SR (EUR thousands)**

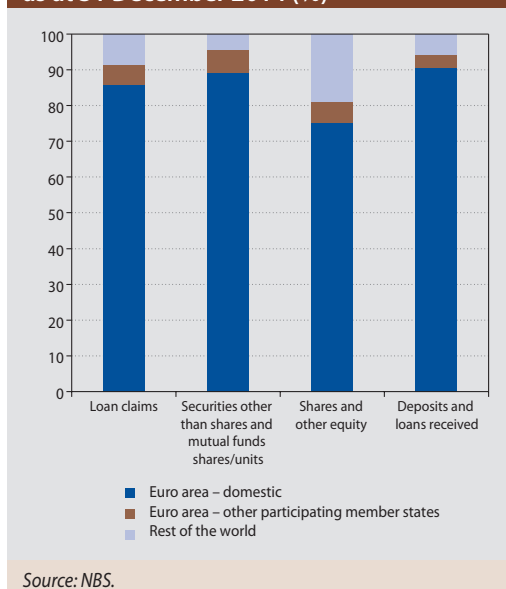
	XII. 2013	III. 2014	VI. 2014	IX. 2014	XII. 2014
<b>LIABILITIES</b>	<b>60,949,720</b>	<b>61,725,423</b>	<b>62,115,971</b>	<b>63,519,462</b>	<b>64,158,601</b>
<b>Deposits and loans received</b>	46,885,816	47,014,541	47,671,865	48,686,361	49,338,087
<b>Debt securities issued</b>	3,711,738	3,812,077	3,835,575	3,880,376	3,945,620
<b>Capital and provisions</b>	8,846,118	8,981,659	8,670,393	9,007,279	9,112,037
<b>Other liabilities</b>	1,506,048	1,917,146	1,938,138	1,945,446	1,762,857

Source: NBS.

**Chart 6 Structure of liabilities of credit institutions as at 31 December 2014**



**Chart 7 Selected assets/liabilities: breakdown of counterparties by residency as at 31 December 2014 (%)**



earlier. This increase took place mostly in debt securities with a maturity of over two years.

The share of other liabilities in the total liabilities of credit institutions increased by 0.28 percentage point in year-on-year terms, to 2.75% as at 31 December 2014. The outstanding amount of other liabilities increased year-on-year by €0.3 billion (by 17.05%).

### 2.3 SELECTED ASSET AND LIABILITY ITEMS BY RESIDENCY OF COUNTERPARTY

The aggregated loan claims of credit institutions in Slovakia (€47.1 billion) continued to be dominated by claims on domestic entities (85.77%). The outstanding amount of these claims as at end-December 2014 stood at €40.4 billion. Loan claims on entities from other euro area countries and from the rest of the world accounted for 5.61% (€2.6 billion) and 8.62% (€4.0 billion) respectively.

The aggregated portfolio of credit institutions contained purchased securities other than shares and mutual fund shares/units worth €12.9 billion. Securities issued by domestic issuers accounted for 89.39% (€11.5 billion). Securities issued by is-

suers from other euro area countries and from the rest of the world accounted for 6.12% (€0.8 billion) and 4.49% (€0.6 billion) respectively.

The structure of shares and other equity participations held in portfolio by credit institutions (worth €0.6 billion) was dominated by domestic securities (worth €0.5 billion, i.e. 75.15%). Equity securities issued by issuers from other euro area countries and from the rest of the world accounted for 6.00% and 18.85% respectively.

Deposits and loans received amounted to €49.3 billion as at 31 December 2014. Of this amount, 90.53% was accounted for by deposits and loans received from domestic entities (€44.7 billion). The creditors of credit institutions operating in Slovakia from other euro area Member States and from the rest of the world accounted for 3.65% (€1.8 billion) and 5.82% (€2.9 billion) respectively.

### 2.4 SELECTED ASSET AND LIABILITY ITEMS BY SECTOR OF COUNTERPARTY

**Domestic** loan claims as at 31 December 2014 (€40.4 billion) were dominated by claims on other sectors, i.e. other than the *general government* and *monetary financial institutions* sectors

(94.64%). These claims amounted to €38.2 billion and comprised mostly claims on households and non-profit institutions serving households (€23.0 billion) and claims on non-financial corporations (€14.4 billion).

Claims on domestic monetary financial institutions (MFIs) accounted for 2.95% of the total outstanding amount of domestic loan claims; claims on the general government sector represented 2.41%.

Domestic securities other than shares and mutual fund shares/units held in portfolio by credit institutions as at 31 December 2014 (worth €11.5 billion) were dominated by government debt securities with a share of 91.50%.

Securities other than shares and mutual fund shares/units issued by domestic MFIs accounted for 5.0%, and those issued by entities from other domestic sectors represented 3.50%.

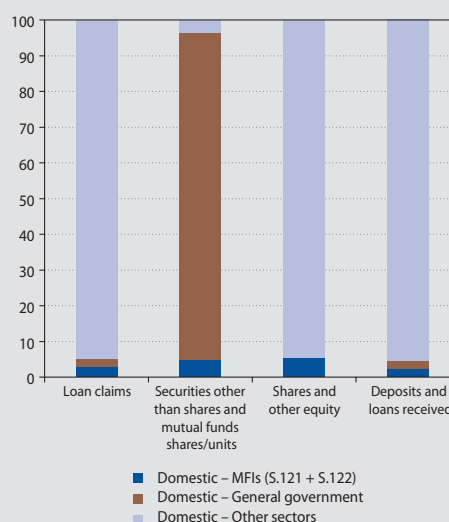
The total value of domestic shares and other equity participations held in portfolio by credit institutions stood at approximately €0.5 billion. Of this figure, securities issued by entities from other sectors accounted for 94.51%. Equity securities issued by domestic MFIs and held by credit institutions operating in Slovakia accounted for 5.49%.

At the end of the period under review, deposits and loans received from domestic entities amounted to €44.7 billion. They were dominated by deposits from other sectors (95.43%), mostly from households. Deposits and loans received from the domestic general government sector represented 2.09%. Domestic MFIs accounted for 2.48% of the total volume of domestic deposits and loans received.

The loan claims of credit institutions operating in Slovakia on residents of **other euro area Member States** totalled €2.6 billion as at the end of the last quarter of 2014 and were dominated by claims on other sectors (54.93%). Claims on monetary financial institutions accounted for 45.07% (€1.2 billion).

The total value of securities other than shares and mutual fund shares/units issued by residents of other euro area Member States, and held in portfolio by credit institutions in Slovakia,

**Chart 8 Selected assets/liabilities: sectoral breakdown of domestic counterparty as at 31 December 2014 (%)**



Source: NBS.

1) Monetary financial institutions – MFIs (S.121 + S.122).

2) Other sectors = Other financial intermediaries and Financial auxiliaries (S.123 and S.124) + Insurance corporations and Pension funds (S.125) + Non-financial corporations (S.11) + Households and Non-profit institutions serving households (S.14 and S.15).

stood at €0.8 billion as at end-December 2014. Of this figure, government securities accounted for 58.44% (€0.5 billion), securities issued by monetary financial institutions for 26.67%, and securities issued by entities from other sectors for 14.88%.

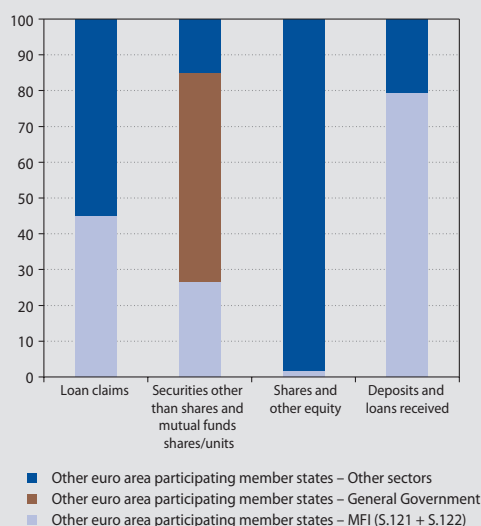
Shares and other equity participations (issued by residents of other euro area countries) were held by credit institutions in Slovakia in an amount of €0.04 billion. Of this amount, equity securities issued by entities from other sectors accounted for 98.28% and those issued by monetary financial institutions represented 1.72%.

Deposits and loans received from residents of other euro area countries amounted to €1.8 billion. They were dominated by deposits and loans received from monetary financial institutions (79.46%) in the total amount of €1.4 billion. Deposits from other sectors accounted for 20.51%, while deposits from the general government sector represented only 0.03%.

Loan claims on residents of the **rest of the world** stood at €4.1 billion as at the end of the last quar-

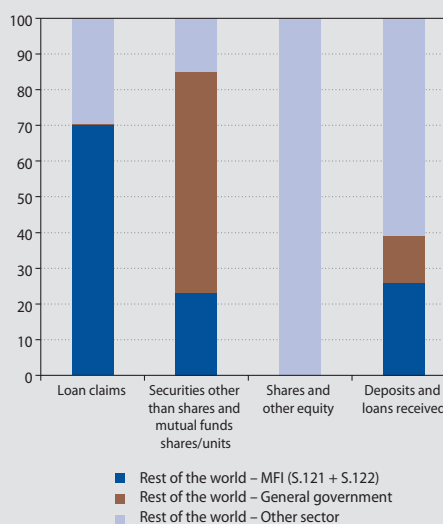


**Chart 9 Selected assets/liabilities: sectoral breakdown of counterparty from the euro area as at 31 December 2014 (%)**



Source: NBS.

**Chart 10 Selected assets/liabilities: sectoral breakdown of counterparty from the rest of the world as at 31 December 2014 (%)**



Source: NBS.

ter of 2014. They were dominated by claims on monetary financial institutions (70.32%, worth €2.9 billion), followed by claims on other sectors (29.63%). Claims on the general government sector accounted for only 0.05%.

Credit institutions operating in Slovakia held in their portfolio securities other than shares and mutual fund shares/units issued by the rest of the world residents in the total amount of €0.6 billion. Of this amount, securities issued by general government sector accounted for 62.10% (€0.4 billion), securities issued by monetary financial institutions for 23.02%, and those issued by entities from other sectors for 14.88%.

The value of shares and other equity securities issued by the rest of the world residents and held in portfolio by credit institutions in Slovakia amounted to €0.1 billion. These comprised equity securities issued by entities from other sectors (i.e. other than the general government and monetary financial institutions sectors).

Deposits and loans received from rest of the world residents amounted to €2.9 billion as at the end of the last quarter of 2014. Of this amount, other sectors accounted for 60.96% (€1.7 billion), monetary financial institutions for 25.82%, and the general government sector for 13.22%.

## 2.5 ASSETS AND LIABILITIES OF CREDIT INSTITUTIONS: YEAR-ON-YEAR CHANGES

The total **assets of credit institutions** showed a year-on-year increase at the end of each quarter in the period from 31 December 2013 to 31 December 2014. The biggest year-on-year change was recorded in the third quarter of 2014, when the outstanding amount of assets increased by €3.8 billion (by 6.39%).

The most significant change in loan claims took place in the third quarter of 2014, when their outstanding amount increased year-on-year by €4.0 billion (by 9.39%), mainly as a result of growth in claims with a maturity of over five years (by €2.6 billion), though loan claims with shorter maturities also increased in year-on-year terms.

Securities other than shares and mutual fund shares/units held in portfolio by credit institutions underwent the largest change in the second quarter of 2014, when their outstanding amount decreased year-on-year by €0.6 billion (by 4.09%).

The outstanding amount of shares and other equity participations (including money market fund shares/units) was relatively low at the end of each quarter in the period under review (it reached



**Table 6 Year-on-year changes in assets of credit institutions in the SR (EUR thousands)**

	XII. 2013	III. 2014	VI. 2014	IX. 2014	XII. 2014
<b>ASSETS</b>	<b>1,385,202</b>	<b>1,896,484</b>	<b>2,284,616</b>	<b>3,816,065</b>	<b>3,208,881</b>
<b>Cash</b>	<b>-4,878</b>	<b>12,621</b>	<b>45,566</b>	<b>65,261</b>	<b>111,149</b>
<b>Loan claims</b>	<b>2,046,096</b>	<b>2,021,457</b>	<b>2,864,008</b>	<b>3,950,021</b>	<b>3,362,688</b>
Loan claims – up to 1 year	266,736	-206,331	407,538	929,748	270,975
Loan claims – over 1 and up to 5 years	6,599	86,293	-1,355	444,104	101,799
Loan claims – over 5 years	1,772,761	2,141,495	2,457,825	2,576,169	2,989,914
<b>Securities other than shares and mutual funds shares/units</b>	<b>-433,972</b>	<b>167,561</b>	<b>-571,733</b>	<b>-109,317</b>	<b>-333,235</b>
Securities other than shares and mutual funds shares/units up to 1 year	-504,953	-481,396	31,871	41,245	42,484
Securities other than shares and mutual funds shares/units over 1 and up to 2 years	147,021	63,079	-301,071	-181,278	-141,832
Securities other than shares and mutual funds shares/units over 2 years	-76,040	585,878	-302,533	30,716	-233,887
<b>Shares and other equity</b>	<b>79,569</b>	<b>3,562</b>	<b>49,865</b>	<b>11,889</b>	<b>-36,938</b>
<b>Other assets</b>	<b>-301,613</b>	<b>-308,717</b>	<b>-103,090</b>	<b>-101,789</b>	<b>105,217</b>

Source: NBS.

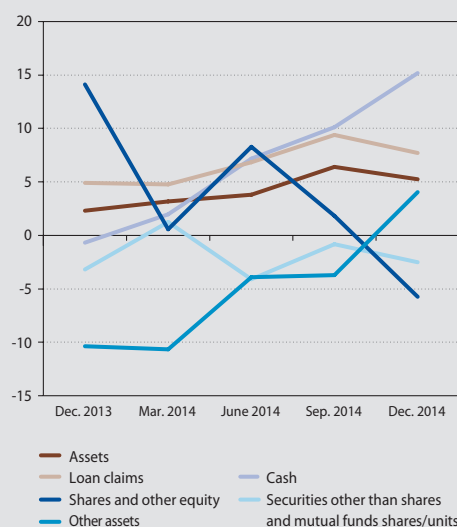
a maximum of €0.66 billion as at 30 September 2014). The most significant change was recorded at the end of the last quarter of 2013: a year-on-year increase by €0.08 billion (by 14.12%).

In other assets (including fixed assets), the biggest change was recorded at the end of the first quarter of 2014: a year-on-year decrease by €0.3 billion (by 10.68%).

A most significant change in the cash holdings of credit institutions was recorded at the end of the fourth quarter of 2014: a year-on-year increase by €0.1 billion (by 15.17%).

The total **liabilities of credit institutions** showed a year-on-year increase at the end of each quarter in the period from 31 December 2013 to 31 December 2014. The most significant change, i.e. a year-on-year increase by €3.8 billion (by 6.39%), was recorded at the end of the third quarter of 2014.

This change was influenced foremost by deposits and loans received, which grew in volume by €3.1 billion (by 6.84%) year-on-year (status as at 30 September 2014). The outstanding amount of deposits and loans received with a maturity

**Chart 11 Year-on-year changes in assets of credit institutions (change of stock in %)**


Source: NBS.

of up to one year increased by €3.6 billion, while that of deposits and loans received with a maturity of over one year decreased by €0.5 billion.

In the period under review, the outstanding amount of issued debt securities changed most

**Table 7 Year-on-year changes in liabilities of credit institutions (in EUR thousands)**

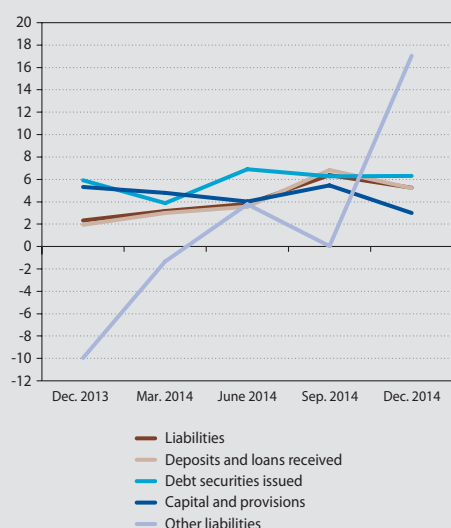
	XII. 2013	III. 2014	VI. 2014	IX. 2014	XII. 2014
<b>LIABILITIES</b>	<b>1,385,202</b>	<b>1,896,484</b>	<b>2,284,616</b>	<b>3,816,065</b>	<b>3,208,881</b>
<b>Deposits and loans received</b>	<b>898,117</b>	<b>1,369,451</b>	<b>1,632,437</b>	<b>3,118,734</b>	<b>2,452,271</b>
Deposits and loans received up to 1 year	3,032,753	2,229,644	2,654,262	3,635,506	2,527,326
Deposits and loans received over 1 year	-2,134,636	-860,193	-1,021,825	-516,772	-75,055
<b>Debt securities issued</b>	<b>207,425</b>	<b>142,443</b>	<b>247,466</b>	<b>229,279</b>	<b>233,882</b>
Debt securities issued up to 1 year	-82,635	-104,055	-105,634	-18,537	-10,031
Debt securities issued over 1 and up to 2 years	9,500	30,957	968	-25,027	-65,398
Debt securities issued over 2 years	280,560	215,541	352,132	272,843	309,311
<b>Capital and provisions</b>	<b>446,409</b>	<b>410,478</b>	<b>334,575</b>	<b>467,422</b>	<b>265,919</b>
<b>Other liabilities</b>	<b>-166,749</b>	<b>-25,888</b>	<b>70,138</b>	<b>630</b>	<b>256,809</b>

Source: NBS.

significantly in the second quarter of 2014, when a year-on-year increase by €0.2 billion (6.90%) was recorded, mainly in securities with a maturity of over two years.

The most significant change in the total amount of capital and provisions was recorded at the end of the third quarter of 2014: a year-on-year increase by €0.47 billion (by 5.47%).

In the period under review, the outstanding amount of other liabilities changed most significantly in the fourth quarter of 2014, when a year-on-year increase by €0.3 billion (by 17.05%) was recorded.

**Chart 12 Year-on-year changes in liabilities of credit institutions (change of stock in %)**


Source: NBS.

## 2.6 AGGREGATED BALANCE SHEET OF OTHER MONETARY FINANCIAL INSTITUTIONS

The aggregated balance sheet of other monetary financial institutions is compiled as an aggregate of the individual balance sheets of other monetary financial institutions, i.e. monetary financial institutions, except central banks. Along with the balance sheets of monetary financial institutions belonging to the S.121 sector, it forms an integral part of the aggregated balance sheet of monetary financial institutions (MFIs).

At the end of 2014, the aggregated balance sheet of monetary financial institutions operating in Slovakia (excluding NBS), i.e. commercial banks, branches of foreign banks, and money market funds that are SR residents, constituted only 0.2% of the aggregated balance sheet of euro area MFIs (excluding the Eurosystem).

**Total assets of the aggregated balance sheet of other euro area MFIs (excluding the Eurosystem)** ranged from €30,585 billion to €31,208 billion at the end of the individual quarters of 2014. At the end of 2014 their outstanding amount increased year-on-year by €765 billion (by 2.51%).

The assets of euro area MFIs (excluding the Eurosystem) as at the end of 2014 were dominated by claims on euro area residents (54.13%). Their share in total assets decreased year-on-year by 1.66 percentage points. The outstanding amount



of these claims was by 0.53% (by €90 billion) smaller than a year earlier, owing to a fall in claims on monetary financial institutions (by 2.12%).

The proportion of securities other than shares and mutual fund shares/units issued by euro area residents to the total assets of other MFIs of euro area held in their portfolio as at the end of 2014 (14.56%) was by 0.79 percentage point lower than a year earlier. Their outstanding amount was by 2.77% (by €130 billion) smaller than a year earlier, mainly as a result of a decrease in the outstanding amount of securities issued by euro area MFIs (by €216 billion) and other euro area residents (by €68 billion). At the same time, the volume of securities issued by the general government sector of euro area Member States increased.

The proportion of money market fund shares/units to the total assets of other euro area MFIs was negligible (0.13%) in comparison with that of other asset items. The outstanding amount of these shares/units was by 0.06 percentage point (by €17 billion) smaller than a year earlier.

At the end of 2014, shares and other equity participations issued by euro area residents accounted for 3.76% of the assets of other euro area MFIs. This was by 0.29 percentage point less than a year earlier. Their outstanding amount fell by 4.73% year-on-year.

The share of foreign assets in total assets as at 31 December 2014 (13.74%) was by 1.07 percentage points higher than a year earlier. Their outstanding amount was by 11.21% larger than at the end of 2013.

The proportion of fixed assets to total assets stood at 0.64%, representing a fall by 0.05 percentage point in year-on-year terms. The outstanding amount of fixed assets was by 4.65% smaller than a year earlier.

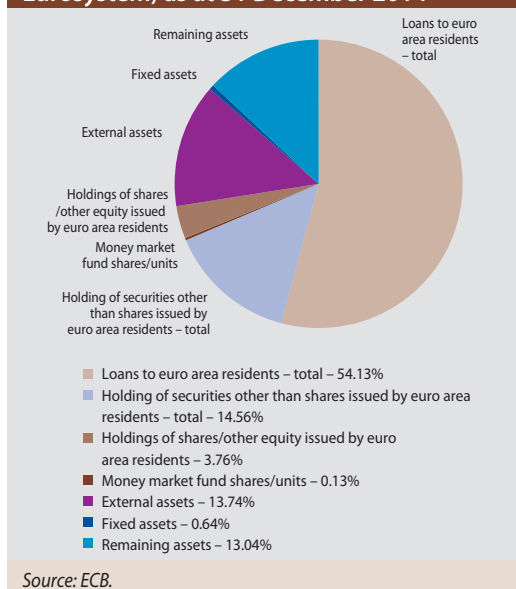
The proportion of other assets of other euro area MFIs to total assets reached 13.04% as at 31 December 2014, which was by 1.76 percentage points more than in the same period a year earlier. The outstanding amount of other assets increased year-on-year by €636 billion.

**Table 8 Structure of assets of aggregated balance sheet of euro area MFIs (excluding Eurosystem, in EUR billions)**

	XII. 2013	III. 2014	VI. 2014	XI. 2014	XII. 2014
<b>ASSETS</b>	<b>30,443</b>	<b>30,585</b>	<b>30,730</b>	<b>31,195</b>	<b>31,208</b>
<b>Loans to euro area residents</b>	<b>16,981</b>	<b>16,943</b>	<b>16,888</b>	<b>16,820</b>	<b>16,891</b>
General government	1,082	1,093	1,087	1,086	1,117
Other euro area residents	10,648	10,638	10,606	10,579	10,635
Monetary financial institutions	5,251	5,212	5,195	5,155	5,139
<b>Holdings of securities other than shares issued by euro area residents</b>	<b>4,673</b>	<b>4,700</b>	<b>4,693</b>	<b>4,673</b>	<b>4,544</b>
General government	1,694	1,775	1,809	1,840	1,849
Other euro area residents	1,336	1,307	1,303	1,283	1,268
Monetary financial institutions	1,643	1,618	1,582	1,550	1,427
<b>Money market fund shares/units</b>	<b>58</b>	<b>54</b>	<b>45</b>	<b>44</b>	<b>41</b>
<b>Holdings of shares/other equity issued by euro area residents</b>	<b>1,232</b>	<b>1,248</b>	<b>1,236</b>	<b>1,239</b>	<b>1,174</b>
<b>External assets</b>	<b>3,855</b>	<b>3,981</b>	<b>4,076</b>	<b>4,300</b>	<b>4,287</b>
<b>Fixed assets</b>	<b>211</b>	<b>202</b>	<b>203</b>	<b>204</b>	<b>201</b>
<b>Remaining assets</b>	<b>3,433</b>	<b>3,458</b>	<b>3,588</b>	<b>3,914</b>	<b>4,068</b>

Source: ECB.

**Chart 13 Structure of assets of aggregated balance sheet of euro area MFIs (excluding Eurosystem) as at 31 December 2014**



The proportion of issued debt securities to total liabilities stood at 13.03% as at end-2014, representing a year-on-year decrease by 1.27 percentage points. Their outstanding amount was by 6.56% (by €286 billion) lower than a year earlier.

The share of capital (including provisions) in the total liabilities of other euro area MFIs as at 31 December 2014 (7.70%) was by 0.18 percentage point lower than a year earlier. The year-on-year change of outstanding amount of capital and reserves represented an increase by €5.6 billion (by 0.23%).

The share of foreign liabilities in total liabilities as at end-2014 (10.78%) was by 0.57 percentage point lower than a year earlier. The outstanding amount of these liabilities had increased by €256 billion (8.23%) year-on-year.

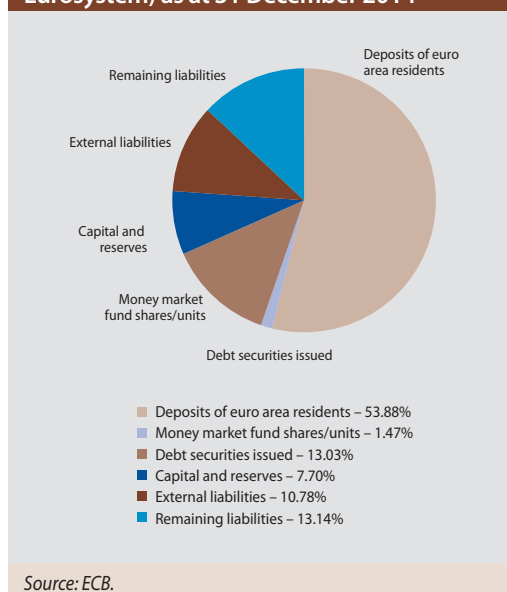
The proportion of other liabilities to the total liabilities of euro area MFIs (excluding the Eurosystem) stood at 13.14% as at 31 December 2014, which was by 1.72 percentage points more than a year earlier. Their outstanding amount increased by €625 billion (by 17.97%) year-on-year.

**Total liabilities of the aggregated balance sheet of other euro area MFIs (excluding the Eurosystem)** reached €31,208 billion as at 31 December 2014. Their outstanding amount increased by €765 billion (by 2.51%) year-on-year.

The largest part of the total liabilities (as at 31 December 2014) was accounted for by deposits and loans received from euro area residents (53.88%), the share of which was by 0.80 percentage point smaller than a year earlier. Their outstanding amount, however, was by 1.02% (by €169 billion) higher than at the end of 2013. The outstanding amount of deposits and loans received from other public sector entities and other euro area residents increased (by €260 billion), as well as of deposits received from the central government, while deposits and loans received from euro area MFIs decreased.

The share of issued money market fund shares/units in total liabilities was relatively low (only 1.47%), compared with the other liability items. This was by 0.05 percentage point less than a year earlier. The outstanding amount of money market fund shares/units was roughly 1.0% smaller than at the end of 2013.

**Chart 14 Structure of liabilities of aggregated balance sheet of euro area MFIs. (excluding Eurosystem) as at 31 December 2014**



**Table 9 Structure of liabilities of aggregated balance sheet of euro area MFIs (excluding Eurosystem, in EUR billions) as at 31 December 2014**

	XII. 2013	III. 2014	VI. 2014	IX. 2014	XII. 2014
<b>LIABILITIES</b>	<b>30,443</b>	<b>30,585</b>	<b>30,730</b>	<b>31,195</b>	<b>31,208</b>
<b>Currency in circulation</b>					
<b>Deposits of euro area residents</b>	<b>16,646</b>	<b>16,654</b>	<b>16,725</b>	<b>16,648</b>	<b>16,815</b>
Central government	153	181	215	190	182
Other general government and other euro area residents	10,940	10,955	10,984	11,025	11,200
Monetary financial institutions	5,553	5,518	5,526	5,434	5,434
<b>Money market fund shares/units</b>	<b>463</b>	<b>458</b>	<b>438</b>	<b>459</b>	<b>458</b>
<b>Debt securities issued</b>	<b>4,353</b>	<b>4,298</b>	<b>4,236</b>	<b>4,197</b>	<b>4,067</b>
<b>Capital and reserves</b>	<b>2,399</b>	<b>2,452</b>	<b>2,455</b>	<b>2,490</b>	<b>2,404</b>
<b>External liabilities</b>	<b>3,107</b>	<b>3,226</b>	<b>3,226</b>	<b>3,435</b>	<b>3,363</b>
<b>Remaining liabilities</b>	<b>3,476</b>	<b>3,498</b>	<b>3,650</b>	<b>3,966</b>	<b>4,101</b>

Source: ECB.

In terms of the share of individual asset items in total assets and the share of individual liability items in total liabilities, the aggregated balance sheet of other monetary financial institutions operating in Slovakia, i.e. the aggregated balance sheet of MFIs (excluding NBS) operating in Slovakia, differed in structure from the aggregated balance sheet of euro area MFIs (excluding the Eurosystem).

**Total assets of the aggregated balance sheet of MFIs (excluding NBS) operating in Slovakia**, i.e. commercial banks, branches of foreign banks, and money market funds, amounted to €64.2 billion as at 31 December 2014. Their outstanding amount was by 5.25% (by €3.2 billion) higher than a year earlier.

The highest share in total assets (67.13%) was accounted for by the claims of other MFIs in Slovakia on euro area residents. This share remained virtually unchanged, at the level of end-2013. The outstanding amount of these claims was by 4.87% (by €2 billion) higher than a year earlier. This was mainly due to claims on sectors other than the general government and MFI sectors.

Securities other than shares and mutual fund shares/unit issued by euro area residents as a percentage of total assets reached 19.16%, which was by 1.17 percentage points less than

a year earlier. Their outstanding amount in the portfolio of other domestic MFIs decreased year-on-year by only 0.81%, owing to a fall in the outstanding amount of securities issued by general government sector.

At the end of 2014, the portfolios of domestic MFIs contained no money market fund shares/units issued by euro area residents.

Shares and other equity participations issued by euro area residents represented only 0.78% of the total assets of other MFIs. This was by 0.20 percentage point less than a year earlier.

The proportion of foreign assets to total assets increased year-on-year by 1.41 percentage point, to 7.48%. The outstanding amount of foreign assets held by domestic MFIs (excluding NBS) increased by €1.1 billion.

The proportion of fixed assets as at 31 December 2014 (1.09%) was by 0.22 percentage point lower than at the end of 2013. Their outstanding amount decreased by €0.1 billion in year-on-year terms.

The proportion of other assets to total assets reached 4.36%, representing a year-on-year increase by 0.26 percentage point. Their outstanding amount was by €0.3 billion higher than a year earlier.

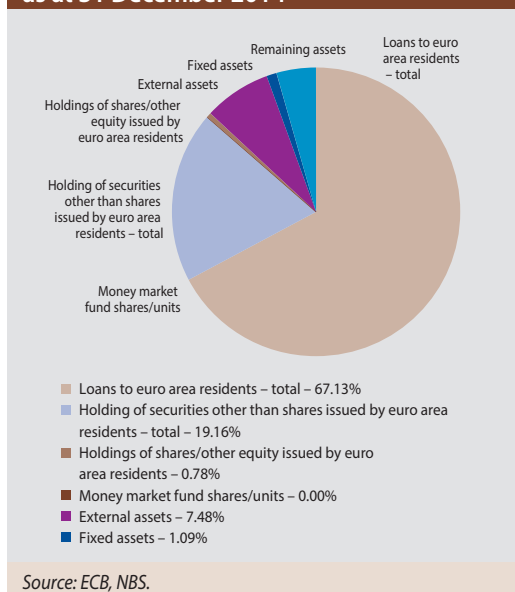


**Table 10 Structure of assets of aggregated balance sheet of MFIs in Slovakia (without NBS, in EUR billions)**

	XII. 2013	III. 2014	VI. 2014	IX. 2014	XII. 2014
<b>ASSETS</b>	<b>61.0</b>	<b>61.8</b>	<b>62.2</b>	<b>63.6</b>	<b>64.2</b>
<b>Loans to euro area residents</b>	<b>41.1</b>	<b>41.4</b>	<b>41.8</b>	<b>42.9</b>	<b>43.1</b>
General government	0.9	0.9	0.9	0.9	1.0
Other euro area residents	37.4	37.9	38.6	39.5	39.7
Monetary financial institutions	2.8	2.5	2.2	2.5	2.5
<b>Holdings of securities other than shares issued by euro area residents</b>	<b>12.4</b>	<b>12.7</b>	<b>12.5</b>	<b>12.9</b>	<b>12.3</b>
General government	11.4	11.6	11.4	11.6	11.0
Other euro area residents	0.4	0.5	0.5	0.5	0.5
Monetary financial institutions	0.6	0.6	0.6	0.8	0.8
<b>Money market fund shares/units</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Holdings of shares/other equity issued by euro area residents</b>	<b>0.6</b>	<b>0.6</b>	<b>0.6</b>	<b>0.6</b>	<b>0.5</b>
<b>External assets</b>	<b>3.7</b>	<b>3.9</b>	<b>4.2</b>	<b>3.9</b>	<b>4.8</b>
<b>Fixed assets</b>	<b>0.8</b>	<b>0.8</b>	<b>0.7</b>	<b>0.7</b>	<b>0.7</b>
<b>Remaining assets</b>	<b>2.5</b>	<b>2.4</b>	<b>2.4</b>	<b>2.6</b>	<b>2.8</b>

Source: ECB, NBS.

**Chart 15 Structure of assets of aggregated balance sheet of MFIs in SK (excluding NBS) as at 31 December 2014**



Source: ECB, NBS.

**Total liabilities of the aggregated balance sheet of monetary financial institutions operating Slovakia (excluding NBS)** amounted to €64.2 billion as at the end of 2014, and were by 5.25% (by €3.2 billion) higher than a year earlier.

The largest share in total liabilities (as at the end of 2014) was accounted for by deposits and loans received from euro area residents (73.49%). This share in total liabilities decreased year-on-year by 0.12 percentage point. Their outstanding amount increased by €1.6 billion (by 3.56%) compared with the end of 2013, mainly as a result of growth in deposits and loans received from other public sector entities and other residents, and from MFIs.

The proportion of issued money market fund shares/units to the total liabilities of MFIs operating in Slovakia (excluding NBS) was negligible, only 0.16% and stood at the level of end-2013. Their outstanding amount as at 31 December 2014 also remained at the level of the previous year.

**Table 11 Structure of liabilities of aggregated balance sheet of MFIs in SK (excluding NBS, in EUR billions)**

	XII. 2013	III. 2014	VI. 2014	IX. 2014	XII. 2014
<b>LIABILITIES</b>	<b>61.0</b>	<b>61.8</b>	<b>62.2</b>	<b>63.6</b>	<b>64.2</b>
<b>Currency in circulation</b>					
<b>Deposits of euro area residents</b>	<b>44.9</b>	<b>44.6</b>	<b>45.2</b>	<b>46.1</b>	<b>46.5</b>
Central government	0.4	0.3	0.4	1.3	0.4
Other general government and other euro area residents	42.6	42.5	42.7	42.0	43.5
Monetary financial institutions	1.9	1.8	2.0	2.9	2.5
<b>Money market fund shares/units</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>
<b>Debt securities issued</b>	<b>3.7</b>	<b>3.8</b>	<b>3.8</b>	<b>3.9</b>	<b>3.9</b>
<b>Capital and reserves</b>	<b>8.8</b>	<b>9.0</b>	<b>8.7</b>	<b>9.0</b>	<b>9.1</b>
<b>External liabilities</b>	<b>2.0</b>	<b>2.5</b>	<b>2.5</b>	<b>2.5</b>	<b>2.9</b>
<b>Remaining liabilities</b>	<b>1.5</b>	<b>1.9</b>	<b>1.9</b>	<b>1.9</b>	<b>1.8</b>

Source: ECB, NBS.

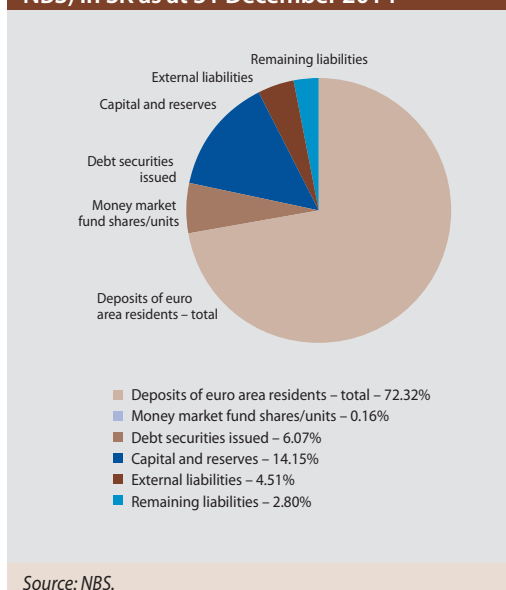
The proportion of issued debt securities to the total liabilities of MFIs (excluding NBS) remained nearly at the level of end-2013 (6.06%). Their outstanding amount as at end-2014 was by 5.41% (by €0.2 billion) higher than a year earlier.

The share of capital and provisions to total liabilities stood at 14.57%, representing a year-on-year increase by 0.14 percentage point. At the end of 2014, the outstanding amount of capital and provisions in monetary financial institutions operating in Slovakia (excluding NBS) reached €9.1 billion, which was by €0.3 billion more than a year earlier.

The share of foreign liabilities in total liabilities remained almost unchanged in year-on-year terms (3.27%). Their outstanding amount was by €0.9 billion higher than at the end of 2013.

The other liabilities of monetary financial institutions (excluding NBS) accounted for 2.45% of the total liabilities (as at end-2014). This was only by 0.01 percentage point less than a year earlier. Their outstanding amount increased year-on-year by €0.3 billion, to €1.8 billion.

**Chart 16 Structure of liabilities of aggregated balance sheet of MFIs (excluding NBS) in SK as at 31 December 2014**



Source: NBS.



## 2.7 PROFIT/LOSS ANALYSIS FOR CREDIT INSTITUTIONS

### 2.7.1 CURRENT PERIOD PROFIT/LOSS IN THE FOURTH QUARTER OF 2014

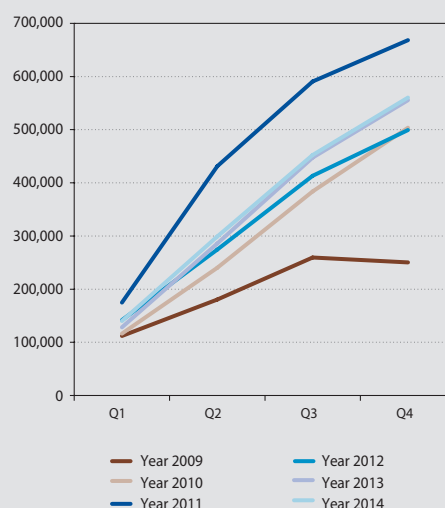
According to preliminary data, the banking sector's cumulative profit as at 31 December 2014 amounted to slightly more than €560 million. This profit was comparable with the figure recorded a year earlier (it rose by only 0.8%) and represented the second highest profit recorded since 2009. The highest profit was achieved in 2011. In the last quarter of 2014, the banking sector's profit increased in year-on-year terms by only 0.2%.

As regards the structure of income and expense items as reflected in the cumulative profit for 2014, the most significant positive contribution came again from net interest income, which increased by 7.2% year-on-year. For comparison, net interest income in 2013 grew by less than 1%. Net interest income growth in 2014 was positively influenced by all components (i.e. both expense and income items), except for interest income from securities, which fell by 3.8% year-on-year. Net interest income growth was influenced mainly by a decrease in other interest expenses (-15.2% year-on-year in 2014), coupled with an increase in other interest income (4.67%).

Net non-interest income rose in year-on-year terms in 2014, as a result of an increase in fees and commissions, accompanied by a fall in expenses on transactions in securities and a rise in profits from fixed-term transactions and options. Net non-interest income growth was dampened mainly by an increase in expenses on fees and commissions, a decrease in dividends received, and a fall in income from securities transactions.

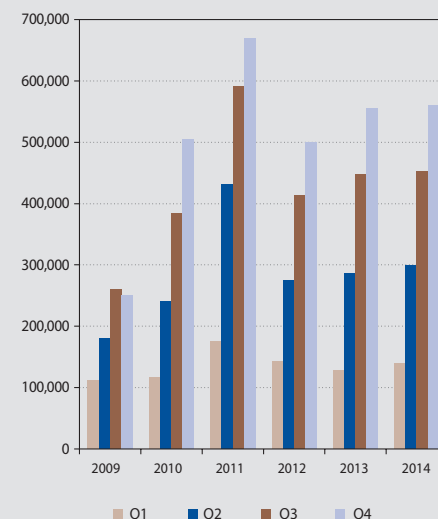
Net profit growth in the banking sector was also dampened by an increase of 6% in general operating expenses during the year. The net creation of reserves and provisions (i.e. income adjusted for expenses) increased slightly in comparison with the same period a year earlier (by 1%).

Chart 17 Cumulative current period profit/loss (EUR thousands)



Source: NBS.

Chart 18 Cumulative current period profit/loss (EUR thousands)



Source: NBS.

Loan-loss provisioning in 2014 decreased slightly, by 0.7% year-on-year. Claims on customers for which such provisions are created increased by 6.7% year-on-year. These claims were domi-





nated by euro-denominated claims (more than 98%), while claims on residents in euro accounted for 93%.

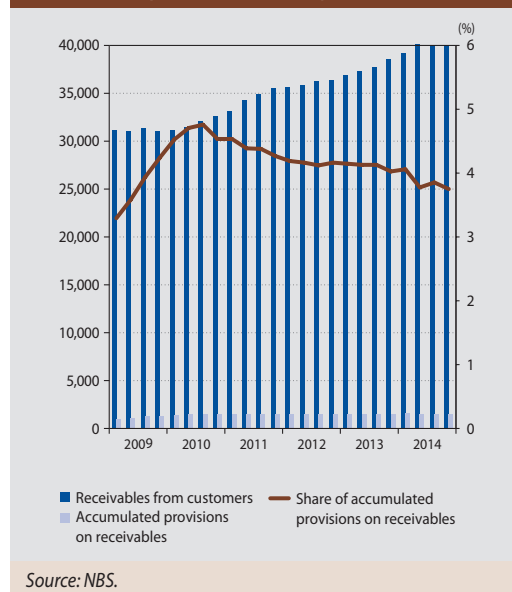
The ratio of provisions to claims fell to 3.75% as at the end of 2014, following the moderately declining trend that started in 2010.

Provisioning expenses in 2014 increased by almost 70% year-on-year. Income from the cancellation of provisions increased twofold in 2014, mainly as a result of growth in other income from the cancellation of provisions created for claims in the last quarter of 2014.

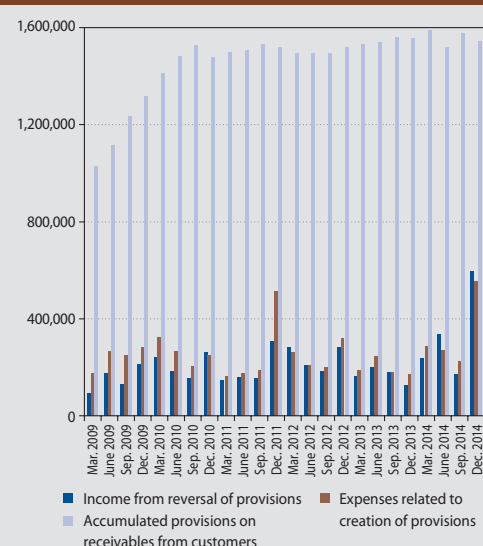
A comparison of written-off and assigned claims on non-bank customers (in terms of costs and incomes) indicates that, in the last quarter of 2014, a net loss was made on assigned claims on customers (more than €106 million), mainly as a result of a marked increase in the costs of assigned claims. The net loss made on written-off claims on customers in the last quarter of 2014 amounted to almost €41 million. This was caused by an increase in

the costs of written-off claims compared with the previous quarter.

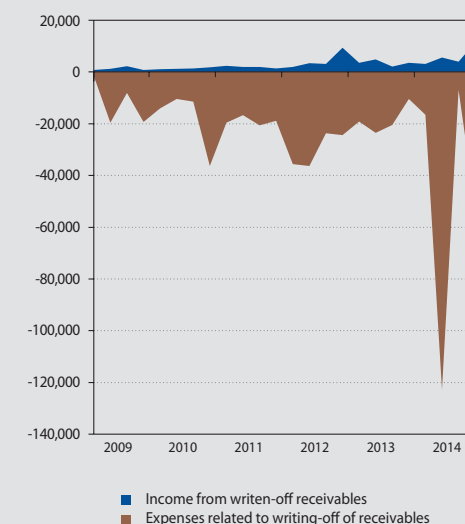
**Chart 20 Receivables from non-bank customers (EUR thousands)**



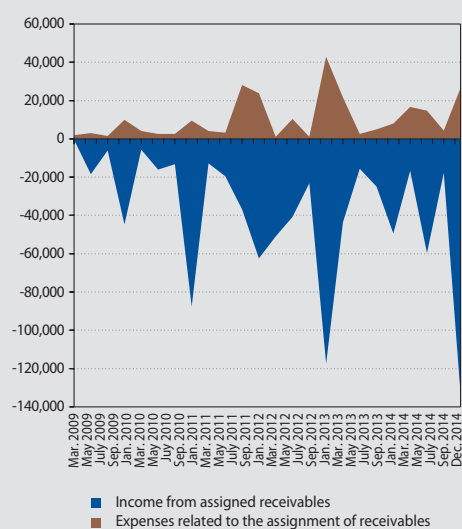
**Chart 19 Provisions (EUR thousands)**



**Chart 21 Written-off receivables: incomes and expenses (EUR thousands)**



**Chart 22 Assigned receivables: incomes and expenses (EUR thousands)**



Source: NBS.

### 2.7.2 SELECTED REVENUE/EXPENDITURE ITEMS AS REFLECTED IN PROFITS/LOSSES

Selected income and expense items related to the main activities of credit institutions are compared in this chapter with the profit or loss made.

According to data for the last quarter of 2014 (aggregated data for three months), interest income from securities dropped by 8.5% compared with the same period a year earlier. Thus, the year-on-year decline from the third quarter deepened in the fourth quarter. Interest income from securities decreased by 3.8% in 2014. Interest expenses on securities recorded another year-on-year fall in the fourth quarter. In cumulative terms, they decreased over the course of 2014 by almost 3%.

Other interest income grew year-on-year by 1.2% in the fourth quarter, but the rate of growth slowed by 10 percentage points compared with the previous quarter. Other interest expenses continued to decrease as in the previous quarters and thus represented one of the main sources of net profit growth.

Income from fees and commissions rose in the last quarter of 2014 by 5.7% year-on-year, while expenses on fees and commissions increased by 12%.

Income from transactions in securities rose in the last quarter of 2014 by 39% year-on-year, though it fell during the year by almost 25%. Expenses on securities transactions declined in year-on-year terms even more steeply than income: they dropped by 21.1% in the fourth quarter and by 53.6% during the year.

General operating expenses grew in the quarter under review by 2.4% year-on-year and during the year by 6% in cumulative terms. The growth in operating expenses made a negative contribution to profit growth in the period under review (-12.6 percentage points during 2014).

The profit for the last quarter of 2014 was at the same level as in the same period a year earlier (it rose by only 0.21%). The cumulative profit for 2014 also increased by less than 1%.

**Chart 23 Selected incomes and expenses compared with current period profit/loss (EUR thousands)**



Source: NBS.

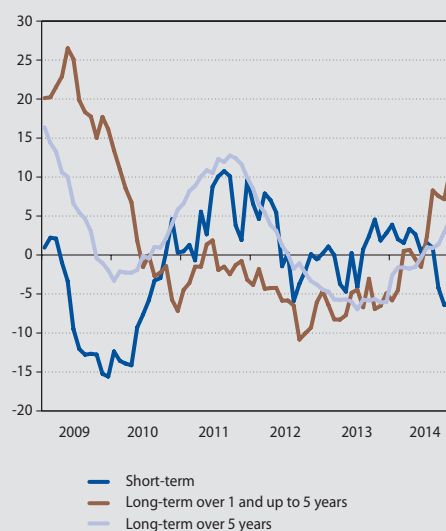


**Chart 24 Selected incomes and expenses compared with current period profit/loss (EUR thousands)**



Source: NBS.

**Chart 25 Loans to non-financial corporations by maturity (year-on-year changes in %)**



Source: NBS.

## 2.8 LENDING TO NON-FINANCIAL CORPORATIONS AND HOUSEHOLDS

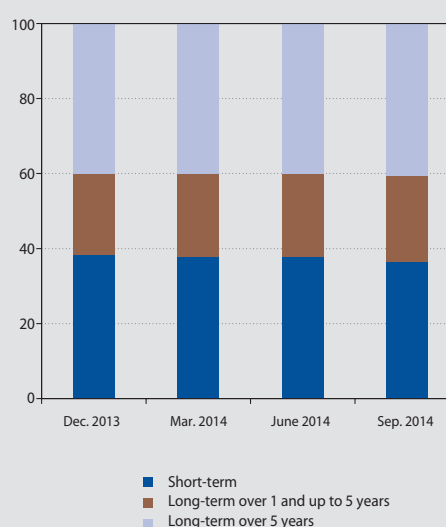
### 2.8.1 LOANS TO NON-FINANCIAL CORPORATIONS BY MATURITY

After growing somewhat in October and November, lending to non-financial corporations declined by 1.5% in December 2014, compared with December 2013.

The sharpest year-on-year decline occurred in short-term loans (-11.3% in December 2014), but long-term loans granted to non-financial corporations ended the year with an increase of 6.6%. The month-on-month growth rate fluctuated over the fourth quarter from a slightly negative figure in October to a modest positive figure in November, followed by another fall in December 2014, mainly in the case of long-term loans with a maturity of over one and up to five years, where the growth rate fell to 10.2%.

Within the structure of loans by maturity as at December 2014, the share of long-term loans with a maturity of over five years increased somewhat, to 43.3%.

**Chart 26 Loans to non-financial corporations by maturity (% share)**

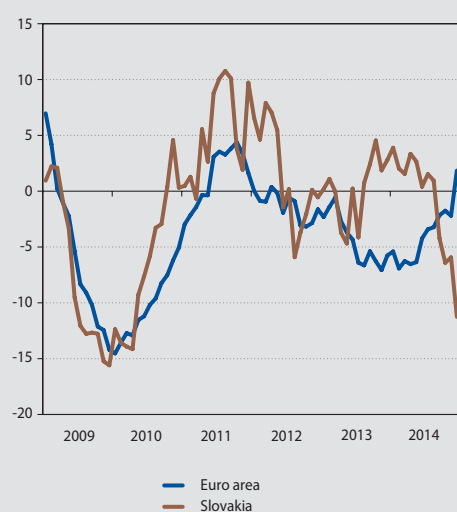


Source: NBS.

## 2.8.2 LOANS TO NON-FINANCIAL CORPORATIONS (EURO AREA COMPARISON)

By the end of 2014, the value of short-term loans granted to non-financial corporations in Slovakia had fallen by 11.3%, while that of short-term loans in the euro area had risen by 1.9%.

**Chart 27 Short-term loans to non-financial corporations (year-on-year changes in %)**

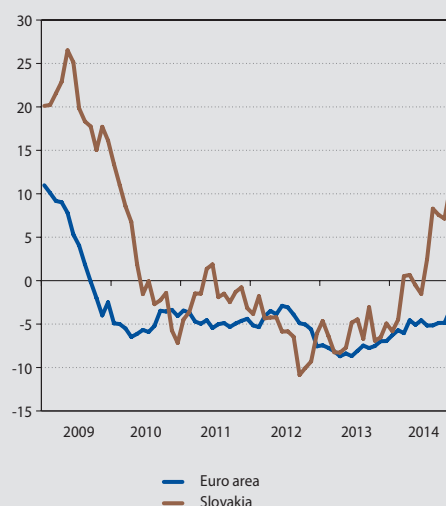


Source: NBS.

Long-term loans with a maturity of over one and up to five years started to grow at the beginning of 2014. After reaching 7.1% in October and 10.8% in November, the year-on-year growth rate slowed to 0.6% in December 2014. By contrast, long-term loans with a maturity of over one and up to five years had been declining since the beginning of the crisis. At the end of 2014, the rate of decline fluctuated around the level of -2%.

The value of long-term loans with a maturity of over five years had been falling in year-on-year terms in both the euro area and Slovakia until the end of 2013. At the beginning of 2014, the value was still in negative territory. Lending in

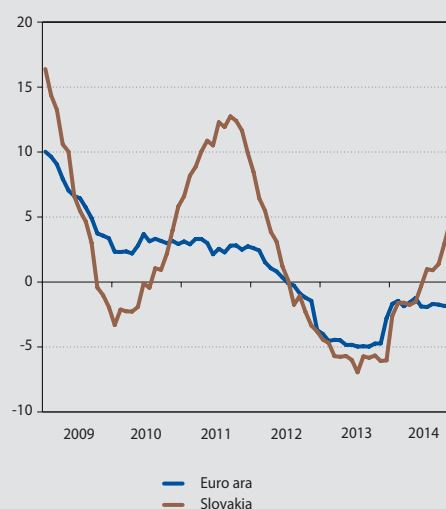
**Chart 28 Longer-term loans over 1 and up to 5 years to non-financial corporations (year-on-year changes in %)**



Source: NBS.

Slovakia, however, did not follow this trend and increased over the second half of 2014 by 6.6% year-on-year.

**Chart 29 Longer-term loans over 5 years to non-financial corporations (year-on-year changes in %)**



Source: NBS.

### 2.8.3 LOANS TO HOUSEHOLDS BY MATURITY

The total value of loans granted to households increased in December 2014 by 12.2% year-on-year. Within the structure of loans by category, the strongest growth was again recorded in long-term loans with a maturity of over five years, while short-term loans were growing at a decelerating pace. The year-on-year rate of

growth in long-term loans with a maturity of over five years reached 14% in December 2014, while the rate of decline in short-term loans with a maturity of up to one year slowed to -3.7%. The year-on-year growth rate of long-term loans with a maturity of 1–5 years dropped to -2.3% in December 2014.

Loans granted to households in the last quarter of 2014 followed the same trend as in the previous quarters of 2014. The largest share was accounted for by loans with a maturity of over five years (90.9%). The share of short-term loans decreased to 4.4%.

**Chart 30 Loans to households by maturity (year-on-year changes in %)**



Source: NBS.

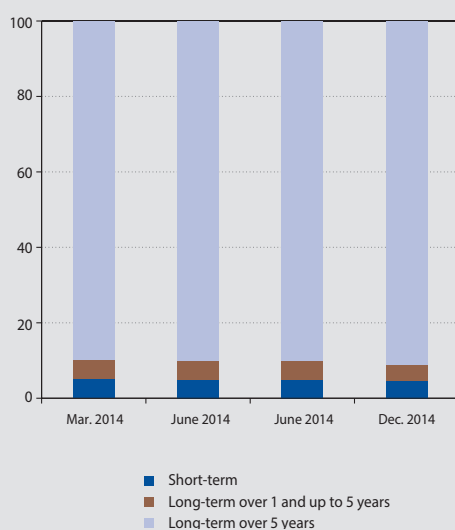
### 2.8.4 LOANS TO HOUSEHOLDS BY PURPOSE

#### (EURO AREA COMPARISON)

In value terms, consumer loans in Slovakia has historically been growing at a relatively fast pace, while consumer loans in the euro area has shown a declining tendency in year-on-year terms since the middle of 2012. Consumer loans in Slovakia increased by an average of 13.1% in 2014, while those in the euro area decreased by 2%.

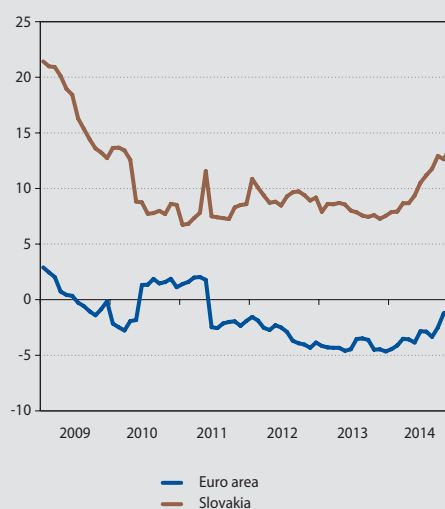
The year-on-year changes in housing loans granted to households in the euro area in 2014 fluctuated around zero. Their increase, however, was substantially smaller than the increase in Slovakia (13.5%).

**Chart 31 Loans to households by maturity (% share)**



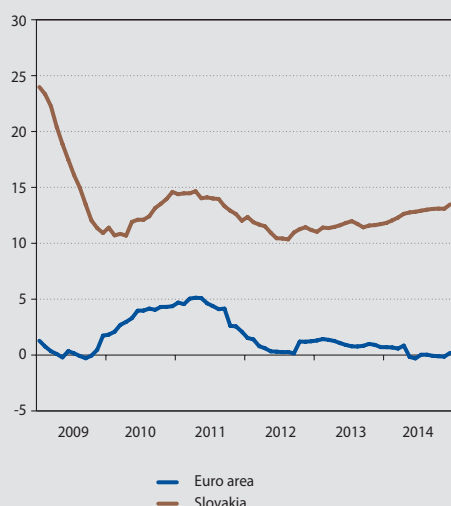
Source: NBS.

**Chart 32 Consumer credit to households in SR and euro area (year-on-year change in %)**



Source: NBS.

**Chart 33 Loans for house purchase to households in SR and euro area (year-on-year change in %)**

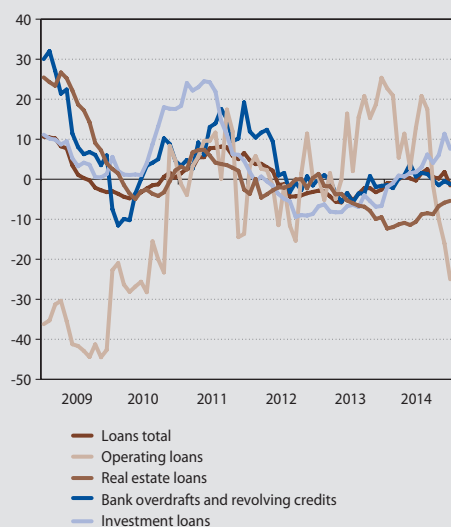


Source: NBS.

### 2.8.5 LOANS TO NON-FINANCIAL CORPORATIONS BY TYPE OF LOAN

The fourth quarter saw another year-on-year decline in lending in December 2014, mainly in operating loans, which fell by 25% compared

**Chart 34 Loans to non-financial corporations by type of loan (year-on-year change in %)**



Source: NBS.

with the same period a year earlier. On the other hand, investment loans continued to grow in October, November, and December (by 6%, 11.4%, and 7.6% respectively), in contrast with the decline in real estate loans (-5.4% in December).

### 2.8.6 LOANS TO HOUSEHOLDS BY TYPE OF LOAN

The trends in lending to households in 2014, broken down by type of loan, were confirmed at the end of the year. Current account overdrafts declined over the course of the year by 4.2% year-on-year. Credit card loans increased somewhat, from -1.8% in October to 1.1% in December 2014.

**Chart 35 Loans to households by type of loan (year-on-year change in %)**



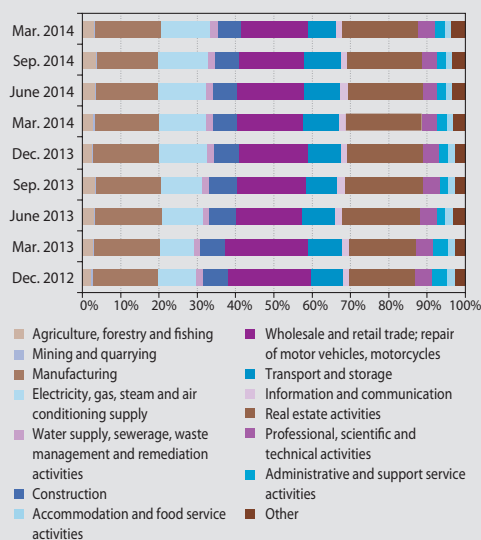
Source: NBS.

### 2.8.7 LOANS TO NON-FINANCIAL CORPORATIONS BY SECTOR OF ECONOMIC ACTIVITY

The structure of loans granted to non-financial corporations by sector remained unchanged in the fourth quarter. Loans were provided mostly to the following sectors: real estate sector (19.7%); wholesale and retail trade, repair of motor vehicles and motorcycles (17.6%); and manufacturing (17.1%).

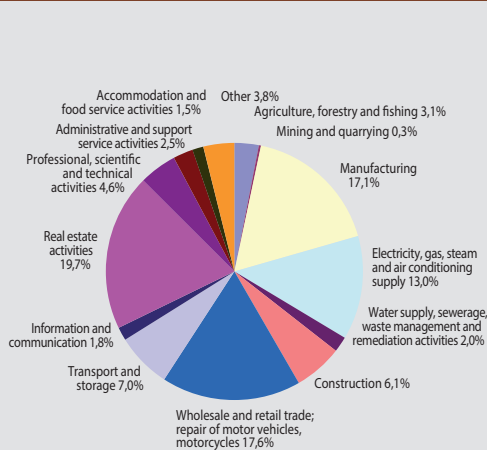


**Chart 36 Development of loans to non-financial corporations by economic activity**



Source: NBS.

**Chart 37 Loans to non-financial corporations by economic activity as at 31 December 2014**

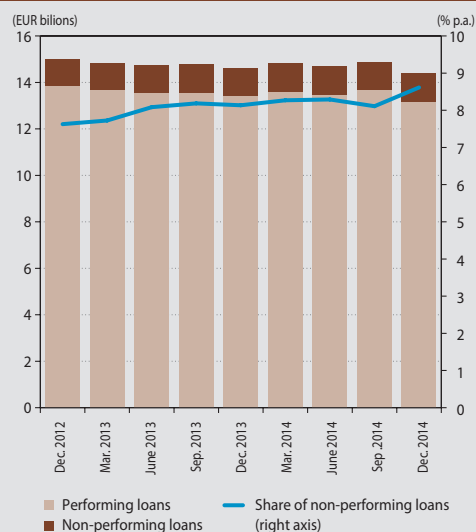


Source: NBS.

## 2.8.8 NON-PERFORMING LOANS IN THE NON-FINANCIAL CORPORATIONS SECTOR

The share of non-performing loans in the total volume of loans granted to non-financial corporations increased somewhat in the fourth quarter, to 8.6% at the end of the year. The share of overdrafts and revolving loans remained at the level of 8.1%. Non-performing operating and investment loans accounted for 7.1% and 7.9% respectively. With a share of 9.8%, non-performing real estate loans approached the 10% level.

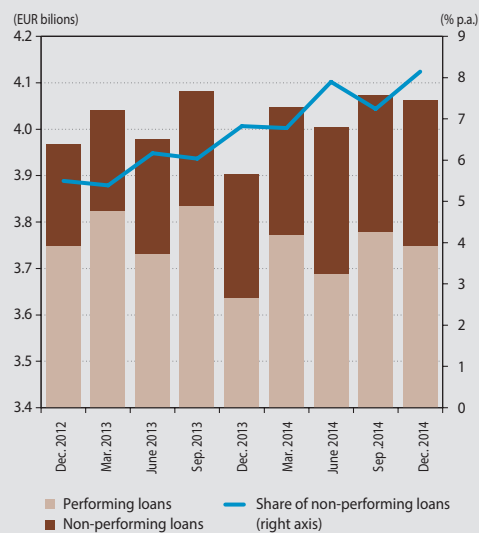
**Chart 38 Share of non-performing loans on total loans to non-financial corporations**



Source: NBS.

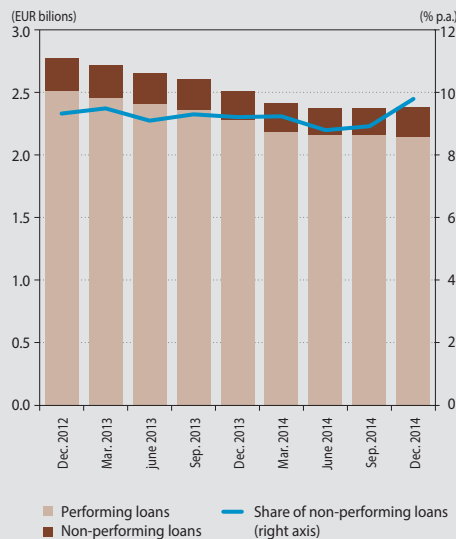


**Chart 39 Share of non-performing loans on bank overdrafts and revolving credits to non-financial corporations**



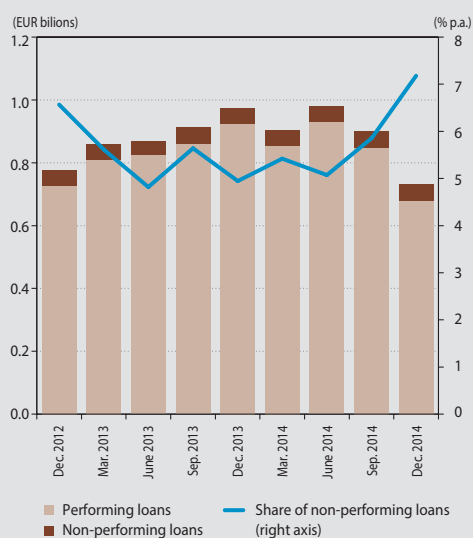
Source: NBS.

**Chart 41 Share of non-performing loans on real estate loans to non-financial corporations**



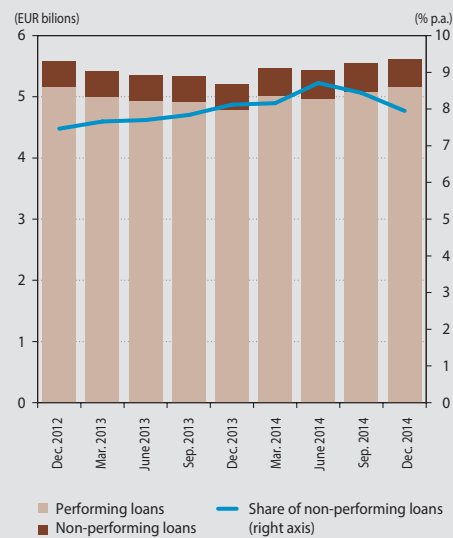
Source: NBS.

**Chart 40 Share of non-performing loans on operating loans to non-financial corporations**



Source: NBS.

**Chart 42 Share of non-performing loans on investment loans to non-financial corporations**

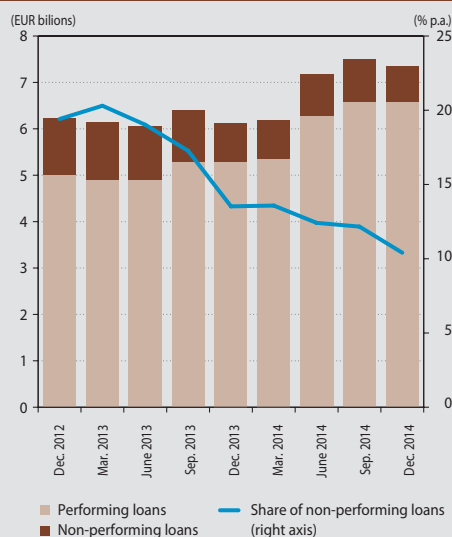


Source: NBS.



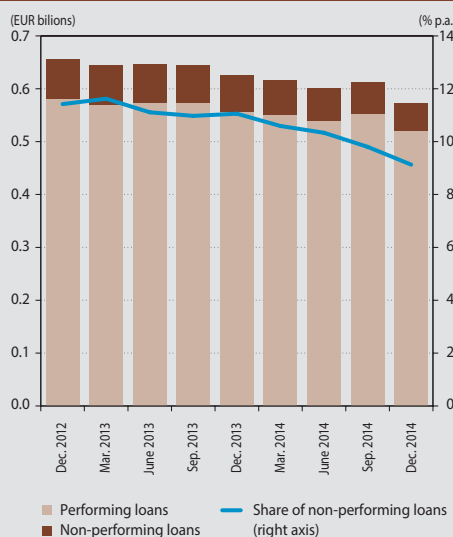


**Chart 43 Share of non-performing loans on credit card loans to non-financial corporations**



Source: NBS.

**Chart 45 Share of non-performing loans on bank overdrafts to households**



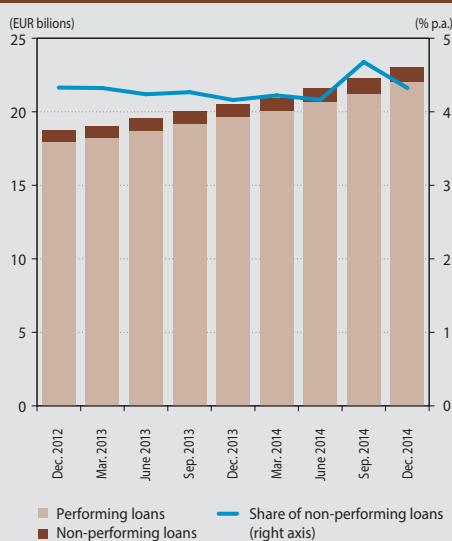
Source: NBS.

### 2.8.9 NON-PERFORMING LOANS IN THE HOUSEHOLD SECTOR

The share of non-performing household loans decreased slightly, to 4.3% in December 2014. Non-performing housing loans continued to ac-

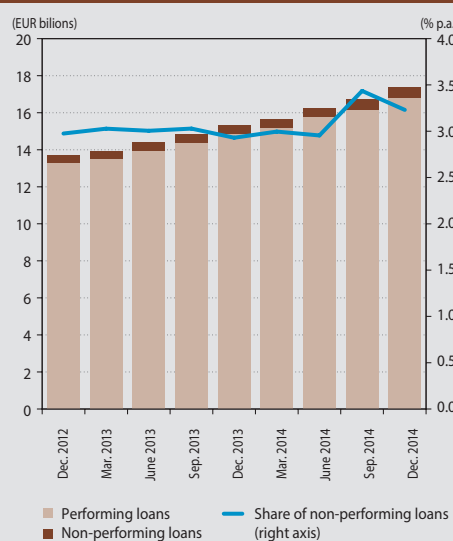
count for about 3%, though their share increased to 3.2% in the last few months of 2014. Non-performing credit card loans and current account overdrafts accounted for 6.5% and 9.1% respectively in December.

**Chart 44 Share of non-performing loans on total loans to households**



Source: NBS.

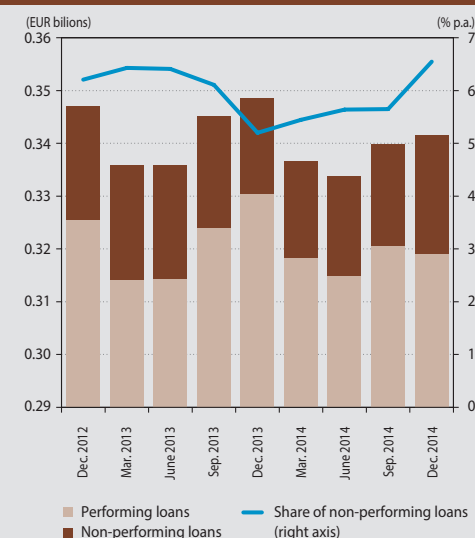
**Chart 46 Share of non-performing loans on loans for house purchase to households**



Source: NBS.

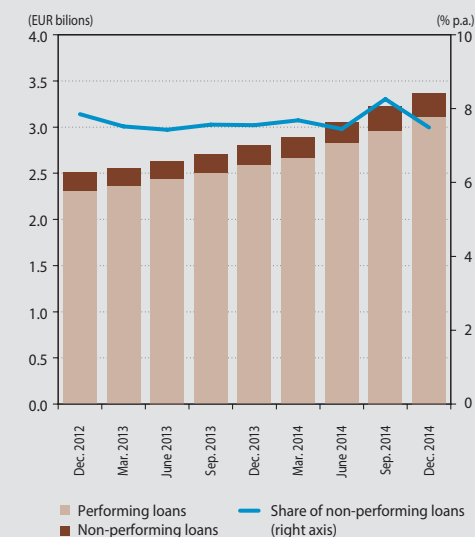


**Chart 47 Share of non-performing loans on credit card loans to households**



Source: NBS.

**Chart 48 Share of non-performing loans on consumer loans to households**



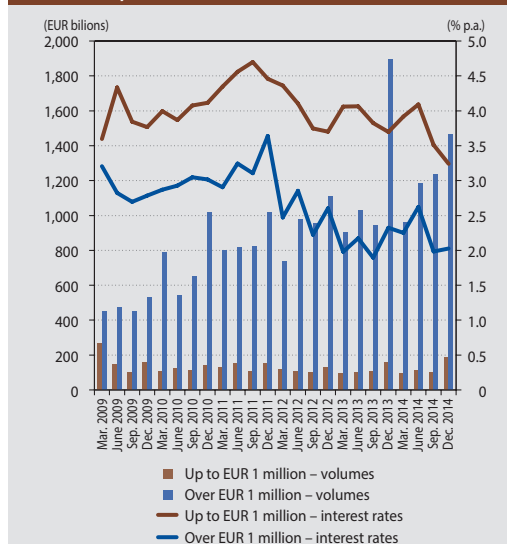
Source: NBS.

## 2.9 INTEREST RATES AND VOLUMES: LOANS PROVIDED

### 2.9.1 INTEREST RATES AND VOLUMES: LOANS TO NON-FINANCIAL CORPORATIONS (NEW BUSINESS)

The total volume of new loans granted to non-financial corporations in the last quarter of 2014 increased by 1.3%, compared with the last quarter of 2013. In the **loans of up to €1 million** category, the volume of loans provided increased more significantly in the quarter under review, specifically by 63.3% compared with the same quarter of 2013. The share of loans of this type in the total volume of loans provided stood at 15.4%. The average lending rate in the period under review fell by 0.3%, to 3.4% p.a. By contrast, the volume of loans in the **loans of over €1 million** category decreased by 5.3% in the last quarter of 2014, compared with the same quarter of 2013. The share of new loans of over €1 million in the total volume of loans granted to non-financial corporations reached 84.6% in the quarter under review, while the average interest rate fell by 0.2% to 1.9% p.a.

**Chart 49 Interest rates and volumes on loans to non-financial corporations (new business)**



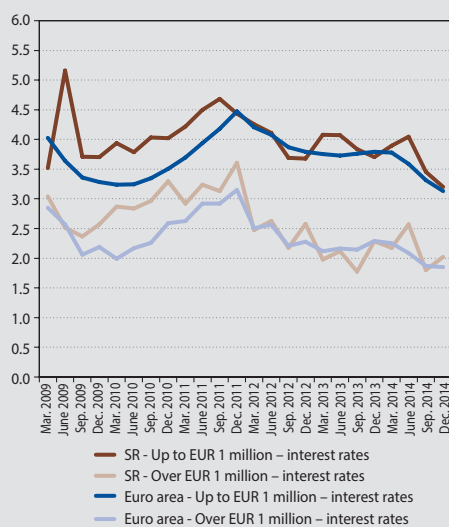
Source: NBS.



### 2.9.1.1 Comparison of interest rates on new loans granted to non-financial corporations: Slovakia and Eurozone

The total volume of new loans granted to non-financial corporations was dominated by loans with an initial rate fixation period of up to one year. A comparison of lending rates in Slovakia and the euro area in the same loan categories indicates that, at the end of 2014, the interest rate for **loans of up to €1 million** in Slovakia (3.2% p.a.) was slightly higher than the corresponding rate in the euro area (3.1% p.a.). The interest rate on **loans of over €1 million** in Slovakia stood at 2.0% p.a. as at the end of 2014, compared with 1.9% p.a. in the euro area.

**Chart 50 Interest rates on loans to non-financial corporations in SR and euro area (new business) (% p.a.)**

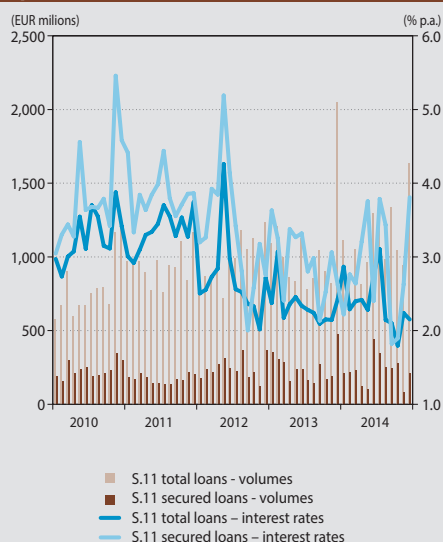


Source: ECB, NBS.

In the last quarter of 2014, the share of new secured loans in the **total** volume of new loans granted to non-financial corporations decreased in year-on-year terms, from 22.2% to 15.7%. The average interest rate on secured loans rose to 3.0% p.a. in the last quarter of 2014, from 2.5% p.a. in the same quarter of 2013. The average rate for new loans granted

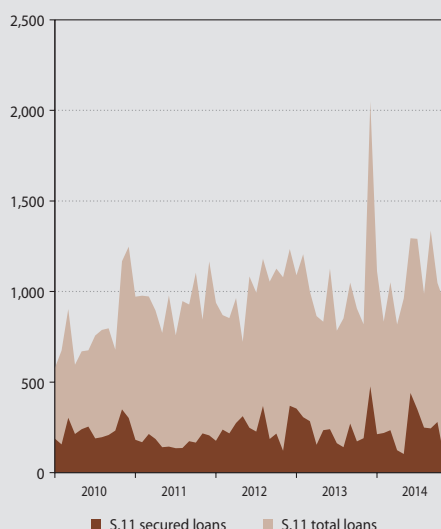
to non-financial corporations also rose in this period, specifically by 0.2% to 2.4% p.a. in the quarter under review.

**Chart 51 Interest rates and volumes on secured and total loans to non-financial corporations (new business)**



Source: NBS.

**Chart 52 Share of secured loans on total loans to non-financial corporations (new business) (EUR millions)**



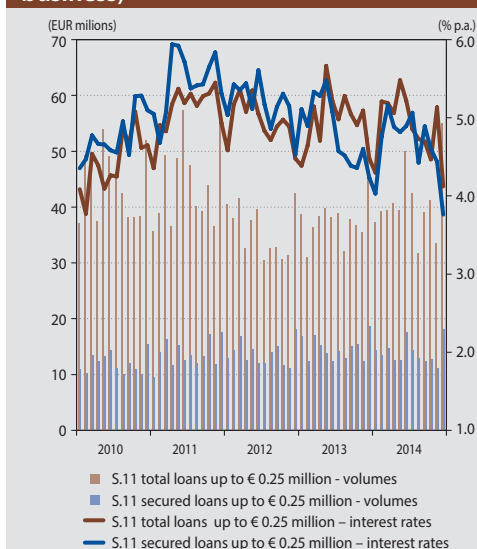
Source: NBS.



In the **loans of up to €0.25 million** category, the share of new secured loans in the total volume of new loans granted to non-financial corporations

decreased by 4.9%, to 32.3% in the last quarter of 2014. The average interest rate on secured loans of this category rose by 0.3% in the quarter under review, to 4.8% p.a. The average interest rate on new loans of up to €0.25 million granted to non-financial corporations fell by 0.3% in the period under review, to 4.8% p.a. (corresponding to the average rate for secured loans).

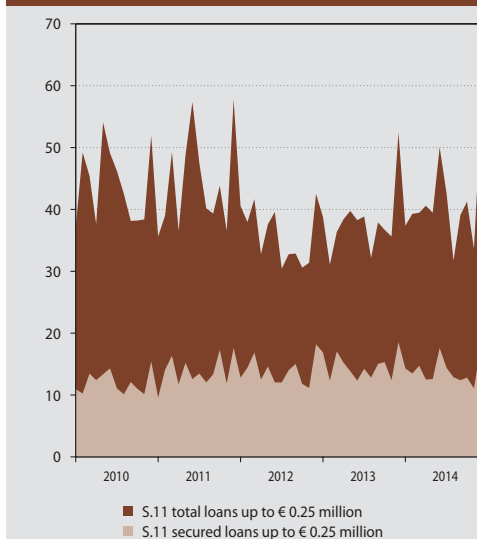
**Chart 53 Interest rates and volumes on secured and total „loans up to € 0.25 million“ to non-financial corporations (new business)**



Source: NBS.

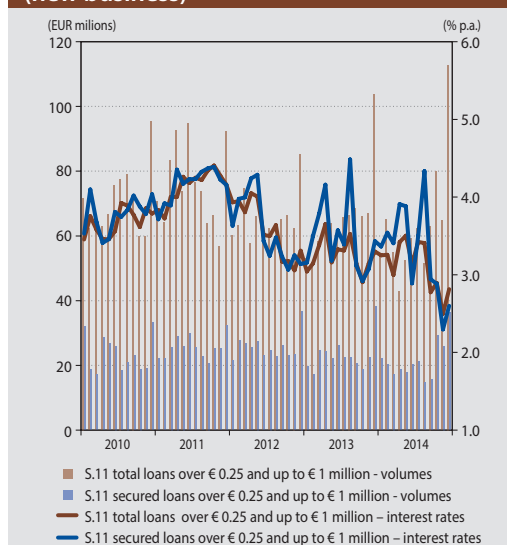
In the **loans of over €0.25 million and up to €1 million** category, the share of new secured loans in the total volume of new loans granted to non-financial corporations increased by 2.0% to 35.6% in the fourth quarter of 2014. The average interest rate on secured loans of this category fell by 0.1% in the period under review, to 3.5% p.a. The average interest rate on new loans of over €0.25 million and up to €1 million granted to non-financial corporations fell in the period under review by 0.2%, to 3.1% p.a.

**Chart 54 Share of secured loans on total „loans up to € 0.25 million“ to non-financial corporations (new business)**



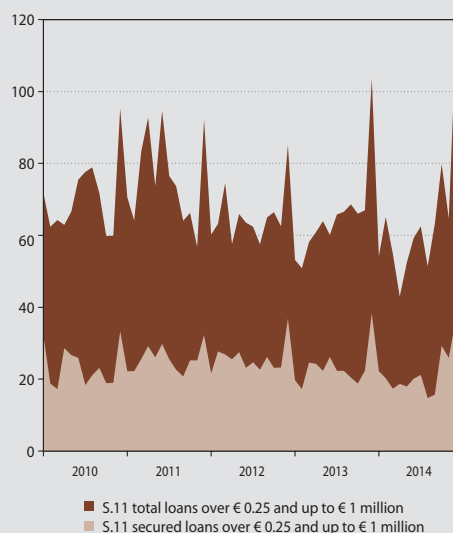
Source: NBS.

**Chart 55 Interest rates and volumes on secured and total „loans over € 0.25 and up to € 1 million“ to non-financial corporations (new business)**



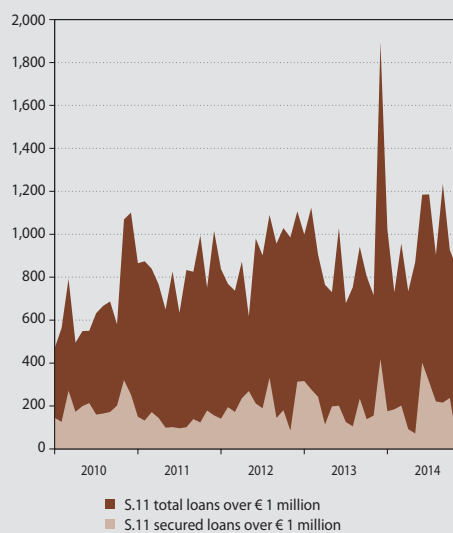
Source: NBS.

**Chart 56 Share of secured loans on total „loans over € 0.25 and up to € 1 million“ to non-financial corporations (new business)**



Source: NBS.

**Chart 58 Share of secured loans on total „loans over € 1 million“ to non-financial corporations (new business)**

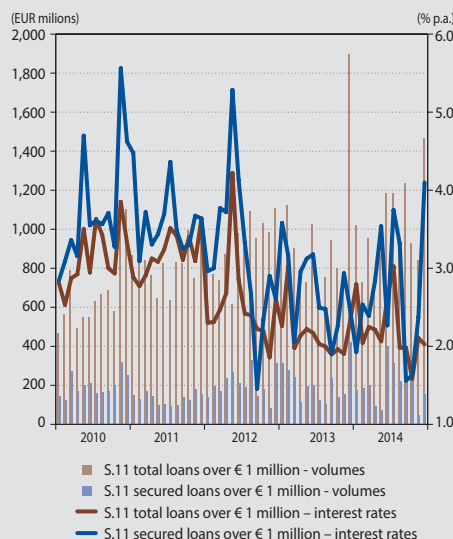


Source: NBS.

In the **loans of over €1 million** category, the share of new secured loans in the total volume of new loans granted to non-financial corporations decreased by 7.4% year-on-year, to 13.5% in the fourth quarter of 2014. The average inter-

est rate on secured loans of this category rose from 2.1% p.a. to 2.9% p.a. in the period under review. Interest rates on new loans of over €1 million granted to non-financial corporations also rose in that period, by 0.4% to an average of 2.3% p.a.

**Chart 57 Interest rates and volumes on secured and total „loans over € 1 million“ to non-financial corporations (new business)**



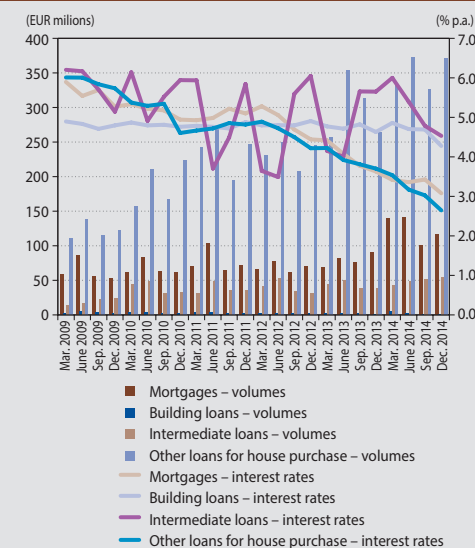
Source: NBS.

## 2.9.2 INTEREST RATES AND VOLUMES: LOANS TO HOUSEHOLDS (NEW BUSINESS)

Demand for loans in the household sector continued to be dominated by demand for *housing loans*. The average interest rate on housing loans dropped by 1.0% to 3.0% p.a. in the fourth quarter of 2014, compared with the same quarter of 2013. Lending rates for the individual types of housing loans changed in year-on-year terms as follows: the average rate for **intermediate loans**, which are offered by home savings banks, fell by 0.8% to 4.6% p.a.; the average rate for **building loans** fell by 0.3% to 4.5% p.a.; and the average rate for **mortgage loans** fell by 0.7% to 3.2% p.a. in the period under review. The sharpest fall was recorded in the average rate for **other loans for house purchases**, which dropped by 1.1% to 2.8% p.a. in the last quarter of 2014.



**Chart 59 Interest rates and volumes on loans for house purchase to households (new business)**



Source: NBS.

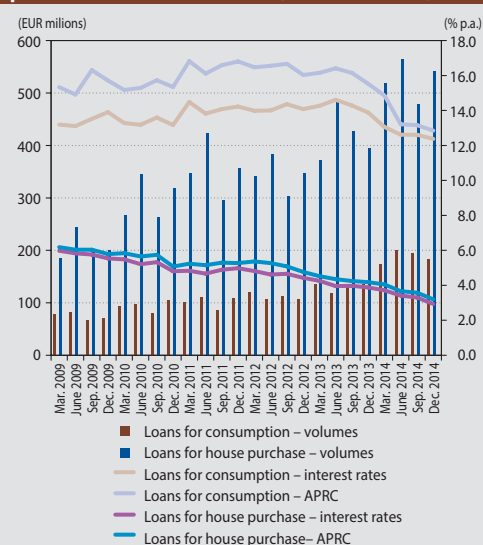
The **annual percentage rate of charge (APRC)** related to loans provided to households usually exceeds the rate of interest charged for these loans. Compared with the fourth quarter

of 2013, the average interest rate on housing loans, as well as the average APRC for loans of this type, dropped by 0.9% to 3.4% p.a. in the fourth quarter of 2014. The APRC value for consumer loans followed a similar trend. The average interest rate on consumer loans fell in the last quarter of 2014 by 2.0% to 12.5% p.a. The average APRC for consumer loans dropped more significantly in the period under review, by 3.3% to 12.9% p.a.

### 2.9.2.1 Comparison of APRC on consumption and housing loans: Slovakia and Eurozone

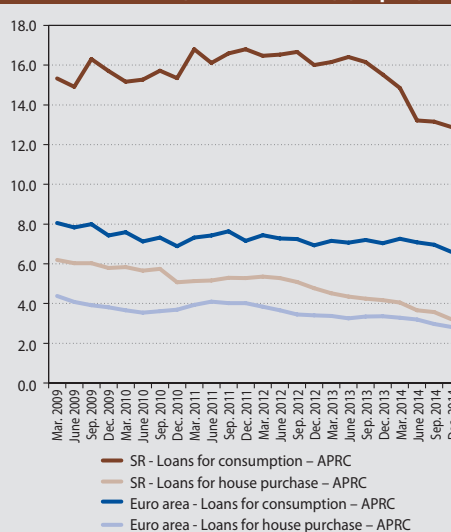
A comparison of the APRC related to housing loans in Slovakia with the same indicator of the euro area as at the end of 2014 points to the same trend. In year-on-year terms, the APRC related to housing loans fell in Slovakia by 1.1% to 3.2% p.a. at the end of 2014, and in the euro area by 0.5% to 2.8% p.a. The same trend was recorded in consumer loans. The APRC for consumer loans in Slovakia dropped by 3.3%, to 12.9% p.a. as at the end of 2014. The APRC for the euro area fell to a lesser extent in year-on-year terms, by 0.6% to 6.6% p.a.

**Chart 60 Interest rates, APRC and volumes on loans for consumption and loans for house purchases to households (new business)**



Source: NBS.

**Chart 61 APRC on loans for consumption and loans for house purchases to households in SR and Euro area (new business) (% p.a.)**



Source: ECB, NBS.

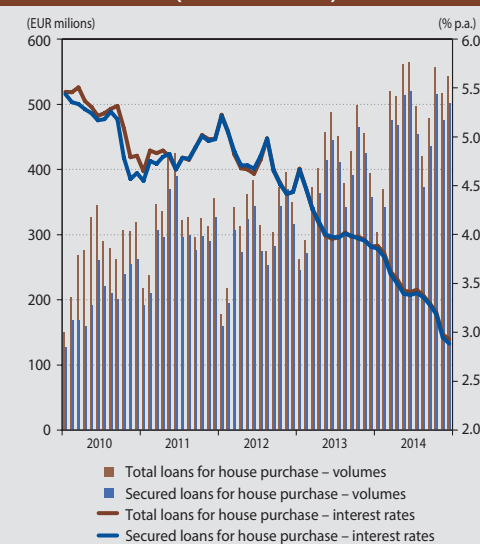
### 2.9.2.2 Comparison of interest rates on consumption and housing loans granted to households: Slovakia and Eurozone

In the **new housing loans** category, a representative indicator for Slovakia is the price of housing loans with an initial rate fixation period of over one and up to five years. Lending rates in this category fell by 1.1% year-on-year, to 2.7% p.a. as at the end of 2014. The rate for a comparable type of housing loans in the euro area fell by 0.5%, to 2.5% p.a.

In the **new consumer loans** category, a representative indicator for Slovakia is the rate of interest on consumer loans with an initial rate fixation period of over five years. Lending rates in this category dropped by 1.7% year-on-year, to 12.4% p.a. as at the end of 2014. The rate for a comparable type of consumer loans in the euro area fell by 0.4% in the period under review, to 7.0% p.a.

The share of **new secured housing loans** in the total volume of loans provided to households for housing purposes decreased slightly, by 0.2% to 92.4% in the fourth quarter of 2014, compared

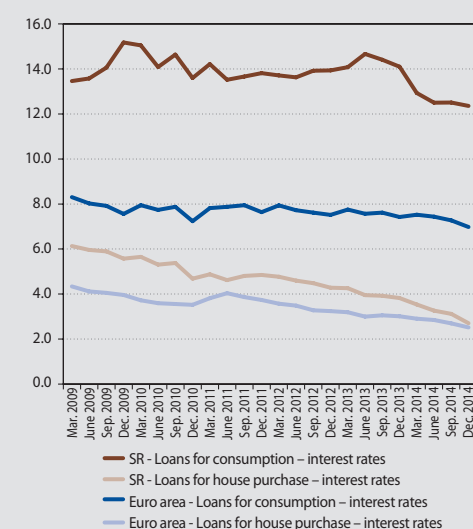
**Chart 63 Interest rates and volumes on secured and total loans for house purchase to households (new business)**



Source: NBS.

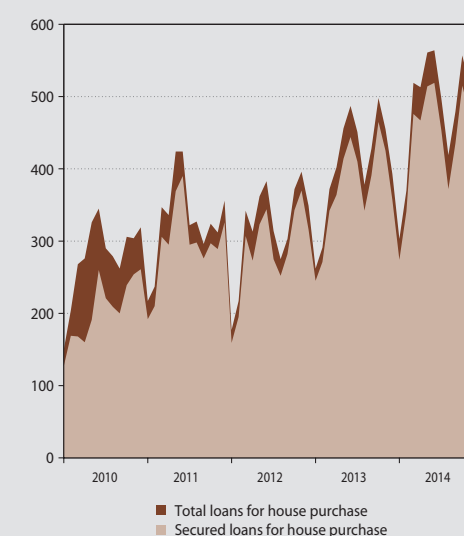
with the same quarter of 2013. The average interest rate on secured housing loans fell by 0.7% to 3.3% p.a. in the period under review.

**Chart 62 Interest rates on loans for consumption and loans for house purchases to households in SR and euro area (new business)**



Source: ECB, NBS.

**Chart 64 Share of secured loans for house purchase on total loans for house purchase to households (new business) (EUR millions)**



Source: NBS.



In the case of **consumer loans**, the share of **secured loans** was substantially smaller than in the case of housing loans. In year-on-year terms, this share increased from 3.0% to 3.3% in the fourth quarter of 2014. The average interest rate on secured consumer loans

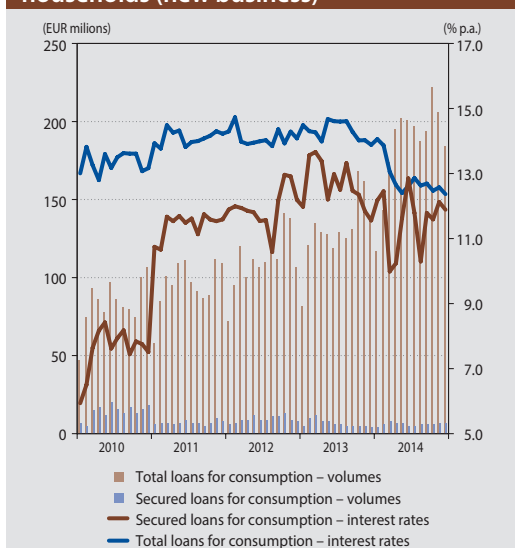
dropped by 1.5% to 11.3% p.a. in the period under review.

### 2.9.3 INTEREST RATES AND VOLUMES: LOANS TO NON-FINANCIAL CORPORATIONS (OUTSTANDING AMOUNTS)

Interest rates on loans granted to non-financial corporations with a maturity of over one and up to five years have historically been higher than the rates for other loan categories, but these loans are the smallest of all in volume terms. Since the middle of 2009, the most significant loans in volume terms in the domestic loan market have been loans with a maturity of over five years. This trend has continued into the fourth quarter of 2014.

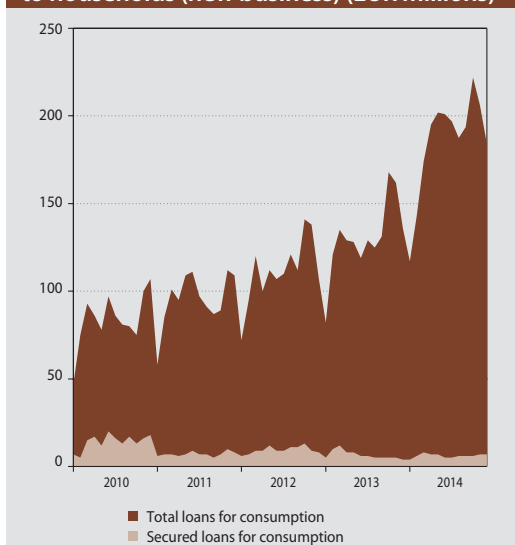
In year-on-year terms, the average lending rates for **loans to non-financial corporations** fell slightly in the fourth quarter of 2014, in all maturity bands. The average interest rate on loans with a maturity of up to one year fell by 0.3%, to stand at 2.9% p.a. The same trend, though less significant, was recorded in the average rate for loans with a maturity of over one and up to five years, specifically a fall of 0.1%. The average rates for loans with a maturity of over one and up to five years reached 3.6% p.a. and 3.1% p.a. respectively.

**Chart 65 Interest rates and volumes on secured and total loans for consumption to households (new business)**



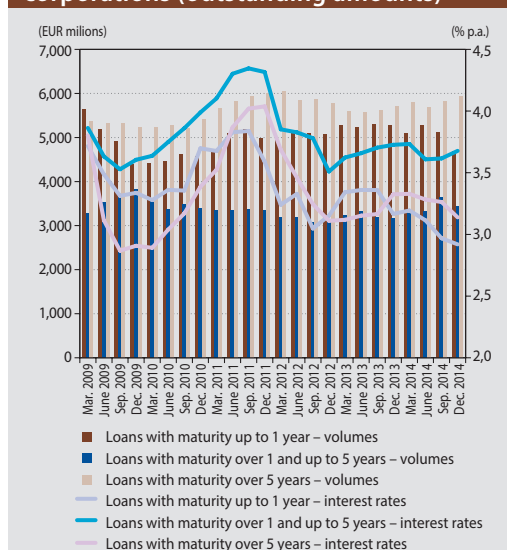
Source: NBS.

**Chart 66 Share of secured loans for consumption on total loans for consumption to households (new business) (EUR millions)**



Source: NBS.

**Chart 67 Interest rates and volumes of loans by maturity to non-financial corporations (outstanding amounts)**



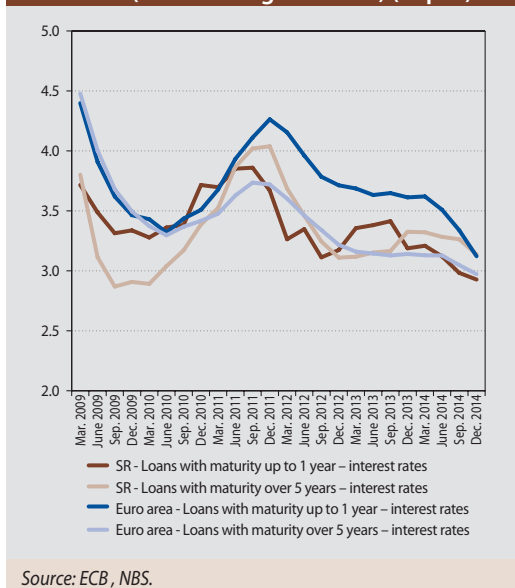
Source: NBS.



### 2.9.3.1 Comparison of interest rates on loans with agreed maturity granted to non-financial corporations: Slovakia and Eurozone

A year-on-year comparison of interest rates on the most significant categories of loans granted to non-financial corporations in Slovakia and the euro area shows that the average rate for loans **with a maturity of up to one year** in Slovakia fell by 0.5% year-on-year, to 2.9% p.a. as at the end of 2014. By contrast, the rate for the same category of loans in the euro area fell by 0.6% year-on-year, to 3.1% p.a. In Slovakia, interest rates on loans **with a maturity of over five years** remained unchanged, at 3.1% p.a. as at the end of 2014. In the euro area, by contrast, interest rates on loans of this category fell somewhat, by 0.2% to 3.0% p.a.

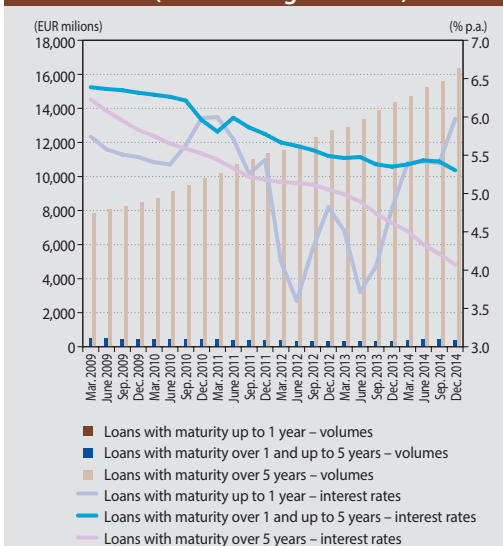
**Chart 68 Interest rates of loans by maturity to non-financial corporations in SR and euro area (outstanding amounts) (% p.a.)**



### 2.9.4 INTEREST RATES AND VOLUMES: LOANS TO HOUSEHOLDS (OUTSTANDING AMOUNTS)

In volume terms, loans granted to households for consumption or for housing purposes are clearly dominated by loans with a maturity of over five years.

**Chart 69 Interest rates and volumes on loans for house purchase by maturity to households (outstanding amounts)**

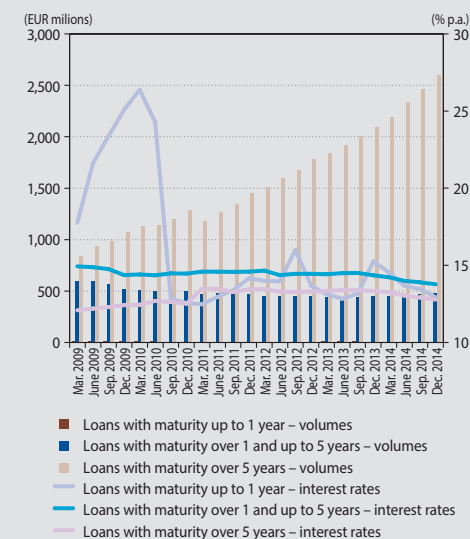


Interest rates on **housing loans** provided to households underwent changes over the period under review as described below. A significant year-on-year rise was recorded in interest rates on housing loans with a maturity of up to one year, specifically +0.9% to an average of 5.4% p.a. The average rate for housing loans with a maturity of over one and up to five years remained unchanged in the period under review, at 5.4% p.a. The average rate for loans with a maturity of over five years fell by 0.6% to 4.1% p.a.

Consumer loans with a maturity of up to one year remained negligible in volume terms in the period under review. Hence, interest rates on such loans were rather volatile. The volume of consumer loans with a maturity of over one and up to five years followed a moderately growing trend in the period under review. In volume terms, the most significant category was that of consumer loans with a maturity of over five years.

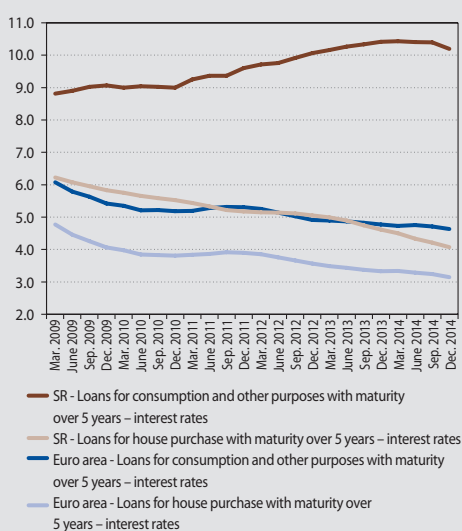
Broken down by maturity, interest rates on **consumer loans** provided to households changed in the period under review as follows: the average rate for consumer loans with a maturity

**Chart 70 Interest rates and volumes on loans for consumption by maturity to households (outstanding amounts)**



Source: NBS.

**Chart 71 Interest rates of loans by maturity to households in SR and euro area (outstanding amounts) (% p.a.)**



Source: ECB, NBS.

of over one and up to five years fell by 0.6% to 13.8% p.a.; the average rate for consumer loans with a maturity of over five years fell by 0.5% to 12.8% p.a.; and the average rate for consumer loans with a maturity of up to one year fell by 0.1% to 13.1% p.a.

#### 2.9.4.1 Comparison of interest rates on new loans granted to non-financial corporations: Slovakia and Eurozone

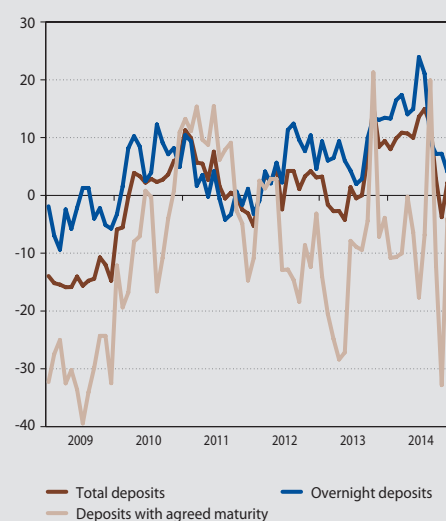
For a comparison of lending rates for households in Slovakia and the euro area, we selected the most significant categories of loans (in terms of volume), i.e. housing loans with a maturity of over five years and consumer loans & other loans with a maturity of over five years. In Slovakia, the interest rate on **consumer loans and other loans with a maturity of over five years** fell by 0.2% year-on-year, to 10.2% p.a. as at the end of 2014. The rate for the same category of loans in the euro area fell by 0.2% year-on-year, to 4.6% p.a. Interest rates on **housing loans with a maturity of over five years** showed the same tendency in the euro area and Slovakia. In year-on-year terms, the rate for this category of loans in Slovakia fell by 0.5% to 4.1% p.a. as at the end of 2014, while the same rate in the euro area dropped by 0.2% to 3.1% p.a.

## 2.10 DEPOSITS RECEIVED FROM NON-FINANCIAL CORPORATIONS AND HOUSEHOLDS

### 2.10.1 DEPOSITS RECEIVED FROM NON-FINANCIAL CORPORATIONS

The value of deposits received from non-financial corporations fell by 1.2% in December, compared

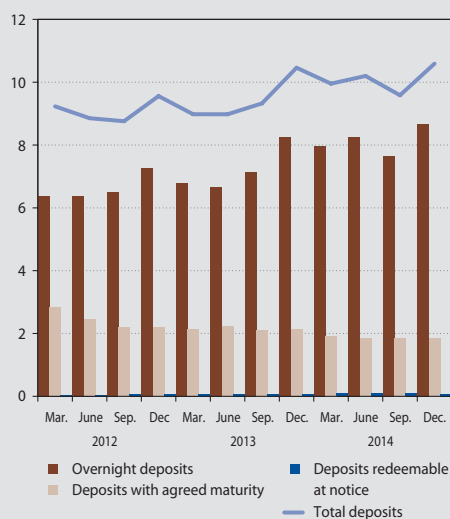
**Chart 72 Deposits of non-financial corporations by type (year-on-year change in %)**



Source: NBS.

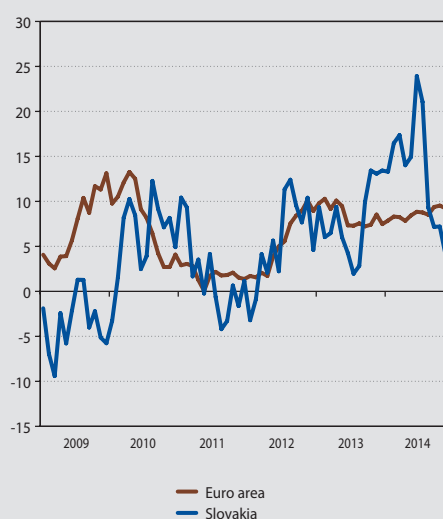


**Chart 73 Deposits of non-financial corporations by type (% share) (EUR billions)**



Source: NBS.

**Chart 74 Overnight deposits of non-financial corporations in SR and euro area (year-on-year changes in %)**



Source: NBS.

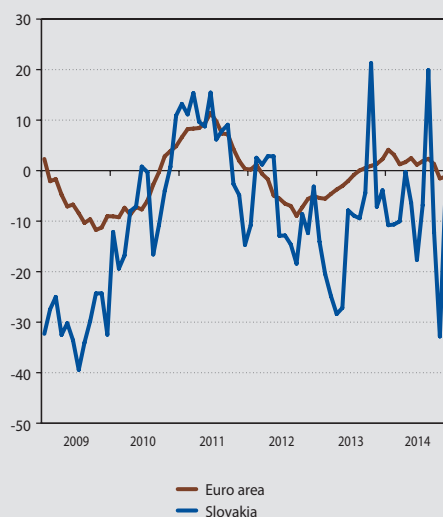
with the same period a year earlier. The sharpest year-on-year decline was recorded in deposits with agreed maturity, specifically -32.8% in October and -13.2% in December.

### 2.10.2 DEPOSITS RECEIVED FROM NON-FINANCIAL CORPORATIONS (EURO AREA COMPARISON)

The value of overnight deposits received from non-financial corporations in the euro area increased gradually in year-on-year terms throughout 2014. In Slovakia, the value of such deposits rose more steeply until the middle of 2014, when the rise culminated at 23.9%. This was followed by a sharp fall to 5.2%.

The year-on-year rate of change in the value of deposits with agreed maturity received from non-financial corporations in the euro area fluctuated around zero. By contrast, the rate of change in such deposits in Slovakia followed a sinusoidal curve throughout the year and culminated at +20% and -32%.

**Chart 75 Deposits with agreed maturity of non-financial corporations in SR and euro area (year-on-year changes in %)**



Source: NBS.

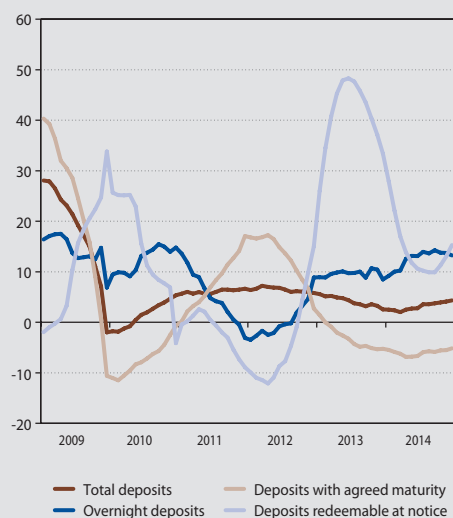
### 2.10.3 DEPOSITS RECEIVED FROM HOUSEHOLDS

Compared with the same period a year earlier, the value of deposits received from households rose slightly in December 2014, by 4.3%. Overnight deposits showed a year-on-year increase

of 13.2% in December 2014. Household deposits redeemable at notice increased in year-on-year terms by 15.3% in December.

The outstanding amount of household deposits maintained its share in total deposits throughout the quarter under review.

**Chart 76 Deposits of households by type (year-on-year change in %)**



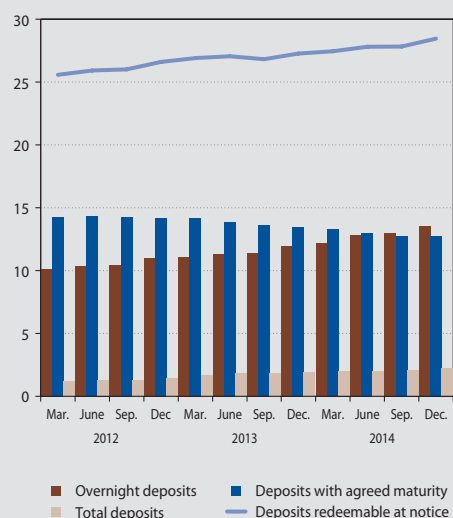
Source: NBS.

### 2.10.4 DEPOSITS RECEIVED FROM HOUSEHOLDS (EURO AREA COMPARISON)

Overnight deposits followed a growing trend in year-on-year terms throughout 2014 in both Slovakia and the euro area. In December 2014, the value of overnight deposits in Slovakia and the euro area increased year-on-year by 13.2% and 8.9% respectively.

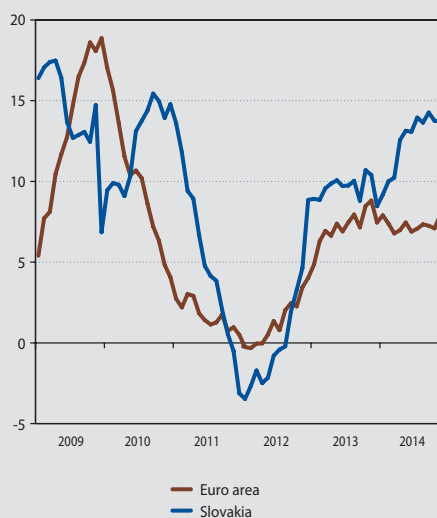
The value of household deposits with agreed maturity in Slovakia and the euro area has been declining since March 2013. The decline in Slovakia is more pronounced than in the euro area. In December 2014, the year-on-year rate of decline in the euro area reached -3.9%, compared with -5.2% in Slovakia.

**Chart 77 Deposits of households by type (% share) (EUR billions)**



Source: NBS.

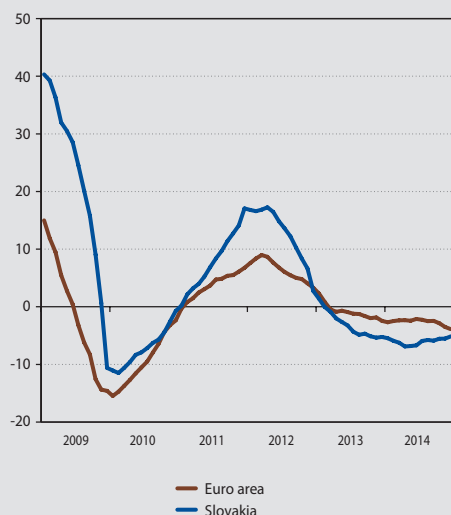
**Chart 78 Overnight deposits of households in SR and euro area (year-on-year changes in %)**



Source: NBS.



Chart 79 Deposits with agreed maturity of households in SR and euro area (year-on-year changes in %)



Source: NBS.

The value of household deposits redeemable at notice had been falling in the euro area since the beginning of 2014, before it started to rise

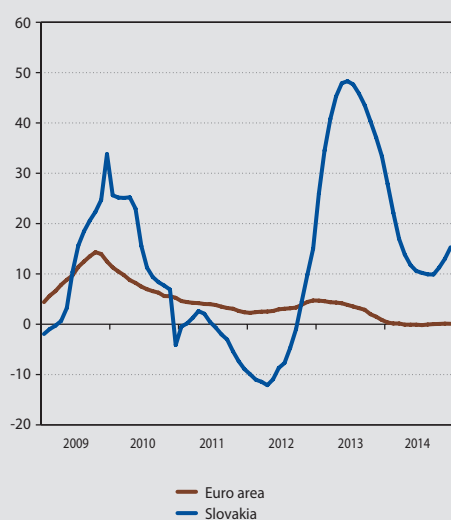
in the last few months. Deposits redeemable at notice in Slovakia have remained virtually unchanged.

## 2.11 INTEREST RATES AND VOLUMES: DEPOSITS RECEIVED

### 2.11.1 INTEREST RATES AND VOLUMES: DEPOSITS RECEIVED FROM HOUSEHOLDS (OUTSTANDING AMOUNTS)

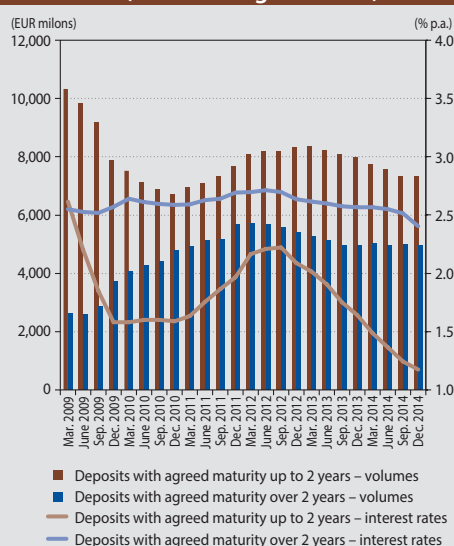
The outstanding amount of household deposits **with an agreed maturity of up to two years**, expressed as a share of total deposits with agreed maturity, decreased by 2.2% in the fourth quarter of 2014 (to 59.7%), compared with the same quarter of 2013. The average interest rate on household deposits with an agreed maturity of up to two years dropped by 0.5% year-on-year, to 1.2% p.a. The average interest rate on deposits **with an agreed maturity of over two years** also fell in the period under review, by 0.1% to 2.5% p.a. The total volume of household deposits with agreed maturity decreased by 5.4% in the period under review.

Chart 80 Deposits redeemable at notice of households in SR and euro area (year-on-year changes in %)



Source: NBS.

Chart 81 Interest rates and volumes of deposits with agreed maturity from households (outstanding amounts)



Source: NBS.



### 2.11.2 INTEREST RATES AND VOLUMES: DEPOSITS

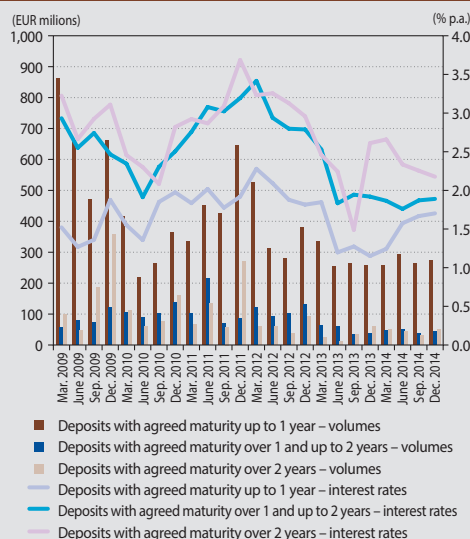
#### RECEIVED FROM HOUSEHOLDS (NEW BUSINESS)

Interest rates on **new deposits** with agreed maturity received from households changed in the period under review as described below. A rise was recorded in the price of **deposits with an agreed maturity of up to one year** (+0.4%, to an average of 1.7% p.a.), while the share of these deposits in the total volume of new deposits with agreed maturity decreased by 1.7% to 76.9%. The average rate for new **deposits with an agreed maturity of over one and up to two years** stood at 1.9% p.a., while the share of these deposits increased in the period under review by 1.2% to 10.9% of the total volume of new household deposits with agreed maturity. The average interest rate on new **deposits with an agreed maturity of over two years** fell by 0.3% to 2.2% p.a., while the share of these deposits in the total volume of new household deposits with agreed maturity increased by 0.5% to 12.2%.

### 2.11.2.1 Comparison of interest rates on new loans granted to non-financial corporations: Slovakia and Eurozone

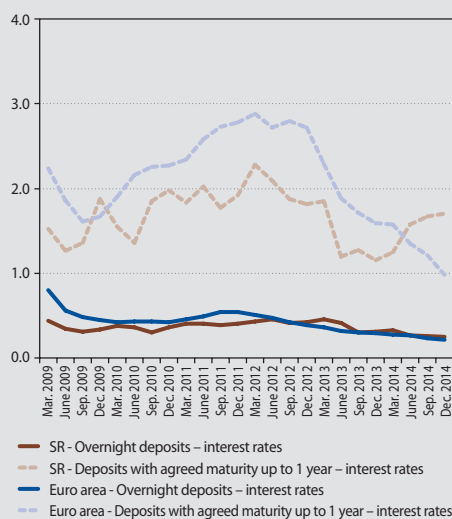
For a comparison of interest rates on new deposits received from households in Slovakia and those on the same types of deposits in the euro area, we selected the most significant deposit categories (in terms of volume), i.e. overnight deposits and deposits with an agreed maturity of up to one year. In Slovakia, interest rates on **overnight deposits** fell by 0.05% year-on-year, to 0.25% p.a. as at the end of 2014. The rate for the same category of loans in the euro area also fell in year-on-year terms, i.e. by 0.08% to 0.22% p.a. Interest rates on **new deposits with an agreed maturity of up to one year** in Slovakia and the euro area showed conflicting tendencies in year-on-year terms. The interest rate for this deposit category in Slovakia rose by 0.5% to 1.7% p.a. as at the end of 2014, while the corresponding interest rate in the euro area fell by 0.6% to 1.0% p.a.

Chart 82 Interest rates and volumes on deposits with agreed maturity from households (new business)



Source: NBS.

Chart 83 Interest rates on deposits from households in SR and euro area (new business) (% p.a.)



Source: ECB, NBS.



### 2.11.3 INTEREST RATES AND VOLUMES: DEPOSITS

#### RECEIVED FROM NON-FINANCIAL CORPORATIONS (OUTSTANDING AMOUNTS)

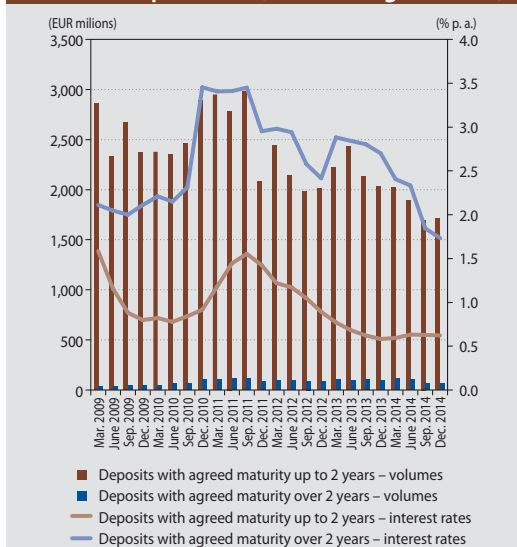
The share of **deposits with an agreed maturity of over two years** in the total outstanding amount of deposits with agreed maturity, received from non-financial corporations, decreased by 0.6% to 3.5% in the fourth quarter of 2014, compared with the fourth quarter of 2013. The average interest rate on these deposits fell by 0.9%, to stand at 1.8% p.a. The average rate for **deposits with an agreed maturity of up to two years** fell in the period under review by 0.1% to 0.6% p.a., while the share of these deposits in the total volume of deposits with agreed maturity, received from non-financial corporations, increased by 0.6% to 96.5%. The total volume of deposits with agreed maturity received from non-financial corporations decreased by 11.9% in the period under review.

### 2.11.4 INTEREST RATES AND VOLUMES: DEPOSITS

#### RECEIVED FROM NON-FINANCIAL CORPORATIONS (NEW BUSINESS)

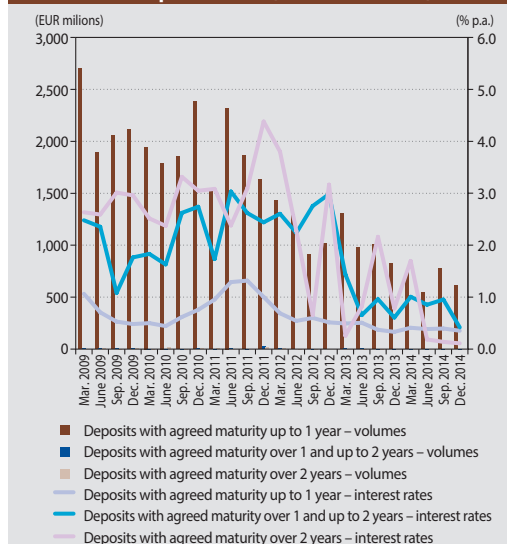
Interest rates on **new deposits** with agreed maturity, received from non-financial corporations, changed in the fourth quarter of 2014 on a year-on-year basis as described below. The average rate for deposits **with an agreed maturity of over two years** fell by 0.8%, to stand at 1.1% p.a. The share of these deposits, however, was insignificant (0.1% of the total volume of deposits with agreed maturity), as was the share of new deposits **with an agreed maturity of over one and up to two years** (0.5%), the price of which fell by 1.1% to an average of 0.5% p.a. The average interest rate on new deposits **with an agreed maturity of up to one year** rose slightly, by 0.1% to 0.4% p.a. In volume terms, these deposits represented the most significant deposit category: they accounted for 99.4% of the volume of new deposits with agreed maturity, received from non-financial corporations.

Chart 84 Interest rates and volumes on deposits with agreed maturity from non-financial corporations (outstanding amounts)



Source: NBS.

Chart 85 Interest rates and volumes on deposits with agreed maturity from non-financial corporations (new business)



Source: NBS.





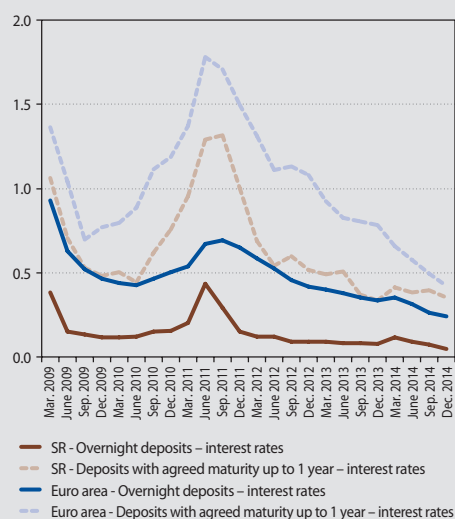
#### 2.11.4.1 Comparison of interest rates on new loans granted to non-financial corporations: Slovakia and Eurozone

For a comparison of interest rates on new deposits received from non-financial corporations in Slovakia and those on the same type of deposits in the euro area, we selected the most significant deposit categories (in terms of volume), i.e. overnight deposits and deposits with an agreed maturity of up to one year. In Slovakia, interest rates on **overnight deposits** received from non-financial corporations remained unchanged in year-on-year terms, at 0.1% p.a. as at the end of 2014. In the euro area, deposit rates in the same category fell by 0.1% year-on-year, to 0.2% p.a. At the end of 2014, the interest rate on **deposits with an agreed maturity of up to one year** in Slovakia remained unchanged in year-on-year terms (at 0.3% p.a.), while the corresponding rate in the euro area fell by 0.4% (to 0.4% p.a.).

#### 2.11.4.2 Comparison of interest rates on new loans granted to non-financial corporations: Slovakia and Eurozone

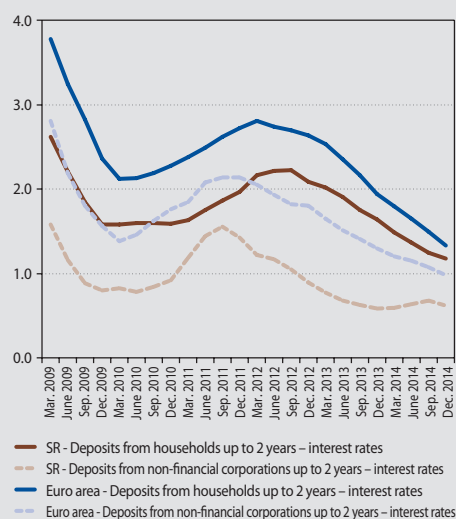
For a comparison of interest rates on new deposits with agreed maturity, received from non-financial corporations and households in Slovakia, and those on the same types of deposits in the euro area, we selected the most significant deposit category (in terms of volume), i.e. deposits with an agreed maturity of up to two years. In Slovakia, interest rates on **deposits with an agreed maturity of up to two years**, received from **non-financial corporations**, remained unchanged in year-on-year terms, at 0.6% p.a. as at the end of 2014. In the euro area, deposit rates in the same category dropped in year-on-year terms, from 1.3% p.a. to 0.1% p.a. The interest rate on **household deposits with an agreed maturity of up to two years** in Slovakia fell by 0.4% year-on-year, to 1.2% p.a. The same rate in the euro area dropped from 1.9% p.a. to 1.3% p.a. as at the end of 2014.

Chart 86 Interest rates on deposits from non-financial corporations in SR and euro area (new business) (% p.a.)



Source: ECB, NBS.

Chart 87 Interest rates on deposits with agreed maturity in SR and euro area (outstanding amounts) (% p.a.)



Source: ECB, NBS.





NÁRODNÁ BANKA SLOVENSKA  
EUROSYSTEM

## CHAPTER 3

# COLLECTIVE INVESTMENT: MUTUAL FUNDS



## 3 COLLECTIVE INVESTMENT: MUTUAL FUNDS

In the financial market of Slovakia, collective investment is represented by five domestic asset management companies and by one foreign asset management company, managing a total of 87 open-end mutual funds as at 31 December 2014.

Domestic asset management companies:

- Asset Management Slovenskej sporiteľne, správ. spol., a.s.
- IAD Investments, správ. spol., a.s.
- Prvá Penzijná správcovská spoločnosť Poštovej banky, správ. spol., a.s.
- Tatra Asset Management, správ. spol., a.s.
- VÚB Asset Management, správ. spol., a.s.

Foreign asset management company:

- ČSOB Asset Management, investiční společnost, a.s.

### 3.1 CURRENT DEVELOPMENTS IN THE DOMESTIC MUTUAL FUNDS MARKET

The trends in the mutual funds market from 2013 and the first half of 2014 have continued into the fourth quarter of 2014. Owing to the stricter criteria and limits set for the portfolios of money market funds, asset management companies were no longer motivated to offer investment opportunities of this type to investors. The money market funds' share in the total assets of mutual funds decreased throughout 2013, and this trend has continued into 2014. As at 31 December 2014, the share of money market funds stabilised at the level of 1.4%.

Bond funds maintained their dominant position in the mutual funds market, with a share of 30.2% of total assets. They were followed by mixed

funds with a share of 22.8% as at end-December 2014. The share of other funds, including secured funds, specialised alternative investment funds, specialised securities funds, and specialised professional investor funds, remained virtually unchanged over the quarter under review, at 22.1% (as at 31 December 2014). These funds represent the third largest group of mutual funds. They are followed by real estate funds with a share of 16.2% (as at 31 December 2014). As in the previous quarter, the smallest category among investment funds (mutual funds other than money market funds) was that of equity funds with a share of 7.2%.

By the end of the last quarter of 2014, the share of equity funds had increased by 18.02% year-on-year. The value of assets managed by real estate funds had risen by 1.26% by end-December 2014, representing a difference of 27.89 percentage points compared with the previous quarter. The influence of newly established specialised funds on the year-on-year growth rate of total assets in the category of other funds was waning over the course of 2013, and the growth of these funds gradually slowed down. This trend continued throughout 2014. Towards the end of the last quarter of 2014, the rate of growth slowed by approximately 8.32 percentage points. By 31 December 2014, total assets had decreased by 0.43% year-on-year. During 2013, bond funds had maintained a moderately rising trend in the value of assets they managed. This trend continued throughout 2014. By 31 December 2014, the value of total assets had increased by 23.74% year-on-year, causing the growth rate to accelerate by 3.57 percentage points. Mixed funds recorded a year-on-year increase of 30.99 percentage points as at end-December 2014. The persistent lack of interest in money market funds among investors led to a year-on-year decline of 3.66% in their assets (as at 31 December 2014).

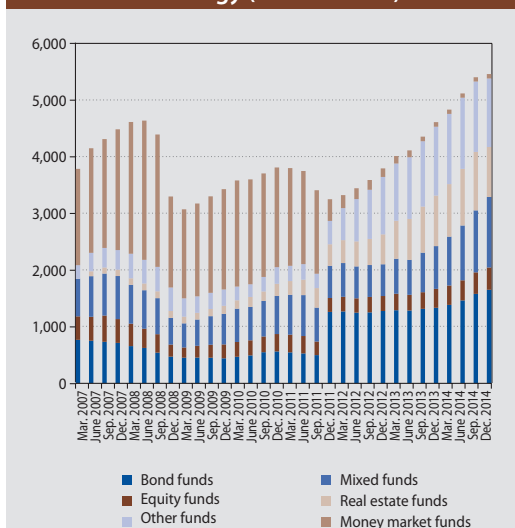


**Table 12 Year-on-year changes in total assets of mutual funds by type**

Total assets	Year-on-year change in %							
	III. 2013	VI. 2013	IX. 2013	XII. 2013	III. 2014	VI. 2014	IX. 2014	XII. 2014
<b>Bond funds</b>	1.68	2.99	4.78	4.42	7.32	13.87	20.17	23.74
<b>Equity funds</b>	12.99	9.73	8.72	27.66	17.53	27.70	28.60	18.02
<b>Mixed funds</b>	3.46	9.61	23.81	34.29	39.41	56.76	57.23	65.28
<b>Real estate funds</b>	65.51	63.11	77.10	68.73	38.81	38.66	26.63	-1.26
<b>Other funds</b>	78.85	46.04	32.51	19.88	22.69	15.44	7.89	-0.43
<b>Money market funds</b>	-42.20	-37.04	-52.67	-45.95	-43.67	-38.08	-6.65	-3.66

Source: NBS.

**Chart 88 Mutual funds broken down by investment strategy (EUR millions)**



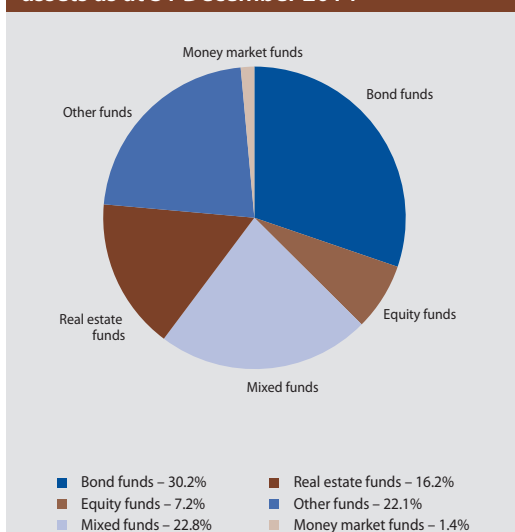
Source: NBS.

### 3.2 STRUCTURE OF MUTUAL FUNDS IN SLOVAKIA AND IN THE EURO AREA

For the purposes of monetary and financial statistics compiled by the European Central Bank, mutual funds are divided according to the investment strategy employed into the following categories: money market funds, short-term money market funds, bond funds, equity funds, mixed funds, real estate funds, and other funds.

The structure of mutual funds in Slovakia differs from that of mutual funds in the euro area according to their investment priorities. The only common feature is the significance of bonds funds in both economic regions: they represent the most important category with broadly the same market share (29.70% in Slovakia and 30.39% in the euro area). Another common feature is the market share of mixed funds: 22.28% in Slovakia and 22.99% in the euro area.

**Chart 89 Share of funds types on total assets as at 31 December 2014**



Source: NBS.

The market share of other funds in Slovakia is markedly different from that in the euro area. In Slovakia, they represent the second largest category with a share of 22.50%. In the euro area, however, they account for only 5.95% of the total assets of mutual funds. Equity funds have a market share of 24.74% in the euro area, compared with 7.43% in the domestic market. Real estate funds invest primarily in equity participations in real estate companies. They have a market share of 16.58% in Slovakia and 4.48% in the euro area (status as at end-2014). The smallest category of mutual funds in terms of total assets is constituted by money market funds, with a share of 1.52%. In the euro area, hedge funds represent the smallest category of funds, with a share of 2.47%. These investment funds are highly risky; they may produce a high yield or a serious loss. They attempt to earn an absolute yield, which is

not dependent on the general economic situation, nor on capital market developments. Mutual funds of this category are not yet registered in Slovakia.

### 3.3 ASSET STRUCTURE OF DOMESTIC MUTUAL FUNDS

#### 3.3.1 MONEY MARKET FUNDS

Money market funds are considered to be the least risky type of mutual funds. They invest predominantly in money market instruments and liquid securities.

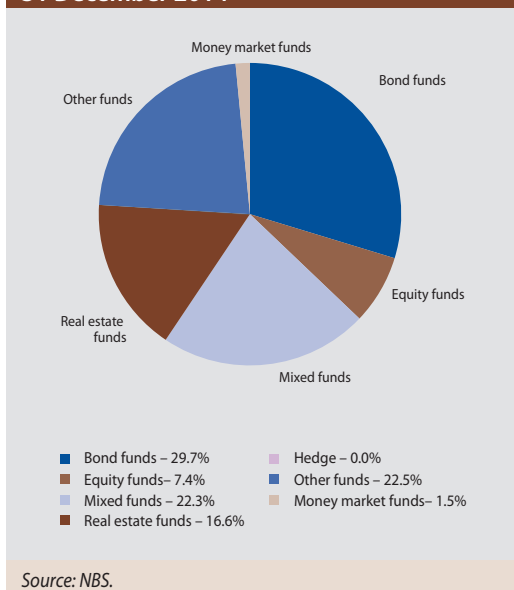
As at the end of the last quarter of 2014, money market funds had 84% of their resources invested in bank deposits and 15.8% in debt securities. The remaining 0.3% was in other assets. Compared with the previous quarter, the asset structure of money market funds changed slightly in favour of debt securities, the share of which increased by 0.5 percentage point, while the share of bank deposits decreased by 0.5 percentage point.

The value of securities in the securities portfolio as at 31 December 2014 changed somewhat in comparison with the previous quarter. Consequently, the share of domestic securities increased by 0.1 percentage point quarter-on-quarter, to 40.4%. They were followed by securities issued in other euro area countries (32.6%) and securities issued in EU Member States (27%).

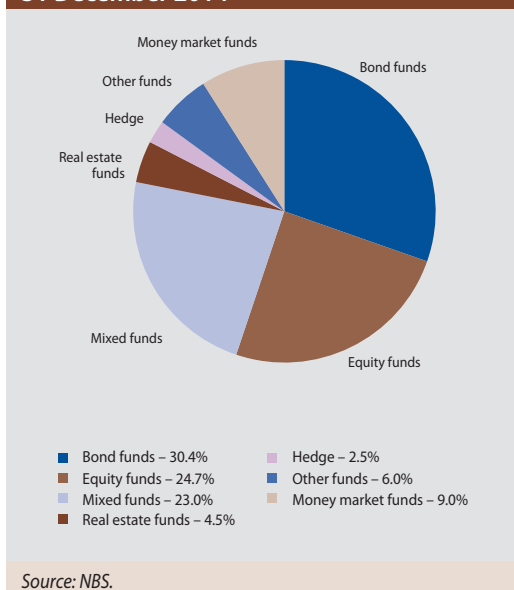
Broken down by sector, money market funds invested mostly in government securities (Sector S.13), which accounted for 86% of the total amount invested. The remaining part of the portfolio was formed by bank bonds (Sector S.122) with a share of 14%, as in the previous quarter.

The liquidity and maturity of securities in the portfolio of mutual funds are important indicators used in the risk assessment process. Interesting information in this respect can be obtained from a comparison of the original and residual maturities of securities in the aggregated portfolio of money market funds: while securities with an agreed maturity of over two years accounted

**Chart 90 Share of funds types on total assets of domestic mutual funds as at 31 December 2014**



**Chart 91 Share of funds types on total assets of mutual funds in euro area as at 31 December 2014**

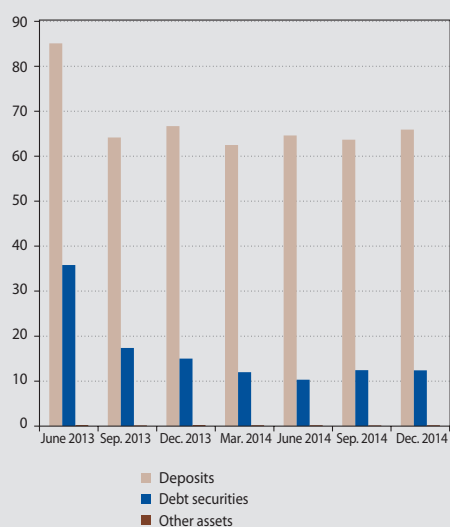




for 86% as at 31 December 2014, their share dropped to zero when the residual maturity was taken into account. The share of securities with a residual maturity of over one and up to two

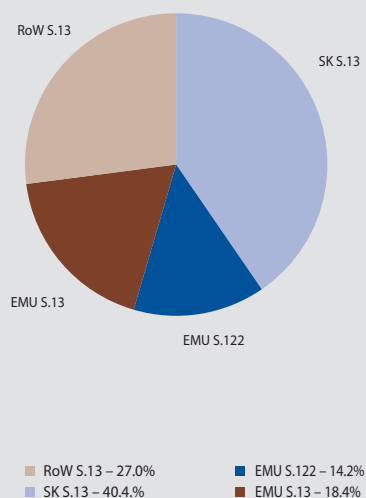
years stood at 14% as at the end of the fourth quarter. The remaining part of the portfolio was formed by securities with a residual maturity of up to one year and a share of 86%.

**Chart 92 Money market funds: evolution of assets (EUR millions)**



Source: NBS.

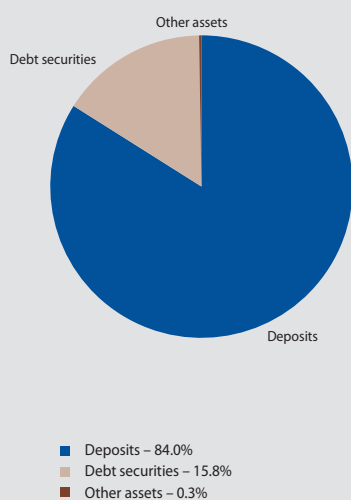
**Chart 94 Geographical and sectoral breakdown of debt securities in portfolio of money market funds as at 31 December 2014**



Source: NBS.

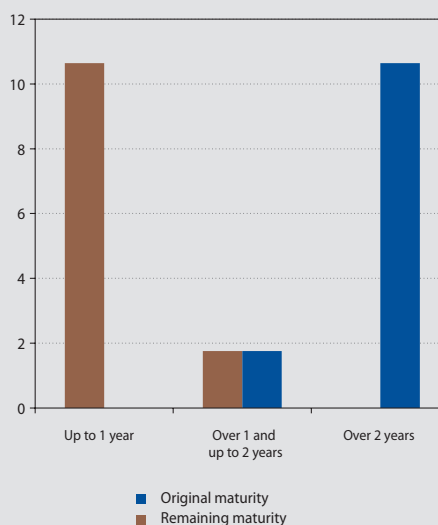
Note: SK = domestic issuers.

**Chart 93 Money market funds: structure of assets as at 31 December 2014**



Source: NBS.

**Chart 95 Maturity breakdown of debt securities in portfolio of money market funds as at 31 December 2014 (EUR millions)**



Source: NBS.

### 3.3.2 BOND FUNDS

Bond funds invest primarily in government and bank debt securities, and in fixed-term bank deposits.

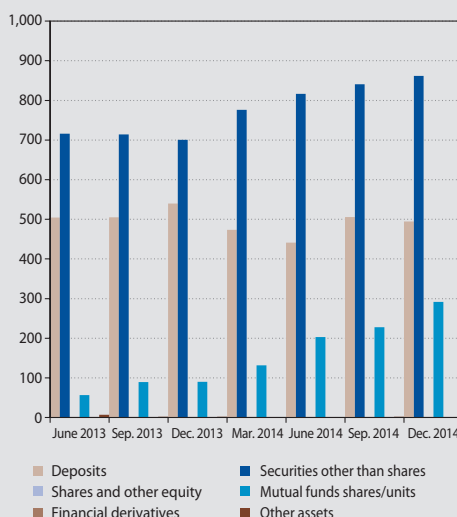
The assets managed by such funds as at 31 December 2014 were dominated by debt securities, the share of which decreased somewhat in comparison with the previous quarter, to 52.26%. Financial assets were in large part invested in fixed-term bank deposits or held on current accounts, the share of which in total assets reached 29.98% at the end of the fourth quarter. They were followed by mutual fund shares/units, the proportion of which increased by 3.23 percentage points quarter-on-quarter, to 17.68%. The remaining 0.08% was formed by other assets, including financial derivatives.

In geographical terms, the debt securities portfolio was dominated by securities issued in the rest of the world (43.96%), the share of which increased by 1.45 percentage points. They were followed by domestic securities with a share of 33.68% (a decrease of 1.39 percentage points) and by securities issued in other euro area Member States with a share of 23.44% (an increase of 0.08 percentage point) as at the end of the last quarter of 2014.

Broken down by sector, the securities portfolio of bond funds as at 31 December 2014 comprised mostly government bonds (47.29%) and debt securities issued by banks (42.62%). The remaining 10.09% was made up by debt securities issued by non-financial corporations and other financial institutions.

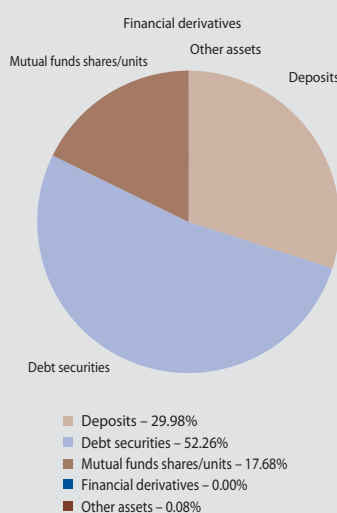
Broken down by residual maturity, bond funds held 26.3% of their portfolio in securities with a maturity of up to one year, 21.5% in securities with a maturity of over one and up to two years, and 52.2% in securities with a maturity of over two years.

**Chart 96 Bond funds: evolution of assets (EUR millions)**



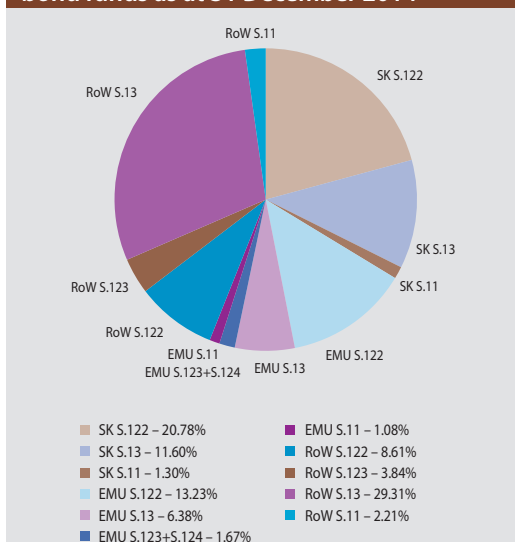
Source: NBS.

**Chart 97 Bond funds: structure of assets as at 31 December 2014**



Source: NBS.

**Chart 98 Geographical and sectoral breakdown of debt securities in portfolio of bond funds as at 31 December 2014**



Source: NBS.

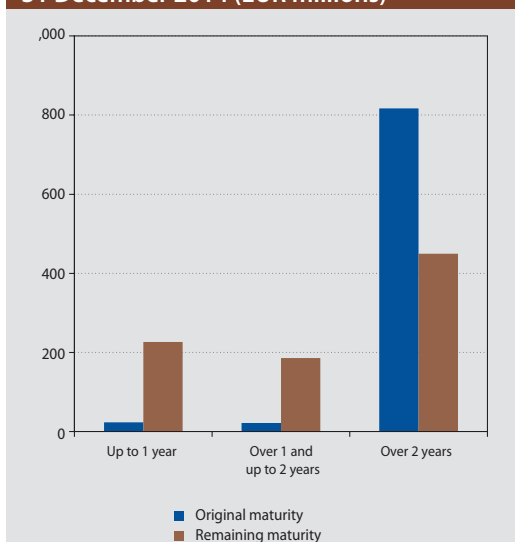
Note: SK = domestic issuers; EMU = issuers from other euro area member states; RoW = issuers from the rest of the world.

a share of 37.6% and mutual fund shares/units with a share of 31.4%. The share of debt securities decreased to 5.5% as at 31 December 2014. Other assets, including financial derivatives, accounted for 0.2% of the total assets of equity funds.

The geographical breakdown of mutual fund shares/units remained virtually unchanged over the quarter under review. Shares/units issued by domestic mutual funds accounted for 42.42% as at end-December 2014, those issued by mutual funds from other euro area countries accounted for 48.33%, and shares/units issued by mutual funds from the rest of the world represented 11.25%.

The proportions of money market fund shares/units and investment fund shares/units remained virtually unchanged in comparison with the previous quarter. The proportion of investment fund shares/units to all mutual fund shares/units in portfolio stood at 93.65% as at end-December 2014.

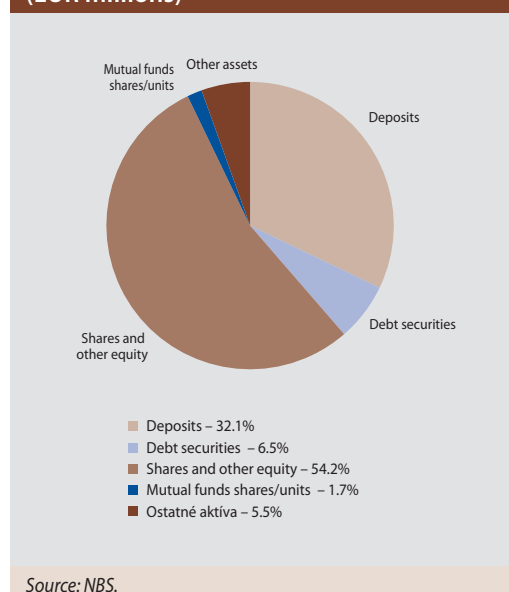
**Chart 99 Maturity breakdown of debt securities in portfolio of bond funds as at 31 December 2014 (EUR millions)**



Source: NBS.

The portfolio of equity funds was dominated by shares of non-financial corporations from the rest of the world (63.4%), followed by shares of non-financial corporations from other euro area Member States (10.6%) and shares of banks from non-euro area Member States (13.1%).

**Chart 100 Equity funds: evolution of assets (EUR millions)**

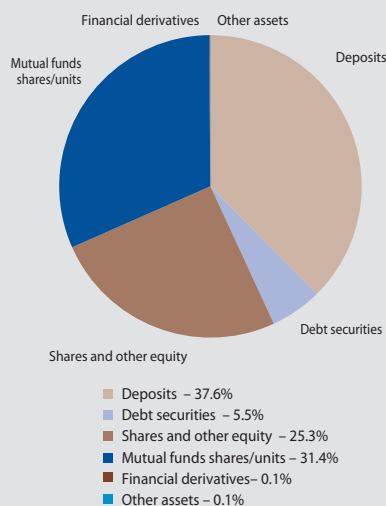


Source: NBS.

### 3.3.3 EQUITY FUNDS

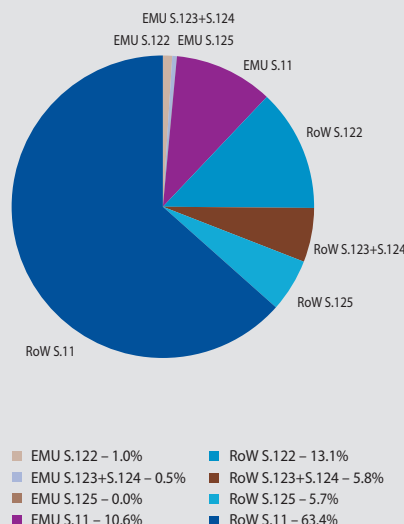
The proportion of shares and other equity participations increased by 5.3 percentage points quarter-on-quarter, to 25.3% as at 31 December 2014. The most significant asset component as at end-December 2014 was bank deposits with

**Chart 101 Equity funds: structure of assets as at 31 December 2014**



Source: NBS.

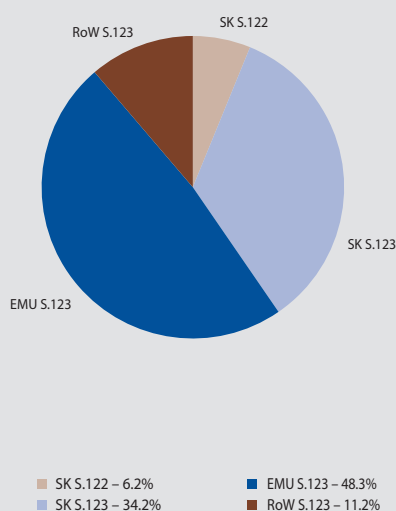
**Chart 103 Geographical and sectoral breakdown of shares and other equity in portfolio of equity funds as at 31 December 2014**



Source: NBS.

Note: EMU = issuers from other euro area member states; RoW = issuers from the rest of the world.

**Chart 102 Geographical and sectoral breakdown of mutual funds shares/units in portfolio of equity funds as at 31 December 2014**



Source: NBS.

Note: SK = domestic issuers; EMU = issuers from other euro area member states; RoW = issuers from the rest of the world.

### 3.3.4 MIXED FUNDS

The most significant asset item in the balance sheets of mixed funds has historically been mutual fund shares/units. They accounted for 53.7% of total assets as at end-December 2014, which was 1.5 percentage points more than in the previous quarter. Further significant asset items in the portfolios of mixed funds were bank deposits (25.9%), debt securities (13.6%), and shares (6.6%), the proportion of which decreased by 3.1 percentage points. The proportion of other assets, including financial derivatives, reached 0.3% as at 31 December 2014, representing a decrease of 1.8 percentage points.

In geographical terms, the structure of mutual fund shares/units remained virtually unchanged in the last quarter of 2014. The mutual fund shares/units portfolio was dominated by mutual fund shares/units issued in the euro area (55.51%). They were followed by shares/units issued by domestic mutual funds (37.56%). Mutual fund shares/units issued in the rest of the world accounted for 6.93% as at the end of the fourth quarter.

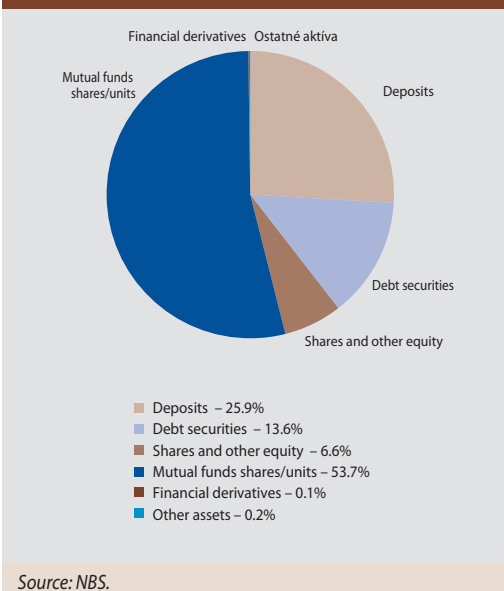


In geographical terms, the structure of securities in the portfolio of mixed funds as at 31 December 2014 was dominated by bonds issued by domestic companies (36.13%), followed by securities issued by companies from the rest of the world (35.10%) and securities from other euro area countries (31.22%).

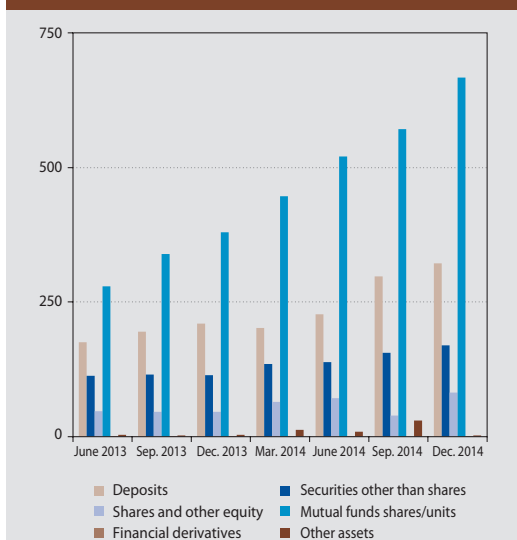
Broken down by sector, the portfolio of mixed funds was dominated by the general government sector (Sector S.13) with a share of 45.41% as at 31 December 2014.

Broken down by residual maturity, mixed funds had 33.65% of their portfolio in securities with a maturity of up to one year, 19.70% in securities with a maturity of over one and up to two years, and 46.65% in securities with a maturity of over two years.

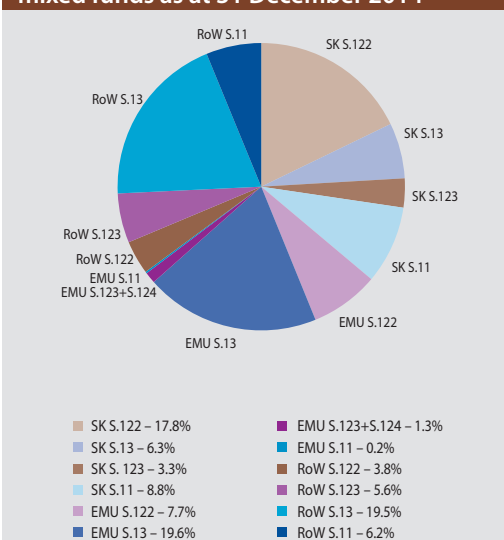
**Chart 105 Mixed funds: structure of assets as at 31 December 2014**



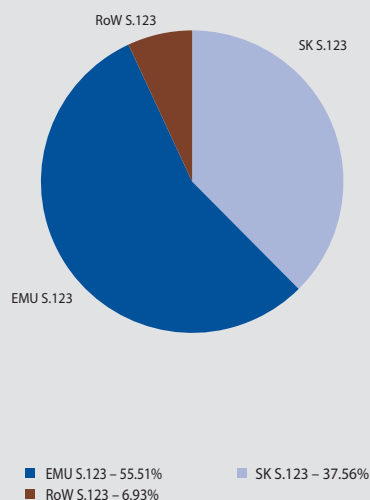
**Chart 104 Mixed funds: evolution of assets (EUR millions)**



**Chart 106 Geographical and sectoral breakdown of debt securities in portfolio of mixed funds as at 31 December 2014**



**Chart 107 Geographical and sectoral breakdown of mutual funds shares/units in portfolio of mixed funds as at 31 December 2014**



Source: NBS.

Note: SK = domestic issuers; EMU = issuers from other euro area member states; RoW = issuers from the rest of the world.

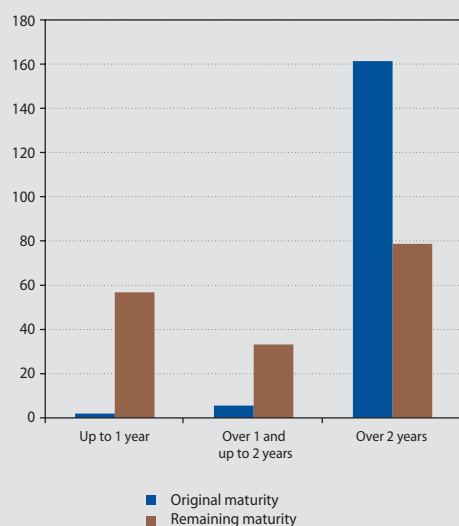
### 3.3.5 REAL ESTATE FUNDS

Real estate funds invest primarily in shares and equity participations in real estate companies, in line with their investment strategy. In compliance with the law, they use part of the funds obtained to grant loans to real estate companies.

The share of *bank deposits and loans to real estate companies* increased by 4.8 percentage points, to 32.1% as at the end of the last quarter of 2014. The proportion of *shares and other equity participations* decreased by 5.9 percentage points, from 60.1% as at 30 September 2014 to 54.2% as at 31 December 2013. In the quarter under review, real estate funds also invested, though to a lesser extent, in debt securities (6.5% of the portfolio), mutual fund shares/unit (1.7%), and other assets, including financial derivatives (5.5%, representing an increase of 0.8 percentage point).

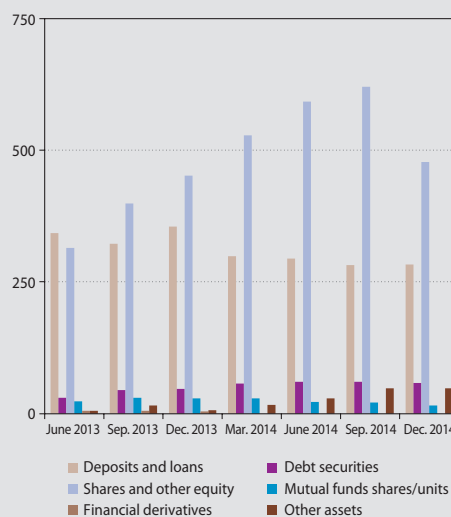
The geographical and sectoral breakdown of shares and equity participations in the aggregated portfolio of real estate funds indicates that the largest share (89.5%) was accounted for

**Chart 108 Maturity breakdown of debt securities in portfolio of bond funds as at 31 December 2014 (EUR millions)**



Source: NBS.

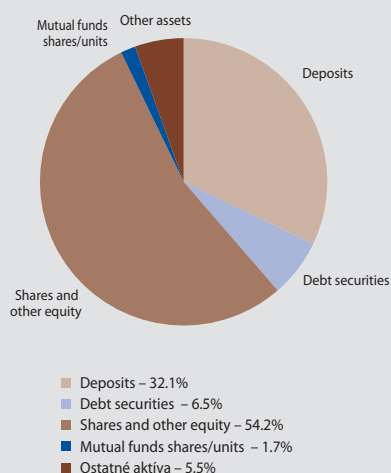
**Chart 109 Real estate funds: evolution of assets (EUR millions)**



Source: NBS.

by domestic non-financial corporations (Sector S.11). Compared with 30 September 2014, the share of non-financial corporations from other EU Member States increased from 4.8% to 7.2%, while that of non-financial corporations from the rest of the world decreased from 14.6% to 3.3% as at 31 December 2014.

**Chart 110 Real estate funds: structure of assets as at 31 December 2014**



Source: NBS.

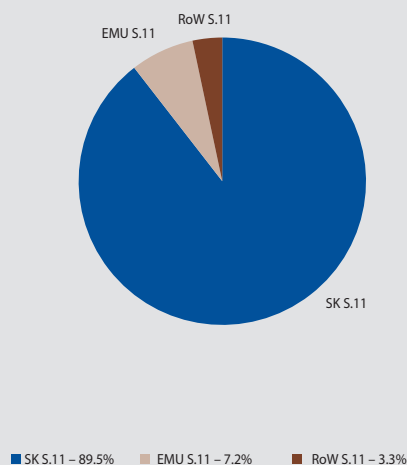
### 3.3.6 OTHER FUNDS

Other mutual funds are defined as mutual funds that do not actually belong to any of the categories mentioned above (in terms of their investment strategy). They comprise guaranteed funds, specialised alternative investment funds (e.g. commodity funds), specialised securities funds, specialised professional investor funds, and other funds. The main asset items of other funds managed by domestic asset management companies are bank deposits, debt securities, and mutual fund shares/units.

As at 31 December 2014, bank deposits still represented the most significant asset item in the balance sheets of other funds, with a share of 60.9%. The share of debt securities decreased by 2.4 percentage points to 22.5% as at the end of the fourth quarter, from 24.9% as at the end of the previous quarter. The share of mutual fund shares/units increased by 0.2 percentage point, from 15.8% as at 30 September 2014 to 16% as at 31 December 2014.

In geographical terms, debt securities in the aggregated portfolio of other funds have historically had a uniform structure. A dominant position in this structure as at 31 December 2014

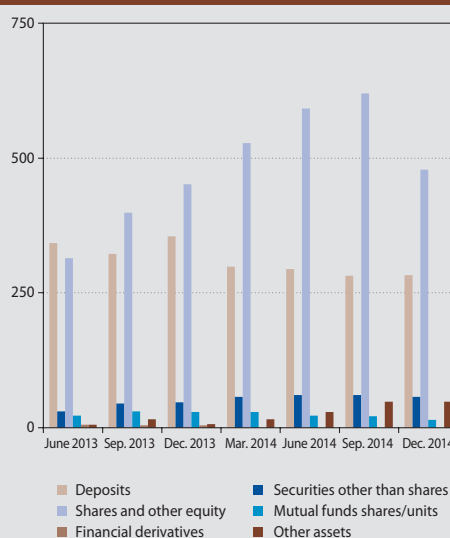
**Chart 111 Geographical and sectoral breakdown of shares and other equity in portfolio of real estate funds as at 31 December 2014**



Source: NBS.

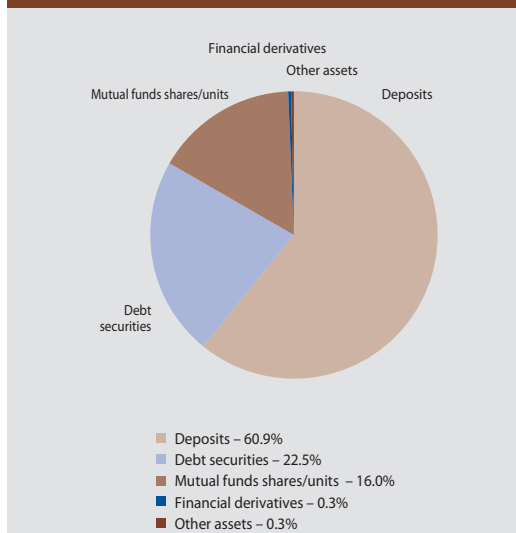
Note: SK = domestic issuers; EMU = issuers from other euro area member states; RoW = issuers from the rest of the world.

**Chart 112 Other funds: evolution of assets (EUR millions)**



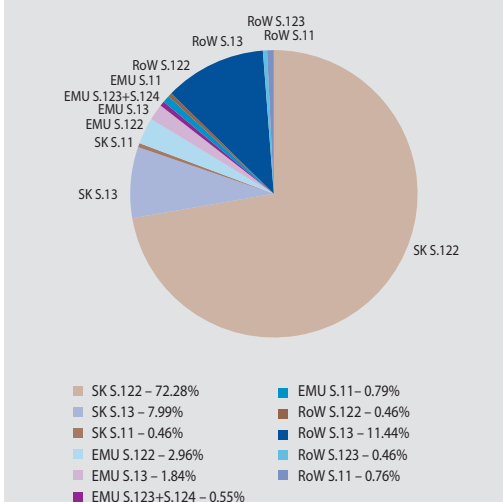
Source: NBS.

**Chart 113 Other funds: structure of assets as at 31 December 2014**



Source: NBS.

**Chart 114 Geographical and sectoral breakdown of debt securities in portfolio of other funds as at 31 December 2014**



Source: NBS.

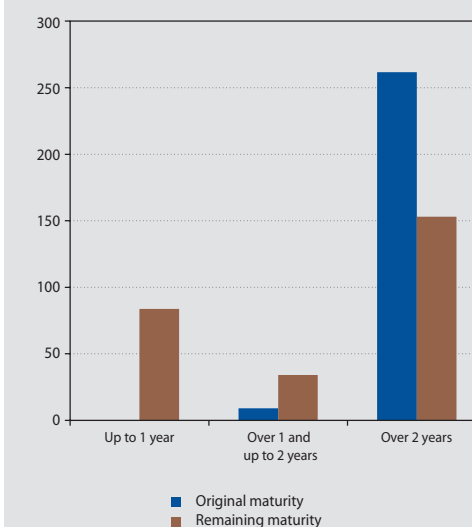
Note: SK = domestic issuers; EMU = issuers from other euro area member states; RoW = issuers from the rest of the world.

was maintained by securities issued by domestic institutions (80.74%). They were followed by securities from the rest of the world (13.13%), the share of which increased quarter-on-quarter by 2.48 percentage points, and by securities issued in other euro area countries (6.14%).

Broken down by sector, the aggregated securities portfolio was dominated by securities issued by banks (Sector S.122) with a share of 75.70%, followed by government bonds (Sector S.13) with a share of 21.27% as at 31 December 2014.

Broken down by residual maturity, the portfolio of other funds had the following composition: securities with a maturity of up to one year (30.93%), securities with a maturity of over one and up to two years (12.56%), and securities with a maturity of over two years (56.51%).

**Chart 115 Maturity breakdown of debt securities in portfolio of other funds as at 31 December 2014 (EUR millions)**



Source: NBS.



NÁRODNÁ BANKA SLOVENSKA  
EUROSYSTEM

## CHAPTER 4

# LEASING COMPANIES, FACTORING COMPANIES, AND CONSUMER CREDIT COMPANIES

## 4 LEASING COMPANIES, FACTORING COMPANIES, AND CONSUMER CREDIT COMPANIES

According to the sectoral classification of economic entities, the companies under analysis are included in the S.123 sector – *other financial intermediaries*<sup>1</sup>, as a subcategory referred to as *financial corporations engaged in lending*.

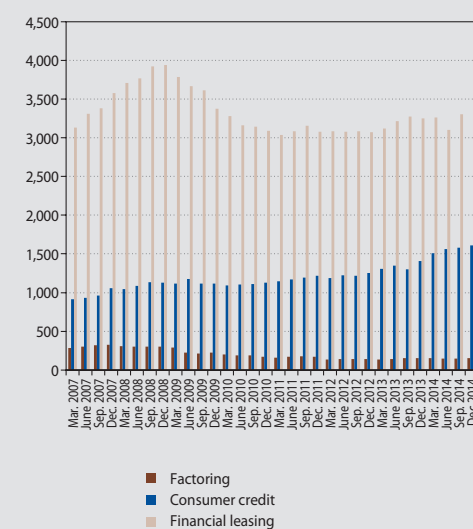
The fourth quarter of 2014 was a relatively successful period for consumer credit companies, but factoring companies ended the quarter with a decrease in their assets.

The favourable trend in the consumer credit market from the previous periods continued in the last quarter of 2014. By 31 December 2014, the total assets of consumer credit companies had grown by 14.38%, compared with the end of the last quarter of 2013. Compared with the previous quarter, however, this represented a fall of 7.11 percentage points.

The total assets of leasing companies increased in value by 3.78% in the fourth quarter of 2014, compared the figure for end-December 2013.

The long-term growing trend in the total assets of factoring companies came to a halt over the last two quarters of 2014. By 31 December 2014, the value of these assets had fallen by 1.37% compared with the figure for the end of 2013.

Chart 116 Evolution of total assets by type of business (EUR millions)



Source: NBS.

Among companies engaged in non-bank lending, the dominant position has historically been maintained by leasing companies. As in the previous quarter, leasing companies had a market share of 66% as at end-December 2014.

The geographical breakdown of credits and loans provided by domestic companies engaged in non-bank lending indicates that such credits

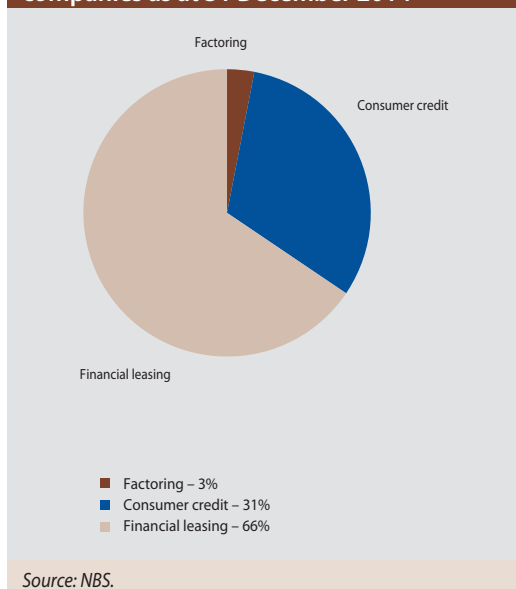
Table 13 Year-on-year changes in total assets of financial corporations engaged in lending

Total assets	Year-on-year change in %					
	IX. 2013	XII. 2013	III. 2014	VI. 2014	IX. 2014	XII. 2014
<b>Financial leasing</b>	6.20	5.87	4.67	-3.47	0.77	3.78
<b>Factoring</b>	6.38	8.78	12.00	5.32	-4.19	-1.37
<b>Consumer credit</b>	7.17	12.43	15.20	15.65	21.49	14.38

Source: NBS.

<sup>1</sup> The European System of National Accounts (ESA 95) defines other financial intermediaries, except insurance corporations and pension funds as financial corporations and quasi-corporations engaged mainly in financial intermediation through the acceptance of liabilities in forms other than cash, deposits and/or close substitutes for deposits from institutional units other than monetary financial institutions, or insurance technical reserves.

**Chart 117 Financial corporations engaged in lending: Assets share of included companies as at 31 December 2014**



and loans are used predominantly by domestic customers.

As at 31 December 2014, consumer credit companies had mostly domestic customers (87%). Customers from other euro area countries accounted for 13%.

As at 31 December 2014, factoring companies had predominantly domestic customers (79.34%). They were followed by customers from the rest of the world, particularly from EU Member States, with a share of 13.84% as at end-December 2014. The remaining less than 7% was made up by customers from other euro area Member States.

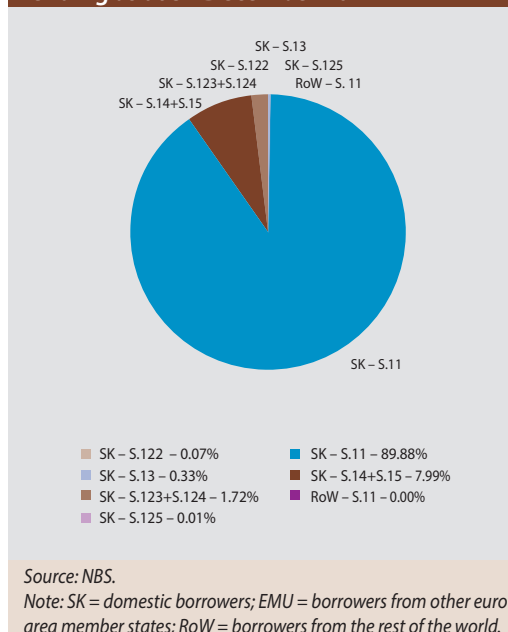
The clientele of factoring companies has historically been dominated by non-financial corporations, owing to the nature of their activities. As at end-December 2014, they accounted for 98.82% of all customers.

Financial leasing services were also used primarily by non-financial corporations (89.88%), followed by households (7.99%) and other sectors (1.72%).

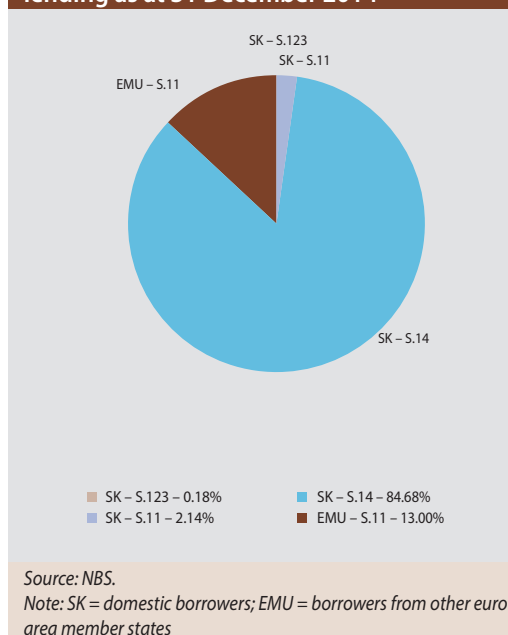
The sale of consumer goods against payment by instalment has historically been an important form of household financing in Slovakia. Hence,

the structure of domestic customers as at 31 December 2014 was dominated by households (Sector S.14) with a share of 84.68%, followed by non-financial corporations (S.11) with a share of 15.14% and by other financial intermediaries (S.123) with a share of 0.18%.

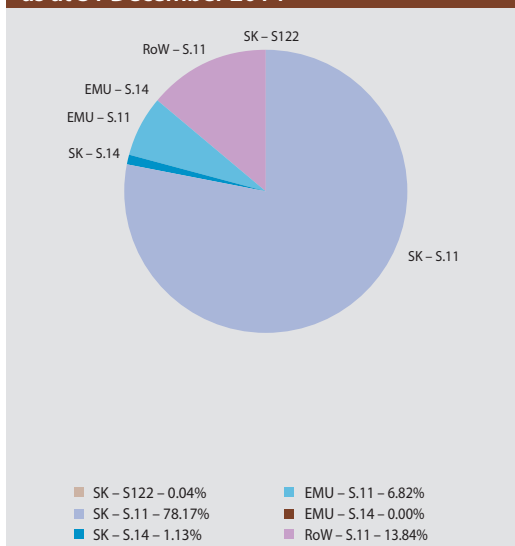
**Chart 118 Geographical and sectoral breakdown of financial leasing companies lending as at 31 December 2014**



**Chart 119 Geographical and sectoral breakdown of consumer credit companies lending as at 31 December 2014**



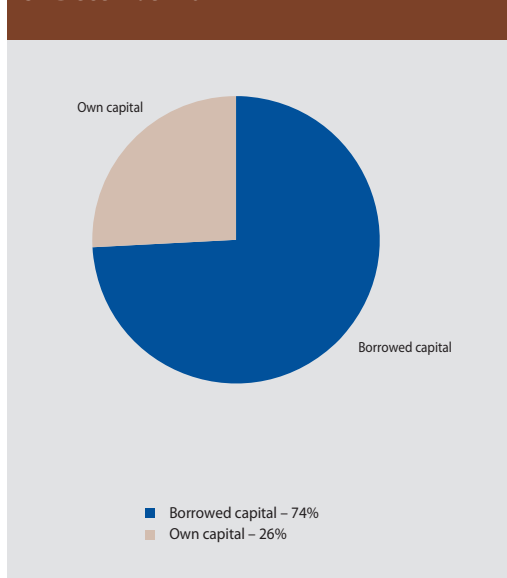
**Chart 120 Geographical and sectoral breakdown of factoring companies lending as at 31 December 2014**



Source: NBS.

Note: SK = domestic borrowers; EMU = borrowers from other euro area member states; RoW = borrowers from the rest of the world.

**Chart 121 Breakdown of source capital as at 31 December 2014**



Source: NBS.

Regarding the flow of funds across the individual economic sectors, an interesting aspect is the allocation of financial resources to the types of companies under review, for the provision of credits and loans through non-bank lending channels.

The main source of financing was foreign (borrowed) capital representing 74.45% of the total financial resources. Foreign capital was obtained

mostly in the form of bank loans, which accounted for 72.94% as at 31 December 2014. The rest was obtained in the form of proceeds from issues of debt securities (13.85%) and credits or loans borrowed from companies belonging to the same group (13.20%).

The main components of own funds were share capital, retained earnings from previous periods, shares and other equity participations.





NÁRODNÁ BANKA SLOVENSKA  
EUROSYSTEM

## CHAPTER 5

# SECURITIES

## 5 SECURITIES

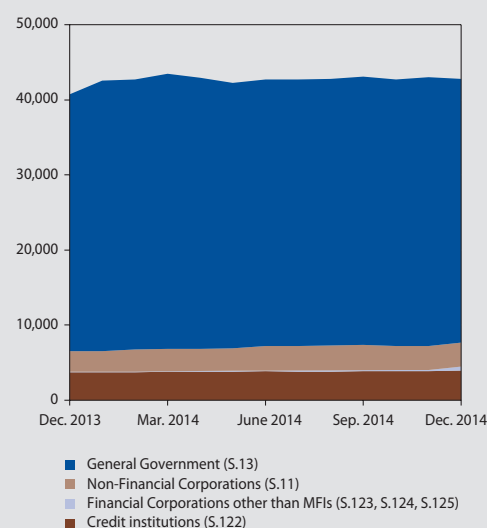
### 5.1 DEBT SECURITIES

The total amount of debt securities issued has historically been dominated by government bonds. Their outstanding amount as at end-December 2014 stood at €35,132.3 million. Bank bonds, including mortgage bonds, represented the second most significant component with a total amount of €3,938.4 million. The amount of bonds issued by non-monetary financial institutions was comparable to that of bonds issued by monetary financial institutions (€3,913.9 million).

The total issue amount in net terms decreased in comparison with the previous quarter, i.e. the amount of new issues remained below the amount of repaid issues, by €384.6 million. Both monetary and non-monetary financial institutions recorded an increase in their net issue amount (+€66.1 million and +€143.3 million respectively). The net issue amount in the general government sector increased by €594 million in the fourth quarter of 2014.

The outstanding issue amount fell by 0.95% in the fourth quarter of 2014, after growing by 0.86% in the previous quarter. This modest fall was caused by a significant decrease in the public sector, where the outstanding issue amount fell by 1.69%. The outstanding issue amounts of

Chart 122 Debt securities by sector  
(outstanding amounts, EUR millions)



Source: NBS.

financial institutions and non-monetary financial institutions grew by 1.45% and 3.63% respectively.

During the fourth quarter of 2014, the outstanding issue amount decreased in month-on-month terms in October and December (by 0.68% and 0.96% respectively), while November saw an increase in the outstanding issue amount (+0.70%).

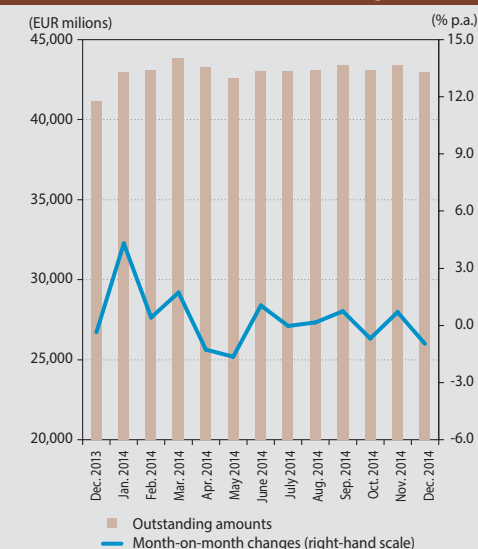
Table 14 Debt securities (in thousands of EUR)

Month	Outstanding amounts				Net issues			
	Total	Monetary Financial Institutions	Non-Monetary Financial Institutions	General Government	Total	Monetary Financial Institutions	Non-Monetary Financial Institutions	General Government
2013 / 12	41,158,966	3,722,405	3,260,832	34,175,729	406,023	69,653	2,375,007	-2,038,636
2014 / 03	43,858,691	3,810,780	3,452,430	36,595,481	2,688,814	88,455	191,619	2,408,739
2014 / 06	43,026,338	3,838,034	3,732,335	35,455,969	-822,291	27,295	301,631	-1,151,217
2014 / 09	43,396,162	3,881,938	3,776,943	35,737,281	255,580	44,123	44,707	166,750
2014 / 12	42,984,600	3,938,420	3,913,905	35,132,275	-384,615	66,133	143,299	-594,047

Source: NBS.

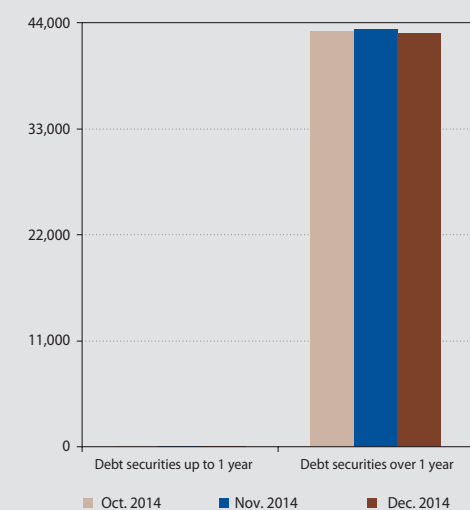


**Chart 123 Debt securities (outstanding amounts, month-on-month changes)**



Source: NBS.

**Chart 124 Debt securities (outstanding amounts, EUR millions, Q4 2014)**



Source: NBS.

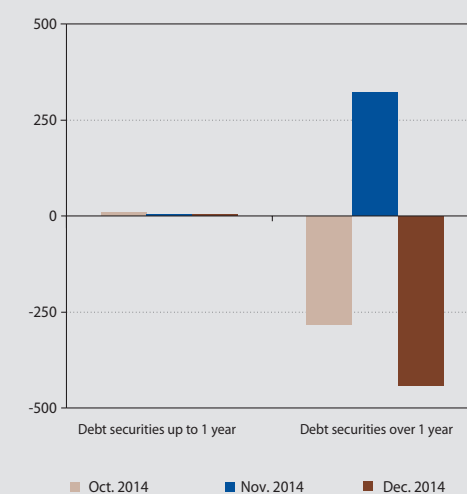
In that period, a total of 17 new issues were placed on the securities market, of which ten were issued by banks, six by non-financial corporations, and one by the financial auxiliaries.

The amount of short-term debt securities increased in net terms by €16.2 million over the fourth quarter. The net issue amount in the non-financial corporations and monetary financial institutions sectors increased by €12.3 million and €3.9 million respectively.

The total issue amount of long-term debt securities in net terms decreased by €400.8 million in the period under review. The net issue amount of government bonds<sup>2</sup> decreased by €594 million, while that of bank bonds increased by €62.2 million. The non-financial corporations sector recorded a decrease of €4.1 million in the net issue amount. The other financial intermediaries sector recorded an increase of €135.2 million.

According to classification by sector, the largest share of the outstanding issue amount was accounted for by the general government sector (81.73%). Monetary financial institutions and non-monetary financial institutions accounted for approximately 9% only. According to the coupon type, the majority of issues had a fixed coupon (89.7%) or a variable cou-

**Chart 125 Debt securities (net issues, EUR millions, Q4 2014)**



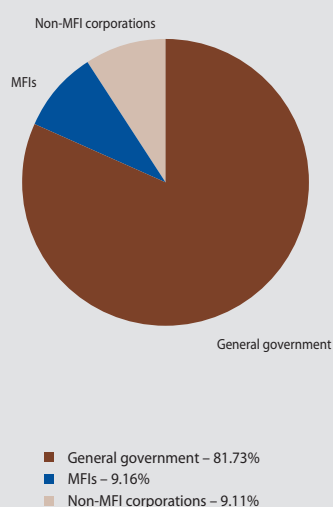
Source: NBS.

<sup>2</sup> The government bond issues in question are new tranches of existing issues.

pon (9.7%). Zero-coupon issues accounted for 0.6%. The issues were denominated mostly in euro (92.3%); only 7.7% of them were in other currencies.

As for maturity, only a minor part (0.15%) of the issues had an original maturity of up to one year, while approximately 14% of them had a residual maturity of up to one year.

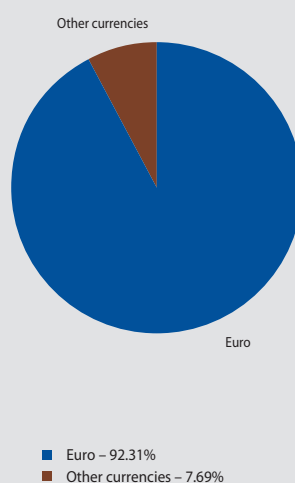
**Chart 126 Debt securities by sector**  
(outstanding amounts as at 31 December 2014)



Source: NBS.

Note: The individual items are classified according to the outstanding amounts of issues as at 30 September 2014.

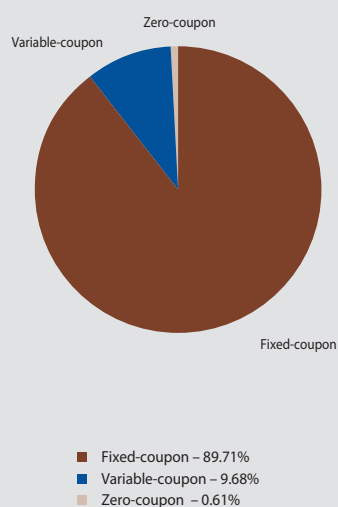
**Chart 128 Debt securities by currency**  
(outstanding amounts as at 31 December 2014)



Source: NBS.

Note: The individual items are classified according to the outstanding amounts of issues as at 30 September 2014.

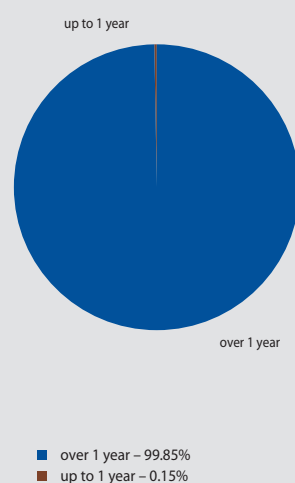
**Chart 127 Debt securities by coupon type**  
(outstanding amounts as at 31 December 2014)



Source: NBS.

Note: The individual items are classified according to the outstanding amounts of issues as at 31 December 2014.

**Chart 129 Debt securities by original maturity**  
(outstanding amounts as at 31 December 2014)



Source: NBS.

Note: The individual items are classified according to the outstanding amounts of issues as at 31 December 2014.



The following charts illustrate the outstanding amounts of issues in the three key sectors (the government sector, the banking sector, and the

non-financial corporations sector) as a function of the issue amount and maturity.

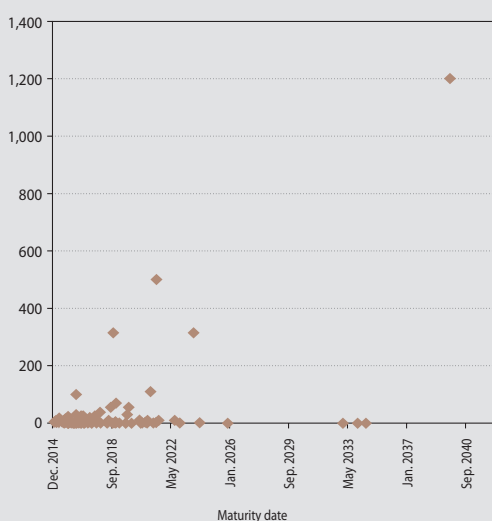
The most numerous debt securities placed on the domestic market by non-financial corporations are those with an outstanding amount of up to €10 million and maturity in 2017. The largest outstanding issue amount is more than €1.2 billion and the longest maturity period exceeds 25 years.

The largest outstanding issue amount of debt securities issued by banks is up to €60 million and the longest maturity period is until 2020. The largest outstanding issue amount fluctuates around €100 million and the longest maturity period is until 2037.

The number of debt securities issues made in the government sector is lower than the number of issues made in the aforementioned two sectors, but the outstanding amount is much higher in the former case. The issue with the highest outstanding amount is worth €3.0 billion. The most recent issue will mature in 2034.

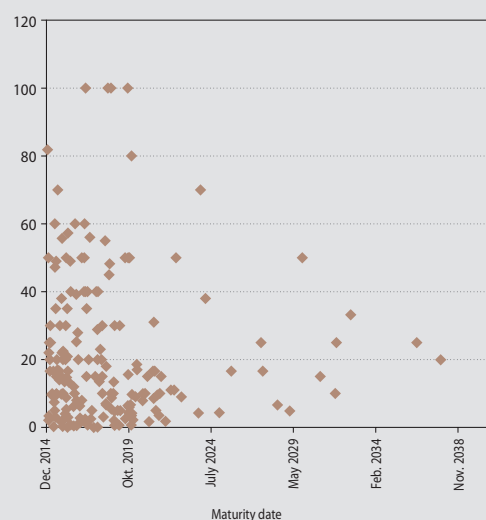
The maturity profile illustrates the course of government debt repayment based on the assump-

**Chart 130 Debt securities: outstanding amounts of domestic issues in S.11 sector (EUR millions)**



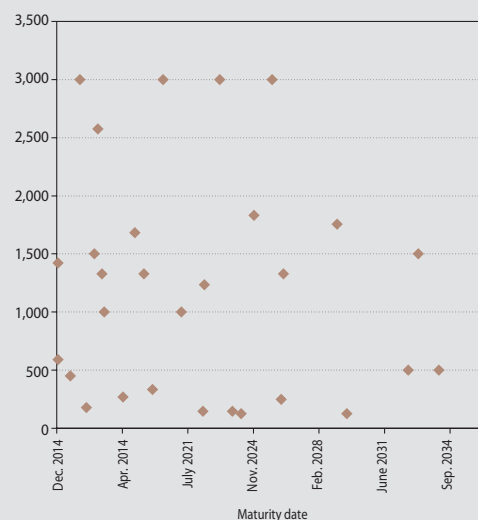
Source: NBS.

**Chart 131 Debt securities: outstanding amounts of issues in S.122 Sector (EUR millions)**



Source: NBS.

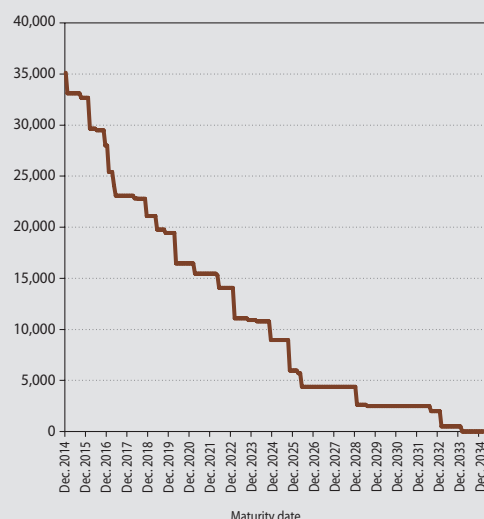
**Chart 132 Debt securities: outstanding amounts of issues in S.13 Sector (EUR millions)**



Source: NBS.



**Chart 133 Government bonds: maturity profile (EUR millions)**

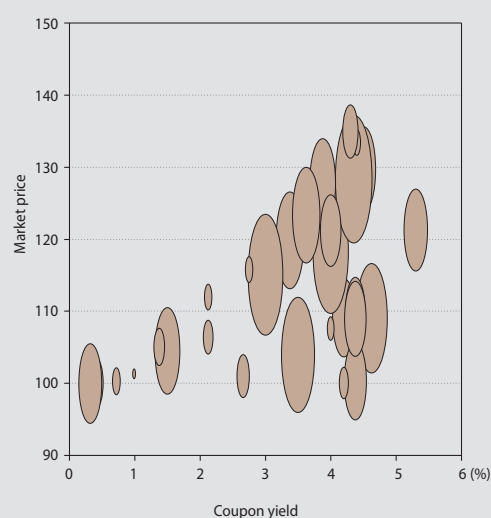


Source: NBS.

tion that no new government bonds will be issued and all the existing issues will be repaid in due time.

The following chart illustrates the outstanding amounts of coupon-paying government bonds

**Chart 134 Government bonds: outstanding amounts (coupon bonds only, %)**



Source: CSDB, issue conditions.

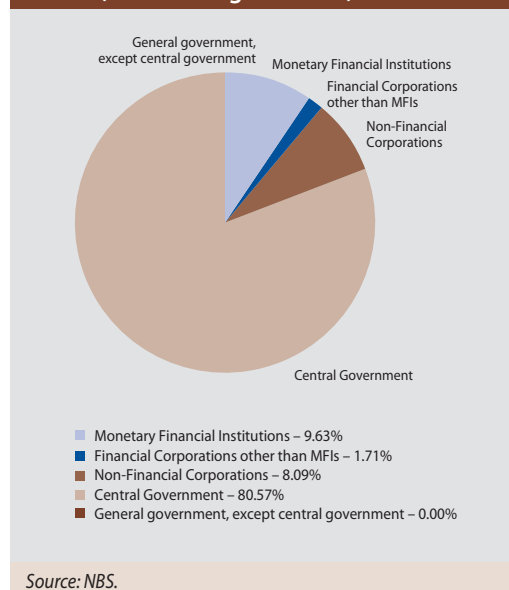
Note: The bubble in this chart is directly proportional in size to the outstanding amounts of the individual issues, while the centre of the bubble is given by the intersection of the market price (Source: ECB Centralised Securities Database) and the coupon yield (Source: Issue conditions).

as a function of their market price and coupon yield as at the end of the fourth quarter of 2014. The average market price<sup>3</sup> of these government bonds stood at 114.83% and the coupon yield was 3.63% at that time.

## 5.2 COMPARISON OF DEBT SECURITIES: SLOVAKIA VS EURO AREA

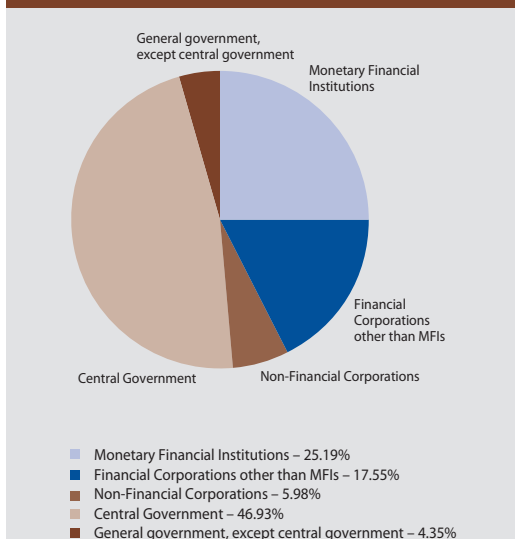
Broken down by sector, the outstanding issue amount of debt securities is structured differently in Slovakia and in the euro area. The structure in Slovakia is dominated by the central government sector with a share of 80.6%. Monetary financial institutions account for 9.6%, non-financial corporations for 8%, and other financial corporations for 1.7%. In the euro area, the leading issuer of debt securities is the central government too, but with a much smaller share (46.9%) than in Slovakia. The second most significant sector is represented by monetary financial institutions with a share of 25.2%. Compared with Slovakia, another important issuer of debt securities in the euro area is the sector of financial institutions other than monetary financial institutions, with a share of 17.55%. Non-financial institutions account for 6%, and the general government sector, excluding the central government, represents the smallest sector with a share of 4.35%.

**Chart 135 Debt securities – Slovakia: by sector (outstanding amounts)**



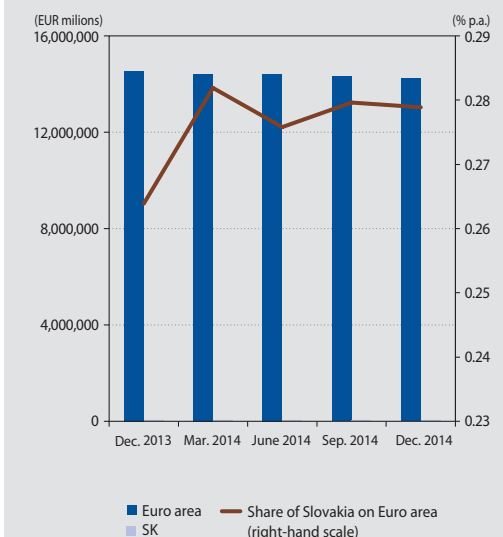
<sup>3</sup> Arithmetical average weighted by the outstanding amount of issues.

**Chart 136 Debt securities – Euro area: by sector (outstanding amounts)**



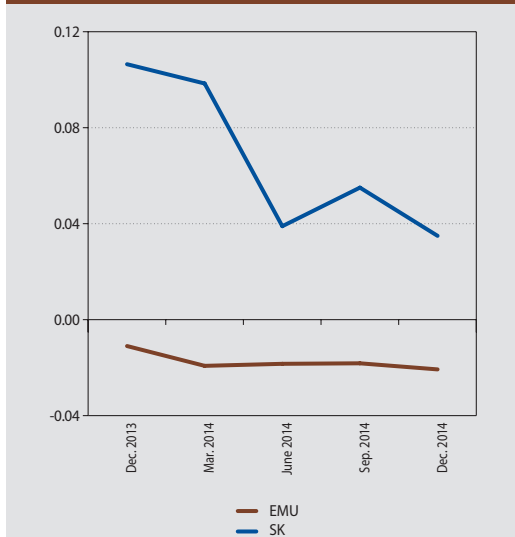
Source: NBS.

**Chart 138 Debt securities – (outstanding amounts, Eur millions, share of Slovakia on Euro area, %)**



Source: NBS.

**Chart 137 Debt securities – (outstanding amounts, year-on-year changes, %)**



Source: NBS.

During 2014, the outstanding amount of issues made by Slovak residents increased year-on-year in each quarter under review. The first quarter of 2014 saw an increase of approximately 10%; the following three sectors witnessed smaller increases, ranging from 3.5% to

5.5%. In the euro area, the outstanding issue amount decreased at a broadly constant pace throughout the period under review (ranging from 1.8% to 2.1%).

The share of Slovakia in the total outstanding amount of debt securities issued in the euro area is negligible. There was no significant change in this respect in 2014: the country's share increased only negligibly, from 0.26% as at end-2013 to 0.28% as at end-2014.

### 5.3 QUOTED SHARES

By the end of December 2014, the outstanding amount of quoted share issues had increased by €203.4 million, compared with the end of the previous quarter. This marked increase was a result of growth in the outstanding amount of shares issued by credit institutions (by €185.4 million) and non-financial institutions (by €18.0 million). In the insurance and pension funds sectors, the outstanding amount of quoted share issues remained unchanged in comparison with the previous quarter. Total market capitalisation stood at €3,805.0 million as at the end of the last quarter of 2014.



Table 15 Quoted shares (thousand EUR)

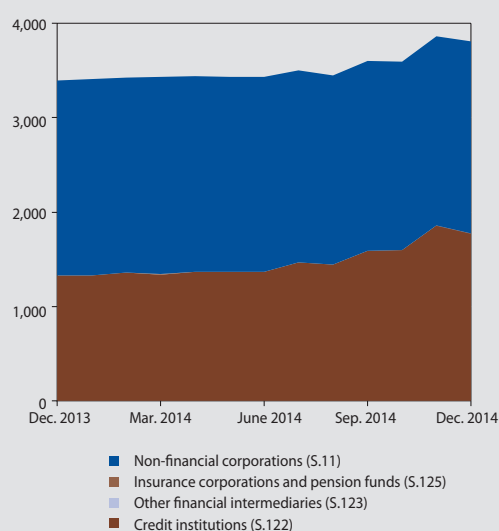
Outstanding amounts				
Month	Total	Credit Institutions	Insurance Corp. and Pension Funds	Non-Financial Corporations
2013 / 12	3,391,595	1,324,676	225	2,066,694
2014 / 03	3,430,374	1,339,630	225	2,090,519
2014 / 06	3,429,434	1,365,177	225	2,064,032
2014 / 09	3,601,651	1,587,862	225	2,013,564
2014 / 12	3,805,039	1,773,239	225	2,031,574

Source: NBS.

The outstanding amount of quoted share issues increased in comparison with the previous quarter by 5.65%. The credit and non-financial institutions sectors recorded an increase of 11.7% and 0.9% respectively.

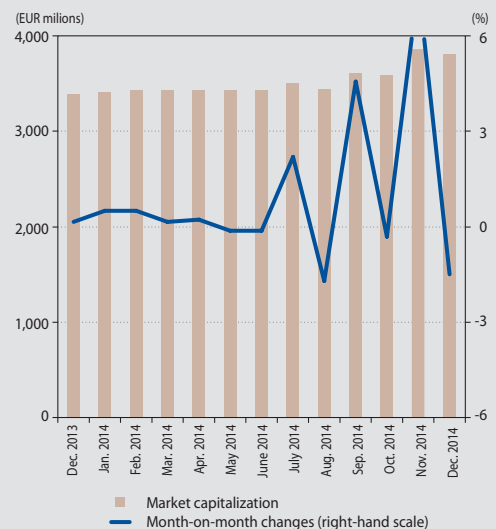
In the fourth quarter of 2014, the outstanding issue amount decreased month-on-month in October and December (by 0.3% and 1.5% respectively). In November, by contrast, the outstanding amount increased by 7.6%.

Chart 139 Quoted shares: market capitalization by sector (EUR millions)



Source: NBS.

Chart 140 Quoted shares (market capitalization, month-on-month changes)

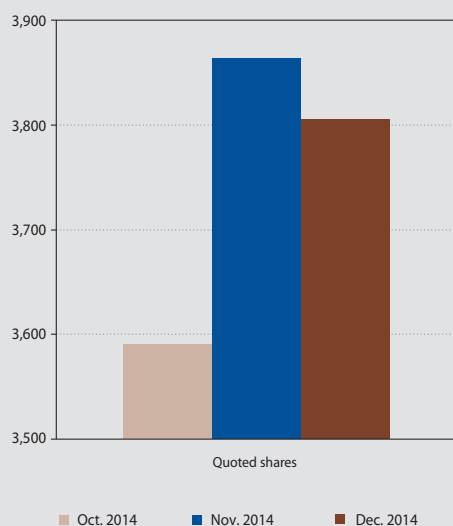


Source: NBS.





**Chart 141 Quoted shares (market capitalization, EUR millions, Q4 2014)**



Source: NBS.

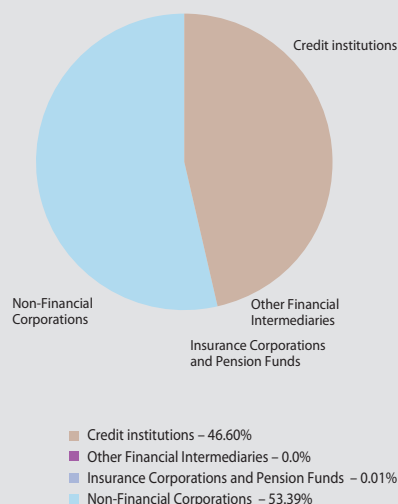
Broken down by sector, the largest share in market capitalisation was accounted for by non-financial corporations (53.4%); they were

followed by credit institutions with a share of 46.6%. The other sectors were insignificant in this respect.

#### 5.4 COMPARISON OF QUOTED SHARES: SLOVAKIA VS EURO AREA

Broken down by sector, the outstanding amounts of quoted shares issued in Slovakia and in the euro area differ in structure. Quoted shares in Slovakia are issued mostly by non-financial corporations (53.4%). They are followed by monetary financial institutions with a share of 46.6%. The other sectors are negligible. As in Slovakia, the most significant sector in the euro area as a whole is the non-financial corporations sector, the share of which, however, is larger (76.8%) than in Slovakia. The second most significant sector is represented by monetary financial institutions with a share of 13.3%. Compared with Slovakia, another important issuer of quoted shares in the euro area is the sector of financial institutions other than monetary financial institutions, with a share of 9.9% as at 31 December 2014.

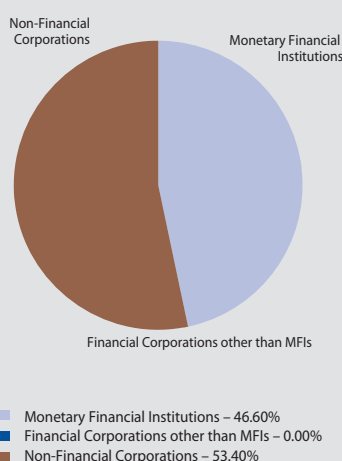
**Chart 142 Quoted shares by sector (market capitalization as at 31 December 2014)**



Source: NBS.

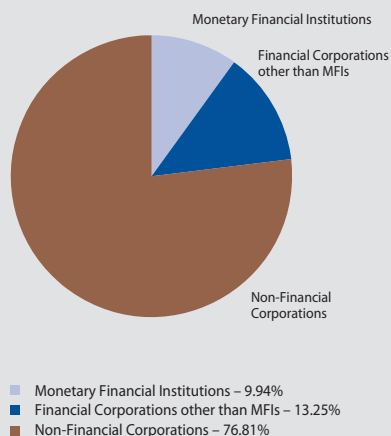
Note:

**Chart 143 Quoted shares – Slovakia: by sector (outstanding amounts)**



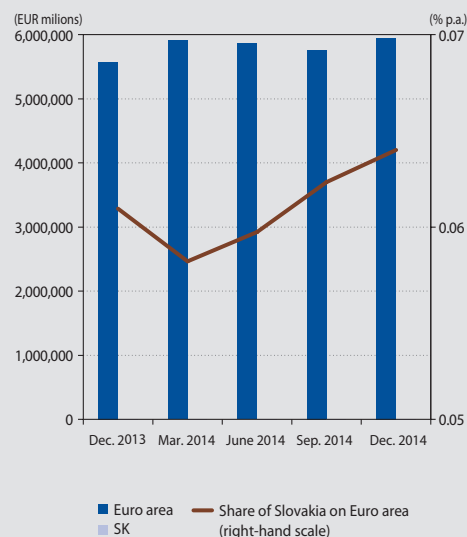
Source: NBS.

**Chart 144 Quoted shares – Euro area: by sector (outstanding amounts)**



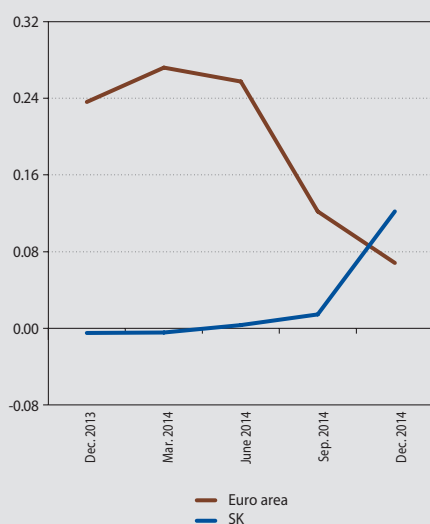
Source: NBS.

**Chart 146 Quoted shares – (outstanding amounts, Eur millions, share of Slovakia on Euro area, %)**



Source: NBS.

**Chart 145 Quoted shares – (outstanding amounts, year-on-year changes, %)**



Source: NBS.

Slovakia, the outstanding issue amount fell in the first quarter, then grew slowly in the following two quarters (by 0.3%–1.5%). The last quarter saw a steep year-on-year increase (12.2%). On the other hand, the outstanding issue amount in the euro area grew throughout the period under review, but the rate of this growth slowed quarter by quarter. It slowed from 27.2% as at the end of the first quarter to 6.8% as at the end of the last quarter of 2014.

The share of Slovakia in the total outstanding amount of debt securities issued in the euro area is negligible. This share remained virtually unchanged over the course of 2014: it fluctuated around the level of 0.06%, which was only 0.02 percentage point less than in the previous year, when Slovakia's share stood at 0.08%.

During 2014, the outstanding amount of issues in Slovakia showed a different tendency in year-on-year terms, compared with the euro area. In



NÁRODNÁ BANKA SLOVENSKA  
EUROSYSTEM

CHAPTER 6

# SELECTED MACROECONOMIC INDICATORS



## 6 SELECTED MACROECONOMIC INDICATORS

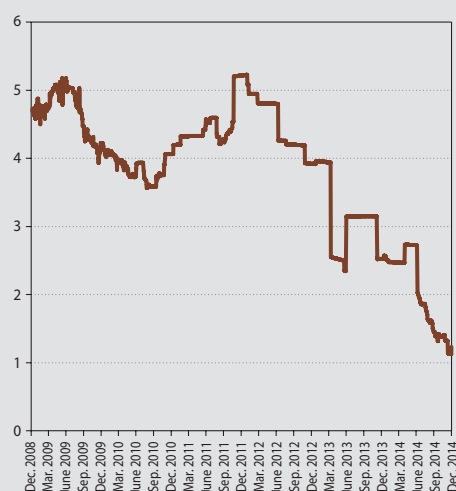
### 6.1 LONG-TERM INTEREST RATES

With effect from 1 July 2013, the approach based on a 'basket of bonds' has been replaced with a 'benchmark-oriented approach', using the government bond SK4120009044 as a benchmark. This approach was also applied during the second quarter of 2014. The benchmark, however, was replaced<sup>4</sup> by government bond SK4120008871 (with effect from 1 May 2014). During the quarter under review, the interest level dropped from 1.45% as at 30 September 2014 to 1.23% as at 31 December 2014.

### 6.2 KEY ECB INTEREST RATES

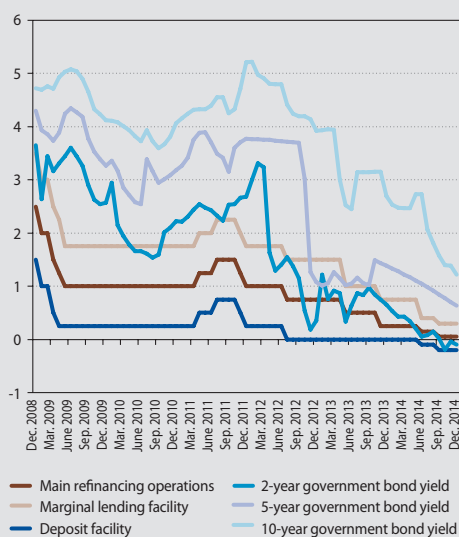
The ECB interest rate for main refinancing operations remained unchanged in comparison with the third quarter of 2014, at 0.05%.<sup>5</sup> The key rate for marginal lending facility also remained unchanged, at 0.3%. The deposit facility rate maintained its negative value, i.e. -0.20% as at 31 December 2014. Two-year government bond yields decreased to negative territory, to -0.10% as at 31 December 2014. Five-year government bond yields fell from 0.85% to 0.63% and ten-year government bond yields from 1.57% to 1.22%.

Chart 147 Benchmark – yield to maturity (p.a.)



Source: BCPB.

Chart 148 Interest rates (p.a.)



Source: ECB, BCPB.

<sup>4</sup> See the Methodological Notes in Chapter 7.6 Long-term interest rates.

<sup>5</sup> ECB key rate, effective from 10 September 2014.



NÁRODNÁ BANKA SLOVENSKA  
EUROSYSTEM

## CHAPTER 7

# METHODOLOGICAL NOTES



## 7 METHODOLOGICAL NOTES

### 7.1 BALANCE-SHEET STATISTICS OF MONETARY FINANCIAL INSTITUTIONS

**Credit institutions in Slovakia:** banks and branches of foreign banks operating in Slovakia, (except Národná banka Slovenska).

**Household sector** – this sector includes:

**a/ Households (S.14):** a sub-sector comprising households (sole proprietors) and the population (citizens). Households (sole proprietors) are private entrepreneurs not registered in the Commercial Register, doing business under the Trade Licensing Act, and natural persons doing business under a law other than the Trade Licensing Act and not registered in the Commercial Register, and private farmers not registered in the Commercial Register. The population includes households in their capacity as final consumers (citizens' accounts).

**b/ Non-profit institutions serving households (S.15):** a sub-sector comprising civic interest associations (unions, societies, movements, trade unions, etc.) and their organisational units, political parties and movements, their organisational units, church and religious societies, and institutions ensuring the proper conduct of certain professions (professional organisations). This sub-sector also includes the following institutions: funds; apartment owners' associations; land, forest and pasture associations; organisations providing publicly beneficial services; humanitarian societies; social, cultural, recreational and sports associations and clubs; charities; church and private schools; private preschool facilities; non-public special-purpose funds (e.g. the anti-drug fund); interest associations of legal entities.

**Monetary financial institutions (MFI):** financial institutions which together form the money-issuing/creating sector of the euro area. These include resident central banks, credit institutions and other resident financial institutions whose business is to receive deposits and/or other redeemable instruments from entities other than MFIs and, for their own account (at least in eco-

nomic terms), to grant credit and/or invest in securities. The latter group consists predominantly of money market funds, i.e. funds investing in short-term and low-risk instruments, which usually have a maturity of up to and including one year.

**Non-financial corporations (S.11):** business entities that are registered in the Commercial Register, i.e. domestic or foreign corporate entities, domestic natural persons registered in the Commercial Register and engaged in profit-oriented activities in any area of business, except in financial intermediation and insurance. The non-financial sector also includes subsidised organisations, public institutions and non-profit institutions whose expenses are covered with sales by 50 percent or more.

**Non-performing loans:** defaulted loans that are subject to the provisions of Section 73 of NBS Decree No. 4/2007 of 13 March 2007 (as amended) on banks' own funds and own funds requirements and on investment firms' own funds and own funds requirements.

A specific borrower is considered to be in default if

a) the bank assesses that the borrower will probably fail to meet its commitments to the bank, its subsidiary or parent company, without the security being realised;

or

b) the borrower is more than 90 days in arrears with a significant commitment to the bank, its subsidiary or parent company.

**Principle of residency:** the principle that a counterparty's country of residence is the country in which the counterparty has a centre of economic interest. This means that an economic agent is considered to be resident in the country where the agent operates for one or more years, or intends to operate on a permanent basis, or where the agent has already been registered.

**Remaining assets:** a residual item on the asset side of the balance sheet. In addition to fixed assets and financial derivatives with a positive fair value, this item includes, for example, accrued

revenues, including accrued interest received; profit share to be received; prepaid expenses; prepaid insurance premiums; outstanding insurance claims; claims of credit institutions not related to their main business; other cash items and cash in transit, transit items, suspense items, collection claims, advance payments and other asset items not elsewhere classified.

**Remaining liabilities:** a residual item on the liability side of the balance sheet. This item includes, for example, financial derivatives with a negative fair value; accrued expenses, including accrued interest payable on deposits and loans received, and on securities; profit share to be paid; deferred revenues; liabilities of credit institutions not related to their main business; provisions representing liabilities towards third parties; transit items; suspense items; funds waiting for settlement; subsidies; net equity of households in pension fund reserves, liabilities arising from collection, prepayments received and other liability items not elsewhere classified.

## 7.2 INTEREST RATE STATISTICS OF MONETARY FINANCIAL INSTITUTIONS

Harmonised MFI interest rate statistics are compiled from data obtained from credit institutions on deposits received from, and loans provided to, non-financial corporations and households, which are both Slovak and euro area residents. The term *households* refers to the population, including households, sole proprietors and non-profit institutions serving households. The term *new loans* or *new deposits* covers all new deposits received or loans granted during the respective reference month.

The term *outstanding amount* of loans or deposits means balances at the end of the respective reference period. Interest rates applied by credit institutions on loans or deposits are calculated as weighted arithmetic averages of the rates agreed on an annual basis.

In the case of loans provided to households for *house purchase* and *loans for consumption*, the *annual percentage rate of charge* is also reported to express the borrower's total credit-related costs. The borrower's total costs comprise the element of interest rate and the element of other

credit-related costs. The collection of the annual percentage rates of charge for statistical purposes allows developments in credit-related charges to be monitored over time.

*Secured loans* represent a new category, which is required for the compilation of interest rate statistics as from 2010. These are the loans secured by any type of collateral or a personal guarantee, the value of which is higher than, or equal to, the new loan's total volume. A partially secured loan is to be classified as unsecured.

The category of *loans of up to €1 million* for non-financial corporations is designed specifically for small and medium-sized enterprises. The *loans of over €1 million* category is intended for large corporations. Interest rates reflect the borrower's economic power to negotiate appropriate credit terms and conditions. Interest rate developments indicate that loans of *up to €1 million* are provided at higher rates than loans of *over €1 million*.

**Agreed average annual interest rate:** average interest rate individually agreed between a bank and its customer for a loan, expressed in annualised terms (percentage per annum). An agreed average annual rate is to be determined on the basis of all interest rates on loans.

An agreed interest rate is converted into an average annual interest rate according to the formula:

$$x = \left( 1 + \frac{r_{ag}}{n} \right)^n - 1,$$

where

- $x$  is the agreed average annual interest rate;
- $r_{ag}$  is the annual interest rate agreed between the bank and its customer (borrower). The dates of loan interest capitalisation are set for the year at regular intervals;
- $n$  is the number of periods of loan interest capitalisation per year, i.e. 1 for annual payments; 2 for semi-annual payments, 4 for quarterly payments, and 12 for monthly payments.

**Interest rate statistics (outstanding amounts):** these cover the outstanding amounts of bank loans of all types provided to customers and not yet repaid, and the outstanding amounts of all deposits received from customers and not yet redeemed, in all periods up to the date of report-



ing (reference period). The average interest rates agreed are expressed in annualised terms (p.a.). The method of calculation depends on the periodicity of capitalisation. The criterion for outstanding amount classification is the maturity of loans or the term of deposits.

**Interest rate statistics (new business):** these cover all the new loan and deposit agreements made between banks and their customers in the period under review (month). This applies to any agreement in which an interest rate is set for the first time, as well as to existing agreements that are renegotiated with the customers and in which the original terms and conditions are changed with an impact on interest levels (e.g. the new agreement is not prolonged automatically, variable interest rates are not changed, etc.). Interest rate statistics on new transactions cover the actual rates of interest agreed in individually negotiated agreements in the reference month. The method for calculating the average interest rates agreed, in annualised terms, depends on the periodicity of capitalisation.

**Initial rate fixation:** the period of time, set in advance, during which the interest rate on a loan is fixed. In interest rate statistics for new loans (new business), **only** the rate agreed for an initial fixation period prior to the loan agreement is reported. Loans **without** interest rate fixation are included in the category of 'variable rates and initial rate fixation for up to one year'.

### 7.3 STATISTICS OF MUTUAL FUNDS

Under the act on collective investment No. 203/2011 Coll., mutual funds are divided into open-end funds, closed-end funds, and specialised funds. Open-end mutual funds can be categorised according to the type of instrument in which they primarily invest. According to the area of investment, mutual funds are divided into money market funds, equity funds, bond funds, mixed funds, real estate funds, and other funds. The investment strategy of a fund is directly related to the expected rate of return, as well as to the risk involved. The general rule is that the higher the potential return, the higher the risk involved. Limits for investment in the individual types of instruments are defined in the Collective Investment Act.

According to the sectoral classification of economic entities, money market funds are treated as *monetary financial institutions* (S.122) and other categories of mutual funds, referred to as investment funds, are treated as *other financial intermediaries* (S.123).

The statistics of mutual funds assets and liabilities are defined by the relevant regulations and guidelines of the European Central Bank<sup>6</sup>.

Money market funds (MMFs) are collective investment undertakings complying with the following criteria:

- a) they pursue the investment objective of maintaining a fund's principal and providing a return in line with the interest rates of money market instruments;
- b) they invest in money market instruments which comply with the criteria for money market instruments set out in Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations, and administrative provisions relating to undertakings for collective investment in transferable securities, or deposits with credit institutions or, alternatively, ensure that the liquidity and valuation of the portfolio in which they invest is assessed on an equivalent basis;
- c) they ensure that the money market instruments they invest in are of high quality, as determined by the management company. The quality of a money market instrument shall be considered, inter alia, on the basis of these factors:
  - the credit quality of the money market instrument;
  - the nature of the asset class represented by the money market instrument;
  - for structured financial instruments, the operational and counterparty risk inherent within the structured financial transaction;
  - the liquidity profile;
- d) they ensure that their portfolio has a weighted average maturity of no more than six months and a weighted average life of no more than twelve months;
- e) they provide daily net asset value and a price calculation of their shares/units, and daily subscription and redemption of shares/units;
- f) they limit investment in securities to those with a residual maturity until the legal re-

<sup>6</sup> Regulation (EC) No. 958/2007 of the European Central Bank of 27 July 2007 concerning statistics on the assets and liabilities of investment funds (ECB/2007/8). ([http://www.ecb.int/ecb/legal/pdf/l\\_21120070811en00080029.pdf](http://www.ecb.int/ecb/legal/pdf/l_21120070811en00080029.pdf))  
Regulation (EC) No. 25/2009 of the European Central bank of 19 December 2008 concerning the balance sheet of the monetary financial institutions sector (ECB/2008/32) ([http://www.ecb.int/ecb/legal/pdf/l\\_01520090120en00140062.pdf](http://www.ecb.int/ecb/legal/pdf/l_01520090120en00140062.pdf)), as amended by ECB Regulation No. ECB/2011/12.  
Guideline of the European Central Bank of 1 August 2007 on monetary, financial institutions and markets statistics (ECB/2007/9) (<http://www.ecb.int/ecb/legal/pdf/02007o0009-20100701-en.pdf>), as amended by the Guidelines ECB/2008/31, ECB/2009/23 and ECB/2011/13.





demption date of less than or equal to two years, provided that the time remaining until the next interest rate reset date is less than or equal to 397 days, whereby floating rate securities should be reset to a money market rate or index;

- g) they limit investment in other collective investment undertakings to those complying with the definition of MMFs;
- h) they do not take direct or indirect exposure to equity or commodities, including via derivatives, and only use derivatives in line with the money market investment strategy of the fund. Derivatives which give exposure to foreign exchange may only be used for hedging purposes. Investment in non-base currency securities is allowed provided the currency exposure is fully hedged;
- i) they have either a constant or fluctuating net asset value.

The following terms are used in the definition of a money market fund:

**Close substitutability for deposits in terms of liquidity:** the ability of shares/units of collective investment undertakings, under normal market circumstance, to be repurchased, redeemed or transferred, at the request of the holder, where the liquidity of the shares/units is comparable to the liquidity of deposits.

**Money market instruments:** instruments of a high credit quality, if they have been awarded one of the two highest available short-term credit ratings by each recognised credit rating agency that has rated the instruments or, if the instruments are not rated, they are of an equivalent quality as determined by the management company's internal rating process. Where a recognised credit rating agency divides its highest short-term rating into two categories, these two ratings shall be considered as a single category and therefore the highest rating available.

When the weighted average lifetime and the weighted average maturity are calculated, the impact of financial derivative instruments, deposits and efficient portfolio management techniques are to be taken into account.

**Undertakings for collective investment:** undertakings the sole object of which is the collec-

tive investment in transferable securities of capital raised from the public and the shares/units of which are, at the request of holders, redeemed directly or indirectly, out of those undertakings' assets. Such undertakings may be constituted under the law of contract (as *common funds* managed by an asset management company), or under the trust law (as *unit trusts*), or under the commercial law (as *investment companies*).

**Weighted average life:** the weighted average of the remaining maturity of each security held in a fund, meaning the time until the principal is repaid in full, disregarding interest and not discounting. Contrary to the calculation of the weighted average maturity, the calculation of the weighted average life for floating rate securities and structured financial instruments does not permit the use of interest rate reset dates and instead only uses a security's stated final maturity. The weighted average life is used to measure the credit risk: the longer the reimbursement of principal is postponed, the higher the credit risk. The weighted average life is also used to limit the liquidity risk.

**Weighted average maturity:** a measure of the average length of time to maturity of all of the underlying securities in the fund weighted to reflect the relative holdings in each instrument, assuming that the maturity of a floating rate instrument is the time remaining until the next interest rate reset to a money market rate, rather than the time remaining before the principal value of the security must be repaid. In practice, weighted average maturity is used to measure the sensitivity of a MMF to changing money market interest rates.

## 7.4 STATISTICS OF OTHER FINANCIAL INTERMEDIARIES

The European System of National Accounts (ESA 95) defines *other financial intermediaries, except insurance corporations and pension funds – sector S.123* (hereinafter 'OFI') as financial corporations and quasi-corporations engaged mainly in financial intermediation through the acceptance of liabilities in forms other than cash, deposits, and/or close substitutes for deposits from institutional units other than monetary financial institutions, or insurance technical reserves.



The S.123 sector comprises the following types of companies:

1. **Investment funds** – mutual funds other than money market funds;
2. **Financial companies engaged in lending** – companies granting credits and loans to non-financial corporations and households. They include financial leasing companies, factoring companies, and consumer credit companies.
3. **Securities and derivatives dealers** – private individuals or firms specialising in securities market transactions; 1) they provide assistance to companies issuing new securities, provide guarantee for new securities and their placement on the market; 2) they trade in existing or new securities **for their own account**.
4. **Financial holding companies**
5. **Special-purpose vehicles** – financial companies created to be holders of securitised assets or liabilities that have been removed from the balance sheets of corporations within the scope of their restructuring.

Other financial intermediaries are engaged primarily in long-term financing, which distinguishes the S.123 sector from that of S.122 (monetary financial institutions).

Data on OFIs need to be collected for the purpose of monitoring their activities in financial intermediation outside the *monetary financial institutions* sector (MFIs – banks, branches of foreign banks, and money market funds). The activities performed by OFIs are similar to those pursued by MFIs. The two types of institutions complement each other. Since the balance sheets of MFIs reported to the European Central Bank for statistical purposes contain no data on OFIs (though OFIs are owned fully or partly by MFIs), statistical data on OFIs need to be collected for the sake of a more detailed statistical overview.

The NBS Statistics Department has been monitoring these institutions since 2007, when their obligation to report data to NBS was imposed by an NBS decree<sup>7</sup>. The range of data reported complies in full with the current requirements<sup>8</sup> of the European Central Bank regarding the statistics of other financial intermediaries.

In order to minimise the costs related to the reporting of data to NBS, the so-called stratified

cut-off tail sampling technique is applied, with data collected only from entities forming a representative sample within the given group, i.e. from entities representing at least 95% of the group's total assets. In 2012, quarterly balance-sheet data are collected from eighteen (out of ca 70) companies providing financial leasing services as the main or substantial part of their business activity, from eight (out of ca 60) consumer credit companies, and from all five factoring companies. The missing data are supplemented with estimated figures, in order that the given types of entities are covered up to 100%.

## 7.5 SECURITIES STATISTICS

### 7.5.1 SECURITIES ISSUANCE STATISTICS

The compilation of securities issues statistics is governed by the relevant guideline of the European Central Bank<sup>9</sup>. These statistics provide information on all debt securities and quoted shares issued by domestic entities in any currency and in any country.

The individual issues are classified according to the sector of issuer. Further classification is made according to currency (issues in euro or other currency), type of security (debt or quoted securities), and according to the original maturity (short-term up to one year or long-term over one year). Debt securities are further divided according to the type of coupon yield (fixed, variable, or zero coupon).

Debt securities statistics focus on the outstanding amounts of issues (stocks) and flows, which are broken down into gross issues and redemptions. The difference between them represents issues in net terms.

#### a) Gross issues

Gross issues during the reporting period must include all issues of debt securities and quoted shares where the issuer sells newly created securities for cash. They concern the regular creation of new instruments. The point in time at which issues have been concluded is defined as the time at which payment is made; the recording of issues must therefore reflect as closely as possible the timing of payment of the underlying issue.

7 Decrees of Národná banka Slovenska No. 6/2006, No. 14/2007 and No. 22/2008 on reporting by factoring, leasing and consumer credit companies for statistical purposes.

8 Guideline of the European Central Bank No. 9/2007 on monetary, financial institutions and markets statistics, as amended by Guidelines Nos. 31/2008, 23/2009 and 13/2011. (Annex III, Part 11), (<http://www.ecb.int/ecb/legal/pdf/02007o0009-20100701-en.pdf>).

9 Guideline of the European Central Bank No. 9/2007 on monetary, financial institutions and markets statistics, as amended by Guidelines Nos. 31/2008, 23/2009 and 13/2011. (Annex III, Part 12), (<http://www.ecb.int/ecb/legal/pdf/02007o0009-20100701-en.pdf>).

**b) Redemptions**

Redemptions during the reporting period cover all repurchases of debt securities and quoted shares by the issuer, where the investor receives cash for the securities. Redemptions concern the regular deletion of instruments. They cover all debt securities reaching their maturity date, as well as early redemptions. Company share buy-backs are covered, if the company repurchases all shares against cash prior to a change of its legal form, or part of its shares against cash which are cancelled, leading to a reduction in capital.

**c) Net issues**

Net issues represent the balance of all issues made, minus all redemptions that have occurred during the reporting period.

Outstanding amounts in the reporting period should be equal to the outstanding amounts recorded in the previous period, increased by gross issues made in the reporting period and reduced by issues redeemed in the same period. In the same way, the outstanding amounts in the reporting period can be expressed as the outstanding amounts recorded in the previous period, plus net issues in the reporting period (see the Scheme 1 below).

In fact, differences may occur as a result of price and exchange rate changes, reclassification, revision, or other adjustments.

**7.5.2 DEBT SECURITIES**

For debtors, debt securities represent an alternative to bank loans; for creditors, they represent a possible substitute for bank deposits and marketable instruments issued by banks.

Securities issues statistics cover the following instruments:

**i) Short-term debt securities**

- Treasury bills and other short-term paper issued by the general government;
- negotiable short-term securities issued by financial and non-financial corporations; a variety of terms are used for such paper including, for example commercial papers, commercial bills, promissory notes, bills of trade, bills of exchange and certificates of deposit;
- short-term securities issued under long-term underwritten note issuance facilities;
- bankers' acceptances.

**ii) Long-term debt securities**

- bearer bonds;
- subordinated bonds;
- bonds with optional maturity dates, the latest of which is more than one year away;
- undated or perpetual bonds;
- variable rate notes;
- convertible bonds;
- covered bonds;
- index-linked securities where the value of the principal is linked to a price index, the price of a commodity or to an exchange rate index;
- deep-discounted bonds;
- zero coupon bonds;
- euro bonds;
- global bonds;
- privately issued bonds;
- securities resulting from the conversion of loans;
- loans that have become negotiable de facto;
- special types of bonds (debentures) and borrowed securities (loan stock) convertible into shares, whether the shares of the issuing corporation or shares of another company, as long as they have not been converted. Where

**Scheme 1**

a)	outstanding issues at the end of the reporting period	≈	outstanding issues at the end of the previous reporting period	+	Gross issues during the reporting period	-	Redemptions during the reporting period
b)	outstanding issues at the end of the reporting period	≈	outstanding issues at the end of the previous reporting period	+	Net issues during the reporting period		



separable from the underlying bond, the conversion option, considered to be a financial derivative, is excluded;

- shares or stocks that pay a fixed income but do not provide for participation in the distribution of the residual value of the corporation on dissolution, including non-participating preference shares;
- financial assets issued as part of the securitisation of loans, mortgages, credit card debt, accounts receivable, and other assets.

The following instruments are excluded:

- transactions in securities as part of repurchase agreements;
- issues of non-negotiable securities;
- non-negotiable loans.

### 7.5.3 QUOTED SHARES

Quoted shares are defined in this case as shares that have been admitted to trading on a quoted market, i.e. the main or parallel market, as well as shares admitted to trading on a regulated free market, but only if they have a fair market value. Their values are reported as market capitalisation for the individual sectors.

Quoted shares include:

- capital shares issued by limited liability companies;
- redeemed shares in limited liability companies;
- dividend shares issued by limited liability companies;
- preferred or preference stocks or shares which provide for participation in the distribution of the residual value on dissolution of a corporation; these may be quoted or unquoted on a recognised stock exchange;
- private placements where possible.

If a company is privatised and the government keeps part of the shares and the other part is quoted on a regulated market, the whole value of the company's capital is recorded within the outstanding amount of quoted shares, since all shares could potentially be traded at any time at market value. The same applies if part of the shares is sold to large investors and only the remaining part, i.e. free float, is traded on the stock exchange.

Quoted shares exclude:

- shares offered for sale but not taken up on issue;
- debentures and loan stock convertible into shares; these are included once they are converted into shares;
- the equity of partners with unlimited liability in incorporated partnerships;
- government investments in the capital of international organisations which are legally constituted as corporations with share capital;
- issues of bonus shares at the time of issue only and split share issues; bonus shares and split shares are, however, included indistinguishably in the total stock of quoted shares.

### 7.6 LONG-TERM INTEREST RATES

Long-term interest rate stability is one of the convergence criteria laid down in the Maastricht Treaty. This criterion expresses the requirement for sustainable convergence, which is to be achieved by each Member State. The average nominal long-term interest rate in a Member State must not exceed, by more than 2%, the average nominal long-term interest rate in the three Member States with the lowest inflation rates in the year following the last assessment. The interest rates are measured on the basis of *long-term government bond rates* or the rates for comparable securities.

The statistical principles of long-term interest rate reporting are defined in the following key terms.

The term *bond issuer* refers to the *central government*. The *maturity of government bonds* is a residual maturity period of around ten years. The residual maturity period is recommended to be between 9.5 and 10.5 years. The type of bonds used should be sufficiently *liquid*. This requirement affects the choice between a *benchmark-oriented approach* and an *approach based on a basket of bonds*, depending on the national conditions. The benchmark-oriented approach treats bonds as a key indicator of the market conditions. The bond issue with the highest liquidity and turnover is often the most recent issue of sizeable volume. The approach based on



a basket of bonds offers a choice of bonds from various types of bonds with various ISIN codes. The bonds available have the same weight.

In view of the situation in the local market for securities, the *benchmark-oriented approach* had been used until the end of January 2012. From the entry of Slovakia into the euro area to January 2012, daily yields to maturity were reported to the ECB for the following government bond issues:

SK4120004318 Benchmark for the period  
01/2009 – 06/2010

SK4120007204 Benchmark for the period  
07/2010 – 01/2012.

With effect from 1 February 2012, the benchmark-oriented approach has been replaced with an approach based on a basket of bonds. This basket included two government bond issues that fully complied with the criteria:

SK4120004318 and SK4120007543 Benchmark  
for the period 02/2012 – 06/2013.

With effect from 1 July 2013, the *approach based on a basket of bonds* has been replaced with a *benchmark-oriented approach*.

SK4120004318 Benchmark for the period  
07/2013 – to date.



NÁRODNÁ BANKA SLOVENSKA  
EUROSYSTEM



# GLOSSARY AND ABBREVIATIONS



## ABBREVIATIONS

APRC	Annual percentage rate of charge
ECB	European Central Bank
ESA95	European System of Accounts
MFI	Monetary financial institutions (banks, branches of foreign banks, money market funds)
MMF	Money market funds
NMFI	Non-monetary financial institutions
p. p.	Percentage point
P	Provisions
S	Securities
SASS	Slovak Association of Asset Management Companies
SDDS	Special Data Dissemination Standard as defined by the International Monetary Fund



## GLOSSARY

**Aggregate balance sheet of Slovakia:** a summary statistical balance sheet of all monetary and financial institutions based in Slovakia, excluding NBS.

**Building loans:** loans provided by home savings banks under Act No. 310/1992 Coll. on home savings as amended.

**Consumer loans:** defined for reporting purposes as loans provided for the purpose of personal consumption, i.e. the purchase of goods and services.

**Investment loans:** loans tied to the cycle of fixed assets, where the individual components of fixed assets are tied for a period longer than one year (except for loans provided for the purchase and/or technical development of land and buildings).

**Intermediate loans:** loans provided by home savings banks under the provisions of Act No. 310/1992 Coll. on home savings as amended.

**Key ECB interest rates:** the interest rates set by the Governing Council of the European Central Bank (ECB), determining the monetary policy stance of the ECB. These interest rates are the rate for the main refinancing operations, the rate for the marginal lending facility, and the rate for the deposit facility.

**Monetary financial institutions (MFI):** national central banks, credit institutions and other financial institutions whose business is to collect deposits and/or other redeemable instruments from entities other than MFIs, to grant credit and loans, and to make investments in securities for their own account (e.g. money market funds).

**Mortgage loans:** loans with a maturity of at least four years (but not more than 30 years), which are secured by a lien on domestic real estate and which satisfy the requirements laid down in Section 68 of Act No. 483/2001 Coll. on banks and on amendments to certain laws as amended.

**Nominal value of loan:** the outstanding amount of the loan principal, excluding accruals and other due amounts.

**Non-performing loan:** any loan where the bank assesses that the borrower is unlikely to meet its commitments without the security being realised, or where the borrower is more than 90 days in arrears with a significant commitment to the bank.

**Operating loans:** loans tied to the cycle of operating (current) assets, where the individual current asset components are usually fixed for a period of up to one year. Such loans are provided, for example, for the purchase of material supplies, raw materials, semi-finished goods, finished products, claims related to trade credits, or for the coverage of seasonal fluctuations in economic activities.

**Original maturity period:** the time aspect of claims and liabilities classification based on the contractual (agreed) maturity period.

**Other real estate loans:** real estate loans other than mortgage loans, building loans, or intermediate loans.

**Pension funds:** funds managed by pension fund management companies or supplementary pension asset management companies.





## GLOSSARY AND ABBREVIATIONS

**Real estate loans:** all loans provided for the purchase and/or technical development of land and buildings, which are registered with the Land Registry under Act No. 162/1995 Coll. on land registries and registration of ownership title and other rights to real estate (the Land Registry Act) as amended.

**Residual maturity period:** for claims and liabilities, the residual maturity period is the difference between the agreed maturity date and the date for which the relevant report/statement is compiled, i.e. usually the end of a month, quarter, or year.

**Secured loans:** for the purpose of interest rate statistics, these are loans secured up to their total amount using the technique of 'funded credit protection', or secured by a guarantee using the technique of 'unfunded credit protection' so that the value of collateral or guarantee is higher or equal to the total amount of the new loan. If the requirements for credit protection are not satisfied, the new loan is considered unsecured.



## SECTOR CLASSIFICATION

Classification of institutional sectors and sub-sectors according to the European System of National and Regional Accounts (ESA 95):

- S.1 Residents – Slovakia (residents of the Slovak Republic)**
  - Residents – Other euro area member states** (euro area residents, except SR residents)
    - S.11 Non-financial corporations**
    - S.12 Financial corporations**
      - S.121 Central Bank (Národná banka Slovenska)
      - S.122 Other monetary financial institutions
      - S.123 Other financial intermediaries, except insurance corporations and pension funds
      - S.124 Financial auxiliaries
      - S.125 Insurance corporations and pension funds
    - S.13 General government**
      - S.1311 Central government
      - S.1312 Regional government
      - S.1313 Local government
      - S.1314 Social security funds
    - S.14 Households**
      - S.141 Employers
      - S.142 Own-account workers
      - S.143 Employees
      - S.144 Recipients of property incomes, pensions and other transfer incomes
      - S.145 Others
    - S.15 Non-profit institutions serving households**
  - S.2 Rest of the world** (all countries, except Slovakia and the euro area)



## LIST OF ADDITIONAL LINKS

### **Sector breakdown:**

<http://www.ecb.int/pub/pdf/other/mbssmen.pdf>

### **Revision policy:**

[http://www.nbs.sk/\\_img/Documents/STATIST/MET/revpola.pdf](http://www.nbs.sk/_img/Documents/STATIST/MET/revpola.pdf)

### **Structure of the financial market**

List of monetary financial institutions:

<http://www.nbs.sk/en/statistics/money-and-banking-statistics/monetary-statistics-of-monetary-financial-institutions#ZOZPFI>

List of investment funds:

<http://www.nbs.sk/en/statistics/money-and-banking-statistics/investment-funds-statistics>

List of other financial intermediaries:

<http://www.nbs.sk/en/statistics/money-and-banking-statistics/statistics-on-financial-corporations-engaged-in-lending>

Overview of developments in the monetary sector:

<http://www.nbs.sk/en/statistics/a-survey-of-financial-sector-development>

### **Statistics of credit institutions and monetary statistics**

Statistics of monetary financial institutions:

<http://www.nbs.sk/sk/statisticke-udaje/menova-a-bankova-statistika/menova-statistika-penaznych-financnych-institucii>

Monetary aggregates in the euro area:

<http://www.ecb.int/stats/money/aggregates/aggr/html/index.en.html>

Balance sheets of monetary financial institutions based in the euro area:

<http://www.ecb.int/stats/money/aggregates/bsheets/html/index.en.html>

### **Interest rate statistics:**

<http://www.nbs.sk/en/statistics/money-and-banking-statistics/interest-rate-statistics>

Interest rate statistics – bank loans:

<http://www.nbs.sk/en/statistics/money-and-banking-statistics/interest-rate-statistics/banking-interest-rates-statistics-loans>

Interest rate statistics – bank deposits:

<http://www.nbs.sk/en/statistics/money-and-banking-statistics/interest-rate-statistics/banking-interest-rates-statistics-deposits>

Interest rates statistics for the euro area:

<http://www.ecb.europa.eu/stats/money/interest/interest/html/index.en.html>



## GLOSSARY AND ABBREVIATIONS

Long-term interest rate statistics:

<http://www.nbs.sk/en/statistics/money-and-banking-statistics/long-term-interest-rates-statistics>

**Non-performing loans:**

[http://www.nbs.sk/\\_img/Documents/STATIST/MET/Bad\\_Loans.pdf](http://www.nbs.sk/_img/Documents/STATIST/MET/Bad_Loans.pdf)

**Source data of monetary financial institutions:**

<http://www.nbs.sk/en/statistics/money-and-banking-statistics/statistical-data-of-monetary-financial-institutions>

**Statistics of investment funds:**

<http://www.nbs.sk/en/statistics/money-and-banking-statistics/investment-funds-statistics>

**Statistics of financial corporations engaged in lending (FCLs)**

<http://www.nbs.sk/en/statistics/money-and-banking-statistics/statistics-on-financial-corporations-engaged-in-lending>

**Source data of other financial intermediaries (OFIs):**

<http://www.nbs.sk/en/statistics/money-and-banking-statistics/statistical-data-of-other-financial-intermediaries>

**Statistics on securities issues:**

<http://www.nbs.sk/en/statistics/money-and-banking-statistics/securities-issues-statistics>

**Data categories within SDDS:**

<http://www.nbs.sk/en/statistics/data-categories-of-sdds>



NÁRODNÁ BANKA SLOVENSKA  
EUROSYSTEM



# LIST OF CHARTS AND TABLES



## LIST OF CHARTS AND TABLES

## LIST OF CHARTS

Chart 1	Foreign capital in the banks in the Slovak Republic as at 31 December 2013	10	Chart 20	Receivables from non-bank customers	25
Chart 2	Foreign capital in the banks in the Slovak Republic as at 31 December 2014	10	Chart 21	Written-off receivables: incomes and expenses	25
Chart 3	Structure of assets of credit institutions as at 31 December 2013	12	Chart 22	Assigned receivables: incomes and expenses	26
Chart 4	Structure of assets of credit institutions as at 31 December 2014	13	Chart 23	Selected incomes and expenses compared with current period profit/loss	26
Chart 5	Structure of liabilities of credit institutions as at 31 December 2013	13	Chart 24	Selected incomes and expenses compared with current period profit/loss	27
Chart 6	Structure of liabilities of credit institutions as at 31 December 2014	14	Chart 25	Loans to non-financial corporations by maturity	27
Chart 7	Selected assets/liabilities: breakdown of counterparties by residency as at 31 December 2014	14	Chart 26	Loans to non-financial corporations by maturity	27
Chart 8	Selected assets/liabilities: sectoral breakdown of domestic counterparty as at 31 December 2014	15	Chart 27	Short-term loans to non-financial corporations	28
Chart 9	Selected assets/liabilities: sectoral breakdown of counterparty from the euro area as at 31 December 2014	16	Chart 28	Longer-term loans over 1 and up to 5 years to non-financial corporations	28
Chart 10	Selected assets/liabilities: sectoral breakdown of counterparty from the rest of the world as at 31 December 2014	16	Chart 29	Longer-term loans over 5 years to non-financial corporations	28
Chart 11	Year-on-year changes in assets of credit institutions	17	Chart 30	Loans to households by maturity	29
Chart 12	Year-on-year changes in liabilities of credit institutions	18	Chart 31	Loans to households by maturity	29
Chart 13	Structure of assets of aggregated balance sheet of euro area MFIs as at 31 December 2014	20	Chart 32	Consumer credit to households in SR and euro area	29
Chart 14	Structure of liabilities of aggregated balance sheet of euro area MFIs. as at 31 December 2014	20	Chart 33	Loans for house purchase to households in SR and euro area	30
Chart 15	Structure of assets of aggregated balance sheet of MFIs in SK as at 31 December 2014	22	Chart 34	Loans to non-financial corporations by type of loan	30
Chart 16	Structure of liabilities of aggregated balance sheet of MFIs in SK as at 31 December 2014	23	Chart 35	Loans to households by type of loan	30
Chart 17	Cumulative current period profit/loss	24	Chart 36	Development of loans to non-financial corporations by economic activity	31
Chart 18	Cumulative current period profit/loss	24	Chart 37	Loans to non-financial corporations by economic activity as at 31 December 2014	31
Chart 19	Provisions	25	Chart 38	Share of non-performing loans on total loans to non-financial corporations	31
			Chart 39	Share of non-performing loans on bank overdrafts and revolving credits to non-financial corporations	32
			Chart 40	Share of non-performing loans on operating loans to non-financial corporations	32



## LIST OF CHARTS AND TABLES

Chart 41	Share of non-performing loans on real estate loans to non-financial corporations	32	Chart 60	Interest rates, APRC and volumes on loans for consumption and loans for house purchases to households	38
Chart 42	Share of non-performing loans on investment loans to non-financial corporations	32	Chart 61	APRC on loans for consumption and loans for house purchases to households in SR and Euro area	38
Chart 43	Share of non-performing loans on credit card loans to non-financial corporations	33	Chart 62	Interest rates on loans for consumption and loans for house purchases to households in SR and euro area	39
Chart 44	Share of non-performing loans on total loans to households	33	Chart 63	Interest rates and volumes on secured and total loans for house purchase to households	39
Chart 45	Share of non-performing loans on bank overdrafts to households	33	Chart 64	Share of secured loans for house purchase on total loans for house purchase to households	39
Chart 46	Share of non-performing loans on loans for house purchase to households	33	Chart 65	Interest rates and volumes on secured and total loans for consumption to households	40
Chart 47	Share of non-performing loans on credit card loans to households	34	Chart 66	Share of secured loans for consumption on total loans for consumption to households	40
Chart 48	Share of non-performing loans on consumer loans to households	34	Chart 67	Interest rates and volumes of loans by maturity to non-financial corporations	40
Chart 49	Interest rates and volumes on loans to non-financial corporations	34	Chart 68	Interest rates of loans by maturity to non-financial corporations in SR and euro area	41
Chart 50	Interest rates on loans to non-financial corporations in SR and euro area	35	Chart 69	Interest rates and volumes on loans for house purchase by maturity to households	41
Chart 51	Interest rates and volumes on secured and total loans to non-financial corporations	35	Chart 70	Interest rates and volumes on loans for consumption by maturity to households	42
Chart 52	Share of secured loans on total loans to non-financial corporations	35	Chart 71	Interest rates of loans by maturity to households in SR and euro area	42
Chart 53	Interest rates and volumes on secured and total „loans up to € 0.25 million“ to non-financial corporations	36	Chart 72	Deposits of non-financial corporations by type	42
Chart 54	Share of secured loans on total „loans up to € 0.25 million“ to non-financial corporations	36	Chart 73	Deposits of non-financial corporations by type	43
Chart 55	Interest rates and volumes on secured and total „loans over € 0.25 and up to € 1 million“ to non-financial corporations	36	Chart 74	Overnight deposits of non-financial corporations in SR and euro area	43
Chart 56	Share of secured loans on total „loans over € 0.25 and up to € 1 million“ to non-financial corporations	37	Chart 75	Deposits with agreed maturity of non-financial corporations in SR and euro area	43
Chart 57	Interest rates and volumes on secured and total „loans over € 1 million“ to non-financial corporation	37	Chart 76	Deposits of households by type	44
Chart 58	Share of secured loans on total „loans over € 1 million“ to non-financial corporations	37	Chart 77	Deposits of households by type	44
Chart 59	Interest rates and volumes on loans for house purchase to households	38	Chart 78	Overnight deposits of households in SR and euro area	44
			Chart 79	Deposits with agreed maturity of households in SR and euro area	45
			Chart 80	Deposits redeemable at notice of households in SR and euro area	45



## LIST OF CHARTS AND TABLES

Chart 81	Interest rates and volumes of deposits with agreed maturity from households	45	Chart 102	Geographical and sectoral breakdown of mutual funds shares/units in portfolio of equity funds as at 31 December 2014	56
Chart 82	Interest rates and volumes on deposits with agreed maturity from households	46	Chart 103	Geographical and sectoral breakdown of shares and other equity in portfolio of equity funds as at 31 December 2014	56
Chart 83	Interest rates on deposits from households in SR and euro area	46	Chart 104	Mixed funds: evolution of assets	57
Chart 84	Interest rates and volumes on deposits with agreed maturity from non-financial corporations	47	Chart 105	Mixed funds: structure of assets as at 31 December 2014	57
Chart 85	Interest rates and volumes on deposits with agreed maturity from non-financial corporations	47	Chart 106	Geographical and sectoral breakdown of debt securities in portfolio of mixed funds as at 31 December 2014	57
Chart 86	Interest rates on deposits from non-financial corporations in SR and euro area	48	Chart 107	Geographical and sectoral breakdown of mutual funds shares/units in portfolio of mixed funds as at 31 December 2014	58
Chart 87	Interest rates on deposits with agreed maturity in SR and euro area	48	Chart 108	Maturity breakdown of debt securities in portfolio of bond funds as at 31 December 2014	58
Chart 88	Mutual funds broken down by investment strategy	51	Chart 109	Real estate funds: evolution of assets	58
Chart 89	Share of funds types on total assets as at 31 December 2014	51	Chart 110	Real estate funds: structure of assets as at 31 December 2014	59
Chart 90	Share of funds types on total assets of domestic mutual funds as at 31 December 2014	52	Chart 111	Geographical and sectoral breakdown of shares and other equity in portfolio of real estate funds as at 31 December 2014	59
Chart 91	Share of funds types on total assets of mutual funds in euro area as at 31 December 2014	52	Chart 112	Other funds: evolution of assets	59
Chart 92	Money market funds: evolution of assets	53	Chart 113	Other funds: structure of assets as at 31 December 2014	60
Chart 93	Money market funds: structure of assets as at 31 December 2014	53	Chart 114	Geographical and sectoral breakdown of debt securities in portfolio of other funds as at 31 December 2014	60
Chart 94	Geographical and sectoral breakdown of debt securities in portfolio of money market funds as at 31 December 2014	53	Chart 115	Maturity breakdown of debt securities in portfolio of other funds as at 31 December 2014	60
Chart 95	Maturity breakdown of debt securities in portfolio of money market funds as at 31 December 2014	53	Chart 116	Evolution of total assets by type of business	62
Chart 96	Bond funds: evolution of assets	54	Chart 117	Financial corporations engaged in lending: Assets share of included companies as at 31 December 2014	63
Chart 97	Bond funds: structure of assets as at 31 December 2014	54	Chart 118	Geographical and sectoral breakdown of financial leasing companies lending as at 31 December 2014	63
Chart 98	Geographical and sectoral breakdown of debt securities in portfolio of bond funds as at 31 December 2014	55	Chart 119	Geographical and sectoral breakdown of consumer credit companies lending as at 31 December 2014	63
Chart 99	Maturity breakdown of debt securities in portfolio of bond funds as at 31 December 2014	55			
Chart 100	Equity funds: evolution of assets	55			
Chart 101	Equity funds: structure of assets as at 31 December 2014	56			





LIST OF CHARTS AND TABLES

Chart 120 Geographical and sectoral breakdown of factoring companies lending as at 31 December 2014	64	Chart 133 Government bonds: maturity profile	70
Chart 121 Breakdown of source capital as at 31 December 2014	64	Chart 134 Government bonds: outstanding amounts	70
Chart 122 Debt securities by sector	66	Chart 135 Debt securities – Slovakia: by sector	70
Chart 123 Debt securities	67	Chart 136 Debt securities – Euro area: by sector	71
Chart 124 Debt securities	67	Chart 137 Debt securities	71
Chart 125 Debt securities	67	Chart 138 Debt securities	71
Chart 126 Debt securities by sector	68	Chart 139 Quoted shares: market capitalization by sector	72
Chart 127 Debt securities by coupon type	68	Chart 140 Quoted shares	72
Chart 128 Debt securities by currency	68	Chart 141 Quoted shares	73
Chart 129 Debt securities by original maturity	68	Chart 142 Quoted shares by sector	73
Chart 130 Debt securities: outstanding amounts of domestic issues in S.11 sector	69	Chart 143 Quoted shares – Slovakia: by sector	73
Chart 131 Debt securities: outstanding amounts of issues in S.122 Sector	69	Chart 144 Quoted shares – Euro area: by sector	74
Chart 132 Debt securities: outstanding amounts of issues in S.13 Sector	69	Chart 145 Quoted shares	74
		Chart 146 Quoted shares	74
		Chart 147 Benchmark – yield to maturity	76
		Chart 148 Interest rates	76



## LIST OF TABLES

Table 1	Structure of the financial market in Slovakia	8
Table 2	Total assets of individual sectors of the financial market in Slovakia	9
Table 3	Number of employees in the banking sector	9
Table 4	Structure of assets of credit institutions in the SR	12
Table 5	Structure of liabilities of credit institutions in SR	13
Table 6	Year-on-year changes in assets of credit institutions in the SR	17
Table 7	Year-on-year changes in liabilities of credit institutions	18
Table 8	Structure of assets of aggregated balance sheet of euro area MFIs	19
Table 9	Structure of liabilities of aggregated balance sheet of euro area MFIs as at 31 December 2014	21
Table 10	Structure of assets of aggregated balance sheet of MFIs in Slovakia	22
Table 11	Structure of liabilities of aggregated balance sheet of MFIs in SK	23
Table 12	Year-on-year changes in total assets of mutual funds by type	51
Table 13	Year-on-year changes in total assets of financial corporations engaged in lending	62
Table 14	Debt securities	66
Table 15	Quoted shares	72