

# Statistical bulletin

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# 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 2019. 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.

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

# 1 Structure of the financial market in Slovakia

## 1.1 Overview of participants

The total number of monetary financial institutions (in sectors S.121, S.122 and S.123) remained unchanged in the last quarter of 2019.

The number of investment funds (S.124) had increased by three new entities by the end of the year. These included a new bond fund, namely *Dlhopisový fond o.p.f. – Prvá penzijná správcovská spoločnosť Poštovej banky, správ. spol., a.s.*, and two new real estate funds, namely *Asset Management Slovenskej sporiteľne, správ. spol., a.s.*, *ERSTE Realitná Renta, o.p.f.*, and *GOLDSIDE Real Estate Fund, o.p.f.*, *GOLDSIDE Asset Management, správ. spol., a.s.*

The number of financial auxiliaries (S.126) decreased by one compared with the previous quarter, after AEGON d.s.s., a.s., a pension funds management company, had been dissolved through merger with the pension funds management company NN d.s.s., a.s.

In the ‘insurance corporations’ and ‘pension funds’ (S.128 and S.129) sectors, a smaller number of entities were recorded than in the previous quarter. This was due to the dissolution of ERGO Poistovňa, a.s., an insurance company, and two pension funds of AEGON, d.s.s., a.s.

**Table 1 Structure of the financial market in Slovakia**

	XII. 2018	III. 2019	VI. 2019	IX. 2019	XII. 2019
<b>Monetary financial institutions (S.121 + S.122 + S.123)</b>	<b>28</b>	<b>28</b>	<b>28</b>	<b>28</b>	<b>28</b>
Central bank (S.121)	1	1	1	1	1
<b>Deposit taking corporations excl. central bank (S.122)</b>	<b>27</b>	<b>27</b>	<b>27</b>	<b>27</b>	<b>27</b>
<i>Banks</i>	9	9	9	9	9
<i>Branches of foreign banks</i>	14	14	14	14	14
<i>Credit cooperatives</i>	1	1	1	1	1
<i>Building societies</i>	3	3	3	3	3
<b>Money Market Funds (S.123)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Investment Funds (S.124)</b>	<b>86</b>	<b>91</b>	<b>90</b>	<b>91</b>	<b>94</b>
<i>Equity funds</i>	12	12	12	13	13
<i>Bond funds</i>	20	20	20	20	21
<i>Mixed funds</i>	37	42	41	41	41
<i>Real estate funds</i>	7	7	7	7	9
<i>Other funds</i>	10	10	10	10	10
<b>Other financial intermediaries (S.125)</b>	<b>243</b>	<b>170</b>	<b>169</b>	<b>169</b>	<b>169</b>
<b>Financial auxiliaries (S.126)</b>	<b>38</b>	<b>39</b>	<b>42</b>	<b>42</b>	<b>41</b>
<i>Asset Management Companies</i>	8	9	10	10	10
<i>Pension Savings Companies</i>	6	6	6	6	5
<i>Supplementary Pension Asset Management Companies</i>	4	4	4	4	4
<i>Securities and derivatives dealers<sup>1)</sup></i>	20	20	22	22	22
<b>Insurance corporations and pension funds (S.128 + S.129)</b>	<b>50</b>	<b>51</b>	<b>50</b>	<b>50</b>	<b>47</b>
<i>Insurance corporations</i>	15	15	14	14	13
<i>Pension funds</i>	35	36	36	36	34

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. 2018	III. 2019	VI. 2019	IX. 2019	XII. 2019
<b>Monetary financial institutions (S.121 + S.122)</b>	<b>127,530</b>	<b>125,537</b>	<b>129,404</b>	<b>131,910</b>	<b>134,344</b>
Central bank (S.121)	45,525	42,769	44,682	46,210	47,828
Deposit taking corporations excl. the central bank (S.122)	82,005	82,768	84,722	85,700	86,516
<b>Money Market Funds (S.123)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Investment funds (S.124)</b>	<b>6,694</b>	<b>7,020</b>	<b>7,236</b>	<b>7,318</b>	<b>7,498</b>
<b>Other financial intermediaries (S.125)</b>	<b>6,915</b>	<b>6,838</b>	<b>6,827</b>	<b>6,834</b>	<b>7,053</b>
<b>Financial auxiliaries (S.126)</b>	<b>311</b>	<b>328</b>	<b>332</b>	<b>344</b>	<b>364</b>
<b>Insurance corporations and pension funds (S.128 + S.129)</b>	<b>17,173</b>	<b>17,954</b>	<b>18,433</b>	<b>18,895</b>	<b>19,017</b>
Insurance corporations <sup>1)</sup>	6,823	7,202	7,359	7,456	7,388
Pension funds	10,087	10,752	11,074	11,439	11,629

Source: NBS.

1) 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

The total number of employees in Slovakia's banking sector fell in the last quarter of 2019, to 20,502 at the end of December. This represented a decrease of 147 employees (0.71%), compared with the figure recorded a year earlier (20,649).

In quarter-on-quarter terms, the number of people employed in the banking sector dropped by 193, representing a decrease of 0.93%. The number of central bank employees decreased, too, by five quarter on quarter, to 1,109 at the end of 2019.

The long-term trend in banking sector employment has also been affected by other events, such as changes in the total number of banks and branches of foreign banks operating in Slovakia, which caused a decline in the number of bank employees in 2017, and organisational changes in some banks at the beginning of 2018, which led to an increase in the number of employees.

	2017	2018				2019			
	31. 12.	31. 3.	30. 6.	30. 9.	31. 12.	31. 3.	30. 6.	30. 9.	31. 12.
<b>Banking sector</b>	19,972	20,709	20,638	20,573	20,649	20,615	20,581	20,695	20,502
Central bank	1,093	1,097	1,097	1,102	1,110	1,111	1,105	1,114	1,109
<b>Banks and branches of foreign banks</b>	18,879	19,612	19,541	19,471	19,539	19,504	19,476	19,581	19,393
of which: Banks	17,235	17,947	17,900	17,777	17,820	17,785	17,752	17,864	17,687
Branches of foreign banks	1,644	1,665	1,641	1,694	1,719	1,719	1,724	1,717	1,706

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 somewhat in the quarter under review, from 5.11% as at 31 December 2018 to 5.00% as at 31 December 2019.

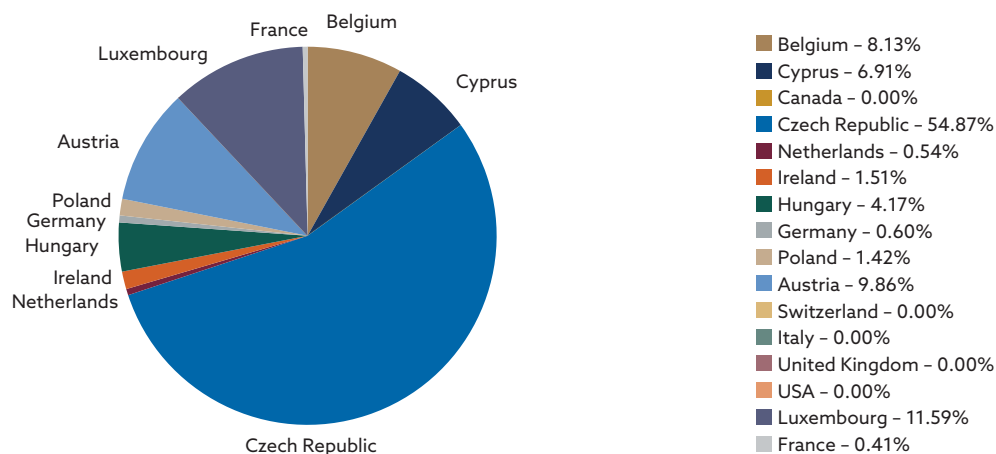
Of 27 credit institutions operating in Slovakia, domestic share capital was part of the subscribed capital of eight domestic credit institutions, with two banks (*ČSOB stavebná sporiteľňa, a.s.*, and *Slovenská záručná a rozvojuvábanka, a.s.*) having a 100% share of domestic capital.

By contrast, the ratio of foreign share capital to total subscribed capital in domestic banks increased, year on year, from 94.89% as at 31 December 2018 to 95.00% as at 31 December 2019.

During the same period, the total volume of foreign share capital increased in absolute terms by €85.87 million (in relative terms by 2.42%). This increase was accounted for largely by foreign capital from the Czech Republic. The share of Czech capital in domestic banks increased from 53.91% of the total volume of foreign share capital as at 31 December 2018 to 54.87% as at 31 December 2019 (or by €81.1 million in absolute terms). This increase in Czech-held capital took place mostly within the group of foreign bank branches.

**Chart 1**

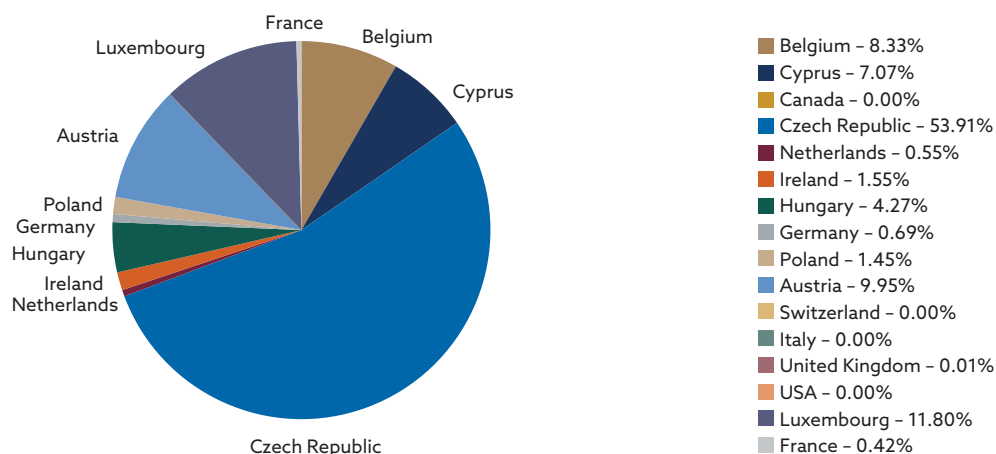
**Foreign capital in the banks in the Slovak Republic as at 31.12.2019**



Source: NBS.

**Chart 2**

**Foreign capital in the banks in the Slovak Republic as at 31.12.2018**



Source: NBS.

## 2 Statistics of other monetary financial institutions

### 2.1 Balance sheet statistics of credit institutions: assets

The total assets of banks and foreign bank branches operating in Slovakia, excluding NBS (hereinafter ‘credit institutions’) amounted to €86.5 billion at the end of 2019. This was due to a year-on-year increase of 5.5% (€4.5 billion), stemming mostly from the growing stock of credit claims.

Credit institutions’ credit claims constituted 81% of their total assets as at 31 December 2019, which in year-on-year terms represented an increase of 0.7 percentage point and reflected an absolute increase of €3 billion (4.5%). This increase was caused mainly by long-term credit claims with a maturity of over five years, which rose by €3.5 billion year on year. Credit claims with a maturity of up to 1 year had fallen, year on year, by €1 billion and those with a maturity of over one year and up to five years by €0.3 billion (3.7%) by the end of 2019.

Credit institutions’ holdings of securities other than equities and investment fund shares/units accounted for 13% of their total assets at 31 December 2019, which in year-on-year terms represented a rise of 0.2 percentage point. The stock of these securities in the portfolios of credit institutions increased, year on year, by €0.7 billion (6.8%), mainly as a result of growth in the stock of securities with a maturity of over two years (€0.6 billion) and those with a maturity of up to one year (€0.1 billion). Securities with a maturity of over one year and up to two years have not been held by banks since September 2018.

Credit institutions’ holdings of shares and other equity participations constituted 1% of their total assets at 31 December 2019, which was 0.2 percentage point more than in the same period a year earlier. The stock of these shares and other equity participations increased, year on year, by €0.2 billion (27%).

Credit institutions’ other assets (including fixed assets) accounted for 4.1% of their total assets at 31 December 2019, which represented an increase of 0.4 percentage point, year on year. The volume of other assets (including fixed assets) grew, year on year, by €0.5 billion in the last quarter of 2019.

Credit institutions’ cash holdings constituted only about 1.1% of their total assets at the end of 2019.

**Table 4 Structure of assets of credit institutions in Slovakia (EUR thousands)**

	XII. 2018	III. 2019	VI. 2019	IX. 2019	XII. 2019
<b>ASSETS</b>	<b>82,003,680</b>	<b>82,767,601</b>	<b>84,722,033</b>	<b>85,700,447</b>	<b>86,516,137</b>
Cash	942,781	792,254	836,196	834,315	984,353
Loan claims	66,834,816	67,477,476	69,204,240	69,447,623	69,871,714
Securities other than shares and mutual funds shares/units	10,562,087	10,400,791	10,307,721	10,809,607	11,281,617
Shares and other equity (incl. MMF shares/units)	657,278	703,000	729,299	769,723	832,842
Other assets (incl. fixed assets)	3,006,718	3,394,080	3,644,577	3,839,179	3,545,611

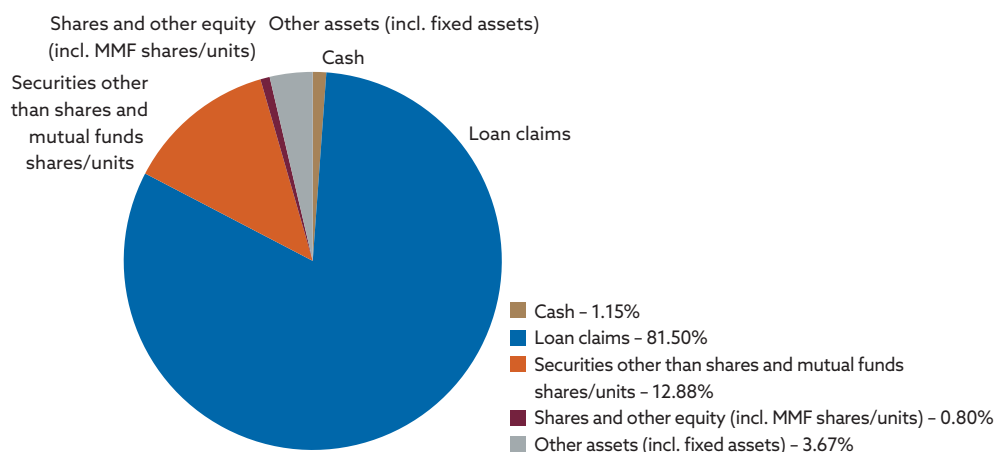
Source: NBS.

1) Loan claims – including bank's deposits with other entities and non-tradable securities.

2) Assets excluding depreciation and including provisions.

**Chart 3**

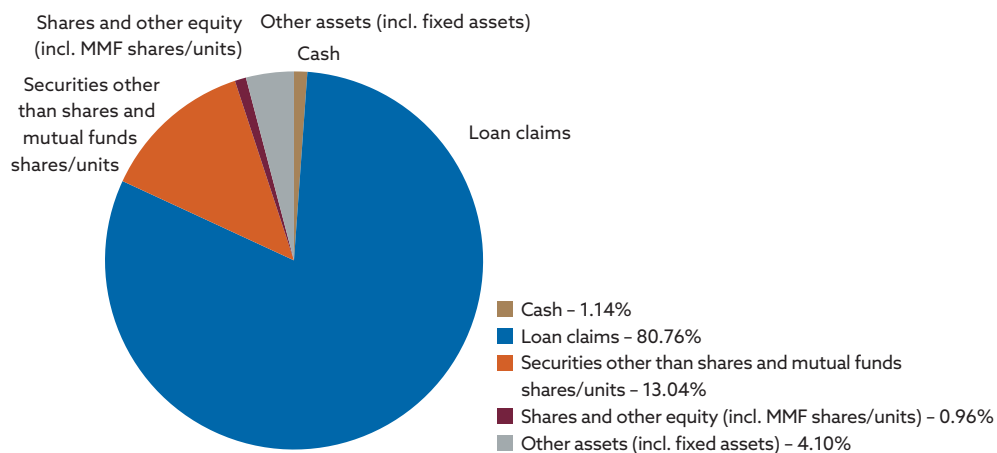
**Structure of assets of credit institutions as at 31st December 2018**



Source: NBS.

**Chart 4**

**Structure of assets of credit institutions as at 31st December 2019**



Source: NBS.

## 2.2 Balance sheet statistics of credit institutions: liabilities

The total liabilities of credit institutions as at 31 December 2019 amounted to €86.5 billion, which was higher, year on year, by €4.5 billion (5.5%), owing mainly to an increase in the stock of loans and deposits received.

Credit institutions' largest liability item – loans and deposits received – had decreased, year on year, by 1.6 percentage points as a share of their total liabilities by the end of 2019. The stock of these loans and deposits increased, year on year, by €2.2 billion (3.4%), owing mainly to growth in the stock of loans and deposits received, with a maturity of up to one year. By contrast, the stock of deposits with a maturity of over one year declined, year on year.

Credit institutions' capital and provisions constituted 12.4% of their total liabilities at 31 December 2019, which was slightly less than a year earlier. The volume of capital and provisions at that date was higher by €0.2 billion (2.2%) than a year earlier.

Credit institutions' debt securities accounted for 8.1% of their total liabilities at 31 December 2019, which in year-on-year terms represented an increase. The stock of these securities amounted to €7 billion at that date, representing a year-on-year increase of €1.7 billion (31%) that took place mostly in debt securities issued with a maturity of over two years.

Credit institutions' other liabilities constituted 2.2% of their total liabilities at 31 December 2019. The stock of other liabilities at that date was higher, year on year, by €0.4 billion (27%).

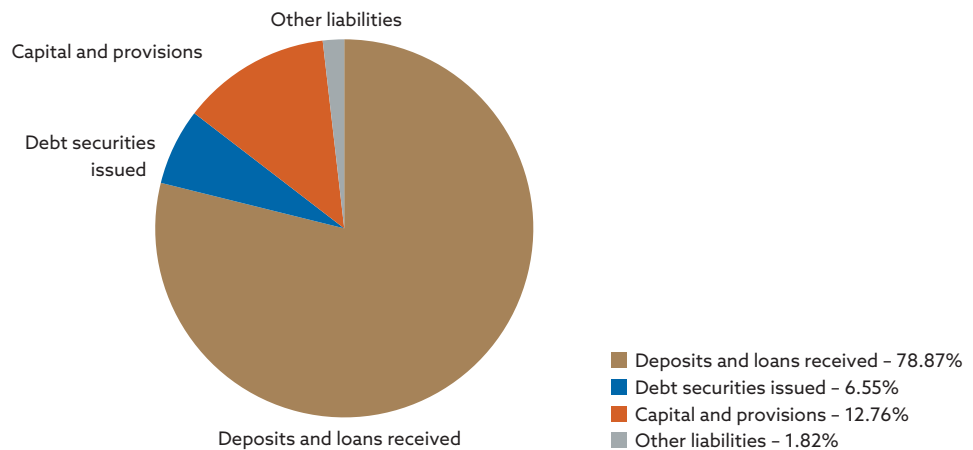
**Table 5 Structure of liabilities of credit institutions in SR (EUR thousands)**

	XII. 2018	III. 2019	VI. 2019	IX. 2019	XII. 2019
<b>LIABILITIES</b>	<b>82,003,680</b>	<b>82,767,601</b>	<b>84,722,033</b>	<b>85,700,447</b>	<b>86,516,137</b>
Deposits and loans received	64,679,777	64,392,374	65,411,279	65,837,530	66,891,669
Debt securities issued	5,369,194	5,783,116	6,495,993	6,656,315	7,033,164
Capital and provisions	10,461,190	10,491,725	10,427,979	10,571,673	10,689,765
Other liabilities	1,493,519	2,100,386	2,386,782	2,634,929	1,901,539

Source: NBS.

**Chart 5**

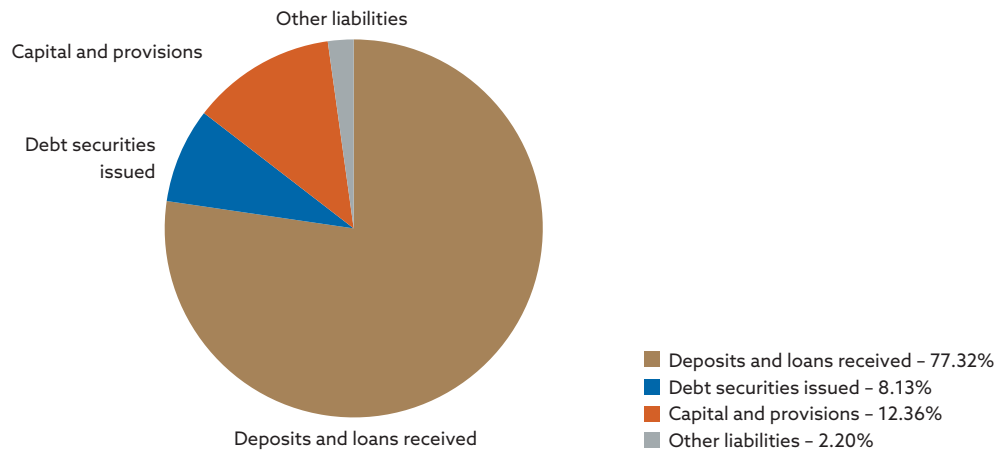
**Structure of liabilities of credit institutions as at 31st December 2018**



Source: NBS.

**Chart 6**

**Structure of liabilities of credit institutions as at 31st December 2019**



Source: NBS.

## 2.3 Selected asset and liability items by residency of counterparty

Credit institutions' total credit claims amounted to €69.8 billion at the end of 2019, of which 91.5% (€63.9 billion) were claims on domestic entities. Credit claims on entities from other euro area countries and from the rest of the world accounted for 2.5% (€1.7 billion) and 6% (€4.2 billion) respectively.

Credit institutions' total holdings of securities other than equities and investment fund shares/units amounted to €11.3 billion at 31 December 2019, of which 75.7% (€8.5 billion) were issued by domestic issuers,

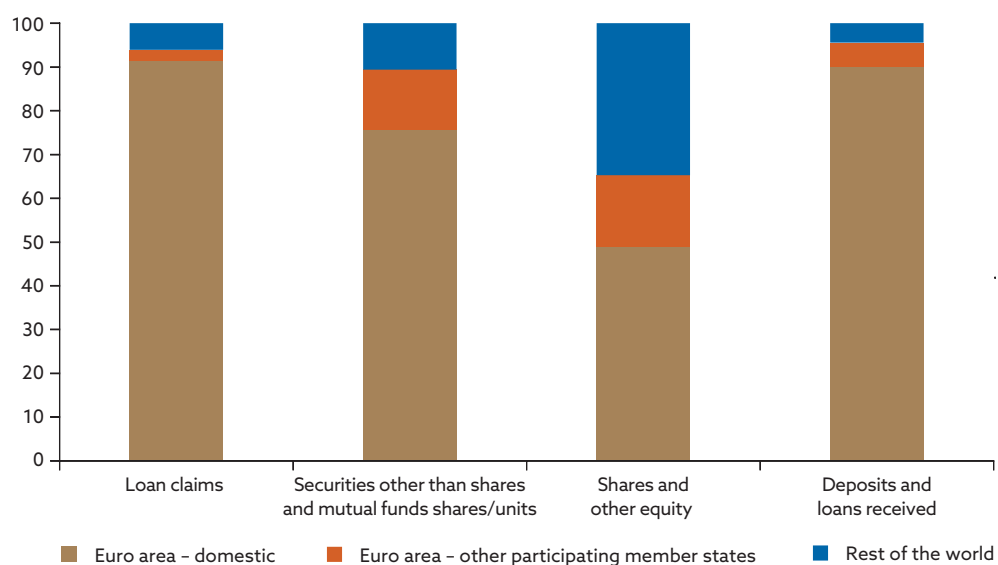
13.8% (€1.6 billion) by issuers from other euro area countries, and 10.6% (€1.2 billion) by issuers from the rest of the world.

Credit institutions' total holdings of shares and other equity participations amounted to €0.8 billion, of which 49% (€0.4 billion) were domestic securities and participations, 16% were equity securities from other euro area countries and 35% were equity securities from the rest of the world.

Loans and deposits received by credit institutions amounted to €66.9 billion at the end of 2019, of which 90.2% (€60.3 billion) were received from domestic entities, 5.4% (€3.6 billion) from other euro area countries, and 4.4% (€3 billion) from the rest of the world..

### Chart 7

Selected assets/liabilities: breakdown of counterparties by residency as at 31 December 2019 (%)



Source: NBS.

## 2.4 Selected asset and liability items by sector of counterparty

Credit institutions' total **domestic** credit claims as at 31 December 2019 amounted to €63.9 billion, of which 93.5% (€59.8 billion) were claims on other sectors, i.e. other than the general government sector and that of monetary financial institutions (MFIs), especially on households and non-profit institutions serving households, and on non-financial corporations (NFCs).

Claims on domestic MFIs accounted for 4.9% (€3.1 billion) of the total stock of domestic credit claims at the end of the quarter under review, and those on the general government sector accounted for 1.6% (€1 billion).

Credit institutions' total holdings of domestic securities other than equities and investment fund shares/units amounted to €8.5 billion at 31 December 2019, of which 86% (€7.3 billion) were debt securities issued in the general government sector.

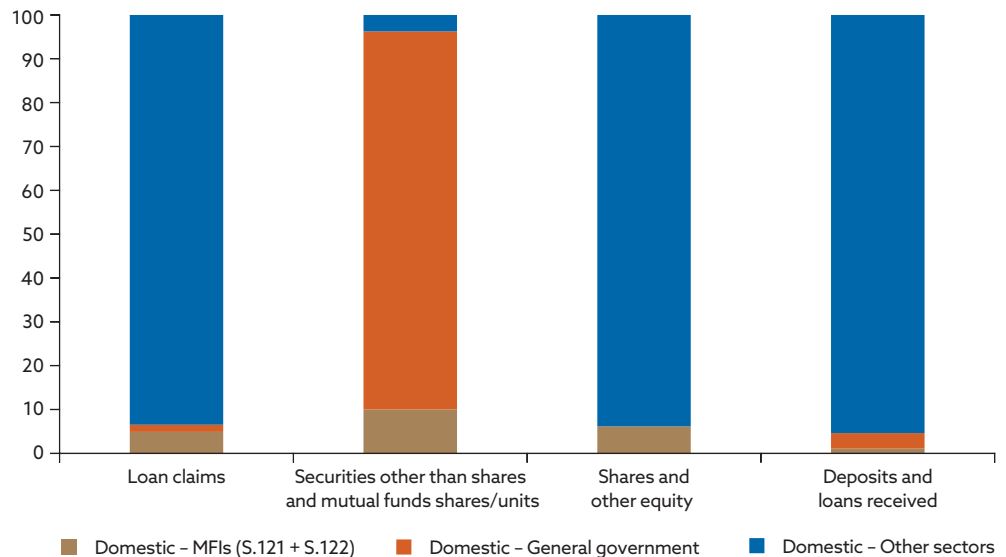
Securities other than equities and investment fund shares/units issued by domestic MFIs accounted for 10%, and those issued by entities from other domestic sectors for 4%.

Credit institutions' total holdings of domestic shares and other equity participations (including investment fund shares/units) amounted to roughly €0.4 billion, of which 94% were equity securities issued by entities from other sectors and 6% were equity securities issued by domestic MFIs.

The total volume of loans and deposits received from domestic entities amounted to €60.3 billion at the end of the period under review, of which 95.4% were deposits received from other sectors, mostly households, 4.6% were loans and deposits received from the general government sector, and 1% were loans and deposits received from domestic MFIs.

### Chart 8

**Selected assets/liabilities: sectoral breakdown of domestic counterparty as at 31st December 2019 (%)**



Source: NBS.

1) Monetary financial institutions - MFIs (S.121 + S.122+S.123).

2) General government (S.13).

3) Other sectors = Investment funds other than money markets funds (S.124) + Other financial corporations (S.125 + S.126 + S.127) + Insurance corporations (S.128) + Pension funds (S.129) + Non-financial corporations (S.11) + Households and Non-profit institutions serving households (S.14 and S.15).



Credit institutions' total claims on **residents of other euro area countries** amounted to €1.7 billion at 31 December 2019, of which 71% (€1.2 billion) were claims on other sectors and 29% were claims on MFIs from other euro area countries.

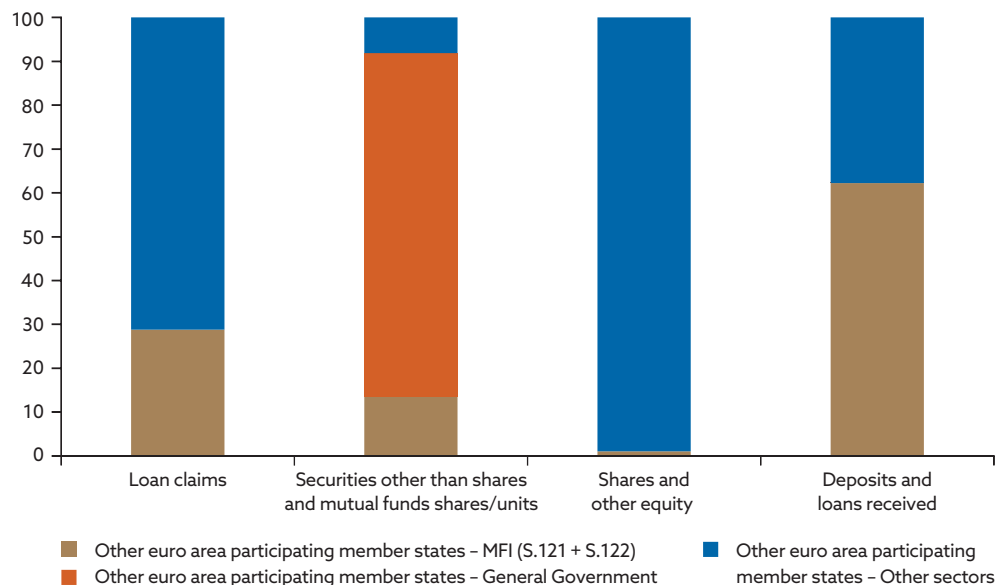
Credit institutions' total holdings of securities other than equities and investment fund shares/units, issued by issuers from other euro area countries, amounted to €1.6 billion at 31 December 2019, of which 78% (€1.2 billion) were issued in the general government sector, 14% (€0.2 billion) by MFIs, and 6% by issuers from other sectors.

Credit institutions' total holdings of shares and other equity participations, issued by issuers from other euro area countries, amounted to €0.1 billion at 31 December 2019, of which 99% were equity securities issued by entities from other sectors and the remaining 1% were issued by MFIs.

Loans and deposits received from residents of other euro area countries amounted to €3.6 billion in total, of which 62% (€2.2 billion) were loans and deposits received from MFIs and 38% (€1.4 billion) were deposits received from other sectors.

#### Chart 9

**Selected assets/liabilities: sectoral breakdown of counterparty from other euro area member states as at 31st December 2019 (%)**



Source: NBS.

Credit institutions' total claims on the **rest of the world** amounted to €4.2 billion at 31 December of 2019, of which 56% (€2.4 billion) were claims on MFIs and 44% (€1.8 billion) were claims on other sectors.

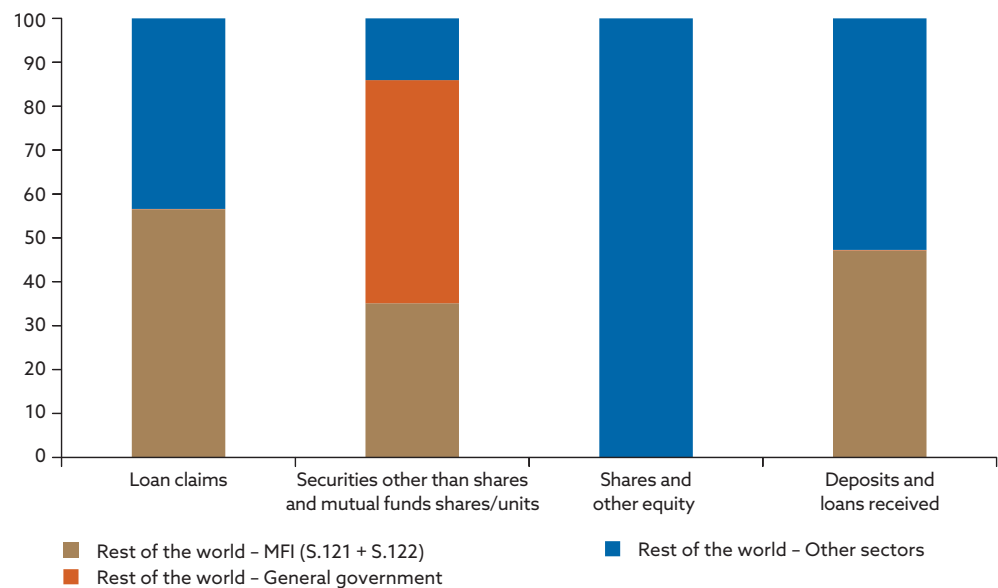
Credit institutions' holdings of securities other than equities and investment fund shares/units, issued by issuers from the rest of the world, amounted to €1.2 billion, of which 51% (€0.6 billion) were issued in the general government sector, 35% by MFIs, and 14% by issuers from other sectors.

Credit institutions' holdings of shares and other equity participations issued by issuers from the rest of the world amounted to €0.3 billion at 31 December 2019, all of which were equity securities issued by issuers from other sectors (i.e. sectors other than the MFI and general government sectors).

The volume of loans and deposits received from residents of the rest of the world amounted to €2.9 billion at 31 December 2019, of which 53% (€1.6 billion) were received from other sectors and 47% (€1.4 billion) from MFIs. The share of loans and deposits received from the general government sector was negligible.

### Chart 10

**Selected assets/liabilities: sectoral breakdown of counterparty from the rest of the world as at 31st December 2019 (%)**



Source: NBS.

## 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 of 2019, the largest being an increase of 6.7% (€5.4 billion) recorded at the end of the third quarter of 2019.

Credit institutions' total credit claims recorded their biggest annual change in the second quarter of 2019, when their stock increased, year-on-year, by €5.3 billion (8.3%), of which claims with a maturity of over five years accounted for €4 billion and claims with a maturity of over one year and up to five years for €0.2 billion. Credit claims with a maturity of up to one year recorded, at 30 June 2019, an increase of €1 billion year on year.

Credit institutions' total holdings of securities other than equities and investment fund shares/units recorded the most significant annual change in their stock at the end of the last quarter of 2019, i.e. a year-on-year increase of 6.8% (€0.7 billion).

Credit institutions' total holdings of shares and other equity participations (including investment fund shares/units) were relatively low at the end of each quarter in the period under review. Their highest amount (€0.8 billion) and biggest annual change (a year-on-year increase of €0.2 billion or 26%) were recorded at the end of December 2019.

Credit institutions' other assets (including fixed assets) recorded the biggest annual change in their stock at the end of the third quarter of 2019, i.e. a year-on-year increase of 31% (€0.9 billion).

Credit institutions' total cash holdings recorded their biggest annual change in percentage terms (a year-on-year increase of 4.4%) at the end of the last quarter of 2019. In absolute terms, the biggest annual change (an increase of €0.04 billion) was also recorded in the last quarter of 2019.

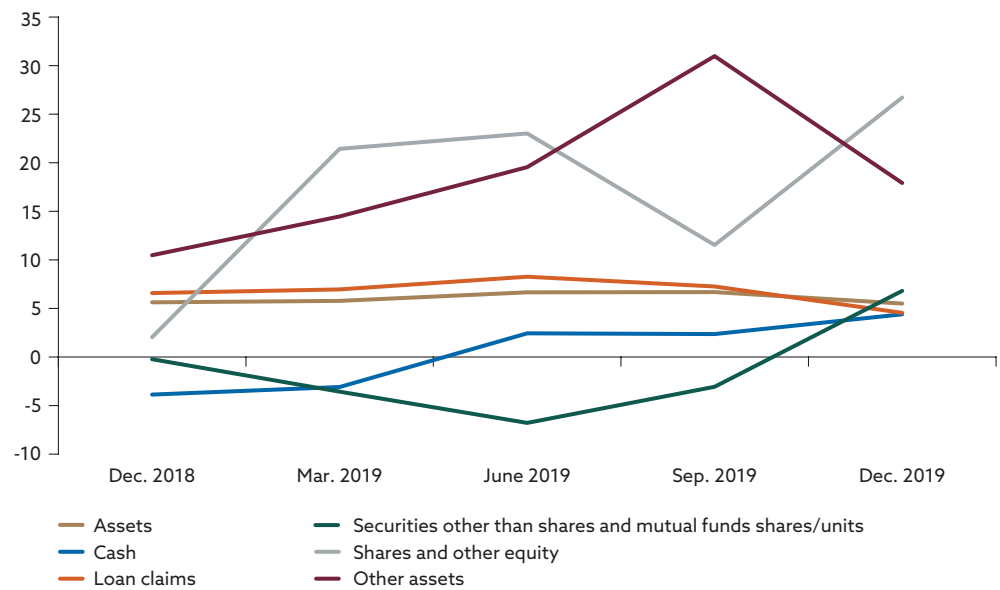
**Table 6 Year-on-year changes in assets of credit institutions in the SR (in %)**

	XII. 2018	III. 2019	VI. 2019	IX. 2019	XII. 2019
<b>ASSETS</b>	<b>5.63</b>	<b>5.79</b>	<b>6.67</b>	<b>6.69</b>	<b>5.50</b>
Cash	-3.85	-3.08	2.43	2.37	4.41
Loan claims	6.59	6.96	8.28	7.27	4.54
Loan claims – up to 1 year	-6.15	-1.38	7.56	8.05	-1.47
Loan claims – over 1 and up to 5 years	1.92	0.05	4.04	-1.72	-3.68
Loan claims – over 5 years	12.15	11.03	9.18	8.48	7.69
Securities other than shares and mutual funds shares/units	-0.21	-3.56	-6.77	-3.06	6.81
Securities other than shares and mutual funds shares/units up to 1 year	586.67	550.91	209.88	-23.14	47.72
Securities other than shares and mutual funds shares/units over 1 and up to 2 years	-100.00	-100.00	-100.00		
Securities other than shares and mutual funds shares/units over 2 years	-2.46	-6.29	-7.79	-2.65	5.59
Shares and other equity	2.05	21.44	23.02	11.55	26.71
Other assets	10.47	14.47	19.56	30.98	17.92

Source: NBS

**Chart 11**

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



Source: NBS.

The total **liabilities of credit institutions** increased, year on year, in the last few quarters of 2019. The steepest increase in the stock of these liabilities was recorded at the end of the third quarter of 2019, i.e. a year-on-year increase of 6.7% (€5.4 billion).

Loans and deposits received by credit institutions grew most rapidly in the last quarter of 2018, i.e. by 7.22% (€4.3 billion) year on year. The total stock of loans and deposits received with a maturity of up to one year increased in that period by €4.6 billion, while that of loans and deposits received with a maturity of over one year decreased by €0.3 billion.

The stock of debt securities issued in the period under review recorded its biggest annual change in the last quarter of 2019. This was a year-on-year increase of 31% (€1.7 billion) that stemmed mainly from an increase in the stock of securities with a maturity of over two years.

The most significant annual change in credit institutions' capital and provisions was recorded at the end of the first quarter of 2019, i.e. a year-on-year increase of 4.6% (€0.2 billion).

The stock of other liabilities changed most significantly year on year in the third quarter of 2019, when a year-on-year increase of 43% was recorded.

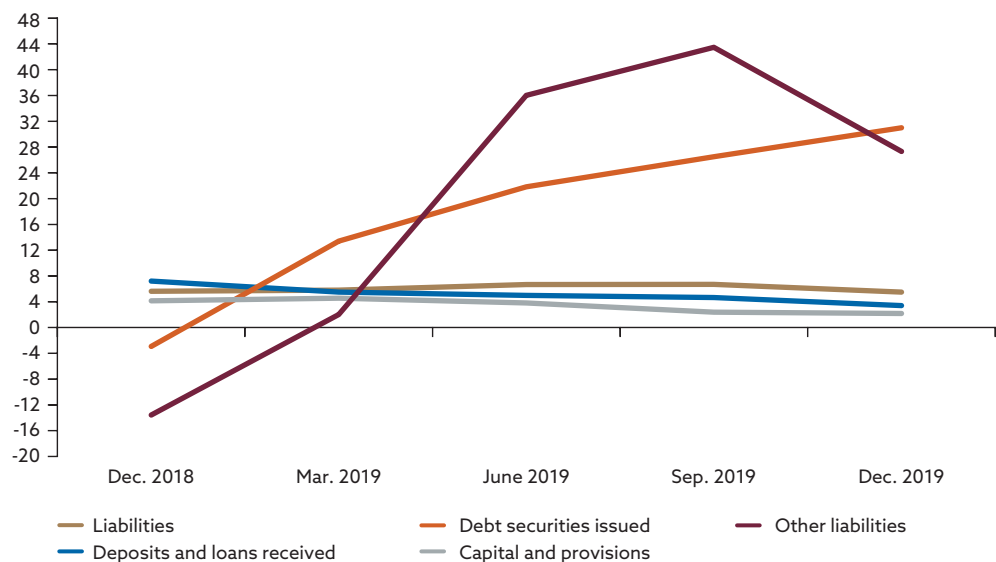
**Table 7 Year-on-year changes in liabilities of credit institutions (in %)**

	XII. 2018	III. 2019	VI. 2019	IX. 2019	XII. 2019
<b>LIABILITIES</b>	5.63	5.79	6.67	6.69	5.50
Deposits and loans received	7.22	5.49	5.00	4.67	3.42
Deposits and loans received up to 1 year	9.31	6.63	5.71	5.39	5.19
Deposits and loans received over 1 year	-2.68	-0.02	1.49	0.95	-5.95
Debt securities issued	-2.93	13.40	21.84	26.52	30.99
Debt securities issued up to 1 year	-72.04	-91.22	-95.73	-89.60	-100.00
Debt securities issued over 1 and up to 2 years	-77.41	-63.89	-91.94	-98.41	-83.25
Debt securities issued over 2 years	1.74	16.95	26.29	30.40	32.98
Capital and provisions	4.15	4.56	3.81	2.39	2.18
Other liabilities	-13.57	2.03	36.02	43.47	27.32

Source: NBS.

**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** (other MFIs) aggregates the individual balance sheets of all the other MFIs (i.e. monetary institutions, except central banks) and forms, along with the balance sheets of monetary financial institutions (MFIs) belonging to the S.121 subsector, an integral part of the aggregated balance sheet of MFIs.

At the end of 2019, the aggregated balance sheet of MFIs operating in Slovakia (excluding NBS), i.e. commercial banks, branches of foreign banks, and

money market funds that are resident in Slovakia, constituted 0.3% of the aggregated balance sheet of euro area MFIs (excluding the Eurosystem).

In 2019, the aggregated balance sheet of **other euro area MFIs** (euro area MFIs, excluding the Eurosystem) showed end-of-quarter **aggregate assets** ranging from €32,118 billion to €33,519 billion. By 31 December 2019, these assets had increased, year on year, by €1,569 billion (5.1%).

The **claims** of other euro area MFIs **on euro area residents** constituted almost 60% of their aggregate assets at the end of 2019, which in year-on-year terms represented a decrease of 1.1 percentage points. The stock of these claims increased, year on year, by 3.1% (€842 billion). This increase stemmed from growth in claims on all subsectors (MFIs, central government, and other sectors).

Euro area MFIs' holdings of **securities issued by euro area residents, other than equities and investment fund shares/units**, constituted 11.4% of their aggregate assets at the end of 2019, as a year earlier. The stock of these securities increased, year on year, by 4.7% (€164 billion), as a result of growth in the stock of securities issued by MFIs (€121 billion), the general government sector (€11 billion), and other sectors (€33 billion).

Other euro area MFIs' holdings of **money market fund shares/units** constituted only 0.1% of their aggregate assets at the end of 2019, which in year-on-year terms represented a fall of 0.05 percentage point and reflected an absolute decrease of €14 billion.

Other euro area MFIs' holdings of **shares and other equity participations issued by euro area residents** constituted 3.7% of their aggregate assets at the end of 2019, as a year earlier. The stock of these securities increased by 4.6% year-on-year.

The share of **foreign assets** in total assets at 31 December 2019 (15%) was 0.1 percentage point higher than a year earlier. The stock of these assets was higher, year on year, by almost 5.5%.

Other euro area MFIs' **fixed assets** constituted only 0.7% of their aggregate assets at 31 December 2019, which was only slightly higher than the corresponding figure a year earlier. The stock of these assets was higher, year on year, by 19%.

Euro area MFIs' **other assets** constituted 9.4% of their aggregate assets at 31 December 2019, which was 1.1 percentage points more than a year earlier. The stock of other assets increased, year on year, by €487 billion.

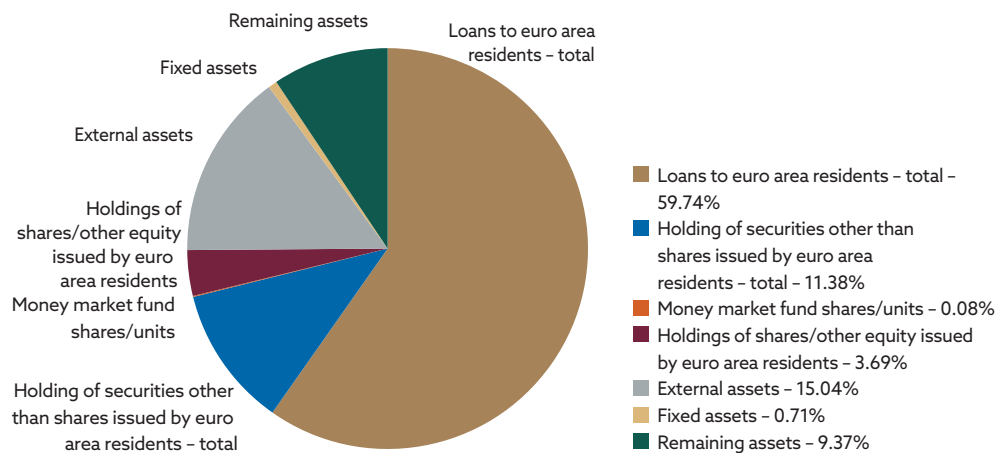
**Table 8 Structure of assets of aggregated balance sheet of euro area MFIs (without Eurosystem, in EUR billions)**

	XII. 2018	III. 2019	VI. 2019	IX. 2019	XII. 2019
<b>ASSETS</b>	<b>30,870</b>	<b>32,118</b>	<b>32,668</b>	<b>33,520</b>	<b>32,440</b>
<b>Loans to euro area residents</b>	<b>18,791</b>	<b>19,355</b>	<b>19,471</b>	<b>19,568</b>	<b>19,380</b>
General government	992	990	989	986	970
Other euro area residents	11,295	11,413	11,520	11,594	11,612
Monetary financial institutions	6,505	6,952	6,961	6,989	6,798
<b>Holdings of securities other than shares issued by euro area residents</b>	<b>3,526</b>	<b>3,680</b>	<b>3,706</b>	<b>3,781</b>	<b>3,690</b>
General government	1,456	1,525	1,510	1,531	1,467
Other euro area residents	1,146	1,170	1,196	1,208	1,178
Monetary financial institutions	924	985	1,000	1,042	1,045
<b>Money market fund shares/units</b>	<b>39</b>	<b>31</b>	<b>30</b>	<b>34</b>	<b>25</b>
<b>Holdings of shares/other equity issued by euro area residents</b>	<b>1,143</b>	<b>1,170</b>	<b>1,165</b>	<b>1,173</b>	<b>1,196</b>
<b>External assets</b>	<b>4,626</b>	<b>4,903</b>	<b>5,026</b>	<b>5,259</b>	<b>4,880</b>
<b>Fixed assets</b>	<b>193</b>	<b>221</b>	<b>225</b>	<b>227</b>	<b>230</b>
<b>Remaining assets</b>	<b>2,552</b>	<b>2,757</b>	<b>3,045</b>	<b>3,478</b>	<b>3,039</b>

Source: ECB.

**Chart 13**

**Structure of assets of aggregated balance sheet of euro area MFIs (excluding Eurosystem) as at 31.12.2019**



Source: ECB.

**Total liabilities** in the aggregated balance sheet of **other euro area MFIs** (i.e. euro area MFIs, excluding the Eurosystem) reached €32,440 billion at 31 December 2019. The stock of these liabilities decreased, year on year, by €1,569 billion (5.1%).

The largest share of liabilities as at 31 December 2019 (58.4%, 0.2 percentage point less than a year earlier) was accounted for by **loans and deposits received from euro area residents**. Their stock increased by 4.7% (€842 billion) compared with the figure for the end of 2018. Increases were also recorded in the stock of loans and deposits received from the general government sector and other euro area residents (€606 billion) and in that of loans and deposits from MFIs (€218 billion). The stock of loans and deposits received from the central government sector increased by only €17 billion.

Other euro area MFIs' holdings of **money market fund shares/units** constituted only 1.7% of their aggregate liabilities at the end of 2019. The stock of MMF shares/units was 0.7% lower than at the end of 2018.

**Debt securities issued by other euro area MFIs** constituted 11.1% of their aggregate liabilities at the end of 2019, which in year-on-year terms represented a decrease of 0.2 percentage point and reflected an absolute increase of €110 billion (3.2%).

Other euro area MFIs' **capital and provisions** constituted 7.9% of their aggregate liabilities at 31 December 2019, which in year-on-year terms represented a decrease of 0.3 percentage point and reflected an absolute increase of €31 billion (1.2%).

Other euro area MFIs' **foreign liabilities** constituted 12.2% of their aggregate liabilities at the end of 2019, which in year-on-year terms represented a decrease of 0.3 percentage point and reflected an absolute increase of €92 billion (2.4%).

Other euro area MFIs' **other liabilities** constituted 8.8% of their aggregate liabilities at 31 December 2019, which in year-on-year terms represented a decrease of 1.2 percentage points and reflected an absolute increase of €500 billion (21%).



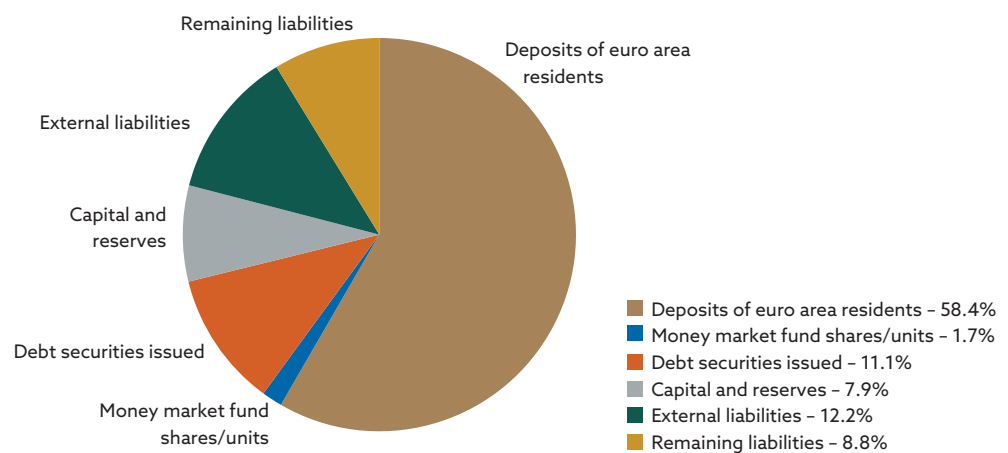
**Table 9 Structure of liabilities of aggregated balance sheet of euro area MFIs (excluding Eurosystem, in EUR billions) as at 31.12.2019**

	XII. 2018	III. 2019	VI. 2019	IX. 2019	XII. 2019
<b>LIABILITIES</b>	<b>30,870</b>	<b>32,118</b>	<b>32,668</b>	<b>33,519</b>	<b>32,440</b>
Currency in circulation	0	0	0	0	0
Deposits of euro area residents	18,087	18,674	18,953	19,074	18,929
Central government	118	136	143	147	135
Other general government and other euro area residents	12,527	12,716	12,920	13,018	13,134
Monetary financial institutions	5,442	5,822	5,890	5,908	5,660
Money market fund shares / units	552	538	531	560	548
Debt securities issued	3,495	3,583	3,597	3,644	3,606
Capital and reserves	2,526	2,538	2,539	2,550	2,557
Remaining liabilities	3,865	4,177	4,180	4,367	3,957

Source: ECB

**Chart 14**

**Structure of liabilities of aggregated balance sheet of euro area MFIs (excluding Eurosystem) as at 31.12.2019**



Source: ECB

The **aggregated balance sheet of other domestic MFIs (excluding NBS)** differed in its composition, i.e. in terms of the share of asset and liability items in their total assets and liabilities, from the aggregate balance sheet of euro area MFIs (excluding the Eurosystem).

The **aggregated balance sheet of domestic MFIs (excluding NBS)**, i.e. commercial banks, foreign bank branches and money market funds, showed total assets of €86.5 billion at the end of 2019, which represented a year-on-year increase of €4.5 billion (5.5%).

Other domestic MFIs' largest asset item – **claims on euro area residents** – constituted as much as 75.9% of their aggregate assets at the end of 2019, which in year-on-year terms represented an increase of 1.3 percentage points and reflected an absolute increase of €4.5 billion (7.4%), mostly in claims on sectors other than the general government and MFI sectors.

Other domestic MFIs' holdings of **securities issued by euro area residents, excluding equities and investment fund shares/units**, constituted 11.7% of their aggregate assets, which in year-on-year terms represented a decrease of 0.1 percentage point and reflected an absolute increase of 4.8% in their stock, mostly in securities issued by the MFI and general government sectors.

Other domestic MFIs' aggregate assets as at the end of 2019 did not include any holdings of money market fund shares/units issued by euro area residents.

Other domestic MFIs' holdings of shares and other equity participations issued by euro area residents increased slightly, year on year, but accounted for only 0.6% of their aggregate assets.

Other domestic MFIs' **foreign assets** constituted 6.7% of their aggregate assets at the end of 2019, which in year-on-year terms represented a fall of 1.1 percentage points and reflected an absolute decrease of €1.1 billion in the stock of these assets.

The share of **fixed assets** in other domestic MFI's aggregate assets as at 31 December 2019 increased somewhat, year on year, in the period under review.

Other domestic MFIs' **other assets** constituted 4.1% of their aggregate assets at the end of 2019, representing a year-on-year increase of 0.2 percentage point.

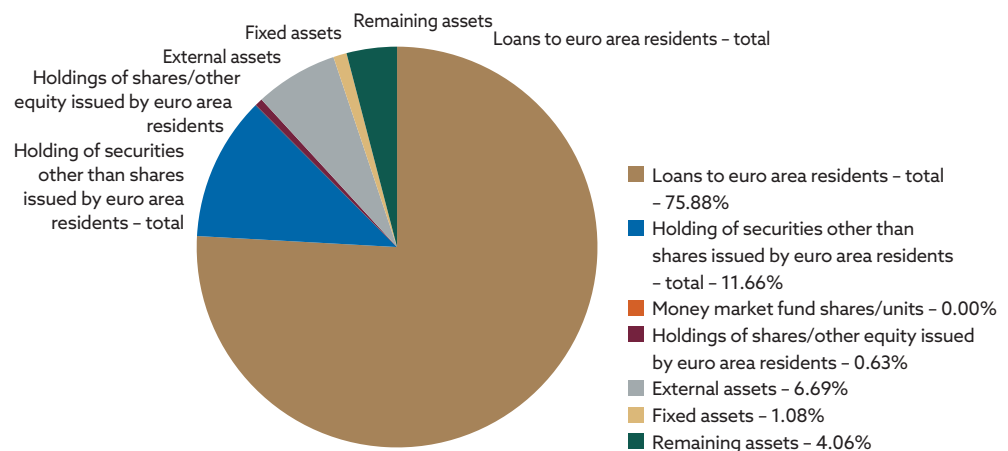
**Table 10 Structure of assets of aggregated balance sheet of MFIs in Slovakia (without NBS, in EUR billions)**

	XII. 2018	III. 2019	VI. 2019	IX. 2019	XII. 2019
<b>ASSETS</b>	<b>82.0</b>	<b>82.8</b>	<b>84.7</b>	<b>85.7</b>	<b>86.5</b>
<b>Loans to euro area residents</b>	<b>61.2</b>	<b>61.1</b>	<b>62.7</b>	<b>64.3</b>	<b>65.6</b>
General government	1.0	1.1	1.0	1.0	1.0
Other euro area residents	57.2	58.1	59.0	60.5	61.0
Monetary financial institutions	3.0	2.0	2.6	2.8	3.6
<b>Holdings of securities other than shares issued by euro area residents</b>	<b>9.6</b>	<b>9.5</b>	<b>9.3</b>	<b>9.7</b>	<b>10.1</b>
General government	8.3	8.2	7.9	8.2	8.6
Other euro area residents	0.4	0.4	0.4	0.4	0.4
Monetary financial institutions	0.9	0.9	1.0	1.0	1.1
<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>0.4</b>	<b>0.4</b>	<b>0.5</b>	<b>0.5</b>	<b>0.5</b>
<b>External assets</b>	<b>6.9</b>	<b>7.5</b>	<b>7.9</b>	<b>6.7</b>	<b>5.8</b>
<b>Fixed assets</b>	<b>0.7</b>	<b>0.9</b>	<b>0.9</b>	<b>0.9</b>	<b>0.9</b>
<b>Remaining assets</b>	<b>3.2</b>	<b>3.2</b>	<b>3.5</b>	<b>3.7</b>	<b>3.5</b>

Source: ECB, NBS.

**Chart 15**

**Structure of assets of aggregated balance sheet of MFIs in Slovakia (excluding NBS) as at 31.12.2019**



Source: ECB, NBS.

The aggregated balance sheet of **other domestic MFIs** (i.e. domestic MFIs, excluding NBS) showed **total liabilities** of €86.5 billion at the end of 2019, which represented a year-on-year increase of €4.5 billion (5.5%).

Other domestic MFIs' **loans and deposits received from euro area residents** constituted 73.9% of their aggregate liabilities at 31 December 2019, which in year-on-year terms represented a decrease of 1.6 percentage points and reflected an absolute increase of €2 billion (3.2%), mostly in loans and de-

posits received from the general government sector and from other residents.

Since no money market fund was registered in Slovakia at the end of 2019, the ratio of **money market fund shares/units** to other domestic MFI's aggregate liabilities stood at zero.

Other domestic MFIs' **debt securities** constituted 8.1% of their aggregate liabilities at the end of 2019, which in year-on-year terms represented an increase of 1.6 percentage points and reflected an absolute increase of €1.7 billion (31%).

Other domestic MFIs' **capital and provisions** constituted 12.4% of their aggregate liabilities at the end of 2019, which in year-on-year terms represented a decrease of 0.4 percentage point and reflected an absolute increase of €0.2 billion, to €10.7 billion.

The share of **foreign liabilities** in other domestic MFIs' aggregate liabilities (3.4%) remained unchanged in year-on-year terms.

Other domestic MFIs' **other liabilities** constituted 2.2% of their aggregate liabilities at the end of 2019, which in year-on-year terms represented a decrease of 0.4 percentage point. The stock of these liabilities amounted to €1.9 billion.

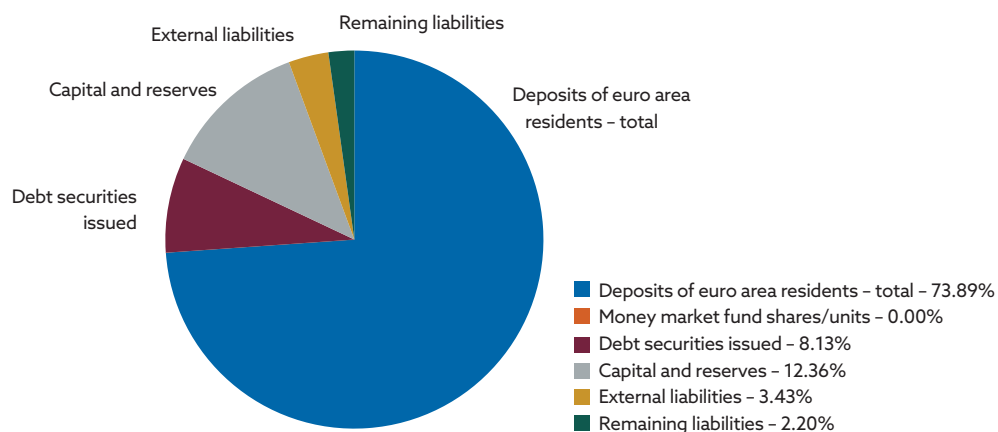
**Table 11 Structure of liabilities of aggregated balance sheet of MFIs in SK (excluding NBS, in EUR billions)**

	XII. 2018	III. 2019	VI. 2019	IX. 2019	XII. 2019
<b>LIABILITIES</b>	<b>82.0</b>	<b>82.8</b>	<b>84.7</b>	<b>85.7</b>	<b>86.5</b>
Currency in circulation	0.0	0.0	0.0	0.0	0.0
Deposits of euro area residents	61.9	61.8	62.9	63.4	63.9
Central government	1.8	1.3	1.4	1.0	1.0
Other general government and other euro area residents	56.3	56.7	57.9	58.9	60.0
Monetary financial institutions	3.9	3.8	3.6	3.5	2.9
Money market fund shares/units	0.0	0.0	0.0	0.0	0.0
Debt securities issued	5.4	5.8	6.5	6.7	7.0
Capital and reserves	10.5	10.5	10.4	10.6	10.7
External liabilities	2.7	2.6	2.6	2.4	3.0
Remaining liabilities	1.5	2.1	2.4	2.6	1.9

Source: ECB, NBS.

**Chart 16**

**Structure of liabilities of aggregated balance sheet of MFIs (excluding NBS) in SK as at 31.12.2019**



Source: NBS.

## 2.7 Profit/loss analysis for credit institutions

### 2.7.1 Current period profit/ loss in the 4th quarter of 2019

According to the data available, the banking sector's cumulative profit for 2019 amounted to €643 million, representing the sector's third highest profit recorded since the beginning of monitoring (2009). The cumulative profit as at 31 December 2019 was a mere 0.53% higher than at the same date a year earlier.

As regards the structure of income and expense items, net interest income had a positive effect on net profit growth throughout 2018 (for the first time since March 2015). During 2019, however, net interest income declined steadily, year on year, owing mainly to a fall in interest income from securities, coupled with a decrease in other interest income. After rising over the period from March to end-December 2018, other interest expenses declined again, year on year, until the end of September 2019.

Net non-interest income grew, year on year, throughout 2019 (in cumulative terms), for the first time since the first quarter of 2017. The growth in net non-interest income was positively influenced by income from commission fees, but also by dividends received, which grew mainly in the second quarter of 2019.

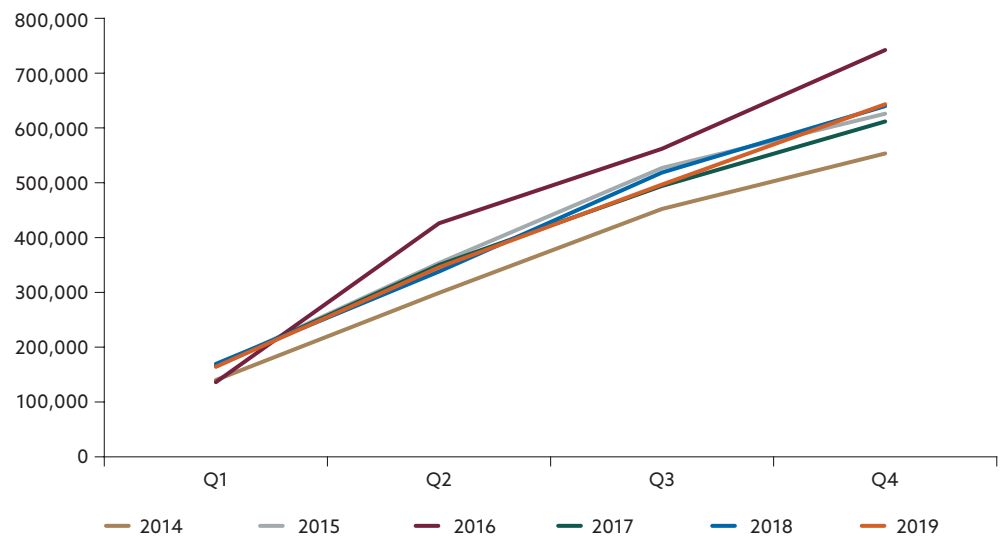
The decline in net non-interest income was largely attributable to other operating losses that stemmed mainly from the payment of a special levy

by selected institutions and from contributions paid to the resolution fund.

General operating expenses rose during 2018 and continued rising slowly over the course of 2019, too. This rise had a negative impact on the banking sector's net profit growth (a contribution of -7.3 percentage points in 2018 and almost -4 percentage points in 2019). The net creation of reserves and provisions (i.e. income adjusted for expenses) resulted in a loss of €101 million, representing a year-on-year decline of €57 million.

**Chart 17**

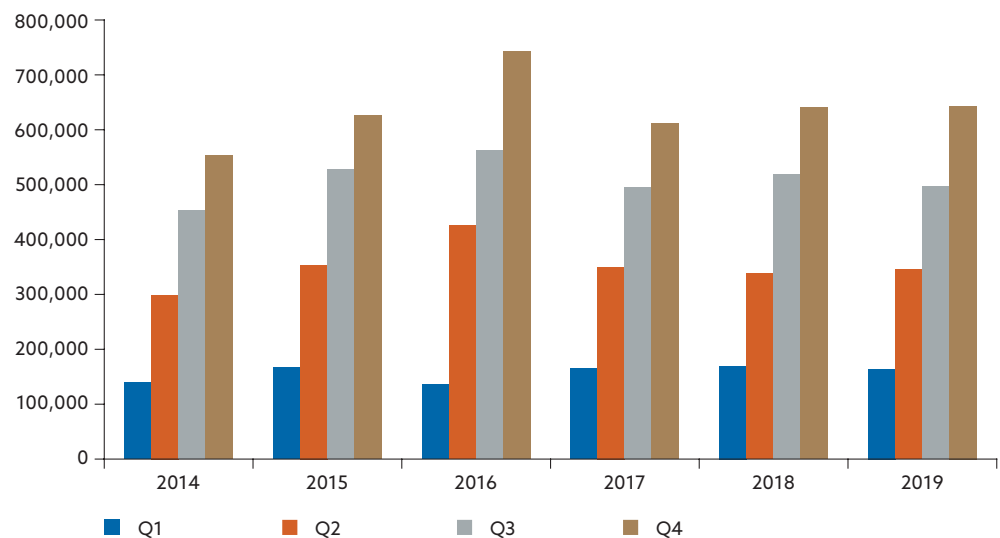
Current period profit/loss (EUR thousands)



Source: NBS.

**Chart 18**

Current period profit/loss (EUR thousands)



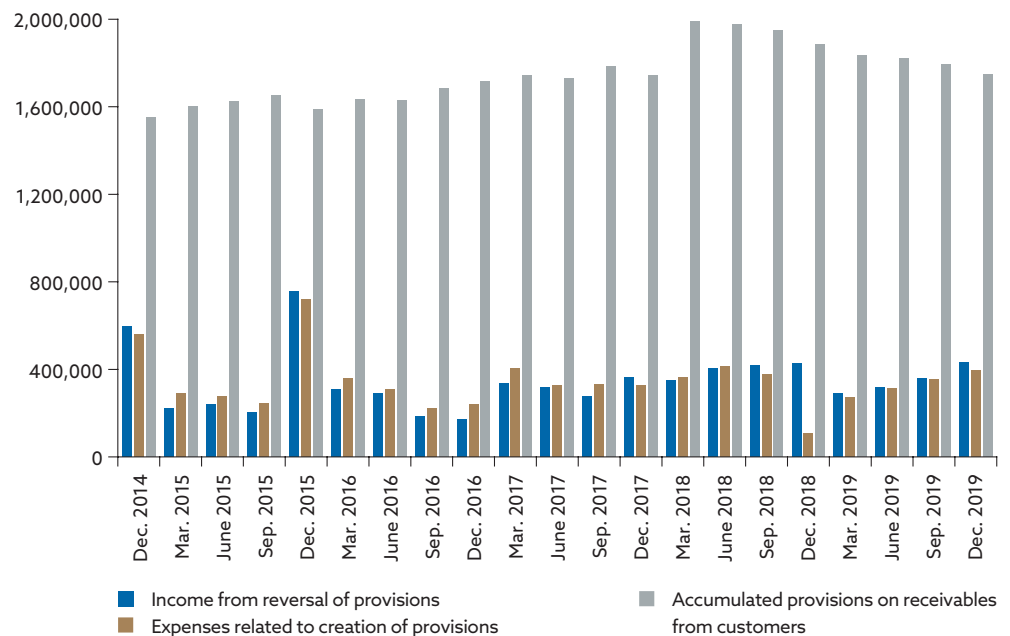
Source: NBS.

Total loan-loss provisions as at 31 December 2019 were 7.3% lower than a year earlier, whereas the stock of provisioned customer loans had increased, year on year, by 6.4%. Euro-denominated claims constituted at that date almost 99% of all credit claims, and euro-denominated claims on euro area residents made up around 95%.

Provisioning expenses as at 31 December 2019 (cumulative figure for twelve months) were 6% higher than a year earlier, and income from the reversal of provisions had fallen by that date by more than 12%.

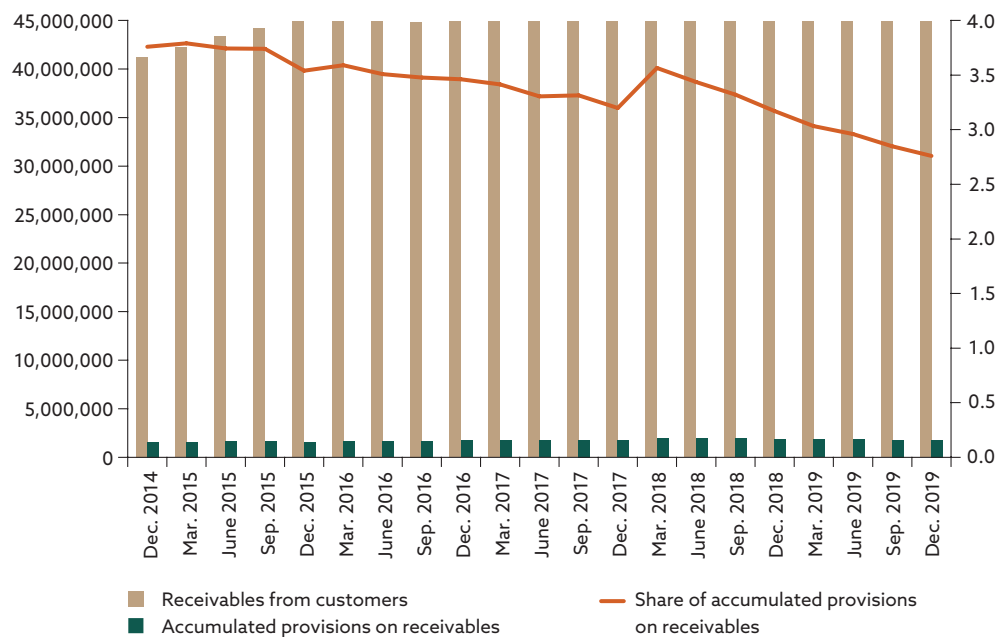
Expenses related to the assignment of claims on non-bank customers exceeded income from the same by €55 million (net loss) in 2019, and claim write-offs produced a net loss of almost €27 million.

**Chart 19**  
**Provisions (EUR thousands)**



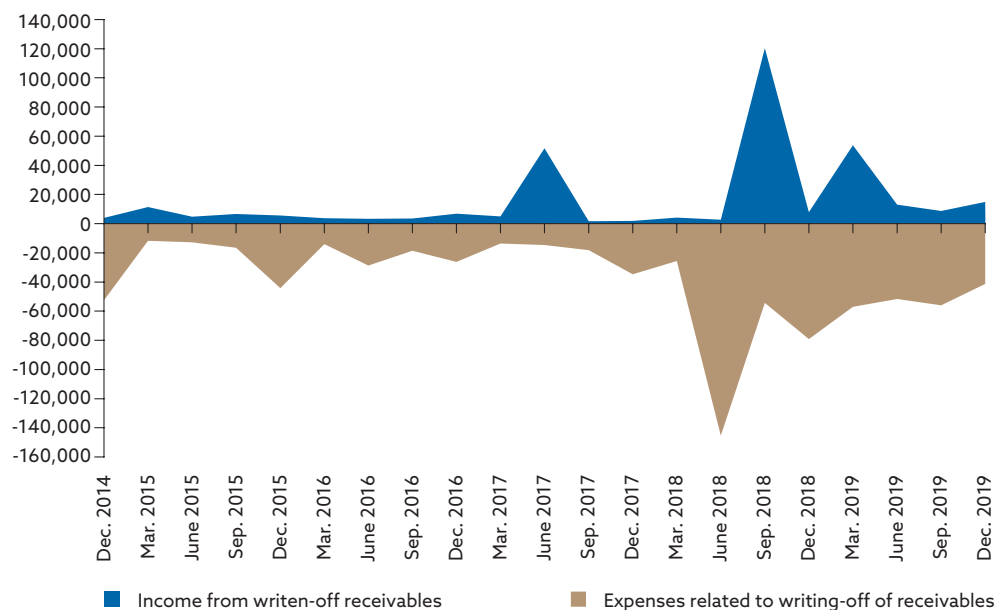
Source: NBS.

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



Source: NBS.

**Chart 21**  
Written-off receivables from customers (EUR thousands)

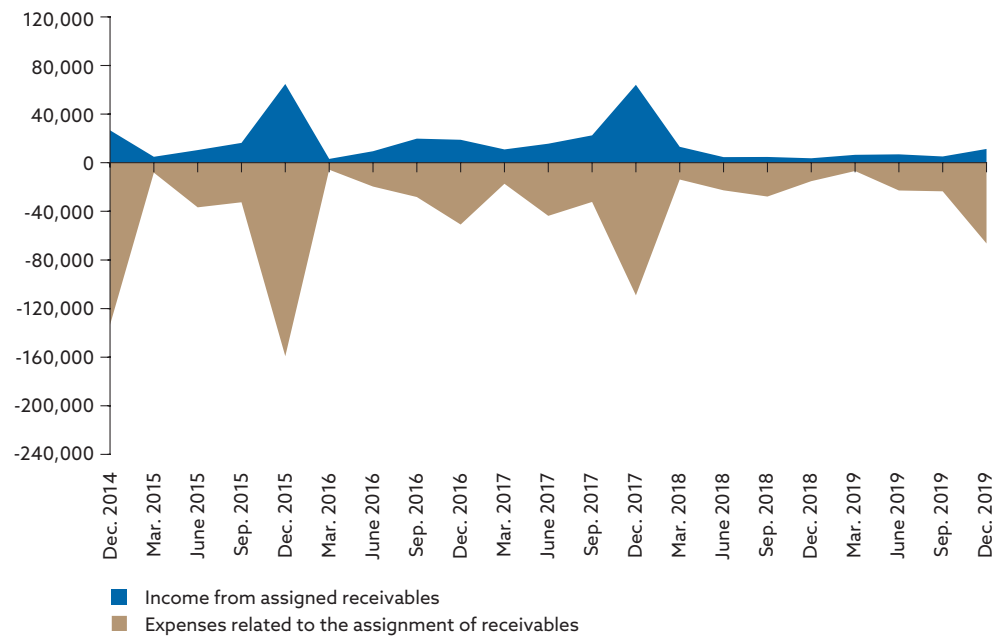


Source: NBS.



**Chart 22**

**Assigned receivables from customers (EUR thousands)**



Source: NBS.

### 2.7.2 Selected income/expense items as reflected in profits/losses

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

In the last quarter of 2019, according to aggregated data for three months, total interest income from securities continued to decline, year on year, by 16.6%, following its downward trend from the previous quarters. Interest income from securities had been falling steadily for several years and recorded a year-on-year fall in 2019, too.

Interest expenses on securities decreased, year on year, by 12.3% in the fourth quarter of 2019.

Other interest income declined over the last three months of 2019, by 2.7% year on year.

Income from fees and commissions continued to grow in the last quarter of 2019, by 6.7% year on year.

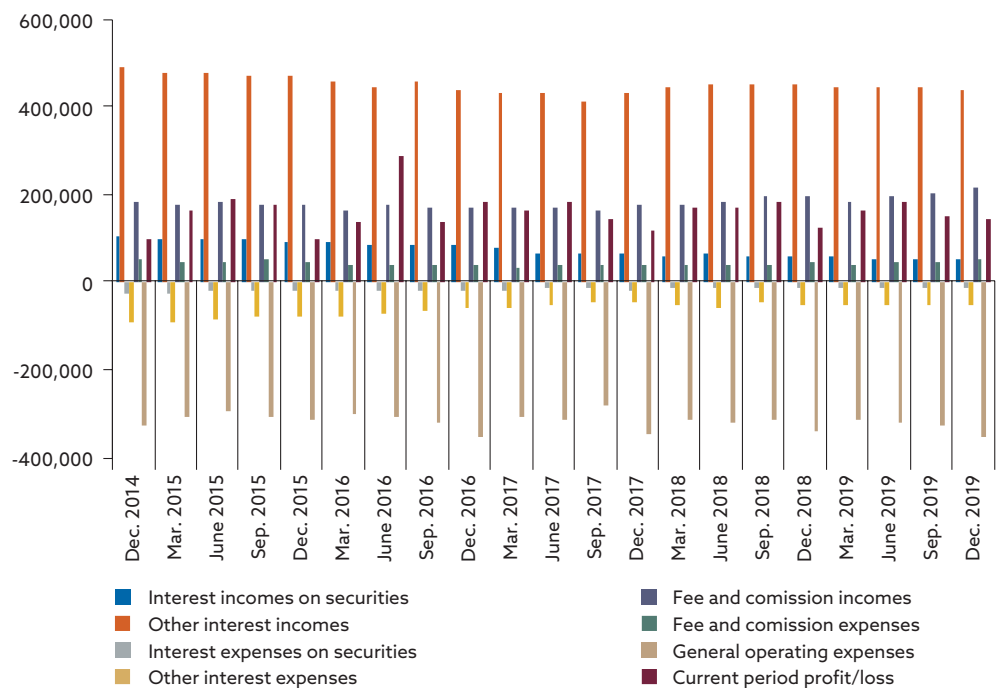
Dividends received grew relatively rapidly during the fourth quarter (by 25%), but made only a minor contribution to net profit growth owing to their small volume.

General operating expenses increased in the last quarter of 2019 by 4% year on year.

The banking sector's total net profit for the fourth quarter of 2019 was 20% higher than the figure for the same period of 2018, and amounted to €146 million.

### Chart 23

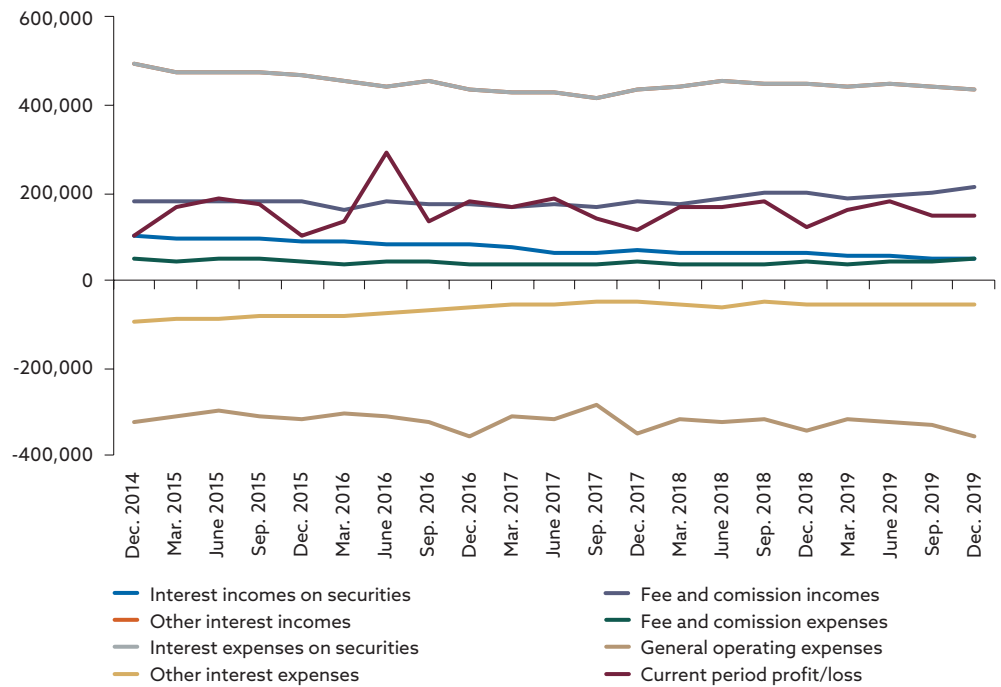
**Selected incomes and expenses compared with current period profit/loss (EUR thousands)**



Source: NBS.

**Chart 24**

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



Source: NBS.

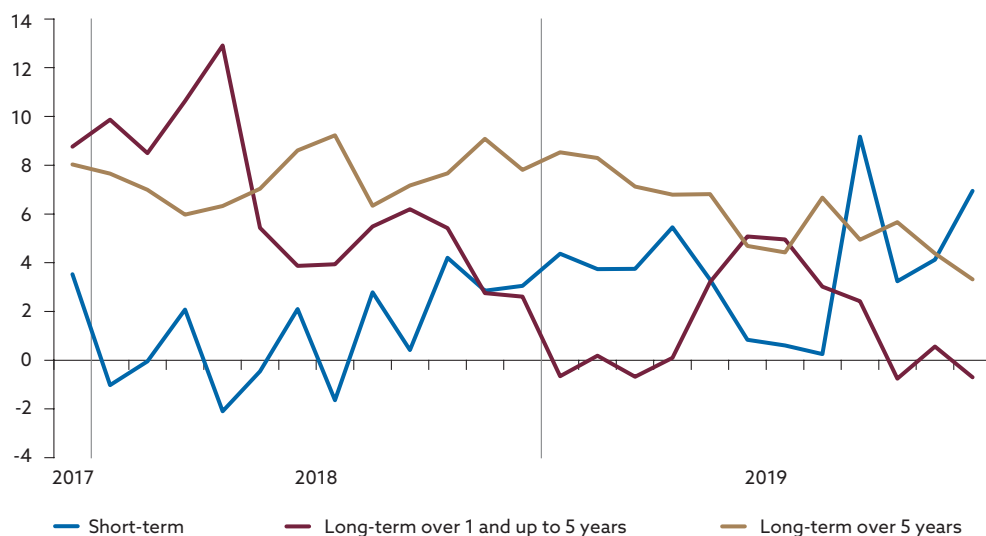
## 2.8 Lending to non-financial corporations and households

### 2.8.1 Loans to non-financial corporations by maturity

The total stock of loans provided to non-financial corporations (NFCs) continued growing in the last quarter of 2019, but at a slower pace than in the previous quarters. The most rapid growth was recorded in short-term loans (6.9% year on year). The stock of long-term loans with a maturity of over five years increased, year on year, by 3.3% in the period under review. By contrast, the annual rate of growth in long-term loans with a maturity of over one year and up to five years slowed in that period to 0.7%.

**Chart 25**

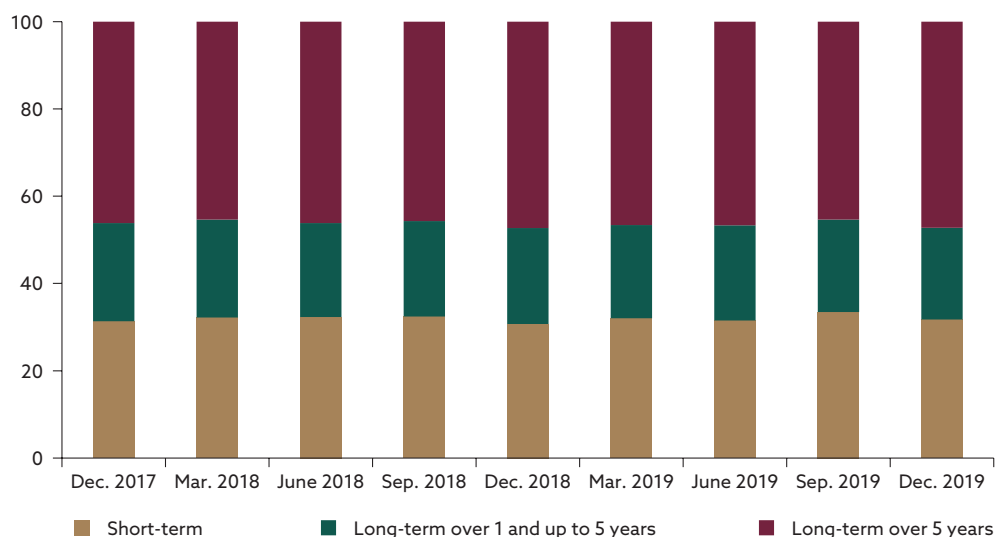
Loans to non-financial corporations by maturity (year-on-year changes in %)



Source: NBS.

**Chart 26**

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



Source: NBS.

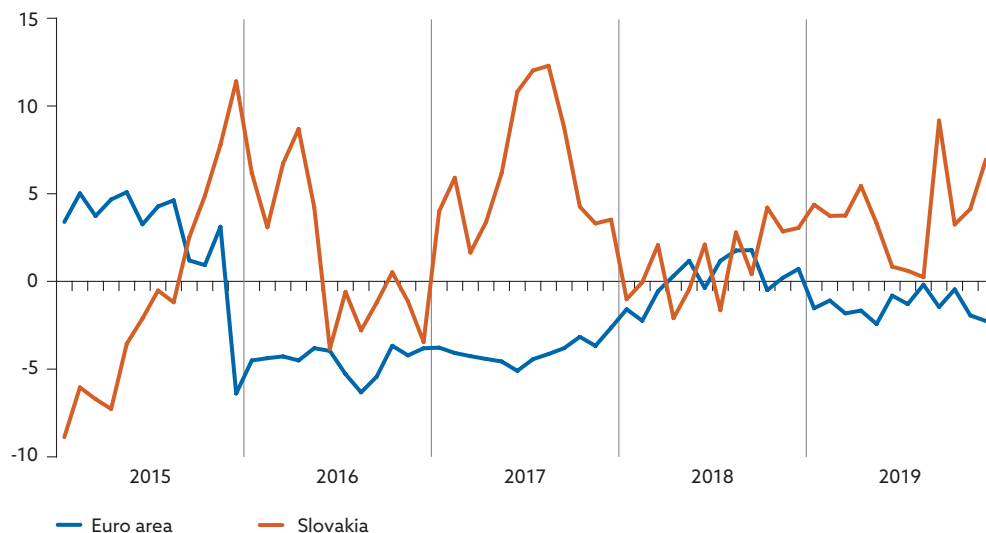
### 2.8.2 Loans to non-financial corporations (euro area comparison)

In December 2019, the stock of loans provided to non-financial corporations (NFCs) in the euro area was 1.5% higher than a year earlier, while the stock of these loans in Slovakia was higher, year on year, by 3.6%. In the euro area, the stock of short-term loans provided to NFCs decreased, year on year, throughout 2019, thus continuing a downward trend that began in 2015 (with a short interruption in 2018).

The stock of short-term loans provided to NFCs in Slovakia increased over the last quarter of 2019, by 6.9% year on year.

**Chart 27**

**Short-term Loans to non-financial corporations (year-on-year changes in %) (compared with data from the euro area)**

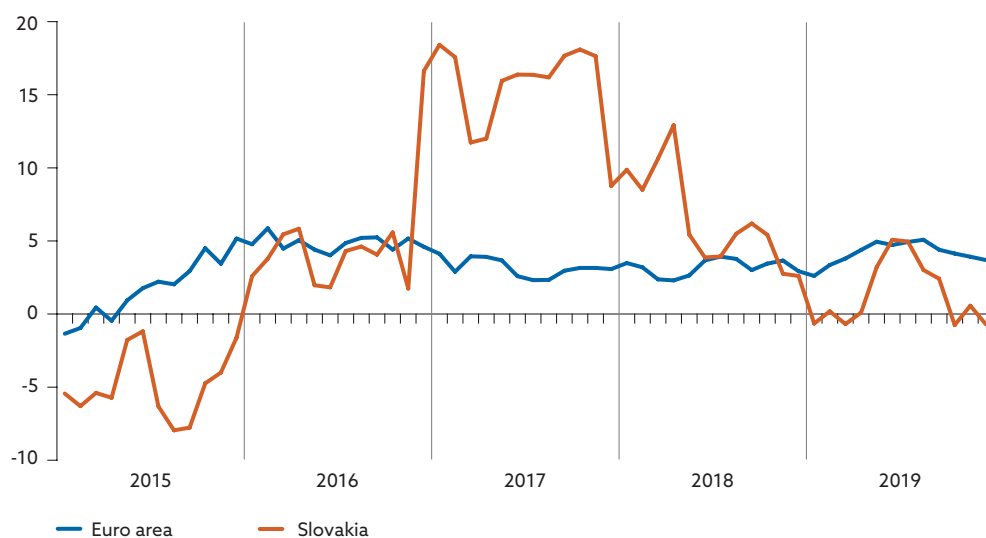


Source: NBS, ECB.

In Slovakia, the stock of long-term loans with a maturity of over one year and up to five years grew, year on year, at slower pace than in the euro area practically throughout 2019. Compared with the previous year, the annual growth rate slowed markedly or even turned into decline in certain months, for example to -0.7% in December 2019.

**Chart 28**

**Long-term over 1 and up to 5 years to non-financial corporations (year-on-year changes in %) (compared with data from the euro area)**



Source: NBS, ECB.

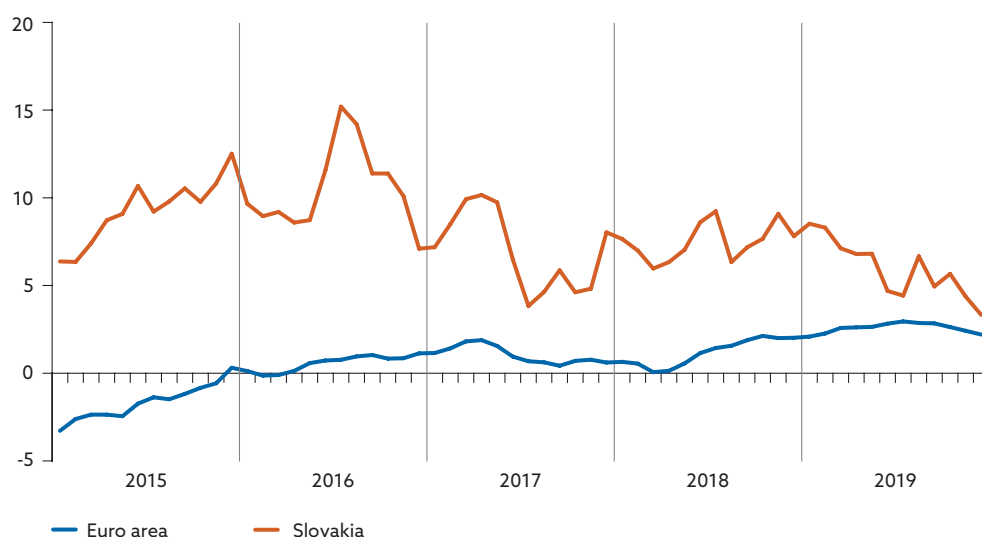
In the euro area, the stock of long-term loans with a maturity of over one year and up to five years grew over the period under review, too. This growth was more stable than in Slovakia, without any noteworthy fluctuation in the growth rate. The stock of these loans had been growing continuously, year on year, since May 2015; the annual growth rate reached 3.7% in December 2019.

The stock of long-term loans with a maturity of over five years, provided to NFCs in the euro area, increased by an average of 2.6% in 2019. The annual growth rate of NFC loans with a maturity of over five years reached 2.2% at end-December 2019.

In Slovakia, the stock of long-term loans provided to NFCs with a maturity of over five years grew during 2019 at a relatively fast, but gradually decelerating pace. The strongest growth in this loan category was recorded at the beginning of the year. The annual growth rate of long-term loans provided to NFCs reached 3.3% at end-December 2019.

### Chart 29

Long-term over 5 years to non-financial corporations (year-on-year changes in %) (compared with data from the euro area)



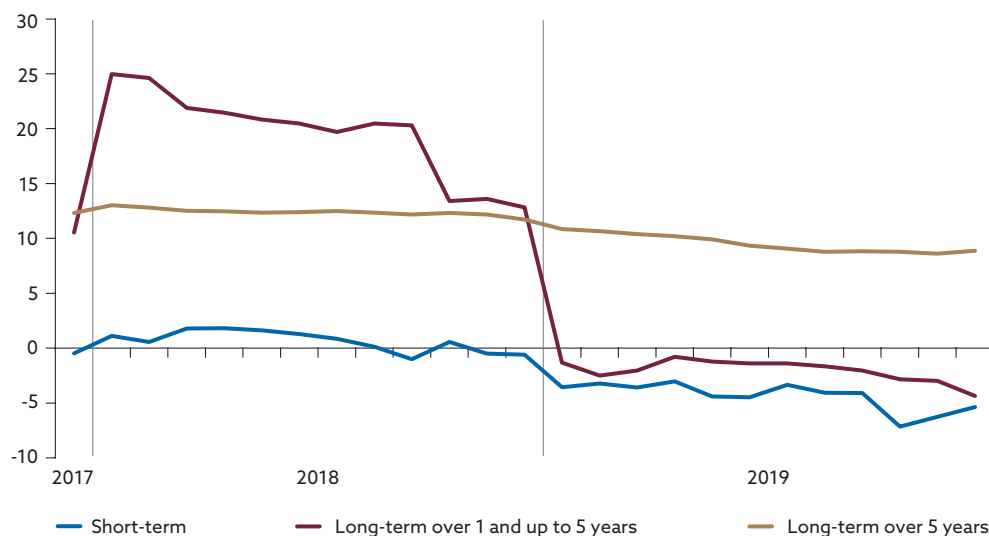
Source: NBS, ECB.

### 2.8.3 Loans to households by maturity

The total stock of loans provided to households grew continuously over the period under review, at a pace fluctuating around 8.0% in December 2019. The steepest year-on-year increase, i.e. 8.9%, was recorded in loans with a maturity of over five years. The stock of long-term loans with a maturity of over one year and up to five years decreased by 4.4% and that of short-term loans provided to households fell by 5.4%, year on year. Both short-term and long-term loans with a maturity of over one year and up to five years declined, year on year, throughout 2019.

**Chart 30**

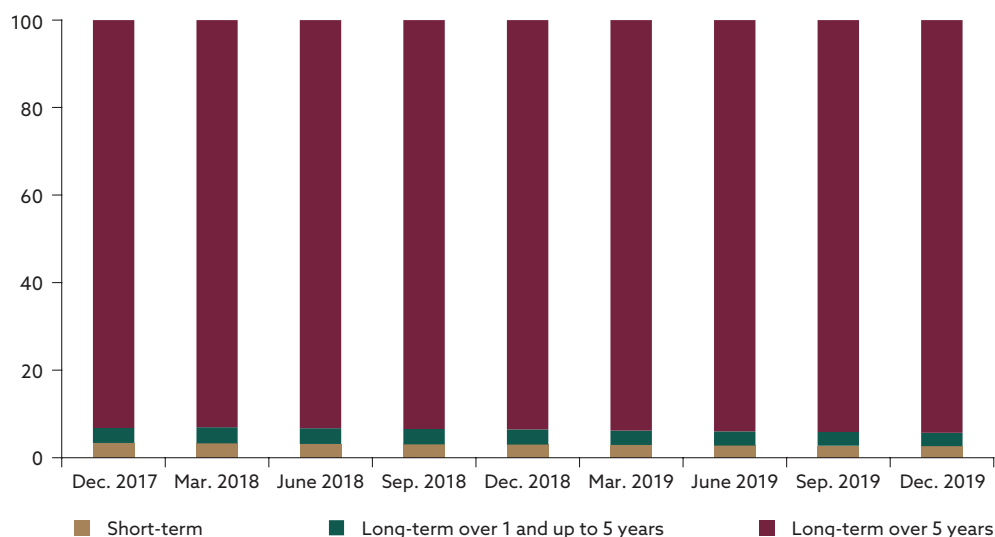
Loans to households by maturity (year-on-year percentage changes)



Source: NBS.

**Chart 31**

Household loans broken down by maturity (% share)



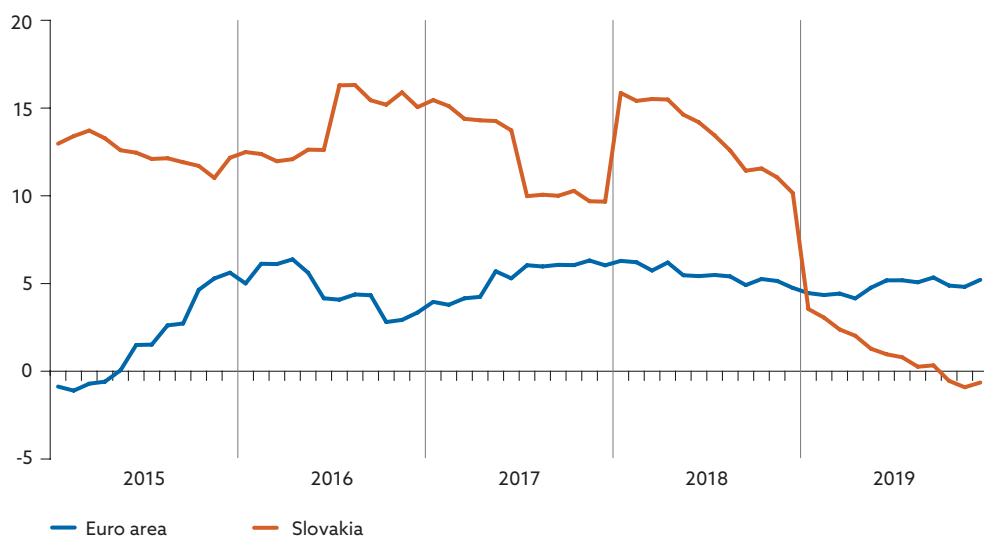
Source: NBS.

### 2.8.4 Loans to households by purpose (euro area comparison)

In the euro area, the stock of consumer loans provided to households continued to grow in 2019. In Slovakia, the stock of consumer loans grew at a decelerating pace during 2019 and recorded a year-on-year decline in the last few months. The rate of growth slowed from 3.5% in January 2019 to -0.6% in December 2019.

**Chart 32**

**Consumer Loans to households (year-on-year changes in %) (compared with data from the euro area)**



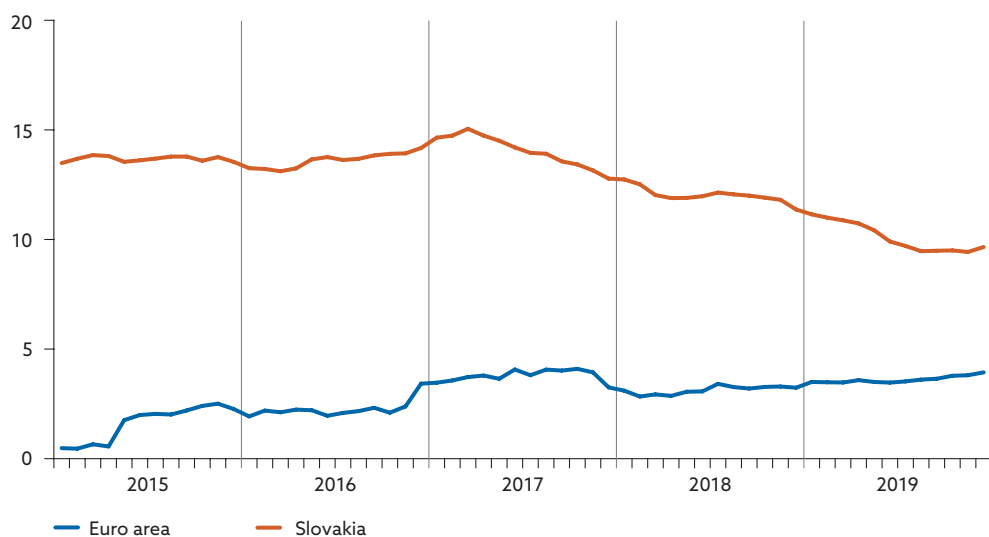
Source: NBS, ECB.

The growth rate of consumer loans in the euro area was stable and virtually unchanged during 2019. The average growth rate of these loans amounted to 4.8%.

House purchase loans continued to grow in Slovakia at a much faster pace than in the euro area. In Slovakia, the average growth rate of these loans in 2019 amounted to 10% (in December, a growth rate of 9.7% was recorded).

**Chart 33**

**Real estate Loans to households (year-on-year changes in %) (compared with data from the euro area)**



Source: NBS, ECB.



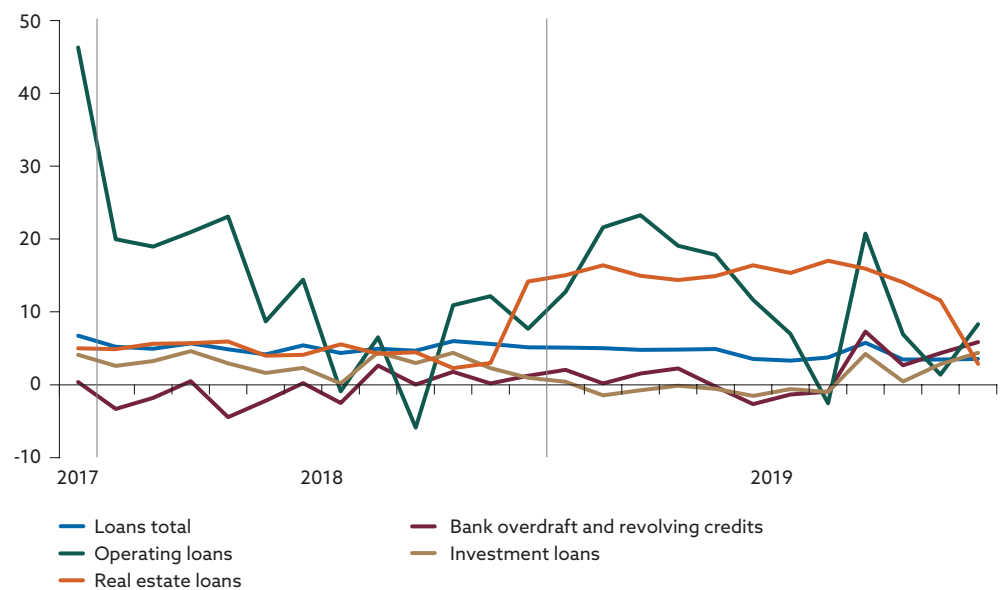
In the euro area, the growth rate of house purchase loans hovered around 3.6% during 2019, without larger fluctuations. The annual growth rate of these loans reached 3.9% in December 2019.

### 2.8.5 Loans to non-financial corporations by type of loan

The stock of loans provided to NFCs grew continuously, year on year, throughout 2019, at a pace fluctuating around 3.6% in the fourth quarter. In the category of operating loans, the growth rate accelerated from 7.7% in December 2018 to 8.3% in December 2019. In quarter-on-quarter terms, the rate of growth in current account overdrafts and revolving loans accelerated in the period under review, to 5.9%. The annual rate of change in the stock of real estate loans provided to NFCs reached 2.9% in December 2019, compared with 14.2% in December 2018. The stock of investment loans grew, year on year, at a pace accelerating from 1.0% in December 2018 to 4.4% in December 2019.

**Chart 34**

Loans to non-financial by type of loan (year-on-year percentage changes)



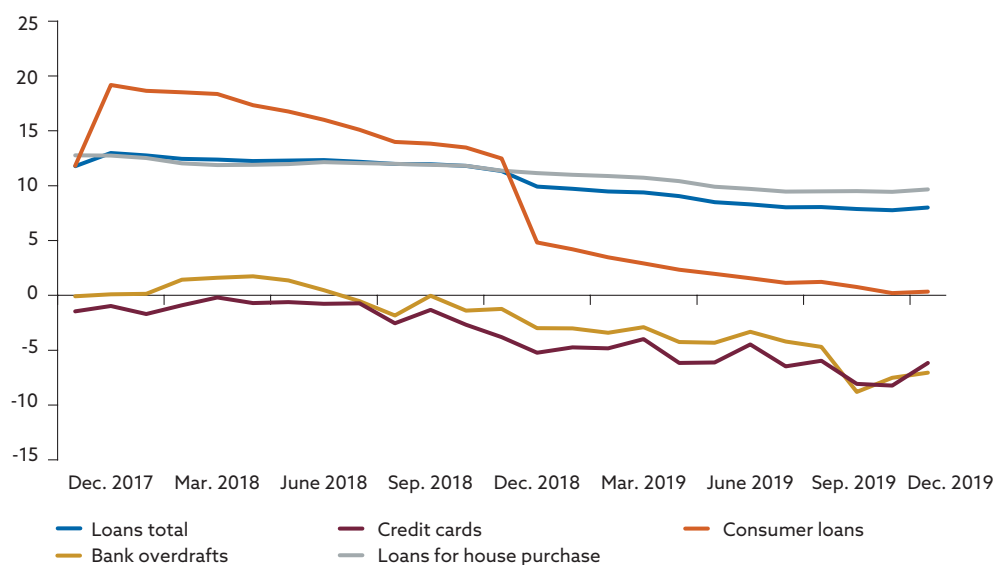
Source: NBS.

## 2.8.6 Loans to households by type of loan

A breakdown by purpose of loans provided to households shows that housing loans and consumer loans grew most rapidly in the last quarter of 2019. The stock of housing loans increased, year on year, by 9.7% and that of consumer loans by 0.3%. The annual rate of decline in current account overdrafts accelerated to 7.1%, compared with the same period a year earlier. The stock of credit card loans showed a year-on-year decrease of 6.2% at the end of December 2019.

**Chart 35**

**Households loans broken down by type of loan (year-on-year percentage changes)**



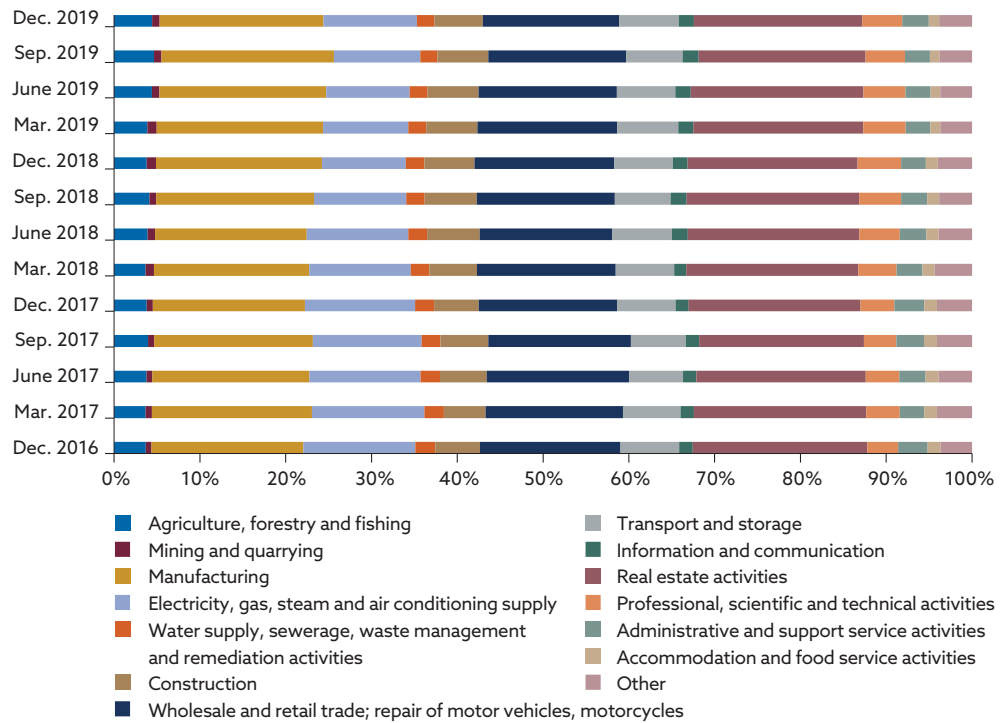
Source: NBS.

## 2.8.7 Loans to non-financial corporations by sector of economic activity

A breakdown by sector of economic activity of loans provided to NFCs shows that, at the end of the last quarter of 2019, loans to the real estate sector accounted for 19.6%, loans to the manufacturing sector for 19.1%, and loans to the sector comprising wholesale and retail trade, and the repair of motor vehicles and motorcycles for 15.9%.

Chart 36

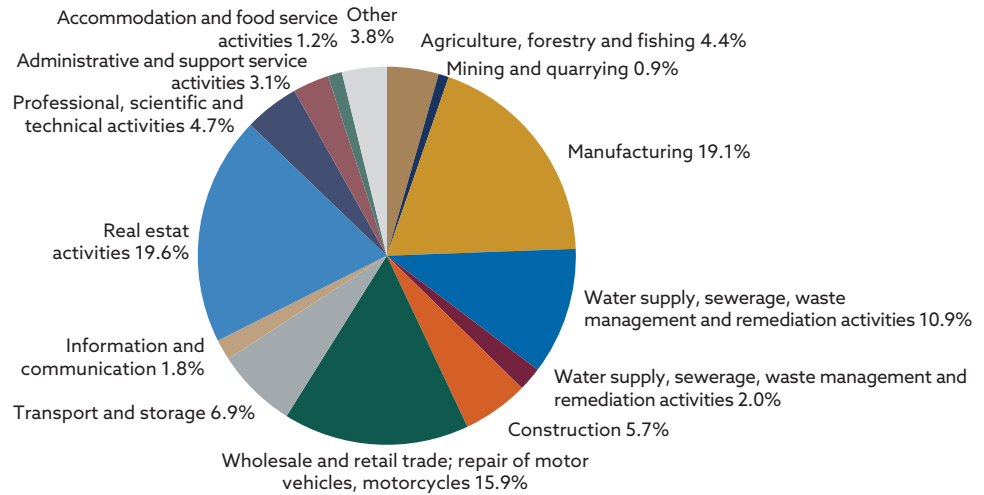
NFC loans broken down by economic activity



Source: NBS.

Chart 37

NFC loans broken down by economic activity as at 30 December 2019



Source: NBS.

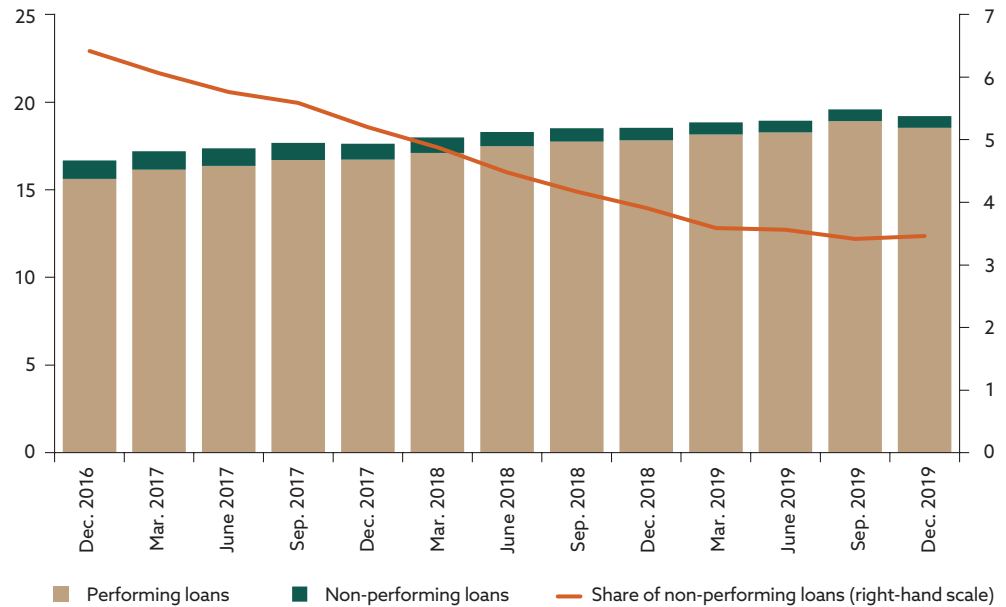
### 2.8.8 Non-performing loans in the non-financial corporations sector

The ratio of non-performing loans (NPLs) to total loans provided to non-financial corporations (NFCs) decreased, year on year, by 0.4 percentage point, to 3.5% at 31 December 2019. In the category of operating loans, both the stock of loans and the NPL ratio increased over the course of 2019, to

3.2%. The NPL ratio for investment loans fell to 2.8% at 31 December 2019, from 3.5% at 31 December 2018. The NPL ratio for real estate loans declined continuously throughout 2019, down to 3.8% at 31 December 2019. The NPL ratio for overdrafts and revolving loans reached 3.3% at that date. The NPL ratio for credit card loans dropped to 8.6% in the last quarter of 2019.

**Chart 38**

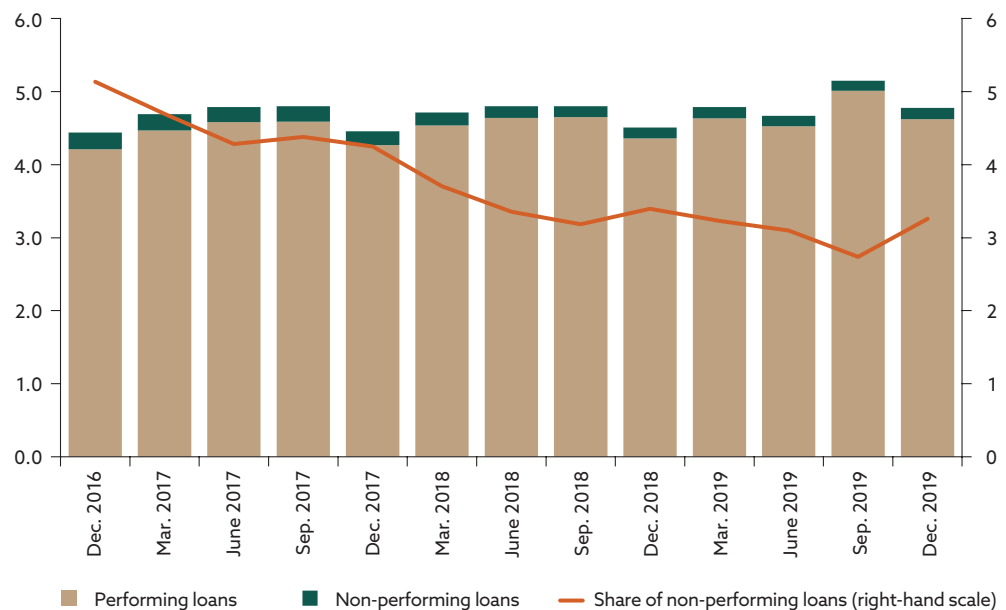
Share of non-performing loans in total NFC loans (EUR billions, %)



Source: NBS.

**Chart 39**

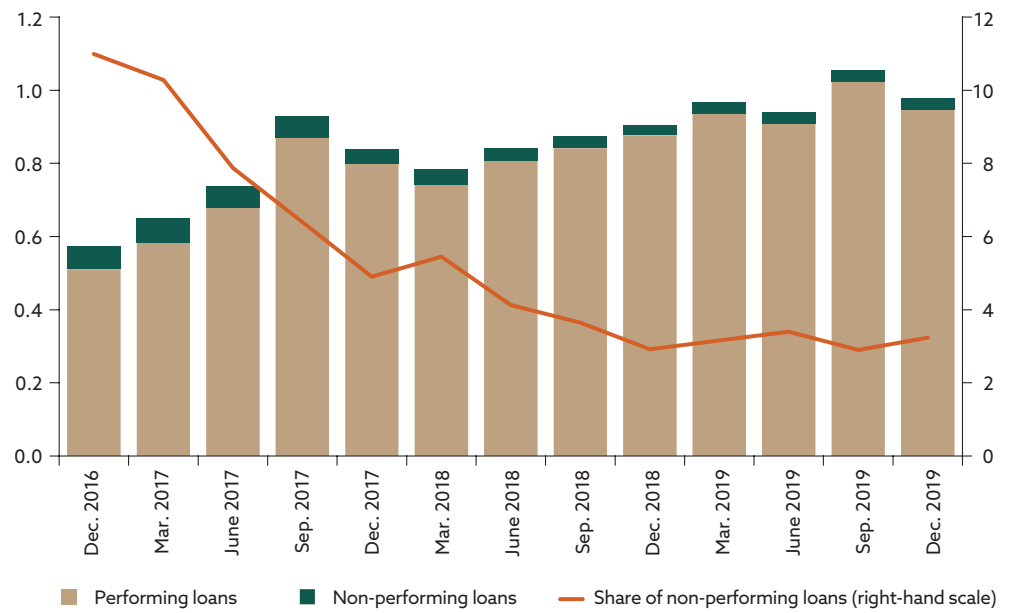
Share of non-performing loans in bank overdrafts and revolving credits to NFCs (EUR billions, %)



Source: NBS.

**Chart 40**

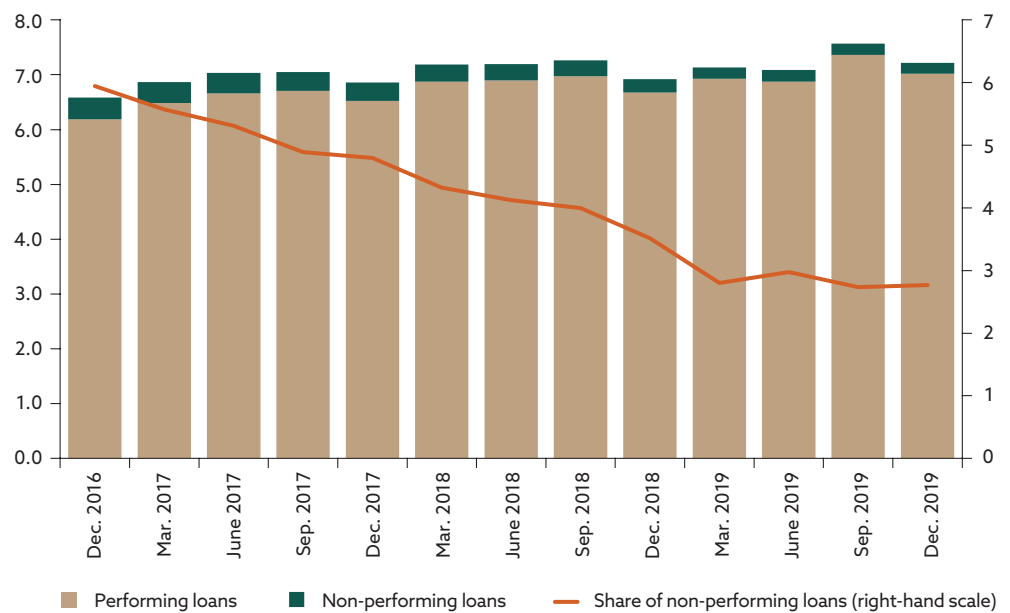
Share of non-performing loans in operating loans to NFCs (EUR billions, %)



Source: NBS.

**Chart 41**

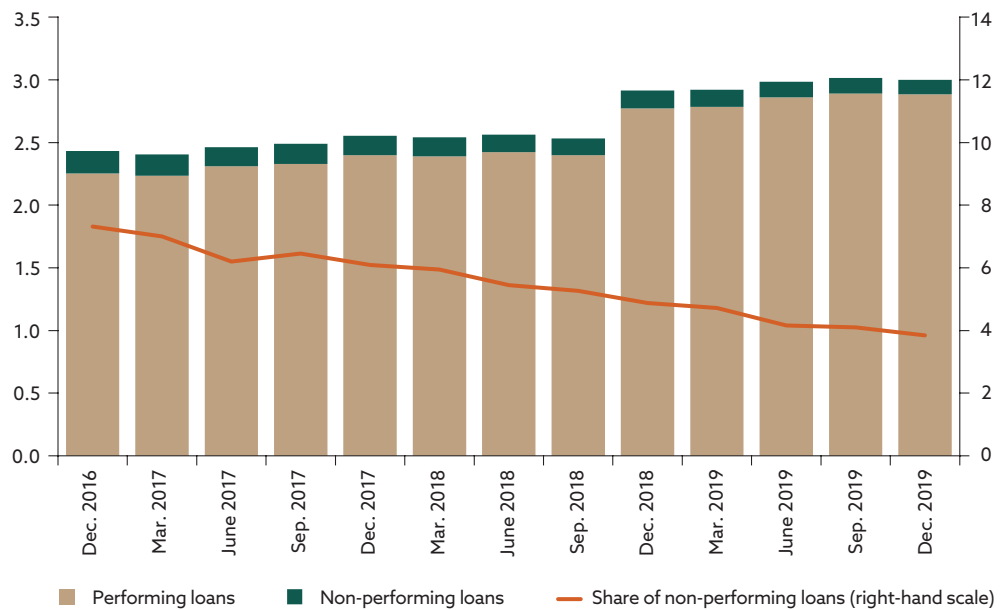
Share of non-performing loans in investment loans to NFCs (EUR billions, %)



Source: NBS.

Chart 42

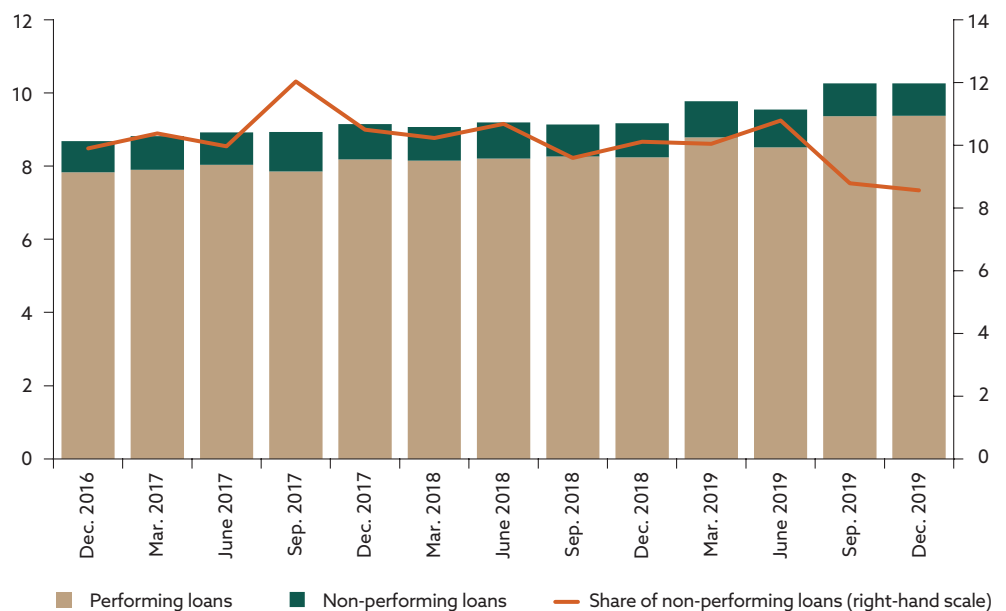
Share of non-performing loans in real estate loans to NFCs (EUR billions, %)



Source: NBS.

Chart 43

Share of non-performing loans in credit card loans to NFCs (EUR millions, %)



Source: NBS.

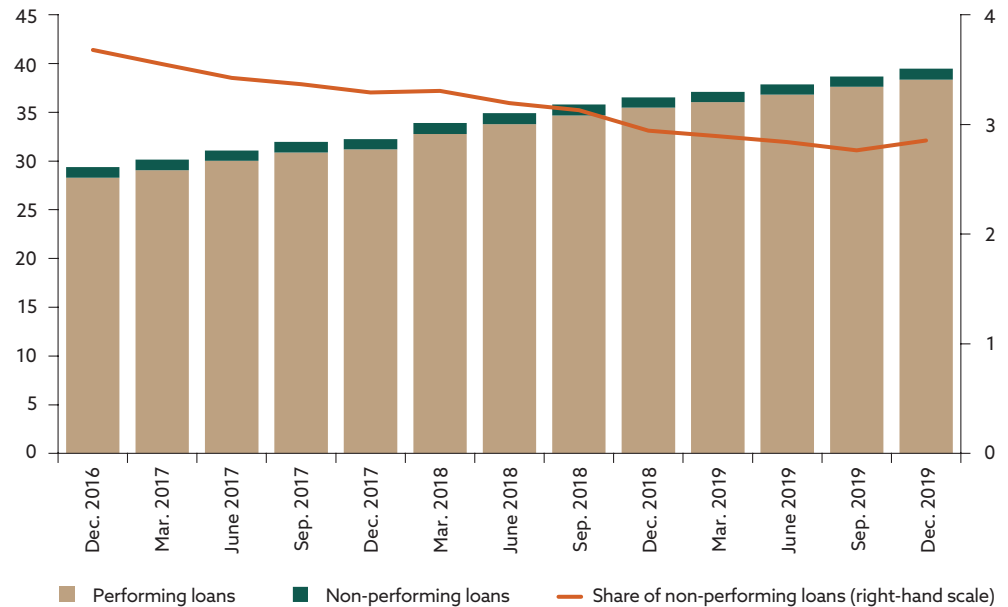
### 2.8.9 Non-performing loans in the household sector

The stock of NPLs in the household sector increased slightly at the end of 2019 and the NPL ratio for total household loans remained unchanged, year on year, at 2.9%. In the category of consumer loans, both the stock

of loans and the NPL ratio decreased gradually during 2019, to 8.4%. The highest NPL ratio as at 31 December 2019 was recorded for credit card loans (12.2%). The NPL ratios for current account overdrafts and housing loans rose somewhat, year on year, to 5.8% and 1.7% respectively.

**Chart 44**

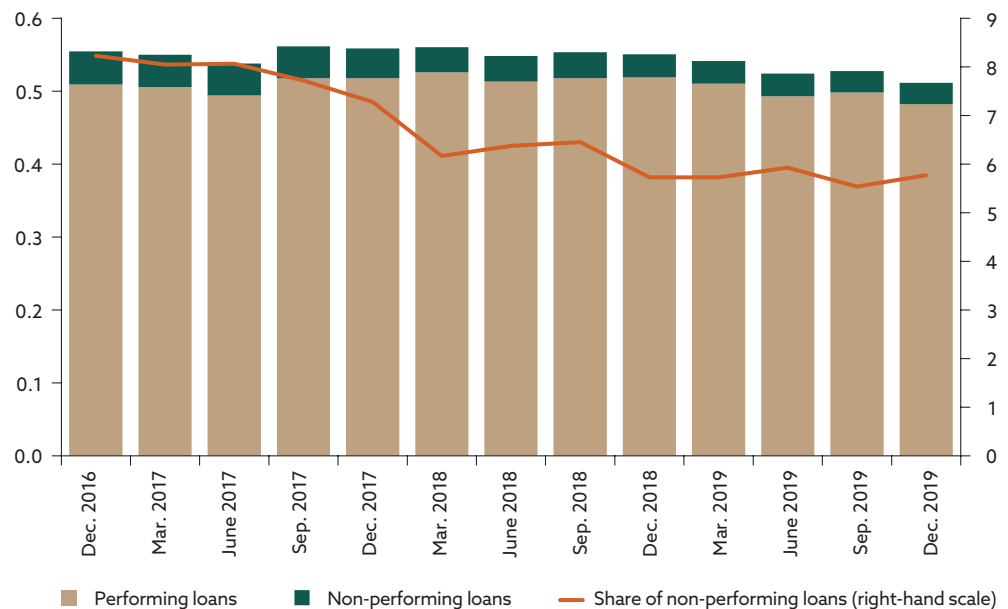
Share of non-performing loans in total loans to households (EUR billions, %)



Source: NBS.

**Chart 45**

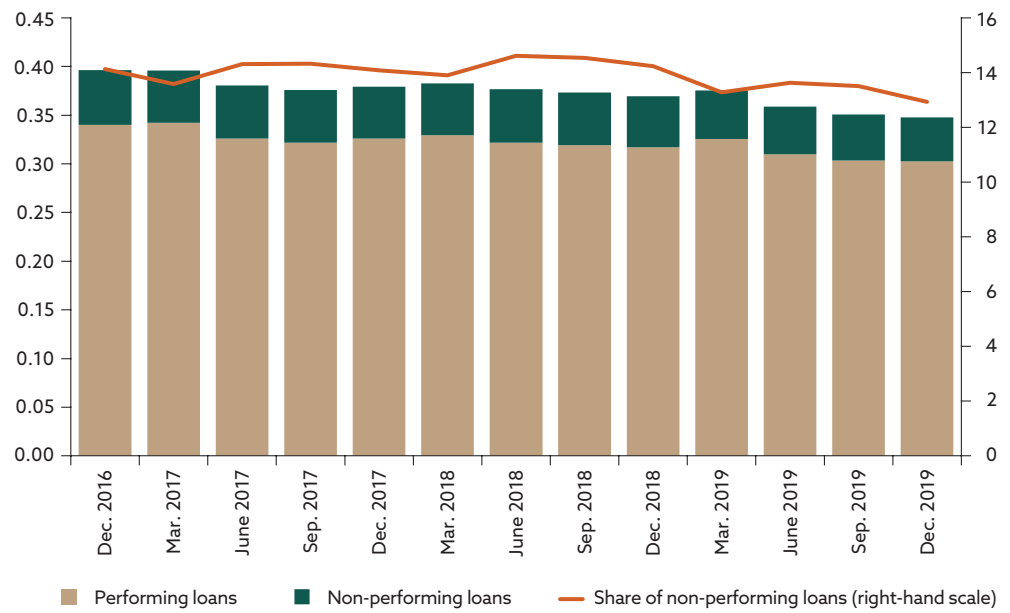
Share of non-performing loans in bank overdrafts to households (EUR billions, %)



Source: NBS.

**Chart 46**

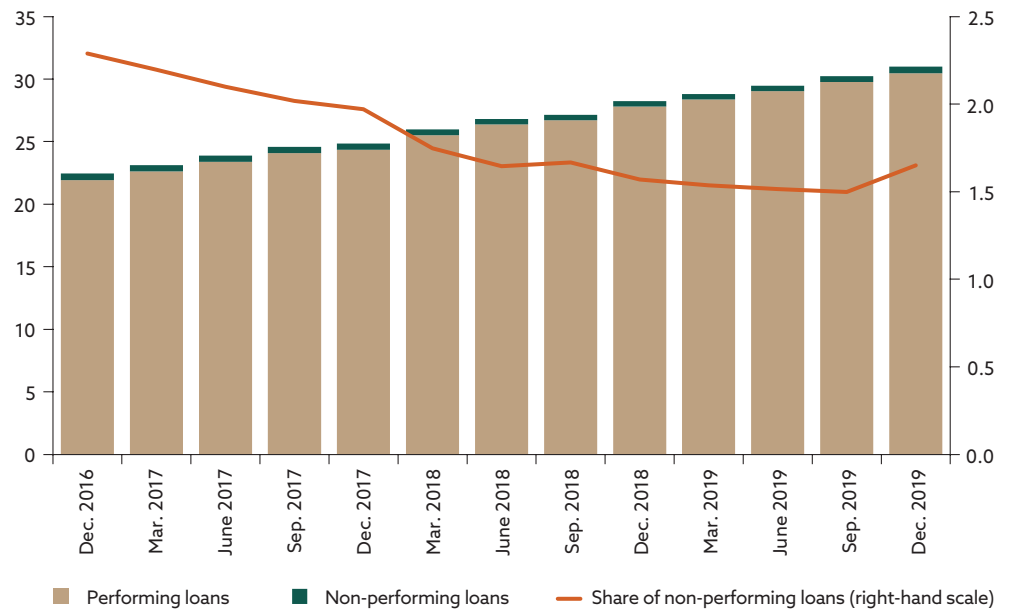
Share of non-performing loans in credit card loans to households (EUR billions, %)



Source: NBS.

**Chart 47**

Share of non-performing loans in loans for house purchase to households (EUR billions, %)

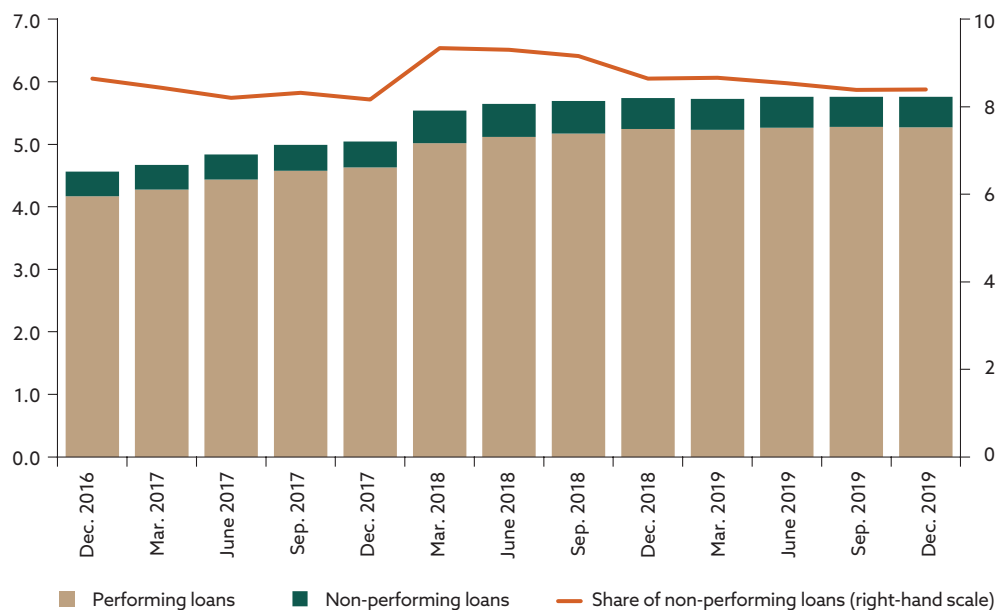


Source: NBS.



Chart 48

Share of non-performing loans in consumer loans to households (EUR billions, %)



Source: NBS.

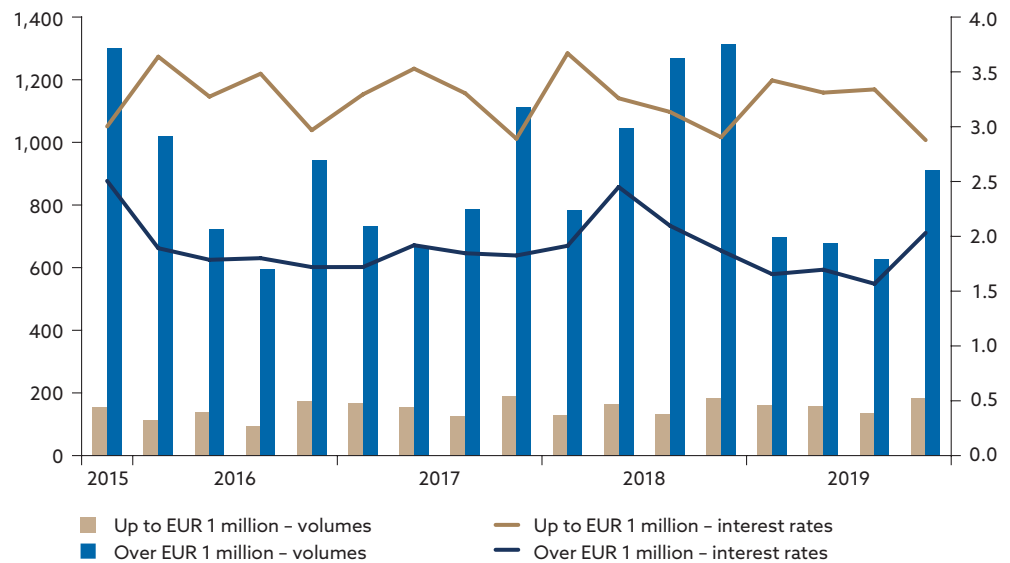
## 2.9 Loans – interest rates, volumes and stocks

### 2.9.1 New loans to non-financial corporations – interest rates and volumes

The total volume of new loans provided to non-financial corporations (NFCs) decreased by 5.0% in the fourth quarter of 2019, compared with the same quarter of 2018. In the category of **'loans of up to €1 million'**, the volume of loans increased slightly in the period under review, by 0.6% year on year. The share of these loans in the total volume of NFC loans provided in that period amounted to 17.7%. The average interest rate on these loans rose during that period by 0.1 percentage point, to 3.0% p.a. By contrast, the volume of loans in the **'loans of over €1 million'** category decreased in the last quarter of 2019, by 6.2% year on year. New loans in this category accounted for 82.3% of the total volume of NFC loans provided in that period, and the average interest rate on these loans fell by 0.2 percentage point, to 1.7% p.a.

**Chart 49**

**New loans to NFCs – interest rates and volumes (EUR millions, % p.a.)**

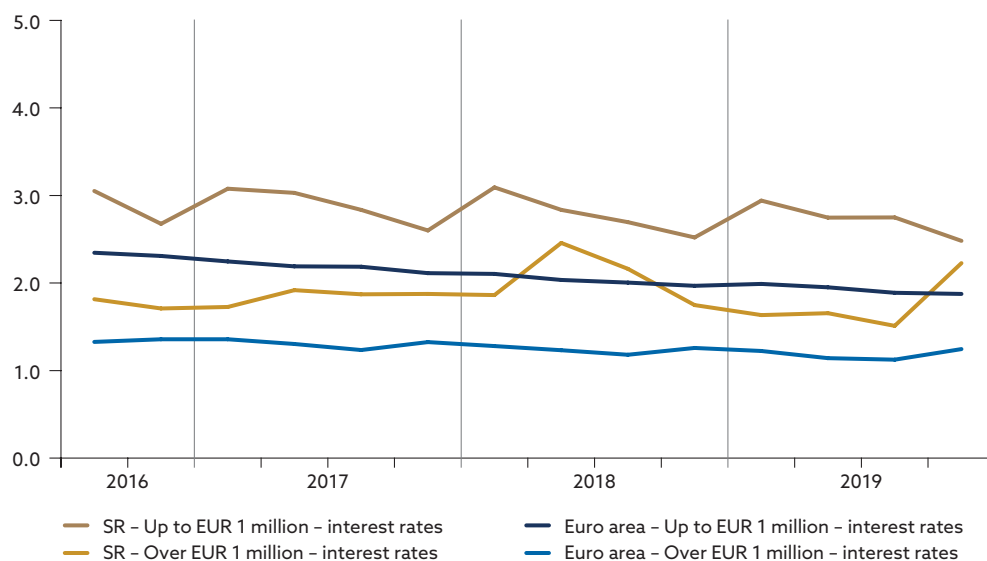


Source: NBS.

The total volume of new loans provided to NFCs during the period under review was dominated by loans with an initial rate fixation period of up to one year. A comparison of interest rates on such loans in Slovakia and in the euro area indicates that, at the end of 2019, the average rate for **loans of up to €1 million** in Slovakia (2.5% p.a.) was higher than the corresponding rate in the euro area (1.9% p.a.). The average interest rate on **loans of over €1 million** in Slovakia (2.2% p.a.) was also higher than the corresponding rate in the euro area (1.3%).

Chart 50

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

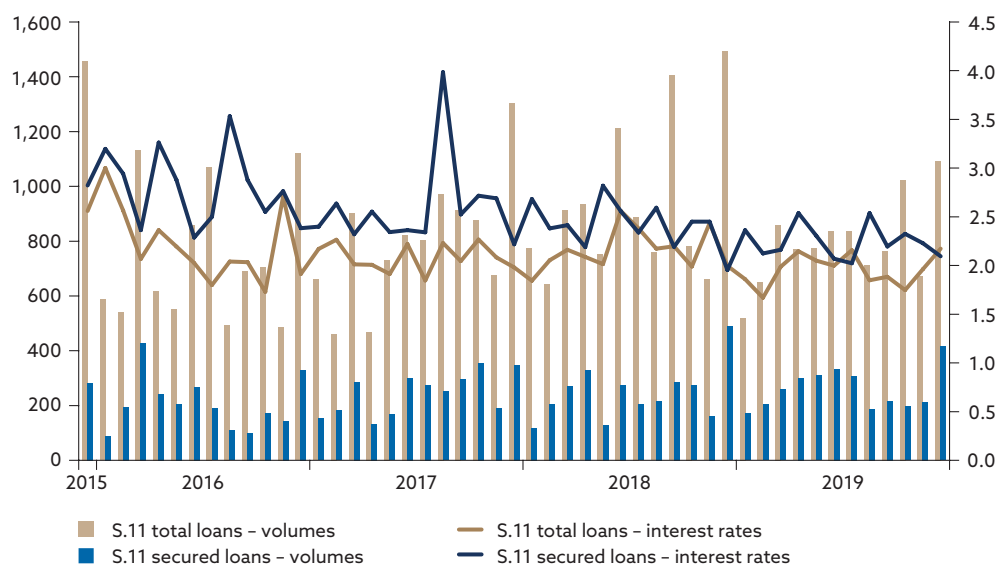


Source: ECB, NBS.

The share of new **secured** loans in the **total** volume of new loans provided to NFCs in the fourth quarter of 2019 decreased, year on year, from 31.5% to 29.6%. The average interest rate on secured loans remained unchanged in year-on-year terms, at 2.2% p.a. The average interest rate on new loans provided to NFCs in total fell in the period under review, by 0.1 percentage point year on year, to 2.0% p.a.

Chart 51

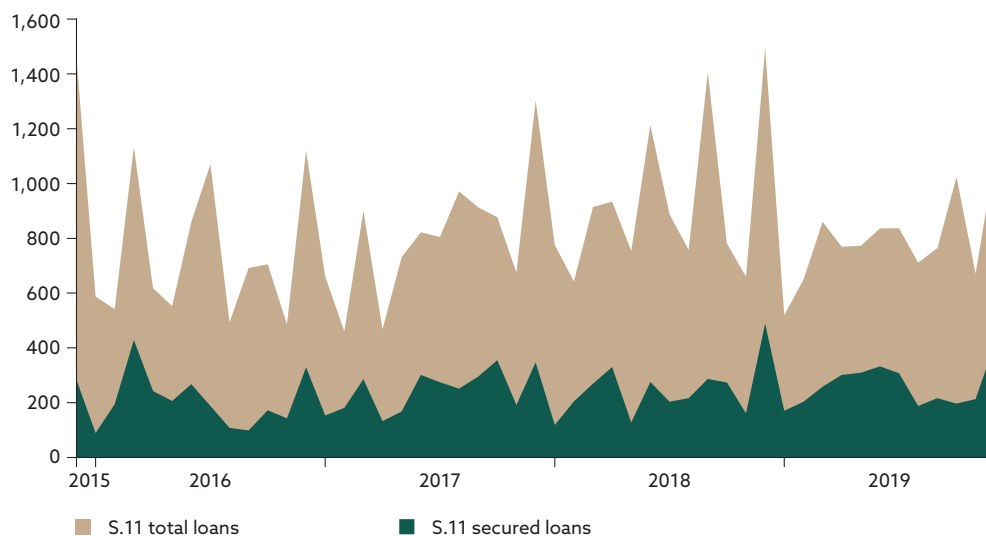
Secured and total new loans to NFCs - Interest rates and volumes (EUR millions) (% p.a.)



Source: NBS.

**Chart 52**

Share of secured loans in total new loans to NFCs (EUR millions)

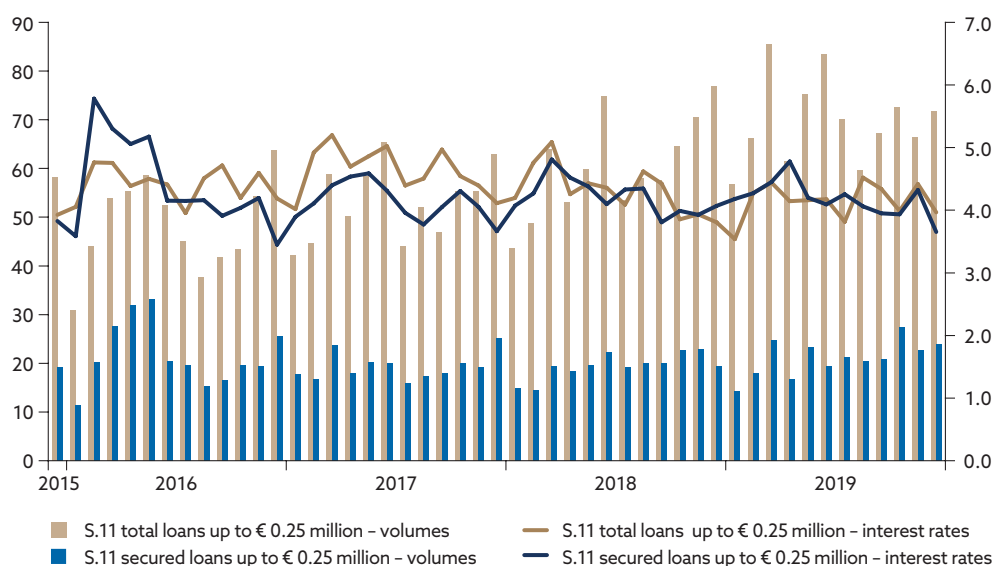


Source: NBS.

In the category of 'loans of up to €0.25 million', the share of new secured loans in the total volume of new loans provided to NFCs increased in the last quarter of 2019, by 4.5% year on year, to 35.1%. The average interest rate on secured loans of this category remained unchanged in the period under review, at 4.0% p.a. The average interest rate on new loans of over €0.25 million provided to NFCs rose in that period by 0.3 percentage point, to 4.1% p.a.

**Chart 53**

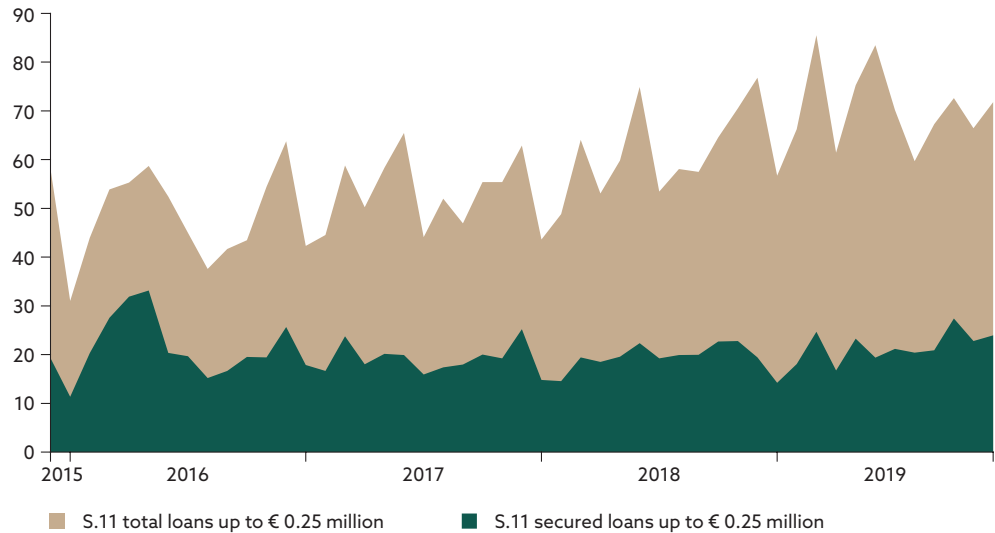
Secured and total new NFC loans up to € 0.25 million - interest rates and volumes (EUR millions, % p.a.)



Source: NBS.

Chart 54

Share of secured loans in total new loans up to € 0.25 million to NFCs  
(EUR millions)

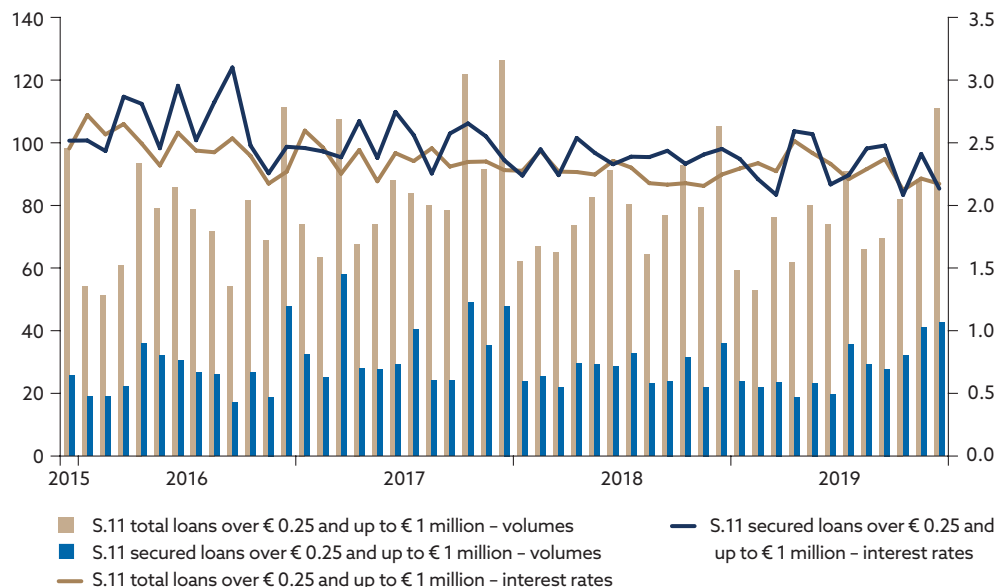


Source: NBS.

In the category of **'loans of over 0.25 million and up to 1 million'**, the share of new secured loans in the total volume of loans provided to NFCs increased in the last quarter of 2019, by 8.9% year on year, to 41.2%. The average interest rate on secured loans of this category fell in that period by 0.2 percentage point, to 2.2% p.a. The average interest rate on new loans of over €0.25 million and up to €1 million provided to NFCs remained unchanged, at 2.2% p.a.

Chart 55

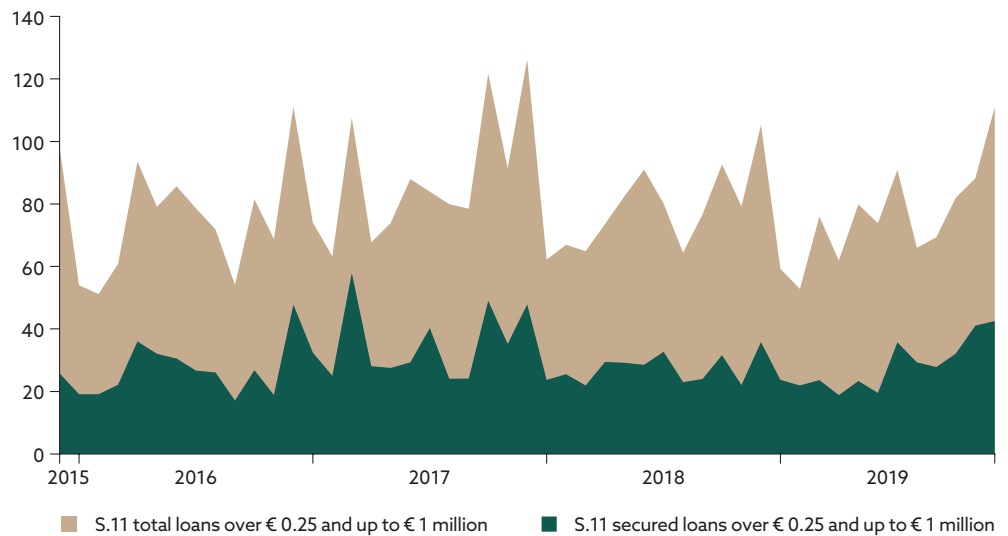
Secured and total new loans over € 0.25 million and up to € 1 million to NFCs - interest rates and volumes (EUR millions, % p.a.)



Source: NBS.

Chart 56

Share of secured loans in total new loans over € 0.25 and up to € 1 million to NFCs (EUR millions)

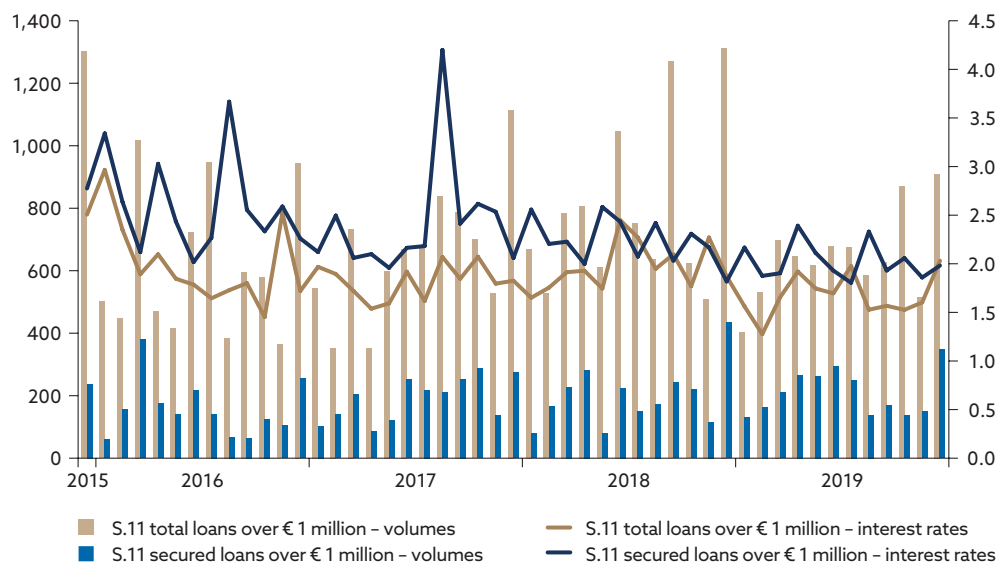


Source: NBS.

In the category of 'loans of over €1 million', the share of new secured loans in the total volume of new loans provided to NFCs decreased in the last quarter of 2019, by 3.8% year on year, to 27.6%. The average interest rate on secured loans of this category remained unchanged in the quarter under review, at 2.0% p.a. The average interest rate on new NFC loans fell in that period by 0.2 percentage point year on year, to 1.7% p.a.

Chart 57

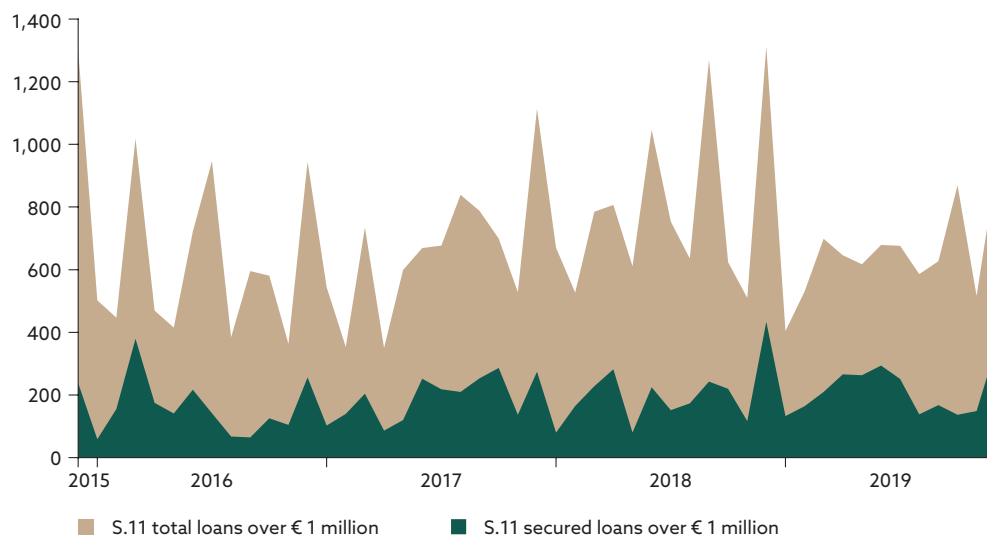
Secured and total new loans over € 1 million to NFCs - interest rates and volumes (EUR millions, % p.a.)



Source: NBS.

**Chart 58**

Share of secured loans in total new loans over € 1 million to NFCs (EUR millions)



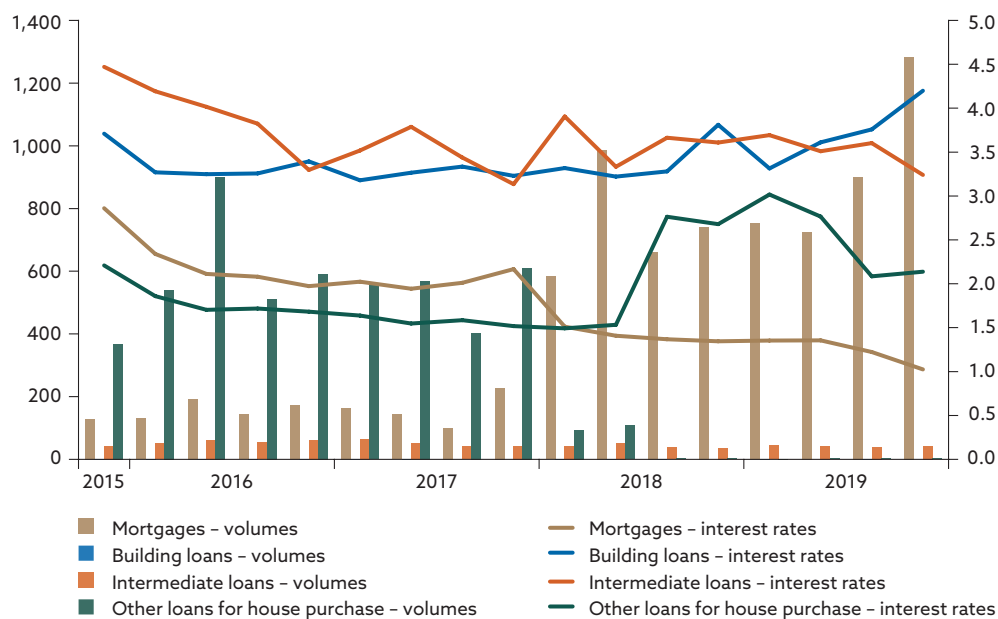
Source: NBS.

## 2.9.2 New loans to households – interest rates and volumes

Households' demand for **housing loans** remained strong in the last quarter of 2019, far stronger than their demand for any other type of loan. The average interest rate on housing loans fell in that period by 0.3 percentage point year on year, to 1.2% p.a. The average interest rates on the individual types of housing loans were in the period under review as follows: the rate for intermediate loans provided by home savings banks fell by 0.3 percentage point, to 3.4% p.a.; the rate for building loans, which are also provided by home savings banks, rose by 0.4 percentage point, to 4.0% p.a.; the rate for mortgage loans fell by 0.3 percentage point, to 1.1% p.a.; and the rate for other loans for house purchase dropped by 0.8 percentage point, to 2.3% p.a.

Chart 59

New loans for house purchase to households – interest rates and volumes  
(EUR millions, % p.a.)



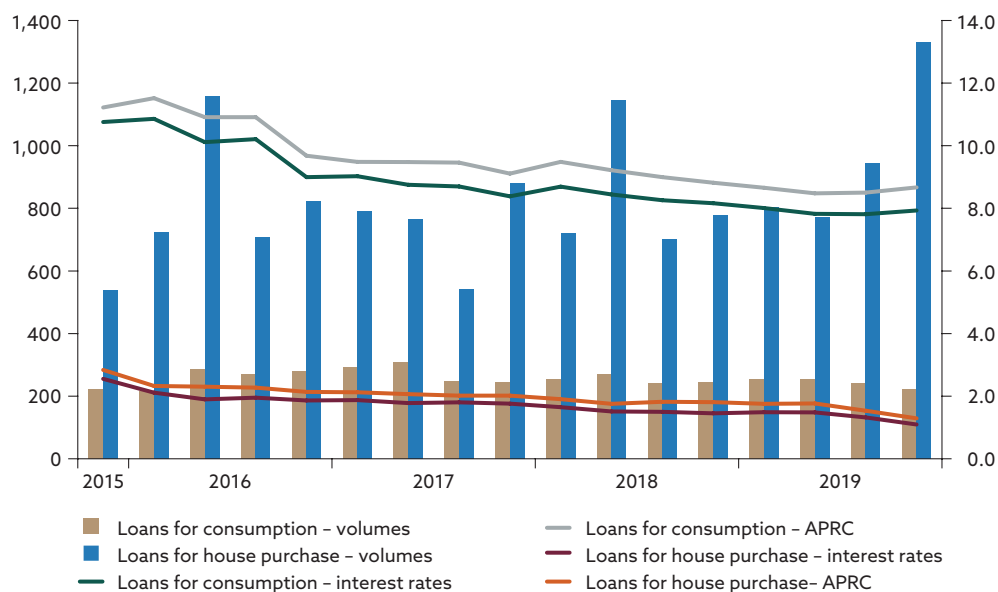
Source: NBS.

The **annual percentage rate of charge (APRC)** on loans provided to households usually exceeds the rate of interest charged on these loans. Like the average interest rate on housing loans, the APRC on these loans decreased in the last quarter of 2019, by 0.4 percentage point year on year, to 1.4% p.a. The APRC on consumer loans showed a similar trend in that period, with the average interest rate falling by 0.4 percentage point year on year, to 7.8% p.a., and the average APRC on consumer loans decreasing by 0.3 percentage point, to 8.5% p.a.



Chart 60

New loans for consumption and loans for house purchase – interest rates, APRC and volumes (EUR millions, % p.a.)

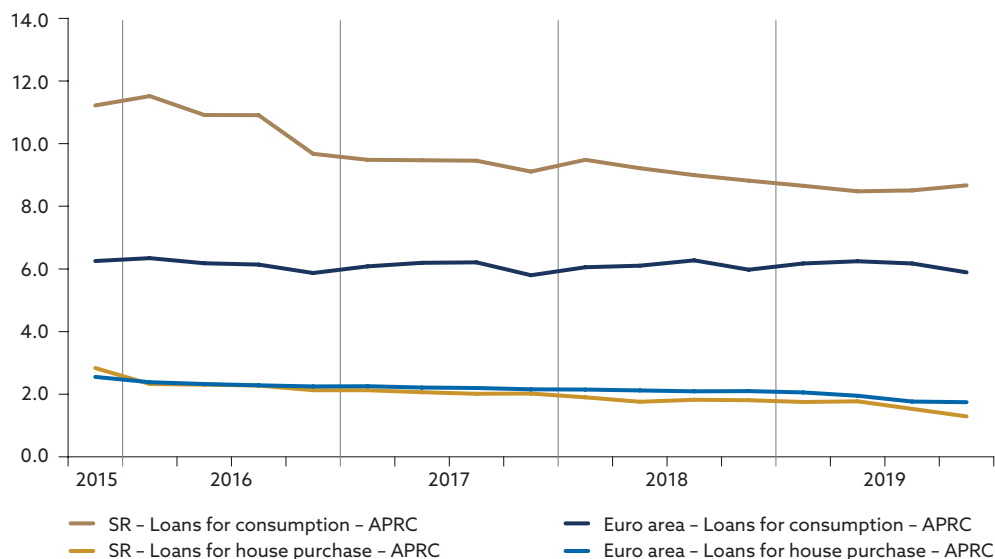


Source: NBS.

A comparison of the APRC related to housing loans in Slovakia with the same indicator of the euro area as at the end of 2019 points to the same trend. In year-on-year terms, the APRC related to housing loans declined in both Slovakia and the euro area by, respectively, 0.5 percentage point (to 1.3% p.a.) and 0.4 percentage point (to 1.8% p.a.). The same trend was recorded in consumer loans. The APRC for consumer loans in Slovakia decreased, year on year, by 0.2 percentage point, to 8.6% p.a. at the end of 2019, and that for the same loan category in the euro area fell by 0.1 percentage point, to 5.9% p.a.

Chart 61

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



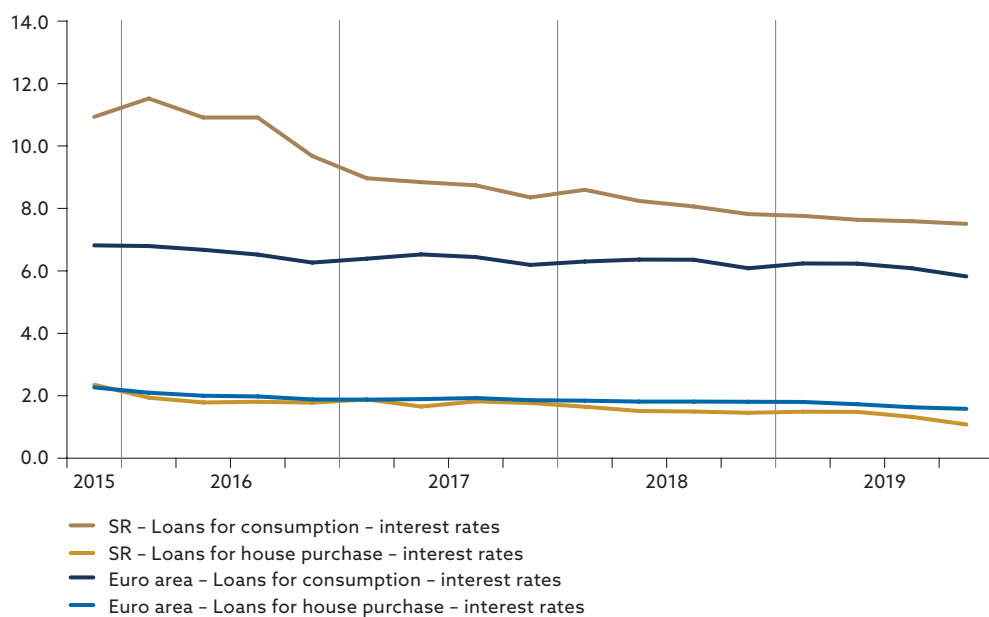
Source: ECB, NBS.

In the category of new housing loans, the most representative indicator for Slovakia is the cost of **housing loans with an initial rate fixation period of over one year and up to five years**. Lending rates in this category dropped, year on year, by 0.4 percentage point, to 1.1% p.a. at the end of 2019. The rate for a comparable type of housing loans in the euro area fell in the period under review, by 0.2 percentage point, to 1.6% p.a.

In the category of new consumer loans, the most representative indicator for Slovakia is the cost of **consumer loans with an initial rate fixation period of over five years**. Lending rates in this category declined, year on year, by 0.3 percentage point, to 7.5% p.a. at the end of 2019. The rate for a comparable type of consumer loans in the euro area fell in the period under review by 0.3 percentage point, to 5.8% p.a.

Chart 62

Interest rates on loans for consumption and loans for house purchases to households in SR and euro area (new business) (% p.a.)

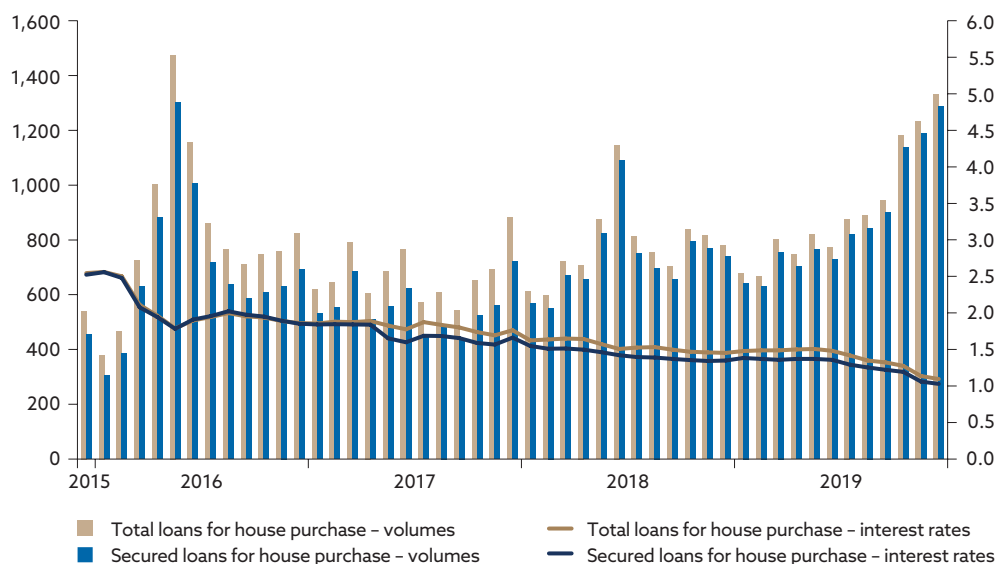


Source: ECB, NBS.

The share of **new secured housing loans** in the total volume of loans provided to households for housing purposes increased, year on year, by 1.8% in the fourth quarter of 2019, to 96.5%. The average interest rate on these loans fell in the period under review by 0.3 percentage point, to 1.1% p.a.

Chart 63

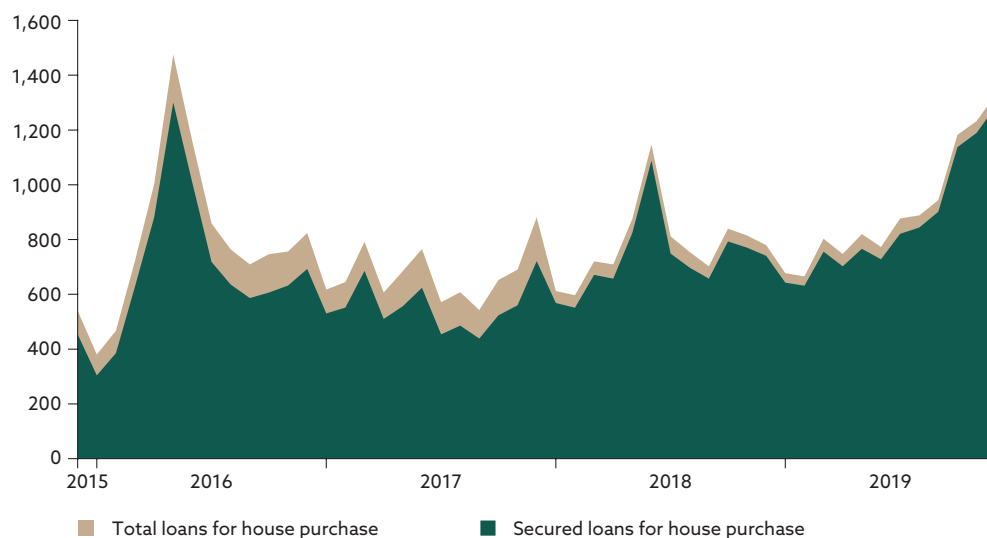
Secured and total new loans for house purchase to households - interest rates and volumes (EUR millions, % p.a.)



Source: NBS.

Chart 64

Share of new secured loans for house purchase in total new loans for house purchase to households (EUR millions)

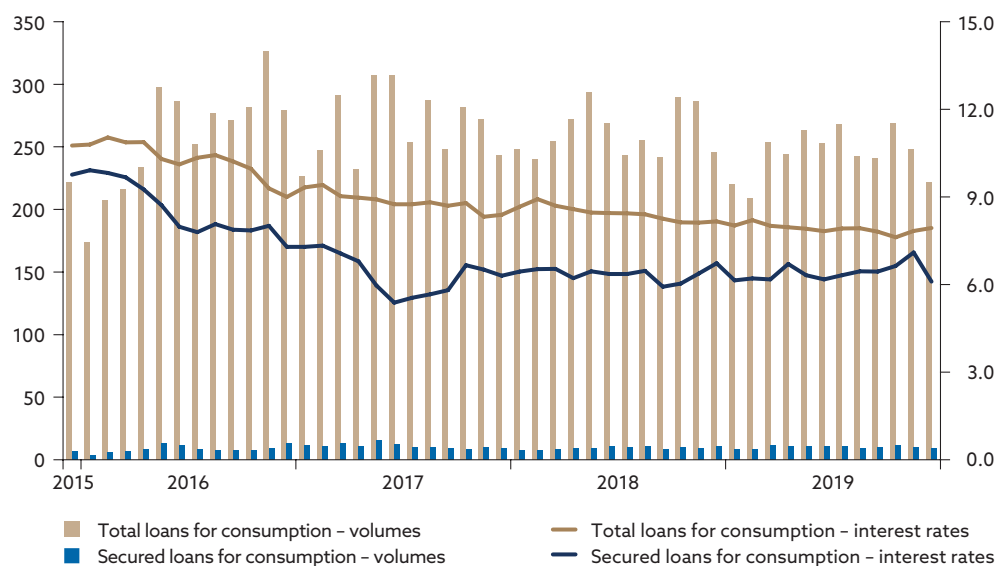


Source: NBS.

The share of **secured consumer loans** in the total volume of consumer loans is far lower than the share of secured housing loans in the total volume of housing loans. In year-on-year terms, the share of secured consumer loans increased slightly in the last quarter of 2019, from 3.7% to 4.2%. The average interest rate on secured consumer loans rose in that period, by 0.3 percentage point year on year, to 6.6% p.a.

Chart 65

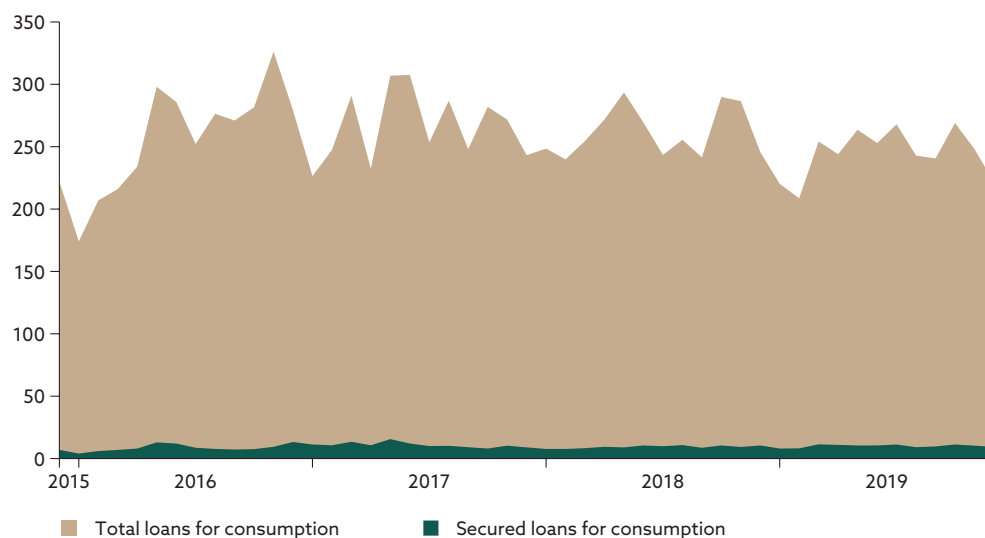
Secured and total new loans for consumption to households - interest rates and volumes (EUR millions, % p.a.)



Source: NBS.

**Chart 66**

**Share of secured loans for consumption in total new loans for consumption to households (EUR millions)**



Source: NBS.

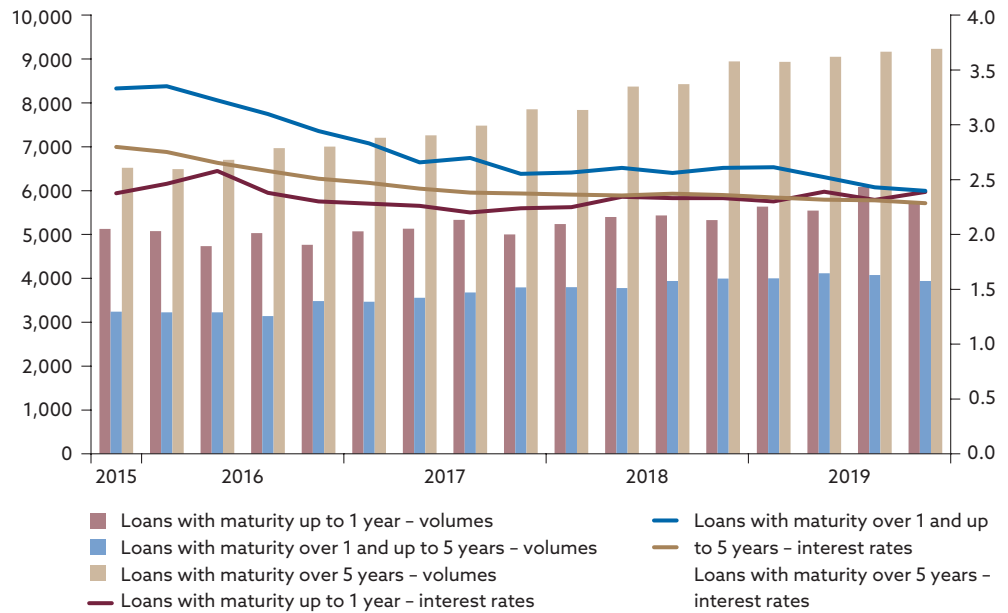
### 2.9.3 Loans to non-financial corporations – interest rates and stocks

Interest rates on loans provided to non-financial corporations (NFCs) with a maturity of over one year and up to five years have long been higher than the rates on loans with other maturities, but these loans account for the smallest share of the total stock of NFC loans. Loans with a maturity of over five years accounted for the largest share of the stock of NFC loans in the fourth quarter of 2019, continuing a trend going back to the second half of 2009.

Average interest rates on **NFC loans** underwent the following year-on-year changes in the fourth quarter of 2019: the average interest rate on loans with a **maturity of up to one year** remained unchanged, at 2.3% p.a.; the average rate for loans with a **maturity of over one year and up to five years** fell by 0.2 percentage point, to 2.4% p.a.; and the average rate for loans with a **maturity of over five years** fell, too, by 0.1 percentage point, to 2.3% p.a.

**Chart 67**

**NFC loans by maturity – interest rates and volumes (EUR millions, % p.a.)**

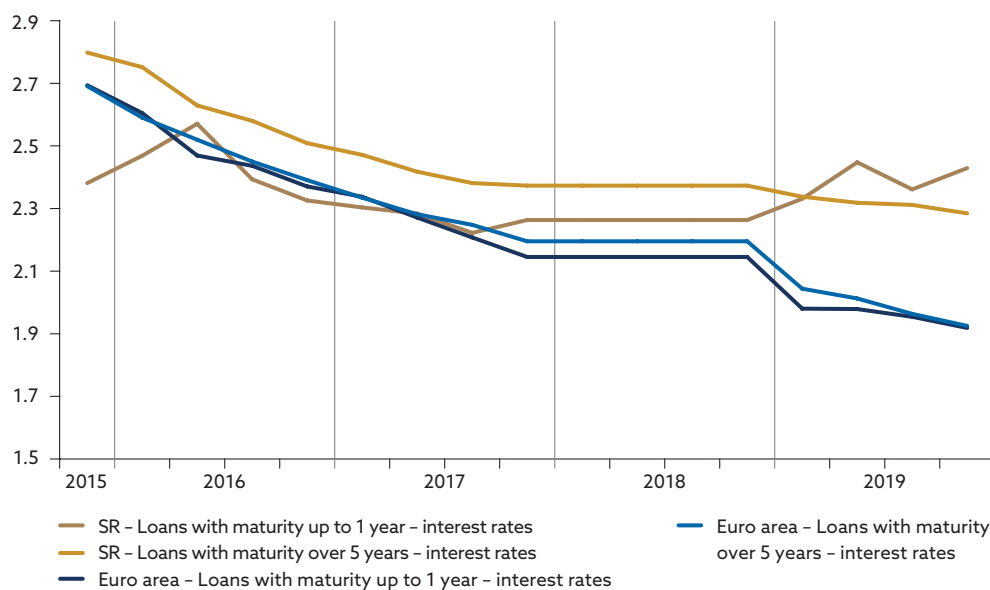


Source: NBS.

A year-on-year comparison of interest rates on the most significant categories of loans provided to **NFCs** in Slovakia and the euro area shows that the average rate for **loans with a maturity of up to one year** in Slovakia remained unchanged, year on year, at 2.4% p.a. at the end of 2019. The average rate for the same category of loans in the euro area fell by 0.1 percentage point year on year, to 1.9% p.a. In Slovakia, the average interest rate on **loans with a maturity of over five years** fell, year on year, by 0.1 percentage point, to 2.3% p.a. at the end of 2019. The average rate for the same category of loans in the euro area fell, too, by 0.1 percentage point year on year, to 1.9% p.a.

Chart 68

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



Source: ECB, NBS.

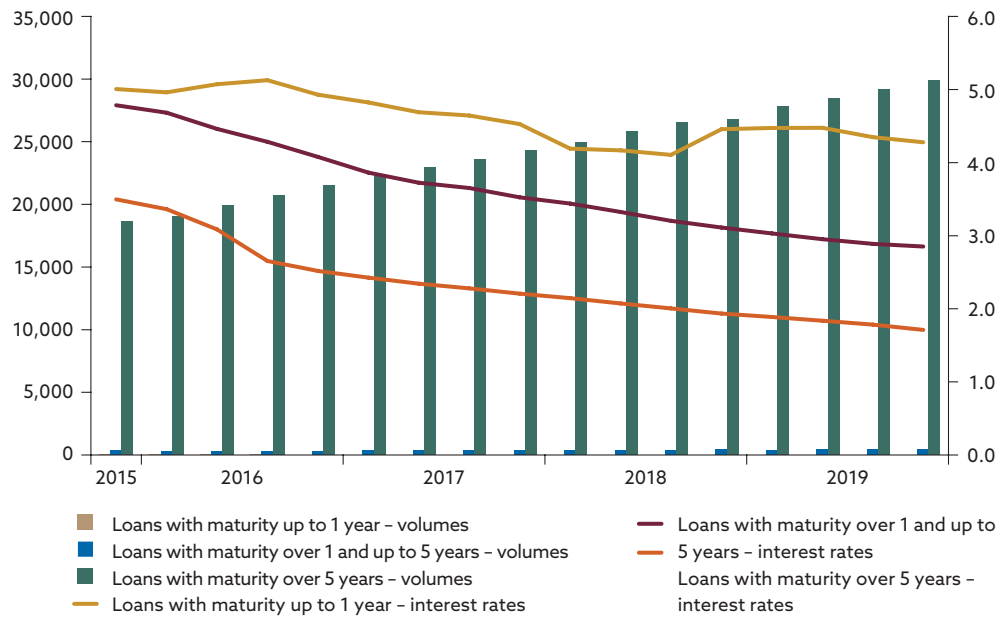
#### 2.9.4 Loans to households - interest rates and stocks

In terms of the stock of loans, a clear majority of loans provided to households (both housing loans and consumer loans) have a maturity of over five years.

Interest rates on house purchase loans provided to **households** changed in the period under review as follows: the average rate for **loans with a maturity of over five years** fell, year on year, by 0.2 percentage point, to 1.7% p.a.; the average rate for **loans with a maturity of over one year and up to five years** fell, too, by 0.3 percentage point, to 2.9% p.a.; and the average rate for **loans with a maturity of up to one year** rose by 0.1 percentage point year on year, to 4.3% p.a.

Chart 69

Households loans for house purchase by maturity – interest rates and volumes  
(EUR million, % p.a.)



Source: NBS.

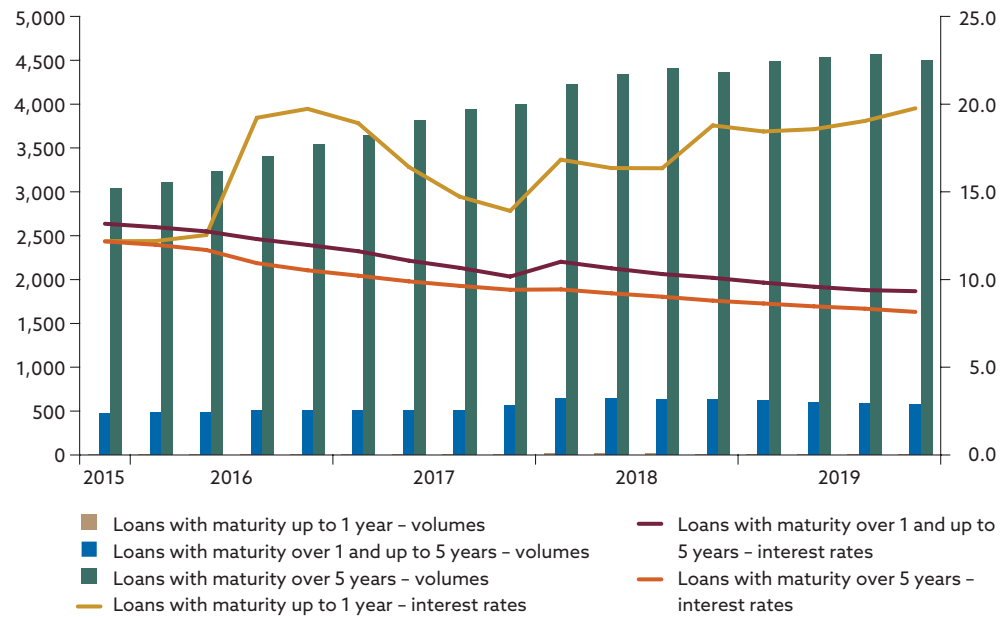
The stock of consumer loans with a maturity of up to one year decreased somewhat in the period under review and remained negligible. Thus, the rates of interest on these loans became rather volatile. The stock of consumer loans with a maturity of over one year and up to five years also followed a gradually decreasing trend over the period under review. Loans with a maturity of over five years still accounted for the largest share of the stock of consumer loans.

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 of over one year and up to five years** dropped, year on year, by 0.8 percentage point, to 9.3% p.a.; the average rate for consumer loans **with a maturity of over five years** fell, too, by 0.6 percentage point, to 8.2% p.a.; while the average rate for consumer loans **with a maturity of up to one year** rose by 1.1 percentage points year on year, to 19.4% p.a.



Chart 70

Households loans for consumption by maturity – interest rates and volumes  
(EUR millions, % p.a.)

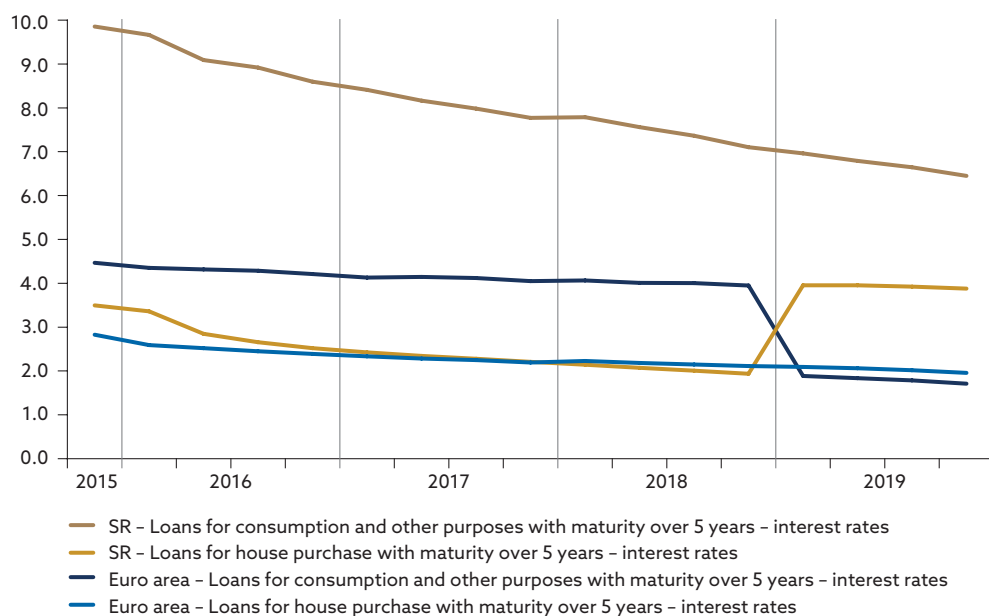


Source: NBS.

For a comparison of interest rates on loans provided to households in Slovakia and in the euro area, we selected the most significant categories of loans (in terms of volume), i.e. ‘house purchase loans’ with a maturity of over five years and ‘consumer loans and other loans’ with a maturity of over five years. In Slovakia, the average interest rate on **consumer loans and other loans with a maturity of over five years** declined, year on year, by 0.7 percentage point, to 6.5% p.a. at the end of 2019. The average rate for the same category of loans in the euro area edged down by 0.1 percentage point year on year, to 3.9% p.a. Interest rates on **house purchase loans with a maturity of over five years** showed the same tendency in both Slovakia and the euro area. In year-on-year terms, the average rate for this category of loans in Slovakia fell by 0.2 percentage point, to 1.7% p.a., and the same rate in the euro area edged down by 0.1 percentage point, to 2.0% p.a. at the end of 2019.

Chart 71

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



Source: ECB, NBS.

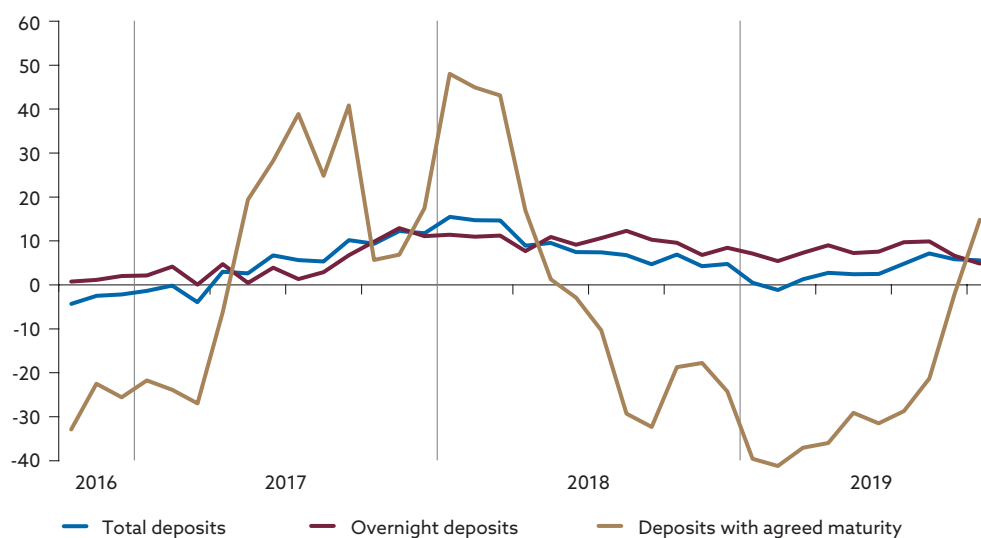
## 2.10 Deposits received from non-financial corporations and households

### 2.10.1 Deposits received from non-financial corporations

The stock of deposits received from NFCs was 5.6% higher at the end of the last quarter of 2019 than a year earlier. This increase took place in sight deposits (4.9%) and deposits with agreed maturity (14.8%). The stock of other deposits, by contrast, decreased in the period under review by 10.4% year on year.

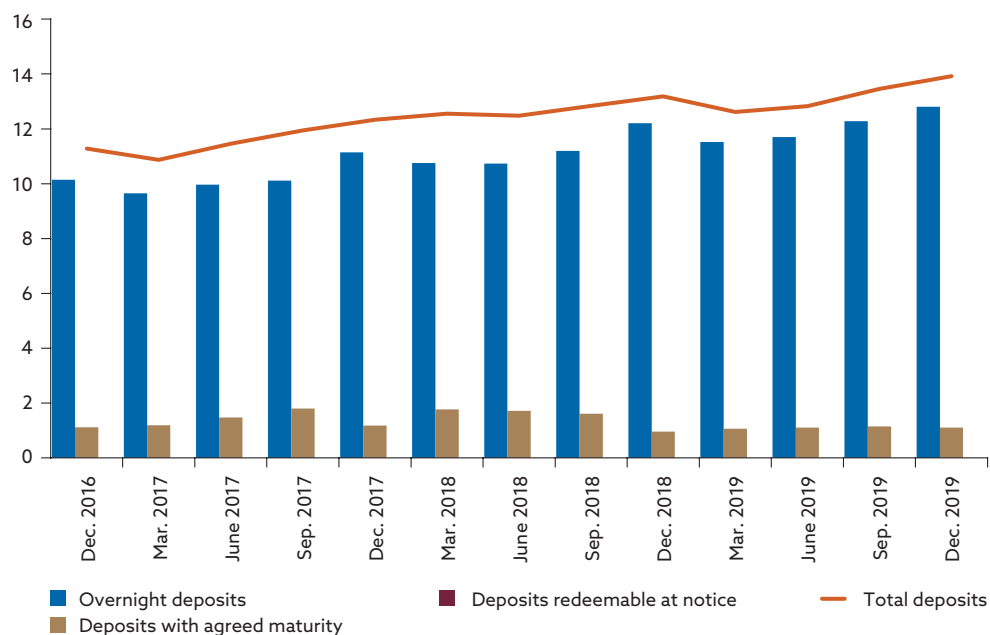
Chart 72

NFC deposits by type (year-on-year percentage changes)



Source: NBS.

**Chart 73**  
**NFC deposits (EUR billions)**



Source: NBS.

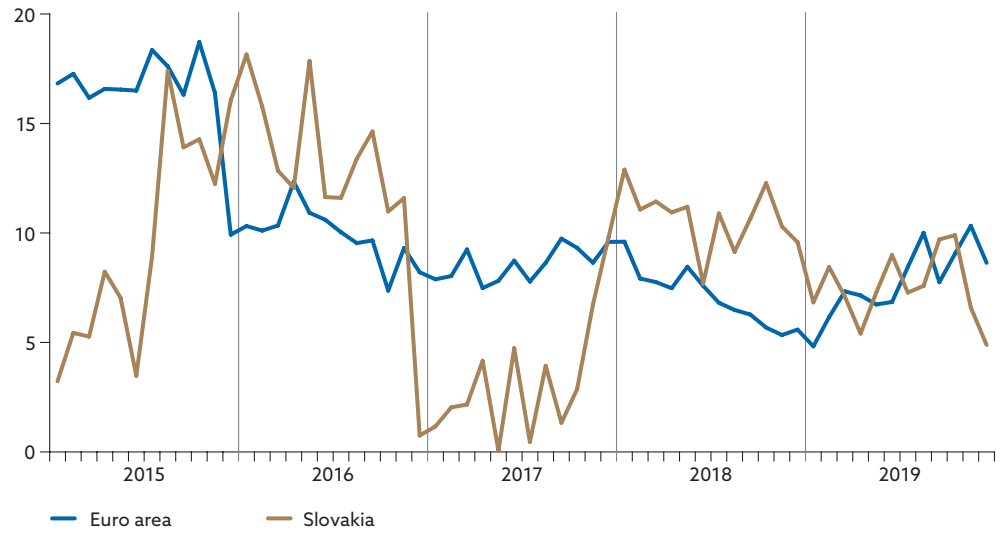
### 2.10.2 Deposits received from non-financial corporations (euro area comparison)

The stock of sight deposits received from NFCs in the area recorded a year-on-year increase of 8.6% at the end of December 2019. In Slovakia, sight deposits received from NFCs followed a similar trend, though the rate of growth slowed down to a greater extent than in the euro area.

The stock of deposits with agreed maturity in Slovakia recorded relatively sharp year-on-year decreases in all months, except in December 2019. The average rate of decline in sight deposits in Slovakia amounted to -24.5% in 2019. The annual rate of change in deposits with agreed maturity in the euro area fluctuated around 0% during 2019. In the last few months, however, the year-on-year decline deepened still further, to -4.5% in December 2019.

**Chart 74**

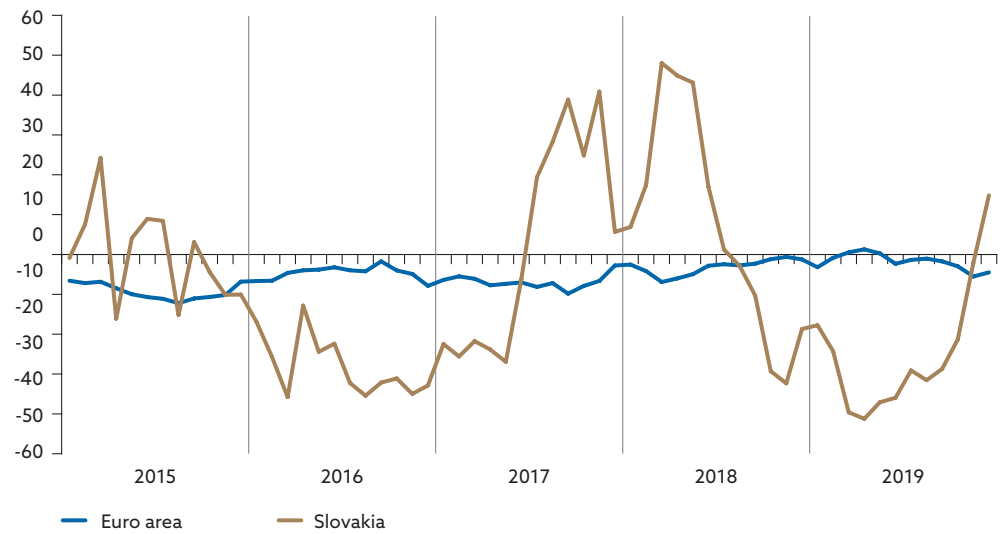
**Overnight Deposits received from non-financial corporations (compared with data from the euro area) (year-on-year change in %)**



Source: NBS, ECB.

**Chart 75**

**Deposits with agreed maturity received from non-financial corporations (compared with data from the euro area) (year-on-year change in %)**



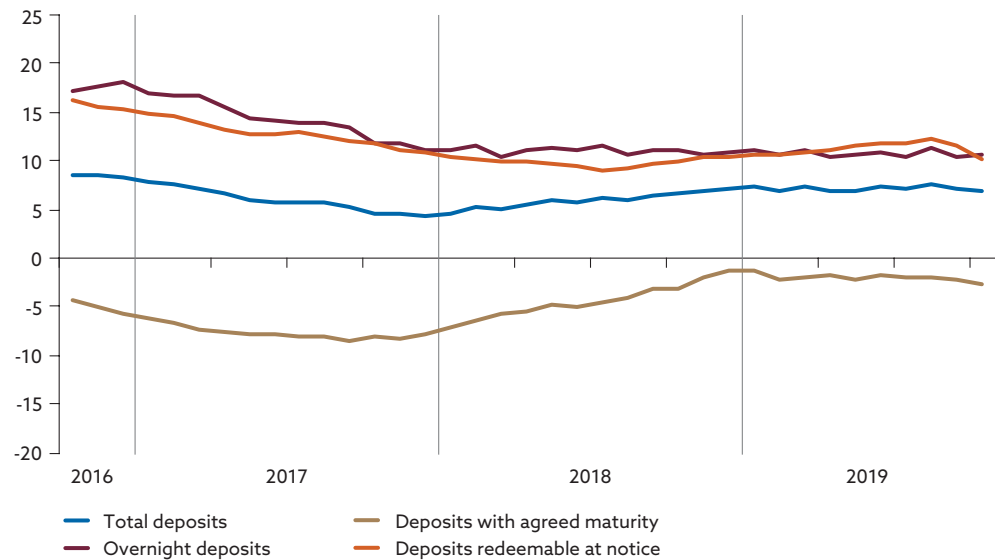
Source: NBS.

### 2.10.3 Deposits received from households

The total stock of deposits received from households increased in the fourth quarter of 2019, by 7.0% year on year. This increase was caused by growth in sight deposits (10.7%) and deposits redeemable at notice (10.1%)<sup>1</sup>. By contrast, the growing trend in household deposits was negatively affected by deposits with agreed maturity, which declined by 2.6% year on year.

**Chart 76**

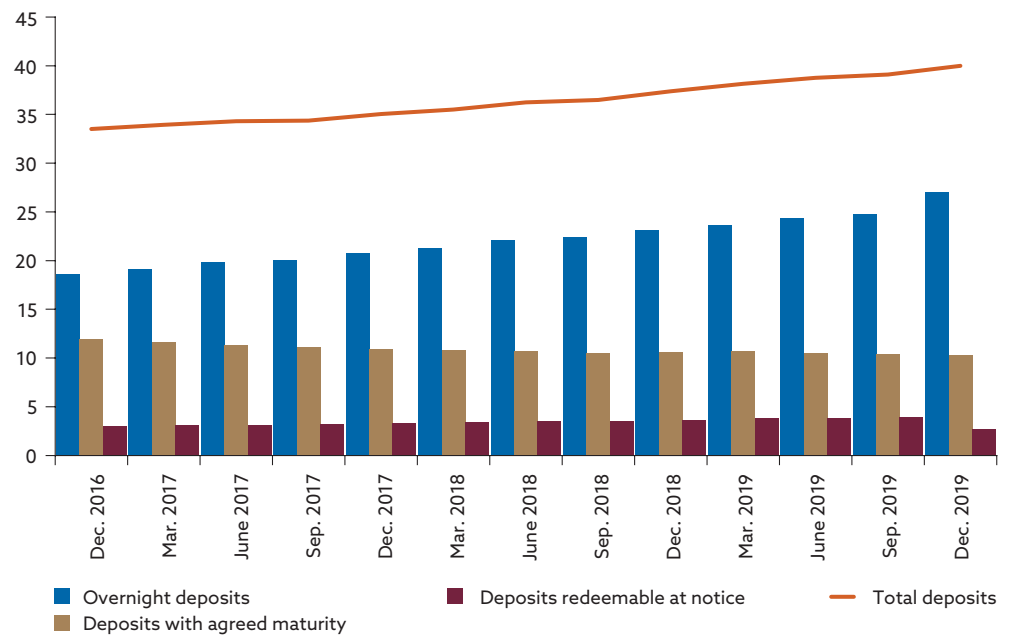
**Households deposits by type (year-on-year percentages change)**



Source: NBS.

<sup>1</sup> Sight deposits and deposits redeemable at notice were reclassified in 2019 on methodological grounds, which distorted the year-on-year comparison of deposits to some extent. The given growth rates apply to households in the euro area and are calculated from flows in the given items.

**Chart 77**  
Households deposits (EUR billions)

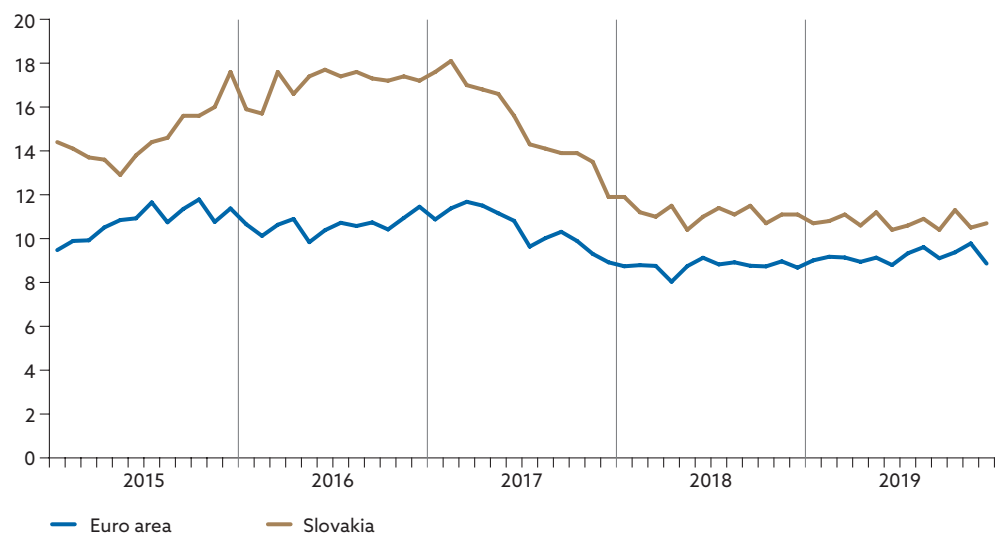


Source: NBS.

### 2.10.4 Deposits received from households (euro area comparison)

Sight deposits in Slovakia and in the euro area followed very similar trends during 2019. The annual growth in these deposits was, in both cases, relatively stable and strong in 2019.

**Chart 78**  
Households overnight deposits in Slovakia and in the euro area (year-to-year changes)



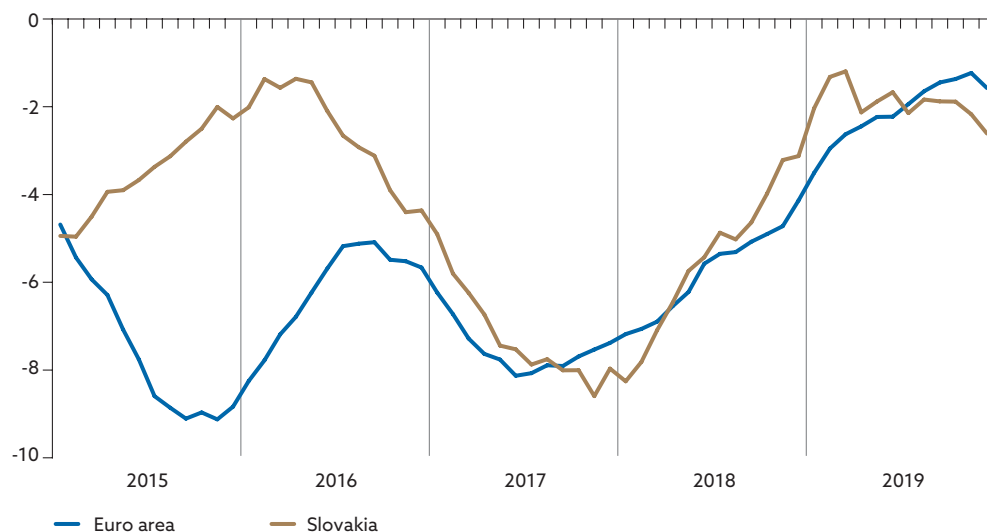
Source: NBS, ECB.

By contrast, the stock of deposits with agreed maturity declined, year on year, in both Slovakia and the euro area.

Household deposits redeemable at notice in Slovakia grew, year on year, at a much faster pace than in the euro area. In December 2019, the annual growth rate in Slovakia was 10.1%, compared with 2.8% in the euro area.

**Chart 79**

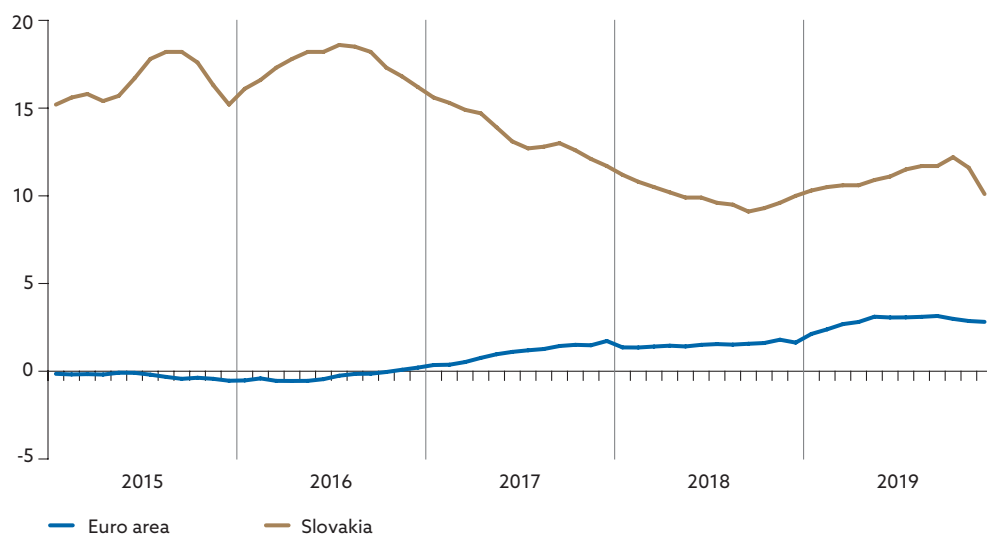
**Households deposits with agreed maturity in Slovakia and in the euro area (year-to-year changes)**



Source: NBS, ECB.

**Chart 80**

**Households deposits redeemable at notice in Slovakia and in the euro area (year-to-year changes)**



Source: NBS, ECB.

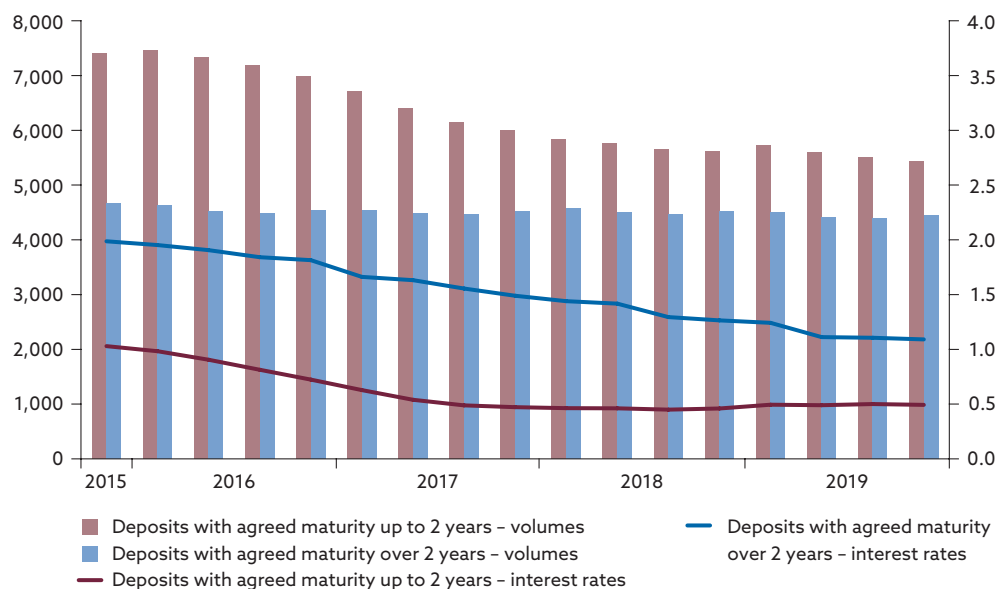
## 2.11 Deposits received – interest rates, volumes and stocks

### 2.11.1 Household deposits – interest rates and stocks

In the fourth quarter of 2019, household deposits **with an agreed maturity of up to two years** accounted for 55.3% of the total stock of household deposits with agreed maturity, which in year-on-year terms represented a decrease of 0.3%. The average interest rate on household deposits with an agreed maturity of up to two years remained unchanged in the period under review, at 0.5% p.a. The average rate on deposits **with an agreed maturity of over two years** was also lower in the period under review, by 0.2 percentage point year on year, at 1.1% p.a. The total stock of household deposits with agreed maturity decreased in that period by 2.2% year on year.

Chart 81

Household deposits with an agreed maturity – interest rates and stocks (EUR millions, % p.a.)



Source: NBS.

### 2.11.2 New household deposits – interest rates and volumes

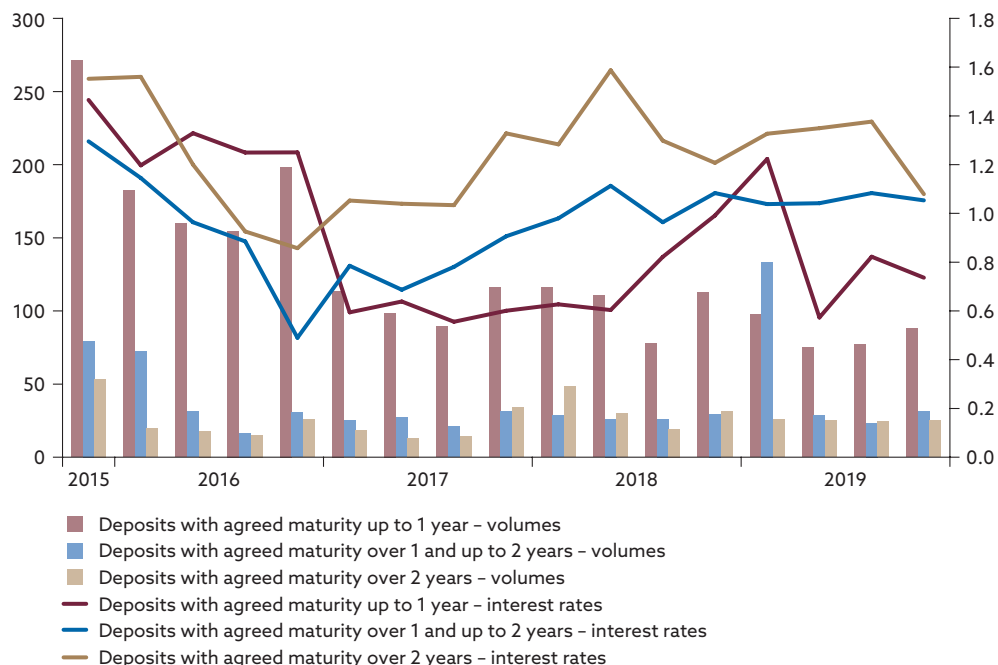
Interest rates on new household deposits with agreed maturity changed in the period under review as described below. The average interest rate on new household deposits **with an agreed maturity of up to one year** edged down by 0.1 percentage point, year on year, to 0.8% p.a., and the share of these deposits in the total volume of new household deposits with agreed maturity decreased by 2.2%, to 61.4%. The average rate on new deposits **with an agreed maturity of over one year and up to two years** edged up by 0.1 percentage point, to 1.1% p.a., and the share of these deposits in the total volume of new household deposits with agreed maturity increased



by 1.1%, to 19.9%. The average interest rate on deposits **with an agreed maturity of over two years** remained unchanged in the period under review, at 1.2% p.a., and their share of the total increased by 1.1%, to 18.7%.

**Chart 82**

**New household deposits with an agreed maturity – interest rates and volumes (EUR millions, % p.a.)**

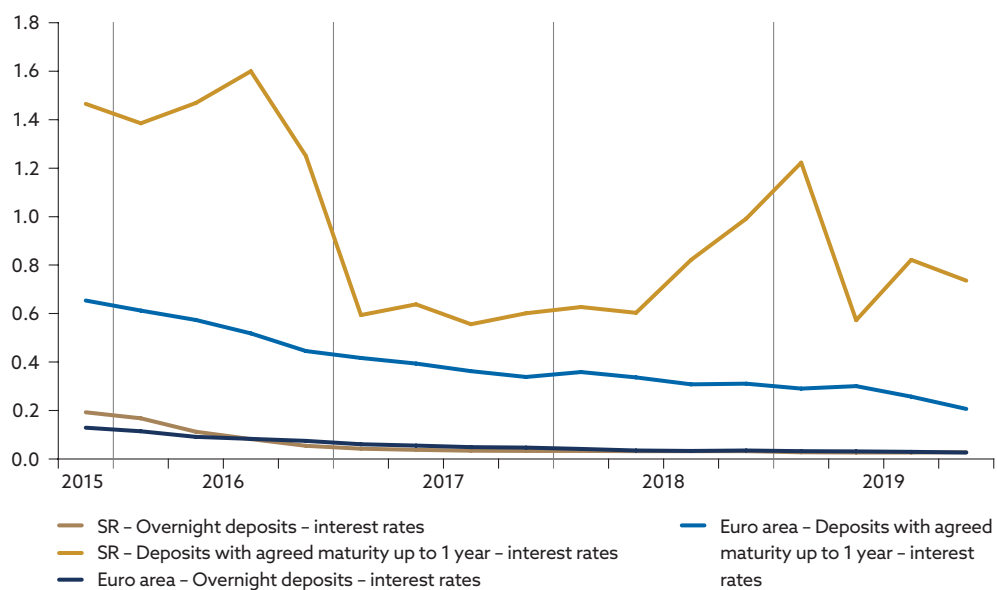


Source: NBS.

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. sight deposits and deposits with an agreed maturity of up to one year. In Slovakia, interest rates on **sight deposits** remained unchanged in year-on-year terms, at 0.03% p.a. The rate for the same category of deposits in the euro area edged down by 0.01 percentage point year on year, to 0.03% p.a. Interest rates on **new deposits with an agreed maturity of up to one year** in Slovakia and in the euro area recorded the following year-on-year changes in the period under review: the average rate for such deposits in Slovakia fell by 0.25 percentage point, to 0.74% p.a. at the end of 2019, while that for the same deposit category in the euro area edged down by 0.10 percentage point, to 0.21% p.a.

Chart 83

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



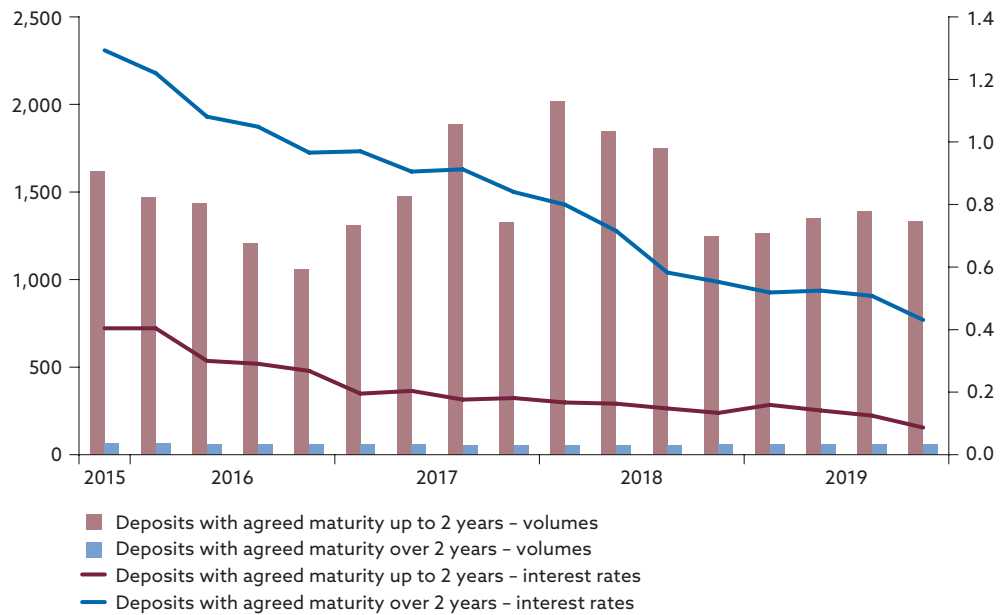
Source: ECB, NBS.

### 2.11.3 NFC deposits - interest rates and stocks

Deposits **with an agreed maturity of over two years**, received from **non-financial corporations (NFCs)** in the last quarter of 2019, accounted for 4.4% of the total stock of NFC deposits with agreed maturity, which in year-on-year terms represented an increase of 0.3%, while the average interest rate on these deposits fell by 0.1 percentage point, to 0.4% p.a. The average rate for deposits **with an agreed maturity of up to two years** remained unchanged in the period under review, at 0.1% p.a., while the share of these deposits in the total volume of NFC deposits with agreed maturity decreased slightly, by 0.3% to 95.6%. The total stock of NFC deposits with agreed maturity declined over the period under review, by 0.8% year on year.

Chart 84

NFC deposits with an agreed maturity – interest rates and stocks (EUR millions, % p.a.)



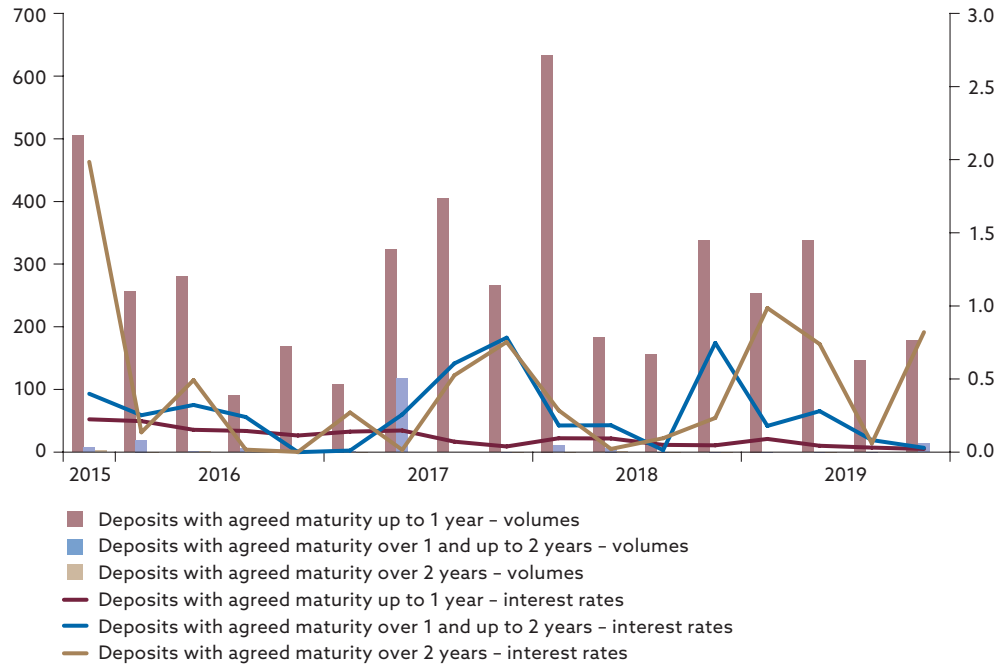
Source: NBS.

#### 2.11.4 New NFC deposits – interest rates and volumes

Interest rates on new deposits with agreed maturity, received from **non-financial corporations** (NFCs), changed in the fourth quarter of 2019, year on year, as described below. The average interest rate on new deposits **with an agreed maturity of over two years** edged down by 0.1 percentage point year on year, to 0.01% p.a., while the share of these deposits in the total volume of NFC deposits with agreed maturity remained insignificant (0.6%). Also insignificant (1.5%) was the share of new NFC deposits **with an agreed maturity of up to one year and up to two years**, the average interest rate on which fell in the period under review by 0.5 percentage year on year, to 0.04%. The average interest rate on new deposits **with an agreed maturity of up to one year** edged down, too, by 0.04 percentage point, to 0.04% p.a.; while these deposits accounted for the largest share (97.9%) of the total volume of new NFC deposits with agreed maturity.

**Chart 85**

**New NFC deposits with an agreed maturity – interest rates and volumes  
(EUR millions, % p.a.)**

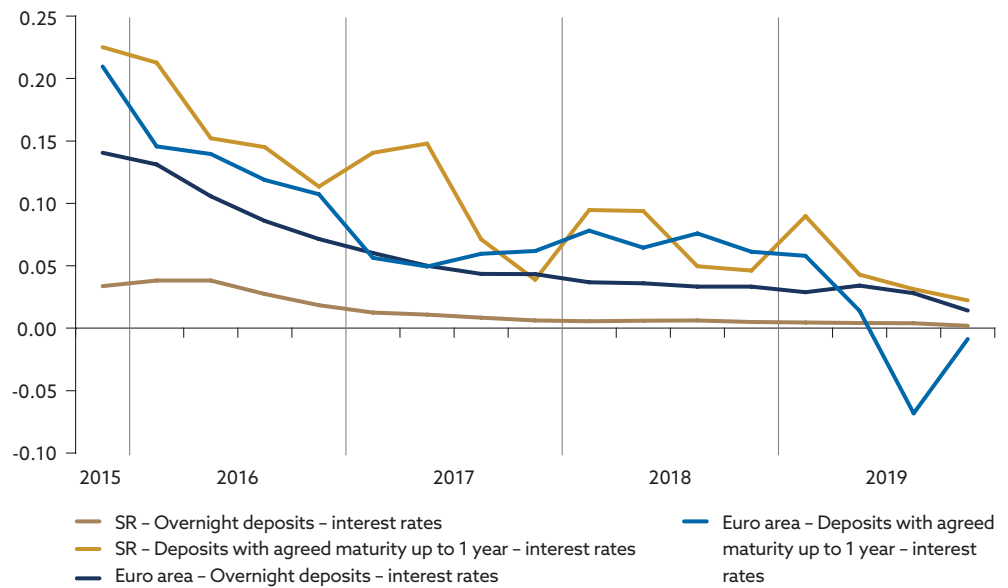


Source: NBS.

For a comparison of interest rates on **new NFC deposits** in Slovakia and those on the same type of deposits in the euro area, we selected the most significant types of deposits (in terms of volume), i.e. sight deposits and deposits with an agreed maturity of up to one year. In Slovakia, interest rates on **sight deposits** received from NFCs remained unchanged in year-on-year terms, at 0.00% p.a. at the end of 2019. The average rate for such deposits in the euro area fell slightly in the period under review, by 0.02 percentage point year on year, to 0.01% p.a. In Slovakia, the average interest rate on deposits **with an agreed maturity of up to one year** edged down by 0.03 percentage point year on year, to 0.02% at the end of 2019. The average rate for these deposits in the euro area fell, too, by 0.07 percentage point year on year, to -0.01% p.a.

Chart 86

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

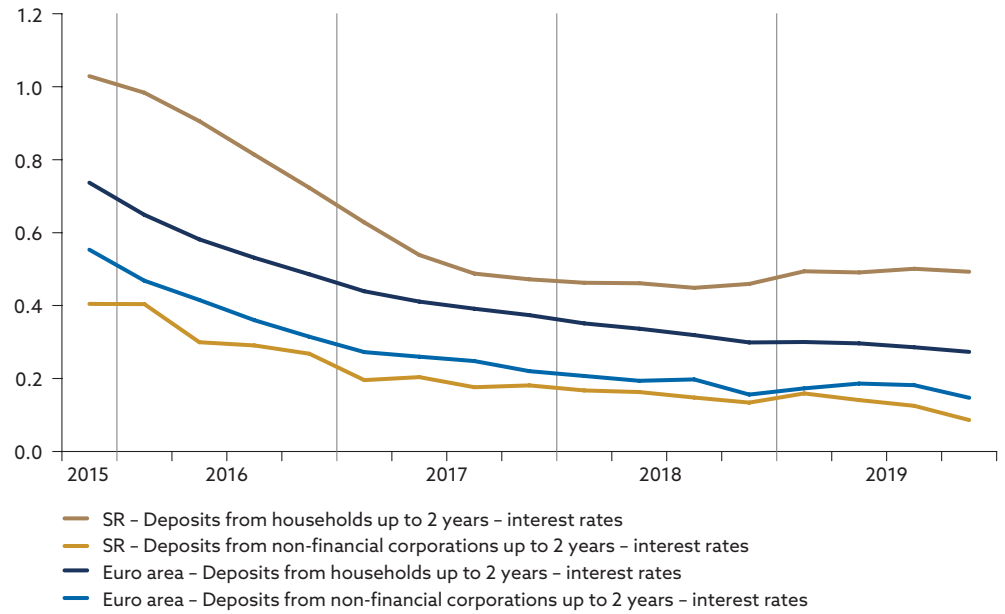


Source: ECB, NBS.

For a comparison of interest rates on new deposits with agreed maturity, received from NFCs and households in Slovakia, and those on the same type 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, the average interest rate on **NFC deposits with an agreed maturity of up to two years** fell, year on year, by 0.04 percentage point to 0.09% p.a. at the end of 2019. In the euro area, the average rate for the same category of deposits edged down by 0.01% year on year, to 0.15% p.a. The average interest rate on household deposits **with an agreed maturity of up to two years** edged up in Slovakia by 0.03 percentage point year on year, to 0.49% p.a. The same rate in the euro area declined to 0.27% p.a. at the end of 2019, from 0.30% p.a. at the end of 2018.

**Chart 87**

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



Source: ECB, NBS.

## 3 Investment funds and Money market funds

In Slovakia's financial market, the mutual fund market comprises six domestic asset management companies and one foreign asset management company, managing a total of 94 domestic open-end funds as at 31 December 2019.

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.
- GOLDSIDE Asset Management, správ. spol., a.s.

Foreign asset management company:

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

### 3.1 Current developments in the market

For the purposes of monetary and financial statistics compiled by the European Central Bank, mutual funds are broken-down to investment funds (ESA 2010 sector S.124) and money market funds (sector S.123). The investment funds are further more divided according to their investment strategy into the following categories: bond funds, equity funds, mixed funds, real estate funds, hedge funds and other funds.

Mixed funds accounted for the largest share, 47.51%, of the total assets of investment funds as at 31 December 2019. They were followed by bond funds with a share of 20.97% at the same date (down by 0.96 percentage point quarter on quarter), real estate funds with a share of 20.85%, and equity funds with a share of 8.95% at the end of 2019. As for other funds, including, for example, guaranteed funds, alternative investment funds, securities funds and professional investor funds, their share of total assets increased in the quarter under review, to 1.72% at 31 December 2019. Thus, other funds were the fifth most significant group of funds in terms of their share of the total assets of investment funds.

At the end of the last quarter of 2019, the total asset value of mixed funds was higher both year on year, by 15.94%, and quarter on quarter, by 2.45%. The total asset value of real estate funds was higher year on

year, by 14.05%, and quarter on quarter by 4.49% at 31 December 2019. The total asset value of equity funds was also higher at that date, by 39.76% year on year and 8.93% quarter on quarter. Bond funds recorded a quarter-on-quarter fall of 2.03% in their asset value, which decreased year on year by 6.58%. Other funds recorded a year-on-year increase of 45.28% at 31 December 2019.

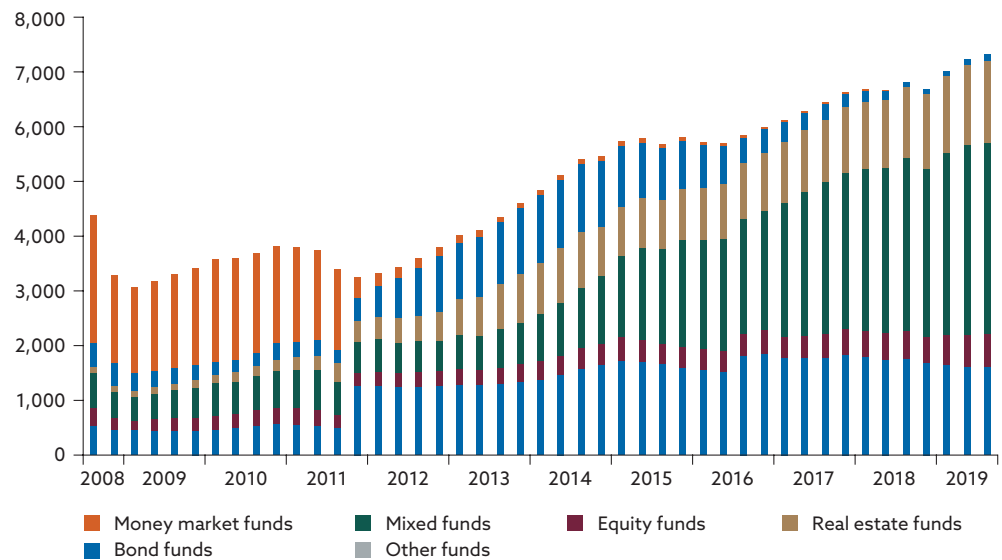
**Table 12 Total assets of mutual funds broken down by type of fund**

Total assets	Year-on-year change in %								
	XII. 2017	III. 2018	VI. 2018	IX. 2018	XII. 2018	III. 2019	VI. 2019	IX. 2019	XII. 2019
Bond funds	-0.45	1.70	-2.37	-1.79	-8.84	-8.94	-6.71	-8.43	-6.58
Equity funds	8.80	17.49	21.80	22.69	4.49	19.17	19.80	17.70	39.76
Mixed funds	30.50	21.55	15.12	13.50	7.44	12.35	14.18	10.40	15.94
Real estate funds	12.44	8.84	8.50	14.22	14.81	15.28	19.20	14.56	14.05
Other funds	-41.62	-44.70	-45.84	-69.72	-64.20	-55.47	-38.80	43.61	45.28

Source: NBS.

### Chart 88

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

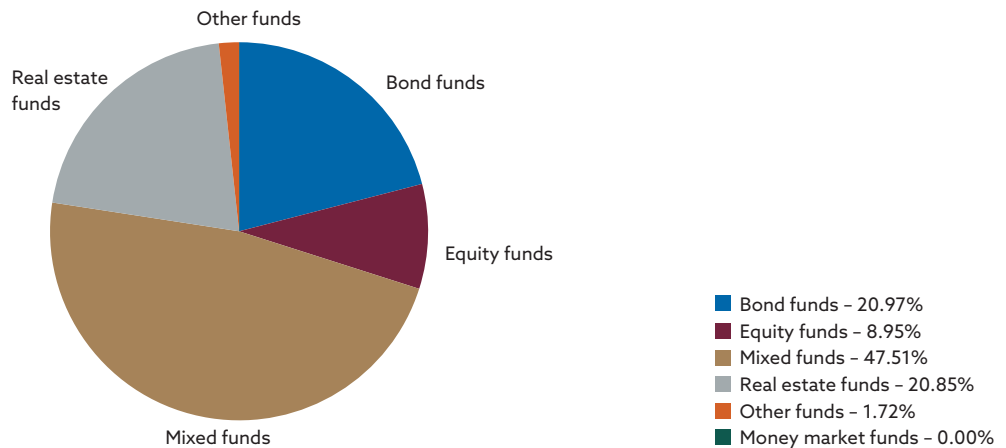


Source: NBS.



Chart 89

Total assets of domestic mutual funds as at 31 December 2019 broken down by type of fund



Source: NBS.

### 3.2 Asset structure of investment funds in Slovakia and in the euro area

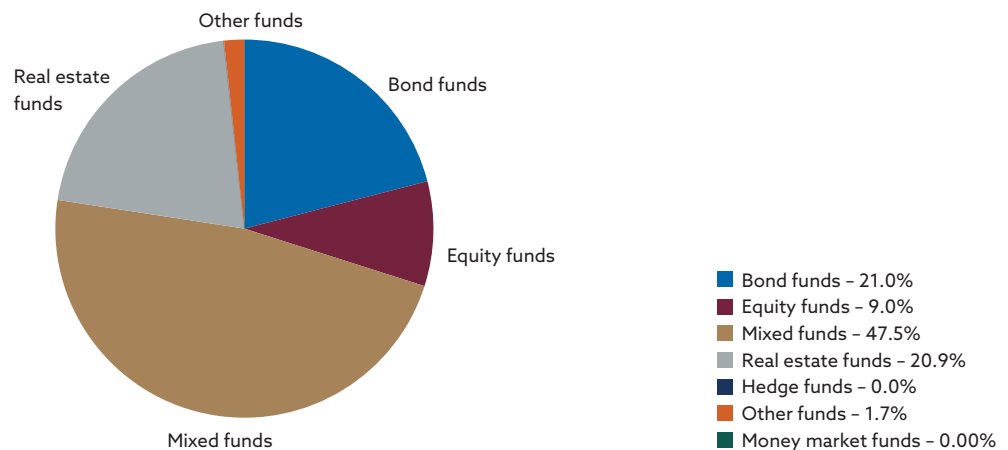
The asset structures of investment funds in Slovakia and in the euro area differ considerably, according to the funds' investment priorities. In the euro area, the dominant funds are bond funds with a share of 25.59% of the total, which represent the second largest group in Slovakia with a share of 20.96%. The dominant funds in Slovakia are mixed funds with a share of 47.51%, which are the third most significant funds in the euro area with a share of 22.77%. Real estate funds invest primarily in equity participations in real estate companies. The share of these funds in Slovakia differs substantially from that in the euro area. In Slovakia, real estate funds represent the third largest category of funds with a share of 20.85%. In the euro area, however, they account for only 5.98% of the total assets of investment funds and rank sixth in terms of significance. Besides real estate funds, equity funds also differ markedly in weight in the economic territories under comparison. Equity funds are the second most significant group of funds in the euro area, with a share of 25.48%. These funds in Slovakia are ranked fourth according to their share of total assets (8.95%). The smallest category of investment funds in the domestic market is represented by other funds (in terms of their share of total assets). They account for 1.72% of the total assets of investment funds in Slovakia, compared with 8.49% in the euro area.

The previous year saw the dissolution of the country's last money market fund. In the euro area, however, money market funds as at end-December 2019 still represented a significant group of funds with a share of 8.21%.

Hedge funds in the euro area had a share of 3.50% at the end of 2019. These investment funds are particularly 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. Investment funds of this category are not yet registered in Slovakia.

**Chart 90**

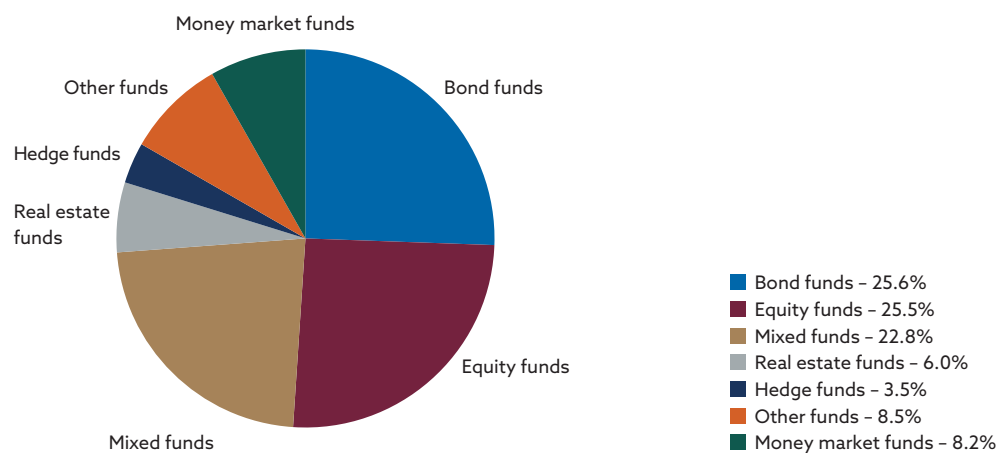
**Share of funds types on total assets of domestic mutual funds as at 31 December 2019**



Source: NBS.

**Chart 91**

**Share of funds types on total assets of mutual funds in Euro area as at 31 December 2019**



Source: ECB, NBS.

### 3.3 Asset structure of domestic investment funds

#### 3.3.1 Bond funds

In terms of asset type, bond funds' total assets as at 31 December 2019 broke down as follows: 39.00% were debt securities (slightly less than at the end

of the previous quarter); 37.02% were bank time deposits and current account holdings; 23.82% were investment fund shares/units (more than in the previous quarter); and the remaining 0.16% were other assets (including financial derivatives).

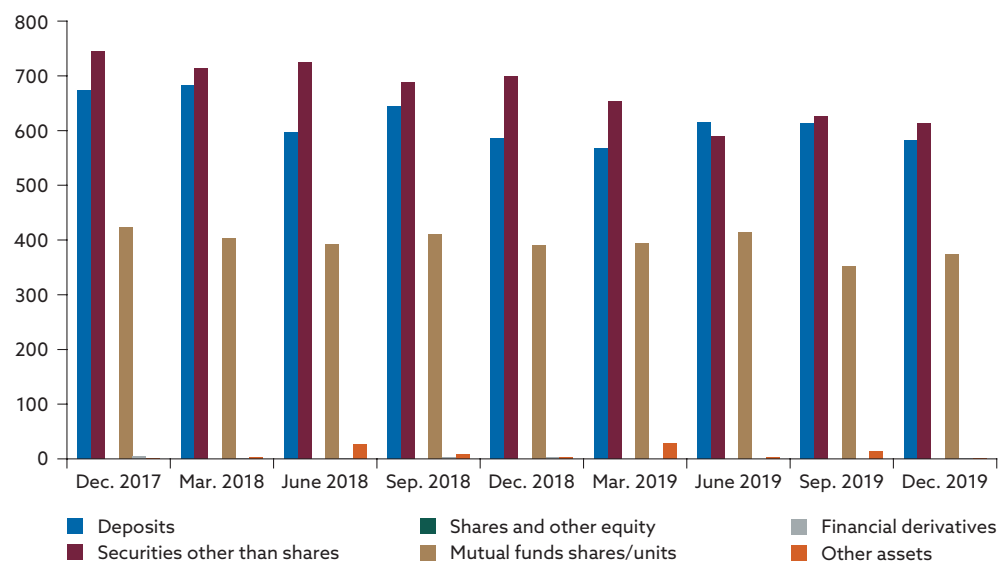
In terms of issuer residency, bond funds' holdings of debt securities as at 31 December 2019 broke down as follows: 56.25% were securities issued in the rest of the world (up by 3.48 percentage points); 21.08% were domestic securities (down by 5.01 percentage points); and 22.67% were securities issued in other euro area countries (up by 1.53 percentage points).

In terms of issuer sector, bond funds' holdings of debt securities as at 31 December 2019 broke down as follows: 45.95% were government bonds, 34.28% were debt securities issued by non-financial corporations and other financial institutions, and 19.77% were debt securities issued by banks.

In terms of residual maturity, bond funds' holdings of debt securities as at 31 December 2019 broke down as follows: 22.29% had a maturity of up to one year, 25.65% a maturity of over one year and up to two years, and 52.06% a maturity of over two years.

**Chart 92**

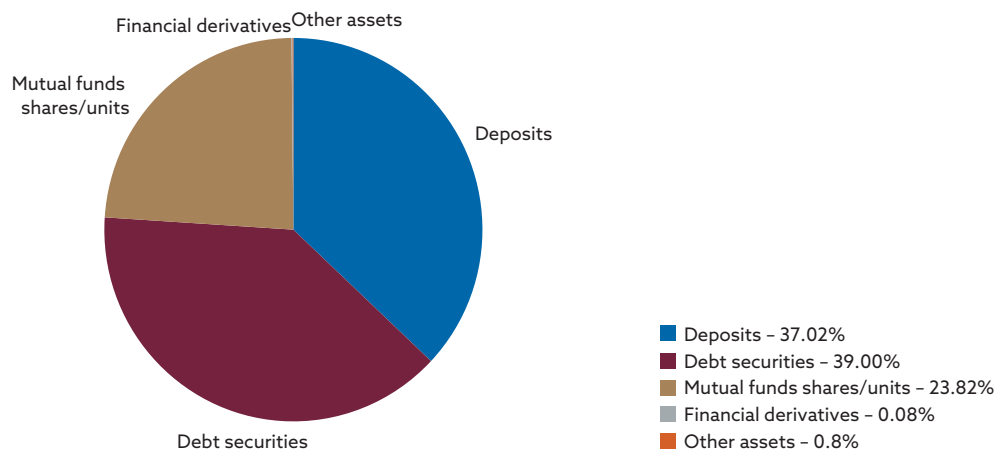
**Bond funds: evolution of assets (EUR millions)**



Source: NBS.

Chart 93

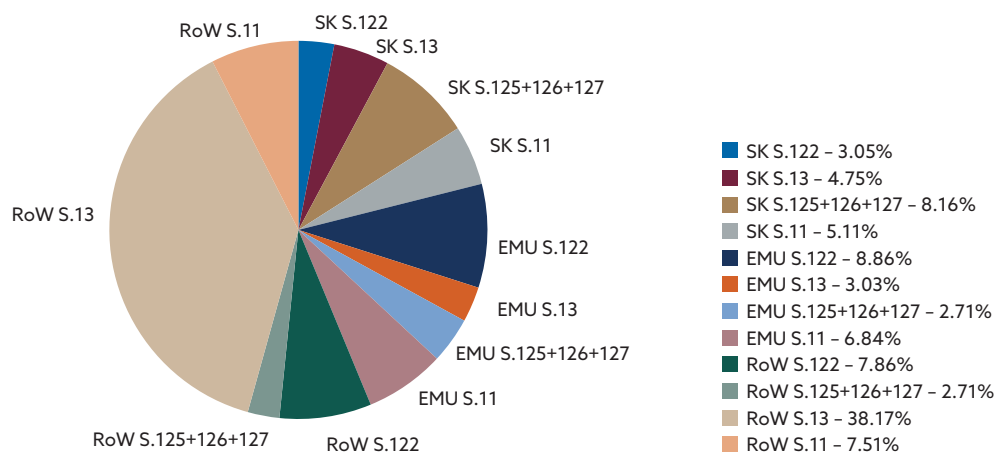
Bond funds: structure of assets as at 31 December 2019



Source: NBS.

Chart 94

Geographical and sectoral breakdown of debt securities in the portfolio of bond funds as at 31 December 2019

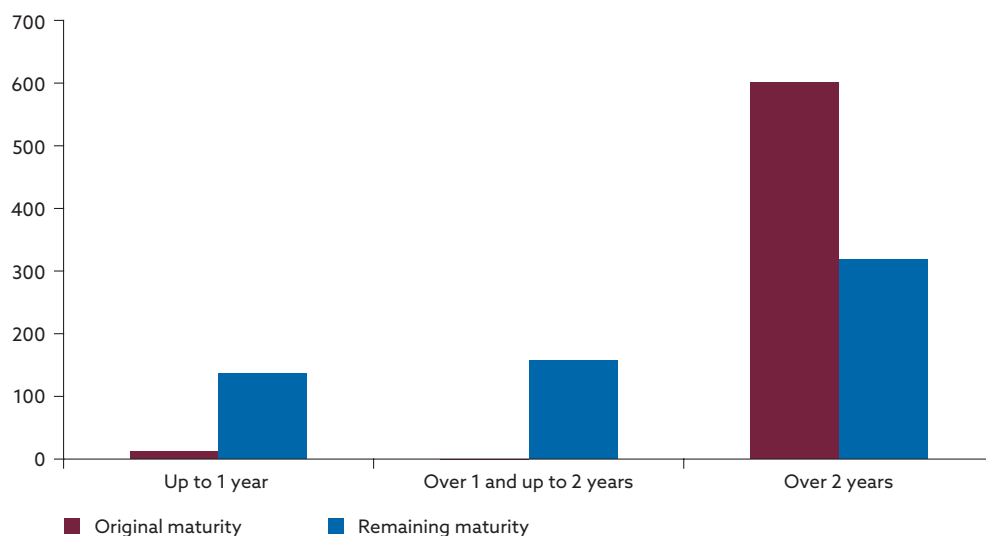


Source: NBS.

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

**Chart 95**

**Maturity breakdown of debt securities in the portfolio of bond funds as at 31 December 2019 (EUR millions)**



Source: NBS.

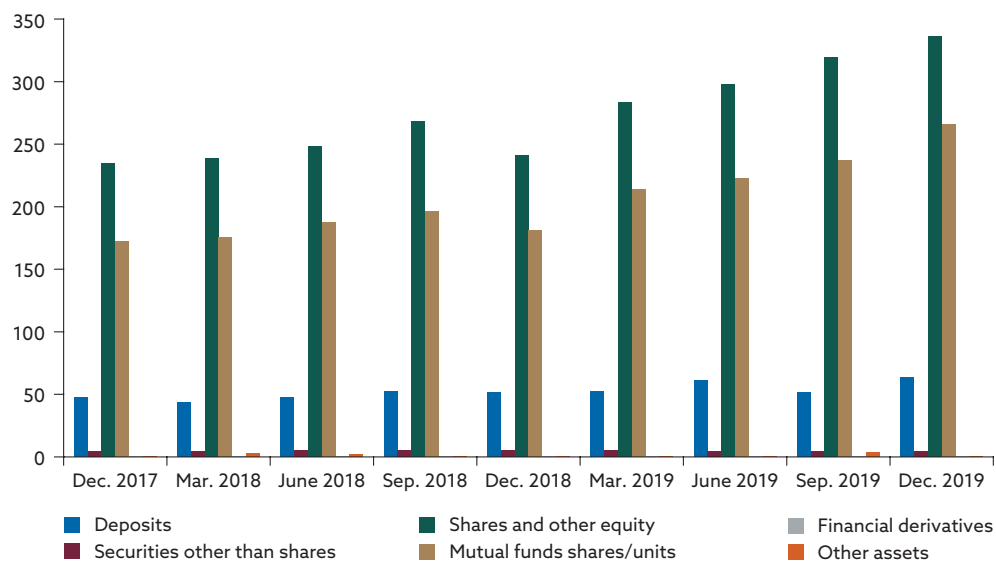
### 3.3.2 Equity funds

In terms of asset type, equity funds' total assets as at 31 December 2019 broke down as follows: 50.11% were shares and other equity participations; 39.60% were investment fund shares/units (up by 1.09 percentage points quarter on quarter); 9.46% were bank deposit account holdings (up by 1.16 percentage points); 0.66% were debt securities (less than in the previous quarter); and 0.16% were other assets (including financial derivatives).

Equity funds' holdings of investment fund shares/units broken down by issuer residency remained virtually unchanged in the quarter under review, as follows: 13.94% were issued by funds resident in Slovakia; 79.48% were issued by funds resident in other euro area countries; and 6.58% were issued by funds resident in the rest of the world. In terms of sector, equity funds' holdings of shares/units as at 31 December 2019 comprised exclusively investment fund shares/units.

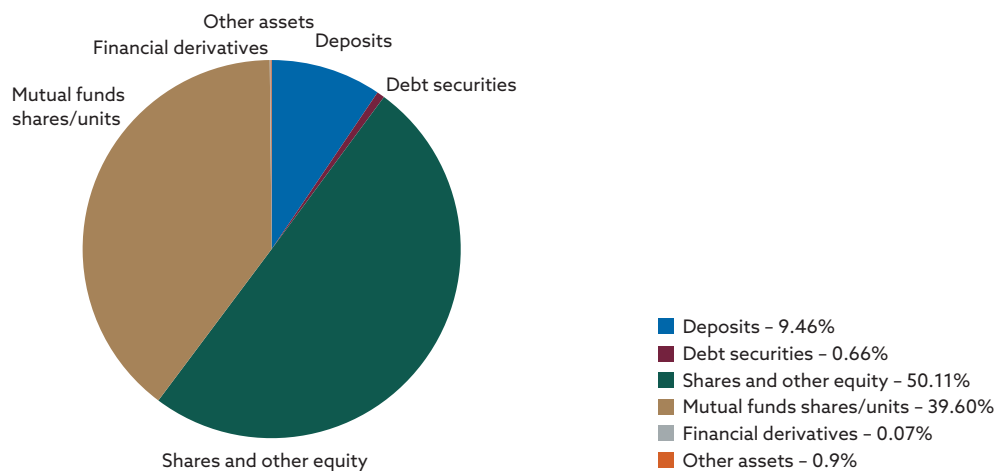
Equity funds' holdings of shares broke down at that date as follows: 69.89% were shares issued by non-financial corporations (NFCs); 11.03% were issued by NFCs resident in euro area countries; 8.31% were issued by credit institutions resident in non-euro area EU countries; and less than 6% were issued by issuers from other sectors.

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



Source: NBS.

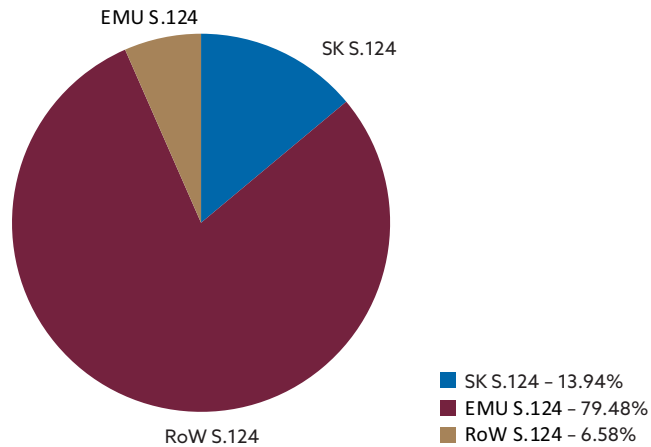
**Chart 97**  
Equity funds: structure of assets as at 31 December 2019



Source: NBS.

**Chart 98**

**Geographical and sectoral breakdown of mutual funds shares/units in the portfolio of equity funds as at 31 December 2019**

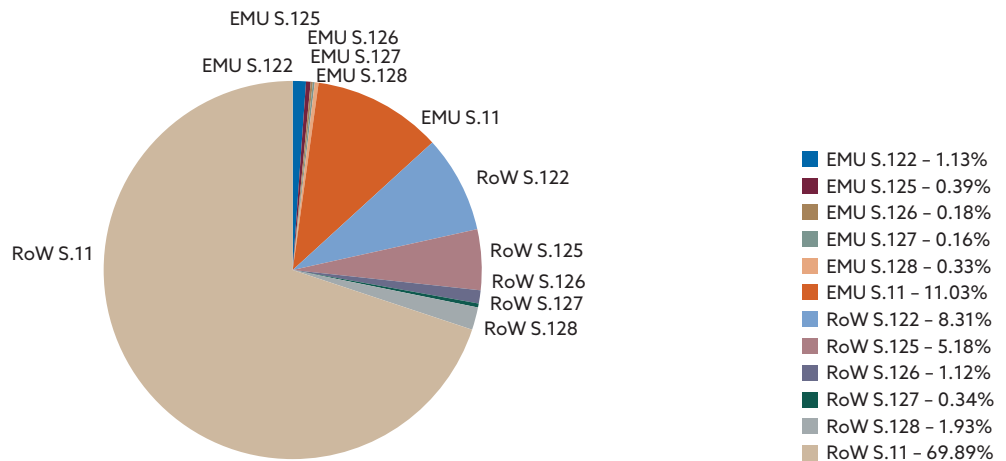


Source: NBS.

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

**Chart 99**

**Geographical and sectoral breakdown of shares and other equity in the portfolio of equity funds as at 31 December 2019**



Source: NBS.

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

### 3.3.3 Mixed funds

The most significant asset items of mixed funds have historically been investment fund shares/units. They accounted for 64.22% of the total assets of mixed funds as at 31 December 2019. Other significant asset items of mixed funds at that date were bank deposit account holdings (20.02%), debt securities (13.63%), shares (1.72%), and other assets, including financial derivatives (0.41%).

In terms of issuer residency, mixed funds' holdings of investment fund shares/units remained broadly unchanged in the quarter under review and, at 31 December 2019, broke down as follows: 75.47% were issued by funds resident in euro area countries; 19.42% were issued by domestic funds; and 5.10% were issued by funds resident in the rest of the world.

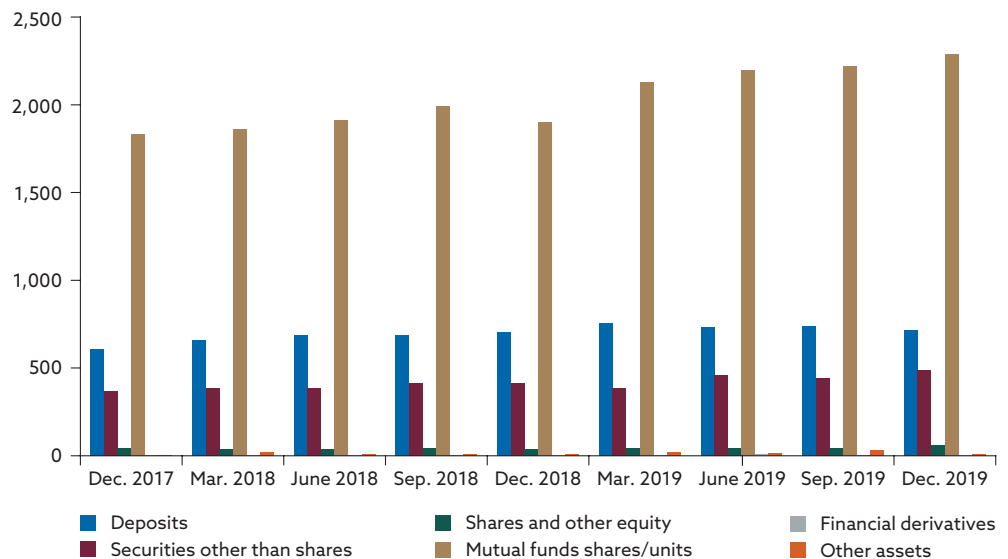
Mixed funds' holdings of securities as at 31 December 2019 broke down, in terms of issuer residency, as follows: 68.41% were bonds issued by domestic issuers, 17.68% were securities issued by issuers from other euro area countries, and 13.91% were securities issued by issuers from the rest of the world.

In terms of issuer sector, non-financial corporations (sector S.11) accounted for the largest share, 31.35%, of mixed funds' securities holdings as at 31 December 2019, followed by the general government sector (S.13) with a share of 11.38% and the banking sector (S.122) with a share of 5.09%.

In terms of residual maturity, mixed funds' holdings of securities as at 31 December 2019 broke down as follows: 9.84% had a maturity of up to one year; 13.95% a maturity of over one year and up to two years; and 76.21% a maturity of over two years.

**Chart 100**

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

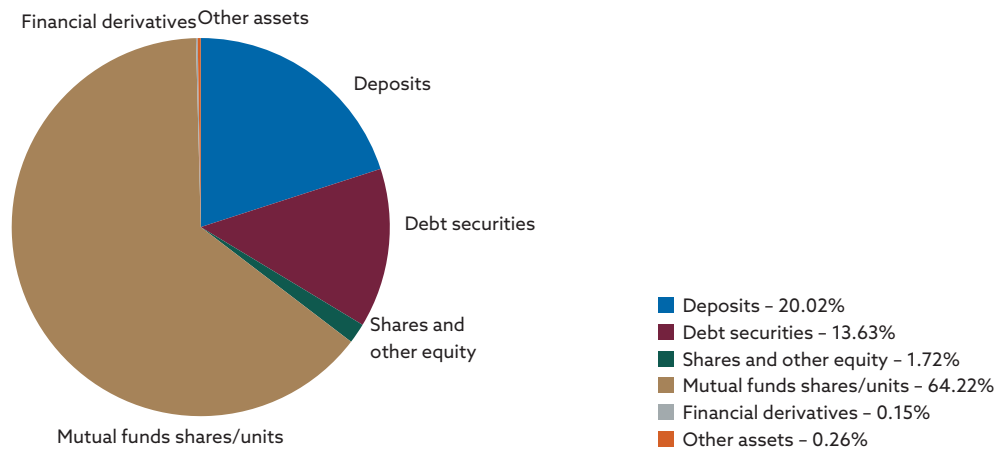


Source: NBS.



Chart 101

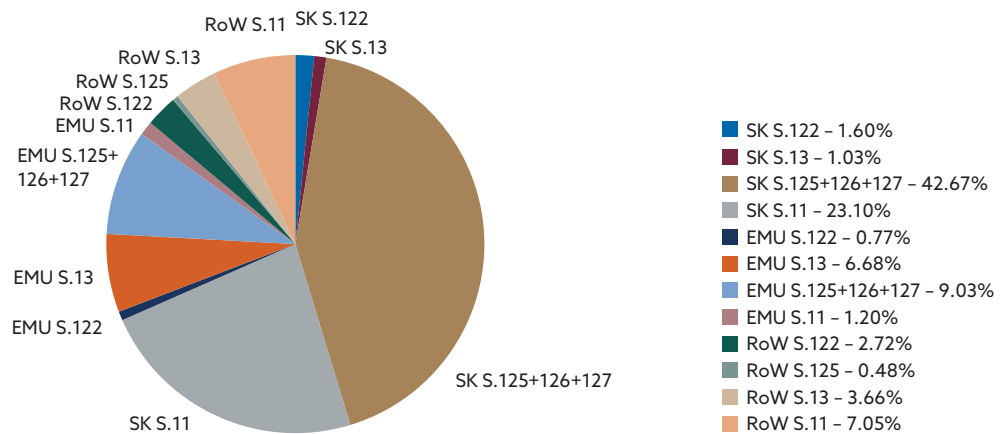
Mixed funds: structure of assets as at 31 December 2019



Source: NBS.

Chart 102

Geographical and sectoral breakdown of debt securities in the portfolio of mixed funds as at 31 December 2019

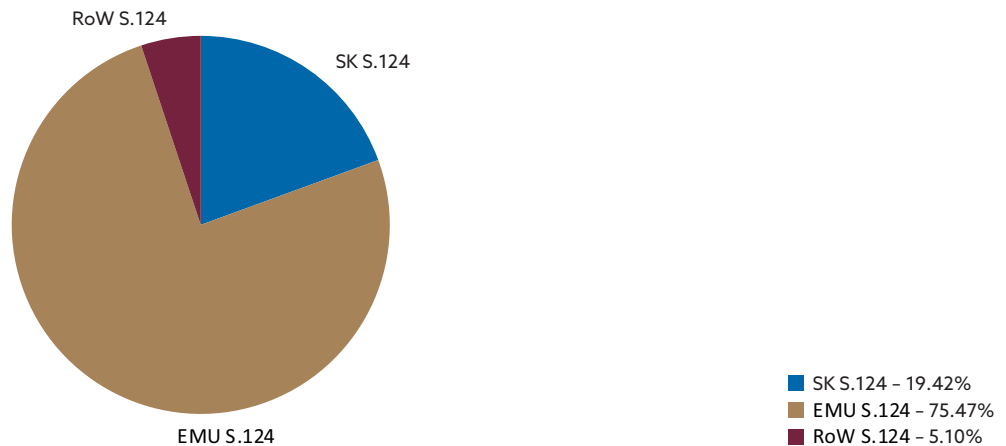


Source: NBS.

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

**Chart 103**

**Geographical and sectoral breakdown of mutual funds shares/units in the portfolio of mixed funds as at 31 December 2019**

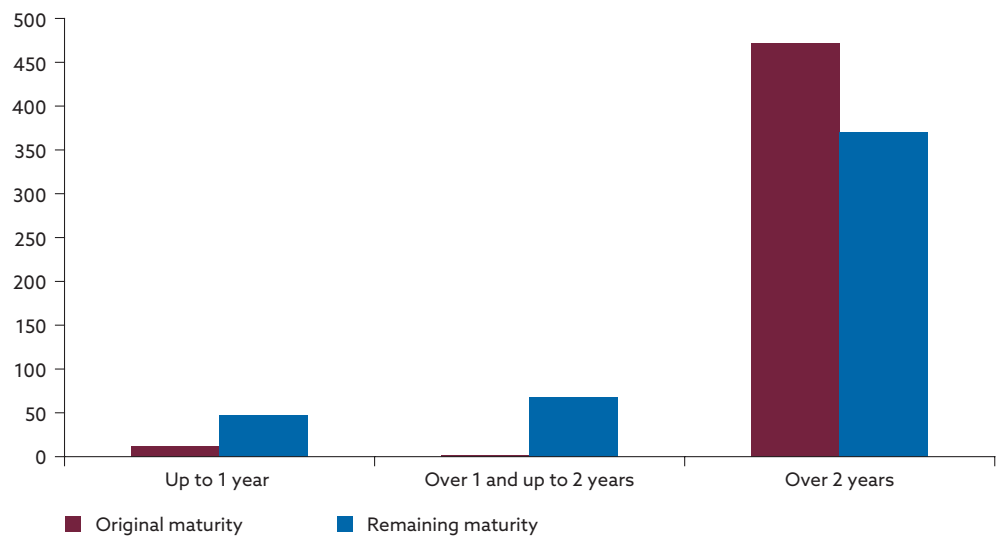


Source: NBS.

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

**Chart 104**

**Maturity breakdown of debt securities in the portfolio of bond funds as at 31 December 2019 (EUR millions)**



Source: NBS.

### 3.3.4 Real estate funds

Real estate funds invest primarily in shares and equity participations in real estate companies, according to their investment strategy. They may use the funds obtained to provide loans to real estate companies in accordance with the applicable law.

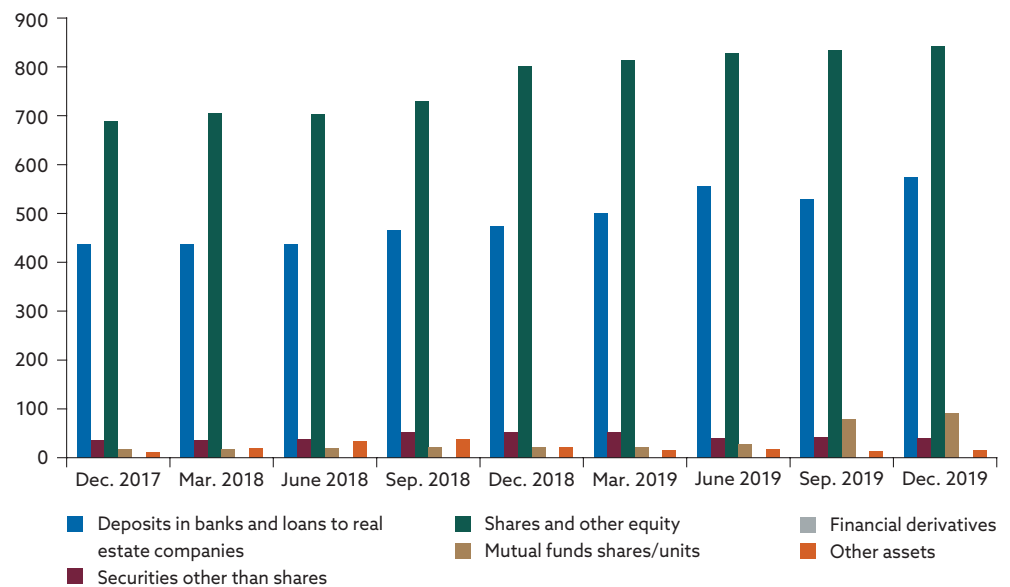
In terms of asset type, real estate funds' total assets as at 31 December 2019 broke down as follows: 36.71% were bank deposits and loans provided

to real estate companies (more than at the end of the previous quarter); 53.91% were shares and other equity participations (down by 1.89 percentage points quarter on quarter); 2.50% were debt securities (less than three months earlier); 5.87% were investment fund shares/units; and 1.00% were other assets.

In terms of issuer residency and sector, the companies in which real estate funds held shares and other equity participations broke down, at 31 December 2019, as follows: 89.03% were domestic NFCs (sector S.11); 8.03% were NFCs from the rest of the world; and, from other EU Member States, 2.37% were other financial intermediaries (S.125) and 0.19% were NFCs (S.11).

**Chart 105**

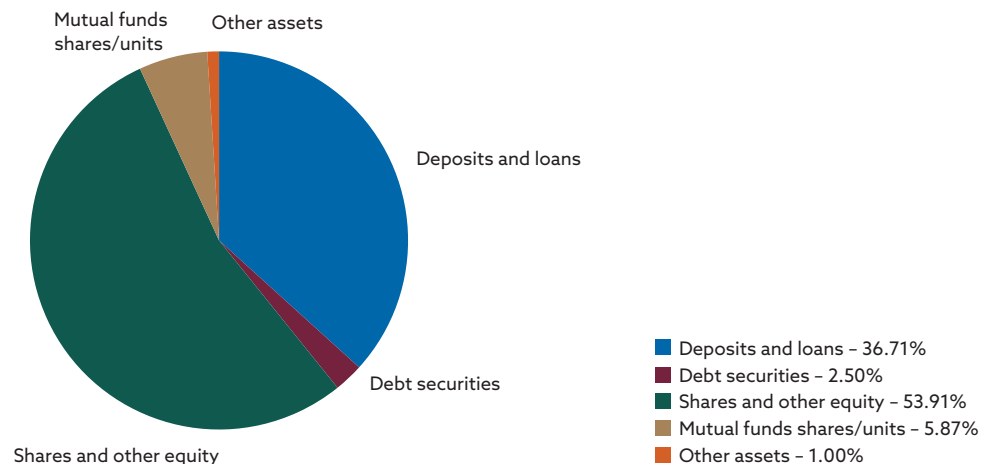
**Real estate funds: evolution of assets (EUR millions)**



Source: NBS.

**Chart 106**

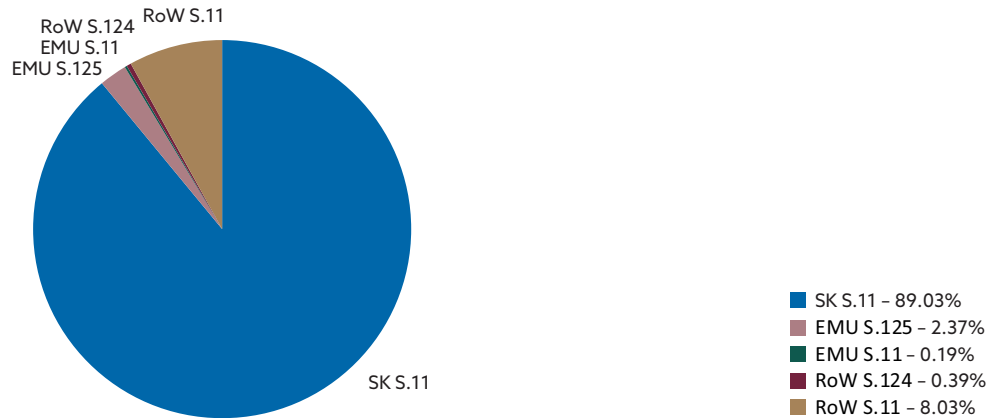
**Real estate funds: structure of assets as at 31 December 2019**



Source: NBS.

Chart 107

Geographical and sectoral breakdown of shares and other equity in the portfolio of real estate funds as at 31 December 2019



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 Other funds

Other investment funds comprise investment funds whose investment strategy does not allow them to be clearly placed in any of the above-mentioned categories. They include guaranteed funds, alternative investment funds (e.g. commodity funds), securities funds, professional investor funds, and other specialised funds.

The assets of other funds managed by domestic asset management companies comprise mainly bank deposits, debt securities, and investment fund shares/units.

The most significant balance-sheet items of other funds as at 31 December 2019 were debt securities with a share of 50.54% (more than at the end of the previous quarter), followed by investment fund shares/units (41.00%) and bank deposit holdings (7.54%).

In terms of issuer residency, other funds' holdings of debt securities as at 31 December 2019 remained broadly unchanged, as follows: 68.88% were domestic securities (up by 1.48 percentage points quarter on quarter); 13.91% were securities issued in the rest of the world (up by 0.02 percentage point quarter on quarter); and 17.21% were securities issued in other euro area countries (down by 1.49 percentage points quarter on quarter).

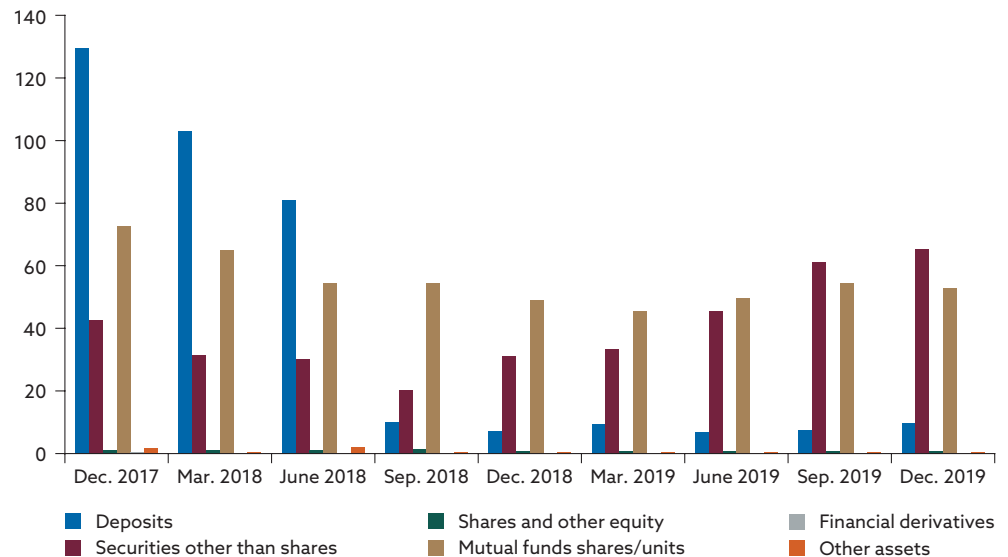
In terms of issuer sector, securities issued by non-monetary financial institutions (sectors S.125, S.126 and S.127) accounted for the largest share of other funds' holdings of debt securities as at 31 December 2019, 63.05%, followed by securities issued by non-financial corporations (S.11) with a share of 19.67%, securities issued by the general government sector (S.13)

with a share of 11.41%, and securities issued by banks (S.122) with a share of 3.78%.

In terms of residual maturity, other funds' holdings of debt securities as at 31 December 2019 broke down as follows: 7.03% had a maturity of up to one year, 16.69% a maturity of over one year and up to two years, and 76.28% a maturity of over two years.

**Chart 108**

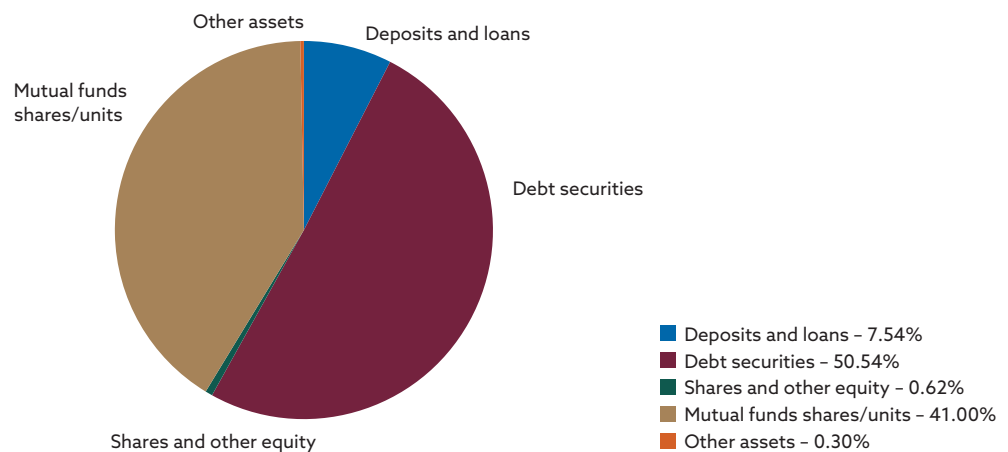
**Other funds: evolution of assets (EUR millions)**



Source: NBS.

**Chart 109**

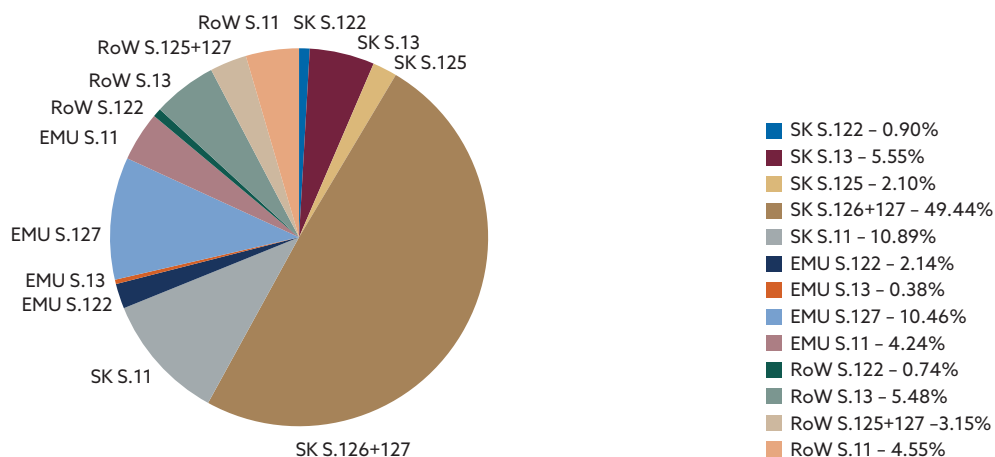
**Other funds: structure of assets as at 31 December 2019**



Source: NBS.

**Chart 110**

**Geographical and sectoral breakdown of debt securities in the portfolio of other funds as at 31 December 2019**

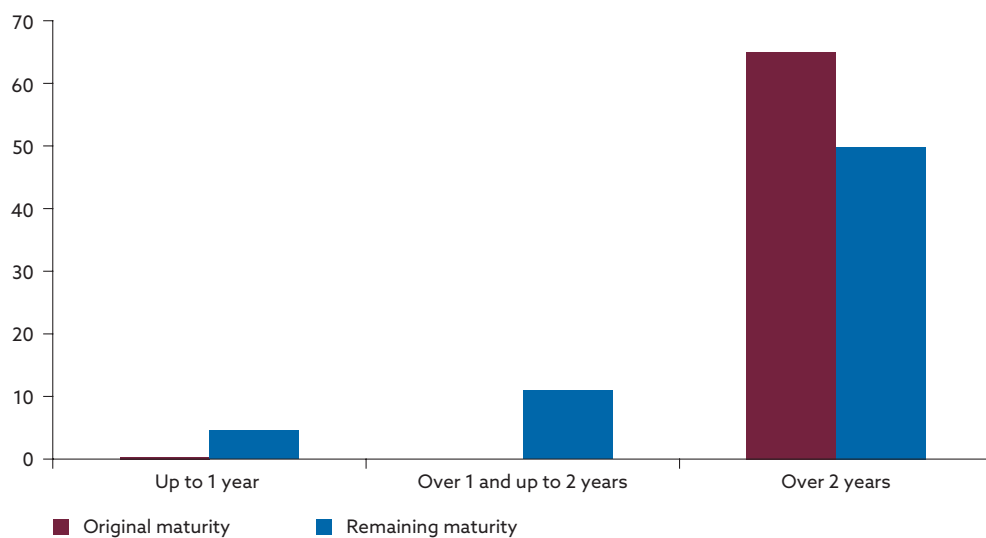


Source: NBS.

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

**Chart 111**

**Maturity breakdown of debt securities in portfolio of other funds as at 31 December 2019 (EUR millions)**



Source: NBS.

## 4 Leasing, factoring and consumer credit companies

According to the sectoral classification of economic entities (ESA 2010), the companies under analysis are included in the S.125 sector – *other financial intermediaries*<sup>2</sup>, as a subcategory referred to as *financial corporations engaged in lending*.

In terms of asset growth, the fourth quarter of 2019 was favourable for leasing and consumer credit companies. Factoring companies, by contrast, recorded a year-on-year decline in their assets in that period.

The total assets of leasing companies as at 31 December 2019 were higher, year on year, by 1.50%. As for consumer credit companies, their total assets were 0.80% higher at the end of 2019 than a year earlier. The total assets of factoring companies were lower, year on year, by 50.87%.

**Table 13 Total assets of financial corporations engaged in lending (year-on-year percentage changes)**

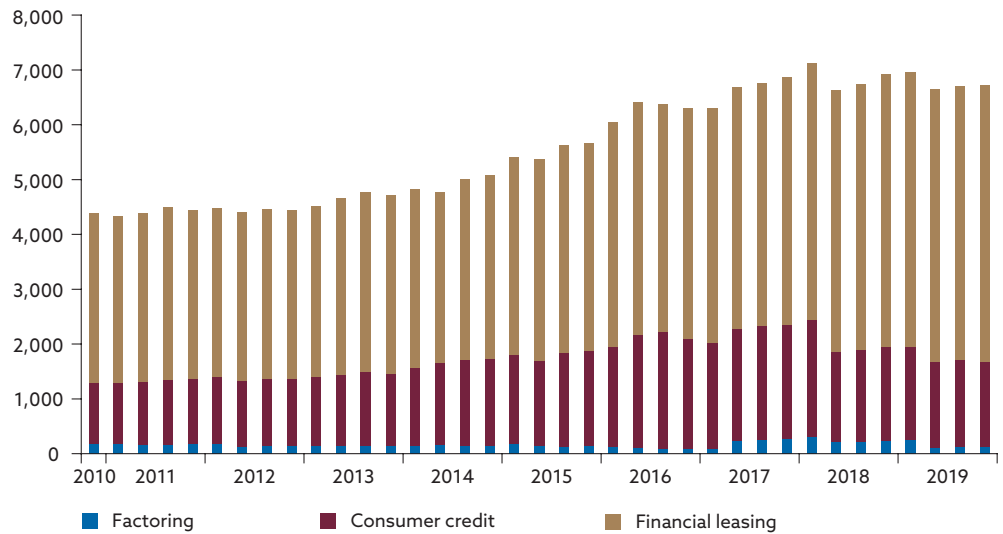
Total assets	Year-on-year change in %								
	XII. 2017	III. 2018	VI. 2018	IX. 2018	XII. 2018	III. 2019	VI. 2019	IX. 2019	XII. 2019
Financial leasing	7.42	9.54	8.30	9.39	9.99	6.89	4.01	3.03	1.50
Factoring	251.11	-7.64	-16.62	-13.88	-19.82	-46.62	-40.86	-45.13	-50.87
Consumer credit	9.87	-19.47	-18.37	-17.21	-20.20	-4.55	-6.50	-10.00	0.80

Source: NBS.

<sup>2</sup> The European System of National Accounts (ESA 2010) 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 112**

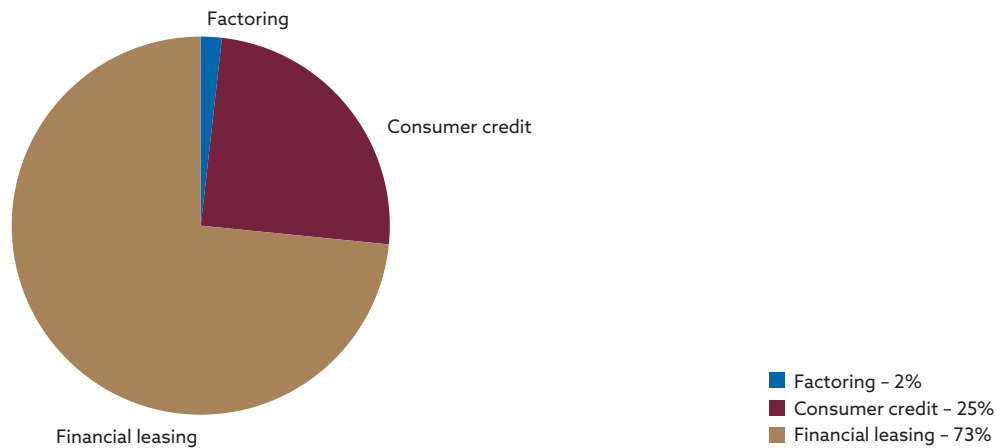
**Evolution of total assets by type of business (EUR millions)**



Source: NBS.

**Chart 113**

**Total assets of financial corporations engaged in lending broken down by type of company as at 31 December 2019**



Source: NBS.

Among companies engaged in non-bank lending, leasing companies have long held the leading position in this market. They accounted for 73% of the total assets at the end of the quarter under review. Consumer credit companies and factoring companies had a market share of 25% and 2% respectively.

The geographical breakdown of credits and loans provided by domestic companies engaged in non-bank lending shows that such credits and loans are taken out predominantly by domestic customers.



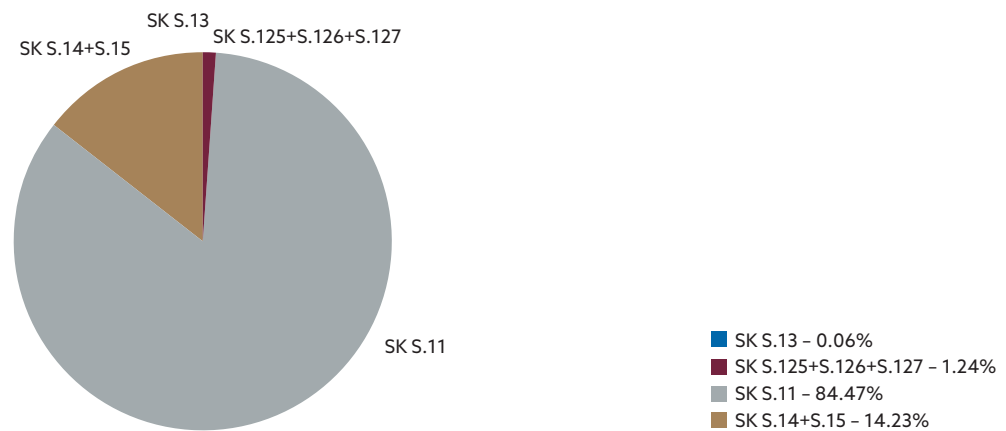
In financial leasing, the share of domestic customers was still 100% in the period under review, of which non-financial corporations accounted for 84.47%, households for 14.23%, and other sectors for 1.30%.

Domestic customers constituted 32.38% of consumer credit companies' total customers as at 31 December 2019, while customers from the rest of the world accounted for 65.50% and those from other euro area countries for 2.12%. Since the purchase of goods through instalment credit is traditionally an important form of household financing in Slovakia, the household sector continued to account for the largest share of domestic customers, 88.63%, in the period under review. It was followed by the non-financial corporations sector with a share of 10.63% and that of other financial intermediaries with a share of 0.74%.

At the end of the fourth quarter of 2019, domestic customers constituted 97.95% of factoring companies' total customers, of which customers from the rest of the world accounted for 2.05%. The customers of factoring companies in Slovakia were dominated by households with a share of 75.77%, followed by non-financial corporations with a share of 24.23%.

#### Chart 114

Geographical and sectoral breakdown of lending by financial leasing companies as at 31 December 2019

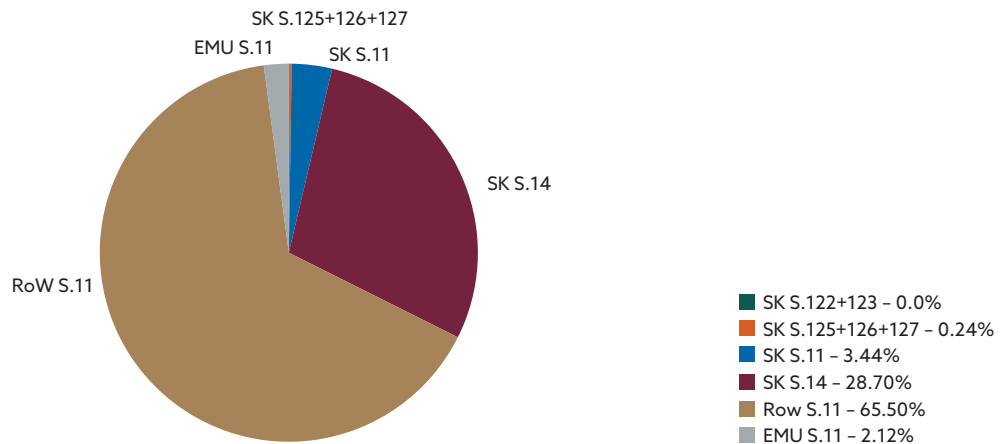


Source: NBS.

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

**Chart 115**

**Geographical and sectoral breakdown of lending by consumer credit companies as at 31 December 2019**

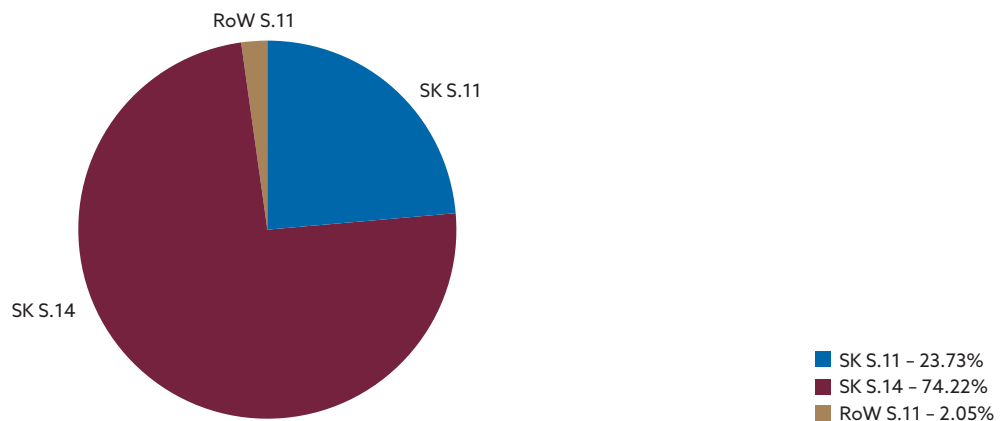


**Source:** NBS.

**Note:** SK = domestic borrowers; EMU = borrowers from other euro area member states.

**Chart 116**

**Geographical and sectoral breakdown of lending by factoring companies as at 31 December 2019**



**Source:** NBS.

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

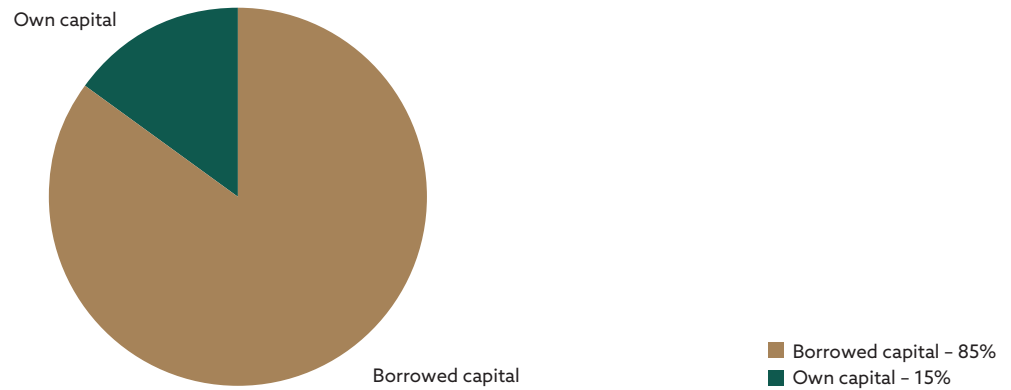
Regarding the flow of funds across the individual economic sectors, an interesting aspect is the allocation of financial resources to the types of companies under analysis, for the provision of credits and loans through non-bank lending channels.

The main source of financing was foreign (borrowed) capital representing 85.05% of the overall financial resources. Foreign capital was obtained mostly in the form of bank loans, which accounted for 64.27% at 31 December 2019. The rest was obtained in the form of proceeds from issues of debt securities (25.40%) and credits or loans borrowed from companies belonging to the same group (10.33%).

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

**Chart 117**

**Breakdown of source capital as at 31 December 2019**



Source: NBS.

# 5 Securities

## 5.1 Debt securities

In terms of issuer sector, the overall portfolio of debt securities as at 31 December 2019 was dominated by government bonds (€38,291.3 million); followed by bonds issued by banks (€7,292 million), debt securities issued by non-monetary financial institutions (€3,943.5 million) and those issued by non-financial corporations (€3,754.7 million).

The net issuance of debt securities increased in the last quarter of 2019, by €496 million quarter on quarter, i.e. the amount of newly issued securities was higher than the amount redeemed. This increase was accounted for largely by issues of bank bonds worth €422.3 million in net terms.

**Table 14 Debt securities (in thousands of EUR)**

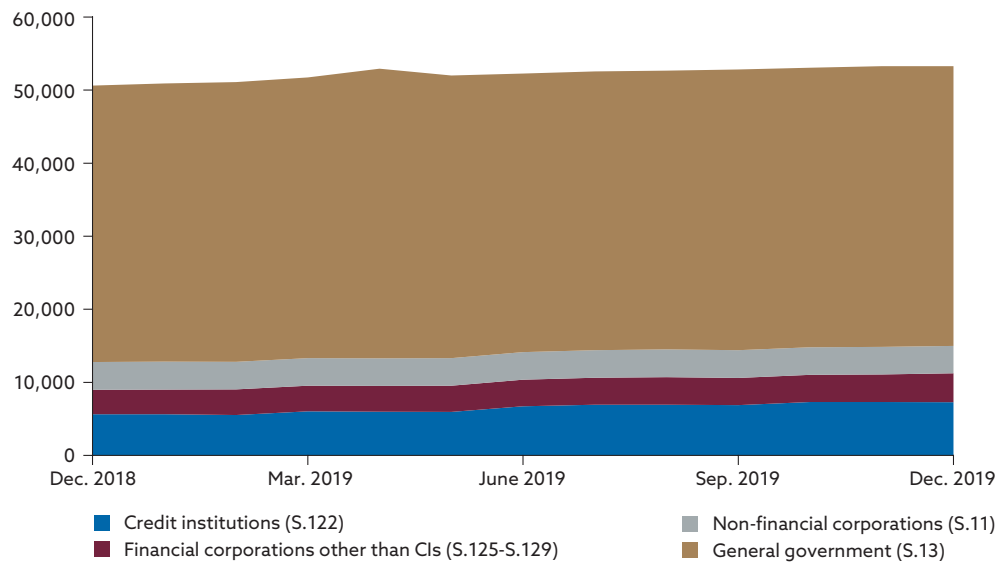
Month	Outstanding amounts					Net issues				
	Total	Monetary financial institutions (banks)	Non-monetary financial institutions	Nonfinancial corporations	General government	Total	Monetary financial institutions	Non-monetary financial institutions	Nonfinancial corporations	General government
2018 / 12	50,632,345	5,622,296	3,354,638	3,811,636	37,843,776	-1,819,137	103,152	222,337	-274,435	-1,870,191
2019 / 03	51,726,187	6,024,590	3,519,668	3,769,347	38,412,581	1,042,343	400,925	159,314	-44,882	526,986
2019 / 06	52,270,287	6,728,568	3,628,505	3,792,472	38,120,742	545,650	704,182	100,475	20,439	-279,446
2019 / 09	52,817,373	6,870,055	3,744,357	3,796,956	38,406,004	468,749	140,511	110,265	2,373	215,600
2019 / 12	53,281,531	7,291,997	3,943,465	3,754,729	38,291,341	495,950	422,262	190,134	-46,358	-70,088

Source: NBS.

The outstanding amount of debt securities issued grew over the last quarter of 2019 by 0.88%, after increasing in the previous quarter by 1.05%. This growth was caused mainly by increases in the stocks of debt securities issued by banks (6.14%) and non-monetary financial institutions (5.32%). The stock of government bonds issued, being the most significant item in volume terms, decreased over the period under review by 0.30%.

Chart 118

Debt securities by sector (outstanding amounts, EUR millions)

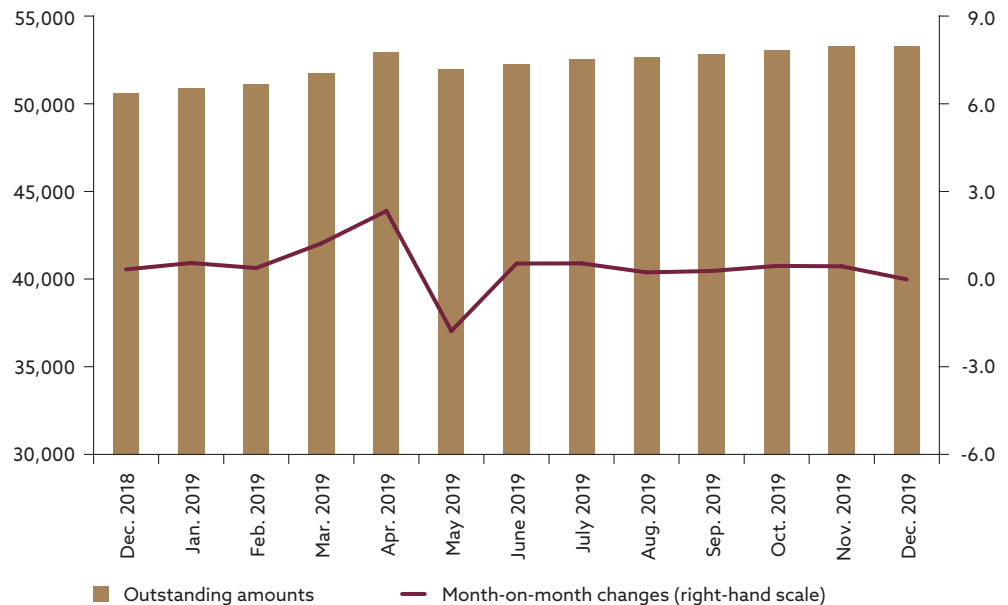


Source: NBS.

During the last quarter of 2019, the stock of debt securities issued increased, month on month, by 0.45% in October and 0.44% in November. December, by contrast, saw a modest decrease of 0.01% in the stock of these issues.

Chart 119

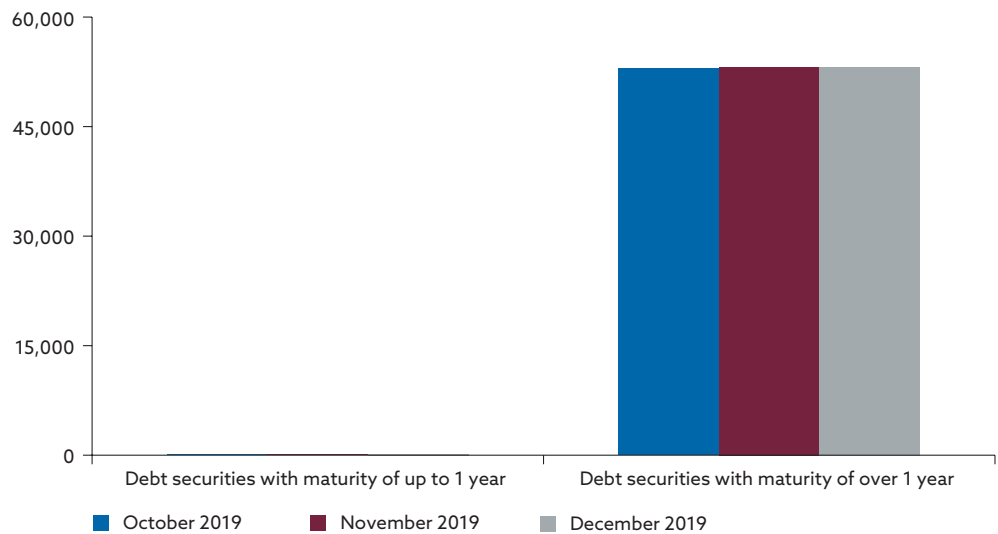
Debt securities (outstanding amounts, month-on-month changes)  
(EUR millions, %)



Source: NBS.

**Chart 120**

**Debt securities (outstanding amounts, EUR millions, Q4 2019)**



**Source:** NBS.

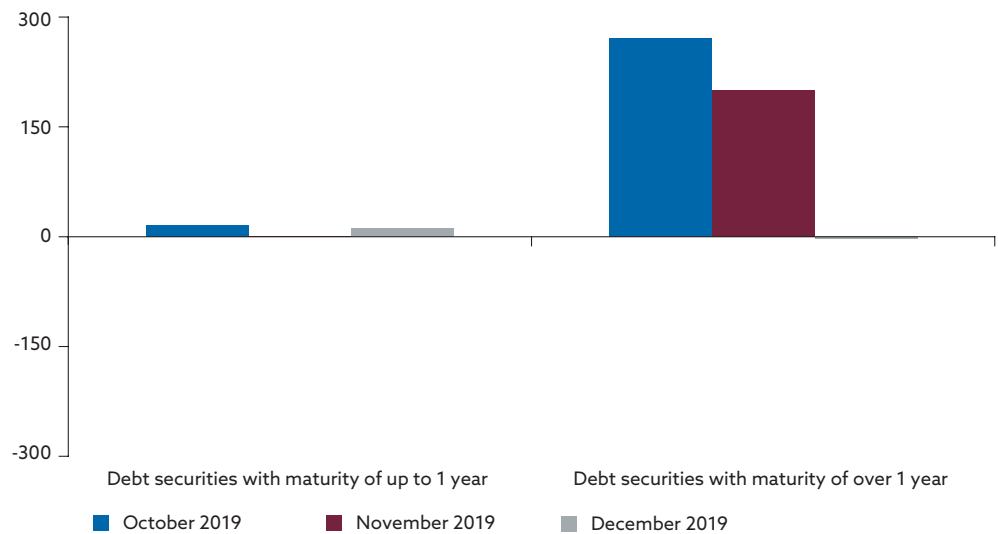
A total of 33 new issues were placed on the securities market in the last quarter of 2019, including nine issued by NFCs, six issued by banks, six issued by other financial intermediaries, ten issued by captive financial institutions, and two issued by financial auxiliaries.

The net issuance of short-term debt securities grew over the quarter under review by approximately €27.4 million, owing mainly to issues of such securities by captive financial institutions and by non-financial corporations in the total amount of €26.7 million.

The net issuance of long-term debt securities increased in the period under review by roughly €468.5 million. This increase took place mostly in bank bonds (€421.5 million) and long-term securities issued by captive finance institutions (€183.1 million).

Chart 121

Debt securities (net issues, EUR millions, Q4 2019)



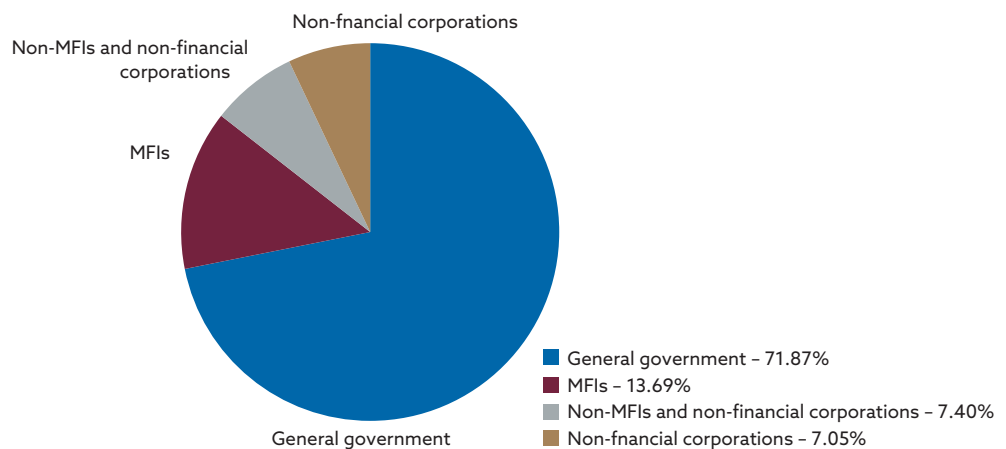
Source: NBS.

A breakdown by sector of the stock of debt securities issued as at 31 December 2019 shows that the largest share was accounted for by the general government sector (71.87%), while monetary financial institutions accounted for 13.69%, non-monetary financial institutions for 7.4%, and non-financial corporations for 7.05%. In terms of their coupon type, 91.6% of the securities issued were fixed-coupon securities, 4.9% were zero-coupon securities, and 3.5% were variable-coupon securities. As much as 96% of the issues were denominated in euro, and the rest, 4%, in foreign currencies.

Only 0.25% of the stock of securities issued had an original maturity of up to one year, while around 10% had a residual maturity of up to one year.

Chart 122

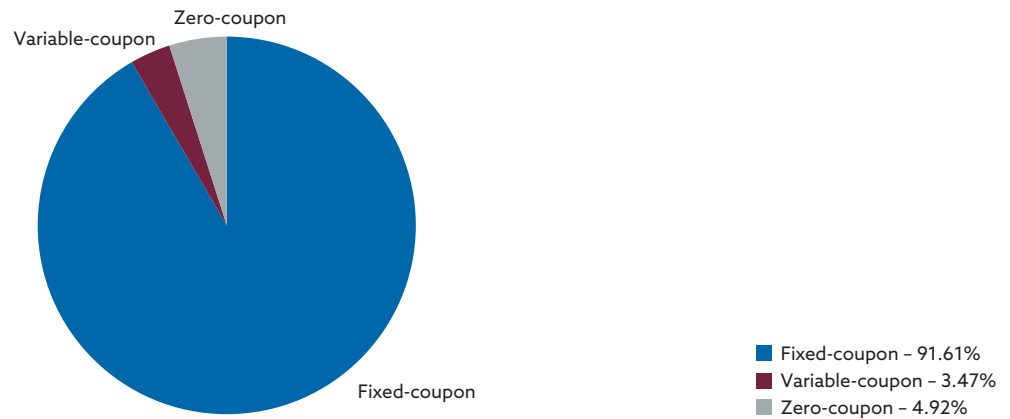
Debt securities by sector (outstanding amounts)



Source: NBS.

**Chart 123**

**Debt securities by coupon type (outstanding amounts)**

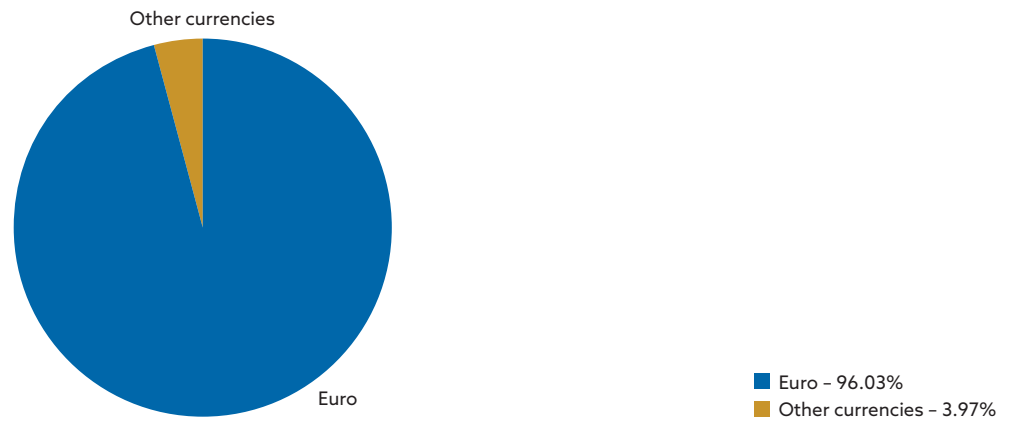


**Source:** NBS.

**Note:** The individual items are classified according to the outstanding amounts of issues as at 31 December 2019.

**Chart 124**

**Debt securities by currency (outstanding amounts)**



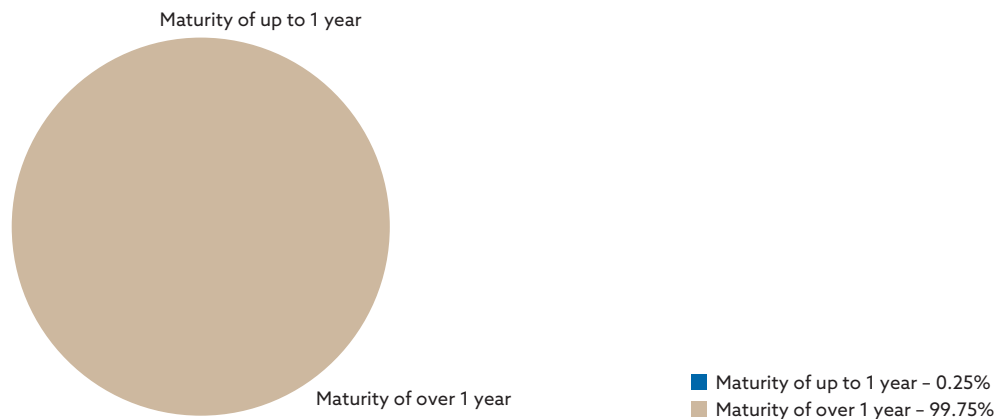
**Source:** NBS.

**Note:** The individual items are classified according to the outstanding amounts of issues as at 31 December 2019.



Chart 125

Debt securities by original maturity (outstanding amounts)



Source: NBS.

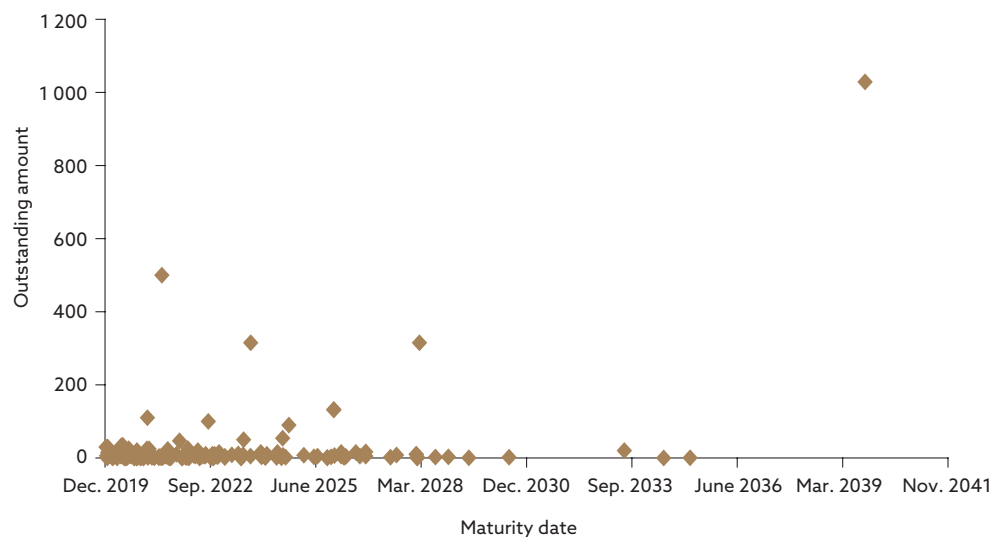
Note: The individual items are classified according to the outstanding amounts of issues as at 31 December 2019.

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 until 2023. The largest outstanding issue amount is more than €1.1 billion and the longest maturity period exceeds 20 years.

Chart 126

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



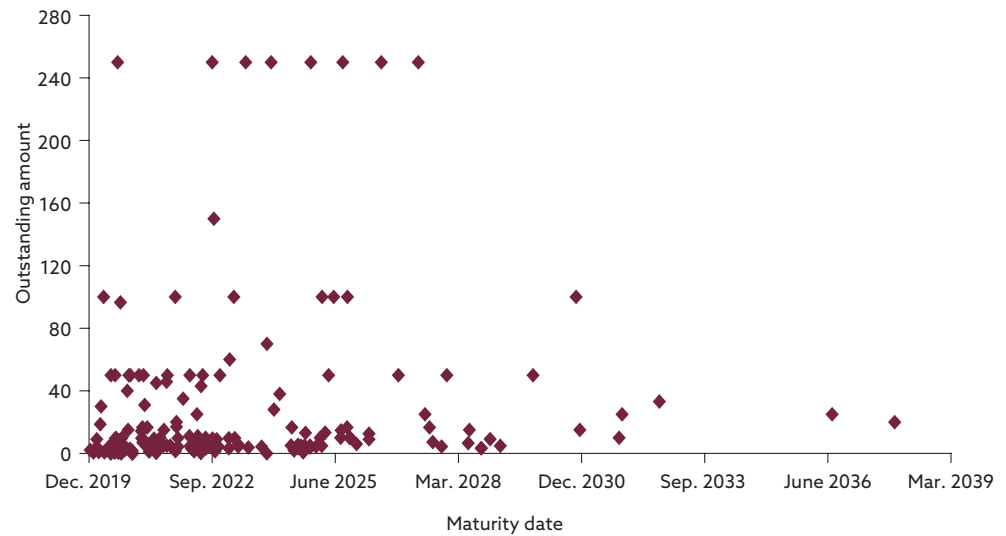
Source: NBS.

The largest concentration of outstanding amounts of debt securities issued by banks is up to €50 million and with maturity period until 2022.

The largest outstanding amount fluctuates around €250 million and the longest maturity period is until 2037.

**Chart 127**

**Debt securities: outstanding amounts issued bank bonds (EUR millions)**



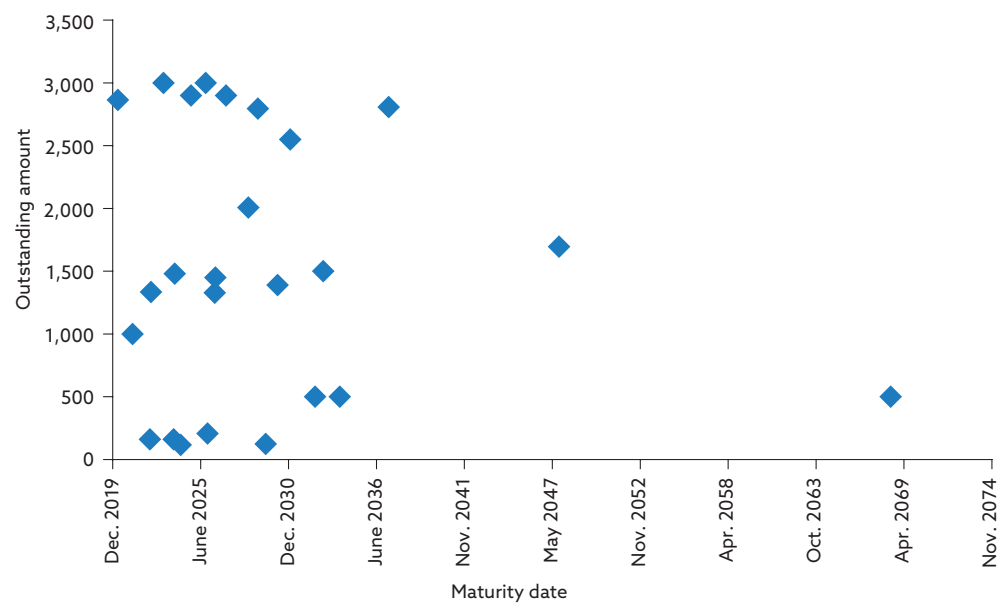
**Source:** NBS.

**Note:** Analysis does not take into consideration perpetual bonds, to avoid their effect as its maturity date can be extended until 2099.

The number of debt securities issued in the government sector is lower than the number of securities issued 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 2068.

**Chart 128**

**Debt securities: outstanding amounts of government bonds (EUR millions)**

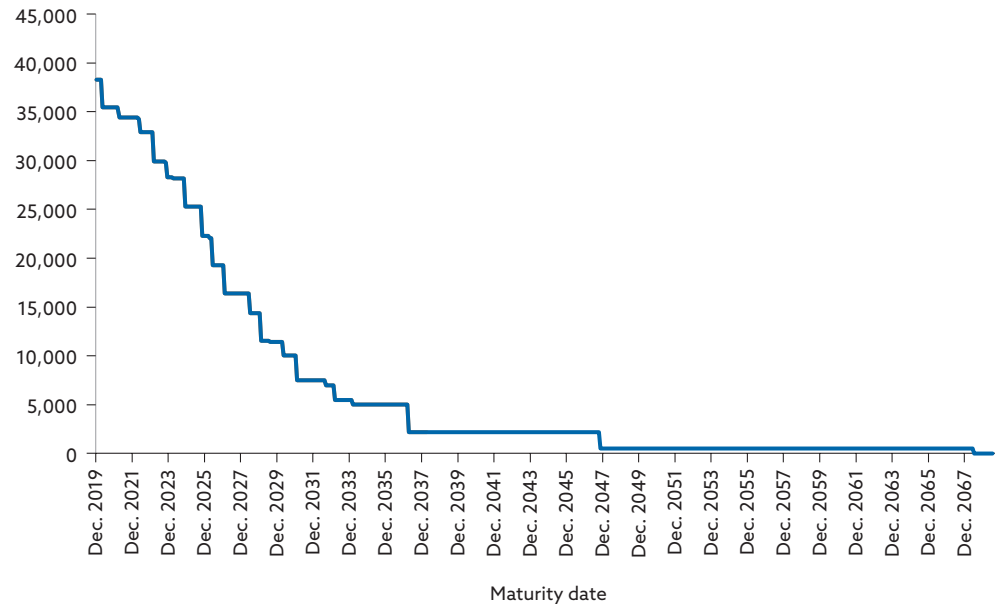


**Source:** NBS.

The maturity profile illustrates the course of government debt repayment based on the assumption that no new government bonds will be issued and all the existing issues will be repaid in due time.

**Chart 129**

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



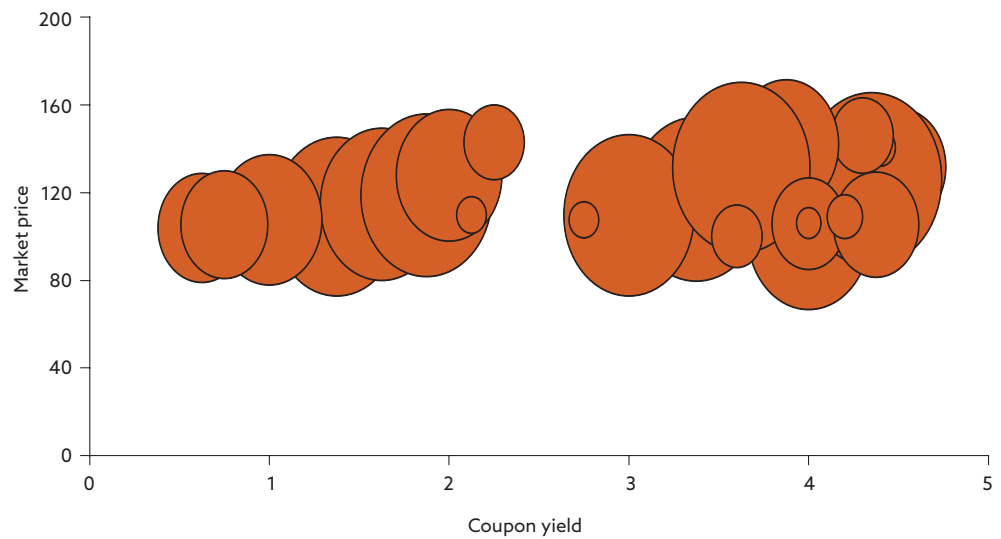
**Source:** NBS.

The following chart illustrates the outstanding amounts of coupon-paying government bonds as a function of their market price and coupon yield as at the end of the fourth quarter of 2018. The average market price<sup>3</sup> of these government bonds stood at 117.88% and the coupon yield was 2.86% at that time.

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

**Chart 130**

**Government bonds: outstanding amounts (coupon bonds only)**



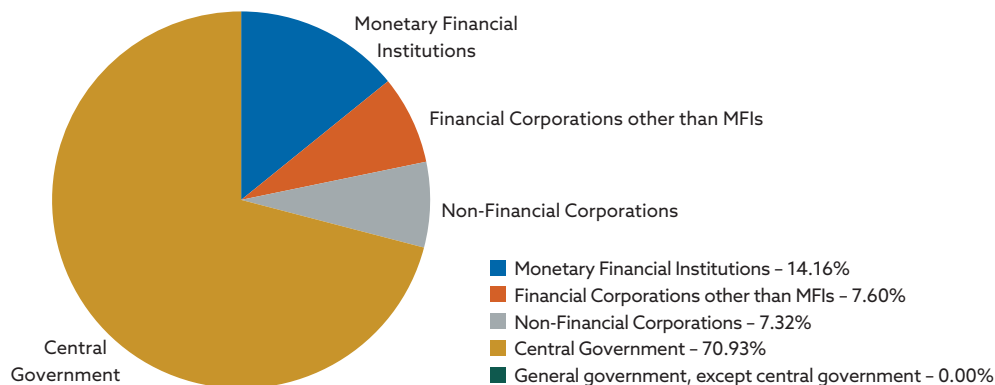
**Source:** NBS, CSDB, issue prospectus.

**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).

## 5.2 Comparison of debt securities: Slovakia vs euro area

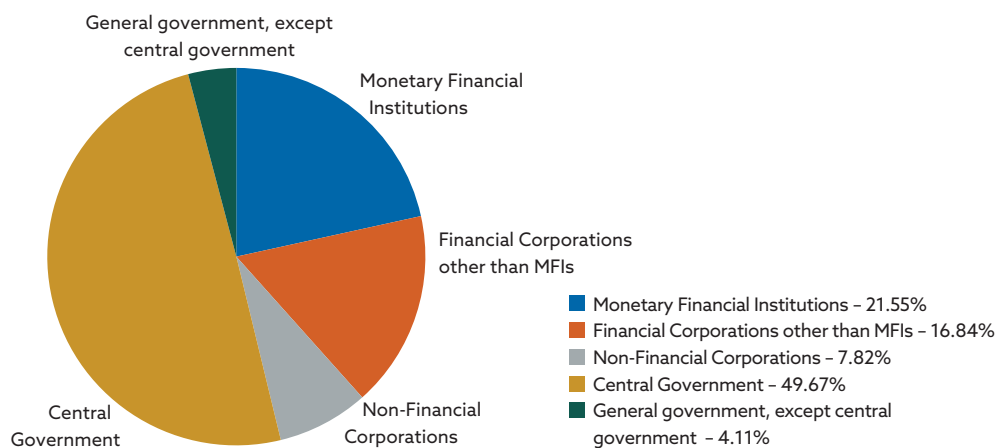
Debt securities issued in Slovakia and in the euro area differ considerably in structure according to the sector of the issuer. Their structure in Slovakia is dominated by the central government sector (70.9%), followed by that of monetary financial institutions (14.2%), other financial institutions (7.6%), and non-financial corporations (7.3%). In the euro area, the leading issuer of debt securities is the central government, too, though its share (49.7%) is much smaller than in Slovakia. The second most significant sector is that of monetary financial institutions with a share of 21.6%. 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 16.8%. Non-financial institutions and the government sector (excluding the central government) account for 7.8% and 4.1% respectively.

**Chart 131**  
**Debt securities – Slovakia: by sector (outstanding amounts)**



Source: NBS, ECB.

**Chart 132**  
**Debt securities – Euro area: by sector (outstanding amounts)**

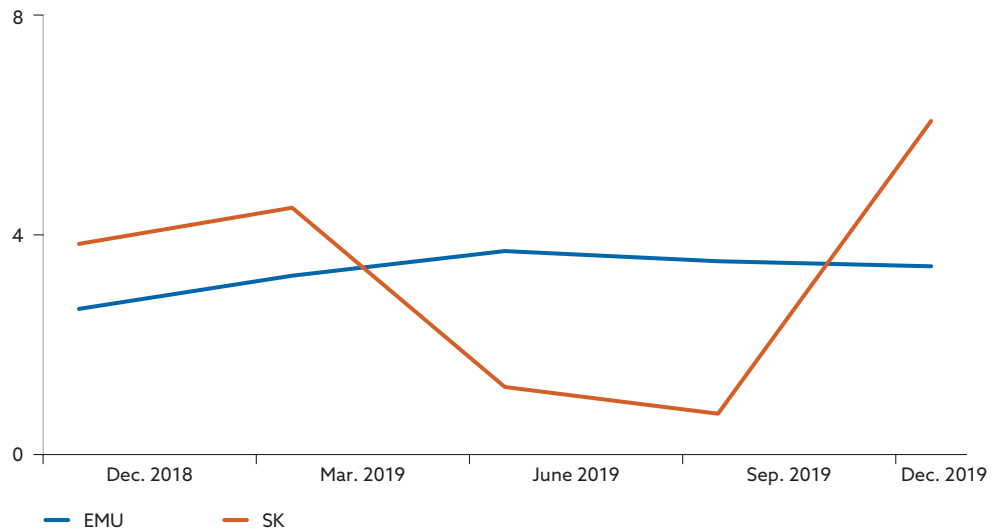


Source: NBS, ECB.

During 2019, the stock of debt securities issued by Slovak residents increased, year on year, in each quarter under review. In the first and fourth quarters, it grew more rapidly, by roughly 4.5% in March and 6% in December, compared with an average of 1% in second and third quarters. The stock of debt securities issued in the euro area grew, year on year, at roughly the same pace in each quarter (3.5%).

Chart 133

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

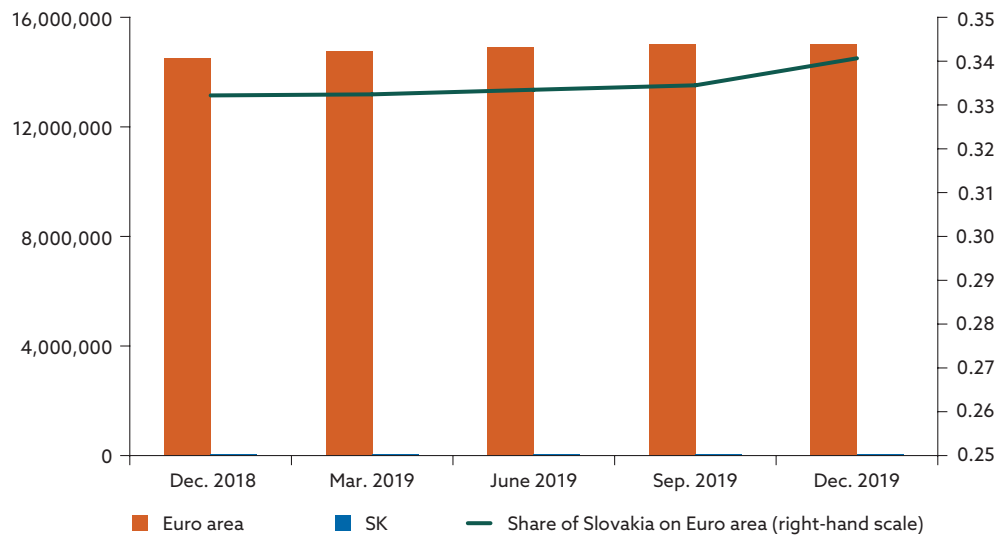


Source: NBS, ECB.

The share of Slovakia in the total stock of debt securities issued in the euro area was relatively negligible in 2019. Since no significant change occurred in this share during the year, it remained at the level of 0.34%, recorded at the end of 2019.

Chart 134

Debt securities – (outstanding amounts, EUR millions, share of Slovakia on Euro area, %)



Source: NBS.

## 5.3 Listed shares

At the end of December 2019, the total stock of listed shares issued in Slovakia was lower, quarter on quarter, by €1,605.5 million. This decline was

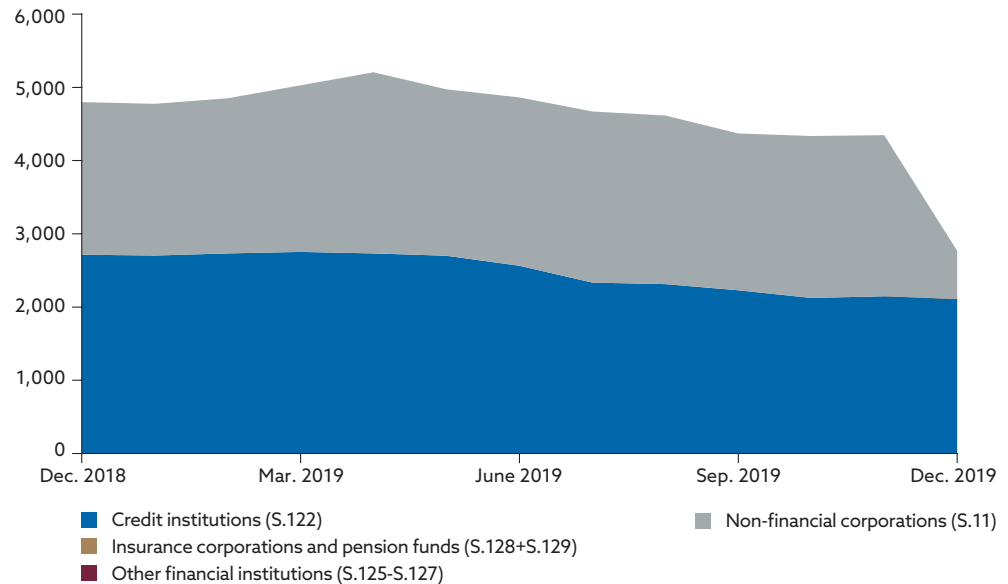
caused mainly by a decrease in the stock of listed shares issued by non-financial corporations, after the general meeting of Slovnaft, a.s. had decided to end trading in CS0009004452, SK1120001369 and SK1120005949 shares on the Bratislava Stock Exchange with effect from 27 December 2019. As a result of this decision, these shares were reclassified into unlisted shares and thus the stock of listed shares issued by non-financial corporations declined by roughly €1.5 billion. The stock of listed shares issued in the insurance sector remained unchanged quarter on quarter, while that in the banking sector decreased by €118.7 million. The total market capitalisation amounted to €2,766.3 million at the end of the last quarter of 2019.

Table 15 Quoted shares (in thousands of EUR)				
Outstanding amounts				
Month	Total	Credit institutions (S.122)	Insurance corporations (S.128)	Non-financial corporations (S.11)
2018 / 12	4,799,489	2,713,512	225	2,085,752
2019 / 03	5,029,079	2,753,021	225	2,275,833
2019 / 06	4,862,925	2,563,689	225	2,299,011
2019 / 09	4,371,732	2,228,726	225	2,142,781
2019 / 12	2,766,262	2,110,050	225	655,987

Source: NBS.

### Chart 135

Quoted shares: market capitalization by sector (EUR millions)



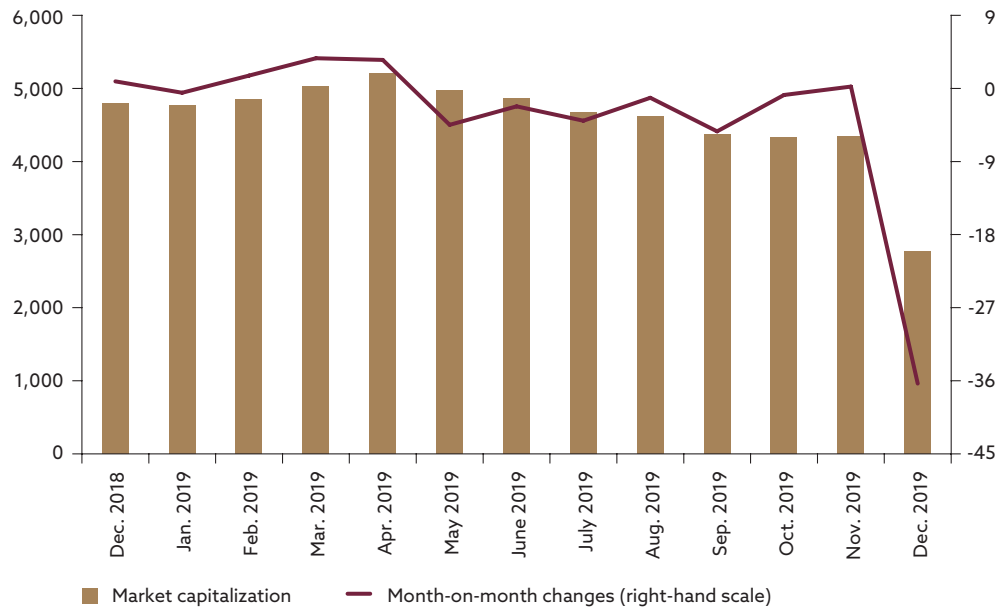
Source: NBS.

The stock of listed shares decreased in the quarter under review, by 36.7% quarter on quarter. The figure for credit institutions' shares was lower by 5.3% and that for NFC shares by 69.4%.

The fourth quarter of 2019 saw decreases in the stock of listed shares in October (0.8%) and December (36.4%), and an increase in November (0.2%).

**Chart 136**

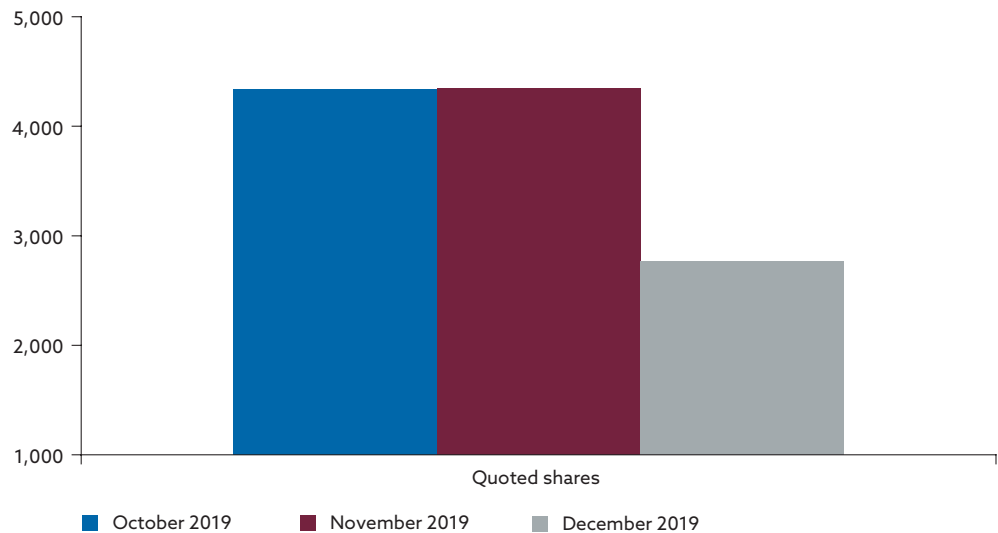
Quoted shares (market capitalization, month-on-month changes) (EUR millions)



Source: NBS.

**Chart 137**

Quoted shares (market capitalization, EUR millions, 4Q 2019)



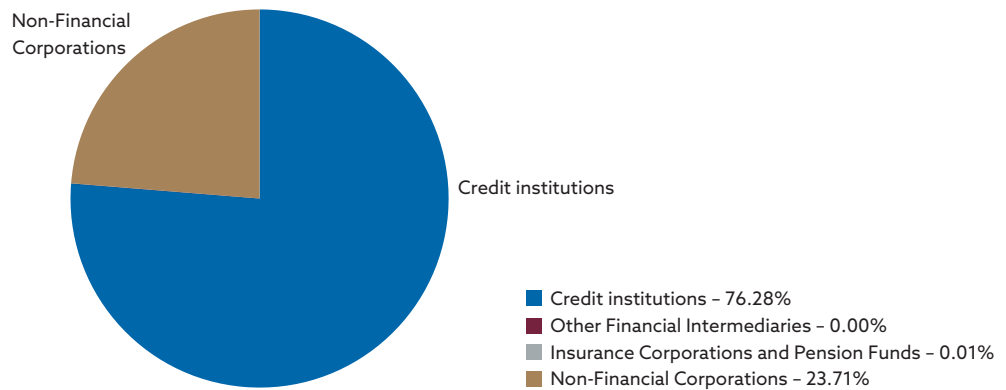
Source: NBS.

The sectoral breakdown of market capitalisation shows that, at 31 December 2019, credit institutions accounted for 76.28% and NFCs for 23.71% of the total market capitalisation. The share of other sectors was negligible.



**Chart 138**

**Quoted shares by sector (market capitalization as at 31 December 2019)**



Source: NBS.

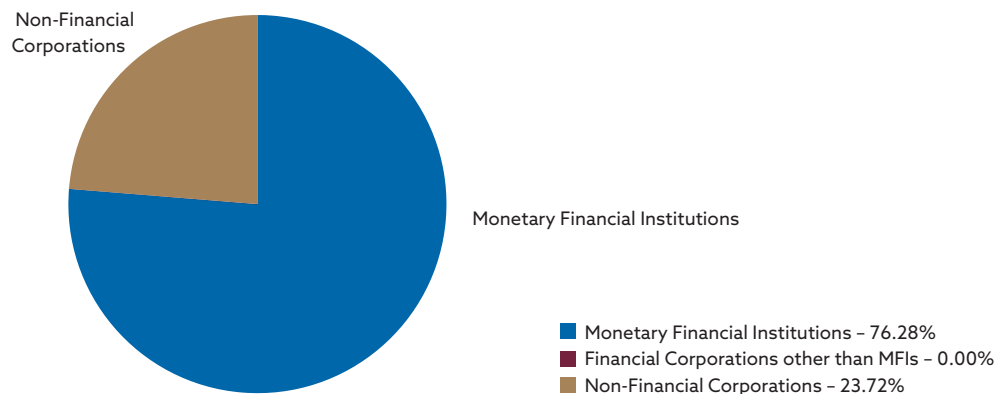
Note: Market capitalization as at 30 December 2019.

## 5.4 Comparison of listed shares: Slovakia vs euro area

The stocks of listed shares issued in Slovakia and in the euro area differ substantially in structure according to the sector of the issuer. Their structure in Slovakia is dominated by shares issued by monetary financial institutions (76.3%), followed by those issued by non-financial corporations (NFCs) with a share of 23.7%. The share of other sectors is negligible. The most significant issuers in the euro area are NFCs (76.8%), which are followed by other financial institutions (16.4%). Monetary financial institutions account for only 6.8% of the stock of listed shares issued in the euro area.

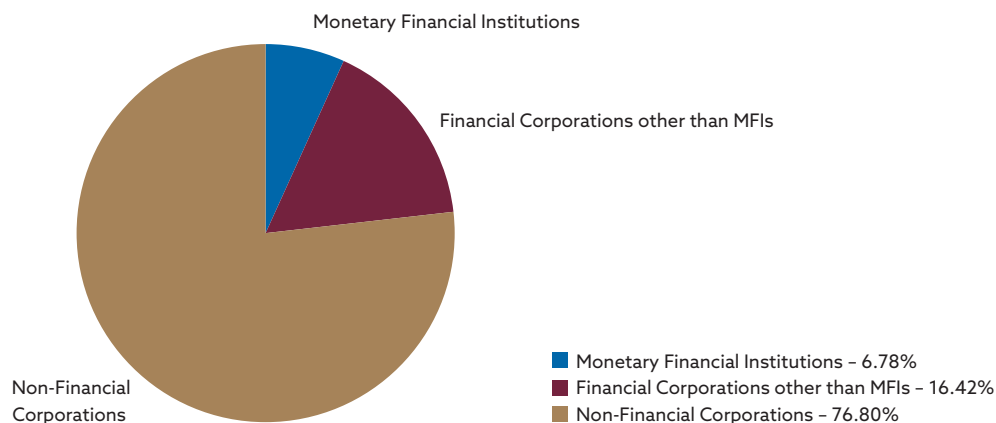
**Chart 139**

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



Source: NBS.

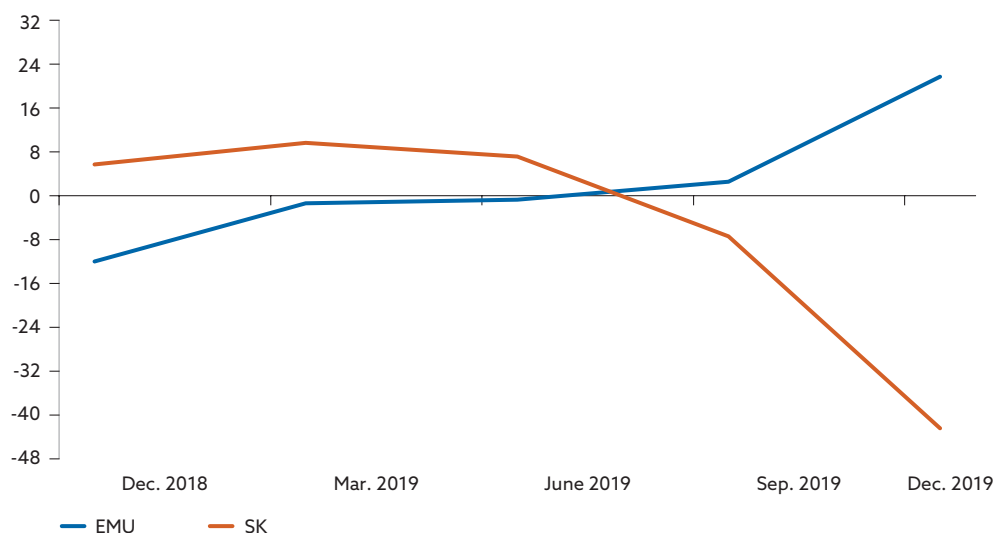
**Chart 140**  
Quoted shares – Euro area: by sector (outstanding amounts)



Source: NBS.

The stocks of listed shares issued in Slovakia and in the euro area followed different trends over the course of 2019. The amount issued in Slovakia increased, year on year, over the first half of the year, then started to decrease. The amount issued in the euro area followed the opposite trend, i.e. decline in the first half of the year, followed by growth in the second half. The largest difference was recorded at 31 December 2019, when the amount issued in Slovakia was lower, year on year, by 42.4%, while that issued in the euro area was higher, year on year, by 21.6%.

**Chart 141**  
Quoted shares – (outstanding amounts, year-on-year changes, %)

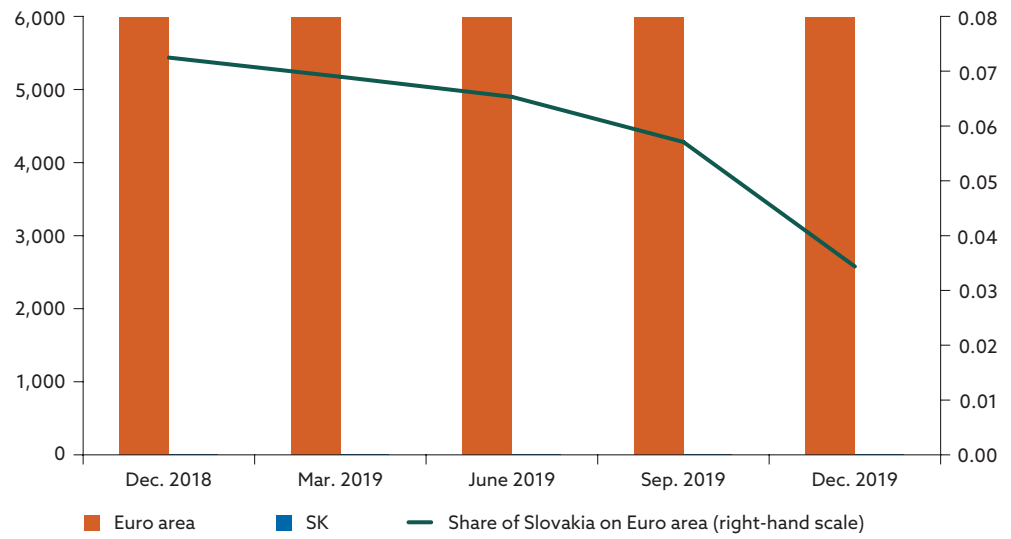


Source: NBS, ECB.

The share of Slovakia in the total stock of listed shares issued in the euro area remained negligible in 2019. It decreased gradually during the year, by 0.04 percentage point, to 0.03% at 31 December 2019.

**Chart 142**

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



Source: NBS, ECB.

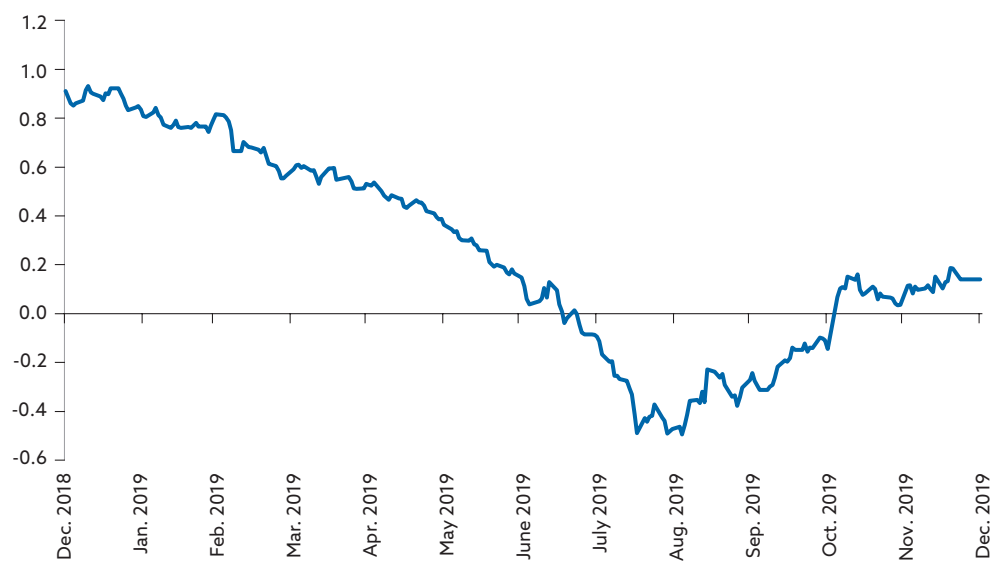
# 6 Selected macroeconomic indicators

## 6.1 Long-term interest rate

With effect from 1 July 2013, the approach based on a 'basket of bonds' has been replaced with a 'benchmark-oriented approach'<sup>4</sup>, using the government bond SK4120009044 as a benchmark. Since then the benchmark has been replaced by government bond SK4120008871 (with effect from 1 May 2014), by government bond SK4120007543 (with effect from 1 June 2015), by government bond SK4120010430 (with effect from 1 June 2016), by government bond SK4120009762 (with effect from 1 June 2018) and by government bond SK4120015173 (with effect from 1 November 2019). This approach was also applied during the fourth quarter of 2019. During that period, the interest rate increased by 0.48 percentage point, from -0.27% at 30 September 2019 to 0.14% at 31 December 2019.

**Chart 143**

**Benchmark – yield to maturity (p.a.)**



Source: BCPB.

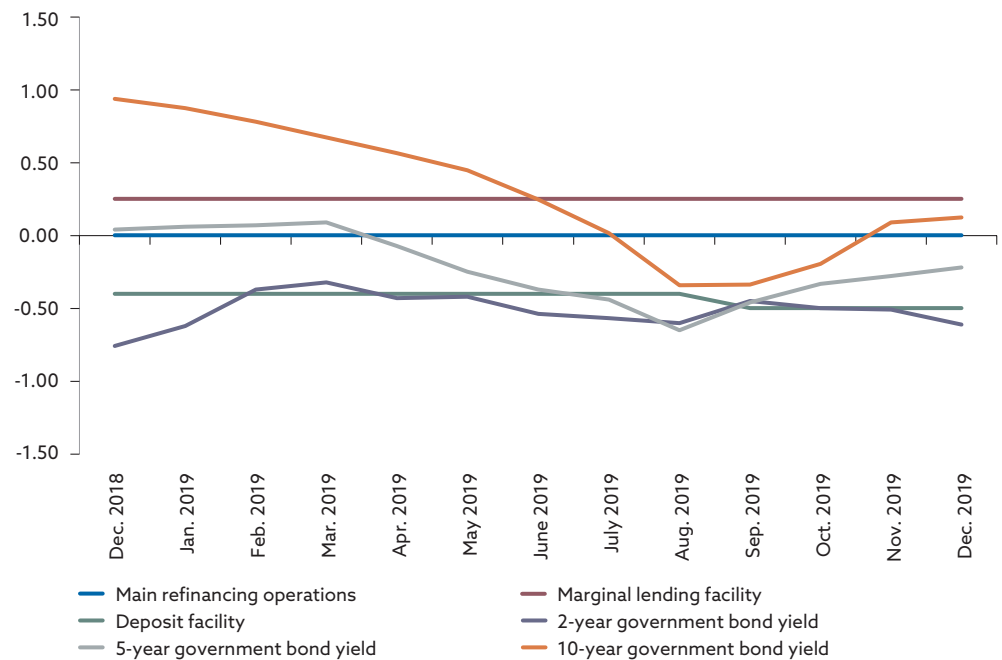
## 6.2 Key ECB interest rates

The European Central Bank's interest rate on main refinancing operations, and its interest rates on the marginal lending facility and the deposit facility, remained unchanged at 31 December 2019 from their levels at the end

<sup>4</sup> See the Methodological Notes, section 7.6. *Long-term interest rate*.

of the previous quarter, at 0.00%<sup>5</sup>, 0.25% and -0.50% respectively. The interest rate on two-year government bond has the value of -0,61% at the end of the last quarter of 2019. The five-year government bond yield was -0.22% and the average ten-year government bond yield increased from -0.34% to 0.13% as at the end of Q4 2019, due to the changeover of the benchmark bond since 1 November 2019.

**Chart 144**  
Interest rates (p.a.)



Source: ECB, BCPB.

<sup>5</sup> The main refinancing rate has been at this level since 16 March 2016.

# 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 economic 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, do-

mestic 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 reporting (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* (having specific sector – S.123) and other categories of mutual funds, referred to as investment funds (sector S.124).

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

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<sup>6</sup> Regulation (EU) no 1073/2013 of the ECB of 18 October 2013 concerning statistics on the assets and liabilities of investment funds (recast) (ECB/2013/38), OJ L 297, 7.11.2013, p. 73 ([http://www.ecb.europa.eu/ecb/legal/pdf/en\\_02013r1073-20131127-en.pdf](http://www.ecb.europa.eu/ecb/legal/pdf/en_02013r1073-20131127-en.pdf)).

Regulation (EU) No 1071/2013 of the ECB of 24 September 2013 concerning the balance sheet of the monetary financial institutions sector (recast) (ECB/2013/33), OJ L 297, 7.11.2013, p. 1 (<http://www.ecb.europa.eu/ecb/legal/pdf/02013r1071-20131127-en.pdf>).

Guideline of the ECB of 4 April 2014 on monetary and financial statistics recast) (ECB/2014/15), OJ L 340, 26.11.2014, p. 1 ([http://www.ecb.europa.eu/ecb/legal/pdf/oj\\_jol\\_2014\\_340\\_r\\_0001\\_en\\_txt.pdf](http://www.ecb.europa.eu/ecb/legal/pdf/oj_jol_2014_340_r_0001_en_txt.pdf)).

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 redemption 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 collective 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

According to the sectoral classification of economic entities (ESA 2010), the companies under analysis are included in the S.125 sector – *other financial intermediaries*<sup>7</sup>, as a subcategory referred to as *financial corporations en-*

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<sup>7</sup> The European System of National Accounts (ESA 2010) 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.

gaged in lending 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.125 sector comprises the following types of companies:

- 1. 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.
- 2. 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**.
- 3. Financial vehicle corporations** – 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.125 sector from that of S.122+S.123 (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>8</sup>. The range of data reported complies in full with the current requirements<sup>9</sup> of the European Central Bank regarding the statistics of other financial intermediaries.

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<sup>8</sup> Decree of Národná banka Slovenska No. 19/2014 on reporting by factoring, leasing and consumer credit companies for statistical purposes.

<sup>9</sup> Guideline of the ECB of 4 April 2014 on monetary and financial statistics recast (ECB/2014/15), OJ L 340, 26.11.2014, p. 1 (ANNEX III, PART 11) ([http://www.ecb.europa.eu/ecb/legal/pdf/oj\\_jol\\_2014\\_340\\_r\\_0001\\_en\\_txt.pdf](http://www.ecb.europa.eu/ecb/legal/pdf/oj_jol_2014_340_r_0001_en_txt.pdf)).

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 2017, quarterly balance-sheet data are collected from eighteen (out of 73) companies providing financial leasing services as the main or substantial part of their business activity, from 16 (out of 157) consumer credit companies, and from seven (out of 17) 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>10</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.

#### b) Redemptions

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<sup>10</sup> Guideline of the ECB of 4 April 2014 on monetary and financial statistics recast (ECB/2014/15), OJ L 340, 26.11.2014, p. 1 (ANNEX III, PART 12) ([http://www.ecb.europa.eu/ecb/legal/pdf/oj\\_jol\\_2014\\_340\\_r\\_0001\\_en\\_txt.pdf](http://www.ecb.europa.eu/ecb/legal/pdf/oj_jol_2014_340_r_0001_en_txt.pdf)).

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;

### 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		

- 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 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 inter-

est 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 – 04/2014,

SK4120008871 Benchmark for the period 05/2014 – 05/2015,

SK4120007543 Benchmark for the period 06/2015 – 05/2016,

- SK4120010430 Benchmark for the period 06/2015 – 05/2018,
- SK4120009762 Benchmark for the period 06/2018 – 10/2019,
- SK4120015173 Benchmark for the period 11/2019 – to date.

# Abbreviations

APRC	Annual percentage rate of charge
ECB	European Central Bank
ESA2010	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.

**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.

**Renegotiated loans** are a part of new loans and are covering all changes to former contract with the active participation of the client, resulting in the change in contract conditions with effect on the interest rate. These loans do not bring new contracts to the market.

**Pure new loans** are loans which are a part of new loans and are calculated as the difference between the total amount of new loans and renegotiated loans, the so called new money in economy.

# Sector classification

Classification of institutional sectors and sub-sectors according to the European System of National and Regional Accounts (ESA2010):

## 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 Money market funds

S.124 Investment funds

S.125 Other financial intermediaries

S.126 Financial auxiliaries

S.127 Captive financial corporations and money lenders

S.128 Insurance corporations

S.129 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://ec.europa.eu/eurostat/en/web/products-manuals-and-guidelines/-/KS-02-13-269>

## **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/financial-institutions/banks/statistical-and-analytical-overview/monetary-statistics-of-monetary-financial-institutions#ZOZPFI>

List of investment funds:

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

List of other financial intermediaries:

<http://www.nbs.sk/en/statistics/financial-institutions/factoring-leasing-and-consumer-credit-companies/statistics-on-financial-corporations-engaged-in-lending>

Overview of developments in the monetary sector:

<http://www.nbs.sk/en/statistics/financial-institutions/banks/statistical-and-analytical-overview/a-survey-of-financial-sector-development>

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

Statistics of monetary financial institutions:

<http://www.nbs.sk/en/statistics/financial-institutions/banks/statistical-and-analytical-overview/monetary-statistics-of-monetary-financial-institutions>

Monetary aggregates in the euro area:

[https://www.ecb.europa.eu/stats/money\\_credit\\_banking/monetary\\_aggregates/html/index.en.html](https://www.ecb.europa.eu/stats/money_credit_banking/monetary_aggregates/html/index.en.html)

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

[https://www.ecb.europa.eu/stats/money\\_credit\\_banking/mfi\\_balance\\_sheets/html/index.en.html](https://www.ecb.europa.eu/stats/money_credit_banking/mfi_balance_sheets/html/index.en.html)



**Interest rate statistics:**

<http://www.nbs.sk/en/statistics/financial-institutions/banks/statistical-and-analytical-overview/interest-rate-statistics>

Interest rate statistics – bank loans:

<http://www.nbs.sk/en/statistics/financial-institutions/banks/statistical-and-analytical-overview/interest-rate-statistics/banking-interest-rates-statistics-loans>

Interest rate statistics – bank deposits:

<http://www.nbs.sk/en/statistics/financial-institutions/banks/statistical-and-analytical-overview/interest-rate-statistics/banking-interest-rates-statistics-deposits>

Interest rates statistics for the euro area:

[https://www.ecb.europa.eu/stats/financial\\_markets\\_and\\_interest\\_rates/bank\\_interest\\_rates/mfi\\_interest\\_rates/html/index.en.html](https://www.ecb.europa.eu/stats/financial_markets_and_interest_rates/bank_interest_rates/mfi_interest_rates/html/index.en.html)

Long-term interest rate statistics:

<http://www.nbs.sk/en/statistics/financial-markets/interest-rates/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/financial-institutions/banks/statistical-data-of-monetary-financial-institutions>

**Statistics of investment funds:**

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

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

<http://www.nbs.sk/en/statistics/financial-institutions/factoring-leasing-and-consumer-credit-companies/statistics-on-financial-corporations-engaged-in-lending>

Source data of other financial intermediaries (OFIs):

<http://www.nbs.sk/en/statistics/financial-institutions/factoring-leasing-and-consumer-credit-companies/statistical-data>

Securities issues statistics:

<http://www.nbs.sk/en/statistics/financial-markets/securities/securities-issues-statistics>

Securities custody statistics:

<http://www.nbs.sk/en/statistics/financial-markets/securities/securities-custody-statistics>

Data categories within SDDS standard:

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

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