



Currency Circulation in the Slovak Republic in 2007

Ing. Milada Vlnková
Národná banka Slovenska

For the needs of circulation in 2007, Národná banka Slovenska provided for additional printing of 16.5 million banknotes in the denomination of SKK 1,000. The banknotes were printed by the British printing works De La Rue in its Malta-based factory in Zejtun.

Besides the banknotes, 44.0 million 50 haler coins, 5.5 million 1 koruna coins, 13.2 million 2 koruna coins, and 5.3 million 5 koruna coins were minted for the needs of currency circulation. In addition to coins designed for currency circulation, 18,000 coins in the denominations of 10, 5, 2 and 1 koruna and 50 halers were produced for collectors and used in three types of annual collector sets of Slovak circulation coins.

In 2007 Národná banka Slovenska issued, for collector purposes, two commemorative coins minted from precious metals to commemorate important events and anniversaries. The commemorative silver coin in the denomination of SKK 200 was issued on 9 January 2007 on the occasion of the 200th anniversary of the birth of Jozef Maximilian Petzval. The commemorative silver coin in the denomination of SKK 500 was issued on 15 May 2007, marking the 450th anniversary of the completion of the construction of the Old Fortress Komárno. The production of all circulation and commemorative coins was carried out by Mincovňa Kremnica, š. p. (the Kremnica Mint state enterprise), which was also in charge of the sale of the annual collector sets of coins.

VALUE OF CURRENCY IN CIRCULATION AND ANNUAL NET ISSUANCE¹ IN THE SLOVAK REPUBLIC

The value of currency in circulation in the Slovak Republic (including commemorative coins) was SKK 155.15 billion as at 31 December 2007. Compared with the figure as at 31 December 2006, the value of currency in circulation grew by SKK 11.6 billion year-on-year, which represents the year-on-year increase of 8.1%. In comparison with the figure in 2006, the total net issuance decreased by SKK 1.8 billion (i.e. by 13.2%).

The development of currency in circulation (measured as at the end of the individual months) recorded in 2007 its typical seasonality with a decline in the first quarter and an increase as at the end of the year. The monthly values of the net issuance ranged from minus SKK 2.6 billion in January 2007 to SKK 4.8 billion in December 2007. The development of currency in circulation in 2007 is shown in Chart 1.

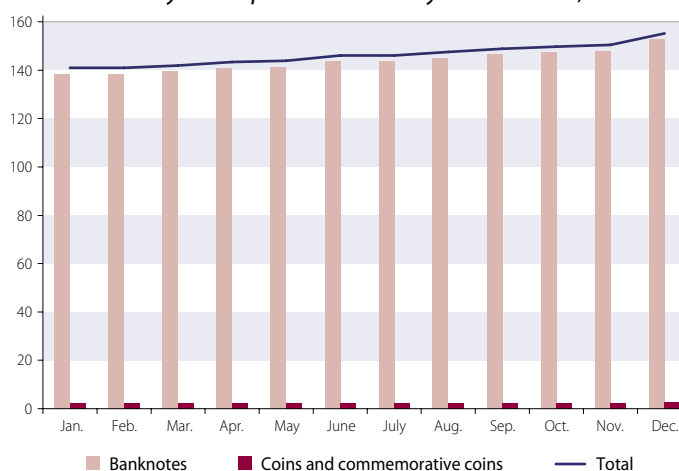
The daily value of currency in circulation ranged in 2007 from SKK 139.98 billion (minimum value on 7 February 2007) to SKK 162.08 billion (maximum value on 21 December 2007). The development of the daily value of currency in circulation in 2007 and in the previous year is shown in Chart 2.

STRUCTURE OF CURRENCY IN CIRCULATION AND NET ISSUANCE

As at 31 December 2007, the currency in circulation comprised 186.7 million banknotes with a value of SKK 152.6 billion, 1,163.2 million circulation coins with a value of SKK 1.85 billion, and

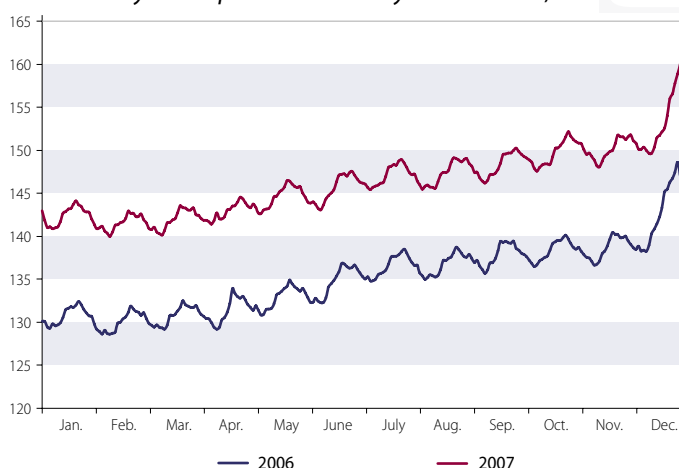
¹ Net issuance represents the difference between the money put into circulation and the money taken out of circulation over the given period. The terminology is consistent with that used by the European Central Bank.

Chart 1 Monthly development of currency in circulation, SKK billion



Source: NBS.

Chart 2 Daily development of currency in circulation, SKK billion



Source: NBS.

**Table 1 Commemorative coins issued by the NBS in 2007**

| Face value | Event commemorated by the coin | Number of coins issued | | NBS Decree |
|----------------------|---|------------------------|-------|----------------|
| | | Total | Proof | |
| Sk 200 ¹⁾ | 200th anniversary of the birth of Jozef Maximilian Petzval | 7,200 | 2,500 | 617/2006 Coll. |
| Sk 500 ¹⁾ | 450th anniversary of the completion of the construction of the Komárno Old Fortress | 7,200 | 2,600 | 183/2007 Coll. |

1) Commemorative silver coin.

Source: NBS.

Table 2 Currency in circulation by value in SKK

| | Value in SKK | | Share in % | |
|--------------------------|------------------|------------------|------------------|------------------|
| | 31 December 2007 | 31 December 2006 | 31 December 2007 | 31 December 2006 |
| Banknotes | | | | |
| 5000 Sk | 74,381,077,500 | 68,029,362,500 | 47.94 | 47.40 |
| 1000 Sk | 65,888,564,500 | 61,320,830,500 | 42.47 | 42.73 |
| 500 Sk | 5,693,748,375 | 5,361,164,875 | 3.67 | 3.74 |
| 200 Sk | 2,459,868,650 | 2,292,431,250 | 1.59 | 1.60 |
| 100 Sk | 2,553,773,150 | 2,512,164,150 | 1.65 | 1.75 |
| 50 Sk | 903,850,100 | 867,629,800 | 0.58 | 0.60 |
| 20 Sk | 773,488,305 | 720,110,265 | 0.50 | 0.50 |
| Total | 152,654,370,580 | 141,103,693,340 | 98.39 | 98.32 |
| Circulation coins | | | | |
| 10 Sk | 895,795,870 | 881,149,330 | 0.58 | 0.61 |
| 5 Sk | 359,567,040 | 333,777,320 | 0.23 | 0.23 |
| 2 Sk | 251,880,460 | 232,742,040 | 0.16 | 0.16 |
| 1 Sk | 164,910,186 | 152,756,209 | 0.11 | 0.11 |
| 50 hal. I | 26,082,860 | 25,042,035 | 0.02 | 0.02 |
| 50 hal. II | 83,835,690 | 74,212,418 | 0.05 | 0.05 |
| 20 hal. | 44,275,412 | 44,304,304 | 0.03 | 0.03 |
| 10 hal. | 26,967,812 | 26,980,004 | 0.02 | 0.02 |
| Total | 1,853,315,331 | 1,770,963,661 | 1.19 | 1.23 |
| Commemorative coins | 646,400,190 | 643,389,180 | 0.42 | 0.45 |
| Total currency | 155,154,086,101 | 143,518,046,181 | 100.00 | 100.00 |

Source: NBS.

² The population as at 31 December 2006 was 5,393,637 according to the Statistical Office of the Slovak Republic.

889.6 thousand commemorative coins with a value of SKK 646.4 million. Of the total value of currency in circulation, banknotes accounted for 98.4%, circulation coins 1.2%, and commemorative coins 0.4%. Of the total number of coins and banknotes in circulation, banknotes made up 13.8% and circulation coins 86.2%, including commemorative coins.

Banknotes, circulation coins and commemorative coins contributed SKK 11.55 billion, SKK 82.35 million, and SKK 3.0 million, respectively, to the net issuance in 2007 (SKK 11.6 billion).

Of the 2007 net issuance, the largest component by value was the net issuance of 5,000 koruna banknotes (SKK 6.35 billion, 1.27 million units) and 1,000 koruna banknotes (SKK 4.56 billion, 4.56 million units). These two denominations together accounted for 93.8% of the net issuance in 2007.

The structure of banknotes in circulation remained unchanged in comparison with 2006. The most numerous banknotes in circulation continue to be the 1,000 koruna (65.9 million units), 20 koruna (38.7 million units) and 100 koruna (25.5 million units) banknotes. The 5,000 koruna and 1,000 koruna banknotes worth SKK 140.3 billion accounted for 90.4% of the total value of currency in circulation, which was a slightly higher share than in the previous year (90.1%).

The net issuance of circulation coins in 2007 was worth SKK 82.4 million (49.4 million units). All valid circulation coins recorded a positive net issuance. The highest value of the net issuance was reported for the 5 koruna coin (SKK 25.8 million) and the largest increase by number of units was reported for the 50 haler coin (by 21.3 million units). In 2007, there was a return from circulation



Table 3 Currency in circulation by pieces

| | Number in units | | Share in % | |
|--------------------------|------------------|------------------|------------------|------------------|
| | 31 December 2007 | 31 December 2006 | 31 December 2007 | 31 December 2006 |
| Banknotes | | | | |
| 5000 Sk | 14,876,216 | 13,605,873 | 1.10 | 1.05 |
| 1000 Sk | 65,888,565 | 61,320,831 | 4.88 | 4.75 |
| 500 Sk | 11,387,497 | 10,722,330 | 0.84 | 0.83 |
| 200 Sk | 12,299,343 | 11,462,156 | 0.91 | 0.89 |
| 100 Sk | 25,537,732 | 25,121,642 | 1.89 | 1.95 |
| 50 Sk | 18,077,002 | 17,352,596 | 1.34 | 1.34 |
| 20 Sk | 38,674,415 | 36,005,513 | 2.86 | 2.79 |
| Total | 186,740,769 | 175,590,940 | 13.82 | 13.61 |
| Circulation coins | | | | |
| 10 Sk | 89,579,587 | 88,114,933 | 6.63 | 6.83 |
| 5 Sk | 71,913,408 | 66,755,464 | 5.32 | 5.17 |
| 2 Sk | 125,940,230 | 116,371,020 | 9.32 | 9.02 |
| 1 Sk | 164,910,186 | 152,756,209 | 12.21 | 11.84 |
| 50 hal. I | 52,165,721 | 50,084,071 | 3.86 | 3.88 |
| 50 hal. II | 167,671,380 | 148,424,836 | 12.41 | 11.50 |
| 20 hal. | 221,377,062 | 221,521,521 | 16.39 | 17.17 |
| 10 hal. | 269,678,123 | 269,800,042 | 19.96 | 20.91 |
| Total | 1,163,235,697 | 1,113,828,096 | 86.11 | 86.32 |
| Commemorative coins | 889,584 | 866,959 | 0.07 | 0.07 |
| Total currency | 1,350,866,050 | 1,290,285,995 | 100.00 | 100.00 |

Source: NBS.

of 144.5 thousand units of the invalid 20 haler coins and 121.9 thousand units of the invalid 10 haler coins. More than 491 million units of these coins remain in circulation, representing as at 31 December 2007 over 83% of the total number of coins issued between 1993 and the end of 2003. The exchange of 10 and 20 haler coins is possible through 31 December 2008.

The total number of commemorative coins in circulation increased by more than 22 thousand units in 2007 and their value rose by SKK 3.0 million.

AVERAGE VALUE OF CURRENCY IN CIRCULATION

The per capita value of currency in circulation² as at 31 December 2007, including commemorative coins, amounted to SKK 28,767, of which banknotes accounted for SKK 28,303, circulation coins SKK 344, and commemorative coins SKK 120. In comparison with 2006, the total per capita value of currency in circulation increased by SKK 2,135, of which banknotes accounted for SKK 2,120, and circulation coins SKK 15. The per capita value of commemorative coins remained almost unchanged vis-à-vis the previous year.

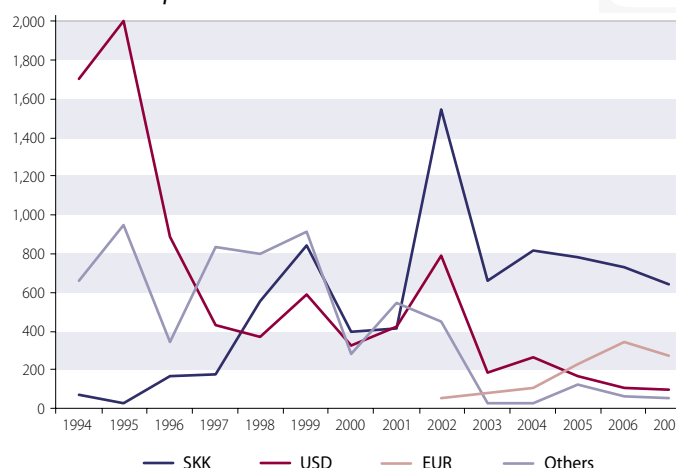
There were nearly 35 banknotes held per capita, representing a rise of 2 units in comparison with 2006. The most numerous banknotes were the 1,000 koruna (12 units) and the 20 koruna (almost 7 units) banknotes. The per capita number of circulation coins increased from 207 in 2006 to

216 in 2007. Similarly to 2006, the highest share in the valid circulation coins was held by the coins of the smallest denominations, i.e. the 50 haler coins with nearly 41 units per capita (37 units one year ago), and the 1 koruna coins with 31 units (28 units one year ago).

COUNTERFEITS SEIZED IN THE TERRITORY OF THE SLOVAK REPUBLIC

In 2007, a total of 1,066 units of counterfeit Slovak koruna and foreign currencies were seized

Chart 3 Development in the number of counterfeits seized



Source: NBS.



in the Slovak territory. Compared with 2006, the total number of seized counterfeits declined by 167 units, i.e. by more than 13%. Up to 92% of the given number of counterfeits was seized directly from circulation by banks, branches of foreign banks, non-banking entities, and security services.

In the structure of counterfeits, the Slovak koruna (60%) and euro (26%) currencies accounted for the largest shares. The US dollar and other foreign

currencies amounted to 9% and 5%, respectively.

A total of 639 Slovak koruna counterfeits, including five altered banknotes, were seized in 2007. The highest occurrence of counterfeits was recorded in the regions of Nitra (161 units) and Žilina (115 units). Similarly to the previous period, the most frequently counterfeited banknotes were the 1,000 and 500 koruna denominations, which accounted for more than two thirds of the counterfeit Slovak currency.