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Contact

Národná banka Slovenska
Imricha Karvaša 1
813 25 Bratislava
info@nbs.sk

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Contents

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 data as at the end of March 2022. 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.

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, investment funds, leasing companies, factoring companies, and consumer credit companies. The last chapter is summarising the methodological notes to the individual areas of statistics under analysis.

The Bulletin is available in electronic form on the NBS website (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.

Editors of the Monetary
and Financial Statistics Section

1 Structure of the financial market in Slovakia

1.1 Overview of participants

At the end of March 2022, there were 27 monetary financial institutions operating in the banking sector (S.121+S.122+S.123). Besides the central bank there were 26 deposit-taking corporations (S.122), including 8 banks, 15 branches of foreign banks and 3 home savings banks (building societies). No changes were registered in the period under review.

The same development was observed in relation to investment funds (S.124) and other financial intermediaries (S.125), where there were only minimal changes in the number of entities. In the investment funds sector, one equity fund was established: Inovatívny o.p.f. – 365.invest, správ. spol., a.s.

There was no change in the number of entities in the financial auxiliaries (S.126) and insurance corporations and pension funds (S.128+S.129) sectors.

Table 1 Structure of the financial market in Slovakia

	III. 2021	VI. 2021	IX. 2021	XII. 2021	III. 2022
Monetary financial institutions (S.121 + S.122 + S.123)	**28**	**28**	**28**	**27**	**27**
Central bank (S.121)	**1**	**1**	**1**	**1**	**1**
Deposit taking corporations excl. central bank (S.122)	**27**	**27**	**27**	**26**	**26**
Banks	*9*	*9*	*9*	*8*	*8*
Branches of foreign banks	*15*	*15*	*15*	*15*	*15*
Credit cooperatives	*0*	*0*	*0*	*0*	*0*
Building societies	*3*	*3*	*3*	*3*	*3*
Money Market Funds (S.123)	**0**	**0**	**0**	**0**	**0**
Investment Funds (S.124)	**91**	**98**	**99**	**98**	**99**
Equity funds	11	11	13	12	13
Bond funds	22	21	21	19	19
Mixed funds	42	48	46	47	47
Real estate funds	10	12	13	14	14
Other funds	6	6	6	6	6
Other financial intermediaries (S.125)	**175**	**176**	**175**	**174**	**170**
Financial auxiliaries (S.126)	**43**	**44**	**44**	**43**	**43**
Asset Managment Companies	11	11	11	12	12
Pension Savings Companies	5	5	5	5	5
Supplementary Pension Asset Management Companies	4	4	4	4	4
Securities and derivatives dealers [1)]	23	24	24	22	22
Insurance corporations and pension funds (S.128 + S.129)	**48**	**49**	**48**	**46**	**46**
Insurance corporations	12	13	12	10	10
Pension funds	36	36	36	36	36

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.

NÁRODNÁ BANKA SLOVENSKA EUROSYSTÉM

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

	III. 2021	VI. 2021	IX. 2021	XII. 2021	III. 2022
Monetary financial institutions (S.121 + S.122)	**161,000**	**168,001**	**170,705**	**193,581**	**201,652**
Central bank (S.121)	61,707	66,267	66,123	86,966	93,014
Deposit taking corporations excl. the central bank (S.122)	99,293	101,734	104,582	106,615	108,638
Money Market Funds (S.123)	**0**	**0**	**0**	**0**	**0**
Investment funds (S.124)	**8,285**	**8,658**	**9,025**	**9,532**	**9,475**
Other financial intermediaries (S.125)	**6,620**	**6,567**	**6,490**	**6,435**	**5,649**
Financial auxiliaries (S.126)	**422**	**415**	**456**	**491**	**477**
Insurance corporations and pension funds (S.128 + S.129)	**21,353**	**22,148**	**22,099**	**21,934**	**21,595**
Insurance corporations [1)]	7,400	7,592	7,300	6,572	6,338
Pension funds	13,953	14,556	14,799	15,362	15,257

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 as of the end of the quarter under review stood at 18,736. This was another quarter-on-quarter decrease in headcount, continuing the falling trend that began in the second half of 2019.

Compared with the end of December 2021, when 18,825 people were employed in the banking sector, headcount in the banking sector was 0.5% smaller (89 fewer employees).

The number of bank employees was also down year on year, with a decrease of 789 (4.2%) compared to March 2021.

The central bank was no exception to this trend, shedding 25 employees for a staff of 1,083 at the end of the period under review.

Table 3 Number of employees in the banking sector

	2020				2021				2022
	31. 3.	30. 6.	30. 9.	31. 12.	31. 3.	30. 6.	30. 9.	31. 12	31. 3.
Banking sector	20,279	20,116	19,807	19,698	19,525	19,251	19,049	18,825	18,736
Central bank	1,105	1,109	1,112	1,122	1,125	1,120	1,128	1,108	1,083
Banks and branches of foreign banks	19,174	19,007	18,695	18,576	18,400	18,131	17,921	17,717	17,653
Of which: Banks	17,452	17,287	16,980	16,876	16,721	16,482	16,272	16,090	16,053
Branches of foreign banks	1,722	1,720	1,715	1,700	1,679	1,649	1,649	1,627	1,600

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 decreased year on year, from 6.09% as of 31 March 2021 to 5.85% as of 31 March 2022.

Of 26 domestic credit institutions, domestic share capital was part of the subscribed capital of six credit institutions, with two banks (ČSOB stavebná sporiteľňa, a.s., and Slovenská záručná a rozvojová banka, 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 93.91% as of 31 March 2021 to 94.15% as of 31 March 2022.

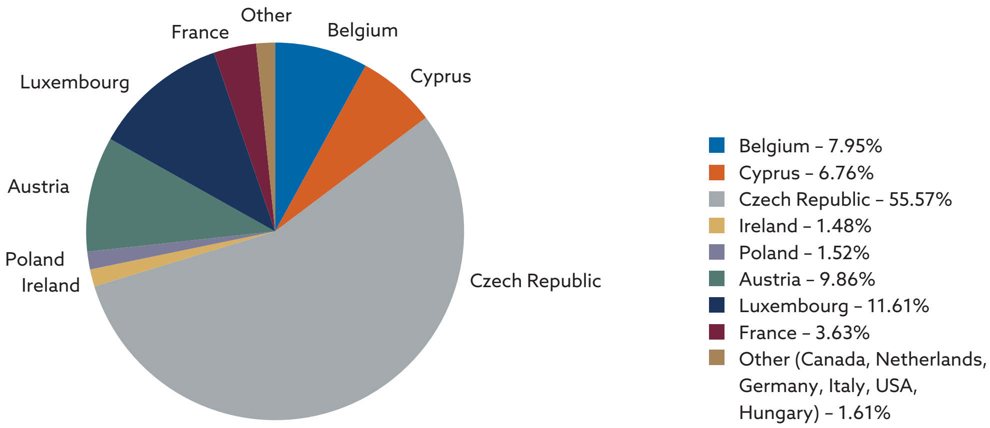
Alongside this percentage increase, the total volume of foreign share capital as of 31 March 2022 grew in absolute terms by €16.94 million, which is 0.46% in relative terms.

There were several noteworthy changes in the structure of foreign capital. Foreign capital from the Czech Republic increased in the group of foreign bank branches, with a year-on-year rise of €55.66 million, which is 1.25% of the total volume of foreign capital held by banks. The share of French capital also increased, growing by €71.88 million (1.93%) compared with the same period a year earlier. The share of Belgian capital shrank, year on year, by 3.45% in relation to the total volume of foreign share capital (€126.1 million in absolute terms). The change in Belgian-held capital affected mainly the group of banks, while the inflow of French capital increased the share capital of foreign bank branches.

The group of 'other countries' in Charts 1 and 2 includes all countries contributing less than 1% of the total foreign share capital of banks operating in Slovakia. At the end of the review period, the 'other countries' (Canada, the Netherlands, Germany, Italy, the United States and Hungary) accounted for 1.61% (€59.87 million) of banks' total foreign share capital.

Chart 1

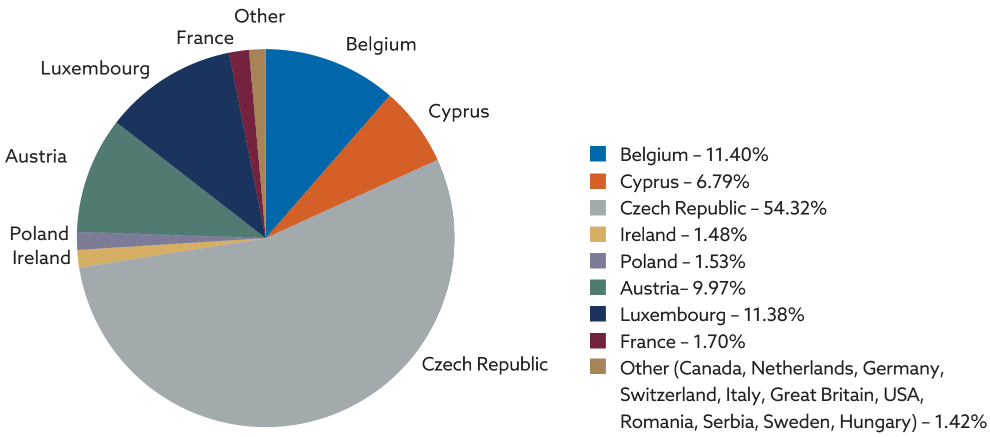
Foreign capital in the banks in the Slovak Republic as at 31.03.2022



Source: NBS.

Chart 2

Foreign capital in the banks in the Slovak Republic as at 31.03.2021



Source: NBS.

2 Statistics of 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 referred to as 'credit institutions') amounted to €108.6 billion at the end of March 2022. This represented a year-on-year increase of 9.4% (€9.3 billion), stemming mostly from the growing stock of credit claims and of securities other than equities and investment fund shares/units.

Credit claims constituted the majority (84%) of credit institutions' assets and their share was 0.5 percentage points larger year-on-year as at 31 March 2022. Their stock increased 10%, year-on-year, by €8.3 billion, with the largest growth being in claims with a maturity of over five years (€5.7 billion increase). Credit claims with a maturity of one to five years increased too, by €0.6 billion. Claims with a maturity of up to one year were up by €2.0 billion year-on-year at the end of March 2022.

Credit institutions' holdings of securities other than equities and investment fund shares/units accounted for 11.5% of their total assets at the end of the first quarter of 2022, which represented a rise of 0.3 percentage point year on year. The volume of such securities in the portfolios of credit institutions grew, year on year, by 11.9% (€1.3 billion), due to an increase in stocks of securities with a maturity of over two years. Securities other than equities and investment fund shares/units with a maturity of up to one year decreased year on year to a level of €0.19 billion. Securities other than equities and investment fund shares/units with a maturity of over two years were relatively unchanged from the previous quarter at around €12.3 billion. Year-on-year growth of this item amounted to 14.4%, which was significantly faster than in the previous two quarters.

Credit institutions' holdings of shares and other equity constituted 0.7% of their total assets at the end of the first quarter of 2022, which was slightly less than a year earlier. The stock of shares and other equity in credit institutions' asset portfolios decreased by 8% year on year.

Credit institutions' other assets (including fixed assets) accounted for 2.6% of their total assets as at 31 March 2022, which represented a decrease of

0.8 percentage point year-on-year. The volume of other assets (including fixed assets) fell year-on-year by €0.6 billion.

At 1% of total assets, credit institutions' cash holdings were slightly higher year on year at the end of March 2022, having grown by 2.3 percentage points.

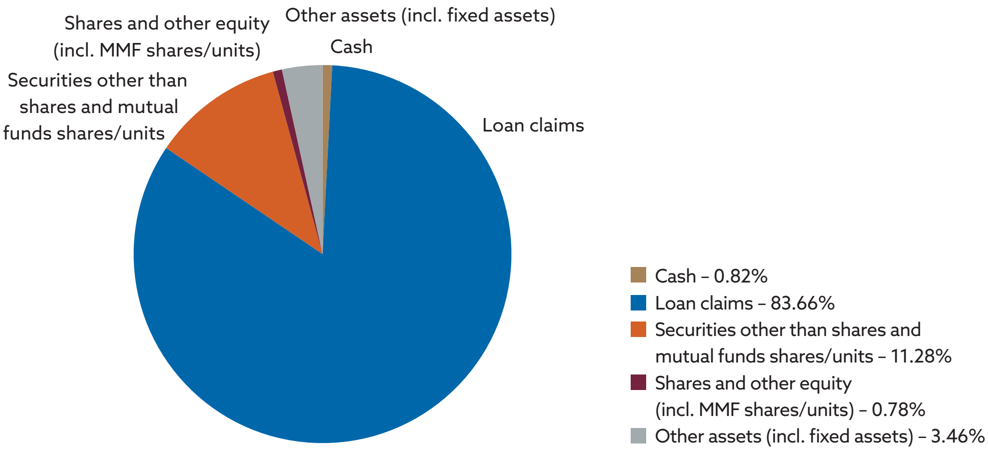
Table 4 Structure of assets of credit institutions in the SR (EUR thousands)

	III. 2021	VI. 2021	IX. 2021	XII. 2021	III. 2022
ASSETS	**99,293,043**	**101,733,619**	**104,582,311**	**106,614,552**	**108,633,197**
Cash	815,722	876,133	899,242	970,073	1,145,278
Loan claims	83,066,466	84,971,679	87,867,351	89,270,362	91,366,357
Securities other than shares and mutual funds shares/units	11,205,127	11,616,013	11,629,367	12,463,761	12,536,316
Shares and other equity (incl. MMF shares/units	774,196	763,536	755,715	733,177	712,430
Other assets (incl. fixed assets)	3,431,532	3,506,258	3,430,636	3,177,179	2,872,816

Source: NBS.
1) Loan claims – including bank's deposits with other entities and non-tradable securities
2) Assets excluding depreciation and including provisions

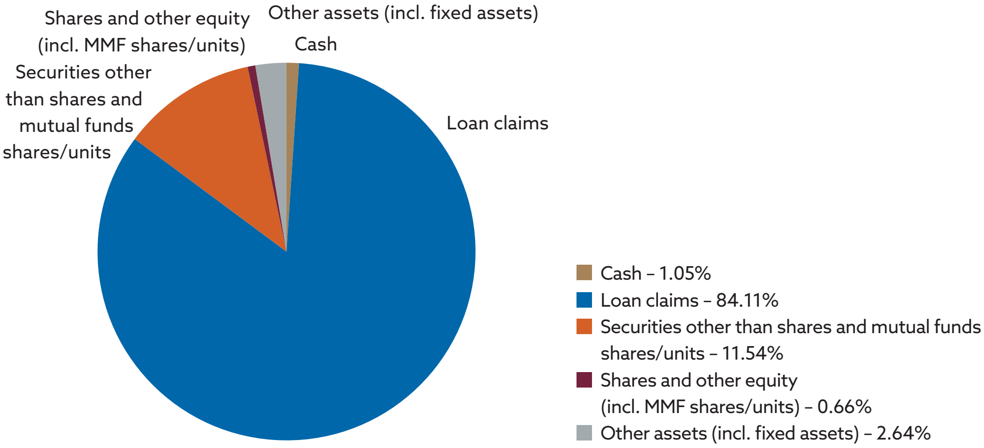
Chart 3

Structure of assets of credit institutions as at 31th March 2021



Source: NBS.

Chart 4
Structure of assets of credit institutions as at 31st March 2022



Source: NBS.

2.2 Balance sheet statistics of credit institutions: liabilities

The total liabilities of credit institutions grew, year on year, by €9.3 billion (9.4%), due to increases both in the stock of loans and deposits received and in the item capital and provisions.

Credit institutions' largest liability item – loans and deposits received – decreased by 0.7 percentage points year on year, reaching 77.6% at the end of March 2022. The year-on-year increase in their stock was 8.4% (€6.5 billion in absolute terms), due mainly to an increase in loans and deposits received with a maturity of over one year which amounted to €3 billion. Year-on-year growth in the stock of loans and deposits received with a maturity up to one year was 5.4% as at March 2022, however it was 4 percentage points lower than the year before. Growth in loans and deposits received with a maturity of over one year grew by 20.6% year on year.

Capital and provisions constituted 11% of credit institutions' total liabilities as of 31 March 2022. The volume of capital and provisions at that date was €0.4 billion (4%) larger than a year earlier.

Debt securities issued by credit institutions accounted for 8% of their total liabilities at the end of the first quarter of 2022, which was a slight increase compared to the same period a year earlier. The volume of these debt securities amounted to €8.4 billion at the end of March 2022, representing a year-on-year increase of €1 billion (13.6%), which took place mostly in debt securities issued with a maturity of over two years. Year-on-year growth in March 2022 was 13.6% (four percentage points higher than in March 2021).

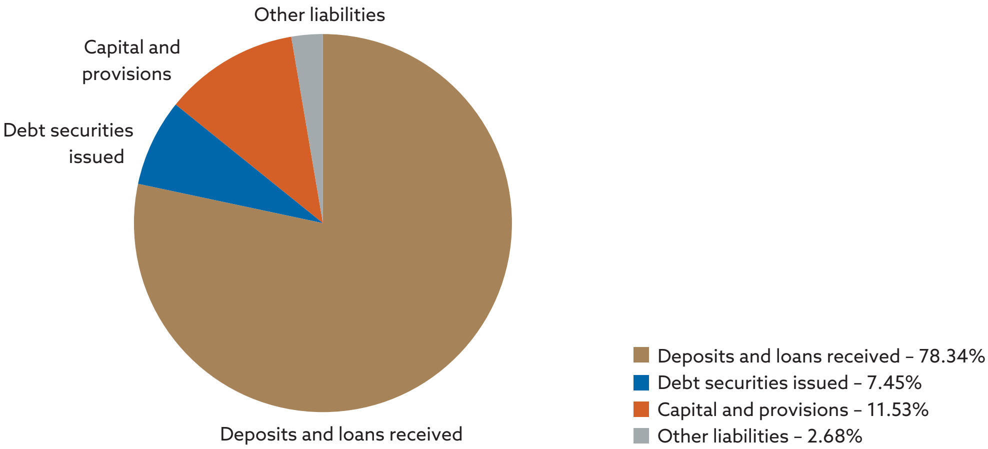
Credit institutions' other liabilities expanded to 4% of their total liabilities. The volume of other liabilities in March 2022 was €1.4 billion (52%) higher year on year, which represents an acceleration of the growth rate by 33 percentage points compared to March 2021.

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

	III. 2021	VI. 2021	IX. 2021	XII. 2021	III. 2022
LIABILITIES	**99,293,043**	**101,733,619**	**104,582,311**	**106,614,552**	**108,633,197**
Deposits and loans received	77,781,734	79,898,866	81,688,280	84,538,703	84,286,786
Debt securities issued	7,401,111	7,753,779	8,110,775	8,059,992	8,405,479
Capital and provisions	11,447,949	11,546,615	11,478,205	11,879,166	11,895,210
Other liabilities	2,662,249	2,534,359	3,305,051	2,136,691	4,045,722

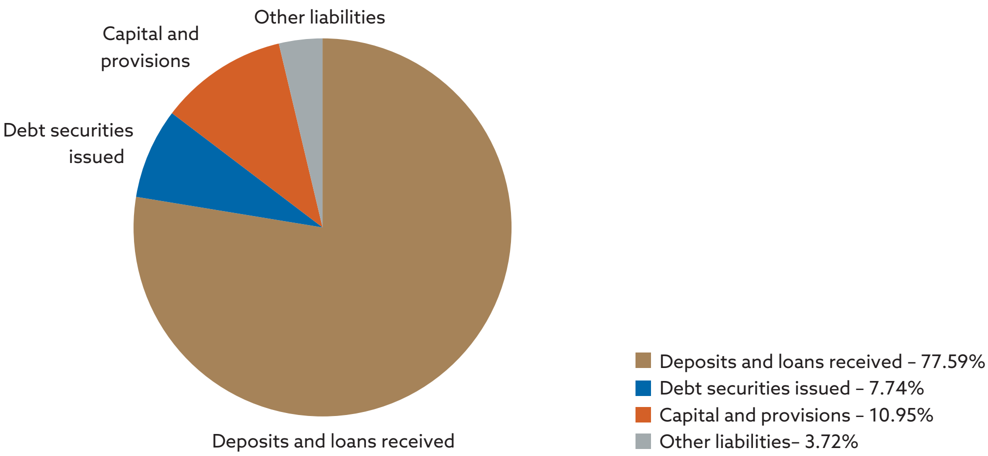
Source: NBS.

Chart 5
Structure of liabilities of credit institutions as at 31st March 2021



Source: NBS.

Chart 6
Structure of liabilities of credit institutions as at 31st March 2022



Source: NBS.

2.3 Selected asset and liabilities items by residency of counterparty

Nearly all credit claims of credit institutions in the Slovak Republic (in total, €91.4 billion) are claims on domestic counterparties (90%). Their volume at the end of the first quarter of 2022 was €82 billion. Credit claims on entities from other euro area countries and from the rest of the world amounted to €4.4 billion (5%) and €5 billion (5%) respectively.

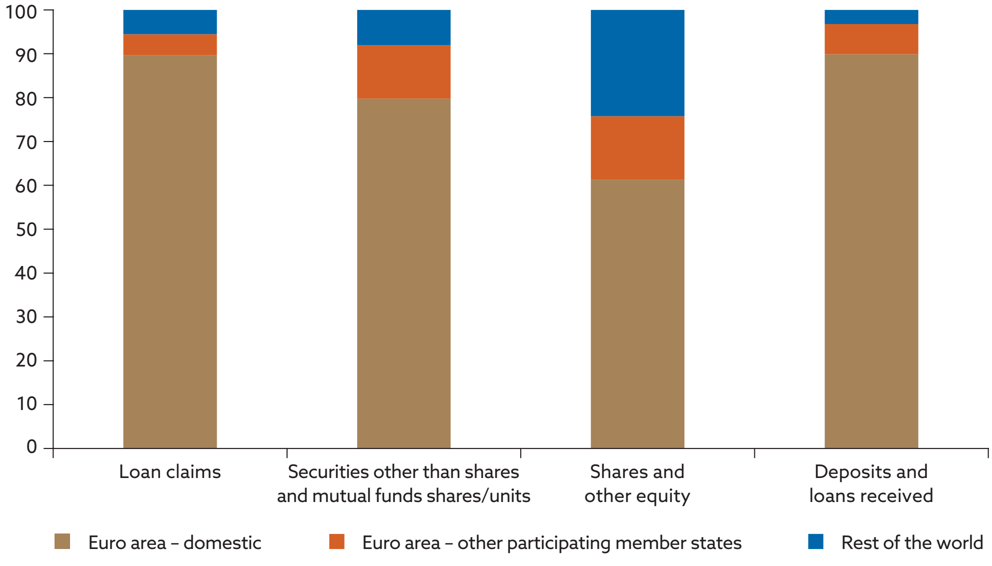
The value of securities other than equities and investment fund shares/units held by these credit institutions was €12.5 billion in March 2022. A significant majority (80%, €10 billion in absolute terms) were issued by domestic entities. Securities issued by entities from other euro area countries and the rest of the world amounted to €1.5 billion (12%) and €1 billion (8%) respectively.

Most of the shares and other equity held by credit institutions (total volume €0.7 billion) are domestic securities and equity (61%, i.e. €0.4 billion). Securities issued in other euro area countries and the rest of the world accounted for 15% and 24% respectively.

At the end of March 2022, the total value of loans and deposits received by credited institutions was €84 billion, of which 90% was received from domestic creditors (€76 billion). The creditors of credit institutions in the Slovak Republic from other euro area countries and the rest of the world accounted for €6 billion (7%) and €3 billion (3%) respectively.

Chart 7

Selected assets/liabilities: breakdown of counterparties by residency as at 31st March 2022 (%)



Source: NBS.

2.4 Selected asset and liability items by sector of counterparty

Of **domestic** credit claims amounting to €82 billion at the end of the first quarter of 2022, the vast majority (84%) were claims on other sectors, i.e. sectors other than monetary financial institutions and general government. The main groups within this volume (€69 billion) were claims on households and non-profit institutions serving households, and on non-financial corporations.

Claims on domestic MFIs accounted for 14% (€11.5 billion) of the total stock of domestic credit claims and those on the general government sector accounted for 2% (€1.5 billion).

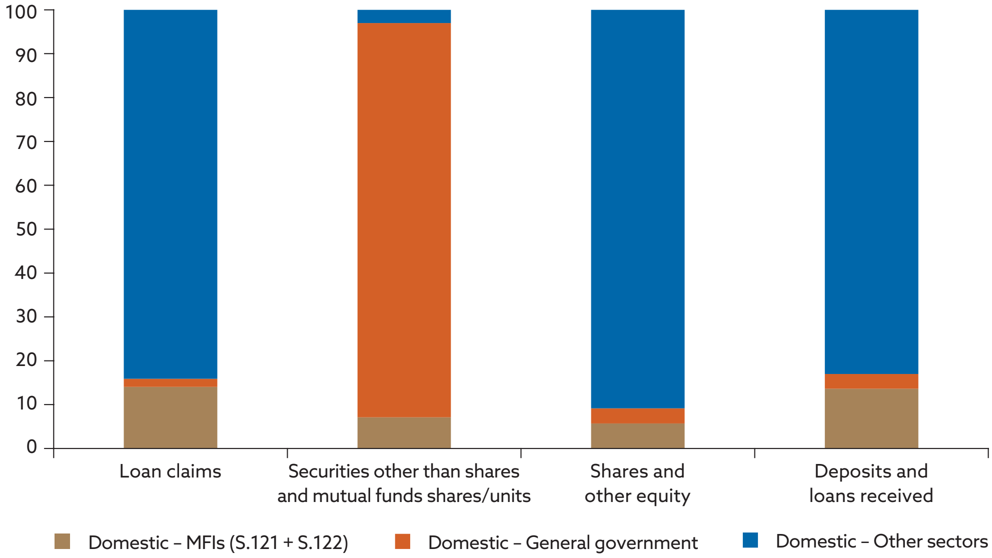
Credit institutions' total holdings of domestic securities other than equities and investment fund shares/units amounted to €10 billion as of 31 March 2022, 90% (€9 billion) of which were debt securities issued in the general government sector.

Securities other than equities and investment fund shares/units issued by domestic MFIs and other domestic sectors accounted for 7% and 3% respectively.

Credit institutions' total holdings of domestic shares and other equity (including investment fund shares/units) amounted to roughly €0.4 billion, 91% of which were issued in other sectors. Equity securities issued by domestic MFIs and the general government sector accounted for 6% and 3% respectively.

At the end of the period under review, the volume of loans and deposits received from domestic entities amounted to €76 billion, most of which (83%) were deposits from other sectors, mainly households. Government sector deposits accounted for 3%. Domestic MFIs contributed 14% to the total volume of domestic loans and deposits.

Chart 8
Selected assets/liabilities: sectoral breakdown of domestic counterparty as at 31st March 2022 (%)



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 claims of credit institutions in the Slovak Republic on **debtors from other euro area countries** amounted to €4.4 billion at the end of the first quarter of 2022. Claims on other sectors (€1.9 billion) accounted for 42% of this volume while claims on MFIs accounted for 58%.

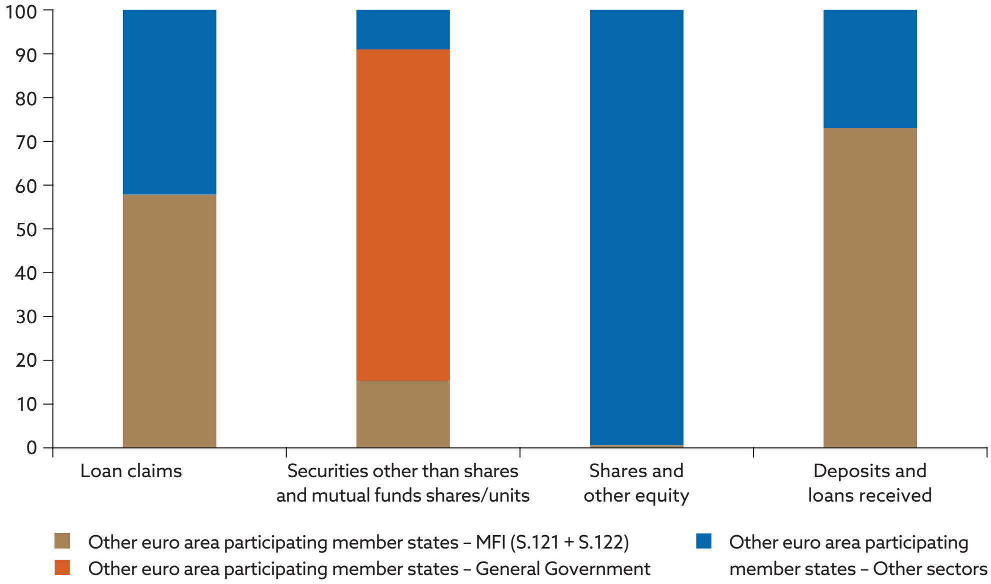
At the end of March 2022, the value of securities other than equities and investment fund shares/units issued in other euro area countries and held in the portfolios of credit institutions in the Slovak Republic amounted to €1.5 billion, of which 76% came from securities issued by the general government sector (€1.2 billion), 15% from securities issued by MFIs (€02. billion) and 9% from other sectors.

The value of shares and other equity participations issued in other euro area countries and held by credit institutions in the Slovak Republic was €0.1 billion, of which 99% came from issues by entities in other sectors and 1% from issues by MFIs.

Loans and deposits received from residents of other euro area countries amounted to €5.8 billion in total, 73% (€4.2 billion) of which came from MFIs and 27% (€1.6 billion) from other sectors.

Chart 9

Selected assets/liabilities: sectoral breakdown of counterparty from other euro area member states as at 31st March 2022 (%)



Source: NBS.

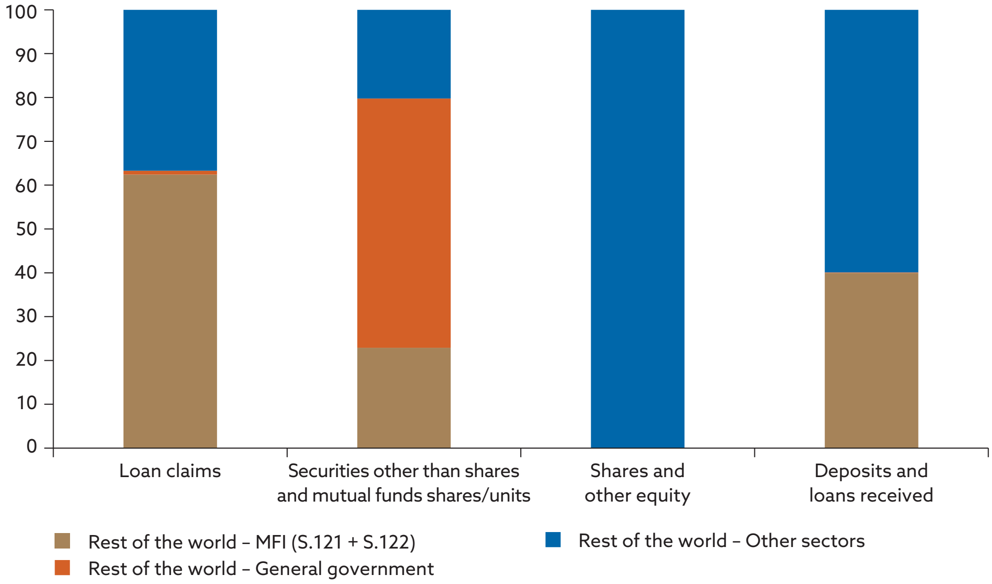
Credit institutions' aggregate claims on the **rest of the world** amounted to €5 billion at the end of March 2022, consisting mainly (62%) of claims on monetary financial institutions (€3.2 billion), with most of the remainder (37%) being claims on other sectors (€1.9 billion).

Credit institutions' holdings of securities issued in the rest of the world other than equities and investment fund shares/units, amounted to €1 billion, of which 57% (€0.6 billion) came from the general government sector, 23% from MFIs, and 20% from other sectors.

The value of shares and other equity in the portfolios of credit institution in the Slovak Republic issued by residents in the rest of the world amounted to €0.2 billion and consisted entirely of securities issued in sectors other than MFIs and general government.

The volume of loans and deposits received from residents of the rest of the world amounted to €2.7 billion as of 31 March 2022, of which 60% (€1.6 billion) came from other sectors and 40% (€1 billion) from monetary financial institutions. 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 March 2022 (%)



Source: NBS.

2.5 Assets and liabilities of credit institutions: year-on-year changes

The **total assets of credit institutions** have shown year on year growth at the end of every quarter in the last two years. The largest increase in this period was recorded at the end of the first quarter of 2021, when they grew year on year by 15% (€13.1 billion). Their year-on-year growth in the first quarter of 2022 was 9% (€9.3 billion).

Credit institutions' total credit claims recorded their biggest annual change at the end of the first quarter of 2021, when their stock increased, year on year, by €13.3 billion (19%), of which credit claims with a maturity of up to one year accounted for €10.2 billion and those with a maturity of over five years for €3.7 billion. Their year-on-year growth in the first quarter of 2022 was 10% (€8.3 billion).

The trend in holdings of securities other than equities and investment fund shares/units has fluctuated in recent quarters. In the third quarter of 2020, a year-on-year increase of almost 12% was recorded, but then the annual growth rate slowed gradually and entered negative territory in the second and third quarters of 2021. The last quarter of 2021, however, saw a year-on-year increase again, specifically by 6%. In the first quarter of 2022, the annual growth rate for holdings of securities was nearly 12% (€1.3 billion).

Credit institutions' total holdings of shares and other equity (including investment fund shares/units) were relatively low at the end of each quarter of the year under review. The largest amount (€0.8 billion) was recorded at the end of December 2020. In the first quarter of 2022, aggregate holdings decreased by 8% (€0.6 billion).

The biggest annual change in the total stock of credit institutions' other assets (including fixed assets) was recorded at the end of the second quarter of 2021: an overall year-on-year increase of €0.6 billion (21%). Thereafter stocks gradually decreased and in the first quarter of 2022, a fall of 16% (nearly €0.6 billion) was recorded.

Credit institutions' total cash holdings showed their most significant annual change in percentage terms at the end of the first quarter of 2021, with a year-on-year decline of 23%. In the first quarter of 2022, there was growth amounting to nearly 40% (€0.3 billion.)

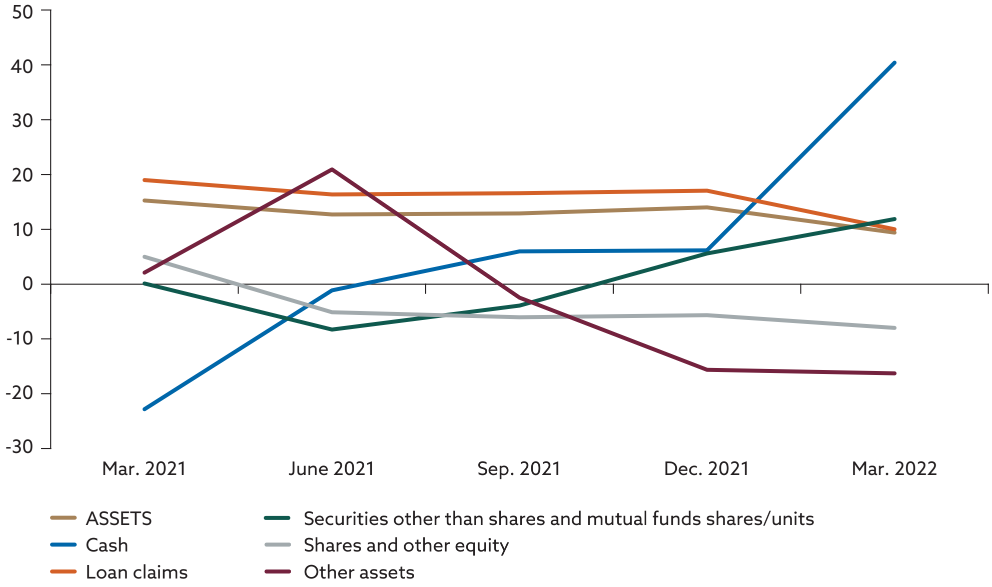
Table 6 Year-on-year changes in assets of credit institutions in the SR (in %)

	III. 2021	VI. 2021	IX. 2021	XII. 2021	III. 2022
ASSETS	**15.24**	**12.70**	**12.90**	**13.99**	**9.41**
Cash	**-22.82**	**-1.14**	**5.97**	**6.15**	**40.40**
Loan claims	**18.99**	**16.37**	**16.60**	**17.05**	**9.99**
Loan claims - up to 1 year	75.49	49.72	47.11	46.17	8.37
Loan claims - over 1 and up to 5 years	-9.52	-0.71	-0.97	3.38	10.40
Loan claims - over 5 years	7.40	7.94	8.47	9.08	10.66
Securities other than shares and mutual funds shares/units	**0.11**	**-8.28**	**-3.92**	**5.59**	**11.88**
Securities other than shares and mutual funds shares/units up to 1 year	-14.67	-80.60	-69.88	-59.37	-54.01
Securities other than shares and mutual funds shares/units over 1 and up to 2 years			-100.00		
Securities other than shares and mutual funds shares/units over 2 years	0.77	-1.45	0.14	8.61	14.39
Shares and other equity	**4.97**	**-5.12**	**-6.06**	**-5.67**	**-7.98**
Other assets	**2.11**	**20.92**	**-2.48**	**-15.62**	**-16.28**

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 recent quarters. The most recent result for the first quarter of 2022 was 9.4%.

The year-on-year increase in loans and deposits received was 8.4%. Both maturity categories saw year-on-year growth: loans and deposits with a maturity of up to one year increased by 5.38%, while loans and deposits with a maturity of over one year grew by 20.6%.

The stock of debt securities issued in the review period grew year on year by 13.6%, mainly in the category of securities with a maturity of over two years.

Capital and provisions together had year-on-year growth of 3.9%.

Other liabilities rose by nearly 52% (€1.4 billion) year on year in the first quarter of 2022. The average growth rate in 2021 was 12%.

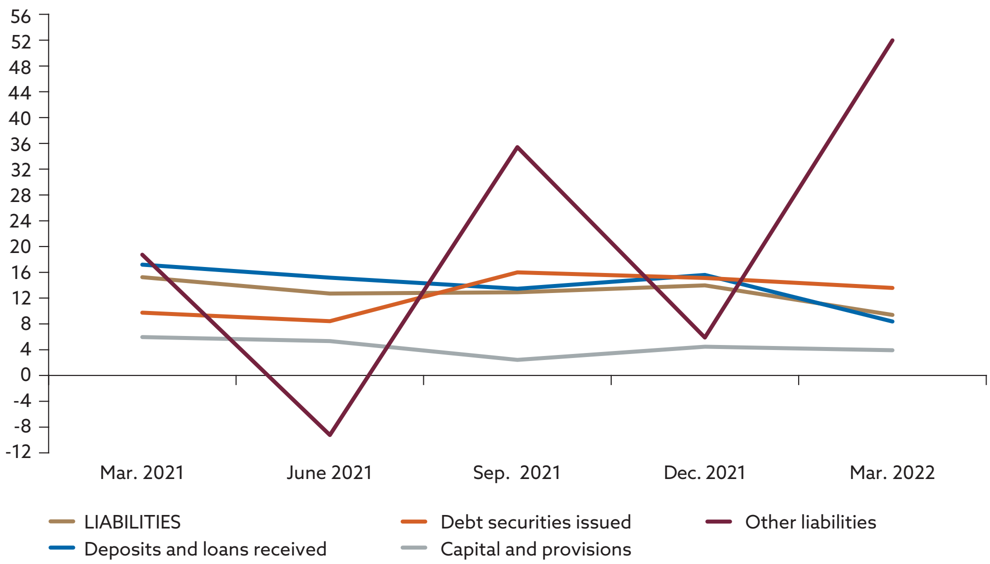
Table 7 Year-on-year changes in liabilities of credit institutions (in %)

	III. 2021	VI. 2021	IX. 2021	XII. 2021	III. 2022
LIABILITIES	**15.24**	**12.70**	**12.90**	**13.99**	**9.41**
Deposits and loans received	**17.19**	**15.18**	**13.46**	**15.59**	**8.36**
Deposits and loans received up to 1 year	9.42	8.24	5.46	7.77	5.38
Deposits and loans received over 1 year	65.36	52.23	54.96	55.92	20.61
Debt securities issued	**9.73**	**8.44**	**15.99**	**15.12**	**13.57**
Debt securities issued up to 1 year	-100.00	-100.00	-100.00		
Debt securities issued over 1 and up to 2 years	-100.00				
Debt securities issued over 2 years	9.85	8.52	15.95	15.08	13.53
Capital and provisions	**5.96**	**5.33**	**2.43**	**4.47**	**3.91**
Other liabilities	**18.73**	**-9.23**	**35.42**	**5.89**	**51.97**

Source: NBS.

Chart 12

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



Source: NBS.

2.6 Profit/loss analysis for credit institutions

2.6.1 Current period profit/ loss in the first quarter of 2022

Based on the available data, the cumulative profit of the banking sector to March 2022 was €138 million, which was 8% higher than in the same period a year earlier.

Net interest income has been declining, year on year, since the start of 2019, and thus contributed negatively to net profit growth in this period. This trend continued in 2021 albeit at a much slower rate.

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Net profits showed an increase in the first quarter of 2022, growing by 2.26%, mainly thanks to a steep reduction in interest costs for securities amounting to 18.8% and significant growth in other interest income amounting to 3.5%.

The methodology used for reporting the values of other operating expenses was modified at the end of 2020. Operating expenses no longer include individual items for the payment of a special levy by selected financial institutions, contributions to the deposit protection fund, contributions to the resolution fund, and supervisory fees. Since the last quarter of 2020, all these items have been reported as part of the general operating expenses. Hence, data on non-interest income and general operating expenses for the period since the last quarter of 2020 are not fully comparable with those for the previous quarters without adjustments.

In the period to the end of March 2022, net non-interest income grew by nearly 13% year on year, continuing the trend of annual growth that began in mid-2020.

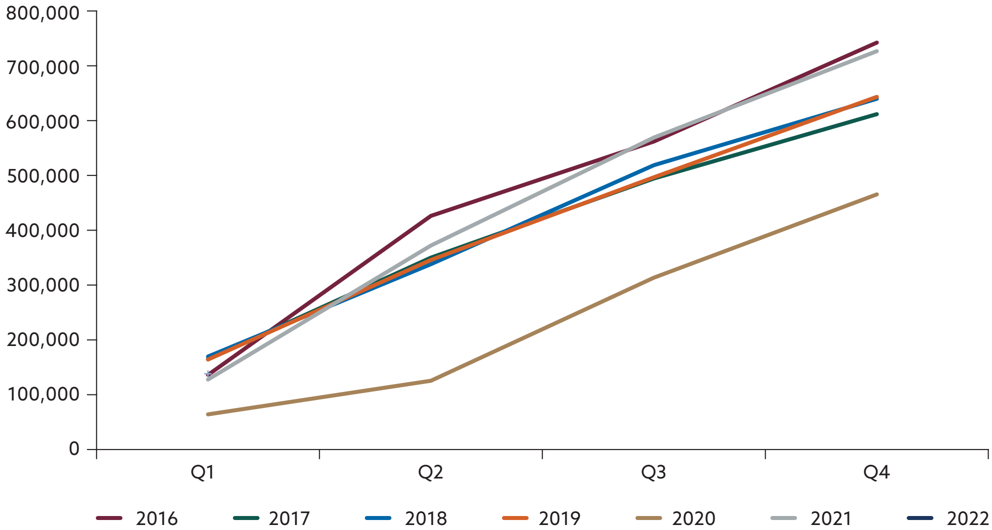
General operating expenses (adjusted data) increased, year on year, by almost 6% in March 2022.

After a sharp increase in 2020, reserves and provisions (i.e. income adjusted for expenses) decreased in 2021 on a year-on-year basis.

The net creation of reserves and provisions was 7.5% lower year on year in March 2022 (a 0.8 percentage point lower growth rate).

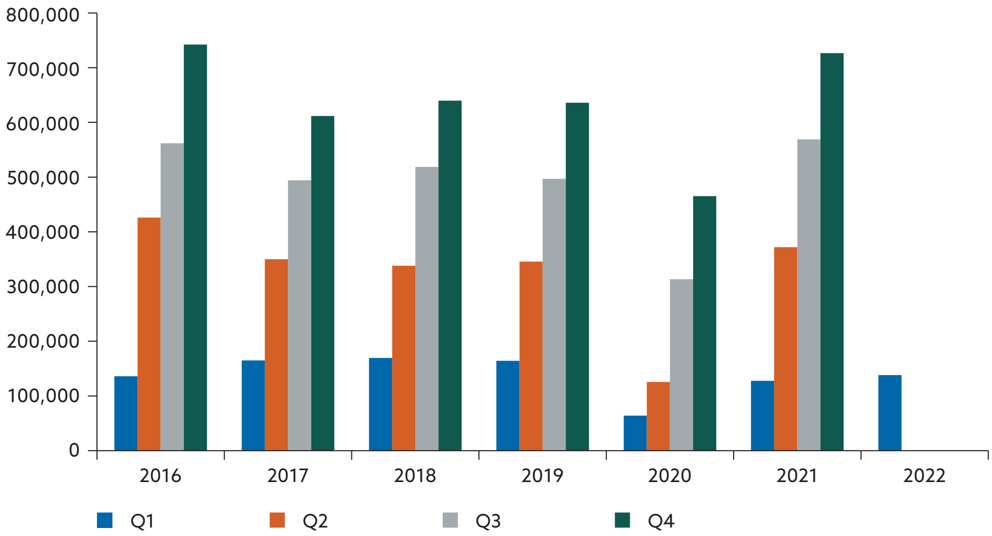
Chart 13

Current period profit/loss (EUR thousands)



Source: NBS.

Chart 14
Current period profit/loss (EUR thousands)



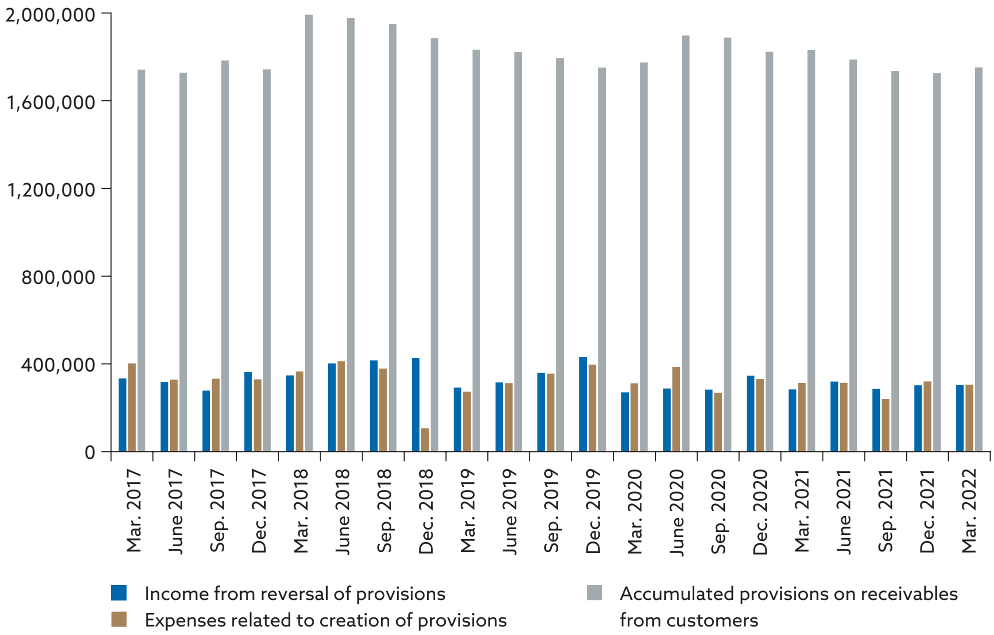
Source: NBS.

Total loan-loss provisions as of 31 March 2022 were 4.3% lower than a year earlier, whereas the claims on clients covered by such provisions were 9.5% larger year on year. Euro-denominated claims constituted almost 99% of all credit claims, and euro-denominated claims on euro area residents made up around 95%.

Provisioning costs as of 31 March 2022 were 2.4% lower than a year earlier. Income from the reversal of provisions was 7% higher year on year at the same date.

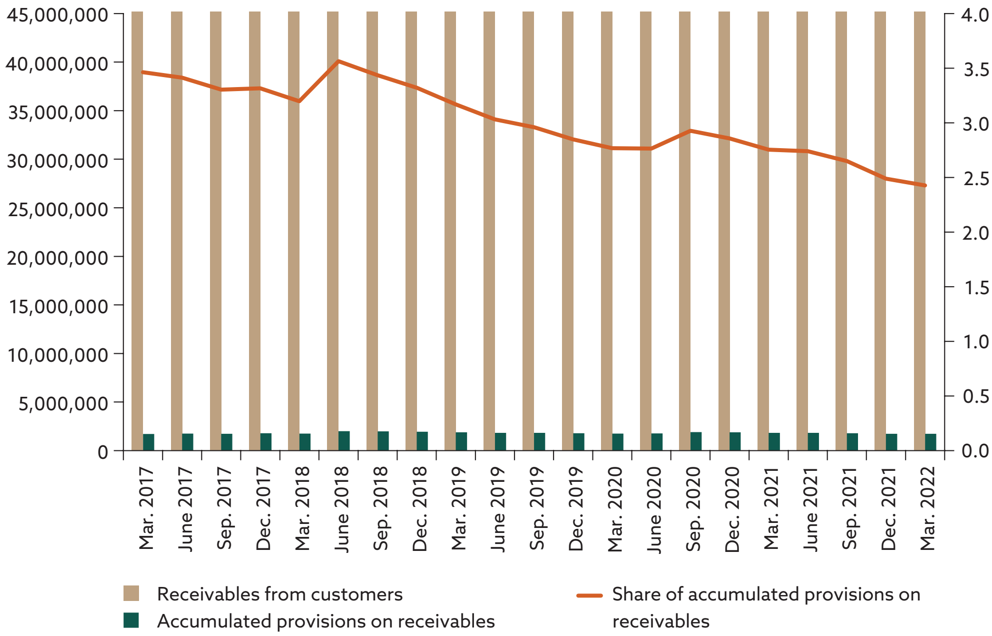
Expenses related to the assignment of claims on non-bank customers exceeded income from the same by €23 million (net loss) in the first quarter of 2022, and claim write-offs produced a net loss of almost €22 million.

Chart 15
Provisions (EUR thousands)



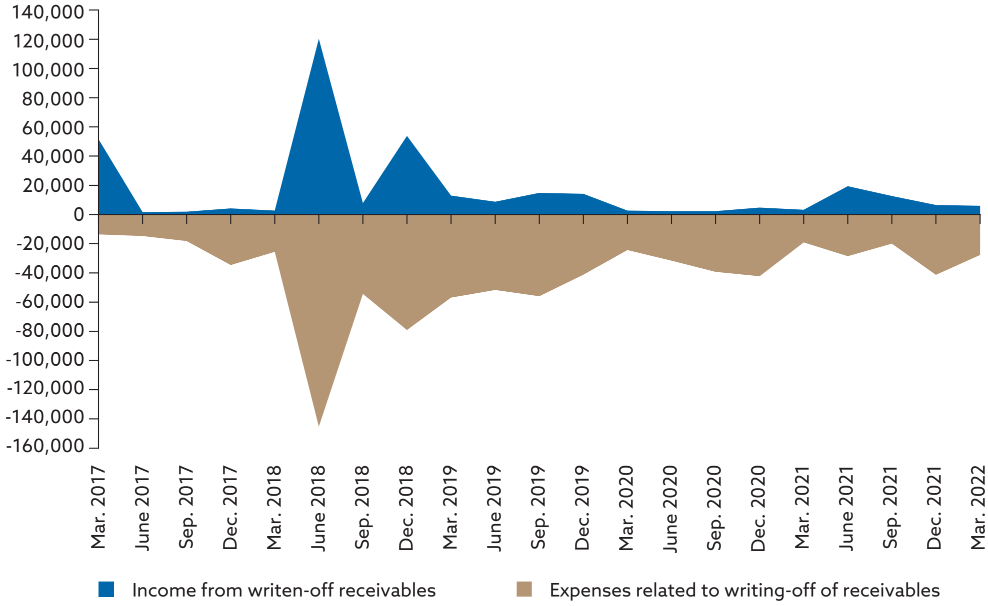
Source: NBS.

Chart 16
Receivables from non-bank customers (EUR thousands, %)



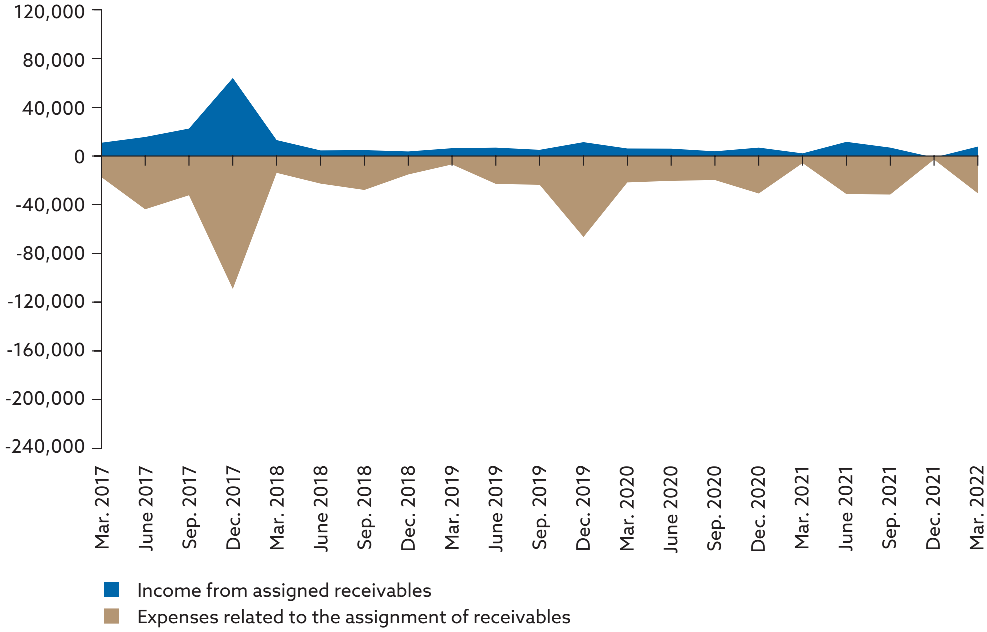
Source: NBS.

Chart 17
Writen-off receivables from customers (EUR thousands)



Source: NBS.

Chart 18
Assigned receivables from customers (EUR thousands)



Source: NBS.

2.6.2 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 first quarter of 2022, according to the available aggregated data for the three months, total interest income from securities was lower than a year earlier by 2%.

The aggregate charges incurred for interest payable on securities in the quarter to March 2022 was 19% lower than a year earlier.

Other interest income was slightly higher in the first quarter of 2022 compared to a year earlier, by 3.5%, while other interest payable increased by 15% over the same period.

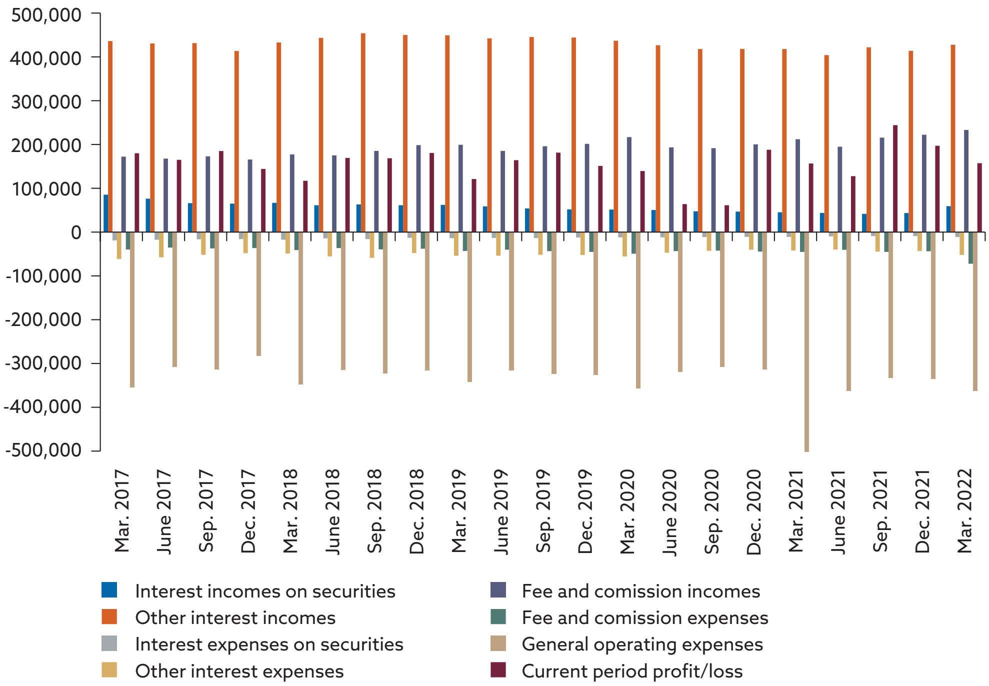
Net non-interest income grew by 13% in the first quarter of 2022. The most significant items affecting this growth were the rising income from, and falling expenses on, fees and commissions, as well as dividends received.

General operating expenses decreased by almost 6% year on year in the first quarter of 2022.

The current profit for the first quarter of 2022 was 8% larger than for the same period a year earlier, amounting to €138 million.

Chart 19

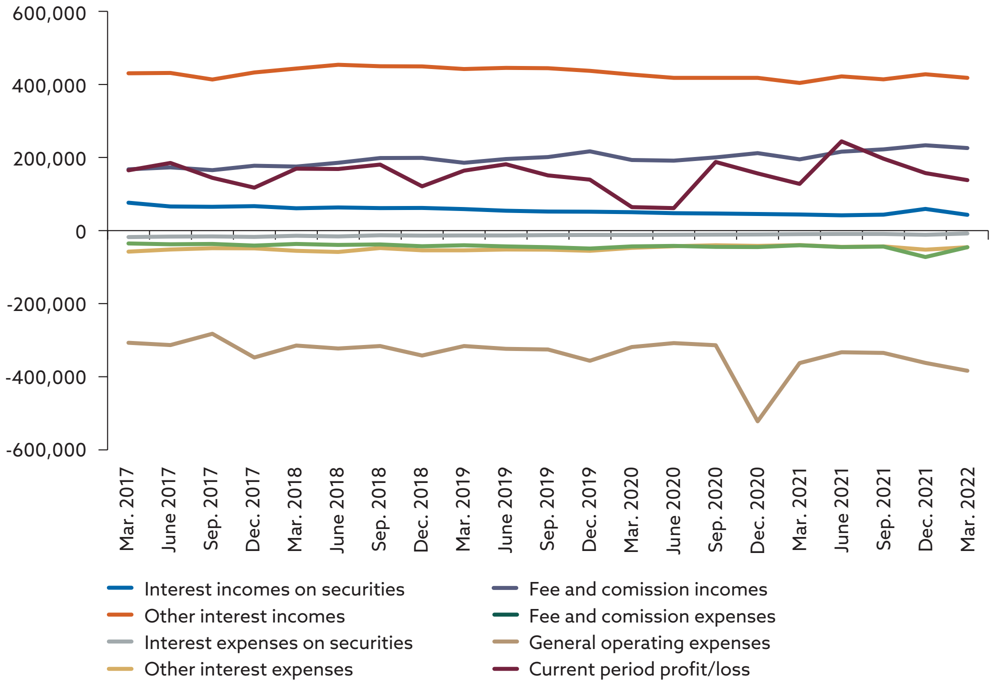
Selected incomes and expenses compared with current period profit/loss (EUR thousands)



Source: NBS.

Chart 20

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



Source: NBS.

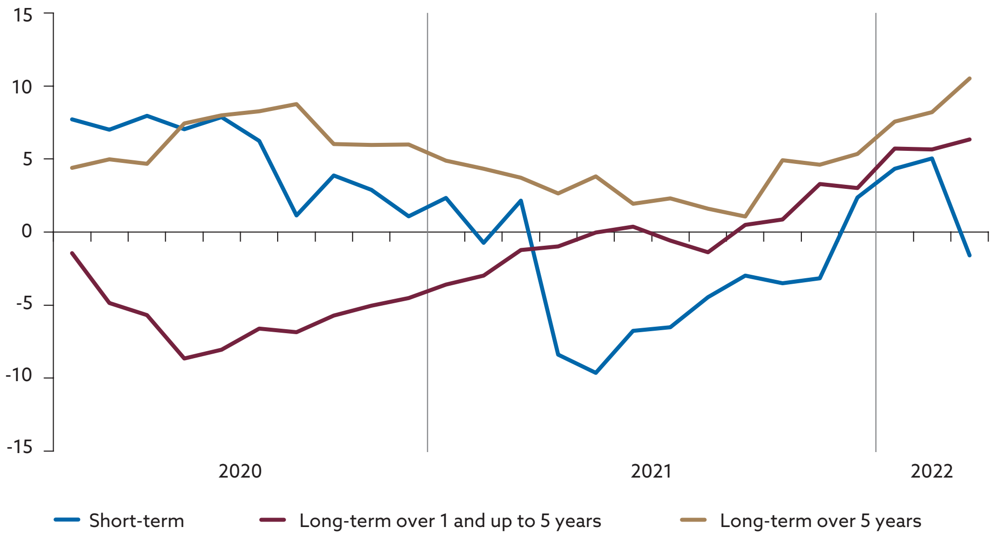
2.7 Lending to non-financial corporations and households

2.7.1 Loans to non-financial corporations by maturity

The first quarter of 2022 saw substantial year-on-year changes in the volumes of loans provided to non-financial corporations (NFCs). While short-term loans with a maturity of up to one year were 1.6% lower year on year at the end of March 2022, longer-term loans were higher year on year; loans with a maturity of one to five years increased by 6.3% and those with a maturity greater than five years by 10.5%. The growth rate of long-term loans is significantly higher than in previous periods.

Chart 21

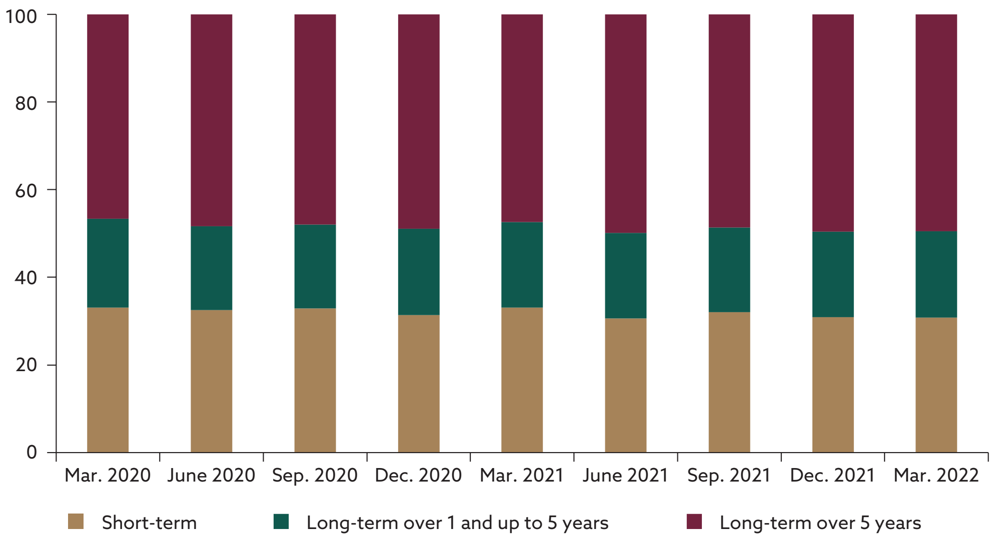
Loans to non-financial corporations by maturity (year-on-year changes in %)



Source: NBS.

Chart 22

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

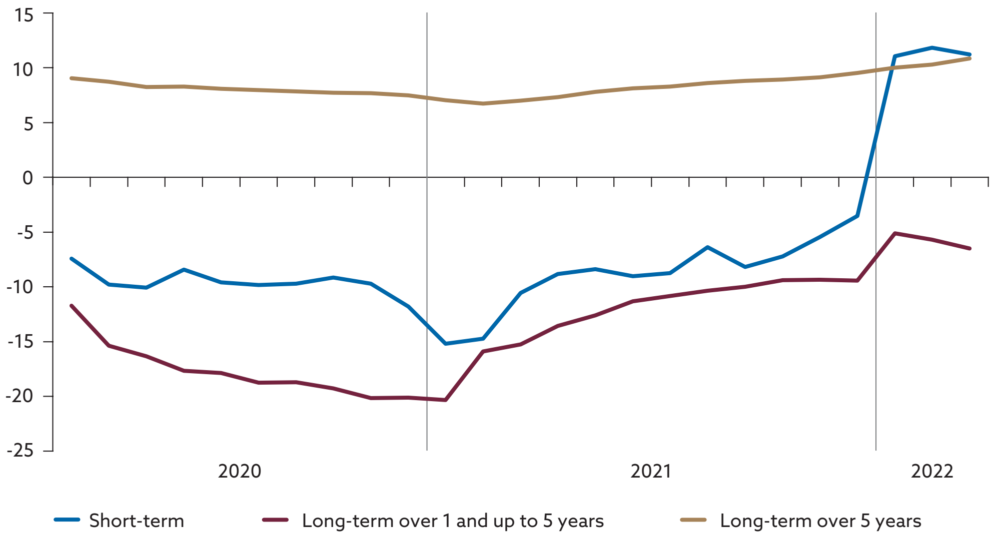


Source: NBS.

2.7.2 Loans to households by maturity

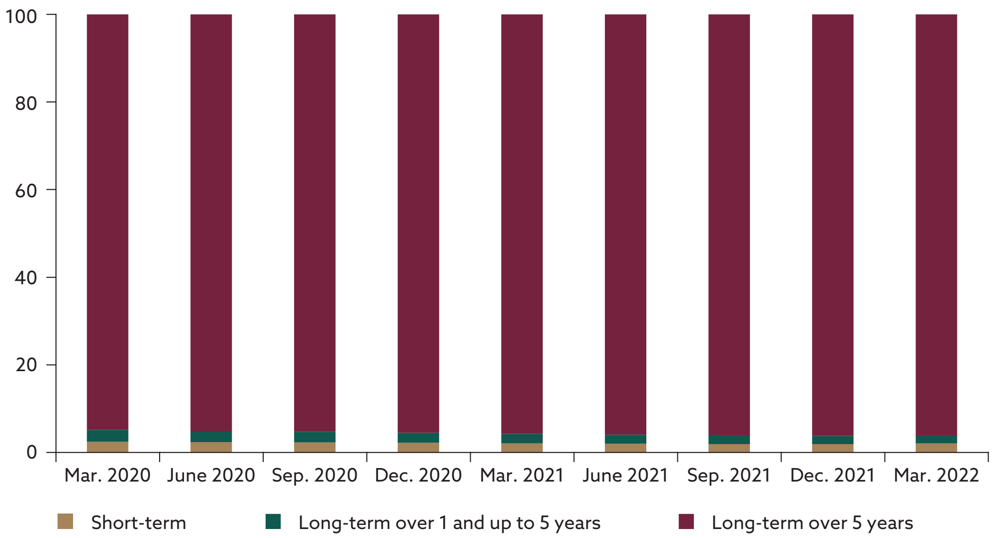
Overall year-on-year growth in loans to households was 10.5% for the first quarter of 2022. The fastest growth was in short-term loans, which increased by 11.2%. There was a 6.5% year-on-year decrease in long-term loans with a maturity of one to five years in the period to the end of March 2022. The volume of long-term loans provided to households was 10.8% higher than in the same period a year earlier.

Chart 23
Loans to households by maturity (year-on-year percentage changes)



Source: NBS.

Chart 24
Household loans broken down by maturity (% share)



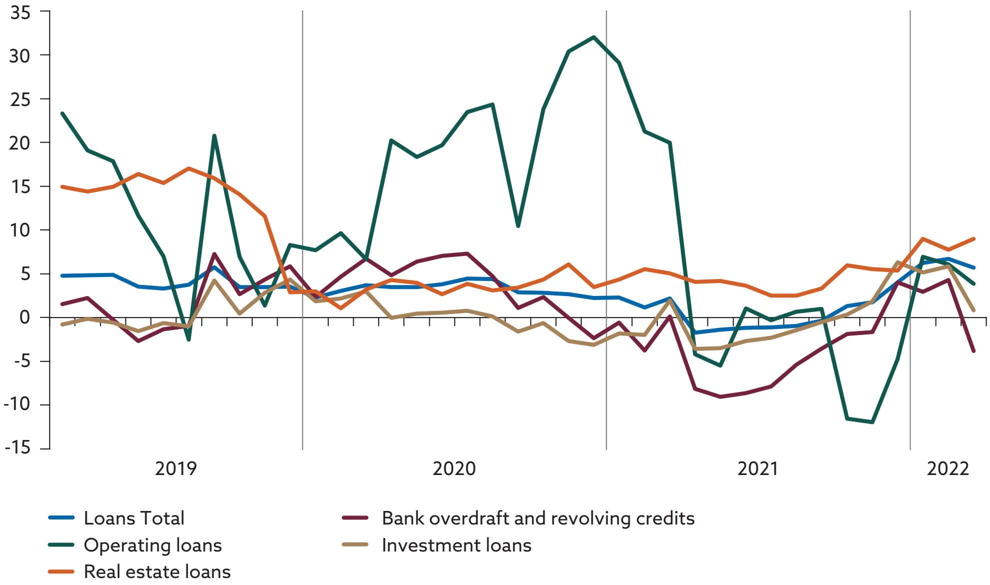
Source: NBS.

2.7.3 Loans to non-financial corporations by type of loan

The annual rate of growth in loans provided to non-financial corporations (NFCs) increased to 5.7% in the first quarter of 2022. In the category of operating loans, the annual growth rate was 3.9% as of 31 March 2022. Investment loans grew in volume by 0.8% year on year. The decrease in current account overdrafts and revolving loans stabilised at 3.8% in March 2022. The volume of real estate loans provided to NFCs increased by 9.0% year on year.

Chart 25

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



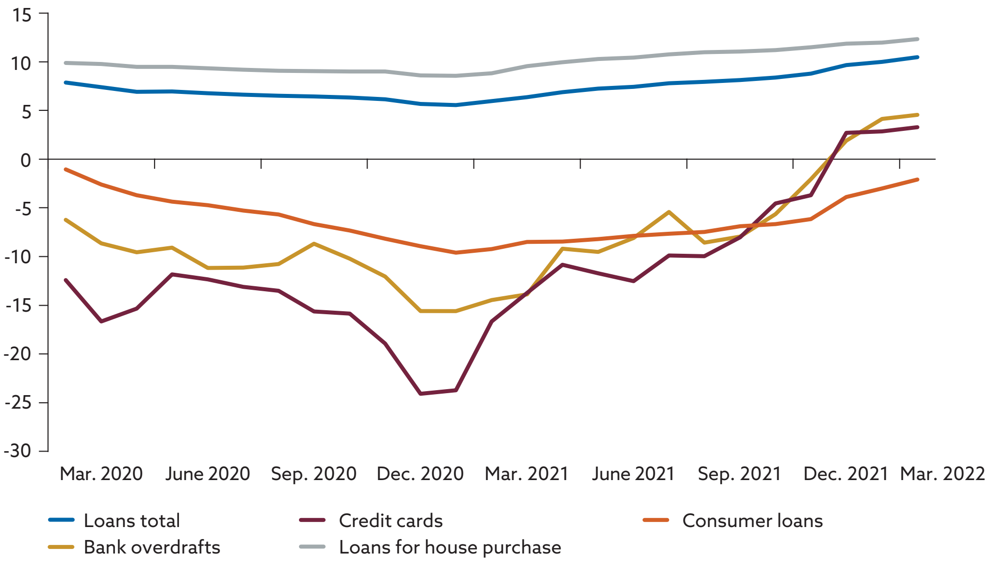
Source: NBS.

2.7.4 Loans to households by type of loan

In the first quarter of 2022, growth in loans to households was around 10.5% compared to the same period a year earlier, and was 4.5 percentage points higher than at the same time last year. The volume of credit card loans increased, year on year, by 3.3% in March 2022. The annual rate of growth in current account overdrafts and revolving loans stabilised at the level of 4.6%. The volume of house purchase loans increased by 12.3%, year on year. Consumer loans fell in volume by 2.1%, year on year.

Chart 26

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

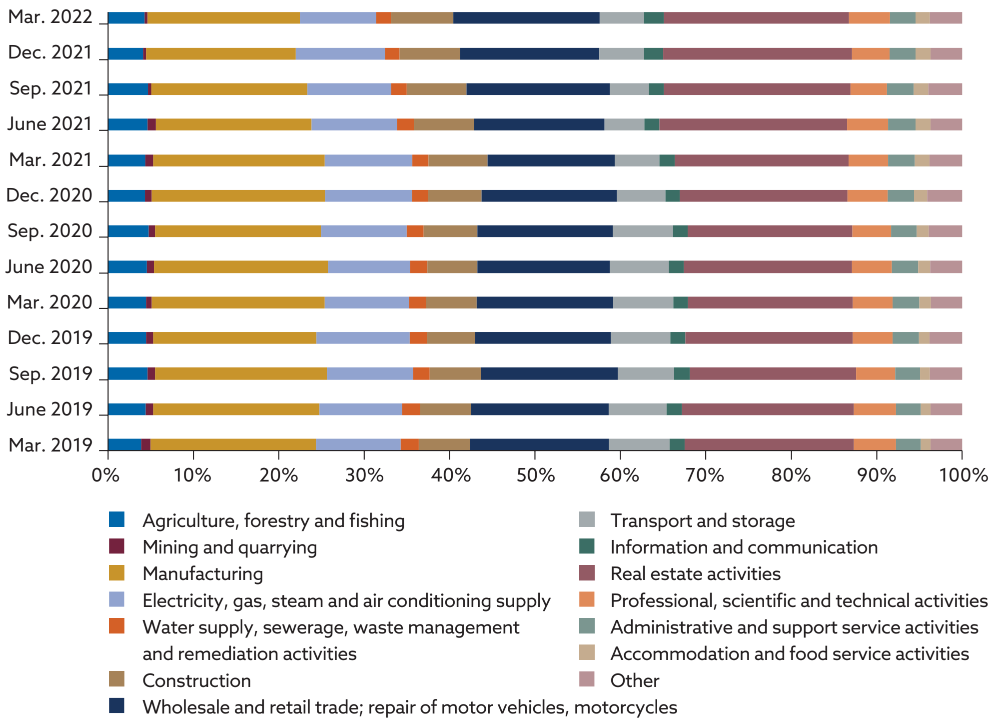


Source: NBS.

2.7.5 Loans to non-financial corporations by economic sector

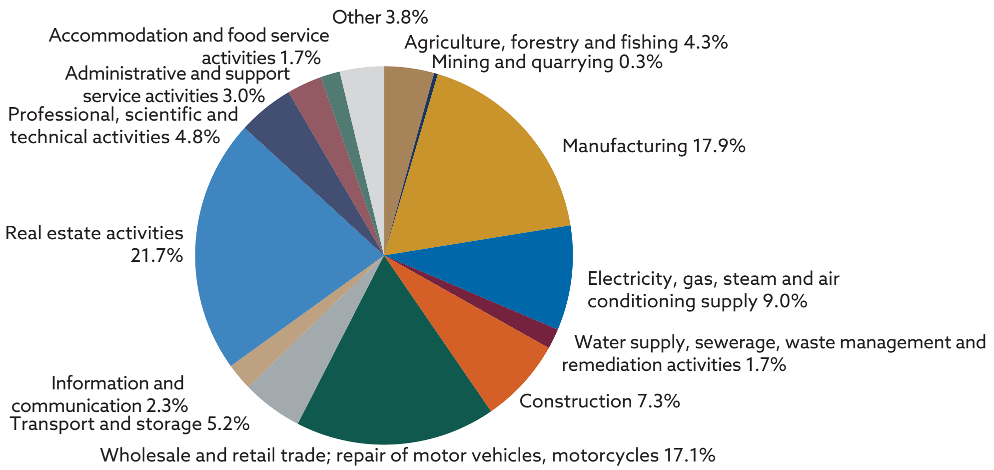
A breakdown by economic sector of loans provided to non-financial corporations (NFCs) shows that, as of 31 March 2022, loans to the real estate sector accounted for the largest share of the total volume of NFC loans (21.7%). The share of loans provided to the manufacturing sector increased to 17.9% at the end of March. Loan provision for wholesale and retail trade and repair of motor vehicles accounted for 17.1%.

Chart 27
NFC loans broken down by economic activity



Source: NBS.

Chart 28
NFC loans broken down by economic activity as at 31 March 2022



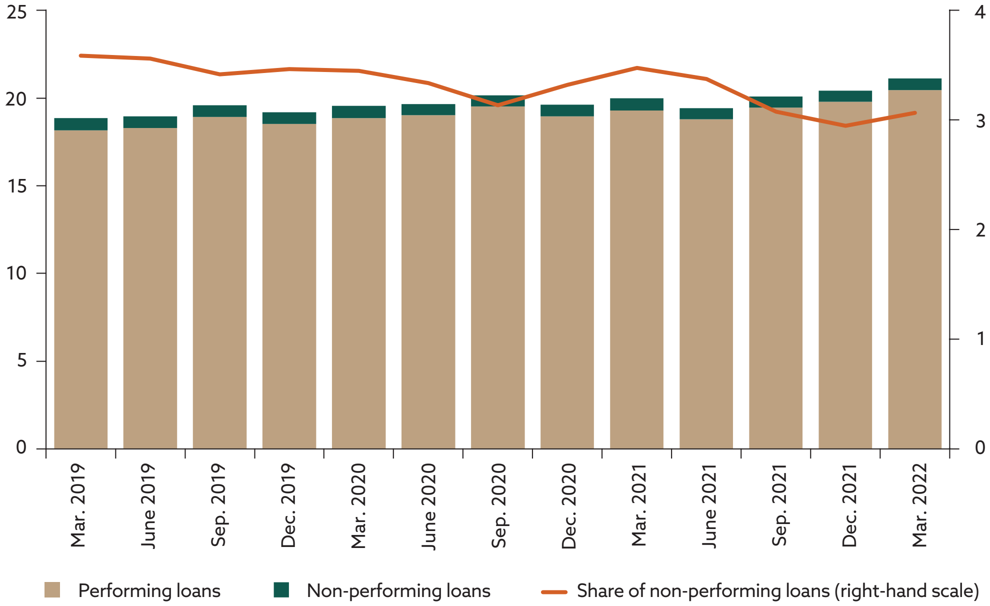
Source: NBS.

2.7.6 Non-performing loans to non-financial corporations

The ratio of non-performing loans (NPLs) to total loans provided to non-financial corporations (NFCs) decreased slightly to 3.1% with the ratio of NPLs to total loans remaining steady from January to March 2022. The NPL ratio for current account overdrafts fell slightly, from 2.9% as of 31 March 2021 to 2.8% as of 31 March 2022. The NPL ratio for operating loans reached 3.7% as of 31 March 2022, reflecting a gradually rising trend in NPLs of this category since December 2021. The NPL ratio for investment loans decreased to 2.6% at the end of March 2022. The NPL ratio for real estate loans provided to NFCs decreased year on year to 2.2% while that for credit cards increased year on year to 9.2%.

Chart 29

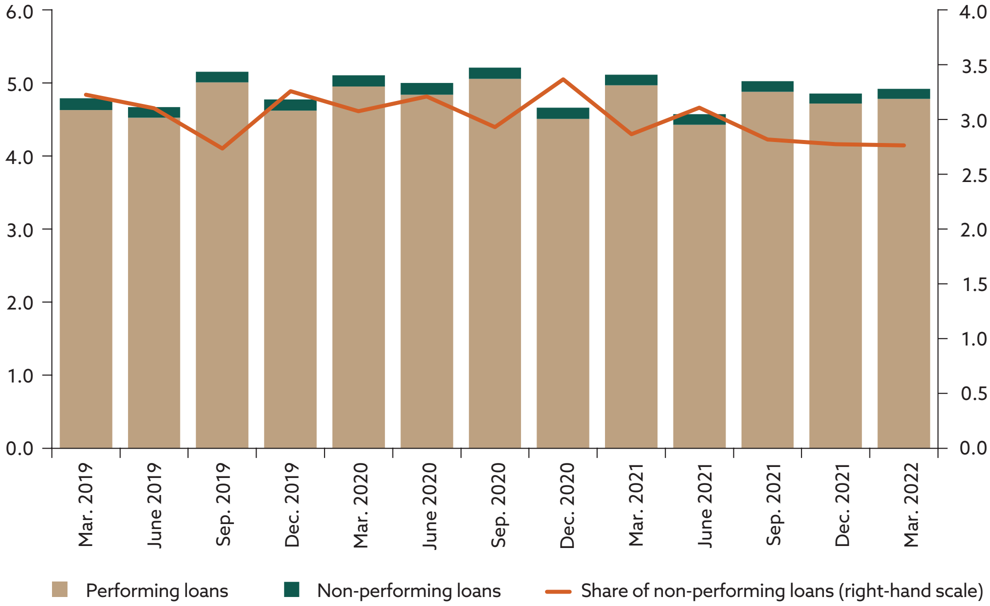
Share of non-performing loans in total NFC loans (EUR billions, %)



Source: NBS.

Chart 30

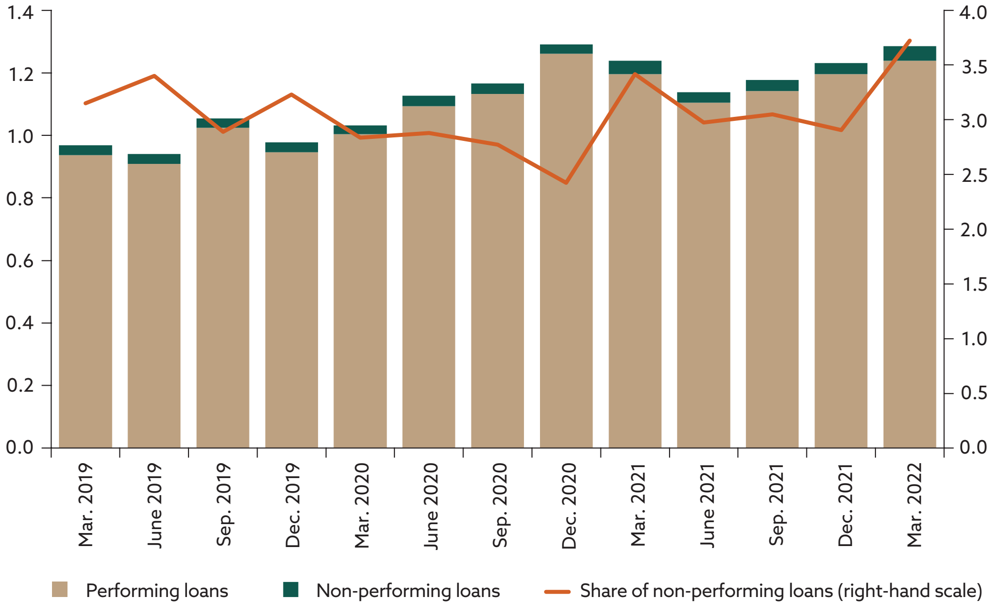
Share of non-performing loans in bank overdrafts and revolving credits to NFCs (EUR billions, %)



Source: NBS.

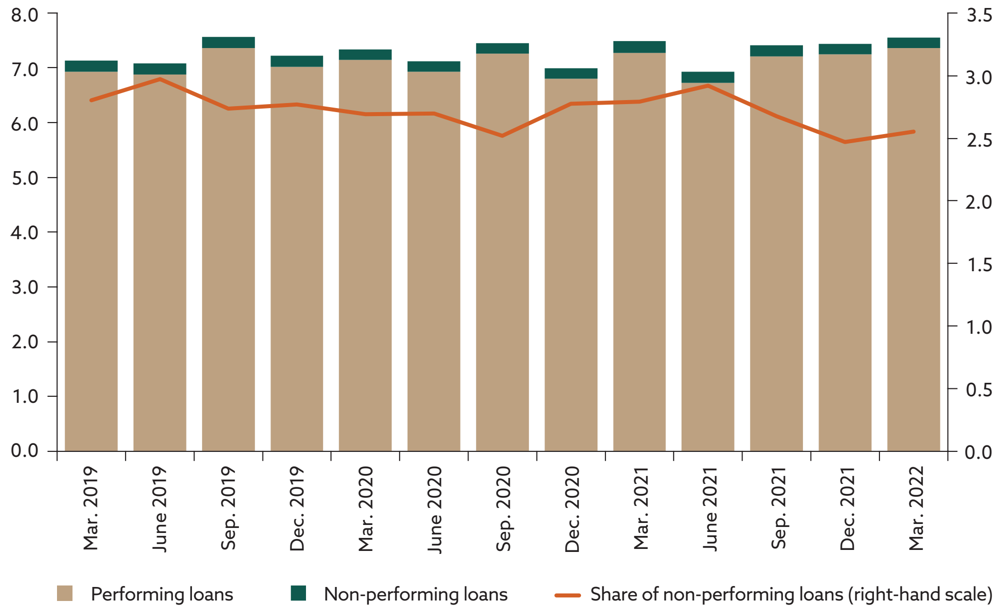
Chart 31

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



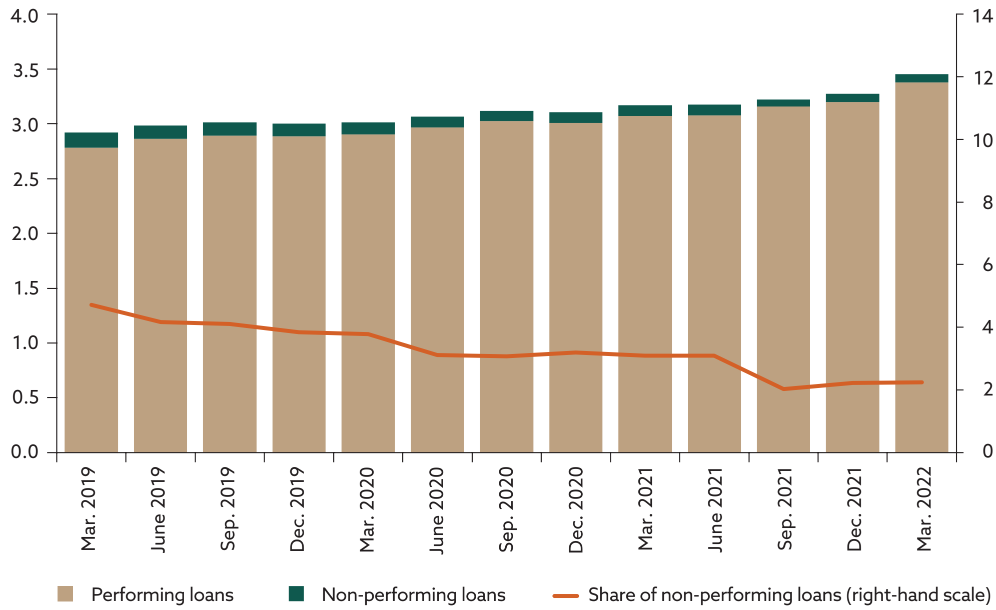
Source: NBS.

Chart 32
Share of non-performing loans in investment loans to NFCs (EUR billions, %)



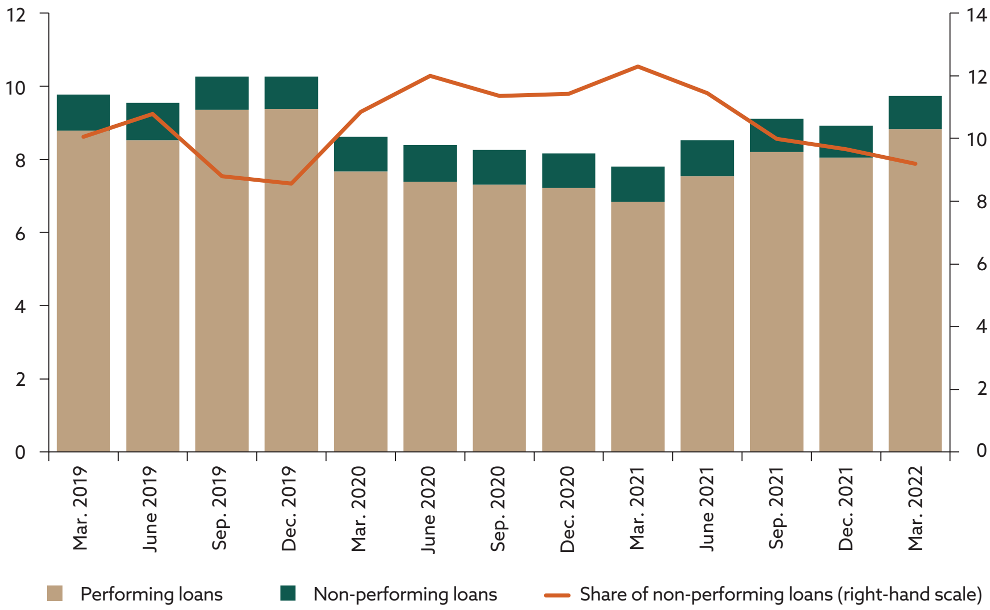
Source: NBS.

Chart 33
Share of non-performing loans in real estate loans to NFCs (EUR billions, %)



Source: NBS.

Chart 34
Share of non-performing loans in credit card loans to NFCs (EUR millions, %)

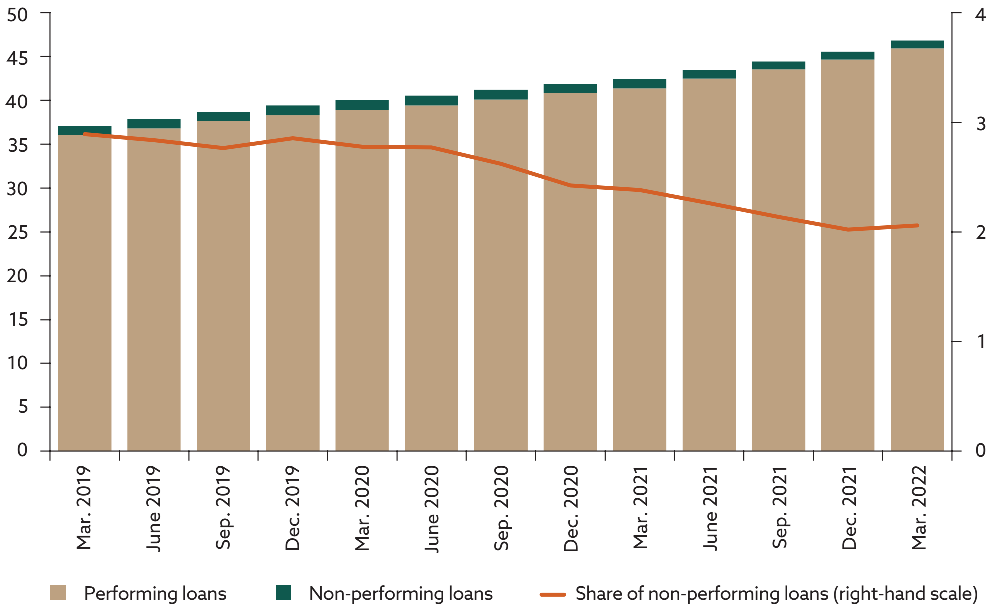


Source: NBS.

2.7.7 Non-performing loans to households

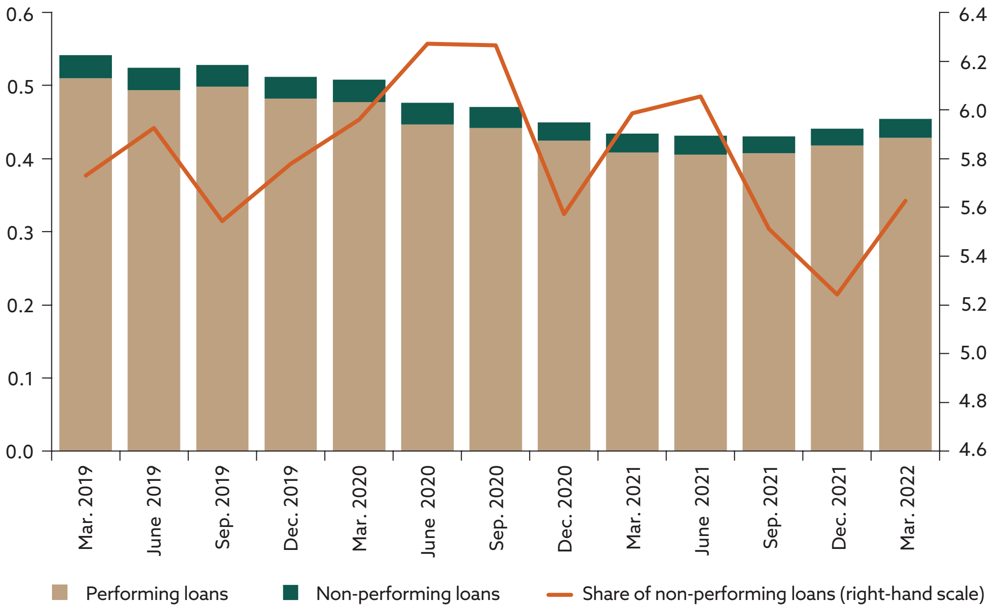
The ratio of non-performing loans (NPLs) to total loans provided to households fell slightly in the first quarter of 2022, compared with the same period a year earlier, reaching 2.1% at the end of March. The highest NPL ratio in that period was recorded in the category of credit card loans (11.1%). The NPL ratio for current account overdrafts continued to decline, year on year, down to 5.6% year on year as of 31 March 2022. The NPL ratio for house purchase loans eased downwards, year on year, to 1.2% at the end of March. The NPL ratio for consumer loans dropped by 0.3 percentage point, year on year, to 7.7% at the end of March.

Chart 35
Share of non-performing loans in total loans to households (EUR billions, %)



Source: NBS.

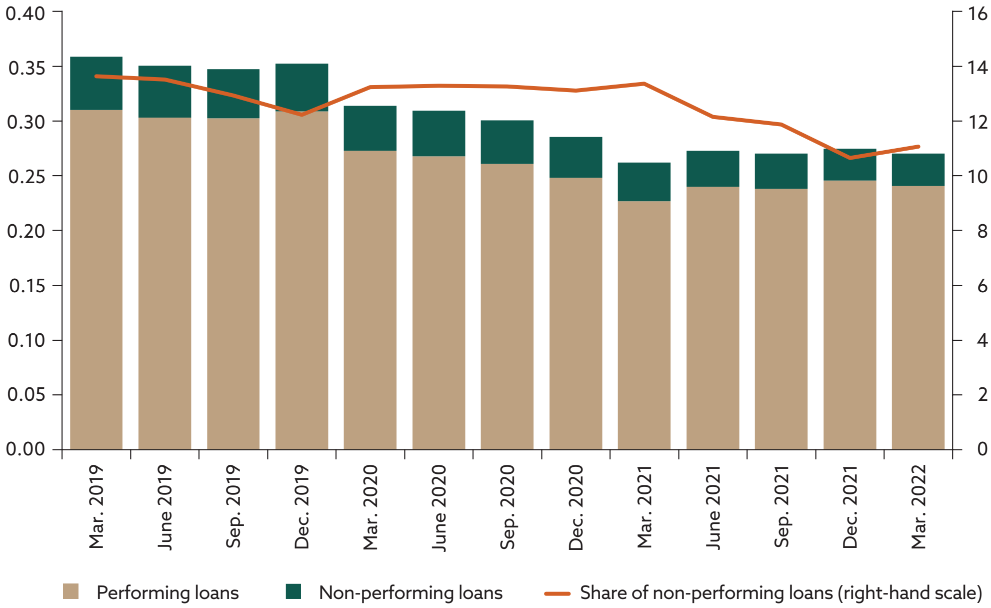
Chart 36
Share of non-performing loans in bank overdrafts to households (EUR billions, %)



Source: NBS.

Chart 37

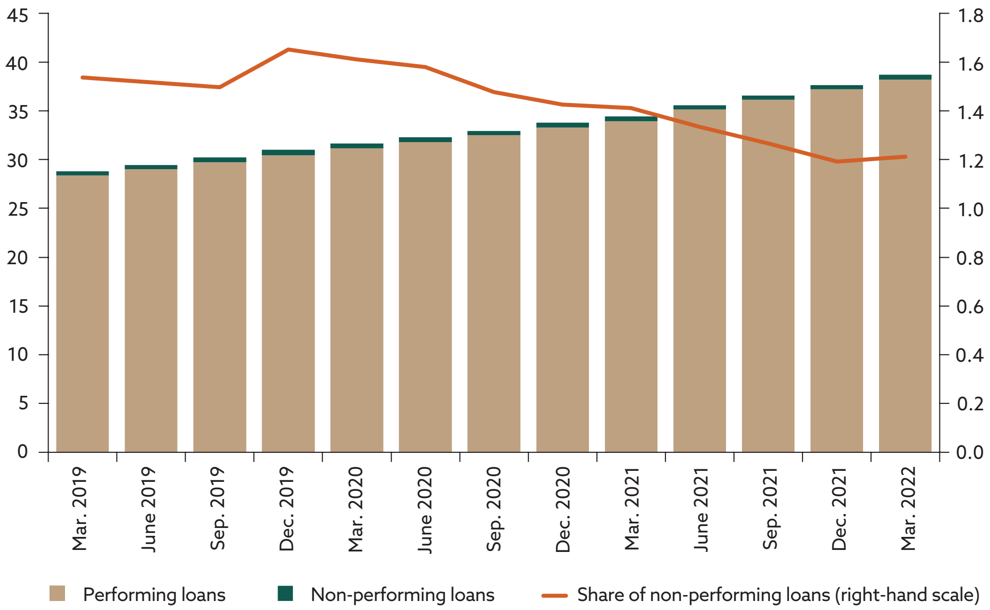
Share of non-performing loans in credit card loans to households (EUR billions, %)



Source: NBS.

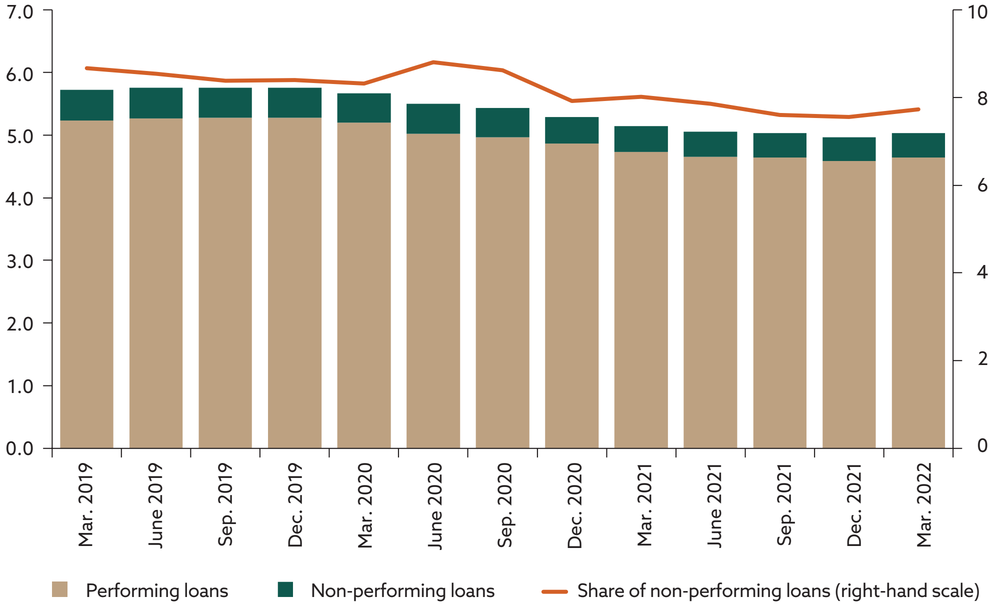
Chart 38

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



Source: NBS.

Chart 39
Share of non-performing loans in consumer loans to households (EUR billions, %)



Source: NBS.

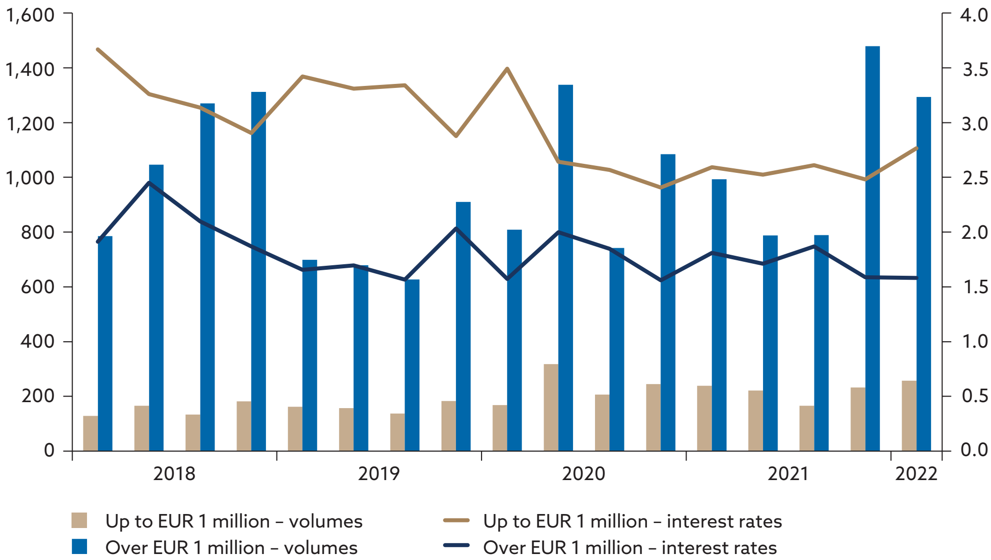
2.8 Loans – interest rates, volumes and stocks

2.8.1 New loans to NFCs – interest rates and volumes

The total volume of new loans provided to non-financial corporations (NFCs) increased by 15.96% in the first quarter of 2022, compared with the same quarter of 2021. In the category of '**loans of up to €1 million**', the volume of loans increased in the period under review, by 10.8% year on year. The share of these loans in the total volume of NFC loans provided in that period amounted to 20.8%. The average interest rate on these loans rose in the review period, to 2.75% p.a. The volume of loans in the '**loans of over €1 million**' category increased by 17.32% in the first quarter of 2022, compared with the first quarter of 2021. New loans in this category accounted for 79.16% of the total volume of NFC loans provided in that period, and the average interest rate on these loans fell by 0.02 percentage point, to 1.78% p.a.

Chart 40

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

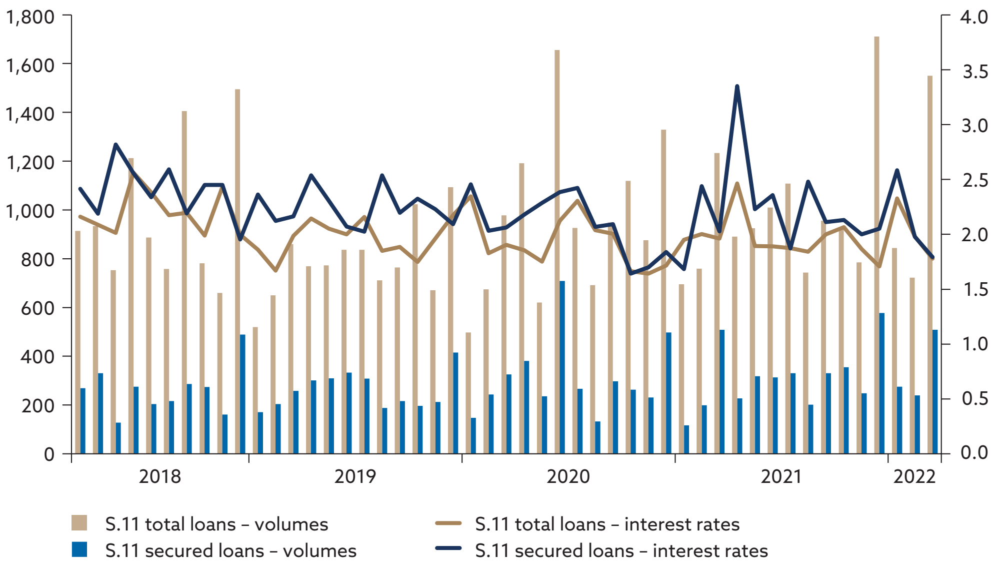


Source: NBS.

The share of new secured loans in the **total** volume of new loans provided to NFCs increased, year on year, from 30.72% at the end of the first quarter of 2021, to 32.83% at the end of the same quarter of 2022. The average interest rate on secured loans fell from 2.08% p.a. in the first quarter of 2021, to 2.05% in the same period of 2022. The average interest rate on new loans provided to NFCs in total (both secured and unsecured loans) remained unchanged in the first quarter of 2022 at 1.97% p.a.

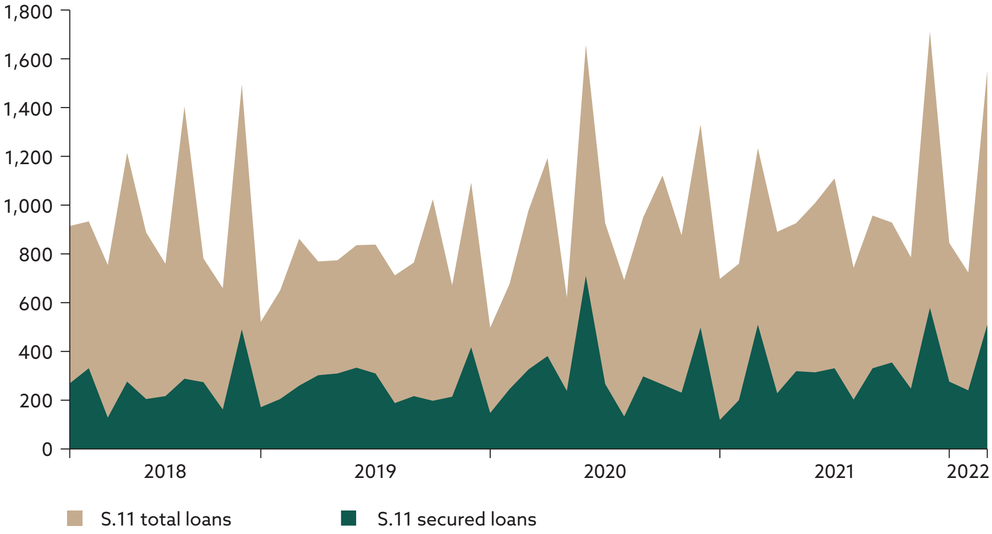
Chart 41

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



Source: NBS.

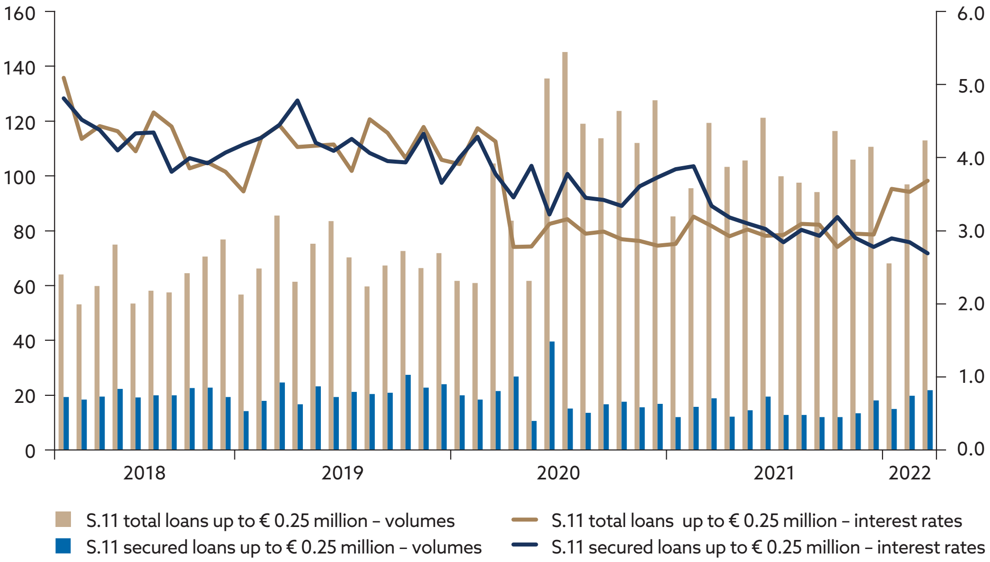
Chart 42
Share of secured loans in total new loans to NFCs (EUR millions)



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 first quarter of 2022, by 4.86% year on year, reaching 20.45% at the end of March. The average interest rate on secured loans of this category fell by 0.85 percentage point year on year, to 2.8% p.a. at the end of the review period. The average interest rate for new loans of this category provided to NFCs increased in the review period by 0.57 percentage point, reaching 3.6% p.a. at the end of March.

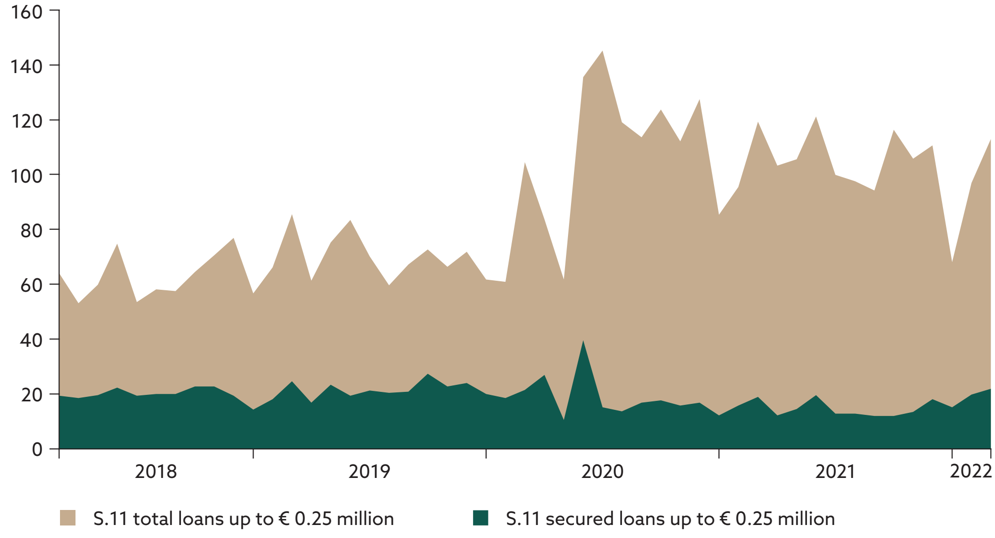
Chart 43
Secured and total new NFC loans up to € 0.25 million – interest rates and volumes (EUR millions, % p.a.)



Source: NBS.

Chart 44

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

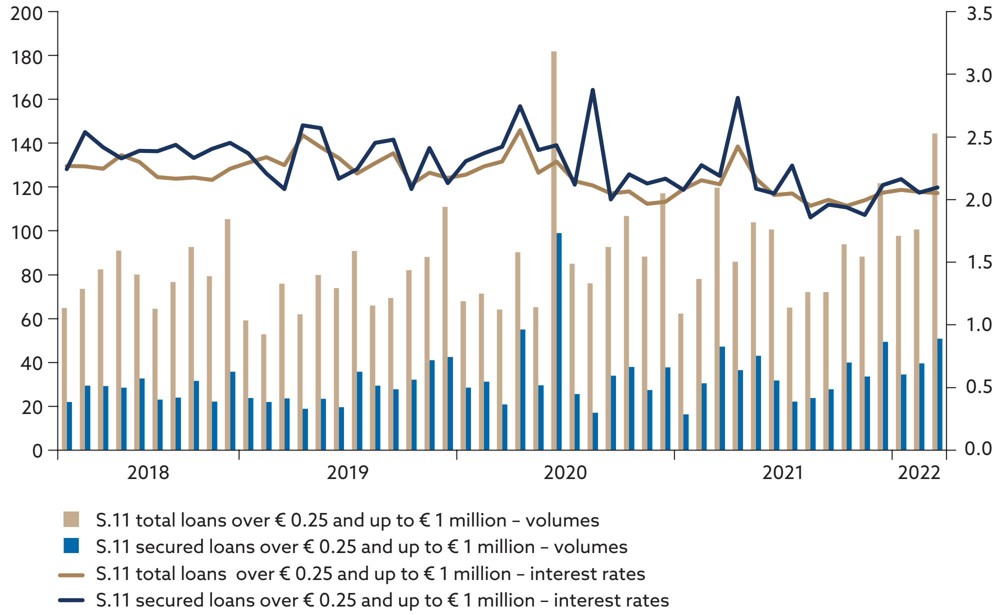


Source: NBS.

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 new loans provided to NFCs increased in the first quarter of 2022, by 0.3% year on year, to 36.5% at the end of March. The average interest rate on secured loans of this category decreased slightly by 0.1 percentage point year on year, to 2.1% p.a. at the end of the review period. The average interest rate on new loans of this category provided to NFCs decreased very slightly in that period by 0.06 percentage point, to 2.06% p.a. at the end of March.

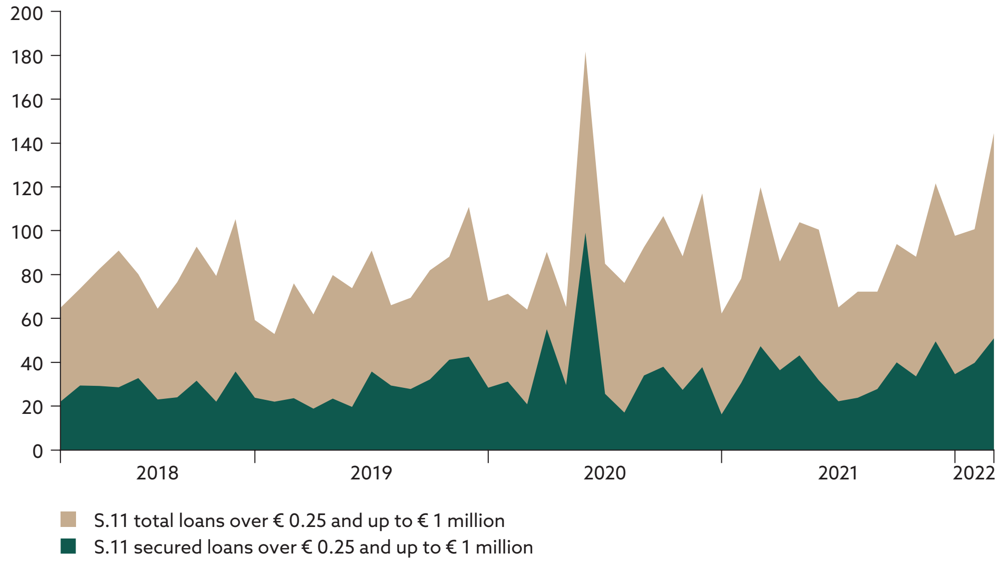
Chart 45

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.

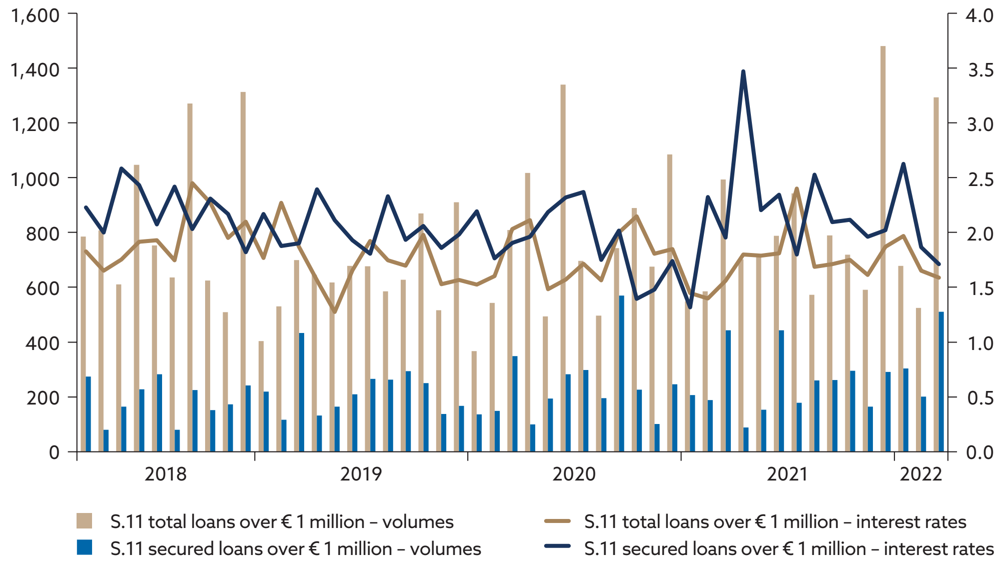
Chart 46
Share of secured loans in total new loans over € 0.25 and up to € 1 million to NFCs (EUR millions)



Source: NBS.

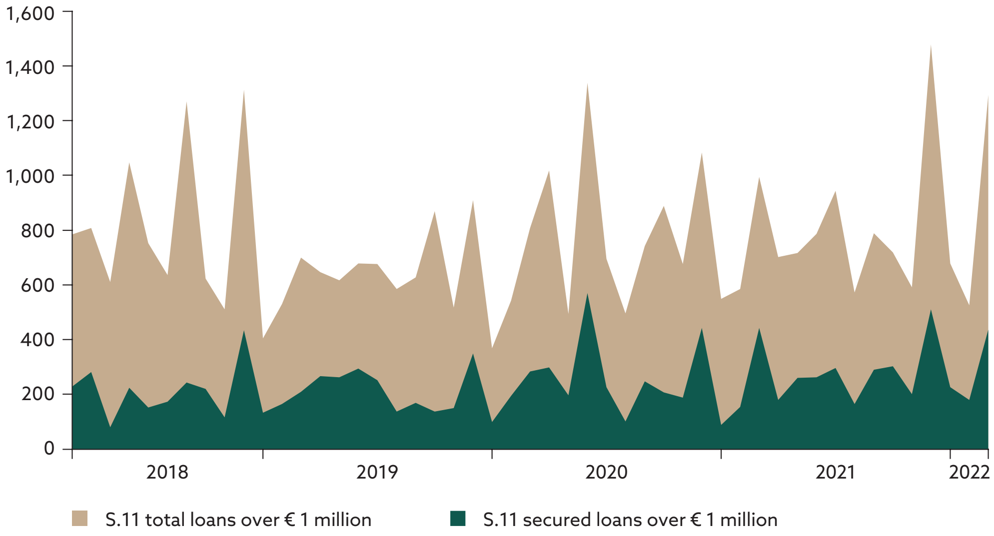
In the category of '**loans of over €1 million**', the share of new secured loans in the total volume of new loans provided to NFCs increased, year on year, by 1.5% in the first quarter of 2022, to 33.7% at the end of March. The average interest rate on secured loans of this category rose to 2.0% p.a. as of 31 March 2022, from 1.9% p.a. as of 31 March 2021. The average interest rate on new NFC loans of this category eased downwards very slightly, by 0.02 percentage point year on year, to an average of 1.78% p.a. at the end of the review period.

Chart 47
Secured and total new loans over € 1 million to NFCs – interest rates and volumes (EUR millions, % p.a.)



Source: NBS.

Chart 48
Share of secured loans in total new loans over € 1 million to NFCs (EUR millions)



Source: NBS.

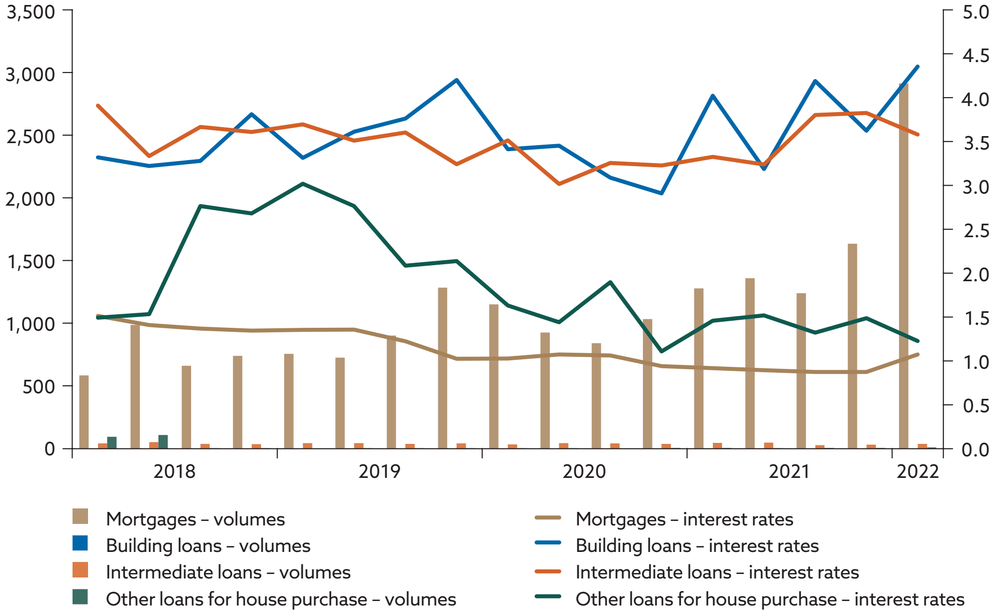
2.8.2 New loans to households – interest rates and volumes

2.8.2.1 Housing loans – interest rates and volumes

Households' demand for house purchase loans remains far stronger than their demand for any other type of loan. The average interest rate on house purchase loans rose in the first quarter of 2022 by 0.04 percentage point year on year, with an average of 1.05% p.a. During the review period, the average interest rates for each type of loans were as follows: the rate on **building loans**, which are provided by home savings banks, decreased by 0.11 percentage point, to 3.8% p.a.; the rate on **intermediate loans**, which are also provided by home savings banks, rose by 0.3 percentage point, to 3.6% p.a.; the rate on **other loans for house purchase** decreased very slightly by 0.03 percentage point, to 1.29% p.a.; while the rate on **mortgage loans** increased by 0.07 percentage point, to 1.01% p.a.

Chart 49

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



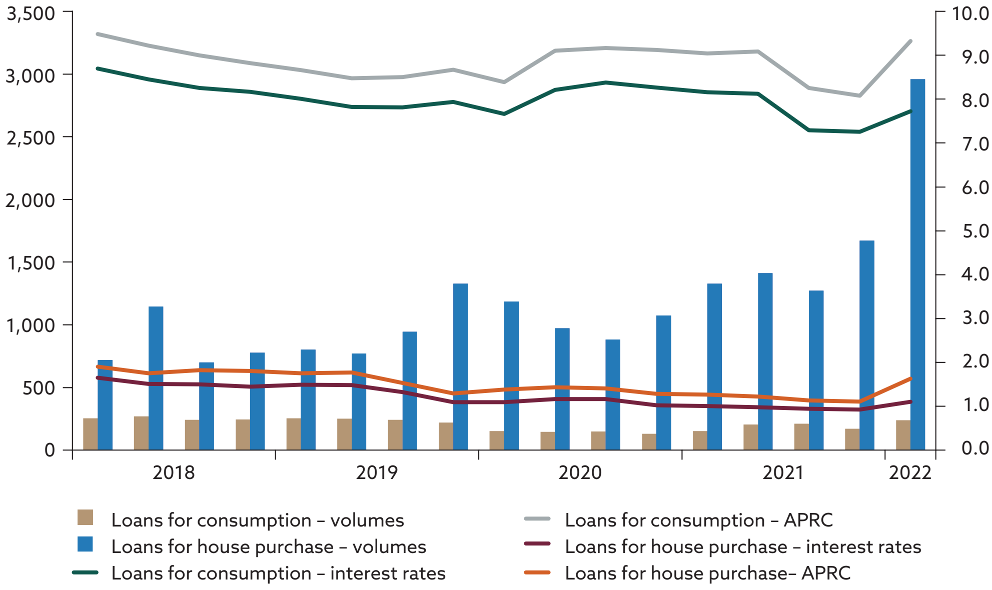
Source: NBS.

2.8.2.2 Housing loans and consumer loans – interest rates and the APRC

As a rule, the **annual percentage rate of charge** (APRC) for loans provided to households exceeds the rate of interest charged on these loans. Just as the interest rate for house purchase loans increased between the first quarter of 2021 and the first quarter of 2022 (to 1.05% p.a.), the amount of the APRC for such loans also increased by 0.3 percentage point to an average of 1.6% p.a. The APRC for consumer loans followed the same trend. While the interest rate for consumer loans decreased by 0.47 percentage point to an average value of 7.7% p.a., the average APRC for consumer loans increased during the review period by 0.33 percentage point to 9.37% p.a. One of several factors affecting this rise in the APRC was an NBS decree specifying in detail the charges that must be included in a proper calculation of the APRC.

Chart 50

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



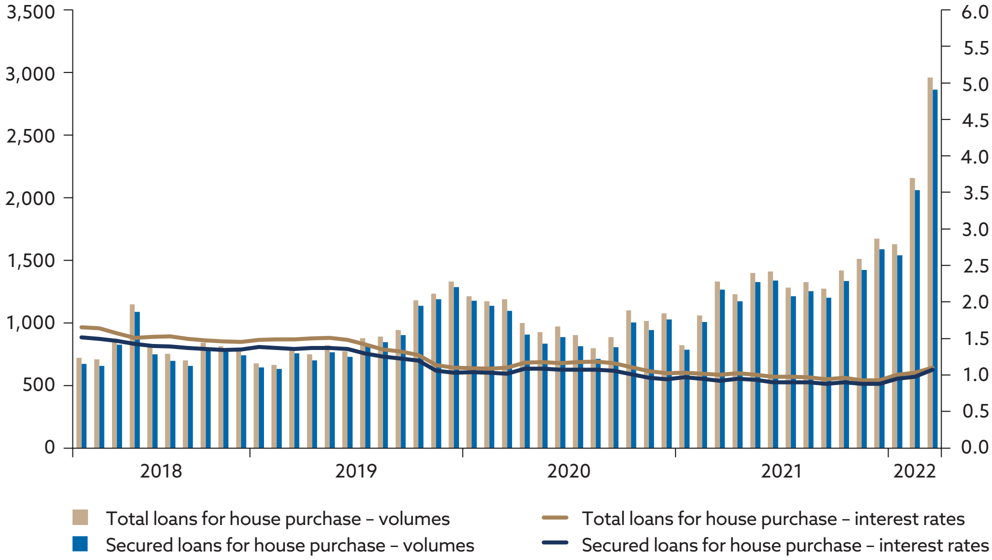
Source: NBS.

2.8.2.3 Secured housing loans – interest rates and volumes

The share of new **secured house purchase loans** in the total volume of new loans provided to households for house purchase decreased in the first quarter of 2022 by 0.66%, compared with the same quarter a year earlier, to 95.76% as of 31 March 2022. The average interest rate for secured loans decreased by 0.07 percentage point in the review period to an average of 1.01% p.a. A significant rise in the volume of new house purchase loans was due to an increase in renegotiated loans, which are recorded together with entirely new loans as subsets of the new loans category (new loans = entirely new loans + renegotiated loans).

Chart 51

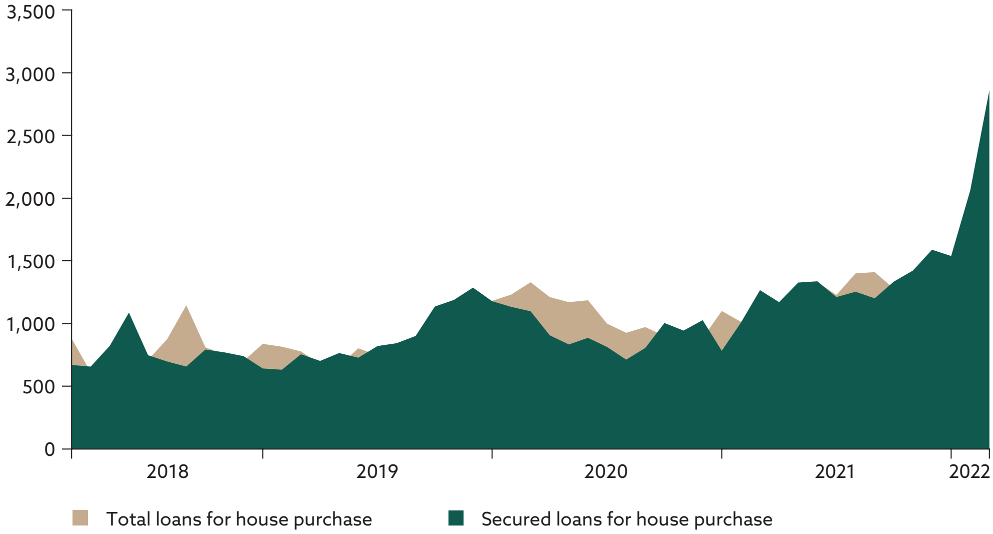
Secured and total new loans for house purchase to households – interest rates and volumes (EUR millions, % p.a.)



Source: NBS.

Chart 52

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



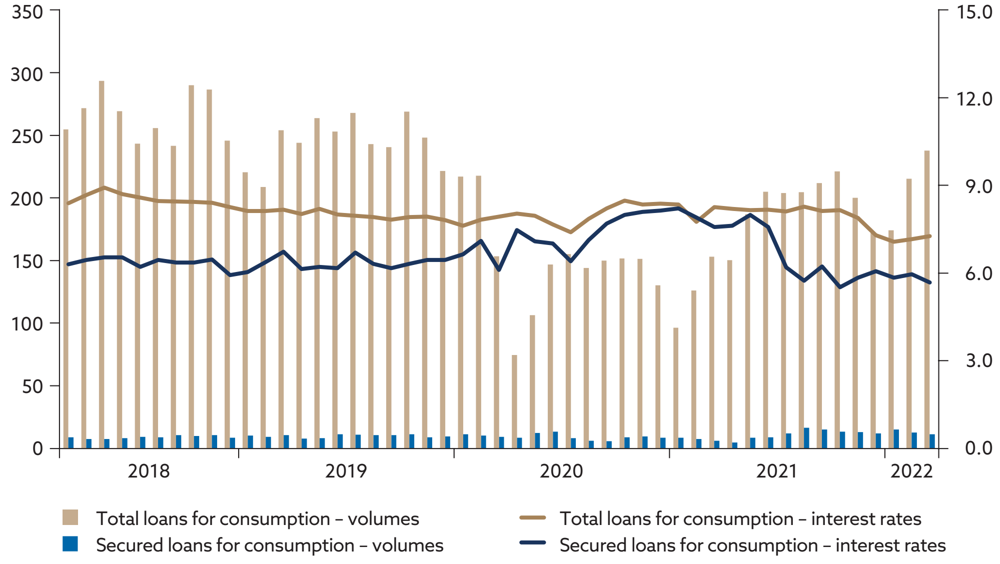
Source: NBS.

2.8.2.4 Secured consumer loans – interest rates and volumes

The share of **secured consumer loans** in the total volume of consumer loans is far lower than the share of secured house purchase loans in their respective category. The first quarter of 2022 saw a year-on-year decrease of 0.28% in the share of secured consumer loans, reaching 5.73% at the end of March. During the review period, the average interest rate on these loans fell by 1.9 percentage points year on year, to 5.85% p.a.

Chart 53

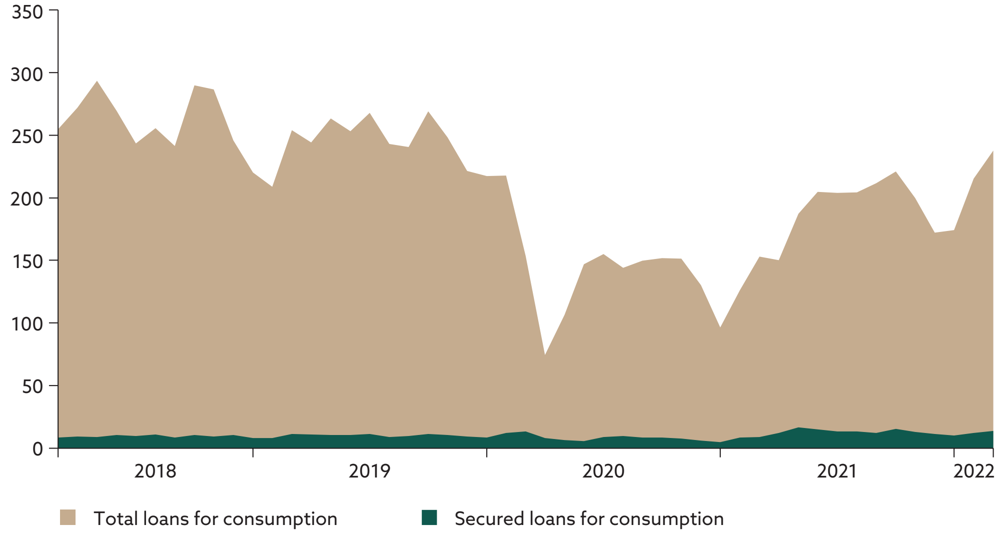
Secured and total new loans for consumption to households – interest rates and volumes (EUR millions, % p.a.)



Source: NBS.

Chart 54

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



Source: NBS.

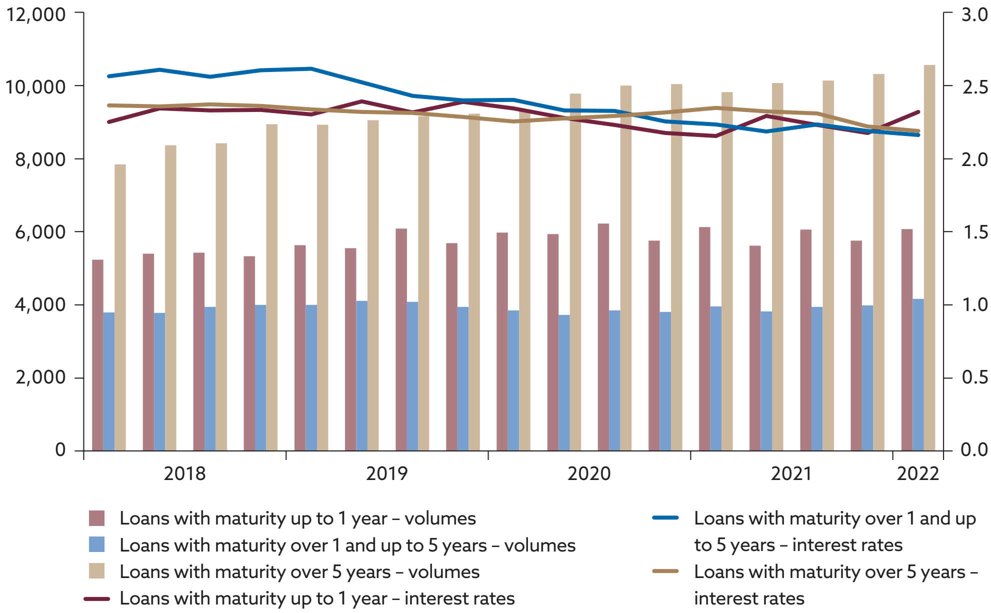
2.8.3 Loans to NFCs – interest rates and stocks

Interest rates on loans provided to non-financial corporations (NFCs) with a maturity of over one year and up to five years no longer exceed the rates on loans with other maturities. The largest group of loans by volume are those with a maturity of over five years. This trend began in the middle of 2009 and has continued into the first quarter of 2022 as well.

During the first quarter of 2022, the average interest rates for **loans provided to NFCs** developed as follows: Interest rates on loans with a maturity of up to one year increased by 0.14 percentage point to an average of 2.33% p.a. Interest rates on loans with a maturity of over one year and up to five years went down very slightly by 0.05 percentage point to an average of 2.18% p.a. There was also a small decrease in interest rates for loans with a maturity of over five years amounting to 0.14 percentage point for an average rate of 2.2% p.a.

Chart 55

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



Source: NBS.

2.8.4 Loans to households – interest rates and stocks

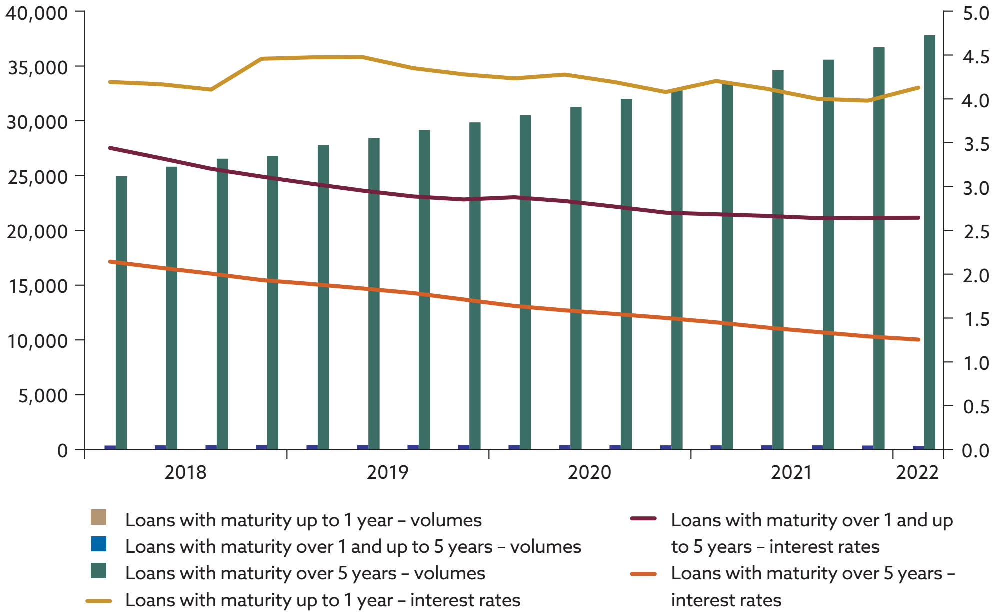
2.8.4.1 Housing loans – interest rates and stocks

The majority of both consumer loans and house purchase loans provided to households have maturities of over five years.

During the review period, the interest rates of **house purchase loans** provided to households developed as follows: The average rate on loans with a maturity of over five years decreased, year on year, by 0.02 percentage point, to 1.45% p.a.; the average rate on loans with a maturity of over one year and up to five years also decreased, in this case by 0.05 percentage point year on year, to 2.64% p.a.; and that on loans with a maturity of up to one year edged down by 0.11 percentage point, to 4.09% p.a. at the end of March 2022.

Chart 56

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



Source: NBS.

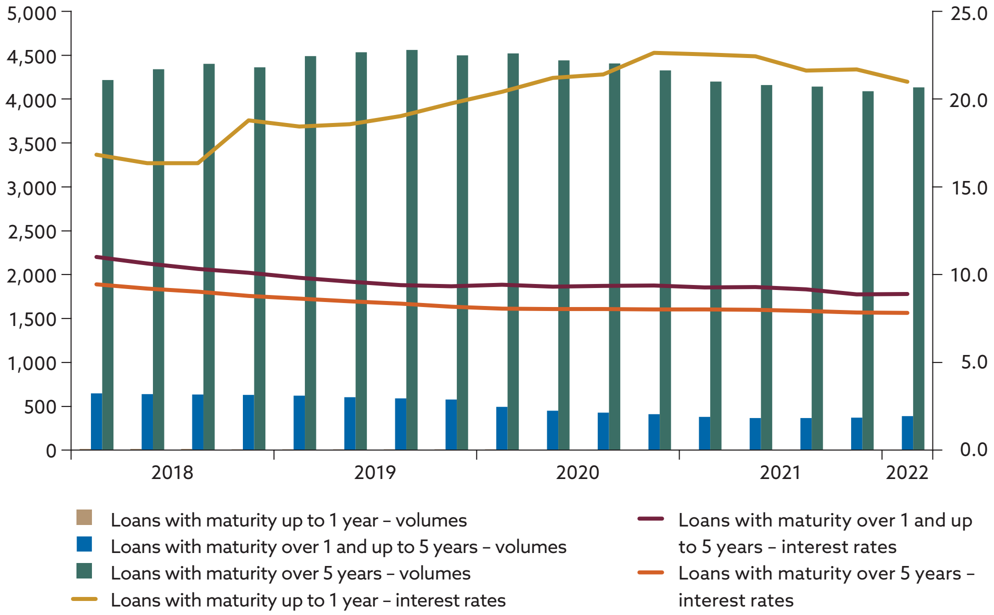
2.8.4.2 Consumer loans – interest rates and stocks

Consumer loans with a maturity of up to one year remained, in volume terms, negligible in the first quarter of this year. This was reflected in the strong volatility of interest rates on these loans. The stock of consumer loans with a maturity of over one year and up to five years increased in the period under review. Loans with a maturity of over five years continued to account for the largest share of the stock of consumer loans.

During the review period, the average interest rates of **consumer loans** provided to households developed as follows: the average rate on consumer loans with a maturity of over one year and up to five years fell by 0.38 percentage point year on year, to 8.93% p.a.; the average rate on consumer loans with a maturity of over five years also decreased, by 0.18 percentage point, to 7.84% p.a., while the average rate on consumer loans with a maturity of up to one year had the steepest fall, by 1.65 percentage points year on year, to 21.08% p.a. at the end of March 2022.

Chart 57

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



Source: NBS.

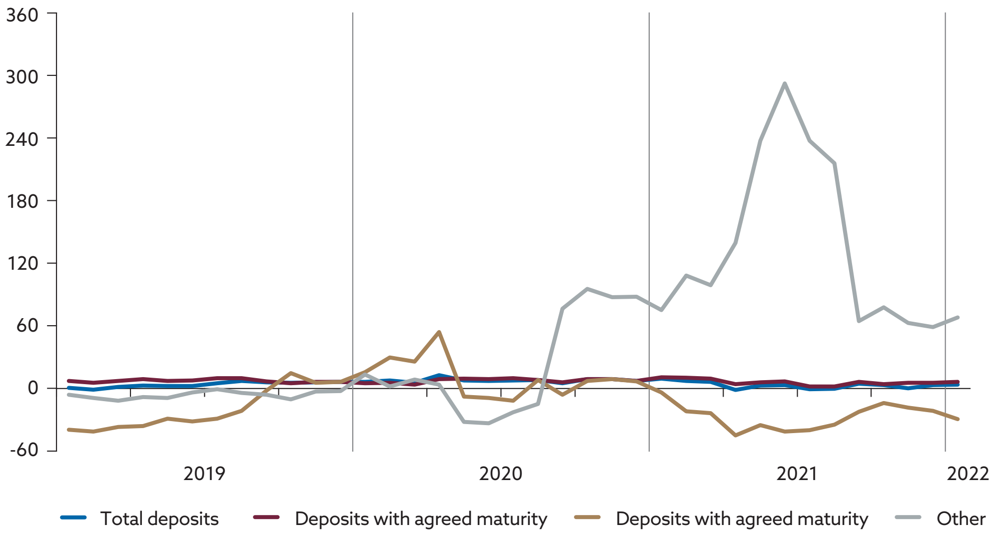
2.9 Deposits received from non-financial corporations and households

2.9.1 Deposits received from non-financial corporations

The stock of deposits received from non-financial corporations (NFCs) was 3.7% larger at the end of the first quarter of 2022 than a year earlier. This increase took place mostly in other deposits, which grew in that period by 68.3%, year on year. A year-on-year increase in the stock of sight deposits by 6.4% was recorded at the end of March 2022. The stock of deposits with an agreed maturity was down sharply by 29.3% at that date compared with the figure recorded a year earlier.

Chart 58

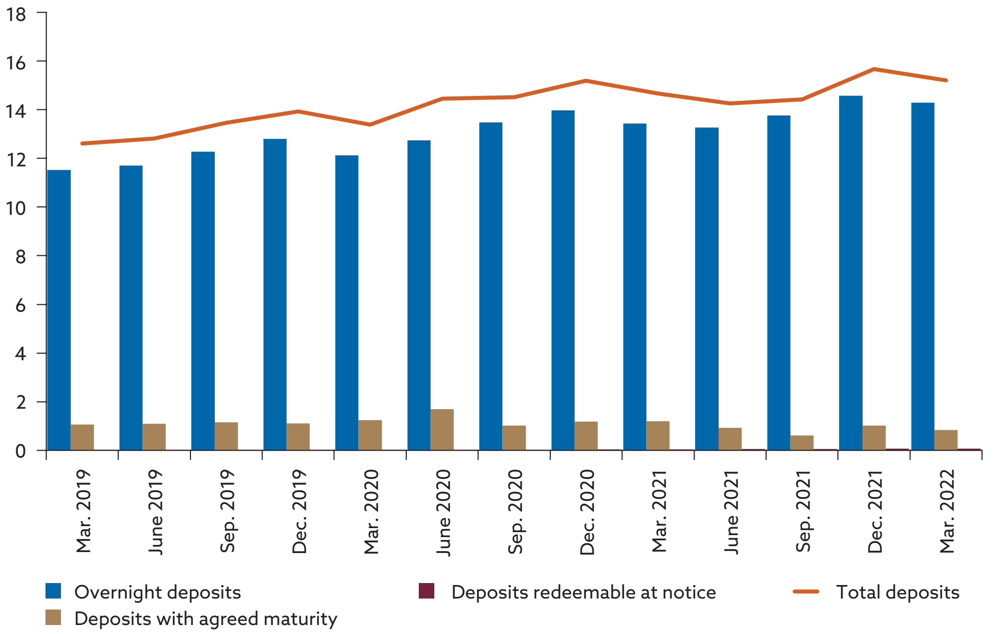
NFC deposits by type (year-on-year percentage changes)



Source: NBS.

Chart 59

NFC deposits (EUR billions)



Source: NBS.

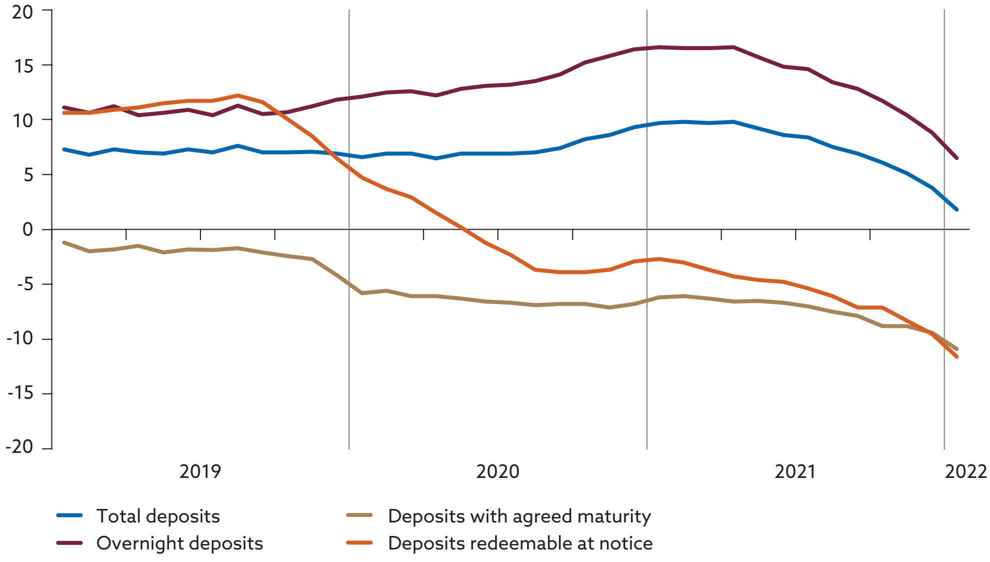
2.9.2 Deposits received from households

The total stock of deposits received from households[1] increased by 1.8% year on year in the first quarter of 2022. The stock of deposits with an

[1] Sight deposits and deposits redeemable at notice were reclassified in 2019 on methodological grounds. This has distorted, to some extent, the year-on-year comparison of these deposits. The given growth rates apply to euro area households and are calculated from flows in the given items. The absolute values refer to households in Slovakia.

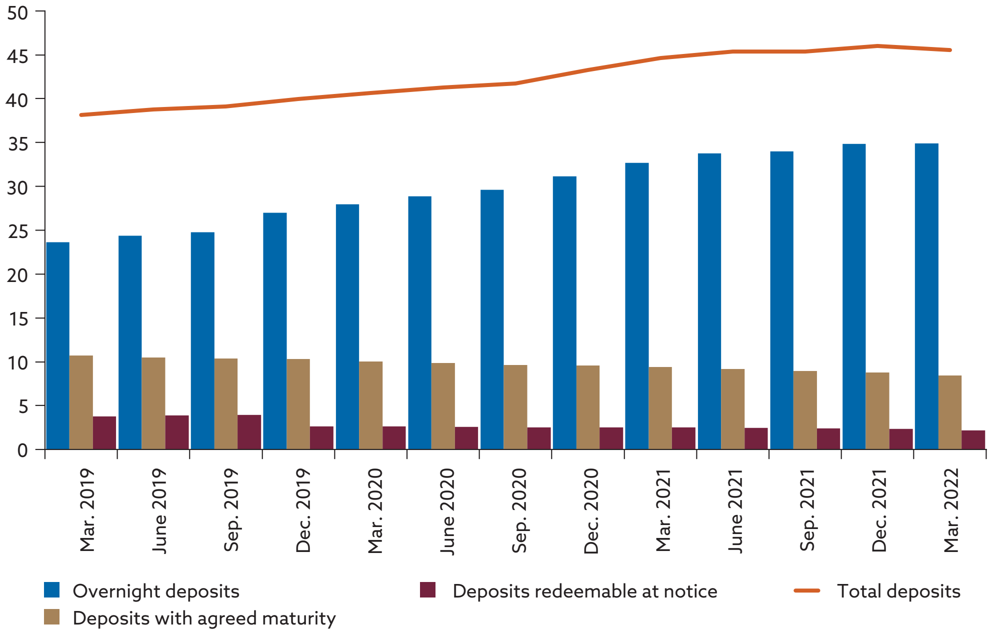
agreed maturity decreased by 10.9% year on year. The most significant increase was recorded in sight deposits (6.5%). The stock of deposits redeemable at notice decreased, by 11.6% year on year.

Chart 60
Households deposits by type (year-on-year percentages change)



Source: NBS.

Chart 61
Households deposits (EUR billions)



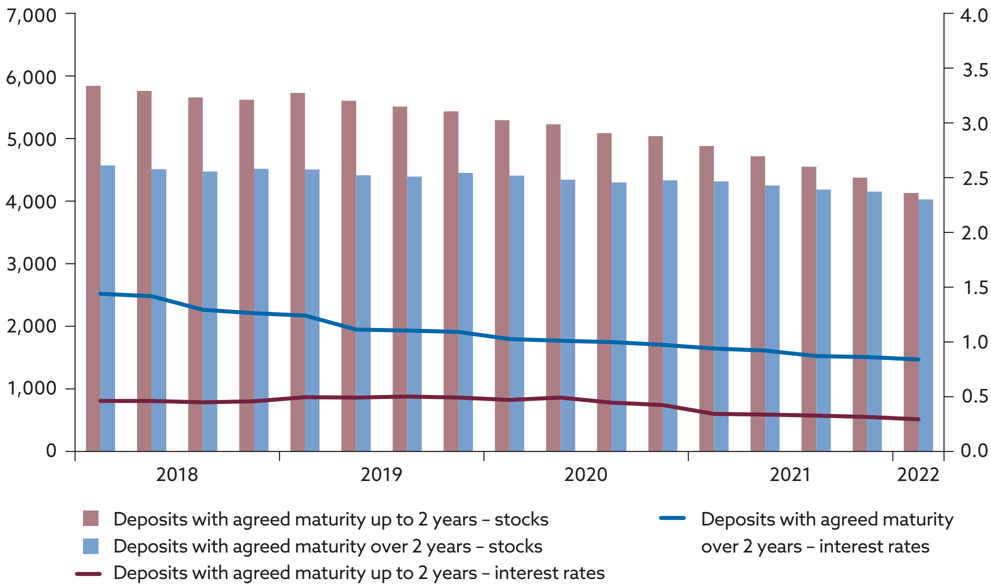
Source: NBS.

2.10 Deposits received – interest rates, volumes and stocks

2.10.1 Household deposits – interest rates and stocks

In the first quarter of 2022, household deposits **with an agreed maturity of up to two years** accounted for 51.0% of the total stock of deposits with an agreed maturity, which represented a decrease of 2.4% compared with a year earlier. During the quarter under review, the average interest rate on these deposits was 0.07 percentage point lower than in the same period a year earlier, at 0.3% p.a. The average interest rate on deposits **with an agreed maturity of over two years** was also lower in that period, by 0.1 percentage point year on year, at 0.84% p.a. The total stock of household deposits with an agreed maturity decreased in the review period by 10.0% year on year.

Chart 62
Household deposits with an agreed maturity – interest rates and stocks (EUR millions, % p.a.)



Source: NBS.

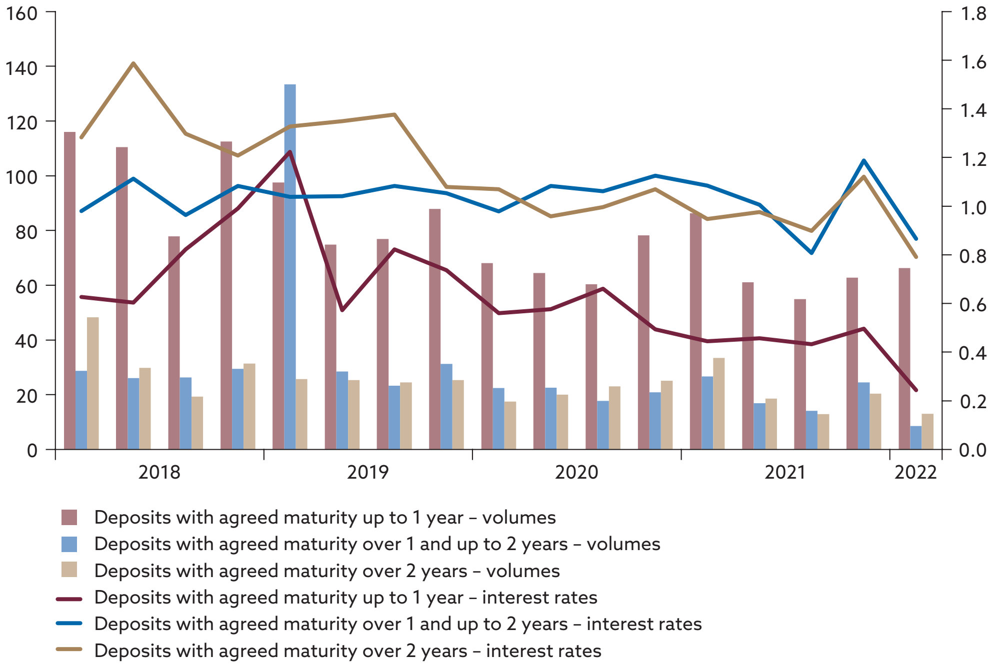
2.10.2 New household deposits – interest rates and volumes

Interest rates on **new household deposits** with an agreed maturity changed in the first quarter of 2022 as described below. There was a year-on-year decrease in the average interest rate on new **deposits with an agreed maturity of up to one year** by 0.23 percentage point to an average of 0.27% p.a. at the end of March, while the share of these deposits in the total volume of new household deposits with an agreed maturity increased by 14.33%, to 73.29%. The average interest rate on new deposits **with an agreed ma-**

turity of over one year and up to two years** decreased by 0.14 percentage points to 0.90% p.a., and the share of these deposits in the total volume of new household deposits with an agreed maturity fell by 8.85%, to 10.34%. The average interest rate on **deposits with an agreed maturity of over two years** decreased in the review period by 0.21 percentage point year on year, to 0.79% p.a. as of 31 March 2021, and these deposits also lost 5.49% of their share in the total volume of new household deposits with an agreed maturity, to stand at 16.37%.

Chart 63

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



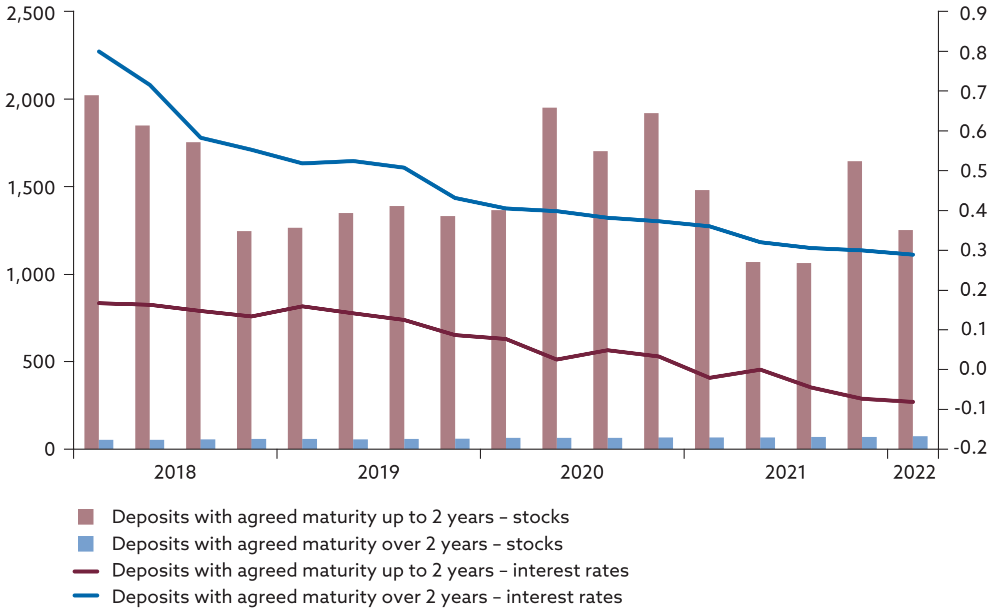
Source: NBS.

2.10.3 NFC deposits – interest rates and stocks

At the end of the first quarter of 2022, **deposits with an agreed maturity of over two years**, received from non-financial corporations (NFCs), accounted for 5.15% (1.28% more than a year earlier) of the total stock of NFC deposits with an agreed maturity, while the average interest rate on these deposits fell to an average of 0.3% p.a. The average rate on **deposits with an agreed maturity of up to two years** edged slightly downwards in the period under review by 0.08 percentage point year on year, to -0.07% p.a., while the share of these deposits in the total volume of NFC deposits with an agreed maturity fell by 1.28% to 94.85%. The total stock of NFC deposits with an agreed maturity shrank by 21.72% year on year during the review period.

Chart 64

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



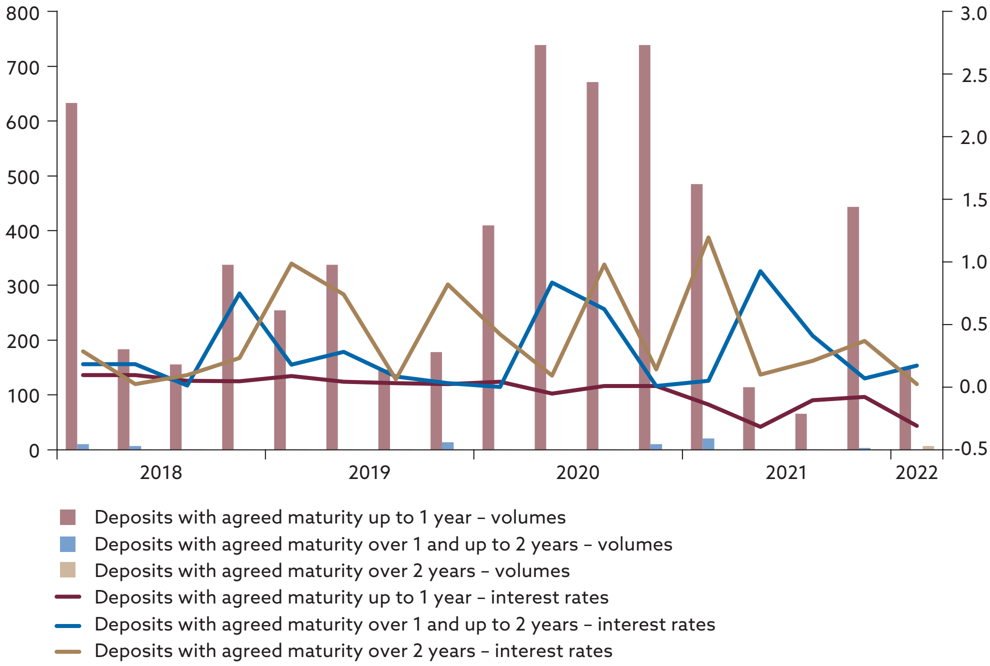
Source: NBS.

2.10.4 New NFC deposits – interest rates and volumes

This section describes changes in interest rates on **new deposits** with an agreed maturity received from non-financial corporations (NFCs) in the first quarter of 2022 compared with the same quarter of 2021. The average interest rate on new deposits **with an agreed maturity of over two years** decreased, year on year, by 1.02 percentage point to 0.02% p.a. as of 31 March 2021, though the share of these deposits in the total volume of NFC deposits with an agreed maturity remained insignificant (1.43%). The average interest rate on new NFC deposits **with an agreed maturity of over one year and up to two years** fell, year on year, by 0.01 percentage point to 0.02% p.a. There was also a fall in the average rate on new deposits **with an agreed maturity of up to one year** by 0.16 percentage point year on year, to -0.24% p.a. These deposits made up the most significant category in volume terms: they accounted for 97.16% of the total volume of new NFC deposits with an agreed maturity.

Chart 65

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



Source: NBS.

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3 Investment funds

Slovakia's investment funds market comprises seven domestic asset management companies and one foreign asset management company, managing a total of 98 domestic open-end funds and one domestic closed-end fund as at 31 March 2022.

Domestic asset management companies:
- 365.invest, správ. spol., a. s.
- Asset Management Slovenskej sporiteľne, správ. spol., a.s.
- Eurizon Asset Management Slovakia, správ. spol., a.s.
- GOLDSIDE Asset Management, správ. spol., a.s.
- IAD Investments, správ. spol., a.s.
- PARTNERS ASSET MANAGEMENT, správ. spol., a.s.
- Tatra Asset Management, správ. spol., a.s.

Foreign asset management company:
- ČSOB Asset Management, a.s., investiční společnost

3.1 Current developments in the collective investment market

For the purposes of monetary and financial statistics compiled by the European Central Bank, investment funds are broken down according to their investment strategy into the following categories: money market funds, bond funds, equity funds, mixed funds, real estate funds, hedge funds and other funds. At the beginning of 2021, some of the investment funds operating in Slovakia reclassified their investment strategies in respect of the principles of NBS statistics. This has led to a fall in the number of other funds.

Mixed funds accounted for the largest share (49.02%) of the total assets of investment funds as of 31 March 2022, followed by real estate funds (23.20%). Equity funds (14.20%) now have a larger share than bond funds (13.50%) despite having less than half the share of bond funds before the coronavirus pandemic. The share of other funds was 0.09% at the end of March 2022.

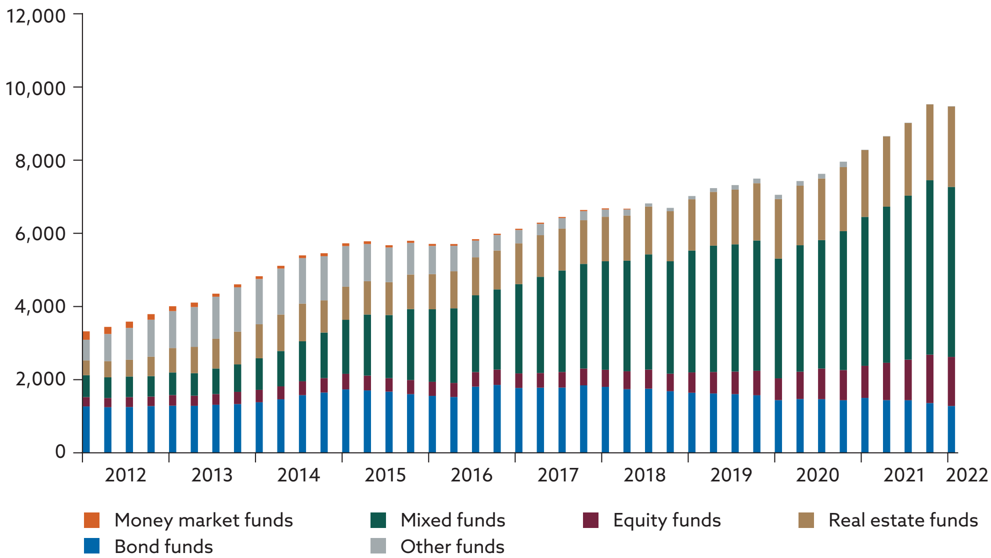
Table 8 Total assets of mutual funds broken down by type of fund (year-on-year percentage changes)

Total assets	Year-on-year change in %								
	III. 2020	VI. 2020	IX. 2020	XII. 2020	III. 2021	VI. 2021	IX. 2021	XII. 2021	III. 2022
Bond funds	-12,34	-9,31	-8,78	-8,60	4,24	-2,15	-1,85	-5,32	-14,80
Equity funds	7,24	27,36	36,61	23,23	47,38	36,78	31,95	60,01	53,12
Mixed funds	-1,76	0,00	0,96	6,53	24,42	23,53	27,72	25,66	14,10
Real estate funds	16,19	10,83	12,53	11,91	12,06	17,97	18,00	18,47	20,40
Other funds	28,51	22,78	2,10	17,24	-92,25	-93,20	-93,13	-94,56	-6,09

Source: NBS.

Chart 66

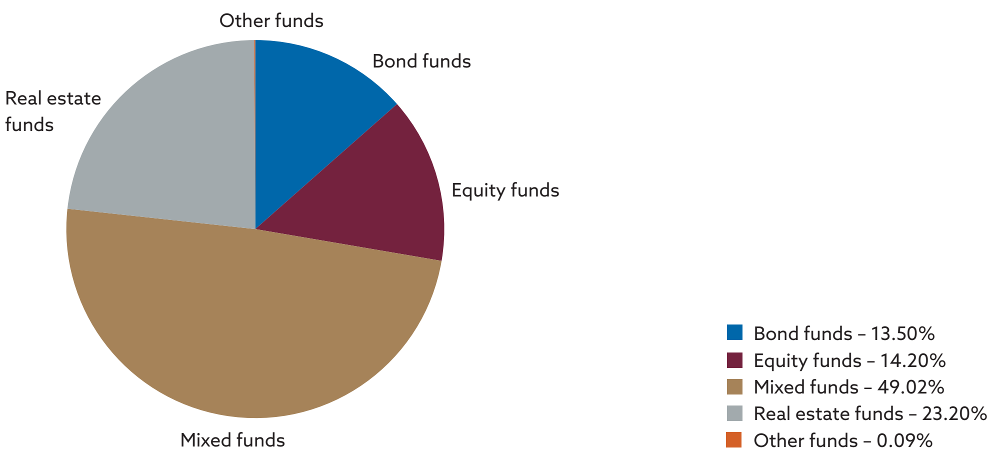
Mutual funds broken down by investment strategy (EUR millions)



Source: NBS.

Chart 67

Total assets of domestic mutual funds as at 31 March 2022 broken down by type of fund



Source: NBS.

3.2 Asset structure of domestic investment funds

3.2.1 Bond funds

Bond funds invest primarily in government and bank debt securities and in bank time deposits.

As of 31 March 2022, most of the assets under management were debt securities (68.39%). Funds continue to invest significant amounts in investment fund shares/units, which made up 19.52% of assets under management at the end of March. They were followed by fixed-term deposits and current accounts, making up 10.65%. The remaining 1.44% consisted of other assets and financial derivatives.

In terms of issuer residency, the largest group (42.79%) was issued in countries classified as "rest of the world". This was followed by debt securities issued by Slovak residents (34.40%) and securities issued in other euro area countries, whose share of debt securities in the first quarter of 2022 amounted to 22.81%.

In terms of issuer sector, bond funds' holdings of debt securities as of 31 March 2022 broke down as follows: 41.93% were government bonds; 35.97% were debt securities issued by non-financial corporations and other financial institutions. The remaining 22.10% were debt securities issued by banks.

In terms of residual maturity, bond funds' securities holdings broke down as follows: 21.35% of the securities had a maturity of up to one year, 19.03% a maturity of over one year and up to two years, and 59.62% a maturity of over two years.

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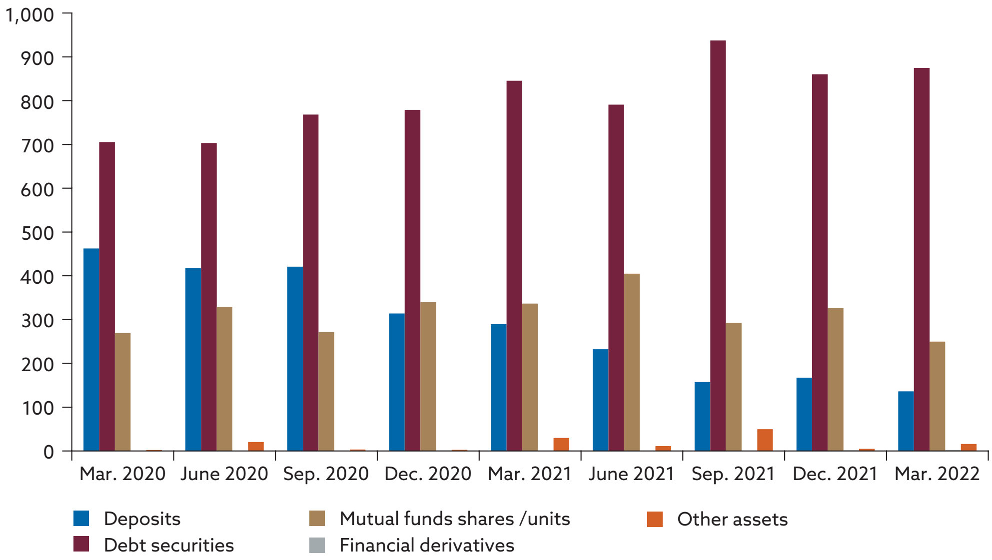
Chart 68

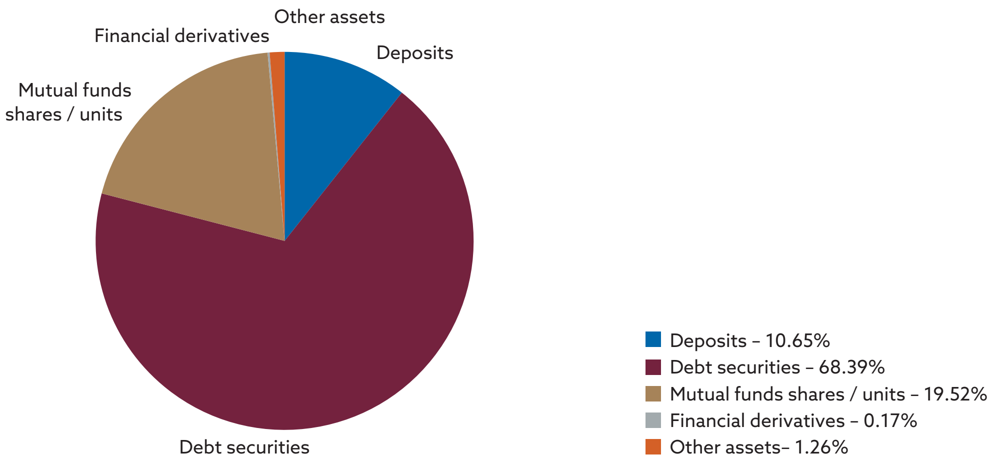
Bond funds: evolution of assets (EUR millions)



Source: NBS.

Chart 69

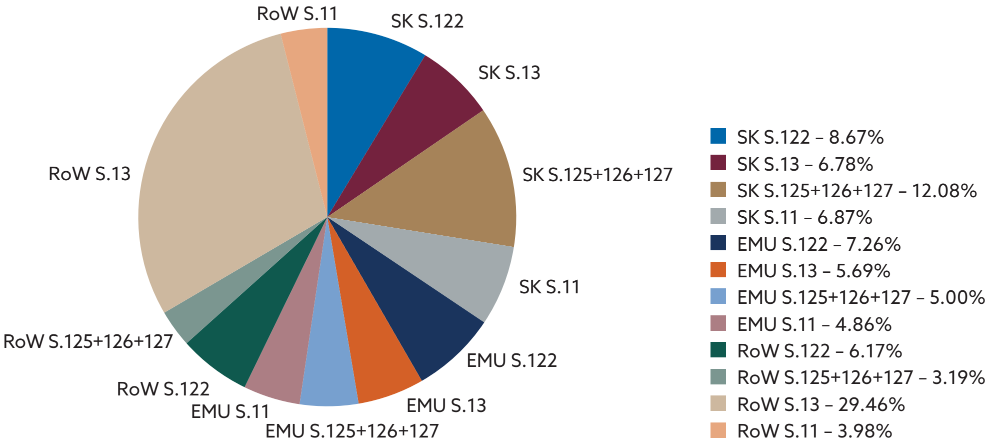
Bond funds: structure of assets as at 31 March 2022



Source: NBS.

Chart 70

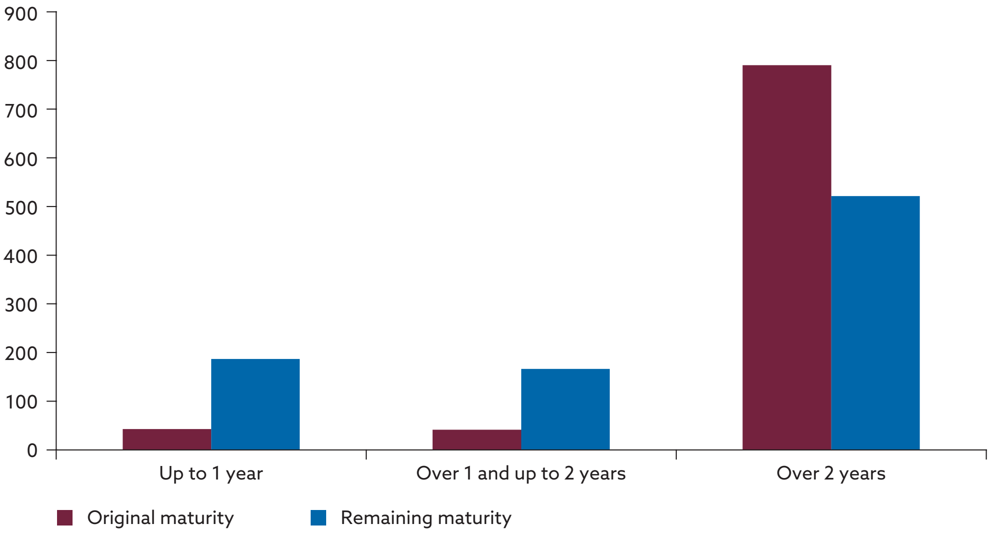
Geographical and sectoral breakdown of debt securities in the portfolio of bond funds as at 31 March 2022



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

Chart 71

Maturity breakdown of debt securities in the portfolio of bond funds as at 31 March 2022 (EUR millions)



Source: NBS.

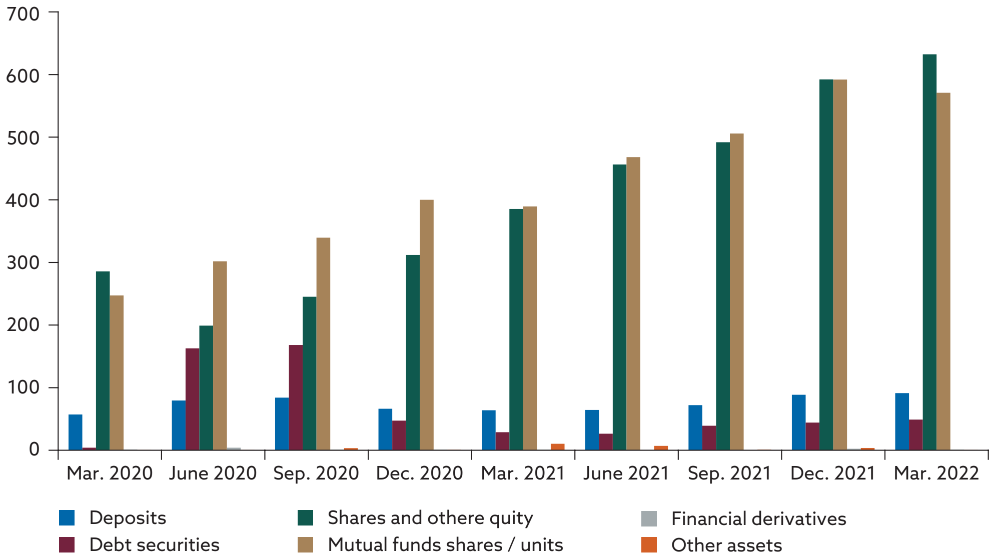
3.2.2 Equity funds

The largest categories of assets under management at the end of March 2022 were shares and other equity participations (47.01%) and investment fund shares/units (42.45%). These categories were followed by bank deposits (6.78%) and debt securities (3.64%). Other assets, including financial derivatives, made up 0.13% of these funds' total assets under management.

Equity funds' holdings of investment fund shares/units, broken down by issuer residency, remained broadly unchanged in the quarter under review. Investment fund shares/units issued by funds resident in Slovakia accounted for 5.05% of the total whereas 91.17% were issued by funds resident in other euro area countries and 3.78% were issued by funds resident elsewhere in the world.

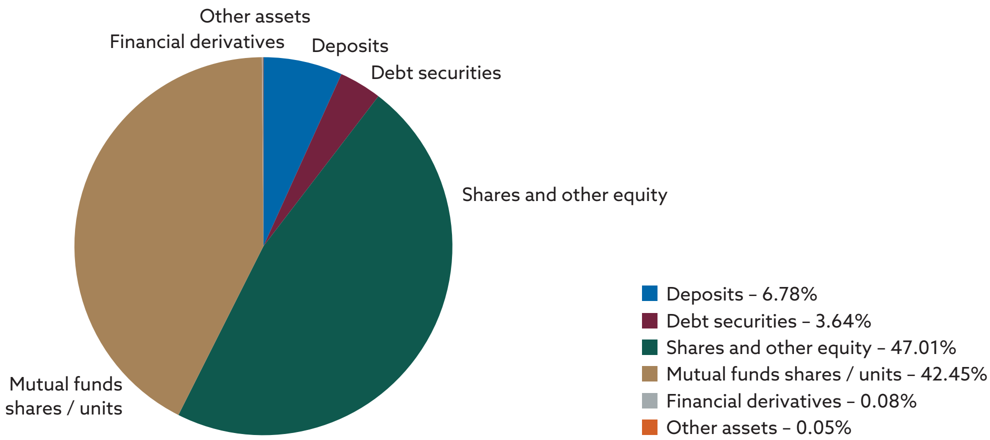
The overall portfolio was dominated by the shares of non-financial corporations from the rest of the world (76.36%), followed by the shares of non-financial corporations from other euro area countries (9.51%), and less than 5% were shares issued in other sectors.

Chart 72
Equity funds: evolution of assets (EUR millions)



Source: NBS.

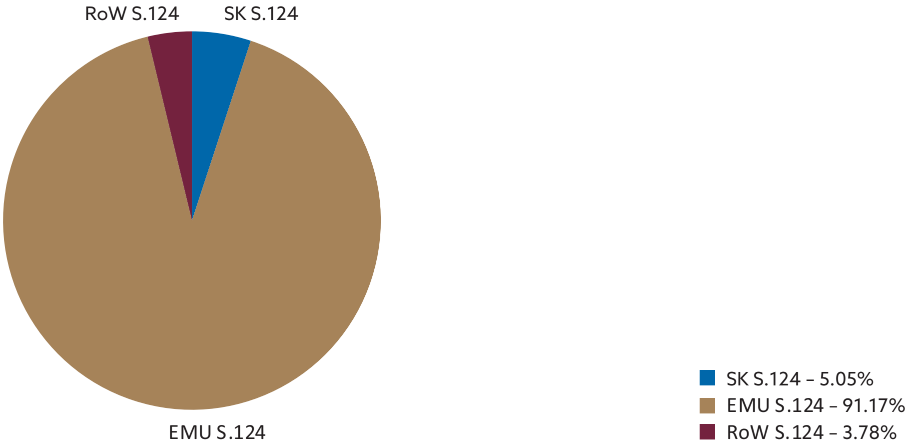
Chart 73
Equity funds: structure of assets as at 31 March 2022



Source: NBS.

Chart 74

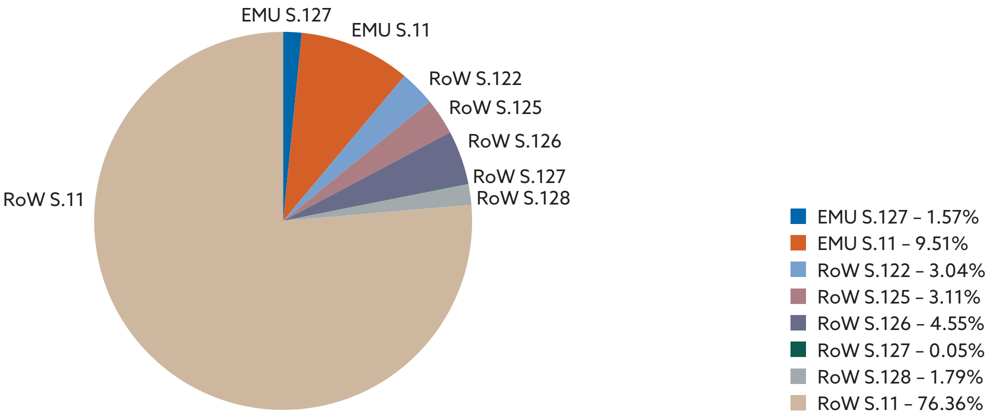
Geographical and sectoral breakdown of mutual funds shares / units in the portfolio of equity funds as at 31 March 2022



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

Chart 75

Geographical and sectoral breakdown of shares and other equity in the portfolio of equity funds as at 31 March 2022



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

3.2.3 Mixed funds

The main asset type in mixed funds has historically been investment fund shares/units. They accounted for 65.57% of the aggregate assets of mixed funds as at 31 March 2022. Other significant asset types for mixed funds during the review period were debt securities (24.35%) and bank deposits (5.98%). Equities made up 2.66% and other assets, including financial derivatives, 1.44%.

In terms of issuer residency, mixed funds' holdings of investment fund shares/units remained broadly unchanged in the quarter under review.

Most investment fund shares/units in the funds' portfolios (73.83%) were issued by euro area residents. They were followed by shares/units issued by domestic investment funds (21.04%). At the end of the first quarter of 2022, issuers in the rest of the world accounted for 5.13% of investment fund shares/units.

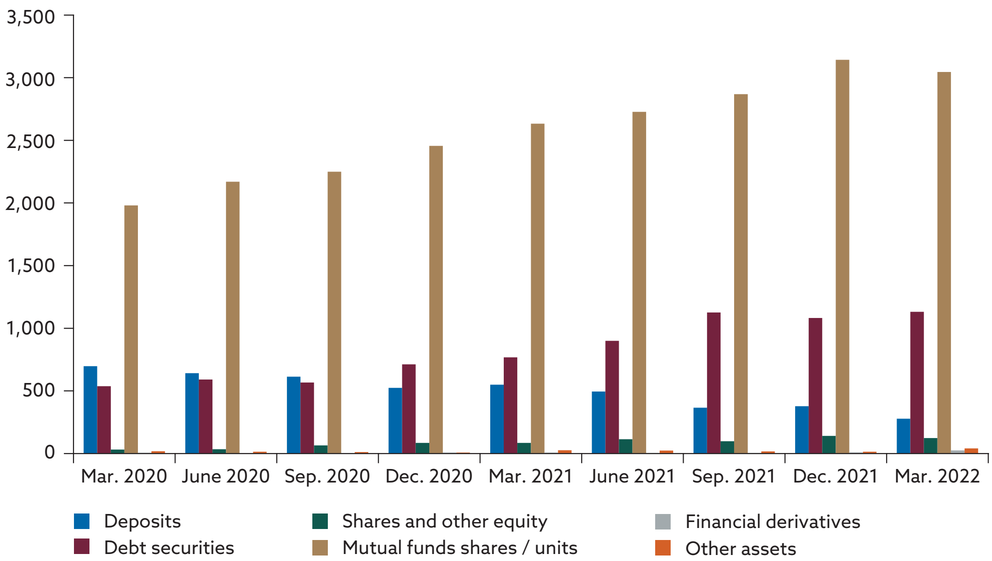
Mixed funds' securities holdings as at 31 March 2022 broke down in terms of issuer residency as follows: 44.75% were bonds issued by domestic issuers, 34.06% were securities issued by issuers from the rest of the world, and 21.19% were securities issued by issuers from other euro area countries.

In terms of issuer sector, the general government sector accounted for the largest share (40.96%), followed by other financial intermediaries (25.35%), the banking sector (18.22%), non-financial corporations (15.35%), and issuers from other sectors (0.11%).

In terms of residual maturity, mixed funds' securities holdings as at 31 March 2022 broke down as follows: 17.67% of the securities had a maturity of up to one year, 12.88% a maturity of over one year and up to two years, and 69.45% a maturity of over two years.

Chart 76

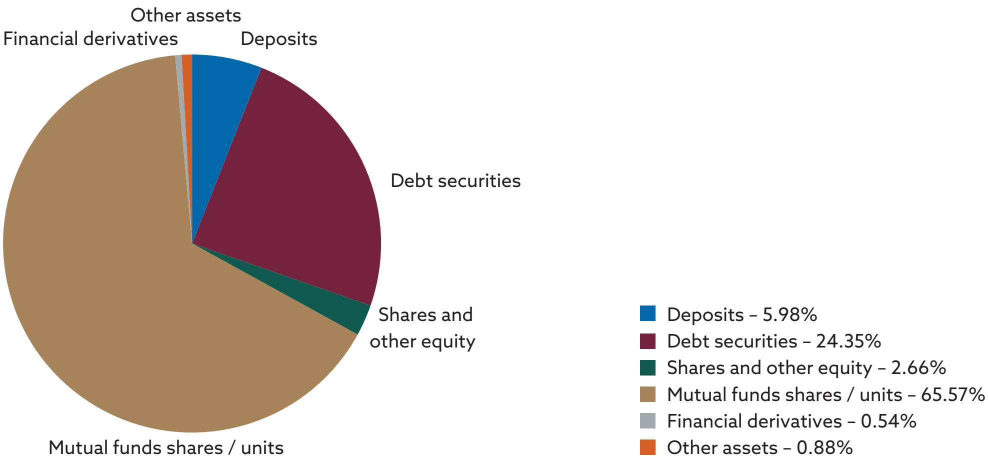
Mixed funds: evolution of assets (EUR millions)



Source: NBS.

Chart 77

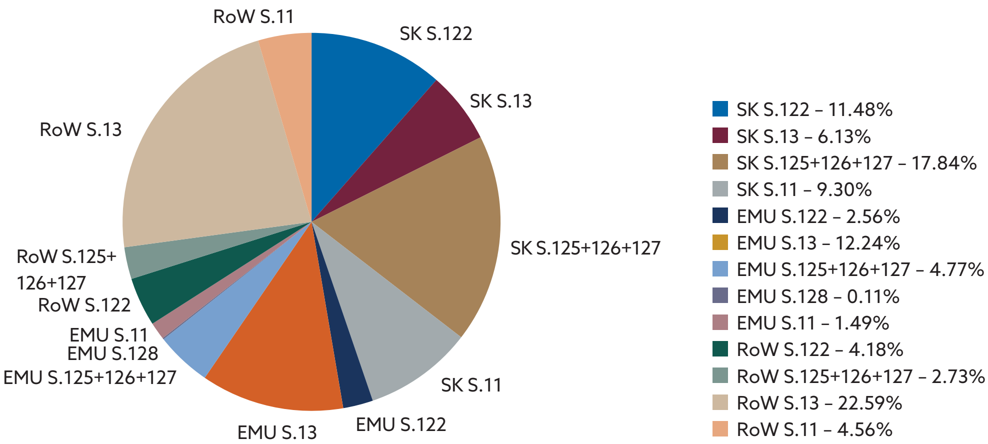
Mixed funds: structure of assets as at 31 March 2022



Source: NBS.

Chart 78

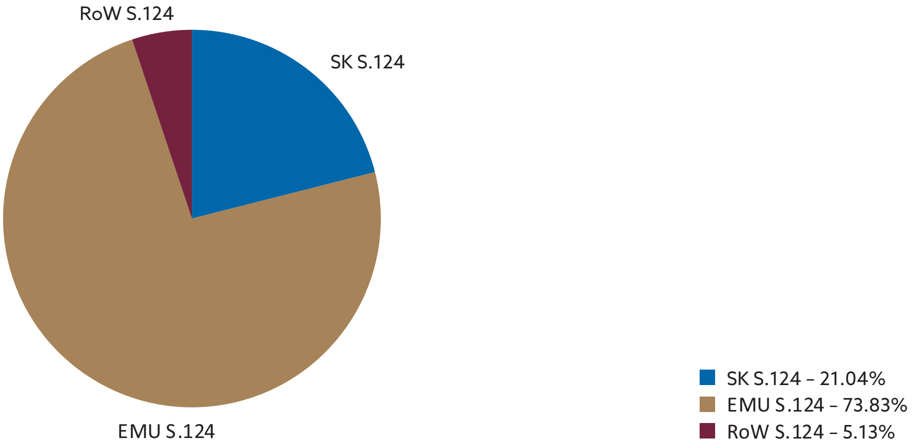
Geographical and sectoral breakdown of debt securities in the portfolio of mixed funds as at 31 March 2022



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

Chart 79

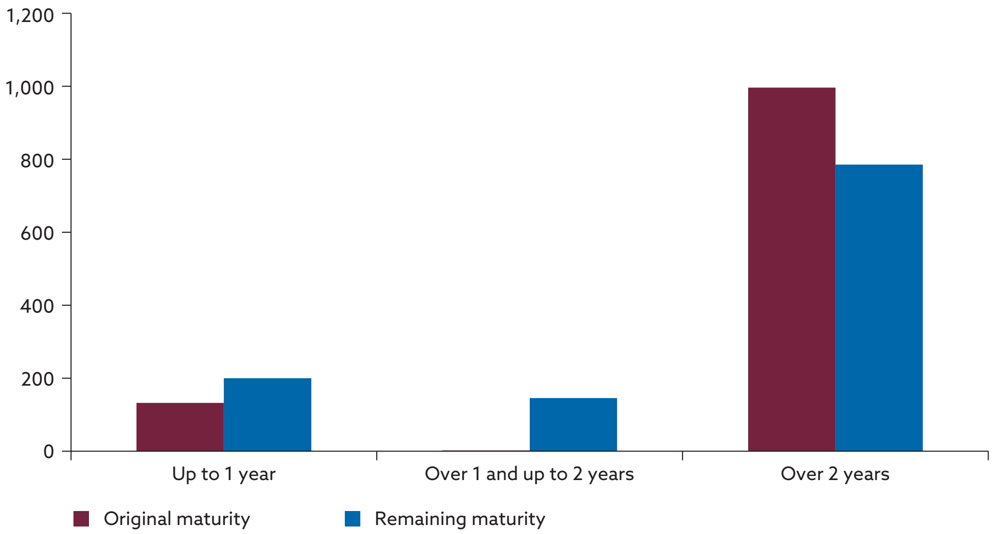
Geographical and sectoral breakdown of mutual funds shares / units in the portfolio of mixed funds as at 31 March 2022



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

Chart 80

Maturity breakdown of debt securities in the portfolio of bond funds as at 31 March 2022 (EUR millions)



Source: NBS.

3.2.4 Real estate funds

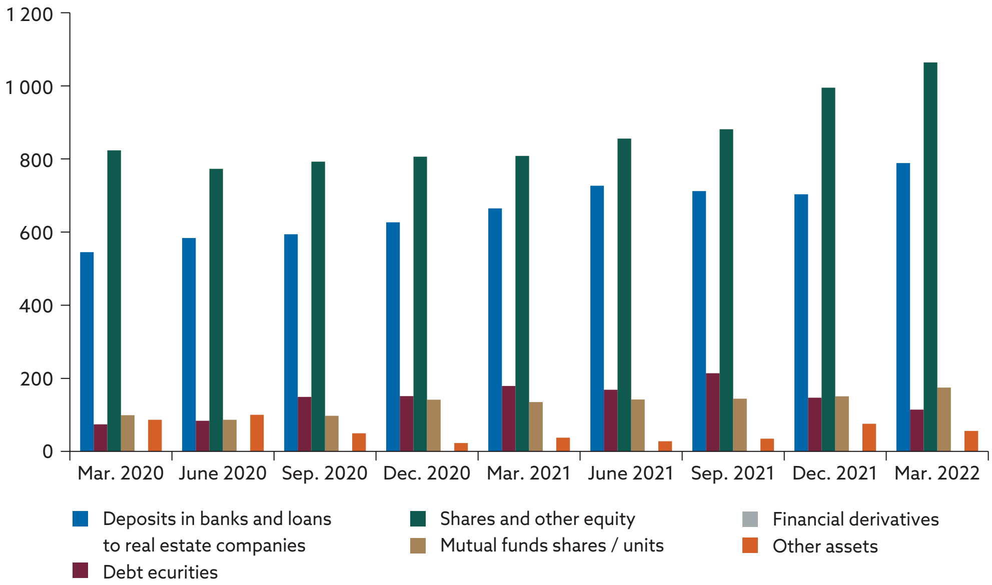
Real estate funds invest primarily in the shares and other equity in real estate companies, according to their investment strategy. They may also use their funds to provide loans to real estate companies in accordance with the applicable legislation.

The balance sheet item bank deposits and loans to real estate companies accounted for 35.08% of these funds' assets under management at the end of the first quarter of 2022. Shares and other equity made up 48.42%. During the quarter under review, real estate funds also had smaller investments in investment fund shares/units (7.94%), debt securities (5.19%) and other assets (2.57%).

In geographical and sectoral terms, most of the shares and other equity held by real estate funds were issued by domestic non-financial corporations (S.11), which account for 77.63% of the aggregate portfolio. They are followed by non-financial corporations resident in the rest of the world (21.85%). Other sectors account for less than 1%.

Chart 81

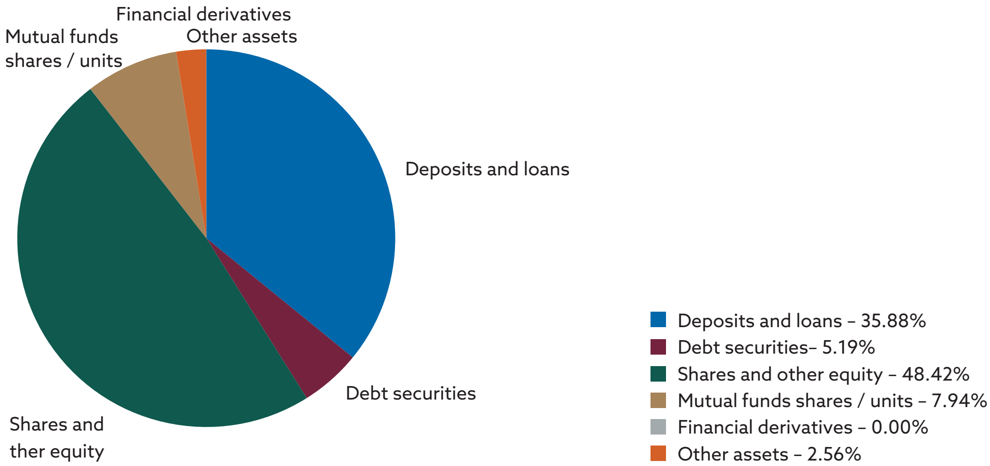
Real estate funds: evolution of assets (EUR millions)



Source: NBS.

Chart 82

Real estate funds: structure of assets as at 31 March 2022



Source: NBS.

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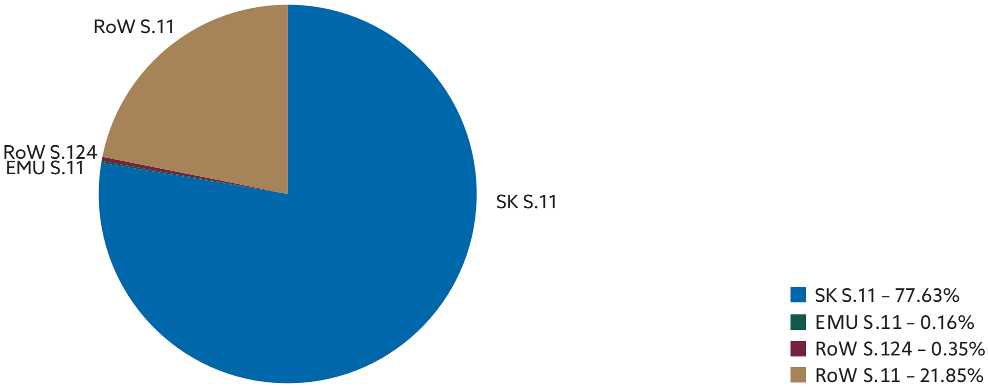
Chart 83

Geographical and sectoral breakdown of shares and other equity in the portfolio of real estate funds as at 31 March 2022



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

3.2.5 Other funds

Other investment funds comprise investment funds whose investment strategy does not allow them to be clearly placed in any of the relevant 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.

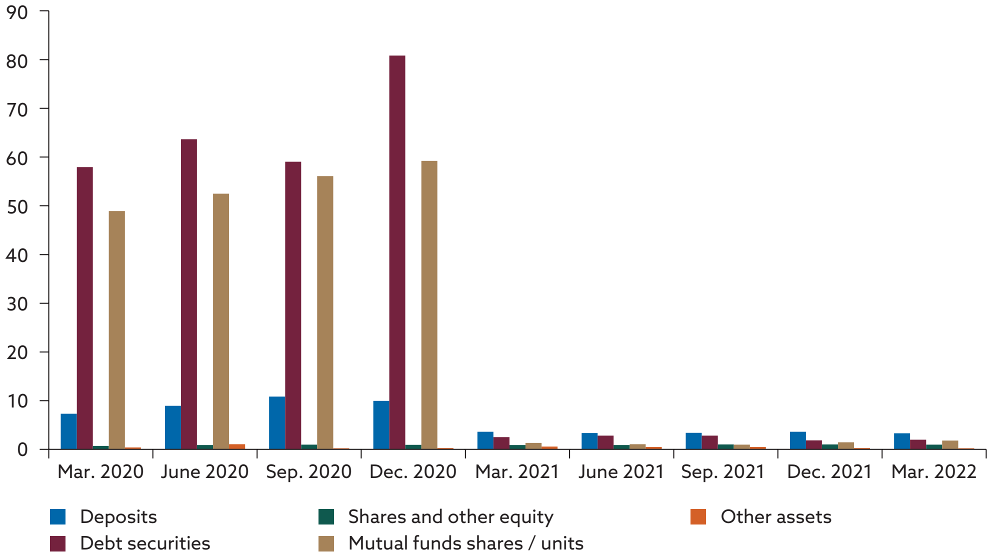
The assets of other funds as of 31 March 2022 comprised bank deposits (39.61%), debt securities (23.95%), investment fund shares/units (21.88%), shares and other equity (11.73%) and other assets (2.83%).

There were no significant changes in the geographical origin of the debt securities held by other funds in the first quarter of 2022. The largest category remained domestic securities (48.31%) followed by securities issued in the rest of the world (31.74%) and securities issued in other euro area countries (19.95%).

In terms of issuer sector, other funds' securities holdings as at 31 March 2022 comprised securities issued by other financial corporations (sectors S.125, S.126 and S.127), which constituted 71.52% of the portfolio, followed by securities issued by non-financial corporations (S.11) with a share of 28.48%. In terms of residual maturity, other funds' securities holdings broke down as follows: 38.39% of the securities had a maturity of up to one year, 20.79% a maturity of over one year and up to two years, and 40.82% a maturity of over two years.

Chart 84

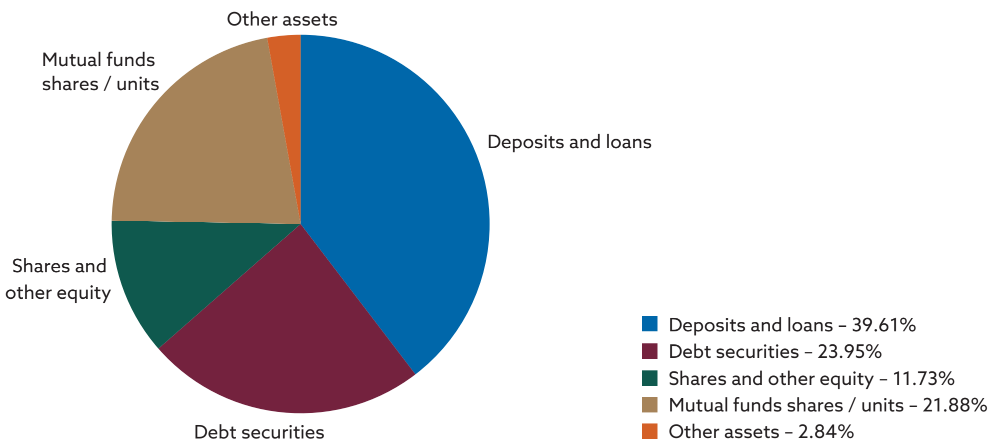
Other funds: evolution of assets (EUR millions)



Source: NBS.

Chart 85

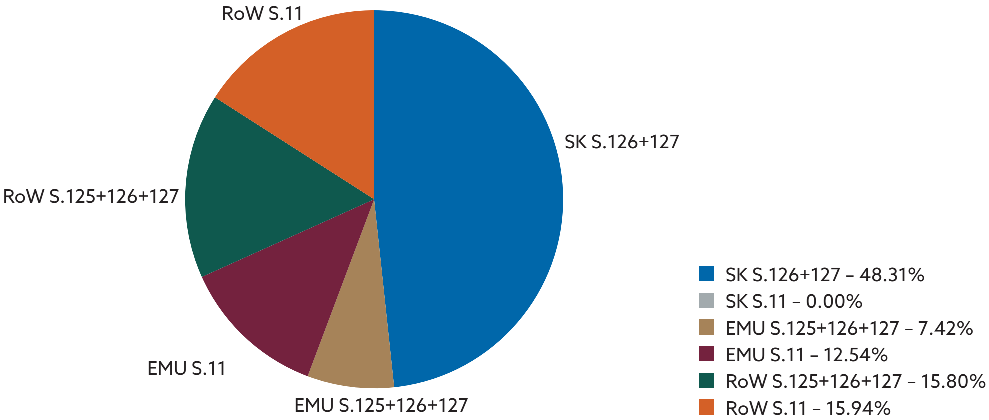
Other funds: structure of assets as at 31 March 2022



Source: NBS.

Chart 86

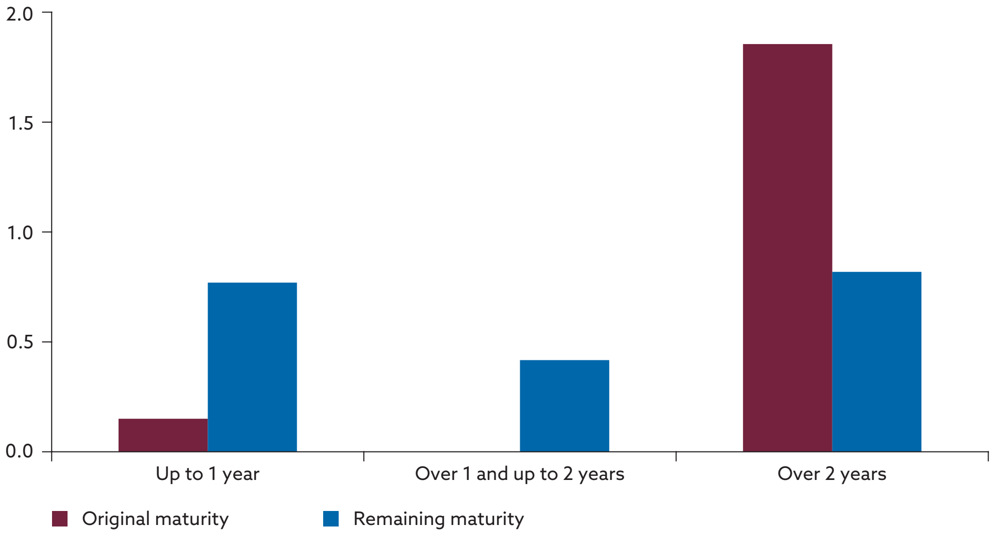
Geographical and sectoral breakdown of debt securities in the portfolio of other funds as at 31 March 2022



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

Chart 87

Maturity breakdown of debt securities in portfolio of other funds as at 31 March 2022 (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*[2], as a subcategory referred to as *financial corporations engaged in lending*.

The first quarter of 2022 saw favourable developments in the asset portfolios of factoring and other companies. On the other hand, leasing and consumer credit companies recorded a year-on-year decline in their assets over the same period.

As of 31 March 2022, the aggregate assets of factoring and other companies were 20.06% higher year on year. At the same date, the total assets of consumer credit companies shrank by 24.52% compared to a year earlier and the total assets of leasing companies were 14.19% lower over the same period, mainly due to the closure of VÚB Leasing, a.s.

Table 9 Total assets of financial corporations engaged in lending (year-on-year percentage changes)

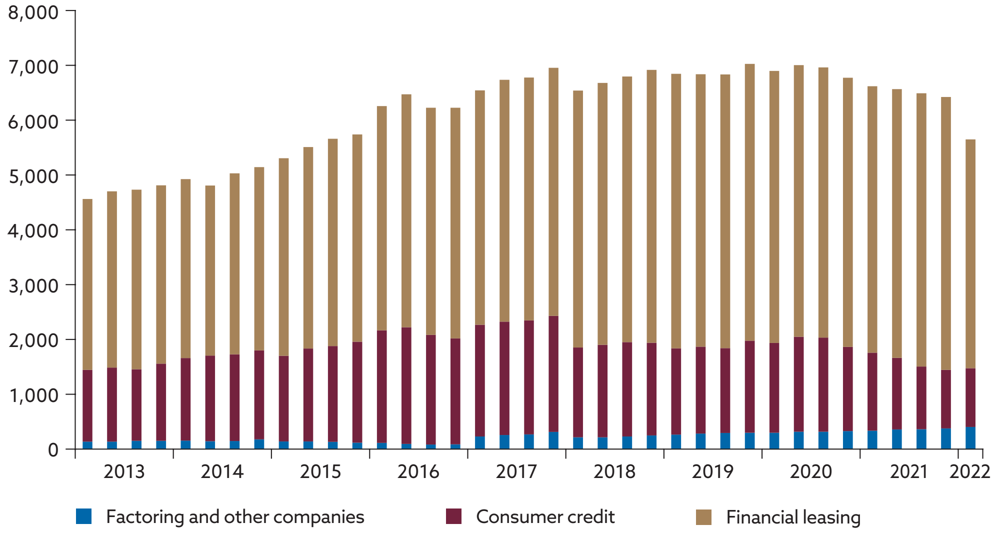
Total assets	Year-on-year change in %								
	III. 2020	VI. 2020	IX. 2020	XII. 2020	III. 2021	VI. 2021	IX. 2021	XII. 2021	III. 2022
Factoring and other companies	12.90	12.15	8.55	9.38	11.84	12.86	13.72	14.92	20.06
Consumer credit	4.27	9.10	10.79	-8.54	-13.14	-24.47	-33.50	-29.79	-24.52
Financial leasing	-0.93	-0.22	-1.28	-2.73	-2.02	-1.10	1.18	1.42	-14.19

Source: NBS.

[2] 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 88

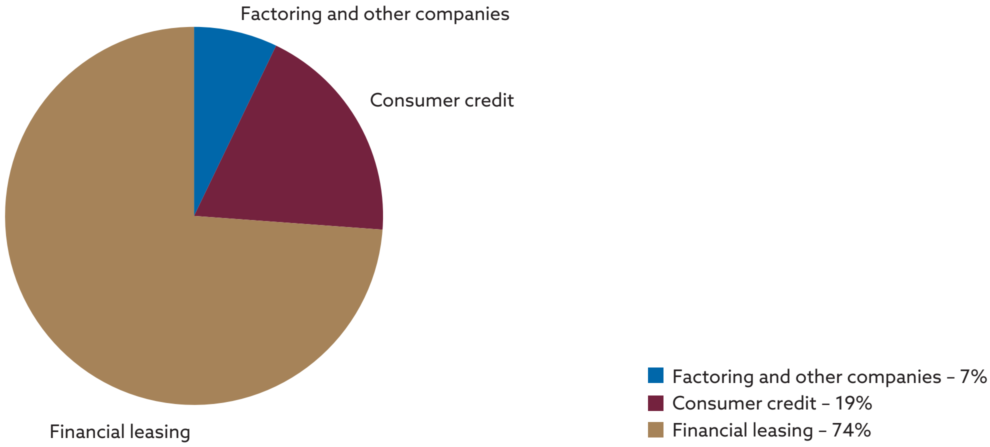
Evolution of total assets by type of business (EUR millions)



Source: NBS.

Chart 89

Total assets of financial corporations engaged in lending broken down by type of company as at 31 March 2022



Source: NBS.

Leasing companies have long held a leading position in the market for non-bank lending. At the end of March 2022, they accounted for 74% all assets in this market. Consumer credit companies and factoring companies had market shares of 19% and 7% respectively.

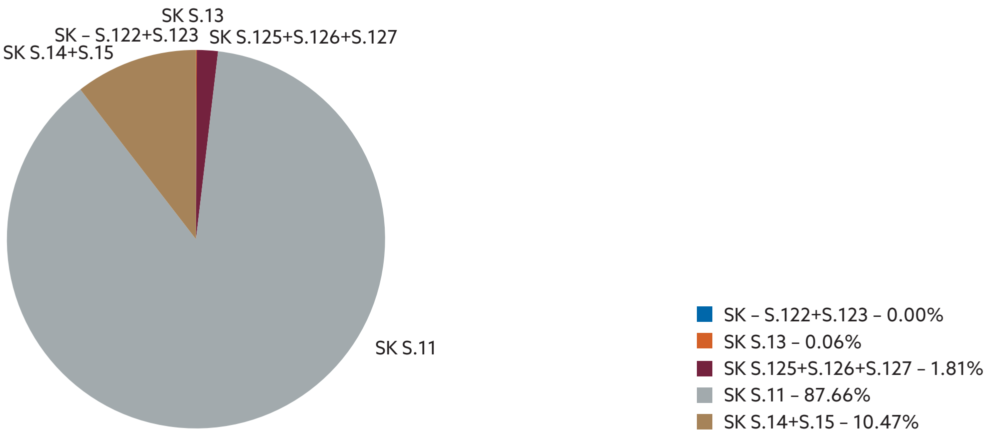
The customer base for financial leasing is 100% domestic. A large majority of clients are non-financial corporations (87.66%) followed by households (10.47%). The total shares of other sectors amount to 1.87%.

In consumer credit, domestic clients made up 40.58% of all clients as of 31 March 2022, with clients in other euro area countries and the rest of the world contributing 58.57% and 0.85% respectively. Since the purchase of consumer goods through instalment credit is traditionally a significant form of household financing in Slovakia, households continued to make up the majority of domestic customers (87.47%) in the period under review. They were followed by non-financial corporations with a share of 11.08% and other financial intermediaries with a share of 1.45%.

At the end of the first quarter of 2022, domestic customers constituted 98.67% of factoring and other companies' total customers, whereas customers from the rest of the world accounted for 1.33%. The customers of factoring and other companies in Slovakia were dominated by households, with a share of 69.86%, followed by non-financial corporations and the banking sector with shares of 29.57% and 0.57% respectively.

Chart 90

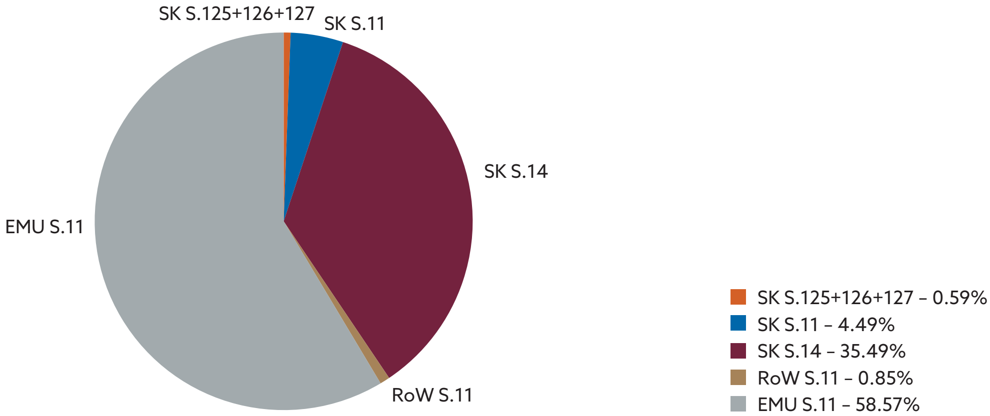
Geographical and sectoral breakdown of lending by financial leasing companies as at 31 March 2022



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

Chart 91

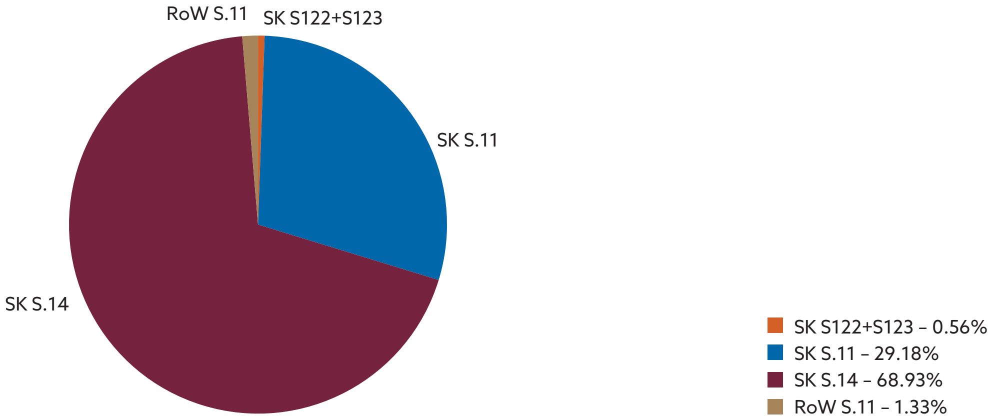
Geographical and sectoral breakdown of lending by consumer credit companies as at 31 March 2022



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

Chart 92

Geographical and sectoral breakdown of lending by factoring and other companies as at 31 March 2022



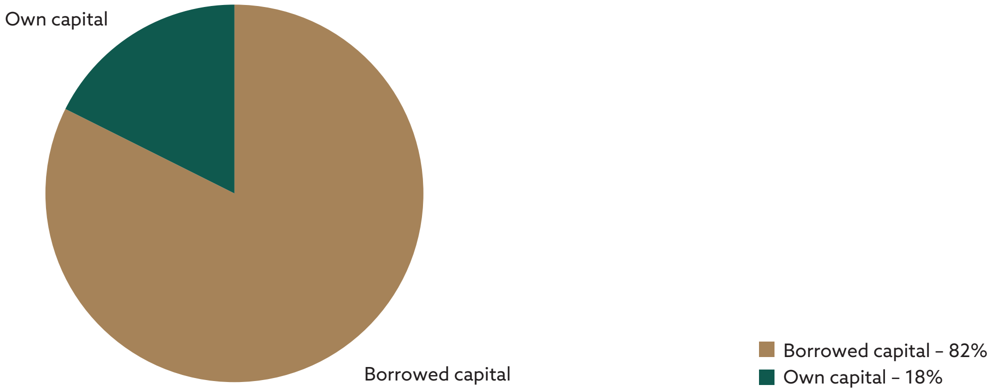
Source: NBS.
Note: SK = domestic borrowers; EMU = borrowers from other euro area member states; RoW = borrowers from the rest of the world.

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 82.04% of the total financial resources. Foreign capital was obtained mostly in the form of bank loans, which accounted for 80.66% at the end of March 2022. The rest was obtained in the form of proceeds from issues of debt securities (8.92%) and credits and loans borrowed from companies belonging to the same group (10.43%). The main components of own funds were share capital, retained earnings from previous periods, shares and other equity participations.

Chart 93

Breakdown of source capital as at 31 March 2022



Source: NBS.

5 Securities

5.1 Debt securities

Government bonds make up the vast majority of issued debt securities, amounting to €52,263.3 million as of the end of March 2022. The total value of bonds issued by banks was €8,948.2 million at that end of the first quarter. Debt securities issued by non-financial corporations were the third largest group by sector with a volume of €4,085.0 million and last comes other financial institutions with a volume of €3,103.6 million.

There was a considerable increase in net issuance of debt securities in the first quarter of 2022, amounting to approximately €684.3 million quarter on quarter, meaning that the amount of newly issued securities was larger than the amount redeemed. Net securities issuance in the government sector grew by €709.6 million in that period. In contrast, there were net decreases in bonds issued by banks, other financial institutions, and non-financial corporations, amounting to €5.7 million, €3.6 million, and €16 million respectively.

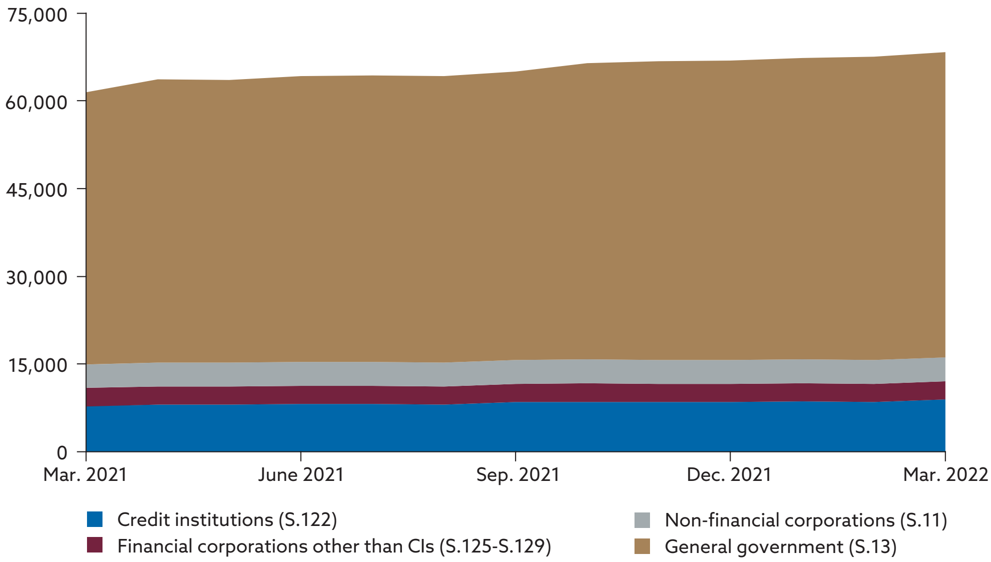
Table 10 Debt securities (in thousands of EUR)

Month	Outstanding amounts					Net issues				
	Total	Monetary financial institutions	Non-monetary financial institutions	Nonfinancial corporations	General government	Total	Monetary financial institutions	Non-monetary financial institutions	Nonfinancial corporations	General government
2021 / 03	61,505,440	7,771,157	3,105,377	4,061,030	46,567,877	194,011	401,595	6,900	-39,184	-175,300
2021 / 06	64,303,394	8,131,474	3,082,792	4,101,970	48,987,159	2,802,930	360,601	-33,607	37,536	2,438,400
2021 / 09	64,994,410	8,492,860	3,054,961	4,093,432	49,353,157	639,137	361,073	-37,796	-10,940	326,800
2021 / 12	66,878,714	8,534,895	3,087,699	4,109,306	51,146,814	1,783,455	40,909	-1,673	12,119	1,732,100
2022 / 03	68,400,115	8,948,180	3,103,630	4,084,999	52,263,306	684,285	-5,749	-3,605	-15,961	709,600

Source: NBS.

The stock of debt securities grew in the first quarter of 2022 by 2.27%.

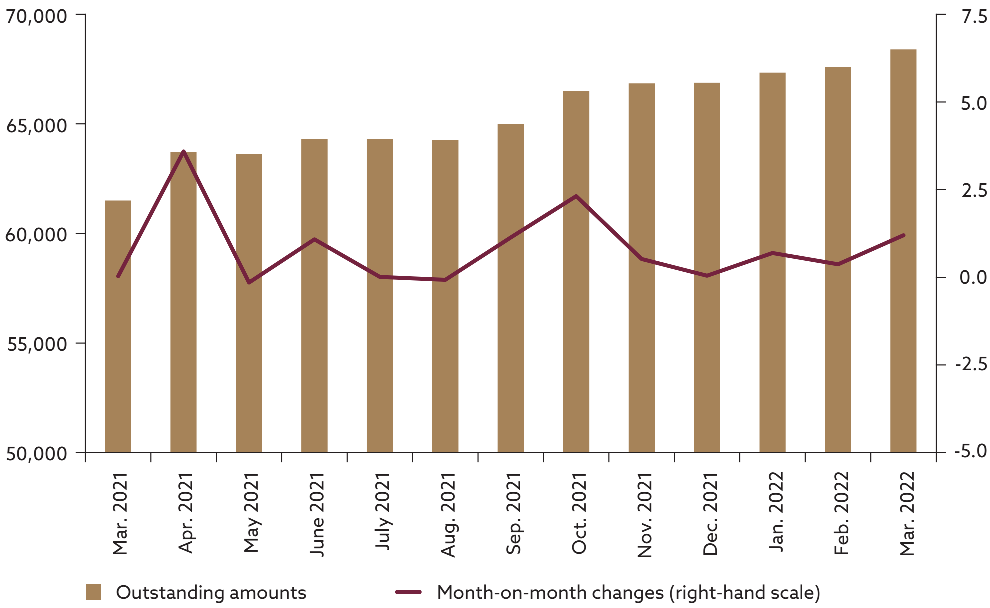
Chart 94
Debt securities by sector (outstanding amounts, EUR millions)



Source: NBS.

The stock of debt securities issues increased month on month in each of the first three months of 2022: in January by 0.69%, in February by 0.37% and in March by 1.20%.

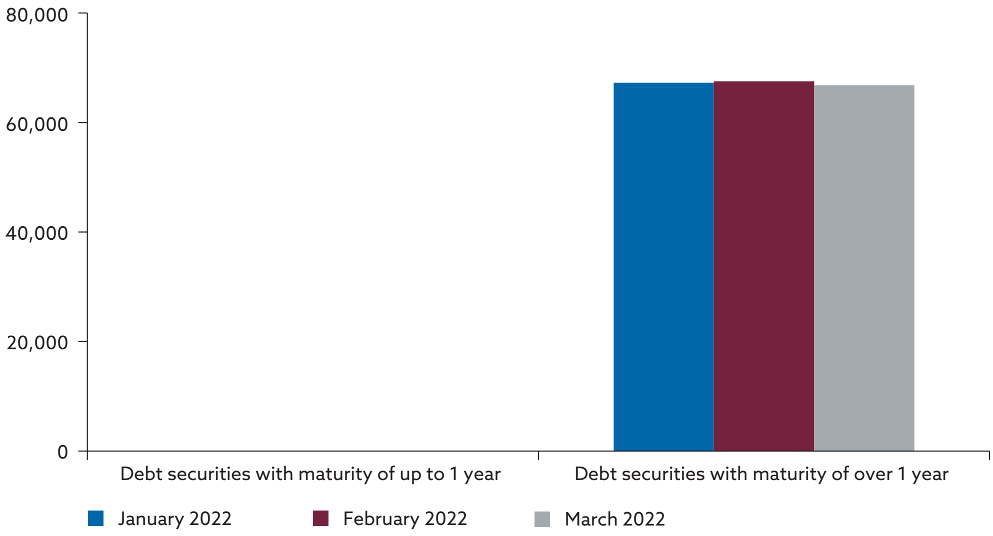
Chart 95
Debt securities (outstanding amounts, month-on-month changes)



Source: NBS.

Chart 96

Debt securities (outstanding amounts, EUR millions, Q1 2022)



Source: NBS.

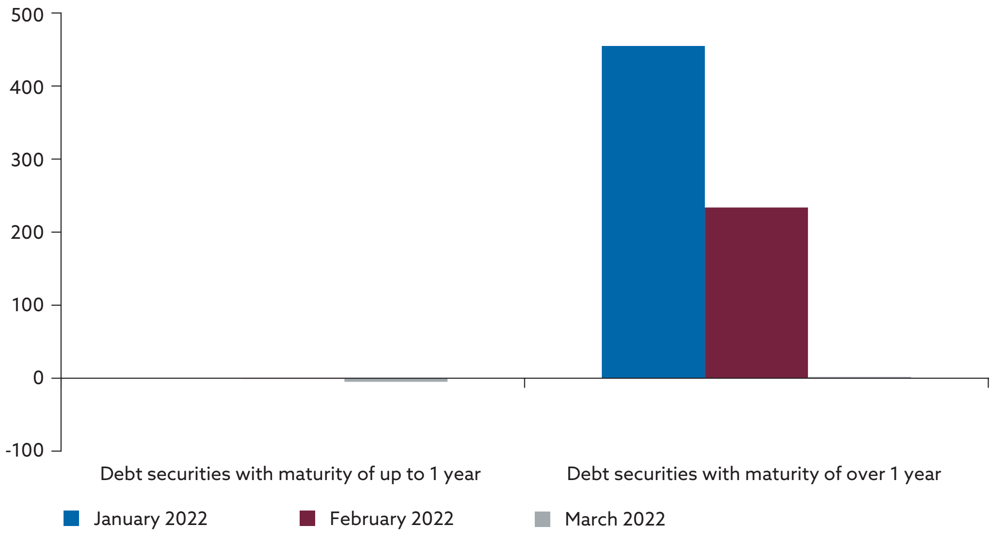
A total of 18 new issues of debt securities were placed on the securities market during the first quarter of 2022, of which ten were issued by captive financial institutions, six by non-financial corporations, one by banks, and one by financial auxiliaries.

The net issuance of short-term debt securities declined in the first quarter by approximately €5.8 million. This was due mainly to a fall in the captive financial institutions sector amounting to €5 million.

The total issue volume of long-term debt securities grew in net terms by €690.1 million during the review period. The most significant increases were recorded in government bonds (€709.6 million), followed by bonds issued by captive financial institutions (€26.6 million) and bonds issued by financial auxiliaries (€2.9 million). By contrast, decreases were recorded in long-term debt securities issued by other financial intermediaries (€28 million), bank bonds (€5.7 million) and bonds issued by non-financial corporations (€15.2 million).

Chart 97

Debt securities (net issues, EUR millions, Q1 2022)

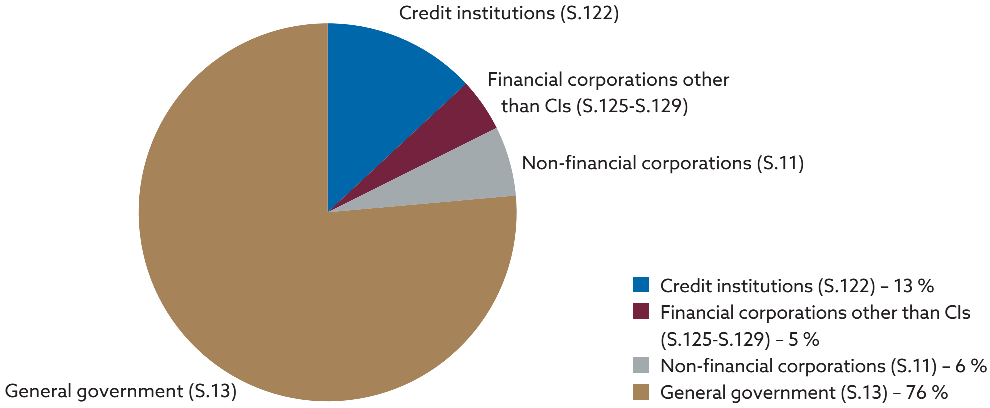


Source: NBS.

In sectoral terms, the general government sector accounted for the majority of debt securities issued (76%). The shares of other sectors in the first quarter were of an order of magnitude lower: monetary financial institutions (13%), non-financial corporations (6%) and non-monetary financial institutions (5%). In terms of their coupon type, most were fixed-coupon securities (91.2%), followed by zero-coupon securities (6.4%), and variable-coupon securities (2.4%). Euro-denominated issues accounted for 96.8% of the total leaving foreign currencies to make up 3.2%.

Chart 98

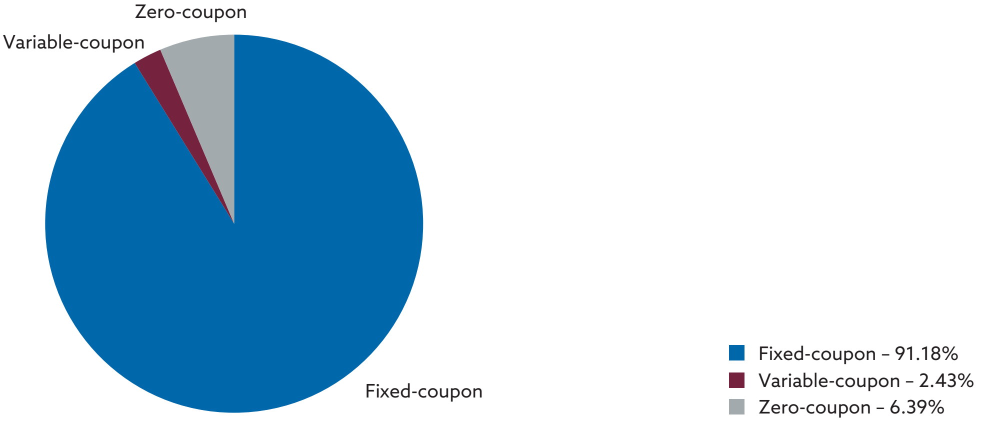
Debt securities by sector



Source: NBS.
Note: The individual items are classified according to the outstanding amounts of issues as at 31 March 2022.

Chart 99

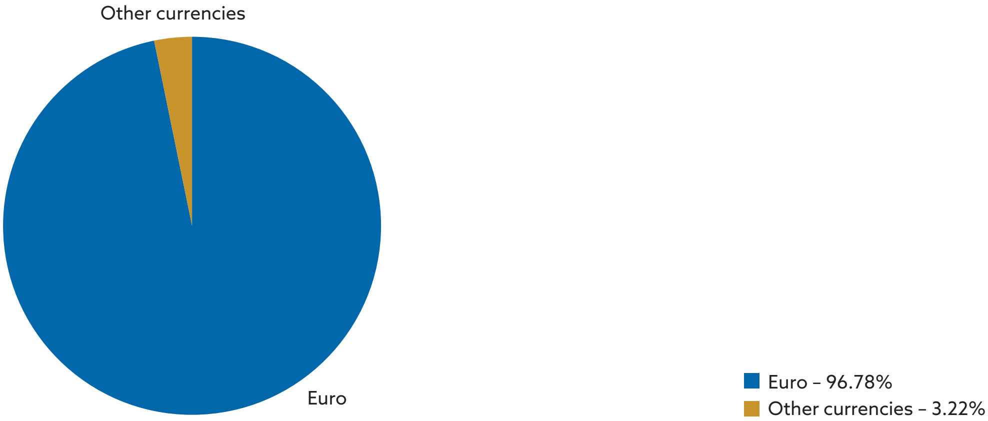
Debt securities by coupon type



Source: NBS.
Note: The individual items are classified according to the outstanding amounts of issues as at 31 March 2022.

Chart 100

Debt securities by currency



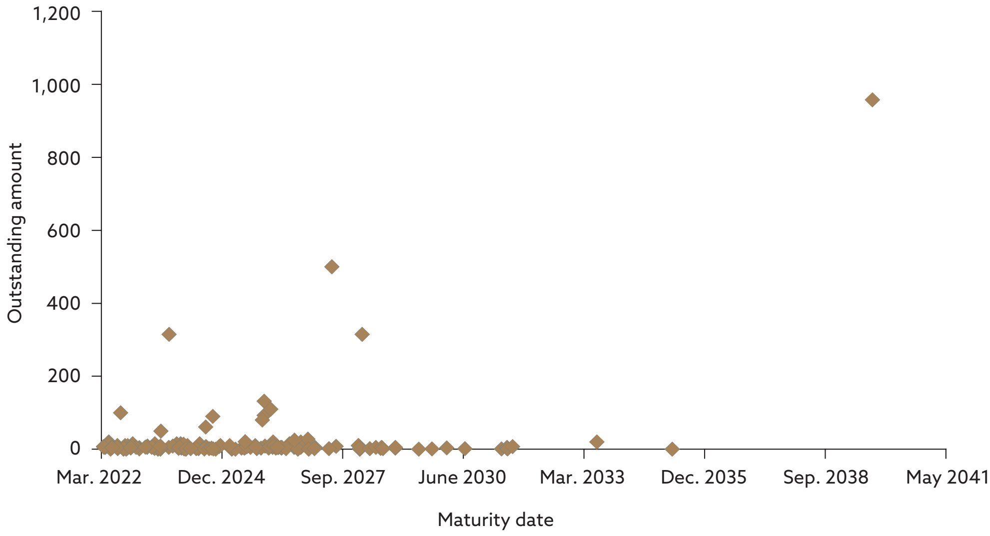
Source: NBS.
Note: The individual items are classified according to the outstanding amounts of issues as at 31 March 2022.

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 2026. The largest outstanding issue amount is more than €1 billion and the longest maturity period exceeds 18 years.

Chart 101

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

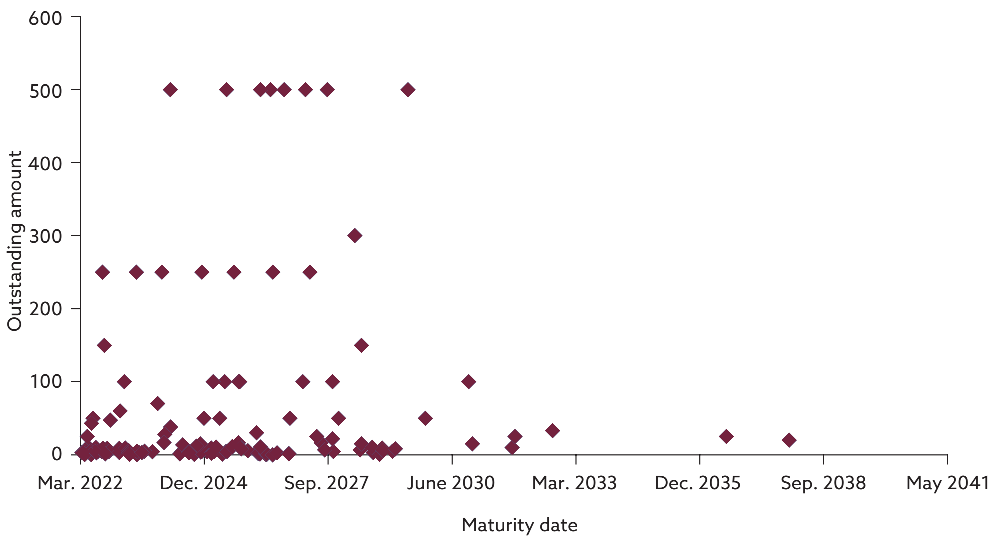


Source: NBS.

The largest concentration of outstanding amounts of debt securities issued by banks is up to €50 million and with maturity period until June 2026. The largest outstanding amount fluctuates around €500 million and the longest maturity period is until 2037.

Chart 102

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

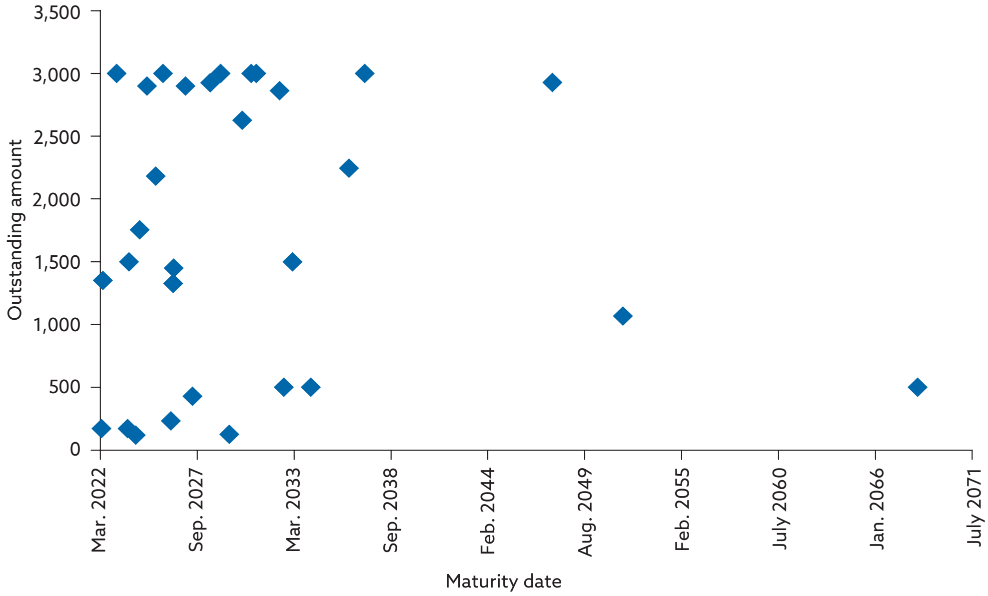


Source: NBS.
Note: Analysis does not take into consideration perpetual bonds, to aviod their effect as its maturity date can be extended until 2099.

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 103

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

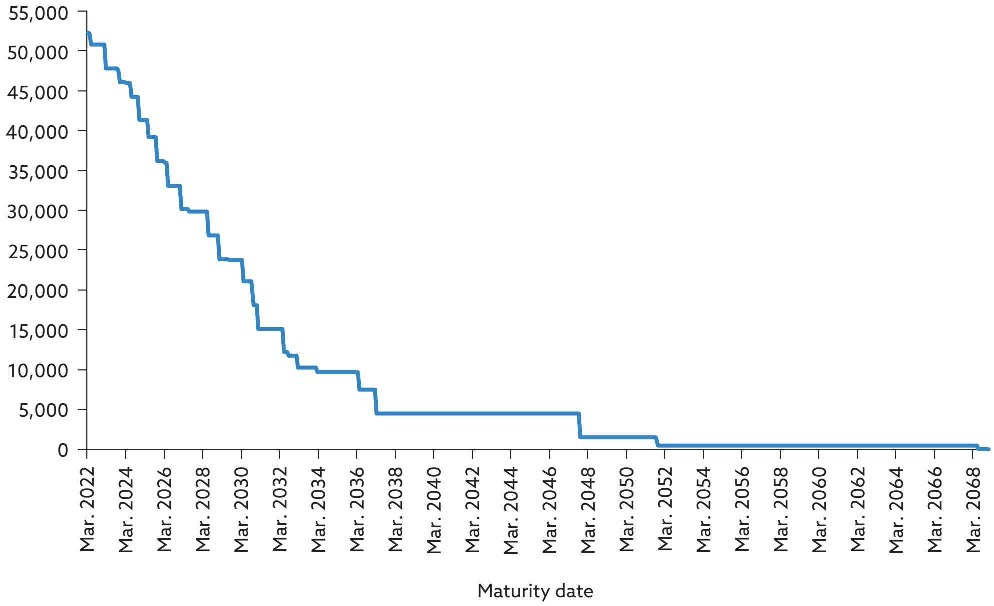


Source: NBS.

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 104

Government bonds: maturity profile (EUR millions)

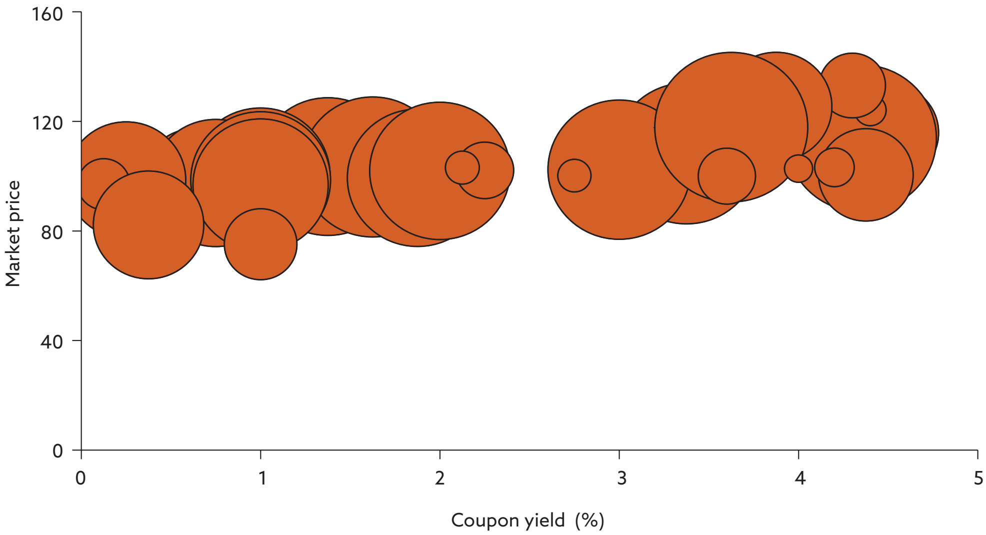


Source: NBS.

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 first quarter of 2022. The average market price[3] of these government bonds stood at 103.8% and the coupon yield was 2.2% at that time.

Chart 105

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 Listed shares

At the end of March 2022, the total stock of listed shares issued in Slovakia was €68.5 million larger than at the end of the previous quarter. This was due mainly to growth in the stock of listed shares issued by banks, which increased by around €97 million quarter on quarter. In contrast, the stock issued by non-financial corporations decreased by around €28.5 million. The total market capitalisation thus amounted to €2,081.5 million at the end of March 2022.

3 Arithmetical average weighted by the outstanding amount of issues.

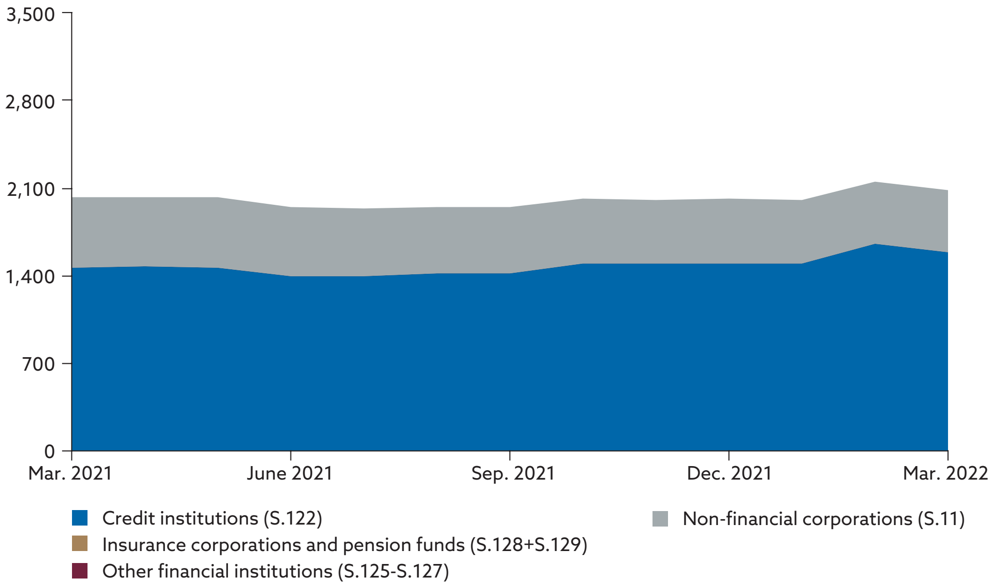
Month	Total	Credit institutions (S.122)	Insurance corporations (S.128)	Non-financial corporations (S.11)
	Outstanding amounts			
2021 / 03	2,025,148	1,467,130	0	558,019
2021 / 06	1,949,765	1,399,528	0	550,237
2021 / 09	1,949,707	1,417,711	0	531,996
2021 / 12	2,012,964	1,496,505	0	516,458
2022 / 03	2,081,479	1,593,483	0	487,996

Table 11 Quoted shares (in thousands of EUR)

Source: NBS.

Chart 106

Quoted shares: market capitalization by sector (EUR millions)

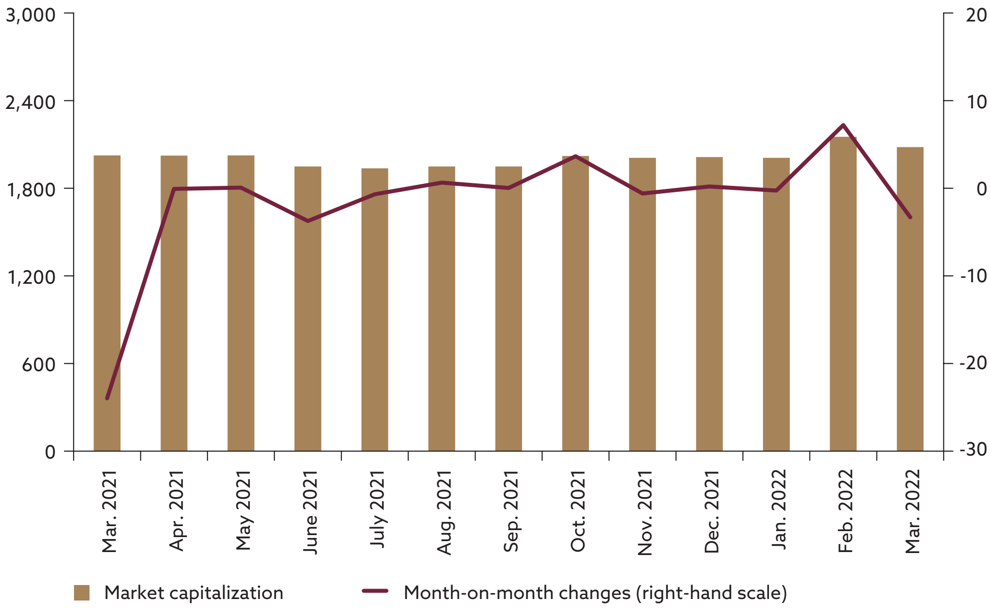


Source: NBS.

The stock of listed shares rose by 3.4% quarter on quarter. The figure for bank shares was higher by 6.5%, whereas that for NFCs' shares was lower by 5.5%.

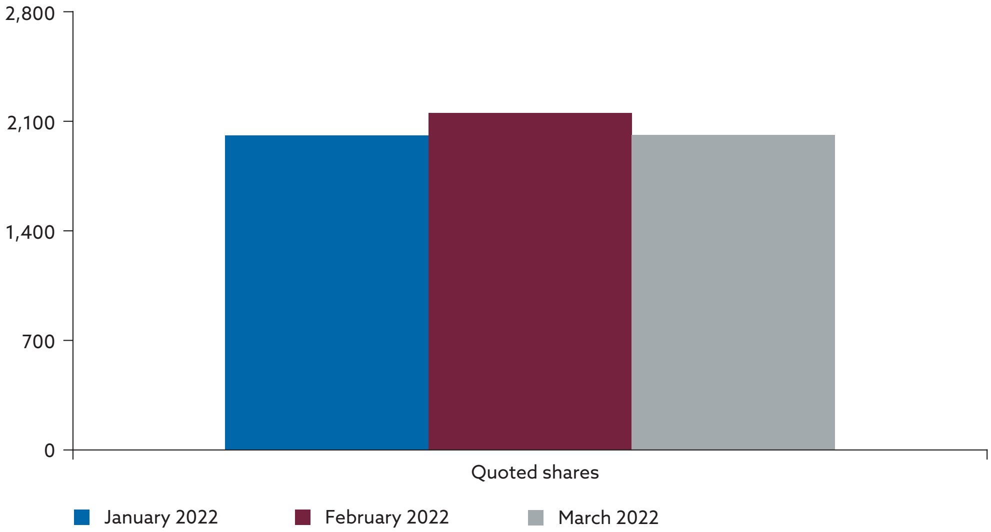
The first quarter of 2022 saw decreases in the stock of listed shares in January (0.2%) and March (3.3%), but a significant increase of 7.2% in February.

Chart 107
Quoted shares (market capitalization, month-on-month changes)



Source: NBS.

Chart 108
Quoted shares (market capitalization, EUR millions, Q1 2022)

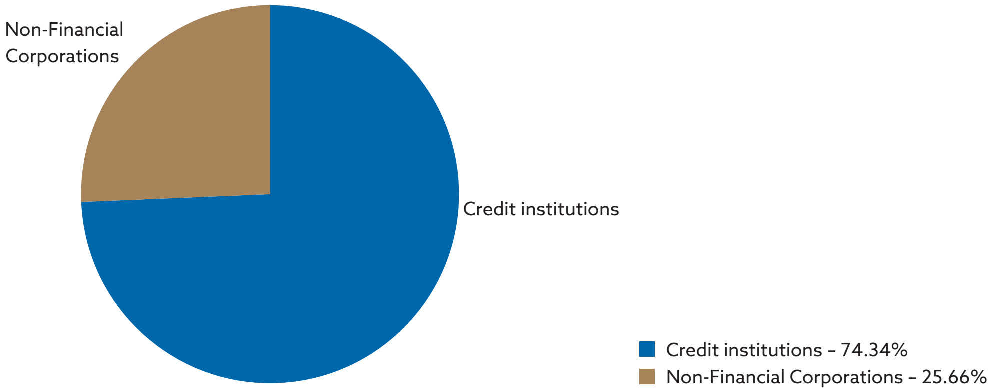


Source: NBS.

The sectoral breakdown of market capitalisation shows that, as of 31 March 2022, credit institutions accounted for 74.3% and non-financial corporations for 25.7% of the total market capitalisation.

Chart 109

Quoted shares by sector



Source: NBS.
Note: Market capitalization as at 31 March 2022.

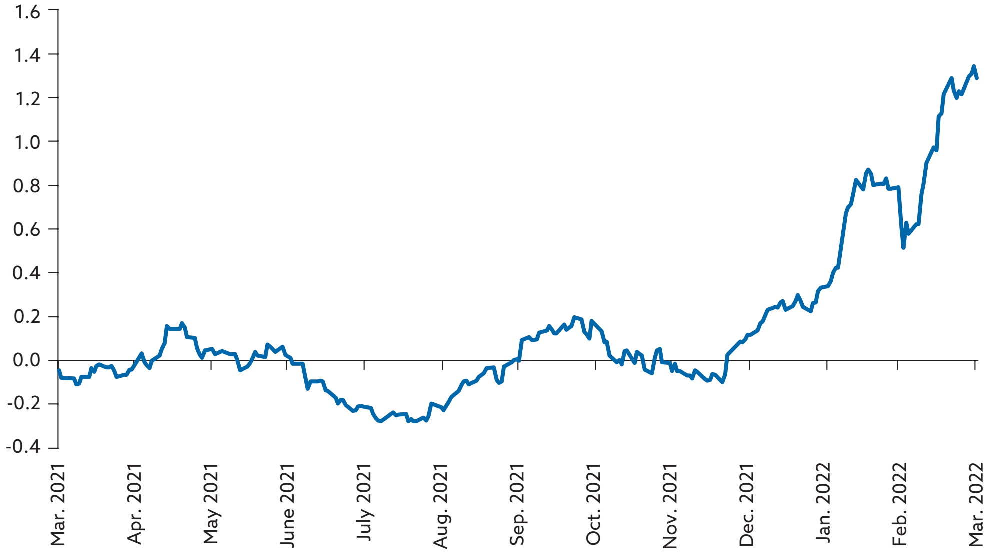
6 Selected macroeconomic indicators

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'[4], using a government bond as a benchmark. Since that time the following government bonds have been used: government bond SK4120009044 (with effect from 1 July 2013), government bond SK4120008871 (with effect from 1 May 2014), government bond SK4120007543 (with effect from 1 June 2015), government bond SK4120010430 (with effect from 1 June 2016), government bond SK4120009762 (with effect from 1 June 2018), government bond SK4120015173 (with effect from 1 November 2019), government bond SK4000017059 (with effect from 1 January 2021) and bond SK4000017166 valid since 1 October 2021. During the quarter under review, the average interest rate rose by 1.17 percentage points, from 0.12% as of 31 December 2021 to 1.29% as of 31 March 2022.

Chart 110

Benchmark – yield to maturity (p.a.)



Source: BCPB.

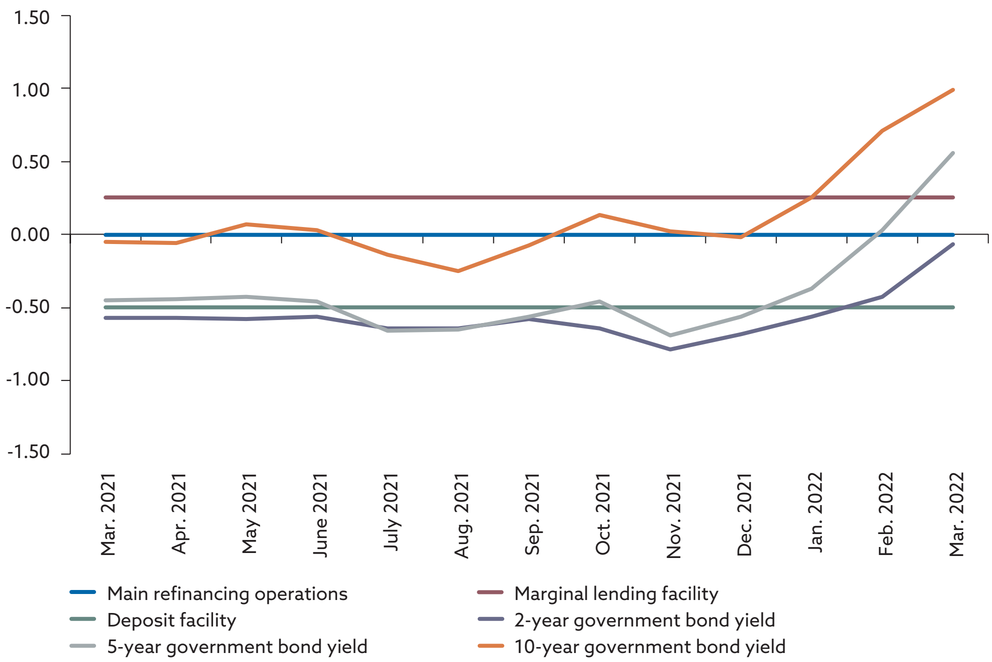
4 See the Methodological Notes in Chapter 7.6 'Long-term Interest Rates'.

6.2 Key ECB interest rates

The interest rate on the ECB's main refinancing operations remained unchanged during the first quarter of 2022, at 0.00%[5] at the end of March. The interest rate on the marginal lending facility also remained unchanged at that date, at 0.25%. The deposit facility rate was still negative (-0.50%) as of 31 March 2022. Government bond yields began to show significant yield growth for the first time in a long while. The yield on a two-year government bond was -0.07% (0.61 percentage point higher than in the previous quarter) and the yield on five-year government bonds was 0.56% (1.12 percentage points higher than in the previous quarter). The average ten-year government bond yield rose, quarter on quarter, by 1.01 percentage point to 0.99% at the end of March 2022.

Chart 111

Interest rates (p.a.)



Source: ECB, BCPB.

5 The current value of the key ECB interest rate has applied 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, domestic natural persons registered in the Commercial Register and engaged in profit-oriented activities in any area of business, except in financial intermediation and insurance. The non-financial sector also includes subsidised organisations, public institutions and non-profit institutions whose expenses are covered with sales by 50 percent or more.

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

A specific borrower is considered to be in default if

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

or

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

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

Remaining assets: a residual item on the asset side of the balance sheet. In addition to fixed assets and financial derivatives with a positive fair value, this item includes, for example, accrued revenues, including accrued interest received; profit share to be received; prepaid expenses; prepaid insurance premiums; outstanding insurance claims; claims of credit institutions not related to their main business; other cash items and cash in transit, transit items, suspense items, collection claims, advance payments and other asset items not elsewhere classified.

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

7.2 Interest rate statistics of monetary financial institutions

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

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

In the case of loans provided to households *for house purchase* and *loans for consumption*, *the annual percentage rate of charge* is also reported to express the borrower's total credit-related costs.. The borrower's total costs comprise the element of interest rate and the element of other credit-related costs. The collection of the annual percentage rates of charge for statistical purposes allows developments in credit-related charges to be monitored over time.

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

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

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

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

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

where

x is the agreed average annual interest rate;

r_{ag} is the annual interest rate agreed between the bank and its customer (borrower). The dates of loan interest capitalisation are set for the year at regular intervals;

n is the number of periods of loan interest capitalisation per year, i.e. 1 for annual payments; 2 for semi-annual payments, 4 for quarterly payments, and 12 for monthly payments.

Interest rate statistics (outstanding amounts): these cover the outstanding amounts of bank loans of all types provided to customers and not yet repaid, and the outstanding amounts of all deposits received from customers and not yet redeemed, in all periods up to the date of 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[6].

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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6 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 (https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32013R1073&qid=1592989883329&from=EN).
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 (https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32013R1071&from=EN).
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 (https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32014O0015&from=EN).

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*[7], as a subcategory referred to as *financial corporations en-*

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[7] 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[8]. The range of data reported complies in full with the current requirements[9] of the European Central Bank regarding the statistics of other financial intermediaries.

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

[9] 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) (https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32014O0015&from=EN).

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 2022, quarterly balance-sheet data are collected from nineteen (out of 70) companies providing financial leasing services as the main or substantial part of their business activity, from 11 (out of 110) consumer credit companies, and from eight (out of 20) 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[10]. 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.

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10 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) (https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32014O0015&from=EN).

b) Redemptions

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

c) Net issues

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

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

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

7.5.2 Debt securities

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

Securities issues statistics cover the following instruments:

i) Short-term debt securities

- Treasury bills and other short-term paper issued by the general government;

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		

- nogetiable 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 interest rate in the three Member States with the lowest inflation rates in the year following the last assessment. The interest rates are measured on the basis of *long-term government bond rates* or the rates for comparable securities.

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

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

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

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

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

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

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

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

SK4120004318 Benchmark for the period 07/2013 – 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 – 12/2020,
SK4000017059	Benchmark for the period 01/2021 – 09/2021,
SK4000017166	Benchmark for the period 10/2021 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 efect 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

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:
http://www.nbs.sk/en/statistics/financial-institutions/banks/statistical-and-analytical-overview/monetary-statistics-of-monetary-financial-institutions#M3-PFI

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

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

MFIs 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

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

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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