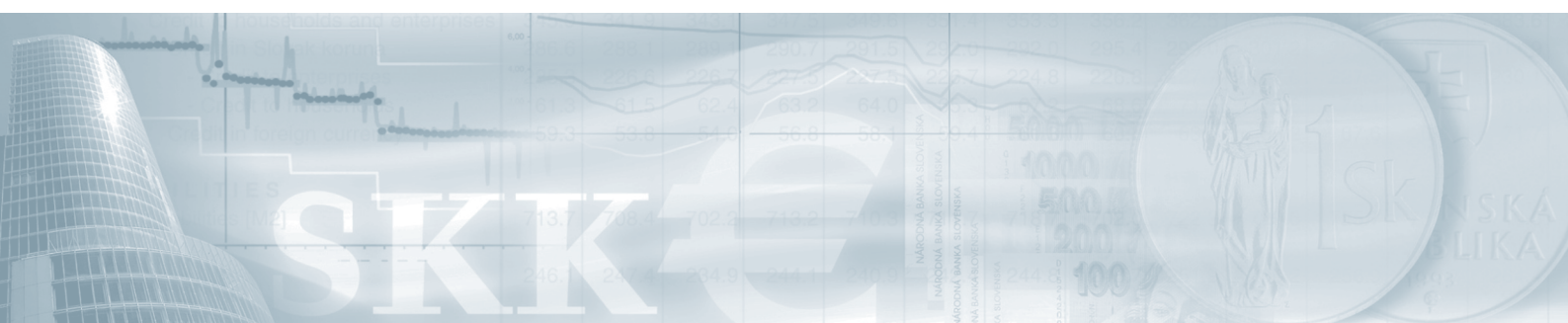




NÁRODNÁ BANKA SLOVENSKA



# Monetary Survey

June 2006

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**Abbreviations**

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

*Prepared on the basis of the Situation Report on the Monetary Development in June 2006, approved by the NBS Bank Board on 25 July 2006.*



## 1 Introduction

Consumer prices, expressed in terms of the Harmonised Index of Consumer Prices (HICP), increased in comparison with the previous month by 0.1% in June. The 12-month rate of headline inflation reached 4.5%. Core inflation (excluding energy and unprocessed food prices) recorded a year-on-year rate of 2.2%.

Expressed in terms of the Consumer Price Index (CPI), consumer prices rose in comparison with the previous month by 0.1% in June. The 12-month headline and core inflation rates reached 4.6% and 2.5% respectively.

The M3 monetary aggregate (according to ECB methodology) grew month-on-month by Sk 1.0 billion in May, and its year-on-year dynamics increased in comparison with April by 10.5%.

The total volume of MFI receivables from residents (including securities issued by clients and held by MFIs, according to ECB methodology) increased month-on-month by Sk 22.1 billion in May, while the year-on-year growth rate accelerated to 15.1%.

The average interest rate on new loans to non-financial corporations rose in May by 0.02 of a percentage point, to 5.54%, and that on new loans to households by 0.09 of a percentage point, to 11.18%. Over the same period, the average rate for new deposits from non-financial corporations dropped by 0.08 of a percentage point, to 1.95%, and that for new household deposits by 0.05 of a percentage point, to 0.86%.

On 30 June 2006, the State Budget of the SR resulted in a deficit of Sk 10.3 billion.

The foreign exchange reserves of the NBS (at current exchange rates) stood at USD 16.1 billion in June. At the end of the month, the volume of foreign exchange reserves was 4.5 times greater than the volume of average monthly imports of goods and services to Slovakia, during the first 5 months of 2006.

According to preliminary data, the balance of payments on current account for January to April 2006 resulted in a deficit of Sk 38.2 billion. Over the same period, the capital and financial account generated a surplus of Sk 44.6 billion. From January to May, the b.o.p. current account produced a deficit of Sk 58.1 billion, while trade resulted in a shortfall of Sk 41.4 billion.

In June, the overall sterilisation position of the NBS vis-à-vis the banking sector stood at Sk 406.3 billion, representing a fall of Sk 9.3 billion compared with the figure for May.



## 2 Inflation

### 2.1 Consumer Price Index

#### HICP Inflation in June 2006

#### Harmonised Index of Consumer Prices

Consumer prices, expressed in terms of the Harmonised Index of Consumer Prices (HICP), increased month-on-month by 0.1% in June, with the prices of goods and services rising by 0.1% and 0.2% respectively. On a year-on-year basis, consumer prices rose by 4.5% (in May by 4.8%). Overall inflation excluding energy and unprocessed food prices (core inflation) reached 2.2% (the same figure as in May). The average 12-month inflation rate for the period from July 2005 to June 2006 was 3.7%. In June, HICP inflation was somewhat lower than expected by the NBS, mainly as a result of slower-than-expected price dynamics for services.

**Table 1 Harmonised Index of Consumer Prices** (year-on-year changes in %)

	2006					
	Jan.	Feb.	Mar.	Apr.	May	June
<b>Total</b>	4.1	4.3	4.3	4.4	4.8	4.5
<b>Goods</b>	4.1	4.5	4.7	4.8	5.4	5.0
Industrial goods	6.8	6.8	6.7	6.6	7.0	6.8
Non-energy industrial goods	-0.4	-0.5	-0.4	0.0	0.3	0.2
Energy	16.4	16.6	16.3	15.4	16.1	15.6
Foodstuffs	-0.3	0.6	1.3	1.7	2.6	2.1
Processed food (including alcohol and tobacco)	-1.0	-0.1	0.4	0.3	0.8	0.9
Unprocessed food	1.3	2.1	2.9	4.3	5.8	3.9
<b>Services</b>	3.9	3.8	3.6	3.6	3.7	3.6
<b>Total, excl. energy and unprocessed food (core inflation)</b>	1.7	1.8	1.8	2.0	2.2	2.2
<b>Total, excluding energy</b>	1.5	1.7	1.8	2.1	2.4	2.2

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

#### Goods prices recorded a slowdown in year-on-year dynamics

Goods prices recorded a slowdown in year-on-year dynamics in comparison with May, which took place mostly in the prices of industrial goods and foodstuffs. Within the scope of industrial goods prices, a slight slowdown in year-on-year dynamics occurred in the prices of non-energy industrial goods, while the rate of increase in energy prices slowed more significantly (due to weakening fuel price dynamics). Food prices showed conflicting tendencies, when the prices of processed food rose somewhat on a year-on-year basis, while unprocessed food prices recorded a slowdown in year-on-year dynamics.

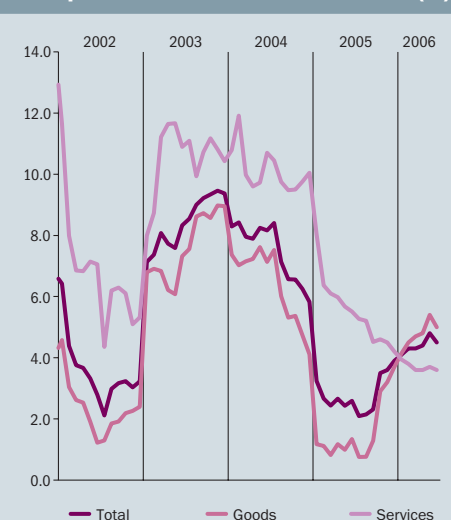
#### Slight slowdown in the year-on-year dynamics of services prices

The year-on-year dynamics of services prices weakened somewhat in comparison with May, mainly as a result of a slowdown in the year-on-year dynamics of prices for recreation and personal services, as well as prices in education (smaller increase in university entrance examination fees than last year). On the other hand, a slight acceleration in year-on-year dynamics was recorded in prices for services related to transport and accommodation.

#### Factors affecting inflation in the coming period

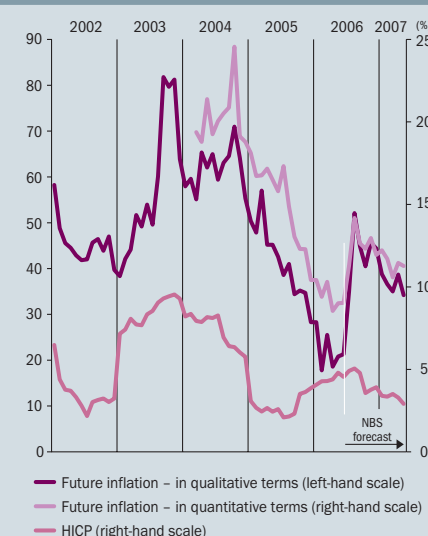
On the one hand, the rate of inflation in July is expected to be slowed by a change in the expected increase in cigarette prices (a new forecast for August) and, on

**Chart 1 HICP Inflation and Its Main Components** (%)



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

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



Source: Statistical Office of the SR, Consumer Barometer, and NBS.

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

the other hand, accelerated by the new categorisation of pharmaceuticals with effect from July. The increase in the year-on-year dynamics of food prices is expected to continue.

June saw a slight drop in the assessment by consumers of the actual level of price inflation. In answer to questions about the actual inflation rate, the respondents gave an average value of 11.89% (11.92% in the previous month). When asked about the expected rate of inflation in the next 12 months, the respondents gave an average value of 11.27%, representing a reduction in comparison with the previous month (11.46%).

#### Consumer expectations regarding inflation

#### CPI Inflation in June 2006

Consumer prices increased month-on-month by 0.1% in June, due to a rise in core inflation (by 0.1%) and stagnation in regulated prices. The 12-month rate of headline inflation reached 4.6% (compared with 4.8% in May) and that of core inflation 2.5% (2.8% in the previous month). The average year-on-year inflation rate for the first six months of the current year was 4.5%.

#### Consumer Price Index

#### 2.2 Producer Prices in May 2006

Aggregated industrial producer prices for the domestic market rose month-on-month by 0.8% in May, due to increases in all three basic price components.

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

**Table 2 Consumer Prices in June 2006**

	Comparative change	
	May 2006	June 2005
<b>Total in %</b>	0.1	4.6
<b>Regulated prices in %</b>	0.0	11.3
- Share of total, in percentage points <sup>1)</sup>	0.00	-
<b>Impact of changes in indirect taxes on non-regulated prices</b>		
- Share of total, in percentage points <sup>1)</sup>	0.00	-
<b>Core inflation in %</b>	0.1	2.5
- Share of total, in percentage points <sup>1)</sup>	0.07	-
of which: Food prices in %	0.3	1.0
- Share of total, in percentage points <sup>1)</sup>	0.05	-
Tradable goods in % <sup>1)</sup>	0.0	0.4
- Share of total, in percentage points <sup>1)</sup>	-0.01	-
Tradable goods, excluding fuels, in % <sup>1)</sup>	0.0	-1.0
- Share of total, in percentage points <sup>1)</sup>	-0.01	-
Fuels in % <sup>1)</sup>	0.1	13.0
- Share of total, in percentage points <sup>1)</sup>	0.00	-
Market services in % <sup>1)</sup>	0.1	6.1
- Share of total, in percentage points <sup>1)</sup>	0.03	-
<b>Net inflation (excluding the impact of changes in indirect taxes) in %</b>	0.0	2.9
- Share of total, in percentage points <sup>1)</sup>	0.02	-
<b>Net inflation, excluding fuel prices (excluding the impact of changes in indirect taxes) in %<sup>1)</sup></b>	0.0	2.3
- Share of total, in percentage points <sup>1)</sup>	0.02	-

Source: Statistical Office of the SR, and NBS.

Notes: Net inflation – includes the price increases in tradable goods, excluding food and market services.

The rounding of the values of year-on-year and month-on-month price dynamics to one decimal place and the values of their contributions to the overall inflation rate to two decimal places may lead to a situation where, in the event of price stagnation, the contributions of prices are not equal to zero. In reality, the prices do change, but the changes are so small that they cannot be noticed if the figures are rounded to one decimal place; however, in the event of price contributions rounded to two decimal places, even a small change is apparent.

1.) NBS calculations based on data from the Statistical Office of the SR.



Table 3 Producer Price Developments in May 2006

(%)

	Month-on-month change		Year-on-year change			
	Apr. 2006	May 2006	Apr. 2006	May 2006	Average since the beginning of 2006	May 2005
Industrial producer prices (for the domestic market)	0.7	0.8	9.8	9.9	9.6	3.9
– Prices of manufacturing products	0.6	1.0	1.7	2.9	2.2	2.3
– Prices of mining and quarrying products	0.3	1.6	46.5	48.5	44.7	-3.4
– Prices of electricity, gas, steam, and hot water	0.8	0.6	18.1	16.7	17.3	6.7
Industrial producer prices (for export)	1.2	0.9	1.9	3.2	3.3	6.9
– Prices of manufacturing products	1.3	0.9	1.9	3.2	3.3	6.9
Construction prices	0.5	0.4	4.3	4.5	4.0	4.6
Building materials prices	0.3	0.3	1.3	1.6	1.1	6.7
Agricultural prices	–	–	-1.9	-1.0	-1.6	1.0
– Prices of plant products	–	–	-8.3	-6.3	-10.3	-17.5
– Prices of animal products	–	–	-1.2	-0.5	-0.2	3.3

Source: Statistical Office of the SR.

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

The year-on-year dynamics of domestic industrial producer prices accelerated slightly in May, by 0.1 of a percentage point compared with the previous month (to 9.9%). This was caused by steeper year-on-year increases in manufacturing products prices and mining/quarrying products prices. Compared with April, the increase in electricity, gas, steam, and hot water prices slowed on a year-on-year basis.

In May, manufacturing products prices increased year-on-year at a faster rate than in the previous month, due primarily to an acceleration in the dynamics of refined oil products prices (by 29.2%, compared with 18.6% in April). This was in large part a consequence of the base effect, caused by a fall in the price of refined oil products in May 2005. The other sub-categories of manufacturing products recorded no marked price changes in May. The prices of paper goods, other non-metal mineral products, electrical and optical equipment, base metals and finished metal products rose somewhat on a year-on-year basis. Their joint contribution to the rise in manufacturing products prices accounted for roughly one-seventh of the contribution made by the rise in refined oil products prices. On the other hand, the prices of food products (a fall of 0.8%) continued to have an anti-inflationary effect in May.

The May increase in energy prices was mainly caused by prices for gas production and the distribution of gaseous fuels by pipeline, which rose year-on-year by 27.2% (a slowdown of 6.6 percentage points compared with April). Prices for the production and supply of steam and hot water increased by 18.2% (at a rate 2.3 percentage points slower than in April). Electricity prices continued to show a rising tendency: they increased year-on-year by 10.6% in May.

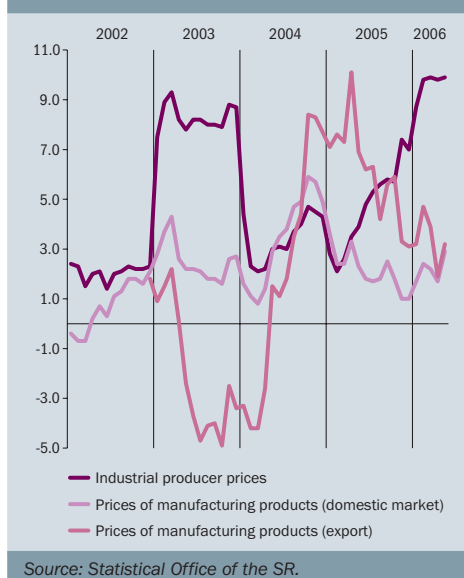
**Prices of manufacturing products for export**

The prices of manufacturing products for export increased month-on-month by 0.9% in May. On a year-on-year basis, their dynamics strengthened by 1.3 percentage points, to 3.2%.

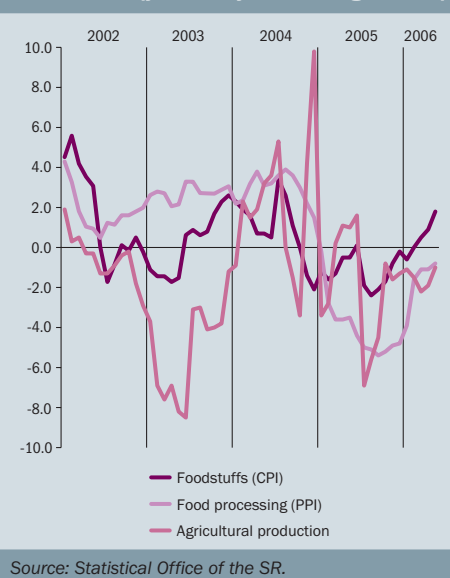
Manufacturing products prices for export increased on a year-on-year basis in May, due primarily to a rise in the price of refined oil products (by 15.4 percentage points in comparison with April, to 42.2%). This rise was partly a result of the base effect caused by a sharp fall in the export prices of refined oil products a year earlier. The prices of electrical and optical equipment also rose significantly on a year-on-year basis (by 20.8%). Modest increases were also recorded in the export prices of paper goods (3.8%), machinery and equipment (2.4%), wood and wooden products (5.3%), and textile products (1.5%). At the same time, continued year-on-year fall was recorded in the export prices of transport vehicles (8.4%), base metals and finished metal products (7.5%). A slight anti-inflationary effect was also produced by the export prices of foodstuffs, chemical products, other non-metal mineral products, and leather goods.

Since the middle of 2005, refined oil products prices have been a determining factor in price developments within the aggregated 'manufacturing products' category (this role had previously been played by the prices of base metals and finished metal products). Export prices have been rising more steeply than domestic prices (due probably to the competitive environment and the commercial policies of domestic producers). In May 2006, the export prices of refined oil products increased in comparison

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



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



with December 2000 (the year 2000 is a base year for the calculation of manufacturing products prices) by 68.7%, and approached their maximum rise from October 2005 (70%). The domestic prices of refined oil products increased by 47.3% in May. The maximum increase (i.e. 51%) was recorded in September 2005.

In May, agricultural prices were 1% lower than a year earlier, due to drops in the prices of plant products (6.3%) as well as animal products (0.5%).

#### Agricultural prices

Among plant products, drops were recorded in the prices of oil-seeds (8.7%), cereals (7.5%), legumes (4.5%), and fruit (0.4%). Potato prices increased by 3.9% and vegetable prices by 0.8%.

Among animal products, the prices (for live animals) of poultry dropped by 7.9% and that of sheep farming products by an average of 2.8%. Increases were recorded in the prices (for live animals) of beef, including veal (3.5%), pork (2.2%), and eggs (1.5%).

Industrial producer prices are expected to be influenced in June 2006 by the still high price of oil on the world market (though in average terms lower than a month earlier) and a depreciation of the Slovak koruna against the US dollar. The anti-inflationary effect of food prices is expected to weaken slightly within the scope of aggregated industrial producer prices. Compared with May, the increase in energy prices should not accelerate in June. Owing to external and internal cost factors, industrial producer prices are expected to stagnate or slow on a year-on-year basis in June.

On the basis of agrarian market news, a smaller year-on-year drop can be expected in cereal prices in June 2006 (compared with the previous month), as a result of continuing intervention purchases. The prices of animal products are again expected to drop somewhat as a result of a further fall in the price of poultry and a probable drop in the price of pork (live animals). In line with these assumptions, agricultural prices are again expected to fall on a year-on-year basis in June.



### 3 Factors Affecting the Course of Inflation

The year-on-year growth dynamics of the M3 monetary aggregate increased in May, in line with the accelerating rate of growth in the receivables of monetary financial institutions (MFIs) from the resident private sector.

#### 3.1 Monetary Aggregates

##### M3 Monetary Aggregate

##### Increase in the 12-month growth dynamics of M3

The M3 monetary aggregate (according to ECB methodology) grew in volume by Sk 1.0 billion compared with the previous month, to Sk 851.2 billion at the end of May. The year-on-year rate of M3 growth<sup>1</sup> accelerated by 1.1 percentage points, to 10.5%.

**Table 4 Year-on-Year Growth Rates of M3 Monetary Aggregate (ECB methodology) (%)**

	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.
Year 2004	6.4	9.9	6.9	11.1	8.6	14.0	5.8	11.9	13.3	13.6	12.7	15.0
Year 2005	10.0	9.6	11.4	11.9	12.5	9.6	8.9	8.0	7.3	7.6	6.3	7.8
Year 2006	8.6 <sup>1)</sup>	9.1 <sup>1)</sup>	10.3 <sup>1)</sup>	9.4 <sup>1)</sup>	10.5	.	.	.	.	.	.	.

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

1) Revised data.

The data were revised and published on the basis of an extraordinary revision carried out in June 2006, in line with the methodological guidelines on revision policy. The values of monetary aggregates were adjusted in the case of the 'currency' item for the period from January 2006 to April 2006, due to adjustment for the aggregated value recorded in the item 'cash' at banks.

The main pro-growth factor in the May acceleration of the rate of M3 growth was again the receivables of MFIs from the resident private sector, while the deepening State budget deficit also acted in the same direction. At the same time, M3 growth was dampened by the continuing outflow of resources from money market funds.

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

	Volume in billions of Sk <sup>1)</sup>			Year-on-year change in %	
	May 2005	Apr. 2006	May 2006	Apr. 2006	May 2006
Currency in circulation	106.3	121.3	121.9	15.3	14.6
Deposits and loans taken, repayable on demand	314.6	364.2	391.0	21.9	24.3
<b>M1</b>	420.9	485.5	512.9	20.2	21.9
Deposits and loans taken, with an agreed maturity of up to 2 years	284.4	309.3	285.0	-0.2	0.2
Deposits redeemable at a period of notice of up to 3 months	16.0	13.7	13.4	-15.9	-16.2
<b>M2</b>	721.3	808.5	811.3	10.7	12.5
Money market fund shares/units	45.9	40.8	39.6	-7.1	-13.7
Repo operations	2.1	0.5	0.0	-	-
Debt securities issued with a maturity of up to 2 years	1.2	0.4	0.3	-	-
<b>M3</b>	770.5	850.2	851.2	9.4	10.5

Source: NBS.

Note: Differences in the sums are due to rounding. The missing data have been excluded because of the large values of year-on-year changes, resulting from the relatively small volumes of the given indicators.

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

<sup>1</sup> The year-on-year growth dynamics of monetary aggregates and their counterparts are calculated from end-of-month data, including non-transaction operations, which comprise all movements in the balance-sheet items, resulting from changes in the valuation of tradable instruments, the depreciation/write-off of loans, exchange rate differentials, reclassification, and other changes.

**Main M3 Components**

The most liquid M3 components increased in comparison with April by Sk 27.4 billion. Currency in circulation grew month-on-month by Sk 0.6 billion, while deposits and received loans repayable on demand increased by Sk 26.8 billion.

Deposits and loans taken with an agreed maturity of up to 2 years decreased by Sk 24.3 billion and deposits redeemable at a period of notice of up to 3 months by Sk 0.3 billion.

The less liquid M3 components caused the rate of M3 growth to moderate, when money market fund shares/units decreased by Sk 1.2 billion.

**Growth in M1 and M2; fall in deposits and loans taken with an agreed maturity of up to 2 years**

**Investment Through Open-End Investment Funds**

The net value of Sk-denominated assets held by open-end investment funds (OIFs) dropped to Sk 114.0 billion at the end of June. The outflow of resources from funds in total continued (in both Sk and foreign currency) and was somewhat higher than in the previous month. The repurchase of these funds reached Sk 0.4 billion.

**Fall in the net value of assets and the net sales of open-end investment funds**

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

	Year	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.	CUM.
OIF sales denominated in Slovak koruna	2004	1.3	1.5	1.8	1.3	1.8	2.4	3.0	3.1	2.6	2.5	2.3	3.0	26.7
	2005	5.2	6.8	4.1	3.4	2.3	2.3	2.0	1.8	1.5	3.7	1.0	1.3	35.3
	2006	1.3	-0.4	0.7	-1.8	-0.1	-0.3	.	.	.	.	.	.	-0.5
OIF sales denominated in foreign currency	2004	0.08	0.07	0.1	0.05	0.14	0.04	0.04	0.06	0.07	0.03	0.07	0.04	0.80
	2005	0.08	0.14	0.14	0.21	0.12	0.20	0.15	0.29	0.39	0.43	0.12	0.28	2.56
	2006	0.43	0.85	0.44	0.16	-0.02	-0.10	.	.	.	.	.	.	1.77

Source: NBS calculations based on data from the Slovak Association of Asset Management Companies (SASS).

**Chart 5 Monthly Net Sales of OIFs in Slovakia**  
(Sk billions)



Source: NBS calculations based on data from SASS.

The net sales of koruna funds (money and bond funds) reached a negative volume in June, i.e. the repurchases of OIFs exceeded their sales by Sk 1.8 billion; the net sales of mixed funds were also negative. The net sales of other and special funds reached almost Sk 1.0 billion, equity funds Sk 0.4 billion, and those of umbrella funds Sk 0.1 billion. Their monthly net sales totalled Sk 1.5 billion, which did not fully cover the fall in conservative koruna funds.

The monthly net sales of OIFs in total were negative in June, when net sales were again negative in both Slovak koruna and foreign currency.

**Main M3 Counterparts**

The total volume of MFI receivables from residents (including securities issued by clients and held by MFIs) increased month-on-month by Sk 22.1 billion in May. The increase took place in receivables from the private sector (Sk 16.4 billion) and receivables from the public sectors (Sk 5.7 billion). The year-on-year rate of growth in total MFI receivables from residents accelerated in comparison with April by 1.9 percentage points, to 15.1%.

**Accelerating growth in MFI receivables (including securities) from residents**

The month-on-month increase in MFI receivables from the private sector (including securities) reached Sk 16.4 billion in May. Bank receivables increased by Sk 16.4 billion, while the volume of securities issued by the private sector remained unchanged.

**Continuing growth in MFI receivables from the private sector**


**Table 7 Main Counterparts of M3 (ECB methodology)**

	Volume in billions of Sk <sup>1)</sup>			Year-on-year change in %	
	May 2005	Apr. 2006	May 2006	Apr. 2006	May 2006
Net foreign assets	295.4	318.4	302.4	-5.9	2.4
Foreign assets	592.8	597.7	608.6	-6.1	2.7
Foreign liabilities	297.4	279.3	306.3	-6.4	3.0
Receivables of MFIs from residents (incl. securities)	714.5	800.0	822.2	13.2	15.1
Receivables from the general government	263.2	247.5	253.3	-6.5	-3.8
Receivables from the private sector	451.3	552.5	568.9	24.9	26.0
Deposits and loans taken from central government	73.4	104.5	107.6	5.8	46.6
Long-term financial liabilities (excl. capital and reserves)	94.6	108.7	108.7	14.8	15.0
Deposits and loans taken, with an agreed maturity of over 2 years	52.2	60.4	60.5	14.7	15.8
Deposits redeemable at over 3 months' notice	29.1	26.6	26.4	-10.0	-9.4
Debt securities issued with a maturity of over 2 years	13.3	21.7	21.9	73.8	65.3
Other items net	71.4	54.9	57.0	-26.3	-20.2
Capital, reserves, and provisions	97.1	73.4	74.3	-28.9	-23.5
Other liabilities	53.8	53.8	56.6	7.5	5.1
Surplus of liabilities among MFIs	0.3	-0.2	-0.1	-	-
Fixed assets	34.5	33.2	33.1	-3.6	-3.9
Other assets	45.3	38.9	40.7	-13.6	-10.1
<b>M3</b>	<b>770.5</b>	<b>850.2</b>	<b>851.2</b>	<b>9.4</b>	<b>10.5</b>

Source: NBS.

Note: Differences in the sums are due to rounding. The missing data have been excluded because of the large values of year-on-year changes, resulting from the relatively small volumes of the given indicators.

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

The total increase in MFI receivables from the private sector (excluding securities) took place in receivables from non-financial corporations (Sk 7.9 billion), financial corporations (Sk 2.5 billion), and households (Sk 6.0 billion).

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

	Volume in billions of Sk <sup>1)</sup>			Year-on-year change in %	
	May 2005	Apr. 2006	May 2006	Apr. 2006	May 2006
MFI receivables from the private sector (incl. securities)	451.3	552.5	568.9	24.9	26.0
of which: Securities issued by the private sector	17.9	14.5	14.5	-7.3	-13.9
MFI receivables (excluding securities)	433.4	538.0	554.4	26.5	27.9
Non-financial corporations	244.6	284.2	292.2	17.7	19.5
- up to 1 year	107.6	119.0	127.6	14.2	18.5
- 1 to 5 years	53.8	55.1	58.6	1.9	9.1
- over 5 years	83.2	110.1	106.0	32.2	27.4
Financial corporations	43.6	57.3	59.7	31.2	37.0
Insurance corporations and pension funds	0.0	0.0	0.0	-	-
Households and non-profit institutions serving households	145.2	196.5	202.5	40.2	39.4
- consumer loans	21.8	31.4	32.1	53.2	47.0
- house purchase loans	96.0	128.5	132.1	38.1	37.6
- other loans	27.5	36.5	38.3	37.4	39.5

Source: NBS.

Note: Differences in the sums are due to rounding. The missing data have been excluded because of the large values of year-on-year changes, resulting from the relatively small volumes of the given indicators.

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

# Structure of MFI Receivables from the Private Sector

Bank lending to households is dominated by loans for house purchases, while consumer loans and other loans constitute a much smaller part. The structure of loans is relatively stable.

## Loans to households

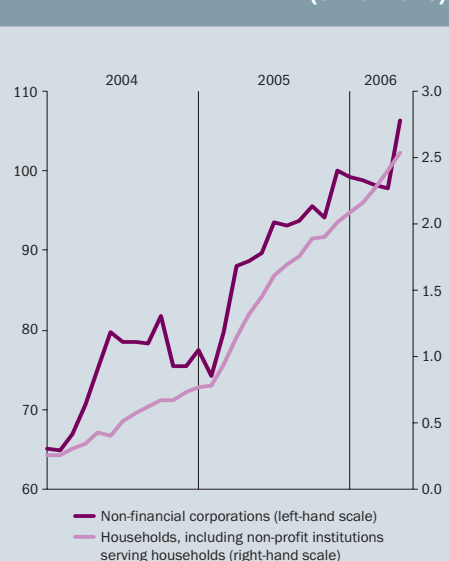
Consumer loans actually show the strongest year-on-year growth dynamics (47.0%)<sup>2</sup>. House purchase loans and other loans showed approximately the same dynamics in May (37.6% and 39.5% respectively).

**Table 9 Survey of MFI Receivables from the Resident Private Sector (excl. securities)**

	Volume (Sk billion)	Change since the beginning of the year (Sk billion)	
	May 2006	May 2005	May 2006
MFI receivables (excl. securities)	554.4	35.7	46.9
Non-financial corporations	292.2	19.3	20.8
– loans in Slovak koruna	185.8	6.1	14.4
– loans in foreign currency	106.3	13.2	6.3
Financial corporations (other financial intermediaries and auxiliary financial institutions)	59.7	-0.6	4.7
– loans in Slovak koruna	45.9	-1.6	2.9
– loans in foreign currency	13.8	1.0	1.8
Insurance corporations and pension funds	0.0	0.0	0.0
– loans in Slovak koruna	0.0	0.0	0.0
– loans in foreign currency	0.0	0.0	0.0
Households and non-profit institutions serving households	202.5	17.0	21.5
– loans in Slovak koruna	199.9	16.4	20.9
– loans in foreign currency	2.5	0.6	0.5
of which: Consumer loans	32.1	1.9	7.3
– loans in Slovak koruna	32.0	1.8	7.3
– loans in foreign currency	0.1	0.1	0.0
House purchase loans	132.1	8.1	13.2
– loans in Slovak koruna	130.8	7.6	12.9
– loans in foreign currency	1.3	0.4	0.3
Other loans	38.3	7.1	1.0
– loans in Slovak koruna	37.1	7.0	0.7
– loans in foreign currency	1.2	0.0	0.3

Source: NBS.

**Chart 6 Loans in Foreign Currency  
(Sk billions)**



Source: NBS.

The volume of loans granted to non-financial corporations in foreign currency increased by Sk 8.4 billion in May; the increase mostly took place in euro-denominated bank receivables. The year-on-year growth in foreign-currency loans to enterprises accelerated to 20.1%. Loans to households in foreign currency grew only slightly.

The share of euro-denominated loans in foreign-currency loans remained relatively stable in May; it changed in comparison with the previous month only to a minimum extent in the non-financial corporations sector (93.6%) and that of households (90.6%).

<sup>2</sup> The differences between the years 2004 and 2006 can be explained by the shift of non-specific consumer loans (for it is impossible to detect the purpose for which they are used) from the 'consumer loans' category to that of 'other loans', and the introduction of a new product (American mortgages) on the banking market in 2005. According to the existing categorisation, banks were instructed to record this product as part of the 'other loans' category. With effect from 2006, 'American mortgages', in the case of which the purpose is detected by the bank, are classified according to purpose (as consumer loans or housing loans). Non-specific loans are stated in a separate line within the scope of 'other loans' so that the interest rate is not distorted.



### Current Budgetary Developments

June 2006 saw an improvement in budgetary performance in comparison with May, by Sk 1.4 billion. The State budget recorded a deficit of Sk 10.3 billion, compared with Sk 11.7 billion at the end of May 2006. Budget revenue increased month-on-month by Sk 25.9 billion and expenditure grew by Sk 24.5 billion.

### 3.2 External Trade

**Current account** In April 2006, the balance of payments on current account resulted in a deficit of Sk 14.1 billion. This represented a year-on-year deterioration of Sk 7.9 billion and was mainly caused by a change in the balance of current transfers from a surplus to a deficit (mainly as a result of lower drawings of EU funds) and increases in the income and trade balance deficits. The only item to record an improvement in comparison with last year was the balance of services. Compared with the previous month, the most significant change occurred in the trade balance, where the deficit from March deepened considerably.

Table 10 Balance of Payments Current Account				(Sk billions)
	April 2006	April 2005	Jan. – Apr. 2006	Jan. – Apr. 2005
Balance of trade	-9.9	-7.9	-33.6	-21.3
Exports	88.4	79.8	356.1	293.8
Imports	98.3	87.7	389.7	315.1
Balance of services	2.2	0.9	6.7	6.2
Balance of income	-4.2	-1.0	-8.6	-1.2
of which: Income from investment	-6.6	-3.6	-18.5	-11.5
of which: Reinvested earnings	-1.9	-2.4	-12.1	-9.6
Current transfers	-2.2	1.8	-2.7	2.4
Current account in total	-14.1	-6.2	-38.2	-13.9

Source: NBS and Statistical Office of the SR.

After being revised by the Statistical Office of the SR, foreign trade recorded a deficit of Sk 9.9 billion in April (the originally published deficit amounted to Sk 10.6 billion). Exports declined month-on-month to a significant extent in April, and its year-on-year dynamics also weakened (a growth rate of 10.8% was achieved in April). The April decline in exports was mainly caused by a fall in machine exports and partly in the exports of semi-finished and finished products. Despite the rising price of oil, raw materials exports also declined (as a result of reduced exports of natural gas and electricity). The month-on-month slowdown in growth dynamics in April was significantly influenced by the difference in the number of working days (in connection with the Easter holidays) between March and April in the current and the previous years, which led to a temporary slowdown in industrial production in April 2006. Goods imports also decreased month-on-month in April, and the year-on-year growth achieved (12.1%) was much slower than in the previous month. The decline in imports was mainly supported by lower imports of semi-finished goods. Imports also dropped slightly in the 'finished products' and 'machines' categories.

Table 11 Exports from January to April, Year-on-Year Changes				
	Year-on-year change in billions of Sk January – April		Proportion of the year-on-year change in % points January – April	
	2006	2005	2006	2005
Raw materials	10.0	3.3	3.4	1.5
Chemicals and semi-finished goods	13.3	19.2	4.5	8.7
Machinery and transport equipment	34.8	-10.6	11.9	-4.8
Finished products	4.1	-2.1	1.4	-0.9
Exports in total	62.2	9.8	21.2	4.4

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

### Capital and financial account

The balance of payments on capital and financial account recorded an inflow of Sk 4.9 billion in April.

The most significant transaction within the b.o.p. financial account in April was the privatisation of Slovenské elektrárne (Slovak Power Plants) by the Italian company Enel. This transaction was the main

**Table 12 Imports from January to April, Year-on-Year Changes**

	Year-on-year change in billions of Sk January – April		Proportion of the year-on-year change in % points January – April	
	2006	2005	2006	2005
Raw materials	23.1	14.5	7.3	5.7
Chemicals and semi-finished goods	10.3	6.4	3.3	2.5
Machinery and transport equipment	28.3	1.0	9.0	0.4
Finished products	12.9	7.0	4.1	2.8
of which: Agricultural and industrial goods	6.0	4.2	1.9	1.7
Passenger cars	2.1	0.6	0.7	0.2
Machines and electrical consumer goods	4.8	2.2	1.5	0.9
Imports in total	74.6	28.9	23.7	11.5

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

**Table 13 Balance of Payments Capital and Financial Account**

(€ billions)

	Apr. 2006	Apr. 2005	Jan. – Apr. 2006	Jan. – Apr. 2005
Capital account	0.0	0.0	-0.3	-0.2
Direct investment	34.6	0.4	52.7	3.5
SR abroad	-0.6	-1.0	-1.8	-1.4
of which: Equity capital abroad	0.1	0.0	-0.5	0.0
Reinvested earnings	-0.1	-0.1	-0.4	-0.4
In the SR	35.2	1.4	54.5	4.9
of which: Equity capital in the SR	32.1	0.9	35.9	2.0
of which: Other than privatisation	1.1	0.9	4.9	2.0
Reinvested earnings	2.0	2.5	12.5	10.0
Portfolio investment and financial derivatives	3.1	5.9	43.0	13.7
SR abroad	1.1	-2.3	-3.4	-17.1
In the SR	2.0	8.2	46.4	30.8
Other long-term investment	-3.6	2.8	11.9	-15.1
Assets	-2.1	-0.4	-1.0	-0.8
Liabilities	-1.5	3.2	12.9	-14.3
Other short-term investment	-29.2	-9.9	-62.7	114.4
Assets	-9.3	5.0	-16.5	-4.0
Liabilities	-19.9	-14.9	-46.2	118.4
Capital and financial account	4.9	-0.8	44.6	116.3

Source: NBS.

factor behind the growth in the inflow of funds within the scope of direct investment. The outflow of funds within the scope of other investment resulted from an increase in assets (mainly in the deposits of banks on accounts abroad) and a decrease in liabilities (a result of conflicting developments, when the banking sector recorded an outflow of funds from bank accounts, which was only partly covered by an inflow of funds from financial credits).

The foreign exchange reserves of the NBS increased month-on-month by € 1.0 billion, i.e. USD 32.5 million (excluding exchange rate differentials).

**Foreign exchange reserves of the NBS**

### External Debt of Slovakia as at 30 April 2006

At the end of April 2006, Slovakia's total gross external debt stood at USD 28.9 billion (€ 23.3 billion), representing a month-on-month increase of USD 365.7 million (and/or a fall of € 305.7 million). This was mainly caused by developments in the EUR/USD cross-rate, since the currency structure of external debt was dominated by foreign liabilities in EUR. Total long-term foreign debt increased over the period under review by USD 716.0 million, while total short-term foreign debt dropped by USD 350.3 million.

**Gross external debt**



Within the scope of long-term external debt, the period under review saw an increase in the foreign liabilities of the Government and NBS (USD 505.4 million), mainly as a result of increased interest in koruna-denominated government bond purchases. Within the commercial sector, the same period saw an increase in the foreign liabilities of entrepreneurial entities (USD 202.8 million).

Short-term foreign debt recorded conflicting developments. The short-term foreign liabilities of commercial banks decreased by USD 419.1 million, while the short-term foreign liabilities of entrepreneurial entities increased by USD 68.7 million.

At the end of April 2006, Slovakia's per-capita gross foreign debt stood at USD 5,371. The share of short-term foreign debt in the country's total gross external debt decreased in comparison with the previous month, to 48.8% at the end of April.

**Table 14 External Debt of the SR**

	In millions of USD			In millions of EUR		
	31.12.2005	31.3.2006	30.4.2006	31.12.2005	31.3.2006	30.4.2006
Total external debt of the SR	26,897.6	28,525.6	28,891.3	22,704.5	23,579.6	23,274.0
Long-term external debt	11,759.5	14,077.7	14,793.6	9,926.3	11,636.8	11,917.3
Government and NBS <sup>1)</sup>	5,578.3	6,856.2	7,361.6	4,708.7	5,667.4	5,930.3
Commercial banks	866.7	1,157.2	1,164.9	731.6	956.5	938.4
Entrepreneurial entities	5,314.5	6,064.3	6,267.1	4,486.0	5,012.9	5,048.6
Short-term external debt	15,138.1	14,447.9	14,097.7	12,778.2	11,942.8	11,356.7
Government and NBS	4.4	7.7	7.9	3.7	6.3	6.4
Commercial banks	9,360.4	8,448.9	8,029.8	7,901.2	6,984.0	6,468.6
Entrepreneurial entities	5,773.3	5,991.3	6,060.0	4,873.3	4,952.5	4,881.7
Foreign assets	25,455.3	27,149.1	28,139.0	21,487.2	22,441.8	22,668.0
Net external debt	1,442.3	1,376.5	752.3	1,217.3	1,137.8	606.0
SKK/USD and SKK/EUR rates	31.948	31.127	30.105	37.848	37.656	37.371
EUR/USD cross exchange rate	-	-	-	1.185	1.210	1.241

Source: NBS.

1) Including government agencies and municipalities.

**Net external debt** The net external debt of Slovakia - expressed as the difference between gross foreign debt, i.e. USD 28.9 billion (liabilities of the Government, the NBS, commercial banks, and the corporate sector - except for capital participation), and foreign assets, i.e. USD 28.1 billion (foreign exchange reserves of the NBS, foreign assets of commercial banks and the corporate sector - except for capital participation), reached USD 0.8 billion (debtor position) at the end of April 2006.

### Current Developments

The trade deficit produced in May amounted to Sk 7.8 billion, representing a modest improvement in comparison with the previous month. Improvement was also recorded in the balance of current transfers. At the same time, the income and services balances deteriorated, causing the current account deficit to deepen month-on-month to Sk 19.9 billion.

**Table 15 Balance of Payments Current Account**

(Sk billions)

	May 2006	May 2005	Jan. - May 2006	Jan. - May 2005
Balance of trade	-7.8	-6.6	-41.4	-27.9
Exports	102.4	81.0	458.5	374.8
Imports	110.2	87.6	499.9	402.7
Balance of services	-0.8	-0.2	5.9	6.0
Balance of income	-12.8	-15.4	-21.4	-16.6
of which: Income from investments	-15.3	-17.7	-33.8	-29.2
of which: Reinvested earnings	-3.3	-2.4	-15.4	-12.0
Current transfers	1.5	-1.4	-1.2	1.0
Current account in total	-19.9	-23.6	-58.1	-37.5

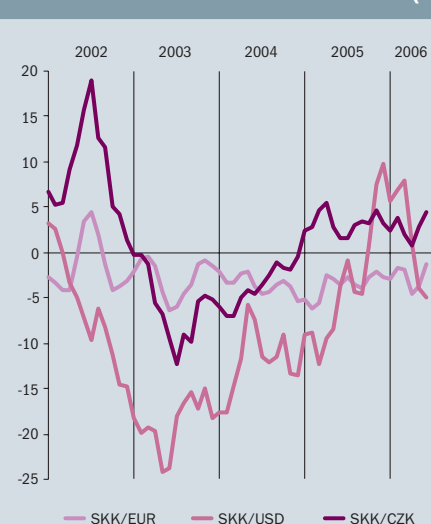
Source: NBS and the Statistical Office of the SR.

The year-on-year dynamics of exports and imports again accelerated in May. The rate of growth in exports (26.3%) exceeded the dynamics of imports in May (25.8%) for the second time this year, as a result of a decrease in the trade deficit in comparison with the previous month.

Compared with the NBS forecast, the trade deficit reached a slightly higher level in May. The deficit increased despite the fact that exports grew at a faster rate than imports.

The strong year-on-year growth in exports from the previous month is expected to continue in June, but, with regard to the steep increase in May, a modest month-on-month decline can be expected. In imports, after a slight fall in exports, the value of imported goods is expected to follow a similar course, mainly as a result of lower imports of semi-finished goods.

**Chart 7 Year-on-Year Changes in the Average Monthly Exchange Rates of the Slovak Koruna (%)**



Source: NBS.

Note: + depreciation, - appreciation of the SKK.

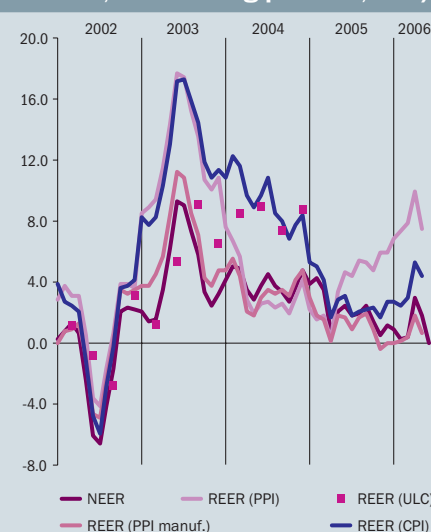
Export dynamics are expected to remain strong in July and August, but will probably reach lower levels in both months owing to the holiday season. The fall in machine exports is expected to be offset partly by production in the automotive industry. Imports should also decline in comparison with the previous month, mainly as a result of lower imports of semi-finished goods. A further rise in oil prices may lead to stronger-than-expected growth in raw materials imports.

In general, exports are expected to remain high (intense export is mainly expected in the automotive industry, owing to the launch of export-oriented production at the PSA automobile assembly plant), which should improve the balance of trade in the following months.

At the end of June, the total foreign exchange reserves of the NBS stood at USD 16,128.9 million, representing a month-on-month fall of USD 1,205.8 million (this fall was not affected by NBS interventions made at the end of June, since transactions conducted in June were settled later, on the first days of July). The fall in foreign exchange reserves in comparison with the end of May 2006 resulted from a shortfall in the balance of receipts and expenses, caused for the most part by an outflow of funds via NBS interventions in the interbank foreign exchange market (USD-760.6 million). At the end of May, the volume of foreign exchange reserves was 4.5 times greater than the volume of average monthly imports of goods and services to Slovakia, over the first five months of 2006.

**Total foreign exchange reserves of the NBS**

**Chart 8 Year-on-Year Dynamics of the NEER and REER Indices (based on CPI, PPI, PPI manufacturing and ULC, for 9 trading partners, in %)**



Source: NBS.

Note: + appreciation, - depreciation of the indices.

The average exchange rate of the Slovak koruna depreciated month-on-month in June, in relation to practically all currencies. The koruna weakened most significantly against the reference currency, the euro (by 1.2%), and the US dollar (by 2.0%). Smaller depreciation than last month was recorded in relation to the Czech koruna (0.9%). The exchange rate markedly appreciated vis-à-vis the Hungarian forint (by 2%) and the Polish zloty (by 1.9%).

**Nominal effective exchange rate of the Slovak koruna (NEER)**

On a year-on-year basis, the average exchange rate of the Slovak currency continued to strengthen, mainly against the US dollar (by 5%) and, to a lesser extent, in relation to the euro (by 1.3%).



The June depreciation of the koruna caused the nominal effective exchange rate<sup>3</sup> to fall on a month-on-month basis (by 1%).

### Real effective exchange rate of the Slovak koruna (REER)

In May, the real effective exchange rate continued to appreciate in comparison with the same period a year earlier, for all variants. The REER based on the consumer price index (CPI) rose by 4.3%, that based on the industrial producer price index (PPI) by 7.5%, and the rate based on the manufacturing products price index (PPI manuf.) increased by 0.6%.

**Table 16 Year-on-Year Dynamics of the NEER and REER Indices (Year-on-Year change in %)**

For 9 partners, based on the deflator:	NEER	REER (CPI)	REER (PPI)	REER (PPI manuf.)	REER (ULC) <sup>2)</sup>
2002	2.1	4.1	3.6	3.4	3.3
2003	3.2	11.3	10.8	4.7	6.5
2004	4.7	8.3	4.1	4.7	8.7
2005	1.1	2.7	6.0	0.0	3.3 <sup>(p)</sup>
April 2006 <sup>1)</sup>	3.0 / 0.9	5.3 / 3.0	9.9 / 3.7	1.8/-0.9	-
May 2006 <sup>1)</sup>	1.8 / 0.3	4.3 / 2.3	7.5 / 3	0.6 / -1	-
June 2006 <sup>1)</sup>	0.0 / -0.7	.	.	.	.

Source: NBS.

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

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

(p) Preliminary data.

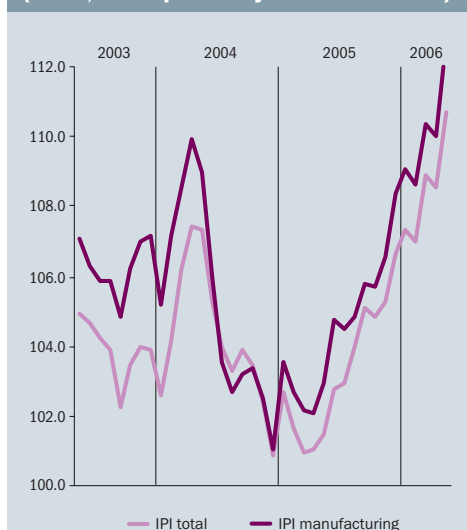
## 3.3 Real Economy

### Current Developments

#### Accelerated growth in industrial production

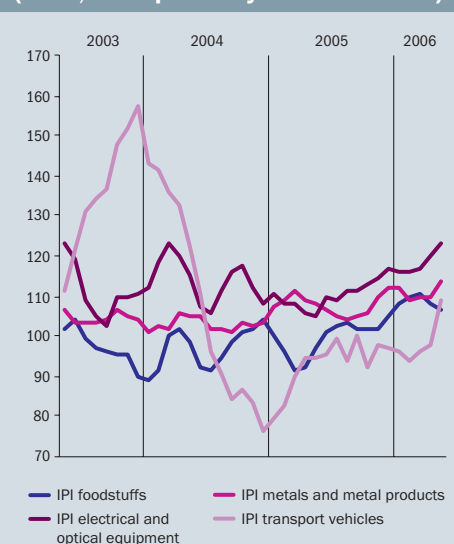
In May, the year-on-year rate of growth in industrial production accelerated in comparison with April, due to growth in manufacturing production. On the other hand, production continued to decline in mining and quarrying, and in electricity, gas, and water supply.

**Chart 9 Development of Industrial and Manufacturing Production (3-month moving averages) (index, same period a year earlier = 100)**



Source: Statistical Office of the SR.

**Chart 10 Development of Industrial Production in Selected Sectors (3-month moving averages) (index, same period a year earlier = 100)**



Source: Statistical Office of the SR.

<sup>3</sup> The methodology applied for calculating the nominal and effective exchange rates of the Slovak koruna (NEER and REER) is the same one used by the IMF. The REER is calculated on the basis of the consumer price index (CPI), the industrial producer price index (PPI), and/or the manufacturing products price index, excluding the prices of mineral raw materials, electricity, gas, steam, and hot water (PPI manufacturing), and the index of unit labour costs (ULC). The initial year for the calculation is 1999, and the weights selected correspond to the structure of foreign trade in 1999, for the nine most important trading partners of Slovakia, representing roughly 70% of the total turnover of foreign trade. These countries are Germany, the Czech Republic, Italy, Austria, France, the Netherlands, the USA, Great Britain, and Switzerland.

**Chart 11 Receipts from Retail Sales and the Sale of Motor Vehicles and Fuels (3-month moving averages) (index, same period a year earlier = 100)**



Source: Statistical Office of the SR.

Year-on-year growth in production was achieved in almost all manufacturing sectors in May. The strongest growth took place in the manufacture of machinery and equipment, electrical and optical equipment, textiles and clothes, transport vehicles, metals and metal products, and in the production of coke, refined oil products, and nuclear fuel.

Production in the construction sector accelerated in comparison with April, due mainly to accelerated growth in domestic production in new construction, reconstruction, and modernisation projects, while production in construction repair and maintenance work only slightly exceeded the level of the same period a year earlier.

Receipts continued to grow dynamically in all service sectors under review in May. Compared with the previous month, the rate of growth in retail sales receipts accelerated somewhat as a result of faster growth in receipts from retail trade in pharmaceuticals and cosmetics, other specialised retail trade, and retail trade in foodstuffs, beverages, and tobacco. Receipts from the retail sale and maintenance of motor vehicles and the retail sale of fuels grew at a slower rate than in the previous month, due mainly to a steep year-on-year

**Accelerated growth in construction**

**Continuing growth in receipts from selected services**

decline in receipts from the sale of fuels and slower growth in receipts from the sale of motor vehicles.

Receipts from real estate, renting, and business services grew at a slower rate than in April, mainly as a result of slower growth in receipts from computer engineering and related activities, and other business services.

**Table 17 Production and Receipts**

	Sk millions, curr. prices		Indices			
	May 2006	Cumulative since beginning of year	Apr. 2006 Apr. 2005	May 2006 May 2005	May 2005 May 2004	Jan. – May 2006 Jan. – May 2005
<b>Production</b>						
Industrial production index <sup>1)</sup>	–	–	105.6	111.4	101.3	108.8
of which:						
Mining and quarrying	–	–	85.7	87.2	99.9	89.6
Manufacturing	–	–	106.6	114.4	103.5	110.6
Electricity, gas, and water supply	–	–	102.5	94.2	87.5	101.7
Construction <sup>2)</sup>	12,566	46,520	111.1	119.4	118.8	114.9
of which:						
Construction in Slovakia	12,176	32,721	114.2	121.8	118.1	117.5
Construction abroad	390	1,233	57.7	73.5	132.0	70.5
<b>Receipts from own-output and goods</b>						
Industry in total <sup>3)</sup>	150,187	710,374	104.1	113.8	102.8	110.5
Construction <sup>2)</sup>	18,197	70,251	119.1	113.6	117.8	119.1
Retail trade <sup>3)</sup>	34,894	160,130	108.6	109.3	109.6	108.3
Sale and maintenance of vehicles, retail sale of fuels <sup>3)</sup>	16,937	72,668	120.7	116.0	106.7	115.3
Transport, storage <sup>3)</sup>	12,243	51,927	117.5	123.6	118.1	121.6
Real estate, renting, and business services <sup>3)</sup>	15,059	70,293	117.4	114.4	111.3	115.0

Source: Statistical Office of the SR.

1) Adjusted for the variations in the number of working days (the data in the time series are continually revised with retrospective effect).

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

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

**Wages, Employment, and Unemployment**

**Nominal wages** In May 2006, the year-on-year rate of growth in the average monthly nominal wage accelerated in numerous sectors, mainly in the sale and maintenance of vehicles, retail trade, transport, industry, and post and telecommunications.

In the period since the beginning of the year, nominal wages grew most rapidly in average terms in real estate, renting, and business activities, other services, and wholesale trade. In comparison with January to May 2005, the average nominal wage grew at a slower rate in almost all sectors. The only exception was the retail trade sector, where nominal wages grew at an accelerated rate.

**Real wages** The slowdown in nominal wage growth, coupled with increased year-on-year inflation, affected the level of real wages, whose average growth since the beginning of the year was slower than a year earlier in all the sectors under review. The strongest real wage growth in the first five months of the current year was achieved in retail trade; real estate, renting, and other business services; and wholesale trade. In post & telecommunications and industry, average real wages remained at the level of same period a year earlier.

**Table 18 Wage Development by Sector** (index, same period a year earlier = 100)

	Average monthly nominal wage			Average monthly real wage		
	Year 2005	Jan. – May 2005	2006	Year 2005	Jan. – May 2005	2006
Industry	107.2	109.7	104.5	104.4	106.9	100.0
of which: Manufacturing	107.5	110.4	104.0	104.7	107.5	99.5
Construction	106.0	105.8	105.6	103.2	103.1	101.1
Retail trade	107.8	107.3	108.6	105.0	104.5	103.9
Wholesale trade	111.4	111.0	107.2	108.5	108.1	102.6
Real estate, renting and other business services	112.0	112.7	108.3	109.1	109.7	103.6
Transport	107.3	107.3	106.1	104.5	104.5	101.5
Post and telecommunications	107.1	107.1	104.5	103.3	104.3	100.0
Consumer prices	102.7	102.7	104.5	–	–	–

Source: Statistical Office of the SR.

Notes: The above sectors accounted for 65.9% of total employment in the year 2005.

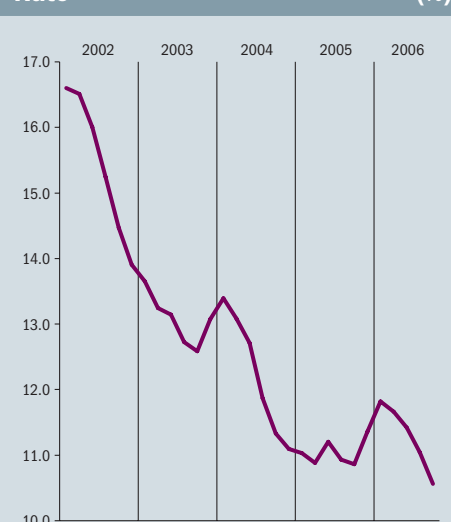
Real wage index = nominal wage index / consumer price index.

Data for the first 3 months of 2006 were revised by the SO SR in June 2006.

**Employment** Compared with the previous month, the trends in employment developments in selected sectors remained unchanged in May, when employment continued to grow dynamically on a year-on-year basis in wholesale trade, the sale and maintenance of vehicles and fuels, construction, and retail trade. Employment in industry, transport, post and telecommunications continued to fall. Compared with May 2005, the number of employees grew at a faster rate in construction, the sale and maintenance of vehicles, and retail trade. Weaker growth than a year earlier was recorded in real estate, renting, business activities, and other services. Different development was recorded in industry, where employment was on the increase in the same period a year earlier. Over the first five months of the year, employment grew most dynamically in average terms in the sale and maintenance of vehicles, construction, retail and wholesale trade.

**Unemployment** The downward trend in unemployment continued in May. According to data from the Centre for Labour, Social Matters, and the Family, the total number of unemployed dropped month-on-month by 12,900, to

**Chart 12 Registered Unemployment Rate (%)**



Source: Centre for Labour, Social Matters, and the Family.

302,600. The number of disposable unemployed, who may start working immediately, accounted for 270,200, which was 12,300 less than in April. The rate of registered unemployment stood at 10.56% in May, representing a month-on-month drop of 0.48 of a percentage point. This was 0.77 of a percentage point less than in May 2005.

The average length of registration decreased in comparison with April by 0.10 of a month, to 11.57 months (compared with May 2005 by 0.40 of a month). Compared with April, the share of long-term unemployed (out of work for more than 12 months) increased by one percentage point, to 53.1% in May. This was 1.2 percentage points less than in May 2005.

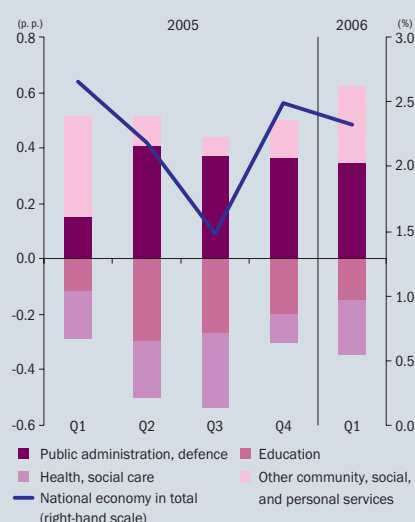
### Box 1 Employment and Wage Developments in Public Services

Public services as a whole (public administration and defence; compulsory social insurance; education, health and social care; other community, social, and personal services) recorded relatively dynamic growth in both employment and wages in the first quarter of 2006.

Employment in public services increased in that period by an average of 1.1% (according to statistical reports), mainly in public administration, defence, and compulsory social insurance, where employment grew by 7.5%. The dynamically growing trend in employment in this sector began in the second quarter of 2005, with year-on-year increases ranging from 8% to 9%. Detailed data from organisations with 20 and more employees indicate that the most rapid increase in employment (almost 30%) took place in services for the state as a whole (according to the Statistical Branch Classification of Economic Activities, this sector includes foreign affairs, defence, justice, security and public order, fire protection), while employment in state administration (general government, regulation of facilities rendering health services, educational services, cultural and social services, secondary services for the general government, etc.) and in compulsory social insurance have shown relatively stable year-on-year growth (approximately 2-4%) since the second quarter of 2005.

Within the scope of public services, a specific position is held by the 'other community, social, and personal services' sector, whose activities can be characterised as public services, but are largely financed from private funds. In the first quarter of 2006, employment in this sector increased year-on-year by 5.6%, which was approximately more than twice the figure for the previous three quarters.

**Chart A Contributions of Public Services to Overall Employment**



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

Employment growth in public services was dampened by education, health care, and social services. Employment in education recorded a year-on-year fall, which took place at all levels of the education system (except higher education) in the first quarter of 2006; employment in health care was mainly affected by health and social services.

Public services achieved relatively dynamic growth in wages. Over the first quarter of 2006, the average nominal monthly wage in public services increased year-on-year by 8.8%, and thus exceeded the average wage growth in the Slovak economy (7.5%). This excess had persisted since the second quarter of 2005 and was mainly caused by dynamic wage growth in public administration, defence, compulsory social insurance, and education. Within the scope of public administration, defence, and compulsory social insurance, nominal wages in state administration grew at a fast rate: their year-on-year dynamics reached approximately 6-10% in all four quarters, and in services for the state as a whole, which recorded the



strongest nominal wage growth (8-9%) in the second and third quarters of 2005. In education, rapid wage growth was recorded at all levels of schools, which was connected with the volume of wage resources as well as the falling level of employment.

The rapidly growing labour productivity in public services in the first quarter of 2006 interrupted the unfavourable trend in its development from 2005 and also affected its relationship to wage growth, when its dynamics exceeded the rate of wage growth in public services in both nominal and real terms.

**Table A Employment, Wages, and Labour Productivity in Public Services in Total**  
(index, same period a year earlier = 100)

	Q1	Q2	2005 Q3	Q4	year	2006 Q1
Employment according to statistical reports	100.9	100.1	99.6	100.8	100.3	101.1
Average monthly nominal wage	108.8	108.8	112.0	109.3	109.8	108.8
Average monthly real wage	105.9	106.2	109.7	105.6	106.9	104.3
Nominal labour productivity	107.2	105.4	105.9	102.6	105.1	109.5
Real labour productivity	94.4	97.5	97.1	97.3	96.7	104.7

Source: Statistical Office of the SR (SO SR) and NBS calculations based on data from the SO SR.

Note: Real labour productivity = value added at constant 2000 prices per employee according to statistical reports.

**Table B Employment in Public Service Sectors**

		Q1	Q2	2005 Q3	Q4	year	2006 Q1
Economy of the SR in total	a	2,049,473	2,066,393	2,073,196	2,110,890	2,074,988	2,097,066
	b	102.6	102.2	101.5	102.5	102.2	102.3
Public administration, defence	a	95,310	100,905	101,422	102,216	99,963	102,454
	b	103.2	108.9	108.1	107.9	107.0	107.5
<i>of which: org. with 20 and more employees</i>							
Public administration, defence	a	95,310	100,905	101,422	102,216	99,963	102,454
	b	103.2	108.9	108.1	107.9	107.0	107.5
- state administ., econom. and social policy	a	67,393	68,115	68,440	68,910	68,215	68,879
	b	102.0	104.0	103.0	102.9	103.0	102.2
of which: general public administration	a	47,069	47,700	47,891	48,218	47,720	48,165
	b	99.9	102.4	102.6	103.0	102.0	102.3
- services for the state as a whole	a	18,813	23,551	23,739	23,931	22,509	24,096
	b	107.5	129.0	129.0	128.6	123.7	128.1
- compulsory social insurance	a	9,104	9,239	9,243	9,375	9,240	9,479
	b	104.2	103.6	102.5	102.7	103.2	104.1
Education	a	175,951	170,858	158,739	169,195	168,686	172,889
	b	98.7	96.6	96.7	97.6	97.4	98.3
<i>of which: org. with 20 and more employees</i>							
Education	a	168,671	167,438	155,330	164,869	164,077	165,194
	b	94.6	95.4	97.2	97.4	96.1	97.9
- elementary education	a	92,185	91,392	84,117	89,564	89,315	89,191
	b	92.0	93.2	96.3	96.4	94.4	96.8
- secondary education	a	46,627	46,242	43,178	45,231	45,322	45,902
	b	97.5	97.9	97.4	97.2	97.5	98.4
- higher education	a	21,558	21,555	20,599	21,748	21,365	22,443
	b	98.9	98.5	98.6	99.8	99.0	104.1
- adult education and other education	a	8,301	8,249	7,426	8,326	8,076	7,658
	b	98.3	99.8	102.0	103.4	100.8	92.3
Health and social care	a	141,201	140,171	137,468	134,382	138,305	137,166
	b	97.6	97.2	96.2	98.5	97.3	97.1



<i>of which: org. with 20 and more employees</i>							
Health and social care	a	104,282	104,064	103,610	100,369	103,081	95,042
	b	95.3	95.8	96.0	94.0	95.3	91.1
- health services	a	71,554	71,850	71,803	68,509	70,929	63,026
	b	93.9	95.6	96.9	94.6	95.2	88.1
- veterinary services	a	466	455	439	433	448	427
	b	103.8	100.7	94.0	91.7	97.4	91.6
- social work	a	32,262	31,759	31,368	31,427	31,704	31,589
	b	98.5	96.2	94.2	93.0	95.4	97.9
Other community, social, and personal services	a	98,749	94,477	96,800	103,607	98,408	104,285
	b	108.0	102.3	101.4	102.8	103.6	105.6
<i>of which: org. with 20 and more employees</i>							
Other commun., soc., and other services	a	46,019	47,473	47,889	47,342	47,181	46,118
	b	105.9	101.3	102.4	103.4	103.2	100.2
- waste disposal, sanitary services	a	14,175	15,074	15,185	14,825	14,815	14,210
	b	114.3	101.2	104.0	105.8	106.0	100.2
- activities of membership org.	a	9,385	9,356	9,509	9,602	9,463	9,163
	b	101.4	99.6	99.6	100.1	100.2	97.6
- recreation, culture, and sports	a	21,028	21,691	21,670	21,454	21,461	21,197
	b	102.9	103.1	102.4	103.3	102.9	100.6
- other services	a	1,431	1,352	1,525	1,461	1,442	1,548
	b	104.8	86.9	103.5	104.4	99.6	108.2
Public services in total	a	511,211	506,411	494,429	509,400	505,362	516,794
	b	100.9	100.1	99.6	100.8	100.3	101.1
Source: Statistical report on basic trends in the Slovak economy, Statistical Office of the SR. Employees and average monthly wages (organisations with 20 and more employees), Statistical Office SR. NBS calculations based on data from the Statistical Office of the SR.							
a – number of employees							
b – index, same period a year earlier = 100							

**Table C Average Monthly Nominal Wages in Public Service Sectors**

		Q1	Q2	2005 Q3	Q4	year	2006 Q1
Economy of the SR in total	a	16,022	16,737	16,816	19,466	17,274	17,223
	b	110.2	108.2	109.9	108.4	109.2	107.5
Public administration, defence	a	18,460	20,693	20,292	24,563	21,049	19,978
	b	110.5	109.2	110.1	107.7	109.4	108.2
<i>of which: org. with 20 and more employees</i>							
Public administration, defence	a	18,460	20,693	20,292	24,563	21,048	19,978
	b	110.5	109.2	110.1	107.7	109.4	108.2
- state administ., econ., and social policies	a	17,263	19,150	19,010	22,779	19,565	18,830
	b	109.1	107.9	110.0	105.8	108.1	109.1
- of which: general public administration	a	17,770	19,880	19,443	23,722	20,221	19,484
	b	109.7	109.1	110.1	108.9	109.5	109.6
- services for the state as a whole	a	23,409	25,244	24,644	30,752	26,166	24,279
	b	114.9	108.4	109.1	105.7	109.5	103.7
- compulsory social insurance	a	17,097	20,469	18,609	21,877	19,530	17,383
	b	107.2	107.9	101.6	112.8	107.5	101.7
Education	a	12,768	13,528	13,694	16,468	14,224	14,117
	b	109.6	110.4	113.7	107.6	110.3	110.6
<i>of which: org. with 20 and more employees</i>							
Schools	a	12,768	13,625	14,070	16,468	14,224	14,117
	b	109.6	110.4	113.2	107.6	110.1	110.6



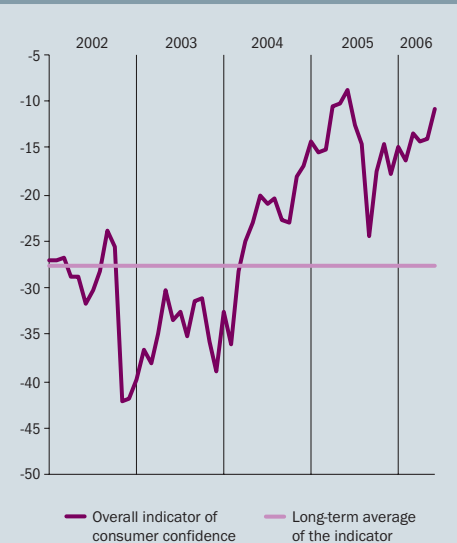
- elementary education	a	11,856	12,618	13,111	15,518	13,264	13,122
	b	110.2	111.1	114.5	108.5	111.1	110.7
- secondary education	a	12,950	13,875	14,064	16,496	14,336	14,322
	b	109.6	109.4	112.5	102.7	108.1	110.6
- higher education	a	16,358	17,402	17,885	20,354	18,006	17,723
	b	105.4	107.1	110.4	112.3	109	108.3
- adult education and other education	a	12,563	13,511	14,379	16,385	14,208	13,904
	b	111.4	114.0	112.3	110.8	112.3	110.7
Health and social care	a	12,496	13,285	13,155	15,516	13,946	13,309
	b	107.3	106.5	109.9	109.5	108.4	106.5
<i>of which: org. with 20 and more employees</i>							
Health and social care	a	12,496	12,952	13,496	14,386	13,323	13,119
	b	106.1	106.5	109.5	108.5	107.6	105.0
- health services	a	14,174	14,560	15,128	15,706	14,883	14,875
	b	105.6	105.5	107.7	107.3	106.6	104.9
- veterinary services	a	16,169	18,381	17,033	22,012	18,353	17,281
	b	111.5	104.3	113.8	116.3	111.1	106.9
- social work	a	8,722	9,238	9,711	11,404	9,761	9,561
	b	110.1	110.3	114.7	111.3	111.4	109.6
Other community, social, and personal services	a	11,671	12,833	13,668	14,876	13,344	12,490
	b	106.7	103.8	110.1	110.6	108.4	107.0
<i>of which: org. with 20 and more employees</i>							
Other commun, social and other services	a	13,404	14,172	13,957	15,856	14,353	14,110
	b	106.2	103.1	109.5	109.6	107.1	105.3
- waste disposal, sanitary services	a	11,533	12,556	11,992	13,310	12,355	12,316
	b	102.2	88.7	108.3	105.1	100.1	106.8
- activities of membership organisations	a	13,259	13,933	13,641	15,289	14,037	14,037
	b	113.3	115.4	113.9	116.2	114.7	105.9
- recreation, culture, and sports	a	14,709	15,430	15,489	17,900	15,885	15,402
	b	105.7	108.6	108.4	109.4	108.1	104.7
- other services	a	13,729	13,643	13,731	15,397	14,132	13,328
	b	118.1	100.0	111.8	114.2	110.5	97.1
Public services in total	a	13,542	14,759	14,892	17,517	15,327	14,736
	b	108.8	108.8	112.0	109.3	109.8	108.8
Source: Statistical report on basic trends in the Slovak economy, Statistical Office of the SR. Employees and average monthly wages (organisations with 20 and more employees), SO SR. NBS calculations based on data from the Statistical Office of the SR.							
a – nominal wage in SKK							
b – index, same period a year earlier = 100							

### Consumer Confidence Indicator

#### Further improvement in consumer confidence

The value of the consumer confidence indicator slightly improved in June (by 3.2 points compared with the previous month), to –10.8 points. Compared with May, improvements were recorded in the indicators of expected household savings, the expected financial situation of households, and the expected economic development in the SR. The expected trend in unemployment deteriorated somewhat in June. Compared with the same period last year, the consumer confidence indicator deteriorated by 2.1 points.

**Chart 13 Consumer Confidence Indicator**



Source: Statistical Office of the SR.

**Chart 14 Development of Consumer Confidence Indicator (annual average)**



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

1) Average for the first six months.



## 4 Monetary Developments

### 4.1 Foreign Exchange Market

#### Operations on the foreign exchange market

Over the course of June, the exchange rate of the Slovak koruna against the euro weakened by 1.7% (from SKK/EUR 37.698 to SKK/EUR 38.322), while the average rate depreciated by 1.2%. The Slovak koruna deviated from its central rate (SKK/EUR 38.4550) most significantly on 5 June 2006, when its exchange rate reached SKK/EUR 37.695, representing an appreciation of 1.98% from central parity. In relation to the US dollar, the koruna weakened by 4.2% (from SKK/USD 29.358 to SKK/USD 30.584), while depreciating in average terms by 2%.

Spot transactions between foreign and domestic banks resulted in a positive balance (USD 2,502.77 million), i.e. foreign banks purchased mostly foreign currency and sold Slovak koruna.

During June, the National Bank of Slovakia intervened on two occasions in support of the Slovak koruna. In so doing, the NBS sold EUR 1,335 million in direct foreign exchange interventions.

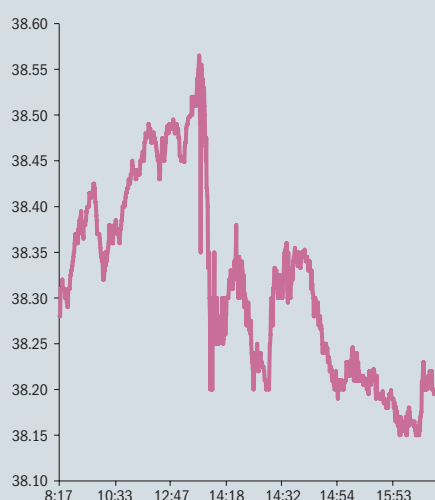
#### Box 2

##### *Developments in the SKK/EUR exchange rate during the days when the NBS intervened*

The exchange rate was rather volatile in June, but its depreciating tendency was caused by developments in the neighbouring currencies and uncertainty stemming from events at the domestic political scene, rather than by changes in economic fundamentals. During June, the NBS intervened on two occasions to mitigate the volatility of the exchange rate.

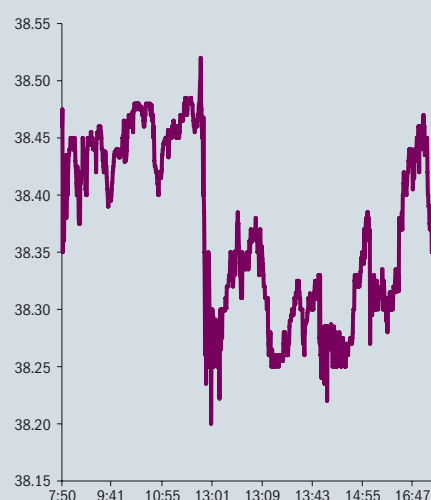
On 21 June, the exchange rate opened the day at SKK/EUR 38.280<sup>1</sup>, and then weakened to SKK/EUR 38.565. This level represented a daily maximum. Subsequently, the NBS intervened in favour of the Slovak koruna by selling EUR 605 million. During the intervention, the koruna exchange rate strengthened to SKK/EUR 38.150 (a daily minimum). After the intervention, the exchange rate stabilised closely above this level and closed the day at SKK/EUR 38.192. On this day, the exchange rate was fixed at the level of SKK/EUR 38.518.

**Chart A Exchange rate developments on 21 June 2006**



Source: NBS.

**Chart B Exchange rate developments on 29 June 2006**



Source: NBS.

<sup>1</sup> The achieved values of the SKK/EUR exchange rate were set on the basis of rates for transactions conducted through the Reuters Matching 3000 system.

In the evening of 28 June, the Slovak koruna began to weaken vis-à-vis the reference currency, the euro, and also followed this trend on 29 June, when it weakened from SKK/EUR 38.460 (opening rate) to SKK/EUR 38.520 (a daily maximum). The NBS reacted to the weakening of the koruna with another foreign exchange market intervention, during which EUR 730 million was sold. During the intervention, the koruna exchange rate strengthened to SKK/EUR 38.200 (a daily minimum), then stabilised and closed the day at SKK/EUR 38.325. On this day, the exchange rate was fixed at the level of SKK/EUR 38.322.

In compliance with the Bank Board's decision of 25 April 2006 on the optimisation of the level of foreign exchange reserves, the National Bank of Slovakia sold EUR 46 million during June.

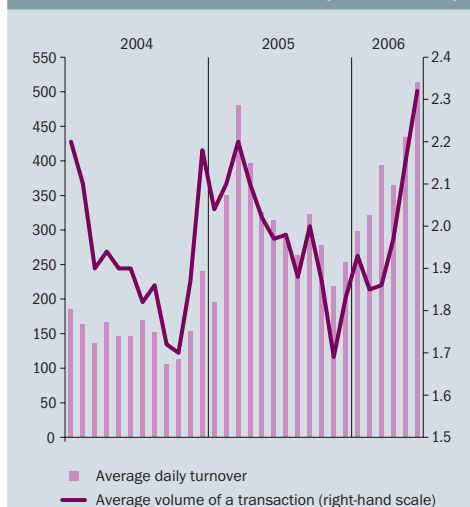
**Table 19 Changes in the SKK/EUR and SKK/USD Exchange Rates (%)**

	Month-on-month change	Ø June 2006 Ø June 2005	Ø Jan. – June 2006 Ø Jan. – June 2005
SKK/EUR	1.7	-1.3	-2.7
SKK/USD	4.2	-5.0	1.9

Source: NBS.

Note: + Depreciation of the SKK, - Appreciation of the SKK, Ø Means average.

**Chart 15 Transactions on the Interbank Foreign Exchange Market (Sk billions)**



Source: NBS.

The total volume traded on the interbank foreign exchange market reached USD 106,248.7 million, representing an increase of 4.3% compared with the figure for May (USD 101,824.2 million). Of the total trading volume, 88% took place in swap transactions, which were conducted mostly in USD (95.5%). Spot transactions accounted for 10% of the total turnover (98.4% of the deals were in EUR). The average daily turnover on the spot market reached USD 514.29 million and the average volume per transaction amounted to USD 2.32 million.

#### Interbank foreign exchange market

The volume of transactions between domestic commercial banks increased, from USD 12,833.2 million in May to USD 13,469.8 million in June. Most trading took place in USD (75.5%, compared with 60.7% in May), followed by EUR (24%, compared with 39% in May) and other currencies (0.5% of the total turnover between domestic commercial banks).

Transactions between domestic banks accounted for 13.5% of the total volume traded on the interbank foreign exchange market (compared with 12.7% in the previous month). Of the total volume of transactions between domestic banks,

swap operations accounted for 85.2% (85.8% in May) and spot transactions 14.8% (14% in May).

The volume of trading between domestic and foreign banks increased by 3.4%, from USD 88,936.1 million to USD 91,947.5 million. Most trading was again conducted in USD (85.4%, compared with 87.7% in May), followed by EUR (14.4%, compared with 12.2% in May), and other currencies (0.2%). Trading between domestic and foreign banks continued to dominate the country's foreign exchange market (with a share of 86.5%).

Trading between domestic and foreign banks also took place predominantly in the form of swap operations (88.5%, compared with 90.5% in May), while spot transactions accounted for only 9.3% (8.2% in May). The share of forward dealings on the forex market was negligible. Option contracts accounted for 1.9% of the volume traded with foreign banks.

The deposits of non-resident banks denominated in Slovak koruna dropped to Sk 58.6 billion in May. Compared with April, the said deposits decreased by a total of Sk 27.7 billion, due mainly to loans received from banks and time deposits from other banks with financial commitments.

#### Deposits of non-resident banks



Non-resident bank deposits recorded a year-on-year decline of Sk 35.0 billion, which took place in time deposits and the related financial liabilities (a fall of Sk 21.6 billion) and loans received (Sk 16.7 billion). This decline was partly offset by an increase in the current accounts of other banks.

Compared with the previous month, the government securities holdings of non-residents increased by Sk 24.6 billion in June. The increase took place exclusively in government bonds, since the volume of Treasury-bill holdings was zero. The volume of 3-year government bonds increased by Sk 3.5 billion (Issue No. 200 maturing in 2007) and that of 7- and 10-year government bonds by a total of Sk 21.8 billion (issues nos. 143, 144, and 188 maturing in 2008 to 2013). The share of non-residents in the total volume of issued government bonds increased in June, and fluctuated between 25.3% and 27.8% during the month.

The Agency for Debt and Liquidity Management (ARDAL) held no Treasury-bill auctions in June.

**Table 20 Koruna Deposits from Non-Residents and Government Securities Held by Non-Residents** (Sk billions)

	2005				2006			
	30.4.	31.5.	31.1.	28.2.	31.3.	28.4.	31.5.	30.6.
Koruna assets, banks	8.1	12.0	14.4	7.1	9.9	6.0	18.1	.
Koruna liabilities	104.8	99.0	90.2	73.0	74.3	93.5	66.6	.
of which: Banks	100.0	93.6	82.6	65.8	66.6	86.3	58.6	.
Non-bank clients	4.9	5.4	7.6	7.2	7.7	7.2	8.0	.
Government securities	90.9	86.3	98.3	84.2	80.7	90.7	69.9	94.2
of which: Government bonds	88.0	84.1	98.0	84.0	80.5	90.4	69.6	94.2
SR Treasury bills	2.9	2.2	0.2	0.2	0.2	0.2	0.2	0.0
Total	195.7	185.2	188.5	157.2	155.0	184.2	136.4	.

Source: NBS and the Central Securities Depository of the SR.

Of the central banks under review, the ECB, MNB, and the Fed increased their key interest rates in June, by 0.25 of a percentage point. The ECB raised its rates to 2.75% (with effect from 15 June), the MNB to 6.25% (from 20 June), and the Fed to 5.25% (from 29 June).

The other central banks last changed their key rates this year as follows: the NBP lowered them to 4.0% (with effect from 1 March), the NBS raised them to 4.0% (from 31 May), while the BoE and CNB have not yet changed their rates this year (in 2005, the BoE reduced them to 4.50% from 4 August and the CNB increased them to 2.0% from 31 October).

The current interest rate differentials between NBS rates and other key central bank rates (ECB, MNB, Fed) decreased by 0.25 of a percentage point: the positive differential vis-à-vis the ECB to +1.25 percentage points and the negative ones in relation to the Fed and MNB to -1.25 / -2.25 percentage points. The positive differential vis-à-vis the CNB (+2.0 percentage points), the zero differential vis-à-vis the NBP, and the negative one in relation to the BoE (-0.5 of a percentage point) remained unchanged.

**Chart 16 Differentials in the Key Rates of European Central Banks, the ECB, and the Fed** (p.p.)



#### 4.2 Money Market and Monetary Policy Implementation

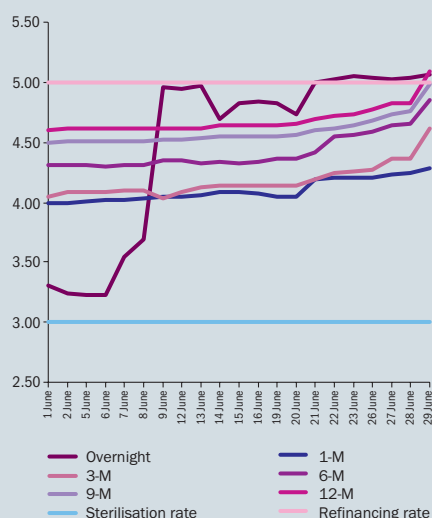
At its meeting on 27 June 2006, the Bank Board of the NBS decided to leave its key interest rates unchanged.

**Interbank market rates** Average money market rates rose month-on-month in June, for all maturities.

At the beginning of the month, the overnight rate was below the level of 3.5%, due to a marked surplus of daily liquidity. The settlement of the first repo tender and issuance of NBS bills led to a shortage of liquidity, which raised the price of overnight deposits to 4.5%, where it persisted until June.

Chart 17 BRIBOR

(% p.a.)



Source: NBS.

Following the increase in key interest rates at the end of May, the price of medium- and longer-term funds continued to rise at a moderate rate. This was caused by widespread interest in longer-term funds.

The subsequent trading activity on the interbank market for longer-term funds was low. This was reflected in the low volatility of interest rates; their levels remained virtually unchanged even after the latest data release on inflation. The stable development was interrupted in the second half of June. Owing to the closing of koruna positions at foreign banks at the time when the Slovak koruna was weakening, prices at the long end of the money market yield curve increased. Their increase continued even after the composition of the new government had been announced. The increased trading activity at the end of the month, resulting from increased interest in the purchase of funds through FX swaps in particular and the purchase of money market interest rate derivatives, caused an increased upward shift in medium- and longer-term rates.

The volume of trading on the interbank money market reached Sk 2,516 billion in June (compared with

Sk 2,395 billion in May). Reference banks accounted for 92.2% of the total turnover (a decrease of 1.2%). Of the total volume of purchases and sales on the interbank market, non-resident and resident bank transactions accounted for 65.0% and 35.0% respectively. In interbank transactions, domestic banks achieved the largest share in deposit transactions (49.4%), while non-resident banks led the way in swaps (70.7%).

The average daily volume of sterilised excess liquidity decreased in June by Sk 9.3 billion, to Sk 406.3 billion. The reduction in the volume of sterilisation was caused by foreign exchange market interventions by the NBS at the end of the month and an increase in the volume of currency in circulation. Of the total

## Liquidity

Table 21 Interbank Transactions

(Sk billions)

	Deposits	Repos	Swaps	FRAs	IRSs
May	673	114	1,561	25	22
June	841	141	1,492	11	31

Source: NBS.

Table 22 Average Daily Impact of NBS Transactions on the Level of Banking Sector Liquidity

(Sk millions)

	O/N repos	O/N deposits	NBS bills	Repo tenders
May	295	-8,539	-510	-406,895
June	8,512	-4,989	-16,986	-392,820

Source: NBS.

Note: + inflow of liquidity, - outflow of liquidity.

Table 23 Tenders in June 2006

Date	Type of tender <sup>1)</sup>	Maturity (days)	Volume accepted (Sk millions)	minimum	Rates (%) average	maximum
7.6.2006	SRT	14	288,280	3.99	4.00	4.00
14.6.2006	SRT	14	113,395	4.00	4.00	4.00
21.6.2006	SRT	15	277,207	4.00	4.00	4.00
28.6.2006	SRT	14	101,094	4.00	4.00	4.00

Source: NBS.

1) SRT – sterilisation repo tender.



volume of open market transactions, repo tenders accounted for 92.8%, NBS bills 4.0%, overnight repo operations 2.0%, and overnight deposits 1.2%.

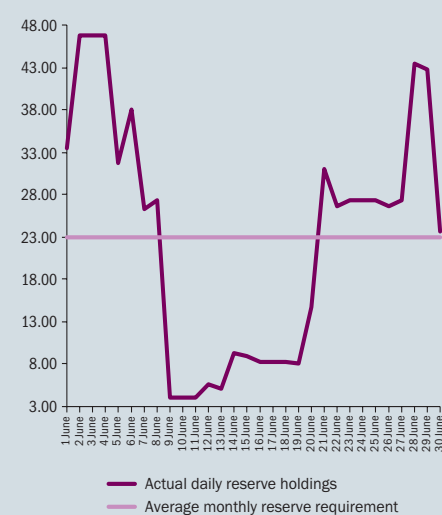
The NBS announced four sterilisation repo tenders for June. At these tenders, the bids of banks were accepted in full. At the first tender, bank bids exceeded the due amount by Sk 36.2 billion. After the first NBS-bill auction, daily liquidity fell below the prescribed level of required reserves. Banks handled this situation by making lower bids at the next three tenders, by a total of Sk 31.0 billion. The share of repo tenders of the total volume of transactions decreased by 4.96%.

The NBS announced two auctions for NBS bills in June. Demand at the first auction reached Sk 23.4 billion, of which the NBS accepted Sk 22.7 billion. Demand at the second auction reached Sk 0.4 billion, but the NBS accepted none of the bids. The bids were rejected on account of the excessive demands of banks for higher yields. The share of NBS bills of the total trading volume increased by 3.89%.

The marked surplus of daily liquidity enabled banks to deposit their excess funds with the NBS until the value date of the first repo tender. The largest volume of daily deposits at the NBS amounted to Sk 32.5 billion. After the settlement of tenders and a successful NBS-bill auction, daily liquidity dropped significantly, which gave rise to refinancing. At the same time, an NBS intervention at the end of the month drained more funds than banks had on their accounts with the NBS. Hence, banks had to rely on NBS refinancing until the end of the month. Overnight refinancing repo operations were conducted in the largest amount in the last week (Sk 33.6 billion).

**Reserve requirements** For June 2006, the amount of required minimum reserves in the banking sector was set at Sk 22.91 billion. By the end of the month, the reserve requirement had been fulfilled to 100.29%.

**Chart 18 Survey of Reserve Requirement Fulfilment in the Banking Sector in May 2006 (Sk billions)**

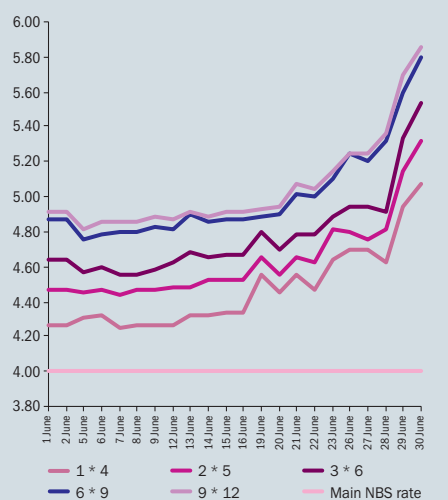


Source: NBS.

### Developments in Money Market Interest Rate Derivatives

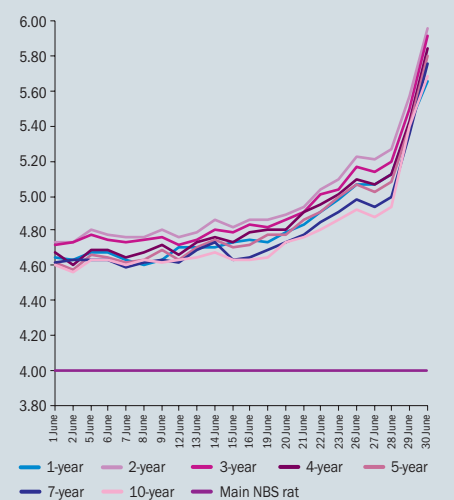
The volume traded in forward rate agreements (FRAs) dropped significantly in comparison with the previous month. Transactions were concluded only sporadically, at the end of the first and second halves of the month. Most transactions were carried out with foreign banks (54.6%). All FRA contracts had a maturity of three months and an implementation period of one, three, six, or nine months.

**Chart 19 Daily Developments in FRAs (% p.a.)**



Source: Reuters.

**Chart 20 Daily Developments in IRSs (% p.a.)**



Source: Reuters.

**Chart 21 Implied expectations derived from BRIBOR rates**

(% p.a.)



Source: NBS.

Interest rate swaps (IRSs) recorded an increase in the trading volume. Most transactions were concluded with foreign banks (79.7%). Most IRS contracts were concluded in the second half of June, with one- to ten-year maturities. They were dominated by one- to two-year maturities, which accounted for 36.5% of the total volume of IRS contracts.

The implied interest rate expectations derived from BRIBOR rates included, at the beginning of June, a rise in interest rates of up to 74-88 basis points within the time horizon of seven to eight months. The rise in the money market yield curve in the middle of the month caused the level of implied expectations to increase to 77-94 basis points, for the next six to eight months. The sharp rise in money market interest rates at the end of June caused the level of implied expectations to increase to 68-107 basis points, for the next seven to eight months.

### 4.3 Customer Interest Rates in May 2006

Average interest rates on new loans to non-financial corporations were stagnant in May, except for loans with longer fixation. Lending rates rose slightly for almost all types of new loans to households. In May, deposit rates increased for deposits fixed for longer periods (deposits with agreed maturity) for both non-financial corporations and households.

#### Customer interest rates

The average interest rate on new loans to non-financial corporations was stagnant in May. Lending rates rose significantly for loans with an initial rate fixation (IRF) of over 10 years (by 0.27 of a percentage point), in line with the upward trend from the end of last year (a rise of over 2.1 points since December

#### Average interest rates on new loans

**Table 24 Average Interest Rates on New Loans to Non-Financial Corporations**

	V. 2005	Interest rate in % XII. 2005	IV. 2006	V. 2006	Change in % points year-on- year	against Dec. 2005	month-on- month
Floating rate + IRF <sup>1)</sup>							
of up to 1 year inclusive	4.91	4.79	5.51	5.54	0.63	0.75	0.03
IRF of over 1							
and up to 5 years inclusive	5.59	4.46	5.67	5.71	0.12	1.25	0.04
IRF of over 5							
and up to 10 years inclusive	5.54	6.12	5.67	5.80	0.26	-0.32	0.13
IRF of over 10 years	4.34	4.20	6.07	6.34	2.00	2.14	0.27
Loans of up to EUR 1 million	4.75	5.20	5.34	5.72	0.98	0.52	0.38
Loans of over EUR 1 million	3.93	4.28	4.95	4.71	0.78	0.43	-0.24
Total	4.92	4.81	5.52	5.54	0.62	0.73	0.02
Total, excluding current account overdrafts and credit cards	4.24	4.53	5.09	5.11	0.87	0.59	0.02

Source: NBS.

1) Initial rate fixation.



2005). A modest increase also occurred in rates for loans with an IRF of over 5 and up to 10 years. Interest rates on loans with a short fixation period, and/or with a floating rate, remained virtually unchanged.

Regarding the structure of loans by purpose, lending rates for operating loans increased by 0.17 of a percentage point. On the other hand, rates for other loans dropped by 0.33 of a percentage point. Interest rates on operating loans, house purchase loans, and current account overdrafts were stagnant.

Average interest rates on new loans to households fell slightly in May, despite of increases in practically all types of loans. This was a result of weight changes, when the increased volume (compared with the previous month) of loans provided for house purchases at a relatively low rate of interest (5.82%) reduced the overall level of interest rates. The most significant increase occurred in interest rates on consumer loans, mainly in rates for non-specific consumer loans (a rise of 1.2 percentage points, to 15.57%). Interest levels also rose lightly for house purchase loans. This was due to an increase in interest rates on mortgage loans (a rise of 0.20 of a percentage point) and other loans for house purchase (a rise of 0.28 of a point). On the other hand, lending rates fell slightly for home savings bank loans (by 0.12 of a percentage point for building loans and 0.04 of a point for intermediate loans).

Looking at the breakdown of loans by fixation, a modest increase occurred in rates for loans with an IRF of over 1 and up to 5 years (0.11 of a percentage point). On the other hand, a slight drop was recorded in rates for loans with a floating rate and an IRF of up to 1 year (0.07 of a percentage point). Interest rates on loans with an IRF of over 5 years were at a standstill.

**Table 25 Average Interest Rates on New Loans to Households**

	Interest rate in %				Change in % points		
	V. 2005	XII. 2005	IV. 2006	V. 2006	year-on- year	against Dec. 2005	month-on- month
Current account overdrafts (including credit cards)	11.05	10.93	13.02	13.07	2.02	2.14	0.05
Consumer loans	11.99	11.89	11.64	12.82	0.83	0.93	1.18
House purchase loans	6.19	5.32	5.70	5.82	-0.37	0.50	0.12
of which: Mortgage loans	5.34	4.91	5.00	5.20	-0.14	0.29	0.20
Other loans	9.56	10.38	6.32	6.35	-3.21	-4.03	0.03
Total	9.83	9.73	11.27	11.18	1.35	1.45	-0.09
Total, excl. current account overdrafts and credit cards	8.09	7.38	7.31	7.50	-0.59	0.12	0.19

Source: NBS.

#### Average interest rates on new deposits

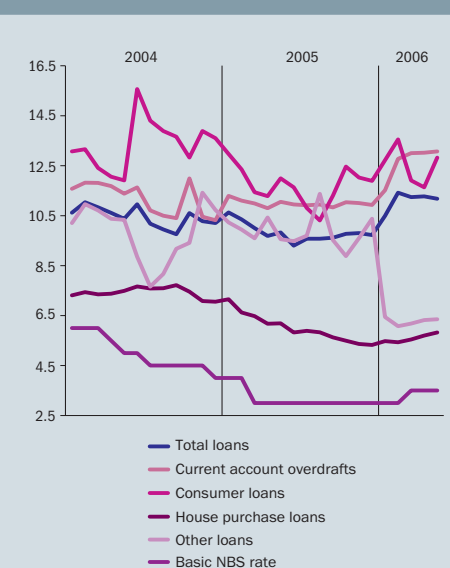
Average interest rates on new deposits from non-financial corporations fell slightly in May, mainly in connection with the transfer of higher-interest-bearing deposits with agreed maturity to deposits repayable on demand with relatively low interest rates. Interest rates increased significantly on deposits with an agreed maturity of over 1 and up to 2 years (by 0.82 of a percentage point) and over 2 years (by 0.48 of a point). Rates for deposits repayable on demand also rose somewhat (by 0.10 of a point). Interest rates on deposits at notice were stagnant during the month.

Average interest rates on household deposits rose slightly in May. Deposit rates increased for deposits with an agreed maturity of over 2 years (by 0.65 of a percentage point) and deposits with an agreed maturity of up to 1 year (by 0.40 of a point), while rates for deposits with an agreed maturity of over 1 and up to 2 years dropped. Rates for deposits with an agreed maturity of over 7 days and up to 1 year increased by approximately 0.40–0.50 of a percentage point.

#### Real interest rates

The real interest rate on household deposits, calculated by deflating the rate of interest on the volume of one-

**Chart 22 Interest Rates on Loans to Households by Type (%)**



Source: NBS.

**Table 26 Average Interest Rates on New Deposits from Non-Financial Corporations**

	Interest rate in %				Change in % points		
	V. 2005	XII. 2005	IV. 2006	V. 2006	year-on- year	against Dec. 2005	month-on- month
Deposits redeemable on demand	0.76	0.64	0.95	1.05	0.29	0.40	0.10
Deposits with an agreed maturity							
– of up to 1 year	2.60	2.55	3.16	3.15	0.55	0.60	-0.01
– of over 1 and up to 2 years	1.94	-	1.63	2.45	0.50	-	0.82
– of over 2 years	2.38	0.66	0.94	1.42	-0.96	0.77	0.48z
Deposits redeemable at notice							
– up to 3 months	1.16	1.44	1.91	1.88	0.72	0.45	-0.03
– over 3 months	1.12	1.12	1.17	1.16	0.04	0.04	-0.01
Total	1.58	1.40	2.03	1.95	0.36	0.54	-0.08

Source: NBS.

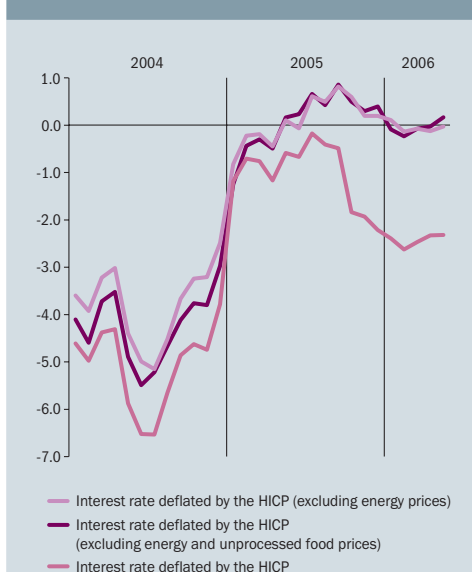
Note: Total deposits include repo transactions and other non-tradable securities.

**Table 27 Average Interest Rates on New Deposits from Households**

	Interest rate in %				Change in % points		
	V. 2005	XII. 2005	IV. 2006	V. 2006	year-on- year	against Dec. 2005	month-on- month
Deposits redeemable on demand	0.43	0.41	0.42	0.45	0.02	0.04	0.03
Deposits with an agreed maturity							
– of up to 1 year	1.94	1.90	2.17	2.57	0.62	0.66	0.40
– of over 1 and up to 2 years	1.59	-	2.38	2.03	0.44	-	-0.35
– of over 2 years	2.33	1.79	0.82	1.47	-0.86	-0.32	0.65
Deposits redeemable at notice							
– up to 3 months	0.97	0.96	1.05	1.06	0.09	0.10	0.01
– over 3 months	0.90	1.10	1.25	1.28	0.38	0.18	0.03
Total	0.66	0.71	0.81	0.86	0.20	0.15	0.05

Source: NBS.

Note: Total deposits include repo transactions and other non-tradable securities.

**Chart 23 Real Interest Rates on Household Deposits (%)**


Source: NBS and Statistical Office of the SR.

year household deposits by HICP inflation, reached a negative figure in May (-2.32%), which represented a fall of 0.01 of a percentage point in comparison with the previous month. The rate for one-year deposits recorded a marked increase in May, which was fully offset by increased inflation. Real interest rates have been influenced by the rise in energy prices since September 2005, when the difference between real interest rates with different deflators increased to a significant extent. If interest rates are deflated by inflation (excluding energy prices and/or energy and unprocessed food prices), the real interest rate achieves values close to zero.



## ANNEXES

### 1 Capital Market

#### 1.1 Primary Market

**Government bonds** During the month under review, the Agency for Debt and Liquidity Management (ARDAL) held two government bond auctions, but neither of them was successful. Demand at these auctions (for bonds with a residual maturity of 12.9 and 7.6 years) was low, totalling only Sk 2.7 billion.

**Yield payment and bond repayment** In June 2006, yields were paid on one government-bond issue, in the amount of Sk 28.0 billion. Foreign investors received no yields during the month. No change was recorded in comparison with the same period last year. Bond creditors received no yields in June.

**Non-government bonds** During June, three issuers reported issues of non-government bonds to the NBS, in the total amount of Sk 0.7 billion.

#### 1.2 Secondary Market

After reaching a record level last month, trading activity on the Bratislava Stock Exchange (BCPB) declined by 45.11% in June. There were 760 transactions during the month (22 trading days), totalling Sk 70.8 billion. Of this amount, Sk 0.3 billion was traded in price-setting transactions (409 contracts) and Sk 70.5 billion in direct transactions (351 contracts).

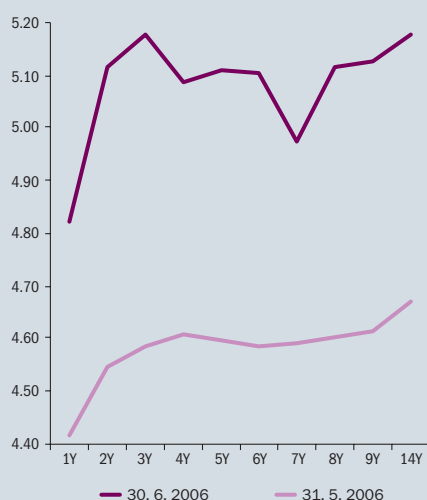
Non-resident investors accounted for 55.40% of the total volume traded in June, of which 74.41% were composed of purchases and 36.40% of sales.

**Bonds** Due to depreciation in the post-election period, the past month – especially its second half – was characterised by a marked upward trend in bond market yields. The benchmark government bond yield curve rose during the month, by an average of 50 basis points.

There were 217 stock exchange transactions in bonds totalling Sk 70.7 billion during the month (i.e. 99.8% of the total volume traded on the BCPB floor in June). Of this amount, Sk 0.3 billion took place in price-setting contracts and Sk 70.4 billion in direct transactions.

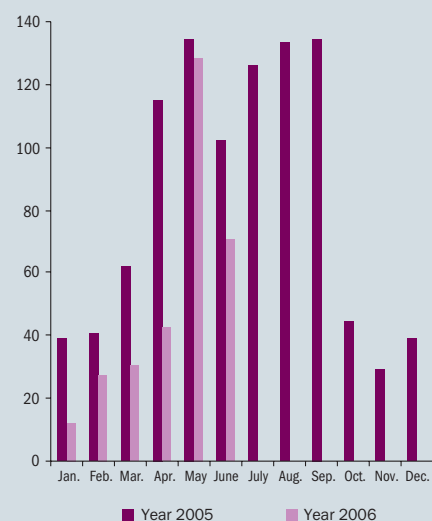
The market capitalisation of bonds as at the last trading day of June amounted to Sk 411.1 billion, representing a month-on-month decrease of 0.7%. The capitalisation of quoted bonds dropped from the end of May by 0.8%, to Sk 389.1 billion.

**Chart 24 Change in Benchmark Yield Curve of Government Bonds**



Source: Reuters, NBS.

**Chart 25 Trading in Bonds on the BCPB (%)**

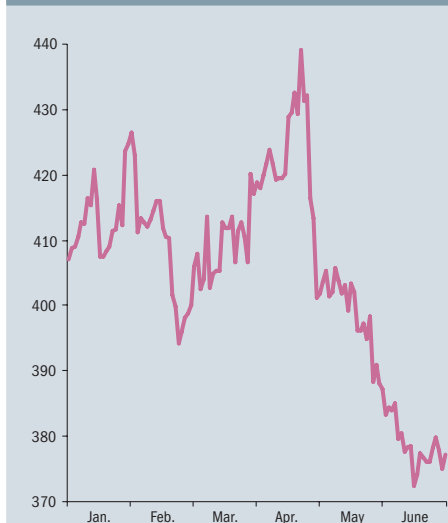


Source: Bratislava Stock Exchange (BCPB).

**Table 28 The SDXGroup indices closed June with the following values**

Sector	SDXGroup indices		Yield to maturity (in %)	Duration (in years)
	Price	Performance		
Public	100.5	111.9	4.934	5.250
SDXG sub-index ( $\leq 5$ )	99.7	110.0	5.216	2.606
SDXG sub-index ( $> 5$ )	101.6	114.4	4.856	7.298
Private (corporate + mortgagebonds)	99.9	115.7	4.645	3.707
SDXG sub-index ( $\leq 5$ )	99.8	116.4	4.516	1.897
SDXG sub-index ( $> 5$ )	103.1	114.7	4.694	5.840

Source: BCBP.

**SDXGroup indices**
**Chart 26 Developments in the SAX Index in 2006 (points)**


Source: BCBP.

There were 543 transactions in equity securities totalling Sk 120.5 million (representing 0.2% of the total monthly trading volume) in June. Price-setting transactions accounted for Sk 32.0 million (375 contracts) and direct transactions Sk 88.5 million (168 contracts).

**Shares**

By the last trading day of June, the market capitalisation of equity securities had fallen month-on-month by 1.6%, to Sk 153.1 billion. The actual amount of issues that had a market price at least once in the past, except for investment fund shares and units, was Sk 142.6 billion (a month-on-month fall of 1.7%) and accounted for 93.1% of the total share market capitalisation. The market capitalisation of quoted issues decreased from the end of May by 0.5%, to Sk 79.3 billion.

The BCPB placed no new share issues on its markets in the course of June. Trading was ended in one share issue with a nominal value of Sk 242.3 million.

No compulsory takeover bid expired on the BCPB during the month of June. New issues were offered by three issuers (Department Store PRIOR Poprad, Water Resources, and St. Nicolaus).

The Slovak Share Index (SAX) closed the month at 377.21 points, representing a fall of 3.5% month-on-month and 13.5% year-on-year. The SAX index reached its monthly maximum on 1 June (388.04 points) and a monthly as well as yearly minimum on 16 June (372.43 points).

**SAX index**
**Table 29 Weights of Basic SAX Index Components in 2006 (end-of month data, in %)**

Company	2006					
	January	February	March	April	May	June
Biotika, a. s.	2.59	2.64	2.77	2.83	3.24	3.10
OTP Banka Slovensko, a. s.	27.04	29.70	27.89	26.40	28.22	26.23
SES Tlmače, a. s.	7.74	8.50	7.93	8.11	7.09	6.70
Slovnaft, a. s.	29.52	28.27	31.16	31.21	31.81	32.49
Všeobecná úverová banka, a. s.	33.10	30.89	30.25	31.45	29.64	31.49

Source: BCBP.



## 2 Monetary Developments in the Euro Area

At its meeting on 8 June 2006, the Governing Council of the ECB decided to raise its key interest rates by 0.25 of a percentage point. With effect from 15 June 2006, the rate for main refinancing operations was increased to 2.75%, that for overnight refinancing transactions to 3.75%, and the rate for overnight sterilisation operations to 1.75%.

### 2.1. Exchange Rate Developments

At the beginning of June, the exchange rate of the single European currency against the US dollar hovered around the level of USD/EUR 1.28.

In the first half of the month, the US dollar recorded a relatively marked appreciation vis-à-vis the euro, mainly due to the statements of Fed representatives about the dominance of inflationary risks over the risks of a downturn in economic activity. The USD/EUR exchange rate was also influenced positively in favour of the dollar by news about a smaller-than-expected deficit in foreign trade. In the second half of the month, the exchange rate fluctuated around the level of USD/EUR 1.26, mainly as a result of news about lower foreign capital inflows into the US economy, consumer confidence growth, and signals of inflationary risks in the euro area. Thus, the exchange rate of the euro against the dollar closed the month at USD/EUR 1.27.

During June, the euro weakened in relation to the US dollar by 0.18% on a month-on-month basis. Since the first trading day of 2006, the single European currency has appreciated vis-à-vis the dollar by 7.50%.

### 2.2. Real Economy

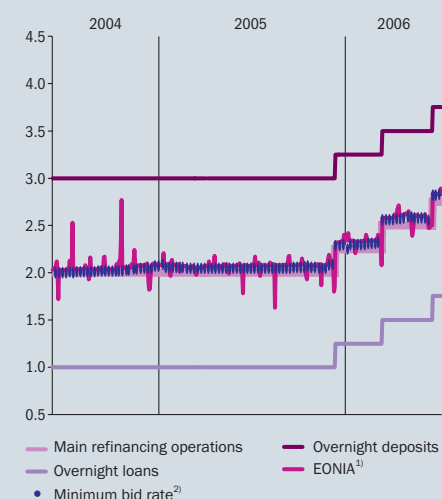
According to the second Eurostat estimate, the euro area economy expanded in the first quarter of 2006 by 0.6% compared with the previous quarter, while growing in comparison with the same quarter of 2005 by 2.0%. Final household consumption increased in the first quarter of 2006 by 0.6% (in the fourth quarter of 2005 by 0.2%) and investment grew by 0.9% (in the previous quarter by 0.1%). Exports increased by 3.8% (compared with 0.7% in the fourth quarter of 2005) and imports grew by 2.9% (in the previous quarter by 1.3%). In the fourth quarter of 2005, euro area GDP grew by 0.3%.

The 12-month inflation rate in the euro area, expressed in terms of the Harmonised Index of Consumer Prices (HICP), rose to 2.5% in May, from 2.4% in the previous month. The strongest year-on-year dynamics were recorded in consumer prices in Spain (4.1%), Luxembourg (3.6%), and Greece (3.3%). The steepest year-on-year increases took place in prices for dwelling (5.7%) and transport (5.2%). Price levels fell in telecommunications (by 3.4%), recreation and culture (by 0.4%). In the same period a year earlier, consumer prices in the euro area rose by 2.0%. Eurostat foresees a year-on-year inflation rate of 2.5% in June.

Industrial producer prices increased year-on-year by 6.0% and month-on-month by 0.3% in May.

Retail sales grew on a year-on-year basis by 0.8% in May, while declining in comparison with the previous month by 0.6%.

**Chart 27 Key ECB Interest Rates and the EONIA (%)**



Source: ECB.

1) Euro OverNight Index Average (EONIA) – overnight reference rate of commercial banks operating in the euro area.

2) Minimum bid rate – the lowest rate accepted at a variable rate tender (the average value of minimum bid rates during the reserve maintenance period is used as the rate of interest on reserves).

**Chart 28 Exchange Rates: SKK/EUR and USD/EUR**



Source: NBS and ECB.



The rate of unemployment (seasonally adjusted) fell in comparison with the previous month, to 7.9% in May. The lowest unemployment rates were achieved in the Netherlands (3.9%), Ireland (4.3%), and Luxembourg (4.7%). The highest unemployment rates within the euro area were recorded in Greece (9.6% in the fourth quarter of 2005) and France (8.8%). In relative terms, the steepest increase in the year-on-year unemployment rate occurred in Luxembourg (from 4.5% to 4.7%). In the same period a year earlier, the unemployment rate in the euro area stood at 8.8%.

According to the first Eurostat estimate, foreign trade in the euro area resulted in a deficit of EUR 2.0 billion in April, compared with a surplus of EUR 1.6 billion in the same period a year earlier. Compared with the previous month, euro area exports (seasonally adjusted) increased in April by 1.6%, while imports grew by 2.0%.



### 3 Methodological Notes to Selected Indicators

#### 3.1 Statistics of Monetary Aggregates (ECB Methodology)

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

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

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

**Table 30 Calculation of Monetary Aggregates According to NBS and ECB Methodologies**

Methodology of the NBS	Methodology of the ECB <i>(the items are included in the individual sub-aggregates in both Slovak koruna and foreign currency)</i>
CURRENCY OUTSIDE BANKS [M0]	currency in circulation [M0]
+	+
DEMAND DEPOSITS (in SKK)	overnight deposits and received loans
= <b>Money (M1 – 'narrow money')</b>	= <b>M1 ('narrow money')</b>
TIME DEPOSITS (all maturities, in SKK)	+ deposits and received loans with an agreed maturity of up to 2 years
+	+ deposits and received loans redeemable at a period of notice of up to 3 months
FOREIGN CURRENCY DEPOSITS	= <b>M2 ('intermediate money')</b>
= QUASH-MONEY [QM - 'quasi money']	+ repurchase operations
	+ money market fund shares/units
	+ debt securities with a maturity of up to 2 years, and other money market products
<b>M2 MONEY MARKET (=M1+QM)</b>	<b>M3 MONETARY AGGREGATE ('broad money')</b>

**The main differences between the individual methodologies are as follows:**

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

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

funds (MMFs) in commercial banks are treated in this sense as interbank operations and are not directly included in the monetary aggregates;

- the NBS methodology includes only NBS and commercial bank liabilities in the monetary aggregates - hence the deposits of money market funds (MMFs) in commercial banks appear in the balance sheets of commercial banks as customer deposits of financial institutions and are directly included in the M2 money supply;
- **in the nature and liquidity of the resources:**
  - the ECB methodology monitors liquidity through the broader M3 aggregate, which also includes repo operations, the unit certificates of open-end money market investment funds, and debt securities, which represent, in terms of liquidity and profitability, a substitute for bank deposits (with regard to maturity, ECB liabilities with a maturity of over 2 years are not included in the monetary aggregates);
  - the NBS methodology monitors the money supply measured in terms of the M2 aggregate, which is composed of currency in circulation and bank deposits irrespective of the time of maturity;
- **in the definitions of deposits and loans:**
  - the ECB methodology extends the definition of deposits to include also subordinated debt in the form of deposits, liabilities arising from repo operations, and non-negotiable securities issued by banks and held by clients (in the case of loans, they also include non-marketable securities issued by clients and held by banks, subordinated debt in the form of loans, receivables in respect of repo operations, and tradable loans);
  - the NBS methodology uses a so-called 'narrow definition' for both loans and deposits, i.e. they only correspond to the amount of funds recorded by MFIs as loans (including classified loans) and deposits;
- **in the structure of monetary aggregates by sector:**
  - the ECB methodology (with the deposits of MMFs being deducted from customer deposits) covers the above sectors, as well as the deposits of local government (S.1313) and social insurance funds (S.1314)<sup>5</sup>;
  - the NBS methodology includes deposits in the M2 money supply from the following economic sectors:
    - *non-financial corporations (S.11);*
    - *financial corporations (S.123 and S.124) – including MMF deposits;*
    - *insurance companies and pension funds (S.125);*
    - *non-profit institutions mainly serving households (S.15);*
    - *households (S.14 - sole traders);*
    - *households (S.14 - accounts of citizens).*
- **in respect of the residence of economic entities:**
  - the ECB methodology exclusively takes into account the funds of residents (in Slovak koruna as well as foreign currency);
  - the NBS methodology also monitors the koruna deposits of non-residents as part of the monetary aggregates;
- **in respect of accrued assets and liabilities:**
  - in the ECB methodology, accrued assets and liabilities are excluded from the monetary aggregates;
  - in the NBS methodology, accrued assets and liabilities are included in the deposit and loan accounts of clients;
- **in respect of the seasonal adjustment of time series:**
  - unlike the ECB methodology, the NBS methodology uses seasonally unadjusted data<sup>6</sup>.

### 3.2 Statistics of Monetary Aggregates (NBS methodology - Monetary Survey)

In 2005, the National Bank of Slovakia completed the harmonisation process in developing a methodology for monitoring and recording monetary aggregates according to the methodology of the European Central Bank (ECB). Over a temporary period in 2005, the NBS used both the national

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

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



methodology and that of the ECB in evaluating the development of monetary aggregates, while placing greater emphasis on ECB methodology in relation to the M3 aggregate and its counterparts.

As from February, i.e. the expiration of the one-year temporary period, the NBS publishes reports on monetary aggregates exclusively according to the ECB methodology.

### 3.3 Statistics of Customer Interest Rates on New Contracts (ECB Methodology)

As of the beginning of 2005, customer interest rates are evaluated according to ECB methodology, where interest rates are monitored on loans granted<sup>7</sup> and deposits received (new contracts). According to this methodology, the subjects of monitoring are interest rates on new business volumes. New loans and new deposits are understood to be contracts signed for the first time, fixing the rate of interest agreed between the bank and the customer, and new contracts negotiated with the active participation of the customer.

In a breakdown by sector, lending and deposit rates for households and non-financial corporations are assessed in the way these sectors are defined in Directive No. 63/2002<sup>8</sup> of the European Central Bank, concerning interest rate statistics.

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

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

Loans to households are classified by purpose as follows:

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

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

- current account overdrafts
- investment loans
- operating loans
- loans for house purchase
  - mortgage loans
  - building loans
  - intermediate loans
  - other loans for house purchase
- other loans.

<sup>7</sup> The term 'granted loans' is an equivalent of the term 'new loan'.

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

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

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

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

Subsidies granted to clients by third parties are not taken into account in determining the level of interest rates, because banks neither pay nor receive subsidies. For example, interest rates on mortgage loans with government bonuses are recorded without the state subsidies.

### 3.4 Classification of Loans According to Quality

#### Year 2005<sup>9</sup>

For statistical purposes, loans were classified into the following categories:

- a) standard loans;
- b) standard loans with qualification;
- c) non-standard loans;
- d) doubtful loans;
- e) loss-making loans;
- f) unclassified loans
  - 1. up to 30 days overdue,
  - 2. 31 to 90 days overdue,
  - 3. 91 to 180 days overdue,
  - 4. 181 to 360 days overdue,
  - 5. more than 360 days overdue.

According to NBS Decree No. 13/2004 of 26 November 2004 on the classification of assets and liabilities of banks and branches of foreign banks, adjustment of their valuation, formation and dissolution of reserves, and related reporting (hereinafter referred to as 'NBS Decree'), claims were classified as follows:

Standard claims – defined as claims where:

- repayment is up to 30 days overdue, the debtor meets his other commitments pursuant to the contract, and an analysis of the debtor's economic situation indicates that the claim will be repaid in full and on time;

Standard claims with qualification – defined as claims where:

- repayment is more than 30, but not more than 90 days overdue;
- the debtor fails to meet another commitment arising from the contract, for example he fails to provide information as required under the contract, or based on an analysis of the debtor's economic situation a loss is expected for the bank as a result of overdue repayment;
- provisions are created in the amount of at least 1%, but less than 20%, of the unsecured value of a standard claim with qualification.

<sup>9</sup> Until 2004, claims had been classified as standard loans, standard loans with qualification, non-standard loans, doubtful loans, and loss-making loans.



Non-standard claims – defined as claims where:

- repayment is more than 90, but not more than 180 days overdue;
- the debtor is in liquidation;
- the claim arises from the realisation of a guarantee provided for the debtor, or based on an analysis of the debtor's economic situation it is assumed that the claim will in large part be repaid;
- provisions are created in the amount of at least 20%, but less than 50%, of the unsecured value of the non-standard claim concerned.

Doubtful claims – defined as claims where:

- repayment is more than 180, but not more than 360 days overdue;
- the debtor is undergoing composition proceedings;
- a bankruptcy petition is filed and a temporary conservator is appointed for the debtor's property, or based on an analysis of the debtor's economic situation it is assumed that only a smaller part of the claim will be repaid;
- provisions are created in the amount of at least 50%, but less than 95%, of the unsecured value of the doubtful claim.

Loss-making claims – defined as claims where:

- repayment is more than 360 days overdue;
- a bankruptcy petition for the debtor's property is rejected for lack of assets;
- bankruptcy is declared for the debtor's property;
- bankruptcy proceedings for the debtor's property are terminated, since there are not enough assets to cover the costs of bankruptcy proceedings;
- this is a claim against a person with a special relationship to the bank, or a person having control over the bank, and repayment of the claim is more than 90 days overdue, or an analysis of the debtor's economic situation indicates that the claim will not be repaid, even in part;
- provisions are created for 100% of the unsecured value of the loss-making claim concerned.

Unclassified loans were defined as loans in the portfolio of claims created according to Article 8 of the NBS Decree.

### **Year 2006**

With effect from January 2006, a new NBS decree is in force: Decree No. 7/2005 of 6 December 2005, amending NBS Decree No. 13/2004 on the classification of assets and liabilities of banks and branches of foreign banks, adjustment of their valuation, formation and dissolution of reserves, and related reporting. The new decree has substantially modified the classification of loans according to quality.

On the basis of changes in accounting practices for banks according to international accounting standards, the method of valuation of financial assets has been modified, while the amendment to NBS Decree No. 13/2004 has changed the regulation function to verification function (for the valuation of selected types of assets) with effect from 1 January 2006.

### **Selected financial assets are classified for the purposes of banking supervision as follows:**

Claims valued **on an individual basis** vis-à-vis corporate entities:

- claims with no identifiable depreciation;
- claims with reduced value:
  - depreciated by not more than 20%;
  - depreciated by more than 20%, but no more than 50%;
  - depreciated by more than 50%, but no more than 95%;
  - depreciated by more than 95%;
- failed claims.

Claims valued **on a portfolio basis** vis-à-vis corporate entities:

- significant and
- insignificant.



**For statistical purposes, the individual claims are categorised as follows:**

Category I covers property valued *on an individual basis with no identifiable depreciation*.

Category II covers property valued *on a portfolio basis (with no identifiable depreciation on an individual basis)*.

Category III covers property valued *on an individual basis with identifiable depreciation*.

**Failed claims** are defined as assets where a more than 50% drop in value is identified by the bank or where repayment by the debtor is more than 90 days overdue.

For interest rate statistics according to the harmonised methodology, loans are reported to the ECB without the 'failed claims' category, where the so-called 'bad loans' are included.



## 4. Tables

## Selected Indicators of Economic and Monetary Development in the SR

	Unit	2005							2006					
		6	7	8	9	10	11	12	1	2	3	4	5	6
REAL ECONOMY														
Gross domestic product <sup>1) 2)</sup>	SKK billions	568.382 <sup>(p)</sup>	-	-	873.574 <sup>(p)</sup>	-	-	1178.802 <sup>(p)</sup>	-	-	288.649 <sup>(p)</sup>	-	-	.
Year-on-year change in GDP <sup>3)</sup>	%	5.4 <sup>(p)</sup>	-	-	6.3 <sup>(p)</sup>	-	-	7.4 <sup>(p)</sup>	-	-	6.3 <sup>(p)</sup>	-	-	.
Unemployment rate <sup>4) 11)</sup>	%	11.1	11.0	10.9	11.2	10.93	10.86	11.36	11.82	11.66	11.42	11.04	10.56	.
Consumer prices (CPI) <sup>3) 10)</sup>	%	2.5	2.0	2.1	2.3	3.5	3.6	3.9	4.1	4.3	4.3	4.4	4.8	4.5
Consumer prices (HICP) <sup>3)</sup>	%	2.5	2.0	2.0	2.2	3.3	3.4	3.7	4.1	4.4	4.5	4.5	4.8	4.6
BALANCE OF TRADE <sup>2) 9) (p)</sup>														
Exports (fob)	SKK millions	461,260	539,510	620,666	713,795	810,522	911,278	993,516	81,450	166,587	267,684	356,102	458,456	.
Imports (fob)	SKK millions	492,762	575,678	657,294	752,978	856,352	960,948	1,069,517	90,137	185,386	291,415	389,744	499,904	.
Balance	SKK millions	-31,502	-36,168	-36,628	-39,183	-45,830	-49,670	-76,001	-8,687	-18,799	-23,731	-33,642	-41448	.
BALANCE OF PAYMENTS <sup>2)</sup>														
Current account <sup>9)</sup>	SKK millions	-50,534.8	-57,770.1	-61,288.0	-68,149.7	-75,307.3	-82,956.3	-126,131.6	-11,059.40	-18,719.80	-27,900.60	-38,173.90	.	.
Capital and financial account	SKK millions	110,055.7	125,453.6	136,623.9	137,017.2	128,023.0	138,502.2	176,681.1	3,090.9	-622.7	39,672.9	44,616.6	.	.
Overall balance	SKK millions	68,604.4	69,749.5	72,413.9	73,364.9	65,142.8	69,368.0	71,442.4	-143.4	795.9	25,114.2	26,100.5	.	.
FOREIGN EXCHANGE RESERVES <sup>4) 6)</sup>														
Total foreign exchange reserves	USD millions	17,165.7	17,314.7	17,434.8	17,349.5	16,998.0	16,876.3	17,010.6	17,063.7	16,767.9	17,798.4	18,509.9	18,951.6	17,977.10
NBS foreign exchange reserves	USD millions	15,590.0	15,687.0	15,915.6	15,835.6	15,647.8	15,438.4	15,479.5	15,754.6	15,454.6	16,521.3	16,924.6	16,924.6	16,128.90
GROSS EXTERNAL DEBT <sup>4) 7)</sup>														
Total gross external debt	USD billions	26.2	25.9	26.6	26.5	26.1	26.2	26.9	27.9	26.9	28.5	28.9	.	.
External debt per capita	USD	4,876	4,817	4,937	4,933	4,852	4,879	5,000	5191	5002	5303	5371	.	.
MONETARY INDICATORS														
Exchange rate <sup>5)</sup>	SKK/USD	31.641	32.22	31.494	31.354	32.357	32.808	31.932	31.029	31.298	31.186	30.535	29.461	30.054
M3 monetary aggregate <sup>4) 10)</sup>	SKK billions	774.3	779.7	785.8	792.0	800.4	798.4	831.4	835.2	844.3	851.0	860.8	851.2	.
Year-on-year change in M3 <sup>3)</sup>	%	9.6	8.9	8.0	7.3	7.6	6.3	7.8	9.9	10.5	11.7	10.7	10.5	.
Claims of monetary financial institutions <sup>10)</sup>	SKK billions	724.7	729.7	736.9	753.5	769.0	778.3	795.4	769.2	780.8	794.5	800.0	822.2	.
STATE BUDGET <sup>2) 4)</sup>														
Revenue	SKK billions	126.4	154.2	170.5	188.6	214.4	233.7	258.7	32.8	50.4	71.8	95.8	112.1	138.0
Expenditure	SKK billions	127.6	152.3	175.6	196.7	219.5	241.3	292.6	20.7	44.1	71.7	95.6	123.8	148.3
Balance	SKK billions	-1.1	1.9	-5.1	-8.1	-5.1	-7.6	-33.9	12.1	6.3	0.1	0.2	-11.7	-10.3
MONEY MARKET														
Interest rates set by the NBS Bank Board														
Date of maturity <sup>6)</sup>		1.3.2005	1.3.2005	1.3.2005	1.3.2005	1.3.2005	1.3.2005	1.3.2005	1.3.2005	1.3.2005	1.3.2006	1.3.2006	1.3.2006	1.3.2006
Overnight operations														
- sterilisation	%	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.50	2.50	3.00	3.00
- refinancing	%	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.50	4.50	5.00	5.00
Limit rate for 2-week repo tenders	%	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.50	3.50	4.00	4.00
Basic interest rate of the NBS (until 31/12/02: discount rate)	%	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.50	3.50	4.00	4.00
Average interbank deposit rate (BRIBOR)														
overnight	%	2.77	2.53	2.99	2.71	2.55	2.37	2.80	2.75	2.74	3.10	3.34	3.00	4.51
7-day	%	2.93	2.88	2.99	2.91	2.93	2.89	2.94	2.98	2.95	3.44	3.47	3.39	4.17
14-day	%	2.96	2.94	3.01	2.96	2.98	2.98	2.98	3.02	3.02	3.49	3.51	3.49	4.11
1-month	%	2.93	2.95	3.00	2.99	3.01	3.05	3.02	3.03	3.16	3.57	3.59	3.69	4.11
2-month	%	2.90	2.92	2.99	2.98	3.01	3.11	3.06	3.10	3.27	3.66	3.72	3.85	4.14
3-month	%	2.88	2.89	2.94	2.93	3.03	3.19	3.12	3.17	3.34	3.75	3.86	3.96	4.20
6-month	%	2.79	2.83	2.91	2.90	3.04	3.35	3.24	3.26	3.45	3.88	4.06	4.19	4.45
9-month	%	2.74	2.79	2.87	2.86	3.05	3.44	3.29	3.34	3.52	3.98	4.21	4.38	4.62
12-month	%	2.71	2.77	2.85	2.85	3.07	3.52	3.34	3.39	3.58	4.06	4.28	4.49	4.71

1) Constant prices, average for 1995.

2) Cumulative since the beginning of the year.

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

4) End-of-period figures.

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

6) Methodological change with effect from 1 January 2002.

7) Methodological change with effect from 1 January 1999.

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

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

10) According to the methodology of the ECB.

11) Registered unemployment.

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



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

	Share of the total (in %) <sup>1)</sup>	Volume (SKK billions)												
		2005								2006				
		5	6	7	8	9	10	11	12	1	2	3	4	5
Claims of MFIs on residents	38.4	457.2	467.7	478.9	486.9	500.4	511.1	519.2	534.7	540.7	545.5	556.1	561.7	578.1
General government	1.6	23.8	22.8	23.3	23.7	25.7	26.2	26.5	27.9	27.8	27.3	26.2	23.8	23.7
Private sector	36.8	433.4	444.9	455.6	463.3	474.7	484.9	492.7	506.8	512.9	518.2	529.8	538.0	554.4
Non-financial corporations	19.4	244.6	249.5	253.4	255.5	260.7	263.5	266.5	271.4	276.0	277.6	281.9	284.2	292.2
– up to 1 year	8.5	107.6	109.1	110.4	112.3	113.3	111.9	115.3	117.3	120.2	119.5	118.8	119.0	127.6
– 1 to 5 years	3.9	53.8	54.3	54.5	53.5	53.7	54.1	52.9	52.0	52.3	52.2	55.2	55.1	58.6
– over 5 years	7.0	83.2	86.1	88.5	89.6	93.7	97.6	98.3	102.1	103.5	105.9	108.0	110.1	106.0
Financial corporations	4.0	43.6	44.3	46.7	47.0	48.1	50.5	51.1	55.0	53.0	54.2	56.3	57.3	59.7
Insurance corporations and pension funds	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Households and non-profit institutions serving households	13.5	145.2	151.0	155.5	160.7	165.8	170.8	175.1	181.0	183.8	186.3	191.6	196.5	202.5
– consumer loans	2.1	21.8	22.7	23.4	24.4	24.8	24.7	25.0	24.8	29.7	29.8	31.0	31.4	32.1
– housing loans	8.8	96.0	99.7	102.6	106.4	109.5	112.4	115.0	118.9	120.2	122.4	125.6	128.5	132.1
– other loans	2.5	27.5	28.6	29.4	29.9	31.5	33.7	35.2	37.3	34.0	34.0	35.0	36.5	38.3
Securities other than shares and participation certificates issued by residents	15.8	251.9	250.8	244.5	243.7	246.8	251.5	253.0	254.6	222.6	229.5	232.6	232.5	238.3
General government	15.3	239.4	238.3	232.1	231.4	234.4	239.1	243.6	245.6	214.0	221.0	223.8	223.8	229.6
Private sector	0.6	12.5	12.5	12.3	12.3	12.5	12.4	9.4	9.0	8.7	8.5	8.9	8.7	8.8
Shares and other equities issued by private sector	0.4	5.4	6.2	6.3	6.3	6.3	6.3	6.2	6.1	5.8	5.8	5.8	5.8	5.7
Foreign assets	40.5	592.8	590.5	602.2	602.4	605.0	596.0	585.4	589.7	578.3	573.0	598.7	597.7	608.6
Fixed assets	2.2	34.5	34.5	33.6	33.8	33.9	33.6	33.6	34.4	33.6	33.4	33.4	33.2	33.1
Other assets	2.7	45.3	45.8	45.9	42.3	44.1	45.5	46.3	41.4	37.3	36.6	36.0	38.9	40.7
Deposits and loans received from the central government	7.2	73.4	84.1	84.6	78.5	77.3	85.1	92.9	61.3	39.9	47.3	79.5	104.5	107.6
Long-term financial liabilities	12.2	191.7	189.1	199.6	195.7	200.0	199.7	192.5	193.3	182.7	186.1	192.0	182.1	183.0
Deposits and loans received with an agreed maturity of over 2 years	4.0	52.2	52.9	52.5	53.3	53.3	53.1	53.8	57.5	57.5	59.5	59.8	60.4	60.5
Deposits redeemable at a period of notice of over 3 months	1.8	29.1	28.8	28.6	28.2	28.0	27.8	27.7	27.8	27.5	27.2	26.9	26.6	26.4
Debt securities issued with a maturity of over 2 years	1.5	13.3	13.3	14.1	14.4	15.1	13.2	18.3	17.6	18.7	18.8	21.2	21.7	21.9
Capital, reserves, and provisions	4.9	97.1	94.1	104.3	99.8	103.6	105.6	92.8	90.4	78.9	80.6	84.0	73.4	74.3
Foreign liabilities	20.4	297.4	296.3	298.0	308.0	319.4	310.9	308.2	328.0	318.5	307.2	301.5	279.3	306.3
Other liabilities	3.8	53.8	51.4	49.4	47.6	48.0	48.3	56.6	46.8	54.2	49.7	48.4	53.8	56.6
Surplus of liabilities among MFIs	0.0	0.3	0.2	0.2	-0.1	-0.1	-0.3	-5.1	0.0	-1.8	-0.2	0.5	-0.2	-0.1
M3	56.6	770.5	774.3	779.7	785.8	792.0	800.4	798.4	831.4	824.9	833.9	840.7	850.2	851.2
<b>Total</b>	100.0	1,387.0	1,395.5	1,411.4	1,415.4	1,436.5	1,444.1	1,443.6	1,460.8	1,418.3	1,423.9	1,462.5	1,469.8	1,504.6

1) In the current month.



## Average Interest Rates on New Loans

(ECB methodology)

(%)

	2005								2006				
	5	6	7	8	9	10	11	12	1	2	3	4	5
<b>Loans in total<sup>1)</sup></b>	6.39	6.23	6.22	6.19	5.93	6.35	6.14	5.78	6.32	6.50	6.87	7.11	6.99
Current account overdrafts	6.80	6.72	6.52	6.46	6.37	6.58	6.45	6.17	6.25	6.50	6.96	7.12	7.12
Operation loans	3.92	3.99	3.67	3.77	3.55	3.94	3.77	3.82	3.99	4.47	4.28	4.61	4.32
Investment loans	5.24	4.27	4.92	5.29	4.22	4.80	5.61	4.64	5.07	5.21	5.78	5.54	5.75
Consumer loans	11.85	11.56	10.56	10.25	11.30	12.47	12.03	11.89	12.72	13.54	11.91	11.64	12.82
Real estate loans	6.10	5.81	5.88	5.81	5.61	5.49	5.36	5.32	5.47	5.43	5.54	5.70	5.83
of which:													
Mortgage loans	5.34	5.07	4.88	4.82	4.82	4.84	4.87	4.92	4.99	4.91	4.92	5.01	5.20
Construction loans	5.27	5.12	5.18	5.15	5.07	5.26	5.01	5.05	5.07	5.07	5.05	5.21	5.09
Intermediate loans	6.62	6.50	6.54	6.47	6.37	6.24	6.16	6.31	6.26	6.49	6.63	6.71	6.66
Other real estate loans	6.64	6.66	6.50	6.37	6.03	5.63	5.45	5.29	5.47	5.34	5.35	5.54	5.83
Other loans	5.52	5.93	6.68	6.24	5.10	5.56	4.75	5.92	4.20	5.22	5.40	5.65	5.55
Floating rate + IRF for up to 1 year incl.	6.25	6.23	6.16	6.18	6.01	6.34	6.18	5.77	6.28	6.46	6.84	7.14	6.97
IRF for over 1 year and up to 5 years incl.	9.87	7.62	7.81	6.76	5.82	7.04	5.54	6.38	7.36	7.80	7.32	6.61	7.38
IRF for over 5 years and up to 10 years incl.	6.33	5.79	6.25	6.48	6.12	6.22	6.27	6.41	6.59	7.30	7.51	7.24	7.34
IRF for over 10 years	5.61	4.32	4.92	5.50	3.98	5.06	4.98	4.24	6.04	6.09	6.23	6.35	6.63
<b>Households</b>													
Loans in total	9.83	9.30	9.58	9.58	9.62	9.77	9.80	9.73	10.49	11.42	11.24	11.27	11.18
Current account overdrafts	11.05	10.95	10.92	10.94	10.83	11.04	11.00	10.93	10.64	12.15	12.40	12.37	12.55
Operation loans	7.28	6.35	7.70	5.80	7.26	6.54	6.18	5.99	5.84	6.35	6.63	6.51	6.50
Investment loans	6.66	6.60	6.59	6.08	6.00	5.83	5.91	5.87	5.65	6.31	6.25	6.27	6.44
Consumer loans	11.99	11.63	10.81	10.31	11.30	12.47	12.03	11.89	12.72	13.55	11.91	11.64	12.82
Real estate loans	6.19	5.83	5.89	5.83	5.63	5.49	5.36	5.32	5.47	5.43	5.54	5.70	5.82
of which:													
Mortgage loans	5.34	5.06	4.88	4.83	4.83	4.83	4.87	4.91	4.98	4.90	4.91	5.00	5.20
Construction loans	5.27	5.12	5.18	5.15	5.07	5.26	5.01	5.05	5.07	5.07	5.05	5.21	5.09
Intermediate loans	6.62	6.51	6.56	6.50	6.41	6.25	6.18	6.31	6.27	6.50	6.64	6.73	6.69
Other real estate loans	6.93	6.80	6.58	6.38	6.05	5.67	5.45	5.29	5.47	5.33	5.34	5.53	5.82
Other loans	9.56	9.48	9.70	11.38	9.53	8.88	9.60	10.38	6.45	6.07	6.18	6.32	6.35
Credit cards	-	-	-	-	-	-	-	-	16.10	16.09	16.22	16.58	15.88
Floating rate + IRF for up to 1 year incl.	9.85	9.48	9.95	10.00	10.04	10.09	10.05	9.90	10.70	11.71	11.71	11.92	11.84
IRF for over 1 year and up to 5 years incl.	12.46	11.73	10.29	9.48	9.14	8.35	8.86	9.09	9.25	9.19	8.14	7.70	7.82
IRF for over 5 years and up to 10 years incl.	6.54	6.39	6.56	6.67	6.60	6.87	7.00	7.08	7.12	7.91	8.49	7.67	7.65
IRF for over 10 years	5.70	4.98	4.69	5.06	4.92	5.81	5.73	6.26	6.26	7.20	6.91	6.73	6.69
<b>Non-financial corporations</b>													
Loans in total	4.92	5.00	4.88	4.94	4.68	5.02	4.93	4.81	5.00	5.03	5.40	5.52	5.54
Current account overdrafts	5.16	5.39	5.09	5.02	4.96	5.18	5.12	4.93	5.17	5.09	5.47	5.60	5.64
Operation loans	3.87	3.82	3.47	3.85	3.22	3.91	3.69	3.67	3.98	4.49	4.64	4.51	4.67
Investment loans	5.03	4.14	4.71	5.36	4.12	4.69	5.73	4.90	4.95	5.02	5.71	5.70	5.67
Real estate loans	4.59	5.43	6.19	5.13	5.43	5.49	5.55	5.48	5.56	5.56	5.67	5.99	5.93
Other loans	4.21	4.35	6.21	4.95	4.25	4.10	3.48	5.48	3.87	5.11	5.16	5.63	5.30
Credit cards	-	-	-	-	-	-	-	-	12.36	13.26	13.83	14.29	13.92
Loans up 1 million EUR	4.75	4.72	4.43	4.96	4.91	4.94	4.91	5.20	4.93	5.21	5.52	5.34	5.72
Loans over 1 million EUR	3.93	3.65	4.11	4.35	3.40	3.85	3.88	4.28	3.91	4.27	4.58	4.95	4.71
Floating rate + IRF for up to 1 year incl.	4.91	5.03	4.82	4.91	4.72	5.01	4.99	4.79	5.00	5.03	5.39	5.51	5.54
IRF for over 1 year and up to 5 years incl.	5.59	4.78	6.44	5.15	5.18	5.04	3.15	4.46	4.87	4.69	5.74	5.67	5.71
IRF for over 5 years and up to 10 years incl.	5.54	4.91	5.35	5.39	5.01	5.22	5.24	6.12	5.55	4.78	5.56	5.67	5.80
IRF for over 10 years	4.34	3.80	4.78	5.76	3.57	4.83	4.14	4.20	5.09	5.56	5.52	6.07	6.34

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

Note: IRF – initial rate fixation.



# Average Interest Rates on New Deposits

(ECB methodology)

(%)

	2005								2006				
	5	6	7	8	9	10	11	12	1	2	3	4	5
<b>Deposits in total <sup>1)</sup></b>	1.35	1.41	1.38	1.40	1.36	1.41	1.42	1.29	1.52	1.24	1.59	1.67	1.66
Deposits payable on demand	0.62	0.69	0.60	0.58	0.57	0.65	0.64	0.57	0.95	0.58	0.66	0.74	0.82
of which: demand deposits	0.48	0.49	0.47	0.48	0.49	0.51	0.51	0.46	0.65	0.45	0.52	0.60	0.63
overnight deposits	1.48	2.01	1.79	1.66	1.71	2.09	1.77	1.70	3.19	1.46	2.23	2.64	2.55
Deposits with agreed maturity <sup>2)</sup>	2.62	2.66	2.58	2.60	2.56	2.56	2.55	2.55	2.40	2.51	3.02	3.05	3.12
– up to 1 year in total	2.62	2.65	2.58	2.59	2.56	2.56	2.55	2.55	2.41	2.52	3.02	3.06	3.13
– up to 7 days	2.48	2.26	2.01	2.10	2.09	2.07	2.03	2.17	2.54	2.12	2.78	2.73	2.64
– up to 1 month	2.74	2.77	2.76	2.75	2.73	2.70	2.68	2.73	2.64	2.66	3.17	3.21	3.27
– up to 3 months	1.97	1.91	1.94	1.91	1.89	1.77	1.81	1.80	1.97	1.97	2.15	2.14	2.56
– up to 6 months	2.03	2.01	1.77	1.90	1.86	1.75	1.78	1.69	1.86	1.83	2.10	2.13	2.64
– up to 1 year	1.98	2.14	2.20	2.27	1.89	1.80	1.84	1.93	-	1.71	1.88	2.12	2.53
– over 1 year in total	2.65	4.62	2.71	2.72	2.06	1.54	1.29	1.68	0.99	0.88	1.87	0.83	1.51
– up to 2 years	1.92	1.54	1.87	1.52	1.52	1.74	1.69	0.97	2.07	2.33	3.58	2.25	2.04
– over 2 years	2.77	4.64	2.76	2.72	2.08	1.54	1.28	1.74	0.94	0.86	1.68	0.80	1.45
Savings deposits	0.93	0.94	0.95	0.97	0.99	1.00	1.02	1.05	1.07	1.10	1.16	1.19	1.21
– redeemable at a period of notice of up to 3 months	0.97	0.95	0.93	0.93	0.93	0.94	0.94	0.96	0.97	0.97	1.05	1.06	1.07
– redeemable at a period of notice of over 3 months	0.90	0.94	0.97	0.99	1.01	1.04	1.06	1.10	1.13	1.17	1.22	1.25	1.28
<b>Households</b>													
Deposits in total	0.66	0.67	0.66	0.68	0.70	0.71	0.71	0.71	0.80	0.69	0.79	0.81	0.86
Deposits payable on demand	0.43	0.43	0.42	0.43	0.42	0.42	0.42	0.41	0.54	0.38	0.44	0.42	0.45
of which: demand deposits	0.42	0.42	0.41	0.42	0.41	0.41	0.41	0.40	0.51	0.37	0.42	0.41	0.43
overnight deposits	1.10	1.45	1.21	1.15	1.13	1.50	1.19	1.16	2.90	1.42	1.89	2.14	2.35
Deposits with agreed maturity	1.95	2.02	1.95	2.01	2.00	1.92	1.90	1.90	1.80	1.76	2.02	2.13	2.55
– up to 1 year in total	1.94	2.02	1.95	2.00	2.00	1.93	1.91	1.90	1.83	1.79	2.02	2.17	2.57
– up to 7 days	1.56	1.83	1.59	1.69	1.69	1.74	1.68	1.69	2.16	1.84	2.24	2.33	2.38
– up to 1 month	2.06	2.16	2.14	2.14	2.13	1.99	1.99	2.00	1.78	1.77	1.99	2.14	2.62
– up to 3 months	1.78	1.76	1.73	1.72	1.71	1.60	1.60	1.57	1.44	1.59	1.73	1.85	2.33
– up to 6 months	1.62	1.73	1.67	1.69	1.71	1.60	1.70	1.39	1.69	1.59	1.90	1.99	2.43
– up to 1 year	1.83	1.90	1.91	1.73	1.81	1.60	1.60	1.60	1.61	1.56	1.73	1.97	2.37
– long-term over 1 year	2.29	2.03	2.12	2.13	2.06	1.55	1.26	1.75	0.98	0.88	1.70	0.83	1.50
– up to 2 years	1.59	1.54	1.53	1.52	1.54	1.74	1.70	0.97	2.08	2.33	2.34	2.35	2.00
– over 2 years	2.33	2.05	2.14	2.14	2.08	1.55	1.26	1.79	0.96	0.87	1.69	0.82	1.47
Savings deposits	0.93	0.94	0.95	0.97	0.98	1.00	1.02	1.05	1.07	1.10	1.16	1.18	1.21
– redeemable at a period of notice of up to 3 months	0.97	0.95	0.92	0.93	0.93	0.93	0.93	0.96	0.96	0.96	1.04	1.05	1.06
– redeemable at a period of notice of over 3 months	0.90	0.94	0.96	0.99	1.01	1.04	1.06	1.10	1.13	1.17	1.22	1.25	1.28
<b>Non-financial corporations</b>													
Deposits in total	1.58	1.55	1.45	1.52	1.48	1.56	1.59	1.40	1.85	1.47	1.87	2.03	1.95
Deposits payable on demand	0.76	0.89	0.69	0.71	0.72	0.81	0.81	0.64	1.23	0.70	0.87	0.95	1.05
of which: demand deposits	0.50	0.55	0.52	0.52	0.55	0.62	0.62	0.47	0.79	0.49	0.58	0.71	0.73
overnight deposits	1.68	2.07	1.76	1.69	1.72	2.05	1.80	1.67	3.29	1.69	2.23	2.62	2.64
Deposits with agreed maturity	2.60	2.57	2.43	2.53	2.46	2.50	2.57	2.55	2.73	2.58	3.16	3.16	3.15
– up to 1 year in total	2.39	2.44	2.31	2.37	2.33	2.42	2.42	2.38	2.73	2.58	3.16	3.16	3.15
– up to 7 days	2.45	2.29	2.04	2.18	2.14	2.09	2.12	2.02	2.54	2.15	2.56	2.80	2.63
– up to 1 month	2.75	2.74	2.72	2.73	2.69	2.68	2.68	2.76	2.81	2.72	3.31	3.30	3.32
– up to 3 months	2.24	2.24	2.27	2.25	2.21	2.18	2.30	2.34	2.62	2.67	2.89	3.06	3.16
– up to 6 months	2.19	2.13	1.63	2.23	2.04	2.28	2.39	2.44	2.49	2.73	2.63	2.90	3.51
– up to 1 year	2.19	1.95	2.49	2.58	2.26	2.03	2.15	2.40	2.31	2.07	2.67	2.93	3.59
– long-term over 1 year	2.02	1.41	1.82	1.71	1.46	1.35	1.57	0.82	2.06	1.38	3.87	1.32	1.92
– up to 2 years	1.94	-	-	-	1.40	-	-	0.98	2.05	-	-	-	-
– over 2 years	2.38	1.41	1.82	1.71	2.00	1.35	1.57	0.66	2.06	1.38	-	0.94	1.42
Savings deposits	1.16	1.25	1.26	1.25	1.28	1.27	1.33	1.42	1.51	1.49	1.74	1.86	1.83
– redeemable at a period of notice of up to 3 months	1.16	1.26	1.27	1.26	1.30	1.28	1.35	1.44	1.53	1.51	1.78	1.91	1.88
– redeemable at a period of notice of over 3 months	1.12	1.12	1.12	1.12	1.12	1.12	1.12	1.12	1.15	1.17	1.17	1.17	1.16

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

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

## Volumes of New Loans and Average Lending Rates of Commercial Banks

(National methodology)

	2005								2006				
	5	6	7	8	9	10	11	12	1	2	3	4	5
<b>Loans in total <sup>1)</sup></b>	5.88	5.95	5.92	5.90	5.86	5.89	5.86	5.80	5.89	5.93	6.06	6.15	6.19
Current account overdrafts	6.73	6.68	6.47	6.40	6.37	6.54	6.44	6.14	6.19	6.55	6.97	7.12	7.10
Consumer loans	12.17	12.08	11.98	11.81	11.67	11.88	11.85	11.82	12.26	12.23	12.28	12.21	12.28
Operation loans	3.95	4.06	4.06	4.11	3.94	4.11	4.05	4.00	3.97	4.10	4.32	4.47	4.42
Investment loans	4.30	4.37	4.40	4.44	4.41	4.39	4.52	4.42	4.47	4.50	4.72	4.85	4.94
Real estate purchase loans	6.16	6.12	6.08	6.05	6.00	5.96	5.94	5.91	6.34	6.25	6.20	6.19	6.17
Other loans	5.49	5.56	5.54	5.60	5.68	5.78	5.54	5.79	4.81	4.82	4.95	5.12	5.24
Credit cards	19.11	19.09	19.14	19.15	19.26	19.29	19.15	19.80	16.04	15.99	16.15	16.51	16.14
Short-term loans	5.44	5.66	5.50	5.48	5.42	5.59	5.53	5.42	5.42	5.66	5.91	6.09	6.07
Long-term loans over 1 year and up to 5 years	7.30	7.36	7.32	7.28	7.27	7.25	7.19	7.21	7.15	7.11	7.22	7.24	7.27
Long-term loans over 5 years	5.39	5.40	5.43	5.43	5.40	5.39	5.42	5.36	5.59	5.57	5.63	5.71	5.78
<b>Households</b>													
Loans in total	8.22	8.15	8.10	8.04	7.98	7.96	7.89	7.83	7.81	7.86	7.84	7.81	7.82
Current account overdrafts	10.95	10.87	10.83	10.87	10.92	11.06	11.00	10.83	10.59	12.20	12.32	12.37	12.47
Consumer loans	12.18	12.09	11.98	11.81	11.67	11.88	11.85	11.82	12.26	12.23	12.28	12.21	12.28
Real estate purchase loans	6.85	6.78	6.74	6.69	6.64	6.59	6.52	6.47	6.41	6.33	6.26	6.24	6.23
Other loans	10.48	10.60	10.58	10.81	10.61	10.13	9.92	9.76	7.36	7.20	7.04	6.95	6.95
Credit cards	19.13	19.11	19.17	19.18	19.28	19.32	19.18	19.90	16.14	16.08	16.23	16.57	16.20
Short-term loans	10.94	10.86	10.84	10.91	10.96	11.03	10.96	10.89	10.96	12.09	12.27	12.31	12.37
Long-term loans over 1 year and up to 5 years	11.07	11.04	11.05	10.99	10.96	11.01	10.96	10.91	10.84	10.78	10.87	10.80	10.83
Long-term loans over 5 years	6.17	6.14	6.13	6.10	6.08	6.06	6.03	6.01	6.46	6.38	6.34	6.34	6.34
<b>Non-financial institutions</b>													
Loans in total	4.41	4.54	4.48	4.49	4.45	4.52	4.58	4.52	4.55	4.60	4.88	5.01	5.09
Current account overdrafts	5.18	5.46	5.13	5.05	4.98	5.20	5.11	4.91	5.09	5.05	5.47	5.57	5.59
Operation loans	3.84	3.94	3.95	3.94	3.88	3.95	3.93	3.86	3.81	3.97	4.34	4.46	4.39
Investment loans	4.23	4.24	4.29	4.33	4.31	4.31	4.48	4.44	4.52	4.59	4.80	4.94	5.05
Real estate purchase loans	5.24	5.19	4.81	4.74	4.39	4.95	4.70	4.47	4.71	4.63	4.68	5.14	5.08
Other loans	4.43	4.61	4.67	4.69	4.75	4.63	4.67	4.94	4.49	4.61	4.80	4.92	5.18
Credit cards	18.54	18.35	18.02	17.55	18.11	17.98	18.00	18.27	12.36	13.26	13.83	14.29	14.31
Short-term loans	4.46	4.72	4.54	4.52	4.50	4.64	4.61	4.48	4.53	4.56	4.92	5.05	5.04
Long-term loans over 1 year and up to 5 years	4.90	4.93	4.92	4.93	4.92	4.90	4.92	4.97	4.96	4.96	5.20	5.32	5.43
Long-term loans over 5 years	4.02	4.04	4.13	4.17	4.13	4.15	4.35	4.34	4.40	4.50	4.69	4.83	4.96

1) Interest rates on loans include all sectors (i. e. non-financial institutions, households, insurance corporations, pension funds and general government)

Note: Data in this table include only performing loans according to Decree of the NBS No. 7/2005 on the classification of assets and liabilities of banks and branches of foreign banks.



## Koruna Deposits and Average Deposit Rates

(National methodology)

	2005								2006				
	5	6	7	8	9	10	11	12	1	2	3	4	5
<b>Deposits in total <sup>1)</sup></b>	1.55	1.60	1.55	1.54	1.54	1.57	1.57	1.46	1.52	1.37	1.68	1.74	1.72
Deposits payable on demand	0.62	0.69	0.60	0.58	0.57	0.65	0.64	0.57	0.92	0.59	0.66	0.74	0.80
of which: demand deposits	0.48	0.49	0.48	0.48	0.49	0.51	0.52	0.47	0.61	0.47	0.52	0.60	0.61
overnight deposits	1.48	2.01	1.79	1.66	1.71	2.09	1.77	1.70	3.20	1.46	2.22	2.64	2.55
Deposits with agreed maturity <sup>2)</sup>	2.28	2.29	2.25	2.24	2.24	2.25	2.26	2.19	2.15	2.15	2.52	2.56	2.56
– up to 1 year in total	2.14	2.18	2.13	2.15	2.15	2.19	2.21	2.16	2.02	2.03	2.49	2.55	2.55
– up to 7 days	2.25	2.06	1.86	1.76	1.83	1.89	1.94	2.03	2.53	1.78	2.80	2.49	2.49
– up to 1 month	2.30	2.39	2.39	2.42	2.41	2.45	2.48	2.45	2.37	2.41	2.89	2.96	2.95
– up to 3 months	1.62	1.60	1.61	1.60	1.56	1.54	1.47	1.44	1.42	1.55	1.71	1.82	1.98
– up to 6 months	1.61	1.44	1.29	1.22	1.21	1.20	1.18	1.30	1.39	1.49	1.61	1.76	1.93
– up to 1 year	2.13	2.07	1.98	1.90	1.86	1.83	1.71	1.68	0.80	0.79	0.79	0.87	0.97
– over 1 year in total	3.27	3.16	3.14	3.04	3.02	2.96	2.93	2.77	2.73	2.70	2.66	2.62	2.59
– up to 2 years	4.21	3.60	3.57	3.57	3.56	3.57	3.57	2.18	2.14	2.13	2.16	1.90	1.94
– over 2 years	3.05	3.05	3.04	2.91	2.90	2.82	2.78	2.78	2.00	1.96	1.74	1.71	1.64
Savings deposits	0.93	0.94	0.95	0.97	0.99	1.00	1.02	1.06	1.07	1.10	1.16	1.19	1.21
– redeemable at a period of notice of up to 3 months	0.97	0.96	0.93	0.93	0.93	0.94	0.94	0.96	0.97	0.97	1.05	1.06	1.07
– redeemable at a period of notice of over 3 months	0.90	0.93	0.97	0.99	1.01	1.04	1.06	1.10	1.13	1.17	1.22	1.25	1.28
<b>Households</b>													
Deposits in total	1.22	1.21	1.18	1.17	1.16	1.16	1.15	1.13	1.20	1.19	1.26	1.29	1.31
Deposits payable on demand	0.43	0.43	0.42	0.42	0.42	0.42	0.42	0.41	0.49	0.41	0.44	0.42	0.45
of which: demand deposits	0.42	0.42	0.42	0.42	0.41	0.41	0.41	0.40	0.45	0.40	0.42	0.41	0.43
overnight deposits	1.10	1.45	1.21	1.15	1.13	1.50	1.20	1.16	2.90	1.42	1.89	2.14	2.35
Deposits with agreed maturity	1.87	1.84	1.80	1.77	1.75	1.74	1.73	1.76	1.88	1.92	2.01	2.09	2.13
– up to 1 year in total	1.42	1.39	1.35	1.34	1.31	1.31	1.31	1.33	1.44	1.51	1.68	1.82	1.89
– up to 7 days	1.08	1.14	1.07	0.98	1.01	1.11	1.08	1.00	1.52	1.17	1.59	1.75	1.70
– up to 1 month	1.16	1.16	1.15	1.19	1.18	1.20	1.25	1.34	1.46	1.51	1.68	1.84	1.85
– up to 3 months	1.59	1.57	1.55	1.56	1.52	1.48	1.41	1.36	1.28	1.42	1.53	1.68	1.83
– up to 6 months	1.51	1.38	1.23	1.11	1.10	1.10	1.14	1.22	1.32	1.43	1.53	1.66	1.82
– up to 1 year	2.04	1.95	1.81	1.73	1.68	1.62	1.55	1.50	1.46	1.46	1.56	1.72	1.83
– long-term over 1 year	3.04	3.02	3.01	2.91	2.89	2.82	2.78	2.78	2.73	2.71	2.66	2.62	2.59
– up to 2 years	2.43	2.47	2.59	2.59	2.49	2.42	2.36	2.25	2.19	2.16	2.13	1.81	1.84
– over 2 years	3.05	3.03	3.02	2.91	2.90	2.83	2.78	2.78	2.21	2.16	2.15	1.86	1.89
Savings deposits	0.93	0.94	0.95	0.97	0.98	1.00	1.02	1.05	1.07	1.10	1.16	1.18	1.21
– redeemable at a period of notice of up to 3 months	0.97	0.95	0.92	0.93	0.93	0.93	0.94	0.96	0.96	0.96	1.04	1.05	1.06
– redeemable at a period of notice of over 3 months	0.90	0.93	0.97	0.99	1.01	1.04	1.06	1.10	1.13	1.17	1.22	1.25	1.28
<b>Non-financial corporations</b>													
Deposits in total	1.53	1.59	1.48	1.48	1.48	1.58	1.56	1.38	1.82	1.49	1.85	1.99	1.89
Deposits payable on demand	0.76	0.89	0.69	0.71	0.72	0.81	0.81	0.64	1.23	0.70	0.87	0.95	1.05
of which: demand deposits	0.50	0.55	0.52	0.52	0.55	0.62	0.62	0.47	0.79	0.49	0.58	0.71	0.73
overnight deposits	1.68	2.07	1.76	1.69	1.72	2.05	1.80	1.67	3.29	1.69	2.23	2.62	2.64
Deposits with agreed maturity	2.30	2.32	2.28	2.28	2.29	2.35	2.37	2.30	2.68	2.58	3.05	3.07	3.07
– up to 1 year in total	2.30	2.40	2.30	2.29	2.30	2.43	2.40	2.31	2.68	2.58	3.05	3.07	3.08
– up to 7 days	2.09	2.27	1.98	1.92	1.99	2.05	2.15	1.79	2.70	1.94	2.40	2.62	2.66
– up to 1 month	2.62	2.62	2.61	2.62	2.63	2.67	2.69	2.65	2.72	2.71	3.22	3.20	3.16
– up to 3 months	1.92	1.86	2.05	2.07	2.03	2.05	2.05	2.15	2.37	2.46	2.74	2.70	2.97
– up to 6 months	2.58	2.07	1.82	2.16	2.15	2.08	1.37	2.25	2.41	2.24	2.45	2.65	2.89
– up to 1 year	2.77	2.23	2.27	2.22	2.10	2.08	1.89	1.90	1.89	1.97	2.29	2.47	2.73
– long-term over 1 year	2.36	2.53	2.47	2.45	2.44	2.35	2.32	2.17	2.17	2.21	2.41	2.41	2.41
– up to 2 years	1.96	2.23	2.27	2.26	2.27	2.26	2.30	2.10	2.23	2.23	2.50	2.50	2.51
– over 2 years	2.72	2.75	2.59	2.57	2.55	2.41	2.33	2.21	2.23	2.21	2.48	2.48	2.51
Savings deposits	1.15	1.25	1.25	1.25	1.28	1.27	1.33	1.41	1.51	1.49	1.74	1.86	1.83
– redeemable at a period of notice of up to 3 months	1.16	1.26	1.27	1.26	1.30	1.28	1.35	1.43	1.53	1.51	1.78	1.91	1.88
– redeemable at a period of notice of over 3 months	1.12	1.12	1.12	1.12	1.12	1.12	1.12	1.12	1.15	1.18	1.17	1.17	1.16

1) Interest rates on deposits in total include also sectors of insurance corporations, pension funds and general government.

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

Note: As from 2005 deposits include also repo operations and other non-negotiable securities.



## Shortened Balance Sheet of Commercial Banks as at 31 May 2006

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

(SKK thousands)

ASSETS	Accumulated depreciation and provisions	Slovak koruna		Foreign currency		Total
		Residents	Non-residents	Residents	Non-residents	
<b>Total assets</b>	60,537,851	1,251,295,072	44,889,169	151,374,776	56,668,515	1,443,689,681
Cash items	0	10,428,420	0	0	3,437,022	13,865,442
Cash in hand	0	10,428,420	0	0	3,437,022	13,865,442
of which: EUR	0	0	0	0	1,666,269	1,666,269
Gold	0	0	0	0	0	0
Credits and other receivables	23,543,442	917,504,623	20,959,839	137,785,773	35,353,935	1,088,060,728
Deposits with and credits to NBS, foreign central banks and post office banks	296	437,359,710	0	0	2,122	437,361,536
of which: Valued on an individual basis						
with no identifiable depreciation (category I)	296	328,095,739	0	0	2,122	328,097,565
Valued on a portfolio basis (category II)	0	109,263,971	0	0	0	109,263,971
Valued on an individual basis						
with identifiable depreciation (category III)	0	0	0	0	0	0
of which: Failed	0	0	0	0	0	0
of which: Current accounts	0	1,630,833	0	0	1,461	1,632,294
Time deposits	0	47,932,896	0	0	0	47,932,896
Credits provided	296	371,802,160	0	0	0	371,801,864
Money reserve accounts	0	15,993,821	0	0	0	15,993,821
of which: Minimum reserve requirements	0	14,997,807	0	0	0	14,997,807
Postal cheque accounts	0	0	0	0	661	661
Deposits with and credits to banks	54,396	28,591,689	18,102,847	8,650,994	16,755,443	72,046,577
of which: Valued on an individual basis						
with no identifiable depreciation (category I)	760	24,552,022	16,119,961	8,630,275	15,333,062	64,634,560
Valued on a portfolio basis (category II)	819	3,570,891	1,982,886	20,719	1,420,563	6,994,240
Valued on an individual basis						
with identifiable depreciation (category III)	52,817	468,776	0	0	1,818	417,777
of which: Failed	42,606	42,606	0	0	0	0
of which: Deposits with and credits to own financial group	1,867	1,719,744	361,204	0	3,160,762	5,239,843
of which: Current accounts in banks	1,840	513,200	17,450	95,696	4,385,310	5,009,816
Current accounts of other banks	33	3	12,238,184	2	620,297	12,858,453
Time deposits	760	26,635,893	5,847,213	8,555,296	9,370,759	50,408,401
Credits provided	51,036	1,442,593	0	0	2,379,077	3,770,634
Receivables from clients	23,446,328	434,490,784	2,856,992	123,188,716	18,536,398	555,626,562
of which: Valued on an individual basis						
with no identifiable depreciation (category I)	134,607	135,839,527	1,424,622	62,531,048	13,102,894	212,763,484
Valued on a portfolio basis (category II)	6,599,436	261,108,699	1,099,188	50,074,862	4,243,601	309,926,914
Valued on an individual basis						
with identifiable depreciation (category III)	16,712,285	37,542,558	333,182	10,582,806	1,189,903	32,936,164
of which: Failed	15,418,790	18,386,931	4,645	3,128,679	16,901	6,118,366
of which: PFPT credits	0	0	0	0	0	0
Credits to general government and international organizations (S.13)	42,422	17,062,440	0	5,946,063	59,972	23,026,053
of which: Valued on an individual basis						
with no identifiable depreciation (category I)	2,574	10,811,198	0	5,340,246	59,972	16,208,842
Valued on a portfolio basis (category II)	118	6,145,131	0	250,742	0	6,395,755
Valued on an individual basis						
with identifiable depreciation (category III)	39,730	106,111	0	355,075	0	421,456
of which: Failed	5	10	0	0	0	5
of which: Deposits with central government (S.1311)	0	0	0	0	0	0
Credits to central government (S.1311)	1	8,729,550	0	129,605	59,972	8,919,126
of which: SR Treasury	0	0	0	0	0	0
Other funds	0	514	0	0	0	514
Credits to local governments (S.1313)	12,095	8,087,893	0	5,816,458	0	13,892,256
Credits to social security funds (S.1314)	0	244,997	0	0	0	244,997
of which: Health insurance companies	0	0	0	0	0	0
Social Insurance Corporation	0	244,997	0	0	0	244,997
Debt securities	0	0	0	0	0	0
Financial instruments for sale	326,300	39,802,945	2,413,336	4,640,913	5,270,729	51,801,623
Financial instruments in real value towards profit/loss	0	24,061,305	4,182,597	4,156,853	6,281,068	38,681,823
Tangible assets investments (IAS 40)	82,804	271,480	0	0	0	188,676
Positive real value of fixed forward transactions	0	4,278,150	7,276,624	574,954	867,478	12,997,206
Positive real value of options	0	966,963	1,180,882	385,480	243,548	2,776,873
Financial instruments held to maturity	61,010	181,098,813	8,489,327	3,354,829	4,127,026	197,008,985
Subsidiary and affiliated companies, joint ventures	1,222,668	4,873,743	302,259	0	0	3,953,334
Long-term funds provided to branches abroad	0	0	0	0	542,861	542,861
Tangible assets	24,587,875	47,180,006	0	4,433	111,125	22,707,689
Intangible assets	9,703,104	13,786,503	0	0	0	4,083,399
Other assets	1,010,648	6,980,225	84,305	471,541	433,723	6,959,146
Subordinated financial assets	0	61,896	0	0	0	61,896
Adjustments	33,273,818	33,273,818	0	0	0	0
Portfolio adjustments not recorded above	0	0	0	0	0	0



# Shortened Balance Sheet of Commercial Banks as at 31 May 2006

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

(SKK thousands)

LIABILITIES	Slovak koruna		Foreign currency		Total
	Residents	Non-residents	Residents	Non-residents	
<b>Total liabilities</b>	934,863,360	119,293,949	152,025,380	237,506,992	1,443,689,681
<b>PAYABLES</b>	878,056,693	78,799,392	151,816,638	237,405,170	1,346,077,893
Deposits with and credits to NBS and foreign issuing banks, and postal checking accounts	3,516,868	0	46,223	0	3,563,091
of which: Current accounts	34	0	0	0	34
Time deposits	0	0	0	0	0
Credits received	3,516,834	0	46,223	0	3,563,057
Postal cheque accounts	0	0	0	0	0
Deposits, credits and other liabilities received from banks	19,785,085	42,931,392	6,878,057	187,142,430	256,736,964
of which: Deposits with and credits received from own financial group	0	15,172,283	964	148,741,618	163,914,865
of which: Current accounts in banks	0	12,910	0	1,501,815	1,514,725
Current accounts of other banks	513,486	14,571,452	95,831	1,116,271	16,297,040
Time deposits	17,858,665	27,506,638	6,782,226	176,093,653	228,241,182
Credits received	1,412,934	840,392	0	8,430,691	10,684,017
Deposits and credits received from clients	634,075,883	7,896,026	92,883,904	4,209,927	739,065,740
of which: PFPT deposits	9,660,468	0	2,118	0	9,662,586
of which: Current accounts and other financial undated liabilities	273,624,113	5,720,516	49,365,642	2,703,400	331,413,671
Time deposits	316,057,452	2,102,721	42,044,013	1,490,598	361,694,784
Deposits at notice	38,485,141	72,729	1,474,249	15,929	40,048,048
Certificates of deposit	399,443	60	0	0	399,503
Credits received and financial leasing	5,509,734	0	0	0	5,509,734
Deposits of general government and international organizations	105,223,242	89,062	35,617,080	3,338,589	144,267,973
of which: Deposits of central government (S.1311)	79,754,102	89,062	35,385,426	3,338,589	118,567,179
of which: Treasury	1,466,459	0	8,504,433	0	9,970,892
Other funds	4,996,276	0	190,391	0	5,186,667
of which: National Property Fund	4,974,515	0	184,341	0	5,158,856
Deposits of local governments (S.1313)	25,466,117	0	231,654	0	25,697,771
Deposits of social security funds (S.1314)	3,023	0	0	0	3,023
of which: Health insurance companies	3,023	0	0	0	3,023
Social Insurance Corporation	0	0	0	0	0
Securities issued by the accounting unit	63,299,839	1,663,047	1,581,510	46,901	66,591,297
Financial liabilities in real value towards profit/loss (IAS 39)	15,102,494	15,641,526	9,039,970	36,971,734	76,755,724
of which: Current accounts	0	0	0	0	0
Time deposits	15,102,494	15,641,526	9,039,970	36,971,734	76,755,724
Deposits at notice	0	0	0	0	0
Debt securities issued	0	0	0	0	0
Credits received	0	0	0	0	0
Subordinated liabilities	0	0	0	0	0
of which: Loans	0	0	0	0	0
Debt securities issued	0	0	0	0	0
Other liabilities	0	0	0	0	0
Negative real value of fixed forward transactions	4,412,482	8,632,975	356,931	1,241,844	14,644,232
Negative real value of options	1,026,636	854,672	274,803	371,021	2,527,132
Liabilities from securities sold for a short term	0	0	0	0	0
Subsidies and similar funds	3,332,953	0	0	0	3,332,953
Reserves	5,627,645	69	158,325	79,874	5,865,913
Other liabilities	22,591,670	24,495	4,979,835	2,584,467	30,180,467
Subordinated financial liabilities	61,896	1,066,128	0	1,418,383	2,546,407
<b>EQUITY CAPITAL</b>	56,806,667	40,494,557	208,742	101,822	97,611,788
Registered capital	4,544,453	37,083,235	0	0	41,627,688
of which: Subscribed registered capital	4,544,453	37,083,235	0	0	41,627,688
Receivables from shareholders	0	0	0	0	0
Own shares	0	0	0	0	0
Long-term funds provided to branches of foreign banks	32,000	2,844,579	0	75,396	2,951,975
Share premium	1,684,808	475,000	0	0	2,159,808
Reserve funds and other funds allocated from profits	12,465,338	149,500	0	0	12,614,838
Capital funds	204,579	5,490	0	1,575	211,644
Gains/losses from revaluation	216,083	-63,247	208,742	24,851	386,429
Profit/loss from previous years	27,070,705	0	0	0	27,070,705
of which: Retained earnings	27,818,760	0	0	0	27,818,760
Accumulated loss	-748,055	0	0	0	-748,055
Profit and loss account	6,646,005	0	0	0	6,646,005
Profit/loss in process of approval /+,-/	3,942,696	0	0	0	3,942,696



## Monthly Profit and Loss Account of Commercial Banks

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

(SKK millions)

	2005									2006			
	5	6	7	8	9	10	11	12	1	2	3	4	5
NET INCOME FROM INTEREST	12,507	14,928	17,416	19,807	22,238	24,750	27,232	29,694	2,568	4,889	7,514	10,099	12,769
Income from interest on securities	7,020	8,407	9,837	11,158	12,483	13,810	15,024	16,255	1,143	2,065	3,068	4,046	5,032
Income from other interest	15,791	18,863	21,909	25,129	28,264	31,409	34,760	38,262	3,842	7,308	11,608	15,809	20,368
Expenses on interest on securities	1,118	1,345	1,581	1,814	2,041	2,271	2,472	2,746	221	444	671	904	1,149
Expenses on other interest	9,186	10,998	12,749	14,666	16,468	18,198	20,079	22,077	2,195	4,040	6,492	8,852	11,483
NET NON-INTEREST INCOME	7,487	9,349	10,912	12,483	14,051	15,868	17,499	19,534	1,871	3,497	5,270	6,981	8,346
Income from fees and provisions	5,037	6,179	7,283	8,442	9,537	10,832	11,961	13,318	1,075	2,169	3,471	4,634	5,905
Expenses on fees and provisions	771	947	1,108	1,280	1,454	1,619	1,814	2,075	198	389	643	859	1,128
Dividends received	209	81	86	97	98	100	119	98	3	8	8	211	221
Income from operations in securities	1,908	2,481	2,745	2,676	2,922	3,369	3,628	4,019	412	656	942	1,189	1,325
Expenses on operations in securities	799	981	1,118	1,251	1,408	2,284	2,521	2,624	138	398	1,034	1,328	1,815
Profit/loss of foreign exchange operations	717	810	-63	807	1,206	823	3,286	4,477	1,296	1,759	1,732	3,264	3,768
Profit/loss of fixed forward transactions and options	1,146	1,665	3,033	2,922	3,068	4,542	2,736	2,188	-611	-355	798	-127	87
Income from other operations	466	601	708	805	908	1,026	1,122	1,301	73	133	96	126	152
Expenses on other operations	426	539	655	736	827	920	1,018	1,168	39	86	101	130	169
NET OPERATIONAL PROFIT/LOSS	-1,879	-2,310	-3,116	-3,445	-3,795	-4,117	-4,245	-6,583	-142	-288	-540	-749	-990
GENERAL OPERATIONAL EXPENSES	11,244	13,657	15,921	18,088	20,280	22,631	24,949	28,010	2,286	4,656	7,098	9,474	11,917
NET ADDITIONS TO RESERVES AND PROVISIONS	203	245	643	517	916	484	-45	1,579	-252	-216	-273	-522	-337
INCOME TAX	921	977	780	909	1,652	1,840	2,075	2,321	215	391	720	962	1,225
CURRENT PERIOD PROFIT/LOSS	6,152	7,578	9,153	10,364	11,478	12,514	13,419	13,892	1,545	2,835	4,153	5,371	6,646



# Balance of Payments of the SR for January – April 2006

	Receipts / Credit (+)		Payments / Debit (-)		Balance	
	SKK millions	USD millions	SKK millions	USD millions	SKK millions	USD millions
<b>Goods</b>	356,102.0	11,476.1	389,744.0	12,560.2	-33,642.0	-1,084.2
<b>Services</b>	47,422.6	1,528.3	40,690.9	1,311.3	6,731.7	216.9
Transport	17,511.0	564.3	11,709.7	377.4	5,801.3	187.0
Tourism	13,444.6	433.3	8,761.0	282.3	4,683.6	150.9
Other services	16,467.0	530.7	20,220.1	651.6	-3,753.2	-121.0
<b>Income</b>	18,490.4	595.9	27,044.2	871.6	-8,553.8	-275.7
Compensation of employees	10,400.0	335.2	481.9	15.5	9,918.1	319.6
Investment income	8,090.4	260.7	26,562.3	856.0	-18,471.9	-595.3
<b>Current transfers</b>	14,976.0	482.6	17,685.8	570.0	-2,709.8	-87.3
<b>CURRENT ACCOUNT</b>	436,991.0	14,082.9	475,164.9	15,313.1	-38,173.9	-1,230.2
<b>Capital account</b>	508.7	16.4	839.7	27.1	-331.0	-10.7
<b>Financial account</b>	1,883,206.6	60,679.4	-1,838,259.0	-59,234.6	44,947.6	1,444.8
Direct investment	296,299.9	9,548.8	-243,541.0	-7,848.6	52,758.9	1,700.3
Abroad (direct investor = resident)	14,111.8	454.8	-15,950.0	-514.0	-1,838.2	-59.2
Equity capital and reinvested earnings	120.8	3.9	-1,043.0	-33.6	-922.2	-29.7
Other capital	13,991.0	450.9	-14,907.0	-480.4	-916.0	-29.5
In the SR (recipient of dir. investment = resident)	282,188.1	9,094.0	-227,591.0	-7,334.5	54,597.1	1,759.5
Equity capital and reinvested earnings	49,744.1	1,603.1	-1,327.0	-42.8	48,417.1	1,560.3
Other capital	232,444.0	7,490.9	-226,264.0	-7,291.8	6,180.0	199.2
Portfolio investment	189,698.9	6,105.3	-146,573.4	-4,723.6	43,125.5	1,381.7
Assets	26,141.9	842.5	-30,098.5	-970.0	-3,956.6	-127.5
Liabilities	163,557.0	5,262.8	-116,474.9	-3,753.6	47,082.1	1,509.2
Financial derivatives	574,426.0	18,512.0	-574,556.0	-18,516.1	-130.0	-4.2
Assets	266,641.3	8,593.0	-266,045.0	-8,573.8	596.4	19.2
Liabilities	307,784.7	9,918.9	-308,511.1	-9,942.3	-726.4	-23.4
Other investment	822,781.9	26,513.4	-873,588.6	-28,146.3	-50,806.7	-1,632.9
Long-term	121,630.2	3,919.3	-109,757.3	-3,537.1	11,872.8	382.1
Assets	35,945.5	1,157.9	-36,968.5	-1,191.4	-1,023.0	-33.4
Liabilities	85,684.7	2,761.3	-72,788.8	-2,345.8	12,895.9	415.6
Short-term	701,151.7	22,594.1	-763,831.3	-24,609.2	-62,679.5	-2,015.1
Assets	410,696.0	13,235.4	-427,187.7	-13,766.9	-16,491.7	-531.5
Liabilities	290,455.8	9,358.7	-336,643.6	-10,842.3	-46,187.8	-1,483.6
<b>CAPITAL AND FINANCIAL ACCOUNT</b>	1,883,715.3	60,695.8	-1,839,098.7	-59,261.7	44,616.6	1,434.1
<b>ERRORS AND OMISSIONS</b>	-	-	-	-	19,657.8	636.4
<b>TOTAL BALANCE</b>	-47,879.7	-1,544.2	73,980.2	2,384.5	26,100.5	840.3
Monetary gold	0.0	0.0	0.0	0.0	0.0	0.0
Special drawing rights	0.0	0.0	0.0	0.0	0.0	0.0
Foreign exchange	47,879.7	1,544.2	-73,980.2	-2,384.5	-26,100.5	-840.3
Currency and deposits	0.0	0.0	-15,696.8	-506.0	-15,696.8	-506.0
Securities	47,879.7	1,544.2	-58,283.4	-1,878.5	-10,403.7	-334.3
Bonds and notes	0.0	0.0	-58,283.4	-1,878.5	-58,283.4	-1,878.5
Money market instruments and financial derivatives	47,879.7	1,544.2	0.0	0.0	47,879.7	1,544.2
<b>RESERVE ASSETS</b>	47,879.7	1,544.2	-73,980.2	-2,384.5	-26,100.5	-840.3

Note: Preliminary data.

Applied rate of exchange: USD 1 = SKK 31.030



## Overview of Issues of NBS Bills

Registration number	Date of			DTM	Volume in SKK millions		Type of auction auction auction	Interest rate in % p.a.		
	auction	issue	maturity		demand	akcept.		issue	maturity	max.
951504001	20.1.2005	21.1.2005	15.4.2005	84	47,662	25,000	American	3.41	3.59	3.68
950807004	14.4.2005	15.4.2005	8.7.2005	84	47,657	35,000	American	2.42	2.64	2.74
952907005	5.5.2005	6.5.2005	29.7.2005	84	37,470	35,000	American	2.70	2.91	3.00
952608007	2.6.2005	3.6.2005	26.8.2005	84	47,539	35,000	American	2.95	2.99	2.99
953009008	7.7.2005	8.7.2005	30.9.2005	84	53,872	35,000	American	2.88	2.95	2.98
952110010	28.7.2005	29.7.2005	21.10.2005	84	43,900	35,000	American	2.93	2.97	2.98
951811011	25.8.2005	26.8.2005	18.11.2005	84	36,898	35,000	American	2.96	2.98	2.99
952312013	29.9.2005	30.9.2005	23.12.2005	84	36,288	35,000	American	2.95	2.99	3.00
951301014	20.10.2005	21.10.2005	13.1.2006	84	30,353	14,253	American	2.99	3.00	3.00
951002015	16.11.2005	18.11.2005	10.2.2006	84	23,800	0	American	-	-	-
951703017	22.12.2005	23.12.2005	17.3.2006	84	26,711	5,801	American	2.99	3.00	3.00
960704001	12.1.2006	13.1.2006	7.4.2006	84	28,575	5,553	American	3.00	3.00	3.00
960505003	9.2.2006	10.2.2006	5.5.2006	84	13,000	0	American	-	-	-
960906004	16.3.2006	17.3.2006	9.6.2006	84	6,310	210	American	3.50	3.50	3.50
963006005	6.4.2006	7.4.2006	30.6.2006	84	9,053	300	American	3.50	3.50	3.50
962807007	4.5.2006	5.5.2006	28.7.2006	84	1,515	0	American	-	-	-
963108008	8.6.2006	9.6.2006	31.8.2006	84	23,445	22,691	American	3.98	4.00	4.00
962209010	29.6.2006	30.6.2006	22.9.2006	84	400	0	American	-	-	-



# Basic Characteristics of Slovakia's Foreign Exchange Market in June 2006

	USD			EUR			Other currencies			Total	
	Volume		Number of transactions	Volume		Number of transactions	Volume		Number of transactions	Volume USD millions	Number of transactions
	USD millions	%		USD millions	%		USD millions	%			
NBS	0.0	0.0	0	831.4	100.0	164	0	0	0	831.4	164
Transactions between domestic banks without foreign participation	10,168.5	75.5	325	3,235.6	24.0	1,181	65.7	0.5	30	13,469.8	1,536
Interbank forex market: NBS + transactions between domestic banks	10,168.5	71.1	325	4,067.0	28.4	1,345	65.7	0.5	30	14,301.2	1,700
Transactions between domestic and foreign banks	78,531.3	85.4	2,157	13,254.7	14.4	7,524	161.4	0.2	110	91,947.5	9,791
Foreign exchange market in the SR – total	88,699.9	83.5	2,482	17,321.7	16.3	8,869	227.1	0.2	140	106,248.7	11,491

	SPOT			FORWARD			SWAP			OPTIONS			Total	
	Volume		No. of transactions	Volume		No. of transactions	Volume		No. of transactions	Volume		No. of transactions	Volume USD millions	No. of transactions
	USD millions	%		USD millions	%		USD millions	%		USD millions	%			
Transactions between domestic banks without foreign participation	1,990.8	14.8	1,147	3.6	0.0	5	11,455.5	85.2	383	2.5	0.0	1	13,452.5	1,536
Transactions between domestic and foreign banks	8,498.7	9.3	3,568	320.9	0.3	74	81,265.8	88.5	2,247	1,789.6	1.9	3,902	91,875.0	9,791
Foreign exchange market in the SR - excl. the NBS	10,489.5	10.0	4,715	324.5	0.3	79	92,721.4	88.0	2,630	1,792.1	1.7	3,903	105,327.4	11,327



## Average Monthly Exchange Rates of the SKK

Midpoint rate	2005							2006					
	6	7	8	9	10	11	12	1	2	3	4	5	6
1 AUD	24.242	24.264	24.016	23.996	24.431	24.153	23.715	23.220	23.228	22.712	22.411	22.490	22.247
1 CYP	67.136	67.720	67.515	67.132	67.923	67.571	66.059	65.391	65.147	65.132	64.901	65.331	66.157
1 CZK	1.282	1.286	1.306	1.311	1.311	1.322	1.308	1.305	1.317	1.308	1.312	1.328	1.340
1 DKK	5.177	5.207	5.187	5.156	5.215	5.193	5.081	5.027	5.011	5.020	5.011	5.039	5.101
1 EUR	38.537	38.837	38.695	38.450	38.909	38.730	37.871	37.510	37.404	37.455	37.392	37.575	38.036
1 EEK	2.463	2.482	2.473	2.458	2.487	2.476	2.420	2.397	2.391	2.394	2.390	2.401	2.431
100 JPY	29.145	28.798	28.454	28.243	28.227	27.747	26.914	26.862	26.536	26.606	26.048	26.331	26.220
1 CAD	25.427	26.351	26.067	26.583	27.517	27.743	27.487	26.768	27.224	26.958	26.610	26.508	26.997
1 LTL	11.162	11.246	11.207	11.136	11.270	11.220	10.968	10.863	10.833	10.847	10.828	10.881	11.014
1 LVL	55.371	55.799	55.599	55.240	55.869	55.637	54.361	53.886	53.739	53.810	53.721	53.981	54.642
100 HUF	15.455	15.755	15.828	15.646	15.460	15.443	14.987	14.960	14.871	14.392	14.080	14.308	14.022
1 MTL	89.747	90.456	90.140	89.568	90.643	90.247	88.196	87.371	87.147	87.229	87.130	87.563	88.593
1 NOK	4.881	4.902	4.886	4.925	4.964	4.956	4.747	4.667	4.639	4.694	4.761	4.819	4.845
1 PLN	9.482	9.474	9.560	9.798	9.933	9.748	9.822	9.814	9.853	9.662	9.535	9.646	9.460
100 SIT	16.094	16.216	16.156	16.058	16.247	16.176	15.812	15.661	15.619	15.635	15.605	15.678	15.871
1 CHF	25.053	24.929	24.904	24.817	25.111	25.078	24.472	24.201	24.016	23.880	23.734	24.133	24.382
1 SEK	4.166	4.121	4.141	4.118	4.135	4.051	4.013	4.025	4.009	3.984	4.002	4.025	4.117
1 USD	31.641	32.220	31.494	31.354	32.357	32.808	31.932	31.029	31.298	31.186	30.535	29.461	30.054
1 GBP	57.589	56.479	56.421	56.731	57.062	57.036	55.750	54.679	54.748	54.392	53.819	54.961	55.412
1 XDR	46.461	46.740	46.184	45.986	46.795	46.880	45.695	44.866	44.944	44.874	44.280	43.828	44.414

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

## Average Quarterly Exchange Rates of the SKK

Midpoint rate	2005					2006	
	Q1	Q2	Q3	Q4	Year	Q1	Q2
1 AUD	22,667	23,726	24,089	24,099	23,650	23,040	22,379
1 CYP	65,726	67,266	67,458	67,178	66,916	65,222	65,502
1 CZK	1,275	1,291	1,301	1,314	1,295	1,310	1,328
1 DKK	5,143	5,225	5,184	5,162	5,179	5,020	5,053
1 EUR	38,282	38,907	38,662	38,500	38,593	37,457	37,687
1 EEK	2,447	2,487	2,471	2,461	2,467	2,394	2,408
100 JPY	27,935	28,721	28,497	27,627	28,202	26,668	26,208
1 CAD	23,788	24,804	26,325	27,580	25,622	26,979	26,714
1 LTL	11,087	11,270	11,197	11,152	11,178	10,848	10,914
1 LVL	54,987	55,899	55,548	55,283	55,437	53,813	54,143
100 HUF	15,624	15,578	15,746	15,294	15,561	14,728	14,137
1 MTL	88,675	90,578	90,057	89,687	89,764	87,250	87,807
1 NOK	4,647	4,831	4,904	4,888	4,818	4,668	4,811
1 PLN	9,511	9,417	9,609	9,836	9,591	9,772	9,546
100 SIT	15,969	16,242	16,143	16,077	16,110	15,639	15,726
1 CHF	24,724	25,206	24,884	24,884	24,929	24,028	24,105
1 SEK	4,219	4,228	4,127	4,067	4,161	4,005	4,052
1 USD	29,160	30,863	31,683	32,359	31,022	31,169	29,991
1 GBP	55,172	57,311	56,540	56,609	56,424	54,597	54,787
1 XDR	44,429	46,053	46,299	46,450	45,816	44,893	44,173

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

**Inflow of Foreign Direct Investment<sup>1)</sup> into Slovakia in 1999 – 2005**

(Flows and stocks)

**Corporate sector**

	SKK millions				USD millions			
	Volume as at 1 January	Net change	Valuation and other changes	Volume as at 31 December	Volume as at 1 January	Net change	Valuation and other changes	Volume as at 31 December
1999	65,637	16,729	695	83,061	1,778.15	403.92	-216.87	1,965.20
2000	83,061	97,454	-18,527	161,988	1,965.20	2,109.39	-656.33	3,418.26
2001	161,988	24,353	-4,190	182,151	3,418.26	503.71	-163.73	3,758.24
2002	182,151	174,180	-96,814	259,517	3,758.24	3,842.06	-1,118.22	6,482.08
2003	259,517	37,157	-13,596	283,078	6,482.08	1,010.44	1,106.43	8,598.95
2004 <sup>3)</sup>	298,140	27,907	5,813	331,860	9,056.50	865.20	1,724.15	11,645.85
2005 <sup>4)</sup>	331,044	20,125	-790	350,379	11,617.21	648.73	-1,298.78	10,967.16

**Banking sector**

	SKK millions				USD millions			
	Volume as at 1 January	Net change	Valuation and other changes	Volume as at 31 December	Volume as at 1 January	Net change	Valuation and other changes	Volume as at 31 December
1999	12,931	-40	86	12,977	350.31	-0.97	-42.31	307.03
2000	12,977	2,107	69	15,153	307.03	45.61	-32.88	319.76
2001	15,153	37,095	-3	52,245	319.76	767.27	-9.07	1,077.96
2002	52,245	11,414	-3,930	59,729	1,077.96	251.77	162.16	1,491.89
2003 <sup>2)</sup>	59,980	1,813	3,629	65,422	1,498.15	49.30	439.85	1,987.30
2004	65,422	5,115	-3,893	66,644	1,987.30	158.58	192.83	2,338.71
2005	66,644	-2	-1	66,641	2,338.71	-0.06	-252.73	2,085.92

**Total**

	SKK millions				USD millions			
	Volume as at 1 January	Net change	Valuation and other changes	Volume as at 31 December	Volume as at 1 January	Net change	Valuation and other changes	Volume as at 31 December
1999	78,568	16,689	781	96,038	2,128.46	402.95	-259.18	2,272.23
2000	96,038	99,561	-18,458	177,141	2,272.23	2,155.00	-689.21	3,738.02
2001	177,141	61,448	-4,193	234,396	3,738.02	1,270.98	-172.80	4,836.20
2002	234,396	185,594	-100,744	319,246	4,836.20	4,093.83	-956.06	7,973.97
2003 <sup>2)</sup>	319,497	38,970	-9,967	348,500	7,980.23	1,059.74	1,546.28	10,586.25
2004 <sup>3)</sup>	363,562	33,022	1,920	398,504	11,043.80	1,023.78	1,916.98	13,984.56
2005 <sup>4)</sup>	397,688	20,123	-791	417,020	13,955.92	648.67	-1,551.51	13,053.08

Note: The data for 2004 – 2005 are preliminary.

1) Equity capital + reinvested earnings.

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

3) Other capital funds included in the equity capital.

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

Inflow of Foreign Direct Investment<sup>1)</sup> During January to December 2005

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 31.022									
<b>Inflow of FDI (equity capital + reinvested earnings) in total</b>	20,125	648.7	100.0	-2	-0.1	100.0	20,123	648.7	100.0
<b>Structure of capital by investor</b>									
South Korea	6,278	202.4	31.2	0	0.0	0.0	6,278	202.4	31.2
Germany	6,313	203.5	31.4	-250	-8.1	12,500.0	6,063	195.4	30.1
Czech Republic	1,587	51.2	7.9	-2	-0.1	100.0	1,585	51.1	7.9
Switzerland	1,524	49.1	7.6	0	0.0	0.0	1,524	49.1	7.6
Austria	1,549	49.9	7.7	-45	-1.5	2,250.0	1,504	48.5	7.5
The Netherlands	1,449	46.7	7.2	3	0.1	-150.0	1,452	46.8	7.2
United Kingdom	451	14.5	2.2	125	4.0	-6,250.0	576	18.6	2.9
Lithuania	417	13.4	2.1	0	0.0	0.0	417	13.4	2.1
USA	376	12.1	1.9	0	0.0	0.0	376	12.1	1.9
Belgium	285	9.2	1.4	0	0.0	0.0	285	9.2	1.4
Other countries	-104	-3.4	-0.5	167	5.4	-8,350.0	63	2.0	0.3
<b>Structure of capital by sector</b>									
Agriculture, hunting, and forestry	-34	-1.1	-0.2	0	0.0	0.0	-34	-1.1	-0.2
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Mineral raw materials extraction	13	0.4	0.1	0	0.0	0.0	13	0.4	0.1
Manufacturing	10,096	325.4	50.2	0	0.0	0.0	10,096	325.4	50.2
Electricity, gas, and water supply	13	0.4	0.1	0	0.0	0.0	13	0.4	0.1
Construction	-93	-3.0	-0.5	0	0.0	0.0	-93	-3.0	-0.5
Wholesale and retail trade, repairs of motor vehicles	3,948	127.3	19.6	0	0.0	0.0	3,948	127.3	19.6
Hotels and restaurants	29	0.9	0.1	0	0.0	0.0	29	0.9	0.1
Transport, storage, post and telecommunications	-14	-0.5	-0.1	0	0.0	0.0	-14	-0.5	-0.1
Financial intermediation	3,550	114.4	17.6	-2	-0.1	100.0	3,548	114.4	17.6
Real estate, renting and business activities	2,363	76.2	11.7	0	0.0	0.0	2,363	76.2	11.7
Public administration and defence, compulsory social security	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Education	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Health and social work	53	1.7	0.3	0	0.0	0.0	53	1.7	0.3
Other community, social, and personal services	201	6.5	1.0	0	0.0	0.0	201	6.5	1.0
Activities of private households	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Extra-territorial organizations and bodies	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
<b>Structure of capital by region</b>									
Bratislava region	7,803	251.5	38.8	-2	-0.1	100.0	7,801	251.5	38.8
Trnava region	276	8.9	1.4	0	0.0	0.0	276	8.9	1.4
Trenčín region	2,858	92.1	14.2	0	0.0	0.0	2,858	92.1	14.2
Nitra region	428	13.8	2.1	0	0.0	0.0	428	13.8	2.1
Žilina region	6,974	224.8	34.7	0	0.0	0.0	6,974	224.8	34.7
Banská Bystrica region	845	27.2	4.2	0	0.0	0.0	845	27.2	4.2
Prešov region	123	4.0	0.6	0	0.0	0.0	123	4.0	0.6
Košice region	818	26.4	4.1	0	0.0	0.0	818	26.4	4.1

Note: Preliminary data.

1) Equity capital + reinvested earnings.



# Inflow of Foreign Direct Investment<sup>1)</sup> During January to December 2004

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 32.255									
<b>Inflow of FDI (equity capital + reinvested earnings) in total</b>	27,907	865.2	100.0	5,115	158.6	100.0	33,022	1,023.8	100.0
<b>Structure of capital by investor</b>									
Hungary	6,863	212.8	24.6	-30	-0.9	-0.6	6,833	211.8	20.7
Austria	2,027	62.8	7.3	4,776	148.1	93.4	6,803	210.9	20.6
United Kingdom	6,050	187.6	21.7	-1,396	-43.3	-27.3	4,654	144.3	14.1
Czech Republic	4,634	143.7	16.6	-11	-0.3	-0.2	4,623	143.3	14.0
France	3,737	115.9	13.4	-136	-4.2	-2.7	3,601	111.6	10.9
Germany	3,267	101.3	11.7	253	7.8	4.9	3,520	109.1	10.7
Luxembourg	3,184	98.7	11.4	0	0.0	0.0	3,184	98.7	9.6
South Korea	2,130	66.0	7.6	0	0.0	0.0	2,130	66.0	6.5
Switzerland	927	28.7	3.3	0	0.0	0.0	927	28.7	2.8
Italy	734	22.8	2.6	-13	-0.4	-0.3	721	22.4	2.2
Other countries	-5,646	-175.0	-20.2	1,672	51.8	32.7	-3,974	-123.2	-12.0
<b>Structure of capital by sector</b>									
Agriculture, hunting, and forestry	348	10.8	1.2	0	0.0	0.0	348	10.8	1.1
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Mineral raw materials extraction	-24	-0.7	-0.1	0	0.0	0.0	-24	-0.7	-0.1
Manufacturing	25,092	777.9	89.9	0	0.0	0.0	25,092	777.9	76.0
Electricity, gas, and water supply	-357	-11.1	-1.3	0	0.0	0.0	-357	-11.1	-1.1
Construction	487	15.1	1.7	0	0.0	0.0	487	15.1	1.5
Wholesale and retail trade, repairs of motor vehicles	7,858	243.6	28.2	0	0.0	0.0	7,858	243.6	23.8
Hotels and restaurants	-17	-0.5	-0.1	0	0.0	0.0	-17	-0.5	-0.1
Transport, storage, post and telecommunications	-7,596	-235.5	-27.2	0	0.0	0.0	-7,596	-235.5	-23.0
Financial intermediation	1,248	38.7	4.5	5,115	158.6	100.0	6,363	197.3	19.3
Real estate, renting and business activities	698	21.6	2.5	0	0.0	0.0	698	21.6	2.1
Public administration and defence, compulsory social security	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Education	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Health and social work	18	0.6	0.1	0	0.0	0.0	18	0.6	0.1
Other community, social, and personal services	152	4.7	0.5	0	0.0	0.0	152	4.7	0.5
Activities of private households	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Extra-territorial organizations and bodies	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
<b>Structure of capital by regions</b>									
Bratislava region	16,342	506.7	58.6	5,004	155.1	97.8	21,346	661.8	64.6
Trnava region	4,124	127.9	14.8	0	0.0	0.0	4,124	127.9	12.5
Trenčín region	2,292	71.1	8.2	0	0.0	0.0	2,292	71.1	6.9
Nitra region	-33	-1.0	-0.1	0	0.0	0.0	-33	-1.0	-0.1
Žilina region	2,315	71.8	8.3	73	2.3	1.4	2,388	74.0	7.2
Banská Bystrica region	850	26.4	3.0	38	1.2	0.7	888	27.5	2.7
Prešov region	996	30.9	3.6	0	0.0	0.0	996	30.9	3.0
Košice region	1,021	31.7	3.7	0	0.0	0.0	1,021	31.7	3.1

Note: Preliminary data.

1) Equity capital + reinvested earnings.

Inflow of Foreign Direct Investment<sup>1)</sup> During January to December 2003

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 36.773									
<b>Inflow of FDI (equity capital + reinvested earnings) in total</b>	37,157	1,010.4	100.0	1,813	49.3	100.0	38,970	1,059.7	100.0
<b>Structure of capital by investor</b>									
Germany	12,543	341.1	33.8	21	0.6	1.2	12,564	341.7	32.2
Hungary	7,480	203.4	20.1	984	26.8	54.3	8,464	230.2	21.7
United Kingdom	5,945	161.7	16.0	104	2.8	5.7	6,049	164.5	15.5
The Netherlands	2,816	76.6	7.6	7	0.2	0.4	2,823	76.8	7.2
Czech Republic	2,117	57.6	5.7	-7	-0.2	-0.4	2,110	57.4	5.4
USA	1,986	54.0	5.3	-27	-0.7	-1.5	1,959	53.3	5.0
Austria	695	18.9	1.9	603	16.4	33.3	1,298	35.3	3.3
Denmark	1,132	30.8	3.0	0	0.0	0.0	1,132	30.8	2.9
Switzerland	998	27.1	2.7	0	0.0	0.0	998	27.1	2.6
Italy	566	15.4	1.5	142	3.9	7.8	708	19.3	1.8
Other countries	879	23.9	2.4	-14	-0.4	-0.8	865	23.5	2.2
<b>Structure of capital by sector</b>									
Agriculture, hunting, and forestry	296	8.0	0.8	0	0.0	0.0	296	8.0	0.8
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Mineral raw materials extraction	77	2.1	0.2	0	0.0	0.0	77	2.1	0.2
Manufacturing	13,941	379.1	37.5	0	0.0	0.0	13,941	379.1	35.8
Electricity, gas, and water supply	-546	-14.8	-1.5	0	0.0	0.0	-546	-14.8	-1.4
Construction	737	20.0	2.0	0	0.0	0.0	737	20.0	1.9
Wholesale and retail trade, repairs of motor vehicles	9,042	245.9	24.3	0	0.0	0.0	9,042	245.9	23.2
Hotels and restaurants	63	1.7	0.2	0	0.0	0.0	63	1.7	0.2
Transport, storage, post and telecommunications	332	9.0	0.9	0	0.0	0.0	332	9.0	0.9
Financial intermediation	896	24.4	2.4	1,813	49.3	100.0	2,709	73.7	7.0
Real estate, renting and business activities	1,724	46.9	4.6	0	0.0	0.0	1,724	46.9	4.4
Public administration and defence, compulsory social security	10,463	284.5	28.2	0	0.0	0.0	10,463	284.5	26.8
Education	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Health and social work	3	0.1	0.0	0	0.0	0.0	3	0.1	0.0
Other community, social, and personal services	129	3.5	0.3	0	0.0	0.0	129	3.5	0.3
Activities of private households	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Extra-territorial organizations and bodies	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
<b>Structure of capital by regions</b>									
Bratislava region	29,363	798.5	79.0	1,773	48.2	97.8	31,136	846.7	79.9
Trnava region	1,374	37.4	3.7	0	0.0	0.0	1,374	37.4	3.5
Trenčín region	3,378	91.9	9.1	0	0.0	0.0	3,378	91.9	8.7
Nitra region	1,510	41.1	4.1	0	0.0	0.0	1,510	41.1	3.9
Žilina region	740	20.1	2.0	26	0.7	1.4	766	20.8	2.0
Banská Bystrica region	121	3.3	0.3	14	0.4	0.8	135	3.7	0.3
Prešov region	54	1.5	0.1	0	0.0	0.0	54	1.5	0.1
Košice region	617	16.8	1.7	0	0.0	0.0	617	16.8	1.6

1) Equity capital + reinvested earnings.



## Volume of Foreign Direct Investment<sup>1)</sup> as at 31 December 2005

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 31.948									
<b>Total volume of FDI (equity capital + reinvested earnings)</b>	350,379	10,967.2	100.0	66,641	2,085.9	100.0	417,020	13,053.1	100.0
<b>Structure of capital by investor</b>									
The Netherlands	90,683	2,838.5	25.9	616	19.3	0.9	91,299	2,857.7	21.9
Germany	81,027	2,536.2	23.1	860	26.9	1.3	81,887	2,563.1	19.6
Austria	28,482	891.5	8.1	32,868	1,028.8	49.3	61,350	1,920.3	14.7
Hungary	27,327	855.4	7.8	2,007	62.8	3.0	29,334	918.2	7.0
Italy	4,903	153.5	1.4	24,144	755.7	36.2	29,047	909.2	7.0
United Kingdom	27,159	850.1	7.8	473	14.8	0.7	27,632	864.9	6.6
Czech Republic	17,595	550.7	5.0	3,485	109.1	5.2	21,080	659.8	5.1
USA	14,663	459.0	4.2	1,650	51.6	2.5	16,313	510.6	3.9
France	10,667	333.9	3.0	500	15.7	0.8	11,167	349.5	2.7
Cyprus	9,388	293.9	2.7	0	0.0	0.0	9,388	293.9	2.3
Other countries	38,485	1,204.6	11.0	38	1.2	0.1	38,523	1,205.8	9.2
<b>Structure of capital by sector</b>									
Agriculture, hunting, and forestry	1,767	55.3	0.5	0	0.0	0.0	1,767	55.3	0.4
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Mineral raw materials extraction	2,648	82.9	0.8	0	0.0	0.0	2,648	82.9	0.6
Manufacturing	167,248	5,235.0	47.7	0	0.0	0.0	167,248	5,235.0	40.1
Electricity, gas, and water supply	39,652	1,241.1	11.3	0	0.0	0.0	39,652	1,241.1	9.5
Construction	2,832	88.6	0.8	0	0.0	0.0	2,832	88.6	0.7
Wholesale and retail trade, repairs of motor vehicles	54,298	1,699.6	15.5	0	0.0	0.0	54,298	1,699.6	13.0
Hotels and restaurants	2,083	65.2	0.6	0	0.0	0.0	2,083	65.2	0.5
Transport, storage, post and telecommunications	36,374	1,138.5	10.4	0	0.0	0.0	36,374	1,138.5	8.7
Financial intermediation	24,142	755.7	6.9	66,641	2,085.9	100.0	90,783	2,841.6	21.8
Real estate, renting and business activities	15,944	499.1	4.6	0	0.0	0.0	15,944	499.1	3.8
Public administration and defence, compulsory social security	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Education	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Health and social work	1,623	50.8	0.5	0	0.0	0.0	1,623	50.8	0.4
Other community, social, and personal services	1,768	55.3	0.5	0	0.0	0.0	1,768	55.3	0.4
Activities of private households	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Extra-territorial organizations and bodies	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
<b>Structure of capital by regions</b>									
Bratislava region	214,111	6,701.9	61.1	65,691	2,056.2	98.6	279,802	8,758.0	67.1
Trnava region	24,461	765.7	7.0	0	0.0	0.0	24,461	765.7	5.9
Trenčín region	20,294	635.2	5.8	0	0.0	0.0	20,294	635.2	4.9
Nitra region	13,255	414.9	3.8	0	0.0	0.0	13,255	414.9	3.2
Žilina region	24,912	779.8	7.1	950	29.7	1.4	25,862	809.5	6.2
Banská Bystrica region	10,754	336.6	3.1	0	0.0	0.0	10,754	336.6	2.6
Prešov region	7,086	221.8	2.0	0	0.0	0.0	7,086	221.8	1.7
Košice region	35,506	1,111.4	10.1	0	0.0	0.0	35,506	1,111.4	8.5

Note: Preliminary data.

1) Equity capital + reinvested earnings.

Volume of Foreign Direct Investment<sup>1)</sup> as at 31 December 2004

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 28.496									
<b>Total volume of FDI (equity capital + reinvested earnings)</b>	331,860	11,645.8	100.0	66,644	2,338.7	100.0	398,504	13,984.6	100.0
<b>Structure of capital by investor</b>									
The Netherlands	93,764	3,290.4	28.3	613	21.5	0.9	94,377	3,311.9	23.7
Germany	75,033	2,633.1	22.6	1,110	39.0	1.7	76,143	2,672.1	19.1
Austria	22,840	801.5	6.9	32,926	1,155.5	49.4	55,766	1,957.0	14.0
Hungary	27,353	959.9	8.2	1,952	68.5	2.9	29,305	1,028.4	7.4
Italy	5,023	176.3	1.5	24,143	847.2	36.2	29,166	1,023.5	7.3
United Kingdom	26,980	946.8	8.1	349	12.2	0.5	27,329	959.0	6.9
Czech Republic	17,009	596.9	5.1	3,486	122.3	5.2	20,495	719.2	5.1
USA	13,191	462.9	4.0	1,650	57.9	2.5	14,841	520.8	3.7
France	11,832	415.2	3.6	415	14.6	0.6	12,247	429.8	3.1
Cyprus	9,125	320.2	2.7	0	0.0	0.0	9,125	320.2	2.3
Other countries	29,710	1,042.6	9.0	0	0.0	0.0	29,710	1,042.6	7.5
<b>Structure of capital by sector</b>									
Agriculture, hunting, and forestry	1,718	60.3	0.5	0	0.0	0.0	1,718	60.3	0.4
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Mineral raw materials extraction	2,549	89.5	0.8	0	0.0	0.0	2,549	89.5	0.6
Manufacturing	159,175	5,585.9	48.0	0	0.0	0.0	159,175	5,585.9	39.9
Electricity, gas, and water supply	40,982	1,438.2	12.3	0	0.0	0.0	40,982	1,438.2	10.3
Construction	2,859	100.3	0.9	0	0.0	0.0	2,859	100.3	0.7
Wholesale and retail trade, repairs of motor vehicles	50,660	1,777.8	15.3	0	0.0	0.0	50,660	1,777.8	12.7
Hotels and restaurants	2,058	72.2	0.6	0	0.0	0.0	2,058	72.2	0.5
Transport, storage, post and telecommunications	36,324	1,274.7	10.9	0	0.0	0.0	36,324	1,274.7	9.1
Financial intermediation	18,274	641.3	5.5	66,644	2,338.7	100.0	84,918	2,980.0	21.3
Real estate, renting and business activities	14,140	496.2	4.3	0	0.0	0.0	14,140	496.2	3.5
Public administration and defence, compulsory social security	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Education	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Health and social work	1,570	55.1	0.5	0	0.0	0.0	1,570	55.1	0.4
Other community, social, and personal services	1,551	54.4	0.5	0	0.0	0.0	1,551	54.4	0.4
Activities of private households	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Extra-territorial organizations and bodies	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
<b>Structure of capital by regions</b>									
Bratislava region	207,049	7,265.9	62.4	65,202	2,288.1	97.8	272,251	9,554.0	68.3
Trnava region	23,942	840.2	7.2	0	0.0	0.0	23,942	840.2	6.0
Trenčín region	17,408	610.9	5.2	0	0.0	0.0	17,408	610.9	4.4
Nitra region	12,816	449.7	3.9	0	0.0	0.0	12,816	449.7	3.2
Žilina region	19,180	673.1	5.8	950	33.3	1.4	20,130	706.4	5.1
Banská Bystrica region	10,026	351.8	3.0	492	17.3	0.7	10,518	369.1	2.6
Prešov region	7,029	246.7	2.1	0	0.0	0.0	7,029	246.7	1.8
Košice region	34,410	1,207.5	10.4	0	0.0	0.0	34,410	1,207.5	8.6

Note: Preliminary data.

1) Equity capital + reinvested earnings.



# Volume of Foreign Direct Investment<sup>1)</sup> as at 31 December 2003

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 32.920									
<b>Total volume of FDI (equity capital + reinvested earnings)</b>	283,078	8,599.0	100.0	65,422	1,987.3	100.0	348,500	10,586.3	100.0
<b>Structure of capital by investor</b>									
The Netherlands	91,208	2,770.6	32.2	595	18.1	0.9	91,803	2,788.7	26.3
Germany	67,421	2,048.0	23.8	852	25.9	1.3	68,273	2,073.9	19.6
Austria	17,941	545.0	6.3	30,383	922.9	46.4	48,324	1,467.9	13.9
Italy	4,319	131.2	1.5	24,143	733.4	36.9	28,462	864.6	8.2
United Kingdom	25,332	769.5	8.9	1,749	53.1	2.7	27,081	822.6	7.8
Hungary	16,062	487.9	5.7	2,005	60.9	3.1	18,067	548.8	5.2
Czech Republic	14,283	433.9	5.0	3,495	106.2	5.3	17,778	540.0	5.1
USA	12,540	380.9	4.4	1,650	50.1	2.5	14,190	431.0	4.1
France	7,828	237.8	2.8	550	16.7	0.8	8,378	254.5	2.4
Cyprus	4,693	142.6	1.7	0	0.0	0.0	4,693	142.6	1.3
Other countries	21,451	651.6	7.6	0	0.0	0.0	21,451	651.6	6.2
<b>Structure of capital by sector</b>									
Agriculture, hunting, and forestry	1,349	41.0	0.5	0	0.0	0.0	1,349	41.0	0.4
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Mineral raw materials extraction	2,709	82.3	1.0	0	0.0	0.0	2,709	82.3	0.8
Manufacturing	124,677	3,787.3	44.0	0	0.0	0.0	124,677	3,787.3	35.8
Electricity, gas, and water supply	40,379	1,226.6	14.3	0	0.0	0.0	40,379	1,226.6	11.6
Construction	2,842	86.3	1.0	0	0.0	0.0	2,842	86.3	0.8
Wholesale and retail trade, repairs of motor vehicles	44,055	1,338.2	15.6	0	0.0	0.0	44,055	1,338.2	12.6
Hotels and restaurants	1,932	58.7	0.7	0	0.0	0.0	1,932	58.7	0.6
Transport, storage, post and telecommunications	35,713	1,084.8	12.6	0	0.0	0.0	35,713	1,084.8	10.2
Financial intermediation	15,558	472.6	5.5	65,422	1,987.3	100.0	80,980	2,459.9	23.2
Real estate, renting and business activities	11,277	342.6	4.0	0	0.0	0.0	11,277	342.6	3.2
Public administration and defence, compulsory social security	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Education	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Health and social work	1,445	43.9	0.5	0	0.0	0.0	1,445	43.9	0.4
Other community, social, and personal services	1,142	34.7	0.4	0	0.0	0.0	1,142	34.7	0.3
Activities of private households	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Extra-territorial organizations and bodies	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
<b>Structure of capital by regions</b>									
Bratislava region	175,496	5,331.0	62.0	63,980	1,943.5	97.8	239,476	7,274.5	68.7
Trnava region	17,877	543.0	6.3	0	0.0	0.0	17,877	543.0	5.1
Trenčín region	14,272	433.5	5.0	0	0.0	0.0	14,272	433.5	4.1
Nitra region	11,627	353.2	4.1	0	0.0	0.0	11,627	353.2	3.3
Žilina region	14,471	439.6	5.1	950	28.9	1.5	15,421	468.4	4.4
Banská Bystrica region	9,065	275.4	3.2	492	14.9	0.8	9,557	290.3	2.7
Prešov region	6,020	182.9	2.1	0	0.0	0.0	6,020	182.9	1.7
Košice region	34,250	1,040.4	12.1	0	0.0	0.0	34,250	1,040.4	9.8

1) Equity capital + reinvested earnings.

## Outflow of Foreign Direct Investment<sup>1)</sup> from Slovakia in 1999 – 2005

(Flows and stocks)

### Corporate sector

	SKK millions				USD millions			
	Volume as at 1 January	Net change	Valuation and other changes	Volume as at 31 December	Volume as at 1 January	Net change	Valuation and other changes	Volume as at 31 December
1999	12,397	739	-404	12,732	335.85	17.84	-52.45	301.24
2000	12,732	975	1,515	15,222	301.24	21.10	-1.13	321.21
2001	15,222	3,441	2,740	21,403	321.21	71.17	49.21	441.59
2002	21,403	364	-2,646	19,121	441.59	8.03	27.97	477.59
2003	19,121	664	-1,835	17,950	477.59	18.06	49.61	545.26
2004	17,950	1,693	-165	19,478	545.26	52.49	85.79	683.54
2005 <sup>3)</sup>	19,326	2,249	809	22,384	678.20	72.50	-50.06	700.64

### Banking sector

	SKK millions				USD millions			
	Volume as at 1 January	Net change	Valuation and other changes	Volume as at 31 December	Volume as at 1 January	Net change	Valuation and other changes	Volume as at 31 December
1999	1,592	-17,110	15,587	69	43.13	-413.12	371.62	1.63
2000	69	99	21	189	1.63	2.14	0.21	3.98
2001	189	8	1	198	3.98	0.17	-0.07	4.08
2002	198	0	-34	164	4.08	0.00	0.01	4.09
2003 <sup>2)</sup>	162	43	-9	196	4.05	1.17	0.74	5.96
2004	196	-29	360	527	5.96	-0.90	13.44	18.50
2005	527	302	10	839	18.50	9.74	-1.97	26.27

### Total

	SKK millions				USD millions			
	Volume as at 1 January	Net change	Valuation and other changes	Volume as at 31 December	Volume as at 1 January	Net change	Valuation and other changes	Volume as at 31 December
1999	13,989	-16,371	15,183	12,801	378.98	-395.28	319.17	302.87
2000	12,801	1,074	1,536	15,411	302.87	23.24	-0.92	325.19
2001	15,411	3,449	2,741	21,601	325.19	71.34	49.14	445.67
2002	21,601	364	-2,680	19,285	445.67	8.03	27.98	481.68
2003 <sup>2)</sup>	19,283	707	-1,844	18,146	481.64	19.23	50.35	551.22
2004	18,146	1,580	82	20,005	551.22	51.59	99.23	702.04
2005 <sup>3)</sup>	19,853	2,551	819	23,223	696.70	82.24	-52.03	726.91

Note: The data for 2004 – 2005 are preliminary.

1) Equity capital + reinvested earnings.

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

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



# Outflow of Foreign Direct Investment<sup>1)</sup> During January to December 2005

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 31.022									
<b>Outflow of FDI (equity capital + reinvested earnings) in total</b>	2,249	72.5	100.0	302	9.7	100.0	2,551	82.2	100.0
<b>Structure of capital by country of investment</b>									
Czech Republic	1,091	35.2	48.5	8	0.3	2.6	1,099	35.4	43.1
Switzerland	661	21.3	29.4	0	0.0	0.0	661	21.3	25.9
The Netherlands	0	0.0	0.0	291	9.4	96.4	291	9.4	11.4
Cyprus	266	8.6	11.8	0	0.0	0.0	266	8.6	10.4
Russia	198	6.4	8.8	3	0.1	1.0	201	6.5	7.9
Croatia	109	3.5	4.8	0	0.0	0.0	109	3.5	4.3
Ukraine	69	2.2	3.1	0	0.0	0.0	69	2.2	2.7
Poland	48	1.5	2.1	0	0.0	0.0	48	1.5	1.9
Ethiopia	29	0.9	1.3	0	0.0	0.0	29	0.9	1.1
Serbia and Montenegro	10	0.3	0.4	0	0.0	0.0	10	0.3	0.4
Other countries	-232	-7.5	-10.3	0	0.0	0.0	-232	-7.5	-9.1
<b>Structure of capital by sector</b>									
Agriculture, hunting, and forestry	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Mineral raw materials extraction	58	1.9	2.6	0	0.0	0.0	58	1.9	2.3
Manufacturing	383	12.3	17.0	0	0.0	0.0	383	12.3	15.0
Electricity, gas, and water supply	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Construction	-349	-11.3	-15.5	0	0.0	0.0	-349	-11.3	-13.7
Wholesale and retail trade, repairs of motor vehicles	-23	-0.7	-1.0	0	0.0	0.0	-23	-0.7	-0.9
Hotels and restaurants	94	3.0	4.2	0	0.0	0.0	94	3.0	3.7
Transport, storage, post and telecommunications	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Financial intermediation	1,889	60.9	84.0	302	9.7	100.0	2,191	70.6	85.9
Real estate, renting and business activities	194	6.3	8.6	0	0.0	0.0	194	6.3	7.6
Public administration and defence, compulsory social security	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Education	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Health and social work	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Other community, social, and personal services	3	0.1	0.1	0	0.0	0.0	3	0.1	0.1
Activities of private households	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Extra-territorial organizations and bodies	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
<b>Structure of capital by regions</b>									
Bratislava region	2,186	70.5	97.2	302	9.7	100.0	2,488	80.2	97.5
Trnava region	111	3.6	4.9	0	0.0	0.0	111	3.6	4.4
Trenčín region	76	2.4	3.4	0	0.0	0.0	76	2.4	3.0
Nitra region	6	0.2	0.3	0	0.0	0.0	6	0.2	0.2
Žilina region	6	0.2	0.3	0	0.0	0.0	6	0.2	0.2
Banská Bystrica region	-212	-6.8	-9.4	0	0.0	0.0	-212	-6.8	-8.3
Prešov region	73	2.4	3.2	0	0.0	0.0	73	2.4	2.9
Košice region	3	0.1	0.1	0	0.0	0.0	3	0.1	0.1

Note: Preliminary data.

1) Equity capital + reinvested earnings.



# Outflow of Foreign Direct Investment<sup>1)</sup> During January to December 2004

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 32.255									
<b>Outflow of FDI (equity capital + reinvested earnings) in total</b>	1,693	52.5	100.0	-29	-0.9	100.0	1,664	51.6	100.0
<b>Structure of capital by country of investment</b>									
Czech Republic	1,361	42.2	80.4	-29	-0.9	100.0	1,332	41.3	80.0
Ethiopia	229	7.1	13.5	0	0.0	0.0	229	7.1	13.8
The Netherlands	196	6.1	11.6	0	0.0	0.0	196	6.1	11.8
Russia	112	3.5	6.6	0	0.0	0.0	112	3.5	6.7
India	58	1.8	3.4	0	0.0	0.0	58	1.8	3.5
Cyprus	49	1.5	2.9	0	0.0	0.0	49	1.5	2.9
Brazil	26	0.8	1.5	0	0.0	0.0	26	0.8	1.6
Serbia and Montenegro	11	0.3	0.6	0	0.0	0.0	11	0.3	0.7
Switzerland	7	0.2	0.4	0	0.0	0.0	7	0.2	0.4
Romania	4	0.1	0.2	0	0.0	0.0	4	0.1	0.2
Other countries	-360	-11.2	-21.3	0	0.0	0.0	-360	-11.2	-21.6
<b>Structure of capital by sector</b>									
Agriculture, hunting, and forestry	7	0.2	0.4	0	0.0	0.0	7	0.2	0.4
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Mineral raw materials extraction	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Manufacturing	955	29.6	56.4	0	0.0	0.0	955	29.6	57.4
Electricity, gas, and water supply	1	0.0	0.1	0	0.0	0.0	1	0.0	0.1
Construction	-86	-2.7	-5.1	0	0.0	0.0	-86	-2.7	-5.2
Wholesale and retail trade, repairs of motor vehicles	791	24.5	46.7	0	0.0	0.0	791	24.5	47.5
Hotels and restaurants	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Transport, storage, post and telecommunications	1	0.0	0.1	0	0.0	0.0	1	0.0	0.1
Financial intermediation	-240	-7.4	-14.2	-29	-0.9	100.0	-269	-8.3	-16.2
Real estate, renting and business activities	269	8.3	15.9	0	0.0	0.0	269	8.3	16.2
Public administration and defence, compulsory social security	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Education	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Health and social work	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Other community, social, and personal services	-5	-0.2	-0.3	0	0.0	0.0	-5	-0.2	-0.3
Activities of private households	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Extra-territorial organizations and bodies	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
<b>Structure of capital by regions</b>									
Bratislava region	1,079	33.5	63.7	-29	-0.9	100.0	1,050	32.6	63.1
Trnava region	-46	-1.4	-2.7	0	0.0	0.0	-46	-1.4	-2.8
Trenčín region	893	27.7	52.7	0	0.0	0.0	893	27.7	53.7
Nitra region	-2	-0.1	-0.1	0	0.0	0.0	-2	-0.1	-0.1
Žilina region	-66	-2.0	-3.9	0	0.0	0.0	-66	-2.0	-4.0
Banská Bystrica region	12	0.4	0.7	0	0.0	0.0	12	0.4	0.7
Prešov region	95	2.9	5.6	0	0.0	0.0	95	2.9	5.7
Košice region	-272	-8.4	-16.1	0	0.0	0.0	-272	-8.4	-16.3

Note: Preliminary data.

1) Equity capital + reinvested earnings.



# **Outflow of Foreign Direct Investment<sup>1)</sup> During January to December 2003**

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 36.773									
<b>Outflow of FDI (equity capital + reinvested earnings) in total</b>	664	18.1	100.0	43	1.2	100.0	707	19.2	100.0
<b>Structure of capital by country of investment</b>									
Czech Republic	800	21.8	120.5	30	0.8	69.8	830	22.6	117.4
Austria	308	8.4	46.4	0	0.0	0.0	308	8.4	43.6
United Kingdom	82	2.2	12.3	0	0.0	0.0	82	2.2	11.6
Bosnia and Herzegovina	78	2.1	11.7	0	0.0	0.0	78	2.1	11.0
USA	39	1.1	5.9	0	0.0	0.0	39	1.1	5.5
The Netherlands	21	0.6	3.2	0	0.0	0.0	21	0.6	3.0
Croatia	4	0.1	0.6	13	0.4	30.2	17	0.5	2.4
Bulgaria	11	0.3	1.7	0	0.0	0.0	11	0.3	1.6
Poland	8	0.2	1.2	0	0.0	0.0	8	0.2	1.1
Switzerland	6	0.2	0.9	0	0.0	0.0	6	0.2	0.8
Other countries	-693	-18.8	-104.4	0	0.0	0.0	-693	-18.8	-98.0
<b>Structure of capital by sector</b>									
Agriculture, hunting, and forestry	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Mineral raw materials extraction	-230	-6.3	-34.6	0	0.0	0.0	-230	-6.3	-32.5
Manufacturing	1,193	32.4	179.7	0	0.0	0.0	1,193	32.4	168.7
Electricity, gas, and water supply	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Construction	-14	-0.4	-2.1	0	0.0	0.0	-14	-0.4	-2.0
Wholesale and retail trade, repairs of motor vehicles	19	0.5	2.9	0	0.0	0.0	19	0.5	2.7
Hotels and restaurants	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Transport, storage, post and telecommunications	-108	-2.9	-16.3	0	0.0	0.0	-108	-2.9	-15.3
Financial intermediation	-14	-0.4	-2.1	43	1.2	100.0	29	0.8	4.1
Real estate, renting and business activities	-222	-6.0	-33.4	0	0.0	0.0	-222	-6.0	-31.4
Public administration and defence, compulsory social security	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Education	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Health and social work	-1	0.0	-0.2	0	0.0	0.0	-1	0.0	-0.1
Other community, social, and personal services	41	1.1	6.2	0	0.0	0.0	41	1.1	5.8
Activities of private households	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Extra-territorial organizations and bodies	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
<b>Structure of capital by regions</b>									
Bratislava region	750	20.4	113.0	43	1.2	100.0	793	21.6	112.2
Trnava region	60	1.6	9.0	0	0.0	0.0	60	1.6	8.5
Trenčín region	-20	-0.5	-3.0	0	0.0	0.0	-20	-0.5	-2.8
Nitra region	6	0.2	0.9	0	0.0	0.0	6	0.2	0.8
Žilina region	184	5.0	27.7	0	0.0	0.0	184	5.0	26.0
Banská Bystrica region	-343	-9.3	-51.7	0	0.0	0.0	-343	-9.3	-48.5
Prešov region	110	3.0	16.6	0	0.0	0.0	110	3.0	15.6
Košice region	-83	-2.3	-12.5	0	0.0	0.0	-83	-2.3	-11.7

1) Equity capital + reinvested earnings.

Volume of Foreign Direct Investment<sup>1)</sup> Outward as at 31 December 2005

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 31.948									
<b>Total volume of FDI outward (equity capital + reinvested earnings)</b>	22,384	700.6	100.0	839	26.3	100.0	23,223	726.9	100.0
<b>Structure of capital by country of investment</b>									
Czech Republic	10,644	333.2	47.6	499	15.6	59.5	11,143	348.8	48.0
United Kingdom	2,283	71.5	10.2	0	0.0	0.0	2,283	71.5	9.8
Ukraine	1,352	42.3	6.0	0	0.0	0.0	1,352	42.3	5.8
Ireland	1,140	35.7	5.1	0	0.0	0.0	1,140	35.7	4.9
Hungary	1,093	34.2	4.9	0	0.0	0.0	1,093	34.2	4.7
Poland	915	28.6	4.1	0	0.0	0.0	915	28.6	3.9
Switzerland	834	26.1	3.7	0	0.0	0.0	834	26.1	3.6
Luxembourg	808	25.3	3.6	0	0.0	0.0	808	25.3	3.5
Russia	702	22.0	3.1	0	0.0	0.0	702	22.0	3.0
Austria	608	19.0	2.7	0	0.0	0.0	608	19.0	2.6
Other countries	2,005	62.8	9.0	340	10.6	40.5	2,345	73.4	10.1
<b>Structure of capital by sector</b>									
Agriculture, hunting and forestry	20	0.6	0.1	0	0.0	0.0	20	0.6	0.1
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Mining and quarrying	1,789	56.0	8.0	0	0.0	0.0	1,789	56.0	7.7
Manufacturing	8,489	265.7	37.9	0	0.0	0.0	8,489	265.7	36.6
Electricity, gas and water supply	1,450	45.4	6.5	0	0.0	0.0	1,450	45.4	6.2
Construction	58	1.8	0.3	0	0.0	0.0	58	1.8	0.2
Wholesale and retail trade, repairs of motor vehicles	1,887	59.1	8.4	0	0.0	0.0	1,887	59.1	8.1
Hotels and restaurants	91	2.8	0.4	0	0.0	0.0	91	2.8	0.4
Transport, storage and communication	43	1.3	0.2	0	0.0	0.0	43	1.3	0.2
Financial intermediation	4,810	150.6	21.5	839	26.3	100.0	5,649	176.8	24.3
Real estate, renting and business activities	3,213	100.6	14.4	0	0.0	0.0	3,213	100.6	13.8
Public administration and defence, compulsory social security	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Education	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Health and social work	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Other community, social and personal service activities	534	16.7	2.4	0	0.0	0.0	534	16.7	2.3
Activities of private households	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Extra – territorial organizations and bodies	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
<b>Structure of capital by regions</b>									
Bratislava region	15,043	470.9	67.2	839	26.3	100.0	15,882	497.1	68.4
Trnava region	1,933	60.5	8.6	0	0.0	0.0	1,933	60.5	8.3
Trenčín region	1,629	51.0	7.3	0	0.0	0.0	1,629	51.0	7.0
Nitra region	42	1.3	0.2	0	0.0	0.0	42	1.3	0.2
Žilina region	542	17.0	2.4	0	0.0	0.0	542	17.0	2.3
Banská Bystrica region	1,315	41.2	5.9	0	0.0	0.0	1,315	41.2	5.7
Prešov region	722	22.6	3.2	0	0.0	0.0	722	22.6	3.1
Košice region	1,158	36.2	5.2	0	0.0	0.0	1,158	36.2	5.0

Note: Preliminary data.

1) Equity capital + reinvested earnings.



## Volume of Foreign Direct Investment<sup>1)</sup> Outward as at 31 December 2004

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 28.496									
<b>Total volume of FDI outward (equity capital + reinvested earnings)</b>	19,478	683.5	100.0	527	18.5	100.0	20,005	702.0	100.0
<b>Structure of capital by country of investment</b>									
Czech Republic	8,864	311.1	45.5	481	16.9	91.3	9,345	327.9	46.7
United Kingdom	2,282	80.1	11.7	0	0.0	0.0	2,282	80.1	11.4
Ukraine	1,186	41.6	6.1	0	0.0	0.0	1,186	41.6	5.9
Ireland	1,136	39.9	5.8	0	0.0	0.0	1,136	39.9	5.7
Hungary	1,130	39.7	5.8	0	0.0	0.0	1,130	39.7	5.6
Luxembourg	1,111	39.0	5.7	0	0.0	0.0	1,111	39.0	5.6
Poland	844	29.6	4.3	0	0.0	0.0	844	29.6	4.2
Austria	646	22.7	3.3	0	0.0	0.0	646	22.7	3.2
Russia	474	16.6	2.4	0	0.0	0.0	474	16.6	2.4
Bosnia and Herzegovina	363	12.7	1.9	0	0.0	0.0	363	12.7	1.8
Other countries	1,442	50.6	7.4	46	1.6	8.7	1,488	52.2	7.4
<b>Structure of capital by sector</b>									
Agriculture, hunting, and forestry	30	1.1	0.2	0	0.0	0.0	30	1.1	0.1
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Mineral raw materials extraction	1,666	58.5	8.6	0	0.0	0.0	1,666	58.5	8.3
Manufacturing	8,014	281.2	41.1	0	0.0	0.0	8,014	281.2	40.1
Electricity, gas, and water supply	1,415	49.7	7.3	0	0.0	0.0	1,415	49.7	7.1
Construction	413	14.5	2.1	0	0.0	0.0	413	14.5	2.1
Wholesale and retail trade, repairs of motor vehicles	1,868	65.6	9.6	0	0.0	0.0	1,868	65.6	9.3
Hotels and restaurants	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Transport, storage, post and telecommunications	42	1.5	0.2	0	0.0	0.0	42	1.5	0.2
Financial intermediation	2,942	103.2	15.1	527	18.5	100.0	3,469	121.7	17.3
Real estate, renting and business activities	2,821	99.0	14.5	0	0.0	0.0	2,821	99.0	14.1
Public administration and defence, compulsory social security	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Education	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Health and social work	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Other community, social, and personal services	267	9.4	1.4	0	0.0	0.0	267	9.4	1.3
Activities of private households	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Extra-territorial organizations and bodies	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
<b>Structure of capital by regions</b>									
Bratislava region	12,219	428.8	62.7	527	18.5	100.0	12,746	447.3	63.7
Trnava region	1,779	62.4	9.1	0	0.0	0.0	1,779	62.4	8.9
Trenčín region	1,460	51.2	7.5	0	0.0	0.0	1,460	51.2	7.3
Nitra region	39	1.4	0.2	0	0.0	0.0	39	1.4	0.2
Žilina region	564	19.8	2.9	0	0.0	0.0	564	19.8	2.8
Banská Bystrica region	1,654	58.0	8.5	0	0.0	0.0	1,654	58.0	8.3
Prešov region	618	21.7	3.2	0	0.0	0.0	618	21.7	3.1
Košice region	1,145	40.2	5.9	0	0.0	0.0	1,145	40.2	5.7

Note: Preliminary data.

1) Equity capital + reinvested earnings.

Volume of Foreign Direct Investment<sup>1)</sup> Outward as at 31 December 2003

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 32.920									
<b>Total volume of FDI outward (equity capital + reinvested earnings)</b>	17,950	545.3	100.0	196	6.0	100.0	18,146	551.2	100.0
<b>Structure of capital by country of investment</b>									
Czech Republic	7,305	221.9	40.7	151	4.6	77.0	7,456	226.5	41.1
United Kingdom	2,293	69.7	12.8	0	0.0	0.0	2,293	69.7	12.6
Ukraine	1,365	41.5	7.6	0	0.0	0.0	1,365	41.5	7.5
Ireland	1,212	36.8	6.8	0	0.0	0.0	1,212	36.8	6.7
Hungary	1,128	34.3	6.3	0	0.0	0.0	1,128	34.3	6.2
Luxembourg	1,113	33.8	6.2	0	0.0	0.0	1,113	33.8	6.1
Poland	794	24.1	4.4	0	0.0	0.0	794	24.1	4.4
Austria	677	20.6	3.8	0	0.0	0.0	677	20.6	3.7
Russia	403	12.2	2.2	0	0.0	0.0	403	12.2	2.2
Bosnia and Herzegovina	383	11.6	2.1	0	0.0	0.0	383	11.6	2.1
Other countries	1,277	38.8	7.1	45	1.4	23.0	1,322	40.2	7.3
<b>Structure of capital by sector</b>									
Agriculture, hunting, and forestry	24	0.7	0.1	0	0.0	0.0	24	0.7	0.1
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Mineral raw materials extraction	1,879	57.1	10.5	0	0.0	0.0	1,879	57.1	10.4
Manufacturing	8,353	253.7	46.5	0	0.0	0.0	8,353	253.7	46.0
Electricity, gas, and water supply	1,226	37.2	6.8	0	0.0	0.0	1,226	37.2	6.8
Construction	388	11.8	2.2	0	0.0	0.0	388	11.8	2.1
Wholesale and retail trade, repairs of motor vehicles	981	29.8	5.5	0	0.0	0.0	981	29.8	5.4
Hotels and restaurants	1	0.0	0.0	0	0.0	0.0	1	0.0	0.0
Transport, storage, post and telecommunications	34	1.0	0.2	0	0.0	0.0	34	1.0	0.2
Financial intermediation	2,763	83.9	15.4	196	6.0	100.0	2,959	89.9	16.3
Real estate, renting and business activities	1,964	59.7	10.9	0	0.0	0.0	1,964	59.7	10.8
Public administration and defence, compulsory social security	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Education	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Health and social work	23	0.7	0.1	0	0.0	0.0	23	0.7	0.1
Other community, social, and personal services	314	9.5	1.7	0	0.0	0.0	314	9.5	1.7
Activities of private households	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Extra-territorial organizations and bodies	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
<b>Structure of capital by regions</b>									
Bratislava region	10,906	331.3	60.8	196	6.0	100.0	11,102	337.2	61.2
Trnava region	1,935	58.8	10.8	0	0.0	0.0	1,935	58.8	10.7
Trenčín region	751	22.8	4.2	0	0.0	0.0	751	22.8	4.1
Nitra region	49	1.5	0.3	0	0.0	0.0	49	1.5	0.3
Žilina region	676	20.5	3.8	0	0.0	0.0	676	20.5	3.7
Banská Bystrica region	1,647	50.0	9.2	0	0.0	0.0	1,647	50.0	9.1
Prešov region	565	17.2	3.1	0	0.0	0.0	565	17.2	3.1
Košice region	1,421	43.2	7.9	0	0.0	0.0	1,421	43.2	7.8

1) Equity capital + reinvested earnings.

Symbols used in the tables

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