



NÁRODNÁ BANKA SLOVENSKA



# Monetary Survey

July 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 July 2006, approved by the NBS Bank Board on 25 August 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 July. The 12-month rate of headline inflation reached 5.0%. Core inflation (excluding energy and unprocessed food prices) recorded a year-on-year rate of 2.7%.

Expressed in terms of the Consumer Price Index (CPI), consumer prices rose in comparison with the previous month by 0.2% in July. The 12-month headline and core inflation rates reached 5.0% and 2.8% respectively.

According to a flash estimate from the SR Statistical Office, real GDP grew over the second quarter of 2006 by 6.6%.

The M3 monetary aggregate (according to ECB methodology) increased month-on-month by Sk 10.0 billion in June, and its year-on-year dynamics strengthened in comparison with May to 11.2%.

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 10.9 billion in June, while the year-on-year growth rate slowed by 0.2 of a percentage point, to 14.9%.

The average interest rate on new loans to non-financial corporations rose in June by 0.39 of a percentage point, to 5.93%, and that on new loans to households increased by 0.24 of a percentage point, to 11.42%. Over the same period, the average interest rate on new deposits from non-financial corporations increased by 0.56 of a percentage point, to 2.51%, and that on new household deposits by 0.10 of a percentage point, to 0.96%.

At the end of July, the State budget of the SR resulted in a deficit of Sk 5.2 billion.

The foreign exchange reserves of the NBS (at current exchange rates) stood at USD 13.1 billion in July. At the end of the month, the volume of foreign exchange reserves was 3.6 times greater than the volume of average monthly imports of goods and services to Slovakia, during the first six months of 2006. At the end of July, the coverage of average monthly imports (imports of goods and services according to data from banking statistics) by the official foreign exchange reserves corresponded to 4.5 times the average monthly imports of goods and services to the SR over the first half of 2006.

In July, the National Bank of Slovakia intervened in favour of the Slovak koruna and sold a total of EUR 1,750 million in direct foreign exchange interventions.

According to preliminary data, the balance of payments on current account for January to May 2006 resulted in a deficit of Sk 55.3 billion. Over the same period, the capital and financial account generated a surplus of Sk 51.3 billion. From January to June, the b.o.p. current account produced a deficit of Sk 64.0 billion, while trade resulted in a shortfall of Sk 46.9 billion.

In July, the overall sterilisation position of the NBS vis-à-vis the banking sector stood at Sk 320.5 billion, representing a decline of Sk 85.8 billion in comparison with June.



## 2 Inflation

### 2.1 Consumer Price Index

#### HICP Inflation in July 2006

#### Harmonised Index of Consumer Prices

Consumer prices, expressed in terms of the Harmonised Index of Consumer Prices (HICP), increased by 0.1% in July, when goods prices dropped by 0.1% and services prices rose by 0.6%. On a year-on-year basis, consumer prices increased by 5.0% (in June by 4.5%). Overall inflation excluding energy and unprocessed food prices (core inflation) stood at 2.7% (compared with 2.2% in June). The average inflation rate for the past seven months reached 4.5%. The average 12-month inflation rate for the period from August 2005 to July 2006 was 3.9%. In July, HICP inflation was somewhat higher than expected by the NBS, mainly as a result of a steeper-than-expected increase in services prices, particularly in regulated bus fares.

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

	2006						
	Jan.	Feb.	Mar.	Apr.	May	June	July
<b>Total</b>	4.1	4.3	4.3	4.4	4.8	4.5	5.0
<b>Goods</b>	4.1	4.5	4.7	4.8	5.4	5.0	5.3
Industrial goods	6.8	6.8	6.7	6.6	7.0	6.8	7.2
Non-energy industrial goods	-0.4	-0.5	-0.4	0.0	0.3	0.2	0.9
Energy	16.4	16.6	16.3	15.4	16.1	15.6	15.6
Foodstuffs	-0.3	0.6	1.3	1.7	2.6	2.1	2.3
Processed food (including alcohol and tobacco)	-1.0	-0.1	0.4	0.3	0.8	0.9	1.1
Unprocessed food	1.3	2.1	2.9	4.3	5.8	3.9	4.2
<b>Services</b>	3.9	3.8	3.6	3.6	3.7	3.6	4.3
<b>Total, excl. energy and unprocessed food (core inflation)</b>	1.7	1.8	1.8	2.0	2.2	2.2	2.7
<b>Total, excluding energy</b>	1.5	1.7	1.8	2.1	2.4	2.2	2.8

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

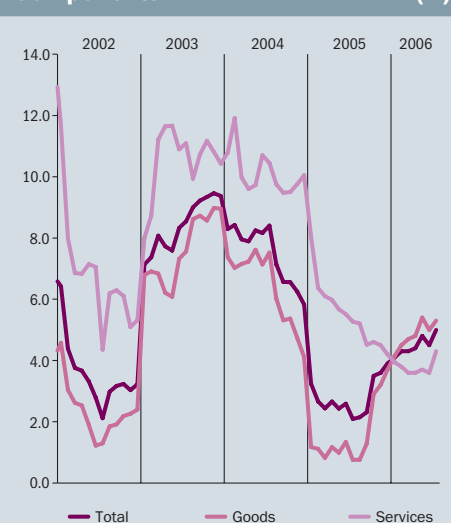
#### Goods prices recorded an increase in year-on-year dynamics

Goods prices recorded an increase in year-on-year dynamics in comparison with the previous month, which took place in the prices of industrial goods as well as foodstuffs. Within the scope of industrial goods prices, an increase in year-on-year dynamics occurred in the prices of non-energy industrial goods (mainly as a result of increases in the regulated prices of pharmaceuticals), while energy prices were stagnant on a year-on-year basis (fuel prices increased at a somewhat faster rate, while other energy prices recorded a certain slowdown in dynamics). Food prices recorded an increase in year-on-year dynamics, for both processed and unprocessed foodstuffs. Processed food prices were affected by an increase in cigarette prices (contributing approximately 0.01 of a percentage point to overall inflation), while unprocessed food prices were influenced by a slower seasonal price fall than in the same period a year earlier.

#### Increase in bus fares

The year-on-year dynamics of services prices strengthened in July, mainly as a result of an increase in regulated bus fares. Inflation was also fuelled by prices for foreign holidays and services related to the summer holiday season, which recorded a steeper seasonal rise than in the same period a year earlier.

**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**


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 effect of increase in cigarette prices should appear more profoundly in August. In unprocessed food prices, the increase in year-on-year dynamics is expected to continue, despite a month-on-month drop in these prices, which will, however, be smaller than in the same period a year earlier. Services prices should also increase, mainly prices for services connected with the summer holiday season.

#### Factors affecting inflation in the coming period

July saw a slight reduction in the assessment by consumers of the actual level of price inflation. In answer to questions about the current inflation rate, the respondents gave an average value of 10.2% (11.9% in the previous month). When asked about the expected rate of inflation in the next 12 months, the respondents gave an average value of 8.1%, representing a reduction in comparison with the previous month (11.3%).

#### Consumer expectations regarding inflation

#### CPI Inflation in July 2006

Consumer prices rose month-on-month by 0.2% in July, due to an increase in regulated prices (0.6%) and stagnation in core inflation. The 12-month rate of headline inflation reached 5.0% (compared with 4.6% in June) and that of core inflation 2.8% (2.5% in the previous month). The average year-on-year inflation rate for the period since the beginning of the year was 4.5% and that for the past 12 months (from August 2005 to July 2006) reached 3.9%.

#### Consumer Price Index

**Table 2 Consumer Prices in July 2006**

	Comparative change	
	June 2006	July 2005
<b>Total in %</b>	0.2	5.0
<b>Regulated prices in %</b>	0.6	12.4
- Share of total, in percentage points <sup>1)</sup>	0.15	-
<b>Impact of changes in indirect taxes on non-regulated prices</b>		
- Share of total, in percentage points <sup>1)</sup>	0.01	-
<b>Core inflation in %</b>	0.0	2.8
- Share of total, in percentage points <sup>1)</sup>	0.03	-
of which: Food prices in %	-0.9	1.5
- Share of total, in percentage points <sup>1)</sup>	-0.14	-
Tradable goods in % <sup>1)</sup>	0.3	0.8
- Share of total, in percentage points <sup>1)</sup>	0.10	-
Tradable goods, excluding fuels, in % <sup>1)</sup>	-0.2	-0.6
- Share of total, in percentage points <sup>1)</sup>	-0.05	-
Fuels in % <sup>1)</sup>	4.4	13.0
- Share of total, in percentage points <sup>1)</sup>	0.15	-
Market services in % <sup>1)</sup>	0.3	6.1
- Share of total, in percentage points <sup>1)</sup>	0.07	-
<b>Net inflation (excluding the impact of changes in indirect taxes) in %</b>	0.3	3.1
- Share of total, in percentage points <sup>1)</sup>	0.17	-
<b>Net inflation, excluding fuel prices (excluding the impact of changes in indirect taxes) in %<sup>1)</sup></b>	0.0	2.5
- 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.



## 2.2 Producer Prices in June 2006

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

In June, aggregated industrial producer prices for the domestic market increased on a month-on-month basis at a slower rate than in the previous month, due to a slower rise in energy and manufacturing products prices, accompanied by a fall in mining and quarrying products prices.

**Table 3 Producer Price Developments in June 2006**

(%)

	Month-on-month change		Year-on-year change			
	May 2006	June 2006	May 2006	June 2006	Average since the beginning of 2006	June 2005
Industrial producer prices (for the domestic market)	0.8	0.2	9.9	9.1	9.6	4.8
– Prices of manufacturing products	1.0	0.2	2.9	3.1	2.3	1.8
– Prices of mining and quarrying products	1.6	-0.6	48.5	46.4	45.0	1.5
– Prices of electricity, gas, steam, and hot water	0.6	0.3	16.7	14.5	17.3	9.1
Industrial producer prices (for export)	0.9	0.7	3.2	4.9	3.5	6.3
Construction prices	0.1	0.2	3.7	3.8	3.8	3.7
Building materials prices	0.3	0.5	1.6	2.4	1.3	5.1
Agricultural prices	-	-	-1.0	-1.1	-1.5	1.6
– Prices of plant products	-	-	-6.3	-5.6	-9.8	-14.2
– Prices of animal products	-	-	-0.5	-0.6	-0.2	3.5

Source: Statistical Office of the SR.

### ... accompanied by a fall in year-on-year dynamics

The year-on-year dynamics of domestic industrial producer prices slowed in comparison with the previous month by 0.8 of a percentage point, to 9.1% in June. This was caused by smaller year-on-year increases in electricity, gas, steam, and hot water prices and mining/quarrying products prices. The rise in manufacturing products prices was somewhat faster than in the previous month.

The June increase in manufacturing products prices was again caused by a rise in refined oil products prices (by 23.8%, despite a fall of 5.4 percentage points in their year-on-year dynamics in comparison with May). The modest increase in the year-on-year dynamics of manufacturing products prices was also fuelled by steeper increases in the prices of base metals and finished metal products (by 1.8 percentage points, to 2.4%); chemical products (by 1.6 percentage points, to 2.5%); paper and paper goods (by 0.8 of a percentage point, to 2.6%); other non-metal mineral products (by 0.7 of a percentage point, to 2.1%); and electrical and optical equipment (by 0.4 of a percentage point, to 1.8%). On the other hand, food prices continued to act as an anti-inflationary factor in June (a fall of 0.6%).

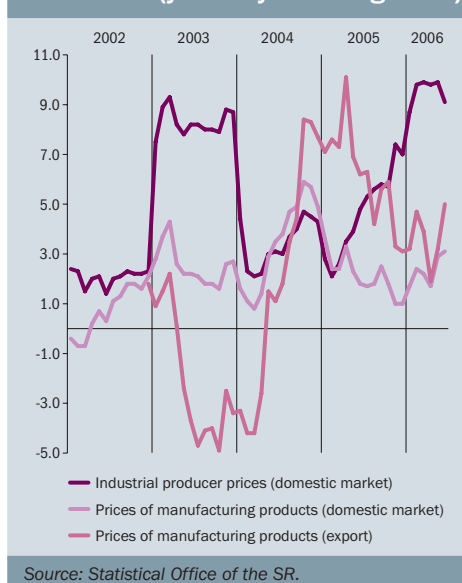
The slower year-on-year increase in energy prices in June (compared with May) was caused by a slowdown in the rate of increase in steam, hot water, gas, and electricity prices. Prices for gas production and the distribution of gaseous fuels by pipeline rose on a year-on-year basis by 21.6% (a slowdown of 5.6 percentage points compared with May). Prices for the supply of steam and hot water increased by 16.1% (at a rate 2.1 percentage points slower than in May). Prices for electricity generation and supply rose on a year-on-year basis by 10% (a slowdown of 0.6 of a percentage point compared with May). Prices for water treatment and supply continued to increase at an unchanged rate (9.8%).

### Industrial producer prices for export

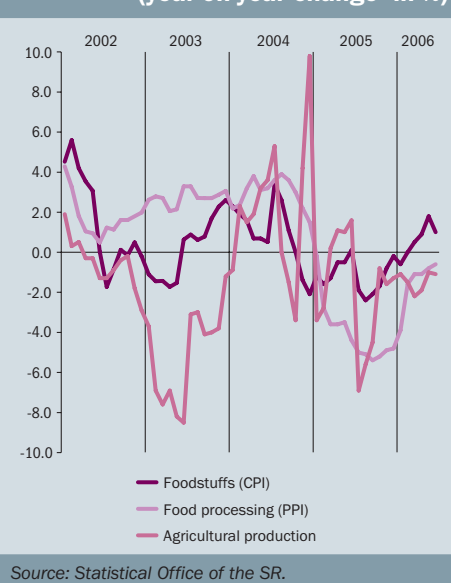
Industrial producer prices for export recorded a month-on-month increase of 0.7% in June. Their year-on-year increase accelerated in comparison with the previous month by 1.7 percentage points, to 4.9%.

The year-on-year increase in the export prices of manufacturing products, which have a substantial weight among industrial producer prices for export, was mostly caused by a rise in the prices of refined oil products in June (38.2%). The export prices of electrical and optical equipment also rose significantly on a year-on-year basis (by 22.3%). Increases were also recorded in the export prices of paper and paper goods (6.4%), chemical products (5.9%), wood and wooden products (5%), machinery and equipment (2.4%), rubber and plastic goods (1.5%), and textile products (1.6%). At the same time, continued year-on-year fall was recorded in the export prices of transport vehicles (6.4%), base metals and finished metal products (4.2%). A slight anti-inflationary effect was also produced by the export prices of other non-metal mineral products and leather goods.

**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 %)



In the past year, refined oil products prices have been a determining factor in price developments in the 'manufacturing products' category (this role was previously played by the prices of base metals and finished metal products). In June 2006, the rate of increase slowed month-on-month in the base prices of refined oil products, for both export and the domestic market (by 3.6 percentage points, to 65.1%, and 0.6 of a percentage point, to 46.7%, respectively, with the base year for the calculation of manufacturing products prices being 2000). The slowdown was caused by a month-on-month drop in the world-market price of oil.

The June level of agricultural prices was 1.1% lower than a year earlier, due to drops in the prices of **Agricultural prices** plant products (5.6%) as well as animal products (0.6%).

Among plant products, drops were recorded in the prices of cereals (8.4%) and legumes (4.2%). Price levels increased for potatoes (by 7.6%, for early potatoes by 10.4%), vegetables (by 2.9%), fruit (by 0.8%), and oil-seeds (by 0.6%).

Among animal products, the price of poultry (live animals) dropped by 9.8% in June; the prices of sheep farming products and beef cattle products also declined (by 2.7% and 0.1% respectively). The price of pork fell by 1.6% (for live animals) and that of eggs by 0.3%.

Industrial producer prices are expected to be influenced in July 2006 by the high price of oil on the world market and a year-on-year appreciation in the Slovak koruna against the US dollar. However, the base effect of the steep rise in refined oil products prices from July 2005 will cause a slowdown in the year-on-year rate of increase in industrial producer prices. Their dynamics should also be dampened by a slower rise in energy prices compared with the previous month. The slight anti-inflationary effect of food prices is expected to persist in July. Owing to external and internal cost factors, the average year-on-year dynamics of industrial producer prices are expected to weaken somewhat in July compared with the previous month.

On the basis of agrarian market news, a smaller year-on-year drop can be expected in cereal prices in July 2006 (compared with the previous month), in connection with the estimate that this season's harvest of thick-drill cereals will be 10-12% lower than last year's harvest. Animal products prices are again expected to drop somewhat as a result of a further fall in the price of poultry and an anticipated 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 July.



### 3 Factors Affecting the Course of Inflation

#### 3.1 Monetary Aggregates

In June, the year-on-year growth rate of the M3 monetary aggregate reached its highest level since May 2005. Despite increases in the key NBS rates in March and May 2006, bank lending continued to grow in dynamics. The accelerating rate of growth in the receivables of monetary financial institutions (MFIs) from the resident private sector, coupled with a surplus of liquidity, may have an upward effect on inflation in the medium term.

#### 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 10.0 billion compared with the previous month, to Sk 861.2 billion at the end of June. The year-on-year rate of M3 growth<sup>1</sup> accelerated by 0.7 of a percentage point, to 11.2%.

**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	11.2	.	.	.	.	.	.

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

1) Revised data.

The main factor contributing to the increase in M3 dynamics was again the receivables of MFIs from the resident private sector. Another source of growth for the monetary aggregates was the continuing outflow of funds from open-end investment funds. At the same time, M3 growth was dampened by the gradual improvement in budgetary performance.

**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 %	
	June 2005	May 2006	June 2006	May 2006	June 2006
Currency in circulation	108.1	121.9	124.5	14.6	15.2
Deposits and loans taken, repayable on demand	320.5	391.0	397.2	24.3	24.0
<b>M1</b>	428.5	512.9	521.7	21.9	21.7
Deposits and loans taken, with an agreed maturity of up to 2 years	281.7	285.0	287.3	0.2	2.0
Deposits redeemable at a period of notice of up to 3 months	15.8	13.4	13.2	-16.2	-16.5
<b>M2</b>	726.1	811.3	822.2	12.5	13.2
Money market fund shares/units	46.4	39.6	38.6	-13.7	-16.8
Repo operations	0.4	0.0	0.0	-	-
Debt securities issued with a maturity of up to 2 years	1.4	0.3	0.4	-	-
<b>M3</b>	774.3	851.2	861.2	10.5	11.2

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.

#### Main M3 Components

##### Growth in M1; growth in deposits and loans taken repayable on demand

After weakening for several months, the dynamics of currency in circulation increased slightly in comparison with the previous month, but was still at the lowest level since April 2005. The dynamics of M1 were determined by the growth rates of deposits and received loans repayable on demand. Although

<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.



the year-on-year growth in deposits and received loans repayable on demand slowed slightly in comparison with May, it was still the strongest among the main M3 components.

The acceleration in M2 growth was also affected by developments in deposits and loans taken with an agreed maturity of up to 2 years, the year-on-year dynamics of which increased. Deposits redeemable at a period of notice of up to 3 months show negative dynamics in the long run.

The less liquid M3 components still tended to moderate the rate of M3 growth: money market fund shares/units in particular continued to decrease, in comparison with May by Sk 1.0 billion and year-on-year by Sk 7.8 billion.

### Investment Through Open-End Investment Funds

The net value of Sk-denominated assets held by open-end investment funds (OIFs) increased to Sk 114.0 billion at the end of July. The monthly outflow of funds in Sk from OIFs (repurchases) continued in July, but was fully offset by the net sales of OIFs denominated in foreign currency. While this year's (7 months') increase in net OIF sales in Sk is negative, which is a marked difference in comparison with 2005, the figure in foreign currency has almost reached the volume for the entire year 2005. The lack of interest in investment in OIFs persisted in July.

**Modest rise in the net value of Sk assets held by 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	-0.6	.	.	.	.	.	-1.1
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	0.61	.	.	.	.	.	2.38

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) again reached a negative volume in July, when the repurchases of OIFs exceeded their sales by Sk 0.8 billion. The net sales of mixed and umbrella funds were also negative (Sk -0.4 billion in total). On the other hand, the net sales of equity funds reached Sk 1.0 billion, and those of other and special funds totalled Sk 0.2 billion. The monthly net sales of OIFs of all categories in total only slightly exceeded their repurchases.

### Main M3 Counterparts

The year-on-year growth rate of MFI receivables from residents (including securities issued by clients and held by MFIs) slowed somewhat in June, as a result of an acceleration in the rate of decline in MFI receivables from the public sector and receivables in the form of securities. In the long term, however, developments in loans to residents are determined for the most part by the strong dynamics of lending to the private sector. The year-on-year growth rate of total MFI receivables from residents moderated in comparison with May by 0.2 of a percentage point, to 14.9%.

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

Long-term financial liabilities (excluding capital, reserves, and provisions) show steadily increasing growth dynamics this year, due mainly to debt securities issued with a maturity of over 2 years.

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

	Volume in billions of Sk <sup>1)</sup>			Year-on-year change in %	
	June 2005	May 2006	June 2006	May 2006	June 2006
Net foreign assets	294.2	302.4	302.6	2.4	2.8
Foreign assets	590.5	608.6	607.8	2.7	2.9
Foreign liabilities	296.3	306.3	305.2	3.0	3.0
Receivables of MFIs from residents (incl. securities)	724.7	822.2	833.1	15.1	14.9
Receivables from the general government	261.1	253.3	248.9	-3.8	-4.7
Receivables from the private sector	463.6	568.9	584.2	26.0	26.0
Deposits and loans taken from central government	84.1	107.6	106.0	46.6	26.0
Long-term financial liabilities (excl. capital and reserves)	95.0	108.7	112.0	15.0	17.9
Deposits and loans taken, with an agreed maturity of over 2 years	52.9	60.5	61.0	15.8	15.2
Deposits redeemable at over 3 months' notice	28.8	26.4	26.1	-9.4	-9.2
Debt securities issued with a maturity of over 2 years	13.3	21.9	24.9	65.3	87.6
Other items net	65.5	57.0	56.4	-20.2	-13.8
Capital, reserves, and provisions	94.1	74.3	80.9	-23.5	-14.0
Other liabilities	51.4	56.6	54.9	5.1	6.8
Surplus of liabilities among MFIs	0.2	-0.1	-0.1	-	-
Fixed assets	34.5	33.1	33.0	-3.9	-4.2
Other assets	45.8	40.7	46.3	-10.1	1.1
<b>M3</b>	<b>774.3</b>	<b>851.2</b>	<b>861.2</b>	<b>10.5</b>	<b>11.2</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.

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

Since the end of last year, the growth rate of MFI receivables from the private sector (including securities) has been negatively influenced by a year-on-year decline in securities issued by the private sector. The growth rate of MFI receivables from the private sector excluding securities is higher than the rate of growth with the securities included. This indicates that the growth rate of MFI receivables from the private sector (excluding securities) accelerated slightly, as well as the rate of decline in securities.

The dynamics of MFI receivables from non-financial corporations increased. On the other hand, the dynamics of bank lending to households diminished and followed the downward trend from the end of 2005.

**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 %	
	June 2005	May 2006	June 2006	May 2006	June 2006
MFI receivables from the private sector (incl. securities)	463.6	568.9	584.2	26.0	26.0
of which: Securities issued by the private sector	18.7	14.5	14.8	-19.0	-21.1
MFI receivables (excluding securities)	444.9	554.4	569.4	27.9	28.0
Non-financial corporations	249.5	292.2	299.3	19.5	20.0
- up to 1 year	109.1	127.6	133.8	18.5	22.7
- 1 to 5 years	54.3	58.6	56.7	9.1	4.4
- over 5 years	86.1	106.0	108.8	27.4	26.3
Financial corporations	44.3	59.7	61.3	37.0	38.2
Insurance corporations and pension funds	0.1	0.0	0.0	-	-
Households and non-profit institutions serving households	151.0	202.5	208.7	39.4	38.3
- consumer loans	22.7	32.0	32.6	46.5	44.0
- house purchase loans	99.7	132.1	136.2	37.6	36.7
- other loans	28.6	38.4	39.9	39.9	39.1

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

The total volume of loans to households is dominated by loans for housing purposes, though their dynamics weakened again. **Loans to households**

**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)	
	June 2006	June 2005	June 2006
MFI receivables (excl. securities)	569.4	47.2	61.9
Non-financial corporations	299.3	24.2	27.9
– loans in Slovak koruna	190.9	9.9	19.5
– loans in foreign currency	108.4	14.3	8.4
Financial corporations (other financial intermediaries and auxiliary financial institutions)	61.3	0.1	6.3
– loans in Slovak koruna	46.3	-0.7	3.3
– loans in foreign currency	15.0	0.9	3.0
Insurance corporations and pension funds	0.0	0.1	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	208.7	22.8	27.7
– loans in Slovak koruna	206.2	22.0	27.2
– loans in foreign currency	2.6	0.8	0.6
of which: Consumer loans	32.6	2.8	7.8
– loans in Slovak koruna	32.6	2.7	7.9
– loans in foreign currency	0.1	0.1	0.0
House purchase loans	136.2	11.8	17.3
– loans in Slovak koruna	134.8	11.1	16.9
– loans in foreign currency	1.4	0.5	0.4
Other loans	39.9	8.2	2.6
– loans in Slovak koruna	38.8	8.2	2.4
– loans in foreign currency	1.1	0.0	0.2

Source: NBS.

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



Source: NBS.

Consumer loans and other loans constitute a much smaller part, but they actually show stronger dynamics than loans for house purchases. The structure of these loans is relatively stable, with a slowly decreasing share of house purchase loans.

The volume of loans granted to non-financial corporations in foreign currency continued to grow in June; the growth mostly took place in euro-denominated loans (93.4%). Loans to households in foreign currency increased slightly, with euro loans accounting for 90%.

### Current Budgetary Developments

July 2006 saw an improvement in budgetary performance in comparison with the previous month (by Sk 5.1 billion), with the deficit reaching Sk 5.2 billion at the end of July (compared with Sk 10.3 billion at the end of June). Budget revenue increased month-on-month by Sk 28.5 billion and expenditure grew by Sk 23.4 billion.



### 3.2 External Trade

**Current account** In May 2006, the balance of payments on current account resulted in a deficit of Sk 17.9 billion. This represented a deterioration in budgetary performance in comparison with April. The most significant change occurred in the balance of income from investment, where the April deficit markedly increased as a result of increased dividend payments to foreign direct investors. The increase in the deficit was also affected by a slightly smaller surplus in the services balance. On the other hand, the trade and current transfers balances followed a more favourable trend than in April. The year-on-year decrease in the deficit (by Sk 5.7 billion) was caused by improvements in all current account components, except in the trade balance.

Table 10 Balance of Payments Current Account				(Sk billions)
	May 2006	May 2005	Jan. – May 2006	Jan. – May 2005
Balance of trade	-7.3	-6.6	-40.2	-27.9
Exports	103.6	81.0	460.3	374.8
Imports	110.9	87.6	500.5	402.7
Balance of services	1.1	-0.2	7.8	6.0
Balance of income	-13.2	-15.4	-21.7	-16.6
of which: Income from investment	-15.6	-17.7	-34.1	-29.2
of which: Reinvested earnings	-2.4	-2.4	-14.5	-12.0
Current transfers	1.5	-1.4	-1.2	1.0
Current account in total	-17.9	-23.6	-55.3	-37.5

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 7.3 billion in May (the originally published deficit amounted to Sk 7.8 billion). Exports grew month-on-month to a significant extent in May, and their year-on-year dynamics also increased (a growth rate of 27.9% was achieved in May). The May growth in exports was mainly caused by increases in machine exports (television sets in particular) and semi-finished goods exports (iron and steel, and iron and steel products). Export growth was also stimulated in smaller measure by the exports of finished products and, despite the lower price of oil (in koruna terms), raw materials exports. Goods imports also increased month-on-month in May, and the year-on-year growth achieved (24.5%) was markedly higher than in the previous month. The growth in imports was mainly supported by higher imports of machines and semi-finished goods, while the imports of finished products also increased. In May, exports again recorded a faster year-on-year growth than imports, which led to an improvement in the balance in comparison with the previous month and confirmed the assumption that the slower growth rates in April were mainly caused by the base effect.

Table 11 Exports from January to May, Year-on-Year Changes

	Year-on-year change in billions of Sk		Proportion of the year-on-year change in % points	
	January – May		January – May	
	2006	2005	2006	2005
Raw materials	13.6	1.5	3.6	0.5
Chemicals and semi-finished goods	19.0	21.5	5.1	7.6
Machinery and transport equipment	48.1	-12.1	12.9	-4.3
Finished products	4.7	-0.2	1.3	-0.1
Exports in total	85.4	10.7	22.8	3.8

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 6.7 billion in May.

The inflow of funds resulted from conflicting developments, when an outflow in portfolio investment was exceeded by an inflow in other investment. In portfolio investment, the outflow was caused by increased repayments of long-term government liabilities. The inflow of funds in other investment resulted from an increase in liabilities (growth in deposits on bank accounts and import liabilities in the corporate sector) and was only partly offset by an increase in assets (mainly growth in short-term financial credits granted by banks to clients abroad).



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

	Year-on-year change in billions of Sk January – May		Proportion of the year-on-year change in % points January – May	
	2006	2005	2006	2005
Raw materials	28.2	17.9	7.0	5.5
Chemicals and semi-finished goods	14.5	8.2	3.6	2.5
Machinery and transport equipment	36.8	-0.4	9.1	-0.1
Finished products	18.4	9.8	4.6	3.0
of which: Agricultural and industrial goods	8.7	6.6	2.2	2.0
Passenger cars	2.6	0.1	0.6	0.0
Machines and electrical consumer goods	7.1	3.1	1.8	0.9
Imports in total	97.9	35.5	24.3	10.8

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

**Table 13 Balance of Payments Capital and Financial Account (Sk billions)**

	May 2006	May 2005	Jan. – May 2006	Jan. – May 2005
Capital account	-0.1	0.1	-0.4	-0.1
Direct investment	1.4	9.1	54.1	12.6
SR abroad	-0.7	0.8	-2.5	-0.6
of which: Equity capital abroad	-0.4	0.2	-0.9	0.2
Reinvested earnings	-0.1	-0.1	-0.5	-0.5
In the SR	2.1	8.3	56.6	13.2
of which: Equity capital in the SR	1.9	1.8	37.8	3.8
of which: Other than privatisation	1.9	1.8	6.8	3.8
Reinvested earnings	2.5	2.5	15.0	12.5
Portfolio investment and financial derivatives	-20.6	-33.1	22.4	-19.4
SR abroad	-0.6	-2.1	-4.0	-19.2
In the SR	-20.0	-31.0	26.4	-0.2
Other long-term investment	2.4	4.3	14.3	-10.8
Assets	-1.0	0.3	-2.0	-0.5
Liabilities	3.4	4.0	16.3	-10.3
Other short-term investment	23.6	-3.3	-39.1	111.1
Assets	-14.2	-7.4	-30.7	-11.4
Liabilities	37.8	4.1	-8.4	122.5
Capital and financial account	6.7	-22.9	51.3	93.4

Source: NBS.

The foreign exchange reserves of the NBS fell month-on-month by Sk 1.2 billion, i.e. USD 40.8 million (excluding exchange rate differentials).

**Foreign exchange reserves of the NBS**

### External Debt of Slovakia as at 31 May 2006

At the end of May 2006, Slovakia's total gross external debt stood at USD 31.0 billion (EUR 24.2 billion), representing a month-on-month increase of USD 2.1 billion (EUR 0.9 billion). Total long-term foreign debt fell over the period under review by USD 0.4 billion, while total short-term foreign debt increased by USD 2.5 billion.

**Gross external debt**

Within the scope of long-term external debt, the period under review saw a decrease in the foreign liabilities of the Government and the NBS (USD 0.5 billion), mainly as a result of lower interest in koruna-denominated government bond purchases. Within the commercial sector, the same period witnessed an increase in the foreign liabilities of entrepreneurial entities (USD 0.1 billion) and a modest growth in commercial bank liabilities.

Within the scope of short-term foreign debt, a marked increase occurred in the commercial sector. The short-term foreign liabilities of commercial banks grew by USD 1.2 billion, due to an increase in cash



and deposits (USD 1.9 billion) offset partly by a decrease in loans (USD 0.7 billion). The short-term foreign liabilities of entrepreneurial entities increased by USD 1.3 billion, which took place in loans (USD 0.7 billion) and trade credits (USD 0.6 billion).

At the end of May, Slovakia's per-capita gross foreign debt stood at USD 5,768. The share of short-term foreign debt in the country's total gross external debt increased month-on-month by 4.7%, to 53.5% at the end of May.

**Table 14 External Debt of the SR**

	In millions of USD			In millions of EUR		
	1.1.2006	30.4.2006	31.5.2006	1.1.2006	30.4.2006	31.5.2006
Total external debt of the SR	26,897.6	28,891.3	31,030.5	22,704.5	23,274.0	24,165.5
Long-term external debt	11,759.5	14,793.6	14,426.0	9,926.3	11,917.3	11,234.5
Government and NBS <sup>1)</sup>	5,578.3	7,361.6	6,850.0	4,708.7	5,930.3	5,334.6
Commercial banks	866.7	1,164.9	1,184.2	731.6	938.4	922.2
Entrepreneurial entities	5,314.5	6,267.1	6,391.8	4,486.0	5,048.6	4,977.7
Short-term external debt	15,138.1	14,097.7	16,604.5	12,778.2	11,356.7	12,931.0
Government and NBS	4.4	7.9	8.1	3.7	6.4	6.3
Commercial banks	9,360.4	8,029.8	9,212.1	7,901.2	6,468.6	7,174.1
Entrepreneurial entities	5,773.3	6,060.0	7,384.3	4,873.3	4,881.7	5,750.6
Foreign assets	25,455.3	28,139.0	29,709.4	21,487.2	22,668.0	23,136.7
Net external debt	1,442.3	752.3	1,321.1	1,217.3	606.0	1,028.8
SKK/USD and SKK/EUR rates	31.948	30.105	29.358	37.848	37.371	37.698
EUR/USD cross exchange rate	-	-	-	1.185	1.241	1.284

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 31.0 billion (liabilities of the Government, the NBS, commercial banks, and the corporate sector – except for capital participation), and foreign assets, i.e. USD 29.7 billion (foreign exchange reserves of the NBS, foreign assets of commercial banks and the corporate sector – except for capital participation), reached USD 1.3 billion (debtor position) at the end of May 2006.

### Current Developments

The trade deficit produced in June amounted to Sk 6.7 billion, representing a modest improvement in comparison with the previous month. As a result of increased drawing of EU funds, the balance of current transfers also improved. The lower payments of dividends in June created room for a reduction in the income balance deficit, which also contributed to the month-on-month decrease in the current account deficit (by Sk 9.2 billion).

June saw a certain slowdown in the year-on-year dynamics of exports as well as imports, when imports grew by 24.5% and exports increased by 21.9%.

**Table 15 Balance of Payments Current Account**

(Sk billions)

	June 2006	June 2005	Jan. – June 2006	Jan. – June 2005
Balance of trade	-6.7	-3.6	-46.9	-31.5
Exports	105.4	86.5	565.7	461.3
Imports	112.1	90.1	612.6	492.8
Balance of services	0.4	-0.8	8.2	5.2
Balance of income	-7.6	-8.3	-29.3	-24.9
of which: Income from investments	-10.1	-10.6	-44.2	-39.8
of which: Reinvested earnings	-2.4	-2.4	-16.9	-14.4
Current transfers	5.2	-0.3	4.0	0.7
Current account in total	-8.7	-13.0	-64.0	-50.5

Source: NBS and the Statistical Office of the SR.



In June, the trade deficit was in line with NBS expectations, though both exports and imports achieved higher levels than were predicted.

The strong year-on-year growth in exports from the previous month is expected to continue in July, and should be supported by an increase in production in the automotive industry (the launch of production at a new automobile factory), but, owing to the effects of the holiday season, 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 and goods for final consumption.

Export dynamics are expected to remain strong in August and September, though they will probably reach a lower level in August (compared with September) owing to the holiday season. Imports should decline somewhat in August compared with the previous month, mainly as a result of lower imports of machines and goods for final consumption (a seasonal effect). On the other hand, imports in these two categories in total, coupled with higher imports of semi-finished goods, should promote the month-on-month growth of imports in September. A possible further rise in oil prices may lead to stronger than expected growth in raw materials imports.

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

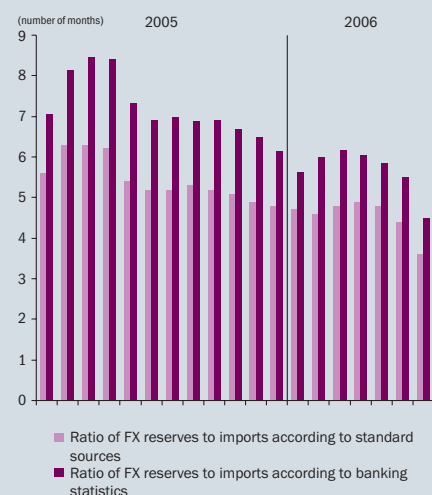
At the end of July, the total foreign exchange reserves of the NBS stood at USD 13,140.0 million, representing a month-on-month fall of USD 2,988.9 million. The fall in foreign exchange reserves in comparison with the end of June 2006 resulted from a shortfall in the balance of receipts and expenses, caused for the most part by an outflow of funds via NBS interventions in the interbank foreign exchange market (USD-3,138.7 million). This figure also includes the interventions conducted in June, which were settled during the first few days of July. At the end of July, the volume of foreign exchange reserves was 3.6 times (4.4 times at the end of June) greater than the volume of average monthly imports of goods and services to Slovakia, over the first six months of 2006.

#### Total foreign exchange reserves of the NBS

The coverage of average monthly imports by the official foreign exchange reserves is one of the key indicators of currency stability and is monitored as a rule, despite the fact that foreign exchange reserves are no longer required to fulfil this role (coverage of imports by forex reserves) in the conditions of liberalised b.o.p. current and financial accounts. With regard to the essence and purpose of this indicator, it appears to be more reasonable to include in the ratio to the FX reserves only that part of imports which is not financed from loans or foreign sources. Hence, starting from July 2006, the situation report on monetary developments will also mention the ratio of foreign exchange reserves to the volume of payments for goods and services, according to banking statistics. Unlike the volume obtained from usual data sources, this volume provides an alternative (more realistic) picture of the coverage

of goods and services imports by reserves, since it only includes imports that are to be paid for. In this case, foreign exchange reserves at the end of July would correspond to 4.5 times the volume of the average monthly imports of goods and services to Slovakia over the first six months of 2006.

**Chart 7 Coverage of Imports by Foreign Exchange Reserves in 2005 and 2006**



Source: NBS.

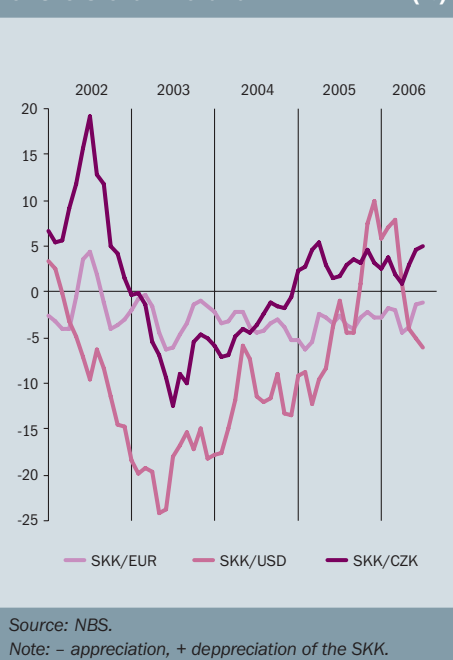
In July, the average exchange rate of the Slovak koruna recorded a more moderate depreciation than in the previous month. In relation to the currencies of our main trading partners, the koruna depreciated month-on-month by 0.7-0.9% (CZK, USD, EUR). The most significant appreciation in average terms again occurred in relation to the Hungarian forint (1.5%).

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

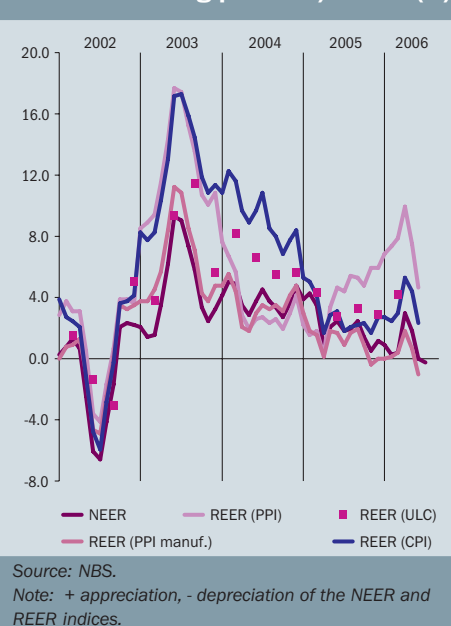
In July, the 12-month rate of appreciation in the average monthly exchange rate of the Slovak koruna slowed vis-à-vis the British pound and the euro (to 1.2%, from 3.8% and 1.3% respectively in June), while accelerating against the US dollar (from 5.0% to 6.0%). In relation to the Czech koruna, however, the koruna weakened by 5.0% (compared with 4.5%).



**Chart 8 Year-on-Year Changes in the Average Monthly Exchange Rates of the Slovak Koruna (%)**



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



The value of the nominal effective exchange rate<sup>2</sup> (NEER) continued to fall. Thus, for the first time in 45 months, the NEER index depreciated on a year-on-year basis (by 0.3%).

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

On a year-on-year basis, the real effective exchange rate (REER) followed a more moderate course in June. Its value based on various price deflators changed as follows: the REER based on consumer prices (CPI) rose by 2.4%, that based on industrial producer prices (PPI) increased by 4.7%, and the rate based on manufacturing products prices excluding raw materials and energy prices (PPI manufacturing) dropped by 1.1%.

**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>
December 2002	2.1	4.1	3.6	3.4	3.3
December 2003	3.2	11.3	10.8	4.7	6.5
December 2004	4.7	8.3	4.1	4.7	8.7
December 2005	1.1	2.7	6.0	0.0	3.3 <sup>(p)</sup>
March 2006 <sup>(1)</sup>	0.4 / 0.8	2.9 / 2.8	7.9 / 3.9	0.4 / -0.7	4.3 <sup>(p)</sup>
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	2.4 / 1.5	4.7 / 2.9	-1.1 / -1.3	.
July 2006 <sup>(1)</sup>	-0.3 / -1.6	.	.	.	-

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.

<sup>2</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.

### 3.3 Real Economy

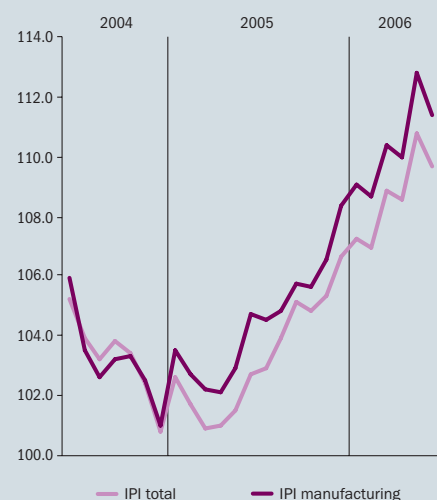
#### Current Developments

#### Production and Receipts

In June, the year-on-year rate of growth in industrial production accelerated somewhat in comparison with May. Production was influenced partly by the continuing growth in manufacturing production and partly by the renewed growth in electricity, gas, and water supply. Production in mining and quarrying continued to decline on a year-on-year basis.

**Slightly accelerated growth in industrial production**

**Chart 10 Development of Industrial and Manufacturing Production (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 most of the manufacturing sectors in June, while the rate of growth accelerated in the production of coke, refined oil products, and nuclear fuels; pulp, paper, and paper goods; and the manufacture of machinery and equipment. Slower growth than in May was recorded in the production of electrical and optical equipment, rubber and plastic goods, and other non-metal mineral products. The production of foodstuffs, beverages, and tobacco products declined on a year-on-year basis.

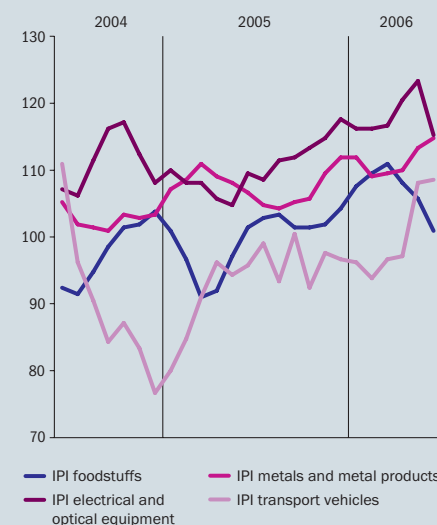
Production in the construction sector slowed in June on a month-on-month basis, due to a slowdown in domestic production in new construction, reconstruction, and modernisation projects, and a year-on-year decline in production in repair and maintenance work.

**Decelerated growth in construction**

Receipts continued to grow dynamically in all service sectors under review in June. The June growth in retail sales was stronger than in the previous month, as a result of faster growth in receipts in all retail sectors, except in retail trade outside shops, which recorded a year-on-year fall in receipts (as in May). The faster growth in receipts from the retail sale and maintenance of motor vehicles and fuels in comparison with May was the result of

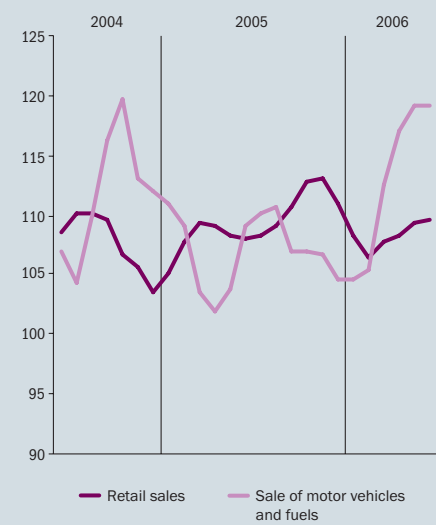
**Continuing dynamic growth in receipts from selected services**

**Chart 11 Development of Industrial Production in Selected Sectors (3-month moving averages) (index, same period a year earlier = 100)**



Source: Statistical Office of the SR.

**Chart 12 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.



**Table 17 Production and Receipts**

	Sk millions, curr. prices		Indices			
	June 2006	Cumulative since beginning of year	May 2006 May 2005	June 2006 June 2005	June 2005 June 2004	Jan. – May 2006 Jan. – May 2005
<b>Production</b>						
Industrial production index <sup>1)</sup>	–	–	111.4	111.9	101.7	109.3
of which:						
Mining and quarrying	–	–	87.2	87.3	99.7	89.2
Manufacturing	–	–	114.5	113.0	103.9	111.0
Electricity, gas, and water supply	–	–	94.1	109.8	87.9	102.9
Construction <sup>2)</sup>	13,667	60,188	119.4	116.3	125.2	115.2
of which:						
Construction in Slovakia	13,255	58,153	121.8	118.1	125.2	117.7
Construction abroad	412	2,035	73.5	78.8	125.9	72.0
<b>Receipts from own-output and goods</b>						
Industry in total <sup>3)</sup>	153,362	863,737	113.8	112.4	101.7	110.8
Construction <sup>2)</sup>	20,590	90,840	113.6	113.4	129.6	117.8
Retail trade <sup>3)</sup>	35,827	195,957	109.3	110.7	108.0	108.7
Sale and maintenance of vehicles, retail sale of fuels <sup>3)</sup>	18,773	91,441	116.0	120.7	117.3	116.4
Transport, storage <sup>3)</sup>	11,461	61,187	123.6	111.6	116.3	115.5
Real estate, renting, and business services <sup>3)</sup>	15,621	85,914	114.6	116.2	111.3	115.2

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).

renewed growth in receipts from the sale of fuels. The dynamic growth in receipts from the sale of motor vehicles and motor vehicle parts and components continued.

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

#### Flash estimate of GDP and employment in the 2nd quarter of 2006

The Statistical Office of the SR published a flash estimate of the rate of economic growth and overall employment in the second quarter of 2006 (based on the ESA 95 methodology), which expects economic growth to accelerate to 6.6% at constant prices and employment to increase year-on-year by 2.3%. The GDP growth estimate for the second quarter is somewhat higher than the figure predicted by the NBS.

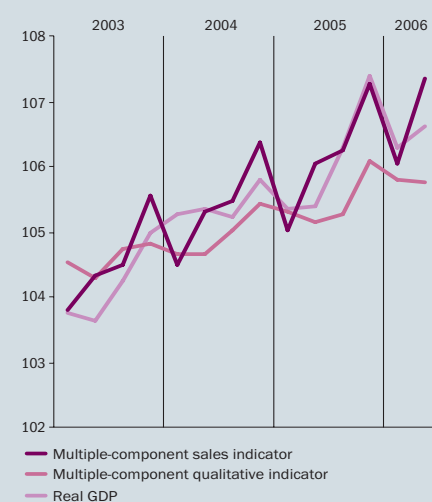
Information from economic trend research concerning the current expectations of economic entities in industry, construction, and retail trade, and the expectations of consumers (qualitative indicators) indicated that the rate of GDP growth from the first quarter of 2006 will be maintained. On the basis of monthly data on receipts from own output and goods in the individual sectors (traditional indicators), which are used by the NBS for short-term GDP forecasts, economic growth is expected to accelerate in the second quarter of 2006.

#### Wages, Employment, and Unemployment

##### Nominal wages

In June, the year-on-year rate of growth in nominal wages slowed in comparison with May in most sectors. The most significant slowdown took place in industry (mainly as a result of wage drops in electricity, gas, and water supply, and slower wage growth in manufacturing production, mining and quarrying). On the other hand, accelerated wage growth was recorded in real estate, renting, and other business services, and post & telecommunications.

**Chart 13 GDP Forecast Based on Multiple-Component Indicators**



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



During the first six months of 2006, average nominal wages grew at a slower rate than in the same period a year earlier, in most sectors. The only sectors to record stronger wage dynamics than a year earlier were retail trade and the sale and maintenance of vehicles.

In June, the year-on-year growth in real wages was slower than in May in industry, transport, and retail trade, while accelerating in real estate, renting, and other business services. Rapid real wage growth was also recorded in post and telecommunications (after stagnation in the past month), while real wages in construction grew at moderate rate (after falling in May).

## Real wages

	Average monthly nominal wage			Average monthly real wage		
	Year 2005	Jan. – June 2005	June 2006	Year 2005	Jan. – June 2005	June 2006
Industry	107.2	109.0	104.7	104.4	106.2	100.2
of which: Manufacturing	107.5	109.4	104.5	104.7	106.5	100.0
Construction	106.0	106.6	105.6	103.2	103.8	101.1
Retail trade	107.8	107.8	108.8	105.0	105.0	104.1
Wholesale trade	111.4	111.5	106.7	108.5	108.6	102.1
Real estate, renting and other business services	112.0	111.6	108.7	109.1	108.7	104.0
Transport	107.3	107.4	106.4	104.5	104.6	101.8
Post and telecommunications	107.1	106.5	105.5	103.3	103.8	101.0
Consumer prices	102.7	102.7	104.6	–	–	–

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.

Average real wage dynamics over the first six months of the year remained below the level of the same period a year earlier in all sectors under review. The slowdown in the year-on-year growth rate of real wages was primarily connected with the higher inflation rate and, in several sectors, with the weaker nominal wage dynamics.

Despite a slight slowdown in comparison with the previous month, most sectors under review (construction, wholesale trade, retail trade, sale and maintenance of vehicles) maintained a strong year-on-year growth in employment in June. Employment grew at a faster rate than in May in real estate, renting, and other business services, while continuing to fall in industry, transport and storage, and post & telecommunications.

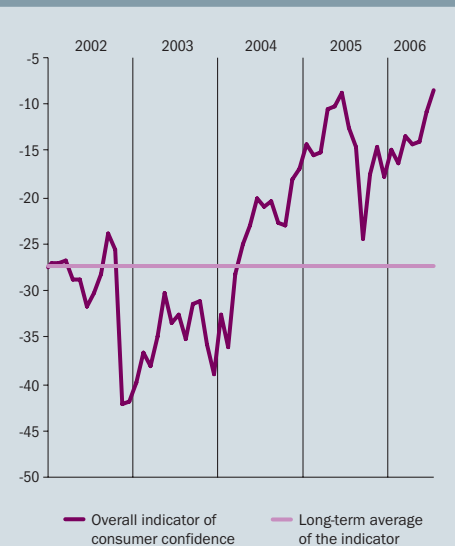
## Employment



Compared with June 2005, employment grew at a faster rate only in construction. The other sectors recorded a slowdown in employment growth (wholesale trade, sale and maintenance of vehicles, retail trade, and real estate, renting, and other business services), or a change from growth in the previous year to decline this year (industry, as a result of a fall in employment in manufacturing). Over the first six months of the year, employment grew most dynamically in average terms in the sale and maintenance of vehicles, construction, wholesale and retail trade.

The positive trend in unemployment continued in June. For the first time since January 1993, the total number of unemployed fell below the level of 300,000. According to data from the Centre for Labour, Social Matters, and the Family, the total number of registered unemployed dropped month-on-month by 6,100, to 296,500. The number of disposable unemployed, who may start working immediately, stood at 265,200, which was 5,000 less than in May. The rate of registered unemployment reached 10.36% in June, and was 0.2 of a percentage point lower than in the previous month. This was 0.73 of a percentage point less than in June 2005.

## Unemployment

**Chart 15 Consumer Confidence Indicator**

Source: Statistical Office of the SR.

**Chart 16 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 seven months of the year.

The average length of registration decreased in comparison with May by 0.16 of a month (to 11.41 months in June) and in comparison with June 2005 by 0.53 of a month. Compared with May, the share of long-term unemployed (out of work for more than 12 months) decreased by 0.5 of a percentage point, to 52.6% in June. This was 1.5 percentage points less than in June 2005.

### Consumer Confidence Indicator

#### Continuing improvement in consumer confidence

The value of the consumer confidence indicator improved in July (by 2.3 points compared with the previous month), to -8.5 points, representing a historical high. Compared with June, improvements were recorded in all indicators (the indicators of expected household savings, the expected financial situation of households, expected economic development in the SR, and the expected rate of unemployment). Compared with the same period last year, the consumer confidence indicator has improved by 3.9 points.



## 4 Monetary Developments

### 4.1 Foreign Exchange Market

Over the course of July, the exchange rate of the Slovak koruna against the euro strengthened by 0.7% (from SKK/EUR 38.322 to SKK/EUR 38.072), while average rate weakened by 0.9%. The Slovak koruna deviated from its central rate (SKK/EUR 38.4550) most significantly on 28 July 2006, when its exchange rate reached SKK/EUR 38.016, representing an appreciation of 1.14% from central parity. In relation to the US dollar, the koruna strengthened by 1.7% (from SKK/USD 30.584 to SKK/USD 30.055), while depreciating in average terms by 0.8%.

#### Operations on the foreign exchange market

Spot transactions between foreign and domestic banks resulted in a positive balance (USD 3,688.67 million), i.e. foreign banks purchased mostly foreign currency and sold Slovak koruna.

In July, the National Bank of Slovakia intervened in favour of the Slovak koruna and sold a total of EUR 1,750 million in direct foreign exchange interventions.

In accordance 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 40 million during July.

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

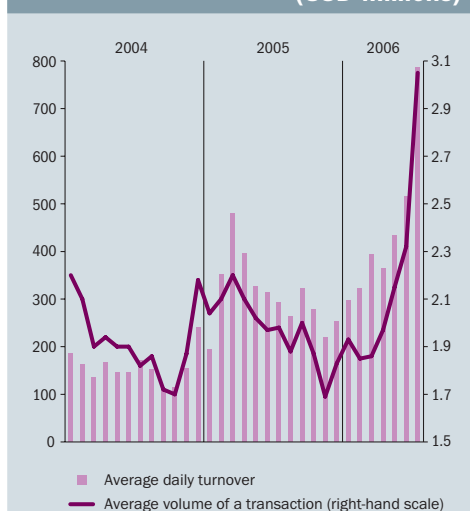
(%)

	Month-on-month change	Ø July 2006 Ø July 2005	Ø Jan. – July 2006 Ø Jan. – July 2005
SKK/EUR	-0.7	-1.2	-2.5
SKK/USD	-1.7	-6.0	0.7

Source: NBS.

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

**Chart 17 Transactions on the Interbank Foreign Exchange Market (USD millions)**



Source: NBS.

The total volume traded on the interbank foreign exchange market reached USD 115,321.5 million, representing an increase of 7.7% compared with the figure for June (USD 107,080.1 million). Of the total volume of trading, 87.9% took place in swap transactions, which were conducted mostly in USD (93.3%). Spot transactions accounted for 11.2% of the total turnover (98.7% of the deals were in EUR). The average daily turnover on the spot market reached USD 786 million and the average volume per transaction amounted to USD 3.1 million.

#### Interbank foreign exchange market

The total volume of transactions between domestic commercial banks decreased, from USD 14,301.2 million in June to USD 8,061.5 million in July. Most trading took place in USD (68.7%, compared with 71.1% in June), followed by EUR (31%, compared with 28.4% in June) and other currencies (0.3% of the total turnover between domestic commercial banks).

Transactions between domestic banks accounted for 9.8% of the total volume traded on the interbank foreign exchange market (compared with 14.1% in the previous month). Of the total volume of transactions between

domestic banks, swap operations accounted for 88.1% (85.2% in June) and spot transactions 11.5% (14.8% in June).

The volume of trading between domestic and foreign banks increased by 13.2%, from USD 91,947.5 million to USD 104,065.7 million. The maximum amount was again traded in USD (83.1%, compared with 85.4% in June), followed by EUR (16.8%, compared with 14.4% in June) and other currencies (0.1%). Trading between domestic and foreign banks still dominated the country's foreign exchange market (with a share of 90.2%).

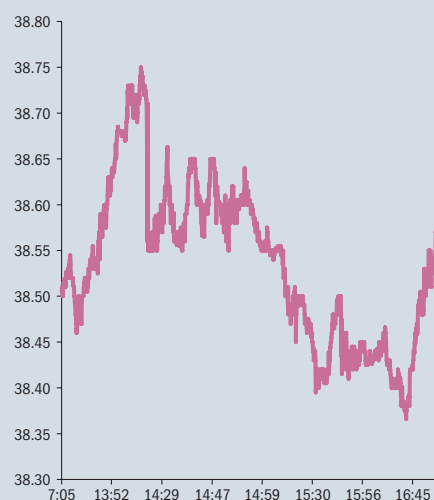


Trading between domestic and foreign banks also took place predominantly in the form of swap operations (87.9%, compared with 88.5% in June), while spot transactions accounted for only 11.2% (9.3% in June). The share of forward dealings on the forex market was negligible. Option contracts accounted for 0.3% of the volume traded with foreign banks.

**Box 1*****Developments in the SKK/EUR Exchange Rate During 12 July when the NBS Intervened***

In July, the exchange rate followed a depreciating trend, which was not a result of changes in economic fundamentals, but was created by developments in the neighbouring currencies and uncertainty arising from events on the domestic political scene. During July, the NBS intervened on two occasions to mitigate the volatility of the exchange rate.

On 12 July, the exchange rate opened the day at SKK/EUR 38.505<sup>3</sup>, and then weakened to SKK/EUR 38.750 in the afternoon. This level represented a daily maximum. Subsequently, the NBS intervened in favour of the Slovak koruna and sold EUR 1,750 million. During the intervention, the koruna exchange rate strengthened to SKK/EUR 38.366 (a daily minimum). After the intervention, the exchange rate stabilised and closed the day above the level of SKK/EUR 38.500. The exchange rate was fixed during that day at the level of SKK/EUR 38.708.

**Chart A Exchange Rate Developments on 12 July 2006**

Source: NBS.

**Deposits of non-resident banks**

The deposits of non-resident banks denominated in Slovak koruna increased in comparison with May by Sk 39.1 billion, to Sk 97.6 billion. The increase was mostly generated by loans received from banks (Sk 26.4 billion) and the current accounts of other banks (Sk 10.2 billion). On the other hand, the koruna assets of banks increased by Sk 11.2 billion, due to increases in the current accounts of other banks (Sk 5.7 billion) and time deposits (Sk 5.5 billion).

Non-resident banks deposits recorded a year-on-year increase of Sk 21.0 billion, which took place in the current accounts of other banks (Sk 17.5 billion) and loans received (Sk 8.4 billion), and was partly offset by a decrease in time deposits and the related financial liabilities (Sk 5.0 billion).

Compared with the previous month, the government securities holdings of non-residents decreased by Sk 14.5 billion in July, due to a fall in government bonds, while the volume of Treasury-bill holdings was still zero. The Agency for Debt and Liquidity Management (ARDAL) held no Treasury-bill auctions in July.

The fall in government bonds took place mostly in 10-year government bonds (maturing in 2013 and 2011), which decreased by a total of Sk 12.1 billion, of which Issue No. 188 accounted for Sk 7.1 billion and Issue No. 144 Sk 5.0 billion. In July, the share of non-residents in the total volume of issued government bonds decreased somewhat in comparison with the previous month, and fluctuated between 23.5% and 27.2% during the month.

Of the central banks under review, the MNB, NBS, and CNB decided to increase their key interest rates in July. The MNB and NBS raised them by 0.50 of a percentage point, to 6.75% (with effect from 25 July) and 4.50% (from 26 July) respectively, while the CNB increased its rates by 0.25 of a percentage point, to 2.25% (from 28 July). On 26 July, the NBP decided to leave its key rates unchanged (they were last reduced with effect from 1 March, to 4.0%).

<sup>3</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.

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

	2005 30. 6.	31.1.	28.2.	2006 31.3.	28.4.	31.5.	30.6.	31.7.
Koruna assets, banks	10.5	14.4	7.1	9.9	6.0	18.1	29.3	.
Koruna liabilities	82.3	90.2	73.0	74.3	93.5	66.6	104.6	.
of which: Banks	76.7	82.6	65.8	66.6	86.3	58.6	97.6	.
Non-bank clients	5.6	7.6	7.2	7.7	7.2	8.0	6.9	.
Government securities	93.0	98.3	84.2	80.7	90.7	69.9	94.2	79.7
of which: Government bonds	91.0	98.0	84.0	80.5	90.4	69.6	94.2	79.7
SR Treasury bills	2.0	0.2	0.2	0.2	0.2	0.2	0.0	0.0
Total	175.3	188.5	157.2	155.0	184.2	136.4	198.8	.

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

**Chart 18 Differentials in the Key Rates of European Central Banks, the ECB, and the Fed** (p.p.)



Source: NBS and the relevant central banks.

In August, the BoE, ECB, and the Fed decided to change their key interest rates. On 3 August, the BoE and ECB decided to raise them by 0.25 of a percentage point as follows: the BoE to 4.75% and the ECB to 3.0% (with effect from 9 August). On 8 August, the Fed left its key rates unchanged, at 5.25% (from 29 June). The current interest rate differentials between NBS rates and other key central bank rates (except for the MNB) increased as follows: the positive differentials vis-à-vis the CNB and ECB, and the zero differential vis-à-vis the NBP increased to +2.25 / +1.50 / +0.50 percentage point(s), and the negative differentials in relation to the BoE and the Fed to -0.25 / -0.75 of a percentage point. The negative differential vis-à-vis the MNB remained unchanged, at -2.25 percentage points.

#### 4.2 Money Market and Monetary Policy Implementation

At its meeting on 25 July 2006, the Bank Board of the NBS decided to change its key interest rates, to 6% for overnight refinancing operations and 4.5% for two-week repo tenders, while leaving the rate for overnight sterilisation operations at 3%.

Average monthly money market rates recorded a fall in July for one-day to one-week maturities and a rise for two-week to one-year maturities.

#### Interbank market rates

At the beginning of July, the overnight rate dropped below the level of 3.3%, due to an increase in daily liquidity to more than 4 times the amount of required reserves. A fall in daily liquidity caused by increased demand at the second tender and a foreign exchange intervention by the NBS gave rise to an increase in the overnight rate above the limit rate for overnight refinancing repo operations. The subsequent fall in demand at tenders at the end of the month caused the shortest-term rates to remain close to the overnight rate for deposits with the NBS.

After a marked increase at the end of June, medium- and long-term rates ceased to rise at the beginning of July. This was due to renewed interest in dealing in funds, mainly in foreign exchange swaps. A marked fall in overnight rates occurred after the settlement of the first repo tender, due to a marked surplus of interbank liquidity. The middle of the period under review saw increased interest in the purchase of koruna funds, which caused a steep rise in their price at the medium and long ends of the money market yield curve. The shift in the yield curve correlated with the situation on the foreign exchange market, where the Slovak koruna weakened considerably.

In the second half of July, increased interest in dealing in funds directly and through FX swaps caused a gradual fall in their price. The subsequent foreign exchange intervention by the NBS, necessitated by an excessive depreciation in the Slovak koruna, brought the fall in interest rates to a halt.



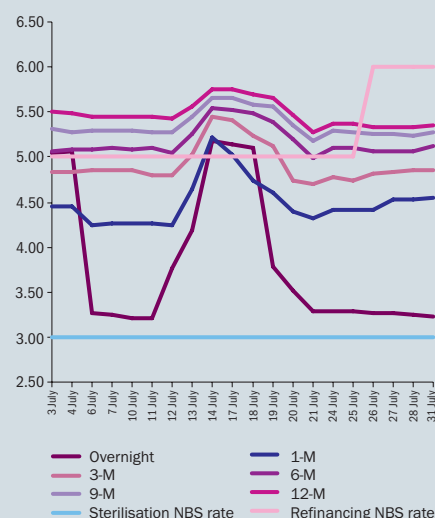
Before the meeting of the Bank Board on the matter of key interest rates, the interbank market was dominated by sales, which led to a fall in the volume of funds. The increase in NBS rates had no marked effect, since banks had expected this step and had adjusted their prices accordingly.

The volume of trading on the interbank market reached Sk 2,313 billion in July (compared with Sk 2,516 billion in June). Reference banks accounted for 94.1% of the total turnover (an increase of 1.9%). Of the total volume of purchases and sales on the interbank market, non-resident and resident bank transactions accounted for 78.4% and 21.6% respectively. In interbank transactions, domestic banks achieved the largest share in deposit transactions (49.8%), while non-resident banks led the way in swaps (78.4%).

**Liquidity** The average daily volume of sterilised excess liquidity decreased in July by Sk 85.8 billion, to Sk 320.5 billion. The decrease in the volume of sterilisation was caused by foreign exchange market interventions conducted by the NBS at the end of June and in the first half of July.

Chart 19 BRIBOR

(% p.a.)



Source: NBS.

Table 21 Interbank Transactions

(Sk billions)

	Deposits	Repos	Swaps	FRAs	IRSs
June	841	141	1,492	11	31
July	583	59	1,645	14	12

Source: NBS.

Of the total volume of open market transactions, repo tenders accounted for 82.7%, NBS bills 6.6%, overnight repo operations 3.5%, and overnight deposits 7.2%.

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
June	8,512	-4,989	-16,986	-392,820
July	12,087	-24,806	-22,720	-285,032

Source: NBS.

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

The NBS announced four sterilisation repo tenders for July. At these tenders, the bids of banks were accepted in full. At the first tender, bank bids were lower than the due amount (by Sk 129.8 billion). Banks responded to the marked liquidity surplus by making higher bids at the second tender, by Sk 89.3 billion. The outflow of funds through foreign exchange interventions forced banks to reduce their bids at the third tender, by Sk 71.2 billion. The low demand at the last tender was connected with the expected increase in key NBS rates.

Table 23 Tenders in July 2006

Date	Type of tender <sup>1)</sup>	Maturity (days)	Volume accepted (Sk millions)	minimum	Rates (%) average	maximum
6.7.2006	SRT	13	147,361	4.00	4.00	4.00
12.7.2006	SRT	14	190,352	4.00	4.00	4.00
19.7.2006	SRT	14	76,128	4.00	4.00	4.00
26.7.2006	SRT	14	127,942	4.00	4.00	4.00

Source: NBS.

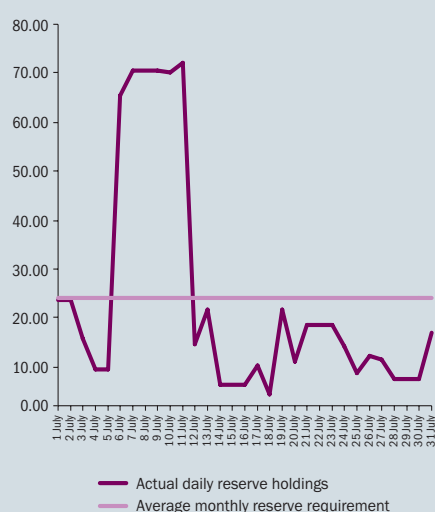
1) SRT – sterilisation repo tender.



The NBS announced one NBS-bill auction for July. Demand reached Sk 1.4 billion, of which Sk 0.2 billion was accepted by the NBS. The low amount accepted can be ascribed to the excessive demands of banks for higher yields. The share of NBS bills of the total trading volume increased by 2.58%.

A shortage of daily liquidity at the beginning of July gave impetus to the purchase of funds through overnight refinancing repo operations. Refinancing was brought to a halt by a marked fall in demand at the first repo tender. Consequently, banks started to deposit their surplus funds at the NBS. After a foreign exchange intervention in the middle of the month, refinancing was renewed by banks and reached a record level in that period (Sk 57.9 billion). The fall in demand at the last tenders led to the renewal of overnight deposits with the NBS. The volume of such deposits totalled Sk 78.3 billion at the end of the month.

**Chart 20 Survey of Reserve Requirement Fulfilment in the Banking Sector in July 2006 (Sk billions)**



Source: NBS.

For July 2006, the amount of minimum required reserves in the banking sector was set at Sk 23.98 billion. By the end of the month, the reserve requirement had actually been fulfilled to 100.18%.

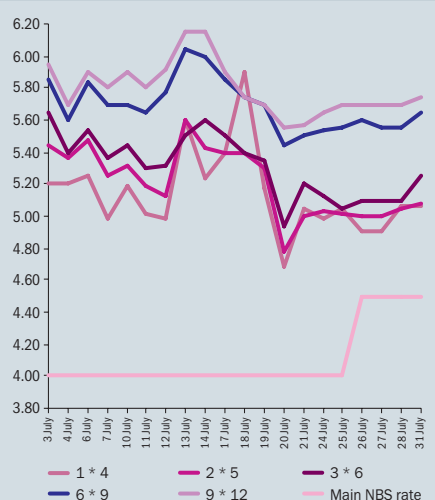
#### Reserve requirements

#### Developments in Money Market Interest Rate Derivatives

The volume traded in forward rate agreements (FRAs) recorded a modest increase. Most FRA contracts were concluded in the first half of the month, predominantly with foreign banks (64.9%). The contracts had a maturity of three months and an implementation period of one, three, and six months, or a maturity of six month and an implementation period of one and two months.

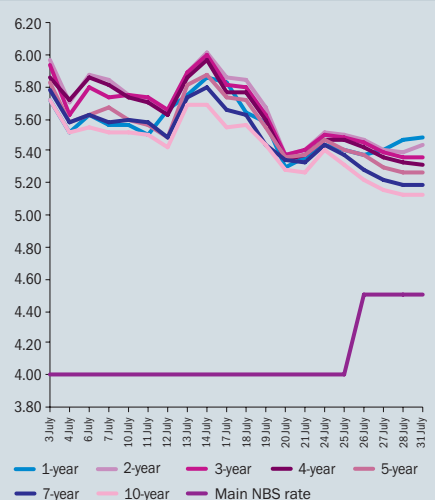
Compared with the previous month, interest rate swaps (IRSs) recorded a fall in the trading volume, to less than half the volume traded in the previous month. Most transactions were conducted in the first half of the month, predominantly with foreign banks (67.2%). The contracts were concluded with a maturity of one to ten years. They were dominated by one- to two-year maturities, which accounted for 48.5% of the total volume of IRS contracts.

**Chart 21 Daily Developments in FRAs (% p.a.)**



Source: Reuters.

**Chart 22 Daily Developments in IRSs (% p.a.)**



Source: Reuters.



Chart 23 Implied Expectations Derived from BRIBOR Rates

(% p.a.)



Source: NBS.

At the beginning of July, the implied interest rate expectations derived from BRIBOR rates included a rise in interest rates of up to 101-133 basis points within the time horizon of eight to nine months. The flattening of the yield curve in the middle of the month caused the level of implied expectations to fall to 40-77 basis points, for the next eight to nine months. The end-of-month fall in medium and long-term money market rates (with a greater fall in the case of medium-term rates) caused the implied values to increase to 57-93 basis points, for the next six to eight months.

### 4.3 Customer Interest Rates in June 2006

**Customer interest rates** The increase in basic interest rates this year (at the end of February and May, by 0.50 of a percentage point in both cases, i.e. by 1 point in cumulative terms) is increasingly reflected in the level of customer rates for loans and deposits.

**Average interest rates on new loans** The average interest rate on new loans to non-financial corporations recorded a marked increase in June, and followed the course of the basic NBS rate and the trend in money market rates. Lending rates increased for loans with a floating rate and an initial rate fixation (IRF) of up to 1 year and loans with an IRF of over 1 and up to 5 years. Interest rates on loans with an IRF of over 5 and up to 10 years dropped as a result of a fall in the price of investment loans with the same fixation period. This was probably caused by the fact that investment loans were granted to more solvent clients. Rates for loans with an IRF of over 10 years increased only slightly, but in comparison with December 2005 and among all types of fixation, they rose most significantly and reached the highest values in the last few months.

Regarding the structure of loans by purpose, lending rates increased for all types of loans. The steepest increases were recorded in interest rates on other loans (1.02 percentage points) and current account overdrafts (0.41 of a percentage point). Lending rates also rose for investment loans (by 0.32 of a percentage point), house purchase loans (by 0.30 of a point), and operating loans (by 0.20 of a point).

The average interest rate on new loans to households increased by 0.24 of a percentage point in June, with increases in the prices of all types of loans. Thus, the gradually rising trend in lending rates from the previous months continued. The most significant increases occurred in rates for consumer and other loans, while lending rates also rose for specific and non-specific consumer loans, as well as American mortgages.

Chart 24 Lending Rates for Non-Financial Corporations, 3-M Bribor, and the Basic NBS Rate (%)



Source: NBS.



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

	Interest rate in %				Change in % points		
	VI. 2005	XII. 2005	V. 2006	VI. 2006	year-on- year	against Dec. 2005	month-on- month
Floating rate + IRF <sup>1)</sup>							
of up to 1 year inclusive	5.03	4.79	5.54	5.93	0.90	1.14	0.39
IRF of over 1							
and up to 5 years inclusive	4.78	4.46	5.71	6.13	1.34	1.67	0.42
IRF of over 5							
and up to 10 years inclusive	4.91	6.12	5.80	5.53	0.62	-0.59	-0.27
IRF of over 10 years	3.80	4.20	6.34	6.43	2.62	2.22	0.09
Loans of up to EUR 1 million	4.72	5.20	5.72	6.17	1.45	0.97	0.45
Loans of over EUR 1 million	3.65	4.28	4.71	4.96	1.31	0.68	0.25
Total	5.00	4.81	5.54	5.93	0.93	1.12	0.39
Total, excluding current account overdrafts and credit cards	4.04	4.53	5.11	5.38	1.33	0.85	0.27

Source: NBS.

1) Initial rate fixation.

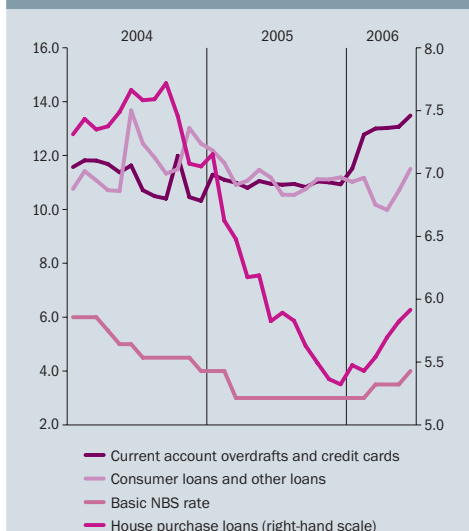
**Table 25 Average Interest Rates on New Loans to Households**

	Interest rate in %				Change in % points		
	VI. 2005	XII. 2005	V. 2006	VI. 2006	year-on- year	against Dec. 2005	month-on- month
Current account overdrafts (including credit cards)	10.95	10.93	13.07	13.48	2.53	2.55	0.41
Consumer loans	11.63	11.89	12.82	13.66	2.02	1.77	0.84
House purchase loans	5.83	5.32	5.82	5.92	0.09	0.59	0.10
of which: Mortgage loans	5.06	4.91	5.20	5.39	0.32	0.48	0.19
Other loans	9.48	10.38	6.35	6.49	-2.99	-3.89	0.14
Total	9.30	9.73	11.18	11.42	2.12	1.69	0.24
Total, excl. current account overdrafts and credit cards	7.24	7.38	7.50	7.71	0.47	0.33	0.21

Source: NBS.

Interest levels also rose markedly for current account overdrafts and credit cards, when the rate for current account overdrafts increased and that for credit cards remained unchanged. Within the scope

of house purchase loans (with a rise of 0.10 of a percentage point), interest rates increased markedly on other loans for house purchase (by 0.25 of a percentage point) and mortgage loans (by 0.19 of a percentage point). On the other hand, lending rates dropped slightly for the second consecutive month for building loans and intermediate loans.

**Chart 25 Interest Rates on Loans to Households by Type**


Source: NBS.

Looking at the breakdown of loans by interest rate fixation, significant increases occurred in rates for loans with an IRF of over 1 and up to 5 years (0.64 of a percentage point) and loans with a floating rate and an IRF of up to 1 year (0.31 of a percentage point). On the other hand, interest rates on loans with an IRF of over 10 years dropped (by 0.69 of a percentage point), since mortgage loans were granted at a relatively low rate of interest (5.55%), probably to solvent clients.

The average interest rate on new deposits from non-financial corporations rose significantly in June (by 0.56 of a percentage point). This was due to an increase in the price of demand deposits, which represent two-thirds of the deposits from non-financial corporations. Rates for deposits with an agreed maturity of up to 2

**Average interest rates on new deposits**



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

	Interest rate in %				Change in % points		
	VI. 2005	XII. 2005	V. 2006	VI. 2006	year-on- year	against Dec. 2005	month-on- month
Deposits redeemable on demand	0.89	0.64	1.05	1.62	0.73	0.98	0,57
Deposits with an agreed maturity							
– of up to 1 year	2,57	2,55	3,15	3,95	1,38	1,40	0,80
– of over 1 and up to 2 years	-	-	2,45	4,05	-	-	1,60
– of over 2 years	1,41	0,66	1,42	1,54	0,14	0,88	0,12
Deposits redeemable at notice							
– up to 3 months	1,26	1,44	1,88	2,01	0,75	0,57	0,13
– over 3 months	1,12	1,12	1,16	1,21	0,09	0,08	0,05
Total	1,55	1,40	1,95	2,51	0,96	1,11	0,56

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		
	VI. 2005	XII. 2005	V. 2006	VI. 2006	year-on- year	against Dec. 2005	month-on- month
Deposits redeemable on demand	0.43	0.41	0.45	0.51	0.08	0.10	0.06
Deposits with an agreed maturity							
– of up to 1 year	2.02	1.90	2.57	3.23	1.21	1.33	0.66
– of over 1 and up to 2 years	1.54	-	2.03	3.06	1.52	-	1.03
– of over 2 years	2.05	1.79	1.47	2.35	0.31	0.56	0.88
Deposits redeemable at notice							
– up to 3 months	0.95	0.96	1.06	1.07	0.12	0.11	0.01
– over 3 months	0.94	1.10	1.28	1.30	0.36	0.20	0.02
Total	0.67	0.71	0.86	0.96	0.29	0.25	0.10

Source: NBS.

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

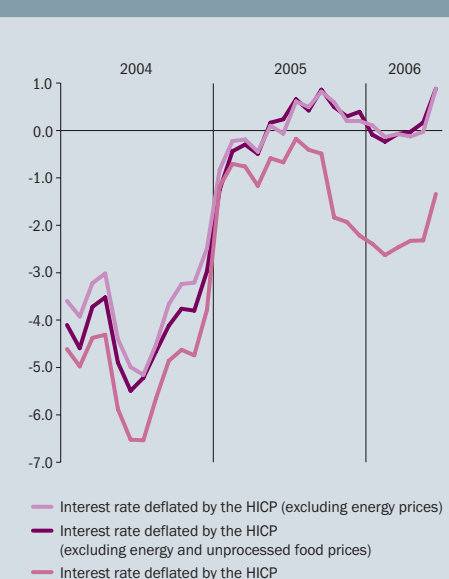
years also rose to a significant extent. Moderate increases were also recorded in rates for deposits with an agreed maturity of over 2 years and deposits redeemable at a period of notice of up to 3 months.

Average interest rates on household deposits increased slightly in June (by 0.10 of a percentage point). Interest levels rose mostly for long-term fixed deposits. The steepest increases occurred in rates for deposits with agreed maturity, both short-term and long-term deposits. Interest rates on deposits repayable on demand and deposits redeemable at notice remained virtually unchanged.

#### Real interest rates

The real interest rate on household deposits, calculated by deflating the rate of interest on the volume of one-year household deposits by HICP inflation, reached a negative figure in June (-1.34%), which represented an increase of 0.98 of a percentage point in comparison with the previous month. A significant upward effect on real interest rates was mainly exerted by a rise in the price of one-year household deposits (0.73 of a percentage point month-on-month). A slight fall in inflation also contributed to the rise in real interest rates.

**Chart 26 Real Interest Rates on Household Deposits (%)**



Source: NBS and Statistical Office of the SR.

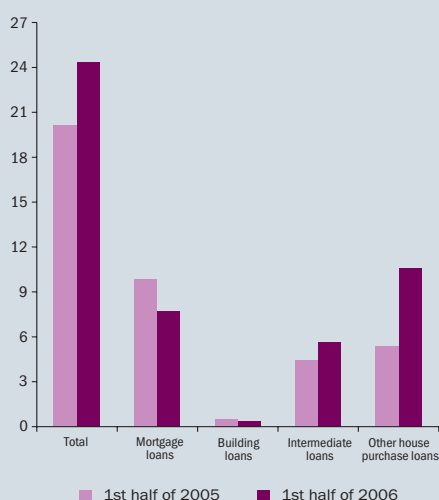


## Box 2

### Loans to Households for House Purchases and Their Price

The dynamic growth in the volume of loans provided for house purchases continued in the first half of 2006. During this period, the banking sector granted loans to households for house purchases in the amount of more than Sk 24 billion (compared with approximately Sk 20 billion in the same period a year earlier). While in the first half of 2005, house purchase loans accounted for 22% of the total volume of outstanding loans, their share decreased to 18% this year. Lending

**Chart A Comparison of House Purchase Loans in Terms of Volume (Sk billions)**



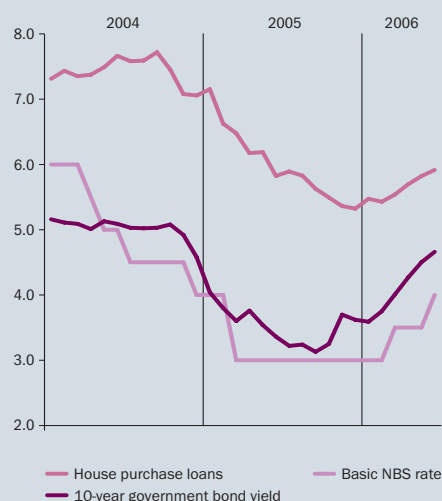
Source: NBS.

**Chart B Absolute Year-on-Year Changes in Loans to Households (Sk billions)**



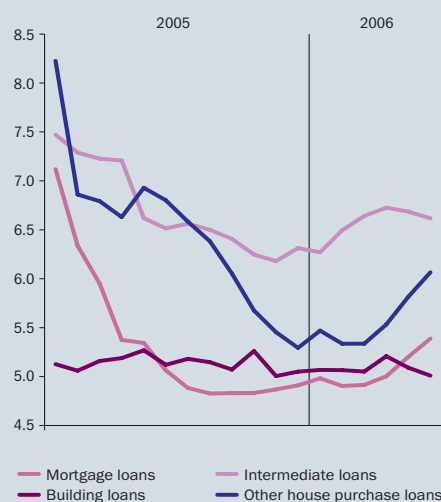
Source: NBS.

**Chart C Interest Rates on House Purchase Loans, Basic NBS Rates, and 10-Year Government Bond Yields (%)**



Source: NBS.

**Chart D Interest Rates on House Purchase Loans by Type (%)**



Source: NBS.



for house purchases is dominated by loans with a floating rate and an initial rate fixation (IRF) of up to 1 year, though the volume of loans with an IRF of over 1 and up to 5 years increased in the first half of 2006. The use of longer fixation periods is very rare.

Since the beginning of this year, the structure of loans by type has been dominated by other loans for house purchases with a share of more than 43% (an increase of 17 percentage points compared with the same period last year), followed by mortgage loans with a share of almost 32% (a decrease of 17 points compared with the first half of 2005) and home savings bank loans (with an unchanged share).

The increase in bank lending was also reflected in the growing volume of outstanding loans. In the first half of 2006, the rate of growth accelerated in comparison with the same period of 2005 by approximately 10 percentage points, to an average of 40.5%. Over the first half of 2006, the volume of house purchase loans in Slovak koruna increased by almost Sk 19.5 billion (compared with Sk 12.3 billion in the same period in 2005), due mainly to increases in other loans for house purchases (an increase of Sk 10.4 billion) and mortgage loans (an increase of Sk 6.7 billion).

Demand for house purchase loans in the first half of the year was primarily boosted by the low level of interest rates. Despite a moderately rising tendency, interest rates on house purchase loans are still relatively low (5.92%). Compared with the end of 2005, interest rates on house purchase loans rose in June by 0.59 of a percentage point, due primarily to developments on the market for government securities and the increase in key NBS interest rates.

Looking at the breakdown of loans by type, the steepest increases occurred in rates for other house purchase loans (0.77 of a percentage point) and mortgage loans (0.48 of a point). A modest increase was also recorded in the price of intermediate loans (0.31 of a percentage point). Interest rates on building loans were stagnant in the long run, at the level of approximately 5%.

## ANNEXES

### 1 Capital Market

#### 1.1 Primary Market

During the month under review, ARDAL held an auction for the second tranche of 20-year government bonds, but accepted none of the bids of investors due to their excessive demands for yields. Demand totalled Sk 3.1 billion.

#### Government bonds

July 2006 saw yield payments in the amount of Sk 1.18 billion, with no issue falling due in that period. This was Sk 2.2 billion less than a year earlier. Foreign investors received yields in the amount of Sk 0.24 billion, which was 36.85% less than in the same period last year. Domestic investors received Sk 0.71 billion in yields (Sk 2.29 billion less than in 2006). Bond creditors accounted for Sk 0.24 billion of the yields paid that month.

#### Yield payment and bond repayment

Table 28 Yield Payments

	Foreign investors		Domestic investors	
	Yields paid (in billions of Sk)	Share of the paid yields (in %)	Yields paid (in billions of Sk)	Share of the paid yields (in %)
July 2005	0.38	11.24	3.00	88.75
July 2006	0.24	25.00	0.71	58.33

Source: ARDAL.

During July, non-government bond issues were reported to the NBS by one issuer – Dominvest, a.s., in the total amount of Sk 40.0 million.

#### Non-government bonds

#### 1.2 Secondary Market

Compared with the previous month, trading activity on the Bratislava Stock Exchange, a.s. (BCPB) increased by 56.52% in July. There were 743 transactions during the month (19 trading days), totalling Sk 110.8 billion. Of this amount, Sk 0.8 billion was traded in price-setting securities transactions (384 contracts) and Sk 110.0 billion in direct transactions (359 contracts).

Non-resident investors accounted for 50.97% of the total volume traded in July, of which 44.41% were composed of purchases and 57.53% of sales.

Chart 27 Shift in the Benchmark Government Bond Yield Curve (%)



Source: Reuters, NBS.

After a sharp rise and subsequent stabilisation, bond market yields followed a downward trend in the second half of the month, due to appreciation in the domestic currency. On average, the benchmark government yield curve recorded a month-on-month increase of 16 basis points. However, the yield changes differed significantly according to maturity, as a result of which the yield curve acquired an inverse shape during the month.

#### Bonds

There were 280 stock exchange transactions in bonds totalling Sk 110.6 billion during the month (i.e. 99.85% of the total volume traded on the BCPB floor in July). Of this amount, Sk 0.8 billion took place in price-setting contracts and Sk 109.8 billion in direct transactions.

The market capitalisation of bonds as at the last trading day of July amounted to Sk 409.0 billion, representing a month-on-month decrease of 0.5%. The capitalisation of quoted bonds also dropped by 0.5% from the end of June, to Sk 387.1 billion.

Equity securities were purchased and sold in 463 transactions, totalling Sk 168.8 million. Price-setting

#### Shares



SDXGroup indices

**Table 29 The SDXGroup Indices Closed June with the Following Values**

Sector	SDXGroup indices		Yield to maturity (in %)	Duration (in years)
	Price	Performance		
Public	98.5	110.2	5.325	5.090
SDXG sub-index ( $\leq 5$ )	100.0	110.7	5.101	2.532
SDXG sub-index ( $> 5$ )	97.9	110.7	5.388	7.152
Private (corporate + mortgagebonds)	99.0	115.1	4.880	3.805
SDXG sub-index ( $\leq 5$ )	98.2	115.0	5.398	1.950
SDXG sub-index ( $> 5$ )	103.1	115.1	4.694	5.765

Source: BCBP.

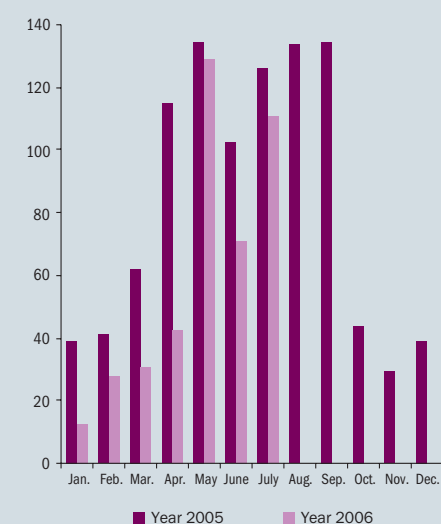
transactions accounted for Sk 22.6 million (in 357 contracts) and direct transactions Sk 146.2 million (in 106 contracts).

By the last trading day of July, the market capitalisation of equity securities had increased month-on-month by 0.8%, to Sk 154.3 billion. The actual amount of issues that had a market price at least once in the past, except for investment fund shares and participation certificates, was Sk 143.8 billion (a month-on-month increase of 0.9%) and accounted for 93.2% of the total share market capitalisation. The market capitalisation of quoted issues increased by 0.9% from the end of June, to Sk 80.0 billion.

The BCPB accepted no new issue for trading during the month of July. Trading was ended in one issue (with a nominal value of Sk 65.0 million).

Three compulsory takeover bids expired in July, for the following companies: Department Store PRIOR Poprad, Water Resources, and St. Nicolaus. At the same time, there were six new bids for the issues of Vodostav, Hyza Žilina, THP, SLK Trenčianske Teplice, Podvihorlatské Bakery & Confectionery, and the Michalovce Bakery.

**Chart 28 Trading in Bonds on the BCPB (Sk billions)**



Source: BCPB.

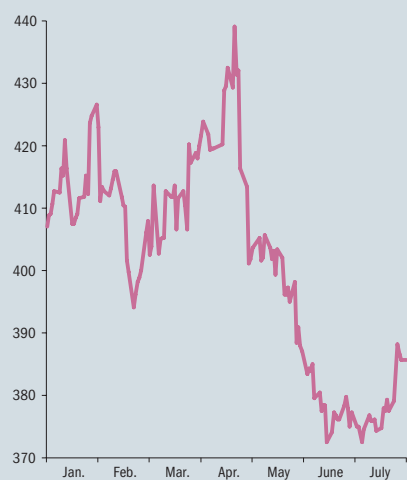
**Table 30 Weights of Basic SAX Index Components in 2006**

(end-of month data in %)

Company	2006						
	January	February	March	April	May	June	July
Biotika. a. s.	2.59	2.64	2.77	2.83	3.24	3.10	2.80
OTP Banka Slovensko. a. s.	27.04	29.70	27.89	26.40	28.22	26.23	26.87
SES Tlmače. a. s.	7.74	8.50	7.93	8.11	7.09	6.70	7.32
Slovnaft. a. s.	29.52	28.27	31.16	31.21	31.81	32.49	32.25
Všeobecná úverová banka. a. s.	33.10	30.89	30.25	31.45	29.64	31.49	30.76

Source: BCPB.

**Chart 29 Developments in the SAX Index in 2006 (points)**



Source: BCPB.

The Slovak Share Index (SAX) closed the month at 385.63 points, representing a rise of 2.2% month-on-month and a fall of 18.9% year-on-year. The index reached a monthly maximum on 26 July (388.13 points) and a monthly minimum on 6 July (372.47 points).

**SAX index**



## 2 Monetary Developments in the Euro Area

At its July meeting (06/07/06), the Governing Council of the European Central Bank (ECB) decided to leave its key interest rates unchanged. The rate for refinancing operations remained at 2.75%, the rate for overnight loans at 3.75%, and that for overnight deposits at 1.75%.

### 2.1 Exchange Rate Developments

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

During the month, the exchange rate of the dollar vis-à-vis the euro fluctuated within a relatively narrow band. Over the first twenty days, the euro depreciated slightly in relation to the dollar, mainly due to geopolitical reasons (tension in the Middle East). During the last ten days, the trend in the USD/EUR exchange rate was reversed and the euro appreciated, mainly as a result of macroeconomic news signalling the expected slowdown in the rate of economic growth in the USA (real estate market news and data on household consumption). Thus, towards the end of the month, the exchange rate of the euro against the dollar hovered around the level of the previous month, i.e. USD/EUR 1.28.

During July, the euro depreciated 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 7.96%.

### 2.2 Real Economy

According to a 'flash' Eurostat estimate, the euro area economy grew in the second quarter of 2006 by 0.9% compared with the previous quarter, and expanded in comparison with the same quarter of 2005 by 2.4%. In the first quarter of 2006, euro area GDP grew by 0.6%.

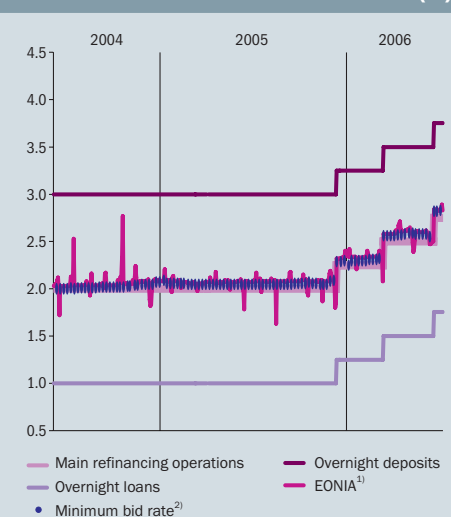
The 12-month inflation rate in the euro area, expressed in terms of the Harmonised Index of Consumer Prices (HICP), remained unchanged in June, at the level of the previous month (2.5%). The strongest year-on-year dynamics were recorded in consumer prices in Spain (4.0%), Luxembourg (3.9%), and Greece (3.4%). The steepest year-on-year increases took place in prices for dwelling (5.2%) and transport (4.7%). Price levels in telecommunications dropped by 3.5%. In the same period a year earlier, consumer prices in the euro area increased by 2.1%. Eurostat foresees a year-on-year inflation rate of 2.5% in July.

In June, industrial producer prices increased year-on-year by 5.8% and month-on-month by 0.2%.

On a year-on-year basis, retail sales grew by 1.5% in June, while increasing in comparison with the previous month by 0.5%.

The unemployment rate (seasonally adjusted) dropped month-on-month to 7.8% in June, from 7.9% in May. The lowest unemployment rates were achieved in the Netherlands (3.8%), Ireland (4.4%), and Luxembourg (4.7%). The highest unemployment rates within the euro area were recorded in Greece

**Chart 30 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 31 Exchange Rates: SKK/EUR and USD/EUR**



Source: NBS and ECB.



(9.6% in the fourth quarter of 2005) and France (8.7%). In the same period a year earlier, the unemployment rate in the euro area stood at 8.6%.

According to the first Eurostat estimate, foreign trade in the euro area resulted in a deficit of EUR 3.2 billion in May, compared with a surplus of EUR 2.3 billion in the same period a year earlier. Compared with the previous month, euro area exports (seasonally adjusted) increased in May by 1.2%, while imports grew by 2.4%.



### 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 31 Calculation of Monetary Aggregates According to NBS and ECB Methodologies**

Methodology of the NBS	Methodology of the ECB
CURRENCY OUTSIDE BANKS [M0]	(the items are included in the individual sub-aggregates in both Slovak koruna and foreign currency)
+	currency in circulation [M0]
DEMAND DEPOSITS (in SKK)	+
= <b>Money (M1 – 'narrow money')</b>	overnight deposits and received loans
	= <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>
= QUASI-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						
		7	8	9	10	11	12	1	2	3	4	5	6	7
REAL ECONOMY														
Gross domestic product <sup>1) 2)</sup>	SKK billions	-	-	873.574 <sup>(p)</sup>	-	-	1,178.802 <sup>(p)</sup>	-	-	288.649 <sup>(p)</sup>	-	-	-	-
Year-on-year change in GDP <sup>3)</sup>	%	-	-	6.3 <sup>(p)</sup>	-	-	7.4 <sup>(p)</sup>	-	-	6.3 <sup>(p)</sup>	-	-	-	-
Unemployment rate <sup>4) 11)</sup>	%	11.0	10.9	11.2	10.93	10.86	11.36	11.82	11.66	11.42	11.04	10.56	10.36	-
Consumer prices (CPI) <sup>3) 10)</sup>	%	2.0	2.1	2.3	3.5	3.6	3.9	4.1	4.3	4.3	4.4	4.8	4.5	5.0
Consumer prices (HICP) <sup>3)</sup>	%	2.0	2.0	2.2	3.3	3.4	3.7	4.1	4.4	4.5	4.5	4.8	4.6	5.0
BALANCE OF TRADE <sup>2) 9) (p)</sup>														
Exports (fob)	SKK millions	539,510	620,666	713,795	810,522	911,278	993,516	81,395	166,446	267,808	356,687	460,341	565,772	-
Imports (fob)	SKK millions	575,678	657,294	752,978	856,352	960,948	1,069,517	89,756	184,887	291,163	389,585	500,529	612,645	-
Balance	SKK millions	-36,168	-36,628	-39,183	-45,830	-49,670	-76,001	-8,361	-18,441	-23,355	-32,898	-40,188	-46,873	-
BALANCE OF PAYMENTS <sup>2)</sup>														
Current account <sup>9)</sup>	SKK millions	-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	-55,275.30	-	-
Capital and financial account	SKK millions	125,453.6	136,623.9	137,017.2	128,023.0	138,502.2	176,681.1	3,090.90	-622.70	39,672.86	44,616.60	51,286.10	-	-
Overall balance	SKK millions	69,749.5	72,413.9	73,364.9	65,142.8	69,368.0	71,442.4	-143.40	795.90	25,114.20	26,100.50	24,882.50	-	-
FOREIGN EXCHANGE RESERVES <sup>4) 6)</sup>														
Total foreign exchange reserves	USD millions	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	18,938.20	17,904.70	16,499.70
NBS foreign exchange reserves	USD millions	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	16,924.60	17,334.60	16,128.90	13,140.00
GROSS EXTERNAL DEBT <sup>4) 7)</sup>														
Total gross external debt	USD billions	25.9	26.6	26.5	26.1	26.2	26.9	27.9	26.9	28.5	28.9	31.0	-	-
External debt per capita	USD	4,817	4,937	4,933	4,852	4,879	5,000	5,191	5,002	5,303	5,371	5,768	-	-
MONETARY INDICATORS														
Exchange rate <sup>5)</sup>	SKK/USD	32.22	31.494	31.354	32.357	32.808	31.932	31.029	31.298	31.186	30.535	29.461	30.054	30.286
M3 monetary aggregate <sup>4) 10)</sup>	SKK billions	779.7	785.8	792.0	800.4	798.4	831.4	824.9	833.9	840.7	850.2	851.2	861.2	-
Year-on-year change in M3 <sup>3)</sup>	%	8.9	8.0	7.3	7.6	6.3	7.8	8.6	9.1	10.3	9.4	10.5	11.2	-
Claims of monetary financial institutions <sup>10)</sup>	SKK billions	729.7	736.9	753.5	769.0	778.3	795.4	769.2	780.8	794.5	800.0	822.2	833.1	-
STATE BUDGET <sup>2) 4)</sup>														
Revenue	SKK billions	154.2	170.5	188.6	214.4	233.7	258.7	32.8	50.4	71.8	95.8	112.1	138.0	166.5
Expenditure	SKK billions	152.3	175.6	196.7	219.5	241.3	292.6	20.7	44.1	71.7	95.6	123.8	148.3	171.7
Balance	SKK billions	1.9	-5.1	-8.1	-5.1	-7.6	-33.9	12.1	6.3	0.1	0.2	-11.7	-10.3	-5.2
MONEY MARKET														
Interest rates set by the NBS Bank Board														
Date of maturity <sup>8)</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	1.3.2006	1.3.2006	31.5.2006	31.5.2006	26.7.2006
Overnight operations														
- sterilisation	%	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.50	2.50	3.00	3.00	3.00
- refinancing	%	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.50	4.50	5.00	5.00	6.00
Limit rate for 2-week repo tenders	%	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.50	3.50	4.00	4.00	4.5
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	3.50	3.50	4.00	4.00	4.5
Average interbank deposit rate (BRIBOR)														
overnight	%	2.53	2.99	2.71	2.55	2.37	2.80	2.75	2.74	3.10	3.34	3.00	4.51	3.83
7-day	%	2.88	2.99	2.91	2.93	2.89	2.94	2.98	2.95	3.44	3.47	3.39	4.17	4.11
14-day	%	2.94	3.01	2.96	2.98	2.98	2.98	3.02	3.02	3.49	3.51	3.49	4.11	4.22
1-month	%	2.95	3.00	2.99	3.01	3.05	3.02	3.03	3.16	3.57	3.59	3.69	4.11	4.50
2-month	%	2.92	2.99	2.98	3.01	3.11	3.06	3.10	3.27	3.66	3.72	3.85	4.14	4.75
3-month	%	2.89	2.94	2.93	3.03	3.19	3.12	3.17	3.34	3.75	3.86	3.96	4.20	4.92
6-month	%	2.83	2.91	2.90	3.04	3.35	3.24	3.26	3.45	3.88	4.06	4.19	4.45	5.18
9-month	%	2.79	2.87	2.86	3.05	3.44	3.29	3.34	3.52	3.98	4.21	4.38	4.62	5.35
12-month	%	2.77	2.85	2.85	3.07	3.52	3.34	3.39	3.58	4.06	4.28	4.49	4.71	5.47

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					
		6	7	8	9	10	11	12	1	2	3	4	5	6
Claims of MFIs on residents	39.0	467.7	478.9	486.9	500.4	511.1	519.2	534.7	540.7	545.5	556.1	561.7	578.1	592.4
General government	1.5	22.8	23.3	23.7	25.7	26.2	26.5	27.9	27.8	27.3	26.2	23.8	23.7	23.0
Private sector	37.5	444.9	455.6	463.3	474.7	484.9	492.7	506.8	512.9	518.2	529.8	538.0	554.4	569.4
Non-financial corporations	19.7	249.5	253.4	255.5	260.7	263.5	266.5	271.4	276.0	277.6	281.9	284.2	292.2	299.3
– up to 1 year	8.8	109.1	110.4	112.3	113.3	111.9	115.3	117.3	120.2	119.5	118.8	119.0	127.6	133.8
– 1 to 5 years	3.7	54.3	54.5	53.5	53.7	54.1	52.9	52.0	52.3	52.2	55.2	55.1	58.6	56.7
– over 5 years	7.2	86.1	88.5	89.6	93.7	97.6	98.3	102.1	103.5	105.9	108.0	110.1	106.0	108.8
Financial corporations	4.0	44.3	46.7	47.0	48.1	50.5	51.1	55.0	53.0	54.2	56.3	57.3	59.7	61.3
Insurance corporations and pension funds	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	0.0
Households and non-profit institutions serving households	13.7	151.0	155.5	160.7	165.8	170.8	175.1	181.0	183.8	186.3	191.6	196.5	202.5	208.7
– consumer loans	2.1	22.7	23.4	24.4	24.8	24.7	25.0	24.8	29.7	29.8	31.0	31.4	32.0	32.6
– housing loans	9.0	99.7	102.6	106.4	109.5	112.4	115.0	118.9	120.2	122.4	125.6	128.5	132.1	136.2
– other loans	2.6	28.6	29.4	29.9	31.5	33.7	35.2	37.3	34.0	34.0	35.0	36.5	38.4	39.9
Securities other than shares and participation certificates issued by residents	15.5	250.8	244.5	243.7	246.8	251.5	253.0	254.6	222.6	229.5	232.6	232.5	238.3	234.9
General government	14.9	238.3	232.1	231.4	234.4	239.1	243.6	245.6	214.0	221.0	223.8	223.8	229.6	225.9
Private sector	0.6	12.5	12.3	12.3	12.5	12.4	9.4	9.0	8.7	8.5	8.9	8.7	8.8	9.0
Shares and other equities issued by private sector	0.4	6.2	6.3	6.3	6.3	6.3	6.2	6.1	5.8	5.8	5.8	5.8	5.7	5.7
Foreign assets	40.0	590.5	602.2	602.4	605.0	596.0	585.4	589.7	578.3	573.0	598.7	597.7	608.6	607.8
Fixed assets	2.2	34.5	33.6	33.8	33.9	33.6	33.6	34.4	33.6	33.4	33.4	33.2	33.1	33.0
Other assets	3.0	45.8	45.9	42.3	44.1	45.5	46.3	41.4	37.3	36.6	36.0	38.9	40.7	46.3
Deposits and loans received from the central government	7.0	84.1	84.6	78.5	77.3	85.1	92.9	61.3	39.9	47.3	79.5	104.5	107.6	106.0
Long-term financial liabilities	12.7	189.1	199.6	195.7	200.0	199.7	192.5	193.3	182.7	186.1	192.0	182.1	183.0	192.9
Deposits and loans received with an agreed maturity of over 2 years	4.0	52.9	52.5	53.3	53.3	53.1	53.8	57.5	57.5	59.5	59.8	60.4	60.5	61.0
Deposits redeemable at a period of notice of over 3 months	1.7	28.8	28.6	28.2	28.0	27.8	27.7	27.8	27.5	27.2	26.9	26.6	26.4	26.1
Debt securities issued with a maturity of over 2 years	1.6	13.3	14.1	14.4	15.1	13.2	18.3	17.6	18.7	18.8	21.2	21.7	21.9	24.9
Capital, reserves, and provisions	5.3	94.1	104.3	99.8	103.6	105.6	92.8	90.4	78.9	80.6	84.0	73.4	74.3	80.9
Foreign liabilities	20.1	296.3	298.0	308.0	319.4	310.9	308.2	328.0	318.5	307.2	301.5	279.3	306.3	305.2
Other liabilities	3.6	51.4	49.4	47.6	48.0	48.3	56.6	46.8	54.2	49.7	48.4	53.8	56.6	54.9
Surplus of liabilities among MFIs	0.0	0.2	0.2	-0.1	-0.1	-0.3	-5.1	0.0	-1.8	-0.2	0.5	-0.2	-0.1	-0.1
M3	56.7	774.3	779.7	785.8	792.0	800.4	798.4	831.4	824.9	833.9	840.7	850.2	851.2	861.2
<b>Total</b>	100.0	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	1,520.2

1) In the current month.





## Average Interest Rates on New Loans

(ECB methodology)

(%)

	2005							2006					
	6	7	8	9	10	11	12	1	2	3	4	5	6
<b>Loans in total<sup>1)</sup></b>	6.23	6.22	6.19	5.93	6.35	6.14	5.78	6.32	6.50	6.87	7.11	6.99	7.40
Current account overdrafts	6.72	6.52	6.46	6.37	6.58	6.45	6.17	6.25	6.50	6.96	7.12	7.12	7.63
Operation loans	3.99	3.67	3.77	3.55	3.94	3.77	3.82	3.99	4.47	4.28	4.61	4.32	4.74
Investment loans	4.27	4.92	5.29	4.22	4.80	5.61	4.64	5.07	5.21	5.78	5.54	5.75	6.18
Consumer loans	11.56	10.56	10.25	11.30	12.47	12.03	11.89	12.72	13.54	11.91	11.64	12.82	13.66
Real estate loans	5.81	5.88	5.81	5.61	5.49	5.36	5.32	5.47	5.43	5.54	5.70	5.83	5.92
of which:													
Mortgage loans	5.07	4.88	4.82	4.82	4.84	4.87	4.92	4.99	4.91	4.92	5.01	5.20	5.39
Construction loans	5.12	5.18	5.15	5.07	5.26	5.01	5.05	5.07	5.07	5.05	5.21	5.09	5.01
Intermediate loans	6.50	6.54	6.47	6.37	6.24	6.16	6.31	6.26	6.49	6.63	6.71	6.66	6.59
Other real estate loans	6.66	6.50	6.37	6.03	5.63	5.45	5.29	5.47	5.34	5.35	5.54	5.83	6.07
Other loans	5.93	6.68	6.24	5.10	5.56	4.75	5.92	4.20	5.22	5.40	5.65	5.55	6.36
Floating rate + IRF for up to 1 year incl.	6.23	6.16	6.18	6.01	6.34	6.18	5.77	6.28	6.46	6.84	7.14	6.97	7.40
IRF for over 1 year and up to 5 years incl.	7.62	7.81	6.76	5.82	7.04	5.54	6.38	7.36	7.80	7.32	6.61	7.38	7.95
IRF for over 5 years and up to 10 years incl.	5.79	6.25	6.48	6.12	6.22	6.27	6.41	6.59	7.30	7.51	7.24	7.34	7.03
IRF for over 10 years	4.32	4.92	5.50	3.98	5.06	4.98	4.24	6.04	6.09	6.23	6.35	6.63	6.01
<b>Households</b>													
Loans in total	9.30	9.58	9.58	9.62	9.77	9.80	9.73	10.49	11.42	11.24	11.27	11.18	11.42
Current account overdrafts	10.95	10.92	10.94	10.83	11.04	11.00	10.93	10.64	12.15	12.40	12.37	12.55	13.05
Operation loans	6.35	7.70	5.80	7.26	6.54	6.18	5.99	5.84	6.35	6.63	6.51	6.50	6.47
Investment loans	6.60	6.59	6.08	6.00	5.83	5.91	5.87	5.65	6.31	6.25	6.27	6.44	6.91
Consumer loans	11.63	10.81	10.31	11.30	12.47	12.03	11.89	12.72	13.55	11.91	11.64	12.82	13.66
Real estate loans	5.83	5.89	5.83	5.63	5.49	5.36	5.32	5.47	5.43	5.54	5.70	5.82	5.92
of which:													
Mortgage loans	5.06	4.88	4.83	4.83	4.83	4.87	4.91	4.98	4.90	4.91	5.00	5.20	5.39
Construction loans	5.12	5.18	5.15	5.07	5.26	5.01	5.05	5.07	5.07	5.05	5.21	5.09	5.01
Intermediate loans	6.51	6.56	6.50	6.41	6.25	6.18	6.31	6.27	6.50	6.64	6.73	6.69	6.62
Other real estate loans	6.80	6.58	6.38	6.05	5.67	5.45	5.29	5.47	5.33	5.34	5.53	5.82	6.06
Other loans	9.48	9.70	11.38	9.53	8.88	9.60	10.38	6.45	6.07	6.18	6.32	6.35	6.49
Credit cards	-	-	-	-	-	-	-	16.10	16.09	16.22	16.58	15.88	15.81
Floating rate + IRF for up to 1 year incl.	9.48	9.95	10.00	10.04	10.09	10.05	9.90	10.70	11.71	11.71	11.92	11.84	12.15
IRF for over 1 year and up to 5 years incl.	11.73	10.29	9.48	9.14	8.35	8.86	9.09	9.25	9.19	8.14	7.70	7.82	8.46
IRF for over 5 years and up to 10 years incl.	6.39	6.56	6.67	6.60	6.87	7.00	7.08	7.12	7.91	8.49	7.67	7.65	7.74
IRF for over 10 years	4.98	4.69	5.06	4.92	5.81	5.73	6.26	6.26	7.20	6.91	6.73	6.69	5.99
<b>Non-financial corporations</b>													
Loans in total	5.00	4.88	4.94	4.68	5.02	4.93	4.81	5.00	5.03	5.40	5.52	5.54	5.93
Current account overdrafts	5.39	5.09	5.02	4.96	5.18	5.12	4.93	5.17	5.09	5.47	5.60	5.64	6.04
Operation loans	3.82	3.47	3.85	3.22	3.91	3.69	3.67	3.98	4.49	4.64	4.51	4.67	4.87
Investment loans	4.14	4.71	5.36	4.12	4.69	5.73	4.90	4.95	5.02	5.71	5.70	5.67	6.00
Real estate loans	5.43	6.19	5.13	5.43	5.49	5.55	5.48	5.56	5.56	5.67	5.99	5.93	6.24
Other loans	4.35	6.21	4.95	4.25	4.10	3.48	5.48	3.87	5.11	5.16	5.63	5.30	6.32
Credit cards	-	-	-	-	-	-	-	12.36	13.26	13.83	14.29	13.92	14.22
Loans up 1 million EUR	4.72	4.43	4.96	4.91	4.94	4.91	5.20	4.93	5.21	5.52	5.34	5.72	6.17
Loans over 1 million EUR	3.65	4.11	4.35	3.40	3.85	3.88	4.28	3.91	4.27	4.58	4.95	4.71	4.96
Floating rate + IRF for up to 1 year incl.	5.03	4.82	4.91	4.72	5.01	4.99	4.79	5.00	5.03	5.39	5.51	5.54	5.93
IRF for over 1 year and up to 5 years incl.	4.78	6.44	5.15	5.18	5.04	3.15	4.46	4.87	4.69	5.74	5.67	5.71	6.13
IRF for over 5 years and up to 10 years incl.	4.91	5.35	5.39	5.01	5.22	5.24	6.12	5.55	4.78	5.56	5.67	5.80	5.53
IRF for over 10 years	3.80	4.78	5.76	3.57	4.83	4.14	4.20	5.09	5.56	5.52	6.07	6.34	6.43

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					
	6	7	8	9	10	11	12	1	2	3	4	5	6
<b>Deposits in total <sup>1)</sup></b>	1.41	1.38	1.40	1.36	1.41	1.42	1.29	1.52	1.24	1.59	1.67	1.66	2.01
Deposits payable on demand	0.69	0.60	0.58	0.57	0.65	0.64	0.57	0.95	0.58	0.66	0.74	0.82	1.12
of which: demand deposits	0.49	0.47	0.48	0.49	0.51	0.51	0.46	0.65	0.45	0.52	0.60	0.63	0.78
overnight deposits	2.01	1.79	1.66	1.71	2.09	1.77	1.70	3.19	1.46	2.23	2.64	2.55	4.39
Deposits with agreed maturity <sup>2)</sup>	2.66	2.58	2.60	2.56	2.56	2.55	2.55	2.40	2.51	3.02	3.05	3.12	3.81
– up to 1 year in total	2.65	2.58	2.59	2.56	2.56	2.55	2.55	2.41	2.52	3.02	3.06	3.13	3.82
– up to 7 days	2.26	2.01	2.10	2.09	2.07	2.03	2.17	2.54	2.12	2.78	2.73	2.64	4.10
– up to 1 month	2.77	2.76	2.75	2.73	2.70	2.68	2.73	2.64	2.66	3.17	3.21	3.27	3.80
– up to 3 months	1.91	1.94	1.91	1.89	1.77	1.81	1.80	1.97	1.97	2.15	2.14	2.56	3.01
– up to 6 months	2.01	1.77	1.90	1.86	1.75	1.78	1.69	1.86	1.83	2.10	2.13	2.64	2.90
– up to 1 year	2.14	2.20	2.27	1.89	1.80	1.84	1.93	-	1.71	1.88	2.12	2.53	3.27
– over 1 year in total	4.62	2.71	2.72	2.06	1.54	1.29	1.68	0.99	0.88	1.87	0.83	1.51	2.37
– up to 2 years	1.54	1.87	1.52	1.52	1.74	1.69	0.97	2.07	2.33	3.58	2.25	2.04	2.60
– over 2 years	4.64	2.76	2.72	2.08	1.54	1.28	1.74	0.94	0.86	1.68	0.80	1.45	2.37
Savings deposits	0.94	0.95	0.97	0.99	1.00	1.02	1.05	1.07	1.10	1.16	1.19	1.21	1.23
– redeemable at a period of notice of up to 3 months	0.95	0.93	0.93	0.93	0.94	0.94	0.96	0.97	0.97	1.05	1.06	1.07	1.09
– redeemable at a period of notice of over 3 months	0.94	0.97	0.99	1.01	1.04	1.06	1.10	1.13	1.17	1.22	1.25	1.28	1.30
<b>Households</b>													
Deposits in total	0.67	0.66	0.68	0.70	0.71	0.71	0.71	0.80	0.69	0.79	0.81	0.86	0.96
Deposits payable on demand	0.43	0.42	0.43	0.42	0.42	0.42	0.41	0.54	0.38	0.44	0.42	0.45	0.51
of which: demand deposits	0.42	0.41	0.42	0.41	0.41	0.41	0.40	0.51	0.37	0.42	0.41	0.43	0.45
overnight deposits	1.45	1.21	1.15	1.13	1.50	1.19	1.16	2.90	1.42	1.89	2.14	2.35	3.97
Deposits with agreed maturity	2.02	1.95	2.01	2.00	1.92	1.90	1.90	1.80	1.76	2.02	2.13	2.55	3.21
– up to 1 year in total	2.02	1.95	2.00	2.00	1.93	1.91	1.90	1.83	1.79	2.02	2.17	2.57	3.23
– up to 7 days	1.83	1.59	1.69	1.69	1.74	1.68	1.69	2.16	1.84	2.24	2.33	2.38	3.69
– up to 1 month	2.16	2.14	2.14	2.13	1.99	1.99	2.00	1.78	1.77	1.99	2.14	2.62	3.13
– up to 3 months	1.76	1.73	1.72	1.71	1.60	1.60	1.57	1.44	1.59	1.73	1.85	2.33	2.82
– up to 6 months	1.73	1.67	1.69	1.71	1.60	1.70	1.39	1.69	1.59	1.90	1.99	2.43	2.76
– up to 1 year	1.90	1.91	1.73	1.81	1.60	1.60	1.60	1.61	1.56	1.73	1.97	2.37	3.10
– long-term over 1 year	2.03	2.12	2.13	2.06	1.55	1.26	1.75	0.98	0.88	1.70	0.83	1.50	2.38
– up to 2 years	1.54	1.53	1.52	1.54	1.74	1.70	0.97	2.08	2.33	2.34	2.35	2.00	3.00
– over 2 years	2.05	2.14	2.14	2.08	1.55	1.26	1.79	0.96	0.87	1.69	0.82	1.47	2.35
Savings deposits	0.94	0.95	0.97	0.98	1.00	1.02	1.05	1.07	1.10	1.16	1.18	1.21	1.22
– redeemable at a period of notice of up to 3 months	0.95	0.92	0.93	0.93	0.93	0.93	0.96	0.96	0.96	1.04	1.05	1.06	1.07
– redeemable at a period of notice of over 3 months	0.94	0.96	0.99	1.01	1.04	1.06	1.10	1.13	1.17	1.22	1.25	1.28	1.30
<b>Non-financial corporations</b>													
Deposits in total	1.55	1.45	1.52	1.48	1.56	1.59	1.40	1.85	1.47	1.87	2.03	1.95	2.51
Deposits payable on demand	0.89	0.69	0.71	0.72	0.81	0.81	0.64	1.23	0.70	0.87	0.95	1.05	1.62
of which: demand deposits	0.55	0.52	0.52	0.55	0.62	0.62	0.47	0.79	0.49	0.58	0.71	0.73	1.01
overnight deposits	2.07	1.76	1.69	1.72	2.05	1.80	1.67	3.29	1.69	2.23	2.62	2.64	4.44
Deposits with agreed maturity	2.57	2.43	2.53	2.46	2.50	2.57	2.55	2.73	2.58	3.16	3.16	3.15	3.95
– up to 1 year in total	2.44	2.31	2.37	2.33	2.42	2.42	2.38	2.73	2.58	3.16	3.16	3.15	3.95
– up to 7 days	2.29	2.04	2.18	2.14	2.09	2.12	2.02	2.54	2.15	2.56	2.80	2.63	4.17
– up to 1 month	2.74	2.72	2.73	2.69	2.68	2.68	2.76	2.81	2.72	3.31	3.30	3.32	3.83
– up to 3 months	2.24	2.27	2.25	2.21	2.18	2.30	2.34	2.62	2.67	2.89	3.06	3.16	3.57
– up to 6 months	2.13	1.63	2.23	2.04	2.28	2.39	2.44	2.49	2.73	2.63	2.90	3.51	3.70
– up to 1 year	1.95	2.49	2.58	2.26	2.03	2.15	2.40	2.31	2.07	2.67	2.93	3.59	3.78
– long-term over 1 year	1.41	1.82	1.71	1.46	1.35	1.57	0.82	2.06	1.38	3.87	1.32	1.92	2.63
– up to 2 years	-	-	-	1.40	-	-	0.98	2.05	-	-	-	-	-
– over 2 years	1.41	1.82	1.71	2.00	1.35	1.57	0.66	2.06	1.38	-	0.94	1.42	1.54
Savings deposits	1.25	1.26	1.25	1.28	1.27	1.33	1.42	1.51	1.49	1.74	1.86	1.83	1.96
– redeemable at a period of notice of up to 3 months	1.26	1.27	1.26	1.30	1.28	1.35	1.44	1.53	1.51	1.78	1.91	1.88	2.01
– redeemable at a period of notice of over 3 months	1.12	1.12	1.12	1.12	1.12	1.12	1.12	1.15	1.17	1.17	1.17	1.16	1.21

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					
	6	7	8	9	10	11	12	1	2	3	4	5	6
<b>Loans in total <sup>1)</sup></b>	5.95	5.92	5.90	5.86	5.89	5.86	5.80	5.89	5.93	6.06	6.15	6.19	6.40
Current account overdrafts	6.68	6.47	6.40	6.37	6.54	6.44	6.14	6.19	6.55	6.97	7.12	7.10	7.58
Consumer loans	12.08	11.98	11.81	11.67	11.88	11.85	11.82	12.26	12.23	12.28	12.21	12.28	12.63
Operation loans	4.06	4.06	4.11	3.94	4.11	4.05	4.00	3.97	4.10	4.32	4.47	4.42	4.81
Investment loans	4.37	4.40	4.44	4.41	4.39	4.52	4.42	4.47	4.50	4.72	4.85	4.94	5.18
Real estate purchase loans	6.12	6.08	6.05	6.00	5.96	5.94	5.91	6.34	6.25	6.20	6.19	6.17	6.20
Other loans	5.56	5.54	5.60	5.68	5.78	5.54	5.79	4.81	4.82	4.95	5.12	5.24	5.40
Credit cards	19.09	19.14	19.15	19.26	19.29	19.15	19.80	16.04	15.99	16.15	16.51	16.14	16.08
Short-term loans	5.66	5.50	5.48	5.42	5.59	5.53	5.42	5.42	5.66	5.91	6.09	6.07	6.42
Long-term loans over 1 year and up to 5 years	7.36	7.32	7.28	7.27	7.25	7.19	7.21	7.15	7.11	7.22	7.24	7.27	7.47
Long-term loans over 5 years	5.40	5.43	5.43	5.40	5.39	5.42	5.36	5.59	5.57	5.63	5.71	5.78	5.92
<b>Households</b>													
Loans in total	8.15	8.10	8.04	7.98	7.96	7.89	7.83	7.81	7.86	7.84	7.81	7.82	7.91
Current account overdrafts	10.87	10.83	10.87	10.92	11.06	11.00	10.83	10.59	12.20	12.32	12.37	12.47	12.91
Consumer loans	12.09	11.98	11.81	11.67	11.88	11.85	11.82	12.26	12.23	12.28	12.21	12.28	12.63
Real estate purchase loans	6.78	6.74	6.69	6.64	6.59	6.52	6.47	6.41	6.33	6.26	6.24	6.23	6.26
Other loans	10.60	10.58	10.81	10.61	10.13	9.92	9.76	7.36	7.20	7.04	6.95	6.95	6.93
Credit cards	19.11	19.17	19.18	19.28	19.32	19.18	19.90	16.14	16.08	16.23	16.57	16.20	16.14
Short-term loans	10.86	10.84	10.91	10.96	11.03	10.96	10.89	10.96	12.09	12.27	12.31	12.37	12.69
Long-term loans over 1 year and up to 5 years	11.04	11.05	10.99	10.96	11.01	10.96	10.91	10.84	10.78	10.87	10.80	10.83	10.99
Long-term loans over 5 years	6.14	6.13	6.10	6.08	6.06	6.03	6.01	6.46	6.38	6.34	6.34	6.34	6.41
<b>Non-financial institutions</b>													
Loans in total	4.54	4.48	4.49	4.45	4.52	4.58	4.52	4.55	4.60	4.88	5.01	5.09	5.41
Current account overdrafts	5.46	5.13	5.05	4.98	5.20	5.11	4.91	5.09	5.05	5.47	5.57	5.59	6.00
Operation loans	3.94	3.95	3.94	3.88	3.95	3.93	3.86	3.81	3.97	4.34	4.46	4.39	4.92
Investment loans	4.24	4.29	4.33	4.31	4.31	4.48	4.44	4.52	4.59	4.80	4.94	5.05	5.31
Real estate purchase loans	5.19	4.81	4.74	4.39	4.95	4.70	4.47	4.71	4.63	4.68	5.14	5.08	5.30
Other loans	4.61	4.67	4.69	4.75	4.63	4.67	4.94	4.49	4.61	4.80	4.92	5.18	5.31
Credit cards	18.35	18.02	17.55	18.11	17.98	18.00	18.27	12.36	13.26	13.83	14.29	14.31	14.49
Short-term loans	4.72	4.54	4.52	4.50	4.64	4.61	4.48	4.53	4.56	4.92	5.05	5.04	5.45
Long-term loans over 1 year and up to 5 years	4.93	4.92	4.93	4.92	4.90	4.92	4.97	4.96	4.96	5.20	5.32	5.43	5.69
Long-term loans over 5 years	4.04	4.13	4.17	4.13	4.15	4.35	4.34	4.40	4.50	4.69	4.83	4.96	5.20

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					
	6	7	8	9	10	11	12	1	2	3	4	5	6
<b>Deposits in total <sup>1)</sup></b>	1.60	1.55	1.54	1.54	1.57	1.57	1.46	1.52	1.37	1.68	1.74	1.72	2.02
Deposits payable on demand	0.69	0.60	0.58	0.57	0.65	0.64	0.57	0.92	0.59	0.66	0.74	0.80	1.12
of which: demand deposits	0.49	0.48	0.48	0.49	0.51	0.52	0.47	0.61	0.47	0.52	0.60	0.61	0.77
overnight deposits	2.01	1.79	1.66	1.71	2.09	1.77	1.70	3.20	1.46	2.22	2.64	2.55	4.39
Deposits with agreed maturity <sup>2)</sup>	2.29	2.25	2.24	2.24	2.25	2.26	2.19	2.15	2.15	2.52	2.56	2.56	2.91
– up to 1 year in total	2.18	2.13	2.15	2.15	2.19	2.21	2.16	2.02	2.03	2.49	2.55	2.55	2.98
– up to 7 days	2.06	1.86	1.76	1.83	1.89	1.94	2.03	2.53	1.78	2.80	2.49	2.49	3.83
– up to 1 month	2.39	2.39	2.42	2.41	2.45	2.48	2.45	2.37	2.41	2.89	2.96	2.95	3.39
– up to 3 months	1.60	1.61	1.60	1.56	1.54	1.47	1.44	1.42	1.55	1.71	1.82	1.98	2.15
– up to 6 months	1.44	1.29	1.22	1.21	1.20	1.18	1.30	1.39	1.49	1.61	1.76	1.93	2.12
– up to 1 year	2.07	1.98	1.90	1.86	1.83	1.71	1.68	0.80	0.79	0.79	0.87	0.97	1.12
– over 1 year in total	3.16	3.14	3.04	3.02	2.96	2.93	2.77	2.73	2.70	2.66	2.62	2.59	2.56
– up to 2 years	3.60	3.57	3.57	3.56	3.57	3.57	2.18	2.14	2.13	2.16	1.90	1.94	2.30
– over 2 years	3.05	3.04	2.91	2.90	2.82	2.78	2.78	2.00	1.96	1.74	1.71	1.64	1.67
Savings deposits	0.94	0.95	0.97	0.99	1.00	1.02	1.06	1.07	1.10	1.16	1.19	1.21	1.23
– redeemable at a period of notice of up to 3 months	0.96	0.93	0.93	0.93	0.94	0.94	0.96	0.97	0.97	1.05	1.06	1.07	1.09
– redeemable at a period of notice of over 3 months	0.93	0.97	0.99	1.01	1.04	1.06	1.10	1.13	1.17	1.22	1.25	1.28	1.30
<b>Households</b>													
Deposits in total	1.21	1.18	1.17	1.16	1.16	1.15	1.13	1.20	1.19	1.26	1.29	1.31	1.43
Deposits payable on demand	0.43	0.42	0.42	0.42	0.42	0.42	0.41	0.49	0.41	0.44	0.42	0.45	0.51
of which: demand deposits	0.42	0.42	0.42	0.41	0.41	0.41	0.40	0.45	0.40	0.42	0.41	0.43	0.45
overnight deposits	1.45	1.21	1.15	1.13	1.50	1.20	1.16	2.90	1.42	1.89	2.14	2.35	3.97
Deposits with agreed maturity	1.84	1.80	1.77	1.75	1.74	1.73	1.76	1.88	1.92	2.01	2.09	2.13	2.33
– up to 1 year in total	1.39	1.35	1.34	1.31	1.31	1.31	1.33	1.44	1.51	1.68	1.82	1.89	2.21
– up to 7 days	1.14	1.07	0.98	1.01	1.11	1.08	1.00	1.52	1.17	1.59	1.75	1.70	2.80
– up to 1 month	1.16	1.15	1.19	1.18	1.20	1.25	1.34	1.46	1.51	1.68	1.84	1.85	2.20
– up to 3 months	1.57	1.55	1.56	1.52	1.48	1.41	1.36	1.28	1.42	1.53	1.68	1.83	2.03
– up to 6 months	1.38	1.23	1.11	1.10	1.10	1.14	1.22	1.32	1.43	1.53	1.66	1.82	2.01
– up to 1 year	1.95	1.81	1.73	1.68	1.62	1.55	1.50	1.46	1.46	1.56	1.72	1.83	2.09
– long-term over 1 year	3.02	3.01	2.91	2.89	2.82	2.78	2.78	2.73	2.71	2.66	2.62	2.59	2.57
– up to 2 years	2.47	2.59	2.59	2.49	2.42	2.36	2.25	2.19	2.16	2.13	1.81	1.84	2.24
– over 2 years	3.03	3.02	2.91	2.90	2.83	2.78	2.78	2.21	2.16	2.15	1.86	1.89	2.28
Savings deposits	0.94	0.95	0.97	0.98	1.00	1.02	1.05	1.07	1.10	1.16	1.18	1.21	1.22
– redeemable at a period of notice of up to 3 months	0.95	0.92	0.93	0.93	0.93	0.94	0.96	0.96	0.96	1.04	1.05	1.06	1.07
– redeemable at a period of notice of over 3 months	0.93	0.97	0.99	1.01	1.04	1.06	1.10	1.13	1.17	1.22	1.25	1.28	1.30
<b>Non-financial corporations</b>													
Deposits in total	1.59	1.48	1.48	1.48	1.58	1.56	1.38	1.82	1.49	1.85	1.99	1.89	2.43
Deposits payable on demand	0.89	0.69	0.71	0.72	0.81	0.81	0.64	1.23	0.70	0.87	0.95	1.05	1.62
of which: demand deposits	0.55	0.52	0.52	0.55	0.62	0.62	0.47	0.79	0.49	0.58	0.71	0.73	1.01
overnight deposits	2.07	1.76	1.69	1.72	2.05	1.80	1.67	3.29	1.69	2.23	2.62	2.64	4.44
Deposits with agreed maturity	2.32	2.28	2.28	2.29	2.35	2.37	2.30	2.68	2.58	3.05	3.07	3.07	3.72
– up to 1 year in total	2.40	2.30	2.29	2.30	2.43	2.40	2.31	2.68	2.58	3.05	3.07	3.08	3.73
– up to 7 days	2.27	1.98	1.92	1.99	2.05	2.15	1.79	2.70	1.94	2.40	2.62	2.66	4.02
– up to 1 month	2.62	2.61	2.62	2.63	2.67	2.69	2.65	2.72	2.71	3.22	3.20	3.16	3.70
– up to 3 months	1.86	2.05	2.07	2.03	2.05	2.05	2.15	2.37	2.46	2.74	2.70	2.97	3.09
– up to 6 months	2.07	1.82	2.16	2.15	2.08	1.37	2.25	2.41	2.24	2.45	2.65	2.89	3.08
– up to 1 year	2.23	2.27	2.22	2.10	2.08	1.89	1.90	1.89	1.97	2.29	2.47	2.73	2.96
– long-term over 1 year	2.53	2.47	2.45	2.44	2.35	2.32	2.17	2.17	2.21	2.41	2.41	2.41	2.47
– up to 2 years	2.23	2.27	2.26	2.27	2.26	2.30	2.10	2.23	2.23	2.50	2.50	2.51	2.69
– over 2 years	2.75	2.59	2.57	2.55	2.41	2.33	2.21	2.23	2.21	2.48	2.48	2.51	2.69
Savings deposits	1.25	1.25	1.25	1.28	1.27	1.33	1.41	1.51	1.49	1.74	1.86	1.83	1.96
– redeemable at a period of notice of up to 3 months	1.26	1.27	1.26	1.30	1.28	1.35	1.43	1.53	1.51	1.78	1.91	1.88	2.01
– redeemable at a period of notice of over 3 months	1.12	1.12	1.12	1.12	1.12	1.12	1.12	1.15	1.18	1.17	1.17	1.16	1.21

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 30 June 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>	60,874,894	1,259,110,676	58,393,184	153,558,174	62,089,391	1,472,276,531
Cash items	0	10,809,090	0	0	3,641,434	14,450,524
Cash in hand	0	10,809,090	0	0	3,641,434	14,450,524
of which: EUR	0	0	0	0	1,743,402	1,743,402
Gold	0	0	0	0	0	0
Credits and other receivables	23,956,939	902,245,547	32,602,372	139,336,383	34,692,068	1,084,919,431
Deposits with and credits to NBS, foreign central banks and post office banks	694	400,898,284	0	0	2,130	400,899,720
of which: Valued on an individual basis						
with no identifiable depreciation (category I)	694	326,906,669	0	0	2,130	326,908,105
Valued on a portfolio basis (category II)	0	73,991,615	0	0	0	73,991,615
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	694	1,313,342	0	0	1,813	1,314,461
Time deposits	0	732,061	0	0	0	732,061
Credits provided	0	375,131,780	0	0	0	375,131,780
Money reserve accounts	0	23,721,101	0	0	0	23,721,101
of which: Minimum reserve requirements	0	23,678,240	0	0	0	23,678,240
Postal cheque accounts	0	0	0	0	317	317
Deposits with and credits to banks	48,623	39,056,812	29,334,161	7,056,331	22,198,812	97,597,493
of which: Valued on an individual basis						
with no identifiable depreciation (category I)	1,559	38,293,454	27,821,383	7,026,381	18,704,798	91,844,457
Valued on a portfolio basis (category II)	2,345	573,150	1,512,778	29,950	3,492,165	5,605,698
Valued on an individual basis						
with identifiable depreciation (category III)	44,719	190,208	0	0	1,849	147,338
of which: Failed	42,327	59,958	0	0	0	17,631
of which: Deposits with and credits to own financial group	43	1,721,135	3,061,593	0	4,369,883	9,152,568
of which: Current accounts in banks	1,921	570,239	67,504	82,980	7,139,912	7,858,714
Current accounts of other banks	15	54	17,949,394	651	700,398	18,650,482
Time deposits	1,495	28,114,610	11,317,263	6,972,700	10,441,625	56,844,703
Credits provided	42,898	10,371,909	0	0	3,916,877	14,245,888
Receivables from clients	23,863,177	446,055,239	3,268,211	126,246,457	12,429,973	564,136,703
of which: Valued on an individual basis						
with no identifiable depreciation (category I)	108,199	136,712,872	1,994,868	65,039,765	9,169,629	212,808,935
Valued on a portfolio basis (category II)	6,854,846	266,859,435	954,922	49,321,097	2,075,288	312,355,896
Valued on an individual basis						
with identifiable depreciation (category III)	16,900,132	42,482,932	318,421	11,885,595	1,185,056	38,971,872
of which: Failed	15,971,251	19,256,079	16,306	2,925,866	335,679	6,562,679
of which: PFPT credits	0	0	0	0	0	0
Credits to general government and international organizations (S.13)	44,445	16,235,212	0	6,033,595	61,153	22,285,515
of which: Valued on an individual basis						
with no identifiable depreciation (category I)	4,069	10,252,242	0	5,420,151	61,153	15,729,477
Valued on a portfolio basis (category II)	87	5,874,958	0	252,416	0	6,127,287
Valued on an individual basis						
with identifiable depreciation (category III)	40,289	108,012	0	361,028	0	428,751
of which: Failed	6	12	0	0	0	6
of which: Deposits with central government (S.1311)	0	0	0	0	0	0
Credits to central government (S.1311)	1	7,887,249	0	106,708	61,153	8,055,109
of which: SR Treasury	0	0	0	0	0	0
Other funds	0	492	0	0	0	492
Credits to local governments (S.1313)	13,627	8,131,903	0	5,926,887	0	14,045,163
Credits to social security funds (S.1314)	0	216,060	0	0	0	216,060
of which: Health insurance companies	0	0	0	0	0	0
Social Insurance Corporation	0	216,060	0	0	0	216,060
Debt securities	0	0	0	0	0	0
Financial instruments for sale	326,474	39,173,350	2,648,835	4,687,612	5,213,678	51,397,001
Financial instruments in real value towards profit/loss	0	43,100,413	4,034,251	4,276,425	12,008,962	63,420,051
Tangible assets investments (IAS 40)	83,527	271,480	0	0	0	187,953
Positive real value of fixed forward transactions	0	5,662,569	9,356,021	823,069	1,035,824	16,877,483
Positive real value of options	0	2,045,468	1,146,287	679,950	203,254	4,074,959
Financial instruments held to maturity	62,675	182,576,364	8,188,042	3,419,515	4,110,297	198,231,543
Subsidiary and affiliated companies, joint ventures	1,205,267	4,883,241	302,259	0	0	3,980,233
Long-term funds provided to branches abroad	0	0	0	0	545,297	545,297
Tangible assets	24,464,099	46,893,808	0	4,214	58,873	22,492,796
Intangible assets	9,767,246	13,954,969	0	0	0	4,187,723
Other assets	1,008,667	7,432,173	115,117	331,006	579,704	7,449,333
Subordinated financial assets	0	62,204	0	0	0	62,204
Adjustments	33,265,229	33,265,229	0	0	0	0
Portfolio adjustments not recorded above	0	0	0	0	0	0



# Shortened Balance Sheet of Commercial Banks as at 30 June 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>	959,223,498	158,777,249	153,137,836	201,137,948	1,472,276,531
<b>PAYABLES</b>	903,648,548	118,874,331	152,949,265	201,043,426	1,376,515,570
Deposits with and credits to NBS and foreign issuing banks, and postal checking accounts	15,460,320	0	47,118	0	15,507,438
of which: Current accounts	80	0	0	0	80
Time deposits	0	0	0	0	0
Credits received	15,460,240	0	47,118	0	15,507,358
Postal cheque accounts	0	0	0	0	0
Deposits, credits and other liabilities received from banks	33,844,450	82,477,156	5,620,150	130,133,905	252,075,661
of which: Deposits with and credits received from own financial group	3,860	16,502,604	18	82,483,165	98,989,647
of which: Current accounts in banks	0	22,845	644	2,823,722	2,847,211
Current accounts of other banks	572,202	24,805,002	82,473	1,085,310	26,544,987
Time deposits	22,929,844	30,476,850	5,537,033	117,697,859	176,641,586
Credits received	10,342,404	27,172,459	0	8,527,014	46,041,877
Deposits and credits received from clients	646,844,274	6,927,011	91,040,299	6,593,684	751,405,268
of which: PFPT deposits	9,820,998	0	2,135	0	9,823,133
of which: Current accounts and other financial undated liabilities	281,096,646	4,683,199	47,884,154	4,953,908	338,617,907
Time deposits	321,872,718	2,171,122	41,661,365	1,625,818	367,331,023
Deposits at notice	38,006,594	72,629	1,494,780	13,958	39,587,961
Certificates of deposit	389,321	60	0	0	389,381
Credits received and financial leasing	5,478,995	1	0	0	5,478,996
Deposits of general government and international organizations	100,652,490	10,295	41,533,396	3,572,335	145,768,516
of which: Deposits of central government (S.1311)	77,103,127	10,295	41,329,577	3,572,335	122,015,334
of which: Treasury	1,139,609	0	14,153,011	0	15,292,620
Other funds	6,768,457	0	104,368	0	6,872,825
of which: National Property Fund	6,747,090	0	98,210	0	6,845,300
Deposits of local governments (S.1313)	23,546,368	0	203,819	0	23,750,187
Deposits of social security funds (S.1314)	2,995	0	0	0	2,995
of which: Health insurance companies	2,995	0	0	0	2,995
Social Insurance Corporation	0	0	0	0	0
Securities issued by the accounting unit	66,310,936	1,670,379	1,316,317	2,345,658	71,643,290
Financial liabilities in real value towards profit/loss (IAS 39)	6,574,210	15,171,828	8,776,907	51,977,908	82,500,853
of which: Current accounts	0	0	0	0	0
Time deposits	6,574,210	15,171,828	8,776,907	51,977,908	82,500,853
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	4,520,898	8,633,979	387,566	907,583	14,450,026
Negative real value of options	956,915	2,032,040	240,444	662,929	3,892,328
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	5,405,350	185	186,354	79,997	5,671,886
Other liabilities	19,683,548	882,170	3,800,714	3,323,479	27,689,911
Subordinated financial liabilities	62,204	1,069,288	0	1,445,948	2,577,440
<b>EQUITY CAPITAL</b>	55,574,950	39,902,918	188,571	94,522	95,760,961
Registered capital	4,604,447	36,591,658	0	0	41,196,105
of which: Subscribed registered capital	4,607,288	36,591,658	0	0	41,198,946
Receivables from shareholders	0	0	0	0	0
Own shares	-2,841	0	0	0	-2,841
Long-term funds provided to branches of foreign banks	32,000	2,844,579	0	76,644	2,953,223
Share premium	2,275,819	475,000	0	0	2,750,819
Reserve funds and other funds allocated from profits	12,475,577	119,500	0	0	12,595,077
Capital funds	204,380	5,490	0	1,640	211,510
Gains/losses from revaluation	-220,356	-133,309	188,571	16,238	-148,856
Profit/loss from previous years	28,104,230	0	0	0	28,104,230
of which: Retained earnings	28,843,158	0	0	0	28,843,158
Accumulated loss	-738,928	0	0	0	-738,928
Profit and loss account	8,117,120	0	0	0	8,117,120
Profit/loss in process of approval /+,-/	-18,267	0	0	0	-18,267



## Monthly Profit and Loss Account of Commercial Banks

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

(SKK millions)

	2005							2006					
	6	7	8	9	10	11	12	1	2	3	4	5	6
NET INCOME FROM INTEREST	14,928	17,416	19,807	22,238	24,750	27,232	29,694	2,568	4,889	7,514	10,099	12,769	15,601
Income from interest on securities	8,407	9,837	11,158	12,483	13,810	15,024	16,255	1,143	2,065	3,068	4,046	5,032	5,966
Income from other interest	18,863	21,909	25,129	28,264	31,409	34,760	38,262	3,842	7,308	11,608	15,809	20,368	25,451
Expenses on interest on securities	1,345	1,581	1,814	2,041	2,271	2,472	2,746	221	444	671	904	1,149	1,391
Expenses on other interest	10,998	12,749	14,666	16,468	18,198	20,079	22,077	2,195	4,040	6,492	8,852	11,483	14,426
NET NON-INTEREST INCOME	9,349	10,912	12,483	14,051	15,868	17,499	19,534	1,871	3,497	5,270	6,981	8,346	10,217
Income from fees and provisions	6,179	7,283	8,442	9,537	10,832	11,961	13,318	1,075	2,169	3,471	4,634	5,905	6,957
Expenses on fees and provisions	947	1,108	1,280	1,454	1,619	1,814	2,075	198	389	643	859	1,128	1,377
Dividends received	81	86	97	98	100	119	98	3	8	8	211	221	333
Income from operations in securities	2,481	2,745	2,676	2,922	3,369	3,628	4,019	412	656	942	1,189	1,325	1,489
Expenses on operations in securities	981	1,118	1,251	1,408	2,284	2,521	2,624	138	398	1,034	1,328	1,815	2,435
Profit/loss of foreign exchange operations	810	-63	807	1,206	823	3,286	4,477	1,296	1,759	1,732	3,264	3,768	2,021
Profit/loss of fixed forward transactions and options	1,665	3,033	2,922	3,068	4,542	2,736	2,188	-611	-355	798	-127	87	3,294
Income from other operations	601	708	805	908	1,026	1,122	1,301	73	133	96	126	152	159
Expenses on other operations	539	655	736	827	920	1,018	1,168	39	86	101	130	169	224
NET OPERATIONAL PROFIT/LOSS	-2,310	-3,116	-3,445	-3,795	-4,117	-4,245	-6,583	-142	-288	-540	-749	-990	-1,103
GENERAL OPERATIONAL EXPENSES	13,657	15,921	18,088	20,280	22,631	24,949	28,010	2,286	4,656	7,098	9,474	11,917	14,255
NET ADDITIONS TO RESERVES AND PROVISIONS	245	643	517	916	484	-45	1,579	-252	-216	-273	-522	-337	-982
INCOME TAX	977	780	909	1,652	1,840	2,075	2,321	215	391	720	962	1,225	1,361
CURRENT PERIOD PROFIT/LOSS	7,578	9,153	10,364	11,478	12,514	13,419	13,892	1,545	2,835	4,153	5,371	6,646	8,117





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

	Receipts / Credit (+)		Payments / Debit (-)		Balance	
	SKK millions	USD millions	SKK millions	USD millions	SKK millions	USD millions
<b>Goods</b>	460,341.0	14,989.9	500,529.0	16,298.6	-40,188.0	-1,308.6
<b>Services</b>	60,878.8	1,982.4	53,075.5	1,728.3	7,803.3	254.1
Transport	22,049.0	718.0	14,733.2	479.8	7,315.9	238.2
Tourism	16,995.2	553.4	11,297.3	367.9	5,697.9	185.5
Other services	21,834.6	711.0	27,045.0	880.7	-5,210.4	-169.7
<b>Income</b>	23,091.3	751.9	44,798.8	1,458.8	-21,707.6	-706.9
Compensation of employees	13,000.0	423.3	602.5	19.6	12,397.5	403.7
Investment income	10,091.3	328.6	44,196.4	1,439.2	-34,105.1	-1,110.6
<b>Current transfers</b>	19,391.4	631.4	20,574.4	670.0	-1,183.0	-38.5
<b>CURRENT ACCOUNT</b>	563,702.5	18,355.7	618,977.7	20,155.6	-55,275.3	-1,799.9
<b>Capital account</b>	571.1	18.6	950.1	30.9	-379.0	-12.3
<b>Financial account</b>	2,410,092.7	78,450.4	-2,358,427.6	-76,785.0	51,665.1	1,665.4
Direct investment	370,761.7	12,073.0	-316,695.0	-10,312.4	54,066.8	1,760.6
<i>Abroad (direct investor = resident)</i>	18,683.8	608.4	-21,201.0	-690.4	-2,517.2	-82.0
Equity capital and reinvested earnings	146.8	4.8	-1,569.0	-51.1	-1,422.2	-46.3
Other capital	18,537.0	603.6	-19,632.0	-639.3	-1,095.0	-35.7
<i>In the SR (recipient of dir. investment = resident)</i>	352,077.9	11,464.6	-295,494.0	-9,622.1	56,583.9	1,842.5
Equity capital and reinvested earnings	54,309.9	1,768.5	-1,506.0	-49.0	52,803.9	1,719.4
Other capital	297,768.0	9,696.1	-293,988.0	-9,573.0	3,780.0	123.1
Portfolio investment	249,159.3	8,092.5	-226,646.3	-7,380.2	22,513.0	712.3
Assets	32,187.0	1,048.1	-34,924.2	-1,137.2	-2,737.2	-89.1
Liabilities	216,972.3	7,044.5	-191,722.1	-6,243.0	25,250.2	801.5
Financial derivatives	708,421.8	23,068.1	-708,496.0	-23,070.5	-74.2	-2.4
Assets	326,998.9	10,648.0	-328,229.8	-10,688.0	-1,230.8	-40.1
Liabilities	381,422.9	12,420.2	-380,266.2	-12,382.5	1,156.6	37.7
Other investment	1,081,749.8	35,216.8	-1,106,590.4	-36,021.8	-24,840.6	-805.1
<i>Long-term</i>	136,986.0	4,460.0	-122,728.3	-3,996.8	14,257.6	463.2
Assets	36,679.3	1,193.7	-38,743.4	-1,261.7	-2,064.1	-68.0
Liabilities	100,306.7	3,266.3	-83,984.9	-2,735.1	16,321.8	531.1
<i>Short-term</i>	944,763.8	30,756.8	-983,862.0	-32,025.0	-39,098.2	-1,268.2
Assets	580,738.4	18,910.4	-611,434.2	-19,909.9	-30,695.9	-999.5
Liabilities	364,025.5	11,846.4	-372,427.8	-12,115.1	-8,402.3	-268.7
<b>CAPITAL AND FINANCIAL ACCOUNT</b>	2,410,663.7	78,469.0	-2,359,377.7	-76,815.9	51,286.1	1,653.1
<b>ERRORS AND OMISSIONS</b>					28,871.7	946.3
<b>TOTAL BALANCE</b>	-53,161.2	-1,738.6	78,043.7	2,538.1	24,882.5	799.5
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	53,161.2	1,738.6	-78,043.7	-2,538.1	-24,882.5	-799.5
<i>Currency and deposits</i>	0.0	0.0	-8,754.1	-284.8	-8,754.1	-284.8
<i>Securities</i>	53,161.2	1,738.6	-69,289.6	-2,253.3	-16,128.4	-514.7
Bonds and notes	0.0	0.0	-69,289.6	-2,253.3	-69,289.6	-2,253.3
Money market instruments and financial derivatives	53,161.2	1,738.6	0.0	0.0	53,161.2	1,738.6
<b>RESERVE ASSETS</b>	53,161.2	1,738.6	-78,043.7	-2,538.1	-24,882.5	-799.5

Note: Preliminary data.

Applied rate of exchange: USD 1 = SKK 30.710



## 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	-	-	-
962010011	27.7.2006	28.7.2006	20.10.2006	84	1,364	222	American	4.50	4.50	4.50



## Basic Characteristics of Slovakia's Foreign Exchange Market in July 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	3,194.3	100.0	186	0	0	0	3,194.3	186
Transactions between domestic banks without foreign participation	5,538.6	68.7	200	2,495.6	31.0	983	27.4	0.3	25	8,061.5	1,208
Interbank forex market: NBS + transactions between domestic banks	5,538.6	49.2	200	5,689.9	50.6	1,169	27.4	0.2	25	11,255.9	1,394
Transactions between domestic and foreign banks	86,518.4	83.1	2,086	17,449.7	16.8	4,651	97.6	0.1	112	104,065.7	6,849
Foreign exchange market in the SR – total	92,057.0	79.8	2,286	23,139.6	20.1	5,820	124.9	0.1	137	115,321.5	8,243

	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	928.3	11.5	958	31.1	0.4	19	7,098.3	88.1	231	0.0	0.0	0	8,057.7	1,208
Transactions between domestic and foreign banks	11,606.3	11.2	4,017	720.2	0.7	55	91,435.1	87.9	2,152	260.7	0.3	625	104,022.3	6,849
Foreign exchange market in the SR - excl. the NBS	12,534.6	11.2	4,975	751.3	0.7	74	98,533.4	87.9	2,383	260.7	0.2	625	112,080.0	8,057



## Average Monthly Exchange Rates of the SKK

Midpoint rate	2005						2006						
	7	8	9	10	11	12	1	2	3	4	5	6	7
1 AUD	24.264	24.016	23.996	24.431	24.153	23.715	23.220	23.228	22.712	22.411	22.490	22.247	22.748
1 CYP	67.720	67.515	67.132	67.923	67.571	66.059	65.391	65.147	65.132	64.901	65.331	66.157	66.770
1 CZK	1.286	1.306	1.311	1.311	1.322	1.308	1.305	1.317	1.308	1.312	1.328	1.340	1.350
1 DKK	5.207	5.187	5.156	5.215	5.193	5.081	5.027	5.011	5.020	5.011	5.039	5.101	5.146
1 EUR	38.837	38.695	38.450	38.909	38.730	37.871	37.510	37.404	37.455	37.392	37.575	38.036	38.388
1 EEK	2.482	2.473	2.458	2.487	2.476	2.420	2.397	2.391	2.394	2.390	2.401	2.431	2.453
100 JPY	28.798	28.454	28.243	28.227	27.747	26.914	26.862	26.536	26.606	26.048	26.331	26.220	26.170
1 CAD	26.351	26.067	26.583	27.517	27.743	27.487	26.768	27.224	26.958	26.610	26.508	26.997	26.845
1 LTL	11.246	11.207	11.136	11.270	11.220	10.968	10.863	10.833	10.847	10.828	10.881	11.014	11.117
1 LVL	55.799	55.599	55.240	55.869	55.637	54.361	53.886	53.739	53.810	53.721	53.981	54.642	55.156
100 HUF	15.755	15.828	15.646	15.460	15.443	14.987	14.960	14.871	14.392	14.080	14.308	14.022	13.814
1 MTL	90.456	90.140	89.568	90.643	90.247	88.196	87.371	87.147	87.229	87.130	87.563	88.593	89.435
1 NOK	4.902	4.886	4.925	4.964	4.956	4.747	4.667	4.639	4.694	4.761	4.819	4.845	4.834
1 PLN	9.474	9.560	9.798	9.933	9.748	9.822	9.814	9.853	9.662	9.535	9.646	9.460	9.596
100 SIT	16.216	16.156	16.058	16.247	16.176	15.812	15.661	15.619	15.635	15.605	15.678	15.871	16.020
1 CHF	24.929	24.904	24.817	25.111	25.078	24.472	24.201	24.016	23.880	23.734	24.133	24.382	24.474
1 SEK	4.121	4.141	4.118	4.135	4.051	4.013	4.025	4.009	3.984	4.002	4.025	4.117	4.164
1 USD	32.220	31.494	31.354	32.357	32.808	31.932	31.029	31.298	31.186	30.535	29.461	30.054	30.286
1 GBP	56.479	56.421	56.731	57.062	57.036	55.750	54.679	54.748	54.392	53.819	54.961	55.412	55.805
1 XDR	46.740	46.184	45.986	46.795	46.880	45.695	44.866	44.944	44.874	44.280	43.828	44.414	44.734

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