



NÁRODNÁ BANKA SLOVENSKA



Monetary Survey

July 2007

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ISSN 1336-6459 (online)

The advance release calendars and the prescribed components of IMF's Special Data Dissemination Standards for the following data categories, are published exclusively on the Internet and are available on the home page of the National Bank of Slovakia: Analytical accounts of the banking sector, analytical accounts of the central bank (advance release calendar only), Balance of payments, International reserves (advance release calendar only), International investment position, exchange rates, interest rates. Data categories are also published in other media, but appear for the first time on Internet, the NBS web site.

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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
BRIBOR	Bratislava Interbank Offered Rate
CDCP SR	Centrálny depozitár cenných papierov SR – Central Securities Depository of the Slovak Republic
CPI	Consumer Price Index
ECB	European Central Bank
EMU	Economic and Monetary Union
EU	European Union
Eurostat	Statistical Office of the European Communities
FDI	Foreign Direct Investment
Fed	Federal Reserve System
FNM	Fond národného majetku – National Property Fund
FRA	Forward Rate Agreement
GDP	Gross Domestic Product
GNDI	Gross National Disposable Income
GNI	Gross National Income
HICP	Harmonised Index of Consumer Prices
HZL	hypotekárne záložné listy – mortgage bonds
IMF	International Monetary Fund
IPI	Industrial Production Index
IRF	Initial Rate Fixation
IRS	Interest Rate Swap
MFI	Monetary Financial Institutions
MMIF	Money Market Investment Funds
NARKS	National Association of Slovak Real Estate Agencies
NBS	Národná banka Slovenska – National Bank of Slovakia
NEER	Nominal Effective Exchange Rate
NPF	National Property Fund
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
SASS	Slovenská asociácia správcovských spoločností – Slovak Association of Asset Management Companies
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
SO SR	Statistical Office of the SR
SR	Slovenská republika – Slovak Republic
SRT	Sterilisation Repo Tender
ULC	Unit Labour Costs
VAT	Value Added Tax

Symbols used in the tables

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



1 Summary

Consumer prices, expressed in terms of the Harmonised Index of Consumer Prices (HICP), dropped in comparison with the previous month by 0.1% in July. The year-on-year rate of headline inflation reached 1.2%. Core inflation (excluding energy and unprocessed food prices) recorded a year-on-year rate of 1.5%.

Measured in terms of the Consumer Price Index (CPI), consumer prices remained unchanged in July, at the level of the previous month. The 12-month headline and core inflation rates reached 2.3% and 2.4% respectively.

The M3 monetary aggregate (according to the ECB's methodology) grew month-on-month by SKK 17.3 billion in June, and its year-on-year dynamics strengthened in comparison with May to 19.2%.

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 SKK 17.8 billion in June, and the year-on-year growth rate accelerated by 0.7 of a percentage point, to 14.6%.

The average interest rate on new loans to non-financial corporations rose in June by 0.12 of a percentage point, to 6.05%, while that on new loans to households dropped by 0.06 of a percentage point, to 12.16%. Over the same period, the average interest rate on new deposits from non-financial corporations increased by 0.62 of a percentage point, to 3.09%, and that on new household deposits fell by 0.02 of a percentage point, to 1.00%.

At the end of July, the State budget of the SR resulted in a surplus of SKK 3.9 billion.

The foreign reserves of the NBS (at current exchange rates) stood at USD 17.9 billion in July. At the end of the month, the volume of 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 2007. At the end of June, the coverage of average monthly imports (imports of goods and services according to data from banking statistics) by the official foreign reserves corresponded to 4.6 times the volume of average monthly imports of goods and services to the SR over the first six months of 2007.

Národná banka Slovenska (NBS) conducted no foreign exchange intervention in July.

According to preliminary data, the balance of payments on current account for January to May 2007 resulted in a deficit of SKK 17 billion. Over the same period, the capital and financial account generated a surplus of SKK 94.6 billion. From January to June, the b.o.p. current account produced a deficit of SKK 19.1 billion, while trade resulted in a shortfall of SKK 10.8 billion.

The average daily sterilisation position of the NBS fell in comparison with June by SKK 2.1 billion, to SKK 380.02 billion in July.



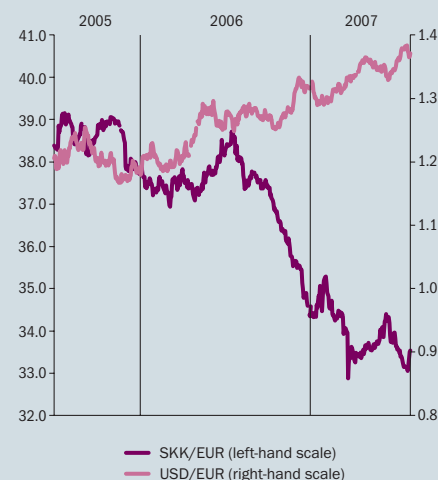
2 The External Economic Environment¹

Euro-area Countries

Inflation The 12-month inflation rate in the euro area, as measured by the Harmonised Index of Consumer Prices (HICP), slowed to 1.8% in July, from 1.9% in the previous month. The strongest year-on-year dynamics were recorded in consumer prices in Slovenia (4.0%), Greece (2.7%), and Ireland (2.7%). The steepest year-on-year increases took place in prices for education (9.1%), hotel and restaurant services (3.4%), and alcoholic beverages and tobacco products (3.3%). Price levels in telecommunications dropped by 1.7%. In the same period a year earlier, consumer prices in the euro area increased by 2.4%.

EUR/USD exchange rate At the end of June, the exchange rate of the single European currency hovered around the level of USD/EUR 1.35. Over the first two thirds of July, the euro continued to appreciate in relation to the US dollar, despite favourable confidence indicators in industry as well as among consumers in the US economy. A factor positively influencing the exchange rate of the euro vis-à-vis the dollar was news on the continuing boom in the British economy. Although the dollar recorded a marked appreciation against the euro towards the end of the month, its longer-term appreciating tendency will depend on developments in America's residential property market and its impact on the overall economy of the United States. At the end of July, the exchange rate of the euro against the dollar reached USD/EUR 1.37, representing an appreciation of 1.5% compared with the last day of June. On average, the exchange rate strengthened in comparison with the previous month by 2.2% in July. Compared with the first trading day of 2007, the euro appreciated vis-à-vis the dollar by almost 3.3%.

Chart 1 Exchange Rates: SKK/EUR and USD/EUR



Source: ECB, NBS.

Key ECB interest rates At its August meeting (02/08/07), the Governing Council of the European Central Bank (ECB) decided to leave its key interest rates unchanged. The rates for main refinancing operations, overnight refinancing and sterilisation transactions thus remained at 4.00%, 5.00%, and 3.00%.

Visegrad Countries (V4)

Inflation In July, inflation in the Czech Republic and Poland slowed in comparison with the previous month by 0.1 of a percentage point, to 2.5% equally. The month-on-month moderation in price dynamics in these countries can be attributed to services (in the case of Poland, to energy prices as well). A country that still deviates from the region's inflation profile is Hungary. However, the rate of price increase slowed even there by 0.2 of a percentage point month-on-month, to 8.3%. This was mainly caused by a fall in inflation in energy and food prices, including alcohol and tobacco. Thus, the July fall in Hungary's inflation rate again confirmed the weakening trend in its year-on-year dynamics.

Exchange rates of V4 currencies The exchange rates of V4 currencies showed conflicting tendencies in the course of July. The first half of July was dominated by a slightly appreciating trend vis-à-vis the euro from the previous month. With the

Chart 2 Exchange Rate Indices of V4 Currencies Against the Euro (29.12.2006 = 100)



Source: Eurostat, NBS calculations.

Note: A fall in value denotes an appreciation.

¹ The chapter on international economic developments has been supplemented by a tabular and graphical overview, which is shown in the annex.



exception of the Czech koruna, however, these currencies weakened over the last week of July, and the closed the month at lower levels. Compared with the last day of June, the Hungarian forint and Polish zloty weakened against the euro by 1.8% and 0.6% respectively during July. The Czech koruna recorded a relatively marked appreciation (2.4%). This was due to shifting away from carry transactions in which the Czech koruna is used as a funding currency. Its appreciation was also supported by the CNB's decision concerning interest rates.

The CNB was the only central bank in the region to decide to change its rates in July. The key rate was raised by 25 base points, to 3%, with regard to the current inflation forecast, which had been revised upwards. The negative interest rate differential in relation to the euro area decreased to 1 percentage point. Despite the change, the Czech rate is still the lowest in the region.



3 Inflation

3.1 Consumer Price Index

HICP Inflation in July 2007

Harmonised Index of Consumer Prices

Consumer prices, as measured by the Harmonised Index of Consumer Prices (HICP), dropped month-on-month by 0.1% in July, with the prices of goods falling by 0.4% and services prices rising by 0.4%. Consumer prices increased year-on-year by 1.2% (in June by 1.5%). Overall year-on-year inflation excluding energy and unprocessed food prices (core inflation) stood at 1.5% (compared with 1.7% in June). The average inflation rate for the period since the beginning of the year reached 1.8%. The average 12-month inflation rate for the period from August 2006 to July 2007 was 2.7%. In July, HICP inflation was somewhat lower than expected by the NBS.

Table 1 Harmonised Index of Consumer Prices		(year-on-year changes in %)					
		2007					
		Feb.	Mar.	Apr.	May	June	July
Total		2.0	2.1	2.0	1.5	1.5	1.2
Goods		1.6	1.7	1.7	1.0	0.9	0.6
Industrial goods		0.2	0.4	0.2	-0.3	-0.1	-0.5
Non-energy industrial goods		-0.5	-0.4	-0.7	-1.2	-1.1	-1.6
Energy		1.0	1.5	1.5	1.0	1.2	0.9
Foodstuffs		4.4	4.1	4.5	3.5	2.8	2.8
Processed food (including alcohol and tobacco)		3.6	3.9	4.1	4.4	4.5	4.6
Unprocessed food		6.0	4.4	5.3	2.0	-0.1	-0.5
Services		2.7	2.8	2.6	2.5	2.6	2.4
Total, excluding unprocessed food and energy (core inflation)		1.8	1.9	1.8	1.7	1.7	1.5
Total, excluding energy		2.2	2.2	2.1	1.7	1.5	1.3

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

Further slowdown in the year-on-year dynamics of goods prices

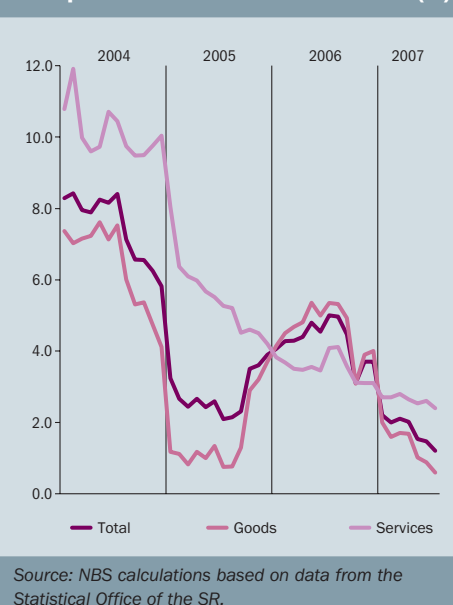
Within the basic structure of inflation, the year-on-year rate of increase continued to slow for goods prices, while services prices also recorded a slight fall in year-on-year dynamics.

In goods prices, the prices of industrial goods recorded an acceleration in the year-on-year rate of decline. The year-on-year dynamics of food prices remained unchanged. Industrial goods prices were affected by a further year-on-year fall in the prices of non-energy industrial goods (due to the base effect of a marked increase in the prices of pharmaceuticals from the same period a year earlier) and a decrease in energy price dynamics (caused by a significant year-on-year drop in fuel prices). The stagnation in food prices in terms of year-on-year dynamics was caused by conflicting developments in processed food prices (steeper year-on-year increases in the prices of bread, flour products, and non-alcoholic beverages) and unprocessed food prices, which recorded a marked year-on-year fall (in fruit and vegetable prices).

The year-on-year rate of increase in services prices slowed somewhat, when transport, recreation, and personal services recorded weaker year-on-year price

dynamics in comparison with the previous month. On the other hand, a slight acceleration in year-on-year dynamics occurred in prices for services related to dwelling.

Chart 3 HICP Inflation and Its Main Components (%)



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

Chart 4 HICP Compared with the Views of Respondents on Future Inflation


Source: Statistical Office of the SR, Consumer Barometer.
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 year-on-year rate of headline inflation is likely to accelerate somewhat in August (compared with July 2007), mainly as a result of an expected increase in the year-on-year dynamics of services prices (caused by a steeper year-on-year rise in prices for recreation services) and an accelerated year-on-year rate of increase in food prices (the base effect of a marked month-on-month drop in the same period a year earlier).

Expectations for the coming month

July 2007 saw an increase in the assessment by consumers of the actual level of price inflation. In answer to questions about the level of inflation to date, the respondents gave an average value of 7.43% (6.81% in the previous month). When asked about the expected inflation rate in the next 12 months, the respondents gave an average value of 7.66%, which also represented an increase in comparison with the previous month (6.86%).

Consumer expectations regarding inflation

CPI Inflation in July 2007

In July 2007, consumer prices stagnated on a month-on-month basis and showed weaker dynamics than expected by the NBS, mainly as a result of a slower rise in prices for market services. Within the basic structure of inflation, regulated prices rose slightly, with core inflation falling in comparison with the previous month by 0.1%. Core inflation was mainly influenced by a fall in food prices (marked drops in fruit and vegetable prices, eliminating the effect of rising meat prices) and

Consumer Price Index

Table 2 Consumer Price Developments in July 2007

	Change versus		HICP in the structure of CPI	
	June 2007	July 2006	June 2007	July 2006
Total in %	0.0	2.3	-0.1	1.2
Regulated prices in %	0.1	0.9	0.1	1.5
Share of total, in percentage points ¹⁾	0.01	-	0.02	-
Impact of changes in indirect taxes on non-regulated prices – Share of total, in percentage points¹⁾	0.00	-	0.00	-
Core inflation in %	-0.1	2.4	-0.1	0.7
Share of total, in percentage points ¹⁾	-0.04	-	-0.13	-
of which: Food prices in %	-0.7	2.1	-1.5	1.5
Share of total, in percentage points ¹⁾	-0.10	-	-0.23	-
Tradable goods in % ¹⁾	0.1	-1.2	0.1	-1.0
Share of total, in percentage points ¹⁾	0.02	-	0.04	-
Tradable goods excluding fuels, in % ¹⁾	0.0	-0.2	0.1	0.0
Share of total, in percentage points ¹⁾	0.00	-	0.02	-
Fuels in % ¹⁾	0.6	-9.4	0.6	-9.4
Share of total, in percentage points ¹⁾	0.02	-	0.02	-
TMarket services in % ¹⁾	0.1	6.9	0.3	2.6
Share of total, in percentage points ¹⁾	0.04	-	0.06	-
Net inflation (excluding the impact of changes in indirect taxes) in %	0.1	2.4	0.2	0.4
Share of total, in percentage points ¹⁾	0.06	-	0.10	-
Net inflation, excluding fuel prices (excluding the impact of changes in indirect taxes) in %¹⁾	0.1	3.2	0.1	1.1
Share of total, in percentage points ¹⁾	0.04	-	0.08	-

Source: Statistical Office of the SR.

Notes: Net inflation – includes prices increases in the categories '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; if, however, the price contributions are rounded to two decimal places, even a small change is apparent.

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



a modest rise in prices for market services (the repair fund stagnated). Tradable goods prices recorded a slight increase, with fuel prices rising and tradable goods prices stagnating (excluding fuel prices). Consumer prices increased year-on-year by 2.3% (in May by 2.5%) and core inflation rose by 2.4% (a month earlier by 2.5%). The average year-on-year inflation rate for the period from August 2006 to July 2007 was 3.3%. The year-on-year inflation rate for the period since the beginning of the year reached an average of 2.6%.

3.2 Producer Prices in June 2007

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

Industrial producer prices for the domestic market rose month-on-month by an average of 0.3% in June, due to increases in the prices of manufacturing products (0.3%), energy (0.2%), and mining and quarrying products (1.3%).

Table 3 Producer Price Developments

(%)

	Month-on-month change		Year-on-year change			
	May 2007	June 2007	June 2006	May 2007	June 2007	Average since the beginning of 2007
Industrial producer prices (for the domestic market)	-0.1	0.3	9.8	1.3	1.3	2.5
– Prices of manufacturing products	-0.1	0.3	3.0	-0.7	-0.5	0.3
– Prices of mining and quarrying products	0.3	1.3	48.6	-4.4	-2.5	-1.9
– Prices of electricity, gas, steam, and hot water	-0.2	0.2	16.6	4.1	3.9	5.5
Industrial producer prices (for export)	0.2	0.8	4.8	-5.0	-4.8	-3.8
– Prices of manufacturing products	0.3	0.8	4.9	-4.3	-4.1	-3.3
Construction prices	0.2	0.0	3.7	4.2	4.0	4.1
Building materials prices	0.9	0.3	2.3	5.6	5.5	5.3
Agricultural prices	-	-	-1.1	-2.6	-2.5	-0.7
– Prices of plant products	-	-	-5.6	16.6	12.2	19.4
– Prices of animal products	-	-	-0.6	-4.4	-4.0	-3.4

Source: Statistical Office of the SR.

... accompanied by stagnation in their year-on-year dynamics

In June, domestic industrial producer prices showed stagnating year-on-year dynamics in comparison with the previous month, due to smaller drops in the prices of manufacturing products (by 0.2 of a percentage point, to 0.5%) and mining and quarrying products (by 1.9 percentage point, to 2.5%), and a slower rise in energy prices (by 0.2 of a percentage point, to 3.9%).

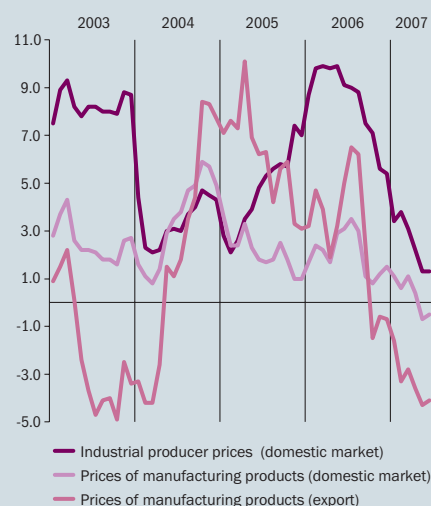
The year-on-year fall in manufacturing products prices in June was mainly caused by drops in the prices of refined oil products (12.6%), other manufacturing products (7.4%), and transport equipment (4.0%). Prices also dropped on a year-on-year basis for electrical optical equipment and paper products (equally by 0.9%). On the other hand, upward price pressures were mainly exerted by the prices of food products (2.8%), base metals and finished metal products (2.5%), other non-metal mineral products (3.8%), and wood products (9.9%). Among food products, steeper increases than a month earlier were recorded in the prices of animal and plant fats and oils (by 0.8 of a percentage point, to 0.7%) and beverages (by 0.4 of a percentage point, to 3.6%). On the other hand, the rate of price increase slowed for flour products (by 0.7 of a percentage point, to 8.5%) and processed fodder (by 1.5 percentage points, to 5.6%).

On average, energy prices recorded a slower year-on-year rise in June (compared with the previous month), due to declines in prices for gas production and the transport of gaseous fuels via pipelines (by 7.7%) and prices for water treatment and supply (by 1.1%). Prices increased more rapidly than in May for electricity generation and supply (by 0.6 of a percentage point, to 9.9%), while those for steam and hot water supply showed the same dynamics as in the previous month (a year-on-year rise of 10.4%).

Industrial producer prices for export

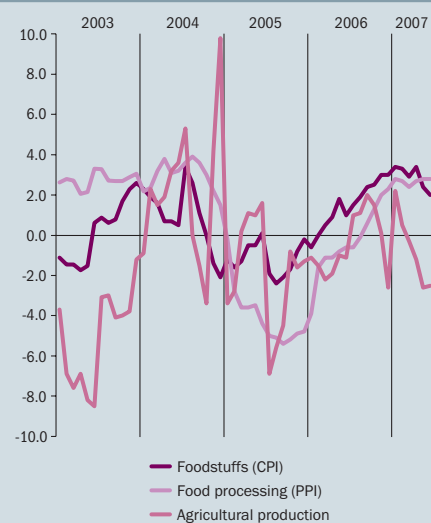
The export prices of manufacturing products, which are mostly determined by industrial producer prices for export, rose month-on-month by 0.8% in June, while falling year-on-year by 4.1%. This can, to a considerable extent, be attributed to the base effect of a marked increase in refined oil products prices for export from the same period a year earlier.

Chart 5 Developments in Industrial Producer Prices and Manufacturing Products Prices
(year-on-year changes in %)



Source: Statistical Office of the SR.

Chart 6 Developments in Food Prices in Primary Production, Processing, and Consumption
(year-on-year changes in %)



Source: Statistical Office of the SR.

The year-on-year fall in manufacturing products prices (for export) in June was mainly caused by drops in the export prices of refined oil products (12.6%), transport vehicles (8.6%), and electrical and optical equipment (1.3%). On the other hand, upward price pressures were exerted on a year-on-year basis by the export prices of base metals and finished metal products (0.9%), rubber and plastic products (1.7%), food products (1.3%), and paper products (0.9%).

In June, agricultural prices declined year-on-year by an average of 2.5%, due to a fall in the price of animal products (4.0%). The prices of plant products increased by 12.2%.

Agricultural prices

The June fall in animal products prices was mainly caused by a drop in the price of pork (16.5% for live animals). Prices for cattle farming products dropped by 0.4% (the price of beef by 1.3% and that of unpasteurised milk by 0.1%). Price levels rose for poultry (by 6.1%, for chickens by 7.3%), eggs (by 4.1%), sheep farming products and fish (equally by 0.6%).

The rise in plant products prices was caused by increases in the prices of cereals (17.8%), potatoes (16.1%), fruit and vegetables (1.9%). Drops were recorded in the prices of oilseeds (4.3%, mainly sunflower: 8.5%) and legumes (1.7%).

Industrial producer prices are likely to be affected in July 2007 by the rising price of oil on the world markets (the new maximum is roughly 3.5% above the average price recorded a year earlier) and the year-on-year appreciation of the Slovak koruna. A dampening factor may be the base effect of the marked increase in refined oil products prices a year earlier. The persistent modest year-on-year rise in food prices is expected to continue. Owing to these external and internal cost factors, the average year-on-year dynamics of industrial producer prices are expected to stagnate in July.

On the basis of up-to-date agrarian market news, the production of thick drill cereals and rape in Slovakia is at an average level this year. The low level of cereal supplies in the world (the lowest in the last twenty years), coupled with growing demand on international markets as a result of growing consumption in China and the increasing utilisation of cereals for bio-ethanol production in Europe and the United States, indicates a possible further year-on-year rise in the price of this commodity. The June signals of a shortage of pigs on

the market caused a slight increase in their current purchase price. However, the price of pork is expected to remain well below the level of the same period a year earlier even in July. In agricultural production, the rising prices of plant products and the increased proportion of cereals in July are likely to offset the fall in the average price of animal products (mainly pork). Thus, the level of agricultural prices is expected to rise somewhat in July.



4 Factors Affecting the Course of Inflation

4.1 Monetary Aggregates

In June, the volume of the M3 monetary aggregate continued to grow and reached a new historical high, though its year-on-year growth rate moderated. Broken down by component, the development of the M3 aggregate was still determined by the accelerating growth of deposits and received loans with an agreed maturity of up to 2 years, which, together with deposits and received loans repayable on demand, accounted for approximately 80% of the total volume of the M3 aggregate. On the M3 counterparts side, the long-term source of growth for the monetary aggregates is demand for loans, which is reflected in the strong dynamics of growth in the receivables of monetary financial institutions (MFIs) in the resident private sector. However, a comparison of the increase in loans over the first half of 2007 with the same period a year earlier indicates only a slight fall in their volume. Looking at the sectoral breakdown of loans, this was mainly due to a decrease in MFI receivables from financial corporations, which was partly offset by increases in loans to non-financial corporations with a maturity of up to 1 year in particular and loans to households, mainly for housing purposes.

M3 Monetary Aggregate

Increase in the growth dynamics of M3

At the end of June, the M3 monetary aggregate (according to ECB methodology) reached SKK 1,026.6 billion, which was SKK 17.3 billion more than in the previous month. The year-on-year rate of M3 growth² was also faster (19.2%).

Table 4 Year-on-year M3 growth dynamics (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	9.1	10.3	9.4	10.5	11.2	11.8	13.6	12.9	13.9	16.1 ¹⁾	15.3
Year 2007	16.5	16.8	16.7	16.4	18.6 ¹⁾	19.2	.	.	.	.	.	.

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

1) Revised data.

Table 5 Comparison of month-on-month developments in monetary aggregates (ECB methodology)

	Volume (in billions of SKK) ¹⁾			Year-on-year change (in %)	
	June 2006	May 2007	June 2007	May 2007	June 2007
Currency in circulation	124.5	132.4	134.6	8.6	8.1
Deposits and received loans repayable on demand	397.2	426.3	429.7	9.0	8.2
M1	521.7	558.7	564.3	8.9	8.2
Deposits and loans received with an agreed maturity of up to 2 years	287.3	385.0	392.8	35.1	36.7
Deposits redeemable at a period of notice of up to 3 months	13.2	10.2	10.1	-24.2	-23.8
M2	822.2	953.9	967.2	17.6	17.6
Money market fund shares/units	38.6	50.1	50.5	26.3	30.8
Repo operations	0.0	0.0	0.0	-	-
Debt securities issued with a maturity of up to 2 years	0.4	5.4	8.9	-	-
M3	861.2	1,009.3	1,026.6	18.6	19.2

Source: NBS.

Note: Differences in the sums are due to rounding. The missing figures have been excluded because of the high 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.

² 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.

Among the main M3 components, the largest monthly increase in June was recorded in deposits and received loans with an agreed maturity of up to 2 years. The increase in deposits and received loans repayable on demand was more than 50% smaller, while debt securities issued with a maturity of up to 2 years also recorded an increase of the same amount. The moderate growth in the volume of money market fund shares/units continued.

Of the M3 counterparts, MFI receivables from residents (including securities) continued to grow dynamically: their monthly increase vis-à-vis the general government and the private sector totalled SKK 17.9 billion.

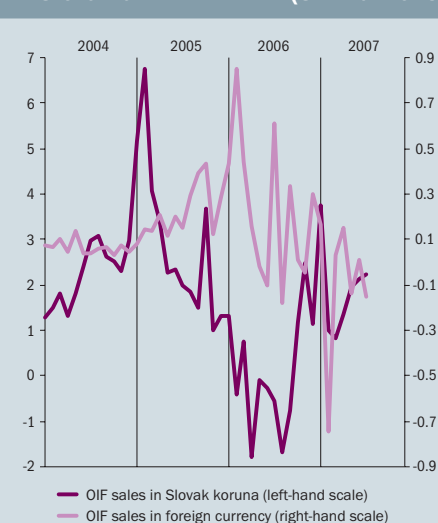
Main M3 Components

The weakening trend in the year-on-year dynamics of the M1 monetary aggregate continued in June, but the individual M1 components showed no conflicting tendencies. Deposits and received loans repayable on demand recorded a monthly increase of SKK 3.5 billion and currency in circulation SKK 2.2 billion, but their dynamics weakened as a result of developments in the same period last year (steeper increases in June 2006).

Growth in deposits and loans received with an agreed maturity of up to 2 years

In other short-term deposits, deposits redeemable at a period of notice of up to 3 months continued to decline, though their negative dynamics weakened somewhat. The monthly increase in deposits and loans received with an agreed maturity of up to 2 years (SKK 7.8 billion) caused a further increase in their growth dynamics. However, the growth rate of the M2 monetary aggregate remained virtually unchanged in comparison with May.

Chart 7 Monthly Net Sales of OIFs in Slovakia (SKK billions)



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

Among marketable instruments, a large month-on-month increase was recorded in debt securities issued with a maturity of up to 2 years (SKK 3.5 billion). The moderate inflow of funds in money market fund shares/units continued in June (SKK 0.4 billion), and its dynamics increased still further.

Investment Through Open-End Investment Funds

The inflow of funds into open-end investment funds (OIFs) continued in July, due to persistent demand for koruna-denominated money market funds in the Slovak market as a result of developments in global share markets. The net value of OIF assets denominated in SKK increased to SKK 134.8 billion, and the monthly net sales of OIFs reached a positive figure (SKK 2.2 billion). The net sales of OIFs denominated in foreign currency were slightly negative (SKK -0.15 billion).

Inflow of funds into open-end investment funds

Positive monthly net sales were primarily achieved by money market funds (SKK 1.1 billion) and other / guaranteed funds (SKK 0.5 billion). Positive new sales were also recorded by the funds of funds, special real estate funds, equity funds, and mixed funds (a total of SKK 0.9

Table 6 Net sales of open-end investment funds (month-on-month changes in SKK billions)

	Year	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.	Cumulative
OIF sales 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	-1.7	-0.8	1.2	2.5	1.1	1.3
	2007	3.7	1.0	0.8	1.4	1.9	2.1	2.2	.	.	.	.	.	13.2
OIF sales in foreign currency	2004	0.1	0.1	0.1	0.0	0.1	0.0	0.0	0.1	0.1	0.0	0.1	0.0	0.8
	2005	0.1	0.1	0.1	0.2	0.1	0.2	0.2	0.3	0.4	0.4	0.1	0.3	2.6
	2006	0.4	0.8	0.4	0.2	0.0	-0.1	0.6	-0.2	0.3	0.0	0.0	0.3	2.8
	2007	0.2	-0.7	0.0	0.2	-0.1	0.0	-0.1	.	.	.	.	.	-0.7

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



billion). Negative net sales were only reported by bond funds (SKK-0.3 billion). The net sales of OIFs of all types in Slovak koruna and foreign currency totalled SKK 2.1 billion.

In the 12 months to the end of July, the net sales of the ten best performing investment funds in the SR reached SKK 26.1 billion in cumulative terms. This represented an increase of SKK 0.9 billion compared with the previous month and SKK 6.8 billion since the beginning of the year.

Main M3 Counterparts

Accelerated growth in MFI receivables from residents (including securities)

In June, the year-on-year growth in MFI receivables from residents in total (including securities issued by clients and held by MFIs) accelerated in comparison with the previous month by 0.7 of a percentage point. This was again influenced by the positive dynamics of receivables from the general government and a slight increase in the dynamics of receivables from the private sector (a monthly increase of SKK 18.4 billion).

The increased volume of government bond issues on the domestic market in June (compared with last year) and the improvement in budgetary performance created conditions for an increase (SKK 5.4 billion) in deposits and loans received from the central government (including deposits held at the SR Treasury) and a further moderation in their negative year-on-year dynamics.

Despite a monthly increase of SKK 3.7 billion, long-term financial liabilities (excluding capital, reserves, and provisions) showed somewhat weaker year-on-year dynamics in June and thus confirmed the downward trend ongoing since the end of 2006. This was mainly due to a monthly increase in debt securities issued with a maturity of over 2 years (SKK 3.0 billion) and an increase in deposits and loans received with a maturity of over 2 years. The negative dynamics of deposits redeemable at a period of notice of over 3 months moderated still further, while their volume remained unchanged.

Table 7 Main M3 counterparts (ECB methodology)

	Volume (in billions of SKK) ¹⁾			Year-on-year change (in %)	
	June 2006	May 2007	June 2007	May 2007	June 2007
Net foreign assets	302.6	287.8	291.6	-4.8	-3.6
Foreign assets	607.8	544.6	545.9	-10.5	-10.2
Foreign liabilities	305.2	256.8	254.4	-16.1	-16.7
MFI receivables from residents (including securities)	833.1	936.7	954.5	13.9	14.6
Receivables from general government	248.9	255.5	255.0	0.9	2.4
Receivables from the private sector	584.2	681.2	699.6	19.7	19.8
Deposits and loans received from central government	106.0	64.0	68.8	-40.5	-35.1
Long-term financial liabilities (excluding capital and reserves)	112.0	126.6	130.3	16.5	16.4
Deposits and loans taken with an agreed maturity of over 2 years	61.0	68.5	69.2	13.3	13.5
Deposits redeemable at notice of over 3 months	26.1	23.6	23.7	-10.4	-9.5
Debt securities issued with a maturity of over 2 years	24.9	34.5	37.5	57.7	50.5
Other items net	56.4	24.5	20.3	-57.0	-64.0
Capital, reserves, and provisions	80.9	34.9	35.0	-53.0	-56.7
Other liabilities	54.9	78.5	76.4	38.7	39.1
Surplus of liabilities among MFIs	-0.1	-0.9	-4.3	-	-
Fixed assets	33.0	32.6	32.3	-1.6	-2.1
Other assets	46.3	55.4	54.4	36.2	17.6
M3	861.2	1,009.3	1,026.6	18.6	19.2

Source: NBS.

Note: Differences in the sums are due to rounding. The missing figures have been excluded because of the high 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

Continuing moderation in the growth rate of loans to households. Accelerated growth in loans to non-financial corporations.

The rate of growth in MFI receivables from the private sector was stagnant in June. The accelerated growth in loans to non-financial corporations was offset by the continuing slowdown in lending to households. Loans to financial corporations recorded a year-on-year decline in June.

The rate of growth in loans to non-financial corporations accelerated by 0.8 of a percentage point in June. This was mainly a result of growth in short-term loans (with a maturity of up to 1 year), whose volume increased month-on-month by SKK 12.1 billion. Long-term loans (over 5 years) also grew somewhat, by SKK 0.3 billion. On the other hand, long-term loans with a maturity of over 1 and up to 5 years recorded a month-on-month decline of SKK 1.7 billion.

The rate of growth in household loans again slowed in June, by 0.5 of a percentage point compared with the previous month. There was increased demand for consumer and other loans, which grew in volume by SKK 2.4 billion, representing the largest monthly increase since the beginning of the year. House purchase loans were also much in demand: they increased by SKK 4.5 billion compared with May 2007.

Table 8 MFI Receivables from the Resident Private Sector (excluding securities)

	Volume (SKK billions)	Year-on-year change (in %)					Cumulative change since beginning of year (SKK billions)	
		2006 June 2007	2006 Q2 Q3	2006 Q4	2007 Q1	2007 June	June 2006	June 2007
MFI receivables (excluding securities)	685.6	27.9	23.3	23.6	21.6	20.5	61.7	58.3
Non-financial corporations	357.5	19.9	15.4	20.3	18.2	19.4	27.8	31.0
– loans in Slovak koruna	228.9	19.5	21.2	26.6	18.7	19.9	19.5	11.9
– loans in foreign currency	128.6	20.8	5.1	9.4	17.3	18.6	8.3	19.2
Financial corporations (other financial intermediaries and auxiliary financial institutions)	61.2	38.2	26.0	14.5	9.4	-0.2	6.3	-1.8
– loans in Slovak koruna	47.7	29.6	22.1	18.3	12.6	2.8	3.3	-3.2
– loans in foreign currency	13.5	-	-	-	-	-	3.0	1.5
Insurance companies and pension funds	0.0	-	-	-	-	-	0.0	0.0
– loans in Slovak koruna	0.0	-	-	-	-	-	0.0	0.0
– loans in foreign currency	0.0	-	-	-	-	-	-	-
Households and non-profit institutions serving households	266.9	38.1	34.8	31.4	30.2	28.0	27.5	29.0
– loans in Slovak koruna	259.9	37.8	34.4	30.7	29.0	26.2	27.0	26.1
– loans in foreign currency	6.9	-	-	-	-	-	0.6	3.0
z toho: consumer loans	38.2	43.8	38.3	44.4	21.3	17.2	7.8	2.4
– loans in Slovak koruna	38.2	44.0	38.5	44.6	21.3	17.5	7.8	2.4
– loans in foreign currency	0.0	-	-	-	-	-	0.0	-0.1
house purchase loans	177.9	36.6	33.3	31.9	31.3	30.7	17.2	21.1
– loans in Slovak koruna	172.6	36.0	32.6	30.7	29.5	28.2	16.8	18.5
– loans in foreign currency	5.2	-	-	-	-	-	0.4	2.6
other loans	50.8	39.1	37.7	21.2	34.1	27.5	2.6	5.6
– loans in Slovak koruna	49.1	38.9	37.3	20.9	34.1	26.6	2.4	5.1
– loans in foreign currency	1.7	-	-	-	-	-	0.1	0.5

Source: NBS.

Note: The missing figures have been excluded because of the high values of year-on-year changes, resulting from the relatively small volumes of the given indicators.

The month-on-month growth in foreign-currency loans moderated in June, to SKK 4.3 billion (compared with SKK 10.5 billion in May). This was due to a reduction in the monthly increase in euro loans to non-financial corporations, to SKK 2.7 billion. On the other hand, loans to non-financial corporations in other foreign currencies recorded a larger increase (SKK 0.5 billion). The moderately growing household demand for loans in foreign currency (ongoing since the beginning of the year) continued in June 2007, when such loans recorded a monthly increase of SKK 0.6 billion. However, foreign-currency loans had a small share in total loans to households (2.6%).

Euro-denominated MFI receivables still constituted the largest part of receivables in foreign currency, in the case of both non-financial corporations (91.6%) and households (93.4%).



Current Budgetary Developments

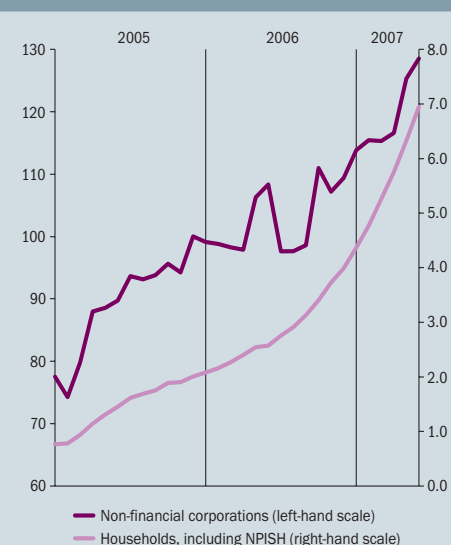
On 31 July 2007, the State budget recorded a surplus of SKK 3.9 billion, which represented an improvement in budgetary performance of SKK 14.9 billion compared with June.

4.2 Balance of Payments Developments

Balance of Payments for May 2007

Current account In May 2007, the balance of payments on current account resulted in a deficit of SKK 13.1 billion, representing a month-on-month deterioration of SKK 11.9 billion. This was mainly caused by an increase in the income balance deficit (dividend payments to foreign investors) and, to a lesser extent, by an increase in the trade deficit, coupled with a decrease in the services balance surplus. The only item to record an improvement in comparison with the previous month was the balance of current transfers. Compared with the same period last year, the b.o.p. current account balance improved (by SKK 5.1 billion), mainly as a result of smaller deficits in the income and trade balances.

Chart 8 Lending in Foreign Currency (SKK billions)



Source: NBS.

Note: NPISH – non-profit institutions serving households.

Table 9 Balance of Payments Current Account

(SKK billions)

	May		January–May	
	2007	2006	2007	2006
Balance of trade	-4.3	-7.7	-6.3	-40.2
Exports	121.4	103.9	571.3	460.6
Imports	125.7	111.6	577.6	500.8
Balance of services	0.8	1.1	4.6	7.8
Balance of income	-8.7	-13.1	-8.8	-21.7
of which: income from investment	-11.6	-15.6	-23.2	-34.1
of which: reinvested earnings	-1.9	-2.4	-9.5	-14.5
Current transfers	-0.9	1.5	-6.5	-1.2
Current account in total	-13.1	-18.2	-17.0	-55.3

Source: NBS and the Statistical Office of the SR.

After being revised by the Statistical Office of the SR, foreign trade recorded a deficit of SKK 4.3 billion in May (the originally published deficit amounted to SKK 3.5 billion). Exports increased month-on-month in May, but their dynamics weakened (to 16.8%). The May decrease in their dynamics was connected with the base effect, which resulted from the low level of exports in April 2006, followed by a marked increase in dynamics in April 2007. The growth in exports compared with the previous month was mainly caused by higher exports in the 'machinery and transport equipment' category (passenger cars). The higher exports were also promoted by increases in the exports of semi-finished goods (iron and steel, including products) and, in smaller measure, finished products and raw materials. Like exports, imports also recorded a month-on-month increase in absolute terms in May, accompanied by a slowdown in the year-on-year rate of growth (to 12.6%). The growth in imports was mainly supported by higher imports of machinery and transport equipment (motor vehicle parts, components, and accessories, and instruments for electrical engineering), which accounted for almost two thirds of the total month-on-month increase in imports. The imports of semi-finished goods (iron and steel, including products, plastics, copper), finished products (mainly pharmaceuticals), and raw materials also increased to a lesser extent.

Capital and financial account

The balance of payments on capital and financial account recorded an inflow of SKK 9.2 billion in May.

The inflow of funds in May was mainly supported by developments in portfolio investment, while being partly reduced by developments in other short-term investments. The inflow of funds from new eurobond issues launched at the beginning of May (SKK 33.6 billion) markedly exceeded the outflow of funds stemming from lower investor demand for long-term debt securities in the corporate sector, which led to a surplus in the

Table 10 Exports in January to May. Year-on-Year Changes

	Year-on-year change in SKK billions January–May		Proportion of the year-on-year change in % points January–May	
	2007	2006	2007	2006
Raw materials	-4.8	14.8	-1.0	4.0
Chemicals and semi-finished goods	14.5	19.4	3.2	5.2
Machinery and transport equipment	99.4	49.4	21.6	13.2
Finished products	1.5	4.0	0.3	1.1
EXPORTS in total	110.6	87.6	24.0	23.5

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

Table 11 Imports in January to May. Year-on-Year Changes

	Year-on-year change in SKK billions January–May		Proportion of the year-on-year change in % points January–May	
	2007	2006	2007	2006
Raw materials	-22.5	30.9	-4.5	7.7
Chemicals and semi-finished goods	28.4	14.4	5.7	3.6
Machinery and transport equipment	56.7	41.3	11.3	10.3
Finished products	14.1	13.3	2.8	3.3
of which: – agricultural and industrial goods	8.7	7.3	1.7	1.8
– passenger cars	3.3	2.5	0.7	0.6
– machines and electrical consumer goods	2.1	3.5	0.4	0.9
IMPORTS in total	76.8	99.9	15.3	24.9

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

Table 12 Balance of Payments Capital and Financial Account (SKK billions)

	May		January–May	
	2007	2006	2007	2006
Capital account	-0.1	-0.1	4.5	-0.4
Direct investment	-0.9	1.4	4.1	54.1
SR abroad	0.1	-0.7	-0.9	-2.5
of which: equity capital abroad	0.4	-0.4	-0.3	-0.9
reinvested earnings	-0.1	-0.1	-0.5	-0.5
In the SR	-1.0	2.1	5.0	56.6
of which: equity capital in the SR	2.3	1.9	4.1	37.8
of which: other than privatisation	2.3	1.9	4.1	6.8
reinvested earnings	2.0	2.5	10.0	15.0
Portfolio investment and financial derivatives	21.7	-20.5	10.2	22.5
SR abroad	0.8	-0.5	-6.8	-3.9
In the SR	20.9	-20.0	17.0	26.4
Other long-term investments	1.8	2.3	4.0	14.2
Assets	-0.3	-1.1	-3.0	-2.1
Liabilities	2.1	3.4	7.0	16.3
Other short-term investments	-13.3	23.6	71.8	-39.1
Assets	-0.8	-14.2	1.0	-30.7
Liabilities	-12.5	37.8	70.8	-8.4
Capital and financial account	9.2	6.7	94.6	51.3

Source: NBS.

balance of portfolio investments. Similarly, the most significant transactions within the balance of other investments took place on the liabilities side, when an outflow of funds occurred in short-term investment as a result of a decrease in non-resident deposits held in accounts at Slovak banks.



Foreign reserves of the NBS The foreign reserves of the NBS fell month-on-month by SKK 1.0 billion, i.e. USD 37.6 million (excluding exchange rate differentials).

External Debt of Slovakia as at 31 May 2007

Gross external debt At the end of May 2007, Slovakia's total gross external debt stood at USD 36.7 billion (EUR 27.3 billion), representing a month-on-month reduction of USD 0.3 billion (EUR 0.2 billion). Total long-term foreign debt increase in May by USD 0.8 billion, while total short-term foreign debt dropped by USD 1.1 billion.

Within the scope of short-term external debt, the foreign liabilities of commercial banks decreased (mainly in cash and deposits) by SKK 0.9 billion in May. The short-term foreign liabilities of entrepreneurial entities dropped by a total of USD 0.2 billion, for the most part in loans.

Within the scope of long-term external debt, the foreign liabilities of the Government and the NBS increased by USD 1.1 billion, mainly due to a bond issue by the SR Ministry of Finance in the amount of EUR 1 billion (USD 1.3 billion). Long-term foreign liabilities in the commercial sector recorded a month-on-month decrease of USD 0.4 billion, of which bonds and bills of exchange accounted for USD 0.3 billion.

At the end of May, Slovakia's total per-capita gross foreign debt stood at USD 6,820. The share of short-term foreign debt in the country's total gross external debt decreased month-on-month by 2.5 percentage points, to 49.8% at the end of May 2007.

Table 13 External Debt of the SR

	In millions of USD			In millions of EUR		
	31.12.2006	30.4.2007	31.5.2007	31.12.2006	30.4.2007	31.5.2007
Total external debt of the SR	32,205.9	37,027.9	36,690.5	24,448.9	27,095.4	27,339.1
Long-term external debt	16,649.7	17,648.6	18,432.6	12,639.5	12,914.5	13,734.6
Government and NBS ¹⁾	7,702.1	7,887.4	9,017.0	5,847.0	5,771.7	6,718.8
Commercial banks	1,559.2	1,831.9	1,845.2	1,183.6	1,340.5	1,374.9
Entrepreneurial entities	7,388.4	7,929.3	7,570.4	5,608.9	5,802.3	5,640.9
Short-term external debt	15,556.2	19,379.3	18,257.9	11,809.4	14,180.9	13,604.5
Government and NBS	0.0	0.0	0.0	0.0	0.0	0.0
Commercial banks	6,148.8	9,637.9	8,687.9	4,667.8	7,052.6	6,473.6
Entrepreneurial entities	9,407.4	9,741.4	9,570.0	7,141.6	7,128.3	7,130.9
Foreign assets	26,718.4	33,236.4	32,785.9	20,283.2	24,320.9	24,429.7
Net external debt	5,487.5	3,791.5	3,904.6	4,165.7	2,774.5	2,909.4
SKK/USD and SKK/EUR rates	26.246	24.636	25.397	34.573	33.667	34.084
EUR/USD cross exchange rate	-	-	-	1.317	1.367	1.342

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 36.7 billion (liabilities of the Government, the NBS, commercial banks, and the corporate sector – except for equity participation), and foreign assets, i.e. USD 32.8 billion (foreign reserves of the NBS, foreign assets of commercial banks and the corporate sector – except for equity participation), reached USD 3.9 billion (debtor position) at the end of May 2007.

Current Developments

An improvement in comparison with the previous month was mainly recorded in the balance of income, where June saw a decrease in the deficit in connection with the payment of lower dividends to foreign direct investors and, to a lesser extent, in the balance of services. On the other hand, the balance of current transfers recorded a similar deficit as in May. In June, the trade balance resulted in a deficit of SKK 4.5 billion, representing a slight deterioration in comparison with the previous month. The improvement in the income balance was the main factor behind the month-on-month decrease in the current account deficit (by SKK 11.0 billion).

In June, both exports and imports recorded a marked slowdown in their year-on-year dynamics, while exports grew by 6.7% and imports by 6.2%.

Table 14 Balance of Payments Current Account			(SKK billions)	
	June		January–June	
	2007	2006	2007	2006
Balance of trade	-4.5	-4.8	-10.8	-45.0
Exports	116.2	108.9	687.5	569.5
Imports	120.7	113.7	698.3	614.5
Balance of services	2.2	0.4	6.8	8.2
Balance of income	1.0	-6.9	-7.8	-28.6
of which: income from investments	-1.8	-9.3	-25.0	-43.4
of which: reinvested earnings	-1.9	-2.4	-11.4	-16.9
Current transfers	-0.8	5.2	-7.3	4.0
Current account in total	-2.1	-6.1	-19.1	-61.4

Source: NBS and the Statistical Office of the SR.

The trade deficit recorded in June slightly exceeded the figure anticipated by the NBS, though both exports and imports were much lower in volume.

Exports are expected to decline month-on-month in July, but their growth rate may accelerate somewhat in comparison with June. Exports are likely to be influenced first and foremost by the holiday season. Imports, like exports, are also expected to decline on a month-on-month basis. This decline should be supported by lower imports of semi-finished goods.

In August, the value of exports is expected to remain at the July level, mainly as a result of the holiday season. In September, however, exports are expected to increase again, to the level of the pre-holiday period. Imports, like exports, are likely to decline in August, while the value of goods imported is again expected to rise in September. In addition to the higher imports of semi-finished goods, import growth should also be supported by the imports of goods for final consumption and machines.

Overall, export and import dynamics are expected to be weaker than in the first half of the year, and the year-on-year improvement in the trade balance should continue in the next months of 2007.

At the end of July, the total foreign reserves of the NBS stood at USD 17,879.2 million, representing a month-on-month increase of USD 281.5 million. The increase in reserves in comparison with the figure for the end of June resulted from a modest surplus in the balance of receipts and expenses (USD 5.1 million), accompanied by positive exchange rate differentials (USD 276.4 million), resulting from a change in the USD/EUR cross-rate in the period under review. At the end of the month, the volume of foreign reserves was 3.6 times greater than the volume of average monthly imports of goods and services to Slovakia over the first six months of 2007.

**Total foreign reserves
of the NBS**

The ratio of foreign reserves to the amount of payments for goods and services recorded in banking statistics, reached 4.6 times the volume of average monthly imports of goods and services to the SR over the first six months of 2007.

After weakening for the previous two months, the nominal effective exchange rate³ (NEER) of the Slovak koruna again strengthened in July, by 1.9% month-on-month. The most significant contribution to the appreciation of the NEER index came from the strengthening of the koruna against the euro (by 1.4 percentage points).

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

The year-on-year appreciation of the NEER accelerated in comparison with June, from 12.2% to 15.4%. This again confirmed the steadily accelerating trend in the year-on-year appreciation, which began a year earlier. The greatest contribution to the appreciation of the NEER index was made by the strengthening of the koruna against the euro (by 10.3 percentage points).

³ For calculating the nominal and effective exchange rates of the Slovak koruna (NEER and REER), the IMF methodology is applied. 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 United States, the United Kingdom, and Switzerland.



Chart 9 Average Monthly Exchange Rates of the Slovak Koruna (year-on-year changes in %)

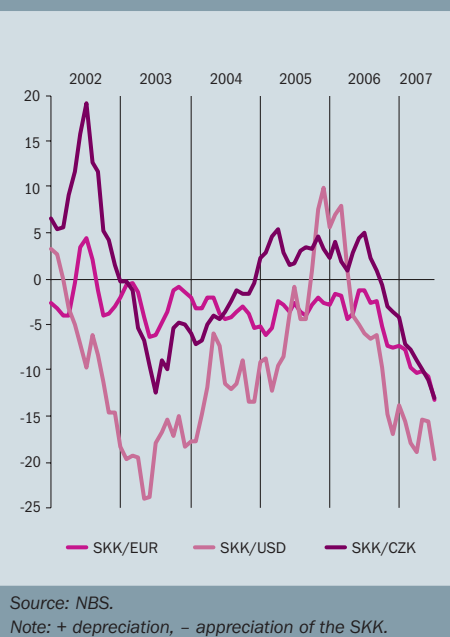
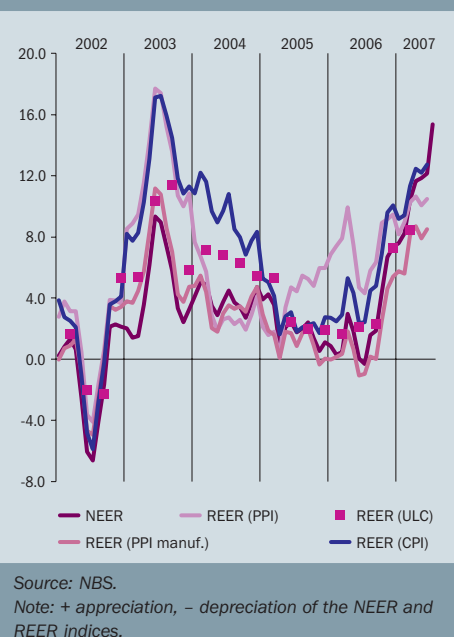


Chart 10 Developments in the NEER and REER Indices (9 trading partners) (year-on-year changes in %)



Real effective exchange rate of the Slovak koruna (REER)

The continuing dynamic year-on-year appreciation of the Slovak koruna in nominal terms led to the strengthening of the real effective exchange rate (REER). In June, the REER based on the consumer price index (CPI) appreciated by 12.7%, that based on the industrial producer price index (PPI) by 10.4%, and the rate based on the manufacturing products price index (PPI manuf.) by 8.5%.

Table 15 Developments in the NEER and REER Indices (year-on-year changes in %)

For 9 partners, based on the deflator:	NEER	REER (CPI)	REER (PPI)	REER (PPI manuf.)	REER (ULC) ⁽²⁾
December 2002	2.1	4.1	3.6	3.4	5.3
December 2003	3.2	11.3	10.8	4.7	5.9
December 2004	4.7	8.3	4.1	4.7	5.5
December 2005	1.1	2.7	6.0	0.0	1.9
December 2006	7.4	10.1	9.5	5.4	7.3 ^(p)
March 2007 ⁽¹⁾ (p)	10.4 / 3.7	11.3 / 3.9	10.3 / 4.6	8.1 / 1.8	8.5 ^(p)
June 2007 ⁽¹⁾	12.2 / 3.7	12.7 / 3.9	10.4 / 3.8	8.5 / 1.6	.
July 2007 ⁽¹⁾	15.4 / 5.7	.	.	.	-

Source: NBS.
1) Year-on-year change / cumulative change since the beginning of the year.
2) Year-on-year change based on quarterly data.

4.3 Real Economy

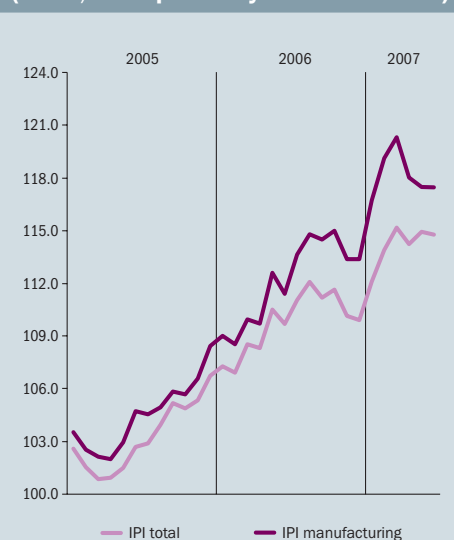
Current Developments

Production and Receipts

In June, the year-on-year growth rate of industrial production slowed in comparison with May 2007, mainly as a result of a marked year-on-year slowdown in production in electricity, gas and water supply, accompanied by a slight slowdown in manufacturing production. The somewhat slower growth in manufacturing production in comparison with the previous month was caused by decelerated year-on-year growth in the production of transport vehicles, machinery and equipment, electrical and optical equipment, and a further year-on-year decline in the production of refined oil products and coke.

The decelerated year-on-year growth in construction was a result of slower growth in production in both Slovakia and abroad.

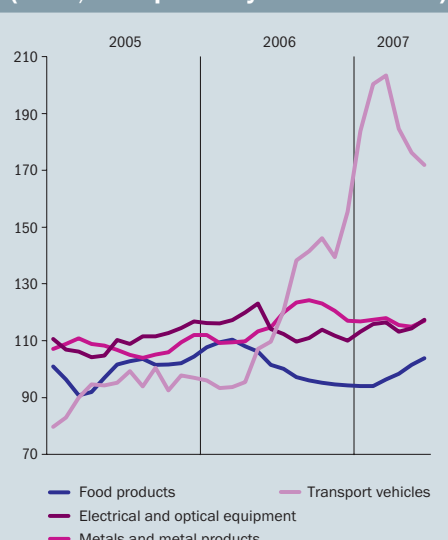
Chart 11 Development of Industrial, Manufacturing and Construction Production (3-month moving averages) (index, same period a year earlier = 100)



Source: Statistical Office of the SR.

Notes: IPI – Industrial Production Index. The index is adjusted for calendar effects.

Chart 12 Development of Manufacturing Production in Selected Sectors (3-month moving averages) (index, same period a year earlier = 100)



Source: Statistical Office of the SR.

Note: The index is adjusted for calendar effects.

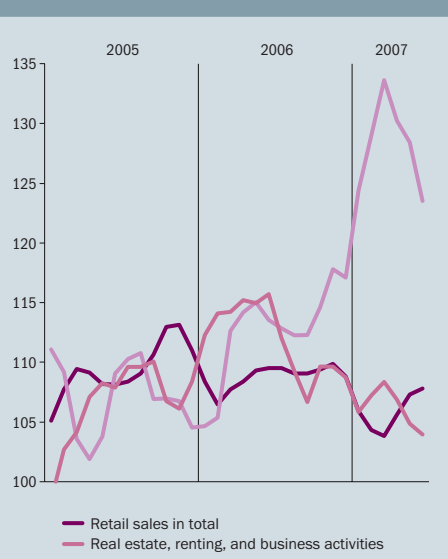
Chart 13 Production in the Construction Sector (3-month moving averages) (index, same period a year earlier = 100)



Source: Statistical Office of the SR.

Note: Corporate method at constant 2000 prices.

Chart 14 Retail Sales (3-month moving averages) (index, same period a year earlier = 100)



Source: Statistical Office of the SR.

Note: The indices are at constant December 2000 prices.

The slightly slower growth in retail sales was mainly the result of slower year-on-year growth in receipts from other specialised retail trade; the retail sales of food, beverages, and tobacco in specialised and non-specialised shops; and the retail sales of pharmaceuticals and cosmetics. Sales in other non-specialised retail shops grew at a faster rate on a year-on-year basis. Compared with the previous month, an accelerated year-on-year decline in sales was recorded in retail trade outside shops.

The year-on-year growth in the receipts of entities specialising in the sale and maintenance of motor vehicles and the retail sale of fuels recorded a marked slowdown in comparison with May 2007. The weakening dynamics of receipts from the sale of motor vehicles was the result of a marked slowdown



Table 16 Production and sales

	SKK millions, at c. p.		Indices			
	June 2007	Cum. since the begin. of the year	June 2006	Jan.–Dec. 2006	May 2007	June 2007
Produkcia						
Industrial production index ¹⁾	-	-	112.0	109.9	117.4	112.0
of which:						
Mining and quarrying	-	-	87.3	90.4	102.9	102.4
Manufacturing	-	-	113.1	112.4	118.7	115.6
Electricity, gas, and water supply	-	-	109.8	97.6	108.4	85.2
Construction ²⁾	14,450	70,493	116.3	114.9	105.0	101.7
of which:						
Construction in Slovakia	13,990	68,180	118.1	116.1	104.6	101.5
Construction abroad	460	2,313	78.8	87.9	117.5	107.4
Receipts from own-output and goods						
Industry in total ³⁾	168,062	994,762	113.0	114.5	117.5	113.7
Construction ²⁾	22,627	109,158	113.4	113.3	110.2	105.7
Retail trade ³⁾	38,929	211,210	110.7	108.8	109.7	107.5
Sale and maintenance of vehicles, retail sale of fuels ³⁾	19,112	105,285	116.4	113.6	128.6	113.6
Transport, storage ³⁾	13,957	80,259	111.6	111.6	109.8	102.5
Real estate, renting, and business activities ³⁾	16,594	91,626	115.9	110.9	104.1	105.9

Source: Statistical Office of the SR.

1) Adjusted for calendar effects (the data in the time series are continuously 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).

in the year-on-year growth of receipts from the sale of motor vehicles, maintenance of motor vehicles, and a slight slowdown in the retail sales of fuels.

The year-on-year growth of receipts from services related to real estate, renting, and business activities accelerated in June 2007 (compared with May), mainly as a result of an acceleration in the year-on-year growth of receipts from other business services.

Wages, Employment, and Unemployment

Nominal wages In June 2007, the year-on-year dynamics of nominal wages weakened in comparison with May 2007 in most sectors under review. Accelerated wage growth was recorded in telecommunications, transport and storage, and hotels and restaurants.

Over the first six months of 2007, the average rate of nominal wage growth slowed most significantly in comparison with the same period a year earlier in hotels and restaurants, and wholesale trade. On the other hand, a marked acceleration was recorded in post and telecommunications.

Real wages June 2007 saw slower year-on-year growth in real wages compared with the previous month in post and telecommunications, transport and storage, and hotels and restaurants.

The average rate of real wage growth over the first six months of 2007 was faster than in the same period a year earlier, in most sectors under review. The accelerated year-on-year rate of real wage growth was largely the result of lower year-on-year inflation in comparison with the same period a year earlier. The year-on-year rate of wage growth moderated in hotels and restaurants, and in wholesale trade.

Employment In June 2007, the year-on-year growth in employment slowed in comparison with May 2007 in most sectors under review. Accelerated employment growth was recorded in post and telecommunications, the sale and maintenance of vehicles, real estate business, and retail trade.

Over the first six months of 2007, the average rate of employment growth accelerated in comparison with the same period a year earlier in the sale and maintenance of vehicles, industry, transport and storage.

Table 17 Wage Developments in Selected Sectors (index. same period a year earlier = 100)

	Average monthly nominal wage			Average monthly real wage		
	Year	January–June		Year	January–June	
	2006	2006	2007	2006	2006	2007
Industry	106.8	105.3	107.8	102.2	100.8	105.1
of which: manufacturing	106.9	105.2	108.3	102.3	100.7	105.6
Construction	105.0	105.6	107.5	100.5	101.1	104.8
Retail trade	110.7	108.9	107.0	105.9	104.2	104.3
Wholesale trade	107.4	108.0	104.4	102.8	103.3	101.8
Sale and maintenance of vehicles	109.9	106.7	107.4	105.2	102.2	104.7
Real estate and renting activities	109.5	108.7	109.3	104.8	104.1	106.5
Transport	107.1	106.4	107.9	102.5	101.9	105.2
Post and telecommunication	106.1	105.5	113.7	101.5	101.0	110.8
Consumer prices	104.5	104.5	102.7	-	-	-

Source: Statistical Office of the SR.

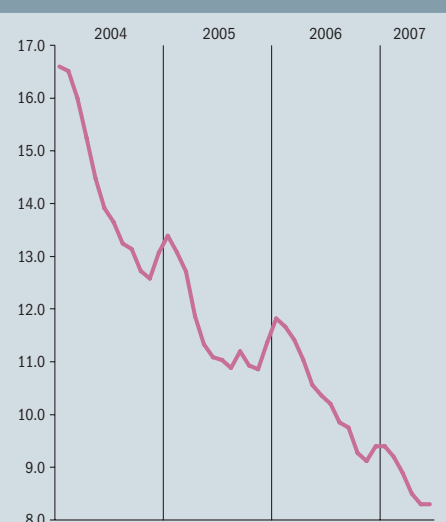
Notes: The selected sectors accounted for 67.8% of total employment in the first quarter of 2007.

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

Table 18 Employment in Selected Sectors (index. same period a year earlier = 100)

	Employment		
	Year	January–June	
	2006	2006	2007
Industry	98.7	98.5	104.2
of which: manufacturing	98.9	98.8	104.8
Construction	109.3	110.5	106.5
Retail trade	107.4	108.0	107.8
Wholesale trade	109.2	107.7	102.0
Sale and maintenance of vehicles	108.4	111.8	119.8
Real estate and renting activities	104.1	105.1	105.0
Transport	99.8	99.6	103.2
Post and telecommunications	98.8	99.2	96.5

Source: Statistical Office of the SR.

Chart 15 Registered Unemployment Rate (%)


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

According to data from the Centre for Labour, Social, and Family Matters, the total number of unemployed dropped month-on-month by 1,100, to 246,300 in June 2007. The number of disposable unemployed, who may start working immediately, accounted for 216,500, which was 200 less than in May. The rate of registered unemployment stood at 8.3% in June. Compared with June 2006, the unemployment rate dropped by 2 percentage points.

The average length of registration was 10.6 months. Compared with May, the share of long-term unemployed (out of work for more than 12 months) decreased by 1 percentage point, to 53.2% in June.

Consumer Confidence Indicator

In July, the consumer confidence indicator rose further in comparison with the previous month, to 2.3 points (0.8 points more than in June). Compared with June, improvements were recorded in two components: the expected financial situation of households and expected

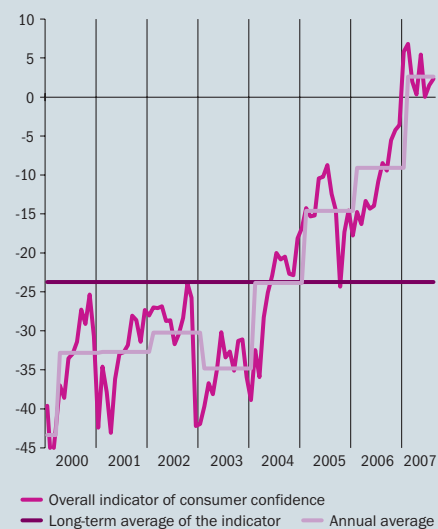
Unemployment

Rise in the consumer confidence indicator



household savings. On the other hand, deteriorations occurred in the expected unemployment rate and expected economic development in the SR. Compared with the same period last year, the consumer confidence indicator has improved by 10.8 points.

Chart 16 Consumer Confidence Indicator



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

5 Monetary Developments

5.1 Foreign Exchange Market

Over the course of July, the exchange rate of the Slovak koruna against the euro strengthened by 0.8% (from SKK/EUR 33.828 to SKK/EUR 33.541), while the average rate strengthened by 2.0%. The Slovak koruna deviated from its central rate (SKK/EUR 35.4424) most significantly on 25 July 2007, when its exchange rate was fixed at SKK/EUR 33.053, representing an appreciation of 6.7% from central parity. In relation to the US dollar, the koruna strengthened by 2.3% (from SKK/USD 25.118 to SKK/USD 24.543), while appreciating in average terms by 4.1%.

Operations on the foreign exchange market

Spot transactions between foreign and domestic banks resulted in a negative balance (USD -101.1 million), i.e. foreign banks purchased mostly Slovak koruna and sold mostly foreign currency.

Národná banka Slovenska conducted no foreign exchange intervention in July.

Table 19 Changes in the SKK/EUR and SKK/USD Exchange Rates (%)			
	Month-on-month change	Ø July 2007 Ø July 2006	Ø Jan.–July 2007 Ø Jan.–July 2006
SKK/EUR	-0.8	-13.2	-9.9
SKK/USD	-2.3	-19.7	-16.7

Source: NBS.
Notes: – appreciation of the SKK, + depreciation of the SKK, Ø means average.

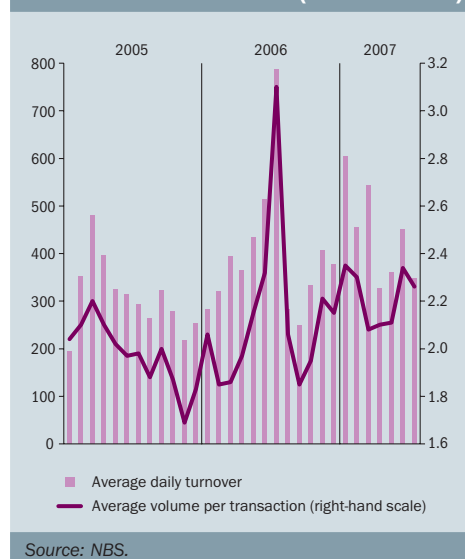
For the koruna, the beginning of July was marked by positive sentiments among investors in the markets of emerging countries. The exchange rate gradually strengthened, from around SKK/EUR 34.000 at the beginning of the month to several months' peaks, with a maximum of slightly below SKK/EUR 33.000 on 23 July, after Slovakia's long-term rating outlook had been changed from stable to positive (by the Fitch rating agency). However, the local currency failed to maintain its exchange rate gains and weakened to SKK/EUR 33.500 as a result of changing sentiments among investors. The other currencies of the region also weakened, except for the Czech koruna.

The total volume traded on the interbank foreign exchange market reached USD 80,175.5 million in July, representing an increase of 6.1% compared with the figure for June (USD 75,590.8 million). Of the total trading volume, 89.7% took place in swap transactions, which were conducted mostly in USD (95.5%). Spot transactions accounted for 9.1% of the total turnover (94.4% of the deals were in EUR).

Interbank foreign exchange market

The average daily turnover on the spot market reached USD 348.1 million and the average volume per transaction amounted to USD 2.3 million.

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



The total volume of transactions between domestic commercial banks decreased, from USD 10,730.8 million in June to USD 8,339.2 million in July. Most trading took place in USD (72.2%, compared with 77% in June), followed by EUR (27.5%, compared with 22.5% in June) and other currencies (0.4% of the total turnover between domestic commercial banks).

Transactions between domestic banks accounted for 10.4% of the total volume traded on the interbank foreign exchange market (compared with 14.2% in the previous month). Of the total volume of transactions between domestic banks, swap operations accounted for 82.6% (82.2% in June) and spot transactions 16.5% (17.5% in June).

Trading between domestic and foreign banks grew in volume by 10.8%, from USD 64,860 million in June to USD 71,836.3 million in July. Most trading was again conducted in USD (87.6%, compared with 84.4% in



June), followed by EUR (12.2%, compared with 15.3% in June), and other currencies (0.2%). Trading between domestic and foreign banks still dominated the country's foreign exchange market (with a share of 89.6%).

Trading between domestic and foreign banks also took place predominantly in the form of swap operations (90.6%, compared with 86.8% in June), while spot transactions accounted for only 8.3% (11.7% in June). The share of forward dealings in the foreign exchange market was negligible. Option contracts accounted for 0.8% of the volume traded with foreign banks.

In June, the Slovak-koruna deposits of non-resident banks increased to SKK 44.4 billion, representing an increase of SKK 3.7 billion compared with the previous month and a decrease of SKK 53.3 billion compared with the same period a year earlier.

The volume of government securities held by non-residents at the end of July was SKK 0.8 billion smaller than a month earlier, when the SR Ministry of Finance accepted no bids from investors at government bond auctions in July and thus received no funds from non-residents, who invested smaller amounts in a number of issues (the largest being SKK 0.6 billion in a 7-year government bond issue, No. 205, maturing in May 2012).

The share of non-residents in the total amount of issued government bonds decreased somewhat in July (to 22.1%, from 22.3% in June). In 2007 (to date), the Agency for Debt and Liquidity Management (ARDAL) held no Treasury-bill auctions and thus no Treasury bills were acquired by non-residents.

Table 20 Koruna Assets / Liabilities and Government Securities Held by Non-Residents
(SKK billions)

	2006	2007							
	30.6.	31.1.	28.2.	31.3.	30.4.	31.5.	30.6.	31.7. ^(p)	8.8. ^(p)
Koruna assets, banks	29.3	13.6	16.1	12.8	18.0	14.6	15.7	13.0	21.9
Koruna liabilities	104.6	60.2	41.0	46.0	68.7	51.1	55.0	.	.
of which: banks	97.6	51.9	33.4	37.6	59.0	40.6	44.4	35.1	42.9
non-bank clients	6.9	8.3	7.6	8.3	9.7	10.4	10.6	.	.
Government securities	94.2	63.4	63.1	70.8	82.8	81.9	82.2	81.4	.
of which: government bonds	94.2	63.4	63.1	70.8	82.8	81.9	82.2	81.4	.
SR Treasury bills	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	.
Total	198.8	123.6	104.0	116.8	151.5	133.0	137.2	.	.

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

(p) Preliminary data from Dev (NBS) 20-98 "Daily Statement of Foreign Exchange Positions".

5.2 Money Market and Monetary Policy Implementation

At its 26th meeting on 31 July 2007, the Bank Board of the NBS decided to leave its key interest rates unchanged, at 2.25% for overnight sterilisation operations, 5.75% for overnight refinancing transactions, and 4.25% for two-week repo tenders with commercial banks.

Interest rates Average monthly interest rates at the long end of the interbank money market yield curve rose by an average of 0.1 of a percentage point in comparison with the previous month, close to the level of 4.50% in July. Short-term interest rates dropped somewhat as a result of a change in the level of liquidity compared with the previous month.

The prices of long-term deposits in the previous period (approximately until May 2007) were directly influenced by the foreign exchange market. Since that period, different developments have been recorded in the money and foreign exchange markets. While the exchange rate of the Slovak koruna strengthened virtually throughout July, long-term interest rates continued to rise at a slow but stable rate and showed a tendency to converge gradually with the euro-area rates. The rise in these rates was in part stimulated by increased interest among investors in funds with such maturities, resulting from an intention to ensure lower interest rates before their anticipated increase.

In the past month, the banking sector maintained its expectation that the key NBS rates would remain unchanged. The July decision of the NBS Board left the market unaffected and the prices of interbank deposits remained stable. The ECB also left its rates unchanged at the beginning of the month, in line with the expectations. Although the President of the ECB did not specify the date of the next interest

Chart 18 Average Monthly Interbank Market Rates (BRIBOR)

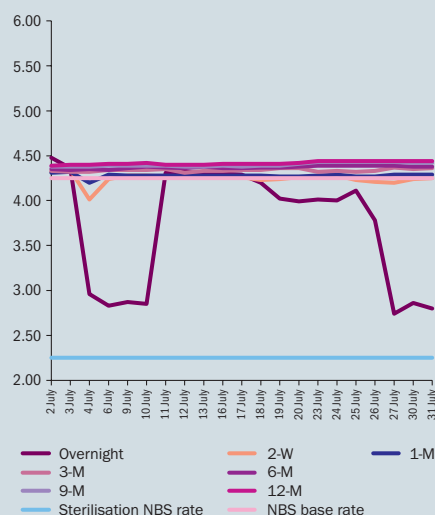
(%)



Source: NBS.

Chart 19 Developments in Interbank Market Rates (BRIBOR)

(% p. a.)



Source: NBS.

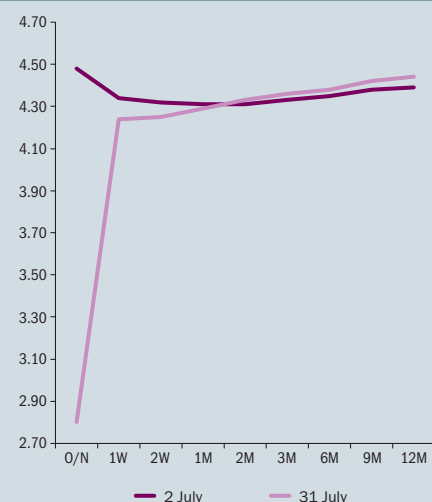
rate change, the key euro-area rates are expected to be raised by 0.25 of a percentage point in September. Thus, the differences between European and Slovak rates should level out. A further increase in ECB rates is expected at the end of 2007 or the beginning of 2008.

Long-term interest rates were above the 2-week repo rate throughout the month and approached 4.50% at the end of the month. In addition to these rates, 3-month FRA rates also continued to rise, by almost 10 percentage points. Except for the overnight rate, which was connected with changes in the level of disposable liquidity, other short-term rates were relatively stable, due to expectations regarding demand at repo tenders.

The NBS continued conducting sterilisation repo tenders in a standard manner throughout July and accepted in full the bids at four actions. With regard to the strengthening exchange rate of the Slovak koruna, the banking sector worried that the NBS may reject part of the bids at repo tenders as a form of possible intervention. This led to a fall in the minimum interest rate accepted, which was at the level of 4.23% in July. The average and maximum interest yields were at the level of the 2-week reference rate (4.25%). There was no auction in NBS bills in July.

Chart 20 Comparison of BRIBOR Yield Curves in July

(%)



Source: NBS.

A comparison of the yield curves from the beginning and end of the month indicates a slight rise in rates for long maturities above the 4.35% level. On the other hand, short-term rates dropped somewhat.

In the first half of the month, the sector had a large surplus of liquidity. Excess funds were later drained from the sector through repo tenders. Within the structure of liquidity, the share of sterilisation tenders in overall sterilisation decreased in comparison with the previous month by almost 5 percentage points. These funds were sterilised through NBS bills, whose proportion increased to 17.6%, from 13.4% a month earlier. The smallest amounts were sterilised through overnight deposits, whose share also increased slightly (to 0.2%). Due to the uneven distribution of liquidity on the last day of the maintenance period, funds from the NBS were drawn through overnight refinancing transactions, which accounted for 0.04% of transactions with the NBS. The average daily sterilisation position of the NBS fell in comparison with June by SKK 2.1 billion, to SKK 380.0 billion in July.

Liquidity

**Table 21 Average Daily Impact of NBS Operations on the Level of Banking Sector Liquidity**

	Repo tenders		O/N repos		O/N deposits		NBS bills		Total
	Volume SKK mil.	Share in %	Volume SKK mil.	Share in %	Volume SKK mil.	Share in %	Volume SKK mil.	Share in %	
June 2007	-332,012	86.89	1,121	0.29	-87	0.02	-51,133	13.38	-382,112
July 2007	-312,444	82.22	136	0.04	-715	0.19	-67,000	17.63	-380,023

Source: NBS.

Table 22 Interbank Transactions

(SKK millions)

	Deposits	Repos	Swaps	FRAs	IRSs
June 2007	643,012	516	894,818	7,800	5,995
July 2007	641,308	0	954,509	16,950	5,450

Source: NBS.

Interbank transactions The volume of trading on the interbank market reached SKK 1,618.2 billion in July (compared with SKK 1,552.1 billion in June). Of the total volume of purchases and sales on the interbank market, the share of resident bank transactions decreased to 30.4% and that of transactions with non-resident banks increased to 69.6% compared with June. In interbank transactions, domestic banks achieved the largest share in swap operations (59%). Transactions with non-resident banks were also dominated by swaps (70.9%). Compared with June, the volumes of swaps and FRA transactions increased, while those of deposits, repo operations, and IRS contracts decreased.

Reserve requirements For July 2007, the amount of minimum required reserves in the banking sector was set at SKK 24.81 billion. By the end of the month, the reserve requirement had actually been fulfilled to 100.11%.

Developments in Money Market Interest Rate Derivatives

Trading in forward rate agreements (FRA) recorded an upturn in June, compared with the previous month. Transactions were concluded with a maturity of three months and settlement in 1, 3, 6, and 9 months (100% of the trading volume). Transactions with domestic entities accounted for 76.7%, the remainder took place with foreign entities.

Trading in interest rate swaps (IRS) recorded a decline in volume compared with the previous month. Most contracts were concluded with foreign banks (almost 93%). The remaining 7% took place in trading with domestic entities. Swap transactions were concluded with one- to ten-year maturities. They were

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

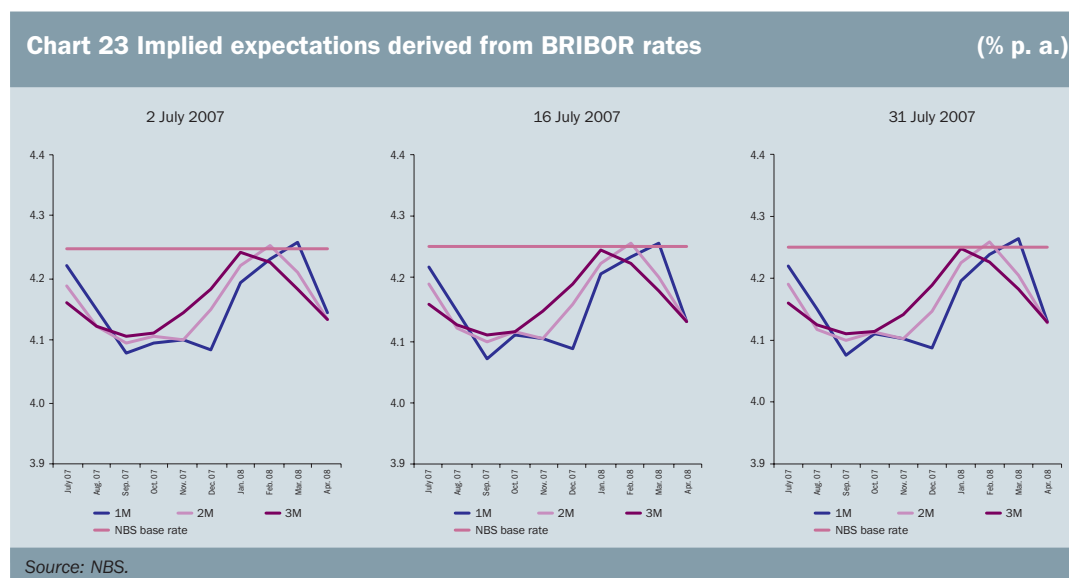
Source: Reuters.

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

Source: Reuters.

dominated by contracts with a maturity of one year, which accounted for 36.7% of the total volume of IRS contracts. They were followed by transactions with one- to five-year maturities (31.2%).

The values of implied FRA rates for the beginning, middle, and end of the month indicated unchanged expectations among the market participants, according to which the rates should fall to approximately 4.10% by October 2007 and then, at the beginning of next year, they are likely to rise to the level of the current reference rate (4.25%).



5.3 Customer Interest Rates in June 2007

Average interest rates on new loans to and new deposits from non-financial corporations increased in June. The rates for new household loans and deposits remained unchanged.

Customer interest rates

During June, interest rates on new loans to non-financial corporations increased slightly (except for loans of up to EUR 1 million), which corresponded to the rise in interbank market rates. The rise in market rates was mostly reflected in the rate for current account overdrafts. Interest levels also rose somewhat for loans of over EUR 1 million. On the other hand, a slight fall was recorded in the price of loans to small- and medium-sized enterprises (loans of up to EUR 1 million), which was probably only a correction of the steep interest rate increase in the previous month (0.6 of a percentage point in May). Regarding the structure of loans by purpose, different developments were recorded in the case of loans to small- and medium-sized enterprises and in the case of large enterprises. In the case of small- and medium-sized enterprises, lending rates dropped for investment, operating, and other loans. The opposite trend was recorded in the case of large enterprises, where the prices of these loans increased. Despite this, loans to large enterprises were granted at a lower rate (by approximately 0.9 of a percentage point).

Average interest rates on new loans

Average interest rates on loans to households fell in June, except for the rate for current account overdrafts. The price of current account overdrafts was probably affected by the market rates (as in the case of non-financial corporations). The slightly falling trend in interest rates on consumer loans and house purchase loans recorded in the last three months continued in June. Rates for consumer loans dropped significantly, for both specific and non-specific consumer loans. A slight fall was also recorded in lending rates of house purchase loans, for both mortgage loans and other loans for house purchases. Interest rates on home savings bank loans remained unchanged. Looking at the breakdown of loans by initial rate fixation (IRF), the sharpest drops occurred in rates with longer fixation periods (over 10 years) and a slight fall was also recorded in rates with an IRF of over 1 and up to 5 years and over 5 years.

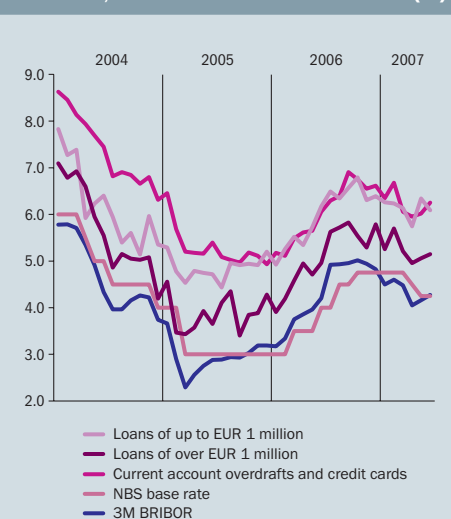
Interest rates on deposits from non-financial corporations rose significantly in June as a result of developments in interbank market rates. This was most apparent in the case of deposits repayable on demand (demand and overnight deposits), whose price increased by almost 1 percentage point. The last calendar day of June saw a steep rise in overnight rates on the money market (up to the 5.72% level), which was also reflected in the interest rate statistics, since interest rates on deposits with the largest weight (repayable on demand) are recorded on the last day of the month. Within the scope of

Average interest rates on new deposits



deposits with agreed maturity, interest rates increased for deposits with an agreed maturity of up to 1 year (mainly up to 7 days), while falling for deposits with an agreed maturity of over 2 years.

Chart 24 Interest Rates on Loans to Non-Financial Corporations, 3-M BRIBOR, and the NBS Base Rate (%)



Source: NBS.

Chart 25 Interest Rates on Loans to Households by Type (%)



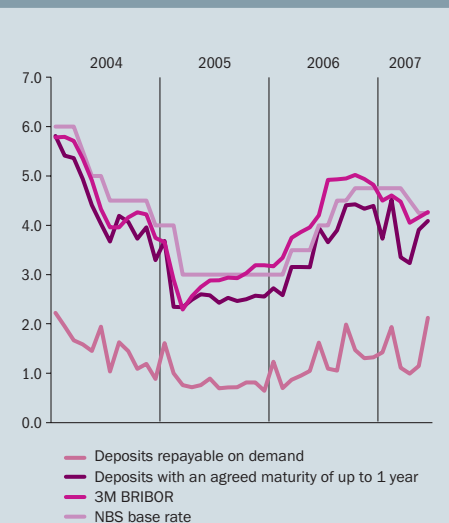
Source: NBS.

Table 23 Average Interest Rates on New Loans

	Interest rate in %						Change in June, in p.p.	
	Q2 2006	Q3 2006	Q4 2006	Q1 2007	May 2007	June 2007	against Q2 2006	month- on-month
Loans granted to non-financial corporations								
Current account overdrafts and credit cards	6.06	6.90	6.62	6.06	6.02	6.26	0.19	0.24
Loans of up to EUR 1 million	6.17	6.57	6.39	6.13	6.34	6.09	-0.08	-0.25
– with a floating rate								
and an IRF of up to 1 year	6.25	6.49	6.33	6.08	6.34	6.06	-0.19	-0.28
– with an IRF of over 5 years	5.75	6.47	6.49	6.00	6.10	6.16	0.40	0.06
Loans of over EUR 1 million	4.96	5.83	5.79	5.21	5.06	5.15	0.19	0.09
– with a floating rate								
and an IRF of up to 1 year	4.87	5.71	5.60	5.04	4.91	5.05	0.18	0.14
– with an IRF of over 5 years	5.62	7.03	5.73	5.82	5.47	5.69	0.07	0.22
Total	5.93	6.76	6.37	5.92	5.93	6.05	0.12	0.12
Total, excluding current account overdrafts and credit cards	5.38	6.04	5.89	5.47	5.53	5.37	-0.01	-0.16
Loans granted to households								
Current account overdrafts and credit cards	13.48	14.32	14.10	14.16	14.26	14.34	0.02	0.08
Consumer loans	13.66	13.23	13.67	14.11	12.89	12.44	-0.79	-0.45
House purchase loans	5.92	6.54	6.76	6.50	6.17	6.06	-0.48	-0.11
of which: mortgage loans	5.39	6.16	6.45	6.29	5.92	5.79	-0.37	-0.13
Other loans	6.49	7.34	7.46	7.19	7.34	6.75	-0.59	-0.59
Total	11.42	12.56	12.54	12.56	12.22	12.16	-0.41	-0.06
Total, excluding current account overdrafts and credit cards	7.71	8.45	8.36	8.66	7.86	7.65	-0.80	-0.21
Basic NBS rate	4.00	4.50	4.75	4.75	4.25	4.25	0.25	0.00
3M BRIBOR	4.20	4.95	4.82	4.48	4.16	4.27	0.07	0.11

Source: NBS.

Note: Quarterly data refer to the last month of the given quarter.

Chart 26 Interest Rates on Deposits from Non-Financial Corporations (%)


Source: NBS.

Chart 27 Interest Rates on Household Deposits (%)


Source: NBS.

Table 24 Average Interest Rates on New Deposits

	Interest rate in %						Change in June, in p.p.	
	Q2 2006	Q3 2006	Q4 2006	Q1 2007	May 2007	June 2007	against Q2 2006	month-on-month
New deposits from non-financial corporations								
Deposits repayable on demand	1.62	1.98	1.32	1.11	1.15	2.12	0.50	0.97
Deposits with an agreed maturity of up to 1 year	3.95	4.41	4.39	3.36	3.91	4.09	0.14	0.18
Deposits with an agreed maturity of over 1 and up to 2 years	4.05	2.56	3.28	2.66	2.00	-	-	-
Deposits with an agreed maturity of over 2 years	1.54	8.40	2.62	1.50	2.66	1.91	0.36	-0.75
Total	2.51	3.00	2.70	2.17	2.47	3.09	0.58	0.62
New deposits from households								
Deposits repayable on demand	0.51	0.54	0.50	0.54	0.54	0.51	-0.03	-0.03
Deposits with an agreed maturity								
– up to 1 year	3.23	3.85	3.92	3.17	3.23	3.49	-0.36	0.26
– over 1 and up to 2 years	3.06	3.94	3.98	2.47	2.79	3.34	-0.60	0.55
– over 2 years	2.35	3.86	3.61	3.24	2.77	2.16	-1.70	-0.61
Deposits redeemable at notice								
– up to 3 months	1.07	1.46	1.54	1.46	1.47	1.23	-0.23	-0.24
– over 3 months	1.30	1.89	1.97	1.98	1.99	1.90	0.01	-0.09
Total	0.96	1.16	1.18	1.07	1.02	1.00	-0.16	-0.02
Basic NBS rate	4.00	4.50	4.75	4.75	4.25	4.25	-0.25	0.00
3M BRIBOR	4.20	4.95	4.82	4.48	4.16	4.27	0.07	0.11

Source: NBS.

Note: Quarterly data refer to the last month of the given quarter.

Interest rates on household deposits were stagnant in June. Within the scope of deposits repayable on demand, interest levels rose significantly for overnight deposits (as in the case of non-financial corporations). Interest rates increased slightly for deposits with an agreed maturity of up to 1 year (mainly the shortest maturities) and deposits with an agreed maturity of over 1 and up to 2 years. On the other hand, interest rates dropped for deposits with an agreed maturity of over 2 years. A slight fall was also recorded in the price of deposits redeemable at notice.

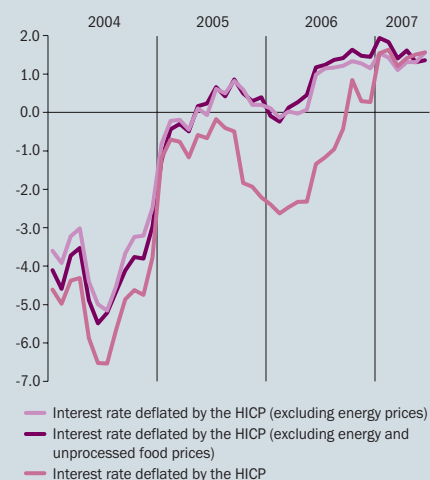
The real interest rate on household deposits, calculated by deflating the rate of interest on new one-year household deposits by HICP inflation, stood at 1.56% in June, which represented a rise of 0.05 of

Real interest rates



a percentage point compared with the previous month. Thus, the real interest rate followed the rising trend from the past three months. This can be attributed to the modest increase in the price of household deposits, against the background of stagnating inflation.

Chart 28 Real Interest Rates on Household Deposits (%)



Source: NBS and the Statistical Office of the SR.

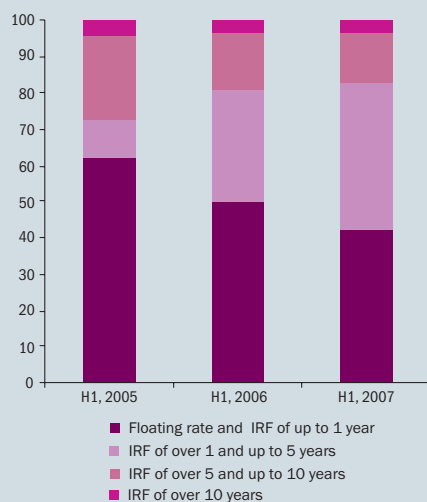
Box

Loans to Households for House Purchases and their Prices

In the first half of 2007, the banking sector provided loans to households for house purchases in the total amount of SKK 27.9 billion, which was SKK 3.6 billion more than in the same period a year earlier. House purchase loans accounted for approximately 33% of the total volume of loans provided (excluding current account overdrafts and credit cards); this share decreased in comparison with the first half of 2006 by 4 percentage points. It is apparent that there is still a huge demand in the household sector for house purchase loans.

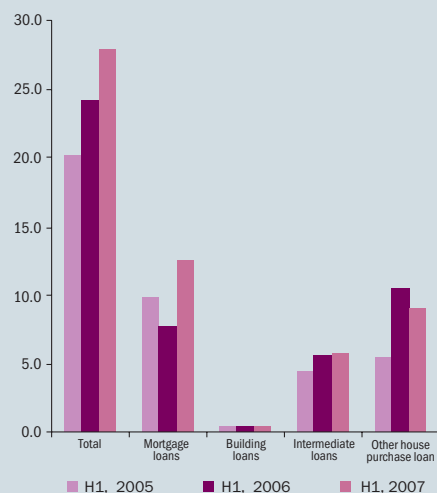
The preferences of households regarding the period of interest rate fixation have changed step by step since 2005. In 2005, bank loans were mostly provided without interest rate fixation or with a fixation period of up to 1 year. In 2006, when the NBS gradually increased its key rates,

Chart A Breakdown of House Purchase Loans by Interest Rate Fixation (%)



Source: NBS.

Chart B Comparison of House Purchase Loans in Terms of Volume (SKK billions)



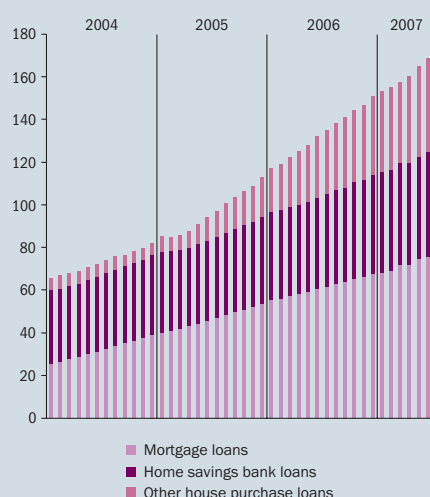
Source: NBS.

households started to focus on longer periods of fixation. The preference for longer fixation periods persisted even in 2007, when loans were predominantly granted with an initial rate fixation (IRF) of over 1 year. In the first half of 2007, most loans were provided with a floating rate and an IRF of up to 1 year, but their share decreased by 8 percentage points compared with the first half of 2006 (to 42%). The share of loans granted with an IRF of over 1 and up to 5 years increased to 41%, which was 10 percentage points more than in the same period in 2006. Longer fixation periods (over 5 years) were used very rarely: they accounted for only 17%.

In the first half of 2007, the structure of loans by type was dominated by mortgage loans with a share of almost 45% (an increase of 12 percentage points), followed by other loans for house purchases with a share of approximately 33% (a decrease of 10 percentage points compared with the same period a year earlier) and home savings bank loans (with a share of 22%). After having a dominant share last year, other loans for house purchases are exceeded this year by mortgage loans. This is probably connected with the fact that mortgage loans to the young are granted with state support (a government bonus).

The increasing volume of loans provided to households for house purchases led to growth in the outstanding volume of house purchase loans (and an increase in household indebtedness). By the end of June 2007, the volume of household loans had grown year-on-year by SKK 36.5 billion (in June 2006, a year-on-year increase of SKK 38 billion was recorded). Since the absolute year-on-year increase in house purchase loans was smaller, the overall growth rate of loans for house purchases slowed from 40% in June 2006 to less than 28% in June 2007. On a year-on-year basis, mortgage loans grew in volume by SKK 15.5 billion, other loans for house purchases by SKK 15.1 billion, and home savings bank loans by SKK 5.9 billion. The largest contribution to growth in house purchase loans (28%) came from mortgage loans (11.4 percentage points) and other loans for house purchases (11 percentage points).

Chart C Lending for House Purchase in Slovak Koruna by Type (SKK billions)



Source: NBS.

Chart D Absolute Year-on-Year Changes in Loans to Households (SKK billions)



Source: NBS.

In June 2007, the volume of non-performing¹ house purchase loans reached SKK 4.1 billion, which was SKK 1.5 billion more than in the same period a year earlier. Within the structure of loans by type, the most significant increases occurred in non-performing other house purchase loans and mortgage loans, which grew in volume mostly in June 2007. In June 2007, the share of bad loans reached approximately 2.4% of the total volume of house purchase loans, which represents a year-on-year increase of 0.4 of a percentage point. Against a background of relatively dynamic growth in house purchase loans, however, the share of non-performing loans should

¹ Non-performing loans are defined in NBS Decree No. 7/2005 on the classification of assets and liabilities of banks and branches of foreign banks, as claims where a more than 50% depreciation is identified by the bank or where repayment by the debtor is more than 90 days overdue.



not increase to a significant extent, since the loan portfolio is growing due to the large volume of new (good) loans. Stronger growth in non-performing loans may be caused by the pass-through of interest rate increases from last year (1.75 percentage points), which led to increased repayments.

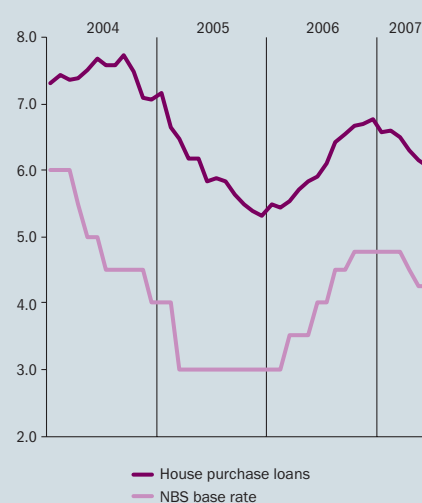
The large volume of loans provided for house purchases can be ascribed to a rise in real estate prices and a slight fall in interest rates in the first half of 2007. Interest rates on house purchase loans has followed a moderately falling trend since the beginning of 2007. In June 2007, the rate for house purchase loans stood at approximately 6%, representing a fall of 0.5 of a percentage point compared with January 2007, which corresponds to the cut in the basic NBS rate.

Chart E Non-Performing House Purchase Loans in the Household Sector (SKK billions)



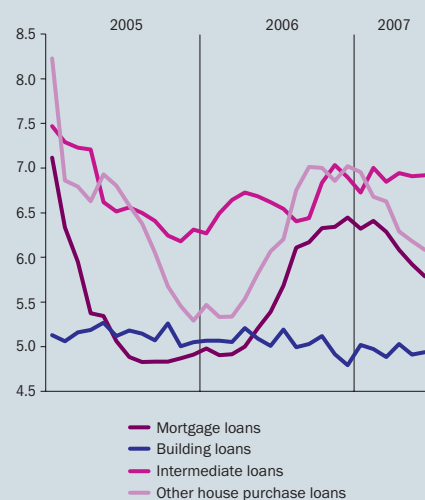
Source: NBS.

Chart F Interest Rates on House Purchase Loans and the NBS Base Rate (%)



Source: NBS.

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



Source: NBS.

Within the scope of house purchase loans by type, the sharpest drops occurred in interest rates on other house purchase loans and mortgage loans. The rate for other house purchase loans dropped by 0.9 of a percentage point, to 6.1%, and the price of mortgage loans fell by 0.5 of a percentage point. Interest rates on home savings bank loans were at a standstill over the first half of the year, for both intermediate loans and building loans.

Annexes

1 International Economy: An Overview in Tabular and Graphical Form

Table 25 Euro Area		(year-on-year changes in %, unless otherwise specified)						
	HICP	Prices HICP ¹⁾ (core inflation)	PPI	GDP ^{2),3),4)}	Real economy Industrial production ^{2),3)}	Retail trade (sales) ^{2),3)}	Unemployment (% of the labour force) ⁵⁾	Financial market 10-years bonds (yield to maturity in %)
2004	2.1	2.1	2.3	2.0	2.2	1.6	8.8	4.14
2005	2.2	1.5	4.1	1.5	1.3	1.3	8.6	3.44
2006	2.2	1.5	5.1	2.8	4.0	2.1	7.9	3.86
2006 Q2	2.5	1.5	5.8	2.9	4.3	2.3	7.9	4.05
2006 Q3	2.1	1.5	5.4	2.8	4.2	2.3	7.8	3.97
2006 Q4	1.8	1.6	4.1	3.3	4.0	2.3	7.6	3.86
2007 Q1	1.9	1.9	2.9	3.1	3.7	1.7	7.2	4.08
2007 Q2	1.7	1.8	2.4	2.5	2.6	0.9	6.9	4.42
IV.07	1.9	1.9	2.4	.	2.9	1.7	7.0	4.25
V.07	1.9	1.9	2.3	.	2.5	0.4	7.0	4.37
VI.07	1.9	1.9	2.3	.	2.3	0.9	6.9	4.66
VII.07	1.8	1.9	.	.	.	.	.	4.63

Source: Eurostat, ECB, NBS calculations.

¹⁾ Overall inflation, excluding energy and unprocessed food prices.

²⁾ Constant prices.

³⁾ Adjusted for calendar effects.

⁴⁾ Annual data are not adjusted for calendar effects.

⁵⁾ Harmonised data, ILO definition, seasonally adjusted.

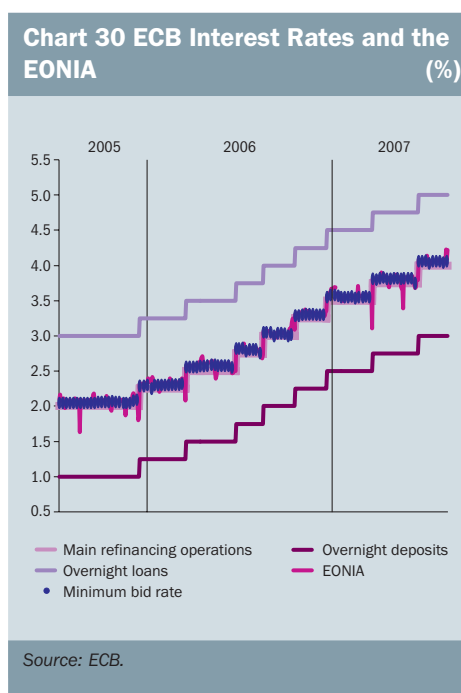




Table 26 Czech Republic (year-on-year changes in %, unless otherwise specified)

	HICP	Prices HICP ¹⁾ (core inflation)	PPI	GDP ^{2),3),4)}	Real economy Industrial production ^{2),3)}	Retail trade (sales) ^{2),3)}	Unemployment (% of the labour force) ⁵⁾	Financial market 10-years bonds (yield to maturity in %) ⁶⁾
2004	2.6	2.5	5.7	4.2	9.2	2.8	8.3	4.75
2005	1.6	0.9	3.0	6.1	6.7	3.9	7.9	3.51
2006	2.1	0.9	1.6	6.1	11.4	6.9	7.1	3.78
2006 Q2	2.5	0.9	1.3	6.5	11.3	7.2	7.2	3.94
2006 Q3	2.4	1.0	2.5	6.4	10.2	5.9	7.0	3.93
2006 Q4	1.1	1.0	2.2	6.1	10.3	7.1	6.5	3.78
2007 Q1	1.7	1.9	3.1	6.2	12.3	8.4	5.9	3.79
2007 Q2	2.6	2.8	4.1	.	8.5	.	5.7	4.22
IV.07	2.7	2.7	3.7	.	11.6	7.7	5.8	3.92
V.07	2.4	2.8	4.0	.	5.5	6.7	5.7	4.21
VI.07	2.6	3.0	4.5	.	8.7	.	5.7	4.53
VII.07	2.5	2.9	4.1	.	.	.	5.5	4.59

Source: Eurostat, ECB, NBS calculations.

¹⁾ Overall inflation, excluding energy and unprocessed food prices.

²⁾ Constant prices.

³⁾ Adjusted for calendar effects.

⁴⁾ Annual data are not adjusted for calendar effects.

⁵⁾ Harmonised data, ILO definition, seasonally adjusted.

⁶⁾ Long-term interest rates according to the Maastricht criteria.

Table 27 Hungary (year-on-year changes in %, unless otherwise specified)

	HICP	Prices HICP ¹⁾ (core inflation)	PPI	GDP ^{2),3),4)}	Real economy Industrial production ^{2),3)}	Retail trade (sales) ^{2),3)}	Unemployment (% of the labour force) ⁵⁾	Financial market 10-years bonds (yield to maturity in %) ⁶⁾
2004	6.8	6.4	8.4	4.8	6.7	5.4	6.1	8.19
2005	3.5	2.7	8.3	4.1	7.2	5.7	7.2	6.60
2006	4.0	2.5	8.4	3.9	10.8	4.3	7.5	7.12
2006 Q2	2.7	1.4	7.0	3.9	8.7	4.4	7.3	7.04
2006 Q3	4.6	2.8	10.4	3.9	11.2	4.6	7.5	7.54
2006 Q4	6.4	4.6	9.7	3.3	11.7	2.6	7.5	7.10
2007 Q1	8.8	6.7	8.7	2.9	9.8	0.2	7.4	6.90
2007 Q2	8.5	7.2	7.7	.	.	.	7.7	6.63
IV.07	8.7	7.0	8.0	.	8.0	-2.5	7.6	6.65
V.07	8.4	7.2	7.8	.	5.7	-2.8	7.7	6.53
VI.07	8.5	7.3	7.2	.	.	.	7.7	6.71
VII.07	8.3	7.2	.	.	.	.	.	6.58

Source: Eurostat, ECB, NBS calculations.

¹⁾ Overall inflation, excluding energy and unprocessed food prices.

²⁾ Constant prices.

³⁾ Adjusted for calendar effects.

⁴⁾ Annual data are not adjusted for calendar effects.

⁵⁾ Harmonised data, ILO definition, seasonally adjusted.

⁶⁾ Long-term interest rates according to the Maastricht criteria.

Table 28 Poland

(year-on-year changes in %, unless otherwise specified)

	HICP	Prices HICP ¹⁾ (core inflation)	PPI	GDP ^{2),3),4)}	Industrial production ^{2),3)}	Retail trade (sales) ^{2),3)}	Unemployment (% of the labour force) ⁵⁾	Financial market 10-years bonds (yield to maturity in %) ⁶⁾
2004	3.6	2.8	7.6	5.3	12.2	4.8	19.0	6.90
2005	2.2	1.2	2.1	3.6	4.6	1.3	17.7	5.22
2006	1.3	0.6	2.5	6.1	12.2	9.6	13.8	5.23
2006 Q2	1.4	0.4	2.7	6.0	13.7	10.8	14.2	5.28
2006 Q3	1.5	0.7	3.8	6.2	13.6	8.7	13.3	5.55
2006 Q4	1.3	1.0	3.1	6.9	10.9	10.6	12.3	5.25
2007 Q1	2.0	1.2	3.9	6.8	14.0	16.3	11.0	5.18
2007 Q2	2.3	1.8	3.2	.	8.7	9.3	10.5	5.36
IV.07	2.2	1.5	3.0	.	10.3	10.4	10.7	5.28
V.07	2.3	1.8	3.3	.	8.1	8.4	10.5	5.29
VI.07	2.6	2.0	3.4	.	7.8	9.2	10.2	5.52
VII.07	2.5	2.1	.	.	.	.	.	5.60

Source: Eurostat, ECB, NBS calculations.

¹⁾ Overall inflation, excluding energy and unprocessed food prices.

²⁾ Constant prices.

³⁾ Adjusted for calendar effects.

⁴⁾ Annual data are not adjusted for calendar effects.

⁵⁾ Harmonised data, ILO definition, seasonally adjusted.

⁶⁾ Long-term interest rates according to the Maastricht criteria.

Chart 31 Exchange Rate Indices of V4 Currencies against the Euro
(31. 12. 2004 = 100)


Source: Eurostat, NBS calculations.

Note: A fall in value denotes an appreciation.

Chart 32 Exchange Rates of V4 Currencies against the Euro
(year-on-year changes in %)


Source: Eurostat, NBS calculations.

Note: Negative values denotes appreciation.



Table 29 United States (year-on-year changes in %, unless otherwise specified)

	CPI	Prices CPI ¹⁾ (core inflation)	PPI ²⁾	GDP ³⁾	Real economy Industrial production ⁴⁾	Retail trade ⁵⁾	Unemployment	Financial market 10-years bonds (yield to maturity in %)
2004	2.7	1.8	3.6	3.9	2.5	6.1	5.5	4.27
2005	3.4	2.2	4.9	3.2	3.2	6.6	5.1	4.29
2006	3.2	2.5	2.9	3.3	4.0	6.1	4.6	4.80
2006 Q2	4.0	2.5	4.4	3.2	4.2	6.4	4.6	5.07
2006 Q3	3.3	2.8	2.8	2.4	5.1	5.4	4.7	4.90
2006 Q4	1.9	2.6	0.3	2.6	3.5	5.0	4.5	4.63
2007 Q1	2.4	2.6	2.0	1.5	2.4	3.4	4.5	4.68
2007 Q2	2.7	2.3	3.4	1.8	1.6	3.9	4.5	4.85
IV.07	2.6	2.3	3.2	.	1.6	2.8	4.5	4.69
V.07	2.7	2.2	3.9	.	1.6	4.8	4.5	4.75
VI.07	2.7	2.2	3.2	.	1.4	4.1	4.5	5.10
VII.07	.	.	.	.	.	.	4.6	5.02

Source: Bureau of Economic Analysis, Bureau of Labour Statistics, Federal Reserve System, U.S. Department of Commerce.

¹⁾ Core CPI – inflation excluding food and energy.

²⁾ PPI finished products.

³⁾ Seasonally adjusted.

⁴⁾ Industrial production in total (seasonally adjusted.)

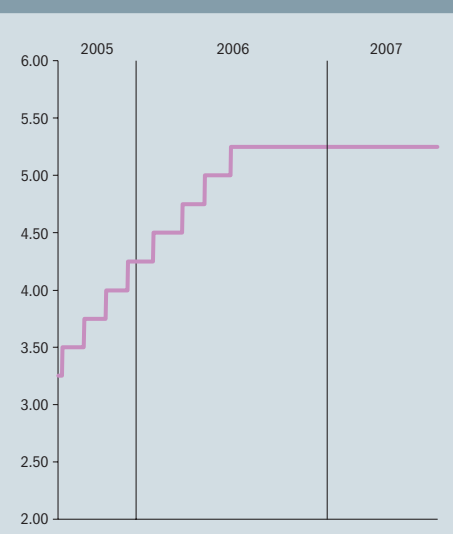
⁵⁾ Retail trade and restaurant services.

Chart 33 Key Interest Rates of the NCBs of V4 Countries (%)



Source: ECB, national central banks.

Chart 34 United States: Federal Funds Rate (%)



Source: Federal Reserve System.

Chart 35 Oil Prices: USD/Barrel
(USD)



Source: Reuters.



2 Capital Market

2.1 Primary Market

In July, the Agency for Debt and Liquidity Management (ARDAL) held one auction in government bonds (with a residual maturity of 19 years), at which, however, no bids were accepted due to low demand (SKK 2.5 billion) and high yields requested. Owing to the satisfactory course of national debt financing, the auction planned for July 23 was cancelled.

On the primary market for non-government bonds, four bond issues were floated in July, in the total amount of SKK 1.2 billion (two of them were in mortgage bonds amounting to SKK 0.9 billion).

2.2 Secondary Market

The total volume traded on the Bratislava Stock Exchange (BCPB) reached SKK 8.56 billion in July (in 325 transactions), representing a month-on-month increase of 23.82%. Price-setting transactions accounted for SKK 0.1 billion and direct transactions SKK 8.5 billion.

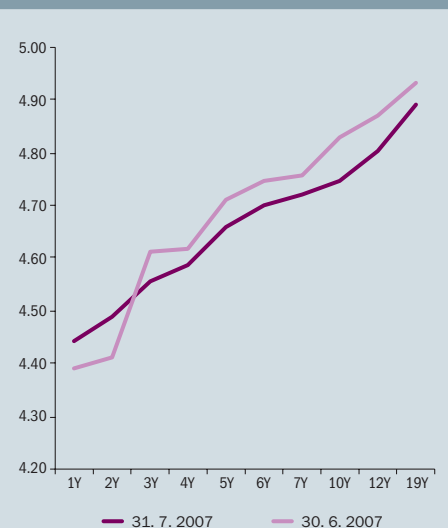
Non-resident investors accounted for 53.92% of the total volume traded in July, of which 50.33% were purchases and 57.50% sales.

Bonds Benchmark government bond yields showed minimal fluctuations over the course of July. Except for the shortest maturities, the level of yields recorded a slight fall.

The BCPB recorded 97 bond transactions totalling SKK 8.5 billion during the month (i.e. 99.75% of the total volume traded on the BCPB floor in July).

The market capitalisation of bonds as at the last trading day of July reached SKK 446.3 billion, representing a month-on-month increase of 0.39%. The capitalisation of quoted bonds had increased since the end of June by 0.44%, to SKK 427.0 billion.

Chart 36 Benchmark Government Bond Yield Curves (%)



Source: Reuters, NBS.

Chart 37 Bond Transactions on the BCPB (SKK billions)



Source: Bratislava Stock Exchange (BCPB).

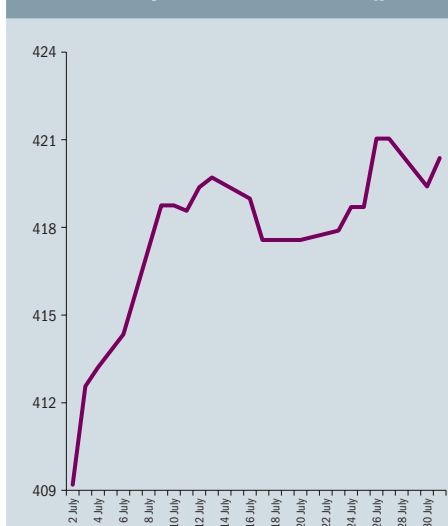
Table 30 The values of SDXGroup indices at the end of July 2007

Sector	SDXGroup indices		Yield to maturity (%)	Duration (in years)
	Price	Performance		
Public	102.1	119.3	4.588	5.096
SDXG sub-index (<=5)	101.1	117.3	4.411	2.962
SDXG sub-index (>5)	103.3	121.9	4.660	7.230
Private (corporate + mortgage bonds)	99.0	121.0	4.791	3.193
SDXG sub-index (<=5)	98.1	121.0	5.263	1.152
SDXG sub-index (>5)	103.1	120.9	4.695	5.019

Source: BCPB.

SDXGroup indices

During the month under review, the volume traded in equity securities reached only SKK 21.6 million (in 228 transactions). Price-setting transactions accounted for SKK 14.3 million and direct transactions SKK 7.3 million.

Shares
Chart 38 Developments in the SAX Index in July 2007 (points)


Source: BCPB.

By the last trading day of July, the market capitalisation of equity securities had increased by 1.64% month-on-month, to SKK 153.4 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 SKK 146.5 billion (a month-on-month increase of 1.73%) and accounted for 95.53% of the total equity market capitalisation. The market capitalisation of quoted issues had increased since the end of June by 2.3%, to SKK 87.1 billion.

During July, the BCPB accepted no new share issues for trading on the quoted market, nor on the regulated open market, and did not stop trading in shares on any of its markets.

The SAX index rose by 10.54 points in July and closed the month at 420.38 points, representing a monthly increase of 2.57%. The index reached a monthly maximum on 26 July (421.04 points) and a monthly minimum on 2 July (409.19 points).

SAX index
Table 31 Weights of Basic SAX Index Components

Company	Weights in % 2007						Monthly change
	Feb.	Mar.	Apr.	May	June	July	
Biotika, a. s.	4.47	4.14	5.02	4.65	4.70	4.24	-0.46
OTP Banka Slovensko, a. s.	23.69	26.06	22.95	23.01	23.33	24.08	0.75
SES Tlmače, a. s.	12.51	9.36	10.57	11.02	11.83	12.48	0.65
Slovnaft, a. s.	29.30	30.09	29.88	30.86	30.40	30.13	-0.27
Všeobecná úverová banka, a. s.	30.03	30.36	31.59	30.46	29.74	29.07	-0.67

Source: BCPB.



3 Methodological Notes to Selected Indicators

3.1 Monetary Statistics

3.1.1 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)⁴.

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 32 Calculation of Monetary Aggregates

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)	+
= Money (M1 – 'narrow money')	overnight deposits and received loans
	= M1 ('narrow money')
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	= M2 ('intermediate money')
= 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
= Money supply M2 (=M1+QM)	M3 MONETARY AGGREGATE ('broad money')

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

⁴ 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)⁵;
 - 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 data⁶.

3.1.2 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

⁵ 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.

⁶ 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.

3.1.3 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 granted⁷ 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. 63/2002⁸ 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.

⁷ The term 'granted loans' is an equivalent of the term 'new loan'.

⁸ 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.

3.1.4 Classification of Loans According to Quality

Year 2005⁹

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.

⁹ 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.

3.1.5 Balance of Payments

In 2006, a methodological change was introduced in respect of the reporting of funds received from the EU budget. Originally, all receipts were recorded within the balance of current transfers. The new categorisation reflects the character of the individual funds through which money is drawn from the EU, i.e. distinguishes between funds used for common and/or investment purposes. This led to the shift of part of these funds from the balance of current transfers to the balance of capital transfers with a subsequent negative impact on the current account balance. The methodological change has no effect on the external equilibrium, since the lower receipts in the current account are fully offset by increased inflows in the capital and financial account.

3.2 Basic Macroeconomic Indicators

3.2.1 Gross Domestic Product (GDP)

Gross production (gross output) – expresses the value of the goods and services resulting from the production activity of resident producer units in the territory of the Slovak Republic during an accounting period. According to the methodology of the European System of Accounts (ESA 95), production can be divided into market production, production for own final consumption, and other non-market production.

Intermediate consumption – consists of the value of the goods and services consumed as inputs or transformed by a production process during a given accounting period.

Value added – is the value of gross production, less the value of intermediate consumption. The sum of value added in the individual economic sectors (produced by a market activity, an activity for own consumption, a non-market activity) and indirect taxes, less subsidies on products, represents **gross domestic product**.

Gross domestic product (GDP) at market prices – is the final result of the production activity of resident producer units in the period under review. In geographical terms, GDP data cover the entire territory of the Slovak Republic. Statistical methods used for GDP calculation are in principle based on the respondent's accounting records, from the period in which the activity took place (accrual principle). The hidden (illegal) economy is assessed on the basis of estimates. Gross domestic product at market prices can be defined in three ways – on the basis of production (output), consumption (expenditure), and income.

Production (output) approach – Output-based GDP (referred to as produced GDP) is the sum of value added produced in agriculture, industry, construction, services, and taxes (excised duties, VAT, net taxes on imports), less subsidies on products.

Consumption (expenditure) approach – Expenditure-based GDP (referred to as used GDP) is the sum of the final consumption of households, final consumption of non-profit institutions serving households, final consumption of general government, gross fixed capital formation, changes in inventories, and the balance of exports and imports of goods and services. The differences arising during the calculation of GDP according to the output- and expenditure-based methods, are recorded under the item 'statistical discrepancy'.

Income approach – an experimental method used by the Statistical Office of the SR for the calculation of GDP according to the income-based method, which takes into account the flows of individual incomes in the economy, i.e. the compensation of employees, gross operating surplus, mixed income, net taxes on production and imports. On the basis of this method, GDP is calculated only once a year, at current prices.



Final consumption of households – consists of expenditure incurred by households on food, beverages, tobacco, clothing, footwear, services related to housing, furnishings, household equipment, maintenance of dwellings, health services, transport, post and telecommunications, recreation, education, hotels and restaurants, and other goods. Household final consumption also includes housing services for the owners of dwellings, including lost profits (imputed rent), long-term consumables which are not classified as gross fixed capital formation, and agricultural production for own final consumption, and income in kind.

Final consumption of non-profit institutions – includes the value of goods and services produced by non-profit institutions and the expenditure of non-profit institutions for purchases of goods and services from market producers, which are supplied directly to households for consumption as social transfers in kind.

Final consumption of general government – includes the value of goods and services produced by general government (except for own-account capital formation) and purchases by general government of goods and services produced by market producers, which are consumed by households (social transfers in kind).

Gross fixed capital formation – consists of resident producers' acquisitions, less disposals, of fixed assets during a given period. Fixed assets are tangible or intangible assets produced as outputs from processes of production that are themselves used repeatedly, or continuously, in processes of production for more than a year, and whose acquisition value was Sk 30,000.- or more for long-term tangible assets and Sk 50,000.- or more for intangible assets. Additions to the value of certain non-produced assets (e.g. land reclamation), and expenses incurred in connection with the transfer of property, are also taken into account.

Changes in inventories – are measured by the value of the entries into inventories, less the value of withdrawals and the value of any recurrent losses of goods held in inventories. Inventories include the stocks of materials, work-in-progress, finished products, and stocks of articles of commerce.

Exports of goods and services – include all transactions in goods and services (sale, barter, trade gifts, or grants) directed to non-residents. **Imports of goods and services** – include transactions in goods and services (purchase, barter, trade, gifts, and grants) directed from non-residents.

Flash estimate of GDP and employment – the Statistical Office of the SR publishes a flash (first) estimate of selected economic indicators within 45 days of the end of a given quarter. The publication contains the estimated rate of economic growth and the estimated level of overall employment according to the ESA 95 methodology. The released estimate represents a compromise between the economic projections of the Statistical Office of the SR (based on preliminary, partial information from statistical reports and own estimates) and the macroeconomic forecasts of other participating institutions, including the NBS.

3.2.2 Wage Statistics

Average nominal wage – gross wage, not reduced by any wage deductions prescribed by law or agreed with the employer, including an estimate for the employees of sole traders (without entrepreneurial incomes). Dividends from profits and remuneration for stand-by duty are not taken into account.

Average real wage index – the ratio of the nominal wage index to the consumer price index.

Compensation of employees (remuneration) – is defined as the total remuneration, in cash or in kind, payable by an employer to an employee in return for work done by the latter during the accounting period, including social contributions payable by employers. The compensation of employees is composed of wages and salaries, and employers' social contributions.

Unit labour costs (according to ECB methodology) – ULC indicator: is a composite expression of the cost pressures in a given economy stemming from the labour force and is regarded as one of the main indicators of economic competitiveness. This indicator provides information about the amount of 'obligatory' expenses on an employee per unit of output. It shows the relationship between the amount of funds spent on an employee and the output of his work.

In nominal terms – the ratio of total expenditure on an employee in nominal terms to real labour productivity (this method of ULC calculation is used by most foreign institutions – ECB, EC, OECD). Unit labour costs calculated according to this methodology demonstrate price developments in the

area of wages. Since nominal labour costs are compared with real GDP, it is possible in the long term to compare the developments in current labour costs in the individual years in relation to the unit of real output.

In real terms – the ratio of total expenditure on an employee in real terms to real labour productivity. Real ULC indicate whether price pressures has a tendency to strengthen or weaken. Growth in real ULC, with employee compensation growing more rapidly than labour productivity, may be an indication of rising inflation as a result of demand pressures.

ULC expressed according to NBS methodology – the ratio of the average nominal wage to labour productivity, calculated from employment according to statistical reports.

3.2.3 Employment and Unemployment Statistics

Employment

– **according to statistical reports, i.e. statements submitted by employers** (monthly, quarterly) – containing the average number of registered employees, both permanent and temporary employees, who have an employment, service, or membership relationship with the organisation, regardless of whether they are or not present at work (e.g. due to illness, annual leave, military exercise, etc.), as well as not working employees (e.g. due to strike, exclusion, protest). Persons working part-time are also included in this statement. Persons on maternity leave, persons doing military or community service, apprentices, and students in vocational practice are not included.

– **according to a labour force survey (LFS), i.e. an inquiry directed to a sample of households (quarterly) according to the methodology of the International Labour Office (ILO)** – a statement of the number of workers, including all persons doing at least one hour of any paid work or work aimed at making a profit in the week under review. The workers include employees, entrepreneurs (with and without employees), unpaid family workers helping in family enterprises, as well as persons absent from work in the week under review due to illness, leave, maternity leave, military service, strike, exclusion, bad weather conditions, etc. The ‘entrepreneurs’ category includes, according to the LFS methodology, the owners of enterprises, sole traders, independent farmers, and persons in freelance professions (as main employment).

– **according to the ESA 95 methodology** – employment is expressed in terms of the number of persons (employed and self-employed) engaged in a production activity defined as production under the national system of accounts. In compiling the indicators of labour accounts, the method of balancing is applied, i.e. the supply of labour is balanced against demand. The harmonised data obtained from corporate sources are compared with data obtained from a labour force survey of households, according to the definitions laid down by the ILO and ESNA 95.

Employment rate – persons in employment as a percentage of the population aged 15 years and over.

Rate of economic activity – the economically active population (working and unemployed persons) as a percentage of the population aged 15 years and over.

Unemployment

Unemployed persons -- **according to a labour force survey (LFS)** – all persons who are without employment in the reference week, who have actively sought employment over the previous four weeks, and who are available for work within two weeks. Such persons may be, but are not necessarily, registered with an office for work, social matters, and the family. With effect from 2002, the duration of unemployment is defined by Eurostat as the duration of search for a job, or the length of the period since the last job was held (if this period is shorter than the duration of search for a job).

Unemployment rate according to a labour force survey (LFS) – the number of unemployed persons as a percentage of the economically active population.

Registered unemployment rate -- in agreement with the International Labour Organisation, registered unemployment rate is calculated from the number of disposable job applicants who can start working immediately after receiving an adequate job offer and from the number of economically active persons in the previous year according to a labour force survey.



3.2.4 Household Income and Expenditure Statistics

Current household income

Compensation of employees – gross wages and salaries, plus employers' compulsory social contributions.

Gross mixed income – profit and income from business activity, supply of agricultural products from own production, and imputed rent.

Property income – interest, dividends, income from land lease, and other.

Social benefits – retirement benefits, sickness benefits, state social benefits, unemployment benefits (to the registered unemployed)

Other current transfers – insurance payments from various types of insurance, private transfers from abroad, lottery winnings, court and out-of-court rehabilitation, scholarships, and contributions to school meals.

Current household expenditure

Property income – interest paid on loans provided and other payments of this type. Current tax on income, property, etc.

Social contributions – direct taxes and fees paid to the state budget and the budgets of municipalities; social contributions paid to health insurance companies, social insurance schemes, and to the employment fund; private transfers abroad; various contributions to non-profit organisations; lotteries, penalties, and charges.

Other current transfers – payments for non-life, life, and health insurance outside the social protection systems, contributions to funds, etc.

Gross disposable household income – difference between the current income and current expenditure of households.

Adjustment for changes in the net assets of households in the reserves of pension funds – changes in the net assets of households in pension funds (differences between increases and decreases in pension funds).

Gross household savings (difference between the gross disposable income and final consumption of households) – include the koruna deposits of citizens and small entrepreneurs, and their activities related to the purchase of tangible and intangible investments.

Ratio of gross household savings – expresses the ratio of gross household savings to the gross disposable income of households.

3.2.5 Financial Statistics

Corporation – a uniform term covering the various organisational forms of financial and non-financial entities (joint stock companies, limited liability companies, cooperatives, state enterprises, natural persons, etc.).

Non-financial corporations – entrepreneurial entities registered in the commercial register and engaged in activities aimed at earning a profit in any branch of activity, except banking and insurance. The category also includes subsidised organisations, which finance more than 50% of their expenses from receipts. Households, sole traders, freelance professionals, and farmers are not included.

Financial corporations – entities principally engaged in financial intermediation or in auxiliary financial activities. The financial corporations sector includes the National Bank of Slovakia, commercial banks, entities engaged in financial leasing, exchange offices, asset management companies, commercial insurance companies, and investment funds.

Národná banka Slovenska (National Bank of Slovakia) – in accordance with the 'Statistical Classification of Economic Activities', the NBS is included in sector 65 'Financial Intermediation, Except Insurance and Pension Funding'.



4 Tables

Selected Indicators of Economic and Monetary Development in the SR

	Unit	2006						2007						
		7	8	9	10	11	12	1	2	3	4	5	6	7
REAL ECONOMY														
Gross domestic product ^{1) 2)}	SKK billions	-	-	940.4 ^(p)	-	-	1,275.3 ^(p)	-	-	314.7 ^(p)	-	-	-	-
Year-on-year change in GDP ³⁾	%	-	-	7.8 ^(p)	-	-	8.3 ^(p)	-	-	9.0 ^(p)	-	-	-	-
Unemployment rate ^{4) 9)}	%	10.2	9.9	9.8	9.3	9.1	9.4	9.5	9.2	8.9	8.5	8.3	8.3	-
Consumer prices (HICP) ^{3) 8)}	%	5.0	5.0	4.5	3.1	3.7	3.7	2.2	2.0	2.1	2.0	1.5	1.5	1.2
Consumer prices (CPI) ³⁾	%	5.0	5.1	4.6	3.7	4.3	4.2	3.0	2.7	2.7	2.7	2.3	2.5	2.3
BALANCE OF TRADE ^{7) (p)}														
Exports (fob)	SKK millions	670,878	776,894	892,061	1,019,193	1,140,390	1,239,359	110,622	218,577	339,264	449,902	571,260	687,462	-
Imports (fob)	SKK millions	718,573	830,426	955,690	1,088,580	1,219,711	1,330,986	105,746	216,344	340,180	451,933	577,568	698,283	-
Balance	SKK millions	-47,695	-53,532	-63,630	-69,387	-79,320	-91,627	4,875	2,233	-916	-2,031	-6,308	-10,821	-
BALANCE OF PAYMENTS														
Current account ⁷⁾	SKK millions	-85,828.1	-88,365.9	-105,618.4	-113,868.7	-122,166.6	-135,597.0	8,452.7	6,356.6	-3,587.3	-3,741.0	-17,088.9	-	-
Capital and financial account	SKK millions	-29,921.4	-13,778.1	-10,303.7	-1,263.2	7,660.7	32,400.7	3,114.1	-8,469.4	56,425.6	85,406.7	94,550.7	-	-
Overall balance	SKK millions	-84,844.0	-82,462.8	-80,296.1	-81,998.3	-80,591.6	-78,095.9	20,494.8	16,710.9	76,763.8	99,653.0	98,721.4	-	-
FOREIGN EXCHANGE RESERVES ⁴⁾														
Total foreign exchange reserves	USD millions	16,499.7	16,349.2	15,876.2	15,567.4	15,479.5	15,512.9	15,851.6	15,982.6	18,365.4	19,730.8	19,687.2	19,600.5	20,387.8
NBS foreign exchange reserves	USD millions	13,140.0	13,243.1	13,234.2	13,145.5	13,371.1	13,363.8	14,004.6	14,080.5	16,605.2	17,823.1	17,657.5	17,597.5	18,044.4
GROSS EXTERNAL DEBT ⁴⁾														
Total gross external debt	USD billions	28.3	29.8	29.3	30.5	31.5	32.2	31.3	32.2	35.2	37.0	35.4	-	-
External debt per capita	USD	5,255	5,536	5,453	5,662	5,860	5,987	5,815	5,981	6,549	6,883	6,571	-	-
MONETARY INDICATORS														
Exchange rate ⁵⁾	SKK/USD	30.286	29.426	29.448	29.225	27.915	26.504	26.694	26.434	25.583	24.788	24.954	25.355	24.311
M3 monetary aggregate ^{4) 8)}	SKK billions	871.8	892.4	894.3	911.7	926.7	958.5	961.1	974.0	980.8	989.6	1,009.3	1,026.6	-
Year-on-year change in M3 ³⁾	%	11.8	13.6	12.9	13.9	16.1	15.3	16.5	16.8	16.7	16.4	18.6	19.2	-
Claims of monetary financial institutions ⁸⁾	SKK billions	829.2	843.2	850.3	878.9	885.6	895.7	887.5	889.9	900.2	910.8	936.7	954.5	-
STATE BUDGET ^{2) 4)}														
Revenue	SKK billions	166.5	188.9	212.2	240.6	262.1	291.9	27.1	46.0	70.2	107.4	121.5	145.8	185.4
Expenditure	SKK billions	171.7	194.6	217.3	241.7	269.1	323.6	24.2	54.5	82.1	108.9	134.5	156.8	181.5
Balance	SKK billions	-5.2	-5.7	-5.1	-1.1	-7.0	-31.7	2.9	-8.5	-11.9	-1.5	-13.0	-11.0	9.3
MONEY MARKET														
Interest rates set by the NBS Bank Board														
Date of validity ⁶⁾		26/07/2006	26/07/2006	27/09/2006	27/09/2006	27/09/2006	27/09/2006	27/09/2006	27/09/2006	28/03/2007	25/04/2007	25/04/2007	25/04/2007	25/04/2007
Overnight operations														
- sterilisation	%	3.00	3.00	3.25	3.25	3.25	3.25	3.25	3.25	2.50	2.25	2.25	2.25	2.25
- refinancing	%	6.00	6.00	6.25	6.25	6.25	6.25	6.25	6.25	6.00	5.75	5.75	5.75	5.75
Limit rate for 2-week repo tenders	%	4.50	4.50	4.75	4.75	4.75	4.75	4.75	4.75	4.50	4.25	4.25	4.25	4.25
Basic interest rate of the NBS (until 31/12/02: discount rate)	%	4.50	4.50	4.75	4.75	4.75	4.75	4.75	4.75	4.50	4.25	4.25	4.25	4.25
Average interbank deposit rate (BRIBOR)														
overnight	%	3.83	4.11	4.85	4.59	4.02	5.03	3.63	5.61	3.80	2.99	3.61	4.68	3.73
7-day	%	4.11	4.49	4.68	4.79	4.67	4.82	4.11	4.93	4.11	3.47	4.11	4.34	4.19
14-day	%	4.22	4.54	4.66	4.84	4.77	4.81	4.24	4.82	4.25	3.64	4.18	4.30	4.25
1-month	%	4.50	4.63	4.72	4.93	4.86	4.83	4.44	4.75	4.40	3.88	4.20	4.27	4.28
2-month	%	4.75	4.77	4.88	4.99	4.92	4.84	4.50	4.67	4.52	3.98	4.17	4.26	4.32
3-month	%	4.92	4.93	4.95	5.02	4.94	4.82	4.50	4.60	4.48	4.05	4.16	4.27	4.34
6-month	%	5.18	5.22	5.19	5.06	4.96	4.80	4.47	4.49	4.44	4.10	4.16	4.27	4.37
9-month	%	5.35	5.34	5.28	5.09	4.96	4.78	4.42	4.40	4.41	4.13	4.18	4.28	4.40
12-month	%	5.47	5.43	5.36	5.11	4.94	4.76	4.41	4.36	4.39	4.16	4.20	4.30	4.42

(p) Preliminary data.

1) Constant 2000 prices.

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

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

8) According to the methodology of the ECB.

9) 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 %) ¹⁾	Volume (SKK billions)												
		2006							2007					
		6	7	8	9	10	11	12	1	2	3	4	5	6
Claims of MFIs on residents	44.5	592.4	589.1	598.3	602.6	631.1	636.7	646.4	653.5	658.1	667.7	674.6	690.3	706.9
General government	1.3	23.0	23.0	23.0	17.2	17.8	17.7	18.8	18.6	21.4	23.4	24.3	23.0	21.1
Private sector	43.2	569.4	566.1	575.3	585.3	613.3	618.9	627.6	635.0	636.7	644.3	650.3	667.4	685.8
Non-financial corporations	22.5	299.3	291.2	295.7	300.9	323.5	324.0	326.5	331.1	331.6	333.2	337.6	346.7	357.5
– up to 1 year	10.0	133.8	126.6	127.0	130.2	137.1	136.3	135.0	136.2	140.3	144.3	142.3	146.3	158.4
– 1 to 5 years	4.3	56.7	54.5	56.2	56.0	64.0	65.0	64.0	65.0	65.7	64.2	68.5	69.2	67.5
– over 5 years	8.3	108.8	110.1	112.5	114.7	122.5	122.7	127.4	129.9	125.6	124.7	126.8	131.3	131.6
Financial corporations	3.9	61.3	61.2	60.8	60.5	60.6	61.4	63.0	62.9	60.8	61.6	59.6	60.4	61.2
Insurance corporations and pension funds	0.0	0.0	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	16.8	208.5	213.5	218.6	223.6	228.8	233.3	237.9	240.7	243.9	249.2	252.8	260.0	266.9
– consumer loans	2.4	32.6	33.0	33.5	34.3	35.1	35.7	36.0	36.3	36.7	37.5	36.7	37.4	38.2
– housing loans	11.2	136.1	139.4	142.9	145.9	149.2	152.2	156.7	159.6	161.7	164.8	168.4	173.4	177.9
– other loans	3.2	39.8	41.2	42.2	43.4	44.5	45.4	45.2	44.8	45.5	46.9	47.7	49.2	50.8
Securities other than shares and participation certificates issued by residents	15.2	234.9	234.4	239.4	242.1	242.3	243.3	243.8	228.1	225.6	226.3	230.0	239.4	240.6
General government	14.7	225.9	225.5	230.5	233.6	233.8	234.9	236.0	220.7	218.2	218.9	222.7	232.5	233.9
Private sector	0.4	9.0	8.9	8.8	8.5	8.4	8.4	7.8	7.5	7.4	7.4	7.3	6.9	6.7
Shares and other equities issued by private sector	0.4	5.7	5.6	5.6	5.6	5.6	5.6	5.6	5.9	6.2	6.2	6.2	6.9	7.0
Foreign assets	34.4	607.8	524.1	529.9	512.9	492.4	460.4	452.4	478.4	468.2	508.8	542.3	544.6	545.9
Fixed assets	2.0	33.0	33.1	32.9	32.7	32.7	32.6	34.2	33.3	33.0	33.1	32.8	32.6	32.3
Other assets	3.4	46.3	43.0	44.3	42.7	48.7	55.7	57.2	50.5	51.1	53.6	54.5	55.4	54.4
Deposits and loans received from the central government	4.3	106.0	99.6	95.5	84.8	88.8	83.7	45.0	20.8	15.5	17.6	43.6	64.0	68.8
Long-term financial liabilities	10.4	192.9	194.2	191.2	190.3	182.3	172.5	169.6	174.2	167.4	156.3	157.7	161.5	165.3
Deposits and loans received with an agreed maturity of over 2 years	4.4	61.0	61.9	62.1	62.4	62.6	62.9	66.7	67.4	69.1	68.7	68.1	68.5	69.2
Deposits redeemable at a period of notice of over 3 months	1.5	26.1	25.8	25.3	25.0	24.7	24.4	24.3	24.0	23.8	23.6	23.7	23.6	23.7
Debt securities issued with a maturity of over 2 years	2.4	24.9	25.1	25.5	25.9	27.6	28.8	31.6	31.7	30.9	32.0	33.8	34.5	37.5
Capital, reserves, and provisions	2.2	80.9	81.4	78.3	77.0	67.3	56.3	47.0	51.1	43.7	32.1	32.2	34.9	35.0
Foreign liabilities	16.0	305.2	212.4	219.5	216.5	208.3	182.0	196.3	225.5	208.4	258.1	270.4	256.8	254.4
Other liabilities	4.8	54.9	51.3	52.0	52.8	64.7	69.5	71.8	68.3	77.2	83.5	80.8	78.5	76.4
Surplus of liabilities among MFIs	-0.3	-0.1	0.0	0.0	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.5	-2.0	-0.9	-4.3
M3	64.7	861.2	871.8	892.4	894.3	911.7	926.7	958.5	961.1	974.0	980.8	989.6	1009.3	1026.6
Total	100.0	1,520.2	1,429.3	1,450.4	1,438.6	1,452.7	1,434.2	1,439.6	1,449.7	1,442.3	1,495.7	1,540.2	1,569.3	1,587.2

1) In the current month.



Average Interest Rates on New Loans

(ECB methodology)

(%)

	2006							2007					
	6	7	8	9	10	11	12	1	2	3	4	5	6
Loans in total¹⁾	7.40	7.71	8.05	8.22	8.16	7.85	7.73	7.94	7.92	7.50	7.64	7.66	7.76
Current account overdrafts	7.63	7.81	7.96	8.35	8.25	8.08	8.22	7.99	8.24	7.73	7.66	7.94	8.00
Operation loans	4.74	5.35	5.42	5.53	5.66	5.15	5.32	5.32	5.72	4.92	4.43	4.97	4.97
Investment loans	6.18	6.45	6.60	6.69	6.41	6.44	6.17	6.10	6.06	5.93	5.41	5.72	5.46
Consumer loans	13.66	13.13	13.62	13.09	12.77	13.94	13.67	12.76	13.01	14.11	13.79	12.86	12.44
Real estate loans	5.92	6.09	6.39	6.53	6.62	6.58	6.52	6.49	6.11	6.13	6.21	6.06	5.96
of which:													
Mortgage loans	5.39	5.68	6.11	6.18	6.33	6.35	6.46	6.36	6.40	6.30	6.09	5.93	5.79
Construction loans	5.01	5.19	5.00	5.03	5.12	4.91	4.79	5.02	4.97	4.88	5.03	4.91	4.94
Intermediate loans	6.59	6.54	6.35	6.41	6.78	6.90	6.87	6.64	7.00	6.84	6.92	6.88	6.87
Other real estate loans	6.07	6.20	6.75	6.97	6.86	6.61	6.49	6.55	5.90	5.95	6.11	5.97	5.89
Other loans	6.36	6.51	7.13	6.89	6.26	7.08	6.63	6.13	6.33	6.29	6.18	6.80	6.41
Floating rate + IRF for up to 1 year incl.	7.40	7.71	8.10	8.25	8.21	7.84	7.80	7.95	7.95	7.53	7.64	7.70	7.78
IRF for over 1 year and up to 5 years incl.	7.95	7.82	7.63	7.75	7.56	8.34	7.05	7.61	7.13	7.82	7.42	6.77	7.15
IRF for over 5 years and up to 10 years incl.	7.03	7.26	7.32	7.50	7.70	7.65	8.06	7.99	8.03	6.40	8.25	8.45	8.87
IRF for over 10 years	6.01	6.72	6.63	6.94	6.99	6.94	6.02	6.77	7.12	6.52	7.40	6.56	6.26
Households													
Loans in total	11.42	12.16	12.32	12.56	12.57	12.82	12.54	12.85	12.80	12.56	12.29	12.22	12.16
Current account overdrafts	13.05	13.15	13.51	13.57	13.65	13.54	13.44	13.54	13.64	13.56	13.41	13.78	13.84
Operation loans	6.47	7.38	7.30	6.09	6.78	6.98	6.83	6.65	6.72	6.45	6.99	6.98	7.11
Investment loans	6.91	7.55	7.60	7.25	7.51	7.13	7.02	7.02	7.27	6.66	6.59	6.51	6.62
Consumer loans	13.66	13.13	13.62	13.23	12.77	13.95	13.67	12.76	13.03	14.11	13.79	12.89	12.44
Real estate loans	5.92	6.09	6.41	6.54	6.67	6.69	6.76	6.59	6.62	6.50	6.29	6.17	6.06
of which:													
Mortgage loans	5.39	5.68	6.11	6.16	6.33	6.34	6.45	6.32	6.41	6.29	6.08	5.92	5.79
Construction loans	5.01	5.19	5.00	5.03	5.12	4.91	4.79	5.02	4.97	4.88	5.03	4.91	4.94
Intermediate loans	6.62	6.54	6.41	6.44	6.84	7.03	6.90	6.73	7.00	6.85	6.95	6.91	6.92
Other real estate loans	6.06	6.20	6.76	7.01	7.00	6.86	7.02	6.96	6.68	6.63	6.29	6.18	6.08
Other loans	6.49	6.60	7.08	7.34	7.84	7.38	7.46	7.41	7.22	7.19	7.11	7.34	6.75
Credit cards	15.81	18.04	18.09	18.17	18.03	17.80	17.27	17.28	17.29	17.05	16.99	16.82	16.94
Floating rate + IRF for up to 1 year incl.	12.15	12.85	13.27	13.35	13.33	13.47	13.18	13.48	13.51	13.37	12.96	12.90	12.86
IRF for over 1 year and up to 5 years incl.	8.46	8.30	8.24	8.65	8.83	9.38	8.86	8.27	8.39	8.22	7.90	7.73	7.58
IRF for over 5 years and up to 10 years incl.	7.74	7.58	7.64	7.96	8.20	8.56	8.49	8.66	8.59	8.68	9.49	9.74	9.59
IRF for over 10 years	5.99	6.89	6.63	6.95	7.18	6.90	7.02	7.15	7.19	7.07	7.89	8.07	7.51
Non-financial corporations													
Loans in total	5.93	6.24	6.33	6.76	6.62	6.26	6.37	6.21	6.49	5.92	5.82	5.93	6.05
Current account overdrafts	6.04	6.28	6.38	6.89	6.73	6.53	6.60	6.33	6.66	6.04	5.93	6.00	6.24
Operation loans	4.87	5.59	5.41	5.66	5.71	5.08	5.32	5.40	5.72	4.96	4.66	4.94	4.97
Investment loans	6.00	6.37	6.53	6.70	6.64	6.71	6.31	5.79	6.01	5.92	5.39	5.92	5.39
Real estate loans	6.24	5.85	5.99	6.07	6.80	6.12	6.29	6.17	6.88	5.83	5.93	5.78	5.79
Other loans	6.32	6.12	7.05	6.59	5.98	6.75	6.49	5.74	5.80	5.55	5.89	6.54	6.06
Credit cards	14.22	17.24	17.12	16.49	17.47	16.68	17.27	17.22	17.29	17.08	17.12	16.37	17.58
Loans up 1 million EUR	6.17	6.49	6.35	7.45	6.80	6.31	6.39	6.26	6.24	6.13	5.75	6.34	6.09
Loans over 1 million EUR	4.96	5.63	5.72	5.36	5.54	5.29	5.79	5.25	5.70	5.21	4.95	5.06	5.15
Floating rate + IRF for up to 1 year incl.	5.93	6.23	6.33	6.77	6.63	6.25	6.37	6.21	6.49	5.92	5.81	5.93	6.05
IRF for over 1 year and up to 5 years incl.	6.13	6.56	6.48	6.74	6.57	6.73	6.46	6.24	6.55	6.53	6.34	5.74	6.24
IRF for over 5 years and up to 10 years incl.	5.53	6.46	6.25	6.74	6.52	6.51	6.50	6.48	6.41	5.82	5.61	5.48	6.22
IRF for over 10 years	6.43	6.31	6.56	6.81	6.64	7.94	5.83	6.24	7.04	5.97	6.23	5.83	5.64

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)

(%)

	2006							2007					
	6	7	8	9	10	11	12	1	2	3	4	5	6
Deposits in total ¹⁾	2.01	1.91	2.09	2.37	2.46	2.35	2.32	2.12	2.40	1.81	1.85	2.12	2.43
Deposits payable on demand	1.12	0.93	0.83	1.27	1.02	0.95	1.02	1.02	1.31	0.86	0.77	0.88	1.28
of which: demand deposits	0.78	0.73	0.69	0.92	0.82	0.76	0.79	0.83	0.95	0.71	0.68	0.78	0.93
overnight deposits	4.39	2.69	3.18	5.53	3.92	3.17	3.65	3.12	4.26	2.19	2.12	2.02	4.61
Deposits with agreed maturity ²⁾	3.81	3.65	3.99	4.29	4.43	4.36	4.40	3.74	4.44	3.36	3.33	3.89	4.06
- up to 1 year in total	3.82	3.66	3.99	4.29	4.43	4.36	4.40	3.74	4.45	3.36	3.33	3.89	4.06
- up to 7 days	4.10	3.24	3.27	4.57	3.98	3.68	4.00	3.47	4.61	2.72	2.34	3.33	4.10
- up to 1 month	3.80	3.80	4.24	4.27	4.57	4.52	4.55	3.83	4.50	3.65	3.57	4.02	4.09
- up to 3 months	3.01	3.49	3.67	3.58	3.88	3.98	3.92	3.78	3.75	3.63	2.87	3.22	3.28
- up to 6 months	2.90	3.74	3.75	3.81	3.98	3.66	3.87	3.90	3.77	3.66	3.43	2.97	2.95
- up to 1 year	3.27	3.43	3.92	3.73	3.90	3.64	3.90	3.65	3.56	3.21	3.29	3.48	3.41
- over 1 year in total	2.37	2.48	3.88	3.84	3.86	3.94	3.72	3.39	2.29	2.35	2.02	2.77	2.27
- up to 2 years	2.60	3.50	3.89	3.75	3.93	4.06	4.07	3.62	3.03	2.24	3.07	2.78	2.92
- over 2 years	2.37	2.45	3.97	4.04	3.99	3.99	4.00	3.41	2.28	3.80	1.94	2.86	2.20
Deposits redeemable at notice	1.23	1.54	1.65	1.75	1.79	1.81	1.83	1.79	1.82	1.82	1.78	1.84	1.71
- up to 3 months	1.09	1.45	1.47	1.47	1.54	1.55	1.55	1.48	1.49	1.48	1.39	1.50	1.25
- over 3 months	1.30	1.59	1.75	1.89	1.91	1.93	1.97	1.93	1.98	1.98	1.95	1.99	1.90
Households													
Deposits in total	0.96	0.99	1.10	1.16	1.21	1.13	1.18	1.16	1.18	1.07	0.98	1.02	1.00
Deposits payable on demand	0.51	0.50	0.51	0.54	0.51	0.50	0.50	0.51	0.58	0.54	0.51	0.54	0.51
of which: demand deposits	0.45	0.47	0.49	0.49	0.48	0.47	0.48	0.49	0.48	0.52	0.50	0.53	0.46
overnight deposits	3.97	2.41	2.83	5.02	3.73	3.09	3.11	2.86	4.00	2.08	1.75	1.75	4.31
Deposits with agreed maturity	3.21	3.16	3.59	3.85	3.92	3.83	3.91	3.57	3.86	3.17	2.86	3.22	3.47
- up to 1 year in total	3.23	3.20	3.58	3.85	3.92	3.83	3.92	3.58	3.93	3.17	2.86	3.23	3.49
- up to 7 days	3.69	2.79	3.11	4.29	3.69	3.34	3.83	3.62	4.38	2.85	2.48	3.20	3.76
- up to 1 month	3.13	3.17	3.49	3.65	3.90	3.90	3.90	3.39	3.89	3.16	2.86	3.29	3.49
- up to 3 months	2.82	3.15	3.29	3.33	3.65	3.58	3.66	3.73	3.47	3.30	2.65	2.90	3.03
- up to 6 months	2.76	3.29	3.54	3.70	3.59	3.52	3.54	3.14	3.21	3.19	2.69	2.75	2.91
- up to 1 year	3.10	3.77	4.00	4.05	3.97	4.01	3.98	3.77	3.66	3.33	3.44	3.03	3.08
- long-term over 1 year	2.38	2.19	3.89	3.90	3.86	3.90	3.67	3.39	2.29	2.61	2.43	2.77	2.29
- up to 2 years	3.00	3.44	3.89	3.95	3.93	3.99	3.95	3.65	3.09	2.28	3.07	2.79	3.31
- over 2 years	2.35	2.14	3.89	3.86	4.04	3.74	3.61	3.37	2.27	3.24	2.31	2.77	2.16
Deposits redeemable at notice	1.22	1.54	1.65	1.75	1.78	1.81	1.83	1.79	1.82	1.82	1.78	1.83	1.71
- up to 3 months	1.07	1.43	1.45	1.46	1.52	1.54	1.54	1.46	1.47	1.46	1.36	1.47	1.23
- over 3 months	1.30	1.59	1.75	1.89	1.91	1.93	1.97	1.93	1.98	1.98	1.95	1.99	1.90
Non-financial corporations													
Deposits in total	2.51	2.11	2.34	3.00	2.87	2.69	2.70	2.58	3.09	2.17	2.12	2.47	3.09
Deposits payable on demand	1.62	1.10	1.05	1.98	1.47	1.30	1.32	1.42	1.94	1.11	0.99	1.15	2.12
of which: demand deposits	1.01	0.72	0.78	1.35	1.12	0.98	1.02	1.10	1.41	0.89	0.84	0.97	1.52
overnight deposits	4.44	2.71	3.18	5.58	3.98	3.14	3.70	3.18	4.52	2.14	2.11	2.11	4.60
Deposits with agreed maturity	3.95	3.66	3.90	4.41	4.42	4.34	4.39	3.73	4.52	3.36	3.23	3.91	4.09
- up to 1 year in total	3.95	3.66	3.90	4.41	4.42	4.34	4.39	3.73	4.52	3.36	3.23	3.91	4.09
- up to 7 days	4.17	3.31	3.28	4.58	4.00	3.68	3.99	3.44	4.64	2.73	2.32	3.38	4.10
- up to 1 month	3.83	3.82	4.21	4.34	4.59	4.54	4.58	3.82	4.52	3.64	3.49	4.06	4.09
- up to 3 months	3.57	3.89	4.08	4.11	4.26	4.43	4.37	3.89	4.06	4.04	3.16	3.51	3.65
- up to 6 months	3.70	4.21	4.54	4.20	4.72	4.19	4.39	4.02	4.05	4.03	3.97	3.66	3.35
- up to 1 year	3.78	2.59	4.29	3.87	4.51	4.21	4.05	3.55	3.70	3.06	3.20	3.68	3.71
- long-term over 1 year	2.63	3.53	1.99	5.29	2.02	4.25	3.19	2.80	2.55	2.54	3.00	2.55	1.91
- up to 2 years	4.05	4.91	-	2.56	2.39	4.38	3.28	3.23	2.84	2.66	-	2.00	-
- over 2 years	1.54	3.52	1.99	8.40	1.98	2.42	2.62	1.98	1.32	1.50	3.00	2.66	1.91
Deposits redeemable at notice	1.96	1.95	1.92	1.91	2.13	2.27	2.08	2.30	2.33	2.40	2.86	2.98	1.83
- up to 3 months	2.01	2.00	1.96	1.96	2.19	2.23	2.14	2.38	2.42	2.48	2.96	3.11	1.94
- over 3 months	1.21	1.21	1.21	1.21	1.20	2.83	1.20	1.19	1.19	1.21	1.36	1.65	0.68

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 non-negotiable securities (according to the ECB methodology).

Note: Deposits in total include also repo operations and other non-negotiable securities.



Average Interest Rates on Outstanding Loans

(%)

	2006							2007					
	6	7	8	9	10	11	12	1	2	3	4	5	6
Loans in total¹⁾	6.40	6.55	6.66	6.87	6.90	6.90	6.91	6.83	6.90	6.83	6.74	6.86	6.86
Current account overdrafts	7.58	7.79	7.93	8.34	8.28	8.07	8.22	8.02	8.24	7.73	7.54	7.94	8.03
Consumer loans	12.63	12.68	12.74	12.86	12.85	12.89	12.94	12.96	12.99	13.12	13.37	13.38	13.37
Operation loans	4.81	4.98	5.19	5.30	5.38	5.35	5.29	5.10	5.23	4.95	4.74	4.80	4.79
Investment loans	5.18	5.41	5.57	5.83	5.92	5.94	5.86	5.70	5.68	5.55	5.52	5.48	5.46
Real estate purchase loans	6.20	6.22	6.25	6.28	6.35	6.39	6.42	6.44	6.46	6.56	6.55	6.59	6.59
Other loans	5.40	5.59	5.76	6.08	6.06	6.20	6.27	6.15	6.22	6.25	5.88	5.99	5.95
Credit cards	16.08	18.05	18.06	18.13	18.07	17.82	17.30	17.31	17.34	17.08	17.01	16.81	16.95
Short-term loans	6.42	6.69	6.88	7.13	7.17	7.01	7.01	6.87	7.04	6.69	6.52	6.90	6.91
Long-term loans over 1 year and up to 5 years	7.47	7.56	7.67	7.99	7.99	7.97	7.99	7.87	7.86	7.91	7.95	8.01	8.06
Long-term loans over 5 years	5.92	6.03	6.12	6.27	6.32	6.40	6.42	6.41	6.44	6.50	6.41	6.43	6.42
Households													
Loans in total	7.91	7.95	8.00	8.05	8.09	8.11	8.12	8.13	8.17	8.29	8.28	8.34	8.32
Current account overdrafts	12.91	13.10	13.43	13.45	13.64	13.43	13.44	13.54	13.65	13.56	13.39	13.78	13.95
Consumer loans	12.63	12.68	12.74	12.86	12.85	12.89	12.95	12.96	12.99	13.12	13.38	13.40	13.38
Real estate purchase loans	6.26	6.26	6.29	6.31	6.34	6.39	6.42	6.44	6.49	6.65	6.66	6.69	6.67
Other loans	6.93	6.94	7.02	7.08	7.21	7.24	7.28	7.29	7.31	7.21	7.20	7.20	7.17
Credit cards	16.14	18.07	18.09	18.17	18.08	17.85	17.30	17.32	17.35	17.09	17.01	16.83	16.94
Short-term loans	12.69	13.14	13.49	13.57	13.72	13.53	13.57	13.63	13.76	13.61	13.53	13.80	13.93
Long-term loans over 1 year and up to 5 years	10.99	10.99	11.05	11.13	11.11	11.15	11.15	11.15	11.12	11.26	11.23	11.22	11.20
Long-term loans over 5 years	6.41	6.44	6.48	6.53	6.59	6.65	6.69	6.72	6.78	6.92	6.94	6.98	6.97
Non-financial institutions													
Loans in total	5.41	5.65	5.82	6.14	6.16	6.13	6.11	5.95	6.05	5.80	5.58	5.71	5.75
Current account overdrafts	6.00	6.25	6.36	6.91	6.78	6.56	6.60	6.38	6.66	6.05	5.78	6.00	6.24
Operation loans	4.92	5.11	5.33	5.45	5.52	5.47	5.37	5.11	5.25	4.94	4.63	4.72	4.79
Investment loans	5.31	5.56	5.74	5.97	6.07	6.09	6.00	5.84	5.83	5.69	5.58	5.53	5.50
Real estate purchase loans	5.30	5.56	5.55	5.83	6.53	6.53	6.49	6.42	6.35	6.20	6.05	6.09	6.17
Other loans	5.31	5.53	5.77	6.06	5.89	6.13	6.15	5.97	6.09	6.19	5.75	6.09	5.87
Credit cards	14.49	17.24	17.12	16.49	17.47	16.68	17.27	17.23	17.30	17.08	17.12	16.34	17.37
Short-term loans	5.45	5.70	5.85	6.26	6.24	6.10	6.08	5.88	6.07	5.66	5.42	5.68	5.79
Long-term loans over 1 year and up to 5 years	5.69	5.91	6.14	6.31	6.41	6.35	6.38	6.19	6.24	6.13	5.88	5.94	5.99
Long-term loans over 5 years	5.20	5.45	5.61	5.88	5.94	6.04	6.02	5.92	5.91	5.79	5.62	5.60	5.57

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.



Average Interest Rates on Outstanding Deposits

(%)

	2006							2007					
	6	7	8	9	10	11	12	1	2	3	4	5	6
Deposits in total ¹⁾	2.02	1.94	2.11	2.39	2.38	2.32	2.34	2.18	2.45	1.97	2.03	2.23	2.46
Deposits payable on demand	1.12	0.86	0.82	1.26	1.01	0.95	1.02	1.01	1.28	0.86	0.77	0.88	1.29
of which: demand deposits	0.77	0.66	0.69	0.90	0.81	0.75	0.79	0.82	0.94	0.71	0.68	0.78	0.93
overnight deposits	4.39	2.68	3.19	5.54	3.93	3.17	3.65	3.11	4.02	2.19	2.13	1.95	4.76
Deposits with agreed maturity ²⁾	2.91	2.92	3.16	3.36	3.46	3.45	3.54	3.22	3.52	2.96	3.01	3.28	3.38
– up to 1 year in total	2.98	2.99	3.28	3.51	3.62	3.61	3.74	3.36	3.73	3.04	3.09	3.41	3.52
– up to 7 days	3.83	2.85	3.16	4.82	3.88	3.52	3.55	3.22	3.99	2.38	2.38	3.12	4.05
– up to 1 month	3.39	3.44	3.76	3.83	4.09	4.07	4.05	3.43	3.99	3.07	3.21	3.65	3.70
– up to 3 months	2.15	2.45	2.72	2.78	2.85	2.92	2.93	3.03	3.05	2.99	2.60	2.48	2.39
– up to 6 months	2.12	2.41	2.69	2.94	3.07	3.19	3.28	3.41	3.39	3.36	3.26	2.93	2.88
– up to 1 year	1.12	1.29	1.68	1.90	2.08	2.20	3.35	3.42	3.43	3.49	3.53	3.58	3.57
– over 1 year in total	2.56	2.55	2.55	2.55	2.56	2.57	2.57	2.55	2.57	2.58	2.59	2.57	2.56
– up to 2 years	2.30	2.36	2.52	2.83	3.07	3.26	3.28	3.32	3.27	3.10	3.19	3.17	3.18
– over 2 years	2.57	2.55	2.55	2.55	2.55	2.55	2.55	2.53	2.54	2.56	2.58	2.55	2.54
Deposits redeemable at notice	1.23	1.54	1.65	1.75	1.79	1.81	1.83	1.78	1.82	1.82	1.78	1.81	1.71
– up to 3 months	1.09	1.45	1.47	1.47	1.54	1.55	1.55	1.46	1.49	1.48	1.39	1.50	1.26
– over 3 months	1.30	1.59	1.75	1.89	1.91	1.93	1.97	1.93	1.98	1.98	1.95	1.94	1.90
Households													
Deposits in total	1.43	1.51	1.64	1.74	1.79	1.81	1.87	1.84	1.91	1.82	1.74	1.76	1.74
Deposits payable on demand	0.51	0.50	0.51	0.54	0.51	0.50	0.50	0.51	0.57	0.54	0.51	0.54	0.51
of which: demand deposits	0.45	0.47	0.49	0.49	0.48	0.47	0.48	0.49	0.48	0.52	0.50	0.53	0.46
overnight deposits	3.97	2.41	2.83	5.02	3.73	3.09	3.11	2.86	3.94	2.08	1.75	1.80	4.40
Deposits with agreed maturity	2.33	2.42	2.61	2.74	2.83	2.87	2.92	2.87	2.94	2.81	2.70	2.71	2.72
– up to 1 year in total	2.21	2.36	2.65	2.83	2.94	3.00	3.07	3.01	3.11	2.91	2.74	2.77	2.79
– up to 7 days	2.80	2.19	2.22	3.62	3.01	2.54	2.84	2.58	3.48	1.90	1.68	2.73	3.30
– up to 1 month	2.20	2.33	2.51	2.56	2.71	2.72	2.76	2.58	2.73	2.46	2.17	2.28	2.36
– up to 3 months	2.03	2.25	2.50	2.59	2.69	2.72	2.75	2.85	2.85	2.79	2.48	2.31	2.21
– up to 6 months	2.01	2.24	2.53	2.76	2.90	3.03	3.10	3.12	3.10	3.03	2.95	2.85	2.79
– up to 1 year	2.09	2.45	3.01	3.26	3.40	3.53	3.62	3.69	3.71	3.75	3.76	3.75	3.75
– long-term over 1 year	2.57	2.54	2.54	2.55	2.56	2.57	2.57	2.55	2.57	2.58	2.60	2.57	2.56
– up to 2 years	2.24	2.32	2.53	2.92	3.17	3.38	3.44	3.49	3.44	3.47	3.38	3.29	3.30
– over 2 years	2.57	2.55	2.54	2.54	2.55	2.55	2.55	2.52	2.54	2.56	2.59	2.56	2.55
Deposits redeemable at notice	1.22	1.54	1.65	1.75	1.78	1.81	1.83	1.78	1.82	1.82	1.77	1.80	1.71
– up to 3 months	1.07	1.43	1.45	1.46	1.52	1.54	1.54	1.45	1.47	1.46	1.36	1.47	1.24
– over 3 months	1.30	1.59	1.75	1.89	1.91	1.93	1.97	1.93	1.98	1.98	1.95	1.94	1.90
Non-financial corporations													
Deposits in total	2.43	2.09	2.34	3.03	2.80	2.60	2.56	2.48	3.03	2.08	2.14	2.42	3.02
Deposits payable on demand	1.62	1.10	1.05	1.98	1.47	1.30	1.32	1.41	1.89	1.11	0.99	1.13	2.15
of which: demand deposits	1.01	0.72	0.78	1.35	1.12	0.98	1.02	1.09	1.40	0.89	0.84	0.96	1.52
overnight deposits	4.44	2.71	3.18	5.58	3.98	3.15	3.70	3.18	4.26	2.14	2.11	2.04	4.76
Deposits with agreed maturity	3.72	3.58	3.86	4.35	4.34	4.28	4.24	3.72	4.36	3.20	3.28	3.81	3.97
– up to 1 year in total	3.73	3.58	3.87	4.36	4.35	4.29	4.25	3.73	4.37	3.20	3.28	3.81	3.98
– up to 7 days	4.02	3.00	3.35	5.13	4.07	3.68	3.58	3.33	4.15	2.42	2.55	3.23	4.10
– up to 1 month	3.70	3.72	4.07	4.20	4.45	4.40	4.45	3.76	4.49	3.31	3.43	3.97	3.98
– up to 3 months	3.09	3.56	3.78	3.90	3.97	4.16	4.12	3.83	4.00	3.86	3.28	3.27	3.35
– up to 6 months	3.08	3.22	3.34	3.91	4.11	4.24	4.41	3.98	3.99	4.03	3.98	3.70	3.62
– up to 1 year	2.96	2.92	3.10	3.34	3.66	3.65	3.85	3.63	3.72	3.69	3.71	3.69	3.71
– long-term over 1 year	2.47	2.86	2.80	2.82	2.85	3.01	2.93	2.83	2.67	2.50	2.45	2.39	2.34
– up to 2 years	2.69	2.77	2.69	2.69	2.74	3.39	3.18	3.16	3.07	2.94	2.86	3.23	3.18
– over 2 years	2.36	2.88	2.82	2.85	2.87	2.86	2.85	2.71	2.51	2.32	2.30	2.28	2.24
Deposits redeemable at notice	1.96	1.95	1.92	1.91	2.13	2.27	2.08	1.96	2.33	2.40	2.86	2.98	1.83
– up to 3 months	2.01	2.00	1.96	1.96	2.19	2.23	2.14	2.01	2.42	2.48	2.96	3.11	1.94
– over 3 months	1.21	1.21	1.21	1.21	1.20	2.83	1.20	1.19	1.19	1.21	1.36	1.65	0.68

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 non-negotiable securities (according to the ECB methodology).

Note: Deposits in total include also repo operations and other non-negotiable securities.



Shortened Balance Sheet of Commercial Banks as at 30 June 2007

(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	nerezidenti	
Total assets	59,418,777	1,333,139,305	50,322,128	180,296,246	60,513,156	1,564,852,058
Cash items	0	12,661,017	0	-35,778	3,423,157	16,048,396
Cash in hand	0	11,506,058	0	0	3,296,398	14,802,456
of which: EUR	0	0	0	0	1,617,423	1,617,423
Gold	0	0	0	0	0	0
Amounts in transit	0	1,154,959	0	-35,778	126,759	1,245,940
Loans and other receivables	22,628,232	861,336,348	21,679,050	159,714,776	36,762,231	1,056,864,173
Deposits and loans to NBS, foreign central banks and post office banks	0	273,485,814	0	0	107,318	273,593,132
of which: Valued on an individual basis						
with no identifiable depreciation (category I)	0	214,660,598	0	0	107,318	214,767,916
Valued on a portfolio basis (category II)	0	58,825,216	0	0	0	58,825,216
Valued on an individual basis						
with identifiable depreciation (category III)	0	0	0	0	0	0
of which: Failed	0	0	0	0	0	0
of which: Current accounts	0	1,310,539	0	0	107,202	1,417,741
Time deposits	0	1,305,164	0	0	0	1,305,164
Loans provided	0	240,767,049	0	0	0	240,767,049
Money reserve accounts	0	30,103,062	0	0	0	30,103,062
of which: Minimum reserve requirements	0	29,975,091	0	0	0	29,975,091
Postal cheque accounts	0	0	0	0	116	116
Deposits and loans to banks	82,978	31,895,729	15,677,891	3,871,084	18,577,194	69,938,920
of which: Valued on an individual basis						
with no identifiable depreciation (category I)	2,905	28,836,424	15,218,653	3,851,565	15,311,573	63,215,310
Valued on a portfolio basis (category II)	1,856	2,897,987	459,238	19,519	2,533,247	5,908,135
Valued on an individual basis						
with identifiable depreciation (category III)	78,217	161,318	0	0	732,374	815,475
of which: Failed	40,344	40,366	0	0	0	22
of which: Deposits with and loans to own financial group	158	879,955	7,677,562	0	7,981,880	16,539,239
of which: Current accounts in banks	0	493,594	240,197	113,827	3,941,534	4,789,152
Current accounts of other banks	55	123,290	3,913,628	0	2,349,996	6,386,859
Time deposits	1,387	27,987,408	11,523,304	3,756,912	8,046,912	51,313,149
Loans provided	81,536	2,715,909	0	0	3,997,713	6,632,086
Other receivables from banks	0	575,528	762	345	241,039	817,674
Receivables from customers	22,536,639	541,317,628	6,001,144	149,552,011	17,310,933	691,645,077
of which: Valued on an individual basis						
with no identifiable depreciation (category I)	0	146,501,512	4,300,807	76,413,312	10,532,112	237,747,743
Valued on a portfolio basis (category II)	13,367,552	373,061,511	1,413,548	67,362,748	5,873,787	434,344,042
Valued on an individual basis						
with identifiable depreciation (category III)	9,169,087	21,754,605	286,789	5,775,951	905,034	19,553,292
of which: Failed	16,047,013	20,948,021	156,438	1,136,654	616,662	6,810,762
of which: MMIF loans	0	0	0	0	0	0
Loans to general government and international organizations (S.13)	8,615	14,637,177	15	6,291,681	173,309	21,093,567
of which: Valued on an individual basis						
with no identifiable depreciation (category I)	6,092	8,873,449	15	5,806,051	0	14,673,423
Valued on a portfolio basis (category II)	2,523	5,735,566	0	485,630	173,309	6,391,982
Valued on an individual basis						
with identifiable depreciation (category III)	0	28,162	0	0	0	28,162
of which: Failed	4	5	0	0	0	1
of which: Deposits to central government (S.1311)	0	0	0	0	0	0
Loans to central government (S.1311)	1	4,445,407	15	55,692	173,309	4,674,422
of which: SR Treasury	0	1	0	0	0	1
Other funds	0	0	0	0	0	0
Loans to local governments (S.1313)	8,614	10,102,697	0	6,235,989	0	16,330,072
Loans to social security funds (S.1314)	0	89,073	0	0	0	89,073
of which: Health insurance companies	0	0	0	0	0	0
Social Insurance Corporation	0	89,073	0	0	0	89,073
Debt securities	0	0	0	0	593,477	593,477
Financial instruments available for sale	334,504	35,466,525	4,308,405	4,078,957	7,405,955	50,925,338
Financial instruments at fair value through profit/loss: held for trading (excluding derivatives)	0	138,426,443	1,166,950	2,384,708	1,288,041	143,266,142
Financial instruments at fair value towards profit/loss: others (from the point of settlement)	0	9,590,076	1,778,685	5,598,832	6,606,214	23,573,807
Positive fair value of derivative transactions for trading	0	6,719,777	14,364,583	-	-	21,084,360
Financial instruments held to maturity	31,369	196,299,575	5,706,626	3,379,436	4,411,014	209,765,282
Positive fair value of derivative hedge transactions	0	109,342	379,835	-	-	489,177
Change in fair value of hedged items in the portfolio of interest rate risk hedges	0	0	0	0	0	0
Subsidiary and affiliated companies, joint ventures	705,235	5,471,033	873,345	0	0	5,639,143
Funds to branches abroad	0	0	0	0	479,927	479,927
Tangible assets	23,437,307	44,662,540	0	6,590	68,765	21,300,588
Intangible assets	10,567,034	15,590,072	0	0	0	5,023,038
Other assets	924,807	3,698,937	64,649	5,168,725	67,852	8,075,356
Tax receivables	0	1,305,829	0	0	0	1,305,829
Depreciation	34,413,295	34,413,295	0	0	0	0
Non-current assets held for sale (IFRS 5)	790,289	1,801,791	0	0	0	1,011,502



Shortened Balance Sheet of Commercial Banks as at 30 June 2007

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

(SKK thousands)

LIABILITIES	Slovak koruna		Foreign currency		Total Residents
	Residents	Non-residents	Residents	nerezidenti	
Total liabilities	1,096,587,123	117,504,999	141,109,506	209,650,430	1,564,852,058
PAYABLES	1,033,332,301	70,833,013	141,037,029	207,894,801	1,453,097,144
Deposits and loans from NBS and foreign central banks	3,001,742	0	22,512	63	3,024,317
of which: Current accounts	83	0	0	0	83
Time deposits	0	0	0	0	0
Loans received	3,001,659	0	22,512	0	3,024,171
Postal cheque accounts	0	0	0	63	63
Financial liabilities valued at amortized costs	988,194,494	54,239,423	128,237,181	147,006,151	1,317,677,249
Deposits, loans and other liabilities received from banks	28,457,595	40,102,351	3,554,745	126,136,998	198,251,689
of which: Deposits and loans received from own financial group	215,279	28,077,428	16	90,900,134	119,192,857
of which: Current accounts in banks	123,285	23,987	0	7,303,306	7,450,578
Current accounts of other banks	494,845	8,152,442	114,043	291,717	9,053,047
Time deposits	24,958,648	29,941,680	3,431,836	104,471,387	162,803,551
Subordinate debts	212,294	1,319,652	0	4,666,990	6,198,936
Loans received	2,469,798	601,123	0	8,751,779	11,822,700
Other liabilities received from banks	198,725	63,467	8,866	651,819	922,877
Deposits and loans received from customers	786,802,991	10,629,966	101,474,627	9,730,624	908,638,208
of which: MMIF deposits	20,165,458	0	320	0	20,165,778
of which: Current accounts and other financial undated liabilities	302,157,042	5,893,492	53,378,016	3,407,830	364,836,380
Time deposits	435,662,085	4,649,514	42,963,402	2,176,682	485,451,683
Deposits redeemable at notice	32,838,192	54,703	1,014,514	7,648	33,915,057
Certificates of deposit	116,357	20	0	0	116,377
Loans received and financial leasing	6,104,501	0	0	2,116,125	8,220,626
Other liabilities received from customers	9,924,814	32,237	4,118,695	2,022,339	16,098,085
Deposits of general government and international organizations	88,320,742	11,232	21,214,821	425,882	109,972,677
of which: Deposits of central government (S.1311)	63,440,373	11,231	21,188,769	425,852	85,066,225
of which: Treasury	9,198,421	0	6,402,334	0	15,600,755
Other funds	7,307,974	0	5,547	0	7,313,521
of which: National Property Fund	7,300,500	0	0	0	7,300,500
Deposits of local governments (S.1313)	24,879,320	1	26,052	30	24,905,403
Deposits of social security funds (S.1314)	1,049	0	0	0	1,049
of which: Health insurance companies	1,049	0	0	0	1,049
Social Insurance Corporation	0	0	0	0	0
Securities issued by the accounting unit	84,613,166	3,495,874	1,992,988	10,712,647	100,814,675
Financial liabilities held for trading (excluding derivatives)	3,478,968	0	0	0	3,478,968
Financial liabilities in fair value through profit/loss (IAS 39)	10,818,959	4,267,268	5,835,314	60,767,645	81,689,186
of which: Current accounts	0	0	0	0	0
Time deposits	10,818,959	4,267,268	5,835,314	60,767,645	81,689,186
Deposits redeemable at notice	0	0	0	0	0
Debt securities issued	0	0	0	0	0
Loans 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 fair value of derivative transactions for trading	10,826,167	12,182,399	-	-	23,008,566
Negative fair value of derivate hedge transactions	480	88,358	-	-	88,838
Change in fair value of hedged items in the portfolio of interest rate risk hedges	0	0	0	0	0
Financial liabilities arising from the transfer of financial assets	0	0	0	0	0
Subsidies and similar funds	80,000	0	0	0	80,000
Reserves	4,662,354	91	426,121	0	5,088,566
Other liabilities	10,788,675	55,474	6,515,901	120,942	17,480,992
Tax liabilities	1,480,462	0	0	0	1,480,462
EQUITY	63,254,822	46,671,986	72,477	1,755,629	111,754,914
Share capital	3,868,902	40,133,069	0	0	44,001,971
of which: Subscribed share capital	3,874,304	40,133,069	0	0	44,007,373
Receivables from shareholders	0	0	0	0	0
Own shares	-5,402	0	0	0	-5,402
Funds to branches of foreign banks	32,000	5,977,302	0	1,768,325	7,777,627
Share premium	2,478,302	475,000	0	0	2,953,302
Reserve funds and other funds created from profits	15,726,127	119,500	0	0	15,845,627
Other funds	193,216	5,490	0	1,348	200,054
Valuation changes	263,567	-38,375	72,477	-14,044	283,625
Profit/loss from previous years	31,182,866	0	0	0	31,182,866
of which: Retained earnings	31,948,028	0	0	0	31,948,028
Accumulated loss	-765,162	0	0	0	-765,162
Profit and loss account	9,299,510	0	0	0	9,299,510
Profit/loss in process of approval	210,332	0	0	0	210,332



Monthly Profit and Loss Account of Commercial Banks

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

(SKK millions)

	2006							2007					
	6	7	8	9	10	11	12	1	2	3	4	5	6
NET INTEREST INCOME	15,601	18,717	21,689	24,727	27,855	30,980	34,591	3,298	6,056	9,317	12,243	15,557	18,800
Interest income on securities	5,966	7,085	8,227	9,298	10,406	11,492	12,637	1,202	2,344	3,472	4,538	5,715	7,013
Other interest income	25,451	30,078	34,711	39,421	44,561	49,834	55,416	5,479	9,999	15,579	20,236	25,840	31,504
Interest expenses on securities	1,391	1,655	1,948	2,234	2,535	2,857	3,186	316	659	1,014	1,303	1,640	1,987
Other interest expenses	14,426	16,791	19,300	21,758	24,577	27,489	30,276	3,067	5,629	8,720	11,227	14,358	17,729
NET NON-INTEREST INCOME	10,217	11,942	13,424	14,706	16,314	17,786	19,090	1,719	3,292	5,225	6,603	8,221	10,207
Fee and commission income	6,957	8,117	9,303	10,454	11,626	12,844	14,304	1,206	2,399	3,794	4,930	6,166	7,496
Fees and commission expenses	1,377	1,635	1,908	2,197	2,439	2,720	3,055	225	458	693	925	1,219	1,509
Dividends received	333	389	399	399	440	443	456	5	5	9	27	116	228
Income from transactions in securities	1,489	1,788	2,039	2,442	2,622	2,869	3,124	274	445	878	903	1,065	1,150
Expenses related to transactions in securities	2,435	2,481	2,601	2,517	2,614	2,649	3,025	226	299	425	541	896	1,169
Profit/loss on foreign exchange transactions	2,021	3,196	4,113	5,012	6,880	8,703	10,026	-1,978	-288	3,716	2,537	3,384	2,519
Profit/loss on fixed forward transactions and options	3,294	2,615	2,155	1,142	-160	-1,674	-2,659	2,691	1,523	-2,022	-244	-288	1,594
Income from other transactions	159	192	250	286	317	422	455	4	26	69	50	88	135
Expenses related to other transactions	224	240	327	315	358	452	536	34	62	100	134	195	237
NET OPERATING PROFIT/LOSS	-1,103	-1,254	-1,263	-1,636	-1,594	-1,433	1,400	-90	-852	-868	-910	-1,138	-1,308
GENERAL OPERATING EXPENSES	14,255	16,739	19,367	21,682	24,188	26,840	30,046	2,555	5,039	7,843	10,446	13,474	16,090
NET CREATION OF RESERVES AND PROVISIONS	-982	-1,217	-1,526	-1,806	-2,301	-2,513	-2,637	-375	287	109	-458	-438	-649
INCOME TAX	1,361	1,606	1,846	2,337	2,682	2,992	4,625	347	520	919	1,014	1,256	1,662
CURRENT PERIOD PROFIT/LOSS	8,117	9,844	11,112	11,972	13,403	14,989	17,773	1,650	3,224	5,021	6,018	7,472	9,300



Balance of Payments of the SR for January – May 2007

	Collection / Credit (+)		Payments / Debit (-)		Balance	
	SKK millions	USD millions	SKK millions	USD millions	SKK millions	USD millions
Goods	571,261.0	22,220.3	577,569.0	22,465.6	-6,308.0	-245.4
Services	64,370.3	2,503.8	59,779.5	2,325.2	4,590.8	178.6
Transport	20,746.8	807.0	17,284.9	672.3	3,461.9	134.7
Tourism	18,886.0	734.6	13,715.8	533.5	5,170.2	201.1
Other services	24,737.4	962.2	28,778.7	1,119.4	-4,041.3	-157.2
Income	23,589.9	917.6	32,431.1	1,261.5	-8,841.2	-343.9
Compensation of employees	15,000.0	583.5	660.9	25.7	14,339.1	557.7
Investment income	8,589.9	334.1	31,770.1	1,235.8	-23,180.2	-901.6
Current transfers	14,718.1	572.5	21,248.6	826.5	-6,530.5	-254.0
CURRENT ACCOUNT	673,939.2	26,214.1	691,028.1	26,878.8	-17,088.9	-664.7
Capital account	5,222.9	203.2	729.6	28.4	4,493.3	174.8
Financial account	3,008,026.8	117,055.7	-2,917,969.4	-113,499.8	90,057.4	3,556.0
Direct investment	459,439.9	17,870.8	-455,303.1	-17,709.9	4,136.7	160.9
<i>Abroad (direct investor = resident)</i>	13,641.0	530.6	-14,572.0	-566.8	-931.0	-36.2
Equity capital and reinvested earnings	368.0	14.3	-1,206.0	-46.9	-838.0	-32.6
Other capital	13,273.0	516.3	-13,366.0	-519.9	-93.0	-3.6
<i>In the SR (recipient of dir. investment = resident)</i>	445,798.9	17,340.2	-440,731.1	-17,143.1	5,067.7	197.1
Equity capital and reinvested earnings	17,372.9	675.8	-3,316.1	-129.0	14,056.7	546.8
Other capital	428,426.0	16,664.4	-437,415.0	-17,014.1	-8,989.0	-349.6
Portfolio investment	213,190.8	8,346.3	-202,324.6	-7,869.8	10,866.3	476.5
Assets	26,413.7	1,027.4	-36,801.0	-1,431.4	-10,387.4	-404.0
Liabilities	186,777.1	7,318.8	-165,523.5	-6,438.3	21,253.6	880.5
Financial derivatives	1,205,475.0	46,889.2	-1,206,181.3	-46,916.7	-706.3	-27.5
Assets	584,392.1	22,731.0	-580,751.5	-22,589.4	3,640.6	141.6
Liabilities	621,082.9	24,158.2	-625,429.8	-24,327.3	-4,346.9	-169.1
Other investment	1,129,921.1	43,949.5	-1,054,160.4	-41,003.4	75,760.7	2,946.1
<i>Long-term</i>	199,394.7	7,756.9	-195,412.8	-7,601.2	3,981.9	155.6
Assets	5,302.7	206.3	-8,304.9	-323.0	-3,002.2	-116.8
Liabilities	194,092.0	7,550.6	-187,108.0	-7,278.2	6,984.1	272.4
<i>Short-term</i>	930,526.3	36,192.6	-858,747.6	-33,402.2	71,778.8	2,790.4
Assets	497,513.3	19,351.7	-496,502.3	-19,312.4	1,011.0	39.3
Liabilities	433,013.0	16,840.9	-362,245.3	-14,089.8	70,767.8	2,751.1
CAPITAL AND FINANCIAL ACCOUNT	3,013,249.7	117,258.9	-2,918,699.1	-113,528.1	94,550.7	3,730.8
ERRORS AND OMISSIONS	-	-	-	-	21,259.6	825.9
TOTAL BALANCE	0.0	0.0	98,721.4	3,891.9	98,721.4	3,891.9
Monetary gold	0.0	0.0	-0.3	0.0	-0.3	0.0
Special drawing rights	0.0	0.0	0.0	0.0	0.0	0.0
Foreign exchange assets	0.0	0.0	-98,721.1	-3,891.9	-98,721.1	-3,891.9
Deposits	0.0	0.0	-38,211.1	-1,487.3	-38,211.1	-1,487.3
Securities	0.0	0.0	-60,510.0	-2,404.6	-60,510.0	-2,404.6
Bonds and notes	0.0	0.0	-12,258.3	-508.8	-12,258.3	-508.8
Money market instruments and financial derivatives	0.0	0.0	-48,251.7	-1,895.8	-48,251.7	-1,895.8
RESERVE ASSETS	0.0	0.0	-98,721.4	-3,891.9	-98,721.4	-3,891.9

Note: Preliminary data.

Applied rate of exchange: USD 1 = SKK 25.709.



Overview of Issues of NBS Bills

Registration number	Date of			Maturity	Volume in SKK millions		Type of auction	Interest rate in % p.a.		
	auction	issue	maturity		demand	accept.		min.	average	max.
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	83	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
962411013	30.8.2006	31.8.2006	24.11.2006	85	2,883	1,550	American	4.50	4.50	4.50
961512014	21.9.2006	22.9.2006	15.12.2006	84	9,550	0	American	-	-	-
961201015	19.10.2006	20.10.2006	12.1.2007	84	7,100	500	American	4.75	4.75	4.75
961602017	23.11.2006	24.11.2006	16.2.2007	84	1,950	1,150	American	4.75	4.75	4.75
960903018	14.12.2006	15.12.2006	9.3.2007	84	36,613	36,113	American	4.74	4.75	4.75
971105002	15.2.2007	16.2.2007	11.5.2007	84	60,980	0	American	-	-	-
970106003	8.3.2007	9.3.2007	1.6.2007	84	63,740	0	American	-	-	-
970308005	10.05.2007	11.05.2007	3.08.2007	84	73,661	20,000	American	4.05	4.15	4.18
972408007	31.05.2007	1.06.2007	24.08.2007	84	50,400	30,000	American	4.15	4.23	4.25
972109008	28.06.2007	29.06.2007	21.09.2007	84	23,900	17,000	American	4.24	4.27	4.40



Basic Characteristics of Slovakia's Foreign Exchange Market in July 2007

	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	0
Transactions between domestic banks without foreign participation	6,017.1	72.2	191	2,292.6	27.5	657	29.5	0.4	38	8,339.2	886
Interbank forex market: NBS + transactions between domestic banks	6,017.1	72.2	191	2,292.6	27.5	657	29.5	0.4	38	8,339.2	886
Transactions between domestic and foreign banks	62,921.0	87.6	1,980	8,741.2	12.2	3,165	174.1	0.2	127	71,836.3	5,272
Foreign exchange market in the SR – total	68,938.0	86.0	2,171	11,033.8	13.8	3,822	203.6	0.3	165	80,175.5	6,158

	SPOT			FORWARD			SWAP			OPTIONS			Total	
	Volume		No. of transactions	Volume		No. of transactions	Volume		No. of transactions	Volume		No. of transactions	Volume USD millions	No. of transactions
	USD millions	%		USD millions	%		USD millions	%		USD millions	%			
Transactions between domestic banks without foreign participation	1,370.9	16.5	695	76.6	0.9	6	6,882.0	82.6	185	0.0	0.0	0	8,329.6	886
Transactions between domestic and foreign banks	5,938.7	8.3	2,537	238.4	0.3	77	65,007.8	90.6	2,019	602.0	0.8	639	71,786.8	5,272
Foreign exchange market in the SR - excl. the NBS	7,309.6	9.1	3,232	315.0	0.4	83	71,889.8	89.7	2,204	602.0	0.8	639	80,116.4	6,158



Average Monthly Exchange Rates of the SKK against Selected Currencies

Midpoint rate	2006						2007						
	7	8	9	10	11	12	1	2	3	4	5	6	7
1 AUD	22.748	22.455	22.286	21.992	21.537	20.828	20.921	20.664	20.257	20.478	20.584	21.329	21.089
1 BGN	-	-	-	-	-	-	17.754	17.656	17.316	17.108	17.247	17.392	17.040
1 CYP	66.770	65.472	65.088	63.909	62.197	60.595	60.044	59.625	58.415	57.566	57.864	58.299	57.061
1 CZK	1.350	1.336	1.322	1.302	1.281	1.260	1.249	1.223	1.206	1.195	1.195	1.192	1.174
1 DKK	5.146	5.051	5.029	4.942	4.818	4.698	4.658	4.632	4.546	4.490	4.527	4.568	4.479
1 EUR	38.388	37.688	37.505	36.852	35.914	35.025	34.721	34.524	33.863	33.468	33.726	34.017	33.330
1 EEK	2.453	2.409	2.398	2.355	2.296	2.239	2.219	2.207	2.164	2.139	2.156	2.174	2.130
100 JPY	26.170	25.421	25.181	24.624	23.790	22.654	22.183	21.903	21.822	20.861	20.666	20.691	19.973
1 CAD	26.845	26.266	26.398	25.902	24.599	23.043	22.723	22.561	21.885	21.807	22.758	23.786	23.139
1 LTL	11.117	10.914	10.863	10.671	10.403	10.143	10.055	9.999	9.807	9.689	9.769	9.851	9.652
1 LVL	55.156	54.151	53.899	52.937	51.550	50.207	49.779	49.345	47.792	47.521	48.426	48.859	47.820
100 HUF	13.814	13.743	13.672	13.769	13.866	13.779	13.690	13.624	13.536	13.598	13.579	13.581	13.509
1 MTL	89.435	87.798	87.390	85.836	83.694	81.595	80.887	80.445	78.930	77.973	78.575	79.242	77.671
1 NOK	4.834	4.724	4.545	4.392	4.355	4.296	4.193	4.269	4.164	4.121	4.144	4.217	4.198
1 PLN	9.596	9.658	9.465	9.434	9.386	9.189	8.961	8.865	8.710	8.763	8.921	8.928	8.846
1 RON	-	-	-	-	-	-	10.239	10.207	10.044	10.030	10.265	10.526	10.636
100 SIT	16.020	15.728	15.658	15.377	14.990	14.615	-	-	-	-	-	-	-
1 CHF	24.474	23.893	23.699	23.177	22.567	21.945	21.503	21.293	21.009	20.446	20.435	20.566	20.113
1 SEK	4.164	4.094	4.049	3.981	3.945	3.875	3.825	3.763	3.643	3.618	3.666	3.646	3.627
1 USD	30.286	29.426	29.448	29.225	27.915	26.504	26.694	26.434	25.583	24.788	24.954	25.355	24.311
1 GBP	55.805	55.649	55.570	54.751	53.320	52.044	52.321	51.737	49.810	49.266	49.496	50.324	49.422
1 XDR	44.734	43.753	43.649	43.051	41.567	39.980	39.916	39.569	38.568	37.667	37.875	38.321	37.167

Note: With affect from 1 January 2007, the Slovenian tolar (SIT) has been excluded and the Bulgarian lev (BGN) and the Romanian leu (RON) included in the exchange rate table of the NBS. On 1 January 2007, Slovenia introduced the euro and Bulgaria and Romania jointed the EU.

Average Quarterly Exchange Rates of the SKK against Selected Currencies

Midpoint rate	2006					2007	
	Q1	Q2	Q3	Q4	Year	Q1	Q2
1 AUD	23.040	22.379	22.499	21.480	22.358	20.612	20.808
1 BGN	-	-	-	-	-	17.573	17.254
1 CYP	65.222	65.502	65.778	62.316	64.711	59.353	57.921
1 CZK	1.310	1.328	1.336	1.282	1.314	1.226	1.194
1 DKK	5.020	5.053	5.075	4.825	4.994	4.612	4.529
1 EUR	37.457	37.687	37.861	35.975	37.248	34.364	33.746
1 EEK	2.394	2.408	2.420	2.299	2.381	2.197	2.157
100 JPY	26.668	26.208	25.592	23.737	25.565	21.971	20.735
1 CAD	26.979	26.714	26.497	24.584	26.203	22.384	22.816
1 LTL	10.848	10.914	10.965	10.419	10.787	9.952	9.772
1 LVL	53.813	54.143	54.402	51.632	53.501	48.960	48.293
100 HUF	14.728	14.137	13.744	13.804	14.111	13.616	13.586
1 MTL	87.250	87.807	88.208	83.813	86.775	80.076	78.617
1 NOK	4.668	4.811	4.704	4.350	4.634	4.207	4.162
1 PLN	9.772	9.546	9.577	9.342	9.562	8.845	8.874
1 RON	-	-	-	-	-	10.162	10.282
100 SIT	15.639	15.726	15.802	15.013	15.546	-	-
1 CHF	24.028	24.105	24.023	22.593	23.692	21.268	20.484
1 SEK	4.005	4.052	4.103	3.936	4.024	3.743	3.644
1 USD	31.169	29.991	29.715	27.948	29.724	26.231	25.040
1 GBP	54.597	54.787	55.676	53.438	54.624	51.275	49.710
1 XDR	44.893	44.173	44.042	41.608	43.694	39.344	37.964

Note: With affect from 1 January 2007, the Slovenian tolar (SIT) has been excluded and the Bulgarian lev (BGN) and the Romanian leu (RON) included in the exchange rate table of the NBS. On 1 January 2007, Slovenia introduced the euro and Bulgaria and Romania jointed the EU.

**Inflow of Foreign Direct Investment¹⁾ into Slovakia in 1999 – 2006**

(Flows and stocks)

Corporate sector

	SKK millions		USD millions	
	Inflows from January to December	Volume as at 31 December	Inflows from January to December	Volume as at 31 December
1999	16,729	83,061	403.92	1,965.20
2000	97,454	161,988	2,109.39	3,418.26
2001	24,353	182,151	503.71	3,758.25
2002	174,180	259,517	3,842.06	6,482.09
2003	37,157	283,078	1,010.44	8,598.97
2004 ³⁾	29,008	329,948	899.33	11,578.75
2005 ⁴⁾	22,147	353,770	713.91	11,073.31
2006	61,608	417,385	2,072.67	15,902.80

Banking sector

	SKK millions		USD millions	
	Inflows from January to December	Volume as at 31 December	Inflows from January to December	Volume as at 31 December
1999	-40	12,977	-0.97	307.03
2000	2,107	15,153	45.61	319.76
2001	37,095	52,245	767.27	1,077.95
2002	11,414	59,729	251.77	1,491.88
2003 ²⁾	1,813	65,422	49.30	1,987.30
2004	5,115	66,644	158.58	2,338.71
2005	-2	66,641	-0.06	2,085.92
2006	-456	66,182	-15.34	2,521.60

Total

	SKK millions		USD millions	
	Inflows from January to December	Volume as at 31 December	Inflows from January to December	Volume as at 31 December
1999	16,689	96,038	402.95	2,272.23
2000	99,561	177,141	2,155.00	3,738.02
2001	61,448	234,396	1,270.98	4,836.20
2002	185,594	319,246	4,093.83	7,973.97
2003 ²⁾	38,970	348,500	1,059.74	10,586.27
2004 ³⁾	34,123	396,592	1,057.91	13,917.46
2005 ⁴⁾	22,145	420,411	713.85	13,159.23
2006	61,152	483,567	2,057.33	18,424.41

1) Equity capital.

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 Investment¹⁾ during January to December 2006

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 29.724									
Inflow of FDI (equity capital + reinvested earnings) in total	61,608	2,072.7	100.0	-456	-15.3	100.0	61,152	2,057.3	100.0
Structure of capital by investor									
Italy	31,682	1,065.9	51.4	45	1.5	-9.9	31,727	1,067.4	51.9
Austria	8,748	294.3	14.2	196	6.6	-43.0	8,944	300.9	14.6
Korea	7,886	265.3	12.8	0	0.0	0.0	7,886	265.3	12.9
Germany	4,878	164.1	7.9	0	0.0	0.0	4,878	164.1	8.0
Cyprus	3,787	127.4	6.1	0	0.0	0.0	3,787	127.4	6.2
USA	1,379	46.4	2.2	0	0.0	0.0	1,379	46.4	2.3
Czech Republic	1,210	40.7	2.0	1	0.0	-0.2	1,211	40.7	2.0
Sweden	483	16.2	0.8	0	0.0	0.0	483	16.2	0.8
Switzerland	481	16.2	0.8	0	0.0	0.0	481	16.2	0.8
Hungary	439	14.8	0.7	0	0.0	0.0	439	14.8	0.7
Other countries	635	21.4	1.0	-698	-23.5	153.1	-63	-2.1	-0.1
Structure of capital by sector									
Agriculture, hunting, and forestry	18	0.6	0.0	0	0.0	0.0	18	0.6	0.0
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Mineral raw materials extraction	266	8.9	0.4	0	0.0	0.0	266	8.9	0.4
Manufacturing	14,985	504.1	24.3	0	0.0	0.0	14,985	504.1	24.5
Electricity, gas, and water supply	1	0.0	0.0	0	0.0	0.0	1	0.0	0.0
Construction	173	5.8	0.3	0	0.0	0.0	173	5.8	0.3
Wholesale and retail trade, repairs of motor vehicles	4,153	139.7	6.7	0	0.0	0.0	4,153	139.7	6.8
Hotels and restaurants	62	2.1	0.1	0	0.0	0.0	62	2.1	0.1
Transport, storage, post and telecommunications	1,758	59.1	2.9	0	0.0	0.0	1,758	59.1	2.9
Financial intermediation	5,103	171.7	8.3	-456	-15.3	100.0	4,647	156.3	7.6
Real estate, renting and business activities	3,504	117.9	5.7	0	0.0	0.0	3,504	117.9	5.7
Public administration and defence, compulsory social security	31,505	1,059.9	51.1	0	0.0	0.0	31,505	1,059.9	51.5
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	80	2.7	0.1	0	0.0	0.0	80	2.7	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
Structure of capital by region									
Bratislava region	45,393	1,527.1	73.7	-456	-15.3	100.0	44,937	1,511.8	73.5
Trnava region	1,759	59.2	2.9	0	0.0	0.0	1,759	59.2	2.9
Trenčín region	2,580	86.8	4.2	0	0.0	0.0	2,580	86.8	4.2
Nitra region	1,084	36.5	1.8	0	0.0	0.0	1,084	36.5	1.8
Žilina region	8,308	279.5	13.5	0	0.0	0.0	8,308	279.5	13.6
Banská Bystrica region	932	31.4	1.5	0	0.0	0.0	932	31.4	1.5
Prešov region	439	14.8	0.7	0	0.0	0.0	439	14.8	0.7
Košice region	1,113	37.4	1.8	0	0.0	0.0	1,113	37.4	1.8

Note: Preliminary data.

1) Equity capital.



Inflow of Foreign Direct Investment¹⁾ 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									
Inflow of FDI (equity capital + reinvested earnings) in total	22,147	713.9	100.0	-2	-0.1	100.0	22,145	713.8	100.0
Structure of capital by investor									
Korea	6,603	212.8	29.8	0	0.0	0.0	6,603	212.8	29.8
Germany	6,431	207.3	29.0	-250	-8.1	12,500.0	6,181	199.2	27.9
Austria	3,112	100.3	14.1	-45	-1.5	2,250.0	3,067	98.9	13.8
Holand	1,401	45.2	6.3	3	0.1	-150.0	1,404	45.3	6.3
Switzerland	1,191	38.4	5.4	0	0.0	0.0	1,191	38.4	5.4
USA	1,045	33.7	4.7	0	0.0	0.0	1,045	33.7	4.7
Spain	784	25.3	3.5	0	0.0	0.0	784	25.3	3.5
United Kingdom	506	16.3	2.3	125	4.0	-6,250.0	631	20.3	2.8
Litva	417	13.4	1.9	0	0.0	0.0	417	13.4	1.9
Cyprus	323	10.4	1.5	0	0.0	0.0	323	10.4	1.5
Other countries	334	10.8	1.5	165	5.3	-8,250.0	499	16.1	2.3
Structure of capital by sector									
Agriculture, hunting, and forestry	-31	-1.0	-0.1	0	0.0	0.0	-31	-1.0	-0.1
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Mineral raw materials extraction	10	0.3	0.0	0	0.0	0.0	10	0.3	0.0
Manufacturing	10,846	349.6	49.0	0	0.0	0.0	10,846	349.6	49.0
Electricity, gas, and water supply	322	10.4	1.5	0	0.0	0.0	322	10.4	1.5
Construction	190	6.1	0.9	0	0.0	0.0	190	6.1	0.9
Wholesale and retail trade, repairs of motor vehicles	3,216	103.7	14.5	0	0.0	0.0	3,216	103.7	14.5
Hotels and restaurants	29	0.9	0.1	0	0.0	0.0	29	0.9	0.1
Transport, storage, post and telecommunications	1,280	41.3	5.8	0	0.0	0.0	1,280	41.3	5.8
Financial intermediation	4,263	137.4	19.2	-2	-0.1	100.0	4,261	137.4	19.2
Real estate, renting and business activities	1,900	61.2	8.6	0	0.0	0.0	1,900	61.2	8.6
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	53	1.7	0.2	0	0.0	0.0	53	1.7	0.2
Other community, social, and personal services	69	2.2	0.3	0	0.0	0.0	69	2.2	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
Structure of capital by regions									
Bratislava region	7,345	236.8	33.2	-2	-0.1	100.0	7,343	236.7	33.2
Trnava region	682	22.0	3.1	0	0.0	0.0	682	22.0	3.1
Trenčín region	3,346	107.9	15.1	0	0.0	0.0	3,346	107.9	15.1
Nitra region	642	20.7	2.9	0	0.0	0.0	642	20.7	2.9
Žilina region	7,123	229.6	32.2	0	0.0	0.0	7,123	229.6	32.2
Banská Bystrica region	1,166	37.6	5.3	0	0.0	0.0	1,166	37.6	5.3
Prešov region	163	5.3	0.7	0	0.0	0.0	163	5.3	0.7
Košice region	1,680	54.2	7.6	0	0.0	0.0	1,680	54.2	7.6

Note: Preliminary data.

1) Equity capital.

Inflow of Foreign Direct Investment¹⁾ 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									
Inflow of FDI in total	29,008	899.3	100.0	5,115	158.6	100.0	34,123	1,057.9	100.0
Structure of capital by investor									
Austria	2,974	92.2	10.3	4,776	148.1	93.4	7,750	240.3	22.7
Hungary	6,863	212.8	23.7	-30	-0.9	-0.6	6,833	211.8	20.0
United Kingdom	6,050	187.6	20.9	-1,396	-43.3	-27.3	4,654	144.3	13.6
Czech Republic	4,605	142.8	15.9	-11	-0.3	-0.2	4,594	142.4	13.5
France	3,749	116.2	12.9	-136	-4.2	-2.7	3,613	112.0	10.6
Germany	3,340	103.5	11.5	253	7.8	4.9	3,593	111.4	10.5
Luxembourg	3,185	98.7	11.0	0	0.0	0.0	3,185	98.7	9.3
Korea	2,208	68.5	7.6	0	0.0	0.0	2,208	68.5	6.5
Switzerland	950	29.5	3.3	0	0.0	0.0	950	29.5	2.8
Italy	734	22.8	2.5	-13	-0.4	-0.3	721	22.4	2.1
Other countries	-5,650	-175.2	-19.5	1,672	51.8	32.7	-3,978	-123.3	-11.7
Structure of capital by sector									
Agriculture, hunting, and forestry	348	10.8	1.2	0	0.0	0.0	348	10.8	1.0
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Mineral raw materials extraction	-8	-0.2	0.0	0	0.0	0.0	-8	-0.2	0.0
Manufacturing	25,670	795.8	88.5	0	0.0	0.0	25,670	795.8	75.2
Electricity, gas, and water supply	-253	-7.8	-0.9	0	0.0	0.0	-253	-7.8	-0.7
Construction	487	15.1	1.7	0	0.0	0.0	487	15.1	1.4
Wholesale and retail trade, repairs of motor vehicles	8,673	268.9	29.9	0	0.0	0.0	8,673	268.9	25.4
Hotels and restaurants	-17	-0.5	-0.1	0	0.0	0.0	-17	-0.5	0.0
Transport, storage, post and telecommunications	-8,436	-261.5	-29.1	0	0.0	0.0	-8,436	-261.5	-24.7
Financial intermediation	1,155	35.8	4.0	5,115	158.6	100.0	6,270	194.4	18.4
Real estate, renting and business activities	1,239	38.4	4.3	0	0.0	0.0	1,239	38.4	3.6
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	18	0.6	0.1	0	0.0	0.0	18	0.6	0.1
Other community, social, and personal services	132	4.1	0.5	0	0.0	0.0	132	4.1	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
Structure of capital by regions									
Bratislava region	17,205	533.4	59.3	5,004	155.1	97.8	22,209	688.5	65.1
Trnava region	4,124	127.9	14.2	0	0.0	0.0	4,124	127.9	12.1
Trenčín region	2,292	71.1	7.9	0	0.0	0.0	2,292	71.1	6.7
Nitra region	120	3.7	0.4	0	0.0	0.0	120	3.7	0.4
Žilina region	2,315	71.8	8.0	73	2.3	1.4	2,388	74.0	7.0
Banská Bystrica region	850	26.4	2.9	38	1.2	0.7	888	27.5	2.6
Prešov region	1,081	33.5	3.7	0	0.0	0.0	1,081	33.5	3.2
Košice region	1,021	31.7	3.5	0	0.0	0.0	1,021	31.7	3.0

1) Equity capital.



Volume of Foreign Direct Investment¹⁾ as at 31 December 2006

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 26.246									
Total volume of FDI (equity capital + reinvested earnings)	417,385	15,902.8	100.0	66,182	2,521.6	100.0	483,567	18,424.4	100.0
Structure of capital by investor									
The Netherlands	91,744	3,495.5	22.0	612	23.3	0.9	92,356	3,518.9	19.1
Germany	85,569	3,260.3	20.5	861	32.8	1.3	86,430	3,293.1	17.9
Austria	38,545	1,468.6	9.2	33,067	1,259.9	50.0	71,612	2,728.5	14.8
Italy	35,103	1,337.5	8.4	24,185	921.5	36.5	59,288	2,258.9	12.3
Hungary	27,195	1,036.2	6.5	2,007	76.5	3.0	29,202	1,112.6	6.0
United Kingdom	25,358	966.2	6.1	0	0.0	0.0	25,358	966.2	5.2
Czech Republic	19,392	738.9	4.6	3,486	132.8	5.3	22,878	871.7	4.7
Korea	17,125	652.5	4.1	0	0.0	0.0	17,125	652.5	3.5
USA	14,978	570.7	3.6	1,650	62.9	2.5	16,628	633.5	3.4
Cyprus	13,799	525.8	3.3	0	0.0	0.0	13,799	525.8	2.9
Other countries	48,577	1,850.8	11.6	314	12.0	0.5	48,891	1,862.8	10.1
Structure of capital by sector									
Agriculture, hunting, and forestry	2,090	79.6	0.5	0	0.0	0.0	2,090	79.6	0.4
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Mineral raw materials extraction	2,695	102.7	0.6	0	0.0	0.0	2,695	102.7	0.6
Manufacturing	189,114	7,205.4	45.3	0	0.0	0.0	189,114	7,205.4	39.1
Electricity, gas, and water supply	67,527	2,572.8	16.2	0	0.0	0.0	67,527	2,572.8	14.0
Construction	3,345	127.4	0.8	0	0.0	0.0	3,345	127.4	0.7
Wholesale and retail trade, repairs of motor vehicles	55,452	2,112.8	13.3	0	0.0	0.0	55,452	2,112.8	11.5
Hotels and restaurants	2,412	91.9	0.6	0	0.0	0.0	2,412	91.9	0.5
Transport, storage, post and telecommunications	40,270	1,534.3	9.6	0	0.0	0.0	40,270	1,534.3	8.3
Financial intermediation	26,623	1,014.4	6.4	66,182	2,521.6	100.0	92,805	3,536.0	19.2
Real estate, renting and business activities	24,500	933.5	5.9	0	0.0	0.0	24,500	933.5	5.1
Public administration and defence, compulsory social security	150	5.7	0.0	0	0.0	0.0	150	5.7	0.0
Education	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Health and social work	1,623	61.8	0.4	0	0.0	0.0	1,623	61.8	0.3
Other community, social, and personal services	1,584	60.4	0.4	0	0.0	0.0	1,584	60.4	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
Structure of capital by regions									
Bratislava region	257,810	9,822.8	61.8	65,232	2,485.4	98.6	323,042	12,308.2	66.8
Trnava region	25,752	981.2	6.2	0	0.0	0.0	25,752	981.2	5.3
Trenčín region	23,250	885.8	5.6	0	0.0	0.0	23,250	885.8	4.8
Nitra region	17,891	681.7	4.3	0	0.0	0.0	17,891	681.7	3.7
Žilina region	34,647	1,320.1	8.3	950	36.2	1.4	35,597	1,356.3	7.4
Banská Bystrica region	12,492	476.0	3.0	0	0.0	0.0	12,492	476.0	2.6
Prešov region	7,769	296.0	1.9	0	0.0	0.0	7,769	296.0	1.6
Košice region	37,774	1,439.2	9.1	0	0.0	0.0	37,774	1,439.2	7.8

Note: Preliminary data.

1) Equity capital.

Volume of Foreign Direct Investment¹⁾ 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									
Total volume of FDI (equity capital + reinvested earnings)	353,770	11,073.3	100.0	66,641	2,085.9	100.0	420,411	13,159.2	100.0
Structure of capital by investor									
The Netherlands	88,907	2,782.9	25.1	616	19.3	0.9	89,523	2,802.1	21.3
Germany	82,097	2,569.7	23.2	860	26.9	1.3	82,957	2,596.6	19.7
Austria	31,592	988.9	8.9	32,868	1,028.8	49.3	64,460	2,017.7	15.3
Italy	5,340	167.1	1.5	24,144	755.7	36.2	29,484	922.9	7.0
Hungary	27,323	855.2	7.7	2,007	62.8	3.0	29,330	918.1	7.0
United Kingdom	27,263	853.4	7.7	473	14.8	0.7	27,736	868.2	6.6
Czech Republic	15,655	490.0	4.4	3,485	109.1	5.2	19,140	599.1	4.6
USA	13,959	436.9	3.9	1,650	51.6	2.5	15,609	488.6	3.7
France	10,883	340.6	3.1	500	15.7	0.8	11,383	356.3	2.7
Cyprus	9,340	292.4	2.6	0	0.0	0.0	9,340	292.4	2.2
Other countries	41,411	1,296.2	11.7	38	1.2	0.1	41,449	1,297.4	9.9
Structure of capital by sector									
Agriculture, hunting, and forestry	1,797	56.2	0.5	0	0.0	0.0	1,797	56.2	0.4
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Mineral raw materials extraction	2,642	82.7	0.7	0	0.0	0.0	2,642	82.7	0.6
Manufacturing	170,453	5,335.3	48.2	0	0.0	0.0	170,453	5,335.3	40.5
Electricity, gas, and water supply	38,271	1,197.9	10.8	0	0.0	0.0	38,271	1,197.9	9.1
Construction	3,159	98.9	0.9	0	0.0	0.0	3,159	98.9	0.8
Wholesale and retail trade, repairs of motor vehicles	51,454	1,610.6	14.5	0	0.0	0.0	51,454	1,610.6	12.2
Hotels and restaurants	2,360	73.9	0.7	0	0.0	0.0	2,360	73.9	0.6
Transport, storage, post and telecommunications	38,185	1,195.2	10.8	0	0.0	0.0	38,185	1,195.2	9.1
Financial intermediation	24,956	781.1	7.1	66,641	2,085.9	100.0	91,597	2,867.1	21.8
Real estate, renting and business activities	17,386	544.2	4.9	0	0.0	0.0	17,386	544.2	4.1
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	1,622	50.8	0.5	0	0.0	0.0	1,622	50.8	0.4
Other community, social, and personal services	1,485	46.5	0.4	0	0.0	0.0	1,485	46.5	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
Structure of capital by regions									
Bratislava region	213,750	6,690.6	60.4	65,691	2,056.2	98.6	279,441	8,746.7	66.5
Trnava region	24,806	776.4	7.0	0	0.0	0.0	24,806	776.4	5.9
Trenčín region	21,213	664.0	6.0	0	0.0	0.0	21,213	664.0	5.0
Nitra region	13,790	431.6	3.9	0	0.0	0.0	13,790	431.6	3.3
Žilina region	25,272	791.0	7.1	950	29.7	1.4	26,222	820.8	6.2
Banská Bystrica region	11,454	358.5	3.2	0	0.0	0.0	11,454	358.5	2.7
Prešov region	7,398	231.6	2.1	0	0.0	0.0	7,398	231.6	1.8
Košice region	36,087	1,129.6	10.2	0	0.0	0.0	36,087	1,129.6	8.6

Note: Preliminary data.

1) Equity capital.



Volume of Foreign Direct Investment¹⁾ 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									
Total volume of FDI	329,948	11,578.7	100.0	66,644	2,338.7	100.0	396,592	13,917.5	100.0
Structure of capital by investor									
The Netherlands	90,510	3,176.2	27.4	613	21.5	0.9	91,123	3,197.7	23.0
Germany	75,333	2,643.6	22.8	1,110	39.0	1.7	76,443	2,682.6	19.3
Austria	23,895	838.5	7.2	32,926	1,155.5	49.4	56,821	1,994.0	14.3
Hungary	27,353	959.9	8.3	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	7.4
United Kingdom	26,980	946.8	8.2	349	12.2	0.5	27,329	959.0	6.9
Czech Republic	17,033	597.7	5.2	3,486	122.3	5.2	20,519	720.1	5.2
USA	12,374	434.2	3.8	1,650	57.9	2.5	14,024	492.1	3.5
France	11,888	417.2	3.6	415	14.6	0.6	12,303	431.7	3.1
Cyprus	9,128	320.3	2.8	0	0.0	0.0	9,128	320.3	2.3
Other countries	30,431	1,067.9	9.2	0	0.0	0.0	30,431	1,067.9	7.7
Structure of capital by sector									
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	2,556	89.7	0.8	0	0.0	0.0	2,556	89.7	0.6
Manufacturing	160,407	5,629.1	48.6	0	0.0	0.0	160,407	5,629.1	40.4
Electricity, gas, and water supply	38,056	1,335.5	11.5	0	0.0	0.0	38,056	1,335.5	9.6
Construction	2,876	100.9	0.9	0	0.0	0.0	2,876	100.9	0.7
Wholesale and retail trade, repairs of motor vehicles	51,159	1,795.3	15.5	0	0.0	0.0	51,159	1,795.3	12.9
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	36,322	1,274.6	11.0	0	0.0	0.0	36,322	1,274.6	9.2
Financial intermediation	17,158	602.1	5.2	66,644	2,338.7	100.0	83,802	2,940.8	21.1
Real estate, renting and business activities	14,546	510.5	4.4	0	0.0	0.0	14,546	510.5	3.7
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	1,570	55.1	0.5	0	0.0	0.0	1,570	55.1	0.4
Other community, social, and personal services	1,522	53.4	0.5	0	0.0	0.0	1,522	53.4	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
Structure of capital by regions									
Bratislava region	204,560	7,178.6	62.0	65,202	2,288.1	97.8	269,762	9,466.7	68.0
Trnava region	23,939	840.1	7.3	0	0.0	0.0	23,939	840.1	6.0
Trenčín region	17,533	615.3	5.3	0	0.0	0.0	17,533	615.3	4.4
Nitra region	12,999	456.2	3.9	0	0.0	0.0	12,999	456.2	3.3
Žilina region	19,184	673.2	5.8	950	33.3	1.4	20,134	706.6	5.1
Banská Bystrica region	10,185	357.4	3.1	492	17.3	0.7	10,677	374.7	2.7
Prešov region	7,114	249.6	2.2	0	0.0	0.0	7,114	249.6	1.8
Košice region	34,434	1,208.4	10.4	0	0.0	0.0	34,434	1,208.4	8.7

1) Equity capital.

Outflow of Foreign Direct Investment¹⁾ from Slovakia in 1999 – 2006

(Flows and stocks)

Corporate sector

	SKK millions		USD millions	
	Net change	Volume as at 31 December	Net change	Volume as at 31 December
1999	739	12,732	17.84	301.24
2000	975	15,222	21.10	321.21
2001	3,441	21,403	71.17	441.60
2002	364	19,121	8.03	477.60
2003	664	17,950	18.06	545.26
2004 ³⁾	2,536	20,321	78.62	713.12
2005 ⁴⁾	3,129	23,721	100.86	742.49
2006	9,558	32,005	321.56	1,219.42

Banking sector

	SKK millions		USD millions	
	Net change	Volume as at 31 December	Net change	Volume as at 31 December
1999	-17,110	69	-413.12	1.63
2000	99	189	2.14	3.99
2001	8	198	0.17	4.09
2002	0	164	0.00	4.10
2003 ²⁾	43	196	1.17	5.95
2004	-29	527	-0.90	18.49
2005	302	839	9.74	26.26
2006	58	861	1.95	32.80

Total

	SKK millions		USD millions	
	Net change	Volume as at 31 December	Net change	Volume as at 31 December
1999	-16,371	12,801	-395.27	302.87
2000	1,074	15,411	23.25	325.20
2001	3,449	21,601	71.34	445.68
2002	364	19,285	8.03	481.69
2003 ²⁾	707	18,146	19.23	551.22
2004 ³⁾	2,507	20,848	77.72	731.61
2005 ⁴⁾	3,431	24,560	110.60	768.75
2006	9,616	32,866	323.51	1,252.23

Note: The data for 2004 – 2006 are preliminary.

1) Equity capital.

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

3) Change in methodology – other capital funds included.

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



Outflow of Foreign Direct Investment¹⁾ During January to December 2006

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 29.724									
Outflow of FDI (equity capital + reinvested earnings) in total	9,558	321.6	100.0	58	2.0	100.0	9,616	323.5	100.0
Structure of capital by country of investment									
Luxembourg	7,139	240.2	74.7	0	0.0	0.0	7,139	240.2	74.2
Czech Republic	971	32.7	10.2	10	0.3	17.2	981	33.0	10.2
Russia	546	18.4	5.7	0	0.0	0.0	546	18.4	5.7
Cyprus	422	14.2	4.4	0	0.0	0.0	422	14.2	4.4
Ukraine	309	10.4	3.2	0	0.0	0.0	309	10.4	3.2
United Kingdom	299	10.1	3.1	0	0.0	0.0	299	10.1	3.1
Hungary	196	6.6	2.1	0	0.0	0.0	196	6.6	2.0
Poland	193	6.5	2.0	0	0.0	0.0	193	6.5	2.0
Austria	140	4.7	1.5	0	0.0	0.0	140	4.7	1.5
Croatia	40	1.3	0.4	0	0.0	0.0	40	1.3	0.4
Other countries	-697	-23.4	-7.3	48	1.6	82.8	-649	-21.8	-6.7
Structure of capital by sector									
Agriculture, hunting, and forestry	-1	0.0	0.0	0	0.0	0.0	-1	0.0	0.0
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Mineral raw materials extraction	424	14.3	4.4	0	0.0	0.0	424	14.3	4.4
Manufacturing	-1,458	-49.1	-15.3	0	0.0	0.0	-1,458	-49.1	-15.2
Electricity, gas, and water supply	13	0.4	0.1	0	0.0	0.0	13	0.4	0.1
Construction	201	6.8	2.1	0	0.0	0.0	201	6.8	2.1
Wholesale and retail trade, repairs of motor vehicles	658	22.1	6.9	0	0.0	0.0	658	22.1	6.8
Hotels and restaurants	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Transport, storage, post and telecommunications	263	8.8	2.8	0	0.0	0.0	263	8.8	2.7
Financial intermediation	4,562	153.5	47.7	58	2.0	100.0	4,620	155.4	48.0
Real estate, renting and business activities	4,922	165.6	51.5	0	0.0	0.0	4,922	165.6	51.2
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	-26	-0.9	-0.3	0	0.0	0.0	-26	-0.9	-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
Structure of capital by regions									
Bratislava region	7,783	261.8	81.4	58	2.0	100.0	7,841	263.8	81.5
Trnava region	577	19.4	6.0	0	0.0	0.0	577	19.4	6.0
Trenčín region	468	15.7	4.9	0	0.0	0.0	468	15.7	4.9
Nitra region	132	4.4	1.4	0	0.0	0.0	132	4.4	1.4
Žilina region	41	1.4	0.4	0	0.0	0.0	41	1.4	0.4
Banská Bystrica region	504	17.0	5.3	0	0.0	0.0	504	17.0	5.2
Prešov region	36	1.2	0.4	0	0.0	0.0	36	1.2	0.4
Košice region	17	0.6	0.2	0	0.0	0.0	17	0.6	0.2

Note: Preliminary data.

1) Equity capital.

Outflow of Foreign Direct Investment¹⁾ 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									
Outflow of FDI (equity capital + reinvested earnings) in total	3,129	100.9	100.0	302	9.7	100.0	3,431	110.6	100.0
Structure of capital by country of investment									
Czech Republic	2,125	68.5	67.9	8	0.3	2.6	2,133	68.8	62.2
Switzerland	661	21.3	21.1	0	0.0	0.0	661	21.3	19.3
The Netherlands	0	0.0	0.0	291	9.4	96.4	291	9.4	8.5
Cyprus	266	8.6	8.5	0	0.0	0.0	266	8.6	7.8
Russia	106	3.4	3.4	3	0.1	1.0	109	3.5	3.2
Croatia	97	3.1	3.1	0	0.0	0.0	97	3.1	2.8
Poland	48	1.5	1.5	0	0.0	0.0	48	1.5	1.4
Ethiopia	29	0.9	0.9	0	0.0	0.0	29	0.9	0.8
Bosna and Hercegovina	29	0.9	0.9	0	0.0	0.0	29	0.9	0.8
Serbia and Montenegro	8	0.3	0.3	0	0.0	0.0	8	0.3	0.2
Other countries	-240	-7.7	-7.7	0	0.0	0.0	-240	-7.7	-7.0
Structure of capital by sector									
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	1.9	0	0.0	0.0	58	1.9	1.7
Manufacturing	466	15.0	14.9	0	0.0	0.0	466	15.0	13.6
Electricity, gas, and water supply	40	1.3	1.3	0	0.0	0.0	40	1.3	1.2
Construction	-349	-11.3	-11.2	0	0.0	0.0	-349	-11.3	-10.2
Wholesale and retail trade, repairs of motor vehicles	242	7.8	7.7	0	0.0	0.0	242	7.8	7.1
Hotels and restaurants	94	3.0	3.0	0	0.0	0.0	94	3.0	2.7
Transport, storage, post and telecommunications	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Financial intermediation	1,909	61.5	61.0	302	9.7	100.0	2,211	71.3	64.4
Real estate, renting and business activities	666	21.5	21.3	0	0.0	0.0	666	21.5	19.4
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	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
Structure of capital by regions									
Bratislava region	2,915	94.0	93.2	302	9.7	100.0	3,217	103.7	93.8
Trnava region	111	3.6	3.5	0	0.0	0.0	111	3.6	3.2
Trenčín region	-14	-0.5	-0.4	0	0.0	0.0	-14	-0.5	-0.4
Nitra region	26	0.8	0.8	0	0.0	0.0	26	0.8	0.8
Žilina region	-2	-0.1	-0.1	0	0.0	0.0	-2	-0.1	-0.1
Banská Bystrica region	100	3.2	3.2	0	0.0	0.0	100	3.2	2.9
Prešov region	-22	-0.7	-0.7	0	0.0	0.0	-22	-0.7	-0.6
Košice region	15	0.5	0.5	0	0.0	0.0	15	0.5	0.4

Note: Preliminary data.

1) Equity capital.



Outflow of Foreign Direct Investment¹⁾ 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									
Outflow of FDI in total	2,536	78.6	100.0	-29	-0.9	100.0	2,507	77.7	100.0
Structure of capital by country of investment									
Czech Republic	1,620	50.2	63.9	-29	-0.9	100.0	1,591	49.3	63.5
Slovenia	468	14.5	18.5	0	0.0	0.0	468	14.5	18.7
Ethiopia	229	7.1	9.0	0	0.0	0.0	229	7.1	9.1
The Netherlands	196	6.1	7.7	0	0.0	0.0	196	6.1	7.8
Russia	112	3.5	4.4	0	0.0	0.0	112	3.5	4.5
India	58	1.8	2.3	0	0.0	0.0	58	1.8	2.3
Cyprus	49	1.5	1.9	0	0.0	0.0	49	1.5	2.0
Bosnia and Herzegovina	28	0.9	1.1	0	0.0	0.0	28	0.9	1.1
Brazil	26	0.8	1.0	0	0.0	0.0	26	0.8	1.0
Poland	22	0.7	0.9	0	0.0	0.0	22	0.7	0.9
Other countries	-272	-8.4	-10.7	0	0.0	0.0	-272	-8.4	-10.8
Structure of capital by sector									
Agriculture, hunting, and forestry	7	0.2	0.3	0	0.0	0.0	7	0.2	0.3
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	993	30.8	39.2	0	0.0	0.0	993	30.8	39.6
Electricity, gas, and water supply	1	0.0	0.0	0	0.0	0.0	1	0.0	0.0
Construction	-86	-2.7	-3.4	0	0.0	0.0	-86	-2.7	-3.4
Wholesale and retail trade, repairs of motor vehicles	1,596	49.5	62.9	0	0.0	0.0	1,596	49.5	63.7
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	0.0	0	0.0	0.0	1	0.0	0.0
Financial intermediation	-240	-7.4	-9.5	-29	-0.9	100.0	-269	-8.3	-10.7
Real estate, renting and business activities	269	8.3	10.6	0	0.0	0.0	269	8.3	10.7
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	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Other community, social, and personal services	-5	-0.2	-0.2	0	0.0	0.0	-5	-0.2	-0.2
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
Structure of capital by regions									
Bratislava region	1,921	59.6	75.7	-29	-0.9	100.0	1,892	58.7	75.5
Trnava region	-46	-1.4	-1.8	0	0.0	0.0	-46	-1.4	-1.8
Trenčín region	893	27.7	35.2	0	0.0	0.0	893	27.7	35.6
Nitra region	-2	-0.1	-0.1	0	0.0	0.0	-2	-0.1	-0.1
Žilina region	-66	-2.0	-2.6	0	0.0	0.0	-66	-2.0	-2.6
Banská Bystrica region	12	0.4	0.5	0	0.0	0.0	12	0.4	0.5
Prešov region	96	3.0	3.8	0	0.0	0.0	96	3.0	3.8
Košice region	-272	-8.4	-10.7	0	0.0	0.0	-272	-8.4	-10.8

1) Equity capital.

Volume of Foreign Direct Investment¹⁾ Outward as at 31 December 2006

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 26.246									
Total volume of FDI outward	32,005	1,219.4	100.0	861	32.8	100.0	32,866	1,252.2	100.0
Structure of capital by country of investment									
Czech Republic	12,835	489.0	40.1	546	20.8	63.4	13,381	509.8	40.7
Luxembourg	7,889	300.6	24.6	0	0.0	0.0	7,889	300.6	24.0
United Kingdom	2,569	97.9	8.0	0	0.0	0.0	2,569	97.9	7.8
Ukraine	1,794	68.4	5.6	0	0.0	0.0	1,794	68.4	5.5
Poland	1,303	49.6	4.1	0	0.0	0.0	1,303	49.6	4.0
Ireland	1,069	40.7	3.3	0	0.0	0.0	1,069	40.7	3.3
Russia	1,017	38.7	3.2	0	0.0	0.0	1,017	38.7	3.1
Cyprus	957	36.5	3.0	0	0.0	0.0	957	36.5	2.9
Slovenia	468	17.8	1.5	0	0.0	0.0	468	17.8	1.4
Austria	428	16.3	1.3	0	0.0	0.0	428	16.3	1.3
Other countries	1,676	63.9	5.2	315	12.0	36.6	1,991	75.9	6.1
Structure of capital by sector									
Agriculture, hunting and forestry	17	0.6	0.1	0	0.0	0.0	17	0.6	0.1
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Mining and quarrying	1,435	54.7	4.5	0	0.0	0.0	1,435	54.7	4.4
Manufacturing	6,155	234.5	19.2	0	0.0	0.0	6,155	234.5	18.7
Electricity, gas and water supply	1,454	55.4	4.5	0	0.0	0.0	1,454	55.4	4.4
Construction	249	9.5	0.8	0	0.0	0.0	249	9.5	0.8
Wholesale and retail trade, repairs of motor vehicles	3,134	119.4	9.8	0	0.0	0.0	3,134	119.4	9.5
Hotels and restaurants	83	3.2	0.3	0	0.0	0.0	83	3.2	0.3
Transport, storage and communication	164	6.2	0.5	0	0.0	0.0	164	6.2	0.5
Financial intermediation	9,365	356.8	29.3	861	32.8	100.0	10,226	389.6	31.1
Real estate, renting and business activities	8,483	323.2	26.5	0	0.0	0.0	8,483	323.2	25.8
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	1,466	55.9	4.6	0	0.0	0.0	1,466	55.9	4.5
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
Structure of capital by regions									
Bratislava region	23,033	877.6	72.0	861	32.8	100.0	23,894	910.4	72.7
Trnava region	2,403	91.6	7.5	0	0.0	0.0	2,403	91.6	7.3
Trenčín region	1,745	66.5	5.5	0	0.0	0.0	1,745	66.5	5.3
Nitra region	202	7.7	0.6	0	0.0	0.0	202	7.7	0.6
Žilina region	134	5.1	0.4	0	0.0	0.0	134	5.1	0.4
Banská Bystrica region	2,050	78.1	6.4	0	0.0	0.0	2,050	78.1	6.2
Prešov region	591	22.5	1.8	0	0.0	0.0	591	22.5	1.8
Košice region	1,847	70.4	5.8	0	0.0	0.0	1,847	70.4	5.6

Note: Preliminary data.

1) Equity capital.



Volume of Foreign Direct Investment¹⁾ 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									
Total volume of FDI outward	23,721	742.5	100.0	839	26.3	100.0	24,560	768.7	100.0
Structure of capital by country of investment									
Czech Republic	12,215	382.3	51.5	499	15.6	59.5	12,714	398.0	51.8
United Kingdom	2,283	71.5	9.6	0	0.0	0.0	2,283	71.5	9.3
Ukraine	1,812	56.7	7.6	0	0.0	0.0	1,812	56.7	7.4
Ireland	1,140	35.7	4.8	0	0.0	0.0	1,140	35.7	4.6
Poland	1,043	32.6	4.4	0	0.0	0.0	1,043	32.6	4.2
Switzerland	854	26.7	3.6	0	0.0	0.0	854	26.7	3.5
Luxembourg	808	25.3	3.4	0	0.0	0.0	808	25.3	3.3
Russia	623	19.5	2.6	0	0.0	0.0	623	19.5	2.5
Cyprus	512	16.0	2.2	0	0.0	0.0	512	16.0	2.1
Slovenia	469	14.7	2.0	0	0.0	0.0	469	14.7	1.9
Other countries	1,962	61.4	8.3	340	10.6	40.5	2,302	72.1	9.4
Structure of capital by sector									
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
Mineral raw materials extraction	1,149	36.0	4.8	0	0.0	0.0	1,149	36.0	4.7
Manufacturing	5,151	161.2	21.7	0	0.0	0.0	5,151	161.2	21.0
Electricity, gas, and water supply	1,495	46.8	6.3	0	0.0	0.0	1,495	46.8	6.1
Construction	53	1.7	0.2	0	0.0	0.0	53	1.7	0.2
Wholesale and retail trade, repairs of motor vehicles	5,731	179.4	24.2	0	0.0	0.0	5,731	179.4	23.3
Hotels and restaurants	91	2.8	0.4	0	0.0	0.0	91	2.8	0.4
Transport, storage, post and telecommunications	43	1.3	0.2	0	0.0	0.0	43	1.3	0.2
Financial intermediation	4,943	154.7	20.8	839	26.3	100.0	5,782	181.0	23.5
Real estate, renting and business activities	3,485	109.1	14.7	0	0.0	0.0	3,485	109.1	14.2
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	1,560	48.8	6.6	0	0.0	0.0	1,560	48.8	6.4
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
Structure of capital by regions									
Bratislava region	15,451	483.6	65.1	839	26.3	100.0	16,290	509.9	66.3
Trnava region	1,935	60.6	8.2	0	0.0	0.0	1,935	60.6	7.9
Trenčín region	1,513	47.4	6.4	0	0.0	0.0	1,513	47.4	6.2
Nitra region	65	2.0	0.3	0	0.0	0.0	65	2.0	0.3
Žilina region	544	17.0	2.3	0	0.0	0.0	544	17.0	2.2
Banská Bystrica region	1,617	50.6	6.8	0	0.0	0.0	1,617	50.6	6.6
Prešov region	744	23.3	3.1	0	0.0	0.0	744	23.3	3.0
Košice region	1,852	58.0	7.8	0	0.0	0.0	1,852	58.0	7.5

Note: Preliminary data.

1) Equity capital.

Volume of Foreign Direct Investment¹⁾ 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									
Total volume of FDI outward	20,321	713.1	100.0	527	18.5	100.0	20,848	731.6	100.0
Structure of capital by country of investment									
Czech Republic	9,123	320.2	44.9	481	16.9	91.3	9,604	337.0	46.1
United Kingdom	2,282	80.1	11.2	0	0.0	0.0	2,282	80.1	10.9
Ukraine	1,238	43.4	6.1	0	0.0	0.0	1,238	43.4	5.9
Ireland	1,136	39.9	5.6	0	0.0	0.0	1,136	39.9	5.4
Hungary	1,130	39.7	5.6	0	0.0	0.0	1,130	39.7	5.4
Luxembourg	1,111	39.0	5.5	0	0.0	0.0	1,111	39.0	5.3
Poland	867	30.4	4.3	0	0.0	0.0	867	30.4	4.2
Austria	646	22.7	3.2	0	0.0	0.0	646	22.7	3.1
Russia	474	16.6	2.3	0	0.0	0.0	474	16.6	2.3
Slovenia	468	16.4	2.3	0	0.0	0.0	468	16.4	2.2
Other countries	1,846	64.8	9.1	46	1.6	8.7	1,892	66.4	9.1
Structure of capital by sector									
Agriculture, hunting, and forestry	30	1.1	0.1	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	521	18.3	2.6	0	0.0	0.0	521	18.3	2.5
Manufacturing	4,680	164.2	23.0	0	0.0	0.0	4,680	164.2	22.4
Electricity, gas, and water supply	1,414	49.6	7.0	0	0.0	0.0	1,414	49.6	6.8
Construction	413	14.5	2.0	0	0.0	0.0	413	14.5	2.0
Wholesale and retail trade, repairs of motor vehicles	5,808	203.8	28.6	0	0.0	0.0	5,808	203.8	27.9
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	3,079	108.1	15.2	527	18.5	100.0	3,606	126.5	17.3
Real estate, renting and business activities	2,836	99.5	14.0	0	0.0	0.0	2,836	99.5	13.6
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	1,498	52.6	7.4	0	0.0	0.0	1,498	52.6	7.2
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
Structure of capital by regions									
Bratislava region	13,061	458.3	64.3	527	18.5	100.0	13,588	476.8	65.2
Trnava region	1,779	62.4	8.8	0	0.0	0.0	1,779	62.4	8.5
Trenčín region	1,460	51.2	7.2	0	0.0	0.0	1,460	51.2	7.0
Nitra region	39	1.4	0.2	0	0.0	0.0	39	1.4	0.2
Žilina region	564	19.8	2.8	0	0.0	0.0	564	19.8	2.7
Banská Bystrica region	1,654	58.0	8.1	0	0.0	0.0	1,654	58.0	7.9
Prešov region	619	21.7	3.0	0	0.0	0.0	619	21.7	3.0
Košice region	1,145	40.2	5.6	0	0.0	0.0	1,145	40.2	5.5

1) Equity capital.