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## 1. Introduction

The level of consumer prices rose by 1.5% in January. The prices of the components of core inflation increased month-on-month by 0.9%. The 12-month rate of consumer-price inflation reached 6.2%, with core inflation accounting for 2.86 percentage points. The rate of core inflation reached 3.7% on a year-on-year basis.

According to preliminary data, the M2 money supply (at fixed exchange rates from 1 January 1993) fell month-on-month by Sk 10.4 billion, to Sk 638.8 billion. The rate of year-on-year growth in M2 reached 10.3%. Slovak-crown deposits, as a component of the M2 monetary aggregate, fell in volume by Sk 8.5 billion in January, while increasing year-on-year by 8.4%.

The volume of bank loans to households and enterprises (adjusted for issues of government bonds for the restructuring of specific banks, accounting transactions in connection with loan portfolio restructuring in 2000, and the conversion of loans into bond holdings) grew month-on-month by Sk 2.4 billion in January (at fixed exchange rates from 1 January 1993), which represented a year-on-year increase of 5.1%.

The average interest rate on loans provided in December rose by 0.2 points (to 8.9%), with the average rate for the total volume of loans remaining virtually unchanged (9.8%).

The foreign exchange reserves of the NBS fell by US\$ 102.3 million (at current exchange rates) compared with December. At the end of January, the volume of foreign exchange reserves was 3.4 times greater than the volume of average monthly imports of goods and services to Slovakia in 2001.

At the end of January, the deficit in the State Budget of the SR stood at Sk 2.9 billion.

The balance of payments on current account for the period January to November resulted in a deficit of Sk 72.2 billion, due primarily to the negative balance of trade (Sk 87.2 billion). Over the same period, the capital and financial account generated, according to preliminary data, a surplus of Sk 64.9 billion.

In January, the overall sterilisation position of the NBS vis-à-vis the banking sector stood at Sk 63.4 billion, representing an increase of Sk 12.9 billion compared with the figure for December.

On 25 January 2002, the Bank Board of the NBS left the key rates of interest for overnight transactions unchanged, i.e. at 6.00% for sterilisation and 9.00% for refinancing purposes. The limit rate for two-week NBS repo tenders also remained unchanged, at 7.75%.

## 2. Inflation

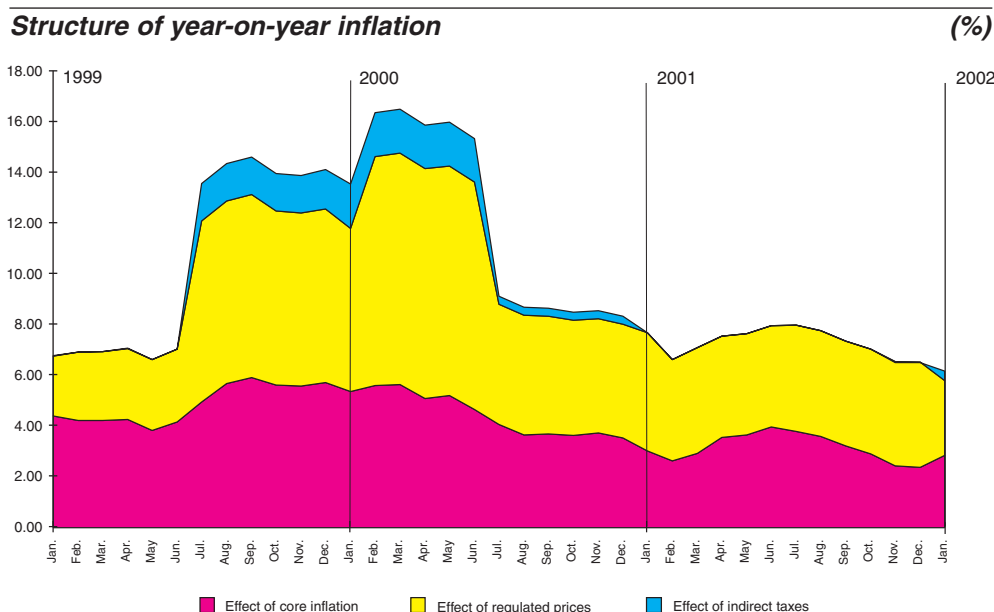
### 2.1. Consumer price index

In January, price development was affected by a seasonal price increase in the first months of the year. In addition to market factors, the price increase was due to administrative measures taken in the area of regulated prices and adjustments to indirect taxes.

Consumer prices, based on a new consumer basket<sup>1/</sup>, rose month-on-month by 1.5% in January. More than a half of this rise was caused by an increase in regulated

<sup>1/</sup> As of 2002, the Statistical Office of the SR (SO SR) uses a consumer price index attached to a modified consumer basket, based on the structure of household expenses (from the statistics of family accounts) in 2000. The consumer price index based on the new consumer basket is calculated on the basis of prices from December 2000. According to estimates of SO SR, the inflation rate, expressed in terms of the new index, reached 6.4% in 2001, representing a fall of 0.1 of a percentage point compared with the figure recorded on the basis of the old basket.

prices and excise duties on cigarettes and tobacco. Since fewer adjustments were made to regulated prices than in the same period a year earlier, the 12-month rate of consumer-price inflation fell to 6.2%.



*The fall in core inflation came to a halt*

The prices of the individual components of core inflation rose by 0.9% in January, when increases were recorded in all basic segments. On a year-on-year basis, this led to a rise in core inflation, from 3.2% in December 2001 to 3.7% in January. This indicated that, in January 2002, the course of core inflation continued to be affected by the seasonally volatile prices of unprocessed goods, especially the rise in vegetable prices. The dampening effect of fuel prices, which fell significantly in the last quarter of 2001 as a result of low oil prices, diminished in January in line with the expectations. In the other segments of core inflation, however, the rate of year-on-year increase continued to stabilise. This is also confirmed by net inflation, adjusted for the effects of fuel prices, the year-on-year dynamics of which remained at the level of 4.0%.

*Food prices continue to rise*

Food prices, as a component of core inflation, rose by 1.8% in January. Except meat, prices increased in all categories. The steep increase in the final price of vegetables was caused by a marked fall in the supply of vegetables from domestic production, which was negatively affected by a period of hard frost. Developments in vegetable prices were also affected negatively by the rise in the price of these commodities from import. The same factors caused an increase in fruit prices. The opposite situation occurred on the market for animal products. The continued abundant supply of meat resulted in a fall in the consumer prices of all meat. On a year-on-year basis, the dynamics of food prices increased from 3.7% in December 2001 to 4.5% in January 2002.

*Developments in net inflation ...*

The prices of the other components of core inflation (net inflation) rose by 0.6% in January. The rise was due to an increase in the prices of tradeable goods as well as market services. On a year-on-year basis, the rate of net inflation increased to 3.3% (from 3.0% in December).

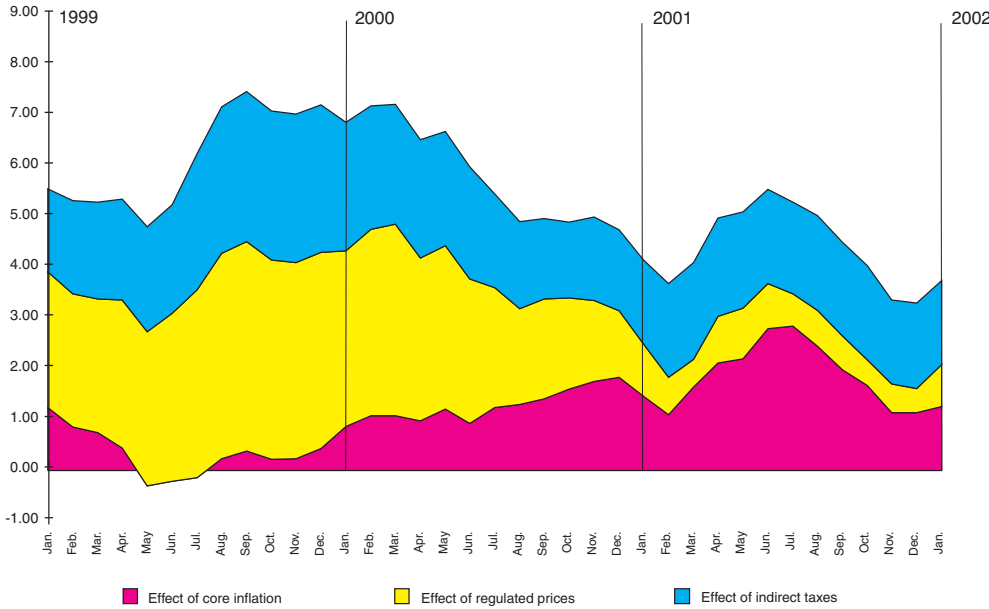
*... continued to be affected by the volatility of fuel prices*

In January, the prices of tradeable goods were determined by the same, mostly non-inflationary factors as in 2001. This sector continues to have a stabilising effect on developments in consumer prices. Volatility is increased by the trend in fuel prices, which rose only slightly in January, but their sharp fall in the same period a year earlier caused the year-on-year dynamics of the whole sector to increase to 1.6% (from 1.0% in December). The prices of other tradeable commodities showed an increase comparable with the same period a year earlier.

In the area of market services, prices increased in almost all categories in January. Such a price increase is a characteristic of the first months of the year, when the

increased costs of service providers (from the previous year and expected expenses) are reflected in the prices of services. As a result of a slower seasonal increase connected with the expected fall in inflation, the year-on-year dynamics of this sector fell to 7.0% in January (from 7.7% in December).

**Structure of core inflation (%)**



**Consumer Prices in January 2002**

Structure of the consumer basket	Constant weight in %	Change compared with	
		December 2001	January 2001
<b>Total in %</b>	100.0	1.5	6.2
<b>Regulated prices in %</b>	21.1	1.6	13.4
<i>Share of total, in % points</i>		0.37	2.97
Effect of changes in indirect taxes on non-regulated prices		0.41	0.36
<i>Share of total, in % points</i>			
<b>Core inflation in %</b>	78.9	0.9	3.7
<i>Share of total, in % points</i>		0.69	2.86
of which: Food prices in %	21.4	1.8	4.5
<i>Share of total, in % points</i>		0.38	0.96
<b>Net inflation (excluding the effect of changes in indirect taxes) in %</b>	57.5	0.6	3.3
<i>Share of total, in % points</i>		0.31	1.89

Source: Statistical Office of the SR

The slowdown in the process of deregulation in 2002 led to a fall in the year-on-year dynamics of regulated prices, from 17.2% in December 2001 to 13.4% in January. This sector, however, still accounted for almost 50% of the rate of year-on-year inflation. Within the scope of regulated prices, January saw an increase in the price of heat, charges for solid waste disposal, the price of health services, and the price of meals in educational establishments. Regulated prices contributed 0.37 of a percentage point to the month-on-month increase in consumer prices.

*Slowdown in the deregulation process*

In January, the level of consumer prices was affected by an increase in excise duties on cigarettes and tobacco. This measure contributed 0.4 of a percentage point to the rise in consumer prices.

According to the Classification of Individual Consumption by Purpose (COICOP), price levels rose month-on-month in almost all categories. As a result of an increase in excise duties on cigarettes and tobacco, the steepest month-on-month increase occurred in the prices of alcoholic beverages and tobacco (7.0%). Above-average increases were recorded in the consumer prices of foodstuffs and non-alcoholic beverages, dwelling, water, electricity, and other fuels. Prices remained unchanged in the categories furniture, household equipment, and standard maintenance of flats, and education. A fall in price levels was not recorded in any of the sectors.

## 2.2. Producer prices in December 2001

*Moderate month-on-month increase in industrial producer prices, ...*

In December, the prices of industrial producers increased month-on-month by 0.1% (compared with 0.2% in December 2000). The low increase was due primarily to a fall in the prices of industrial products (0.2%), caused by a reduction in the prices of refined oil products (2.6%) and those of foodstuffs, beverages, and tobacco (0.3%). The price of electricity, gas, steam, and hot water increased by 1.0% and that of mining and quarrying products by 1.1%.

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

The rate of year-on-year increase in industrial producer prices continued to slow, from 3.5% in November to 3.4% in December (compared with 9.1% in December 2000). In 2001, the prices of industrial producers increased by an average of 6.6% (compared with 9.8% in 2000). Their level was most affected by the slower rate of increase in the prices of industrial products, which rose year-on-year by 0.4% in December (compared with 8.5% in December 2000) and which closed the year 2001 with an average increase of 4.9% (compared with 9.1% in 2000).

*Effect of external factors*

Industrial producer prices were most affected by the world prices of energy-producing and other industrial raw materials, which are reflected in domestic prices. The price of oil on the world market was stable mainly during the first eight months. After the September events in the USA, which accelerated the process of recession in the world economy, oil prices fell significantly, and had a direct downward effect on the prices of refined oil products. On the world market, the prices of certain metals fell by more than one third during the year, which was reflected in the domestic prices of base metals and finished metal products.

*Effect of internal factors*

Adjustments to regulated prices in February 2001 had a marked effect on the price of electricity, gas, steam, and hot water, which rose by an average of 16.5% in 2001 (compared with 13.2% in 2000).

Within the scope of industrial products, the effect of domestic cost factors was reflected in the prices of food producers, which were determined by the prices of agricultural primary producers. In 2001, the producer prices of foodstuffs, beverages, and tobacco increased by an average of 7.7% (compared with 5.9% in 2000).

*Construction prices*

Prices for construction work rose on a year-on-year basis by 6.0% (compared with 8.2% in December 2000), representing the lowest increase since March 1997. In 2001, construction prices recorded an average increase of 6.8% (compared with 9.0% in 2000).

The prices of materials and products used in construction increased year-on-year by 4.6% in December (compared with 8.2% in December 2000). On average, prices rose by 6.8%, which was 0.8 percentage point more than in the same period a year earlier.

*Prices in agriculture*

The rate of year-on-year increase in agricultural prices slowed, from 4.3% in November to 2.5% in December (compared with 11.8% a year earlier). In 2001, the prices of agricultural products increased by an average of 7.8% (compared with 7.2% in 2000).

The moderate rise in the average level of agricultural prices in comparison with the previous year, was caused mainly by the price of plant produce including fruit and

vegetables (an average increase of 11.2%). The accelerated increase took place mostly in the first half of the years and was affected by the higher prices of cereals due to crop failure and drought in 2000, and the consequent import of higher-priced cereals.

The prices of animal products had a favourable effect on the general price level in agriculture (an average rise of 6.6%). The official confirmation of the positive results of BSE tests in the second half of the year and the resulting increase in pork consumption, led to a gradual decrease in the dynamics of prices of animal products.

**Producer Price Indices (%)**

	December 2001		Year 2001
	Same period a year earlier = 100	Previous period = 100	Same period a year earlier = 100
Industrial products	103.4	100.1	106.6
Construction work	106.0	100.5	106.8
Building materials	104.6	100.1	106.8
Agricultural produce	102.5	x	107.8

x – Not monitored by the Statistical Office of the SR.

**3. Factors affecting the course of inflation**

**3.1. Monetary aggregates**

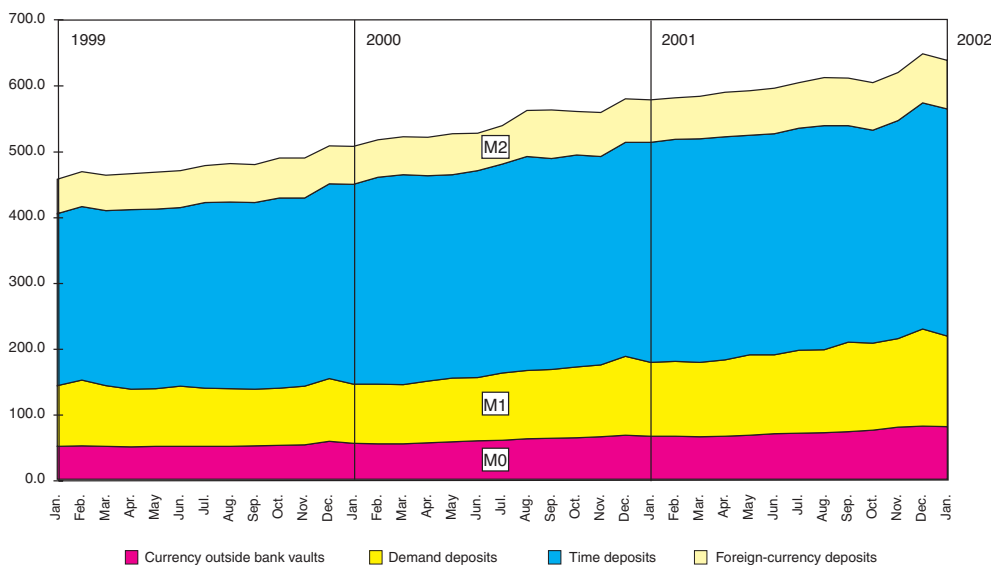
**Money supply (M2)**

According to preliminary data, the M2 money supply (at fixed 1993 exchange rates) fell month-on-month by Sk 10.4 billion in January, to Sk 638.8 billion. In comparison with December, the year-on-year dynamics of M2 decreased by 1.5 percentage points, to 10.3%.

*Seasonal fall in M2*

The month-on-month fall in M2 was in large part caused by deposits without an agreed maturity, which was connected with the seasonal nature of their development in January, due to the discharge of liabilities by entrepreneurial entities towards the State Budget. A typical seasonal fall was also recorded in the volume of currency in circulation.

**Development of the M2 monetary aggregate (at fixed 1993 exchange rates) (Sk billions)**



*Fall in crown deposits*

Slovak-crown deposits fell in volume on a month-on-month basis, due to decline in corporate deposits (household deposits increased). On a year-on-year basis, the dynamics of crown deposits decreased in January, as a result of a slowdown in the rate of growth in corporate deposits, while household deposits recorded a modest increase in dynamics.

	Month-on-month change (Sk billion)			Year-on-year change (%)	
	Dec. 2001'	Jan. 2002'	Jan. 2001	Dec. 2001'	Jan. 2002'
Money supply [M2]	28.5	-10.4	-1.4	11.8	10.3
Money [M1]	14.6	-10.1	-9.5	22.0	22.9
Currency outside banks [M0]	1.9	-1.3	-1.4	20.8	21.5
Demand deposits	12.7	-8.8	-8.1	22.6	23.7
Quasi-money [QM]	13.9	-0.3	8.1	7.0	4.8
Time deposits	12.4	0.4	9.5	6.1	3.2
Foreign-currency deposits	1.5	-0.7	-1.4	11.4	12.7
Crown deposits	25.1	-8.5	1.3	10.6	8.4
- households	12.0	5.2	4.3	6.3	6.5
- enterprises (incl. insurance co.)	13.1	-13.7	-3.0	19.8	12.5

\*/ Preliminary data

**Loans to households and enterprises***Month-on-month increase  
in loans ...*

In January, the adjusted volume of bank loans to households and enterprises totalled Sk 438.6 billion, representing an increase of Sk 2.4 billion compared with December. The increase took place in loans to enterprises (Sk 1.3 billion) as well as to households (Sk 0.4 billion). Slovak-crown loans grew in volume by Sk 1.7 billion and loans in foreign currency by Sk 0.7 billion.

**Real recorded and adjusted rates of year-on-year growth in loans to households and enterprises**

Period	Time series recorded	Adjustment ex ante (increase from the point of view of the present)
December 2000	-0.3%	4.0%
January 2001	-17.7%	4.6%
February 2001	-18.4%	3.8%
March 2001	-23.7%	3.8%
April 2001	-22.9%	4.4%
May 2001	-22.4%	4.2%
June 2001	-22.0%	4.3%
July 2001	-22.2%	2.7%
August 2001	-22.1%	2.6%
September 2001	-20.9%	3.7%
October 2001	-20.3%	5.0%
November 2001	-17.9%	6.6%
December 2001	-18.8%	5.5%
January 2002	-1.2%	5.1%

*Notes:*

1. Loans to households and enterprises are adjusted for issues of restructuring bonds, balance-sheet items of banks which closed down in 2000 (AG banka, Slovenská kreditná banka, Dopravná banka), accounting transfers in connection with the restructuring of specific banks in 2000, and the conversion of loans into bonds.
2. The placing of Devín banka under receivership by the NBS led to the cessation of reporting at the end of September 2001, therefore it was necessary to adjust the volume of loans to include those of Devín banka (in the total amount of Sk 3.7 billion, of which crown loans to enterprises accounted for Sk 3.5 billion and loans in foreign currency Sk 0.2 billion).



The rate of year-on-year growth in bank lending to households and enterprises reached 5.1% in January, compared with 5.5% in last December. Compared with the same period a year earlier, the total volume of loans to households and enterprises increased by Sk 21.1 billion. The increase took place mostly in crown loans, which grew in volume by Sk 18.9 billion (giving a year-on-year increase of 5.0%), of which loans to enterprises accounted for Sk 10.6 billion (3.1%) and loans to households Sk 8.3 billion (18.9%). Loans in foreign currency grew in volume by Sk 2.2 billion (5.8%).

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

**Loans to households and enterprises (at fixed exchange rates from 1.1.1993)**

Increase since the beginning of the year (in 1 month – January)	2001		2002	
	Sk billion	%	Sk billion	%
Loans in total	3.7	0.9	2.4	0.6
Loans in Slovak crowns	2.4	0.6	1.7	0.4
- loans to enterprises	2.2	0.7	1.3	0.4
- loans to households	0.2	0.5	0.4	0.8
Loans in foreign currency	1.3	3.5	0.7	1.8

**Fiscal developments, net credit to the Government**

The volume of net credit to the Government (based on fixed 1993 exchange rates) grew month-on-month by Sk 5.9 billion in January, reaching Sk 323.4 billion (compared with Sk 317.5 billion in December). The increase was due, for the most part, to the January deficit in the State Budget (Sk 2.9 billion). The growth in net credit to the Government was also supported by a fall in the deposits of State and local authorities (Sk 2.8 billion and Sk 0.2 billion respectively), increase in the volume of foreign loans (Sk 1.9 billion) and the loans of State authorities (Sk 0.7 billion). These effects were partly offset by an increase in the extra-budgetary resources of the SR (Sk 2.4 billion), the resources of social security funds (Sk 2.3 billion) and State funds (Sk 0.2 billion).

Net credit to the Government

Net credit to the Government (at fixed 1993 exchange rates), excluding the effect of government-bond issues for bank restructuring, increased year-on-year by Sk 55.2 billion (compared with Sk 45.3 billion in December), representing a year-on-year growth rate of 33.9% (27.1% in December).

In Act No. 586 of 29 December 2001 on the State Budget of the SR for 2002, total budget revenue was set at Sk 219.9 billion, total expenditure at Sk 257.9 billion, and the budget deficit at Sk 38 billion.

At the end of January, the State Budget resulted in a deficit of Sk 2.9 billion. Budget revenue reached Sk 19.3 billion and expenditure totalled Sk 22.2 billion. The size of the deficit was, under Article 11 paragraph 5 of the 2002 State Budget Act, increased by the amount of funds obtained through an issue of government bonds for the coverage of yields on government bonds issued for bank restructuring last year (Sk 6.6 billion) and the amount of liabilities repaid to KBB, state financial institution (Sk 0.2 billion).

Budgetary performance

January saw no auctions in Treasury bills. This was due to the current performance of the State Budget, which made the issue of Treasury bills unnecessary.

Primary market for Treasury bills

**Net foreign assets**

Net foreign assets (at fixed 1993 exchange rates) remained unchanged in January. Fluctuations in foreign assets were offset by changes in foreign liabilities. A marked fall was recorded in the short-term assets of the NBS (Sk 2.2 billion), while the short- and long-term assets of commercial banks remained virtually unchanged.

Net foreign assets

Developments in foreign liabilities were, for the most part, affected by a fall in the short-term liabilities of the NBS (Sk 3.3 billion) and were partly offset by an increase in the long-term liabilities of NBS and short-term liabilities of commercial banks.

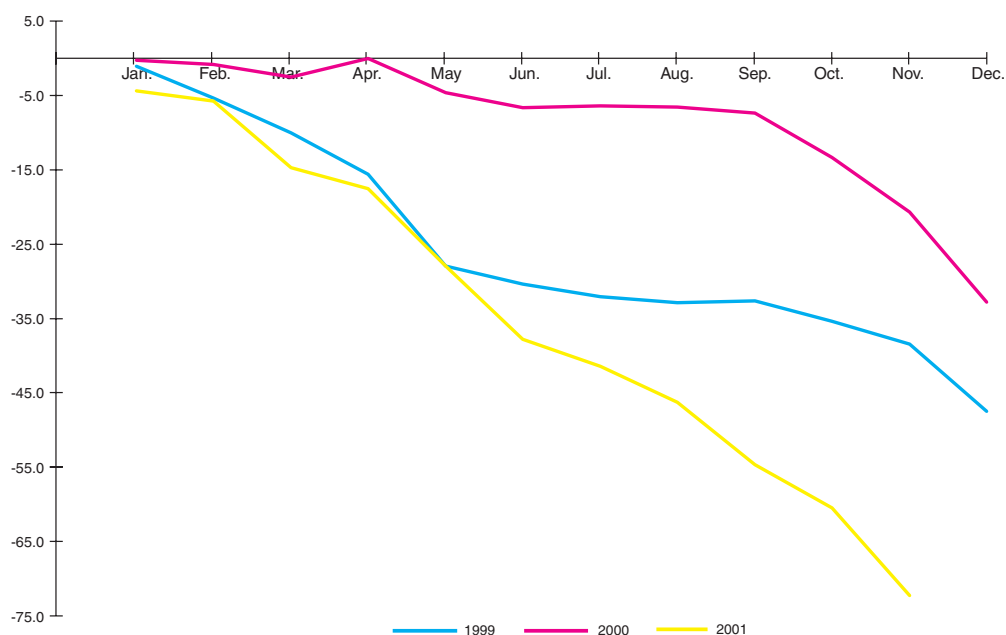
The foreign exchange reserves of the NBS (at fixed 1993 exchange rates) fell month-on-month by Sk 2.3 billion, due mainly to repurchase operations (Sk 3.3 billion at fixed 1993 exchange rates).

### 3.2. Foreign trade

#### **Balance of payments for January to November 2001**

*Current account* The balance of payments on current account for the period January to November 2001 was characterised by a gradual increase in the deficit, which reached Sk 72.2 billion (Sk 52 billion more than in the same period a year earlier). This development was affected significantly by a further increase in the trade deficit (Sk 56.1 billion year-on-year) and a fall in net receipts from services (Sk 0.2 billion). The other items in the current account (balance of income and that of current transfers) showed a moderate improvement (Sk 4.3 billion in total).

#### **Balance of payments on current account (Sk billions)**



*Balance of trade* In November, the balance of trade resulted in a slowdown in the rate of year-on-year growth in both imports and exports in cumulative terms, with the growth in imports (22.5%; i.e. 16.5% in USD or 20.2% in EUR), exceeding the dynamics of exports (12.7%; i.e. 7.2% in USD or 10.6% in EUR). From January to November, goods were exported in the total amount of Sk 567 billion and imported for Sk 654.2 billion (according to preliminary data from the Statistical Office of the SR). The deficit of trade reached Sk 87.2 billion.

*Exports* The volume of exports grew year-on-year by Sk 63.9 billion (compared with Sk 118.1 billion in the same period in 2000). The fall in the dynamics of exports was caused partly by a slowdown in the rate of economic growth in the countries of our main trading partners. This was a result of global recession, which affected all the sectors exporting semi-finished products, where exports grew at a much slower rate in 2001 than in 2000. This took place in the export of iron, steel, aluminium, paper, timber, artificial silk, etc. On a year-on-year basis, the volume of exports was also

affected by a slowdown in the rate of growth in the exports of mineral-based fuels, organic chemicals and plastics. A major role in this category was played by the stabilisation of oil prices, which recorded a marked increase in 2000. During the first 11 months of 2001, passenger cars were exported in the total amount of Sk 79.8 billion, representing a year-on-year decline of Sk 2.6 billion. In the same period of 2000, the volume of car exports reached Sk 82.4 billion, giving a year-on-year increase of Sk 29.6 billion.

Commodities, the export of which grew at a faster rate than in 2000, include electrical instruments and equipment (whose year-on-year growth increased by Sk 2.4 billion) and clothes and accessories (by Sk 2.0 billion).

Imports increased year-on-year by Sk 119.9 billion (compared with Sk 111.1 billion during the first eleven months of 2000). The growth in imports took place predominantly in the categories 'machines and machine parts'; 'electrical equipment and instruments'; and 'vehicles' excluding passenger cars (the period January to November 2001 saw a year-on-year increase of Sk 48.6 billion, compared with Sk 29.5 billion in the same period in 2000). The growth in imports in the above categories, which are mostly of an investment nature (this category includes machines and electrical appliances for consumers, such as washing machines, refrigerators, TV sets, etc.), accounted for roughly 40% of the total increase in imports in 2001.

*Imports*

The continued steady growth in imports in connection with the expansion of raw-material and material-intensive sectors, led to an increase in the import of semi-finished products, mainly iron and steel, iron and steel products, aluminium, plastics, and some raw materials. Semi-finished goods and raw materials (including mineral-base fuels) accounted for roughly 40% of the total increase in imports.

In comparison with 2000, the rate of growth in imports also accelerated in the category 'commodities for final consumption'. The import of industrial goods and foodstuffs (which was dominated by the import of passenger cars, pharmaceuticals, furniture, and certain agricultural products) accounted for 20% of the total year-on-year increase in imports.

During the 11 months under review, the balance of services resulted in a surplus of Sk 19.8 billion, to equal the level of 2000. A positive trend in the balance of services was the growth in net receipts from foreign tourism, caused by an increase in receipts from foreign tourists (28.9%). The balance of foreign trade resulted in a surplus of Sk 10.5 billion, representing a year-on-year increase of Sk 4.9 billion.

*Balance of services*

In contrast with the balance of tourism, the balance of 'other services in total' resulted in a deficit of Sk 13.1 billion and continued to deteriorate. The steep increase in the size of the deficit in this category (by Sk 4.6 billion) was due mainly to construction and business services, where imports grew in 2001.

The balance of income resulted in a deficit of Sk 13.7 billion, which was Sk 0.7 billion less than in the same period a year earlier. This was due to growth in yields on securities and interest earned on deposits abroad. A moderate increase in expenses was connected with the growth in property-related payments to direct investors and subsequent transfer abroad. In other items, only the structure of income has changed: interest on securities increased, while interest paid on loans decreased, in connection with a change in the structure of borrowings from abroad, mostly in the past year.

*Balance of income*

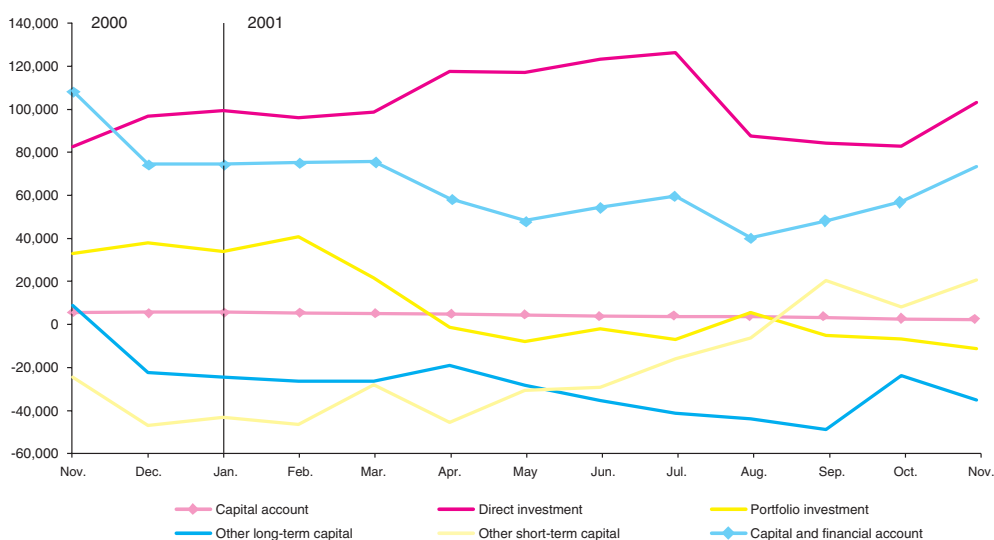
Another item that showed an improvement in comparison with the previous year was the balance of current transfers, which generated a surplus of Sk 8.9 billion (Sk 3.6 billion more than during the same period in 2000). The structure of current transfers was

dominated by receipts from abroad in the form of transfers made by natural and legal persons and non-investment subsidies granted to the commercial sector.

*Capital and financial account*

The capital and financial account resulted in a surplus of Sk 64.9 billion, which was Sk 8.4 billion more than the figure for the same period a year earlier.

**Development of capital and financial account (moving cumulative figures) (Sk millions)**



Since the NBS maintains an account for the National Property Fund (NPF), through which the inflow of foreign currency receipts from privatisation is sterilised, these funds are not used directly for financing the deficit in the balance of payments on current account. If the NBS does not intervene, the current account deficit is financed through commercial banks. Although the growing deficit in the current account places increased demands on the activities of commercial banks, the inflow of funds into the Slovak economy channelled through the banking sector, via the capital and financial account, sufficed (even without receipts from privatisation) to cover the current account deficit (see the table below).

**Balance of Payments Adjusted for the Activities of the Government and the NBS (Sk millions)**

	January – November 2001	
	Actual <sup>1/</sup>	Adjusted <sup>2/</sup>
Current account	-72,182.2	-65,760.5
Capital and financial account (adjusted for NBS interventions)	62,991.9	55,489.0
of which: foreign direct investment in Slovakia		
(capital participation + reinvested earnings)	53,740.6	31,575.4
Unclassified items	9,230.5	9,230.5
NBS interventions	1,929.3	1,929.3
Change in the net foreign assets of banks (- increase)	-	-888.3
Change in NBS reserves (- increase)	-1,969.6	-

<sup>1/</sup> Original balance of payments structure, i.e. effect of receipts and payments on NBS reserves.

<sup>2/</sup> Adjusted for the effects of activities of the Government and the NBS, which do not affect the positions of commercial banks vis-à-vis non-residents and do not represent a real source of finance for the current account.

*Foreign direct investment*

Foreign direct investment in net terms (difference between FDI by non-residents in Slovakia and by Slovak residents abroad) amounted to Sk 66.1 billion, due to an inflow of investment capital into Slovakia in the amount of Sk 68.7 billion and an outflow of capital through the activities of Slovak economic entities abroad in the amount of Sk 2.6 billion.

Direct investment in Slovakia was affected by an increase in the inflow of foreign capital (Sk 53.7 billion). Most capital was invested in the banking sector (68.3%), in connection with the implementation of privatisation projects. The remaining amount was employed in industry, mainly in the production of foodstuffs, beverages, and chemicals. Of the total amount of capital invested, industry accounted for 10%; the wholesale and retail trade 9.6%; and transport and communications 6.2%. Other capital provided in the form of credits (mostly short-term financial and commercial credits) to subsidiary companies operating in Slovakia also gained in importance in 2001.

A capital outflow of Sk 15.6 billion was recorded in portfolio investment. The massive outflow was due to increased purchases of long- and short-term foreign securities by commercial banks. In portfolio investment, receipts exceeded payments by Sk 7.4 billion on the liabilities side. In the structure of securities issued by Slovak entities, the weight of stocks and shares in the category 'non-debt instruments', increased. In debt securities, an outflow of Sk 1.4 billion was recorded in connection with the redemption of government securities issued on foreign markets.

*Portfolio investment*

Other investments recorded a relatively high capital outflow (Sk 14.3 billion) during the period January to November. The structure of this capital was rather problematical: short-term capital recorded an inflow, while long-term capital suffered an outflow. The outflow of long-term capital reached Sk 7.1 billion, while outflow through corporate financial credits amounted to Sk 8.6 billion. Financial credits were drawn in the amount of Sk 29.8 billion (70% of the figure for the same period in 2000), while corporate financial credits were repaid in the amount of Sk 38.4 billion (10.2% more than a year earlier). In recent years, corporate financial credits have become a sensitive component of long-term capital, due to the accumulation of repayments of credits drawn in previous years. Although the share of credits in industry was increasing slowly (32%), most credits were drawn by non-production sectors (transport and communications 18%, business services, wholesale and retail trade 29%, and finance and insurance 11%). Although 60% of the new credits was used for the purchase of new technologies (according to a statement by the corporate sector), it may be assumed that a large part of these credits was used for the repayment of old credits that fell due in 2001.

*Other capital*

Short-term capital recorded an inflow of Sk 21.4 billion. The inflow of short-term capital was absorbed mostly by the banking sector (80%), which saw an increase in short-term financial credits drawn and the short-term deposits of residents at Slovak banks. The inflow of short-term capital into the corporate sector in the form of financial and commercial credits remained, despite an increase in the deficit of trade, virtually unchanged.

After several months of decline, foreign exchange reserves again recorded an increase in November, due to receipts from privatisation. In cumulative terms, the reserves of the NBS increased by Sk 2.0 billion, i.e. US\$ 41.3 million (excluding exchange rate differentials), from the beginning of the year to the end of November.

*Foreign exchange reserves*

### **External debt of Slovakia at 30 November 2001**

On 30 November 2001, the total gross external debt of the Slovak Republic amounted to US\$ 11.0 billion, representing a month-on-month fall of US\$ 0.1 billion.

*Gross external debt*

Per-capita gross external debt had fallen to US\$ 2,040 by the end of November (from US\$ 2,066 in October).

**External Debt of the SR** (US\$ millions)

	31. 12. 2000	31. 10. 2001	30. 11. 2001
Total external debt of the SR	10,804.2	11,112.2	10,973.0
Official debt of the Government and the NBS	2,916.5	2,584.6	2,521.6
Official short-term debt	0.0	0.0	4.1
Government agencies	371.9	587.9	576.2
Municipalities	95.7	104.4	103.4
Foreign liabilities in the commercial sector	7,420.2	7,835.3	7,771.8
Commercial banks	683.5	916.3	1,017.3
Entrepreneurial entities	6,736.8	6,919.0	6,754.5
Medium and long-term foreign liabilities in the commercial sector	5,005.2	4,797.7	4,731.4
Commercial banks	316.7	270.0	269.7
Entrepreneurial entities	4,688.5	4,527.8	4,461.6
Short-term liabilities in the commercial sector	2,415.0	3,037.6	3,040.4
Commercial banks	366.8	646.4	747.5
Entrepreneurial entities	2,048.3	2,391.2	2,292.9
Foreign assets	7,848.4	8,149.0	8,420.2
Net external debt	2,955.8	2,963.2	2,552.8

**Current development**

*Trade deficit* In December, exports were greatly exceeded by imports and the trade deficit reached Sk 16.0 billion (according to preliminary data), representing the highest monthly shortfall in 2001. In comparison with December 2000, the size of the deficit increased by Sk 5.3 billion.

Goods were exported in the amount of Sk 43.6 billion in December 2001, representing a year-on-year fall of 3.7% (2.7% in USD and 2.7% in EUR). The volume of goods imported totalled Sk 59.7 billion, giving a year-on-year increase of 6.5% (7.4% in USD and 7.5% in EUR).

Foreign trade in December resulted in a further fall in the dynamics of import and export in cumulative terms. Imports increased by 20.9% (15.6% in USD or 18.9% in EUR), exceeding the rate of growth in exports, which reached 11.3% (6.4% in USD or 9.5% in EUR). During 2001, goods were exported from Slovakia, according to preliminary data from the Statistical Office of the SR, in the total amount Sk 610.7 billion. Over the same period, goods were imported in the amount of Sk 713.9 billion. The annual trade deficit reached Sk 103.2 billion and was Sk 61.5 billion higher than in 2000.

One of the main causes of the high trade deficit is the revival of growth in domestic demand. The lower deficits in 1999 and 2000 were achieved with the help of administrative measures, which were designed to restrict consumption and had only a short-term effect.

The growth in the deficit was due partly to a year-on-year slowdown in the rate of growth in exports and/or stagnation in the volume of car exports, organic chemicals and plastics, and/or slower growth in the exports of iron, steel, and aluminium.

Another factor behind the marked deficit was the high import intensity of investment demand. Imports in the categories machines, electrical appliances, optical and

measuring instruments increased by Sk 43.9 billion (compared with Sk 19.7 billion in 2000). A more detailed survey of the structure of these categories indicates that only part of the imports can be regarded as imports of technologies and machines for production purposes. According to the estimates of the NBS, technology imports for the individual sectors of the national economy with a possible impact on exports grew by Sk 17.6 billion, with their share in the total growth in imports increasing to 14.2%.

In the case of technology imports, it is possible to accept their pro-growth effect on the size of the trade deficit, because they were in large part financed through foreign direct investment and are expected to represent a potential source for increase in the export performance of the SR.

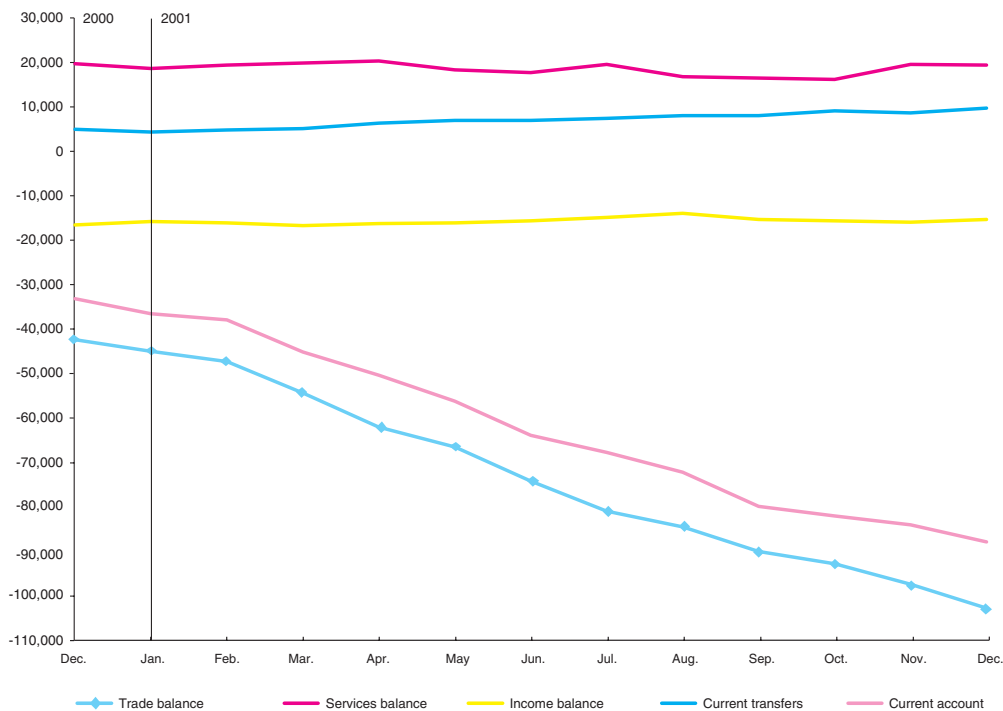
The high deficit in foreign trade in December was probably connected with increased household consumption before Christmas, in addition to the redemption of FNM bonds at the end of last year.

The basic problem in foreign trade relations is the high import intensity and low flexibility of domestic producers in response to increased domestic demand, which was reflected in the increased imports of semi-finished products and machines, as well as consumer goods. In the selected category of industrial and agricultural products (including passenger cars), imports increased by Sk 24.1 billion, representing 19.5% of the total growth in imports.

In 2001, the balance of services generated a surplus of Sk 20.0 billion, and remained basically at the level of 2000 (with a year-on-year fall of Sk 0.2 billion). In trade in services, the rate of growth in imports continued to exceed the dynamics of exports, though the difference was further reduced in comparison with the previous month. While payments for imported services increased by 16.4% in Sk (in US\$ by 11.2%), receipts for exported services grew by 12.9% in Sk (in US\$ by 7.9%).

Balance of services

**Development of the current account and its components (moving cumulative figures) (Sk millions)**



The balance of transport resulted in a positive balance of Sk 24.3 billion, which was Sk 1.5 billion less than in the same period a year earlier. In terms of volume, the largest item among transport services was income from the transit of gas and crude oil from Russia to the Czech Republic, western and southern Europe, which reached Sk 34.4 billion, i.e. Sk 0.7 billion less than in 2000. Of the other components in transport services, increases were recorded in expenses in other services, mainly business services, and import costs, which are connected with related expenses (storage, insurance, etc.).

In foreign tourism, receipts continued to grow at a faster rate than expenses. Foreign exchange receipts reached Sk 27.8 billion, representing a year-on-year increase of 39.4%. Foreign exchange expenses of Slovak citizens amounted to Sk 14.0 billion and their dynamics fell to a minimum (2.5%). Foreign tourism contributed Sk 13.8 billion to the surplus in the balance of services, which was Sk 7.5 billion more than a year earlier.

In contrast with transport and tourism, which were in surplus, the balance of 'other services in total' (communications, construction, insurance, financial, leasing, computer engineering, business, technical, and advertising services, etc.) was in deficit throughout the year. In 2001, the deficit in the balance of 'other services in total' reached Sk 18.1 billion, representing a year-on-year increase of Sk 6.2 billion. The steep increase in the deficit in 'other services in total' was affected throughout the year by developments in construction, technical and business services, mainly by an increase in payments abroad for such services. A modest improvement was recorded in telecommunications services, which were the only services in 2001 to achieve a positive balance for a longer period (Sk 1.4 billion), and in computer engineering services, where receipts and expenses were roughly in balance.

*Balance of income*

The balance of income resulted in a deficit of Sk 15.1 billion, which was Sk 1.2 billion less than in 2000. Receipts reached Sk 15.5 billion, representing a year-on-year increase of 25.3%. Growth was stimulated by an increase in interest paid on deposits abroad and yields on foreign securities. In 2001, interest and yield payments reached Sk 30.6 billion (a year-on-year increase of 6.7%), due for the most part to increased payments on property to direct investors and their subsequent transfer abroad.

*Balance of current transfers*

The only item that recorded a marked improvement in comparison with the previous year, was the balance of current transfers, which generated a surplus of Sk 10.2 billion (Sk 4.8 billion more than in 2000). The structure of current transfers was dominated by receipts from abroad for the transfers of natural and legal persons and non-investment subsidies for the commercial sector.

*Current account deficit*

The deficit in the balance of payments on current account reached, according to preliminary data, Sk 88.1 billion and was Sk 55.7 billion higher than in the same period in 2000. According to the estimates of NBS, GDP reached Sk 967 billion (at current prices) and the current account deficit 9.1% of GDP in 2001.

**Development of the current account and its components in 2001 (Sk millions)**

	Monthly data											
	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.
Trade balance	-4,780	-5,430	-8,613	-6,718	-7,752	-8,238	-8,382	-8,019	-6,953	-9,309	-13,003	-16,008
Services balance	420	3,168	614	1,968	1,057	550	3,754	1,942	1,573	3,356	1,548	135
Income balance	461	-95	-1,630	-98	-5,021	-2,484	-114	326	-3,931	-682	-474	-1,375
Current transfers	-172	790	763	1,920	1,458	474	786	991	910	1,155	-177	1,375
Current account	-4,071	-1,567	-8,866	-2,928	-10,258	-9,699	-3,956	-4,760	-8,401	-5,480	-12,106	-15,873



	Moving 12-month cumulative data												
	Dec.00	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.
Trade balance	-41,772	-44,821	-47,008	-54,449	-62,141	-66,592	-74,303	-81,211	-84,670	-90,307	-93,075	-97,804	-103,205
Services balance	20,298	19,141	19,967	20,346	20,942	18,881	18,213	20,165	17,350	16,913	19,014	20,116	19,985
Income balance	-16,324	-15,472	-15,860	-16,396	-15,961	-15,893	-15,305	-14,643	-13,627	-15,102	-15,410	-15,635	-15,115
Current transfers	5,440	4,777	5,224	5,463	6,776	7,376	7,381	7,856	8,510	8,433	9,590	9,043	10,244
Current account	-32,357	-36,375	-37,657	-45,036	-50,384	-56,229	-64,015	-67,833	-72,437	-80,064	-79,881	-84,280	-88,092

At the end of January, the total foreign exchange reserves of the NBS (at current exchange rates according to the new methodology) stood at US\$ 4,688.8 million, representing a month-on-month fall of US\$ 102.3 million. At the end of the month, the volume of foreign exchange reserves was 3.4 times greater than the volume of the average monthly imports of goods and services to Slovakia in 2001, which corresponded to the figure for the same period a year earlier.

*Foreign exchange reserves*

In January, the index of the nominal effective exchange rate of the Slovak crown (NEER)<sup>2/</sup> rose month-on-month by 1.0% and year-on-year by 0.2%. After 15 months of fall, the year-on-year dynamics of NEER again reached a positive value (the year-on-year fall persisted throughout the past year).

*Nominal effective exchange rate*

The index of the real effective exchange rate of the Slovak crown (REER) rose month-on-month by 0.4% in December and appreciated on a year-on-year basis by 3.9%. The upward trend in REER since last May represented a fall in the price-based competitiveness of Slovak producers, due partly to the stable but higher prices of domestic producers and partly to the end of the exchange rate advantage compared with our main trading partners.

*Real effective exchange rate*

### 3.3. Real economy

#### Current development

Production in industry and construction, as well as receipts from own-output and goods in industry recorded a year-on-year fall in December. The rate of growth in receipts accelerated in the retail trade, real estate, leasing, and business services.

Industrial production remained, for the first time in 2001, below the level of the previous year, due primarily to a year-on-year fall in the output of the dominant sector, i.e. industrial production (1.1% at constant prices) and a sharp decline in raw materials extraction (11.2% year-on-year at constant prices). On the other hand, the production and distribution of electricity, gas, and water recorded, for the second consecutive month, a moderate year-on-year increase in production (3.2%). In terms of industrial production, the year-on-year decline in the manufacture of vehicles accelerated (by 32%). Decline was also recorded in the production of chemicals, chemical goods and fibres, metals and metal products, and coke, refined oil products, and nuclear fuels. The most dynamic growth was maintained in the production of electrical and optical equipment (41%). Relatively steep year-on-year increases were recorded in the production of pulp, paper and paper goods, printing and publishing, textile and clothing industry, the production of foodstuffs and beverages, and tobacco processing.

*Industrial production*

The trend of decline in construction, which had begun in August, continued in December. On a year-on-year basis, the output of the construction sector fell by 8.2% (at constant prices), representing the sharpest fall in 2001. The unfavourable

<sup>2/</sup> The methodology applied for the calculation of the nominal and real effective exchange rates of the Slovak crown (NEER and REER) is that used by the IMF. It is based on the producer price index (PPI) from the year 1999, for the nine most important trading partners of Slovakia, representing roughly 70% of the total turnover of foreign trade: Germany, Czech Republic, Italy, Austria, France, The Netherlands, USA, Great Britain, and Switzerland.

trend was a result of a year-on-year fall in the volume of construction orders both in Slovakia (7.9% at constant prices) and abroad (a fall of 18.2%). In domestic production, the volume of construction work fell on new construction, reconstruction, and modernisation projects (by 11.3%), which reached 88.7% of the level of the previous year (at constant prices).

Indicator		Sk millions		Indices			
		December 2001	cumulative since beg. of the year	Nov. 2001	Dec. 2001	Dec. 2000	1.-12.2001
				Nov. 2000	Dec. 2000	Dec. 1999	1.-12.2000
<b>Production:</b>							
Industrial production <sup>1/</sup>	const. prices	.	.	102.7	99.3	109.3	104.6
Construction	curr. prices	6,180	74,725	101.7	97.3	.	107.6
	const. prices	3,529	43,516	95.9	91.8	111.0	100.8
<b>Receipts from own output and goods</b>							
Industry in total	curr. prices	88,650	1,068,808	104.5	102.4	.	111.2
	const. prices	67,190	818,279	102.4	99.5	.	106.3
Retail sales, hotels and restaurants	curr. prices	43,325	448,597	.	.	.	.
	const. prices	.	.	106.8	107.9	.	105.6
Transport, storage	curr. prices	7,055	85,908	118.4	105.9	.	126.0
Real estate, leasing, and business services	curr. prices	14,294	124,782	.	.	.	.
	const. prices	.	.	111.2	118.9	.	106.3

1/ Same period of the previous year = 100, adjusted for the effect of the number of working days.

*Receipts* Receipts from own-output and services in industry fell year-on-year by 0.5% at constant prices (for the first time in 2001). This development was most affected by a fall in the production of metals and metal goods and the manufacture of vehicles. Receipts increased only in the production of electrical and optical equipment, pulp and paper, textiles and clothes, the production and distribution of electricity, gas and water supply, and in food processing.

In December, receipts from own-output and goods in the retail trade were 7.9% higher (at constant prices) than in the same period a year earlier. Receipts from the sale, maintenance, and repair of motor vehicles and the retail sale of fuels, increased by 13.4%. Receipts in other retail outlets grew by 8.6%. In December, receipts in hotels and restaurant remained, for the first time in 2001, at the level of the previous year.

After dynamic growth throughout the year, the receipts of transport organisations from own-output and goods recorded only a modest year-on-year increase in December (5.9% at current prices). Railway traffic and pipeline transport suffered a sharp fall in receipts (22.1% and 12.3% respectively).

Dynamic growth was recorded in receipts from own-output and goods in real estate, leasing, computer engineering, and business services, the dynamics of which increased month-on-month by more than 7 percentage points in December, to 18.9% (at constant prices).

### **Wages and employment**

*Average monthly nominal wage*

In December, the steepest year-on-year increase in the average nominal wage took place in industry (11.4%) and the wholesale trade (10.0%). In retail sales, hotels, and restaurants, the average wage increased by 6.4%, and in transport by 5.9%. The smallest wage increases occurred in real estate, leasing, and other public services

(1.0%) and construction (1.6%). Year-on-year fall in the average nominal wage was recorded only in postal and telecommunications services (8.1%; resulting from a rise of 9.9% in postal services and a fall of 10.5% in telecommunications). Developments in telecommunications were affected by the high basis of comparison from December 2000, when wages (including bonuses) increased by 53.1% in this sector.

In 2001, the steepest increase in the average monthly nominal wage took place in postal and telecommunications services (13.1%, i.e. 7.9% in postal services and 19.1% in telecommunications), the wholesale trade (11.4%), and in industry (9.6%). The wages of employees in transport rose by 5.6% and in construction by 4.8%. The smallest wage increase took place in retail sales, hotels, and restaurants (2.6%).

With regard to the development of consumer prices, the average monthly real wage in 2001 exceeded the level of the previous year only in postal and telecommunications services (by 5.4%; in postal services by 0.6% and in telecommunications by 11.0%), the wholesale trade (by 3.8%), and industry (by 2.1%).

**Development of wages by sector (index, same period of last year = 100)**

	Average monthly nominal wage				Average monthly real wage			
	January - November		January - December		January - November		January - December	
	2000	2001	2000	2001	2000	2001	2000	2001
Industry	109.6	109.5	109.3	109.6	97.5	102.0	97.6	102.1
Construction	106.5	105.1	106.5	104.8	94.8	97.9	95.1	97.7
Retail trade	98.9	102.3	98.3	102.6	88.0	95.3	87.8	95.6
Wholesale trade	98.0	111.6	97.7	111.4	87.2	103.9	87.2	103.8
Transport	109.5	105.5	109.5	105.6	97.4	98.2	97.8	98.4
Post and telecom	108.3	116.3	112.6	113.1	96.4	108.3	100.5	105.4
<i>Average inflation</i>	<i>112.4</i>	<i>107.4</i>	<i>112.0</i>	<i>107.3</i>	<i>x</i>	<i>x</i>	<i>x</i>	<i>x</i>

Notes: The above sectors accounted for 60.6% of total employment in 2000 (on average).  
 Index of real wages = index of nominal wages / index of consumer prices.

The situation on the labour market in December was again affected by the end of seasonal works in agriculture and construction, and an increase in the number of persons previously employed on public works becoming unemployed again.

*Unemployment*

The number of registered unemployed increased month-on-month by 20.6 thousand, to 533.652 at the end of December. The rate of unemployment, based on the disposable number of unemployed, rose by 0.9 of a percentage point, to 18.6%. Compared with the end of 2000, the number of registered unemployed increased by 27,155 persons.

During December, 38.1 thousand new job applicants were registered at labour offices (4.7 thousand less than in November). The number of unemployed excluded from the registers totalled 17.6 thousand (compared with 29 thousand in November), of which 11.6 thousand persons found employment. By the end of December, the total number of people employed on public works had fallen to 16.2 thousand, from 19.3 thousand in November. A positive trend was recorded in the number of vacancies reported to labour offices, which increased from 9,001 in November to 10,086 in December. The month-on-month increase of 1,085 indicates that there were 53 jobless per vacancy at the end of December (compared with 57 in November).

In 2001, the average number of unemployed reached 520,642 (2,717 more than in 2000) and the average unemployment rate, based on the number of disposable unemployed, 18.25% (compared with 18.23% in 2000).

## 4. Monetary development

### 4.1. Foreign exchange market

*Operations on the foreign  
exchange market*

During January, the exchange rate of the Slovak crown (SKK) to the euro (EUR) appreciated by 1.0% (from SKK/EUR 42.760 to SKK/EUR 42.333).

The strongest appreciation took place in the second third of the month, when the crown strengthened in a few days, from SKK/EUR 42.855 (on 10 January) to SKK/EUR 42.243 (on 21 January), and then fluctuated around SKK/EUR 42.300. The course of the exchange rate was, for the most part, determined by the activities of foreign banks (non-residents), domestic banks only adapted to the market. Trade between foreign and domestic banks resulted in a negative balance (US\$ 92.5 million), indicating that foreign banks were mostly selling foreign currency and purchasing SKK.

In relation to the US dollar, the Slovak crown weakened by 0.9% in January (from SKK/USD 48.467 to SKK/USD 48.889).

#### **Changes in the exchange rate of SKK against EUR and USD**

	Month-on-month change in %	Ø January 2002 Ø January 2001
SKK/EUR	-1.0	-2.7
SKK/USD	+0.9	+3.4

+ Depreciation of SKK  
- Appreciation of SKK  
Ø Average

*Interbank foreign  
exchange market*

The volume of transactions between Slovak commercial banks increased by 12.3% in January, from US\$ 3,269.9 million to US\$ 3,672.3 million. Most trading took place in USD (68.4%, compared with 70.0% in December), followed by EUR (31.2%, compared with 29.5% in December), and other currencies (0.3%). Trading between domestic banks accounted for 28.3% (compared with 32.2% in December) of the country's foreign exchange market.

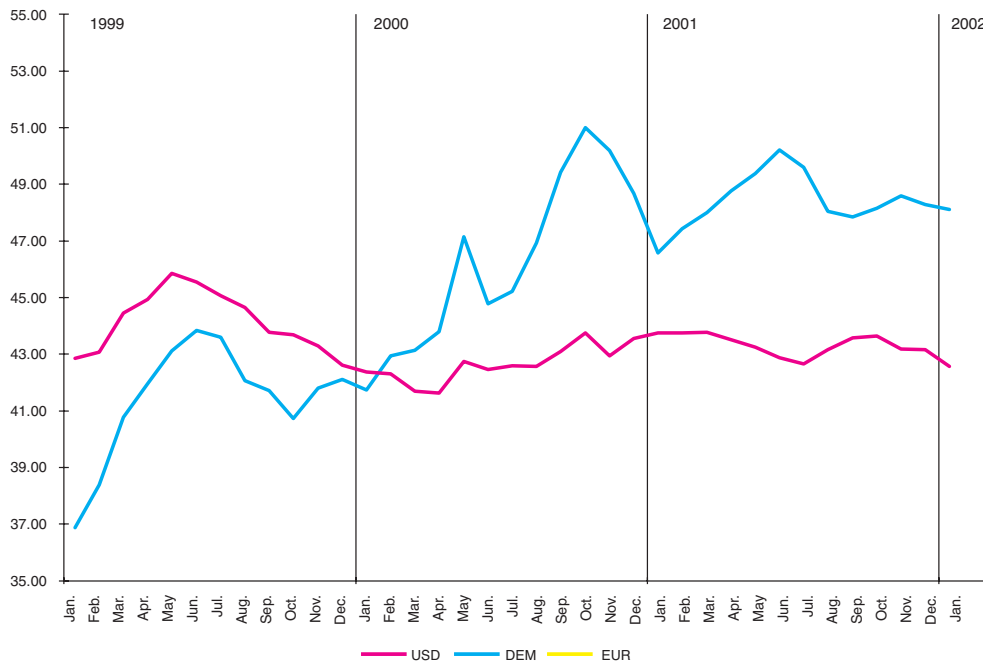
Of the total volume of trading between Slovak banks, swap operations accounted for 76.5% (compared with 76.2% in December) and spot contracts 23.5% (23.8% in December). Forward transactions were virtually at a standstill in January. Swap operations are used mainly as a security instrument but also in the purchase of crown-denominated Eurobonds to hedge against the exchange rate risk.

The volume of trading between domestic and foreign banks increased by 35.5% in January (from US\$ 6,873.4 million in December to US\$ 9,313.6 million). Most trading was again conducted in USD (77.1%, compared with 84.0% in December), followed by EUR (22.7%, compared with 17.5% in December), and other currencies (0.2%). Trading between Slovak and foreign banks still dominates the country's foreign exchange market, with a share of 71.7%.

Trading between domestic and foreign banks took place, like transactions between Slovak banks, almost exclusively in the form of swaps (83.7%; compared with 89.0% in December), while spot contracts accounted for 16.1% (10.9% in December) and forward transactions 0.3% (0.1% in December).

In January, the total volume of trading on the interbank foreign exchange market reached US\$ 12,983.8 million (compared with US\$ 10,143.3 million in December), representing the highest figure ever recorded.

**Average monthly exchange rate of the SKK**



**4.2. Money market**

January saw a fall in average monthly BRIBOR rates for all maturities. The downward trend in the daily course of interest rates (with the exception of overnight rates) was smooth throughout the month. The fall in interest levels was attributable to the cut in the ratio of required reserves (to 4%), which was also responsible for an increase in demand for government bonds at auctions and a fall in the average yields achieved. The persistent surplus of funds and the lack of investment opportunities created room for the lowering of interest rates with maturities longer than one month. The fall in interest rates at the longer end of the yield curve was also supported by swaps (conversion of foreign exchange into SKK) and the resulting increase in crown deposits. The quotations of money market deposits were made with respect to the expectation of a cut in interest rates announced by the NBS. This led to a fall in the prices of longer-term maturities in comparison with the possibility of achieving an effective yield from repeated two-week repo tenders. Despite the decision of the Bank Board to leave the key NBS rates unchanged, these expectations remained incorporated in the quotations of BRIBOR rates. The high demand at government bond auctions and the fall in yields were accompanied during the month by trading stimulated mostly by demand. The quotations of 3-month rates for forward rate agreements (FRA) responded to the development of interbank deposit rates only very sporadically.

*Interest rate development*

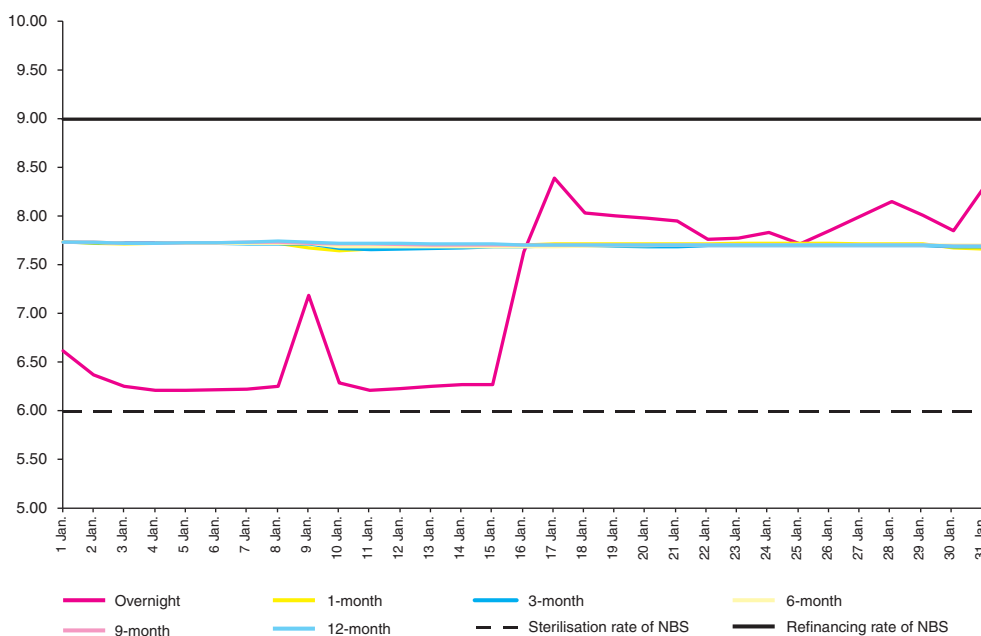
The liquidity surplus generated by the cut in the ratio of required reserves and the initial caution of banks towards repo tenders (SRT) led to growth in the amount of accumulated free liquidity. The surplus is gradually absorbed through issues of government bonds and increased demand for tenders. The marked fluctuations in the daily volumes of liquidity during the last ten-day period, caused partly by tax payments into the State Budget and partly by the payment of yields on government bonds, led to a fall in the level of demand in SRT tenders at the end of January.

*Open market operations*

In January, five auctions were held in SRT tenders. The initial growth in the volumes accepted increased the value of the maximum daily shares of tenders in NBS interventions during the period between the third and fourth tenders, to Sk 58.6 billion.

After a fall in the daily volumes of liquidity and interest in SRT, total volume fell to Sk 54.9 billion at the end of the month. The liquidity situation in the banking sector resulted in a fall in the minimum rate accepted to 7.72% in the fourth SRT tender and the average rate to 7.73% in the last two SRT tenders. The maximum rate also fell in the third and the last SRT tenders, to 7.74%.

**Development of interbank offered rates (BRIBOR) (% p.a.)**



**Tenders in January 2002**

Date tender	Type of tender <sup>1/</sup>	Maturity (days)	Volume accepted (Sk million)	Rates (%)		
				minimum	average	maximum
2.1.2002	SRT	14	20,800	7.73	7.74	7.75
9.1.2002	SRT	14	35,550	7.73	7.74	7.75
16.1.2002	SRT	14	23,000	7.73	7.74	7.74
23.1.2002	SRT	14	33,850	7.72	7.73	7.75
30.1.2002	SRT	14	21,000	7.73	7.73	7.74

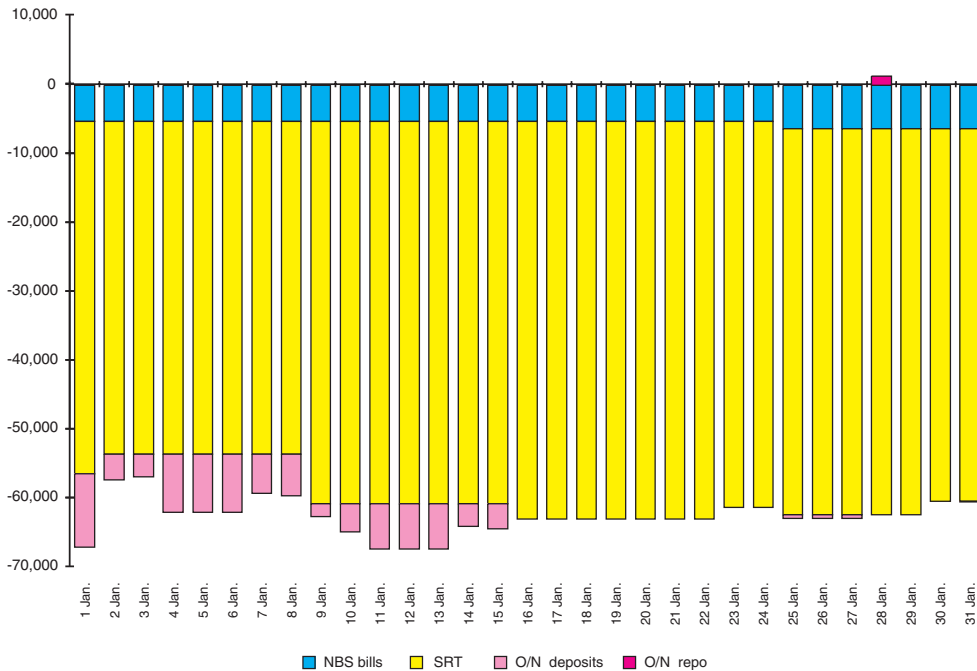
<sup>1/</sup> SRT – Sterilisation REPO tender  
 RRT – Refinancing REPO tender

January saw one issue of NBS bills. The sale of the issue took place by Dutch-style auction, with demand exceeding the amount due by Sk 1.1 billion. The NBS accepted bids in the amount of Sk 3.1 billion, offering a yield of 7.73%. As a result, the daily share of NBS bills in the total intervention position of the NBS increased to Sk 6.4 billion.

In January, banks conducted overnight transactions of both types with the NBS. They deposited liquidity surpluses on a regular basis during the first half of the month and sporadically during the last ten days. The uneven spread of liquidity over the banking sector and the fulfilment of credit lines led to surplus funds being deposited, even during their shortage on the market. Refinancing through repo transactions was necessitated by increased liquidity absorption at the time of tax payments. The highest daily volume of overnight deposits with the NBS was recorded in the first week (Sk 8.6 billion) and the lowest at the end of the month (Sk 0.1 billion). One refinancing operation was conducted in the amount of Sk 1.4 billion.

The volume of NBS interventions increased by Sk 12.9 billion, to Sk 63.4 billion in January. Of the total volume of interventions, repo tenders accounted for 86.80%, NBS bills 8.67%, and overnight transactions 4.53%. Increased need for sterilisation was created by the reduction in required reserves, fall in the volume of currency in circulation, and increased budget expenditure.

**Interventions by the NBS (Sk millions)**



**4.3. Customer interest rates in December 2001**

In December, the average interest rate on new loans rose by 0.2 of a percentage point (to 8.9%), due to an increase in the average rate for short-term loans (0.2 of a percentage point, to 8.8%), representing 88.5% of the total volume of new loans. The average interest rate on new medium-term loans (representing 8.8% of the total volume of new loans) fell by 0.1 of a percentage point in comparison with the previous month, to 9.9%. The average rate for new long-term loans rose by 0.5 of a percentage point, to 10.1% (with a share of 2.7% in new loans in total).

*The average rate of interest on new loans rose slightly*

Compared with November, the average interest rate on the total volume of loans remained virtually unchanged, at 9.8% in December. This was due to a marked fall in the average rate for short-term loans (0.3 of a percentage point, to 10.3%). The price of medium-term loans rose by 0.2 of a percentage point (to 10.2%), while that of long-term loans remained virtually unchanged (at 8.9%).

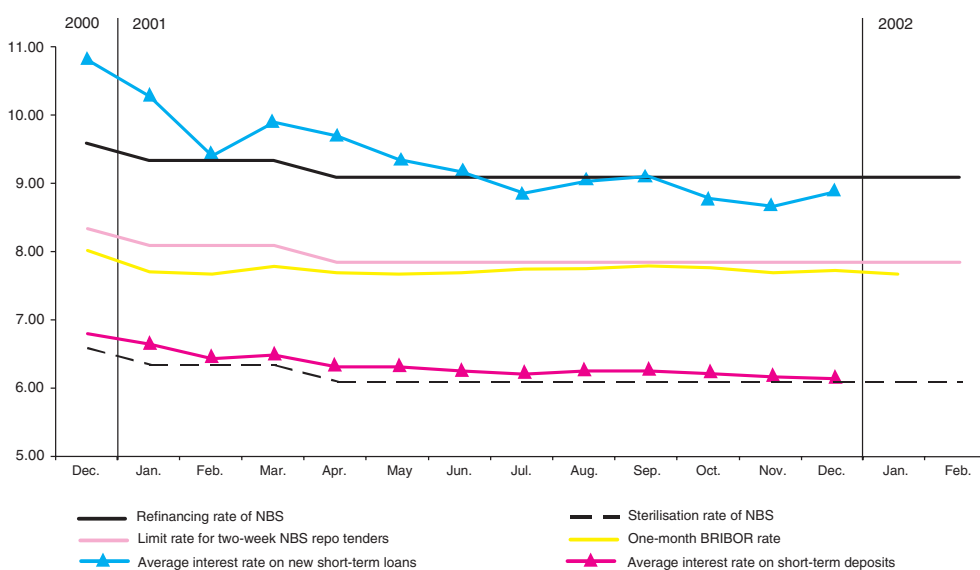
The average interest rate on deposits fell by 0.1 of a percentage point in December (to 4.8%). The average rate for deposits without an agreed maturity rose slightly, by 0.1 of a percentage point (to 2.5%), while the rate for fixed-term deposits fell by 0.1 of a percentage point (to 5.9%). Within the structure of time deposits, the average interest rate on short-term deposits fell by 0.1 of a percentage point (to 6.0%), while the rate for medium-term deposits remained unchanged (at 7.3%) and that for long-term loans fell by 0.5 of a percentage point (to 3.8%).

*Interest rates on deposits fell*

The real interest rate on one-year deposits rose month-on-month by 0.04 of a percentage point and became negative (0.2%) in December. This was due to an increase in the average rate of interest on one-year deposits at an unchanged rate of inflation.

*Real interest rate*

**Development of selected interest rates (%)**



**4.4. Implementation of monetary policy**

*Key NBS interest rates remained unchanged*

On 21 December 2001, the Bank Board of the NBS left the key rates of interest for overnight transactions unchanged, i.e. at 6.00% for sterilisation and 9.00% for refinancing purposes. The limit rate for standard two-week NBS repo tenders also remained unchanged, at 7.75%.

*Changes in monetary-policy instruments*

In accordance with the Monetary Programme of the NBS for 2002, several changes were made in the instruments of monetary policy with effect from 1 January 2002. Bills-of-exchange transactions and the Lombard loan were cancelled and the discount rate was redefined as the equivalent of the limit rate for two-week NBS repo tenders with commercial banks. Within the process of reducing reserve requirements to the level of EMU, the ratio of required reserves was lowered from 5 to 4%.

Apart from the reduction in the ratio of required reserves, which generated a liquidity surplus of Sk 5.7 billion in the banking sector, the reserves of commercial banks were also increased in January by other, seasonal factors. They included the fall in the volume of currency in circulation (after growth in December), which represented an increase of Sk 3.5 billion in bank liquidity. Pro-liquidity effect was also exerted by the other balance accounts of the NBS (Sk 3.2 billion) in the first half of January, when the deposits of extra-budgetary funds were made available to government authorities.

The effects of the above factors were partly offset by current payments into the State Budget, which drained liquidity from commercial banks in the amount of Sk 5.9 billion as a result of increased receipts in the form of quarterly VAT payments and reduced spending, typical of January.

Despite the large volume of government bonds issued (Sk 17 billion), the sector 'government securities' had a virtually neutral influence due to principal repayments (principal including yields on government bonds issued for portfolio restructuring in selected banks in the amount of Sk 16.3 billion).

*Increase in the volume of sterilisation*

The preponderance of liquidity-providing factors led to an increase in the need for sterilisation of liquidity surpluses. As a result, the average sterilisation position of the NBS vis-à-vis the banking sector was increased to Sk 63.4 billion, from Sk 50.5 billion



in December. The daily volume of sterilisation ranged from Sk 58 to 68 billion, with a pronounced tendency to grow in the first half of the month.

Although the NBS had fully accepted the bids of commercial banks at the first two repo tenders, the remaining surplus of liquidity led commercial banks to make the best possible use of overnight deposits with the NBS. As a result, their share in the total volume of sterilised funds increased, from 1.4% in December to 4.5% in January. The average price of sterilisation remained unchanged, at the level of December.

For January, the amount of required reserves in the banking sector was set at Sk 26.6 billion. By the end of the month, the reserve requirement had been fulfilled to 100.08%. The reserve requirements were met by all banks in January.

*Required reserves*

**Fulfilment of reserve requirements (Sk billions)**





## **Annexes**



## 1. Capital market

### 1.1. Primary market

In January, five government-bond issues were floated on the primary market, in the amount of Sk 17 billion. Total demand reached Sk 27.775 billion, 61.21% of which was accepted. Three issues were made with a maturity of one year, one maturing in two years, and one in five years. All the five issues had a limited issue-amount and price. In the case of Issue No. 166, total demand reached Sk 9.24 billion, 75.77% of which was accepted, i.e. Sk 7 billion. This was an issue with the possibility of gradual sale, the total amount of which was limited to Sk 7 billion. After the sale of the first part (166/A), however, the issuer limited the maximum amount to Sk 7 billion, thereby making it possible to reach the limit at the first sale.

*Government bonds*

The issuing policy was affected in January by the repayment of the nominal values of government bonds and yields on restructured government bonds, the redemption of which is covered by government-bond issues in line with the State Budget Act for 2002. This was the reason why the issuer made three issues with a maturity of one year, despite the risk of cumulative repayment in January 2003. The issuer succeeded in obtaining the required amount of funds and the high level of demand was a sign of marked interest on the part of investors. The interest of investors was motivated by increased interest in securities at the end of every year, the expected fall in interest rates in the first quarter, and the expected inflow of funds into the State Budget from privatisation and their use for the amortisation of part of the debt, as a result of which the level of government bonds on offer may fall considerably in 2002.

Over the course of January, the NBS received no notification of the issue of publicly negotiable non-government bonds.

*Non-government bonds*

### 1.2. Secondary market

In January (19 trading days), the total volume of trading on the Bratislava Stock Exchange (BCPB) reached Sk 109.35 billion, representing a month-on-month increase of 147.53%. Price-setting transactions fell in volume by 70.53% month-on-month and accounted for 3.16% of the total volume of trading in January. The steep increase in the total amount of trading and fall in the amount of price-setting contracts were due to bond transactions.

Individual markets made the following contributions to the volume of trading achieved: quoted bonds (97.50%); shares on the open market (1.07%), quoted shares (1.03%); bonds on the open market (0.4%).

Bonds were traded in a total amount of Sk 107.05 billion, representing a month-on-month increase of 180.90%. Price-setting transactions fell in volume by 69.32% month-on-month and accounted for 3.1% of the total volume of trading. Trading in government bonds accounted for 99.48% of the total volume of bond transactions.

*Bonds*

A month-on-month fall in price-setting transactions occurs periodically as a result of adjustments to price-setting contracts, the amount of which is increased in December in connection with the revaluation of portfolios at the end of the year.

Most trading took place in government bonds intended for bank restructuring, i.e. Issue No.143 (Sk 29.22 billion), Issue No. 142 (Sk 22.55 billion), and Issue No. 144 (Sk 15.97 billion). Most price-setting transactions took place in Issue No. 121 (Sk 1.25 billion) and Issue No. 144 (Sk 0.54 billion). The market capitalisation of bonds recorded a month-on-month increase of 2.55%, to Sk 301.09 billion.

The component of SDX (Slovak Bond Index) for government bonds closed the month at 187.703% of the nominal value of its portfolio (a monthly increase of

*SDX index*

0.74%), with an average yield of 7.727% p.a. to maturity and an average duration of 1.846 years. The component of SDX for bank and corporate bonds closed the month at 202.911% of the nominal value (a monthly increase of 0.80%), with an average yield of 9.066% p.a. and an average duration of 1.823 years.

**Shares** Shares were traded in a total amount of Sk 2.3 billion, representing a month-on-month fall of 61.35% (compared with Sk 5.95 billion in December). Price-setting transactions fell in volume by 83.45% month-on-month, to Sk 157.55 million (from Sk 952 million in December). Most trading took place in Slovnaft (Sk 0.475 billion) and VS shares (Sk 0.272 billion).

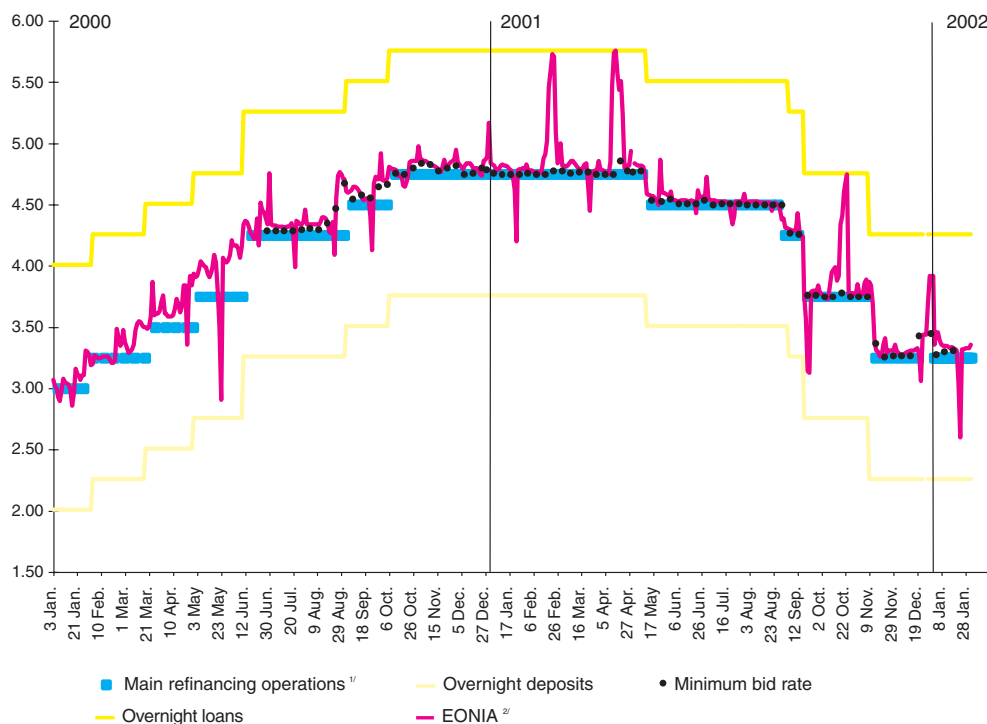
At the end of January, the market capitalisation of all tradeable shares totalled Sk 127.04 billion, representing a fall of 24.21% compared with the previous month.

**SAX index** The Slovak Share Index (SAX) followed a volatile course of development during January, and reached its monthly minimum (116.79 points) on 8 January and monthly maximum (121.92 points) on 10 January. At the end of January, the value of SAX fell to 120.71 points, representing a month-on-month fall of 0.05%.

## 2. Monetary developments in the euro area

At its first meeting in January (3.1.2002), the Governing Council of the European Central Bank (ECB) left its key interest rates unchanged. The rate for main refinancing operations remained at the level of 3.25%, the rate for overnight loans at 4.25%, and that for overnight deposits at 2.25%. At this meeting, the Governing Council of ECB also determined the amount funds that will be used in long-term refinancing operations in 2002. The amount of funds for a single operation was set at EUR 20 billion, with respect to the expected development of liquidity in the banking system in 2002 and the volume of funds employed through main refinancing operations. In the case of an unexpected change in demand for liquidity, the Governing Council can reconsider the amount of funds employed.

**Interest rates of ECB and the EONIA (%)**



1/ Since 28 June 2000, the main refinancing operations have been conducted at variable rate tenders.

2/ Euro OverNight Index Average (EONIA) - overnight reference rate of commercial banks active in the euro area.

Euro banknotes and coins were successfully entered circulation in the twelve countries of the euro area on 1 January 2002. A significant role in this transaction was played by automated teller machines, which were able to pay out euro notes from the first minute of the year. At the end of the first day, more than 80% of the ATMs used euro banknotes (in Austria, Germany, and Luxembourg 100%). Demand for the new currency from ATMs was four times higher than the average level.

Since 1 January 2002, the use of euro notes and coins has increased considerably, without particular problems. After the first week, more than 50% of the transactions were already being conducted in euro. On 24 January, 80% of the euro notes and 97% of the coins were already in circulation. The exchange of euro banknotes took place smoothly even in countries outside the euro area, especially in candidate countries, but the process is not yet finished.

## 2.1. Monetary aggregates

The dynamics of year-on-year growth in the M3 monetary aggregate remained unchanged in December (8.0%). The 3-month moving average of growth in M3, covering the period October to December, increased to 7.8% (from 7.4% in the previous month). The high rate of growth in M3 over the past few months was accompanied by uncertainty on the financial markets.

The M1 monetary aggregate fell year-on-year to 5.0% in December, from 6.0% in November. This was due to a fall in the volume of currency in circulation (32.1%, compared with 19.4% in November). On the other hand, the rate of year-on-year growth in deposits without agreed maturity accelerated to 12.5% in December (from 11.2% in November).

The year-on-year dynamics of short-term deposits (excluding deposits without agreed maturity) increased to 7.1% in December (from 5.8% in November). The increase was affected mainly by the year-on-year dynamics of seasonally unadjusted deposits redeemable at a period of notice of up to three months, which increased to 7.5% (from 6.0% in November). The rate of growth in deposits with an agreed maturity of up to two years (seasonally unadjusted) remained virtually unchanged, at 6.1% in December (compared with 6.0% in November).

Negotiable instruments, included in the M3 monetary aggregate, decreased year-on-year to 20.1% in December (from 22% in November). This was due to a fall in the year-on-year dynamics of money-market securities and bonds with a maturity of up to two years, to 0.5% (November saw an increase of 7.2%) and repurchase agreements, to 12.5% (from 18.6% in November). On the other hand, the dynamics of growth of the money market increased to 34.5% (from 30.5% in November).

## 2.2. Exchange rate development

At the beginning of January, the exchange rate of the US dollar to the single European currency fluctuated above the level of USD/EUR 0.90. This was a response to the problematic placement of the euro into circulation.

The improvement in the macro-economic indicators of the US economy, including the slowdown in the rate of unemployment (to 5.8% in January, which was only 0.2% more than in December), the preliminary estimate of the rate of growth in the US economy in the first quarter (0.2%, compared with a fall of 1.3% in the previous quarter), and the upturn in consumer confidence stimulated demand for the US dollar, causing the euro to fall to USD/EUR 0.85. At the end of January (29–30.1.2002), the Federal Open Market Committee left the key rates of the Fed unchanged.

As a result of this development, the euro weakened in relation to the US dollar by 2.0% month-on-month in January. Compared with the first trading day of the year, the single European currency depreciated against the USD by 4.4%.

**Exchange rates SKK/EUR and USD/EUR****2.3. Real economy**

During the 3rd quarter of 2001, the economy of the euro area grew by 0.1% compared with the previous quarter, which corresponded to the dynamics of growth in the 2nd quarter. The rate of growth in final household consumption slowed to 0.1% (from 0.6% in the previous quarter). After decline in the previous quarter (0.8%), investment remained stagnant (0.0%). Compared with the previous quarter, exports fell in volume by 0.6% and imports by 1.4%, due to a downturn in foreign trade. Compared with the same period a year earlier, real GDP grew by 1.4% in the euro area.

The 12-month rate of inflation in the euro area, expressed in terms of the Harmonised Index of Consumer Prices (HICP), remained unchanged in December (2.1%). The strongest year-on-year dynamics were recorded in consumer prices in the Netherlands (5.1%), Ireland (4.4%), and Portugal (3.9%); the lowest in Luxembourg (0.9%) and France (1.4%). The value of HICP was affected mostly by increases in food prices (5.1%), prices at hotels and restaurants (3.7%), and prices in education (3.7%). In the same period a year earlier, consumer prices in the euro area had risen by 2.6%. EuroStat expects a year-on-year inflation rate of 2.5% in January.

The seasonally adjusted volume of industrial production fell month-on-month by 0.8% in November. The sharpest fall was recorded in Italy (2.6%), Belgium (2.1%), and Spain (2.0%). On a month-on-month basis, growth in industrial production was recorded in Portugal (2.3%), Ireland (2.3%), and the Netherlands (2.2%). Industrial producer prices fell month-on-month by 0.3% and year-on-year by 1.1% in December. The most significant year-on-year fall in industrial producer prices took place in Portugal (9.4%).

In November, retail sales in the euro area increased year-on-year by 1.3% and month-on-month by 1.2%. Year-on-year growth in retail sales was recorded in all euro-zone countries except Italy (-2.2%) and Belgium (-0.9%). The steepest increases took place in Finland (5.0%), Ireland (4.4%), and Portugal (4.0%).

The rate of unemployment in the euro area remained unchanged in December (8.5%). The lowest unemployment rates were recorded in the Netherlands (2.2%), Luxembourg (2.5%), Austria (4.2%), Ireland (4.2%), and Portugal (4.3%). Spain remained the country with the highest rate of unemployment (12.9%). Over the past twelve months, the most significant fall in the level of unemployment has occurred in



the Netherlands (from 2.8 to 2.2%) and Spain (from 13.5 to 12.9%). On the other hand, the unemployment rate increased in Austria (from 3.6 to 4.2%), Ireland (from 3.8 to 4.2%), and Portugal (from 4.0 to 4.3%). In the same period a year earlier, the rate of unemployment stood at 8.4%.

According to the first estimates of EuroStat, foreign trade in the euro area resulted in a surplus of EUR 5.5 billion in November (compared with EUR 0.2 billion in the same period a year earlier). On a year-on-year basis, exports in the euro area fell in volume by 5% and imports by 13% in November. During the first eleven months of the year, the euro area recorded a trade surplus of EUR 38.4 billion, compared with EUR 8.0 billion in the same period a year earlier.

### **3. Revision of the consumer basket of SO SR**

During 2001, the Statistical Office of the SR (SO SR) carried out the planned revision of the consumer basket. This means that, from 2002, inflation will be calculated on the basis of a new consumer basket. Five years have passed since the last revision and the structure of household expenditure, which provides a basis for the weight system of the consumer basket, has changed during this period. In principle, we can say that the fewer consumer basket revisions there are, the greater the probability that the value of inflation will be distorted. The reason behind this is the gradual change in the purchasing habits of households and the entry of new products on the market, which may distort the reported increase in the cost of living. Distortions occur as a result of the fixed structure of items and their constant weights in the consumer basket. With regard to the fact that households tend to consume cheaper goods and services, the value of inflation may be overestimated. According to foreign studies, marked distortions in the value of inflation may occur as early as three years after the last revision of the consumer basket and the difference in inflation is estimated at around 1 percentage point. The purpose of the revision was to eliminate distortions in the recorded value of inflation and to adopt the regulatory directives of EUROSTAT with the aim of harmonising the calculation of price indices.

#### ***Effect of consumer basket revision on inflation***

The effect of consumer basket revision on inflation may be analysed in periods, when the prices of all items are available, from both the old and the new baskets. Such a period is the year 2001. According to data from the Statistical Office of the SR, the adoption of the new consumer basket had no marked effect on the level of overall or core inflation reported. The rate of inflation, calculated on the basis of the new consumer basket, would have reached 6.4% in 2001, representing a difference of 0.1 of a percentage point in comparison with the actually recorded rate of inflation based on the old basket (6.5%). The same difference was recorded in the case of core inflation, which would have reached 3.1% in 2001 according to the new consumer basket (the actual figure was 3.2%). The comparison of values at the level of inflation or core inflation shows no distortions in the Consumer Price Index (CPI), even five years after the last revision. However, a more detailed analysis of the new consumer basket or changes in its structure may indicate marked differences, which could have an impact on the level of inflation in future. In addition, the composition of the consumer basket may reveal the current trend in the standard of living.

#### ***Characteristics of the new consumer basket***

Until 2001, the Consumer Price Index (CPI) had been based on a consumer basket of prices from December 1995. The selection and weighting of individual items in the basket were based on the structure of household expenditure in 1995. From 2002, a new consumer basket will be used, with items and weights based on the statistics of family accounts from 2000 and data from other sources (statistics on trade, tourism, national accounts, administrative sources, and the corporate sector). The base period for the calculation of the CPI will be prices from December 2000.

In quantitative terms, the number of items in the new consumer basket was reduced to 703, from 710 in the old basket. Of this figure, 663 items were virtually identical in the two baskets, representing a share of roughly 97%. The new items include the

services of mobile phone networks (including mobile phones), new and second-hand motor vehicles, and new pharmaceuticals. From 1995 to 2001, however, the Statistical Office made several qualitative changes in the old basket. Some items were excluded from the category clothing, restaurants, and hotel services. Since the new items represent only approximately 3% of the new consumer basket, qualitative changes are not expected to affect the Consumer Price Index to an appreciable extent.

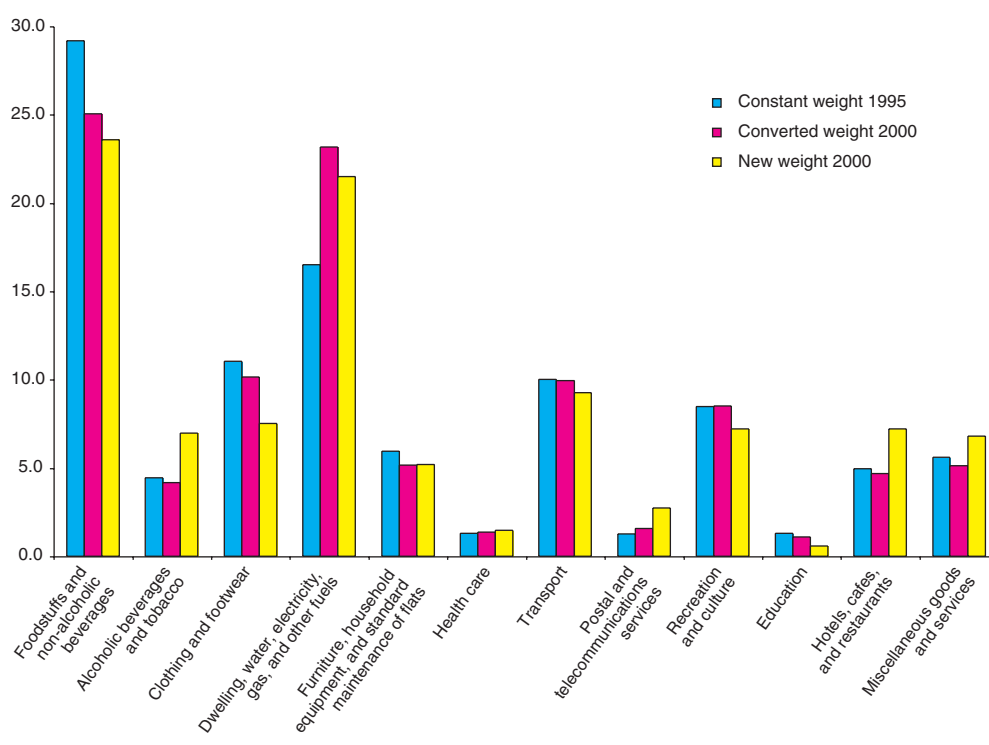
The Statistical Office of the SR previously divided the consumer basket according to COICOP (Classification of Individual Consumption by Purpose), into 11 categories. In connection with the gradual harmonisation of the method of determining the CPI with that of EUROSTAT, the new consumer basket is divided into 12 categories. Compared with the original classification (COICOP), the price index is monitored separately in the category 'postal and telecommunications services'.

### **Change in the structure of household expenditure**

Changes in the structure of individual categories by weight are affected by the different developments in the prices of individual items and changes in household consumption in terms of both quality and quantity, and in the amount of goods purchased during the years 1995 – 2000. In calculating the actual rate of inflation, the weight of items whose prices increased at a faster rate than the general price level, will be higher in the current period. This means that changes in the prices of relatively expensive goods (services) will have a weight higher than in the base period. On the other hand, the weight of a relatively cheaper commodity (service) will fall. The current weight of a consumer-basket item is determined on the basis of the base (constant) weight of the given item and its price increase. Such a weight is referred to as converted (standard) weight and represents the fictitious relative share of expenses for a certain commodity or service in the current period.

The effect of varying price developments is apparent from comparison of the old consumer basket with constant 1995 weights and weights converted to December 2000. On the other hand, the change in household consumption outside the price effect can be assessed from a comparison of the converted weights in the old basket (for December 2000) and the weights in the new basket based on the structure of household consumption in 2000.

### **Comparison of consumer baskets by structure according to COICOP (%)**



Comparisons at the level of COICOP categories indicate that the sharpest fall took place in the weighting of foodstuffs (including non-alcoholic beverages), from 29.2% in 1995 to 23.6% in 2000. The fall in the share of foodstuffs in total household expenditure (more than 5 percentage points) was connected with the lower dynamics of prices during the period 1995 – 2000, and the shift of a part of consumption to other goods and services. The structure of the new consumer basket also indicates that, in 2000, households in the SR spent less on clothing and footwear than in 1995. Fall was also recorded in expenditure on recreation and culture, and spending on transport also fell slightly. Marked increase was recorded, in line with expectations, in the share of expenses related to dwelling, due primarily to acceleration in the process of deregulation in 1999 and 2000. A negative trend in society is the increase in the weight of alcoholic beverages and tobacco. In 2000, an average household in Slovakia spent approximately 7% of its net expenses on alcoholic beverages and tobacco goods (compared with 4.4% in 1995). The share of household expenditure on hotels, cafes, restaurants, and miscellaneous goods and services also increased. In other categories, only moderate changes were recorded.

The comparison of the old consumer basket with constant 1995 weights and weights converted to December 2000 indicates that the largest shifts of weights within COICOP categories were caused by differences in price development. On the other hand, comparison of the converted weights of the old basket (to December 2000) and the weights of the new basket based on the structure of household consumption in 2000 indicates that the years 1995 – 2000 saw no marked change in the structure of household consumption. However, there was a shift in weight from the categories 'clothing and footwear' and 'recreation and culture' to 'alcoholic beverages and tobacco'; 'hotels, cafés, and restaurants'; and 'miscellaneous goods and services', due to changes in the amounts of individual consumer-basket items purchased, and/or qualitative changes in these items.

### ***Comparison of the consumer basket with those applied in neighbouring countries***

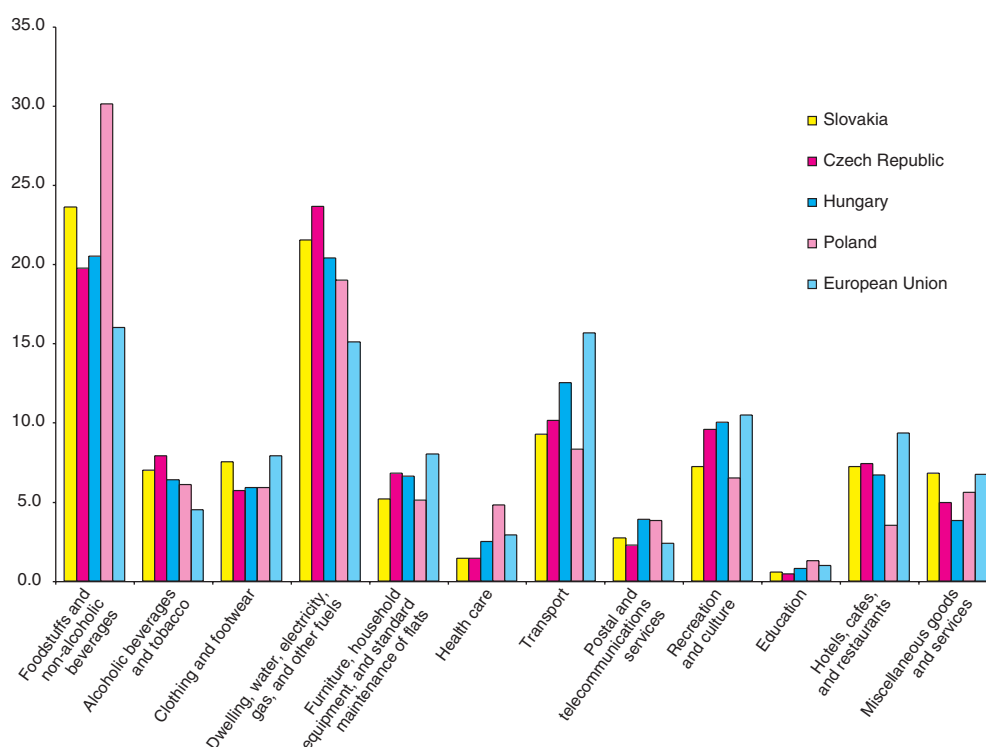
The structure of the consumer basket may also indicate a country's living standard. A typical feature of poorer countries is the high share of household expenditure on foodstuffs and dwelling. On the other hand, advanced countries are characterised by a higher share of expenditure on recreation, culture, luxury goods, and other market services. The share of expenditure on necessities (food and dwelling) in the net expenses of an average household in the SR represented almost 50% in 2000, which places Slovakia among the poorer countries. The weight of foodstuffs in the consumer basket (despite a marked fall in comparison with 1995), was still much higher than in advanced countries (ca 16% in the EU). As a result of deregulation in 1999 and 2000, the share of dwelling costs in the SR approached the EU average<sup>3/</sup>. This means that the continuation of deregulation in 2001 and the following years may give rise to a further increase in the share of dwelling costs in the SR. Due to the lower standard of living, Slovak citizens can afford to spend a smaller share of their incomes on recreation and culture than citizens in advanced countries. Marked improvement, however, cannot be expected in the near future. In connection with the ongoing reform, the share of expenditure on health care is expected to increase gradually. The same applies to expenditure on transport, the lower weight of which is connected with the use of regulated prices in the area of passenger transport.

Comparison with the neighbouring transition economies seems to be in favour of the Czech Republic and Hungary. The structure of household consumption in these countries is very similar and close to consumption in advanced countries. The biggest differences in comparison with the EU can be seen in the composition of household expenditure in Poland.

<sup>3/</sup> In contrast with the Harmonised Consumer Price Index used by EUROSTAT, the consumer basket of the Statistical Office of the SR includes the item 'imputed rent' (hypothetical rent for family houses and flats in private ownership, representing a weight of 6.3% in the new basket). Leaving this item out of account, the share of dwelling costs in Slovakia is comparable with that in the European Union.

### Comparison of consumer baskets in selected countries by structure according to COICOP

(%)



### Structure of the consumer basket by sector

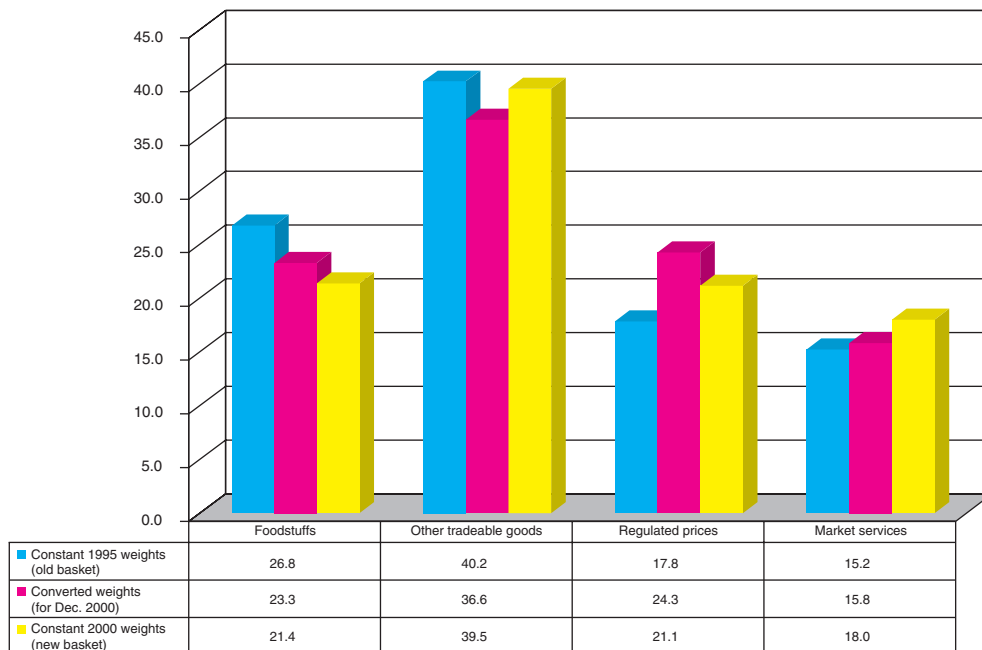
A different aspect of the change in the composition of the consumer basket results from its division into tradeable and non-tradeable sectors, i.e. foodstuffs, tradeable goods, regulated prices, and market services. In contrast with COICOP, price developments in the individual sectors according to this classification follow certain rules and thus it is easier to reveal the effects of individual factors on the price increase. This classification enables a more detailed view of the possible effect of the new consumer basket on the level of overall and core inflation.

The share of the tradeable sector in the new basket is approximately 60% (67% in the old basket with constant weights). The decrease in the share of household expenditure on foodstuffs was in favour of the weighting of items with regulated prices and market services. In 2000, tradeable goods (excluding foodstuffs) maintained roughly the same weight as in 1995. The weight of regulated prices in the new basket is higher than in 1995, but lower than the weight in the original basket converted to December 2000. The fall in weighting took place predominantly in the sector of expenses related to dwelling. Within this sector, the weighting of regulated rent fell in line with the expectations (due to the sale of flats to private owners), together with the weighting of heat and electrical energy. This means in practice, that the continued process of deregulation should, in the case of the new consumer basket, represent a smaller contribution to overall inflation than in the case of the weight system of the basket used prior to 2001.

The increase in the share of household expenditure on other tradeable goods (the increased weighting of this sector in the new basket compared with the weight recalculated for December 2000) and market services indicate that, from 1995 to 2000, the living standard of the population improved somewhat. This development is rather surprising, since the years 1999 and 2000 saw relatively steep increases in regulated prices, which led to high inflation and a marked fall in real incomes. In such an environment, it could be expected that the incomes of households would be used to cover the costs of necessities (foodstuffs and dwelling costs) and that the share

of expenses on market services and durables would decrease. However, the changes in the structure of the consumer basket were probably dominated by the positive development in real wages in the years 1996 to 1998 (even in 1999 and 2000, real wages were higher than in 1995).

**Structure of the consumer basket in Slovakia (in %)**



**Effect of the revised consumer basket on the level of inflation**

Comparison of the old and new consumer baskets in terms of structure in a breakdown by COICOP sectors indicates that, from 1995 to 2000, the composition of household expenditure remained virtually unchanged. This indicates that the adoption of the new consumer basket will not necessarily represent an unexpected effect on the level of inflation. The comparison of overall and core inflation in 2001, calculated on the basis of both baskets, indicates that the revision of the consumer basket had no marked effect on the level of inflation in 2001, at least at the higher level of aggregation. In the individual months of 2001, however, the difference in inflation fluctuated up to 0.5 of a percentage point.

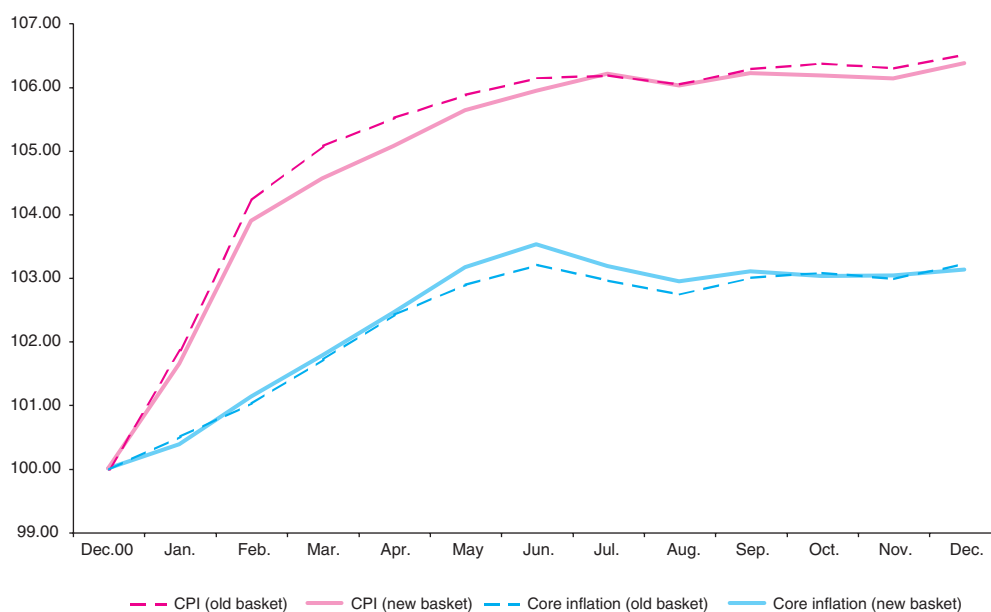
Core inflation calculated on the basis of the two consumer baskets followed roughly the same course of development until April. From May to September, however, the index of core inflation, based on the new basket, exceeded the original value of the index. In the last months of the year, the two indices again converged. As a result of the lower weight of regulated prices in the new basket (compared with the converted weight of the old basket), the increase in CPI during the first half of 2001 was slower than in the case of the original basket. This difference was, however, reduced by the faster rise in core inflation in July and August.

Since the majority of items in the two baskets are identical and there were no marked changes in weights at the level of COICOP sectors, the different developments in price indices in some months were caused by a change in the weight structure at lower levels of aggregation. It may be that the weight of a sector in the new basket remains unchanged in comparison with the converted weight in the old basket, but the price increase in the sector will differ considerably. Assuming the items of the given sector did not undergo a qualitative change, the difference in price increase would be caused by a weight shift within the sector in favour of an item with different price dynamics. An example is the course of prices in the category 'miscellaneous services' within the scope of regulated prices. Based on the old

basket, prices in this category rose by 20% in 2001, and on the new basket by as much as 35%. The difference is caused by a fourfold increase in weight within the category in favour of the item 'compulsory motor insurance', the price of which increased by almost 60% in 2001.

### Conversion of consumer prices in 2001

(Dec. 2000 = 100)



A more detailed analysis of the structure of the new consumer basket revealed the following facts for the estimation of inflation in future:

- in the new consumer basket, the weight of the tradeable sector (excluding foodstuffs) increased in comparison with the converted weight of the old basket (for December 2000), to the detriment of the non-tradeable sector. With slower price dynamics in the tradeable sector, this could result in lower inflation;
- the inclusion of new items in the consumer basket has a dampening effect on the development of CPI. This is confirmed, for example, by a fall in the price of second-hand motor vehicles or stagnation in charges for the services of mobile phone networks in 2001;
- unprocessed foodstuffs (meat, fruit, vegetables) maintained a high share in household expenditure in the new consumer basket. This means that the seasonal volatility of food prices will continue to cause a certain degree of uncertainty in forecasts of consumer prices;
- the weight of fuels in the new consumer basket increased by 1 percentage point. It may be assumed that the irregular development of fuel prices will, according to the new consumer basket, increase volatility to a greater extent than had been seen prior to 2001;
- the weight of some regulated prices in the new basket fell, which could result in lower inflation than in the case of the old basket if the process of deregulation continues. For 2002, this means that the 7% increase in the price of heating contributed 0.3 of a percentage point to overall inflation in January, which would be 0.6 of a percentage point with the old basket. A similar effect can be expected in the case of electricity prices and regulated rents. The opposite effect will occur in the case of a rise in the price of natural gas, whose weight in the new basket increased somewhat;
- an upward effect on inflation will be exerted in ensuing years by the harmonisation of excise duties on cigarettes and tobacco with EU directives. The weight of

tobacco goods in the new basket increased by almost 50%. This means in practice that, while the increase in excise duties in 2002 represents 0.4 of a percentage point in the new consumer basket, the same increase would have caused a 0.15 percentage point increase in consumer prices in the old basket.

Although revision of the consumer basket does not involve an unexpected impact on the level of overall and core inflation in 2001, the above examples indicate that it has a more significant effect on the development of price indices at lower levels of aggregation. Since the effect acts in the opposite direction in many cases, these effects offset each other to a considerable extent at the level of overall and/or core inflation.

### Consumer prices in December 2001 based on the old and new baskets

Structure of the consumer basket	Old basket		New basket	
	Converted weight, to Dec. 2000 <sup>2/</sup>	Year-on-year inflation	Weight in Dec. 2000	Year-on-year inflation
<b>Total in %</b>	100.0	6.5	100.0	6.4
<b>Regulated prices in %</b>	24.3	17.2	21.1	18.8
<i>Share of total, in % points</i>	0.0	4.17		3.98
<b>Effect of changes in indirect taxes on non-regulated prices</b>				
<i>Share of total, in % points</i>		-0.03		-0.07
<b>Core inflation in %</b>	74.0	3.2	78.9	3.1
<i>Share of total, in % points</i>		2.39		2.46
of which: Food prices in %	22.5	3.7	21.4	4.0
<i>Share of total, in % points</i>		0.83		0.86
Foodstuffs – processed in % <sup>1/</sup>	12.6	4.8	12.0	4.6
<i>Share of total, in % points<sup>1/</sup></i>		0.60		0.55
Foodstuffs – non-processed in % <sup>1/</sup>	9.9	2.3	9.4	3.2
<i>Share of total, in % points<sup>1/</sup></i>		0.23		0.30
Tradeable goods in % <sup>1/</sup>	35.6	1.0	39.5	0.6
<i>Share of total, in % points<sup>1/</sup></i>		0.35		0.23
Tradeable goods excl. fuels in % <sup>1/</sup>	32.9	2.3	35.3	2.2
<i>Share of total, in % points<sup>1/</sup></i>		0.75		0.77
Fuels in % <sup>1/</sup>	2.6	-15.6	4.2	-12.9
<i>Share of total, in % points<sup>1/</sup></i>		-0.41		-0.54
Market services in % <sup>1/</sup>	15.8	7.7	18.0	7.6
<i>Share of total, in % points<sup>1/</sup></i>		1.22		1.37
<b>Core inflation (excluding fuels) in %<sup>1/</sup></b>	71.3	3.9	74.7	4.0
<i>Share of total, in % points<sup>1/</sup></i>		2.80		3.00
Net inflation (excluding the effect of changes in indirect taxes) in %	51.5	3.0	57.5	2.8
<i>Share of total, in % points</i>		1.56		1.60
Net inflation (excluding fuels and the effect of changes in indirect taxes) in % <sup>1/</sup>	48.8	4.0	53.3	4.0
<i>Share of total, in % points<sup>1/</sup></i>		1.97		2.14
<b>Core inflation in % - methodology of EUROSTAT<sup>1/</sup></b>	61.4	4.2	65.3	4.1
<i>Share of total, in % points<sup>1/</sup></i>		2.57		2.69

Source: Statistical Office of the SR

1/ Calculated by the NBS on the basis of data from the Statistical Office of the SR.

2/ The sum of the weights is not equal to 100 because of adjustment for changes in indirect taxes.

Processed foodstuffs – prices in the categories: 1. bread and cereals; 2. milk, cheese, eggs; 3. oil and grease; 4. sugar, jam, honey, syrup; 5. other.

Unprocessed foodstuffs – prices in the categories: 1. meat; 2. fish; 3. fruit; 4. vegetables.

Net inflation – includes price increases in the sectors of tradeable goods (excluding foodstuffs) and market services.

Net inflation (excluding fuel prices) – net inflation adjusted for the effect of fuel prices.

Core inflation – methodology of EuroStat – core inflation excluding the prices of unprocessed foodstuffs, fuels, and lubricants.

**Structure of the consumer baskets of 1995 and 2002 – not adjusted for changes in indirect taxes**

**(December 2000 = 100, in %)**

	Const. 1995 weights (old basket)	Converted weights, to Dec. 2000	Const. 2000 weights (new basket)	Difference in weight	Increase in 2001 prices (old basket)	Increase in 2001 prices (new basket)	Difference in price increase
<b>TOTAL</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>0.0</b>	<b>106.5</b>	<b>106.4</b>	<b>-0.16</b>
<b>1 Tradeable goods</b>	<b>66.9</b>	<b>59.9</b>	<b>60.9</b>	<b>1.0</b>	<b>101.9</b>	<b>101.7</b>	<b>-0.24</b>
11 foodstuffs	26.8	23.3	21.4	-1.9	103.6	104.0	0.45
Bread and cereals	4.1	3.9	4.0	0.1	109.0	108.4	-0.58
Meat	8.1	6.8	6.0	-0.8	100.7	101.2	0.57
Fish	0.5	0.5	0.7	0.2	108.3	110.7	2.37
Milk, cheese, eggs	4.9	4.7	4.1	-0.7	102.2	102.6	0.38
Oil and grease	1.8	1.4	1.3	-0.1	100.0	99.7	-0.35
Fruit	2.1	1.7	1.4	-0.2	110.4	112.3	1.95
Vegetables incl. potatoes	1.7	1.3	1.3	0.0	97.5	98.7	1.21
Sugar, jam, honey, syrup, chocolate, sweets	2.5	2.1	1.8	-0.2	106.4	105.7	-0.76
Other	1.1	0.9	0.8	-0.1	101.8	101.5	-0.25
12 other tradeable goods	40.2	36.6	39.5	2.9	100.9	100.4	-0.47
Non-alcoholic beverages	2.4	1.8	2.2	0.4	99.7	99.4	-0.30
Alcoholic beverages	2.6	2.1	4.0	2.0	102.1	102.5	0.42
Tobacco	1.9	2.1	2.9	0.8	103.4	106.2	2.81
Clothing	8.1	7.2	5.3	-1.9	102.2	102.1	-0.09
Footwear	2.5	2.5	2.0	-0.5	105.6	106.0	0.38
Dwelling	0.7	0.8	2.0	1.2	100.3	104.5	4.28
Furniture	5.7	5.0	5.0	0.1	100.4	99.6	-0.80
Transport	6.8	6.4	6.2	-0.2	94.6	90.9	-3.66
Recreation and culture	6.3	6.0	5.4	-0.6	102.5	100.1	-2.45
Miscellaneous	3.1	2.8	4.3	1.5	102.8	103.2	0.43
<b>2 Non-tradeable goods</b>	<b>33.1</b>	<b>40.1</b>	<b>39.1</b>	<b>-1.0</b>	<b>113.4</b>	<b>113.7</b>	<b>0.26</b>
21 regulated prices	17.8	24.3	21.1	-3.1	117.2	118.8	1.64
Dwelling	9.9	16.0	11.6	-4.4	120.0	117.7	-2.27
Health care	1.3	1.4	1.5	0.1	101.8	103.9	2.13
Transport	2.6	2.8	2.3	-0.5	114.1	121.0	6.94
Recreation and culture	0.4	0.4	0.5	0.1	100.0	100.0	0.00
Education	0.7	0.5	0.3	-0.1	100.7	99.7	-0.98
Hotels, cafes, restaurants	1.1	1.1	1.6	0.6	111.1	113.3	2.24
Miscellaneous	1.8	2.2	3.3	1.1	120.1	135.2	15.09
22 non-regulated prices	15.2	15.8	18.0	2.2	107.6	107.6	-0.02
Clothing	0.3	0.3	0.1	-0.2	106.3	105.7	-0.57
Footwear	0.1	0.1	0.0	-0.1	107.0	107.0	0.02
Dwelling	5.9	6.4	7.9	1.5	108.8	108.5	-0.29
Furniture	0.2	0.2	0.1	-0.1	104.1	103.8	-0.21
Transport	0.6	0.8	0.7	0.0	105.1	103.5	-1.60
Recreation and culture	1.8	2.1	1.3	-0.8	110.4	110.1	-0.21
Education	0.6	0.6	0.2	-0.4	107.5	107.6	0.19
Hotels, cafes, restaurants	3.9	3.6	5.6	2.0	106.3	107.8	1.51
Miscellaneous	1.9	1.7	1.9	0.3	104.6	103.5	-1.09
<b>Inflation rate, adjusted for regulated prices (11+12+22)</b>	<b>82.2</b>	<b>75.7</b>	<b>78.9</b>	<b>3.1</b>	<b>103.1</b>	<b>103.0</b>	<b>-0.09</b>



<b>Regulated prices</b>	Const. 1995 weights (old basket)	Converted weights, to Dec. 2000	Const. 2000 weights (new basket)	Difference in weight	Increase in 2001 prices (old basket)	Increase in 2001 prices (new basket)	Difference in price increase
Electricity	2.0	4.1	3.6	-0.5	116.2	116.2	-0.04
Heating	3.5	6.2	4.1	-2.2	120.0	120.0	0.03
Natural gas	1.5	1.9	2.3	0.4	117.9	111.7	-6.18
Railway traffic	0.3	0.4	0.3	0.0	112.8	109.1	-3.69
Bus transport	1.2	1.2	1.3	0.1	120.2	130.8	10.56
Water + sewage disposal	0.7	1.1	0.7	-0.4	120.3	120.3	0.00
Postal services	0.1	0.1	0.2	0.1	108.9	109.0	0.07
Telecommunications	1.2	1.5	2.2	0.7	124.3	136.1	11.85
Rents	1.3	1.4	0.5	-1.0	138.4	139.4	1.01
<b>Regulated prices in total</b>	<b>11.8</b>	<b>17.9</b>	<b>15.2</b>	<b>-2.7</b>	<b>120.6</b>	<b>121.9</b>	<b>1.36</b>

#### **4. Loans to households and enterprises – real recorded and adjusted time series**

In 2000 and 2001, the statistically recorded volumes of loans to households and enterprises were affected by several operations and developments. In principle, the individual factors that affected the volume of loans, may be divided into two groups. The first group is connected with the restructuring of loan portfolios at commercial banks and the second with the closure of specific banking institutions.

##### **1. Operations connected with the restructuring of selected commercial banks**

###### **a) Capitalisation of interest**

At the end of 1999, the non-performing loans of selected banks were reclassified as standard loans to specialised institutions, in the amount of Sk 82 billion. Until December 1999, classified loans in this amount had generated a relatively marked capitalisation of interest on bad loans, which increased the volume of loans to households and enterprises, as well as the rate of growth. Such growth in loans was not of monetary nature and did not represent an inflow of funds into the economy. The transfer of a large part of classified loans and their reclassification as standard loans (to specialised institutions) reduced the rate of interest capitalisation considerably in 2000, which led to a slowdown in the rate of growth in bank lending. For that reason, the NBS extrapolated the rate of interest capitalisation which would have occurred if the bad loans of banks had not been restructured.

###### **b) Reclassification of loans to non-residents as loans to residents**

June 2000 saw the second stage of reclassification of the non-performing loans of selected banks as standard loans to specialised institutions. Within the scope of this operation, foreign-currency loans to non-residents were also transferred to the Slovak Consolidation Agency (Slovenská konsolidácia ná agentúra - SKA), in the amount Sk 4.1 billion. Until June 2000, these loans had been part of the foreign sources of the money supply within the monetary survey. With the transfer of these loans to SKA, they were reclassified as Slovak-crown loans to residents, which are included in the aggregate 'loans to households and enterprises'. This operation led to a fall in foreign assets and an increase in loans to households and enterprises. To ensure the comparability of time series, it was necessary to deduct this amount from the statistically recorded volume of loans.

###### **c) Partial write-off of receivables**

Within the second stage of restructuring in June 2000, restructured loans were not transferred to SKA in full amount, i.e. the fall in the volume of classified loans was not fully replaced with standard loans. For that reason, one of the banks suffered a loss from the transfer in the amount of Sk 3.3 billion, which was covered by loan-loss provisions. This operation led to a fall in the amount of loans

to households and enterprises in the accounts. In analytical time series, the NBS added this amount to the statistically recorded volume of loans.

***d) Issue of restructuring bonds***

In connection with loan portfolio restructuring, the most significant changes in the recorded volume of loans took place in January and March 2001. In those months, government bonds were issued for restructuring the loan portfolios of commercial banks, in the total amount of Sk 105 billion. In this way, loans in the portfolios of banks were replaced with government bonds. This operation caused the statistically recorded volume of loans to households and enterprises to fall by Sk 72.3 billion in January 2001 and by Sk 21.3 billion in March 2001 (by a total of Sk 93.6 billion); the remaining bonds issued (up to Sk 105 billion) were used for the replacement of interbank loans, i.e. loans provided by selected banks to Konsolida ná banka (Consolidated Bank).

***2. Changes resulting from the closure of certain banks***

In 2000 and 2001, four banking entities were closed in Slovakia – AG banka (AG Bank); Slovenská kreditná banka (Slovak Credit Bank); Dopravná banka (Transport Bank); and Devin banka (Devin Bank). The closure of these banks led to the cessation of reporting, as a result of which the volume of loans recorded fell by the amount of loans included in the balance sheets of the institutions. In connection with the closure of these banks, the recorded volume of deposits also fell, but this fall ‘returned’ to recording through the refund of deposits via the Deposit Protection Fund. For this reason, the volume of deposits saw only temporary fluctuations, which did not require the creation of analytical time series. Unlike deposits, the loan portfolios of these banks ‘disappeared’ from statistical reporting. This fact necessitated a change in analytical time series as well, involving a total of Sk 13.9 billion.

In 2002, it will also be necessary to make some adjustments to the time series in connection with the closure of Konsolida ná banka and its merger with Slovenská konsoloda ná agentúra (SKA). On 31 January, Konsolida ná banka had loans in its portfolio (methodically included in the aggregate ‘loans to households and enterprises’) in the amount of Sk 31.5 billion. This means that the closure of the above bank reduces the statistically recorded volume of loans by the same amount. On the other hand, the volume of loans recorded will increase, due to the fact that the NBS provides a redistribution loan to Konsolida ná banka in the amount of Sk 11.5 billion. Since Konsolida ná banka has merged with Slovenská konsoloda ná agentúra (SKA), which is a non-bank institution, the recording of this redistribution loan in the balance sheet of the NBS will undergo a statistical change. This loan will be changed from a loan provided to a banking institution into a loan to enterprises. On the basis of such operations, loans to households and enterprises will fall by Sk 20 billion (-31.5 + 11.5) in February 2002.

The overall cumulative volume of adjustments to loans for the needs of analytical time series had reached Sk 114.5 billion by January 2002 and is expected to increase to Sk 134.5 billion in February 2002. In 2000 and 2001, the National Bank of Slovakia published analytical (adjusted) time series of loans to households and enterprises, which were increased by the cumulative amount of individual adjustments compared with the real recorded volume of loans. In the given period, such an increase in real recorded time series (present figures) represented the only solution for ensuring the comparability of the dynamics of bank lending in 2000/2001 and in the preceding years.

If we assume that, in future, the recorded volume of loans will not undergo marked changes due to extraordinary operations, such as loan portfolio restructuring (the banking sector has shown signs of recovery in the last two years), then the volume of loans recorded in February 2002 will be correct and could be used in calculating the dynamics of bank lending in the coming years. This means that the volume of

loans recorded in future, will be comparable with the figure for February 2002. For that reason, the maintenance of the previously published time series, which will be increased by a constant amount (Sk 134.5 billion) in comparison with the real recorded volume of loans, seems to be relatively inappropriate and incorrect. The comparison of an analytical time series so adjusted with the real recorded volume of loans, may be ambiguous after a certain period of time (e.g. 10 years).

For the conduct of monetary policy, it is important to know the trend of development in 2002, whether lending activities are on the increase, and what course they follow in general. However, it is not expected that the dynamics of bank lending be comparable with the previous years.

The following table shows the differences in the development of loans in officially recorded time series, analytical time series published prior to 2002 (with the current figures increased), and the new analytical time series – from 2002 (with the past figures decreased).

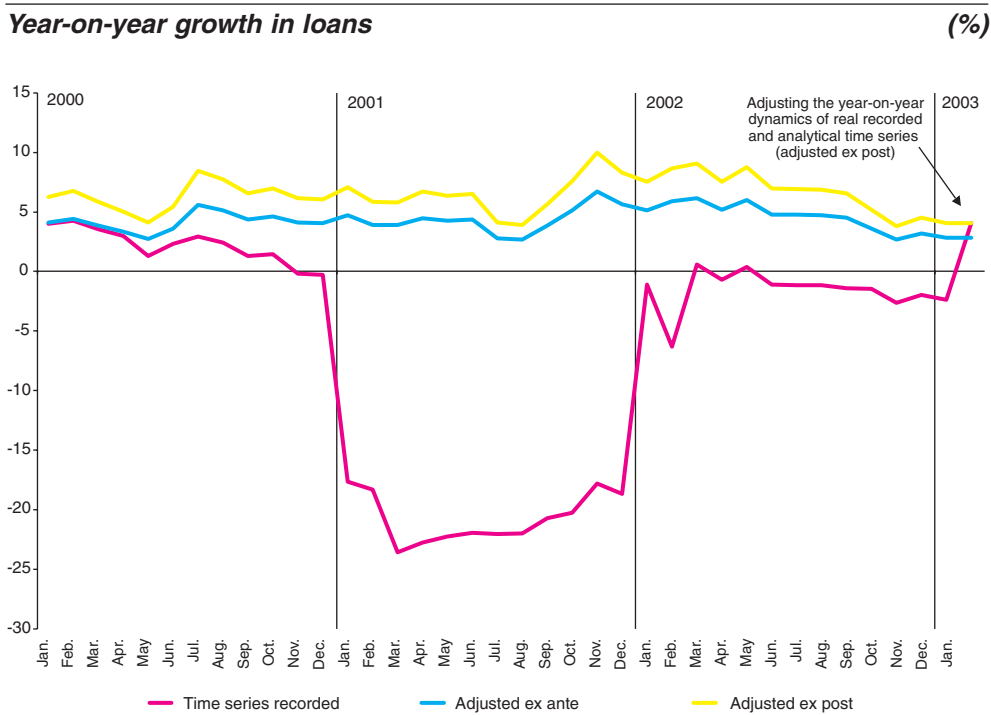
**Real recorded and adjusted volumes of loans to households and enterprises and the annual rates of growth**

	Volumes in billions of Sk			Year-on-year growth in %		
	Time series recorded	Adjustment ex ante (increase in current figures)	Adjustment ex post (decrease in past figures) <sup>1/</sup>	Time series recorded	Adjustment ex ante (increase in current figures)	Adjustment ex post (decrease in past figures) <sup>1/</sup>
<b>2000</b>						
January	398.7	399.0		3.9	4.0	
February	399.5	400.2		4.1	4.3	
March	399.2	400.2		3.5	3.7	
April	401.3	402.6		2.9	3.2	
May	395.7	401.3		1.2	2.6	
June	401.3	406.3		2.2	3.5	
July	403.2	413.6		2.8	5.5	
August	404.5	415.3		2.3	5.1	
September	400.1	412.3		1.2	4.3	
October	399.2	411.7		1.4	4.5	
November	393.3	410.2		-0.3	4.0	
December	396.1	413.3		-0.3	4.0	
<b>2001</b>						
January	328.0	417.5	283.0	-17.7	4.6	7.0
February	326.0	415.5	281.0	-18.4	3.8	5.8
March	304.6	415.4	280.9	-23.7	3.8	5.7
April	309.5	420.3	285.8	-22.9	4.4	6.6
May	307.2	418.0	283.5	-22.4	4.2	6.3
June	312.9	423.7	289.2	-22.0	4.3	6.4
July	314.0	424.8	290.3	-22.2	2.7	4.0
August	315.1	425.9	291.4	-22.1	2.6	3.8
September	316.9	427.7	293.2	-20.9	3.7	5.5
October	318.0	432.5	298.0	-20.3	5.0	7.5
November	322.9	437.4	302.9	-17.9	6.6	9.9
December	321.7	436.2	301.7	-18.8	5.5	8.2
<b>2002</b>						
January <sup>2/</sup>	324.1	438.6	304.1	-1.2	5.1	7.5
January <sup>1/1/</sup>	304.1	438.6	304.1	- 7.3	5.1	7.5

<sup>1/</sup> Including the expected impact of the closure of Konsolida ná banka.

<sup>2/</sup> Preliminary data.

Regarding the rate of year-on-year growth in loans, the rates of growth calculated from real recorded and new analytical time series (adjustment ex post) will converge. This may be proven by extrapolating the development of loans until February 2003. The graph indicates that, while the new analytical time series (adjustment ex post) becomes comparable with the real recorded statistical time series, the previously applied time series (adjustment ex ante) will continue to show differences.



With effect from February 2002, the NBS will record loans to households and enterprises according to both methodologies.

## 5. Tables

## Selected indicators of economic and monetary development in the SR

Indicator	Unit	2001												2002
		1	2	3	4	5	6	7	8	9	10	11	12	1
<b>REAL ECONOMY</b>														
Gross domestic product <sup>1/2/</sup>	Sk billion			160.9 <sup>7/</sup>			337.4 <sup>7/</sup>			516.2 <sup>7/</sup>				
Year-on-year change of GDP <sup>3/</sup>	%			3.0 <sup>7/</sup>			2.9 <sup>7/</sup>			3.1 <sup>7/</sup>				
Unemployment rate <sup>4/</sup>	%	19.8	19.7	19.2	18.3	17.5	17.7	18.0	17.8	17.4	17.3	17.7	18.6	
Consumer prices <sup>3/</sup>	%	7.7	6.7	7.1	7.6	7.7	8.0	8.0	7.8	7.4	7.1	6.5	6.5	6.2
<b>TRADE BALANCE <sup>2/</sup></b>														
Export (fob)	Sk million	47,602	95,826	148,256	199,312	254,063	307,098	358,577	405,011	457,540	513,268	567,024	610,693	
Import (fob)	Sk million	52,912	106,419	167,477	225,141	287,798	349,163	408,650	463,059	522,531	587,862	654,185	713,898	
Balance	Sk million	-5,310	-10,593	-19,221	-25,829	-33,735	-42,065	-50,073	-58,048	-64,991	-74,594	-87,161	-103,205	
<b>BALANCE OF PAYMENTS <sup>2/</sup></b>														
Current account	Sk million	-4,601.5	-6,020.9	-14,902.4	-17,720.0	-28,131.9	-37,922.3	-41,509.8	-46,320.1	-54,710.9	-60,484.5	-72,182.2		
Capital and financial account	Sk million	354.6	2,971.3	15,845.8	18,751.7	19,437.5	23,717.8	23,469.1	29,139.6	30,764.6	39,122.1	64,921.2		
Total balance	Sk million	-3,335.9	-4,072.5	-5,543.0	2,374.5	-7,166.4	-10,246.8	-10,676.6	-11,000.8	-14,136.7	-13,334.5	1,969.5		
<b>FOREIGN EXCHANGE RESERVES <sup>4/7/</sup></b>														
Foreign exchange reserves in total	US\$ million	5,334.6	5,309.1	5,277.2	5,662.9	5,161.6	5,082.5	5,277.0	5,332.2	5,144.2	5,277.5	5,458.7		
Foreign exchange reserves of NBS	US\$ million	3,972.9	3,971.1	3,863.0	4,089.4	3,780.0	3,715.9	3,762.0	3,866.6	3,846.1	3,825.3	4,108.0	4,188.7	4,688.8
<b>GROSS EXTERNAL DEBT <sup>4/</sup></b>														
Total gross external debt	US\$ billion	10.7	10.9	11.5	11.0	10.6	10.7	10.7	10.7	11.0	11.1	11.0		
External debt per capita	US\$	1,995	2,035	2,149	2,066	1,979	1,993	2,005	1,998	2,040	2,066	2,040		
<b>MONETARY INDICATORS</b>														
Exchange rate <sup>5/</sup>	SKK/USD	46.535	47.383	47.894	48.711	49.324	50.156	49.553	47.989	47.792	48.096	48.535	48.233	48.063
Money supply [M2] <sup>4/ 6/</sup>	Sk billion	579.0	581.8	584.4	591.2	591.0	596.3	604.8	613.1	611.6	605.2	620.7	649.2 <sup>7/</sup>	638.7 <sup>7/</sup>
Year-on-year change M2 <sup>3/ 6/</sup>	%	14.4	12.5	12.0	12.5	12.3	13.0	12.1	9.1	8.7	8.0	10.8	11.8 <sup>7/</sup>	10.3 <sup>7/</sup>
Loans to households and enterprises <sup>4/ 6/</sup>	Sk billion	328.0	326.1	304.6	309.5	307.2	312.9	314.0	315.1	316.9	318.0	322.9	321.7 <sup>7/</sup>	324.1 <sup>7/</sup>
<b>STATE BUDGET <sup>2/ 4/</sup></b>														
Revenue	Sk billion	19.9	31.0	50.0	67.2	84.8	103.8	119.5	135.5	151.7	169.6	185.2	205.3	19.3
Expenditure	Sk billion	14.9	36.1	55.6	82.1	99.4	117.3	141.8	157.9	174.6	197.2	215.0	249.7	22.2
Balance	Sk billion	5.0	-5.1	-5.6	-14.9	-14.6	-13.5	-22.3	-22.4	-22.9	-27.6	-29.8	-44.4	-2.9
<b>PRIMARY MARKET</b>														
Average interest rate														
One-year deposits	%	7.19	7.04	6.84	6.73	6.68	6.63	6.55	6.46	6.42	6.37	6.28	6.31	
Short-term loans	%	11.21	11.22	11.83	11.65	11.67	11.50	11.41	11.46	11.45	10.67	10.57	10.30	
Short-term loans, drawn	%	10.20	9.32	9.82	9.62	9.27	9.09	8.77	8.95	9.02	8.69	8.58	8.79	
<b>MONEY MARKET</b>														
Interest rates set by the Bank Board of NBS with effect from														
Overnight operations		22.12.2000	29.1.2001	23.2.2001	23.3.2001	26.4.2001	25.5.2001	29.6.2001	19.7.2001	24.8.2001	21.9.2001	26.10.2001	26.11.2001	21.12.2001
- for sterilisation	-	6.25	6.25	6.25	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
- for refinancing	-	9.25	9.25	9.25	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00
2-week limit rate of NBS for standard REPO tenders	-	8.00	8.00	8.00	7.75	7.75	7.75	7.75	7.75	7.75	7.75	7.75	7.75	7.75
Bratislava Interbank Offered Rates (BRIBOR)														
overnight	%	6.90	7.14	8.04	7.39	7.16	7.16	7.42	7.52	7.82	7.10	7.23	7.26	7.22
1-week	%	7.63	7.72	7.89	7.74	7.68	7.68	7.75	7.73	7.80	7.69	7.71	7.67	7.61
2-week	%	7.71	7.75	7.88	7.75	7.72	7.71	7.77	7.77	7.81	7.76	7.75	7.72	7.68
1-month	%	7.76	7.72	7.83	7.74	7.72	7.73	7.78	7.79	7.83	7.80	7.77	7.76	7.70
2-month	%	7.71	7.66	7.75	7.72	7.72	7.75	7.79	7.84	7.88	7.85	7.78	7.76	7.70
3-month	%	7.69	7.64	7.71	7.69	7.72	7.75	7.81	7.86	7.89	7.88	7.78	7.76	7.70
6-month	%	7.68	7.61	7.66	7.66	7.71	7.77	7.82	7.90	7.94	7.91	7.79	7.75	7.70
9-month	%	7.65	7.57	7.61	7.61	7.69	7.77	7.82	7.91	7.97	7.93	7.77	7.74	7.71
12-month	%	7.65	7.56	7.61	7.60	7.68	7.78	7.83	7.92	8.00	7.98	7.77	7.74	7.71

1/ Constant prices, average for 1995

2/ Cumulative since the beginning of the year

3/ Change compared with the same period of the previous year

4/ Figure the end of the period

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

6/ At fixed exchange rates from 1 January 1993

7/ Change of methodology since 1 January 2002

\*/ Preliminary data

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

**Monetary survey**

(At fixed exchange rates as of 1 January 1993)

(Sk billions)

	2001													2002
	1.1.	31.1.	28.2.	31.3.	30.4.	31.5.	30.6.	31.7.	31.8.	30.9.	31.10.	30.11.	31.12. <sup>1/</sup>	31.1. <sup>1/</sup>
Fixed exchange rate SKK / USD	28.899	28.899	28.899	28.899	28.899	28.899	28.899	28.899	28.899	28.899	28.899	28.899	28.899	28.899
Fixed exchange rate SKK / DEM	17.905	17.905	17.905	17.905	17.905	17.905	17.905	17.905	17.905	17.905	17.905	17.905	17.905	17.905
<b>ASSETS</b>														
Net foreign assets	66.3	61.9	56.0	51.6	66.3	57.8	48.4	50.8	56.6	49.4	50.8	64.7	57.2	65.1
Foreign assets	198.5	192.3	192.3	211.8	212.4	200.3	196.9	198.8	199.6	191.9	197.8	215.1	214.2	233.0
Foreign liabilities	132.2	130.4	136.3	160.2	146.1	142.5	148.5	148.0	143.0	142.5	147.0	150.4	157.0	167.9
Net domestic assets	513.8	517.0	525.8	532.8	524.9	533.2	547.9	554.0	556.8	562.2	554.4	556.0	592.0	573.7
Domestic credit	563.9	577.1	585.3	585.2	585.5	590.4	599.5	612.8	617.3	624.1	631.1	627.3	649.6	656.5
Net credit to general government	167.2	246.8	256.4	277.7	280.7	284.0	285.8	292.7	294.9	298.6	301.4	305.2	317.5	323.4
Net credit to central government	186.1	266.9	277.1	297.6	306.7	308.5	308.8	318.6	319.0	320.9	326.0	328.3	341.6	346.5
Net credit to NPF	0.1	2.3	2.9	2.9	-4.7	-0.8	0.8	6.1	7.3	8.6	11.7	-0.8	10.4	9.0
Credit to households and enterprises	396.6	328.0	326.0	304.6	309.5	307.2	312.9	314.0	315.1	316.9	318.0	322.9	321.7	324.1
Credit in Slovak crown	359.8	289.9	289.7	268.2	271.7	270.0	273.7	273.6	275.5	278.0	278.1	282.8	282.3	284.0
- Credit to enterprises	316.0	245.9	245.5	223.9	227.0	224.5	227.4	226.2	227.1	229.2	228.0	231.6	230.4	231.7
- Credit to households	43.8	44.0	44.2	44.3	44.7	45.5	46.3	47.4	48.4	48.8	50.1	51.2	51.9	52.3
Credit in foreign currency	36.8	38.1	36.3	36.4	37.8	37.2	39.2	40.4	39.6	38.9	39.9	40.1	39.4	40.2
LIABILITIES														
Liquid liabilities [M2]	580.1	578.9	581.8	584.4	591.2	591.0	596.3	604.8	613.4	611.6	605.2	620.7	649.2	638.7
Money [M1]	187.2	177.8	179.3	177.7	182.0	186.3	189.8	195.8	198.4	207.4	207.0	214.0	228.6	218.5
Currency outside banks [M0]	67.0	65.6	65.5	64.9	65.6	67.3	69.3	70.0	70.7	72.7	74.9	79.1	81.0	79.7
Demand deposits	120.2	112.2	113.8	112.8	116.4	119.0	120.5	125.8	127.7	134.7	132.1	134.9	147.6	138.8
- Households	54.0	55.2	56.1	56.0	57.7	58.4	60.5	61.8	62.5	71.1	61.6	64.1	67.1	
- Enterprises	64.9	55.1	55.6	54.7	57.4	59.3	58.7	62.8	64.1	62.9	69.5	69.6	78.5	
- Insurance companies	1.3	1.9	2.1	2.1	1.3	1.3	1.3	1.2	1.1	0.7	1.0	1.2	2.0	
Quasi-money [QM]	392.9	401.1	402.5	406.7	409.2	404.7	406.5	409.0	415.0	404.2	398.2	406.7	420.6	420.3
Time and savings deposits	326.4	335.7	339.1	340.9	340.9	337.1	337.3	339.8	341.8	332.4	326.3	333.8	346.2	346.6
- Households	250.3	253.4	253.2	251.9	248.8	248.8	248.9	248.8	248.3	240.5	239.1	247.3	256.3	
- Enterprises	55.2	60.8	63.0	64.5	66.9	62.4	62.2	65.5	68.9	68.9	65.5	66.2	67.1	
- Insurance companies	20.9	21.5	22.9	24.5	25.2	25.9	26.2	25.5	24.6	23.0	21.7	20.3	22.8	
Foreign-currency deposits	66.5	65.4	63.4	65.8	68.3	67.6	69.2	69.2	73.2	71.8	71.9	72.9	74.4	73.7
- Households	40.1	40.5	41.1	42.6	42.6	42.8	43.0	43.4	44.0	44.7	44.7	45.5	47.7	
- Enterprises	26.4	24.9	22.3	23.2	25.7	24.8	26.2	25.8	29.2	27.1	27.2	27.4	26.7	
Other items net	50.1	60.1	59.5	52.4	60.6	57.2	51.6	58.8	60.5	61.9	76.7	71.3	57.6	82.8

**Selected items of the Monetary Survey – analytical time series (Adjustment ex ante)<sup>1/</sup>**

Net foreign assets	68.9	64.5	58.5	54.1	68.8	60.2	50.9	53.3	59.1	52.0	53.3	67.2	59.7	67.6
Net credit to general government	167.2	163.1	172.7	172.7	175.7	179.0	180.8	187.7	189.9	193.6	196.4	200.2	212.5	218.4
Credit to households and enterprises	413.8	417.5	415.5	415.4	420.3	418.0	423.7	424.8	425.9	427.7	432.5	437.4	436.2	438.6
Other items net	69.9	68.5	67.8	60.7	68.9	65.4	59.9	67.1	68.8	70.3	88.7	83.3	69.6	94.8

**Selected items of the Monetary Survey – analytical time series (Adjustment ex post)<sup>1/</sup>**

Net foreign assets	66.3	61.9	56.0	51.6	66.3	57.8	48.4	50.8	56.6	49.4	50.8	64.7	57.2	65.1
Net credit to general government	272.2	268.1	277.7	277.7	280.7	284.0	285.8	292.7	294.9	298.6	301.4	305.2	317.5	323.4
Credit to households and enterprises	299.3	303.0	301.0	300.9	305.8	303.5	309.2	310.3	311.4	313.2	318.0	322.9	321.7	324.1
Other items net	57.8	56.4	55.8	48.7	56.9	53.5	47.9	55.1	56.8	58.2	76.7	71.3	57.6	82.8

<sup>1/</sup> Time series adjusted for issues of restructuring bonds, balance-sheet items of banks that ceased to be operative in 2000 and 2001, account adjustments in connection with the restructuring of specific banks in 2000, and the conversion of loans into bonds (the adjustments concern loans to households and enterprises in Sk).

<sup>\*/</sup> Preliminary data

**Monetary survey**

(At fixed exchange rates)

(Sk billions)

	2001													2002	
	1.1.	31.1.	28.2.	31.3.	30.4.	31.5.	30.6.	31.7.	31.8.	30.9.	31.10.	30.11.	31.12. <sup>1/</sup>	31.1. <sup>1/</sup>	
Fixed exchange rate SKK / USD	47.389	47.389	47.389	47.389	47.389	47.389	47.389	47.389	47.389	47.389	47.389	47.389	47.389	47.389	48.467
Fixed exchange rate SKK / DEM	22.495	22.495	22.495	22.495	22.495	22.495	22.495	22.495	22.495	22.495	22.495	22.495	22.495	22.495	21.863
<b>ASSETS</b>															
Net foreign assets	93.2	86.1	78.7	77.1	95.1	87.1	76.6	78.1	87.0	77.4	79.4	96.0	91.2	103.3	
Foreign assets	274.1	264.6	263.7	289.5	291.5	277.0	272.3	276.9	277.1	266.8	274.3	295.6	294.3	317.8	
Foreign liabilities	180.9	178.5	185.0	212.4	196.4	189.9	195.7	198.8	190.1	189.4	194.9	199.6	203.1	214.5	
Net domestic assets	514.7	520.2	529.7	534.9	524.7	532.2	548.7	555.8	557.0	564.4	555.9	555.3	589.1	565.4	
Domestic credit	610.2	623.9	631.3	631.1	632.0	634.0	643.8	657.5	661.6	668.0	675.4	671.6	694.3	698.8	
Net credit to general government	199.8	279.5	288.9	310.1	313.1	313.7	315.5	322.4	324.5	328.0	330.8	334.6	347.5	351.6	
Net credit to central government	218.7	299.5	309.6	329.9	339.1	338.2	338.5	348.3	348.5	350.3	355.4	357.7	371.6	374.7	
Net credit to NPF	0.1	2.3	2.9	2.9	-4.7	-0.8	0.8	6.1	7.3	8.6	11.7	-0.8	10.4	9.0	
Credit to households and enterprises	410.3	342.1	339.5	318.1	323.6	321.1	327.5	329.0	329.8	331.4	332.9	337.8	336.4	338.2	
Credit in Slovak crown	359.8	289.9	289.7	268.2	271.7	270.0	273.7	273.6	275.5	278.0	278.1	282.8	282.3	284.0	
- Credit to enterprises	316.0	245.9	245.5	223.9	227.0	224.5	227.4	226.2	227.1	229.2	228.0	231.6	230.4	231.7	
- Credit to households	43.8	44.0	44.2	44.3	44.7	45.5	46.3	47.4	48.4	48.8	50.1	51.2	51.9	52.3	
Credit in foreign currency	50.5	52.2	49.8	49.9	51.9	51.1	53.8	55.4	54.3	53.4	54.8	55.0	54.1	54.3	
LIABILITIES															
Liquid liabilities [M2]	607.9	606.3	608.4	612.0	619.8	619.3	625.3	633.9	644.0	641.8	635.3	651.3	680.3	668.7	
Money [M1]	187.2	177.8	179.3	177.7	182.0	186.3	189.8	195.8	198.4	207.4	207.0	214.0	228.6	218.5	
Currency outside banks [M0]	67.0	65.6	65.5	64.9	65.6	67.3	69.3	70.0	70.7	72.7	74.9	79.1	81.0	79.7	
Demand deposits	120.2	112.2	113.8	112.8	116.4	119.0	120.5	125.8	127.7	134.7	132.1	134.9	147.6	138.8	
- Households	54.0	55.2	56.1	56.0	57.7	58.4	60.5	61.8	62.5	71.1	61.6	64.1	67.1		
- Enterprises	64.9	55.1	55.6	54.7	57.4	59.3	58.7	62.8	64.1	62.9	69.5	69.6	78.5		
- Insurance companies	1.3	1.9	2.1	2.1	1.3	1.3	1.3	1.2	1.1	0.7	1.0	1.2	2.0		
Quasi-money [QM]	420.7	428.5	429.1	434.3	437.8	433.0	435.5	438.1	445.6	434.4	428.3	437.3	451.7	450.2	
Time and savings deposits	326.4	335.7	339.1	340.9	340.9	337.1	337.3	339.8	341.8	332.4	326.3	333.8	346.2	346.6	
- Households	250.3	253.4	253.2	251.9	248.8	248.8	248.9	248.8	248.3	240.5	239.1	247.3	256.3		
- Enterprises	55.2	60.8	63.0	64.5	66.9	62.4	62.2	65.5	68.9	68.9	65.5	66.2	67.1		
- Insurance companies	20.9	21.5	22.9	24.5	25.2	25.9	26.2	25.5	24.6	23.0	21.7	20.3	22.8		
Foreign-currency deposits	94.3	92.8	90.0	93.4	96.9	95.9	98.2	98.3	103.8	102.0	102.0	103.5	105.5	103.7	
- Households	56.9	57.5	58.3	60.4	60.5	60.7	61.0	61.6	62.4	63.5	63.4	64.6	67.6		
- Enterprises	37.4	35.3	31.7	33.0	36.4	35.2	37.2	36.7	41.4	38.5	38.6	38.9	37.9		
Other items net	95.5	103.7	101.6	96.2	107.3	101.8	95.1	101.7	104.6	103.6	119.5	116.3	105.2	133.4	

**Selected items of the Monetary Survey – analytical time series (Adjustment ex ante)<sup>1/</sup>**

Net foreign assets	97.4	90.3	82.9	81.1	99.2	91.1	80.6	82.1	91.2	81.6	83.5	100.1	95.3	107.5
Net credit to general government	199.8	195.8	205.2	205.1	208.1	208.7	210.5	217.4	219.5	223.0	225.8	229.6	242.5	246.6
Credit to households and enterprises	427.5	431.6	429.0	428.9	434.4	431.9	438.3	439.8	440.6	442.2	447.4	452.3	450.9	452.7
Other items net	116.9	113.7	111.6	106.0	117.2	111.6	104.9	111.5	114.6	113.6	133.1	129.9	118.8	147.1

**Selected items of the Monetary Survey – analytical time series (Adjustment ex post)<sup>1/</sup>**

Net foreign assets	93.2	86.1	78.7	77.1	95.1	87.1	76.6	78.1	87.0	77.4	79.4	96.0	91.2	103.3
Net credit to general government	304.8	300.8	310.2	310.1	313.1	313.7	315.5	322.4	324.5	328.0	330.8	334.6	347.5	351.6
Credit to households and enterprises	313.0	317.1	314.5	314.4	319.9	317.4	323.8	325.3	326.1	327.7	332.9	337.8	336.4	338.2
Other items net	103.2	100.0	98.0	92.5	103.6	98.1	91.4	98.0	100.9	99.9	119.5	116.3	105.2	133.4

1/ Time series adjusted for issues of restructuring bonds, balance-sheet items of banks that ceased to be operative in 2000 and 2001, account adjustments in connection with the restructuring of specific banks in 2000, and the conversion of loans into bonds (the adjustments concern loans to households and enterprises in Sk).

<sup>\*</sup>/ Preliminary data

**Monetary survey**

(At current exchange rates)

(Sk billions)

	2001													2002
	1.1.	31.1.	28.2.	31.3.	30.4.	31.5.	30.6.	31.7.	31.8.	30.9.	31.10.	30.11.	31.12. <sup>1/</sup>	31.1. <sup>1/</sup>
Current exchange rate SKK / USD	47.389	47.614	47.799	49.145	48.292	50.211	49.267	49.383	47.724	47.311	48.300	48.760	48.467	48.889
<b>ASSETS</b>														
Net foreign assets	93.2	85.9	78.8	79.0	96.2	88.8	77.1	80.1	87.1	77.4	80.8	97.3	92.1	103.7
Foreign assets	274.1	263.5	263.4	291.1	290.9	278.9	269.4	278.3	275.3	265.3	275.2	295.7	291.0	317.2
Foreign liabilities	180.9	177.6	184.6	212.1	194.7	190.1	192.3	198.2	188.2	187.9	194.4	198.4	198.9	213.6
Net domestic assets	514.7	520.2	529.7	534.2	524.0	532.0	547.9	554.8	556.5	563.9	555.1	554.7	587.9	565.0
Domestic credit	610.2	622.9	630.8	631.4	631.0	633.7	640.6	657.0	660.1	666.8	675.4	670.9	691.5	698.0
Net credit to general government	199.8	278.7	288.5	310.0	312.1	313.2	313.0	321.8	323.4	327.1	330.6	333.9	345.3	350.9
Net credit to central government	218.7	298.7	309.3	329.8	338.1	337.7	336.0	347.7	347.4	349.4	355.3	357.1	369.3	374.1
Net credit to NPF	0.1	2.3	2.9	2.9	-4.7	-0.8	0.8	6.1	7.3	8.6	11.7	-0.8	10.4	9.0
Credit to households and enterprises	410.3	341.9	339.4	318.5	323.6	321.3	326.8	329.1	329.4	331.1	333.1	337.8	335.8	338.1
Credit in Slovak crown	359.8	289.9	289.7	268.2	271.7	270.0	273.7	273.6	275.5	278.0	278.1	282.8	282.3	284.0
- Credit to enterprises	316.0	245.9	245.5	223.9	227.0	224.5	227.4	226.2	227.1	229.2	228.0	231.6	230.4	231.7
- Credit to households	43.8	44.0	44.2	44.3	44.7	45.5	46.3	47.4	48.4	48.8	50.1	51.2	51.9	52.3
Credit in foreign currency	50.5	52.0	49.7	50.3	51.9	51.3	53.1	55.5	53.9	53.1	55.0	55.0	53.5	54.1
LIABILITIES														
Liquid liabilities [M2]	607.9	606.1	608.4	613.2	620.2	620.8	625.0	634.9	643.6	641.3	635.9	652.0	680.0	668.6
Money [M1]	187.2	177.8	179.3	177.7	182.0	186.3	189.8	195.8	198.4	207.4	207.0	214.0	228.6	218.5
Currency outside banks [M0]	67.0	65.6	65.5	64.9	65.6	67.3	69.3	70.0	70.7	72.7	74.9	79.1	81.0	79.7
Demand deposits	120.2	112.2	113.8	112.8	116.4	119.0	120.5	125.8	127.7	134.7	132.1	134.9	147.6	138.8
- Households	54.0	55.2	56.1	56.0	57.7	58.4	60.5	61.8	62.5	71.1	61.6	64.1	67.1	
- Enterprises	64.9	55.1	55.6	54.7	57.4	59.3	58.7	62.8	64.1	62.9	69.5	69.6	78.5	
- Insurance companies	1.3	1.9	2.1	2.1	1.3	1.3	1.3	1.2	1.1	0.7	1.0	1.2	2.0	
Quasi-money [QM]	420.7	428.3	429.1	435.5	438.2	434.5	435.2	439.1	445.2	433.9	428.9	438.0	451.4	450.1
Time and savings deposits	326.4	335.7	339.1	340.9	340.9	337.1	337.3	339.8	341.8	332.4	326.3	333.8	346.2	346.6
- Households	250.3	253.4	253.2	251.9	248.8	248.8	248.9	248.8	248.3	240.5	239.1	247.3	256.3	
- Enterprises	55.2	60.8	63.0	64.5	66.9	62.4	62.2	65.5	68.9	68.9	65.5	66.2	67.1	
- Insurance companies	20.9	21.5	22.9	24.5	25.2	25.9	26.2	25.5	24.6	23.0	21.7	20.3	22.8	
Foreign-currency deposits	94.3	92.6	90.0	94.6	97.3	97.4	97.9	99.3	103.4	101.5	102.6	104.2	105.2	103.6
- Households	56.9	57.4	58.3	61.2	60.7	61.6	60.8	62.2	62.2	63.2	63.8	65.0	67.4	
- Enterprises	37.4	35.2	31.7	33.4	36.6	35.8	37.1	37.1	41.2	38.3	38.8	39.2	37.8	
Other items net	95.5	102.7	101.2	97.2	107.0	101.7	92.7	102.2	103.6	102.9	120.3	116.2	103.6	133.0

**Selected items of the Monetary Survey – analytical time series (Adjustment ex ante)<sup>1/</sup>**

Net foreign assets	97.4	90.1	83.0	83.2	100.4	93.0	81.3	84.3	91.3	81.6	85.0	101.5	96.3	107.9
Net credit to general government	199.8	195.0	204.8	205.0	207.1	208.2	208.0	216.8	218.4	222.1	225.6	228.9	240.3	245.9
Credit to households and enterprises	427.5	431.4	428.9	429.3	434.4	432.1	437.6	439.9	440.2	441.9	447.6	452.3	450.3	452.5
Other items net	116.9	112.7	111.2	107.2	117.0	111.7	102.7	112.2	113.6	112.9	134.0	129.9	117.3	146.7

**Selected items of the Monetary Survey – analytical time series (Adjustment ex post)<sup>1/</sup>**

Net foreign assets	93.2	85.9	78.8	79.0	96.2	88.8	77.1	80.1	87.1	77.4	80.8	97.3	92.1	103.7
Net credit to general government	304.8	300.0	309.8	310.0	312.1	313.2	313.0	321.8	323.4	327.1	330.6	333.9	345.3	350.9
Credit to households and enterprises	313.0	316.9	314.4	314.8	319.9	317.6	323.1	325.4	325.7	327.4	333.1	337.8	335.8	338.1
Other items net	103.2	99.0	97.5	93.5	103.3	98.0	89.0	98.5	99.9	99.2	120.3	116.2	103.6	133.0

1/ Time series adjusted for issues of restructuring bonds, balance-sheet items of banks that ceased to be operative in 2000 and 2001, account adjustments in connection with the restructuring of specific banks in 2000, and the conversion of loans into bonds (the adjustments concern loans to households and enterprises in Sk).

<sup>\*/</sup> Preliminary data



**Money Supply M2**

(Sk billions)

	31.12.2001 <sup>*/</sup>	31.1.2002 <sup>*/</sup>	Month-on-month change	Month-on-month change (in %)	31.1.2001	Year-on-year change	Year-on-year change (in %)
Money Supply [M2]	649.2	638.8	-10.4	-1.6	578.9	59.9	10.3
Money [M1]	228.6	218.5	-10.1	-4.4	177.8	40.7	22.9
Currency outside banks [M0]	81.0	79.7	-1.3	-1.6	65.6	14.1	21.5
Demand deposits	147.6	138.8	-8.8	-6.0	112.2	26.6	23.7
Quasi-money [QM]	420.6	420.3	-0.3	-0.1	401.1	19.2	4.8
Time deposits	346.2	346.6	0.4	0.1	335.7	10.9	3.2
Foreign-currency deposits	74.4	73.7	-0.7	-0.9	65.4	8.3	12.7
Slovak-crown deposits	493.8	485.3	-8.5	-1.7	447.9	37.4	8.4
- Households	323.4	328.6	5.2	1.6	308.6	20.0	6.5
- Enterprises (incl. insurance co.)	170.4	156.7	-13.7	-8.0	139.3	17.4	12.5

\* / Preliminary data

**Development of Loans**

(Sk billions)

	31.12.2001 <sup>1/</sup>	31.1.2002 <sup>1/</sup>	Change
<b>Loans in total (in Sk and foreign currency)</b>	338.4	340.4	2.0
<b>- Loans in Slovak crown</b>	280.1	282.4	2.3
of which			
- Entrepreneurial sector	214.2	215.9	1.7
- Public administration	12.7	13.4	0.7
- Households	51.9	52.3	0.4
- Other <sup>1/</sup>	1.3	0.8	-0.5
<b>- Loans in foreign currency <sup>2/</sup></b>	58.3	58.0	-0.3

1/ Unincorporated and non-profit organisations

2/ In convertible currencies (residents and non-residents)

\*/ Preliminary data

**Development of Deposits**

(Sk billions)

	31.12.2001 <sup>1/</sup>	31.1.2002 <sup>1/</sup>	Change
<b>Deposits in total (in Sk and foreign currency)</b>	674.4	661.7	-12.7
<b>- Deposits in Slovak crown</b>	563.7	553.7	-10.0
of which			
- Entrepreneurial sector	159.0	144.9	-14.1
- Public administration	69.9	68.4	-1.5
- Households	323.4	328.6	5.2
- Other <sup>1/</sup>	11.4	11.9	0.5
<b>- Deposits in foreign currency <sup>2/</sup></b>	110.7	107.9	-2.8

1/ Unincorporated and non-profit organisations, adjusted for the deposit of KOBL (Sk 4 billion)

2/ In convertible currencies (residents and non-residents)

\*/ Preliminary data

**Balance of Payments of the SR for January to November 2001**

	Receipts / Credit (+)		Payments / Debit (-)		Balance	
	Sk million	US\$ million	Sk million	US\$ million	Sk million	US\$ million
<b>Goods</b>	567,024.0	11,726.0	654,185.0	13,528.5	-87,161.0	-1,802.5
<b>Services</b>	105,958.0	2,191.2	86,108.5	1,780.7	19,849.5	410.5
Transport	44,974.2	930.1	22,541.0	466.1	22,433.2	463.9
Travel	23,639.6	488.9	13,114.9	271.2	10,524.7	217.7
Other services	37,344.2	772.3	50,452.6	1,043.4	-13,108.4	-271.1
<b>Income</b>	14,488.5	299.6	28,229.0	583.8	-13,740.5	-284.2
Compensation of employees	987.2	20.4	464.4	9.6	522.8	10.8
Income from investment	13,501.3	279.2	27,764.6	574.2	-14,263.3	-295.0
<b>Current transfers</b>	20,824.2	430.6	11,954.4	247.2	8,869.8	183.4
<b>CURRENT ACCOUNT</b>	708,294.7	14,647.5	780,476.9	16,140.2	-72,182.2	-1,492.7
<b>Capital account</b>	429.4	8.9	-321.3	-6.6	108.1	2.2
<b>Financial account</b>	1,357,169.2	28,065.4	-1,292,356.1	-26,726.5	64,813.1	1,338.9
Direct investment	405,291.6	8,381.4	-339,237.8	-7,015.4	66,053.8	1,366.0
<i>Abroad (direct investor = resident)</i>	13,718.0	283.7	-16,330.8	-337.7	-2,612.8	-54.0
Equity capital and reinvested earnings	1,829.0	37.8	-3,975.8	-82.2	-2,146.8	-44.4
Other capital	11,889.0	245.9	-12,355.0	-255.5	-466.0	-9.6
<i>In the SR (recipient of dir. investment = resident)</i>	391,573.6	8,097.7	-322,907.0	-6,677.7	68,666.6	1,420.0
Equity capital and reinvested earnings	57,590.6	1,191.0	-3,850.0	-79.6	53,740.6	1,111.4
Other capital	333,983.0	6,906.8	-319,057.0	-6,598.1	14,926.0	308.7
Portfolio investment	105,618.8	2,184.2	-121,189.7	-2,506.2	-15,570.9	-322.0
Assets	4,734.0	97.9	-27,691.0	-572.6	-22,957.0	-474.7
Liabilities	100,884.8	2,086.3	-93,498.7	-1,933.5	7,386.1	152.7
Other investment	846,258.8	17,499.8	-831,928.6	-17,204.9	14,330.2	295.0
<i>Long-term</i>	45,044.2	930.7	-52,134.3	-1,078.7	-7,090.1	-148.0
Assets	553.0	11.4	-2,089.8	-43.2	-1,536.8	-31.8
Liabilities	44,491.2	919.3	-50,044.5	-1,035.5	-5,553.3	-116.2
<i>Short-term</i>	801,214.6	16,569.1	-779,794.3	-16,126.1	21,420.3	443.0
Assets	361,363.3	7,473.0	-361,802.3	-7,482.1	-439.0	-9.1
Liabilities	439,851.3	9,096.1	-417,992.0	-8,644.1	21,859.3	452.0
<b>CAPITAL AND FINANCIAL ACCOUNT</b>	1,357,598.6	28,074.3	-1,292,677.4	-26,733.1	64,921.2	1,341.2
<b>ERRORS AND OMISSIONS</b>	x	x	x	x	9,230.5	192.8
<b>TOTAL BALANCE</b>	-39,502.2	-821.7	41,471.7	863.0	1,969.5	41.3
Monetary gold	0.0	0.0	0.0	0.0	0.0	0.0
Special drawing rights	0.0	0.0	-9.4	-0.2	-9.4	-0.2
Foreign exchange assets	39,502.2	821.7	-41,462.3	-862.8	-1,960.1	-41.1
<i>Deposits</i>	0.0	0.0	-23,834.7	-495.9	-23,834.7	-495.9
<i>Securities</i>	39,502.2	821.7	-17,627.6	-366.9	21,874.6	454.8
Bonds and bills of exchange	0.0	0.0	-17,627.6	-366.9	-17,627.6	-366.9
Money market instruments and financial derivatives	39,502.2	821.7	0.0	0.0	39,502.2	821.7
<b>RESERVE ASSETS</b>	39,502.2	821.7	-41,471.7	-863.0	-1,969.5	-41.3

Note: Preliminary data

Applied rate of exchange: US\$ 1 = Sk 48.356

**Inward of foreign direct investment <sup>1/</sup> in the SR in 1996-2001**

(flows and stocks)

**Corporate sector**

	Sk millions				US\$ millions			
	Volume as at 1 January	Net change	Valuation changes	Volume as at 31 December	Volume as at 1 January	Net change	Valuation changes	Volume as at 31 December
1996	30,591	8,678	249	39,518	1,034.56	283.16	-78.72	1,239.00
1997	39,518	6,922	-258	46,182	1,239.00	205.91	-117.16	1,327.75
1998	46,182	17,224	1,890	65,296	1,327.75	488.74	-47.57	1,768.92
1999	65,296	16,401	695	82,392	1,768.92	396.00	-215.54	1,949.38
2000	82,392	96,941	-19,516	159,817	1,949.38	2,098.29	-675.21	3,372.46
2001 <sup>4/</sup>	159,817	11,015	-132	170,700	3,372.46	227.73	7.86	3,608.05

**Banking sector**

	Sk millions				US\$ millions			
	Volume as at 1 January	Net change	Valuation changes	Volume as at 31 December	Volume as at 1 January	Net change	Valuation changes	Volume as at 31 December
1996 <sup>2/</sup>	3,754	2,403	218	6,375	126.96	78.41	-5.49	199.88
1997 <sup>3/</sup>	11,388	234	-14	11,608	357.05	6.96	-30.27	333.74
1998	11,608	1,334	-11	12,931	333.74	37.85	-21.28	350.31
1999	12,931	-40	86	12,977	350.31	-0.97	-42.31	307.03
2000	12,977	2,107	69	15,153	307.03	45.61	-32.88	319.76
2001 <sup>4/</sup>	15,153	17,676	2	32,831	319.76	365.45	8.73	693.94

**Total**

	Sk millions				US\$ millions			
	Volume as at 1 January	Net change	Valuation changes	Volume as at 31 December	Volume as at 1 January	Net change	Valuation changes	Volume as at 31 December
1996 <sup>2/</sup>	34,345	11,081	467	45,893	1,161.52	361.57	-84.21	1,438.88
1997 <sup>3/</sup>	50,906	7,156	-272	57,790	1,596.05	212.87	-147.43	1,661.49
1998	57,790	18,558	1,879	78,227	1,661.49	526.59	-68.85	2,119.23
1999	78,227	16,361	781	95,369	2,119.23	395.03	-257.85	2,256.41
2000	95,369	93,872	-19,449	174,970	2,256.41	2,031.86	-702.76	3,692.22
2001 <sup>4/</sup>	174,970	28,691	-130	203,531	3,692.22	593.18	16.59	4,301.99

Note: Preliminary data

1/ Equity capital + reinvested earnings

2/ Change in methodology - inclusion of CZK in the group of convertible currencies

3/ Change in methodology - inclusion of capital in Sk (in 1996 only capital in foreign currency)

4/ The figure for 2001 refers to volume at 30 September

**Inflow of foreign direct investment <sup>1/</sup> during January to September 2001**

	Corporate sector		Banking sector		Total	
	Sk million	%	Sk million	%	Sk million	%
<b>Inflow of foreign direct investment in total</b>	11,015	100.0	17,676	100.0	28,691	100.0
<b>Structure of investors by country</b>						
Austria	-1,670	-15.2	14,308	80.9	12,638	44.0
The Netherlands	3,586	32.6	-10	-0.1	3,576	12.5
Great Britain	1,572	14.3	1,711	9.7	3,283	11.4
Germany	2,719	24.7	134	0.8	2,853	9.9
Italy	600	5.4	1,561	8.8	2,161	7.5
USA	1,320	12.0	-6	0.0	1,314	4.6
France	690	6.3	67	0.4	757	2.6
Norway	675	6.1	0	0.0	675	2.4
Czech Republic	521	4.7	30	0.2	551	1.9
Switzerland	469	4.3	-3	0.0	466	1.6
Other countries	533	4.8	-116	-0.7	417	1.6
<b>Structure of investment by sector</b>						
Agriculture, hunting, and forestry	0	0.0	0	0.0	0	0.0
Extraction of raw materials	82	0.7	0	0.0	82	0.3
Industrial production	4,569	41.5	0	0.0	4,569	15.9
Production and distribution of electricity and gas	-46	-0.4	0	0.0	-46	-0.2
Construction	-7	-0.1	0	0.0	-7	0.0
Wholesale and retail trade	3,256	29.6	0	0.0	3,256	11.3
Hotels and restaurants	34	0.3	0	0.0	34	0.1
Transport, storage, and communications	1,432	13.0	0	0.0	1,432	5.0
Banking, finance, and insurance	73	0.7	17,676	100.0	17,749	61.9
Real estate, renting, and business services	548	5.0	0	0.0	548	1.9
Health and social care	10	0.1	0	0.0	10	0.0
Other public, social, and personal services	53	0.5	0	0.0	53	0.2
Private households with employed persons	939	8.5	0	0.0	939	3.3
Extra – territorial organizations and bodies	72	0.6	0	0.0	72	0.3
<b>Structure of investment by region</b>						
Bratislava region	5,748	52.2	17,676	100.0	23,424	81.6
Trnava region	782	7.1	0	0.0	782	2.7
Trenín region	32	0.3	0	0.0	32	0.1
Nitra region	1,989	18.1	0	0.0	1,989	6.9
Žilina region	672	6.1	0	0.0	672	2.3
Banská Bystrica region	2,635	23.9	0	0.0	2,635	9.2
Prešov region	598	5.4	0	0.0	598	2.1
Košice region	-1,441	-13.1	0	0.0	-1,441	-4.9

Note: Preliminary data

1/ Equity capital + reinvested earnings

**Volume of foreign direct investment <sup>1/</sup> in the SR as at 30 September 2001**

Exchange rate applied: US\$ 1 = Sk 47.311	Corporate sector			Banking sector			Total		
	Sk million	US\$ million	%	Sk million	US\$ million	%	Sk million	US\$ million	%
<b>Total volume of foreign direct investment</b>	170,700	3,608.0	100.0	32,831	693.9	100.0	203,531	4,302.0	100.0
<b>Structure of investors by country</b>									
Germany	49,504	1,046.4	29.0	2,391	50.5	7.3	51,895	1,096.9	25.5
The Netherlands	43,551	920.5	25.5	2,683	56.7	8.2	46,234	977.2	22.7
Austria	19,148	404.7	11.2	18,374	388.4	56.0	37,522	793.1	18.4
USA	11,706	247.4	6.9	1,653	34.9	5.0	13,359	282.4	6.6
Czech Republic	7,357	155.5	4.3	3,188	67.4	9.7	10,545	222.9	5.2
Great Britain	7,812	165.1	4.6	1,815	38.4	5.5	9,627	203.5	4.7
Hungary	8,786	185.7	5.1	0	0.0	0.0	8,786	185.7	4.3
Belgium	5,198	109.9	3.0	0	0.0	0.0	5,198	109.9	2.6
Italy	2,770	58.5	1.6	2,082	44.0	6.3	4,852	102.6	2.4
France	3,876	81.9	2.3	517	10.9	1.6	4,393	92.9	2.2
Other countries	10,992	232.3	6.4	128	2.7	0.4	11,120	235.0	5.5
<b>Structure of investment by sector</b>									
Agriculture, hunting, and forestry	188	4.0	0.1	0	0.0	0.0	188	4.0	0.1
Extraction of raw materials	1,565	33.1	0.9	0	0.0	0.0	1,565	33.1	0.8
Industrial production	98,122	2,074.0	57.5	0	0.0	0.0	98,122	2,074.0	48.2
Production and distribution of electricity and gas	386	8.2	0.2	0	0.0	0.0	386	8.2	0.2
Construction	1,367	28.9	0.8	0	0.0	0.0	1,367	28.9	0.7
Wholesale and retail trade	24,033	508.0	14.1	0	0.0	0.0	24,033	508.0	11.8
Hotels and restaurants	1,336	28.2	0.8	0	0.0	0.0	1,336	28.2	0.7
Transport, storage, and communications	30,745	649.8	18.0	0	0.0	0.0	30,745	649.8	15.1
Banking, finance, and insurance	5,952	125.8	3.5	32,831	693.9	100.0	38,783	819.7	19.1
Real estate, renting, and business services	6,270	132.5	3.7	0	0.0	0.0	6,270	132.5	3.1
Health and social care	78	1.6	0.0	0	0.0	0.0	78	1.6	0.0
Other public, social, and personal services	587	12.4	0.3	0	0.0	0.0	587	12.4	0.3
Extra – territorial organizations and bodies	71	1.5	0.0	0	0.0	0.0	71	1.5	0.0
<b>Structure of investment by region</b>									
Bratislava region	87,814	1,856.1	51.4	32,831	693.9	100.0	120,645	2,550.0	59.3
Trnava region	9,337	197.4	5.5	0	0.0	0.0	9,337	197.4	4.6
Trenín region	6,804	143.8	4.0	0	0.0	0.0	6,804	143.8	3.3
Nitra region	6,881	145.4	4.0	0	0.0	0.0	6,881	145.4	3.4
Žilina region	9,187	194.2	5.4	0	0.0	0.0	9,187	194.2	4.5
Banská Bystrica region	8,895	188.0	5.2	0	0.0	0.0	8,895	188.0	4.4
Prešov region	5,216	110.2	3.1	0	0.0	0.0	5,216	110.2	2.6
Košice region	36,566	772.9	21.4	0	0.0	0.0	36,566	772.9	18.0

Note: Preliminary data

1/ Equity capital + reinvested earnings

**Volume of foreign direct investment <sup>1/</sup> in the SR as at 31 December 2000**

Exchange rate applied: US\$ 1 = Sk 47.389	Corporate sector			Banking sector			Total		
	Sk million	US\$ million	%	Sk million	US\$ million	%	Sk million	US\$ million	%
<b>Total volume of foreign direct investment</b>	159,817	3,372.4	100.0	15,153	319.8	100.0	174,970	3,692.2	100.0
<b>Structure of investors by country</b>									
Germany	47,942	1,011.7	30.0	2,258	47.6	14.9	50,200	1,059.3	28.7
The Netherlands	39,983	843.7	25.0	2,694	56.8	17.8	42,677	900.6	24.4
Austria	21,266	448.8	13.3	4,065	85.8	26.8	25,331	534.5	14.5
USA	10,254	216.4	6.4	1,660	35.0	11.0	11,914	251.4	6.8
Czech Republic	6,757	142.6	4.2	3,158	66.6	20.8	9,915	209.2	5.7
Hungary	8,615	181.8	5.4	1	0.0	0.0	8,616	181.8	4.9
France	5,213	110.0	3.3	450	9.5	3.0	5,663	119.5	3.2
Great Britain	5,491	115.9	3.4	105	2.2	0.7	5,596	118.1	3.2
Belgium	2,714	57.3	1.7	1	0.0	0.0	2,715	57.3	1.6
Italy	2,185	46.1	1.4	521	11.0	3.4	2,706	57.1	1.5
Other countries	9,397	198.3	5.9	240	5.1	1.6	9,637	203.4	5.5
<b>Structure of investment by sector</b>									
Agriculture, hunting, and forestry	188	4.0	0.1	0	0.0	0.0	188	4.0	0.1
Extraction of raw materials	1,880	39.7	1.2	0	0.0	0.0	1,880	39.7	1.1
Industrial production	93,088	1,964.3	58.2	0	0.0	0.0	93,088	1,964.3	53.2
Production and distribution of electricity and gas	435	9.2	0.3	0	0.0	0.0	435	9.2	0.2
Construction	2,059	43.4	1.3	0	0.0	0.0	2,059	43.4	1.2
Wholesale and retail trade	20,196	426.2	12.6	0	0.0	0.0	20,196	426.2	11.5
Hotels and restaurants	1,302	27.5	0.8	0	0.0	0.0	1,302	27.5	0.7
Transport, storage, and communications	29,322	618.8	18.3	0	0.0	0.0	29,322	618.8	16.8
Banking, finance, and insurance	5,875	124.0	3.7	15,153	319.8	100.0	21,028	443.7	12.0
Real estate, renting, and business services	4,871	102.8	3.0	0	0.0	0.0	4,871	102.8	2.8
Health and social care	68	1.4	0.0	0	0.0	0.0	68	1.4	0.0
Other public, social, and personal services	533	11.2	0.3	0	0.0	0.0	533	11.2	0.3
<b>Structure of investment by region</b>									
Bratislava region	82,869	1,748.7	51.9	15,153	319.8	100.0	98,022	2,068.5	56.0
Trnava region	9,482	200.1	5.9	0	0.0	0.0	9,482	200.1	5.4
Trenín region	6,769	142.8	4.2	0	0.0	0.0	6,769	142.8	3.9
Nitra region	4,469	94.3	2.8	0	0.0	0.0	4,469	94.3	2.6
Ilina region	8,296	175.1	5.2	0	0.0	0.0	8,296	175.1	4.7
Banská Bystrica region	5,294	111.7	3.3	0	0.0	0.0	5,294	111.7	3.0
Prešov region	4,633	97.8	2.9	0	0.0	0.0	4,633	97.8	2.6
Košice region	38,005	802.0	23.8	0	0.0	0.0	38,005	802.0	21.7

Note: Preliminary data

1/ Equity capital + reinvested earnings

Volume of foreign direct investment <sup>1/</sup> in the SR as at 31 December 1999

Exchange rate applied: US\$ 1 = Sk 42.266	Corporate sector			Banking sector			Total		
	Sk million	US\$ million	%	Sk million	US\$ million	%	Sk million	US\$ million	%
<b>Total volume of foreign direct investment</b>	82,392	1,949.4	100.0	12,977	307.0	100.0	95,369	2,256.4	100.0
<b>Structure of investors by country</b>									
Germany	19,753	467.3	24.0	1,683	39.8	13.0	21,436	507.2	22.5
Austria	13,804	326.6	16.8	3,115	73.7	24.0	16,919	400.3	17.7
The Netherlands	10,938	258.8	13.3	2,544	60.2	19.6	13,482	319.0	14.1
USA	9,791	231.7	11.9	1,650	39.0	12.7	11,441	270.7	12.0
Great Britain	7,573	179.2	9.2	370	8.8	2.9	7,943	187.9	8.3
Czech Republic	5,227	123.7	6.3	2,588	61.2	19.9	7,815	184.9	8.2
France	3,610	85.4	4.4	450	10.6	3.5	4,060	96.1	4.3
Italy	1,371	32.4	1.7	353	8.4	2.7	1,724	40.8	1.8
Belgium	1,467	34.7	1.8	0	0.0	0.0	1,467	34.7	1.5
Hungary	1,373	32.5	1.7	0	0.0	0.0	1,373	32.5	1.4
Other countries	7,485	177.1	9.1	224	5.3	1.7	7,709	182.4	8.1
<b>Structure of investment by sector</b>									
Agriculture, hunting, and forestry	188	4.4	0.2	0	0.0	0.0	188	4.4	0.2
Extraction of raw materials	1,042	24.7	1.3	0	0.0	0.0	1,042	24.7	1.1
Industrial production	47,523	1,124.4	57.7	0	0.0	0.0	47,523	1,124.4	49.8
Production and distribution of electricity and gas	426	10.1	0.5	0	0.0	0.0	426	10.1	0.4
Construction	1,788	42.3	2.2	0	0.0	0.0	1,788	42.3	1.9
Wholesale and retail trade	17,539	415.0	21.3	0	0.0	0.0	17,539	415.0	18.4
Hotels and restaurants	1,236	29.2	1.5	0	0.0	0.0	1,236	29.2	1.3
Transport, storage, and communications	2,855	67.5	3.5	0	0.0	0.0	2,855	67.5	3.0
Banking, finance, and insurance	4,855	114.9	5.9	12,977	307.0	100.0	17,832	421.9	18.7
Real estate, renting, and business services	4,401	104.1	5.3	0	0.0	0.0	4,401	104.1	4.6
Health and social care	18	0.4	0.0	0	0.0	0.0	18	0.4	0.0
Other public, social, and personal services	521	12.3	0.6	0	0.0	0.0	521	12.3	0.5
<b>Structure of investment by region</b>									
Bratislava region	43,740	1,034.9	53.1	12,977	307.0	100.0	56,717	1,341.9	59.5
Trnava region	8,492	200.9	10.3	0	0.0	0.0	8,492	200.9	8.9
Trenín region	6,473	153.1	7.9	0	0.0	0.0	6,473	153.1	6.8
Nitra region	3,635	86.0	4.4	0	0.0	0.0	3,635	86.0	3.8
Ilava region	3,274	77.5	4.0	0	0.0	0.0	3,274	77.5	3.4
Banská Bystrica region	4,710	111.4	5.7	0	0.0	0.0	4,710	111.4	4.9
Prešov region	4,172	98.7	5.1	0	0.0	0.0	4,172	98.7	4.4
Košice region	7,896	186.8	9.6	0	0.0	0.0	7,896	186.8	8.3

Note: Preliminary data

1/ Equity capital + reinvested earnings



**Volume of foreign direct investment <sup>1/</sup> in the SR as at 31 December 1998**

Exchange rate applied: US\$ 1 = Sk 36.913	Corporate sector			Banking sector			Total		
	Sk million	US\$ million	%	Sk million	US\$ million	%	Sk million	US\$ million	%
<b>Total volume of foreign direct investment</b>	65,296	1,768.9	100.0	12,931	350.3	100.0	78,227	2,119.2	100.0
<b>Structure of investors by country</b>									
Germany	14,327	388.1	21.9	1,556	42.2	12.0	15,883	430.3	20.3
Austria	12,419	336.4	19.0	2,748	74.4	21.3	15,167	410.9	19.4
The Netherlands	9,130	247.3	14.0	2,397	64.9	18.5	11,527	312.3	14.7
Great Britain	7,668	207.7	11.7	786	21.3	6.1	8,454	229.0	10.8
USA	5,879	159.3	9.0	1,668	45.2	12.9	7,547	204.5	9.6
Czech Republic	4,641	125.7	7.1	2,664	72.2	20.6	7,305	197.9	9.3
France	3,248	88.0	5.0	450	12.2	3.5	3,698	100.2	4.7
Italy	1,010	27.4	1.5	353	9.6	2.7	1,363	36.9	1.7
Belgium	1,355	36.7	2.1	1	0.0	0.0	1,356	36.7	1.7
Switzerland	951	25.8	1.5	0	0.0	0.0	951	25.8	1.2
Other countries	4,668	126.5	7.1	308	8.3	2.4	4,976	134.8	6.4
<b>Structure of investment by sector</b>									
Agriculture, and forestry	45	1.2	0.1	0	0.0	0.0	45	1.2	0.1
Extraction of raw materials	910	24.7	1.4	0	0.0	0.0	910	24.7	1.2
Industrial production	38,538	1,044.0	59.0	0	0.0	0.0	38,538	1,044.0	49.3
Production and distribution of electricity and gas	429	11.6	0.7	0	0.0	0.0	429	11.6	0.5
Construction	1,589	43.0	2.4	0	0.0	0.0	1,589	43.0	2.0
Wholesale and retail trade	13,175	356.9	20.2	0	0.0	0.0	13,175	356.9	16.8
Hotels and restaurants	768	20.8	1.2	0	0.0	0.0	768	20.8	1.0
Transport, storage, and communications	2,432	65.9	3.7	0	0.0	0.0	2,432	65.9	3.1
Banking, finance, and insurance	3,940	106.7	6.0	12,931	350.3	100.0	16,871	457.0	21.6
Real estate, renting, and business services	3,075	83.3	4.7	0	0.0	0.0	3,075	83.3	3.9
Health and social care	19	0.5	0.0	0	0.0	0.0	19	0.5	0.0
Other public, social, and personal services	376	10.2	0.6	0	0.0	0.0	376	10.2	0.5
<b>Structure of investment by region</b>									
Bratislava, Bratislava region	34,473	933.9	52.8	12,931	350.3	100.0	47,404	1,284.2	60.6
Trnava, Trenín, and Nitra regions	13,936	377.5	21.3	0	0.0	0.0	13,936	377.5	17.8
Banská Bystrica and Ilina regions	6,687	181.2	10.2	0	0.0	0.0	6,687	181.2	8.5
Prešov and Košice regions	10,200	276.3	15.6	0	0.0	0.0	10,200	276.3	13.0

Note: Preliminary data

1/ Equity capital + reinvested earnings

**Volume of foreign direct investment <sup>1/</sup> in the SR as at 31 December 1997**

Exchange rate applied: US\$ 1 = Sk 34.782	Corporate sector			Banking sector			Total		
	Sk million	US\$ million	%	Sk million	US\$ million	%	Sk million	US\$ million	%
<b>Total volume of foreign direct investment</b>	46,182	1,327.8	100.0	11,608	333.7	100.0	57,790	1,661.5	100.0
<b>Structure of investors by country</b>									
Austria	10,672	306.8	23.1	2,507	72.1	21.6	13,179	378.9	22.8
Germany	10,863	312.3	23.5	1,324	38.1	11.4	12,187	350.4	21.1
Czech Republic	3,868	111.2	8.4	2,884	82.9	24.8	6,752	194.1	11.7
The Netherlands	3,092	88.9	6.7	2,243	64.5	19.3	5,335	153.4	9.2
Great Britain	4,817	138.5	10.4	393	11.3	3.4	5,210	149.8	9.0
USA	3,217	92.5	7.0	1,204	34.6	10.4	4,421	127.1	7.7
France	3,510	100.9	7.6	450	12.9	3.9	3,960	113.9	6.9
Italy	1,103	31.7	2.4	357	10.3	3.1	1,460	42.0	2.5
Switzerland	812	23.3	1.8	9	0.3	0.1	821	23.6	1.4
Belgium	800	23.0	1.7	1	0.0	0.0	801	23.0	1.4
Other countries	3,428	98.6	7.4	236	6.8	2.0	3,664	105.3	6.3
<b>Structure of investment by sector</b>									
Agriculture, and forestry	45	1.3	0.1	0	0.0	0.0	45	1.3	0.1
Extraction of raw materials	857	24.6	1.9	0	0.0	0.0	857	24.6	1.5
Industrial production	25,688	738.5	55.6	0	0.0	0.0	25,688	738.5	44.5
Production and distribution of electricity and gas	405	11.6	0.9	0	0.0	0.0	405	11.6	0.7
Construction	1,384	39.8	3.0	0	0.0	0.0	1,384	39.8	2.4
Wholesale and retail trade	10,499	301.9	22.7	0	0.0	0.0	10,499	301.9	18.2
Hotels and restaurants	773	22.2	1.7	0	0.0	0.0	773	22.2	1.3
Transport, storage, and communications	2,223	63.9	4.8	0	0.0	0.0	2,223	63.9	3.8
Banking, finance, and insurance	2,162	62.2	4.7	11,608	333.7	100.0	13,770	395.9	23.8
Real estate, renting, and business services	1,789	51.4	3.9	0	0.0	0.0	1,789	51.4	3.1
Health and social care	18	0.5	0.0	0	0.0	0.0	18	0.5	0.0
Other public, social, and personal services	339	9.7	0.7	0	0.0	0.0	339	9.7	0.6
<b>Structure of investment by region</b>									
Bratislava, Bratislava region	27,037	777.3	58.5	11,608	333.7	100.0	38,645	1,111.1	66.9
Trnava, Trenín, and Nitra regions	9,905	284.8	21.4	0	0.0	0.0	9,905	284.8	17.1
Banská Bystrica and Ilina regions	5,320	153.0	11.5	0	0.0	0.0	5,320	153.0	9.2
Prešov and Košice regions	3,920	112.7	8.5	0	0.0	0.0	3,920	112.7	6.8

Note: Preliminary data

1/ Equity capital + reinvested earnings

**Volume of foreign direct investment <sup>1/</sup> in the SR as at 31 December 1996**

Exchange rate applied: US\$ 1 = Sk 31.895	Corporate sector			Banking sector <sup>2/</sup>			Total		
	Sk million	US\$ million	%	Sk million	US\$ million	%	Sk million	US\$ million	%
<b>Total volume of foreign direct investment</b>	39,518	1,239.0	100.0	6,375	199.9	100.0	45,893	1,438.9	100.0
<b>Structure of investors by country</b>									
Germany	9,316	292.1	23.6	-	-	-	9,316	292.1	23.6
Austria	9,277	290.9	23.5	-	-	-	9,277	290.9	23.5
Great Britain	4,248	133.2	10.7	-	-	-	4,248	133.2	10.7
Czech Republic	3,865	121.2	9.8	-	-	-	3,865	121.2	9.8
The Netherlands	2,927	91.8	7.4	-	-	-	2,927	91.8	7.4
France	2,918	91.5	7.4	-	-	-	2,918	91.5	7.4
USA	2,686	84.2	6.8	-	-	-	2,686	84.2	6.8
Italy	882	27.7	2.2	-	-	-	882	27.7	2.2
Switzerland	718	22.5	1.8	-	-	-	718	22.5	1.8
Sweden	567	17.8	1.4	-	-	-	567	17.8	1.4
Other countries	2,114	66.3	5.3	-	-	-	2,114	66.3	5.3
<b>Structure of investment by sector</b>									
Agriculture, and forestry	31	1.0	0.1	0	0.0	0.0	31	1.0	0.1
Extraction of raw materials	741	23.2	1.9	0	0.0	0.0	741	23.2	1.6
Industrial production	23,144	725.6	58.6	0	0.0	0.0	23,144	725.6	50.4
Production and distribution of electricity and gas	236	7.4	0.6	0	0.0	0.0	236	7.4	0.5
Construction	1,033	32.4	2.6	0	0.0	0.0	1,033	32.4	2.3
Wholesale and retail trade	8,919	279.6	22.6	0	0.0	0.0	8,919	279.6	19.4
Hotels and restaurants	632	19.8	1.6	0	0.0	0.0	632	19.8	1.4
Transport, storage, and communications	1,624	50.9	4.1	0	0.0	0.0	1,624	50.9	3.5
Banking, finance, and insurance	1,607	50.4	4.1	6,375	199.9	100.0	7,982	250.3	17.4
Real estate, renting, and business services	1,243	39.0	3.1	0	0.0	0.0	1,243	39.0	2.7
Health and social care	8	0.3	0.0	0	0.0	0.0	8	0.3	0.0
Other public, social, and personal services	300	9.4	0.8	0	0.0	0.0	300	9.4	0.7
<b>Structure of investment by region</b>									
Bratislava, Bratislava region	22,979	720.5	58.1	-	-	-	22,979	720.5	58.1
Trnava, Trenín, and Nitra regions	8,418	263.9	21.3	-	-	-	8,418	263.9	21.3
Banská Bystrica and Ilina regions	4,537	142.2	11.5	-	-	-	4,537	142.2	11.5
Prešov and Košice regions	3,584	112.4	9.1	-	-	-	3,584	112.4	9.1

Note: Preliminary data

1/ Equity capital + reinvested earnings

2/ Data monitored only in total amount

**Outward of foreign direct investment <sup>1/</sup> from the SR in 1996-2001**

(flows and stocks)

**Corporate sector**

	Sk millions				US\$ millions			
	Volume as at 1 January	Net change	Valuation changes	Volume as at 31 December	Volume as at 1 January	Net change	Valuation changes	Volume as at 31 December
1996	1,859	1,731	-44	3,546	62.87	56.48	-8.17	111.18
1997	3,546	3,170	-615	6,101	111.18	94.30	-30.07	175.41
1998	6,101	4,883	1,345	12,329	175.41	138.56	20.04	334.01
1999	12,329	708	-404	12,633	334.01	17.09	-52.20	298.90
2000	12,633	743	1,283	14,659	298.90	16.08	-5.64	309.34
2001 <sup>4/</sup>	14,659	2,789	-21	17,427	309.34	57.66	1.35	368.35

**Banking sector**

	Sk millions				US\$ millions			
	Volume as at 1 January	Net change	Valuation changes	Volume as at 31 December	Volume as at 1 January	Net change	Valuation changes	Volume as at 31 December
1996 <sup>2/</sup>	1,426	2	74	1,502	48.23	0.07	-1.20	47.09
1997 <sup>3/</sup>	1,502	0	-202	1,300	47.09	0.00	-9.72	37.38
1998	1,300	-7	299	1,592	37.38	-0.20	5.95	43.13
1999	1,592	-17,110	15,587	69	43.13	-413.12	371.62	1.63
2000	69	99	21	189	1.63	2.14	0.21	3.98
2001 <sup>4/</sup>	189	3	0	192	3.98	0.06	0.01	4.05

**Total**

	Sk millions				US\$ millions			
	Volume as at 1 January	Net change	Valuation changes	Volume as at 31 December	Volume as at 1 January	Net change	Valuation changes	Volume as at 31 December
1996 <sup>2/</sup>	3,285	1,733	30	5,048	111.10	56.55	-9.37	158.27
1997 <sup>3/</sup>	5,048	3,170	-817	7,401	158.27	94.30	-39.79	212.79
1998	7,401	4,876	1,644	13,921	212.79	138.36	25.99	377.14
1999	13,921	-16,402	15,183	12,702	377.14	-396.03	319.42	300.53
2000	12,702	842	1,304	14,848	300.53	18.22	-5.43	313.32
2001 <sup>4/</sup>	14,848	2,792	-21	17,619	313.32	57.72	1.36	372.40

Note: Preliminary data

1/ Equity capital + reinvested earnings

2/ Change in methodology - inclusion of CZK in the group of convertible currencies

3/ Change in methodology - inclusion of capital in Sk (in 1996, only capital in foreign currency)

4/ The figure for 2001 refers to volume at 30 september

**Outflow of foreign direct investment <sup>1/</sup> during January to September 2001**

	Corporate sector		Banking sector		Total	
	Sk millions	%	Sk millions	%	Sk millions	%
<b>Outflow of foreign direct investment in total</b>	2,789	100.0	3	100.0	2,792	100.0
<b>Structure of investment by country</b>						
Luxembourg	1,386	49.7	0	0.0	1,386	49.6
Czech Republic	1,017	36.5	3	100.0	1,020	36.5
Croatia	312	11.2	0	0.0	312	11.2
Great Britain	179	6.4	0	0.0	179	6.4
Ukraine	142	5.1	0	0.0	142	5.1
Liechtenstein	35	1.3	0	0.0	35	1.3
The Netherlands	34	1.2	0	0.0	34	1.2
Hungary	30	1.1	0	0.0	30	1.1
Austria	28	1.0	0	0.0	28	1.0
Lithuania	28	1.0	0	0.0	28	1.0
Other countries	-402	-14.5	0	0.0	-402	-14.4
<b>Structure of investment by sector</b>						
Agriculture, hunting, and forestry	-12	-0.4	0	0.0	-12	-0.4
Extraction of raw materials	5	0.2	0	0.0	5	0.2
Industrial production	1,484	53.2	0	0.0	1,484	53.2
Production and distribution of electricity and gas	0	0.0	0	0.0	0	0.0
Construction	-46	-1.6	0	0.0	-46	-1.6
Wholesale and retail trade	-44	-1.6	0	0.0	-44	-1.6
Hotels and restaurants	2	0.1	0	0.0	2	0.1
Transport, storage, and communications	6	0.2	0	0.0	6	0.2
Banking, finance, and insurance	-199	-7.1	3	100.0	-196	-7.0
Real estate, renting, and business services	1,524	54.6	0	0.0	1,524	54.5
Health and social care	0	0.0	0	0.0	0	0.0
Other public, social, and personal services	69	2.4	0	0.0	69	2.4
<b>Structure of investors by region</b>						
Bratislava region	1,650	59.2	3	100.0	1,653	59.2
Trnava region	42	1.5	0	0.0	42	1.5
Trenín region	14	0.5	0	0.0	14	0.5
Nitra region	28	1.0	0	0.0	28	1.0
Ilina region	489	17.5	0	0.0	489	17.5
Banská Bystrica region	-1	0.0	0	0.0	-1	0.0
Prešov region	156	5.6	0	0.0	156	5.6
Košice region	411	14.7	0	0.0	411	14.7

Note: Preliminary data

1/ Equity capital + reinvested earnings

**Volume of foreign direct investment <sup>1/</sup> outward from the SR as at 30 September 2001**

Exchange rate applied: US\$ 1 = Sk 47.311	Corporate sector			Banking sector			Total		
	Sk million	US\$ million	%	Sk million	US\$ million	%	Sk million	US\$ million	%
<b>Total volume of foreign direct investment outward</b>	17,427	368.3	100.0	192	4.1	100.0	17,619	372.4	100.0
<b>Structure of investment by country</b>									
Czech Republic	6,770	143.1	38.8	150	3.2	78.1	6,920	146.3	39.3
Great Britain	3,010	63.6	17.3	18	0.4	9.4	3,028	64.0	17.2
Ukraine	1,986	42.0	11.4	0	0.0	0.0	1,986	42.0	11.3
Luxembourg	1,426	30.1	8.2	0	0.0	0.0	1,426	30.1	8.1
Hungary	1,346	28.5	7.7	0	0.0	0.0	1,346	28.5	7.6
Russia	568	12.0	3.3	0	0.0	0.0	568	12.0	3.2
Poland	447	9.4	2.6	0	0.0	0.0	447	9.4	2.5
Austria	411	8.7	2.4	0	0.0	0.0	411	8.7	2.3
Croatia	331	7.0	1.9	24	0.5	12.5	355	7.5	2.0
Cyprus	294	6.2	1.7	0	0.0	0.0	294	6.2	1.7
Other countries	838	17.7	4.8	0	0.0	0.0	838	17.7	4.8
<b>Structure of investment by sector</b>									
Agriculture, hunting, and forestry	56	1.2	0.3	0	0.0	0.0	56	1.2	0.3
Fishery	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Extraction of raw materials	1,127	23.8	6.5	0	0.0	0.0	1,127	23.8	6.4
Industrial production	6,366	134.6	36.5	0	0.0	0.0	6,366	134.6	36.1
Production and distribution of electricity and gas	1,528	32.3	8.8	0	0.0	0.0	1,528	32.3	8.7
Construction	513	10.8	2.9	0	0.0	0.0	513	10.8	2.9
Wholesale and retail trade	1,119	23.7	6.4	0	0.0	0.0	1,119	23.7	6.4
Hotels and restaurants	2	0.0	0.0	0	0.0	0.0	2	0.0	0.0
Transport, storage, and communications	169	3.6	1.0	0	0.0	0.0	169	3.6	1.0
Banking, finance, and insurance	4,239	89.6	24.3	192	4.1	100.0	4,431	93.7	25.1
Real estate, renting, and business services	2,275	48.1	13.1	0	0.0	0.0	2,275	48.1	12.9
Health and social care	24	0.5	0.1	0	0.0	0.0	24	0.5	0.1
Other public, social, and personal services	8	0.2	0.0	0	0.0	0.0	8	0.2	0.0
Private households with employed persons	1	0.0	0.0	0	0.0	0.0	1	0.0	0.0
<b>Structure of investors by region</b>									
Bratislava region	12,155	256.9	69.7	192	4.1	100.0	12,347	261.0	70.1
Trnava region	733	15.5	4.2	0	0.0	0.0	733	15.5	4.2
Trenín region	950	20.1	5.5	0	0.0	0.0	950	20.1	5.4
Nitra region	125	2.6	0.7	0	0.0	0.0	125	2.6	0.7
Ilava region	639	13.5	3.7	0	0.0	0.0	639	13.5	3.6
Banská Bystrica region	190	4.0	1.1	0	0.0	0.0	190	4.0	1.1
Prešov region	599	12.7	3.4	0	0.0	0.0	599	12.7	3.4
Košice region	2,036	43.0	11.7	0	0.0	0.0	2,036	43.0	11.6

Note: Preliminary data

<sup>1/</sup> Equity capital + reinvested earnings

**Volume of foreign direct investment <sup>1/</sup> outward from the SR as at 31 December 2000**

Exchange rate applied: US\$ 1 = Sk 47.389	Corporate sector			Banking sector			Total		
	Sk million	US\$ million	%	Sk million	US\$ million	%	Sk million	US\$ million	%
<b>Total volume of foreign direct investment outward</b>	14,659	309.3	100.0	189	4.0	100.0	14,848	313.3	100.0
<b>Structure of investment by country</b>									
Czech Republic	5,718	120.7	39.0	147	3.1	77.8	5,865	123.8	39.5
Great Britain	2,835	59.8	19.3	18	0.4	9.5	2,853	60.2	19.2
Ukraine	1,863	39.3	12.7	0	0.0	0.0	1,863	39.3	12.5
Hungary	1,235	26.1	8.4	0	0.0	0.0	1,235	26.1	8.3
Russia	570	12.0	3.9	0	0.0	0.0	570	12.0	3.8
Poland	443	9.3	3.0	0	0.0	0.0	443	9.3	3.0
Bulgaria	443	9.3	3.0	0	0.0	0.0	443	9.3	3.0
Austria	345	7.3	2.4	0	0.0	0.0	345	7.3	2.3
Germany	317	6.7	2.2	0	0.0	0.0	317	6.7	2.1
Cyprus	295	6.2	2.0	0	0.0	0.0	295	6.2	2.0
Other countries	595	12.6	4.1	24	0.5	12.7	619	13.1	4.2
<b>Structure of investment by sector</b>									
Agriculture, hunting, and forestry	21	0.4	0.1	0	0.0	0.0	21	0.4	0.1
Fishery	2	0.0	0.0	0	0.0	0.0	2	0.0	0.0
Extraction of raw materials	1,126	23.8	7.7	0	0.0	0.0	1,126	23.8	7.6
Industrial production	4,776	100.8	32.6	0	0.0	0.0	4,776	100.8	32.2
Production and distribution of electricity and gas	1,489	31.4	10.2	0	0.0	0.0	1,489	31.4	10.0
Construction	577	12.2	3.9	0	0.0	0.0	577	12.2	3.9
Wholesale and retail trade	1,356	28.6	9.3	0	0.0	0.0	1,356	28.6	9.1
Hotels and restaurants	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Transport, storage, and communications	163	3.4	1.1	0	0.0	0.0	163	3.4	1.1
Banking, finance, and insurance	4,482	94.6	30.6	189	4.0	100.0	4,671	98.6	31.5
Real estate, renting, and business services	506	10.7	3.5	0	0.0	0.0	506	10.7	3.4
Health and social care	25	0.5	0.2	0	0.0	0.0	25	0.5	0.2
Other public, social, and personal services	136	2.9	0.9	0	0.0	0.0	136	2.9	0.9
<b>Structure of investors by region</b>									
Bratislava region	10,541	222.4	71.9	189	4.0	100.0	10,730	226.4	72.3
Trnava region	686	14.5	4.7	0	0.0	0.0	686	14.5	4.6
Trenín region	939	19.8	6.4	0	0.0	0.0	939	19.8	6.3
Nitra region	112	2.4	0.8	0	0.0	0.0	112	2.4	0.8
Žilina region	156	3.3	1.1	0	0.0	0.0	156	3.3	1.1
Banská Bystrica region	187	3.9	1.3	0	0.0	0.0	187	3.9	1.3
Prešov region	459	9.7	3.1	0	0.0	0.0	459	9.7	3.1
Košice region	1,579	33.3	10.8	0	0.0	0.0	1,579	33.3	10.6

Note: Preliminary data

1/ Equity capital + reinvested earnings

**Volume of foreign direct investment <sup>1/</sup> outward from the SR as at 31 December 1999**

Exchange rate applied: US\$ 1 = Sk 42.266	Corporate sector			Banking sector			Total		
	Sk million	US\$ million	%	Sk million	US\$ million	%	Sk million	US\$ million	%
<b>Total volume of foreign direct investment outward</b>	12,633	298.9	100.0	69	1.6	100.0	12,702	300.5	100.0
<b>Structure of investment by country</b>									
Czech Republic	4,569	108.1	36.2	27	0.6	39.1	4,596	108.7	36.2
Great Britain	2,527	59.8	20.0	0	0.0	0.0	2,527	59.8	19.9
Ukraine	1,624	38.4	12.9	0	0.0	0.0	1,624	38.4	12.8
Hungary	1,215	28.7	9.6	0	0.0	0.0	1,215	28.7	9.6
Russia	515	12.2	4.1	0	0.0	0.0	515	12.2	4.1
Bulgaria	368	8.7	2.9	0	0.0	0.0	368	8.7	2.9
Poland	322	7.6	2.5	0	0.0	0.0	322	7.6	2.5
Germany	289	6.8	2.3	0	0.0	0.0	289	6.8	2.3
Cyprus	271	6.4	2.1	0	0.0	0.0	271	6.4	2.1
Luxembourg	247	5.8	2.0	0	0.0	0.0	247	5.8	1.9
Other countries	686	16.2	5.4	42	1.0	60.9	728	17.2	5.7
<b>Structure of investment by sector</b>									
Agriculture, hunting, and forestry	166	3.9	1.3	0	0.0	0.0	166	3.9	1.3
Extraction of raw materials	983	23.3	7.8	0	0.0	0.0	983	23.3	7.7
Industrial production	3,767	89.1	29.8	0	0.0	0.0	3,767	89.1	29.7
Production and distribution of electricity and gas	1,640	38.8	13.0	0	0.0	0.0	1,640	38.8	12.9
Construction	44	1.0	0.3	0	0.0	0.0	44	1.0	0.3
Wholesale and retail trade	1,211	28.7	9.6	0	0.0	0.0	1,211	28.7	9.5
Hotels and restaurants	8	0.2	0.1	0	0.0	0.0	8	0.2	0.1
Transport, storage, and communications	163	3.9	1.3	0	0.0	0.0	163	3.9	1.3
Banking, finance, and insurance	4,132	97.8	32.7	69	1.6	100.0	4,201	99.4	33.1
Real estate, renting, and business services	344	8.1	2.7	0	0.0	0.0	344	8.1	2.7
Health and social care	22	0.5	0.2	0	0.0	0.0	22	0.5	0.2
Other public, social, and personal services	153	3.6	1.2	0	0.0	0.0	153	3.6	1.2
<b>Structure of investors by region</b>									
Bratislava region	9,251	218.9	73.2	69	1.6	100.0	9,320	220.5	73.4
Trnava region	325	7.7	2.6	0	0.0	0.0	325	7.7	2.6
Trenčín region	842	19.9	6.7	0	0.0	0.0	842	19.9	6.6
Nitra region	137	3.2	1.1	0	0.0	0.0	137	3.2	1.1
Ilava region	183	4.3	1.4	0	0.0	0.0	183	4.3	1.4
Banská Bystrica region	158	3.7	1.3	0	0.0	0.0	158	3.7	1.2
Prešov region	405	9.6	3.2	0	0.0	0.0	405	9.6	3.2
Košice region	1,332	31.5	10.5	0	0.0	0.0	1,332	31.5	10.5

Note: Preliminary data

1/ Equity capital + reinvested earnings



**Volume of foreign direct investment <sup>1/</sup> outward from the SR as at 31 December 1998**

Exchange rate applied: US\$ 1 = Sk 36.913	Corporate sector			Banking sector			Total		
	Sk million	US\$ million	%	Sk million	US\$ million	%	Sk million	US\$ million	%
<b>Total volume of foreign direct investment outward</b>	12,329	334.0	100.0	1,592	43.1	100.0	13,921	377.1	100.0
<b>Structure of investment by country</b>									
Czech Republic	4,923	133.4	39.9	1,549	42.0	97.3	6,472	175.3	46.5
Hungary	2,064	55.9	16.7	0	0.0	0.0	2,064	55.9	14.8
Great Britain	1,793	48.6	14.5	0	0.0	0.0	1,793	48.6	12.9
Ukraine	1,031	27.9	8.4	0	0.0	0.0	1,031	27.9	7.4
Yugoslavia	454	12.3	3.7	0	0.0	0.0	454	12.3	3.3
Russia	411	11.1	3.3	0	0.0	0.0	411	11.1	3.0
Bulgaria	362	9.8	2.9	0	0.0	0.0	362	9.8	2.6
Germany	312	8.5	2.5	0	0.0	0.0	312	8.5	2.2
Austria	307	8.3	2.5	0	0.0	0.0	307	8.3	2.2
Luxembourg	212	5.7	1.7	0	0.0	0.0	212	5.7	1.5
Other countries	460	12.5	3.7	43	1.2	2.7	503	13.6	3.6
<b>Structure of investment by sector</b>									
Agriculture, hunting, and forestry	2	0.1	0.0	0	0.0	0.0	2	0.1	0.0
Extraction of raw materials	719	19.5	5.8	0	0.0	0.0	719	19.5	5.2
Industrial production	4,787	129.7	38.8	0	0.0	0.0	4,787	129.7	34.4
Production and distribution of electricity and gas	1,722	46.7	14.0	0	0.0	0.0	1,722	46.7	12.4
Construction	40	1.1	0.3	0	0.0	0.0	40	1.1	0.3
Wholesale and retail trade	1,643	44.5	13.3	0	0.0	0.0	1,643	44.5	11.8
Hotels and restaurants	8	0.2	0.1	0	0.0	0.0	8	0.2	0.1
Transport, storage, and communications	163	4.4	1.3	0	0.0	0.0	163	4.4	1.2
Banking, finance, and insurance	3,052	82.7	24.8	1,592	43.1	100.0	4,644	125.8	33.4
Real estate, renting, and business services	171	4.6	1.4	0	0.0	0.0	171	4.6	1.2
Health and social care	21	0.6	0.2	0	0.0	0.0	21	0.6	0.2
Other public, social, and personal services	1	0.0	0.0	0	0.0	0.0	1	0.0	0.0
<b>Structure of investors by region</b>									
Bratislava, Bratislava region	8,197	222.1	66.5	1,592	43.1	100.0	9,789	265.2	70.3
Trnava, Trenín, and Nitra regions	1,044	28.3	8.5	0	0.0	0.0	1,044	28.3	7.5
Banská Bystrica and Ilina regions	345	9.3	2.8	0	0.0	0.0	345	9.3	2.5
Prešov and Košice regions	2,743	74.3	22.2	0	0.0	0.0	2,743	74.3	19.7

Note: Preliminary data

<sup>1/</sup> Equity capital + reinvested earnings

**Volume of foreign direct investment <sup>1/</sup> outward from the SR as at 31 December 1997**

Exchange rate applied: US\$ 1 = Sk 34.782	Corporate sector			Banking sector			Total		
	Sk million	US\$ million	%	Sk million	US\$ million	%	Sk million	US\$ million	%
<b>Total volume of foreign direct investment outward</b>	6,101	175.4	100.0	1,300	37.4	100.0	7,401	212.8	100.0
<b>Structure of investment by country</b>									
Czech Republic	3,322	95.5	54.5	1,263	36.3	97.2	4,585	131.8	62.0
Ukraine	945	27.2	15.5	0	0.0	0.0	945	27.2	12.8
Yugoslavia	428	12.3	7.0	0	0.0	0.0	428	12.3	5.8
Russia	382	11.0	6.3	0	0.0	0.0	382	11.0	5.2
Austria	269	7.7	4.4	0	0.0	0.0	269	7.7	3.6
Germany	232	6.7	3.8	0	0.0	0.0	232	6.7	3.1
Hungary	226	6.5	3.7	0	0.0	0.0	226	6.5	3.1
China	56	1.6	0.9	0	0.0	0.0	56	1.6	0.8
Poland	48	1.4	0.8	0	0.0	0.0	48	1.4	0.6
Lithuania	38	1.1	0.6	0	0.0	0.0	38	1.1	0.5
Other countries	155	4.5	2.5	37	1.1	2.8	192	5.5	2.6
<b>Structure of investment by sector</b>									
Extraction of raw materials	26	0.7	0.4	0	0.0	0.0	26	0.7	0.4
Industrial production	2,420	69.6	39.7	0	0.0	0.0	2,420	69.6	32.7
Production and distribution of electricity and gas	1,191	34.2	19.5	0	0.0	0.0	1,191	34.2	16.1
Construction	32	0.9	0.5	0	0.0	0.0	32	0.9	0.4
Wholesale and retail trade	1,528	43.9	25.0	0	0.0	0.0	1,528	43.9	20.6
Hotels and restaurants	8	0.2	0.1	0	0.0	0.0	8	0.2	0.1
Transport, storage, and communications	166	4.8	2.7	0	0.0	0.0	166	4.8	2.2
Banking, finance, and insurance	464	13.3	7.6	1,300	37.4	100.0	1,764	50.7	23.8
Real estate, renting, and business services	264	7.6	4.3	0	0.0	0.0	264	7.6	3.6
Health and social care	1	0.0	0.0	0	0.0	0.0	1	0.0	0.0
Other public, social, and personal services	1	0.0	0.0	0	0.0	0.0	1	0.0	0.0
<b>Structure of investors by region</b>									
Bratislava, Bratislava region	4,399	126.5	72.1	1,300	37.4	100.0	5,699	163.8	77.0
Trnava, Trenín, and Nitra regions	787	22.6	12.9	0	0	0.0	787	22.6	10.6
Banská Bystrica and Ilina regions	263	7.6	4.3	0	0	0.0	263	7.6	3.6
Prešov and Košice regions	652	18.7	10.7	0	0	0.0	652	18.7	8.8

Note: Preliminary data

1/ Equity capital + reinvested earnings

**Volume of foreign direct investment <sup>1/</sup> outward from the SR as at 31 December 1996**

Exchange rate applied: US\$ 1 = Sk 31.895	Corporate sector			Banking sector <sup>2/</sup>			Total		
	Sk million	US\$ million	%	Sk million	US\$ million	%	Sk million	US\$ million	%
<b>Total volume of foreign direct investment outward</b>	3,546	111.2	100.0	1,502	47.1	100.0	5,048	158.3	100.0
<b>Structure of investment by country</b>									
Czech Republic	2,174	68.2	61.3	1,465	45.9	97.5	3,639	114.1	72.1
Russia	307	9.6	8.7	0	0.0	0.0	307	9.6	6.1
Austria	266	8.3	7.5	0	0.0	0.0	266	8.3	5.3
Germany	207	6.5	5.8	0	0.0	0.0	207	6.5	4.1
Hungary	199	6.2	5.6	0	0.0	0.0	199	6.2	3.9
Ukraine	153	4.8	4.3	0	0.0	0.0	153	4.8	3.0
Switzerland	49	1.5	1.4	0	0.0	0.0	49	1.5	1.0
Poland	45	1.4	1.3	0	0.0	0.0	45	1.4	0.9
Lithuania	39	1.2	1.1	0	0.0	0.0	39	1.2	0.8
China	30	0.9	0.8	0	0.0	0.0	30	0.9	0.6
Other countries	77	2.4	2.2	37	1.2	2.5	114	3.6	2.3
<b>Structure of investment by sector</b>									
Extraction of raw materials	26	0.8	0.7	0	0.0	0.0	26	0.8	0.5
Industrial production	2,028	63.6	57.2	0	0.0	0.0	2,028	63.6	40.2
Production and distribution of electricity and gas	47	1.5	1.3	0	0.0	0.0	47	1.5	0.9
Construction	30	0.9	0.8	0	0.0	0.0	30	0.9	0.6
Wholesale and retail trade	623	19.5	17.6	0	0.0	0.0	623	19.5	12.3
Hotels and restaurants	8	0.3	0.2	0	0.0	0.0	8	0.3	0.2
Transport, storage, and communications	166	5.2	4.7	0	0.0	0.0	166	5.2	3.3
Banking, finance, and insurance	594	18.6	16.8	1,502	47.1	100.0	2,096	65.7	41.5
Real estate, renting, and business services	23	0.7	0.6	0	0.0	0.0	23	0.7	0.5
Health and social care	1	0.0	0.0	0	0.0	0.0	1	0.0	0.0
<b>Structure of investors by region</b>									
Bratislava, Bratislava region	2,120	66.5	59.8	1,502	47.1	100.0	3,622	113.6	71.8
Trnava, Trenín, and Nitra regions	530	16.6	14.9	0	0.0	0.0	530	16.6	10.5
Banská Bystrica and ilina regions	320	10.0	9.0	0	0.0	0.0	320	10.0	6.3
Prešov and Košice regions	576	18.1	16.2	0	0.0	0.0	576	18.1	11.4

Note: Preliminary data

1/ Equity capital + reinvested earnings

2/ Data monitored only in total amount

## Average Lending Rates of Commercial Banks

(%)

	2000	2001											
	12	1	2	3	4	5	6	7	8	9	10	11	12
1. TOTAL VOLUME OF LOANS <sup>1/</sup>	10.05	10.46	10.42	10.56	10.41	10.38	10.35	10.24	10.19	10.15	9.91	9.82	9.78
A) Loans by sector													
of which:													
a) Enterprise sector	10.25	10.88	10.82	11.05	10.92	10.86	10.81	10.66	10.61	10.55	10.34	10.19	10.15
- Public sector	9.08	10.12	10.18	11.29	11.38	11.24	10.96	10.95	10.80	10.79	10.94	10.66	10.30
- Private sector (incl. cooperatives)	11.80	11.53	11.43	11.27	11.16	11.12	11.07	10.89	10.79	10.75	10.27	10.14	10.38
- Under foreign control	10.57	10.40	10.11	10.08	9.55	9.53	9.79	9.40	9.64	9.45	9.57	9.60	9.16
b) Households	8.03	7.95	8.03	8.03	7.93	7.88	7.95	8.03	8.02	8.03	8.07	8.05	8.10
B) Loans by term													
of which:													
- Short-term	11.10	11.21	11.22	11.83	11.65	11.67	11.50	11.41	11.46	11.45	10.67	10.57	10.30
- Medium-term	9.54	10.61	10.55	10.49	10.25	10.21	10.26	10.16	10.09	10.08	10.05	10.02	10.23
- Long-term	9.36	9.31	9.23	9.28	9.18	9.15	9.16	9.14	9.05	8.97	9.10	8.94	8.90
2. NEW LOANS IN TOTAL <sup>1/</sup>	10.78	10.13	9.44	9.85	9.62	9.50	9.25	8.92	9.05	9.09	8.78	8.70	8.92
A) Loans by sector													
of which:													
a) Enterprise sector	10.78	10.13	9.45	9.90	9.64	9.26	9.25	8.89	9.05	9.08	8.76	8.66	8.90
- Public sector	9.79	8.87	8.17	9.30	10.03	10.64	10.23	8.97	10.49	9.89	9.66	9.60	9.84
- Private sector (incl. cooperatives)	12.81	12.67	12.36	11.82	11.29	11.22	10.70	10.81	10.83	10.84	10.71	10.37	10.44
- Under foreign control	9.53	8.57	8.61	9.04	8.54	8.31	8.43	8.29	8.42	8.49	8.09	8.12	8.05
b) Households	10.69	8.71	9.03	8.36	8.86	8.53	8.89	8.92	8.93	9.25	8.58	9.02	9.30
B) Loans by term													
of which:													
- Short-term	10.74	10.20	9.32	9.82	9.62	9.27	9.09	8.77	8.95	9.02	8.69	8.58	8.79
- Medium-term	11.64	9.58	11.69	10.78	9.57	10.71	10.21	10.27	10.13	9.94	9.58	10.02	9.89
- Long-term	9.56	9.39	10.94	8.75	10.06	9.97	9.29	9.34	9.57	9.82	9.91	9.60	10.11

1/ Excluding loans at zero interest rate

**Types of Loans and Average Lending Rates of Commercial Banks**

		2000	2001											
		12	1	2	3	4	5	6	7	8	9	10	11	12
Loans in total	a	39.40	36.20	44.43	40.53	43.96	52.73	51.91	62.52	58.12	55.83	63.69	63.29	62.98
	b	10.77	10.13	9.44	9.85	9.62	9.50	9.25	8.92	9.05	9.09	8.78	8.70	8.92
of which:														
Loans at a rate of 0%	a	0.00	0.00	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01
Current account	a	0.16	0.17	0.14	0.18	0.17	0.18	0.20	0.21	0.16	0.19	0.20	0.17	0.22
	b	14.25	15.75	18.26	14.76	15.16	15.66	15.01	13.64	13.83	14.52	11.35	12.42	12.43
Overdraft credit	a	5.50	6.64	5.73	5.08	7.00	6.58	5.70	5.65	4.52	5.55	5.54	4.52	6.65
	b	13.76	15.01	12.47	13.40	11.45	12.09	11.49	11.83	12.32	11.56	11.18	11.26	11.17
Bills of exchange	a	0.33	0.27	1.66	0.94	0.72	1.14	0.58	0.41	0.80	0.38	0.41	0.83	0.80
	b	12.34	11.73	15.66	10.76	12.01	16.63	10.67	11.27	10.92	11.06	10.78	10.39	10.40
Operating loans	a	26.78	24.99	34.43	30.56	31.22	41.02	38.68	47.80	47.05	44.71	50.21	51.29	47.96
	b	9.91	8.79	8.55	9.14	9.10	8.84	8.81	8.35	8.57	8.64	8.34	8.29	8.39
Development loans	a	1.52	0.66	0.86	1.05	1.03	0.96	1.57	1.25	1.93	1.49	2.40	2.15	2.44
	b	11.41	11.03	10.65	11.18	10.68	10.73	10.63	10.36	10.14	10.19	10.23	10.32	10.40
Consumer loans (to households)	a	0.11	0.05	0.07	0.24	0.10	0.14	0.23	0.22	0.22	0.20	0.23	0.30	0.30
	b	10.40	11.56	12.61	11.25	11.67	12.03	13.28	13.31	12.85	12.76	11.76	10.83	11.50
Other loans	a	3.58	2.89	0.93	1.85	2.07	1.94	4.31	6.03	2.60	2.64	3.86	3.18	3.51
	b	11.13	9.47	8.83	9.42	9.19	8.27	8.71	9.41	9.06	9.01	8.92	8.77	8.98
Loans at fixed interest rates	a	29.61	29.17	36.90	34.07	33.59	38.62	43.14	52.30	51.56	47.03	53.63	54.19	49.42
	b	9.97	8.93	8.74	9.24	8.82	8.57	8.88	8.55	8.72	8.66	8.39	8.39	8.39
Loans at flexible interest rates	a	9.80	7.03	7.54	6.45	10.37	14.11	8.77	10.22	6.57	8.80	10.06	9.10	13.55
	b	13.20	15.08	12.87	13.04	12.21	12.02	11.07	10.80	11.70	11.37	10.85	10.54	10.84
Short-term loans	a	34.14	32.69	41.86	37.57	38.97	44.00	43.07	53.97	52.41	51.50	57.88	57.79	55.75
	b	10.73	10.20	9.32	9.82	9.62	9.27	9.09	8.77	8.95	9.02	8.69	8.58	8.79
- of which: at a rate 0%	a	0.00	0.00	0.01	0.00	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01
Medium-term loans	a	3.79	1.71	1.97	2.12	4.37	8.03	7.02	4.51	4.76	2.80	4.01	4.13	5.52
	b	11.63	9.57	11.67	10.76	9.56	10.70	10.21	10.26	10.12	9.93	9.57	10.01	9.89
- of which: at a rate 0%	a	0.00	0.00	0.00	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Long-term loans	a	1.48	1.80	0.61	0.84	0.62	0.70	1.82	4.04	0.95	1.53	1.80	1.37	1.71
	b	9.56	9.39	10.94	8.75	10.06	9.97	9.29	9.34	9.57	9.82	9.91	9.60	10.11
- of which: at a rate 0%	a	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

a - volume (Sk billion)

b - average interest rate (%)

## Development of Crown Deposits and Average Deposit Rates

		2000	2001											
		12	1	2	3	4	5	6	7	8	9	10	11	12
Deposits in total	a	483,578	485,323	489,516	489,969	502,711	501,036	502,408	509,787	512,048	508,410	500,522	511,692	537,406
	b	5.57	5.52	5.34	5.36	5.26	5.20	5.16	5.08	5.09	5.04	4.98	4.94	4.82
of which:														
Demand deposits	a	137,153	126,379	128,111	126,929	131,577	133,754	135,649	141,489	142,679	150,113	147,779	151,674	169,856
	b	3.08	2.93	2.62	2.61	2.57	2.53	2.56	2.49	2.47	2.50	2.40	2.40	2.48
Time deposits with a maturity of	a	346,425	358,945	361,404	363,040	371,134	367,282	366,759	368,299	369,368	358,297	352,743	360,018	367,550
	b	6.55	6.44	6.30	6.32	6.21	6.18	6.13	6.08	6.11	6.10	6.06	6.00	5.89
- up to 7 days	a	27,837	34,870	38,305	40,293	35,473	34,817	31,888	33,989	39,447	41,047	40,906	41,974	35,784
	b	5.95	5.92	5.77	6.72	5.96	5.89	5.60	5.61	6.16	6.40	6.25	5.84	5.79
- up to 1 month	a	82,770	89,114	89,392	88,651	103,196	101,326	104,770	101,775	99,513	93,775	86,336	88,156	93,633
	b	6.22	6.16	5.85	5.81	5.95	5.95	5.95	5.85	5.88	5.82	5.78	5.71	5.67
- up to 3 months	a	71,203	70,991	70,087	71,195	72,267	72,891	71,679	73,954	71,592	69,118	69,907	69,435	68,765
	b	6.84	6.73	6.60	6.51	6.43	6.37	6.32	6.35	6.30	6.29	6.26	6.25	6.20
- up to 6 months	a	21,280	21,139	21,682	23,067	22,919	23,488	25,004	25,468	26,496	25,321	28,260	30,521	31,067
	b	6.75	6.50	6.29	6.23	6.14	6.07	6.10	6.06	6.06	6.02	6.08	6.58	6.47
- up to 9 months	a	3,682	3,965	4,096	4,085	3,345	3,222	3,160	2,674	2,653	2,309	2,356	2,659	2,706
	b	9.00	8.70	8.28	7.63	7.28	7.32	6.76	6.66	6.63	6.57	6.54	6.50	6.50
- up to 12 months	a	56,197	55,143	54,512	54,247	53,915	52,570	51,865	52,202	51,790	50,504	49,458	51,270	54,827
	b	7.44	7.19	7.04	6.84	6.73	6.68	6.63	6.55	6.46	6.42	6.37	6.28	6.31
- up to 18 months	a	2,228	2,476	2,508	2,247	2,264	2,306	2,342	2,341	2,477	2,340	2,291	2,325	2,287
	b	8.94	8.50	8.53	8.51	8.46	8.24	7.90	7.58	6.93	6.86	6.79	6.77	6.73
- up to 2 years	a	29,564	29,220	28,833	27,887	27,203	26,704	26,518	26,814	26,828	25,631	25,192	25,121	25,926
	b	6.92	6.90	6.91	6.76	6.73	6.73	6.73	6.75	6.73	6.69	6.68	6.62	6.53
- up to 3 years	a	3,929	4,318	5,193	5,606	5,550	5,558	5,670	5,646	5,642	5,568	5,831	5,907	6,310
	b	10.53	10.83	11.08	10.84	10.79	10.75	10.63	10.61	10.43	10.47	10.32	10.28	10.34
- up to 4 years	a	1,801	1,763	1,738	1,730	1,730	1,758	1,819	1,842	1,847	1,855	1,886	1,908	1,984
	b	9.25	8.88	8.80	8.72	8.62	8.55	8.47	8.33	8.34	8.34	8.24	8.22	8.17
- up to 5 years	a	1,779	1,420	1,224	1,163	1,138	1,057	1,037	918	906	907	874	876	884
	b	13.78	12.08	10.37	9.85	9.41	9.02	8.80	8.51	8.32	8.24	8.18	8.14	8.05
- above 5 years	a	44,045	44,525	43,835	42,868	42,136	41,585	41,006	40,676	40,178	39,923	39,447	39,866	43,378
	b	4.55	4.63	4.77	4.76	4.75	4.71	4.68	4.62	4.60	4.55	4.49	4.34	3.76
short-term	a	262,969	275,223	278,074	281,539	291,114	288,316	288,366	290,063	291,491	282,073	277,222	284,016	286,782
	b	6.70	6.54	6.33	6.38	6.24	6.21	6.15	6.10	6.15	6.15	6.11	6.06	6.03
medium-term	a	39,302	39,197	39,496	38,633	37,884	37,382	37,387	37,560	37,699	36,301	36,074	36,137	37,390
	b	7.81	7.71	7.75	7.63	7.60	7.57	7.54	7.50	7.41	7.40	7.39	7.34	7.31
long-term	a	44,045	44,525	43,835	42,868	42,136	41,585	41,006	40,676	40,178	39,923	39,447	39,866	43,378
	b	4.55	4.63	4.77	4.76	4.75	4.71	4.68	4.62	4.60	4.55	4.49	4.34	3.76
demand and short-term	a	400,240	401,601	406,185	408,467	422,691	422,070	424,015	431,551	434,171	432,187	425,001	435,689	456,639
	b	5.46	5.41	5.16	5.21	5.10	5.04	5.00	4.92	4.94	4.88	4.82	4.79	4.71

a - volume (\$k million)

b - average interest rate (%)

**Basic characteristics of interest rates on loans and deposits**

(%)

	Line	1999	2000	2001											
		12	12	1	2	3	4	5	6	7	8	9	10	11	12
Average interest rate on total credit <sup>1/</sup>	1	14.00	10.05	10.46	10.42	10.56	10.41	10.38	10.35	10.24	10.19	10.15	9.91	9.82	9.78
Average interest rate on deposits	2	9.85	5.57	5.52	5.34	5.36	5.26	5.20	5.16	5.08	5.09	5.04	4.98	4.94	4.82
Average interest rate on new loans	3	12.55	10.78	10.13	9.44	9.85	9.62	9.50	9.25	8.92	9.05	9.09	8.78	8.70	8.92
Average interbank money market rate (1D to 12M – mid rates)	4	12.86	7.78	7.45	7.46	7.63	7.51	7.50	7.54	7.62	7.67	7.75	7.63	7.57	7.51
Average interest rate on new short-term loans	5	16.40	10.74	10.20	9.32	9.82	9.62	9.27	9.09	8.77	8.95	9.02	8.69	8.58	8.79
Average interest rate on short-term deposits	6	13.67	6.70	6.54	6.33	6.38	6.24	6.21	6.15	6.10	6.15	6.15	6.11	6.06	6.03
Difference between average interest rates on new short-term loans and short-term deposits (line 5 – line 6)	7	2.73	4.04	3.65	2.98	3.44	3.38	3.06	2.94	2.67	2.80	2.87	2.57	2.52	2.76
Discount rate	8	8.80	8.80	8.80	8.80	8.80	8.80	8.80	8.80	8.80	8.80	8.80	8.80	8.80	8.80
12-month rate of inflation	9	14.20	8.40	7.70	6.70	7.10	7.60	7.70	8.00	8.00	7.80	7.40	7.10	6.50	6.50
Year-on-year increase in industrial producer prices	10	7.70	9.10	7.90	8.90	9.30	8.70	7.90	7.60	6.60	6.10	5.60	4.60	3.50	3.40
Real interest rate on new short-term loans (line 5 – line 10)	11	8.70	1.64	2.30	0.42	0.52	0.92	1.37	1.49	2.17	2.85	3.42	4.09	5.08	5.39
Difference between average interest rate on new short-term loans and the rate of inflation (line 5 – line 9)	12	2.20	2.34	2.50	2.62	2.72	2.02	1.57	1.09	0.77	1.15	1.62	1.59	2.08	2.29
Average interest rate on one-year deposits	13	12.31	7.44	7.19	7.04	6.84	6.73	6.68	6.63	6.55	6.46	6.42	6.37	6.28	6.31
Real interest rate on one-year deposits (line 13 – line 9)	14	-1.89	-0.96	-0.51	0.34	-0.26	-0.87	-1.02	-1.37	-1.45	-1.34	-0.98	-0.73	-0.22	-0.19
Nominal interest margin (line 1 – line 2)	15	4.15	4.48	4.94	5.09	5.20	5.15	5.18	5.19	5.16	5.10	5.11	4.93	4.88	4.96
Difference between average interest rates on new loans and total deposits (line 3 – line 2)	16	2.70	5.21	4.60	4.11	4.49	4.36	4.29	4.09	3.83	3.96	4.05	3.79	3.76	4.11
Difference between the average rate for new short-term loans and the average interbank money market rate (line 5 – line 4)	17	3.54	2.96	2.75	1.86	2.19	2.11	1.77	1.55	1.15	1.28	1.27	1.06	1.01	1.28
Difference between the average interest rate on new loans and the average interbank money market rate (line 3 – line 4)	18	-0.31	3.00	2.68	1.98	2.22	2.11	2.00	1.71	1.30	1.38	1.34	1.15	1.13	1.41
Average interest rate on loans including a rate of 0% <sup>2/</sup>	19	11.45	8.63	8.62	8.58	8.51	8.42	8.44	8.42	8.34	8.29	8.29	8.09	8.12	8.16
Nominal interest margin (line 19 – line 2)	20	1.60	3.06	3.10	3.24	3.15	3.16	3.24	3.26	3.26	3.20	3.25	3.11	3.18	3.34

1/ Excluding unpaid interest

2/ Including unpaid interest

**Monetary-Policy Instruments**

	As at 1 January 2001	Change over the year 2001	As at 1 January 2002	Change over the year 2002
1. Interest rates set by the Bank Board of the NBS				
Overnight operations				
for sterilisation	6.25%	26 Mar. 6.00%	6.00%	
for refinancing	9.25%	26 Mar. 9.00%	9.00%	
2-week limit rate of the NBS for standard REPO tenders	8.00%	26 Mar. 7.75%	7.75%	
2. Reserve requirements	5% of primary deposits banks 3% of primary deposits home savings banks		4% of primary deposits banks 3% of primary deposits home savings banks	
3. Exchange rate regime	Floating rate Reference currency: EUR		Floating rate Reference currency: EUR	
4. Discount rate	8.8%		Corresponding to the limit rate of the NBS for 2-week REPO tenders	
5. Lombard rate	5% above the level of interest rates on interbank deposits with the same maturity		The provision of Lombard loans has been cancelled	



**Basic Characteristics of Slovakia's Foreign Exchange Market**

	USD			EUR			Other currencies			Total	
	Volume		Number of transactions	Volume		Number of transactions	Volume		Number of transactions	Volume US\$ million	Number of transactions
	US\$ million	%		US\$ million	%		US\$ million	%			
NBS	0.0	-	0	0.0	-	0				0.0	0
Transactions between Slovak banks without foreign participation	2,513.5	68.4	355	1,146.7	31.2	786	12.1	0.3	29	3,672.3	1,170
Interbank foreign exchange market: NBS + transactions between Slovak banks	2,513.5	68.4	355	1,146.7	31.2	786	12.1	0.3	29	3,672.3	1,170
Transactions between Slovak and foreign banks	7,176.1	77.1	999	2,118.4	22.7	1,119	19.1	0.2	17	9,313.6	2,135
Foreign exchange market in the SR - total	9,689.6	74.6	1,354	3,265.1	25.1	1,905	31.2	0.2	46	12,985.9	3,305

	SPOT			FORWARD			SWAP			TOTAL	
	Volume		Number of transactions	Volume		Number of transactions	Volume		Number of transactions	Volume US\$ million	Number of transactions
	US\$ million	%		US\$ million	%		US\$ million	%			
Transactions between Slovak banks without foreign banks	861.4	23.5	799	1.9	0.1	2	2,808.1	76.5	369	3,671.4	1,170
Transactions between Slovak and foreign banks	1,495.4	16.1	1,019	27.0	0.3	22	7,790.0	83.7	1,094	9,312.4	2,135
Foreign exchange market in the SR - without NBS	2,356.8	18.2	1,818	28.9	0.2	24	10,598.1	81.6	1,463	12,983.8	3,305

**Average Monthly Exchange Rates of SKK**

Midpoint rate	2001												2002
	1	2	3	4	5	6	7	8	9	10	11	12	1
FRF	6.663	6.663	6.664	6.625	6.584	6.529	6.494	6.571	6.637	6.647	6.574	6.572	6.482
1000 ITL	22.571	22.573	22.576	22.445	22.306	22.121	22.000	22.261	22.483	22.517	22.271	22.263	21.960
100 JPY	39.869	40.800	39.652	39.364	40.450	41.147	39.793	39.388	40.238	39.684	39.673	38.076	36.286
CAD	30.972	31.173	30.844	31.194	32.005	32.862	32.405	31.210	30.567	30.630	30.460	30.614	30.038
NLG	19.832	19.833	19.836	19.721	19.599	19.436	19.330	19.559	19.755	19.785	19.568	19.562	22.448
ATS	3.176	3.176	3.177	3.158	3.139	3.113	3.096	3.132	3.164	3.168	3.134	3.133	3.090
DEM	22.345	22.347	22.350	22.220	22.083	21.899	21.780	22.038	22.258	22.292	22.049	22.041	21.741
CHF	28.589	28.470	28.449	28.438	28.160	28.132	28.141	28.466	29.154	29.455	29.406	29.230	28.836
USD	46.535	47.383	47.951	48.711	49.324	50.156	49.553	47.989	47.792	48.096	48.535	48.233	48.063
GBP	68.873	68.938	69.349	69.895	70.308	70.340	69.995	68.850	69.846	69.852	69.748	69.390	68.949
EUR	43.703	43.707	43.713	43.459	43.191	42.831	42.597	43.103	43.533	43.600	43.123	43.108	42.521
CZK	1.244	1.262	1.264	1.258	1.256	1.261	1.258	1.267	1.274	1.299	1.295	1.323	1.327

**Average Quarter Exchange Rates of SKK**

Midpoint rate	2000					2001				
	Q1	Q2	Q3	Q4	year	Q1	Q2	Q3	Q4	year
FRF	6.411	6.443	6.507	6.611	6.493	6.663	6.578	6.566	6.600	6.602
1000 ITL	21.719	21.828	22.045	22.396	21.995	22.573	22.285	22.244	22.360	22.367
100 JPY	39.826	42.430	43.788	45.610	42.887	40.085	40.352	39.793	39.213	39.860
CAD	29.303	30.573	31.796	32.757	31.092	30.991	32.048	31.404	30.568	31.248
NLG	19.083	19.179	19.370	19.678	19.326	19.834	19.581	19.545	19.647	19.653
ATS	3.056	3.071	3.102	3.151	3.095	3.176	3.136	3.130	3.146	3.147
DEM	21.502	21.610	21.825	22.172	21.775	22.347	22.063	22.022	22.137	22.144
CHF	26.162	27.022	27.634	28.597	27.344	28.504	28.237	28.576	29.373	28.672
USD	42.589	45.254	47.099	49.972	46.200	47.287	49.420	48.448	48.285	48.347
GBP	68.390	69.268	69.641	72.232	69.874	69.057	70.190	69.548	69.683	69.612
EUR	42.054	42.265	42.686	43.365	42.589	43.708	43.151	43.071	43.295	43.309
CZK	1.176	1.165	1.204	1.242	1.197	1.256	1.258	1.266	1.305	1.271

## Average Monetary Base of the NBS

(Sk billions)

	2001												2002
	1	2	3	4	5	6	7	8	9	10	11	12	1
<b>SOURCES OF THE MONETARY BASE</b>	104.66	103.74	103.43	104.26	106.57	109.24	110.57	110.72	112.34	114.96	119.23	124.23	116.42
Autonomous factors	167.92	167.42	170.78	173.73	173.67	164.49	159.83	160.11	158.63	157.30	163.57	174.70	179.86
Net foreign assets	174.58	174.05	175.01	181.95	181.33	173.65	169.71	169.46	170.06	169.61	174.03	186.95	202.94
Reserves	189.42	189.09	189.49	196.33	195.98	188.57	184.16	183.68	184.37	183.73	188.14	200.36	230.42
Foreign liabilities	14.84	15.04	14.48	14.37	14.66	14.92	14.45	14.22	14.31	14.12	14.11	13.41	27.48
Net credit to Government	-16.40	-16.87	-14.64	-13.34	-13.70	-18.35	-18.64	-17.06	-16.98	-15.50	-20.57	-18.76	-17.98
Other assets net	9.74	10.24	10.42	5.11	6.04	9.19	8.76	7.71	5.55	3.19	10.11	6.51	-5.09
Monetary policy factors <sup>1/</sup>	-63.26	-63.68	-67.36	-69.47	-67.10	-55.25	-49.25	-49.39	-46.29	-42.34	-44.34	-50.47	-63.43
Credit to banks (excl. redistribution loans)	0.56	0.50	0.43	0.33	0.19	0.08	0.04	0.01	0.00	0.00	0.00	0.00	0.00
Bills of exchange	0.56	0.50	0.43	0.33	0.19	0.08	0.04	0.01	0.00	0.00	0.00	0.00	0.00
Holdings of securities	0.00	0.00	0.03	0.00	0.15	0.00	0.00	0.00	0.04	0.00	0.00	0.00	0.00
Treasury bills	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other government securities	0.00	0.00	0.03	0.00	0.15	0.00	0.00	0.00	0.04	0.00	0.00	0.00	0.00
NBS (Central Bank) bills	84.90	101.85	107.05	122.40	124.99	112.15	100.31	103.54	89.99	100.07	65.87	99.06	97.12
of which: in NBS portfolio	23.30	39.34	39.92	53.66	58.48	57.60	51.49	54.38	43.99	59.01	21.95	49.42	36.60
Overnight deposits with NBS	2.21	1.67	0.68	1.07	0.93	0.78	0.47	0.24	0.32	1.28	0.42	0.84	2.92
<b>USE OF MONETARY BASE <sup>2/</sup></b>	104.66	103.74	103.43	104.26	106.57	109.24	110.57	110.72	112.34	114.96	119.23	124.23	116.42
Currency in circulation	75.48	74.20	73.78	74.04	75.45	77.50	79.05	79.53	80.74	83.58	87.91	91.81	90.00
Reserves of banks	29.18	29.54	29.64	30.22	31.12	31.73	31.53	31.19	31.60	31.38	31.32	32.42	26.43
Required reserves	29.23	29.50	29.59	29.94	31.06	31.66	31.51	31.02	31.51	31.33	31.25	32.28	26.57
Excess reserves	-0.04	0.04	0.05	0.28	0.06	0.07	0.02	0.17	0.09	0.05	0.07	0.14	-0.14

1/ Including NBS bills in the portfolios of commercial banks and overnight deposits with the NBS.

2/ Use of monetary base = Reserve money = Currency in circulation + Reserves of banks

**Shortened Balance Sheet of Commercial Banks as at 31 December 2001**  
*(Banks and branches of foreign banks operating in the SR in total)*

(Sk thousands)

ASSETS	Accumulated depreciation and provisions	Slovak crown		Foreign currency		Total
		Residents	Non-residents	Residents	Non-residents	
<b>Total assets</b>	95,275,148	810,228,597	44,530,286	82,741,771	89,098,732	931,324,238
Cash items		10,201,129	124	17	7,909,335	18,110,605
Cash		10,225,691			7,901,719	18,127,410
Gold						
Other cash items		-24,562	124	17	7,616	-16,805
Accounts of issuing banks and postal checking accounts		63,978,925			1,828	63,980,753
Money reserve accounts with the NBS		22,202,770				22,202,770
Accounts of other banks	280,355	38,590,357	32,050,145	10,778,785	51,680,681	132,819,613
Current accounts with other banks		802,304	51	371,372	4,571,927	5,745,654
Credits provided		1,028,956	800,000		1,090,843	2,919,799
Time deposits with other banks		35,182,216	30,952,750	10,407,413	45,285,561	121,827,940
Current accounts of other banks			280,653		11	280,664
Transfers of funds between banks		1,495,770	16,691		444,137	1,956,598
Classified claims on banks	280,355	81,111			288,202	88,958
of which: short-term claims	214,996				214,996	
interest on outstanding loans credited to accounts					506	506
Claims in respect of securities and other items		508,047	133,762	286		642,095
Standard credits to customers		152,069,136	1,076,653	41,382,997	2,618,695	197,147,481
Credits for commercial claims		3,518,766		1,720,555	892,246	6,131,567
Short-term credits		45,858,164	745,261	13,806,565	387,836	60,797,826
Medium-term credits		58,931,056	82,832	12,247,166	1,128,347	72,389,401
Long-term credits		43,761,150	248,560	13,608,711	210,266	57,828,687
Other claims on customers		770,799	4,756	157,788	7,666	941,009
Current accounts of customers - debit balances, overdrafts		12,200,031	22,683	3,598,819	68,389	15,889,922
Standard claims with reserve (customers)		34,041,290	194	5,904,244	38,121	39,983,849
Classified claims (customers)	59,897,184	67,606,536	24,739	2,647,922	761,274	11,143,287
of which: interest on outstanding loans credited to accounts	7,446,278	7,369,456	4,193	52,894	48,979	29,244
Sub-standard claims	922,077	4,169,962	44	1,189,730	195,630	4,633,289
Doubtful and controversial claims	1,524,107	3,441,066	123	567,404	87,416	2,571,902
Loss-making claims	57,451,000	59,995,508	24,572	890,788	478,228	3,938,096
Other receivables		195		156		351
Accounts of public authorities, local governments, state funds and other funds	596,925	12,698,098		1,300,204		13,401,377
Loans to public authorities of the SR		53		380,864		380,917
Loans to social insurance funds						
Loans to local governments	537,680	4,419,167				3,881,487
Loans to other funds	52,349	3,935,933				3,883,584
Loans to state funds	6,896	4,342,945		919,340		5,255,389
Stock		238,738				238,738
Claims in respect of collections of money		25,016	72	273,237	110,373	408,698
Branches and representative offices		49	3			52
Claims and other suspense accounts	3,277,400	19,769,462	704,103	1,028,939	361,635	18,586,739
Claims in respect of own securities						
Securities for intervention and trading purposes		582,621	960	2,085		585,666
Securities in portfolio	2,902,943	224,021,171	3,693,588	9,917,801	19,219,116	253,948,733
Investment securities and deposits	1,809,361	94,220,763	6,815,503	5,748,491	5,778,758	110,754,154
Foreign branches					542,861	542,861
Tangible fixed assets	20,360,212	46,560,835				26,200,623
Acquisition of fixed assets	488	2,101,636	3,001			2,104,149
Tangible fixed assets leased	1,267	1,380				113
Intangible fixed assets	6,149,013	7,839,613				1,690,600
Special agenda commissioned						
Accumulated depreciation and provisions	66,671,643	66,638,506	33,137			

**Shortened Balance Sheet of Commercial Banks as at 31 December 2001**  
*(Banks and branches of foreign banks operating in the SR in total)*

(Sk thousands)

LIABILITIES	Slovak crown		Foreign currency		Total
	Residents	Non-residents	Residents	Non-residents	
<b>Total liabilities</b>	731,660,082	39,196,020	121,898,329	38,569,807	931,324,238
Accounts of issuing banks and postal checking accounts	30,257,551		402,560		30,660,111
Accounts with issuing banks	2,985,607				2,985,607
Loan received from issuing banks	27,271,944		402,560		27,674,504
of which: Redistribution loans	21,231,981				21,231,981
Refinancing loans					
of which: Lombard loans					
Accounts of other banks	37,804,481	4,204,267	10,904,021	26,932,412	79,845,181
Current accounts with other banks				150,354	150,354
Current accounts with other banks	860,822	2,426,055	496,608	18,556,793	22,340,278
Transfers on accounts between banks	700,302	46,432		2,439,986	3,186,720
Credits received	1,216,818			2,412,871	3,629,689
Time deposits of other banks	35,026,539	1,731,780	10,407,413	3,372,408	50,538,140
Liabilities from securities and other items	56,161,019				56,161,019
Deposits and loans received from customers	495,524,088	4,674,948	104,113,913	4,248,749	608,561,698
Current accounts of customers	105,066,608	2,741,269	31,267,110	2,439,683	141,514,670
Time deposits of customers	217,908,589	1,757,929	62,646,170	1,743,456	284,056,144
Savings deposits	158,269,032	141,971	10,192,878	65,610	168,669,491
Giro accounts	15,164,076	37,064	145,407	4,591	15,351,138
Demand deposits on passbooks	24,371,893	20,475	6,876,134	39,604	31,308,106
Other short-term savings deposits	50,835,939	64,669	3,171,239	21,415	54,093,262
Medium-term savings deposits	25,507,514	19,623	98		25,527,235
Long-term savings deposits	42,389,610	140			42,389,750
Credits received from customers	14,279,859	33,779	7,755		14,321,393
Other liabilities to customers	10,066,188	5,068	2,693,182	97,378	12,861,816
Certificates of deposits and similar securities issued	5,929,465	9,161	242,751		6,181,377
Deposits for specific purposes	1,030,877	7,641	768,224	102,001	1,908,743
Other special liabilities	5,537	15	10		5,562
Accounts of public authorities, local governments, state funds and other funds	30,229,859		1,215,256		31,445,115
Deposits of extra-budgetary funds of public authorities	6,421,108		1,017,070		7,438,178
Deposits of social insurance funds	4,620,335		28		4,620,363
Deposits of local governments	5,266,505		197,204		5,463,709
Deposits of other funds	2,606,448		954		2,607,402
Deposits of State funds	1,962,189				1,962,189
Liabilities from collections	59,442	72	317,190	43,511	420,215
Branches and representative offices	335,624				335,624
Adjustment and other suspense accounts	18,711,640	224,426	817,368	470,780	20,224,214
Liabilities from own securities	262,894	641	31,367		294,902
Liabilities from trading in securities and financial derivatives	680,004		171,394	397,080	1,248,478
Liabilities from unpaid securities	26,400				26,400
Subsidies and funds of similar nature	2,483,913		132,002		2,615,915
Bonds issued	5,178,810	50,000			5,228,810
Long-term borrowings of special nature					
Reserves	22,768,388		89,091	152,960	23,010,439
Funds allocated from profits	10,877,990	19,500			10,897,490
Share capital	27,212,761	30,000,281		6,124,936	63,337,978
Long-term liabilities of foreign banks' branches to head offices		1,399,229		3,510,355	4,909,584
Share premium funds	777,411	374			777,785
Other capital funds	3,166,244	5,490			3,171,734
Gains / losses from valuation of property shares and deposits	487,069			1,932	489,001
Own shares issued to reduce share capital					
Gains / losses from revaluation of share capital and deposits in foreign currency	5,479	3,086		827,341	835,906
Retained earnings from previous years (+)	7,800,858				7,800,858
Accumulated losses from previous years (-)	-42,001,806				-42,001,806
Profit and loss account (+, -)	10,254,099				10,254,099
Profit or loss in process of approval (+, -)					

**Monthly Profit and Loss Account of Commercial Banks**  
*(Banks and branches of foreign banks operating in the SR in total)*

(Sk thousands)

	1998	1999	2000	2001		
	December	December	December	June	September	December <sup>*/</sup>
<b>EXPENSES</b>						
Expenses on financial operations:	140,764,053	122,849,070	157,946,828	55,878,166	85,930,932	118,953,521
Cash and interbank transactions	27,674,497	16,886,692	13,463,563	4,756,860	6,765,272	8,574,379
Transactions with customers	41,984,284	45,313,557	37,248,356	15,771,665	23,292,691	29,408,941
Financial leasing	1,247	310	521	134	158	110
Bond issues	1,503,370	1,182,563	822,024	339,105	452,602	563,851
Transactions in securities	8,777,061	8,069,421	46,089,276	6,484,826	7,992,227	13,369,831
Foreign exchange transactions	59,934,197	49,354,333	58,442,371	27,952,484	46,519,386	65,660,291
Other operations	889,397	2,042,194	1,880,717	573,092	908,596	1,376,118
General administrative expenses	19,509,639	19,927,703	20,763,501	10,176,790	15,597,400	21,820,602
Additions to reserves and provisions	32,724,719	87,361,705	107,800,384	13,420,743	20,623,228	35,141,028
Other operating expenses	5,511,122	9,623,907	13,692,057	4,671,615	6,507,491	14,969,503
Extraordinary expenses	879,394	1,112,765	936,356	182,831	257,115	636,855
Income tax	1,838,300	789,773	781,072	90,472	400,294	216,503
Profit for the period	5,171,233	3,766,769	15,795,169	9,460,332	11,531,517	10,833,063
<b>TOTAL EXPENSES, PLUS PROFIT</b>	<b>206,398,460</b>	<b>245,431,692</b>	<b>317,715,367</b>	<b>93,880,949</b>	<b>140,847,977</b>	<b>202,571,075</b>
<b>INCOME</b>						
Income from financial operations:	172,224,785	148,189,600	188,596,370	71,721,460	110,402,338	152,231,334
Cash and interbank transactions	29,599,705	18,026,666	15,342,223	7,133,945	10,442,532	13,638,685
Transactions with customers	51,793,364	47,824,863	43,654,164	16,828,926	24,634,738	31,932,782
Financial leasing	1,477	393	584	132	189	0
Transactions in securities	23,277,829	24,742,031	63,969,537	16,507,259	23,801,912	34,613,901
Foreign exchange transactions	65,434,935	54,748,440	63,676,495	30,603,148	50,537,433	71,080,149
Other operations	2,117,475	2,847,207	1,953,367	648,050	985,534	965,817
Use of reserves and provisions	20,648,238	61,194,757	113,047,024	20,721,596	28,066,491	47,038,790
Other operating income	3,518,246	2,134,893	2,340,107	781,932	959,256	1,414,500
Extraordinary income	1,157,643	623,957	2,314,257	230,637	257,095	1,307,487
Loss for the period	8,849,548	33,288,485	11,417,609	425,324	1,162,797	578,964
<b>TOTAL INCOME, PLUS LOSS</b>	<b>206,398,460</b>	<b>245,431,692</b>	<b>317,715,367</b>	<b>93,880,949</b>	<b>140,847,977</b>	<b>202,571,075</b>

\*/ Preliminary data