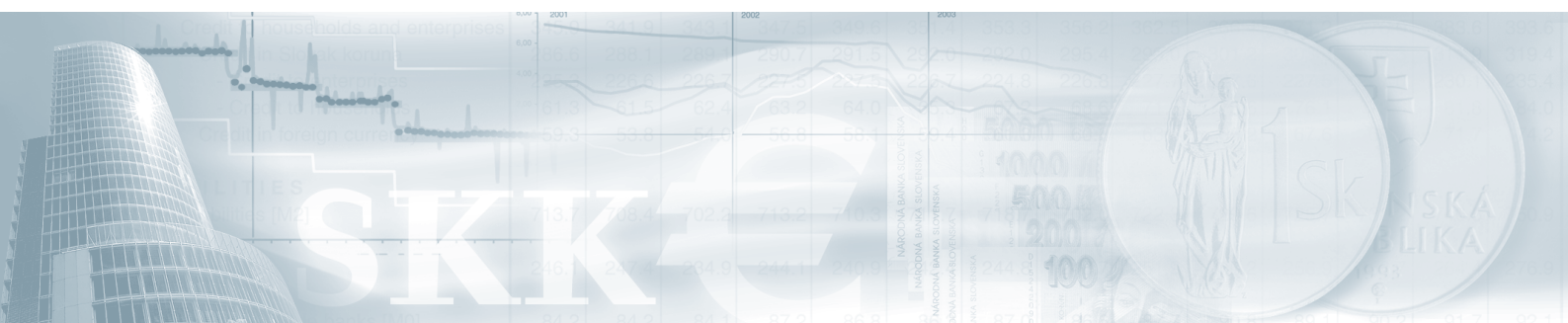




NÁRODNÁ BANKA SLOVENSKA



# Monetary Survey

February 2004



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*Prepared on the basis of the Situation Report on the Monetary Development  
in February 2004, approved by the NBS Bank Board on 26 March 2004.*

## 1. Introduction

The level of consumer prices rose by 0.8% in February, while the prices of core inflation components increased month-on-month by 0.5%. The 12-month rate of consumer-price inflation reached 8.5%, with core inflation accounting for 2.09 percentage points. The rate of core inflation reached 2.8% on a year-on-year basis.

Real gross domestic product grew by 4.2% in 2003, with the 12-month dynamics reaching 4.7% in the 4th quarter.

The M2 money supply dropped by Sk 0.3 billion in January, while recording a year-on-year increase of 6.5%. Slovak-koruna deposits, as a component of the M2 monetary aggregate, fell month-on-month by Sk 4.6 billion in January, while growing year-on-year by 7.0%. At current exchange rates, the money supply grew year-on-year by 5.3%.

The volume of loans to households and enterprises (at fixed exchange rates from 1 January 1993) fell month-on-month by Sk 13.1 billion in January, representing an increase of 12.8% on a year-on-year basis. At current exchange rates, loans to households and enterprises grew year-on-year by 12.3%.

The average interest rate on new loans rose by 0.3 of a percentage point in January (to 7.4%), and the average rate for deposits by 0.4 of a percentage point (to 3.4%).

At the end of February, the State Budget resulted in a deficit of Sk 4.4 billion.

The foreign exchange reserves of the NBS (at current exchange rates) increased by USD 513.4 million in February. At the end of the month, the volume of foreign exchange reserves was six times greater than the volume of average monthly imports of goods and services to Slovakia in January 2004.

In February, the National Bank of Slovakia purchased foreign exchange assets in the amount of EUR 135 million.

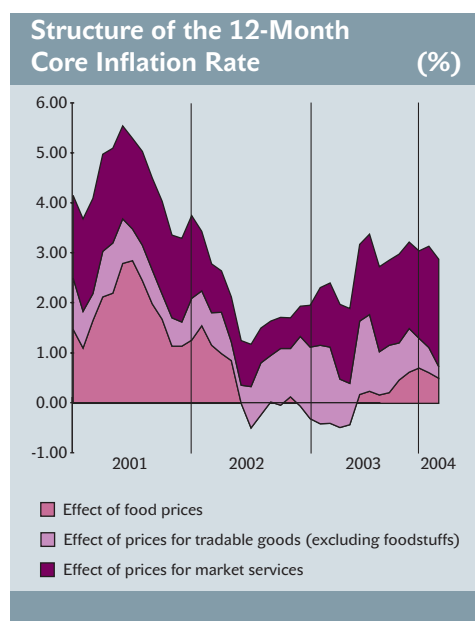
The balance of payments on current account for 2003 resulted in a deficit of Sk 10.2 billion. In the same period, according to preliminary data, the capital and financial account generated a surplus of Sk 64.6 billion. In January, the current account and trade deficits reached Sk 2.0 billion and Sk 1.7 billion respectively.

In February, the overall sterilisation position of the NBS vis-à-vis the banking sector stood at Sk 190.8 billion, representing an increase of Sk 9.5 billion compared with the January figure.

On 27 February 2004, the Bank Board of the NBS decided to leave the key interest rates of the National Bank of Slovakia unchanged, i.e. 6.00% for two-week repo tenders, 4.50% for overnight sterilisation operations, and 7.50% for overnight refinancing transactions.

## 2. Inflation

### 2.1. Consumer Price Index



After recording a marked increase in January (as a result of changes in regulated prices and VAT rates), consumer prices showed weaker dynamics in February. The development of regulated prices (regulated rents) and prices for market services (related to housing) was the determining factor behind this trend.

Compared with the previous month, consumer prices increased by 0.8%, with regulated prices rising by 1.5% and the prices of core inflation components by 0.5%. On a year-on-year basis, inflation reached 8.5%, compared with 8.3% in January. The average 12-month inflation rate for the first two months of the year was 8.4%.

The prices of core inflation components increased by 0.5% in February, primarily as a result of a rise in prices for market services. On a year-on-year basis, core inflation reached 2.8%, compared with 3.1% in January.

Food prices increased by 0.2% in February. Processed and unprocessed food prices showed different dynamics. Processed food prices rose by 0.9%, representing

**Consumer prices showed weaker month-on-month dynamics**

**Core inflation was affected by prices for market services**

**Slowdown in food price dynamics**



a moderate slowdown in comparison with the previous month. As opposed to January, February saw a fall in the price of butter and a slowdown in the rate of increase in milk and dairy product prices. On the contrary, the prices of flour products showed stronger dynamics, due probably to an increase in wheat prices as a result of poor crop in 2003. Unprocessed food prices fell by 0.7%, due to a fall in meat and fruit prices, especially in the price of tropical fruit. The prices of other unprocessed foodstuffs increased. On a year-on-year basis, food prices rose by 1.9% (in January by 2.3%).

**Moderate month-on-month fall in prices for tradable goods**

The prices of tradable goods fell month-on-month by 0.1%, with decreases being recorded in almost all categories (except for tobacco, non-alcoholic beverages, and fuels). The fall in the prices of clothes and footwear was connected with seasonal clearance sales. The rise in fuel prices was due to an upward trend in the price of oil on the world markets in the first two months of the year. On a year-on-year basis, the prices of tradable goods rose by 0.5% (in January by 1.0%).

**Secondary effects of increases in regulated prices in prices for market services**

The prices of market services rose month-on-month by 1.8%, due mainly to an increase in charges for services related to housing. Price levels also increased for meals at restaurants. On a year-on-year basis, prices for market services rose by 8.2% (in January by 7.7%).

### Consumer Prices in February 2004

	Constant weight in %	Comparative change	
Structure of the consumer basket		January 2004	February 2003
<b>Total in %</b>	100.0	0.8	8.5
Regulated prices in %	19.9	1.5	15.8
<i>Share of total, in percentage points</i>		0.40	3.89
<b>Impact of changes in indirect taxes on non-regulated prices</b>			
<i>Share of total, in percentage points</i>		0.00	2.49
<b>Core inflation in %</b>	80.1	0.5	2.8
<i>Share of total, in percentage points</i>		0.37	2.09
of which: food prices in %	21.4	0.2	1.9
<i>Share of total, in percentage points</i>		0.05	0.37
<b>Net inflation</b> (excluding the impact of changes in indirect taxes) in %	58.7	0.6	3.1
<i>Share of total, in percentage points</i>		0.33	1.72

Source: Statistical Office of the SR.

**Further fall in the 12-month net inflation rate, excluding fuel prices**

On a month-on-month basis, the prices of net inflation components (market services and tradable goods, excluding fuel prices) increased by 0.6%. The 12-month rate of net inflation (excluding fuel prices) slowed in February to 3.5%, from 3.6% in January.

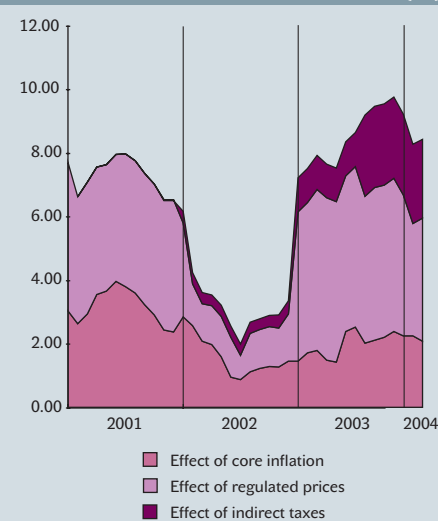
**Increase in regulated rents**

In February, regulated prices rose by 1.5%, due first and foremost to an increase in regulated rents. Price levels also increased for education, meals at school canteens, and accommodation at university dormitories. On a year-on-year basis, regulated prices rose by 15.8% (in January by 14.3%).

**Decline in consumer confidence**

In February, the indicator of consumer confidence did not follow the favourable trend from January, when its value fell to -35.9 points, which was 3.4 points less than in the previous month. Thus, the value of the indicator returned to the range of figures worse than the long-term average. Compared with the same period a year earlier, the consumer confidence indicator has improved by 0.8 of a point.

### Structure of the 12-Month Inflation Rate (%)



## Indicator of Consumer Confidence



In response to questions about the previous course of inflation, the average value of inflation (18.2%) was higher than the actual value of year-on-year inflation for January 2004. In response to questions concerning the expected rate of inflation, the respondents gave an average value of 18.8%.

Consumer prices are expected to increase in March at a slower rate than in the previous two months, as a result of a slowdown in regulated prices, food prices, and prices for market services. Food prices are expected to follow the trends recorded in February (mainly the downward trend in meat prices), while the rise in fuel prices is expected to continue.

**Forecasts for the next month****2.2. Producer Prices in January 2004**

Industrial producer prices for the domestic market increased month-on-month by an average of 1.3% in January, due to a rise in the prices of electricity, gas, steam, and hot water (2.5%) and industrial products (0.4%). The prices of mineral raw materials fell by 0.1%.

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

## Producer Price Indices in January 2004

	Previous period = 100		Same period a year earlier = 100			January 2003
	December 2003	January 2004	December 2003	January 2004	Average 2004	
Industrial producer prices (for the domestic market)	100.0	101.3	108.7	104.4	104.4	107.5
– Prices of industrial products	100.2	100.4	102.7	101.6	101.6	102.8
– Prices of mineral raw materials	99.9	99.9	107.4	105.5	105.5	108.0
– Prices of electricity, gas, steam, and hot water	100.0	102.5	118.5	108.5	108.5	115.1
Industrial producer prices (for export)	99.5	99.6	96.7	96.7	96.7	101.0
– Prices of industrial products	99.5	99.6	96.6	96.7	96.7	100.9
Prices of construction work	100.4	100.4	105.1	105.0	105.0	105.1
Prices of building materials	100.9	100.5	104.4	104.3	104.3	103.3
Prices of agricultural products	-	-	98.8	99.1	99.1	96.3
– Prices of plant products	-	-	104.8	108.5	108.5	98.9
– Prices of animal products	-	-	95.7	97.2	97.2	95.9

- - Not monitored by the Statistical Office of the SR.

Industrial producer prices in January were affected mainly by adjustments to the regulated prices of electricity, natural gas, and heating. The price of gas increased by 3.6% (for households by 28%) and that of electricity by 2.5% (for households by 9%). The average price of heating was 0.1% higher than in December.

The increased energy prices led (though to a lesser extent) to a rise in the prices of individual industrial products. The most significant increases took place in the prices of machines and equipment not included in other categories (1.0%), textiles and textile goods (0.8%), and in the prices of wood and metal products (0.7%). A marked increase was also recorded in food prices (1.0%), which were to a certain extent affected by seasonal factors as well, causing the prices of dairy and flour products to rise for the fourth successive month.

Within the structure of industrial products, some of the sectors, including paper goods (1.0%), refined oil products (0.7%), and transport vehicles (0.1%), recorded a drop in prices in comparison with the previous month.



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

The year-on-year dynamics of industrial producer prices for the domestic market diminished by almost 50% (from 8.7% in December to 4.4% in January), due primarily to a slowdown in the rate of increase in the price of electricity, gas, steam, and hot water (by 8.5%, in December by 18.5%). Weaker dynamics were shown by the prices of mineral raw materials (5.5%, compared with 7.4% in December) and industrial products (1.6%, compared with 2.7% in December). The decelerated increase in industrial products prices was affected by developments in most industrial sectors, especially by a slowdown in the rate of increase in food prices and a year-on-year fall in the prices of refined oil products (mainly as a result of depreciation of the US dollar against the Slovak koruna).

**Prices of industrial products for export**

The prices of industrial products for export<sup>1</sup> fell by an average of 0.4%, with prices falling in almost all sectors. The prices of metal, textile, and food products were higher than in December.

On a year-on-year basis, industrial products prices fell by 3.3%, with the most significant decreases being recorded in the prices of refined oil products (18.3%) and paper goods (11.4%). The prices of transport vehicles (products with the largest weight) fell by 2.2%.

**Prices in agriculture**

Agricultural prices continued to fall on a year-on-year basis in January, but at a slower rate than in December. Compared with January 2003, price levels fell by an average of 0.9%, with the prices of animal products falling by 2.8%. The prices of plant products increased year-on-year by 4.8%.

The fall in animal products prices was connected with a fall in the prices of all types of animals. The most significant fall was recorded in the price of sheep (17.9%) and pigs (16.8% on average). The rise in the prices of plant products was due to price increases in all categories under review. The steepest increases occurred in the prices of potatoes (9.8%) and cereals (9.5% on average), with cereal prices rising as a result of the poor harvest in 2003, caused by unfavourable weather conditions.

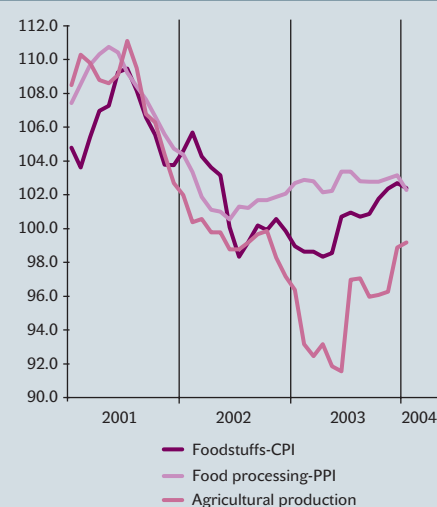
**3. Factors Affecting the Course of Inflation****3.1. Monetary Aggregates**

In the first month of 2004, the development of monetary aggregates was affected by various non-economic factors.

The relatively marked differences between the amounts of demand and time deposits in the household sector as at 31 December 2003 and 1 January 2004 (Sk 1.5 billion and Sk 3.0 billion respectively) can be ascribed to the fact that anonymous deposits (i.e. unregistered passbooks payable at demand or at notice and bearer certificates of deposits) have been excluded from customer deposits with effect from 1 January 2004. This

<sup>1</sup> With a view to bringing the statistics of the SR in harmony with European statistics, a model was created for the price indices of exported industrial products. The weights of the model were set on the basis of receipts from production for export in 2000. The indices of industrial producer prices for export are calculated on the basis of prices reported in the statistical reports 'Prices VC 1 - 12'. This report is submitted by selected industrial companies (approximately 600 organisations) for selected products (approximately 1,800 products for export). The export price agreed between the producer and the customer abroad is converted to Sk at the valid exchange rate of the NBS. The reported price is the simple arithmetic average of prices in all the important trade operations, occurring around the middle of the month. The price is monitored net of value added tax and net of excise duty. The index of exported industrial products prices is officially published on the web page of the Statistical Office of the SR as from the beginning of 2004, while the data used here is preliminary (experimental calculations).

**Developments in Industrial Producer Prices and Industrial Products Prices**  
 (index, same period a year earlier = 100)

**Developments in Food Prices in Primary Production, Processing, and Consumption**  
 (index, same period a year earlier = 100)


change was made in connection with the harmonisation of Slovak and EU laws, requiring banks<sup>2</sup> to terminate all the contracts for anonymous deposits by 31 December 2003. Until 31 December 2006, depositors are entitled<sup>3</sup> to demand that such deposits be refunded or converted into another product. After this date, the remaining balances of anonymous passbooks / anonymous deposit certificates will be nullified in favour of the bank. These deposits were transferred to 'other liabilities to customers', and are therefore no longer included in the money supply according to the methodology of the monetary survey (with effect from 2004). However, these funds are expected to be gradually converted into other deposit products and to become part of the money supply again. On the other hand, the reclassification of a loan provided to a client of the NBS led to an increase in the initial volume of loans to households and enterprises (by Sk 10.3 billion).

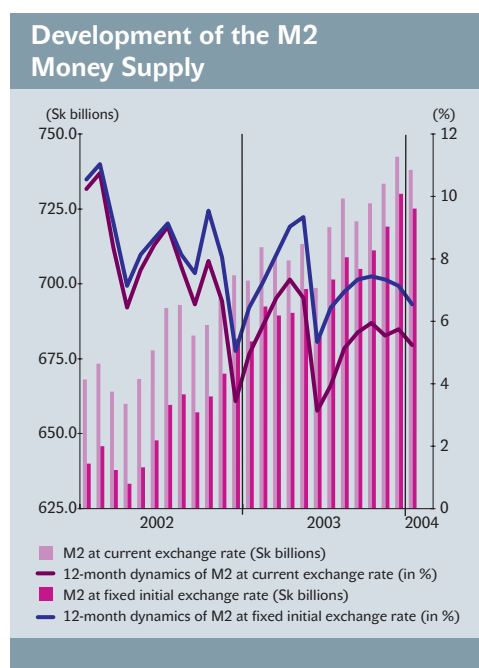
Another factor was the realisation by banks of a government guarantee for a loan provided to a state company, as a result of which the volume of loans to enterprises fell in January by Sk 10.7 billion to the detriment of the net position of the public sector.

From 18 February to 3 March 2004, the International Monetary Fund sent a mission to Slovakia, to evaluate the quality and transparency of the country's national statistics. The findings of the mission are presented in a Report on Standards and Codes (ROSC), which recommends that the NBS should, as guarantor of monetary statistics, extend the structure of the monetary survey to include so-called memorandum items, which incorporate certain positions that had previously been included only in the aggregate indicators 'net foreign assets' and 'net credit to the government'. These items include:

- the net foreign assets of the banking sector (excluding the foreign liabilities of the government) – broken down into foreign assets and foreign liabilities in the banking sector;
- net credit to the central government;
- net credit to the government (excluding the FNM and the government's foreign liabilities) – broken down into government assets and government liabilities;
- the foreign liabilities of the government;
- the deposits of higher regional units, the government's foreign-currency deposits from EU funds, and the deposits of extra-budgetary funds of State authorities at the NBS;
- the investment certificates of mutual funds on the money market.

Since the FNM is part of the general government sector, the items 'net credit to the government (excluding the FNM)' and 'net credit to the FNM' will be published in the table 'Monetary Survey' together as components of a wider aggregate called 'net credit to general government' (as recommended by the IMF).

As a result of changes in the initial levels, the month-on-month changes in monetary aggregates will be evaluated in the text below in comparison with 1 January 2004.



### Money Supply (M2)

The M2 money supply (at fixed 1993 exchange rates) diminished slightly in January (by Sk 0.4 billion), to Sk 725.2 billion. The year-on-year dynamics of M2 strengthened somewhat in comparison with December, by 0.1 of a percentage point (to 6.5%), but without the exclusion of anonymous deposits from the M2 aggregate, the money supply would have grown by 7.2%.

### Moderate increase in the growth dynamics of M2

At current exchange rates, the M2 money supply fell over the course of January by Sk 0.5 billion, to Sk 738.1 billion at the end of the month. The year-on-year rate of growth accelerated against December by 0.5 of a percentage point, to 5.3%.

The moderate increase in the M2 dynamics in January took place mostly in foreign-currency deposits, which recorded a positive year-on-year increase (for the first time since May 2003) as a result of accelerated growth in the entrepreneurial sector. In the household sector, the negative rate of growth in foreign-currency deposits continued to accelerate.

<sup>2</sup> Pursuant to Article 879e, paragraph 5, of the Civil Code.

<sup>3</sup> In accordance with Article 101 of the Civil Code.



In the corporate sector, the year-on-year dynamics of time deposits remained roughly at the December level, while the trend of dynamic growth had persisted since 2003 (an average of 25%). Despite a greater seasonal month-on-month fall than a year earlier (due to the discharge of liabilities by entrepreneurs vis-à-vis the State budget), the rate of growth in demand deposits accelerated in January 2004.

In the household sector, demand deposits recorded a slowdown in the rate of growth, accompanied by accelerated year-on-year decline in time deposits. This development was due partly to the exclusion of anonymous deposits from the M2 aggregate. The dynamics of demand deposits were reduced by approximately 1 percentage point and those of time deposits by 0.8 of a percentage point.

The year-on-year rate of growth in currency in circulation remained at the December level. The development of currency in circulation was characterised by relatively stable dynamics, which have been hovering around the 10.0% level since February.

### Development of the M2 Money Supply

	Month-on-month change (Sk billions)			Year-on-year change (%)	
	December 2003*	January 2004	January 2003	December 2003	January 2004
<b>At fixed 1993 exchange rates:</b>					
Money Supply [M2]	10.9	-0.3	-5.6	6.4	6.5
Money [M1]	12.5	-14.2	-12.5	11.9	11.2
Currency outside banks [M0]	0.1	-0.1	-0.1	9.0	9.0
Demand deposits	12.4	-14.1	-12.4	13.4	12.4
- households	0.2	1.7	2.5	12.0	8.6
- enterprises (inc. insurance cos.)	12.2	-15.8	-14.9	14.6	16.3
Quasi-money [QM]	-1.6	13.9	6.9	3.2	4.1
Time deposits	1.1	9.5	9.4	5.5	4.7
- households	1.7	-1.4	0.5	-4.3	-6.2
- enterprises (inc. insurance cos.)	-0.6	10.9	8.9	29.2	29.4
Foreign-currency deposits	-2.7	4.4	-2.5	-6.0	1.1
- households	-0.9	-0.4	-0.6	-15.8	-16.7
- enterprises (inc. insurance cos.)	-1.8	4.8	-1.9	12.7	37.1
<b>At current exchange rates:</b>					
Money Supply [M2]	9.0	-0.5	-7.4	4.8	5.3
Foreign-currency deposits	-4.6	4.2	-4.3	-13.9	-6.3
- households	-1.9	-1.0	-1.6	-22.8	-22.8
- enterprises (inc. insurance cos.)	-2.7	5.2	-2.7	3.3	26.8
*/ Preliminary data.					

### Loans to Households and Enterprises

#### Slowdown in the year-on-year rate of growth in loans

The volume of loans to households and enterprises (at fixed 1993 exchange rates) fell in comparison with the beginning of the year by Sk 13.1 billion, to Sk 374.9 billion at the end of January. The year-on-year dynamics of bank lending to households and enterprises weakened in comparison with the previous month by 1.7 percentage points, to 12.8% (at current exchange rates by 1.4 percentage points, to 12.3%).

The January decline in the volume of loans to households and enterprises took place predominantly in koruna loans to enterprises (Sk 15.6 billion), while koruna loans to households (increasing by Sk 0.8 billion) and foreign-currency loans (increasing by Sk 1.7 billion) maintained the moderately upward trend from the second half of 2003.

The marked fall in the volume of loans to enterprises in comparison with January 1st was caused mainly by the realisation of a government guarantee for a due loan provided by banks to a state company, as a result of which the loan became a liability of the government sector. Since the reclassification of a loan



provided to a client of the NBS caused the initial volume of loans to increase in comparison with 31 December 2003 by approximately the same amount, the two operations offset each other, so their impact on the year-on-year dynamics of loans to households and enterprises was neutral.

### ***Fiscal Developments, Net Credit to the Government***

Since the FNM is part of the general government sector, the items 'net credit to the government and 'net credit to the FNM' will be presented in the table 'Monetary Survey' as separate aggregates in line with the original methodology, and as components of a wider aggregate called 'net credit to general government' (in accordance with the recommendations of the March mission of the IMF to the NBS).

Accordingly, the volume of net credit to the general government (at fixed 1993 exchange rates) reached Sk 303.7 billion at the end of January, representing a month-on-month increase of Sk 12.7 billion. Since the level of net credit to the FNM remained unchanged on a month-on-month basis, i.e. the FNM was in a creditor position vis-à-vis the banking sector (in the amount of Sk 3.1 billion), its effect on net credit to the general government was neutral<sup>4</sup> in January.

The January increase in net credit to the government was fully in line with the increase in the internal debt of the government. With regard to the institutional set-up of the public administration sector, it affected first and foremost the central government, while the effect on local self-governments and social security funds was negligible. Within the central government, a substantial portion of the increase in its indebtedness (Sk 10.3 billion) was affected by the realisation by commercial banks of a guarantee for a due loan provided to a state company.

In January, the indebtedness of the central government was, to a lesser extent, affected by current budgetary performance, resulting in a deficit of Sk 2.7 billion at the end of the month, with budget revenues totalling Sk 21 billion and expenditures Sk 23.7 billion. A substantial component of total revenues were receipts from the payments of basic taxes. The volume of value added tax (VAT) reached Sk 9.8 billion, as a result of VAT payments for December and the 4th quarter of 2003, income tax Sk 5.2 billion, and excise duties Sk 3.2 billion. The receipts of the central government were strengthened at the beginning of January by a transfer of funds in the amount of approximately Sk 2 billion from the account of state financial assets at the NBS. Within the scope of expenditures, there were no exceptional expenses in terms of volume or purpose.

In February, the budgetary performance of the central government resulted in a deficit of Sk 4.4 billion.

**Budgetary performance**

The Agency for Debt and Liquidity Management (ARDAL), which stipulates the issuing conditions for government securities and decides in auctions on behalf of the Ministry of Finance as of 2004, began to issue Treasury bills in February. In line with the Issuing Schedule for 2004, the Agency announced a 364-day issue, which was placed on the market through Dutch auction. After using the American auction technique for several years, the form of primary sale was changed as a result of the tax reform. The new tax law sets out the exceptions, when yields on securities are not included in the tax base, but are subject to withholding tax. Since these entities have access to the Treasury-bill market, an American auction would not make it possible to quantify the yield on the due date and ensure tax payment by deduction. For this reason, the Dutch auction represents an indispensable technique for the primary sale of Treasury bills by auction.

**Primary market for Treasury bills**

In February, ARDAL placed Sk 3.3 billion on the market in this form, satisfying 33.5% of the total demand of investors. The yield accepted reached 5.20%, i.e. 14 base points less than the BRIBOR rate for the corresponding maturity in the case of a comparable tax burden.

### ***Net Foreign Assets***

Net foreign assets (at fixed 1993 exchange rates) reached Sk 151.3 billion in January, and thus remained at roughly the level of December. Foreign assets and foreign liabilities decreased month-on-month by approximately the same amount, i.e. by Sk 3.8 billion and Sk 3.9 billion respectively.

**Decrease in net foreign assets**

Within the structure of foreign assets, the foreign assets of commercial banks decreased by Sk 6.8 billion (of which Sk 5.3 billion took place in long-term assets), while the foreign exchange reserves of the NBS increased by Sk 3.0 billion, mainly due to NBS interventions on the interbank foreign exchange market (Sk 2.0 billion).

<sup>4</sup> As of 1 January 2004, the National Property Fund (FNM) is a client of the SR Treasury (a client with limited powers) and keeps the following accounts with the Treasury: account of operating expenses, accounts connected with the discharge of obligations arising from government decisions, and the social account. The NBS still maintains an account for the FNM, but with a zero balance (at the end of February).



The foreign liabilities side was affected mainly by a decrease in the short-term foreign liabilities of commercial banks (Sk 8.4 billion), an increase in the volume of government securities held by non-residents (Sk 3.6 billion), and a slight increase in the short-term liabilities of the NBS (Sk 0.9 billion).

### 3.2. Foreign Trade

#### Balance of Payments for 2003

**Current account** The current account deficit showed a tendency to diminish throughout the year 2003 (compared with 2002), due primarily to a decrease in the trade deficit. The balances of current transfers and incomes also showed improvement in comparison with 2002. The only item to record a year-on-year decline in its positive balance since the beginning of the year, was the services balance. The current account deficit as a share of GDP decreased year-on-year from 8.1% to 0.9%.

Balance of Payments on Current Account		(Sk billions)
	January - December 2003 <sup>1/</sup>	January - December 2002
Balance of trade	-23.6	-96.0
Exports	803.0	652.0
Imports	826.6	748.0
Services balance	8.6	20.7
Income balance	-4.4	-20.7
of which: income from investment	-19.5	-21.3
Current transfers	9.2	8.8
Current account in total	-10.2	-87.2

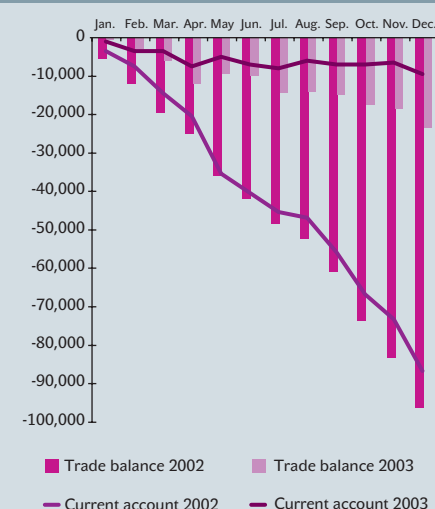
*1/ With effect from 1 January 2003, the NBS introduced a new methodology for calculating the compensation of employees, which caused the income balance deficit to diminish; this was partly offset by decreases in the positive balances of services and current transfers. According to the methodology applied in 2002, the balance of services would reach a surplus of Sk 14.4 billion, the income balance a deficit of Sk 18.9 billion, current transfers a surplus of Sk 11.9 billion, and the current account a deficit of Sk 16.2 billion. The change of methodology caused the current account deficit to improve by Sk 6.0 billion in 2003, while the surplus in the financial account diminished by the same amount.*

**Balance of trade** In 2003, exports grew at a faster rate (23.2%; corresponding to 51.8% in USD and 26.8% in EUR) than imports (10.5%; 36.3 % in USD and 13.7 % in EUR).

**Exports** The increase in exports in comparison with 2002 took place predominantly in machines and transport equipment, especially in automobiles, motor vehicle components and accessories. Year-on-year increases were also recorded in the exports of certain semi-finished goods, such as iron and steel, iron and steel products, rubber, metal products, and selected wood products.

**Imports** In imports, the steepest year-on-year increases were recorded in motor vehicle components and accessories, electrical machines and equipment, machines and instruments (including automobile engines), plastic goods (mainly automobile accessories), rubber (mainly tyres), and in iron and steel products. Faster growth than in 2002 was recorded in the import of finished products, which was driven mainly by the import of consumer electronics. In addition to household goods, a moderate increase in imports was also recorded in footwear, clothes, toys, sporting goods, and automobiles, while the imports of most foodstuffs and beverages declined.

Balance of Trade and Current Account Developments  
(Sk millions)



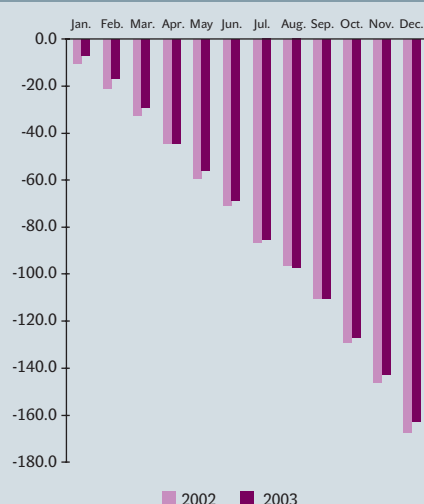


## Exports from January to December 2003

	Year-on-year change in billions of Sk		Proportion of the change in %	
	2003	2002	2003	2002
Raw materials	2.5	-1.0	0.4	-0.2
Chemicals and semi-finished goods	14.8	8.6	2.2	1.5
Machines and transport equipment	124.0	21.5	19.1	3.5
Finished goods (agricultural + industrial)	9.7	11.6	1.5	1.9
Exports in total	151.0	40.7	23.2	6.7

## Imports from January to December 2003

	Year-on-year change in billions of Sk		Proportion of the change in %	
	2003	2002	2003	2002
Raw materials	-1.5	-11.1	-0.2	-1.6
Chemicals and semi-finished goods	20.2	19.7	2.7	2.8
Machines and transport equipment	49.1	15.4	6.6	2.2
Finished products	10.9	9.9	1.4	1.3
of which:				
Agricultural and industrial products	2.4	7.9	0.3	1.1
Automobiles	1.4	-0.4	0.2	-0.1
Machines and electrical consumer goods	7.1	2.4	0.9	0.3
Imports in total	78.7	33.9	10.5	4.7

Cumulative Balance of Trade,  
Excluding the Automobile  
Industry (Sk billions)

The decrease in the trade deficit in 2003 (by 75.5% compared with 2002) was caused mainly by developments in the automobile industry. If we exclude the effect of automobile exports, the 12-month rate of growth in exports would fall from 23.2% to 9.9%. In addition to an increase in production and a change in structure in favour of higher-priced products, the improvement in the balance of automobile exports / imports was positively affected by the increased involvement of domestic suppliers. In 2002, Sk 0.48 worth of goods had to be imported for every Sk 1 exported; in 2003, this indicator fell to Sk 0.42. The rate of growth in adjusted imports reached 6.8%. If we adjust the trade results for the exports of automobiles (including parts and components), the balance of foreign trade would show only a slight improvement in 2003 (Sk 4.7 billion).

The fall in the positive balance of services in 2003 (according to the new methodology, the surplus diminished by 58%, and according to the methodology of 2002 by 30%) was caused by decreases in all the three components. Transport services accounted for 56% of the total decrease in the positive balance of services, due to a marked increase in expenses on freight transport,

**Services balance**

especially road haulage. The increase in the negative balance of 'other services in total' took place mostly in insurance, financial, and computer engineering services. The lower surplus in tourism was ascribable to a fall in receipts from foreign tourists in the last quarter, compared with the same period a year earlier. The lower receipts from active tourism can be attributed to a decrease in the number of foreign tourists as well as the number of days spent in Slovakia, when the number of visitors and the number of nights remained below the level of the same period in 2002.

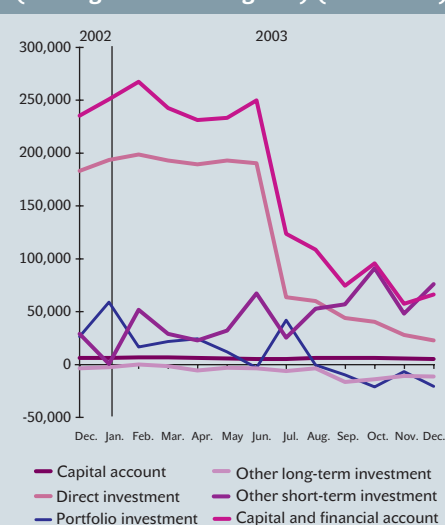


**Income and current transfers balances** The income balance deficit diminished on a year-on-year basis as a result of a change in the methodology applied for determining the compensation of employees (for 2003, Sk 14.5 billion was added). The deficit in income from investment also recorded a moderate decrease. This decrease was affected by an increase in income from NBS reserves and a drop in the amount of interest paid on loans, the positive effect of which exceeded the growth in interest paid on Sk-denominated government bonds. The increase in the positive balance of current transfers was affected by a decline in transfers abroad, by both natural persons and corporate entities.

**Capital and financial account** The inflow of funds in the capital and financial account took the forms of direct and other short-term investment, while portfolio investment and other long-term investment recorded an outflow.

**Foreign direct investment** Foreign direct investment (FDI) in the form of capital investment by foreign investors in Slovakia has increased since the beginning of the year as a result of privatisation (of which an additional payment for the privatisation of the Slovak Gas Industry accounted for Sk 2.6 billion, income from the privatisation of the Eastern Slovakia Power Company Sk 5.4 billion, and an additional payment for the privatisation of the Western Slovakia Power Company Sk 1.4 billion) and FDI in the private sector (other than privatisation). A fall in FDI in comparison with 2002 was recorded in both components, with privatisation activity accounting for 5% and non-privatisation activity 75% of the figure for 2002. The downturn in non-privatisation FDI was mainly caused by a decline in capital inflow into the banking sector and trade, while the inflow of investment capital into industry exceeded the 2002 level.

**Development of the Capital and Financial Account and its Components**  
(moving cumulative figures) (Sk millions)



**Balance of Payments Capital and Financial Account**

(Sk billions)

	Jan. – Dec. 2003	Jan. – Dec. 2002
Capital account	3.7	4.9
Direct investment	21.3	181.7
of which: investment in the SR	30.9	179.7
of which: other than privatisation	21.6	28.9
Portfolio investment and financial derivatives	-22.2	25.1
SR abroad	-30.5	12.4
in the SR	8.3	12.7
Other long-term investment	-13.0	-5.0
Assets	7.0	12.5
Liabilities	-20.0	-17.5
Short-term investment	74.8	27.6
Assets	-11.2	19.8
Liabilities	86.0	7.8
Capital and financial account	64.6	234.3

**Portfolio investment** The change in tendency from an inflow to an outflow in the area of portfolio investment was caused by a change in the strategy of commercial banks, which purchased foreign securities for their portfolios throughout 2003. Increased purchases were also recorded in the corporate sector, which increased the holdings of bonds as well as money market instruments. On the other hand, companies showed no interest in earning funds from issues of securities on foreign markets in 2003. The inflow of capital on the liabilities side was ensured mainly from the sale of Sk-denominated government bonds.

**Other investments** The positive balance of other short-term investments resulted mostly from an inflow of short-term funds into the banking sector. The increase in the short-term liabilities of commercial banks took place in all components (loans, deposits, and other liabilities). Another marked inflow was recorded in the government sector (including the NBS) as a result of NBS repo operations.

The outflow of long-term capital was caused by an excess of repayments over drawings of loans in the corporate and government sectors (including the NBS).

The foreign exchange reserves of the NBS increased by Sk 52.4 billion, i.e. USD 1.2 billion (excluding exchange rate differentials). **Foreign exchange reserves**

Balance of Payments Adjusted for the Activities of the Government and NBS (Sk billions)		
	January – December 2003	
	Actual <sup>1/</sup>	Adjusted <sup>2/</sup>
Current account	-10.2	-6.0
Capital and financial account	64.5	-10.8
of which: FDI in Slovakia – capital participation	30.9	21.6
Unclassified items	-1.9	-1.9
Interventions by the NBS <sup>3/</sup>	x	27.1
Change in the net foreign assets of commercial banks (- increase)	x	45.8
Change in NBS reserves (- increase)	-52.4	x
<i>1/ Original balance of payments structure, i.e. effect of receipts and payments on NBS reserves.</i>		
<i>2/ 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 qualify as a source of finance for the current account.</i>		
<i>3/ In the original structure of the balance of payments, interventions were included in the foreign exchange reserves of the NBS.</i>		

The outflow of funds from the corporate sector (adjusted capital and financial account) was connected with a growth in exports and export financing through trade credits provided by customers, while the interest of domestic entities in import financing in this form and/or in drawing financial credits (adjusted for repayments) was substantially lower and amounted to only half the volume of loans provided. The inflow of funds into the corporate sector took place mostly in the form of FDI. In the banking sector, the main source of capital inflow were transactions between parent banks based abroad and their branch offices in the SR. The deficits in the two balance of payments accounts, i.e. the revised current account and the capital and financial account (which reflect the inflow and/or outflow of corporate capital), and the sale of foreign currency to the Central Bank on the interbank foreign exchange market were responsible for the fact that the inflow of funds into the banking sector was not fully converted into growth in bank deposits, which led to a decrease in the net foreign assets of commercial banks.

### External Debt of Slovakia at 31 December 2003

On 31 December 2003, the total external debt of the SR stood at USD 18,322.3 million (EUR 14,653.9 million), representing an increase of USD 1,337.8 million in comparison with the previous month. Long-term and short-term foreign debt increased by USD 386.6 million and USD 951.2 million respectively. The growth in external debt was, as in previous months, caused by an appreciation in the exchange rate of the EUR against the USD (by 4.9% month-on-month), an increase in official short-term foreign liabilities, and an increase in the liabilities of the commercial sector.

### Gross foreign debt

Within the long-term external debt, the long-term foreign liabilities of the Government and the NBS grew by USD 256.4 million, but the liabilities of the commercial sector recorded only a slight increase. More than 40% of the increase (of USD 951.2 million) in short-term foreign debt was generated by NBS repo transactions. In the commercial sector, a month-on-month increase was recorded in the short-term foreign liabilities of commercial banks (USD 200.7 million), due to an increase in deposits and loans in foreign currency, offset partly by a decrease in other liabilities. Entrepreneurial entities recorded an increase in short-term liabilities (USD 327.2 million), which was caused by financial credits drawn and a concurrent moderate decrease in liabilities arising from supplier credits.

Slovakia's per-capita gross foreign debt stood at USD 3,406 at the end of December. The share of short-term debt in the country's total gross external debt increased month-on-month by 2.15 percentage points, to 43.85%.

The net external debt of Slovakia – expressed as the difference between gross foreign debt, i.e. USD 18.3 billion (liabilities of the Government, the NBS, commercial banks, and the corporate sector – except for capital participation), and foreign assets, i.e. USD 18.9 billion (foreign exchange reserves of the NBS, foreign assets of commercial banks and the corporate sector – except for capital participation), reached USD 585.2 million (creditor position) at the end of December. **Net external debt**





## External Debt of the SR

	in millions of USD			in millions of EUR		
	1.1.2003	30.11.2003	31.12.2003 <sup>1/</sup>	1.1.2003	30.11.2003	31.12.2003 <sup>1/</sup>
Total external debt of the SR	13,107.3	16,984.5	18,322.3	12,577.5	14,254.2	14,654.0
Long-term external debt	8,870.7	9,901.3	10,287.9	8,512.1	8,309.6	8,228.1
Government and NBS <sup>1/</sup>	3,740.2	3,091.3	4,347.7	3,589.1	3,433.6	3,477.2
Commercial banks	164.8	247.4	322.2	158.1	207.6	257.7
Entrepreneurial entities	4,965.6	5,562.6	5,618.0	4,764.9	4,668.4	4,493.2
Short-term external debt	4,236.6	7,083.2	8,034.4	4,065.4	5,944.6	6,425.9
Government and NBS	0.0	492.2	915.5	0.0	413.1	732.2
Commercial banks	1,289.5	2,750.5	2,951.2	1,237.4	2,308.4	2,360.4
Entrepreneurial entities	2,947.1	3,840.5	4,167.7	2,828.0	3,223.1	3,333.3
Foreign assets	14,127.4	18,337.6	18,907.5	13,556.5	15,389.7	15,122.0
Net external debt	-1,020.2	-1,353.1	-585.2	-979.0	-1,135.5	-468.0
SKK/USD and SKK/EUR rates	40.036	34.383	32.920	41.722	40.969	41.161
USD/EUR cross exchange rate	1.042	1.192	1.250	x	x	x

<sup>1/</sup> Including government agencies and municipalities.

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

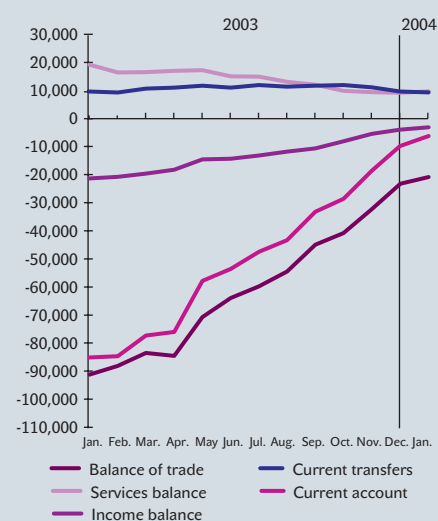
## Current Developments

**Balance of trade** In foreign trade, the beginning of 2004 was characterised by a trade surplus, accompanied by a relatively favourable trend in the balances of services, incomes, and current transfers, which led to a surplus in the balance of payment on current account. In comparison with January 2003, exports grew by 11.0% (34.9% in USD and 13.5% in EUR) and imports by 6.6% (29.6% in USD and 8.9% in EUR).

In February, both exports and imports are expected to grow significantly in comparison with January. The main factor behind the growth in exports will be the automobile and machine industry. The growth in exports is expected to be followed by a growth in imports, stimulated by an increase in the import of goods for final consumption. The February development is not expected to cause marked changes in the balance of trade in comparison with January.

The 12-month moving cumulative balance of trade is expected to improve further in March and April, but at a gradually decelerating rate. The expected increase in the growth dynamics of imports and exports is based on a gradual growth in the imports of machines and

## Development of the Current Account and its Components (moving cumulative figures) (Sk millions)

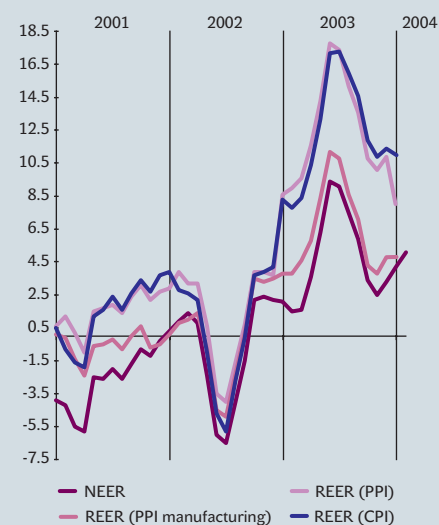


## Balance of Payments on Current Account

(Sk billions)

	January 2004	January 2003
Balance of trade	1.7	-0.7
Exports	60.6	54.6
Imports	58.9	55.3
Services balance	0.1	-0.6
Income balance	-0.3	-1.1
of which: income from investment	-1.3	-3.1
Current transfers	0.5	0.8
Current account in total	2.0	-1.6

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



equipment, which, accompanied by an increase in the imports of semi-finished goods and raw materials in connection with the rise in oil prices on the world market, may cause the trend of development in the trade balance to change, from a surplus to a deficit.

At the end of February, the total foreign exchange reserves of the NBS stood at USD 12,755.6 million, representing a month-on-month increase of USD 513.4 million. The increase in foreign exchange reserves in comparison with the end of January was due to a surplus in the balance of receipts and expenses (USD 576.6 million), caused mainly by receipts from NBS repo operations and interventions on the interbank foreign exchange market. At the end of the month, the volume of foreign exchange reserves was six times greater than the volume of monthly imports of goods and services to Slovakia in January.

**Total foreign exchange reserves of the NBS**

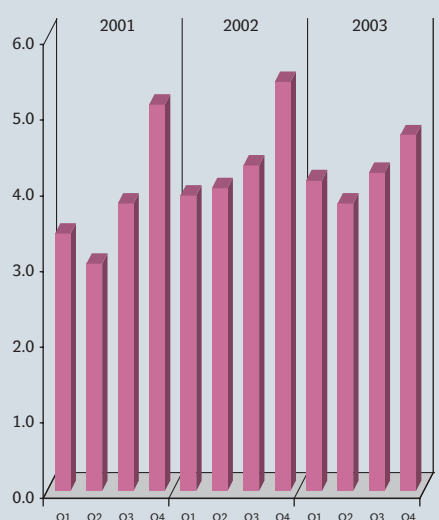
In February, the average monthly exchange rate of the Slovak koruna appreciated month-on-month in relation to both the euro and the dollar (by 0.4% and 0.7% respectively). The year-on-year appreciation in the average monthly SKK/EUR rate increased to 3.3%, while the rate of year-on-year appreciation in the SKK/USD rate fell to 17.6%. The 12-month dynamics of the nominal effective exchange rate (NEER)<sup>5</sup> increased further in February, to 5.0%.

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

**Cumulative NEER and REER Dynamics since the Beginning of the Year (%)**

For 9 partners, based on the deflator:	NEER	REER CPI	REER PPI	REER PPI manuf.
2002	2.1	4.1	3.6	3.4
2003	3.2	11.3	10.8	4.7

**Development of Real GDP by Quarter (year-on-year growth in %)**



In January, the year-on-year dynamics of the real effective exchange rate diminished (on the basis of CPI and PPI) and/or remained unchanged in comparison with December (on the basis of industrial products prices), depending on the price deflator applied. The REER index appreciated year-on-year by 10.9% on the basis of the CPI, by 7.6% on the basis of the PPI, and by 4.7% on the basis of industrial products prices.

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

The January fall in the year-on-year dynamics of the REER index on the basis of the PPI to 7.6% (from 10.8% in December) was caused by a marked decrease in the year-on-year change in Slovakia's PPI, from 8.7% to 4.4% (i.e. by 4.3 percentage points).

### 3.3. Real Economy

#### Development of the Real Economy in 2003

##### Gross Domestic Product

In 2003, gross domestic product increased year-on-year by 4.2% at constant prices (according to preliminary data from the Statistical Office of the SR), but its dynamics

**GDP grew by 4.2%**

<sup>5</sup> The methodology applied for calculating the nominal and effective exchange rates of the Slovak koruna (NEER and REER) is the same one used by the IMF. The REER is calculated on the basis of the consumer price index (CPI), the industrial producer price index (PPI), and/or the industrial products price index, excluding the price of mineral raw materials, electricity, gas, steam, and hot water (PPI manufacturing). The initial year for the calculation is 1999, and the weights selected correspond to the structure of foreign trade in 1999, for the nine most important trading partners of Slovakia, representing roughly 70% of the total turnover of foreign trade. These countries are Germany, Czech Republic, Italy, Austria, France, the Netherlands, the USA, Great Britain, and Switzerland.



weakened in comparison with 2002 by 0.2 of a percentage point. After recording a real increase of 4.0% in the first three quarters of 2003, the rate of GDP growth accelerated to 4.7% (at constant prices) in the 4th quarter. The volume of GDP created during the year under review amounted to Sk 1,195.8 billion (at current prices), which was 9.1% more than a year earlier.

### Demand

In a breakdown by use, GDP growth was stimulated exclusively by foreign demand, while domestic demand fell (due mainly to a change in inventories) and tended to reduce its level. Foreign demand grew year-on-year by 22.6% (at constant prices), representing the most rapid growth since 1994, with the strongest dynamics being recorded in the 4th quarter of 2003.

**Development of GDP by Use<sup>1/</sup>**  
(index, same period a year earlier = 100, const. 1995 prices)

	2002 2001	Q1, 03 Q1, 02	Q2, 03 Q2, 02	Q3, 03 Q3, 02	Q4, 03 Q4, 02	2003 2002
Gross domestic product	104.4	104.1	103.8	104.2	104.7	104.2
Domestic demand	104.3	100.3	96.5	98.5	95.9	97.7
Final consumption	105.1	102.5	99.2	98.7	101.7	100.5
Households	105.3	102.6	99.8	97.8	97.7	99.4
Public administration	104.7	102.0	96.7	100.2	110.4	102.9
Non-profit institutions serving households	103.5	108.3	112.5	114.3	112.6	111.9
Gross capital formation	102.2	94.7	90.1	98.1	78.1	90.3
Gross fixed capital formation	99.1	98.0	99.6	99.4	98.2	98.8
Exports of goods and services	105.5	121.0	121.5	121.6	126.1	122.6
Imports of goods and services	105.2	116.4	113.2	114.3	111.9	113.8

<sup>1/</sup> The Statistical Office has revised the entire series of GDP 1993-2003, including the exports and imports of goods and services in the 2nd and 3rd quarters of 2003.

#### Year-on-year fall in domestic demand

In 2003, domestic demand fell year-on-year by 2.3% at constant prices. It increased slightly in the first quarter, but then remained below the level of the previous year in the following quarters. Domestic demand was affected by a fall in gross capital formation and in final household consumption. It followed a volatile course of development during 2003, due to changes in inventories. The fall in domestic demand moderated the growth of final consumption in public administration and in non-profit institutions serving households.

#### Growth in public consumption

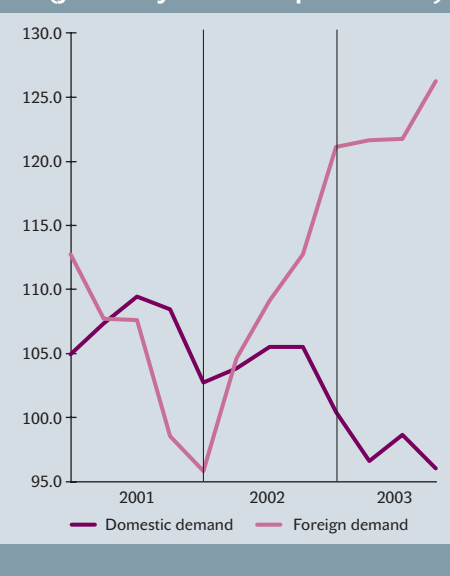
Final consumption in public administration increased year-on-year by 2.9%. The individual quarters saw different trends of development in public consumption: a moderate decline in the first three quarters (0.5%), followed by a year-on-year increase in the 4th quarter (10.4%). This was probably due to the low percentage of public funds drawn by subsidised institutions from the State budget in the first three quarters, in comparison with the planned amount. This was followed by increased public consumption in the 4th quarter of 2003.

The slowdown in the year-on-year rate of growth in final consumption in public administration (1.8 percentage points) confirms that there is an intention to cut spending on public administration. The reduction in public consumption is in part connected with the transformation of selected public sector entities into non-profit organisations, which render services for households, which would explain the pronounced year-on-year increase in the consumption of non-profit institutions serving households (11.9% at constant prices).

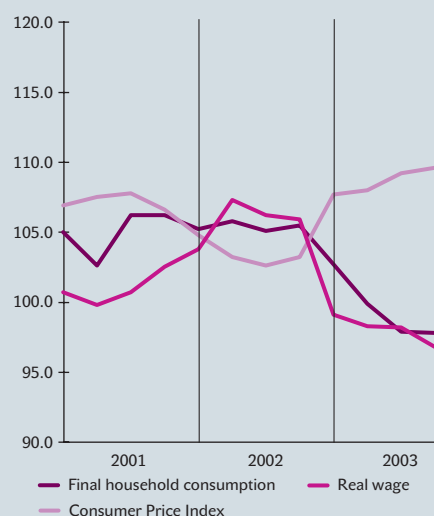
#### Decline in private consumption ...

In 2003, final household consumption fell by 0.6% at constant prices, which indicates that private consumption declined year-on-year for the first time since 2000. Despite expectations, there was no revival in the 4th quarter, when the purchasing power of households was reduced by a fall in real wages (the most significant in 2003). This development was connected with the fact that the most dynamic price

**Development of Domestic and Foreign Demand**  
(year-on-year development in %)



### Final Household Consumption, Inflation, and Real Wages (year-on-year development in %)



increase and the slowest growth in the average nominal monthly wage took place in the 4th quarter.

Gross capital formation (including a change in inventories) declined in 2003 by 9.7% at constant prices. This was mainly due to a fall in the volume of supplies in the economy (Sk 5.9 billion), when inventories grew in the first three quarters at a slower rate and dropped in the last quarter most significantly than a year earlier. The low level of supplies in the economy is probably connected with the attempt of companies to better adjust their offers to the situation on the market and with the increased output of export trade. The decline in gross capital formation was also affected by the lower level of fixed investments, which fell year-on-year by 1.2% (compared with 0.9% a year earlier).

... as well as in gross capital formation

In a breakdown by sector, gross fixed capital formation fell in proportional measure in all sectors, except households, which probably invested more in the construction of flats and houses. Despite increased investment activity in the household sector, the year-on-year decline in the volume of investment in housing construction (4.2%) was accompanied by a fall in

investment in other construction (mainly infrastructure-related projects). Investment in machines increased slightly on a year-on-year basis (by 0.9%), with the largest volume invested by non-financial corporations through new activities.

### Structure of Gross Fixed Capital Formation in 2003<sup>1/</sup>

	Gross fixed capital formation (Sk millions)	Share (%) 2003	Index <u>2003</u> <u>2002</u>
Economy of the SR in total:	308,404	100.0	98.8
<i>of which (by production):</i>			
Construction	103,978	33.7	95.8
of which: residential buildings	19,144	6.2	101.1
other structures	84,834	27.5	94.7
Machines	182,983	59.3	100.9
of which: metal products and machines	135,388	43.9	99.4
transport equipment	47,595	15.4	105.4
<i>of which (by sector):</i>			
Non-financial corporations	182,259	59.1	99.0
Financial corporations	43,107	14.0	97.6
Public administration	30,597	9.9	96.8
Households	51,830	16.8	101.0
Non-profit institutions	611	0.2	72.1

1/ Volumes and proportions are at current prices, indices at constant prices.

### Net Exports

The dynamic growth in the exports of goods and services in 2003, accompanied by a weaker growth in imports, led to accelerated growth in the economy and improvement in the balance of trade. The deficit in net exports at current prices reached Sk 17.9 billion in 2003, representing an improvement of approximately Sk 60 billion compared with the previous year. Including the negative year-on-year increases in the deflators of foreign trade (caused mainly by exchange rate developments), net exports resulted in a positive balance of Sk 20.7 billion at constant prices (compared with a deficit of Sk 27.5 billion in 2002).

Dynamic growth in exports

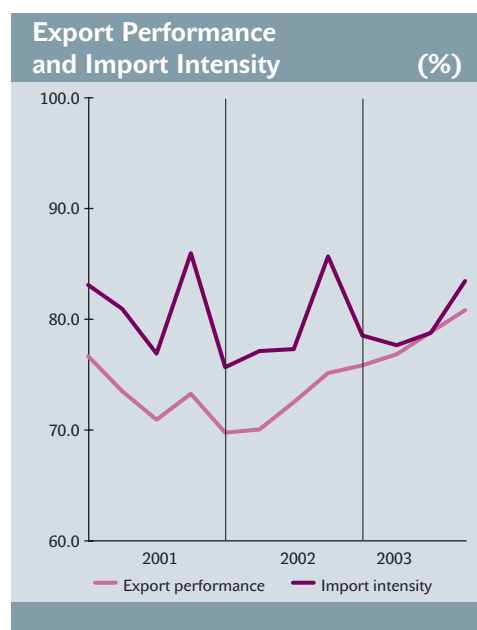


The improvement in the balance of trade in goods and services, including a statistical estimate of the black economy, was due to faster real growth in exports (22.6%) than imports (13.8%). The strong dynamics of exports of goods and services led to a year-on-year increase in the export performance of the Slovak economy (6.2 percentage points at current prices). The dependence of export-oriented industries on imports resulted in a moderate year-on-year increase in import intensity (proportion of imports to GDP at current prices). The openness of the Slovak economy (expressed in terms of the share of exports plus imports of goods and services in GDP) increased at current prices to 157.5% in 2003 (from 150.7% in 2002), when the level of export performance (78.0%) approached the level of import intensity (79.5%).

In addition to the volumes of goods and services exported / imported, the volume of net exports of goods and services at current prices is affected by price developments, which reflect the changes in exchange rates as well. Although the deficit in nominal net exports remained virtually unaffected in 2003, it was influenced by price developments differently in the individual quarters. After being moderated in the first three quarters, the negative balance of net exports of goods and services was increased by price developments in the 4th quarter.

Impact of Price and Volume on Exports and Imports (percentage points)						
	2002 Year	Q1	Q2	2003 Q3	Q4	Year
Exports of goods and services (year-on-year growth in %, at current prices)	6.3	18.5	17.8	18.0	19.7	18.5
Impact of volume	5.5	21.0	21.5	21.6	26.1	22.6
Impact of price	0.8	-2.5	-3.7	-3.5	-6.4	-4.1
Imports of goods and services (year-on-year growth in %, at current prices)	5.1	13.1	8.3	10.8	8.2	9.9
Impact of volume	5.2	16.4	13.2	14.3	11.9	13.8
Impact of price	-0.2	-3.3	-4.9	-3.6	-3.7	-3.9
Net exports as a share of GDP (share in %, at current prices)	-7.1	-2.7	-0.9	0.1	-2.6	-1.5
Impact of volume	-8.1	-3.6	-2.1	-0.1	-1.1	-1.7
Impact of price	1.0	0.9	1.2	0.2	-1.5	0.2

Note: The differences in the subtotals are due to rounding.



As for the structure of GDP, net exports contributed 6.4 percentage points to GDP creation. Domestic demand reduced the rate of GDP growth by 2.4 percentage points<sup>6</sup>.

Contributions to GDP Creation <sup>1/</sup>	(percentage points, constant 1995 prices)					
	2002 2001	Q1, 03 Q1, 02	Q2, 03 Q2, 02	Q3, 03 Q3, 02	Q4, 03 Q4, 02	2003 2002
Gross domestic product	4.4	4.1	3.8	4.2	4.7	4.2
Domestic demand	4.5	0.3	-3.6	-1.5	-4.5	-2.4
Final consumption	3.8	1.8	-0.6	-1.0	1.4	0.4
Final household consumption	2.8	1.4	-0.1	-1.1	-1.3	-0.3
Final consumption in public administration	1.0	0.4	-0.6	0.0	2.6	0.6
Non-profit institutions serving households	0.0	0.1	0.1	0.1	0.1	0.1
Gross capital formation	0.6	-1.5	-3.0	-0.5	-5.9	-2.7
Gross fixed capital formation	-0.3	-0.5	-0.1	-0.1	-0.5	-0.3
Change in inventories	0.9	-1.0	-2.9	-0.4	-5.4	-2.4
Net exports	0.0	3.2	6.1	5.5	10.7	6.4
Exports of goods and services	4.3	15.9	16.7	17.0	21.6	17.8
Imports of goods and services <sup>2/</sup>	4.3	12.6	10.6	11.5	10.9	11.4
Statistical discrepancy	-0.1	0.5	1.4	0.2	-1.4	0.2

1/ Calculated from GDP figures (in millions of Sk), the differences in the subtotals are due to rounding.

2/ The values of net exports and GDP are reduced by the imports of goods and services.

### Supply

The increased creation of real GDP in 2003 was due first and foremost to a year-on-year growth in industry (9.5% at constant prices), financial mediation (29.4%), and education (17.3%). GDP creation remained below the level of the previous year in hotels and restaurants, mineral raw materials extraction, transport and storage, and in post and telecommunications.

### GDP creation

Development of GDP by Sector (index, same period a year earlier = 100, constant 1995 prices)		
	2002	2003
Gross Domestic Product (GDP)	104.4	104.2
of which:		
Agriculture, forestry, and fishing	98.4	104.4
of which: agriculture	109.9	105.6
Industry in total	99.7	109.5
Raw materials extraction	86.7	85.7
Manufacturing	98.8	106.6
Electricity, gas, and water supply	116.6	150.7
Construction	109.3	106.9
Services in total	107.7	103.2
Wholesale and retail trade, repairs	97.8	100.1
Hotels and restaurants	95.3	78.7
Transport, storage, post and telecom.	95.7	96.2
Financial intermediaries	147.5	129.4
Real estate, leasing, business activity	107.8	99.8
Public administration, defence, social security	110.6	104.2
Education	120.0	117.3
Health and social services	124.7	101.7
Other community, social, and personal services	120.6	101.9
Other <sup>1/</sup>	99.3	93.3

1/ Value added tax, excise duty, import tax, minus subsidies and imputed production of banking services.

<sup>6</sup> The negative contribution of fixed investments to GDP growth was offset by a positive contribution of total final consumption; the resulting negative contribution of domestic demand was caused by a fall in inventories.





In industrial production, GDP creation increased by 6.6% at constant prices, mainly as a result of growth in foreign demand, with the steepest increases being recorded in the production of metals, metal goods, machines, electrical equipment, and transport vehicles.

### Labour Market

#### Growth in employment as a result of an increase in the number of entrepreneurs

The trend of increase in the number of workers, recorded since the second half of 2002, continued in 2003. According to a random survey of the workforce, there were 2,164.6 thousand people working in the Slovak economy in 2003, which represented a year-on-year increase of 1.8% (compared with 0.2% a year earlier).

Dynamic growth was recorded in the number of entrepreneurs, with or without employees, which can be ascribed to an upward trend in self-employment (on the basis of a trade licence). The most significant year-on-year change was reported by entrepreneurs with employees, whose number increased by 15.8% (compared with a decrease of 8% in 2002). Job vacancies increased only at a moderate rate, with the number of employees increasing year-on-year by 0.3%.

A positive development was a marked increase in the number of employees with university education (9.3%) and qualified workers with secondary vocational education (8.5%). A year-on-year increase was also recorded in the number of employees with full secondary education (general or technical) and employees with secondary education without diploma. Persons with elementary education and skilled workers still had difficulties in finding work on the labour market, which is documented by a fall in the level of employment (2.3% and 3.3% respectively).

The development of employment followed a different course in the individual sectors. Employment increased in hotels and restaurants (by 16.1%), construction (by 10.7%), financial mediating (by 9.5%), health and social services (by 8.1%), public administration and defence (by 6.7%), and in real estate, leasing, and business services (by 5.2%). On the other hand, the number of workers decreased in agriculture, forestry, and fishing; transport; other community, social, and personal services; education; industry; and trade.

Labour Market Developments <sup>1/</sup>		(index, same period a year earlier = 100)				
	2002			2003		
	Year	Q1	Q2	Q3	Q4	Year
Economically active population	99.1	99.9	100.5	100.5	100.1	100.2
of which:						
Working population	100.2	101.2	102.6	102.3	100.9	101.8
of which:						
Employees	99.9	99.9	101.3	100.7	99.5	100.3
Entrepreneurs	103.4	113.9	115.7	116.0	113.7	114.8
- without employees	108.8	118.7	115.1	113.4	111.1	114.4
- with employees	92.0	103.2	117.2	122.8	120.5	115.8
Unemployed	95.8	94.9	91.9	93.6	96.9	94.3
Unemployment rate in %	18.5	18.4	17.0	17.0	17.4	17.4

<sup>1/</sup> According to a random survey of the workforce.

#### Slowdown in the year-on-year rate of growth in nominal wages

In 2003, the average monthly nominal wage of an employee in the Slovak economy increased year-on-year by 6.3%, to Sk 14,365. The wage growth was 3 percentage points slower than a year earlier. In the individual quarters, wages increased by 5.9% to 7.0%, with the lowest increases being recorded in the second (5.9%) and the fourth quarters (6.0%).

We assume that wage development in the 4th quarter was to a certain extent affected by the payment of the flexible components of wages and bonuses at the beginning of 2004, with regard to the introduction of a unitary tax rate. This is indicated by the January development of wages in selected sectors as well as the unusually slow wage growth in certain sectors in the 4th quarter, in comparison with the previous quarters and wage developments in the same periods of previous years.

Nominal wages were higher than in 2002 in all sectors of the economy, but their year-on-year dynamics weakened in most sectors.

In comparison with 2002, the most dynamic growth occurred in wages in education (9.6%); other community, social, and personal services (8.8%); electricity, gas, and water supply (7.9%); and in financial intermediaries (7.4%). The slowest growth was recorded in trade and repair work (2.4%),

health and social services (3.4%), and in construction (3.9%). Despite marked increases in 2002 and 2003, the level of wages in education reached only 83.4% of the average wage in the Slovak economy in 2003, while wages in other community, social, and personal services reached 77.4% of the average. Lower wages than in the above two sectors were recorded only in agriculture (76.2% of the average).

According to the form of ownership, average nominal wages in the entrepreneurial sector (companies with 20 or more employees) increased year-on-year by 7.1% (to Sk 16,264), in budgetary organisations by 9.8% (to Sk 13,068), and in subsidised organisations by 5.5% (to Sk 13,033).

Real wages fell year-on-year by 2%, after growing in 2002 by 5.8%. The level of real wages was affected by a slower growth in nominal wages and an increase in average consumer prices, the dynamics of which increased significantly, to 8.5% (from 3.3% in 2002).

#### Fall in real wages

Labour productivity (GDP per employee) showed relatively strong dynamics in 2003: it increased at current prices by 8.2% and at constant prices by 3.4%. The rate of growth in nominal labour productivity exceeded the dynamics of nominal wages by 1.9 percentage points, while the excess of productivity over real wages at constant prices amounted to 5.4 percentage points.

#### Excess of growth in labour productivity over growth in wages

	2002	2003				
	Year	Q1	Q2	Q3	Q4	Year
Nominal wage (Sk)	13,511	13,082	14,111	14,066	16,180	14,365
Nominal wage (index)	109.3	106.5	105.9	107.0	106.0	106.3
Real wage	105.8	99.9	98.2	98.1	96.7	98.0
Labour productivity (at constant prices)	104.3	103.1	102.4	103.9	104.1	103.4
Consumer prices	103.3	107.6	107.9	109.1	109.6	108.5

#### Tendency to Consume and Tendency to Save (%)



#### Income and Expenditure of Households

According to preliminary data from the Statistical Office of the SR, the current income of households reached Sk 962.9 billion in 2003, representing a year-on-year increase of 6.0% (in real terms a fall of 2.3%). The rate of growth was 2.4 percentage points slower than in the previous year. The current expenditure of households (paid to other sector and not used for direct consumption) reached Sk 251.3 billion, representing a year-on-year increase of 5.5% (compared with 8.5% a year earlier). In real terms, the current expenditure decreased by 2.8%.

#### Slower growth in current household incomes and expenditures

The slowdown in the rate of growth in current household incomes and expenditures was reflected in the level of gross disposable income, which increased year-on-year by 6.2% (at a rate 2.1 percentage points slower than a year earlier). After a temporary fall in 2002, the tendency to consume again increased in 2003, when households used 93.8% of their gross disposable income for final consumption, i.e. 0.8 of a percentage point more

#### The tendency to save weakened

	2002	2003				
	Year	Q1	Q2	Q3	Q4	Year
Gross disposable income	108.3	107.5	106.3	105.8	105.5	106.2
Final household consumption	107.9	108.7	106.2	106.5	107.0	107.1
Gross savings of households	115.2	94.2	109.4	91.8	95.3	96.1
Share of gross savings in gross disposable income (%)	7.4	5.0	4.3	3.4	12.9	6.7

Note: Preliminary data.





than a year earlier. On the other hand, the rate of gross savings (except the deposits of citizens and small businessmen, gross savings include their activities connected with the purchase of tangible and intangible assets and savings in pension insurance companies) fell to 6.7%, from 7.4% a year earlier.

### Financial Results of Corporations

According to preliminary data from the Statistical Office of the SR, non-financial corporations generated a gross profit of Sk 153.1 billion in 2003, which was 9.9% more than a year earlier. The level of profit was affected substantially by earnings in transport, post and telecommunications, electricity generation and distribution, gas and water supply, and in industrial production. The largest profit was achieved in industrial production, electricity generation and distribution, gas and water supply, and in trade.

Financial corporations again recorded a negative economic result in 2003. The loss increased on a year-on-year basis and was caused by the negative results of monetary institutions (including the NBS). Compared with the previous year, increased profits were achieved by insurance companies and pension funds. The earnings of other financial intermediaries diminished on a year-on-year basis.

### Current Developments

#### Production and Receipts

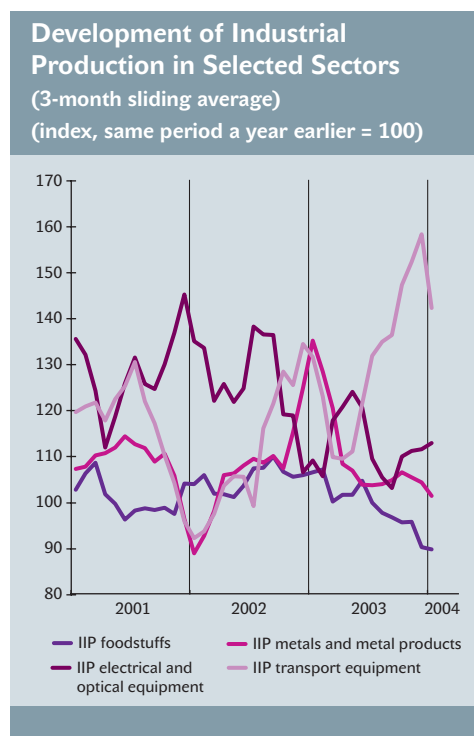
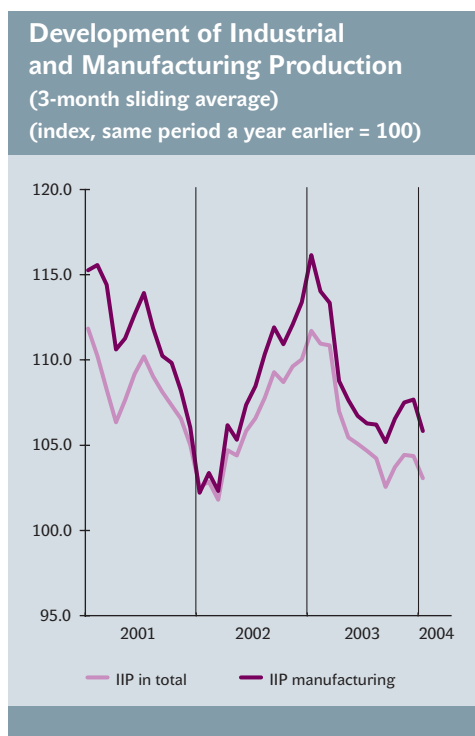
##### Slowdown in industrial production

The slowdown in the year-on-year rate of growth in industrial production, recorded in December, continued in January. The fall in dynamics was substantially affected by the high basis of comparison in January 2003, when industrial production recorded a marked growth. This resulted mainly from the development of manufacturing production, the January dynamics of which reached less than half the figure for December 2003. The slowdown in the rate of growth in manufacturing was also connected with the persistent decline in raw materials extraction, electricity generation and distribution, and in gas and water supply.

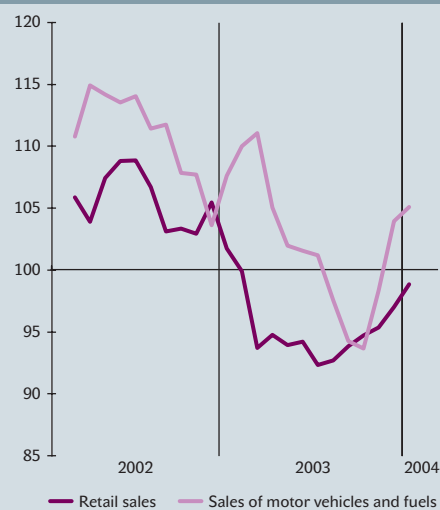
The slowdown in manufacturing production in comparison with December was caused by a decline in the production of metals and metal goods, foodstuffs and beverages, chemicals and chemical products, including fibres, and by a slowdown in the production of transport vehicles. The output of manufacturing production was positively affected by an acceleration in the rate of growth in the production of electrical and optical equipment, machines and equipment.

##### Slowdown in construction

The expected fall in demand for construction work in January led to a slowdown in the year-on-year rate of growth in construction, compared with last December. The output of the construction sector was affected by a decline in production in new construction, reconstruction, and modernisation projects (after



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



growing in December) and a decelerated growth in the volume of construction repair and maintenance work. After declining in December, the volume of construction work abroad again increased in January.

The volume of receipts from own-output and goods followed a different course of development in the individual sectors. After falling throughout the past year, retail sales receipts recorded a moderate increase in January. The volume of retail sales receipts was positively affected by an increase in receipts in other specialised shops and by accelerated growth in receipts outside shops.

The January growth in receipts from the sale of automobiles and the retail sale of fuel slowed considerably in comparison with December. This development was mainly connected with the high basis of comparison in January 2003, when receipts showed dynamic growth. Slower growth in comparison with December was recorded in receipts from the sale and maintenance of motor vehicles. After increasing in December, receipts from the sale of fuels recorded a fall in January.

#### Receipts in selected services

After growing for three months, the January receipts of transport organisations were again lower than in the

same period a year earlier. The level of receipts was affected by decreases in other road transport and in subsidiary & auxiliary services. Receipts in railway and air transport increased.

The downward trend in the receipts of entities specialising in real estate, leasing, and other business services, continued in January. Except for receipts from the leasing of machines and equipment, the level of receipts fell in real estate, computer engineering, and other business services.

### Production and Receipts

	Sk millions, current prices		Indices	
	January	Dec. 2003	Jan. 2004	Jan. 2003
	2004	Dec. 2002	Jan. 2003	Jan. 2002
<b>Production</b>				
Index of industrial production <sup>1/2/</sup>	.	103.6	101.3	114.5
of which:				
Raw materials extraction	.	86.2	82.5	112.5
Manufacturing	.	107.7	103.0	119.4
Electricity, gas, and water supply	.	90.3	97.2	97.4
Construction <sup>2/</sup>	4,851	111.5	100.9	104.8
of which:				
Construction in Slovakia	4,631	112.0	100.2	104.8
Construction abroad	220	98.0	119.1	104.6
<b>Receipts from own-output and goods</b>				
Industry in total <sup>3/</sup>	108,576	112.8	108.7	108.2
Construction <sup>2/</sup>	7,434	113.3	107.8	107.0
Retail trade <sup>3/</sup>	26,370	99.3	100.5	95.0
Sale and maintenance of vehicles, retail sale of fuels <sup>3/</sup>	9,103	109.6	100.7	118.5
Transport, storage <sup>3/</sup>	6,251	106.8	98.4	102.6
Real estate, leasing, and business services <sup>3/</sup>	9,292	96.4	90.2	91.0

1/ Adjusted for the effect of the number of working days (the data in the time series are revised on a continuous basis).

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

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



## Wages and Unemployment

**Nominal wages** In January, the year-on-year growth in nominal wages showed stronger dynamics than a year earlier in most sectors. Slower growth in nominal wages was reported only from the wholesale trade and from real estate, leasing, business, and other services. The strongest growth was recorded in telecommunications (mainly due to the payment of semi-annual bonuses for the 2nd half of 2003), transport, and the retail trade, where the steep increase was connected with the low basis of comparison in the previous year. The accelerated rate of year-on-year growth in nominal wages in some of the sectors was caused by one-off effects, such as the payment of the flexible components of wages and bonuses in January, instead of December, with regard to the introduction of a flat tax rate.

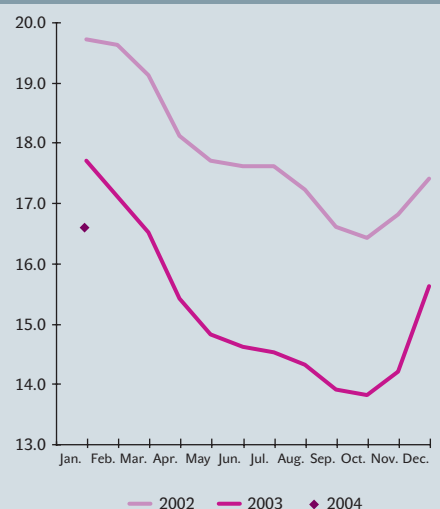
**Real wages** In January, the average monthly real wage exceeded the level of the previous year in most sectors under review. Wage levels were lower than a year earlier only in posts and in the wholesale trade, while wages in construction remained at the level of the previous year. Real wages were mainly affected by the growth in nominal wages, when the year-on-year increase in consumer prices was steeper than in January 2003 by one percentage point.

Wage Developments by Sector			(index, same period a year earlier = 100)			
	Average monthly nominal wage			Average monthly real wage		
	Year	January		Year	January	
	2003	2003	2004	2003	2003	2004
Industry	107.3	105.9	108.4	98.9	98.7	100.1
Construction	103.9	106.0	108.3	95.8	98.8	100.0
Retail trade	103.7	102.7	112.8	95.6	95.7	104.2
Wholesale trade	106.1	108.7	108.1	97.8	101.3	99.8
Real estate, leasing, business, and other services	108.8	110.0	109.3	100.3	102.5	100.9
Transport	107.4	100.1	113.8	99.0	93.3	105.1
Post and telecommunications	107.7	108.0	128.7	99.3	100.7	118.8
Consumer prices	108.5	107.3	108.3	x	x	x
Note: The above sectors accounted for 64.5% of total employment (on average). Real wage index = nominal wage index / consumer price index.						

**Wages and labour productivity** The relatively rapid growth in wages was also reflected in the relationship between wages and labour productivity based on receipts from own-output and goods, which was in January favourable only in industry, where wages were well exceeded by labour productivity. In the retail trade, the rate of growth in labour productivity was virtually identical with that of wages, while productivity grew at a slower rate than wages in all other sectors.

Wages, Labour Productivity, and Employment in January 2004							
(index, same period a year earlier = 100)							
	Industry	Construction	Wholesale trade	Retail trade	Real estate and leasing	Transport	Post and telecom.
Wages							
- nominal	108.4	108.3	108.1	112.8	109.3	113.8	128.7
- real	100.1	100.0	99.8	104.2	100.9	105.1	118.8
Labour productivity							
- nominal	.	.	97.0	.	.	106.4	110.2
- real	109.2	97.3	.	104.1	95.0	.	.
Productivity minus wages (in % points)							
- nominal	.	.	-11.1	.	.	-7.4	-18.5
- real	9.1	-2.7	.	-0.1	-5.9	.	.
Number of employees	99.5	103.8	100.9	96.5	96.5	92.5	97.5
Note: Labour productivity is based on receipts from own-output and goods (in the construction sector; on the volume of production).							

### Registered Unemployment Rate (%)



Compared with December, the total number of job applicants increased by 17 thousand, to 469.2 thousand in January. The rate of unemployment, based on the number of registered unemployed, rose by 1 percentage point, to 16.6%, which was 1.1 percentage points less than in the same period a year earlier.

In January, 43.8 thousand new unemployed signed on at labour offices and offices for social and family matters, i.e. 7 thousand less than in December. The number of newly registered unemployed was affected mainly by the absence of seasonal work, mass dismissals in some regions, and by the registration of school-leavers. On the other hand, 26.7 thousand persons were removed from the registers of labour offices in January, i.e. 8 thousand more than in December.

The number of long-term unemployed increased in comparison with December by 3,800, to 216,100 (46.1% of the total number of people out of work). Compared with December, the number of registered vacancies decreased by 1.3 thousand, to 14.2 thousand at the end of January. The decrease in the number of registered

vacancies was partly due to a change in legislation, which no longer requires that vacancies be reported to labour offices and offices for social and family matters. The number of unemployed per vacancy reached almost 22 in January, exceeding 20 for the first time since March 2002.

### Unemployment

## 4. Monetary Developments

### 4.1. Foreign Exchange Market

By the end of February, the exchange rate of the Slovak koruna against the euro had strengthened by 0.72% (from SKK/EUR 40.822 to SKK/EUR 40.528), while the average rate had appreciated by 0.4%. In relation to the US dollar, the koruna strengthened by 0.05% (from SKK/USD 32.637 to SKK/USD 32.621), while appreciating in average terms by 0.6%.

### Foreign exchange operations

Spot transactions between foreign and domestic banks resulted in a positive balance (USD 96.46 million), i.e. foreign banks sold mostly Slovak koruna and purchased foreign currency.

In February, the National Bank of Slovakia purchased foreign exchange assets in the amount of EUR 135 million.

### Changes in the Exchange Rates of the SKK against EUR and USD (%)

	Month-on-month change	$\frac{\text{Ø Feb. 2004}}{\text{Ø Feb. 2003}}$	$\frac{\text{Ø Jan. - Feb. 2004}}{\text{Ø Jan. - Feb. 2003}}$
SKK/EUR	-0.72	-3.3	-2.7
SKK/USD	-0.05	-17.6	-17.7
+ Depreciation of the SKK - Appreciation of the SKK Ø Average			

The volume of trading on the interbank foreign exchange market totalled USD 37,909.6 million, representing a decline of 7.3% compared with the figure for January (USD 40,910.4 million). Of the total volume of trading, 91.1% took place in swap transactions, which were conducted predominantly in USD (91.1%). Spot transactions accounted for 8.7% of the total turnover (98.2% of the deals were in EUR). The average daily turnover on the spot market reached USD 163.4 million and the average volume per transaction amounted to USD 2.1 million.

### Interbank foreign exchange market

The volume of transactions between domestic commercial banks decreased, from USD 8,590.8 million in January to USD 5,785.5 million in February. Most trading took place in USD (76.4%, compared with 79.2% in January), followed by EUR (22.2%, compared with 19.9% in January) and other currencies (1.4% of the total turnover).

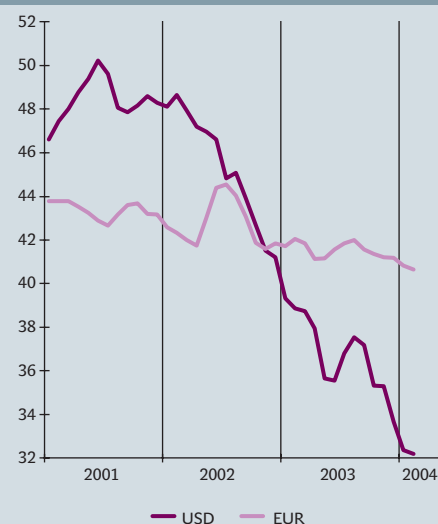


Transactions between domestic banks accounted for 15.3% of the total volume of trading on the interbank foreign exchange market (compared with 20.9% in the previous month). Of the total volume of transactions between domestic banks, swap operations accounted for 83.0% (88.6% in January) and spot transactions 17.0% (11.4% in January).

The volume of trading between domestic and foreign banks decreased by 0.6%, from USD 32,332.5 million to USD 32,124.1 million. Most trading was again conducted in USD (83.8%, compared with 83.3% in January), followed by EUR (9.9%, compared with 11.1% in January), and other currencies (6.2%). Trading between domestic and foreign banks still accounted for 84.7% of the country's foreign exchange market.

Trading between domestic and foreign banks also took place predominantly in the form of swap operations (92.5%, compared with 91.1% in January), while spot transactions accounted for 7.2% (8.5% in January). The share of forward dealings on the forex market was negligible.

Average Monthly Exchange Rate of the SKK



#### 4.2. Money Market and Monetary Policy Implementation

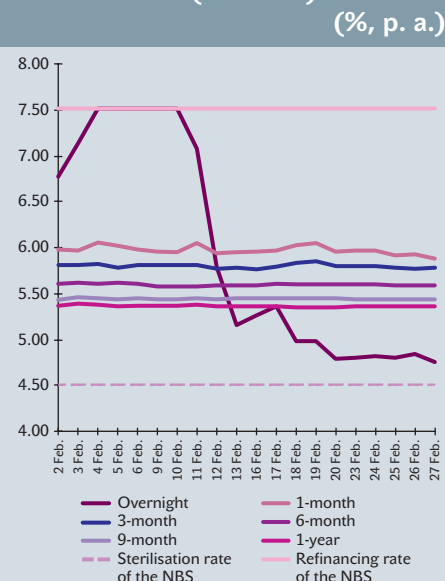
##### Unchanged key interest rates

At its meeting on 27 February 2004, the Bank Board of the NBS decided to leave its key interest rates unchanged.

##### Interbank market rates

Average interbank rates with a maturity of one day to three months rose in February, while six- to twelve-month rates recorded a fall. The individual rates followed a stable course, with minimum volatility (except for the overnight rate). At the beginning of February, the price of overnight deposits was affected by the persistent daily shortage of interbank liquidity and was fixed at the level of the overnight refinancing rate of the NBS. In the second half of the month, the daily shortage of liquidity in the banking sector turned into a surplus, causing the overnight rate to fall below the level of 5%. The price of three-month deposits was affected in the second half of the month by increased demand in the period before the issue of NBS bills, which led to a temporary increase in price. The changes in interbank rates for maturities longer than six months were caused mainly by the placement of funds through swaps. Although money market rates recorded only minor changes, forward rate agreements (FRA), derived from these rates, showed increased volatility as a result of changes in the level of demand on the purchase and/or sale sides.

Development of Interbank Offered Rates (BRIBOR) (% p. a.)



##### Transactions on the interbank markets

The volume of trading on the interbank money market reached Sk 1,279 billion in February (compared with Sk 1,605 billion in January). Reference banks accounted for 89.59% of the total turnover (an increase of 1.2%). Non-resident and resident bank transactions accounted for 64.3% and 35.7% of the total trading volume respectively. Within the structure of interbank transactions by type, domestic banks achieved the largest share in deposit transactions (49.6%) and foreign banks in interest rate swaps (78.4%).

Interbank Transactions		(Sk billions)				
	Deposits	REPO	Swaps	FRA	IRS	
January 2004	748	2	789	38	28	
February 2004	603	0	642	25	9	

In February, the liquidity of the banking sector was again predominantly affected by liquidity-providing factors. The strongest pro-liquidity effect was produced by NBS operations on the foreign exchange market, the cumulative volume of which reached Sk 5.5 billion in February. The reserves of the banking sector were, to a lesser extent, increased through securities. The excess of the volume of repayments of government securities, including yields paid on government bonds, over the volume of their issues, represented a liquidity inflow of Sk 3.1 billion in cumulative terms. A moderate pro-liquidity effect was exerted by the release of funds from the other balance accounts of the NBS (Sk 2.5 billion in cumulative terms) and a slight fall in the volume of currency in circulation (Sk 0.7 billion in cumulative terms). Another pro-liquidity factor was the shift of funds from the accounts of State funds at the NBS into the banking sector (Sk 10.8 billion), which took place at the end of January and whose effect thus persisted in February.

#### Banking sector liquidity

A downward effect on liquidity was exerted by the balance of current budget revenues and expenditures in relation to the banking sector, which reached Sk 1.6 billion<sup>7</sup> (in cumulative terms) in February.

The dominance of liquidity-providing factors led to a further increase in the average sterilisation position of the NBS vis-à-vis the banking sector, from Sk 181.3 billion in January to Sk 190.8 billion in February, i.e. by Sk 9.5 billion. Of the total volume of sterilisation, tenders accounted for 56.2%, NBS bills 42.5%, and overnight transactions 1.3%.

#### Sterilisation position of the NBS

At the end of February, the overall sterilisation position of the NBS vis-à-vis the banking sector stood at Sk 289.3 billion (including the deposits of the Ministry of Finance and the FNM at the NBS).

Average Daily Effect of Individual NBS Interventions on the Level of Banking Sector Liquidity				(Sk millions)
	O/N repos	O/N deposits	NBS bills	REPO tenders
January 2004	1,371	-2,779	-66,837	-113,061
February 2004	1,090	-3,546	-81,164	-107,185

The NBS announced four repo tenders for February. Their share in the sterilisation position decreased to 56.2% (from 62.4% in January). At the auctions, the NBS accepted the bids of banks in full. After a moderate increase in demand at the first tender (by Sk 1.4 billion), banks reduced their bids at the second (by Sk 3.9 billion) and third tenders (by Sk 15.3 billion), due to a shortage of liquidity and the preparation of funds for the purchase of NBS bills. The result of an auction in NBS bills, at which the NBS did not accept all the bids, made it possible for banks to utilise their excess funds at the last tender (Sk 5.3 billion).

#### Repo tenders

Tenders in February 2004						
Date of tender	Type of tender <sup>1/</sup>	Maturity (days)	Volume accepted (Sk millions)	Rates (%)		
				minimum	average	maximum
4. 2. 2004	SRT	14	49,720	5.99	6.00	6.00
11. 2. 2004	SRT	14	61,676	5.99	6.00	6.00
18. 2. 2004	SRT	14	34,466	5.99	6.00	6.00
25. 2. 2004	SRT	14	66,948	5.99	6.00	6.00
1/ SRT – sterilisation repo tender RRT – refinancing repo tender						

The NBS floated one issue of NBS bills in February, with a maturity of 84 days. Demand at the auction reached Sk 37.4 billion, but the NBS accepted only Sk 20 billion. The amount accepted was cut with the aim of reducing the large share of NBS bills in the total volume of sterilisation. The minimum yield accepted was 5.80%, the average 5.88%, and the maximum 5.90%. The maximum yield demanded accounted for 6.00% of the total demand. The NBS announced its plan to reduce the share of NBS bills in the total volume of sterilisation in a communiqué from the meeting of the Bank Board, according to which the proportion of NBS bills is to be limited to a level of approximately 25%.

#### Central Bank bills

<sup>7</sup> Despite a month-on-month increase in the State budget deficit in February (by Sk 1.7 billion), the balance of current budget revenues from commercial banks and current expenditures via commercial banks developed in favour of revenues (even after including Sk 2.2 billion paid in February in yields on government bonds, which are included in overall budget expenditure in the same way as in the State Budget and hence tend to increase the budget deficit; however, for monitoring the level of liquidity in the banking sector, they are included in securities), and so had a downward effect on the level of banking sector liquidity. This development was connected with the fact that budget expenditure was not directed to the banking sector in full; part of it remained in accounts at the NBS, as a result of which the volume of liquidity-providing resources diminished.





**Overnight transactions** The initial shortage of daily liquidity from January and the increased demand at the first tender required the use of overnight refinancing NBS repo tenders on a regular basis. The liquidity situation changed after the second tender, but banks conducted no overnight transactions in an effort to reduce the accumulated shortage of liquidity. After the announcement of the results of NBS-bill auctions, which indicated that the surplus of daily liquidity will persist until the end of the month, banks renewed the placement of koruna deposits with the NBS. The maximum amount was deposited in the last week of February (Sk 12.3 billion). Despite the irregular use of overnight transactions, their proportion increased in comparison with the previous month, due to the repeated placement of daily deposits in large amounts.

**Required reserves** For February, the amount of required minimum reserves in the banking sector was set at Sk 15.61 billion. By the end of the month, the reserve requirement had been fulfilled to 100.13%. The reserve requirements were met by all banks in February.

#### 4.3. Customer Interest Rates in January 2004

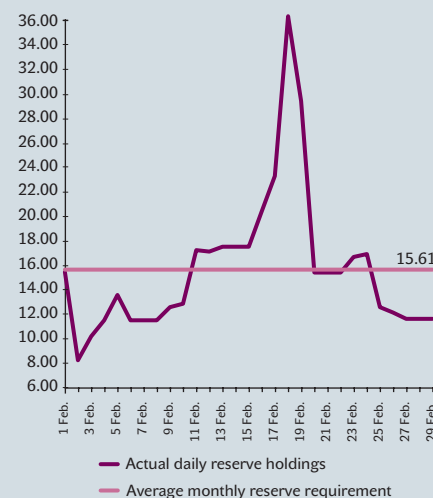
**Developments in customer interest rates** The December cut in key interest rates (by 0.25 of a percentage point) had no significant effect on the level of lending and deposits rates in January. Interest rates on the volume of loans as well as on new loans continued to hover around the refinancing rate of the NBS, while the average rate for deposits remained below the level of the sterilisation rate.

**Interest rates on new loans** The average interest rate on new loans increased in January, primarily as a result of developments in rates for short-term loans, which have the largest share in the total volume of new loans (87.3%). Interest rates on new loans increased month-on-month in both the corporate and the household sectors. In comparison with November, the level of these rates fell by 0.2 of a percentage point.

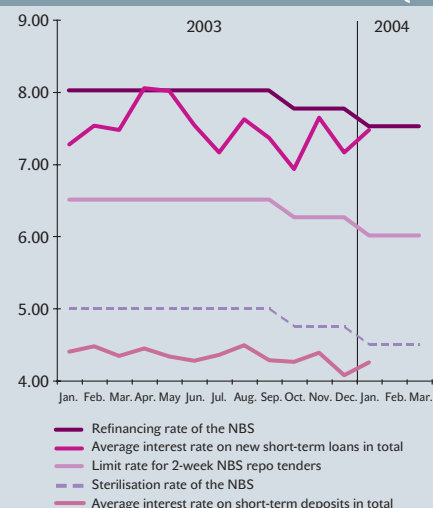
**Average interest rates on new loans to households and enterprises** The increase in interest rates on new loans to enterprises took place mostly in short-term operating loans provided in sectors under foreign control.

In the household sector, the rise in short-term interest rates was caused mainly by current account overdrafts and by an increase in rates for consumer loans. The same trend was recorded in the average interest rate on medium-term loans, which was mainly due to increases in interest rates on consumer loans and mortgage loans. The level of interest rates on mortgage loans was affected by a reduction in subsidies provided by the State, from 2.5% to 1.0%. On the other hand, interest rates on new long-term loans fell, when the reduction in interest rates on home loans (especially intermediate loans from home savings banks) exceeded the increase in rates for mortgage loans.

#### Fulfilment of Reserve Requirements in February 2004 (Sk billions)



#### Developments in Selected Interest Rates<sup>1/</sup> (%)



<sup>1/</sup> The NBS interest rate cut with effect from 26 September 2003 is illustrated in the graph for October and the cut made with effect from 22 December 2003 in the graph for January 2004.

#### Average Interest Rates on New Loans in %

	January 2003	December 2003	January 2004	Year-on-year change	Month-on-month change
New short-term loans	7.3	7.1	7.5	0.2	0.3
New medium-term loans	9.4	8.6	8.1	-1.4	-0.5
New long-term loans	7.1	7.0	6.8	-0.3	-0.2
Total	7.4	7.2	7.5	0.1	0.3

Average Interest Rates on New Loans to Households and Enterprises (%)					(%)
	January 2003	December 2003	January 2004	Year-on-year change	Month-on-month change
<b>Enterprises</b>					
New short-term loans	7.2	7.0	7.3	0.1	0.3
New medium-term loans	9.1	7.6	7.3	-1.8	-0.3
New long-term loans	7.8	7.5	7.8	0.0	0.3
Total	7.3	7.0	7.3	0.0	0.3
<b>Households</b>					
New short-term loans	10.8	11.1	11.3	0.5	0.3
New medium-term loans	10.9	11.8	11.9	1.0	0.2
New long-term loans	5.8	6.2	6.0	0.3	-0.2
of which: new mortgage loans with government premium	5.0	5.2	5.3	0.4	0.1
Total	9.2	9.6	10.2	0.9	0.6

The average interest rate on deposits increased in January, mainly as a result of a rise in interest rates on medium- and short-term deposits. Within the scope of medium-term deposits, interest levels rose in the public sector (due to an increase of Sk 10 billion in the volume of high-interest-earning deposits).

#### Average interest rates on deposits

Average Interest Rates on Deposits (%)					(%)
	January 2003	December 2003	January 2004	Year-on-year change	Month-on-month change
Demand deposits	3.4	3.5	3.4	0.0	-0.1
Short-term deposits	4.4	4.1	4.2	-0.2	0.2
Medium-term deposits	3.6	3.1	4.2	0.6	1.1
Long-term deposits	3.0	3.1	3.0	0.0	-0.1
Total	3.4	3.0	3.4	0.0	0.4

The average interest rates on corporate deposits recorded a marked month-on-month increase in January, due partly to a rise in interest rates on both demand and time deposits and partly to an increase in the weight of time deposits in total corporate deposits. Within the structure of time deposits, the steepest increases were recorded in interest rates on one-day deposits and deposits at up to seven days' notice.

#### Average interest rates on corporate and household deposits

Average Interest Rates on Corporate and Household Deposits (%)					(%)
	January 2003	December 2003	January 2004	Year-on-year change	Month-on-month change
<b>Enterprises</b>					
Demand deposits	1.4	1.3	1.7	0.3	0.4
Short-term deposits	5.3	5.1	5.4	0.1	0.3
Medium-term deposits	5.7	4.4	4.2	-1.6	-0.2
Long-term deposits	3.1	3.1	3.1	0.0	0.0
Total	3.7	3.5	4.0	0.3	0.6
<b>Households</b>					
Demand deposits	1.4	1.1	1.6	0.2	0.5
Short-term deposits	3.8	3.2	3.1	-0.7	-0.1
Medium-term deposits	3.4	3.0	3.1	-0.3	0.1
Long-term deposits	3.0	3.1	3.0	0.0	-0.1
Total	3.1	2.7	2.7	-0.4	0.1

The average interest rate on household deposits remained virtually unchanged in January. Within the structure of deposits, a marked increase was recorded in interest rates on demand deposits, which was caused probably by the transfer of anonymous deposits (Sk 1.5 billion) into the category 'other liabilities



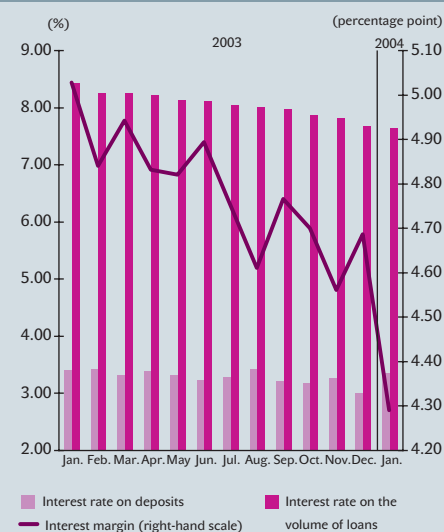


to customers', i.e. outside 'customer deposits'. The structure of time deposits was also affected by the reclassification of anonymous deposits (Sk 3.0 billion), which, however, had no significant effect on the level of interest rates on time deposits (due to the share of anonymous deposits in time deposits).

**Interest margin** In 2003, developments in interest rates on loans and deposits led to a gradual decrease in the interest margin, which was caused by a sharper fall in interest rates on loans than deposits. On a month-on-month basis, the interest margin decreased significantly in January 2004, as a result of a steeper increase in deposit rates than in lending rates (due to the effect of a high-interest-earning public sector deposit).

**Real interest rates** In January, the real interest rate on the volume of deposits reached a negative figure (-4.7%), which had moderated in comparison with the previous month by 0.8 of a point. This development was affected by an accelerated fall in the 12-month inflation rate, compared with the fall in the average interest rate on one-year deposits.

### Interest Margin



If we compare the average interest rate on one-year deposits in January 2003 (due in January 2004) with the 12-month rate of inflation in January 2004, the real interest rate on one-year deposits becomes -2.9% (negative figure).

### Real Interest Rates on One-Year Deposits

(%)

Year-on-year inflation rate in January 2004	8.3	Real interest rate
Average interest rate on 1-year deposits in January 2004	3.6	-4.7
Average interest rate on 1-year deposits in January 2003	5.4	-2.9

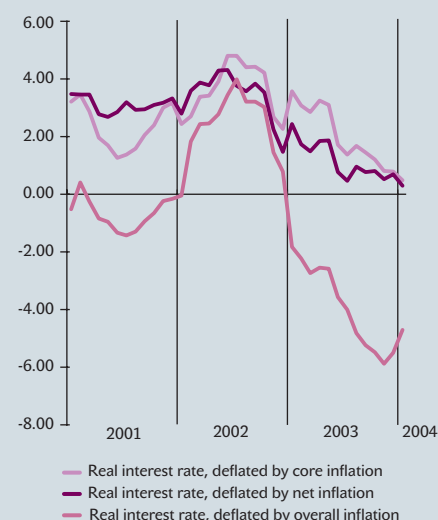
If the rate of interest on one-year deposits is deflated by core and/or net inflation, the value of the real interest rate for January becomes positive (0.5% and/or 0.3% respectively), representing a fall of 0.3 and/or 0.4 of a percentage point on a year-on-year basis.

**Deposits of non-residents** The activities of non-resident banks on the Slovak money market has long been concentrated on transactions in government bonds, other operations are used to a lesser extent, though this year a marked growth can also be observed in the volume of their koruna deposits. In 2003, the deposits of non-resident banks were rather volatile (fluctuating between Sk 7.2 and 19.4 billion) and showed weakening dynamics. At the end of January 2004, these deposits amounted to Sk 18.4 billion, representing an increase of 31.8% compared with the end of 2003.

**Government securities held by non-residents** The volume of government securities held by non-residents (government bonds and Treasury bills in total) increased month-on-month by Sk 7.9 billion in February, of which government bonds accounted for Sk 6.9 billion and Treasury bills Sk 1.0 billion. The volume of government bonds held by non-residents mainly increased as a result of an open 3-year government bond issue, No. 200/A, B, C, with a zero coupon (an increase of Sk 9.2 billion).

### Real Interest Rates on One-Year Deposits

(%)





Sk Held by Non-Residents				(Sk billions)		
	31. 12. 2002	31. 1. 2003	28. 2. 2003	31. 7. 2003	31. 12. 2003	31. 1. 2004
Koruna liabilities	15.8	15.8	12.5	13.4	18.2	22.6
of which: banks	12.0	11.9	8.7	8.8	14.0	18.4
non-bank customers	3.8	3.9	3.8	4.6	4.2	4.2
Government securities	19.4	46.8	21.0	79.7	34.3	36.9
of which: Government bonds	19.4	46.8	21.0	79.7	33.8	36.4
Treasury bills	0.0	0.0	0.0	0.0	0.5	0.5
TOTAL	35.2	62.6	33.5	93.1	52.5	59.5
<i>Note: The figures are based on data from the reports BIL(NBS) 1-12 'Monthly Balance of Assets and Liabilities' and from the Securities Centre in Bratislava.</i>						



## Annexes

### 1. Capital Market

#### 1.1. Primary Market

**Government bonds** In compliance with the Issuing Schedule, three government bond issues were floated in February, with a maturity of 3, 5, and 10 years. Total demand amounted to Sk 13.9 billion, of which 43.23% was accepted.

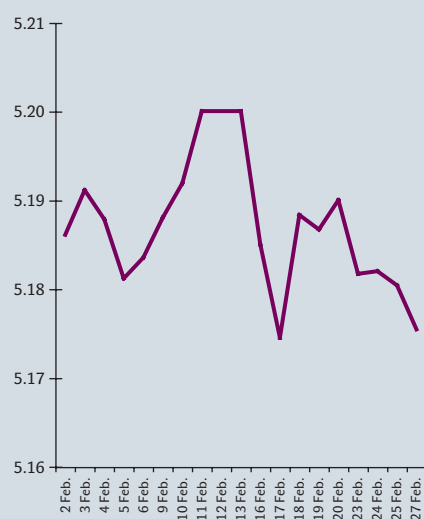
February saw the re-opening of Issue No. 201, a five-year issue opened for the second time with a flexible coupon derived from 12M Bribor (5.45%), and an unlimited amount and price. Total demand amounted to Sk 2.4 billion, Sk 1.1 billion of which was accepted. Investors were satisfied at a rate of 37.0%. The yields of investors ranged from 5.44% to 5.47% p.a.. The yields of 5-year benchmark government bonds<sup>8</sup> ranged from 5.07% to 5.11% in February. At the end of the month, the volume of Issue No. 201 reached Sk 2.3 billion (5.7% of the planned amount).

This was followed by Issue No. 202, a ten-year issue re-opened for the first time, with a fixed coupon (4.90% p.a.), unlimited amount and price. Demand for this issue reached Sk 3.2 billion, of which Sk 1.1 billion was accepted. Investors were satisfied at a rate of 33.0%. The yields achieved at the auction ranged from 5.10% to 5.18%. The level of yields on 10-year benchmark government bonds reached 5.17% do 5.20%.

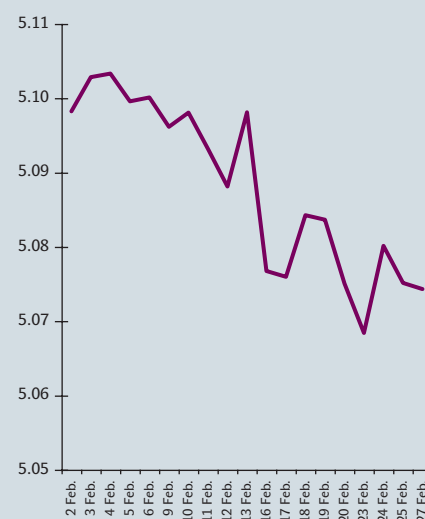
**Five-Year Benchmark Government Bond – Issue 191**



**Ten-Year Benchmark Government Bond – Issue 199**



**Three-Year Benchmark Government Bond – Issue 166**



The third government-bond issue in February was Issue No. 200, which was opened for the third time. The issue was put up for auction with a maturity of three years and a zero coupon. Demand reached Sk 7.8 billion, with Sk 3.9 billion being accepted (49.7%). The yields achieved ranged from 5.00% to 5.08%. Yields on a comparable 3-year benchmark government bond fluctuated between 5.07% and 5.10% in February.

<sup>8</sup> As from 1 January 2004, the National Bank of Slovakia publishes, on the pages of REUTERS, a benchmark curve for debt securities issued on the capital market of the Slovak Republic. In so doing, the NBS intends to create a unified system for the valuation of selected debt securities, maturing in 1 to 10 years. The benchmark curve is created from the average quotations of banks for the individual securities that are incorporated in the curve.

In February, total yield payments on government bonds amounted to Sk 2.22 billion, of which foreign investors received Sk 0.50 billion (22.71% of the total) and domestic investors Sk 1.72 billion (77.58%). Yield payments to bond creditors amounted to Sk 0.012 billion (0.57%). Three issues totalling Sk 10.14 billion became due in February.

### Yield payment and bond repayments

Publicly negotiable non-government bonds were not issued during the month of February.

### Non-government bonds

## 1.2. Secondary Market

In February, the total volume of trading on the Bratislava Stock Exchange (BCPB) reached Sk 22.4 billion in 1,214 transactions. The volume of transactions fell in comparison with January by 15.7% (on a year-on-year basis by 75.3%), due to the restriction of tax allowances for investors when transferring their portfolios to foreign entities. In 2004, the total volume traded on the BCPB floor reached Sk 49.0 billion (a year-on-year decline of 82.8%). Non-resident investors accounted for 57.8% of the total volume of transactions, of which 78.0% were composed of purchases and 37.6% of sales.

Debt securities were traded in the total amount of Sk 21.1 billion (in 227 transactions), which was 29.7% more than in January. Trading in government bonds accounted for 99.5% of the total volume of bond contracts.

### Bonds

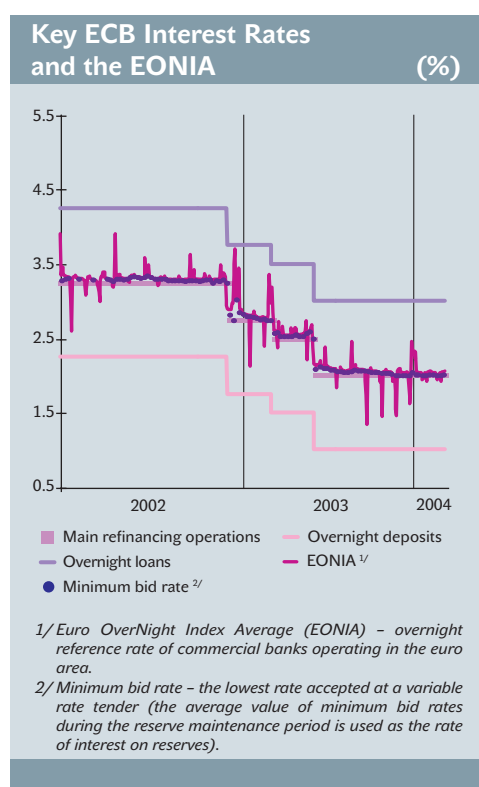
Most trading took place in government bonds, namely Issue No. 200 with a zero coupon (Sk 10.5 billion in 27 transactions), Issue No. 174 (Sk 2.2 billion in 7 transactions), and Issue No. 199 (Sk 1.8 billion in 13 transactions). Of non-government bonds, most transactions were concluded in HZL Tatra banka II and Harmanecké papierne 03 bonds. In the market-maker system, no transaction was concluded in February.

The market capitalisation of bonds amounted to Sk 339.7 billion (a month-on-month increase of 2.1%) on the last trading day of the month. The capitalisation of quoted bonds grew month-on-month by 2.6%, to Sk 294.6 billion.

The yield curve continued to fall for all maturities in February. The sharpest fall in yields was recorded in 1-year investments (1.6%). The price of three-year money was quoted at 4.87% to 4.98%; six-year money at 5.01% to 5.05%; eight-year money at 5.04% to 5.19%; and nine-year money at 5.03% to 5.14%.

The component of the Slovak Bond Index (SDX) for corporate and bank bonds closed the month at 241.3% of the nominal value (a monthly fall of 0.1%), with an average yield of 6.4% to maturity and a duration of 2.26 years. The component of SDX for government bonds increased by 0.4%, to 220.5% of the nominal value, corresponding to a yield of 5.1% and a duration of 3.73 years.

### SDX index



Shares were traded in the total amount of Sk 1.3 billion (in 987 transactions), representing a month-on-month decline of 87.3% in terms of volume. In the market-maker system, no transaction was concluded on the BCPB floor in February. By the last trading day of February, the market capitalisation of equity securities had increased by 2.6% month-on-month, to Sk 111.0 billion.

### Shares

The Slovak Share Index (SAX) followed an upward trend virtually throughout the month. The index opened the month at the level of 167.3 points, representing an appreciation of 2.45% against the figure for the end of January. The SAX index closed the month at 178.0 points, with a month-on-month increase of 8.02.

### SAX index

## 2. Monetary Developments in the Euro Area

At its February meeting (February 5), the Governing Council of the European Central Bank (ECB) decided to leave its key interest rates unchanged. The rate for refinancing operations remained at 2.00%, the rate for overnight loans at 3.00%, and that for overnight deposits at 1.00%.

### 2.1. Exchange Rate Developments

At the beginning of February, the exchange rate of the single European currency against the US dollar hovered around the level of USD/EUR 1.25.

Developments on the foreign exchange markets in February were determined by the macro-economic indicators of the USA and the euro area. At the beginning of the month, the euro strengthened against the dollar, and this trend continued after the ECB had decided to leave its key interest rates unchanged. The fall in the euro area's competitiveness was not confirmed even by the announcement that the index of industrial activity had increased. The inflow of foreign capital into the US capital market, consumer price developments in the USA, a decrease in the number of applicants for unemployment benefit, and the statement of Federal Reserve Chairman A. Greenspan that the present monetary policy will be maintained, contributed to the appreciation of the dollar at the end of the month.

During February, the euro depreciated in relation to the US dollar by 0.34% on a month-on-month basis. Since the first trading day of the year, the single European currency has depreciated vis-à-vis the dollar by 1.38%.

## 2.2. Real Economy

According to the first Eurostat estimate, the euro area economy grew in the fourth quarter of 2003 by 0.3% compared with the previous quarter, while increasing in comparison with the 4th quarter of 2002 by 0.6%. Compared with the previous quarter, final household consumption increased by 0.1% and investment by 0.6%. Exports grew by 0.2% (compared with 2.3% in the 3rd quarter of 2003) and imports by 2.1% (in the previous quarter by 0.8%). Euro area GDP grew by 0.4% in 2003.

The 12-month rate of inflation in the euro area, expressed in terms of the Harmonised Index of Consumer Prices (HICP), fell to 1.9% in January, from 2.0% in the previous month. The strongest year-on-year dynamics were recorded in consumer prices in Greece (3.1%), Ireland, Spain, and Luxembourg (2.3% equally); the lowest in Finland (0.8%) and Austria (1.2%). The steepest increases took place in prices for health services (7.4%), alcohol and tobacco (6.0%), and education (3.6%). Price levels fell in telecommunications (by 0.8%), culture (by 0.2%), and in clothes (0.2%). In the same period a year earlier, consumer prices in the euro area rose by 2.1%.

In January, the seasonally adjusted volume of industrial production in the euro area grew year-on-year by 0.6%, while falling month-on-month by 0.4%. A year-on-year decline was recorded in the production of consumer durables (0.2%) and in power generation (0.2%). In euro area industrial production, the strongest year-on-year growth took place in Ireland (8.9%), and the sharpest year-on-year decline in Finland and Spain (1.1% equally).

In January, industrial producer prices increased year-on-year by 0.3% and month-on-month by 0.2%.

After declining on a year-on-year basis by 1.0% in December, retail sales increased year-on-year by 1.0% in January. On a month-on-month basis, retail sales fell by 0.1% in December, but increased in January by 2.4%.<sup>9</sup>

The rate of unemployment (seasonally adjusted) remained unchanged in January, at the level of the previous month (8.8%). The lowest unemployment rates were recorded in Luxembourg (3.9%), the Netherlands (4.3% in December), Austria (4.5%), and Ireland (4.6%). Spain remained the country with the highest rate of unemployment in the euro area (11.2%). In relative terms, the most significant increase in the year-on-year rate of unemployment has occurred in the Netherlands (from 3.0% to 4.3% in December) and Luxembourg (from 3.3% to 3.9%). On a year-on-year basis, unemployment fell in Spain (from 11.4% to 11.2%), while remaining unchanged in Finland (9.0%). In the same period a year earlier, the unemployment rate in the euro area stood at 7.9%.

According to the first Eurostat estimate, foreign trade in the euro area resulted in a surplus of EUR 5.7 billion in December, compared with EUR 6.9 billion in the same period a year earlier. Compared with the previous month, euro area exports grew somewhat in December (by 0.1%), while imports declined by 1.6%. In 2003, foreign trade in the euro area resulted in a surplus of EUR 72.5 billion, compared with EUR 98.9 billion in 2002.

Exchange Rates: SKK/EUR and USD/EUR



<sup>9</sup> Eurostat began to publish data on retail trade 35 days of the end of the reference period, instead of the original 65 days. This improvement is a result of progress achieved by the member states in the area of reporting.



## 3. Tables

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

	Unit	2003											2004	
		2	3	4	5	6	7	8	9	10	11	12	1	2
<b>REAL ECONOMY</b>														
Gross domestic product <sup>1/2/</sup>	Sk billion	-	180.7 <sup>7/</sup>	-	-	378.8 <sup>7/</sup>	-	-	581.3 <sup>7/</sup>	-	-	779.9 <sup>7/</sup>	-	-
Year-on-year change in GDP <sup>3/</sup>	%	-	4.1 <sup>7/</sup>	-	-	3.9 <sup>7/</sup>	-	-	4.0 <sup>7/</sup>	-	-	4.2 <sup>7/</sup>	-	-
Unemployment rate <sup>4/</sup>	%	17.1	16.5	15.4	14.8	14.6	14.5	14.3	13.9	13.8	14.2	15.6	16.6	.
Consumer prices <sup>3/</sup>	%	7.6	8.0	7.7	7.6	8.4	8.7	9.2	9.5	9.6	9.8	9.3	8.3	8.5
<b>BALANCE OF TRADE <sup>2/7/</sup></b>														
Exports (fob)	Sk million	112,507	176,360	237,742	306,369	375,240	444,730	509,948	581,516	657,409	732,330	803,037	60,556	.
Imports (fob)	Sk million	115,510	182,201	249,540	315,902	385,070	459,192	523,827	596,315	674,587	750,811	826,625	58,899	.
Balance	Sk million	-3,003	-5,841	-11,798	-9,533	-9,830	-14,462	-13,879	-14,799	-17,178	-18,481	-23,588	1,657	.
<b>BALANCE OF PAYMENTS <sup>2/</sup></b>														
Current account	Sk million	-4,215.2	-3,798.6	-8,133.1	-5,514.3	-7,549.2	-8,524.1	-6,421.3	-7,335.5	-7,308.0	-7,140.6	-10,198.5	.	.
Capital and financial account	Sk million	35,531.9	12,089.6	7,354.0	18,473.3	28,991.8	34,462.9	20,673.7	8,653.5	47,531.6	40,564.1	64,541.5	.	.
Overall balance	Sk million	32,876.9	12,414.7	4,172.9	12,002.0	20,725.7	31,729.3	23,517.8	12,160.4	46,323.8	36,798.0	52,446.2	.	.
<b>FOREIGN EXCHANGE RESERVES <sup>4/7/</sup></b>														
Foreign exchange reserves in total	US\$ million	11,592.3	11,120.3	10,930.0	11,516.1	11,549.0	12,109.9	11,383.9	11,282.8	12,899.2	12,698.2	13,480.5	13,386.5	.
Foreign exchange reserves of NBS	US\$ million	10,315.8	9,758.3	9,703.0	10,419.8	10,487.5	10,842.5	10,266.9	10,271.9	11,409.2	11,311.9	12,149.0	12,242.2	12,755.6
<b>GROSS EXTERNAL DEBT <sup>4/</sup></b>														
Total gross external debt	US\$ billion	14.3	13.9	14.2	15.4	15.3	16.6	14.6	15.4	16.7	17.0	18.3 <sup>7/</sup>	.	.
External debt per capita	US\$	2,658	2,576	2,638	2,854	2,850	3,084	2,717	2,860	3,111	3,157	3,406	.	.
<b>MONETARY INDICATORS</b>														
Exchange rate <sup>5/</sup>	SKK/USD	38.953	38.663	37.885	35.586	35.491	36.729	37.490	37.116	35.273	35.234	33.604	32.292	32.083
Money supply [M2] <sup>4/ 6/</sup>	Sk billion	693.0	689.4	690.4	698.3	682.3	701.5	708.8	705.0	711.2	719.2	730.1 <sup>7/</sup>	725.2	.
Year-on-year change in M2 <sup>3/ 6/</sup>	%	7.3	8.1	9.0	9.3	5.3	6.4	6.9	7.3	7.4	7.3	7.1 <sup>7/</sup>	6.5	.
Loans to households and enterprises <sup>4/ 6/</sup>	Sk billion	336.1	338.0	339.6	341.0	344.1	349.8	353.4	357.7	362.1	369.3	378.1 <sup>7/</sup>	374.9	.
<b>STATE BUDGET <sup>2/ 4/</sup></b>														
Revenue	Sk billion	31.8	46.4	67.8	79.1	100.9	127.7	147.1	163.4	186.8	203.6	233.1	21.0	36.4
Expenditure	Sk billion	44.8	64.2	91.6	109.6	128.5	158.8	180.2	201.1	227.2	246.4	289.1	23.7	40.8
Balance	Sk billion	-13.0	-17.8	-23.8	-30.6	-27.6	-31.2	-33.1	-37.7	-40.4	-42.8	-56.0	-2.7	-4.4
<b>PRIMARY MARKET</b>														
Average interest rate														
one-year deposits	%	5.35	5.23	5.12	4.97	4.78	4.65	4.34	4.23	4.07	3.88	3.76	3.56	.
short-term loans	%	8.49	8.55	8.51	8.28	8.33	8.22	8.27	8.13	8.01	8.01	7.75	7.82	.
short-term loans, drawn	%	7.53	7.46	8.05	8.00	7.53	7.15	7.62	7.36	6.93	7.60	7.15	7.50	.
<b>MONEY MARKET</b>														
Interest rates set by the Bank Board of NBS with effect to		28.2.2003	31.3.2003	30.4.2003	31.5.2003	30.6.2003	31.7.2003	31.8.2003	30.9.2003	31.10.2003	30.11.2003	31.12.2003	31.1.2004	29.2.2004
Basic interest rate of the NBS (until 31 December 2002 Discount rate)	%	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.25	6.25	6.25	6.00	6.00
Overnight transactions														
- for sterilisation	%	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	4.75	4.75	4.75	4.50	4.50
- for refinancing	%	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	7.75	7.75	7.75	7.50	7.50
Limit rate of NBS for standard 2-week repo tenders	%	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.25	6.25	6.25	6.00	6.00
<b>Bratislava Interbank Offered Rates (BRIBOR)</b>														
overnight	%	6.04	5.65	6.61	6.70	5.92	5.48	5.94	5.97	5.27	6.40	5.32	5.66	5.93
7-week	%	6.43	6.32	6.52	6.47	6.39	6.30	6.38	6.35	5.93	6.25	5.99	5.98	6.02
14-week	%	6.46	6.40	6.48	6.44	6.44	6.38	6.42	6.38	6.03	6.23	6.06	5.96	6.01
1-month	%	6.40	6.42	6.42	6.36	6.42	6.43	6.43	6.38	6.09	6.14	6.08	5.92	5.96
2-month	%	6.31	6.39	6.31	6.16	6.34	6.40	6.39	6.33	6.04	6.06	6.04	5.86	5.87
3-month	%	6.24	6.38	6.25	6.04	6.26	6.39	6.37	6.28	5.98	6.00	5.98	5.78	5.79
6-month	%	5.90	6.05	5.94	5.56	5.93	6.16	6.26	6.16	5.84	5.80	5.81	5.61	5.58
9-month	%	5.79	5.93	5.79	5.42	5.70	6.03	6.04	6.01	5.74	5.68	5.68	5.48	5.43
12-month	%	5.66	5.83	5.72	5.34	5.63	5.95	5.96	5.93	5.65	5.63	5.65	5.44	5.34

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 for the end of the period.

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

6/ At fixed exchange rates from 1 January 1993.

7/ Change in methodology with effect from 1 January 2002.

\*/ Preliminary data.

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





## Monetary survey

(At fixed exchange rates from 1 January 1993)

(Sk billions)

	2003													2004	
	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. %	1.1. %	31.1.
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	28.899
Fixed exchange rate SKK/EUR	34.912	34.912	34.912	34.912	34.912	34.912	34.912	34.912	34.912	34.912	34.912	34.912	34.912	34.912	34.912
<b>ASSETS</b>															
Net foreign assets	176.8	163.4	172.4	181.1	165.8	160.3	159.7	127.7	159.7	144.9	168.8	163.4	151.2	155.3	151.3
Foreign assets	339.1	365.9	370.9	357.9	345.3	346.5	354.1	372.2	360.6	345.6	391.4	379.0	388.9	393.0	385.1
Foreign liabilities	162.3	202.5	198.5	176.8	179.5	186.2	194.4	244.5	200.9	200.7	222.6	215.6	237.7	237.7	233.8
Net domestic assets	509.6	517.4	520.0	508.3	524.6	538.0	522.6	573.8	549.1	560.1	542.4	555.8	578.9	570.2	573.9
Domestic credit	573.9	568.6	580.1	584.4	591.6	602.7	602.5	609.6	620.3	628.5	634.3	641.9	669.1	679.0	678.6
Net credit to general government	242.7	236.2	244.0	246.4	252.0	261.7	258.4	259.8	266.9	270.8	272.2	272.6	291.0	291.0	303.7
- Net credit to government (excluding NPF)	246.3	245.6	255.0	257.5	263.0	271.9	265.5	267.4	274.3	276.9	278.7	279.9	294.1	294.1	306.8
- Net credit to National Property Fund	-3.6	-9.4	-11.0	-11.1	-11.0	-10.2	-7.1	-7.6	-7.4	-6.1	-6.5	-7.3	-3.1	-3.1	-3.1
Credit to enterprises and households	331.2	332.4	336.1	338.0	339.6	341.0	344.1	349.8	353.4	357.7	362.1	369.3	378.1	388.0	374.9
Credit in Slovak koruna	288.1	289.1	290.7	291.5	292.0	292.0	295.4	299.0	301.2	303.6	306.3	311.9	318.9	329.3	314.5
- Credit to enterprises	226.6	226.7	227.5	227.5	226.7	224.8	226.8	227.7	227.6	227.5	227.0	230.1	233.8	244.2	228.6
- Credit to households	61.5	62.4	63.2	64.0	65.3	67.2	68.6	71.3	73.6	76.1	79.3	81.8	85.1	85.1	85.9
Credit in foreign currency	43.1	43.3	45.4	46.5	47.6	49.0	48.7	50.8	52.2	54.1	55.8	57.4	59.2	58.7	60.4
<b>LIABILITIES</b>															
Liquid liabilities [M2]	686.4	680.8	692.4	689.4	690.4	698.3	682.3	701.5	708.8	705.0	711.2	719.2	730.1	725.5	725.2
Money [M1]	247.4	234.9	244.1	240.9	242.4	244.8	248.7	251.9	256.2	256.9	258.7	264.4	276.9	275.4	261.2
Currency outside banks [M0]	84.2	84.1	87.2	86.8	86.3	87.0	86.6	87.7	90.8	89.1	90.2	91.7	91.8	91.8	91.7
Demand deposits	163.2	150.8	156.9	154.1	156.1	157.8	162.1	164.2	165.4	167.8	168.5	172.7	185.1	183.6	169.5
- Households	73.9	76.4	78.7	77.3	78.3	79.4	80.2	81.7	82.6	82.2	81.7	82.6	82.8	81.3	83.0
- Enterprises	86.0	71.6	76.0	74.1	75.0	76.2	79.2	80.2	80.5	83.2	84.3	87.4	98.9	98.9	82.7
- Insurance companies	3.3	2.8	2.2	2.7	2.8	2.2	2.7	2.3	2.3	2.4	2.5	2.7	3.4	3.4	3.8
Quasi-money [QM]	439.0	445.9	448.3	448.5	448.0	453.5	433.6	449.6	452.6	448.1	452.5	454.8	453.2	450.1	464.0
Time and savings deposits	354.3	363.7	368.1	368.4	366.4	375.1	357.8	369.7	372.7	368.5	371.8	372.5	373.6	371.4	380.9
- Households	251.2	251.7	252.2	249.4	247.6	246.5	245.2	244.2	244.3	242.0	240.7	238.7	240.4	237.4	236.0
- Enterprises	86.3	92.4	97.2	102.0	102.3	112.6	97.9	110.4	113.6	113.7	117.5	120.2	116.9	117.7	127.4
- Insurance companies	16.8	19.6	18.7	17.0	16.5	16.0	14.7	15.1	14.8	12.8	13.6	13.6	16.3	16.3	17.5
Foreign-currency deposits	84.7	82.2	80.2	80.1	81.6	78.4	75.8	79.9	79.9	79.6	80.7	82.3	79.6	78.7	83.1
- Households	55.6	55.0	53.2	51.7	51.8	50.0	48.4	47.7	47.7	48.1	48.3	47.7	46.8	46.2	45.8
- Enterprises	29.1	27.2	27.0	28.4	29.8	28.4	27.4	32.2	32.2	31.5	32.4	34.6	32.8	32.5	37.3
Other items net	64.3	51.2	60.1	76.1	67.0	64.7	79.9	35.8	71.2	68.4	91.9	86.1	90.2	108.8	104.7

## Memorandum items

Net foreign assets of banking sector (excluding foreign liabilities of government)	285.2	298.7	281.5	285.8	282.0	271.9	270.5	285.4	266.7	262.0	275.1	281.2	270.4	274.5	274.1
- of which: foreign assets	339.1	365.9	370.9	357.9	345.3	346.5	354.1	372.2	360.6	345.6	391.4	379.0	388.9	393.0	385.1
- of which: foreign liabilities	53.9	67.2	89.4	72.1	63.3	74.6	83.6	86.8	93.9	83.6	116.3	97.8	118.5	118.5	111.0
Net credit to central government	331.1	332.6	343.9	349.1	357.4	365.9	362.5	365.4	369.1	373.6	377.2	377.9	390.2	390.2	395.7
Net credit to general government (excluding foreign liabilities of government)	155.3	149.3	157.5	160.8	166.6	185.3	182.0	183.3	191.1	196.0	197.2	186.6	205.1	205.1	217.7
- of which: liabilities of government and NPF (gross)	345.6	327.0	344.6	341.7	370.0	396.3	386.3	361.5	361.0	374.7	383.2	384.6	399.0	399.0	422.2
- of which: claims of government and NPF (gross)	190.3	177.7	187.1	180.9	203.4	211.0	204.3	178.2	169.9	178.7	186.0	198.0	193.9	193.9	204.5
Foreign liabilities of government	87.4	86.9	86.5	85.6	85.4	76.4	76.4	76.5	75.8	74.8	75.0	86.0	85.9	85.9	86.0
Deposits of higher territorial units, deposits of government in foreign currency (EU funds) and non-budgetary deposits of government agencies in NBS	-	17.2	17.2	16.5	15.4	15.0	15.7	16.1	15.2	15.2	16.6	15.0	19.7	-	16.4
Money market funds' shares/units	-	-	-	-	-	-	-	-	-	-	-	-	-	-	12.9

\*/ Preliminary data from 1 January 2004 and 31 December 2003 will be replaced by final data from the annual financial statements by the end of Q2 of calendar year.



## Monetary survey

(At fixed exchange rates)

(Sk billions)

	2003													2004	
	1.1.	31.1.	28.2.	31.3.	30.4.	31.5.	30.6.	31.7.	31.8.	30.9.	31.10.	30.11.	31.12.7	1.1.7	31.1.
Fixed exchange rate SKK/USD	40.036	40.036	40.036	40.036	40.036	40.036	40.036	40.036	40.036	40.036	40.036	40.036	40.036	32.920	32.920
Fixed exchange rate SKK/EUR	41.722	41.722	41.722	41.722	41.722	41.722	41.722	41.722	41.722	41.722	41.722	41.722	41.722	41.161	41.161
<b>ASSETS</b>															
Net foreign assets	227.1	218.1	228.4	237.1	221.7	220.1	221.4	190.3	222.2	207.2	231.2	226.2	216.3	194.4	190.3
Foreign assets	414.6	445.8	454.8	438.5	423.7	426.0	438.7	458.6	445.8	427.4	479.0	464.4	479.7	452.7	444.9
Foreign liabilities	187.5	227.7	226.4	201.4	202.0	205.9	217.3	268.3	223.6	220.2	247.8	238.2	263.4	258.3	254.6
Net domestic assets	481.3	484.1	484.8	473.2	490.0	498.6	480.6	532.0	507.4	518.5	501.0	514.3	534.4	544.2	548.7
Domestic credit	604.9	599.5	611.6	615.7	623.2	631.3	631.0	638.6	649.4	657.9	664.1	674.2	701.9	704.4	704.3
Net credit to general government	263.0	256.4	264.1	266.1	271.8	278.0	274.8	276.1	283.0	286.7	288.1	290.6	309.1	306.4	319.1
- Net credit to government (excluding NPF)	266.6	265.8	275.1	277.2	282.8	288.2	281.9	283.7	290.4	292.8	294.6	297.9	312.2	309.5	322.2
- Net credit to National Property Fund	-3.6	-9.4	-11.0	-11.1	-11.0	-10.2	-7.1	-7.6	-7.4	-6.1	-6.5	-7.3	-3.1	-3.1	-3.1
Credit to enterprises and households	341.9	343.1	347.5	349.6	351.4	353.3	356.2	362.5	366.4	371.2	376.0	383.6	392.8	398.0	385.2
Credit in Slovak koruna	288.1	289.1	290.7	291.5	292.0	292.0	295.4	299.0	301.2	303.6	306.3	311.9	318.9	329.3	314.5
- Credit to enterprises	226.6	226.7	227.5	227.5	226.7	224.8	226.8	227.7	227.6	227.5	227.0	230.1	233.8	244.2	228.6
- Credit to households	61.5	62.4	63.2	64.0	65.3	67.2	68.6	71.3	73.6	76.1	79.3	81.8	85.1	85.1	85.9
Credit in foreign currency	53.8	54.0	56.8	58.1	59.4	61.3	60.8	63.5	65.2	67.6	69.7	71.7	73.9	68.7	70.7
<b>LIABILITIES</b>															
Liquid liabilities [M2]	708.4	702.2	713.2	710.3	711.7	718.7	702.0	722.3	729.6	725.7	732.2	740.5	750.7	738.6	739.0
Money [M1]	247.4	234.9	244.1	240.9	242.4	244.8	248.7	251.9	256.2	256.9	258.7	264.4	276.9	275.4	261.2
Currency outside banks [M0]	84.2	84.1	87.2	86.8	86.3	87.0	86.6	87.7	90.8	89.1	90.2	91.7	91.8	91.8	91.7
Demand deposits	163.2	150.8	156.9	154.1	156.1	157.8	162.1	164.2	165.4	167.8	168.5	172.7	185.1	183.6	169.5
- Households	73.9	76.4	78.7	77.3	78.3	79.4	80.2	81.7	82.6	82.2	81.7	82.6	82.8	81.3	83.0
- Enterprises	86.0	71.6	76.0	74.1	75.0	76.2	79.2	80.2	80.5	83.2	84.3	87.4	98.9	98.9	82.7
- Insurance companies	3.3	2.8	2.2	2.7	2.8	2.2	2.7	2.3	2.3	2.4	2.5	2.7	3.4	3.4	3.8
Quasi-money [QM]	461.0	467.3	469.1	469.4	469.3	473.9	453.3	470.4	473.4	468.8	473.5	476.1	473.8	463.2	477.8
Time and savings deposits	354.3	363.7	368.1	368.4	366.4	375.1	357.8	369.7	372.7	368.5	371.8	372.5	373.6	371.4	380.9
- Households	251.2	251.7	252.2	249.4	247.6	246.5	245.2	244.2	244.3	242.0	240.7	238.7	240.4	237.4	236.0
- Enterprises	86.3	92.4	97.2	102.0	102.3	112.6	97.9	110.4	113.6	113.7	117.5	120.2	116.9	117.7	127.4
- Insurance companies	16.8	19.6	18.7	17.0	16.5	16.0	14.7	15.1	14.8	12.8	13.6	13.6	16.3	16.3	17.5
Foreign-currency deposits	106.7	103.6	101.0	101.0	102.9	98.8	95.5	100.7	100.7	100.3	101.7	103.6	100.2	91.8	96.9
- Households	70.0	69.3	67.0	65.2	65.3	63.1	60.9	60.1	60.1	60.6	60.9	60.1	58.9	53.9	53.4
- Enterprises	36.7	34.3	34.0	35.8	37.6	35.7	34.6	40.6	40.6	39.7	40.8	43.5	41.3	37.9	43.5
Other items net	123.6	115.4	126.8	142.5	133.2	132.7	150.4	106.6	142.0	139.4	163.1	159.9	167.5	160.2	155.6

## Memorandum items

Net foreign assets of banking sector (excluding foreign liabilities of government)	355.7	373.6	357.5	361.6	357.7	348.1	348.5	364.4	345.3	340.2	353.4	362.0	353.6	329.0	328.5
- of which: foreign assets	414.6	445.8	454.8	438.5	423.7	426.0	438.7	458.6	445.8	427.4	479.0	464.4	479.7	452.7	444.9
- of which: foreign liabilities	58.9	72.2	97.3	76.9	66.0	77.9	90.2	94.2	100.5	87.2	125.6	102.4	126.1	123.7	116.4
Net credit to central government	351.4	352.7	364.0	368.9	377.1	382.2	378.8	381.7	385.3	389.4	393.1	396.0	408.2	405.5	411.0
Net credit to general government (excluding foreign liabilities of government)	155.3	149.3	157.5	160.8	166.6	185.3	182.0	183.3	191.1	196.0	197.2	186.6	205.1	205.1	217.7
- of which: liabilities of government and NPF (gross)	345.6	327.0	344.6	341.7	370.0	396.3	386.3	361.5	361.0	374.7	383.2	384.6	399.0	399.0	422.2
- of which: claims of government and NPF (gross)	190.3	177.7	187.1	180.9	203.4	211.0	204.3	178.2	169.9	178.7	186.0	198.0	193.9	193.9	204.5
Foreign liabilities of government	107.7	107.1	106.6	105.3	105.2	92.7	92.8	92.8	91.9	90.7	90.9	104.0	104.0	101.3	101.4
Deposits of higher territorial units, deposits of government in foreign currency (EU funds) and non-budgetary deposits of government agencies in NBS	-	17.5	17.6	16.8	15.7	15.4	16.1	16.5	15.6	15.6	17.1	15.4	20.1	-	16.8
Money market funds' shares/units	-	-	-	-	-	-	-	-	-	-	-	-	-	-	12.9

\*/ Preliminary data from 1 January 2004 and 31 December 2003 will be replaced by final data from the annual financial statements by the end of Q2 of calendar year.





## Monetary survey

(At current exchange rates)

(Sk billions)

	2003													2004	
	1.1.	31.1.	28.2.	31.3.	30.4.	31.5.	30.6.	31.7.	31.8.	30.9.	31.10.	30.11.	31.12.⁹	1.1. ⁹	31.1.
Current exchange rate SKK/USD	40.036	38.856	38.770	38.627	37.317	35.212	36.509	36.571	38.550	36.055	35.368	34.383	32.920	32.920	32.637
Current exchange rate SKK/EUR	41.772	41.745	41.850	41.426	40.965	41.246	41.737	41.845	41.996	41.173	41.359	40.969	41.161	41.161	40.822
<b>ASSETS</b>															
Net foreign assets	227.1	216.3	225.4	231.8	211.0	204.5	209.6	179.4	219.3	193.2	215.4	205.4	189.5	194.3	187.4
Foreign assets	414.6	442.9	451.1	431.2	409.4	407.2	424.1	445.5	442.3	410.4	459.9	440.3	447.9	452.7	440.9
Foreign liabilities	187.5	226.6	225.7	199.4	198.4	202.7	214.5	266.1	223.0	217.2	244.5	234.9	258.4	258.4	253.5
Net domestic assets	481.4	484.8	486.8	476.7	496.8	508.8	489.1	539.6	509.2	527.7	511.5	528.1	553.0	544.3	550.7
Domestic credit	605.0	598.4	610.7	613.5	618.2	626.2	628.3	636.3	649.1	653.2	659.4	667.6	694.0	704.4	702.9
Net credit to general government	263.0	255.8	263.7	264.8	268.8	275.9	273.9	275.5	283.2	284.8	286.5	288.3	306.4	306.4	318.3
- Net credit to government (excluding NPF)	266.6	265.2	274.7	275.9	279.8	286.1	281.0	283.1	290.6	290.9	293.0	295.6	309.5	309.5	321.4
- Net credit to National Property Fund	-3.6	-9.4	-11.0	-11.1	-11.0	-10.2	-7.1	-7.6	-7.4	-6.1	-6.5	-7.3	-3.1	-3.1	-3.1
Credit to enterprises and households	342.0	342.6	347.0	348.7	349.4	350.3	354.4	360.8	365.9	368.4	372.9	379.3	387.6	398.0	384.6
Credit in Slovak koruna	288.1	289.1	290.7	291.5	292.0	292.0	295.4	299.0	301.2	303.6	306.3	311.9	318.9	329.3	314.5
- Credit to enterprises	226.6	226.7	227.5	227.5	226.7	224.8	226.8	227.7	227.6	227.5	227.0	230.1	233.8	244.2	228.6
- Credit to households	61.5	62.4	63.2	64.0	65.3	67.2	68.6	71.3	73.6	76.1	79.3	81.8	85.1	85.1	85.9
Credit in foreign currency	53.9	53.5	56.3	57.2	57.4	58.3	59.0	61.8	64.7	64.8	66.6	67.4	68.7	68.7	70.1
<b>LIABILITIES</b>															
Liquid liabilities [M2]	708.5	701.1	712.2	708.5	707.8	713.3	698.7	719.0	728.5	720.9	726.9	733.5	742.5	738.6	738.1
Money [M1]	247.4	234.9	244.1	240.9	242.4	244.8	248.7	251.9	256.2	256.9	258.7	264.4	276.9	275.4	261.2
Currency outside banks [M0]	84.2	84.1	87.2	86.8	86.3	87.0	86.6	87.7	90.8	89.1	90.2	91.7	91.8	91.8	91.7
Demand deposits	163.2	150.8	156.9	154.1	156.1	157.8	162.1	164.2	165.4	167.8	168.5	172.7	185.1	183.6	169.5
- Households	73.9	76.4	78.7	77.3	78.3	79.4	80.2	81.7	82.6	82.2	81.7	82.6	82.8	81.3	83.0
- Enterprises	86.0	71.6	76.0	74.1	75.0	76.2	79.2	80.2	80.5	83.2	84.3	87.4	98.9	98.9	82.7
- Insurance companies	3.3	2.8	2.2	2.7	2.8	2.2	2.7	2.3	2.3	2.4	2.5	2.7	3.4	3.4	3.8
Quasi-money [QM]	461.1	466.2	468.1	467.6	465.4	468.5	450.0	467.1	472.3	464.0	468.2	469.1	465.6	463.2	476.9
Time and savings deposits	354.3	363.7	368.1	368.4	366.4	375.1	357.8	369.7	372.7	368.5	371.8	372.5	373.6	371.4	380.9
- Households	251.2	251.7	252.2	249.4	247.6	246.5	245.2	244.2	244.3	242.0	240.7	238.7	240.4	237.4	236.0
- Enterprises	86.3	92.4	97.2	102.0	102.3	112.6	97.9	110.4	113.6	113.7	117.5	120.2	116.9	117.7	127.4
- Insurance companies	16.8	19.6	18.7	17.0	16.5	16.0	14.7	15.1	14.8	12.8	13.6	13.6	16.3	16.3	17.5
Foreign-currency deposits	106.8	102.5	100.0	99.2	99.0	93.4	92.2	97.4	99.6	95.5	96.4	96.6	92.0	91.8	96.0
- Households	70.1	68.5	66.3	64.0	62.8	59.6	58.8	58.1	59.5	57.7	57.7	56.0	54.1	53.9	52.9
- Enterprises	36.7	34.0	33.7	35.2	36.2	33.8	33.4	39.3	40.1	37.8	38.7	40.6	37.9	37.9	43.1
Other items net	123.6	113.6	123.9	136.8	121.4	117.4	139.2	96.7	139.9	125.5	147.9	139.5	141.0	160.1	152.2

## Memorandum items

Net foreign assets of banking sector (excluding foreign liabilities of government)	355.7	371.1	354.1	354.9	344.1	330.4	335.9	352.8	342.7	324.3	336.0	338.9	324.2	329.0	324.8
- of which: foreign assets	414.6	442.9	451.1	431.2	409.4	407.2	424.1	445.5	442.3	410.4	459.9	440.3	447.9	452.7	440.9
- of which: foreign liabilities	58.9	71.8	97.0	76.3	65.3	76.8	88.2	92.7	99.6	86.1	123.9	101.4	123.7	123.7	116.1
Net credit to central government	351.4	352.1	363.5	367.5	374.1	380.1	378.0	381.1	385.5	387.6	391.6	393.7	405.5	405.5	410.2
Net credit to general government (excluding foreign liabilities of government)	155.3	149.3	157.5	160.8	166.6	185.3	182.0	183.3	191.1	196.0	197.2	186.6	205.1	205.1	217.7
- of which: liabilities of government and NPF (gross)	345.6	327.0	344.6	341.7	370.0	396.3	386.3	361.5	361.0	374.7	383.2	384.6	399.0	399.0	422.2
- of which: claims of government and NPF (gross)	190.3	177.7	187.1	180.9	203.4	211.0	204.3	178.2	169.9	178.7	186.0	198.0	193.9	193.9	204.5
Foreign liabilities of government	107.7	106.5	106.2	104.0	102.2	90.6	91.9	92.2	92.1	88.8	89.3	101.7	101.3	101.3	100.6
Deposits of higher territorial units, deposits of government in foreign currency (EU funds) and non-budgetary deposits of government agencies in NBS	-	17.5	17.6	16.8	15.7	15.4	16.1	16.5	15.6	15.6	17.0	15.3	20.1	-	16.8
Money market funds' shares/units	-	-	-	-	-	-	-	-	-	-	-	-	-	-	12.9

\* / Preliminary data from 1 January 2004 and 31 December 2003 will be replaced by final data from the annual financial statements by the end of Q2 of calendar year.



## Money supply M2

(At fixed exchange rates from 1 January 1993)

(Sk billions)

	1.1.2004	31. 1. 2004	Month-on-month change	Month-on-month change (in %)	31. 1. 2003	Year-on-year change	Year-on-year change (in %)
Money supply [M2]	725.5	725.2	-0.3	0.0	680.8	44.4	6.5
Money [M1]	275.4	261.2	-14.2	-5.2	234.9	26.3	11.2
Currency outside banks [M0]	91.8	91.7	-0.1	-0.1	84.1	7.6	9.0
Demand deposits	183.6	169.5	-14.1	-7.7	150.8	18.7	12.4
Quasi-money [QM]	450.1	464.0	13.9	3.1	445.9	18.1	4.1
Time deposits	371.4	380.9	9.5	2.6	363.7	17.2	4.7
Foreign-currency deposits	78.7	83.1	4.4	5.6	82.2	0.9	1.1
Slovak-crown deposits	555.0	550.4	-4.6	-0.8	514.5	35.9	7.0
- Households	318.7	319.0	0.3	0.1	328.1	-9.1	-2.8
- Enterprises (incl. insurance co.)	236.3	231.4	-4.9	-2.1	186.4	45.0	24.1



## Developments in loans

(Sk billions)

	31. 12. 2003 <sup>1/</sup>	31. 1. 2004	Change
<b>Loans in total (in Sk and foreign currency)</b>	402.1	409.4	7.3
<b>Loans in Slovak koruna</b>	320.4	326.6	6.2
of which			
- Entrepreneurial sector	216.3	210.6	-5.7
- Public administration	16.4	27.0	10.7
- Households	85.1	85.9	0.7
- Other <sup>1/</sup>	2.6	3.1	0.5
<b>Loans in foreign currency <sup>2/</sup></b>	81.7	82.8	1.0

1/ Non-profit organisations and entities not included in sectors.

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

\*/ Preliminary data.

## Developments in deposits

(Sk billions)

	31. 12. 2003 <sup>1/</sup>	31. 1. 2004	Change
<b>Deposits in total (in Sk and foreign currency)</b>	796.4	801.6	5.2
<b>Deposits in Slovak koruna</b>	699.2	700.9	1.7
of which			
- Entrepreneurial sector	220.8	215.6	-5.2
- Public administration	140.6	150.6	10.0
- Households	323.2	319.0	-4.2
- Other <sup>1/</sup>	14.6	15.8	1.1
<b>Loans in foreign currency <sup>2/</sup></b>	97.2	100.7	3.5

1/ Non-profit organisations and entities not included in sectors.

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

\*/ Preliminary data.



## Balance of payments of the SR from January to December 2003

	Receipts / Credit (+)		Payments / Debit (-)		Balance	
	Sk million	US\$ million	Sk million	US\$ million	Sk million	US\$ million
<b>Goods</b>	803,037.0	21,837.7	826,625.0	22,479.1	-23,588.0	-641.4
<b>Services</b>	120,589.3	3,279.3	111,965.1	3,044.8	8,624.2	234.5
Transport	51,693.7	1,405.8	32,934.6	895.6	18,759.1	510.1
Tourism	31,736.1	863.0	21,041.7	572.2	10,694.4	290.8
Other services	37,159.5	1,010.5	57,988.8	1,576.9	-20,829.3	-566.4
<b>Income</b>	33,368.4	907.4	37,771.8	1,027.2	-4,403.4	-119.7
Compensation of employees	15,649.6	425.6	559.5	15.2	15,090.1	410.4
Income from investment	17,718.8	481.8	37,212.3	1,011.9	-19,493.5	-530.1
<b>Current transfers</b>	19,825.6	539.1	10,656.9	289.8	9,168.7	249.3
<b>CURRENT ACCOUNT</b>	976,820.3	26,563.5	987,018.8	26,840.9	-10,198.5	-277.3
<b>Capital account</b>	7,048.2	191.7	3,380.5	91.9	3,667.7	99.7
<b>Financial account</b>	2,507,214.2	67,322.8	-2,446,340.4	-66,083.6	60,873.8	1,239.2
Direct investment	480,992.3	13,080.0	-459,654.9	-12,499.8	21,337.4	580.2
<i>Abroad (direct investor = resident)</i>	16,205.4	440.7	-16,694.9	-454.0	-489.5	-13.3
Equity capital and reinvested earnings	1,136.4	30.9	-1,503.9	-40.9	-367.5	-10.0
Other capital	15,069.0	409.8	-15,191.0	-413.1	-122.0	-3.3
<i>In the SR (recipient of dir. investment = resident)</i>	464,786.9	12,639.4	-442,960.0	-12,045.8	21,826.9	593.6
Equity capital and reinvested earnings	36,104.9	981.8	-5,155.0	-140.2	30,949.9	841.6
Other capital	428,682.0	11,657.5	-437,805.0	-11,905.6	-9,123.0	-248.1
Portfolio investment	364,040.5	9,899.7	-386,861.5	-10,520.3	-22,821.0	-620.6
Assets	91,741.9	2,494.8	-120,632.5	-3,280.5	-28,890.6	-785.6
Liabilities	272,298.6	7,404.9	-266,229.0	-7,239.8	6,069.6	165.1
Financial derivatives	244,805.4	6,657.2	-244,223.4	-6,641.4	582.0	15.8
Assets	106,101.8	2,885.3	-107,760.2	-2,930.4	-1,658.4	-45.1
Liabilities	138,703.6	3,771.9	-136,463.2	-3,711.0	2,240.4	60.9
Other investment	1,417,376.0	37,685.9	-1,355,600.6	-36,422.2	61,775.4	1,263.8
<i>Long-term</i>	109,756.1	2,987.5	-122,802.5	-3,335.0	-13,046.4	-347.5
Assets	29,615.7	805.4	-22,526.2	-612.6	7,089.5	192.8
Liabilities	80,140.4	2,182.1	-100,276.3	-2,722.4	-20,135.9	-540.3
<i>Short-term</i>	1,307,619.9	34,698.5	-1,232,798.1	-33,087.2	74,821.8	1,611.3
Assets	454,698.0	12,365.0	-465,854.4	-12,668.4	-11,156.4	-303.4
Liabilities	852,921.9	22,333.5	-766,943.7	-20,418.8	85,978.2	1,914.7
<b>CAPITAL AND FINANCIAL ACCOUNT</b>	2,514,262.4	67,514.5	-2,449,720.9	-66,175.5	64,541.5	1,339.0
<b>ERRORS AND OMISSIONS</b>	x	x	x	x	-1,896.8	170.1
<b>TOTAL BALANCE</b>	-57,539.7	-1,670.2	109,985.9	2,901.9	52,446.2	1,231.7
Monetary gold	0.0	0.0	0.0	0.0	0.0	0.0
Special drawing rights	0.0	0.0	-0.4	0.0	-0.4	0.0
Foreign exchange assets	57,539.7	1,670.2	-109,985.5	-2,901.9	-52,445.8	-1,231.7
<i>Deposits</i>	0.0	0.0	-25,770.8	-686.1	-25,770.8	-686.1
<i>Securities</i>	57,539.7	1,670.2	-84,214.7	-2,215.8	-26,675.0	-545.6
Bonds and bills of exchange	0.0	0.0	-84,214.7	-2,215.8	-84,214.7	-2,215.8
Money market instruments and financial derivatives	57,539.7	1,670.2	0.0	0.0	57,539.7	1,670.2
<b>RESERVE ASSETS</b>	57,539.7	1,670.2	-109,985.9	-2,901.9	-52,446.2	-1,231.7

Note: Preliminary data.

Applied rate of exchange: US\$ 1 = Sk 36.773

**Inflow of foreign direct investment <sup>1/</sup> into the SR in 1997 – 2003***(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
1997	39,771	6,986	-258	46,499	1,246.94	207.82	-117.88	1,336.88
1998	46,499	17,248	1,890	65,637	1,336.88	489.42	-48.13	1,778.17
1999	65,637	16,729	695	83,061	1,778.17	403.92	-216.87	1,965.22
2000	83,061	97,454	-18,527	161,988	1,965.22	2,109.39	-656.33	3,418.28
2001	161,988	24,353	-5,545	180,796	3,418.28	503.71	-191.68	3,730.31
2002	180,796	171,985	-102,959	249,822	3,730.31	3,793.65	-1,284.00	6,239.96
2003 <sup>3/</sup>	249,822	23,969	-8,959	264,832 <sup>4/</sup>	6,239.96	639.92	465.36	7,345.24 <sup>4/</sup>

**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
1997 <sup>2/</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	15,153	37,095	-3	52,245	319.76	767.27	-9.07	1,077.96
2002	52,245	11,414	-3,930	59,729	1,077.96	251.77	162.16	1,491.89
2003 <sup>3/</sup>	59,980	1,468	892	62,340 <sup>4/</sup>	1,498.15	39.19	191.68	1,729.02 <sup>4/</sup>

**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
1997 <sup>2/</sup>	51,159	7,220	-272	58,107	1,603.99	214.78	-148.15	1,670.62
1998	58,107	18,582	1,879	78,568	1,670.62	527.27	-69.41	2,128.48
1999	78,568	16,689	781	96,038	2,128.48	402.95	-259.18	2,272.25
2000	96,038	99,561	-18,458	177,141	2,272.25	2,155.00	-689.21	3,738.04
2001	177,141	61,448	-5,548	233,041	3,738.04	1,270.98	-200.75	4,808.27
2002	233,041	183,399	-106,889	309,551	4,808.27	4,045.42	-1,121.84	7,731.85
2003 <sup>3/</sup>	309,802	25,437	-8,067	327,172 <sup>4/</sup>	7,738.11	679.11	657.04	9,074.26 <sup>4/</sup>

Note: The data for 2001 – 2003 are preliminary.

1/ Equity capital + reinvested earnings.

2/ Change in methodology - inclusion of capital in Sk.

3/ New accounting standards for banks.

4/ Data at 30 September.

Inflow of foreign direct investment<sup>1/</sup> in Slovakia during January to September 2003

	Corporate sector		Banking sector		Total	
	Sk million	%	Sk million	%	Sk million	%
<b>Inflow of foreign capital in total</b>	23,969	100.0	1,468	100.0	25,437	100.0
<b>Structure of investors by country</b>						
Germany	9,297	38.8	37	2.5	9,334	36.7
Hungary	7,139	29.8	933	63.6	8,072	31.7
United Kingdom	2,442	10.2	321	21.9	2,763	10.9
The Netherlands	2,396	10.0	-3	-0.2	2,393	9.4
Italy	405	1.7	681	46.4	1,086	4.3
Czech Republic	665	2.8	-25	-1.7	640	2.5
Belgium	467	1.9	0	0.0	467	1.8
Switzerland	432	1.8	0	0.0	432	1.7
USA	173	0.7	-1	-0.1	172	0.7
Denmark	58	0.2	0	0.0	58	0.2
Other countries	495	2.1	-475	-32.4	20	0.1
<b>Structure of investment by sector</b>						
Agriculture, hunting, and forestry	4	0.0	0	0.0	4	0.0
Mineral raw materials	86	0.4	0	0.0	86	0.3
Manufacturing	9,034	37.7	0	0.0	9,034	35.5
Electricity, gas, and water supply	9,360	39.1	0	0.0	9,360	36.8
Construction	258	1.1	0	0.0	258	1.0
Wholesale and retail trade, repairs of motor vehicles	4,638	19.3	0	0.0	4,638	18.2
Hotels and restaurants	0	0.0	0	0.0	0	0.0
Transport, storage, and telecommunications	291	1.2	0	0.0	291	1.1
Financial intermediation	351	1.5	1,468	100.0	1,819	7.2
Real estate, leasing, and business activities	19	0.1	0	0.0	19	0.1
Health and social care	9	0.0	0	0.0	9	0.0
Other community, social, and individual services	-82	-0.4	0	0.0	-82	-0.2
Private households with employees	1	0.0	0	0.0	1	0.0
Extra-territorial organizations and associations	0	0.0	0	0.0	0	0.0
<b>Structure of investment by region</b>						
Bratislava region	17,040	71.1	1,468	100.0	18,508	72.8
Trnava region	658	2.7	0	0.0	658	2.6
Trenčín region	351	1.5	0	0.0	351	1.4
Nitra region	318	1.3	0	0.0	318	1.3
Žilina region	361	1.5	0	0.0	361	1.4
Banská Bystrica region	-5	0.0	0	0.0	-5	0.0
Prešov region	112	0.5	0	0.0	112	0.4
Košice region	5,134	21.4	0	0.0	5,134	20.1

Note: Preliminary data.

1/ Equity capital + reinvested earnings.





# Volume of foreign direct investment<sup>1/</sup> in Slovakia as at 30 September 2003

Exchange rate applied: US\$ 1 = Sk 36.055	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>	264,832	7,345.2	100.0	62,340	1,729.0	100.0	327,172	9,074.2	100.0
<b>Structure of investors by country</b>									
Germany	78,594	2,179.8	29.7	828	23.0	1.3	79,422	2,202.8	24.3
The Netherlands	54,642	1,515.5	20.6	592	16.4	0.9	55,234	1,531.9	16.9
Austria	18,946	525.5	7.2	27,223	755.0	43.7	46,169	1,280.5	14.1
Italy	3,931	109.0	1.5	24,143	669.6	38.7	28,074	778.6	8.6
United Kingdom	22,271	617.7	8.4	1,896	52.6	3.0	24,167	670.3	7.4
France	22,714	630.0	8.6	550	15.3	0.9	23,264	645.2	7.1
Hungary	15,406	427.3	5.8	2,000	55.5	3.2	17,406	482.8	5.3
Czech Republic	12,535	347.7	4.7	3,458	95.9	5.5	15,993	443.6	4.9
USA	10,424	289.1	3.9	1,650	45.8	2.6	12,074	334.9	3.7
Cyprus	7,391	205.0	2.8	0	0.0	0.0	7,391	205.0	2.3
Other countries	17,978	498.6	6.8	0	0.0	0.0	17,978	498.6	5.5
<b>Structure of investment by sector</b>									
Agriculture, hunting, and forestry	703	19.5	0.3	0	0.0	0.0	703	19.5	0.2
Mineral raw materials	1,488	41.3	0.6	0	0.0	0.0	1,488	41.3	0.5
Manufacturing	121,834	3,379.1	46.0	0	0.0	0.0	121,834	3,379.1	37.2
Electricity, gas, and water supply	38,844	1,077.4	14.7	0	0.0	0.0	38,844	1,077.4	11.9
Construction	1,846	51.2	0.7	0	0.0	0.0	1,846	51.2	0.6
Wholesale and retail trade, repairs of motor vehicles	39,604	1,098.4	15.0	0	0.0	0.0	39,604	1,098.4	12.1
Hotels and restaurants	1,613	44.7	0.6	0	0.0	0.0	1,613	44.7	0.5
Transport, storage, and telecommunications	34,090	945.5	12.9	0	0.0	0.0	34,090	945.5	10.4
Financial intermediation	13,341	370.0	5.0	62,340	1,729.0	100.0	75,681	2,099.0	23.1
Real estate, leasing, and business activities	8,932	247.7	3.4	0	0.0	0.0	8,932	247.7	2.7
Health and social care	1,426	39.6	0.5	0	0.0	0.0	1,426	39.6	0.4
Other community, social, and individual services	1,111	30.8	0.4	0	0.0	0.0	1,111	30.8	0.3
Private households with employees	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Extra-territorial organizations and bodies	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
<b>Structure of investment by region</b>									
Bratislava region	174,937	4,851.9	66.1	62,340	1,729.0	100.0	237,277	6,581.0	72.5
Trnava region	13,736	381.0	5.2	0	0.0	0.0	13,736	381.0	4.2
Trenčín region	9,023	250.3	3.4	0	0.0	0.0	9,023	250.3	2.8
Nitra region	8,564	237.5	3.2	0	0.0	0.0	8,564	237.5	2.6
Žilina region	13,069	362.5	4.9	0	0.0	0.0	13,069	362.5	4.0
Banská Bystrica region	8,260	229.1	3.1	0	0.0	0.0	8,260	229.1	2.5
Prešov region	5,804	161.0	2.2	0	0.0	0.0	5,804	161.0	1.8
Košice region	31,439	872.0	11.9	0	0.0	0.0	31,439	872.0	9.6

Note: Preliminary data.

1/ Equity capital + reinvested earnings.

Volume of foreign direct investment<sup>1/</sup> in Slovakia as at 31 December 2002

Exchange rate applied: US\$ 1 = Sk 40.036	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>	249,822	6,239.9	100.0	59,729	1,491.9	100.0	309,551	7,731.8	100.0
<b>Structure of investors by country</b>									
Germany	77,378	1,932.7	31.0	827	20.7	1.4	78,205	1,953.4	25.3
The Netherlands	49,101	1,226.4	19.7	587	14.7	1.0	49,688	1,241.1	16.1
Austria	18,735	468.0	7.5	26,487	661.6	44.3	45,222	1,129.5	14.6
Italy	3,492	87.2	1.4	23,541	588.0	39.4	27,033	675.2	8.7
France	22,105	552.1	8.8	550	13.7	0.9	22,655	565.9	7.3
United Kingdom	19,186	479.2	7.7	1,598	39.9	2.7	20,784	519.1	6.7
Czech Republic	13,362	333.7	5.3	3,485	87.0	5.8	16,847	420.8	5.4
USA	10,549	263.5	4.2	1,650	41.2	2.8	12,199	304.7	3.9
Hungary	8,252	206.1	3.3	1,000	25.0	1.7	9,252	231.1	3.0
Cyprus	7,132	178.1	2.9	0	0.0	0.0	7,132	178.1	2.3
Other countries	20,530	512.8	8.2	4	0.1	0.0	20,534	512.9	6.6
<b>Structure of investment by sector</b>									
Agriculture, hunting, and forestry	715	17.9	0.3	0	0.0	0.0	715	17.9	0.2
Mineral raw materials	1,510	37.7	0.6	0	0.0	0.0	1,510	37.7	0.5
Manufacturing	113,197	2,827.4	45.3	0	0.0	0.0	113,197	2,827.4	36.6
Electricity, gas, and water supply	38,847	970.3	15.5	0	0.0	0.0	38,847	970.3	12.5
Construction	1,872	46.8	0.7	0	0.0	0.0	1,872	46.8	0.6
Wholesale and retail trade	33,134	827.6	13.3	0	0.0	0.0	33,134	827.6	10.7
Hotels and restaurants	1,613	40.3	0.6	0	0.0	0.0	1,613	40.3	0.5
Transport, storage, and telecommunications	33,676	841.1	13.5	0	0.0	0.0	33,676	841.1	10.9
Financial intermediation	13,045	325.8	5.2	59,729	1,491.9	100.0	72,774	1,817.7	23.5
Real estate, leasing, and business activities	9,269	231.5	3.7	0	0.0	0.0	9,269	231.5	3.0
Health and social care	1,418	35.4	0.6	0	0.0	0.0	1,418	35.4	0.5
Other community, social, and individual services	1,430	35.7	0.6	0	0.0	0.0	1,430	35.7	0.5
Extra-territorial organizations and bodies	96	2.4	0.0	0	0.0	0.0	96	2.4	0.0
<b>Structure of investment by region</b>									
Bratislava region	161,911	4,044.1	64.8	59,729	1,491.9	100.0	221,640	5,536.0	71.6
Trnava region	12,168	303.9	4.9	0	0.0	0.0	12,168	303.9	3.9
Trenčín region	8,954	223.6	3.6	0	0.0	0.0	8,954	223.6	2.9
Nitra region	8,212	205.1	3.3	0	0.0	0.0	8,212	205.1	2.7
Žilina region	12,241	305.7	4.9	0	0.0	0.0	12,241	305.7	4.0
Banská Bystrica region	8,271	206.6	3.3	0	0.0	0.0	8,271	206.6	2.7
Prešov region	5,694	142.2	2.3	0	0.0	0.0	5,694	142.2	1.8
Košice region	32,371	808.5	13.0	0	0.0	0.0	32,371	808.5	10.5

Note: Preliminary data.

1/ Equity capital + reinvested earnings.



# Volume of foreign direct investment<sup>1/</sup> in Slovakia as at 31 December 2001

Exchange rate applied: US\$ 1 = Sk 48.467	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>	180,796	3,730.3	100.0	52,245	1,077.9	100.0	233,041	4,808.2	100.0
<b>Structure of investors by country</b>									
Germany	52,045	1,073.8	28.8	833	17.2	1.6	52,878	1,091.0	22.7
The Netherlands	46,349	956.3	25.6	2,688	55.5	5.1	49,037	1,011.8	21.0
Austria	20,491	422.8	11.3	20,072	414.1	38.4	40,563	836.9	17.4
Italy	3,692	76.2	2.0	21,155	436.5	40.5	24,847	512.7	10.7
USA	12,327	254.3	6.8	1,653	34.1	3.2	13,980	288.4	6.0
Czech Republic	8,597	177.4	4.8	3,460	71.4	6.6	12,057	248.8	5.2
United Kingdom	6,994	144.3	3.9	1,815	37.4	3.5	8,809	181.8	3.8
Hungary	8,666	178.8	4.8	0	0.0	0.0	8,666	178.8	3.7
Belgium	5,215	107.6	2.9	0	0.0	0.0	5,215	107.6	2.2
France	3,897	80.4	2.2	517	10.7	1.0	4,414	91.1	1.9
Other countries	12,523	258.4	6.9	52	1.1	0.1	12,575	259.5	5.4
<b>Structure of investment by sector</b>									
Agriculture, hunting, and forestry	687	14.2	0.4	0	0.0	0.0	687	14.2	0.3
Mineral raw materials	1,545	31.9	0.9	0	0.0	0.0	1,545	31.9	0.7
Manufacturing	102,114	2,106.9	56.5	0	0.0	0.0	102,114	2,106.9	43.8
Electricity, gas, and water supply	518	10.7	0.3	0	0.0	0.0	518	10.7	0.2
Construction	1,853	38.2	1.0	0	0.0	0.0	1,853	38.2	0.8
Wholesale and retail trade	24,820	512.1	13.7	0	0.0	0.0	24,820	512.1	10.7
Hotels and restaurants	1,610	33.2	0.9	0	0.0	0.0	1,610	33.2	0.7
Transport, storage, and telecommunications	31,584	651.7	17.5	0	0.0	0.0	31,584	651.7	13.6
Financial intermediation	7,147	147.5	4.0	52,245	1,077.9	100.0	59,392	1,225.4	25.5
Real estate, leasing, and business activities	7,597	156.7	4.2	0	0.0	0.0	7,597	156.7	3.3
Health and social care	79	1.6	0.0	0	0.0	0.0	79	1.6	0.0
Other community, social, and individual services	1,168	24.1	0.6	0	0.0	0.0	1,168	24.1	0.5
Extra-territorial organizations and bodies	74	1.5	0.0	0	0.0	0.0	74	1.5	0.0
<b>Structure of investment by region</b>									
Bratislava region	94,179	1,943.2	52.1	52,245	1,077.9	100.0	146,424	3,021.1	62.8
Trnava region	10,276	212.0	5.7	0	0.0	0.0	10,276	212.0	4.4
Trenčín region	7,099	146.5	3.9	0	0.0	0.0	7,099	146.5	3.0
Nitra region	7,626	157.3	4.2	0	0.0	0.0	7,626	157.3	3.3
Žilina region	10,316	212.8	5.7	0	0.0	0.0	10,316	212.8	4.4
Banská Bystrica region	8,180	168.8	4.5	0	0.0	0.0	8,180	168.8	3.5
Prešov region	5,531	114.1	3.1	0	0.0	0.0	5,531	114.1	2.4
Košice region	37,589	775.6	20.8	0	0.0	0.0	37,589	775.6	16.1

Note: Preliminary data.

1/ Equity capital + reinvested earnings.

## Outflow of foreign direct investment <sup>1/</sup> from Slovakia in 1997 – 2003

(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
1997	3,614	3,170	-615	6,169	113.31	94.30	-30.25	177.36
1998	6,169	4,883	1,345	12,397	177.36	138.56	19.93	335.85
1999	12,397	739	-404	12,732	335.85	17.84	-52.45	301.24
2000	12,732	975	1,515	15,222	301.24	21.10	-1.13	321.21
2001	15,222	3,441	2,728	21,391	321.21	71.17	48.97	441.35
2002	21,391	333	-2,758	18,966	441.35	7.35	25.03	473.73
2003 <sup>3/</sup>	18,966	-449	-579	17,938 <sup>4/</sup>	473.73	-11.99	35.78	497.52 <sup>4/</sup>

### 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
1997 <sup>2/</sup>	1,502	0	-202	1,300	47.09	0.00	-9.72	37.37
1998	1,300	-7	299	1,592	37.37	-0.20	5.95	43.12
1999	1,592	-17,110	15,587	69	43.12	-413.12	371.62	1.62
2000	69	99	21	189	1.62	2.14	0.21	3.97
2001	189	8	1	198	3.97	0.17	-0.07	4.07
2002	198	0	-34	164	4.07	0.00	0.01	4.08
2003 <sup>3/</sup>	162	41	-9	194 <sup>4/</sup>	4.05	1.09	0.24	5.38 <sup>4/</sup>

### 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
1997 <sup>2/</sup>	5,116	3,170	-817	7,469	160.40	94.30	-39.97	214.73
1998	7,469	4,876	1,644	13,989	214.73	138.36	25.88	378.97
1999	13,989	-16,371	15,183	12,801	378.97	-395.28	319.17	302.86
2000	12,801	1,074	1,536	15,411	302.86	23.24	-0.92	325.18
2001	15,411	3,449	2,729	21,589	325.18	71.34	48.90	445.42
2002	21,589	333	-2,792	19,130	445.42	7.35	25.04	477.81
2003 <sup>3/</sup>	19,128	-408	-588	18,132 <sup>4/</sup>	477.78	-10.90	36.02	502.90 <sup>4/</sup>

Note: The data for 2001 – 2003 are preliminary.

1/ Equity capital + reinvested earnings.

2/ Change in methodology - inclusion of capital in Sk.

3/ New accounting standards for banks.

4/ Data at 30 September.



# Outflow of foreign direct investment<sup>1/</sup> from Slovakia during January to September 2003

	Corporate sector		Banking sector		Total	
	Sk millions	%	Sk millions	%	Sk millions	%
<b>Outflow of foreign direct investment in total</b>	-449	100.0	41	100.0	-408	100.0
<b>Structure of investment by country</b>						
Bosnia and Herzegovina	73	-16.3	0	0.0	73	-17.9
Ukraine	40	-8.9	0	0.0	40	-9.8
Czech Republic	-14	3.1	30	73.2	16	-3.9
Croatia	4	-0.9	11	26.8	15	-3.7
Brazil	10	-2.2	0	0.0	10	-2.5
Poland	7	-1.6	0	0.0	7	-1.7
Switzerland	6	-1.3	0	0.0	6	-1.5
Liechtenstein	1	-0.2	0	0.0	1	-0.2
Austria	1	-0.2	0	0.0	1	-0.2
USA	-2	0.4	0	0.0	-2	0.5
Other countries	-575	128.1	0	0.0	-575	140.9
<b>Structure of investment by sector</b>						
Agriculture, hunting, and forestry	0	0.0	0	0.0	0	0.0
Mineral raw materials	-7	1.6	0	0.0	-7	1.7
Manufacturing	-7	1.6	0	0.0	-7	1.7
Electricity, gas, and water supply	0	0.0	0	0.0	0	0.0
Construction	81	-18.0	0	0.0	81	-19.9
Wholesale and retail trade, repairs of motor vehicles	-53	11.8	0	0.0	-53	13.0
Hotels and restaurants	0	0.0	0	0.0	0	0.0
Transport, storage, and telecommunications	-128	28.5	0	0.0	-128	31.4
Financial intermediation	17	-3.8	41	100.0	58	-14.2
Real estate, leasing, and business activities	-352	78.3	0	0.0	-352	86.3
Health and social care	0	0.0	0	0.0	0	0.0
Other community, social, and individual services	0	0.0	0	0.0	0	0.0
Private households with employees	0	0.0	0	0.0	0	0.0
Extra-territorial organizations and bodies	0	0.0	0	0.0	0	0.0
<b>Structure of investors by region</b>						
Bratislava region	-510	113.6	41	100.0	-469	115.0
Trnava region	-38	8.4	0	0.0	-38	9.3
Trenčín region	-19	4.2	0	0.0	-19	4.6
Nitra region	5	-1.1	0	0.0	5	-1.2
Žilina region	165	-36.7	0	0.0	165	-40.4
Banská Bystrica region	-3	0.7	0	0.0	-3	0.7
Prešov region	-7	1.5	0	0.0	-7	1.7
Košice region	-42	9.4	0	0.0	-42	10.3

Note: Preliminary data.

1/ Equity capital + reinvested earnings.

Outflow of foreign direct investment <sup>1/</sup> from Slovakia as at 30 September 2003

Exchange rate applied: US\$ 1 = Sk 36.055	Corporate sector			Banking sector			Total		
	Sk million	US\$ million	%	Sk million	US\$ million	%	Sk million	US\$ million	%
<b>Outflow of foreign direct investment in total</b>	17,938	497.5	100.0	194	5.4	100.0	18,132	502.9	100.0
<b>Structure of investment by country</b>									
Czech Republic	6,673	185.1	37.2	151	4.2	77.8	6,824	189.3	37.6
United Kingdom	2,401	66.6	13.4	0	0.0	0.0	2,401	66.6	13.2
Ukraine	1,589	44.1	8.9	0	0.0	0.0	1,589	44.1	8.8
Ireland	1,232	34.2	6.9	0	0.0	0.0	1,232	34.2	6.8
Luxembourg	1,180	32.7	6.6	0	0.0	0.0	1,180	32.7	6.5
Hungary	1,125	31.2	6.3	0	0.0	0.0	1,125	31.2	6.2
Poland	817	22.7	4.6	0	0.0	0.0	817	22.7	4.5
Austria	681	18.9	3.8	0	0.0	0.0	681	18.9	3.8
Russia	471	13.1	2.6	0	0.0	0.0	471	13.1	2.6
Bosnia and Herzegovina	402	11.1	2.2	0	0.0	0.0	402	11.1	2.2
Other countries	1,367	37.9	7.6	43	1.2	22.2	1,410	39.1	7.8
<b>Structure of investment by sector</b>									
Agriculture, hunting, and forestry	54	1.5	0.3	0	0.0	0.0	54	1.5	0.3
Mineral raw materials	2,192	60.8	12.2	0	0.0	0.0	2,192	60.8	12.1
Manufacturing	7,469	207.2	41.6	0	0.0	0.0	7,469	207.2	41.2
Electricity, gas, and water supply	1,257	34.9	7.0	0	0.0	0.0	1,257	34.9	6.9
Construction	439	12.2	2.4	0	0.0	0.0	439	12.2	2.4
Wholesale and retail trade, repairs of motor vehicles	887	24.6	4.9	0	0.0	0.0	887	24.6	4.9
Hotels and restaurants	295	8.2	1.6	0	0.0	0.0	295	8.2	1.6
Transport, storage, and telecommunications	36	1.0	0.2	0	0.0	0.0	36	1.0	0.2
Financial intermediation	3,000	83.2	16.7	194	5.4	100.0	3,194	88.6	17.6
Real estate, leasing, and business activities	1,865	51.7	10.4	0	0.0	0.0	1,865	51.7	10.3
Health and social care	24	0.7	0.1	0	0.0	0.0	24	0.7	0.1
Other community, social, and individual services	420	11.6	2.3	0	0.0	0.0	420	11.6	2.3
Private households with employees	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Extra-territorial organizations and bodies	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
<b>Structure of investors by region</b>									
Bratislava region	12,017	333.3	67.0	194	5.4	100.0	12,211	338.7	67.3
Trnava region	1,884	52.3	10.5	0	0.0	0.0	1,884	52.3	10.4
Trenčín region	851	23.6	4.7	0	0.0	0.0	851	23.6	4.7
Nitra region	54	1.5	0.3	0	0.0	0.0	54	1.5	0.3
Žilina region	1,132	31.4	6.3	0	0.0	0.0	1,132	31.4	6.2
Banská Bystrica region	555	15.4	3.1	0	0.0	0.0	555	15.4	3.1
Prešov region	468	13.0	2.6	0	0.0	0.0	468	13.0	2.6
Košice region	977	27.1	5.4	0	0.0	0.0	977	27.1	5.4

Note: Preliminary data.

1/ Equity capital + reinvested earnings.





## Outflow of foreign direct investment<sup>1/</sup> from Slovakia as at 31 December 2002

Exchange rate applied: US\$ 1 = Sk 40.036	Corporate sector			Banking sector			Total		
	Sk million	US\$ million	%	Sk million	US\$ million	%	Sk million	US\$ million	%
<b>Outflow of foreign direct investment in total</b>	18,966	473.7	100.0	164	4.1	100.0	19,130	477.8	100.0
<b>Structure of investment by country</b>									
Czech Republic	6,813	170.2	35.9	131	3.3	79.9	6,944	173.4	36.3
United Kingdom	2,642	66.0	13.9	0	0.0	0.0	2,642	66.0	13.8
Ukraine	1,702	42.5	9.0	0	0.0	0.0	1,702	42.5	8.9
Hungary	1,388	34.7	7.3	0	0.0	0.0	1,388	34.7	7.3
Ireland	1,331	33.2	7.0	0	0.0	0.0	1,331	33.2	7.0
Luxembourg	1,182	29.5	6.2	0	0.0	0.0	1,182	29.5	6.2
Poland	932	23.3	4.9	0	0.0	0.0	932	23.3	4.9
Austria	692	17.3	3.6	0	0.0	0.0	692	17.3	3.6
Russia	493	12.3	2.6	0	0.0	0.0	493	12.3	2.6
Croatia	324	8.1	1.7	0	0.0	0.0	324	8.1	1.7
Other countries	1,467	36.6	7.7	33	0.8	20.1	1,500	37.5	7.8
<b>Structure of investment by sector</b>									
Agriculture, hunting, and forestry	59	1.5	0.3	0	0.0	0.0	59	1.5	0.3
Mineral raw materials	2,393	59.8	12.6	0	0.0	0.0	2,393	59.8	12.5
Manufacturing	7,820	195.3	41.2	0	0.0	0.0	7,820	195.3	40.9
Electricity, gas, and water supply	1,288	32.2	6.8	0	0.0	0.0	1,288	32.2	6.7
Construction	465	11.6	2.5	0	0.0	0.0	465	11.6	2.4
Wholesale and retail trade	963	24.1	5.1	0	0.0	0.0	963	24.1	5.0
Hotels and restaurants	299	7.5	1.6	0	0.0	0.0	299	7.5	1.6
Transport, storage, and telecommunications	164	4.1	0.9	0	0.0	0.0	164	4.1	0.9
Financial intermediation	3,243	81.0	17.1	164	4.1	100.0	3,407	85.1	17.8
Real estate, leasing, and business activities	1,841	46.0	9.7	0	0.0	0.0	1,841	46.0	9.6
Health and social care	25	0.6	0.1	0	0.0	0.0	25	0.6	0.1
Other community, social, and individual services	406	10.1	2.1	0	0.0	0.0	406	10.1	2.1
Private households with employees	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Extra-territorial organizations and bodies	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
<b>Structure of investors by region</b>									
Bratislava region	12,864	321.3	67.8	164	4.1	100.0	13,028	325.4	68.1
Trnava region	2,056	51.4	10.8	0	0.0	0.0	2,056	51.4	10.7
Trenčín region	897	22.4	4.7	0	0.0	0.0	897	22.4	4.7
Nitra region	51	1.3	0.3	0	0.0	0.0	51	1.3	0.3
Žilina region	959	24.0	5.1	0	0.0	0.0	959	24.0	5.0
Banská Bystrica region	574	14.3	3.0	0	0.0	0.0	574	14.3	3.0
Prešov region	506	12.6	2.7	0	0.0	0.0	506	12.6	2.6
Košice region	1,059	26.5	5.6	0	0.0	0.0	1,059	26.5	5.5

Note: Preliminary data.

1/ Equity capital + reinvested earnings.

Outflow of foreign direct investment <sup>1/</sup> from Slovakia as at 31 December 2001

Exchange rate applied: US\$ 1 = Sk 48.467	Corporate sector			Banking sector			Total		
	Sk million	US\$ million	%	Sk million	US\$ million	%	Sk million	US\$ million	%
<b>Outflow of foreign direct investment in total</b>	21,391	441.4	100.0	198	4.1	100.0	21,589	445.4	100.0
<b>Structure of investment by country</b>									
Czech Republic	8,594	177.3	40.2	156	3.2	78.8	8,750	180.5	40.5
United Kingdom	3,157	65.1	14.8	18	0.4	9.1	3,175	65.5	14.7
Ukraine	2,048	42.3	9.6	0	0.0	0.0	2,048	42.3	9.5
Luxembursko	1,434	29.6	6.7	0	0.0	0.0	1,434	29.6	6.6
Hungary	1,342	27.7	6.3	0	0.0	0.0	1,342	27.7	6.2
Ireland	1,326	27.4	6.2	0	0.0	0.0	1,326	27.4	6.1
Croatia	632	13.0	3.0	24	0.5	12.1	656	13.5	3.0
Russia	583	12.0	2.7	0	0.0	0.0	583	12.0	2.7
Poland	485	10.0	2.3	0	0.0	0.0	485	10.0	2.2
Austria	397	8.2	1.9	0	0.0	0.0	397	8.2	1.8
Other countries	1,393	28.7	6.5	0	0.0	0.0	1,393	28.7	6.5
<b>Structure of investment by sector</b>									
Agriculture, hunting, and forestry	190	3.9	0.9	0	0.0	0.0	190	3.9	0.9
Mineral raw materials	2,515	51.9	11.8	0	0.0	0.0	2,515	51.9	11.6
Manufacturing	7,954	164.1	37.2	0	0.0	0.0	7,954	164.1	36.8
Electricity, gas, and water supply	1,893	39.1	8.8	0	0.0	0.0	1,893	39.1	8.8
Construction	453	9.3	2.1	0	0.0	0.0	453	9.3	2.1
Wholesale and retail trade	871	18.0	4.1	0	0.0	0.0	871	18.0	4.0
Hotels and restaurants	2	0.0	0.0	0	0.0	0.0	2	0.0	0.0
Transport, storage, and telecommunications	163	3.4	0.8	0	0.0	0.0	163	3.4	0.8
Financial intermediation	3,840	79.2	18.0	198	4.1	100.0	4,038	83.3	18.7
Real estate, leasing, and business activities	2,791	57.6	13.0	0	0.0	0.0	2,791	57.6	12.9
Health and social care	25	0.5	0.1	0	0.0	0.0	25	0.5	0.1
Other community, social, and individual services	693	14.3	3.2	0	0.0	0.0	693	14.3	3.2
Private households with employees	1	0.0	0.0	0	0.0	0.0	1	0.0	0.0
<b>Structure of investors by region</b>									
Bratislava region	13,694	282.5	64.0	198	4.1	100.0	13,892	286.6	64.3
Trnava region	2,075	42.8	9.7	0	0.0	0.0	2,075	42.8	9.6
Trenčín region	958	19.8	4.5	0	0.0	0.0	958	19.8	4.4
Nitra region	88	1.8	0.4	0	0.0	0.0	88	1.8	0.4
Žilina region	682	14.1	3.2	0	0.0	0.0	682	14.1	3.2
Banská Bystrica region	263	5.4	1.2	0	0.0	0.0	263	5.4	1.2
Prešov region	613	12.6	2.9	0	0.0	0.0	613	12.6	2.8
Košice region	3,018	62.3	14.1	0	0.0	0.0	3,018	62.3	14.0

Note: Preliminary data.

1/ Equity capital + reinvested earnings.



# Average lending rates of commercial banks

(%)

Interest rate on:	2003												2004
	1	2	3	4	5	6	7	8	9	10	11	12 <sup>1/</sup>	1
TOTAL VOLUME OF LOANS <sup>1/</sup>	8.43	8.26	8.26	8.23	8.13	8.12	8.04	8.02	7.98	7.87	7.82	7.69	7.65
A) Loans by sector													
of which:													
a) Enterprise sector	8.63	8.44	8.44	8.42	8.22	8.24	8.17	8.18	8.10	7.98	7.91	7.70	7.75
- Public sector	8.58	8.28	8.34	8.35	8.09	8.09	8.08	8.07	8.06	7.90	7.83	7.70	7.91
- Private sector (incl. cooperatives)	8.93	8.76	8.72	8.62	8.51	8.53	8.44	8.37	8.37	8.27	8.14	7.94	7.89
- Under foreign control	7.85	7.81	7.79	7.95	7.65	7.67	7.63	7.63	7.42	7.28	7.39	6.95	7.10
b) Households	7.49	7.45	7.50	7.45	7.68	7.65	7.55	7.48	7.50	7.49	7.47	7.50	7.39
B) Loans by term													
of which:													
- Short-term	9.03	8.49	8.55	8.51	8.28	8.33	8.22	8.27	8.13	8.01	8.01	7.75	7.82
- Medium-term	9.05	9.10	9.09	9.10	9.00	9.01	8.94	8.88	8.99	8.93	8.85	8.78	8.74
- Long-term	7.42	7.40	7.39	7.35	7.33	7.29	7.24	7.21	7.11	7.02	6.95	6.87	6.72
NEW LOANS IN TOTAL <sup>1/</sup>	7.44	7.61	7.62	8.12	8.06	7.64	7.28	7.69	7.45	7.10	7.70	7.24	7.53
A) Loans by sector													
of which:													
a) Enterprise sector	7.28	7.51	7.47	7.95	7.90	7.46	7.04	7.52	7.20	6.80	7.48	7.02	7.36
- Public sector	7.34	7.80	7.68	7.64	7.83	7.80	7.56	7.69	7.61	7.00	7.23	7.68	7.20
- Private sector (incl. cooperatives)	8.52	8.93	8.89	8.87	8.55	8.65	8.15	8.85	8.14	8.10	8.28	7.87	7.83
- Under foreign control	6.55	6.71	6.54	7.35	7.48	6.79	6.40	6.76	6.76	6.19	7.10	6.41	7.03
b) Households	9.36	9.39	9.68	10.36	9.99	9.52	9.42	9.73	10.25	9.81	9.88	9.64	10.20
B) Loans by term													
of which:													
- Short-term	7.27	7.53	7.46	8.05	8.00	7.53	7.15	7.62	7.36	6.93	7.63	7.15	7.50
- Medium-term	9.29	8.97	9.03	8.97	8.99	9.15	8.92	9.04	8.87	9.04	8.61	8.58	8.05
- Long-term	7.44	6.98	7.29	7.33	7.08	6.88	7.15	7.12	7.06	6.95	6.91	6.96	6.77

1/ Excluding loans at zero interest rate.

\*/ Preliminary data.



## Volumes of new loans and average lending rates of commercial banks

		2003												2004
		1	2	3	4	5	6	7	8	9	10	11	12	1
Loans in total	a	67.82	81.69	80.42	77.94	72.78	87.35	93.17	86.61	89.59	85.45	83.44	100.56	90.16
	b	7.43	7.60	7.61	8.11	8.06	7.63	7.28	7.69	7.45	7.09	7.69	7.24	7.51
Overdrafts on current accounts	a	8.72	11.31	11.10	12.68	11.90	13.17	13.35	14.29	14.86	14.89	14.69	17.83	25.08
	b	9.39	10.11	9.80	9.89	9.63	9.74	8.99	9.90	9.38	9.26	9.13	9.10	8.73
Investment loans	a	4.10	1.86	5.77	2.80	3.19	3.65	3.07	2.38	2.84	2.95	2.35	4.26	5.14
	b	8.36	8.68	8.67	8.71	8.27	8.72	8.47	8.46	7.56	7.96	7.92	7.73	7.25
Consumer loans - households	a	0.43	0.30	0.36	0.39	0.64	1.03	1.02	1.05	1.30	1.76	1.59	1.70	1.32
	b	12.27	13.19	17.61	17.10	14.27	12.64	12.89	14.33	13.81	12.75	12.72	12.41	12.87
Consumer credit for goods and services	a	-	-	-	-	-	-	-	-	-	-	-	-	0.65
	b	-	-	-	-	-	-	-	-	-	-	-	-	15.64
Loans for house purchase	a	-	-	-	-	-	-	-	-	-	-	-	-	2.75
	b	-	-	-	-	-	-	-	-	-	-	-	-	7.19
of which: mortgage loans	a	0.03	0.03	0.13	0.03	0.07	0.09	0.13	0.08	0.31	0.46	0.39	0.57	0.21
without state bonus	b	9.32	9.37	8.55	9.13	6.87	7.10	8.07	8.08	7.81	7.69	7.81	7.68	8.03
mortgage loans	a	1.14	1.08	1.17	0.90	0.96	1.60	1.65	1.57	1.16	1.26	1.11	1.49	1.01
with state bonus - client	b	4.97	4.90	5.14	5.40	5.44	5.31	5.11	5.17	5.10	5.25	5.23	5.23	5.28
mortgage loans	a	-	-	-	-	-	-	-	-	-	-	-	-	1.01
with state bonus - bank	b	-	-	-	-	-	-	-	-	-	-	-	-	7.29
home savings bank loans	a	0.12	0.11	0.08	0.09	0.09	0.11	0.10	0.13	0.39	0.16	0.14	0.14	0.12
	b	5.52	5.68	6.02	6.09	6.12	6.24	5.85	5.53	7.06	5.77	5.98	5.10	5.10
intermediary loans	a	0.51	0.42	0.50	0.50	0.57	0.61	1.04	0.79	0.71	1.05	0.89	1.07	0.75
	b	7.65	7.65	7.23	7.17	7.14	7.12	7.43	7.45	7.49	7.39	7.26	7.25	7.27
Other loans	a	-	-	-	-	-	-	-	-	-	-	-	-	53.84
	b	-	-	-	-	-	-	-	-	-	-	-	-	6.89
Short-term loans	a	59.32	73.77	69.06	68.27	63.80	77.15	82.72	76.92	80.14	74.80	72.53	86.65	78.73
	b	7.26	7.52	7.46	8.04	8.00	7.53	7.15	7.61	7.35	6.92	7.63	7.15	7.46
- with a maturity of up to 7 days	a	30.99	39.89	35.96	33.00	30.30	46.35	50.62	48.50	54.73	51.16	48.21	52.23	46.91
	b	6.63	6.67	6.54	7.51	7.80	6.90	6.40	7.20	6.91	6.26	7.38	6.70	7.38
- up to 1 month	a	10.37	8.11	10.83	9.12	11.16	7.52	8.26	8.80	4.88	4.75	4.50	8.13	9.71
	b	7.42	8.00	8.00	8.12	7.74	8.17	8.18	7.88	7.81	7.49	7.74	7.12	6.73
- up to 3 months	a	5.78	8.19	5.43	5.96	5.40	5.16	5.46	3.83	3.87	3.45	4.13	6.57	3.29
	b	7.25	7.51	8.07	8.00	7.76	7.73	7.49	7.61	7.76	7.66	7.22	7.26	7.46
- up to 6 months	a	1.76	2.54	1.72	2.03	1.73	2.18	2.62	1.24	1.71	0.80	0.86	1.15	1.33
	b	7.88	7.41	7.31	8.30	7.66	8.14	7.96	8.72	7.68	7.55	7.24	7.73	6.78
- up to 12 months	a	10.43	15.03	15.12	18.16	15.21	15.94	15.76	14.56	14.95	14.64	14.83	18.57	17.49
	b	8.90	9.52	9.06	8.95	8.71	8.91	8.74	8.76	8.69	8.83	8.55	8.32	8.14
Long-term loans with a maturity of 1 to 5 years	a	5.24	5.69	8.40	7.45	6.63	6.92	6.64	5.97	6.24	6.89	7.89	7.49	7.84
	b	9.29	8.97	8.95	8.97	8.99	9.14	8.92	9.04	8.87	9.03	8.61	8.58	8.06
Long-term loans with a maturity of over 5 years	a	3.26	2.24	2.96	2.22	2.35	3.29	3.81	3.72	3.22	3.76	3.02	6.41	3.60
	b	7.44	6.98	7.29	7.33	7.08	6.88	7.15	7.12	7.06	6.95	6.91	6.96	7.38

a - Volume (\$k billion).

b - Average interest rate (%).



# Volumes of koruna deposits and average deposit rates

		2003												2004
		1	2	3	4	5	6	7	8	9	10	11	12''	1
Deposits in total	a	551,221	563,157	561,062	562,346	572,542	560,708	575,286	579,267	577,913	583,743	588,403	599,379	601,608
	b	3.40	3.42	3.32	3.40	3.31	3.23	3.29	3.41	3.22	3.17	3.26	3.01	3.36
of which:														
Demand deposits	a	176,188	175,927	174,831	177,380	177,772	184,141	185,481	185,994	189,904	190,541	195,379	219,236	189,816
	b	1.77	1.63	1.56	1.66	1.53	1.52	1.53	1.65	1.48	1.37	1.49	1.49	1.74
Time deposits	a	262,237	274,447	274,912	276,190	286,644	268,910	283,133	286,596	282,793	289,074	289,717	275,461	311,296
	b	4.68	4.72	4.60	4.72	4.58	4.54	4.60	4.76	4.53	4.48	4.60	4.31	4.53
- short-term	a	251,542	263,905	264,105	265,381	275,900	258,134	272,406	276,053	272,424	278,720	279,320	264,927	290,389
	b	4.60	4.66	4.54	4.66	4.53	4.47	4.55	4.72	4.47	4.43	4.57	4.27	4.43
- overnight deposits	a	5,607	5,859	17,743	6,383	6,796	16,162	16,491	4,846	17,489	5,246	4,687	4,520	8,516
	b	4.54	5.51	4.68	5.59	4.64	4.59	4.68	6.29	4.45	4.28	5.87	4.08	6.32
- up to 7 days	a	44,602	46,994	30,560	43,244	52,054	27,875	31,585	35,673	28,027	40,819	44,399	27,159	36,024
	b	4.38	4.88	4.38	5.06	4.63	4.42	4.59	5.50	4.43	4.52	5.43	4.22	5.61
- up to 1 month	a	100,148	112,718	111,484	117,815	114,373	116,547	124,375	130,948	130,331	133,243	131,935	143,722	153,581
	b	4.54	4.70	4.67	4.82	4.73	4.73	4.82	4.90	4.82	4.71	4.69	4.61	4.50
- up to 3 months	a	58,134	56,655	62,887	58,520	61,629	59,426	62,944	67,966	60,209	63,975	64,041	55,115	56,939
	b	4.37	4.02	4.14	4.01	4.15	4.12	4.20	4.24	4.06	4.13	4.07	3.75	3.69
- up to 6 months	a	23,307	23,385	24,447	23,009	22,314	20,227	19,228	19,591	19,081	18,900	17,739	18,768	20,005
	b	5.17	4.86	4.53	4.21	3.93	3.70	3.70	3.70	3.67	3.63	3.60	3.76	3.69
- up to 1 year	a	19,745	18,293	16,984	16,410	18,733	17,896	17,782	17,029	17,286	16,536	16,519	15,644	15,324
	b	5.44	5.35	5.23	5.12	4.97	4.78	4.65	4.34	4.23	4.07	3.88	3.76	3.56
- medium-term	a	9,258	9,629	9,792	9,990	9,722	9,739	9,698	9,507	9,323	9,293	9,312	9,397	19,735
	b	6.37	5.95	5.96	5.86	5.52	5.83	5.76	5.61	5.61	5.46	5.08	4.96	5.74
- up to 2 years	a	2,877	2,838	2,830	2,577	2,367	2,323	2,244	2,200	2,172	2,155	2,499	2,478	13,154
	b	5.64	5.52	5.42	5.27	5.18	5.12	5.07	4.79	4.66	4.54	4.30	4.15	6.09
- up to 5 years	a	6,381	6,791	6,962	7,413	7,355	7,416	7,454	7,307	7,151	7,138	6,813	6,919	6,581
	b	6.70	6.14	6.18	6.07	5.63	6.06	5.97	5.86	5.90	5.73	5.37	5.25	5.05
- long-term	a	1,437	914	1,016	819	1,022	1,037	1,029	1,036	1,046	1,061	1,085	1,136	1,172
	b	7.18	9.50	8.91	9.02	8.86	8.76	8.79	8.75	8.69	8.66	8.53	8.81	8.61
- over 5 years	a	1,437	914	1,016	819	1,022	1,037	1,029	1,036	1,046	1,061	1,085	1,136	1,172
	b	7.18	9.50	8.91	9.02	8.86	8.76	8.79	8.75	8.69	8.66	8.53	8.81	8.61
Savings deposits	a	112,796	112,783	111,319	108,777	108,125	107,657	106,671	106,678	105,216	104,129	103,308	104,682	100,496
	b	2.99	3.03	2.93	2.89	2.87	2.87	2.86	2.85	2.86	2.85	2.86	2.75	2.81
- short-term	a	51,316	50,772	50,605	49,005	48,484	48,429	48,159	47,737	47,149	46,581	45,966	45,151	42,853
	b	3.35	3.39	3.25	3.20	3.15	3.18	3.16	3.13	3.14	3.13	3.14	2.88	2.99
- medium-term	a	22,846	22,386	21,936	21,282	20,983	20,698	20,355	20,045	19,582	19,125	18,742	18,133	16,300
	b	2.50	2.52	2.31	2.23	2.22	2.23	2.21	2.19	2.21	2.23	2.26	2.13	2.29
- long-term	a	38,634	39,625	38,778	38,490	38,658	38,529	38,157	38,896	38,486	38,424	38,600	41,398	41,344
	b	2.86	2.85	2.84	2.84	2.83	2.83	2.83	2.83	2.83	2.83	2.83	2.90	2.84
Short-term (time and savings)	a	302,858	314,677	314,710	314,386	324,384	306,563	320,565	323,789	319,573	325,300	325,285	310,078	333,242
	b	4.39	4.46	4.33	4.43	4.32	4.26	4.34	4.48	4.27	4.25	4.37	4.06	4.24
Medium-term (time and savings)	a	32,104	32,015	31,727	31,272	30,706	30,437	30,053	29,552	28,904	28,417	28,054	27,531	36,035
	b	3.62	3.55	3.43	3.39	3.27	3.38	3.35	3.29	3.31	3.28	3.20	3.10	4.19
Long-term (time and savings)	a	40,070	40,538	39,794	39,309	39,680	39,566	39,186	39,933	39,532	39,485	39,685	42,534	42,515
	b	3.01	3.00	3.00	2.97	2.99	2.99	2.98	2.98	2.98	2.99	2.99	3.06	3.00

a - Volume (Sk million).

b - Average interest rate (%).

\*/ Preliminary data.



## Basic characteristics of interest rates on loans and deposits

(%)

	Line	2003												2004
		1	2	3	4	5	6	7	8	9	10	11	12	1
Average interest rate on total credit <sup>1/</sup>	1	8.43	8.26	8.26	8.23	8.13	8.12	8.04	8.02	7.98	7.87	7.82	7.69	7.65
Average interest rate on deposits	2	3.40	3.42	3.32	3.40	3.31	3.23	3.29	3.41	3.22	3.17	3.26	3.01	3.36
Average interest rate on new loans	3	7.44	7.61	7.62	8.12	8.06	7.64	7.28	7.69	7.45	7.10	7.70	7.24	7.53
Average interbank money market rate (1D to 12M – mid rates)	4	5.80	5.97	5.97	6.09	5.92	5.98	6.02	6.10	6.12	5.76	5.88	5.70	6.70
Average interest rate on new short-term loans	5	7.27	7.53	7.46	8.05	8.00	7.53	7.15	7.62	7.36	6.93	7.63	7.15	7.50
Average interest rate on short-term deposits	6	4.39	4.46	4.33	4.43	4.32	4.26	4.34	4.48	4.27	4.25	4.37	4.06	4.24
Difference between average interest rates on new short-term loans and short-term deposits (line 5 – line 6)	7	2.88	3.07	3.13	3.62	3.68	3.27	2.81	3.14	3.09	2.68	3.26	3.09	3.26
Basic interest rate of the NBS (until 31 December 2002 Discount rate)	8	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.25	6.25	6.00	6.00
12-month rate of inflation	9	7.30	7.60	8.00	7.70	7.60	8.40	8.70	9.20	9.50	9.60	9.80	9.30	8.30
Year-on-year increase in industrial producer prices	10	7.50	8.90	9.30	8.20	7.80	8.20	8.20	8.00	8.00	7.90	8.80	8.70	4.40
Real interest rate on new short-term loans (line 5 – line 10)	11	-0.23	-1.37	-1.84	-0.15	0.20	-0.67	-1.05	-0.38	-0.64	-0.97	-1.17	-1.55	3.10
Difference between average interest rate on new short-term loans and the rate of inflation (line 5 – line 9)	12	-0.03	-0.07	-0.54	0.35	0.40	-0.87	-1.55	-1.58	-2.14	-2.67	-2.17	-2.15	-0.80
Average interest rate on one-year deposits	13	5.44	5.35	5.23	5.12	4.97	4.78	4.65	4.34	4.23	4.07	3.88	3.76	3.56
Real interest rate on one-year deposits (line 13 – line 9)	14	-1.86	-2.25	-2.77	-2.58	-2.63	-3.62	-4.05	-4.86	-5.27	-5.53	-5.92	-5.54	-4.74
Nominal interest margin (line 1 – line 2)	15	5.03	4.84	4.94	4.83	4.82	4.89	4.75	4.61	4.76	4.70	4.56	4.68	4.29
Difference between average interest rates on new loans and total deposits (line 3 – line 2)	16	4.04	4.19	4.30	4.72	4.75	4.41	3.99	4.28	4.23	3.93	4.44	4.23	4.17
Difference between average interest rate on new short-term loans and the average interbank money market rate (line 5 – line 4)	17	1.47	1.56	1.49	1.96	2.08	1.61	1.17	1.60	1.26	0.81	1.75	1.45	0.80
Difference between average interest rate on new loans and the average interbank money market rate (line 3 – line 4)	18	1.64	1.64	1.65	2.03	2.14	1.72	1.30	1.67	1.35	0.98	1.82	1.54	0.83
Average interest rate on loans including the rate of 0% <sup>2/</sup>	19	7.91	7.73	7.73	7.74	7.64	7.65	7.60	7.58	7.54	7.45	8.00	7.32	7.33
Nominal interest margin (line 19 – line 2)	20	4.51	4.31	4.41	4.34	4.33	4.42	4.31	4.17	4.32	4.28	4.74	4.31	3.97

1/ Excluding unpaid interest.

2/ Including unpaid interest.





## Monetary-policy instruments

	As at 1 January 2003	Change over the year 2003	As at 1 January 2004	Change over the year 2004
1. Interest rates set by the Bank Board of the NBS for:				
Basic interest rate of the NBS <sup>1/</sup>	6.50%	26 Sep. 6.25% 22 Dec. 6.00%	6.00%	
Interest rates for overnight transactions				
for sterilisation	5.00%	26 Sep. 4.75% 22 Dec. 4.50%	4.50%	
for refinancing	8.00%	26 Sep. 7.75% 22 Dec. 7.50%	7.50%	
limit rate of the NBS for standard 2-week repo tenders	6.50%	26 Sep. 6.25% 22 Dec. 6.00%	6.00%	
2. Reserve requirements	3%		2%	
3. Exchange rate regime	Floating rate  Reference currency: EUR		Floating rate  Reference currency: EUR	

1/ Until 31 December 2002 Discount rate.



## Basic characteristics of Slovakia's foreign exchange market in February 2004

	USD			EUR			Other currencies			Total	
	Volume		Number of transactions	Volume		Number of transactions	Volume		Number of transactions	Volume	Number of transactions
	US\$ million	%		US\$ million	%		US\$ million	%		US\$ million	
NBS	-	-	-	170.6	-	7	-	-	-	170.6	7
Transactions between domestic banks without foreign participation	4,417.7	78.7	362	1,113.7	19.8	552	83.5	1.5	35	5,614.9	949
Interbank foreign exchange market: NBS + transactions between domestic banks	4,417.7	76.4	362	1,284.3	22.2	559	83.5	1.4	35	5,785.5	956
Transactions between domestic and foreign banks	26,935.0	83.8	1,601	3,182.6	9.9	1,019	2,006.6	6.2	41	32,124.1	2,661
Foreign exchange market in the SR - total	31,352.7	82.7	1,963	4,466.9	11.8	1,578	2,090.0	5.5	76	37,909.6	3,617

	SPOT			FORWARD			SWAP			Total	
	Volume		Number of transactions	Volume		Number of transactions	Volume		Number of transactions	Volume	Number of transactions
	US\$ million	%		US\$ million	%		US\$ million	%		US\$ million	
Transactions between domestic banks without foreign participation	951.3	17.0	584	0.0	0.0	0	4,660.4	83.0	365	5,611.7	949
Transactions between domestic and foreign banks	2,317.5	7.2	993	77.6	0.2	8	29,720.5	92.5	1,660	32,115.7	2,661
Foreign exchange market in the SR - without the NBS	3,268.8	8.7	1,577	77.6	0.2	8	34,380.9	91.1	2,025	37,727.4	3,610



## Average monthly exchange rates of the SKK

		2003										2004		
		2	3	4	5	6	7	8	9	10	11	12	1	2
Midpoint rate														
1	AUD	23.145	23.291	23.021	23.020	23.557	24.345	24.452	24.473	24.433	25.193	24.783	24.869	24.936
1	CZK	1.327	1.317	1.297	1.309	1.322	1.312	1.300	1.282	1.291	1.287	1.274	1.245	1.233
1	DKK	5.648	5.624	5.529	5.534	5.589	5.621	5.641	5.590	5.557	5.531	5.527	5.471	5.446
1	EUR	41.979	41.776	41.055	41.092	41.502	41.788	41.932	41.516	41.288	41.134	41.13	40.747	40.577
100	JPY	32.626	32.613	31.604	30.326	30.016	30.958	31.504	32.230	32.189	32.243	31.119	30.341	30.158
1	CAD	25.719	26.187	25.903	25.693	26.220	26.681	26.830	27.125	26.612	26.793	25.576	24.944	24.166
100	HUF	17.126	17.017	16.712	16.727	15.941	15.826	16.121	16.246	16.163	15.877	15.527	15.402	15.407
1	NOK	5.574	5.331	5.241	5.220	5.094	5.035	5.080	5.061	5.018	5.016	5.007	4.749	4.625
1	PLN	10.089	9.653	9.533	9.501	9.360	9.407	9.597	9.319	8.997	8.908	8.828	8.647	8.368
100	SIT	18.142	18.031	17.670	17.633	17.765	17.828	17.843	17.651	17.519	17.422	17.382	17.172	17.090
1	CHF	28.605	28.451	27.484	27.122	26.959	27.002	27.210	26.835	26.676	26.386	26.464	26.022	25.804
1	SEK	4.586	4.534	4.481	4.489	4.555	4.547	4.541	4.574	4.588	4.572	4.563	4.462	4.422
1	USD	38.953	38.663	37.885	35.586	35.491	36.729	37.490	37.116	35.273	35.234	33.604	32.292	32.083
1	GBP	62.863	61.198	59.594	57.721	58.948	59.723	59.879	59.651	59.113	59.447	58.616	58.765	59.845

## Average quarter exchange rates of the SKK

Midpoint rate	2002					2003				
	Q1	Q2	Q3	Q4	year	Q1	Q2	Q3	Q4	year
1 AUD	24.937	25.822	24.404	23.302	24.615	23.099	23.205	24.420	24.779	23.881
1 CZK	1.330	1.411	1.451	1.353	1.387	1.322	1.309	1.299	1.284	1.304
1 DKK	5.685	5.780	5.901	5.615	5.746	5.625	5.551	5.618	5.539	5.584
1 EUR	42.249	42.967	43.834	41.710	42.699	41.799	41.221	41.747	41.190	41.491
100 JPY	36.389	36.882	37.378	34.084	36.193	32.769	30.639	31.535	31.860	31.704
1 CAD	30.212	30.119	28.543	26.612	28.869	25.786	25.943	26.869	26.333	26.237
100 HUF	17.308	17.688	17.878	17.410	17.574	17.165	16.452	16.053	15.870	16.383
1 NOK	5.405	5.714	5.918	5.696	5.685	5.528	5.184	5.057	5.014	5.195
1 PLN	11.680	11.580	10.747	10.431	11.107	9.994	9.463	9.439	8.915	9.453
100 SIT	19.053	19.083	19.289	18.191	18.907	18.075	17.690	17.776	17.445	17.747
1 CHF	28.670	29.335	29.951	28.429	29.103	28.516	27.184	27.015	26.519	27.308
1 SEK	4.611	4.694	4.748	4.587	4.660	4.552	4.509	4.554	4.575	4.548
1 USD	48.170	46.862	44.544	41.787	45.335	38.956	36.307	37.093	34.723	36.773
1 GBP	68.716	68.408	68.980	65.620	67.939	62.470	58.757	59.750	59.055	60.012

Monetary base of the NBS <sup>1/</sup>

(Sk billions)

	10. 2. 2004	20. 2. 2004	29. 2. 2004
<b>SOURCES OF THE MONETARY BASE</b>	113.71	118.22	112.42
Autonomous factors	305.85	315.65	310.86
Net foreign assets	361.69	364.82	366.69
Reserves	418.41	405.66	416.04
Foreign liabilities	56.71	40.83	49.35
Net credit to Government	-23.75	-18.03	-23.30
Other assets net	-32.09	-31.14	-32.53
Monetary policy factors <sup>2/</sup>	-192.14	-197.43	-198.44
Holdings of securities	0.00	0.00	0.00
Treasury bills	0.00	0.00	0.00
Other government securities	0.00	0.00	0.00
Central Bank (NBS) bills	226.61	239.81	239.81
of which: in NBS portfolio	34.47	53.86	48.59
Overnight deposits of banks with NBS	0.00	11.48	7.21
<b>USE OF THE MONETARY BASE <sup>3/</sup></b>	113.71	118.22	112.42
Currency in circulation	100.89	102.87	100.85
Reserves of commercial banks	12.82	15.35	11.57
Required reserves	15.61	15.61	15.61
Excess reserves	-2.80	-0.26	-4.04

1/ As of January 2004, the monetary base is compiled for ten-day periods.

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

3/ Use of the monetary base = Reserve money = Currency in circulation + Reserves of commercial banks.



**Shortened balance sheet of commercial banks as at 31 January 2004**  
(Banks and branches of foreign banks operating in the SR in total)

(Sk thousands)

ASSETS	Accumulated depreciation and provisions	Slovak koruna		Foreign currency		Total
		Residents	Non-residents	Residents	Non-residents	
<b>Total assets</b>	62,317,781	904,097,403	38,516,710	99,577,253	44,876,321	1,024,749,906
Cash items	0	10,233,765	0	26,454	3,481,768	13,741,987
Cash in hand	0	9,587,676	0	1	3,342,512	12,930,189
Gold	0	0	0	0	0	0
Other cash items	0	646,089	0	26,453	139,256	811,798
Deposits with and credits to NBS, foreign banks of issue, and post office banks	0	113,106,824	0	0	219	113,107,043
Money reserve accounts with the NBS	0	15,476,519	0	0	0	15,476,519
Deposits, credits, and other receivables	223,031	42,497,092	13,297,210	4,970,014	15,171,621	75,712,906
Current accounts with banks	0	500,619	52,200	86,824	3,024,076	3,663,719
Credits provided	0	878,240	0	0	1,015,508	1,893,748
Time deposits with banks	0	41,025,824	8,985,396	4,851,787	10,839,039	65,702,046
Current accounts of other banks	0	1,324	2,661,164	0	256	2,662,744
Other receivables	0	39,716	1,598,450	31,403	111,096	1,780,665
Standard credits, qualified deposits, classified credits, deposits, and other receivables	223,031	51,369	0	0	181,646	9,984
of which: Short-term receivables	109,459	0	0	0	115,200	5,741
Interest on non-performing credits	471	471	0	0	580	580
Standard credits to customers	0	196,688,639	498,428	48,352,229	8,512,782	254,052,078
Short-term credits	0	52,388,706	358,384	13,427,803	4,755,121	70,930,014
Long-term credits	0	144,299,933	140,044	34,924,426	3,757,661	183,122,064
of which: Credits repayable in 1 to 5 years, incl.	0	68,348,070	110,610	18,058,869	1,952,315	88,469,864
Other receivables from customers	1,127	2,716,772	6,385	1,551,278	436,967	4,710,275
of which: Credits for commercial claims	0	1,664,313	4,704	1,484,988	353,340	3,507,345
Current accounts of customers - debit bal., overdrafts	0	23,429,223	1,141,317	6,240,513	86,200	30,897,253
Standard receivables with conditions, classified loans, and other receivables from customers	25,796,035	65,171,678	1,235,733	14,058,638	1,084,067	55,754,081
of which: Interest due, but unpaid	3,858,801	3,848,767	36,457	51,294	16,393	94,110
Standard credits with conditions	1,419,486	39,226,471	784,024	9,156,876	701,303	48,449,188
Sub-standard receivables	1,791,702	3,433,309	433,447	2,216,634	268,775	4,560,463
Doubtful and controversial claims	1,943,675	3,220,895	1,157	957,091	43	2,235,511
Loss-making receivables	20,641,172	19,291,003	17,105	1,728,037	113,946	508,919
Other specific receivables	0	0	0	0	0	0
Accounts of state authorities, local governments, and funds	18,276	19,299,526	0	2,606,430	0	21,887,680
Standard credits with conditions, classified loans, and other receivables	18,276	369,074	0	0	0	350,798
Credits to state authorities	0	13,081,395	0	920,944	0	14,002,339
Credits to social security funds	0	0	0	0	0	0
Credits to local governments	0	5,275,135	0	1,685,486	0	6,960,621
Credits to funds	0	573,922	0	0	0	573,922
Fixed forward transactions	0	3,975,934	2,092,886	540,753	689,564	7,299,137
Claims in respect of money collection	0	323,096	133	814,731	59,321	1,197,281
Branches and representative offices	0	3,005	6,889,425	8,590	4,191,164	11,092,184
Receivables and other suspense accounts	1,097,075	6,001,017	26,486	258,184	28,204	5,216,816
Securities for sale and other shareholdings	201,631	34,572,552	2,787,928	3,041,205	2,894,571	43,094,625
Receivables from trade in securities and for securities issued by the accounting unit	0	3,735,121	144	23,267	1,599	3,760,131
Securities intended for trading	0	107,524,033	842,407	7,218,455	2,697,279	118,282,174
Options - purchase	0	105,913	10,006	28,715	3,144	147,778
Financial investments	1,488,835	197,674,076	9,687,474	9,830,968	3,607,869	219,311,552
Long-term funds provided to branches abroad	0	0	0	0	497,792	497,792
Tangible assets	25,602,191	49,100,823	0	0	0	23,498,632
Acquisition of tangible and intangible assets	19,177	2,658,000	748	6,829	0	2,646,400
Subordinated financial assets	0	60,666	0	0	1,432,190	1,492,856
Intangible assets	7,863,403	9,557,532	0	0	0	1,694,129
Inventory	7,000	185,597	0	0	0	178,597
Adjustments and accumulated depreciation	62,317,781	5,868,5197	104,045	3,046,889	481,650	0



# Shortened balance sheet of commercial banks as at 31 January 2004

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

(Sk thousands)

LIABILITIES	Slovak koruna		Foreign currency		Total
	Residents	Non-residents	Residents	Non-residents	
<b>Total liabilities</b>	771,414,180	65,086,510	108,377,080	79,872,136	1,024,749,906
Deposits and credits to NBS and foreign banks of issue, and postal checking accounts	14,945,560	0	204,494	0	15,150,054
Current accounts with NBS and foreign issuing banks	1,470,703	0	0	0	1,470,703
Time deposits of NBS and and foreign issuing banks	0	0	0	0	0
Credits received from NBS and foreign issuing banks	13,474,857	0	204,494	0	13,679,351
of which: Redistribution credit	6,071,864	0	0	0	6,071,864
Refinancing repo credit	6,181,556	0	0	0	6,181,556
Deposits, credits, and other liabilities	44,912,938	18,442,416	5,053,290	35,718,438	104,127,082
Current accounts with banks	0	0	0	1,112,370	1,112,370
Current accounts of other banks	509,965	4,066,650	87,115	531,489	5,195,219
Other payables	2,479,904	3,131	91,795	462,858	3,037,688
Credits received	690,039	18	0	7,901,376	8,591,433
Time deposits of other banks	41,233,030	14,372,617	4,874,380	25,710,345	86,190,372
Payables in respect of other items	37,209	0	0	0	37,209
Payables in respect of securities	670,915	0	0	0	670,915
Deposits of customers	540,750,563	4,165,777	96,020,841	3,849,114	644,786,295
Current accounts of customers	167,448,296	1,830,629	44,610,993	2,834,521	216,724,439
Time deposits of customers	271,588,942	2,212,635	48,720,522	989,973	323,512,072
Savings deposits of customers	100,495,959	120,058	2,685,376	24,620	103,326,013
Certificates of deposit	1,217,366	2,455	3,950	0	1,223,771
Other liabilities to customers	14,413,526	7,625	2,574,868	23,951	17,019,970
Credits received from customers	4,006,590	0	0	0	4,006,590
Short-term securities issued by the accounting unit	2,467,324	7,260	1,397,332	0	3,871,916
Earmarked deposits	500	0	0	0	500
Other specific payables	18,854	0	1,092	0	19,946
Accounts of state authorities, local governments, and funds	54,130,496	0	835,669	0	54,966,165
Extra-budgetary money deposits of state authorities	19,082,324	0	725,089	0	19,807,413
Deposits of social security funds	20,957,926	0	18,073	0	20,975,999
Deposits local governments	10,329,087	0	63,140	0	10,392,227
Deposits of funds	3,761,159	0	29,367	0	3,790,526
Fixed forward transactions	4,614,864	3,134,066	956,197	174,244	8,879,371
Payables in respect of money collection	723,385	615	815,120	37,480	1,576,600
Branches and representative offices	363,483	1,431,963	0	38,165,658	39,961,104
Various payables, adjustment and other suspense accounts	5,498,775	39,920	336,969	62,736	5,938,400
Liabilities from trading in securities and securities issued by the accounting unit	3,920,610	802,456	61,133	0	4,784,199
Options - sale	30,604	97,873	18,613	33,983	181,073
Subsidies and similar funds	3,372,685	0	0	0	3,372,685
Long-term securities issued by the accounting unit	15,124,411	0	227	0	15,124,638
Subordinated financial liabilities	0	60,666	0	0	60,666
Reserves	7,438,323	0	101,235	138,202	7,677,760
Reserve funds and other funds allocated from profits	9,665,454	46,500	0	0	9,711,954
Registered capital	4,793,272	33,999,304	0	1,650,000	40,442,576
Long-term funds provided to branches of foreign banks	0	2,844,579	0	0	2,844,579
Share premium	1,789,817	0	0	0	1,789,817
Own shares	-246,450	0	0	0	-246,450
Capital of mutual funds (unit trusts)	0	0	0	0	0
Other capital funds	205,086	5,490	0	0	210,576
Gains or losses from revaluation of net investments connected with shares and deposits	-1,081	0	0	18,330	17,249
Gains or losses from revaluation of security derivatives	0	0	0	0	0
Gains or losses from revaluation of assets and liabilities	0	0	0	0	0
Retained earnings from previous years +/-	28,061,474	0	0	0	28,061,474
Accumulated losses from previous years +/-	-3,377,578	0	0	0	-3,377,578
Profit and loss account +/-, -/	1,273,162	0	0	0	1,273,162
Profit or loss in process of approval +/-, -/	11,809,409	0	0	0	11,809,409





**Monthly profit and loss account of commercial banks**  
(Banks and branches of foreign banks operating in the SR in total)

(Sk millions)

	2003												2004
	1	2	3	4	5	6	7	8	9	10	11	12	1
<b>EXPENSES</b>													
Expenses on financial operations:	21,988	37,039	55,577	75,649	94,535	114,895	131,401	145,562	169,182	188,093	206,671	227,198	28,513
Other interest	2,346	4,468	7,228	9,505	11,744	13,867	15,858	17,968	20,054	22,137	24,218	26,294	2,143
Charges and commissions	133	225	380	1,202	1,296	1,460	1,551	1,660	1,803	1,919	2,116	2,341	94
Leasing expenses	9	0	0	0	0	0	0	0	0	0	0	0	0
Operations in securities	394	824	1,471	1,732	1,988	2,359	2,806	3,101	3,586	4,227	4,732	5,037	281
Interest on securities	422	636	787	944	1,127	1,095	1,313	1,481	1,652	1,840	2,006	2,329	170
Foreign exchange operations	8,092	14,303	20,089	28,467	33,568	43,325	50,238	54,599	67,283	75,181	82,611	92,559	11,491
Operations in derivatives	10,486	16,383	25,321	33,365	44,282	52,186	58,878	65,916	73,894	81,780	89,940	97,409	14,277
Other operations	106	201	302	435	530	604	757	835	909	1,008	1,048	1,229	58
General operating expenses	1,689	3,540	5,576	7,576	9,644	11,796	13,923	15,927	18,128	20,314	22,416	25,338	1,928
Additions to reserves and provisions	1,098	2,065	8,070	9,032	11,486	14,169	15,618	17,166	19,012	20,058	21,107	27,692	1,159
Other operating expenses	574	1,058	1,409	4,631	5,694	6,365	7,259	8,164	8,752	9,617	9,899	13,161	3,761
Extraordinary expenses	6	9	12	14	15	16	16	17	17	18	27	25	5
Income tax	-5	68	73	91	119	382	455	503	557	591	617	751	41
Profit for the period	1,500	3,027	3,502	4,126	5,314	6,213	6,946	8,079	9,217	9,662	10,429	11,446	1,273
<b>TOTAL EXPENSES, PLUS PROFIT</b>	<b>26,849</b>	<b>46,806</b>	<b>74,220</b>	<b>101,119</b>	<b>126,807</b>	<b>153,837</b>	<b>175,619</b>	<b>195,418</b>	<b>224,865</b>	<b>248,353</b>	<b>271,166</b>	<b>305,610</b>	<b>36,679</b>
<b>INCOME</b>													
Income from financial operations:	25,684	44,599	65,416	88,884	111,281	134,922	154,390	171,894	198,784	220,676	242,216	267,090	32,234
Income from other interest	3,054	5,812	8,823	11,720	15,633	18,595	21,515	24,649	27,692	30,755	33,896	37,078	3,161
Income from charges and provisions	664	1,302	2,019	2,768	3,505	4,355	5,191	5,859	6,653	7,474	8,211	9,265	709
Income from shares and stakes	0	70	161	54	65	77	87	100	292	381	388	867	12
Income from leasing	2	0	0	0	0	0	0	0	0	0	0	0	0
Income from operations in securities	778	1,477	1,948	2,481	3,116	2,765	2,590	2,905	3,239	3,322	3,445	4,129	519
Income from interest on securities	2,149	4,092	5,997	8,127	9,135	11,358	13,189	14,800	16,454	18,186	19,754	21,530	1,822
Income from foreign exchange operations	8,446	14,885	21,229	30,162	36,433	45,832	52,897	57,135	70,811	79,205	87,035	96,948	11,788
Income from operations in derivatives	10,495	16,772	25,049	33,237	43,069	51,627	58,531	66,014	73,136	80,760	88,906	96,562	14,165
Income from other operations	96	188	190	335	327	313	390	432	508	593	582	710	57
Use of reserves and provisions	1,069	2,023	8,572	11,883	14,366	16,802	18,426	20,429	22,672	23,935	24,800	32,625	3,831
Other operating income	87	158	224	338	1,144	2,097	2,768	3,072	3,382	3,700	4,081	5,654	613
Extraordinary income	5	7	8	14	15	16	16	16	16	17	18	16	0
Loss for the period	4	18	0	0	0	0	20	7	11	25	51	226	0
<b>TOTAL INCOME, PLUS LOSS</b>	<b>26,849</b>	<b>46,806</b>	<b>74,220</b>	<b>101,119</b>	<b>126,807</b>	<b>153,837</b>	<b>175,619</b>	<b>195,418</b>	<b>224,865</b>	<b>248,353</b>	<b>271,166</b>	<b>305,610</b>	<b>36,679</b>

*Symbols used in tables*

- - Figure not yet available.
- x - No entry for logical reasons.
- - Figure did not appear.