



NÁRODNÁ BANKA SLOVENSKA



Monetary Survey

January 2006

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**Abbreviations**

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

Prepared on the basis of the Situation Report on the Monetary Development in January 2006, approved by the NBS Bank Board on 28 February 2006.



1. Introduction

Consumer prices, expressed in terms of the Harmonised Index of Consumer Prices (HICP), increased in comparison with the previous month by 1.9% in January. The 12-month rate of headline inflation reached 4.1%. Core inflation (excluding energy and unprocessed food prices) recorded a year-on-year rate of 1.7%.

In terms of the Consumer Price Index (CPI), consumer prices increased in comparison with the previous month by 2.1% in January, with the prices of core inflation components rising by 1.1%. The 12-month headline and core inflation rates reached 4.1% and 1.9% respectively.

The M3 monetary aggregate (according to ECB methodology) grew month-on-month by Sk 33.0 billion in December, and its year-on-year dynamics increased in comparison with November, to 7.8%. At current rates, the M2 money supply (according to NBS methodology) increased in December by Sk 40.2 billion, and its year-on-year dynamics strengthened to 7.1%.

The total volume of MFI receivables from residents (including securities issued by clients and held by MFIs, according to ECB methodology) increased month-on-month by Sk 17.1 billion in December, while the year-on-year growth rate accelerated to 12.2%. At current rates, the volume of loans to enterprises and households (according to NBS methodology) grew month-on-month by Sk 12.2 billion, representing an increase in year-on-year dynamics to 27.8%.

The average interest rate on new loans to non-financial corporations dropped in December by 0.09 of a percentage point, to 4.84%, and that on new loans to households fell by 0.09 of a percentage point, to 9.49%. Over the same period, the average rate for new deposits from non-financial corporations dropped by 0.18 of a percentage point, to 1.37%, while that for new household deposits remained unchanged, at 0.68%.

On 31 January 2006, the State budget of the SR recorded a surplus of Sk 12.1 billion.

The foreign exchange reserves of the NBS (at current exchange rates) increased by USD 275.1 million in January, to USD 15,754.6 million. At the end of the month, the volume of foreign exchange reserves was 4.9 times greater than the volume of average monthly imports of goods and services to Slovakia in 2005.

The National Bank of Slovakia conducted no foreign exchange interventions in January.

According to preliminary data, the balance of payments on current account for January to November 2005 resulted in a deficit of Sk 82.5 billion. Over the same period, the capital and financial account generated a surplus of Sk 138.5 billion. From January to December, the b.o.p. current account produced a deficit of Sk 111.7 billion, while trade resulted in a shortfall of Sk 74.3 billion.

In January, the overall average sterilisation position of the NBS vis-à-vis the banking sector stood at Sk 390.1 billion, representing a decrease of Sk 6.0 billion compared with the figure for December.



2. Inflation

2.1. Consumer Price Index

HICP Inflation in January 2006

Harmonised Index of Consumer Prices

Consumer prices, expressed in terms of the Harmonised index of Consumer Prices (HICP), increased month-on-month by 1.9% in January, with the prices of goods and services rising by 2.1% and 1.5% respectively. Compared with the same period a year earlier, consumer prices rose by 4.1% (in December by 3.9%), with core inflation excluding energy and unprocessed food prices reaching 1.7% (compared with 1.2% in December). The average 12-month inflation rate for the period from February 2005 to January 2006 was 2.9%. The January rate of HICP inflation was faster than expected by the NBS, due to changes in the weights of consumer basket components and steeper increases in energy prices (regulated gas, heat, and electricity prices) and industrial goods prices excluding energy prices (health care – pharmaceuticals).

Table 1 Harmonised Index of Consumer Prices

(year-on-year changes in %)

	Aug.	Sep.	2005 Oct.	Nov.	Dec.	2006 Jan.
Total	2.1	2.3	3.5	3.6	3.9	4.1
Goods	0.8	1.3	2.9	3.2	3.7	4.1
Industrial goods	2.2	3.0	5.7	5.5	6.0	6.8
Industrial goods (excluding energy)	-1.1	-0.9	-1.0	-0.9	-0.9	-0.4
Energy	6.6	8.5	14.8	14.4	15.5	16.4
Foodstuffs	-1.6	-1.6	-1.4	-0.5	-0.3	-0.3
Processed food (including alcohol and tobacco)	-2.5	-2.5	-2.1	-1.6	-1.6	-1.0
Unprocessed food	0.1	0.5	0.3	2.0	2.7	1.3
Services	5.2	4.5	4.6	4.5	4.2	3.9
Total, excl. energy and unprocessed food prices (core inflation)	1.3	0.9	1.1	1.3	1.2	1.7
Total, excluding energy	1.2	1.0	1.0	1.4	1.4	1.5

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

Increase in energy prices

Goods prices continued to rise on a year-on-year basis at an accelerated rate (as in previous months), due primarily to energy prices. Steeper year-on-year increases were recorded in the category 'electricity, gas, and other fuels' (due to increases in regulated electricity, gas, and heat prices), while the rate of increase was faster than expected by the NBS. The year-on-year dynamics of fuel prices accelerated in line with the expectations.

Slower fall in industrial goods prices (excluding energy)

Another factor that contributed to the faster-than-expected headline inflation rate in January was a slowdown in the rate of decrease in industrial goods prices (excluding energy prices). In this category, upward pressure on price levels was also exerted by regulated prices, mainly a marked increase in health care prices (pharmaceuticals). Food prices maintained their year-on-year dynamics at the level of the previous month, but their structure saw different trends: the rate of decrease in processed food prices slowed (due to increases in the prices of non-alcoholic beverages, bread, cereals, and alcoholic beverages, caused by an increase in excise tax, while the tax on cigarettes is not yet reflected in the price

Chart 1 HICP Inflation and Its Main Components (%)



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

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



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

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

levels). On the other hand, the year-on-year increase in unprocessed food prices slowed, owing to a smaller seasonal rise in fruit prices in January 2006 (compared with the same period a year earlier).

Services prices recorded a slowdown in year-on-year dynamics for the fourth successive month. They were again influenced in January, as in the previous month, by the base effect of prices for other services (mainly in prices for education, which recorded marked month-on-month increases in December 2004 and January 2005). As a result of fiscal decentralisation, powers in the area of education were transferred to municipalities and regions at the end of 2004 and the beginning of 2005, which led to marked increases in charges for meals and accommodation at pre-school and school facilities. However, there were no further increases in these prices in that year, which was indicated by a slowdown in the year-on-year dynamics of services prices. Other regulated prices included in services also rose at a slower rate (e.g. charges for sewage disposal, refuse collection and disposal, transport) in comparison with the same period last year.

Services prices recorded a further slowdown in dynamics

The views of consumers on the previous course of inflation continued to improve slightly in January. In answer to questions about the previous course of inflation, the respondents gave an average value of 11.06% (11.81% in the previous month). When asked about the expected inflation rate in the next 12 months, the respondents gave a lower average value, i.e. 11.94% (12.97% in the previous month).

Consumer expectations in respect of inflation

Table 2 Consumer Prices in January 2006

	Comparative change	
	Dec. 2005	Jan. 2005
Total in %	2.1	4.1
Regulated prices in %	4.8	11.5
- Share of total, in percentage points ¹⁾	1.13	-
Impact of changes in indirect taxes on non-regulated prices		
- Share of total, in percentage points ¹⁾	0.08	-
Core inflation in %	1.1	1.9
- Share of total, in percentage points ¹⁾	0.86	-
of which: Food prices in %	1.1	-0.6
- Share of total, in percentage points ¹⁾	0.18	-
Tradable goods in % ¹⁾	-0.2	0.0
- Share of total, in percentage points ¹⁾	-0.06	-
Tradable goods, excluding fuels, in % ¹⁾	-0.2	-1.8
- Share of total, in percentage points ¹⁾	-0.06	-
Fuels in % ¹⁾	0.2	16.5
- Share of total, in percentage points ¹⁾	0.01	-
Market services in % ¹⁾	2.8	5.8
- Share of total, in percentage points ¹⁾	0.75	-
Net inflation (excluding the impact of changes in indirect taxes) in %	1.1	2.5
- Share of total, in percentage points ¹⁾	0.69	-
Net inflation, excluding fuel prices (excluding the impact of changes in indirect taxes) in %¹⁾	1.2	1.7
- Share of total, in percentage points ¹⁾	0.68	-

Source: Statistical Office of the SR, and NBS.

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

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

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

**CPI Inflation in January 2006****Consumer Price Index**

Consumer prices increased by 2.1% in January, with regulated prices rising by 4.8% and the prices of core inflation components by 1.1%. The 12-month rate of headline inflation reached 4.1% (compared with 3.7% in December) and that of core inflation 1.9% (in December 1.7%). January saw an increase in excise tax on alcohol, while the increased tax on cigarettes had not yet been reflected in consumer price levels.

With effect from January 2005, a modified methodology is used for calculating the Consumer Price Index. The Statistical Office of the SR applies has adopted the method of so-called 'chaining' (in connection with the HICP), which means that the weights of individual components will be changed every year according to the statistics of family accounts. In 2006, this methodology is used for the second year. For 2006, several items have been removed from the consumer basket (13 items, e.g. cotton napkins, postcards, etc.) and some new added (10 items in total, mainly in the 'restaurants' and 'fuels' categories, e.g. 98-octane petrol and LPG fuel). Such changes are made in order that the consumer basket better expresses the consumer behaviour of households. The new consumer basket contains 709 components, whereas the old basket was composed of 712. The impact of these changes on the weights of consumer basket components according to the COICOP classification and on the basic structure of core inflation, is quantified in the table No 3 and 4.

Table 3 Changes in the Classification of COICOP

Branch	Branch name	Weight as at December 2005 in per mil		Number of components		December 2004	
		New basket	Old basket ¹⁾	New basket	Old basket	Weight	Number
1	Food and non-alcoholic beverages	173.2	177.3	138	138	206.9	138
2	Alcoholic beverages and tobacco	47.9	49.8	11	11	74.7	11
3	Clothing and footwear	44.8	46.0	97	101	63.7	101
4	Housing, water, electricity, gas, and other fuels	291.0	300.7	45	45	262.5	47
5	Furnishings, household equipment, and routine maintenance of dwellings	52.1	46.0	89	91	39.5	92
6	Health services	21.7	16.8	38	38	15.7	30
7	Transport	97.7	97.7	75	75	87.9	76
8	Post and telecommunications	38.4	37.2	19	20	29.9	20
9	Recreation and culture	88.7	87.3	76	77	62.2	76
10	Education	11.3	10.5	6	6	8.0	6
11	Hotels, cafes, and restaurants	70.2	71.5	44	39	77.0	39
12	Miscellaneous goods and services	63.0	59.3	71	71	72.1	71
Overall consumer price index		1,000	1,000	709	712	1,000	707

Source: Statistical Office of the SR.

1) Standard weights recalculated for December 2005.

Table 4 Changes in the Basic Structure of Inflation**(%)**

	Weight as at December 2005		Weight as at December 2004
	New basket	Old basket ¹⁾	
TOTAL	100	100	100
Regulated prices	23.40	23.47	26.70
Core inflation	76.60	76.53	69.74
Food	15.62	16.00	17.52
Food – processed	8.78	9.09	10.84
Food – unprocessed	6.84	6.91	6.68
Tradable goods	33.92	33.42	32.68
Tradable goods excluding fuel prices	30.51	29.50	29.58
Fuels	3.40	3.88	3.07
Lubricants	0.01	0.04	0.04
Market services	27.05	27.11	19.54
Net inflation (excluding changes in indirect changes)	60.97	60.53	52.22
Net inflation, excluding fuel prices (excl. changes in indirect changes)	57.56	56.61	49.12

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

1) Standard weights recalculated for December 2005.



2.2. Producer Prices in December 2005

Industrial producer prices for the domestic market fell month-on-month by 0.6% in December, due to drops in all the three basic components. The prices of manufacturing products dropped for the third consecutive month. The prices of electricity, gas, steam, and hot water fell by 0.5% and those of mineral raw materials by 2.1%.

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

	Month-on-month change		Year-on-year change			
	Nov. 2005	Dec. 2005	Nov. 2005	Dec. 2005	Average since the beginning of 2005	Dec. 2004
Industrial producer prices (for the domestic market)	1.8	-0.6	7.4	7.0	4.7	4.3
– Prices of manufacturing products	-0.7	-0.5	1.0	1.0	2.1	4.9
– Prices of mining and quarrying products	34.9	-2.1	39.3	35.4	6.0	1.3
– Prices of electricity, gas, steam, and hot water	2.8	-0.5	14.5	13.3	8.3	3.6
Industrial producer prices (for export)	-1.8	-1.2	3.4	3.2	6.1	7.6
– Prices of manufacturing products	-1.9	-1.2	3.3	3.1	6.1	7.7
Construction prices	0.2	0.1	3.6	3.6	4.3	6.2
Building materials prices	0.2	0.0	1.3	1.2	4.4	7.5
Agricultural prices	–	–	-1.6	-1.3	-2.4	9.8
– Prices of plant products	–	–	-4.8	-4.1	-10.8	31.1
– Prices of animal products	–	–	0.7	0.8	1.4	-1.2

Source: Statistical Office of the SR.

The 12-month rate of increase in industrial producer prices for the domestic market slowed month-on-month by 0.4 of a percentage point in December (to 7.0%), due to unchanged increases in manufacturing products prices and smaller increases in electricity, gas, steam, and hot water prices, as well as in raw materials prices.

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

An anti-inflationary effect on manufacturing products prices was exerted by food prices (a drop of 0.3% month-on-month and 4.8% year-on-year) and the prices of chemical products (a drop of 2.2% month-on-month and 1.4% year-on-year). On the other hand, the prices of base metals and finished metal products (a rise of 0.5% both month-on-month and year-on-year) and those of paper and paper goods (a rise of 0.3% month-on-month and 1% year-on-year) had a slight inflationary effect. The prices of refined oil products fell month-on-month by 3.9%, while rising year-on-year by 26.4%. The prices of electrical and optical equipment increased month-on-month by 0.2%, but dropped year-on-year by 0.6%.

Energy prices dropped month-on-month by 0.5% in December, while rising year-on-year by 13.3%. This was mainly caused by prices for gas production and the distribution of gaseous fuels by pipeline, which recorded a month-on-month fall of 2.4%, causing a 3.4 percentage-point slowdown in year-on-year dynamics (to 37.5%). The December increases in prices for the generation and supply of electricity (0.7% month-on-month and 0.8% year-on-year), steam and hot water (0.1% month-on-month and 14.8% year-on-year) showed no marked changes in comparison with the previous months.

After rising month-on-month by 34.9% in November, mining and quarrying products prices recorded a 2.1% drop in December. The marked change in these prices has a relatively weak influence on developments in manufacturing products prices as a result of the low weight of 'mining and quarrying products' in the aggregate 'industrial producer prices' category (only 2.85%).

The prices of manufacturing products for export recorded a month-on-month drop of 1.2% in December, which caused their year-on-year dynamics to weaken by 0.2 of a percentage point, to 3.1%.

Prices of manufacturing products for export

The month-on-month fall in export prices was caused by year-on-year drops in the prices of base metals and finished metal products (4.6%), transport vehicles (2.3%), and foodstuffs (1.9%). An inflationary effect was exerted by the increased export prices of paper and paper products (0.5% month-on-month and 1.3% year-on-year). The export prices of refined oil products dropped month-on-month by 2.4%, while increasing year-on-year by 24.7%. The month-on-month drops in the prices of chemical products (2.4%) and electrical and optical equipment (0.8%) were accompanied by year-on-year increases (9.9% and 13.6% respectively).



Agricultural prices December saw a year-on-year fall in agricultural prices (1.3%), which was caused by a drop in the price of plant products (4.1%), offset partly by a rise in the price of animal products (0.8%).

In plant production, all product groups recorded a fall in price. The sharpest drops occurred in the prices of potatoes (12.4%) and cereals (8.5%). Drops were also recorded in the prices of legumes (5.6%), fruit and vegetables (5.1%), sugar beet (2.1%), and oil-seeds (0.8%).

In animal production, most products recorded an increase in price in December. The steepest increase took place in the price (for live animals) of mutton and lamb (9.5%). Smaller increases were recorded in the prices of beef, including veal (3.1%), unpasteurised cow milk (1.5%), eggs (1.4%), and pork – live animals (0.5%). The fall in the price of poultry, persisting since the beginning of the year, continued in December.

Industrial producer prices are expected to be influenced in January 2006 by the high prices of oil and natural gas on the world markets and the appreciation of the Slovak koruna against the US dollar. Food prices are expected to continue falling at a moderate rate. As a result of external and internal cost factors, a month-on-month drop is expected in industrial producer prices, accompanied by a slowdown in their year-on-year dynamics.

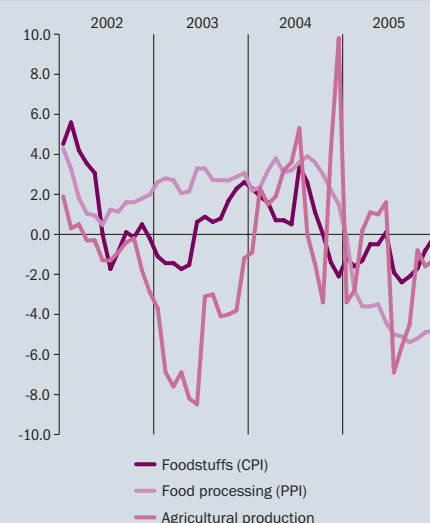
Cereal prices are again expected to fall year-on-year in January 2006, despite a predicted modest increase in the purchase price of food cereals from domestic production. Among animal products, beef prices (for live animals) are likely to increase, but the price of pork is not expected to rise any further. In January, as in the previous month, agricultural prices are expected to fall slightly on a year-on-year basis.

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



Source: Statistical Office of the SR.

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



Source: Statistical Office of the SR.

3. Factors Affecting the Course of Inflation

The year-on-year rate of growth in the M3 monetary aggregate increased in December, but reached only approximately half the December 2004 figure. The slowdown in overall M3 dynamics in 2005 was caused by the negative rate of growth in the longer-term M2 components: deposits and received loans with an agreed maturity of over 2 years and deposits redeemable at a period of notice of up to 3 months. On the other hand, the primary source of growth in M3 was the growing trend in the receivables of monetary financial institutions (MFIs) from the private sector.

3.1. Monetary Aggregates

M3 Monetary Aggregate

The M3 monetary aggregate (according to ECB methodology) increased month-on-month by Sk 33.0 billion, to Sk 831.4 billion at the end of December. The steeper month-on-month increase in comparison with the change in previous December (an increase of Sk 20.0 billion) represented an increase in the year-on-year M3¹ dynamics of 1.5 percentage points, to 7.8%.

Increase in the 12-month growth dynamics of M3

Table 6 Year-on-Year Growth Rates of Monetary Aggregates												(%)
	2004											
	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.
M3 monetary aggregate (ECB methodology)	6.4	9.9	6.9	11.1	8.6	14.0	5.8	11.9	13.3	13.6	12.7	15.0
- excluding the effect of repo operations ²⁾	10.5	10.0	9.1	11.3	8.7	14.1	12.4	11.7	14.1	13.2	12.4	14.6
M3 monetary aggregate, including the estimates of money market funds for 2003 ³⁾	6.2	9.6	6.5	10.5	7.8	13.0	4.8	10.5	11.9	12.0	11.0	13.1
- excluding the effect of repo operations ²⁾	10.4	9.7	8.6	10.7	7.8	13.1	11.2	10.4	12.6	11.6	10.7	12.7
	2005											
M3 monetary aggregate (ECB methodology)	10.0 ¹⁾	9.6 ¹⁾	11.4 ¹⁾	11.9 ¹⁾	12.5 ¹⁾	9.6 ¹⁾	8.9	8.0	7.3	7.6	6.3	7.8
Source: NBS and NBS calculations based on data from the Slovak Association of Administrator Companies (SASS).												
1) Revised data.												
2) The level of the M3 monetary aggregate in 2003 was affected by the active conduct of repo operations by commercial banks in connection with the payment of coupons on government bonds (mainly in January 2003: in the amount of Sk 24.2 billion; in March 2003: in the amount of Sk 12.9 billion; and in July 2003: in the amount of Sk 40.2 billion), as a result of which the base of the overall aggregate became volatile (since banks conducted no repo operations from October 2003 to the end of the month). For that reason, the year-on-year growth rate of M3 was also monitored for analytical purposes in 2004, without the volume of repo operations being taken into account.												
3) Since data on issues of money market fund shares/units were not available for the monetary and financial statistics reports in 2003, their volume was estimated on the basis of data provided by the Slovak Association of Administrator Companies (SASS).												

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

1) Revised data.

2) The level of the M3 monetary aggregate in 2003 was affected by the active conduct of repo operations by commercial banks in connection with the payment of coupons on government bonds (mainly in January 2003: in the amount of Sk 24.2 billion; in March 2003: in the amount of Sk 12.9 billion; and in July 2003: in the amount of Sk 40.2 billion), as a result of which the base of the overall aggregate became volatile (since banks conducted no repo operations from October 2003 to the end of the month). For that reason, the year-on-year growth rate of M3 was also monitored for analytical purposes in 2004, without the volume of repo operations being taken into account.

3) Since data on issues of money market fund shares/units were not available for the monetary and financial statistics reports in 2003, their volume was estimated on the basis of data provided by the Slovak Association of Administrator Companies (SASS).

The source of M3 growth in December was a marked month-on-month increase in the central government budget deficit, a characteristic development at the end of a calendar year (in December 2005, the cash budget deficit increased by Sk 26.3 billion). Unlike in the same period in 2004, the pro-liquidity influence of the central government sector was coupled by the effect of growth in MFI receivables from the private sector (a month-on-month increase of Sk 13.6 billion, in 2004 Sk 0.7 billion). The cumulative impact of these factors led to growth in the most liquid money supply components and an increase in the year-on-year rate of M3 growth. Deposits and received loans repayable on demand increased month-on-month by Sk 16.7 billion (which was Sk 5.2 billion more than the month-on-month increase in December 2004) and deposits and loans taken with an agreed maturity of up to 2 years grew by Sk 12.5 billion. A pro-growth effect on M3 was also exerted by its less liquid components, which decreased month-on-month by only Sk 1.3 billion in total, compared with Sk 5.3 billion in the same period in 2004 (debt securities issued for up to 2 years decreased by as much as Sk 6.9 billion).

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

**Table 7 Comparison of Month-on-Month Developments in Monetary Aggregates (ECB methodology)**

	Volume in billions of Sk ¹⁾			Year-on-year change in %	
	Dec. 2004	Nov. 2005	Dec. 2005	Nov. 2005	Dec. 2005
Currency in circulation	100.5	114.9	119.8	17.5	19.3
Deposits and loans taken, repayable on demand	304.3	349.5	366.2	19.4	20.3
M1	404.7	464.4	486.0	18.9	20.1
Deposits and loans taken, with an agreed maturity of up to 2 years	310.9	272.7	285.2	-9.0	-8.3
Deposits redeemable at a period of notice of up to 3 months	16.0	14.6	14.8	-9.1	-7.7
M2	731.7	751.7	786.0	6.4	7.4
Money market fund shares/units	32.7	46.0	45.9	49.9	40.1
Repo operations	2.7	0.0	0.0	-	-
Debt securities issued with a maturity of up to 2 years	4.1	0.8	-0.4	-	-
M3	771.2	798.4	831.4	6.3	7.8

Source: NBS.

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

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

The dynamics of the M3 monetary aggregate weakened in 2005 in comparison with 2004, due to a smaller overall year-on-year increase. In 2005, the M3 aggregate increased in cumulative terms by Sk 60.2 billion, compared with Sk 90.7 billion in 2004. The source of M3 growth last year was primarily an increase in MFI receivables from the private sector (Sk 108 billion), which was more than twice the figure for 2004. The pro-growth influence of lending activities on the volume of deposits and currency in circulation was in large part offset in 2005 by a modest inflow of funds from the central government budget, which ended the year with a deficit 50% smaller than in 2004. In addition, part of the funds created within the scope of increase in loans was probably not reflected in the increase in deposits within M3, but was used in investments with a higher rate of return outside the money supply. The substitutes of bank deposits in 2005 were in part investments in mutual fund shares/units (bond and shares funds; the growth in investment via money market funds, which are part of M3, slowed). In 2005, the growth in the total net sales of open-end investment funds exceeded the level of sales in 2004 by approximately Sk 10.4 billion. The long-term financial liabilities of banks, which are not part of M3, also absorbed part of the funds created in 2005. In connection with the increased trade deficit, we can assume that the outflow of funds abroad to some extent represented another channel, which moderated the year-on-year increase in M3.

In comparison with 2004, the internal structure of M3 also changed in 2005, when the dominant tendency was to invest funds in the most liquid assets, forming the M1 sub-aggregate. The volume of deposits and received loans tied for a period of up to 2 years and redeemable at 3 months' notice decreased in 2005. Unlike in 2004, developments in the less liquid M3 liabilities also tended to reduce the rate of M3 growth.

Main M3 Components

Growth in M1 and M2; growth in deposits and loans taken repayable on demand

The most liquid monetary aggregate (M1) grew in volume by Sk 21.6 billion month-on-month in December, to Sk 486.0 billion, and maintained a stable rate of growth (around 20%).

The December M1 increase took place in deposits and received loans repayable on demand (Sk 16.7 billion) and in the volume of currency in circulation (Sk 4.9 billion). Both M1 components maintained a rapidly growing tendency, but deposits and received loans repayable on demand were decisive factors in the growth of the M1 aggregate as a whole (they accounted for 75%).

Within the structure of the M2 aggregate, longer-term funds increased in December, mainly deposits and loans taken with an agreed maturity of up to 2 years (by Sk 12.5 billion). Since deposits redeemable at a period of notice of up to 3 months grew by Sk 0.2 billion, the M2 monetary aggregate increased by a total of Sk 34.3 billion.



The total volume of less liquid M3 components decreased in December, mainly due to a fall in debt securities issued with a maturity of up to 2 years (by Sk 1.2 billion) and in issues of money market fund shares/units (by Sk 0.1 billion).

Decrease in the volume of less liquid M3 components

Investment Through Open-End Investment Funds

At the end of January 2006, the net value of Sk-denominated assets held by open-end investment funds (OIFs) reached Sk 133.6 billion. The net sales of Sk-denominated OIF assets reached Sk 1.3 billion in January and the net sales in Slovakia of OIF assets denominated in foreign currency amounted to Sk 0.4 billion.

Net value of assets and net sales of open-end investment funds

While the rate of growth in the net monthly sales of OIF assets in Sk slowed over the course of 2005, foreign-currency sales increased and became higher from approximately the middle of the year (but their monthly volumes were markedly lower: they reached only a quarter of the volume in Sk and/or 7.2% in cumulative terms in 2005). The reason behind the growing interest in investment in OIF assets in foreign currency is partly the falling yields at traditional koruna funds (bond and money market funds) and partly the revival of shares funds dealing in foreign-currency shares.

Table 8 Overview of Net Sales of Open-End Investment Funds
(month-on-month change in billions of Sk)

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

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

Main M3 Counterparts

The total volume of MFI receivables from residents (including securities issued by clients and held by MFIs) increased month-on-month by Sk 17.1 billion in December. The increase took place in the receivables of MFIs from the private and public sectors (Sk 13.6 billion and Sk 3.5 billion respectively). The year-on-year rate of growth in total MFI receivables from residents accelerated in comparison with the previous month by 2.4 percentage points, to 12.2%.

Continuing growth in the total volume of MFI receivables (including securities) from residents

The month-on-month increase in MFI receivables from the private sector (including securities) reached Sk 13.6 billion in December, when MFI receivables increased by Sk 14.1 billion and the volume of securities issued by the private sector decreased by Sk 0.4 billion.

Continuing growth in MFI receivables from the private sector

The December increase in MFI receivables from the private sector (excluding securities) reached Sk 13.9 billion, and took place in MFI receivables from households (Sk 5.7 billion), non-financial corporations (Sk 4.3 billion), and financial corporations (Sk 3.9 billion).

Among the counterparts of the M3 monetary aggregate, bank receivables and securities increased in cumulative terms by Sk 86.2 billion in 2005 (which was Sk 40.3 billion more than in 2004). Of this amount, bank receivables from the private sector accounted for Sk 109.2 billion (Sk 87.8 billion more) and long-term financial liabilities Sk 12.4 billion (Sk 45.6 billion more). On the other hand, net foreign assets decreased by Sk 75.5 billion (Sk 76.6 billion less) and MFI receivables and securities vis-à-vis the public sector by Sk 21.7 billion (Sk 43.6 billion less).

Within the structure of MFI receivables from households, the largest increase took place in loans for house purchase (Sk 3.8 billion). Other loans increased month-on-month by Sk 2.1 billion, while consumer loans decreased by Sk 0.3 billion.

The total volume of long-term financial liabilities of MFIs (excluding capital and reserves) increased by Sk 3.1 billion in December, due to growth in deposits and loans taken with an agreed maturity of over 2 years (Sk 3.7 billion) and deposits redeemable at a period of notice of over 3 months (Sk 0.1 billion).

Growth in the total volume of long-term financial liabilities



Table 9 Main Counterparts of M3 (ECB methodology)

	Volume in billions of Sk ¹⁾			Year-on-year change in %	
	Dec. 2004	Nov. 2005	Dec. 2005	Nov. 2005	Dec. 2005
Net foreign assets	337.2	277.2	261.7	-22.2	-22.4
Foreign assets	591.6	585.4	589.7	19.2	-0.3
Foreign liabilities	254.4	308.2	328.0	129.2	28.9
Receivables of MFIs from residents (incl. securities)	709.1	778.3	795.4	9.8	12.2
Receivables from the general government	295.2	270.0	273.5	-8.7	-7.4
Receivables from the private sector	413.9	508.3	521.9	23.0	26.1
Deposits and loans taken from central government	125.4	92.9	61.3	-40.6	-51.1
Long-term financial liabilities (excl. capital and reserves)	98.4	99.7	102.9	5.4	4.6
Deposits and loans taken, with an agreed maturity of over 2 years	51.8	53.8	57.5	11.6	11.0
Deposits redeemable at notice of over 3 months	34.4	27.7	27.8	-20.5	-19.1
Debt securities issued with a maturity of over 2 years	12.2	18.3	17.6	57.3	44.6
Other items net	51.3	64.4	61.4	1.6	19.7
Capital, reserves, and provisions	82.5	92.8	90.4	1.9	9.5
Other liabilities	42.0	56.6	46.8	25.4	11.5
Surplus of liabilities among MFIs	0.0	-5.1	0.0	-	-
Fixed assets	36.6	33.6	34.4	-5.6	-6.1
Other assets	36.5	46.3	41.4	26.6	13.2
M3	771.2	798.4	831.4	6.3	7.8

Source: NBS.

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

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

Table 10 Receivables of Monetary Financial Institutions from the Resident Private Sector

	Volume in billions of Sk ¹⁾			Year-on-year change in %	
	Dec. 2004	Nov. 2005	Dec. 2005	Nov. 2005	Dec. 2005
MFI receivables from the private sector (incl. securities)	413.9	508.3	521.9	23.0	26.1
of which: Securities issued by the private sector	16.3	15.5	15.3	-10.2	-7.3
MFI receivables (excluding securities)	397.7	492.7	506.6	24.5	27.4
Non-financial corporations	225.3	266.5	270.8	13.9	20.2
- up to 1 year	91.6	115.3	117.4	14.0	28.2
- 1 to 5 years	57.9	52.9	52.0	-7.7	-10.2
- over 5 years	75.7	98.3	101.4	30.2	33.8
Financial corporations	44.2	51.1	55.0	30.1	24.4
Insurance companies and pension funds	0.0	0.0	0.0	-	-
Households and non-profit institutions serving households	128.2	175.1	180.8	42.7	41.0
- consumer loans	19.9	25.0	24.7	48.8	24.3
- housing loans	87.9	115.0	118.8	35.1	35.1
- other loans	20.4	35.2	37.3	68.9	83.1

Source: NBS.

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

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

On the other hand, the volume of debt securities issued with a maturity of over 2 years fell by Sk 0.7 billion.

Continuing decrease in net foreign assets

The volume of net foreign assets decreased month-on-month by Sk 15.5 billion in December, when the increase in foreign assets (Sk 4.3 billion) was fully offset by a larger increase in foreign liabilities (Sk 19.8 billion).



As for the other main counterparts of the M3 monetary aggregate, the volume of capital, reserves, and provisions decreased by Sk 2.4 billion.

Developments in the other main counterparts of M3

Structure of MFI Receivables from the Private Sector

House purchase loans to households, which represented roughly two thirds of the total volume of loans granted to households, increased in cumulative terms by Sk 30.9 billion in 2005 (compared with Sk 26.1 billion in 2004). From April 2005, the year-on-year growth rate of bank lending for housing purposes showed a slightly accelerating tendency, then it became stagnant in October (35.1%).

The dynamics of consumer loans again weakened in December (24.3%). In cumulative terms, they grew in volume by Sk 4.8 billion in 2005, while their share of total loans to households was stable throughout the year (14 to 15%). On the other hand, other loans² showed permanently increasing growth dynamics (83.1% in December) and a cumulative annual increase of Sk 16.9 billion in 2005, with their share reaching 20.6% in December.

Table 11 Survey of MFI Receivables from the Resident Private Sector (excl. securities)

	Year-on-year change (%)			Volume (Sk billion)	Change over 12 months (Sk billion)	
	Dec. 2004	Nov. 2005	Dec. 2005	Dec. 2005	2004/2003	2005/2004
MFI receivables (excl. securities)	5.7	24.5	27.4	506.6	21.3	108.9
Non-financial corporations	-8.0	13.9	20.2	270.8	-19.6	45.5
– loans in Slovak koruna	-17.3	8.7	14.6	171.8	-31.4	21.9
– loans in foreign currency	18.7	25.0	31.3	99.0	11.8	23.6
Other financial intermediaries and auxiliary financial institutions	16.8	30.1	24.4	55.0	6.4	10.8
– loans in Slovak koruna	11.3	25.5	17.7	43.0	3.7	6.5
– loans in foreign currency	53.8	51.9	55.8	12.0	2.7	4.3
Insurance corp. and pension funds	–	–	–	0.0	0.0	0.0
– loans in Slovak koruna	–	–	–	0.0	0.0	0.0
– loans in foreign currency	–	–	–	0.0	0.0	0.0
Households and non-profit institutions serving households	36.9	42.7	41.0	180.8	34.5	52.6
– loans in Slovak koruna	36.7	42.0	40.3	178.8	34.2	51.3
– loans in foreign currency	125.8	185.2	175.1	2.0	0.4	1.3
of which: Consumer loans	7.6	48.8	24.3	24.7	1.4	4.8
– loans in Slovak koruna	7.8	48.2	23.8	24.6	1.4	4.7
– loans in foreign currency	–	–	–	0.1	0.0	0.1
of which: House purchase loans	42.3	35.1	35.1	118.8	26.1	30.9
– loans in Slovak koruna	42.2	34.1	34.1	117.8	26.1	29.9
– loans in foreign currency	–	–	–	1.0	0.0	0.9
of which: Other loans	52.5	68.9	83.1	37.3	7.0	16.9
– loans in Slovak koruna	51.0	69.9	84.6	36.4	6.7	16.7
– loans in foreign currency	138.1	36.9	38.8	0.9	0.4	0.3

Source: NBS.

During 2005, the volume of MFI receivables from households grew by Sk 52.6 billion, of which house purchase loans accounted for Sk 30.9 billion, other loans Sk 16.9 billion, and consumer loans Sk 4.8 billion. The increase in loans to households, which was Sk 18.1 billion larger than in 2004, took place in other loans (Sk 9.9 billion), house purchase loans (Sk 4.8 billion), and consumer loans (Sk 3.4 billion). Loans to households are, however, still dominated by loans for house purchase.

The high rate of growth in other loans slowed in the course of 2005, but is still the highest among the individual types of loans to households. This is probably connected with the growth of wages, the acceptance of higher indebtedness among the population, the expanding range of bank products, such as credit cards and current account loans, and the deepening competition among banks, interest rate developments, and the availability of more profitable products on the market.

² Other loans represent loans other than house purchase loans and consumer loans (they are mostly loans connected with current account overdrafts). We assume that other loans were incorrectly recorded by some of the banks as consumer loans at the beginning of 2004 and their increasing share was mainly connected with the elimination of this error.



The volume of loans granted to non-financial corporations in foreign currency increased by Sk 23.6 billion in 2005, while the increase took place exclusively in euro loans (Sk 24.7 billion), since receivables in other foreign currencies decreased by Sk 1.1 billion. Loans to household in foreign currency increased last year by Sk 1.3 billion, of which Sk 1.2 billion took place in euro loans. The share of euro loans to enterprises and households steadily increased (by 4-5 percentage points during the year) and reached more than 93% at the end of the year.

Developments in Monetary Aggregates According to NBS Methodology

With the evaluation of developments in monetary aggregates for December 2005, the NBS has ended the temporary period, during which the aggregates were simultaneously evaluated according to two methodologies (the national methodology and that of the ESCB). With effect from January, the NBS will publish reports on monetary aggregates exclusively according to the harmonised methodology of the ESCB.

Acceleration in the 12-month growth dynamics of M2 (NBS methodology)

The M2 money supply (according to NBS methodology, at current rates) grew month-on-month by Sk 40.2 billion in December, and closed the month at Sk 841.3 billion. The year-on-year rate of growth accelerated in comparison with the previous month by 2.6 percentage points, to 7.1%. Within the structure of M2, a marked increase was recorded in the volume of demand deposits (by Sk 22.6 billion, mainly in corporate deposits). Further increases were recorded in foreign-currency deposits (Sk 7.8 billion, mainly in corporate deposits), time deposits (Sk 4.9 billion), and currency in circulation (Sk 4.9 billion).

Loans to Enterprises and Households

Continued increase in the 12-month dynamics of loans to enterprises and households (NBS methodology)

The volume of loans to enterprises and households (according to NBS methodology, at current rates) grew month-on-month by Sk 12.2 billion, to Sk 511.8 billion at the end of December. The year-on-year dynamics of bank lending accelerated in comparison with the previous month by 3.6 percentage points, to 27.8%.

The December increase in loans to enterprises and households took place partly in koruna loans (Sk 5.7 billion, of which Sk 1.5 billion was granted to enterprises and Sk 4.2 billion to households) and partly in foreign-currency loans (Sk 6.4 billion).

Fiscal Developments

Net credit to the general government

Net credit to the general government (including the National Property Fund [NPF], at current rates) increased by Sk 38.1 billion in December, to Sk 388.1 billion at the end of the month.

The December increase in net credit to the general government was mainly caused by a month-on-month deterioration in current budgetary performance (by Sk 26.3 billion), which resulted in a budget deficit of Sk 33.9 billion at the end of 2005.

The level of net credit to the general government was also affected by a decline in the commercial bank deposits of regional self-governments and the NPF (by Sk 4.9 billion). On the other hand, a downward effect on net credit to the general government was exerted by an increase in the commercial bank deposits of non-budgetary funds of state authorities (Sk 1.3 billion) and a decrease in loans granted to state authorities (Sk 0.3 billion).

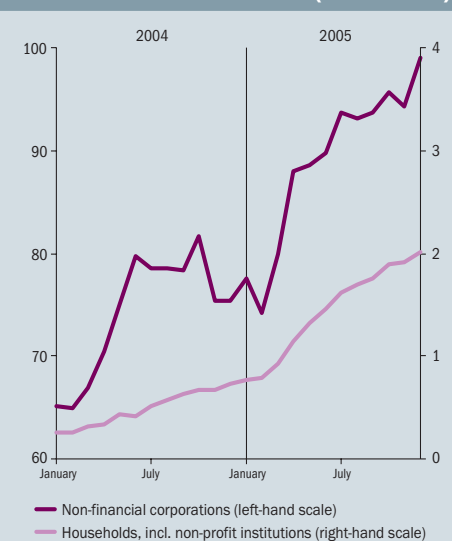
Current budgetary developments

In January, budget revenue reached Sk 32.8 billion and expenditure Sk 20.7 billion, as a result of which the State budget achieved a record surplus of Sk 12.1 billion – the highest during the existence of the Slovak Republic.

Primary market for SR Treasury bills

No Treasury-bill issues were placed on the market in January.

Chart 5 Developments in Foreign-Currency Loans
(Sk billions)



Source: NBS and Statistical Office of the SR.

3.2. External Trade

Balance of Payments from January to November 2005

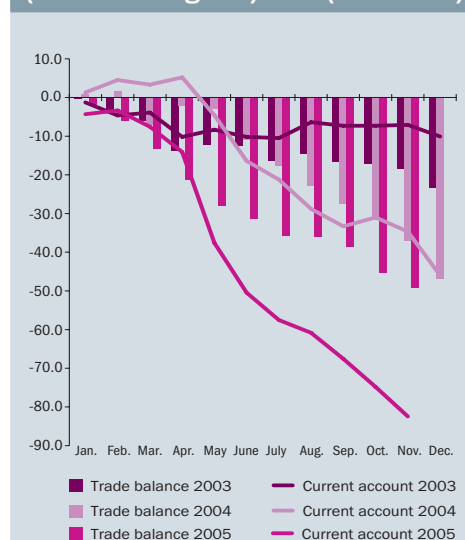
The deficit in the balance of payments on current account increased year-on-year by Sk 50.1 billion, mainly due to increases in trade and income balance deficits, and a decrease in the surplus of current transfers. The only item to record an improvement in comparison with the same period a year earlier was the balance of services.

Current account

	Jan. – Nov. 2005	Jan. – Nov. 2004
Balance of trade	-49.2	-34.8
Exports	909.9	821.4
Imports	959.1	856.2
Balance of services	9.7	8.6
Balance of income	-43.6	-13.2
of which: Income from investment	-69.4	-27.4
of which: Reinvested earnings	-32.9	0.0
Current transfers	0.6	7.0
Current account in total	-82.5	-32.4

Source: NBS and Statistical Office of the SR.
Note: Foreign trade in 2004, according to the methodology for 2005.

Chart 6 Balance of Trade and Current Account Developments (cumulative figures) (Sk billions)



Source: NBS and Statistical Office of the SR.

In comparison with the same period in 2004, exports increased by 10.8% (16.6% in USD and 15.1% in EUR) and imports by 12.0% (17.9% in USD and 16.3% in EUR).

The steepest year-on-year increases in exports took place in chemical products, semi-finished goods, and machines, but were somewhat smaller than in the same period last year. In a breakdown by commodity, the most significant increases in the category 'chemical products and semi-finished goods' took place in the exports of iron and steel, iron and steel products, plastics and plastic goods, and wood products. In the 'machinery and transport equipment' category, the share of machinery continued to increase on a year-on-year basis (mainly due to growth in the exports of televisions, radios, automatic data processing machines, boilers, etc.). The increase in machinery within this category was partly offset by a marked year-on-year decline in the exports of transport vehicles (the steep year-on-year decline replaced last year's increase), caused by a downturn in the exports of motor vehicles and components. The year-on-year decline in the exports of transport vehicles moderated for the third successive month, and thus contributed to the marked acceleration

Exports

	Year-on-year change in billions of Sk		Proportion of the year-on-year change in % points	
	January – November 2005	January – November 2004	January – November 2005	January – November 2004
Raw materials	13.1	17.8	1.6	2.4
Chemicals and semi-finished goods	34.1	37.2	4.2	5.1
Machinery and transport equipment	31.7	32.5	3.9	4.4
Finished products	9.5	1.6	1.2	0.2
Exports in total	88.4	89.1	10.8	12.2

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



in the year-on-year growth in 'machinery and transport equipment' in comparison with the previous month. Exports also grew at a rate faster than last year in 'finished products', mainly as a result of growth in the exports of dairy products, sugar, pharmaceuticals, and meat. Raw materials exports recorded a smaller year-on-year increase, owing to the fact that the growth in the exports of petroleum-based oils was accompanied by a fall in electricity exports.

Imports Year-on-year growth in imports was mainly recorded in the 'finished products' category, as a result of increased imports of agricultural products (meat, dairy products, cocoa, beverages, etc.) and gradually growing imports of machine engineering products, and electrical consumer goods in particular. On the other hand, the imports of industrial products (mainly furniture and pharmaceuticals) and automobiles grew at a slower rate than last year. In addition to 'finished products', growth in imports was also recorded in 'raw materials', whose year-on-year increase exceeded the figure for the same period in 2004 (the growth in raw materials imports was mainly caused by the high price of oil on the world markets). There were smaller year-on-year increases in the 'machinery and transport equipment' category, mainly as a result of lower imports of motor vehicle parts, components, and accessories, including engines. Smaller year-on-year increases were also recorded in the imports of chemical products and semi-finished goods, due to lower imports of chemical fibres, carpets, wool, cotton, and slower year-on-year growth in the imports of iron and steel, as well as paper.

Table 14 Imports from January to November, Year-on-Year Changes

	Year-on-year change in billions of Sk		Proportion of the year-on-year change in % points	
	January – November 2005	2004	January – November 2005	2004
Raw materials	26.4	21.5	3.1	2.9
Chemicals and semi-finished goods	20.6	28.6	2.4	3.8
Machinery and transport equipment	23.8	29.7	2.8	4.0
Finished products	32.1	25.6	3.7	3.4
of which: Agricultural and industrial goods	18.2	16.2	2.1	2.2
Passenger cars	1.1	5.3	0.1	0.7
Machines and electrical consumer goods	12.8	4.1	1.5	0.5
Imports in total	102.9	105.4	12.0	14.0

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

Balance of services The balance of services resulted in a surplus of Sk 9.7 billion, which represented an improvement of Sk 1.1 billion compared with the same period in 2004. The increase in the positive balance of services was mainly a result of growth in the surplus of tourism services, caused by faster growth in receipts than in expenses. The improvement in tourism services was offset by a decrease in net income from transport, caused by increased payments for air passenger transport and lower receipts from the transit of gas. The increase in the services-balance surplus was also dampened by an increase in deficit in 'other services in total'. The increase in the deficit was mainly caused by larger shortfalls in financial and construction services.

Income and current transfers balances The income balance deteriorated on a year-on-year basis, due to an increase in the shortfall of proceeds from investment. The increased deficit in proceeds from investment was caused by growth in the payments of reinvested earnings and dividends. Dividends paid to foreign direct investors increased year-on-year by Sk 10.7 billion and estimated reinvested earnings (which started to be monitored in 2005, owing to a change in methodology) recorded an increase of Sk 32.9 billion. Within the balance of income, the steep increase in deficit in proceeds from investment was offset by the increased incomes of Slovak citizens working abroad (caused by a methodological change relating to the incomes of persons working abroad, from net income to gross income). Taxes and social contributions paid abroad, which are responsible for the gap between gross and net wages, were included in current transfers and, together with an increase in transfers abroad by legal entities, caused the positive balance of current transfers to diminish on a year-on-year basis.

Capital and financial account Over the past eleven months, the capital and financial account generated a surplus of Sk 138.5 billion (compared with Sk 60.8 billion in the same period a year earlier). The year-on-year increase in the financial account surplus was mainly caused by an increase in the amount of short-term funds obtained by commercial banks from abroad and an increase in the reinvested earnings of non-residents in the SR (resulting from a methodological change in effect since 2005), which was the main factor behind the year-on-year growth in the positive balance of direct investments.

Table 15 Balance of Payments Capital and Financial Account		(Sk billions)
	Jan. – Nov. 2005	Jan. – Nov. 2004
Capital account	-0.4	4.3
Direct investment	50.9	35.1
SR abroad	-4.2	5.0
of which: Equity capital abroad	-2.1	-1.4
Reinvested earnings	-1.1	0.0
In the SR	55.1	30.1
of which: Equity capital in the SR	17.3	25.3
of which: Other than privatisation	17.3	22.4
Reinvested earnings	34.0	0.0
Portfolio investment and financial derivatives	-24.8	36.9
SR abroad	-25.1	-15.4
In the SR	0.3	52.3
Other long-term investment	-7.2	-9.6
Assets	-7.4	-3.3
Liabilities	0.2	-6.3
Other short-term investment	120.0	-5.9
Assets	-14.3	-16.9
Liabilities	134.3	11.0
Capital and financial account	138.5	60.8

Source: NBS.

From January to November 2005, foreign direct investment (FDI) resulted in a surplus of Sk 50.9 billion, representing a year-on-year increase of Sk 15.8 billion. The increase in the balance surplus was mainly generated by a foreign capital inflow into the SR in the form of direct investments, which grew year-on-year by Sk 25.0 billion. The growth in FDI was mostly stimulated by reinvested earnings, the estimated amount of which reached Sk 34.0 billion, and partly by credits drawn in increased amounts from parent companies from abroad. On the other hand, the inflow of equity capital declined year-on-year by Sk 8.0 billion, with its volume totalling Sk 17.3 billion. The largest inflows were recorded in industry, trade, and financial intermediation.

Foreign direct investment

Portfolio investment resulted in a net outflow of Sk 24.8 billion, compared with a net inflow of Sk 36.9 billion last year. This represented a year-on-year change of Sk 61.7 billion, and was due partly to growing interest in foreign securities, mainly on the part of insurance corporations and investment funds, and partly to a eurobond repayment, which, unlike last year, was not accompanied by a new issue.

Portfolio investment

The inflow of foreign capital within the scope of other investments reached Sk 112.8 billion. This represented a year-on-year increase of Sk 128.3 billion and was the result of an inflow of short-term capital into the banking sector, in both foreign and domestic currency.

Other investments

From the beginning of January to the end of November, the volume of short-term deposits from non-residents at Slovak banks (including the amount paid to ČSOB) reached Sk 119.3 billion. The growth in the volume of short-term deposits was the main factor in the inflow of capital into the banking sector. The overall inflow of capital into the banking sector contributed Sk 90.5 billion to the year-on-year growth in other investments.

The corporate sector financed mostly trade-related activities. Over the first 11 months of 2005, the amount of import credit received was exceeded by that of export credit provided, which led to an outflow of funds of Sk 9.3 billion. In the financing of entrepreneurial entities, the period from January to the end of November saw an inflow of funds of Sk 3.2 billion (compared with an outflow of Sk 14.5 billion in the same period a year earlier). The year-on-year change from an outflow of funds to an inflow in financial credits to entrepreneurial entities was the main factor contributing to the year-on-year increase in other investments (by almost Sk 22.7 billion).

The outflow of funds from the government sector (including the NBS) in the amount of Sk 14.3 billion was connected with the first liability instalment to ČSOB Praha. The outflow of capital in connection with the repayment of long-term government and NBS loans was greatly exceeded by a year-on-year change in repo operations. The lower outflow of capital in the government sector (including the NBS), compared with the previous year, contributed to the year-on-year growth in other investments (by Sk 15.0 billion).

**Foreign exchange reserves of the NBS**

The foreign exchange reserves of the NBS increased by Sk 69.4 billion, i.e. USD 2.5 billion (excluding exchange rate differentials).

The growing current account deficit, exceeding the inflow of funds into the corporate sector, coupled with the sale of foreign currency to the Central Bank, caused a marked decrease in the net foreign assets of the banking sector.

Table 16 Balance of Payments Adjusted for Government and NBS Activities**(Sk billions)**

	January – November 2005	
	Actual ¹⁾	Adjusted ²⁾
Current account	-82.5	-101.9
Capital and financial account	138.5	41.5
of which: FDI in Slovakia – equity capital	17.3	17.4
Items not elsewhere included	13.3	13.3
Interventions by the NBS ³⁾	0.0	-93.7
Change in the net foreign assets of commercial banks (- increase)	-	140.8
Change in NBS reserves (- increase)	-69.4	-

Source: NBS.

1) Original balance of payments structure, i.e. effect of receipts and payments on NBS reserves.

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 real source of finance for the current account.

3) In the original balance of payment structure, interventions are part of the foreign exchange reserves of the NBS.

External Debt of Slovakia at 30 November 2005**Gross external debt**

At the end of November 2005, Slovakia's total gross external debt stood at USD 26.2 billion (EUR 22.2 billion), representing a month-on-month increase of USD 147.4 million (EUR 730.1 million) as a result of developments in the EUR/USD exchange rate. The structure of external debt by currency was dominated by foreign liabilities in EUR. Total long-term foreign debt increased over the period under review by USD 46.8 million and total short-term foreign debt grew by USD 100.6 million.

Within the scope of short-term external debt, the short-term foreign liabilities of commercial banks decreased by USD 161.0 million, the short-term foreign liabilities of entrepreneurial entities increased by USD 179.3 million, and the foreign liabilities of the SR Government and the NBS grew by USD 82.4 million.

Within the scope of long-term external debt, the period under review saw a decrease in the foreign liabilities of the Government and NBS (USD 85.5 million), accompanied by increases in the liabilities of commercial banks (USD 79.8 million) and the liabilities of entrepreneurial entities (USD 52.5 million).

Table 17 External Debt of the SR

	In millions of USD			In millions of EUR		
	31.12.2004	31.10.2005	30.11.2005	31.12.2004	31.10.2005	30.11.2005
Total external debt of the SR	23,763.6	26,100.5	26,248.0	17,454.6	21,482.8	22,212.9
Long-term external debt	13,315.8	12,072.5	12,119.2	9,780.6	9,936.7	10,256.2
Government and NBS ¹⁾	6,691.4	6,087.8	6,002.3	4,914.9	5,010.7	5,079.6
Commercial banks	496.3	838.1	917.9	364.6	689.9	776.8
Entrepreneurial entities	6,128.1	5,146.6	5,199.1	4,501.1	4,236.1	4,399.8
Short-term external debt	10,447.8	14,028.0	14,128.7	7,674.0	11,546.1	11,956.7
Government and NBS	209.3	0.0	82.4	153.8	0.0	69.7
Commercial banks	5,380.2	8,739.2	8,578.3	3,951.8	7,193.1	7,259.6
Entrepreneurial entities	4,858.3	5,288.7	5,468.0	3,568.4	4,353.0	4,627.4
Foreign assets	23,367.0	25,485.5	25,542.8	17,163.3	20,976.5	21,616.0
Net external debt	396.6	615.0	705.2	257.9	506.3	596.9
SKK/USD and SKK/EUR rates	28.496	32.142	32.016	38.796	39.051	37.832
EUR/USD cross exchange rate	-	-	-	1.361	1.215	1.182

Source: NBS.

1) Including government agencies and municipalities.



At the end of November, Slovakia's per-capita gross foreign debt stood at USD 4,879. The share of short-term debt in the country's total gross external debt remained at the level of the previous month, and stood at 53.8% at the end of November 2005.

The net external debt of Slovakia - expressed as the difference between gross foreign debt, i.e. USD 26.2 billion (liabilities of the Government, the NBS, commercial banks, and the corporate sector - except for capital participation), and foreign assets, i.e. USD 25.5 billion (foreign exchange reserves of the NBS, foreign assets of commercial banks and the corporate sector - except for capital participation), reached USD 0.7 billion (debtor position) at the end of November 2005.

Net external debt**Current Developments**

The trade and income balance deficits were only partly offset by surpluses in the services and transfer balances and caused the current account deficit for the period from January to December 2005 to increase, to Sk 111.7 billion.

Table 18 Balance of Payments Current Account		(Sk billions)
	Jan. – Dec. 2005	Jan. – Dec. 2004
Balance of trade	-74.3	-44.7
Exports	991.6	889.7
Imports	1,065.9	934.4
Balance of services	9.9	8.6
Balance of income	-48.6	-13.2
of which: Income from investments	-76.6	-29.4
of which: Reinvested earnings	-37.8	0.0
Current transfers	1.3	5.5
Current account in total	-111.7	-43.8

Source: NBS and the Statistical Office of the SR.
Note: Foreign trade in 2004, according to the methodology applied in 2005.

In comparison with the same period in 2004, exports grew by 11.5% (15.9% in USD and 15.6% in EUR) and imports by 14.1% (18.6% in USD and 18.4% in EUR).

Balance of trade

Table 19 Monthly Data on the Current Account by Component											(Sk billions)	
	2005											
	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.
Balance of trade	-1.9	-4.2	-7.2	-8.0	-6.5	-3.5	-4.5	-0.3	-2.4	-6.8	-3.8	-25.2
Balance of services	1.0	0.9	3.4	0.9	-0.2	-0.8	1.2	1.8	0.5	1.4	-0.4	0.2
Balance of income	0.1	0.8	-1.1	-1.0	-15.4	-8.3	-2.7	-3.8	-6.0	-2.2	-4.0	-5.0
Current transfers	-3.5	3.4	0.8	1.7	-1.4	-0.3	-1.1	-1.1	1.2	0.3	0.6	0.7
Current account	-4.3	0.9	-4.1	-6.4	-23.5	-12.9	-7.1	-3.4	-6.7	-7.3	-7.6	-29.3
Source: NBS and the Statistical Office of the SR.												

In January, exports are expected to experience a marked upturn in comparison with the previous month. After the December decline, the upturn in exports will in all probability be reflected in all categories of goods. In imports, which reached a high level in December, the value of imported goods is expected to fall in January, mainly as a result of lower imports of goods for final consumption and machines.

The value of exports is expected to increase steadily in February and March. Exports will mostly increase in March, when automobile production at the PSA is expected to begin. Imports are also expected to grow steadily, mainly as a result of increased imports of semi-finished goods, goods for final consumption, and machines.

At the end of January, the total foreign exchange reserves of the NBS stood at USD 15,754.6 million, representing a month-on-month increase of USD 275.1 million. The increase in foreign exchange reserves in comparison with the end of December 2005 resulted from a surplus in the balance of receipts and expenses, caused largely by income from repo transactions (USD 241.8 million) from NBS portfolio. The increase was

Total foreign exchange reserves of the NBS



partly offset by negative exchange rate differentials (USD 16.3 million), resulting from changes in the USD/EUR cross-rate in the period under review. At the end of January, the volume of foreign exchange reserves was 4.9 times greater than the volume of monthly imports of goods and services to Slovakia in 2005.

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

In January, the exchange rate of the Slovak koruna appreciated in comparison with the previous month against all currencies (except for the Swedish koruna) by 0.1-2.8%. In relation to the selected currencies of Slovakia's main trading partners, the koruna appreciated as follows: against the Czech koruna by 0.2%, against the reference currency (euro) by 1.0%, and against the US dollar by 2.8%.

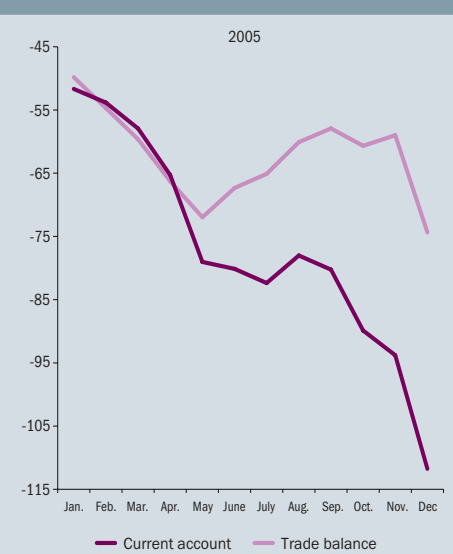
The year-on-year rate of appreciation in the average monthly SKK/EUR rate increased slightly in January compared with December (to 2.9%), at the same time as the depreciation of the koruna against the USD slowed to 5.7% and against the CZK to 2.4%.

The 12-month dynamics of the nominal effective exchange rate (NEER)³ moderated to 0.9% in January, from 1.1% in December.

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

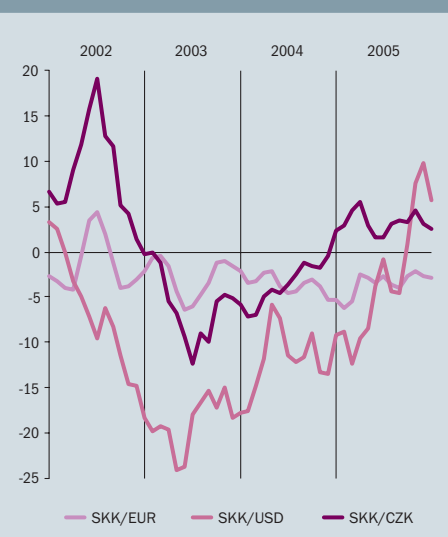
The year-on-year dynamics of the real effective exchange rate (NEER) increased in December, on the basis of all price deflators under consideration. Owing to different developments in December 2004, however, the REER index based on consumer prices (CPI) rose more significantly, while that based on industrial producer

Chart 7 Balance of Trade and Current Account Developments (12-month cumulative figures) (Sk billions)



Source: NBS and the Statistical Office of the SR.

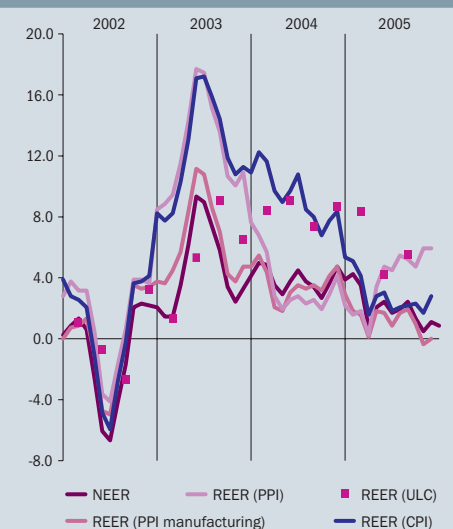
Chart 8 Year-on-Year Changes in the Average Monthly Exchange Rates of the Slovak Koruna (%)



Source: NBS.

Note: + depreciation, - appreciation.

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



Source: NBS.

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

Table 20 Year-on-Year Dynamics of the NEER and REER Indices (change in %)

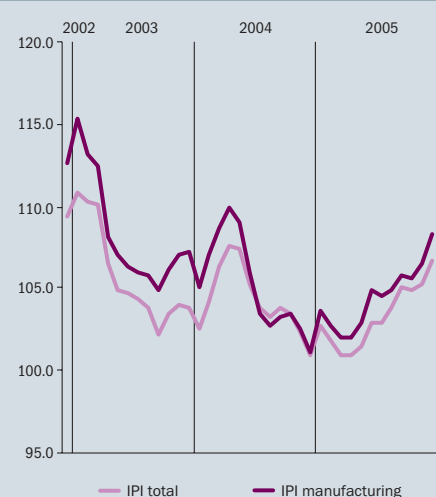
For 9 partners, based on the deflator:	NEER	REER (CPI)	REER (PPI)	REER (PPI manuf.)	REER (ULC) ²⁾
2002	2.1	4.1	3.6	3.4	3.3
2003	3.2	11.3	10.8	4.7	6.5
2004	4.7	8.3	4.1	4.7	8.8
September 2005 ¹⁾	2.4 / -0.0	2.2 / 0.4	5.3 / 3.8	2.0 / 0.3	5.5 ^(p)
October 2005 ¹⁾	1.4 / -0.9	2.4 / 0.1	4.8 / 1.1	0.9 / -1.1	–
November 2005 ¹⁾	0.5 / -0.8	1.7 / 0.5	6.0 / 4.1	-0.4 / -1.6	–
December 2005	1.1	2.7	6.0	0.0	.
January 2006 ¹⁾	0.9 / 0.7	.	.	.	–

Source: NBS.

1) Year-on-year change / cumulative change since the beginning of 2005.

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

(p) Preliminary data.

Chart 10 Development of Industrial and Manufacturing Production (3-month moving averages) (index, same period a year earlier = 100)


Source: Statistical Office of the SR.

Note: IPI – Industrial Production Index.

prices (PPI) and manufacturing products prices excluding energy and raw materials prices (PPI manufacturing) rose only slightly. The dynamics of the REER index based on the CPI increased to 2.7%, the index based on the PPI remained virtually unchanged (at 6.0%), and that based on the PPI manufacturing showed zero dynamics (compared with a fall of 0.4% in the previous month).

3.3. Real Economy

Current Developments

Production and Receipts

In December, the year-on-year rate of growth in industrial production markedly accelerated in comparison with November. Industrial output was affected by a significantly accelerated growth in manufacturing production and a continuing year-on-year decline in mining and quarrying, electricity generation and distribution, and in gas and water supply.

**Accelerated growth
in industrial production**

The substantially faster growth in manufacturing production was a result of accelerated growth in the production of foodstuffs, beverages, and tobacco

products; pulp, paper, and paper goods; rubber and plastic products; metals and metal products; machinery and equipment not elsewhere classified; electrical and optical equipment; and renewed growth in the production of transport vehicles. Production grew at a slower rate than in November in timber processing and the manufacture of wood products; the production of chemicals, chemical fibres, and other chemical goods. Output dropped on a year-on-year basis in the production of other non-metal mineral products, while the year-on-year decline in the production of textiles and clothes, and that of coke, refined oil products, and nuclear fuel, continued.

After growing dynamically in previous months, production in the construction sector slowed considerably in December. This was due to a slowdown in domestic production in new construction, reconstruction, and modernisation projects, and a decline in production in construction repair and maintenance work.

**Decelerated growth
in construction**

Retail sales receipts grew at a more moderate rate, as a result of slower growth in receipts in all major retail sectors and a continuing year-on-year decline in receipts from retail trade in foodstuffs, pharmaceuticals, and cosmetics. For the first time in 2005, the receipts of entities specialising in the sale and maintenance of motor vehicles and the retail sale of fuels fell on a year-on-year basis, which was a result of slower growth in proceeds from the sale of motor vehicles and a year-on-year fall in proceeds from the sale of fuels.

**Continuing growth
in receipts
in most service sectors**



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

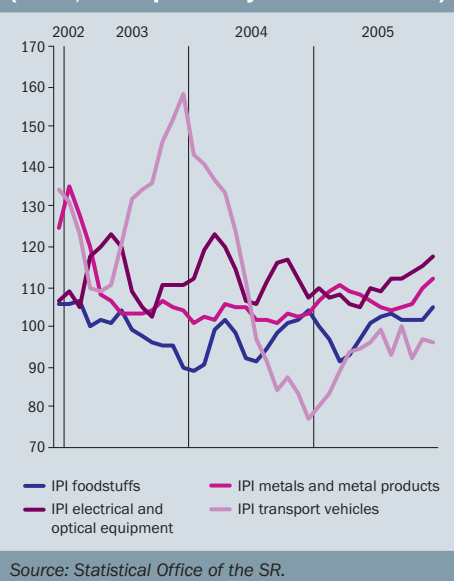
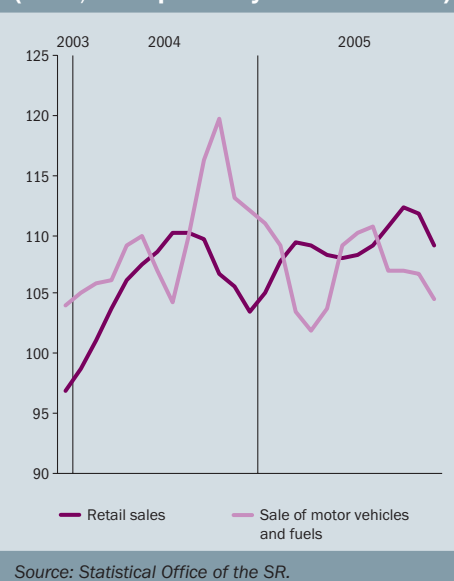


Chart 12 Receipts from Retail Sales and the Sale of Motor Vehicles and Fuels (3-month moving averages) (index, same period a year earlier = 100)



Receipts from real estate, renting, and business activities grew more dynamically than in November, mainly as a result of growth in receipts from computer engineering and related activities, and other business services.

Table 21 Production and Receipts

	Sk millions, curr. prices		Indices			
	Dec. 2005	Cumul. since beginning of year	Nov. 2005 Nov. 2004	Dec. 2005 Dec. 2004	Dec. 2004 Dec. 2003	Jan. – Dec. 2005 Jan. – Dec. 2004
Production						
Industrial production index ¹⁾	–	–	105.8	109.4	100.5	103.8
of which:						
Mining and quarrying	–	–	91.2	98.6	85.3	96.3
Manufacturing	–	–	107.3	112.2	100.3	105.2
Electricity, gas, and water supply	–	–	99.6	98.4	104.2	97.1
Construction ²⁾	11,204	122,220	115.6	100.5	119.4	114.7
of which:						
Construction in Slovakia	10,843	117,058	116.7	100.9	118.9	114.9
Construction abroad	361	5,162	90.6	90.0	133.4	109.2
Receipts from own-output and goods						
Industry in total ³⁾	140,161	1,590,226	109.9	108.9	99.6	104.9
Construction ²⁾	19,828	190,746	123.6	113.7	117.5	117.3
Retail trade ³⁾	39,365	383,782	110.1	104.5	103.0	109.2
Sale and maintenance of vehicles, retail sale of fuels ³⁾	15,649	166,783	107.6	99.1	118.4	105.9
Transport, storage ³⁾	9,541	114,480	113.3	114.3	102.7	113.4
Real estate, renting, and business services ³⁾	19,116	158,598	111.0	116.5	101.8	108.6

Source: Statistical Office of the SR.

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

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

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

Wages, Employment, and Unemployment

In December, the year-on-year rate of growth in nominal wages slowed in comparison with November in all sectors, particularly in wholesale trade. Decreases in nominal wages were, as in the previous two months, only recorded in the sale and maintenance of vehicles, and the retail sale of fuels.

Nominal wages

From January to December 2005, average nominal wages grew at a slower rate than in the same period a year earlier in most sectors. Stronger growth than a year earlier was only recorded in real estate, renting, business activities, and other services.

The average real monthly wage in 2005 exceeded the level of the previous year in all sectors under review, while wage dynamics increased in most sectors. The slower real wage growth in post and telecommunications, as well as the fall in real wages in the sale and maintenance of vehicles and the retail sale of fuels, was a result of dynamic growth in 2004.

Real wages

Table 22 Wage Development by Sector (index, same period a year earlier = 100)

	Average monthly nominal wage				Average monthly real wage			
	Dec.		Jan. – Dec.		Dec.		Jan. – Dec.	
	2004	2005	2004	2005	2004	2005	2004	2005
Industry	108.0	104.4	110.2	106.5	102.2	100.7	102.5	103.7
Construction	112.9	104.2	109.0	106.0	106.6	100.5	101.4	103.2
Retail trade	107.2	105.2	111.6	107.8	101.2	101.5	103.8	105.0
Wholesale trade	121.4	107.7	113.3	111.4	114.6	103.9	105.4	108.5
Real estate, renting, and other business services	107.2	107.1	107.5	112.1	101.2	103.3	100.0	109.2
Transport	109.5	106.5	107.9	107.3	103.4	102.7	100.4	104.5
Post and telecommunications	115.3	105.5	117.0	107.2	108.9	101.7	108.8	104.4
Consumer prices	105.9	103.7	107.5	102.7	–	–	–	–

Source: Statistical Office of the SR.

Notes: The above sectors accounted for 66% of total employment in the Q1 – Q3, 2005 (on average).

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

In sectors, where labour productivity is monitored at current prices, productivity grew from January to December at a faster rate than nominal wages in post & telecommunications and transport, while nominal wages in wholesale trade grew more rapidly than labour productivity (the slower growth in productivity in this sector was probably a result of dynamic growth in employment).

Labour productivity and wages

Table 23 Wages, Labour Productivity, and Employment for January to December 2005 (index, same period a year earlier = 100)

	Industry	Construction	Wholesale trade	Retail trade	Real estate and renting	Transport	Post and telecom.
Wages							
– nominal	106.5	106.0	111.4	107.8	112.1	107.3	107.2
– real	103.7	103.2	108.5	105.0	109.2	104.5	104.4
Labour productivity							
– nominal	–	–	102.8	–	–	115.4	113.8
– real	101.8	107.3	–	101.5	101.5	–	–
Productivity minus wages (% points)							
– nominal	–	–	-8.6	–	–	8.1	6.6
– real	-1.9	4.1	–	-3.5	-7.7	–	–
Employment							
– persons	577,399	142,530	120,037	136,253	136,564	86,006	27,853
– year-on-year index	103.0	106.9	113.3	107.5	107.3	98.3	95.7

Source: Statistical Office of the SR.

Note: Labour productivity is based on receipts from own-output and goods (in the construction sector, on the volume of production).



In real terms, the only sector where labour productivity grew at a faster rate than wages was construction; the other sectors saw more dynamic growth in real wages.

Employment In December, the year-on-year growth in employment slowed in comparison with November in industry, construction, sale and maintenance of vehicles, and wholesale trade. Faster growth than in November was recorded in employment in retail trade; real estate, renting, and business activities; and other services. The level of employment continued to fall in transport, storage, post and telecommunications. From January to December, employment grew most dynamically in average terms in wholesale trade; the sale and maintenance of vehicles; retail trade; real estate, renting, and business activities; and other services.

Unemployment December saw an increase in unemployment in comparison with November. According to data from the Centre for Labour, Social, and Family Matters, the total number of unemployed increased month-on-month by 11,200, to 333,800 in December. The number of disposable unemployed, who may start working immediately, accounted for 293,800, which was almost 12,900 more than in November. The rate of registered unemployment stood at 11.36% in December, representing a month-on-month rise of 0.5 of a percentage point. Compared with December 2004, the unemployment rate dropped by 1.71 percentage points.

In December, 29,200 new job applicants signed on at offices for labour, social, and family matters (compared with 26,600 in November). On the other hand, more than 17,000 persons were removed from the registers (in November more than 26,000). Approximately 21% of these persons were removed from the registers for unwillingness to co-operate, and 52% of them found employment (which was 5.3 percentage points less than in the previous month).

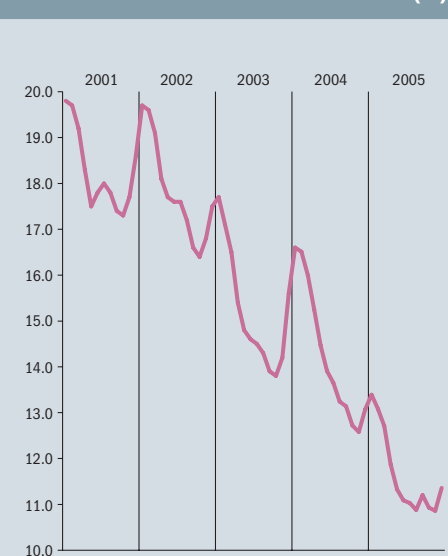
In December, the average length of registration remained unchanged, at 11.89 months (representing a year-on-year decrease of 0.46 of a month). The share of long-term unemployed (out of work for more than 12 months) reached 51.2% in December, representing a month-on-month decrease of 1.5 percentage points.

Consumer Confidence Indicator

Rise in the consumer confidence indicator

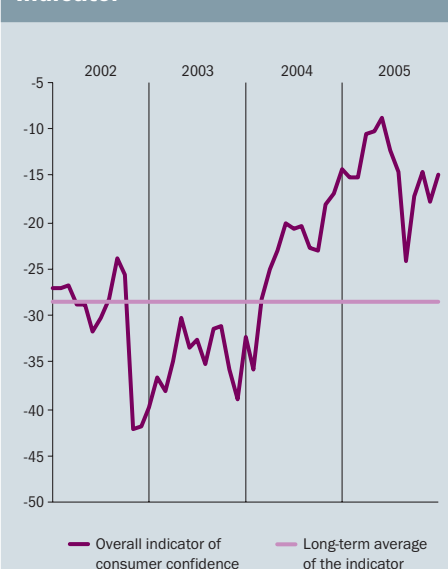
The value of the consumer confidence indicator rose in January, to -14.8 points. This represented a month-on-month improvement of 3.0 points. Compared with December, improvements were recorded in all components of the indicator (expected economic development, expected financial situation of households, expected household savings, and expected unemployment rate in the SR). Compared with the same period last year, the consumer confidence indicator has deteriorated by 0.6 of a point.

Chart 13 Registered Unemployment Rate (%)



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

Chart 14 Consumer Confidence Indicator



Source: Statistical Office of the SR.



4. Monetary Developments

4.1. Foreign Exchange Market

Over the course of January, the exchange rate of the Slovak koruna against the euro strengthened by 1.3% (from SKK/EUR 37.848 to SKK/EUR 37.357), while the average rate appreciated by 1%. The Slovak koruna deviated from its central rate (SKK/EUR 38.4550) most significantly on 26 December 2005, when its exchange-rate value reached SKK/EUR 37.216, representing an appreciation of 3.22% from central parity. In relation to the US dollar, the koruna strengthened by 3.2% (from SKK/USD 31.948 to SKK/USD 30.918), while appreciating in average terms by 2.8%.

Operations on the foreign exchange market

Spot transactions between foreign and domestic banks resulted in a negative balance (USD -248.66 million), i.e. foreign banks sold mostly foreign currency and purchased Slovak koruna.

The National Bank of Slovakia conducted no foreign exchange interventions in January.

Table 24 Changes in the SKK/EUR and SKK/USD Exchange Rates (%)		
	Month-on-month change	$\frac{\text{Ø Jan. 2006}}{\text{Ø Jan. 2005}}$
SKK/EUR	-1.3	-2.9
SKK/USD	-3.2	5.7

Source: NBS.
Note: - appreciation of the SKK, + depreciation of the SKK, Ø average.

The total volume traded on the interbank foreign exchange market reached USD 77,290.9 million in January, representing an increase of 24.6% compared with the figure for December (USD 62,033.9 million). Of the total trading volume, 91.5% took place in swap transactions, which were conducted mostly in USD (95.6%). Spot transactions accounted for 8.1% of the total turnover (95.1% of the deals were in EUR). The average daily turnover on the spot market reached USD 297.89 million and the average volume per transaction amounted to USD 1.93 million.

Interbank foreign exchange market

The volume of transactions between domestic commercial banks decreased, from USD 7,056.4 million in December to USD 8,674 million in January. Most trading took place in USD (65.4%, compared with 63.4% in December), followed by EUR (33.9%, compared with 35.5% in December) and other currencies (0.6% of the total turnover among domestic commercial banks).

Transactions between domestic banks accounted for 11.2% of the total volume traded on the interbank foreign exchange market (compared with 11.4% in the previous month). Of the total volume of transactions between domestic banks, swap operations accounted for 84.2% (83.3% in December) and spot transactions 15.5% (16.6% in December).

The volume of trading between domestic and foreign banks increased by 24.8%, from USD 54,977.5 million to USD 68,617 million. Most trading was again conducted in USD (90.5%, compared with 88.7% in December), followed by EUR (9%, compared with 10.6% in December), and other currencies (0.5%). Trading between domestic and foreign banks continued to dominate the country's foreign exchange market (with a share of 88.8%).

Trading between domestic and foreign banks also took place predominantly in the form of swap operations (92.4%, compared with 91.9% in December), while spot transactions accounted for 7.2% (7.5% in December). The share of forward dealings on the forex market was negligible. Option contracts accounted for 0.3% of the volume traded with foreign banks.

By the end of December, the Slovak-koruna deposits of non-resident banks had increased month-on-month by Sk 2.6 billion and year-on-year by Sk 36.0 billion.

Deposits of non-resident banks

By the end of January, the government securities holdings of non-residents had increased against the previous month by Sk 14.1 billion. The increase took place exclusively in government bonds, since the holdings by non-residents of Treasury bills remained unchanged. The volume of government bonds increased mainly in 10 and 3-year bonds, Issues No. 188 and 200 (by a total of Sk 10.3 billion). The share of non-residents in the total amount of issued government bonds increased in January, and fluctuated between 23.8% and 30.6%.

Government securities held by non-residents



The Agency for Debt and Liquidity Management (ARDAL) held no Treasury-bill auctions in January 2006.

Table 25 Koruna Deposits from Non-Residents and Government Securities Held by Non-Residents (Sk billions)

	2004 31.12.	31.7.	31.8.	2005 30.9.	31.10.	30.11.	31.12.	2006 31.1.
Koruna liabilities	46.4	86.1	101.2	97.6	79.4	81.5	85.0	.
of which: Banks	42.1	79.8	96.0	91.9	73.8	75.5	78.1	.
Non-bank clients	4.3	6.3	5.2	5.7	5.5	6.1	6.9	.
Government securities	66.8	102.0	109.3	103.5	90.0	89.5	84.0	98.2
of which: Government bonds	60.9	100.5	108.2	103.0	90.0	89.5	83.9	98.0
SR Treasury bills	6.0	1.4	1.1	0.5	0.0	0.0	0.1	0.1
Total	113.2	188.1	210.6	201.1	169.3	171.0	169.0	.

Source: NBS and CDCP SR.

Among the central banks under review, the Fed and the NBP adjusted their key interest rates in January: the rates were changed simultaneously and in equal measure (by 0.25 of a percentage point). However, the Fed increased its rates to 4.50% (with effect from 31 January), whereas the NBP reduced them to 4.25%. Both banks followed a long-term trend in setting their key interest rates: the Fed has been raising them since June 2004, while the NBP has been lowering them since April 2005 (in cumulative terms by 3.50 and 2.25 percentage points respectively).

The other central banks left their interest rates unchanged in January. In 2005, the NBS lowered its key rates to 3.0% with effect from 1 March, the BoE to 4.50% from 4 August, and the MNB to 6.0% from 20 September. On the other hand, the CNB raised its key rates by 0.25 of a percentage point, to 2.0% (with effect from 31 October), and the ECB increased them by 0.25 of a percentage point, to 2.25% (from 6 December).

The current interest rate differentials between NBS rates and other key central bank rates are positive vis-à-vis the CNB and ECB (+1.0 / +0.75 of a percentage point). In relation to the NBP, Fed, BoE, and MNB, the interest rate differentials are negative (-1.25 / -1.5 / -1.5 / -3.0 percentage points).

Chart 15 Differentials in the Key Rates of European Central Banks, the ECB, and Fed (in percentage points)



Source: NBS and the relevant central banks.

4.2. Money Market and Monetary Policy Implementation

At its meeting on 31 January 2006, the Bank Board of the NBS decided to leave its key interest rates unchanged.

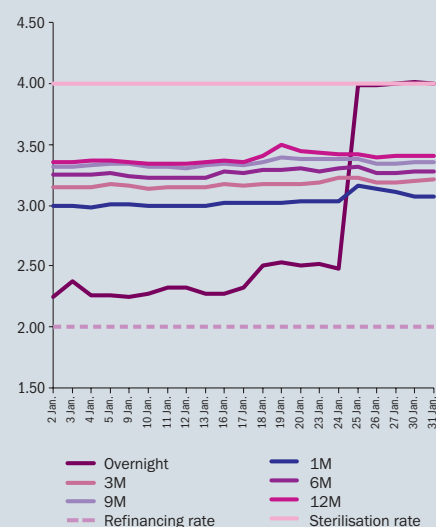
Interbank market rates Average money market rates rose month-on-month in January, for all maturities (except for the overnight rate).

During the first half of January, the overnight rate was below the level of 2.5%, due to a surplus of daily and cumulative liquidity. Its increase in the middle of the month (slightly above the level of 2.5%) was connected with the high demand at a repo tender. The steep rise at the end of the month, to the level of the overnight NBS refinancing rate, was caused by a marked fall in daily liquidity as a result of high demand at the last tender.

In the first half of January, medium and long-term rates were virtually at a standstill. This was due to the concentration of activities in trading at the short end of the yield curve. This situation was not even changed by the opening of koruna positions by foreign banks at the beginning of the new year. The low level of activity on the interbank market was also confirmed by a downturn in trading in FRAs and IRSs.

Chart 16 Developments in Interbank Offered Rates (BRIBOR)

(% p.a.)



Source: NBS.

In the middle of the month, the course of medium and longer-term rates was affected by foreign exchange market developments, when a marked depreciation of the Slovak koruna stimulated increased interest in the purchase of six to twelve-month deposits via swaps. This caused a modest increase in the price of deposits. Interest rates in the second half of the month were mainly influenced by changes in foreign exchange market developments, and fluctuated in both directions.

The volume of trading on the interbank money market reached Sk 2,011 billion in January (compared with Sk 1,707 billion in December). Reference banks accounted for 91.7% of the total turnover (an increase of 0.4%). Of the total volume of purchases and sales on the interbank market, non-resident and resident bank transactions accounted for 68.0% and 32.0% respectively. In interbank transactions, domestic banks achieved the largest share in deposit transactions (51.6%), while non-resident banks led the way in swaps (68.8%).

The average daily volume of sterilised excess liquidity decreased in January by Sk 6.0 billion, to Sk 390.1 billion. The need for sterilisation was reduced partly by the transfer of Treasury funds from accounts held at

Liquidity

commercial banks to an account at the NBS and partly by an increase in the volume of currency in circulation. Of the total volume of open market transactions, repo tenders accounted for 94.9%, NBS bills 3.7%, overnight repo operations 0.9%, and overnight deposits 0.5%.

Table 26 Interbank Transactions

(Šk billions)

	Deposits	Repos	Swaps	FRAs	IRSs
December 2005	656	52	982	14	3
January 2006	745	56	1,184	12	14

Source: NBS.

Table 27 Average Daily Impact of NBS Transactions on the Level of Banking Sector Liquidity

(Šk millions)

	O/N repos	O/N deposits	NBS bills	Repo tenders
December 2005	311	-8,162	-40,776	-347,470
January 2006	3,695	-2,066	-14,722	-377,021

Source: NBS.

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

The NBS announced four sterilisation repo tenders for January. At these tenders, the bids of banks were accepted in full. Despite a sufficiency of daily liquidity at the beginning of the month, banks lowered their bids at the first tender by Šk 6.0 billion. To reduce the resulting surplus, they increased

Repo tenders

Table 28 Tenders in January 2006

Date	Type of tender ¹⁾	Maturity (days)	Volume accepted (Šk millions)	Minimum	Rates (%) Average	Maximum
4.1.2006	SRT	14	198,234	3.00	3.00	3.00
11.1.2006	SRT	14	173,768	2.99	3.00	3.00
18.1.2006	SRT	14	211,449	3.00	3.00	3.00
25.1.2006	SRT	14	184,977	3.00	3.00	3.00

Source: NBS.

1) SRT – Sterilisation repo tender.



their bids at the second tender by Sk 12.6 billion. The subsequent settlement of due and newly issued NBS bills had a pro-liquidity effect and therefore banks again increased their bids at the third and last tenders (by a total of Sk 24.4 billion). The share of repo tenders of the total volume of transactions increased by 7.3%.

NBS bills In January, the NBS held one auction in NBS bills. Demand at the auction reached Sk 28.6 billion, of which the NBS accepted Sk 5.6 billion. The reason behind the lower volume accepted was the demands of investors for higher yields. The share of NBS bills of the total trading volume decreased by 6.6 percentage points.

Overnight transactions In January, banks conducted both types of overnight transactions with the NBS. The surplus of daily and cumulative liquidity, persisting from the beginning of the month to the last repo tender, made it possible for banks to regularly deposit their excess funds with the NBS. Most deposits were made at the beginning of January, in the amount of Sk 8.0 billion. The daily shortage of liquidity at the last tender forced banks to repeatedly purchase funds from the NBS at the end of the month. In order to replenish their required reserves, banks borrowed a record amount of Sk 31.1 billion on the last day.

Reserve requirements For January 2006, the amount of required minimum reserves in the banking sector was set at Sk 22.06 billion. By the end of the month, the reserve requirement had been fulfilled to 100.28%.

Developments in Money Market Interest Rate Derivatives

Trading in FRAs In January, forward rate agreements (FRAs) recorded a decrease in trading volume for the third time. The most intense trading activity took place at the end of the month. Most contracts were concluded between domestic banks (65.3%). Most transactions took place in three-month contracts (67.4%) with implementation in one, three, six, and nine months. Smaller amounts were transacted in six-month contracts with implementation in six months and nine-month contracts with implementation in three months.

Trading in IRSs The volume traded in interest rates swaps (IRSs) multiplied in January. Most transactions took place in

Chart 17 Reserve Requirement Fulfillment in the Banking Sector (Sk billions)



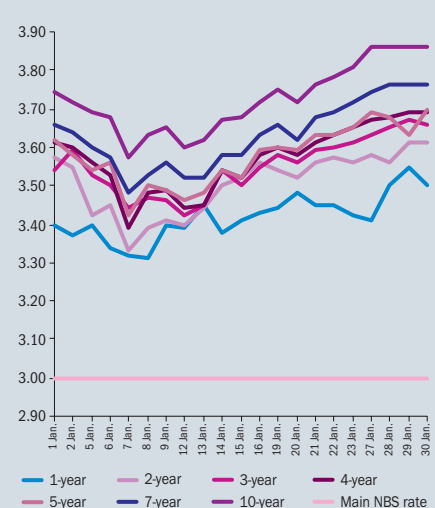
Source: NBS.

Chart 18 Daily Developments in FRAs (% p.a.)



Source: Reuters.

Chart 19 Daily Developments in IRSs (% p.a.)



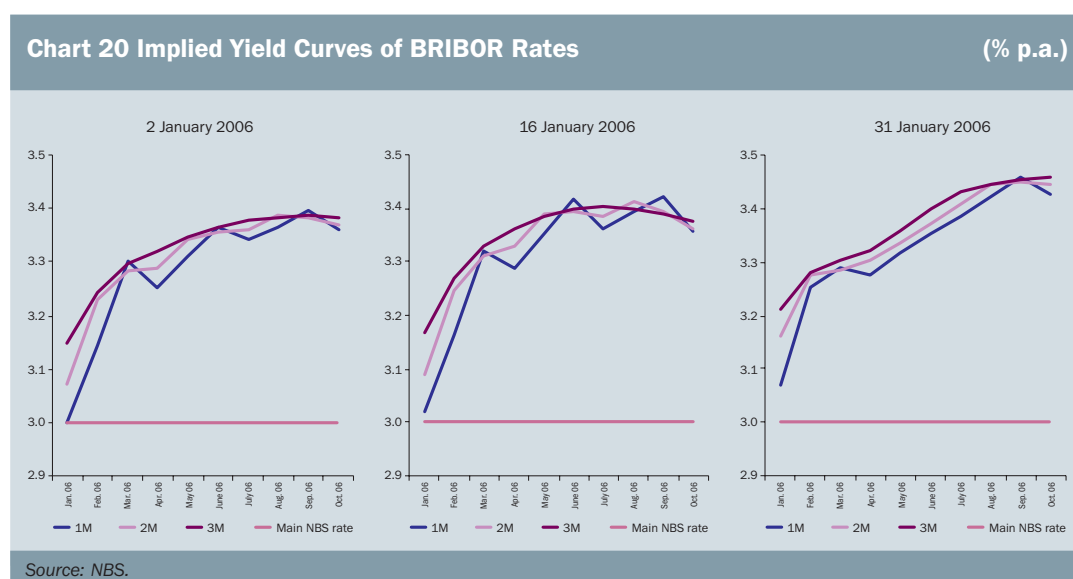
Source: Reuters.



the first half of January. Most IRS contracts were concluded with foreign banks, which achieved a share of 66.2%. Transactions were effected with one-year to ten-year maturities, with most contracts being concluded in one-year IRSs.

As a result of low money market volatility, the implied expectations derived from money market interest rates changed to a minimum extent during the month. At the beginning of January, they included a maximum increase of 24 to 40 basis points in seven to eight months. In the middle of the month, the maximum values remained unchanged. The only change was that the time until the expected interest rate increase shortened to six to eight months. Since the money market yield curve a modest upward shift at the end of the month and its slope moderated, the expected rise in interest rates diminished to 25-39 basis points. At the same time, the time horizon of these expectations expanded to eight to nine months.

Implied yield curves of BRIBOR rates



4.3. Customer Interest Rates in December 2005

Interest rates on new loans to households and non-financial corporations fell slightly in December. Deposit rates for new household deposits were stagnant, while those for new deposits from non-financial corporations dropped.

Customer interest rates

The average interest rate on new loans to non-financial corporations dropped slightly in December (by 0.09 of a percentage point). This was mainly due to a fall in the price of loans with a floating rate and an initial rate fixation (IRF) of up to 1 year.

Average interest rates on new loans

Table 29 Average Interest Rates on New Loans to Non-Financial Corporations					
	Interest rate in %			Change in % points	
	Dec. 2004	Nov. 2005	Dec. 2005	Year-on-year	Month-on-month
Floating rate + IRF ¹⁾ of up to 1 year inclusive	5.38	4.99	4.82	-0.56	-0.17
IRF of over 1 and up to 5 years inclusive	5.74	3.15	4.45	-1.29	1.30
IRF of over 5 and up to 10 years inclusive	5.20	5.24	6.08	0.89	0.86
IRF of over 10 years	6.07	4.14	4.20	-1.87	0.06
Loans of up to EUR 1 million	5.35	4.91	5.39	0.03	0.48
Loans of over EUR 1 million	4.19	3.88	4.25	0.06	0.37
Total	5.38	4.93	4.84	-0.54	-0.09
Total, excluding current account overdrafts	4.52	4.24	4.60	0.07	0.36

Source: NBS.
1) Initial rate fixation.



In a breakdown by purpose, interest rates dropped for investment loans, mainly for loans with a floating rate and a short period of initial rate fixation, and for current account overdrafts. On the other hand, lending rates rose significantly for other loans.

Average interest rates on new loans to households fell slightly in December. Lending rates for house purchase loans continued to fall, mainly for other house purchase loans (by 0.18 of a point). A slight fall was also recorded in interest rates on consumer loans.

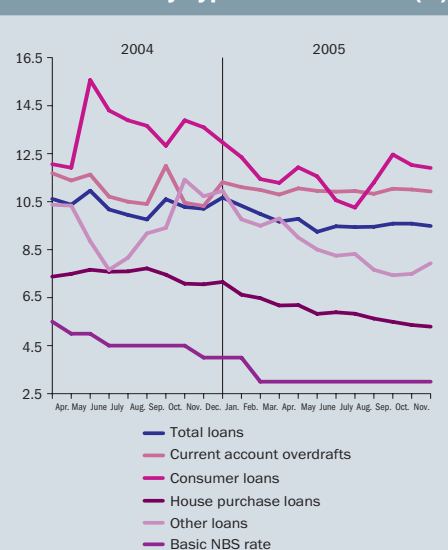
In a breakdown by fixation, interest rates were reduced for loans with a floating rate and an IRF of up to 1 year (owing to a fall in rates for current account overdrafts and consumer loans) and loans with an IRF of over 10 years. On the other hand, lending rates were raised somewhat for loans with an IRF of over 1 and up to 5 years and loans with an IRF of over 5 and up to 10 years.

Table 30 Average Interest Rates on New Loans to Households

	Interest rate in %			Change in % points	
	Dec. 2004	Nov. 2005	Dec. 2005	Year-on-year	Month-on-month
Current account overdrafts	10.32	11.00	10.93	0.61	-0.07
Consumer loans	13.60	12.03	11.90	-1.70	-0.13
Real estate loans	7.06	5.36	5.29	-1.77	-0.07
of which: Mortgage loans	6.76	4.87	4.91	-1.85	0.04
Other loans	10.73	7.49	7.93	-2.80	0.44
Total	10.21	9.58	9.49	-0.72	-0.09
Total, excl. current account overdrafts	10.04	7.14	7.13	-2.92	-0.01

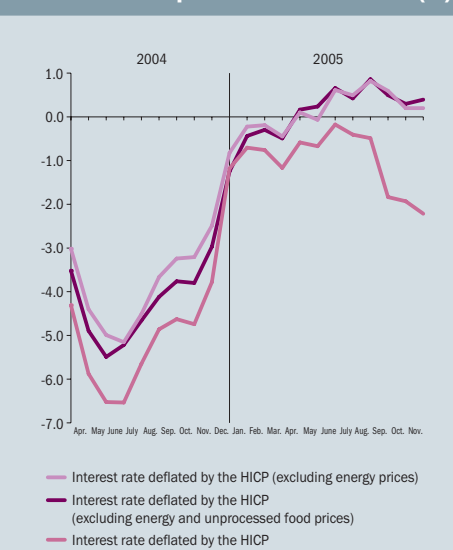
Source: NBS.

Chart 21 Interest Rates on Loans to Households by Type (%)



Source: NBS.

Chart 22 Real Interest Rates on Household Deposits (%)



Source: NBS and the Statistical Office of the SR.

Average interest rates on new deposits

Average interest rates on new deposits from non-financial corporations dropped in December. This was primarily due to drops in rates for savings deposits and deposits with an agreed maturity of over 2 years.

Interest rates on new household deposits have been more or less stagnant since March 2005. A steeper increase was recorded in the rate for deposits with an agreed maturity of over 2 years, the price of which has been rather volatile in the last few months (as deposit rates for non-financial corporations). Since the volume of these deposits is very small, this increase had no effect on the overall interest rate on new loans.

Real interest rates

The real interest rate on household deposits, calculated by deflating the rate of interest on the volume of one-year household deposits by HICP inflation, reached a negative figure in December (-2.21%),

Table 31 Average Interest Rates on New Deposits from Non-Financial Corporations

	Interest rate in %			Change in % points	
	Dec. 2004	Nov. 2005	Dec. 2005	Year-on- year	Month-on- month
Deposits repayable on demand	0.89	0.81	0.64	-0.24	-0.17
Deposits with an agreed maturity					
– of up to 1 year	3.29	2.57	2.55	-0.74	-0.02
– of over 2 years	2.92	1.57	0.66	-2.26	-0.91
Savings deposits redeemable at a period of notice					
– of up to 3 months	2.20	1.35	1.44	-0.76	0.09
– of over 3 months	2.38	1.12	1.12	-1.25	0.00
Total	1.88	1.56	1.37	-0.51	-0.18

Source: NBS.

Table 32 Average Interest Rates on New Deposits from Households

	Interest rate in %			Change in % points	
	Dec. 2004	Nov. 2005	Dec. 2005	Year-on- year	Month-on- month
Deposits repayable on demand	0.58	0.42	0.41	-0.17	-0.01
Deposits with an agreed maturity					
– of up to 1 year	2.32	1.91	1.90	-0.42	-0.01
– of over 2 years	2.66	1.26	1.79	-0.87	0.53
Savings deposits redeemable at a period of notice					
– of up to 3 months	1.79	0.93	0.96	-0.83	0.02
– of over 3 months	1.16	1.06	1.10	-0.06	0.04
Total	0.94	0.68	0.68	-0.26	0.00

Source: NBS.

which represented a fall of 0.28 of a percentage point in comparison with the previous month. Real interest rate developments were influenced by a further rise in inflation, caused mainly by an increase in energy prices, and stagnation in interest rates on one-year household deposits. If, however, inflation is adjusted for energy prices, the value of the real interest rate becomes positive.

Box: Loans to Households for House Purchase and Their Price

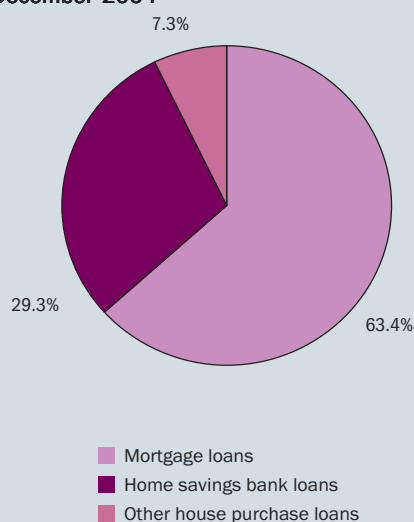
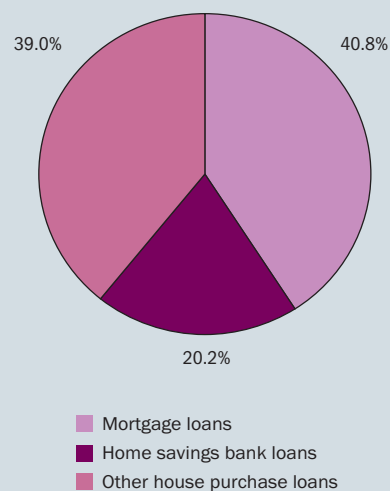
Loans provided¹

In 2005, the banking sector provided loans for house purchase in the total amount of almost Sk 43 billion, which was Sk 11 billion more than in the same period a year earlier. The volume of house purchase loans accounted for more than 20% of the total volume of loans granted to households last year. Their share remained at approximately the same level as in 2004.

Of the total volume of loans provided for house purchase, loans with a floating rate and an initial rate fixation (IRF) of up to 1 year accounted for 60%; loans with an IRF of over 5 and up to 10 years accounted for 24%; loans with an IRF of over 1 and up to 5 years accounted for 12%; and loans with an IRF of over 10 years represented 4%.

In a breakdown by type, the share of other house purchase loans increased over the course of 2005 to 39%. On the other hand, the proportion of mortgage loans decreased (to 41% in December), as well as the share of loans from home savings banks (to 20% at the end of the year).

¹ A loan provided (new loan) is understood to be a contract signed for the first time, fixing the amount and price of the loan agreed between the bank and the customer, and a new contract negotiated with the active participation of the customer.

**Chart A Structure of House Purchase Loans****December 2004****December 2005**

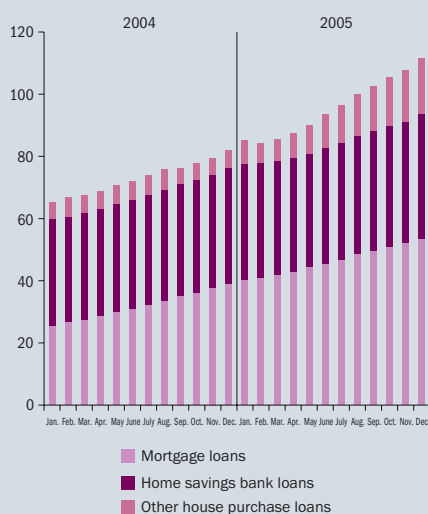
Source: NBS.

Increase in Outstanding Loans

The increase in lending for house purchase was also reflected in the volume of house purchase loans granted to households, which grew in 2005 by almost Sk 30 billion (compared with approximately Sk 18 billion in 2004). This increase took place mostly in mortgage loans, which grew in volume by Sk 14.6 billion (in the same period a year earlier by Sk 14.1 billion), and other house purchase loans (an increase of Sk 12.4 billion, compared with Sk 0.5 billion in the same period a year earlier). In December 2005, the volume of loans from home savings banks was only Sk 2.7 billion larger than in December 2004 (after growing in the same period a year earlier by Sk 3.4 billion).

Chart B Loans to Households for House Purchase

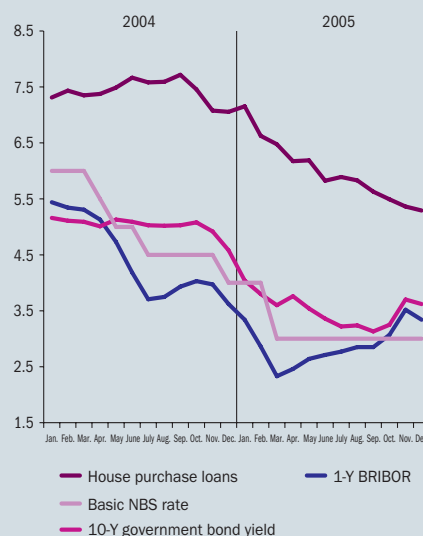
(Sk billions)



Source: NBS.

Chart C Interest Rate Developments

(%)

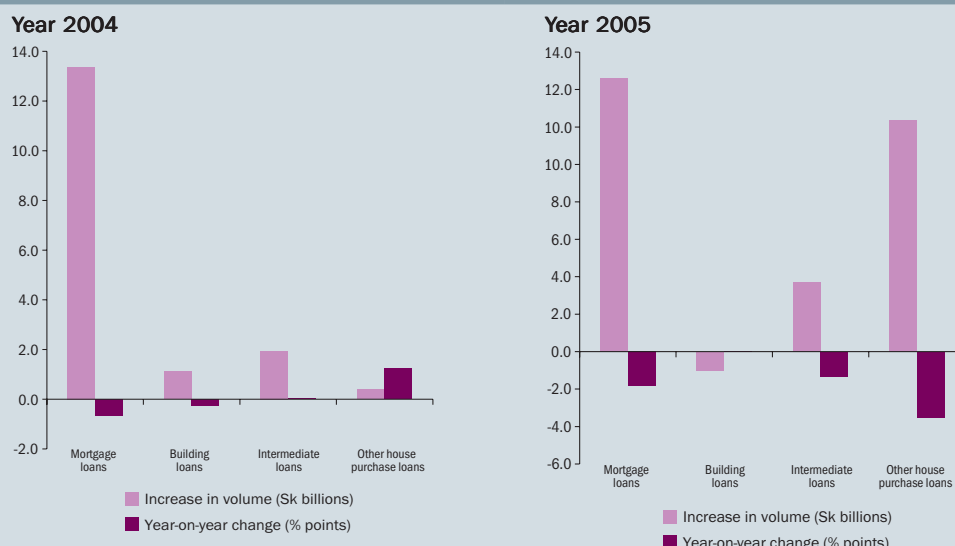


Source: NBS.

Continuing Fall in Interest Rates

The persistent demand for house purchase loans was primarily influenced by a long-term downward trend in interest rates on these loans. Despite a modest increase in interbank market interest rates and 10-year government bond yields to maturity in the final quarter of 2005, interest rates on house purchase loans continued to show a moderately falling tendency.

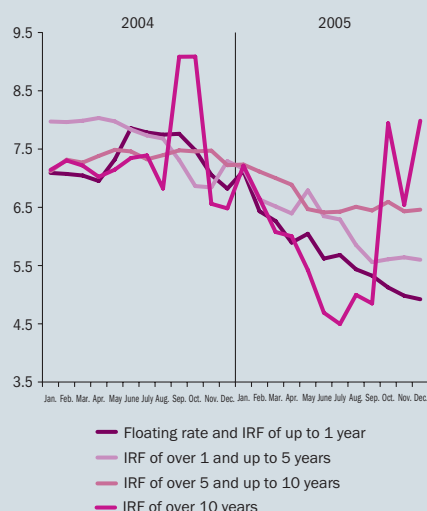
Chart D Increases in Loans by Type and Year-on-Year Changes in Their Prices
(Sk billions, % points)



Source: NBS.

Note: The year-on-year change in 2004 was calculated as the difference between December 2004 and January 2004, for lack of data. Data on other house purchase loans have been recorded since 2005, for 2004 an analytical time series was used.

Chart E Interest Rates on House Purchase Loans by Fixation (%)



Source: NBS.

In 2005, interest rates dropped significantly for all types of house purchase loans, except for building loans. The rate for mortgage loans dropped by 1.85 percentage points (in 2004 by 0.67 of a percentage point), which was also reflected in the continuing, relatively dynamic growth in their volume. The sharpest fall in 2005 was recorded in interest rates on other house purchase loans. Its level dropped year-on-year by 3.5 percentage points, and approached the price of mortgage loans. This led to a relatively marked increase in these loans. A smaller increase was recorded in home savings bank loans; it took place exclusively in intermediate loans. This was probably connected with a fall in their price. The price of building loans was stagnant, as well as their volume.

In the last quarter, the price of house purchase loans with an IRF of over 10 years significantly increased. Owing to the small share of these loans in total loans provided for house purchase, however, this increase had no effect on the overall interest level. On

the other hand, the price of house purchase loans with a floating rate and an IRF of up to 1 year dropped significantly over the course of 2005. Interest rates on loans with an IRF of over 1 and up to 5 years and loans with an IRF of over 5 and up to 10 years also dropped slightly.



ANNEXES

1. Capital Market

1.1. Primary Market

Government bonds One government-bond auction was held in January (Issue No. 205), with a residual maturity of 6.2 years and a zero coupon. Demand at the auction reached Sk 5.8 billion, of which the issuer accepted Sk 3.8 billion (via ARDAL) with an average yield of 3.55% p.a. The minimum accepted yield amounted to 3.48% p.a., the maximum reached 3.60% p.a. The share of non-residents in primary purchase was 2.6%. The said issue currently amounts to Sk 11.2 billion, representing 27.9% of the planned issue-amount.

Yield payment and bond repayment In January, yields were paid on 5 issues in the total amount of Sk 2.9 billion, which was 35.6% less than in the same period a year earlier (Sk 4.5 billion in 2005). One issue was repaid in the amount of Sk 35.4 billion. Compared with last year, yield payments to foreign and domestic investors remained virtually unchanged. Bond creditors accounted for 6.9% of the paid yields.

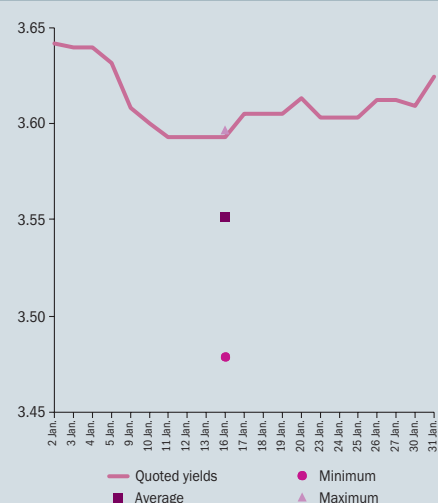
Non-government bonds No non-government bond issue was reported to the NBS during the month of January.

1.2. Secondary Market

January saw the smallest monthly volume traded on the Bratislava Stock Exchange, plc. (BCPB) since April 2004.

There were 590 transactions totalling Sk 12.5 billion on the BCPB floor during the month (17 trading days). Compared with the previous month, the volume of transactions in koruna terms decreased by 67.9% (the number of contracts dropped by 5.5%). Of the total volume, Sk 12.3 billion was traded in direct transactions (175 contracts) and Sk 0.2 billion in price-setting transactions (415 contracts).

Chart 23 Government Bond No. 205 – Auction Results Compared with the Values of Quoted 6-Year Benchmark Yields (%)



Source: NBS and ARDAL.

Note: With an original maturity of 7 years and residual maturity of 6.2 years.

Table 33 Yield Payments on Government Bonds

	Foreign investors		Domestic investors	
	Yields paid (in billions of Sk)	Share of the paid yields (in %)	Yields paid (in billions of Sk)	Share of the paid yields (in %)
January 2005	1.0	22.2	3.5	77.8
January 2006	0.7	24.1	2.0	70.0

Source: ARDAL.

Non-resident investors accounted for 61.6% of the total volume traded in January, of which 56.7% were composed of purchases and 66.4% of sales.

Bonds The bond market was stable throughout the month under review. The only interesting event was a fall in yields on the bond market at the end of the first third of January, when yields reacted to the appreciation of the domestic currency. At the end of the month, bond yields rose slightly for the longest maturities in reaction to the expected increase in basic interest rates in the coming period, despite the fact that the Bank Board left its rates unchanged.

There were 127 bond transactions totalling Sk 12.4 billion in January (i.e. 99.4% of the total volume traded on the BCPB floor in December). Of this amount, Sk 0.1 billion took place in price-setting contracts and Sk 12.3 billion in direct transactions.



The market capitalisation of bonds amounted to Sk 387.7 billion (a month-on-month decrease of 8.1%) on the last trading day of January. The capitalisation of quoted bonds has fallen since the end of December by 8.5%, to Sk 366.4 billion.

Table 34 The SDXGroup indices closed January with the following values:

SDXGroup indices

Sector	SDXGroup indices		Yield to maturity (in %)	Duration (in years)
	Price	Performance		
Public	107.754	117.525	3.616	5.134
SDXG sub-index (≤5)	105.195	113.425	3.381	2.816
SDXG sub-index (>5)	110.409	121.872	3.697	7.167
Private (corporate + mortgage bonds)	102.565	115.962	3.664	3.012
SDXG sub-index (≤5)	100.907	114.801	3.420	1.731
SDXG sub-index (>5)	109.119	118.970	3.828	6.016

Source: BCBP.

There were 463 transactions in shares totalling Sk 80.6 million in January. This represented a month-on-month decrease of 26.6%. Price-setting transactions accounted for Sk 30.8 million (407 contracts) and direct transactions Sk 49.8 million (56 contracts).

Shares

By the last trading day of January, the market capitalisation of equity securities had increased by 2.2% month-on-month, to Sk 157.5 billion. The actual amount of issues that had a market price at least once in the past, except investment fund shares and units, was Sk 146.8 billion (a monthly increase of 4.2%) and accounted for 93.2% of the total share market capitalisation. From the last trading day in December, the market capitalisation of quoted issues increased by 5.0%, to Sk 82.8 billion.

In January, the BCPB did not extend its markets to include a new share issue. Trading ended with a share issue amounting to Sk 5.2 million and two money market fund issues totalling Sk 168.3 million. All issues were registered on the regulated free market of the BCPB.

The SAX index closed the month at 415.26 points, representing a month-on-month increase of 0.5% (25.7% year-on-year). The index reached a monthly maximum on 19 January (420.85 points) and a monthly minimum on 9 January (407.05 points).

SAX index

On evaluating trading in the basic SAX components, the auditing commission reassessed the composition of the index and reduced the number of components. With effect from 1 February, the SAX index is composed of 9 quoted issues from 5 companies. These companies are: Biotika (2 issues), OTP Bank Slovakia (2 issues), SES Tlmače (1 issue), Slovnaft (3 issues), and Všeobecná úverová banka (1 issue).



2. Monetary Developments in the Euro Area

At its meeting on 12 January 2006, the Governing Council of the European Central Bank (ECB) decided to leave its key interest rates unchanged. The rate for refinancing operations remained at 2.25%, the rate for overnight loans at 3.25%, and that for overnight deposits at 1.25%.

2.1. Exchange Rate Developments

At the beginning of January, the exchange rate of the single European currency against the US dollar hovered around the level of USD/EUR 1.18.

After relatively stable developments in the USD/EUR exchange rate in December, the European currency markedly appreciated at the beginning of January, mainly as a result of market expectations concerning the setting of monetary policy in the USA (a possible change in monetary policy tightening, owing to a slowdown in the pace of economic growth in 2006) and the euro area (visible signs of strengthening economic revival this year). In the second third of the month, the exchange rate of the dollar against the euro fluctuated within a relatively stable band. Due to expectations of a further increase in the external imbalance of the US economy (strong growth in domestic demand, accompanied by a slower growth in manufacturing), the USD weakened further at the end of the month. However, news about a marked slowdown in America's economic growth in the fourth quarter of 2005 led to a correction in the previous depreciation of the USD against the EUR. At the end of the month, the exchange rate fluctuated around the level of USD/EUR 1.21.

During January, the euro appreciated in relation to the US dollar by 2.47% on a month-on-month basis.

2.2. Real Economy

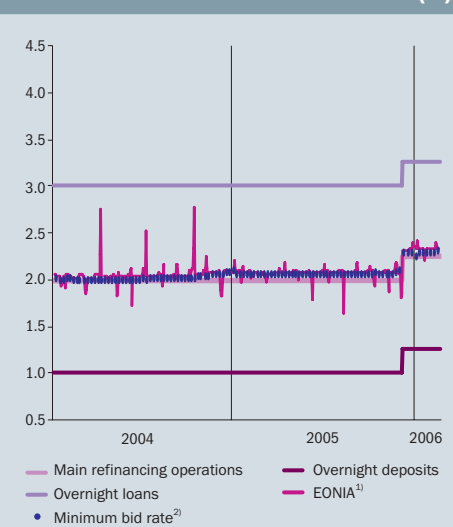
According to a 'flash' Eurostat estimate, the euro area economy grew in the fourth quarter of 2005 by 0.3% compared with the previous quarter, while expanding in comparison with the same quarter of 2004 by 1.7%. In the third quarter of 2005, euro area GDP increased by 0.6%.

The 12-month inflation rate in the euro area, expressed in terms of the Harmonised Index of Consumer Prices (HICP), fell to 2.2% in December, from 2.3% in the previous month. The strongest year-on-year dynamics were recorded in consumer prices in Spain (3.7%), Greece (3.5%), and Luxembourg (3.4%). The steepest year-on-year increases took place in prices for dwelling (5.1%) and transport (4.5%). Price levels in telecommunications dropped by 2.8%. In the same period a year earlier, consumer prices in the euro area rose by 2.4%. Eurostat foresees a year-on-year inflation rate of 2.4% in January.

In December, industrial producer prices increased year-on-year by 4.6%, while falling in comparison with the previous month by 0.2%.

Retail sales grew year-on-year by 0.8% and month-on-month by 0.1% in December.

Chart 24 Key ECB Interest Rates and the EONIA (%)



Source: ECB

1) Euro OverNight Index Average (EONIA) – overnight reference rate of commercial banks operating in the euro area.
2) Minimum bid rate – the lowest rate accepted at a variable rate tender (the average value of minimum bid rates during the reserve maintenance period is used as the rate of interest on reserves).

Chart 25 Exchange Rates: SKK/EUR and USD/EUR



Source: NBS and ECB.



The rate of unemployment (seasonally adjusted) rose in December to 8.4%, from 8.3% in the previous month. The lowest unemployment rates were achieved in Ireland (4.3%), the Netherlands (4.7%), and Austria (5.2%). The highest unemployment rates within the euro area were recorded in Greece (10.1% in the third quarter of 2005), Germany (9.5%), and France (9.2%). In relative terms, the most significant increases in the year-on-year unemployment rates occurred in Luxembourg (from 5.0% to 5.6%) and Portugal (from 7.1% to 7.5%). In the same period a year earlier, the unemployment rate in the euro area stood at 8.8%.

According to the first Eurostat estimate, foreign trade in the euro area resulted in a deficit of EUR 2.3 billion in November 2005, compared with a surplus of EUR 2.6 billion in the same period a year earlier. Compared with the previous month, euro area exports (seasonally adjusted) grew in volume by 4.0% and imports by 3.0% in November.



3. Methodological Notes to Selected Indicators

3.1. Monetary Statistics

3.1.1. Statistics of Monetary Aggregates (ECB Methodology)

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

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

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

Table 35 Calculation of monetary aggregates according to NBS and ECB methodologies

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

The main differences between the individual methodologies are as follows:

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

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

- funds (MMFs) in commercial banks are treated in this sense as interbank operations and are not directly included in the monetary aggregates;
- the NBS methodology includes only NBS and commercial bank liabilities in the monetary aggregates - hence the deposits of money market funds (MMFs) in commercial banks appear in the balance sheets of commercial banks as customer deposits of financial institutions and are directly included in the M2 money supply;
 - **in the nature and liquidity of the resources:**
 - the ECB methodology monitors liquidity through the broader M3 aggregate, which also includes repo operations, the unit certificates of open-end money market investment funds, and debt securities, which represent, in terms of liquidity and profitability, a substitute for bank deposits (with regard to maturity, ECB liabilities with a maturity of over 2 years are not included in the monetary aggregates);
 - the NBS methodology monitors the money supply measured in terms of the M2 aggregate, which is composed of currency in circulation and bank deposits irrespective of the time of maturity;
 - **in the definitions of deposits and loans:**
 - the ECB methodology extends the definition of deposits to include also subordinated debt in the form of deposits, liabilities arising from repo operations, and non-negotiable securities issued by banks and held by clients (in the case of loans, they also include non-marketable securities issued by clients and held by banks, subordinated debt in the form of loans, receivables in respect of repo operations, and tradable loans);
 - the NBS methodology uses a so-called 'narrow definition' for both loans and deposits, i.e. they only correspond to the amount of funds recorded by MFIs as loans (including classified loans) and deposits;
 - **in the structure of monetary aggregates by sector:**
 - the ECB methodology (with the deposits of MMFs being deducted from customer deposits) covers the above sectors, as well as the deposits of local government (S.1313) and social insurance funds (S.1314)⁵;
 - the NBS methodology includes deposits in the M2 money supply from the following economic sectors:
 - *non-financial corporations (S.11);*
 - *financial corporations (S.123 and S.124) – including MMF deposits;*
 - *insurance companies and pension funds (S.125);*
 - *non-profit institutions mainly serving households (S.15);*
 - *households (S.14 - sole traders);*
 - *households (S.14 - accounts of citizens).*
 - **in respect of the residence of economic entities:**
 - the ECB methodology exclusively takes into account the funds of residents (in Slovak koruna as well as foreign currency);
 - the NBS methodology also monitors the koruna deposits of non-residents as part of the monetary aggregates;
 - **in respect of accrued assets and liabilities:**
 - in the ECB methodology, accrued assets and liabilities are excluded from the monetary aggregates;
 - in the NBS methodology, accrued assets and liabilities are included in the deposit and loan accounts of clients;
 - **in respect of the seasonal adjustment of time series:**
 - unlike the ECB methodology, the NBS methodology uses seasonally unadjusted data⁶.

3.1.2. Statistics of monetary aggregates (NBS methodology - Monetary Survey)

In 2005, the reporting of credits to enterprises and households was affected by a methodological change, which resulted from the ruling of the International Center for the Settlement of Investment Disputes (ICSID) in Washington, settling the long-lasting trade dispute between ČSOB and the Slovak

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

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



Republic (with regard to the fact that the claim of ČSOB on Slovenská inkasná, s.r.o., was originally classified in the Monetary Survey as a credit to enterprises). Since Slovenská inkasná, s.r.o. was placed under bankruptcy proceedings on 6 May 1998 and its liabilities were removed from the statistical records of the NBS with effect from April 1998, the statistically recorded volume of credits to enterprises in the Monetary Survey was increased by the last known amount of ČSOB's receivable from Slovenská inkasná, s.r.o. in order to maintain the continuity of the time series concerned. As this receivable (including interest) has become a liability for the SR Government under the ruling of the international tribunal, it is currently monitored in the Monetary Survey separately, as part of 'Net Credit to General Government', without a need for further methodological adjustments to the statistically recorded volume of credits to enterprises and households (with effect from 1 January 2005).

In order to maintain the consistency of time series, credits to enterprises recorded in the Monetary Survey were revised in 2004 so that only the statistically recorded volume of loans is included, as in 2005 (excluding the claim of ČSOB on Slovenská inkasná).

3.1.3. Statistics of Customer Interest Rates on New Contracts (ECB Methodology)

As of the beginning of 2005, customer interest rates are evaluated according to ECB methodology, where interest rates are monitored on loans granted⁷ and deposits received (new contracts). According to this methodology, the subjects of monitoring are interest rates on new business volumes. New loans and new deposits are understood to be contracts signed for the first time, fixing the rate of interest agreed between the bank and the customer, and new contracts negotiated with the active participation of the customer.

In a breakdown by sector, lending and deposit rates for households and non-financial corporations are assessed in the way these sectors are defined in Directive No. 63/2002⁸ of the European Central Bank, concerning interest rate statistics.

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

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

Loans to households are classified by purpose as follows:

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

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

- current account overdrafts
- investment loans

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

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

- operating loans
- loans for house purchase
 - mortgage loans
 - building loans
 - intermediate loans
 - other loans for house purchase
- other loans.

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

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

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

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

3.1.4. Classification of Loans According to Quality

Year 2005⁹

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

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

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

Standard claims – defined as claims where:

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

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



Standard claims with qualification – defined as claims where:

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

Non-standard claims – defined as claims where:

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

Doubtful claims – defined as claims where:

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

Loss-making claims – defined as claims where:

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

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

Year 2006

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

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

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

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

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

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

- significant and
- insignificant.

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

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

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

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

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

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

3.2. Balance of Payments

Two methodological changes were introduced in 2005 in respect of the balance of payments.

One of them is a change in the methodology used for calculating the compensation of employees, consisting in a shift from data on the net income of people working abroad to their gross income (employee compensation comprises, unlike in previous years, the income of persons working abroad, including taxes and social contributions paid in the host country). Since taxes and social contributions paid in the host country, by which income from employee compensation is increased, are included in paid current transfers in the same amount as counterparts, the said change will have no impact on the overall balance of the current account.

The second change against the methodology applied in previous years is the reporting of reinvested earnings as part of the income balance. The Balance of Payments Department decided to extend the balance of payments to include reinvested earnings from foreign direct investments with effect from 2005, in accordance with the international standards. Before 2005, reinvested earnings were not included in the balance of payments on current account. Reinvested earnings were only recorded in the financial account as part of 'foreign direct investments', on the basis of data reported from the corporate sector in the DEV 1-12 monthly report (annual data from this report contained figures at the level of several millions and/or tens of millions of Slovak koruna). The 2005 estimate of reinvested earnings (ca Sk 30.0 billion) is based on data obtained from the new annual report on foreign direct investments in 2003, in which reinvested earnings are recorded according to the international accounting standards. With regard to the fact that the inflow of foreign capital into Slovakia in the form of direct investments exceeds its outflow several times, the use of data from this report will mean an increase in the current account deficit. Reinvested earnings will enter the balance via the capital and financial account, as part of 'foreign direct investments', and will cause no increase in the external imbalance of the Slovak economy.



4. Tables

Selected Indicators of Economic and Monetary Development in the SR

	Unit	2005												2006
		1	2	3	4	5	6	7	8	9	10	11	12	1
REAL ECONOMY														
Gross domestic product ^{1) 2)}	SKK billions	-	-	200.65 ^(a)	-	-	421.391 ^(a)	-	-	648.918 ^(a)	-	-	-	-
Year-on-year change in GDP ³⁾	%	-	-	5.1 ^(a)	-	-	5.1 ^(a)	-	-	6.2 ^(a)	-	-	-	-
Unemployment rate ^{4) 16)}	%	13.4	13.1	12.7	11.9	11.3	11.1	11.0	10.9	11.2	10.93	10.86	11.36	-
Consumer prices (CPI) ^{3) 15)}	%	3.1	2.6	2.3	2.5	2.3	2.5	2.0	2.1	2.3	3.5	3.6	3.9	4.1
Consumer prices (HICP) ³⁾	%	3.2	2.7	2.5	2.7	2.4	2.5	2.0	2.0	2.2	3.3	3.4	3.7	4.1
BALANCE OF TRADE ^{2) 11) (a)}														
Exports (fob)	SKK millions	66,532	137,180	214,233	293,987	375,010	461,500	539,724	620,820	713,854	809,792	909,863	991,587	-
Imports (fob)	SKK millions	68,409	143,301	227,612	315,393	402,954	492,951	575,634	657,006	752,437	855,155	959,041	1,065,924	-
Balance	SKK millions	-1,877	-6,121	-13,379	-21,406	-27,944	-31,451	-35,910	-36,186	-38,583	-45,363	-49,178	-74,337	-
BALANCE OF PAYMENTS ²⁾														
Current account ¹¹⁾	SKK millions	-4,316.9	-3,373.4	-7,551.7	-14,080.2	-37,633.4	-50,483.8	-57,512.1	-60,846.0	-67,549.7	-74,840.3	-82,464.3	-	-
Capital and financial account	SKK millions	10,754.1	69,758.2	118,449.3	116,127.4	93,185.3	110,055.7	125,453.6	136,623.9	137,017.2	128,023.0	138,502.2	-	-
Overall balance	SKK millions	10,715.8	79,042.4	110,225.2	101,864.8	70,082.2	68,604.4	69,749.5	72,413.9	73,364.9	65,142.8	69,368.0	-	-
FOREIGN EXCHANGE RESERVES ^{4) 7)}														
Total foreign exchange reserves	USD millions	16,602.6	18,854.6	19,940.1	19,694.4	17,751.8	17,165.7	17,314.7	17,434.8	17,349.5	16,998.0	16,876.3	17,010.6	-
NBS foreign exchange reserves	USD millions	14,811.2	17,218.5	18,062.1	18,061.3	16,211.5	15,590.0	15,687.0	15,915.6	15,835.6	15,647.8	15,438.4	15,479.5	-
GROSS EXTERNAL DEBT ^{4) 9)}														
Total gross external debt	USD billions	24.0	26.6	28.2	27.9	26.5	26.2	25.9	26.6	26.5	26.1	26.2	-	-
External debt per capita	USD	4 456	4 942	5 237	5 190	4 919	4 876	4 817	4 937	4 933	4 852	4 879	-	-
MONETARY INDICATORS														
Exchange rate ⁵⁾	SKK/USD	29.348	29.259	28.885	30.249	30.672	31.641	32.22	31.494	31.354	32.357	32.808	31.932	31.029
Money supply (M2) ^{4) 6) 12) 14)}	SKK billions	-	-	-	-	-	-	-	-	-	-	-	-	-
Year-on-year change in M2 ³⁾	%	-	-	-	-	-	-	-	-	-	-	-	-	-
M3 monetary aggregate ^{4) 15)}	SKK billions	759.8	764.2	762.1	777.2	770.5	774.3	779.7	785.8	792.0	800.4	798.4	831.4	-
Year-on-year change in M3 ³⁾	%	10.0	9.6	11.4	11.9	12.5	9.6	8.9	8.0	7.3	7.6	6.3	7.8	-
Loans to enterprises and households ^{4) 6) 13) 14)}	SKK billions	-	-	-	-	-	-	-	-	-	-	-	-	-
Claims of monetary financial institutions ¹⁵⁾	SKK billions	701.4	696.8	707.6	707.0	714.5	724.7	729.7	736.9	753.5	769.0	778.3	795.4	-
STATE BUDGET ^{2) 4)}														
Revenue	SKK billions	24.6	39.8	65.0	90.6	105.4	126.4	154.2	170.5	188.6	214.4	233.7	258.7	32.8
Expenditure	SKK billions	20.3	40.9	62.2	84.3	109.3	127.6	152.3	175.6	196.7	219.5	241.3	292.6	20.7
Balance	SKK billions	4.3	-1.1	2.8	6.3	-3.9	-1.1	1.9	-5.1	-8.1	-5.1	-7.6	-33.9	12.1
CUSTOMER RATES														
Average interest rate on:														
- one-year deposits	%	2.49	2.46	2.37	2.18	2.13	2.07	1.98	1.90	1.86	1.83	1.71	1.68	-
- short-term loans ⁸⁾	%	6.15	5.80	5.51	5.53	5.54	5.75	5.61	5.62	5.56	5.73	5.67	5.59	-
- new short-term loans	%	7.65	6.70	6.79	7.12	7.31	7.34	6.77	6.14	6.10	6.09	6.16	6.09	-
MONEY MARKET														
Interest rates set by the NBS Bank Board														
Date of maturity ¹⁰⁾		29.11.2004	29.11.2004	1.3.2005	1.3.2005	1.3.2005	1.3.2005	1.3.2005	1.3.2005	1.3.2005	1.3.2005	1.3.2005	1.3.2005	1.3.2005
Overnight operations														
- sterilisation	%	2.50	2.50	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
- refinancing	%	5.50	5.50	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Limit rate for 2-week repo tenders	%	4.00	4.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Basic interest rate of the NBS (until 31/12/02: discount rate)	%	4.00	4.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Average interbank deposit rate (BRIBOR)														
overnight	%	4.25	2.58	2.09	2.27	2.90	2.77	2.53	2.99	2.71	2.55	2.37	2.80	2.75
7-day	%	4.03	2.63	2.37	2.70	2.92	2.93	2.88	2.99	2.91	2.93	2.89	2.94	2.98
14-day	%	3.98	2.69	2.41	2.75	2.92	2.96	2.94	3.01	2.96	2.98	2.98	2.98	3.02
1-month	%	3.87	2.84	2.37	2.72	2.88	2.93	2.95	3.00	2.99	3.01	3.05	3.02	3.03
2-month	%	3.75	2.89	2.33	2.63	2.82	2.90	2.92	2.99	2.98	3.01	3.11	3.06	3.10
3-month	%	3.66	2.90	2.29	2.56	2.75	2.88	2.89	2.94	2.93	3.03	3.19	3.12	3.17
6-month	%	3.46	2.88	2.31	2.50	2.67	2.79	2.83	2.91	2.90	3.04	3.35	3.24	3.26
9-month	%	3.38	2.87	2.32	2.47	2.64	2.74	2.79	2.87	2.86	3.05	3.44	3.29	3.34
12-month	%	3.34	2.86	2.33	2.46	2.64	2.71	2.77	2.85	2.85	3.07	3.52	3.34	3.39

1) Constant prices, average for 1995.

2) Cumulative since the beginning of the year.

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

4) End-of-period figures.

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

6) At fixed initial exchange rates from 1 January 1993.

7) Methodological change with effect from 1 January 2002.

8) Excluding loans at zero interest rate.

9) Methodological change with effect from 1 January 1999.

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

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

12) As from January 2005, the NBS focuses on the analysis of M3 monetary aggregate.

13) As from January 2005, 'loans to enterprises and households' are replaced by the 'claims of monetary financial institutions' aggregate.

14) Since the Monetary Survey is at current exchange rates (as from January 2005), data on the 'M2 money supply' and 'loans to enterprises and households' must also be obtained at current rates.

The data are available on the web site of the NBS.

15) According to the methodology of the ECB.

16) Registered unemployment.

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



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

	Share of the total (in %) ¹⁾	Volume (SKK billions)												
		2004	2005											
		12	1	2	3	4	5	6	7	8	9	10	11	12
Claims of MFIs on residents	36.6	439.0	428.4	429.0	441.1	449.4	457.2	467.7	478.9	486.9	500.4	511.1	519.2	534.7
General government	1.9	41.3	25.2	24.9	24.1	24.0	23.8	22.8	23.3	23.7	25.7	26.2	26.5	27.9
Private sector	34.7	397.7	403.2	404.1	417.0	425.4	433.4	444.9	455.6	463.3	474.7	484.9	492.7	506.8
Non-financial corporations	18.5	225.3	230.1	228.9	236.9	241.6	244.6	249.5	253.4	255.5	260.7	263.5	266.5	270.8
– up to 1 year	8.0	91.6	96.2	94.6	99.9	104.1	107.6	109.1	110.4	112.3	113.3	111.9	115.3	117.4
– 1 to 5 years	3.6	57.9	57.6	57.5	56.9	54.1	53.8	54.3	54.5	53.5	53.7	54.1	52.9	52.0
– over 5 years	6.9	75.7	76.3	76.8	80.1	83.3	83.2	86.1	88.5	89.6	93.7	97.6	98.3	101.4
Financial corporations	3.8	44.2	43.2	43.0	43.9	43.7	43.6	44.3	46.7	47.0	48.1	50.5	51.1	55.0
Insurance corporations and pension funds	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0
Households and non-profit institutions serving households	12.4	128.2	129.9	132.2	136.1	140.2	145.2	151.0	155.5	160.7	165.8	170.8	175.1	180.8
– consumer loans	1.7	19.9	19.0	18.9	19.6	20.5	21.8	22.7	23.4	24.4	24.8	24.7	25.0	24.7
– housing loans	8.1	87.9	87.8	89.5	91.0	93.1	96.0	99.7	102.6	106.4	109.5	112.4	115.0	118.8
– other loans	2.6	20.4	23.1	23.9	25.5	26.6	27.5	28.6	29.4	29.9	31.5	33.7	35.2	37.3
Securities other than shares and participation certificates issued by residents	17.4	266.0	268.6	263.4	261.9	253.1	251.9	250.8	244.5	243.7	246.8	251.5	253.0	254.6
General government	16.8	253.9	256.2	251.1	249.6	240.7	239.4	238.3	232.1	231.4	234.4	239.1	243.6	245.6
Private sector	0.6	12.2	12.4	12.3	12.4	12.4	12.5	12.5	12.3	12.3	12.5	12.4	9.4	9.0
Shares and other equities issued by private sector	0.4	4.1	4.4	4.4	4.5	4.5	5.4	6.2	6.3	6.3	6.3	6.3	6.2	6.1
Foreign assets	40.4	591.6	522.3	574.7	628.9	636.6	592.8	590.5	602.2	602.4	605.0	596.0	585.4	589.7
Fixed assets	2.4	36.6	34.8	34.6	34.5	34.5	34.5	34.5	33.6	33.8	33.9	33.6	33.6	34.4
Other assets	2.8	36.5	38.3	39.0	41.0	44.9	45.3	45.8	45.9	42.3	44.1	45.5	46.3	41.4
Deposits and loans received from the central government	4.2	125.4	125.5	97.3	99.9	98.7	73.4	84.1	84.6	78.5	77.3	85.1	92.9	61.3
Long-term financial liabilities	13.2	180.9	184.2	177.7	191.9	197.9	191.7	189.1	199.6	195.7	200.0	199.7	192.5	193.3
Deposits and loans received with an agreed maturity of over 2 years	3.9	51.8	52.9	53.5	52.7	52.7	52.2	52.9	52.5	53.3	53.3	53.1	53.8	57.5
Deposits redeemable at a period of notice of over 3 months	1.9	34.4	31.9	30.8	30.0	29.5	29.1	28.8	28.6	28.2	28.0	27.8	27.7	27.8
Debt securities issued with a maturity of over 2 years	1.2	12.2	13.6	13.9	14.2	12.5	13.3	13.3	14.1	14.4	15.1	13.2	18.3	17.6
Capital, reserves, and provisions	6.2	82.5	85.8	79.5	95.0	103.2	97.1	94.1	104.3	99.8	103.6	105.6	92.8	90.4
Foreign liabilities	22.5	254.4	183.7	257.5	307.3	298.5	297.4	296.3	298.0	308.0	319.4	310.9	308.2	328.0
Other liabilities	3.2	42.0	45.5	50.1	51.8	50.1	53.8	51.4	49.4	47.6	48.0	48.3	56.6	46.8
Surplus of liabilities among MFIs	0.0	0.0	-1.9	-1.8	-1.1	0.7	0.3	0.2	0.2	-0.1	-0.1	-0.3	-5.1	0.0
M3	56.9	771.2	759.8	764.2	762.1	777.2	770.5	774.3	779.7	785.8	792.0	800.4	798.4	831.4
Total	100.0	1,373.9	1,296.8	1,345.1	1,411.9	1,423.1	1,387.0	1,395.5	1,411.4	1,415.4	1,436.5	1,444.1	1,443.6	1,460.8

1) In the current month.



Monetary Survey

(At current exchange rates)

(SKK billions)

	2004	2005												
	31.12.	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.
Current SKK/USD exchange rate	28.496	28.496	29.447	28.710	29.943	30.667	31.213	31.825	32.423	31.740	32.221	32.142	32.016	31.948
Current SKK/EUR exchange rate	38.796	38.796	38.426	37.880	38.832	39.636	39.068	38.370	39.118	38.773	38.869	39.051	37.832	37.848
ASSETS														
Net foreign assets	169.5	168.9	173.4	178.4	199.1	209.1	182.6	153.4	163.2	153.1	152.2	143.9	144.5	139.5
Foreign assets	484.0	483.3	494.9	547.5	602.7	610.2	560.9	554.1	569.3	563.5	569.7	556.3	550.8	554.9
Foreign liabilities	314.5	314.4	321.5	369.1	403.6	401.1	378.3	400.7	406.1	410.4	417.5	412.4	406.3	415.4
Net domestic assets	615.9	615.6	599.6	599.6	574.1	576.2	588.7	625.4	623.9	641.2	644.8	658.1	656.6	701.8
Domestic credits	755.7	770.0	762.9	766.6	776.3	777.3	783.2	788.4	801.8	817.0	831.8	840.5	849.6	899.8
Net credit to general government	354.4	368.6	355.2	357.6	354.5	346.5	344.4	338.4	340.8	347.3	350.9	349.1	350.0	388.1
- Net credit to government (excluding the NPF)	357.6	371.8	358.4	360.5	357.4	349.4	346.6	342.4	343.7	351.2	356.0	353.2	354.5	393.1
- Net credit to the National Property Fund	-3.2	-3.2	-3.2	-2.9	-2.9	-2.9	-2.2	-4.0	-2.9	-3.9	-5.1	-4.1	-4.5	-5.0
Credits to enterprises and households	401.3	401.4	407.7	409.0	421.8	430.8	438.8	450.0	461.0	469.7	480.9	491.4	499.6	511.7
Credits in Slovak koruna	318.2	318.3	322.3	326.8	333.1	332.8	339.8	350.0	356.1	365.9	376.0	383.3	392.8	398.5
- Credits to enterprises ¹⁾	201.5	201.6	203.5	205.6	208.5	204.7	206.5	211.7	213.7	218.4	223.8	226.5	232.0	233.5
- Credits to households	116.7	116.7	118.8	121.2	124.6	128.1	133.3	138.3	142.4	147.5	152.2	156.8	160.8	165.0
Credits in foreign currency	83.1	83.1	85.4	82.2	88.7	98.0	99.0	100.0	104.9	103.8	104.9	108.1	106.8	113.2
LIABILITIES														
Money Supply (M2)	785.4	784.5	773.0	778.0	773.2	785.3	771.3	778.8	787.1	794.3	797.0	802.0	801.1	841.3
Money (M1)	311.3	309.6	299.4	315.7	313.1	318.6	326.8	331.0	341.1	344.4	348.1	354.1	359.3	386.8
Currency outside banks (M0)	100.5	100.4	100.5	101.5	102.8	105.2	106.3	108.1	110.1	111.4	112.7	113.6	114.9	119.8
Demand deposits	210.8	209.2	198.9	214.2	210.3	213.4	220.5	222.9	231.0	233.0	235.4	240.5	244.4	267.0
- Households	96.2	94.7	97.8	102.6	104.3	106.9	109.5	110.6	113.6	114.4	114.5	115.6	117.2	123.1
- Enterprises	113.2	113.1	98.1	107.8	103.7	103.9	108.1	109.8	114.2	115.3	117.6	121.5	123.4	138.0
- Insurance companies	1.4	1.4	3.0	3.8	2.3	2.6	2.9	2.5	3.2	3.3	3.3	3.4	3.8	5.9
Quasi-money (QM)	474.1	474.9	473.6	462.3	460.1	466.7	444.5	447.8	446.0	449.9	448.9	447.9	441.8	454.5
Time and savings deposits	386.2	386.9	385.1	381.1	381.6	388.7	368.9	368.7	364.9	366.6	362.9	361.5	353.4	358.3
- Households	222.8	223.9	222.9	218.1	213.5	210.5	206.1	203.7	201.6	199.2	196.7	195.6	194.5	197.7
- Enterprises	136.5	136.4	137.3	138.9	144.5	153.7	139.5	137.5	136.2	138.7	138.2	138.3	131.8	134.2
- Insurance companies	26.9	26.6	24.9	24.1	23.6	24.5	23.3	27.5	27.1	28.7	28.0	27.6	27.1	26.4
Foreign-currency deposits	87.9	88.0	88.5	81.2	78.5	78.0	75.6	79.1	81.1	83.3	86.0	86.4	88.4	96.2
- Households	44.4	42.5	41.4	39.8	39.4	39.5	39.2	38.9	39.4	39.2	39.1	39.2	38.4	39.4
- Enterprises	43.5	45.5	47.1	41.4	39.1	38.5	36.4	40.2	41.7	44.1	46.9	47.2	50.0	56.8
Other items net	139.8	154.4	163.3	167.0	202.2	201.1	194.5	163.0	177.9	175.8	187.0	182.4	193.0	198.0

Memorandum Items

Net foreign assets of the banking sector (excluding foreign liabilities of government)	360.0	359.3	366.7	363.7	406.9	423.8	361.5	337.5	357.9	353.6	345.6	324.2	321.2	310.8
- of which: foreign assets	484.0	483.3	494.9	547.5	602.7	610.2	560.9	554.1	569.3	563.5	569.7	556.3	550.8	554.9
- of which: foreign liabilities	124.0	124.0	128.2	183.8	195.8	186.4	199.4	216.6	211.4	209.9	224.1	232.1	229.6	244.1
Net credit to the central government	446.7	-	-	-	-	-	-	-	-	-	-	-	-	-
Net credit to the general government (excluding foreign liabilities of government)	230.6	244.8	232.9	237.2	233.1	222.7	251.6	247.3	248.0	256.2	261.0	258.9	262.8	300.8
- of which: liabilities of government and NPF	456.7	412.4	398.9	376.0	373.7	365.3	369.8	373.0	371.1	372.4	376.5	381.2	391.8	397.1
- of which: claims of government and NPF	226.1	167.6	166.0	138.8	140.6	142.6	118.2	125.7	123.1	116.2	115.5	122.3	129.0	96.3
Foreign liabilities of government	123.8	123.8	122.3	120.4	121.4	123.8	92.8	91.1	92.8	91.1	89.9	90.2	87.2	87.3
Other public sector deposits in NBS ²⁾	11.6	-	8.6	9.4	3.0	3.7	3.2	0.6	1.9	0.9	1.2	0.3	0.8	3.1
Money market fund shares/units	32.7	-	36.0	39.7	42.4	44.0	45.9	46.4	47.1	47.3	47.0	46.4	46.0	45.9

1) Revision of data for 2004 (see section 3. Methodological Notes to Selected Indicators in annexes).

2) Deposits of higher territorial units, deposits of government in foreign currency (EU funds) and non-budgetary deposits of government agencies in NBS are included in Net credit to government, since 1 January 2005.



Average Interest Rates on New Loans

(ECB methodology)

(%)

	2004	2005											
	12	1	2	3	4	5	6	7	8	9	10	11	12
Loans in total¹⁾	5.60	6.94	6.22	6.15	6.17	6.39	6.23	6.22	6.19	5.93	6.35	6.14	5.81
Current account overdrafts	7.48	7.72	7.08	6.62	6.60	6.80	6.72	6.52	6.46	6.37	6.58	6.45	6.16
Operation loans	-	4.74	3.32	3.49	3.78	3.92	3.99	3.67	3.77	3.55	3.94	3.77	3.77
Investment loans	-	5.41	4.67	5.05	5.16	5.24	4.27	4.92	5.29	4.22	4.80	5.61	4.55
Consumer loans	13.60	12.97	12.36	11.43	11.28	11.85	11.56	10.56	10.25	11.30	12.47	12.03	11.90
Real estate loans	7.05	7.15	6.63	6.46	6.05	6.10	5.81	5.88	5.81	5.61	5.49	5.36	5.29
of which:													
Mortgage loans	6.76	7.12	6.34	5.96	5.37	5.34	5.07	4.88	4.82	4.82	4.84	4.87	4.92
Construction loans	5.06	5.13	5.06	5.16	5.19	5.27	5.12	5.18	5.15	5.07	5.26	5.01	5.05
Intermediate loans	7.45	7.46	7.27	7.22	7.21	6.62	6.50	6.54	6.47	6.37	6.24	6.16	6.14
Other real estate loans	-	8.23	6.86	6.71	6.25	6.64	6.66	6.50	6.37	6.03	5.63	5.45	5.29
Other loans	4.02	6.45	5.88	5.68	5.21	5.52	5.93	6.68	6.24	5.10	5.56	4.75	6.47
Floating rate + IRF for up to 1 year incl.	5.42	6.90	6.13	6.05	6.08	6.25	6.23	6.16	6.18	6.01	6.34	6.18	5.82
IRF for over 1 year and up to 5 years incl.	8.82	8.03	7.76	8.03	7.80	9.87	7.62	7.81	6.76	5.82	7.04	5.54	6.34
IRF for over 5 years and up to 10 years incl.	6.55	6.87	6.44	6.35	6.45	6.33	5.79	6.25	6.48	6.12	6.22	6.27	6.36
IRF for over 10 years	6.83	6.82	6.06	6.01	6.30	5.61	4.32	4.92	5.50	3.98	5.06	4.98	4.39
Households													
Loans in total	10.21	10.67	10.33	9.99	9.67	9.78	9.25	9.48	9.44	9.45	9.59	9.58	9.49
Current account overdrafts	10.32	11.31	11.10	10.99	10.80	11.05	10.95	10.92	10.94	10.83	11.04	11.00	10.93
Consumer loans	13.60	12.97	12.36	11.44	11.28	11.93	11.56	10.56	10.25	11.30	12.47	12.03	11.90
Real estate loans	7.06	7.15	6.63	6.48	6.17	6.19	5.83	5.89	5.83	5.63	5.49	5.36	5.29
of which:													
Mortgage loans	6.76	7.12	6.34	5.95	5.37	5.34	5.06	4.88	4.83	4.83	4.83	4.87	4.91
Construction loans	5.06	5.13	5.06	5.16	5.19	5.27	5.12	5.18	5.15	5.07	5.26	5.01	5.05
Intermediate loans	7.47	7.47	7.29	7.23	7.21	6.62	6.51	6.56	6.50	6.41	6.25	6.18	6.14
Other real estate loans	-	8.23	6.86	6.79	6.63	6.93	6.80	6.58	6.38	6.05	5.67	5.45	5.29
Other loans	10.73	10.94	9.76	9.50	9.80	9.01	8.51	8.25	8.32	7.66	7.43	7.49	7.93
Floating rate + IRF for up to 1 year incl.	10.12	10.72	10.35	10.07	9.70	9.81	9.44	9.88	9.91	9.94	9.99	9.94	9.79
IRF for over 1 year and up to 5 years incl.	12.31	12.41	12.24	11.89	11.66	12.46	11.72	10.28	9.48	9.13	8.34	8.85	9.01
IRF for over 5 years and up to 10 years incl.	7.76	7.28	7.24	7.05	6.92	6.55	6.39	6.55	6.65	6.58	6.80	6.89	6.96
IRF for over 10 years	6.95	7.72	7.19	6.54	6.50	5.93	5.21	4.93	5.07	4.93	5.16	5.18	5.05
Non-financial corporations													
Loans in total	5.38	5.92	5.13	4.83	4.89	4.92	5.00	4.88	4.94	4.68	5.02	4.93	4.84
Current account overdrafts	6.31	6.46	5.68	5.20	5.18	5.16	5.39	5.09	5.02	4.96	5.18	5.12	4.93
Operation loans	-	4.61	3.31	3.38	3.62	3.87	3.82	3.47	3.85	3.22	3.91	3.69	3.73
Investment loans	-	5.66	4.64	4.89	4.94	5.03	4.14	4.71	5.36	4.12	4.69	5.73	4.89
Other loans	4.52	6.10	4.71	4.22	4.23	4.21	4.35	6.21	4.95	4.25	4.10	3.48	5.47
Loans up 1 million EUR	5.35	5.29	4.78	4.53	4.79	4.75	4.72	4.43	4.96	4.91	4.94	4.91	5.39
Loans over 1 million EUR	4.19	4.56	3.47	3.43	3.58	3.93	3.65	4.11	4.35	3.40	3.85	3.88	4.25
Floating rate + IRF for up to 1 year incl.	5.38	5.93	5.12	4.82	4.86	4.91	5.03	4.82	4.91	4.72	5.01	4.99	4.82
IRF for over 1 year and up to 5 years incl.	5.74	5.54	5.56	5.05	5.78	5.59	4.78	6.44	5.15	5.18	5.04	3.15	4.45
IRF for over 5 years and up to 10 years incl.	5.20	5.96	4.92	4.97	5.46	5.54	4.91	5.35	5.39	5.01	5.22	5.24	6.08
IRF for over 10 years	6.07	5.76	4.95	4.87	4.62	4.34	3.80	4.78	5.76	3.57	4.83	4.14	4.20

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

Note: IRF – initial rate fixation.



Average Interest Rates on New Deposits

(ECB methodology)

(%)

	2004	2005											
	12	1	2	3	4	5	6	7	8	9	10	11	12
Deposits in total ¹⁾	1.67	1.96	1.23	1.29	1.36	1.33	1.40	1.37	1.39	1.34	1.39	1.40	1.27
Deposits payable on demand	0.90	1.17	0.84	0.62	0.59	0.62	0.69	0.60	0.58	0.57	0.65	0.64	0.57
of which: demand deposits	0.83	0.81	0.58	0.48	0.49	0.48	0.49	0.47	0.48	0.49	0.51	0.51	0.46
overnight deposits	2.45	3.37	2.07	1.49	1.69	1.48	2.01	1.79	1.66	1.71	2.09	1.77	1.70
Deposits with agreed maturity ²⁾	-	3.58	2.29	2.43	2.54	2.62	2.66	2.58	2.60	2.56	2.56	2.55	2.55
- up to 1 year in total	3.30	3.59	2.29	2.43	2.54	2.62	2.65	2.58	2.59	2.56	2.56	2.55	2.55
- up to 7 days	2.75	3.57	2.20	1.83	1.88	2.48	2.26	2.01	2.10	2.09	2.07	2.03	2.17
- up to 1 month	3.59	3.66	2.56	2.65	2.74	2.74	2.77	2.76	2.75	2.73	2.70	2.68	2.73
- up to 3 months	2.76	2.61	2.02	1.73	1.77	1.97	1.91	1.94	1.91	1.89	1.77	1.81	1.80
- up to 6 months	2.27	2.09	2.02	1.77	1.72	2.03	2.01	1.77	1.90	1.86	1.75	1.78	1.69
- up to 1 year	2.85	2.24	2.01	1.76	1.85	1.98	2.14	2.20	2.27	1.89	1.80	1.84	1.93
- over 1 year in total	2.59	3.42	2.30	2.47	2.58	2.65	4.62	2.71	2.72	2.06	1.54	1.29	1.68
- up to 2 years	2.18	2.44	1.92	2.03	1.61	1.92	1.54	1.87	1.52	1.52	1.74	1.69	0.97
- over 2 years	2.67	3.76	2.35	2.71	2.72	2.77	4.64	2.76	2.72	2.08	1.54	1.28	1.74
Savings deposits	1.35	1.35	1.18	0.98	0.99	0.93	0.94	0.95	0.97	0.99	1.00	1.02	1.05
- redeemable at a period of notice of up to 3 months	1.80	1.75	1.46	1.11	1.07	0.97	0.95	0.93	0.93	0.93	0.94	0.94	0.96
- redeemable at a period of notice of over 3 months	1.16	1.14	1.03	0.91	0.94	0.90	0.94	0.97	0.99	1.01	1.04	1.06	1.10
Households													
Deposits in total	0.94	0.95	0.81	0.68	0.66	0.65	0.66	0.65	0.66	0.67	0.68	0.68	0.68
Deposits payable on demand	0.58	0.61	0.57	0.44	0.43	0.43	0.43	0.42	0.43	0.42	0.42	0.42	0.41
of which: demand deposits	0.57	0.57	0.56	0.43	0.43	0.42	0.42	0.41	0.42	0.41	0.41	0.41	0.40
overnight deposits	1.73	3.07	1.40	1.18	1.17	1.10	1.45	1.21	1.15	1.13	1.50	1.19	1.16
Deposits with agreed maturity	-	2.39	1.82	1.71	1.69	1.95	2.02	1.95	2.01	2.00	1.92	1.90	1.90
- up to 1 year in total	2.32	2.39	1.82	1.71	1.69	1.94	2.02	1.95	2.00	2.00	1.93	1.91	1.90
- up to 7 days	2.13	2.68	1.45	1.55	1.47	1.56	1.83	1.59	1.69	1.69	1.74	1.68	1.69
- up to 1 month	2.35	2.45	1.95	1.83	1.80	2.06	2.16	2.14	2.14	2.13	1.99	1.99	2.00
- up to 3 months	2.41	2.18	1.83	1.57	1.56	1.78	1.76	1.73	1.72	1.71	1.60	1.60	1.57
- up to 6 months	2.27	1.89	1.79	1.70	1.46	1.62	1.73	1.67	1.69	1.71	1.60	1.70	1.39
- up to 1 year	1.83	2.02	1.94	1.66	1.46	1.83	1.90	1.91	1.73	1.81	1.60	1.60	1.60
- long-term over 1 year	2.62	2.42	2.20	1.99	1.99	2.29	2.03	2.12	2.13	2.06	1.55	1.26	1.75
- up to 2 years	2.25	2.64	2.17	1.16	1.03	1.59	1.54	1.53	1.52	1.54	1.74	1.70	0.97
- over 2 years	2.66	1.91	2.21	2.14	2.08	2.33	2.05	2.14	2.14	2.08	1.55	1.26	1.79
Savings deposits	1.35	1.34	1.18	0.98	0.99	0.93	0.94	0.95	0.97	0.98	1.00	1.02	1.05
- redeemable at a period of notice of up to 3 months	1.79	1.75	1.45	1.10	1.07	0.97	0.95	0.92	0.93	0.93	0.93	0.93	0.96
- redeemable at a period of notice of over 3 months	1.16	1.13	1.03	0.91	0.94	0.90	0.94	0.96	0.99	1.01	1.04	1.06	1.10
Non-financial corporations													
Deposits in total	1.88	2.41	1.43	1.37	1.50	1.56	1.53	1.42	1.49	1.46	1.54	1.56	1.37
Deposits payable on demand	0.89	1.61	1.00	0.76	0.72	0.76	0.89	0.69	0.71	0.72	0.81	0.81	0.64
of which: demand deposits	0.70	1.02	0.58	0.49	0.54	0.50	0.55	0.52	0.52	0.55	0.62	0.62	0.47
overnight deposits	2.49	3.76	2.08	1.66	1.70	1.68	2.07	1.76	1.69	1.72	2.05	1.80	1.67
Deposits with agreed maturity	-	3.68	2.34	2.34	2.48	2.60	2.57	2.43	2.53	2.46	2.50	2.57	2.55
- up to 1 year in total	3.19	3.70	2.25	2.16	2.35	2.39	2.44	2.31	2.37	2.33	2.42	2.42	2.38
- up to 7 days	2.67	3.62	2.22	1.86	1.93	2.45	2.29	2.04	2.18	2.14	2.09	2.12	2.02
- up to 1 month	3.67	3.73	2.82	2.57	2.75	2.75	2.74	2.72	2.73	2.69	2.68	2.68	2.76
- up to 3 months	3.14	3.16	2.24	2.00	2.16	2.24	2.24	2.27	2.25	2.21	2.18	2.30	2.34
- up to 6 months	1.39	2.86	2.30	2.11	2.06	2.19	2.13	1.63	2.23	2.04	2.28	2.39	2.44
- up to 1 year	3.25	2.85	2.01	1.64	2.21	2.19	1.95	2.49	2.58	2.26	2.03	2.15	2.40
- long-term over 1 year	2.20	2.24	1.64	1.24	1.59	2.02	1.41	1.82	1.71	1.46	1.35	1.57	0.82
- up to 2 years	2.11	2.11	1.65	1.24	1.62	1.94	0.00	0.00	0.00	1.40	0.00	0.00	0.98
- over 2 years	2.92	3.00	1.41	0.00	0.70	2.38	1.41	1.82	1.71	2.00	1.35	1.57	0.66
Savings deposits	2.21	2.27	1.69	1.22	1.23	1.16	1.25	1.26	1.25	1.28	1.27	1.33	1.42
- redeemable at a period of notice of up to 3 months	2.20	2.26	1.72	1.20	1.22	1.16	1.26	1.27	1.26	1.30	1.28	1.35	1.44
- redeemable at a period of notice of over 3 months	2.38	2.36	1.37	1.44	1.37	1.12	1.12	1.12	1.12	1.12	1.12	1.12	1.12

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

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



Volumes of New Loans and Average Lending Rates of Commercial Banks

(National methodology)

		2004	2005											
		12	1	2	3	4	5	6	7	8	9	10	11	12
Loans in total ¹⁾	a	141.04	98.41	98.25	99.27	92.82	95.38	107.27	97.79	141.20	140.97	144.90	148.22	171.23
	b	7.40	7.64	6.57	6.63	7.01	7.17	6.96	6.62	6.10	5.99	6.03	6.16	5.99
of which:														
Current account overdrafts	a	53.09	45.88	48.91	47.17	47.26	48.97	57.67	55.01	93.87	89.76	95.54	98.45	108.14
	b	11.65	9.84	8.62	9.16	9.17	9.24	8.77	8.00	6.70	6.77	6.67	6.78	6.64
Investment loans	a	7.25	3.14	4.65	6.43	3.64	3.40	7.93	4.03	4.70	8.06	5.96	5.71	12.69
	b	5.02	4.94	4.38	3.85	4.53	4.70	3.85	4.49	4.70	3.91	4.25	5.42	4.22
Operation loans	a	-	31.45	26.34	27.99	22.30	23.32	20.26	19.80	22.20	23.23	22.27	23.91	27.59
	b	-	4.77	3.48	3.12	3.44	3.83	3.93	3.75	3.78	3.64	3.77	3.82	4.02
Consumer loans	a	4.15	3.09	1.20	1.54	1.64	1.92	1.75	1.49	1.70	1.75	1.42	1.28	1.14
	b	12.48	11.43	12.35	11.30	11.55	12.17	11.87	10.60	10.40	10.60	12.28	11.78	12.29
Housing loans	a	5.07	2.90	3.14	3.58	3.99	4.50	5.35	5.26	5.41	5.33	5.24	4.72	5.97
	b	6.93	6.27	5.76	5.90	5.92	5.70	5.44	5.27	5.34	5.13	5.05	5.13	4.91
of which: mortgage loans	a	0.84	0.75	0.66	0.77	0.78	0.98	1.49	1.29	1.34	1.23	1.25	1.20	1.45
	b	6.88	6.73	6.54	6.36	5.71	5.31	5.19	5.01	4.94	4.90	4.91	4.95	5.01
without state bonus	a	1.39	0.88	0.54	0.57	0.55	0.52	0.57	0.55	0.62	0.60	0.54	0.57	0.59
	b	6.03	6.48	6.01	6.25	6.08	5.83	5.19	5.21	4.95	4.91	5.00	4.82	4.84
mortgage loans	a	1.39	0.88	0.54	0.57	0.55	0.52	0.57	0.55	0.62	0.60	0.54	0.57	0.59
	b	6.77	6.82	6.69	6.34	6.14	5.79	5.29	5.28	5.01	4.99	5.02	4.86	4.87
with state bonus – client	a	0.10	0.08	0.09	0.09	0.11	0.11	0.11	0.12	0.12	0.09	0.09	0.09	0.08
	b	5.24	5.26	5.26	5.26	5.33	5.29	5.26	5.44	5.39	5.25	5.27	5.29	5.17
intermediate loans	a	0.99	0.51	0.51	0.61	0.69	0.74	1.14	1.10	1.27	1.14	0.93	0.77	0.81
	b	7.33	7.28	7.22	7.16	7.16	7.04	6.56	6.57	6.53	6.42	6.35	6.27	6.29
other real estate loans	a	-	0.67	1.34	1.53	1.87	2.14	2.04	2.21	2.06	2.27	2.43	2.09	3.02
	b	-	4.83	4.76	5.06	5.55	5.39	5.09	4.80	4.97	4.66	4.64	4.88	4.50
Other loans	a	64.86	5.32	8.16	5.79	7.02	6.32	4.83	5.14	5.22	4.47	5.51	5.83	5.77
	b	3.91	5.77	4.12	4.48	4.46	4.47	4.51	4.52	4.87	4.45	4.67	4.68	5.60
Short-term loans	a	120.67	87.09	84.41	85.33	80.16	81.81	87.96	84.47	125.51	123.07	128.82	133.14	147.89
	b	7.45	7.68	6.78	6.81	7.15	7.35	7.36	6.79	6.15	6.12	6.11	6.19	6.12
– with a maturity of up to 7 days	a	52.36	35.77	40.21	31.91	29.28	30.50	29.13	31.83	66.28	64.01	68.45	66.68	74.85
	b	5.69	5.99	5.57	4.96	5.11	5.40	5.52	5.22	4.39	4.50	4.51	4.53	4.58
– up to 1 month	a	17.97	7.62	6.94	8.66	6.30	7.65	7.50	4.51	6.46	6.63	7.20	6.45	5.45
	b	3.77	5.51	4.23	3.99	4.01	4.44	4.65	4.41	4.67	4.06	4.55	4.55	4.84
– up to 3 months	a	5.24	5.59	3.67	4.36	4.20	2.87	2.53	4.24	3.22	3.04	2.47	3.24	7.05
	b	5.36	4.91	3.58	3.48	4.44	3.88	4.21	4.52	4.12	4.87	3.92	4.23	3.93
– up to 6 months	a	1.38	1.03	0.75	1.66	1.15	0.56	1.82	1.89	1.63	1.28	1.31	1.00	1.62
	b	5.04	4.66	4.28	3.10	3.43	4.07	3.82	3.49	3.88	3.66	3.97	4.06	4.26
– up to 12 months	a	43.73	37.08	32.85	38.75	39.24	40.24	46.98	42.00	47.92	48.12	49.39	55.77	58.92
	b	11.38	10.24	9.21	9.50	9.58	9.67	9.24	8.62	9.00	8.69	8.71	8.52	8.51
Long-term loans with a maturity of 1 to 5 years	a	10.64	6.83	9.76	7.08	6.92	7.57	8.05	6.22	8.14	7.10	7.36	5.92	10.15
	b	7.80	7.31	4.83	5.70	6.10	6.31	5.76	5.68	5.88	5.73	5.82	6.06	5.38
Long-term loans with a maturity of over 5 years	a	9.72	4.50	4.08	6.85	5.74	6.00	11.27	7.10	7.54	10.80	8.72	9.17	13.19
	b	6.39	7.42	6.28	5.25	6.10	5.87	4.70	5.42	5.54	4.75	5.05	5.72	4.91

a – Volume (SKK billions).

b – Average interest rate (%).

1) Excluding loans at zero interest rate.



Koruna Deposits and Average Deposit Rates

(National methodology)

		2004	2005											
		12	1	2	3	4	5	6	7	8	9	10	11	12
Deposits in total	a	669.70	659.78	614.32	668.07	686.16	671.62	679.20	685.33	682.22	683.53	695.49	700.78	696.35
	b	2.01	2.19	1.56	1.59	1.63	1.53	1.59	1.54	1.53	1.53	1.56	1.55	1.44
of which:														
Demand deposits	a	247.20	215.47	229.87	226.16	231.03	239.71	242.19	248.72	252.16	256.53	260.44	264.20	283.41
	b	0.83	0.81	0.56	0.48	0.48	0.48	0.49	0.48	0.48	0.49	0.51	0.52	0.47
Time deposits	a	331.22	397.33	338.66	397.12	411.05	388.58	394.11	394.26	388.12	385.56	394.02	395.79	372.04
	b	2.88	3.03	2.29	2.29	2.34	2.25	2.32	2.28	2.27	2.27	2.31	2.30	2.22
– short-term	a	311.01	332.65	273.28	332.36	347.34	325.38	330.17	330.61	323.76	321.69	330.14	331.27	314.75
	b	2.78	2.97	2.05	2.10	2.17	2.06	2.16	2.11	2.12	2.13	2.18	2.17	2.12
– overnight	a	12.09	35.42	47.87	36.09	21.22	38.81	35.89	27.31	23.30	18.04	24.61	29.11	25.15
	b	2.44	3.37	2.06	1.49	1.69	1.48	2.01	1.79	1.66	1.71	2.09	1.77	1.70
– up to 7 days	a	53.16	27.31	50.55	29.47	34.48	37.43	19.39	32.14	28.02	31.59	24.08	16.36	31.28
	b	2.79	3.14	2.02	2.01	1.91	2.25	2.06	1.86	1.76	1.83	1.89	1.94	2.03
– up to 1 month	a	156.29	183.77	86.63	183.72	209.57	170.82	199.29	195.10	199.02	200.83	210.16	216.81	188.64
	b	3.01	3.17	1.88	2.27	2.37	2.30	2.39	2.39	2.42	2.41	2.45	2.48	2.45
– up to 3 months	a	55.33	52.14	53.49	49.81	47.92	46.07	43.96	45.94	43.32	41.36	41.52	39.82	41.06
	b	2.37	2.27	2.15	1.90	1.80	1.62	1.60	1.61	1.60	1.56	1.54	1.47	1.44
– up to 6 months	a	18.29	18.62	18.36	17.00	18.18	16.64	15.97	16.10	16.13	15.86	15.43	16.24	15.72
	b	2.34	2.32	2.22	1.97	1.89	1.61	1.44	1.29	1.22	1.21	1.20	1.18	1.30
– up to 12 months	a	15.85	15.40	16.38	16.27	15.97	15.61	15.67	14.02	13.97	14.01	14.34	12.94	12.89
	b	2.71	2.49	2.46	2.37	2.18	2.13	2.07	1.98	1.90	1.86	1.83	1.71	1.68
– medium-term	a	19.46	26.17	26.29	26.01	25.00	24.78	25.06	24.72	24.74	24.65	24.85	25.06	14.78
	b	4.33	3.75	3.71	3.65	3.69	3.69	3.35	3.33	3.29	3.27	3.11	3.01	2.41
– up to 2 years	a	12.99	12.87	12.88	13.14	12.18	12.09	12.09	12.17	12.15	12.13	12.11	12.07	1.07
	b	4.15	4.12	4.09	4.05	4.19	4.21	3.60	3.57	3.57	3.56	3.57	3.57	2.18
– up to 5 years	a	6.47	13.30	13.41	12.87	12.82	12.69	12.97	12.56	12.59	12.52	12.74	13.00	13.71
	b	4.70	3.40	3.34	3.25	3.21	3.21	3.11	3.09	3.02	2.98	2.68	2.49	2.42
– long-term over 5 years	a	0.76	38.51	39.09	38.74	38.71	38.42	38.88	38.94	39.62	39.22	39.03	39.45	42.51
	b	5.11	3.01	3.00	2.99	2.99	3.00	3.04	3.03	2.88	2.87	2.87	2.88	2.89
Savings deposits	a	91.27	46.98	45.79	44.80	44.07	43.34	42.90	42.35	41.94	41.45	41.04	40.79	40.91
	b	2.06	1.35	1.18	0.98	0.99	0.93	0.94	0.95	0.97	0.99	1.00	1.02	1.06
– short-term	a	34.59	34.86	33.84	32.86	32.08	31.27	30.74	30.11	29.57	29.01	28.48	28.01	27.90
	b	1.46	1.48	1.26	0.98	0.96	0.87	0.86	0.85	0.85	0.85	0.86	0.86	0.89
– medium-term	a	12.64	12.09	11.92	11.90	11.96	12.03	12.15	12.21	12.34	12.41	12.53	12.75	12.98
	b	0.69	0.70	0.98	1.01	1.09	1.12	1.17	1.22	1.26	1.31	1.34	1.38	1.41
– long-term	a	44.04	0.04	0.04	0.03	0.03	0.03	0.00	0.03	0.03	0.03	0.03	0.03	0.03
	b	2.83	0.88	0.78	0.57	0.57	0.57	1.40	1.34	1.31	0.57	0.57	0.56	0.56
Time and savings deposits	a	422.50	444.31	384.45	441.91	455.13	431.92	437.01	436.61	430.06	427.00	435.06	436.58	412.95
	b	2.70	2.85	2.16	2.15	2.20	2.12	2.19	2.15	2.14	2.15	2.19	2.18	2.11
– short-term	a	345.60	367.51	307.12	365.23	379.42	356.65	360.92	360.71	353.33	350.70	358.61	359.28	342.65
	b	2.65	2.83	1.96	2.00	2.07	1.95	2.05	2.00	2.01	2.02	2.08	2.07	2.02
– medium-term	a	32.10	38.26	38.20	37.91	36.96	36.81	37.22	36.93	37.08	37.06	37.38	37.82	27.76
	b	2.90	2.78	2.86	2.82	2.85	2.85	2.63	2.63	2.61	2.61	2.52	2.46	1.94
– long-term	a	44.79	38.55	39.13	38.78	38.75	38.46	38.88	38.97	39.65	39.25	39.06	39.48	42.54
	b	2.87	3.01	3.00	2.99	2.98	3.00	3.04	3.03	2.88	2.87	2.87	2.87	2.89

a – Volume (SKK billions).

b – Average interest rate (%).



Basic Characteristics of Interest Rates on Loans and Deposits

(National methodology)

(%, percentage points)

	li- ne	2004	2005											
		12	1	2	3	4	5	6	7	8	9	10	11	12
Average interest rate on total credit ¹⁾	1	6.43	6.49	6.26	6.06	5.96	5.93	6.01	5.97	5.97	5.93	5.97	5.94	5.88
Average interest rate on deposits	2	2.01	2.18	1.56	1.59	1.63	1.53	1.59	1.54	1.53	1.53	1.56	1.55	1.44
Average interest rate on new loans ¹⁾	3	7.35	7.64	6.57	6.63	7.01	7.17	6.96	6.62	6.10	5.99	6.03	6.16	5.99
Average interbank money market rate (1D to 12M – mid rates)	4	3.54	3.60	2.64	2.16	2.42	2.65	2.70	2.69	2.80	2.75	2.79	2.96	2.94
Average interest rate on new short-term loans ¹⁾	5	7.44	7.68	6.78	6.81	7.14	7.35	7.36	6.79	6.15	6.12	6.11	6.19	6.12
Average interest rate on short-term deposits	6	2.65	2.83	1.96	2.00	2.07	1.95	2.05	2.00	2.01	2.02	2.08	2.07	2.02
Difference between the average interest rates on new short-term loans and short-term deposits (line 5 – line 6)	7	4.79	4.85	4.82	4.81	5.07	5.40	5.31	4.79	4.14	4.10	4.03	4.12	4.10
Basic interest rate of the NBS (until 31 Dec. 2002 discount rate)	8	4.00	4.00	4.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
12-month rate of inflation	9	5.90	3.20	2.70	2.50	2.70	2.40	2.50	2.00	2.00	2.20	3.30	3.40	3.70
Year-on-year increase in industrial producer prices	10	4.30	2.80	2.10	2.60	3.50	3.90	4.80	5.30	5.60	5.80	5.70	7.40	7.00
Real interest rate on new short-term loans (line 5 – line 10)	11	3.14	4.88	4.68	4.21	3.64	3.45	2.56	1.49	0.55	0.32	0.41	-1.21	-0.88
Difference between the average interest rate on new short-term loans and the rate of inflation (line 5 – line 9)	12	1.54	4.48	4.08	4.31	4.44	4.95	4.86	4.79	4.15	3.92	2.81	2.79	2.42
Average interest rate on one-year deposits	13	2.71	2.49	2.46	2.37	2.18	2.13	2.07	1.98	1.90	1.86	1.83	1.71	1.68
Real interest rate on one-year deposits (line 13 – line 9)	14	-3.19	-0.71	-0.24	-0.13	-0.52	-0.27	-0.43	-0.02	-0.10	-0.34	-1.47	-1.69	-2.02
Nominal interest margin (line 1 – line 2)	15	4.42	4.31	4.70	4.47	4.33	4.40	4.42	4.43	4.44	4.40	4.41	4.39	4.44
Difference between the average interest rates on new loans and total deposits (line 3 – line 2)	16	5.34	5.46	5.01	5.04	5.38	5.64	5.37	5.08	4.57	4.46	4.47	4.61	4.55
Difference between the average interest rate on new short-term loans and the average interbank money market rate (line 5 – line 4)	17	3.90	4.08	4.14	4.65	4.72	4.70	4.66	4.10	3.35	3.37	3.32	3.23	3.18
Difference between the average interest rate on new loans and the average interbank money market rate (line 3 – line 4)	18	3.81	4.04	3.93	4.47	4.59	4.52	4.26	3.93	3.30	3.24	3.24	3.20	3.05
Average interest rate on loans ²⁾	19	6.23	6.28	6.05	5.86	5.78	5.75	5.83	5.81	5.80	5.77	5.80	5.77	5.73
Nominal interest margin (line 19 – line 2)	20	4.22	4.10	4.49	4.27	4.15	4.22	4.24	4.27	4.27	4.24	4.24	4.22	4.29

1) Excluding loans at zero interest rate.

2) Including loans at zero interest rate.



Shortened Balance Sheet of Commercial Banks as at 31 December 2005

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

(SKK thousands)

ASSETS	Accumulated depreciation and provisions	Slovak koruna		Foreign currency		Total
		Residents	Non-residents	Residents	Non-residents	
Total assets	60,140,204	1,224,195,170	32,883,997	147,689,658	61,503,289	1,406,131,910
Cash items	0	10,700,929	0	0	4,189,528	14,890,457
Cash in hand	0	10,273,618	0	0	4,147,806	14,421,424
Gold	0	1	0	0	0	1
Other cash items	0	427,310	0	0	41,722	469,032
Deposits with and credits to NBS, foreign issuing banks, and post office banks	516	379,904,404	0	0	2,487	379,906,375
Money reserve accounts with the NBS	0	14,236,008	0	0	0	14,236,008
Deposits, credits, and other receivables	46,399	43,796,363	7,853,061	13,198,616	16,131,635	80,933,276
Current accounts with banks	9	525,862	61,731	130,536	5,005,200	5,723,320
Credits provided	0	16,295,981	0	0	2,317,328	18,613,309
Time deposits with banks	1,549	26,611,573	6,557,073	13,059,085	8,455,679	54,681,861
Current accounts of other banks	0	5	1,233,968	0	250,748	1,484,721
Other receivables	0	315,532	289	8,995	97,955	422,771
Standard credits, qualified deposits, classified credits, deposits, and other receivables	44,841	47,410	0	0	4,725	7,294
of which: Short-term receivables	0	0	0	0	0	0
Interest on non-performing credits	463	494	0	0	0	31
Standard credits to customers	1,213,968	293,153,574	1,056,342	80,059,779	14,330,477	387,386,204
Short-term credits	374,442	39,067,632	61,202	21,510,934	2,862,070	63,127,396
Long-term credits	839,526	254,085,942	995,140	58,548,845	11,468,407	324,258,808
of which: Credits repayable in 1 to and including 5 years	411,600	82,769,983	764,883	23,329,380	4,945,546	111,398,192
Receivables from financial leasing	783	17,209	0	84,935	2,515	103,876
Other receivables from customers	1,744	2,868,001	16,039	1,083,918	1,925,826	5,892,040
of which: Credits for commercial claims	1,744	673,169	0	853,538	974,604	2,499,567
Current accounts of customers - debit balances, overdrafts	283,710	50,649,623	182,788	13,251,240	484,245	64,284,186
Standard receivables with conditions, classified credits, and other receivables from customers	21,404,514	50,257,025	898,050	18,973,221	1,298,577	50,022,359
of which: Interest due, but unpaid	1,685,139	1,735,633	1,158	32,046	1,123	84,821
Standard credits with conditions	2,115,959	25,363,449	695,428	14,609,962	960,166	39,513,046
Sub-standard receivables	1,800,802	7,327,909	187,880	1,507,435	316,746	7,539,168
Doubtful and controversial claims	2,182,076	3,408,355	3,674	808,262	1,645	2,039,860
Loss-making receivables	15,305,677	14,157,312	11,068	2,047,562	20,020	930,285
Receivables with reduced value	262,549	366,261	0	5,439	39,954	149,105
Unclassified receivables from customers	0	0	0	0	0	0
Other specific receivables	0	0	0	0	0	0
Accounts of state authorities, local governments, and funds	42,949	19,061,911	0	8,835,483	0	27,854,445
Standard credits with conditions, classified loans, and other receivables	38,117	104,426	0	429,322	0	495,631
Credits to state authorities	0	9,971,161	0	2,955,874	0	12,927,035
Credits to social security funds	0	253,329	0	0	0	253,329
Credits to local governments	4,832	8,732,861	0	5,450,287	0	14,178,316
Credits to funds	0	134	0	0	0	134
Fixed forward transactions	0	3,436,169	7,804,820	462,811	392,279	12,096,079
Claims in respect of money collection	0	160,770	1,532	762,617	155,195	1,080,114
Branches and representative offices	0	0	64,450	0	257,399	321,849
Receivables and other suspense accounts	970,871	5,569,953	19,601	137,131	12,476	4,768,290
Securities for sale and other shareholdings	343,260	42,246,218	1,344,546	3,041,386	5,328,412	51,617,302
Receivables from trade in securities and from securities issued by the accounting unit	0	18,039	0	4,232	3	22,274
Securities intended for trading	0	37,398,138	4,514,385	4,053,971	11,714,419	57,680,913
Options - purchase	0	558,511	620,088	99,236	129,227	1,407,062
Financial investment	1,475,490	207,629,202	8,508,295	3,630,629	4,544,084	222,836,720
Long-term funds provided to branches abroad	0	0	0	0	531,086	531,086
Tangible assets	24,618,074	47,367,627	0	0	0	22,749,553
Acquisition of tangible and intangible assets	1,010	2,083,309	0	5,011	33,465	2,120,775
Subordinated financial assets	0	60,000	0	0	0	60,000
Intangible assets	9,474,367	12,532,009	0	0	0	3,057,642
Inventories	0	123,917	0	3	0	123,920
Adjustments and accumulated depreciation	60,134,856	56,108,127	72,401	3,533,376	420,952	0



Shortened Balance Sheet of Commercial Banks as at 31 December 2005

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

(SKK thousands)

LIABILITIES	Slovak koruna		Foreign currency		Total
	Residents	Non-residents	Residents	Non-residents	
Total liabilities	906,960,054	140,189,117	122,787,230	236,195,509	1,406,131,910
Deposits with and credits to NBS and foreign issuing banks, and postal checking accounts	6,053,598	0	61,338	0	6,114,936
Current accounts with NBS and foreign issuing banks	2,242,419	0	0	0	2,242,419
Time deposits of NBS and foreign issuing banks	0	0	0	0	0
Credits received from NBS and foreign issuing banks	3,811,179	0	61,338	0	3,872,517
of which: Redistribution credit	3,281,148	0	0	0	3,281,148
Refinancing repo credit	0	0	0	0	0
Deposits, credits, and other liabilities	43,575,151	78,064,356	13,190,014	180,204,467	315,033,988
Current accounts with banks	0	8,166	0	1,568,241	1,576,407
Current accounts of other banks	526,278	7,214,914	130,539	854,861	8,726,592
Other payables	123,797	11,051	389	2,417,353	2,552,590
Credits received	16,313,502	1,601,762	0	28,443,385	46,358,649
Time deposits of other banks	26,611,574	69,228,463	13,059,086	146,920,627	255,819,750
Payables in respect of other items	0	0	0	0	0
Liabilities in respect of short selling securities	0	0	0	0	0
Deposits of customers	612,604,838	6,932,106	96,192,936	6,328,815	722,058,695
Current accounts of customers	261,961,921	4,715,302	46,617,986	4,820,747	318,115,956
Time deposits of customers	267,417,362	2,138,353	47,838,661	1,492,897	318,887,273
Savings deposits of customers	82,647,091	78,391	1,736,289	15,171	84,476,942
Certificates of deposit	578,464	60	0	0	578,524
Other liabilities to customers	11,565,151	49,206	2,763,298	1,228,553	15,606,208
Loans received from customers	5,204,727	0	0	0	5,204,727
Liabilities from financial leasing	8,998	0	0	0	8,998
Short-term securities issued by the accounting unit	10,626,452	22,613	2,189,302	23,538	12,861,905
Earmarked deposits	200	0	0	6,599,845	6,600,045
Other specific payables	17,769	0	4	0	17,773
Accounts of state authorities, local governments, and funds	86,730,626	6,133	6,416,686	18,897	93,172,342
Non-budgetary money deposits of state authorities	66,046,433	6,133	6,295,619	18,897	72,367,082
Deposits of social security funds	10,912	0	0	0	10,912
Deposits of local governments	15,440,140	0	73,770	0	15,513,910
Deposits of funds	5,233,141	0	47,297	0	5,280,438
Fixed forward transactions	3,753,845	7,671,462	323,374	1,349,218	13,097,899
Payables in respect of money collection	211,885	1,500	788,355	106,082	1,107,822
Branches and representative offices	537,621	4,359,600	0	38,477,277	43,374,498
Various payables, adjustment and other suspense accounts	4,939,168	22,538	208,037	150,338	5,320,081
Liabilities from trading in securities and securities issued by the accounting unit	445,937	303	98,493	20	544,753
Options – sale	653,060	524,964	133,820	106,065	1,417,909
Subsidies and similar funds	3,345,744	0	0	0	3,345,744
Long-term securities issued by the accounting unit	48,311,335	1,365,234	0	0	49,676,569
Subordinated financial liabilities	0	1,119,117	0	1,427,389	2,546,506
Reserves	8,282,669	0	136,819	79,008	8,498,496
Reserve funds and other funds allocated from profits	11,990,975	146,500	0	0	12,137,475
Registered capital	4,642,335	36,807,866	0	0	41,450,201
Long-term funds provided to branches of foreign banks	32,000	2,844,579	0	37,848	2,914,427
Share premium	1,947,595	250,000	0	0	2,197,595
Own shares	-8,213	0	0	0	-8,213
Capital fund	204,654	5,490	0	0	210,144
Gains or losses from revaluation of net investments connected with shares and deposits	12,554	0	0	304	12,858
Gains or losses from revaluation of security derivatives	1,241,982	-4,450	284,754	57,845	1,580,131
Retained earnings from previous years +/-	26,905,996	0	0	0	26,905,996
Accumulated losses from previous years -/-	-1,116,920	0	0	0	-1,116,920
Profit and loss account +/-, -/-	14,238,322	0	0	0	14,238,322
Profit or loss in process of approval +/-, -/-	0	0	0	0	0



Monthly Profit and Loss Account of Commercial Banks

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

(SKK millions)

	2004	2005											
	12	1	2	3	4	5	6	7	8	9	10	11	12
EXPENSES													
Expenses on financial operations:	234,692	19,396	35,034	58,931	79,761	97,229	120,455	138,133	154,119	173,967	190,026	212,995	229,541
Other interest	24,202	2,023	3,750	5,427	7,222	9,186	10,998	12,749	14,666	16,468	18,198	20,079	22,074
of which: Financial renting expenses	0	0	0	0	0	0	0	0	0	0	1	1	1
Fees and commissions	1,592	135	270	390	625	771	947	1,108	1,280	1,454	1,619	1,814	2,050
Operations in securities	2,464	74	179	492	641	799	981	1,118	1,251	1,408	2,284	2,521	2,633
Interest on securities	2,383	230	432	673	891	1,118	1,345	1,581	1,814	2,041	2,271	2,472	2,722
Foreign exchange operations	106,069	8,728	15,593	31,356	43,886	54,988	67,918	79,570	90,200	102,116	112,054	126,425	136,263
Operations in derivatives	96,882	8,113	14,642	20,346	26,161	29,941	37,728	41,351	44,173	49,653	52,680	58,666	62,609
Other operations	1,100	94	166	248	336	426	539	655	736	827	920	1,018	1,189
General operating expenses	26,341	2,136	4,407	6,640	8,849	11,244	13,657	15,921	18,088	20,280	22,631	24,949	27,920
Additions to reserves and provisions	30,941	2,727	4,968	7,709	9,344	10,979	14,256	16,258	18,000	21,219	23,044	24,676	28,443
Other operating expenses	13,700	595	1,138	1,863	2,422	3,123	4,048	6,473	7,239	7,633	8,445	9,172	14,322
Extraordinary expenses	200	0	0	0	0	0	0	0	0	0	0	0	0
Income tax	1,788	96	191	367	587	921	977	780	909	1,652	1,840	2,075	2,075
Current period profit	12,287	1,446	2,702	3,748	5,073	6,152	7,581	9,159	10,371	11,481	12,519	13,425	14,261
TOTAL EXPENSES, PLUS PROFIT	319,950	26,396	48,440	79,258	106,035	129,649	160,974	186,724	208,727	236,233	258,504	287,292	316,563
INCOME													
Income from financial operations:	281,542	23,648	43,303	71,135	95,670	117,223	144,732	166,461	186,409	210,256	230,644	257,727	278,739
Income from other interest	37,660	3,306	6,231	9,284	12,489	15,791	18,863	21,909	25,129	28,264	31,409	34,760	38,272
of which: Income from financial renting	1	0	0	0	0	0	1	1	1	1	1	1	1
Income from shares and stakes	280	32	107	155	167	209	81	86	97	98	100	119	122
Income from fees and provisions	10,962	917	1,840	2,937	3,974	5,037	6,179	7,283	8,442	9,537	10,832	11,961	13,242
Income from operations in securities	5,261	661	1,229	1,397	1,601	1,908	2,481	2,745	2,676	2,922	3,369	3,628	3,994
Income from interest on securities	20,452	1,599	2,947	4,370	5,626	7,020	8,407	9,837	11,158	12,483	13,810	15,024	16,250
Income from foreign exchange operations	109,859	8,717	16,511	32,214	44,944	55,705	68,728	79,508	91,007	103,322	112,876	129,711	140,810
Income from operations in derivatives	96,246	8,330	14,258	20,523	26,509	31,087	39,392	44,385	47,095	52,721	57,222	61,401	64,795
Income from other operations	822	85	179	255	359	466	601	708	805	908	1,026	1,122	1,253
Use of reserves and provisions	35,248	2,663	4,919	7,751	9,679	11,629	15,057	17,656	19,511	23,234	24,430	26,048	31,990
Other operating income	3,153	82	216	372	687	797	1,183	2,601	2,801	2,739	3,425	3,511	5,811
Extraordinary income	0	2	3	0	0	0	0	0	0	0	0	0	0
Current period loss	7	1	0	0	0	0	3	6	7	3	5	6	23
TOTAL INCOME, PLUS LOSS	319,950	26,396	48,440	79,258	106,035	129,649	160,974	186,724	208,727	236,233	258,504	287,292	316,563



Balance of Payments of the SR for January – November 2005

	Receipts / Credit (+)		Payments / Debit (-)		Balance	
	SKK millions	USD millions	SKK millions	USD millions	SKK millions	USD millions
Goods	909,863.0	29,409.2	959,041.0	30,998.8	-49,178.0	-1,589.6
Services	122,949.6	3,974.1	113,249.2	3,660.5	9,700.3	313.5
Transport	44,967.6	1,453.5	34,242.3	1,106.8	10,725.3	346.7
Tourism	33,860.5	1,094.5	24,053.7	777.5	9,806.9	317.0
Other services	44,121.5	1,426.1	54,953.3	1,776.2	-10,831.8	-350.1
Income	46,581.0	1,505.6	90,150.7	2,913.9	-43,569.7	-1,408.3
Compensation of employees	26,850.0	867.9	1,023.4	33.1	25,826.6	834.8
Investment income	19,731.0	637.8	89,127.3	2,880.8	-69,396.3	-2,243.1
Current transfers	38,732.7	1,251.9	38,149.5	1,233.1	583.1	18.8
CURRENT ACCOUNT	1,118,126.2	36,140.9	1,200,590.5	38,806.3	-82,464.3	-2,665.5
Capital account	435.4	14.1	835.6	27.0	-400.2	-12.9
Financial account	3,803,220.1	122,927.0	-3,664,317.7	-118,479.5	138,902.4	4,447.5
Direct investment	674,405.5	21,798.6	-623,467.0	-20,152.1	50,938.5	1,646.5
Abroad (direct investor = resident)	40,713.3	1,316.0	-44,874.6	-1,450.5	-4,161.3	-134.5
Equity capital and reinvested earnings	649.3	21.0	-3,837.6	-124.0	-3,188.3	-103.1
Other capital	40,064.0	1,295.0	-41,037.0	-1,326.4	-973.0	-31.4
In the SR (recipient of dir. investment = resident)	633,692.2	20,482.6	-578,592.4	-18,701.7	55,099.8	1,781.0
Equity capital and reinvested earnings	55,736.2	1,801.5	-4,403.4	-142.3	51,332.8	1,659.2
Other capital	577,956.0	18,681.1	-574,189.0	-18,559.3	3,767.0	121.8
Portfolio investment	731,721.1	23,651.2	-755,558.4	-24,427.2	-23,837.3	-776.0
Assets	56,738.9	1,834.0	-77,697.5	-2,511.4	-20,958.6	-677.4
Liabilities	674,982.2	21,817.3	-677,860.9	-21,915.8	-2,878.7	-98.5
Financial derivatives	1,069,007.1	34,553.2	-1,070,010.0	-34,585.6	-1,002.9	-32.4
Assets	444,404.6	14,364.4	-448,556.6	-14,498.6	-4,152.0	-134.2
Liabilities	624,602.5	20,188.8	-621,453.4	-20,087.1	3,149.1	101.8
Other investment	1,328,086.4	42,923.9	-1,215,282.3	-39,314.5	112,804.1	3,609.4
Long-term	123,525.5	3,989.8	-130,727.7	-4,260.1	-7,202.2	-270.3
Assets	34,103.6	1,101.5	-41,461.9	-1,340.2	-7,358.3	-238.8
Liabilities	89,421.8	2,888.4	-89,265.8	-2,919.9	156.1	-31.5
Short-term	1,204,560.9	38,934.1	-1,084,554.6	-35,054.4	120,006.3	3,879.7
Assets	469,197.4	15,165.7	-483,453.5	-15,626.5	-14,256.1	-460.8
Liabilities	735,363.5	23,768.4	-601,101.1	-19,427.9	134,262.4	4,340.5
CAPITAL AND FINANCIAL ACCOUNT	3,803,655.5	122,941.0	-3,665,153.2	-118,506.5	138,502.2	4,434.6
ERRORS AND OMISSIONS	-	-	-	-	13,330.0	738.8
TOTAL BALANCE	-22,570.4	-720.6	91,938.4	3,228.5	69,368.0	2,507.9
Monetary gold	0.0	0.0	0.0	0.0	0.0	0.0
Special drawing rights	0.0	0.0	-0.2	0.0	-0.2	0.0
Foreign exchange	22,570.4	720.6	-91,938.2	-3,228.5	-69,367.8	-2,507.9
Currency and deposits	22,570.4	720.6	0.0	0.0	22,570.4	720.6
Securities	0.0	0.0	-91,938.2	-3,228.5	-91,938.2	-3,228.5
Bonds and notes	0.0	0.0	-73,041.0	-2,533.4	-73,041.0	-2,533.4
Money market instruments and financial derivatives	0.0	0.0	-18,897.2	-695.1	-18,897.2	-695.1
RESERVE ASSETS	22,570.4	720.6	-91,938.4	-3,228.5	-69,368.0	-2,507.9

Note: Preliminary data.

Applied rate of exchange: USD 1 = SKK 30.938



Overview of Issues of NBS Bills

Registration number	Date of			DTM	Volume in SKK millions		Type of auction auction	Interest rate in % p.a.		
	auction	issue	maturity		demand	akcept.		issue	maturity	max.
951504001	20.1.2005	21.1.2005	15.4.2005	84	47,662	25,000	American	3.41	3.59	3.68
950807004	14.4.2005	15.4.2005	8.7.2005	84	47,657	35,000	American	2.42	2.64	2.74
952907005	5.5.2005	6.5.2005	29.7.2005	84	37,470	35,000	American	2.70	2.91	3.00
952608007	2.6.2005	3.6.2005	26.8.2005	84	47,539	35,000	American	2.95	2.99	2.99
953009008	7.7.2005	8.7.2005	30.9.2005	84	53,872	35,000	American	2.88	2.95	2.98
952110010	28.7.2005	29.7.2005	21.10.2005	84	43,900	35,000	American	2.93	2.97	2.98
951811011	25.8.2005	26.8.2005	18.11.2005	84	36,898	35,000	American	2.96	2.98	2.99
952312013	29.9.2005	30.9.2005	23.12.2005	84	36,288	35,000	American	2.95	2.99	3.00
951301014	20.10.2005	21.10.2005	13.1.2006	84	30,353	14,253	American	2.99	3.00	3.00
951002015	16.11.2005	18.11.2005	10.2.2006	84	23,800	0	American	-	-	-
951703017	22.12.2005	23.12.2005	17.3.2006	84	26,711	5,801	American	2.99	3.00	3.00
960704001	12.1.2006	13.1.2006	7.4.2006	84	28,575	5,553	American	3.00	3.00	3.00



Basic Characteristics of Slovakia's Foreign Exchange Market in January 2006

	USD			EUR			Other currencies			Total	
	Volume		Number of transactions	Volume		Number of transactions	Volume		Number of transactions	Volume USD millions	Number of transactions
	USD millions	%		USD millions	%		USD millions	%			
NBS	0.0	0.0	0	0.0	0.0	0	0	0	0	0.0	0
Transactions between domestic banks without foreign participation	5,676.1	65.4	242	2,942.0	33.9	786	55.9	0.6	39	8,674.0	1,067
Interbank forex market: NBS + transactions between domestic banks	5,676.1	65.4	242	2,942.0	33.9	786	55.9	0.6	39	8,674.0	1,067
Transactions between domestic and foreign banks	62,127.5	90.5	2,143	6,156.0	9.0	2,895	333.5	0.5	122	68,617.0	5,160
Foreign exchange market in the SR – total	67,803.6	87.7	2,385	9,098.0	11.8	3,681	389.4	0.5	161	77,290.9	6,227

	SPOT			FORWARD			SWAP			OPTIONS			Total	
	Volume		No. of transactions	Volume		No. of transactions	Volume		No. of transactions	Volume		No. of transactions	Volume USD millions	No. of transactions
	USD millions	%		USD millions	%		USD millions	%		USD millions	%			
Transactions between domestic banks without foreign participation	1,345.6	15.5	749	17.9	0.2	13	7,306.3	84.2	301	3.9	0.0	4	8,673.7	1,067
Transactions between domestic and foreign banks	4,910.1	7.2	2490	87.0	0.1	53	63,377.0	92.4	2,153	233.5	0.3	464	68,607.7	5,160
Foreign exchange market in the SR - excl. the NBS	6,255.7	8.1	3,239	105.0	0.1	66	70,683.3	91.5	2454	237.4	0.3	468	77,281.4	6,227



Average Monthly Exchange Rates of the SKK

Midpoint rate	2005												2006
	1	2	3	4	5	6	7	8	9	10	11	12	1
1 AUD	22.483	22.813	22.705	23.372	23.548	24.242	24.264	24.016	23.996	24.431	24.153	23.715	23.22
1 CYP	66.426	65.282	65.483	67.153	67.502	67.136	67.720	67.515	67.132	67.923	67.571	66.059	65.391
1 CZK	1.274	1.268	1.283	1.301	1.291	1.282	1.286	1.306	1.311	1.311	1.322	1.308	1.305
1 DKK	5.190	5.112	5.128	5.256	5.244	5.177	5.207	5.187	5.156	5.215	5.193	5.081	5.027
1 EUR	38.614	38.051	38.185	39.157	39.039	38.537	38.837	38.695	38.45	38.909	38.73	37.871	37.51
1 EEK	2.468	2.432	2.441	2.503	2.495	2.463	2.482	2.473	2.458	2.487	2.476	2.42	2.397
100 JPY	28.421	27.914	27.493	28.186	28.808	29.145	28.798	28.454	28.243	28.227	27.747	26.914	26.862
1 CAD	24.033	23.610	23.722	24.538	24.435	25.427	26.351	26.067	26.583	27.517	27.743	27.487	26.768
1 LTL	11.183	11.020	11.059	11.342	11.308	11.162	11.246	11.207	11.136	11.27	11.22	10.968	10.863
1 LVL	55.447	54.669	54.853	56.256	56.085	55.371	55.799	55.599	55.24	55.869	55.637	54.361	53.886
100 HUF	15.665	15.596	15.612	15.797	15.493	15.455	15.755	15.828	15.646	15.46	15.443	14.987	14.96
1 MTL	89.297	88.303	88.438	91.078	90.933	89.747	90.456	90.140	89.568	90.643	90.247	88.196	87.371
1 NOK	4.700	4.575	4.664	4.787	4.823	4.881	4.902	4.886	4.925	4.964	4.956	4.747	4.667
1 PLN	9.466	9.528	9.537	9.451	9.319	9.482	9.474	9.560	9.798	9.933	9.748	9.822	9.814
100 SIT	16.105	15.872	15.931	16.338	16.299	16.094	16.216	16.156	16.058	16.247	16.176	15.812	15.661
1 CHF	24.974	24.541	24.660	25.295	25.275	25.053	24.929	24.904	24.817	25.111	25.078	24.472	24.201
1 SEK	4.267	4.187	4.204	4.273	4.246	4.166	4.121	4.141	4.118	4.135	4.051	4.013	4.025
1 USD	29.348	29.259	28.885	30.249	30.672	31.641	32.220	31.494	31.354	32.357	32.808	31.932	31.029
1 GBP	55.217	55.168	55.134	57.270	57.073	57.589	56.479	56.421	56.731	57.062	57.036	55.75	54.679
1 XDR	44.785	44.383	44.132	45.689	45.994	46.461	46.740	46.184	45.986	46.795	46.88	45.695	44.866

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

Average Quarterly Exchange Rates of the SKK

Midpoint rate	2004					2005				
	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4	Year
1 AUD	24.820	23.774	23.232	23.062	23.722	22.667	23.726	24.089	24.099	23.65
1 CYP	-	-	-	-	-	65.726	67.266	67.458	67.178	66.916
1 CZK	1.235	1.251	1.267	1.268	1.255	1.275	1.291	1.301	1.314	1.295
1 DKK	5.446	5.389	5.382	5.312	5.382	5.143	5.225	5.184	5.162	5.179
1 EUR	40.574	40.089	40.025	39.492	40.045	38.282	38.907	38.662	38.500	38.593
1 EEK	-	-	-	-	-	2.447	2.487	2.471	2.461	2.467
100 JPY	30.257	30.352	29.794	28.811	29.804	27.935	28.721	28.497	27.627	28.202
1 CAD	24.618	24.480	25.010	24.987	24.774	23.788	24.804	26.325	27.580	25.622
1 LTL	-	-	-	-	-	11.087	11.270	11.197	11.152	11.178
1 LVL	-	-	-	-	-	54.987	55.899	55.548	55.283	55.437
100 HUF	15.597	15.902	16.079	16.051	15.907	15.624	15.578	15.746	15.294	15.561
1 MTL	-	-	-	-	-	88.675	90.578	90.057	89.687	89.764
1 NOK	4.700	4.850	4.772	4.815	4.784	4.647	4.831	4.904	4.888	4.818
1 PLN	8.493	8.545	9.042	9.310	8.847	9.511	9.417	9.609	9.836	9.591
100 SIT	17.075	16.787	16.680	16.466	16.752	15.969	16.242	16.143	16.077	16.110
1 CHF	25.865	26.067	26.061	25.750	25.936	24.724	25.206	24.884	24.884	24.929
1 SEK	4.419	4.382	4.369	4.382	4.388	4.219	4.228	4.127	4.067	4.161
1 USD	32.457	33.264	32.761	30.539	32.255	29.160	30.863	31.683	32.359	31.022
1 GBP	59.630	60.107	59.595	56.865	59.049	55.172	57.311	56.540	56.609	56.424
1 XDR	48.234	48.560	48.074	46.090	47.740	44.429	46.053	46.299	46.450	45.816

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

**Inflow of Foreign Direct Investment¹⁾ into Slovakia in 1999 – 2005**

(Flows and stocks)

Corporate sector

	SKK millions				USD millions			
	Volume as at 1 January	Net change	Valuation and other changes	Volume as at 31 December	Volume as at 1 January	Net change	Valuation and other changes	Volume as at 31 December
1999	65,637	16,729	695	83,061	1,778.15	403.92	-216.87	1,965.20
2000	83,061	97,454	-18,527	161,988	1,965.20	2,109.39	-656.33	3,418.26
2001	161,988	24,353	-4,190	182,151	3,418.26	503.71	-163.73	3,758.24
2002	182,151	174,180	-96,814	259,517	3,758.24	3,842.06	-1,118.22	6,482.08
2003	259,517	37,157	-13,596	283,078	6,482.08	1,010.44	1,106.43	8,598.95
2004 ³⁾	298,639	26,487	5,682	330,808	9,071.66	821.18	1,716.09	11,608.93
2005 ⁴⁾	330,156	12,925	19	343,100 ⁵⁾	11,586.05	422.65	-1,360.36	10,648.34 ⁵⁾

Banking sector

	SKK millions				USD millions			
	Volume as at 1 January	Net change	Valuation and other changes	Volume as at 31 December	Volume as at 1 January	Net change	Valuation and other changes	Volume as at 31 December
1999	12,931	-40	86	12,977	350.31	-0.97	-42.31	307.03
2000	12,977	2,107	69	15,153	307.03	45.61	-32.88	319.76
2001	15,153	37,095	-3	52,245	319.76	767.27	-9.07	1,077.96
2002	52,245	11,414	-3,930	59,729	1,077.96	251.77	162.16	1,491.89
2003 ²⁾	59,980	1,813	3,629	65,422	1,498.15	49.30	439.85	1,987.30
2004	65,422	5,115	-3,893	66,644	1,987.30	158.58	192.83	2,338.71
2005	66,644	-45	0	66,599 ⁵⁾	2,338.71	-1.47	-270.30	2,066.94 ⁵⁾

Total

	SKK millions				USD millions			
	Volume as at 1 January	Net change	Valuation and other changes	Volume as at 31 December	Volume as at 1 January	Net change	Valuation and other changes	Volume as at 31 December
1999	78,568	16,689	781	96,038	2,128.46	402.95	-259.18	2,272.23
2000	96,038	99,561	-18,458	177,141	2,272.23	2,155.00	-689.21	3,738.02
2001	177,141	61,448	-4,193	234,396	3,738.02	1,270.98	-172.80	4,836.20
2002	234,396	185,594	-100,744	319,246	4,836.20	4,093.83	-956.06	7,973.97
2003 ²⁾	319,497	38,970	-9,967	348,500	7,980.23	1,059.74	1,546.28	10,586.25
2004 ³⁾	364,061	31,602	1,789	397,452	11,058.96	979.76	1,908.92	13,947.64
2005 ⁴⁾	396,800	12,880	19	409,699 ⁵⁾	13,924.76	421.18	-1,630.66	12,715.28 ⁵⁾

Note: The data for 2004 – 2005 are preliminary.

1) Equity capital + reinvested earnings.

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

3) Other capital funds included in the equity capital.

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

5) Data at 30 September.

Inflow of Foreign Direct Investment¹⁾ During January to September 2005

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 30.581									
Inflow of FDI (equity capital + reinvested earnings) in total	12,925	422.6	100.0	-45	-1.5	100.0	12,880	421.2	100.0
Structure of capital by investor									
South Korea	3,348	109.5	25.9	0	0.0	0.0	3,348	109.5	26.0
Germany	3,401	111.2	26.3	-250	-8.2	555.6	3,151	103.0	24.5
Czech Republic	1,774	58.0	13.7	-2	-0.1	4.4	1,772	57.9	13.8
Austria	1,543	50.5	11.9	-15	-0.5	33.3	1,528	50.0	11.9
Switzerland	1,299	42.5	10.1	0	0.0	0.0	1,299	42.5	10.1
The Netherlands	672	22.0	5.2	3	0.1	-6.7	675	22.1	5.2
United Kingdom	511	16.7	4.0	125	4.1	-277.8	636	20.8	4.9
USA	447	14.6	3.5	1	0.0	-2.2	448	14.6	3.5
Lithuania	417	13.6	3.2	0	0.0	0.0	417	13.6	3.2
Belgium	294	9.6	2.3	0	0.0	0.0	294	9.6	2.3
Other countries	-781	-25.5	-6.0	93	3.0	-206.7	-688	-22.5	-5.3
Structure of capital by sector									
Agriculture, hunting, and forestry	15	0.5	0.1	0	0.0	0.0	15	0.5	0.1
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Mineral raw materials extraction	8	0.3	0.1	0	0.0	0.0	8	0.3	0.1
Manufacturing	6,232	203.8	48.2	0	0.0	0.0	6,232	203.8	48.4
Electricity, gas, and water supply	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Construction	-102	-3.3	-0.8	0	0.0	0.0	-102	-3.3	-0.8
Wholesale and retail trade, repairs of motor vehicles	3,186	104.2	24.6	0	0.0	0.0	3,186	104.2	24.7
Hotels and restaurants	29	0.9	0.2	0	0.0	0.0	29	0.9	0.2
Transport, storage, post and telecommunications	-27	-0.9	-0.2	0	0.0	0.0	-27	-0.9	-0.2
Financial intermediation	2,353	76.9	18.2	-45	-1.5	100.0	2,308	75.5	17.9
Real estate, renting and business activities	1,035	33.8	8.0	0	0.0	0.0	1,035	33.8	8.0
Public administration and defence, compulsory social security	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Education	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Health and social work	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Other community, social, and personal services	196	6.4	1.5	0	0.0	0.0	196	6.4	1.5
Activities of private households	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Extra-territorial organizations and bodies	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Structure of capital by region									
Bratislava region	5,842	191.0	45.2	-96	-3.1	213.3	5,746	187.9	44.6
Trnava region	3	0.1	0.0	0	0.0	0.0	3	0.1	0.0
Trenčín region	1,137	37.2	8.8	0	0.0	0.0	1,137	37.2	8.8
Nitra region	308	10.1	2.4	0	0.0	0.0	308	10.1	2.4
Žilina region	4,162	136.1	32.2	-1	0.0	2.2	4,161	136.1	32.3
Banská Bystrica region	360	11.8	2.8	52	1.7	-115.6	412	13.5	3.2
Prešov region	165	5.4	1.3	0	0.0	0.0	165	5.4	1.3
Košice region	948	31.0	7.3	0	0.0	0.0	948	31.0	7.4

Note: Preliminary data.

1) Equity capital + reinvested earnings.



Inflow of Foreign Direct Investment¹⁾ During January to December 2004

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 32.255									
Inflow of FDI (equity capital + reinvested earnings) in total	26,487	821.2	100.0	5,115	158.6	100.0	31,602	979.8	100.0
Structure of capital by investor									
Hungary	6,864	212.8	25.9	-30	-0.9	-0.6	6,834	211.9	21.6
Austria	1,690	52.4	6.4	4,776	148.1	93.4	6,466	200.5	20.5
Czech Republic	4,623	143.3	17.5	-11	-0.3	-0.2	4,612	143.0	14.6
United Kingdom	5,952	184.5	22.5	-1,396	-43.3	-27.3	4,556	141.2	14.4
France	3,713	115.1	14.0	-136	-4.2	-2.7	3,577	110.9	11.3
Germany	3,166	98.2	12.0	253	7.8	4.9	3,419	106.0	10.8
Luxembourg	3,184	98.7	12.0	0	0.0	0.0	3,184	98.7	10.1
South Korea	2,148	66.6	8.1	0	0.0	0.0	2,148	66.6	6.8
Switzerland	927	28.7	3.5	0	0.0	0.0	927	28.7	2.9
Italy	708	22.0	2.7	-13	-0.4	-0.3	695	21.5	2.2
Other countries	-6,488	-201.1	-24.5	1,672	51.8	32.7	-4,816	-149.3	-15.2
Structure of capital by sector									
Agriculture, hunting, and forestry	336	10.4	1.3	0	0.0	0.0	336	10.4	1.1
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Mineral raw materials extraction	-24	-0.7	-0.1	0	0.0	0.0	-24	-0.7	-0.1
Manufacturing	24,196	750.1	91.4	0	0.0	0.0	24,196	750.1	76.6
Electricity, gas, and water supply	-300	-9.3	-1.1	0	0.0	0.0	-300	-9.3	-0.9
Construction	487	15.1	1.8	0	0.0	0.0	487	15.1	1.5
Wholesale and retail trade, repairs of motor vehicles	7,805	242.0	29.5	0	0.0	0.0	7,805	242.0	24.7
Hotels and restaurants	-29	-0.9	-0.1	0	0.0	0.0	-29	-0.9	-0.1
Transport, storage, post and telecommunications	-7,995	-247.9	-30.2	0	0.0	0.0	-7,995	-247.9	-25.3
Financial intermediation	1,285	39.8	4.9	5,115	158.6	100.0	6,400	198.4	20.3
Real estate, renting and business activities	558	17.3	2.1	0	0.0	0.0	558	17.3	1.8
Public administration and defence, compulsory social security	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Education	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Health and social work	18	0.6	0.1	0	0.0	0.0	18	0.6	0.1
Other community, social, and personal services	150	4.7	0.6	0	0.0	0.0	150	4.7	0.5
Activities of private households	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Extra-territorial organizations and bodies	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Structure of capital by regions									
Bratislava region	15,603	483.7	58.9	5,004	155.1	97.8	20,607	638.9	65.2
Trnava region	4,091	126.8	15.4	0	0.0	0.0	4,091	126.8	12.9
Trenčín region	2,199	68.2	8.3	0	0.0	0.0	2,199	68.2	7.0
Nitra region	-175	-5.4	-0.7	0	0.0	0.0	-175	-5.4	-0.6
Žilina region	2,288	70.9	8.6	73	2.3	1.4	2,361	73.2	7.5
Banská Bystrica region	466	14.4	1.8	38	1.2	0.7	504	15.6	1.6
Prešov region	996	30.9	3.8	0	0.0	0.0	996	30.9	3.2
Košice region	1,019	31.6	3.8	0	0.0	0.0	1,019	31.6	3.2

Note: Preliminary data.

1) Equity capital + reinvested earnings.

Inflow of Foreign Direct Investment¹⁾ During January to December 2003

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

1) Equity capital + reinvested earnings.



Volume of Foreign Direct Investment¹⁾ as at 30 September 2005

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 32.221									
Total volume of FDI (equity capital + reinvested earnings)	343,100	10,648.3	100.0	66,599	2,066.9	100.0	409,699	12,715.3	100.0
Structure of capital by investor									
The Netherlands	88,945	2,760.5	25.9	616	19.1	0.9	89,561	2,779.6	21.9
Germany	77,952	2,419.3	22.7	860	26.7	1.3	78,812	2,446.0	19.2
Austria	28,422	882.1	8.3	32,894	1,020.9	49.4	61,316	1,903.0	15.0
Italy	5,162	160.2	1.5	24,144	749.3	36.3	29,306	909.5	7.2
Hungary	27,251	845.8	7.9	2,007	62.3	3.0	29,258	908.0	7.1
United Kingdom	27,434	851.4	8.0	473	14.7	0.7	27,907	866.1	6.8
Czech Republic	17,793	552.2	5.2	3,485	108.2	5.2	21,278	660.4	5.2
USA	15,081	468.0	4.4	1,650	51.2	2.5	16,731	519.3	4.1
France	11,913	369.7	3.5	450	14.0	0.7	12,363	383.7	3.0
Cyprus	8,496	263.7	2.5	0	0.0	0.0	8,496	263.7	2.1
Other countries	34,651	1,075.4	10.1	20	0.6	0.0	34,671	1,076.0	8.5
Structure of capital by sector									
Agriculture, hunting, and forestry	1,722	53.4	0.5	0	0.0	0.0	1,722	53.4	0.4
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Mineral raw materials extraction	2,648	82.2	0.8	0	0.0	0.0	2,648	82.2	0.6
Manufacturing	163,143	5,063.3	47.5	0	0.0	0.0	163,143	5,063.3	39.8
Electricity, gas, and water supply	40,958	1,271.2	11.9	0	0.0	0.0	40,958	1,271.2	10.0
Construction	2,823	87.6	0.8	0	0.0	0.0	2,823	87.6	0.7
Wholesale and retail trade, repairs of motor vehicles	53,622	1,664.2	15.6	0	0.0	0.0	53,622	1,664.2	13.1
Hotels and restaurants	1,972	61.2	0.6	0	0.0	0.0	1,972	61.2	0.5
Transport, storage, post and telecommunications	35,833	1,112.1	10.4	0	0.0	0.0	35,833	1,112.1	8.7
Financial intermediation	22,961	712.6	6.7	66,599	2,066.9	100.0	89,560	2,779.6	21.9
Real estate, renting and business activities	14,228	441.6	4.1	0	0.0	0.0	14,228	441.6	3.5
Public administration and defence, compulsory social security	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Education	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Health and social work	1,490	46.2	0.4	0	0.0	0.0	1,490	46.2	0.4
Other community, social, and personal services	1,700	52.8	0.5	0	0.0	0.0	1,700	52.8	0.4
Activities of private households	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Extra-territorial organizations and bodies	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Structure of capital by regions									
Bratislava region	211,298	6,557.8	61.6	65,274	2,025.8	98.0	276,572	8,583.6	67.5
Trnava region	24,127	748.8	7.0	0	0.0	0.0	24,127	748.8	5.9
Trenčín region	18,482	573.6	5.4	0	0.0	0.0	18,482	573.6	4.5
Nitra region	13,021	404.1	3.8	0	0.0	0.0	13,021	404.1	3.2
Žilina region	23,378	725.6	6.8	950	29.5	1.4	24,328	755.0	5.9
Banská Bystrica region	9,788	303.8	2.9	375	11.6	0.6	10,163	315.4	2.5
Prešov region	7,141	221.6	2.1	0	0.0	0.0	7,141	221.6	1.7
Košice region	35,865	1,113.1	10.5	0	0.0	0.0	35,865	1,113.1	8.8

Note: Preliminary data.

1) Equity capital + reinvested earnings.

Volume of Foreign Direct Investment¹⁾ as at 31 December 2004

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 28.496									
Total volume of FDI (equity capital + reinvested earnings)	330,808	11,608.9	100.0	66,644	2,338.7	100.0	397,452	13,947.6	100.0
Structure of capital by investor									
The Netherlands	92,762	3,255.3	28.0	613	21.5	0.9	93,375	3,276.8	23.5
Germany	74,746	2,623.0	22.6	1,110	39.0	1.7	75,856	2,662.0	19.1
Austria	22,309	782.9	6.7	32,926	1,155.5	49.4	55,235	1,938.3	13.9
Italy	5,291	185.7	1.6	24,143	847.2	36.2	29,434	1,032.9	7.4
Hungary	27,352	959.9	8.3	1,952	68.5	2.9	29,304	1,028.4	7.4
United Kingdom	26,947	945.6	8.1	349	12.2	0.5	27,296	957.9	6.9
Czech Republic	17,094	599.9	5.2	3,486	122.3	5.2	20,580	722.2	5.2
USA	13,971	490.3	4.2	1,650	57.9	2.5	15,621	548.2	3.9
France	11,807	414.3	3.6	415	14.6	0.6	12,222	428.9	3.1
Cyprus	8,903	312.4	2.7	0	0.0	0.0	8,903	312.4	2.2
Other countries	29,626	1,039.7	9.0	0	0.0	0.0	29,626	1,039.7	7.5
Structure of capital by sector									
Agriculture, hunting, and forestry	1,706	59.9	0.5	0	0.0	0.0	1,706	59.9	0.4
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Mineral raw materials extraction	2,549	89.5	0.8	0	0.0	0.0	2,549	89.5	0.6
Manufacturing	159,052	5,581.6	48.1	0	0.0	0.0	159,052	5,581.6	40.0
Electricity, gas, and water supply	40,952	1,437.1	12.4	0	0.0	0.0	40,952	1,437.1	10.3
Construction	2,859	100.3	0.9	0	0.0	0.0	2,859	100.3	0.7
Wholesale and retail trade, repairs of motor vehicles	50,634	1,776.9	15.3	0	0.0	0.0	50,634	1,776.9	12.7
Hotels and restaurants	1,942	68.1	0.6	0	0.0	0.0	1,942	68.1	0.5
Transport, storage, post and telecommunications	35,905	1,260.0	10.9	0	0.0	0.0	35,905	1,260.0	9.0
Financial intermediation	18,275	641.3	5.5	66,644	2,338.7	100.0	84,919	2,980.0	21.4
Real estate, renting and business activities	13,959	489.9	4.2	0	0.0	0.0	13,959	489.9	3.5
Public administration and defence, compulsory social security	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Education	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Health and social work	1,490	52.3	0.5	0	0.0	0.0	1,490	52.3	0.4
Other community, social, and personal services	1,485	52.1	0.4	0	0.0	0.0	1,485	52.1	0.4
Activities of private households	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Extra-territorial organizations and bodies	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Structure of capital by regions									
Bratislava region	206,384	7,242.6	62.4	65,202	2,288.1	97.8	271,586	9,530.7	68.3
Trnava region	23,869	837.6	7.2	0	0.0	0.0	23,869	837.6	6.0
Trenčín region	17,317	607.7	5.2	0	0.0	0.0	17,317	607.7	4.4
Nitra region	12,707	445.9	3.8	0	0.0	0.0	12,707	445.9	3.2
Žilina region	19,147	671.9	5.8	950	33.3	1.4	20,097	705.3	5.1
Banská Bystrica region	9,506	333.6	2.9	492	17.3	0.7	9,998	350.9	2.5
Prešov region	7,029	246.7	2.1	0	0.0	0.0	7,029	246.7	1.8
Košice region	34,849	1,222.9	10.5	0	0.0	0.0	34,849	1,222.9	8.8

Note: Preliminary data.

1) Equity capital + reinvested earnings.



Volume of Foreign Direct Investment¹⁾ as at 31 December 2003

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

1) Equity capital + reinvested earnings.

Outflow of Foreign Direct Investment¹⁾ from Slovakia in 1999 – 2005

(Flows and stocks)

Corporate sector

	SKK millions				USD millions			
	Volume as at 1 January	Net change	Valuation and other changes	Volume as at 31 December	Volume as at 1 January	Net change	Valuation and other changes	Volume as at 31 December
1999	12,397	739	-404	12,732	335.85	17.84	-52.45	301.24
2000	12,732	975	1,515	15,222	301.24	21.10	-1.13	321.21
2001	15,222	3,441	2,740	21,403	321.21	71.17	49.21	441.59
2002	21,403	364	-2,646	19,121	441.59	8.03	27.97	477.59
2003	19,121	664	-1,835	17,950	477.59	18.06	49.61	545.26
2004	17,950	1,609	-278	19,281	545.26	49.88	81.48	676.62
2005 ³⁾	19,184	391	387	19,962 ⁴⁾	673.22	12.79	-66.47	619.54 ⁴⁾

Banking sector

	SKK millions				USD millions			
	Volume as at 1 January	Net change	Valuation and other changes	Volume as at 31 December	Volume as at 1 January	Net change	Valuation and other changes	Volume as at 31 December
1999	1,592	-17,110	15,587	69	43.13	-413.12	371.62	1.63
2000	69	99	21	189	1.63	2.14	0.21	3.98
2001	189	8	1	198	3.98	0.17	-0.07	4.08
2002	198	0	-34	164	4.08	0.00	0.01	4.09
2003 ²⁾	162	43	-9	196	4.05	1.17	0.74	5.96
2004	196	-29	360	527	5.96	-0.90	13.44	18.50
2005	527	4	12	543 ⁴⁾	18.50	0.13	-1.77	16.86 ⁴⁾

Total

	SKK millions				USD millions			
	Volume as at 1 January	Net change	Valuation and other changes	Volume as at 31 December	Volume as at 1 January	Net change	Valuation and other changes	Volume as at 31 December
1999	13,989	-16,371	15,183	12,801	378.98	-395.28	319.17	302.87
2000	12,801	1,074	1,536	15,411	302.87	23.24	-0.92	325.19
2001	15,411	3,449	2,741	21,601	325.19	71.34	49.14	445.67
2002	21,601	364	-2,680	19,285	445.67	8.03	27.98	481.68
2003 ²⁾	19,283	707	-1,844	18,146	481.64	19.23	50.35	551.22
2004	18,146	1,580	82	19,808	551.22	48.98	94.92	695.12
2005 ³⁾	19,711	395	399	20,505 ⁴⁾	691.72	12.92	-68.24	636.40 ⁴⁾

Note: The data for 2004 – 2005 are preliminary.

1) Equity capital + reinvested earnings.

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

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

4) Data at 30 September.



Outflow of Foreign Direct Investment¹⁾ During January to September 2005

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 30.581									
Outflow of FDI (equity capital + reinvested earnings) in total	391	12.8	100.0	4	0.1	100.0	395	12.9	100.0
Structure of capital by country of investment									
Czech Republic	474	15.5	121.2	5	0.2	125.0	479	15.7	121.3
Ukraine	58	1.9	14.8	0	0.0	0.0	58	1.9	14.7
Belgium	22	0.7	5.6	0	0.0	0.0	22	0.7	5.6
Ethiopia	16	0.5	4.1	0	0.0	0.0	16	0.5	4.1
Croatia	15	0.5	3.8	-1	0.0	-25.0	14	0.5	3.5
Serbia and Montenegro	10	0.3	2.6	0	0.0	0.0	10	0.3	2.5
Switzerland	6	0.2	1.5	0	0.0	0.0	6	0.2	1.5
Russia	2	0.1	0.5	0	0.0	0.0	2	0.1	0.5
Bulgaria	2	0.1	0.5	0	0.0	0.0	2	0.1	0.5
India	1	0.0	0.3	0	0.0	0.0	1	0.0	0.3
Other countries	-215	-7.0	-55.0	0	0.0	0.0	-215	-7.0	-54.4
Structure of capital by sector									
Agriculture, hunting, and forestry	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Mineral raw materials extraction	58	1.9	14.8	0	0.0	0.0	58	1.9	14.7
Manufacturing	50	1.6	12.8	0	0.0	0.0	50	1.6	12.7
Electricity, gas, and water supply	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Construction	-255	-8.3	-65.2	0	0.0	0.0	-255	-8.3	-64.6
Wholesale and retail trade, repairs of motor vehicles	-12	-0.4	-3.1	0	0.0	0.0	-12	-0.4	-3.0
Hotels and restaurants	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Transport, storage, post and telecommunications	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Financial intermediation	693	22.7	177.2	4	0.1	100.0	697	22.8	176.5
Real estate, renting and business activities	-143	-4.7	-36.6	0	0.0	0.0	-143	-4.7	-36.2
Public administration and defence, compulsory social security	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Education	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Health and social work	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Other community, social, and personal services	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Activities of private households	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Extra-territorial organizations and bodies	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Structure of capital by regions									
Bratislava region	595	19.5	152.2	4	0.1	100.0	599	19.6	151.6
Trnava region	-3	-0.1	-0.8	0	0.0	0.0	-3	-0.1	-0.8
Trenčín region	18	0.6	4.6	0	0.0	0.0	18	0.6	4.6
Nitra region	-3	-0.1	-0.8	0	0.0	0.0	-3	-0.1	-0.8
Žilina region	8	0.3	2.0	0	0.0	0.0	8	0.3	2.0
Banská Bystrica region	-237	-7.7	-60.6	0	0.0	0.0	-237	-7.7	-60.0
Prešov region	3	0.1	0.8	0	0.0	0.0	3	0.1	0.8
Košice region	10	0.3	2.6	0	0.0	0.0	10	0.3	2.5

Note: Preliminary data.

1) Equity capital + reinvested earnings.

Outflow of Foreign Direct Investment¹⁾ During January to December 2004

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 32.255									
Outflow of FDI (equity capital + reinvested earnings) in total	1,609	49.9	100.0	-29	-0.9	100.0	1,580	49.0	100.0
Structure of capital by country of investment									
Czech Republic	1,292	40.1	80.3	-29	-0.9	100.0	1,263	39.2	79.9
Ethiopia	276	8.6	17.2	0	0.0	0.0	276	8.6	17.5
The Netherlands	196	6.1	12.2	0	0.0	0.0	196	6.1	12.4
Ukraine	121	3.8	7.5	0	0.0	0.0	121	3.8	7.7
Russia	112	3.5	7.0	0	0.0	0.0	112	3.5	7.1
India	58	1.8	3.6	0	0.0	0.0	58	1.8	3.7
Cyprus	49	1.5	3.0	0	0.0	0.0	49	1.5	3.1
Brazil	26	0.8	1.6	0	0.0	0.0	26	0.8	1.6
Switzerland	7	0.2	0.4	0	0.0	0.0	7	0.2	0.4
Romania	4	0.1	0.2	0	0.0	0.0	4	0.1	0.3
Other countries	-532	-16.5	-33.1	0	0.0	0.0	-532	-16.5	-33.7
Structure of capital by sector									
Agriculture, hunting, and forestry	7	0.2	0.4	0	0.0	0.0	7	0.2	0.4
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Mineral raw materials extraction	-51	-1.6	-3.2	0	0.0	0.0	-51	-1.6	-3.2
Manufacturing	969	30.0	60.2	0	0.0	0.0	969	30.0	61.3
Electricity, gas, and water supply	1	0.0	0.1	0	0.0	0.0	1	0.0	0.1
Construction	-86	-2.7	-5.3	0	0.0	0.0	-86	-2.7	-5.4
Wholesale and retail trade, repairs of motor vehicles	744	23.1	46.2	0	0.0	0.0	744	23.1	47.1
Hotels and restaurants	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Transport, storage, post and telecommunications	1	0.0	0.1	0	0.0	0.0	1	0.0	0.1
Financial intermediation	-240	-7.4	-14.9	-29	-0.9	100.0	-269	-8.3	-17.0
Real estate, renting and business activities	269	8.3	16.7	0	0.0	0.0	269	8.3	17.0
Public administration and defence, compulsory social security	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Education	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Health and social work	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Other community, social, and personal services	-5	-0.2	-0.3	0	0.0	0.0	-5	-0.2	-0.3
Activities of private households	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Extra-territorial organizations and bodies	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Structure of capital by regions									
Bratislava region	1,032	32.0	64.1	-29	-0.9	100.0	1,003	31.1	63.5
Trnava region	-46	-1.4	-2.9	0	0.0	0.0	-46	-1.4	-2.9
Trenčín region	867	26.9	53.9	0	0.0	0.0	867	26.9	54.9
Nitra region	-2	-0.1	-0.1	0	0.0	0.0	-2	-0.1	-0.1
Žilina region	-77	-2.4	-4.8	0	0.0	0.0	-77	-2.4	-4.9
Banská Bystrica region	12	0.4	0.7	0	0.0	0.0	12	0.4	0.8
Prešov region	95	2.9	5.9	0	0.0	0.0	95	2.9	6.0
Košice region	-272	-8.4	-16.9	0	0.0	0.0	-272	-8.4	-17.2

Note: Preliminary data.

1) Equity capital + reinvested earnings.



Outflow of Foreign Direct Investment¹⁾ During January to December 2003

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

1) Equity capital + reinvested earnings.

Volume of Foreign Direct Investment¹⁾ Outward as at 30 September 2005

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 32.221									
Total volume of FDI outward (equity capital + reinvested earnings)	19,962	619.5	100.0	543	16.9	100.0	20,505	636.4	100.0
Structure of capital by country of investment									
Czech Republic	9,299	288.6	46.6	497	15.4	91.5	9,796	304.0	47.8
United Kingdom	2,283	70.9	11.4	0	0.0	0.0	2,283	70.9	11.1
Ukraine	1,343	41.7	6.7	0	0.0	0.0	1,343	41.7	6.5
Ireland	1,180	36.6	5.9	0	0.0	0.0	1,180	36.6	5.8
Hungary	1,097	34.0	5.5	0	0.0	0.0	1,097	34.0	5.3
Poland	880	27.3	4.4	0	0.0	0.0	880	27.3	4.3
Luxembourg	808	25.1	4.0	0	0.0	0.0	808	25.1	3.9
Austria	620	19.2	3.1	0	0.0	0.0	620	19.2	3.0
Russia	511	15.9	2.6	0	0.0	0.0	511	15.9	2.5
Bosnia and Herzegovina	363	11.3	1.8	0	0.0	0.0	363	11.3	1.8
Other countries	1,578	49.0	7.9	46	1.4	8.5	1,624	50.4	7.9
Structure of capital by sector									
Agriculture, hunting and forestry	31	1.0	0.2	0	0.0	0.0	31	1.0	0.2
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Mining and quarrying	1,834	56.9	9.2	0	0.0	0.0	1,834	56.9	8.9
Manufacturing	8,155	253.1	40.9	0	0.0	0.0	8,155	253.1	39.8
Electricity, gas and water supply	1,268	39.4	6.4	0	0.0	0.0	1,268	39.4	6.2
Construction	152	4.7	0.8	0	0.0	0.0	152	4.7	0.7
Wholesale and retail trade, repairs of motor vehicles	1,975	61.3	9.9	0	0.0	0.0	1,975	61.3	9.6
Hotels and restaurants	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Transport, storage and communication	42	1.3	0.2	0	0.0	0.0	42	1.3	0.2
Financial intermediation	3,648	113.2	18.3	543	16.9	100.0	4,191	130.1	20.4
Real estate, renting and business activities	2,557	79.4	12.8	0	0.0	0.0	2,557	79.4	12.5
Public administration and defence, compulsory social security	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Education	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Health and social work	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Other community, social and personal service activities	300	9.3	1.5	0	0.0	0.0	300	9.3	1.5
Activities of private households	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Extra – territorial organizations and bodies	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Structure of capital by regions									
Bratislava region	12,797	397.2	64.1	543	16.9	100.0	13,340	414.0	65.1
Trnava region	1,841	57.1	9.2	0	0.0	0.0	1,841	57.1	9.0
Trenčín region	1,626	50.5	8.1	0	0.0	0.0	1,626	50.5	7.9
Nitra region	34	1.1	0.2	0	0.0	0.0	34	1.1	0.2
Žilina region	557	17.3	2.8	0	0.0	0.0	557	17.3	2.7
Banská Bystrica region	1,292	40.1	6.5	0	0.0	0.0	1,292	40.1	6.3
Prešov region	651	20.2	3.3	0	0.0	0.0	651	20.2	3.2
Košice region	1,164	36.1	5.8	0	0.0	0.0	1,164	36.1	5.7

Note: Preliminary data.

1) Equity capital + reinvested earnings.



Volume of Foreign Direct Investment¹⁾ Outward as at 31 December 2004

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 28.496									
Total volume of FDI outward (equity capital + reinvested earnings)	19,281	676.6	100.0	527	18.5	100.0	19,808	695.1	100.0
Structure of capital by country of investment									
Czech Republic	8,629	302.8	44.8	481	16.9	91.3	9,110	319.7	46.0
United Kingdom	2,282	80.1	11.8	0	0.0	0.0	2,282	80.1	11.5
Ukraine	1,187	41.7	6.2	0	0.0	0.0	1,187	41.7	6.0
Ireland	1,136	39.9	5.9	0	0.0	0.0	1,136	39.9	5.7
Hungary	1,131	39.7	5.9	0	0.0	0.0	1,131	39.7	5.7
Luxembourg	1,111	39.0	5.8	0	0.0	0.0	1,111	39.0	5.6
Poland	850	29.8	4.4	0	0.0	0.0	850	29.8	4.3
Austria	647	22.7	3.4	0	0.0	0.0	647	22.7	3.3
Russia	465	16.3	2.4	0	0.0	0.0	465	16.3	2.3
Bosnia and Herzegovina	363	12.7	1.9	0	0.0	0.0	363	12.7	1.8
Other countries	1,480	51.9	7.7	46	1.6	8.7	1,526	53.6	7.7
Structure of capital by sector									
Agriculture, hunting, and forestry	30	1.1	0.2	0	0.0	0.0	30	1.1	0.2
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Mineral raw materials extraction	1,666	58.5	8.6	0	0.0	0.0	1,666	58.5	8.4
Manufacturing	8,060	282.8	41.8	0	0.0	0.0	8,060	282.8	40.7
Electricity, gas, and water supply	1,230	43.2	6.4	0	0.0	0.0	1,230	43.2	6.2
Construction	414	14.5	2.1	0	0.0	0.0	414	14.5	2.1
Wholesale and retail trade, repairs of motor vehicles	1,862	65.3	9.7	0	0.0	0.0	1,862	65.3	9.4
Hotels and restaurants	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Transport, storage, post and telecommunications	43	1.5	0.2	0	0.0	0.0	43	1.5	0.2
Financial intermediation	2,942	103.2	15.3	527	18.5	100.0	3,469	121.7	17.5
Real estate, renting and business activities	2,996	105.1	15.5	0	0.0	0.0	2,996	105.1	15.1
Public administration and defence, compulsory social security	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Education	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Health and social work	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Other community, social, and personal services	38	1.3	0.2	0	0.0	0.0	38	1.3	0.2
Activities of private households	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Extra-territorial organizations and bodies	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Structure of capital by regions									
Bratislava region	11,975	420.2	62.1	527	18.5	100.0	12,502	438.7	63.1
Trnava region	1,781	62.5	9.2	0	0.0	0.0	1,781	62.5	9.0
Trenčín region	1,507	52.9	7.8	0	0.0	0.0	1,507	52.9	7.6
Nitra region	39	1.4	0.2	0	0.0	0.0	39	1.4	0.2
Žilina region	562	19.7	2.9	0	0.0	0.0	562	19.7	2.8
Banská Bystrica region	1,653	58.0	8.6	0	0.0	0.0	1,653	58.0	8.3
Prešov region	619	21.7	3.2	0	0.0	0.0	619	21.7	3.1
Košice region	1,145	40.2	5.9	0	0.0	0.0	1,145	40.2	5.8

Note: Preliminary data.

1) Equity capital + reinvested earnings.

Volume of Foreign Direct Investment¹⁾ Outward as at 31 December 2003

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

1) Equity capital + reinvested earnings.

Symbols used in the tables

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