



NÁRODNÁ BANKA SLOVENSKA



Monetary Survey

October 2006

© NÁRODNÁ BANKA SLOVENSKA

Imricha Karvaša 1
813 25 Bratislava
Slovakia

Contact:
Public Relations Department
Phone No.: +421 2 5787 2141, 5787 2142
Fax No.: +421 2 5787 1128

<http://www.nbs.sk>

ISSN 1336-6459 (online)

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

**CONTENTS**

1	Introduction	5
2	Inflation	6
2.1	Consumer Price Index	6
2.2	Producer Prices in September 2006	8
3	Factors Affecting the Course of Inflation	13
3.1	Monetary Aggregates	13
3.2	External Trade	17
3.3	Real Economy	22
4	Monetary Developments	26
4.1	Foreign Exchange Market	26
4.2	Money Market and Monetary Policy Implementation	27
4.3	Customer Interest Rates in September 2006	30
	ANNEXES	36
1	Capital Market	36
1.1	Bonds	36
1.2	Shares	37
2	Monetary Developments in the Euro Area	39
2.1	Exchange Rate Developments	39
2.2	Real Economy	39
3	Methodological Notes to Selected Indicators	41
3.1	Statistics of Monetary Aggregates (ECB Methodology)	41
3.2	Statistics of Monetary Aggregates (NBS methodology - Monetary Survey)	42
3.3	Statistics of Customer Interest Rates on New Contracts (ECB Methodology)	43
3.4	Classification of Loans According to Quality	44
4	Tables	47
	Selected Indicators of Economic and Monetary Development in the SR	47
	Summary of Assets and Liabilities in the Consolidated Balance Sheet of MFIs	48
	Average Interest Rates on New Loans	49
	Average Interest Rates on New Deposits	50
	Interest Rates on Outstanding Loans	51
	Interest Rates on Outstanding Deposits	52
	Shortened Balance Sheet of Commercial Banks as at 30 September 2006	53
	Monthly Profit and Loss Account of Commercial Banks	55
	Balance of Payments of the SR for January – August 2006	56
	Overview of Issues of NBS Bills	57
	Basic Characteristics of Slovakia's Foreign Exchange Market in October 2006	58
	Average Monthly Exchange Rates of the SKK	59
	Average Quarterly Exchange Rates of the SKK	59
	Inflow of Foreign Direct Investment into Slovakia in 1999 – 2005	60
	Inflow of Foreign Direct Investment During January to December 2005	61
	Inflow of Foreign Direct Investment During January to December 2004	62
	Inflow of Foreign Direct Investment During January to December 2003	63
	Volume of Foreign Direct Investment as at 31 December 2005	64
	Volume of Foreign Direct Investment as at 31 December 2004	65
	Volume of Foreign Direct Investment as at 31 December 2003	66
	Outflow of Foreign Direct Investment from Slovakia in 1999 – 2005	67
	Outflow of Foreign Direct Investment During January to December 2005	68
	Outflow of Foreign Direct Investment During January to December 2004	69
	Outflow of Foreign Direct Investment During January to December 2003	70
	Volume of Foreign Direct Investment Outward as at 31 December 2005	71
	Volume of Foreign Direct Investment Outward as at 31 December 2004	72
	Volume of Foreign Direct Investment Outward as at 31 December 2003	73

**TABLES IN TEXT**

Table 1	Harmonised Index of Consumer Prices	6
Table 2	HICP in the Structure of the National Index	6
Table 3	Consumer Prices in October 2006	8
Table 4	Producer Price Developments in September 2006	8
Table 5	Year-on-Year Growth Rates of M3 Monetary Aggregate (ECB methodology)	13
Table 6	Comparison of Month-on-Month Developments in Monetary Aggregates	13
Table 7	Overview of Net Sales of Open-End Investment Funds	14
Table 8	Main Counterparts of M3 (ECB methodology)	15
Table 9	Receivables of Monetary Financial Institutions from the Resident Private Sector	15
Table 10	Survey of MFI Receivables from the Resident Private Sector (excl. securities)	16
Table 11	Balance of Payments Current Account	17
Table 12	Exports from January to August, Year-on-Year Changes	17
Table 13	Imports from January to August, Year-on-Year Changes	18
Table 14	Balance of Payments Capital and Financial Account	18
Table 15	External Debt of the SR	19
Table 16	Balance of Payments on Current Account	20
Table 17	Year-on-Year Dynamics of the NEER and REER Indices	21
Table 18	Production and Receipts	23
Table 19	Wage Developments in Selected Sectors	23
Table 20	Changes in the SKK/EUR and SKK/USD Exchange Rates	26
Table 21	Koruna Assets/Liabilities and Government Securities Held by Non-Residents	27
Table 22	Interbank Transactions	28
Table 23	Average Daily Impact of NBS Transactions on the Level of Banking Sector Liquidity	29
Table 24	Tenders in October 2006	29
Table 25	Average Interest Rates on New Loans to Non-Financial Corporations	31
Table 26	Average Interest Rates on New Loans to Households	31
Table 27	Average Interest Rates on New Deposits from Non-Financial Corporations	32
Table 28	Average Interest Rates on New Deposits from Households	32
Table 29	The SDXGroup Indices at the End of October	37
Table 30	Weights of Basic SAX Index Components	37
Table 31	Calculation of Monetary Aggregates According to NBS and ECB Methodologies	41

TABLES IN BOX1

Table A	Prices Per m ² of Residential Property in the SR and Their Year-on-Year Changes Since 2002	11
---------	---	----

**CHARTS IN TEXT**

Chart 1	HICP Inflation and Its Main Components	7
Chart 2	HICP Compared with the Views of Respondents on Inflation	7
Chart 3	Developments in Industrial Producer Prices and Manufacturing Products Prices	9
Chart 4	Developments in Food Prices in Primary Production, Processing, and Consumption	9
Chart 5	Monthly Net Sales of OIFs in Slovakia	14
Chart 6	Lending in Foreign Currency in 2004 to 2006	17
Chart 7	Coverage of the Current Account Deficit by Foreign Direct Investment	20
Chart 8	Year-on-Year Changes in the Average Monthly Exchange Rates of the Slovak Koruna	21
Chart 9	Year-on-Year Dynamics of the NEER and REER Indices	21
Chart 10	Development of Industrial and Manufacturing Production	22
Chart 11	Development of Industrial Production in Selected Sectors	22
Chart 12	Receipts from Retail Sales and the Sale of Motor Vehicles and Fuels	22
Chart 13	Registered Unemployment Rate	24
Chart 14	Consumer Confidence Indicator	24
Chart 15	Transactions on the Interbank Foreign Exchange Market	26
Chart 16	Differentials Between the Key Rates of Selected European Central Banks, the ECB, and the Fed	27
Chart 17	BRIBOR	28
Chart 18	Daily Developments in FRAs	29
Chart 19	Daily Developments in IRSs	29
Chart 20	Implied Expectations Derived from BRIBOR Rates	30
Chart 21	Interest Rates on Loans to Non-Financial Corporations, 3M BRIBOR, and the Basic NBS Rate	31
Chart 22	Interest Rates on Loans to Households by Type	32
Chart 23	Real Interest Rates on Household Deposits	33
Chart 24	Government Bond No. 206 – Auction Results Compared with the Values of Quoted Yields	36
Chart 25	Shift in the Benchmark Government Bond Yield Curve	36
Chart 26	Bond Transactions on the BCPB	36
Chart 27	Developments in the SAX Index in 2006	37
Chart 28	Key ECB Interest Rates and the EONIA	39
Chart 29	Exchange Rates: SKK/EUR and USD/EUR	39

CHARTS IN BOX1

Chart A	Residential Property Price Developments in Selected Euro-Area Countries	10
Chart B	Residential Property Price Developments in Slovakia by Region	12

CHARTS IN BOX2

Chart A	Structure of Loans by Interest Rate Fixation	33
Chart B	Structure of Loans by Interest Rate Fixation in 2006	33
Chart C	Comparison of Loans Granted for House Purchases in Terms of Volume	34
Chart D	Absolute Year-on-Year Increases in House Purchase Loans in 2006	34
Chart E	Developments in House Purchase Loans in Slovak Koruna by Type	35
Chart F	Absolute Year-on-Year Changes in the Volume of Loans to Households	35
Chart G	Interest Rates on House Purchase Loans, the Basic NBS Rate, and 10-Year Government Bond Yields	35
Chart H	Interest Rates on House Purchase Loans by Type	35

**Abbreviations**

ARDAL	Agentúra pre riadenie dlhu a likvidity – Agency for Debt and Liquidity Management
BCPB	Burza cenných papierov v Bratislave – Bratislava Stock Exchange
CDCP SR	Centrálny depozitár cenných papierov SR – Central Securities Depository of the Slovak Republic
ECB	European Central Bank
EMU	Economic and Monetary Union
EU	European Union
Eurostat	Statistical Office of the European Communities
Fed	Federal Reserve System
FNM	Fond národného majetku – National Property Fund
IMF	International Monetary Fund
NBS	Národná banka Slovenska – National Bank of Slovakia
NPF	National Property Fund
SASS	Slovenská asociácia správcovských spoločností – Slovak Association of Asset Management Companies
SO SR	Statistical Office of the SR
BRIBOR	Bratislava Interbank Offered Rate
CPI	Consumer Price Index
FDI	Foreign Direct Investment
FRA	Forward Rate Agreement
GDP	Gross Domestic Product
GNDI	Gross National Disposable Income
GNI	Gross National Income
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
NARKS	National Association of Slovak Real Estate Agencies
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 October 2006, approved by the NBS Bank Board on 28 November 2006.



1 Introduction

Consumer prices, expressed in terms of the Harmonised Index of Consumer Prices (HICP), remained at the level of the previous month in October. The 12-month rate of headline inflation reached 3.1%. Core inflation (excluding energy and unprocessed food prices) recorded a year-on-year rate of 2.3%.

Expressed in terms of the Consumer Price Index (CPI), consumer prices increased in comparison with the previous month by 0.2% in October. The 12-month headline and core inflation rates reached 3.7% and 2.4% respectively.

According to a flash estimate by the Statistical Office of the SR, real GDP grew over the third quarter of 2006 by 9.8%.

The M3 monetary aggregate (according to ECB methodology) grew month-on-month by Sk 1.9 billion in September, but its year-on-year dynamics weakened in comparison with August, to 12.9%.

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 9.8 billion in September, while the year-on-year growth rate slowed by 1.6 percentage points, to 12.8%.

The average interest rate on new loans to non-financial corporations rose in September by 0.44 of a percentage point, to 6.77%, and that on new loans to households increased by 0.24 of a percentage point, to 12.56%. Over the same period, the average rate for new deposits from non-financial corporations increased by 0.66 of a percentage point, to 3%, and that for new household deposits rose by 0.06 of a percentage point, to 1.16%.

At the end of October, the State budget of the SR recorded a deficit of Sk 1.1 billion.

The foreign exchange reserves of the NBS (at current exchange rates) stood at USD 13.1 billion in October. At the end of the month, the volume of foreign exchange reserves was 3.4 times greater than the volume of average monthly imports of goods and services to Slovakia during the first nine months of 2006. At the end of October, the coverage of average monthly imports (imports of goods and services according to data from banking statistics) by the official foreign exchange reserves corresponded to 4.1 times the volume of average monthly imports of goods and services to the SR over the first nine months of 2006.

During October, the National Bank of Slovakia did not intervene in the foreign exchange market.

According to preliminary data, the balance of payments on current account for January to August 2006 resulted in a deficit of Sk 87 billion. Over the same period, the capital and financial account produced a shortfall of Sk 16.9 billion. From January to September, the b.o.p. current account produced a deficit of Sk 101.4 billion, while trade resulted in a shortfall of Sk 63.6 billion.

In October, the overall sterilisation position of the NBS vis-à-vis the banking sector stood at Sk 288 billion, representing a fall of Sk 2.5 billion compared with the figure for September.



2 Inflation

2.1 Consumer Price Index

HICP Inflation

Harmonised Index of Consumer Prices

Consumer prices, expressed in terms of the Harmonised Index of Consumer Prices (HICP), were at a standstill in October, when goods prices remained unchanged and services prices recorded a slight increase (0.1%). On a year-on-year basis, consumer prices rose by 3.1% (in September by 4.5%). Overall inflation excluding energy and unprocessed food prices (core inflation) stood at 2.3% (compared with 2.6% in September). The average inflation rate for the period from the beginning of the year reached 4.4%. The average 12-month inflation rate for the past 12 months, from November 2005 to October 2006, was 4.3%. In October, HICP inflation was somewhat lower than expected by the NBS.

Table 1 Harmonised Index of Consumer Prices				(year-on-year changes in %)		
	2006					
	May	June	July	Aug.	Sep.	Oct.
Total	4.8	4.5	5.0	5.0	4.5	3.1
Goods	5.4	5.1	5.4	5.4	4.9	3.1
Industrial goods	7.2	7.0	7.3	7.1	5.8	2.9
Non-energy industrial goods	0.5	0.4	1.1	1.1	1.1	1.1
Energy	16.1	15.6	15.6	14.8	11.9	5.3
Foodstuffs	2.6	2.1	2.3	2.5	3.4	3.4
Processed food (including alcohol and tobacco)	0.8	0.9	1.1	1.8	2.8	2.7
Unprocessed food	5.8	3.9	4.2	4.0	4.7	4.9
Services	3.5	3.5	4.1	4.1	3.5	3.1
Total, excl. energy and unprocessed food (core inflation)	1.9	1.9	2.5	2.6	2.6	2.3
Total, excluding energy	2.3	2.1	2.6	2.8	2.8	2.6
Source: NBS calculations based on data from the Statistical Office of the SR.						

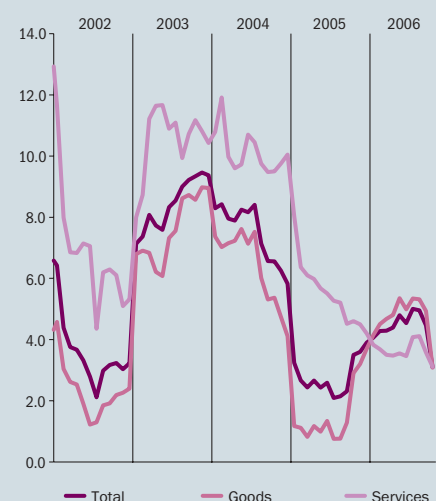
Source: NBS calculations based on data from the Statistical Office of the SR.

HICP in the structure of the core inflation

A comparison of the rates of HICP inflation and CPI inflation expressed in the same structure (national index structure) explains the differences in the year-on-year dynamics of the HICP and the CPI. One of the differences (slower rise in the HICP than in the CPI by 0.6 of a percentage point) was caused by

Table 2 HICP in the Structure of the National Index			(year-on-year changes in %)			
	2006					
	May	June	July	Aug.	Sep.	Oct.
Total	4.8	4.5	5.0	5.0	4.5	3.1
Regulated prices	11.9	11.9	12.7	12.8	11.4	6.9
Core inflation	2.0	1.6	1.9	1.8	1.4	1.1
Foodstuffs	2.9	2.2	2.4	2.4	2.9	2.9
Processed food	-0.1	0.1	0.4	0.9	1.2	1.0
Unprocessed food	5.8	3.9	4.1	3.9	4.7	4.9
Tradable goods	0.8	0.5	0.9	0.5	-0.9	-1.4
Tradable goods, excluding fuel	-0.6	-0.6	-0.2	-0.3	-0.5	-0.6
Fuel	12.9	10.4	10.7	6.9	-3.5	-7.8
Market services	3.2	3.0	3.2	3.4	3.6	3.6
Net inflation (excluding changes in indirect taxes)	1.8	1.5	1.8	1.6	0.9	0.5
Net inflation, excluding fuel (excluding changes in indirect taxes)	1.0	0.9	1.2	1.3	1.2	1.1
Source: NBS calculations based on data from the Statistical Office of the SR.						

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

Chart 1 HICP Inflation and Its Main Components (%)


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

slowdown in processed food prices, accompanied by an acceleration in the dynamics of unprocessed food prices.

As goods prices, prices for services also recorded a slowdown in year-on-year dynamics, when prices increased at a slower rate in all categories of services, except post and telecommunications, where price levels dropped on a year-on-year basis.

Chart 2 HICP Compared with the Views of Respondents on Inflation


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.

price developments in market services, where the CPI also includes the so-called imputed rent and the repair fund, which has been growing dynamically since the end of 2005, but are not included in the HICP. Another difference is caused by the greater weight of energy in the HICP, where the year-on-year dynamics of energy prices weakened considerably owing to the base effect.

As in the previous month, the year-on-year dynamics of industrial goods prices again slowed in October, while food prices were stagnant on a year-on-year basis. The slowdown in industrial goods prices was primarily caused by developments in energy prices. In energy prices, the dynamics of other energy prices (electricity, gas, and other energy) weakened significantly, owing to the base effect. While October 2005 saw marked increases in regulated energy prices for households (3.0% in heat and 22% in gas prices), October 2006 only witnessed an increase in heat prices (2.1%), with gas prices for households planned to be raised from November (by approximately 7%). Fuel prices, representing another sub-aggregate in energy prices, recorded a further year-on-year drop. The year-on-year dynamics of food prices were stagnant, with a slight

Base effect in energy prices

In November, further increases are expected in regulated gas and heat prices. The rate of increase in food prices should accelerate, due to developments in processed food prices (further increases in the prices of cigarettes, bread, and bakery products). Unprocessed food prices are also expected to rise. On the other hand, fuel prices will probably continue to fall.

October saw a reduction in the assessment by consumers of the actual level of price inflation. In answer to questions about the course of inflation to date, the respondents gave an average value of 8.87% (9.92% in the previous month). When asked about the expected inflation rate in the next 12 months, the respondents gave an average value of 8.68%, representing a drop in comparison with the previous month (9.01%).

Consumer expectations regarding inflation

CPI Inflation

Consumer prices increased month-on-month by 0.2% in October. Within the basic structure of inflation, regulated prices recorded an increase, as well as core inflation. October saw the impact of changes in indirect taxes on cigarette prices, with a contribution of 0.03 of a percentage point to the month-on-month headline inflation rate. The 12-month rate of headline inflation reached 3.7% (compared with 4.6% in September) and that of core inflation 2.4% (as in the previous month). The average year-on-year inflation rate for the period since the beginning of this year was 4.5% and that for the past 12 months (from November 2005 to October 2006) reached 4.4%.

Consumer Price Index



Table 3 Consumer Prices in October 2006

	Change versus	
	Sep. 2006	Oct. 2005
Total in %	0.2	3.7
Regulated prices in %	0.4	6.7
- Share of total, in percentage points ¹⁾	0.09	-
Impact of changes in indirect taxes on non-regulated prices		
- Share of total, in percentage points ¹⁾	0.03	-
Core inflation in %	0.1	2.4
- Share of total, in percentage points ¹⁾	0.07	-
of which: Food prices in %	-0.1	2.5
- Share of total, in percentage points ¹⁾	-0.01	-
Tradable goods in % ¹⁾	-0.4	-1.5
- Share of total, in percentage points ¹⁾	-0.13	-
Tradable goods, excluding fuels, in % ¹⁾	0.1	-0.6
- Share of total, in percentage points ¹⁾	0.04	-
Fuels in % ¹⁾	-5.1	-7.8
- Share of total, in percentage points ¹⁾	-0.17	-
Market services in % ¹⁾	0.8	7.3
- Share of total, in percentage points ¹⁾	0.21	-
Net inflation		
(excluding the impact of changes in indirect taxes) in %	0.1	2.4
- Share of total, in percentage points ¹⁾	0.09	-
Net inflation, excluding fuel prices		
(excluding the impact of changes in indirect taxes) in %¹⁾	0.4	3.1
- Share of total, in percentage points ¹⁾	0.26	-

Source: Statistical Office of the SR, and NBS.

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

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

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

2.2 Producer Prices in September 2006

Month-on-month drops in industrial producer prices for the domestic market ... accompanied by a slowdown in their year-on-year dynamics

In September, industrial producer prices for the domestic market fell month-on-month by 0.7%, due to price drops in all basic sub-categories.

The year-on-year dynamics of domestic industrial producer prices slowed in comparison with the previous month by 1.3 percentage points, to 7.5% in September, due to smaller year-on-year increases in the prices of manufacturing products, electricity, gas, steam, and hot water.

Table 4 Producer Price Developments in September 2006

(%)

	Month-on-month change		Year-on-year change			
	August 2006	Sep. 2006	August 2006	Sep. 2006	Average since the beginning of 2006	Sep. 2005
Industrial producer prices (for the domestic market)	0.6	-0.7	8.8	7.5	9.2	5.8
- Prices of manufacturing products	0.3	-0.7	3.0	1.1	2.4	2.5
- Prices of mining and quarrying products	-0.1	-1.0	48.9	49.0	46.2	0.1
- Prices of electricity, gas, steam, and hot water	0.9	-0.8	13.7	13.3	15.7	10.7
Industrial producer prices (for export)	0.0	-1.5	6.2	2.4	4.1	5.5
Construction prices	0.3	0.2	3.8	4.0	3.9	3.9
Building materials prices	0.6	0.2	4.2	4.2	2.2	1.6
Agricultural prices	-	-	1.1	2.0	-0.2	-4.5
- Prices of plant products	-	-	5.9	6.9	1.6	-12.1
- Prices of animal products	-	-	-2.1	-1.0	-0.8	0.6

Source: Statistical Office of the SR.

The slower rise in manufacturing products prices was caused by a year-on-year fall of 6.2% in the price of refined oil products (a drop was last recorded in March 2004). On the other hand, inflationary pressures were exerted by the prices of base metals and finished metal products (a rise of 6.9%), chemical products (3.4%), electrical and optical equipment (3.2%), other non-metal mineral products (2.5%), paper and paper products (2.5%), and after almost two years (for the last time in December 2004) by food prices (an increase of 0.6%).

The year-on-year dynamics of energy prices weakened somewhat in September (compared with August), due to a slowdown in the rate of increase in prices for steam and hot water supply (by 3 percentage points, to 16%) and electricity supply (by 0.8 of a percentage point, to 9.3%). Prices for gas production and the transport of gaseous fuels via pipelines and prices for water treatment and supply increased more steeply than a month earlier (by 1 percentage point, to 19%, and by 0.1 of a percentage point, to 9.8% respectively).

Industrial producer prices for export dropped month-on-month by 1.5% in September. Their year-on-year increase slowed in comparison with the August figure by 3.8 percentage points, to 2.4%.

Industrial producer prices for export

The slower year-on-year rise in industrial producer prices for export was primarily caused by a drop in the export prices of refined oil products (by 0.6%, compared with a rise of 27.1% in August), coupled by the persistent year-on-year fall in the export prices of transport vehicles (by 6.1%, compared with 4.6% in the previous month). Smaller increases than a month earlier were recorded in the prices of paper and paper products (by 2 percentage points, to 4.8%), chemical products (by 1.6 percentage points, to 5.0%), and machinery and equipment (by 0.6 of a percentage point, to 2.1%). On the other hand, marked inflationary pressures were exerted in September by the rising prices of electrical and optical equipment (by 17.4%) and the accelerating increase in the export prices of base metals and finished metal products (by 1.9 percentage points, to 6.4%).

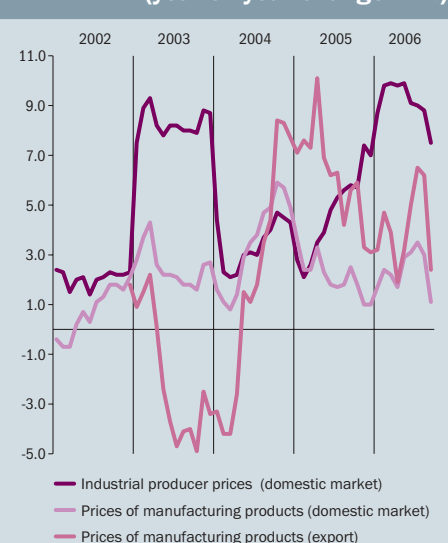
The prices of agricultural products continued to rise in September. They increased year-on-year by a total of 2%, due to a rise in the prices of plant products (6.9%). The prices of animal products dropped by 1%.

Agricultural prices

The rise in plant products prices was caused by increases in the prices of potatoes (12.3%), cereals (9.8%), oilseeds (5.4%), vegetables (3.7%), legumes (2.2%), and sugar beet (1.7%). Tobacco and fruit prices dropped by 9.5% and 2.1% respectively.

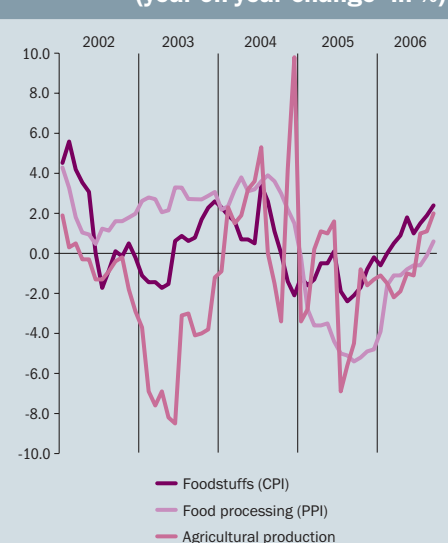
The fall in animal products prices was caused by drops in the prices of fish (10.7%), poultry (7.9% for live animals), and unpasteurised cow milk (0.9%). Increases were recorded in the prices (for live animals) of pork (2%), beef, including veal (1.8%), and eggs (2.2%).

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.



Industrial producer prices are expected to be influenced in October 2006 by the world-market price of oil (reaching its lowest level since the beginning of the year) and the continuing appreciation of the Slovak koruna vis-à-vis the US dollar. At the same time, some upward pressure on inflation is expected to be exerted by food prices. Owing to the anticipated stronger impact of external cost factors, the year-on-year dynamics of industrial producer prices are again expected to weaken in October, compared with the previous month.

On the basis of agrarian market news, the purchase prices of cereals are expected to rise year-on-year in October (due to the falling supply of food cereals on the market), as well as the price of late potatoes. Among animal products, the persistent fall in the price of poultry (for live animals) is expected to be accompanied by modest increases in beef and pork prices (live animals). In line with these assumptions, the year-on-year increase in agricultural prices is expected to continue in October.

BOX 1

Current Developments in Residential Property Prices (in the second quarter of 2006)

Developments in residential property prices in the euro area

Since 2001, the ECB has been monitoring, in cooperation with the national banks of EU member states, the trends in house and apartment prices in the euro area measured in terms of an average year-on-year index, in which the GDPs of individual countries expressed as a share of total euro-area GDP are used as weights (data from the new member states, Denmark, Sweden, and Great Britain are not taken into account in the calculation of the average index of year-on-year changes in residential property prices in the euro area).

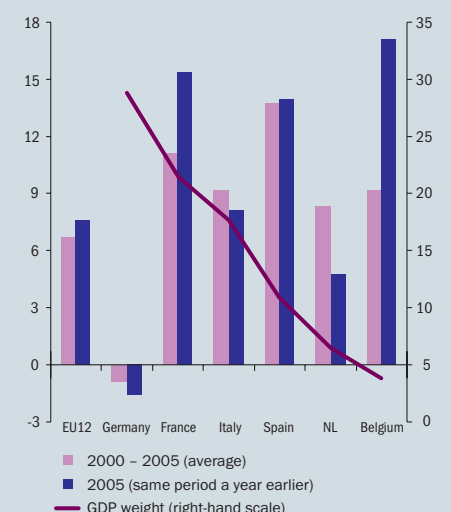
Average residential property prices in the euro area rose year-on-year by 7.6% in 2005 (compared with 7.2% a year earlier), representing a steeper increase than the average figure for the period since 2000 (6.7%). In the key euro area countries, the year-on-year increases in residential property prices were relatively differentiated. In 2005, the steepest year-on-year increases in residential property prices were recorded in Belgium (17.2%) and France (15.3%), while residential property prices in Germany continued to fall (by 1.6%).

The free movement of persons and capital within the enlarged EU has led to increased internationalisation on the residential property market, which is accompanied by relatively differentiated developments in such real estate prices. In general, residential property prices in the old member states show a tendency to slow in dynamics, while the new member states witness marked increases in residential property prices (mainly the Baltic States and Poland). However, the level of residential property prices in the countries of Central and Eastern Europe is still substantially lower than in Western European countries.

Sources of data on residential property prices

A general problem in the valuation of real estate prices and especially in their international comparison is the availability of relevant official data. The characteristic features of the applied data are the diversity of their sources (ministries, mortgage creditors, real estate agencies, land registers, etc.), differences in territorial coverage (the entire country, only big cities, etc.), the absence of distinction between new and old real estate, differences in the periodicity of

Chart A Residential Property Price Developments in Selected Euro-Area Countries (%)



Source: Eiglsperger, M.: Residential property price statistics for the euro area and selected EU countries. OECD-IMF workshop Real Estate Price Index, Paris, November 2006.

monitoring, etc. Although the quality of the indicator of year-on-year developments in residential property prices in the euro area is steadily improving, it is still behind the standards of euro-area economic statistics and price indices.

Work on a Eurostat pilot project (supported by the ECB), designed to verify the practical possibilities for monitoring the trends in residential property prices in EU member states in a unified manner, is proceeding relatively slowly (though it started in 2000). Further steps are to be discussed at a working meeting in Lisbon in November 2006. One of the reasons behind the slow progress of work on this pilot project is the differences of opinion among experts as to the inclusion of expenses connected with the private ownership of houses and flats into the structure of the consumer price index.

Since the decision on the official monitoring of data on residential property prices in the conditions of Slovakia via the Statistical Office of the SR depends on the results of the Eurostat pilot project, the official monitoring of these data within the scope of the national statistics does not seem to be realistic even in the year to come.

The NBS copes with the absence of official data on residential property prices through cooperation with the National Association of Slovak Real Estate Agencies (NARKS) on a contractual basis. The goal of this cooperation is to obtain the necessary data for the individual quarters since the beginning of 2005 (apart from quarterly data since the beginning of 2005, annual data are also available for the period since 2002). Although the NARKS database was created for a purpose other than that required by the ECB, it represents one of the few sources of data available on residential property prices in the SR. The quality of data could also be improved through the participation of NARKS in the pilot verification of the new internet portal 'Real Estate Price Map'.

At the beginning of 2006, the ECB received the first preliminary data on residential property prices from Slovakia for 2002-2005, including quarterly data for 2005. In accordance with the conclusions of the last working group on general statistics at the ECB (WGGES), a unified procedure and updated calendar are to be prepared for the regular delivery of data on residential property prices to national banks. Information on residential property price developments in Slovakia was also sent to the BIS.

Developments in residential property prices in Slovakia

According to NBS calculations, based on data from the NARKS database, 2003 and 2004 saw sharp increases in residential property prices in comparison with 2002. The marked increase in residential property prices in that period was probably connected with their expected further rise after the entry of Slovakia into the EU. At the beginning of 2005, residential property prices recorded a marked slowdown in dynamics (due to lower demand for residential property), which was, however, followed by a gradual increase in the second half of the year.

According to NBS calculations, the average price per m² of residential property reached roughly Sk 26,000 in 2005, which was almost 10% less than in 2004. In the second quarter of 2006,

Table A Prices Per m² of Residential Property in the SR and Their Year-on-Year Changes Since 2002

	2002	2003	2004	2005	2005				2006	
					Q1	Q2	Q3	Q4	Q1	Q2
Flats										
- in Sk/m ²	18,132	24,538	28,072	25,720	24,565	24,526	26,463	27,326	28,860	29,948
- year-on-year change in %	0	35.3	14.4	-8.4	.	.	.	.	17.5	22.1
Houses										
- in Sk/m ²	17,532	25,264	29,420	27,568	26,819	27,139	28,069	28,245	29,538	30,147
- year-on-year change in %	0	44.1	16.5	-6.3	.	.	.	.	10.1	11.1
Total										
- in Sk/m ²	17,832	24,901	28,746	26,088	24,998	25,014	26,815	27,524	29,007	30,000
- year-on-year change in %	0	39.6	15.4	-9.2	.	.	.	.	16.0	19.9

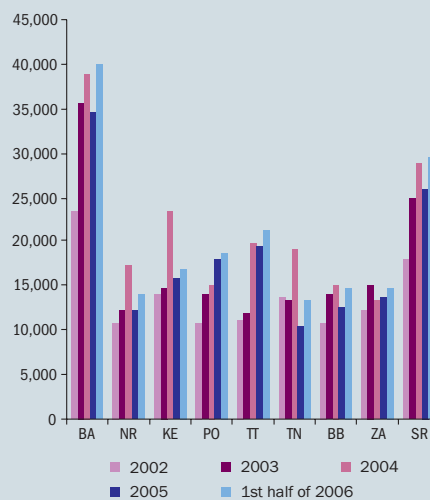
Source: NARKS and NBS calculations. Quarterly data are only available since 2005.



the average price per m² of a house or flat was Sk 30,000. As a result of the base effect, the prices of houses and flats in Slovakia rose year-on-year over the first two quarters of 2006 by 16% and almost 20% respectively.

Data from the NARKS database show marked differences in prices per m² of residential property in Bratislava and the other regions of Slovakia. While the average price per m² of residential property in the Bratislava region was almost Sk 40,000 in the first half of 2006, the figure for the Nitra region amounted to only about Sk 14,000.

Chart B Residential Property Price Developments in Slovakia by Region (Sk/m²)



Source: NARKS and NBS calculations.

Note: BA – Bratislava, NR – Nitra, KE – Košice, PO – Prešov, TT – Trnava, TN – Trenčín, BB – Banská Bystrica, ZA – Žilina, SR – Slovak Republic.

3 Factors Affecting the Course of Inflation

3.1 Monetary Aggregates

The year-on-year dynamics of the M3 monetary aggregate weakened somewhat in September, but still represented the second strongest growth rate since the end of 2004.

M3 Monetary Aggregate

The M3 monetary aggregate (according to ECB methodology) grew in volume by Sk 1.9 billion compared with the previous month, to Sk 894.3 billion at the end of September. Thus, after accelerating for four successive months, the year-on-year rate of M3 growth¹ slowed by 0.7 of a percentage point, to 12.9% in September.

Fall in the year-on-year growth dynamics of M3

Table 5 Year-on-Year Growth Rates of M3 Monetary Aggregate (ECB methodology) (%)

	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.
Year 2004	6.4	9.9	6.9	11.1	8.6	14.0	5.8	11.9	13.3	13.6	12.7	15.0
Year 2005	10.0	9.6	11.4	11.9	12.5	9.6	8.9	8.0	7.3	7.6	6.3	7.8
Year 2006	8.6 ¹⁾	9.1 ¹⁾	10.3 ¹⁾	9.4 ¹⁾	10.5	11.2	11.8	13.6	12.9	.	.	.

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

1) Revised data.

The development of M3 in September was mainly influenced by the increasing dynamics of deposits and loans received with an agreed maturity of up to 2 years (Sk 1.8 billion), an increase in currency, and the ongoing moderate inflow of funds into money market funds. Growth in bank liquidity was stimulated by an increase in the receivables of monetary financial institutions (MFIs) from the resident private sector (by Sk 9.8 billion, including securities). The opposite effect was probably exerted by decreases in deposits and loans received from the central government (Sk 7.5 billion, including deposits at the SR Treasury), MFI receivables from the public sector (Sk 2.7 billion), and the modest improvement in budgetary performance in September.

Table 6 Comparison of Month-on-Month Developments in Monetary Aggregates (ECB methodology)

	Volume in billions of Sk ¹⁾			Year-on-year change in %	
	Sep. 2005	Aug. 2006	Sep. 2006	Aug. 2006	Sep. 2006
Currency in circulation	112.6	125.8	126.4	12.9	12.3
Deposits and received loans repayable on demand	330.4	387.0	386.5	20.3	17.0
M1	443.0	512.8	513.0	18.4	15.8
Deposits and loans received with an agreed maturity of up to 2 years	285.1	323.4	325.2	12.1	14.1
Deposits redeemable at a period of notice of up to 3 months	15.1	12.7	12.5	-17.5	-17.3
M2	743.1	848.9	850.6	15.2	14.5
Money market fund shares/units	47.0	38.6	38.9	-18.4	-17.3
Repo operations	0.0	0.0	0.0	-	-
Debt securities issued with a maturity of up to 2 years	1.9	4.8	4.8	-	-
M3	792.0	892.4	894.3	13.6	12.9

Source: NBS.

Note: Differences in the sums are due to rounding. The missing figures 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.

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.



Main M3 Components

Slowdown in M1 and M2 growth; growth in deposits and loans taken with an agreed maturity of up to 2 years

Within the M1 sub-aggregate, the weakening trend in the year-on-year growth dynamics of currency in circulation continued in September, but the growth rate of M1 was still determined by developments in deposits and received loans repayable on demand. Despite the ongoing marked slowdown in their dynamics (caused by a slight month-on-month decrease and the base effect in particular), these deposits show the strongest year-on-year dynamics among the main M3 components in the long term.

The rate of M2 growth slowed only slightly, due to developments in other short-term deposits. This was mainly a result of accelerating growth in deposits and loans received with a maturity of up to 2 years, and the somewhat reduced negative year-on-year dynamics of deposits redeemable at a period of notice of up to 3 months.

Developments in the less liquid components (marketable instruments) affected the rate of M3 growth to only a minimum extent, when the volume of money market fund shares/units recorded a very slight increase and that of debt securities issued with a maturity of up to 2 years remained virtually unchanged.

Investment Through Open-End Investment Funds

Renewed inflow of funds into open-end investment funds in Sk

The net value of Sk-denominated assets held by open-end investment funds (OIFs) had increased to Sk 114.1 billion by the end of September and the outflow of funds from OIFs (lasting for several months) discontinued in October. OIFs denominated in Slovak koruna, as well as foreign-currency OIFs, achieved positive net sales. The cumulative negative increase in net OIF sales in Sk diminished over the first ten months of this year.

Table 7 Overview of Net Sales of Open-End Investment Funds

(month-on-month change in billions of Sk)

	Year	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.	CUM.
OIF sales denominated in Slovak koruna	2004	1.3	1.5	1.8	1.3	1.8	2.4	3.0	3.1	2.6	2.5	2.3	3.0	26.7
	2005	5.2	6.8	4.1	3.4	2.3	2.3	2.0	1.8	1.5	3.7	1.0	1.3	35.3
	2006	1.33	-0.42	0.74	-1.79	-0.09	-0.28	-0.56	-1.68	-0.78	-1.8	.	.	-2.34
OIF sales denominated in foreign currency	2004	0.08	0.07	0.1	0.05	0.14	0.04	0.04	0.06	0.07	0.03	0.07	0.04	0.80
	2005	0.08	0.14	0.14	0.21	0.12	0.20	0.15	0.29	0.39	0.43	0.12	0.28	2.56
	2006	0.43	0.85	0.44	0.16	-0.02	-0.10	0.61	-0.18	0.34	0.01	.	.	2.54

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

This growth was mainly promoted by the positive net sales of money market funds (Sk 2.1 billion), as well as umbrella and equity funds (Sk 0.2 and 0.1 billion respectively), in the total amount of Sk 2.4 billion. On the other hand, other funds recorded negative net sales, in the total amount of Sk -1.2 billion (of which, bond funds accounted for Sk -1.1 billion, and mixed, other, and special funds for Sk -0.1 billion). The monthly net sales of OIFs were positive in all categories (Sk 1.2 billion).

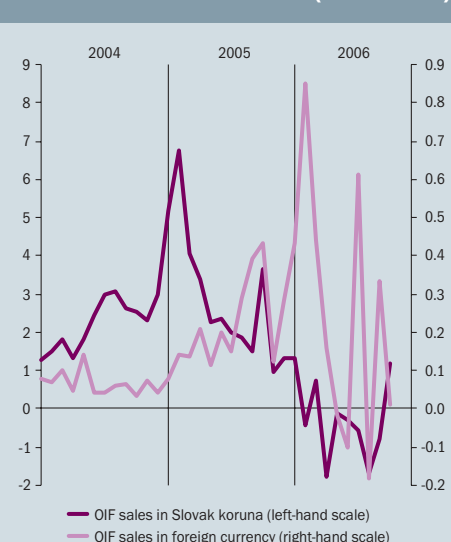
Main M3 Counterparts

Decelerating growth in MFI receivables (including securities) from residents

The year-on-year growth rate of MFI receivables from residents (including securities issued by clients and held by MFIs) slowed in comparison with August by 1.6 percentage points, to 12.8% in September. This was due to a slowdown in bank lending to the private sector, coupled with an acceleration in the rate of decline in MFI receivables from the public sector (caused by the base effect and a month-on-month decrease).

The month-on-month decrease in deposits and loans received from the central government, which began in

Chart 5 Monthly Net Sales of OIFs in Slovakia
(Sk billions)



Source: NBS calculations based on data from SASS.

June 2006, continued in September (by Sk 10.7 billion, excluding the deposits of local self-governments, social security funds, and non-financial corporations at the SR Treasury), causing a further slowdown in the year-on-year growth rate of these deposits.

The long-term increasing trend in the year-on-year growth dynamics of long-term financial liabilities (excluding capital, reserves, and provisions), the source of which was mainly deposits and loans received with an agreed maturity of over 2 years and debt securities issued with a maturity of over 2 years, came to a halt or slowed in the middle of the year.

Table 8 Main Counterparts of M3 (ECB methodology)

	Volume in billions of Sk ¹⁾			Year-on-year change in %	
	Sep. 2005	Aug. 2006	Sep. 2006	Aug. 2006	Sep. 2006
Net foreign assets	285.6	310.5	296.4	5.5	3.8
Foreign assets	605.0	529.9	512.9	-12.0	-15.2
Foreign liabilities	319.4	219.5	216.5	-28.8	-32.2
Receivables of MFIs from residents (incl. securities)	753.5	843.2	850.3	14.4	12.8
Receivables from the general government	260.1	253.5	250.8	-0.6	-3.6
Receivables from the private sector	493.5	589.7	599.5	22.4	21.5
Deposits and loans taken from central government	77.3	95.5	84.8	21.7	9.8
Long-term financial liabilities (excl. capital and reserves)	96.4	112.9	113.3	17.7	17.5
Deposits and loans taken with an agreed maturity of over 2 years	52.3	62.1	62.4	18.8	19.2
Deposits redeemable at over 3 months' notice	28.0	25.3	25.0	-10.3	-10.7
Debt securities issued with a maturity of over 2 years	16.1	25.5	25.9	65.2	61.3
Other items net	73.4	53.0	54.3	-25.5	-26.0
Capital, reserves, and provisions	103.6	78.3	77.0	-21.6	-25.6
Other liabilities	48.0	52.0	52.8	9.3	10.1
Surplus of liabilities among MFIs	-0.1	0.0	-0.1	-	-
Fixed assets	33.9	32.9	32.7	-2.7	-3.5
Other assets	44.1	44.3	42.7	4.7	-3.1
M3	792.0	892.4	894.3	13.6	12.9

Source: NBS.

Note: Differences in the sums are due to rounding. The missing figures 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 9 Receivables of Monetary Financial Institutions from the Resident Private Sector

	Volume in billions of Sk ¹⁾			Year-on-year change in %	
	Sep. 2005	Aug. 2006	Sep. 2006	Aug. 2006	Sep. 2006
MFI receivables from the private sector (incl. securities)	493.5	589.7	599.5	22.4	21.5
of which: securities issued by the private sector	18.8	14.7	14.4	-22.3	-24.9
MFI receivables (excluding securities)	474.7	575.0	585.1	24.1	23.3
Non-financial corporations	260.7	295.7	300.9	15.7	15.4
- up to 1 year	113.3	127.0	130.2	13.1	14.9
- 1 to 5 years	53.7	56.2	56.0	4.9	4.4
- over 5 years	93.7	112.5	114.7	25.5	22.4
Financial corporations	48.1	60.8	60.5	29.3	26.0
Insurance corporations and pension funds	0.0	0.0	0.0	-	-
Households and non-profit institutions serving households	165.8	218.6	223.6	36.0	34.8
- consumer loans	24.8	33.5	34.3	37.5	38.3
- house purchase loans	109.5	142.9	145.9	34.3	33.3
- other loans	31.5	42.2	43.4	41.0	37.7

Source: NBS.

Note: Differences in the sums are due to rounding. The missing figures 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.



Despite increasing month-on-month by Sk 9.8 billion, MFI receivables from the private sector (including securities) showed weakening growth dynamics in September. The year-on-year rate of decline in securities issued by the private sector continued to accelerate, and the growth rate of MFI receivables from the private sector also slowed somewhat (a monthly increase of Sk 10.1 billion, excluding securities).

Decelerated growth in MFI receivables from the private sector

The year-on-year growth in MFI receivables from non-financial corporations and households continued to slow, in line with the trend from the past few months. While receivables in the two sub-sectors recorded comparable increases, the growth rate of loans to households was still more than twice as fast as the dynamics of loans to non-financial corporations.

Structure of MFI Receivables from the Private Sector

Moderating growth in loans to households

The increase in loans to households over the first ten months of the year markedly exceeded the increase in loans to non-financial corporations. In overall bank lending to households, loans for housing purposes represent the largest and most stable component.

The year-on-year dynamics of loans to households in total as well as loans for housing purposes continued to weaken slightly in September, by 1.2 and 1.0 percentage point(s) in comparison with the previous month. Consumer loans and other loans still show somewhat stronger growth dynamics than loans for housing purposes, but they constitute much smaller parts of the total volume of loans to households.

Table 10 Survey of MFI Receivables from the Resident Private Sector (excl. securities)

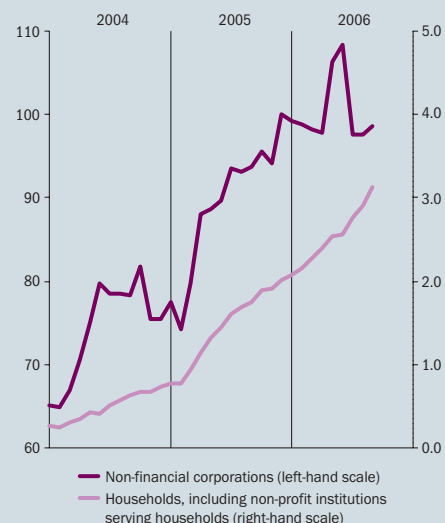
	Volume (Sk billion)	Change since the beginning of the year (Sk billion)	
	September 2006	September 2005	September 2006
MFI receivables (excluding securities)	585.1	77.0	77.6
Non-financial corporations	300.9	35.4	29.5
– loans in Slovak koruna	202.3	17.0	30.9
– loans in foreign currency	98.6	18.4	-1.4
Financial corporations (other financial intermediaries and financial aid institutions)	60.5	3.9	5.5
– loans in Slovak koruna	47.6	2.5	4.6
– loans in foreign currency	13.0	1.4	1.0
Insurance companies and pension funds	0.0	0.0	0.0
– loans in Slovak koruna	0.0	0.0	0.0
– loans in foreign currency	0.0	0.0	0.0
Households and non-profit institutions serving households	223.6	37.6	42.6
– loans in Slovak koruna	220.5	36.6	41.5
– loans in foreign currency	3.1	1.1	1.1
of which: Consumer loans	34.3	4.9	9.5
– loans in Slovak koruna	34.2	4.8	9.5
– loans in foreign currency	0.1	0.1	0.0
House purchase loans	145.9	21.6	27.0
– loans in Slovak koruna	144.1	20.8	26.2
– loans in foreign currency	1.8	0.7	0.8
Other loans	43.4	11.1	6.1
– loans in Slovak koruna	42.1	11.0	5.7
– loans in foreign currency	1.2	0.1	0.3

Source: NBS.

The volume of loans granted in foreign currency to non-financial corporations and households slightly increased in September (by a total of Sk 1.2 billion, which took place predominantly in euro loans).

In the long term, the share of euro loans in the total volume of foreign-currency loans is higher than the share of loans in other currencies. In September, euro loans accounted for 93% of the receivables from non-financial corporations and almost 90% of those from households. The dynamics of bank lending in foreign currency to non-financial corporations and households continued to increase slightly in September.

Chart 6 Lending in Foreign Currency in 2004 to 2006 (Sk billions)



Source: NBS.

Current Budgetary Developments

In October, budgetary performance improved in comparison with the previous month by Sk 4.0 billion, when the deficit decreased to Sk 1.1 billion at the end of the month, representing the lowest level in the past ten months. The October increase in revenue exceeded the level of expenditure, when budget revenue increased month-on-month by Sk 28.4 billion and expenditure grew by Sk 24.4 billion (in September by Sk 23.3 billion and Sk 22.7 billion respectively).

3.2 External Trade

Balance of Payments for August 2006

In August 2006, the balance of payments on current account resulted in a deficit of Sk 2.1 billion. This represented a marked improvement in budgetary performance in comparison with July. The most significant change occurred in the balance of income, when the July deficit changed into a modest surplus in August, due to lower dividend payments to foreign direct investors. The lower current account deficit was also

Current account

supported by an improvement in the trade balance, whose deficit shrank in comparison with the previous month. The other items of the current account recorded only a modest surplus (the services balance) or a deficit (the balance of current transfers), while they followed similar trends as in the previous month. The year-on-year decrease in the deficit (Sk 1.4 billion) was mainly caused by an improvement in the income balance.

Table 11 Balance of Payments Current Account

(Sk billions)

	Aug. 2006	Aug. 2005	Jan. – Aug. 2006	Jan. – Aug. 2005
Balance of trade	-2.4	-0.4	-54.1	-36.5
Exports	108.1	81.2	774.1	620.8
Imports	110.5	81.6	828.2	657.3
Balance of services	1.3	1.8	11.2	8.2
Balance of income	0.3	-3.8	-45.7	-31.4
of which: Income from investment	-2.1	-6.1	-65.5	-50.3
of which: Reinvested earnings	-0.9	-3.9	-18.2	-21.2
Current transfers	-1.3	-1.1	1.6	-1.5
Current account in total	-2.1	-3.5	-87.0	-61.2

Source: NBS and the Statistical Office of the SR.

After being revised by the Statistical Office of the SR, foreign trade recorded a deficit of Sk 2.4 billion in August (the originally published deficit amounted to Sk 4.4 billion). Exports recorded a marked month-on-month increase in August, as well as an acceleration in year-on-year dynamics (a growth rate of

Table 12 Exports from January to August. Year-on-Year Changes

	Year-on-year change in billions of Sk		Proportion of the year-on-year change in % points	
	January – August		January – August	
	2006	2005	2006	2005
Raw materials	18.3	5.2	2.9	1.0
Chemicals and semi-finished goods	38.3	30.6	6.2	5.8
Machinery and transport equipment	90.3	0.3	14.5	0.1
Finished products	6.4	4.6	1.0	0.9
Exports in total	153.3	40.7	24.7	7.7

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



33.2% was achieved in August). The steepest increase in exports compared with the previous month occurred in the 'machines and transport vehicles' category (television sets). Smaller increases in exports were also recorded in other categories of goods. As exports, the imports of goods also increased month-on-month in August, as well as their year-on-year dynamics (35.4%). Import growth was promoted by increased imports in all goods categories, especially in raw material imports (oil and natural gas) and the imports of finished products. August again saw slower year-on-year growth in exports than in imports, but both indicators showed considerably higher values.

Table 13 Imports from January to August, Year-on-Year Changes

	Year-on-year change in billions of Sk January – August		Proportion of the year-on-year change in % points January – August	
	2006	2005	2006	2005
Raw materials	42.3	21.3	6.4	3.9
Chemicals and semi-finished goods	31.0	10.7	4.7	1.9
Machinery and transport equipment	64.0	3.2	9.7	0.6
Finished products	33.6	18.9	5.1	3.4
of which: Agricultural and industrial goods	14.8	11.8	2.3	2.1
Passenger cars	3.6	1.0	0.5	0.2
Machines and electrical consumer goods	15.2	6.1	2.3	1.1
Imports in total	170.9	54.1	26.0	9.8

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

Capital and financial account

The balance of payments on capital and financial account recorded an inflow of Sk 13.0 billion in August.

The inflow of funds was mainly caused by increased interest in long-term government securities and in part by increased interest in short-term bank securities among non-residents. The modest deficit in 'other investment' resulted from the fact that the inflow of funds in connection with the increased drawing of short-term financial credits in the banking sector was exceeded by an outflow of funds through an increase in the deposits of residents on accounts abroad and an increase in export claims arising from trade credits.

Foreign exchange reserves of the NBS

The foreign exchange reserves of the NBS increased by Sk 2.3 billion, i.e. USD 0.1 billion (excluding exchange rate differentials).

Table 14 Balance of Payments Capital and Financial Account**(Sk billions)**

	Aug. 2006	Aug. 2005	Jan. – Aug. 2006	Jan. – Aug. 2005
Capital account	0.0	-0.1	-0.2	-0.1
Direct investment	-1.9	6.3	84.2	44.3
SR abroad	-3.9	-0.4	-10.4	-1.9
of which: Equity capital abroad	-3.1	-0.6	-8.7	-0.3
Reinvested earnings	-0.1	-0.1	-0.8	-0.8
In the SR	2.0	6.7	94.6	46.2
of which: Equity capital in the SR	2.6	0.3	43.8	8.4
of which: Other than privatisation	2.6	0.3	12.8	8.4
Reinvested earnings	1.0	4.0	19.0	22.0
Portfolio investment and financial derivatives	15.3	10.3	47.6	0.8
SR abroad	-3.3	5.2	-8.7	-19.6
In the SR	18.6	5.1	56.3	20.4
Other long-term investment	2.3	-0.7	18.7	-9.1
Assets	-0.4	-3.4	5.2	-4.0
Liabilities	2.7	2.7	13.5	-5.1
Other short-term investment	-2.7	-4.7	-167.2	100.8
Assets	-9.6	-13.6	-73.8	-22.9
Liabilities	6.9	8.9	-93.4	123.7
Capital and financial account	13.0	11.1	-16.9	136.7

Source: NBS.

External Debt of Slovakia as at 31 August 2006

At the end of August 2006, Slovakia's total gross external debt stood at USD 29.8 billion (EUR 23.2 billion), representing a month-on-month increase of USD 1.5 billion (EUR 1.0 billion). Total long-term foreign debt grew in August by USD 0.9 billion, while total short-term foreign debt increased by USD 0.6 billion.

Gross external debt

Within the scope of long-term external debt, the foreign liabilities of the Government and the NBS increased by USD 0.5 billion in August, mainly as a result of increased demand for Sk-denominated government bonds. The commercial sector saw increases in the foreign liabilities of entrepreneurial entities (USD 0.3 billion) as well as commercial banks (USD 0.1 billion).

In the commercial sector's short-term external debt, August saw an increase in the foreign liabilities of commercial banks (by USD 0.3 billion), caused by an increase in liabilities in the 'loans' category. In the same period, the foreign liabilities of entrepreneurial entities recorded an increase of USD 0.2 billion. The external debt of the SR Government and the NBS increased by USD 0.1 billion.

At the end of August, Slovakia's total per-capita gross foreign debt stood at USD 5,536. The share of short-term foreign debt in the country's total gross external debt decreased month-on-month by 0.3 of a percentage point, to 47.6% at the end of August 2006.

Table 15 External Debt of the SR

	In millions of USD			In millions of EUR		
	1.1.2006	31.7.2006	31.8.2006	1.1.2006	31.7.2006	31.8.2006
Total external debt of the SR	27,052.5	28,269.5	29,783.3	22,835.3	22,237.7	23,236.0
Long-term external debt	11,850.7	14,725.8	15,604.9	10,003.3	11,625.0	12,174.5
Government and NBS ¹⁾	5,578.3	7,056.8	7,515.5	4,708.7	5,570.8	5,863.4
Commercial banks	866.7	1,244.4	1,382.8	731.6	982.4	1,078.8
Entrepreneurial entities	5,405.7	6,424.7	6,706.7	4,563.0	5,071.8	5,232.3
Short-term external debt	15,201.8	13,543.7	14,178.3	12,832.0	10,612.7	11,061.5
Government and NBS	4.4	0.0	65.7	3.7	0.0	51.3
Commercial banks	9,360.4	5,850.5	6,181.8	7,901.2	4,618.5	4,822.8
Entrepreneurial entities	5,837.0	7,693.2	7,930.8	4,927.1	5,994.2	6,187.4
Foreign assets	25,455.3	25,424.6	26,315.1	21,487.2	20,070.8	20,530.3
Net external debt	1,597.2	2,845.0	3,468.2	1,348.1	2,166.9	2,705.7
SKK/USD and SKK/EUR rates	31.948	30.055	29.453	37.848	38.072	37.752
EUR/USD cross exchange rate	-	-	-	1.185	1.267	1.282

Source: NBS.

1) Including government agencies and municipalities.

The net external debt of Slovakia, expressed as the difference between gross foreign debt, i.e. USD 29.8 billion (liabilities of the NBS, Government, commercial banks, and the corporate sector – excluding capital participation), and foreign assets, i.e. USD 26.3 billion (foreign exchange reserves of the NBS, foreign assets of commercial banks, foreign assets of the corporate sector – excluding capital participation), reached USD 3.5 billion (debtor position) at the end of August 2006.

Net external debt

Current Developments

The trade deficit increased in comparison with the previous month, to Sk 9.5 billion in September. The modest income balance surplus from last month changed into a deficit, as a result of increased dividend payments. A slightly larger deficit compared with the previous month was also recorded in the balance of current transfers. The only item to show an improvement in September was the services balance. The deterioration in the trade and income balances was the main factor behind the month-on-month increase in the current account deficit (by Sk 12.3 billion).

September saw a slowdown in the year-on-year dynamics of exports as well as imports, when imports grew by 28.4% and exports increased by 21.9%.

The trade deficit recorded in September exceeded the expectations of the NBS, mainly as a result of stronger than expected imports.

**Table 16 Balance of Payments on Current Account****(Sk billions)**

	September 2006	September 2005	Jan. – Sep. 2006	Jan. – Sep. 2005
Balance of trade	-9.5	-2.7	-63.6	-39.2
Exports	113.5	93.1	887.6	713.9
Imports	123.0	95.8	951.2	753.1
Balance of services	2.7	0.5	13.9	8.7
Balance of income	-5.5	-6.0	-51.2	-37.4
of which: Income from investments	-8.1	-8.4	-73.6	-58.7
of which: Reinvested earnings	-1.9	-3.9	-20.1	-25.1
Current transfers	-2.1	1.2	-0.5	-0.3
Current account in total	-14.4	-7.0	-101.4	-68.2

Source: NBS and the Statistical Office of the SR.

The dynamic year-on-year growth in exports from the previous month is expected to continue in October, and should lead to a month-on-month increase in exports. With regard to the higher than expected level of imports achieved in September, only a modest increase is to be expected in the value of imported goods.

Exports should continue to show strong dynamics in November and December, though December is expected to witness a marked month-on-month decline (a seasonal effect). In November, imports are expected to reach a similar level as in the previous month, mainly as a result of increased imports of semi-finished goods (due to growing exports) and goods for final consumption (a seasonal effect). In December, imports are expected to suffer a marked decline, mainly as a result of lower imports of semi-finished goods and goods for final consumption. The continuing falling trend in oil prices may also cause a sharper than expected decline in raw material exports and imports.

In general, exports are expected to remain strong (increased exports are mainly expected in the automotive and electrical industries), as a result of which the trade balance should improve in the following months.

Total foreign exchange reserves of the NBS

At the end of October, the total foreign exchange reserves of the NBS stood at USD 13,145.5 million, representing a month-on-month drop of USD 88.7 million. The fall in reserves in comparison with the figure for the end of September 2006 resulted from a shortfall in the balance of receipts and expenses (USD 76.8 million), coupled with negative exchange rate differences (USD -11.9 million), caused by a change in the USD/EUR cross-rate in the period under review. At the end of October, the volume of foreign exchange reserves was 3.4 times greater than the volume of average monthly imports of goods and services to Slovakia, over the first nine months of 2006. At the end of October, the coverage of average monthly imports (imports of goods and services according to data from banking statistics) by the official foreign exchange reserves corresponded to 4.1 times the volume of average monthly imports of goods and services to the SR over the first nine months of 2006.

Nominal effective exchange rate of the Slovak koruna (NEER)

The strengthening Slovak koruna appreciated in October against the currencies of all trading partners, on a month-on-month as well as year-on-year basis. The average monthly exchange rate appreciated vis-à-vis the reference currency (euro) by 1.7%, and in relation to the British pound and the Czech koruna by 1.5%. Although the cross-rate of the US dollar against the euro appreciated, the koruna strengthened vis-à-vis the USD by 0.8%.

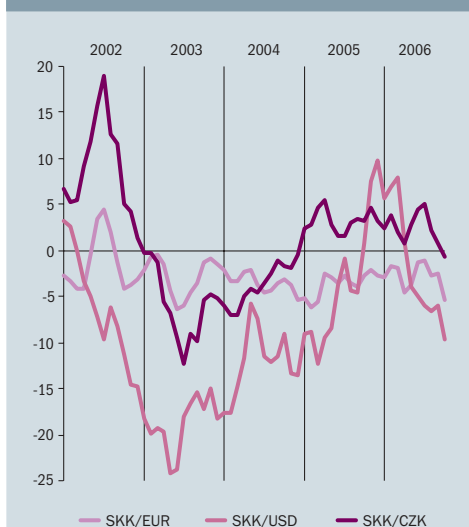
Over the past 18 months, the koruna had appreciated year-on-year most significantly in relation to the US dollar (by 9.7%), the Swiss franc (by 7.7%), and the euro (by

Chart 7 Coverage of the Current Account Deficit by Foreign Direct Investment (%)

Source: NBS.

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

(%)

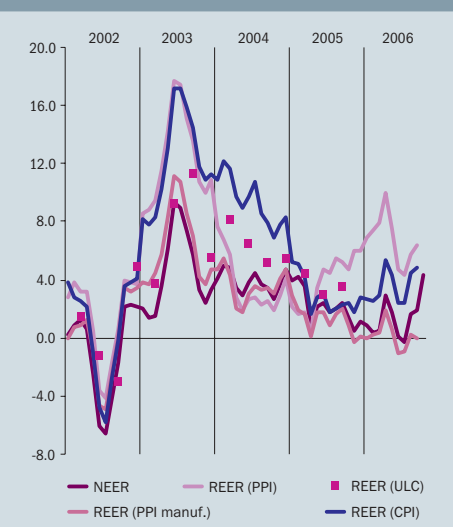


Source: NBS.

Note: + depreciation, - appreciation of the SKK.

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

(%)



Source: NBS.

Note: + appreciation, - depreciation of the NEER and REER indices.

5.3%). In October, the koruna also appreciated vis-à-vis the Czech koruna (by 0.7%, compared with 0.8% in September).

The value of the nominal effective exchange rate² (NEER) followed a more dynamic trend in October, and appreciated on a year-on-year basis by 4.4% (compared with 1.9% in the previous month).

According to the individual variants of calculation (based on various price deflators), the real effective exchange rate (REER) appreciated on a year-on-year basis by 4.8% (based on the consumer price index) or by 6.3% (based on the industrial producer price index). The REER index based on manufacturing products prices (PPI manuf.) followed an unchanged course on a year-on-year basis.

Real effective exchange rate of the Slovak koruna (REER)

Table 17 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⁽³⁾
December 2002	2.1	4.1	3.6	3.4	5.0
December 2003	3.2	11.3	10.8	4.7	5.7
December 2004	4.7	8.3	4.1	4.7	5.5
December 2005	1.1	2.7	6.0	0.0	3.2
June 2006 ¹⁾	0.0 / -0.7	2.4 / 1.5	4.7 / 2.9	-1.1 / -1.3	4.3 ^(p)
August 2006 ¹⁾	1.6 / 0.0	4.5 / 1.4	5.8 / 4.6	0.2 / -0.5	.
September 2006 ¹⁾	1.9 / 0.8	4.8 / 2.4	6.3 / 4.2	0.0 / 0.3	-
October 2006 ¹⁾	4.4 / 2.3	.	.	.	.

Source: NBS.

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

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

³⁾ Revised data.

² The methodology applied for calculating the nominal and effective exchange rates of the Slovak koruna (NEER and REER) is the same one used by the IMF. The REER is calculated on the basis of the consumer price index (CPI), the industrial producer price index (PPI), and/or the manufacturing products price index, excluding the prices of mineral raw materials, electricity, gas, steam, and hot water (PPI manufacturing) and the index of unit labour costs (ULC). The initial year for the calculation is 1999, and the weights selected correspond to the structure of foreign trade in 1999, for the nine most important trading partners of Slovakia, representing roughly 70% of the total turnover of foreign trade. These countries are Germany, the Czech Republic, Italy, Austria, France, the Netherlands, the USA, Great Britain, and Switzerland.



3.3 Real Economy

Current Developments

Production and Receipts

Slowdown in industrial production

In September, the year-on-year rate of industrial production growth slowed in comparison with the August, mainly in connection with a slowdown in the growth rate of manufacturing production. Despite this, the growth in manufacturing production was still dynamic, exceeding 12%. In September, production continued to decline year-on-year in mining and quarrying, and in electricity, gas, and water supply.

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

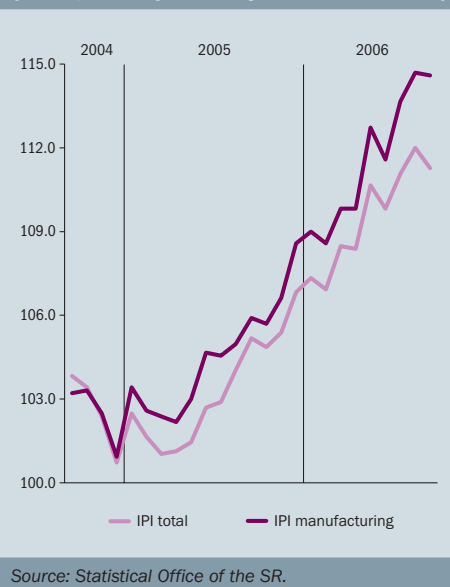
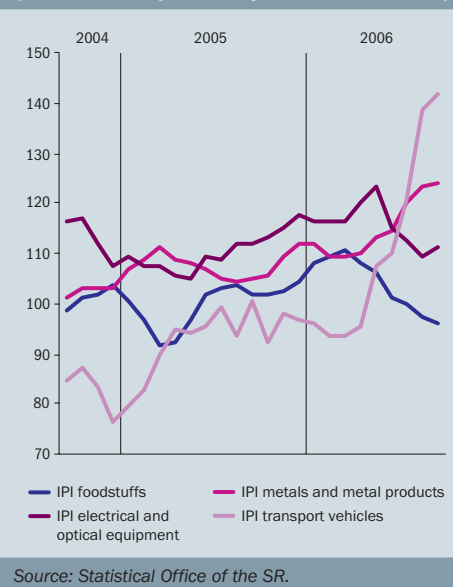


Chart 11 Development of Industrial Production in Selected Sectors (3-month moving averages) (index, same period a year earlier = 100)



In September, production grew at a slower rate than in August in all the key manufacturing sectors, except for the production of pulp, paper, and paper goods, and that of coke, refined oil products, and nuclear fuel; a further year-on-year decline was recorded in the production of food, beverages, and tobacco products.

Moderated growth in construction

In September, production in the construction sector slowed in comparison with August, due to slower growth in domestic production in new construction, reconstruction, and modernisation projects, accompanied by a year-on-year decline in production in construction repair and maintenance work.

Continuing growth in receipts from selected services

Receipts continued to grow relatively dynamically in all sectors under review in September. The faster growth in retail sales receipts in comparison with August was primarily a result of accelerated growth in receipts from non-specialised and specialised retail trade. Faster year-on-year growth was also recorded in receipts from the retail sale and maintenance of motor vehicles and the retail sale of fuels, mainly due to accelerated growth in receipts from the sale of motor vehicles and renewed growth in receipts from the sale of fuels.

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)



Table 18 Production and Receipts

	Sk millions, curr. prices		Indices			
	Sep. 2006	Cumul. since begin. of year	Aug. 2006 Aug. 2005	Sep. 2006 Sep. 2005	Sep. 2005 Sep. 2004	Jan. – Sep. 2006 Jan. – Sep. 2005
Production						
Industrial production index ¹⁾	.	.	114.3	109.7	105.4	109.9
of which:						
Mining and quarrying	.	.	88.3	92.8	93.5	89.0
Manufacturing	.	.	117.9	112.6	106.7	112.1
Electricity, gas, and water supply	.	.	96.6	91.2	98.6	100.0
Construction ²⁾	14,275	102,162	121.6	111.4	120.7	115.9
of which:						
Construction in Slovakia	13,888	98,954	122.5	111.9	122.2	117.9
Construction abroad	387	3,208	94.6	94.2	88.6	77.1
Receipts from own-output and goods						
Industry in total ³⁾	164,732	1,330,486	122.5	115.5	109.9	113.2
Construction ²⁾	22,399	155,702	117.3	112.4	122.8	116.9
Retail trade ³⁾	36,477	304,476	108.0	110.6	112.7	108.8
Sale and maintenance of vehicles, retail sale of fuels ³⁾	17,031	138,454	112.9	118.8	105.8	113.6
Transport, storage ³⁾	14,059	103,665	111.6	108.2	120.1	113.6
Real estate, renting, and business services ³⁾	14,960	129,288	106.0	108.1	106.5	112.1

Source: Statistical Office of the SR.

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

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

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

The September increase in the year-on-year dynamics of receipts from real estate, renting, and business services was connected with the faster growth rate of receipts from real estate, computer, and related services.

Wages, Employment, and Unemployment

In September, the year-on-year growth rate of nominal wages slowed in comparison with the previous month, in most sectors. The most significant slowdown occurred in real estate services and wholesale trade. Accelerated nominal wage growth was recorded in construction, retail trade, and post and telecommunications.

Nominal wages

Table 19 Wage Developments in Selected Sectors (index, same period a year earlier = 100)

	Average monthly nominal wage			Average monthly real wage		
	Year 2005	Jan. – Sep. 2005	Sep. 2006	Year 2005	Jan. – Sep. 2005	Sep. 2006
Industry	107.2	107.6	105.9	104.4	105.0	101.2
of which: Manufacturing	107.5	107.9	105.8	104.7	105.3	101.1
Construction	106.0	106.0	105.6	103.2	103.5	101.0
Retail trade	107.8	108.1	109.6	105.0	105.5	104.8
Wholesale trade	111.4	111.7	106.7	108.5	109.0	102.0
Real estate, renting, and other business services	112.0	112.8	108.8	109.1	110.1	104.0
Transport	107.3	106.9	107.0	104.5	104.4	102.3
Post and telecommunications	107.1	106.3	105.7	103.3	103.7	101.1
Consumer prices	102.7	102.5	104.6	–	–	–

Source: Statistical Office of the SR.

Notes: The above sectors accounted for 69.4% of total employment in the first half of 2006.

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



During the first nine months of 2006, average nominal wages grew at a slower rate than in the same period a year earlier, in most sectors. Stronger wage growth than a year earlier was recorded in the sale and maintenance of vehicles, retail trade, and in transport and storage.

Real wages In September, real wages grew year-on-year at a faster rate than in August in construction, post and telecommunications, retail trade, and industry. In other sectors, real wages grew at a slower rate than in the previous period, except in the sale and maintenance of vehicles, where wage dynamics remained at the level of the previous month.

The average rate of real wage growth over the first nine months of the year was slower than in the same period a year earlier, in most sectors under review. The only sector to record stronger year-on-year real wage dynamics was the sale and maintenance of vehicles.

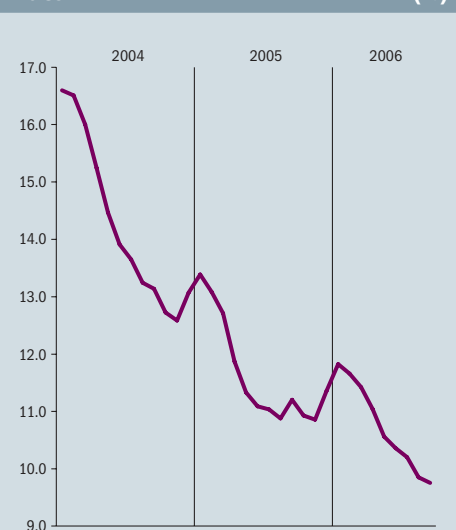
Employment Employment continued to grow year-on-year in September, in most of the sectors under review. Compared with August, employment grew at a faster rate in wholesale trade and in real estate, renting, and other business services, while employment in construction, the sale and maintenance of vehicles, and retail trade recorded a slowdown in dynamics. The level of employment continued to fall in industry, transport and storage, post and telecommunications.

In comparison with September 2005, employment grew at a faster rate in construction and wholesale trade. Compared with the same period a year earlier, employment grew at a slower rate in the sale and maintenance of vehicles, and in real estate, renting, and other business services. In industry, employment dropped year-on-year in September, after increasing in the same period a year earlier. Over the first nine months of the year, employment grew most dynamically in average terms in construction, the sale and maintenance of vehicles, wholesale and retail trade.

Unemployment The falling trend in unemployment continued in September. According to data from the Centre for Labour, Social Matters, and the Family, the total number of registered unemployed dropped month-on-month by 2,100, to 279,900. The number of disposable unemployed, who may start working immediately, stood at 249,400, which was 2,700 less than in August. The rate of registered unemployed reached 9.75% in September, and was 0.1 of a percentage point lower than in the previous month. This was 1.45 percentage points less than in September 2005.

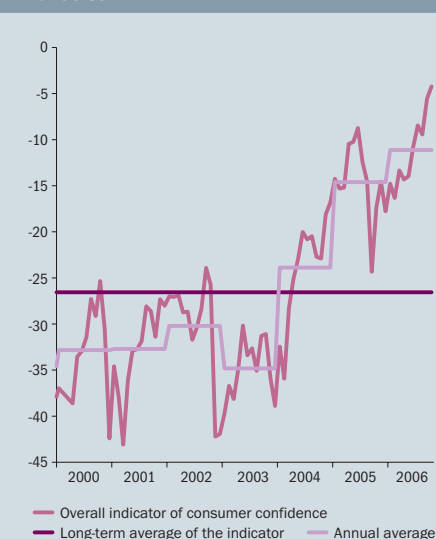
The average length of registration decreased in comparison with August by 0.05 of a month, to 11.04 months in September (compared with 11.90 months in September 2005). Compared with August, the share of long-term unemployed (out of work for more than 12 months) increased by 0.3 of a percentage point, to 53.6% in September (compared with 52.8% in September 2005).

Chart 13 Registered Unemployment Rate (%)



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

Chart 14 Consumer Confidence Indicator



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

Note: The 2006 figure is an average for the first ten months of the year.

**Consumer Confidence Indicator**

In October, the consumer confidence indicator improved in comparison with the previous month by 1.4 points, to -4.2 points, representing the highest level in the history of this indicator. Compared with September, improvements were recorded in two indicators: the expected rate of unemployment and the expected financial situation of households. On the other hand, a slight deterioration occurred in the indicators of household savings and expected economic development in the SR. Compared with the same period last year, the consumer confidence indicator has improved by 13.1 points.

**Continued improvement
in consumer confidence**



4 Monetary Developments

4.1 Foreign Exchange Market

Operations on the foreign exchange market

Over the course of October, the exchange rate of the Slovak koruna against the euro strengthened by 2.6% (from SKK/EUR 37.384 to SKK/EUR 36.412), while the average rate appreciated by 1.7%. The Slovak koruna deviated from its central rate (SKK/EUR 38.4550) most significantly on 30 October 2006, when its exchange rate was fixed at SKK/EUR 36.375, representing an appreciation of 5.41% from central parity. In relation to the US dollar, the koruna strengthened by 2.6% (from SKK/USD 29.405 to SKK/USD 28.629), while appreciating in average terms by 0.8%.

Spot transactions between foreign and domestic banks resulted in a negative balance (USD -820.03 million), i.e. foreign banks sold mostly foreign currency and purchased Slovak koruna.

The National Bank of Slovakia conducted no foreign exchange interventions during the month of October.

In line with the Bank Board's decision of 25 April 2006 on the optimisation of the level of foreign exchange reserves, the National Bank of Slovakia sold EUR 80 million during October.

Table 20 Changes in the SKK/EUR and SKK/USD Exchange Rates

(%)

	Month-on-month change	Ø Oct. 2006 Ø Oct. 2005	Ø Jan. – Oct. 2006 Ø Jan. – Oct. 2005
SKK/EUR	-2.6	-5.3	-2.8
SKK/USD	-2.6	-9.7	-1.8

Source: NBS.

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

Interbank foreign exchange market

The total volume traded on the interbank foreign exchange market reached USD 77,665.2 million, representing an increase of 13.9% compared with the figure for September (USD 68,181.2 million). Of the total trading volume, 88.8% took place in swap transactions, which were conducted mostly in USD (93.5%). Spot transactions accounted for 9.3% of the total turnover (97.1% of the deals were in EUR). The average daily turnover on the spot market reached USD 331.84 million and the average volume per transaction amounted to USD 1.99 million.

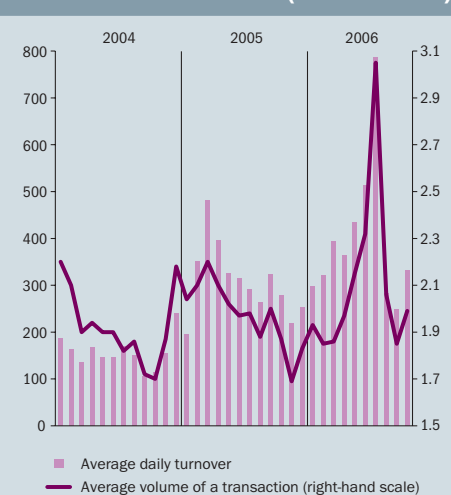
The total volume of transactions between domestic commercial banks increased, from USD 10,194.9 million in September to USD 12,242.1 million in October. Most trading took place in USD (73.3%, compared with 71% in September), followed by EUR (26.2%, compared with 28.5% in September) and other currencies (0.5% of the total turnover between domestic commercial banks).

Transactions between domestic banks accounted for 15.9% of the total volume traded on the interbank foreign exchange market (compared with 15% in the previous month). Of the total volume of transactions between domestic banks, swap operations accounted for 88.3% (90.5% in September) and spot transactions 11.7% (9.5% in September).

The volume of trading between domestic and foreign banks increased by 12.7%, from USD 57,986.4 million to USD 65,334.7 million. The largest amount was again traded in USD (85%, compared with 88.3% in September), followed by EUR (14.6%, compared with 11.6% in September), and other currencies (0.4%). Trading between domestic and foreign banks still dominated the country's foreign exchange market (with a share of 84.1%).

Trading between domestic and foreign banks also took place predominantly in the form of swap operations (88.9%, compared with 92% in September), while spot transactions accounted for 8.9% (6.5% in September).

Chart 15 Transactions on the Interbank Foreign Exchange Market (USD millions)



Source: NBS.

The share of forward dealings on the forex market was negligible. Option contracts accounted for 1.3% of the volume traded with foreign banks.

At the end of September, the Slovak-koruna deposits of non-resident banks amounted to Sk 75.7 billion, representing a month-on-month decline of Sk 4.7 billion. This decline took place mostly in time deposits and the related financial liabilities, which decreased by a total of Sk 4.8 billion. In the same period, the koruna assets of banks decreased by Sk 1.3 billion.

Deposits of non-resident banks

Non-resident bank deposits recorded a year-on-year decline of Sk 16.3 billion, which mostly took place in time deposits and the financial liabilities involved (Sk 16.5 billion).

Due to a decrease in government bonds (by Sk 4.5 billion), the volume of government securities held by non-residents fell month-on-month in October, while the volume of Treasury-bill holdings stood at zero. The Agency for Debt and Liquidity Management (ARDAL) held no Treasury-bill auctions in October.

The October decrease in government-bond holdings mostly took place in 3-year government bonds maturing in January 2007 (Issue No. 200, falling in volume by Sk 4.3 billion), and thus the share non-resident in the total volume of issued government bonds decreased from 26.3% to 25.0% during October.

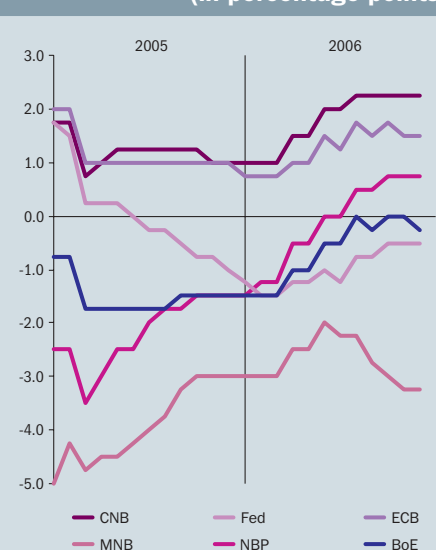
Table 21 Koruna Assets/Liabilities and Government Securities Held by Non-Residents
(Sk billions)

	2005 30. 9.	28.4.	31.5.	30.6.	2006 31.7.	31.8.	30.9.	31.10. ^(p)
Koruna assets, banks	10.3	6.0	18.1	29.3	12.8	14.0	12.7	26.2
Koruna liabilities	97.6	93.5	66.6	104.6	60.1	87.8	84.1	.
of which: Banks	91.9	86.3	58.6	97.6	52.6	80.3	75.7	77.0
Non-bank clients	5.7	7.2	8.0	6.9	7.5	7.4	8.5	.
Government securities	103.5	90.7	69.9	94.2	79.7	90.3	91.0	86.5
of which: Government bonds	103.0	90.4	69.6	94.2	79.7	90.3	91.0	86.5
SR Treasury bills	0.5	0.2	0.2	0.0	0.0	0.0	0.0	0.0
Total	201.1	184.2	136.4	198.8	139.8	178.1	175.1	.

Source: NBS and the Central Securities Depository of the SR, a.s.

Of the central banks under review, two banks (ECB, MNB) decided to increase their key interest rates in October, by 0.25 of a percentage point (the ECB to 3.25% and the MNB to 8.00%). The other banks left their key rates unchanged in October: the CNB at 2.50%, the BoE at 4.75%, the Fed at 5.25%, the NBP at 4.00%, and the NBS at 4.75%.

Chart 16 Differentials Between the Key Rates of Selected European Central Banks, the ECB, and the Fed
(in percentage points)



Source: NBS, ECB and the relevant central banks.

In November, the ECB decided to leave its key rates unchanged, while the BoE increased them by 0.25 of a percentage point (to 5.00%). The current positive interest rate differentials between NBS rates and the key rates of the NBP and CNB remained unchanged (+0.75/+2.25 percentage points). The differential in relation to the ECB decreased to +1.50 percentage points. The negative differential vis-à-vis the Fed remained unchanged (-0.50 of a percentage point), but those in relation to the BoE and MNB again increased (to -0.25/-3.25 percentage points).

4.2 Money Market and Monetary Policy Implementation

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

In October, average monthly money market rates increased for one-week to three-month maturities, while falling for overnight rates and six- to twelve-month maturities.

Interbank market rates



The price of overnight deposits remained in the upper part of the corridor formed by overnight NBS rates, due to the low level of interbank liquidity at the beginning of the month. Later its level dropped below 4.0% as a result of an increase in liquidity after the settlement of the second repo tender. When the banking sector again went into a liquidity shortage after the settlement of the last tender, the overnight rate rose above 5.5%. Despite this, the relatively even distribution of liquidity over the banking sector at the end of the month enabled its reduction to 4.5%.

The prices of medium- and longer-term deposits recorded a slight fall at the beginning of the month. This was due to increased interest in the placement of deposits with up to one-month maturities and with a maturity of one-year at the long end of the yield curve. Interest was also shown in the sale of money market interest rate derivatives. These activities supported the reduction in interest levels. Before the end of the first half of the month, the fall in interest rates came to a halt owing to the depreciation of the Slovak koruna, and their level began to rise slowly.

The middle of the month saw low trading activity, with minor changes in medium- and longer-term rates. Most transactions at that time were concluded in maturities at the short end of the yield curve. Transactions in longer-term deposits were concluded sporadically and in smaller amounts with up to three-month maturities.

The situation changed after the latest HICP figures and the improved rating of Slovakia had been announced. The subsequent marked appreciation of the Slovak koruna and the placement of koruna funds obtained on the foreign exchange market directly and through FX swaps, caused a marked fall in the yield curve, mostly at the long end.

At the end of the month, there was an increased demand for the purchase of koruna funds with medium and longer maturities, causing a rise in their price. The change in their level was also supported by trading in derivatives. Their rise was halted by a marked appreciation in the Slovak koruna before the meeting of the NBS Bank Board concerning interest rates.

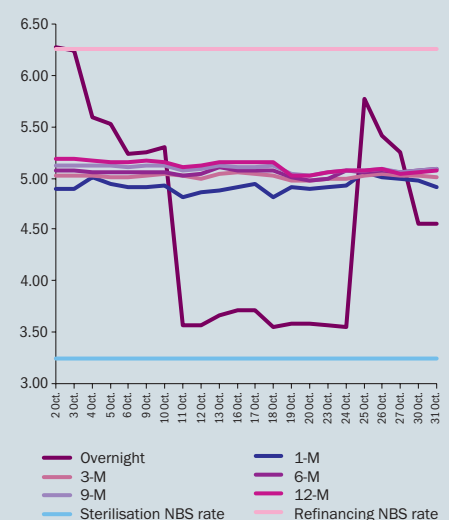
The volume of trading on the interbank market reached Sk 2,005 billion in October (compared with Sk 1,876 billion in September). Reference banks accounted for 90.2% of the total turnover (a drop of 0.7%). Non-resident and resident bank transactions accounted for 62.4% and 37.6% respectively of the total volume of purchases and sales on the interbank market. In interbank transactions, domestic banks achieved the largest share in deposit transactions (57.4%), while non-resident banks led the way in swaps (66.0%).

Liquidity The average daily volume of sterilised excess liquidity decreased in October by Sk 2.5 billion, to Sk 288.0 billion. Of the total volume of open-market transactions, repo tenders accounted for 98.5%, NBS bills 0.6%, overnight repo operations 0.5%, and overnight deposits 0.4%.

The NBS announced four sterilisation repo tenders for October. The bank bids at these tenders were accepted in full. At the first two tenders, bank bids lagged behind the due amount by Sk 40.5 billion. In the second half of the month, an increase in the volume of daily liquidity and its increased accumulation created room for an increase in demand at the last two tenders (by Sk 31.1 billion). The share of repo tenders of the total volume of open-market transactions increased by 0.8 of a percentage point.

Chart 17 BRIBOR

(% p.a.)



Source: NBS.

Table 22 Interbank Transactions

(Sk billions)

	Deposits	Repos	Swaps	FRAs	IRSSs
September	758	50	1,036	19	13
October	788	47	1,127	20	23

Source: NBS.

Table 23 Average Daily Impact of NBS Transactions on the Level of Banking Sector Liquidity (Sk millions)

	O/N repos	O/N deposits	NBS bills	Repo tenders
September	578	-4,441	-1,772	-284,847
October	1,403	-1,061	-1,880	-286,461

Source: NBS.

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

Table 24 Tenders in October 2006

Date	Type of tender ¹⁾	Maturity (days)	Volume accepted (Sk millions)	minimum	Rates (%) average	maximum
4.10.2006	SRT	14	116,236	4.75	4.75	4.75
11.10.2006	SRT	14	148,660	4.75	4.75	4.75
18.10.2006	SRT	15	128,605	4.75	4.75	4.75
25.10.2006	SRT	14	167,437	4.75	4.75	4.75

Source: NBS.

1) SRT – sterilisation repo tender.

The NBS announced one NBS-bill auction for October. Demand reached Sk 7.1 billion, of which only Sk 0.5 billion was accepted by the NBS. The acceptance of such a small amount can be explained by the excessive demands of banks for higher yields. The share of NBS bills of the total trading volume increased by 0.04 of a percentage point.

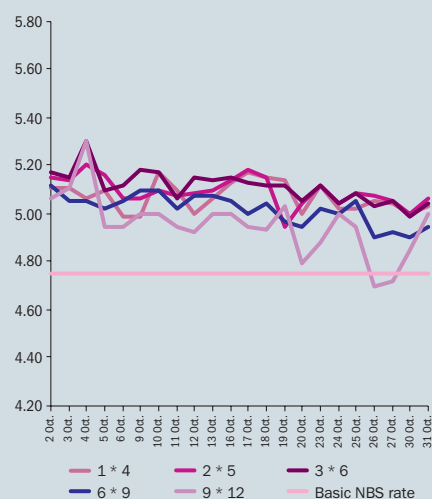
The shortage of daily and cumulative liquidity, lasting until the settlement of the second repo tender, forced banks to re-apply for NBS refinancing. The shift to a large surplus of liquidity brought refinancing to a halt and banks began to use the other side of overnight transactions. The largest volumes of overnight transactions were achieved in the next to last week. The refinancing volume stood at Sk 20 billion and the volume of overnight deposits reached Sk 11.2 billion.

For October 2006, the amount of required minimum reserves in the banking sector was set at Sk 21.93 billion. By the end of the month, the reserve requirement had been fulfilled to 100.08%.

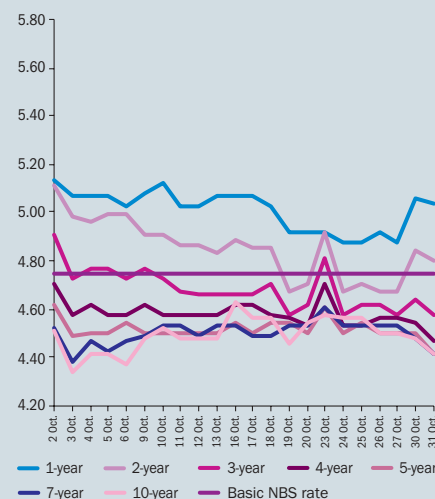
Reserve requirements

Developments in Money Market Interest Rate Derivatives

Trading in forward rate agreements (FRAs) recorded a modest increase in October. Most FRA contracts were concluded with foreign banks (62.8%). Increased trading activity took place in the second half of the month. The contracts had a maturity of three months and an implementation period of one, two,

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


Source: Reuters.

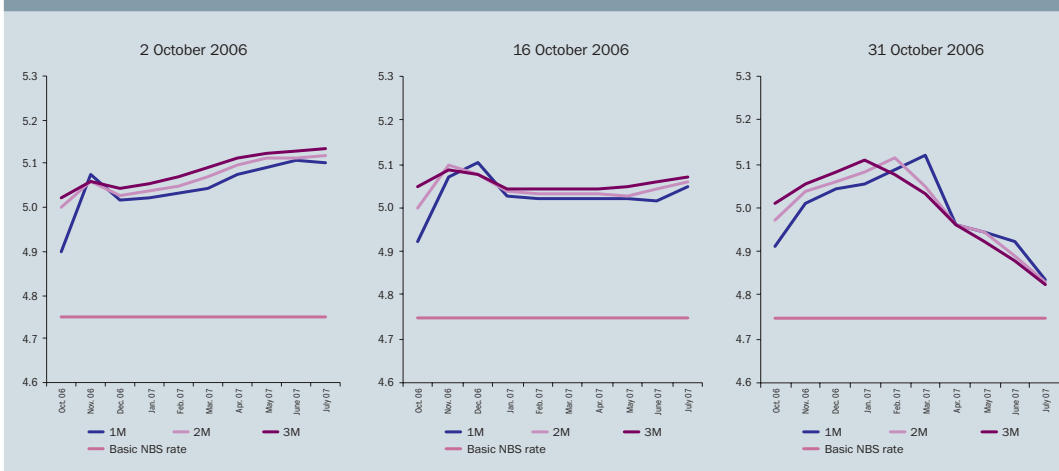
Chart 19 Daily Developments in IRSs (% p.a.)


Source: Reuters.



Chart 20 Implied Expectations Derived from BRIBOR Rates

(% p.a.)



three, or nine months. Most transactions took place in FRA contracts with an implementation period of three months (87.9%).

Interest rate swaps (IRSs) recorded an increase in the trading volume. Most transactions were conducted in the second half of the month, predominantly with foreign banks (76.6%). The contracts were concluded with a maturity of nine months to ten years. They were dominated by transactions with nine- to twelve-month maturities, which accounted for 54.3% of the total volume of IRS contracts. They were followed by transactions with two- to five-year maturities (24.1%).

October saw marked changes in the shape of the money market yield curve, as well as changes in the implied expectations. At the beginning of the month, expectations regarding the next interest rate increase fluctuated at the maximum level of 11 to 21 basis points within eight to nine months. Drops in medium- and longer-term rates in the middle of the month reduced the values of implied expectations to 4 to 19 basis points for the next one to two months. The change in the shape of the money market yield curve at the end of the month, when a steeper fall occurred at the long end of the yield curve, caused its moderately rising course to change into an inverse course. The value of implied expectations regarding another interest rate increase was at the level of 10 to 21 basis points within three to five months. For July 2007, the implied expectations indicate a possible reduction in interest rates (by 7 to 19 basis points), due to a change in the shape of the yield curve.

4.3 Customer Interest Rates in September 2006

Customer interest rates The upward trend in average interest rates on new loans to non-financial corporations continued in September. Interest rates on new deposits from non-financial corporations markedly increased, while the rates for household deposits rose only slightly.

Average interest rates on new loans Interest rates on new loans to non-financial corporations markedly increased in September. This trend was mostly influenced by a rise in interest rates on loans with a floating rate and an initial rate fixation (IRF) of up to 1 year (by 0.44 of a percentage point). Market interest rates (3M BRIBOR) had virtually been at a standstill over the last two months, which was a result of tightened monetary conditions (the difference between the lending rate for non-financial corporations and the 3M BRIBOR rate) for non-financial corporations. Interest rates on loans with an IRF of over 5 and up to 10 years also increased and a slight rise was also recorded in rates with other fixations.

Looking at the breakdown of loans by purpose, interest rates increased most significantly on current account overdrafts and credit cards in September (by 0.51 of a percentage point), mainly due to a rise in the rate for current account overdrafts. Lending rates also rose for operating loans (by 0.25 of a percentage point) and investment loans (by 0.17 of a point). On the other hand, interest rates on other loans dropped (by 0.46 of a percentage point).

Average interest rates on loans to households continued to rise slowly in September, in line with the trend continuing since the beginning of the year. Lending rates also rose somewhat for other loans (especially for American mortgages) and house purchase loans. As for the price of house purchase

Table 25 Average Interest Rates on New Loans to Non-Financial Corporations

	Interest rate in %				Change in September in % points		
	IX. 2005	XII. 2005	VIII. 2006	IX. 2006	year-on- -year	against Dec. 2005	month-on- -month
Floating rate + IRF ¹⁾ of up to and including 1 year	4.72	4.79	6.33	6.77	2.05	1.97	0.44
IRF of over 1 and up to 5 years inclusive	5.18	4.46	6.48	6.74	1.56	2.28	0.26
IRF of over 5 and up to 10 years inclusive	5.01	6.12	6.25	6.74	1.73	0.62	0.49
IRF of over 10 years	3.57	4.20	6.56	6.81	3.25	2.61	0.25
Loans of up to EUR 1 million	4.91	5.20	6.35	7.45	2.55	2.25	1.12
Loans of over EUR 1 million	3.40	4.28	5.72	5.36	1.96	1.09	-0.36
Total	4.68	4.81	6.33	6.76	2.09	1.95	0.43
Total, excluding current account overdrafts and credit cards	3.82	4.53	6.01	6.04	2.22	1.51	0.03

Source: NBS.

1) Initial rate fixation.

Table 26 Average Interest Rates on New Loans to Households

	Interest rate in %				Change in September in % points		
	IX. 2005	XII. 2005	VIII. 2006	IX. 2006	year-on- -year	against Dec. 2005	month-on- -month
Current account overdrafts (including credit cards)	10.83	10.93	14.26	14.32	3.49	3.39	0.06
Consumer loans	11.30	11.89	13.62	13.09	1.80	1.20	-0.53
House purchase loans	5.63	5.32	6.41	6.54	0.91	1.22	0.13
of which: mortgage loans	4.83	4.91	6.11	6.17	1.34	1.26	0.06
Other loans	9.53	10.38	7.08	7.34	-2.19	-3.05	0.26
Total	9.62	9.73	12.32	12.56	2.95	2.84	0.24
Total, excluding current account overdrafts and credit cards	7.41	7.38	8.02	8.32	0.91	0.95	0.30

Source: NBS.

Chart 21 Interest Rates on Loans to Non-Financial Corporations, 3M BRIBOR, and the Basic NBS Rate


Source: NBS.

loans, the most significant increase occurred in rates for other house purchase loans (0.26 of a percentage point). Interest rates on other types of house purchase loans (mortgage loans and home savings bank loans) recorded only very slight increases (0.06 and 0.04 of a percentage point respectively).

Rates for current account overdrafts and credit cards increased only slightly. On the other hand, interest rates on consumer loans dropped to a significant extent. This can be explained by the large volume of consumer loans granted for specific purposes at lower interest rates.

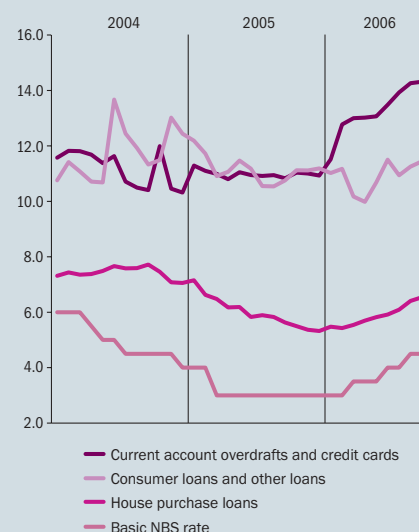
Looking at the breakdown of loans by interest rate fixation, increases were recorded in rates for loans with an IRF of over 10 years (0.31 of a percentage point) and loans with an IRF of over 1 and up to 5 years (0.15 of a point). Interest rates on loans with an IRF of up to 1 year and loans with an IRF of over 5 and up to 10 years increased only slightly (by 0.10 and 0.06 of a percentage point respectively).



Average interest rates on new deposits

The average interest rate on new deposits from non-financial corporations rose significantly in September (by 0.66 of a percentage point). This was mainly due to a rise in the price of short-term deposits. Marked increases were recorded in rates for deposits repayable on demand (2.40 percentage points in the price of overnight deposits and 0.57 of a point in that of demand deposits). This was probably connected with the level of interbank market liquidity, with overnight rates reaching high values on the interbank market on certain days (6.3%). Increases were also recorded in rates for deposits with an agreed maturity of up to 1 year (mostly for deposits with an agreed maturity of up to 7 days). A marked increase was also recorded in the price of deposits with an agreed maturity of over 2 years. Since loans received are also included in the 'deposits with agreed maturity' category (according to the international accounting standard IAS 17), one new transaction was statistically recorded in September, in the form of financial leasing at a high rate of interest (32.5%). As the volume of deposits with an agreed maturity of over 2 years was very small, this transaction significantly affected the rate for new deposits with agreed maturity, as well as the rate of interest on the outstanding amount of deposits with agreed maturity.

Chart 22 Interest Rates on Loans to Households by Type



Source: NBS.

Table 27 Average Interest Rates on New Deposits from Non-Financial Corporations

	Interest rate in %				Change in September in % points		
	IX. 2005	XII. 2005	VIII. 2006	IX. 2006	year-on- -year	against Dec. 2005	month-on- -month
Deposits repayable on demand	0.72	0.64	1.05	1.98	1.27	1.34	0.93
Deposits with an agreed maturity							
– of up to 1 year	2.46	2.55	3.90	4.41	1.94	1.85	0.51
– of over 1 and up to 2 years	1.40	-	-	2.56	1.16	-	-
– of over 2 years	2.00	0.66	1.99	8.40	6.40	7.74	6.41
Deposits redeemable at notice							
– up to 3 months	1.30	1.44	1.96	1.96	0.66	0.52	0.00
– over 3 months	1.12	1.12	1.21	1.21	0.09	0.08	0.00
Total	1.48	1.40	2.34	3.00	1.52	1.59	0.66

Source: NBS.

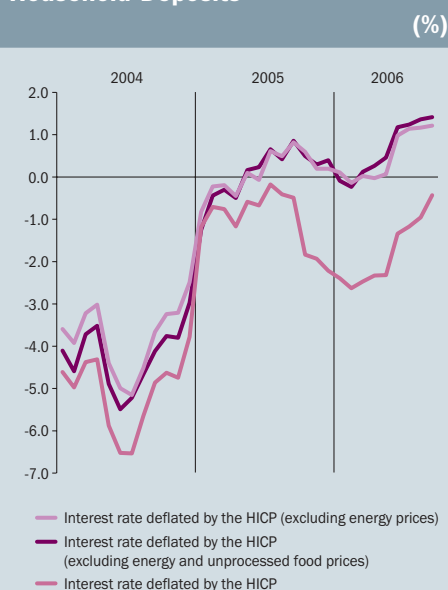
Note: Total deposits also include repo operations and other non-marketable securities.

Table 28 Average Interest Rates on New Deposits from Households

	Interest rate in %				Change in September in % points		
	IX. 2005	XII. 2005	VIII. 2006	IX. 2006	year-on- -year	against Dec. 2005	month-on- -month
Deposits repayable on demand	0.42	0.41	0.51	0.54	0.12	0.13	0.03
Deposits with an agreed maturity							
– of up to 1 year	2.00	1.90	3.58	3.85	1.85	1.95	0.27
– of over 1 and up to 2 years	1.54	-	3.89	3.94	2.41	-	0.05
– of over 2 years	2.08	1.79	3.89	3.86	1.79	2.07	-0.03
Deposits redeemable at notice							
– up to 3 months	0.93	0.96	1.45	1.46	0.53	0.50	0.00
– over 3 months	1.01	1.10	1.75	1.89	0.88	0.79	0.14
Total	0.70	0.71	1.10	1.16	0.46	0.46	0.06

Source: NBS.

Note: Total deposits also include repo operations and other non-marketable securities.

Chart 23 Real Interest Rates on Household Deposits


Source: NBS and the Statistical Office of the SR.

Interest rates on household deposits increased somewhat in September. This was mainly due to a rise in the price of deposits with an agreed maturity of up to 1 year, while the most significant increase occurred (as in the case of non-financial corporations) in rates for deposits with an agreed maturity of up to 7 days. Interest levels also rose markedly for overnight deposits (as in the case of non-financial corporations). Interest rates on longer-term fixed deposits remained virtually unchanged in September. A modest increase was also recorded in the price of deposits redeemable at a period of notice of over 3 months.

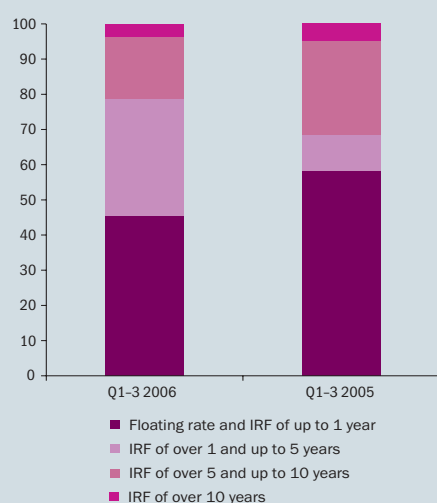
The average real interest rate on household deposits, calculated by deflating the rate of interest on the volume of one-year household deposits by HICP inflation, reached a negative figure in September (-0.43%), which represented an increase of 0.52 of a percentage point in comparison with the previous month. This development was mainly influenced by a marked drop in inflation, accompanied by a slight increase in overnight deposit rates. Real interest rates have shown a rising tendency in recent months.

Real interest rates

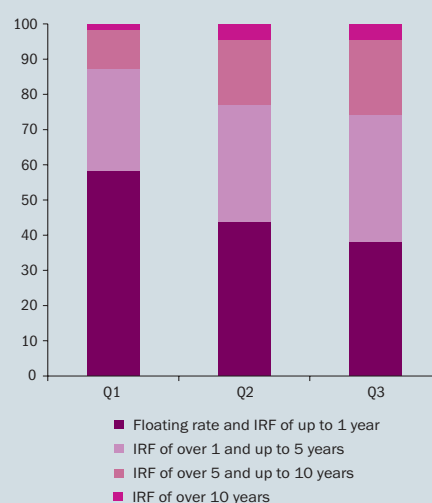
Box 2

Loans to Households for House Purchases and Their Price

Over the first three quarters of 2006, the volume of loans provided for house purchases increased in comparison with the same period last year by Sk 5.6 billion, to Sk 37.7 billion. House purchase loans accounted for approximately 18% of the total volume of loans provided in that period, while this share decreased in comparison with the same period a year earlier by 4 percentage points. Lending for house purchases in the first three quarters of 2006 was dominated by loans with a floating rate and an initial rate fixation (IRF) of up to 1 year (45.5%) and loans with an IRF of over 1 and up to 5 years (33.1%). Loans with an IRF of over 5 and up to 10 years accounted

Chart A Structure of Loans by Interest Rate Fixation


Source: NBS.

Chart B Structure of Loans by Interest Rate Fixation in 2006


Source: NBS.

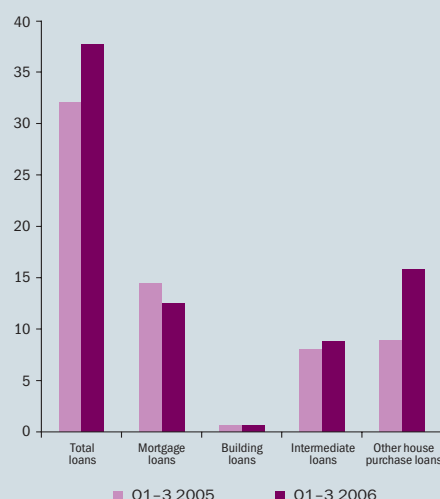


for 17.7% and loans with an IRF of over 10 years for 3.7%. In comparison with the same period of 2005, the most significant change occurred in loans with an IRF of over 1 and up to 5 years, whose share increased by 23 percentage points. In view of the increasing trend in key NBS rates, households began to show a preference for interest rates fixed for a longer period. While more than half of the new loans granted for house purchases last year were without a fixed interest rate or with a rate fixed for up to 1 year, the majority of loans provided this year have a fixation period of more than 1 year. The change in the preferences of households concerning interest rate fixation is evident from the results of quarterly evaluations.

Since the beginning of this year, the structure of loans by type has been dominated by other house purchase loans with a share of more than 42% (an increase of 14 percentage points compared with the same period last year), followed by mortgage loans with a share of almost 33% (a decrease of 12 points compared with the first three quarters of 2005) and home savings bank loans (with an unchanged share).

During the second and third quarters, the growth in bank lending to households recorded a slowdown. This was mainly due to a decrease in the volume of other house purchase loans and intermediate loans. In the first two quarters of 2006, less mortgage loans were provided than in the same period a year earlier, but this trend was reversed in the third quarter.

Chart C Comparison of Loans Granted for House Purchases in Terms of Volume (Sk billions)



Source: NBS.

Chart D Absolute Year-on-Year Increases in House Purchase Loans in 2006 (Sk billions)



Source: NBS.

The increase in bank lending was also reflected in the growing volume of house purchase loans. From January to September 2006, their dynamics accelerated in comparison with the same period of 2005 by almost 8 percentage points, to an average of 39.5%, mainly as a result of rapid growth from February to May. In the third quarter, the rate of growth slowed to 37.5% (36.5% in September). Over the first nine months of 2006, the volume of house purchase loans in Slovak koruna increased by Sk 28.5 billion (compared with Sk 21.5 billion in the same period in 2005), mainly due to increases in other house purchase loans (an increase of Sk 14.5 billion) and mortgage loans (an increase of Sk 10.3 billion). Home savings bank loans also recorded a modest increase (Sk 3.8 billion).

Despite an increase in key NBS rates, which was also reflected in customer interest rates on house purchase loans, demand for these loans recorded no decline. This development was influenced by several factors. The first was the fact that interest rates on house purchase loans had a slightly stimulating effect, especially at the beginning of the year. The second factor was an increase in real estate prices (approximately 20% over the first half of the year). Another factor was the continuing dynamic economic growth, accompanied by employment growth, wage growth, and increasing consumer confidence.

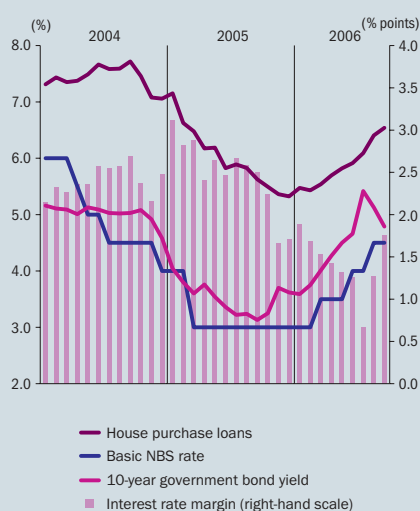
Chart E Developments in House Purchase Loans in Slovak Koruna by Type (Sk billions)


Source: NBS.

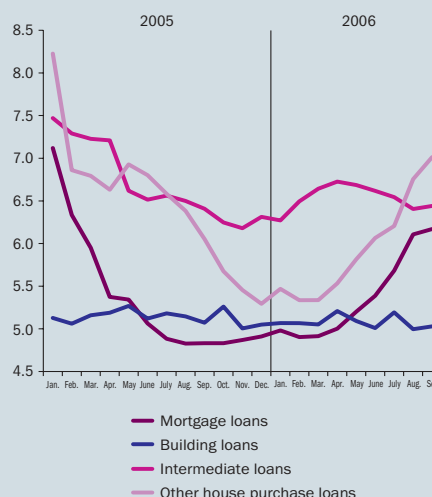
Chart F Absolute Year-on-Year Changes in the Volume of Loans to Households (Sk billions)


Source: NBS.

The interest rate margin (i.e. the difference between the rate for house purchase loans and the 10-year government bond yield) was shrinking until the end of the first half of the year. After a temporary marked increase in government bond yields as a result of uncertainty in the post-election period, the interest margin slightly increased in the last two months.

Chart G Interest Rates on House Purchase Loans, the Basic NBS Rate, and 10-Year Government Bond Yields


Source: NBS.

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


Source: NBS.

The average interest rate on loans to households for house purchases reached approximately 6.5% in September, representing a rise of 1.20 percentage points compared with December 2005. Looking at the breakdown of loans by type, the steepest increases occurred in rates for other house purchase loans (1.70 percentage points) and mortgage loans (1.26 points). A modest increase was also recorded in the price of intermediate loans (0.13 of a percentage point). Interest rates on building loans were stagnant (a long-term trend), at the level of approximately 5%.



ANNEXES

1 Capital Market

1.1 Bonds

Primary Market

Government bonds In the period under review, the Agency for Debt and Liquidity Management (ARDAL) held one auction in government securities (with a residual maturity of 19.6 years). Through this auction, government bonds were placed on the primary market in the total amount of Sk 0.6 billion, representing 35.5% of the total demand (Sk 1.7 billion).

Yield payment and bond repayment October 2006 saw no payments of government bond yields and no nominal value repayments.

Non-government bonds During October, non-government bond (mortgage bond) issues were reported to the NBS by two issuers – Unibanka, a.s. (in the amount of Sk 0.9 billion) and VÚB, a.s. (in the amount of EUR 0.06 billion).

Secondary Market

The total volume traded on the Bratislava Stock Exchange (BCPB) reached Sk 98.6 billion in October (in 648 transactions), representing a month-on-month decline of 13.4%. Price-setting transactions accounted for Sk 312.4 million (in 420 contracts) and direct transactions Sk 98.3 million (in 228 contracts).

Non-resident investors accounted for 47.84% of the total volume traded in October, of which 45.71% were composed of purchases and 49.97% of sales.

Bonds The benchmark bond yield curve recorded a fall at the short end (by 14 to 25 basis points since the beginning of October), due to increased demand for Slovak assets in connection with the strengthening

Chart 24 Government Bond No. 206 – Auction Results Compared with the Values of Quoted Yields

(%)

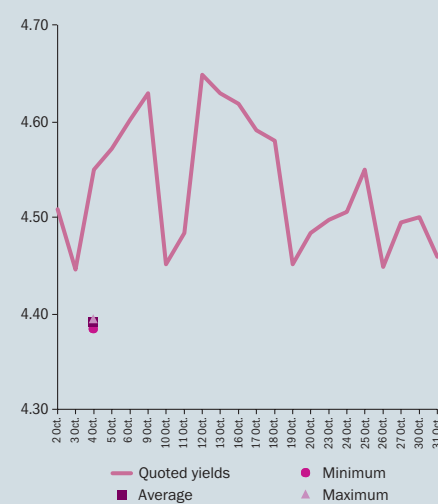
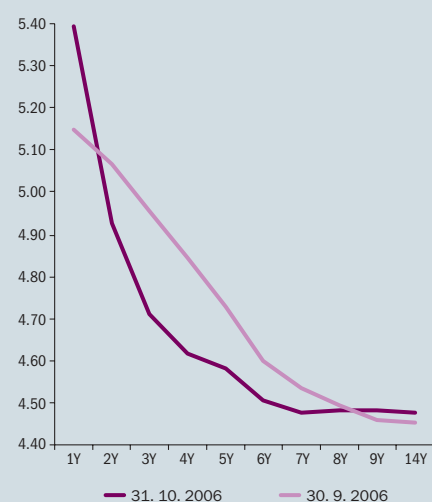
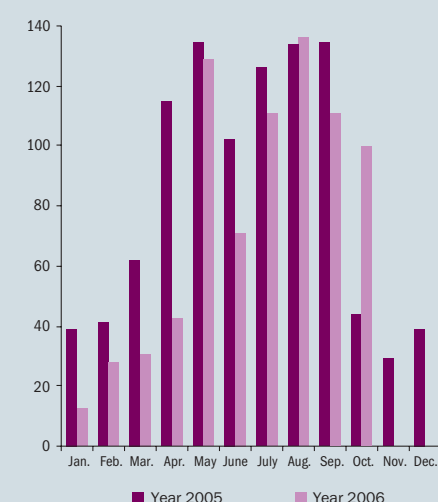


Chart 25 Shift in the Benchmark Government Bond Yield Curve (%)



Graf 26 Bond Transactions on the BCPB (Sk billions)



of the domestic currency. The longer end of the curve recorded no marked changes, since there was no significant trading in bonds with longer maturities.

There were 156 stock exchange transactions in bonds totalling Sk 98.5 billion during the month (i.e. 86.9% of the total volume traded on the BCPB floor in October). Of this amount, Sk 0.3 billion took place in price-setting contracts and Sk 98.3 billion in direct transactions.

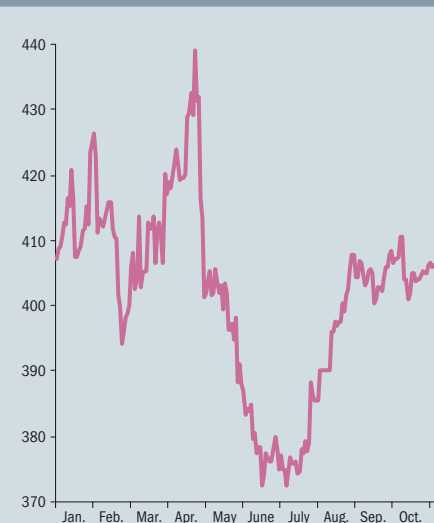
The market capitalisation of bonds as at the last trading day of October reached Sk 422.5 billion, representing a month-on-month increase of 0.1%. The capitalisation of quoted bonds increased from the end of September by 0.3%, to Sk 401.5 billion.

Table 29 The SDXGroup Indices at the End of October

SDXGroup indices

Sector	SDXGroup indices		Yield to maturity (in %)	Duration (in years)
	Price	Performance		
Private	103.0	116.6	4.429	5.148
SDXG sub-index (<=5)	101.3	113.6	4.519	2.491
SDXG sub-index (>5)	104.8	119.9	4.406	7.148
Private (corporate + mortgage bonds)	98.7	116.3	4.911	3.628
SDXG sub-index (<=5)	97.6	115.9	5.582	1.765
SDXG sub-index (>5)	103.1	116.6	4.694	5.507

Source: BCPB.

Chart 27 Developments in the SAX Index in 2006


Source: BCPB.

1.2 Shares

Equity securities were traded in October in 492 transactions, totalling Sk 47.5 million. Through bids announced for 5 transactions, shares were traded in the amount of Sk 23.8 million, accounting for 50.1% of the total amount of share contracts.

By the last trading day of October, the market capitalisation of equity securities had fallen month-on-month by 3.5%, to Sk 151.9 billion. The actual amount of issues that had a market price at least once in the past, except for investment funds shares and units, was Sk 141.7 billion. This represented a month-on-month decrease of 3.7% and accounted for 93.3% of the total share market capitalisation. The market capitalisation of quoted issues increased from the end of September by 0.5%, to Sk 82.8 billion.

The BCPB accepted no new share issues for trading during the month of October. Trading was ended in seven share issues with a total nominal value of Sk 5.34 billion. All seven issues came from the regulated open market of the BCPB.

Table 30 Weights of Basic SAX Index Components

(end-of month data, in %)

Company	2006									
	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.
Biotika, a. s.	2.59	2.64	2.77	2.83	3.24	3.10	2.80	2.67	3.04	3.22
OTP Banka Slovensko, a. s.	27.04	29.70	27.89	26.40	28.22	26.23	26.87	26.90	26.76	25.50
SES Tilmače, a. s.	7.74	8.50	7.93	8.11	7.09	6.70	7.32	7.92	8.04	7.85
Slovnaft, a. s.	29.52	28.27	31.16	31.21	31.81	32.49	32.25	32.11	31.50	31.82
Všeobecná úverová banka, a. s.	33.10	30.89	30.25	31.45	29.64	31.49	30.76	30.40	30.65	31.61

Source: BCPB.



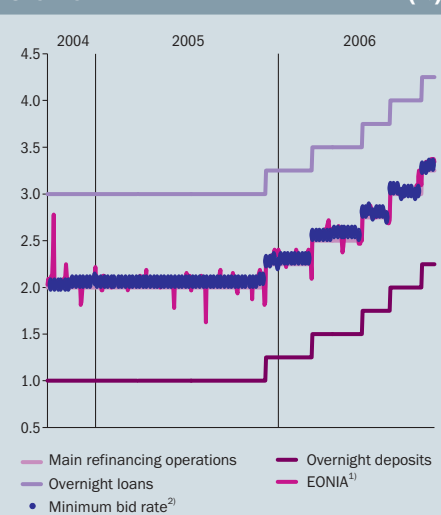
No compulsory takeover bid expired on the BCPB during October. Two new bids were announced in that period, for SES Tlmače and Istrokapital issues.

SAX index The Slovak Share Index (SAX) closed the month at 406.37 points, representing a fall of 0.3% month-on-month and 10.2% year-on-year. The index reached a monthly maximum on 6 October (410.5 points) and a monthly minimum on 11 October (400.89 points).

2 Monetary Developments in the Euro Area

At its October meeting (5/10/2006), the Governing Council of the ECB decided to increase its key interest rates by 0.25 of a percentage point. With effect from 11 October 2006, the rate for main refinancing operations was raised to 3.25%, that for overnight refinancing transactions to 4.25%, and the rate for overnight sterilisation operations to 2.25%.

Chart 28 Key ECB Interest Rates and the EONIA (%)

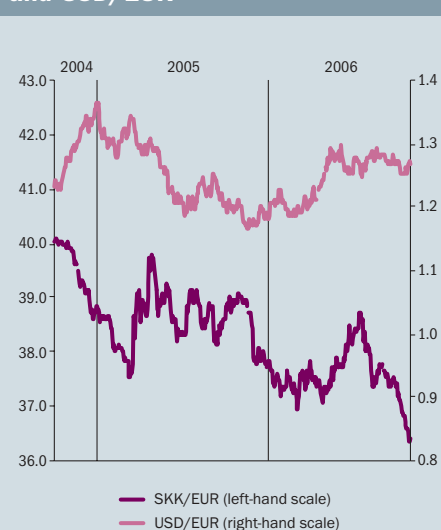


Source: ECB.

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 29 Exchange Rates: SKK/EUR and USD/EUR



Source: ECB, NBS.

2.1 Exchange Rate Developments

At the beginning of October, the exchange rate of the single European currency against the US dollar hovered around the level of USD/EUR 1.27.

Over the course of the month, the exchange rate of the dollar vis-à-vis the euro again fluctuated within a relatively narrow band, around the level of USD/EUR 1.27. In the first half of the month, the American currency followed a slightly appreciating trend, mainly as a result of positive macroeconomic indicators and strengthening expectations of a slowdown in inflation in the future. In the second half of the month, the USD weakened somewhat in relation to the euro, due to a greater-than-expected slowdown in the growth of the US economy in the third quarter of 2006. Thus, towards the end of the month, the exchange rate of the euro against the dollar was roughly at the same level as at the beginning of the month.

During October, the euro slightly appreciated in relation to the US dollar, by 0.09% on a month-on-month basis. Compared with the first trading day of 2006, the single European currency appreciated vis-à-vis the dollar by 7.36%.

2.2 Real Economy

According to a 'flash' Eurostat estimate, the euro area economy grew over the third quarter of 2006 by 0.5% compared with the previous quarter, and expanded in comparison with the same quarter of 2005 by 2.6%. In the second quarter of 2006, euro area GDP grew by 0.9%.

The 12-month inflation rate in the euro area, expressed in terms of the Harmonised Index of Consumer Prices (HICP), dropped to 1.7% in September, from 2.3% in the previous month. The strongest year-on-year dynamics were recorded in consumer prices in Greece (3.1%), Portugal (3.0%), and Spain (2.9%). The steepest year-on-year increases took place in prices for dwelling (4.0%), education (3.5%), and food (3.3%). Price levels in telecommunications dropped by 3.2%. In the same period a year earlier, consumer prices in the euro area rose by 2.6%. Eurostat foresees a year-on-year inflation rate of 1.6% in October.

In September, industrial producer prices increased year-on-year by 4.6%, while falling in comparison with the previous month by 0.5%.

On a year-on-year basis, retail sales grew in volume by 1.4% in September, while declining in comparison with the previous month by 0.6%.



The unemployment rate (seasonally adjusted) remained unchanged in September, at the level of the previous month (7.8%). The lowest unemployment rates were recorded in the Netherlands (4.0%), Ireland (4.2%), and Austria (4.7%). The highest unemployment rates within the euro area were recorded in Greece (9.0% in the second quarter of 2006) and France (8.9%). In the same period a year earlier, the unemployment rate in the euro area stood at 8.5%.

According to the first Eurostat estimate, foreign trade in the euro area resulted in a deficit of EUR 5.8 billion in August, compared with a shortfall of EUR 2.7 billion in the same period a year earlier. Compared with the previous month, euro area exports (seasonally adjusted) increased in August by 3.2% and imports grew by 2.4%.

3 Methodological Notes to Selected Indicators

3.1 Statistics of Monetary Aggregates (ECB Methodology)

The methodology of the ECB is implemented on the basis of data from harmonised statements of monetary and banking statistics, which were introduced by the NBS in 2003. According to ECB methodology, monetary aggregates were calculated in 2003 and 2004 on the basis of a harmonised balance from the 'M (NBS) 1-12 - Statistical Balance' monthly statement, from which the NBS compiles aggregated and consolidated balances for the 'monetary financial institutions' (MFI) sector. In 2003, as in the national methodology, the MFI sector was composed of the National Bank of Slovakia, commercial banks with a registered office in the SR, home savings banks, and the local branches of foreign banks. With effect from January 2004, in accordance with the ECB methodology, the MFI sector was extended to include money market investment funds, which are now required to report to the NBS on a monthly basis (the list of all MFIs monitored by the NBS is regularly updated on the website of the National Bank of Slovakia)³.

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

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

Table 31 Calculation of Monetary Aggregates According to NBS and ECB Methodologies

Methodology of the NBS	Methodology of the ECB
	<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

³ 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)⁴;
 - 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 data⁵.

3.2 Statistics of Monetary Aggregates (NBS methodology - Monetary Survey)

In 2005, the National Bank of Slovakia completed the harmonisation process in developing a methodology for monitoring and recording monetary aggregates according to the methodology of the European Central Bank (ECB). Over a temporary period in 2005, the NBS used both the national

⁴ 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.

⁵ In the conditions of the NBS, the recording of seasonally adjusted data according to ECB methodology is currently in the stage of preparation.

methodology and that of the ECB in evaluating the development of monetary aggregates, while placing greater emphasis on ECB methodology in relation to the M3 aggregate and its counterparts.

As from February, i.e. the expiration of the one-year temporary period, the NBS publishes reports on monetary aggregates exclusively according to the ECB methodology.

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

As of the beginning of 2005, customer interest rates are evaluated according to ECB methodology, where interest rates are monitored on loans granted⁶ 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. 63/2002⁷ of the European Central Bank, concerning interest rate statistics.

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

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

Loans to households are classified by purpose as follows:

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

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

- current account overdrafts
- investment loans
- operating loans
- loans for house purchase
 - mortgage loans
 - building loans
 - intermediate loans
 - other loans for house purchase
- other loans.

⁶ The term 'granted loans' is an equivalent of the term 'new loan'.

⁷ According to Article 1 paragraph 2 of Decree No. 63/2002 of the European Central Bank of 20 December 2001, concerning the statistics of interest rates of monetary financial institutions on loans to and deposits from households and non-financial corporations, the term 'households' as defined in Annex A to Directive No. 2223/96 of the European Communities of 25 June 1996 on the European System of National and Regional Accounts (ESA95) means the household sector S.14 (i.e. households and sole traders) and non-profit institutions serving households S.15, and the term 'non-financial corporations' means sector S.11.



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

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

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

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

3.4 Classification of Loans According to Quality

Year 2005⁸

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

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

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

Standard claims – defined as claims where:

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

Standard claims with qualification – defined as claims where:

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

⁸ Until 2004, claims had been classified as standard loans, standard loans with qualification, non-standard loans, doubtful loans, and loss-making loans.

Non-standard claims – defined as claims where:

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

Doubtful claims – defined as claims where:

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

Loss-making claims – defined as claims where:

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

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

Year 2006

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

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

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

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

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

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

- significant and
- insignificant.



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

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

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

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

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

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



4. Tables

Selected Indicators of Economic and Monetary Development in the SR

	Unit	2005			2006									
		10	11	12	1	2	3	4	5	6	7	8	9	10
REAL ECONOMY														
Gross domestic product ^{1) 2)}	SKK billions	-	-	1,177.892 ^(p)	-	-	288.649 ^(p)	-	-	605.388 ^(p)	-	-	-	-
Year-on-year change in GDP ³⁾	%	-	-	6.0,(p)	-	-	6.7(p)	-	-	6.7	-	-	-	-
Unemployment rate ^{4) 11)}	%	10.93	10.86	11.36	11.82	11.66	11.42	11.04	10.56	10.36	10.2	9.9	9.8	-
Consumer prices (CPI) ^{3) 10)}	%	3.5	3.6	3.9	4.1	4.3	4.3	4.4	4.8	4.5	5.0	5.0	4.5	3.1
Consumer prices (HICP) ³⁾	%	3.3	3.4	3.7	4.1	4.4	4.5	4.5	4.8	4.6	5.0	5.1	4.6	3.7
BALANCE OF TRADE ^{2) 9) (p)}														
Exports (fob)	SKK millions	810,522	911,278	993,516	81,266	166,247	267,750	356,865	460,978	567,828	664,933	770,762	-	-
Imports (fob)	SKK millions	856,352	960,948	1,069,517	89,429	184,536	290,596	388,988	500,198	613,693	717,440	827,633	-	-
Balance	SKK millions	-45,830	-49,670	-76,001	-8,163	-18,289	-22,846	-32,123	-39,220	-45,865	-52507	-56,871	-	-
BALANCE OF PAYMENTS ²⁾														
Current account ⁹⁾	SKK millions	-75,307.3	-82,956.3	-126,131.6	-11,059.40	-18,719.80	-27,900.6	-38,173.9	-55,275.3	-61,873.4	-85,754.1	-86,957.9	-	-
Capital and financial account	SKK millions	128,023.0	138,502.2	176,681.1	3,090.9	-622.7	39,672.9	44,616.6	51,286.1	63,846.2	-29,921.3	-16,885.0	-	-
Overall balance	SKK millions	65,142.8	69,368.0	71,442.4	-143.40	795.9	25,114.20	26,100.5	24,882.5	7,670.5	-84,844.0	-82,462.8	-	-
FOREIGN EXCHANGE RESERVES ^{4) 6)}														
Total foreign exchange reserves	USD millions	16,998.0	16,876.3	17,010.6	17,063.7	16,767.9	17,798.4	18,509.9	18,938.2	17,904.7	16,499.7	16,349.2	15,876.2	15,686.8
NBS foreign exchange reserves	USD millions	15,647.8	15,438.4	15,479.5	15,754.6	15,454.6	16,521.3	16,924.6	17,334.6	16,128.9	13,140.0	13,243.1	13,234.2	13,145.5
GROSS EXTERNAL DEBT ^{4) 7)}														
Total gross external debt	USD billions	26.1	26.2	26.9	27.9	26.9	28.5	28.9	31.0	31.5	28.3	29.8	-	-
External debt per capita	USD	4,852	4,879	5,000	5191	5002	5303	5371	5,768	5,856	5,255	5,536	-	-
MONETARY INDICATORS														
Exchange rate ⁵⁾	SKK/USD	32.357	32.808	31.932	31.029	31.298	31.186	30.535	29.461	30.054	30.286	29.426	29.448	29.225
M3 monetary aggregate ^{4) 10)}	SKK billions	800.4	798.4	831.4	824.9	833.9	840.7	850.2	851.2	861.2	871.8	892.4	894.3	-
Year-on-year change in M3 ³⁾	%	7.6	6.3	7.8	8.6	9.1	10.3	9.4	10.5	11.2	11.8	13.6	12.9	-
Claims of monetary financial institutions ¹⁰⁾	SKK billions	769.0	778.3	795.4	769.2	780.8	794.5	800	822.2	833.1	829.2	843.2	850.3	-
STATE BUDGET ^{2) 4)}														
Revenue	SKK billions	214.4	233.7	258.7	32.8	50.4	71.8	95.8	112.1	138.0	166.5	188.9	212.2	240.6
Expenditure	SKK billions	219.5	241.3	292.6	20.7	44.1	71.7	95.6	123.8	148.3	171.7	194.6	217.3	241.7
Balance	SKK billions	-5.1	-7.6	-33.9	12.1	6.3	0.1	0.2	-11.7	-10.3	-5.2	-5.7	-5.1	-1.1
MONEY MARKET														
Interest rates set by the NBS Bank Board														
Date of maturity ⁸⁾		1.3.2005	1.3.2005	1.3.2005	1.3.2005	1.3.2005	1.3.2006	1.3.2006	31.5.2006	31.5.2006	26.7.2006	26.7.2006	27.9.2006	27.9.2006
Overnight operations														
- sterilisation	%	2.00	2.00	2.00	2.00	2.00	2.50	2.50	3.00	3.00	3.00	3.00	3.25	3.25
- refinancing	%	4.00	4.00	4.00	4.00	4.00	4.50	4.50	5.00	5.00	6.00	6.00	6.25	6.25
Limit rate for 2-week repo tenders	%	3.00	3.00	3.00	3.00	3.00	3.50	3.50	4.00	4.00	4.5	4.5	4.75	4.75
Basic interest rate of the NBS (until 31/12/02: discount rate)	%	3.00	3.00	3.00	3.00	3.00	3.50	3.50	4.00	4.00	4.5	4.5	4.75	4.75
Average interbank deposit rate (BRIBOR)														
overnight	%	2.55	2.37	2.80	2.75	2.74	3.1	3.34	3.00	4.51	3.83	4.11	4.85	4.59
7-day	%	2.93	2.89	2.94	2.98	2.95	3.44	3.47	3.39	4.17	4.11	4.49	4.68	4.79
14-day	%	2.98	2.98	2.98	3.02	3.02	3.49	3.51	3.49	4.11	4.22	4.54	4.66	4.84
1-month	%	3.01	3.05	3.02	3.03	3.16	3.57	3.59	3.69	4.11	4.50	4.63	4.72	4.93
2-month	%	3.01	3.11	3.06	3.10	3.27	3.66	3.72	3.85	4.14	4.75	4.77	4.88	4.99
3-month	%	3.03	3.19	3.12	3.17	3.34	3.75	3.86	3.96	4.2	4.92	4.93	4.95	5.02
6-month	%	3.04	3.35	3.24	3.26	3.45	3.88	4.06	4.19	4.45	5.18	5.22	5.19	5.06
9-month	%	3.05	3.44	3.29	3.34	3.52	3.98	4.21	4.38	4.62	5.35	5.34	5.28	5.09
12-month	%	3.07	3.52	3.34	3.39	3.58	4.06	4.28	4.49	4.71	5.47	5.43	5.36	5.11

(p) Preliminary data.

1) Constant prices, revised data since 2000.

2) Cumulative since the beginning of the year.

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

4) End-of-period figures.

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

6) Methodological change with effect from 1 January 2002.

7) Methodological change with effect from 1 January 1999.

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

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

10) According to the methodology of the ECB.

11) Registered unemployment.

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



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

	Share of the total (in %) ¹⁾	Volume (SKK billions)												
		2005				2006								
		9	10	11	12	1	2	3	4	5	6	7	8	9
Claims of MFIs on residents	41.9	500.4	511.1	519.2	535.3	540.7	545.5	556.1	561.7	578.1	592.4	589.1	598.3	602.6
General government	1.2	25.7	26.2	26.5	27.9	27.8	27.3	26.2	23.8	23.7	23.0	23.0	23.0	17.2
Private sector	40.7	474.7	484.9	492.7	507.5	512.9	518.2	529.8	538.0	554.4	569.4	566.1	575.3	585.3
Non-financial corporations	20.9	260.7	263.5	266.5	271.4	276.0	277.6	281.9	284.2	292.2	299.3	291.2	295.7	300.9
– up to 1 year	9.0	113.3	111.9	115.3	117.3	120.2	119.5	118.8	119.0	127.6	133.8	126.6	127.0	130.2
– 1 to 5 years	3.9	53.7	54.1	52.9	52.0	52.3	52.2	55.2	55.1	58.6	56.7	54.5	56.2	56.0
– over 5 years	8.0	93.7	97.6	98.3	102.1	103.5	105.9	108.0	110.1	106.0	108.8	110.1	112.5	114.7
Financial corporations	4.2	48.1	50.5	51.1	55.0	53.0	54.2	56.3	57.3	59.7	61.3	61.2	60.8	60.5
Insurance corporations and pension funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Households and non-profit institutions serving households	15.5	165.8	170.8	175.1	181.0	183.8	186.3	191.6	196.5	202.5	208.7	213.5	218.6	223.6
– consumer loans	2.4	24.8	24.7	25.0	24.8	29.7	29.8	31.0	31.4	32.0	32.6	33.0	33.5	34.3
– housing loans	10.1	109.5	112.4	115.0	118.9	120.2	122.4	125.6	128.5	132.1	136.2	139.4	142.9	145.9
– other loans	3.0	31.5	33.7	35.2	37.3	34.0	34.0	35.0	36.5	38.4	39.9	41.2	42.2	43.4
Securities other than shares and participation certificates issued by residents	16.8	246.8	251.5	253.0	254.6	222.6	229.5	232.6	232.5	238.3	234.9	234.4	239.4	242.1
General government	16.2	234.4	239.1	243.6	245.6	214.0	221.0	223.8	223.8	229.6	225.9	225.5	230.5	233.6
Private sector	0.6	12.5	12.4	9.4	9.0	8.7	8.5	8.9	8.7	8.8	9.0	8.9	8.8	8.5
Shares and other equities issued by private sector	0.4	6.3	6.3	6.2	5.3	5.8	5.8	5.8	5.8	5.7	5.7	5.6	5.6	5.6
Foreign assets	35.7	605.0	596.0	585.4	746.3	578.3	573.0	598.7	597.7	608.6	607.8	524.1	529.9	512.9
Fixed assets	2.3	33.9	33.6	33.6	34.4	33.6	33.4	33.4	33.2	33.1	33.0	33.1	32.9	32.7
Other assets	3.0	44.1	45.5	46.3	39.7	37.3	36.6	36.0	38.9	40.7	46.3	43.0	44.3	42.7
Deposits and loans received from the central government	5.9	77.3	85.1	92.9	61.3	39.9	47.3	79.5	104.5	107.6	106.0	99.6	95.5	84.8
Long-term financial liabilities	13.2	200.0	199.7	192.5	191.0	182.7	186.1	192.0	182.1	183.0	192.9	194.2	191.2	190.3
Deposits and loans received with an agreed maturity of over 2 years	4.3	52.3	52.1	52.8	56.5	57.5	59.5	59.8	60.4	60.5	61.0	61.9	62.1	62.4
Deposits redeemable at a period of notice of over 3 months	1.7	28.0	27.8	27.7	27.8	27.5	27.2	26.9	26.6	26.4	26.1	25.8	25.3	25.0
Debt securities issued with a maturity of over 2 years	1.8	16.1	14.2	19.3	18.6	18.7	18.8	21.2	21.7	21.9	24.9	25.1	25.5	25.9
Capital, reserves, and provisions	5.4	103.6	105.6	92.8	88.0	78.9	80.6	84.0	73.4	74.3	80.9	81.4	78.3	77.0
Foreign liabilities	15.0	319.4	310.9	308.2	484.9	318.5	307.2	301.5	279.3	306.3	305.2	212.4	219.5	216.5
Other liabilities	3.7	48.0	48.3	56.6	47.0	54.2	49.7	48.4	53.8	56.6	54.9	51.3	52.0	52.8
Surplus of liabilities among MFIs	0.0	-0.1	-0.3	-5.1	0.0	-1.8	-0.2	0.5	-0.2	-0.1	-0.1	0.0	0.0	-0.1
M3	62.2	792.0	800.4	798.4	831.4	824.9	833.9	840.7	850.2	851.2	861.2	871.8	892.4	894.3
Total	100.0	1,436.5	1,444.1	1,443.6	1,615.6	1,418.3	1,423.9	1,462.5	1,469.8	1,504.6	1,520.2	1,429.3	1,450.4	1,438.6

1) In the current month.



Average Interest Rates on New Loans

(ECB methodology)

(%)

	2005				2006								
	9	10	11	12	1	2	3	4	5	6	7	8	9
Loans in total¹⁾	5.93	6.35	6.14	5.78	6.32	6.50	6.87	7.11	6.99	7.40	7.71	8.05	8.21
Current account overdrafts	6.37	6.58	6.45	6.17	6.25	6.50	6.96	7.12	7.12	7.63	7.81	7.96	8.35
Operation loans	3.55	3.94	3.77	3.82	3.99	4.47	4.28	4.61	4.32	4.74	5.35	5.42	5.53
Investment loans	4.22	4.80	5.61	4.64	5.07	5.21	5.78	5.54	5.75	6.18	6.45	6.60	6.69
Consumer loans	11.30	12.47	12.03	11.89	12.72	13.54	11.91	11.64	12.82	13.66	13.13	13.62	13.09
Real estate loans	5.61	5.49	5.36	5.32	5.47	5.43	5.54	5.70	5.83	5.92	6.09	6.39	6.53
of which:													
Mortgage loans	4.82	4.84	4.87	4.92	4.99	4.91	4.92	5.01	5.20	5.39	5.68	6.11	6.18
Construction loans	5.07	5.26	5.01	5.05	5.07	5.07	5.05	5.21	5.09	5.01	5.19	5.00	5.03
Intermediate loans	6.37	6.24	6.16	6.31	6.26	6.49	6.63	6.71	6.66	6.59	6.54	6.35	6.41
Other real estate loans	6.03	5.63	5.45	5.29	5.47	5.34	5.35	5.54	5.83	6.07	6.20	6.75	6.97
Other loans	5.10	5.56	4.75	5.92	4.20	5.22	5.40	5.65	5.55	6.36	6.51	7.13	6.89
Floating rate + IRF for up to 1 year incl.	6.01	6.34	6.18	5.77	6.28	6.46	6.84	7.14	6.97	7.40	7.71	8.10	8.25
IRF for over 1 year and up to 5 years incl.	5.82	7.04	5.54	6.38	7.36	7.80	7.32	6.61	7.38	7.95	7.82	7.63	7.75
IRF for over 5 years and up to 10 years incl.	6.12	6.22	6.27	6.41	6.59	7.30	7.51	7.24	7.34	7.03	7.26	7.32	7.50
IRF for over 10 years	3.98	5.06	4.98	4.24	6.04	6.09	6.23	6.35	6.63	6.01	6.72	6.63	6.94
Households													
Loans in total	9.62	9.77	9.80	9.73	10.49	11.42	11.24	11.27	11.18	11.42	12.16	12.32	12.56
Current account overdrafts	10.83	11.04	11.00	10.93	10.64	12.15	12.40	12.37	12.55	13.05	13.15	13.51	13.57
Operation loans	7.26	6.54	6.18	5.99	5.84	6.35	6.63	6.51	6.50	6.47	7.38	7.30	6.09
Investment loans	6.00	5.83	5.91	5.87	5.65	6.31	6.25	6.27	6.44	6.91	7.55	7.60	7.25
Consumer loans	11.30	12.47	12.03	11.89	12.72	13.55	11.91	11.64	12.82	13.66	13.13	13.62	13.09
Real estate loans	5.63	5.49	5.36	5.32	5.47	5.43	5.54	5.70	5.82	5.92	6.09	6.41	6.54
of which:													
Mortgage loans	4.83	4.83	4.87	4.91	4.98	4.90	4.91	5.00	5.20	5.39	5.68	6.11	6.17
Construction loans	5.07	5.26	5.01	5.05	5.07	5.07	5.05	5.21	5.09	5.01	5.19	5.00	5.03
Intermediate loans	6.41	6.25	6.18	6.31	6.27	6.50	6.64	6.73	6.69	6.62	6.54	6.41	6.44
Other real estate loans	6.05	5.67	5.45	5.29	5.47	5.33	5.34	5.53	5.82	6.06	6.20	6.76	7.01
Other loans	9.53	8.88	9.60	10.38	6.45	6.07	6.18	6.32	6.35	6.49	6.60	7.08	7.34
Credit cards	-	-	-	-	16.10	16.09	16.22	16.58	15.88	15.81	18.04	18.09	18.17
Floating rate + IRF for up to 1 year incl.	10.04	10.09	10.05	9.90	10.70	11.71	11.71	11.92	11.84	12.15	12.85	13.27	13.37
IRF for over 1 year and up to 5 years incl.	9.14	8.35	8.86	9.09	9.25	9.19	8.14	7.70	7.82	8.46	8.30	8.24	8.38
IRF for over 5 years and up to 10 years incl.	6.60	6.87	7.00	7.08	7.12	7.91	8.49	7.67	7.65	7.74	7.58	7.64	7.71
IRF for over 10 years	4.92	5.81	5.73	6.26	6.26	7.20	6.91	6.73	6.69	5.99	6.89	6.63	6.95
Non-financial corporations													
Loans in total	4.68	5.02	4.93	4.81	5.00	5.03	5.40	5.52	5.54	5.93	6.24	6.33	6.76
Current account overdrafts	4.96	5.18	5.12	4.93	5.17	5.09	5.47	5.60	5.64	6.04	6.28	6.38	6.89
Operation loans	3.22	3.91	3.69	3.67	3.98	4.49	4.64	4.51	4.67	4.87	5.59	5.41	5.66
Investment loans	4.12	4.69	5.73	4.90	4.95	5.02	5.71	5.70	5.67	6.00	6.37	6.53	6.70
Real estate loans	5.43	5.49	5.55	5.48	5.56	5.56	5.67	5.99	5.93	6.24	5.85	5.99	6.07
Other loans	4.25	4.10	3.48	5.48	3.87	5.11	5.16	5.63	5.30	6.32	6.12	7.05	6.59
Credit cards	-	-	-	-	12.36	13.26	13.83	14.29	13.92	14.22	17.24	17.12	16.49
Loans up 1 million EUR	4.91	4.94	4.91	5.20	4.93	5.21	5.52	5.34	5.72	6.17	6.49	6.35	7.45
Loans over 1 million EUR	3.40	3.85	3.88	4.28	3.91	4.27	4.58	4.95	4.71	4.96	5.63	5.72	5.36
Floating rate + IRF for up to 1 year incl.	4.72	5.01	4.99	4.79	5.00	5.03	5.39	5.51	5.54	5.93	6.23	6.33	6.77
IRF for over 1 year and up to 5 years incl.	5.18	5.04	3.15	4.46	4.87	4.69	5.74	5.67	5.71	6.13	6.56	6.48	6.74
IRF for over 5 years and up to 10 years incl.	5.01	5.22	5.24	6.12	5.55	4.78	5.56	5.67	5.80	5.53	6.46	6.25	6.74
IRF for over 10 years	3.57	4.83	4.14	4.20	5.09	5.56	5.52	6.07	6.34	6.43	6.31	6.56	6.81

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

Note: IRF – initial rate fixation.



Average Interest Rates on New Deposits

(ECB methodology)

(%)

	2005				2006								
	9	10	11	12	1	2	3	4	5	6	7	8	9
Deposits in total ¹⁾	1.36	1.41	1.42	1.29	1.52	1.24	1.59	1.67	1.66	2.01	1.91	2.09	2.37
Deposits payable on demand	0.57	0.65	0.64	0.57	0.95	0.58	0.66	0.74	0.82	1.12	0.93	0.83	1.27
of which: demand deposits	0.49	0.51	0.51	0.46	0.65	0.45	0.52	0.60	0.63	0.78	0.73	0.69	0.92
overnight deposits	1.71	2.09	1.77	1.70	3.19	1.46	2.23	2.64	2.55	4.39	2.69	3.18	5.53
Deposits with agreed maturity ²⁾	2.56	2.56	2.55	2.55	2.40	2.51	3.02	3.05	3.12	3.81	3.65	3.99	4.29
– up to 1 year in total	2.56	2.56	2.55	2.55	2.41	2.52	3.02	3.06	3.13	3.82	3.66	3.99	4.29
– up to 7 days	2.09	2.07	2.03	2.17	2.54	2.12	2.78	2.73	2.64	4.10	3.24	3.27	4.57
– up to 1 month	2.73	2.70	2.68	2.73	2.64	2.66	3.17	3.21	3.27	3.80	3.80	4.24	4.27
– up to 3 months	1.89	1.77	1.81	1.80	1.97	1.97	2.12	2.16	2.56	3.01	3.49	3.67	3.58
– up to 6 months	1.86	1.75	1.78	1.69	1.86	1.83	2.09	2.17	2.64	2.90	3.74	3.75	3.81
– up to 1 year	1.89	1.80	1.84	1.93	-	1.71	1.87	2.12	2.53	3.27	3.43	3.92	3.73
– over 1 year in total	2.06	1.54	1.29	1.68	0.99	0.88	2.45	1.64	1.51	2.37	2.48	3.88	3.84
– up to 2 years	1.52	1.74	1.69	0.97	2.07	2.33	2.95	2.08	2.04	2.60	3.50	3.89	3.75
– over 2 years	2.08	1.54	1.28	1.74	0.94	0.86	2.42	1.60	1.45	2.37	2.45	3.97	4.04
Savings deposits	0.99	1.00	1.02	1.05	1.07	1.10	1.16	1.19	1.21	1.23	1.54	1.65	1.75
– redeemable at a period of notice of up to 3 months	0.93	0.94	0.94	0.96	0.97	0.97	1.05	1.06	1.07	1.09	1.45	1.47	1.47
– redeemable at a period of notice of over 3 months	1.01	1.04	1.06	1.10	1.13	1.17	1.22	1.25	1.28	1.30	1.59	1.75	1.89
Households													
Deposits in total	0.70	0.71	0.71	0.71	0.80	0.69	0.79	0.81	0.86	0.96	0.99	1.10	1.16
Deposits payable on demand	0.42	0.42	0.42	0.41	0.54	0.38	0.44	0.42	0.45	0.51	0.50	0.51	0.54
of which: demand deposits	0.41	0.41	0.41	0.40	0.51	0.37	0.42	0.41	0.43	0.45	0.47	0.49	0.49
overnight deposits	1.13	1.50	1.19	1.16	2.90	1.42	1.90	2.14	2.35	3.97	2.41	2.83	5.02
Deposits with agreed maturity	2.00	1.92	1.90	1.90	1.80	1.76	2.01	2.17	2.55	3.21	3.16	3.59	3.85
– up to 1 year in total	2.00	1.93	1.91	1.90	1.83	1.79	2.02	2.18	2.57	3.23	3.20	3.58	3.85
– up to 7 days	1.69	1.74	1.68	1.69	2.16	1.84	2.24	2.33	2.38	3.69	2.79	3.11	4.29
– up to 1 month	2.13	1.99	1.99	2.00	1.78	1.77	2.00	2.16	2.62	3.13	3.17	3.49	3.65
– up to 3 months	1.71	1.60	1.60	1.57	1.44	1.59	1.70	1.86	2.33	2.82	3.15	3.29	3.33
– up to 6 months	1.71	1.60	1.70	1.39	1.69	1.59	1.89	1.99	2.43	2.76	3.29	3.54	3.70
– up to 1 year	1.81	1.60	1.60	1.60	1.61	1.56	1.72	1.98	2.37	3.10	3.77	4.00	4.05
– long-term over 1 year	2.06	1.55	1.26	1.75	0.98	0.88	1.82	1.64	1.50	2.38	2.19	3.89	3.90
– up to 2 years	1.54	1.74	1.70	0.97	2.08	2.33	2.06	2.24	2.00	3.00	3.44	3.89	3.95
– over 2 years	2.08	1.55	1.26	1.79	0.96	0.87	1.81	1.61	1.47	2.35	2.14	3.89	3.86
Savings deposits	0.98	1.00	1.02	1.05	1.07	1.10	1.16	1.18	1.21	1.22	1.54	1.65	1.75
– redeemable at a period of notice of up to 3 months	0.93	0.93	0.93	0.96	0.96	0.96	1.04	1.05	1.06	1.07	1.43	1.45	1.46
– redeemable at a period of notice of over 3 months	1.01	1.04	1.06	1.10	1.13	1.17	1.22	1.25	1.28	1.30	1.59	1.75	1.89
Non-financial corporations													
Deposits in total	1.48	1.56	1.59	1.40	1.85	1.47	1.86	2.03	1.95	2.51	2.11	2.34	3.00
Deposits payable on demand	0.72	0.81	0.81	0.64	1.23	0.70	0.87	0.95	1.05	1.62	1.10	1.05	1.98
of which: demand deposits	0.55	0.62	0.62	0.47	0.79	0.49	0.58	0.71	0.73	1.01	0.72	0.78	1.35
overnight deposits	1.72	2.05	1.80	1.67	3.29	1.69	2.23	2.62	2.64	4.44	2.71	3.18	5.58
Deposits with agreed maturity	2.46	2.50	2.57	2.55	2.73	2.58	3.16	3.16	3.15	3.95	3.66	3.90	4.41
– up to 1 year in total	2.33	2.42	2.42	2.38	2.73	2.58	3.16	3.16	3.15	3.95	3.66	3.90	4.41
– up to 7 days	2.14	2.09	2.12	2.02	2.54	2.15	2.56	2.80	2.63	4.17	3.31	3.28	4.58
– up to 1 month	2.69	2.68	2.68	2.76	2.81	2.72	3.31	3.30	3.32	3.83	3.82	4.21	4.34
– up to 3 months	2.21	2.18	2.30	2.34	2.62	2.67	2.87	3.07	3.16	3.57	3.89	4.08	4.11
– up to 6 months	2.04	2.28	2.39	2.44	2.49	2.73	2.61	2.90	3.51	3.70	4.21	4.54	4.20
– up to 1 year	2.26	2.03	2.15	2.40	2.31	2.07	2.67	2.93	3.59	3.78	2.59	4.29	3.87
– long-term over 1 year	1.46	1.35	1.57	0.82	2.06	1.38	3.84	1.32	1.92	2.63	3.53	1.99	5.29
– up to 2 years	1.40	-	-	0.98	2.05	-	3.87	1.63	2.45	4.05	4.91	-	2.56
– over 2 years	2.00	1.35	1.57	0.66	2.06	1.38	-	0.94	1.42	1.54	3.52	1.99	8.40
Savings deposits	1.28	1.27	1.33	1.42	1.51	1.49	1.74	1.86	1.83	1.96	1.95	1.92	1.91
– redeemable at a period of notice of up to 3 months	1.30	1.28	1.35	1.44	1.53	1.51	1.78	1.91	1.88	2.01	2.00	1.96	1.96
– redeemable at a period of notice of over 3 months	1.12	1.12	1.12	1.12	1.15	1.17	1.17	1.17	1.16	1.21	1.21	1.21	1.21

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

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



Interest Rates on Outstanding Loans

	2005				2006								
	9	10	11	12	1	2	3	4	5	6	7	8	9
Loans in total¹⁾	5.86	5.89	5.86	5.80	5.89	5.93	6.06	6.15	6.19	6.40	6.55	6.66	6.87
Current account overdrafts	6.37	6.54	6.44	6.14	6.19	6.55	6.97	7.12	7.10	7.58	7.79	7.93	8.34
Consumer loans	11.67	11.88	11.85	11.82	12.26	12.23	12.28	12.21	12.31	12.63	12.68	12.74	12.86
Operation loans	3.94	4.11	4.05	4.00	3.97	4.10	4.32	4.47	4.42	4.81	4.98	5.19	5.30
Investment loans	4.41	4.39	4.52	4.42	4.47	4.50	4.72	4.85	4.94	5.18	5.41	5.57	5.83
Real estate purchase loans	6.00	5.96	5.94	5.91	6.34	6.25	6.20	6.19	6.17	6.20	6.22	6.25	6.28
Other loans	5.68	5.78	5.54	5.79	4.81	4.82	4.95	5.12	5.24	5.40	5.59	5.76	6.08
Credit cards	19.26	19.29	19.15	19.80	16.04	15.99	16.15	16.51	16.14	16.08	18.05	18.06	18.13
Short-term loans	5.42	5.59	5.53	5.42	5.42	5.66	5.91	6.09	6.07	6.42	6.69	6.88	7.13
Long-term loans over 1 year and up to 5 years	7.27	7.25	7.19	7.21	7.15	7.11	7.22	7.24	7.27	7.47	7.56	7.67	7.99
Long-term loans over 5 years	5.40	5.39	5.42	5.36	5.59	5.57	5.63	5.71	5.78	5.92	6.03	6.12	6.27
Households													
Loans in total	7.98	7.96	7.89	7.83	7.81	7.86	7.84	7.81	7.82	7.91	7.95	8.00	8.05
Current account overdrafts	10.92	11.06	11.00	10.83	10.59	12.20	12.32	12.37	12.47	12.91	13.10	13.43	13.45
Consumer loans	11.67	11.88	11.85	11.82	12.26	12.23	12.28	12.21	12.31	12.63	12.68	12.74	12.86
Real estate purchase loans	6.64	6.59	6.52	6.47	6.41	6.33	6.26	6.24	6.23	6.26	6.26	6.29	6.31
Other loans	10.61	10.13	9.92	9.76	7.36	7.20	7.04	6.95	6.92	6.93	6.94	7.02	7.08
Credit cards	19.28	19.32	19.18	19.90	16.14	16.08	16.23	16.57	16.20	16.14	18.07	18.09	18.17
Short-term loans	10.96	11.03	10.96	10.89	10.96	12.09	12.27	12.31	12.37	12.69	13.14	13.49	13.57
Long-term loans over 1 year and up to 5 years	10.96	11.01	10.96	10.91	10.84	10.78	10.87	10.80	10.83	10.99	10.99	11.05	11.13
Long-term loans over 5 years	6.08	6.06	6.03	6.01	6.46	6.38	6.34	6.34	6.34	6.41	6.44	6.48	6.53
Non-financial institutions													
Loans in total	4.45	4.52	4.58	4.52	4.55	4.60	4.88	5.01	5.09	5.41	5.65	5.82	6.14
Current account overdrafts	4.98	5.20	5.11	4.91	5.09	5.05	5.47	5.57	5.59	6.00	6.25	6.36	6.91
Operation loans	3.88	3.95	3.93	3.86	3.81	3.97	4.34	4.46	4.39	4.92	5.11	5.33	5.45
Investment loans	4.31	4.31	4.48	4.44	4.52	4.59	4.80	4.94	5.05	5.31	5.56	5.74	5.97
Real estate purchase loans	4.39	4.95	4.70	4.47	4.71	4.63	4.68	5.14	5.08	5.30	5.56	5.55	5.83
Other loans	4.75	4.63	4.67	4.94	4.49	4.61	4.80	4.92	5.18	5.31	5.53	5.77	6.06
Credit cards	18.11	17.98	18.00	18.27	12.36	13.26	13.83	14.29	14.31	14.49	17.24	17.12	16.49
Short-term loans	4.50	4.64	4.61	4.48	4.53	4.56	4.92	5.05	5.04	5.45	5.70	5.85	6.26
Long-term loans over 1 year and up to 5 years	4.92	4.90	4.92	4.97	4.96	4.96	5.20	5.32	5.43	5.69	5.91	6.14	6.31
Long-term loans over 5 years	4.13	4.15	4.35	4.34	4.40	4.50	4.69	4.83	4.96	5.20	5.45	5.61	5.88

1) Interest rates on loans include all sectors (i. e. non-financial institutions, households, insurance corporations, pension funds and general government).

Note: Data in this table include only performing loans according to Decree of the NBS No. 7/2005 on the classification of assets and liabilities of banks and branches of foreign banks.



Interest Rates on Outstanding Deposits

	2005				2006								
	9	10	11	12	1	2	3	4	5	6	7	8	9
Deposits in total ¹⁾	1.54	1.57	1.57	1.46	1.52	1.37	1.68	1.74	1.72	2.02	1.94	2.11	2.39
Deposits payable on demand	0.57	0.65	0.64	0.57	0.92	0.59	0.66	0.74	0.80	1.12	0.86	0.82	1.26
of which: demand deposits	0.49	0.51	0.52	0.47	0.61	0.47	0.52	0.60	0.61	0.77	0.66	0.69	0.90
overnight deposits	1.71	2.09	1.77	1.70	3.20	1.46	2.22	2.64	2.55	4.39	2.68	3.19	5.54
Deposits with agreed maturity ²⁾	2.24	2.25	2.26	2.19	2.15	2.15	2.52	2.56	2.56	2.91	2.92	3.16	3.36
– up to 1 year in total	2.15	2.19	2.21	2.16	2.02	2.03	2.49	2.55	2.55	2.98	2.99	3.28	3.51
– up to 7 days	1.83	1.89	1.94	2.03	2.53	1.78	2.80	2.49	2.49	3.83	2.85	3.16	4.82
– up to 1 month	2.41	2.45	2.48	2.45	2.37	2.41	2.89	2.96	2.95	3.39	3.44	3.76	3.83
– up to 3 months	1.56	1.54	1.47	1.44	1.42	1.55	1.71	1.82	1.98	2.15	2.45	2.72	2.78
– up to 6 months	1.21	1.20	1.18	1.30	1.39	1.49	1.61	1.76	1.93	2.12	2.41	2.69	2.94
– up to 1 year	1.86	1.83	1.71	1.68	0.80	0.79	0.79	0.87	0.97	1.12	1.29	1.68	1.90
– over 1 year in total	3.02	2.96	2.93	2.77	2.73	2.70	2.66	2.62	2.59	2.56	2.55	2.55	2.55
– up to 2 years	3.56	3.57	3.57	2.18	2.14	2.13	2.16	1.90	1.94	2.30	2.36	2.52	2.83
– over 2 years	2.90	2.82	2.78	2.78	2.74	2.71	2.67	2.64	2.60	2.57	2.55	2.55	2.55
Savings deposits	0.99	1.00	1.02	1.06	1.07	1.10	1.16	1.19	1.21	1.23	1.54	1.65	1.75
– redeemable at a period of notice of up to 3 months	0.93	0.94	0.94	0.96	0.97	0.97	1.05	1.06	1.07	1.09	1.45	1.47	1.47
– redeemable at a period of notice of over 3 months	1.01	1.04	1.06	1.10	1.13	1.17	1.22	1.25	1.28	1.30	1.59	1.75	1.89
Households													
Deposits in total	1.16	1.16	1.15	1.13	1.20	1.19	1.26	1.29	1.31	1.43	1.51	1.64	1.74
Deposits payable on demand	0.42	0.42	0.42	0.41	0.49	0.41	0.44	0.42	0.45	0.51	0.50	0.51	0.54
of which: demand deposits	0.41	0.41	0.41	0.40	0.45	0.40	0.42	0.41	0.43	0.45	0.47	0.49	0.49
overnight deposits	1.13	1.50	1.20	1.16	2.90	1.42	1.89	2.14	2.35	3.97	2.41	2.83	5.02
Deposits with agreed maturity	1.75	1.74	1.73	1.76	1.88	1.92	2.01	2.09	2.13	2.33	2.42	2.61	2.74
– up to 1 year in total	1.31	1.31	1.31	1.33	1.44	1.51	1.68	1.82	1.89	2.21	2.36	2.65	2.83
– up to 7 days	1.01	1.11	1.08	1.00	1.52	1.17	1.59	1.75	1.70	2.80	2.19	2.22	3.62
– up to 1 month	1.18	1.20	1.25	1.34	1.46	1.51	1.68	1.84	1.85	2.20	2.33	2.51	2.56
– up to 3 months	1.52	1.48	1.41	1.36	1.28	1.42	1.53	1.68	1.83	2.03	2.25	2.50	2.59
– up to 6 months	1.10	1.10	1.14	1.22	1.32	1.43	1.53	1.66	1.82	2.01	2.24	2.53	2.76
– up to 1 year	1.68	1.62	1.55	1.50	1.46	1.46	1.56	1.72	1.83	2.09	2.45	3.01	3.26
– long-term over 1 year	2.89	2.82	2.78	2.78	2.73	2.71	2.66	2.62	2.59	2.57	2.54	2.54	2.55
– up to 2 years	2.49	2.42	2.36	2.25	2.19	2.16	2.13	1.81	1.84	2.24	2.32	2.53	2.92
– over 2 years	2.90	2.83	2.78	2.78	2.74	2.71	2.67	2.63	2.60	2.57	2.55	2.54	2.54
Savings deposits	0.98	1.00	1.02	1.05	1.07	1.10	1.16	1.18	1.21	1.22	1.54	1.65	1.75
– redeemable at a period of notice of up to 3 months	0.93	0.93	0.94	0.96	0.96	0.96	1.04	1.05	1.06	1.07	1.43	1.45	1.46
– redeemable at a period of notice of over 3 months	1.01	1.04	1.06	1.10	1.13	1.17	1.22	1.25	1.28	1.30	1.59	1.75	1.89
Non-financial corporations													
Deposits in total	1.48	1.58	1.56	1.38	1.82	1.49	1.85	1.99	1.89	2.43	2.09	2.34	3.03
Deposits payable on demand	0.72	0.81	0.81	0.64	1.23	0.70	0.87	0.95	1.05	1.62	1.10	1.05	1.98
of which: demand deposits	0.55	0.62	0.62	0.47	0.79	0.49	0.58	0.71	0.73	1.01	0.72	0.78	1.35
overnight deposits	1.72	2.05	1.80	1.67	3.29	1.69	2.23	2.62	2.64	4.44	2.71	3.18	5.58
Deposits with agreed maturity	2.29	2.35	2.37	2.30	2.68	2.58	3.05	3.07	3.07	3.72	3.58	3.86	4.35
– up to 1 year in total	2.30	2.43	2.40	2.31	2.68	2.58	3.05	3.07	3.08	3.73	3.58	3.87	4.36
– up to 7 days	1.99	2.05	2.15	1.79	2.70	1.94	2.40	2.62	2.66	4.02	3.00	3.35	5.13
– up to 1 month	2.63	2.67	2.69	2.65	2.72	2.71	3.22	3.20	3.16	3.70	3.72	4.07	4.20
– up to 3 months	2.03	2.05	2.05	2.15	2.37	2.46	2.74	2.70	2.97	3.09	3.56	3.78	3.90
– up to 6 months	2.15	2.08	1.37	2.25	2.41	2.24	2.45	2.65	2.89	3.08	3.22	3.34	3.91
– up to 1 year	2.10	2.08	1.89	1.90	1.89	1.97	2.29	2.47	2.73	2.96	2.92	3.10	3.34
– long-term over 1 year	2.44	2.35	2.32	2.17	2.17	2.21	2.41	2.41	2.41	2.47	2.86	2.80	2.82
– up to 2 years	2.27	2.26	2.30	2.10	2.23	2.23	2.50	2.50	2.51	2.69	2.77	2.69	2.69
– over 2 years	2.55	2.41	2.33	2.21	2.15	2.19	2.37	2.37	2.36	2.36	2.88	2.82	2.85
Savings deposits	1.28	1.27	1.33	1.41	1.51	1.49	1.74	1.86	1.83	1.96	1.95	1.92	1.91
– redeemable at a period of notice of up to 3 months	1.30	1.28	1.35	1.43	1.53	1.51	1.78	1.91	1.88	2.01	2.00	1.96	1.96
– redeemable at a period of notice of over 3 months	1.12	1.12	1.12	1.12	1.15	1.18	1.17	1.17	1.16	1.21	1.21	1.21	1.21

1) Interest rates on deposits in total include also sectors of insurance corporations, pension funds and general government.

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

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



Shortened Balance Sheet of Commercial Banks as at 30 September 2006

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

(SKK thousands)

ASSETS	Accumulated depreciation and provisions	Slovak koruna		Foreign currency		Total
		Residents	Non-residents	Residents	Non-residents	
Total assets	61,401,459	1,170,030,280	41,852,345	158,094,670	84,726,540	1,393,302,376
Cash items	0	10,982,984	0	0	3,586,290	14,569,274
Cash in hand	0	10,982,984	0	0	3,586,290	14,569,274
of which: EUR	0	0	0	0	1,739,100	1,739,100
Gold	0	0	0	0	0	0
Credits and other receivables	24,202,528	828,238,384	16,664,707	137,693,099	51,057,337	1,009,450,999
Deposits with and credits to NBS, foreign central banks and post office banks	546	314,146,483	0	0	68,628	314,214,565
of which: Valued on an individual basis						
with no identifiable depreciation (category I)	546	261,835,504	0	0	68,628	261,903,586
Valued on a portfolio basis (category II)	0	52,310,979	0	0	0	52,310,979
Valued on an individual basis						
with identifiable depreciation (category III)	0	0	0	0	0	0
of which: Failed	0	0	0	0	0	0
of which: Current accounts	0	1,367,024	0	0	68,317	1,435,341
Time deposits	0	358,064	0	0	0	358,064
Credits provided	546	303,471,884	0	0	0	303,471,338
Money reserve accounts	0	8,949,511	0	0	0	8,949,511
of which: Minimum reserve requirements	0	7,547,494	0	0	0	7,547,494
Postal cheque accounts	0	0	0	0	311	311
Deposits with and credits to banks	48,348	29,771,309	12,740,806	17,148,634	38,487,571	98,099,972
of which: Valued on an individual basis						
with no identifiable depreciation (category I)	843	27,678,279	12,027,499	16,401,869	34,584,936	90,691,740
Valued on a portfolio basis (category II)	2,808	1,942,866	713,307	746,765	3,902,635	7,302,765
Valued on an individual basis						
with identifiable depreciation (category III)	44,697	150,164	0	0	0	105,467
of which: Failed	42,844	44,895	0	0	0	2,051
of which: Deposits with and credits to own financial group	37	1,301,154	2,903,483	0	10,585,486	14,790,086
of which: Current accounts in banks	70	511,107	165,851	72,063	6,721,586	7,470,537
Current accounts of other banks	0	51,994	1,979,282	2	553,250	2,584,528
Time deposits	843	27,817,674	10,595,673	17,076,569	26,830,712	82,319,785
Credits provided	44,723	1,390,534	0	0	4,382,023	5,727,834
Receivables from clients	24,120,390	473,852,308	3,923,901	114,697,540	12,415,157	580,768,516
of which: Valued on an individual basis						
with no identifiable depreciation (category I)	155,780	148,662,304	2,636,874	63,276,058	9,033,054	223,452,510
Valued on a portfolio basis (category II)	7,022,327	285,946,990	1,015,062	42,039,946	2,299,590	324,279,261
Valued on an individual basis						
with identifiable depreciation (category III)	16,942,283	39,243,014	271,965	9,381,536	1,082,513	33,036,745
of which: Failed	17,156,689	21,324,507	126,668	2,584,393	325,328	7,204,207
of which: PFPT credits	0	0	0	0	0	0
Credits to general government and international organizations (S.13)	33,244	10,468,284	0	5,846,925	85,981	16,367,946
of which: Valued on an individual basis						
with no identifiable depreciation (category I)	0	8,841,759	0	5,441,154	25,762	14,308,675
Valued on a portfolio basis (category II)	3,379	1,551,689	0	237,597	60,219	1,846,126
Valued on an individual basis						
with identifiable depreciation (category III)	29,865	74,836	0	168,174	0	213,145
of which: Failed	5	11	0	1	0	7
of which: Deposits with central government (S.1311)	0	0	0	0	0	0
Credits to central government (S.1311)	192	1,826,455	0	81,621	85,981	1,993,865
of which: SR Treasury	0	0	0	0	0	0
Other funds	4	2,447	0	0	0	2,443
Credits to local governments (S.1313)	3,607	8,431,398	0	5,765,304	0	14,193,095
Credits to social security funds (S.1314)	0	210,431	0	0	0	210,431
of which: Health insurance companies	0	0	0	0	0	0
Social Insurance Corporation	0	210,431	0	0	0	210,431
Debt securities	0	0	0	0	0	0
Financial instruments for sale	326,164	40,783,589	3,426,732	4,717,162	5,354,190	53,955,509
Financial instruments in real value towards profit/loss	0	23,560,349	2,898,473	11,652,981	18,342,932	56,454,735
Tangible assets investments (IAS 40)	82,285	244,818	0	0	0	162,533
Positive real value of fixed forward transactions	0	4,229,873	8,603,630	312,854	915,002	14,061,359
Positive real value of options	0	885,485	1,466,559	404,448	359,058	3,115,550
Financial instruments held to maturity	58,711	187,192,149	8,461,936	2,873,363	3,932,962	202,401,699
Subsidiary and affiliated companies, joint ventures	1,136,000	4,834,106	302,259	0	0	4,000,365
Long-term funds provided to branches abroad	0	0	0	0	534,334	534,334
Tangible assets	24,660,173	46,769,896	0	3,972	70,172	22,183,867
Intangible assets	9,932,583	14,272,165	0	2,992	0	4,342,574
Other assets	1,003,015	7,973,335	28,049	433,799	574,263	8,006,431
Subordinated financial assets	0	63,147	0	0	0	63,147
Adjustments	33,650,377	33,650,377	0	0	0	0
Portfolio adjustments not recorded above	0	0	0	0	0	0

**Shortened Balance Sheet of Commercial Banks as at 30 September 2006**

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

(SKK thousands)

LIABILITIES	Slovak koruna		Foreign currency		Total
	Residents	Non-residents	Residents	Non-residents	
Total liabilities	962,840,508	135,409,688	163,894,022	131,158,158	1,393,302,376
PAYABLES	902,937,958	95,188,050	163,690,918	131,088,729	1,292,905,655
Deposits with and credits to NBS and foreign issuing banks, and postal checking accounts	7,266,653	0	35,097	0	7,301,750
of which: Current accounts	142	0	0	0	142
Time deposits	0	0	0	0	0
Credits received	7,266,511	0	35,097	0	7,301,608
Postal cheque accounts	0	0	0	0	0
Deposits, credits and other liabilities received from banks	23,592,429	67,860,000	20,252,680	78,682,157	190,387,266
of which: Deposits with and credits received from own financial group	4,068	11,636,322	0	47,910,079	59,550,469
of which: Current accounts in banks	51,938	25,871	0	3,184,418	3,262,227
Current accounts of other banks	511,501	7,213,741	72,221	355,369	8,152,832
Time deposits	21,670,797	35,006,105	20,180,459	65,036,715	141,894,076
Credits received	1,358,193	25,614,283	0	10,105,655	37,078,131
Deposits and credits received from clients	667,232,703	8,440,779	97,241,898	8,448,395	781,363,775
of which: PFPT deposits	11,897,399	0	11,277	0	11,908,676
of which: Current accounts and other financial undated liabilities	275,590,022	5,724,295	52,605,847	4,206,743	338,126,907
Time deposits	349,469,039	2,646,817	43,236,282	4,228,001	399,580,139
Deposits at notice	36,262,552	69,607	1,399,769	13,651	37,745,579
Certificates of deposit	371,429	60	0	0	371,489
Credits received and financial leasing	5,539,661	0	0	0	5,539,661
Deposits of general government and international organizations	91,722,343	19,519	32,758,842	3,267,096	127,767,800
of which: Deposits of central government (S.1311)	68,370,294	19,519	32,686,501	3,267,096	104,343,410
of which: Treasury	1,025,398	0	12,254,344	0	13,279,742
Other funds	7,715,640	0	92,787	0	7,808,427
of which: National Property Fund	7,700,219	0	86,754	0	7,786,973
Deposits of local governments (S.1313)	23,350,362	0	72,341	0	23,422,703
Deposits of social security funds (S.1314)	1,687	0	0	0	1,687
of which: Health insurance companies	1,687	0	0	0	1,687
Social Insurance Corporation	0	0	0	0	0
Securities issued by the accounting unit	69,217,234	1,993,031	1,627,124	6,033,510	78,870,899
Financial liabilities in real value towards profit/loss (IAS 39)	9,963,363	7,809,413	5,480,621	29,242,944	52,496,341
of which: Current accounts	0	0	0	0	0
Time deposits	9,963,363	7,809,413	5,480,621	29,242,944	52,496,341
Deposits at notice	0	0	0	0	0
Debt securities issued	0	0	0	0	0
Credits received	0	0	0	0	0
Subordinated liabilities	0	0	0	0	0
of which: Loans	0	0	0	0	0
Debt securities issued	0	0	0	0	0
Other liabilities	0	0	0	0	0
Negative real value of fixed forward transactions	4,748,208	7,036,103	585,497	868,953	13,238,761
Negative real value of options	1,294,700	899,872	383,769	400,283	2,978,624
Liabilities from securities sold for a short term	0	0	0	0	0
Subsidies and similar funds	3,325,880	0	0	0	3,325,880
Reserves	5,285,429	83	379,500	78,039	5,743,051
Other liabilities	19,225,869	53,563	4,945,890	2,656,292	26,881,614
Subordinated financial liabilities	63,147	1,075,687	0	1,411,060	2,549,894
EQUITY CAPITAL	59,902,550	40,221,638	203,104	69,429	100,396,721
Registered capital	4,599,272	36,595,121	0	0	41,194,393
of which: Subscribed registered capital	4,603,825	36,595,121	0	0	41,198,946
Receivables from shareholders	0	0	0	0	0
Own shares	-4,553	0	0	0	-4,553
Long-term funds provided to branches of foreign banks	32,000	3,124,579	0	37,384	3,193,963
Share premium	2,261,935	475,000	0	0	2,736,935
Reserve funds and other funds allocated from profits	12,475,577	119,500	0	0	12,595,077
Capital funds	203,716	5,490	0	1,577	210,783
Gains/losses from revaluation	254,569	-98,052	203,104	30,468	390,089
Profit/loss from previous years	28,110,715	0	0	0	28,110,715
of which: Retained earnings	28,798,902	0	0	0	28,798,902
Accumulated loss	-688,187	0	0	0	-688,187
Profit and loss account	11,972,114	0	0	0	11,972,114
Profit/loss in process of approval /+,-/	-7,348	0	0	0	-7,348



Monthly Profit and Loss Account of Commercial Banks

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

(SKK millions)

	2005				2006								
	9	10	11	12	1	2	3	4	5	6	7	8	9
NET INCOME FROM INTEREST	22,238	24,750	27,232	29,694	2,568	4,889	7,514	10,099	12,769	15,601	18,717	21,689	24,727
Income from interest on securities	12,483	13,810	15,024	16,255	1,143	2,065	3,068	4,046	5,032	5,966	7,085	8,227	9,298
Income from other interest	28,264	31,409	34,760	38,262	3,842	7,308	11,608	15,809	20,368	25,451	30,078	34,711	39,421
Expenses on interest on securities	2,041	2,271	2,472	2,746	221	444	671	904	1,149	1,391	1,655	1,948	2,234
Expenses on other interest	16,468	18,198	20,079	22,077	2,195	4,040	6,492	8,852	11,483	14,426	16,791	19,300	21,758
NET NON-INTEREST INCOME	14,051	15,868	17,499	19,534	1,871	3,497	5,270	6,981	8,346	10,217	11,942	13,424	14,706
Income from fees and provisions	9,537	10,832	11,961	13,318	1,075	2,169	3,471	4,634	5,905	6,957	8,117	9,303	10,454
Expenses on fees and provisions	1,454	1,619	1,814	2,075	198	389	643	859	1,128	1,377	1,635	1,908	2,197
Dividends received	98	100	119	98	3	8	8	211	221	333	389	399	399
Income from operations in securities	2,922	3,369	3,628	4,019	412	656	942	1,189	1,325	1,489	1,788	2,039	2,442
Expenses on operations in securities	1,408	2,284	2,521	2,624	138	398	1,034	1,328	1,815	2,435	2,481	2,601	2,517
Profit/loss of foreign exchange operations	1,206	823	3,286	4,477	1,296	1,759	1,732	3,264	3,768	2,021	3,196	4,113	5,012
Profit/loss of fixed forward transactions and options	3,068	4,542	2,736	2,188	-611	-355	798	-127	87	3,294	2,615	2,155	1,142
Income from other operations	908	1,026	1,122	1,301	73	133	96	126	152	159	192	250	286
Expenses on other operations	827	920	1,018	1,168	39	86	101	130	169	224	240	327	315
NET OPERATIONAL PROFIT/LOSS	-3,795	-4,117	-4,245	-6,583	-142	-288	-540	-749	-990	-1,103	-1,254	-1,263	-1,636
GENERAL OPERATIONAL EXPENSES	20,280	22,631	24,949	28,010	2,286	4,656	7,098	9,474	11,917	14,255	16,739	19,367	21,682
NET ADDITIONS TO RESERVES AND PROVISIONS	916	484	-45	1,579	-252	-216	-273	-522	-337	-982	-1,217	-1,526	-1,806
INCOME TAX	1,652	1,840	2,075	2,321	215	391	720	962	1,225	1,361	1,606	1,846	2,337
CURRENT PERIOD PROFIT/LOSS	11,478	12,514	13,419	13,892	1,545	2,835	4,153	5,371	6,646	8,117	9,844	11,112	11,972



Balance of Payments of the SR for January – August 2006

	Receipts / Credit (+)		Payments / Debit (-)		Balance	
	SKK millions	USD millions	SKK millions	USD millions	SKK millions	USD millions
Goods	774,124.0	25,461.3	828,214.0	27,240.3	-54,090.0	-1,779.0
Services	102,197.1	3,361.3	90,982.6	2,992.5	11,214.5	368.8
Transport	35,229.1	1,158.7	24,377.1	801.8	10,852.0	356.9
Tourism	29,617.5	974.1	20,737.4	682.1	8,880.2	292.1
Other services	37,350.4	1,228.5	45,868.1	1,508.6	-8,517.7	-280.2
Income	39,750.7	1,307.4	85,403.3	2,808.9	-45,652.6	-1,501.5
Compensation of employees	20,800.0	684.1	930.5	30.6	19,869.5	653.5
Investment income	18,950.7	623.3	84,472.8	2,778.3	-65,522.1	-2,155.0
Current transfers	33,445.0	1,100.0	31,874.7	1,048.4	1,570.2	51.6
CURRENT ACCOUNT	949,516.7	31,230.0	1,036,474.6	34,090.1	-86,957.9	-2,860.1
Capital account	939.6	30.9	1,188.0	39.1	-248.4	-8.2
Financial account	4,047,364.7	133,075.8	-4,064,001.3	-133,648.9	-16,636.6	-573.1
Direct investment	646,616.9	21,267.5	-562,363.9	-18,496.4	84,253.0	2,771.1
<i>Abroad (direct investor = resident)</i>	33,138.8	1,089.9	-43,528.0	-1,431.7	-10,389.2	-341.7
Equity capital and reinvested earnings	282.8	9.3	-9,775.0	-321.5	-9,492.2	-312.2
Other capital	32,856.0	1,080.6	-33,753.0	-1,110.1	-897.0	-29.5
<i>In the SR (recipient of dir. investment = resident)</i>	613,478.1	20,177.5	-518,835.9	-17,064.7	94,642.1	3,112.8
Equity capital and reinvested earnings	66,961.1	2,202.4	-4,196.9	-138.0	62,764.1	2,064.3
Other capital	546,517.0	17,975.2	-514,639.0	-16,926.7	31,878.0	1,048.5
Portfolio investment	447,120.8	14,672.9	-396,477.1	-13,040.3	50,643.7	1,632.6
Assets	48,575.4	1,597.7	-53,361.5	-1,755.1	-4,786.1	-157.4
Liabilities	398,545.4	13,075.3	-343,115.6	-11,285.2	55,429.8	1,790.0
Financial derivatives	1,188,969.4	39,105.7	-1,192,076.1	-39,207.9	-3,106.8	-102.2
Assets	546,663.7	17,980.0	-550,624.6	-18,110.3	-3,960.9	-130.3
Liabilities	642,305.7	21,125.7	-641,451.6	-21,097.6	854.1	28.1
Other investment	1,764,657.6	58,029.7	-1,913,084.1	-62,904.4	-148,426.5	-4,874.7
<i>Long-term</i>	272,868.8	8,973.8	-254,178.6	-8,359.8	18,690.2	614.0
Assets	64,627.2	2,124.7	-59,422.7	-1,954.5	5,204.5	170.2
Liabilities	208,241.6	6,849.2	-194,755.9	-6,405.3	13,485.7	443.8
<i>Short-term</i>	1,491,788.8	49,055.9	-1,658,905.5	-54,544.6	-167,116.6	-5,488.7
Assets	889,005.0	29,239.7	-962,768.2	-31,665.8	-73,763.2	-2,426.1
Liabilities	602,783.8	19,816.2	-696,137.3	-22,878.8	-93,353.5	-3,062.6
CAPITAL AND FINANCIAL ACCOUNT	4,048,304.3	133,106.8	-4,065,189.3	-133,688.0	-16,885.0	-581.3
ERRORS AND OMISSIONS					21,380.1	712.8
TOTAL BALANCE	-123,211.3	-4,052.7	40,748.5	1,324.1	-82,462.8	-2,728.6
Monetary gold	0.0	0.0	0.0	0.0	0.0	0.0
Special drawing rights	0.0	0.0	0.0	0.0	0.0	0.0
Foreign exchange	123,211.3	4,052.7	-40,748.5	-1,324.1	82,462.8	2,728.6
<i>Currency and deposits</i>	0.0	0.0	-40,748.5	-1,324.1	-40,748.5	-1,324.1
<i>Securities</i>	123,211.3	4,052.7	0.0	0.0	123,211.3	4,052.7
Bonds and notes	75,318.4	2,479.1	0.0	0.0	75,318.4	2,479.1
Money market instruments and financial derivatives	47,892.9	1,573.6	0.0	0.0	47,892.9	1,573.6
RESERVE ASSETS	123,211.3	4,052.7	-40,748.5	-1,324.1	82,462.8	2,728.6

Note: Preliminary data.

Applied rate of exchange: USD 1 = SKK 30.404.



Overview of Issues of NBS Bills

Registration number	Date of			DTM	Volume in SKK millions		Type of auction	Interest rate in % p.a.		
	auction	issue	maturity		demand	accept.		min.	average	max.
951504001	20.1.2005	21.1.2005	15.4.2005	84	47,662	25,000	American	3.41	3.59	3.68
950807004	14.4.2005	15.4.2005	8.7.2005	84	47,657	35,000	American	2.42	2.64	2.74
952907005	5.5.2005	6.5.2005	29.7.2005	84	37,470	35,000	American	2.70	2.91	3.00
952608007	2.6.2005	3.6.2005	26.8.2005	84	47,539	35,000	American	2.95	2.99	2.99
953009008	7.7.2005	8.7.2005	30.9.2005	84	53,872	35,000	American	2.88	2.95	2.98
952110010	28.7.2005	29.7.2005	21.10.2005	84	43,900	35,000	American	2.93	2.97	2.98
951811011	25.8.2005	26.8.2005	18.11.2005	84	36,898	35,000	American	2.96	2.98	2.99
952312013	29.9.2005	30.9.2005	23.12.2005	84	36,288	35,000	American	2.95	2.99	3.00
951301014	20.10.2005	21.10.2005	13.1.2006	84	30,353	14,253	American	2.99	3.00	3.00
951002015	16.11.2005	18.11.2005	10.2.2006	84	23,800	0	American	-	-	-
951703017	22.12.2005	23.12.2005	17.3.2006	84	26,711	5,801	American	2.99	3.00	3.00
960704001	12.1.2006	13.1.2006	7.4.2006	84	28,575	5,553	American	3.00	3.00	3.00
960505003	9.2.2006	10.2.2006	5.5.2006	84	13,000	0	American	-	-	-
960906004	16.3.2006	17.3.2006	9.6.2006	84	6,310	210	American	3.50	3.50	3.50
963006005	6.4.2006	7.4.2006	30.6.2006	84	9,053	300	American	3.50	3.50	3.50
962807007	4.5.2006	5.5.2006	28.7.2006	84	1,515	0	American	-	-	-
963108008	8.6.2006	9.6.2006	31.8.2006	84	23,445	22,691	American	3.98	4.00	4.00
962209010	29.6.2006	30.6.2006	22.9.2006	84	400	0	American	-	-	-
962010011	27.7.2006	28.7.2006	20.10.2006	84	1,364	222	American	4.50	4.50	4.50
962411013	30.8.2006	31.8.2006	24.11.2006	85	2,883	1,550	American	4.50	4.50	4.50
961512014	21.9.2006	22.9.2006	15.12.2006	84	9,550	0	American	-	-	-
961512015	19.10.2006	20.10.2006	12.1.2007	84	7,100	500	American	4.75	4.75	4.75



Basic Characteristics of Slovakia's Foreign Exchange Market in October 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	8,977.2	73.3	275	3,209.4	26.2	795	55.5	0.5	22	12,242.1	1,092
Interbank forex market: NBS + transactions between domestic banks	8,977.2	72.8	275	3,297.8	26.7	809	55.5	0.5	22	12,330.5	1,106
Transactions between domestic and foreign banks	55,543.3	85.0	2,010	9,548.4	14.6	4,779	243.0	0.4	132	65,334.7	6,921
Foreign exchange market in the SR – total	64,520.5	83.1	2,285	12,846.2	16.5	5,588	298.5	0.4	154	77,665.2	8,027

	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	1,427.5	11.7	761	5.8	0.0	3	10,800.1	88.3	327	1.2	0.0	1	12,234.7	1,092
Transactions between domestic and foreign banks	5,785.3	8.9	2,897	615.2	0.9	72	58,024.0	88.9	1,976	870.6	1.3	1,976	65,295.1	6,921
Foreign exchange market in the SR - excl. the NBS	7,212.9	9.3	3,658	621.0	0.8	75	68,824.1	88.8	2,303	871.9	1.1	1,977	77,529.8	8,013



Average Monthly Exchange Rates of the SKK

Midpoint rate	2005			2006									
	10	11	12	1	2	3	4	5	6	7	8	9	10
1 AUD	24.431	24.153	23.715	23.220	23.228	22.712	22.411	22.490	22.247	22.748	22.455	22.286	21.992
1 CYP	67.923	67.571	66.059	65.391	65.147	65.132	64.901	65.331	66.157	66.770	65.472	65.088	63.909
1 CZK	1.311	1.322	1.308	1.305	1.317	1.308	1.312	1.328	1.340	1.350	1.336	1.322	1.302
1 DKK	5.215	5.193	5.081	5.027	5.011	5.020	5.011	5.039	5.101	5.146	5.051	5.029	4.942
1 EUR	38.909	38.730	37.871	37.510	37.404	37.455	37.392	37.575	38.036	38.388	37.688	37.505	36.852
1 EEK	2.487	2.476	2.420	2.397	2.391	2.394	2.390	2.401	2.431	2.453	2.409	2.398	2.355
100 JPY	28.227	27.747	26.914	26.862	26.536	26.606	26.048	26.331	26.220	26.170	25.421	25.181	24.624
1 CAD	27.517	27.743	27.487	26.768	27.224	26.958	26.610	26.508	26.997	26.845	26.266	26.398	25.902
1 LTL	11.270	11.220	10.968	10.863	10.833	10.847	10.828	10.881	11.014	11.117	10.914	10.863	10.671
1 LVL	55.869	55.637	54.361	53.886	53.739	53.810	53.721	53.981	54.642	55.156	54.151	53.899	52.937
100 HUF	15.460	15.443	14.987	14.960	14.871	14.392	14.080	14.308	14.022	13.814	13.743	13.672	13.769
1 MTL	90.643	90.247	88.196	87.371	87.147	87.229	87.130	87.563	88.593	89.435	87.798	87.390	85.836
1 NOK	4.964	4.956	4.747	4.667	4.639	4.694	4.761	4.819	4.845	4.834	4.724	4.545	4.392
1 PLN	9.933	9.748	9.822	9.814	9.853	9.662	9.535	9.646	9.460	9.596	9.658	9.465	9.434
100 SIT	16.247	16.176	15.812	15.661	15.619	15.635	15.605	15.678	15.871	16.020	15.728	15.658	15.377
1 CHF	25.111	25.078	24.472	24.201	24.016	23.880	23.734	24.133	24.382	24.474	23.893	23.699	23.177
1 SEK	4.135	4.051	4.013	4.025	4.009	3.984	4.002	4.025	4.117	4.164	4.094	4.049	3.981
1 USD	32.357	32.808	31.932	31.029	31.298	31.186	30.535	29.461	30.054	30.286	29.426	29.448	29.225
1 GBP	57.062	57.036	55.750	54.679	54.748	54.392	53.819	54.961	55.412	55.805	55.649	55.570	54.751
1 XDR	46.795	46.880	45.695	44.866	44.944	44.874	44.280	43.828	44.414	44.734	43.753	43.649	43.051

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

Average Quarterly Exchange Rates of the SKK

Midpoint rate	2005					2006		
	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3
1 AUD	22.667	23.726	24.089	24.099	23.65	23.04	22.379	22.499
1 CYP	65.726	67.266	67.458	67.178	66.916	65.222	65.502	65.778
1 CZK	1.275	1.291	1.301	1.314	1.295	1.31	1.328	1.336
1 DKK	5.143	5.225	5.184	5.162	5.179	5.02	5.053	5.075
1 EUR	38.282	38.907	38.662	38.500	38.593	37.457	37.687	37.861
1 EEK	2.447	2.487	2.471	2.461	2.467	2.394	2.408	2.420
100 JPY	27.935	28.721	28.497	27.627	28.202	26.668	26.208	25.592
1 CAD	23.788	24.804	26.325	27.580	25.622	26.979	26.714	26.497
1 LTL	11.087	11.270	11.197	11.152	11.178	10.848	10.914	10.965
1 LVL	54.987	55.899	55.548	55.283	55.437	53.813	54.143	54.402
100 HUF	15.624	15.578	15.746	15.294	15.561	14.728	14.137	13.744
1 MTL	88.675	90.578	90.057	89.687	89.764	87.25	87.807	88.208
1 NOK	4.647	4.831	4.904	4.888	4.818	4.668	4.811	4.704
1 PLN	9.511	9.417	9.609	9.836	9.591	9.772	9.546	9.577
100 SIT	15.969	16.242	16.143	16.077	16.110	15.639	15.726	15.802
1 CHF	24.724	25.206	24.884	24.884	24.929	24.028	24.105	24.023
1 SEK	4.219	4.228	4.127	4.067	4.161	4.005	4.052	4.103
1 USD	29.160	30.863	31.683	32.359	31.022	31.169	29.991	29.715
1 GBP	55.172	57.311	56.540	56.609	56.424	54.597	54.787	55.676
1 XDR	44.429	46.053	46.299	46.450	45.816	44.893	44.173	44.042

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⁾	298,140	27,907	5,813	331,860	9,056.50	865.20	1,724.15	11,645.85
2005 ⁴⁾	331,044	20,125	-790	350,379	11,617.21	648.73	-1,298.78	10,967.16

Banking sector

	SKK millions				USD millions			
	Volume as at 1 January	Net change	Valuation and other changes	Volume as at 31 December	Volume as at 1 January	Net change	Valuation and other changes	Volume as at 31 December
1999	12,931	-40	86	12,977	350.31	-0.97	-42.31	307.03
2000	12,977	2,107	69	15,153	307.03	45.61	-32.88	319.76
2001	15,153	37,095	-3	52,245	319.76	767.27	-9.07	1,077.96
2002	52,245	11,414	-3,930	59,729	1,077.96	251.77	162.16	1,491.89
2003 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	-2	-1	66,641	2,338.71	-0.06	-252.73	2,085.92

Total

	SKK millions				USD millions			
	Volume as at 1 January	Net change	Valuation and other changes	Volume as at 31 December	Volume as at 1 January	Net change	Valuation and other changes	Volume as at 31 December
1999	78,568	16,689	781	96,038	2,128.46	402.95	-259.18	2,272.23
2000	96,038	99,561	-18,458	177,141	2,272.23	2,155.00	-689.21	3,738.02
2001	177,141	61,448	-4,193	234,396	3,738.02	1,270.98	-172.80	4,836.20
2002	234,396	185,594	-100,744	319,246	4,836.20	4,093.83	-956.06	7,973.97
2003 ²⁾	319,497	38,970	-9,967	348,500	7,980.23	1,059.74	1,546.28	10,586.25
2004 ³⁾	363,562	33,022	1,920	398,504	11,043.80	1,023.78	1,916.98	13,984.56
2005 ⁴⁾	397,688	20,123	-791	417,020	13,955.92	648.67	-1,551.51	13,053.08

Note: The data for 2004 – 2005 are preliminary.

1) Equity capital + reinvested earnings.

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

3) Other capital funds included in the equity capital.

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

Inflow of Foreign Direct Investment¹⁾ During January to December 2005

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 31.022									
Inflow of FDI (equity capital + reinvested earnings) in total	20,125	648.7	100.0	-2	-0.1	100.0	20,123	648.7	100.0
Structure of capital by investor									
South Korea	6,278	202.4	31.2	0	0.0	0.0	6,278	202.4	31.2
Germany	6,313	203.5	31.4	-250	-8.1	12,500.0	6,063	195.4	30.1
Czech Republic	1,587	51.2	7.9	-2	-0.1	100.0	1,585	51.1	7.9
Switzerland	1,524	49.1	7.6	0	0.0	0.0	1,524	49.1	7.6
Austria	1,549	49.9	7.7	-45	-1.5	2,250.0	1,504	48.5	7.5
The Netherlands	1,449	46.7	7.2	3	0.1	-150.0	1,452	46.8	7.2
United Kingdom	451	14.5	2.2	125	4.0	-6,250.0	576	18.6	2.9
Lithuania	417	13.4	2.1	0	0.0	0.0	417	13.4	2.1
USA	376	12.1	1.9	0	0.0	0.0	376	12.1	1.9
Belgium	285	9.2	1.4	0	0.0	0.0	285	9.2	1.4
Other countries	-104	-3.4	-0.5	167	5.4	-8,350.0	63	2.0	0.3
Structure of capital by sector									
Agriculture, hunting, and forestry	-34	-1.1	-0.2	0	0.0	0.0	-34	-1.1	-0.2
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Mineral raw materials extraction	13	0.4	0.1	0	0.0	0.0	13	0.4	0.1
Manufacturing	10,096	325.4	50.2	0	0.0	0.0	10,096	325.4	50.2
Electricity, gas, and water supply	13	0.4	0.1	0	0.0	0.0	13	0.4	0.1
Construction	-93	-3.0	-0.5	0	0.0	0.0	-93	-3.0	-0.5
Wholesale and retail trade, repairs of motor vehicles	3,948	127.3	19.6	0	0.0	0.0	3,948	127.3	19.6
Hotels and restaurants	29	0.9	0.1	0	0.0	0.0	29	0.9	0.1
Transport, storage, post and telecommunications	-14	-0.5	-0.1	0	0.0	0.0	-14	-0.5	-0.1
Financial intermediation	3,550	114.4	17.6	-2	-0.1	100.0	3,548	114.4	17.6
Real estate, renting and business activities	2,363	76.2	11.7	0	0.0	0.0	2,363	76.2	11.7
Public administration and defence, compulsory social security	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Education	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Health and social work	53	1.7	0.3	0	0.0	0.0	53	1.7	0.3
Other community, social, and personal services	201	6.5	1.0	0	0.0	0.0	201	6.5	1.0
Activities of private households	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Extra-territorial organizations and bodies	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Structure of capital by region									
Bratislava region	7,803	251.5	38.8	-2	-0.1	100.0	7,801	251.5	38.8
Trnava region	276	8.9	1.4	0	0.0	0.0	276	8.9	1.4
Trenčín region	2,858	92.1	14.2	0	0.0	0.0	2,858	92.1	14.2
Nitra region	428	13.8	2.1	0	0.0	0.0	428	13.8	2.1
Žilina region	6,974	224.8	34.7	0	0.0	0.0	6,974	224.8	34.7
Banská Bystrica region	845	27.2	4.2	0	0.0	0.0	845	27.2	4.2
Prešov region	123	4.0	0.6	0	0.0	0.0	123	4.0	0.6
Košice region	818	26.4	4.1	0	0.0	0.0	818	26.4	4.1

Note: Preliminary data.

1) Equity capital + reinvested earnings.



Inflow of Foreign Direct 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	27,907	865.2	100.0	5,115	158.6	100.0	33,022	1,023.8	100.0
Structure of capital by investor									
Hungary	6,863	212.8	24.6	-30	-0.9	-0.6	6,833	211.8	20.7
Austria	2,027	62.8	7.3	4,776	148.1	93.4	6,803	210.9	20.6
United Kingdom	6,050	187.6	21.7	-1,396	-43.3	-27.3	4,654	144.3	14.1
Czech Republic	4,634	143.7	16.6	-11	-0.3	-0.2	4,623	143.3	14.0
France	3,737	115.9	13.4	-136	-4.2	-2.7	3,601	111.6	10.9
Germany	3,267	101.3	11.7	253	7.8	4.9	3,520	109.1	10.7
Luxembourg	3,184	98.7	11.4	0	0.0	0.0	3,184	98.7	9.6
South Korea	2,130	66.0	7.6	0	0.0	0.0	2,130	66.0	6.5
Switzerland	927	28.7	3.3	0	0.0	0.0	927	28.7	2.8
Italy	734	22.8	2.6	-13	-0.4	-0.3	721	22.4	2.2
Other countries	-5,646	-175.0	-20.2	1,672	51.8	32.7	-3,974	-123.2	-12.0
Structure of capital by sector									
Agriculture, hunting, and forestry	348	10.8	1.2	0	0.0	0.0	348	10.8	1.1
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Mineral raw materials extraction	-24	-0.7	-0.1	0	0.0	0.0	-24	-0.7	-0.1
Manufacturing	25,092	777.9	89.9	0	0.0	0.0	25,092	777.9	76.0
Electricity, gas, and water supply	-357	-11.1	-1.3	0	0.0	0.0	-357	-11.1	-1.1
Construction	487	15.1	1.7	0	0.0	0.0	487	15.1	1.5
Wholesale and retail trade, repairs of motor vehicles	7,858	243.6	28.2	0	0.0	0.0	7,858	243.6	23.8
Hotels and restaurants	-17	-0.5	-0.1	0	0.0	0.0	-17	-0.5	-0.1
Transport, storage, post and telecommunications	-7,596	-235.5	-27.2	0	0.0	0.0	-7,596	-235.5	-23.0
Financial intermediation	1,248	38.7	4.5	5,115	158.6	100.0	6,363	197.3	19.3
Real estate, renting and business activities	698	21.6	2.5	0	0.0	0.0	698	21.6	2.1
Public administration and defence, compulsory social security	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Education	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Health and social work	18	0.6	0.1	0	0.0	0.0	18	0.6	0.1
Other community, social, and personal services	152	4.7	0.5	0	0.0	0.0	152	4.7	0.5
Activities of private households	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Extra-territorial organizations and bodies	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Structure of capital by regions									
Bratislava region	16,342	506.7	58.6	5,004	155.1	97.8	21,346	661.8	64.6
Trnava region	4,124	127.9	14.8	0	0.0	0.0	4,124	127.9	12.5
Trenčín region	2,292	71.1	8.2	0	0.0	0.0	2,292	71.1	6.9
Nitra region	-33	-1.0	-0.1	0	0.0	0.0	-33	-1.0	-0.1
Žilina region	2,315	71.8	8.3	73	2.3	1.4	2,388	74.0	7.2
Banská Bystrica region	850	26.4	3.0	38	1.2	0.7	888	27.5	2.7
Prešov region	996	30.9	3.6	0	0.0	0.0	996	30.9	3.0
Košice region	1,021	31.7	3.7	0	0.0	0.0	1,021	31.7	3.1

Note: Preliminary data.

1) Equity capital + reinvested earnings.

Inflow of Foreign Direct 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 31 December 2005

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 31.948									
Total volume of FDI (equity capital + reinvested earnings)	350,379	10,967.2	100.0	66,641	2,085.9	100.0	417,020	13,053.1	100.0
Structure of capital by investor									
The Netherlands	90,683	2,838.5	25.9	616	19.3	0.9	91,299	2,857.7	21.9
Germany	81,027	2,536.2	23.1	860	26.9	1.3	81,887	2,563.1	19.6
Austria	28,482	891.5	8.1	32,868	1,028.8	49.3	61,350	1,920.3	14.7
Hungary	27,327	855.4	7.8	2,007	62.8	3.0	29,334	918.2	7.0
Italy	4,903	153.5	1.4	24,144	755.7	36.2	29,047	909.2	7.0
United Kingdom	27,159	850.1	7.8	473	14.8	0.7	27,632	864.9	6.6
Czech Republic	17,595	550.7	5.0	3,485	109.1	5.2	21,080	659.8	5.1
USA	14,663	459.0	4.2	1,650	51.6	2.5	16,313	510.6	3.9
France	10,667	333.9	3.0	500	15.7	0.8	11,167	349.5	2.7
Cyprus	9,388	293.9	2.7	0	0.0	0.0	9,388	293.9	2.3
Other countries	38,485	1,204.6	11.0	38	1.2	0.1	38,523	1,205.8	9.2
Structure of capital by sector									
Agriculture, hunting, and forestry	1,767	55.3	0.5	0	0.0	0.0	1,767	55.3	0.4
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Mineral raw materials extraction	2,648	82.9	0.8	0	0.0	0.0	2,648	82.9	0.6
Manufacturing	167,248	5,235.0	47.7	0	0.0	0.0	167,248	5,235.0	40.1
Electricity, gas, and water supply	39,652	1,241.1	11.3	0	0.0	0.0	39,652	1,241.1	9.5
Construction	2,832	88.6	0.8	0	0.0	0.0	2,832	88.6	0.7
Wholesale and retail trade, repairs of motor vehicles	54,298	1,699.6	15.5	0	0.0	0.0	54,298	1,699.6	13.0
Hotels and restaurants	2,083	65.2	0.6	0	0.0	0.0	2,083	65.2	0.5
Transport, storage, post and telecommunications	36,374	1,138.5	10.4	0	0.0	0.0	36,374	1,138.5	8.7
Financial intermediation	24,142	755.7	6.9	66,641	2,085.9	100.0	90,783	2,841.6	21.8
Real estate, renting and business activities	15,944	499.1	4.6	0	0.0	0.0	15,944	499.1	3.8
Public administration and defence, compulsory social security	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Education	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Health and social work	1,623	50.8	0.5	0	0.0	0.0	1,623	50.8	0.4
Other community, social, and personal services	1,768	55.3	0.5	0	0.0	0.0	1,768	55.3	0.4
Activities of private households	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Extra-territorial organizations and bodies	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Structure of capital by regions									
Bratislava region	214,111	6,701.9	61.1	65,691	2,056.2	98.6	279,802	8,758.0	67.1
Trnava region	24,461	765.7	7.0	0	0.0	0.0	24,461	765.7	5.9
Trenčín region	20,294	635.2	5.8	0	0.0	0.0	20,294	635.2	4.9
Nitra region	13,255	414.9	3.8	0	0.0	0.0	13,255	414.9	3.2
Žilina region	24,912	779.8	7.1	950	29.7	1.4	25,862	809.5	6.2
Banská Bystrica region	10,754	336.6	3.1	0	0.0	0.0	10,754	336.6	2.6
Prešov region	7,086	221.8	2.0	0	0.0	0.0	7,086	221.8	1.7
Košice region	35,506	1,111.4	10.1	0	0.0	0.0	35,506	1,111.4	8.5

Note: Preliminary data.

1) Equity capital + reinvested earnings.

Volume of Foreign Direct 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)	331,860	11,645.8	100.0	66,644	2,338.7	100.0	398,504	13,984.6	100.0
Structure of capital by investor									
The Netherlands	93,764	3,290.4	28.3	613	21.5	0.9	94,377	3,311.9	23.7
Germany	75,033	2,633.1	22.6	1,110	39.0	1.7	76,143	2,672.1	19.1
Austria	22,840	801.5	6.9	32,926	1,155.5	49.4	55,766	1,957.0	14.0
Hungary	27,353	959.9	8.2	1,952	68.5	2.9	29,305	1,028.4	7.4
Italy	5,023	176.3	1.5	24,143	847.2	36.2	29,166	1,023.5	7.3
United Kingdom	26,980	946.8	8.1	349	12.2	0.5	27,329	959.0	6.9
Czech Republic	17,009	596.9	5.1	3,486	122.3	5.2	20,495	719.2	5.1
USA	13,191	462.9	4.0	1,650	57.9	2.5	14,841	520.8	3.7
France	11,832	415.2	3.6	415	14.6	0.6	12,247	429.8	3.1
Cyprus	9,125	320.2	2.7	0	0.0	0.0	9,125	320.2	2.3
Other countries	29,710	1,042.6	9.0	0	0.0	0.0	29,710	1,042.6	7.5
Structure of capital by sector									
Agriculture, hunting, and forestry	1,718	60.3	0.5	0	0.0	0.0	1,718	60.3	0.4
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Mineral raw materials extraction	2,549	89.5	0.8	0	0.0	0.0	2,549	89.5	0.6
Manufacturing	159,175	5,585.9	48.0	0	0.0	0.0	159,175	5,585.9	39.9
Electricity, gas, and water supply	40,982	1,438.2	12.3	0	0.0	0.0	40,982	1,438.2	10.3
Construction	2,859	100.3	0.9	0	0.0	0.0	2,859	100.3	0.7
Wholesale and retail trade, repairs of motor vehicles	50,660	1,777.8	15.3	0	0.0	0.0	50,660	1,777.8	12.7
Hotels and restaurants	2,058	72.2	0.6	0	0.0	0.0	2,058	72.2	0.5
Transport, storage, post and telecommunications	36,324	1,274.7	10.9	0	0.0	0.0	36,324	1,274.7	9.1
Financial intermediation	18,274	641.3	5.5	66,644	2,338.7	100.0	84,918	2,980.0	21.3
Real estate, renting and business activities	14,140	496.2	4.3	0	0.0	0.0	14,140	496.2	3.5
Public administration and defence, compulsory social security	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Education	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Health and social work	1,570	55.1	0.5	0	0.0	0.0	1,570	55.1	0.4
Other community, social, and personal services	1,551	54.4	0.5	0	0.0	0.0	1,551	54.4	0.4
Activities of private households	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Extra-territorial organizations and bodies	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Structure of capital by regions									
Bratislava region	207,049	7,265.9	62.4	65,202	2,288.1	97.8	272,251	9,554.0	68.3
Trnava region	23,942	840.2	7.2	0	0.0	0.0	23,942	840.2	6.0
Trenčín region	17,408	610.9	5.2	0	0.0	0.0	17,408	610.9	4.4
Nitra region	12,816	449.7	3.9	0	0.0	0.0	12,816	449.7	3.2
Žilina region	19,180	673.1	5.8	950	33.3	1.4	20,130	706.4	5.1
Banská Bystrica region	10,026	351.8	3.0	492	17.3	0.7	10,518	369.1	2.6
Prešov region	7,029	246.7	2.1	0	0.0	0.0	7,029	246.7	1.8
Košice region	34,410	1,207.5	10.4	0	0.0	0.0	34,410	1,207.5	8.6

Note: Preliminary data.

1) Equity capital + reinvested earnings.



Volume of Foreign Direct 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	1,693	-165	19,478	545.26	52.49	85.79	683.54
2005 ³⁾	19,326	2,249	809	22,384	678.20	72.50	-50.06	700.64

Banking sector

	SKK millions				USD millions			
	Volume as at 1 January	Net change	Valuation and other changes	Volume as at 31 December	Volume as at 1 January	Net change	Valuation and other changes	Volume as at 31 December
1999	1,592	-17,110	15,587	69	43.13	-413.12	371.62	1.63
2000	69	99	21	189	1.63	2.14	0.21	3.98
2001	189	8	1	198	3.98	0.17	-0.07	4.08
2002	198	0	-34	164	4.08	0.00	0.01	4.09
2003 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	302	10	839	18.50	9.74	-1.97	26.27

Total

	SKK millions				USD millions			
	Volume as at 1 January	Net change	Valuation and other changes	Volume as at 31 December	Volume as at 1 January	Net change	Valuation and other changes	Volume as at 31 December
1999	13,989	-16,371	15,183	12,801	378.98	-395.28	319.17	302.87
2000	12,801	1,074	1,536	15,411	302.87	23.24	-0.92	325.19
2001	15,411	3,449	2,741	21,601	325.19	71.34	49.14	445.67
2002	21,601	364	-2,680	19,285	445.67	8.03	27.98	481.68
2003 ²⁾	19,283	707	-1,844	18,146	481.64	19.23	50.35	551.22
2004	18,146	1,580	82	20,005	551.22	51.59	99.23	702.04
2005 ³⁾	19,853	2,551	819	23,223	696.70	82.24	-52.03	726.91

Note: The data for 2004 – 2005 are preliminary.

1) Equity capital + reinvested earnings.

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

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



Outflow of Foreign Direct Investment¹⁾ During January to December 2005

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 31.022									
Outflow of FDI (equity capital + reinvested earnings) in total	2,249	72.5	100.0	302	9.7	100.0	2,551	82.2	100.0
Structure of capital by country of investment									
Czech Republic	1,091	35.2	48.5	8	0.3	2.6	1,099	35.4	43.1
Switzerland	661	21.3	29.4	0	0.0	0.0	661	21.3	25.9
The Netherlands	0	0.0	0.0	291	9.4	96.4	291	9.4	11.4
Cyprus	266	8.6	11.8	0	0.0	0.0	266	8.6	10.4
Russia	198	6.4	8.8	3	0.1	1.0	201	6.5	7.9
Croatia	109	3.5	4.8	0	0.0	0.0	109	3.5	4.3
Ukraine	69	2.2	3.1	0	0.0	0.0	69	2.2	2.7
Poland	48	1.5	2.1	0	0.0	0.0	48	1.5	1.9
Ethiopia	29	0.9	1.3	0	0.0	0.0	29	0.9	1.1
Serbia and Montenegro	10	0.3	0.4	0	0.0	0.0	10	0.3	0.4
Other countries	-232	-7.5	-10.3	0	0.0	0.0	-232	-7.5	-9.1
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	2.6	0	0.0	0.0	58	1.9	2.3
Manufacturing	383	12.3	17.0	0	0.0	0.0	383	12.3	15.0
Electricity, gas, and water supply	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Construction	-349	-11.3	-15.5	0	0.0	0.0	-349	-11.3	-13.7
Wholesale and retail trade, repairs of motor vehicles	-23	-0.7	-1.0	0	0.0	0.0	-23	-0.7	-0.9
Hotels and restaurants	94	3.0	4.2	0	0.0	0.0	94	3.0	3.7
Transport, storage, post and telecommunications	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Financial intermediation	1,889	60.9	84.0	302	9.7	100.0	2,191	70.6	85.9
Real estate, renting and business activities	194	6.3	8.6	0	0.0	0.0	194	6.3	7.6
Public administration and defence, compulsory social security	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Education	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Health and social work	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Other community, social, and personal services	3	0.1	0.1	0	0.0	0.0	3	0.1	0.1
Activities of private households	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Extra-territorial organizations and bodies	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Structure of capital by regions									
Bratislava region	2,186	70.5	97.2	302	9.7	100.0	2,488	80.2	97.5
Trnava region	111	3.6	4.9	0	0.0	0.0	111	3.6	4.4
Trenčín region	76	2.4	3.4	0	0.0	0.0	76	2.4	3.0
Nitra region	6	0.2	0.3	0	0.0	0.0	6	0.2	0.2
Žilina region	6	0.2	0.3	0	0.0	0.0	6	0.2	0.2
Banská Bystrica region	-212	-6.8	-9.4	0	0.0	0.0	-212	-6.8	-8.3
Prešov region	73	2.4	3.2	0	0.0	0.0	73	2.4	2.9
Košice region	3	0.1	0.1	0	0.0	0.0	3	0.1	0.1

Note: Preliminary data.

1) Equity capital + reinvested earnings.

Outflow of Foreign Direct 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	1,693	52.5	100.0	-29	-0.9	100.0	1,664	51.6	100.0
Structure of capital by country of investment									
Czech Republic	1,361	42.2	80.4	-29	-0.9	100.0	1,332	41.3	80.0
Ethiopia	229	7.1	13.5	0	0.0	0.0	229	7.1	13.8
The Netherlands	196	6.1	11.6	0	0.0	0.0	196	6.1	11.8
Russia	112	3.5	6.6	0	0.0	0.0	112	3.5	6.7
India	58	1.8	3.4	0	0.0	0.0	58	1.8	3.5
Cyprus	49	1.5	2.9	0	0.0	0.0	49	1.5	2.9
Brazil	26	0.8	1.5	0	0.0	0.0	26	0.8	1.6
Serbia and Montenegro	11	0.3	0.6	0	0.0	0.0	11	0.3	0.7
Switzerland	7	0.2	0.4	0	0.0	0.0	7	0.2	0.4
Romania	4	0.1	0.2	0	0.0	0.0	4	0.1	0.2
Other countries	-360	-11.2	-21.3	0	0.0	0.0	-360	-11.2	-21.6
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	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Manufacturing	955	29.6	56.4	0	0.0	0.0	955	29.6	57.4
Electricity, gas, and water supply	1	0.0	0.1	0	0.0	0.0	1	0.0	0.1
Construction	-86	-2.7	-5.1	0	0.0	0.0	-86	-2.7	-5.2
Wholesale and retail trade, repairs of motor vehicles	791	24.5	46.7	0	0.0	0.0	791	24.5	47.5
Hotels and restaurants	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Transport, storage, post and telecommunications	1	0.0	0.1	0	0.0	0.0	1	0.0	0.1
Financial intermediation	-240	-7.4	-14.2	-29	-0.9	100.0	-269	-8.3	-16.2
Real estate, renting and business activities	269	8.3	15.9	0	0.0	0.0	269	8.3	16.2
Public administration and defence, compulsory social security	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Education	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Health and social work	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Other community, social, and personal services	-5	-0.2	-0.3	0	0.0	0.0	-5	-0.2	-0.3
Activities of private households	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Extra-territorial organizations and bodies	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Structure of capital by regions									
Bratislava region	1,079	33.5	63.7	-29	-0.9	100.0	1,050	32.6	63.1
Trnava region	-46	-1.4	-2.7	0	0.0	0.0	-46	-1.4	-2.8
Trenčín region	893	27.7	52.7	0	0.0	0.0	893	27.7	53.7
Nitra region	-2	-0.1	-0.1	0	0.0	0.0	-2	-0.1	-0.1
Žilina region	-66	-2.0	-3.9	0	0.0	0.0	-66	-2.0	-4.0
Banská Bystrica region	12	0.4	0.7	0	0.0	0.0	12	0.4	0.7
Prešov region	95	2.9	5.6	0	0.0	0.0	95	2.9	5.7
Košice region	-272	-8.4	-16.1	0	0.0	0.0	-272	-8.4	-16.3

Note: Preliminary data.

1) Equity capital + reinvested earnings.



Outflow of Foreign Direct 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 31 December 2005

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 31.948									
Total volume of FDI outward (equity capital + reinvested earnings)	22,384	700.6	100.0	839	26.3	100.0	23,223	726.9	100.0
Structure of capital by country of investment									
Czech Republic	10,644	333.2	47.6	499	15.6	59.5	11,143	348.8	48.0
United Kingdom	2,283	71.5	10.2	0	0.0	0.0	2,283	71.5	9.8
Ukraine	1,352	42.3	6.0	0	0.0	0.0	1,352	42.3	5.8
Ireland	1,140	35.7	5.1	0	0.0	0.0	1,140	35.7	4.9
Hungary	1,093	34.2	4.9	0	0.0	0.0	1,093	34.2	4.7
Poland	915	28.6	4.1	0	0.0	0.0	915	28.6	3.9
Switzerland	834	26.1	3.7	0	0.0	0.0	834	26.1	3.6
Luxembourg	808	25.3	3.6	0	0.0	0.0	808	25.3	3.5
Russia	702	22.0	3.1	0	0.0	0.0	702	22.0	3.0
Austria	608	19.0	2.7	0	0.0	0.0	608	19.0	2.6
Other countries	2,005	62.8	9.0	340	10.6	40.5	2,345	73.4	10.1
Structure of capital by sector									
Agriculture, hunting and forestry	20	0.6	0.1	0	0.0	0.0	20	0.6	0.1
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Mining and quarrying	1,789	56.0	8.0	0	0.0	0.0	1,789	56.0	7.7
Manufacturing	8,489	265.7	37.9	0	0.0	0.0	8,489	265.7	36.6
Electricity, gas and water supply	1,450	45.4	6.5	0	0.0	0.0	1,450	45.4	6.2
Construction	58	1.8	0.3	0	0.0	0.0	58	1.8	0.2
Wholesale and retail trade, repairs of motor vehicles	1,887	59.1	8.4	0	0.0	0.0	1,887	59.1	8.1
Hotels and restaurants	91	2.8	0.4	0	0.0	0.0	91	2.8	0.4
Transport, storage and communication	43	1.3	0.2	0	0.0	0.0	43	1.3	0.2
Financial intermediation	4,810	150.6	21.5	839	26.3	100.0	5,649	176.8	24.3
Real estate, renting and business activities	3,213	100.6	14.4	0	0.0	0.0	3,213	100.6	13.8
Public administration and defence, compulsory social security	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Education	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Health and social work	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Other community, social and personal service activities	534	16.7	2.4	0	0.0	0.0	534	16.7	2.3
Activities of private households	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Extra – territorial organizations and bodies	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Structure of capital by regions									
Bratislava region	15,043	470.9	67.2	839	26.3	100.0	15,882	497.1	68.4
Trnava region	1,933	60.5	8.6	0	0.0	0.0	1,933	60.5	8.3
Trenčín region	1,629	51.0	7.3	0	0.0	0.0	1,629	51.0	7.0
Nitra region	42	1.3	0.2	0	0.0	0.0	42	1.3	0.2
Žilina region	542	17.0	2.4	0	0.0	0.0	542	17.0	2.3
Banská Bystrica region	1,315	41.2	5.9	0	0.0	0.0	1,315	41.2	5.7
Prešov region	722	22.6	3.2	0	0.0	0.0	722	22.6	3.1
Košice region	1,158	36.2	5.2	0	0.0	0.0	1,158	36.2	5.0

Note: Preliminary data.

1) Equity capital + reinvested earnings.



Volume of Foreign Direct 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)	19,478	683.5	100.0	527	18.5	100.0	20,005	702.0	100.0
Structure of capital by country of investment									
Czech Republic	8,864	311.1	45.5	481	16.9	91.3	9,345	327.9	46.7
United Kingdom	2,282	80.1	11.7	0	0.0	0.0	2,282	80.1	11.4
Ukraine	1,186	41.6	6.1	0	0.0	0.0	1,186	41.6	5.9
Ireland	1,136	39.9	5.8	0	0.0	0.0	1,136	39.9	5.7
Hungary	1,130	39.7	5.8	0	0.0	0.0	1,130	39.7	5.6
Luxembourg	1,111	39.0	5.7	0	0.0	0.0	1,111	39.0	5.6
Poland	844	29.6	4.3	0	0.0	0.0	844	29.6	4.2
Austria	646	22.7	3.3	0	0.0	0.0	646	22.7	3.2
Russia	474	16.6	2.4	0	0.0	0.0	474	16.6	2.4
Bosnia and Herzegovina	363	12.7	1.9	0	0.0	0.0	363	12.7	1.8
Other countries	1,442	50.6	7.4	46	1.6	8.7	1,488	52.2	7.4
Structure of capital by sector									
Agriculture, hunting, and forestry	30	1.1	0.2	0	0.0	0.0	30	1.1	0.1
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Mineral raw materials extraction	1,666	58.5	8.6	0	0.0	0.0	1,666	58.5	8.3
Manufacturing	8,014	281.2	41.1	0	0.0	0.0	8,014	281.2	40.1
Electricity, gas, and water supply	1,415	49.7	7.3	0	0.0	0.0	1,415	49.7	7.1
Construction	413	14.5	2.1	0	0.0	0.0	413	14.5	2.1
Wholesale and retail trade, repairs of motor vehicles	1,868	65.6	9.6	0	0.0	0.0	1,868	65.6	9.3
Hotels and restaurants	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Transport, storage, post and telecommunications	42	1.5	0.2	0	0.0	0.0	42	1.5	0.2
Financial intermediation	2,942	103.2	15.1	527	18.5	100.0	3,469	121.7	17.3
Real estate, renting and business activities	2,821	99.0	14.5	0	0.0	0.0	2,821	99.0	14.1
Public administration and defence, compulsory social security	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Education	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Health and social work	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Other community, social, and personal services	267	9.4	1.4	0	0.0	0.0	267	9.4	1.3
Activities of private households	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Extra-territorial organizations and bodies	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Structure of capital by regions									
Bratislava region	12,219	428.8	62.7	527	18.5	100.0	12,746	447.3	63.7
Trnava region	1,779	62.4	9.1	0	0.0	0.0	1,779	62.4	8.9
Trenčín region	1,460	51.2	7.5	0	0.0	0.0	1,460	51.2	7.3
Nitra region	39	1.4	0.2	0	0.0	0.0	39	1.4	0.2
Žilina region	564	19.8	2.9	0	0.0	0.0	564	19.8	2.8
Banská Bystrica region	1,654	58.0	8.5	0	0.0	0.0	1,654	58.0	8.3
Prešov region	618	21.7	3.2	0	0.0	0.0	618	21.7	3.1
Košice region	1,145	40.2	5.9	0	0.0	0.0	1,145	40.2	5.7

Note: Preliminary data.

1) Equity capital + reinvested earnings.

Volume of Foreign Direct 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