



NÁRODNÁ BANKA SLOVENSKA
EUROSYSTEM



STATISTICAL BULLETIN

MONETARY
AND FINANCIAL
STATISTICS

DECEMBER
2011



NÁRODNÁ BANKA SLOVENSKA
EUROSYSTEM

STATISTICAL BULLETIN

MONETARY
AND FINANCIAL
STATISTICS

DECEMBER
2011

Published by:
© Národná banka Slovenska

Address:
Národná banka Slovenska
Imricha Karvaša 1,
813 25 Bratislava
Slovakia

Statistics Department
Monetary and Financial Statistics Section
02/5787 2690
02/5787 2179
mbs@nbs.sk

<http://www.nbs.sk>
<http://www.nbs.sk/en/statistics/money-and-banking-statistics>

All rights reserved.

Reproduction for educational and non-commercial purposes
is permitted provided that the source is acknowledged.

Unedited.

ISSN 1338-6565 (online)



CONTENTS

FOREWORD	5	2.9.3 Interest rates and volumes: loans provided to non-financial corporations	39
1 STRUCTURE OF THE FINANCIAL MARKET IN SLOVAKIA	7	2.9.4 Interest rates and volumes: loans provided to households (outstanding amounts)	40
1.1 Overview of participants	8	2.10 Deposits received from non-financial corporations and households	41
1.2 Employees in the banking sector	9	2.10.1 Deposits received from non-financial corporations	41
1.3 Structure of share capital in the banking sector	9	2.10.2 Deposits received from households	43
2 STATISTICS OF MONETARY FINANCIAL INSTITUTIONS	11	2.11 Interest rates and volumes of deposits received	44
2.1 Balance-sheet statistics of credit institutions: assets	12	2.11.1 Interest rates and volumes: deposits received from households (new business)	44
2.2 Balance-sheet statistics of credit institutions: liabilities	13	2.11.2 Interest rates and volumes: deposits received from non-financial corporations (new business)	45
2.3 Selected items by residency/sector of counterparty	14	2.11.3 Interest rates and volumes: deposits received from households (outstanding amounts)	46
2.4 Year-on-year changes in assets	17	2.11.4 Interest rates and volumes: deposits received from non-financial corporations (outstanding amounts)	46
2.5 Year-on-year changes in liabilities	18	2.11.5 Comparison of deposit rates in Slovakia and the euro area (outstanding amounts)	46
2.6 Aggregated balance sheet of other MFIs	19	3 COLLECTIVE INVESTMENT – MUTUAL FUNDS	48
2.7 Profit/loss analysis for credit institutions	24	3.1 Current developments in the domestic mutual funds market	49
2.7.1 Current period profit/loss	24	3.2 Structure of mutual funds by investment strategy in Slovakia and the euro area	50
2.7.2 Selected revenues and expenses as reflected in profits/losses	26	3.3 Assets of investment funds in Slovakia and the euro area	51
2.8 Statistics on lending to non-financial corporations and households	26	3.4 Assets structure of domestic mutual funds	52
2.8.1 Loans to non-financial corporations by maturity	26	3.4.1 Money market funds	52
2.8.2 Loans to households by maturity	27	3.4.2 Bond funds	53
2.8.3 Comparison of euro area statistics: loans by maturity	27	3.4.3 Equity funds	55
2.8.4 Loans to non-financial corporations by economic activity	29	3.4.4 Mixed funds	56
2.8.5 Loans to non-financial corporations by type of loan	29	3.4.5 Real estate funds	57
2.8.6 Loans to households by type of loan	30	3.4.6 Other funds	58
2.8.7 Comparison of selected types of household loans in Slovakia and in the euro area	30		
2.8.8 Non-performing loans	31		
2.9 Interest rates and volumes of loans	33		
2.9.1 Interest rates and volumes: loans provided to non-financial corporations	34		
2.9.2 Interest rates and volumes: loans provided to households	37		



4	LEASING COMPANIES, FACTORING COMPANIES, AND CONSUMER CREDIT COMPANIES	60	6	SELECTED MACROECONOMIC INDICATORS	73
			6.1	Long-term interest rates	74
			6.2	Key ECB interest rates	74
5	SECURITIES	64		GLOSSARY AND ABBREVIATIONS	75
5.1	Debt securities	65		LIST OF CHARTS AND TABLES	83
5.2	Comparison of debt securities: Slovakia vs the euro area	69			
5.3	Quoted shares	70			



NÁRODNÁ BANKA SLOVENSKA
EUROSYSTEM



FOREWORD



FOREWORD

The *Statistical Bulletin – Monetary and Financial Statistics* is a quarterly publication issued by the Statistics Department of Národná banka Slovenska.

The present third issue is based on data as at December 2011, and is supplemented with a comparison of national statistics with euro area statistics on selected categories of assets and liabilities from the banking sector, and with mutual fund and securities statistics. It also covers the interest rate statistics of domestic banks.

The Bulletin is based on statistical data which are the main source for compilation of the European Central Bank's euro area statistics, of the International Monetary Fund's and Eurostat's statistics, and for monetary and financial stability analyses at the national level.

Our main goal is to improve the presentation of monthly and quarterly data published on the website of Národná banka Slovenska and to provide users with more comprehensive data on monetary and financial statistics. The Bulletin presents the available aggregated data com-

pared according to the ECB's methodology and detailed national data presented in the form of charts and commentaries.

The information published in the Bulletin comprise data that are processed and reported by domestic financial institutions, specifically by banks and branches of foreign banks, collective investment undertakings, securities and derivatives dealers, leasing companies, factoring companies, and consumer credit companies.

The Bulletin is available in electronic form on the NBS website (www.nbs.sk), in PDF format.

We hope that by processing the data in this way, and with the help of feedback from our readers and data users, we will succeed in providing an overview that is quick and easy to use. Any remarks or suggestions regarding the quality of this publication and how it may be improved can be sent to mbs@nbs.sk.

Editors of the Monetary
and Financial Statistics Section



NÁRODNÁ BANKA SLOVENSKA
EUROSYSTEM

CHAPTER 1

STRUCTURE OF THE FINANCIAL MARKET IN SLOVAKIA



1 STRUCTURE OF THE FINANCIAL MARKET IN SLOVAKIA

1.1 OVERVIEW OF PARTICIPANTS

The final quarter of 2011 witnessed a change in the number of both money market funds (MMFs) and bond funds. The shift between these types of funds resulted from the implementation of the common definition of European MMFs, which was published by the Committee of European Securities Regulators (CESR) on 19 May 2010 and was subsequently incorporated into the relevant legislation at both European¹ and national² level. The goal of this initiative was to improve the protection of investors by setting uniform criteria to be met by every fund wishing to operate in

the market as a money market fund. On the basis of these legislative changes, five money market funds were reclassified as 'short-term bond funds' over the course of December.

The number of credit institutions, insurance companies and pension funds remained unchanged in the quarter under review. The number of financial auxiliaries decreased by one, owing to the merger of two management companies, i.e. IAD Investments and Allianz Asset Management. The former (legal successor) has taken over the management of all mutual funds from the latter.

Table 1 Structure of the financial market in Slovakia

	XII-2010	III-2011	VI-2011	IX-2011	XII-2011
Monetary financial institutions (S.121+S.122)	43	44	45	45	40
Central bank (S.121)	1	1	1	1	1
Credit institutions (S.122)	29	30	31	31	31
Banks	12	11	11	11	11
Branches of foreign banks	13	15	15	15	15
Credit cooperatives	1	1	2	2	2
Building societies	3	3	3	3	3
Money market funds (S.122)	13	13	13	13	8
Other financial intermediaries (S.123)	226	223	222	222	228
Investment funds	65	65	66	66	71
Equity funds	12	12	11	11	11
Bond funds	11	11	12	12	17
Mixed funds	28	28	27	27	28
Real estate funds	4	4	5	5	5
Other funds	10	10	11	11	10
Leasing companies (financial leasing)	72	70	70	70	72
Consumer credit companies	64	63	62	62	61
Factoring companies	7	7	7	7	7
Securities and derivatives dealers ¹⁾	18	18	17	17	17
Financial auxiliaries (S.124)	19	19	19	19	18
Asset management companies	8	8	8	8	7
Pension savings companies	6	6	6	6	6
Supplementary pension asset management companies	5	5	5	5	5
Insurance corporations and pension funds (S.125)	54	54	54	54	54
Insurance corporations	20	20	20	20	20
Pension funds	34	34	34	34	34

1) Securities and derivatives dealers that hold a licence under Act No 566/2001 Coll., except for banks, branches of foreign banks, asset management companies, and branches of foreign asset management companies.

1 Regulation (EU) No. 883/2011 of the European Central bank of 25 August 2011 amending Regulation (EC) No. 25/2009 concerning the balance sheet of the monetary financial institutions sector (ECB/2008/32) (ECB/2011/12).

2 Decree of Národná banka Slovenska of 13 September 2011 specifying the criteria, limits and restrictions that are to be met by short-term money market funds and money market funds.

1.2 EMPLOYEES IN THE BANKING SECTOR

Table 2 Number of employees in the banking sector

	2010				2011			
	31.3.	30.6.	30.9.	31.12.	31.3.	30.6.	30.9.	31.12.
Banking sector	19,634	19,380	19,429	19,313	19,411	19,410	19,531	19,527
Central bank	1,089	1,085	1,083	1,079	1,082	1,070	1,072	1,075
Banks and branches of foreign banks	18,545	18,295	18,346	18,234	18,329	18,340	18,459	18,452
of which: banks	18,062	17,810	17,746	17,587	17,569	17,561	17,652	17,633
branches of foreign banks	483	485	600	647	760	779	807	819

Source: NBS.

By the end of December 2011, the number of employees in the banking sector had fallen by 0.02% quarter-on-quarter, while rising by 1.1% compared with the same period a year earlier.

1.3 STRUCTURE OF SHARE CAPITAL IN THE BANKING SECTOR

The ratio of domestic share capital to total subscribed capital in the banking sector decreased from 9.35% at end-December 2010 to 7.57% at end-2011. A marked year-on-year decrease was reported by Poštová banka, a.s., and Dexia banka Slovensko, a.s. Of 31 domestic credit institutions (as at 31 December 2011), only ten entities had domestic share capital in the structure of their subscribed capital, with two banks (ČSOB stavebná sporiteľňa, a.s., and Slovenská záručná a rozvojová banka, a.s.) having a 100% share of domestic capital.

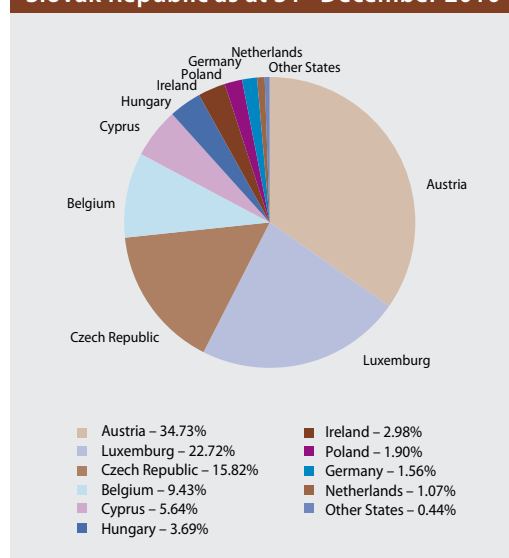
The ratio of foreign share capital to total subscribed capital in domestic banks rose by 1.8 percentage points, from 90.6% in December 2010 to 92.4% in December 2011.

From end-2010 to end-2011, the volume of foreign share capital increased in absolute terms by €454.3 million (in relative terms by 24.8%). This increase was generated largely by foreign capital from Belgium, Cyprus and the Czech Republic. The proportion of Belgian capital grew by 1.7 percentage points year-on-year, owing to a marked increase in investment (it grew in volume 1.5 times during 2011). The volume of foreign capi-

tal from the Czech Republic grew 1.6 times and its share in total foreign capital in the banking sector increased by 4.9 percentage points compared with December 2010. The greatest contribution to growth in foreign subscribed capital came from Cyprus. The volume of foreign capital from this country grew almost threefold. Thus, its share in total foreign share capital increased by 7.7 percentage points.

Broken down by credit institution, the structure of foreign share capital in the banking sector changed over course of 2011 as follows: control over Dexia banka Slovensko, a.s., was taken

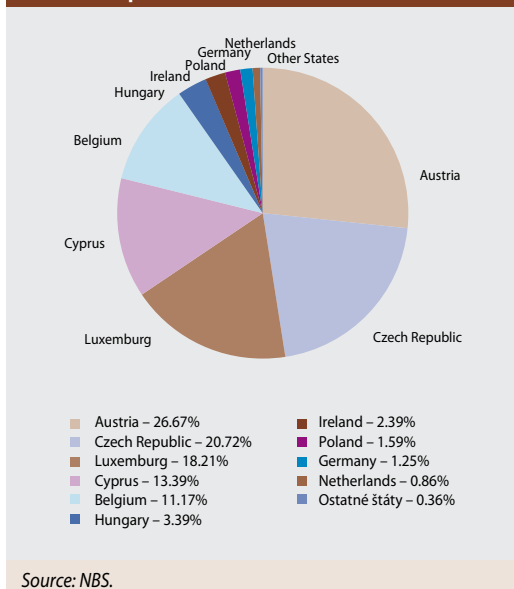
Chart 1 Foreign capital in the banks in the Slovak Republic as at 31st December 2010



Source: NBS.



Chart 2 Foreign capital in the banks in the Slovak Republic as at 31st December 2011



over by Cypriot capital, replacing the influence of shareholders from Luxembourg and Austria. The Czech Republic's growing share was influenced primarily by an increase in funds provided to Komerční banka, a.s., the branch of a foreign bank. The share capital of Československá obchodná banka was increased by an Belgian shareholder.



NÁRODNÁ BANKA SLOVENSKA
EUROSYSTEM

CHAPTER 2

STATISTICS OF MONETARY FINANCIAL INSTITUTIONS



2 STATISTICS OF MONETARY FINANCIAL INSTITUTIONS

2.1 BALANCE-SHEET STATISTICS OF CREDIT INSTITUTIONS: ASSETS

The total assets of commercial banks and branches of foreign banks operating in Slovakia (hereinafter referred to as 'credit institutions') reached €57.6 billion at the end of 2011, and were by 2.25% higher than in the same period a year earlier.

The structure of total assets was dominated by loan claims, the share of which reached 69.4% as at 31 December 2011 (1.12 percentage points more than a year earlier). The outstand-

ing amount of these claims grew by 3.92% year-on-year, owing mainly to long-term claims with a maturity of over five years.

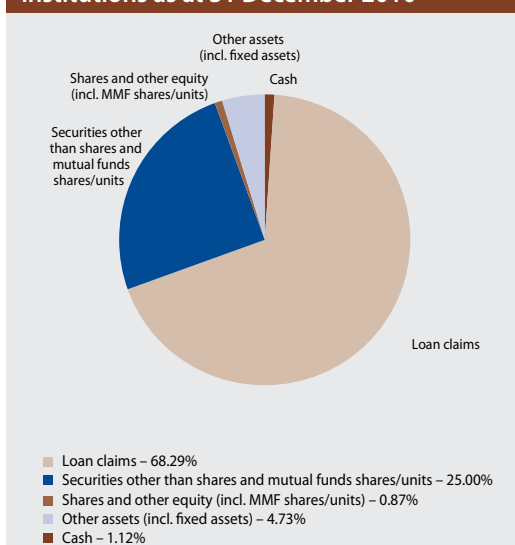
The reverse trend was observed in the proportion of securities other than shares and mutual fund shares/units, which decreased by 1.76 percentage points year-on-year, to 23.2% at the end of December 2011. The outstanding amount of securities in the portfolios of credit institutions fell by 4.94%, mainly as a result of a decrease in the outstanding amounts of securities with a maturity of over one and up to two years and short-term securities with a maturity of up to one year.

Table 3 Structure of assets of credit institutions in the SR (EUR thousands)

	XII.10	III.11	VI.11	IX.11	XII.11
Total assets	56,375,467	56,738,253	57,426,734	58,600,253	57,641,592
Cash	629,626	594,086	577,508	607,151	718,445
Loan claims	38,499,827	39,132,647	40,178,348	40,889,514	40,008,673
Securities other than shares and mutual funds shares/units	14,091,817	14,076,084	13,806,756	13,850,430	13,394,980
Shares and other equity (incl. MMF shares/units)	488,788	493,426	524,423	549,984	544,097
Other assets (incl. fixed assets)	2,665,409	2,442,010	2,339,699	2,703,174	2,975,397

Source: NBS.

Chart 3 Structure of assets of credit institutions as at 31 December 2010

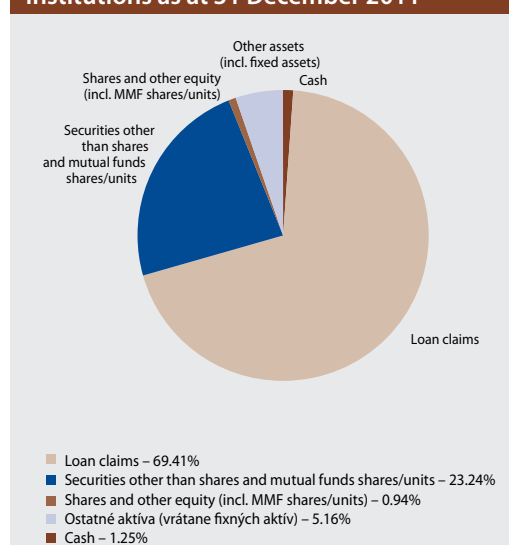


Source: NBS.

1) Loan claims – including bank's deposits with other entities and non-tradable securities

2) Assets excluding depreciation and including provisions

Chart 4 Structure of assets of credit institutions as at 31 December 2011



Source: NBS.

1) Loan claims – including bank's deposits with other entities and non-tradable securities

2) Assets excluding depreciation and including provisions



The proportion of shares and other equity participations to total assets increased by 0.08 percentage point compared with the same period of the previous year. The outstanding amount of equity securities in the portfolios of credit institutions increased by 11.32% year-on-year.

The share of other assets in total assets increased by 0.43 percentage point in year-on-year terms. The outstanding amount of other assets was 11.63% higher than at the end of the previous year. This was mainly due to an increase in the amount of fixed assets and derivatives with a positive fair value.

The share of cash holdings of credit institutions increased by 0.13 percentage point year-on-year, with their outstanding amount growing by 14.11%.

The reverse year-on-year change, i.e. an increase of 1.23 percentage points, was recorded in the proportion of capital and provisions in the liabilities of credit institutions. The outstanding amount of capital and provisions expanded by 12.34% year-on-year.

The proportion of issued marketable debt securities to liabilities remained virtually unchanged, at the level of the same period a year earlier; it decreased by only 0.01 percentage point. The outstanding amount of securities grew by 2.10% year-on-year, as a result of debt securities issued with a maturity of over two years and up to one year.

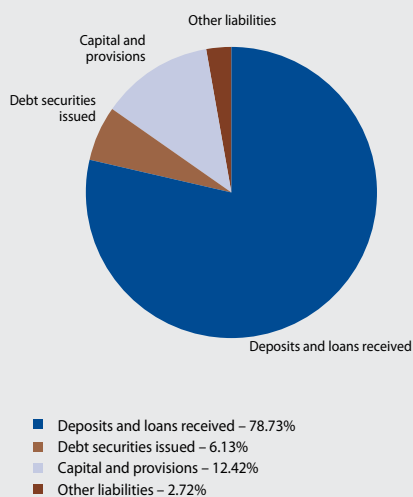
The share of other liabilities in the total liabilities of credit institutions increased by 0.47 percentage point year-on-year. The outstanding amount of other liabilities changed in year-on-year terms by 20.01%.

2.2 BALANCE-SHEET STATISTICS OF CREDIT INSTITUTIONS: LIABILITIES

The total liabilities of credit institutions reached €57.6 billion at the end of 2011. This represented a year-on-year increase of 2.25%, caused mainly by increases in the outstanding amounts of capital and provisions as well as other liabilities.

Total liabilities were dominated by *deposits and loans received*, the share of which decreased by 1.69 percentage points compared with the same period a year earlier, to 77.04% as at 31 December 2011. Their outstanding amount remained virtually unchanged in year-on-year terms (it grew by only 0.05%), but their structure by maturity changed. While the outstanding amount of short-term deposits and loans received decreased on a year-on-year basis (by €3.2 billion), the volume of deposits and loans with a maturity of over one year increased.

Chart 5 Structure of liabilities of credit institutions as at 31 December 2010



Source: NBS.

1) Total liabilities – including provisions created for assets.

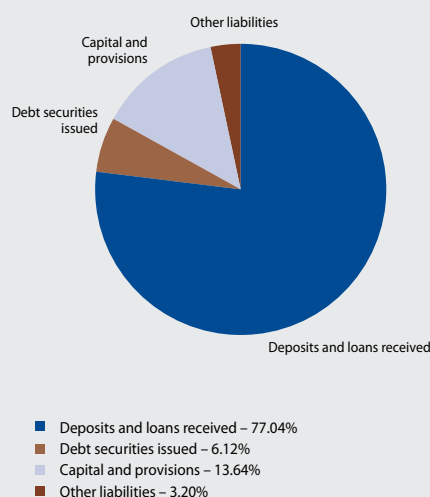
2) Deposits and loans received - including non tradable securities issued.

Table 4 Structure of liabilities of credit institutions in the SR (EUR thousands)

	XII.10	III.11	VI.11	IX.11	XII.11
Total liabilities	56,375,467	56,738,253	57,426,734	58,600,253	57,641,592
Deposits and loans received	44,383,802	44,205,079	44,823,948	45,390,377	44,406,106
Debt securities issued	3,456,362	3,576,609	3,528,325	3,572,389	3,528,990
Capital and provisions	6,999,158	7,037,595	7,244,810	7,537,265	7,862,929
Other liabilities	1,536,145	1,918,970	1,829,651	2,100,222	1,843,567

Source: NBS.

Chart 6 Structure of liabilities of credit institutions as at 31 December 2011

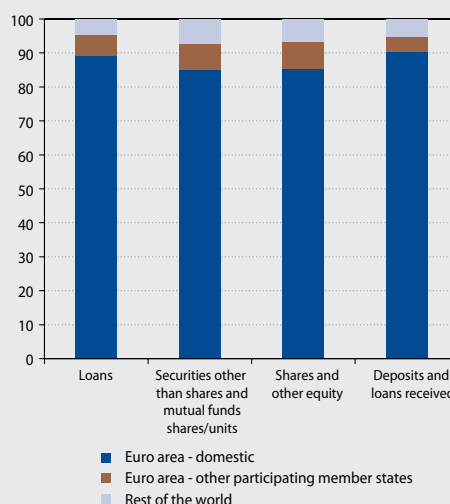


Source: NBS.

1) Total liabilities – including provisions created for assets.

2) Deposits and loans received – including non tradable securities issued.

Chart 7 Selected assets/liabilities: breakdown of counterparties by residency as at 31 December 2011 (%)



Source: NBS.

1) Loan claims – including bank's deposits with other entities and non-tradable securities.

2) Shares and other equity – including shares/units of money market funds.

3) Deposits and loans received – including non-tradable securities issued.

2.3 SELECTED ITEMS BY RESIDENCY/ SECTOR OF COUNTERPARTY

The largest share of the loan claims of credit institutions was constituted by loan claims on domestic entities (89.09%). The outstanding amount of these claims stood at €35.6 billion as at the end of 2011. Claims on other euro area member states and the rest of the world accounted for 6.36% (€2.5 billion) and 4.54% (€1.8 billion) respectively.

The portfolios of credit institutions contained purchased securities other than shares and mutual fund shares/units worth €13.4 billion. Securities issued by domestic issuers (€11.7 billion) accounted for 85.02%. The proportions of securities issued in other euro area countries and the rest of the world were at roughly the same level (7.65% and 7.34% respectively).

The structure of shares and other equity participations in the portfolios of credit institutions (worth €0.5 billion) was dominated by domestic securities (85.44%). They were followed by equity securities issued in other euro area countries (7.79%) and in the rest of the world (6.77%).

Deposits and loans received amounted to €44.4 billion. Of this amount, 90.25% was made up of deposits and loans received from domestic entities (€40.1 billion). The proportions of creditors of credit institutions from other euro area countries and the rest of the world were at virtually the same level, i.e. 4.69% and 5.05% respectively.

The largest share of domestic loan claims (94.6%) was accounted for by claims on sectors other than monetary financial institutions (MFIs) and the general government. They were dominated by claims on households and non-profit institutions serving households (€17.2 billion) and on non-financial corporations (€15.5 billion).

Claims on domestic monetary financial institutions accounted for 2.39% of the total outstanding amount of domestic loans claims, and those on the general government sector represented 3.01%.

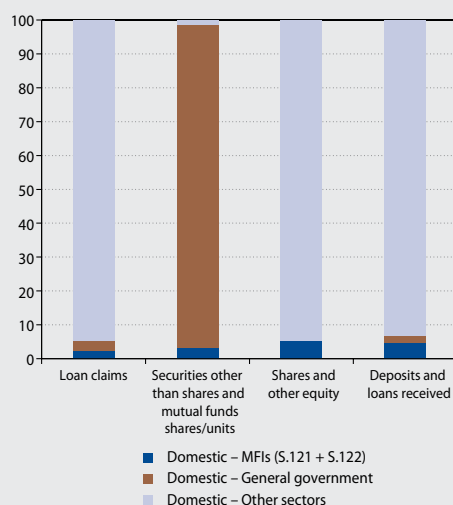
The largest share of domestic securities other than shares and mutual fund shares/units held in the portfolios of credit institutions (€11.4 billion) as at the end of the period under review, was constituted by government securities (95.23%).

Securities other than shares and mutual fund shares/units issued by domestic MFIs accounted for 3.34%, and those issued by other domestic sectors represented 1.44%.

The total value of domestic shares and other equity participations in the portfolios of credit institutions stood at roughly €0.5 billion. Of this figure, 94.60% was accounted for by other sectors. Equity securities issued by domestic MFIs and held by credit institutions represented 5.38%.

At the end of the period under review, deposits and loans received from domestic entities amounted to €40.1 billion. They were dominated by deposits from other sectors (93,15 %), mainly from households. At the end of 2011, the sectoral structure of deposits received was influenced by the fact that, in compliance with the new definition of money market funds, five entities were shifted from the other monetary financial institutions sector (S.122) to that of other financial intermediaries (S.123) in December. Thus, the deposits of reclassified money market funds were recorded within under other sectors as at 31 December 2011.

Chart 8 Selected assets/liabilities: sectoral breakdown of domestic counterparty as at 31 December 2011 (%)

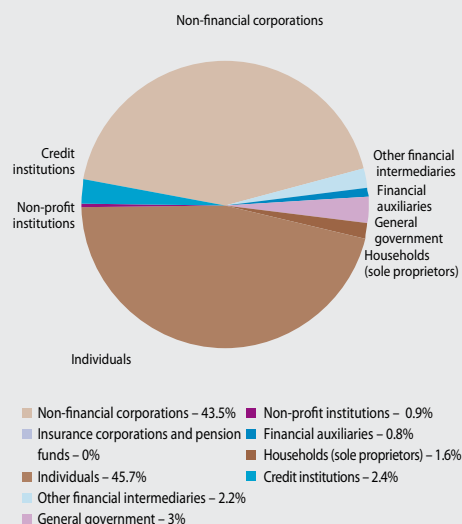


Source: NBS.

1) Monetary financial institutions – MFIs (S.121 + S.122).

2) Other sectors = Other financial intermediaries and Financial auxiliaries + Insurance corporations and Pension funds + Non-financial corporations + Households and Non-profit institutions serving households.

Chart 9 Loans to domestic clients by sectors as at 31st December 2011

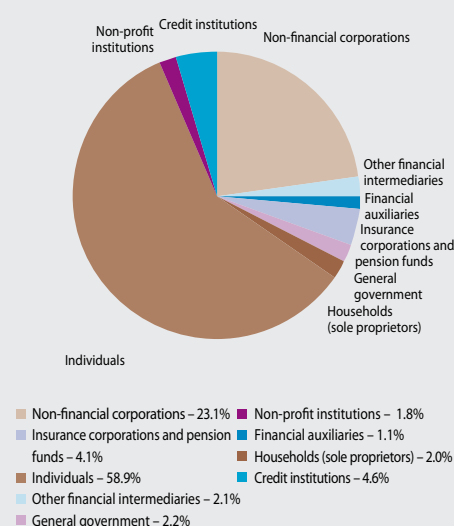


Source: NBS.

Deposits received from the general government sector accounted for 2.2%. Domestic MFIs were responsible for 4.65% of the total outstanding amount of domestic deposits and loans received.

As regards the sectoral structure of loans, marked changes occurred in the household sector (individuals – part of S.14), the share of which increased by 1.9 percentage points, from 43.8% in

Chart 10 Deposits from domestic clients by sectors as at 31st December 2011



Source: NBS.

December 2010 to 45.7% as at 31 December 2011, and in the monetary financial institutions sector (credit institutions – part of S.122), the share of which decreased by 1.8 percentage points, from 4.2% at the end of the previous calendar year.

Looking at the sectoral breakdown of deposits received from domestic customers, numerous changes in the proportions of individual sectors are to be seen. The share of individuals (part of S.14) increased by 2.9 percentage points to 58.9% in December 2011 (from 56% in December 2010), that of general government (S.13) decreased by 2.4 percentage points to 2.2% in December 2011, that of credit institutions dropped by 1.7 percentage points, while the share of insurance companies and pension funds (S.125) rose by 1.9 percentage points.

Loan claims on other euro area member states were dominated by claims on monetary financial institutions (72.02%). Claims on other sectors accounted for 27.98%.

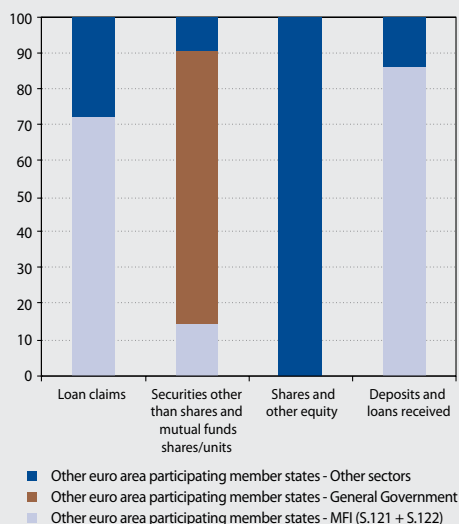
The total value of securities other than shares and mutual fund shares/units issued in other euro area countries and held in the portfolios of credit institutions as at 31 December 2011, stood at €1.0 billion. Of these securities, government securities accounted for 76.64%, securities issued by monetary financial institutions for 14.50%, and securities issued by other sectors for 8.86%.

Shares and other equity securities (issued by other euro area countries) amounted to only €0.04 billion. Of these securities, equity securities issued by other sectors accounted for 99.86% and those issued by monetary financial institutions for 0.14%.

Deposits and loans received from residents of other euro area countries amounted to €2.1 billion. The largest share (85.90%) was constituted by deposits and loans received from monetary financial institutions. Deposits from other sectors accounted for 14.06% and those from the general government sector represented only 0.04%.

Loan claims on residents from the rest of the world stood at €1.8 billion as at the end of 2011. They were dominated by claims on monetary financial institutions (56.53%). Other sectors accounted for 43.26% and the general government sector represented only 0.21%.

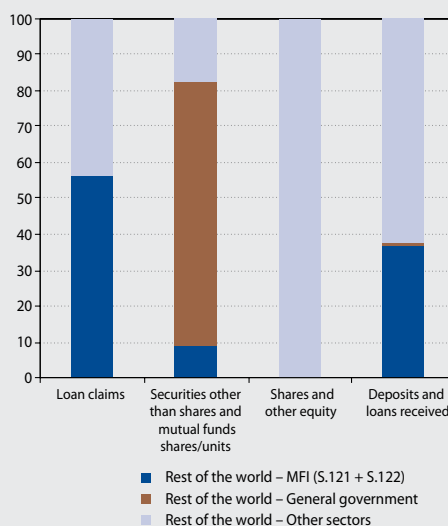
Chart 11 Selected assets/liabilities: sectoral breakdown of counterparty from other euro area member states as at 31 December 2011 (%)



Source: NBS.

Credit institutions held securities other than shares and mutual fund shares/units issued by rest of the world residents in the total amount of €1.0 billion. Of this amount, government securities accounted for 72.86%, securities issued in other sectors for 17.99%, and those issued by monetary financial institutions for 9.14%.

Chart 12 Selected assets/liabilities: sectoral breakdown of counterparty from the rest of the world as at 31 December 2011 (%)



Source: NBS.



The value of shares and other equity securities issued by rest of the world residents and held by credit institutions in Slovakia was low (only €0.04 billion). They comprised equity securities issued by other sectors.

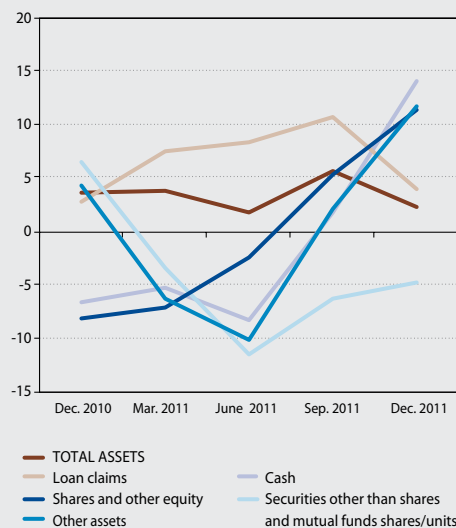
Deposits and loans received from rest of the world residents amounted to €2.2 billion. Other sectors accounted for 62.72% of this amount; the remaining 37.16% came from monetary financial institutions. General government deposits and loans accounted for only 0.12%.

2.4 YEAR-ON-YEAR CHANGES IN ASSETS

In year-on-year terms, the total assets of credit institutions increased in each of the quarters under review (in the period from 31 December 2010 to 31 December 2011). The most significant increase was recorded at the end of the third quarter, when the amount of assets grew in comparison with the same period of the previous year by 5.58% (by €3.1 billion).

This change was influenced mostly by loan claims, which grew in amount by 10.71% year-on-year (by €4.0 billion), mainly as a result of

Chart 13 Year-on-year changes in assets of credit institutions (change of stock in %)



Source: NBS.

increases in the amounts of claims with a maturity of over five years and short-term claims with a maturity of up to one year.

Securities other than shares and mutual fund shares/units held in the portfolios of credit in-

Table 5 Year-on-year changes in assets of credit institutions in the SR (EUR thousands)

	XII.10	III.11	VI.11	IX.11	XII.11
TOTAL ASSETS	1,909,653	2,012,845	988,749	3,098,790	1,266,125
Cash	-45,732	-34,283	-52,708	10,939	88,819
Loan claims	1,044,813	2,741,039	3,128,103	3,954,926	1,508,846
Loan claims – up to 1 year	-814,537	565,766	178,091	1,250,746	-810,171
Loan claims – over 1 and up to 5 years	-111,146	-66,383	274,950	-32,872	-153,590
Loan claims – over 5 years	1,970,496	2,241,656	2,675,062	2,737,052	2,472,607
Securities other than shares and mutual funds shares/units	847,104	-490,530	-1,808,279	-951,244	-696,837
Securities other than shares and mutual funds shares/units up to 1 year	-2,310	-951,483	-1,145,037	-758,350	-332,269
Securities other than shares and mutual funds shares/units over 1 and up to 2 years	240,740	33,911	-5,346	14,235	-277,081
Securities other than shares and mutual funds shares/units over 2 years	608,674	427,042	-657,896	-207,129	-87,487
Shares and other equity	-43,376	-38,455	-12,877	26,960	55,309
Other assets	106,844	-164,926	-265,490	57,209	309,988

Source: NBS.

stitutions recorded the most significant change in amount at the end of the second quarter of 2011, when their outstanding amount decreased by 11.58% year-on-year (by €1.8 billion), owing mainly to securities with a maturity of up to one year.

The outstanding amount of shares and other equity securities (including money market fund shares/units), which was relatively low at the end of all quarters under review (below €0.55 billion). The most significant change was recorded at the end of the fourth quarter: a year-on-year increase of 11.32% (by €0.06 billion).

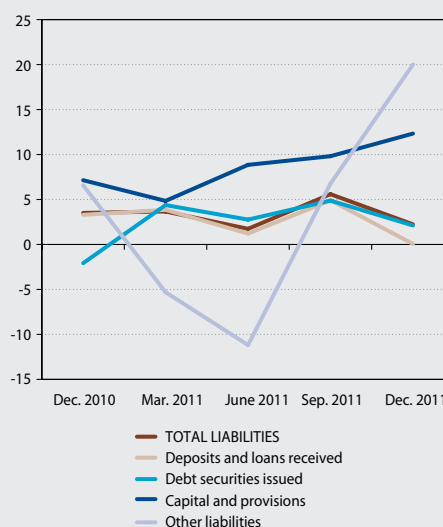
In year-on-year terms, other assets also changed most significantly at the end of the final quarter of 2011. They increased by 11.63% (by €0.3 billion), mainly as a result of an increase in the outstanding amount of fixed assets and derivatives with a positive fair value.

Cash holdings also recorded a marked change in amount at the end of the fourth quarter: a year-on-year increase of 14.11% (by €0.09 billion). This increase took place mostly in cash denominated in euros.

2.5 YEAR-ON-YEAR CHANGES IN LIABILITIES

In the period under review, i.e. from 31 December 2010 to 31 December 2011, credit institu-

Chart 14 Year-on-year changes in liabilities of credit institutions (change of stock in %)



Source: NBS.

tions recorded a year-on-year increase in their total liabilities at the end of each quarter. The most significant year-on-year change (a rise of 5.58%, i.e. by €3.1 billion) was observed at the end of the third quarter.

This change was caused mainly by deposits and loans received, which grew in volume by 4.91% (€2.1 billion) year-on-year. Increases were mainly recorded in the outstanding amounts of deposits and loans received, with a maturity of more than one year.

Table 6 Year-on-year changes in liabilities of credit institutions in the SR (EUR thousands)

	XII.10	III.11	VI.11	IX.11	XII.11
TOTAL LIABILITIES	1,909,653	2,012,845	988,749	3,098,790	1,266,125
Deposits and loans received	1,420,749	1,644,757	533,998	2,125,862	22,304
Deposits and loans received up to 1 year	497,807	899,292	-73,421	380,443	-3,168,085
Deposits and loans received over 1 year	922,942	745,465	607,419	1,745,419	3,190,389
Debt securities issued	-73,023	150,338	95,098	165,792	72,628
Debt securities issued up to 1 year	0	0	0	0	60,000
Debt securities issued over 1 and up to 2 years	-524,936	-385,277	-176,894	-68,347	-115,738
Debt securities issued over 2 years	451,913	535,615	271,992	234,139	128,366
Capital and provisions	466,998	325,472	589,842	674,179	863,771
Other liabilities	94,929	-107,722	-230,189	132,957	307,422

Source: NBS.



The outstanding amount of debt securities issued changed most significantly at the end of the third quarter of 2011, when it increased by 4.87% (by €0.2 billion) year-on-year, mainly due to securities with a maturity of over two years. By contrast, the outstanding amount of securities with a maturity of over one and up to two years decreased on a year-on-year basis.

Capital and provisions recorded a marked change at the end of the fourth quarter of 2011, when their value rose by 12.34% (€0.9 billion) year-on-year.

In the period under review, the outstanding amount of other liabilities also changed most significantly at the end of the fourth quarter, when it grew by 20.01% (€0.3 billion). This change was, among other things, influenced by an increase in the amount of interest accrued on deposits and loans received, derivatives with a negative value and deferred items.

2.6 AGGREGATED BALANCE SHEET OF OTHER MFIS

The aggregated balance sheet of *other monetary financial institutions* is compiled as an aggregate of the individual balance sheets of other monetary financial institutions, i.e. monetary institutions belonging to the S.122 sector. Along with the balance sheets of institutions belonging to the S. 121 sector, it forms an integral part of the aggregated balance sheet of *monetary financial institutions* (MFIs).

At the end of 2011, the aggregated balance sheet of other monetary financial institutions in Slovakia (monetary financial institutions excluding NBS), i.e. commercial banks, branches of foreign banks and money market funds, constituted only 0.17% of the aggregated balance sheet of euro area MFIs (excluding the Eurosystem). Compared with the preceding months, total assets/liabilities as at the end of 2011 were influenced by the fact that the number of entities whose assets and liabilities were included in the aggregated balance sheet decreased in December. These entities were money market funds which were reclassified according to the new definition of money market funds and shifted to the S.123 sector (other financial intermediaries).

Total assets of the aggregated balance sheet of euro area MFIs (excluding the Eurosystem) ranged from €31,564.6 billion to €33,661.5 billion at the end of individual quarters. By 31 December 2011, total assets had increased by €1,353.0 billion (by 4.2%) year-on-year. This balance sheet also comprises the aggregated balance sheet of MFIs based in Slovakia (excluding NBS).

The total assets of MFIs in Slovakia (excluding NBS) ranged from €58.0 billion to €60.1 billion at the end of individual quarters. At the end of the year 2011, they were by €0.1 billion (0.2%) lower than a year earlier.

The proportions of individual items in the aggregated balance sheets of euro area MFIs (excluding the Eurosystem) and MFIs in Slovakia (excluding NBS) were different. At the end of 2011, the proportion of loans granted to euro area residents by other MFIs in Slovakia to total assets in Slovakia's aggregated balance sheet was by 11.0% higher than the proportion of loans (granted to euro area residents by other euro area MFIs) to total assets of the aggregated balance sheet of the euro area (excluding the Eurosystem). This represented a year-on-year increase of 2.3 percentage points. As regards the sectoral structure of MFI loan claims on euro area residents, the largest share was accounted for by other sectors (in both cases), followed by monetary financial institutions. The smallest component was made up by loans granted to the general government sector.

The proportion of securities other than shares issued by euro area residents (held by other MFIs in Slovakia) to aggregated assets in Slovakia was 7.5% higher than the proportion of these kind of securities (held by other euro area MFIs) to the aggregated assets of other euro area MFIs. This was by 2.4 percentage points lower on year-on-year basis. The assets of other MFIs in Slovakia were dominated by holdings of government securities, while in the assets of other euro area MFIs dominated securities issued by monetary financial institutions.

Money market fund shares/units constituted only a small part of assets in other euro area MFIs (0.15 %). In year-on-year terms, they decreased as a share of assets by 0.04 percentage point. Their outstanding amount fell by €9.3 billion, partly as



a result of the aforementioned sectoral reclassification. This aggregated balance-sheet item covers only money market fund shares/units issued by euro area residents. The holdings of money market fund shares/units issued by non-euro area residents are to be reported as foreign assets. At the end of 2011, MFIs in Slovakia held no money market fund share/units issued by euro area residents.

At the end of 2011, the proportion of shares and other equity securities issued by euro area residents in the portfolio of other MFIs in Slovakia to their aggregated assets was 2.8 % smaller than the proportion of these equity securities (held by other euro area MFIs) to the aggregated assets of other financial institutions of the euro area. This was by 0.1 percentage point higher than a year earlier.

The proportion of foreign assets held by other MFIs in Slovakia to their aggregated assets was by 7.7% smaller than the proportion of foreign assets held by other euro area MFIs to total assets in their aggregated balance sheet. This was by 0.7 percentage point lower than as at the end of the previous year.

The proportion of fixed assets to total assets in the aggregated balance sheet of other MFIs in Slovakia was by 0.8% higher than the proportion of such assets in the aggregated balance sheet of other euro area MFIs. This was by 0.2 percentage point more than a year earlier.

The proportion of other assets in the portfolio of other MFIs in Slovakia to their aggregated assets was by 8.78% smaller than the proportion of other assets in the aggregated balance sheet of other euro area MFIs. This was by 0.5 percentage points more than as at the end of the previous year.

The total liabilities of other monetary institutions recorded the identical change as the total assets. In the aggregated balance sheet of MFIs in Slovakia (excluding NBS), total liabilities were dominated by deposits and loans received from euro area residents. Their proportion was by 21.2% larger than the share of deposit and loans received from euro area residents in the aggregated liabilities of euro area MFIs (excluding the Eurosystem). On year-on-year basis was by 0.3 percentage point lower. In absolute terms, the year-on-year change amounted to €0.2 billion. The largest part was constituted by deposits received from other euro

Table 7 Structure of assets of aggregated balance sheet of euro area MFIs (excluding the Eurosystem, EUR billions)

	XII.10	III.11	VI.11	IX.11	XII.11
Assets total	32,199.5	31,564.6	31,740.4	33,661.5	33,552.5
Loans to euro area residents – total	17,763.1	17,793.9	17,879.0	18,445.7	18,511.9
Loans to euro area residents – General Government	1,221.8	1,188.8	1,152.7	1,145.8	1,159.6
Loans to euro area residents – other euro area residents	11,026.1	11,115.4	11,223.9	11,296.1	11,163.2
Loans to euro area residents – MFI	5,515.2	5,489.7	5,502.4	6,003.8	6,189.1
Holding of securities other than shares issued by euro area residents - total	4,938.6	4,704.9	4,690.3	4,674.6	4,760.4
Holding of securities other than shares issued by euro area residents – General government	1,524.2	1,412.9	1,457.7	1,416.1	1,397.7
Holding of securities other than shares issued by euro area residents – Other euro area residents	1,528.6	1,493.5	1,472.2	1,458.7	1,514.6
Holding of securities other than shares issued by euro area residents – MFI	1,885.8	1,798.5	1,760.3	1,799.7	1,848.1
Money market fund shares/units	59.9	64.5	61.6	58.4	50.6
Holdings of shares/other equity issued by euro area residents	1,233.1	1,202.8	1,251.5	1,229.9	1,213.6
External assets	4,323.4	4,277.0	4,295.5	4,420.8	4,246.7
Fixed assets	223.5	227.4	228.9	230.3	232.3
Remaining assets	3,658.0	3,294.0	3,333.7	4,601.7	4,536.9

Source: ECB, NBS.

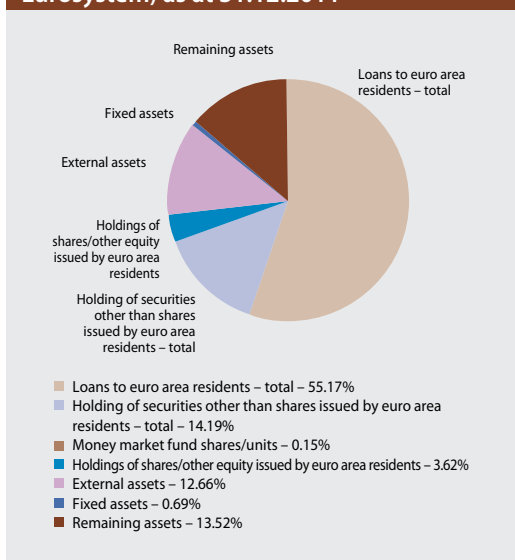


Table 8 Structure of assets of aggregated balance sheet of MFIs in Slovakia (excluding the NBS, EUR billions)

	XII.10	III.11	VI.11	IX.11	XII.11
Assets total	58.1	58.5	59.1	60.1	58.0
Loans to euro area residents – total	37.1	37.5	38.3	39.4	38.4
Loans to euro area residents – General Government	1.1	1.1	1.1	1.1	1.1
Loans to euro area residents – other euro area residents	31.7	32.3	33.5	34.1	34.4
Loans to euro area residents – MFI	4.3	4.2	3.6	4.3	2.9
Holding of securities other than shares issued by euro area residents – total	14.0	13.9	13.6	13.5	12.6
Holding of securities other than shares issued by euro area residents – General government	12.6	12.5	12.3	12.3	11.7
Holding of securities other than shares issued by euro area residents – Other euro area residents	0.4	0.4	0.3	0.3	0.3
Holding of securities other than shares issued by euro area residents – MFI	1.0	1.0	1.0	0.9	0.6
Money market fund shares/units	0.0	0.1	0.1	0.1	0.0
Holdings of shares/other equity issued by euro area residents	0.5	0.5	0.5	0.5	0.5
External assets	3.3	3.5	3.8	3.3	2.9
Fixed assets	0.8	0.7	0.7	0.8	0.9
Remaining assets	2.5	2.3	2.2	2.5	2.8

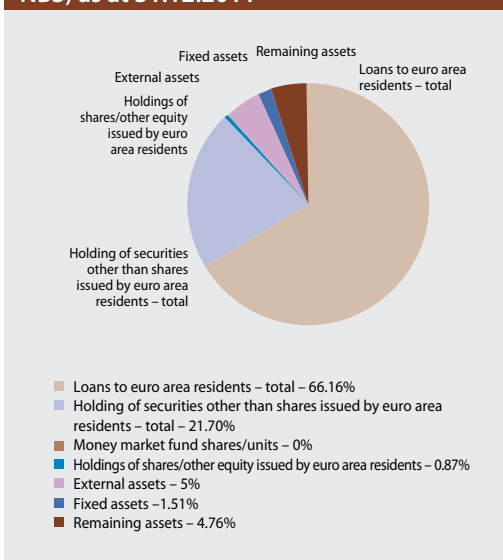
Source: ECB, NBS.

Chart 15 Structure of assets of aggregated balance sheet of euro area MFIs (excluding Eurosystem) as at 31.12.2011



Source: ECB, NBS.

Chart 16 Structure of assets of aggregated balance sheet of MFIs in Slovakia (excluding NBS) as at 31.12.2011



Source: NBS.



area sectors and from the general government sector, excluding the central government (up to 65.8% of the liabilities).

At the end of 2011, domestic money market fund shares/units accounted for 0.7% of the aggregated liabilities of other MFIs in Slovakia. This was by 2.3 percentage points less than a year earlier. This development was also influenced by a decrease in the number of money market funds as a result of reclassification. The proportion of shares/units issued by euro area money market funds also decreased (by 0.2 percentage point year-on-year) within the aggregated liabilities of euro area MFIs (excluding the Eurosystem). Their outstanding amounts decreased by €1.3 billion year-on-year.

The proportion of debt securities issued by other MFIs in Slovakia to total liabilities in their aggregated balance sheet stood at 6.1% as at the end of 2011. This was by 0.2 percentage point less than a year earlier. The total value of these kind of securities reached €3.5 billion at the end of 2011. The same value was recorded at the end of 2010 and the second quarter of 2011. Debt securities issued by other euro area MFIs accounted

for 14.9% of their aggregated balance-sheet liabilities.

The capital and provisions of other MFIs in Slovakia accounted for 13.6% of their aggregated liabilities as at the end of 2011. This was by 1.6 percentage points more than a year earlier. The capital and provisions of other euro area MFIs accounted for 6.7% of total liabilities in their aggregated balance sheet, representing a year-on-year increase of 0.3 percentage point.

The proportion of foreign liabilities of other domestic MFIs to their aggregated liabilities was by 7.5% smaller than the proportion of foreign liabilities in the aggregated balance sheet of other euro area MFIs. It increased by 0.5 percentage point on year-on-year basis, but was lower than at the end of individual quarters.

At the end of 2011, other liabilities in the aggregated balance sheet of other MFIs in Slovakia accounted for 3.2% of their total liabilities. This represented a year-on-year increase of 0.5 percentage point. Compared with the proportion of other liabilities in the aggregated balance sheet of other euro area MFIs was lower by 10.7%.

Table 9 Structure of liabilities of aggregated balance sheet of euro area MFIs (excluding Eurosystem, EUR billions)

	XII.10	III.11	VI.11	IX.11	XII.11
Liabilities total	32,199.5	31,564.6	31,740.4	33,661.5	33,552.5
Currency in circulation					
Deposits of euro area residents – total	16,497.6	16,457.3	16,614.3	17,079.4	17,284.9
Deposits of euro area residents – Central government	196.2	235.8	266.4	211.4	195.2
Deposits of euro area residents – Other general government and other euro area residents	10,526.4	10,528.5	10,655.6	10,783.6	10,752.1
Deposits of euro area residents – MFIs	5,774.9	5,692.9	5,692.3	6,084.4	6,337.6
Money market fund shares/units	612.3	632.8	607.5	607.5	574.2
Debt securities issued	4,845.2	4,873.1	4,903.1	4,952.8	5,000.4
Capital and reserves	2,045.5	2,079.7	2,156.0	2,203.5	2,232.6
External liabilities	4,220.4	4,018.9	3,973.3	4,033.4	3,801.0
Remaining liabilities	3,978.5	3,502.9	3,486.1	4,785.0	4,659.5

Source: ECB.

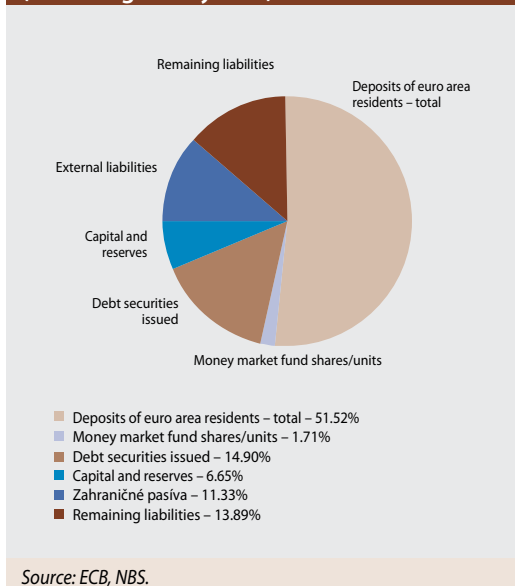


Table 10 Structure of liabilities of aggregated balance sheet of MFIs in Slovakia (excluding NBS, EUR billions)

	XII.10	III.11	VI.11	IX.11	XII.11
Liabilities total	58.1	58.5	59.1	60.1	58.0
Currency in circulation					
Deposits of euro area residents - total	42.4	41.4	42.1	42.5	42.2
Deposits of euro area residents - Central government	1.3	1.5	1.5	1.5	0.4
Deposits of euro area residents - Other general government and other euro area residents	36.5	36.4	37.1	37.3	38.1
Deposits of euro area residents - MFIs	4.7	3.5	3.5	3.6	3.7
Money market fund shares/units	1.7	1.7	1.6	1.5	0.4
Debt securities issued	3.5	3.6	3.5	3.6	3.5
Capital and reserves	7.0	7.0	7.2	7.5	7.9
External liabilities	2.0	2.8	2.7	2.9	2.2
Remaining liabilities	1.5	1.9	1.8	2.1	1.8

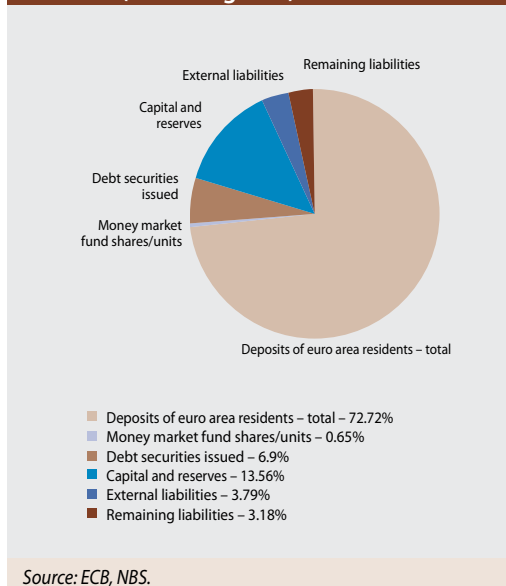
Source: ECB, NBS.

Chart 17 Structure of liabilities of aggregated balance sheet of euro area MFIs. (excluding Eurosystem) as at 31.12.2011



Source: ECB, NBS.

Chart 18 Structure of liabilities of aggregated balance sheet of MFIs in Slovakia (excluding NBS) as at 31.12.2011



Source: ECB, NBS.



2.7 PROFIT/LOSS ANALYSIS FOR CREDIT INSTITUTIONS

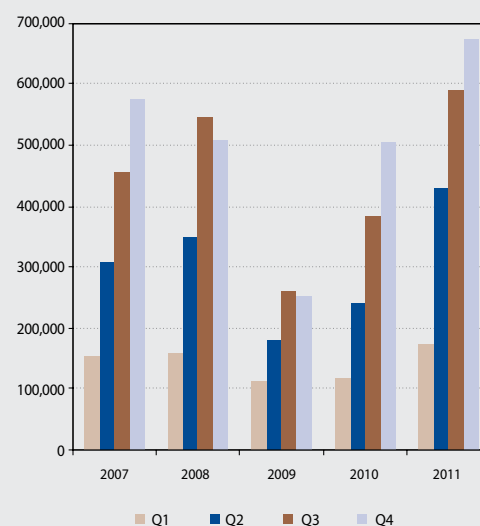
2.7.1 CURRENT PERIOD PROFIT/LOSS

Profit for the current period, which is reported by domestic credit institutions in cumulative terms, reached a record level as at 31 December 2011, the highest since the birth of the Slovak banking system in 1993. Compared with the values recorded as at 31 December 2010, the increased profit was generated mostly by *other interest income*. Such income was earned from interest on loans. Although the total volume of loans grew by only 4% in December 2011 and lending to non-bank customers increased by 9% compared with December 2010, interest income from loans rose by 12.63%.

After taking inventories, credit institutions created provisions for impaired and non-performing loan receivables. At the end of 2011, the amount of expenditure on the creation of provisions was comparable with the figure for 2010. The amount of provisions for loans to customers did not increase; on the contrary it fell slightly in relative terms at the end of 2011, when its proportion to the amount of loans to customers dropped from 4.54% to 4.27% compared with 2010.

In addition to loan provisions, provisions were also created, for the first time (in December

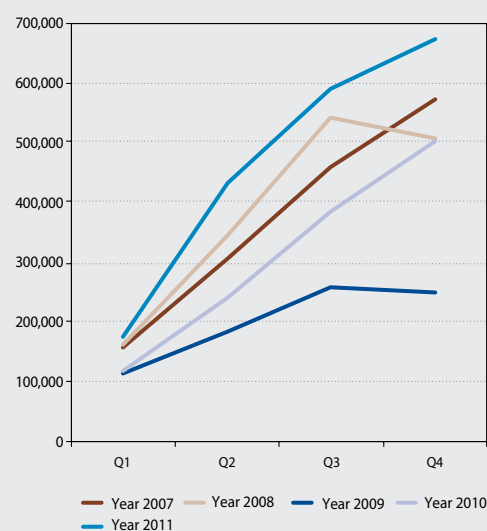
Chart 20 Current period profit/loss (EUR thousands)



Source: NBS.

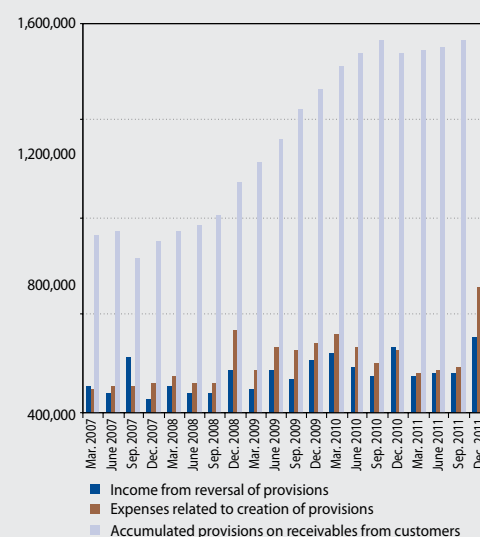
2011), for government bonds, up to the amount of 17.4% of the total amount of provisions. Expenditures on provisions and incomes from their cancellation are quantified in aggregate terms, for all three months of the respective quarter. Loans provided to non-bank customers and provisions for such loans are reported in cumulative terms.

Chart 19 Current period profit/loss (EUR thousands)



Source: NBS.

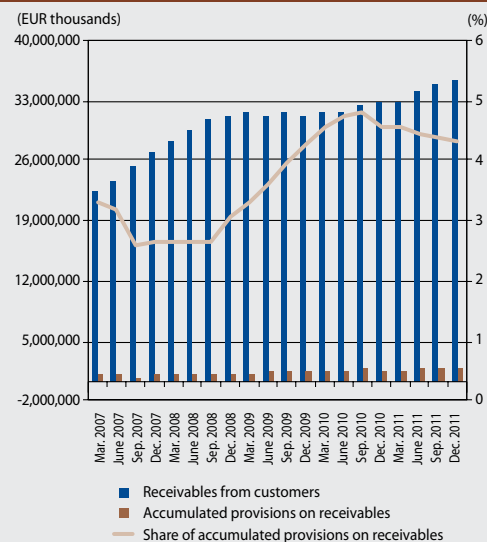
Chart 21 Provisions (EUR thousands)



Source: NBS.

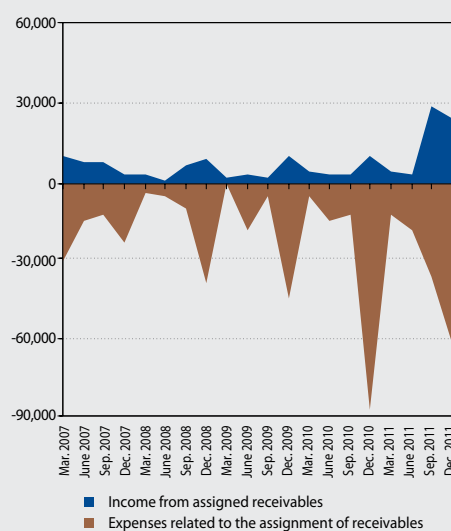


Chart 22 Receivables from non-bank customers (EUR thousands)



Source: NBS.

Chart 24 Assigned receivables from customers (EUR thousands)



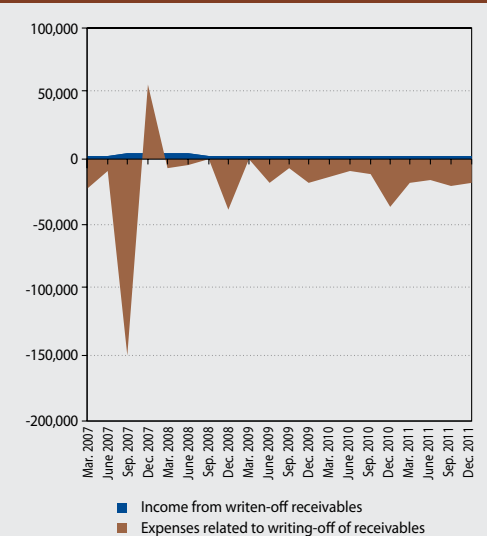
Source: NBS.

Non-performing loans covered by provisions up to 100% and impaired receivables are written off by credit institutions as expenses, or are transferred/sold to a third party.

A comparison of the annual costs of written-off and assigned receivables on non-bank clients indicates that credit institutions gave prefer-

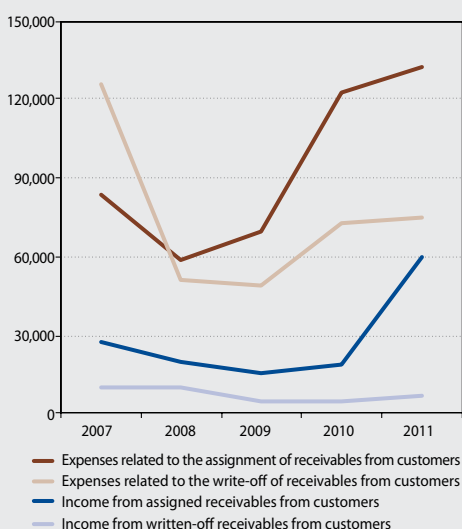
ence to the transfer of claims over their writing off. This can be explained by the higher income arising from assigned receivables. In the period from the first quarter of 2007 to the fourth quarter of 2011, income from assigned receivables accounted for 30.5% of the expenditure, while income from written-off claims represented only 10.5% of the cost of written-off claims.

Chart 23 Written-off receivables from customers (EUR thousands)



Source: NBS.

Chart 25 Assigned/ Written-off receivables from customers (EUR thousands)



Source: NBS.



2.7.2 SELECTED REVENUES AND EXPENSES AS REFLECTED IN PROFITS/LOSSES

The selected revenues and expenses relate to the main activities of credit institutions. The values for the individual quarters are given as an aggregate of three monthly values recorded in the respective quarter.

In the long term, the highest revenue is derived from *other interest income* from loans provided. As at 31 December 2011, this revenue was 12.63% higher than in December 2010.

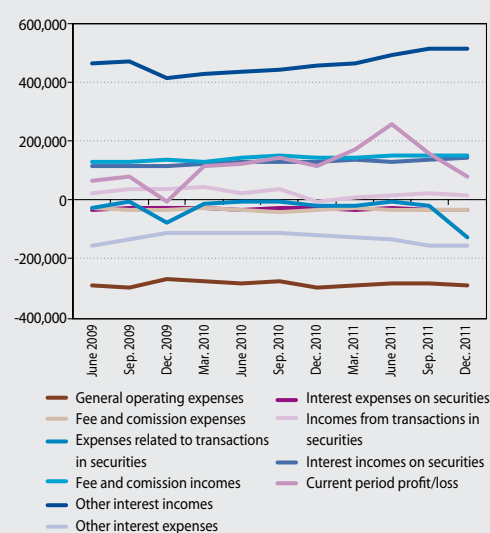
Interest revenue is followed by revenue from fees and commissions, which showed a rising trend in the period from 2009 to December 2011. The lowest revenue in the long term is derived from securities transactions.

The highest expenses are operating costs, which showed no marked change in trend over the period under review.

Interest expenses on securities and expenses on fees / commissions reached almost the same level (approximately €144 million) in the year under review.

Expenses incurred in connection with securities transactions were lower (as at 31 December

Chart 27 Selected incomes and expenses compared with current period profit/loss (EUR thousands)



Source: NBS.

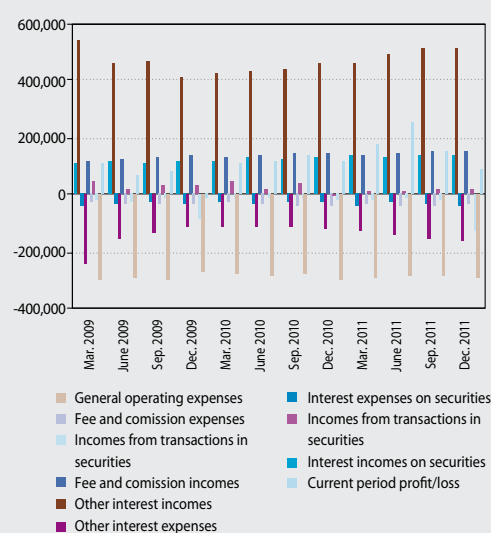
2011), owing to the revaluation of debt and equity securities to fair value.

2.8 STATISTICS ON LENDING TO NON-FINANCIAL CORPORATIONS AND HOUSEHOLDS

2.8.1 LOANS TO NON-FINANCIAL CORPORATIONS BY MATURITY

The final quarter of 2011 saw continued growth in both short-term and long-term loans provided to non-financial corporations. The rate of growth, however, was more moderate than in the previous quarter. The volume of short-term loans increased in comparison with the final quarter of 2010 by an average of 3.9%, while long-term loans with a maturity of over five years grew in volume by 10.1%. At the same time, the volume of long-term loans with a maturity of over one and up to five years fell by an average of 1.8%. The proportion of short-term loans to total loans decreased by 1.1 percentage points, to 35.3% at the end of 2011. As a share of total loans, long-term loans with a maturity of over one and up to five years also decreased, to 22.8%. The proportion of long-term loans with a maturity of over five years increased by 1.3 percentage points quarter-on-quarter, to 41.9%, confirming the growing trend in long-term loans with a maturity of over five years.

Chart 26 Selected incomes and expenses compared with current period profit/loss (EUR thousands)



Source: NBS.



Chart 28 Loans to non-financial corporations by maturity (% share)



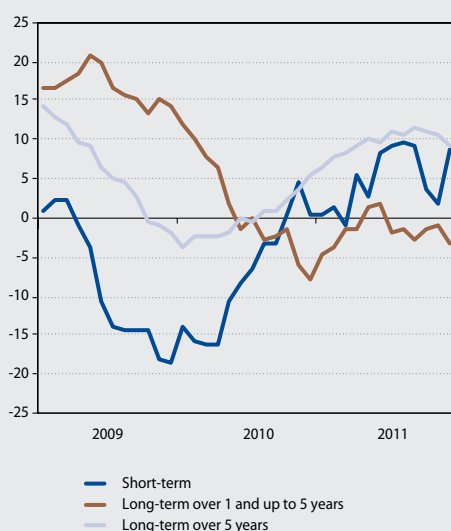
Source: NBS.

Chart 30 Loans to households by maturity (% share)



Source: NBS.

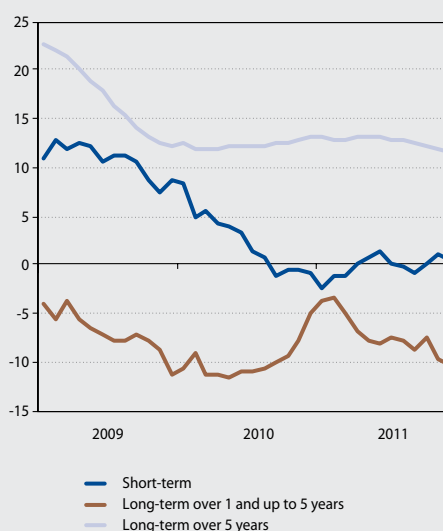
Chart 29 Loans to non-financial corporations by maturity (year-on-year changes in %)



Source: NBS

Note: The source data are in nominal value.

Chart 31 Loans to households by maturity (year-on-year changes in %)



Source: NBS

Note: The source data are in nominal value.

2.8.2 LOANS TO HOUSEHOLDS BY MATURITY

As in the *non-financial corporations* sector, long-term loans with a maturity of over five years also increased in the household sector, to a more significant extent (by an average of 11.9%). Thus, their dominant position strengthened by 4.4 percentage points, to 96.2%. The decline in short-term lending to households turned into moderate growth (0.2%) in the third quarter of 2011. Long-term loans with

a maturity of over one and up to five years continued to decline, by an average of 9.1%.

2.8.3 COMPARISON OF EURO AREA STATISTICS: LOANS BY MATURITY

In the fourth quarter, short-term loans grew in volume by an average of 3.9% in Slovakia, compared with 3.1% in the euro area. The average rate of quarter-on-quarter growth slowed somewhat



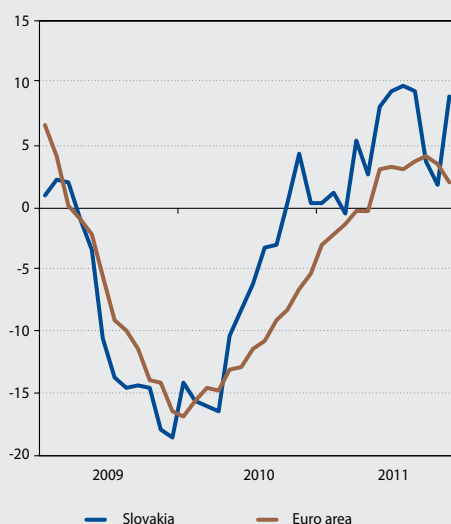
in the euro area, by 0.3 percentage point. Slovakia recorded a much faster slowdown, by an average of 5.4 percentage points compared with the previous quarter, when these loans increased by 9.3%.

Long-term loans with a maturity of over one and up to five years fell in volume by an average of 1.5% in Slovakia, compared with 5.3% in the euro area. The rate of decline was virtually constant in the

euro area, but in Slovakia it accelerated towards the end of 2011 by 3.3%, and thus approached the end-year figure for the euro area (4.9%).

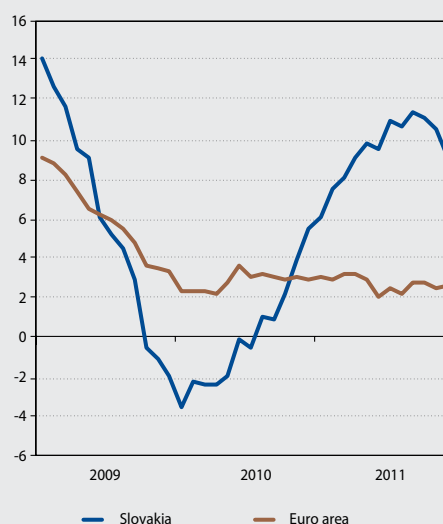
In Slovakia, long-term loans with a maturity of over five years recorded a slowdown of 0.9 percentage point in the final quarter of 2011. After growing by an average of 11.0% in the third quarter, they slowed to 10.1% in the fourth quar-

Chart 32 Short-term loans to non-financial corporations (year-on-year changes)



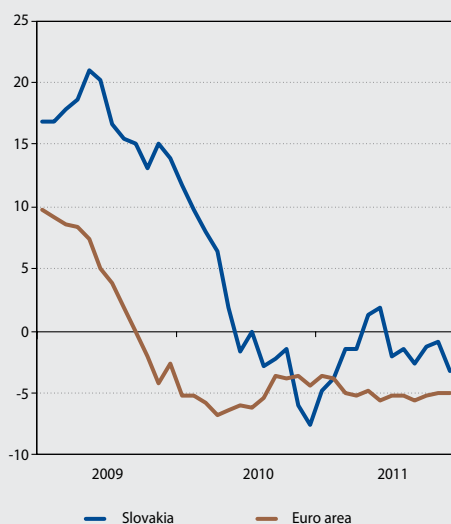
Source: NBS, ECB.

Chart 34 Long-term loans over 5 years to non-financial corporations (year-on-year changes)



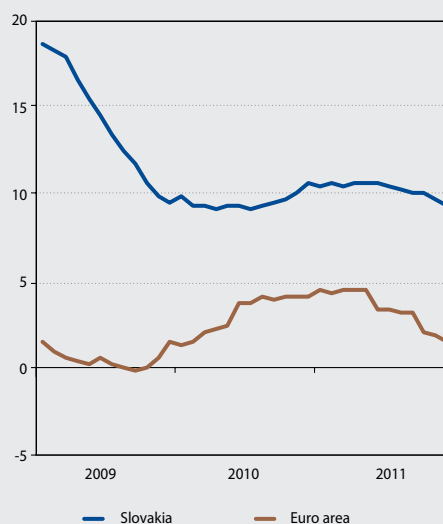
Source: NBS, ECB.

Chart 33 Long-term loans over 1 and up to 5 years to non-financial corporations (year-on-year changes)



Source: NBS, ECB.

Chart 35 Loans to households (year-on-year changes)



Source: NBS, ECB.

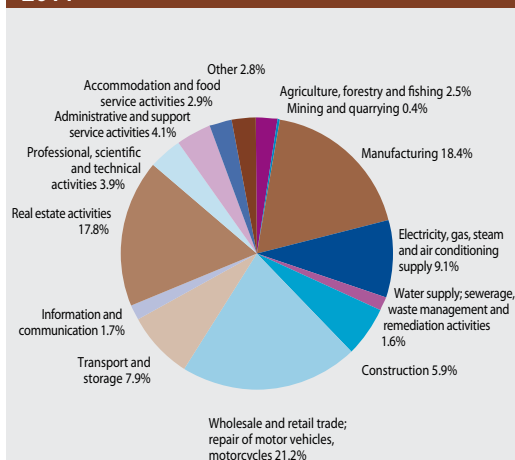
ter. In the euro area, these loans grew at a virtually constant pace, at an average of 2.6% in the fourth quarter.

Loans to households grew by an average of 9.7% in Slovakia, with the rate of growth decelerating by 0.6 percentage point quarter-on-quarter. In the euro area, these loans grew at a more moderate pace, which slowed by 1.4 percentage points to an average of 1.7%.

2.8.4 LOANS TO NON-FINANCIAL CORPORATIONS BY ECONOMIC ACTIVITY

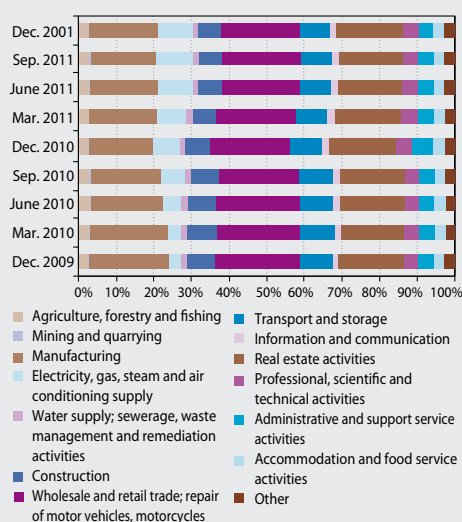
In the long term, the structure of loans to non-financial corporations by economic activity is dominated by *wholesale and resale trade*, *manufacturing*, and *real estate activities*. By the end of the final quarter of 2011, the proportions of these sectors had increased in comparison with the previous quarter by 0.1 percentage point, 1.1 percentage points, and 0.7 percentage point respectively. The vast majority of loans to non-financial corporations were provided to companies in these sectors. Over the past two years, i.e. from December 2009 to December 2011, the most significant increase (5.4 percentage points) took place in the share of the *electricity, gas, steam and air-conditioning supply* sector. In the fourth quarter, however, the share of this sector decreased by 0.8 percentage point. The largest quarter-on-quarter increase was recorded in *manufacturing*.

Chart 36 Loans to non-financial corporations by economic activity as at 31st December 2011



Source: NBS.

Chart 37 Evolution of loans to non-financial corporations by economic activity

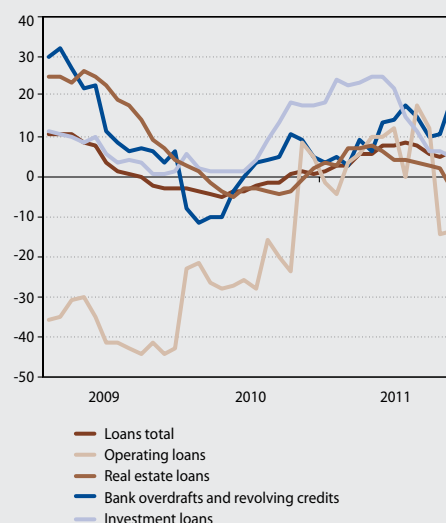


Source: NBS.

2.8.5 LOANS TO NON-FINANCIAL CORPORATIONS BY TYPE OF LOAN

In the final quarter of 2011, operating loans fell in volume by an average of 6.2%. The average rate of growth in real estate loans slowed to 0.8%, but December saw a slowdown of 2.6% in year-on-year terms. Current account overdrafts and revolving loans continued to grow (by an average of 12.3% in three months), as well as investment

Chart 38 Loans to non-financial corporations by type of loan (year-on-year change in %)



Source: NBS.

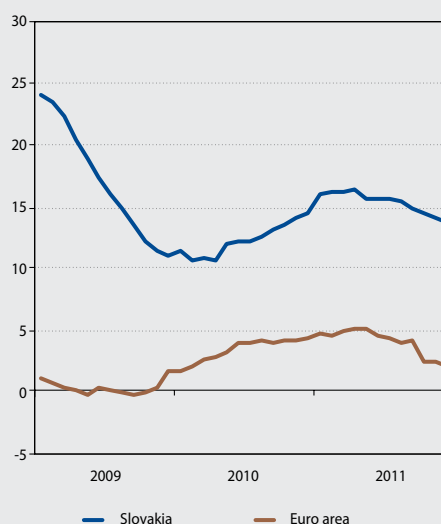


loans (by an average of 5.6%). Overall, lending to non-financial corporations increased by an average of 5.8%, representing a slowdown of 2.2 percentage points in the average rate of quarter-on-quarter growth.

2.8.6 LOANS TO HOUSEHOLDS BY TYPE OF LOAN

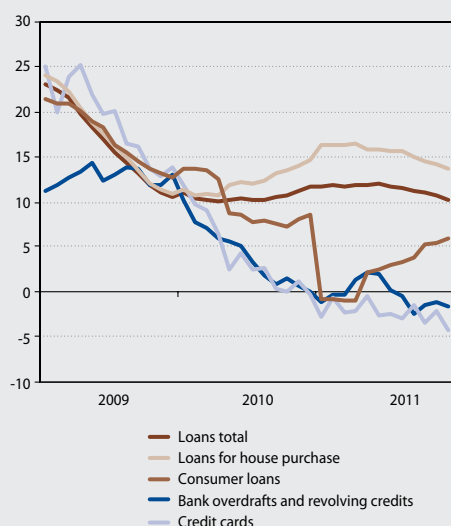
In the fourth quarter, lending to households grew by an average of 10.7%, representing a slowdown by 0.8 percentage point compared with the previous quarter. The most dynamic growth was recorded in housing loans (14.1%), though the rate of growth slowed by 1.3 percentage points. Consumer credits also continued to grow (by 5.5%), at a gradually accelerating pace (up to 5.9% at the end of the year). Despite this, demand for current account overdrafts fell by 0.4 percentage point. Borrowing through credit cards declined to an even greater extent, by an average of 3.2%, which was 1 percentage point more than in the previous quarter.

Chart 40 Loans to households for house purchase (year-on-year changes)



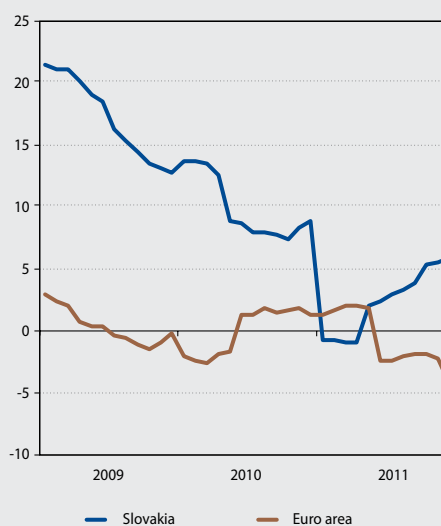
Source: NBS, ECB.

Chart 39 Loans to households by type of loan (year-on-year change in %)



Source: NBS.

Chart 41 Consumer loans to households (year-on-year changes)



Source: NBS, ECB.

2.8.7 COMPARISON OF SELECTED TYPES OF HOUSEHOLD LOANS IN SLOVAKIA AND IN THE EURO AREA

In Slovakia, lending to households for housing purposes grew six times faster than in the euro area. The rate of growth in Slovakia reached 14.1%, compared with 2.4% in the euro area, but showed a decelerating tendency in both regions.

Consumer credits followed a diametrically different trend throughout the euro area. In Slovakia, these credits grew at an accelerating pace (5.5% on average), i.e. 2.1 percentage points faster than in the previous quarter. In the euro area, consumer credits declined by an average of 2.9%, i.e. 0.6 percentage point faster than in the third quarter of 2011.



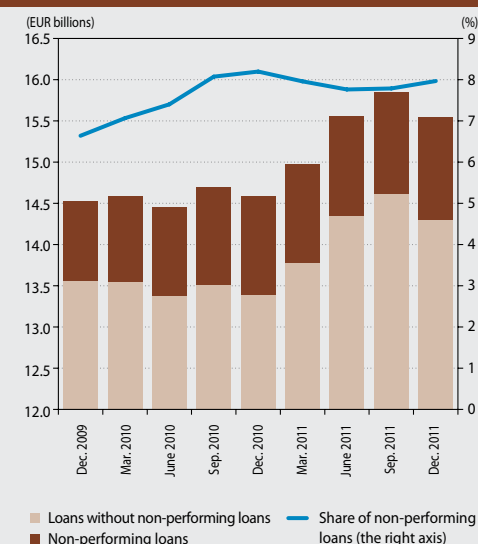
2.8.8 NON-PERFORMING LOANS

The share of non-performing loans in the *non-financial corporations* sector increased somewhat in the final quarter of 2011, by 0.2 percentage point, to the level of the first quarter (8.0%). The smallest share of non-performing loans was recorded in current account overdrafts and revolving loans (5.7%), the largest in credit card loans

(17.8%). In terms of quality, these non-performing loans were stable in comparison with the previous quarter. The quality of operating loans deteriorated to a considerable extent, by 1.7 percentage points quarter-on-quarter, to 8.4%.

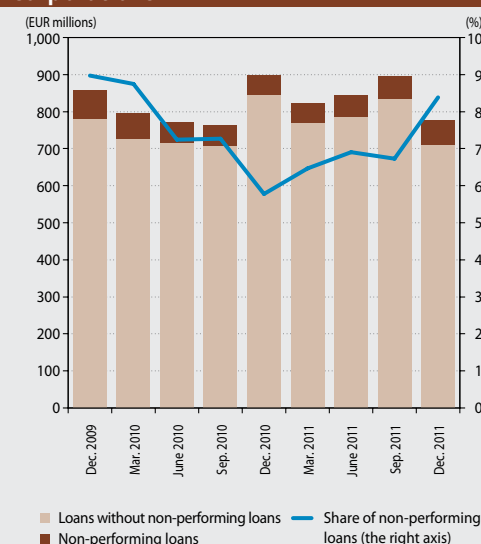
Overall, the portfolio of loans to households remained unchanged in terms of quality, with

Chart 42 Share of non-performing loans on total loans to non-financial corporations



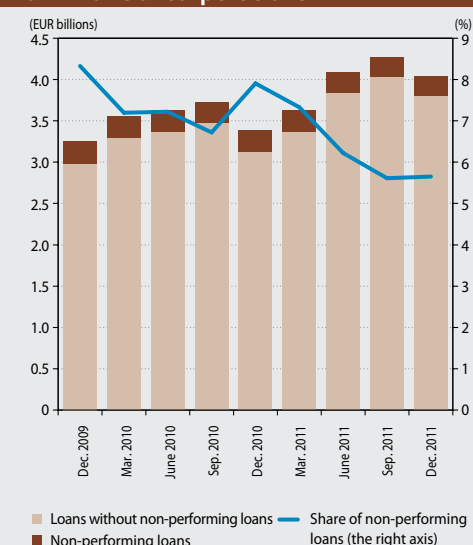
Source: NBS.

Chart 44 Share of non-performing loans on operating loans to non-financial corporations



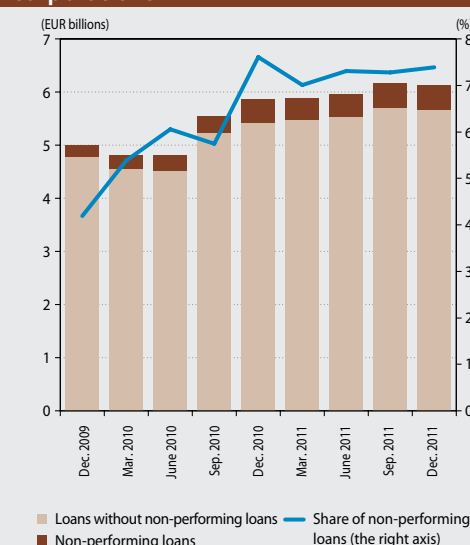
Source: NBS.

Chart 43 Share of non-performing loans on bank overdrafts and revolving credits to non-financial corporations



Source: NBS.

Chart 45 Share of non-performing loans on investment loans to non-financial corporations



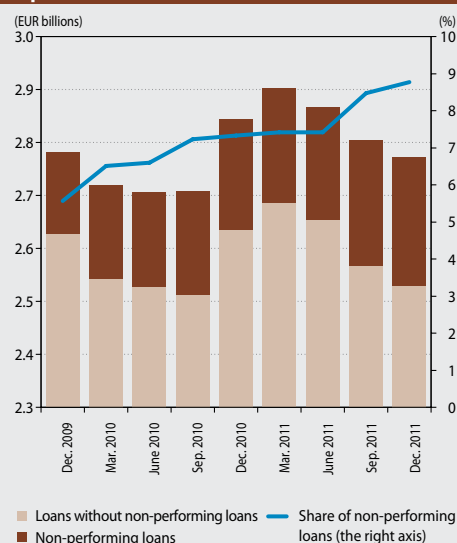
Source: NBS.



non-performing loans accounting for 4.8% at the end of 2011. The highest quality loan portfolio was that of housing loans (non-performing loans: 3.1%). The largest share of non-performing loans was recorded in credit card loans (15.6%), though the quality of this portfolio was improv-

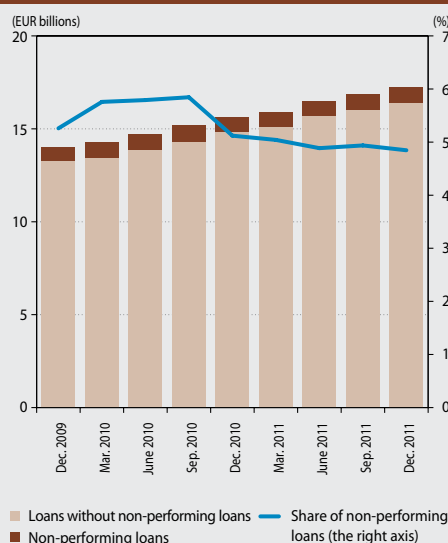
ing (by 0.6 percentage point year-on-year). The quality of loans improved most significantly in the portfolio of current account overdrafts (by 2.1 percentage points), with non-performing loans accounting for 9.1%. No deterioration was recorded.

Chart 46 Share of non-performing loans on real estate loans to non-financial corporations



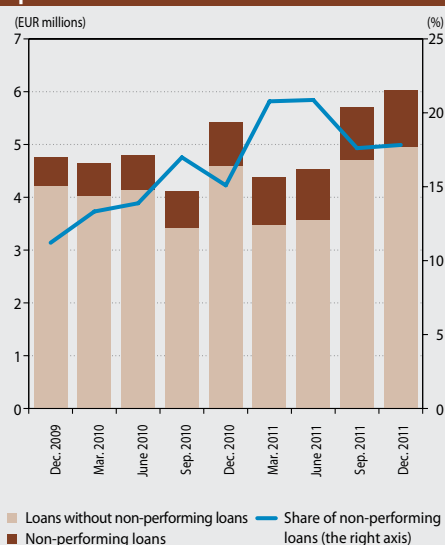
Source: NBS.

Chart 48 Share of non-performing loans on total loans to households



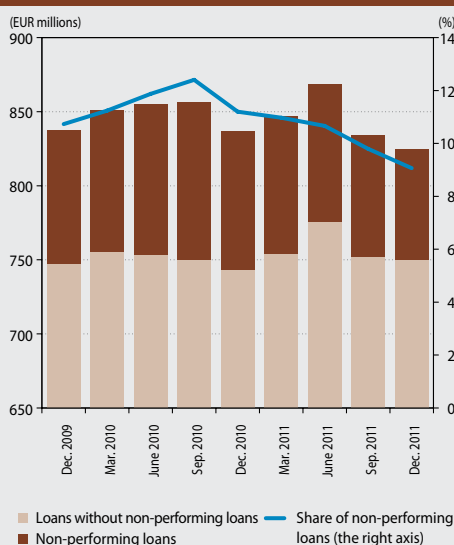
Source: NBS.

Chart 47 Share of non-performing loans on credit card loans to non-financial corporations



Source: NBS.

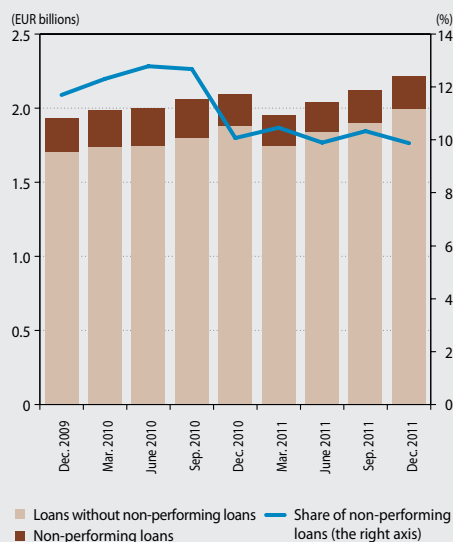
Chart 49 Share of non-performing loans on bank overdrafts and revolving credits to households



Source: NBS.

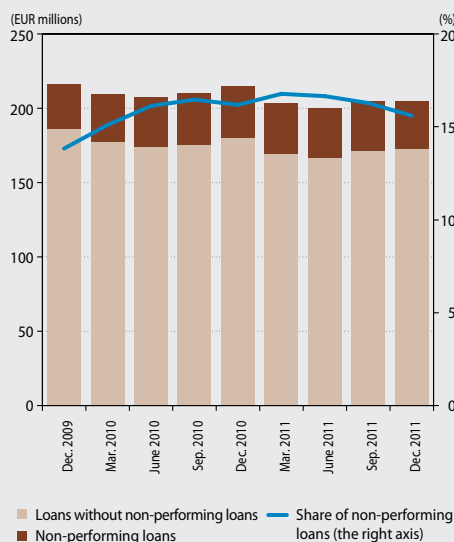


Chart 50 Share of non-performing loans on consumer loans to households



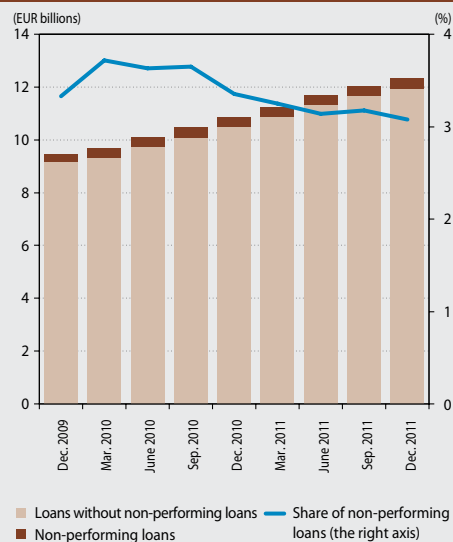
Source: NBS.

Chart 52 Share of non-performing loans on credit card loans to households



Source: NBS.

Chart 51 Share of non-performing loans on loans for house purchase to households



Source: NBS.

2.9 INTEREST RATES AND VOLUMES OF LOANS

Harmonised MFI interest rate statistics are compiled from data obtained from credit institutions on deposits received from, and loans provided to, non-financial corporations and households, which are both Slovak and euro area residents.

The term *households* refers to the population, including households, sole proprietors and non-profit institutions serving households. The term *new loans* or *new deposits* means all new deposits received or new loans provided during the respective reference month.

The term *outstanding amount* of loans or deposits means balances at the end of the respective reference period. Interest rates applied by credit institutions on loans or deposits are calculated as weighted arithmetic averages of the rates agreed on an annual basis.

In the case of loans provided to households for house purchases and loans for consumption, the annual percentage rate of charge is also

reported to express the borrower's total credit-related costs for consumers. Thus, the borrower's total costs comprise the element of interest rate and the element of other credit-related costs. The collection of the annual percentage rates of charge for statistical purposes allows developments in credit-related charges to be monitored over time.

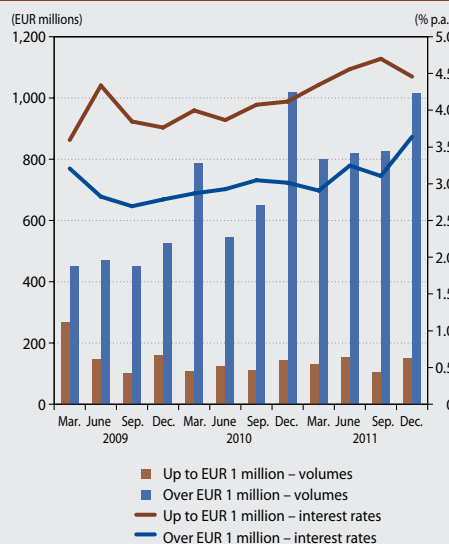
Secured loans represent a new category, which is required for the compilation of interest rate statistics as from 2010. These are the loans secured by any type of collateral or a personal guarantee with a value equal or higher than the total amount of the new loan.. A partially secured loan is classified as an unsecured.

The category of *loans up to €1 million* for non-financial corporations is designed specifically for small and medium-sized enterprises. The category *loans over €1 million* is intended for large corporations. Interest rates reflect the borrower's economic power to negotiate appropriate credit terms and conditions. Interest rate developments indicate that *loans up to €1 million* are provided at higher rates than *loans over €1 million*.

2.9.1 INTEREST RATES AND VOLUMES: LOANS PROVIDED TO NON-FINANCIAL CORPORATIONS (NEW BUSINESS)

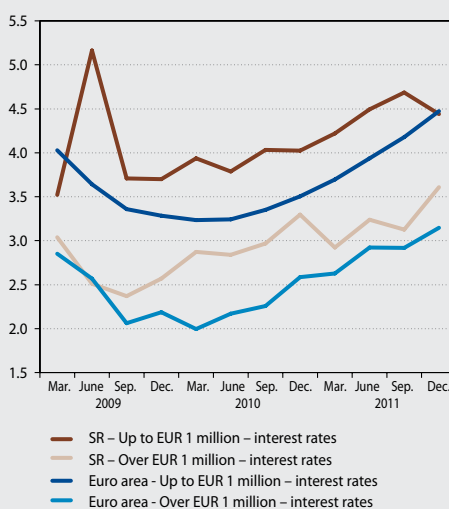
In year-on-year terms, the total volume of new loans provided to non-financial corporations remained virtually unchanged. The volume of loans in the category *loans up to €1 million* increased by 4.9% in December 2011, compared with the end of 2010. In year-on-year terms, the share of loans of this type in the total volume remained virtually unchanged, at 12.8%. Interest rates rose from 4.1% p.a. to 4.5% p.a. The proportion of new *loans over €1 million* to the total volume of loans provided to non-financial corporations decreased somewhat (by 0.1%), while interest rate on such loans rose from 3.0% p.a. to 3.6% p.a. The total volume of new loans provided to non-financial corporations was dominated by loans with an initial rate fixation period of up to one year. A comparison of lending rates for such loans in Slovakia with the same categories in the euro area indicates that interest rates on *loans up to €1 million* in Slovakia and the euro area were virtually identical as at the end of 2011. The rate for *loans over €1 million* in Slovak conditions was 0.5% higher.

Chart 53 Interest rates and volumes on loans to non-financial corporations (new business)



Source: NBS.

Chart 54 Interest rates on loans to non-financial corporations in SR and Euro area (new business)



Source: NBS.

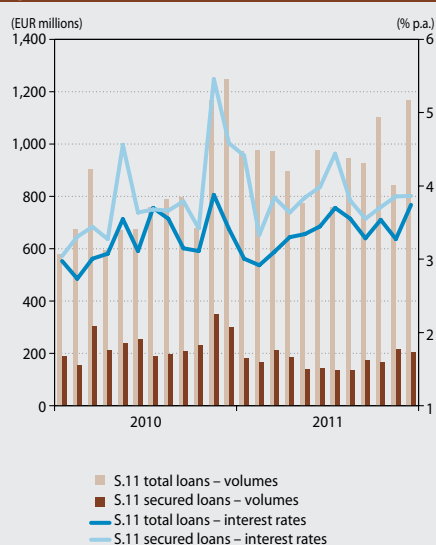
Risk assessment in respect of loans provided to non-financial corporations is related to the loan collateral provided – an indicator monitored since 2010. The proportion of new secured loans to the total volume of new loans provided to non-financial corporations decreased from 24.2% to 17.7% as at the end of 2011. The degree of risk



involved in secured loans is also reflected in the level of interest rates. Interest rates on secured loans fell from 4.6% p.a. in December 2010 to 3.9% p.a. at the end of 2011. The average interest rate on all new loans provided to non-financial corporations rose in year-on-year terms, from 3.4% p.a. to 3.7% p.a.

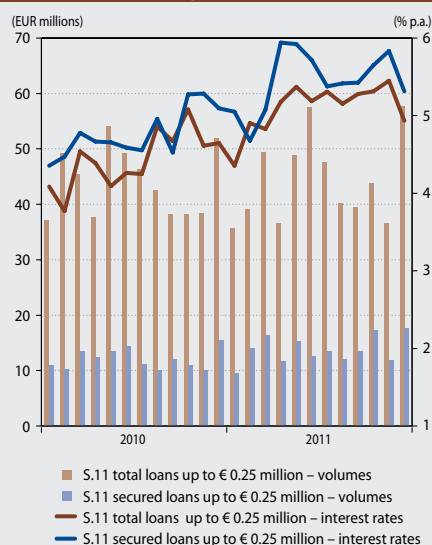
In the category *loans up to €0.25 million*, the share of new secured loans on the total volume of this category increased from 29.7% to 30.5% at the end of 2011. Interest rates on secured loans in this category rose somewhat, from 5.1% p.a. in December 2010 to 5.3% p.a. at the end of 2011. Interest rates on new loans of this

Chart 55 Interest rates and volumes on secured and total loans to non-financial corporations (new business)



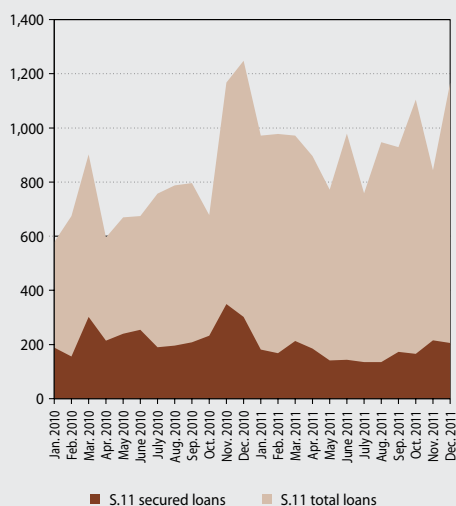
Source: NBS.

Chart 57 Interest rates and volumes on secured and total „loans up to € 0.25 million“ to non-financial corporations (new business)



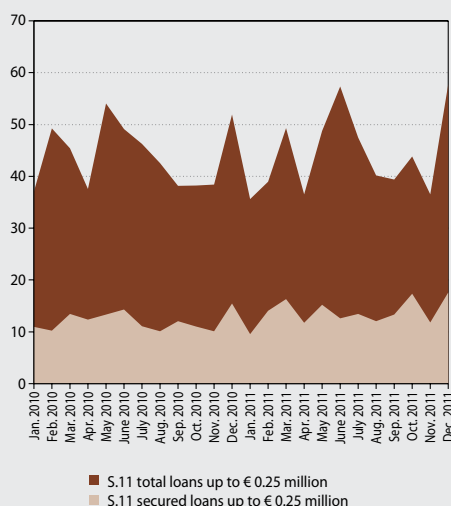
Source: NBS.

Chart 56 Share of secured loans on total loans to non-financial corporations (new business) (EUR millions)



Source: NBS.

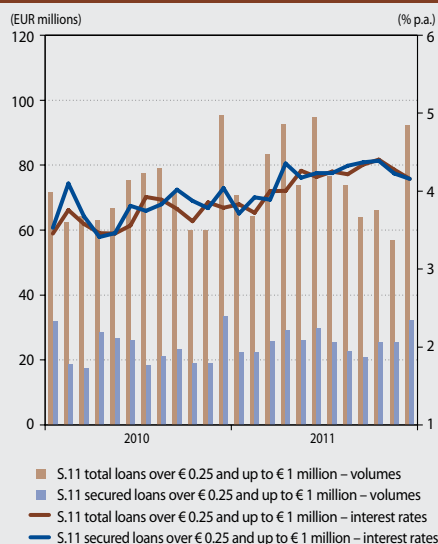
Chart 58 Share of secured loans on total „loans up to € 0.25 million“ to non-financial corporations (new business)



Source: NBS

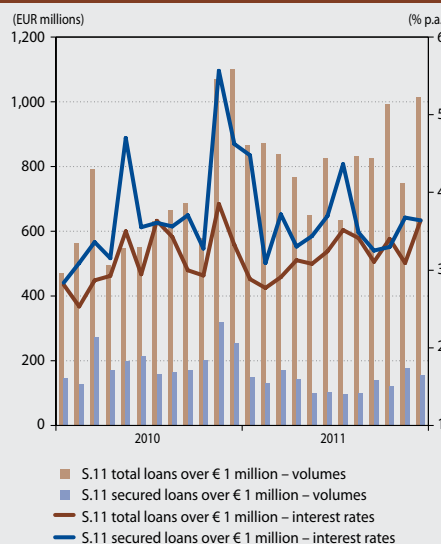


Chart 59 Interest rates and volumes on secured and total „loans over € 0.25 and up to € 1 million“ to non-financial corporations (new business)



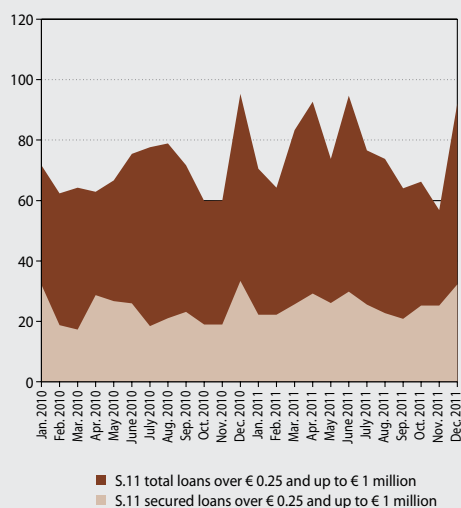
Source: NBS.

Chart 61 Interest rates and volumes on secured and total „loans over € 1 million“ to non-financial corporations (new business)



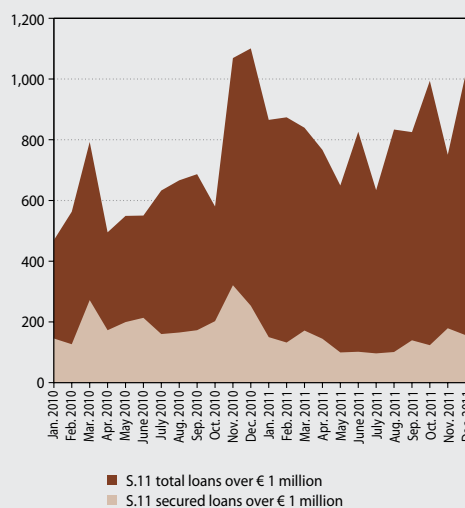
Source: NBS.

Chart 60 Share of secured loans on total „loans over € 0.25 and up to € 1 million“ to non-financial corporations (new business)



Source: NBS.

Chart 62 Share of secured loans on total „loans over € 1 million“ to non-financial corporations (new business)



Source: NBS.

category provided to non-financial corporations rose in year-on-year terms, from 4.6% p.a. to 4.9% p.a.

In the category *loans over €0.25 million to €1 million*, the share of new secured loans on the total volume of this category remained unchanged

in year-on-year terms, at 35%. Interest rates on secured loans in this category rose slightly, from 4.0% p.a. in December 2010 to 4.2% p.a. at the end of 2011. Interest rates on new loans of this category provided to non-financial corporations also rose in year-on-year terms, from 3.8% p.a. to 4.2% p.a.



In the category *loans over €1 million*, the share of new secured loans on the total volume of this category decreased in year-on-year terms, from 23% to 15.4%. Interest rates on secured loans of this category fell from 4.6% p.a. in December 2010 to 3.6% p.a. at the end of 2011. Interest rates on new loans of this category provided to non-financial corporations rose in year-on-year terms, from 3.3% p.a. to 3.6% p.a.

2.9.2 INTEREST RATES AND VOLUMES: LOANS PROVIDED TO HOUSEHOLDS (NEW BUSINESS)

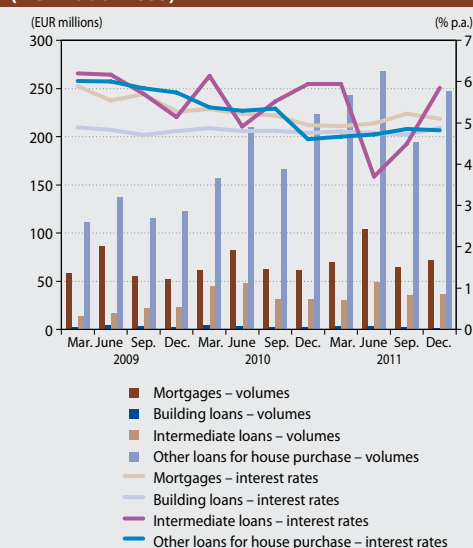
Demand for loans in the household sector is clearly dominated by demand for housing loans. Interest rates on loans for house purchase rose by an average of 0.2% year-on-year, to 5.0% p.a. at the end of 2011. Interest rates rose in almost all categories of housing loans in year-on-year terms. The rates for *mortgage loans* and *other loans for house purchase* rose by 0.2%, to 5.1% p.a. and 4.8% p.a. respectively. The rate for *building loans* increased from 4.8% p.a. to 4.9% p.a. An exception was represented by *intermediate loans*, which are offered by building savings banks. The rate for such loans fell from 5.9% p.a. to 5.8% p.a. at the end of 2011.

The annual percentage rate of charge (APRC) related to loans for house purchase slightly ex-

ceeded the rate of interest paid on these loans. Along with the rise in interest on loans for house purchase, the APRC also rose slightly on a year-on-year basis, by 0.2% to 5.3% p.a. as at the end of 2011. The same trend was observed in the euro area, where the value of APRC related to loans for house purchase rose by 0.3% year-on-year, to 4.0% p.a., but at a lower rate of interest. A more apparent but similar trend was recorded in loans for consumption. Interest rates on loans for consumption rose by 1% year-on-year, to 14.2% p.a. The annual percentage rate of charge for loans for consumption rose by 1.5%, to 16.8% p.a. Compared with the same indicator for the euro area, interest rates on loans for consumption were much higher in Slovakia. The value of APRC for the euro area also increased in year-on-year terms, but by only 0.3% to 7.2% p.a.

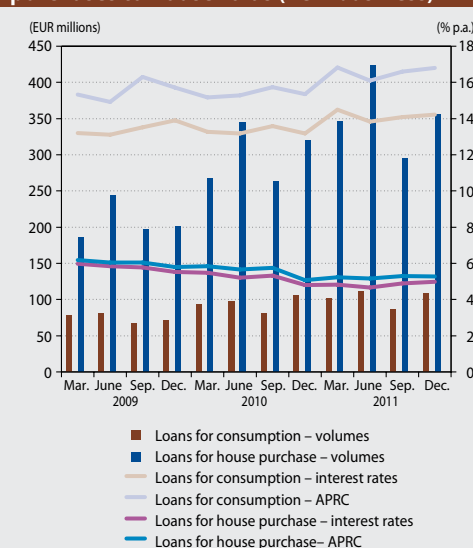
In the category *new loans for house purchase* provided to households, a representative indicator for Slovakia is the rate of interest on loans for house purchase with an initial rate fixation period of over 1 and up to 5 years. Lending rates in this category rose by 0.2% year-on-year, to 4.9% p.a. as at the end of 2011. The rate for the comparable type of loans *for house purchase* in the euro area increased by 0.2%, to 3.7% p.a.

Chart 63 Interest rates and volumes on loans for house purchase to households (new business)



Source: NBS.

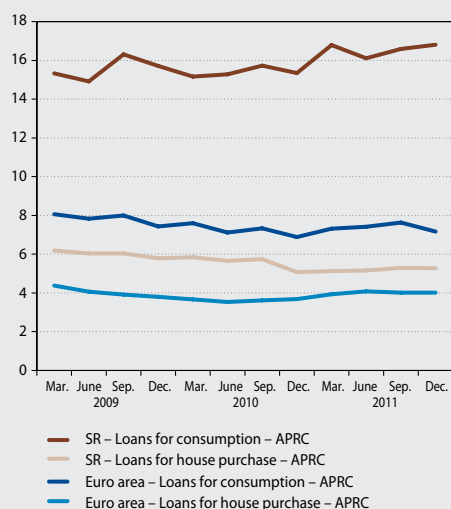
Chart 64 Interest rates, APRC and volumes on loans for consumption and loans for house purchases to households (new business)



Source: NBS.

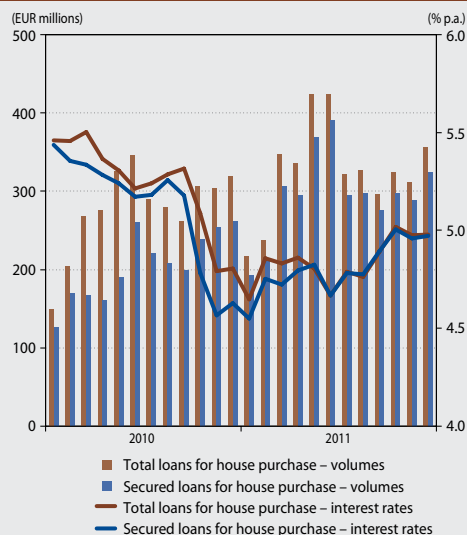


Chart 65 APRC on loans for consumption and loans for house purchases to households in SR and Euro area (new business)



Source: NBS.

Chart 67 Interest rates and volumes on secured and total loans for house purchase to households (new business)

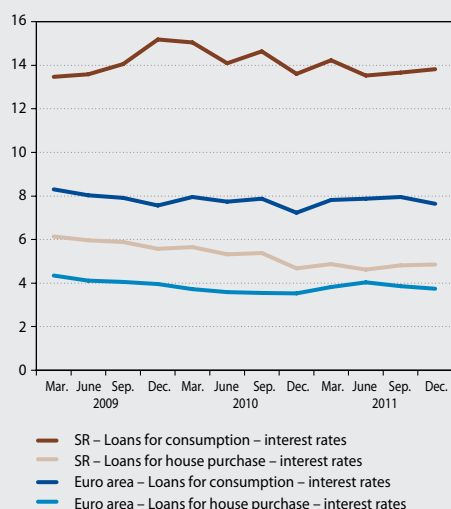


Source: NBS.

In the category *new loans for consumption* provided to households, a representative indicator for Slovakia is the rate of interest on consumer loans with an initial rate fixation period of over 5 years. Lending rates in this

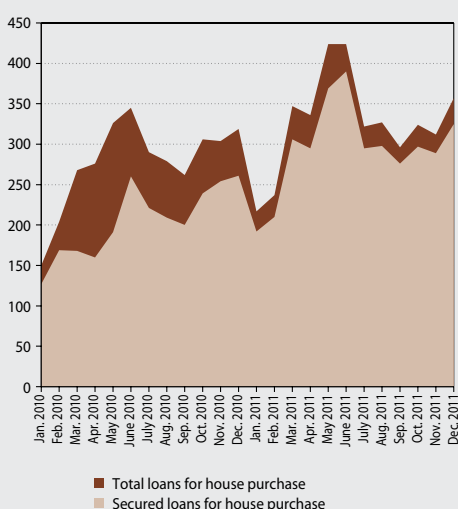
category rose by 0.2% year-on-year, to 13.8% p.a. as at the end of 2011. In the euro area, interest rates on *loans for consumption* of a comparable type rose more significantly in the period under review, by 0.4% to 7.6% p.a.

Chart 66 Interest rates on loans for consumption and loans for house purchases to households in SR and Euro area (new business)



Source: NBS.

Chart 68 Share of secured loans for house purchase on total loans for house purchase to households (new business) (EUR millions)



Source: NBS.

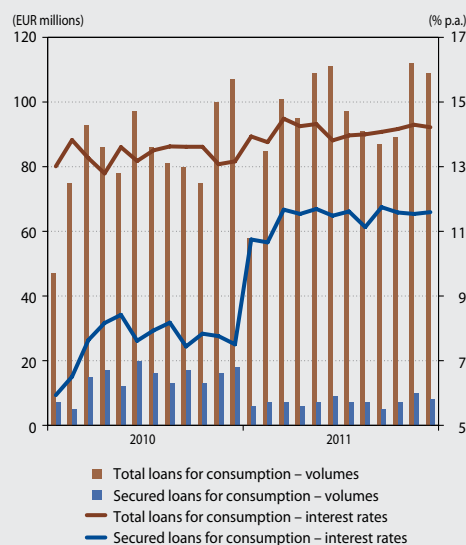


The share of new secured loans for house purchase in the total volume of new loans for house purchase provided to households increased in year-on-year terms, from 79.6% to 91% as at the end of 2011. The average weighted interest rate

on secured loans rose by 0.4 percentage point, to 5.0% p.a.

In the case of loans for consumption, the share of secured loans was substantially smaller than in the case of loans for house purchase. This share decreased on a year-on-year basis, from 16.8% to 7.3% as at the end of 2011. The smaller share of secured loans in 2011 was reflected in the level of interest rates, compared with the previous year. Interest rates on secured consumer loans rose in year-on-year terms, from 7.5% p.a. to 11.6% p.a.

Chart 69 Interest rates and volumes on secured and total loans for consumption to households (new business)

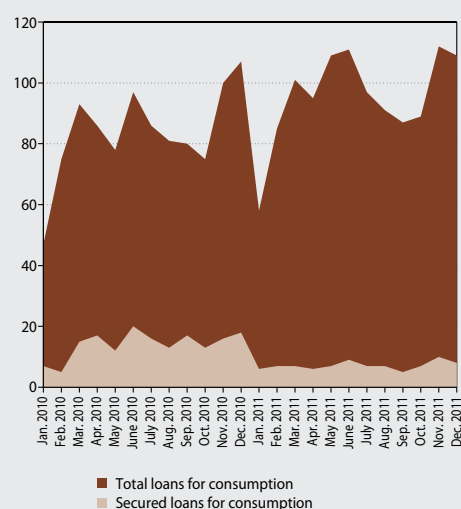


Source: NBS

2.9.3 INTEREST RATES AND VOLUMES: LOANS PROVIDED TO NON-FINANCIAL CORPORATIONS (OUTSTANDING AMOUNTS)

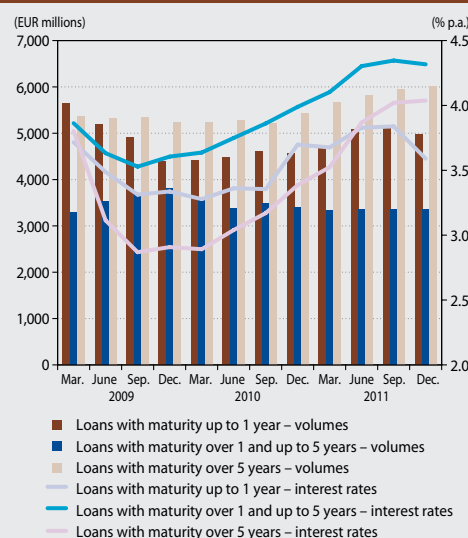
Interest rates on loans with a maturity of over one and up to five years were higher than the rates for other loan categories (a long-term trend), but these loans were the smallest of all in terms of volume. Since the second half of 2009, loans with a maturity of over five years had been the most significant in the Slovak market in terms of volume. This trend also continued in 2011.

Chart 70 Share of secured loans for consumption on total loans for consumption to households (new business) (EUR millions)



Source: NBS.

Chart 71 Interest rates and volumes of loans by maturity to non-financial corporations (outstanding amounts)



Source: NBS.



Lending rates for non-financial corporations showed a rising tendency, except for loans with a maturity of up to one year, the price of which fell by 0.1% year-on-year, to 3.6% p.a. In year-on-year terms, the steepest rise was recorded in interest rates on long-term loans with a maturity of over five years, which rose from 3.4% p.a. to 4.0% p.a. Interest rates on loans with a maturity of over one and up to five years rose by 0.3%, to 4.3% p.a. as at the end of 2011.

A comparison of interest rates on large-volume loans provided to non-financial corporations in Slovakia and the rates for the same categories in the euro area indicates that interest rates on loans with a maturity of up to one year in Slovakia remained virtually unchanged (at 3.7% p.a., falling by only 0.04% year-on-year), while lending rates for the same category in the euro area rose by 0.75% year-on-year, to 4.26% p.a. Interest rates on loans with a maturity of over five years showed the same tendency in Slovakia and the euro area. In year-on-year terms, the average lending rate in Slovakia rose by 0.65%, to 4.04% p.a. The euro area recorded a more moderate rise in lending rates in this category, i.e. by 0.3% to 3.72% p.a.

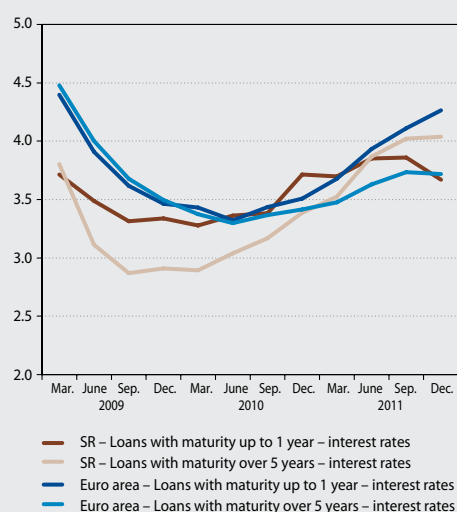
2.9.4 INTEREST RATES AND VOLUMES: LOANS PROVIDED TO HOUSEHOLDS (OUTSTANDING AMOUNTS)

In terms of volume, loans provided to households for consumption and house purchases were clearly dominated by loans with a maturity of over five years.

Overall, interest rates on loans provided to households for house purchases showed a falling tendency. The sharpest interest rate fall was recorded in the case of house purchase loans with a maturity of up to one year by 0.55%, to 5.44% p.a.. Interest rates on housing loans with a maturity of over five years fell by 0.34% year-on-year, to 5.18% p.a. The most moderate fall occurred in rates for house purchase loans with a maturity of over one and up to five years by 0.18%, to 5.78% p.a..

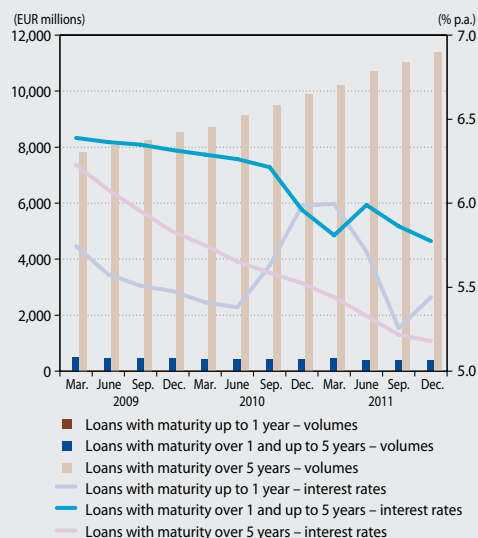
The volumes of loans for consumption with a maturity of up to one were negligible. This was reflected in the rates of interest, too. Interest rates on loans for consumption with a maturity of over one and up to five years followed a stable course, though the volume of these loans was decreasing. In terms of volume, the most significant category was that of loans for consumption with a maturity of over five years. Interest rates on these loans were rising slowly but steadily.

Chart 72 Interest rates of loans by maturity to non-financial corporations in SR and Euro area (outstanding amounts)



Source: NBS.

Chart 73 Interest rates and volumes on loans for house purchase by maturity to households (outstanding amounts)



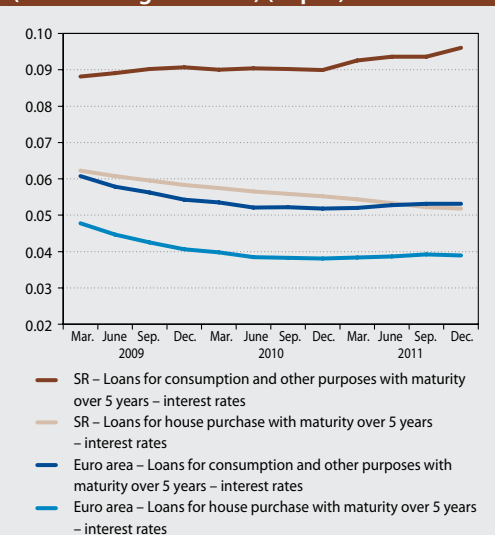
Source: NBS.



Interest rates on loans for consumption provided to households followed a rising trend in all maturities. The steepest rise was recorded in rates for loans for consumption with a maturity of up to one year (1.6%, to 14.2% p.a.), but these loans were of little significance in terms of volume. Interest rates on loans for consumption with a maturity of over one and up to five years rose only slightly, from 14.5% p.a. at the end of December 2010 to 14.6% p.a. at the end of December 2011. A significant interest rate rise was also recorded in the category of loans for consumption with a maturity of over five years (the most significant in terms of volume), where interest levels rose in year-on-year terms from 12.5% p.a. to 13.4% p.a.

For a comparison of lending rates for households in Slovakia and the euro area, the most significant categories of loans were selected (in terms of volume): *loans for house purchases* with a maturity of over five years and *loans for consumption and other loans* with a maturity of over five years. In Slovakia, interest rates on *loans for consumption and other loans* with a maturity of over five years rose by 0.6% year-on-year, to 9.6% p.a. In the euro area, lending rates in this category rose only slightly, by 0.1% year-on-year (to 5.3% p.a.). Interest rates on *loans for house purchases* with a maturity of over five years followed different trends. In Slovakia, the average lending rate fell

Chart 75 Interest rates of loans by maturity to households in SR and Euro area (outstanding amounts) (% p.a.)



Source: NBS.

by 0.3% year-on-year, to 5.2% p.a.. In the euro area, lending rates in the same category rose by 0.1%, to 3.9% p.a.

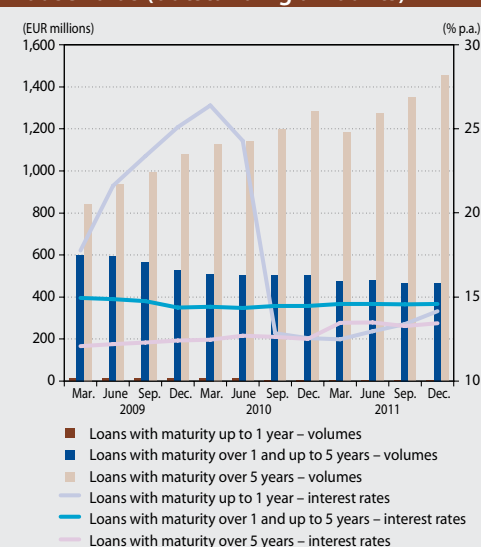
2.10 DEPOSITS RECEIVED FROM NON-FINANCIAL CORPORATIONS AND HOUSEHOLDS

2.10.1 DEPOSITS RECEIVED FROM NON-FINANCIAL CORPORATIONS

After stagnating in the third quarter of 2011, the total volume of deposits received from non-financial corporations decreased in the fourth quarter, by an average of 2.8% month-on-month. Deposits redeemable on demand fell in volume by an average of 0.6% in the fourth quarter, which was 2.7 percentage points less than in the previous quarter. Time deposits decreased by an average of 7.2% in the fourth quarter, which was 13.5 percentage points less than in the previous quarter. In December 2011, deposits redeemable on demand accounted for 70.2% of total deposits; the remaining 29.8% was made up by time deposits.

Demand deposits received from non-financial corporations followed different trends in Slovakia and in the euro area as a whole. In Slovakia, these deposits decreased slightly in the fourth quarter of 2011, by an average of 0.6%, while the same

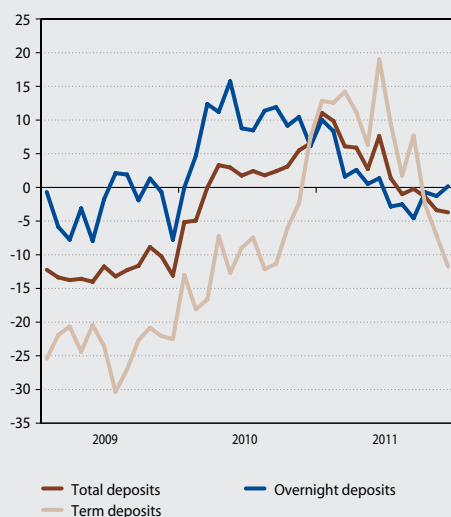
Chart 74 Interest rates and volumes on loans for consumption by maturity to households (outstanding amounts)



Source: NBS.

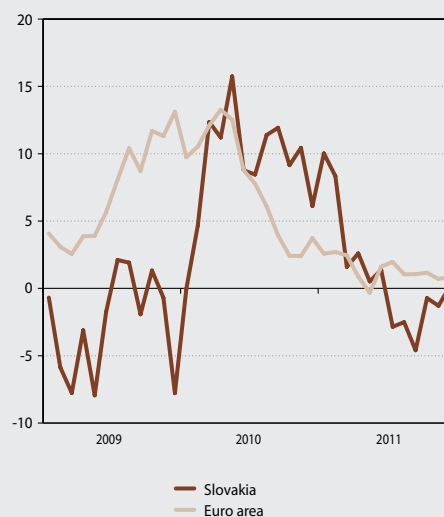


Chart 76 Deposits of non-financial corporations by maturity (year-on-year change in %)



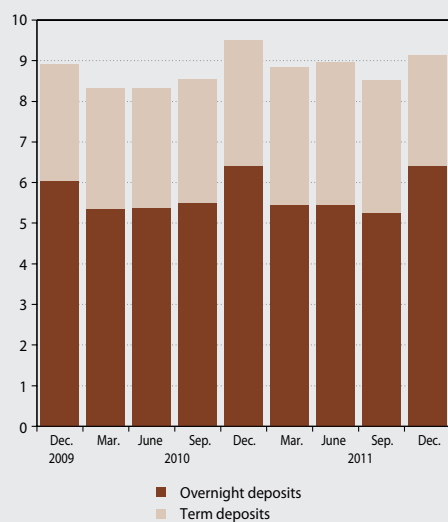
Source: NBS.

Chart 78 Overnight deposits of non-financial corporations (year-on-year changes)



Source: NBS, ECB.

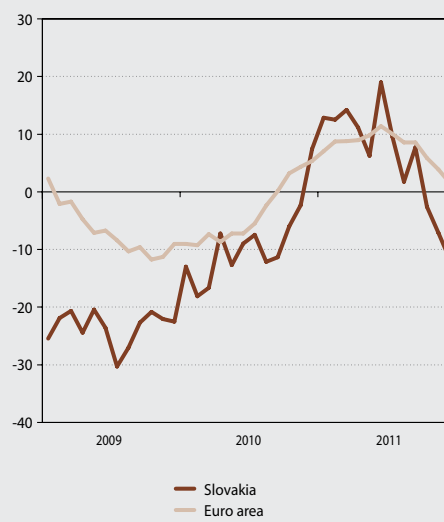
Chart 77 Deposits of non-financial corporations by type



Source: NBS.

Note: The source data is in nominal value.

Chart 79 Term deposits of non-financial corporations (year-on-year changes)



Source: NBS, ECB.

deposits in the euro area increased by an average of 0.9%. In Slovakia, the rate of decline slowed by 2.7 percentage points quarter-on-quarter, while the euro area recorded a slowdown of 0.4 percentage point in the rate of growth.

The trend in time deposits received from non-financial corporations in Slovakia differed from

that observed in the euro area. Time deposits in Slovakia fell by an average of 7.2% quarter-on-quarter, while those in the euro area grew by 3.7%. However, they showed a decelerating tendency in both regions. In Slovakia, they slowed by 13.5 percentage points, after accelerating by 6.3% in the previous quarter. The rate of growth in the euro area slowed by 5.3 percentage points.

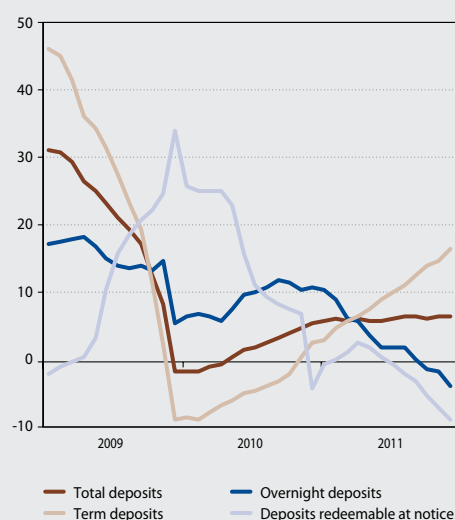


2.10.2 DEPOSITS RECEIVED FROM HOUSEHOLDS

Deposits received from households grew at virtually the same pace as in the previous quarter, at an average of 6.4%. Time deposits increased by an average of 14.8%. Deposits redeemable on demand and those redeemable at notice decreased by an average of 2.2% and 7.2% respectively.

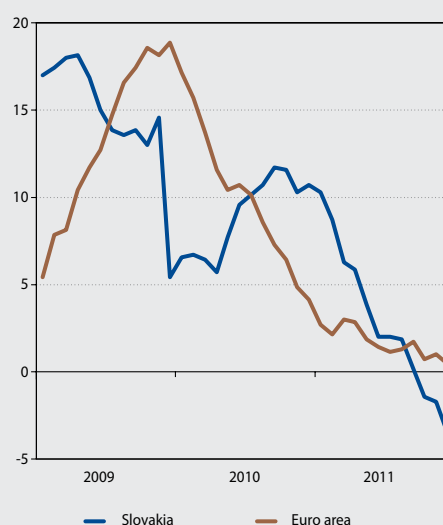
Household deposits redeemable on demand followed different trends in Slovakia and the euro area. In Slovakia, these deposits declined over the final quarter of 2011 at a steadily accelerating pace, by an average of 2.2% per month. In the euro area, they grew in volume at a decelerating pace, by 0.7%. In Slovakia, the rate of decline accelerated in that period by 3.5 percent-

Chart 80 Deposits of households by maturity (year-on-year change in %)



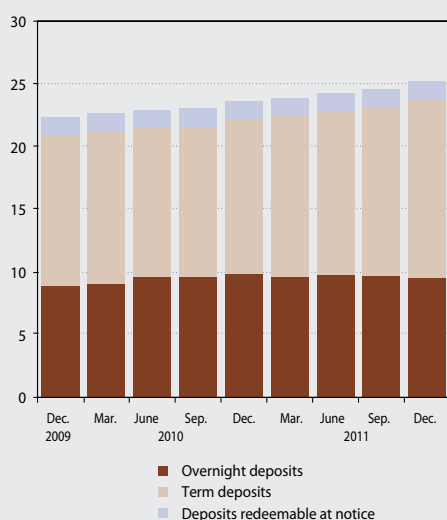
Source: NBS.

Chart 82 Overnight deposits of households (year-on-year changes)



Source: NBS, ECB.

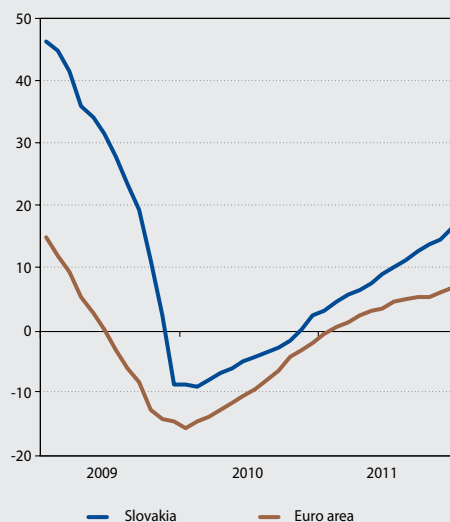
Chart 81 Deposits of households by type (EUR millions)



Source: NBS

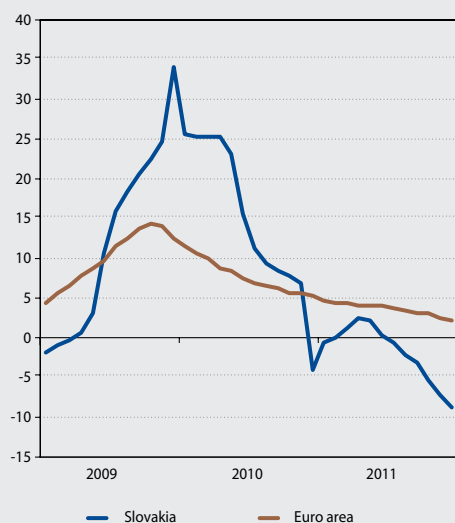
Note: The source data is in nominal value.

Chart 83 Term deposits of households (year-on-year changes)



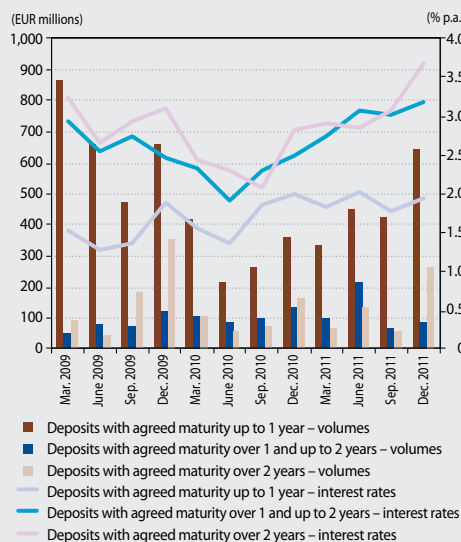
Source: NBS, ECB.

Chart 84 Deposits of households redeemable at notice (year-on-year changes)



Source: NBS, ECB.

Chart 85 Interest rates and volumes on deposits with agreed maturity from households (new business)



Source: NBS.

age points, while the growth rate recorded in the euro area slowed by 0.6 percentage point.

The time deposits of households in Slovakia and the euro area showed similar tendencies. In Slovakia, however, they grew more dynamically, by an average of 14.9% per month. In the euro area, time deposits grew by only 6.2%, but at a steady accelerating pace, too.

In the final quarter of 2011, household deposits redeemable at notice followed different trends in Slovakia and the euro area. In Slovakia, they fell in volume by an average of 7.2% per month, while those in the euro area expanded by 2.7%. These deposits, however, showed a negative tendency for the third successive quarter, in the form of accelerating decline in Slovakia and decelerating growth in the euro area.

2.11 INTEREST RATES AND VOLUMES OF DEPOSITS RECEIVED

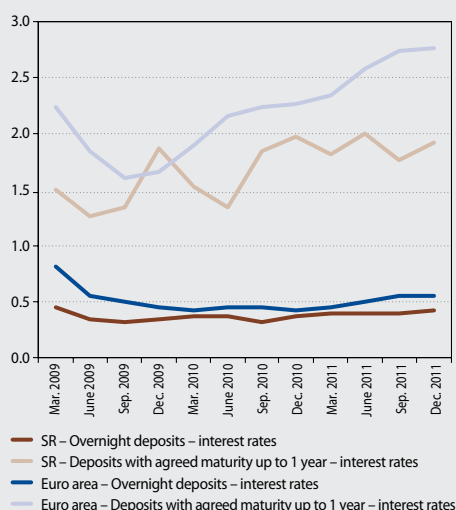
2.11.1 INTEREST RATES AND VOLUMES: DEPOSITS RECEIVED FROM HOUSEHOLDS (NEW BUSINESS)

Interest rates on new deposits with agreed maturity, received from households, followed a rising trend in 2011, except those on deposits with a maturity of up to one year. In year-on-year terms, the

steepest year-on-year rise was recorded in interest rates on deposits with an agreed maturity of over two years, from 2.8% p.a. in December 2010 to 3.7% p.a. at the end of 2011. The share of these deposits in the total volume of newly received deposits with agreed maturity increased from 24% to 27% on a year-on-year basis. Interest rates on new deposits with an agreed maturity of over one and up to two years rose by 0.7%, to 3.2% p.a. Interest rates on new deposits with an agreed maturity of up to one year remained virtually unchanged: they fell from 1.97% p.a. to 1.92% p.a. on a year-on-year basis. In terms of volume, this category of new deposits with agreed maturity continued to be the most significant in 2011. In year-on-year terms, the share of these deposits increased by 9 percentage points, to 64% of the total volume of new household deposits with agreed maturity.

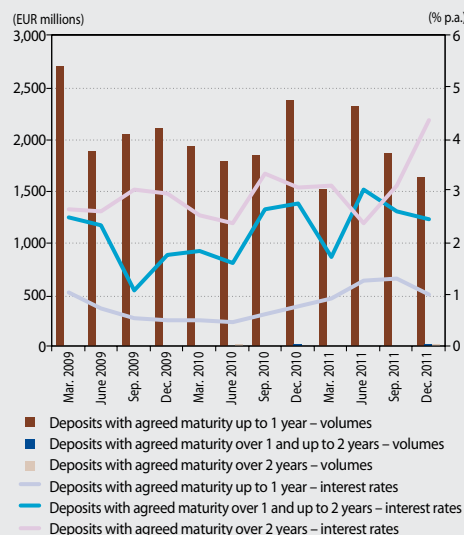
For a comparison of interest rates on new deposits received from households in Slovakia and those on the same category in the euro area, we selected the most significant deposit categories (in terms of volume), i.e. overnight deposits and deposits with an agreed maturity of up to one year. In Slovakia, interest rates on overnight deposits remained unchanged in year-on-year terms, at 0.4% p.a. In the euro area, deposit rates in the same category rose slightly, by 0.1% year-on-year to 0.5% p.a.. Interest rates on deposits with a maturity of up to one

Chart 86 Interest rates on deposits from households in SR and Euro area (new business) (% p.a.)



Source: NBS.

Chart 87 Interest rates and volumes on deposits with agreed maturity from non-financial corporations (new business)



Source: NBS.

year showed a different tendency. In year-on-year terms, the average deposit rate in this category fell by 0.1% to 1.9% p.a. in Slovakia, while the average rate for the same category in the euro area rose by 0.5% to 2.8% p.a..

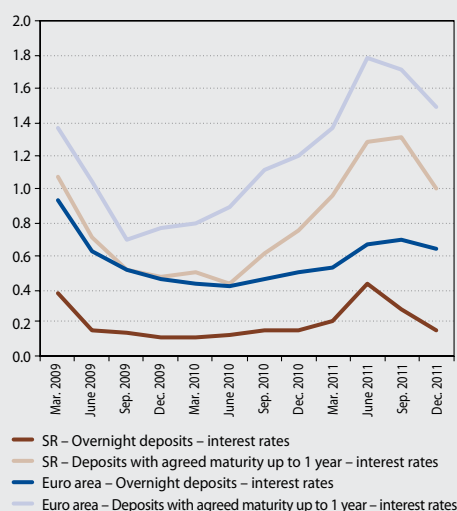
2.11.2 INTEREST RATES AND VOLUMES: DEPOSITS RECEIVED FROM NON-FINANCIAL CORPORATIONS (NEW BUSINESS)

Interest rates on new deposits with agreed maturity received from non-financial corporations, except those on deposits with a maturity of over one and up to two years, showed a rising tendency in December 2011, compared with December 2010. The steepest rise was recorded in interest rates on deposits with an agreed maturity of over two years, i.e. 1.4%, to 4.4% p.a. as at 31 December 2011. The share of these deposits was insignificant, as well as the share of new deposits with an agreed maturity of over one and up to two years, the price of which fell by 0.3%, to 2.4% p.a. Interest rates on new deposits with an agreed maturity of up to one year rose by 0.2% year-on-year, to 1.0% p.a. At the same time, this category of new deposits was the most significant in terms of volume: it accounted for almost 100% of the volume of new deposits received from non-financial corporations.

For a comparison of interest rates on new deposits received from non-financial corporations in Slova-

kia and those on the same category in the euro area, we selected the most significant deposit categories (in terms of volume), i.e. overnight deposits and deposits with an agreed maturity of up to one year. In Slovakia, interest rates on overnight deposits received from non-financial corporations remained unchanged over the course of 2011, at

Chart 88 Interest rates on deposits from non-financial corporations in SR and Euro area (new business) (% p.a.)



Source: NBS.

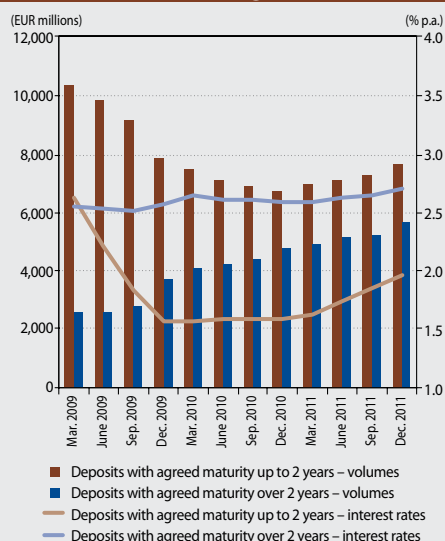
0.2% p.a. In the euro area, deposit rates in the same category rose slightly, by 0.1% year-on-year to 0.6% p.a.. Interest rates on deposits with a maturity of up to one year showed a rising tendency in both Slovakia and the euro area. In Slovakia, the average deposit rate in this category rose by 0.2% year-on-year to 1.0% p.a., while the corresponding rate in the euro area rose by 0.3% to 1.5% p.a..

2.11.3 INTEREST RATES AND VOLUMES: DEPOSITS RECEIVED FROM HOUSEHOLDS (OUTSTANDING AMOUNTS)

Since the entry of Slovakia into the euro area (1 January 2009) and the adoption of ECB interest rates, the share of household deposits with an agreed maturity of up to two years has changed substantially in favour of the share of deposits with an agreed maturity of more than two years.

In year-on-year terms, the outstanding amount of household deposits with an agreed maturity of up to two years decreased by 1% in favour of deposits with an agreed maturity of over two years. Thus, these deposits accounted for 42% of the total volume of household deposits with agreed maturity, while the average deposit rate rose slightly, by 0.1% year-on-year to 2.7% p.a.. The average interest rate on deposits with an agreed maturity of up to two years rose to a significant extent, from 1.6% p.a. to 2.0% p.a.

Chart 89 Interest rates and volumes of deposits with agreed maturity from households (outstanding amounts)

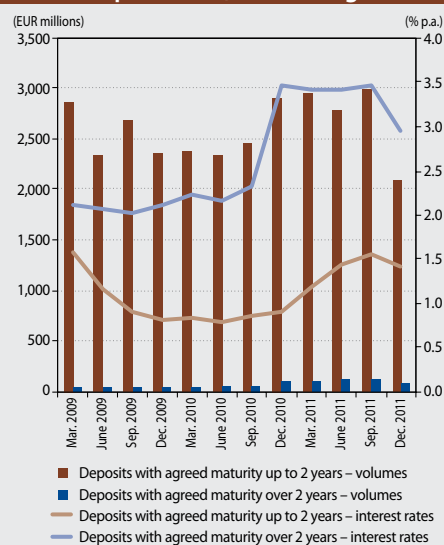


Source: NBS.

2.11.4 INTEREST RATES AND VOLUMES: DEPOSITS RECEIVED FROM NON-FINANCIAL CORPORATIONS (OUTSTANDING AMOUNTS)

The share in total deposits of the outstanding amount of deposits with a maturity of over two years received from non-financial corporations increased by 1 percentage point, to 4% at the end of December 2011. Interest rates on deposits of this type fell by 0.5%, to 2.95% p.a. In the period under review, the average interest rate on deposits with an agreed maturity of up to two years rose by 0.5% to 1.4% p.a., while the share of these deposits increased slightly to 96% of the total volume of deposits with agreed maturity received from non-financial corporations.

Chart 90 Interest rates and volumes on deposits with agreed maturity from non-financial corporations (outstanding amounts)



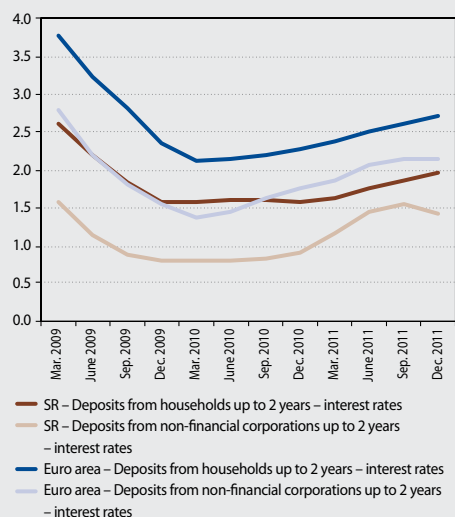
Source: NBS.

2.11.5 COMPARISON OF DEPOSIT RATES IN SLOVAKIA AND THE EURO AREA (OUTSTANDING AMOUNTS)

For a comparison of interest rates on deposits received from non-financial corporations and from households in Slovakia and those on the same category in the euro area, we selected the most significant deposit categories (in terms of volume), i.e. deposits with an agreed maturity of up to two years. In Slovakia, interest rates on deposits with an agreed maturity of up to two years, received from non-financial corporations, rose by 0.5% to 1.4% p.a. in December 2011, compared with December 2010. In the euro area, deposit



Chart 91 Interest rates on deposits with agreed maturity in SR and Euro area (outstanding amounts)



Source: NBS.

rates in the same category also increased in the year under review, from 1.8% p.a. in December 2010 to 2.1% p.a. in December 2011. Interest rates on deposits with a maturity of up to two years received from households showed a rising tendency in both Slovakia and the euro area (a rise of 0.4%). In Slovakia, deposit rates rose to 2.0% p.a. as at the end of 2011, compared with 2.7% p.a. in the euro area.



NÁRODNÁ BANKA SLOVENSKA
EUROSYSTEM

CHAPTER 3

COLLECTIVE INVESTMENT: MUTUAL FUNDS



3 COLLECTIVE INVESTMENT – MUTUAL FUNDS

In the financial market of Slovakia, collective investment was represented by seven domestic asset management companies, which managed 82 open-end mutual funds as at 31 December 2011. Compared with the previous quarter, the number of asset management companies decreased by one in December, when Allianz Asset Management merged with IAD Investments. The legal successor (the latter) has taken over all of the mutual funds managed by Allianz Asset Management.

Actual list of asset management companies:

- Alico Funds Central Europe správ. spol., a.s.
- Asset Management Slovenskej sporiteľne, správ. spol., a.s.
- ČSOB Asset Management, správ. spol., a.s.
- IAD Investments, správ. spol., a.s.
- Prvá Penzijná správcovská spoločnosť Poštovej banky, správ. spol., a.s.
- Tatra Asset Management, správ. spol., a.s.
- VÚB Asset Management, správ. spol., a.s.

Open-end mutual funds can be classified according to the type of instrument in which they primarily invest³. The investment strategy of a fund is directly related to the expected rate of return, as well as to the risk involved. The general rule is that the higher the potential return, the higher the risk involved. Limits for investment of sources gained from the sale of mutual fund shares/units are defined in the Collective Investment Act. According to the sectoral classification of economic entities, money market funds are classified as *monetary financial institu-*

tions (S.122) and other categories referred to as *investment funds* are classified as *other financial intermediaries* (S.123). The statistics of assets and liabilities of mutual funds is governed by the relevant regulations and guidelines of the European Central Bank⁴.

3.1 CURRENT DEVELOPMENTS IN THE DOMESTIC MUTUAL FUNDS MARKET

The final quarter of 2011 was very significant in terms of developments in the mutual funds market. The changes made under the new collective investment act had entered into effect. The stricter criteria and limits set for the portfolio of money market funds led to the reclassification of five money market funds to short-term bond funds. Since the funds were reclassified in December 2011, it would be incorrect to evaluate the effects of year-on-year changes in money market funds and bond funds. In the fourth quarter of 2011, the rate of year-on-year decrease in the value of assets managed by equity funds accelerated by 7.31 percentage points, to 21.04% as at 31 December 2011. The value of assets managed by real estate funds continued to rise (a long-term trend). This rise reached 78.6% at the end of December 2011, compared with the same period a year earlier. Other funds recorded a year-on-year increase in assets of almost 40% in December 2011, compared with December 2010, as a result of growth in investment into so called secured funds.

³ According to the object of investment, mutual funds can be classified as money market funds, equity funds, bond funds, mixed funds, real estate funds, and other funds.

⁴ Regulation (EC) No. 958/2007 of the European Central Bank of 27 July 2007 concerning statistics on the assets and liabilities of investment funds (ECB/2007/8).

(http://www.ecb.int/ecb/legal/pdf/L_21120070811sk00080029.pdf)

Regulation (EC) No. 25/2009 of the European Central bank of 19 December 2008 concerning the balance sheet of the monetary financial institutions sector (ECB/2008/32)

(http://www.ecb.int/ecb/legal/pdf/L_01520090120sk00140062.pdf), as amended by ECB Regulation No. ECB/2011/12.

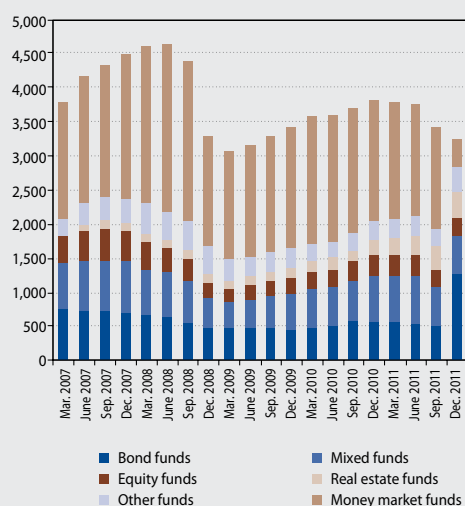
Guideline of the European Central Bank of 1 August 2007 on monetary, financial institutions and markets statistics (ECB/2007/9) (http://www.ecb.int/ecb/legal/pdf/L_34120071227sk00010232.pdf), as amended by the Guidelines ECB/2008/31, ECB/2009/23 and ECB/2011/13.

Table 11 Year-on-year changes in total assets of mutual funds by type

Total assets	Year-on-year change in %				
	XII. 10	III. 11	VI. 11	IX. 11	XII. 11
Bond funds	27.53	17.05	7.38	-9.14	124.57
Equity funds	25.85	18.57	15.12	-13.73	-21.04
Mixed funds	24.70	19.91	21.76	-4.80	-15.51
Real estate funds	48.54	63.12	56.69	104.01	78.60
Other funds	2.19	12.21	23.12	-0.66	39.71
Money market funds	-0.75	-8.06	-11.23	-19.21	-78.16

Source: NBS.

Chart 92 Mutual funds broken down by investment strategy (EUR millions)



Source: NBS.

The current decrease in the assets of mutual funds, especially money market funds, is influenced to some extent by rising interest rates on term deposits and the resulting redemption of shares of mutual funds and their conversion into bank deposits. A certain revival may be stimulated by the new collective investment Act No. 203/2011 of 1 June 2011, that came into force since 1 July 2011 and which has introduced numerous novelties⁵ for the mutual funds market. This Act is designed to implement the provisions of Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS IV Directive).

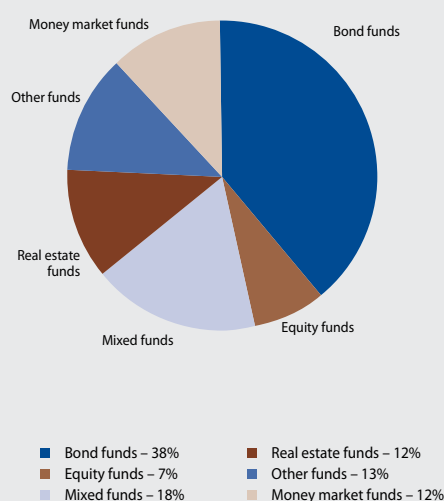
3.2 STRUCTURE OF MUTUAL FUNDS BY INVESTMENT STRATEGY IN SLOVAKIA AND THE EURO AREA

The reclassification of money market funds in December 2011 is also reflected in the structure of domestic mutual funds by investment strategy. At the end of the third quarter of 2011, the most significant category of domestic mutual funds was that of money market funds, which account-

ed for 43% of the total assets of mutual funds. As at 31 December 2011, bonds funds constituted the largest category with a share of 38%. They were followed by mixed funds, the share of which remained unchanged in comparison with the previous quarter, at 18%. The proportion of other funds, which were dominated by secured funds, increased by 6 percentage points compared with the third quarter, from 7% in September 2011 to 13% at end-December 2011. They were followed by real estate funds and money market funds with a share of 12% (each); the smallest category as at 31 December 2011 was that of equity funds with a share of 7%.

The structure of mutual funds in the euro area, supplemented with the 'hedge funds' category, remained virtually unchanged over the final quarter of 2011. In connection with the new definition of money market funds, changes are expected to occur in the first half of 2012. As at 31 December 2011, the largest category was that of bond funds with a share of 30%, followed by equity funds (24%), mixed funds (22%), money market funds (10%), other funds (7%), and real estate funds (5%). The smallest category was that of hedge funds with a share of about 2%.

Chart 93 Domestic mutual funds by type: percentage share on total assets as at 31 December 2011



Source: NBS.

⁵ The most important changes in terms of market development were the possibility of creating sub-funds within the scope of mutual funds, the introduction of a master-feeder structure, and the possibility of conducting cross-border activities via a domestic asset management company in the territory of another Member State, and/or via a foreign asset management company in Slovakia, the so called "Management company passport".

Chart 94 Euro area mutual funds by type: percentage share on total assets as at 31 December 2011

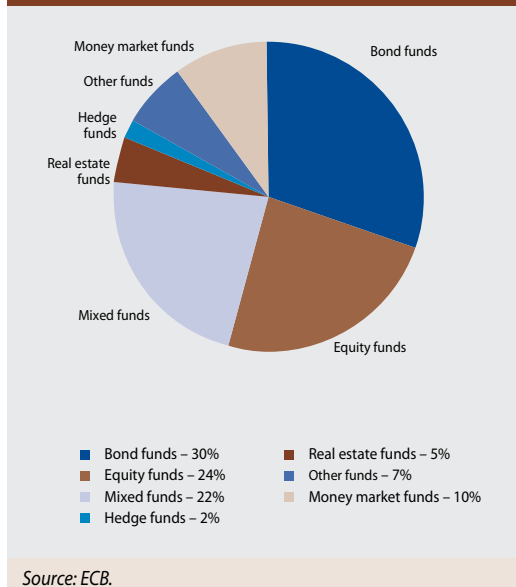
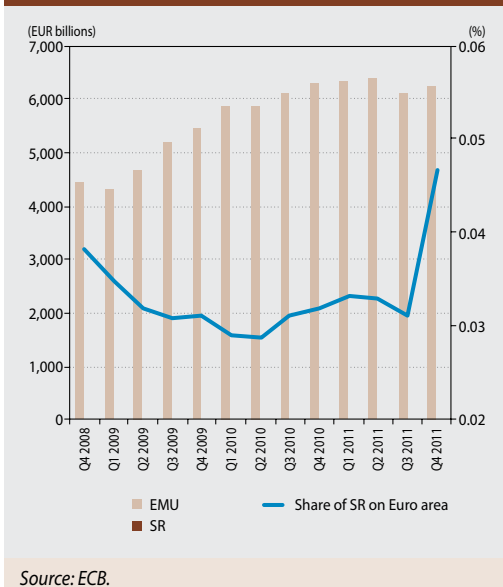


Chart 95 Total assets of euro area investment funds and share of domestic investment funds



3.3 ASSETS OF INVESTMENT FUNDS IN SLOVAKIA AND THE EURO AREA

By issuing and selling shares/units, mutual funds obtain financial resources from investors (shareholders) and subsequently invest these resources into various types of assets, in accordance with their investment strategy and the limits defined in the Collective Investment Act.

This chapter focuses on the assets of investment funds (mutual funds other than money market funds), because the assets structure of euro area money market funds is not published by the ECB since these funds are included in the aggregated balance sheet of monetary financial institutions, including credit institutions, and are published in this form.

In the past two years, domestic investment funds contributed only about 0.03% to the total assets of euro area investment funds. In the last quarter of 2011, this contribution increased somewhat, to 0.05% as at 31 December 2011, owing to the growing assets of real estate funds and other funds.

In Slovakia, as well as in the euro area, investment funds invested mostly in debt securities

(as at 31 December 2011). They accounted for 45% of the total assets of domestic investment funds and for 39% of the total assets of euro area funds. Mutual funds shares/units accounted for about 14% of the total assets of both domestic and euro area investment funds, and thus represented the third most significant cat-

Chart 96 Structure of assets of domestic investment funds as at 31 December 2011

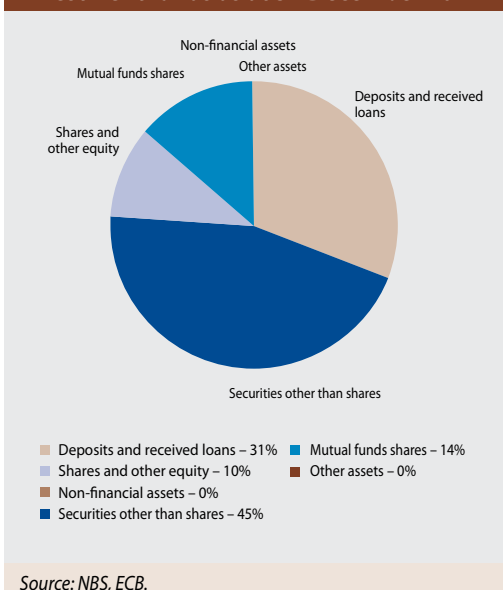
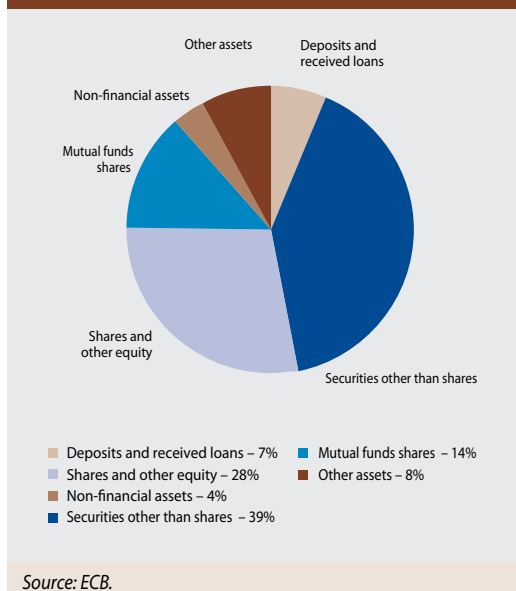


Chart 97 Structure of assets of euro area investment funds as at 31 December 2011



egory in both regions. The proportions of the other categories differed considerably in Slovakia and the euro area. In the case of Slovak investment funds, bank deposits were the second most significant item with a share of 31% of total assets, compared with only 7% in the case of euro area investment funds (the second least significant item). Non-financial assets and other assets (e.g. financial derivatives) were negligible in the balance sheet of Slovak funds. In the balance sheet of euro area funds, however, other assets accounted for 8% and non-financial assets for 4%.

3.4 ASSETS STRUCTURE OF DOMESTIC MUTUAL FUNDS

3.4.1 MONEY MARKET FUNDS

Money market funds are considered to be the least risky funds. They invest predominantly in money market instruments and liquid securities. The reclassification of money market funds to bond funds also affected the assets structure of individual types of funds. At the end of the last quarter of 2011, money market funds had 52% of their resources invested in bank deposits and 48% in debt securities. Compared with the previous quarter, the share of bank deposits increased by 11 percentage points, while that of debt se-

curities decreased by 8 percentage points. The balance sheet contained no mutual fund shares/units, though at 30 September 2011 they had accounted for about 3% of the total assets of money market funds.

The securities portfolio of money market funds was dominated by domestic securities, with a share increasing by about 27 percentage points compared with the previous quarter, to 90.2% as at 31 December 2011. They were followed by securities issued in other euro area countries (7.4%) and securities issued in the rest of the world (2.4%). Broken down by sector, money market funds invested mostly in government bonds (S.13), which accounted for 54.5% and in securities issued by credit institutions (S.122), the share of which reached 43.6% at end-December 2011.

The liquidity of securities held in the portfolios of mutual funds is an important factor in risk assessment. An interesting aspect is the comparison of original and residual maturities of securities in the portfolios of money market funds: while securities with an agreed maturity of over two years accounted for 45% of the securities portfolio, their share reached only 2% with the residual maturity being taken into account, i.e.

Chart 98 Money market funds: evolution of assets (EUR millions)

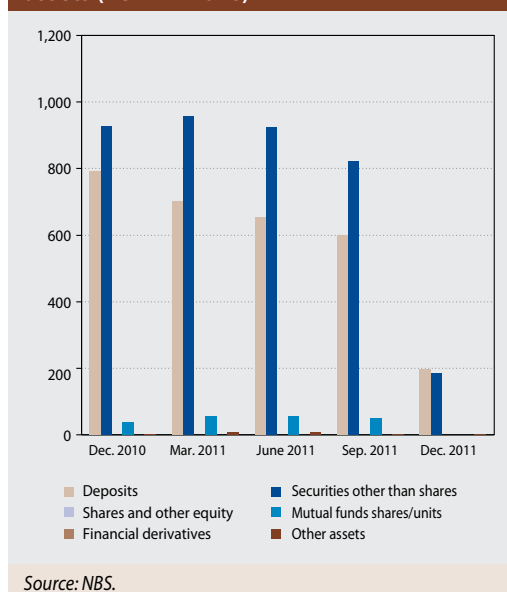
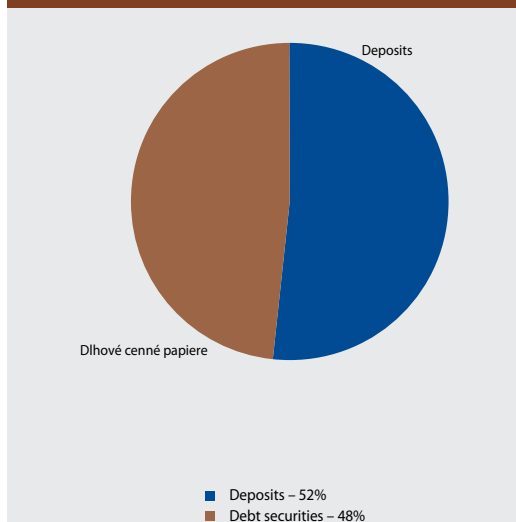
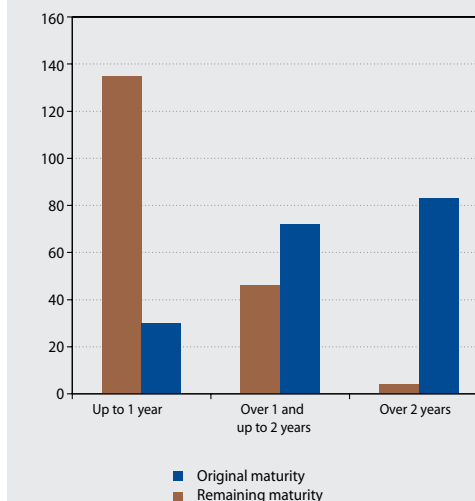


Chart 99 Money market funds: structure of assets as at 31 December 2011



Source: NBS.

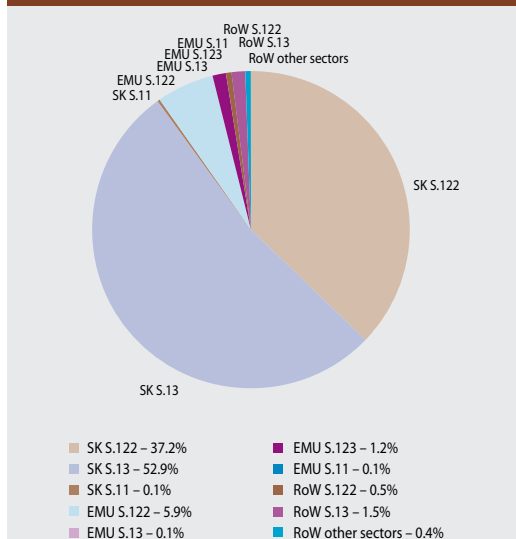
Chart 101 Maturity breakdown of debt securities in portfolio of money market funds as at 31 December 2011 (EUR millions)



Source: NBS.

20 percentage points less than in the previous quarter (22%). This difference can be attributed to the tightened criteria and investment limits for money market funds.

Chart 100 Geographical and sectoral breakdown of debt securities in portfolio of money market funds as at 31 December 2011



Source: NBS

Note: SK = domestic issuers; EMU = issuers from other euro area member states; RoW = issuers from the rest of the world.

3.4.2 BOND FUNDS

Bond (conservative) funds invest primarily in government and bank debt securities, and in fixed-term bank deposits. As at 31 December 2011, the assets managed by bond funds were dominated by debt securities (66%), followed by bank deposits (30%) and mutual funds shares/units (4%). The proportions of individual types of assets remained unchanged in comparison with the previous quarter, despite the emergence of new, reclassified short-term bond funds. The share of bank deposits increased by 5 percentage points at the expense of debt securities and other assets, the share of which decreased by 4 percentage points and 1 percentage point respectively.

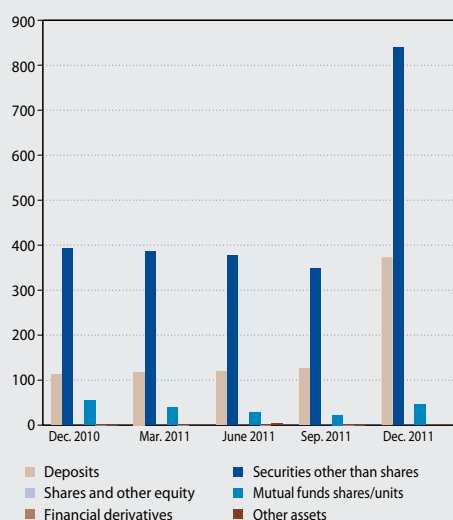
At the end of the final quarter of 2011, the securities portfolio of bond funds was dominated by domestic securities (with a share of 55.8%), followed by securities issued outside the euro area (24.5%) and securities issued in other euro area countries, the share of which increased by 8.7 percentage points (to 19.7%). Broken down by sector, the structure of securities portfolios managed by bond funds changed in the fourth quarter, with the reclassification of former money market funds. The share of government bonds decreased to 49.9% as at 31 December 2011 (from 63% at the end of the third quarter), that



of securities issued by banks increased by almost 15 percentage points (to 40.7%), that of bonds issued by non-financial corporations decreased by 3 percentage points (to 3.9%), while securities issued by other sector accounted for 5.5%.

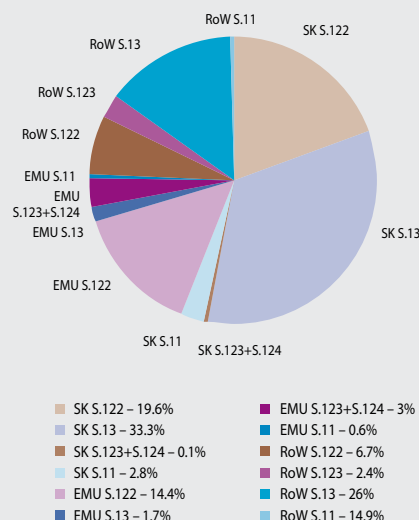
Broken down by residual maturity, bond funds had 39% of their portfolio in securities with maturity up to one year, 29% in securities with maturity over 1 and up to 2 years, and 32% in securities with maturity over two years.

Chart 102 Bond funds: evolution of assets (EUR millions)



Source: NBS.

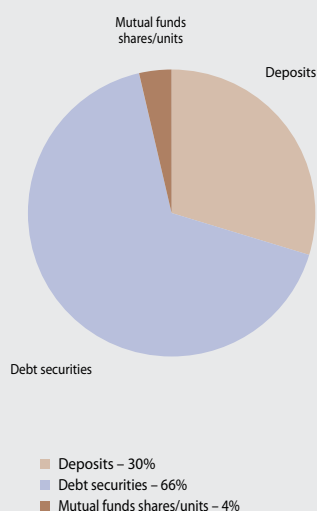
Chart 104 Geographical and sectoral breakdown of debt securities in portfolio of bond funds as at 31 December 2011



Source: NBS

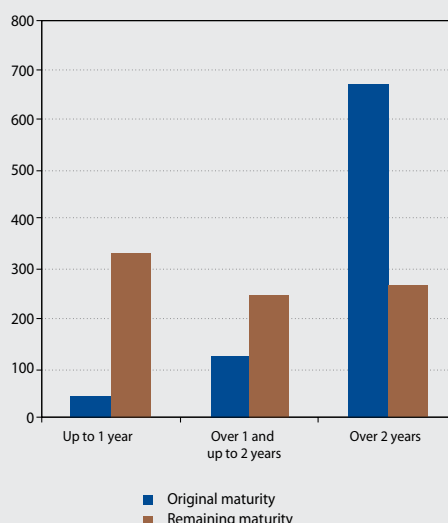
Note: SK = domestic issuers; EMU = issuers from other euro area member states; RoW = issuers from the rest of the world.

Chart 103 Bond funds: structure of assets as at 31 December 2011



Source: NBS.

Chart 105 Maturity breakdown of debt securities in portfolio of bond funds as at 31 December 2011 (EUR millions)



Source: NBS.

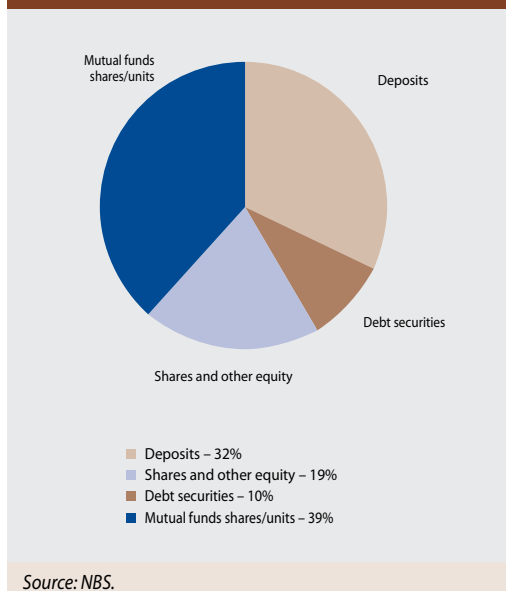
3.4.3 EQUITY FUNDS

The equity market developments that took place in the second half of 2011 were also reflected in the asset structure of equity funds. The proportion of shares decreased by 6 percentage points quarter-on-quarter, to 17% at the end of the third quarter, then increased slightly again in the fourth quarter, by 2 percentage points to 19%. Despite this, shares remained the third most significant item in the balance sheets of equity funds. The most significant were mutual fund shares/units (39%), followed by fixed-term bank deposits (32%). The smallest share was represented by debt securities (10%).

The geographical breakdown of mutual fund shares/units remained virtually unchanged in the quarter under review. Mutual fund shares/units issued by domestic mutual funds accounted for approximately 49%, shares issued by mutual funds in other euro area countries accounted for 34%, and those issued by mutual funds in the rest of the world represented 17%.

A marked change, however, occurred when money market funds failing to meet the new definition were shifted from the S.122 sector to that of S.123. At the end of the year, the ratio between these two sectors was 6 to 94 in favour of the S.123 sector, compared with 20 to 80 at the end of the third quarter.

Chart 107 Equity funds: structure of assets as at 31 December 2011



The geographical and sectoral structure of shares held in the portfolios of equity funds remained nearly unchanged in the quarter under review. The most significant position was maintained by non-financial corporations (S.11) from the rest of the world, whose share fluctuated around 60%.

Chart 106 Equity funds: evolution of assets (EUR millions)

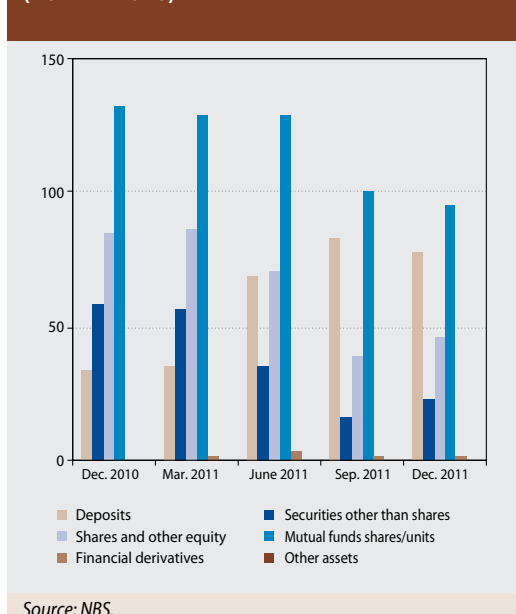


Chart 108 Geographical and sectoral breakdown of mutual funds shares/units in portfolio of equity funds as at 31 December 2011

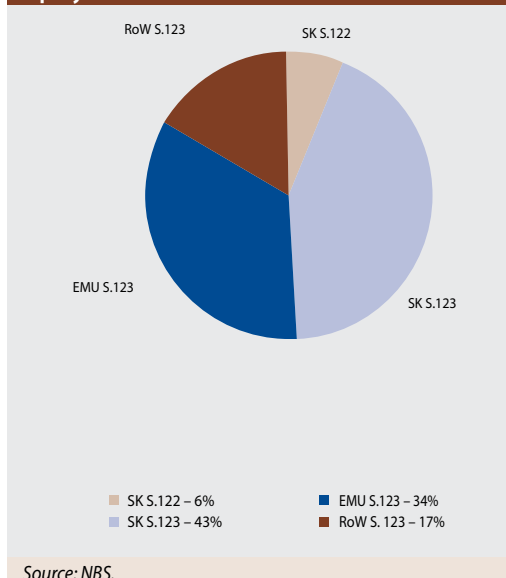
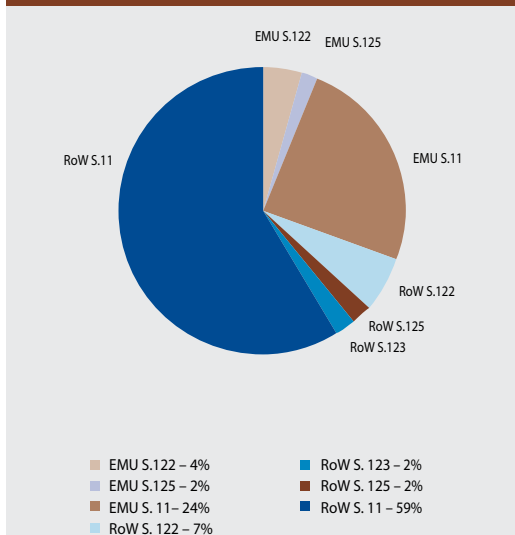


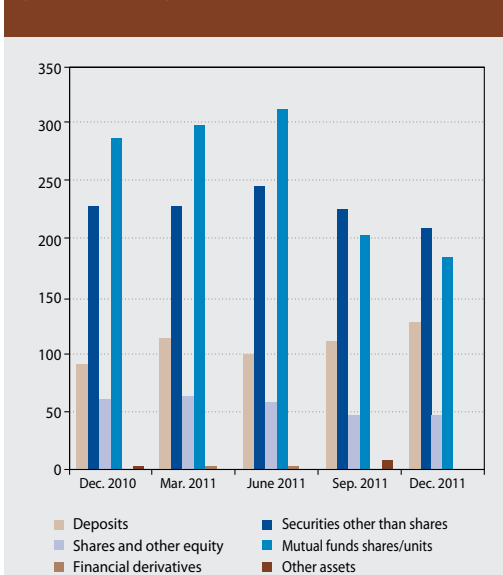
Chart 109 Geographical and sectoral breakdown of shares and other equity in portfolio of equity funds as at 31 December 2011



Source: NBS.

Note: SK = domestic issuers; EMU = issuers from other euro area member states; RoW = issuers from the rest of the world.

Chart 110 Mixed funds: evolution of assets (EUR millions)



Source: NBS.

3.4.4 MIXED FUNDS

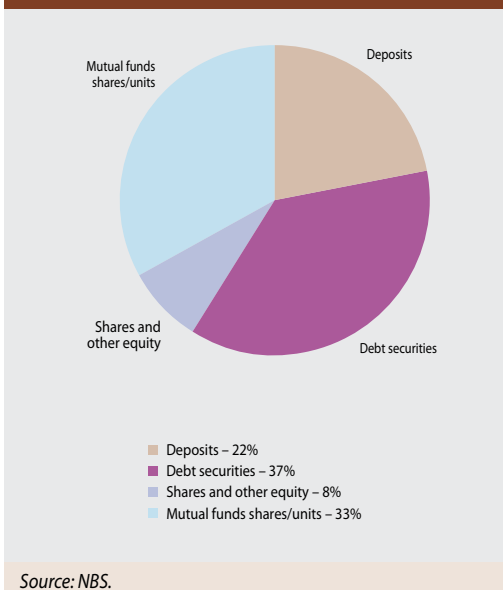
Since mixed funds are constituted in large part by funds of funds, their portfolio is dominated in the long term by mutual fund shares/units. Financial market developments were also reflected in the asset structure of mixed funds in the second half of 2011. The value of mutual fund shares/units had fallen to a significant extent by the end of September 2011, thus the proportion of this component to total assets decreased by 10 percentage points, from 44% in June 2011 to 34% in September 2011. This proportion decreased in the fourth quarter by only 1 percentage point, to 33%. The other balance-sheet items of mixed funds also remained virtually unchanged in the final quarter of 2011. The proportion of debt securities stood at 37% as at 31 December 2011, while bank deposits accounted for 22% and shares & other equity participations for 8%.

In geographical terms, the structure of mutual fund shares/units changed in the fourth quarter in favour of shares/units issued by domestic mutual funds, because the shares/units sold were largely from non-resident mutual funds based in other euro area countries or in the rest of the world.

At the end of December 2011, the structure of securities in the portfolio of mixed funds was domi-

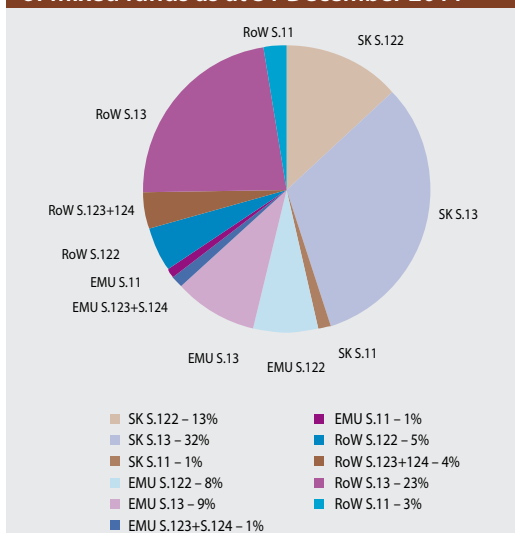
nated by bonds issued by domestic entities (46%). They were followed by securities issued in the rest of the world (35%) and in other euro area countries (19%). Broken down by sector, the dominant sector was general government (S.13), the share of which in the portfolio of mixed funds increased by 4 percentage points in the fourth quarter, to 64%.

Chart 111 Mixed funds: structure of assets as at 31 December 2011



Source: NBS.

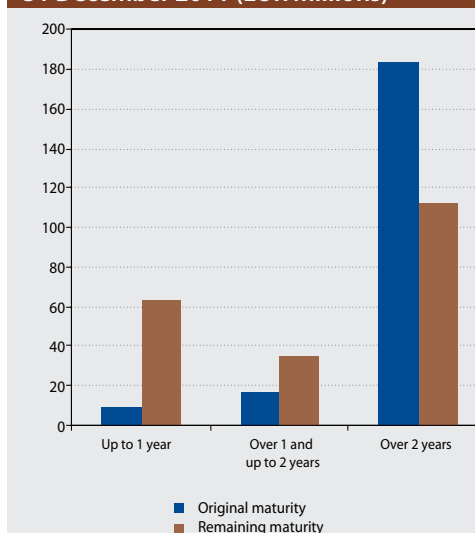
Chart 112 Geographical and sectoral breakdown of debt securities in portfolio of mixed funds as at 31 December 2011



Source: NBS.

Note: SK = domestic issuers; EMU = issuers from other euro area member states; RoW = issuers from the rest of the world.

Chart 114 Maturity breakdown of debt securities in portfolio of mixed funds as at 31 December 2011 (EUR millions)



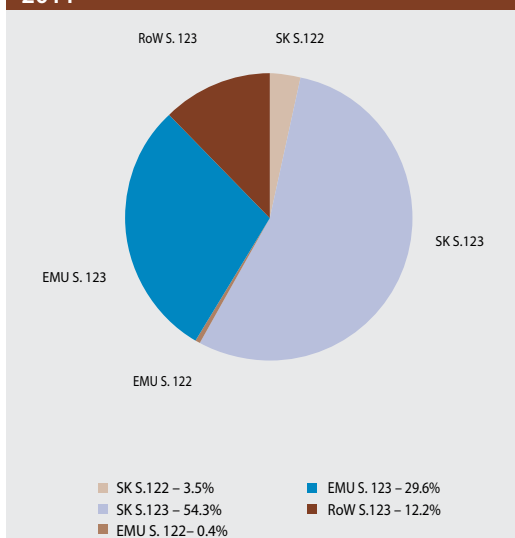
Source: NBS.

Broken down by residual maturity, mixed funds had 30% of their portfolio in securities with maturity up to one year, 16% in securities with maturity over one and up to two years, and 54% in securities with maturity over two years.

3.4.5 REAL ESTATE FUNDS

Real estate funds invest primarily in shares and equity participations in real estate companies. In compliance with the law, they use the funds obtained to provide loans to real estate compa-

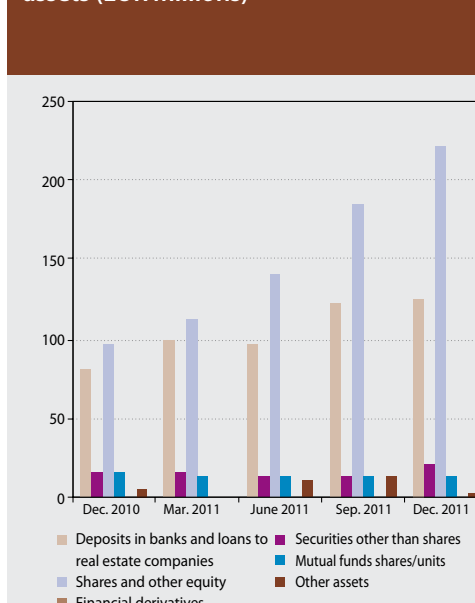
Chart 113 Geographical and sectoral breakdown of mutual funds shares/units in portfolio of mixed funds as at 31 December 2011



Source: NBS

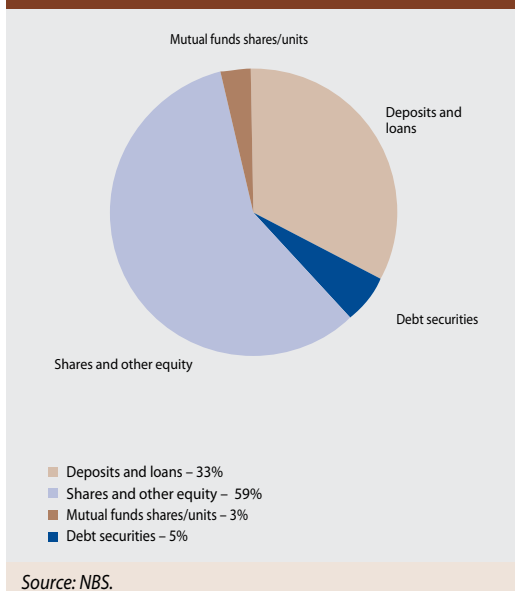
Note: SK = domestic issuers; EMU = issuers from other euro area member states; RoW = issuers from the rest of the world

Chart 115 Real estate funds: evolution of assets (EUR millions)



Source: NBS.

Chart 116 Real estate funds: structure of assets as at 31 December 2011



nies. The proportions of these two components to total assets changed in the quarter under review as follows: the proportion of deposits and loans provided to real estate companies decreased by 3 percentage points (to 33%), while that of shares and equity participations in real

estate companies increased by 7 percentage points (to 59%).

Their geographical and sectoral breakdown shows that the largest share (92.4%) was accounted for by domestic non-financial corporations (S.11) and the remaining less than 8% by non-financial corporations from other EU Member States (7.3%) and other euro area countries (0.3%).

3.4.6 OTHER FUNDS

Other mutual funds are defined as mutual funds not belonging to any of the previous categories (in terms of investment strategy). They comprise, for example, the funds of special investors, institutional funds, and guaranteed funds. The main components of other funds' assets are debt securities and bank deposits. They were greatly influenced in the fourth quarter by the emergence of new funds in this category, whose assets comprised only bank deposits in the first few months of operation. As a result, the share of bank deposits increased by 15 percentage points compared with the previous quarter, to approximately 40%, while the share of securities decreased by 13 percentage points, to 46.5%. As at 31 December 2011, more than 92% of the debt securities were from domestic issuers.

Chart 117 Geographical and sectoral breakdown of shares and other equity in portfolio of real estate funds as at 31 December 2011

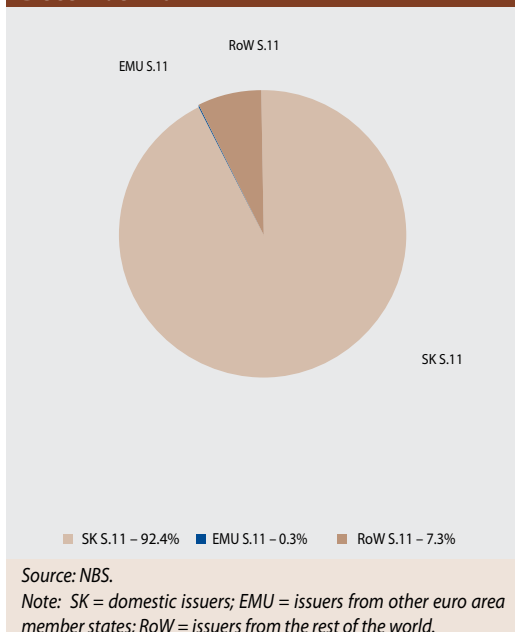


Chart 118 Other funds: evolution of assets (EUR millions)

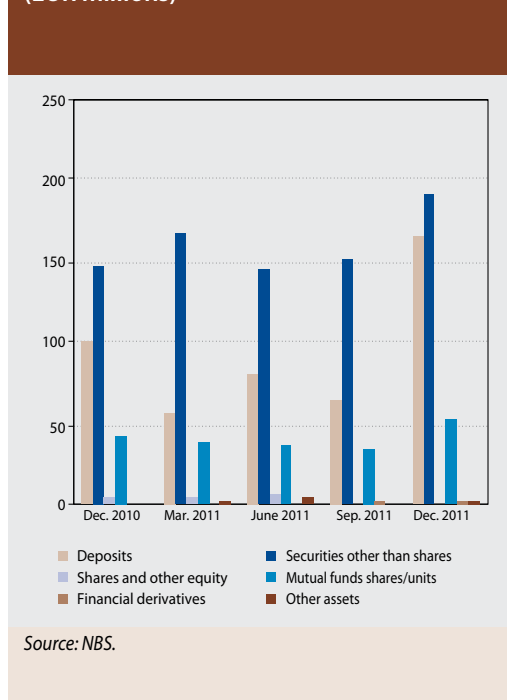
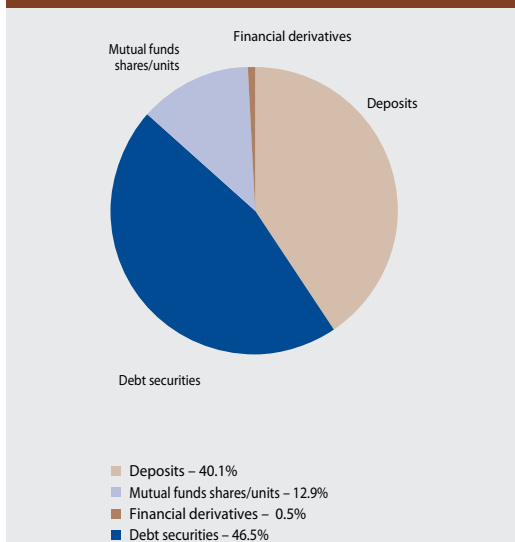


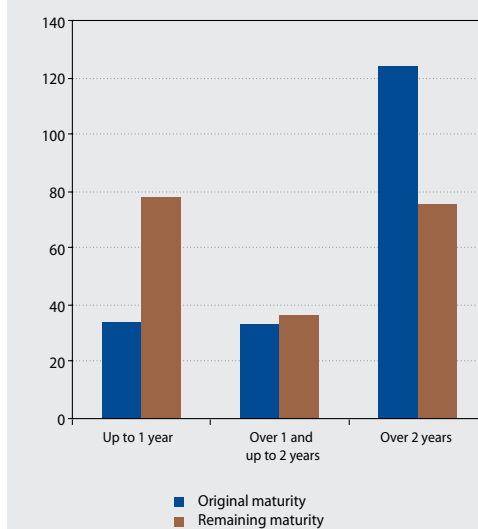


Chart 119 Other funds: structure of assets as at 31 December 2011



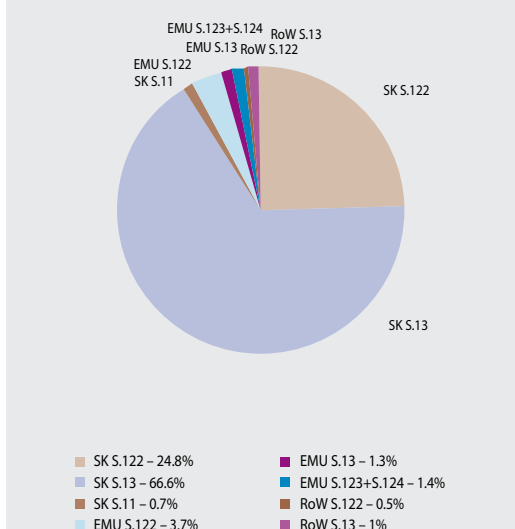
Source: NBS.

Chart 121 Maturity breakdown of debt securities in portfolio of other funds as at 31 December 2011 (EUR millions)



Source: NBS.

Chart 120 Geographical and sectoral breakdown of debt securities in portfolio of other funds as at 31 December 2011



Source: NBS.

Note: SK = domestic issuers; EMU = issuers from other euro area member states; RoW = issuers from the rest of the world.

Broken down by sector, the structure of debt securities was dominated by government bonds (S.13) with a share of 69%. Broken down by residual maturity, the securities had the following composition: securities with maturity up to one year (41%), securities with maturity over one and up to two years (19%), and securities with maturity over two years (40%).



NÁRODNÁ BANKA SLOVENSKA
EUROSYSTEM

CHAPTER 4

LEASING COMPANIES, FACTORING COMPANIES, AND CONSUMER CREDIT COMPANIES



4 LEASING COMPANIES, FACTORING COMPANIES, AND CONSUMER CREDIT COMPANIES

According to the sectoral classification of economic entities, analyzed companies are included in the S.123 sector – *other financial intermediaries*⁶, as a subcategory referred to as *financial corporations engaged in lending*.

Other financial intermediaries are engaged primarily in long-term financing, which distinguishes the S.123 sector from that of S.122 (monetary financial institutions).

These entities have been monitored by the NBS Statistics Department since 2007, when their obligation to report data to NBS was imposed by an NBS decree⁷. The range of data reported complies in full with the current requirements⁸ of the European Central Bank concerning the statistics of other financial intermediaries.

In order to minimise the costs related to the reporting of data to NBS, the so-called *stratified cut-off tail sampling* technique is applied, with data collected only from entities forming a representative sample within the given group, i.e. from entities representing at least 95% of the group's total assets. In 2011, we collected quarterly balance-sheet data from eighteen (out of about 70) companies that engage in *financial leasing* as the main or substantial part of their business activity, from eight (out of about 60) consumer credit companies, and from all seven factoring companies. The missing data are supplemented by estimated figures, so as to cover the given types of entities up to 100%.

The positive trend in the consumer credit market continued in the final quarter of 2011. The total assets of consumer credit companies grew in year-on-year terms, at a steadily accelerating pace. As at 31 December 2011, the value of their assets was 7.84% higher than a year earlier. This was 0.8 percentage point more than in the previous quarter. The total assets of factoring companies continued to decline in year-on-year terms, at a decelerating pace. This decline turned into moderate growth at the end of 2011. In year-on-year terms, the value of assets rose by 0.58%. In the case of leasing companies, the modest year-on-year increase in assets from the third quarter (0.40%) was replaced by a slight year-on-year decrease (0.47%).

Among companies engaged in non-bank lending, the dominant position has historically been maintained by leasing companies, though they show a downward trend. By the end of 2011, their proportion had decreased below 70%, the lowest level in the last three years.

The geographical breakdown of credits and loans provided by domestic companies engaged in non-bank lending indicates that such credits and loans are used predominantly by domestic customers. In the case of leasing companies, the share of domestic customers was nearly 100% at the end of the fourth quarter. Borrowing from domestic consumer credit companies was used exclusively by domestic customers. In the case of

6 The European System of National Accounts (ESA 95) defines other financial intermediaries, except insurance corporations and pension funds as financial corporations and quasi-corporations engaged mainly in financial intermediation through the acceptance of liabilities in forms other than cash, deposits and/or substitutes of deposits from institutional units other than monetary financial institutions, or insurance technical reserves.

7 Decrees of Národná banka Slovenska No. 6/2006, No. 14/2007 and No. 22/2008 on reporting by factoring, leasing and consumer credit companies for statistical purposes.

8 Guideline of the European Central Bank No. 9/2007 on monetary, financial institutions and markets statistics, as amended by Guidelines Nos. 31/2008, 23/2009 and 13/2011.

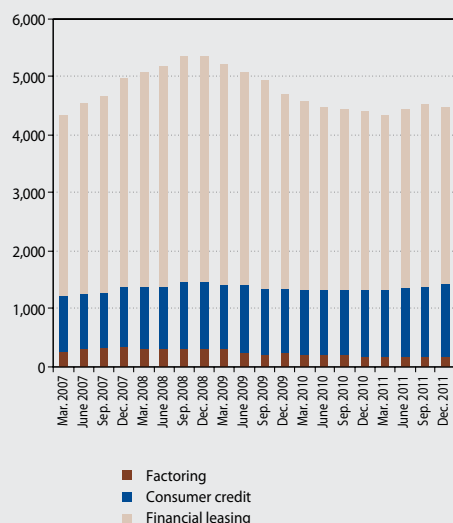
Table 12 Year-on-year changes in total assets of financial corporations engaged in lending

Total assets	Year-on-year change in %				
	XII. 10	III. 11	VI. 11	IX. 11	XII. 11
Financial leasing	-8.42	-7.50	-2.54	0.40	-0.47
Factoring	-22.97	-19.67	-9.07	-5.98	0.58
Consumer credit	1.46	4.98	5.50	7.04	7.84

Source: NBS.

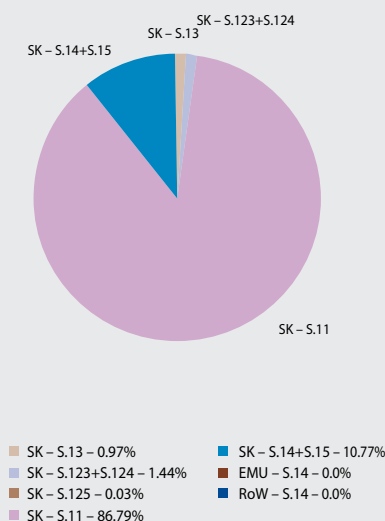


Chart 122 Evolution of total assets by type of business (EUR millions)



Source: NBS.

Chart 124 Geographical and sectoral breakdown of financial leasing companies lending as at 31 December 2011



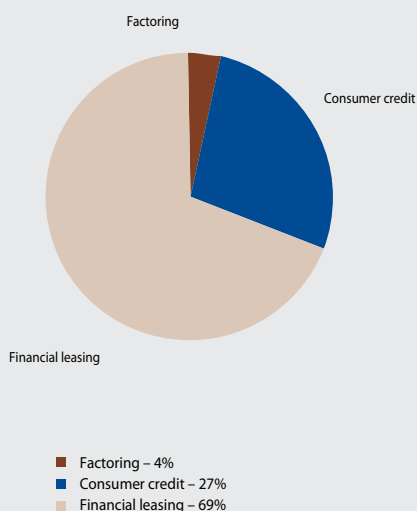
Source: NBS.

Note: SK = domestic borrowers; EMU = borrowers from other euro area member states; RoW = borrowers from the rest of the world.

factoring companies, the share of domestic customers was nearly 80%. They were followed by customers from the rest of the world, mainly cus-

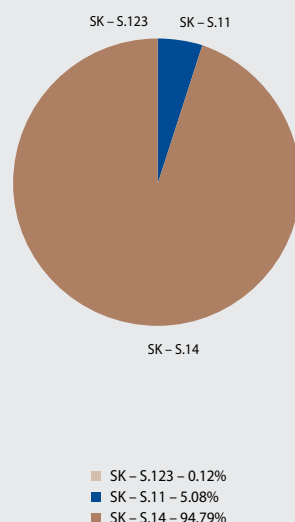
tomers from EU Member States with a share of more than 14% and customers from other euro area countries with a share of 5.76%.

Chart 123 Financial corporations engaged in lending: Assets share of included companies as at 31 December 2011



Source: NBS.

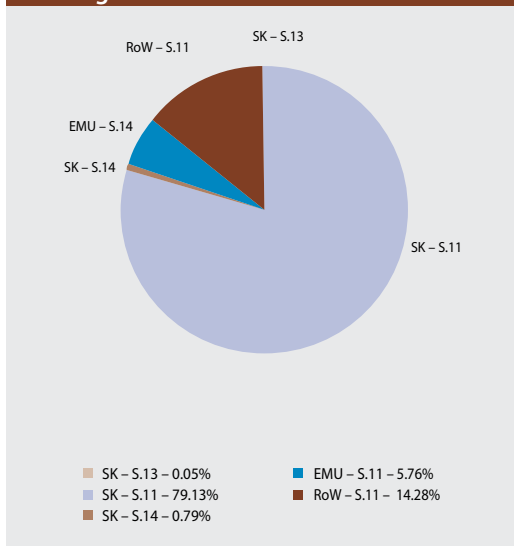
Chart 125 Geographical and sectoral breakdown of consumer credit companies lending as at 31 December 2011



Source: NBS.



Chart 126 Geographical and sectoral breakdown of factoring companies lending as at 31 December 2011



Source: NBS.

Note: SK = domestic borrowers; EMU = borrowers from other euro area member states; RoW = borrowers from the rest of the world.

At the end of 2011, the domestic customers of factoring companies were predominantly non-financial corporations (with a share of almost 99%). Financial leasing services were also used mostly by non-financial corporations (86.8%), followed by households (10.8%) and other sectors (2.4%). The sale of consumer goods against payment by instalment has long been an important form of household financing in Slovakia. At the end of the fourth quarter, the dominant sector among domestic customers was that of households (S.14) with a share of almost 95%, followed by non-financial corporations (slightly over 5%) and other sectors (0.12%).



NÁRODNÁ BANKA SLOVENSKA
EUROSYSTEM

CHAPTER 5

SECURITIES



5 SECURITIES

5.1 DEBT SECURITIES

The compilation of securities issues statistics is governed by the relevant guideline of the European Central Bank⁹. These statistics provide information on all debt securities and quoted shares issued by residents in any currency and in any country. The individual issues are classified by the sector of issuer. The statistics of debt securities issued¹⁰ focus on the outstanding amounts of issues (stocks) and flows, broken down into gross issues and redemptions, with net issues representing the difference between them.

In the long term, the largest share of the total issue amount is accounted for by the government bond issues. Their outstanding amount stood at €31,136.3 million as at the end of 2011. Bonds or mortgage bonds issued by banks represented the second most significant component, with a volume of €3,530.6 million. The share of non-monetary financial institutions was negligible in comparison with the previous two sectors. Compared with the previous

month, the outstanding amount of issues in net terms increased most significantly in the general government sector (by €377.9 million), while monetary financial institutions recorded a decrease (€89.7 million).

The outstanding amount of issues grew by more than two percent (2.18%), compared with the previous quarter. Similar increases were recorded in the *general government* (2.63%) and *non-monetary financial institutions* sectors (2.57%). At the same time, monetary financial institutions recorded a fall of 1.18% in the outstanding issue amount.

In the final quarter of 2011, the outstanding issue amount recorded a month-on-month increase in each month (1.0% in October, 0.2% in November, and 1.0% in December).

Over the fourth quarter, a total 19 new issues were placed on the securities market. Twelve of them were issued by banks, one by the government (a Treasury bill issue), four by non-financial corporations, and two by entities from other

Table 13 Debt securities (thousand EUR)

Month	Outstanding amounts				Net Issues			
	Total	Monetary Financial Institutions	Non-Monetary Financial Institutions	General Government	Total	Monetary Financial Institutions	Non-Monetary Financial Institutions	General Government
2008 / 12	20,876,803	3,563,131	700,079	16,613,592	-95,912	-605,269	-25,328	534,685
2009 / 03	21,049,147	3,378,972	660,627	17,009,549	324,377	-120,053	-13,170	457,600
2009 / 06	23,119,105	3,398,930	616,560	19,103,615	254,224	-95,743	-67,517	417,484
2009 / 09	24,451,656	3,579,006	601,642	20,271,008	453,324	4,379	2,090	446,856
2009 / 12	24,494,589	3,529,206	599,489	20,365,894	317,192	-1,492	-1,671	320,355
2010 / 03	24,930,854	3,424,545	576,692	20,929,618	962,302	-16,547	149	978,700
2010 / 06	27,143,833	3,431,300	603,346	23,109,187	608,614	1,232	-22,676	630,058
2010 / 09	26,959,713	3,405,045	612,221	22,942,447	473,296	113,662	3,634	356,000
2010 / 12	29,079,118	3,456,746	536,958	25,085,415	-44,069	100,379	-41,916	-102,532
2011 / 03	29,945,462	3,578,407	543,277	25,823,778	84,116	97,111	-6,726	-6,269
2011 / 06	30,417,674	3,529,410	530,354	26,357,910	290,325	-39,747	-4,328	334,400
2011 / 09	30,471,809	3,572,702	561,877	26,337,229	319,272	63,085	8,685	247,501
2011 / 12	31,136,310	3,530,656	576,303	27,029,351	323,589	-89,718	35,457	377,850

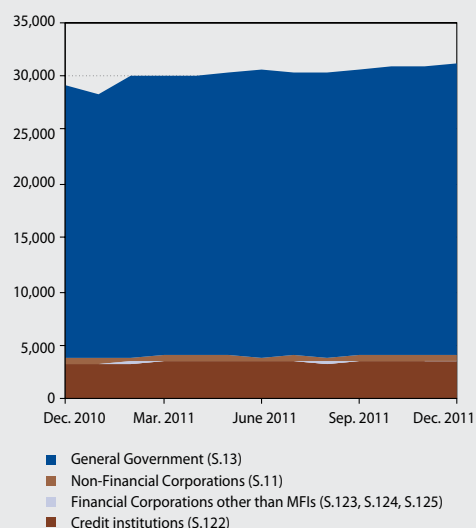
Source: NBS.

⁹ Guideline of the European Central Bank of 1 August 2007 on monetary, financial institutions and markets statistics (ECB/2007/9, Annex III, Part 12), (http://www.ecb.int/ecb/legal/pdf/l_34120071227en00010232.pdf), as amended by ECB Guidelines Nos. ECB/2008/31, ECB/2009/23 and ECB/2011/13.

¹⁰ More detailed information on securities statistics is available on the website: <http://www.nbs.sk/en/statistics/money-and-banking-statistics/securities-issues-statistics>.

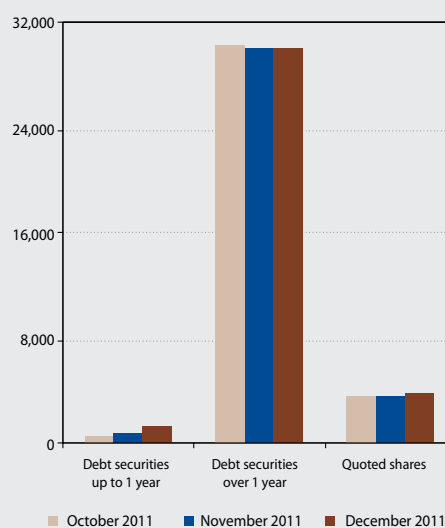


Chart 127 Debt securities by sector (outstanding amounts, EUR millions)



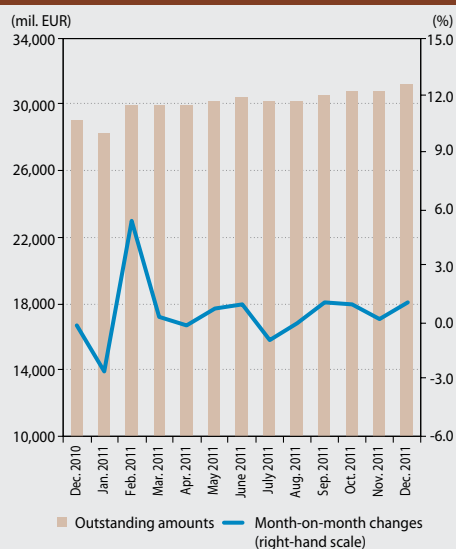
Source: NBS.

Chart 129 Debt securities (outstanding amounts, EUR millions, Q4 2011)



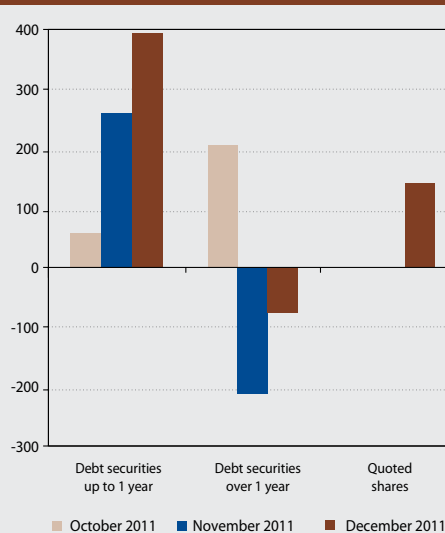
Source: NBS.

Chart 128 Debt securities (outstanding amounts, month-on-month changes)



Source: NBS.

Chart 130 Debt securities (net issues, EUR millions, Q4 2011)



Source: NBS

Note: Issues in net terms represent the difference between all issues made and redeemed in the period under review.

sectors. In net terms, the total amount of long-term debt securities fell by €74.2 million in that period. Government bond issues¹¹ increased by €35.4 million, while bank bond issues decreased by €118.6 million.

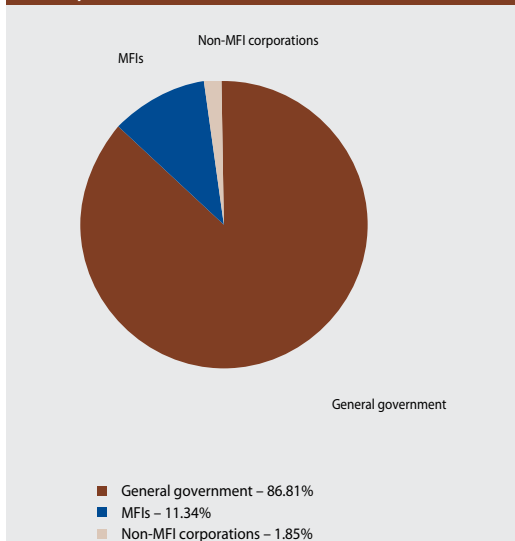
Short-term debt securities increased in net terms by €716.7 million, while Treasury bills grew by €656.7 million and a new bank bond issue was placed on the market in the amount of €60.0 million.

¹¹ In the case of government bonds, new issues were not launched, only new tranches were placed on the market within the scope of existing issues.

According to sectoral classification, the largest share of the outstanding issue amount was accounted for by the *general government* and *monetary financial institutions* sectors. Non-financial corporations accounted for less than two per-cent. According to the type of coupon, most is-

ssues were floated with a fixed coupon (almost 75%), followed by a variable coupon (16.4%) and by zero-coupon issues, which accounted for approximately 10%. The vast majority of issues were denominated in euros. As for maturity, less than 4% of the issues had an original maturity of

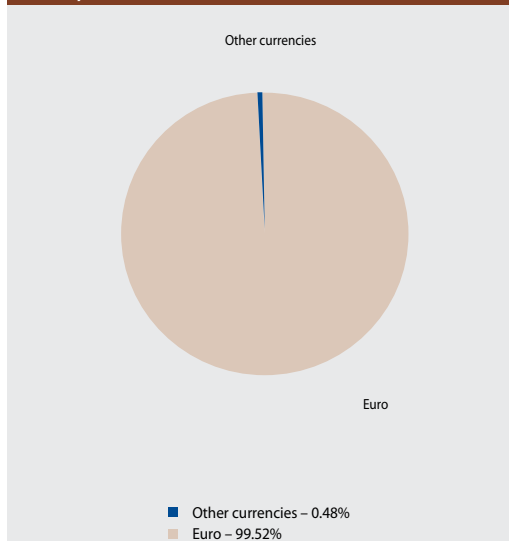
Chart 131 Debt securities by sector
(outstanding amounts as at 31 December 2011)



Source: NBS.

Note: The individual items are classified according to the outstanding amounts of issues as at 31 December 2011.

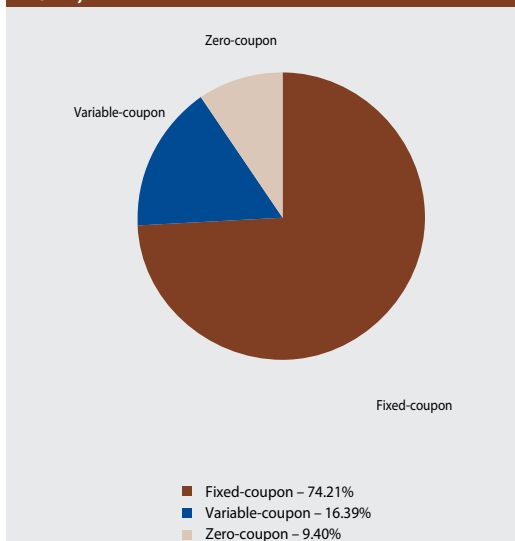
Chart 133 Debt securities by currency
(outstanding amounts as at 31 December 2011)



Source: NBS.

Note: The individual items are classified according to the outstanding amounts of issues as at 31 December 2011.

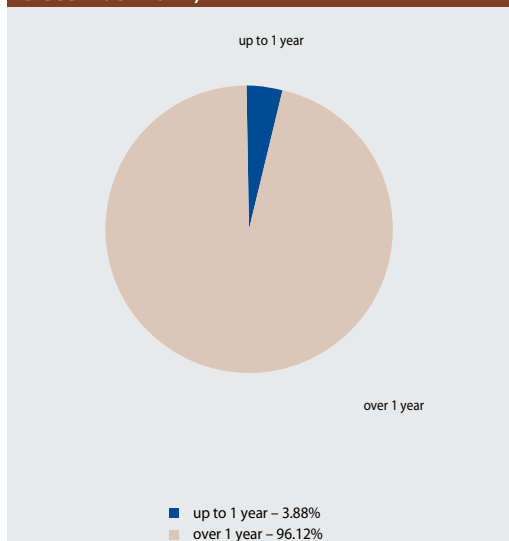
Chart 132 Debt securities by coupon type
(outstanding amounts as at 31 December 2011)



Source: NBS.

Note: The individual items are classified according to the outstanding amounts of issues as at 31 December 2011.

Chart 134 Debt securities by original maturity
(outstanding amounts as at 31 December 2011)

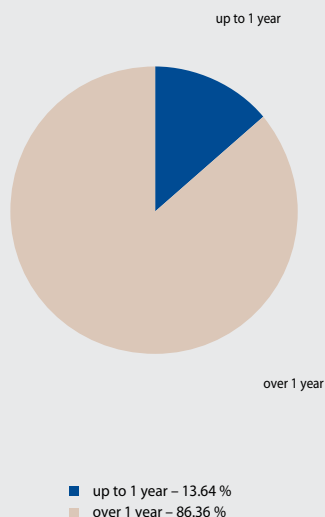


Source: NBS.

Note: The individual items are classified according to the outstanding amounts of issues as at 31 December 2011.



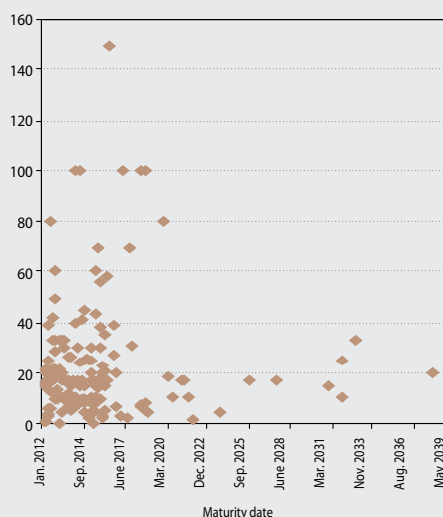
Chart 135 Debt securities by residual maturity (outstanding amounts as at 31 December 2011)



Source: NBS.

Note: The individual items are classified according to the outstanding amounts of issues as at 31 December 2011.

Chart 137 Debt securities: outstanding amounts of issues in S.122 Sector (EUR millions)



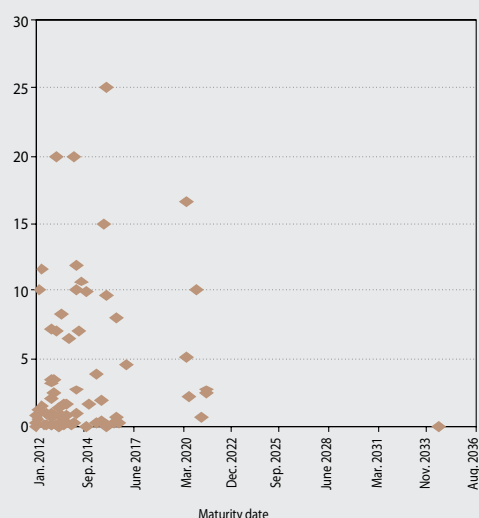
Source: NBS.

up to one year, but more than 13% had a residual maturity of up to one year.

The density of outstanding amounts of debt securities placed on the domestic market by

non-financial corporations reached a maximum of €5 million, with maturities up to 2014. The largest outstanding issue amount fluctuated between €20 million and €25 million, and the longest maturity period exceeded 20 years.

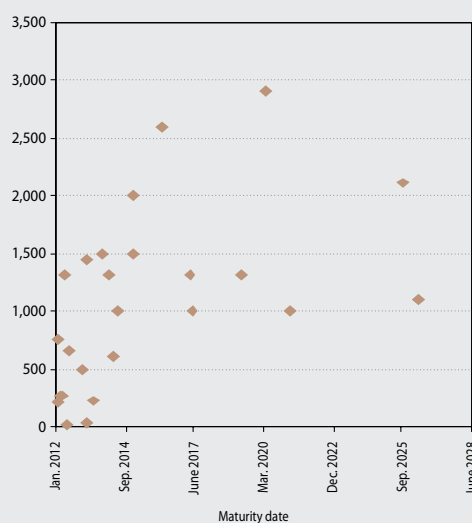
Chart 136 Debt securities: outstanding amounts of domestic issues in S.11 sector (EUR millions)



Source: NBS.

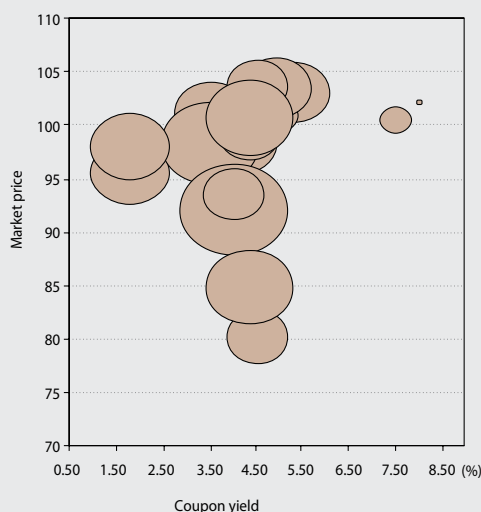
Note: For reasons of clarity, issues made abroad are not illustrated in the chart, because of their much higher outstanding amount.

Chart 138 Debt securities: outstanding amounts of issues in S.13 Sector (EUR millions)



Source: NBS.

Chart 139 Government bonds: outstanding amounts (coupon bonds only, %)



Source: CSDB, issue conditions.

Note: The bubble in this chart is directly proportional in size to the outstanding amounts of the individual issues, while the centre of the bubble is given by the intersection of the market price (Source: ECB Centralised Securities Database) and the coupon yield (Source: Issue conditions).

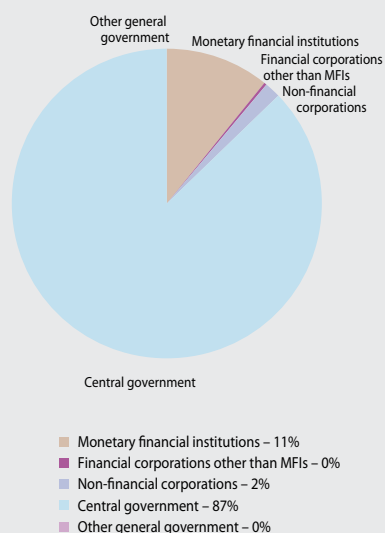
The number of debt securities issues made by the government was lower than in the case of the two previous sectors, but the outstanding amount was much higher. The issue with the highest outstanding amount stood at €2.9 billion. The most recent issue will be due in 2026.

5.2 COMPARISON OF DEBT SECURITIES: SLOVAKIA VS THE EURO AREA

In terms of sectoral structure, the outstanding amount of debt securities issued in Slovakia differed from that in the euro area. The structure in Slovakia was dominated by the central government sector (S.1311), with a share of more than 87%. A significant position was also held by monetary financial institutions (S.122), with a share of almost 11%. Non-financial corporations (S.11) accounted for less than 2% and the share of other sectors was negligible. In all countries of the euro area, the most significant issuer of debt securities was the central government, but with a much smaller share (less than 42%) than in Slovakia. The second most significant sector was that of *monetary financial institutions*, with a share exceeding 31%. Compared with Slovakia, another important issuer of debt securities in the euro area was the sector of financial institutions other than monetary

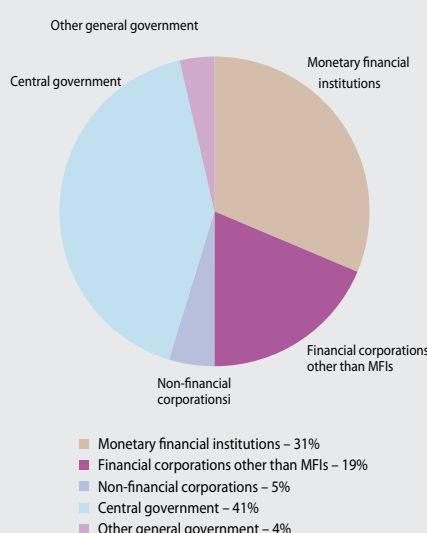
The largest outstanding amount of debt securities issued by banks fluctuated at around €40 million, with maturities up to 2016. The largest outstanding issue amount stood at €150 million and the longest maturity was up to 2037.

Chart 140 Slovakia: Debt securities by sector classification (outstanding amounts)



Source: NBS.

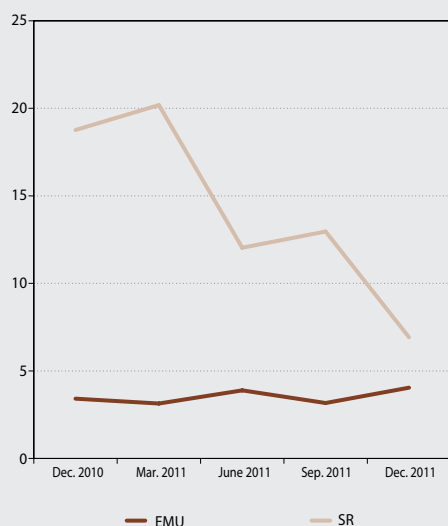
Chart 141 Euro area: Debt securities by sector classification (outstanding amounts)



Source: NBS.

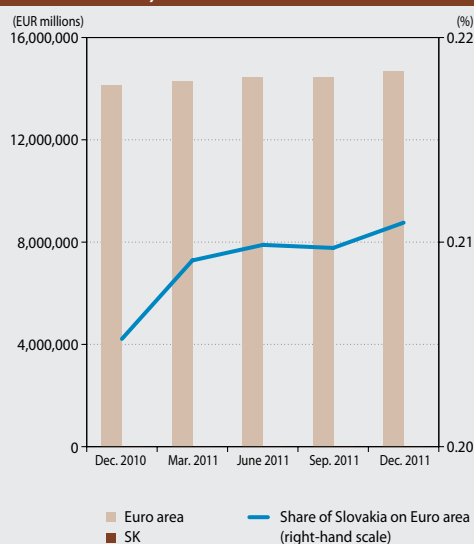


Chart 142 Debt securities (outstanding amounts, year-on-year changes, % p.a.)



Source: NBS, ECB.

Chart 143 Debt securities (outstanding amounts, EUR millions, share of Slovakia on Euro area – %)



Source: NBS, ECB.

financial institutions (S.123, S.124 a S.125), with a share of more than 18%. Non-financial institutions accounted for almost 5% and the general government sector, excluding the central government (S.1312, S.1313, S.1314), represented less than 4%.

Over the course of 2011, the outstanding amounts grew in both Slovakia and the euro area, but at different rates. In Slovakia, the outstanding issue amount grew in the fourth quarter of 2010 and first quarter of 2011 at a rate of around 20% an year-on-year. In the following quarters, the year-on-year rate of growth slowed somewhat, to less than 7% as at the end of 2011. In the euro area, the outstanding issue amount grew at a broadly constant pace throughout the period under review, at 3 to 4 percent an year-on-year base.

The share of Slovakia in the total outstanding amount of debt securities issued in the euro area was negligible. The year 2011 saw no significant change; Slovakia's share increased to a negligible extent, from below 0.21% at end-2010 to above 0.21% at end-2011.

5.3 QUOTED SHARES

Quoted shares are defined in this case as shares that have been admitted to trading on the quoted market, i.e. the main or parallel market, as well as shares admitted to trading on the regulated free market, but only if they have a real market value. The values are reported as market capitalisation for the individual sectors (European System of National Accounts – ESA 95).

This classification is based on market capitalisation as at 31 December 2011.

Compared with the previous quarter, the outstanding amount of quoted share issues increased by €178.7 million. This increase took place in two sectors: credit institutions (€90.8 million) and non-financial corporations (€87.9 million). Total market capitalisation reached €3,600.9 million at the end of 2011.

In relative terms, the outstanding amount of quoted share issues increased by 5.22%, compared with the previous quarter. Compared with the total outstanding amount, a significant in-

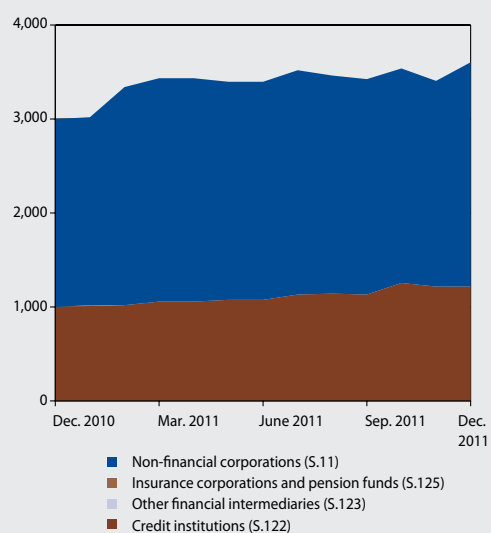


Table 14 Quoted shares (thousand EUR)

Month	Outstanding amounts				
	Total	Credit Institutions (S.122)	Other financial intermediaries (S.123)	Insurance corpora- tions and pension funds (S.125)	Non-financial corporations (S.11)
2008 / 12	3,653,799	1,367,184	0	96	2,286,519
2009 / 03	3,077,569	1,169,010	0	96	1,908,463
2009 / 06	3,502,806	1,241,751	0	96	2,260,959
2009 / 09	3,379,961	1,153,863	0	96	2,226,003
2009 / 12	3,256,458	1,090,485	0	96	2,165,877
2010 / 03	3,459,396	1,058,459	0	96	2,400,841
2010 / 06	3,188,768	1,006,722	0	96	2,181,950
2010 / 09	3,155,122	1,074,859	0	96	2,080,167
2010 / 12	3,004,042	1,004,293	0	173	1,999,576
2011 / 03	3,432,758	1,056,805	0	173	2,375,780
2011 / 06	3,395,773	1,071,634	0	173	2,323,965
2011 / 09	3,422,187	1,127,773	0	173	2,294,240
2011 / 12	3,600,892	1,218,588	0	173	2,382,131

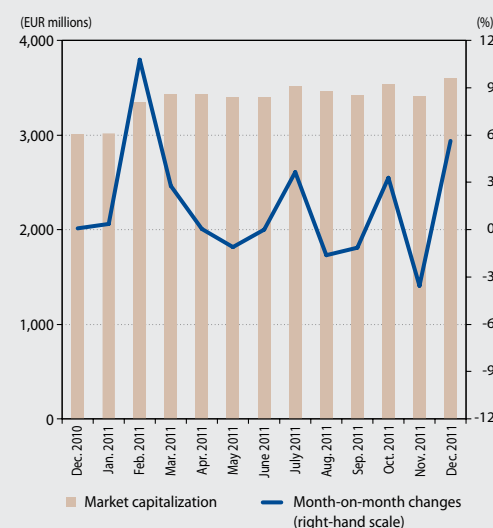
Source: NBS.

Chart 144 Quoted shares: market capitalization by sector (EUR millions)



Source: NBS.

Chart 145 Quoted shares (market capitalization, month-on-month changes)



Source: NBS.



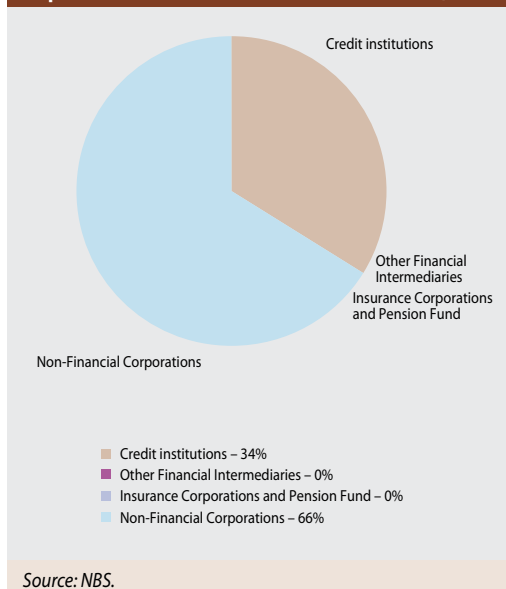
crease was recorded in quoted shares issued by credit institutions (8.05%), while those issued by non-financial institutions recorded a smaller increase (3.83%).

In the final quarter of 2011, the outstanding issue amount recorded a month-on-month increase in both October (3.30%) and December (5.61%), following by a decrease in November (3.55%).

Broken down by sector, the largest share in market capitalisation was accounted for by non-financial corporations (more than 66%). They were followed by credit institutions with a share of almost 34%.

This classification is based on outstanding amounts as at 31 December 2011.

Chart 146 Quoted shares by sector (market capitalization as at 31 December 2011)





NÁRODNÁ BANKA SLOVENSKA
EUROSYSTEM

CHAPTER 6

SELECTED MACROECONOMIC INDICATORS

6 SELECTED MACROECONOMIC INDICATORS

6.1 LONG-TERM INTEREST RATES

Long-term interest rate stability is one of the convergence criteria laid down in the Maastricht Treaty. This criterion expresses the requirement for sustainable convergence, which is to be achieved by each Member State. The average nominal interest rate in a Member State must not exceed, by more than 2%, the average nominal interest rate in three Member States with the lowest inflation rates in the year following the last assessment. The interest rates are measured on the basis of *long-term government bond rates* or the rates for comparable securities.

The statistical principles of long-term interest rate reporting are defined in the following key terms. The term *bond issuer* refers to the *central government*. The *maturity of government bonds* is a residual maturity period of around ten years. The residual maturity period is recommended to be between 9.5 and 10.5 years. The type of bonds used should be sufficiently *liquid*. This requirement affects the choice between a *benchmark-oriented approach* and an approach based on a *basket of bonds*, depending on the national conditions. Under the benchmark-oriented approach, the re-

spective bond is considered to be a key indicator of the market conditions. The bond issue with the highest liquidity and turnover is often the most recent issue of sizeable volume. The approach based on a *basket of bonds* offers a choice of bonds from various bonds with various ISIN codes. The bonds available have the same weight.

In view of the situation in the local market for securities, the *benchmark-oriented approach* has been selected. Since Slovakia joined the euro area, daily yields to maturity have been reported to the ECB for the following government bond issues:

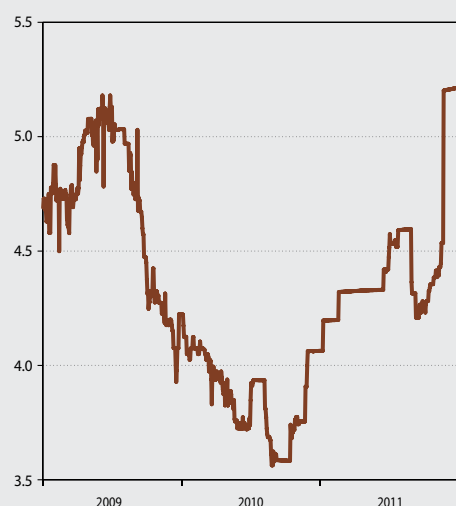
SK4120004318 Benchmark for the period January 2009 to June 2010;

SK4120007204 Benchmark for the period July 2010 to date.

6.2 KEY ECB INTEREST RATES

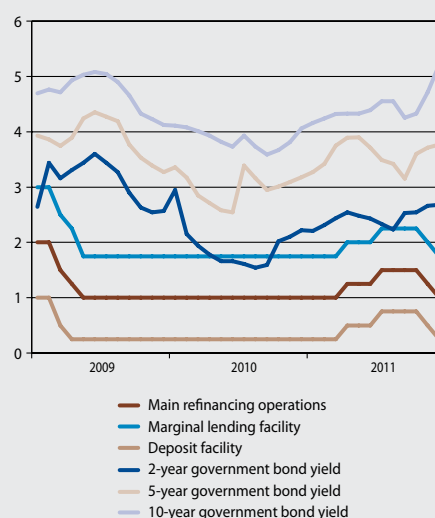
Developments in interest rates on government bonds with 2-year, 5-year and 10-year yields to maturity in comparison with the basic interest rates of the European Central Bank (ECB).

Chart 147 Benchmark – yield to maturity (p.a.)



Source: NBS.

Chart 148 Interest rates (p.a.)



Source: ECB.



NÁRODNÁ BANKA SLOVENSKA
EUROSYSTEM



GLOSSARY AND ABBREVIATIONS



ABBREVIATIONS

APRC	Annual percentage rate of charge
ECB	European Central Bank
ESA95	European System of Accounts
MFI	Monetary financial institutions (banks, branches of foreign banks, money market funds)
MMF	Money market funds
NMFI	Non-monetary financial institutions
p. p.	Percentage point
P	Provisions
S	Securities
SASS	Slovak Association of Asset Management Companies
SDDS	Special Data Dissemination Standard as defined by the International Monetary Fund

GLOSSARY

Agreed average annual interest rate: the average interest rate individually agreed between a bank and its customer, expressed in annualised terms (percentage per annum). An agreed average annual rate may be determined **only** on the basis of all interest rates on loans.

The agreed rate is converted into an average annual interest rate according to the formula:

$$x = \left(1 + \frac{r_{ag}}{n} \right)^n - 1;$$

where

x is the agreed average annual interest rate;

r_{ag} is the annual interest rate agreed between the bank and its customer (borrower). The dates of loan interest capitalisation are set at regular intervals during the year;

n is the number of periods of loan interest capitalisation per year, i.e. 1 for annual payments; 2 for semi-annual payments, 4 for quarterly payments, and 12 for monthly payments.

Aggregate balance sheet of Slovakia: a summary statistical balance sheet of all monetary and financial institutions based in Slovakia, excluding NBS.

Building loans: loans provided by home savings banks under Act No. 310/1992 Coll. on home savings as amended.

Consumer loans: defined for reporting purposes as loans provided for the purpose of personal consumption, i.e. the purchase of goods and services.

Credit institutions in Slovakia: banks and branches and foreign banks based in Slovakia, except for Národná banka Slovenska.

Initial rate fixation: the period of time, set in advance, during which the interest rate on a loan cannot be changed. In interest rate statistics for new loan transactions, **only** the rate agreed for an initial fixation period prior to the loan agreement is reported. Loans **without** interest rate fixation are included in the category of 'variable rates and initial rate fixation for up to one year'.

Interest rate statistics for new transactions: they cover all new loan and deposit agreements made and signed between a bank and its customers during the period under review (month). This applies to all agreements in which an interest rate is set for a transaction for the first time and to all existing agreements that are renegotiated with the customers and in which the terms and conditions are changed with an impact on interest levels (this means that a new agreement is not prolonged automatically, a variable interest rate is not changed, etc.). Interest rate statistics for new transactions cover the actual rates of interest agreed in individually negotiated agreements signed in the reference month. The method for calculating the average interest rates agreed, in annualised terms, depends on the periodicity of capitalisation.

Interest rate statistics for stocks: they cover the outstanding amount of all bank loans provided to customers and not yet repaid, and the outstanding amount of all deposits received from customers and not yet withdrawn, in all periods up to the reporting date (reference period). The average interest rates agreed are expressed in annualised terms (p.a.). The method of calculation depends on the periodicity of capitalisation. The criterion for classification is the maturity of loans or the term of deposits.



GLOSSARY AND ABBREVIATIONS

Intermediate loans: loans provided by home savings banks under Act No. 310/1992 Coll. on home savings as amended.

Investment loans: loans tied to the cycle of fixed assets, where the individual components of fixed assets are tied for a period longer than one year (except for loans provided for the purchase and/or technical development of land and buildings).

Households – the sector includes:

Households (S.14) - this sector comprises households (sole proprietors) and the population (the accounts of citizens). Households (sole proprietors) are private entrepreneurs not registered in the Commercial Register, doing business under the Trade Licensing Act, and natural persons doing business under a law other than the Trade Licensing Act and not registered in the Commercial Register (nor are their activities specified), and private farmers not registered in the Commercial Register. The population (accounts of citizens) includes households in their capacity as final consumers.

Key ECB interest rates: the interest rates set by Governing Council of the European Central Bank (ECB), reflecting the monetary policy stance of the ECB. They comprise the main refinancing rate, the marginal lending rate, and the deposit rate.

Monetary financial institutions (MFIs) in Slovakia: financial institutions based in Slovakia, constituting the money issuing sector of the euro area. These include **resident credit institutions** and other resident financial institutions whose business is to collect deposits and/or other redeemable instruments from entities other than MFIs and, for their own account (at least in economic terms), to provide credits and make investments in securities. The latter group comprises mainly **money market funds**, i.e. funds investing in short-term and low-risk instruments, which usually have a maturity of up to and including one year.

Mortgage loans: loans with a maturity of at least 4 years (but not more than 30 years), which are secured by a lien on domestic real estate and which satisfy the requirements laid down in Section 68 of Act No. 483/2001 Coll. on banks and on amendments to certain laws as amended.

Nominal value of loan: the outstanding amount of the loan principal, excluding accruals and other due amounts.

Non-financial corporations (S.11): all business entities that are registered in the Commercial Register, i.e. domestic corporate entities, foreign entities and domestic natural persons registered in the Commercial Register and pursuing profit-oriented activities in all areas, except in finance and insurance. The non-financial sector also includes subsidised organisations, public institutions and non-profit institutions the expenses of which are covered with sales by 50 percent or more.

Non-performing loans: defaulted loans that are subject to the provisions of Section 73 of NBS Decree No. 4/2007 of 13 March 2007 (as amended) on banks' own funds and own funds requirements and on investment firms' own funds and own funds requirements.

A **specific borrower** is considered to be **in default** if

- a) the bank assesses that **the borrower would probably fail to meet its commitments** to the bank, its subsidiary or parent company, **without the security being realised**;
- or
- b) **the borrower is more than 90 days in arrears** with a significant commitment to the bank, its subsidiary or parent company.

Non-profit institutions serving households (S.15) – this sector comprises civic interest associations (unions, societies, movements, trade unions, etc.) and their organisational units, political parties



GLOSSARY AND ABBREVIATIONS

and movements, their organisational units, church and religious societies, and institutions ensuring the proper conduct of certain professions (professional organisations). In addition, they include the following institutions: funds; apartment owners' associations; land, forest and pasture associations; organisations providing publicly beneficial services; humanitarian societies; social, cultural, recreational and sports associations and clubs; charities; church and private schools; private preschool facilities; non-public special-purpose funds (e.g. the anti-drug fund); interest associations of legal entities.

Operating loans: loans tied to the cycle of operating (current) assets, where the individual current asset components are usually fixed for a period of up to one year. Such loans are provided, for example, for the purchase of material supplies, raw materials, semi-finished goods, finished products, claims related to, for example, trade credits, or the coverage of seasonal fluctuations in economic activities.

Original maturity period: the time aspect of claims and liabilities classification based on the contractual maturity period.

Other real estate loans: loans other than mortgage loans, building loans, or intermediate loans.

Pension funds: funds managed by pension fund management companies and supplementary pension management companies.

Principle of residency: the principle that a counterparty's country of residence is defined as the country in which counterparty has a centre of economic interest. This means that an economic agent is considered to be resident in the country where the agent operates for one or more years, or intends to operate on a permanent basis, or where the agent has already been registered.

Real estate loans: all loans provided for the purchase and/or technical development of land and buildings, which are registered with the Land Registry under the provisions of Act No. 162/1995 Coll. on land registries and registration of ownership title and other rights to real estate (the Land Registry Act) as amended.

Residual maturity period: for claims and liabilities, the difference between the agreed maturity period and the date for which the relevant report/statement is compiled, i.e. usually the end of a month, quarter, or year.

Secured loans: for the purpose of interest rate statistics, loans secured up to their total amount using the technique of 'funded credit protection', or secured by a guarantee using the technique of 'unfunded credit protection' so that the value of collateral or guarantee is higher or equal to the total amount of the new loan. If the requirements for credit protection are not met, the new loan is classified as unsecured.



SECTOR CLASSIFICATION

Classification of institutional sectors and sub-sectors according to the European System of National and Regional Accounts (ESA 95):

- S.1 Residents – Slovakia (residents of the Slovak Republic)**
 - Residents – Other euro area member states** (euro area residents, except SR residents)
 - S.11 Non-financial corporations**
 - S.12 Financial corporations**
 - S.121 Central Bank (Národná banka Slovenska)
 - S.122 Other monetary financial institutions
 - S.123 Other financial intermediaries, except insurance corporations and pension funds
 - S.124 Financial auxiliaries
 - S.125 Insurance corporations and pension funds
 - S.13 General government**
 - S.1311 Central government
 - S.1312 Regional government
 - S.1313 Local government
 - S.1314 Social security funds
 - S.14 Households**
 - S.141 Employers
 - S.142 Own-account workers
 - S.143 Employees
 - S.144 Recipients of property incomes, pensions and other transfer incomes
 - S.145 Others
 - S.15 Non-profit institutions serving households**
- S.2 Rest of the world** (all countries, except Slovakia and the euro area)



LIST OF ADDITIONAL LINKS

Sector breakdown:

http://www.nbs.sk/_img/Documents/STATIST/MET/sekt_man.pdf

Revision policy:

http://www.nbs.sk/_img/Documents/STATIST/MET/revpol.pdf

Structure of the financial market

List of monetary financial institutions:

<http://www.nbs.sk/sk/statisticke-udaje/menova-a-bankova-statistika/menova-statistika-penaznych-financnych-institucii#ZOZPFI>

List of investment funds:

<http://www.nbs.sk/sk/statisticke-udaje/menova-a-bankova-statistika/statistika-investicnych-fondov>

List of other financial intermediaries:

<http://www.nbs.sk/sk/statisticke-udaje/menova-a-bankova-statistika/statistika-lizingovych-spolocnosti-factoringovych-spolocnosti-a-spolocnosti-splatkového-financova>

Overview of developments in the monetary sector:

<http://www.nbs.sk/sk/statisticke-udaje/prehľad-o-rozvoji-penazneho-sektora>

Statistics of credit institutions and monetary statistics

Statistics of monetary financial institutions:

<http://www.nbs.sk/sk/statisticke-udaje/menova-a-bankova-statistika/menova-statistika-penaznych-financnych-institucii>

Monetary aggregates in the euro area:

<http://www.ecb.int/stats/money/aggregates/aggr/html/index.en.html>

Balance sheets of monetary financial institutions based in the euro area:

<http://www.ecb.int/stats/money/aggregates/bsheets/html/index.en.html>

Interest rate statistics:

<http://www.nbs.sk/sk/statisticke-udaje/menova-a-bankova-statistika/urokova-statistika>

Interest rate statistics – bank loans:

<http://www.nbs.sk/sk/statisticke-udaje/menova-a-bankova-statistika/urokova-statistika/bankova-urokova-statistika-uvery>

Interest rate statistics – bank deposits:

<http://www.nbs.sk/sk/statisticke-udaje/menova-a-bankova-statistika/urokova-statistika/bankova-urokova-statistika-vklady>

Interest statistics for the euro area:

<http://www.ecb.europa.eu/stats/money/interest/interest/html/index.en.html>

Long-term interest rate statistics:

http://www.nbs.sk/_img/Documents/STATIST/US/zasady.pdf

http://www.nbs.sk/_img/Documents/STATIST/US/VDSVD_CR.xls



GLOSSARY AND ABBREVIATIONS

Non-performing loans:

http://www.nbs.sk/_img/Documents/STATIST/MET/Zle_uvery.pdf

Sources of statistical data – reports:

<http://www.nbs.sk/sk/statisticke-udaje/menova-a-bankova-statistika/zdrojove-statisticke-udaje-penaznych-financnych-institucii/uvery>

Statistics of investment funds:

<http://www.nbs.sk/sk/statisticke-udaje/menova-a-bankova-statistika/statistika-investicnych-fondov>

Statistics of leasing and factoring companies:

<http://www.nbs.sk/sk/statisticke-udaje/menova-a-bankova-statistika/statistika-lizingovych-spolocnosti-faktoringovych-spolocnosti-a-spolocnosti-splatkového-financova>

Sources of statistical data on other financial intermediaries:

<http://www.nbs.sk/sk/statisticke-udaje/menova-a-bankova-statistika/zdrojove-statisticke-udaje-ostatnych-financnych-sprostredkovatelov>

Statistics on securities issues:

<http://www.nbs.sk/sk/statisticke-udaje/menova-a-bankova-statistika/statistika-vydanych-cennych-papierov>

Categories of SDDS data:

<http://www.nbs.sk/sk/statisticke-udaje/udajove-kategorie-sdds>



NÁRODNÁ BANKA SLOVENSKA
EUROSYSTEM



LIST OF CHARTS AND TABLES



LIST OF CHARTS AND TABLES

LIST OF CHARTS

Chart 1	Foreign capital in the banks in the Slovak Republic as at 31 st December 2010	9	Chart 19	Current period profit/loss	24
Chart 2	Foreign capital in the banks in the Slovak Republic as at 31 st December 2011	10	Chart 20	Current period profit/loss	24
Chart 3	Structure of assets of credit institutions as at 31 December 2010	12	Chart 21	Provisions	24
Chart 4	Structure of assets of credit institutions as at 31 December 2011	12	Chart 22	Receivables from non-bank customers	25
Chart 5	Structure of liabilities of credit institutions as at 31 December 2010	13	Chart 23	Written-off receivables from customers	25
Chart 6	Structure of liabilities of credit institutions as at 31 December 2011	14	Chart 24	Assigned receivables from customers	25
Chart 7	Selected assets/liabilities: breakdown of counterparties by residency as at 31 December 2011	14	Chart 25	Assigned/ Written-off receivables from customers	25
Chart 8	Selected assets/liabilities: sectoral breakdown of domestic counterparty as at 31 December 2011	15	Chart 26	Selected incomes and expenses compared with current period profit/loss	26
Chart 9	Loans to domestic clients by sectors as at 31 st December 2011	15	Chart 27	Selected incomes and expenses compared with current period profit/loss	26
Chart 10	Deposits from domestic clients by sectors as at 31 st December 2011	15	Chart 28	Loans to non-financial corporations by maturity	27
Chart 11	Selected assets/liabilities: sectoral breakdown of counterparty from other euro area member states as at 31 December 2011	16	Chart 29	Loans to non-financial corporations by maturity	27
Chart 12	Selected assets/liabilities: sectoral breakdown of counterparty from the rest of the world as at 31 December 2011	16	Chart 30	Loans to households by maturity	27
Chart 13	Year-on-year changes in assets of credit institutions	17	Chart 31	Loans to households by maturity	27
Chart 14	Year-on-year changes in liabilities of credit institutions	18	Chart 32	Short-term loans to non-financial corporations	28
Chart 15	Structure of assets of aggregated balance sheet of euro area MFIs (excluding Eurosystem) as at 31.12.2011	21	Chart 33	Long-term loans over 1 and up to 5 years to non-financial corporations	28
Chart 16	Structure of assets of aggregated balance sheet of MFIs in Slovakia (excluding NBS) as at 31.12.2011	21	Chart 34	Long-term loans over 5 years to non-financial corporations	28
Chart 17	Structure of liabilities of aggregated balance sheet of euro area MFIs (excluding Eurosystem) as at 31.12.2011	23	Chart 35	Loans to households	28
Chart 18	Structure of liabilities of aggregated balance sheet of MFIs in Slovakia (excluding NBS) as at 31.12.2011	23	Chart 36	Loans to non-financial corporations by economic activity as at 31 st December 2011	29
			Chart 37	Evolution of loans to non-financial corporations by economic activity	29
			Chart 38	Loans to non-financial corporations by type of loan	29
			Chart 39	Loans to households by type of loan	30
			Chart 40	Loans to households for house purchase	30
			Chart 41	Consumer loans to households	30
			Chart 42	Share of non-performing loans on total loans to non-financial corporations	31
			Chart 43	Share of non-performing loans on bank overdrafts and revolving credits to non-financial corporations	31
			Chart 44	Share of non-performing loans on operating loans to non-financial corporations	31
			Chart 45	Share of non-performing loans on investment loans to non-financial corporations	31



LIST OF CHARTS AND TABLES

Chart 46	Share of non-performing loans on real estate loans to non-financial corporations	32	Chart 66	Interest rates on loans for consumption and loans for house purchases to households in SR and Euro area	38
Chart 47	Share of non-performing loans on credit card loans to non-financial corporations	32	Chart 67	Interest rates and volumes on secured and total loans for house purchase to households	38
Chart 48	Share of non-performing loans on total loans to households	32	Chart 68	Share of secured loans for house purchase on total loans for house purchase to households	38
Chart 49	Share of non-performing loans on bank overdrafts and revolving credits to households	32	Chart 69	Interest rates and volumes on secured and total loans for consumption to households	39
Chart 50	Share of non-performing loans on consumer loans to households	33	Chart 70	Share of secured loans for consumption on total loans for consumption to households	39
Chart 51	Share of non-performing loans on loans for house purchase to households	33	Chart 71	Interest rates and volumes of loans by maturity to non-financial corporations	39
Chart 52	Share of non-performing loans on credit card loans to households	33	Chart 72	Interest rates of loans by maturity to non-financial corporations in SR and Euro area	40
Chart 53	Interest rates and volumes on loans to non-financial corporations	34	Chart 73	Interest rates and volumes on loans for house purchase by maturity to households	40
Chart 54	Interest rates on loans to non-financial corporations in SR and Euro area	34	Chart 74	Interest rates and volumes on loans for consumption by maturity to households	41
Chart 55	Interest rates and volumes on secured and total loans to non-financial corporations	35	Chart 75	Interest rates of loans by maturity to households in SR and Euro area	41
Chart 56	Share of secured loans on total loans to non-financial corporations	35	Chart 76	Deposits of non-financial corporations by maturity	42
Chart 57	Interest rates and volumes on secured and total „loans up to € 0.25 million“ to non-financial corporations	35	Chart 77	Deposits of non-financial corporations by type	42
Chart 58	Share of secured loans on total „loans up to € 0.25 million“ to non-financial corporations	35	Chart 78	Overnight deposits of non-financial corporations	42
Chart 59	Interest rates and volumes on secured and total „loans over € 0.25 and up to € 1 million“ to non-financial corporations	36	Chart 79	Term deposits of non-financial corporations	42
Chart 60	Share of secured loans on total „loans over € 0.25 and up to € 1 million“ to non-financial corporations	36	Chart 80	Deposits of households by maturity	43
Chart 61	Interest rates and volumes on secured and total „loans over € 1 million“ to non-financial corporations	36	Chart 81	Deposits of households by type	43
Chart 62	Share of secured loans on total „loans over € 1 million“ to non-financial corporations	36	Chart 82	Overnight deposits of households	43
Chart 63	Interest rates and volumes on loans for house purchase to households	37	Chart 83	Term deposits of households	43
Chart 64	Interest rates, APRC and volumes on loans for consumption and loans for house purchases to households	37	Chart 84	Deposits of households redeemable at notice	44
Chart 65	APRC on loans for consumption and loans for house purchases to households in SR and Euro area	38	Chart 85	Interest rates and volumes on deposits with agreed maturity from households	44
			Chart 86	Interest rates on deposits from households in SR and Euro area	45
			Chart 87	Interest rates and volumes on deposits with agreed maturity from non-financial corporations	45



LIST OF CHARTS AND TABLES

Chart 88	Interest rates on deposits from non-financial corporations in SR and Euro area	45	Chart 108	Geographical and sectoral breakdown of mutual funds shares/units in portfolio of equity funds as at 31 December 2011	55
Chart 89	Interest rates and volumes of deposits with agreed maturity from households	46	Chart 109	Geographical and sectoral breakdown of shares and other equity in portfolio of equity funds as at 31 December 2011	56
Chart 90	Interest rates and volumes on deposits with agreed maturity from non-financial corporations	46	Chart 110	Mixed funds: evolution of assets	56
Chart 91	Interest rates on deposits with agreed maturity in SR and Euro area	47	Chart 111	Mixed funds: structure of assets as at 31 December 2011	56
Chart 92	Mutual funds broken down by investment strategy	50	Chart 112	Geographical and sectoral breakdown of debt securities in portfolio of mixed funds as at 31 December 2011	57
Chart 93	Domestic mutual funds by type: percentage share on total assets as at 31 December 2011	50	Chart 113	Geographical and sectoral breakdown of mutual funds shares/units in portfolio of mixed funds as at 31 December 2011	57
Chart 94	Euro area mutual funds by type: percentage share on total assets as at 31 December 2011	51	Chart 114	Maturity breakdown of debt securities in portfolio of mixed funds as at 31 December 2011	57
Chart 95	Total assets of euro area investment funds and share of domestic investment funds	51	Chart 115	Real estate funds: evolution of assets	57
Chart 96	Structure of assets of domestic investment funds as at 31 December 2011	51	Chart 116	Real estate funds: structure of assets as at 31 December 2011	58
Chart 97	Structure of assets of euro area investment funds as at 31 December 2011	52	Chart 117	Geographical and sectoral breakdown of shares and other equity in portfolio of real estate funds as at 31 December 2011	58
Chart 98	Money market funds: evolution of assets	52	Chart 118	Other funds: evolution of assets	58
Chart 99	Money market funds: structure of assets as at 31 December 2011	53	Chart 119	Other funds: structure of assets as at 31 December 2011	59
Chart 100	Geographical and sectoral breakdown of debt securities in portfolio of money market funds as at 31 December 2011	53	Chart 120	Geographical and sectoral breakdown of debt securities in portfolio of other funds as at 31 December 2011	59
Chart 101	Maturity breakdown of debt securities in portfolio of money market funds as at 31 December 2011	53	Chart 121	Maturity breakdown of debt securities in portfolio of other funds as at 31 December 2011	59
Chart 102	Bond funds: evolution of assets	54	Chart 122	Evolution of total assets by type of business	62
Chart 103	Bond funds: structure of assets as at 31 December 2011	54	Chart 123	Financial corporations engaged in lending: Assets share of included companies as at 31 December 2011	62
Chart 104	Geographical and sectoral breakdown of debt securities in portfolio of bond funds as at 31 December 2011	54	Chart 124	Geographical and sectoral breakdown of financial leasing companies lending as at 31 December 2011	62
Chart 105	Maturity breakdown of debt securities in portfolio of bond funds as at 31 December 2011	54	Chart 125	125 Geographical and sectoral breakdown of consumer credit companies lending as at 31 December 2011	62
Chart 106	Equity funds: evolution of assets	55			
Chart 107	Equity funds: structure of assets as at 31 December 2011	55			



LIST OF CHARTS AND TABLES

Chart 126	Geographical and sectoral breakdown of factoring companies lending as at 31 December 2011	63	Chart 138	Debt securities: outstanding amounts of issues in S.13 Sector	68
Chart 127	Debt securities by sector	66	Chart 139	Government bonds: outstanding amounts	69
Chart 128	Debt securities	66	Chart 140	Slovakia: Debt securities by sector classification	69
Chart 129	Debt securities	66	Chart 141	Euro area: Debt securities by sector classification	69
Chart 130	Debt securities	66	Chart 142	Debt securities	70
Chart 131	Debt securities by sector	67	Chart 143	Debt securities	70
Chart 132	Debt securities by coupon type	67	Chart 144	Quoted shares: market capitalization by sector	71
Chart 133	Debt securities by currency	67	Chart 145	Quoted shares	71
Chart 134	Debt securities by original maturity	67	Chart 146	Quoted shares by sector	72
Chart 135	Debt securities by residual maturity	68	Chart 147	Benchmark – yield to maturity	74
Chart 136	Debt securities: outstanding amounts of domestic issues in S.11 sector	68	Chart 148	Interest rates	74
Chart 137	Debt securities: outstanding amounts of issues in S.122 Sector	68			

LIST OF TABLES

Table 1	Structure of the financial market in Slovakia	8	Table 8	Structure of assets of aggregated balance sheet of MFIs in Slovakia	21
Table 2	Number of employees in the banking sector	9	Table 9	Structure of liabilities of aggregated balance sheet of euro area MFIs	22
Table 3	Structure of assets of credit institutions in the SR	12	Table 10	Structure of liabilities of aggregated balance sheet of MFIs in Slovakia	23
Table 4	Structure of liabilities of credit institutions in the SR	13	Table 11	Year-on-year changes in total assets of mutual funds by type	49
Table 5	Year-on-year changes in assets of credit institutions in the SR	17	Table 12	Year-on-year changes in total assets of financial corporations engaged in lending	61
Table 6	Year-on-year changes in liabilities of credit institutions in the SR	18	Table 13	Debt securities	65
Table 7	Structure of assets of aggregated balance sheet of euro area MFIs	20	Table 14	Quoted shares	71

