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ABBREVIATIONS:

| | |
|----------------|--|
| BPK | Banking and Payments Authority of Kosovo; |
| COICOP | Classification of Individual Consumption by purpose; |
| DC | Depository Corporations; |
| EUR | Euro; |
| FC | Foreign Currency; |
| ICS | Interbank Clearing System; |
| IMF | International Monetary Fund; |
| KEO | Kosovo Employment Office; |
| KPST | Kosovo Pension Saving Trust; |
| MFSM | Monetary and Financial Statistics Manual, IMF; |
| NGO | Non Government Organization; |
| ODC | Other Depository Corporations; |
| OFC | Other Financial Corporations; |
| RSD | Research and Statistics Department - BPK; |
| SNA '93 | United Nations System of National Accounts 1993; |
| SOK | Statistical Office of Kosovo; |
| TPL | Third Party Liabilities; |
| UNMIK | United Nations Interim Administration Mission in Kosovo; |
| UNO | United Nations Organization. |

CONVENTIONS:

| | |
|------------|--|
| (e) | estimate; |
| p | provisional; |
| - | the event does not exist; |
| N/A | data is not available or is larger than zero but smaller than half the order of the unity; |
| 0 | observation is zero. |

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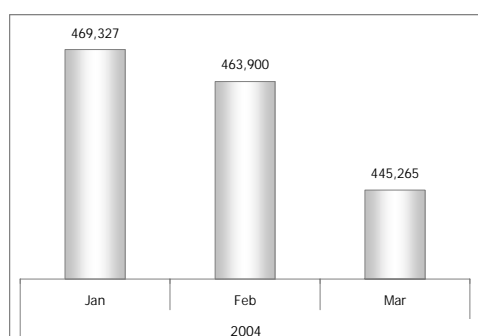
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FINANCIAL SECTOR

Net foreign assets have shown a declining path similar to Deposits of Central Government presented below. This can be explained by the fact that BPK plays the role of central bank and therefore its main client is Government itself. Therefore any increase or decrease of deposits by the government may and will result with the same or similar trend in the Net Foreign Assets. So, due to increase in spending of budget means, the net foreign assets of BPK have declines almost with the same amounts as government's deposits.

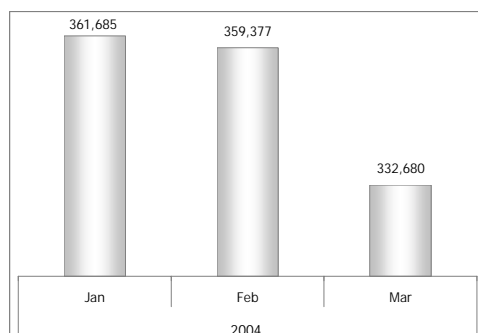
Figure 1. BPK Net foreign Assets



Net Claims on Central Government or Deposits of Central Government at BPK have declined during the first quarter 2004. The main decline is evident in third month and that is mainly due to increased expenditure in budget capital expenditure. That is quite reasonable having in consideration a large amount of financial means carried on unspent from the previous year's budget.

Because all relevant government institutions, starting from central and down to local governments, have their deadlines to spend budgetary means allocated in the previous year, this trend was expected as something very normal in our economy. Therefore knowing that BPK plays the role of banker for the Government, and then these changes are expressed by decline in Government's Deposits showed in BPK Survey.

Figure 2. Central Government Deposits at BPK

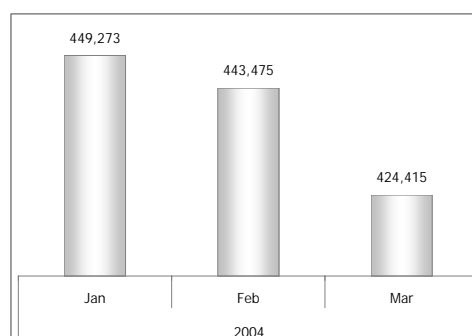


Transferable deposits at BPK have declined throughout the first quarter 2004. This decline can be explained at the similar way as two figures

above, due to increase in expenditures of government deposits during the first quarter 2004.

Even though term deposits with BPK show an increase in February compared to January and then remained unchanged in March, their magnitude is so low that it cannot be considered as a significant factor that caused decline in transferable deposits.

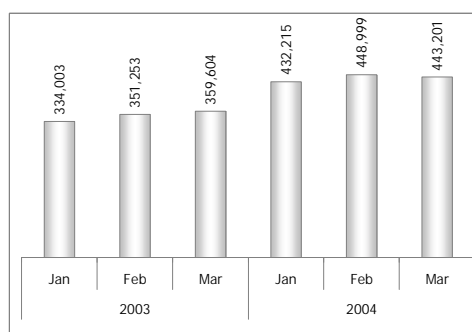
Figure 3. Transferable deposits at BPK



As we can see from the figure at the left, operations on current account held with BPK have increased in first quarter 2004 compared to same period previous year. There we see an initial increase in February compared to January but which is followed by a slight decline in March.

The increase in the volume of operations explains the expansion of banking system in Kosovo and its importance as one of the main factor generating investments, and therefore economic growth.

Figure 4. Operations on current account held with BPK



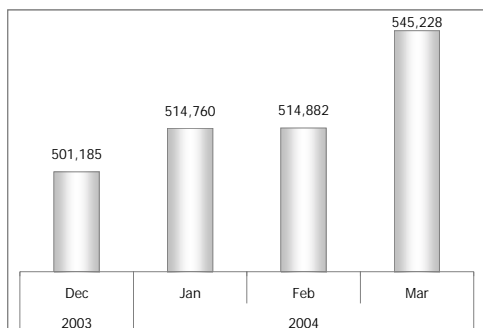
Deposits at commercial banks in Kosovo are continuously showing an increasing trend.

Deposits increased in the first quarter 2004 experiencing an increase from 2.7 percent in January, remained almost unchanged in February and showed a large increase from 5.9 percent in March. Overall increase for the quarter was 8.79 percent.

This positive trend shows an increasing confidence for the banking system in Kosovo, mainly confidence showed by business community. Large increase in deposits in March was caused by increase in transferable deposits.



Figure 5. Deposits at ODC



By comparing first quarter 2004 by the same period previous year, we see an increase in overall deposits from 21.5 percent in January and February and 30.1 percent on March. This increase may be mainly attributed to continuous increase in time deposits which may be as result of overall improvement of economy. More details about the structure of deposits and their movements are presented in the figures 8 and 9 below:

Figure 6. Deposits with ODC Q1 2003 vs. Q1 2004

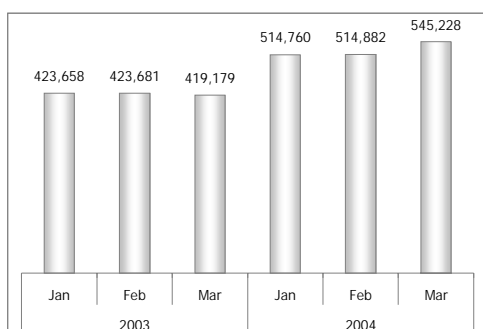


Figure 7. Transferable vs. time deposits

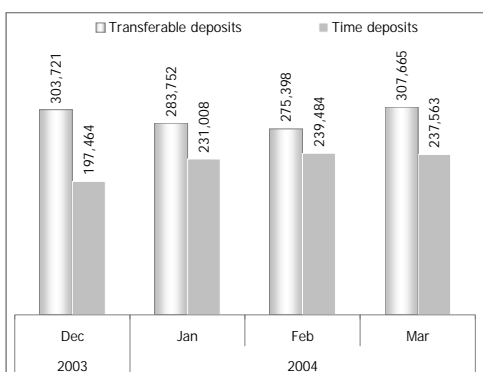
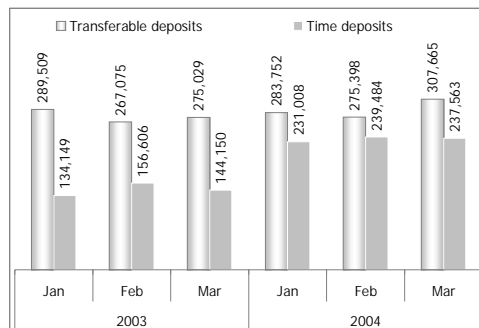


Figure 8. Transferable vs. time deposits Q1 03 vs. Q1 04

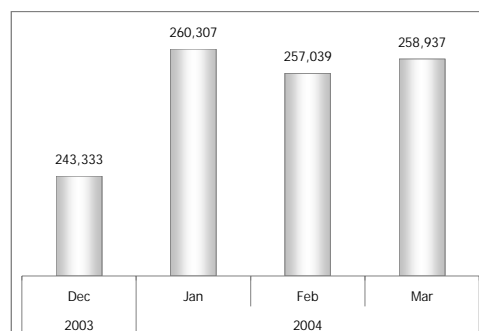


As we mentioned before, deposits with commercial banks increased continuously during the first quarter 2004. But the change in deposits did not occur similarly for time as for transferable (sight) deposits. The figure 8 above emphasizes that transferable deposits have declined in the first two months of the period, but increased rapidly in March and therefore compensating the previous decline.

In the other hand, time deposits grew 17% and 3.7% in January and February respectively followed by a slight decline from 0.8% in March. This was mainly due to increase in time deposits of enterprises by 26.1% and 3.6% first two months, followed by a decline from 2.2% in March. Household's time deposits increased continuously with a lower rate.

So far most of deposits are still transferable deposits or short term deposits; therefore do not give incentive for medium and even less for long term investment. An increase in time deposits has a positive implication in generating some incentive for investments, hence improving overall economic situation.

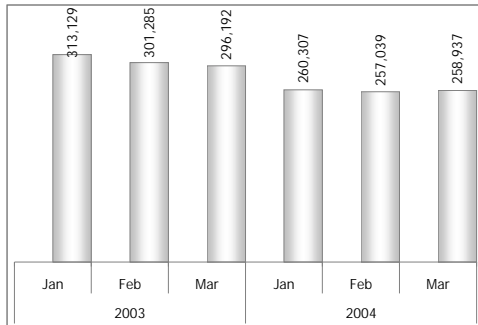
Figure 9. Commercial banks (ODC) Net foreign assets



Net foreign assets of commercial banks fluctuated in the first quarter 2004. There was an initial increase by 7 percent in January followed by a slight decline from -1.26 percent in February and by a smaller increase from 0.74 percent in March.



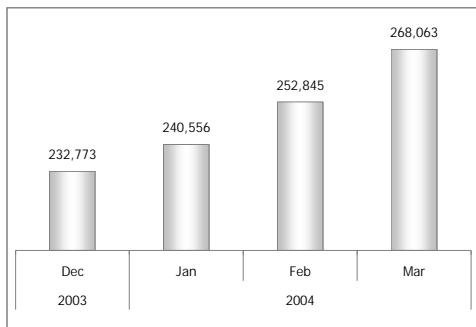
Figure 10. ODC net foreign assets Q1 03 vs. Q1 04



If we compare net foreign assets of the first quarter 2003 with the same period 2004 we notice the latest are at the lower level. January 2004 figure is for 16.9 % lower than January 2003. Similarly February and March are lower 14.7% and 12.6% respectively. Taking into consideration the increase in deposits, then a decrease in net foreign assets means more money is being invested in Kosovo economy compared to previous period. A big portion of the decrease in net foreign assets by commercial banks can be explained by a large increase of loans to private sector in Kosovo.

This trend is expressed by the next figure, representing loans to private sector in Kosovo economy in the first quarter 2004.

Figure 11. Loans to private sector



Loans to private sector have continued their increasing trend with an increase from 3.3%, 5.1% and 6% for January, February and March 2004 respectively, and with an overall increase from 15.2% compared to the end of last year.

Most of the increase in lending is attributed to increase in the amount of loans of over 1 year of maturity. The biggest portions were financed on wholesale and retail trade, while less of it to production industry.

This also tells us that even though Kosovo economy is getting more indebted every day, the level of its debt is very low compared to the economies in developed countries.

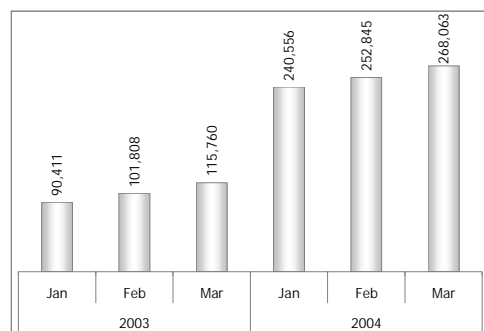
By comparing first quarter 2004 with the same quarter previous year we find that lending to private sector increased rapidly within a year.

This is shown by a bigger credit to economy in the first quarter 2004 compared to same period previous year.

Even though lending to private sector continued to increase in the first quarter 2004, it shows slower increase (diminishing marginal rate) than the same period previous year.

This tells us that economy is not coping the same growth as last year, which can be attributed to lack of new investments and saturation of the market with some types of products offered in Kosovo.

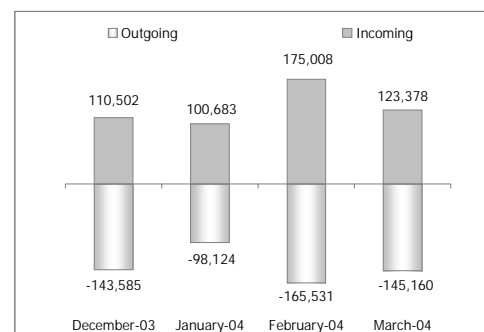
Figure 12. Loans to private sector Q1 03 vs. 04



Foreign transfers fluctuated during the first quarter 2004. Both outgoing and incoming transfers declined in January due to seasonally economic slowdown, while rapidly increased in February due to preparation for higher economic activity for the spring to come.

This is explained in the way that the biggest part of imports (mainly commercial) has been paid through the banking system, hence showing an increased importance of banking sector in Kosovo economy. Overall balance was negative for over euro 9.7 million, which further worsens the amount of currency in circulation in Kosovo.

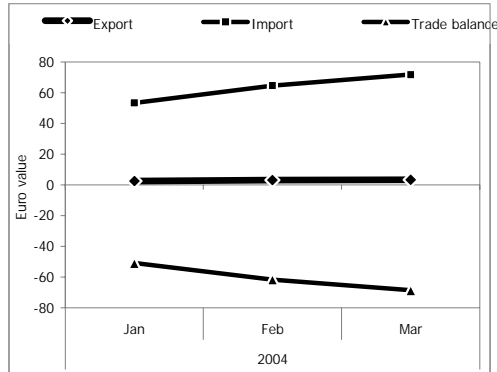
Figure 13. Foreign Transfers





FOREIGN SECTOR

Figure 13. Foreign trade



(data source: UNMIK)

Kosovo continued its vulnerable foreign trade balance in the first quarter 2004.

Regular exports were only about euro 9 million, while import reached euro 190 million, or export covered only 4.7 percent of imports.

The structure of imports was characterized by large import of food from 34.2 percent (for 10% more than last year's average), then chemicals 16 percent, petrol 14 percent and machinery 14 percent.

As it is known the main reason for such a vulnerable trade balance is lack of production capacities in Kosovo to satisfy local demand. Waste of time by introduction of 'Commercialization Process' and lags in privatization process of SOEs are other crucial factors to be considered.

EU and Switzerland remained the main trade partners with 38.6% of regular export from Kosovo and 28% of imports. They are followed by FYROM with 23% exports and 13% imports, etc.

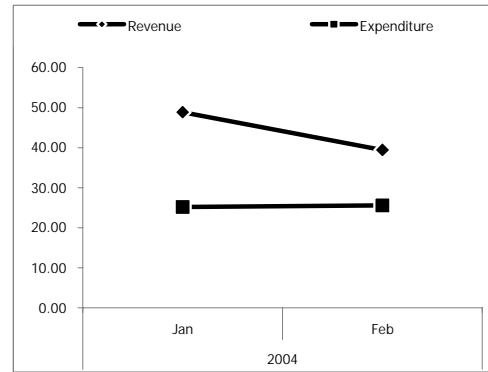
There exists an opinion among economists who study Kosovo case that fiscal policy is not in favor of emerging production capacities in Kosovo, and as such it need be more accommodative toward creation of incentives for investment and financing in production capacities. A positive step was recently done by Fiscal Committee to favor agriculture production by applying tax incentives for domestic agriculture production.

An import of machinery from 14 percent of total import (compared to 10% annual average for 2003) might be an indicator that the investment started improving compared to previous year. Further fiscal measures are needed by Fiscal Authority to provide more incentives for investing in Production capacities, hence replacing a part of import by domestically produced items.

FISCAL SECTOR

Fiscal sector for the first two months of Q1 2004 continued similar path as previous year same period, where budget revenue outperformed budget expenditure, as presented in the figure at the left.

Figure 14. Budget revenue vs. expenditure



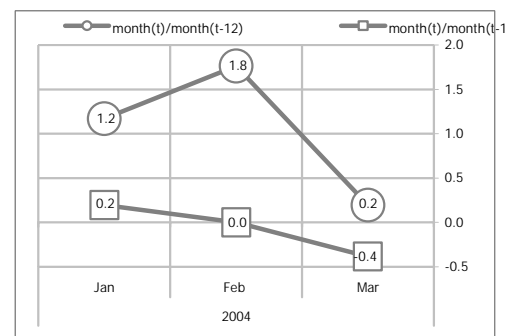
By the way the gap between revenues and expenditures narrowed in February, with sharp decline in revenues from about 19.3 percent and very small increase from 1.7 percent of expenditure.

REAL SECTOR

CPI was very low during the first quarter 2004. Upper line presents CPI of this period compared to same period last year, while lower line is monthly basis CPI of the month compared to previous month. It originally increased in February but followed by a sharp decline at 0.2 percent in March compared to the same month previous year.

Low inflation is attributed to use of euro currency as official payments currency in Kosovo. Price stability supports an overall economic stability in Kosovo, and does give most needed incentive for long term investments and financing.

Figure 15. Consumer Price Index





MONETARY AND FINANCIAL STATISTICS



MONETARY STATISTICS



Table 1

DEPOSITORY CORPORATIONS SURVEY

(outstanding amounts, end of period, in 000 EUR)

| Description | 2000 | 2001 | 2002 | 2003 | | | | 2004 | | |
|---|----------------|----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | | | | Q1 | Q2 | Q3 | Q4 | Jan | Feb | Mar |
| Net foreign assets | 122,577 | 583,318 | 649,489 | 665,969 | 658,253 | 729,333 | 697,024 | 729,634 | 720,939 | 704,202 |
| Assets | 144,796 | 604,828 | 674,095 | 692,604 | 687,779 | 757,814 | 726,426 | 762,575 | 754,963 | 734,601 |
| Liabilities | 22,219 | 21,509 | 24,606 | 26,635 | 29,525 | 28,481 | 29,401 | 32,941 | 34,023 | 30,399 |
| Net claims on central government | -5,657 | -69,811 | -258,592 | -301,653 | -318,983 | -379,545 | -342,740 | -361,685 | -359,377 | -332,680 |
| Deposits | 5,657 | 69,811 | 258,592 | 301,653 | 318,983 | 379,545 | 342,740 | 361,685 | 359,377 | 332,680 |
| Net claims on other financial corporations | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Claims on private sector | 3,148 | 25,916 | 86,498 | 115,760 | 162,713 | 188,269 | 232,773 | 240,556 | 252,845 | 268,063 |
| Nonfinancial corporations and households | 3,148 | 25,916 | 86,498 | 115,760 | 162,713 | 188,269 | 232,773 | 240,556 | 252,845 | 268,063 |
| Deposits included in broad money | 106,185 | 486,765 | 413,558 | 421,497 | 438,293 | 475,516 | 501,185 | 518,749 | 522,584 | 552,009 |
| Transferable deposits | 98,572 | 361,976 | 285,278 | 277,347 | 290,598 | 282,236 | 303,721 | 287,741 | 283,100 | 314,446 |
| Non financial corporations | 77,383 | 144,051 | 163,355 | 145,077 | 154,248 | 147,965 | 160,410 | 143,306 | 137,277 | 161,276 |
| Households | 21,189 | 217,925 | 121,923 | 132,269 | 136,350 | 134,271 | 143,311 | 142,989 | 144,450 | 151,739 |
| Other resident sectors | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,446 | 1,373 | 1,431 |
| Other deposits | 7,613 | 124,788 | 128,280 | 144,150 | 147,695 | 193,280 | 197,464 | 231,008 | 239,848 | 237,563 |
| Non financial corporations | 4,579 | 31,318 | 23,921 | 38,276 | 41,485 | 71,661 | 74,758 | 94,297 | 97,739 | 95,579 |
| Households | 3,034 | 93,471 | 104,359 | 105,874 | 106,210 | 121,619 | 122,706 | 136,711 | 141,745 | 141,984 |
| Securities included in broad money | - | - | - | - | - | - | - | - | - | - |
| Deposits, securities excluded from broad money | 2,984 | 13,438 | 25,113 | 17,962 | 22,626 | 24,282 | 32,758 | 36,503 | 34,404 | 34,027 |
| Own funds | 11,077 | 25,163 | 43,805 | 44,321 | 50,802 | 49,611 | 61,075 | 62,325 | 63,753 | 64,182 |
| of which share capital | 7,156 | 21,023 | 33,320 | 33,563 | 36,252 | 37,239 | 46,617 | 46,787 | 47,813 | 48,950 |
| Other Items (net) | -178 | 14,059 | -5,080 | -3,704 | -9,738 | -11,352 | -7,960 | -9,072 | -6,334 | -10,633 |
| Other liabilities | 2,121 | 25,495 | 5,957 | 7,649 | 8,150 | 10,152 | 11,190 | 8,952 | 6,579 | 6,247 |
| <i>less:</i> Other assets | 4,352 | 8,547 | 11,519 | 21,814 | 15,012 | 21,403 | 19,193 | 18,167 | 13,777 | 17,117 |
| <i>plus:</i> Consolidation Adjustments | 2,053 | -2,889 | 482 | 10,461 | -2,876 | -102 | 43 | 143 | 865 | 238 |

Graph 1

Deposits of nonfinancial corporations and households

(percentage points)

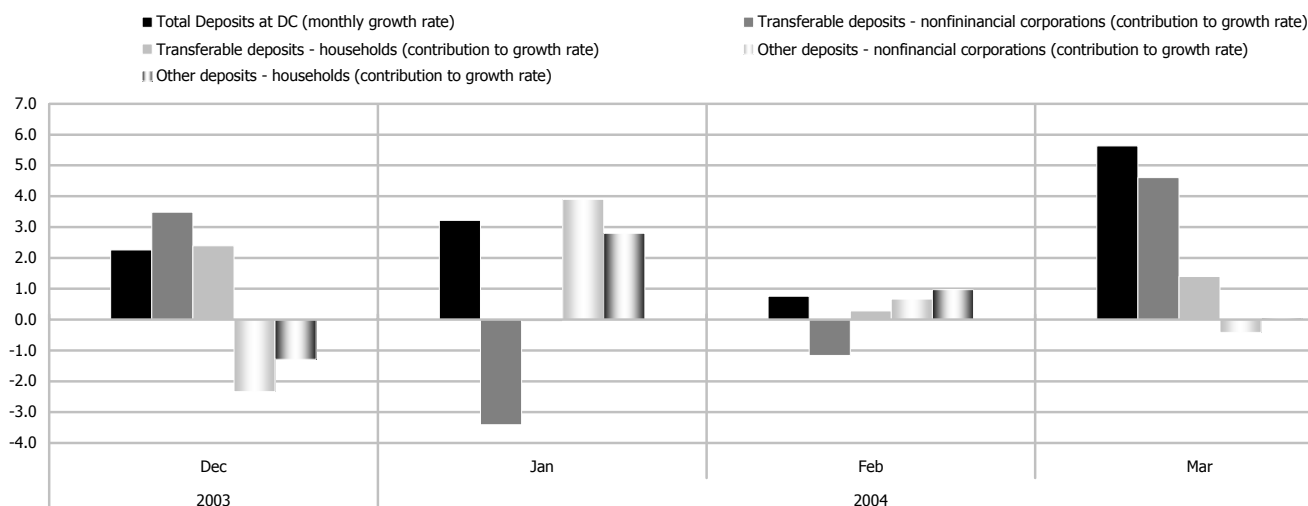




Table 2

BPK SURVEY

(outstanding amounts, end of period, in 000 EUR)

| Description | 2000 | 2001 | 2002 | 2003 | | | | 2004 | | |
|--|---------------|----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | | | | Q1 | Q2 | Q3 | Q4 | Jan | Feb | Mar |
| Net foreign assets | 52,116 | 293,654 | 345,410 | 369,777 | 394,528 | 451,193 | 453,691 | 469,327 | 463,900 | 445,265 |
| Assets | 61,697 | 296,235 | 345,773 | 371,042 | 395,344 | 451,926 | 453,990 | 469,812 | 464,252 | 445,465 |
| Cash | 15,828 | 249,685 | 17,474 | 14,851 | 24,137 | 41,511 | 26,590 | 26,449 | 27,307 | 26,772 |
| Transferable deposits | 6,755 | 536 | 66,249 | 79,841 | 73,507 | 84,399 | 23,784 | 22,510 | 20,148 | 15,064 |
| Other deposits | 39,114 | 46,014 | 262,050 | 276,350 | 297,700 | 326,016 | 403,616 | 420,852 | 416,797 | 403,629 |
| Liabilities | 9,581 | 2,581 | 363 | 1,265 | 815 | 733 | 298 | 485 | 351 | 200 |
| Deposits of UNMIK | 9,581 | 2,581 | 363 | 1,265 | 815 | 733 | 298 | 485 | 351 | 200 |
| Claims on ODC | - | - | - | - | - | - | - | - | - | - |
| Net claims on central government | -5,657 | -69,811 | -258,592 | -301,653 | -318,983 | -379,545 | -342,740 | -361,685 | -359,377 | -332,680 |
| Transferable deposits | 5,657 | 69,811 | 258,592 | 301,653 | 318,983 | 379,545 | 342,740 | 361,685 | 359,377 | 332,680 |
| Claims on other sectors | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Monetary base | 15,753 | 173,904 | 46,222 | 41,822 | 38,785 | 33,284 | 59,612 | 54,785 | 52,237 | 60,723 |
| Liabilities to ODC | 15,753 | 173,904 | 46,222 | 41,822 | 38,785 | 33,284 | 59,612 | 54,785 | 52,237 | 60,723 |
| Transferable deposits | 15,753 | 173,904 | 46,222 | 41,822 | 38,785 | 33,284 | 59,612 | 54,785 | 52,237 | 60,723 |
| of which : minimum liquidity reserves | n/a | n/a | 26,908 | 29,701 | 27,627 | 30,800 | 31,329 | 30,877 | 33,843 | 35,442 |
| Transferable deposits included in broad money | 22,896 | 8,393 | 3,898 | 2,318 | 4,145 | 3,513 | 5,305 | 3,989 | 7,702 | 6,781 |
| Public non financial corporations | 22,896 | 6,963 | 3,473 | 1,972 | 4,111 | 3,485 | 5,288 | 2,501 | 6,307 | 5,334 |
| Other non financial corporations | n/a | 1,430 | 425 | 346 | 33 | 27 | 17 | 42 | 22 | 16 |
| Other resident sectors | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,446 | 1,373 | 1,431 |
| Securities included in broad money | - | - | - | - | - | - | - | - | - | - |
| Deposits excluded from broad money | 2,984 | 13,438 | 25,113 | 17,653 | 19,526 | 20,931 | 31,007 | 34,801 | 30,302 | 30,525 |
| Transferable deposits | 2,984 | 13,438 | 25,113 | 17,653 | 13,100 | 14,481 | 24,535 | 28,328 | 23,807 | 24,030 |
| Insurance companies | 0 | 10,562 | 15,999 | 16,464 | 9,602 | 10,035 | 13,925 | 13,829 | 13,721 | 13,720 |
| Pension funds | 0 | 0 | 0 | 0 | 1,127 | 1,568 | 2,201 | 2,467 | 2,727 | 2,940 |
| Other financial intermediaries | 0 | 525 | 0 | 0 | 0 | 906 | 3,640 | 3,643 | 3,646 | 3,649 |
| Other government agencies | 0 | 0 | 8,620 | 602 | 823 | 295 | 3,054 | 6,669 | 1,927 | 1,931 |
| Local government | 2,984 | 2,351 | 494 | 587 | 1,548 | 1,678 | 1,714 | 1,720 | 1,785 | 1,790 |
| Other deposits | n/a | 0 | 0 | 0 | 6,426 | 6,450 | 6,472 | 6,472 | 6,494 | 6,494 |
| Insurance companies | n/a | 0 | 0 | 0 | 6,426 | 6,450 | 6,472 | 6,472 | 6,494 | 6,494 |
| Securities excluded from broad money | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Own funds | 4,925 | 4,727 | 10,561 | 10,937 | 12,843 | 13,806 | 16,068 | 16,338 | 16,530 | 16,772 |
| of which share capital | 2,556 | 2,556 | 2,556 | 2,556 | 2,556 | 2,556 | 2,556 | 2,556 | 2,556 | 2,556 |
| Other Items (net) | -99 | 23,381 | 1,025 | -4,606 | 246 | 114 | -1,040 | -2,271 | -2,247 | -2,216 |
| Other liabilities | 1,236 | 24,245 | 1,911 | 2,371 | 1,575 | 1,662 | 1,448 | 32 | 14 | 20 |
| less: Other assets | 1,335 | 864 | 886 | 6,977 | 1,329 | 1,549 | 2,488 | 2,303 | 2,261 | 2,235 |

Graph 2

Contribution to the growth rate of net foreign assets of BPK

(percentage points)

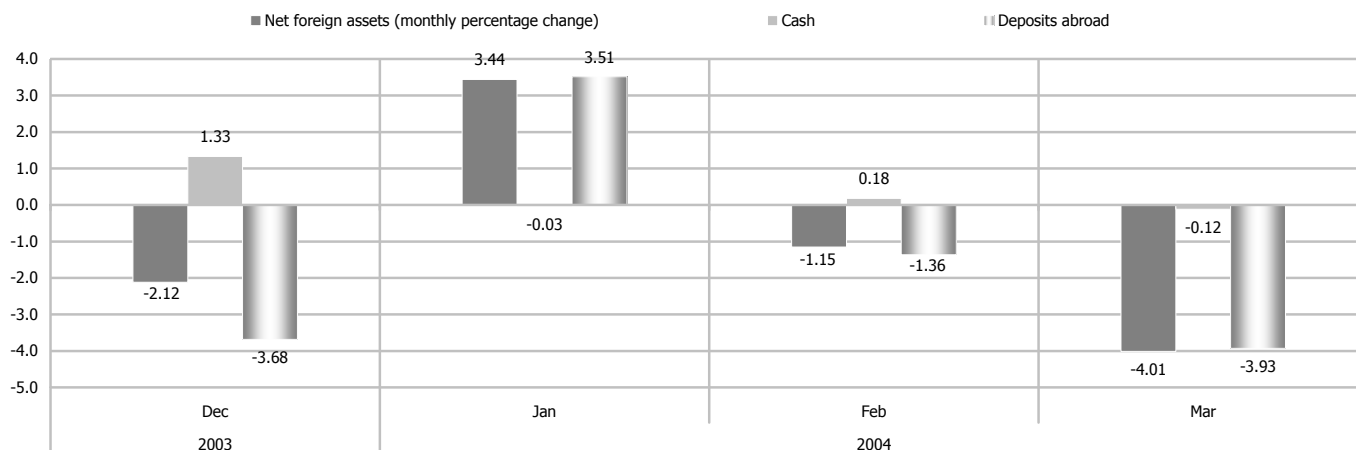




Table 3

BPK BALANCE SHEET

(outstanding amounts, end of period, in 000 EUR)

| Description | 2000 | 2001 | 2002 | 2003 | | | | 2004 | | |
|-----------------------------------|---------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | | | | Q1 | Q2 | Q3 | Q4 | Jan | Feb | Mar |
| Assets | | | | | | | | | | |
| Currency and deposits | 61,697 | 296,235 | 345,773 | 371,042 | 395,344 | 451,926 | 453,990 | 469,812 | 464,252 | 445,465 |
| Currency (Cash) | 15,828 | 249,685 | 17,474 | 14,851 | 24,137 | 41,511 | 26,590 | 26,449 | 27,307 | 26,772 |
| In EUR currency | 0 | 98,842 | 17,288 | 14,568 | 23,857 | 41,235 | 26,323 | 26,187 | 27,047 | 26,512 |
| In non-EUR currencies | 15,828 | 150,843 | 186 | 284 | 280 | 276 | 267 | 262 | 259 | 260 |
| Deposits in EUR (abroad) | 45,869 | 46,550 | 328,299 | 356,191 | 371,207 | 410,416 | 427,399 | 443,363 | 436,945 | 418,693 |
| Transferable deposits | 6,755 | 536 | 66,249 | 79,841 | 73,507 | 84,399 | 23,784 | 22,510 | 20,148 | 15,064 |
| Other deposits | 39,114 | 46,014 | 262,050 | 276,350 | 297,700 | 326,016 | 403,616 | 420,852 | 416,797 | 403,629 |
| Other accounts receivable | 489 | 206 | 264 | 6,382 | 331 | 584 | 1,587 | 1,435 | 1,424 | 1,430 |
| Nonfinancial assets | 845 | 658 | 622 | 595 | 997 | 965 | 901 | 868 | 837 | 805 |
| TOTAL ASSETS | 63,032 | 297,099 | 346,659 | 378,019 | 396,672 | 453,475 | 456,478 | 472,115 | 466,512 | 445,465 |
| Liabilities | | | | | | | | | | |
| Transferable Deposits | 56,871 | 268,126 | 334,187 | 364,711 | 375,828 | 431,556 | 432,490 | 449,273 | 443,475 | 424,415 |
| In EUR currency | 56,871 | 267,942 | 334,003 | 364,428 | 375,554 | 431,282 | 432,216 | 448,999 | 443,201 | 424,141 |
| Other depository corporations | 15,753 | 173,904 | 46,222 | 41,822 | 38,785 | 33,284 | 59,612 | 54,785 | 52,237 | 60,723 |
| Other financial corporations | 0 | 11,087 | 15,999 | 16,464 | 10,729 | 12,508 | 19,766 | 19,939 | 20,095 | 20,308 |
| Insurance companies | 0 | 10,562 | 15,999 | 16,464 | 9,602 | 10,035 | 13,925 | 13,829 | 13,721 | 13,720 |
| Pension funds | 0 | 0 | 0 | 0 | 1,127 | 1,568 | 2,201 | 2,467 | 2,727 | 2,940 |
| Other financial intermediaries | 0 | 525 | 0 | 0 | 0 | 906 | 3,640 | 3,643 | 3,646 | 3,649 |
| Central government | 5,657 | 69,626 | 258,407 | 301,370 | 318,709 | 379,271 | 342,466 | 361,412 | 359,104 | 332,406 |
| of which: Kosovo trust agency | 0 | 0 | 0 | 0 | 0 | 18,260 | 25,263 | 22,626 | 17,962 | 17,974 |
| Other government agencies | 0 | 0 | 8,620 | 602 | 823 | 295 | 3,054 | 6,669 | 1,927 | 1,931 |
| Local government | 2,984 | 2,351 | 494 | 587 | 1,548 | 1,678 | 1,714 | 1,720 | 1,785 | 1,790 |
| UNMIK | 9,581 | 2,581 | 363 | 1,265 | 815 | 733 | 298 | 485 | 351 | 200 |
| Public non financial corporations | 22,896 | 6,963 | 3,473 | 1,972 | 4,111 | 3,485 | 5,288 | 2,501 | 6,307 | 5,334 |
| Other non financial corporations | 0 | 1,430 | 425 | 346 | 33 | 27 | 17 | 42 | 22 | 16 |
| Other resident sectors | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,446 | 1,373 | 1,431 |
| In non-EUR currencies | 0 | 184 | 184 | 283 | 274 | 274 | 274 | 274 | 274 | 274 |
| Central government | 0 | 184 | 184 | 283 | 274 | 274 | 274 | 274 | 274 | 274 |
| Other deposits | 0 | 0 | 0 | 0 | 6,426 | 6,450 | 6,472 | 6,472 | 6,494 | 6,494 |
| In EUR currency | 0 | 0 | 0 | 0 | 6,426 | 6,450 | 6,472 | 6,472 | 6,494 | 6,494 |
| Insurance companies | 0 | 0 | 0 | 0 | 6,426 | 6,450 | 6,472 | 6,472 | 6,494 | 6,494 |
| Other accounts payable | 1,236 | 24,245 | 1,911 | 2,371 | 1,575 | 1,662 | 1,448 | 32 | 14 | 20 |
| Shares and other equity | 4,925 | 4,727 | 10,561 | 10,937 | 12,843 | 13,806 | 16,068 | 16,338 | 16,530 | 16,772 |
| Funds contributed by owners | 2,556 | 2,556 | 2,556 | 2,556 | 2,556 | 2,556 | 2,556 | 2,556 | 2,556 | 2,556 |
| Capital | 2,556 | 2,556 | 2,556 | 2,556 | 2,556 | 2,556 | 2,556 | 2,556 | 2,556 | 2,556 |
| General and special reserves | n/a | 1,443 | 7,540 | 7,380 | 9,220 | 10,208 | 11,892 | 12,183 | 12,396 | 12,658 |
| Reserves | n/a | 309 | 3,940 | 3,943 | 7,380 | 7,380 | 7,380 | 11,892 | 11,911 | 11,911 |
| Income or Loss | n/a | 1,133 | 3,599 | 3,436 | 1,840 | 2,829 | 4,512 | 291 | 484 | 747 |
| Grants from donors | n/a | 728 | 464 | 1,001 | 1,067 | 1,041 | 1,619 | 1,598 | 1,578 | 1,557 |
| TOTAL LIABILITIES | 63,032 | 297,099 | 346,659 | 378,019 | 396,672 | 453,475 | 456,478 | 472,115 | 466,512 | 447,700 |



Table 4

OTHER DEPOSITORY CORPORATIONS SURVEY

(outstanding amounts, end of period, in 000 EUR)

| Description | 2000 | 2001 | 2002 | 2003 | | | | 2004 | | |
|---|---------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | | | | Q1 | Q2 | Q3 | Q4 | Jan | Feb | Mar |
| Net foreign assets | 70,461 | 289,664 | 304,079 | 296,192 | 263,725 | 278,140 | 243,333 | 260,307 | 257,039 | 258,937 |
| Assets | 83,099 | 308,593 | 328,322 | 321,562 | 292,435 | 305,888 | 272,436 | 292,763 | 290,711 | 289,136 |
| Cash | 11,671 | 88,342 | 35,597 | 40,516 | 47,706 | 52,038 | 46,611 | 44,289 | 48,059 | 48,952 |
| Deposits in foreign banks | 6,215 | 33,239 | 17,365 | 29,226 | 12,722 | 12,823 | 18,035 | 30,851 | 28,369 | 20,122 |
| Placements | 65,214 | 179,514 | 275,360 | 219,852 | 200,165 | 209,301 | 88,170 | 97,242 | 93,455 | 99,145 |
| Securities other than shares | 0 | 7,498 | 0 | 31,968 | 31,842 | 31,726 | 119,620 | 120,381 | 120,828 | 120,917 |
| Liabilities | 12,638 | 18,929 | 24,243 | 25,370 | 28,710 | 27,748 | 29,103 | 32,456 | 33,672 | 30,199 |
| Transferable deposits | 9,635 | 12,307 | 14,529 | 13,794 | 18,381 | 16,065 | 16,238 | 18,781 | 20,028 | 16,331 |
| Other deposits | 79 | 1,577 | 3,005 | 2,973 | 1,726 | 1,835 | 1,927 | 2,438 | 2,390 | 2,091 |
| Borrowings | 2,924 | 5,045 | 5,418 | 6,558 | 6,558 | 7,803 | 8,893 | 9,192 | 9,209 | 9,732 |
| Subordinated debt | 0 | 0 | 1,291 | 2,045 | 2,045 | 2,045 | 2,045 | 2,045 | 2,045 | 2,045 |
| Net claims on central bank | 13,700 | 176,793 | 45,740 | 31,361 | 41,661 | 33,386 | 59,569 | 54,642 | 51,372 | 60,485 |
| Deposits at BPK | 13,700 | 176,793 | 45,740 | 31,361 | 41,661 | 33,386 | 59,569 | 54,642 | 51,372 | 60,485 |
| Net claims on central government | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Net claims on OFC | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Claims on private sector | 3,148 | 25,916 | 86,498 | 115,760 | 162,713 | 188,269 | 232,773 | 240,556 | 252,845 | 268,063 |
| Nonfinancial corporations and households | 3,148 | 25,916 | 86,498 | 115,760 | 162,713 | 188,269 | 232,773 | 240,556 | 252,845 | 268,063 |
| Gross loans | 3,148 | 25,916 | 86,498 | 115,760 | 162,713 | 188,269 | 232,773 | 240,556 | 252,845 | 268,063 |
| Net loans | 3,148 | 25,135 | 83,976 | 112,160 | 157,228 | 181,301 | 225,058 | 232,272 | 243,584 | 257,643 |
| Deposits included in broad money | 83,289 | 478,372 | 409,660 | 419,179 | 434,148 | 472,003 | 495,880 | 514,760 | 514,882 | 545,228 |
| Transferable deposits | 75,676 | 353,583 | 281,380 | 275,029 | 286,453 | 278,723 | 298,416 | 283,752 | 275,398 | 307,665 |
| Non financial corporations | 54,487 | 137,089 | 159,882 | 143,105 | 150,136 | 134,244 | 155,122 | 140,805 | 130,970 | 155,942 |
| Households | 21,189 | 216,495 | 121,498 | 131,924 | 136,317 | 144,479 | 143,294 | 142,947 | 144,428 | 151,723 |
| Other deposits | 7,613 | 124,788 | 128,280 | 144,150 | 147,695 | 193,280 | 197,464 | 231,008 | 239,484 | 237,563 |
| Non financial corporations | 4,579 | 31,318 | 23,921 | 38,276 | 41,485 | 71,661 | 74,758 | 94,297 | 97,739 | 95,579 |
| Households | 3,034 | 93,471 | 104,359 | 105,874 | 106,210 | 121,619 | 122,706 | 136,711 | 141,745 | 141,984 |
| Securities included in broad money | - | - | - | - | - | - | - | - | - | - |
| Deposits, securities excluded from broad money | 0 | 0 | 0 | 309 | 3,100 | 3,351 | 1,751 | 1,702 | 4,102 | 3,502 |
| Own funds | 6,152 | 20,435 | 33,244 | 33,385 | 37,959 | 35,805 | 45,007 | 45,987 | 47,223 | 47,410 |
| of which share capital | 4,600 | 18,467 | 30,764 | 31,007 | 33,696 | 34,683 | 44,061 | 44,231 | 45,257 | 46,394 |
| Other Items (net) | -2,132 | -6,434 | -6,587 | -9,559 | -7,108 | -11,364 | -6,963 | -6,944 | -4,951 | -8,655 |
| Other liabilities | 885 | 1,249 | 4,046 | 5,278 | 6,575 | 8,490 | 9,742 | 8,920 | 6,565 | 6,227 |
| /less: Other assets | 3,017 | 7,683 | 10,633 | 14,837 | 13,683 | 19,854 | 16,705 | 15,864 | 11,516 | 14,882 |

Graph 3

Gross domestic loans, deposits in foreign banks and foreign securities as a part of liabilities to private sector

(in percentage)

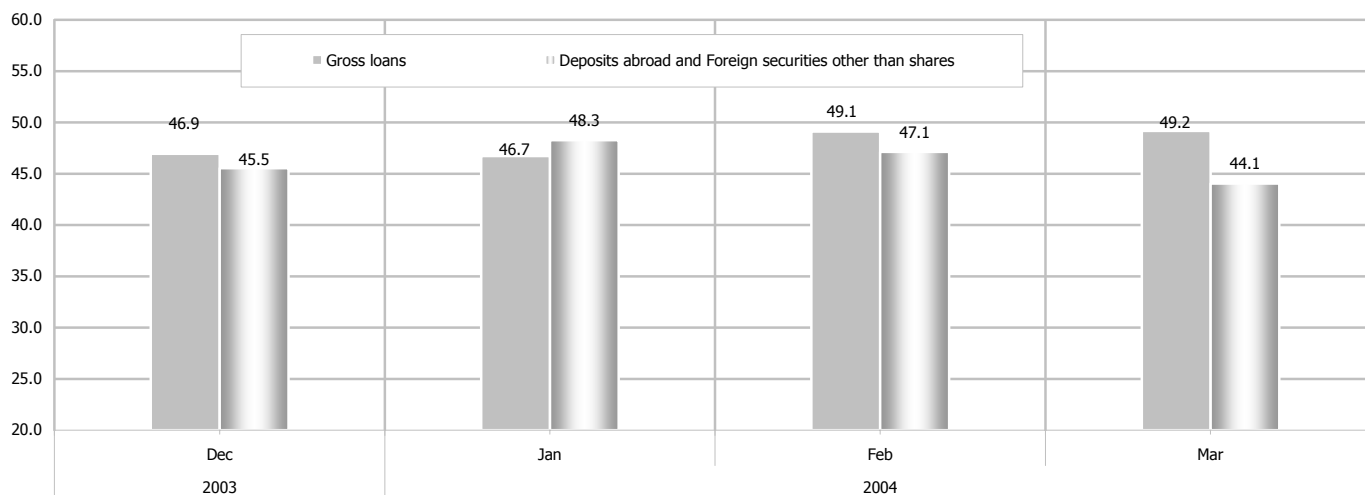




Table 5

ODC BALANCE SHEET

(outstanding amounts, end of period, in 000 EUR)

| Description | 2000 | 2001 | 2002 | 2003 | | | | 2004 | | |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | | | | Q1 | Q2 | Q3 | Q4 | Jan | Feb | Mar |
| ASSETS | | | | | | | | | | |
| Cash | 11,671 | 88,342 | 35,597 | 40,516 | 47,706 | 52,036 | 46,611 | 44,289 | 48,059 | 48,952 |
| Balance with BPK | 13,700 | 176,793 | 45,740 | 31,361 | 41,661 | 33,386 | 59,569 | 54,642 | 51,372 | 60,485 |
| Interest bearing accounts with other banks | 6,215 | 33,239 | 17,365 | 29,226 | 12,722 | 12,823 | 18,035 | 30,851 | 28,369 | 20,122 |
| Nonresidents | 6,215 | 33,239 | 17,365 | 29,226 | 12,722 | 12,823 | 18,035 | 30,851 | 28,369 | 20,122 |
| Loans to financial corporations (placement) | 65,214 | 179,514 | 275,360 | 219,852 | 200,165 | 209,301 | 88,170 | 97,242 | 93,455 | 99,145 |
| Securities | 0 | 7,498 | 0 | 31,968 | 31,842 | 31,726 | 119,620 | 120,381 | 120,828 | 120,917 |
| Nonresidents | 0 | 7,498 | 0 | 31,968 | 31,842 | 31,726 | 119,620 | 120,381 | 120,828 | 120,917 |
| Gross loans to non-financial corporations | 3,148 | 25,916 | 86,498 | 115,760 | 162,713 | 188,269 | 232,773 | 240,556 | 252,845 | 268,063 |
| <i>less:</i> Provisions for loan losses | 0 | 781 | 2,522 | 3,600 | 5,485 | 6,968 | 7,715 | 8,284 | 9,261 | 10,420 |
| Net loans | 3,148 | 25,135 | 83,976 | 112,160 | 157,228 | 181,301 | 225,058 | 232,272 | 243,584 | 257,643 |
| Property and equipment, net of depreciation | 441 | 4,544 | 9,498 | 9,506 | 10,942 | 11,282 | 12,265 | 12,056 | 12,008 | 12,102 |
| Interest receivable and other assets | 2,576 | 3,920 | 3,657 | 8,931 | 8,226 | 15,540 | 12,155 | 12,092 | 8,769 | 13,200 |
| TOTAL ASSETS | 102,964 | 518,985 | 471,193 | 483,520 | 510,492 | 547,397 | 581,483 | 603,825 | 606,444 | 632,566 |
| LIABILITIES AND SHAREHOLDER'S EQUITY | | | | | | | | | | |
| Deposits by banks and OFC | 0 | 0 | 0 | 309 | 3,100 | 3,351 | 1,751 | 1,702 | 4,102 | 6,502 |
| Customer deposits | 93,003 | 492,255 | 427,194 | 435,946 | 454,255 | 489,903 | 514,045 | 535,979 | 537,300 | 563,650 |
| Transferable deposits in EUR | 85,311 | 365,890 | 295,909 | 288,823 | 304,834 | 294,788 | 314,654 | 302,533 | 295,426 | 323,996 |
| Residents | 75,676 | 353,583 | 281,380 | 275,029 | 286,453 | 278,723 | 298,416 | 283,752 | 275,398 | 307,665 |
| Non financial corporations | 54,487 | 137,089 | 159,882 | 143,105 | 150,136 | 144,479 | 155,122 | 140,805 | 130,970 | 155,942 |
| Households | 21,189 | 216,495 | 121,498 | 131,924 | 136,317 | 134,244 | 143,294 | 142,947 | 144,428 | 151,723 |
| Nonresidents | 9,635 | 12,307 | 14,529 | 13,794 | 18,381 | 16,065 | 16,238 | 18,781 | 20,028 | 16,331 |
| Other deposits in EUR | 7,692 | 126,365 | 131,285 | 147,123 | 149,421 | 195,115 | 199,391 | 233,446 | 241,874 | 239,654 |
| Residents | 7,613 | 124,788 | 128,280 | 144,150 | 147,695 | 193,280 | 197,464 | 231,008 | 239,484 | 237,563 |
| Non financial corporations | 4,579 | 31,318 | 23,921 | 38,276 | 41,485 | 71,661 | 74,758 | 94,297 | 97,739 | 95,579 |
| Households | 3,034 | 93,471 | 104,359 | 105,874 | 106,210 | 121,619 | 122,706 | 136,711 | 141,745 | 141,984 |
| Nonresidents | 79 | 1,577 | 3,005 | 2,973 | 1,726 | 1,835 | 1,927 | 2,438 | 2,390 | 2,091 |
| Total deposits | 93,003 | 492,255 | 427,194 | 436,255 | 457,355 | 493,254 | 515,796 | 537,681 | 541,402 | 567,152 |
| Borrowings | 2,924 | 5,045 | 5,418 | 6,558 | 6,558 | 7,803 | 8,893 | 9,192 | 9,209 | 9,732 |
| Nonresidents | 2,924 | 5,045 | 5,418 | 6,558 | 6,558 | 7,803 | 8,893 | 9,192 | 9,209 | 9,732 |
| Interest payable and other liabilities | 885 | 1,249 | 4,046 | 5,278 | 6,575 | 4,890 | 9,742 | 8,920 | 6,565 | 6,227 |
| Subordinated debts | 0 | 0 | 1,291 | 2,045 | 2,045 | 2,045 | 2,045 | 2,045 | 2,045 | 2,045 |
| Nonresidents | 0 | 0 | 1,291 | 2,045 | 2,045 | 2,045 | 2,045 | 2,045 | 2,045 | 2,045 |
| Liabilities | 96,812 | 498,549 | 437,949 | 450,136 | 472,533 | 511,592 | 536,476 | 557,838 | 559,221 | 585,156 |
| Shareholder's equity | 6,152 | 20,435 | 33,244 | 33,385 | 37,959 | 35,805 | 45,007 | 45,987 | 47,223 | 47,410 |
| TOTAL (LIABILITIES AND SHAREHOLDER'S EQUITY) | 102,964 | 518,985 | 471,193 | 483,520 | 510,492 | 547,397 | 581,483 | 603,825 | 606,444 | 632,566 |



Table 6

ODC NONRESIDENT DEPOSITS

(outstanding amounts, end of period, in 000 EUR)

| DESCRIPTION | 2000 | 2001 | 2002 | 2003 | | | | 2004 | | |
|--------------------------------------|---------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | | | | Q1 | Q2 | Q3 | Q4 | Jan | Feb | Mar |
| 1. Total resident deposits | 83,289 | 478,371 | 409,660 | 419,488 | 437,248 | 475,354 | 495,783 | 516,462 | 518,984 | 548,730 |
| Nonresidents | | | | | | | | | | |
| Households | 1,742 | 4,844 | 5,101 | 5,629 | 6,399 | 7,190 | 7,125 | 6,940 | 8,047 | 6,554 |
| Time deposits (other) | 66 | 1,549 | 1,977 | 1,945 | 1,681 | 1,804 | 1,859 | 1,959 | 1,972 | 1,973 |
| Sight deposits (transferable) | 1,676 | 3,296 | 3,124 | 3,684 | 4,718 | 5,386 | 5,266 | 4,981 | 6,075 | 4,581 |
| Legal entities | 7,972 | 9,039 | 12,433 | 11,138 | 13,708 | 10,710 | 12,888 | 14,279 | 14,371 | 11,868 |
| Time deposits (other) | 13 | 28 | 1,028 | 1,028 | 45 | 31 | 1,077 | 479 | 418 | 118 |
| Sight deposits (transferable) | 7,959 | 9,011 | 11,405 | 10,110 | 13,663 | 10,679 | 11,811 | 13,800 | 13,953 | 11,750 |
| Banks | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Time deposits (other) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sight deposits (transferable) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2. Total nonresident deposits | 9,714 | 13,884 | 17,534 | 16,767 | 20,107 | 17,900 | 20,013 | 21,219 | 22,418 | 18,422 |
| TOTAL (1+2) | 93,003 | 492,255 | 427,194 | 436,255 | 457,355 | 493,254 | 515,796 | 537,681 | 541,402 | 567,152 |



Table 7

ODC LOANS BY INSTITUTIONAL SECTORS

(outstanding amounts, end of period, in 000 EUR)

| DESCRIPTION | 2000 | 2001 | 2002 | 2003 | | | | 2004 | | |
|--|--------------|---------------|---------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | | | | Q1 | Q2 | Q3 | Q4 | Jan | Feb | Mar |
| Government Units | 0 | 0 | 0 | 0 | 4,635 | 0 | 0 | 0 | 0 | 0 |
| Financial corporations | 0 | 0 | 0 | 0 | 507 | 0 | 0 | 0 | 0 | 0 |
| Loans to Non-Profit Organizations | 0 | 0 | 0 | 0 | 29 | 0 | 0 | 0 | 0 | 0 |
| Publicly owned nonfinancial corporations | 0 | 0 | 54 | 0 | 1,188 | 224 | 173 | 233 | 267 | 235 |
| Socially owned nonfinancial corporations | 0 | 1,000 | 1,283 | 1,881 | 1,722 | 603 | 564 | 477 | 528 | 565 |
| Private owned nonfinancial corporations | 3,148 | 24,916 | 79,469 | 101,853 | 132,516 | 156,434 | 193,151 | 199,193 | 209,355 | 219,778 |
| Households | N/A | N/A | 5,692 | 12,026 | 22,116 | 31,008 | 38,885 | 40,653 | 42,695 | 47,485 |
| TOTAL LOANS | 3,148 | 25,916 | 86,498 | 115,760 | 162,713 | 188,269 | 232,773 | 240,556 | 252,845 | 268,063 |

Table 8

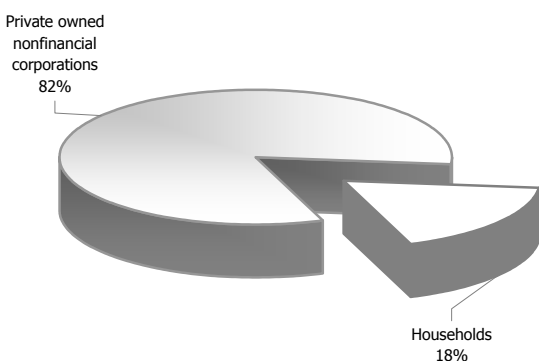
ODC LOANS BY ECONOMIC ACTIVITY

(outstanding amounts, end of period, in 000 EUR)

| DESCRIPTION | 2000 | 2001 | 2002 | 2003 | | | | 2004 | | |
|---------------------------------------|--------------|---------------|---------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | | | | Q4 | Q1 | Q2 | Q3 | Q4 | Jan | Feb |
| Agriculture | 0 | 141 | 1,510 | 2,034 | 3,129 | 3,839 | 4,558 | 4,919 | 5,548 | 6,183 |
| Civil Engineering | 0 | 0 | 1,811 | 57 | 853 | 1,256 | 1,619 | 1,993 | 1,954 | 2,632 |
| Trade | 2,187 | 13,960 | 50,532 | 67,749 | 92,335 | 89,355 | 113,531 | 109,018 | 127,374 | 131,027 |
| Services, Tourism, Hotel/ Restaurants | 565 | 3,688 | 14,633 | 18,926 | 27,277 | 56,226 | 71,606 | 78,860 | 42,881 | 46,254 |
| Industry | 396 | | 3,154 | 8,233 | 10,337 | 13,378 | 16,241 | 16,529 | 17,880 | 19,406 |
| Real Estate/ Real Estate Construction | 0 | 194 | 474 | 0 | 86 | 184 | 1,850 | 2,300 | 2,622 | 2,256 |
| Administration, Other Public Services | 0 | 0 | 3,822 | 0 | 1,050 | 51 | 191 | 156 | 510 | 764 |
| Other | 0 | 7,933 | 10,562 | 18,761 | 27,646 | 23,980 | 23,177 | 26,781 | 54,076 | 59,541 |
| TOTAL LOANS | 3,148 | 25,916 | 86,498 | 115,760 | 162,713 | 188,269 | 232,773 | 240,556 | 252,845 | 268,063 |

Graph 4

Gross loans by institutional sector, as of end March 2004



Graph 5

Gross loans by economic activity, as of end March 2004

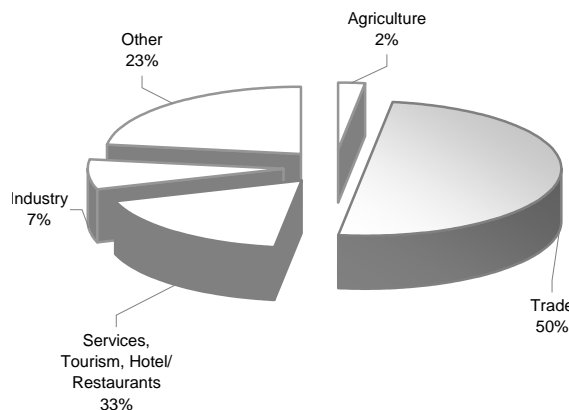




Table 9

ODC INCOME STATEMENT

(cumulative within calendar year, in 000 EUR)

| DESCRIPTION | 2000 | 2001 | 2002 | 2003 | | | | 2004 | | |
|--|--------------|---------------|---------------|--------------|---------------|---------------|---------------|--------------|--------------|---------------|
| | | | | Q1 | Q2 | Q3 | Q4 | Jan | Feb | Mar |
| INCOME | | | | | | | | | | |
| Interest income | 1,829 | 7,179 | 17,818 | 5,890 | 13,355 | 21,352 | 30,695 | 3,544 | 7,015 | 11,168 |
| Loans | 0 | 2,150 | 9,373 | 3,839 | 9,416 | 15,749 | 23,780 | 3,013 | 5,955 | 9,528 |
| Placement with banks | 0 | 5,029 | 8,257 | 2,051 | 3,939 | 5,603 | 6,090 | 245 | 499 | 799 |
| Securities | 0 | 0 | 188 | 0 | 0 | 0 | 823 | 286 | 561 | 841 |
| Non-Interest income | 5,274 | 9,402 | 14,034 | 3,456 | 7,932 | 12,990 | 17,984 | 1,364 | 2,187 | 3,725 |
| Fees and commissions | 5,274 | 9,212 | 13,194 | 3,253 | 7,407 | 12,026 | 16,750 | 1,113 | 2,068 | 3,507 |
| Other operating income | 0 | 190 | 840 | 203 | 525 | 964 | 1,234 | 251 | 119 | 218 |
| TOTAL INCOME | 7,104 | 16,581 | 31,852 | 9,346 | 21,287 | 34,342 | 48,679 | 4,908 | 9,202 | 14,893 |
| EXPENDITURES | | | | | | | | | | |
| Interest expenditures | 207 | 1,312 | 3,470 | 968 | 1,946 | 3,381 | 5,279 | 756 | 1,160 | 1,883 |
| Deposits | 207 | 855 | 3,102 | 862 | 1,721 | 3,006 | 4,782 | 687 | 1,054 | 1,698 |
| Borrowings | 0 | 458 | 368 | 106 | 225 | 375 | 497 | 69 | 106 | 185 |
| Non-Interest expenditures | 338 | 1,507 | 5,792 | 2,343 | 4,696 | 10,724 | 10,223 | 926 | 2,277 | 3,194 |
| Provision for losses on loans (placement) | 166 | 616 | 3,282 | 1,659 | 3,594 | 5,719 | 7,720 | 512 | 1,635 | 2,242 |
| Depreciation on fixed assets | 172 | 891 | 2,510 | 684 | 1,102 | 5,005 | 2,503 | 414 | 642 | 952 |
| General and administrative expenses | 2,707 | 7,271 | 19,130 | 5,786 | 11,639 | 14,872 | 25,379 | 2,261 | 4,633 | 7,282 |
| TOTAL EXPENDITURES | 3,252 | 10,090 | 28,392 | 9,097 | 18,281 | 28,977 | 40,881 | 3,943 | 8,070 | 12,359 |
| NET INCOME | | | | | | | | | | |
| Net operating income | 3,852 | 6,491 | 3,460 | 249 | 3,006 | 5,365 | 7,798 | 965 | 1,132 | 2,534 |
| Net gains/losses from dealing securities | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | -20 | -43 |
| Net gains/losses from dealing in foreign exchange | 577 | 699 | 509 | 174 | 384 | 418 | 658 | 10 | 48 | 40 |
| Net gains losses from foreign currency revaluations | 33 | -19 | 53 | -10 | -32 | -56 | -85 | 38 | 126 | 104 |
| Net income from banking activities before taxes | 4,462 | 7,172 | 4,022 | 413 | 3,358 | 5,728 | 8,713 | 999 | 1,286 | 2,635 |
| Provision from taxes | 610 | 456 | 1,306 | 288 | 958 | 1,406 | 1,912 | 193 | 234 | 647 |
| Net profit / loss for period | 3,852 | 6,716 | 2,716 | 125 | 2,400 | 4,322 | 6,801 | 806 | 1,052 | 1,988 |
| /less: dividend paid | 2,300 | 5,260 | 2,118 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Retained profit | 1,552 | 1,457 | 598 | 125 | 2,400 | 4,322 | 6,801 | 806 | 1,052 | 1,988 |

Graph 6

Commercial banks income and expenditure

(quarterly data, in 000 EUR)

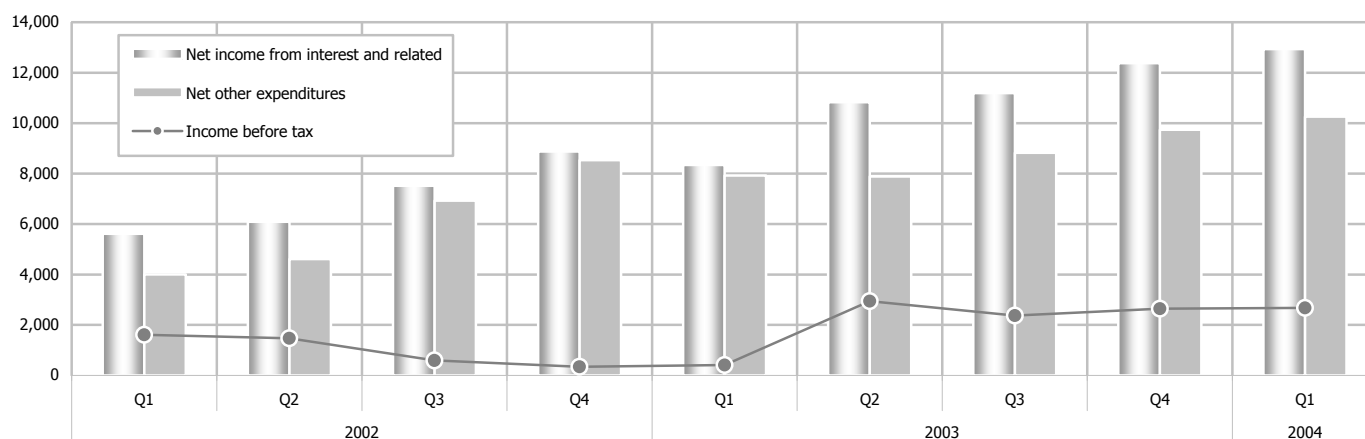




Table 10

OPERATIONS ON CURRENT ACCOUNTS HELD WITH BPK

(volume by period, in 000 EUR)

| Period | Outstanding end of previous period | Net cash transactions | Net domestic transfers | Net international transfers | Total net transactions | |
|--------|------------------------------------|-----------------------|------------------------|-----------------------------|------------------------|---------|
| 2003 | Jan | 334,003 | 8,181 | 9,069 | 17,250 | |
| | Feb | 351,253 | -842 | 9,193 | 8,351 | |
| | Mar | 359,604 | -11,039 | 15,863 | 4,824 | |
| | Apr | 364,428 | 1,712 | 1,509 | 3,221 | |
| | May | 367,649 | 10,647 | -9,754 | 893 | |
| | Jun | 368,542 | 13,157 | 49 | -6,193 | 7,013 |
| | Jul | 375,554 | 25,412 | 141 | -5,725 | 19,828 |
| | Aug | 395,383 | 47,236 | -362 | -33,233 | 13,641 |
| | Sep | 409,024 | 45,357 | 219 | -23,318 | 22,258 |
| | Oct | 431,282 | 23,597 | 306 | 7,563 | 31,466 |
| | Nov | 462,749 | 6,583 | 5,786 | -26,152 | -13,783 |
| | Dec | 448,966 | 6,195 | -3,203 | -19,743 | -16,751 |
| 2004 | Jan | 432,215 | 30,197 | 1,249 | -14,662 | 16,784 |
| | Feb | 448,999 | 11,568 | -566 | -16,800 | -5,798 |
| | Mar | 443,201 | -540 | 448 | -18,968 | -19,060 |

Graph 7

Net operations on current accounts held with BPK (Total net transactions)

(in 000 EUR)

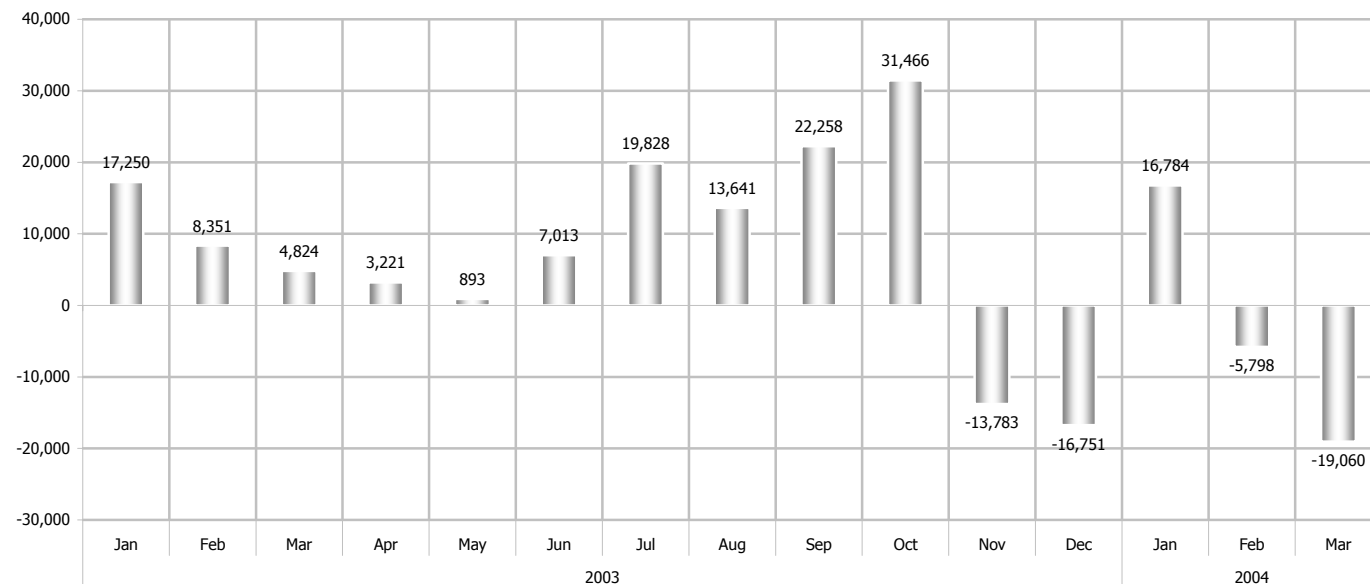




Table 11a

CASH DEPOSITS HELD WITH BPK CURRENT ACCOUNTS

(volume by period, in 000 EUR)

| Period | Government Agencies | Public Utilities | Banks and other fin. Institutions | Insurance Companies | Enterprises | NGO-s | Donor Agencies | Total Deposits | |
|------------|---------------------|------------------|-----------------------------------|---------------------|-------------|--------|----------------|----------------|--------|
| Total 2000 | 227,810 | 50,349 | 9,790 | 5,468 | 16,313 | 10,878 | 7,149 | 327,757 | |
| Total 2001 | 235,199 | 72,761 | 205,642 | 18,654 | 6,887 | 3,281 | 4,826 | 547,250 | |
| Total 2002 | 87,340 | 27,375 | 291,656 | 2,021 | 0 | 608 | 143 | 409,143 | |
| Total 2003 | 3,040 | 15,587 | 400,820 | 3,327 | 0 | 92 | 0 | 422,866 | |
| 2003 | Jan | 357 | 1,394 | 19,928 | 629 | 0 | 12 | 0 | 22,320 |
| | Feb | 223 | 1,215 | 16,024 | 916 | 0 | 29 | 0 | 18,407 |
| | Mar | 422 | 1,378 | 18,567 | 60 | 0 | 8 | 0 | 20,435 |
| | Apr | 303 | 1,361 | 29,404 | 36 | 0 | 21 | 0 | 31,125 |
| | May | 182 | 1,480 | 32,550 | 333 | 0 | 10 | 0 | 34,555 |
| | Jun | 358 | 1,165 | 33,609 | 95 | 0 | 3 | 0 | 35,231 |
| | Jul | 219 | 1,213 | 45,036 | 131 | 0 | 2 | 0 | 46,601 |
| | Aug | 138 | 1,178 | 58,024 | 220 | 0 | 1 | 0 | 59,561 |
| | Sep | 151 | 1,267 | 60,012 | 275 | 0 | 0 | 0 | 61,705 |
| | Oct | 146 | 1,465 | 34,739 | 222 | 0 | 0 | 0 | 36,572 |
| | Nov | 189 | 1,195 | 23,434 | 136 | 0 | 1 | 0 | 24,955 |
| | Dec | 352 | 1,276 | 29,493 | 274 | 0 | 5 | 0 | 31,400 |
| 2004 | Jan | 181 | 1,136 | 36,244 | 318 | 0 | 0 | 0 | 37,879 |
| | Feb | 195 | 1,048 | 24,547 | 197 | 0 | 1 | 0 | 25,988 |
| | Mar | 190 | 1,247 | 20,974 | 157 | 0 | 0 | 0 | 22,568 |

Graph 8a

Cash deposits held with BPK current accounts

(in 000 EUR)

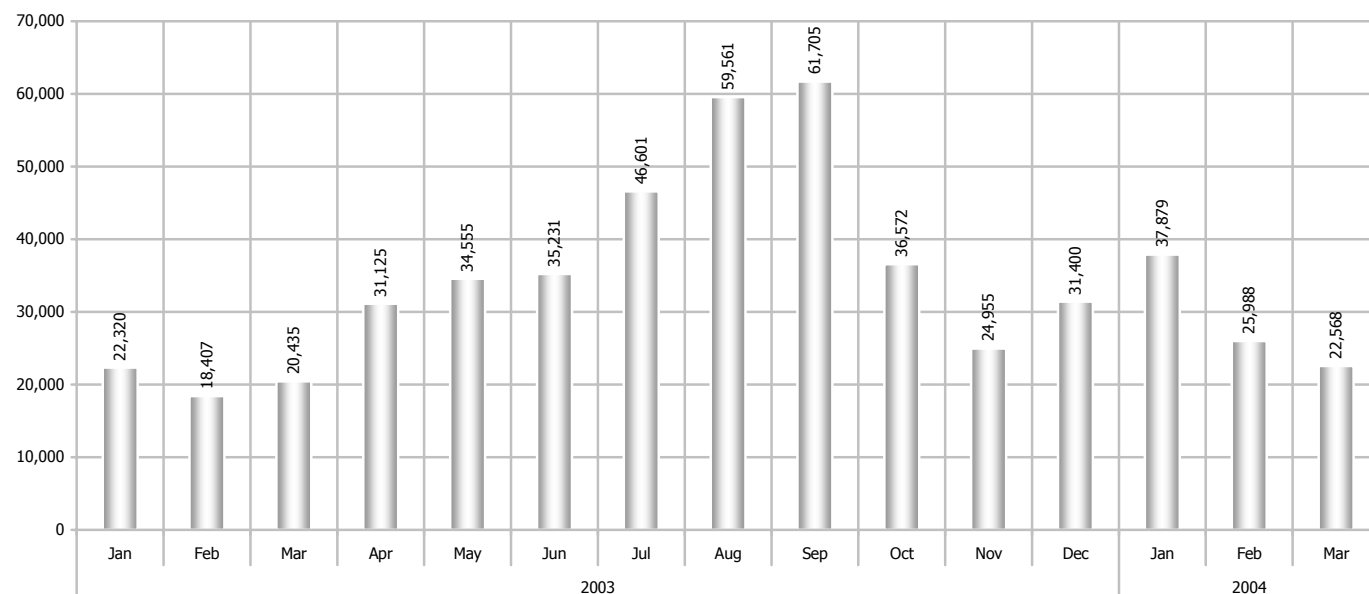




Table 11b

CASH WITHDRAWALS HELD WITH BPK CURRENT ACCOUNTS

(volume by period, in 000 EUR)

| Period | Government Agencies | Banks and other fin. Institutions | Public Utilities | Donor Agencies | NGO-s | Enterprises | Insurance Companies | Total Withdrawals | |
|------------|---------------------|-----------------------------------|------------------|----------------|--------|-------------|---------------------|-------------------|--------|
| Total 2000 | 214,924 | 2,124 | 43,554 | 82,756 | 31,284 | 12,238 | 1,408 | 388,288 | |
| Total 2001 | 193,832 | 65,351 | 49,883 | 150,047 | 37,299 | 5,170 | 3,504 | 505,086 | |
| Total 2002 | 127,888 | 309,016 | 17,699 | 26,190 | 7,885 | 0 | 702 | 489,380 | |
| Total 2003 | 18,153 | 220,912 | 5,609 | 0 | 1,996 | 0 | 0 | 246,671 | |
| 2003 | Jan | 5,445 | 7,467 | 1,098 | 0 | 129 | 0 | 0 | 14,139 |
| | Feb | 1,332 | 16,904 | 786 | 0 | 227 | 0 | 0 | 19,249 |
| | Mar | 1,112 | 29,420 | 696 | 0 | 245 | 0 | 0 | 31,474 |
| | Apr | 1,287 | 26,730 | 1,172 | 0 | 224 | 0 | 0 | 29,413 |
| | May | 1,566 | 21,475 | 583 | 0 | 284 | 0 | 0 | 23,908 |
| | Jun | 1,305 | 20,302 | 268 | 0 | 199 | 0 | 0 | 22,074 |
| | Jul | 1,329 | 19,471 | 234 | 0 | 155 | 0 | 0 | 21,189 |
| | Aug | 1,227 | 10,902 | 120 | 0 | 77 | 0 | 0 | 12,326 |
| | Sep | 1,099 | 14,900 | 239 | 0 | 110 | 0 | 0 | 16,348 |
| | Oct | 839 | 11,851 | 176 | 0 | 109 | 0 | 0 | 12,975 |
| | Nov | 744 | 17,398 | 92 | 0 | 138 | 0 | 0 | 18,372 |
| | Dec | 868 | 24,092 | 145 | 0 | 99 | 0 | 0 | 25,204 |
| 2004 | Jan | 382 | 7,201 | 69 | 0 | 30 | 0 | 0 | 7,682 |
| | Feb | 725 | 13,446 | 76 | 0 | 98 | 0 | 75 | 14,420 |
| | Mar | 606 | 22,292 | 120 | 0 | 89 | 0 | 0 | 23,107 |

Graph 8b

Cash withdrawals held with BPK current accounts

(in 000 EUR)

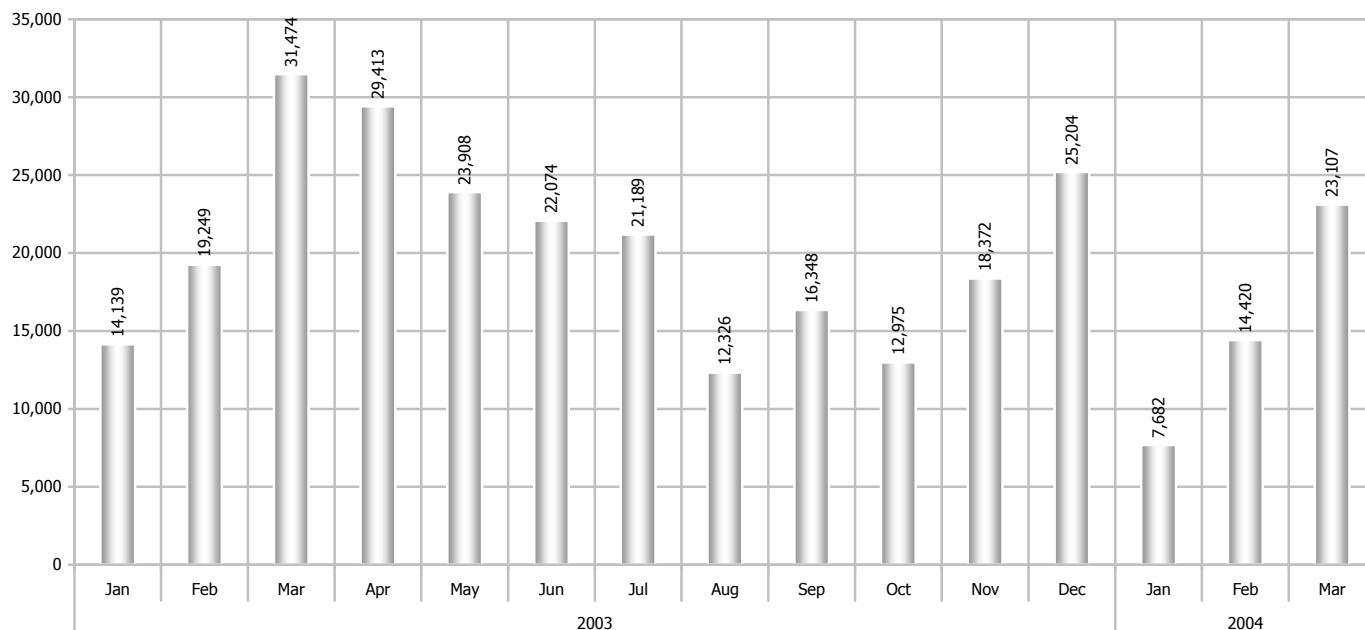




Table 12a

NET DOMESTIC TRANSFERS WITH BPK CURRENT ACCOUNTS

(volume by period, in 000 EUR)

| Period | Government Agencies | Public Utilities | Banks and other fin. Institutions | Insurance Companies | Enterprises | NGO-s | Other | Total transfers(net) | |
|------------------|---------------------|------------------|-----------------------------------|---------------------|-------------|--------|--------|----------------------|--------|
| Up to month 2003 | 58,568 | -3,787 | -47,617 | 2,618 | 0 | -6,845 | 0 | 2,938 | |
| 2003 | Jun | 13,716 | -212 | -12,349 | -536 | 0 | -568 | 0 | 49 |
| | Jul | 4,883 | -1,932 | -1,939 | 610 | 0 | -1,481 | 0 | 141 |
| | Aug | 13,673 | -480 | -12,860 | -250 | 0 | -445 | 0 | -362 |
| | Sep | 43,219 | -785 | -41,169 | -537 | 0 | -510 | 0 | 219 |
| | Oct | 7,286 | -841 | -5,367 | -89 | 0 | -683 | 0 | 306 |
| | Nov | 7,617 | -979 | -4,803 | 5,090 | 0 | -1,140 | 0 | 5,786 |
| | Dec | -31,827 | 1,442 | 30,870 | -1,670 | 0 | -2,018 | 0 | -3,203 |
| 2004 | Jan | 16,147 | -3,848 | -11,783 | -392 | 0 | -321 | 1,445 | 1,248 |
| | Feb | 10,362 | 3,149 | -13,179 | -230 | 0 | -595 | -73 | -566 |
| | Mar | -12,324 | -1,357 | 15,048 | -159 | 0 | -818 | 58 | 448 |

Graph 9a

Net domestic transfers with BPK current accounts

(in 000 EUR)

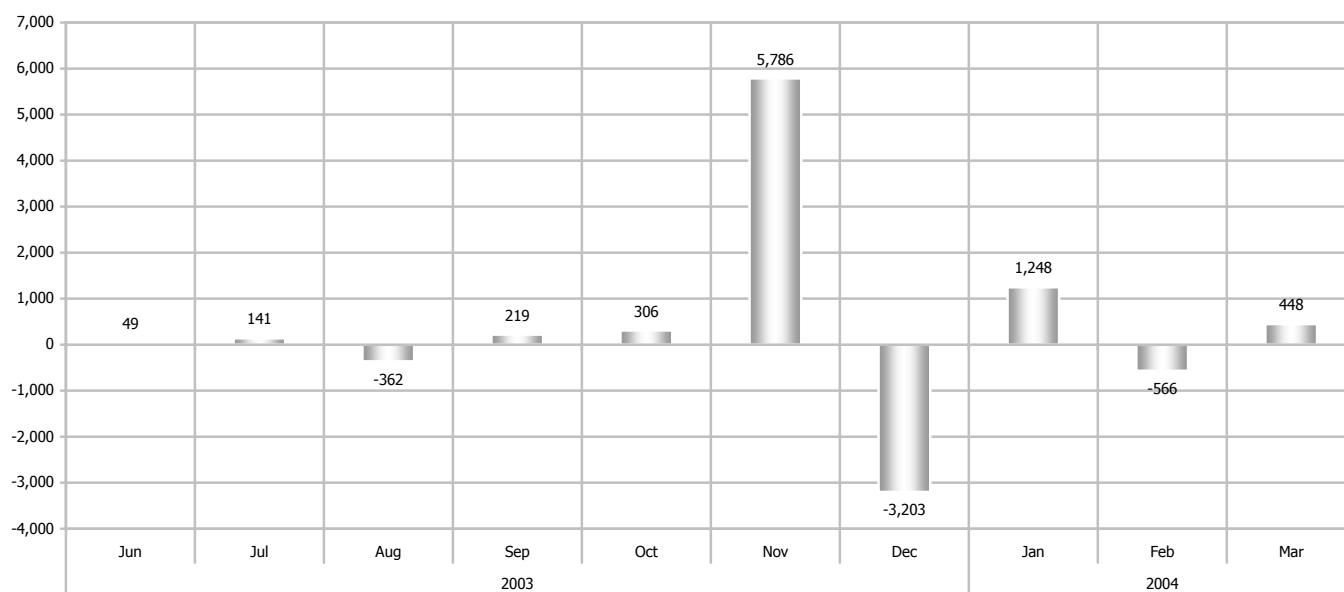




Table 12b

NET INTERNATIONAL TRANSFERS WITH BPK CURRENT ACCOUNTS

(volume by period, in 000 EUR)

| Period | Government Agencies | Public Utilities | Banks and other fin. Institutions | Insurance Companies | Enterprises | NGO-s | Donor Agencies | Net (Int. Incoming less Int. Outgoing Transfers) | |
|------------------|---------------------|------------------|-----------------------------------|---------------------|-------------|-------|----------------|--|---------|
| Up to month 2003 | -14,487 | -1,999 | -97,682 | -174 | 0 | 7,540 | 0 | -106,801 | |
| 2003 | Jun | -3,805 | -161 | -2,727 | -83 | 0 | 583 | 0 | -6,193 |
| | Jul | 3,391 | -315 | -10,743 | 0 | 0 | 1,943 | 0 | -5,725 |
| | Aug | 1,633 | 109 | -35,636 | -3 | 0 | 662 | 0 | -33,233 |
| | Sep | -2,958 | -288 | -20,515 | -14 | 0 | 456 | 0 | -23,318 |
| | Oct | 6,869 | -462 | 679 | -33 | 0 | 510 | 0 | 7,563 |
| | Nov | -14,928 | -178 | -12,713 | 0 | 0 | 1,666 | 0 | -26,152 |
| | Dec | -4,690 | -703 | -16,028 | -40 | 0 | 1,719 | 0 | -19,743 |
| 2004 | Jan | 6,782 | -65 | -21,822 | -21 | 0 | 465 | 0 | -14,661 |
| | Feb | -16,983 | -254 | -210 | 0 | 0 | 647 | 0 | -16,800 |
| | Mar | -13,949 | -743 | -5,031 | 0 | 0 | 755 | 0 | -18,968 |

Graph 9b

Net international transfers with BPK current accounts

(in 000 EUR)

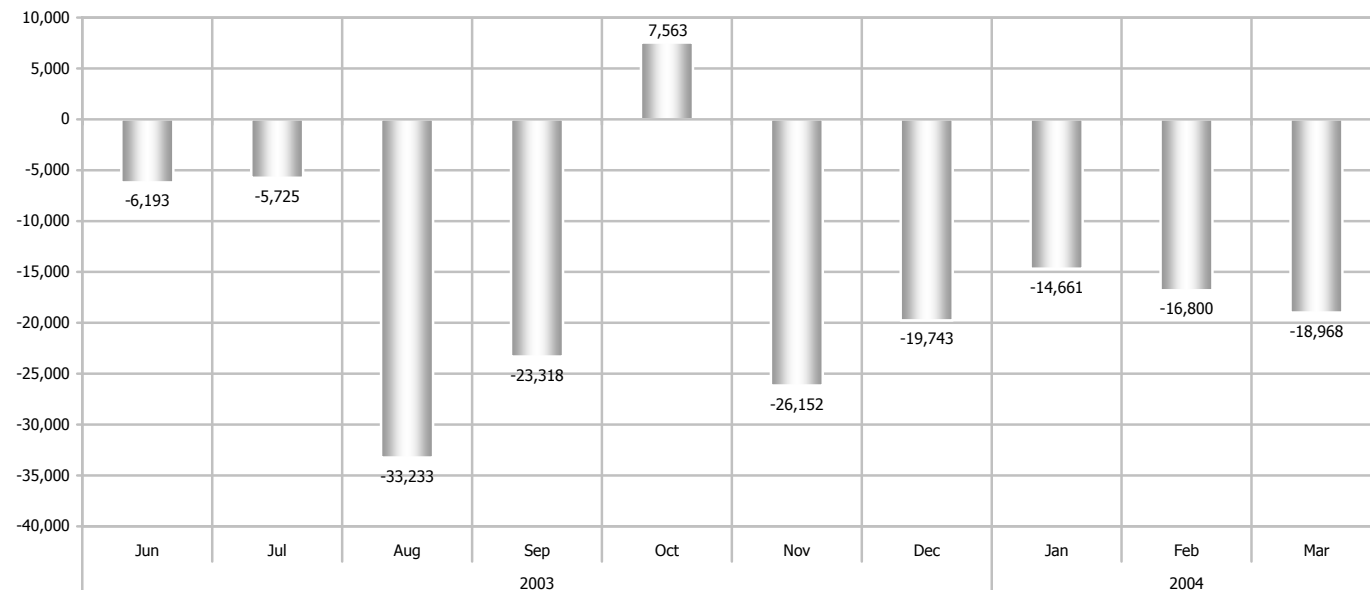




Table 13

INTERBANK CLEARING SYSTEM

(volume by period)

| Period | | Transactions | |
|------------|-----|----------------|----------------------|
| | | Number (unity) | Value (in 000 EUR) |
| Total 2001 | | 4,888 | 79,535 |
| Total 2002 | | 75,763 | 840,605 |
| Total 2003 | | 164,207 | 1,416,109 |
| 2003 | Q1 | 30,207 | 294,538 |
| | Q2 | 37,094 | 321,726 |
| | Q3 | 40,708 | 384,620 |
| | Q4 | 56,198 | 415,225 |
| 2004 | Jan | 12,094 | 92,140 |
| | Feb | 15,809 | 90,878 |
| | Mar | 20,359 | 136,879 |

Graph 10

Interbank Clearing System

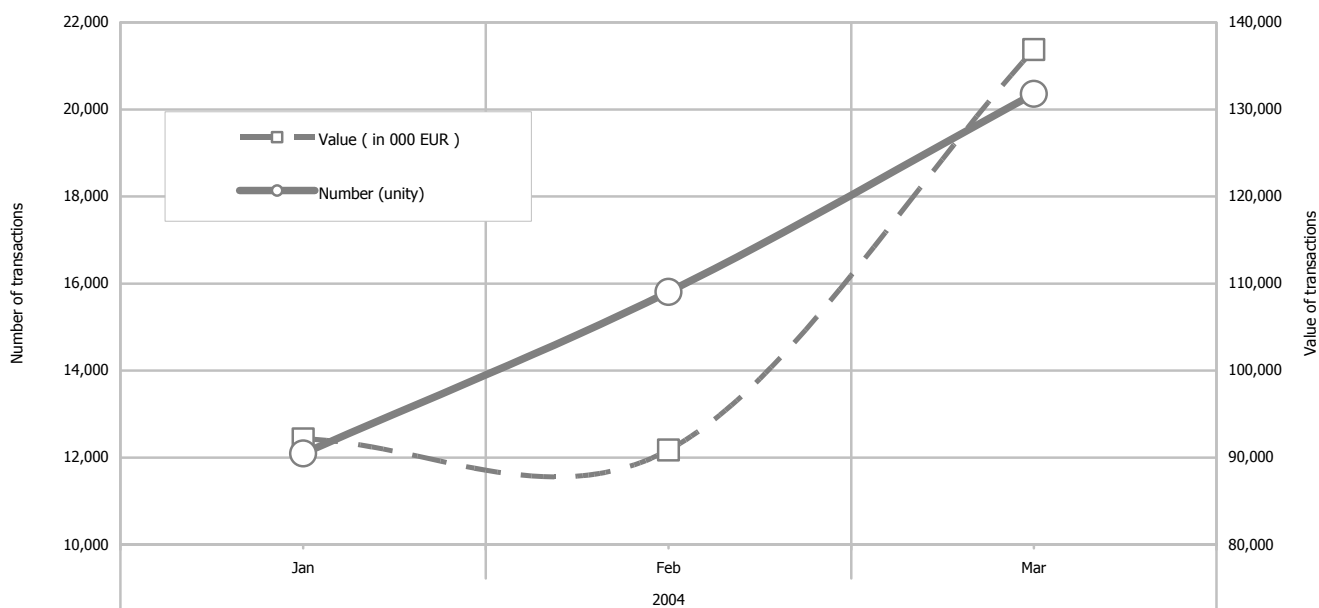




Table 14

FOREIGN TRANSFERS

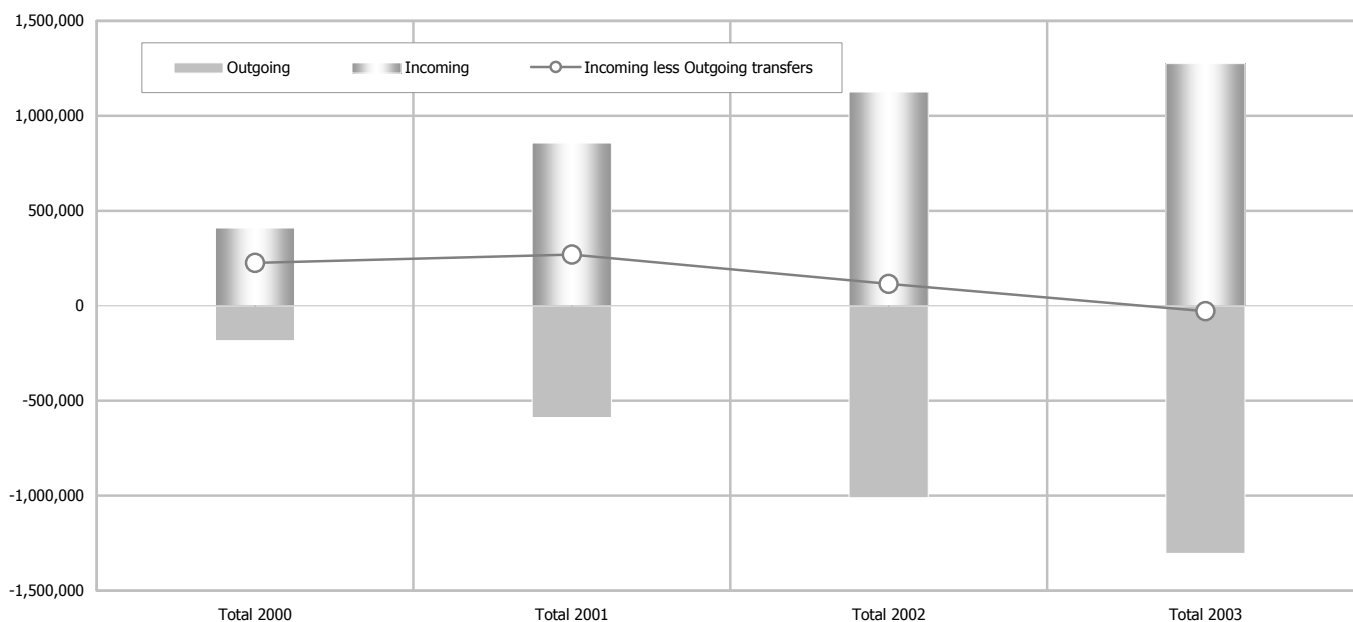
(volume by period, in 000 EUR)

| Period | Outgoing | | | | Incoming | | | |
|------------|----------|------------------|-------------------------|-----------|----------|------------------|-------------------------|-----------|
| | BPK | Commercial Banks | Wire transfers Agencies | Total | BPK | Commercial Banks | Wire transfers Agencies | Total |
| Total 2000 | 8,553 | 173,463 | 1,746 | 183,762 | 117,213 | 286,096 | 6,370 | 409,679 |
| Total 2001 | 77,295 | 500,522 | 10,094 | 587,911 | 226,980 | 588,229 | 41,841 | 857,050 |
| Total 2002 | 241,718 | 754,473 | 14,484 | 1,010,675 | 239,706 | 779,899 | 106,524 | 1,126,129 |
| Total 2003 | 275,412 | 1,014,780 | 13,032 | 1,303,224 | 220,929 | 916,724 | 137,232 | 1,274,885 |
| Jan-04 | 21,926 | 75,088 | 1,110 | 98,124 | 7,264 | 81,696 | 11,723 | 100,683 |
| Feb-04 | 23,000 | 140,382 | 2,149 | 165,531 | 6,200 | 147,578 | 21,230 | 175,008 |
| Mar-04 | 33,534 | 110,442 | 1,184 | 145,160 | 14,566 | 96,548 | 12,264 | 123,378 |

Graph 11

Foreign transfers

(in 000 EUR)





FINANCIAL STATISTICS



Table 15

INSURANCE COMPANIES ACTIVITY

(volume by period, amounts in 000 EUR, numbers in unity)

| Period | Amount of Premiums received | | | | Number of Policies sold | | | | Amount of Claims paid | |
|-------------------|-----------------------------|---------------|-----------------|--------------|-------------------------|----------------|-----------------|--------------|-----------------------|-----------------|
| | Total | TPL | Border Policies | Other | Total | TPL | Border Policies | Other | TPL ¹ | Border Policies |
| Total 2001 | N/A | 31,161 | N/A | N/A | N/A | 179,864 | N/A | N/A | 2,655 | N/A |
| Total 2002 | 30,983 | 27,231 | 3,686 | 66 | 247,366 | 175,008 | 72,358 | 67 | 3,540 | 395 |
| Total 2003 | 37,060 | 29,163 | 6,557 | 1,340 | 264,604 | 199,223 | 62,073 | 3,827 | 5,576 | 272 |
| Jan | 3,190 | 2,702 | 464 | 24 | 22,390 | 18,123 | 4,041 | 223 | 446 | 9 |
| Feb | 2,676 | 2,248 | 355 | 73 | 18,984 | 14,189 | 4,284 | 511 | 433 | 33 |
| Mar | 3,193 | 2,582 | 429 | 182 | 21,047 | 15,331 | 4,814 | 120 | 379 | 28 |
| Apr | 2,867 | 2,179 | 633 | 55 | 17,224 | 12,987 | 4,237 | 899 | 417 | 9 |
| May | 2,437 | 1,954 | 401 | 82 | 16,686 | 12,571 | 4,115 | 193 | 459 | 28 |
| Jun | 2,616 | 2,113 | 420 | 83 | 19,686 | 14,788 | 4,898 | 211 | 430 | 26 |
| Jul | 3,827 | 2,424 | 1,147 | 256 | 30,576 | 16,805 | 13,600 | 171 | 390 | 14 |
| Aug | 3,755 | 2,647 | 953 | 155 | 36,164 | 18,721 | 17,334 | 110 | 379 | 20 |
| Sep | 3,608 | 3,042 | 400 | 166 | 25,585 | 20,260 | 4,750 | 575 | 675 | 49 |
| Oct | 2,983 | 2,516 | 443 | 24 | 19,798 | 19,721 | N/A | 77 | 572 | 26 |
| Nov | 2,598 | 2,113 | 341 | 144 | 15,582 | 15,253 | N/A | 329 | 436 | 15 |
| Dec | 3,310 | 2,643 | 571 | 96 | 20,882 | 20,474 | N/A | 408 | 560 | 15 |
| Jan 2004 | 3,251 | 2,445 | 738 | 68 | 19,812 | 19,522 | N/A | 290 | 448 | 69 |
| Feb 2004 | 2,829 | 2,127 | 544 | 158 | 16,004 | 15,783 | N/A | 221 | 651 | 92 |
| Mar 2004 | 3,325 | 2,639 | 467 | 219 | 18,439 | 17,506 | N/A | 933 | 377 | 20 |

¹ Included the claims paid by the Kosovo Guarantee Fund

Graph 12

Insurance premiums and paid claims

amounts in 000 EUR

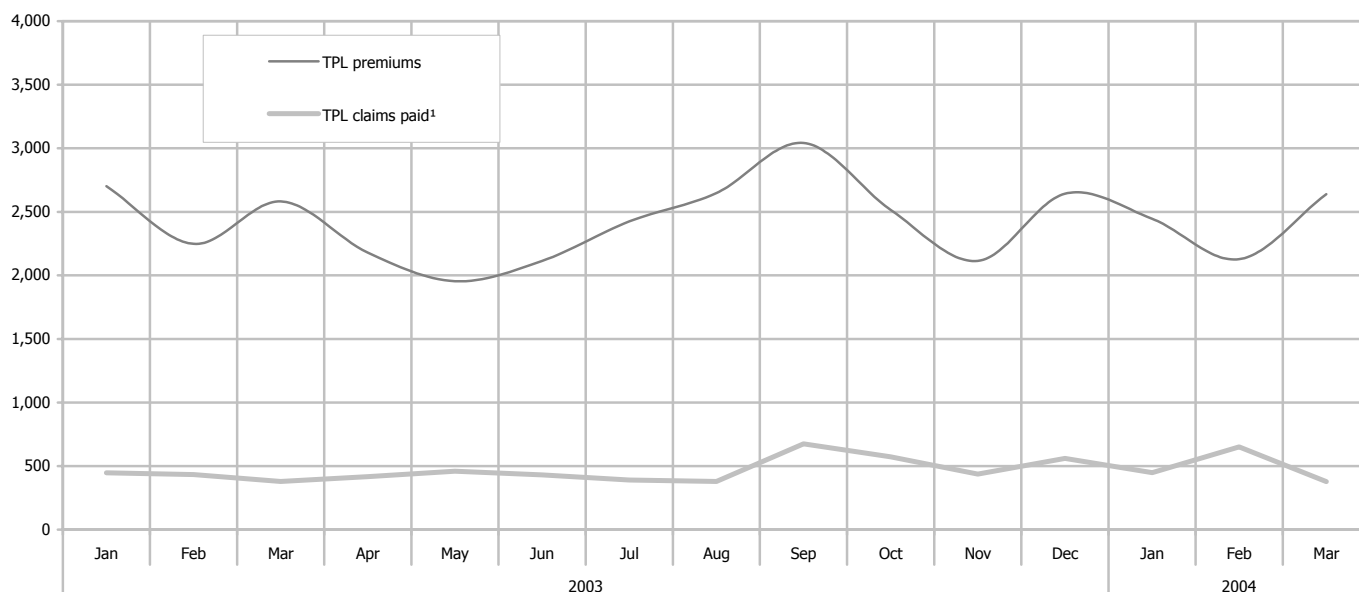




Table 16

FINANCIAL INTERMEDIARIES LOAN ACTIVITY

(outstanding amounts, end of period, value in 000 EUR)

| Period | FINANCIAL INTERMEDIARIES | | | | | | | | | | | | | | | | | TOTAL | |
|--------|--------------------------|----------|---------------|---------|----------|-------------|-------|-----------------|------------|----------|-----------------|------------|-----|-------|-------|-------|-------|--------|--------|
| | FINCA | ICMC-KEP | GRAM MEN - MA | MCI-AFK | CORD-AID | BESË-LIDHJA | ADIE | KOSINVEST/WV-PZ | MESH-TEKNA | Ce.L.I.M | Perspektiva (4) | Balkanctie | IOM | START | ICU | DEG | ABU | | |
| 2000 | 560 | 1,282 | 234 | 0 | 111 | 373 | 101 | 0 | 0 | 0 | - | - | 0 | 0 | 0 | 0 | 0 | 2,661 | |
| 2001* | 2,169 | 3,638 | 957 | 854 | 143 | 729 | 1,069 | 84 | 163 | 71 | - | - | 0 | 0 | 6,217 | 0 | 3,624 | 19,718 | |
| 2002** | 3,349 | 4,788 | 2,389 | 900 | 138 | 1,426 | 1,922 | 400 | 207 | 121 | - | - | 215 | 141 | 5,277 | 2,596 | 9,220 | 33,089 | |
| 2003 | 3,963 | 6,527 | 3,006 | 1,359 | 125 | 1,534 | 2,816 | 624 | 280 | 176 | 10 | 3 | 385 | 281 | 1,852 | 2,459 | 8,474 | 33,874 | |
| 2004 | Jan | 3,868 | 6,519 | 3,006 | 1,283 | 129 | 1,428 | 2,784 | 624 | 259 | 159 | 10 | 10 | 381 | 244 | 1,819 | 2,459 | 8,262 | 33,244 |
| | Feb | 3,936 | 6,519 | 2,706 | 1,322 | 129 | 1,498 | 2,828 | 586 | 242 | 163 | 10 | 15 | 383 | 209 | 1,773 | 2,471 | 8,195 | 32,985 |
| | Mar | 3,980 | 6,945 | 2,484 | 1,351 | 129 | 1,903 | 2,947 | 656 | 246 | 169 | 20 | 13 | 325 | 237 | 1,749 | 2,471 | 8,098 | 33,723 |

*In Year 2002 KBFF has operated and has given 5 loans with an amount of 241 thousands euro.

Table 17

001 MFI DRC has operated and has given 124 loans with an amount of 152 thousands euro whereas for Year 2002 with 317 loans and 348 thousands euro.

FINANCIAL INTERMEDIARIES LOAN ACTIVITY, NUMBER OF LOANS

(outstanding number, end of period, in unity)

| Period | FINANCIAL INTERMEDIARIES | | | | | | | | | | | | | | | | | TOTAL | |
|--------|--------------------------|----------|---------------|---------|----------|-------------|-------|-----------------|------------|----------|-----------------|------------|-----|-------|-----|-----|-----|--------|--------|
| | FINCA | ICMC-KEP | GRAM MEN - MA | MCI-AFK | CORD-AID | BESË-LIDHJA | ADIE | KOSINVEST/WV-PZ | MESH-TEKNA | Ce.L.I.M | Perspektiva (4) | Balkanctie | IOM | START | ICU | DEG | ABU | | |
| 2000 | 520 | 925 | 488 | 0 | 12 | 668 | 109 | 0 | 0 | 0 | - | - | 0 | 0 | 0 | 0 | 0 | 2,722 | |
| 2001 | 1,569 | 4,452 | 2,345 | 173 | 18 | 910 | 1,597 | 73 | 103 | 76 | - | - | 0 | 0 | 50 | 0 | 7 | 11,373 | |
| 2002 | 1,795 | 4,921 | 4,650 | 254 | 18 | 1,284 | 2,035 | 396 | 258 | 146 | - | - | 62 | 215 | 56 | 3 | 21 | 16,114 | |
| 2003 | 2,106 | 5,607 | 4,733 | 467 | 17 | 1,335 | 2,998 | 510 | 289 | 125 | 9 | 1 | 245 | 541 | 24 | 3 | 27 | 19,037 | |
| 2004 | Jan | 2,115 | 5,504 | 4,733 | 473 | 16 | 1,320 | 2,972 | 510 | 287 | 128 | 10 | 28 | 281 | 533 | 24 | 3 | 27 | 18,964 |
| | Feb | 1,901 | 5,504 | 4,714 | 496 | 16 | 1,306 | 3,023 | 512 | 280 | 146 | 12 | 29 | 301 | 530 | 24 | 3 | 27 | 18,824 |
| | Mar | 2,163 | 5,598 | 4,625 | 518 | 16 | 1,355 | 3,106 | 575 | 295 | 156 | 20 | 29 | 304 | 577 | 23 | 3 | 27 | 19,390 |



STRUCTURAL INDICATORS



Table 18

ODC - GEOGRAPHICAL DISTRIBUTION

As of end Mar, 2004

| Region | Banks Issued Final License Approval | | | | | | | Applications in process of review | Total Licensed | | |
|--------------|-------------------------------------|--------|--------|--------|--------|--------|--------|-----------------------------------|----------------|-----------|-------------------|
| | PCB | BRK | BPB | BE | KSB | RBKO | BKP | CEDB* Komerrijalna Banka | Banks | Branches | Sub - branches |
| Prishtina | HQ+SB | HQ+3SB | HQ+4SB | HQ+2SB | HQ+2SB | HQ+2SB | HQ+2SB | HQ | 7 | | 16 |
| Prizren | BR | BR+SB | BR+2SB | BR+SB | BR+2SB | BR | BR | | | 7 | 6 |
| Peja | BR | BR+SB | BR+SB | BR+SB | BR+SB | BR | BR | | | 7 | 4 |
| Gjilani | BR | BR+SB | BR+SB | BR | BR | BR | BR+3SB | | | 7 | 5 |
| Gjakova | BR | BR | BR | BR+SB | BR+SB | BR | BR | | | 7 | 2 |
| Mitrovica | BR + SB | BR+SB | BR+SB | BR+SB | BR+3SB | BR+SB | SB | | | 6 | 8 |
| Ferizaj | BR | BR | BR+SB | BR | BR | BR | BR+SB | | | 7 | 2 |
| Podujevë | | SB | 2SB | | BR+SB | | | | | 1 | 4 |
| Lipjan | | | SB | | SB | | SB | | | | 3 |
| Vitia | | SB | SB | | SB | | | | | | 3 |
| Rahovec | | SB | SB | | | | 2SB | | | | 4 |
| Kamenicë | | SB | SB | | SB | SB | 2SB | | | | 6 |
| Kaçanik | | | SB | | SB | SB | | | | | 3 |
| Dragash | | | SB | | | | | | | | 1 |
| Shtime | | | SB | | | | SB | | | | 2 |
| Klinë | | | SB | | SB | | | | | | 2 |
| Shtërpce | | | | | | SB | | | | | 1 |
| Elez Han | | SB | | SB | 2SB | | SB | | | | 5 |
| Fushë Kosovë | | | | | 2SB | | SB | | | | 3 |
| Gillogovcë | | SB | | | SB | | 2SB | | | | 4 |
| Gračanicë | SB | | | | | SB | | | | | 2 |
| Deçan | | | | | SB | | | | | | 1 |
| Vushtrri | | SB | SB | | SB | SB | SB | | | | 5 |
| Zveçan | | | | | | | | | | | |
| Theranda | SB | SB | SB | | SB | | | | | | 4 |
| Skenderaj | | SB | | | | | SB | | | | 2 |
| Istog | | | SB | SB | SB | | | | | | 3 |
| Malishevë | | | SB | | | SB | SB | | | | 3 |
| Obiliq | | | | | 2SB | | | | | | 2 |
| TOTAL | | | | | | | | | 7 | 42 | 106 |

Table 19

OTHER FINANCIAL AUXILIARIES - GEOGRAPHICAL DISTRIBUTION

As of end Mar, 2004

| Region | Exchange Bureau | | | | Transfer Services | |
|--------------------|-----------------|-----------|--------|-----|---------------------------|------------------------|
| | ABD | Euro-Cufa | EURO B | NBS | Union Financial Tiranë | MEB - Western Union |
| Prishtina | HQ + BR | HQ | | HQ | HQ | BR |
| Prizren | | | | | | BR |
| Peja | | | | | | BR |
| Gjilani | | | | | | BR |
| Gjakova | | | | | | BR |
| Mitrovica | | | | | | |
| Ferizaj | | | | | | |
| Gillogovc (Drenas) | | | BR | | | |

Note :

PCB = ProCredit Bank, BRK = New Bank of Kosovo, BPB = Bank for Private Business, BE = Economic Bank, KSB = Kasa Banka,

BKP= Credit Bank of Prishtina, RBKO =Raiffeisen Bank Kosovo, CEDB= Central European Development Bank

HQ= Headquarter, BR = Branches, SB = Sub - branches, MU = Mobile Unit.



Table 20

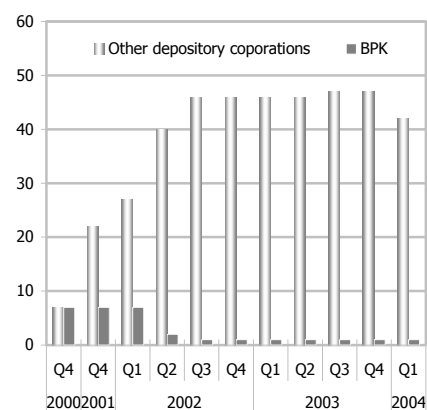
EMPLOYMENT AND BRANCHES: ODC AND BPK

As end of period

| Period | Other depository corporations | | | BPK | | | |
|--------|---------------------------------|------------------------|--|---------------------------------|------------------------|--|-----|
| | Number of branches ¹ | Number of sub-branches | Number of full-time equivalent employees | Number of Branches ¹ | Number of sub-branches | Number of full-time equivalent employees | |
| 2000 | Q4 | 7 | 1 | 139 | 7 | 15 | 338 |
| 2001 | Q4 | 22 | 6 | 637 | 7 | 15 | 339 |
| 2002 | Q1 | 27 | 16 | 700 | 7 | 15 | 346 |
| | Q2 | 40 | 34 | 972 | 2 | 2 | 118 |
| | Q3 | 46 | 56 | 1,329 | 1 | - | 130 |
| | Q4 | 46 | 64 | 1,393 | 1 | - | 132 |
| 2003 | Q1 | 46 | 81 | 1,452 | 1 | - | 124 |
| | Q2 | 46 | 89 | 1,546 | 1 | - | 120 |
| | Q3 | 47 | 99 | 1,643 | 1 | - | 122 |
| | Q4 | 47 | 100 | 1,676 | 1 | - | 124 |
| 2004 | Q1 | 42 | 106 | 1,740 | 1 | - | 124 |

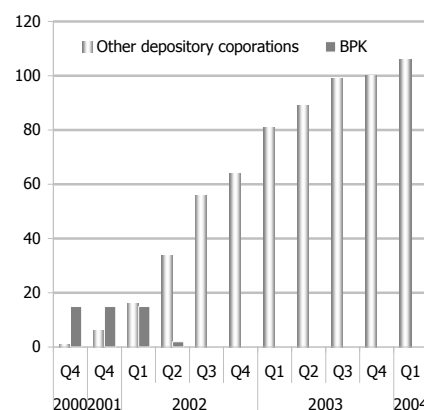
Graph 13.1

Number of branches¹



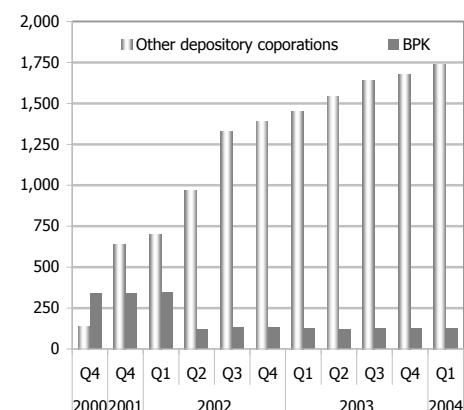
Graph 13.2

Number of sub-branches



Graph 13.3

Number of employees



^{1/} Head office is counted as branch

Graph 14

Degree of concentration in ODC: Herfindahl index

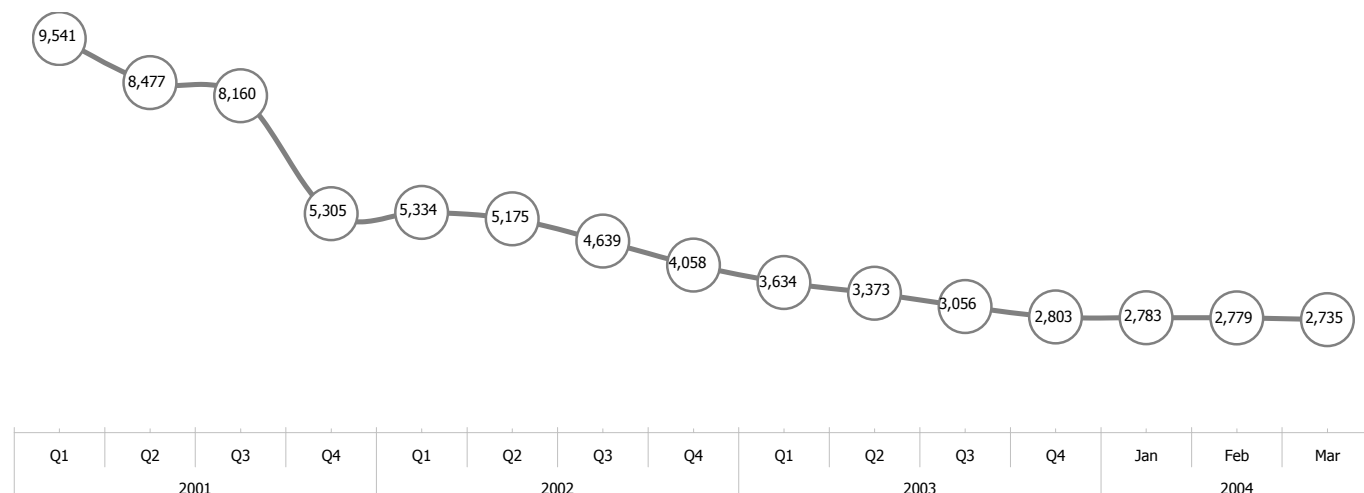




Table 21

FINANCIAL INTERMEDIARIES - GEOGRAPHICAL DISTRIBUTION

As of end Mar, 2004

| | Prishtinë | Prizren | Pejë | Gjakovë | Klinë | Mitrovicë | Vushtrri | Ferizaj | Gjilan | Graçanica | Dragash | Shtime |
|--|-----------|---------|------|---------|-------|-----------|----------|---------|--------|-----------|---------|--------|
| Micro Finance Institutions | | | | | | | | | | | | |
| FINCA Kosovo | | √ | | √ | | | | √ | √ | | | |
| Kosovo Enterprise Program (KEP) | √ | √ | √ | √ | √ | √ | | | √ | | | |
| Gramen Trust | √ | | √ | | | | | | | | | |
| Mercy Corps Intenational SED Program | | | √ | | | | | | | | | |
| Cordaid | | | | √ | | | | | | | | |
| Besëlidhja Micro Finance (W. Relief) | √ | | | | | | | | | √ | | |
| ADIE | √ | | | | √ | | √ | | | | | |
| Kosinvest / World Vision | | √ | | | | | | | | | | |
| Mështekna (Society for Farmers and Individual Producers) | | | | | | | | | | | √ | |
| Centro Laici Italiani per le Mission (Ce.L.I.M.) | | | | √ | | | | | | | | |
| IOM (International Organization for Migration) | √ | | | | | | | | | | | |
| START NGO (Islamic Relief in Kosovo) | √ | | | | | | | | | | | |
| Ballkanactie | | | | | | | | | | | | √ |
| Perspektiva 4 | | | | | √ | | | | | | | |
| Other non-bank credit institutions | | | | | | | | | | | | |
| UNMIK ICU | √ | | | | | | | | | | | |
| German Investment and Development Co (DEG) | √ | | | | | | | | | | | |
| EAR AgroBusiness Development Unit | √ | | | | | | | | | | | |

Note :

√ = Predominant representation



FINANCIAL MARKETS INFORMATION



Table 22

ODC NOMINAL INTEREST RATES

(average by period in annual percentage)

| Categories | 2001 | 2002 | | | | 2003 | | | |
|----------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 |
| LOANS | | | | | | | | | |
| Loans till 30 days | 13.44 | 13.80 | 13.80 | 13.80 | 13.80 | 13.80 | 13.50 | 13.90 | 13.90 |
| Loans from 31 to 90 days | 13.83 | 14.28 | 14.28 | 14.28 | 14.28 | 14.28 | 14.05 | 14.03 | 14.03 |
| Loans from 91 to 180 days | 14.23 | 15.00 | 15.00 | 15.00 | 15.00 | 15.00 | 14.22 | 14.20 | 14.02 |
| Loans from 181 days to 1 year | 15.03 | 15.60 | 15.60 | 15.60 | 15.60 | 15.60 | 14.30 | 14.30 | 14.30 |
| Loans over 1 year | 15.63 | 15.96 | 15.96 | 15.96 | 15.96 | 15.96 | 15.15 | 14.37 | 14.37 |
| DEPOSITS | | | | | | | | | |
| Deposits till 30 days | 1.83 | 1.83 | 1.83 | 1.83 | 1.83 | 1.83 | 1.73 | 1.75 | 1.75 |
| Deposits from 31 to 90 days | 2.13 | 2.13 | 2.13 | 2.13 | 2.13 | 2.13 | 2.25 | 2.29 | 2.29 |
| Deposits from 91 to 180 days | 2.38 | 2.38 | 2.38 | 2.38 | 2.38 | 2.38 | 2.58 | 2.54 | 2.54 |
| Deposits from 181 days to 1 year | 2.68 | 2.68 | 2.68 | 2.68 | 2.68 | 2.68 | 2.96 | 2.98 | 2.98 |
| Deposits over 1 year | 3.08 | 3.08 | 3.08 | 3.08 | 3.08 | 3.08 | 3.08 | 3.53 | 3.53 |

NOTE: The data are temporarily not updated.



Table 23

EURO EXCHANGE RATE AGAINST SELECTED CURRENCIES ¹

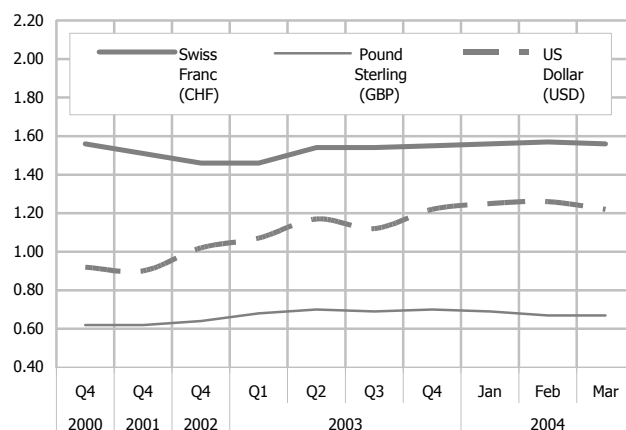
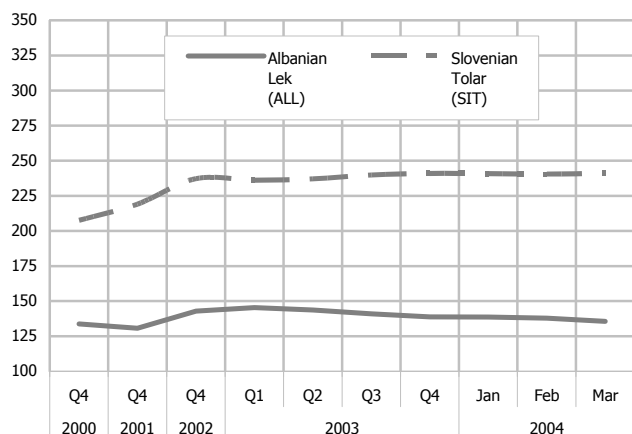
(average by period)

| Period | Albanian Lek (ALL) | Croatian Kuna (HRK) | Slovenian Tolar (SIT) | Swiss Franc (CHF) | Turkish Lira (TRL) (millions) | US Dollar (USD) | Pound Sterling (GBP) | Yugoslavian Dinar (YUN) | |
|---------|--------------------|---------------------|-----------------------|-------------------|-------------------------------|-----------------|----------------------|-------------------------|-------|
| 2000 Q4 | 133.72 | 7.66 | 207.44 | 1.56 | 0.58 | 0.92 | 0.62 | 10.74 | |
| 2001 Q4 | 130.60 | 7.53 | 219.03 | 1.51 | 1.11 | 0.90 | 0.62 | 42.12 | |
| 2002 Q4 | 142.85 | 7.74 | 237.18 | 1.46 | 1.65 | 1.02 | 0.64 | 61.89 | |
| 2003 | Q1 | 145.29 | 7.97 | 236.16 | 1.46 | 1.82 | 1.07 | 0.68 | 62.14 |
| | Q2 | 143.70 | 7.83 | 237.11 | 1.54 | 1.70 | 1.17 | 0.70 | 67.26 |
| | Q3 | 140.98 | 7.84 | 239.83 | 1.54 | 1.57 | 1.12 | 0.69 | 63.65 |
| | Q4 | 138.74 | 7.98 | 240.98 | 1.55 | 1.79 | 1.22 | 0.70 | 70.83 |
| 2004 | Jan | 138.65 | 7.97 | 240.80 | 1.56 | 1.73 | 1.25 | 0.69 | 72.57 |
| | Feb | 137.86 | 7.93 | 240.48 | 1.57 | 1.71 | 1.26 | 0.67 | 72.70 |
| | Mar | 135.55 | 7.79 | 241.11 | 1.56 | 1.65 | 1.22 | 0.67 | 68.88 |

¹ Source: www.oanda.com/convert/fxhistory

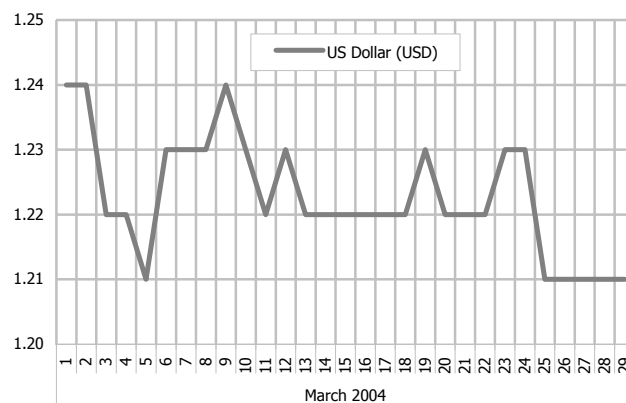
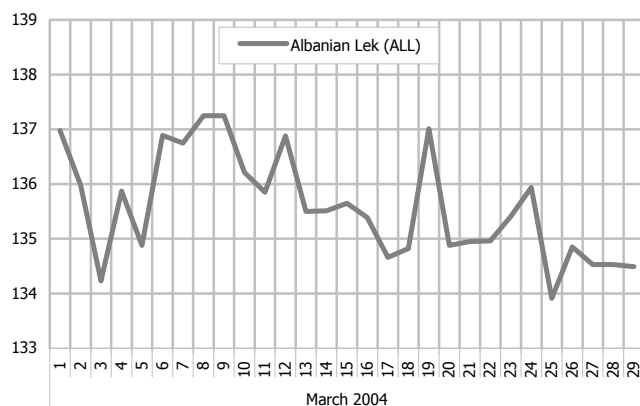
Graph 15.1

Euro exchange rate against selected currencies (average by period) ¹



Graph 15.2

Daily Euro exchange rate¹





OTHER SECTORS STATISTICS



Table 24

CONSUMER PRICE INDEX (CPI)¹

(index)

| Period | Index (May.2002=100) | Monthly percentage change | |
|---------------------|----------------------|---------------------------|------|
| May 2002=100 | | | |
| 2002 | May | 100.0 | |
| | Jun | 98.4 | -1.6 |
| | Jul | 96.8 | -1.6 |
| | Aug | 96.6 | -0.2 |
| | Sep | 98.9 | 2.4 |
| | Oct | 100.7 | 1.8 |
| | Nov | 101.2 | 0.5 |
| | Dec | 102.1 | 0.9 |
| 2003 | Jan | 102.7 | 0.6 |
| | Feb | 102.1 | -0.6 |
| | Mar | 103.3 | 1.2 |
| | Apr | 102.5 | -0.8 |
| | May | 101.3 | -1.2 |
| | Jun | 99.6 | -1.7 |
| | Jul | 97.0 | -2.6 |
| | Aug | 96.3 | -0.7 |
| | Sep | 99.3 | 3.1 |
| | Oct | 101.6 | 2.3 |
| | Nov | 103.4 | 1.8 |
| | Dec | 103.7 | 0.3 |
| 2004 | Jan | 103.9 | 0.2 |
| | Feb | 103.9 | 0.0 |
| | Mar | 103.5 | -0.4 |

^{1/} Data source: SOK

Graph 16

Consumer inflation rate

(in percentage)

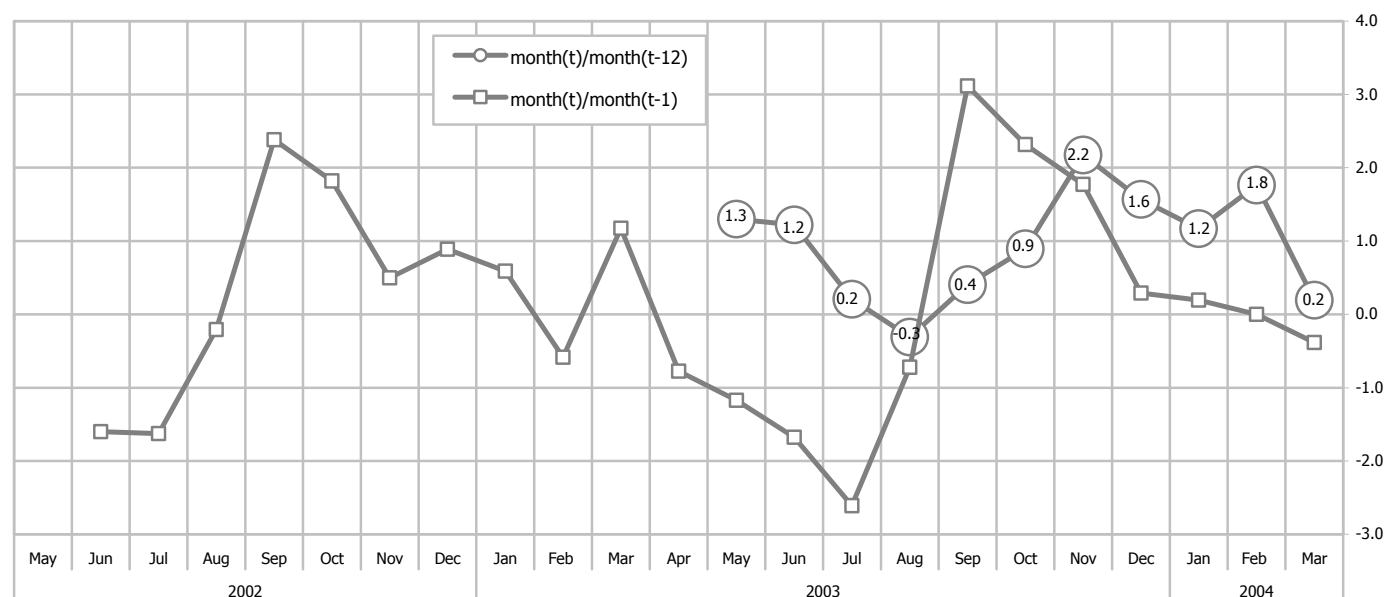




Table 25

UNEMPLOYMENT

(end of period)

| Period | TOTAL | Education | | | |
|-------------|----------------|-------------|-----------------|----------------|-----------------|
| | | Female % | Elementary % | Secondary % | University % |
| | 1 | 2 | 3 | 4 | 5 |
| 2000 | 208,074 | 43.2 | 58.1 | 38.8 | 3.1 |
| 2001 | 237,958 | 44.1 | 60.4 | 37.0 | 2.6 |
| Q1 | 223,283 | 43.3 | 59.0 | 38.1 | 2.9 |
| Q2 | 231,369 | 43.7 | 59.8 | 37.4 | 2.7 |
| Q3 | 237,035 | 43.7 | 60.4 | 36.9 | 2.7 |
| Q4 | 237,958 | 44.1 | 60.4 | 36.5 | 2.6 |
| 2002 | 257,505 | 44.5 | 61.5 | 36.2 | 2.2 |
| Q1 | 245,182 | 44.1 | 61.0 | 36.5 | 2.5 |
| Q2 | 248,418 | 44.2 | 61.1 | 36.5 | 2.4 |
| Q3 | 253,142 | 44.4 | 61.2 | 36.4 | 2.3 |
| Q4 | 257,505 | 44.5 | 61.5 | 36.2 | 2.2 |
| 2003 | 282,305 | 45.4 | 63.0 | 35.3 | 1.7 |
| Q1 | 268,440 | 44.7 | 61.9 | 36.1 | 2.0 |
| Q2 | 275,373 | 45.0 | 62.5 | 35.6 | 1.9 |
| Q3 | 277,623 | 45.2 | 62.8 | 35.4 | 1.8 |
| Q4 | 282,305 | 45.4 | 63.0 | 35.3 | 1.7 |
| 2004 | | | | | |
| Jan | 284,149 | 45.4 | 63.1 | 35.2 | 1.7 |
| Feb | 287,265 | 45.5 | 63.0 | 35.3 | 1.7 |
| Mar | 289,771 | 45.4 | 63.1 | 35.2 | 1.7 |

Source: Kosovo Employment Office

Percentages are expressed against the total number of unemployed persons.



Table 26

FISCAL SECTOR: General budget revenue

(by period, in million EUR)

| Period | TOTAL | Tax revenues | | Non taxes revenues | Municipal own source revenues | Donor grants | | Interest | | |
|-------------------|--------|--------------|----------------|--------------------|-------------------------------|-----------------------|-------------------|--------------|------|------|
| | | Border taxes | Domestic taxes | | | Budget support Grants | Designated Grants | Commerz Bank | BPK | |
| | | 1 to 8 | 1 | | | 2 | 3 | 4 | 5 | 6 |
| Total 2000 | 288.64 | 115.17 | 6.55 | 4.90 | 0.00 | 120.75 | 40.13 | 1.14 | 0.00 | |
| Total 2001 | 372.20 | 208.74 | 41.00 | 20.74 | 15.78 | 42.97 | 41.00 | 1.97 | 0.00 | |
| Total 2002 | 537.22 | 364.52 | 79.91 | 31.68 | 17.03 | 18.10 | 20.82 | # | 2.16 | |
| Total 2003 | 633.83 | 428.28 | 108.13 | 41.71 | 23.55 | 0.00 | 29.14 | 0.37 | 2.65 | |
| 2004 | Jan | 48.85 | 26.14 | 13.5 | 2.83 | 1.07 | 4.32 | 0.70 | 0.01 | 0.28 |
| | Feb | 39.44 | 28.90 | 5.10 | 3.05 | 1.91 | 0.00 | 0.19 | 0.02 | 0.27 |

Source: Ministry of Finance and Economy - Department of Economic Policy

Graph 17

FISCAL SECTOR: General budget revenue

by period, in million EUR

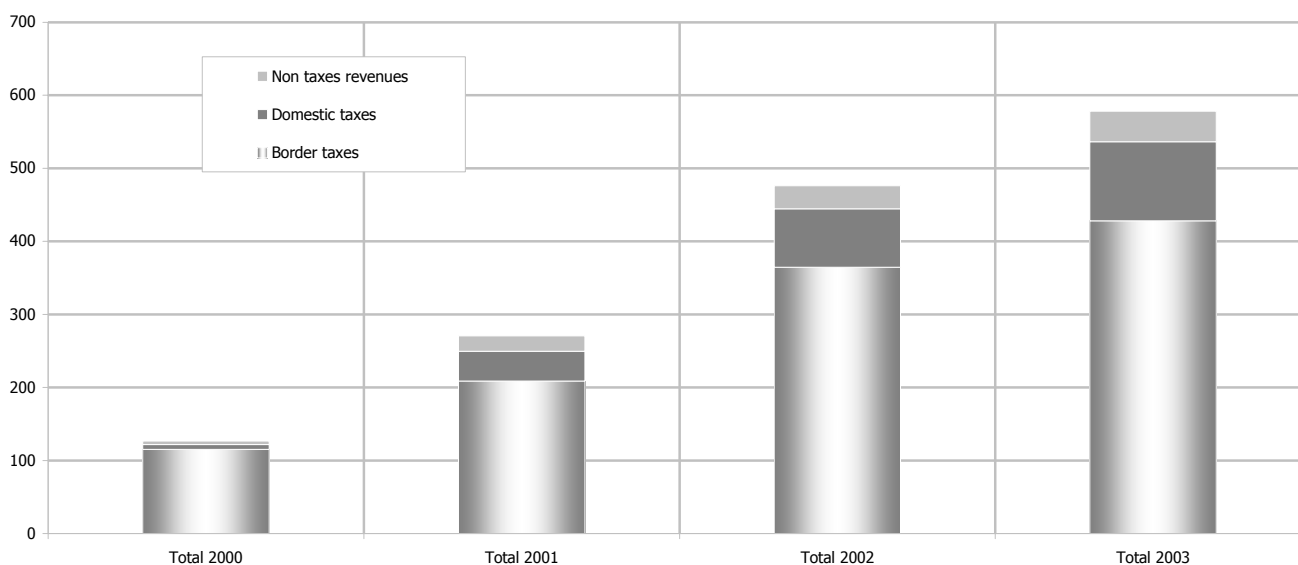




Table 27

FISCAL SECTOR: BUDGET EXPENDITURE BY ECONOMIC ACTIVITY, CONSOLIDATED FUND (by period, in million EUR)

| Period | Total | Wages and Salaries | Goods and Services | Subsidies And Transfers | | | Capital Outlays | | Reserve |
|-------------------|--------|--------------------|--------------------|--|--------------------------|----------------|--------------------------------|-----------------------|---------|
| | | | | Social transfer, payments to household | Subsidies to enterprises | Other transfer | Capital Outlays to enterprises | Other Capital Outlays | |
| | | | | 1 | 2 | 3 | 4 | 5 | |
| Total 2000 | 234.92 | 92.24 | 73.56 | 30.72 | 34.13 | 3.25 | 0.00 | 0.00 | 1.02 |
| Total 2001 | 274.98 | 109.56 | 96.81 | 33.93 | 27.64 | 0.66 | 0.05 | 6.13 | 0.20 |
| Total 2002 | 428.56 | 131.40 | 148.23 | 58.98 | 18.01 | 10.50 | 46.13 | 15.31 | 0.00 |
| Total 2003 | 554.26 | 144.99 | 194.21 | 81.59 | 36.40 | 7.51 | 57.50 | 29.66 | 2.40 |
| 2004 | | | | | | | | | |
| Jan | 25.15 | 13.34 | 1.53 | 4.26 | 5.87 | 0.07 | 0.00 | 0.08 | 0.00 |
| Feb | 25.57 | 0.43 | 9.60 | 7.78 | 7.28 | 0.36 | 0.00 | 0.12 | 0.00 |

Source: Ministry of Finance and Economy - Department of Economic Policy

Graph 18

FISCAL SECTOR: General budget expenditure by economic activity

by period, in million EUR

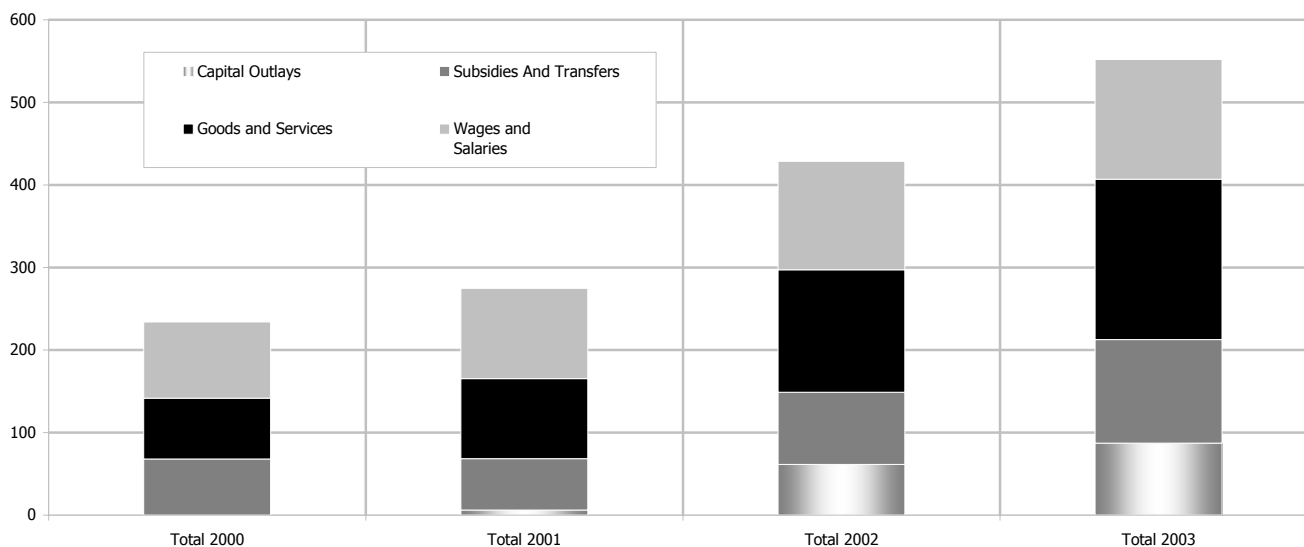




Table 28

FOREIGN TRADE: EXPORT AND IMPORT BY TRADING PARTNERS¹

(amounts by period, in million EUR)

| Description | 2000 | 2001 | 2002 | 2003 | | | | 2004 | | |
|---------------------------|--------|--------|--------|--------|--------|--------|--------|-------|-------|-------|
| | | | | Q1 | Q2 | Q3 | Q4 | Jan | Feb | Mar |
| Export | 18.9 | 10.7 | 27.3 | 6.2 | 9.1 | 9.2 | 11.5 | 2.6 | 3.1 | 3.3 |
| Import | 635.2 | 874.4 | 988.7 | 177.4 | 265.6 | 286.3 | 239.2 | 53.4 | 64.7 | 71.8 |
| Trade balance | -616.3 | -863.8 | -961.4 | -171.2 | -256.5 | -277.1 | -227.7 | -50.9 | -61.6 | -68.5 |
| Albania | | | | | | | | | | |
| Export | 3.9 | 1.3 | 1.4 | 0.4 | 0.5 | 0.4 | 0.6 | 0.1 | 0.1 | 0.0 |
| Import | 9.9 | 30.4 | 48.1 | 1.0 | 2.0 | 1.9 | 2.7 | 0.3 | 0.9 | 1.1 |
| Bulgaria | | | | | | | | | | |
| Export | 0.3 | 0.1 | 0.2 | 0.0 | 0.0 | 0.0 | 0.1 | 0.0 | 0.0 | 0.0 |
| Import | 42.3 | 49.7 | 56.4 | 10.6 | 10.2 | 10.7 | 9.8 | 2.9 | 3.0 | 3.3 |
| BIH and Croatia | | | | | | | | | | |
| Export | 0.3 | 0.4 | 3.3 | 0.6 | 0.8 | 0.3 | 1.0 | 0.1 | 0.1 | 0.1 |
| Import | 28.8 | 32.7 | 36.9 | 8.1 | 14.2 | 19.2 | 12.9 | 2.2 | 2.5 | 3.3 |
| EU and Switzerland | | | | | | | | | | |
| Export | 5.7 | 4.9 | 11.8 | 2.6 | 3.4 | 3.2 | 4.8 | 1.0 | 1.2 | 1.3 |
| Import | 171.2 | 177.4 | 233.7 | 47.6 | 65.8 | 75.5 | 61.9 | 12.8 | 19.6 | 21.4 |
| Macedonia | | | | | | | | | | |
| Export | 5.1 | 2.0 | 3.4 | 0.8 | 1.8 | 2.5 | 1.9 | 0.4 | 0.8 | 0.8 |
| Import | 162.3 | 175.8 | 152.6 | 21.2 | 40.7 | 44.9 | 35.1 | 6.9 | 8.2 | 9.2 |
| Montenegro | | | | | | | | | | |
| Export | 0.3 | 0.7 | 0.2 | 0.2 | 0.3 | 0.3 | 0.2 | 0.0 | 0.1 | 0.1 |
| Import | 107.3 | 61.9 | 62.9 | 1.2 | 4.5 | 3.4 | 2.1 | 0.3 | 0.4 | 0.4 |
| Serbia | | | | | | | | | | |
| Export | 0.0 | 0.4 | 4.5 | 0.9 | 1.4 | 1.5 | 2.1 | 0.4 | 0.2 | 0.2 |
| Import | 15.0 | 176.5 | 178.1 | 26.8 | 42.2 | 42.4 | 30.7 | 6.5 | 8.3 | 9.1 |
| Turkey | | | | | | | | | | |
| Export | 1.5 | 0.3 | 1.2 | 0.3 | 0.4 | 0.6 | 0.5 | 0.2 | 0.5 | 0.5 |
| Import | 33.3 | 78.0 | 78.1 | 16.2 | 26.8 | 25.2 | 24.0 | 6.7 | 6.2 | 6.3 |
| Others | | | | | | | | | | |
| Export | 1.9 | 0.7 | 1.5 | 0.5 | 0.6 | 0.4 | 0.4 | 0.3 | 0.0 | 0.1 |
| Import | 65.0 | 92.1 | 141.8 | 44.7 | 59.3 | 63.0 | 60.2 | 14.6 | 15.8 | 17.8 |

¹ Source: Ministry of Finance and Economy



Table 29

FOREIGN TRADE: EXPORT AND IMPORT BY COMMODITY GROUP¹

(amounts by period, in million EUR)

| Description | 2000 | 2001 | 2002 | 2003 | | | | 2004 | | |
|----------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|-------------|-------------|-------------|
| | | | | Q1 | Q2 | Q3 | Q4 | Jan | Feb | Mar |
| EXPORT | | | | | | | | | | |
| Food | 5.3 | 1.5 | 3.8 | 1.2 | 1.8 | 2.0 | 2.0 | 0.7 | 0.4 | 0.2 |
| Plastics and wood | 7.7 | 3.6 | 9.6 | 1.8 | 2.1 | 2.1 | 2.8 | 0.6 | 0.7 | 1.1 |
| Metals and scrap | 3.8 | 3.3 | 12.4 | 1.8 | 3.1 | 4.3 | 5.7 | 0.8 | 1.2 | 1.5 |
| Other | 2.0 | 2.3 | 1.6 | 1.4 | 2.2 | 0.8 | 1.0 | 0.4 | 0.7 | 0.5 |
| Total | 18.7 | 10.6 | 27.3 | 6.2 | 9.1 | 9.2 | 11.5 | 2.6 | 3.1 | 3.3 |
| IMPORT (brico data) | | | | | | | | | | |
| Food | 169.5 | 283.4 | 304.3 | 67.6 | 94.1 | 93.3 | 75.8 | 19.4 | 21.9 | 22.0 |
| Textile | 10.7 | 19.8 | 23.1 | 3.4 | 5.0 | 5.4 | 6.8 | 2.0 | 2.8 | 2.6 |
| Petrol | 63.0 | 119.7 | 135.2 | 29.9 | 35.4 | 38.8 | 34.1 | 8.0 | 8.0 | 10.3 |
| Chemicals and wood | 115.4 | 115.9 | 147.2 | 25.1 | 40.5 | 44.9 | 42.2 | 8.0 | 10.8 | 11.4 |
| Construction materials | 73.6 | 72.3 | 79.6 | 8.9 | 18.8 | 20.8 | 11.7 | 1.2 | 2.3 | 3.2 |
| Metals | 46.0 | 57.7 | 67.3 | 7.6 | 18.4 | 19.7 | 14.2 | 1.9 | 3.9 | 4.7 |
| Machinery | 72.0 | 98.5 | 141.1 | 20.1 | 33.2 | 39.4 | 30.2 | 7.3 | 8.8 | 9.2 |
| Other | 85.6 | 107.2 | 91.0 | 14.8 | 20.1 | 23.8 | 24.1 | 4.7 | 4.7 | 5.9 |
| Total | 635.8 | 874.5 | 988.8 | 177.4 | 265.5 | 286.1 | 239.1 | 52.5 | 63.2 | 69.3 |
| Tax data Total | 372.1 | 659.9 | 933.7 | 184.0 | 262.3 | 276.3 | 237.7 | 51.0 | 60.5 | 66.6 |

¹ Source: Ministry of Finance and Economy



EXPLANATORY NOTES

TABLES 1-5 : MONETARY SURVEY and BALANCE SHEETS OF THE DEPOSITORY CORPORATIONS

Source(s): Monthly reporting forms submitted by licensed commercial banks, which form the Other Depository Corporations (ODC), to the Banking and Payments Authority of Kosovo (BPK). The ODC and the BPK together do form the Depository Corporations (DC) in the classification of the Monetary and Financial Statistics Manual of the IMF.

Monthly data provided by the Accounting department of BPK. Monthly estimate of currency holdings based on information from BPK and commercial banks. Data for Currency holdings outside DC for period Mar, Jun and Sep 2002 are lineary interpolated.

Classification(s): Institutional units are classified into sectors. The sector classification in the monetary and financial statistics is based on the SNA 1993.

The classification of the financial instruments is based on the SNA 1993 and MFSM 2000.

Definition(s):**Residency**

The residency criteria in the books of the banks is based on the country in the address information given by the accountholder to the DC. This implies that persons who do not fulfill the SNA 93 criteria to be considered as residents – in principle having their main center of economic interest in the country concerned – may be counted as residents. The reverse situation may hold also.

In the monetary and financial statistics UNMIK-bodies are considered as domestic sector, except the UNMIK-entities which are solely working for the administrative part related to the UNO-administration. These are considered as nonresidents as are all liaison offices in Kosovo.

Monetary aggregates

Broad money (M2) is a multi-currency concept containing cash holdings, current-, time- and savings accounts at commercial banks and BPK by resident entities other than the DC and the central government. The deposits in process (deposits in transit from one account to another at the time the reporting forms are established and reported to BPK) are included in the monetary aggregate. Due to lack of data, the deposits of the other financial institutions (OFI) with commercial banks are not part of broad money. To ensure an equal sector treatment, the deposits of OFI at BPK are neither considered as part of the monetary aggregates. This will change once the commercial banks fill out the new reporting scheme in which the details on OFI will become available. From then onwards, the money holdings of OFI will be included in the monetary aggregates. A similar situation applies actually for the government sector, where at the present juncture not only the central government money holdings are excluded from the monetary aggregates but also those belonging to the local government bodies.

Apart from M2, also data on M0 and M1 are published. The composition of these monetary aggregates is shown in the figure.

Definitions of the Monetary Aggregates

M0 include:

↔ Currency in Circulation (e);

M1 includes:

↔ M0;
↔ Transferable Deposits in DC's (Sight Deposits);

M2 includes (also called **BROAD MONEY**):

↔ M1;
↔ Other Deposits in DC's (Terms and Saving Deposits);

Foreign and domestic assets/liabilities

The breakdown of assets (and liabilities) is a notion which showing the financial relationship between the domestic economy and the rest of the world. In case a country has more financial claims on the rest of the world, it is said to have net foreign assets. In the contrary situation the country has net foreign liabilities.

The definition of external is based on the first counterpart. This means that deposits in domestic or foreign currency by a resident at a domestic bank are domestic claims (or assets) of the deposit holder. These same deposits held at a bank outside the country are foreign claims for the deposit holder. The investment by a domestic resident in a share or bond issued by a domestic entity creates a domestic claim, while a similar investment in securities issued by a foreign entity constitutes foreign claims. Currency notes in hand or in vault do form a claim on the issuer of the currency notes (as it was the case in the previous example on bonds). If it concerns notes issued by a foreign central bank, for instance a national central bank of the Eurosystem, held by a resident, the holder has a foreign claim on that foreign central bank.

Compilation The cash holdings are mainly estimated on the basis of the volume of conversions into Euro-notes and coins at the time of the introduction of the euro in 2001 and since then continued on the basis of shipments (export and import) of Euro-notes via the financial system. The method doesn't take account of the export and import of notes via other channels and may lead to an incorrect picture of the true cash holdings in the domestic economy.

The deposits in process are allocated to current accounts of domestic households and current accounts of domestic enterprises according to their mutual importance.

Assets and liabilities in currencies other than Euro are converted against the Euro exchange rate prevailing at the end of month.

There is no seasonal adjustment calculation.

In principle the first publication is definitive. In case DC might revise their data, a new statistical series is published.



TABLES 10, 11a, 11b, 12a, 12b:

(10) OPERATIONS ON CURRENT ACCOUNTS HELD WITH BPK:

This table represents the change in balance of BPK customer accounts by operations during the period (Net cash transactions, Net domestic transfers and net international transfers).

(11a) CASH DEPOSITS HELD WITH BPK CURRENT ACCOUNTS:

This table presents the deposits in cash made by BPK customers at BPK during the period.

(11b) CASH WITHDRAWALS HELD WITH BPK CURRENT ACCOUNTS:

This table presents the withdrawals in cash made by BPK customers from BPK during the period.

(12a) NET DOMESTIC TRANSFERS WITH BPK CURRENT ACCOUNTS:

This table presents the net domestic transfers among BPK client accounts.

(12b) NET INTERNATIONAL TRANSFERS WITH BPK CURRENT ACCOUNTS:

This table presents the net international transfers among BPK client accounts (International incoming less International outgoing transfers)

TABLE 13: INTERBANK CLEARING SYSTEM

The Interbank Clearing System (ICS) is established, regulated and managed by the BPK. It started with operation in May 2001. The ICS is an electronic clearing and settlement service for payment orders among banks and the BPK, and with the BPK as an agent of the Central Fiscal Authority (Ministry of Finance and Economy) in Kosovo. It offers end of day net settlement on accounts at the BPK for single orders and/or bulk paper listings of multiple orders such as mass salary payments. The service permits the exchange of electronic data delivered via telephone lines to the BPK electronic clearinghouse. Currently there are seven commercial banks participating at the ICS, and BPK itself, which acts as a fiscal agent for the Ministry of Finance and Economy. ICS operates based on Operating Rules for Electronic Interbank Clearing and Settlement Service (EICS) of the BPK.

TABLE 14: FOREIGN TRANSFERS

OUTGOING: The movement of money from an account at a bank or other financial institution within Kosovo to an account at a bank or financial institution accounts outside of Kosovo.

INCOMING: The movement of money from a nonresident bank or other financial institutions account into a bank or financial institutions account within Kosovo.

WIRE TRANSFERS AGENCIES: All non-bank financial institutions performing electronic or wire transfer services (Western Union, Western Union MEB, ERA).

TABLE 24 AND 25: FISCAL SECTOR

PAYMENTS TO HOUSEHOLDS: starting from the year 2002 payments to households are included within subsidies and transfers.

RESERVE: Reserve includes the amounts authorized for contingent expenditures that may be used only for urgent and unforeseen requirements.

TABLES 26, 27 AND 28: FOREIGN TRADE (EXPORT AND IMPORT BY TRADING PARTNERS, EXPORTS BY COMMODITY GROUP, IMPORTS BY COMMODITY GROUP):

EXPORT AND IMPORT BY TRADING PARTNERS:

Trade balance is calculated using the Brico data. Trading partners are identified using the information on import of goods by place of loading.

EXPORTS BY COMMODITY GROUP:

Data for the third and fourth quarter of 2001 are incomplete. Export data do not include all unregistered export:

- exports of goods crossing the border at the following points: ICD Prishtina, ICD Gjakova, BPC Gllboçica, BPC Post (PTK) and Airport,
- electric power deliveries, and
- "internal" exports: goods and services sold to foreigners in Kosovo.

IMPORTS BY COMMODITY GROUP:

Column 1- 9: Imports as documented by the Brico system (foreign trade database by the Customs Services of Kosovo). The 2000 figures do not include shipments from/through Serbia, Currently, all Brico files are being extended and corrected by MFE.

Column 2: Food and tobacco

Column 3: Clothing – textile and footwear

Column 4: Petrol and diesel

Column 5: Chemicals, plastics, leather, timber, paper, and photocopy materials

Column 6: Construction materials

Column 7: Metal products; metals, including silver products

Column 8: Machinery and equipments

Column 9: Other – goods not classified in columns 2-8.

Column 10: The value of taxable commercial imports is derived from the border tax data according to the following formula: $[(\text{Sales Tax} / 0.15) - (\text{Customs} + \text{Excise})]$; since July 2001, the sales tax is replaced by VAT. Both the sales tax and VAT have been levied on all commercial imports.

