



BANKING AND PAYMENTS AUTHORITY OF KOSOVO
AUTORITETI BANKAR DHE I PAGESAVE TË KOSOVES
BANKARSKI I PLATNI AUTORITET KOSOVA

A large, light gray, stylized letter 'B' is positioned in the background, partially overlapping the main title. Surrounding the 'B' and the title are several light gray, five-pointed stars of varying sizes, arranged in a circular pattern reminiscent of the flag of Kosovo.

MONTHLY STATISTICS BULLETIN

[Quarterly Assessment]

September 2004

RESEARCH AND
STATISTICS
DEPARTMENT

Year IV
Number 37

BANKING AND PAYMENTS AUTHORITY OF KOSOVO
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BANKARSKI I PLATNI AUTORITET KOSOVA

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Prishtina, 2004

PUBLISHER Banking and Payments Authority of Kosovo
Autoriteti Bankar dhe i Pagesave të Kosovës
Bankarski i Platni Autoritet Kosova
Research and Statistics Department
33 Garibaldi, Prishtina
Telephone: ++381 38 222 243
Fax: ++381 38 243 763

WEB <http://www.bpk-kos.org>
E-mail research@bpk-kos.org

EDITOR-IN-CHIEF Gani GËRGURI

EDITORIAL BOARD Jeton BAJRAMAJ
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Teuta ISMAJLI
Valbona MORINA
Semra TYRBEDARI
Valentin TOÇI
Bedri ZYMERI

EDITORS Mentor GECI
Bedri ZYMERI

TECHNICAL EDITOR Jeton BAJRAMAJ

TRANSLATION Research and Statistics Department

ASSOCIATE Rudi ACX

PRINTED BY "TEKNIKA" Prishtinë.

Users of the data from this publication are requested to cite the source.

Any correction that might be required will be made in the web site version.

Printed in 120 copies.

This publication includes the data available on: October 31, 2004.

ABBREVIATIONS:

| | |
|----------------|--|
| BPK | Banking and Payments Authority of Kosovo; |
| 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. |

CONVENTIONS:

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

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EDITORIAL

Banking and Payments Authority of Kosovo (BPK) is continuing its effort in providing to the public information on the main developments in the financial sector and other sectors on regular basis. This issue assesses the main developments over the last quarter basis. Most attention is paid to the commercial banks activity, since it has experienced greater dynamics especially in providing intermediation to the real sector. Lack of data on sectors other than financial remains the main obstacle in making more detailed assessment.

The BPK is making a progress in improving financial sector statistics, especially in the banking sector and also the remaining part of financial sector in order to have a consolidated picture on financial developments in Kosovo. The next issue of the quarterly report will provide new data on financial surveys and some information on developments in the financial sectors. Since Kosovo is euroized and the main trading partner is the European Union, we devoted some attention to the main developments in the eurozone.

EUROZONE

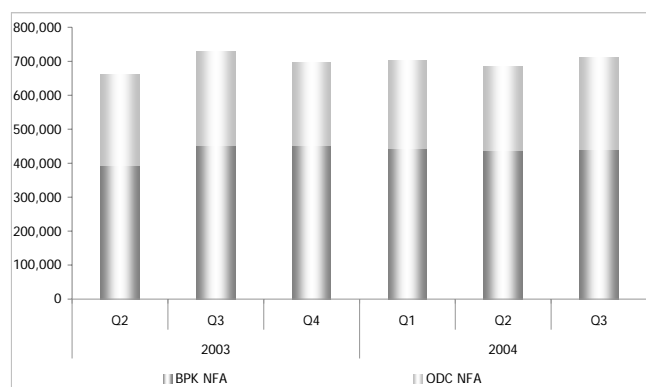
The latest data releases in the eurozone confirm that the economic recovery in the eurozone is continuing, following more than expected quarter-on-quarter real GDP growth of 0.6% in the first quarter 2004. This growth is ongoing during the third quarter 2004 and was partly attributed to low historic interest rate levels. Since June 2003, the ECB left key interest rate unchanged retaining its monetary policy stance. Interest rate levels for deposits remained stable during this period. Interest rate levels for deposits less than one year were 2% whereas the interest rate levels for long term loans to enterprises stood at 4.5% (ECB data, Eurozone).

In the short-term, oil prices continue to exert upward pressure on the general price level. In June 2004, flash estimate of annual inflation was 2.4%, having stood at 2.5% in May. Markets expect that oil prices will remain high for some time and it is also expected that inflation rates are likely to remain above 2%. However, over the medium-term the outlook still remains in line with price stability.

Financial Sector-Survey of Depository Corporations (DCs)

Changes of the net foreign assets (NFA) of the depository corporations (DC, composed of BPK and Commercial banks) increased with 24.5 EUR million over the third quarter (+3.6 p.c. compared to end of 2nd quarter) and outstanding NFA amounted 711 EUR million. The observed increase in NFA of DC is quasi entirely due to the commercial banks (+23.7 EUR million), which were faced with a substantial hike in deposits during the third quarter (+57.6 EUR million), and is reflected by investment in foreign securities. Commercial banks counted for 38.3 p.c. of total NFA of DC, against 36.2 p.c. 3 months ago.

Figure 1. DC Net foreign assets, in ' 000 EUR



BPK from its side recomposed somewhat its foreign investment: liquid government securities partly serve now as a substitute for deposits with nonresident banks and accounts for 6,8 p.c. of its NFA.

The quarterly share of BPK NFA in DC NFA stood at 62% as of September 2004 while they accounted for 63% at the second quarter and 61% at the same quarter of 2003.

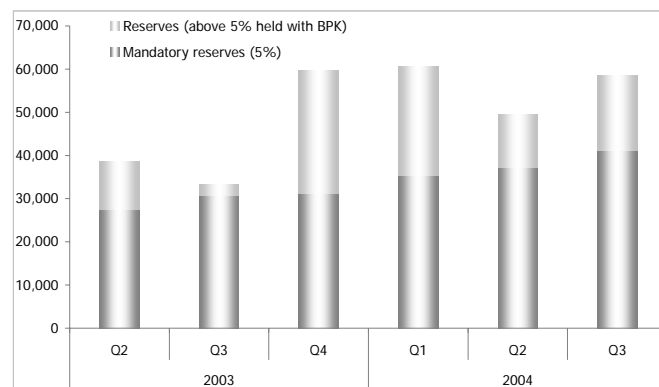
The developments between financial and the real sector have shown more dynamic changes during the past two quarters. Total outstanding claims of commercial banks on the real sector at end of the third quarter 2004 stood at 350 EUR million, which is an increase of 11.6% and 85.9% compared with the previous quarter and the same quarter of previous year, respectively.

Interbank activities

Under the BPK rule XVII on Minimum Liquidity Reserves, commercial banks are required to maintain reserves of 10 p.c. of total deposits collected. Five percent must be kept in non-interest bearing account at BPK, while the remaining can be kept in a special account within the commercial bank. As indicated in the Figure 3, above compulsory of 5% reserves increased by 41.1% compared to previous quarter.

Excess reserves to mandatory reserves (held with BPK) ratio stood at 42% at the end of the third quarter of 2004, which was an increase of 9 percent compared with the second quarter of this year. This shows that banking sector prefers to keep these reserves with BPK due to remuneration although this is not characterized in all reported periods.

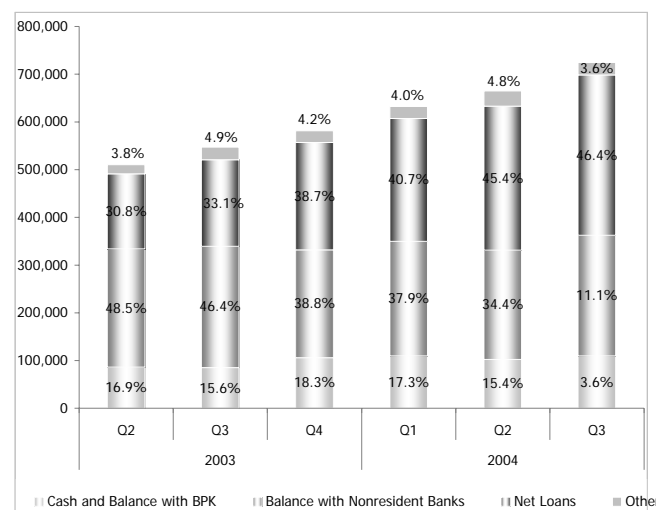
Figure 3. Interbank Activities, in ' 000 EUR



Commercial banks developments

No new bank has been licenced in the third quarter of 2004, but commercial banks have increased their number of branches and sub-branches in Kosovo with 26 units, reaching now 205 in total. The up-going trend in 'bancarisation-degree' will contribute to the wide spread offer of banking services. The higher number of banking units was accompanied with a rise (+148 full time equivalent persons) in employment by commercial banks, which amounted to 1950 FTE by the end of September 2004. Total banks assets managed by an employee amounted to 371,600 EUR in September 2004, against 346,900 EUR at the end of 2003, which points to an increase in labour productivity.

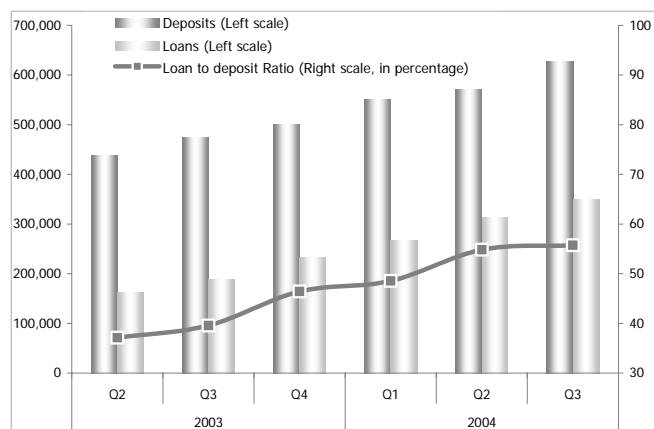
Figure 3. The composition of banks' assets as of September 2004, in '000



Total banking sector assets stood at 725 EUR million as of end September 2004. Compared with the second quarter of 2004, total bank assets have increased by 8.3% whereas they increased by 24.5 percentage points (178 EUR million) relative to the same quarter of 2003.

Changes in the structure of the bank assets were also significant. Loans grew with the rate of 11.3% and as a result their share in total bank assets was 46% against 33% in the same quarter of 2003. In addition, the balance with Nonresident Banks and investments in securities abroad shrunk to 34% compared to 46% one year earlier.

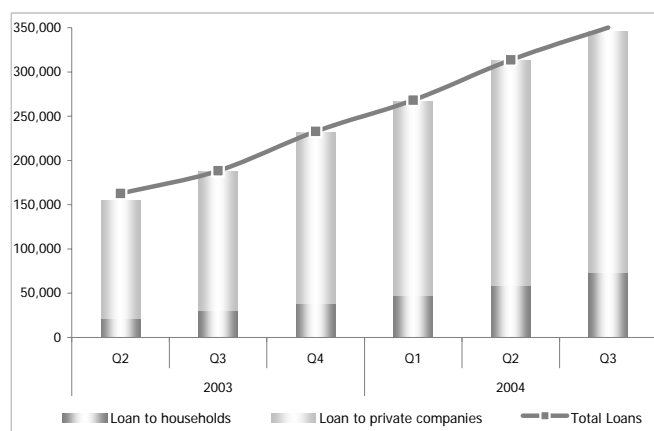
Figure 4. DC claims and liabilities to Real sector, in '000 EUR



This suggests that banking sector activity is undergoing a significant shift towards domestic real sector. As of end September 2004, outstanding loans amounted 350 EUR million. The change in the month-to-month basis shows an increase of 4.7% of outstanding loans, on average.

Loan to deposits ratio rose by 1.6 percentage points reaching 55.7% at end of the second quarter. This may be attributed to the faster increase in loans compared to deposits causing the ratio to increase. In the second quarter of 2004 the ratio was 54.8% whereas in the same quarter of 2003 the ratio was 39.5%.

Figure 5. Commercial banks outstanding loans, in '000 EUR

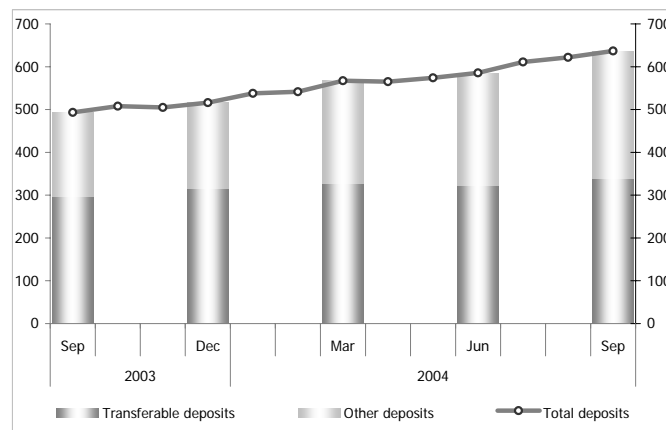


As of September 2004, the time structure of loans slightly shifted towards long-term loans. Outstanding loans above one year accounted for 53% of total loans compared to 38% share in the same quarter of 2003.

Loans to private companies accounted for 78.4% of total outstanding loans whereas loans to households account for 21.3% of total outstanding loans. Commercial bank loans to public and social owned enterprises are almost non-existent. The share of loans granted to households increased by approximately 2.4 percentage points. This shows that banks are increasing their loan activities towards households. The structure of loans by economic activity continues to be in proportion to the industry structure of the economy of Kosovo, where the trading industry has the dominant position. Loans to other industries were approximately at the same level compared to the previous quarters except some minor changes in the services and manufacturing.

The stock of deposits amounted 628 EUR million at end of third quarter 2004. Owing to the annual increase of 32.1% deposits have increased by 9.9% compared with the second quarter of 2004.

Figure 6. The composition of banks' deposits as of September 2004, in '000 EUR



As of end September 2004, the share of total deposits accounted for 88.5% of total balance sheet. Total deposits reached the amount of 642 million EUR which is 9.6% higher relative to the second quarter of 2004 and 34.3% higher relative to the same quarter of 2003.

Household deposits accounted for 53.4% of total deposits whereas the share of deposits of non-financial corporations to total deposits declined slightly reaching the 49.3% of total deposits. As for maturity structure of deposits, transferable deposits are the most significant part of total deposits. Transferable deposits accounted for 53% to total deposits. Time deposits grew slightly compared to the second quarter. They reached the share of 46% to total deposits compared with the second quarter and the same quarter of the previous year which was 44% and 39%, respectively.

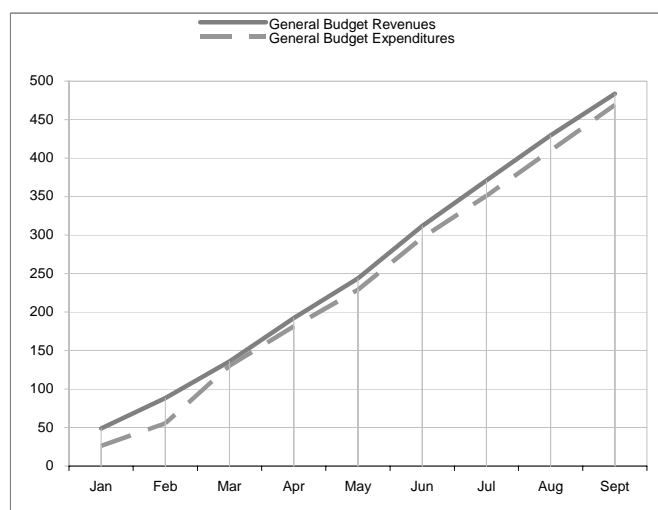
The shift in the deposit structure in favour of term and saving deposits might be the result of the increased competition among banks offering better terms for deposits and higher confidence in the banking sector.

Deposits and entire banking activity in euro currency remains dominant and is still keeping the same pace making foreign currency risk exposure negligible for the banking sector.

Fiscal Sector

Fiscal sector for the observed period of 2004 continued to have similar path as in the same period of the previous year. As indicated in Figure 7, budget revenues were in excess of budget expenditures. During the first and the second quarter the revenue/expenditure gap narrowed significantly.

Figure 7. Budget revenues and expenditures, in millions of EUR

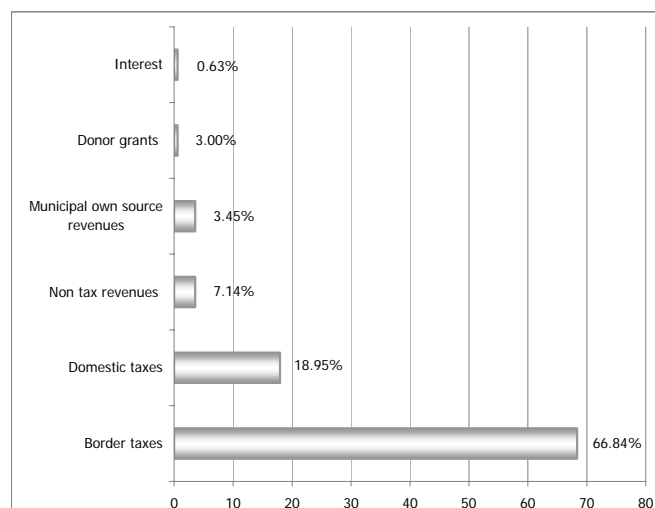


Data source: Ministry of Economy and Finance

This might be due to the increase of expenditures in the capital outlays and goods and services in the second quarter. General budget revenue developments were approximately in line with the projections for year 2004 (total revenue projection for the year 619.3 EUR million), and as of end September 2004 it reached 472.5 million EUR or 76.3% of total budget revenue plan. Despite this development, one should emphasise that the revenue structure remains almost the same as in the previous year.

As indicated in Figure 8, the main source of budget revenues are tax revenues collected at the border which account for 66.8% (70% in 2003) of total revenues. Domestic taxes increased by 15.5% relative to the second quarter 2004 and reached the share of 18.9% of total revenues (16.7% in 2003). Non tax revenues accounted for 7.1% of total revenues and remained unchanged compared to the second quarter (7.6% in 2003), whereas other revenues reached the share of 7.1% in total revenues (5.7% in 2003).

Figure 8. Structure of general budget revenues, end of September 2004

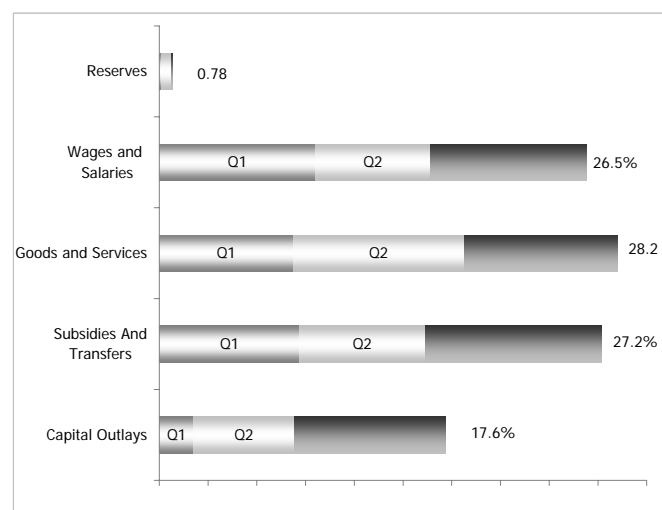


Data source: Ministry of Economy and Finance

Total expenditures of the fiscal sector reached 460.4 EUR million in the third quarter of 2004, reaching 74.3% of total annual planned expenditures (total budget 619.3 EUR million).

The growth was mainly accounted for by capital outlays which increased by 27.2% relative to the second quarter and reached the share of 17.6% of total expenditures. In addition, with a 28.2% share in total expenditures, expenditures on goods and services fell by 29.2% relative to the second quarter of 2004. Expenditures of wages and salaries grew relative to the second quarter accounting for 26.5% of total expenditures. In addition, subsidies and transfers went up by 18.7% relative to the second quarter of 2004 and accounted for 27.2% of total expenditures.

Figure 9. Structure of Budget expenditures, Q1, Q2 and Q3 2004, stock data



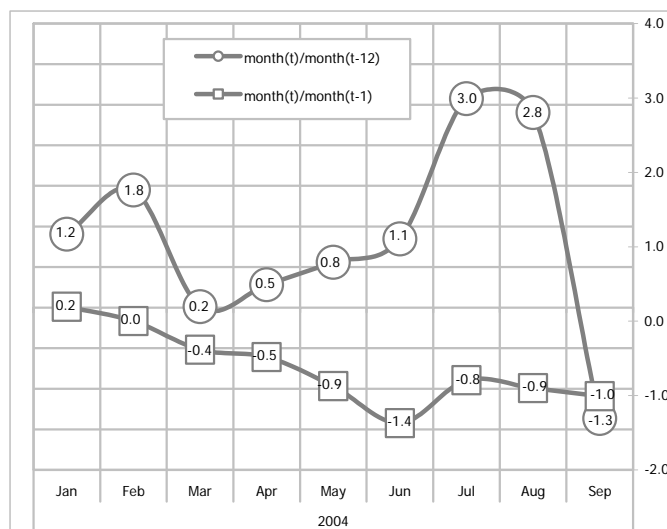
Data source: Ministry of Economy and Finance

Consumer Price Index (CPI)

As of September 2004, the Consumer Price Index (CPI) was quite lower relative to the same period of the previous year. Price level pattern in 2003 showed a much steeper decline between April and August, than it was the case in 2004. This explains the higher year-on-year inflation rates especially in July and August 2004 followed by sharp decline in August and September.

Longer term price stability continues to be the desirable characteristic of Kosovo economy supporting the overall economic stability.

Figure 10. Consumer Price Index, percentage change



Source data: Statistical Office of Kosovo

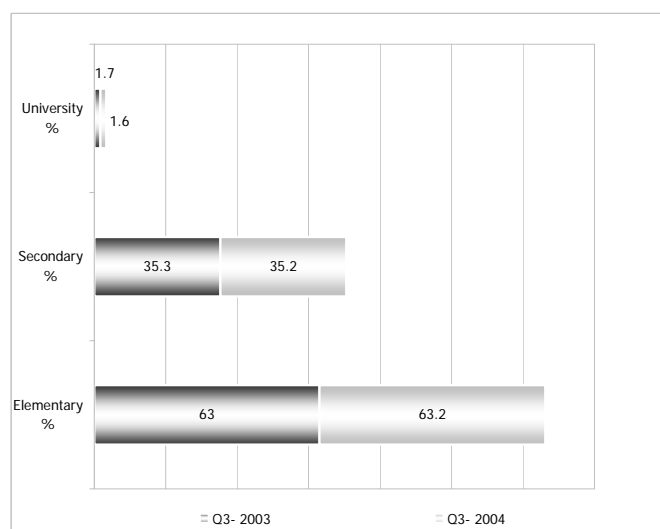
Unemployment

According to the estimates of the Ministry of Labour and Social Welfare (MLSW), the share of registered job-seekers account for 43% of active population in Kosovo as of end 2003.

According to the MLSW estimates, there has been an increase of registered job seekers during the first, second and third quarter 2004 for 5.1 % compared to end of 2003.

As of end of September 2004, the structure of unemployment by education remains the same compared to the third quarter of 2003. The share of unemployed persons with university degree was 1.6% in total, whereas the share of unemployed persons with secondary education stood at 35.2%. Unemployment of persons with elementary education is 63.2%. Unemployment continues to be one of the main concerns in the Kosovo economy.

Figure 11. Unemployment, structure by education,



Source data: Statistical Office of Kosovo

Privatisation

Privatisation process has just passed through the third wave, privatising 19 SOEs. Up until now there have been 42 SOE-s privatised and the total revenues collected from privatization amounted 42 EUR million.

Figure 12. Privatisation process

| Description | Number of SOEs privatized | Revenues from privatisation |
|-------------|---------------------------|-----------------------------|
| 1-st wave | 5 | 2,335,875 |
| 2-nd wave | 18 | 23,904,247 |
| 3-rd wave | 19 | 16,206,788 |
| Total | 42 | 42,446,910 |

Data source: KTA

Fourth wave is in the process of tendering and the first bid day is 19th of January, 2004 whereas the second bid day is 26th of January 2005. Number of enterprises to be privatised in fourth wave is 18 (Farmed, Universal, Ekoplast, Silosi (bakery and warehouse), Ringov, Boris Kidric (UTVA), Unis, Vushtex, Lux, Drateks, Ballkan (Rubber factory), Silosi (flourmill), Llamkos (Steel Galvanizing Plant), KosovaTrans Mitrovica (Bus Station)), three of which will be privatized by Special Spin-Off.



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 | | | | | | | | |
|---|----------------|----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | | | | | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep |
| Net foreign assets | 120,524 | 586,207 | 649,007 | 696,982 | 729,491 | 720,074 | 703,964 | 682,531 | 688,829 | 686,529 | 687,069 | 705,371 | 711,053 |
| Assets | 142,743 | 607,717 | 673,613 | 726,383 | 762,432 | 754,098 | 734,363 | 729,946 | 721,375 | 720,558 | 722,443 | 747,100 | 750,135 |
| Liabilities | 22,219 | 21,509 | 24,606 | 29,401 | 32,941 | 34,023 | 30,399 | 47,415 | 32,546 | 34,030 | 35,374 | 41,729 | 39,082 |
| Net claims on central government | -5,657 | -69,811 | -258,592 | -342,740 | -361,685 | -359,377 | -332,680 | -333,222 | -328,332 | -331,383 | -315,734 | -331,028 | -326,020 |
| Deposits | 5,657 | 69,811 | 258,592 | 342,740 | 361,685 | 359,377 | 332,680 | 333,222 | 328,332 | 331,383 | 315,734 | 331,028 | 326,020 |
| Net claims on other financial corporations | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| Claims on private sector | 3,148 | 25,916 | 86,498 | 232,773 | 240,556 | 252,845 | 268,063 | 280,971 | 297,544 | 313,684 | 327,940 | 335,373 | 350,093 |
| Non financial corporations and households | 3,148 | 25,916 | 86,498 | 232,773 | 240,556 | 252,845 | 268,063 | 280,971 | 297,544 | 313,684 | 327,940 | 335,373 | 350,093 |
| Deposits included in broad money | 106,185 | 486,765 | 413,558 | 501,185 | 518,749 | 522,584 | 552,009 | 534,150 | 557,241 | 572,101 | 599,476 | 614,792 | 628,057 |
| Transferable deposits | 98,572 | 361,976 | 285,278 | 303,721 | 287,741 | 283,100 | 314,446 | 295,388 | 304,914 | 312,900 | 310,267 | 335,567 | 335,114 |
| Non financial corporations | 77,383 | 144,051 | 163,355 | 160,410 | 143,306 | 137,277 | 161,276 | 150,172 | 148,743 | 158,736 | 155,819 | 167,657 | 167,763 |
| Households | 21,189 | 217,925 | 121,923 | 143,311 | 142,989 | 144,450 | 151,739 | 143,781 | 154,665 | 152,636 | 152,918 | 166,310 | 165,715 |
| Other resident sectors | n/a | n/a | n/a | n/a | 1,446 | 1,373 | 1,431 | 1,435 | 1,506 | 1,528 | 1,530 | 1,601 | 1,636 |
| Other deposits | 7,613 | 124,788 | 128,280 | 197,464 | 231,008 | 239,848 | 237,563 | 238,762 | 252,327 | 259,201 | 289,209 | 279,225 | 292,943 |
| Non financial corporations | 4,579 | 31,318 | 23,921 | 74,758 | 94,297 | 97,739 | 95,579 | 97,999 | 108,932 | 115,183 | 129,158 | 126,489 | 132,633 |
| Households | 3,034 | 93,471 | 104,359 | 122,706 | 136,711 | 141,745 | 141,984 | 140,763 | 143,395 | 144,018 | 160,051 | 152,736 | 160,310 |
| Securities included in broad money | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| Deposits, securities excluded from broad money | 2,984 | 13,438 | 25,113 | 32,758 | 36,503 | 34,404 | 34,027 | 36,425 | 36,884 | 34,796 | 35,145 | 32,817 | 32,191 |
| Own funds | 11,077 | 25,163 | 43,805 | 61,075 | 62,325 | 63,753 | 64,182 | 71,073 | 72,538 | 74,797 | 76,998 | 79,428 | 80,358 |
| of which: share capital | 7,156 | 21,023 | 33,320 | 46,617 | 46,787 | 47,813 | 48,950 | 55,423 | 55,472 | 56,805 | 65,734 | 65,734 | 66,510 |
| Other Items (net) | -2,231 | 16,948 | -5,562 | -8,003 | -9,215 | -7,198 | -10,871 | -11,369 | -8,621 | -12,863 | -12,343 | -17,321 | 5,481 |
| Other liabilities | 2,121 | 25,495 | 5,957 | 11,190 | 8,952 | 6,579 | 6,247 | 7,653 | 8,557 | 9,268 | 9,587 | 7,481 | 7,917 |
| less: Other assets | 4,352 | 8,547 | 11,519 | 19,193 | 18,167 | 13,777 | 17,117 | 19,021 | 17,178 | 22,131 | 21,930 | 24,802 | 13,398 |

Graph 1

Deposits of non financial corporations and households

(percentage points)

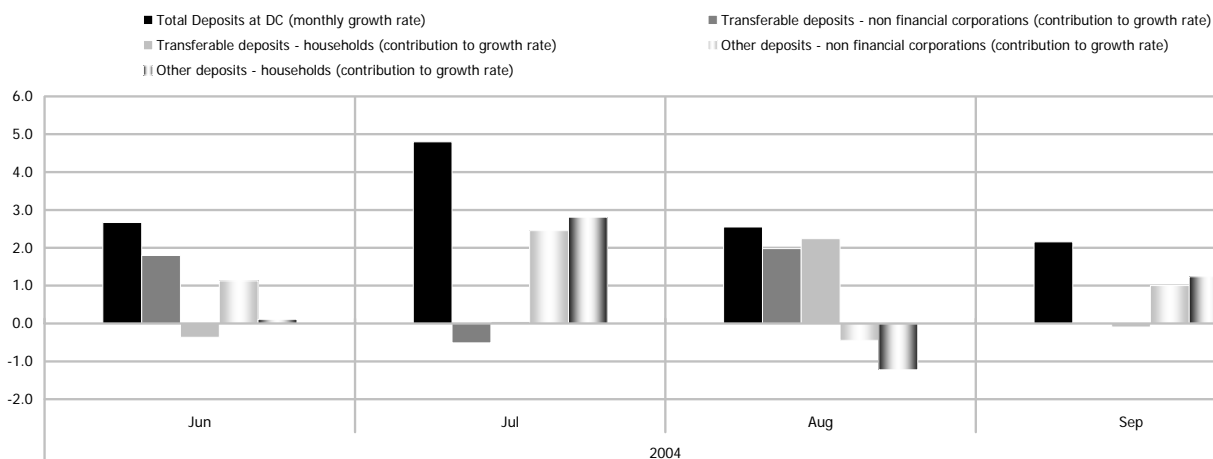


Table 2

BPK SURVEY

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

| Description | 2000 | 2001 | 2002 | 2003 | 2004 | | | | | | | | |
|--|---------------|----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | | | | | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep |
| Net foreign assets | 52,116 | 293,654 | 345,410 | 453,691 | 469,327 | 463,900 | 445,265 | 453,588 | 438,335 | 438,236 | 436,559 | 443,592 | 439,068 |
| Assets | 61,697 | 296,235 | 345,773 | 453,990 | 469,812 | 464,252 | 445,465 | 454,768 | 439,196 | 438,757 | 437,152 | 450,207 | 446,349 |
| Cash | 15,828 | 249,685 | 17,474 | 26,590 | 26,449 | 27,307 | 26,772 | 42,632 | 36,059 | 33,372 | 36,554 | 42,900 | 22,658 |
| Transferable deposits | 6,755 | 536 | 66,249 | 23,784 | 22,510 | 20,148 | 15,064 | 13,859 | 11,435 | 12,152 | 11,287 | 30,289 | 20,672 |
| Other deposits | 39,114 | 46,014 | 262,050 | 403,616 | 420,852 | 416,797 | 403,629 | 398,277 | 391,702 | 393,234 | 389,311 | 357,019 | 373,019 |
| Securities other than shares | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 20,000 | 30,000 |
| Liabilities | 9,581 | 2,581 | 363 | 298 | 485 | 351 | 200 | 1,180 | 862 | 521 | 594 | 6,615 | 7,281 |
| Deposits of UNMIK | 9,581 | 2,581 | 363 | 298 | 485 | 351 | 200 | 1,180 | 862 | 521 | 594 | 6,615 | 7,281 |
| Claims on ODC | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| Net claims on central government | -5,657 | -69,811 | -258,592 | -342,740 | -361,685 | -359,377 | -332,680 | -333,222 | -328,332 | -331,383 | -315,734 | -331,028 | -326,020 |
| Transferable deposits | 5,657 | 69,811 | 258,592 | 342,740 | 361,685 | 359,377 | 332,680 | 333,222 | 328,332 | 331,383 | 315,734 | 331,028 | 326,020 |
| Claims on other sectors | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| Monetary base | 15,753 | 173,904 | 46,222 | 59,612 | 54,785 | 52,237 | 60,723 | 66,628 | 54,978 | 49,474 | 64,264 | 54,960 | 58,511 |
| Liabilities to ODC | 15,753 | 173,904 | 46,222 | 59,612 | 54,785 | 52,237 | 60,723 | 66,628 | 54,978 | 49,474 | 64,264 | 54,960 | 58,511 |
| Transferable deposits | 15,753 | 173,904 | 46,222 | 59,612 | 54,785 | 52,237 | 60,723 | 66,628 | 54,978 | 49,474 | 64,264 | 54,960 | 58,511 |
| of which: minimum liquidity reserves | n/a | n/a | 26,908 | 31,329 | 30,877 | 33,843 | 35,442 | 34,855 | 36,405 | 37,183 | 37,042 | 38,636 | 41,168 |
| Transferable deposits included in broad money | 22,896 | 8,393 | 3,898 | 5,305 | 3,989 | 7,702 | 6,781 | 8,420 | 8,811 | 12,542 | 10,234 | 13,475 | 10,917 |
| Public non financial corporations | 22,896 | 6,963 | 3,473 | 5,288 | 2,501 | 6,307 | 5,334 | 6,969 | 7,279 | 11,003 | 8,693 | 11,864 | 9,270 |
| Other non financial corporations | n/a | 1,430 | 425 | 17 | 42 | 22 | 16 | 16 | 26 | 11 | 11 | 11 | 11 |
| Other resident sectors | n/a | n/a | n/a | n/a | 1,446 | 1,373 | 1,431 | 1,435 | 1,506 | 1,528 | 1,530 | 1,601 | 1,636 |
| Securities included in broad money | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| Deposits excluded from broad money | 2,984 | 13,438 | 25,113 | 31,007 | 34,801 | 30,302 | 30,525 | 30,373 | 31,066 | 29,477 | 30,585 | 28,150 | 27,423 |
| Transferable deposits | 2,984 | 13,438 | 25,113 | 24,535 | 28,328 | 23,807 | 24,030 | 23,879 | 30,066 | 28,477 | 23,960 | 22,520 | 21,788 |
| Insurance companies | 0 | 10,562 | 15,999 | 13,925 | 13,829 | 13,721 | 13,720 | 13,788 | 19,147 | 17,720 | 14,252 | 14,605 | 14,608 |
| Pension funds | 0 | 0 | 0 | 2,201 | 2,467 | 2,727 | 2,940 | 3,171 | 3,509 | 3,734 | 1,864 | 2,097 | 2,470 |
| Other financial intermediaries | 0 | 525 | 0 | 3,640 | 3,643 | 3,646 | 3,649 | 3,652 | 3,655 | 3,659 | 3,662 | 3,665 | 2,762 |
| Other government agencies | 0 | 0 | 8,620 | 3,054 | 6,669 | 1,927 | 1,931 | 1,472 | 1,952 | 1,549 | 2,362 | 327 | 113 |
| Local government | 2,984 | 2,351 | 494 | 1,714 | 1,720 | 1,785 | 1,790 | 1,796 | 1,801 | 1,815 | 1,820 | 1,826 | 1,835 |
| Other deposits | n/a | 0 | 0 | 6,472 | 6,472 | 6,494 | 6,494 | 6,494 | 1,000 | 1,000 | 6,625 | 5,630 | 5,636 |
| Insurance companies | n/a | 0 | 0 | 6,472 | 6,472 | 6,494 | 6,494 | 6,494 | 1,000 | 1,000 | 6,625 | 5,630 | 5,636 |
| Securities excluded from broad money | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| Own funds | 4,925 | 4,727 | 10,561 | 16,068 | 16,338 | 16,530 | 16,772 | 17,027 | 17,243 | 17,450 | 17,759 | 17,959 | 17,315 |
| of which: share capital | 2,556 | 2,556 | 2,556 | 2,556 | 2,556 | 2,556 | 2,556 | 2,556 | 2,556 | 2,556 | 10,000 | 10,000 | 10,000 |
| Other Items (net) | -99 | 23,381 | 1,025 | -1,040 | -2,271 | -2,247 | -2,216 | -2,083 | -2,095 | -2,088 | -2,017 | -1,980 | -1,119 |
| Other liabilities | 1,236 | 24,245 | 1,911 | 1,448 | 32 | 14 | 20 | 31 | 15 | 15 | 23 | 9 | 12 |
| less: Other assets | 1,335 | 864 | 886 | 2,488 | 2,303 | 2,261 | 2,235 | 2,113 | 2,110 | 2,103 | 2,040 | 1,989 | 1,131 |

Graph 2

Contribution to the growth rate of net foreign assets of BPK

(percentage points)

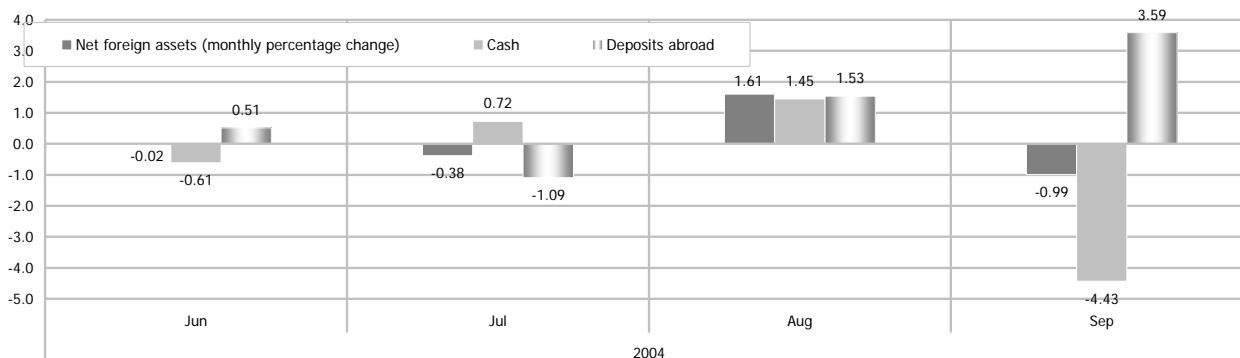


Table 3

BPK BALANCE SHEET

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

| Description | 2000 | 2001 | 2002 | 2003 | 2004 | | | | | | | | |
|-------------------------------------|---------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | | | | | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep |
| Assets | | | | | | | | | | | | | |
| Currency and deposits | 61,697 | 296,235 | 345,773 | 453,990 | 469,812 | 464,252 | 445,465 | 454,768 | 439,196 | 438,757 | 437,152 | 430,207 | 416,349 |
| Currency (Cash) | 15,828 | 150,843 | 17,474 | 26,590 | 26,449 | 27,307 | 26,772 | 42,632 | 36,059 | 33,372 | 36,554 | 42,900 | 22,658 |
| In EUR currency | n/a | n/a | 17,288 | 26,323 | 26,187 | 27,047 | 26,512 | 42,373 | 35,804 | 33,122 | 36,554 | 42,900 | 22,658 |
| In non-EUR currencies | 15,828 | 150,843 | 186 | 267 | 262 | 259 | 260 | 259 | 255 | 250 | 0 | 0 | 0 |
| Deposits in EUR (abroad) | 45,869 | 145,392 | 328,299 | 427,399 | 443,363 | 436,945 | 418,693 | 412,136 | 403,138 | 405,386 | 400,598 | 387,308 | 393,691 |
| Transferable deposits | 6,755 | 99,378 | 66,249 | 23,784 | 22,510 | 20,148 | 15,064 | 13,859 | 11,435 | 12,152 | 11,287 | 30,289 | 20,672 |
| Other deposits | 39,114 | 46,014 | 262,050 | 403,616 | 420,852 | 416,797 | 403,629 | 398,277 | 391,702 | 393,234 | 389,311 | 357,019 | 373,019 |
| Securities other than shares | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 20,000 | 30,000 |
| Nonresidents | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 20,000 | 30,000 |
| Other accounts receivable | 489 | 206 | 264 | 1,587 | 1,435 | 1,424 | 1,430 | 1,339 | 1,356 | 1,380 | 1,349 | 1,298 | 471 |
| Nonfinancial assets | 845 | 658 | 622 | 901 | 868 | 837 | 805 | 774 | 754 | 723 | 691 | 692 | 661 |
| TOTAL ASSETS | 63,032 | 297,099 | 346,659 | 456,478 | 472,115 | 466,512 | 447,700 | 456,882 | 441,306 | 440,860 | 439,193 | 452,197 | 447,480 |
| Liabilities | | | | | | | | | | | | | |
| Transferable Deposits | 56,871 | 268,126 | 334,187 | 432,490 | 449,273 | 443,475 | 424,415 | 433,330 | 423,049 | 422,396 | 414,786 | 428,598 | 424,517 |
| In EUR currency | 56,871 | 267,942 | 334,003 | 432,216 | 448,999 | 443,201 | 424,141 | 433,056 | 422,775 | 422,122 | 414,786 | 428,598 | 424,517 |
| Other depository corporations | 15,753 | 173,904 | 46,222 | 59,612 | 54,785 | 52,237 | 60,723 | 66,628 | 54,978 | 49,474 | 64,786 | 54,960 | 58,511 |
| Other financial corporations | 0 | 11,087 | 15,999 | 19,766 | 19,939 | 20,095 | 20,308 | 20,611 | 26,312 | 25,112 | 19,778 | 20,367 | 19,840 |
| Insurance companies | 0 | 10,562 | 15,999 | 13,925 | 13,829 | 13,721 | 13,720 | 13,788 | 19,147 | 17,720 | 14,252 | 14,605 | 14,608 |
| Pension funds | 0 | 0 | 0 | 2,201 | 2,467 | 2,727 | 2,940 | 3,171 | 3,509 | 3,734 | 1,864 | 2,097 | 2,470 |
| Other financial intermediaries | 0 | 525 | 0 | 3,640 | 3,643 | 3,646 | 3,649 | 3,652 | 3,655 | 3,659 | 3,662 | 3,665 | 2,762 |
| Central government | 5,657 | 69,626 | 258,407 | 342,466 | 361,412 | 359,104 | 332,406 | 332,948 | 328,058 | 331,109 | 315,734 | 331,028 | 326,020 |
| of which: Kosovo trust agency | n/a | n/a | n/a | 25,263 | 22,626 | 17,962 | 17,974 | 17,363 | 17,378 | 17,388 | 17,325 | 17,323 | 21,436 |
| Other government agencies | 0 | 0 | 8,620 | 3,054 | 6,669 | 1,927 | 1,931 | 1,472 | 1,952 | 1,549 | 2,362 | 327 | 113 |
| Local government | 2,984 | 2,351 | 494 | 1,714 | 1,720 | 1,785 | 1,790 | 1,796 | 1,801 | 1,815 | 1,820 | 1,826 | 1,835 |
| UNMIK | 9,581 | 2,581 | 363 | 298 | 485 | 351 | 200 | 1,180 | 862 | 521 | 594 | 6,615 | 7,281 |
| Public non financial corporations | 22,896 | 6,963 | 3,473 | 5,288 | 2,501 | 6,307 | 5,334 | 6,969 | 7,279 | 11,003 | 8,693 | 11,864 | 9,270 |
| Other non financial corporations | 0 | 1,430 | 425 | 17 | 42 | 22 | 16 | 16 | 26 | 11 | 11 | 11 | 11 |
| Other resident sectors | 0 | 0 | 0 | 0 | 1,446 | 1,373 | 1,431 | 1,435 | 1,506 | 1,528 | 1,530 | 1,601 | 1,636 |
| In non-EUR currencies | 0 | 184 | 184 | 274 | 274 | 274 | 274 | 274 | 274 | 274 | 0 | 0 | 0 |
| Central government | 0 | 184 | 184 | 274 | 274 | 274 | 274 | 274 | 274 | 274 | 0 | 0 | 0 |
| Other deposits | 0 | 0 | 0 | 6,472 | 6,472 | 6,494 | 6,494 | 6,494 | 1,000 | 1,000 | 6,625 | 5,631 | 5,636 |
| In EUR currency | 0 | 0 | 0 | 6,472 | 6,472 | 6,494 | 6,494 | 6,494 | 1,000 | 1,000 | 6,625 | 5,630 | 5,636 |
| Insurance companies | 0 | 0 | 0 | 6,472 | 6,472 | 6,494 | 6,494 | 6,494 | 1,000 | 1,000 | 6,625 | 5,630 | 5,636 |
| Other accounts payable | 1,236 | 24,245 | 1,911 | 1,448 | 32 | 14 | 20 | 31 | 15 | 15 | 23 | 9 | 12 |
| Shares and other equity | 4,925 | 4,727 | 10,561 | 16,068 | 16,338 | 16,530 | 16,772 | 17,027 | 17,243 | 17,450 | 17,759 | 17,959 | 17,315 |
| Funds contributed by owners | 2,556 | 2,556 | 2,556 | 2,556 | 2,556 | 2,556 | 2,556 | 2,556 | 2,556 | 2,556 | 10,000 | 10,000 | 10,000 |
| Capital | 2,556 | 2,556 | 2,556 | 2,556 | 2,556 | 2,556 | 2,556 | 2,556 | 2,556 | 2,556 | 10,000 | 10,000 | 10,000 |
| General and special reserves | n/a | 1,443 | 7,540 | 11,892 | 12,183 | 12,396 | 12,658 | 12,934 | 13,171 | 13,399 | 6,285 | 6,507 | 6,784 |
| Reserves | n/a | 309 | 3,940 | 7,380 | 11,892 | 11,911 | 11,911 | 11,911 | 11,911 | 11,911 | 4,468 | 4,468 | 4,468 |
| Income or Loss | n/a | 1,133 | 3,599 | 4,512 | 291 | 484 | 747 | 1,023 | 1,260 | 1,488 | 1,817 | 2,039 | 2,316 |
| Grants from donors | n/a | 728 | 464 | 1,619 | 1,598 | 1,578 | 1,557 | 1,536 | 1,515 | 1,494 | 1,473 | 1,452 | 532 |
| TOTAL LIABILITIES | 63,032 | 297,099 | 346,659 | 456,478 | 472,115 | 466,512 | 447,700 | 456,882 | 441,306 | 440,860 | 439,193 | 452,197 | 447,480 |

Table 4

OTHER DEPOSITORY CORPORATIONS SURVEY

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

| Description | 2000 | 2001 | 2002 | 2003 | 2004 | | | | | | | | |
|---|---------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | | | | | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep |
| Net foreign assets | 70,461 | 289,664 | 304,079 | 243,333 | 260,307 | 257,039 | 258,937 | 228,821 | 250,495 | 248,292 | 250,511 | 261,779 | 271,985 |
| Assets | 83,099 | 308,593 | 328,322 | 272,436 | 292,763 | 290,711 | 289,136 | 275,056 | 282,179 | 281,801 | 285,291 | 296,893 | 303,786 |
| Cash | 11,671 | 88,342 | 35,597 | 46,611 | 44,289 | 48,059 | 48,952 | 43,771 | 50,011 | 52,862 | 57,843 | 52,459 | 50,974 |
| Deposits in foreign banks | 4,161 | 36,128 | 16,883 | 17,992 | 30,708 | 27,504 | 19,884 | 20,078 | 18,461 | 16,671 | 19,770 | 23,257 | 16,860 |
| Placements | 65,214 | 179,514 | 275,360 | 88,170 | 97,242 | 93,455 | 99,145 | 90,273 | 93,408 | 96,555 | 88,097 | 104,971 | 124,239 |
| Securities other than shares | 0 | 7,498 | 0 | 119,620 | 120,381 | 120,828 | 120,917 | 121,056 | 120,299 | 115,713 | 119,581 | 116,206 | 111,713 |
| Liabilities | 12,638 | 18,929 | 24,243 | 29,103 | 32,456 | 33,672 | 30,199 | 46,235 | 31,684 | 33,509 | 34,780 | 35,114 | 31,801 |
| Transferable deposits | 9,635 | 12,307 | 14,529 | 16,238 | 18,781 | 20,028 | 16,331 | 30,165 | 17,664 | 17,446 | 18,968 | 20,955 | 17,056 |
| Other deposits | 79 | 1,577 | 3,005 | 1,927 | 2,438 | 2,390 | 2,091 | 3,076 | 2,102 | 3,145 | 2,834 | 2,821 | 2,975 |
| Borrowings | 2,924 | 5,045 | 5,418 | 8,893 | 9,192 | 9,209 | 9,732 | 10,409 | 9,872 | 9,700 | 9,252 | 9,162 | 9,725 |
| Subordinated debt | 0 | 0 | 1,291 | 2,045 | 2,045 | 2,045 | 2,045 | 2,585 | 2,046 | 3,218 | 3,726 | 2,176 | 2,045 |
| Net claims on central government | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| Net claims on other financial corporations | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| Net claims on central bank | 15,753 | 173,904 | 46,222 | 59,612 | 54,785 | 52,237 | 60,723 | 66,628 | 54,978 | 49,474 | 64,264 | 54,960 | 58,511 |
| Deposits at BPK | 15,753 | 173,904 | 46,222 | 59,612 | 54,785 | 52,237 | 60,723 | 66,628 | 54,978 | 49,474 | 64,264 | 54,960 | 58,511 |
| Claims on private sector | 3,148 | 25,916 | 86,498 | 232,773 | 240,556 | 252,845 | 268,063 | 280,971 | 297,544 | 313,684 | 327,940 | 335,373 | 350,093 |
| Non financial corporations and households | 3,148 | 25,916 | 86,498 | 232,773 | 240,556 | 252,845 | 268,063 | 280,971 | 297,544 | 313,684 | 327,940 | 335,373 | 350,093 |
| Gross loans | 3,148 | 25,916 | 86,498 | 232,773 | 240,556 | 252,845 | 268,063 | 280,971 | 297,544 | 313,684 | 327,940 | 335,373 | 350,093 |
| Net loans | 3,148 | 25,135 | 83,976 | 225,058 | 232,272 | 243,584 | 257,643 | 270,027 | 285,977 | 301,974 | 314,524 | 322,153 | 336,292 |
| Deposits included in broad money | 83,289 | 478,372 | 409,660 | 495,880 | 514,760 | 514,882 | 545,228 | 525,730 | 548,430 | 559,559 | 589,242 | 601,317 | 617,140 |
| Transferable deposits | 75,676 | 353,583 | 281,380 | 298,416 | 283,752 | 275,398 | 307,665 | 286,968 | 296,103 | 300,358 | 300,033 | 322,092 | 324,197 |
| Non financial corporations | 54,487 | 137,089 | 159,882 | 155,122 | 140,805 | 130,970 | 155,942 | 143,203 | 141,464 | 147,733 | 147,126 | 155,793 | 158,493 |
| Households | 21,189 | 216,495 | 121,498 | 143,294 | 142,947 | 144,428 | 151,723 | 143,765 | 154,639 | 152,625 | 152,907 | 166,299 | 165,704 |
| Other deposits | 7,613 | 124,788 | 128,280 | 197,464 | 231,008 | 239,484 | 237,563 | 238,762 | 252,327 | 259,201 | 289,209 | 279,225 | 292,943 |
| Non financial corporations | 4,579 | 31,318 | 23,921 | 74,758 | 94,297 | 97,739 | 95,579 | 97,999 | 108,932 | 115,183 | 129,158 | 126,489 | 132,633 |
| Households | 3,034 | 93,471 | 104,359 | 122,706 | 136,711 | 141,745 | 141,984 | 140,763 | 143,395 | 144,018 | 160,051 | 152,736 | 160,310 |
| Securities included in broad money | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| Deposits, securi. excl. from broad money | 0 | 0 | 0 | 1,751 | 1,702 | 4,102 | 3,502 | 6,052 | 5,818 | 5,319 | 4,560 | 4,667 | 4,768 |
| Own funds | 6,152 | 20,435 | 33,244 | 45,007 | 45,987 | 47,223 | 47,410 | 54,046 | 55,295 | 57,347 | 59,239 | 61,469 | 63,043 |
| of which: share capital | 4,600 | 18,467 | 30,764 | 44,061 | 44,231 | 45,257 | 46,394 | 52,867 | 52,916 | 54,249 | 55,734 | 55,734 | 56,510 |
| Other Items (net) | -2,132 | -6,434 | -6,587 | -6,963 | -6,944 | -4,951 | -8,655 | -9,286 | -6,526 | -10,775 | -10,326 | -15,341 | -4,362 |
| Other liabilities | 885 | 1,249 | 4,046 | 9,742 | 8,920 | 6,565 | 6,227 | 7,622 | 8,542 | 9,253 | 9,564 | 7,472 | 7,905 |
| less: Other assets | 3,017 | 7,683 | 10,633 | 16,705 | 15,864 | 11,516 | 14,882 | 16,908 | 15,068 | 20,028 | 19,890 | 22,813 | 12,267 |

Graph 3

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

(in percentage)

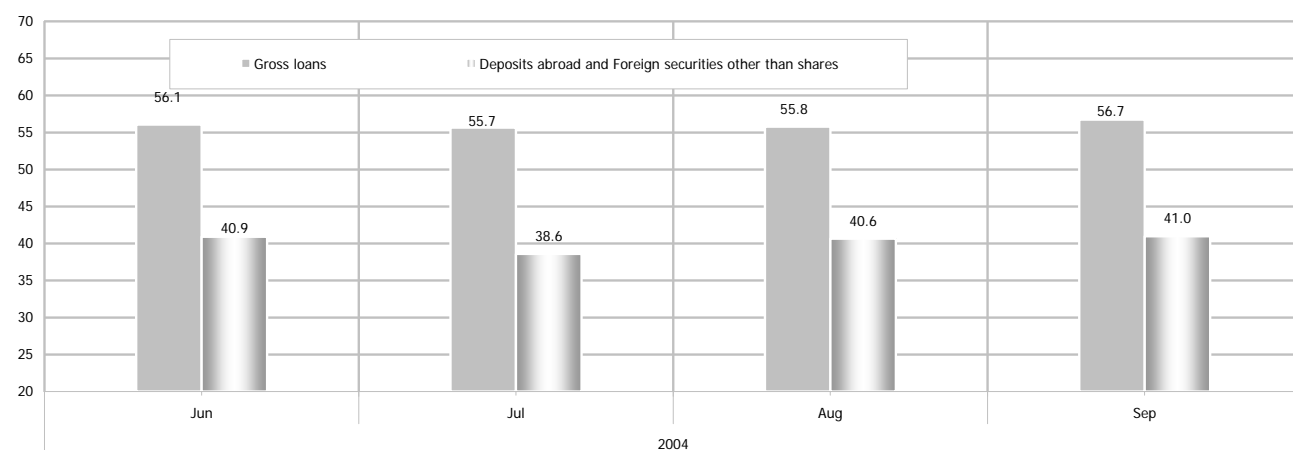


Table 5

OTHER DEPOSITORY CORPORATIONS BALANCE SHEET

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

| Description | 2000 | 2001 | 2002 | 2003 | 2004 | | | | | | | | |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | | | | | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep |
| ASSETS | | | | | | | | | | | | | |
| Cash | 11,671 | 88,342 | 35,597 | 46,611 | 44,289 | 48,059 | 48,952 | 43,771 | 50,011 | 52,862 | 57,843 | 52,459 | 50,974 |
| Balance with BPK | 15,753 | 173,904 | 46,222 | 59,612 | 54,785 | 52,237 | 60,723 | 66,628 | 54,978 | 49,474 | 64,264 | 54,880 | 58,511 |
| Interest bearing accounts with other banks | 4,161 | 36,128 | 16,883 | 17,992 | 30,708 | 27,504 | 19,884 | 20,078 | 18,461 | 16,671 | 19,770 | 23,337 | 16,860 |
| Nonresidents | 4,161 | 36,128 | 16,883 | 17,992 | 30,708 | 27,504 | 20,078 | 18,461 | 18,461 | 16,671 | 19,770 | 23,337 | 16,860 |
| Loans to financial corporations (placement) | 65,214 | 179,514 | 275,360 | 88,170 | 97,242 | 93,455 | 99,145 | 90,273 | 93,408 | 96,555 | 88,097 | 104,971 | 124,239 |
| Securities | 0 | 7,498 | 0 | 119,620 | 120,381 | 120,828 | 120,917 | 121,056 | 120,299 | 115,713 | 119,581 | 116,206 | 111,713 |
| Nonresidents | 0 | 7,498 | 0 | 119,620 | 120,381 | 120,828 | 120,917 | 121,056 | 120,299 | 115,713 | 119,581 | 116,206 | 111,713 |
| Gross loans to non-financial sector | 3,148 | 25,916 | 86,498 | 232,773 | 240,556 | 252,845 | 268,063 | 280,971 | 297,544 | 313,684 | 327,940 | 335,373 | 350,093 |
| less: Provisions for loan losses | 0 | 781 | 2,522 | 7,715 | 8,284 | 9,261 | 10,420 | 10,944 | 11,567 | 11,710 | 13,416 | 13,220 | 13,801 |
| Net loans | 3,148 | 25,135 | 83,976 | 225,058 | 232,272 | 243,584 | 257,643 | 270,027 | 285,977 | 301,974 | 314,524 | 322,153 | 336,292 |
| Property and equipment, net of depreciation | 441 | 4,544 | 9,498 | 12,265 | 12,056 | 12,008 | 12,102 | 12,033 | 12,275 | 12,648 | 13,338 | 13,430 | 13,984 |
| Interest receivable and other assets | 2,576 | 3,920 | 3,657 | 12,155 | 12,092 | 8,769 | 13,200 | 15,819 | 14,360 | 19,090 | 19,968 | 22,603 | 12,084 |
| TOTAL ASSETS | 102,964 | 518,985 | 471,193 | 581,483 | 603,825 | 606,444 | 632,566 | 639,685 | 649,769 | 664,987 | 697,385 | 710,039 | 724,657 |
| LIABILITIES AND SHAREHOLDER'S EQUITY | | | | | | | | | | | | | |
| Deposits by banks and OFC | n/a | n/a | n/a | 1,751 | 1,702 | 4,102 | 6,502 | 6,052 | 5,818 | 5,319 | 4,560 | 4,667 | 4,768 |
| Customer deposits | 93,003 | 492,255 | 427,194 | 514,045 | 535,979 | 537,300 | 563,650 | 558,971 | 568,196 | 580,150 | 611,044 | 625,093 | 637,171 |
| Transferable deposits in EUR | 85,311 | 365,890 | 295,909 | 314,654 | 302,533 | 295,426 | 323,996 | 317,133 | 313,767 | 317,804 | 319,001 | 343,047 | 341,253 |
| Residents | 75,676 | 353,583 | 281,380 | 298,416 | 283,752 | 275,398 | 307,665 | 286,968 | 296,103 | 300,358 | 300,033 | 322,092 | 324,197 |
| Non financial corporations | 54,487 | 137,089 | 159,882 | 155,122 | 140,805 | 130,970 | 155,942 | 143,203 | 141,464 | 147,733 | 147,126 | 155,793 | 158,493 |
| Households | 21,189 | 216,495 | 121,498 | 143,294 | 142,947 | 144,428 | 151,723 | 143,765 | 154,639 | 152,625 | 152,907 | 166,299 | 165,704 |
| Nonresidents | 9,635 | 12,307 | 14,529 | 16,238 | 18,781 | 20,028 | 16,331 | 30,165 | 17,664 | 17,446 | 18,968 | 20,955 | 17,056 |
| Other deposits in EUR | 7,692 | 126,365 | 131,285 | 199,391 | 233,446 | 241,874 | 239,654 | 241,838 | 254,429 | 262,346 | 292,043 | 282,046 | 295,918 |
| Residents | 7,613 | 124,788 | 128,280 | 197,464 | 231,008 | 239,484 | 237,563 | 238,762 | 252,327 | 259,201 | 289,209 | 279,225 | 292,943 |
| Non financial corporations | 4,579 | 31,318 | 23,921 | 74,758 | 94,297 | 97,739 | 95,579 | 97,999 | 108,932 | 115,183 | 129,158 | 126,489 | 132,633 |
| Households | 3,034 | 93,471 | 104,359 | 122,706 | 136,711 | 141,745 | 141,984 | 140,763 | 143,395 | 144,018 | 160,051 | 152,736 | 160,310 |
| Nonresidents | 79 | 1,577 | 3,005 | 1,927 | 2,438 | 2,390 | 2,091 | 3,076 | 2,102 | 3,145 | 2,834 | 2,821 | 2,975 |
| Total deposits | 93,003 | 492,255 | 427,194 | 515,796 | 537,681 | 541,402 | 567,152 | 565,023 | 574,014 | 585,469 | 615,604 | 629,760 | 641,939 |
| Borrowings | 2,924 | 5,045 | 5,418 | 8,893 | 9,192 | 9,209 | 9,732 | 10,409 | 9,872 | 9,700 | 9,252 | 9,162 | 9,725 |
| Nonresidents | 2,924 | 5,045 | 5,418 | 8,893 | 9,192 | 9,209 | 9,732 | 10,409 | 9,872 | 9,700 | 9,252 | 9,162 | 9,725 |
| Interest payable and other liabilities | 885 | 1,249 | 4,046 | 9,742 | 8,920 | 6,565 | 6,227 | 7,622 | 8,542 | 9,253 | 9,564 | 7,472 | 7,905 |
| Subordinated debts | 0 | 0 | 1,291 | 2,045 | 2,045 | 2,045 | 2,045 | 2,585 | 2,046 | 3,218 | 3,726 | 2,176 | 2,045 |
| Nonresidents | 0 | 0 | 1,291 | 2,045 | 2,045 | 2,045 | 2,045 | 2,585 | 2,046 | 3,218 | 3,726 | 2,176 | 2,045 |
| Total liabilities | 96,812 | 498,549 | 437,949 | 536,476 | 557,838 | 559,221 | 585,156 | 585,639 | 594,474 | 607,640 | 638,146 | 648,570 | 661,614 |
| Shareholder's equity | 6,152 | 20,435 | 33,244 | 45,007 | 45,987 | 47,223 | 47,410 | 54,046 | 55,295 | 57,347 | 59,239 | 61,469 | 63,043 |
| TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY | 102,964 | 518,985 | 471,193 | 581,483 | 603,825 | 606,444 | 632,566 | 639,685 | 649,769 | 664,987 | 697,385 | 710,039 | 724,657 |

Table 6

OTHER DEPOSITORY CORPORATIONS NONRESIDENT DEPOSITS (outstanding amounts, end of period, in 000 EUR)

| Description | 2000 | 2001 | 2002 | 2003 | 2004 | | | | | | | | |
|--------------------------------------|---------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | | | | | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep |
| 1. Total nonresident deposits | 9,714 | 13,884 | 17,534 | 20,013 | 21,219 | 22,418 | 18,422 | 33,241 | 19,766 | 20,591 | 21,802 | 23,776 | 20,031 |
| Households | 1,742 | 4,844 | 5,101 | 7,125 | 6,940 | 8,047 | 6,554 | 21,120 | 6,907 | 7,151 | 7,580 | 7,351 | 7,702 |
| Transferable deposits | 1,676 | 3,296 | 3,124 | 5,266 | 4,981 | 6,075 | 4,581 | 19,162 | 4,921 | 5,122 | 5,079 | 5,288 | 5,487 |
| Other deposits | 66 | 1,549 | 1,977 | 1,859 | 1,959 | 1,972 | 1,973 | 1,958 | 1,986 | 2,029 | 2,501 | 2,063 | 2,215 |
| Legal entities | 7,972 | 9,039 | 12,433 | 12,888 | 14,279 | 14,371 | 11,868 | 11,121 | 12,859 | 12,440 | 14,222 | 15,419 | 11,322 |
| Transferable deposits | 7,959 | 9,011 | 11,405 | 11,811 | 13,800 | 13,953 | 11,750 | 11,003 | 12,743 | 12,324 | 13,889 | 14,661 | 10,562 |
| Other deposits | 13 | 28 | 1,028 | 1,077 | 479 | 418 | 118 | 118 | 116 | 116 | 333 | 758 | 760 |
| Banks | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,000 | 0 | 1,000 | 0 | 1,006 | 1,007 |
| Transferable deposits | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,006 | 1,007 |
| Other deposits | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,000 | 0 | 1,000 | 0 | 0 | 0 |
| 2. Total resident deposits | 83,289 | 478,371 | 409,660 | 495,783 | 516,462 | 518,984 | 548,730 | 531,782 | 554,248 | 564,878 | 593,802 | 605,984 | 621,908 |
| TOTAL (1+2) | 93,003 | 492,255 | 427,194 | 515,796 | 537,681 | 541,402 | 567,152 | 565,023 | 574,014 | 585,469 | 615,604 | 629,760 | 641,939 |

Table 7

ODC LOANS BY INSTITUTIONAL SECTORS

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

| Description | 2000 | 2001 | 2002 | 2003 | 2004 | | | | | | | | | |
|---|--------------|---------------|---------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|-------|
| | | | | | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | |
| Government Units | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Financial corporations | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Loans to Non-Profit Organizations | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2 | 0 | 0 | 0 | 0 | 2,793 |
| Publicly owned non financial corporations | 0 | 0 | 54 | 173 | 233 | 267 | 235 | 262 | 260 | 242 | 405 | 507 | 575 | |
| Socially owned non financial corporations | 0 | 1,000 | 1,283 | 564 | 477 | 528 | 565 | 500 | 506 | 466 | 489 | 337 | 589 | |
| Private owned non financial corporations | 3,148 | 24,916 | 79,469 | 193,151 | 199,193 | 209,355 | 219,778 | 212,761 | 242,158 | 253,954 | 257,812 | 259,639 | 272,302 | |
| Households | N/A | N/A | 5,692 | 38,885 | 40,653 | 42,695 | 47,485 | 67,446 | 54,618 | 59,022 | 69,234 | 74,890 | 73,831 | |
| TOTAL LOANS | 3,148 | 25,916 | 86,498 | 232,773 | 240,556 | 252,845 | 268,063 | 280,971 | 297,542 | 313,684 | 327,940 | 335,373 | 350,090 | |

Table 8

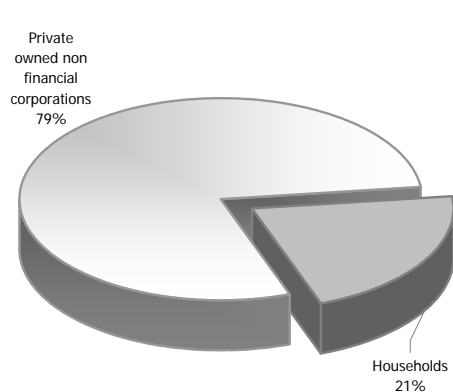
ODC LOANS BY ECONOMIC ACTIVITY

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

| Description | 2000 | 2001 | 2002 | 2003 | 2004 | | | | | | | | |
|---------------------------------------|--------------|---------------|---------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | | | | | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep |
| Agriculture | 0 | 141 | 1,510 | 4,558 | 4,919 | 5,548 | 6,183 | 7,439 | 7,592 | 9,494 | 10,175 | 10,051 | 10,252 |
| Civil Engineering | 0 | 0 | 1,811 | 1,619 | 1,993 | 1,954 | 2,632 | 7,635 | 11,980 | 13,279 | 14,456 | 12,324 | 18,039 |
| Trade | 2,187 | 13,960 | 50,532 | 113,531 | 109,018 | 127,374 | 131,027 | 142,891 | 153,286 | 158,150 | 154,562 | 160,725 | 165,471 |
| Services, Tourism, Hotel/ Restaurants | 565 | 3,688 | 14,633 | 71,606 | 78,860 | 42,881 | 46,254 | 31,129 | 34,762 | 28,817 | 34,768 | 34,820 | 34,688 |
| Industry | 396 | | 3,154 | 16,241 | 16,529 | 17,880 | 19,406 | 21,833 | 16,499 | 15,510 | 12,762 | 13,235 | 13,084 |
| Real Estate/ Real Estate Construction | 0 | 194 | 474 | 1,850 | 2,300 | 2,622 | 2,256 | 2,445 | 2,229 | 2,183 | 6,473 | 6,371 | 7,138 |
| Administration, Other Public Services | 0 | 0 | 3,822 | 191 | 156 | 510 | 764 | 1,108 | 1,797 | 2 | 1 | 1 | 66 |
| Other | 0 | 7,933 | 10,562 | 23,177 | 26,781 | 54,076 | 59,541 | 66,491 | 69,397 | 86,249 | 94,743 | 97,846 | 101,352 |
| TOTAL LOANS | 3,148 | 25,916 | 86,498 | 232,773 | 240,556 | 252,845 | 268,063 | 280,971 | 297,542 | 313,684 | 327,940 | 335,373 | 350,090 |

Graph 4

Gross loans by institutional sector, as of end September 2004



Graph 5

Gross loans by economic activity, as of end September 2004

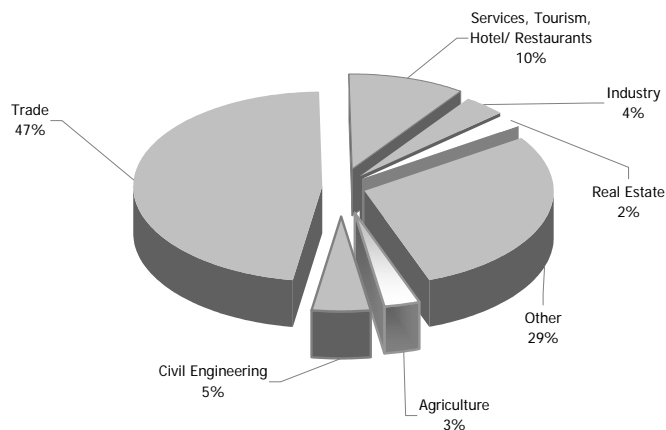


Table 9

OTHER DEPOSITORY CORPORATIONS INCOME STATEMENT

(cumulative within calendar year, in 000 EUR)

| Description | 2000 | 2001 | 2002 | 2003 | 2004 | | | | | | | | |
|---|--------------|---------------|---------------|---------------|--------------|--------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | | | | | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep |
| INCOME | | | | | | | | | | | | | |
| Interest income | 1,829 | 7,179 | 17,818 | 30,695 | 3,544 | 7,015 | 11,168 | 15,344 | 19,623 | 24,311 | 29,110 | 33,863 | 38,468 |
| Loans | 0 | 2,150 | 9,373 | 23,780 | 3,013 | 5,955 | 9,528 | 13,194 | 16,931 | 21,126 | 25,420 | 29,607 | 33,708 |
| Placement with banks | 0 | 5,029 | 8,257 | 6,090 | 245 | 499 | 799 | 1,032 | 1,280 | 1,465 | 1,664 | 1,934 | 2,158 |
| Securities | 0 | 0 | 188 | 823 | 286 | 561 | 841 | 1,118 | 1,412 | 1,720 | 2,026 | 2,322 | 2,602 |
| Non-Interest income | 5,274 | 9,402 | 14,034 | 17,984 | 1,364 | 2,187 | 3,725 | 5,235 | 6,680 | 8,471 | 10,272 | 12,276 | 13,788 |
| Fees and commissions | 5,274 | 9,212 | 13,194 | 16,750 | 1,113 | 2,068 | 3,507 | 4,549 | 5,859 | 7,535 | 9,189 | 10,782 | 12,107 |
| Other operating income | 0 | 190 | 840 | 1,234 | 251 | 119 | 218 | 686 | 821 | 936 | 1,083 | 1,494 | 1,681 |
| TOTAL INCOME | 7,104 | 16,581 | 31,852 | 48,679 | 4,908 | 9,202 | 14,893 | 20,579 | 26,303 | 32,782 | 39,382 | 46,139 | 52,256 |
| EXPENDITURES | | | | | | | | | | | | | |
| Interest expenditures | 207 | 1,312 | 3,470 | 5,279 | 756 | 1,160 | 1,883 | 2,638 | 3,332 | 4,277 | 5,160 | 5,929 | 6,745 |
| Deposits | 207 | 855 | 3,102 | 4,782 | 687 | 1,054 | 1,698 | 2,387 | 3,036 | 3,897 | 4,648 | 5,369 | 6,126 |
| Borrowings | 0 | 458 | 368 | 497 | 69 | 106 | 185 | 251 | 296 | 380 | 512 | 560 | 619 |
| Non-Interest expenditures | 338 | 1,507 | 5,792 | 10,223 | 926 | 2,277 | 3,194 | 4,103 | 6,175 | 6,822 | 9,284 | 9,920 | 24,534 |
| Provisions for loan losses | 166 | 616 | 3,282 | 7,720 | 512 | 1,635 | 2,242 | 2,908 | 3,757 | 5,005 | 7,102 | 7,437 | 8,501 |
| Depreciation on fixed assets | 172 | 891 | 2,510 | 2,503 | 414 | 642 | 952 | 1,195 | 2,418 | 1,817 | 2,182 | 2,483 | 16,033 |
| General and administrative expenses | 2,707 | 7,271 | 19,130 | 25,379 | 2,261 | 4,633 | 7,282 | 9,895 | 11,414 | 15,214 | 17,950 | 20,796 | 10,393 |
| TOTAL EXPENDITURES | 3,252 | 10,090 | 28,392 | 40,881 | 3,943 | 8,070 | 12,359 | 16,636 | 20,921 | 26,313 | 32,394 | 36,645 | 41,672 |
| NET INCOME | | | | | | | | | | | | | |
| Net operating income | 3,852 | 6,491 | 3,460 | 7,798 | 965 | 1,132 | 2,534 | 3,943 | 5,382 | 6,469 | 6,989 | 9,494 | 10,584 |
| Net gains/losses from dealing securities | 0 | 0 | 0 | 0 | 0 | -20 | -43 | -102 | -148 | -201 | -253 | -269 | -338 |
| Net gains/losses from dealing in foreign exchange | 577 | 699 | 509 | 658 | 10 | 48 | 40 | 26 | 19 | 40 | 74 | -9 | 36 |
| Net gains/losses from exchange rate variations | 33 | -19 | 53 | -85 | 38 | 126 | 104 | 218 | 235 | 331 | 381 | 41 | 360 |
| Net income from banking activ.before tax | 4,462 | 7,172 | 4,022 | 8,713 | 999 | 1,286 | 2,635 | 4,085 | 5,488 | 6,612 | 7,191 | 9,257 | 10,642 |
| Provision for taxes | 610 | 456 | 1,306 | 1,912 | 193 | 234 | 647 | 833 | 955 | 981 | 1,100 | 1,540 | 1,551 |
| Net profit / loss for period | 3,852 | 6,716 | 2,716 | 6,801 | 806 | 1,052 | 1,988 | 3,252 | 4,533 | 5,631 | 6,091 | 7,717 | 9,091 |
| less: dividend paid | 2,300 | 5,260 | 2,118 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Retained profit | 1,552 | 1,457 | 598 | 6,801 | 806 | 1,052 | 1,988 | 3,252 | 4,533 | 5,631 | 6,091 | 7,717 | 9,091 |

Graph 6

Other depository corporations income and expenditure

(quarterly data, in 000 EUR)

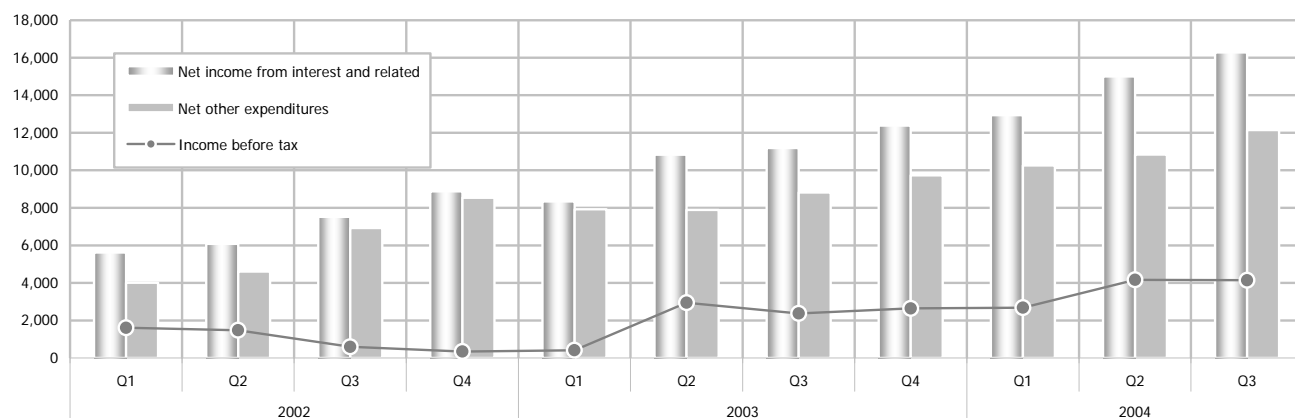


Table 10

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 |
| | Apr | 424,141 | 15,847 | 273 | -7,327 | 8,793 |
| | May | 432,934 | 3,539 | 5,967 | -19,787 | -10,281 |
| | Jun | 422,653 | 7,456 | 396 | -8,505 | -653 |
| | Jul | 421,999 | 22,188 | -7,044 | -22,754 | -7,610 |
| | Aug | 414,389 | 53,592 | 4,008 | -43,779 | 13,821 |
| | Sep | 428,210 | 26,052 | 416 | -30,549 | -4,081 |
| | Oct | 424,129 | | | | |

NOTE: No breakdown available.

Graph 7

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

(in 000 EUR)

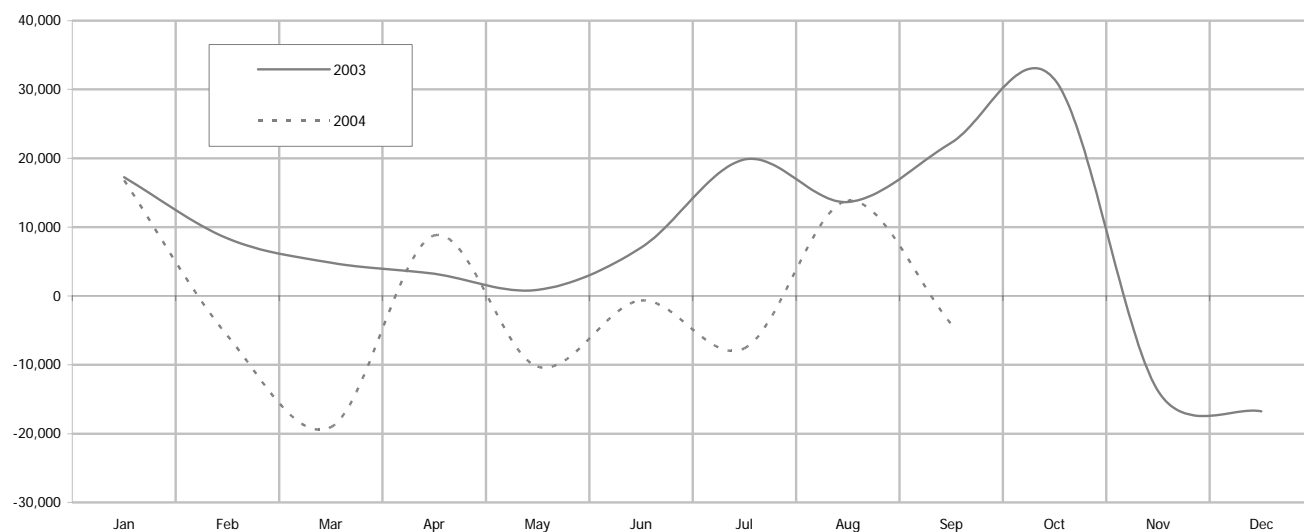


Table 11a

CASH DEPOSITS ON CURRENT ACCOUNTS HELD WITH BPK

(volume by period, in 000 EUR)

| Period | Government Agencies | Public Utilities | Banks | 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 |
| | Apr | 166 | 73 | 33,601 | 213 | 0 | 1 | 0 | 34,054 |
| | May | 235 | 9 | 31,546 | 136 | 0 | 0 | 0 | 31,926 |
| | Jun | 208 | 24 | 27,894 | 1,051 | 0 | 2 | 0 | 29,179 |
| | Jul | 170 | 7 | 37,501 | 60 | 0 | 1 | 0 | 37,739 |
| | Aug | 121 | 0 | 61,970 | 0 | 0 | 1 | 0 | 62,092 |
| | Sep | 130 | 8 | 40,843 | 0 | 0 | 14 | 0 | 40,995 |

Graph 8a

Cash deposits held with BPK current accounts

(in 000 EUR)

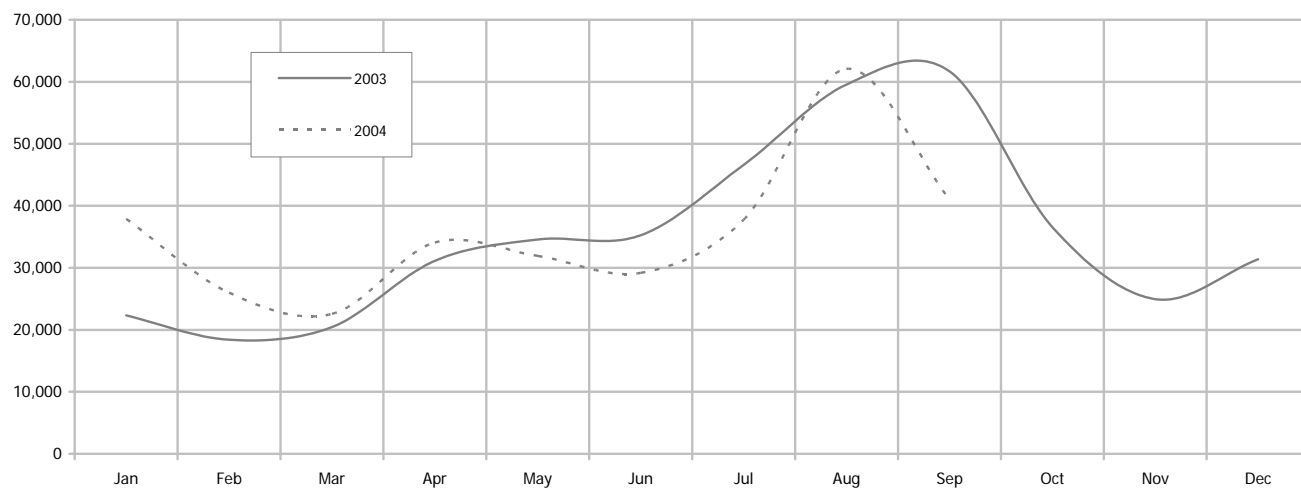


Table 11b

CASH WITHDRAWALS ON CURRENT ACCOUNTS HELD WITH BPK

(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 |
| | Apr | 772 | 17,275 | 83 | 0 | 78 | 0 | 0 | 18,208 |
| | May | 647 | 27,578 | 92 | 0 | 70 | 0 | 0 | 28,387 |
| | Jun | 655 | 20,908 | 76 | 0 | 65 | 0 | 17 | 21,721 |
| | Jul | 493 | 14,919 | 73 | 0 | 65 | 0 | 0 | 15,550 |
| | Aug | 453 | 7,941 | 49 | 0 | 57 | 0 | 0 | 8,500 |
| | Sep | 580 | 14,209 | 63 | 0 | 93 | 0 | 0 | 14,945 |

Graph 8b

Cash withdrawals on current accounts held with BPK

(in 000 EUR)

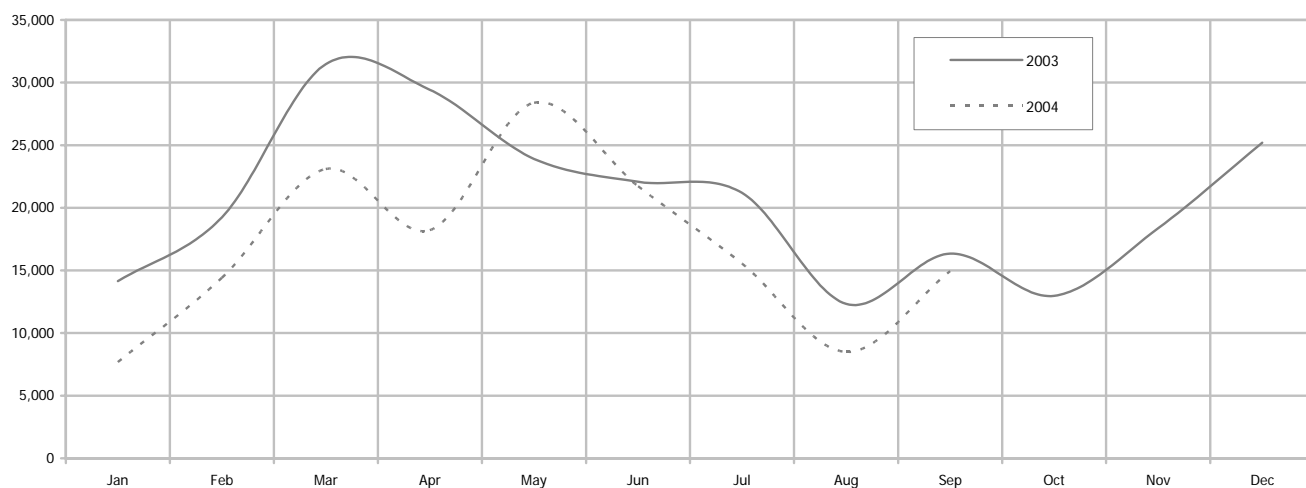


Table 12a

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 |
| | Apr | 6,240 | 1,810 | -7,075 | -144 | 0 | -563 | 4 | 272 |
| | May | 8,125 | 682 | -7,163 | 5,223 | 0 | -970 | 71 | 5,968 |
| | Jun | 4,862 | 4,026 | -4,849 | -2,461 | 0 | -1,205 | 22 | 395 |
| | Jul | -379 | -2,048 | -244 | -3,528 | 0 | -572 | -272 | -7,043 |
| | Aug | 16,895 | 3,574 | -22,856 | 353 | 0 | 5,972 | 70 | 4,008 |
| | Sep | 7,326 | -1,014 | -6,692 | 3 | 0 | 759 | 35 | 417 |

Graph 9a

Net domestic transfers with BPK current accounts

(in 000 EUR)

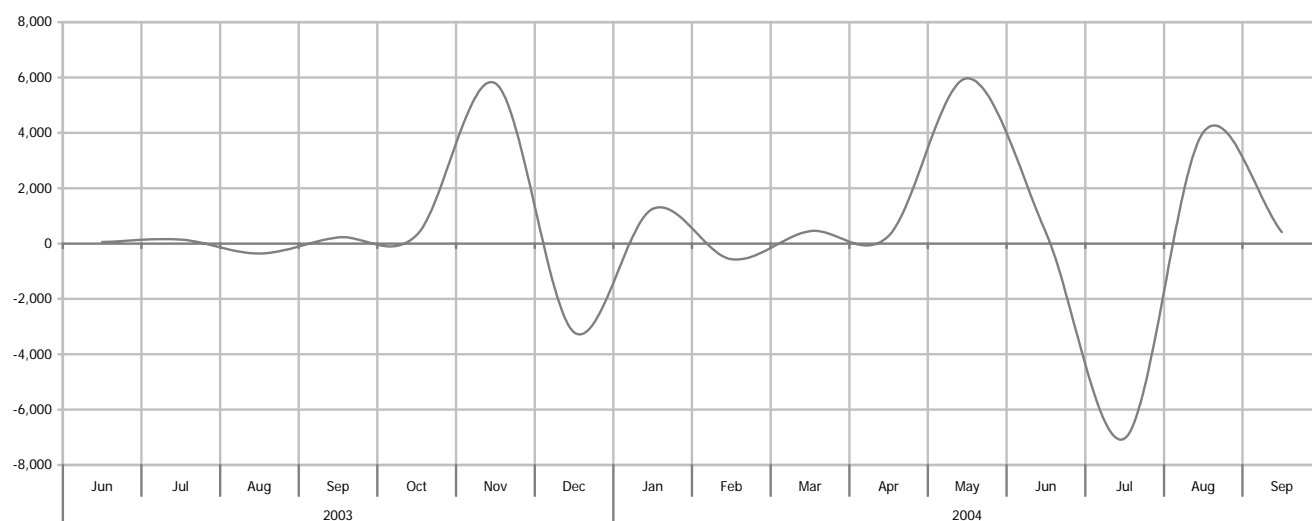


Table 12b

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 |
| | Apr | -4,719 | -166 | -3,116 | 0 | 0 | 673 | 0 | -7,328 |
| | May | -12,563 | -289 | -8,116 | 0 | 0 | 1,181 | 0 | -19,787 |
| | Jun | -1,986 | -250 | -7,415 | -1 | 0 | 1,148 | 0 | -8,504 |
| | Jul | -13,826 | -194 | -9,418 | 0 | 0 | 684 | 0 | -22,754 |
| | Aug | -3,546 | -354 | -40,244 | 0 | 0 | 357 | 0 | -43,787 |
| | Sep | -12,973 | -1,525 | -16,018 | 0 | 0 | -33 | 0 | -30,549 |

Graph 9b

Net international transfers with BPK current accounts

(in 000 EUR)

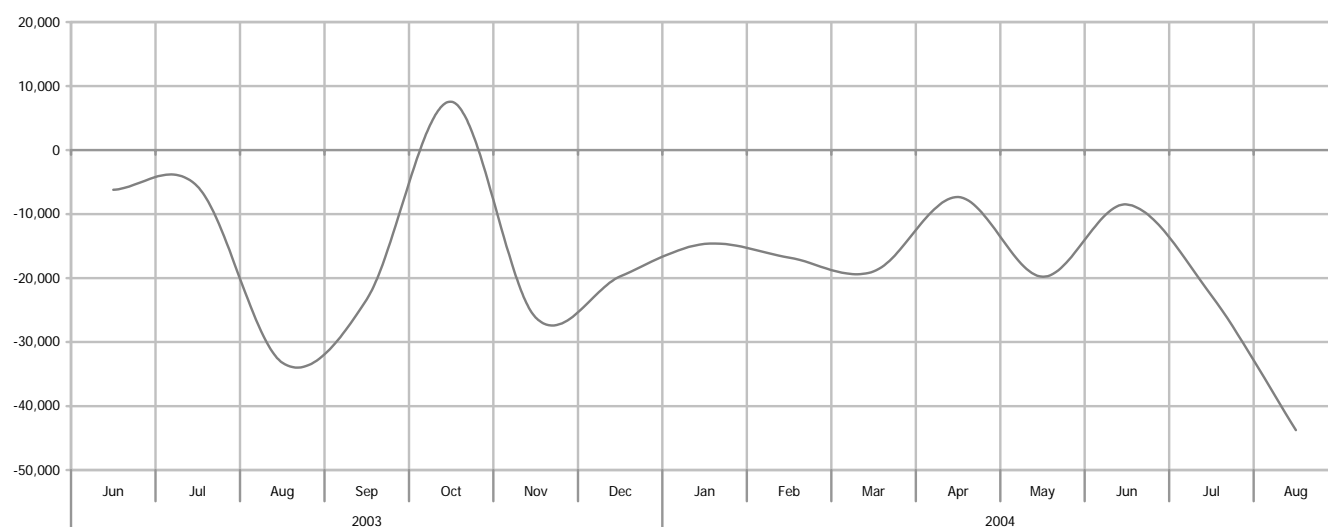


Table 13

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 |
| | Apr | 20,213 | 143,883 |
| | May | 20,614 | 126,235 |
| | Jun | 21,017 | 125,819 |
| | Jul | 22,530 | 147,800 |
| | Aug | 24,781 | 142,836 |
| | Sep | 26,323 | 140,778 |

Graph 10

Interbank Clearing System

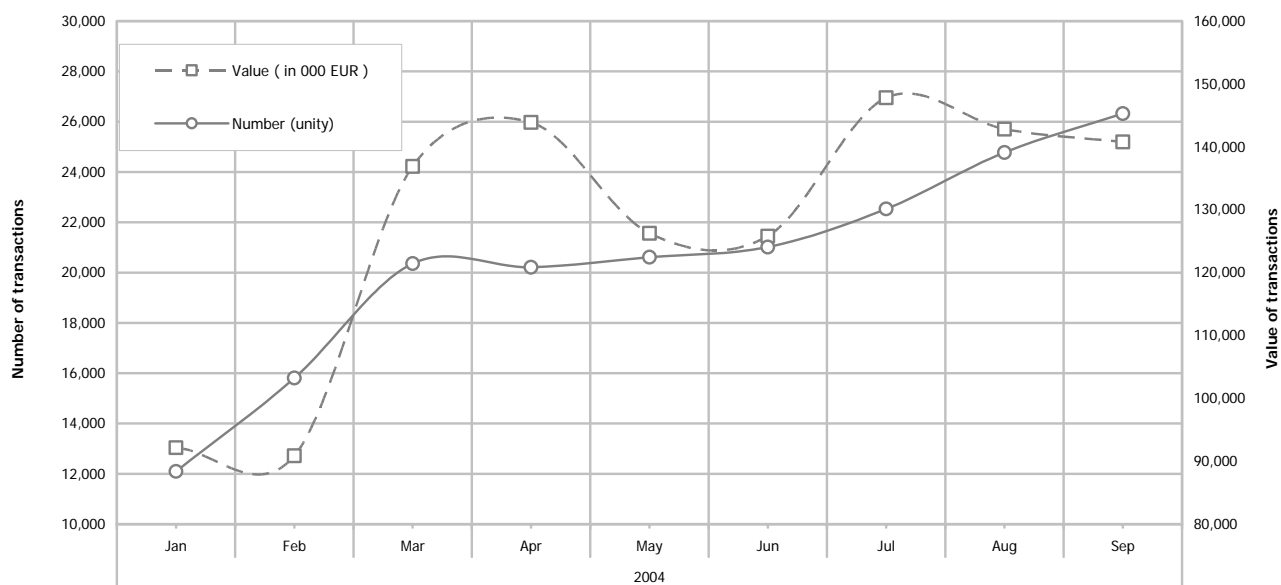


Table 14

FOREIGN TRANSFERS

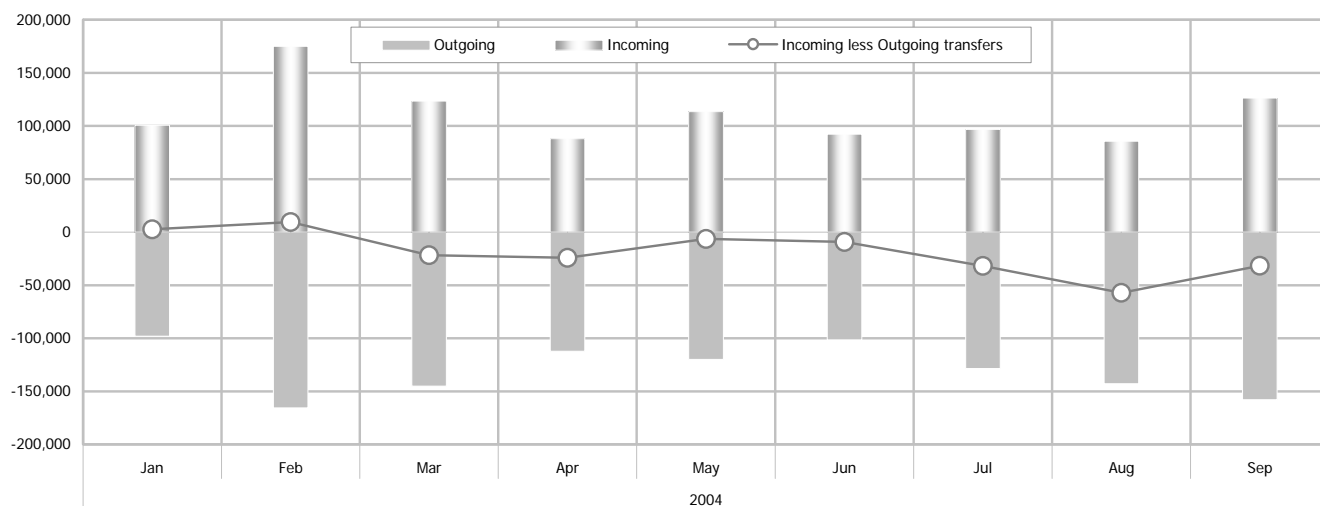
(volume by period, in 000 EUR)

| 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 | |
| 2004 | Jan | 21,926 | 75,088 | 1,110 | 98,124 | 7,264 | 81,696 | 11,723 | 100,683 |
| | Feb | 23,000 | 140,382 | 2,149 | 165,531 | 6,200 | 147,578 | 21,230 | 175,008 |
| | Mar | 33,534 | 110,442 | 1,184 | 145,160 | 14,566 | 96,548 | 12,264 | 123,378 |
| | Apr | 24,369 | 86,733 | 1,050 | 112,152 | 17,063 | 59,149 | 11,753 | 87,965 |
| | May | 25,532 | 93,360 | 1,054 | 119,946 | 5,745 | 95,081 | 12,645 | 113,471 |
| | Jun | 14,452 | 85,927 | 1,143 | 101,522 | 5,947 | 73,908 | 12,335 | 92,190 |
| | Jul | 28,563 | 98,786 | 1,201 | 128,550 | 5,808 | 79,492 | 11,400 | 96,700 |
| | Aug | 47,194 | 94,448 | 1,250 | 142,892 | 3,406 | 69,987 | 12,294 | 85,687 |
| | Sep | 32,156 | 124,458 | 1,301 | 157,915 | 1,607 | 110,354 | 14,305 | 126,266 |

Graph 11

Foreign transfers

(in 000 EUR)





FINANCIAL STATISTICS

Table 15

INSURANCE COMPANIES ACTIVITY

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

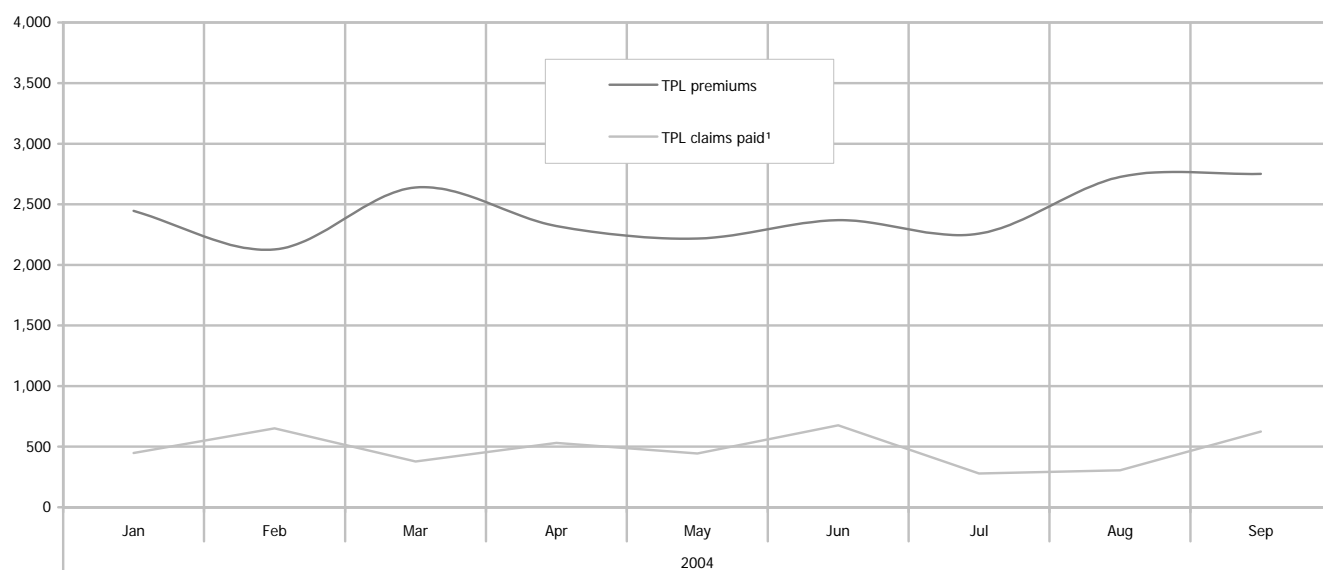
| Period | Amount of Premiums received | | | | Number of Policies sold | | | | Amount of Claims paid | | |
|-------------------|-----------------------------|---------------|-----------------|--------------|-------------------------|----------------|-----------------|--------------|-----------------------|-----------------|----|
| | 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 | |
| 2004 | Jan | 3,251 | 2,445 | 738 | 68 | 19,812 | 19,522 | 5,367 | 290 | 448 | 69 |
| | Feb | 2,829 | 2,127 | 544 | 158 | 16,004 | 15,783 | 4,928 | 221 | 651 | 92 |
| | Mar | 3,325 | 2,639 | 467 | 219 | 24,924 | 17,506 | 6,485 | 933 | 377 | 20 |
| | Apr | 3,119 | 2,321 | 553 | 245 | 25,815 | 17,553 | 7,247 | 1,015 | 530 | 57 |
| | May | 2,930 | 2,218 | 575 | 137 | 24,058 | 17,008 | 6,788 | 262 | 443 | 16 |
| | Jun | 3,082 | 2,369 | 608 | 105 | 16,939 | 19,588 | 6,815 | 536 | 676 | 68 |
| | Jul | 3,857 | 2,258 | 1,460 | 139 | 19,494 | 19,298 | n/a | 196 | 279 | 45 |
| | Aug | 4,374 | 2,726 | 1,491 | 157 | 20,973 | 20,731 | n/a | 242 | 306 | 51 |
| | Sep | 3,613 | 2,751 | 710 | 152 | 22,310 | 21,876 | n/a | 434 | 625 | 66 |

¹ Included the claims paid by the Kosovo Guarantee Fund

Graph 12

Insurance premiums and paid claims

amounts in 000 EUR



¹ Included the claims paid by the Kosovo Guarantee Fund

Table 16

OTHER FINANCIAL INTERMEDIARIES LOAN ACTIVITY

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

| Period | FINCA | ICMC-KEP | GRAM MEN - MA | MCI-AFK | CORD-AID | BESÉ-LIDHJA | KRK | KOSINV EST/WWPZ | MESH-TEKNA | Ce.L.I.M | Perspektiva (4) | Balkanctie | IOM | START | ICU | DEG | ABU | TOTAL | |
|--------|-------|----------|---------------|---------|----------|-------------|-------|-----------------|------------|----------|-----------------|------------|-----|-------|-------|-------|-------|---------------|---------------|
| 2000 | 560 | 1,282 | 234 | 0 | 111 | 373 | 101 | 0 | 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 | - | 2,459 | 10,081 | 33,244 |
| | Feb | 3,936 | 6,519 | 2,706 | 1,322 | 129 | 1,498 | 2,828 | 586 | 242 | 163 | 10 | 15 | 383 | 209 | - | 2,471 | 9,968 | 32,985 |
| | Mar | 3,980 | 6,945 | 2,484 | 1,351 | 129 | 1,903 | 2,947 | 656 | 246 | 169 | 20 | 13 | 325 | 237 | - | 2,471 | 9,847 | 33,723 |
| | Apr | 4,181 | 7,126 | 2,502 | 1,431 | 128 | 2,342 | 3,076 | 690 | 263 | 164 | 31 | 31 | 362 | 268 | - | 2,471 | 9,799 | 34,865 |
| | May | 4,189 | 7,368 | 2,548 | 1,386 | 128 | 2,428 | 3,170 | 690 | 281 | 161 | 34 | 66 | 480 | 303 | - | 2,471 | 10,460 | 36,163 |
| | Jun | 4,339 | 7,238 | 2,464 | 1,461 | 128 | 2,455 | 3,330 | 714 | 290 | 170 | 32 | 65 | 377 | 378 | - | 2,477 | 10,459 | 36,377 |
| | Jul | 4,298 | 7,283 | 2,507 | 1,448 | 128 | 2,535 | 3,499 | 678 | 295 | 177 | 32 | 70 | 384 | 418 | - | 2,477 | 10,991 | 37,220 |
| | Aug | 4,256 | 7,234 | 2,458 | 1,436 | 126 | 2,530 | 3,608 | 661 | 287 | 179 | 52 | 68 | 339 | 478 | - | 2,477 | 11,123 | 37,312 |
| | Sep | 4,146 | 7,376 | 2,540 | 1,533 | 126 | 2,616 | 3,697 | 638 | 300 | 176 | 55 | 66 | 351 | 516 | - | 2,477 | 11,129 | 37,742 |

*/In 2002 KBFF has operated and has granted 5 loans with a total amount of 241,000 euro.

**/ In 2001 MFI DRC has operated and has granted 124 loans with a total amount of 152,000 euro, whereas for Year 2002 with 317 loans and 348 thousands euro.

Table 17

OTHER FINANCIAL INTERMEDIARIES LOAN ACTIVITY, NO. OF LOANS

(outstanding number, end of period, in unity)

| Period | FINCA | ICMC-KEP | GRAM MEN - MA | MCI-AFK | CORD-AID | BESÉ-LIDHJA | KRK | KOSINV EST/WWPZ | MESH-TEKNA | Ce.L.I.M | Perspektiva (4) | Balkanctie | IOM | START | ICU | DEG | ABU | TOTAL | |
|--------|-------|----------|---------------|---------|----------|-------------|-------|-----------------|------------|----------|-----------------|------------|-----|-------|-----|-----|-----|---------------|---------------|
| 2000 | 520 | 925 | 488 | 0 | 12 | 668 | 109 | 0 | 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 | - | 3 | 51 | 18,964 |
| | Feb | 1,901 | 5,504 | 4,714 | 496 | 16 | 1,306 | 3,023 | 512 | 280 | 146 | 12 | 29 | 301 | 530 | - | 3 | 51 | 18,824 |
| | Mar | 2,163 | 5,598 | 4,625 | 518 | 16 | 1,355 | 3,106 | 575 | 295 | 156 | 20 | 29 | 304 | 577 | - | 3 | 50 | 19,390 |
| | Apr | 2,211 | 5,599 | 4,646 | 538 | 16 | 1,533 | 3,113 | 625 | 287 | 149 | 33 | 62 | 222 | 582 | - | 3 | 54 | 19,673 |
| | May | 2,257 | 5,714 | 4,627 | 540 | 16 | 1,678 | 3,208 | 625 | 303 | 164 | 35 | 97 | 247 | 589 | - | 3 | 55 | 20,158 |
| | Jun | 2,304 | 5,816 | 4,740 | 572 | 16 | 1,744 | 3,333 | 702 | 298 | 152 | 38 | 97 | 259 | 628 | - | 3 | 55 | 20,757 |
| | Jul | 2,335 | 5,857 | 4,728 | 591 | 16 | 1,886 | 3,429 | 711 | 308 | 164 | 43 | 121 | 262 | 667 | - | 3 | 55 | 21,176 |
| | Aug | 2,356 | 5,895 | 4,685 | 581 | 16 | 1,978 | 3,491 | 711 | 302 | 159 | 61 | 101 | 230 | 729 | - | 3 | 58 | 21,356 |
| | Sep | 2,421 | 5,754 | 4,624 | 603 | 16 | 2,098 | 3,560 | 719 | 306 | 182 | 67 | 128 | 218 | 785 | - | 3 | 60 | 21,544 |



STRUCTURAL INDICATORS

Table 18

OTHER DEPOSITORY CORPORATIONS - GEOGRAPHICAL DISTRIBUTION

As of end Sep, 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+4SB | HQ+4SB | HQ+7SB | HQ+4SB | HQ+3SB | HQ+3SB | HQ+3SB | HQ | 7 | | 28 |
| Prizren | BR | BR+2SB | BR+2SB | BR+SB | BR+3SB | BR | BR | | | 7 | 8 |
| Peja | BR+SB | BR+SB | BR+SB | BR+SB | BR+3SB | BR | BR+SB | | | 7 | 8 |
| Gjilani | BR | BR+SB | BR+2SB | BR | BR | BR | BR+3SB | | | 7 | 6 |
| Gjakova | BR | BR | BR | BR+SB | BR+SB | BR | BR | | | 7 | 2 |
| Mitrovica | BR + 3SB | BR+SB | BR+SB | BR+SB | BR+3SB | BR+SB | 3SB | | | 6 | 12 |
| Ferizaj | BR | BR | BR+4SB | BR | BR | BR | BR+2SB | | | 7 | 7 |
| Podujevë | | SB | 2SB | | BR+3SB | | | | | 1 | 6 |
| Lipjan | | | SB | | SB | | SB | | | | 3 |
| Vitia | | SB | SB | | 2SB | | SB | | | | 5 |
| Rahovec | | SB | 3SB | SB | | SB | 2SB | | | | 8 |
| Kamenicë | | SB | SB | SB | SB | SB | 2SB | | | | 7 |
| Kaçanik | | | 2SB | | SB | SB | | | | | 4 |
| Dragash | | | SB | | | | | | | | 1 |
| Shtime | | | SB | | | | SB | | | | 2 |
| Klinë | | SB | 2SB | | SB | | | | | | 4 |
| Shtërpce | | | SB | | SB | SB | | | | | 3 |
| Elez Han | | SB | | SB | 2SB | | SB | | | | 5 |
| Fushë Kosovë | | | | | 3SB | | SB | | | | 4 |
| Glogovcë | | SB | | | SB | | 2SB | | | | 4 |
| Graçanicë | SB | | SB | | | SB | | | | | 3 |
| Deçan | | | | | 3SB | | | | | | 3 |
| Vushtri | | SB | 2SB | | SB | SB | SB | | | | 6 |
| Theranda | SB | SB | SB | | SB | SB | | | | | 5 |
| Skenderaj | | SB | | | | | SB | | | | 2 |
| Drenas | | | | | | | SB | | | | 1 |
| Istog | | | SB | SB | 2SB | | | | | | 4 |
| Malishevë | | | SB | | | SB | SB | | | | 3 |
| Obiliq | | | | | 2SB | | | | | | 2 |
| TOTAL | | | | | | | | | 7 | 42 | 156 |

Table 19

OTHER FINANCIAL AUXILIARIES - GEOGRAPHICAL DISTRIBUTION

As of end Sep, 2004

| Region | Exchange Bureau | | | | Transfer Services | |
|------------------|-----------------|-----------|--------|-----|----------------------------|--------------------------------|
| | ABD | Euro-Cufa | EURO B | NBS | Union Financial Prishtina* | ProCredit BANK - Western Union |
| Prishtina | HQ + BR | HQ | | HQ | HQ | BR |
| Prizren | | | | | | BR |
| Peja | | | | | | BR |
| Gjilani | | | | | | BR |
| Gjakova | | | | | | BR |
| Mitrovica | | | | | | |
| Ferizaj | | | | | | |
| Glogovc (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.

* Prishtina(head Office), 70 locations

Table 20

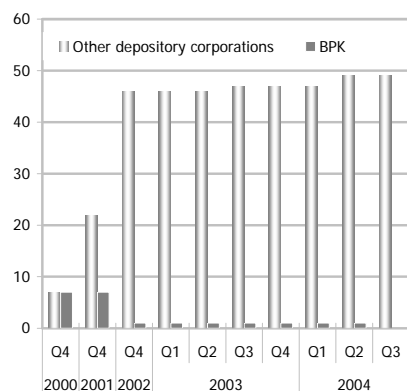
EMPLOYMENT AND BRANCHES: ODC AND BPK

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 | 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 | 47 | 106 | 1,740 | 1 | - | 124 |
| | Q2 | 49 | 130 | 1,802 | 1 | - | 123 |
| | Q3 | 49 | 156 | 1,950 | 1 | - | 129 |

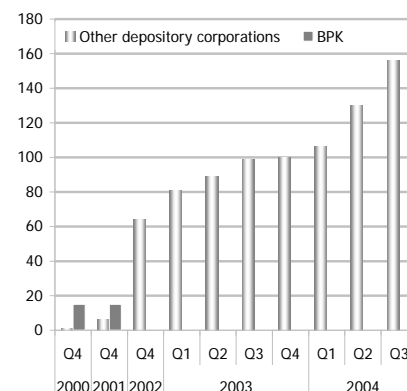
Graph 13.1

Number of branches¹



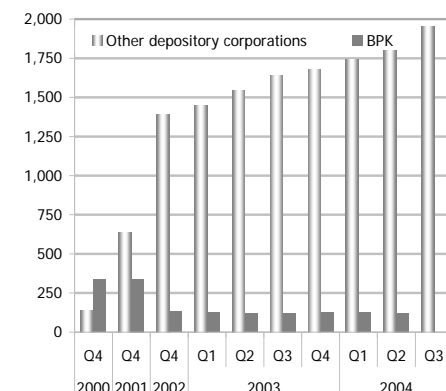
Graph 13.2

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

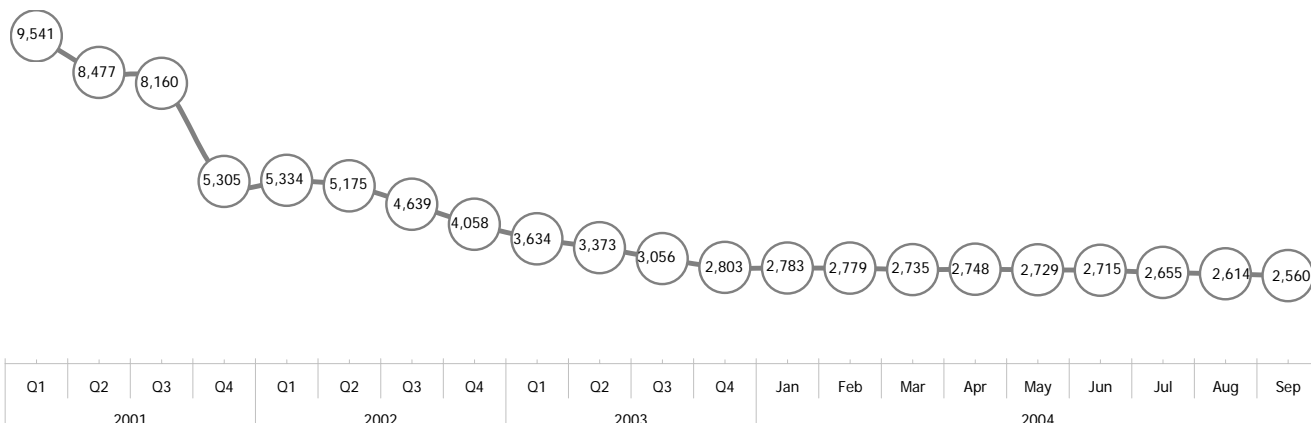


Table 21

OTHER FINANCIAL INTERMEDIARIES - GEOGRAPHICAL DISTRIBUTION

As of end September, 2004

| | Prishtinë | Prizren | Pejë | Gjakovë | Kline | Mitrovicë | Vushtri | Ferizaj | Skëndera | Gjilan | Graçanica | Dragash | Suharekë | Shtërpcë | Zvečan | Shtime |
|--|-----------|---------|------|---------|-------|-----------|---------|---------|----------|--------|-----------|---------|----------|----------|--------|--------|
| Micro Finance Institutions | | | | | | | | | | | | | | | | |
| FINCA Kosovo | | √ | √ | √ | | | | √ | | √ | | | | | | |
| Kosovo Enterprise Program (KEP) | √ | √ | √ | √ | √ | √ | | | | √ | | | | | | |
| Gramen Trust | √ | | √ | | | | | | | | | | | | | |
| Mercy Corps International SED Program | | | √ | | | | | | | | | | | | | |
| Cordaid | | | | √ | | | | | | | | | | | | |
| Besëlidhja Micro Finance (W. Relief) | √ | | | | | | | | | | √ | | | | | |
| Kreditimi Rural i Kosovës | √ | | | | √ | | √ | | | | | | | | | |
| Kosinvest / World Vision | | √ | | | | | | | | | | | | | | |
| Meshtekna (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 | | | | | | | | | | | | | | | | |
| Vllesa Co. | | | | | | | | | | | | | √ | | | |
| German Investment and Development Co (DEG) | √ | | | | | | | | | | | | | | | |
| EAR AgroBusiness Development Unit | √ | | | | | | | | | | | | | | | |

Note :

√ = Predominant representation



FINANCIAL MARKET INFORMATION

Table 22

OTHER DEPOSITORY CORPORATIONS 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: Data are temporarily not updated, due to the ongoing statistical project at the BPK on Effective Interest Rates applied by commercial banks. Data will be published once the minimum quality requirements are met.



Table 23

EURO EXCHANGE RATE AGAINST SELECTED CURRENCIES ¹

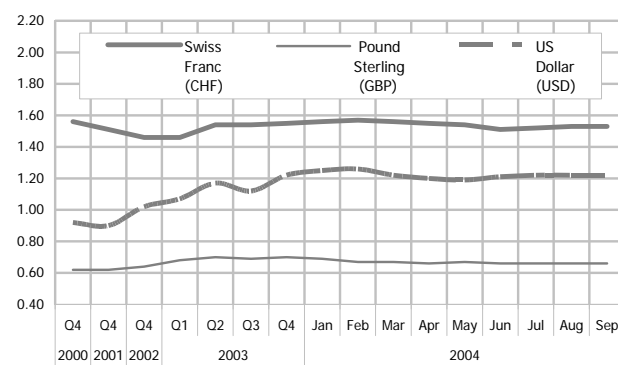
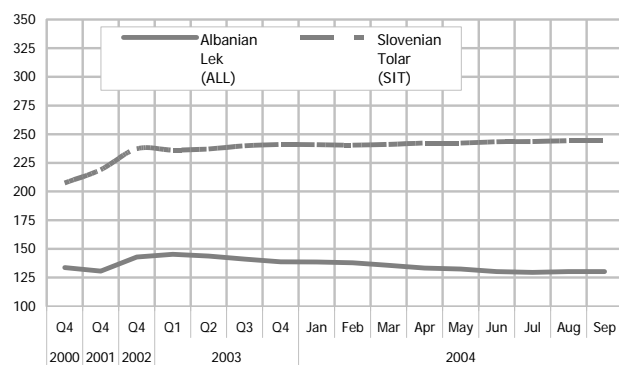
(average by period)

| 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 |
| | Apr | 133.25 | 7.81 | 242.25 | 1.55 | 1.65 | 1.20 | 0.66 | 70.47 |
| | May | 132.40 | 7.71 | 242.25 | 1.54 | 1.83 | 1.19 | 0.67 | 71.42 |
| | Jun | 130.15 | 7.69 | 243.37 | 1.51 | 1.84 | 1.21 | 0.66 | 71.34 |
| | Jul | 129.46 | 7.68 | 243.62 | 1.52 | 1.81 | 1.22 | 0.66 | 72.68 |
| | Aug | 130.24 | 7.69 | 244.23 | 1.53 | 1.82 | 1.22 | 0.66 | 73.62 |
| | Sep | 130.24 | 7.69 | 244.23 | 1.53 | 1.82 | 1.22 | 0.66 | 73.62 |

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

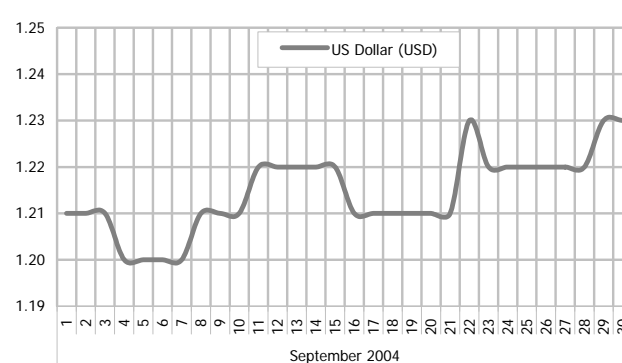
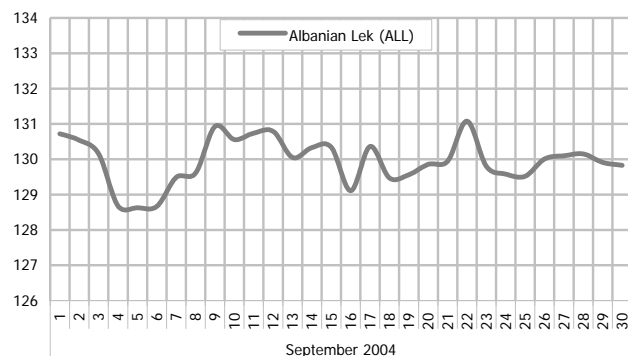
Graph 15.1

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



Graph 15.2

Daily Euro exchange rate¹



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



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 |
| | Apr | 103.0 | -0.5 |
| | May | 102.1 | -0.9 |
| | Jun | 100.7 | -1.4 |
| | Jul | 99.9 | -0.8 |
| | Aug | 99.0 | -0.9 |
| | Sep | 98.0 | -1.0 |

^{1/} Data source: SOK

Graph 16

Consumer inflation rate

(in percentage)

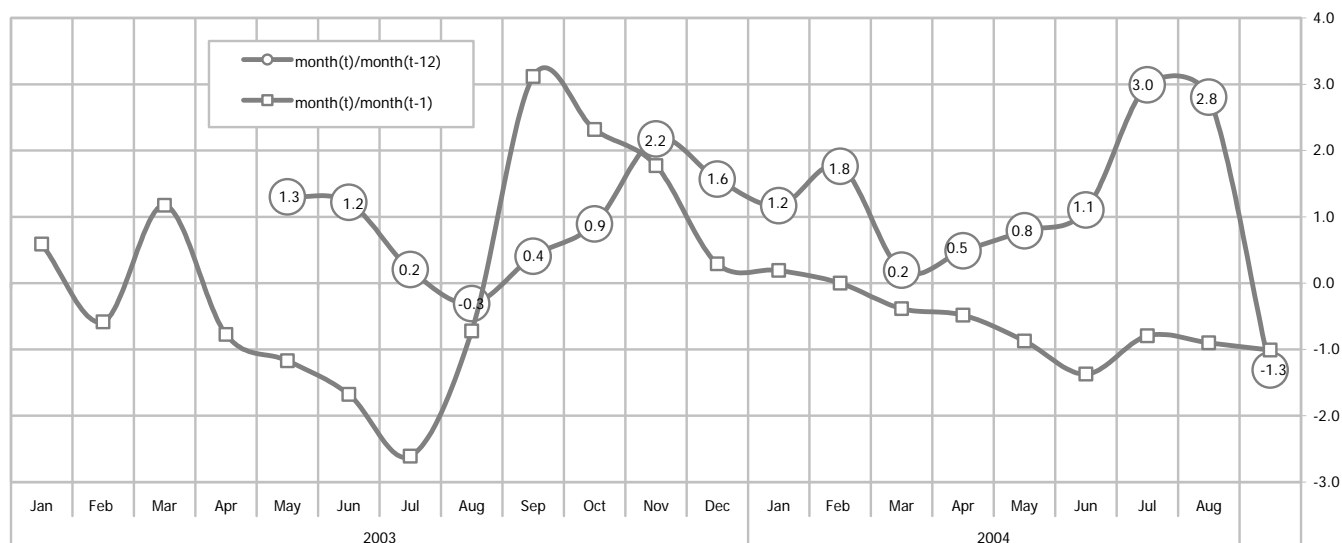


Table 25

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 |
| Apr | 291,409 | 45.5 | 63.2 | 35.2 | 1.7 |
| May | 293,100 | 45.5 | 63.2 | 35.2 | 1.6 |
| Jun | 293,981 | 45.6 | 63.3 | 35.1 | 1.6 |
| Jul | 295,396 | 45.6 | 63.3 | 35.1 | 1.6 |
| Aug | 297,240 | 45.6 | 63.3 | 35.1 | 1.6 |
| Sep | 298,851 | 45.7 | 63.2 | 35.2 | 1.6 |

Source: Kosovo Employment Office

Percentages are expressed against the total number of unemployed persons.

Table 26

FISCAL SECTOR - GENERAL BUDGET REVENUES

(by period, in million EUR)

| Period | TOTAL | Tax revenues | | Non tax 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 | 535.72 | 364.52 | 79.91 | 31.68 | 17.03 | 18.10 | 20.82 | 1.50 | 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 |
| | Mar | 47.65 | 33.64 | 6.66 | 4.37 | 1.63 | 0.00 | 0.98 | 0.09 | 0.28 |
| | Apr | 56.27 | 32.68 | 17.48 | 3.25 | 2.04 | 0.00 | 0.54 | 0.02 | 0.26 |
| | May | 51.59 | 37.37 | 6.96 | 3.74 | 1.71 | 0.00 | 1.51 | 0.02 | 0.28 |
| | Jun | 48.00 | 36.30 | 5.60 | 3.60 | 1.70 | 0.00 | 0.50 | 0.00 | 0.30 |
| | Jul | 59.08 | 37.12 | 15.39 | 3.01 | 2.15 | 0.00 | 1.12 | 0.02 | 0.27 |
| | Aug | 58.79 | 45.16 | 6.06 | 2.80 | 2.10 | 0.00 | 2.38 | 0.03 | 0.26 |
| | Sep | 53.87 | 39.62 | 6.47 | 4.10 | 2.23 | 0.00 | 1.18 | 0.02 | 0.25 |

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

Graph 17

FISCAL SECTOR: General budget revenue

by period, in million EUR

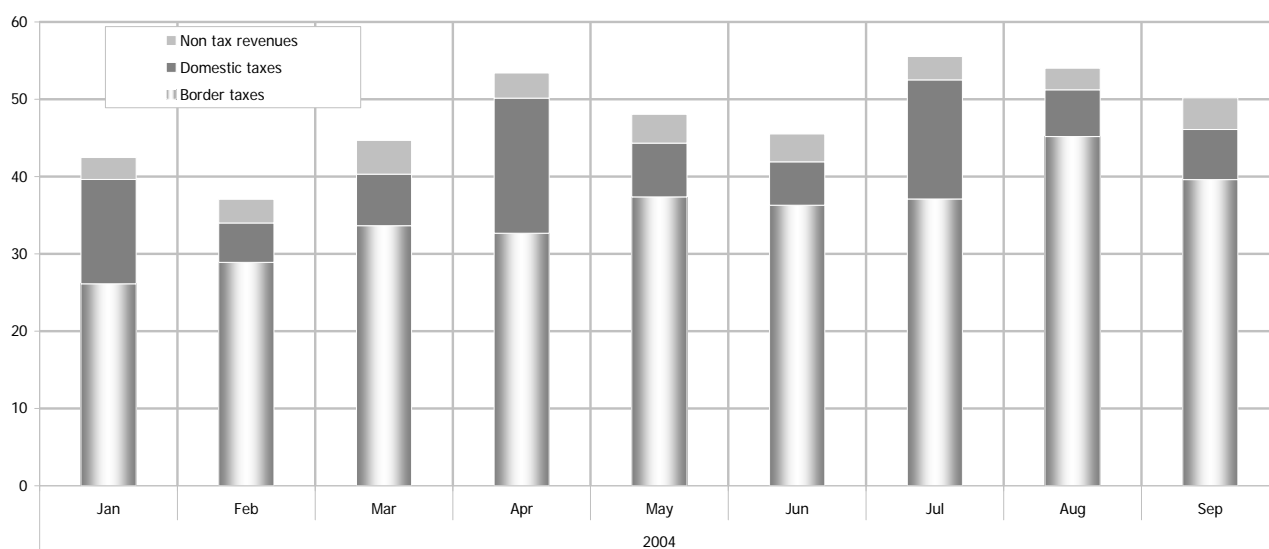


Table 27

FISCAL SECTOR: BUDGET EXPENDITURES 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 | | 6 |
| 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 | 26.51 | 13.34 | 1.87 | 4.26 | 5.92 | 0.14 | 0.65 | 0.30 | 0.03 |
| | Feb | 29.72 | 0.73 | 11.30 | 7.78 | 7.27 | 0.41 | 0.24 | 1.82 | 0.17 |
| | Mar | 76.43 | 30.40 | 24.85 | 7.85 | 5.03 | 1.28 | 0.36 | 6.33 | 0.33 |
| | Apr | 51.03 | 15.54 | 14.85 | 7.54 | 3.24 | 1.64 | 2.55 | 5.56 | 0.11 |
| | May | 50.33 | 15.34 | 14.06 | 7.63 | 2.31 | 0.88 | 1.15 | 6.33 | 2.63 |
| | June | 47.06 | 1.69 | 19.76 | 8.07 | 3.05 | 1.25 | 1.00 | 12.06 | 0.18 |
| | July | 67.52 | 28.38 | 15.69 | 7.75 | 1.72 | 0.97 | 0.99 | 11.95 | 0.07 |
| | Aug | 54.45 | 2.15 | 13.88 | 10.50 | 6.95 | 7.54 | 1.28 | 12.13 | 0.02 |
| | Sep | 59.09 | 13.76 | 13.99 | 8.72 | 3.21 | 2.75 | 1.46 | 15.15 | 0.05 |

Graph 18

FISCAL SECTOR: General budget expenditure by economic activity

by period, in million EUR

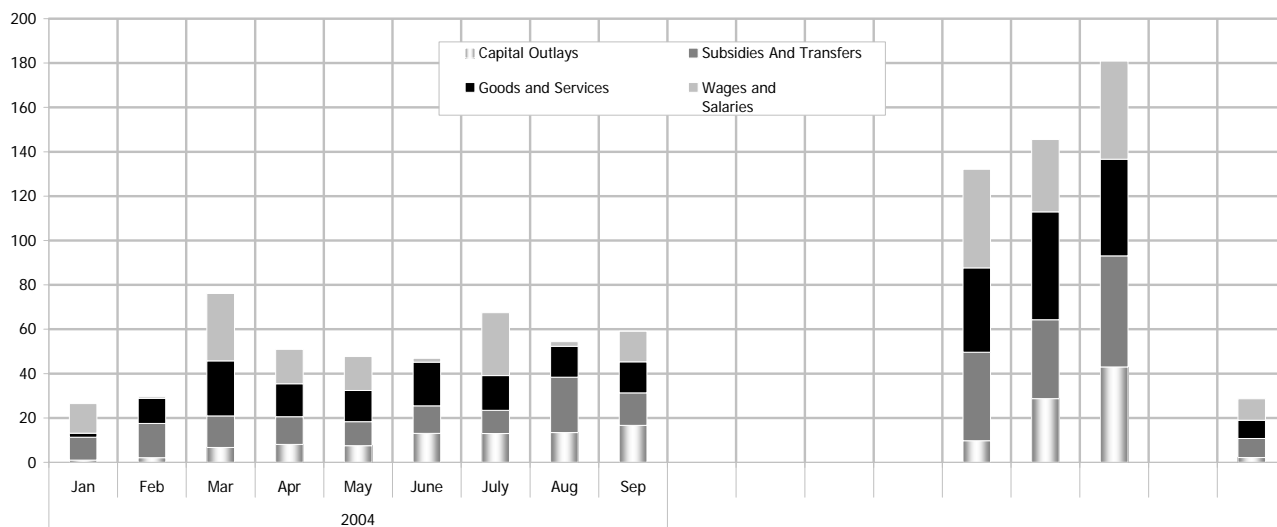


Table 28

FOREIGN TRADE: EXPORT AND IMPORT BY TRADING PARTNERS¹

(amounts by period, in million EUR)

| | 2001 | 2002 | 2003 | 2003 | | | | 2004 | |
|------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| | | | | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 |
| Export | 10.56 | 27.60 | 35.62 | 6.23 | 9.14 | 8.75 | 11.50 | 9.15 | 12.10 |
| Import | 684.50 | 854.76 | 973.13 | 177.04 | 265.62 | 291.24 | 239.22 | 191.65 | 254.27 |
| Trade balance | -673.94 | -827.16 | -937.51 | -170.81 | -256.48 | -282.49 | -227.72 | -182.50 | -242.17 |
| Albania | | | | | | | | | |
| Export | | | 1.88 | 0.36 | 0.49 | 0.42 | 0.60 | 0.39 | 0.55 |
| Import | | | 7.90 | 1.02 | 2.02 | 2.04 | 2.83 | 2.41 | 4.56 |
| Bulgaria | | | | | | | | | |
| Export | | | 0.40 | 0.02 | 0.03 | 0.03 | 0.34 | 0.02 | 0.23 |
| Import | | | 41.82 | 10.61 | 10.11 | 10.90 | 10.20 | 9.18 | 9.42 |
| Bosnia and Herzegovina | | | | | | | | | |
| Export | | | 0.61 | 0.08 | 0.35 | 0.18 | 0.00 | 0.00 | 0.00 |
| Import | | | 18.62 | 2.28 | 4.36 | 6.60 | 5.38 | 2.69 | 3.73 |
| Croatia | | | | | | | | | |
| Export | | | 1.83 | 0.49 | 0.42 | 0.14 | 0.78 | 0.17 | 0.04 |
| Import | | | 35.38 | 5.97 | 9.04 | 12.88 | 7.50 | 5.51 | 6.49 |
| European Union | | | | | | | | | |
| Export | | | 14.69 | 2.95 | 3.61 | 3.27 | 4.87 | 2.63 | 3.72 |
| Import | | | 341.11 | 60.24 | 85.99 | 107.63 | 87.24 | 66.62 | 89.61 |
| of which: | | | | | | | | | |
| EU 15 | | | | | | | | | |
| Export | | | 13.69 | 2.56 | 3.36 | 3.06 | 4.71 | 2.20 | 3.44 |
| Import | | | 242.96 | 45.55 | 62.59 | 75.39 | 59.43 | 51.20 | 68.99 |
| of which: | | | | | | | | | |
| Austria | | | | | | | | | |
| Export | | | 1.35 | 0.36 | 0.30 | 0.34 | 0.36 | 0.00 | 0.00 |
| Import | | | 30.78 | 4.90 | 8.30 | 12.77 | 4.81 | 0.21 | 0.00 |
| France | | | | | | | | | |
| Export | | | 0.01 | 0.00 | 0.00 | 0.00 | 0.01 | 0.00 | 0.00 |
| Import | | | 15.11 | 2.90 | 4.48 | 4.48 | 3.25 | 0.30 | 0.00 |
| Germany | | | | | | | | | |
| Export | | | 3.79 | 0.84 | 1.35 | 0.64 | 0.97 | 0.00 | 0.00 |
| Import | | | 54.57 | 7.61 | 13.62 | 16.96 | 16.38 | 0.00 | 0.00 |
| Greece | | | | | | | | | |
| Export | | | 1.78 | 0.31 | 0.46 | 0.46 | 0.54 | 0.00 | 0.00 |
| Import | | | 72.04 | 17.96 | 17.01 | 21.15 | 15.91 | 2.23 | 0.00 |
| Italy | | | | | | | | | |
| Export | | | 6.25 | 0.91 | 1.10 | 1.56 | 2.67 | 0.00 | 0.00 |
| Import | | | 36.02 | 5.64 | 10.44 | 9.88 | 10.06 | 0.00 | 0.00 |
| Netherlands | | | | | | | | | |
| Export | | | 0.18 | 0.00 | 0.12 | 0.02 | 0.04 | 0.00 | 0.00 |
| Import | | | 8.01 | 1.74 | 1.60 | 2.01 | 2.66 | 0.01 | 0.00 |
| United Kingdom | | | | | | | | | |
| Export | | | 0.15 | 0.04 | 0.03 | 0.03 | 0.04 | 0.00 | 0.00 |
| Import | | | 6.26 | 1.58 | 1.31 | 2.05 | 1.32 | 0.00 | 0.00 |
| EU new 10 | | | | | | | | | |
| Export | | | 1.00 | 0.39 | 0.25 | 0.20 | 0.16 | 0.42 | 0.29 |
| Import | | | 98.14 | 14.69 | 23.40 | 32.24 | 27.81 | 15.41 | 20.62 |
| of which: | | | | | | | | | |
| Hungary | | | | | | | | | |
| Export | | | 0.05 | 0.00 | 0.00 | 0.00 | 0.04 | 0.00 | 0.00 |
| Import | | | 27.18 | 4.23 | 7.20 | 9.60 | 6.15 | 0.57 | 0.00 |
| Slovenia | | | | | | | | | |
| Export | | | 0.66 | 0.19 | 0.20 | 0.15 | 0.12 | 0.00 | 0.00 |
| Import | | | 58.68 | 7.74 | 14.37 | 19.48 | 17.08 | 4.72 | 0.00 |
| Switzerland | | | | | | | | | |
| Export | | | 0.09 | 0.02 | 0.03 | 0.03 | 0.02 | 0.04 | 0.03 |
| Import | | | 13.13 | 2.15 | 4.15 | 2.79 | 4.03 | 3.13 | 3.60 |
| Macedonia | | | | | | | | | |
| Export | | | 6.94 | 0.80 | 1.80 | 2.47 | 1.87 | 2.09 | 3.27 |
| Import | | | 139.75 | 21.24 | 39.81 | 43.18 | 35.52 | 24.28 | 34.76 |
| Serbia and Montenegro | | | | | | | | | |
| Export | | | 6.75 | 1.15 | 1.70 | 1.61 | 2.30 | 1.13 | 1.60 |
| Import | | | 155.50 | 28.36 | 46.45 | 48.16 | 32.53 | 25.47 | 38.83 |
| Turkey | | | | | | | | | |
| Export | | | 1.73 | 0.32 | 0.35 | 0.58 | 0.48 | 1.15 | 1.28 |
| Import | | | 92.34 | 16.13 | 26.33 | 25.76 | 24.11 | 9.64 | 0.00 |
| China | | | | | | | | | |
| Export | | | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Import | | | 17.11 | 2.80 | 3.37 | 4.57 | 6.36 | 2.46 | 0.00 |
| Ukraine | | | | | | | | | |
| Export | | | 0.02 | 0.00 | 0.02 | 0.01 | 0.00 | 0.00 | 0.00 |
| Import | | | 8.72 | 1.06 | 2.00 | 3.91 | 1.74 | 1.26 | 0.00 |
| Brazil | | | | | | | | | |
| Export | | | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Import | | | 8.42 | 0.88 | 0.57 | 2.95 | 4.03 | 1.71 | 0.00 |
| United States | | | | | | | | | |
| Export | | | 0.05 | 0.03 | 0.00 | 0.01 | 0.00 | 0.00 | 0.00 |
| Import | | | 14.44 | 2.52 | 2.96 | 4.00 | 4.95 | 1.42 | 0.00 |
| Others | | | | | | | | | |
| Export | | | 0.61 | 0.03 | 0.35 | 0.00 | 0.23 | 1.53 | 1.38 |
| Import | | | 78.91 | 21.80 | 28.45 | 15.87 | 12.79 | 17.93 | 24.21 |

1) Exports data are by destination country. Imports data are by country of origin of goods. Breakdown for 2001 and 2002, in process.

Table 29

FOREIGN TRADE: EXPORTS BY COMMODITY GROUP¹

(amounts by period, in million EUR)

| Description | 2001 | 2002 | 2003 | 2003 | | | | 2004 | | | | | |
|--|-------|-------|-------|------|------|------|-------|------|------|------|------|------|------|
| | | | | Q1 | Q2 | Q3 | Q4 | Jan | Feb | Mar | Apr | May | Jun |
| Total | 10.56 | 27.60 | 35.62 | 6.23 | 9.14 | 8.75 | 11.50 | 2.54 | 3.08 | 3.53 | 4.36 | 4.30 | 3.44 |
| I Live animals and animal products | | 0.05 | 0.01 | 0.01 | 0.00 | 0.00 | 0.00 | 0.11 | 0.02 | 0.03 | 0.01 | 0.02 | 0.23 |
| II Vegetable products | | 2.37 | 2.39 | 0.36 | 0.35 | 0.66 | 1.03 | 0.00 | 0.41 | 0.00 | 0.04 | 0.00 | 0.00 |
| III Animal or vegetable fats and oils - edible | | 0.09 | 0.01 | 0.00 | 0.00 | 0.00 | 0.01 | 0.57 | 0.00 | 0.21 | 0.00 | 0.28 | 0.16 |
| IV Prepared foodstuffs, beverages and tobacco | | 1.32 | 4.11 | 0.79 | 1.43 | 0.90 | 0.98 | 0.01 | 0.00 | 0.15 | 0.25 | 0.08 | 0.17 |
| V Mineral products | | 0.33 | 0.50 | 0.05 | 0.18 | 0.26 | 0.02 | 0.03 | 0.02 | 0.09 | 0.01 | 0.07 | 0.09 |
| VI Products of the chemical or allied industries | | 0.33 | 0.46 | 0.05 | 0.13 | 0.12 | 0.16 | 0.15 | 0.11 | 0.13 | 0.04 | 0.14 | 0.20 |
| VII Plastics, rubber and articles thereof | | 2.74 | 2.73 | 0.55 | 0.45 | 0.62 | 1.10 | 0.37 | 0.53 | 0.90 | 0.13 | 0.88 | 0.61 |
| VIII Hides, skins, leather and articles thereof | | 5.97 | 4.53 | 0.93 | 1.34 | 0.96 | 1.31 | 0.01 | 0.02 | 0.01 | 1.18 | 0.07 | 0.04 |
| IX Wood and articles of wood | | 0.26 | 0.64 | 0.06 | 0.13 | 0.30 | 0.16 | 0.04 | 0.03 | 0.01 | 0.01 | 0.03 | 0.01 |
| X Cellulosic material, paper and articles thereof | | 0.04 | 0.40 | 0.23 | 0.03 | 0.07 | 0.08 | 0.09 | 0.11 | 0.05 | 0.02 | 0.06 | 0.08 |
| XI Textiles and textile articles | | 0.62 | 1.09 | 0.38 | 0.26 | 0.13 | 0.31 | 0.00 | 0.00 | 0.00 | 0.06 | 0.02 | 0.00 |
| XII Footwear | | 0.06 | 0.10 | 0.02 | 0.00 | 0.02 | 0.06 | 0.08 | 0.08 | 0.09 | 0.00 | 0.13 | 0.14 |
| XIII Articles of stone, plaster, ceramic and glass | | 0.64 | 0.83 | 0.12 | 0.16 | 0.26 | 0.29 | 0.00 | 0.00 | 0.00 | 0.12 | 0.01 | 0.00 |
| XIV Pearls, precious stones, metals, jewelry, etc. | | - | 0.03 | 0.00 | 0.00 | 0.00 | 0.03 | 0.83 | 1.21 | 1.63 | 0.00 | 2.20 | 1.40 |
| XV Base metals and articles of base metal | | 6.55 | 12.01 | 1.69 | 3.29 | 3.28 | 3.76 | 0.05 | 0.38 | 0.05 | 2.24 | 0.09 | 0.08 |
| XVI Machinery, appliances, electrical equipment, etc | | 3.44 | 3.04 | 0.48 | 0.91 | 0.64 | 1.01 | 0.02 | 0.08 | 0.08 | 0.14 | 0.11 | 0.07 |
| XVII Transport means | | 1.88 | 1.19 | 0.20 | 0.09 | 0.26 | 0.65 | 0.08 | 0.01 | 0.06 | 0.06 | 0.01 | 0.00 |
| XVII Optical, medical and musical instruments | | 0.09 | 0.11 | 0.00 | 0.00 | 0.02 | 0.09 | 0.00 | 0.00 | 0.00 | 0.01 | 0.00 | 0.00 |
| XIX Arms and ammunition | | - | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.09 | 0.04 | 0.02 | 0.00 | 0.10 | 0.16 |
| XX Miscellaneous manufactured articles | | 0.73 | 1.35 | 0.25 | 0.39 | 0.25 | 0.47 | 0.00 | 0.00 | 0.00 | 0.05 | 0.00 | 0.00 |
| XXI Other | | 0.08 | 0.07 | 0.06 | 0.01 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.01 | 0.00 |

¹ Source: Customs statistics and SOK publications. Data for 2003 and 2004 are processed by BPK.

Graph 19

FOREIGN TRADE: Exports by commodity group¹

(monthly data, in million EUR)

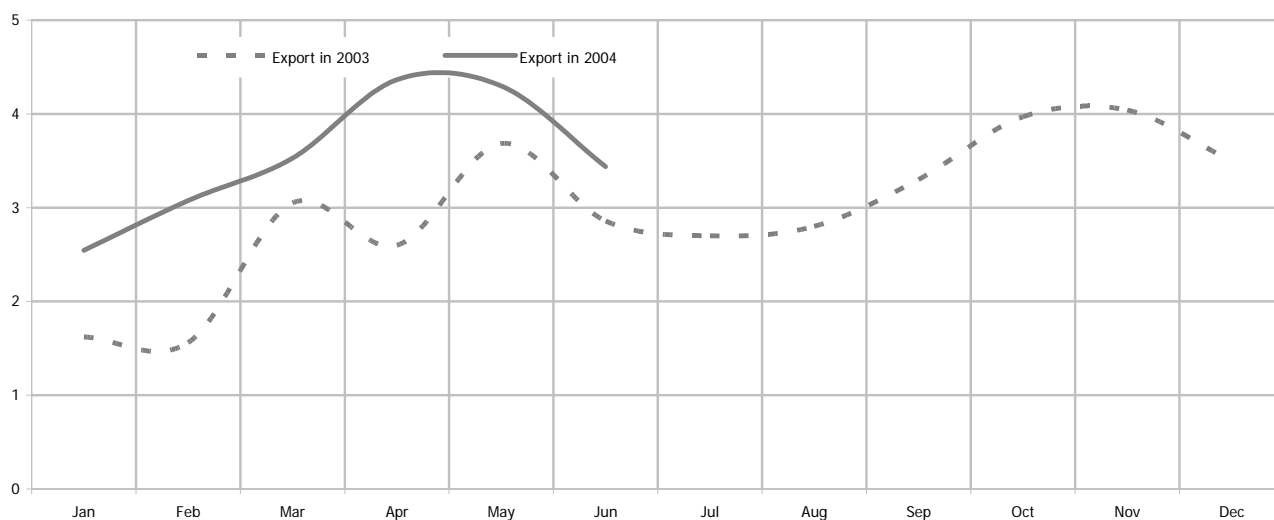


Table 30

FOREIGN TRADE: IMPORTS BY COMMODITY GROUP¹

(amounts by period, in million EUR)

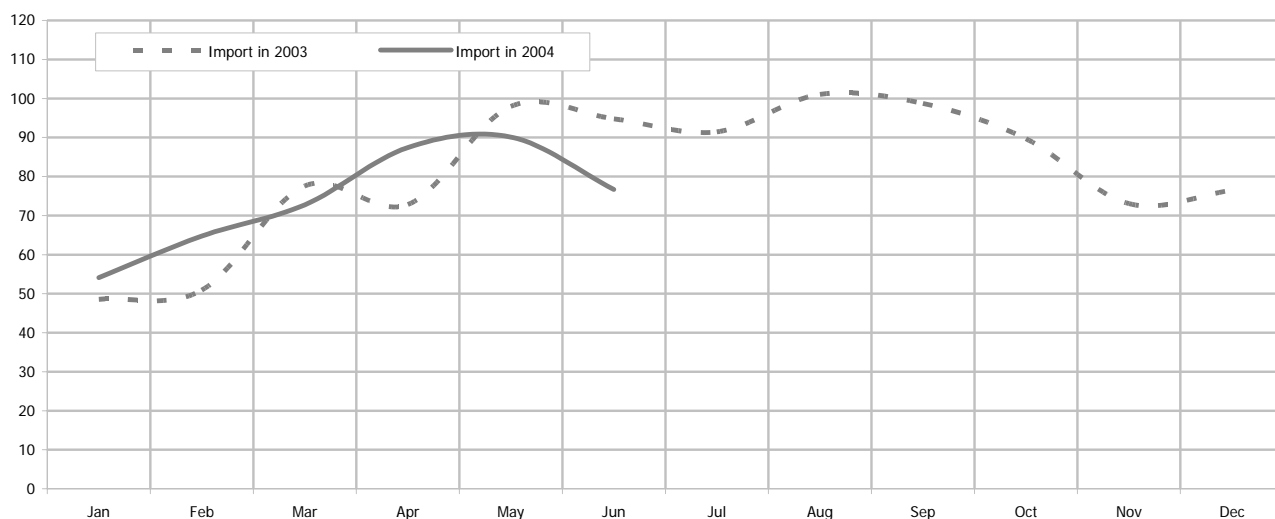
| Description | 2001 | 2002 | 2003 | 2003 | | | | 2004 | | | | | |
|--|--------|--------|--------|--------|--------|--------|--------|-------|-------|-------|-------|-------|-------|
| | | | | Q1 | Q2 | Q3 | Q4 | Jan | Feb | Mar | Apr | May | Jun |
| Total | 684.50 | 854.76 | 973.13 | 177.04 | 265.62 | 291.24 | 239.22 | 54.11 | 64.76 | 72.78 | 87.44 | 90.13 | 76.70 |
| I Live animals and animal products | | 50.97 | 50.44 | 11.59 | 10.57 | 13.05 | 15.24 | 4.02 | 3.29 | 3.54 | 3.40 | 3.54 | 3.16 |
| II Vegetable products | | 47.11 | 66.67 | 13.16 | 20.47 | 16.97 | 16.08 | 5.35 | 6.05 | 5.86 | 6.27 | 7.04 | 7.36 |
| III Animal or vegetable fats and oils - edible | | 7.90 | 8.31 | 2.09 | 1.91 | 2.27 | 2.04 | 0.50 | 0.47 | 0.50 | 0.63 | 0.55 | 0.65 |
| IV Prepared foodstuffs, beverages and tobacco | | 174.85 | 203.54 | 40.60 | 58.65 | 61.84 | 42.45 | 10.07 | 12.15 | 12.62 | 14.80 | 12.38 | 13.31 |
| V Mineral products | | 123.54 | 138.59 | 29.70 | 34.95 | 39.97 | 33.97 | 8.01 | 7.99 | 10.49 | 12.43 | 12.34 | 11.03 |
| VI Products of the chemical or allied industries | | 52.71 | 70.93 | 13.06 | 17.78 | 19.94 | 20.15 | 4.60 | 6.76 | 6.18 | 7.50 | 7.32 | 5.33 |
| VII Plastics, rubber and articles thereof | | 25.29 | 32.71 | 4.61 | 8.87 | 9.95 | 9.27 | 1.65 | 1.88 | 2.55 | 3.12 | 3.15 | 2.99 |
| VIII Hides, skins, leather and articles thereof | | 1.31 | 0.41 | 0.13 | 0.04 | 0.13 | 0.11 | 0.00 | 0.00 | 0.09 | 0.05 | 0.06 | 0.04 |
| IX Wood and articles of wood | | 29.95 | 33.17 | 3.65 | 9.39 | 11.13 | 9.02 | 1.02 | 0.96 | 1.57 | 2.73 | 2.83 | 2.50 |
| X Cellulosic material, paper and articles thereof | | 9.94 | 16.60 | 3.78 | 4.44 | 4.82 | 3.57 | 0.87 | 1.25 | 1.08 | 1.57 | 1.23 | 0.95 |
| XI Textiles and textile articles | | 16.42 | 28.77 | 2.21 | 3.30 | 9.51 | 13.75 | 1.43 | 1.97 | 1.63 | 1.84 | 2.00 | 2.66 |
| XII Footwear | | 6.21 | 7.51 | 1.11 | 1.74 | 2.66 | 2.00 | 0.67 | 0.84 | 0.97 | 0.60 | 0.64 | 0.48 |
| XIII Articles of stone, plaster, ceramic and glass | | 72.54 | 60.47 | 8.81 | 18.76 | 20.95 | 11.95 | 1.21 | 2.34 | 3.42 | 5.23 | 6.37 | 5.20 |
| XIV Pearls, precious stones, metals, jewelry, etc. | | 0.00 | 0.06 | 0.00 | 0.00 | 0.03 | 0.03 | 0.00 | 0.01 | 0.06 | 0.01 | 0.00 | 0.05 |
| XV Base metals and articles of base metal | | 53.60 | 58.00 | 7.74 | 18.81 | 17.50 | 13.94 | 1.91 | 4.24 | 4.77 | 7.58 | 6.15 | 6.15 |
| XVI Machinery, appliances, electrical equipment, etc | | 97.51 | 105.50 | 16.41 | 31.76 | 32.68 | 24.67 | 5.49 | 6.74 | 8.05 | 9.02 | 8.93 | 6.78 |
| XVII Transport means | | 10.31 | 27.79 | 4.20 | 4.90 | 11.60 | 7.08 | 2.53 | 2.92 | 2.70 | 3.15 | 8.04 | 2.61 |
| XVIII Optical, medical and musical instruments | | 8.07 | 8.46 | 1.28 | 1.40 | 3.17 | 2.62 | 0.22 | 0.99 | 1.28 | 1.07 | 1.21 | 0.91 |
| XIX Arms and ammunition | | 0.02 | 0.43 | 0.21 | 0.01 | 0.20 | 0.01 | 0.00 | 0.01 | 0.00 | 0.00 | 0.02 | 0.00 |
| XX Miscellaneous manufactured articles | | 66.50 | 54.63 | 12.71 | 17.87 | 12.87 | 11.18 | 4.54 | 3.88 | 5.42 | 6.42 | 6.29 | 4.55 |
| XXI Other | | 0.03 | 0.12 | 0.00 | 0.00 | 0.01 | 0.10 | 0.00 | 0.00 | 0.00 | 0.00 | 0.03 | 0.01 |

¹ Source: Customs statistics and SOK publications. Data for 2003 and 2004 are processed by BPK.

Graph 20

FOREIGN TRADE: Imports by commodity group¹

(monthly data, in million EUR)



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 the BPK. Monthly estimate of currency holdings based on information from the BPK and commercial banks. Data for currency holdings outside DC for period March, June and September 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 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 saving accounts at the commercial banks and BPK by resident entities other than the DCs and the central government. Deposits in process (deposits in transit from one account to another at the time when reporting forms are established and reported to the BPK) are included in the monetary aggregates. Due to lack of the data, deposits of Other Financial Corporations (OFC) with commercial banks are not part of broad money. To ensure an equal sector treatment, the deposits of OFC at BPK are not 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 following figure.

Definitions of the Monetary Aggregates

M0 include:

Ä Currency in Circulation (e);

M1 includes:

Ä M0;

Ä Transferable Deposits in DC's (Sight Deposits);

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

Ä M1;

Ä Other Deposits in DC's (Time and Saving Deposits);

Foreign and domestic assets/liabilities

The breakdown of assets (and liabilities) is a notion which shows the financial relationship between the domestic economy and the rest of the world. In the case that country has more financial claims on the rest of the world, it is said to have net foreign assets. In contrary, 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 the domestic bank are domestic claims (or assets) of the deposit holder. The same deposits held at banks outside the Kosovo are foreign claims for the deposit holder. The investment by a domestic resident in shares or bonds issued by 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.

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 the case that the data need to be revised, new statistical series will be published.

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

(Table 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).

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

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

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

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

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

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

(Table 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 PISG (Ministry of Finance and Economy) of 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 account of bank or other financial corporation within Kosovo to the account in bank or other financial corporation accounts outside Kosovo.

INCOMING: The movement of money from an nonresident bank or other financial corporation account in the bank or financial corporation 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 2002, payments to households are included within subsidies and transfers.

RESERVES: Reserves include amounts authorized for contingent expenditures that may be used only for urgent and unforeseen requirements.

Harmonized System Coding System used in the presentation of external trade statistics by commodity group:

- I Live animals; animal products;
- II Vegetable products;
- III Animal or vegetable fats and oils and their cleavage products; prepared edible fats; animal or vegetable waxes;
- IV Prepared foodstuffs; beverages, spirits and vinegar; tobacco and manufactured tobacco substitutes;
- V Mineral products;
- VI Products of the chemical or allied industries;
- VII Plastics and articles thereof; rubber and articles thereof;
- VIII Raw hides and skins, leather, furskins and articles thereof; saddlery and harness; travel goods, handbags and similar containers; article of animal gut (other than silkworm gut);
- IX Wood and articles of wood; wood charcoal; cork and articles of cork; manufactures of straw, of esparto or of other plaiting materials; basketware and wickerwork;
- X Pulp of wood or of other fibrous cellulosic material; waste and scrap of paperboard; paper and paperboard and articles thereof;
- XI Textiles and textile articles;
- XII Footwear, headgear, umbrellas, sun umbrellas, walking-sticks, seat-sticks, whips, riding-crops and parts thereof; prepared feathers and articles made therewith; artificial flowers; articles of human hair;
- XIII Articles of stone, plaster, cement, asbestos, mica or similar materials; ceramic products; glass and glassware;
- XIV Natural or cultured pearls, precious and semi-precious stones, precious metals, metals clad with precious metal and articles thereof; imitation jewelry; coin;
- XV Base metals and articles of base metal;
- XVI Machinery and mechanical appliances; electrical equipment; parts thereof; sound recorders and reproducers, and part and accessories of such articles;
- XVII Vehicles, aircraft, vessels and associated transport equipment;
- XVIII Optical, photographic, cinematographic, measuring, checking, precision, medical or surgical instruments and apparatus; clocks and watches; musical instruments; parts and accessories thereof;
- XIX Arms and ammunition; parts and accessories thereof;
- XX Miscellaneous manufactured articles;
- XXI Works of art, collector's pieces and antiques.

