

Household savings in banks	SIT billion, nominal		Real growth rates, in %		
	31 December 2003	30 April 2004	30 April 04/ 31 March 04	30 April 04/ 30 April 03	30 April 04/ 31 Dec 03
Total savings	2,138.5	2,172.8	-0.2	4.3	0.4
Tolar savings, total	1,293.1	1,296.7	-0.7	3.2	-1.3
Demand deposits	466.3	495.1	2.4	14.3	4.5
Short-term deposits	608.2	602.4	-2.8	-0.5	-2.5
Long-term deposits	218.3	198.7	-2.1	-8.8	-10.4
Foreign currency savings	845.5	876.1	0.5	5.7	2.5
Short-term, demand d.	766.6	798.3	0.6	8.0	3.1
Long-term deposits	78.9	77.7	-0.7	-13.6	-2.5

Sources of data: Monthly Bulletin of the BS, calculations by the IMAD.

Household savings in banks fell for the second month running in **April**; their year-on-year growth (4.3%) was at an all-time low or up to 4 percentage points lower than a year ago. Foreign currency deposits continued to increase, while tolar deposits fell in real terms. As far as maturity is concerned, demand deposits recorded high growth rates primarily due to the uncertainty related to Slovenia's entry to the ERM II, the shrinking gap between short- and long-term interest rates, and the expectations of the close of the first national housing savings scheme. Net inflows, excluding tolar demand deposits, totalled just SIT 5.4 billion in the first four months, equalling 12.8% of last year's total net inflows.

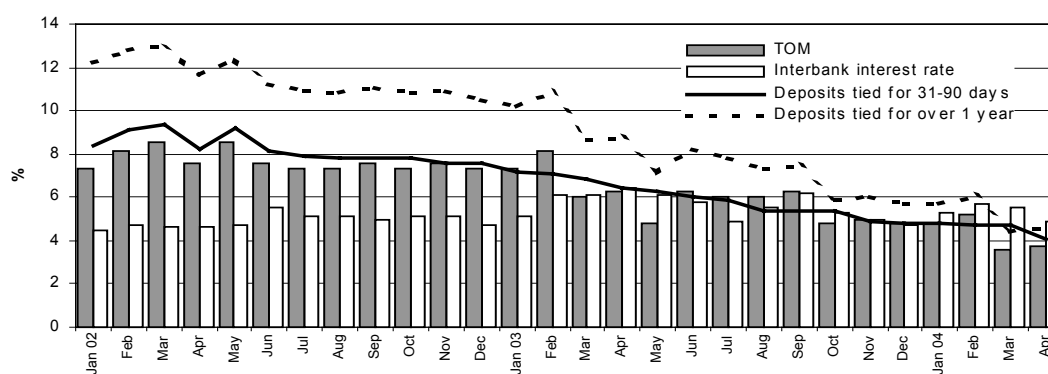
Among household **tolar savings** in banks, demand deposits continued to record the strongest growth, climbing by 4.5% in real terms in the first four months, 1.8 percentage points more than in the same period last year. Their net inflows totalled SIT 28.9 billion, almost double the amount seen in the same period last year. Unlike demand deposits, time deposits recorded a net outflow of SIT 25.4 billion due to the fall in savings deposited for over 180 days (SIT 52.8 billion). Part of these savings was probably transferred to deposits of shorter maturities and part to demand deposits or other forms of saving.

Household **foreign currency savings** in banks continued to increase; their growth strengthened by two percentage points to 2.5% in the first four months compared to the same period last year. Similar to tolar savings, demand deposits (representing 16.4% of total foreign currency savings) recorded high growth rates, climbing by 13.9% in real terms. Net flows of foreign currency savings amounted to SIT 30.6 billion in the first four months, eight times as much as the year before in real terms.

High net inflows into **mutual funds** continued in April. They recorded an all-time high and totalled as much as SIT 7.7 billion. In the first four months, they exceeded SIT 25 billion and almost reached the level of last year's total inflows. Mutual funds held SIT 143.2 billion in assets in **April**, as much as 54.3% more than in December last year. They equalled 6.6% of household savings in banks. The average annual weighted (depending on the size of the mutual fund) return again rose to total 34.3% in April, the most after February last year.

Falls in **interest rates on time deposits** slowed down in **May** as they fell by just 0.1 of a percentage point. Short-term interest rates on tolar deposits tied for 31 days to one year were 4%, while long-term interest rates were 4.5%. **Interbank interest rates** (SITIBOR) fell by about 0.6 of a percentage point in April, ranging between 4.8% and 5.3%, which was the lowest level this year. The yield curve for interbank interest rates remained downward sloping.

Graph: **Movements of selected interest rates**



Sources of data: BS, SORS.