Household savings in banks	SIT billion, nominal		Real growth rates, in %		
	31 December 2003	31 May 2004	31 May 04/ 30 April 04	31 May 04/ 31 May 03	31 May 04/ 31 Dec 03
Total savings	2,138.5	2,184.7	0.0	4.1	0.4
Tolar savings, total	1,293.1	1,305.9	-0.2	3.0	-1.5
Demand deposits	466.3	518.9	3.9	16.8	8.6
Short-term deposits	608.2	589.9	-2.9	-2.6	-5.4
Long-term deposits	218.3	196.6	-1.9	-9.8	-12.1
Foreign currency savings	845.5	878.8	0.1	5.4	2.7
Short-term, demand d.	766.6	801.6	0.2	7.6	3.3
Long-term deposits	78.9	77.2	-0.9	-13.0	-3.3

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

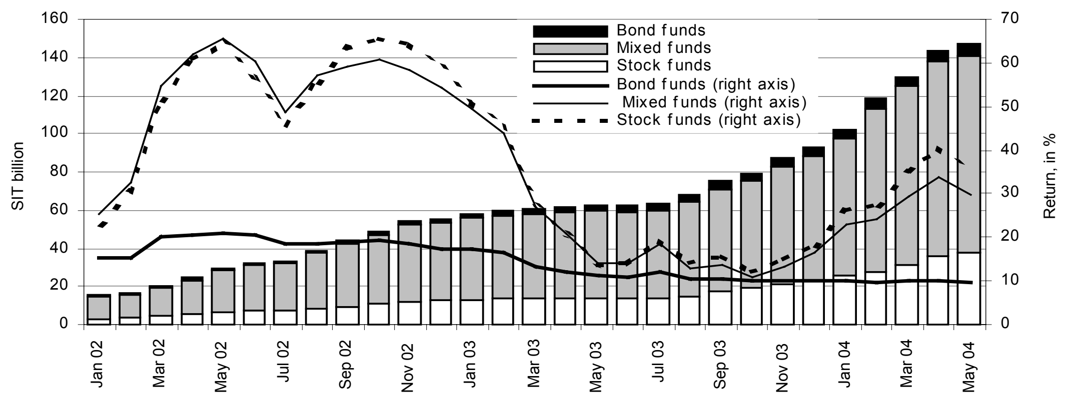
Real household savings in banks stagnated at the end of **May** compared to the end of April and edged up 0.4% compared to December. The volume of savings matched the lowest level seen in 2002 when part of household savings was withdrawn as cash after the changeover to the euro. The maturity of savings continued to shorten; only deposits of maturity under one month rose in the last two months probably due to the expected release of funds from the National Housing Savings Scheme and small differences between the various deposit interest rates. Net flows excluding tolar demand deposits recorded a net outflow of SIT 6.5 billion in the first five months.

The **volume of tolar savings** dropped in May for the third month running and fell by 1.5% in real terms in the first five months (while rising by 1.9% in real terms in the same period last year). The biggest fall was seen in tolar deposits tied for 91 days to one year, slumping by 14.5% in real terms. The biggest rise, on the other hand, was seen in tolar deposits tied for up to 30 days, going up by 9.6% in real terms. A similar maturity structure was seen in **foreign currency deposits** but, unlike tolar deposits, they rose by 2.7% in real terms in the first five months (up 0.9% in the same period last year). Their net inflows totalled SIT 33.4 billion in the same period.

High **net inflows into mutual funds** continued, amounting to SIT 8.4 billion in May, despite May's fall in the Ljubljana Stock Exchange indexes (the main indexes dropped by over 5% with the exception of the BIO index of bonds). The rise in net inflows was partly due to four new mutual funds established by one bank. They attracted close to SIT 2 billion of net payments in the second half of May alone. In the first five months net inflows totalled SIT 33.6 billion, almost four times as much as in the same period last year. The assets of mutual funds amounted to SIT 146.7 billion at the end of May, over two-thirds of which was held by mixed mutual funds which seek to balance investment among shares and bonds. The monthly loss of mutual funds was an average of 3.3% in May; the biggest fall of 4% was seen in stock mutual funds, while bond mutual funds recorded a 0.5% rise. May's total average annual return was 30.2%.

In **June**, the only fall among **deposit interest rates** was seen in interest rates on short-term time deposits, which fell by 0.3 of a percentage point and ranged between 2.6% (deposits tied up to 30 days) and 3.7% (deposits tied for 31-90 days and 181 days to one year). Long-term interest rates climbed by 0.1 of a percentage point to 4.6% because they are indexed by the tolar indexation clause, which rose by 0.1 of a percentage point to 3.7% in June. **Interbank interest rates** (SITIBOR) fell by about 0.3 of a percentage point in May and ranged between 4.5% and 5.0%. The yield curve remained downward sloping because falls were evenly distributed among the interest rates of all maturities.

Graph: **Assets of mutual funds and annual returns**



Source of data: www.vzajemci.com, calculations by the IMAD.