

## BANKING SECTOR

## SPECIAL

## SLOVAKIA



**Postova Banka lent 549 million euros to clients in Cyprus.** It is 25 percent of the volume of all loans provided by Postova Banka. The National Bank of Slovakia (NBS) also solves too high involvement of Postova Banka against Cyprus. Postova Banka did not explain why it decided to provide such a big volume of loans to clients from Cyprus. "We do not publish our strategy of loan providing to the competitive environment," Postova Banka Spokeswoman Anna Tkacova said. The NBS warned that the growing exposure against Cyprus may mean a possible growth in risk. • [SITA](#) • [SME](#), pg. 5 • [Dennik N](#), pg. 6 • [HN](#), pg. 1+6+11 • [Novy Cas](#), pg. 14 • [Trend](#), pg. 18 • [Radio Slovensko](#) • [Radio Regina](#)

**Growth in the mortgage loans' volume in Slovakia and decline in the volume of classified loans has a positive influence on covered bonds in Slovakia, the international rating agency Moody's published on Wednesday.** "In March 2015 the volume of mortgage loans was higher by 11.7 percent, which is more significant growth in comparison with the average pace of growth at the level of 3.3 percent over the past five years. It is thanks to low costs on borrowing and improvement of perspective market of residential real estates," Moody's Analyst Tomas Rodriguez-Vigil said. • [SITA](#)

**Banks provided clients with housing loans in the sum of 440.2 million euros at a 3.3-percent decline y/y in April.** As the company Fincentrum further informed, this year April was again a record-breaking month in housing loans. However, the volume of loans provided was not the reason behind, but the average interest rate was the reason. According to Fincentrum, it recorded the new ground of 2.62 percent. In the first four months loan applicants received more than 1.77 billion euros from banks, which is almost 16 percent more than it was last year. Suitable interest rates remain the main idea. Clients use them primarily for refunding of older and more expensive loans. • [SITA](#)

**According to Eximbanka, Slovak enterprises have plenty of opportunities where to export.** "But only about 15 percent of total export goes outside the EU," said Executive Director of Eximbanka Miriam Letasiova. The main reasons why small and medium-sized enterprises in Slovakia are not too eager to export to countries outside the European Union, according to Eximbanka is fear of excessive risk and guarding of the payment discipline of foreign customers. Unexpected change of the political situation, legal or social distances may cause damage to the exporter. • [SITA](#)

**If you pack your suitcases and travel for holidays to sea in June, think also about how you pay in summer resort.** Take your payment card with you instead of a full wallet. "It is ideal

to have cash with you for necessary expenses, we recommend to pay by card for other expenses. Card payments are included in packages of services and client pays no additional fees," Zuzana Eliasova from CSOB recommends. It is optimal to have the combination of Mastercard/Maestro and VISA with you. • [Plus jeden den](#), pg. 9

**The new kind of phishing used traditional methods of hackers in Slovakia: it gained trust of a client who without restraint disclosed to a deceiver all safety elements.** Banks received information about the attack very quickly. Spam was heading to a lot of addresses and many clients found out immediately that it was a deceit. "Private clients let us know as the first ones, they knew that a bank does not communicate this way," the head of the security department at Tatra Banka Marek Zeman says. Tatra Banka together with the Slovak CSOB ranked among the most affected ones by this particular type of deceit. • [Trend](#), pg. 38

**The third attempt of the Cabinet of Robert Fico to introduce the basic bank product may be more successful than two previous ones.** The state, enlightened from actual disinterest, will intervene its structure and also price. Slovaks with an annual income by 4,800 euros will have it for free and others will pay maximum 3 euros per month. The important condition is that this has to be the only account of an applicant not only in Slovakia, but also in entire European Union (EU). Existence of a saving sub-account will be an eliminating criterion, too. Client should show a declaration of oath, it is too early to talk about possible register now. • [Trend](#), pg. 40

## FOREIGN MARKET



**The European Central Bank left interest rates unchanged on Wednesday, holding them at record lows as it continues a money-printing scheme to lift the economy.** At Wednesday's meeting, the ECB left its main refinancing rate, which determines the cost of credit in the economy, at 0.05 percent. It also kept the rate on bank overnight deposits at -0.20 percent, which means banks pay to park funds at the central bank, and held its marginal lending facility - or emergency overnight borrowing rate for banks - at 0.30 percent. The head of the bank Mario Draghi also called for reaching an agreement with Greece. • [SITA](#) • [SME](#), pg. 6

**The Czech centre-left cabinet on Wednesday approved a draft amendment to limit the president's powers, including rights on appointing members of the central bank board, a government source said.** The proposed constitutional change will be sent to parliament where it needs the approval of three fifths of lawmakers in both houses to pass into law. The three-party ruling coalition lacks a majority and will need vo-

tes from some opposition members. • [SITA](#) • [Radio Regina](#) • [Radio Slovensko](#) • [Radio Expres](#) • [STV](#) • [SME](#), pg. 9

**Hiding untaxed money in secret accounts in the Swiss banks should end.** The European Union (EU) and Switzerland signed an agreement about tax transparency. According to the agreement, both parties should exchange information about bank accounts of its citizens automatically from 2018. Every year the EU member states would acquire information about the accounts of their taxpayers like, for instance, name, address, date of birth or state of the account in the Swiss banks. • [Trend](#), pg. 11

## MARKETS



**The euro took fell on Wednesday a day after tracking soaring Bund yields to post its second biggest daily gain since October 2011.** The ECB kept rates unchanged. "It is all about Bund/Treasury spreads narrowing ... which is driving the euro," said Jeremy Stretch, at CIBC World Markets. The euro was down 0.25 percent at USD 1.1121, having climbed around 2.1 percent to USD 1.1195 on Tuesday as the spread between 10-year U.S. Treasury and Bund yields narrowed to 155 basis points. The dollar's measure against its currency basket was 0.4 percent higher on the day at 96.224, having fallen to a two-week low earlier in the day. Hungary's forint lost ground midweek against the single European currency but the Czech crown firmed. By 10:22 CEST the forint lost 0.11 percent to drop to 311.900 HUF/EUR and the zloty weakened by 0.08 percent to 4.126 PLN/EUR. Nevertheless, the Czech crown boosted 0.08 percent to 27.460 CZK/EUR. • [SITA](#)