

D. Issuing Activity of the NBS

and Money Circulation

1. NEW SLOVAK CURRENCY DENOMINATIONS

In 1994, the Bank Board of the National Bank of Slovakia approved the design and technical specifications of new Slovak banknotes in the denominations Sk 200 and Sk 5,000. On the basis of a public tender, a contract was signed with Giesecke & Devrient of Munich, a German printing house, for the production and supply of the banknotes.

In 1994, the National Bank of Slovakia issued four commemorative coins to mark the anniversaries of memorable events in Slovak history and culture. The coins were minted by the State Mint at Kremnica, and are specified in the following table:

Nominal value	Event to be commemorated	Number of coins issued		NBS Decree No.
		Total	PROOF	
Silver commemorative coins				
Sk 200	100th anniversary of the establishment of the International Olympic Committee and the 1st participation of the SR in the Olympic Games	48,000	3,000	10/1994 Coll.
Sk 200	100th anniversary of the birth of Janko Alexy	34,000	2,500	164/1994 Coll.
Sk 200	50th anniversary of the allied invasion in Normandy and the 50th anniversary of the Slovak National Uprising Against Fascism	37,600	2,600	211/1994 Coll.
Gold commemorative coin				
Sk 5,000	1,000th anniversary of the death of Svätopluk, Ruler of the Great Moravian Empire	5,000	5,000	342/1994 Coll.

Cash in Circulation

The year 1994 was the first year when the new Slovak currency was used as the sole legal tender in the Slovak Republic. In the first quarter of 1994, a legally binding deadline was set for the replacement of invalid stamped (temporary) federal banknotes and coins. This had some effect on the growth index of the volume of Slovak currency in circulation in the period under consideration.

Nominal value	Volume of currency at 31 Dec. 1994		Percentage share		Growth index in %	
	pce	Sk	pce	Sk	pce	Sk
Banknotes total	79,752,285.5	30,632,863,902.5	100.0	100.0	121.73	160.97
Sk 1,000	21,867,822.8	21,867,822,750.0	27.4	71.4	170.10	170.10
Sk 500	11,382,704.0	5,691,352,000.0	14.3	18.6	198.12	198.12
Sk 100	23,756,591.8	2,375,659,175.0	29.8	7.8	92.92	92.92
Sk 50	8,104,221.3	405,211,062.5	10.2	1.3	77.84	77.84
Sk 20	14,640,945.8	292,818,915.0	18.4	1.0	130.64	130.64

Nominal value	Volume of currency at 31 Dec. 1994		Percentage share		Growth index in %	
	pce	Sk	pce	Sk	pce	Sk
Coin in circulation	332,838,019.0	667,905,910.8	100.0	100.0	218.05	137.10
Sk10	35,310,873.0	353,108,730.0	10.6	52.9	130.50	130.50
Sk6	29,505,941.0	147,529,705.0	8.9	22.1	126.37	126.37
Sk2	36,558,441.0	73,116,882.0	11.0	10.9	153.83	153.83
Sk1	54,527,941.0	54,527,941.0	16.4	8.2	135.91	135.91
Sk0.5	38,026,941.0	19,013,470.5	11.4	2.8	213.84	213.84
Sk0.2	67,183,941.0	13,436,788.2	20.2	2.0	541.54	541.54
Sk0.1	71,723,941.0	7,172,394.1	21.5	1.1	879.17	879.17
Commemor.coins	227,003.0	41,355,000.0	100.0	100.0	272.72	371.88
Total	412,817,307.5	31,342,124,813.3	100.0	100.0	188.92	160.50

At the end of 1994, the volume of currency in circulation amounted to Sk 31,342,124,813.30; representing 412,817,307.5 individual banknotes including damaged notes and coin offered for exchange. Compared with the 1993 figure, the volume of currency increased by Sk 11,814,082,388.30, at a 160.50% index of growth, and the number of notes and coin grew by 194,303,959 pieces, at a 188.92% index of growth.

With regard to the overall growth in currency, the amount of banknotes in terms of value increased by 60.97%, and in terms of individual notes by 21.73%, especially the Sk 500 and Sk 1,000 banknotes. The amount of coinage in terms of value increased by 37.10%, and in terms of individual coins by 118.05%. Coins in the nominal value of 10 and 20 haliers accounted for the largest share of the increase. The share of commemorative coins also increased in numbers as well as value, as a result of an issue of commemorative coins in 1994.

Number of Notes and Coin in Circulation (in pce)

Nominal value	Volume (in pce)		Share in %	
	at 31 Dec. 1993	at 31 Dec. 1994	at 31 Dec. 1993	at 31 Dec. 1994
Banknotes	65,787,011.5	79,752,285.5	30.11	19.32
Sk 1,000	12,855,600.0	21,867,822.8	5.88	5.30
Sk500	5,745,300.0	11,382,704.0	2.63	2.76
Sk100	25,567,792.5	23,756,591.8	11.70	5.75
Sk50	10,411,579.5	8,104,221.3	4.76	1.96
Sk20	11,206,739.5	14,640,945.8	5.13	3.55
Coin in circulation	152,643,100.0	332,838,019.0	69.86	80.63
Sk10	27,059,000.0	35,310,873.0	12.38	8.55
Sk6	23,349,500.0	29,505,941.0	10.69	7.15
Sk2	23,765,500.0	36,558,441.0	10.88	8.86
Sk1	40,122,000.0	54,527,941.0	18.36	13.21
Sk0.6	17,783,000.0	38,026,941.0	8.14	9.21
Sk0.2	12,406,000.0	67,183,941.0	5.68	16.27
Sk0.1	8,158,100.0	71,723,941.0	3.73	17.37
Commemor. coins	83,237.0	227,003.0	0.04	0.05
Total	218,513,348.5	412,817,307.5	100.00	100.00

Number of Notes and Coin in Circulation (in Sk)

Nominal value	Volume		Share in %	
	at 31 Dec. 1993	at 31 Dec. 1994	at 31 Dec. 1993	at 31 Dec. 1994
Banknotes	19,029,743,015.0	30,632,863,902.5	97.45	97.74
Sk 1,000	12,855,600,000.0	21,867,822,750.0	65.83	69.77
Sk 500	2,872,650,000.0	5,691,352,000.0	14.71	18.16
Sk 100	2,556,779,250.0	2,375,659,175.0	13.09	7.58
Sk 50	520,578,975.0	405,211,062.5	2.67	1.29
Sk 20	224,134,790.0	292,818,915.0	1.15	0.93
Coin in circulation	487,179,010.0	667,905,910.8	2.49	2.13
Sk 10	270,590,000.0	353,108,730.0	1.39	1.13
Sk 6	116,747,500.0	147,529,705.0	0.60	0.47
Sk 2	47,531,000.0	73,116,882.0	0.24	0.23
Sk 1	40,122,000.0	54,527,941.0	0.21	0.17
Sk 0.6	8,891,500.0	19,013,470.5	0.05	0.06
Sk 0.2	2,481,200.0	13,436,788.2	0.01	0.04
Sk 0.1	815,810.0	7,172,394.1	0.00	0.02
Commemor.coins	11,120,400.0	41,355,000.0	0.06	0.13
Total	19,528,042,425.0	31,342,124,813.3	100.00	100.00

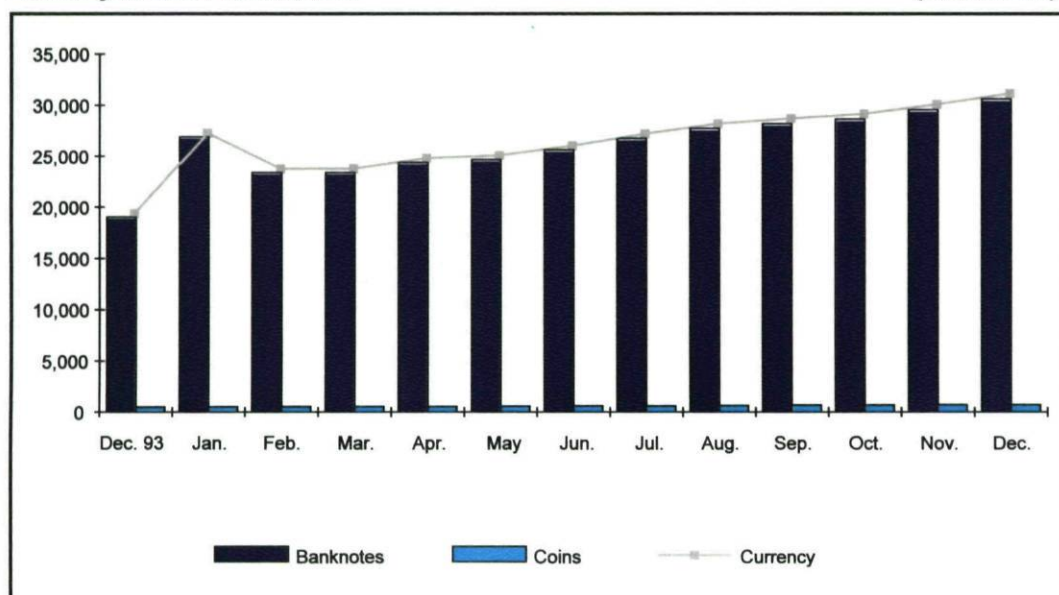
Banknotes and Coin in Circulation in Proportion to the Total Volume of Currency

The composition of currency in circulation was dominated by 1,000-crown banknotes, in spite of the fact that their share decreased, in comparison with last year's figure, to the detriment of 500-crown notes. This development was, to some extent, caused by the regulatory measures adopted by the National Bank of Slovakia owing to the fall in stock of 1,000-crown banknotes. In the composition of coinage, the 10-crown coins had the largest share of all coins in circulation. Compared with previous years, the number of 10 and 20-halier coins in circulation considerably increased, which is an indication of the fact that these coins relatively quickly disappear from circulation.

The share of commemorative coins in the total volume of currency was of no significance.

Currency in Circulation in 1994

(Sk millions)



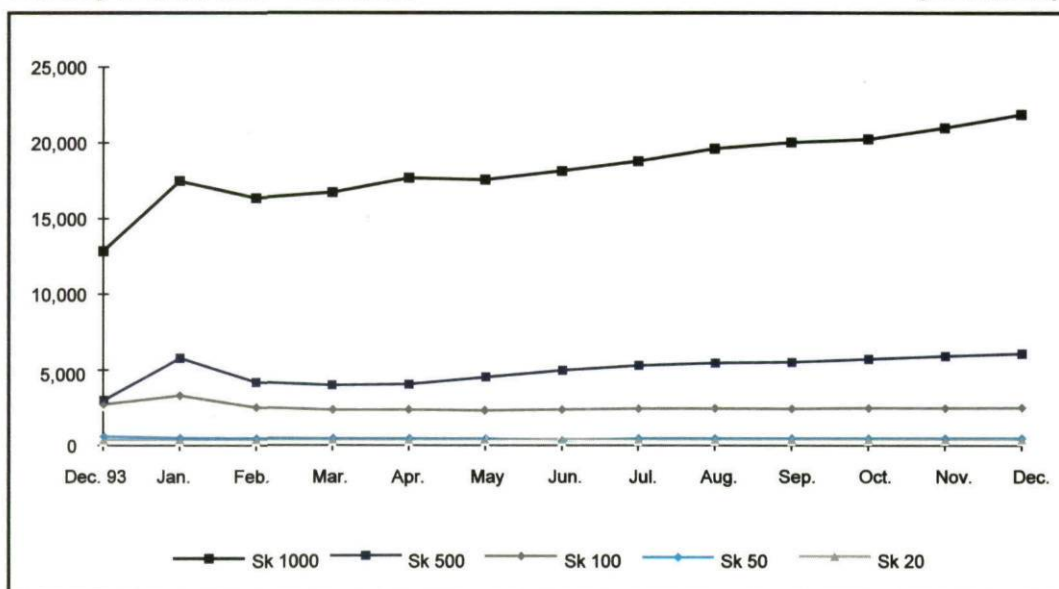
In 1994, the average nominal values of banknotes and coins in circulation were, in comparison with 1993, as follows:

Average nominal value in Sk	Year 1993	Year 1994	Difference
Legal tender	89.36	75.92	-13.44
Notes	289.26	384.10	+ 94.84
Coins	3.19	2.01	-1.18

In 1994, the average number of banknotes per capita was 14.8, amounting to Sk 5,672.7; and the number of coins was 61.6 in the amount of Sk 123.7. The total per-capita value of money in circulation amounted to Sk 5,804.10 at the end of 1994.

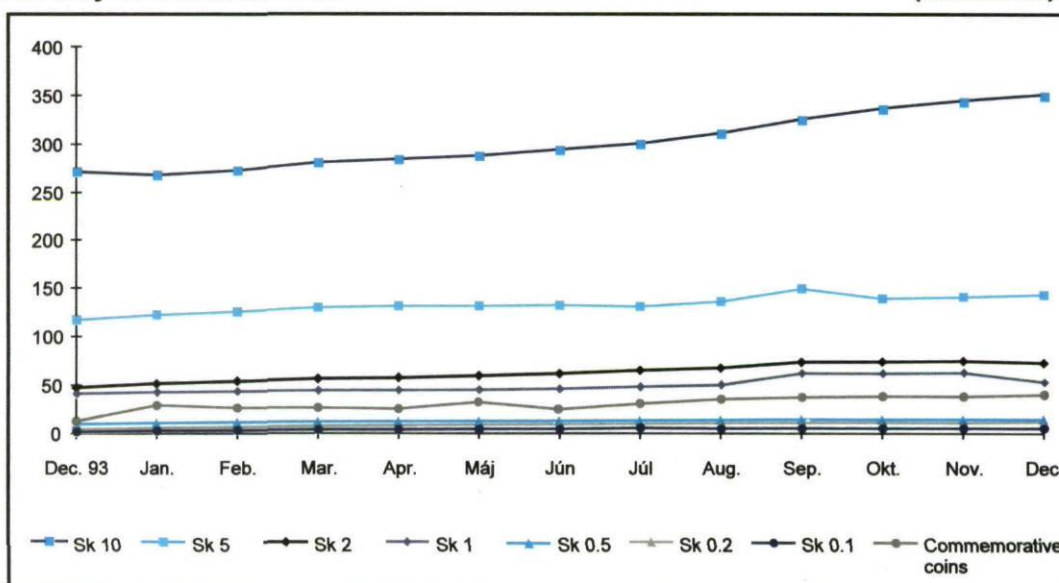
Currency in Circulation - Banknotes

(Sk millions)



Currency in Circulation - Coin

(Sk millions)



2. OCCURRENCE OF COUNTERFEIT BANKNOTES IN THE SLOVAK REPUBLIC

In the first few months of 1994, the replacement of the temporary stamped banknotes was completed; on 1 April 1994, the new Slovak notes and coins became the only legal tender in the Slovak Republic.

The number of counterfeit banknotes seized in Slovakia in 1994 dropped compared with the 1993 figure, as a result of the improved protection of the new Slovak banknotes against forgery.

Slovak Banknotes and Coins

In 1994, a total of 357 pieces of counterfeit Slovak banknotes in the equivalent of Sk 145,900 were detected and handed over to the National Bank of Slovakia. The majority of these were counterfeit stamped federal banknotes. Of the recently issued new Slovak banknotes, only 11 pieces of counterfeit notes and 60 counterfeit coins were seized in the equivalent of Sk 6,300.

In all cases, the counterfeit notes were produced by using electronic monochrome photo copiers, and can be classified as poor quality counterfeits. Counterfeit Slovak coins were detected in old-style slot machines designed for federal coins. In normal transactions, such counterfeit coins would not have been accepted.

The amount of counterfeit banknotes expressed in Sk shows a downward trend in the forgery of Slovak currency in comparison with 1993.

Slovak-Crown Equivalents of Counterfeit Notes

Year 1993	2,849,440 Sk
Year 1994	145,900 Sk
of which: stamped	139,600 Sk
new issue	6,300 Sk

Foreign Notes and Coins

In 1994, a total of 2,359 counterfeit foreign currency banknotes equivalent to Sk 6,635,897 were detected in the Slovak Republic and handed over to the National Bank of Slovakia.

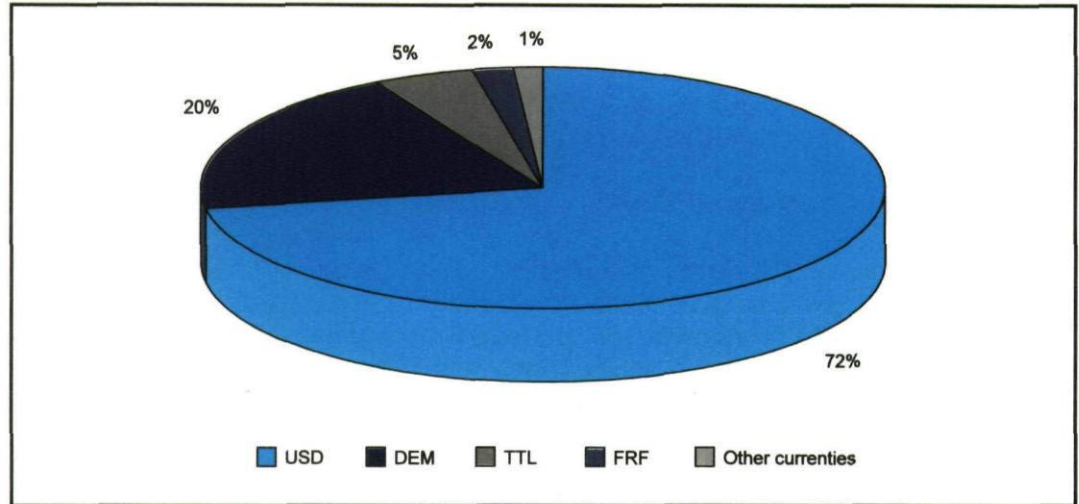
Composition of Counterfeit Foreign Banknotes

Currency	USD	DEM	ITL	FRF	Other
Number	1,709	463	110	48	29
Share in %	72.45	19.63	4.66	2.03	1.23

In comparison with the figure for 1993, the number of counterfeit banknotes detected in 1994 dropped by 1,054, representing a decrease of Sk 1,713,850. The number of counterfeit US dollars detected increased, especially that of 100-dollar counterfeit notes, which are regarded as very dangerous (Class 1).

With regard to other hard currencies, the most frequently detected counterfeit notes were as follows: DEM 100 and 200 banknotes, ITL 50,000 and 100,000 notes, and FRF 500 banknotes. The detection of other counterfeit banknotes was rare and isolated.

Composition of Counterfeit Foreign Banknotes



In 1994, the National Bank of Slovakia cooperated with the police at national and international levels, and organized an exchange of specimen banknotes and information on security features, between central banks all over the world. The Test Laboratory of the Bank organized regular courses on how to identify counterfeit banknotes for the staff of commercial banks operating in Slovakia.

The National Bank of Slovakia has prepared an educational video film for the training of bank cashiers to be able to identify counterfeit banknotes in circulation.

Number of Counterfeit Banknotes

