Investment opportunities in the new EU member countries

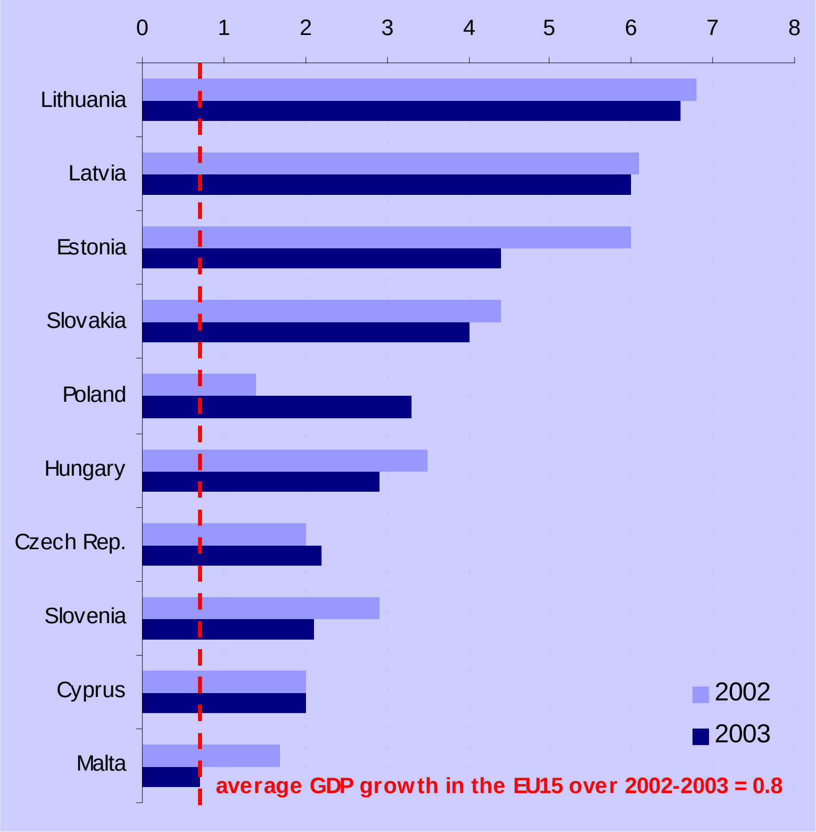
Regina Ovesny-Straka
Chairman and CEO of Slovenska sporitelna, Slovakia

Economic Reforms for Europe Conference - Bratislava, March 18, 2004

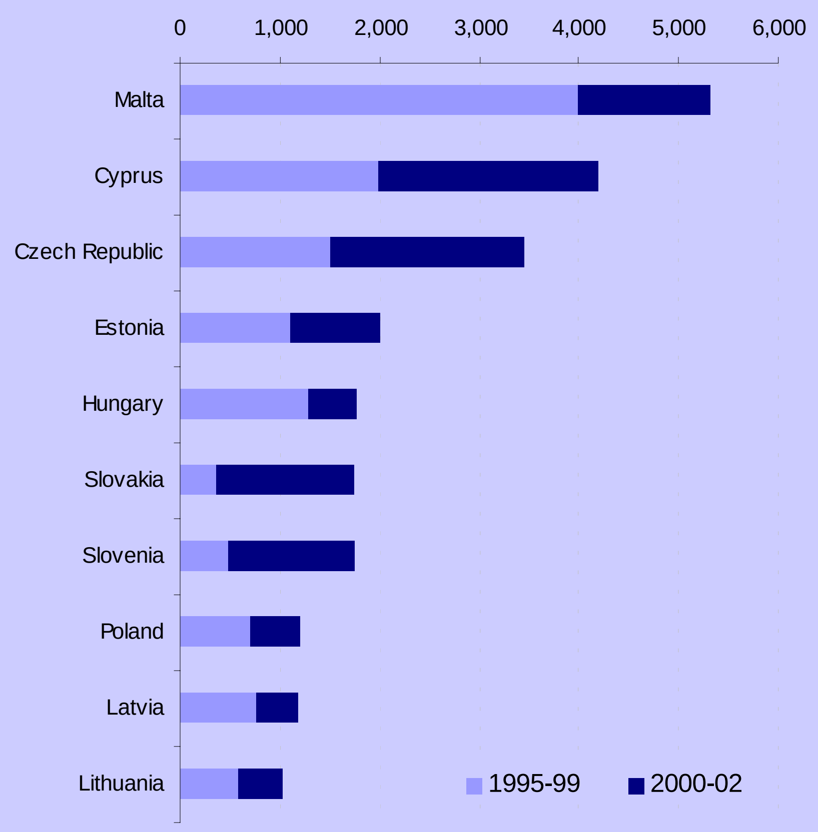
SLOVENSKÁ SPORITEĽŇA
Vaša banka

Economies of new EU members perform higher growth than EU15 and attract significant FDI

Real GDP growth



FDI inflow per capita (USD)

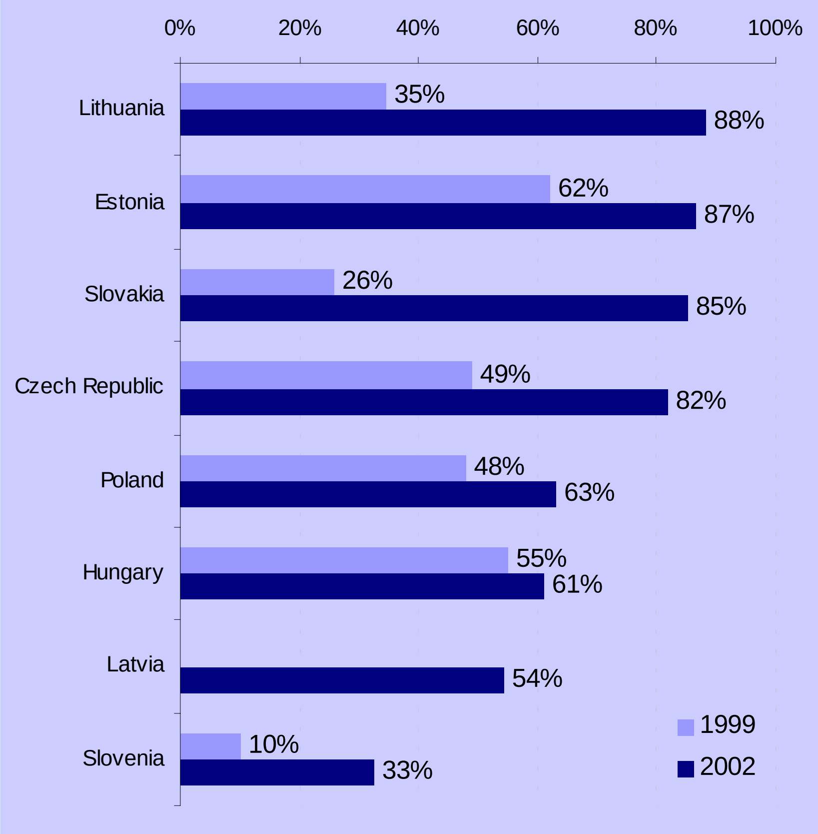


Source: Eurostat estimates

SLOVENSKÁ SPORITEĽŇA
Vaša banka

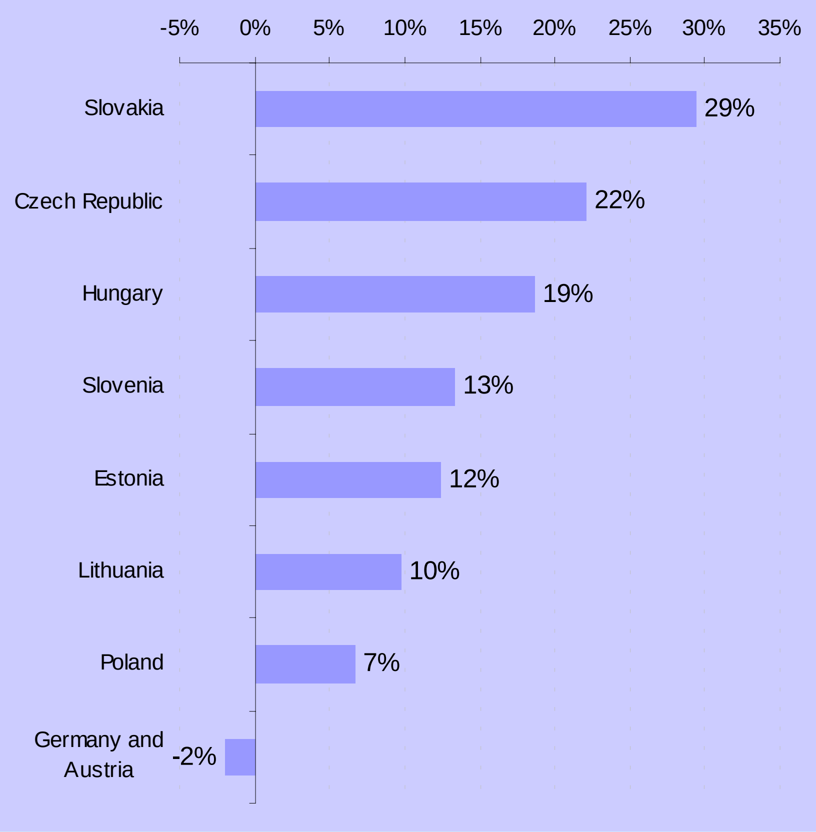
Foreign ownerships in banking sector has put more weight on efficiency

Capital under foreign ownership



Source: SLSP, National banks

ROE* (year 2002)

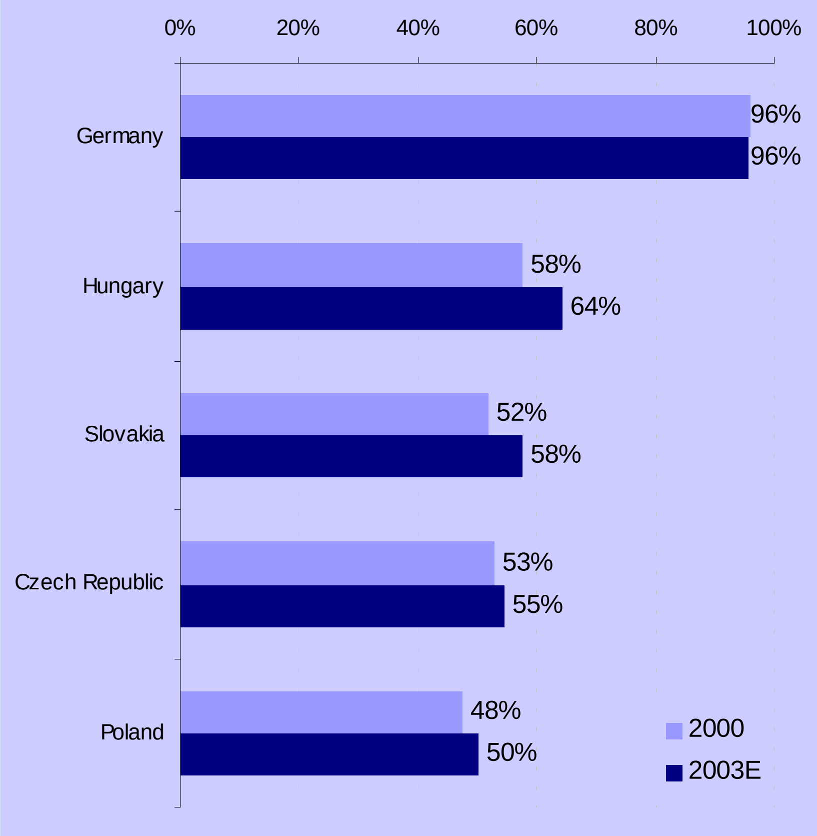


Source: World bank, SLSP, National banks
*Note: * according to national accounting standards*

SLOVENSKÁ SPORITEĽŇA
Vaša banka

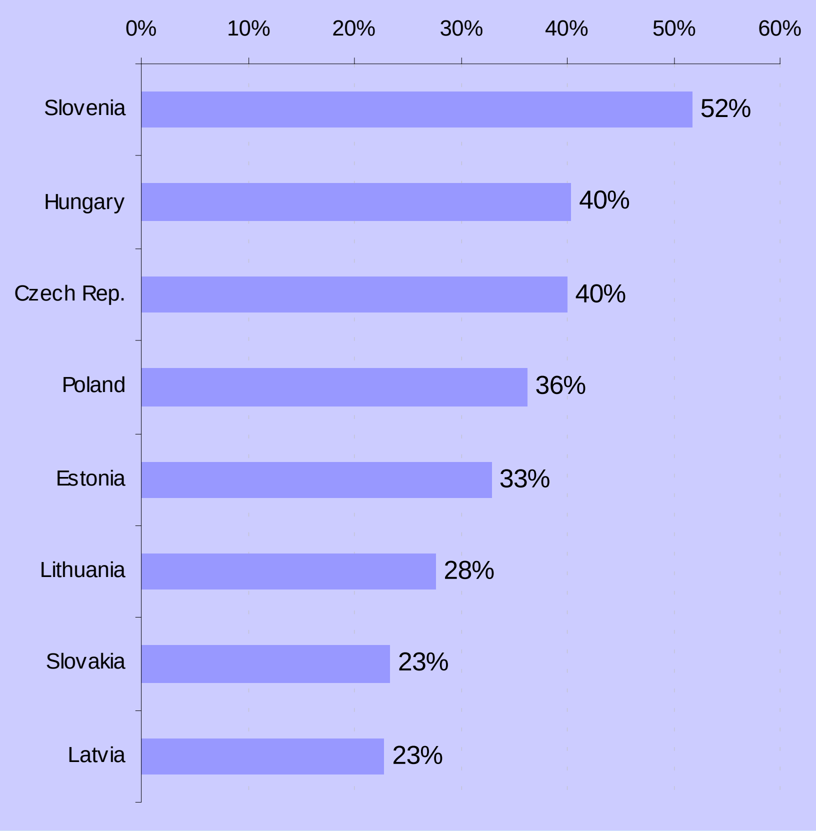
Unit labour costs in manufacturing are still very low and productivity is growing

Productivity per person (as % of EU avg.)



Source: Eurostat

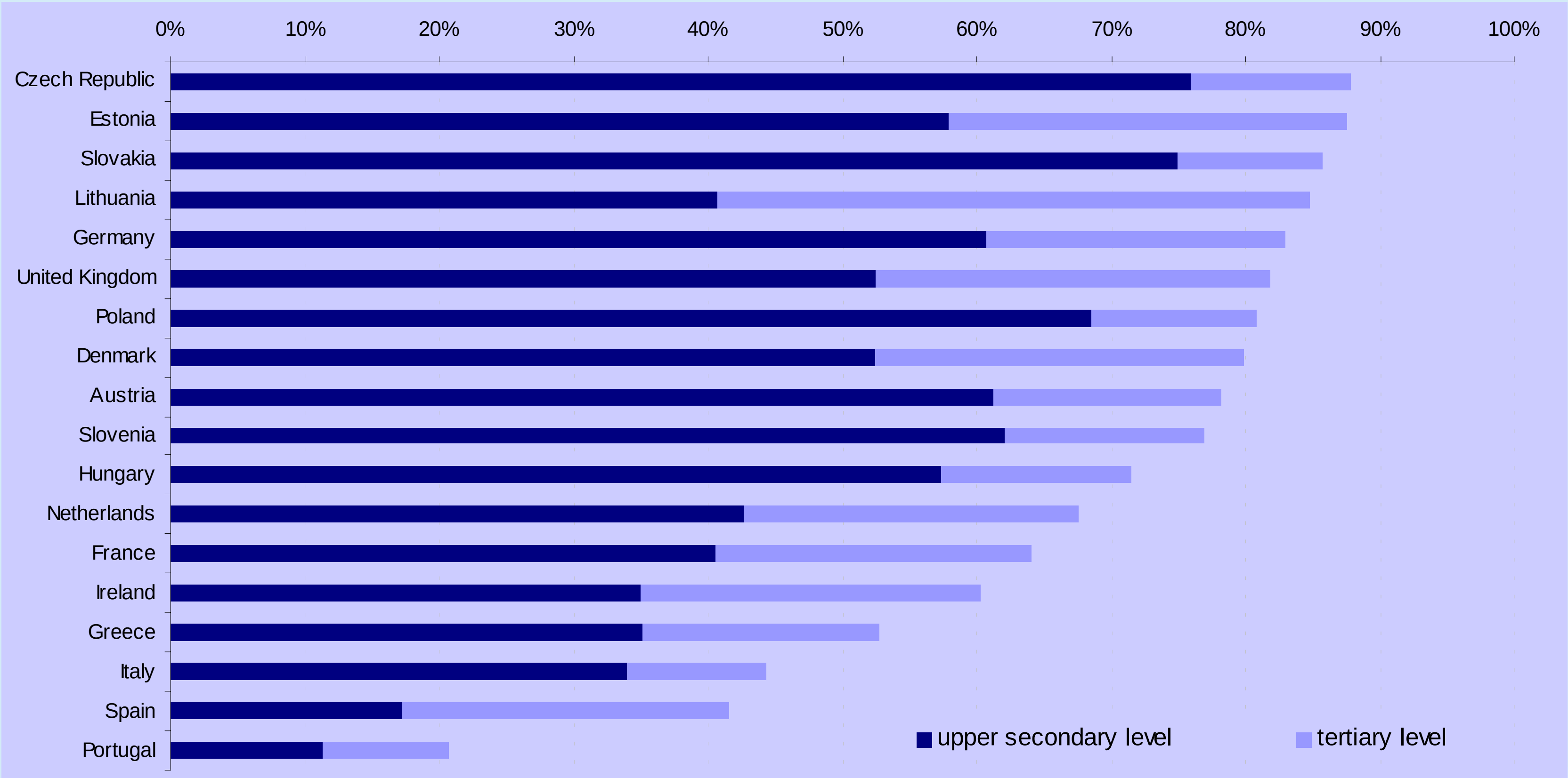
Unit labour costs* (year 2003, EU=100%)



Source: Eurostat
** ULC =Total labour costs adjusted for different levels of productivity*

Manufacturing benefits from a broad base of labour force with upper secondary level of education

Education degree of population aged 25-64 years (year 2002)



Source: Eurostat

Attractive tax systems will support business activities in new member countries

Tax on dividends	
Germany	23.5
Czech Republic	15.0
Poland	20.0
Hungary	20.0
Slovakia	**0.0**

Personal income tax - marginal rate*	
Germany	42.0
Poland	40.0
Hungary	40.0
Czech republic	32.0
Estonia	26.0
Slovakia	**19.0**

** Applied to the highest income bracket*

Corporate income tax rate	
Malta	35.0
Czech Republic	28.0
Germany	26.0
Estonia	26.0
Slovenia	25.0
Poland	19.0
Slovakia	**19.0**
Hungary	16.0
Lithuania	15.0
Latvia	15.0
Ireland	12.5
Cyprus	10.0

Source: SLSP
Note: Germany – excluding local taxes

SLOVENSKÁ SPORITEĽŇA
Vaša banka