

CZECH NATIONAL BANK
FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 1994

**CZECH NATIONAL BANK
FINANCIAL STATEMENTS 1994
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**AUDITORS' REPORT TO THE BANK COUNCIL OF THE
CZECH NATIONAL BANK**

We have audited the accompanying balance sheet of the Czech National Bank ("CNB") as at 31 December 1994, the related income statement, cash flow statement and the notes to the financial statements for the year then ended. These financial statements are the responsibility of the Bank's Council. Our responsibility is to express an opinion on these financial statements based on our audit. CNB's financial statements for the year ended 31 December 1993 were audited by other auditors whose unqualified report, dated 3 June 1994, included an explanatory paragraph concerning the matter described in Note 7(b) to the financial statements.

We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Czech National Bank as at 31 December 1994, and the results of its operations and its cash flows for the year then ended in accordance with International Accounting Standards.

Without qualifying our opinion, we draw attention to Note 7(b) to the financial statements. Due from banks at 31 December 1994 includes amounts totalling Kč 26,172 million due from the National Bank of Slovakia which arose on the division of assets and liabilities of the former State Bank of Czechoslovakia and on the subsequent dissolution of the federal currency. The ultimate collectability of these amounts is dependent on the outcome of negotiations between the parties and, at this time, cannot be determined with reasonable certainty.

Deloitte & Touche

1 June 1995

CZECH NATIONAL BANK
INCOME STATEMENT
Year ended 31 December 1994

	Notes	1994 Kč million	1993 Kč million
Interest income	2	22,617	18,035
Interest expense	3	<u>(13,725)</u>	<u>(9,904)</u>
NET INTEREST INCOME		<u>8,892</u>	<u>8,131</u>
(Losses)/ gains from trading and available for sale securities, net		(1,670)	123
Foreign exchange gains/(losses), net		1,545	(1,821)
Income from fees and commissions, net		79	30
Other income	4	<u>211</u>	<u>156</u>
		<u>165</u>	<u>(1,512)</u>
TOTAL INCOME		9,057	6,619
Operating expenses	5	(1,631)	(1,926)
Provisions for loan losses	6	<u>(5,988)</u>	<u>(3,455)</u>
PROFIT FOR THE YEAR		<u>1,438</u>	<u>1,238</u>

The financial statements include the accounting policies and notes.

CZECH NATIONAL BANK
BALANCE SHEET
AT 31 DECEMBER 1994

	Notes	1994 Kč million	1993 Kč million
ASSETS			
Cash		857	287
Due from banks	7	154,136	182,593
Gold and other precious metals	8	3,979	3,992
Debt securities	9	118,735	67,287
Loans and advances	10	4,676	1,785
Due from State	12	32,356	43,433
Membership quota at the IMF		24,673	23,783
Interest receivable and other assets	13	3,184	3,126
Equity investments	14	1,412	1,402
Tangible fixed assets	15	2,900	1,879
		<u>346,908</u>	<u>329,567</u>
LIABILITIES			
Due to banks	16	75,619	66,380
Current and deposit accounts	17	25,678	12,117
Bills in issue and other borrowings	18	43,797	32,184
Deposits from the IMF	19	24,674	87,571
Due to State	20	47,068	29,460
Bonds	21	21,150	25,162
Currency in circulation		96,326	68,536
Interest payable and other liabilities	22	5,925	3,003
		<u>340,237</u>	<u>324,413</u>
CAPITAL AND RESERVES			
Capital	23	1,400	1,400
Reserves	24	5,271	3,754
		<u>6,671</u>	<u>5,154</u>
		<u>346,908</u>	<u>329,567</u>

The financial statements, which include the accounting policies and notes, were approved by the Bank Council on 1 June 1995 and signed on its behalf by:

P. Kysilka
Vice Governor



J. Hampl
Executive Director



CZECH NATIONAL BANK
CASH FLOW STATEMENT
Year ended 31 December 1994

	Notes	1994 Kč million	1993 Kč million
OPERATING ACTIVITIES			
Profit for the year		1,438	1,238
Provisions for loan losses		5,988	3,455
Depreciation of tangible fixed assets		234	178
Decrease/ (increase) in amounts due from banks		19,590	(47,154)
Increase in debt securities		(51,448)	(52,634)
(Increase)/ decrease in loans and advances		(2,804)	1,392
Decrease in amounts due from/ to State		28,685	15,896
Increase in membership quota at the IMF		(890)	(104)
Increase in interest receivable and other assets		(58)	(1,090)
Increase in amounts due to banks		9,239	14,331
Increase in current and deposit accounts		13,561	4,141
Increase in bills in issue and other borrowings		11,613	29,908
(Decrease)/ increase in deposits from IMF		(62,897)	110
Increase in currency in circulation		27,790	2,397
Increase in interest payable and other liabilities		3,001	925
Net cash from/ (used in) operating activities		<u>3,042</u>	<u>(27,011)</u>
INVESTING ACTIVITIES			
Decrease/ (increase) in gold and other precious metals		13	(2)
Increase in equity investments		(10)	(975)
Purchase of tangible fixed assets		(1,255)	(810)
Net cash used in investing activities		<u>(1,252)</u>	<u>(1,787)</u>
FINANCING ACTIVITIES			
(Decrease)/ increase in bonds		(4,012)	20,870
Contribution paid to State		-	(240)
Net cash (used in)/ from financing activities		<u>(4,012)</u>	<u>20,630</u>
Net decrease in cash and cash equivalents		(2,222)	(8,168)
Cash and cash equivalents at beginning of year		4,331	12,499
CASH AND CASH EQUIVALENTS AT END OF YEAR	26	<u><u>2,109</u></u>	<u><u>4,331</u></u>

CZECH NATIONAL BANK
STATEMENT OF ACCOUNTING POLICIES

The significant accounting policies adopted by CNB are set out below.

BASIS OF PREPARATION

The financial statements have been prepared on the historical cost basis of accounting, in accordance with International Accounting Standards.

The financial statements are reported in Czech Crowns (Kč) and all amounts are stated in millions.

INTEREST, FEES AND COMMISSIONS

Interest, fees and commissions are recognised in the period in which they are earned or incurred.

Interest on doubtful loans is included in income and provision is made as appropriate.

FOREIGN CURRENCIES

Transactions denominated in foreign currencies are translated into Czech Crowns at the exchange rates ruling on the date of the transaction. Monetary assets and liabilities, and commitments for the purchase and sale of foreign currencies, are translated at the appropriate spot or forward rates of exchange ruling on the balance sheet date. All resulting gains and losses are recorded in the income statement.

PROVISIONS FOR LOAN LOSSES

Amounts due from banks and loans and advances are stated net of specific and general provisions for loan losses.

Specific provisions are made for identified doubtful debts following detailed appraisal of loans and advances. In addition, general provisions are made to cover losses which are present but which have not been specifically identified.

GOLD

Gold is held for investment purposes and is stated at historical cost.

Gold sold under repurchase agreements is included in assets and the related payment obligation is included in liabilities. Interest arising on repurchase agreements is charged to the income statement over the lives of the agreements.

CZECH NATIONAL BANK
STATEMENT OF ACCOUNTING POLICIES

DEBT SECURITIES

Debt securities comprises trading securities, available for sale securities and investment securities.

Trading securities are marketable securities that are acquired and held with the intention of resale in the short term. Trading securities are stated at market value and the difference between market and purchase price is recorded in the income statement.

Available for sale securities are debt securities which are being held for an unspecified period of time but not necessarily to maturity. These securities may be sold in response to significant interest rate changes or to meet CNB's liquidity requirements. Available for sale securities are stated at the lower of purchase price or market value.

Investment securities are acquired for yield or capital growth purposes and are usually held to maturity. Debt securities classified as investment securities, including government securities, are stated at cost. Any premiums or discounts on acquisition are amortised on a straight line basis over the period to maturity. Provision is made for any permanent diminution in value.

Securities sold under repurchase agreements are included in assets and valued according to the nature of the security. The related payment obligation is included in liabilities. Securities held under reverse repurchase agreements are included in receivables. Interest arising on repurchase agreements is included in the income statement over the lives of the agreements.

MEMBERSHIP QUOTA AT THE IMF

The membership quota at the International Monetary Fund ("IMF") is denominated in Special Drawing Rights and is translated into Czech Crowns at the most recent rate advised by the IMF.

EQUITY INVESTMENTS

Equity investments are held for investment purposes and are stated at historical cost. Provision is made for any permanent diminution in value.

The investment in Ceskoslovenska Obchodni Banka, which amounts to 26.5% of the issued capital of that bank, has not been accounted for under the equity method because CNB does not intend to hold the shares for the long term nor does it seek to influence that bank other than in its role as supervisor of the banking sector.

CZECH NATIONAL BANK
STATEMENT OF ACCOUNTING POLICIES

TANGIBLE FIXED ASSETS

Tangible fixed assets are stated at cost less provision for depreciation. Land is not depreciated. On other assets, depreciation is provided on a straight line basis over the expected remaining useful lives of the assets at the following rates:

Buildings	2%
Furniture and equipment	13.4-28.6%
Software	25%

Assets under construction are stated at cost. Depreciation commences in the year in which the asset is first brought into use.

SECURITIES IN ISSUE

Bonds and bills in issue are stated at the nominal amount in liabilities and the related discount, which is included in other assets, is charged to the income statement over the life of the security.

FINANCIAL INSTRUMENTS

Foreign currency and interest rate swap agreements are entered into solely in connection with the management of CNB's foreign currency and interest rate risks arising on foreign borrowings. Income or expense is recorded in the income statement over the lives of the agreements.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprises cash and current accounts with other banks.

TAXATION

CNB is exempt from the payment of corporate income tax.

COMPARATIVE FIGURES

The figures for the previous year have been reclassified, where necessary, on the same basis as those for the current year.

CZECH NATIONAL BANK
NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 1994

1. GENERAL INFORMATION

The Czech National Bank ("CNB") is the central bank of the Czech Republic. CNB was established on 1 January 1993 following the dissolution of the Czech and Slovak Federal Republic as the successor, in the Czech Republic, to the State Bank of Czechoslovakia, the central bank of the former federal republic.

Established as an independent institution under Act No. 6/1993, "The Czech National Bank Act", the principal function of CNB is to ensure the stability of the Czech currency. CNB is responsible for determining monetary policy, issuing bank notes and coins, controlling the money supply and supervising the banking sector. CNB also provides banking services to the State, including the maintenance of the accounts of the state budget, state funds and state financial assets and liabilities, and extends credit, on a limited basis, to selected government-owned enterprises.

CNB operates through its headquarters in Prague and seven branches located throughout the Czech Republic.

2. INTEREST INCOME

	1994	1993
	Kč million	Kč million
Placements with banks	15,245	7,761
State budget accounts	4,820	6,567
Securities	2,282	3,290
Loans and advances	270	417
	<u>22,617</u>	<u>18,035</u>

3. INTEREST EXPENSE

	1994	1993
	Kč million	Kč million
State budget accounts	4,331	4,078
Securities	8,249	3,445
International Monetary Fund	614	1,887
Deposits from banks	460	412
Current and deposit accounts	71	82
	<u>13,725</u>	<u>9,904</u>

CZECH NATIONAL BANK
NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 1994

4. OTHER INCOME

	1994 Kč million	1993 Kč million
Dividends from equity investments	27	81
Sales of commemorative coins	124	17
Income from real estate	16	10
Other operating income	44	48
	<u>211</u>	<u>156</u>

5. OPERATING EXPENSES

	1994 Kč million	1993 Kč million
Costs of issuing bank notes and coins	502	696
Personnel costs	387	348
Depreciation	234	178
Other operating expenses	508	704
	<u>1,631</u>	<u>1,926</u>

6. PROVISIONS FOR LOAN LOSSES

	1994 Kč million	1993 Kč million
Increase in specific provisions	6,089	2,955
Less: decrease in opening provisions	<u>(104)</u>	<u>-</u>
Net increase in specific provisions	<u>5,985</u>	<u>2,955</u>
Increase in general provisions	59	500
Less: decrease in opening provisions	<u>(56)</u>	<u>-</u>
Net increase in general provisions	<u>3</u>	<u>500</u>
	<u>5,988</u>	<u>3,455</u>

The movements on provisions during the year, by loan category, are set out in note 11.

CZECH NATIONAL BANK
NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 1994

7. DUE FROM BANKS

	1994		
	Domestic Banks Kč million	Foreign Banks Kč million	Total Kč million
Current accounts	1,203	49	1,252
Current accounts at the IMF	-	-	-
Placements, loans and advances (a), (b)	75,159	58,491	133,650
Receivables under reverse repurchase agreements	-	29,295	29,295
	<u>76,362</u>	<u>87,835</u>	<u>164,197</u>
Less: provisions (note 11)	<u>(4,213)</u>	<u>(5,848)</u>	<u>(10,061)</u>
	<u><u>72,149</u></u>	<u><u>81,987</u></u>	<u><u>154,136</u></u>
	1993		
	Domestic Banks Kč million	Foreign Banks Kč million	Total Kč million
Current accounts	1,996	1,801	3,797
Current accounts at the IMF	-	247	247
Placements with the IMF	-	31,490	31,490
Placements, loans and advances (a), (b)	74,977	51,294	126,271
Receivables under reverse repurchase agreements	59	24,631	24,690
	<u>77,032</u>	<u>109,463</u>	<u>186,495</u>
Less: provisions (note 11)	<u>(648)</u>	<u>(3,254)</u>	<u>(3,902)</u>
	<u><u>76,384</u></u>	<u><u>106,209</u></u>	<u><u>182,593</u></u>

CZECH NATIONAL BANK
NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 1994

(a) Placements, loans and advances to domestic banks comprises:

	1994	1993
	Kč million	Kč million
Emergency and other refinancing advances	1,861	1,044
Lombard credits	150	-
Rediscounted bills of exchange	8,128	5,808
Re-distribution loans	65,020	68,125
	<u>75,159</u>	<u>74,977</u>

Re-distribution loans comprises Kč 38,760 million (1993: Kč 38,760) due from Konsolidacni Banka Praha, s.p.u. ("KOBP") and Kč 26,260 million (1993: Kč 29,365) due from Investicni a Postovni Banka, a.s. ("IPB").

The loan to KOBP, which is guaranteed by the state, matures on 31 December 1999 and is repayable in the following instalments:

	Kč million
1997	11,000
1998	10,500
1999	17,260
	<u>38,760</u>

The loan to IPB comprises a long term loan of Kč 19,361 million which was provided to fund advances for the construction of cooperative housing. This loan is repayable in annual instalments based on payments received from clients of IPB and no final maturity has been set. In addition, CNB has provided a loan of Kč 6,899 million which is repayable in annual instalments and matures on 15 December 1997.

(b) Placements, loans and advances to foreign banks includes a total of Kč 26,172 million due from the National Bank of Slovakia. This total comprises:

- (i) Kč 24,572 million which arose from the division of the assets and liabilities of the former State Bank of Czechoslovakia. The assets and liabilities were divided effective 1 January 1993 on the formation of separate successor central banks in the Czech Republic and the Slovak Republic; and
- (ii) Kč 1,600 million representing the loss incurred by CNB on the dissolution of the federal currency. This amount is repayable by the National Bank of Slovakia on division of the overall surplus arising from the federal currency.

The ultimate collectability of these amounts is dependent on the outcome of negotiations between the respective parties.

CZECH NATIONAL BANK
NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 1994

8. GOLD AND OTHER PRECIOUS METALS

	1994 Kč million	1993 Kč million
Gold	3,956	3,960
Other precious metals	<u>23</u>	<u>32</u>
	<u>3,979</u>	<u>3,992</u>

The market value of gold and other precious metals was Kč 24,766 million at 31 December 1994 (1993: Kč 24,547 million).

9. DEBT SECURITIES

	1994 Kč million	1993 Kč million
(a) Trading securities		
State and other treasury bills	26,795	11,185
Bank for International Settlement bills	64,114	23,188
State bonds	-	1,559
Central bank bonds	<u>-</u>	<u>2,256</u>
	<u>90,909</u>	<u>38,188</u>
(b) Available for sale securities		
State and other treasury bills	3,724	-
State treasury bonds	20,666	25,788
Commercial bank bonds	<u>3,436</u>	<u>3,311</u>
	<u>27,826</u>	<u>29,099</u>
	<u>118,735</u>	<u>67,287</u>

In addition, CNB holds Kč 45,233 million (1993: Kč 14,090 million) of own-issued bills which have been netted against bills in issue included in liabilities. See note 18.

The market value of available for sale securities was Kč 28,147 million as at 31 December 1994 (1993: Kč 29,385 million).

CZECH NATIONAL BANK
NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 1994

Debt securities are denominated in the following currencies:

	1994 Kč million	1993 Kč million
Czech crowns	3,724	1,537
German marks	70,403	26,461
US dollars	44,608	39,289
	<u>118,735</u>	<u>67,287</u>

10. LOANS AND ADVANCES

	1994 Kč million	1993 Kč million
Commercial loans and overdrafts	4,967	2,153
Other	-	10
	<u>4,967</u>	<u>2,163</u>
Less: provisions (note 11)	<u>(291)</u>	<u>(378)</u>
	<u>4,676</u>	<u>1,785</u>

The portfolio of commercial loans comprises:

	1994 Kč million	1993 Kč million
Steel, engineering and electronics	94	1,044
Agriculture and forestry	466	333
Other	665	776
National Property Fund	3,742	-
	<u>4,967</u>	<u>2,153</u>

CZECH NATIONAL BANK
NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 1994

11. PROVISIONS FOR LOAN LOSSES

	Due from Banks Kč million	Loans and Advances Kč million	Total Kč million
(a) Specific provisions			
Balance at 1 January 1994	3,602	55	3,657
Charge to income statement:			
Increase in provisions	5,959	130	6,089
Decrease in opening provisions	-	(104)	(104)
Transfers/ adjustments	-	84	84
	<u>9,561</u>	<u>165</u>	<u>9,726</u>
Balance at 31 December 1994	<u>9,561</u>	<u>165</u>	<u>9,726</u>
(b) General provisions			
Balance at 1 January 1994	300	323	623
Charge to income statement:			
Increase in provisions	-	59	59
Decrease in opening provisions		(56)	(56)
Transfers/ adjustments	200	(200)	-
	<u>500</u>	<u>126</u>	<u>626</u>
Balance at 31 December 1994	<u>500</u>	<u>126</u>	<u>626</u>
Notes 7, 10	<u>10,061</u>	<u>291</u>	<u>10,352</u>

12. DUE FROM STATE

Due from State comprises loans of Kč 16,761 million relating to the acceptance of government loans and Kč 15,595 million relating to exchange rate differences. The repayment of these loans is set out in agreements dated 12 April 1990 and 17 April 1991, respectively, with full repayment scheduled for 2001. Interest is charged at a rate approved by the Bank Council which varies according to CNB's discount rate.

CZECH NATIONAL BANK
NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 1994

13. INTEREST RECEIVABLE AND OTHER ASSETS

	1994 Kč million	1993 Kč million
Interest receivable	1,353	1,344
Items in the course of clearing	291	1,227
Deferred interest	1,532	314
Prepaid State budget contribution	-	195
Other	8	46
	<u>3,184</u>	<u>3,126</u>

14. EQUITY INVESTMENTS

	1994 Kč million	1993 Kč million
Ceskoslovenska Obchodni Banka	1,353	1,353
Bank for International Settlements	49	49
Other	10	-
	<u>1,412</u>	<u>1,402</u>

The investment in Ceskoslovenska Obchodni Banka, a commercial bank incorporated in the Czech Republic, comprises 3,532 unquoted shares of Kč 100,000 each and 200 unquoted shares of Kč 5 million each. This investment, which represents 26.5% of the issued shares, has not been accounted for using the equity method because CNB does not intend to hold the shares for the long term nor does it seek to influence that bank other than in its role as supervisor of the banking sector.

The investment in the Bank for International Settlements, the international financial institution incorporated in Switzerland, comprises 5,330 shares of 2,500 gold francs each, representing 1.1% of the issued shares. Based on the market price of gold francs, the nominal value of the shares held at 31 December 1994 was Kč 1,468 million (1993: Kč 774 million).

Other equity investments includes an investment in Institut Bankovniho Vzdelavani, a company incorporated in the Czech Republic that operates a bank training centre. The investment comprises 91 unquoted shares of Kč 100,000 each, which represents 20.8% of the issued shares. The equity method of accounting had not been used because the movement in net assets during the period was not significant.

CZECH NATIONAL BANK
NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 1994

15. TANGIBLE FIXED ASSETS

	Land and Buildings Kč million	Furniture and Equipment Kč million	Software Kč million	Assets under construction Kč million	Total Kč million
Cost					
At 1.1.1994	342	844	121	972	2,279
Net movement	<u>752</u>	<u>210</u>	<u>21</u>	<u>272</u>	<u>1,255</u>
At 31.12.1994	<u>1,094</u>	<u>1,054</u>	<u>142</u>	<u>1,244</u>	<u>3,534</u>
Depreciation					
At 1.1.1994	103	272	25	-	400
Net movement	<u>11</u>	<u>191</u>	<u>32</u>	<u>-</u>	<u>234</u>
At 31.12.1994	<u>114</u>	<u>463</u>	<u>57</u>	<u>-</u>	<u>634</u>
Net book value:					
At 31.12.1994	<u>980</u>	<u>591</u>	<u>85</u>	<u>1,244</u>	<u>2,900</u>
At 31.12.1993	<u>239</u>	<u>572</u>	<u>96</u>	<u>972</u>	<u>1,879</u>

16. DUE TO BANKS

	1994 Kč million	1993 Kč million
Due to domestic banks:		
Obligatory minimum reserves	51,285	58,952
Demand deposits	23,708	6,799
Term deposits	44	44
Term deposits from non-OECD banks	<u>582</u>	<u>585</u>
	<u>75,619</u>	<u>66,380</u>

CZECH NATIONAL BANK
NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 1994

17. CURRENT AND DEPOSIT ACCOUNTS

	1994 Kč million	1993 Kč million
State budgetary organisations:		
Government bodies	5,597	6,265
Local authorities	3,259	3,638
Other enterprises	15,758	2,039
Individuals	1,064	175
	<u>25,678</u>	<u>12,117</u>

Deposits from other enterprises includes Kč 9,000 million received from the National Property Fund.

18. BILLS IN ISSUE AND OTHER BORROWINGS

	1994 Kč million	1993 Kč million
Czech National Bank bills	39,767	23,727
Payment obligations under repurchase agreements	2,049	4,600
Short term loans	-	1,734
Long term loans and other borrowings	1,981	2,123
	<u>43,797</u>	<u>32,184</u>

Czech National Bank bills are issued with original maturities up to six months and are stated net of bills held of Kč 45,233 million (1993: Kč 14,090 million). See note 9.

Payment obligations under repurchase agreements arise from the sale of state treasury bills, bonds and gold under agreements to repurchase on a demand and fixed maturity basis.

19. DEPOSITS FROM THE IMF

	1994 Kč million	1993 Kč million
Membership quota equivalent	24,674	23,783
Term deposits	-	63,788
	<u>24,674</u>	<u>87,571</u>

CZECH NATIONAL BANK
NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 1994

20. DUE TO STATE

	1994 Kč million	1993 Kč million
State borrowings from international financial institutions	32,356	23,986
State budget surplus	10,903	1,081
Other state assets	3,809	4,393
	<u>47,068</u>	<u>29,460</u>

21. BONDS

The following bonds and notes were outstanding at 31 December 1994:

<u>Issue Date</u>	<u>Original currency</u>	<u>Interest Rate</u>	<u>Redemption Date</u>	<u>Kč million</u>
April 1993	US\$ 375 million	7%	April 1996	10,518
November 1991	J. Yen 2.8 billion	8.5%	November 1997	788
August 1993	J. Yen 35 billion	6.6%	August 2000	<u>9,844</u>
				<u>21,150</u>

22. INTEREST PAYABLE AND OTHER LIABILITIES

	1994 Kč million	1993 Kč million
Interest payable	3,872	1,765
Accrued expenses and unearned income	346	757
Other liabilities	1,707	481
	<u>5,925</u>	<u>3,003</u>

CZECH NATIONAL BANK
NOTES TO THE FINANCIAL STATEMENTS
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23. CAPITAL

	1994 Kč million	1993 Kč million
At 1 January 1994	1,400	933
Transfer from revenue reserves	<u>-</u>	<u>467</u>
As at 31 December 1994	<u><u>1,400</u></u>	<u><u>1,400</u></u>

CNB's capital is in the form of a statutory fund.

24. RESERVES

	1994 Kč million	1993 Kč million
Revenue reserves:		
At 1 January 1994	3,754	2,966
Profit for the year	1,438	1,238
Contribution to state budget	-	(45)
Transfer to capital	-	(467)
Other transfers	<u>79</u>	<u>62</u>
At 31 December 1994	<u><u>5,271</u></u>	<u><u>3,754</u></u>

25. COMMITMENTS AND CONTINGENCIES

	1994 Kč million	1993 Kč million
Issued guarantees	6,643	-
Accepted bills of exchange	246	283
Forward foreign exchange contracts	6	1,812

Issued guarantees of Kč 6,643 million comprises Kč 1,918 million in respect of guarantees provided to banks on behalf of customers and Kč 4,725 million which represents the maximum potential liability arising on the transfer of assets and liabilities in certain commercial banks.

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26. CASH AND CASH EQUIVALENTS

	1994 Kč million	1993 Kč million
Cash	857	287
Current accounts with banks (note 7):		
Domestic banks	1,203	1,996
Foreign banks	49	1,801
IMF	-	247
	2,109	4,331

27. MATURITY ANALYSIS

The remaining period to maturity of monetary assets and liabilities at 31 December 1994 was as follows:

	Within 1 year Kč million	1-4 years Kč million	More than 4 years Kč million	Total Kč million
Monetary assets				
Cash	857	-	-	857
Due from banks	90,486	26,099	37,551	154,136
Gold and other metals	-	-	3,979	3,979
Debt securities	98,069	16,258	4,408	118,735
Loans and advances	4,521	146	9	4,676
Due from State	-	-	32,356	32,356
IMF membership	24,673	-	-	24,673
Interest receivable and other assets	3,184	-	-	3,184
Investments	-	-	1,412	1,412
	221,790	42,503	79,715	344,008
Monetary liabilities				
Due to banks	75,575	44	-	75,619
Current and deposit accounts	25,678	-	-	25,678
Bills in issue and other borrowings	42,102	-	1,695	43,797
IMF deposits	24,674	-	-	24,674
Due to State	-	-	47,068	47,068
Bonds	-	11,306	9,844	21,150
Interest payable and other liabilities	5,925	-	-	5,925
	173,954	11,350	58,607	243,911