

Financial stability indicators	2005	2006	2007	2008	2009	2010			
						Jan.	Feb.	Mar.	Apr.
FINANCIAL SOUNDNESS OF BANKS									
Capital adequacy (%)	11.9	11.4	11.5	12.3	14.1	14.1	14.4	14.3	
Tier 1 capital adequacy (%)	11.3	10.0	10.3	11.7	12.7	12.7	12.9	12.9	
Leverage (leverage ratio, assets as a multiple of equity)	12.4	12.3	13.4	12.0	11.4	11.3	11.2	11.0	
Non-performing loans / total gross client loans (%)	4.1	3.8	2.8	3.3	5.4	5.5	5.6	5.8	
Sectoral breakdown of total loans (%)									
– non-financial corporations	44.6	44.9	41.7	40.9	37.2	37.5	37.2	37.1	
– households	32.2	35.0	37.5	38.9	42.7	43.0	43.1	43.4	
– sole traders	2.8	2.5	2.2	2.1	2.0	2.0	2.0	2.0	
– other (incl. non-residents)	20.4	17.5	18.7	18.1	18.0	17.5	17.7	17.5	
Return on assets (%)	1.4	1.2	1.3	1.2	1.5	1.5	1.3	1.3	
Return on Tier 1 (%)	25.2	22.5	24.5	21.7	25.9	25.1	22.3	23.0	
Quick assets / total assets (%)	32.8	30.4	24.0	23.1	25.3	25.7	25.9	27.3	
Quick assets / client deposits (%)	50.5	45.5	36.6	35.9	38.0	38.5	38.7	40.5	
Net open position in foreign exchange / capital (%)	0.5	0.2	0.3	0.1	0.4	1.1	0.3	0.8	
Macroeconomic environment									
Real GDP growth (year on year, %)	6.3	6.8	6.0	3.2	-4.1				
Consumer price inflation (end of period, %)	2.2	1.7	5.4	3.6	1.0	0.7	0.6	0.7	1.1
Public finance deficit / GDP (%)	-3.6	-2.6	-0.6	-1.5	-5.9				
Public debt / GDP (%)	29.8	29.6	28.9	29.8	35.4				
Trade balance / GDP (%)	2.0	2.0	3.3	2.8	5.0				
External debt in % of banking sector external assets	95.2	82.2	77.9	75.6	76.4				
Balance of payments current account / GDP (%)	-1.3	-2.6	-3.2	-3.1	-1.0				
Monetary policy 2W repo rate (end of period, %)	2.0	2.5	3.5	2.25	1.0	1.0	1.0	1.0	1.0
Financial markets									
3M PRIBOR (average, %)	2.0	2.3	3.0	4.0	2.0	1.4	1.4	1.3	1.3
1Y PRIBOR (average, %)	2.1	2.7	3.4	4.1	2.5	1.9	1.9	1.8	1.8
10Y government bond yield (average, %)	3.6	3.8	4.3	4.6	4.9	4.3	4.3	4.1	3.7
CZK/EUR exchange rate (average)	29.8	28.3	27.8	25.0	26.4	26.2	26.0	25.5	25.3
Change in the PX stock index (% year on year, end of period)	42.7	7.7	14.2	-52.7	30.2	52.0	77.7	59.6	44.9
Real estate market									
Total change in residential property prices (transfer prices, % year on year)	6.0	10.4	19.4	8.0	-5.9 *				
Change in apartment prices (supply prices according to CZSO, % year on year)	0.2	13.4	23.2	19.6	-8.8			-7.3	
Apartment price / average annual wage	3.9	4.2	5.1	5.4	4.3				
Apartment price / rent (according to IRI)	15.4	17.3	22.9	23.8	22.4				
Non-financial corporations									
Return on equity (%)	9.2	10.2	11.2	9.4	8.8				
Debt (% of total liabilities)	44.7	45.7	47.1	47.3	46.8				
Debt (% of GDP)	40.9	39.3	45.0	46.5	47.8				
– loans from Czech banks (% of GDP)	14.8	19.7	21.1	23.0	21.6				
– loans from Czech non-bank financial intermediaries (% of GDP)	4.7	4.7	4.9	5.2	4.7				
– other (incl. financing from abroad, % of GDP)	22.1	15.0	16.1	18.3	21.5				
Interest expenses (profit/interest paid, %)	10.8	13.5	11.6	10.4	9.0				
12M default rate of households (average, %)	1.5	1.7	2.1	3.5	6.5			6.6	
Households (incl. sole traders except 12M default)									
Debt / gross disposable income (%)	34.0	40.3	48.1	52.1	54.3				
Debt / financial assets (%)	22.5	26.0	31.5	34.6	35.0				
Net financial assets (total financial assets – total liabilities, % of GDP)	...	...	51.9	50.1	56.8				
Debt / GDP (%)	17.3	20.3	24.9	28.1	30.7				
– loans from Czech banks to households (% of GDP)	10.7	15.3	18.9	21.9	24.8				
– loans from Czech non-bank financial corporations to households (% of GDP)	3.1	3.1	3.7	3.8	3.1				
– loans from Czech banks to sole traders (% of GDP)	0.9	1.1	1.1	1.2	1.2				
– loans from Czech non-bank financial corporations to sole traders (% of GDP)	0.4	0.4	0.5	0.4	0.4				
– other (incl. financing from abroad, % of GDP)	2.2	0.3	0.7	1.0	1.0				
Interest expenses / gross disposable income (%)	1.1	1.3	1.4	1.5	1.1				
12M default rate of households (average, %)	...	...	...	3.3	4.8			5.4	

* estimate for 2009 H1; only for family houses and apartments (around 74.4% of index)

SELECTED FINANCIAL STABILITY INDICATORS

Financial stability indicators									
	2005	2006	2007	2008	2009	2010			
						Jan.	Feb.	Mar.	Apr.
Financial sector									
Assets / GDP (%)	133.5	133.0	142.1	145.5	150.9				
Bank assets / GDP (%)	98.9	97.5	105.4	109.2	112.9				
Banking sector									
Share in financial sector assets (%)	74.1	73.3	74.2	75.0	77.2				
Client loans / bank assets (%)	39.5	45.2	48.4	50.8	50.3	49.8	50.0	49.6	
Client loans / client deposits (%)	60.8	67.7	73.8	79.1	75.5	74.7	74.6	73.7	
Growth in loans (% , end of period, year on year):									
total	16.7	19.9	26.4	16.4	1.3	0.1	0.1	0.4	
non-financial corporations	14.3	20.8	17.2	14.1	-7.8	-7.7	-7.7	-7.1	
– property loans	34.2	39.5	41.1	25.5	-5.9	0.7	0.0	1.3	
households	34.0	30.4	35.1	20.9	11.1	10.6	10.2	9.5	
– loans for house purchase	34.1	32.5	37.6	20.1	11.5	10.9	10.5	9.8	
– consumer loans	36.8	26.5	26.1	22.8	9.8	9.1	8.5	7.4	
sole traders	16.9	7.7	8.7	10.4	-1.4	-0.9	-1.1	-1.5	
Non-performing loans / total loans (%):									
non-financial corporations	5.1	4.4	3.1	4.2	7.8	8.0	8.1	8.3	
households	3.2	2.9	2.7	2.7	3.8	4.0	4.1	4.2	
– loans for house purchase	1.6	1.6	1.5	1.6	2.5	2.7	2.8	2.8	
– consumer loans	7.8	7.3	6.6	6.7	8.3	8.7	9.2	9.4	
sole traders	10.7	9.2	7.2	8.2	10.8	10.9	10.7	11.1	
Coverage of non-performing loans by provisions (%)	64.5	61.3	70.2	67.4	56.8	57.1	57.1	55.6	
Aggregate LTV for mortgage loans	42.6	41.2	45.9	46.3	56.6				
Banking sector external debt in % of banking sector liabilities	9.1	8.7	10.2	11.9	10.0				
Non-bank financial corporations									
Share in financial sector assets (%)	25.9	26.7	25.8	25.0	22.8				
Premiums written / GDP (%)	3.9	3.8	3.8	3.8	4.2				
Solvency of insurance companies: life insurance (%)	325	301	276	233	...				
Solvency of insurance companies: non-life insurance (%)	339	327	337	407	...				
Change in financial investment of insurance companies (%)	8.9	9.3	6.1	6.3	5.9				
Return on equity of insurance companies (%)	13.5	24.6	21.7	14.1	20.4				
Claim settlement costs / net technical provisions (life, %)	12.1	10.3	12.8	14.8	14.8				
Claim settlement costs / net technical provisions (non-life, %)	69.4	71.7	61.4	59.7	60.5				
Change in assets managed by pension funds (%)	20.9	18.2	14.6	14.7	8.4				
Return on equity of pension funds (%)	...	121.8	112.2	21.9	25.1				
Growth in loans from non-bank financial corporations engaged in lending (%):									
total	...	7.3	20.8	8.4	-15.8				
households	...	9.3	29.8	3.5	-18.0				
non-financial corporations	...	5.8	14.7	12.8	-13.8				
Composite indicators**									
Banking stability index (end of period)	0.65	0.36	0.17	0.17	0.16			0.29	
Creditworthiness index for non-financial corporations (end of year)	0.971	0.973	0.972	0.972	0.971				
Market liquidity index (average for period)	0.2	0.3	0.1	-0.4	-0.8	-0.5	-0.4	-0.3	-0.3

** see FSR 2007, FSR 2008/2009 and the main text of this report for the methodology and interpretation of the composite indicators