

Monetary Statistics

June
2005

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The information in Tables 3-12 are based on monetary statistics of CNB harmonized with monetary statistics of European System of Central Banks.

The data of Tables 3-12 are not seasonally adjusted and the last period data are always preliminary.

TABLE 1

Key interest rates

	CNB			ECB
	from 28 January 2005 onwards	from 1 April 2005 onwards	from 29 April 2005 onwards	from 6 June 2003 onwards
2W repo rate	2,25	2,00	1,75	2,00
Deposit facility	1,25	1,00	0,75	1,00
Marginal lending facility	3,25	3,00	2,75	3,00

TABLE 2

Financial markets interest rates

monthly average	2004 June		2005					
			April		May		June	
	CR	Euro	CR	Euro	CR	Euro	CR	Euro
Money market								
CZEONIA/ EONIA								
overnight	1,98	2,03	1,96	2,08	1,73	2,07	1,72	2,06
PRIBOR/ EURIBOR								
1 month	2,12	2,08	2,02	2,10	1,77	2,10	1,75	2,10
3 months	2,33	2,11	2,03	2,14	1,78	2,13	1,75	2,11
6 months	2,49	2,19	2,03	2,17	1,79	2,14	1,75	2,11
1 year	2,76	2,40	2,05	2,27	1,81	2,19	1,75	2,10
Capital market								
Bond yields								
3 years	3,02	3,06	2,21	2,55	1,99	2,41	1,85	2,25
5 years	4,24	3,60	2,72	2,89	2,47	2,74	2,29	2,58
10 years (Maastricht)	5,02	4,44	3,55	3,57	3,49	3,41	3,31	3,25

Interest rates

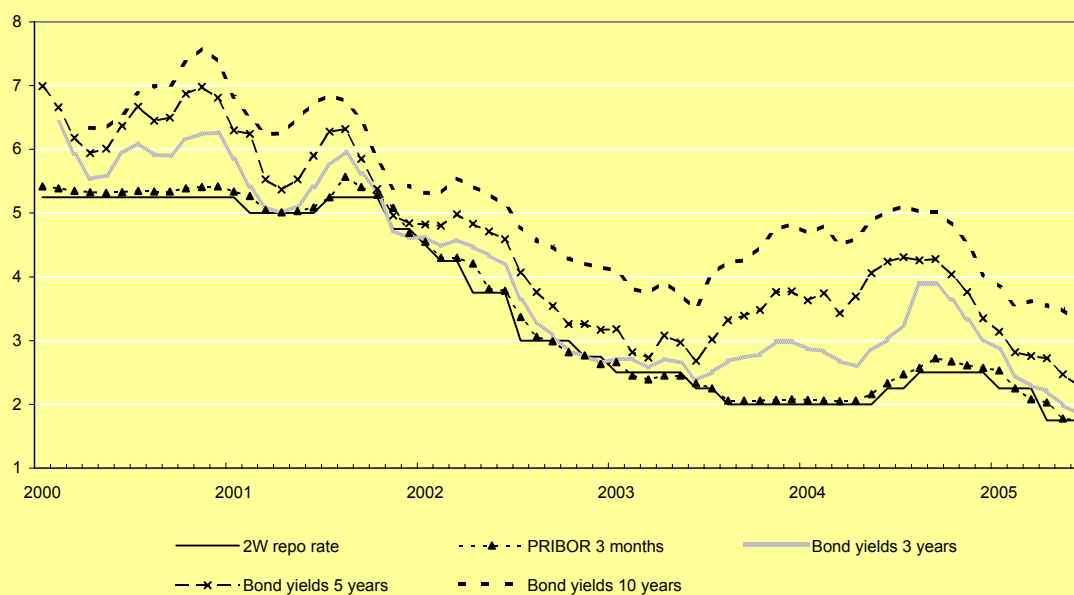


TABLE 3

Key monetary indicators

CZK billions, unless otherwise indicated	2004 June			2005								
	Outstanding amounts	Transa- ctions ⁴⁾	Annual growth rates (%)	April			May			June		
				Outstanding amounts	Transa- ctions ⁴⁾	Annual growth rates (%)	Outstanding amounts	Transa- ctions ⁴⁾	Annual growth rates (%)	Outstanding amounts	Transa- ctions ⁴⁾	Annual growth rates (%)
M1	1 015,1	9,3	15,4	1 041,3	3,6	7,4	1 082,3	40,2	8,1	1 076,6	-5,2	6,6
M3 ¹⁾	1 616,6	5,2	11,2	1 688,6	36,1	6,2	1 714,3	24,0	7,0	1 719,9	6,5	7,0
Loans to private sector ²⁾	826,2	9,2	13,1	936,4	9,9	17,3	951,0	14,7	17,8	977,6	27,9	19,9
Net foreign assets ³⁾	980,2	69,1	6,7	957,4	25,0	11,1	993,3	20,9	14,0	1 101,0	110,0	17,7

¹⁾ Monetary aggregates comprise monetary liabilities of MFIs vis-à-vis non-MFI Czech residents excluding central government. M1 is the sum of currency in circulation and overnight deposits; M2 is the sum of M1, deposits with an agreed maturity of up to two years and deposits redeemable at notice of up to three months; and M3 is the sum of M2, repurchase agreements, money market fund shares/units and debt securities up to two

²⁾ Including all sectors without general government (S.13) and MFIs sector (S.121 and S. 122).

³⁾ Net foreign assets (NFA) represent balance of financial claims and liabilities of the MFI sector vis-avis nonresidents

⁴⁾ Net value of flow data calculated by adjusting the difference between end-of-period levels for the effect of non-transactions-related factors.

Annual growth rates

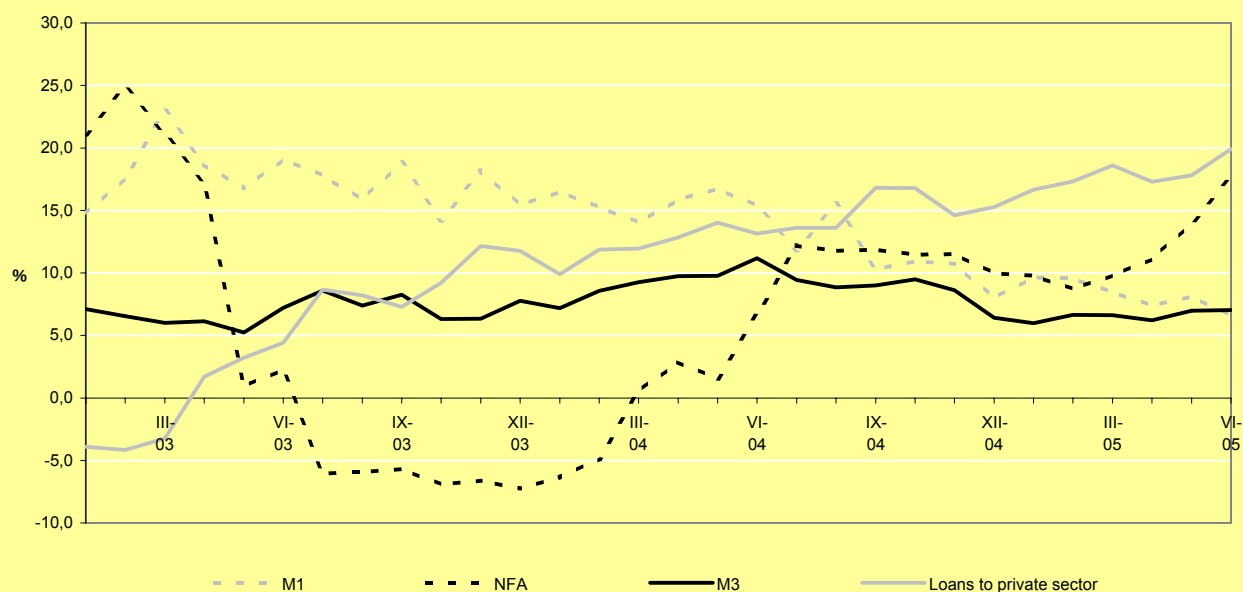


TABLE 4

Monetary aggregates and counterparts

CZK billions, unless otherwise indicated	2004 June			2005								
				April			May			June		
	Out- standing amounts	Transa- ctions ¹⁾	Annual growth rates (%)	Out- standing amounts	Transa- ctions ¹⁾	Annual growth rates (%)	Out- standing amounts	Transa- ctions ¹⁾	Annual growth rates (%)	Out- standing amounts	Transa- ctions ¹⁾	Annual growth rates (%)
COMPONENTS OF M3												
(1) M3 (= items 1.3, 1.6 and 1.11)	1 616,6	5,2	11,2	1 688,6	36,1	6,2	1 714,3	24,0	7,0	1 719,9	6,5	7,0
(1.1) Currency in circulation	234,9	6,1	9,2	245,9	3,1	8,2	248,8	2,8	8,7	253,2	4,5	7,8
(1.2) Overnight deposits	780,2	3,3	17,4	795,3	0,5	7,1	833,5	37,4	7,9	823,3	-9,7	6,2
(1.3) M1 (items 1.1 and 1.2)	1 015,1	9,3	15,4	1 041,3	3,6	7,4	1 082,3	40,2	8,1	1 076,6	-5,2	6,6
(1.4) Deposits with agreed maturity up to 2 years	457,9	-5,5	-0,3	475,5	29,4	-0,5	459,0	-17,3	0,1	469,0	10,4	3,6
(1.5) Deposits redeemable at notice up to 3 months	80,9	0,5	13,5	109,3	1,3	36,7	109,9	0,6	37,0	110,7	0,8	37,1
(1.6) Other short term deposits (items 1.4 and 1.5)	538,8	-5,0	1,5	584,8	30,7	4,8	569,0	-16,7	5,6	579,8	11,2	8,6
(1.7) M2 (items 1.3 and 1.6)	1 553,9	4,3	10,1	1 626,1	34,3	6,4	1 651,2	23,5	7,2	1 656,3	6,0	7,3
(1.8) Repurchase agreements	14,2	-1,4	102,9	9,6	1,9	-25,5	9,5	-0,1	-39,4	8,1	-1,4	-43,3
(1.9) Money market fund shares/units	48,4	2,3	-	52,6	0,0	12,2	52,6	0,0	12,3	55,1	2,6	12,2
(1.10) Debt securities issued with maturity up to 2 years	0,0	0,0	-	0,3	0,0	-	0,9	0,6	-	0,3	-0,6	-
(1.11) Marketable instruments (items 1.8, 1.9 and 1.10)	62,7	0,8	71,8	62,6	1,8	1,1	63,0	0,5	0,7	63,5	0,5	0,1
COUNTERPARTS OF M3												
MFI liabilities												
(2) Holdings deposits against central government	173,1	52,8	23,1	125,7	-34,6	-0,2	128,3	2,6	7,1	261,4	133,2	51,6
(3) Longer-term financial deposits against other residents (items 3.1 to 3.4)	595,3	-11,6	2,2	593,7	11,7	4,7	603,6	-3,9	5,5	605,4	3,8	8,2
(3.1) Deposits with agreed maturity over 2 years	240,7	0,5	23,8	255,6	13,7	6,4	255,0	-0,7	6,2	252,8	-2,2	5,1
(3.2) Deposits redeemable at notice over 3 months	99,3	-0,9	-12,4	90,8	-1,0	-10,4	89,8	-1,0	-10,4	89,0	-0,8	-10,4
(3.3) Debt securities issued with maturity over 2 years	35,0	-1,2	8,4	37,8	0,7	8,4	41,9	3,9	22,5	41,0	-0,9	24,1
(3.4) Capital and reserves	220,3	-10,1	-9,5	209,5	-1,7	9,8	216,9	-6,2	9,3	222,6	7,7	18,4
MFI assets												
(4) Credit to residents (items 4.1 and 4.2)	1 416,6	3,5	9,9	1 423,2	-1,3	2,3	1 431,3	7,7	1,8	1 473,5	43,0	4,6
(4.1) Credit to general government (items 4.1 and 4.2)	553,8	-2,0	5,1	456,8	-11,0	-17,7	450,3	-7,1	-19,5	464,7	13,9	-16,7
of which: Loans	157,8	-12,9	-9,4	111,6	-10,9	-33,6	107,4	-4,2	-36,9	110,3	2,9	-29,9
Securities other than shares	396,1	10,9	13,4	345,2	-0,1	-10,8	342,9	-2,9	-11,8	354,4	11,0	-11,5
(4.2) Credit to private sector	862,7	5,5	13,0	966,3	9,7	15,5	981,0	14,8	15,7	1 008,8	29,1	18,3
of which: Loans	826,2	9,2	13,1	936,4	9,9	17,3	951,0	14,7	17,8	977,6	27,9	19,9
Securities other than shares	25,7	-3,7	-0,7	18,5	-0,2	-31,6	18,7	0,2	-36,4	20,0	1,2	-22,7
Shares and other equities	10,9	-0,1	29,9	11,4	0,0	-0,7	11,3	-0,1	-1,5	11,3	-0,1	-1,3
(5) Net foreign assets	980,2	69,1	6,7	957,4	25,0	11,1	993,3	20,9	14,0	1 101,0	110,0	17,7
(6) Other counterparts of M3 (residual) (=M3+items 2.4 - items 4.5)	-11,8	-26,2	-41,6	27,5	-10,6	-11,6	21,6	-5,9	39,0	12,2	-9,4	-195,4

¹⁾ Net value of flow data calculated by adjusting the difference between end-of-period levels for the effect of non-transactions-related factors.

TABLE 5

Sector breakdown of components of M3¹⁾

CZK billions	2004		2005					
	June		April		May		June	
	Out-standing amounts	Transa-ctions ²⁾	Out-standing amounts	Transa-ctions ²⁾	Out-standing amounts	Transa-ctions ²⁾	Out-standing amounts	Transa-ctions ²⁾
(1) Overnight deposits	780,2	3,3	795,3	0,5	833,5	37,4	823,3	-9,7
(1.1) Other general government	69,5	0,4	75,8	12,3	74,6	-1,3	72,5	-2,1
(1.2) Other financial intermediaries ³⁾	17,4	1,9	13,4	-2,9	13,3	-0,1	14,8	1,6
(1.3) Insurance corporations and pension funds	12,1	-1,4	6,5	-12,2	16,9	10,4	7,6	-9,3
(1.4) Non-financial corporations	267,9	-4,4	263,1	-2,5	285,1	21,6	282,4	-2,3
(1.5) Households ⁴⁾	413,3	6,7	436,6	5,8	443,6	6,7	445,9	2,4
(2) M2 - M1 (other short- term deposits)	538,8	-5,0	584,8	30,7	569,0	-16,7	579,8	11,2
(2.1) Other general government	20,4	-0,8	23,4	2,2	18,1	-5,3	20,7	2,6
(2.2) Other financial intermediaries ³⁾	13,0	-4,7	12,7	3,0	12,7	0,0	12,1	-0,6
(2.3) Insurance corporations and pension funds	19,7	2,7	30,3	7,5	23,1	-7,1	32,5	9,4
Non-financial corporations	190,2	0,3	198,8	20,2	197,7	-1,5	199,5	2,0
(2.5) Households ⁴⁾	295,5	-2,6	319,6	-2,2	317,4	-2,8	315,0	-2,2
(3) Repurchase agreements (a part of M3 - M2)	14,2	-1,4	9,6	1,9	9,5	-0,1	8,1	-1,4
(3.1) Other general government	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
(3.2) Other financial intermediaries ³⁾	0,8	0,1	2,1	0,4	2,0	-0,1	1,3	-0,7
(3.3) Insurance corporations and pension funds	13,4	-1,6	7,4	1,4	7,3	-0,1	6,5	-0,8
(3.4) Non-financial corporations	0,0	0,0	0,2	0,0	0,2	0,0	0,3	0,1
(3.5) Households ⁴⁾	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0

TABLE 6

Loans to private sector

CZK billions	2004		2005					
	June		April		May		June	
	Out-standing amounts	Transa-ctions ²⁾	Out-standing amounts	Transa-ctions ²⁾	Out-standing amounts	Transa-ctions ²⁾	Out-standing amounts	Transa-ctions ²⁾
(1) Loans to non-financial corporations	442,3	1,0	486,2	1,0	489,3	3,2	502,4	14,2
(1.1) up to 1 year	183,9	-2,0	197,5	-1,2	194,8	-2,8	208,4	13,9
(1.2) over 1 year and up to 5 years	106,8	-0,2	123,7	0,5	127,2	3,7	129,5	2,6
(1.3) over 5 years	151,6	3,2	165,1	1,7	167,3	2,3	164,5	-2,3
(2) Loans to households⁴⁾	267,8	7,9	335,6	7,5	344,7	9,1	354,9	10,3
(2.1) Consumer credit	57,5	1,3	71,4	1,8	74,4	3,0	75,9	1,7
(2.2) Lending for house purchase	177,9	5,3	226,1	5,2	232,3	6,3	239,6	7,3
(2.3) Other lending	32,4	1,3	38,2	0,4	38,0	-0,2	39,3	1,4
(3) Loans to other financial intermediaries³⁾	113,1	1,3	112,9	1,9	113,2	0,3	115,8	2,7
(4) Loans to insurance corporations and pension funds	3,0	-0,9	1,7	-0,5	3,8	2,1	4,6	0,8

¹⁾ Table 5 doesn't include those components of M3 which can't be broken down by the sector so far, i.e. currency in circulation, money market fund shares/units and debt securities issued with maturity up to 2 years.

²⁾ Net value of flow data calculated by adjusting the difference between end-of-period levels for the effect of non-transactions-related factors.

³⁾ Including other financial intermediaries (S.123) without insurance corporations and pension funds (S.125) and financial auxiliaries

⁴⁾ Including households (S.14) and non-profit institutions serving households (S.15).

TABLE 7

Contributions to annual growth ¹⁾ of M3

	2004 June	2005		
		April	May	June
	% points	% points	% points	% points
M1	9,4	4,5	5,1	4,2
of which: Currency	1,4	1,2	1,2	1,1
Overnight deposits	8,1	3,3	3,8	3,0
M2 - M1 (= other short- term deposits)	0,6	1,7	1,9	2,9
M3 - M2 (= short-term marketable instruments)	1,2	0,0	0,0	0,0
M3	11,2	6,2	7,0	7,0

TABLE 8

Contributions to annual growth ¹⁾ of loans to private sector

	2004 June	2005		
		April	May	June
	% points	% points	% points	% points
Non-financial corporations	2,3	6,4	6,7	8,2
Households ²⁾	9,2	10,7	10,9	11,1
Other financial intermediaries ³⁾	1,2	0,4	0,2	0,4
Insurance corporations and pension funds	0,4	-0,2	0,0	0,2
Loans to private sector ⁴⁾	13,1	17,3	17,8	19,9

¹⁾ Contributions to growth are the growth rates of M3 / lending weighted by the share in total M3 / lending to private sector.

²⁾ Including households (S.14) and non-profit institutions serving households (S.15).

³⁾ Including other financial intermediaries (S.123) without insurance corporations and pension funds (S.125) and financial auxiliaries (S.124).

⁴⁾ Including all sectors without general government (S.13) and MFIs sector (S.121 and S. 122).

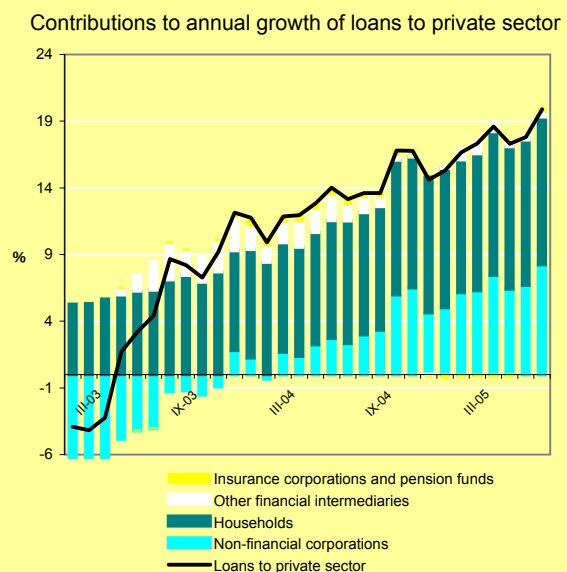
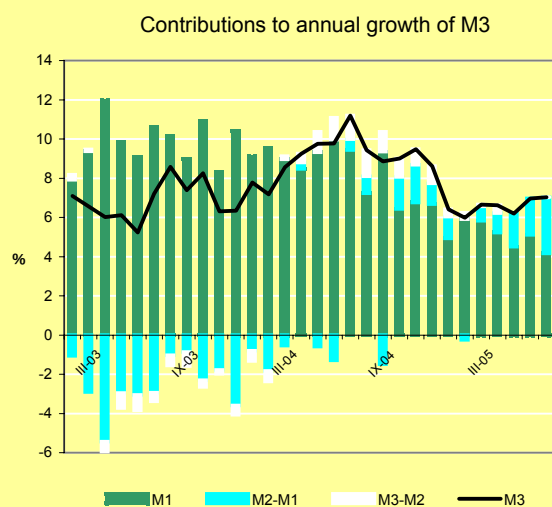
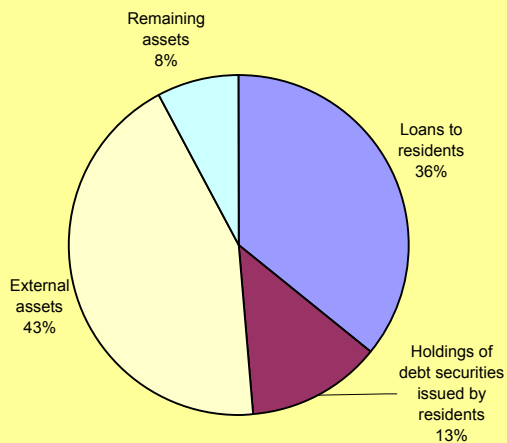


TABLE 9

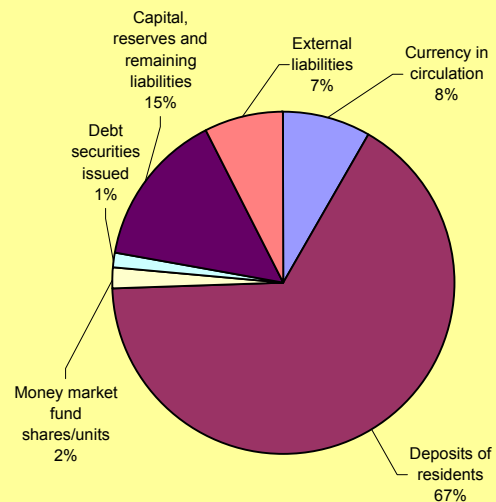
Balance sheets of MFIs by reporting institutions: June 2005

CZK billions	MFI			Consolidated balance sheet of MFIs
	CNB	Credit institutions	Money market fund	
(1) ASSETS TOTAL	848,2	2 838,2	74,7	3 037,9
(1.1) Loans to residents	43,8	1 654,7	12,6	1 087,9
MFI	0,1	610,5	12,6	-
General government	12,7	97,6	0,0	110,3
Other residents	31,0	946,6	0,0	977,6
(1.2) Holdings of securities other than shares issued by residents	0,0	412,1	21,9	374,4
MFI	0,0	58,7	0,9	-
General government	0,0	337,8	16,6	354,4
Other residents	0,0	15,5	4,4	20,0
(1.3) Money market fund shares/units	0,0	5,7	0,0	-
(1.4) Holdings of shares/other equity issued by residents	0,0	21,0	0,1	11,3
MFI	0,0	9,8	0,0	-
Other residents	0,0	11,2	0,1	11,3
(1.5) External assets	784,0	502,5	39,7	1 326,1
(1.6) Fixed assets	11,7	104,9	0,0	116,7
(1.7) Remaining assets	8,7	137,3	0,5	121,6
(2) LIABILITIES TOTAL	848,2	2 838,2	74,7	3 037,9
(2.1) Currency in circulation	278,1	-	-	253,2
(2.2) Deposits of residents	587,8	2 044,6	0,0	2 014,4
MFI	490,3	127,7	0,0	-
Central government	94,9	166,5	0,0	261,4
Other general government/other residents	2,5	1 750,5	0,0	1 753,0
(2.3) Money market fund shares/units	-	-	60,8	55,1
(2.4) Debt securities issued	0,0	100,9	0,0	41,3
(2.5) Capital and reserves	-65,8	285,7	12,5	222,6
(2.6) External liabilities	35,9	189,1	0,1	225,2
(2.7) Remaining liabilities	12,2	217,8	1,2	231,3
(2.8) Excess of inter MFI liabilities	-	-	-	-5,1

Consolidated balance sheet of MFIs - assets



Consolidated balance sheet of MFIs - liabilities



Comments on monetary developments statistics (Tables 3-9): June 2005

In June 2005, the annual rate of growth of M3 remained on the same level as in May (at 7%). The month-on-month rate of growth fell from 1.4% to 0.4%. As a result of financial transactions, the monetary aggregate M3 grew by CZK 113.1 billion year on year (by CZK 6.5 billion month on month) to CZK 1719.9 billion.

Main components of M3

With the largest contribution to M3 growth, the monetary aggregate M1 remains the most important component of M3. The share of M1 in the annual rate of growth of M3 (see Table 7) declined from almost three quarters in May to less than two thirds in June.

The annual rate of growth of M1 dropped from 8.1% in May 2005 to 6.6% in June 2005. The slowdown in M1 growth was due mainly to developments in overnight deposits. Their annual growth rate fell from 7.9% to 6.2% compared to the previous month, and their month-on-month growth rate decreased by 5.9 percentage points. Within overnight deposits, month-on-month declines were recorded in deposits by insurance corporations and pension funds (a decline of CZK 9.3 billion), deposits by non-financial corporations (a decline of CZK 2.3 billion) and deposits by other government (a decline of CZK 2.1 billion). By contrast, deposits by households and other financial intermediaries rose modestly.

Similarly, the annual growth rate of currency in circulation decreased from 8.7% in May to 7.8% in June. In month-on-month terms, however, currency in circulation grew by 1.8%, or CZK 4.5 billion.

Short-term deposits (excluding overnight deposits) rose by CZK 11.2 billion (i.e. by 2%) month on month due to financial transactions. In June 2005, the annual rate of growth of these deposits increased by 3 percentage points (to 8.6%) as against May. Deposits redeemable at notice of three months (the smaller component) have been recording sharp annual increases for a long time. Their annual growth rate in June was 37.1%. The annual rate of growth of deposits with a maturity of up to two years, which are the dominant component of short-term deposits, increased by 3.5 percentage points year on year to 3.6%. Marketable instruments, which consist of repos, money market fund shares/units and debt securities with a maturity of up to two years, grew slightly from CZK 63 billion in May to CZK 63.5 billion in June 2005, i.e. by 0.8%, due to financial transactions. Their annual rate of growth fell from 0.7% to 0.1%.

Main counterparts of M3

The annual rate of increase of credit granted to general government has fallen steadily over the last year, reaching -29.9% in June 2005. Government bonds purchased recorded a similar trend. Their annual rate of change has been negative in the last nine months, reaching -11.5% in June 2005. In absolute terms, total general government debt to MFIs fell from CZK 553.8 billion in June 2004 to CZK 464.7 billion in June 2005, of which credit decreased from CZK 157.8 billion to CZK 110.3 billion and MFIs' holdings of government securities dropped from CZK 396.1 billion to CZK 354.4 billion.

The annual rate of growth of credit granted to the private sector grew from 17.8% in May to 19.9% in June 2005. Households provide the largest contribution to the annual growth rate of credit to the private sector. Loans to households accounted for more than one half of total annual growth in credit to the private sector in June 2005 (see Table 8). The annual growth rates of loans to households have been high for a long time; in June 2005, the growth rate was 34.3%.

Non-financial corporations are another sector that contributes over four tenths to the annual rate of growth of credit to the private sector. Their annual rate of growth rose from 12.4% in May to 15.4% in June.

The annual growth rate of net external assets increased from 14% in May to 17.7% in June. The annual growth rate of longer-term financial liabilities grew from 5.5% to 8.2%. The annual rate of growth of deposits by central government picked up sharply from 7.1% to 51.6% due to the sale of Český Telecom.

¹⁾ All increases and decreases referred to in this commentary relate only to financial transactions adjusted for non-transaction effects.

TABLE 10

MFI interest rates on new business¹⁾

monthly average rates and sum	2004 June		2005					
	Interest rate (% p.a.)	Volume (mld. CZK)	Interest rate (% p.a.)	Volume (mld. CZK)	Interest rate (% p.a.)	Volume (mld. CZK)	Interest rate (% p.a.)	Volume (mld. CZK)
(1) Deposits from households²⁾	0,81	597,7	0,83	648,4	0,75	655,9	0,75	657,2
(1.1) Overnight	0,51	385,3	0,45	411,3	0,38	418,5	0,38	420,5
(1.2) With agreed maturity	1,33	38,7	1,35	45,3	1,13	46,3	1,12	45,1
of which: Up to 2 years	1,33	38,2	1,35	45,1	1,13	46,0	1,11	44,9
(1.3) Redeemable at notice ³⁾	1,36	176,5	1,53	194,8	1,45	194,3	1,46	194,6
(1.3.1) Up to 3 months' notice	1,76	77,6	2,09	104,3	2,03	104,8	2,05	106,0
(1.3.2) Over 3 months' notice	1,04	98,9	0,88	90,5	0,77	89,4	0,76	88,6
(2) Deposits from non-financial corp.⁴⁾	1,23	409,5	1,08	405,5	0,98	432,7	0,99	428,9
(2.1) Overnight	0,69	210,9	0,55	210,0	0,53	227,7	0,53	222,7
(2.2) With agreed maturity	1,82	195,8	1,67	192,6	1,48	201,9	1,49	203,0
of which: Up to 2 years	1,82	195,7	1,67	192,5	1,48	201,8	1,49	203,0
(3) Loans to households²⁾	10,91	26,4	11,23	32,1	10,88	34,5	10,76	34,9
(3.1) Bank overdraft ⁵⁾	14,51	13,7	14,97	17,4	15,20	17,1	15,00	17,9
(3.2) Consumer credit	14,95	2,5	11,90	4,3	11,23	5,2	13,58	3,2
(3.3) Lending for house purchase	5,01	8,7	4,54	9,1	4,49	10,6	4,44	11,9
of which: Mortgage lending	4,76	5,4	-	-	-	-	-	-
Saving for building purposes	5,49	3,3	4,90	3,7	4,97	4,4	5,11	4,6
(3.4) Other lending	5,63	1,6	5,91	1,3	5,74	1,6	5,49	1,8
(4) Loans to non-financial corporation	4,10	119,4	4,22	105,3	3,98	106,3	3,76	128,7
(4.1) Bank overdraft ⁵⁾	4,91	42,8	4,89	50,6	4,68	49,7	4,37	60,1
(4.2) Other loans up to CZK 30 million	4,75	16,4	4,82	16,5	4,61	16,5	4,27	18,1
of which: Up to 1 year initial rate fixation ⁶⁾	4,65	12,1	4,80	13,1	4,52	12,7	4,14	13,3
(4.3) Other loans over to CZK 30 million	3,35	60,2	3,07	38,2	2,85	40,2	2,85	50,5
of which: Up to 1 year initial rate fixation ⁶⁾	3,09	49,3	2,85	33,4	2,81	38,3	2,78	46,9
(5) APRC⁷⁾ on loans to households	7,81	11,1	7,81	13,5	7,61	15,8	6,83	15,1
(5.1) Consumer credit	16,64	2,5	13,70	4,3	13,20	5,2	14,73	3,2
(5.2) Lending for house purchase	5,29	8,7	5,01	9,1	4,84	10,6	4,70	11,9

¹⁾ The interest rates that are applied by resident credit institutions and other MFIs, excluding central banks and money market funds, to CZK-denominated deposits and loans vis-à-vis households and non-financial corporations resident in the Czech Republic. New business refers to any new agreement between the customer and the MFI within given period.

²⁾ Including households (S.14) and non-profit institutions serving households (S.15).

³⁾ Households deposits liabilities redeemable at notice include similar deposits of non-financial corporations of which volumes are negligible in this category

⁴⁾ Without deposit liabilities redeemable at notice included in item (1.3)

⁵⁾ Overdrafts, i.e. permitted or unpermitted debits

⁶⁾ The initial period of fixations is a predetermined period of time at the start of the contract during which the value of the interest rate cannot change. Period up to 1 year includes floating rates.

⁷⁾ Annual percentage rate of charge (APRC) covers total costs of the credit to the client including charges etc.

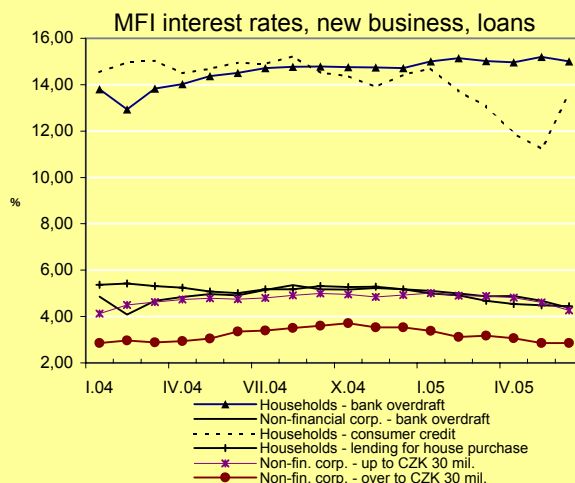
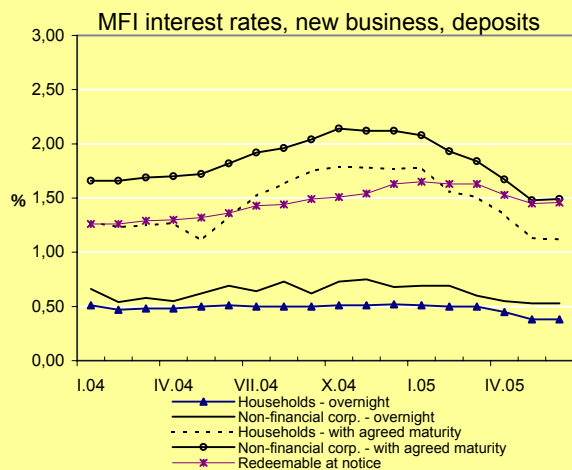


TABLE 11

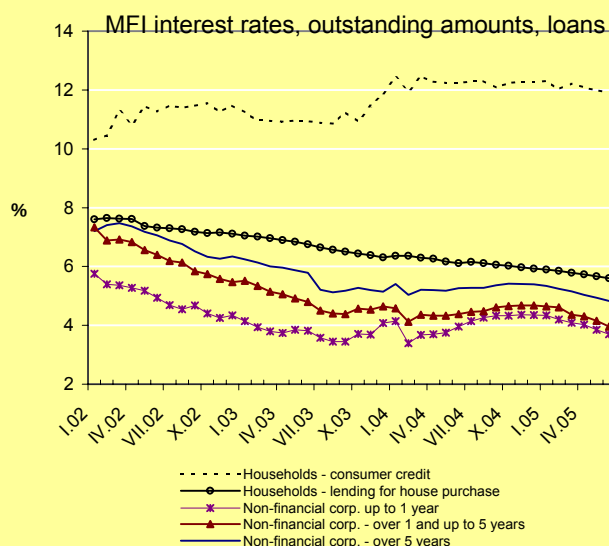
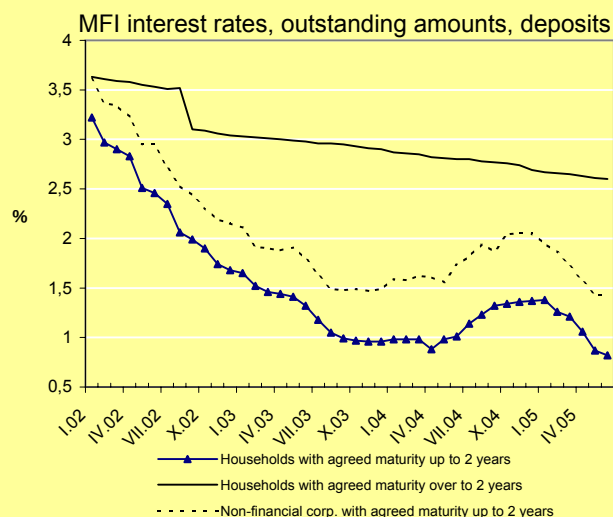
MFI interest rates on outstanding amounts¹⁾

outstanding amounts as end-of-month	2004 June		2005					
			April		May		June	
	Interest rate (% p.a.)	Volume (mld. CZK)	Interest rate (% p.a.)	Volume (mld. CZK)	Interest rate (% p.a.)	Volume (mld. CZK)	Interest rate (% p.a.)	Volume (mld. CZK)
(1) Deposits from households²⁾³⁾	1,31	965,6	1,28	1024,6	1,20	1028,0	1,19	1025,6
(1.1) With agreed maturity	2,04	405,9	1,99	420,4	1,91	417,2	1,88	412,4
(1.1.1) Up to 2 years	1,01	171,6	1,06	171,8	0,87	169,3	0,82	166,2
(1.1.2) Over 2 years	2,80	234,3	2,63	248,6	2,61	247,9	2,60	246,2
(2) Deposits from non-financial corp.³⁾	1,14	362,7	1,01	377,0	0,92	394,2	0,93	390,9
(2.2) With agreed maturity	1,75	151,8	1,59	166,9	1,46	166,3	1,46	168,0
(2.2.1) Up to 2 years	1,73	148,2	1,57	163,3	1,43	162,7	1,43	164,4
(2.2.2) Over 2 years	2,94	3,6	2,58	3,6	2,58	3,6	2,57	3,7
(3) Loans to households	8,07	266,7	7,71	334,3	7,64	343,3	7,56	353,4
Lending for house purchase	6,11	177,5	5,73	225,6	5,67	231,9	5,60	239,2
of which: Mortgage lending	6,21	95,7	-	-	-	-	-	-
Saving for building purposes	6,45	70,3	6,08	88,2	6,02	90,2	5,98	92,0
(3.2) Consumer credit and other lending	12,24	89,1	12,08	108,7	11,99	111,5	11,92	114,3
(4) Loans to non-financial corp.	4,45	354,4	4,40	391,0	4,26	394,8	4,09	411,1
(4.1) Up to 1 year	3,96	161,5	4,02	173,6	3,85	170,5	3,70	185,8
(4.2) Over 1 and up to 5 years	4,38	86,8	4,31	101,2	4,15	105,2	3,96	107,2
(4.3) Over 5 years	5,26	106,1	5,03	116,3	4,94	119,1	4,83	118,1

¹⁾ The interest rates that are applied by resident credit institutions and other MFIs, excluding central banks and money market funds, to CZK-denominated deposits and loans vis-à-vis households and non-financial corporations resident in the Czech Republic. Interest rates on outstanding amounts refer to the stock of all deposits and all loans at a specific moment.

²⁾ Including households (S.14) and non-profit institutions serving households (S.15).

³⁾ Including overnight deposits and deposits with agreed maturity presented in Table 10. For this instrument category, new business and outstanding amounts coincide.



Comments on MFI interest rates (Tables 10 and 11): June 2005

Interest Rates on New Business

Average interest rates on new deposits stabilised in June. Average rates on new loans to non-financial corporations continued to decline slightly, whereas developments in rates on loans to households differed depending on the purpose of the loan and the period of interest rate fixation.

Interest rates on new deposits remained almost unchanged compared to the previous month. The average interest rate was 0.38% on overnight deposits of households, 1.12% on deposits with an agreed maturity and 1.46% on deposits redeemable at notice. As regards deposits of non-financial corporations, the average rate was 0.53% on overnight deposits and 1.49% on deposits with an agreed maturity.

Average interest rates on new consumer credit to households increased for the first time after four months. Compared to the previous month, they rose by 2.35 percentage points to 13.58%. This rise was due mainly to loans with an interest rate fixation of up to one year, which are the most important component of consumer credit (they account for more than 60%). The rates on these loans grew by 2.48 percentage points (to 12.61%). Loans with an interest rate fixation of over five years also recorded moderate growth, whereas rates on loans with an interest rate fixation of over one and up to five years decreased slightly. Similar developments were also visible in June in housing loans to households, whose overall average rate, however, dropped to 4.44% (from 4.49% in May). As with consumer credit, the rates fixed for a period of up to one year increased (by 0.28 percentage point). However, rates fixed for longer periods, which are a more important component of housing loans in terms of volume, declined (e.g. by 1.6 percentage point for the most important fixation period of one to five years). The developments in average interest rates were also reflected in the annual percentage rates of charge, which rose in June by 1.53 percentage point for consumer credit and declined by 0.14 percentage point for housing loans.

Interest rates on new loans to non-financial corporations fell slightly in June for loans up to CZK 30 million (a decline of 0.34 percentage point to 4.27%) and remained unchanged on average for loans over CZK 30 million (at 2.85%).

Interest Rates on Outstanding Amounts

Average interest rates charged by banks on the stock of loans again recorded a moderate decrease in June; the decline in rates on the stock of deposits almost came to a halt.

In June, average interest rates on deposits with an agreed maturity dropped by 0.03 percentage point (to 1.88%) for households and remained at the average of 1.46% for non-financial corporations.

Average rates charged by banks on housing loans to households declined by 0.07 percentage point (to 5.60%) and the same decline was recorded in consumer credit and other loans, which stood at 11.92% in June. There was a reduction of 0.17 percentage point (to 4.09%) on average in rates charged by banks on loans to non-financial corporations.

Comments on the quarterly aggregated balance sheet of collective investment funds (Table 12): March 2005

Total assets of collective investment funds increased slightly, to CZK 53.07 billion in 2005 Q1 from CZK 51.7 billion in 2004 Q4.

The asset side of the balance sheet reveals that debt securities, which rose by CZK 0.7 billion, accounted for the largest part of the increase. Shares, which rose by a modest CZK 0.27 billion, and units, whose rate of increase was even lower at CZK 0.077 billion, also contributed to the increase in total assets. A small increase was also recorded for other assets, which grew by CZK 0.18 billion.

The chart on total assets broken down by asset items in 2005 Q1 shows that debt securities were the largest group with 57% of total assets, and shares were second with 25%. These groups were followed by deposits with 12% and collective investment fund units with 5%. Other assets represented only 1%.

It is apparent from the chart on total assets by fund type in 2005 Q1 that bond funds were the largest group with 45%, mixed funds a close second with 41%, whereas equity funds and funds of funds were less important with 14%.

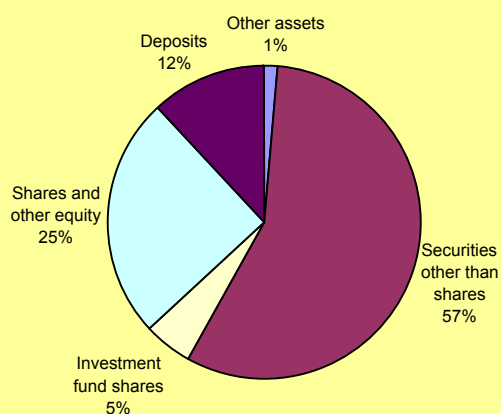
TABLE 12

Quarterly aggregated balance sheet of investment funds¹⁾

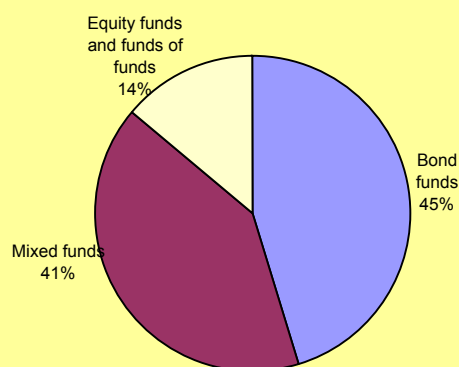
CZK billions; end of period	2004	2005			
	December	March	June	September	December
ASSETS					
Total	51,7	53,0			
(1.1) Deposits	6,1	6,3			
(1.2) Securities other than shares	29,4	30,1			
by sector of issuer: MFI	0,7	0,7			
General government	16,8	15,7			
Other residents	2,7	2,3			
Non-residents	9,2	11,4			
with a maturity of : up to 1 year	0,9	0,9			
over 1 year	28,5	29,3			
(1.3) Shares and other equity	13,0	13,3			
by sector of issuer: MFI	0,4	0,4			
Other residents	2,8	2,6			
Non-residents	9,8	10,3			
(1.4) Investment fund shares	2,6	2,7			
by sector of issuer: Residents	0,2	0,2			
Non-residents	2,4	2,5			
(5) Other assets	0,5	0,7			
LIABILITIES					
Total	51,7	53,0			
(2.1) Loans accepted	0,0	0,0			
(2.2) Investment fund shares	44,9	44,5			
held by: Residents	44,7	44,4			
Non-residents	0,2	0,2			
(2.3) Capital and reserves	6,4	7,4			
(2.4) Other liabilities	0,3	1,1			
BALANCE SHEET TOTAL - BREAKDOWN BY INVESTMENT POLICY					
TOTAL	51,7	53,0			
Equity funds and funds of funds	6,3	7,4			
Bond funds	23,1	24,0			
Mixed funds	22,3	21,6			

¹⁾ Investment Funds (IFs) represent Mutual Funds other than Money Market Funds and Incorporated Investment Funds which are residents in the Czech Republic.

Balance sheet total - breakdown by asset item



Balance sheet total - breakdown by investment policy



Glossary

Harmonisation of statistics: the Treaty establishing the European Community tasked the European Central Bank (ECB) with ensuring harmonised statistics according to Article 5 of the Statute of the European System of Central Banks. The national central banks of EC Member States therefore collect statistical information according to a uniform definition, from which the ECB then compiles aggregate data for euro area monetary policy. Although Council Regulation No 2533/98, which specifies the requirements for statistical data collection, only concerns euro area countries, the ECB also receives full data sets from the non-participating countries (e.g. the Czech Republic) in order to monitor their economic and financial development.

Monetary statistics: financial macrostatistics of sectors S.121, S.122 and S.123 based exclusively on the "host country" principle. According to this principle, a resident reporting unit is an institution resident in a given economic territory. The reporting population includes 1) institutions incorporated and located in the territory, including subsidiaries of parent companies located outside that territory, and 2) branches of institutions that have their head office outside that territory.

APRC: annual percentage rate of charge, i.e. the rate including interest expenses and all related costs of the credit to the client (fees etc.).

Collective investment funds: for the purposes of monetary and banking statistics, collective investment funds comprise unit trusts and investment funds other than money market funds which are resident in the Czech Republic. These are undertakings the sole object of which is collective investment, i.e. pooling investor funds and investing them under conditions stipulated in the Act on Collective Investment (No. 189/2004 Coll.). Such undertakings may be constituted under the Act either as unit trust managed by an investment company or as investment funds.

Consolidated balance sheet of the MFI sector: the basic statistical tool of monetary statistics. It is based on the residency principle and is obtained by netting out inter-MFI positions on their aggregated balance sheet.

Consumer credit: loans granted to households for personal use in the consumption of goods and services.

Contribution to annual growth rate: the growth rate of a selected component weighted by its share in the total growth rate.

Deposits redeemable at notice: deposits that can be withdrawn by clients only after the expiry of a period of notice agreed in advance, which starts at the moment of notification of the intention to withdraw the deposit.

Deposits with agreed maturity: deposits than cannot be withdrawn by clients before a predefined maturity.

Growth rate: the percentage change in the monitored variable over the reference period, calculated from the volumes of monthly financial transactions and the outstanding amounts at the beginning of each month.

Household sector: institutional units included in the sectors of households (S.14) and non-profit institutions serving households (S.15) under ESA 95.

Housing loans: Loans granted to households for the purpose of purchasing/investing in housing, including building and home improvements.

Interest rate fixation: a period of interest rate fixation, i.e. a period at the beginning of a contract for which the agreed interest rate cannot be changed. Period up to 1 year includes floating rates.

MFI longer-term financial liabilities: comprise deposits with an agreed maturity of over two years, deposits redeemable at a period of notice of over three months, debt securities issued with an original maturity of more than two years and the capital and reserves of the Czech MFI sector.

Monetary aggregates: comprise the monetary liabilities of monetary financial institutions to non-MFI Czech residents except central government. The narrow monetary aggregate M1 includes currency in circulation (excluding cash at banks' cash desks) and overnight deposits. The intermediate monetary aggregate M2 comprises M1, deposits redeemable at a period of notice of up to and including three months and deposits with a maturity of up to and including two years. The broad monetary aggregate M3 comprises M2, money market fund shares/units, debt securities with a maturity of up to two years and repurchase agreements.

Glossary (cont'd)

Monetary financial institutions (MFIs): financial institutions forming the money-issuing sector. Under Community law, these include the central bank, resident credit institutions, and all other resident financial institutions whose business is to receive deposits and/or close substitutes for deposits from entities other than MFIs and, for their own account (at least in economic terms), to grant credit and/or invest in securities. In the Czech Republic, MFIs include the central bank, banks, money market funds and credit unions.

Money-holding sector: all institutional units except central government (S.1311) and monetary financial institutions (S.121 and S.122) under ESA 95.

Money-issuing sector: all institutional units included in the sectors of the central bank (S.121) and other monetary financial institutions (S.122) under ESA 95.

Money-neutral sector: an institutional sector comprising the central government sector (S.1311) under ESA 95.

Money market funds: MMFs are defined as those collective investment funds of which the units are, in terms of liquidity, close substitutes for deposits and which primarily invest in money market instruments and/or in MMF shares/units and/or in other transferable debt instruments with a residual maturity of up to and including one year, and/or in bank deposits, and/or which pursue a rate of return that approaches the interest rates of money market instruments. The criteria applied in order to identify MMFs shall be derived from the public prospectus as well as fund rules, instruments of incorporation, established statutes or by-laws, subscription documents or investment contracts, marketing documents, or any other statement with similar effects, of the collective investment undertaking.

Net external assets: comprise external assets of Czech MFIs (such as monetary gold, non-koruna banknotes, securities issued by non-residents and loans granted to non-residents) minus external liabilities of the Czech MFI sector (such as non-residents' holdings of deposits, repurchase agreements, money market fund shares and units, and debt securities with a maturity of up to and including two years issued by MFIs and held by non-residents).

Non-MFIs: all resident sectors excluding MFIs, i.e. general government (S.13), non-financial corporations (S.11), financial institutions other than MFIs (S.123 and S.124) and households and non-profit institutions serving households (S.14 and S.15) under ESA 95.

Other financial intermediaries (OFIs): entities included in the sectors of other financial intermediaries except insurance corporations and pension funds (S. 123), financial auxiliaries (S.124) and insurance corporations and pensions funds (S.125) under ESA 95.

Private sector: a sector comprising all institutional sectors except general government (S.13) and monetary financial institutions (S.121 and S.122) under ESA 95.

Rates on new business: interest rates agreed by the bank and the client for all agreements negotiated during the reference period.

Rates on outstanding amounts: interest rates applied to end-of-period balances.

Reclassifications: comprise any changes in the MFI balance sheet resulting from changes in the reporting population, corporate restructuring, reclassifications of assets and liabilities, and corrections of reported errors.

Residents: all domestic and foreign legal entities and natural persons, including branches of foreign banks and foreign owners of buildings and land, whose centre of economic interest is in the given territory. Foreign legal entities and natural persons are considered residents after at least one year of economic activity in the territory, with the exception of foreign bank branches and owners of buildings and land, who become residents at the moment they perform a valid legal act (in the case of foreign owners of buildings and land, this only applies in connection with transactions relating to the building or land in question).

Transaction (flow) data: values related to the whole period which are calculated as the difference between the balances at the end of the current and the previous period adjusted for non-transaction effects, i.e. effects connected with reclassifications, valuation changes and exchange rate variations over the period. These factors result in breaks in time series, thereby affecting the comparability of end-of-period balances. Transaction (flow) data only reflect those changes that arise from transactions, i.e. from accepting financial assets or providing

Glossary (cont'd)

Unit trusts other than money market funds:

1. *equity funds and funds of funds* – funds that constantly invest 66% or more of their assets on the equity market (i.e. in shares and instruments bearing equity risk) and/or funds that constantly invest 66% or more of their assets in the units and shares of other unit trusts/investment funds. Equity funds also include index funds and guaranteed funds linked to stock indices.
2. *bond funds* – funds that constantly invest on the bond market. Additional investment in equities is allowed, but the share of equities must not exceed 10% of the fund's assets. Bond funds also include index funds and guaranteed funds linked to bond indices.
3. *mixed funds* – funds that invest in various assets (equities and bonds) on various markets and do not have limits on the share of equities or bonds.

Technical Notes

A. Calculation of growth rates

The growth rate for the reference period is calculated from the volumes of monthly financial transactions and the outstanding amounts at the beginning of each month. Monthly transactions are calculated from differences in outstanding amounts adjusted for reclassifications, other revaluations, exchange rate variations and other changes which do not arise from transactions. This data thus reflects only those changes that arise from accepting financial assets or providing financial liabilities. Reclassifications and other non-transaction corrections are introduced into the transaction statistics to preserve the comparability of the gradual monitoring results, thereby enabling calculation of the indices of expected outstanding balances of the monitored variables and determination of their growth rates.

Method of calculation

1. The month-on-month percentage change a_t^M for month t is calculated as:

$$(a) \quad a_t^M = \left(\frac{F_t^M}{L_{t-1}} \right) \times 100$$

2. The annual growth rate for month t , i.e. the change for the last 12 months ending with month t , is calculated as the product of the twelve coefficients for each previous month. The calculation of the annual growth rate from the month-on-month growth rates thus enables transaction changes and non-transaction effects in the individual months to be taken into account.

$$(b) \quad a_t = \left[\prod_{i=0}^{11} \left(1 + \frac{F_{t-i}^M}{L_{t-1-i}} \right) - 1 \right] \times 100$$

where

F_t^M - transactions in month t

$F_t^M = (L_t - L_{t-1}) - C_t^M - E_t^M - V_t^M$

and

L_t - outstanding amount at the end of month t

C_t^M - reclassifications in month t

E_t^M - exchange rate variations in month t

V_t^M - valuation changes in month t

Growth rates for other reference periods are derived from formula (b).

B. Calculation of the contribution to the annual growth rate of a monitored variable (e.g. M3)

If $a_t(M3)$ represents the annual growth rate of M3 for the year ending with month t , and $F_{t-i}(M1)$, $F_{t-i}(M2-M1)$, $F_{t-i}(M3-M2)$ are the monthly transactions of the components M1, M2-M1 and M3-M2 in month $t-i$, the contribution of M1 to the annual growth rate of M3, for example, is calculated as:

$$\frac{\sum_{i=0}^{11} F_{t-i}(M1)}{\sum_{i=0}^{11} [F_{t-i}(M1) + F_{t-i}(M2-M1) + F_{t-i}(M3-M2)]} \times a_t(M3)$$