

Monetary Statistics

July
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 July		2005					
			May		June		July	
	CR	Euro	CR	Euro	CR	Euro	CR	Euro
Money market								
CZEONIA/ EONIA								
overnight	2,19	2,04	1,73	2,07	1,72	2,06	1,72	2,07
PRIBOR/ EURIBOR								
1 month	2,29	2,08	1,77	2,10	1,75	2,10	1,76	2,11
3 months	2,47	2,12	1,78	2,13	1,75	2,11	1,78	2,12
6 months	2,66	2,19	1,79	2,14	1,75	2,11	1,80	2,14
1 year	2,99	2,36	1,81	2,19	1,75	2,10	1,82	2,17
Capital market								
Bond yields								
3 years	3,25	2,97	1,99	2,41	1,85	2,25	1,95	2,34
5 years	4,31	3,49	2,47	2,74	2,29	2,58	2,36	2,66
10 years (Maastricht)	5,11	4,34	3,49	3,41	3,31	3,25	3,35	3,32

Interest rates

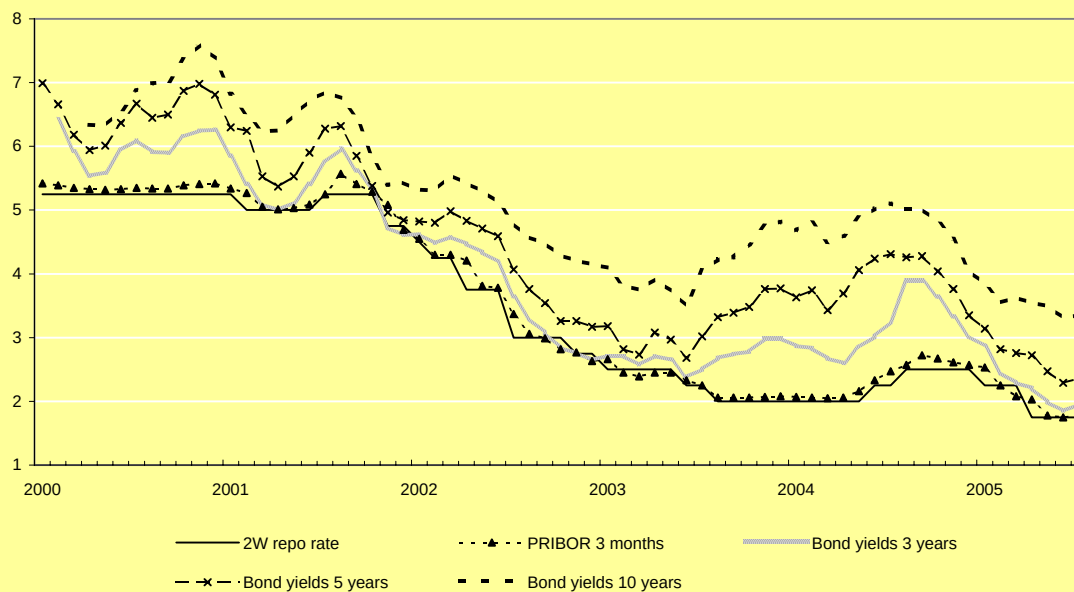


TABLE 3

Key monetary indicators

CZK billions, unless otherwise indicated	2004 July			2005								
				May			June			July		
	Outstanding amounts	Transa- ctions ⁴⁾	Annual growth rates (%)	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	1 009,5	-5,6	11,8	1 082,3	40,2	8,1	1 076,5	-5,3	6,6	1 092,3	15,6	8,7
M3 ¹⁾	1 632,4	15,6	9,4	1 714,3	24,0	7,0	1 720,0	6,6	7,0	1 734,4	13,9	6,9
Loans to private sector ²⁾	832,0	8,8	13,6	951,0	14,7	17,8	977,7	28,1	19,9	985,2	7,4	19,5
Net foreign assets ³⁾	962,1	-16,3	12,2	993,3	20,9	14,0	1 101,0	110,0	17,7	1 100,6	-2,0	19,4

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

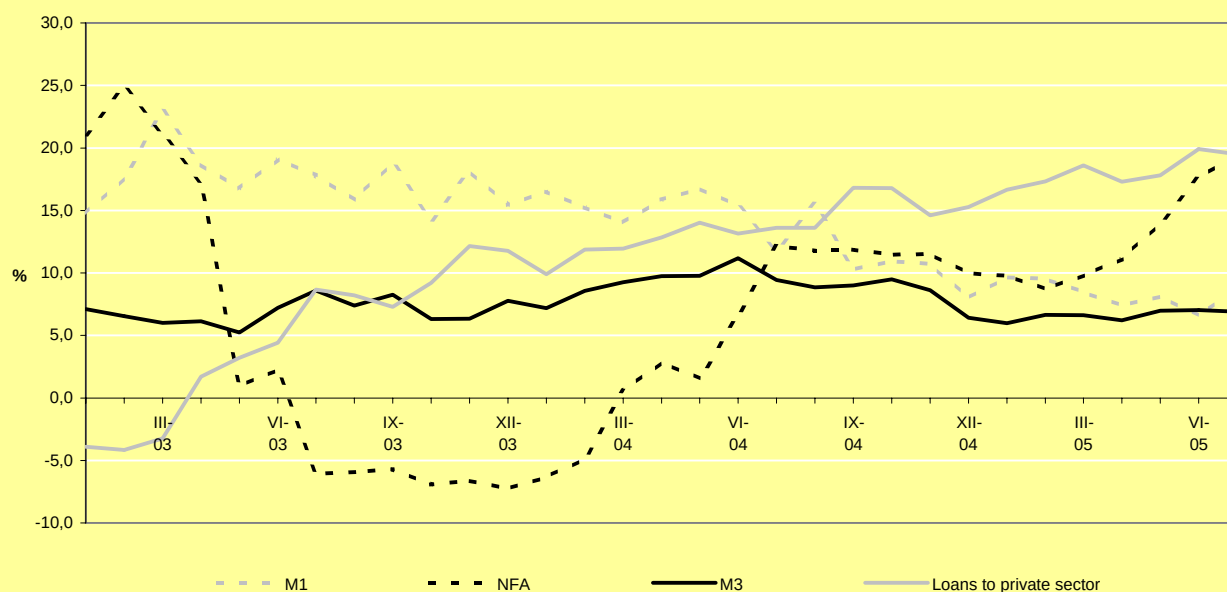


TABLE 4

Monetary aggregates and counterparts

CZK billions, unless otherwise indicated	2004 July			2005								
				May			June			July		
	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)	1 632,4	15,6	9,4	1 714,3	24,0	7,0	1 720,0	6,6	7,0	1 734,4	13,9	6,9
(1.1) Currency in circulation	233,2	-1,8	7,9	248,8	2,8	8,7	253,2	4,4	7,8	253,0	-0,2	8,5
(1.2) Overnight deposits	776,4	-3,8	13,1	833,5	37,4	7,9	823,3	-9,8	6,2	839,3	15,8	8,8
(1.3) M1 (items 1.1 and 1.2)	1 009,5	-5,6	11,8	1 082,3	40,2	8,1	1 076,5	-5,3	6,6	1 092,3	15,6	8,7
(1.4) Deposits with agreed maturity up to 2 years	475,9	17,9	0,6	459,0	-17,3	0,1	469,2	10,6	3,6	467,4	-2,1	-0,7
(1.5) Deposits redeemable at notice up to 3 months	81,4	0,5	14,6	109,9	0,6	37,0	110,8	0,8	37,2	111,5	0,7	37,1
(1.6) Other short term deposits (items 1.4 and 1.5)	557,4	18,5	2,4	569,0	-16,7	5,6	580,0	11,4	8,7	578,9	-1,4	4,8
(1.7) M2 (items 1.3 and 1.6)	1 566,9	12,8	8,3	1 651,2	23,5	7,2	1 656,5	6,1	7,3	1 671,2	14,2	7,3
(1.8) Repurchase agreements	17,1	2,8	136,2	9,5	-0,1	-39,4	8,1	-1,4	-43,3	9,2	1,1	-46,1
(1.9) Money market fund shares/units	48,4	0,0	-	52,6	0,0	12,3	55,1	2,6	12,2	53,7	-1,4	9,3
(1.10) Debt securities issued with maturity up to 2 years	0,0	0,0	-	0,9	0,6	-	0,3	-0,6	-	0,3	0,0	-
(1.11) Marketable instruments (items 1.8,1.9 and 1.10)	65,5	2,8	74,5	63,0	0,5	0,7	63,5	0,5	0,1	63,2	-0,3	-4,7
COUNTERPARTS OF M3												
MFI liabilities												
(2) Holdings deposits against central government	176,8	3,7	27,5	128,3	2,6	7,1	261,4	133,2	51,6	260,3	-1,3	47,7
(3) Longer-term financial deposits against other residents (items 3.1 to 3.4)	602,5	9,3	5,1	603,6	-3,9	5,5	605,7	4,1	8,3	614,7	8,6	8,2
(3.1) Deposits with agreed maturity over 2 years	241,5	0,8	22,7	255,0	-0,7	6,2	252,9	-2,1	5,1	252,5	-0,4	4,6
(3.2) Deposits redeemable at notice over 3 months	98,5	-0,8	-12,2	89,8	-1,0	-10,4	89,0	-0,8	-10,4	88,2	-0,8	-10,5
(3.3) Debt securities issued with maturity over 2 years	36,4	1,5	13,3	41,9	3,9	22,5	41,2	-0,6	24,8	43,9	2,3	26,6
(3.4) Capital and reserves	226,1	7,8	-3,0	216,9	-6,2	9,3	222,6	7,7	18,4	230,0	7,4	18,2
MFI assets												
(4) Credit to residents (items 4.1 and 4.2)	1 412,0	-1,7	8,4	1 431,3	7,7	1,8	1 473,9	43,3	4,6	1 474,4	1,2	4,8
(4.1) Credit to general government (items 4.1 and 4.2)	543,6	-10,4	1,1	450,3	-7,1	-19,5	464,7	13,9	-16,7	459,0	-5,0	-16,0
of which: Loans	152,1	-5,7	-15,0	107,4	-4,2	-36,9	110,3	2,9	-29,9	108,0	-2,3	-28,8
Securities other than shares	391,5	-4,7	10,6	342,9	-2,9	-11,8	354,4	11,0	-11,5	350,9	-2,8	-11,1
(4.2) Credit to private sector	868,4	8,6	13,2	981,0	14,8	15,7	1 009,2	29,4	18,4	1 015,5	6,2	17,9
of which: Loans	832,0	8,8	13,6	951,0	14,7	17,8	977,7	28,1	19,9	985,2	7,4	19,5
Securities other than shares	25,6	-0,1	-8,0	18,7	0,2	-36,4	20,2	1,4	-21,8	18,8	-1,4	-26,7
Shares and other equities	10,8	-0,1	28,4	11,3	-0,1	-1,5	11,3	-0,1	-1,3	11,5	0,2	1,1
(5) Net foreign assets	962,1	-16,3	12,2	993,3	20,9	14,0	1 101,0	110,0	17,7	1 100,6	-2,0	19,4
(6) Other counterparts of M3 (residual) (=M3+items 2,4 - items 4,5)	37,6	46,7	-15,3	21,6	-5,9	39,0	12,3	-9,3	-196,5	34,3	22,0	-9,1

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					
	July		May		June		July	
	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	776,4	-3,8	833,5	37,4	823,3	-9,8	839,3	15,8
(1.1) Other general government	76,0	6,5	74,6	-1,3	72,5	-2,1	88,2	15,7
(1.2) Other financial intermediaries ³⁾	14,0	-3,4	13,3	-0,1	14,8	1,6	14,3	-0,6
(1.3) Insurance corporations and pension funds	7,6	-4,5	16,9	10,4	7,6	-9,3	5,8	-1,8
(1.4) Non-financial corporations	263,4	-4,5	285,1	21,6	282,2	-2,5	280,2	-2,3
(1.5) Households ⁴⁾	415,3	2,0	443,6	6,7	446,0	2,5	450,9	4,7
(2) M2 - M1 (other short- term deposits)	557,4	18,5	569,0	-16,7	580,0	11,4	578,9	-1,4
(2.1) Other general government	26,3	5,8	18,1	-5,3	20,7	2,6	24,2	3,6
(2.2) Other financial intermediaries ³⁾	14,6	1,6	12,7	0,0	12,1	-0,6	15,1	3,0
(2.3) Insurance corporations and pension funds	22,4	2,8	23,1	-7,1	32,5	9,4	34,7	2,2
Non-financial corporations	196,6	6,4	197,7	-1,5	199,7	2,1	190,4	-9,3
(2.5) Households ⁴⁾	297,4	1,8	317,4	-2,8	315,1	-2,1	314,3	-0,8
(3) Repurchase agreements (a part of M3 - M2)	17,1	2,8	9,5	-0,1	8,1	-1,4	9,2	1,1
(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⁾	0,7	-0,1	2,0	-0,1	1,3	-0,7	0,7	-0,5
(3.3) Insurance corporations and pension funds	16,3	2,9	7,3	-0,1	6,5	-0,8	8,2	1,7
(3.4) Non-financial corporations	0,0	0,0	0,2	0,0	0,3	0,1	0,2	0,0
(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					
	July		May		June		July	
	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	446,9	4,8	489,3	3,2	502,4	14,2	504,1	1,4
(1.1) up to 1 year	182,7	-1,1	194,8	-2,8	208,3	13,9	208,3	-0,1
(1.2) over 1 year and up to 5 years	109,0	2,3	127,2	3,7	129,6	2,6	124,8	-4,9
(1.3) over 5 years	155,2	3,7	167,3	2,3	164,5	-2,3	170,9	6,3
(2) Loans to households⁴⁾	271,6	6,5	344,7	9,1	355,0	10,4	361,6	6,8
(2.1) Consumer credit	58,6	1,2	74,4	3,0	76,0	1,7	76,5	0,7
(2.2) Lending for house purchase	180,1	4,9	232,3	6,3	239,7	7,4	245,0	5,4
(2.3) Other lending	32,9	0,5	38,0	-0,2	39,4	1,4	40,1	0,7
(3) Loans to other financial intermediaries³⁾	110,8	-2,3	113,2	0,3	115,8	2,7	114,9	-0,9
(4) Loans to insurance corporations and pension funds	2,7	-0,3	3,8	2,1	4,6	0,8	4,7	0,1

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 growth¹⁾ of M3

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

TABLE 8

Contributions to annual growth¹⁾ of loans to private sector

	2004 July	2005		
		May	June	July
	% points	% points	% points	% points
Non-financial corporations	3,0	6,7	8,2	7,7
Households ²⁾	9,2	10,9	11,1	11,0
Other financial intermediaries ³⁾	1,2	0,2	0,4	0,5
Insurance corporations and pension funds	0,3	0,0	0,2	0,2
Loans to private sector ⁴⁾	13,6	17,8	19,9	19,5

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).

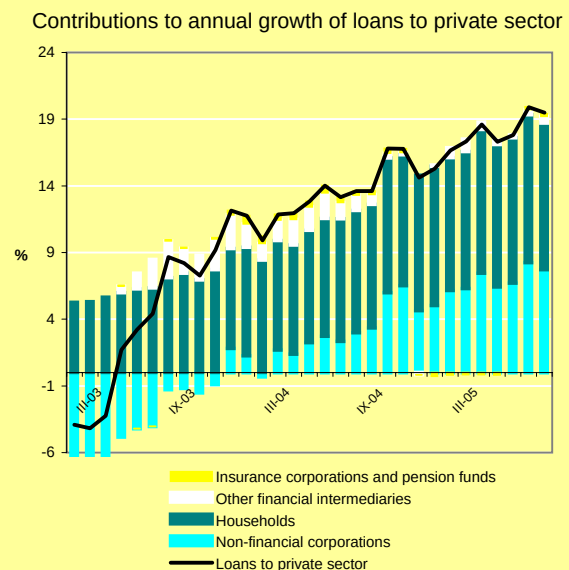
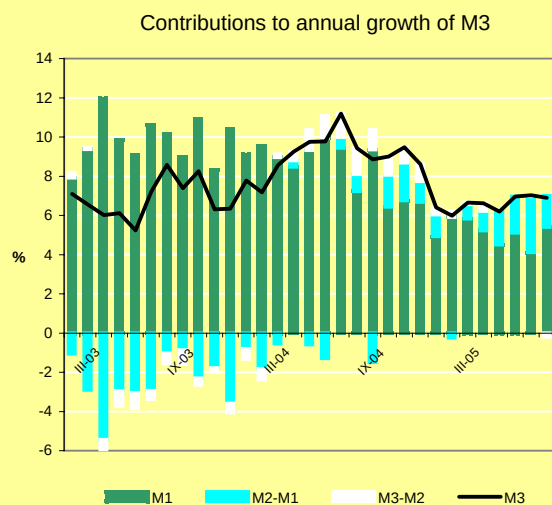
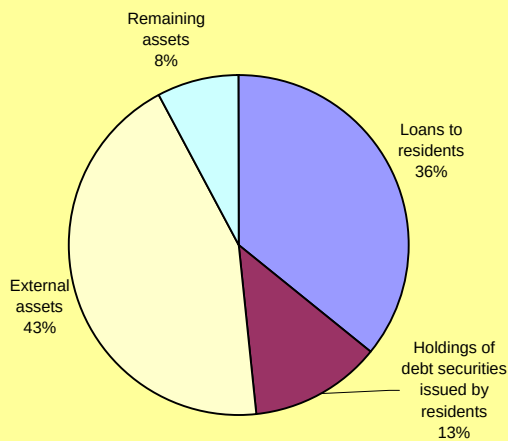


TABLE 9

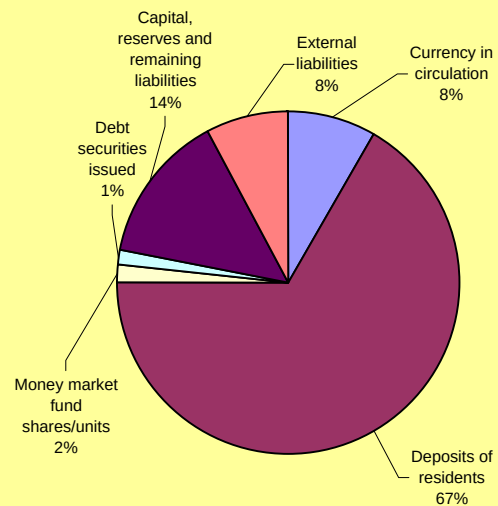
Balance sheets of MFIs by reporting institutions: July 2005

CZK billions	MFI			Consolidated balance sheet of MFIs
	CNB	Credit institutions	Money market fund	
(1) ASSETS TOTAL	855,5	2 831,4	74,7	3 044,1
(1.1) Loans to residents	43,6	1 651,3	12,6	1 093,3
MFI	0,1	601,5	12,6	-
General government	12,5	95,6	0,0	108,0
Other residents	31,0	954,2	0,0	985,2
(1.2) Holdings of securities other than shares issued by residents	0,0	408,0	21,9	369,7
MFI	0,0	59,3	0,9	-
General government	0,0	334,4	16,6	350,9
Other residents	0,0	14,4	4,4	18,8
(1.3) Money market fund shares/units	0,0	7,1	0,0	-
(1.4) Holdings of shares/other equity issued by residents	0,0	21,2	0,1	11,5
MFI	0,0	9,8	0,0	-
Other residents	0,0	11,4	0,1	11,5
(1.5) External assets	787,2	509,2	39,7	1 336,0
(1.6) Fixed assets	11,8	105,2	0,0	116,9
(1.7) Remaining assets	13,0	129,4	0,5	116,7
(2) LIABILITIES TOTAL	855,5	2 831,4	74,7	3 044,1
(2.1) Currency in circulation	279,2	-	-	253,0
(2.2) Deposits of residents	584,1	2 056,1	0,0	2 028,4
MFI	490,6	121,2	0,0	-
Central government	91,0	169,3	0,0	260,3
Other general government/other residents	2,5	1 765,6	0,0	1 768,1
(2.3) Money market fund shares/units	-	-	60,8	53,7
(2.4) Debt securities issued	0,0	104,5	0,0	44,2
(2.5) Capital and reserves	-61,9	289,2	12,5	230,0
(2.6) External liabilities	43,2	192,1	0,1	235,4
(2.7) Remaining liabilities	11,0	189,5	1,2	201,8
(2.8) Excess of inter MFI liabilities	-	-	-	-2,4

Consolidated balance sheet of MFIs - assets



Consolidated balance sheet of MFIs - liabilities



Comments on monetary statistics ¹⁾ (Tables 3–9): July 2005

The annual rate of growth of M3 fell slightly to 6.9% in July 2005 (from 7% in June). Conversely, its month-on-month rate of growth rose from 0.4% to 0.8%. As a result of financial transactions, the monetary aggregate M3 grew by CZK 111.5 billion year on year (and by CZK 13.9 billion month on month) to CZK 1,734.4 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 annual M3 growth (see Table 7) increased from less than two thirds in June to more than three quarters in July.

The annual rate of growth of M1 rose from 6.6% in June to 8.7% in July. The pick-up in M1 growth was due mainly to overnight deposits. Their annual growth rate increased from 6.2% to 8.8% compared to the previous month, and their month-on-month growth rate rose by 3.1 percentage points. Within overnight deposits, month-on-month growth was recorded by deposits of other government (excluding central government; a rise of 21.7%, or CZK 15.7 billion, due to financial transactions) and household deposits (a rise of 1.1%, or CZK 4.7 billion, due to financial transactions). By contrast, deposits of insurance corporations, pension funds, other financial intermediaries and non-financial corporations recorded month-on-month declines.

Similarly, the annual growth rate of currency in circulation increased from 7.8% in June to 8.5% in July. In month on-month terms, however, currency in circulation fell by 0.1%, or CZK 0.2 billion.

Short-term deposits (excluding overnight deposits) dropped slightly by CZK 1.4 billion (i.e. 0.2%) month on month, due to financial transactions. The annual rate of growth of these deposits decreased by 3.9 percentage points to 4.8% in July (from 8.7% in June). Deposits redeemable at notice of up to three months (the smaller component) have been recording sharp annual increases for a long time. Their annual growth rate in July 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, fell by 4.3 percentage points month on month. Marketable instruments, which consist of repos, money market fund shares/units and debt securities with a maturity of up to two years, declined slightly by CZK 0.3 billion to CZK 63.2 billion, due to financial transactions.

Main counterparts of M3

The annual rate of increase of credit granted to general government has fallen steadily over the last five quarters, reaching -28.8% in July. Government bonds purchased recorded a similar trend. Their annual rate of change has been negative in the last ten months, reaching -11.1% in July 2005. In absolute terms, total general government debt to MFIs fell from CZK 543.6 billion in July 2004 to CZK 459 billion in July 2005, of which credit decreased from CZK 152.1 billion to CZK 108 billion and MFIs' holdings of government securities dropped from CZK 391.5 billion to CZK 350.9 billion.

The annual rate of growth of credit granted to the private sector fell from 19.9% in June to 19.5% in July 2005. Households provide the largest contribution to the annual growth rate of credit to the private sector. In July, loans to households accounted for almost two thirds of total annual growth in credit to the private sector (see Table 8). The annual growth rates of loans to households have been high for a long time; in July 2005, the growth rate was 33.6%.

Non-financial corporations account for almost four tenths of the annual rate of growth of credit to the private sector. Their annual rate of growth fell from 15.4% to 14.5%.

The annual growth rate of net external assets increased from 17.7% in June to 19.4% in July. The annual rate of increase of longer-term financial liabilities remained almost unchanged compared to the previous month (a decrease of 0.1% to 8.2%). The annual growth rate of deposits from central government declined from 51.6% to 47.7%.

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		2005					
	July		May		June		July	
	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⁾	0,83	601,6	0,75	655,9	0,75	657,2	0,75	659,9
(1.1) Overnight	0,50	387,2	0,38	418,5	0,38	420,5	0,38	425,0
(1.2) With agreed maturity	1,52	41,2	1,13	46,3	1,12	45,1	1,12	43,3
of which: Up to 2 years	1,52	41,0	1,13	46,0	1,11	44,9	1,12	43,2
(1.3) Redeemable at notice ³⁾	1,43	176,1	1,45	194,3	1,46	194,6	1,47	194,5
(1.3.1) Up to 3 months' notice	1,83	78,1	2,03	104,8	2,05	106,0	2,06	106,8
(1.3.2) Over 3 months' notice	1,10	98,0	0,77	89,4	0,76	88,6	0,75	87,8
(2) Deposits from non-financial corp.⁴⁾	1,24	392,6	0,98	432,7	0,99	428,9	0,95	402,2
(2.1) Overnight	0,64	206,4	0,53	227,7	0,53	222,7	0,52	221,2
(2.2) With agreed maturity	1,92	183,2	1,48	201,9	1,49	203,0	1,48	178,0
of which: Up to 2 years	1,92	183,1	1,48	201,8	1,49	203,0	1,48	178,0
(3) Loans to households²⁾	11,35	25,8	10,88	34,5	10,76	34,9	11,48	31,1
(3.1) Bank overdraft ⁵⁾	14,72	14,3	15,20	17,1	15,00	17,9	15,20	18,0
(3.2) Consumer credit	14,90	2,2	11,23	5,2	13,58	3,2	13,44	2,7
(3.3) Lending for house purchase	5,17	7,5	4,49	10,6	4,44	11,9	4,41	9,1
of which: Mortgage lending	4,98	4,8	-	-	-	-	-	-
Saving for building purposes	5,45	2,8	4,97	4,4	5,11	4,6	5,09	3,5
(3.4) Other lending	5,72	1,7	5,74	1,6	5,49	1,8	5,70	1,3
(4) Loans to non-financial corporation	4,28	105,7	3,98	106,3	3,76	128,7	3,69	118,1
(4.1) Bank overdraft ⁵⁾	5,15	41,9	4,68	49,7	4,37	60,1	4,45	55,4
(4.2) Other loans up to CZK 30 million	4,80	14,2	4,61	16,5	4,27	18,1	4,31	14,8
of which: Up to 1 year initial rate fixation ⁶⁾	4,48	10,8	4,52	12,7	4,14	13,3	4,30	10,7
(4.3) Other loans over to CZK 30 million	3,40	49,6	2,85	40,2	2,85	50,5	2,63	47,9
of which: Up to 1 year initial rate fixation ⁶⁾	3,31	42,1	2,81	38,3	2,78	46,9	2,58	41,9
(5) APRC⁷⁾ on loans to households	8,06	9,8	7,61	15,8	6,83	15,1	6,87	11,8
(5.1) Consumer credit	16,66	2,2	13,20	5,2	14,73	3,2	14,57	2,7
(5.2) Lending for house purchase	5,51	7,5	4,84	10,6	4,70	11,9	4,62	9,1

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. 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.

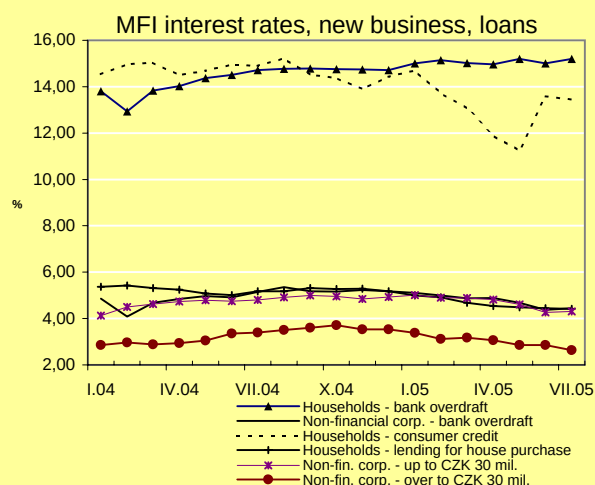
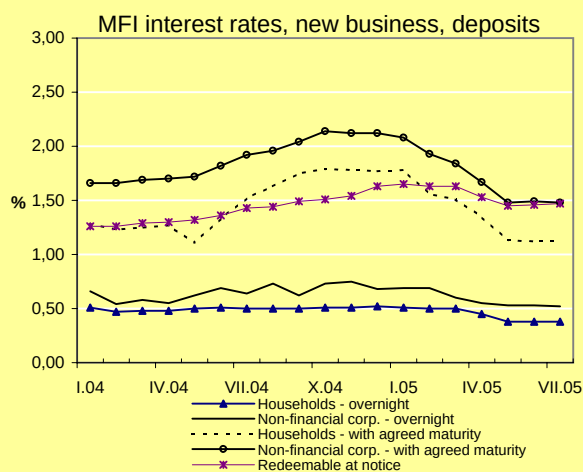


TABLE 11

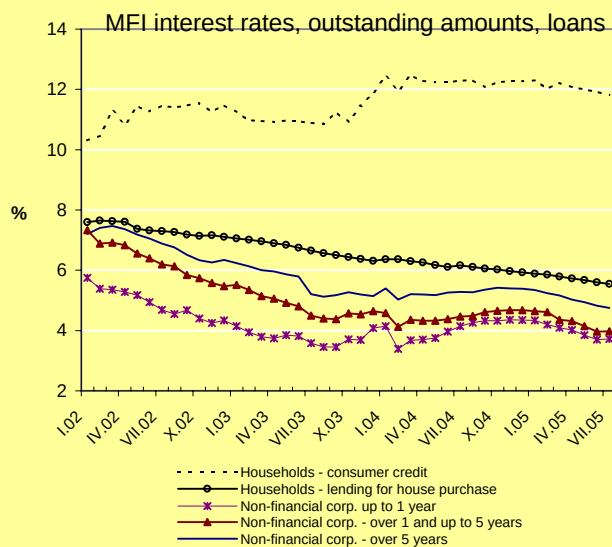
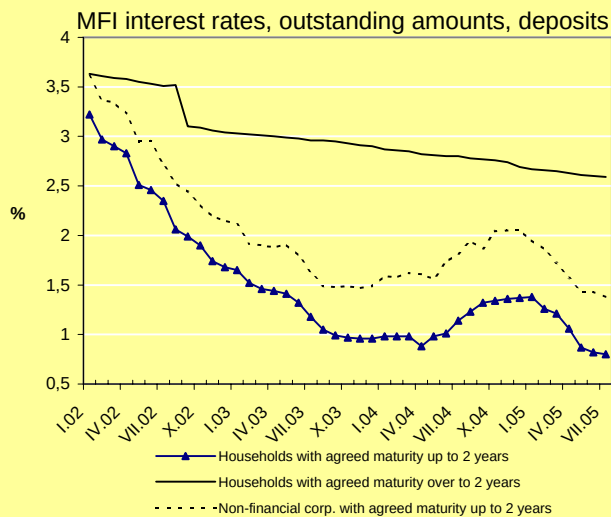
MFI interest rates on outstanding amounts¹⁾

outstanding amounts as end-of-month	2004 July		2005					
			May		June		July	
	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⁾	1,34	968,8	1,20	1028,0	1,19	1025,9	1,18	1027,9
(1.1) With agreed maturity	2,10	407,6	1,91	417,2	1,88	412,5	1,87	410,1
(1.1.1) Up to 2 years	1,14	172,6	0,87	169,3	0,82	166,3	0,80	164,5
(1.1.2) Over 2 years	2,80	235,0	2,61	247,9	2,60	246,3	2,59	245,6
(2) Deposits from non-financial corp.³⁾	1,16	360,5	0,92	394,2	0,93	390,9	0,89	376,0
(2.2) With agreed maturity	1,85	154,0	1,46	166,3	1,46	168,0	1,41	154,7
(2.2.1) Up to 2 years	1,82	150,4	1,43	162,7	1,43	164,4	1,38	151,0
(2.2.2) Over 2 years	2,97	3,6	2,58	3,6	2,57	3,7	2,56	3,7
(3) Loans to households	8,13	270,5	7,64	343,3	7,56	353,6	7,48	360,2
Lending for house purchase	6,16	179,7	5,67	231,9	5,60	239,2	5,55	244,6
of which: Mortgage lending	6,14	99,1	-	-	-	-	-	-
Saving for building purposes	6,42	71,8	6,02	90,2	5,98	92,0	5,95	91,2
(3.2) Consumer credit and other lending	12,29	90,7	11,99	111,5	11,92	114,3	11,81	115,6
(4) Loans to non-financial corp.	4,57	359,6	4,26	394,8	4,09	411,1	4,09	411,9
(4.1) Up to 1 year	4,14	161,7	3,85	170,5	3,70	185,8	3,72	185,7
(4.2) Over 1 and up to 5 years	4,46	88,9	4,15	105,2	3,96	107,2	3,98	103,5
(4.3) Over 5 years	5,28	109,0	4,94	119,1	4,83	118,1	4,75	122,7

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): July 2005

Interest rates on new business

In July, average interest rates on new deposits remained at the same level as in June. The interest rate was 0.38% on overnight deposits of households, 1.12% on deposits with agreed maturity and 1.47% on deposits redeemable at notice. As regards deposits of non-financial corporations, the average rate was 0.52% on overnight deposits and 1.48% on deposits with agreed maturity.

In July, developments in average interest rates on new loans to households and non-financial corporations differed depending on the type of credit product. Growth was recorded in rates on bank overdrafts for both households (a rise of 0.2 percentage point to 15.20%) and non-financial corporations (an increase of 0.08 percentage point to 4.45%). Moderate growth was also recorded in rates on loans to households for other purposes, i.e. purposes other than consumption and housing (up by 0.21 percentage point to 5.70%), and in rates on loans to non-financial corporations of up to CZK 30 million (up by 0.04 percentage point to 4.31%). Conversely, rates on loans to households for consumption and housing decreased (by 0.14 percentage point to 13.44% and by 0.03 percentage point to 4.41% respectively). Average rates on new loans to non-financial corporations of over CZK 30 million declined (by 0.22 percentage point to 2.63%).

The decline also passed through to the average annual percentage rate of charge for loans to households for consumption and housing, which fell rather more significantly due to a moderate decrease in fees (by 0.16 percentage point to 14.57% and by 0.08 percentage point to 4.62% respectively).

Interest rates on outstanding amounts

In July, average interest rates on outstanding amounts of deposits remained broadly unchanged or dropped moderately compared to the previous month. The average rate on deposits with agreed maturity was flat at 1.87% for households and decreased slightly by 0.05 percentage point to 1.41% for non-financial corporations.

On average, rates on outstanding amounts of loans to households recorded a moderate decline in July. Developments in rates on outstanding amounts of loans to non-financial corporations depended on the maturity of the loan. Housing loans to households recorded a decrease in interest rates of 0.05 percentage point (to 5.55%), while interest rates on loans for consumption and other purposes fell by 0.11 percentage point (to 11.81%). Average rates on loans to non-financial corporations with maturities of up to and including one year as well as over one year and up to and including five years increased by 0.02 percentage point (to 3.72% and 3.98% respectively). By contrast, average rates on loans to non-financial corporations with maturities over five years dropped by 0.08 percentage point (to 4.75%).

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%.

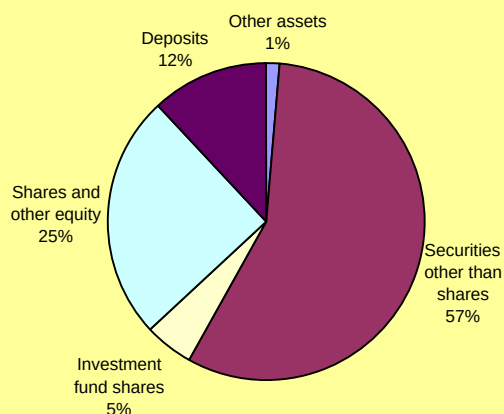
TABLE 12

Quarterly aggregated balance sheet of investment funds¹⁾

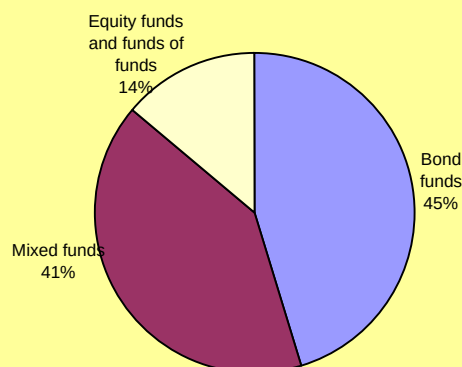
CZK billions; end of period	2004	2005			
	December	March	June	September	December
ASSETS					
Total	51,7	53,0			
(1.1) Deposits	6,1	6,3			
(1.2) Securities other than shares	29,4	30,1			
MFI	0,7	0,7			
General government	16,8	15,7			
Other residents	2,7	2,3			
Non-residents	9,2	11,4			
Up to 1 year	0,9	0,9			
Over 1 year	28,5	29,3			
(1.3) Shares and other equity	13,0	13,3			
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			
Residents	0,2	0,2			
Non-residents	2,4	2,5			
(1.5) 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			
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:

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