

Monetary Statistics

January
2006

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TABLE 1

Key interest rates

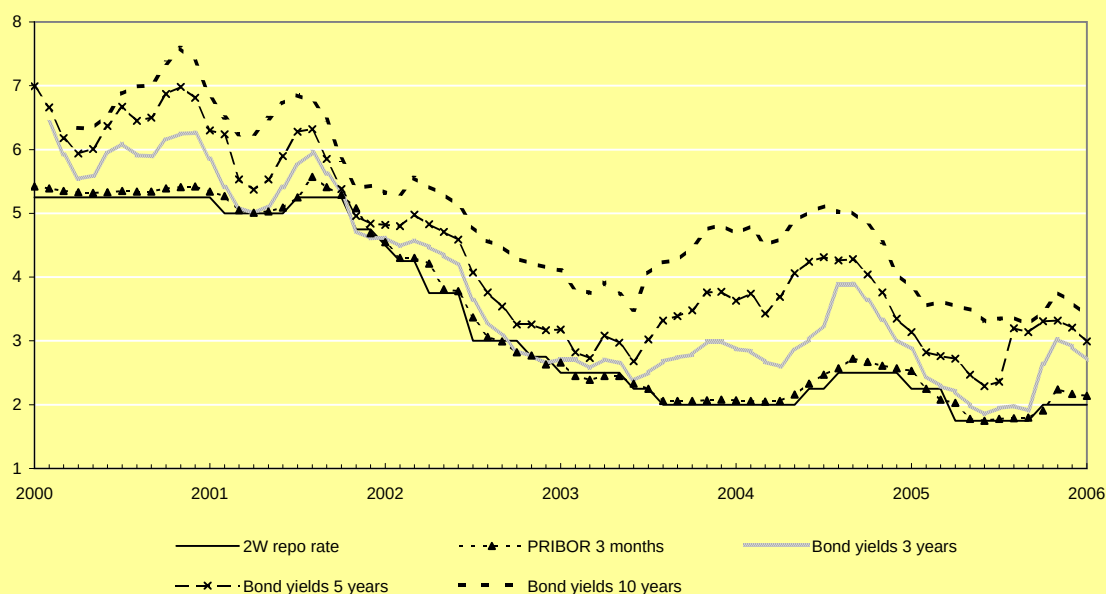
	CNB			ECB
	from 1 April 2005 onwards	from 29 April 2005 onwards	from 31 October 2005 onwards	from 6 December 2005 onwards
2W repo rate	2,00	1,75	2,00	2,25
Deposit facility	1,00	0,75	1,00	1,25
Marginal lending facility	3,00	2,75	3,00	3,25

TABLE 2

Financial markets interest rates

monthly average	2005						2006	
	January		November		December		January	
	CR	Euro	CR	Euro	CR	Euro	CR	Euro
Money market								
CZEONIA/ EONIA								
overnight	2,45	2,08	1,95	2,09	1,97	2,28	1,96	2,33
PRIBOR/ EURIBOR								
1 month	2,50	2,11	2,08	2,22	2,05	2,41	2,05	2,39
3 months	2,53	2,15	2,24	2,36	2,17	2,47	2,14	2,51
6 months	2,61	2,19	2,40	2,50	2,33	2,60	2,23	2,65
1 year	2,72	2,31	2,61	2,69	2,53	2,79	2,40	2,83
Capital market								
Bond yields								
3 years	2,87	2,57	3,02	2,86	2,91	2,88	2,70	2,94
5 years	3,14	2,92	3,32	3,10	3,21	3,07	2,99	3,10
10 years (Maastricht)	3,84	3,63	3,76	3,53	3,61	3,41	3,39	3,39

Interest rates



Comments about Basic Interest Rates (Table 1) and Interest Rates of Financial Markets (Table 2): January 2006

Basic Interest Rates

ECB and CNB basic interest rates remained unchanged at levels from previous months. CNB 2T repo rate stands at 2.00% and continues to be lower by 0.25 of a percentage point compared with ECB basic rate.

Interest Rates of Financial Markets

Rate development on the money market copied a trend from previous month; in the CR interest rates kept falling slightly, whereas in the euro area they continued rising slowly (only 1-month EURIBOR is an exception, as it saw a minor decrease by two hundredths of a percentage point). The difference between money market rates in both regions thus even deepened in December (most significantly in 1-year PRIBOR and EURIBOR, where the difference reached 0.43 of a percentage point). 1-month PRIBOR remained at 2.05% and 1-month EURIBOR reached 2.39%.

Interest rates on the Czech capital market saw a decrease in December as well, by 0.2 of a percentage point in bond yields with all monitored maturities. In the euro area bond yields with a maturity of 3 and 5 years saw a very slight increase (up to 0.06 of a percentage point), however for 10-year maturity a small decrease was recorded. After a period of several months bond yields in the CR were lower than in the euro area; the greatest difference was reached by yields of bonds with a 3-year maturity, which fell to 2.70% in the CR and which rose to 2.94% in the euro area.

TABLE 3

Key monetary indicators

CZK billions, unless otherwise indicated	2005									2006		
	January			November			December			January		
	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	1 032,8	6,4	9,7	1 161,8	24,8	11,3	1 162,6	0,7	13,4	1 188,9	29,0	15,5
M3 ¹⁾	1 625,1	-10,3	6,0	1 799,6	33,9	9,4	1 814,5	14,5	11,1	1 838,4	28,7	13,6
Loans to private sector ²⁾	895,5	6,8	16,6	1 056,2	14,7	19,9	1 067,4	11,4	20,7	1 076,4	8,7	20,8
Net foreign assets ³⁾	874,5	5,3	9,8	1 066,5	-11,0	19,6	1 076,4	9,0	24,3	1 061,2	14,9	25,3

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

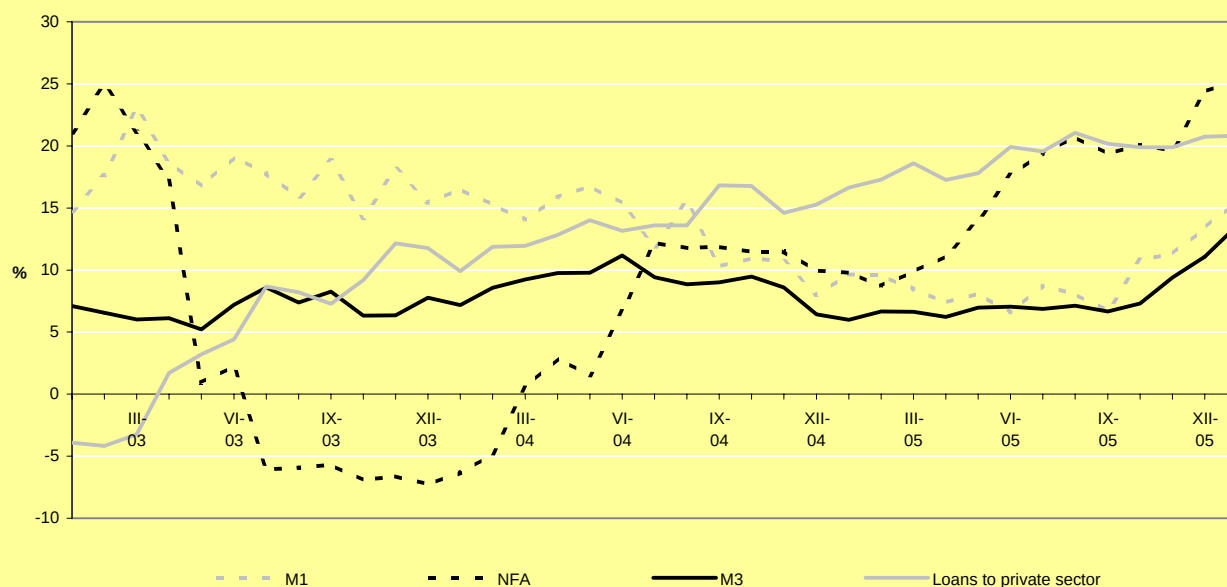


TABLE 4

Monetary aggregates and counterparts

CZK billions, unless otherwise indicated	2005									2006		
	January			November			December			January		
	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)	1 625,1	-10,3	6,0	1 799,6	33,9	9,4	1 814,5	14,5	11,1	1 838,4	28,7	13,6
(1.1) Currency in circulation	237,8	1,0	7,2	262,7	4,1	10,2	263,8	1,1	11,4	261,8	-1,9	10,2
(1.2) Overnight deposits	795,0	5,4	10,4	899,1	20,6	11,6	898,8	-0,4	14,0	927,0	30,8	17,1
(1.3) M1 (items 1.1 and 1.2)	1 032,8	6,4	9,7	1 161,8	24,8	11,3	1 162,6	0,7	13,4	1 188,9	29,0	15,5
(1.4) Deposits with agreed maturity up to 2 years	432,5	-16,4	-6,8	448,0	3,0	-0,2	443,3	-4,9	-1,1	425,8	-15,1	-0,9
(1.5) Deposits redeemable at notice up to 3 months	106,6	2,6	34,9	123,2	6,4	35,4	140,1	16,9	34,8	151,0	11,0	41,8
(1.6) Other short term deposits (items 1.4 and 1.5)	539,1	-13,8	-0,7	571,2	9,4	5,8	583,4	12,1	5,6	576,8	-4,2	7,6
(1.7) M2 (items 1.3 and 1.6)	1 571,8	-7,5	5,8	1 732,9	34,2	9,4	1 746,0	12,7	10,7	1 765,7	24,8	12,8
(1.8) Repurchase agreements	6,2	-1,4	-33,9	9,7	-0,3	-0,5	9,3	-0,4	22,7	14,2	4,9	129,1
(1.9) Money market fund shares/units	46,8	-1,5	-	56,7	0,2	10,9	59,1	2,4	22,9	58,4	-0,9	24,8
(1.10) Debt securities issued with maturity up to 2 years	0,3	0,0	-	0,2	-0,1	-	0,1	-0,1	-	0,1	0,0	-
(1.11) Marketable instruments (items 1.8,1.9 and 1.10)	53,3	-2,9	9,8	66,7	-0,2	9,1	68,5	1,8	22,4	72,7	3,9	36,4
COUNTERPARTS OF M3												
MFI liabilities												
(2) Holdings deposits against central government	130,0	-8,6	-3,9	244,4	-21,0	58,4	244,6	0,0	77,7	223,8	-19,5	74,4
(3) Longer-term financial deposits against other residents (items 3.1 to 3.4)	558,1	-2,3	3,6	616,0	7,2	13,7	622,5	3,1	11,8	594,9	-1,4	12,0
(3.1) Deposits with agreed maturity over 2 years	242,9	-1,9	10,6	247,0	-3,6	2,6	247,6	0,6	1,1	246,4	-1,2	1,4
(3.2) Deposits redeemable at notice over 3 months	94,2	-1,4	-10,9	85,1	-0,7	-10,8	85,1	0,0	-10,9	75,3	-9,9	-20,1
(3.3) Debt securities issued with maturity over 2 years	32,2	2,6	-17,5	55,8	5,5	90,0	60,0	4,3	99,9	60,5	1,0	85,4
(3.4) Capital and reserves	188,9	-1,6	7,4	228,1	6,1	28,2	229,8	-1,8	22,6	212,8	8,6	28,3
MFI assets												
(4) Credit to residents (items 4.1 and 4.2)	1 402,2	5,2	3,0	1 536,8	15,4	9,2	1 542,5	2,7	10,6	1 543,2	0,1	10,2
(4.1) Credit to general government	478,7	-1,2	-15,1	445,3	-2,9	-9,6	439,8	-6,2	-8,4	431,5	-8,6	-10,0
of which: Loans	131,6	-1,1	-25,4	99,6	-6,1	-27,4	89,9	-9,7	-32,1	89,0	-0,7	-32,1
Securities other than shares	347,1	-0,1	-10,4	345,7	3,2	-2,7	349,9	3,5	0,7	342,5	-7,9	-1,6
(4.2) Credit to private sector	923,5	6,4	15,6	1 091,5	18,3	19,2	1 102,7	8,9	20,6	1 111,7	8,7	20,7
of which: Loans	895,5	6,8	16,6	1 056,2	14,7	19,9	1 067,4	11,4	20,7	1 076,4	8,7	20,8
Securities other than shares	18,6	-0,4	-21,4	14,7	-2,0	-35,6	14,4	-2,8	-36,9	14,6	0,1	-35,2
Shares and other equities	9,5	0,0	16,4	20,6	5,6	75,2	20,9	0,3	117,7	20,8	-0,1	117,2
(5) Net foreign assets	874,5	5,3	9,8	1 066,5	-11,0	19,6	1 076,4	9,0	24,3	1 061,2	14,9	25,3
(6) Other counterparts of M3 (residual) (=M3+items 2,3 - items 4,5)	36,6	-31,8	-34,8	56,7	15,8	34,8	62,7	6,0	-12,0	52,8	-7,1	51,8

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	2005						2006	
	January		November		December		January	
	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	795,0	5,4	899,1	20,6	898,8	-0,4	927,0	30,8
(1.1) Other general government	67,3	3,3	83,6	-6,6	75,4	-8,1	89,1	13,7
(1.2) Other financial intermediaries ³⁾	14,8	0,8	18,2	3,0	15,6	-2,6	19,7	4,1
(1.3) Insurance corporations and pension funds	15,5	10,1	13,6	0,7	8,4	-5,2	14,9	6,5
(1.4) Non-financial corporations	273,2	-22,1	320,2	20,5	342,9	22,5	332,9	-8,2
(1.5) Households ⁴⁾	424,2	13,3	463,5	3,0	456,5	-7,0	470,5	14,6
(2) M2 - M1 (other short- term deposits)	539,1	-13,8	571,2	9,4	583,4	12,1	576,8	-4,2
(2.1) Other general government	19,5	1,6	25,2	1,6	20,2	-5,0	22,7	2,6
(2.2) Other financial intermediaries ³⁾	13,1	-0,4	17,6	-0,9	15,6	-2,0	15,0	-0,6
(2.3) Insurance corporations and pension funds	18,4	-9,8	21,5	-2,0	29,0	7,5	23,6	-5,4
(2.4) Non-financial corporations	166,3	-7,3	189,9	5,2	179,0	-10,9	166,9	-11,3
(2.5) Households ⁴⁾	321,8	2,2	316,9	5,5	339,5	22,5	348,6	10,5
(3) Repurchase agreements (a part of M3 - M2)	6,2	-1,4	9,7	-0,3	9,3	-0,4	14,2	4,9
(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⁾	2,7	0,8	0,8	-0,3	0,5	-0,3	1,6	1,1
(3.3) Insurance corporations and pension funds	3,4	-2,2	8,8	0,1	8,5	-0,3	12,1	3,7
(3.4) Non-financial corporations	0,1	0,0	0,2	0,0	0,3	0,1	0,5	0,2
(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	2005						2006	
	January		November		December		January	
	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	464,6	4,3	530,5	3,7	526,6	-3,9	535,0	10,5
(1.1) up to 1 year	188,7	1,0	217,3	2,8	209,0	-8,1	215,0	6,5
(1.2) over 1 year and up to 5 years	117,8	2,7	133,6	-1,1	132,3	-1,3	130,5	-1,2
(1.3) over 5 years	158,1	0,6	179,7	2,0	185,3	5,6	189,5	5,2
(2) Loans to households⁴⁾	317,4	2,2	402,2	11,2	417,8	15,7	422,4	1,9
(2.1) Consumer credit	67,3	-1,0	84,9	3,0	89,5	4,7	89,4	-0,7
(2.2) Lending for house purchase	213,0	3,2	273,2	7,2	282,1	8,9	286,8	2,8
(2.3) Other lending	37,1	0,0	44,1	0,9	46,1	2,1	46,1	-0,3
(3) Loans to other financial intermediaries³⁾	111,2	0,3	119,9	0,6	121,0	1,1	115,7	-5,1
(4) Loans to insurance corporations and pension funds	2,2	0,0	3,5	-0,8	1,9	-1,6	3,3	1,4

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

	2005			2006
	January	November	December	January
	% points	% points	% points	% points
M1	5,9	7,1	8,4	9,9
of which: Currency	1,0	1,5	1,7	1,5
Overnight deposits	4,9	5,7	6,8	8,4
M2 - M1 (= other short- term deposits)	-0,2	1,9	1,9	2,5
M3 - M2 (= short-term marketable instruments)	0,3	0,3	0,8	1,2
M3	6,0	9,4	11,1	13,6

TABLE 8

Contributions to annual growth¹⁾ of loans to private sector

	2005			2006
	January	November	December	January
	% points	% points	% points	% points
Non-financial corporations	6,1	7,0	7,9	8,5
Households ²⁾	10,0	11,5	11,7	11,6
Other financial intermediaries ³⁾	0,7	1,2	1,2	0,6
Insurance corporations and pension funds	-0,2	0,1	0,0	0,1
Loans to private sector ⁴⁾	16,6	19,9	20,7	20,8

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).

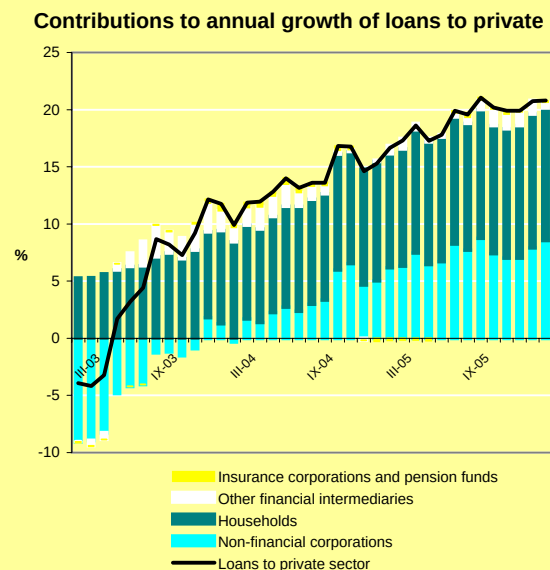
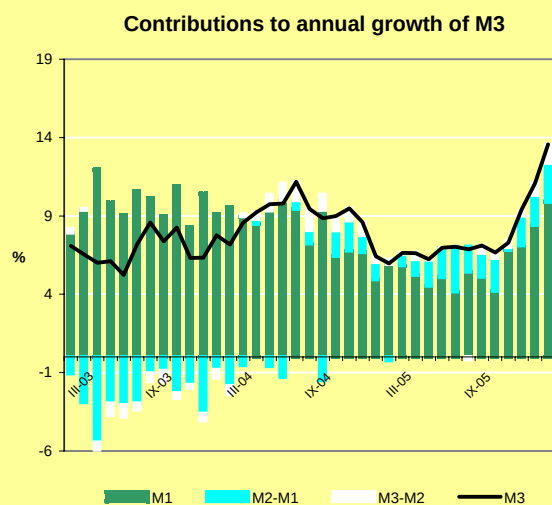
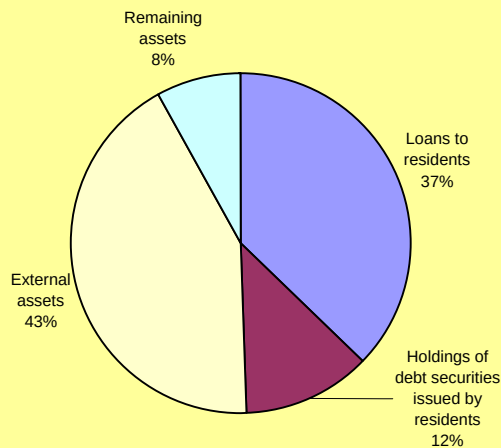


TABLE 9

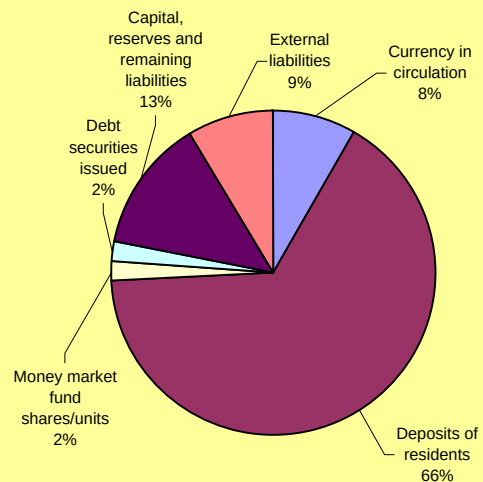
Balance sheets of MFIs by reporting institutions: January 2006

CZK billions	MFI			Consolidated balance sheet of MFIs
	CNB	Credit institutions	Money market fund	
(1) ASSETS TOTAL	835,4	2 933,0	78,7	3 124,2
(1.1) Loans to residents	29,9	1 724,1	16,5	1 165,4
MFI	0,1	588,6	16,5	-
General government	4,1	85,0	0,0	89,0
Other residents	25,8	1 050,5	0,0	1 076,4
(1.2) Holdings of securities other than shares issued by residents	0,0	413,7	22,2	357,0
MFI	0,0	78,0	0,9	-
General government	0,0	324,2	18,3	342,5
Other residents	0,0	11,5	3,1	14,6
(1.3) Money market fund shares/units	0,0	5,5	0,0	-
(1.4) Holdings of shares/other equity issued by residents	0,0	32,4	0,1	20,8
MFI	0,0	11,7	0,0	-
Other residents	0,0	20,7	0,1	20,8
(1.5) External assets	783,5	505,7	39,6	1 328,8
(1.6) Fixed assets	12,0	102,6	0,0	114,6
(1.7) Remaining assets	10,1	149,1	0,2	137,7
(2) LIABILITIES TOTAL	835,4	2 933,0	78,7	3 124,2
(2.1) Currency in circulation	283,5	-	-	261,8
(2.2) Deposits of residents	554,5	2 108,6	0,0	2 063,5
MFI	471,9	127,6	0,0	-
Central government	80,1	143,7	0,0	223,8
Other general government/other residents	2,4	1 837,3	0,0	1 839,7
(2.3) Money market fund shares/units	-	-	63,9	58,4
(2.4) Debt securities issued	0,0	139,4	0,0	60,5
(2.5) Capital and reserves	-96,7	307,6	13,6	212,8
(2.6) External liabilities	83,3	184,2	0,1	267,6
(2.7) Remaining liabilities	10,9	193,3	1,0	205,1
(2.8) Excess of inter MFI liabilities	-	-	-	-5,6

Consolidated balance sheet of MFIs - assets



Consolidated balance sheet of MFIs - liabilities



Comments about Monetary Development Statistics¹⁾ (Tables 3-9): January 2006

The annual growth rate of M3 monetary aggregate rose from 11.1% in December to 13.6% in January and the m-o-m growth rate increased from 0.8% to 1.6%. Due to financial transactions M3 monetary aggregate saw a y-o-y growth of CZK 220.3 billion (m-o-m growth was by CZK 28.7 billion) and reached CZK 1,838.4 billion.

Main Components of M3

M1 monetary aggregate continues to have a decisive share among the components of M3 monetary aggregate, as it contributes the most to M3 growth. M1 monetary aggregate has an almost three quarter share in the annual growth rate of M3 (Table 7) and hence contributed to M3 growth in the same way as in December.

The annual growth rate of M1 rose from 13.4% in December to 15.5% in January. The annual growth rate of overnight deposits saw a similar development, as it increased by 3.1 percentage points from 14.0% in December to 17.1% in January. The m-o-m growth rate of overnight deposits rose by 3.4%. In the field of overnight deposits, deposits of all sectors saw a m-o-m increase with the exception of non-financial corporations, which dropped by 2.4% (CZK 8.2 billion). Deposits of insurance corporations and pension funds rose by 77.6% (CZK 6.5 billion), deposits of other financial intermediaries by 26.4% (CZK 4.1 billion), deposits of other government by 18.2 % (CZK 13.7 billion) and household deposits by 3.2% (CZK 14.6 billion).

The annual growth of currency declined from 11.4% in December to 10.2% in January. Currency saw a m-o-m decrease by 0.7% (drop by CZK 1.9 billion due to financial transactions).

Short-term deposits (not including overnight deposits) saw a m-o-m decline due to financial transactions by CZK 4.2 billion, i.e. by 0.7%. Compared with December the annual growth rate of these deposits rose by 2 percentage points in January and reached 7.6% (5.6% in December). Deposits redeemable at notice of up to 3 months (a smaller component) see a steadily high y-o-y growth. In January their annual growth rate stood at 41.8%. Compared with previous month the annual growth rate of deposits with a maturity of up to 2 years, which are a dominant component of short-term deposits, rose slightly by 0.2 of a percentage point and reached -0.9%.

In the field of other short-term deposits, deposits of other government (not including central government) saw a m-o-m increase by 12.7% (CZK 2.6 billion) and household deposits by 3.1% (CZK 10.5 billion). On the contrary, deposits of non-financial corporations dropped by 6.3% (CZK 11.3 billion), deposits of insurance corporations and pension funds by 18.7% (CZK 5.4 billion) and deposits of other financial intermediaries by 3.5% (CZK 0.6 billion).

Marketable instruments, comprising repo operations, money market fund shares and units and debt securities with a maturity of up to 2 years, rose due to financial transactions by CZK 3.9 billion and compared with previous month their annual growth rate increased by 14.0 percentage points to 36.4% (22.4% in December).

Main Counterparts of M3

The annual growth rate of loans to general government has been moving long-term in negative numbers and like in December it remained at -32.1% in January. The annual growth rate of purchased government bonds fell by 2.3 percentage points and thus reached -1.6% (0.7% in December). The overall debt of general government towards MFIs in absolute numbers decreased from CZK 478.7 billion in January 2005 to CZK 431.5 billion in January 2006, of which loans fell from CZK 131.6 billion to CZK 89 billion.

The annual growth rate of loans to private sector rose slightly from 20.7% in December to 20.8% in January. Households contribute most to the annual growth rate of loans to private sector. They participate in the annual growth rate of loans to private sector by more than one half (Table 8). The annual growth rates of household loans have been high long-term; in January 2006 they accounted for 32.7%. Non-financial corporations represent another sector having a significant share in the growth rate of loans to private sector. Their annual growth rate rose from 15.2% to 16.5%.

The annual growth rate of net external assets increased from 24.3% in December to 25.3% in January. The annual growth rate of longer-term financial liabilities rose slightly from 11.8% to 12% and the annual growth rate of central government deposits fell from 77.7% to 74.4%.

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	2005						2006	
	January		November		December		January	
	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⁾	0,95	640,0	0,82	682,3	0,87	696,7	0,87	711,0
(1.1) Overnight	0,51	398,0	0,40	438,6	0,40	431,7	0,40	446,4
(1.2) With agreed maturity	1,78	49,5	1,34	43,2	1,36	47,8	1,37	46,8
of which: Up to 2 years	1,77	49,2	1,35	42,6	1,36	46,9	1,37	46,5
(1.3) Redeemable at notice ³⁾	1,65	195,4	1,61	203,1	1,70	219,8	1,70	220,6
(1.3.1) Up to 3 months' notice	2,14	101,6	2,19	118,5	2,25	135,2	2,16	145,8
(1.3.2) Over 3 months' notice	1,11	93,9	0,81	84,6	0,82	84,6	0,81	74,8
(2) Deposits from non-financial corp.⁴⁾	1,30	376,0	1,14	465,9	1,05	482,5	1,13	461,1
(2.1) Overnight	0,69	211,7	0,61	248,8	0,52	273,0	0,63	253,5
(2.2) With agreed maturity	2,08	161,3	1,75	214,4	1,75	205,9	1,74	204,6
of which: Up to 2 years	2,08	161,2	1,75	214,3	1,75	205,9	1,74	204,6
(3) Loans to households²⁾	12,15	26,5	10,51	38,6	10,96	39,7	11,36	35,1
(3.1) Bank overdraft ⁵⁾	15,01	16,9	14,90	17,7	15,23	20,7	15,20	20,0
(3.2) Consumer credit	14,70	2,0	12,70	5,6	12,52	3,7	12,92	2,7
(3.3) Lending for house purchase	5,00	6,6	4,29	11,7	4,45	11,2	4,51	8,6
of which: Mortgage lending	4,84	4,4	-	-	-	-	-	-
Saving for building purposes	5,40	2,4	5,05	3,3	4,97	3,6	4,91	2,8
(3.4) Other lending	5,80	1,0	5,75	3,6	5,67	4,0	5,75	3,9
(4) Loans to non-financial corporation	4,44	91,3	3,89	133,1	3,95	139,1	3,93	127,1
(4.1) Bank overdraft ⁵⁾	5,10	46,6	4,41	65,3	4,55	57,9	4,47	62,7
(4.2) Other loans up to CZK 30 million	5,01	10,0	4,70	19,0	4,72	20,0	4,78	14,3
of which: Up to 1 year initial rate fixation ⁶⁾	4,95	8,2	4,63	14,1	4,62	14,3	4,75	10,5
(4.3) Other loans over to CZK 30 million	3,38	34,7	2,88	48,8	3,13	61,1	3,00	50,1
of which: Up to 1 year initial rate fixation ⁶⁾	3,39	31,9	2,84	47,1	3,07	54,6	2,92	46,7
(5) APRC⁷⁾ on loans to households	7,95	8,6	7,83	17,3	7,05	14,9	7,05	11,3
(5.1) Consumer credit	16,78	2,0	14,72	5,6	14,21	3,7	14,50	2,7
(5.2) Lending for house purchase	5,28	6,6	4,53	11,7	4,68	11,2	4,72	8,6

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.

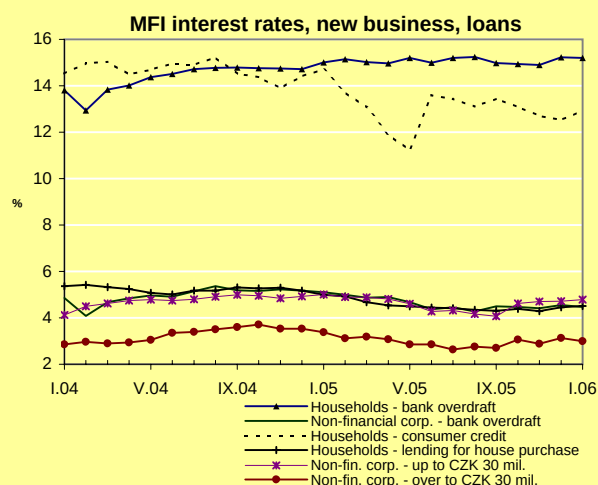
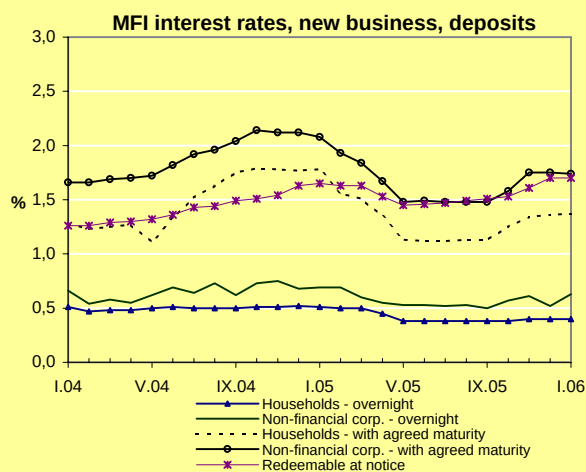


TABLE 11

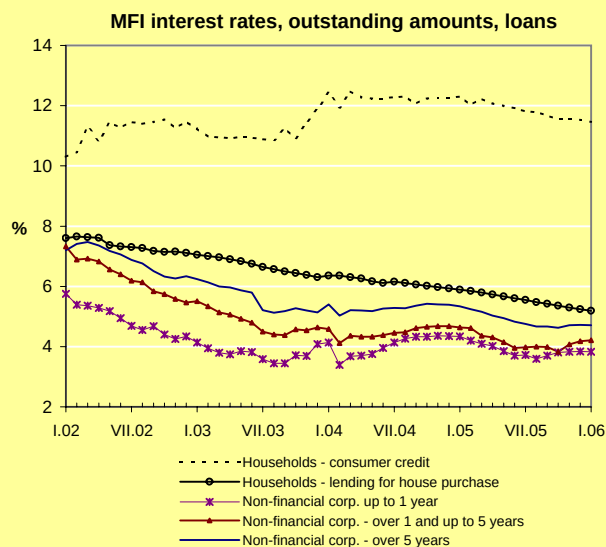
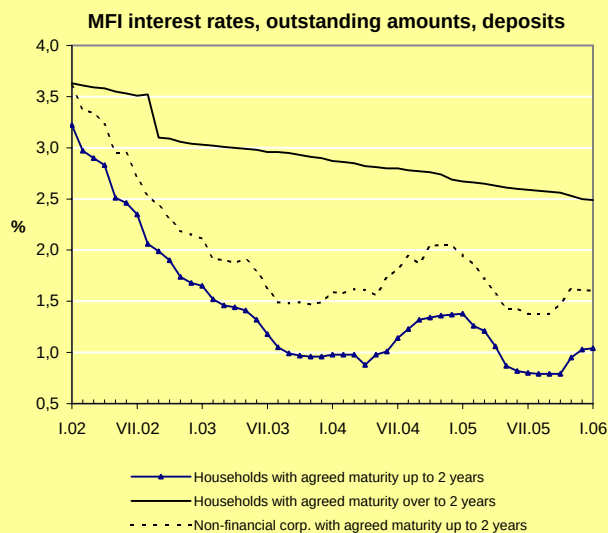
MFI interest rates on outstanding amounts¹⁾

outstanding amounts as end-of-month	2005						2006	
	January		November		December		January	
	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⁾	1,39	1003,6	1,21	1035,8	1,25	1047,0	1,23	1061,0
(1.1) With agreed maturity	2,12	412,2	1,91	395,1	1,92	396,2	1,92	394,9
(1.1.1) Up to 2 years	1,38	176,2	0,95	155,6	1,03	156,0	1,04	155,9
(1.1.2) Over 2 years	2,67	236,0	2,53	239,5	2,50	240,1	2,49	239,0
(2) Deposits from non-financial corp.³⁾	1,21	351,4	1,02	411,4	0,91	418,5	0,98	393,5
(2.2) With agreed maturity	1,98	139,6	1,65	162,5	1,64	145,3	1,63	139,7
(2.2.1) Up to 2 years	1,95	136,0	1,62	158,3	1,61	141,0	1,60	135,4
(2.2.2) Over 2 years	2,93	3,6	2,47	4,3	2,47	4,3	2,46	4,3
(3) Loans to households	7,91	316,2	7,21	401,1	7,20	416,5	7,12	421,1
Lending for house purchase	5,89	212,6	5,29	272,8	5,24	281,8	5,19	286,5
of which: Mortgage lending	5,79	119,8	-	-	-	-	-	-
Saving for building purposes	6,21	84,3	5,80	97,5	5,79	95,0	5,77	95,8
(3.2) Consumer credit and other lending	12,30	103,7	11,54	128,3	11,53	134,8	11,46	134,6
(4) Loans to non-financial corp.	4,72	375,4	4,16	438,5	4,20	432,8	4,20	439,7
(4.1) Up to 1 year	4,34	168,6	3,83	194,3	3,84	187,8	3,83	192,5
(4.2) Over 1 and up to 5 years	4,64	94,9	4,07	110,1	4,18	107,8	4,21	106,1
(4.3) Over 5 years	5,34	111,9	4,71	134,1	4,72	137,2	4,71	141,2

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 about MFI Interest Rates (Tables 10 and 11): January 2006

Interest Rates of New Business

The value of overall interest rate on **new** household **deposits** was the same in January as was the previous month rate; in the field of non-financial corporations interest rates grew and reached the November 2005 level.

The overall average interest rate on new **household** deposits remained at 0.87%. Only deposits with an agreed maturity of up to 2 years saw a minor rise (by a hundredth of a percentage point) to 1.37%. The average interest rates on overnight deposits and deposits redeemable at notice remained at the December 2005 level, at 0.4% and 1.7% respectively.

In **non-financial corporations** the average interest rate on new deposits saw a more significant increase (almost by a tenth of a percentage point) to 1.13%, and thus reached the November 2005 level. This rate rise was due to an increase in the average interest rate on new overnight deposits (by 0.11 of a percentage point) to 0.63%.

As in previous month, in January average interest rates on **new** household **loans** saw a major increase, on the contrary new loans to non-financial corporations saw a small decrease in the overall average interest rate.

The average interest rate on **household** loans rose (by 0.4 of a percentage point) to 11.36%. In January the interest rate fell only in bank account overdrafts (by 0.03 of a percentage point to 15.2%); the increase in the overall rate on household loans was caused by a rise in the price of loans for consumption (to 12.92%), housing loans (to 4.51%) and other loans (to 5.75%).

The overall average interest rate on loans provided to **non-financial corporations** saw only a very slight decline (by 0.02 of a percentage point) to 3.93% due to a fall in the average rate on bank account overdrafts (by less than a tenth of a percentage point); the same applies to other loans with a volume exceeding CZK 30 million with up to 5-year rate fixation (by roughly two tenths of a percentage point). Only the average interest rate on other loans with a volume of up to CZK 30 million saw a small increase to 4.78% (caused by loans with up to 5-year rate fixation).

In January the overall annual percentage rate of costs of household loans stood at the previous month level of 7.05%, although an increase in RPSN on loans for consumption was recorded (by 0.29 of a percentage point) to 14.5%, as well as in RPSN on housing loans (insignificantly by 0.04 of a percentage point) to 4.72%. However, the overall RPSN on household loans did not rise, since in January the share of housing loans in the overall loan volume increased slightly (with noticeably lower rates than in the case of loans for consumption).

Interest Rates on Business Status

In January the average interest rate on **outstanding balances of** household **deposits** fell slightly, reaching 1.23%, however the average rate of deposits of non-financial corporations rose slightly to 0.98%.

Household deposits saw an overall rate decrease due to a slight fall in the share of deposits with an agreed maturity (with higher interest rates) to the advantage of the share of overnight deposits (with lower interest rates). Compared with previous month the actual average rates on overnight deposits (0.4%), deposits with an agreed maturity (1.92%) and deposits redeemable at notice (1.7%) remained unchanged.

The rise in the average interest rate on outstanding balances of deposits of **non-financial corporations** was caused by an increase in the average rate of overnight deposits to 0.63% (by a tenth of a percentage point); the average rate of deposits with an agreed maturity remained almost unchanged (a drop by a hundredth of a percentage point).

The trend of decreasing levels of the average interest rate charged by banks on **outstanding balances of** household **loans** continued even in January by almost a tenth of a percentage point to 7.12%. In the loan status to non-financial corporations the average rate stood at 4.2%.

The gradual but long-term decrease in interest rates on **household** loans has continued almost for a year both in housing loans (in January the interest rate dropped to 5.19%) and in loans for consumption and other loans (the January rate was 11.46%).

In January outstanding balances of loans provided to **non-financial corporations** had the same interest rate as in previous month, i.e. 4.2%. Although the average interest rate on loans with a maturity of over 1 year to 5 years rose slightly by 0.03 of a percentage point, this increase was offset by a drop in the average rates on loans of up to 1 year and loans above 5 years (the decrease by a hundredth of a percentage point was only insignificant; nevertheless these two categories represented a three-quarter share in the overall volume of loans provided to non-financial corporations).

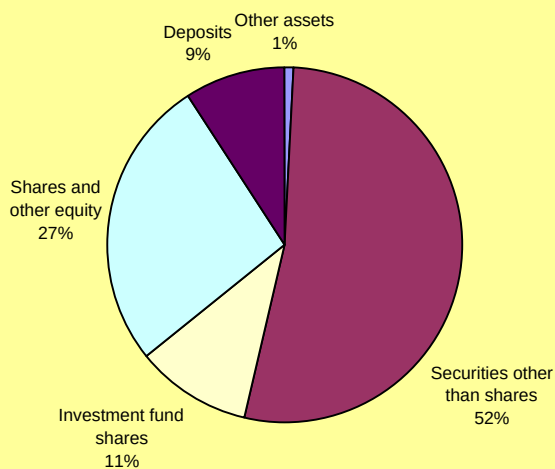
TABLE 12

Quarterly aggregated balance sheet of investment funds¹⁾

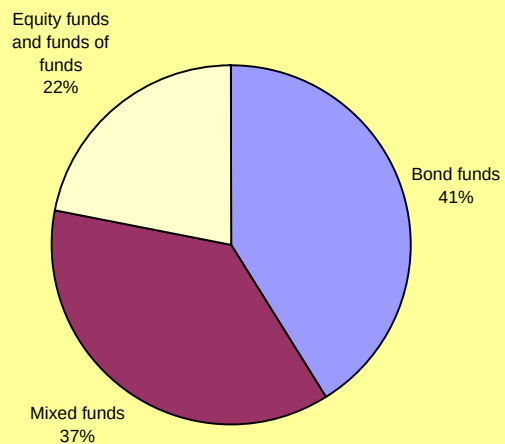
CZK billions; end of period	2004	2005			
	December	March	June	September	December
ASSETS					
Total	51,7	53,0	55,4	62,7	65,4
(1.1) Deposits	6,1	6,3	5,6	6,6	6,0
(1.2) Securities other than shares	29,4	30,1	31,7	34,1	34,6
MFI	0,7	0,7	0,6	0,6	0,5
General government	16,8	15,7	19,2	19,7	20,1
Other residents	2,7	2,3	2,2	2,2	2,1
Non-residents	9,2	11,4	9,7	11,6	11,8
Up to 1 year	0,9	0,9	0,8	0,7	0,6
Over 1 year	28,5	29,3	30,9	33,4	33,9
(1.3) Shares and other equity	13,0	13,3	13,0	16,1	17,4
MFI	0,4	0,4	0,4	0,5	0,6
Other residents	2,8	2,6	2,5	3,0	3,0
Non-residents	9,8	10,3	10,1	12,6	13,9
(1.4) Investment fund shares	2,6	2,7	4,4	5,2	6,9
Residents	0,2	0,2	0,2	0,4	0,5
Non-residents	2,4	2,5	4,2	4,8	6,4
(1.5) Other assets	0,5	0,7	0,7	0,7	0,6
LIABILITIES					
Total	51,7	53,0	55,4	62,7	65,4
(2.1) Loans accepted	0,0	0,0	0,0	0,0	0,1
(2.2) Investment fund shares	44,9	44,5	45,0	48,8	52,5
Residents	44,7	44,4	44,8	48,5	52,2
Non-residents	0,2	0,2	0,2	0,2	0,2
(2.3) Capital and reserves	6,4	7,4	8,6	11,2	11,5
(2.4) Other liabilities	0,3	1,1	1,8	2,8	1,4
BALANCE SHEET TOTAL - BREAKDOWN BY INVESTMENT POLICY					
TOTAL	51,7	53,0	55,4	62,7	65,4
Equity funds and funds of funds	6,3	7,4	9,3	11,5	14,4
Bond Funds	23,1	24,0	26,0	28,0	26,9
Mixed Funds	22,3	21,6	20,2	23,2	24,1

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



Comments about Quarterly Aggregated Balance Sheet of Collective Investment Funds (Table 12): December 2005

In the fourth quarter of 2005 the balance sum of collective investment funds saw an overall rise from CZK 62.7 billion to CZK 65.4 billion, which represents only a 4.3% increase.

The most significant volume of investment continues to be represented by mixed and bond funds in the field of collective investment funds. Mixed funds saw a positive rise in the balance sum in the fourth quarter (quarterly increase from CZK 23.243 billion to CZK 24.109 billion as at 31 December 2005) and so did funds of funds (increase from CZK 3.941 billion to CZK 6.511 billion as at 31 December 2005); equity funds saw a minor rise (from CZK 7.541 billion to CZK 7.881 billion), while bond funds saw a moderate decrease in the balance sum (from CZK 28.023 billion to CZK 26.946 billion as at 31 December 2005).

At the end of the fourth quarter of 2005 a total of 34.75% of funds were allocated in domestic bonds and 18.09% in foreign bonds. Overall, debt securities accounted for 52.84% of the balance sum. The ratio of domestic shares was 5.41% and that of foreign shares stood at 21.22%. Overall, shares thus represented 26.63%. The ratio of domestic mutual fund shares reached 0.81% (shares issued by collective investment funds made up a large volume, whereas shares issued by money market funds stood only at 0.11%); the ratio of foreign mutual fund shares stood at 9.7%. The overall ratio of mutual fund shares accounted for 10.51% of the balance sum. Bank deposits accounted for 9.16% of the balance sum. Other assets again saw a decrease and their share stood at mere 0.86%.

At the end of 2005 a total of 55 residential funds (collective investment funds) were active on our territory. 31 December 2005 saw a decrease by 3 funds (of which two funds merged and one terminated its activities) and an increase by 3 open mutual share funds. A total of 9 equity funds, 13 funds of funds, 12 bond funds and 21 mixed funds were recorded.

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 that 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).

Glossary (cont'd)

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 financial liabilities.

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:

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

List of Annex

December 2005

Long-term interest rates (LTIR) in the context of the assessment of convergence

Leden 2006

Incomplete data collection in the balance-sheet statistics of the monetary financial institutions sector

Incomplete data collection in the balance-sheet statistics of the monetary financial institutions sector

The harmonised balance-sheet statistics of monetary financial institutions (MFIs) are based on Regulation (EC) No. 2423/2001 of the European Central Bank of 22 November 2001 concerning the consolidated balance sheet of the monetary financial institutions sector (ECB/2001/13). Pursuant to this Regulation, monetary financial institutions comprise for statistical purposes:

resident credit institutions, as defined in Community law, 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 line with the general principle of monetary statistics, the tasks associated with the collection of the necessary statistical information are carried out by the national central banks (NCBs) to the extent possible and within their powers. To reduce the statistical burden on respondents, the NCBs may, under the Regulation, grant derogations to small MFIs and thereby reduce their reporting obligations, provided that the MFIs which contribute to the monthly consolidated balance sheet account for at least 95% of the total MFI balance sheet in terms of stocks. For this purpose, the Regulation lays down the minimum requirements for institutions which have been granted a derogation and the method for updating the list thereof (e.g. an obligation to collect, as a minimum, annual data relating to the total balance sheet).

In the Czech Republic, MFIs comprise (along with the Czech National Bank) commercial banks¹, money market funds² (MMFs) and credit unions³. The list of MFIs is regularly⁴ updated and published on the CNB website⁵. Since money market funds and credit unions are relatively insignificant groups compared to banks (see Table 1), the CNB has decided to make use of the possibility laid down in the Regulation and reduce the statistical burden on these smaller entities.

Table 1 – Monetary financial institutions as of 31 January 2006

	Number	Total assets in CZK billion	Percentage of total
Czech National Bank	1	835,436.6	21.7%
Commercial banks	36	2,928,857.4	76.2%
Money market funds	8	78,666.9	2.0%
Credit unions	20	4,190.3	0.1%
Total	65	3,847,151.2	100%

MMFs submit to the Czech National Bank all the data needed to compile the MFI balance-sheet statistics pursuant to Regulation ECB/2001/13, but do so quarterly rather than monthly. Credit unions do not currently report directly to the CNB. Basic monthly balance-sheet data in aggregated form are obtained from the Office for Supervision of Credit Unions with a lag of one month⁶.

Although the direct data collection from MFIs is not complete (owing to the reduction of the statistical burden), the CNB grosses up to 100% coverage of the MFI sector based on the data received and its own expert estimates in order to ensure high-quality MFI balance-sheet statistics. In the compilation of the monthly statistics, the quarterly data reported by MMFs are always used directly as the data for the last month of the given quarter and at the same time are transferred to the missing periods, i.e. repeated in the following two months. In the case of credit unions, the missing breakdowns are grossed up on the basis of ratios to items of commercial banks⁷ and using some assumptions⁸ regarding the operation of these specific financial institutions. Since the data are available with significant time lags, the data for the previous month are used for the current month and are published as preliminary. The data are updated as part of the regular revisions of the previous period's data when the data for the following month are published.

Given the incomplete data collection, the CNB uses the above methods to compile monthly (as well as quarterly) balance-sheet statistics covering the entire MFI sector. Of the total of 65 institutions making up the MFI sector, only 37 are subject to the full reporting obligations for the purposes of compiling monetary balance-sheet statistics. Another 8 institutions submit data at longer intervals (quarterly instead of monthly) and a further 20 submit no data. Thanks to this, the statistical burden on respondents and the costs associated with the statistical reporting obligation are reduced, while the high quality⁹ of the published MFI balance-sheet statistics is preserved.

¹ As defined in Act No. 21/1992 Coll., on Banks, as amended

² As defined in Decree No. 307/2004 Coll.

³ As defined in Act No. 87/1995 Coll., on Credit Unions, as amended

⁴ A complete list is published at the end of each month; changes are made on an ongoing basis.

⁵ http://www.cnb.cz/cz/statistika/menova_bankovni_stat/

⁶ Once the single regulator has been established, regulatory data are expected to be used.

⁷ For example, the missing breakdown of loans by maturity is estimated from ratios to the maturities of commercial bank loans.

⁸ For example, resident reporting agents are the counterparties of all deposit and credit transactions

⁹ The error arising from using the above grossing-up and estimation methods can be considered insignificant from the statistical perspective.