

Monetary Statistics

February
2009

CONTENT

Table 1: Key interest rates (p.4)

Table 2: Financial market interest rates (p.4)

Notes to tables 1-2 (p.5)

Monetary developments

Table 3: Key monetary indicators (p.6)

Table 4: Monetary aggregates and counterparts (p.7)

Table 5: Sector breakdown of components of M3 (p.8)

Table 6: Loans to private sector (p.8)

Table 7: Contributions to annual growth of M3 (p.9)

Table 8: Contributions to annual growth of loans to private sector (p.9)

Table 9: Balance sheets of MFIs by reporting institutions (p.10)

Notes to tables 3-9 (p.11)

Monetary financial institutions interest rates

Table 10: MFI interest rates on new business (p.12)

Table 11: MFI interest rates on outstanding amounts (p.13)

Notes to tables 10-11 (p.14)

Investment funds except money market funds

Table 12: Quarterly aggregated balance sheet of investment funds (p.15)

Financial corporations engaged in lending

Table 13: Quarterly aggregated balance sheet of FCLs (p.16)

Table 14: Summary of loans provided by FCLs to residents (p.17)

Notes to tables 12-14 (p.18)

Glossary (p.19)

Technical notes (p.22)

List of Annexes

1) A comma (,) represents a decimal point delimiter; a blank between figures represents a thousand group delimiter.

2) The information in Tables 3-14 are based on monetary statistics of CNB harmonized with monetary statistics of European System of Central Banks. The data are not seasonally adjusted and the last period data are always preliminary.

3) All the data quoted in this Publication are included in the ARAD database (Time series database - ARAD >> Money and banking statistics >> Monetary statistics >> Monetary Statistics Publication).

LIST OF ABBREVIATIONS AND CODES

Codes

CNB	Czech National Bank
ECB	European Central Bank
ESA95	European System of Accounts
Eurozone	The European Union member states that have adopted the EUR
IF	investment funds excluding money market funds
MMF	money market funds
LTIR	yield of the 10-year bond
M1, M2, M3	monetary aggregates
MFI	monetary financial institutions
NFA	net foreign assets
NISH	non-profit institutions serving households
Non-MFI	all institutions excluding MFIs
OFI	other financial intermediaries
FCL	financial corporations engaged in lending

Institutional sectors and subsectors

S.11	non-financial corporations
S.121	central bank
S.122	other monetary financial institutions
S.123	other financial intermediaries
S.124	financial auxiliaries
S.125	insurance corporations and pension funds
S.13	general government
S.1311	central government
S.14	households
S.15	non-profit institutions serving households

TABLE 1

Key interest rates

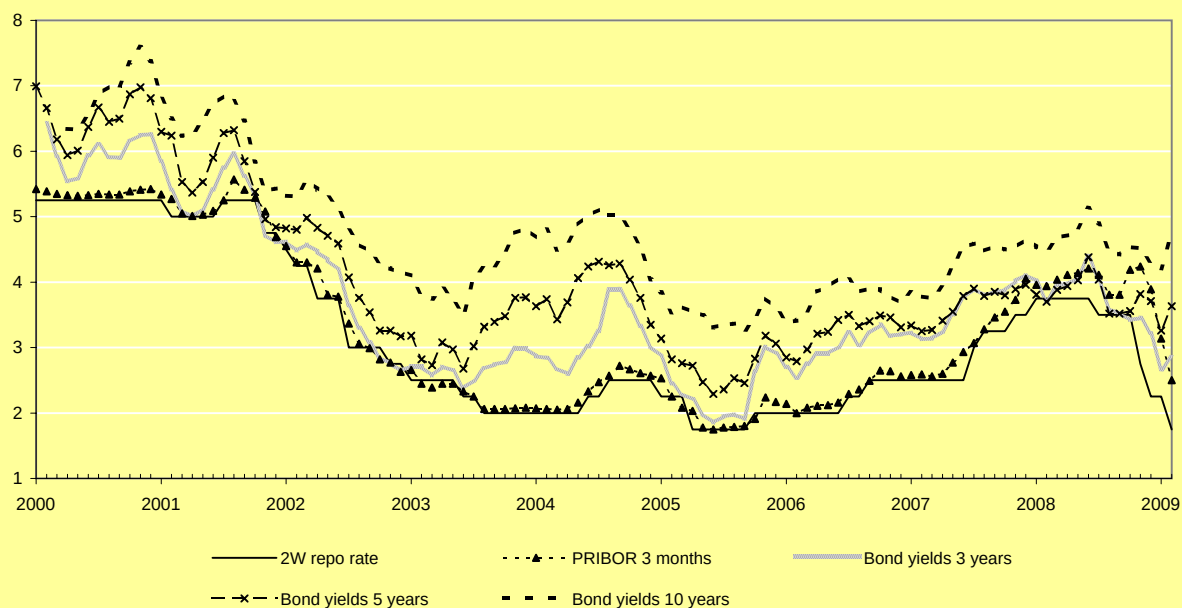
	CNB			ECB
	from 7 November 2008 onwards	from 18 December 2008 onwards	from 6 February 2009 onwards	from 21 January 2008 onwards
2W repo rate	2,75	2,25	1,75	2,00
Deposit facility	1,75	1,25	0,75	1,00
Marginal lending facility	3,75	3,25	2,75	3,00

TABLE 2

Financial markets interest rates

monthly average	2008				2009			
	February		December		January		February	
	CR	Euro area	CR	Euro area	CR	Euro area	CR	Euro area
Money market								
CZEONIA/ EONIA								
overnight	3,53	4,03	2,21	2,50	2,16	1,81	1,76	1,26
PRIBOR/ EURIBOR								
1 month	3,81	4,18	3,61	3,01	2,87	2,14	2,31	1,63
3 months	3,94	4,36	3,89	3,31	3,14	2,46	2,50	1,94
6 months	4,02	4,36	4,01	3,38	3,28	2,54	2,63	2,03
1 year	4,11	4,35	4,16	3,47	3,45	2,62	2,79	2,14
Capital market								
Bond yields								
3 years	3,71	3,44	3,22	2,88	2,67	2,61	2,85	2,32
5 years	3,70	3,63	3,71	3,29	3,26	3,15	3,63	3,00
10 years (Maastricht)	4,48	4,18	4,30	3,93	4,21	4,11	4,74	4,20

Financial markets interest rates in CR



Commentary on key interest rates (Table 1) and financial market interest rates (Table 2): February 2009

Key interest rates

The CNB's 2W repo rate has been set at 1.75% since 6 February 2009 and the ECB's key interest rate has been re set at 2.00% since 21 January 2009. The difference between the CNB's and the ECB's key rates was thus 0.25 percentage point at the end of February.

Financial market interest rates

In February, interest rates on the Czech interbank deposit market fell sharply across all maturities compared to the previous month. The decreases ranged from 0.40 percentage point (CZEONIA) and 0.66 percentage point (1Y PRIBOR). In the euro area, all monitored interest rates declined significantly as well. The declines ranged from 0.48 percentage point (1Y EURIBOR) to 0.55 percentage point (EONIA). The 3M PRIBOR stood at 2.50% (3.14% in January) and the 3M EURIBOR reached 1.94% (2.46% in January).

Bond yields on the Czech capital market recorded a month-on-month increase in February, with the yield on the 10-year bond rising by more than 0.5 percentage point. By contrast, bond yields declined in the euro area, with the exception of the 10-year bond whose yield rose by 0.09 percentage point in February compared to the previous month. In February, the yield on the 10-year bond in the Czech Republic was 4.74% (4.21% in January), while the yield on the 10-year bond in the euro area reached 4.20% (4.11% in January).

TABLE 3

Key monetary indicators

CZK billions, unless otherwise indicated	2008						2009					
	February			December			January			February		
	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	1 527,7	-24,2	12,8	1 674,8	19,3	9,7	1 665,6	-15,4	6,4	1 686,6	19,6	9,4
M3 ¹⁾	2 408,3	29,7	16,0	2 705,1	73,3	13,6	2 714,0	-2,2	13,0	2 728,3	11,7	12,1
Loans to private sector ²⁾	1 647,8	15,4	27,3	1 889,8	-9,7	16,0	1 898,2	1,3	15,2	1 898,2	-1,7	14,0
Net foreign assets ³⁾	953,6	13,7	8,2	983,7	-20,0	-1,0	1 036,9	-4,3	-3,3	1 048,3	1,2	-4,5

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 years.

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-a-vis 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

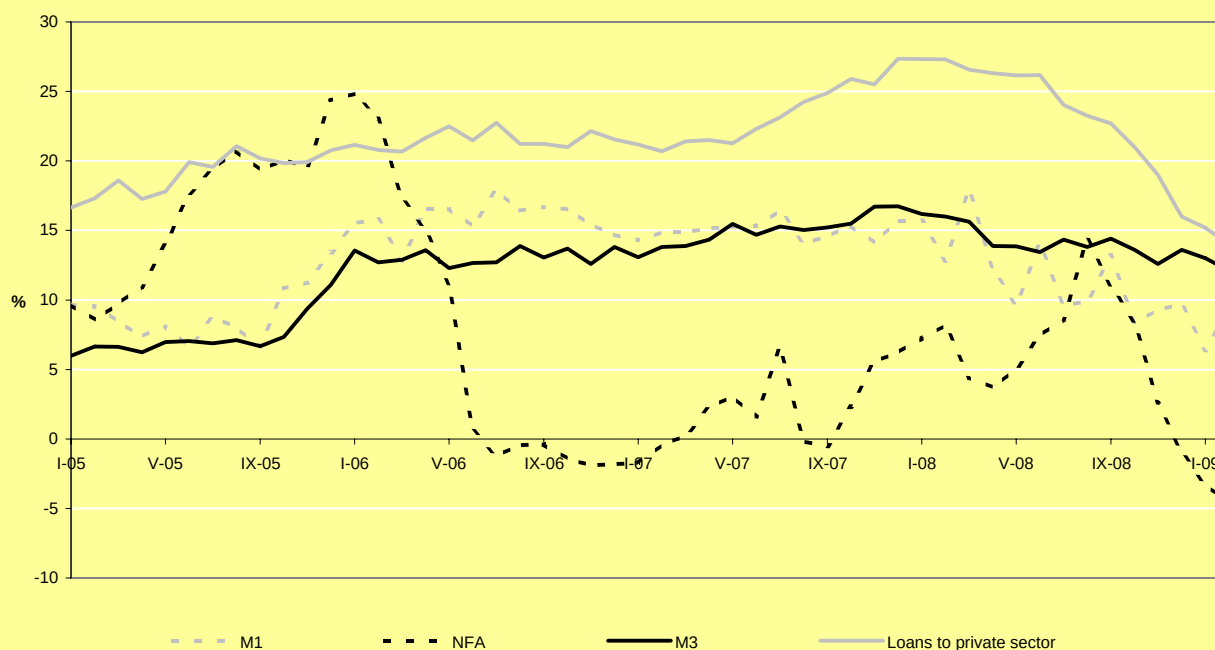


TABLE 4

Monetary aggregates and counterparts

CZK billions, unless otherwise indicated	2008						2009					
	February			December			January			February		
	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)	2 408,3	29,7	16,0	2 705,1	73,3	13,6	2 714,0	-2,2	13,0	2 728,3	11,7	12,1
(1.1) Currency in circulation	323,5	2,6	9,2	365,6	-2,5	12,8	362,8	-2,8	13,0	363,7	0,9	12,4
(1.2) Overnight deposits	1 204,1	-26,8	13,8	1 309,3	21,8	8,9	1 302,8	-12,7	4,7	1 322,9	18,7	8,6
(1.3) M1 (items 1.1 and 1.2)	1 527,7	-24,2	12,8	1 674,8	19,3	9,7	1 665,6	-15,4	6,4	1 686,6	19,6	9,4
(1.4) Deposits with agreed maturity up to 2 years	545,5	44,9	19,5	555,8	-11,7	4,2	577,2	16,7	12,7	564,5	-13,9	1,0
(1.5) Deposits redeemable at notice up to 3 months	259,5	4,4	32,3	402,1	66,6	60,4	403,1	0,9	57,9	407,8	4,6	57,0
(1.6) Other short term deposits (items 1.4 and 1.5)	805,0	49,3	23,3	957,9	54,9	22,3	980,3	17,7	27,9	972,3	-9,2	19,0
(1.7) M2 (items 1.3 and 1.6)	2 332,7	25,1	16,2	2 632,7	74,2	14,0	2 645,9	2,2	13,5	2 658,9	10,4	12,7
(1.8) Repurchase agreements	17,6	4,0	68,8	21,9	-0,2	51,6	23,9	1,9	73,3	26,8	2,9	49,8
(1.9) Money market fund shares/units	56,4	0,4	0,3	49,8	-0,8	-9,9	43,5	-6,3	-19,3	42,0	-1,5	-22,7
(1.10) Debt securities issued with maturity up to 2 years	1,6	0,2	-	0,7	0,0	-	0,7	0,0	-	0,7	0,0	-
(1.11) Marketable instruments (items 1.8,1.9 and 1.10)	75,6	4,7	9,3	72,4	-0,9	1,6	68,1	-4,4	-1,8	69,5	1,3	-6,0
COUNTERPARTS OF M3												
MFI liabilities												
(2) Holdings deposits against central government	225,5	-31,6	8,0	303,3	-13,6	6,2	295,1	-9,8	13,1	277,8	-17,4	21,3
(3) Longer-term financial deposits against other residents (items 3.1 to 3.4)	508,2	2,5	11,9	483,6	-40,9	-17,4	520,3	-6,0	-18,9	536,9	10,3	-17,6
(3.1) Deposits with agreed maturity over 2 years	193,9	-3,5	-14,1	96,8	-41,2	-51,6	99,1	2,2	-49,9	103,3	4,2	-46,8
(3.2) Deposits redeemable at notice over 3 months	63,9	-1,3	-11,0	57,4	0,0	-13,2	62,4	5,0	-4,5	60,7	-1,7	-5,2
(3.3) Debt securities issued with maturity over 2 years	102,8	-2,6	47,1	91,3	-1,1	-6,4	77,2	-4,3	-14,3	73,6	-5,5	-18,4
(3.4) Capital and reserves	147,6	9,8	43,0	238,1	1,5	18,7	281,7	-8,9	12,9	299,3	13,3	11,6
MFI assets												
(4) Credit to residents (items 4.1 and 4.2)	2 133,6	-14,7	18,4	2 447,2	4,7	12,9	2 454,0	-1,3	13,2	2 446,6	-6,2	13,7
(4.1) Credit to general government	424,7	-29,2	-10,0	500,5	13,3	6,1	499,3	-2,3	8,8	492,4	-3,9	15,4
of which: Loans	54,7	0,4	-16,0	54,3	-0,3	-5,7	54,8	0,3	-0,3	54,6	-0,3	-1,5
Securities other than shares	370,0	-29,6	-9,0	446,2	13,6	7,8	444,6	-2,5	10,1	437,8	-3,6	17,9
(4.2) Credit to private sector	1 708,9	14,6	28,4	1 946,7	-8,6	14,8	1 954,7	0,9	14,3	1 954,2	-2,3	13,2
of which: Loans	1 647,8	15,4	27,3	1 889,8	-9,7	16,0	1 898,2	1,3	15,2	1 898,2	-1,7	14,0
Securities other than shares	20,4	-1,2	48,2	15,7	0,3	-40,2	15,2	-0,5	-29,3	14,9	-0,5	-27,6
Shares and other equities	40,7	0,4	82,5	41,1	0,8	1,6	41,2	0,2	2,3	41,1	-0,1	1,3
(5) Net foreign assets	953,6	13,7	8,2	983,7	-20,0	-1,0	1 036,9	-4,3	-3,3	1 048,3	1,2	-4,5
(6) Other counterparts of M3 (residual) (=M3+items 2,3 - items 4,5)	54,7	1,6	5,6	61,2	34,2	-21,2	38,5	-12,4	-7,8	48,1	9,7	12,0

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	2008						2009	
	February		December		January		February	
	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	1 204,1	-26,8	1 309,3	21,8	1 302,8	-12,7	1 322,9	18,7
(1.1) Other general government	135,9	2,5	129,7	-24,6	148,3	18,5	154,8	6,5
(1.2) Other financial intermediaries ³⁾	30,9	-0,5	26,6	0,6	27,3	0,3	24,5	-2,8
(1.3) Insurance corporations and pension funds	11,6	-0,8	11,2	-0,3	12,3	1,1	10,9	-1,5
(1.4) Non-financial corporations	395,3	-41,8	432,9	45,3	386,9	-50,5	387,9	0,1
(1.5) Households ⁴⁾	630,4	13,8	708,9	0,8	728,1	17,9	744,7	16,4
(2) M2 - M1 (other short- term deposits)	805,0	49,3	957,9	54,9	980,3	17,7	972,3	-9,2
(2.1) Other general government	29,6	4,3	39,1	0,8	41,3	2,1	44,2	2,9
(2.2) Other financial intermediaries ³⁾	20,8	2,4	23,4	0,3	25,7	2,2	24,8	-0,9
(2.3) Insurance corporations and pension funds	37,4	5,0	39,7	3,6	41,8	1,9	41,2	-0,6
(2.4) Non-financial corporations	225,9	30,9	227,9	-13,7	237,2	7,5	226,0	-11,7
(2.5) Households ⁴⁾	491,3	6,6	627,8	63,9	634,4	4,0	636,1	1,1
(3) Repurchase agreements (a part of M3 - M2)	17,6	4,0	21,9	-0,2	23,9	1,9	26,8	2,9
(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⁾	2,8	0,2	0,3	0,0	0,9	0,7	2,2	1,2
(3.3) Insurance corporations and pension funds	5,9	2,4	4,1	-1,1	5,9	1,8	9,5	3,6
(3.4) Non-financial corporations	0,1	-0,2	0,1	-0,1	0,0	0,0	0,0	0,0
(3.5) Households ⁴⁾	8,8	1,5	17,4	1,1	17,0	-0,5	15,1	-1,9

TABLE 6

Loans to private sector

CZK billions	2008				2009			
	February		December		January		February	
	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	752,0	6,0	850,8	-21,2	851,5	-5,6	844,6	-8,5
(1.1) up to 1 year	303,8	4,6	329,4	-34,7	311,5	2,9	305,5	-6,4
(1.2) over 1 year and up to 5 years	159,9	0,6	176,3	-0,2	188,5	-4,1	188,1	-0,8
(1.3) over 5 years	288,3	0,7	345,1	13,6	351,5	-4,5	351,0	-1,3
(2) Loans to households⁴⁾	744,5	9,6	880,2	15,0	884,2	4,0	896,2	12,1
(2.1) Consumer credit	142,2	2,1	170,4	3,3	170,3	0,0	171,5	1,2
(2.2) Lending for house purchase	528,1	6,6	618,4	8,2	622,3	3,8	626,8	4,6
(2.3) Other lending	74,2	0,9	91,4	3,6	91,6	0,2	97,9	6,3
(3) Loans to other financial intermediaries³⁾	151,0	-0,1	157,5	-3,3	161,7	3,3	157,0	-4,8
(4) Loans to insurance corporations and pension funds	0,3	0,0	1,3	-0,2	0,9	-0,4	0,4	-0,5

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 (without insurance corporations and pension funds) (S.123) and financial auxiliaries (S.124).

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

TABLE 7

Contributions to annual growth¹⁾ of M3

	2008		2009	
	February	December	January	February
	% points	% points	% points	% points
M1	8,4	6,2	4,2	6,0
of which: Currency	1,3	1,8	1,8	1,7
Overnight deposits	7,1	4,5	2,4	4,3
M2 - M1 (= other short- term deposits)	7,3	7,3	8,9	6,3
M3 - M2 (= short-term marketable instruments)	0,3	0,1	0,0	-0,2
M3	16,0	13,6	13,0	12,1

TABLE 8

Contributions to annual growth¹⁾ of loans to private sector

	2008		2009	
	February	December	January	February
	% points	% points	% points	% points
Non-financial corporations	9,9	6,2	5,4	4,5
Households ²⁾	14,4	9,6	9,2	9,3
Other financial intermediaries ³⁾	3,1	0,1	0,5	0,2
Insurance corporations and pension funds	-0,1	0,1	0,0	0,0
Loans to private sector ⁴⁾	27,3	16,0	15,2	14,0

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 (without insurance corporations and pension funds) (S.123) and financial auxiliaries (S.124).

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

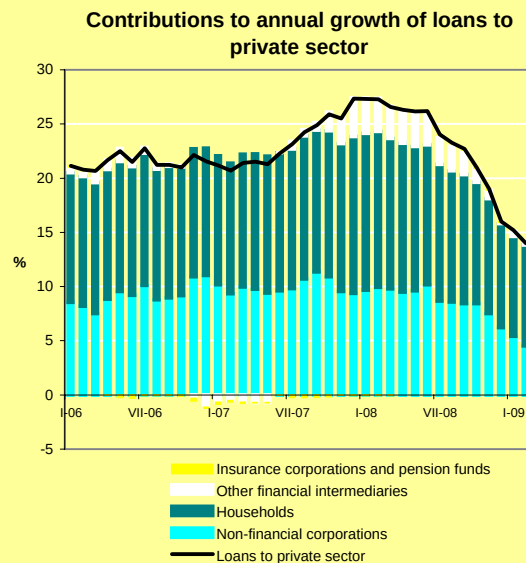
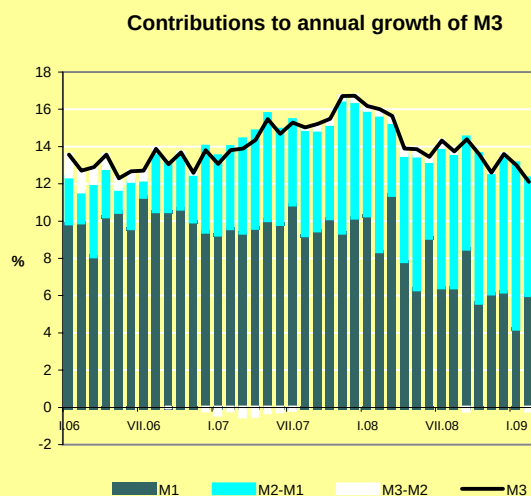
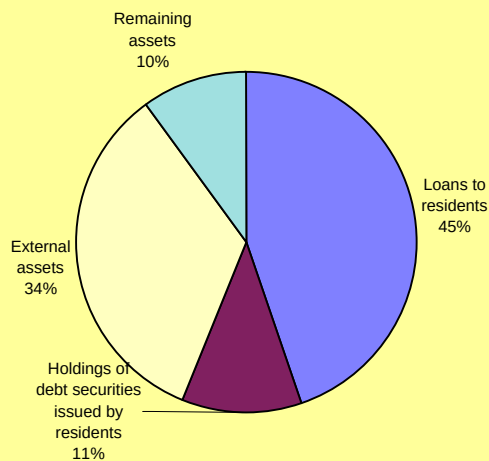


TABLE 9

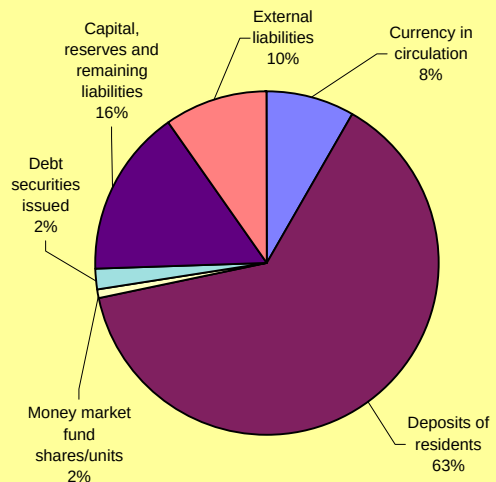
Balance sheets of monetary financial institutions by reporting institutions: February 2009

CZK billions	MFI			Consolidated balance sheet of MFIs
	CNB	Credit institutions	Money market funds	
(1) ASSETS TOTAL	826,5	4 279,2	46,1	4 360,6
(1.1) Loans to residents	10,5	2 488,8	8,8	1 952,8
MFI	1,8	544,7	8,8	-
General government	0,0	54,6	0,0	54,6
Other residents	8,6	1 889,6	0,0	1 898,2
(1.2) Holdings of securities other than shares issued by residents	0,0	628,6	10,0	452,7
MFI	0,0	183,3	2,5	-
General government	0,0	431,8	6,0	437,8
Other residents	0,0	13,4	1,5	14,9
(1.3) Money market fund shares/units	0,0	1,0	0,0	-
(1.4) Holdings of shares/other equity issued by residents	0,0	63,8	0,0	41,1
MFI	0,0	22,6	0,0	-
Other residents	0,0	41,1	0,0	41,1
(1.5) External assets	800,7	649,8	26,9	1 477,5
(1.6) Fixed assets	11,3	111,5	0,0	122,8
(1.7) Remaining assets	4,0	335,7	0,4	313,7
(2) LIABILITIES TOTAL	826,5	4 279,2	46,1	4 360,6
(2.1) Currency in circulation	390,1	-	-	363,7
(2.2) Deposits of residents	485,3	2 829,8	0,0	2 763,7
MFI	399,5	151,9	0,0	-
Central government	81,8	196,1	0,0	277,8
Other general government/other residents	4,0	2 481,8	0,0	2 485,9
(2.3) Money market fund shares/units	-	-	43,0	42,0
(2.4) Debt securities issued	0,0	260,1	0,0	74,3
(2.5) Capital and reserves	-84,3	406,3	0,0	299,3
(2.6) External liabilities	4,6	422,0	2,5	429,1
(2.7) Remaining liabilities	30,8	361,0	0,6	392,4
(2.8) Excess of inter MFI liabilities	-	-	-	-3,9

Consolidated balance sheet of MFIs - assets



Consolidated balance sheet of MFIs - liabilities



Comments on monetary developments statistics¹⁾ (Tables 3-9): February 2009

The annual rate of growth of M3 declined from 13.0% in January to 12.1% in February. The month-on-month growth rate increased from -0.1% to 0.4%. As a result of financial transactions, M3 grew by CZK 291.3 billion year on year (and by CZK 11.7 billion month on month) to CZK 2,728.3 billion.

Main components of M3

M1 is the most important component of M3. Its contribution to annual M3 growth increased against January, accounting for one-third of the annual M3 growth (Table 7).

The annual rate of growth of M1 increased from 6.4% in January to 9.4% in February. Similarly, the annual rate of growth of overnight deposits rose from 4.7% in January to 8.6% in February. In month-on-month terms, overnight deposits increased by CZK 18.7 billion (i.e. 1.4%), owing to financial transactions. Within overnight deposits, growth was recorded for deposits of other government (of 4.4%, or CZK 6.5 billion) and households (of 2.3%, or CZK 16.4 billion). By contrast, declines were shown by deposits of insurance corporations and pension funds (of 12.0%, or CZK 1.5 billion) and other financial intermediaries (of 10.4%, or CZK 2.8 billion). Overnight deposits of non-financial corporations were virtually unchanged from the previous period.

The annual rate of growth of currency in circulation decreased from 13.0% in January to 12.4% in February. In month-on-month terms, currency in circulation was up by 0.3% (a rise of CZK 0.9 billion), due to financial transactions.

Other short-term deposits (excluding overnight deposits) fell by CZK 9.2 billion (i.e. 0.9%) month on month, owing to financial transactions. The annual rate of growth of these deposits decreased by 8.9 percentage points, from 27.9% in January to 19% in February. The annual rate of growth of deposits with maturity of up to two years, which are the largest-volume component of short-term deposits, decreased by 11.7 percentage points compared to the previous month, to 1%. Deposits redeemable at notice of up to three months (the smaller component) have long been recording strong annual growth. Their annual growth rate in February was 57%.

Within other short-term deposits, month-on-month declines were recorded for deposits of non-financial corporations (of 4.9%, or CZK 11.7 billion), other financial intermediaries (of 3.7%, or CZK 0.9 billion) and insurance corporations and pension funds (of 1.6%, or CZK 0.6 billion). Conversely, increases were recorded for deposits of other government (of 7%, or CZK 2.9 billion), and households (of 0.2%, or CZK 1.1 billion).

Marketable instruments, which consist of repos, money market fund shares/units and debt securities with maturities of up to two years, increased by 1.9% month on month to CZK 69.5 billion (compared to CZK 68.1 billion in January). The annual rate of growth of marketable instruments decreased by 4.2 percentage points to -6% (-1.8% in January).

Main counterparts of M3

The annual rate of growth of loans extended to general government was -1.5% in February (compared to -0.3% in January). The annual rate of growth of purchased government bonds increased to 17.9% in February from 10.1% in January.

The annual rate of growth of credit to the private sector fell to 14% in February from 15.2% in January. The annual rate of growth of loans extended to the private sector is mostly attributable to households. They account for two-thirds of the annual rate of growth of loans to the private sector (Table 8). The annual rate of growth of loans extended to households was almost the same in February as in January (20.6% in February). Non-financial corporations are another sector accounting for a large proportion of the annual rate of growth of loans to the private sector. Their annual rate of growth declined from 11.9% in January to 9.9% in February.

The annual rate of growth of net external assets fell from -3.3% in January to -4.5% in February. The annual rate of growth of longer-term financial liabilities increased from -18.9% in January to -17.6% in February. The annual growth rate of deposits by central government rose from 13.1% to 21.3%.

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

TABLE 10

Interest rates of monetary financial institutions on new business¹⁾

monthly average rates and sum	2008				2009			
	February		December		January		February	
	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⁾	1,28	985,5	1,46	1192,4	1,42	1210,3	1,29	1198,0
(1.1) Overnight	0,66	612,4	0,91	688,2	0,87	705,0	0,72	719,4
(1.2) With agreed maturity	2,94	59,2	2,56	60,7	2,34	60,0	1,78	45,1
of which: Up to 2 years	2,94	58,8	2,56	59,2	2,33	59,0	1,76	44,3
(1.3) Redeemable at notice ³⁾	2,15	318,8	2,17	453,7	2,17	459,1	2,15	461,7
(1.3.1) Up to 3 months' notice	2,41	255,7	2,34	397,2	2,35	397,6	2,33	401,8
(1.3.2) Over 3 months' notice	1,09	63,1	1,03	56,5	0,97	61,5	0,96	59,9
(2) Deposits from non-financial corporation⁴⁾	1,90	491,4	1,36	638,8	1,32	554,4	1,05	511,7
(2.1) Overnight	1,08	306,6	0,62	340,8	0,73	294,2	0,59	291,2
(2.2) With agreed maturity	3,28	180,8	2,20	291,7	1,96	250,7	1,56	224,2
of which: Up to 2 years	3,28	180,7	2,20	291,6	1,96	250,6	1,56	224,2
(3) Loans to households²⁾	12,63	49,5	13,29	55,8	14,26	48,0	14,04	46,7
(3.1) Bank overdrafts ⁵⁾	16,87	28,5	17,37	32,5	17,40	31,8	17,76	28,7
(3.2) Consumer credit	13,13	3,4	13,36	5,4	13,98	4,4	14,05	5,0
(3.3) Lending for house purchase	5,30	13,7	5,59	14,2	5,58	9,5	5,55	10,6
of which: Mortgage lending ⁶⁾	5,50	7,4	5,71	9,1	5,77	5,3	5,81	5,6
Saving for building purposes	4,85	5,0	5,08	4,3	5,04	3,2	5,03	3,7
(3.4) Other lending	6,94	3,9	6,89	3,6	7,15	2,3	7,31	2,4
(4) Loans to non-financial corporation	5,50	168,5	4,89	190,9	4,73	174,1	4,16	171,0
(4.1) Bank overdrafts ⁵⁾	5,83	103,3	4,95	106,4	5,17	114,0	4,43	108,4
(4.2) Other loans up to CZK 30 million	5,71	14,5	5,37	16,3	5,05	10,7	5,07	9,5
of which: Up to 1 year initial rate fixation ⁷⁾	5,71	12,9	5,35	14,1	4,98	9,6	5,06	8,2
(4.3) Other loans over to CZK 30 million	4,78	50,7	4,66	68,3	3,65	49,4	3,43	53,1
of which: Up to 1 year initial rate fixation ⁷⁾	4,77	50,1	4,65	67,2	3,61	47,6	3,32	45,4
(5) APRC⁸⁾ on loans to households	7,14	17,1	8,16	19,6	8,68	13,9	8,74	15,6
(5.1) Consumer credit	13,66	3,4	14,18	5,4	14,77	4,4	15,03	5,0
(5.2) Lending for house purchase	5,53	13,7	5,88	14,2	5,84	9,5	5,80	10,6

¹⁾ The interest rates that are applied by MFIs 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) according to the classification of the economic sectors ESA95.

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

⁴⁾ Including deposit liabilities redeemable at notice of non-financial corporations (which are also included in item 1.3).

⁵⁾ Bank overdrafts include provided bank overdrafts, debit balance on bank accounts and credit card credits.

⁶⁾ Since 2009, the amendment to Act No. 190/2004 Coll., on Bonds, as amended, has been fully applied, under which a mortgage loan is a loan whose redemption, including appurtenances (i.e. interest etc.), is secured by lien (right of pledge) over real estate (property), including property under construction, where the claim arising from the loan does not exceed twice the pledge value of the mortgaged property (Article 28(3)).

⁷⁾ 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.

⁸⁾ Annual percentage rate of charge (APRC) covers total costs of the credit to the client including charges etc

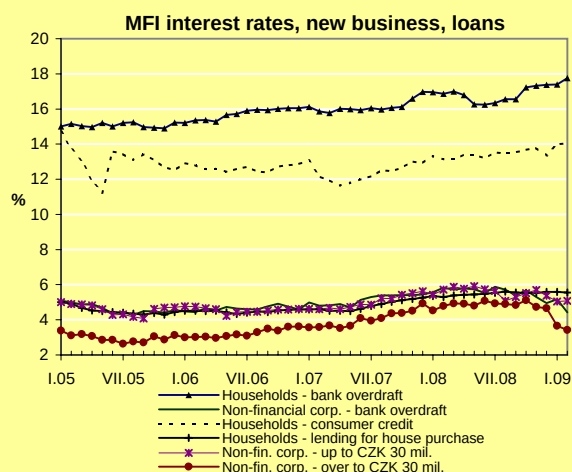
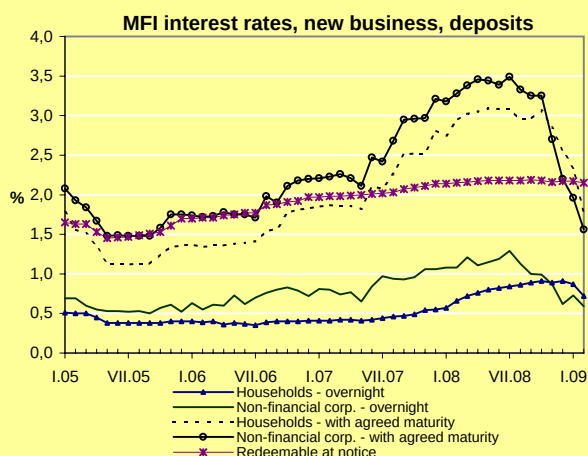


TABLE 11

Interest rates of monetary financial institutions on outstanding amounts¹⁾

outstanding amounts as end-of-month	2008				2009			
	February		December		January		February	
	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⁾	1,48	1321,2	1,59	1434,0	1,56	1462,2	1,45	1479,1
(1.1) With agreed maturity	2,20	385,9	2,24	282,6	2,24	292,1	2,08	296,9
(1.1.1) Up to 2 years	2,34	198,3	2,24	191,1	2,22	198,4	1,98	199,2
(1.1.2) Over 2 years	2,05	187,6	2,26	91,5	2,29	93,7	2,29	97,7
(2) Deposits from non-financial corp.³⁾	1,86	496,1	1,21	526,8	1,33	493,2	1,08	480,9
(2.2) With agreed maturity	3,14	185,4	2,29	179,6	2,18	189,4	1,78	177,1
(2.2.1) Up to 2 years	3,16	182,0	2,29	176,9	2,19	186,7	1,78	175,1
(2.2.2) Over 2 years	2,59	3,4	1,99	2,7	1,83	2,7	1,92	2,0
(3) Loans to households	6,65	743,4	6,95	879,0	6,94	883,0	6,91	894,9
(3.1) Lending for house purchase	4,93	527,7	5,17	618,1	5,18	621,9	5,17	626,4
of which: Mortgage lending ⁴⁾	4,84	346,4	5,21	400,9	5,17	476,5	5,15	480,7
Saving for building purposes	5,15	155,2	5,11	186,7	5,28	120,2	5,28	120,6
(3.2) Consumer credit and other lending ⁵⁾	11,08	215,7	11,31	261,0	11,27	261,1	11,07	268,5
(4) Loans to non-financial corporation	5,59	629,7	5,40	694,5	5,25	690,9	4,85	686,1
(4.1) Up to 1 year	5,51	266,5	5,06	277,8	4,96	267,5	4,42	261,6
(4.2) Over 1 and up to 5 years	5,60	133,1	5,67	142,7	5,37	149,1	5,03	150,5
(4.3) Over 5 years	5,67	230,1	5,61	274,0	5,47	274,3	5,15	274,0

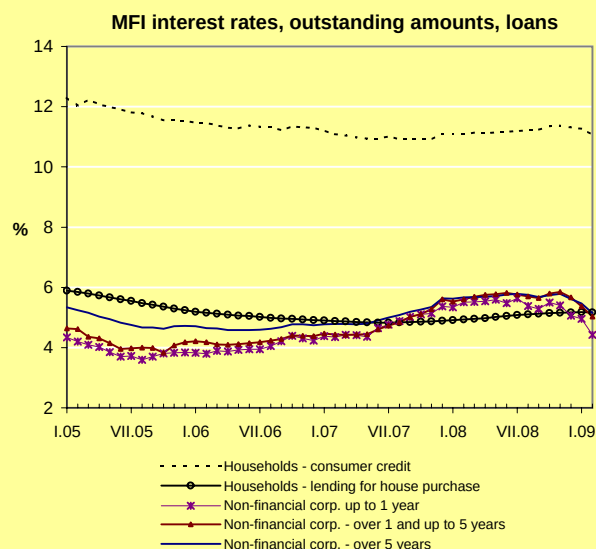
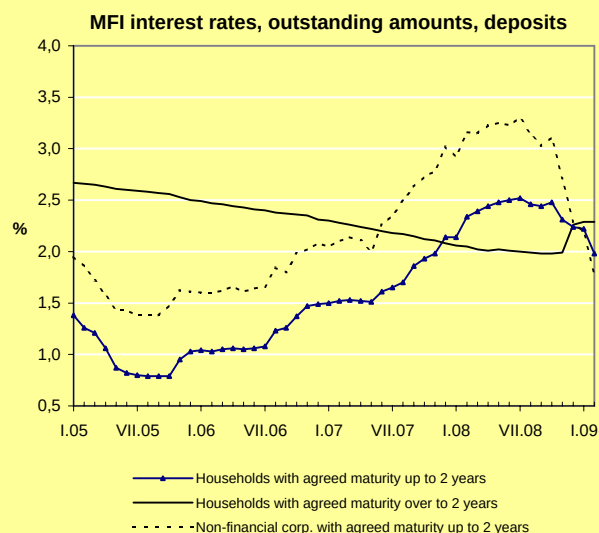
¹⁾ The interest rates that are applied by MFIs to CZK-denominated deposits and loans vis-à-vis households and non-financial corporations resident in the Czech Republic. Interest rates on outstanding amounts refer to the stock of all deposits and all loans at a specific moment.

²⁾ Including households (S.14) and non-profit institutions serving households (S.15) according to the classification of the economic sectors ESA95.

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

⁴⁾ Since 2009, the amendment to Act No. 190/2004 Coll., on Bonds, as amended, has been fully applied, under which a mortgage loan is a loan whose redemption, including appurtenances (i.e. interest etc.), is secured by lien (right of pledge) over real estate (property), including property under construction, where the claim arising from the loan does not exceed twice the pledge value of the mortgaged property (Article 28(3)).

⁵⁾ Consumer credit and other lending include bank overdrafts presented in Table 10.



Commentary on interest rates of monetary financial institutions (Tables 10 and 11): February 2009

Interest rates on new business

Interest rates on **new deposits** of households and non-financial corporations decreased considerably in February.

The average interest rate on total new deposits of **households** fell by 0.13 percentage point, to 1.29%. Similarly, the rate on overnight deposits declined by 0.15 percentage point, to 0.72%. The rate on deposits with agreed maturity decreased more markedly, down by 0.56 percentage point, to 1.78%. The interest rate on deposits redeemable at notice remained almost at the previous month's level (2.15%).

The overall interest rate on new deposits of **non-financial corporations** decreased by 0.27 percentage point, to 1.05%. The rate on overnight deposits fell by 0.14 percentage point to 0.59%. However, the rate on deposits with agreed maturity of up to two years (these deposits usually account for 100% of all deposits with agreed maturity in this sector) fell more markedly, by 0.40 percentage point to 1.56%.

The interest rate on **new loans** to households and non-financial corporations recorded a decline in February.

The overall interest rate on new loans to **households** declined by 0.22 percentage point to 14.04%, due to a change in the shares of volumes of sub-components of loans in total volumes of loans to households. By contrast, the interest rate on bank overdrafts saw a more pronounced rise, of 0.36 percentage point, i.e. to 17.76%. The rate on consumer credit was slightly higher (by 0.07 percentage point), standing at 14.05%. The interest rate on loans for house purchase recorded a slight decline of 0.03 percentage point, to 5.55%. The rate on other loans rose by 0.16 percentage point to 7.31%.

The interest rate on total loans to **non-financial corporations** declined by 0.57 percentage point, to 4.16%. The rate on bank overdrafts fell sharply by 0.74 percentage point to 4.43%. By contrast, the rate on other loans of up to CZK 30 million increased slightly by 0.02 percentage point, to 5.07%. The rate on other loans of over CZK 30 million declined by 0.22 percentage point to 3.43%.

The overall annual percentage rate of charge on loans to households rose by 0.06 percentage point to 8.74%, as a result of an increase in the APRC on consumer credit (of 0.26 percentage point) to 15.03%. By contrast, the APRC on house purchase loans recorded a decline of 0.04 percentage point to 5.80%.

Interest rates on outstanding amounts

The average interest rate on **outstanding amounts of deposits** of households and non-financial corporations decreased in February.

The interest rate on total deposits of **households** fell by 0.11 percentage point, to 1.45%. The rate on deposits redeemable at notice remained almost unchanged at the January level (2.15%). The interest rate on deposits with agreed maturity declined by 0.16 percentage point to 2.08%, while the rate on overnight deposits also saw a decrease (of 0.15 percentage point) to 0.72%.

The interest rate on total deposits of **non-financial corporations** declined more markedly, by 0.25 percentage point to 1.08%. The rate on overnight deposits fell by 0.14 percentage point to 0.59%. The overall interest rate on deposits with agreed maturity recorded a sizeable decline of 0.40 percentage point to 1.78%.

The average interest rate on **outstanding amounts of loans** to households was almost the same as in the previous month, while in the case of non-financial corporations it recorded a more pronounced decrease.

The overall interest rate on loans to **households** showed a very slight decline to 6.91%. The rate on loans for house purchase was almost the same as in January, standing at 5.17%. The interest rate on consumer credit and other loans fell significantly, to 11.07%.

The average interest rate on outstanding amounts of loans to **non-financial corporations** declined at all maturities. The interest rate on loans of up to one year recorded the most visible decline to 4.42%, the rate on loans with maturity of over one year and up to five years fell to 5.03%, while the rate on loans with maturity of over five years declined to 5.15%.

TABLE 12

Aggregated balance sheet of investment funds ¹⁾

CZK billions; end of period	2007	2008			
	December	March	June	September	December
ASSETS					
Total	113,6	104,8	103,6	100,1	90,1
(1.1) Deposits	17,7	14,3	11,0	12,0	10,3
(1.2) Securities other than shares	41,5	41,4	43,6	44,0	44,2
Residents	20,9	21,0	22,7	22,2	23,1
MFI	1,0	0,0	0,0	0,0	0,0
General government	15,3	15,4	17,6	16,3	20,4
Other residents	4,5	4,6	4,2	4,7	1,7
Non-residents	20,7	20,5	20,9	21,8	21,1
(1.3) Shares and other equity	29,6	24,6	24,2	20,2	14,3
Residents	5,9	5,2	5,6	4,7	4,3
MFI	0,4	0,2	0,5	0,0	0,3
Other residents	5,5	5,0	5,1	4,7	3,9
Non-residents	23,7	19,4	18,6	15,5	10,0
(1.4) Investment fund shares	22,3	20,7	20,5	19,9	16,8
Residents	5,9	5,7	5,6	5,1	4,3
Non-residents	5,3	5,1	5,0	4,6	3,2
(1.5) Other assets	2,6	3,9	4,3	4,0	4,5
LIABILITIES					
Total	113,6	104,8	103,6	100,1	90,1
(2.1) Loans accepted	0,9	0,1	0,1	0,2	0,3
(2.2) Investment fund shares	110,3	103,0	101,5	97,6	88,0
Residents	109,7	102,4	100,8	96,9	86,9
Non-residents	0,6	0,6	0,7	0,7	1,2
(2.4) Other liabilities	2,2	1,7	2,0	1,6	1,0

BALANCE SHEET TOTAL - BREAKDOWN BY INVESTMENT POLICY

TOTAL	113,6	104,8	103,6	100,1	90,1
Equity funds	19,4	16,4	16,3	13,6	9,6
Bond Funds	44,5	41,7	40,7	39,3	36,4
Mixed Funds	46,4	43,3	42,5	41,8	37,2
Real estate funds	3,4	3,5	4,1	5,4	6,9

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

- funds of funds and funds of qualified investors are classified under the category of assets or funds in which they primarily invest.

- data are published by the 15th calendar day of the second month following the reference period

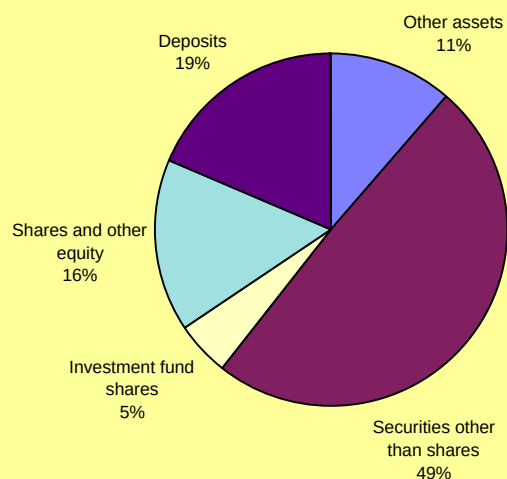
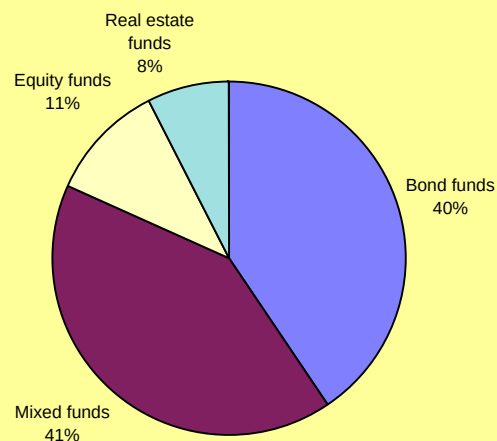
Balance sheet total - breakdown by asset items**Balance sheet total - breakdown by investment policy**

TABLE 13
Quarterly aggregated balance sheet of financial corporations engaged in lending ¹⁾

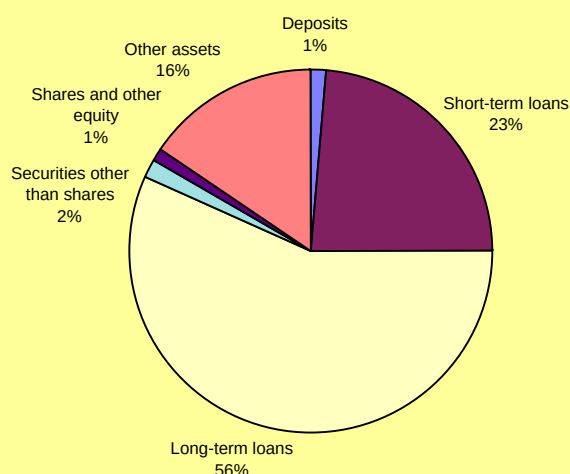
CZK billions; end of period	2007	2008			
	December	March	June	September	December
Assets					
Total	412,2	407,0	418,3	428,3	441,5
(1.1) Deposits	8,9	7,1	6,3	6,4	7,6
(1.2) Loans provided	330,8	321,1	332,1	341,0	351,8
Residents	325,4	315,8	326,9	336,7	347,0
Up to 1 year	95,3	93,7	96,7	98,8	102,1
Over 1 year	230,1	222,1	230,2	237,9	245,0
Non-residents	5,4	5,3	5,2	4,3	4,8
(1.3) Securities other than shares	4,4	7,7	7,5	7,2	7,7
Up to 1 year	1,6	4,6	5,5	5,3	5,8
Over 1 year	2,8	3,0	2,0	1,9	1,9
(1.4) Shares and equity	4,8	5,0	4,9	4,9	5,7
Mutual fund shares/units (including MMFs)	0,0	0,0	0,0	0,0	0,0
Other shares and equity	4,8	5,0	4,9	4,9	5,7
(1.5) Other assets	63,4	66,2	67,5	68,7	68,7
LIABILITIES					
Total	412,2	407,0	418,3	428,3	441,5
(2.1) Loans taken	260,7	258,7	267,8	270,5	270,5
Residents	189,8	184,5	193,2	193,3	191,4
Non-residents	71,0	74,2	74,6	77,2	79,2
(2.2) Securities other than shares issued	34,6	28,6	29,0	29,0	28,2
Up to 1 year	19,9	10,8	11,3	11,3	10,6
Over 1 year	14,7	17,7	17,7	17,7	17,7
(2.3) Own funds	79,1	82,9	85,9	86,9	97,7
(2.5) Other liabilities	37,8	36,9	35,6	41,8	45,0

BALANCE SHEET TOTAL BREAKDOWN BY TYPE OF INTERMEDIARIES

TOTAL	412,2	407,0	418,3	428,3	441,5
Financial leasing companies	284,7	279,5	286,8	292,4	304,7
Other lending companies	101,5	101,5	104,4	108,9	111,8
Factoring and forfaiting companies	26,0	26,0	27,0	27,0	25,0

¹⁾ Financial corporations engaged in lending - corporations classified within sector S.123 other financial intermediaries which are predominantly engaged in granting credit or loans or entering into agreements of similar nature, for example financial leasing, factoring, consumer credit, hire purchase, etc. (see Decree No. 307/2004 Coll.). Data are published by the last working day of the second month following the reference period.

Balance sheet total - breakdown by asset items



Balance sheet total - breakdown by type of intermediaries

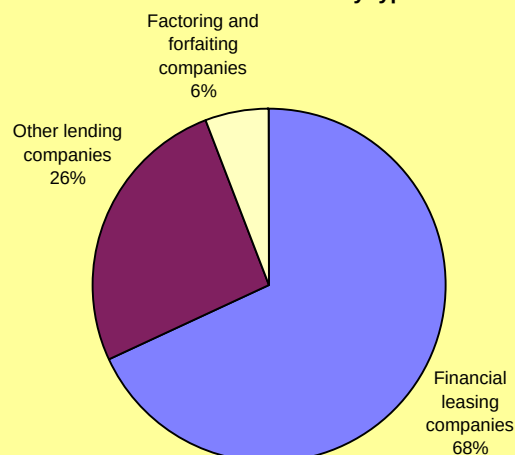


TABLE 14

Summary of loans provided by financial corporations engaged in lending ¹⁾ to residents

CZK billions; end of period	2007	2008			
	December	March	June	September	December
LOANS					
(1) Non-financial corporations	173,6	175,3	179,4	188,5	193,0
Up to 1 year	53,1	51,5	52,7	54,6	55,4
Over 1 year up to 5 years	106,0	107,4	109,6	114,3	111,3
Over 5 years	14,5	16,4	17,0	19,7	26,3
(2) Financial corporations	1,3	1,0	0,9	1,3	1,7
Up to 1 year	0,7	0,4	0,4	0,3	0,4
Over 1 year up to 5 years	0,5	0,5	0,4	0,9	1,3
Over 5 years	0,1	0,1	0,1	0,1	0,1
(3) Government	1,3	1,0	0,9	1,0	1,0
Up to 1 year	0,5	0,4	0,4	0,4	0,4
Over 1 year up to 5 years	0,7	0,6	0,5	0,5	0,5
Over 5 years	0,0	0,0	0,0	0,0	0,0
(4) Households	149,1	138,3	145,4	145,8	151,3
Up to 1 year	40,8	41,2	43,0	43,4	45,9
Over 1 year up to 5 years	97,1	85,1	88,7	87,8	90,2
Over 5 years	11,2	12,0	13,8	14,6	15,2
(5) NPISHs	0,2	0,2	0,2	0,1	0,1
Up to 1 year	0,1	0,1	0,1	0,1	0,1
Over 1 year up to 5 years	0,1	0,1	0,1	0,1	0,1
Over 5 years	0,0	0,0	0,0	0,0	0,0

BREAKDOWN OF LOANS PROVIDED TO HOUSEHOLDS

(1) Total	149,1	138,3	145,4	145,8	151,3
(1.1) Consumer credit	128,5	120,4	126,8	128,4	134,4
Up to 1 year	39,8	40,2	41,9	42,3	44,8
Over 1 year up to 5 years	78,5	69,4	72,7	72,9	75,9
Over 5 years	10,2	10,7	12,2	13,2	13,7
(1.2) Lending for house purchase	1,1	1,2	1,3	1,4	1,5
Up to 1 year	0,0	0,0	0,0	0,0	0,0
Over 1 year up to 5 years	0,5	0,5	0,4	0,4	0,4
Over 5 years	0,6	0,7	0,9	1,0	1,1
(1.3) Other loans	19,4	16,6	17,3	16,0	15,4
Up to 1 year	1,0	1,0	1,1	1,1	1,1
Over 1 year up to 5 years	18,1	15,2	15,5	14,4	13,9
Over 5 years	0,3	0,5	0,7	0,4	0,4

BREAKDOWN OF SELECTED LOANS BY TYPE OF INTERMEDIARIES

TOTAL	325,4	315,8	326,9	336,7	347,0
Financial leasing companies	227,5	218,1	224,8	231,2	239,2
Other lending companies	75,9	77,3	80,5	84,0	88,8
Factoring and forfaiting companies	22,0	20,4	21,6	21,5	19,1
of which Non-financial corporations	173,6	175,3	179,4	188,5	193,0
Financial leasing companies	147,0	149,7	153,1	162,0	168,2
Other lending companies	4,7	5,2	4,7	5,1	5,7
Factoring and forfaiting companies	22,0	20,4	21,6	21,5	19,1
of which Households	149,1	138,3	145,4	145,8	151,3
Financial leasing companies	78,8	66,9	70,4	67,9	69,6
Other lending companies	70,2	71,4	75,1	77,9	81,7
Factoring and forfaiting companies	0,0	0,0	0,0	0,0	0,0

¹⁾ Financial corporations engaged in lending - corporations classified within sector S.123 other financial intermediaries which are predominantly engaged in granting credit or loans or entering into agreements of similar nature, for example financial leasing, factoring, consumer credit, hire purchase, etc. (see Decree No. 307/2004 Coll.). Data are published by the last working day of the second month following the reference period.

Commentary on the aggregated balance sheet of collective investment funds (Table 12): December 2008

As of the end of 2008, collective investment funds (CIFs) administered assets worth CZK 88 billion. The administered assets thus continued declining also in Q4. The value of assets in funds fell by CZK 9.6 billion compared to the previous quarter, i.e. a decline of 9.84%. Compared to the same period of 2007, the value of funds' assets decreased, too, by CZK 22.3 billion, i.e. a decline of 20.22%.

In Q4, the largest decline was recorded by equity funds, whose assets fell from CZK 13.1 billion to CZK 9.6 billion, which represents a quarter-on-quarter decrease of 26.69%. The decline was recorded also by mixed funds (from CZK 41 billion to CZK 36.6 billion) and bond funds (from CZK 38.7 billion to CZK 35.9 billion). In year-on-year comparison, equity funds showed the most significant fall and the value of their assets fell by CZK 9.1 billion, which represents a decline of 48.77% year on year. Conversely, real estate funds recorded a rise from CZK 4.7 billion to CZK 5.9 billion quarter on quarter. Their assets rose by CZK 3.6 billion year on year, which represents a rise of 154.71%.

Collective investment funds invested most in debt securities. The total volume of purchased debt securities was CZK 44.2 billion at the end of 2008, accounting thus for 50.23% of CIF equity capital. Compared to the previous quarter, the share of debt securities in equity capital increased by 5.14 percentage points. The share of purchased debt securities in equity capital increased by 12.6 percentage points year on year. By contrast, funds decreased the share of equity in their portfolios. The volume of equities fell by CZK 9 billion quarter on quarter, i.e. is a decline of 22.45%.

As of the end of Q3, 134 resident collective investment funds were active in the Czech Republic. Of this total, 27 were equity funds, 26 bond funds, 56 mixed funds and 25 real estate funds.

Commentary on the quarterly aggregated balance sheet of financial corporations engaged in lending¹⁾ (Tables 13 and 14): December 2008

As of 31 December 2008, financial corporations engaged in lending had total assets of CZK 441.5 billion. The total assets rose by CZK 13.2 billion compared to the previous quarter, i.e. an increase of 3.07% quarter on quarter. In year-on-year terms this meant a rise of CZK 29.3 billion, i.e. by 7.09%. This was mostly due to corporations providing financial leasing, which also account for the largest share of total assets, i.e. of CZK 304.7 billion. Other lending companies accounted for CZK 111.8 billion of the total assets and companies engaged in factoring and forfeiting contributed by CZK 25 billion.

The largest asset item was loans which amounted to CZK 351.8 billion. The loans recorded a rise of CZK 10.8 billion in Q4 2008, i.e. up by 3.16% compared to the previous period. Year-on-year loans increased by CZK 21 billion, i.e. a rise of 6.35% year on year. Most of this amount, i.e. 98.64% of the loans was provided to residents. Short-term loans stood at CZK 103.6 billion at the end of Q4, accounting thus for 23.47% of total assets. Long-term loans amounted to CZK 248.2 billion, i.e. 56.22% of total assets.

The largest part of the loans provided to residents consisted of loans to non-financial corporations, which amounted to CZK 193 billion, i.e. 55.62% of loans to residents. Loans provided to non-financial corporations rose by CZK 4.4 billion compared to the previous quarter, i.e. an increase of 2.35%. In year-on-year terms, the loans provided to non-financial corporations were up by CZK 19.4 billion, i.e. 11.18%. Financial leasing companies provided CZK 168.2 billion, other lending companies CZK 5.7 billion and factoring and forfeiting companies provided CZK 19.1 billion. These loans are made up predominantly of loans with an original maturity of one to five years, which amounted to CZK 111.3 billion.

The second largest group of the loans provided to residents consist of loans to households amounting to CZK 151.3 billion, which rose by CZK 5.5 billion compared to the previous quarter, i.e. an increase of 3.77% quarter on quarter. Consumer credits amounting to CZK 134.4 billion, i.e. 88.85% of total loans provided to households, represented the largest part of loans to households. In year-on-year terms, the loans provided to non-financial corporations were up by CZK 2.2 billion, i.e. 1.49%. These loans provided to households account for 43% of loans granted to residents. CZK 69.6 billion was provided by financial leasing companies and CZK 81.7 billion by other lending companies. Loans with an original maturity of one to five years amounted to CZK 90.2 billion, giving them the largest share in loans to households.

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.

Financial corporations engaged in lending (FCLs):

Definition: FCLs mean corporations classified within sector S.123 other financial intermediaries which are predominantly engaged in granting credit or loans or entering into agreements of similar nature, for example financial leasing, faktoring, consumer credit, hire purchase, etc. (see Decree No. 307/2004 Coll.)

Type of services:

1. Financial leasing - It is financial service, when lessee acquires the right to use good in exchange for rental payment over predetermined term. All risk and rewards of ownership are transferred from lessor to lessee. After lapse of predetermined term ownership of good is transferred from lessor to lessee.
2. Faktoring - It is financial service consisting in purchase of short-term receivables (with maturity 30-90 days) before their maturity date. Receivables are transferred on faktoring company – factor- by supplier of goods or services.
3. Other lending - This category encompass granting credit or loans or agreements of similar nature different from financial leasing and faktoring. It deals especially with consumer credit, hire purchase, consumption loans, etc.

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.

Glossary (cont'd)

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.

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.

Glossary (cont'd)

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 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 Annexes

December 2005

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

January 2006

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

April 2006

Interest rate statistics (MIR)

October 2006

Debt securities market in 2005

June 2007

Treasury bonds statistics for the reference period January 2007 - June 2007

August 2007

Method for grossing up the balance sheet total and balance sheet item in the statistics on financial corporations engaged in lending

February 2008

Treasury bonds statistics for the reference period July 2007 - December 2007