

# Czech Republic

## I. Institutional coverage

The statistics presented in *Banking Statistics – Financial Statements of Banks* cover the 39 universal or specialised savings banks operating in the Czech Republic of which commercial banks (31 banks with more than 50% foreign capital and branches of foreign banks), and savings banks (building savings institutions).

All banks – universal or savings banks – operating in the Czech Republic are governed by law.\*

## II. Geographical coverage and degree of consolidation

Since 1993 to 2009, the data cover all domestic and foreign banks operating in the Czech Republic including branches of domestic banks abroad.

## III. Summary description of activities of banks

### **Deposits**

All commercial banks have a complete range of deposit accounts in domestic and foreign currency. Demand deposits and sight deposits have lower interest rates; term deposits have a higher interest rate. Some specialised banks accept specific-purpose deposits. Construction savings banks are reserved for Czech nationals permanently domiciled in the Czech Republic and legal entities/residents of the Czech Republic.

### **Loans**

Czech banks offer a wide range of credit facilities, in domestic and foreign currency, to corporations, households, local governments as well as to non-residents. Mortgage lending has grown since the establishment of specialised mortgage credit institutions. Another area of lending is to support entrepreneurial activities of efficiently managed companies, particularly smaller and medium-sized enterprises.

### **Payment facilities**

All Czech banks offer the totality of standard means of payment. The more developed banks have introduced electronic payment facilities and several types of payment cards. Some banks offer special services such as home banking, etc.

\* Acts Nos. 21/92, revised by Acts 264/92, 292/93, 156/94, 83/95, 84/95, 61/96, 306/97, 16/98, 127/98, and 165/98 of the Collection of Laws.

**Money market business**

Czech banks are active in the domestic and foreign interbank market for short-term loans between banks.

**Securities business and portfolio management**

Banks operate with securities on the stock exchange, on the primary and secondary markets, under conditions governed by the Central bank. Banks invest part of their working capital in securities. Banks also have an important role as managers of client portfolios. This activity is often performed through investment funds or corporations.

**Other business**

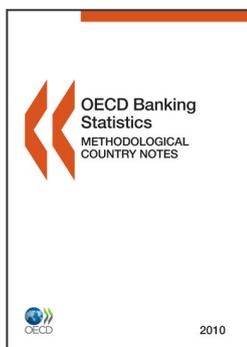
Banks provide a number of other services, such as foreign exchange operation and hedging in foreign currencies, precious metal and crude oil, consulting and information services, issues of bank guarantees, export and import financing, etc.

**IV. Reconciliation of national data with the OECD presentation****Balance sheet and Capital adequacy**

From 2006, data are based on IAS/IFRS standards, and they are not fully comparable with those before 2006. Due to the implementation of Basel II in 2007, the central bank (Czech central bank) is not able to provide Balance sheet data in accordance with the OECD presentation.

**V. Sources**

The data in *Banking Statistics – Financial Statements of Banks* has been compiled by the Czech National Bank.



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