

9/2023

# CBA | NEWS

Dear Colleagues,

we are currently working at full speed in the Czech Banking Association as we prepare for the June meeting of all members. It is an important event for us, even more so this year because it will be an election meeting. We have also started preparations for this year's #nePINdej! cybercampaign, which was extraordinarily successful last year. At the CBA, we like to raise the bar further and further, so this year we will do everything we can to make its reach even greater and to inform as many people as possible about current cyber frauds, teach them how to identify them and not fall for them.

In addition, we are also dealing with the agenda in the areas of compliance, financial, tax and legislative issues, payments, sustainable finance, and financial education. We have also started developing a new CBA website, which should be modern, functional, and as tailored as possible to the needs of our members and the professional community.

I wish you a wonderful and, above all, a stress-free May.

Monika Zahálková  
Managing Director of the CBA



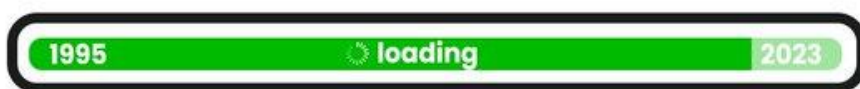
# News of the Day

## Digital mortgage? No science fiction, soon a reality

Interest in using digital identity authentication, or the Bank ID, is growing in the Czech Republic, with over two million people already using it. Not only the number of users is growing, but also the services offered by the Bank ID. One of the priorities that the Bank ID is currently working on in cooperation with the Digital and Information Agency, the Ministry of the Interior of the Czech Republic, the Czech Banking Association and the State Administration of Land Surveying and Cadaster is the digitization of mortgages. The first paperless mortgage could see the light of day this year. Those interested in a housing loan would be able to easily manage the entire application process online, from the comfort of their home, without having to visit a bank or contact various authorities to get the necessary certificates. *"The signatures on the necessary documents will be as required by law, either in the form of a qualified signature or an officially certified signature. Both options have been allowed by the law for quite some time, there is only an obstacle to user-friendliness and accessibility. That is what we are trying to improve,"* explains Jan Blažek, Chairman of the Board of Bank Identity, which operates the Bank ID.

Preparations for digital mortgages are now in full swing, with the entire process requiring investment on the part of the banks. However, the first digital mortgages will be granted already this year.

# Pracujeme s bankami na hypotéce bez papíru



stovky papírů,  
návštěva bankéře,  
notáře, katastru...



bez papírů, online  
a bez nutnosti kamkoli  
chodit



From the Market

## Hello Bank! clients will receive an offer from KB

Hello bank! clients who have deposits with the bank will receive an offer from Komerční banka. The bank will manage their current accounts. Hello Bank!, which has about 300,000 clients in the Czech Republic, ceased providing any new products to its clients as of 3 April. The banking services provided by Hello bank! will be discontinued in a controlled manner over the coming months. The decision was taken at the level of the parent company BNP Paribas Personal Finance SA. Continuity of banking services for clients and partners will be ensured until all contractual obligations are fully settled, according to Hello bank! Hello bank! clients will be able to use KB services both digitally and in branches.

## ECB raises base interest rate

The ECB raises its key interest rate by a quarter of a percentage point to 3.75 percent. The bank

is tightening monetary policy to control inflation, which remains high. This is the seventh consecutive time the ECB has raised interest rates, but the pace of increases has slowed down. The ECB also announced that it will discontinue net asset purchases from maturing debt under its Asset Purchase Program (APP) from July. Although previous interest rate hikes failed to bring inflation to the 2% target, the ECB has no choice but to continue tightening monetary policy.

## **The EBA has published its consumer trends report. Fraud in payments and over-indebtedness dominate**

In the last week of April, the European Banking Authority (EBA) published its [consumer trends report](#), which provides quantitative data for retail banking products, including mortgages, consumer credit, payment accounts, payment services, electronic money and deposits. The report identifies the two main problems facing EU consumers – fraud in retail payments and over-indebtedness.

## **The end of low interest rates entails risks**

European Supervisory Authorities published their [Spring Report on risks and vulnerabilities in the EU financial system](#) at the end of April. While noting that EU financial markets have remained broadly stable despite the challenging macroeconomic environment and recent market pressure in the banking sector following the collapse of several US banks and the emergency merger of Credit Suisse with UBS, the European Supervisory Authorities are calling on national supervisors, financial institutions and market participants to remain vigilant to the mounting risks. The potential risks relate to the end of more than a decade of very low interest rates. Asset prices have been highly volatile over the past months with market liquidity fragile. Significant risks include geopolitical tensions, environmental threats and an increase in the frequency and sophistication of cyber-attacks.

# Commentary

## **The economy grew slightly**

According to a preliminary estimate published by the Czech Statistical Office, the domestic economy grew by 0.1% quarter-on-quarter in the first quarter of 2023, but declined by 0.2% year-on-year. Analysts' consensus expected a slight quarter-on-quarter decline, but the economy surprised positively and avoided sinking deeper. The quarter-on-quarter development was favorably influenced mainly by growing external demand. Conversely, households' final consumption expenditure continued to decline producing a negative effect. Construction, information and communication activities also performed well quarter-on-quarter. Despite global risks, the energy crisis and inflation, the economic downturn in the first quarter was only moderate and the domestic economy is expected to grow moderately this year

**Jakub Seidler,**  
**Chief Economist of the CBA**



## **Share of non-performing loans continues to decline**

In a situation where the central bank is trying to reduce still very high inflation, and is far from its target, we cannot expect high credit growth. What makes sense is to watch how the quality of the loan portfolio evolves, given the downturn in economic activity in recent quarters, and the many shocks that bank customers have had to deal with over the past few years. The second point of interest is how businesses in particular are reacting to the interest rate differential between koruna and euro resources in a situation where not only the CNB Governor attaches importance to the strong exchange rate of the koruna as an anti-inflationary tool. Indeed, if anyone who can afford it from a risk management point of view reaches for a euro loan, he/she weakens the CNB's efforts. And this is happening on a large scale.

**Miroslav Zámečník,**  
**Chief Advisor of the CBA**



# From Legislature



## EU discusses new draft directive on consumer financial services

The proposal of a new directive that will change the consumer protection rules for consumer financial services reached the trilogue stage at the end of April. It will repeal the older directive on distance marketing of consumer financial services (the "DMFSD") and create new rules that will apply in the absence of specific regulation for a financial service (for instance, when a new financial product enters the market for which there is no EU legislation). One of the most significant new features of the directive is the obligation to provide consumers with a "withdrawal button" when shopping for financial services online. In addition, the Parliament and the Council propose to extend this obligation to all goods and services purchased online in the future. There are also discussions on the regulation of risk warnings and on limiting the activities of financial influencers. The aim of the ongoing discussions is to find a suitable solution that will be beneficial to both consumers and service providers. Representatives of the authorities involved hope to agree on a definitive version of the directive in the coming weeks.

CBA EDUCA



## CBA EDUCA invites to new seminars

The CBA in cooperation with Deloitte Advisory is organizing two new expert seminars - Market Abuse Regulation (MAR) and Liquidity Management (LM). The MAR seminar will take place on 15 May and is intended for all those interested in investments and securities trading. The LM seminar will be held on June 7 and has been developed for those involved in administering financial flows and liquidity risk in the banking. The content of the seminars has been developed based on the requirements of banks. You can [register here](#).

odborný seminář

## MARKET ABUSE REGULATION

Kontrolní systém  
Manipulace s tržními cenami  
Ovlivňování trhu  
Aktuální trendy a mnoho dalšího

15. května 2023

9:00 - 14:00

Hotel BOTANIQUE  
Sokolovská 11, 186 00 Praha

REGISTRUJTE SE NYNÍ NA  
SEMINARE@CBAONLINE.CZ

VÍCE INFORMACÍ NA  
WWW.CBAEDUCAPLUS.CZ



Martin Kubačka  
ředitel Deloitte



Štěpán Pekárek  
manažer Deloitte

odborný seminář

## LIQUIDITY MANAGEMENT

Řízení rizika likvidity  
Zpřístupnění informací  
Regulatorní reporting  
Výpočty a mnoho dalšího

7. června 2023

9:00 - 14:00

BASE Churchill I  
Italská 2581/67, Praha 2