

12/2023



Dear Colleagues,

A new leadership of the CBA has been elected at last week's meeting of the Association of Members of the Czech Banking Association. Jan Juchelka is our new President; he will replace Tomáš Salomon in this role. Tomáš Salomon will now take on the role of the First Vice-President of the Association, and Michal Strcula becomes the Second Vice-President. Tomas Nidetzký will become the Chairperson of the Supervisory Board. I would like to take this opportunity to thank to Tomáš Salomon for his leadership of the CBA, during which time we have made a huge leap and become a modern and dynamic association, and I would like to wish the new leadership every success in the coming period.

One of the priorities of the new management is to focus on deepening the dialogue and cooperation among the private sector, the state, and the regulator, and on the topics of digitization, innovation, and sustainability. I am confident that we will achieve or even surpass our goals together.

In addition to the election of the new leadership, we had another reason to celebrate last week. Our project #nePINdej! won a total of 8 Lemurs in the recently announced prestigious Czech PR Lemur 2023 competition and it has absolutely dominated the competition, winning the highest number of statuettes of all the awarded projects. This tremendous

success is a credit to the hard work and dedication of everyone involved in the campaign, be it my colleagues or the project partners, and for this I owe them my great thanks. I would also like to thank all of you who have actively participated in the project by taking our test at kybertest.cz and helping us in our joint fight against e-scams.

Once again, my heartfelt congratulations to the new leadership and thank you to everyone who participated in our #nePINdej project!



Monika Zahálková
Managing Director of the CBA

News of the Day

The Czech Banking Association has new leadership. Jan Juchelka is the new President

Members of the Czech Banking Association have [elected their representatives in the governing bodies](#). Jan Juchelka is the new President of the CBA. He will replace Tomáš Salomon in this role and Tomáš Salomon will become the First Vice-President of the Association. The decision was adopted by the Assembly of Members of the CBA, which, in addition to the members of the Executive Board, also elected members of the Board of Supervisors. Tomáš Nidetzký became its new Chairman.

"This year has brought a number of challenges for banks. We are still experiencing high inflation, a decline in household consumption and rising costs of deposits. Although 2022 is difficult in many respects, this is no

reason for great pessimism. The Czech Republic needs to invest smartly to fight for its place on the European and global economic and business scene," says Jan Juchelka, the CEO and Chairman of the Board of Directors of Komerční banka, adding: "The Czech banking system is very stable. Czech banks are capital strong and well equipped with liquidity. We continue to stand by our clients and remain a strong sector even in times of economic downturn. The role of the Czech Banking Association in this respect is crucial and irreplaceable. I assume the leadership of the Association with great respect and in my role at the head of the Association I will focus, together with my colleagues in the Executive Board, on deepening the dialogue and cooperation among the private sector, the state, and the regulator, and on the topics of digitization, innovation, and sustainability. The Association has come a long way in the last three years, and we have a lot to build on."

The Executive Board of the CBA will now work in the following composition: Jan Juchelka, Komerční banka (President), Tomáš Salomon, Česká spořitelna (First Vice-President), Michal Strcula, Air bank (Vice-President), Aleš Blažek, ČSOB (Member), Jakub Dusílek, UniCredit Bank (Member), Igor Vida, Raiffeisenbank (Member).

The Supervisory Board has the following members: Tomáš Nidetzký, NRB (Chairman), Michael Pupala, MPSS (Vice-Chairman), Tomáš Hubáček, Banka Creditas (Member), Libor Vošický, Stavební spořitelna ČS, (Member).



From the Market

CBA #nePINdej! project is a communication project which received most awards

The #nePINdej! campaign in support of cyber security has succeeded eight times in the prestigious Czech PR Award Lemur 2023 Competition, thus winning the highest number of statuettes of all the awarded projects. A big thank you to everyone who worked on the campaign, but also to all of you who got involved by taking our test at www.kybertest.cz and helped us fight against e-scams. Thank you!

Interest in unsecured loans from real estate savings is stable and the target amount for new agreements is growing

By the end of May, building societies had granted loans worth CZK 14.3 billion. Compared to the same period in 2022, their volume is 57.1 percent lower. In particular, the interest in loans secured by a lien on real estate is declining, with their number falling by 75.5 per cent and their volume by 78.8 per cent. On the other hand, the number and volume of unsecured loans to natural persons remained at the same level as last year. In the first five months of the year, building societies concluded 205 376 agreements, which is 6.9 per cent less year-on-year. The total target amount increased by 4.4 percent to CZK 118.7 billion, according to data provided to the Czech News Agency by all five Czech building societies.

Three million Czechs used the Banking Identity

Three million users, i.e., more than a third of citizens over the age of 18, have already used the Banking Identity for state and company services. In the 2.5 years of its operation, it has become by far the most used method of verifying digital identity in the Czech Republic. For exactly two years, the Bank iD can also be used to prove identity at companies. One million people have used it for their identification in more than 160 participating entities. Thanks to the Banking Identity, Czechs have learned to use online government services. Last year, 80% of users who logged in to state services identified themselves using their Banking Identity. On average, they logged in five times in a year and made more than 10

million logins in total.

EBA published its annual report for 2022

The European Banking Authority (EBA) has published its [Annual Report](#), which outlines its activities and achievements in 2022 and provides an overview of key priorities for 2023. Strategic priorities for this year include finalizing the Basel III implementation in the EU, performing an enhanced EU-wide stress test, putting data at the service of stakeholders, delivering on MiCAR and DORA mandates, enhancing capacity to fight money laundering and the financing of terrorism in the EU, and executing the Environmental, Social and Governance (ESG) roadmap.

Commentary

The volume of mortgages increased again

Banks and building societies granted mortgage loans worth CZK 12.3 billion in May. Month-on-month, the volume of mortgages granted increased by 17%. Although May activity on the mortgage market is regularly more favorable compared to April, this year the increase was beyond the normal seasonality. The volume and number of mortgages is thus the highest since the middle of last year, when the market started to freeze noticeably. The figures for the last three months indicate that the mortgage market is recovering slightly. In year-on-year terms, the volume of mortgages granted was 40% lower in May. Interest rates have increased slightly and have returned to 5.9%. Although market interest rates have been falling again in recent weeks, they remain very volatile and any changes in mortgage rates in the coming months will therefore be cosmetic.

Jakub Seidler,
Chief Economist of the CBA



Inflation growth slowed down in May

May's annual price growth slowed to 11.1% from April's 12.7%, with prices rising again by 0.3% month-on-month after April's decline. The main reason for this

increase was the renewed increase in food prices, especially fruit and meat. Also contributing were prices of alcoholic beverages, prices of food services and again a slight rise in imputed rent, which has always fallen month-on-month so far this year. Price increases also continued in the housing category (rents, heat, hot water, electricity), while fuel prices fell. We still expect inflation to remain around 11% this year. However, the most significant risk now is next year's inflation. Although it will fall significantly, it may not reach the 2-3% level in the longer term, but may "take root" in the domestic economy at a higher level.

Jakub Seidler,
Chief Economist of the CBA



From Legislature



The range of institutions for which the CNB sets capital requirements is likely to expand

The Czech National Bank is likely to have the power to set minimum capital requirements for credit institutions and investment firms, even if they are part of a global network and based outside the Czech Republic. The Chamber of Deputies has recently supported an amendment to the Act on Recovery and Resolution in the Financial Market in the first reading, which incorporates the updated European directive into Czech law. The aim of this legislation is to comply with the obligation to implement the updated rules given by the regulation of the European Parliament and the Council (EU) into the Czech legal system. The Ministry of Finance states in its presentation report that this includes in particular prudential approach to globally important institutions and methods of indirect subscription of instruments

that may meet the minimum requirement for own funds and eligible liabilities under an MPE resolution strategy. This is considered a technical adjustment. If the directive is not transposed into Czech law in time, the Czech Republic faces fines.



CBA Finance for Non-Financial Managers program

In autumn, the CBA is launching a new educational program for managers and directors of non-financial departments, i.e., for chief officers of HR, PR, marketing, legal or IT departments. Its guarantor is Associate Professor Ing. Ladislav Mejzlík, Ph.D., Vice-Dean of the Faculty of Economics at the University of Economics in Prague, and President of the Chamber of Auditors of the Czech Republic. The program will run in four full-day modules during September and October 2023, covering topics such as financial reporting, financial statements, or taxes. The program holds the international IES / ICI certification.

ČBA FINANCE PRO NEFINANČNÍ MANAŽERY

NOVINKA
certifikovaný vzdělávací
manažerský program



GARANT PROGRAMU
doc. Ing. Ladislav Mejzlík, Ph.D.
Proděkan FFÚ VŠE
Prezident Komory auditorů ČR



I. modul: Základy finančního
reportingu a jeho regulace
12. září 2023



II. modul: Účetní závěrka -
zdroj informací o firmě
26. září 2023



III. modul: Mezinárodní
pravidla reportingu
10. října 2023



IV. modul: Daně
a jak na ně
24. října 2023