

17/2023



Dear Colleagues,

The closing days of August are slowly ending, and we have a period ahead of us which is full of new challenges and activities that autumn brings. We are working intensively on financial education projects that focus on individuals, managers, and future generations. On September 5, we are launching the largest and most ambitious project in the field of cybersecurity - a campaign called "nePINdej!", the key element of which continues to be interactive and playful cyber-testing. We have included new types of fraud, but not only that. We have also boldly incorporated artificial intelligence, which is increasingly being used by e-scammers, into the test. In September, we are also launching new training programs: "Finance for Non-Finance Managers" and "Liquidity Management". We are sure that both programs will be of great benefit to those interested, increasing their knowledge but also bringing a new perspective to financial planning decisions. We are not forgetting about future generations either and about educating them in

finance from scratch. Our "Bankers Go to Schools" project has been in existence for ten years. During this time, our colleagues from banks have introduced dozens of thousands of pupils to the basics of financial literacy and visited thousands of primary and secondary schools. Financial literacy is the key to a successful future, and we are happy to be part of this educational pathway.

Have a great week and all those who have school children in the family, have a good start in the new school year.

Monika Zahálková
Managing Director of the CBA



News of the Day

Expenses connected with school attendance of one child will cost parents approximately CZK 6,000. This puts significant strain on the budgets of 61% of households.

According to a recent survey organized by the Czech Banking Association and Ipsos Agency, the upcoming start of the school year will result in a financial burden for many families. Half of the parents expect initial expenses of up to CZK 6 000. Due to the rising costs, 61% of households are counting on some form of austerity measures, for example, almost a third of parents will have to cut back on their children's free time activities. The number of children receiving pocket money from their parents is also increasing. Compared to

the previous year, the number has increased by a tenth.

The growing number of children who receive pocket money, whether regularly (43%) or irregularly (32%), is a good reason for acquiring and expanding financial literacy skills, both in the family and at school. *"Children should be gradually introduced to the world of finance and learn to understand the value of money. It is important to explain to them that they should set aside a portion of each financial contribution if they want to buy something more expensive in the future. This will prepare them to understand the importance of building up financial reserves in adulthood,"* says Andrea Machálková, financial education expert at the Czech Banking Association.

Parents are increasingly recognizing the importance of financial literacy. Compared to last year, they are much more likely to discuss various topics related to finances with their children, in all areas monitored, whether it is financial products, family finances or safety in the online environment. Almost 90% of parents with children under 18 have set up a current account for their offspring, to which they transfer pocket money. More than half of parents contribute regularly to this account, and a further 23% put a fixed amount on the account, which the children have to manage themselves. Current accounts are most commonly set up by parents for their children between the ages of 12 and 14 (33%). 87% of parents report that their children have a credit card for these accounts, but 65% of parents monitor their child's account so that they can keep track of how their children manage their money in the account.



From the Market

CBA warns against scammers posing as fake bankers

The Police of the Czech Republic are currently registering an increased number of fraudulent phone calls. The perpetrators are posing as employees of various banks and try to scare clients by claiming that their bank account has been hacked, their mobile banking has been blocked or their identity has been misused and that someone is arranging a loan on their name. The damage often amounts to hundreds of thousands of crowns per client. [The Czech banking Association therefore warns clients of all banks](#) to be cautious and to contact their bank immediately in case of any uncertainties.

Czech Republic is the 10th best EU country in digitization and infrastructure

The Czech Republic has improved by two positions year-on-year in the Czech Prosperity Index in the [digitization and infrastructure pillar](#), and ranked 10th. Its

position in the top ten EU countries is mainly due to high investment in transport, the densest rail network and low public transport costs. The Czech Republic's reserves lie mainly in the quality of its roads and the inadequacy of high-speed internet coverage. In general, the Czech Republic as a country is gradually digitizing, but the same process is taking place across the European Union. The Benelux countries lead the comparison of countries and the list finishes with the Balkans.

Czechs already have CZK 1.2 trillion in funds

The Czech Capital Market Association (AKAT) has published [information on the development of asset management](#), collective investment and custody for the second quarter of 2023. The total volume of assets invested through the Association's members in investment vehicles amounted to CZK 2.106 trillion as of 30 June 2023. Households and institutions have CZK 826 billion invested in domestic and foreign collective investment funds offered in the Czech Republic. During the second quarter of 2023, assets in collective investment funds increased by CZK 46 billion (from CZK 780 billion as of 31 March 2023 to CZK 826 billion as of 30 June 2023).

EBA organized mystery shopping exercise in the field of consumer credit

The European Banking Authority (EBA) has published a [report on its recent mystery shopping exercise](#) into personal loans and payment accounts. The exercise took place in 2023 and involved five national competent authorities participating as direct participants or observers. 340 mystery shopping exercises were carried out in 37 financial institutions in the participating Member States, of which 250 were on-site and 90 online. Mystery shopping focused on the pre-contractual phase of obtaining personal loans and, in some countries, on payment accounts, focusing on their main features and characteristics. As part of the mystery shopping exercise, the EBA found that the behavior of some financial institutions is inadequate and needs to be improved. Some financial institutions, for instance, did not provide the required pre-contractual information to consumers, or automatically increased the total amount of the credit to include bank fees without collecting the consumer's explicit consent. The exercise demonstrates that mystery shopping is a tool that has an immense added value to the national supervisory authorities and is complementary to other more traditional tools or approaches.

From Legislature



Government approved amendment to reduce interest on housing loans with state fund

At its meeting on Wednesday, the government approved a draft amendment to the law on the provision of credit by the State Investment Support Fund (SFPI) for the improvement or acquisition of residential property. The amendment would reduce the basic interest rate to a fixed maximum of 3 per cent and a minimum of 1 per cent. The interest rate provided by the SFPI is set at the European Union base rate for the Czech Republic and is currently approximately 7.43 per cent. The regulation is due to come into force on 20 September. The proposal was submitted by the Ministry of Regional Development (MMR) and is a response to increasing mortgage interest rates. According to the explanatory memorandum, if the SFPI does not reduce the credit, a mass exodus of SFPI clients to commercial banks could be expected. Currently, the credit is reduced by 0.2 percentage points for each child in the beneficiary's permanent care who has not reached the age of 15 and who lives permanently with the beneficiary.

CBA EDUCA



Financial management and practical discussions.

There are still two weeks to go before the launch of the new [CBA Finance for Non-Finance Managers](#). During it, you will get a grasp of the topics of financial management of an organization and at the end of each of the four modules, other topics will be discussed together. The plan includes a discussion on the transformation of the domestic economy to version 2.0, the added value of internal audit and auditors, an analysis of capital markets, as well as a reflection on the optimal tax mix in the CR and in Europe. The program starts on 12 Sept.. For more information, please contact [Vendula Vlková](#).

ČBA FINANCE PRO NEFINANČNÍ MANAŽERY

POSLEDNÍ
VOLNÁ MÍSTA



GARANT PROGRAMU
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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