

CBA's announcement on the adoption by banks of an emergency measure providing an option for deferral of loan repayments

The Executive Board, in its capacity of the supreme body of the Czech Banking Association, representing the vast majority of banks on the Czech market, has met today in extraordinary session to discuss measures that will help mitigate the economic impact of the ongoing epidemic outbreak on clients, particularly on ordinary citizens and clients from among small-scale entrepreneurs and self-employed persons.

The Executive Board of the Association is aware of the potentially onerous impacts of Coronavirus disease 2019 epidemic on bank clients and confirms that banks stand by their clients and will be ready to help specifically those affected by the economic consequences of the epidemic.

The Executive Board has agreed that in proven cases, a suitable instrument is to provide clients with a possibility of a three-month deferral of mortgage and consumer loan repayments. In doing so, banks will primarily focus on clients from among employees and self-employed clients, as it can be assumed that they will be hit hardest by the epidemic. At the same time, consultations were initiated with the Czech National Bank in order to ensure that the outlined approach to clients is taken into account in these cases in the banking supervision that the CNB performs in banks.

In addition, the intensive work of the joint working group of the Czech Banking Association with the Ministry of Industry and Trade of the Czech Republic and the Czech Moravian Guarantee Bank is continuing intensively in order to **facilitate and assist in the direct delivery of the already notified, as well as of any future government measures, to help small businesses and the self-employed persons through the branch networks of banks,** as well as through other distribution channels available to them.

About the Czech Banking Association

The Czech Banking Association was established in 1990 and is a voluntary association of legal entities operating in the financial sector. It currently associates 39 members. The main role of the Association is to represent and promote the common interests of its members, to present the role and interests of banking towards the public, to participate in the standardization of banking practices and to develop professional practices, to support harmonization of banking legislation with European Union legislation and to develop activities in the areas of providing information and training. The CBA is a member of the European Banking Federation and EMMI.

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