Ministry of Finance
of the Czech Republic

Report on Financial Market Developments in 2025

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Contents

The data presented in this report were obtained from the specified sources in June 2026 and may differ from data presented in previous editions of this publication because of revisions made in the meantime.

Summary of Developments in 2025

Macroeconomic Situation

Growth in the Czech economy accelerated significantly (by 1.5 pp year on year), with real, seasonally adjusted GDP rising by 2.6%. By contrast, the harmonised consumer price index saw its growth rate slow slightly to 2.3%. The unemployment rate rose slightly to 2.8%, but remained at the lowest level in the EU. The general government balance remained virtually unchanged year on year (-2.1%), and the general government debt-to-GDP ratio rose by 1.0 pp to 44.3%.

Monetary Policy and Foreign Exchange Market

The CNB, in response to declining domestic inflation, cut the 2W repo rate twice, by 0.25 pp each time, bringing it to 3.5%. The average exchange rate of the Czech koruna against the euro strengthened slightly, by around 2%, to 24.7 CZK/EUR.

Placement of Funds in the Financial Market

The volume of funds placed in the financial market increased by 10.4% to CZK 12.2 trillion. In terms of individual categories, client assets managed in investment funds recorded the highest year-on-year growth rate for the fifth year in a row (by 29.1%). However, for the first time, investment funds also recorded the highest absolute increase (by CZK 620.8 billion), and their share in the total funds thus rose to 22.7%. Deposits with credit institutions, however, continued to account for the majority of the total funds (63.1%).

Household Savings Structure

The volume of household savings placed in the financial market increased by 9.1% to CZK 7.6 trillion. The highest absolute increase, as in 2023 and 2024, was recorded in savings held in investment funds, which rose by CZK 278.2 billion to almost CZK 1.7 trillion. The highest growth rate was achieved by listed shares, whose volume increased by 29.4% to almost CZK 340 billion. The volume of demand deposits increased to CZK 3.4 trillion, while the volume of term deposits declined for the second year in a row, amounting to approximately CZK 940 billion. The share of deposit products with credit institutions in household savings fell to 57.3% over the last 5 years, mainly in favour of savings placed in investment funds, whose share, in contrast, rose to 22.2%.

Household Indebtedness

Household indebtedness rose by 8.5% to CZK 2.7 trillion. The growth rate of loans for house purchase (increase in principal outstanding) rose by 2.9 pp to 8.2%. However, the share of these loans in total household indebtedness remained virtually unchanged year on year (74.6%).

Financial Market Entities

There were no significant changes in the number of credit institutions, with 1 foreign bank branch commencing operations and 1 credit union ceasing operations. By contrast, the capital market experienced more significant developments, as the number of management companies, funds (investment funds, mutual funds and pension funds) and distributors of investment services continued to grow. The number of insurance and reinsurance companies decreased slightly, while the number of insurance and reinsurance distributors continued to increase.

Banking Sector

Banks (including building savings banks) have once again confirmed their dominant position in the Czech financial market, with their total assets rising by 7.2% to CZK 11.4 trillion. The total capital ratio, a key indicator of the sector’s resilience, increased by 0.3 pp year on year to 23.2%. Profit before tax increased by 3.7% to CZK 147.9 billion.

Interest Rates

The CNB’s monetary policy rate cuts were passed on in the form of lower average annual CZK interest rates on client deposits, loans to non-financial corporations, and loans for consumption to households. By contrast, interest rates on loans for house purchase to households continued to rise, reaching 3.7%, the highest annual average since 2015.

Deposits and Loans

The volume of client bank deposits increased by 6.1% to CZK 7.7 trillion. The volume of client loans rose by 7.0% to CZK 4.9 trillion, with the dominant household sector posting a higher growth rate (8.4%) than non-financial corporations (5.1%). The non-performing loans ratio fell slightly year on year to the lowest level on record of 1.5%. The client deposit-to-loan ratio in the banking sector declined slightly by 1.3 pp to 156.0%.

Mortgage Market

Mortgage market activity continued the recovery observed in previous years, with the total number of newly granted mortgage loans rising by 29.4% to 291.5 thousand and the total volume increasing by 30.6% to CZK 1.1 trillion. Growth was driven primarily by the segment of mortgage loans for residential housing, the volume of which increased by 44.8% to CZK 752.4 billion. Purely new mortgage loans granted to private individuals for residential housing reached CZK 320.1 billion, representing a year-on-year increase of 50.5%. The segment of mortgage loans for non-residential property and other purposes recorded slower growth, with its volume increasing by 10.0% to CZK 396.4 billion. The total outstanding volume of mortgage loans increased by 7.8% to CZK 3.1 trillion.

Building Savings Banks

The number of newly concluded building savings contracts fell for the third consecutive year, by 2.5% to 346.0 thousand, which was, with the exception of 1993, the lowest number since the inception of building savings. The total savings decreased by 7.5% to approx. 2.5 million contracts. In connection with the decrease in the number of contracts, the total volume of saved funds also decreased by 6.1% to CZK 280.3 billion, the lowest value since 2004. The production of new loans, by contrast, increased significantly by 30.5% to CZK 62.8 billion. The total volume of loans increased by 3.0% to CZK 362.8 billion, the highest value in the last 5 years. The state paid out direct support amounting to CZK 1.7 billion.

Credit Unions

Year-on-year changes in the credit union sector were significantly influenced by the gradual winding down of the business activities at one of these entities. Total assets fell by 20.0% to CZK 7.5 billion and accounted for less than 0.1% of the assets of all credit institutions. The volume of loans granted to credit union members amounted to CZK 2.4 billion and the volume of deposits of members reached CZK 5.5 billion. The non-performing loans ratio rose by 4.5 pp to 26.8%. The total capital ratio increased by a significant 21.4 pp to 50.6%. The credit union sector achieved a profit before tax for the fifth year in a row, amounting to CZK 110.2 million.

Non-Bank Financing Providers

The total assets of the non-bank financing providers sector rose by 7.0% to CZK 550.9 billion for the fifth year in a row. The share of non-bank financing providers in the banking sector’s total assets remained below 5%. The volume of loans granted increased by 7.3% to CZK 440.8 billion, with financial leasing companies recording an increase of 6.3%, other lending companies 9.4% and factoring and forfaiting companies 13.1%.

Regulated and OTC Markets

The main Czech stock index, the PX, rose by 52.6% to 2,685.7 points, i.e. at a rate 33.1 pp higher than the MSCI ACWI Global Index, although this was supported by a different sectoral composition of the Prague Stock Exchange. Trading volume on the PSE rose significantly year on year by 50.5% to CZK 212.2 billion. The RM-S exchange, which focuses primarily on retail investors, reported a 41.0% increase in trading volume to CZK 5.3 billion.

Bond Financing of Non Financial Corporations

The total outstanding volume of bonds issued by non-financial corporations increased by 10.6% to CZK 457.3 billion, rising for the third consecutive year and reaching its highest level since 2020. Through bonds, non-financial corporations received funding equivalent to 30.4% of the volume of loans granted by domestic banks.

Non-Bank Investment Firms and Asset Management

The total client assets in non-bank investment firms increased by 8.1% to CZK 1.9 trillion, the highest value in the last 6 years. In terms of asset structure by category, bonds represented the largest share (43.3%), followed by collective investment securities (36.3%) and equities (14.4%). The total assets of non-bank investment firms rose by 7.7% to CZK 32.6 billion. The volume of assets entrusted to asset managers increased more significantly, by 17.1% to CZK 3.7 trillion.

Investment Funds

Financial market developments were reflected in net inflows of new funds into investment funds and an increase in the value of assets under management. Total assets grew by 29.1% and reached nearly CZK 2.8 trillion, with the assets of qualified investor funds rising by a significant 43.3% to CZK 1.2 trillion, and those of collective investment funds increasing by 19.3% to CZK 1.5 trillion. In terms of the structure of domestic collective investment funds by type, bond funds maintained their dominant share (39.3%), followed by mixed funds, while equity funds predominated among foreign funds (43.1%). Among domestic funds, real estate funds significantly strengthened their share and matched the share of equity funds.

Insurance Companies

Total gross premiums written continued their long-term growth trend, increasing by 7.3% year on year to CZK 247.2 billion. As in previous years, growth was driven primarily by the non-life insurance segment (by 7.7%), while the life insurance segment also contributed to the overall increase (by 5.9%). The total number of insurance contracts remained unchanged at approximately 31.3 million. By contrast, the number of newly concluded contracts declined in both segments, more significantly in non-life insurance (by 10.5%) and to a lesser extent in life insurance (by 4.8%). Nearly 3.5 million insurance claims were reported during the year.

Supplementary Pension Insurance and Supplementary Pension Savings

The total number of participants in Pillar III decreased by 2.1% to 3.9 million. The volume of funds managed in pension funds increased by 9.1% to CZK 660.2 billion, representing the highest growth rate in the last 5 years. The changes in the provision of the state contribution effective as of 1 July 2024 contributed to the highest absolute and relative increase in the average monthly participant’s contribution since 2013, specifically, by CZK 220 to CZK 1,061 in transformed funds and by CZK 201 to CZK 1,144 in participation funds. The total amount of state contributions decreased by CZK 0.5 billion to CZK 5.8 billion as a result of the changes to the rules governing their provision. The share of contracts with an employer’s contribution recorded a slight increase of 0.3 pp to 30.9%.

Financial Market Legislation

The Act on Financial Market Digitalisation implementing the European DORA and MiCA Regulations, the National Development Bank Act, and the Act on the Mandatory Contribution to Retirement Savings Products were adopted, and legislation governing insurance and reinsurance distribution, Capital Market Business, and the regulation of the banking sector was amended. Certain laws were also amended in connection with the establishment and functioning of the European Single Access Point.

An overview of developments of selected indicators of credit institutions, non-bank financing providers, capital market and insurance companies is included in Table A2.1 in Appendix 2.

1. Macroeconomic Situation and External Developments

1.1. Macroeconomic Situation

The growth rate of the Czech economy accelerated by 1.5 pp in 2025, with real gross domestic product (GDP) rising by 2.6% year on year (Table 1.1). The performance of the domestic economy thus not only exceeded the average growth rate in the EU, but was also faster than that of the United States, for example. Among the Central European countries monitored, only Poland recorded a higher growth rate; in contrast, all other countries in the region grew at a rate below 1%. Cumulatively over the entire reporting period from 2020 to 2025, i.e. compared with 2019, China (33%), Poland (18%), and the United States (15%) recorded the strongest growth among the selected economies. The Czech Republic's cumulative growth (5%) was lower than that of the Euro area or the EU (both 7%) as a whole, but it was higher than that of Austria or Germany, which even experienced economic stagnation over this period.

Table 1.1: Annual real GDP growth rate of monitored economies

Annual growth rate (%)	2020	2021	2022	2023	2024	2025
United States	-2.1	6.2	2.5	2.9	2.8	2.1
China	2.0	8.9	3.1	5.4	5.0	5.0
United Kingdom	-10.0	8.5	5.1	0.3	1.1	1.4
European Union	**-5.7**	**6.3**	**3.6**	**0.5**	**1.0**	**1.6**
Euro area	-6.1	6.4	3.7	0.6	0.9	1.5
Germany	-4.5	3.9	1.9	-0.7	-0.5	0.4
Poland	-2.0	6.8	5.5	0.1	3.0	3.6
Austria	-6.4	5.0	5.4	-0.7	-0.8	0.7
Czech Republic	**-5.3**	**4.0**	**2.9**	**0.2**	**1.1**	**2.6**
Hungary	-4.5	7.2	4.2	-0.7	0.7	0.4
Slovakia	-2.6	5.7	0.5	2.1	1.9	0.8

Source: MoF (seasonally and calendar-adjusted data)

In terms of the expenditure components of domestic GDP (Table 1.2), its growth was positively influenced by an increase in household consumption (1.4 pp), government final consumption expenditure (0.4 pp), and, unlike in 2024, gross capital formation (1.2 pp), due to both an increase in gross fixed capital formation (0.6 pp) and a positive contribution from changes in inventories (0.6 pp). Net exports were the only component to have a negative impact (0.4 pp), owing to a deterioration in the trade balance in goods.

The unemployment rate rose slightly year on year to 2.8%. Nevertheless, the Czech Republic continued to record the lowest rate in the EU, well below the EU average of 6.0%. The general government balance at the end of the year remained essentially unchanged year on year (-2.1%), and the general government debt-to-GDP ratio rose by 1.0 pp to 44.3%.

Table 1.2: Selected macroeconomic and fiscal indicators of the Czech economy

	2020	2021	2022	2023	2024	2025
Gross domestic product[1] (change in %)	-5.3	4.0	2.8	0.0	1.3	2.6
of which: final consumption expenditure of households (pp)	-3.1	2.0	0.3	-1.3	1.2	1.4
final consumption expenditure of government (pp)	0.8	0.3	0.1	0.6	0.6	0.4
gross capital formation (pp)	-2.4	4.6	2.9	-1.9	-1.2	1.2
net exports (pp)	-0.6	-2.8	-0.3	2.6	0.7	-0.4
Unemployment rate[2] (% annual average)	2.6	2.8	2.2	2.6	2.6	2.8
General government balance (% GDP)	-5.6	-5.0	-3.1	-3.7	-2.0	-2.1
General government debt (% GDP)	36.9	40.7	42.5	42.2	43.3	44.3

Source: MoF, CZSO

The consumer price index in 2025 recorded a further deceleration in the average rate of growth of the price level in most of the monitored economies, driven by the ongoing effects of earlier anti-inflationary monetary policy tightening by central banks worldwide and by the absence of major negative supply shocks.

In the Czech Republic, consumer prices, as measured by the harmonised index of consumer prices, rose by 2.3% in year on year terms, the lowest rate in the reporting period since 2020 (Table 1.3). The average in the EU and the Euro area (2.5% and 2.1%, respectively) was similar to that in the Czech Republic. Among the monitored countries, higher price level growth in 2025 was recorded in Hungary (4.4%), Slovakia (4.2%), Austria (3.6%), and Poland (3.3%). Germany recorded a growth rate comparable to that of the Czech Republic (2.3%). A higher consumer price index year on year was also recorded in the United Kingdom (3.4%), Japan (3.2%), which had been struggling with deflationary trends for a long time until 2021, and the United States (2.6%). China recorded stagnant consumer prices for the third consecutive year.

Table 1.3: Consumer price indices in selected economies

Annual average (%)	2020	2021	2022	2023	2024	2025
United States	1.2	4.7	8.0	4.1	2.9	2.6
China	2.6	0.8	1.9	0.2	0.2	0.0
Japan	-0.0	-0.2	2.5	3.3	2.7	3.2
United Kingdom	0.9	2.6	9.1	7.3	2.5	3.4
European Union	**0.7**	**2.9**	**9.2**	**6.4**	**2.6**	**2.5**
Euro area	0.3	2.6	8.4	5.4	2.4	2.1
Germany	0.4	3.2	8.7	6.0	2.5	2.3
Poland	3.7	5.2	13.2	10.9	3.7	3.3
Austria	1.4	2.8	8.6	7.7	2.9	3.6
Czech Republic	**3.3**	**3.3**	**14.8**	**12.0**	**2.7**	**2.3**
Hungary	3.4	5.2	15.3	17.0	3.7	4.4
Slovakia	2.0	2.8	12.1	11.0	3.2	4.2

Source: Eurostat, BIS, BLS

1 Constant prices, not adjusted for the effect of unequal number of working days, GDP figures may therefore differ from Table 1.1.

2 Measured by the Labour Force Survey Method.

1.2. Monetary Policy and Foreign Exchange Market

The CNB's monetary policy easing process slowed year on year in 2025. Although headline inflation remained close to the 2% target, strong inflationary pressures persisted, particularly in services, where housing costs played a significant role, while continued tensions in the labour market also exerted pro-inflationary pressures. After two rate cuts of 0.25 pp each, in February and May, the central bank left its policy rates unchanged for the remainder of the year. The main monetary policy rate, the 2W repo rate, thus stabilised at 3.5% (see Chapter 5, Graph 5.4).

Major global central banks (see Table 1.4) also largely continued to gradually lower their interest rates, although this process continued to be partially hampered by concerns about a possible resurgence of inflationary pressures and the potential pro-inflationary effects of increasing barriers to international trade. In the U.S., the rate was cut by 0.75 pp to a range of 3.50–3.75%. Favourable developments in the domestic economy and concerns about the impact of higher tariffs acted as a brake on more significant easing. The central banks in the Euro area and the United Kingdom lowered their key rates by 1.0 pp to 2.0% and 3.75%, respectively. In Japan, the shift in monetary policy continued as the central bank raised its main monetary policy rate by 0.5 pp to 0.75%, its highest level in more than 30 years. In Poland, against the backdrop of easing domestic inflation, rates were cut by 1.75 pp to 4.0%. In contrast, the Hungarian central bank kept rates steady due to elevated consumer price growth.

Table 1.4: Key monetary policy rates of selected central banks

As at 31 Dec (% p.a.)		2020	2021	2022	2023	2024	2025
United States	Fed	0–0.25	0–0.25	4.25–4.50	5.25–5.50	4.25–4.50	3.50–3.75
Euro area	**ECB**	**-0.50**	**-0.50**	**2.00**	**4.00**	**3.00**	**2.00**
Japan	BoJ	-0.10	-0.10	-0.10	-0.10	0.25	0.75
United Kingdom	BoE	0.10	0.25	3.50	5.25	4.75	3.75
Poland	NBP	0.10	1.75	6.75	5.75	5.75	4.00
Czech Republic	**CNB**	**0.25**	**3.75**	**7.00**	**6.75**	**4.00**	**3.50**
Hungary	MNB	0.60	2.40	13.00	10.75	6.50	6.50

Source: BIS; in the case of the ECB, the deposit facility rate.

The Czech koruna appreciated year on year against all the currencies monitored, although in the case of the Polish zloty and the Swiss franc the change was only marginal (see Table 1.5). The appreciation of the koruna can be attributed to a combination of factors, including, in terms of domestic developments, slower-than-expected easing of the CNB's monetary policy stance, domestic inflation stabilised close to the target, and a gradual domestic economic recovery. The koruna was also supported by the predominantly positive developments in global financial markets and the related relatively low investor risk aversion, despite heightened tensions and uncertainty in global economic and political relations, which in 2025 were manifested mainly in the form of trade policy disputes.

Several factors contributed to the Czech koruna's 1.7% year-on-year appreciation against the euro, including the ECB's more rapid easing of monetary policy compared with the CNB. The koruna appreciated more significantly against the U.S. dollar year on year, by 5.6%, driven by a shift by some investors away from U.S. financial assets amid perceived political uncertainty in the U.S. and growing doubts about the dollar as a safe-haven asset in times of uncertainty. The Chinese renminbi weakened against the koruna to a similar extent as the U.S. dollar, driven by uncertainty surrounding China's economic prospects and the impact of U.S. President Donald Trump's tariff policy. The Japanese yen weakened against the koruna throughout the entire reporting period against the backdrop of a number of factors, including a persistent yield differential to Japan's disadvantage, long-term adverse developments in international trade, and the increasingly expansionary stance of Japan's fiscal policy. Consequently, not even a fundamental shift in Japan's monetary policy, in the form of continued interest rate increases, was able to reverse the yen's depreciation.

By contrast, the koruna's exchange rate against the Swiss franc remained virtually unchanged after weakening against it for three consecutive years, a trend driven in part by the franc's perception as a safe-haven currency amid prolonged geopolitical uncertainty. The Polish zloty's exchange rate against the overall strengthening Czech koruna also remained essentially unchanged. The zloty benefited in the long term from favourable developments in the Polish economy and a decline in the inflation rate, which increased the attractiveness of Polish assets for investors. The koruna strengthened year on year against the Hungarian forint, as it had during most of the reporting period, a trend to which Hungary's increased public finance deficits contributed over the long term.

Table 1.5: Average CZK exchange rates to major global and regional currencies

Average exchange rate		2020	2021	2022	2023	2024	2025	Year-on-year change[3] (%)
United States dollar	CZK/USD	23.2	21.7	23.4	22.2	23.2	21.9	-5.6
Euro	**CZK/EUR**	**26.4**	**25.6**	**24.6**	**24.0**	**25.1**	**24.7**	**-1.7**
Chinese yuan	CZK/CNY	3.4	3.4	3.5	3.1	3.2	3.0	-5.5
Japanese yen	CZK/100 JPY	21.7	19.8	17.8	15.8	15.3	14.7	-4.5
British pound	CZK/GBP	29.7	29.8	28.8	27.6	29.7	28.8	-2.8
Swiss franc	CZK/CHF	24.7	23.7	24.5	24.7	26.4	26.3	-0.1
Polish złoty	CZK/PLN	6.0	5.6	5.2	5.3	5.8	5.8	-0.2
Hungarian forint	CZK/100 HUF	7.5	7.2	6.3	6.3	6.4	6.2	-2.4

Source: CNB, MoF calculations

[3] A negative value denotes appreciation of the CZK exchange rate; a positive value means depreciation.

2. Placement of Funds in the Financial Market

The volume of funds placed in the financial market4 continued in its long-term growth, increasing by CZK 1.1 trillion (10.4%) to CZK 12.2 trillion in 2025 (Table 2.1), representing an above-average growth rate in the volume of these funds in the reporting period since 2020.

Table 2.1: Placement of funds in the financial market

As at 31 Dec (CZK bn)	2020	2021	2022	2023	2024	2025	Year-on-year change	
							Abs.	(%)
Deposits with credit institutions[5]	5,170.1	5,509.5	5,866.3	6,709.0	7,228.0	7,669.3	441.2	6.1
of which: building savings banks	362.7	366.3	334.7	313.4	298.5	280.3	-18.2	-6.1
Investment funds	894.8	1,110.2	1,271.8	1,624.4	2,133.2	2,754.0	620.8	29.1
Pension funds	527.9	566.7	584.2	595.5	605.0	660.2	55.2	9.1
Insurance companies' technical provisions	349.8	369.1	348.6	345.8	353.2	361.3	8.0	2.3
Currency in circulation	668.1	691.2	673.4	674.1	694.9	710.1	15.2	2.2
Total	7,610.6	8,246.6	8,744.4	9,948.8	11,014.4	12,154.8	1,140.4	10.4

Source: AKAT, APS CR, CNB – ARAD, MoF, MoF calculations

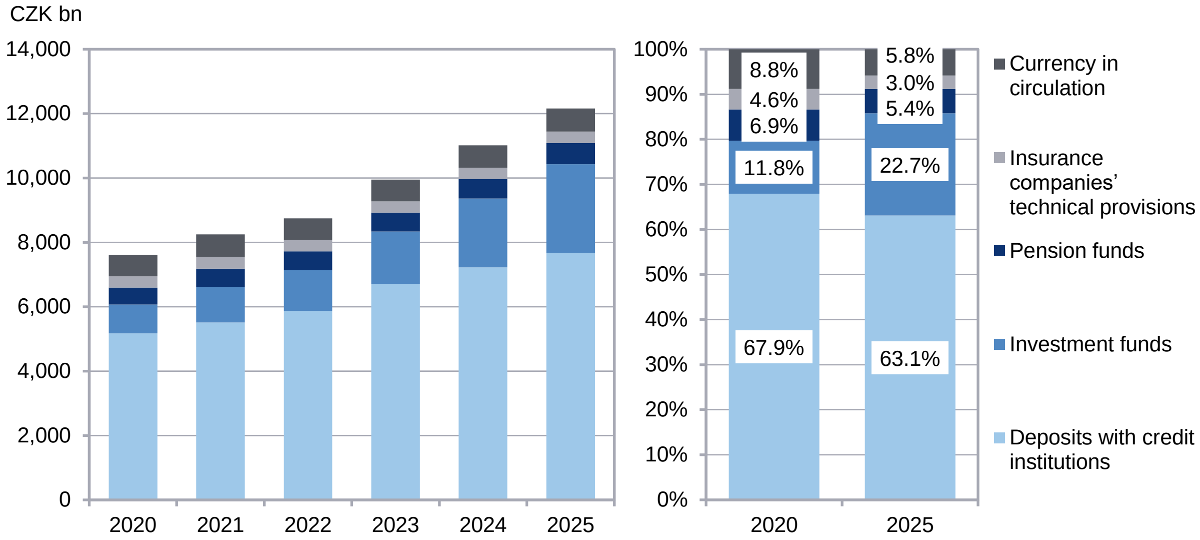
The highest year-on-year absolute increase in the volume of funds, and, at the same time, the highest year-on-year growth rate among the categories of funds monitored, were recorded by investment funds, rising by CZK 620.8 billion and 29.1%, respectively. However, the above-average appreciation of invested client assets again also contributed to this development. While investment funds had consistently achieved the highest year-on-year growth rate within the monitored categories since 2021, they recorded the highest absolute increase in 2025 for the first time during the reporting period, surpassing deposits with credit institutions in this regard, which had traditionally been the category with the highest absolute increases. Deposits with credit institutions, however, remained the most significant category within the funds placement structure.

In terms of the evolution of the funds placement relative structure, only the share of client assets in investment funds increased during the reporting period, by a significant 10.9 pp to 22.7% at the end of 2025 (Graph 2.1) and thus nearly doubled. The shares of all other categories decreased, with the share of deposits falling the most since the end of 2020 (by 4.8 pp), reaching its lowest level during the reporting period (63.1%) at the end of 2025. The shares of the remaining categories also gradually declined over the reporting period to their lowest levels – the share of participants' assets in pension funds to 5.4%, the share of technical provisions held by insurance companies to 3.0%, and the share of currency in circulation to 5.8%.

4 This aggregate indicator is one of the ways used to express the size of the financial market by focusing on the intermediary financial market. It includes the funds of clients of financial institutions (private individuals and legal entities) that are placed in the financial market through the financial products offered by credit institutions, insurance companies, pension management companies and collective investment instruments, as well as currency in circulation (excluding cash held at bank cash counters). It does not include direct investments in securities.

5 Includes the CZK and foreign currency deposits of clients (residents and non-residents) in banks (including building savings banks) and credit unions, but does not include the CNB.

Graph 2.1: Placement of funds in the financial market



Source: AKAT, APS CR, CNB – ARAD, MoF, MoF calculations

Note: The right side of the graph shows the comparison of funds placement structure (in %) between 2020 and 2025.

3. Household Savings Structure

The volume of household savings placed in financial market products or instruments[6] increased by CZK 636.7 billion (9.1%) year on year to CZK 7.6 trillion in 2025 (Table 3.1). The volume of savings thus continued in its long-term growth, with this representing the highest absolute increase and a roughly average growth rate during the reporting period since 2020.

Table 3.1: Household savings structure

As at 31 Dec (CZK bn)	2020	2021	2022	2023	2024	2025	Year-on-year change	
							Abs.	(%)
Demand deposits	2,687.9	2,886.4	2,775.6	2,917.8	3,208.2	3,432.1	223.9	7.0
Term deposits	537.8	570.1	845.8	994.8	962.1	940.1	-22.0	-2.3
of which: building savings schemes	352.0	356.2	328.1	308.6	296.1	278.5	-17.6	-6.0
Pension funds	523.2	560.8	579.6	580.9	586.5	630.7	44.2	7.5
Life insurance	268.4	269.3	245.8	240.6	242.6	248.7	6.1	2.5
Investment funds	583.1	738.6	830.8	1,123.7	1,417.9	1,696.1	278.2	19.6
Debt securities	158.3	146.1	243.4	276.6	310.4	339.6	29.2	9.4
Listed shares	240.9	269.1	225.3	248.2	262.7	339.8	77.1	29.4
Total	4,999.7	5,440.5	5,746.3	6,382.6	6,990.5	7,627.2	636.7	9.1

Source: CNB – ARAD, MoF calculations

Within the household savings structure, savings held in investment funds recorded in 2025, as in the previous two years, the highest absolute increase, rising by CZK 278.2 billion to almost CZK 1.7 trillion. However, the increase in 2023 and 2024 was even higher. The growth in 2025 was driven primarily by an inflow of investments into investment funds and was also supported by the appreciation of the household savings managed within them. The share of household savings allocated to investment funds as a percentage of total household savings rose by 2.0 pp year on year, representing the highest increase among all monitored categories. At the same time, the household savings in investment funds also recorded the highest increase in their share of total household savings compared with the end of 2020, rising by 10.6 pp to 22.2% (Graph 3.1).

In contrast to 2023 and 2024, when investment funds recorded the highest relative growth, listed shares posted the highest growth rate in 2025, with their volume rising by 29.4% to CZK 339.8 billion. Their growth was largely driven by a positive repricing, which occurred mainly during the first quarter of 2025. The share of listed shares in total household savings increased by 0.7 pp to 4.5% in 2025, but remained 0.4 pp below its level at the end of 2020.

Household demand deposits rose by CZK 223.9 billion year on year to CZK 3.4 trillion, representing their third-highest year-on-year increase and a slightly below-average growth rate during the reporting period. Compared with 2024, their share in total household savings decreased by 0.9 pp, and over the entire reporting period, demand deposits recorded the highest decline in this share among all categories monitored, falling by 8.8 pp to 45.0%.

The volume of term deposits decreased by CZK 22.0 billion to CZK 940.1 billion in 2025. The decline in “pure” term deposits, i.e. excluding building savings schemes, accounted for only about 20% of the

[6] The term “savings” is used throughout the chapter to refer to household financial assets; these include households’ CZK-denominated and foreign-currency funds placed in the financial market through the financial products offered by domestic and foreign credit institutions, insurance companies, pension management companies and management companies, and households’ direct investments in debt securities and listed shares.

overall decrease, as the majority of the decline was due to building savings schemes, a specific segment of term deposits, which recorded a decline in the saved amount for the fourth year in a row. The share of building savings schemes in total household savings has gradually decreased by 3.4 pp since the end of 2020, to 3.7%. The share of term deposits (excluding building savings schemes) in total household savings fell by 0.9 pp year on year, but compared to the end of 2020, it was 5.0 pp higher (8.7%).

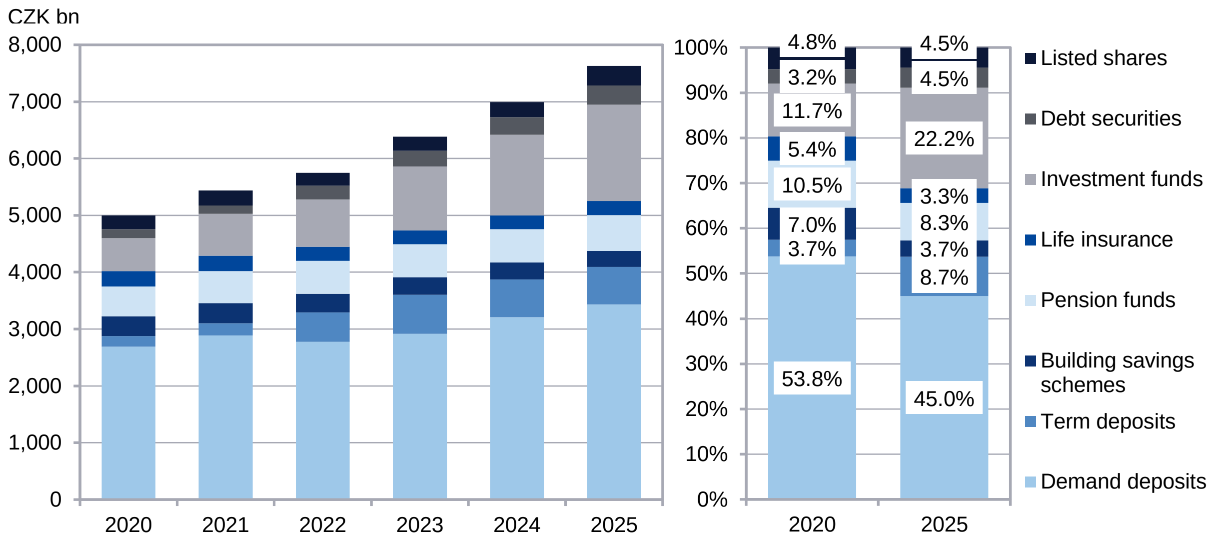
Although the volume of the aggregate category of deposit products increased year on year, the share of demand and term deposits, including building savings schemes, in total household savings fell to 57.3%, i.e. the lowest level in the reporting period since 2020.

Savings in pension funds recorded their highest year-on-year absolute increase in 2025 and the second-highest growth rate during the reporting period, primarily as a result of the appreciation of participants' assets in the funds. Despite this positive development, the importance of supplementary pension insurance and supplementary pension savings in the structure of household savings weakened slightly. The share of pension funds in total household savings fell by 0.1 pp year on year to 8.3%, while at the end of 2020 the share amounted to 10.5%.

Household savings in life insurance products also reported their highest year-on-year absolute increase and even the highest growth rate during the reporting period, exclusively as a result of an inflow of new investments. However, as with pension funds, this category of savings was also unable to reverse the downward trend in its share in total household savings. The share of life insurance decreased by 0.2 pp year on year and by 2.1 pp over the reporting period, to a final 3.3%.

The volume of debt securities in household portfolios increased in 2025, however, the increase, driven by new investments, was below average for the reporting period in both absolute and relative terms. The negative repricing of debt securities also contributed to the slower growth rate. The share of debt securities in total household savings remained almost unchanged year on year, but increased by 1.3 pp over the reporting period since 2020.

Graph 3.1: Household savings structure



Source: CNB – ARAD, MoF calculations

Note: The right side of the graph shows the comparison of household savings structure (in %) between 2020 and 2025.

4. Institutional Aspects of the Financial Market

4.1. Number of Financial Market Entities

The development in the number of entities reflected the differing dynamics of the individual financial market segments (Table 4.1).

Table 4.1: Numbers of entities providing services in the financial market

As at 31 Dec	2020	2021	2022	2023	2024	2025	Year-on-year change
Credit institutions							
Banks	49	46	44	46	43	44	1
of which: foreign bank branches	25	23	23	24	22	23	1
of which: building savings banks	5	5	5	5	5	5	0
Credit unions	8	7	6	6	5	4	-1
Capital market							
Management companies	39	44	47	47	54	58	4
Investment funds with legal personality	188	213	249	280	319	359	40
of which: collective investment funds	8	9	10	11	16	15	-1
of which: qualified investor funds	180	204	239	269	303	344	41
Mutual funds	234	253	284	312	328	348	20
of which: collective investment funds	144	149	167	184	185	187	2
of which: qualified investor funds	90	104	117	128	143	161	18
Investment firms (incl. foreign branches)	77	76	70	78	75	75	0
Investment intermediaries	163	153	138	111	110	108	-2
Tied agents	13,470	14,229	15,178	16,262	18,506	20,027	1,521
Pension management companies	9	9	9	9	9	9	0
Pension funds	39	42	44	44	45	48	3
Insurance							
Insurance companies	44	41	41	41	41	39	-2
of which: branches of foreign insurance companies	17	18	18	18	18	19	1
Reinsurance companies	1	1	1	1	1	1	0
Insurance intermediaries	38,001	30,877	32,448	34,670	36,627	38,402	1,775

Source: CNB – JERRS, MoF calculations

In the sector of credit institutions, only minor changes occurred in 2025. In the dominant banking sector, the number of entities increased by 1 as the Czech branch of the foreign bank Banking Circle S.A. commenced operations in December 2025. Conversely, the number of entities in the credit union sector decreased by 1 due to the dissolution of Podnikatelská družstevní záložna in January 2025, after the CNB had revoked its licence in September 2024 owing to long-standing serious deficiencies in its activities and subsequently petitioned the court for its dissolution.

By contrast, in the capital market, the number of almost all categories of entities increased. The upward trend continued in the case of management companies, whose number rose by 4 to a total of 58. The total number of investment funds with legal personality also increased. However, the growth was driven primarily by qualified investor funds, whose number rose by 41 entities, while collective investment funds recorded a decline of 1 entity. The number of mutual funds (entities without legal personality) also increased (by 20 entities), reaching its highest level since 2013. The number of investment intermediaries decreased by 2 entities to 108. The number of tied agents increased year on year by 1,521 to 20,027. This trend may reflect the strengthening of financial institutions' distribution networks and the growing importance of external intermediaries in the distribution of financial products.

The number of pension management companies remained unchanged at 9 entities, while the number of pension funds increased by 3 to a total of 48 entities. This increase resulted from the authorisation of Fond pro budoucnost – alternativní účastnický fond doplňkového penzijního spoření se státním příspěvkem Česká spořitelna – penzijní společnost, a.s., Alternativní účastnický fond, Rentea penzijní společnost, a.s., and Conseq realitní účastnický fond Conseq penzijní společnost, a.s.

In the insurance sector, the number of insurance companies decreased to 39 entities, representing a year-on-year decline of 2 entities. The decrease was due to the cessation of operations of Servisní pojišťovna, a.s., as well as regulatory changes[7] in the sector under which Česká kancelář pojistitelů was no longer classified as an insurance company. A further change concerned Credendo – Short-Term EU Risks úvěrová pojišťovna, a.s., which was transformed into the Czech branch of the Belgian insurance undertaking Credendo – Short-Term Non-EU Risks, which was authorised to operate in March 2025. The number of insurance intermediaries increased by 1,775 to 38,402.

The number of entities operating on the Czech financial market on the basis of a single European passport (Table 4.2) recorded year-on-year changes in 2025. A significant increase was recorded in the number of investment funds, which rose by 333 entities to 2,905. Changes in the numbers of credit institutions, insurance companies and management companies were only marginal.

Table 4.2: Number of entities operating in the Czech Republic under the single European passport

As at 31 Dec	2020	2021	2022	2023	2024	2025	Year-on-year change
Credit institutions	469	415	454	466	469	475	6
Insurance companies	986	847	861	881	897	896	-1
Investment funds	1,816	1,902	2,082	2,280	2,572	2,905	333
Management companies	56	52	52	53	54	53	-1

Source: CNB – JERRS, MoF calculations

4.2. Guarantee Schemes

In the Czech Republic, there are two guarantee systems to strengthen the protection of clients and the financial market. These are the Financial Market Guarantee System and the Investor Compensation Fund.

The Financial Market Guarantee System (FMGS) is an institution that manages financial resources intended to secure and maintain the stability of the financial market in the Czech Republic. The FMGS manages two accountingly separate funds, namely the Deposit Insurance Fund (DIF) and the Crisis Resolution Fund (CRF). The funds of the FMGS can be used to compensate for deposits, as well as avert the potential failure of credit institutions.

The DIF guarantees the payment of compensation for deposits held at credit institutions established in the Czech Republic. This compensation covers 100% of deposits including interest. However, the

[7] Act No 30/2024 Coll., on Motor Third-Party Liability Insurance.

maximum amount of compensation is limited to an amount equivalent to EUR 100,000 per client per institution. In certain cases provided for by law, the maximum compensation may be increased to an amount equivalent to EUR 200,000. The FMGS pays compensation from the DIF in the event that a bank, building savings bank, or credit union is declared insolvent by the CNB or if a court decides that such an institution is insolvent.

In 2025, credit institutions participating in the deposit guarantee scheme paid contributions of CZK 1.7 billion to the DIF (Table 4.3). No compensation payments were made during 2025. The financial reserves of the DIF increased by CZK 3.4 billion year on year and amounted to CZK 51.9 billion at the end of 2025.

Table 4.3: Basic indicators of DIF

As at 31 Dec (CZK bn)	2020	2021	2022	2023	2024	2025	Year-on-year change
Contributions	1.1	1.3	1.4	1.9	1.6	1.7	0.1
Compensation payments	0.0	0.1	25.3	0.3	0.1	0.0	-0.1
Financial reserves	35.5	37.3	14.2	17.6	48.5	51.9	3.4

Source: FMGS

The CRF is designed to finance the resolution of banks and selected investment firms. It pools funds for use in the event of a threat to the stability of a financial institution so that, bearing in mind the potential critical functions carried out by such an institution in the financial sector and the economy as a whole, it is not necessary to close it down or, where applicable, initiate the process of deposit compensation to clients. In 2025, the CRF received contributions of CZK 0.8 billion from mandatory institutions (Table 4.4). As the target level of the CRF, corresponding to 1% of the total volume of covered deposits, had been reached in 2024, the contribution collected in 2025 was significantly lower than in previous years and served only to maintain the target relative level of the CRF in relation to the growing volume of covered deposits. The financial reserves of the CRF increased by CZK 2.2 billion year on year and amounted to CZK 41.0 billion at the end of 2025.

Table 4.4: Basic indicators of CRF

As at 31 Dec (CZK bn)	2020	2021	2022	2023	2024	2025	Year-on-year change
Contributions	3.8	4.3	4.9	4.5	2.7	0.8	-1.9
Financial reserves	16.7	21.2	27.5	34.1	38.8	41.0	2.2

Source: FMGS, MoF calculations

The latter of the two guarantee schemes on the financial market in the Czech Republic is the Investor Compensation Fund (ICF). This fund ensures the pay-outs of compensations to clients of investment firms that are unable to meet their obligations towards their clients. However, it does not cover the risk of loss of value of an investment in securities. The compensation amount is 90% of the value of non-released assets, up to a maximum amount equivalent to 20,000 EUR.

The main source of the ICF’s assets are contributions made by the involved entities, i.e. investment firms and management companies managing clients´ assets. In 2025, the ICF received the highest amount of contributions in its history, amounting to CZK 459.7 million. No compensation payments were made from the ICF during 2025, and financial reserves reached CZK 2.6 billion at the end of 2025, representing a year-on-year increase of CZK 0.4 billion.

Table 4.5: Basic indicators of ICF

As at 31 Dec	2020	2021	2022	2023	2024	2025	Year-on-year change
Contributions (CZK mn)	223.4	281.1	278.0	301.0	400.1	459.7	59.6
Compensation payments (CZK mn)	0.1	0.0	0.0	0.0	0.0	0.0	0.0
Financial reserves (CZK bn)	1.2	1.3	1.5	1.9	2.2	2.6	0.4

Source: ICF, MoF calculations

4.3. Financial Arbitrator

The Financial Arbitrator (FA) has been established by the state as an out-of-court resolution body for selected disputes between consumers and financial institutions and has been operating on the financial market since 2003. Its remit has been gradually expanded and the FA is now entitled to resolve consumer disputes across almost the entire financial market. The FA's competences include out-of-court resolution of consumer disputes relating to the provision of payment services, non-payment accounts and term deposits, electronic money, building savings, consumer credit incl. mortgage loans and building savings loans, collective investment and investment services, foreign exchange incl. dynamic currency conversion, life insurance, supplementary pension insurance, supplementary pension savings, long-term investment products and crypto-asset-related services. However, the FA is not entitled to resolve the non-life insurance disputes and disputes involving shareholders and bondholders.

In 2025, the FA initiated a total of 12,050 new proceedings, and alongside them also dealt with 3,396 previously initiated proceedings (Table 4.6). The number of newly initiated proceedings increased significantly year on year, by 112%, which may reflect both the growing use of the FA and increased consumer activity in protecting their rights. More than 90% of new disputes concerned consumer credit. In this area, the number of newly initiated proceedings increased to 11,386 cases, more than doubling compared with 2024 and reaching the highest level in the reporting period since 2020. The dominant share of these disputes concerned the assessment of whether consumer credit providers had properly fulfilled their obligation to assess a consumer's creditworthiness before concluding a credit agreement. Payment services represented the second largest category of newly initiated proceedings, with their number increasing moderately year on year by 12% to 294 cases. The disputes most frequently related to the misuse of payment instruments in cyberattacks and unauthorised payment transactions. The third largest category was represented by proceedings in the area of life insurance, where the number of newly initiated proceedings increased by 60% to 244 cases. The disputes concerned primarily the validity of insurance contracts, insurance claims and the refund of insurance premiums.

Table 4.6: Number of new and pending proceedings in individual years

As at 31 Dec	2020	2021	2022	2023	2024	2025	Year-on-year change
New Proceedings	1,221	1,699	1,426	2,660	5,683	12,050	6,367
of which: payment services	178	207	406	372	263	294	31
consumer credit	781	1,286	825	2,097	5,187	11,386	6,199
life insurance	171	110	98	83	153	244	91
Total proceedings pending	2,425	2,820	2,525	3,587	7,518	15,446	7,928

Source: FA, MoF calculations

4.4. Economic Results of Financial Institutions

In 2025, all monitored financial market sectors maintained a positive profit before tax. The profit of the dominant banking sector increased slightly year on year by 3.7% to CZK 147.9 billion, confirming the continued stable growth trend recorded by banks since 2020. Insurance companies also reported year-on-year profit growth, with profit before tax increasing by 24.5% to CZK 27.1 billion, representing the sector's highest economic result since 2021. A particularly strong year-on-year growth was recorded by management companies, whose profit rose by 72.7% to CZK 5.7 billion. By contrast, pension management companies reported a decline in profits, with their profit before tax falling by 14.2% to CZK 4.8 billion, as did non-bank investment firms, whose profits fell by 6% to CZK 2.0 billion.

Table 4.7: Profit/loss of financial institutions before tax

As at 31 Dec (CZK bn)	2020	2021	2022	2023	2024	2025	Year-on-year change	
							Abs.	(%)
Banks	57.4	85.5	121.8	123.0	142.6	147.9	5.3	3.7
Insurance companies	17.8	31.3	19.4	23.1	21.7	27.1	5.3	24.5
Pension management companies	2.3	2.6	2.7	3.8	5.6	4.8	-0.8	-14.2
Management companies	1.5	2.0	2.3	2.7	3.3	5.7	2.4	72.7
Non-bank investment firms	1.2	1.4	1.4	1.8	2.1	2.0	-0.1	-6.0

Source: CNB – ARAD, MoF calculations

5. Credit institutions and Other Providers of Asset Financing

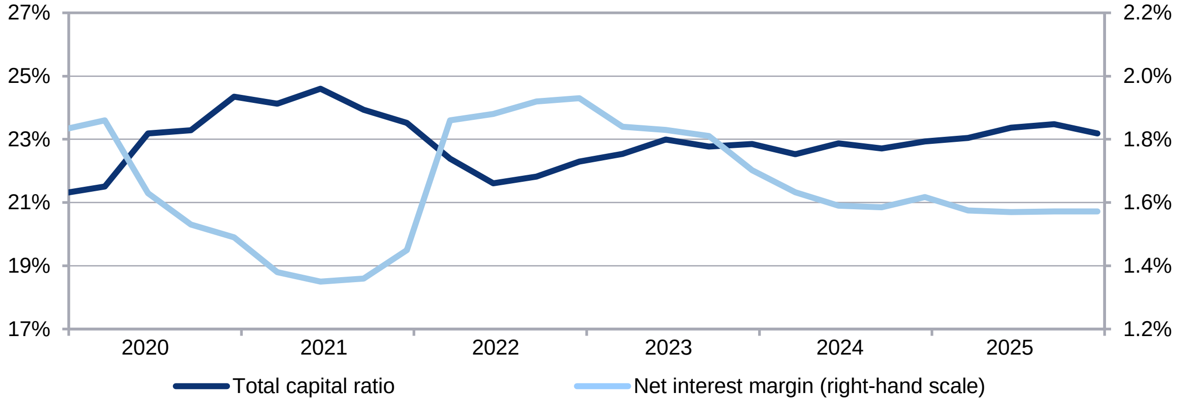
This chapter focuses primarily on credit institutions, i.e. banks (most parts of Chapter 5), including building savings banks (Chapter 5.7) and credit unions (Chapter 5.8). Specific topics are also covered, such as interest rates (Chapter 5.4), client deposits and loans (Chapter 5.5), and mortgage loans (Chapter 5.6). Another chapter (Chapter 5.9) covers developments of the non-bank financing providers. This sub-sector offers products[8] that are relatively close substitutes for bank loans, and when granted to retail clients, they are included in the total household debt indicator, which is the subject of the last chapter (Chapter 5.10).

5.1. Main Developments in the Banking Sector

The banking sector once again reported growth in 2025, with total assets, client deposits, and loans all reaching new record highs, as in previous years. The sector's development took place against a backdrop of faster domestic economic growth (Chapter 1), inflation hovering near the inflation target, and a gradual, albeit more moderate than in 2024, decline of central bank interest rates. The quality of banks' loan portfolios improved slightly year on year, as the non-performing loans ratio continued its long-term downward trend, reaching its lowest level on record. The net interest margin (Graph 5.1), one of the key drivers of profitability, remained unchanged year on year at 1.6%. Return on equity reached its highest level since 2012. Long-term factors, including in particular the overall high capital ratio and the long-standing high client deposit-to-loan ratio, continued to support the overall resilience of the sector.

The total capital ratio, a key indicator of resilience, rose slightly year on year by 0.3 pp to 23.2% (Graph 5.1), although within the observed period since 2020, it declined slightly in 2021 and 2022 after the restrictions on dividend payments introduced in 2020 in response to the potential consequences of the COVID-19 pandemic were lifted. The slight year-on-year increase in the total capital ratio in 2025 was driven by faster year-on-year growth of capital (by 3.2%) than total risk exposures (by 2.2%), the growth rate of the latter being 5.1 pp lower than that of total assets.

Graph 5.1: Total capital ratio and net interest margin



Source: CNB – ARAD

[8] Some similar services and products (for example, in the area of the payment system or provision of financing) are also offered by other entities that make greater use of information technology, such as peer-to-peer lending, crowdfunding, etc.

The total assets of the banking sector, including building savings banks (Table 5.1), again reached a new high of CZK 11.4 trillion at the end of 2025.[9] The year-on-year growth rate of assets (7.2%) remained virtually unchanged from the previous year and was close to its average over the reporting period since 2020. As in previous years of the reporting period, the main factor driving the increase of the total balance sheet on the liabilities side was client deposits, although their growth rate declined for the second consecutive year and reached its lowest level for the reporting period. The year-on-year growth rate of client loans (7.0%) exceeded that of deposits for the first time since 2021, which interrupted the previous three-year upward trend in the deposit-to-loan ratio and led to its decline of 1.3 pp to 156.0%. However, the ratio remained high and continued to indicate strong coverage of client loans by deposits.

Table 5.1: Banking sector key indicators

As at 31 Dec (CZK bn)	2020	2021	2022	2023	2024	2025	Year-on-year change	
							Abs.	(%)
Total assets	8,018.0	8,603.2	8,943.2	9,935.7	10,637.6	11,407.0	769.5	7.2
Client loans	3,595.6	3,847.8	4,071.7	4,356.5	4,589.3	4,911.7	322.4	7.0
Client deposits	5,162.0	5,502.3	5,858.9	6,701.2	7,221.5	7,663.8	442.3	6.1
Deposit-to-loan ratio (%)	143.6	143.0	143.9	153.8	157.4	156.0	-1.3	-0.8
Total capital ratio (%)	24.3	23.5	22.3	22.9	22.9	23.2	0.3	1.1

Source: CNB – ARAD, MoF calculations

5.2. Banking Sector Assets and the Credit Portfolio Quality

The structure of assets changed only slightly year on year in terms of the most significant items (Table 5.2). Loans and other claims on clients remained the dominant component; their share remained virtually unchanged year on year and stayed at its lowest level (43.1%) over the reporting period since the end of 2020. The share of banks' exposures to the central bank (25.8%)[10] also remained stable year on year, although it declined by 2.8 pp over the reporting period. In contrast, bonds issued by domestic central government institutions increased their share of total assets by 0.2 pp year on year and by 4.8 pp over the reporting period to 14.7%, representing the highest year-end level since 2012. The volume of these exposures increased by 110.8% over the reporting period, significantly increasing the banks' exposure to the government sector.[11]

Table 5.2: Structure of banking sector assets

As at 31 Dec (%)	2020	2021	2022	2023	2024	2025	Year-on-year change	
							Abs.	(%)
Loans and other claims on clients	44.8	44.7	45.5	43.8	43.1	43.1	-0.1	-0.2
Deposits (and loans) with central banks	28.6	27.1	23.1	25.7	25.8	25.8	0.0	0.1
Debt securities - central government	9.9	11.5	12.9	13.8	14.4	14.7	0.2	1.7
Other	16.7	16.6	18.5	16.7	16.6	16.5	-0.2	-1.0

Source: CNB – ARAD, MoF calculations

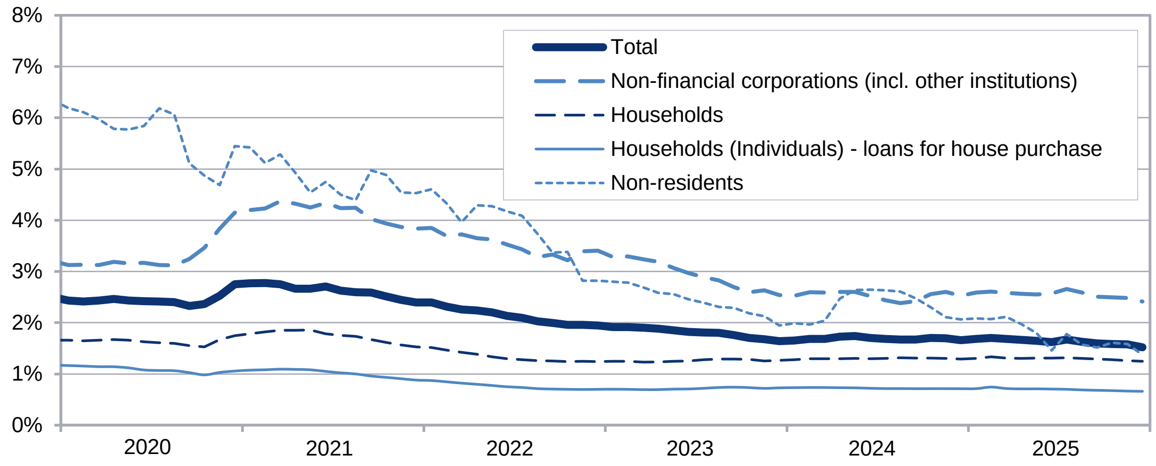
9 These values, published in the CNB's time series ARAD system, differ from the values published by the CNB for example in its Financial Market Supervisory Report due to different methodologies. These differences then may show up, for example, in the case of ratio indicators.

10 Typically, these are repo operations.

11 As part of its stress test of Czech public finances conducted in the first half of 2026, the CNB assessed these exposures as systemically important, but without the need to require additional capital.

Client loans have long been a key component of bank assets; therefore it is appropriate to take a closer look at their quality. The share of non-performing loans in total client loans fell slightly year on year by 0.1 pp to its lowest level on record of 1.5%, continuing the downward trend seen from 2021 to 2023 following stagnation in 2024. The share of non-performing loans in most of the monitored client sectors remained stable in 2025, staying near long-term lows (Graph 5.2). Loans for house purchase to households have consistently recorded a ratio of 0.7% since the end of 2022. The household and non-financial corporate sectors recorded a year-on-year decline in the share of non-performing loans of 0.1 pp, to 1.2% and 2.4%, respectively. The most pronounced year-on-year decline was recorded for loans to non-residents, with the ratio falling by 0.7 pp to 1.4%.

Graph 5.2: Non-performing loans ratio by client sector



Source: CNB – ARAD, MoF calculations

5.3. Economic Results and Profitability of the Banking Sector

The banking sector's profit before tax in 2025 amounted to CZK 147.9 billion (Table 5.3). This represented an increase of CZK 5.3 billion and marked the highest figure since 2008[12]. However, compared with 2024, the year-on-year profit growth rate fell to approximately one-quarter of the previous year's pace.

All the monitored aggregate items of net income had a positive impact on the year-on-year development of profit. The most significant contributor to profit growth was the increase in net interest income (by CZK 6.7 billion), as interest income declined less than interest expenses. Interest income, as in 2024, declined year on year primarily due to the faster pass-through of monetary policy rate cuts to the interest rates on funds allocated by banks in repo operations with the central bank, as well as to the interest rates on loans to non-financial corporations. By contrast, the increase in interest income from the household loan portfolio had the opposite effect, owing to the higher share of fixed-rate loans with longer maturities in the context of developments in the term structure of interest rates in recent years. The decline in interest expenses was also driven by lower interest rates on deposits (see Chapter 5.4). Net fee and commission income also had a significant positive impact on total profit, rising year on year by CZK 2.8 billion.

[12] Beginning of the data time series availability.

Table 5.3: Selected items from the profit and loss accounts of the banking sector

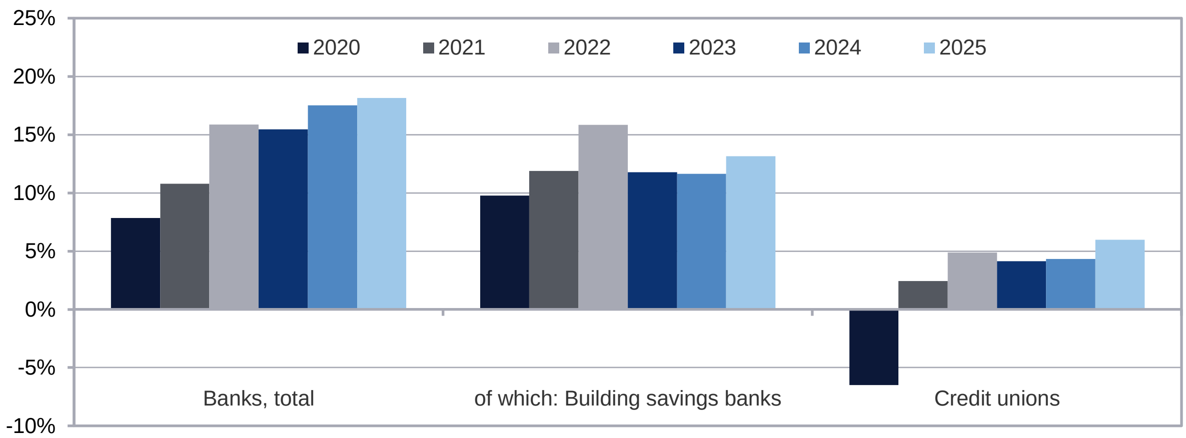
As at 31 Dec (CZK bn)	2020	2021	2022	2023	2024	2025	Year-on-year change	
							Abs.	(%)
Net interest income	126.9	128.9	171.9	167.9	170.0	176.7	6.7	4.0
Interest income	186.1	184.7	431.0	564.4	527.5	451.9	-75.5	-14.3
Interest expenses	59.2	55.8	259.1	396.5	357.5	275.2	-82.3	-23.0
Net fee and commission income	30.9	34.9	38.1	40.1	47.6	50.4	2.8	6.0
Fee and commission income	42.9	48.5	52.7	56.4	65.3	70.1	4.8	7.4
Fee and commission expenses	12.0	13.5	14.5	16.3	17.7	19.7	2.0	11.3
Administration costs	73.3	75.5	79.2	85.9	90.9	95.6	4.7	5.2
Other net income	-27.1	-2.7	-9.0	0.9	16.0	16.4	0.5	2.8
Total profit or (-) loss before tax	57.4	85.5	121.8	123.0	142.6	147.9	5.3	3.7

Source: CNB – ARAD, MoF calculations

The category of other net income did not have a significant impact on the sector's year-on-year profit development, as it increased by CZK 0.5 billion year on year. Among the various contributing factors, its performance was positively affected primarily by an increase in gains from exchange rate differences (by CZK 10.9 billion), an increase in shares in the profits of subsidiaries and other companies (by CZK 3.8 billion), and a further decline in banks' contributions to the Crisis Resolution Fund and the Deposit Insurance Fund (by CZK 1.8 billion; see Chapter 4). Conversely, the development of other net income was negatively affected primarily by losses on financial assets and liabilities held for trading (by CZK 12.8 billion) and impairment losses (by CZK 5.2 billion). Among the remaining aggregated categories, the only factor that had a negative impact on the overall profit was the continued increase in banks' administration costs, by CZK 4.7 billion.

The return on Tier 1 capital in the banking sector rose slightly year on year by 0.3 pp to 18.1% (Graph 5.3), thus slightly exceeding the levels recorded before 2020, i.e., before the COVID-19 pandemic. This year-on-year increase was observed not only among banks but also in the building savings banks segment (up 1.5 pp to 13.1%), which also marked the second-highest value of this indicator for that segment over the reporting period. For comparison within the credit institutions sector, it is also worth noting the credit union sector, whose profitability rose slightly year on year in 2025 (by 1.7 pp to 6.0%), but was still approximately one-third that of the banking sector.

Graph 5.3: Profit or (-) loss after taxation/Tier 1 capital (%)

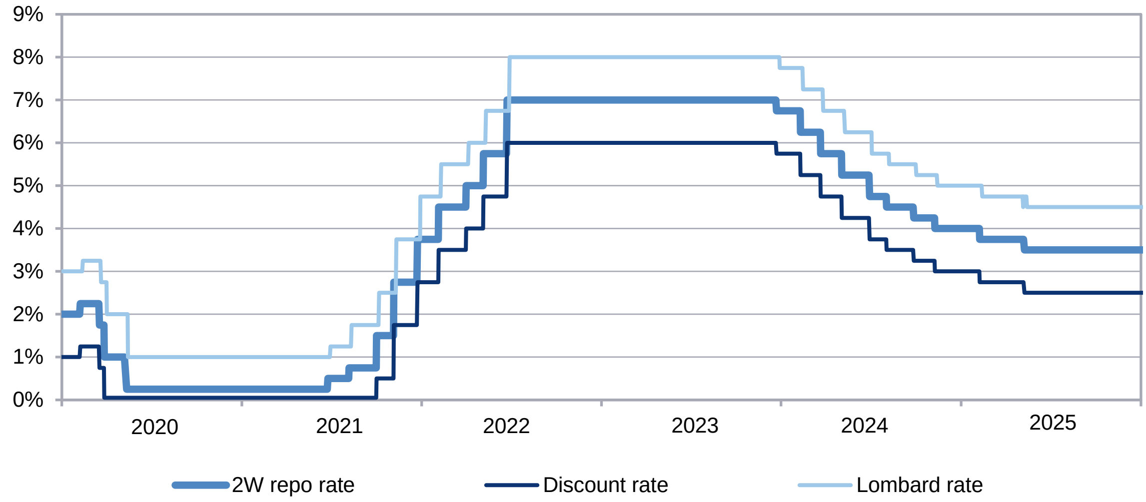


Source: CNB – ARAD, MoF calculations

5.4. Interest Rate Developments

Interest rate trends in the banking sector are significantly influenced by the central bank's monetary policy tools. In 2025, there were two cuts in monetary policy rates, each by 0.25 pp, bringing the main monetary policy rate, the 2W repo rate, down to 3.5%. Although the CNB continued to gradually lower interest rates in the context of weakening inflationary pressures at the beginning of the year, it left its rates unchanged in the second half of the year. Monetary policy easing thus proceeded at a slower pace than in 2024, when the CNB cut its rates by a total of 2.75 pp. Given their levels, the spread between the individual monetary policy rates remained at the usual level of 1.0 pp (Graph 5.4).

Graph 5.4: CNB interest rates



Source: CNB – ARAD

The reduction in monetary policy rates was reflected in a year-on-year decline in the average annual interest rates on client deposits denominated in CZK, as well as on loans to non-financial corporations and loans for consumption to households (Table 5.4). By contrast, interest rates on loans for house purchase to households continued to rise to 3.7%, the highest annual average since 2015. The reasons for this development can be attributed, among other things, to the differing maturity structures and interest rate setting regimes of the individual loan categories, with implications for the speed and intensity of the pass-through of declining monetary policy rates, as well as to the different development of longer-term market rates compared with central bank rates, particularly in 2024 and 2025.

Table 5.4: Average interest rate

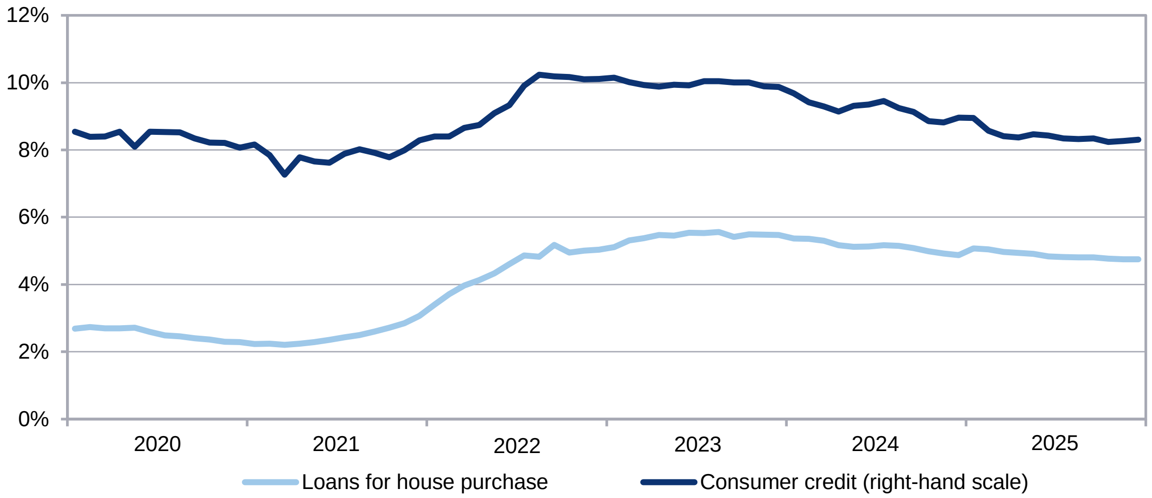
Average for the period (% p.a.)		2020	2021	2022	2023	2024	2025
Deposits	households	0.3	0.3	1.2	2.1	1.9	1.6
	non-financial corporations	0.2	0.1	2.0	3.3	2.4	1.6
Loans	to households	3.5	3.3	3.4	3.9	4.3	4.5
	for consumption	9.0	8.4	8.3	8.7	8.8	8.5
	for house purchase	2.5	2.4	2.6	3.0	3.4	3.7
	to non-financial corporations	2.9	3.0	6.5	7.4	6.2	5.2

Source: CNB – ARAD, MoF calculations

Note: Average rates on total CZK-denominated deposits and loans

In the case of loans to households, it is advisable to monitor not only the interest rate, as the primary measure of the cost of these loans, but also a more comprehensive indicator that includes other borrowing costs, namely the APRC.[13] The APRC on newly granted loans for house purchase showed only a very slight year-on-year decline (by 0.1 pp) to 4.8% (Graph 5.5). Compared with the CNB's monetary policy rate cuts in 2024 and 2025, this decline thus remained slower, partly reflecting the different development of longer-term market rates. The APRC on newly granted consumer credit fell (by 0.7 pp) to 8.3%, i.e., to levels seen at the beginning of the reporting period since 2020.

Graph 5.5: Annual Percentage Rate of Charge (APRC) of CZK loans provided by banks



Source: CNB – ARAD

5.5. Client Bank Deposits and Loans

The outstanding volume of client deposits[14] reached nearly CZK 7.7 trillion, rising by 6.1% (Table 5.5), which was the lowest growth rate in the reporting period since 2020. The sectors with the largest deposit volumes, households and non-financial corporations, saw their year-on-year growth rates of deposits fall below the average for the reporting period. In the case of non-financial corporations, the year-on-year growth rate fell sharply by 6.9 pp to 1.8%, the lowest level in the reporting period.

The absolute increase in total client deposits of CZK 442.3 billion was the third highest in the reporting period, following the record years of 2023 and 2024. Household deposits recorded the largest year-on-year increase (by CZK 188.7 billion), similar to previous years of the reporting period, with the exception of 2023, when government institutions recorded the highest growth. Nevertheless, government institutions once again recorded the highest year-on-year growth rate (21.1%) among the sectors monitored, and the volume of their deposits increased to almost 3.5 times its initial level over the reporting period.

The share of household deposits in total deposits declined slightly year on year by 0.7 pp to 53.5%, while remaining above 50% over the long term. The share of non-financial corporations in the structure

[13] The APRC (annual percentage rate of charge) represents the percentage of the amount due that the client must pay over the period of one year in addition to the amortisation of the loan amount, specifically in relation to repayments, administration and other costs associated with using the loan.

[14] Deposits or loans to the central bank and other credit institutions are not included.

of deposits by sector also declined year on year (by 0.9 pp to 21.2%). However, the share of deposits held by government institutions rose significantly over the reporting period, from 5.9% in 2020 to 13.7%.

Table 5.5: Deposits with banks by client sector[15]

As at 31 Dec (CZK bn)	2020	2021	2022	2023	2024	2025	Year-on-year change	
							Abs.	(%)
Households	3,056.8	3,264.7	3,396.4	3,651.2	3,912.0	4,100.7	188.7	4.8
Non-financial corporations (including other institutions)	1,217.9	1,308.9	1,367.0	1,470.1	1,598.7	1,627.9	29.2	1.8
Government institutions	302.4	325.3	398.6	723.7	867.2	1,050.1	182.9	21.1
Financial institutions	260.2	273.2	377.5	528.6	481.9	515.9	34.1	7.1
Non-residents	274.7	273.9	257.4	263.2	294.8	297.3	2.5	0.8
Non-profit institutions	49.9	56.3	62.0	64.3	67.1	71.9	4.9	7.3
Total	5,162.0	5,502.3	5,858.9	6,701.2	7,221.5	7,663.8	442.3	6.1
of which term deposits	889.4	978.7	1,650.7	2,354.8	2,364.6	2,603.4	238.8	10.1

Source: CNB - ARAD, MoF calculations

In terms of the structure of deposits by maturity, the share of term deposits rose by 1.2 pp to 34.0%. This was the second-highest year-end figure in the reporting period, following a near-doubling of this share to 35.1% between 2021 and 2023. This was driven at that time by the persistently elevated monetary policy rates, which led to higher growth in interest rates on term deposits and the related tendency of some depositors to take advantage of the period of elevated interest rates to create deposits with longer maturities. However, the renewed slight increase in the share of term deposits in 2025 was primarily due to growth in the volume of total deposits held by government institutions, where term deposits were represented above average. The structure of term deposits also changed, as the share of deposits with a maturity of more than one year fell significantly over the reporting period, from 32.2% to 12.5%.

The outstanding volume of client loans rose by 7.0% to CZK 4.9 trillion (Table 5.6), representing a year-on-year increase in the growth rate of 1.7 pp. All monitored sectors reported year-on-year growth of loans reaching new highs. However, the two most significant sectors in terms of volume showed divergent trends in their growth rates. While the growth rate of loans to households increased for the second consecutive year, the situation was the opposite for non-financial corporations. The highest growth rate in 2025 was recorded by the government sector, after the volume of loans to this sector had remained virtually unchanged over the previous three years. The year-on-year growth rate for financial institutions rose to 6.8% compared with 2024, but remained below the average for the reporting period (8.1%); for non-residents, it fell significantly, reflecting in part the above-average share of foreign-currency loans and the exchange rate effect of the strengthening Czech koruna.

In terms of absolute changes across the individual sectors, the year-on-year increase in loans to households (by CZK 200.4 billion) was, as usual, the most significant, representing the highest absolute increase on record. Households also recorded the highest year-on-year increase in the volume of loans in each year throughout the reporting period since 2020, with the exception of 2023, when non-financial corporations recorded the highest increase.

[15] The table lists bank deposits. The values are therefore different from Table 2.1, which shows deposits with all credit institutions (i.e. including credit unions).

Table 5.6: Bank loans by client sector[16]

As at 31 Dec (CZK bn)	2020	2021	2022	2023	2024	2025	Year-on-year change	
							Abs.	(%)
Households	1,858.7	2,043.4	2,141.1	2,242.0	2,374.8	2,575.2	200.4	8.4
Non-financial corporations (including other institutions)	1,123.0	1,188.3	1,237.1	1,358.1	1,429.2	1,502.5	73.3	5.1
Government institutions	54.0	58.6	62.0	63.2	62.2	83.6	21.4	34.3
Financial institutions	210.5	234.8	284.0	299.5	314.2	335.5	21.3	6.8
Non-residents	345.7	319.3	344.5	390.4	404.9	409.8	4.9	1.2
Non-profit institutions	3.7	3.3	3.0	3.3	3.9	5.1	1.2	31.8
Total	3,595.6	3,847.7	4,071.7	4,356.5	4,589.3	4,911.7	322.4	7.0

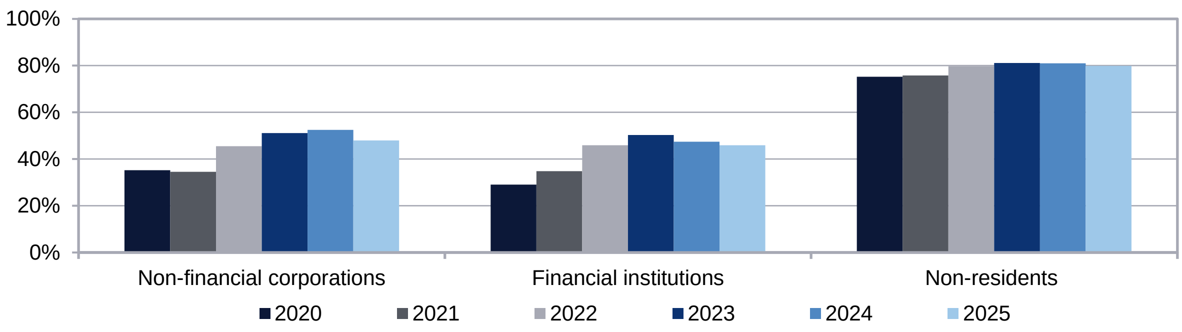
Source: CNB - ARAD, MoF calculations

The share of foreign-currency loans in total client loans fell by 2.1 pp year on year to 24.9%. This decline was partly due to the exchange-rate effect of the Czech koruna's appreciation against the euro (by approximately 4%), the currency in which most foreign-currency loans are denominated. After the share of foreign-currency loans had stagnated at 26.9% in 2024, this marked a reversal of the earlier increase in the share of foreign-currency loans observed in 2022 and 2023, when demand for foreign-currency financing was driven by a significant positive spread between the monetary policy rates of the CNB and, in particular, the ECB, which was reflected in the interest rates on loans in the respective currencies. This spread subsequently narrowed as a result of the earlier and faster rate cuts implemented by the CNB in 2024 and remained broadly unchanged in 2025.

In terms of a comparison across the monitored sectors (Graph 5.6), non-financial corporations recorded the largest year-on-year decline in the share of foreign-currency loans (by 4.5 pp to 48.0%). By contrast, the share declined more modestly for non-residents (79.9%) and financial institutions (45.9%), by 1.1 and 1.5 pp, respectively. Households continued to maintain a negligible share of foreign-currency loans over the long term, and this share declined slightly year on year by 0.1 pp to 0.3% in 2025.

During the reporting period since the end of 2020, the share of the largest category of foreign-currency loans in terms of volume, the segment of non-financial corporations, increased by 12.7 pp, with the share of foreign-currency loans extended to financial institutions showing the largest increase over the reporting period, rising by 16.8 pp.

Graph 5.6: Share of foreign-currency loans to selected client sectors



Source: CNB - ARAD, MoF calculations

[16] A specific factor that influenced the above-mentioned development in bank loans to some extent, especially in 2020 and part of 2021, was the "credit moratoria" (see Box 1 in the Report on Financial Market Developments in 2020).

5.6. The Mortgage Market

In 2025, the mortgage market continued the recovery in lending activity observed over the previous two years, with 291.5 thousand newly granted mortgage loans, representing a year-on-year increase of 29.4% (Table 5.7). The total volume of newly granted mortgage loans[17] reached CZK 1.1 trillion, 30.6% more than in 2024. This growth was driven primarily by mortgage loans for residential housing, the number of which increased by almost one-third to 254.7 thousand and their volume by 44.8% to CZK 752.4 billion. The average amount of a newly granted mortgage loan in this segment rose further by 11.2% to CZK 3.0 million, reflecting the ongoing growth in residential property prices. Developments in the mortgage market, particularly in the segment of loans for residential housing, were influenced in 2025 by the continued moderate decline in interest rates on newly granted mortgage loans in an environment of easing inflation, which contributed to the growth in demand for housing finance. The gradual growth in real household incomes following their previous decline also contributed, along with the materialization of part of the deferred demand from 2022 and 2023, when mortgage market activity had been subdued by rising interest rates. A wave of mortgage refixations, which intensified in 2025 and was reflected in a higher volume of newly granted mortgage loans, also contributed to the overall market dynamics.

Table 5.7: Newly granted mortgage loans by manner of acquisition

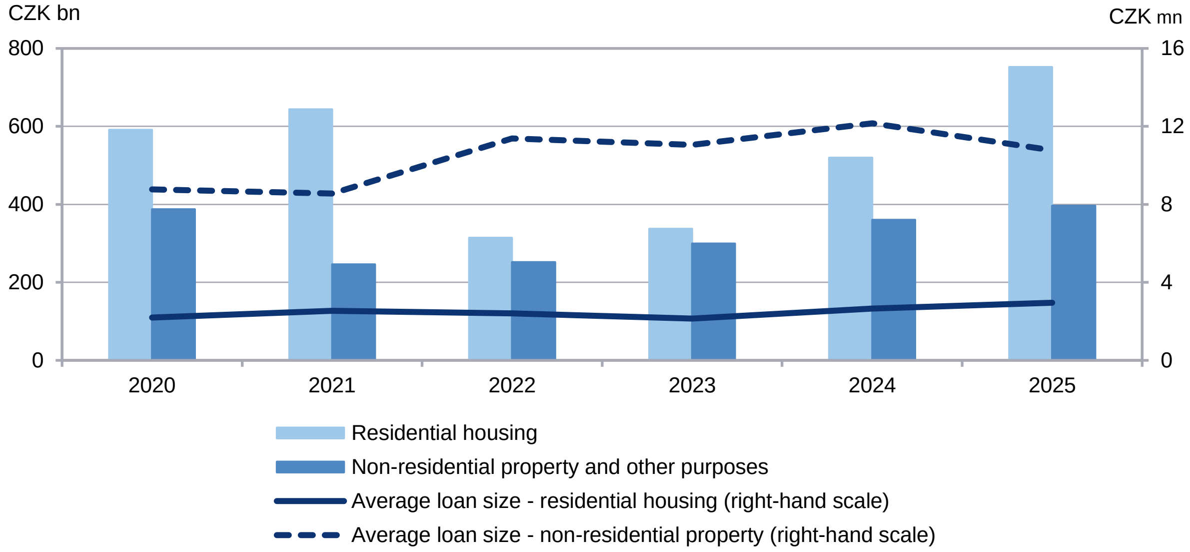
<table>
<tr><th colspan="2" rowspan="2">As at 31 Dec</th><th rowspan="2">2020</th><th rowspan="2">2021</th><th rowspan="2">2022</th><th rowspan="2">2023</th><th rowspan="2">2024</th><th rowspan="2">2025</th><th colspan="2">Year-on-year change</th></tr>
<tr><th>Abs.</th><th>(%)</th></tr>
<tr><td rowspan="5">Residential housing</td><td>number (000’s)</td><td>268.5</td><td>253.3</td><td>130.5</td><td>157.4</td><td>195.7</td><td>254.7</td><td>59.0</td><td>30.2</td></tr>
<tr><td>volume (CZK bn)</td><td>591.4</td><td>643.8</td><td>314.4</td><td>337.1</td><td>519.6</td><td>752.4</td><td>232.8</td><td>44.8</td></tr>
<tr><td>share on volume (%)</td><td>60.4</td><td>72.3</td><td>55.5</td><td>53.0</td><td>59.1</td><td>65.5</td><td>6.4</td><td>10.9</td></tr>
<tr><td>number (%)</td><td>85.9</td><td>89.8</td><td>85.5</td><td>85.3</td><td>86.8</td><td>87.4</td><td>0.5</td><td>0.6</td></tr>
<tr><td>average volume (CZK mn)</td><td>2.2</td><td>2.5</td><td>2.4</td><td>2.1</td><td>2.7</td><td>3.0</td><td>0.3</td><td>11.2</td></tr>
<tr><td rowspan="5">Non-residential property and other purposes</td><td>number (000’s)</td><td>44.2</td><td>28.8</td><td>22.1</td><td>27.1</td><td>29.6</td><td>36.8</td><td>7.2</td><td>24.2</td></tr>
<tr><td>volume (CZK bn)</td><td>387.7</td><td>246.2</td><td>252.0</td><td>299.2</td><td>360.3</td><td>396.4</td><td>36.1</td><td>10.0</td></tr>
<tr><td>share on volume (%)</td><td>39.6</td><td>27.7</td><td>44.5</td><td>47.0</td><td>40.9</td><td>34.5</td><td>-6.4</td><td>-15.7</td></tr>
<tr><td>number (%)</td><td>14.1</td><td>10.2</td><td>14.5</td><td>14.7</td><td>13.2</td><td>12.6</td><td>-0.5</td><td>-4.0</td></tr>
<tr><td>average volume (CZK mn)</td><td>8.8</td><td>8.6</td><td>11.4</td><td>11.1</td><td>12.2</td><td>10.8</td><td>-1.4</td><td>-11.4</td></tr>
<tr><td rowspan="2">Total</td><td>number (000’s)</td><td>312.7</td><td>282.1</td><td>152.6</td><td>184.4</td><td>225.3</td><td>291.5</td><td>66.2</td><td>29.4</td></tr>
<tr><td>volume (CZK bn)</td><td>979.1</td><td>890.0</td><td>566.4</td><td>636.3</td><td>879.9</td><td>1,148.8</td><td>268.9</td><td>30.6</td></tr>
</table>

Source: CNB – ARAD, MoF calculations

The segment of mortgage loans for non-residential property and other purposes also recorded year-on-year growth, although with lower growth dynamics. The number of newly granted loans increased by almost one-quarter to 36.8 thousand. In terms of volume, mortgage loans for non-residential property increased at a lower growth rate (of 10.0%) to CZK 396.4 billion. The average amount of a newly granted mortgage loan for non-residential property thus fell by 11.4% to CZK 10.8 million (Graph 5.7).

[17] Newly granted mortgage loans are purely new (i.e. new to the economy incl. increases), refinanced loans (by another lending institution) and other lending arrangements (in particular interest rate refixations).

Graph 5.7: Newly granted mortgage loans by manner of acquisition



Source: CNB – ARAD, MoF calculations

Defining mortgage loans for residential housing more narrowly as loans granted to the private individuals[18] in 2025, the volume of new loans continued to grow strongly, increasing by 46.1%, reaching CZK 691.3 billion (Table 5.8). Loan production showed a gradually increasing trend throughout the year. Although the volume of purely new mortgage loans rose in each subsequent quarter during the year (Graph 5.8), the most pronounced quarter-on-quarter increase was recorded in Q2. Total growth was driven by both purely new mortgage loans and other amendments. The volume of purely new mortgage loans rose by 50.5% to CZK 320.1 billion and their share in the total volume increased slightly to 46.3%. Other amendments, which primarily include interest rate refixations, also recorded significant growth, with their volume rising by 38.9% to CZK 315.0 billion. Their share in the total volume of newly granted loans thus reached 45.6%.

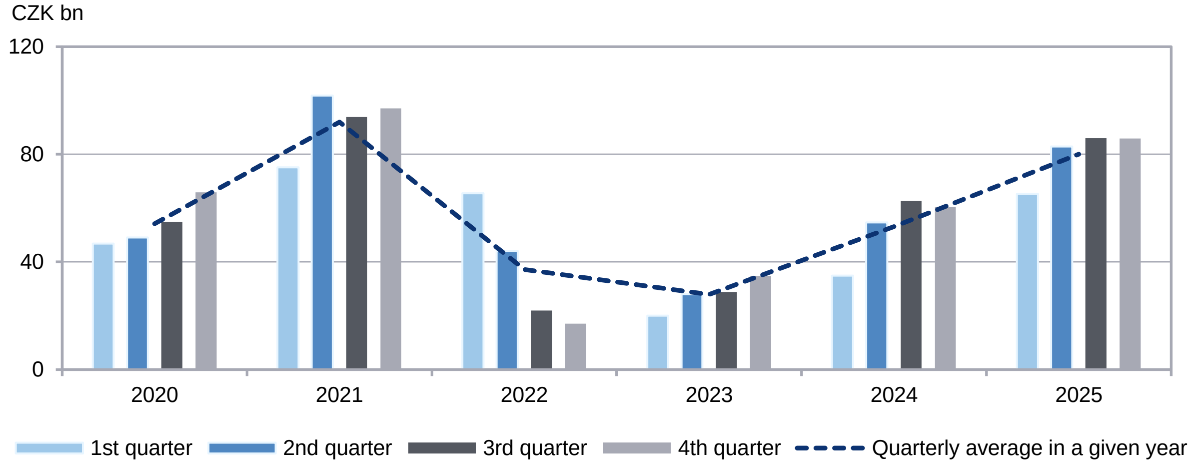
Table 5.8: Newly granted mortgage loans (ML) to private individuals for residential housing

As at 31 Dec		2020	2021	2022	2023	2024	2025	Year-on-year change	
								Abs.	(%)
Newly granted ML (CZK bn)	Purely new ML	216.8	367.9	148.7	111.7	212.7	320.1	107.3	50.5
	Refinancing	49.3	91.4	23.2	18.3	33.7	56.2	22.6	67.0
	Other amendments	237.4	151.9	116.0	174.1	226.8	315.0	88.1	38.9
Share on total (%)	Purely new ML	43.1	60.2	51.7	36.7	45.0	46.3	1.3	3.0
	Refinancing	9.8	15.0	8.0	6.0	7.1	8.1	1.0	14.3
	Other amendments	47.1	24.9	40.3	57.2	47.9	45.6	-2.4	-4.9
Total newly granted ML (CZK bn)		503.6	611.2	287.8	304.1	473.2	691.3	218.0	46.1

Source: CNB – ARAD, MoF calculations

[18] A household sub-sector, excluding sole traders and homeowners´ associations.

Graph 5.8: Purely new mortgage loans to private individuals for residential housing

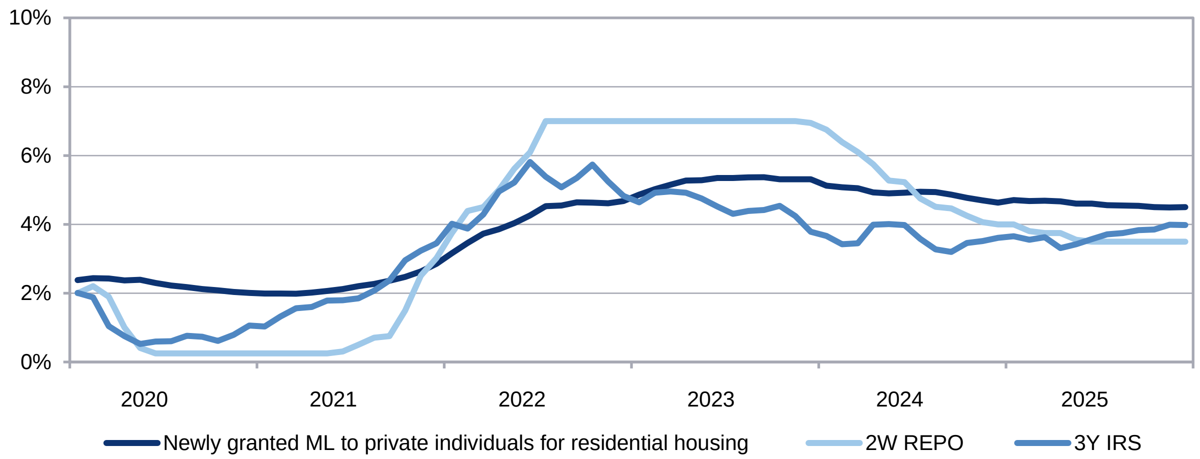


Source: CNB – ARAD, MoF calculations

The volume of refinanced loans (by another lending institution) also increased significantly (by 67.0%) to CZK 56.2 billion. Their share in the total volume of new loans rose to 8.1%. Overall, this confirmed the continued recovery of the mortgage market and the renewed demand for housing finance, accompanied by higher loan refinancing activity.

During 2025, similarly to 2024, the monthly interest rate on newly granted mortgage loans for residential housing continued to decline, although at a much slower pace, from 4.7% p.a. in January to 4.5% p.a. in December. By contrast, the market rate on three-year interest rate swaps (3Y IRS) increased by 0.3 pp over the course of the year. The slight decline in interest rates on newly granted mortgage loans in 2025 was thus likely influenced by other factors affecting mortgage lenders' pricing, including a lag in the pass-through of earlier developments in interest rate swap rates to client mortgage rates.

Graph 5.9: Selected average monthly interest rates incl. rates of newly granted mortgage loans



Source: CNB – ARAD, MoF calculations

The structure of newly granted mortgage loans for residential housing by interest rate fixation period continued to shift towards shorter and medium-term fixations in 2025. The most significant growth was recorded for loans with a fixation period over 1 year and up to 3 years, the volume of which increased year on year by 63.2% to CZK 467.7 billion. As a result, this category further strengthened its already dominant share in the volume of new mortgage loans, which increased from 60.5% to 67.7% year on year. This development was largely influenced by the emerging wave of refixations, particularly of loans granted in 2020 with an original five-year fixation period. Loans with a variable interest rate and fixation period of up to 1 year also recorded growth, with their volume rising by 26.2% to CZK 67.2 billion. However, their share decreased year on year from 11.3% to 9.7%. Following a previous slowdown, loans with a fixation period of over 3 years and up to 5 years increased year on year by 37.0% to CZK 123.7 billion. Nevertheless, their share fell further from 19.1% to 17.9%, confirming the long-term trend of demand shifting towards shorter fixation periods. By contrast, loans with a fixation period of over 5 years continued the decline that had begun after the sharp rise in interest rates in 2022. The volume of these loans decreased year on year by 24.1% to CZK 32.7 billion and their share fell from 9.1% to 4.7%. Long-term fixations thus accounted for only a marginal part of the market in 2025.

Table 5.9: Newly granted mortgage loans for residential housing by period of interest rate fixation

As at 31 Dec (CZK bn)	2020	2021	2022	2023	2024	2025	Year-on-year change	
							Abs.	(%)
Floating/fixed up to 1 year	12.9	9.0	4.9	12.0	53.3	67.2	13.9	26.2
Over 1 and up to 3 years	38.6	46.6	27.4	98.0	286.5	467.7	181.1	63.2
Over 3 and up to 5 years	190.9	256.7	130.8	132.5	90.3	123.7	33.4	37.0
Over 5 years	261.2	298.9	124.7	61.5	43.1	32.7	-10.4	-24.1
Total	503.6	611.2	287.8	304.1	473.2	691.3	218.0	46.1

Source: CNB – ARAD, MoF calculations

In 2025, the long-term growth in the total volume of outstanding mortgage loans continued, reaching CZK 3.1 trillion, which represented a year-on-year growth rate of 7.8% (Table 5.10) and the highest level recorded since 2013[19]. This development was also reflected in the share of mortgage loans in total bank loans, which stood at 62.7% and increased by almost 2.0 pp over the reporting period. The stronger dynamics were driven primarily by an acceleration in the growth rate of loans for residential housing by 2.8 pp to 7.7%, as well as by a more moderate increase in the growth rate of loans for non-residential property by 0.7 pp to 8.1%. The total number of mortgage loans increased only slightly by 1.1% to 1,085.5 thousand contracts, confirming the persistent trend of loan volumes growing faster than the number of loans. Mortgage loans for residential housing remained the dominant segment, with their volume rising to almost CZK 2.0 trillion, while their share in the total volume declined slightly to 63.8%. The segment of mortgage loans for non-residential property and other purposes recorded a comparable growth rate, with the volume reaching CZK 1.1 trillion. Its share increased slightly to 36.2%.

[19] Beginning of the analysed time series.

Table 5.10: Mortgage loans by manner of acquisition

As at 31 Dec		2020	2021	2022	2023	2024	2025	Year-on-year change	
								Abs.	(%)
Residential housing	number (000's)	956.6	979.5	942.1	932.2	930.6	938.0	7.4	0.8
	volume (CZK bn)	1,413.3	1,589.2	1,670.7	1,737.4	1,822.3	1,962.7	140.4	7.7
	share on volume (%)	64.7	66.5	66.6	64.4	63.9	63.8	-0.1	-0.1
	number (%)	87.4	87.3	87.1	86.7	86.7	86.4	-0.3	-0.3
Non-residential property and other purposes	number (000's)	137.3	142.7	139.5	142.6	143.2	147.5	4.3	3.0
	volume (CZK bn)	770.8	800.9	839.0	960.7	1,031.5	1,114.7	83.2	8.1
	share on volume (%)	35.3	33.5	33.4	35.6	36.1	36.2	0.1	0.2
	number (%)	12.6	12.7	12.9	13.3	13.3	13.6	0.3	1.9
Total	number (000's)	1,093.9	1,122.2	1,081.6	1,074.8	1,073.8	1,085.5	11.7	1.1
	volume (CZK bn)	2,184.1	2,390.0	2,509.7	2,698.1	2,853.9	3,077.5	223.6	7.8

Source: CNB – ARAD, MoF calculations

The share of non-performing mortgage loans in the total volume of mortgage loans gradually decreased over the reporting period since 2020, from 2.0% to 1.1% in 2025. In the case of mortgage loans granted to the private individuals for residential housing, this share was roughly half as high and followed a similar trend over the reporting period, declining gradually from 0.9% to 0.5% over the five-year period. This significant improvement in the quality of the retail mortgage portfolio was also reflected in a decline in the volume of non-performing mortgage loans granted to private individuals for residential housing (Table 5.11).

Table 5.11: Mortgage loans (ML) by categorization

As at 31 Dec (CZK bn)	2020	2021	2022	2023	2024	2025	Year-on-year change	
							Abs.	(%)
Total outstanding ML	2,184.1	2,390.0	2,509.7	2,698.1	2,853.9	3,077.5	223.6	7.8
of which to private individuals for residential housing	1,342.9	1,507.2	1,579.5	1,641.9	1,721.6	1,851.2	129.5	7.5
Total non-performing ML	44.0	41.5	35.5	31.1	33.1	33.7	0.6	1.8
of which to private individuals for residential housing	11.9	11.1	9.0	10.0	10.3	10.1	-0.2	-1.9
Share of non-performing ML (%)	2.0	1.7	1.4	1.2	1.2	1.1	-0.1	-
of which to private individuals for residential housing	0.9	0.7	0.6	0.6	0.6	0.5	-0.1	-

Source: CNB – ARAD, MoF calculations

5.7. Building Savings Banks

Building savings banks recorded a decrease in the number of newly concluded building savings contracts for the third year in a row, falling to 346.0 thousand, which was not only the lowest number in the reporting period since 2020 (Table 5.12), but, with the exception of 1993, also the lowest annual production result since the creation of this sector. Several factors were reflected in this development, including the higher attractiveness of other financial products for placing household savings, the earlier reduction in the state contribution[20] and, at the same time, the dominant importance of mortgage loans

[20] Since 1 January 2024 the state contribution is 5% of the annual saved amount with a maximum of CZK 1,000.

provided by commercial banks. The average target value of newly concluded contracts also decreased year on year (by about CZK 26 thousand) to CZK 817.5 thousand, but it was still the third highest value in the reporting period. The number of newly increased contracts[21] fell by 7.0% to 91.0 thousand.

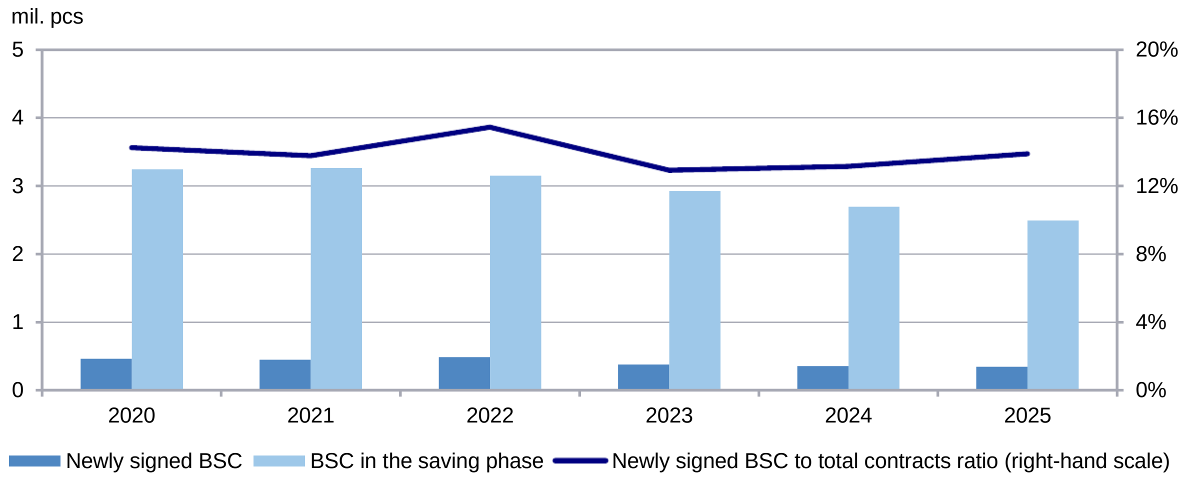
Table 5.12: Main indicators of building savings bank sector – savings

As at 31 Dec	2020	2021	2022	2023	2024	2025	Year-on-year change	
							Abs.	(%)
Newly concluded contracts (thousands)	461.9	449.9	486.5	377.9	354.8	346.0	-8.7	-2.5
Average target value (CZK thousands)[22]	455.9	808.7	629.1	873.3	843.4	817.5	-25.9	-3.1
Newly increased contracts (thousands)	57.8	70.5	85.7	102.7	97.9	91.0	-6.9	-7.0
Average increase (CZK thousands)[22]	271.4	170	156.7	134.0	112.0	105.6	-6.4	-5.7
Contracts in the saving phase (CZK thousands)	3,242.7	3,265.8	3,152.0	2,923.8	2,696.5	2,493.5	-203.0	-7.5
Savings (CZK bn)	362.7	366.3	334.7	313.4	298.5	280.3	-18.2	-6.1
Average saved amount (CZK thousands)	111.8	112.1	106.2	107.2	110.7	112.4	1.7	1.6
Share of household savings in the building savings banks on total household savings (%)	12.0	11.4	10.0	8.7	7.8	7.0	-0.8	-10.3
State contribution paid (CZK bn)	4.1	4.2	4.3	4.2	3.8	1.7	-2.1	-55.8

Source: Building savings banks, MoF, CNB – ARAD, MoF calculations

The decline in interest in concluding contracts was reflected in the total number of contracts in the saving phase, which has been continuously decreasing since 2022, falling year on year by 7.5% to approximately 2.5 million contracts at the end of 2025, i.e. the lowest number in the reporting period. Over the last 5 years, the number of contracts dropped significantly by 23.2%.

Graph 5.10: Number of building savings contracts (BSC)



Source: Building savings banks, MoF, MoF calculations

21 A building savings contract is concluded for a specific target amount, which is the sum of deposits and state contribution (including interest) and the building savings loan. By increasing the target amount, the contract is adapted, in particular, to the financing needs when applying for a building savings loan.

22 Private individuals.

In connection with the decline in the number of contracts, the total savings also decreased year on year, falling by 6.1% to CZK 280.3 billion, which represented the lowest level since 2004. Given that the rate of decline in the number of contracts in the saving phase was even more significant, the average saved amount, by contrast, increased by 1.6% to CZK 112.4 thousand. The share of households' deposits with building savings banks in their total deposits with credit institutions has been steadily decreasing every year in the reporting period since 2020, further falling year on year by 0.8 pp to 7.0% in 2025. The state paid out CZK 1.7 billion in direct state contribution in 2025, which was 55.8% less than in the previous year, as the reduction of the maximum amount of the state contribution applicable from January 2024 was fully passed through.

By contrast, in the area of lending activity, building savings banks recorded a further significant increase in activity in 2025, with the volume of new loans increasing by 30.5% to CZK 62.8 billion, i.e., to the second highest value in the reporting period (Table 5.13). The number of new loans increased at a slower growth rate by 6.3% to 50.5 thousand. The average amount of a new loan thus increased by 22.8% to CZK 1.2 million. The year-on-year growth in new loans was driven by a general recovery in the demand for loans for house purchase and, to some extent, also by the development of interest rates at which mortgage loans, as alternative credit products for housing finance, are granted.

The strong year-on-year growth in new loans helped to slightly increase the growth rate of the total volume of loans to 3.0%. The total volume of loans reached the highest level in the reporting period, i.e., CZK 362.8 billion. The average amount of outstanding loans was also the highest, rising by 6.5% year on year to CZK 837.7 thousand. The loans-to-savings ratio continued to increase during the reporting period, reaching 129.4% at the end of 2025.

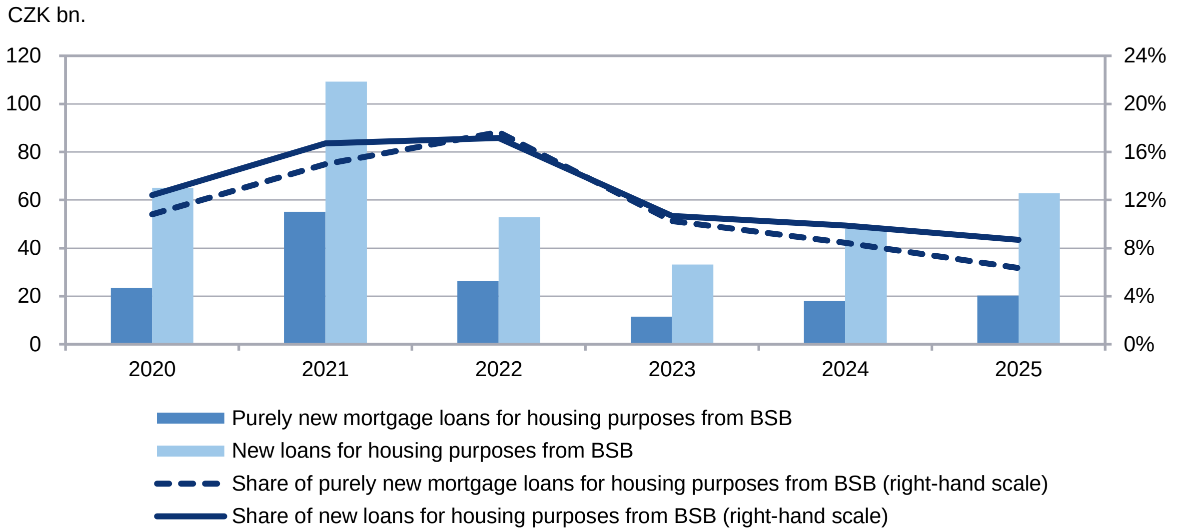
Table 5.13: Main indicators of building savings bank sector – loans

As at 31 Dec		2020	2021	2022	2023	2024	2025	Year-on-year change	
								Abs.	(%)
New loans	volume (CZK bn)	65.4	109.8	53.4	33.3	48.1	62.8	14.7	30.5
	contracts (000's)	55.0	68.2	51.5	44.0	47.5	50.5	3.0	6.3
	average (CZK thousands)	1,188.5	1,611.0	1,037.3	757.2	1,012.1	1,243.0	230.9	22.8
Total loans	volume (CZK bn)	293.5	319.3	342.0	348.1	352.2	362.8	10.6	3.0
	contracts (000's)	520.3	490.7	475.9	462.1	447.6	433.1	-14.5	-3.2
	average (CZK thousands)	564.0	650.7	718.5	753.4	786.8	837.7	50.9	6.5
Loans-to-savings ratio (%)		80.9	87.2	102.2	111.1	118.0	129.4	11.4	9.7

Source: Building savings banks, MoF, MoF calculations

The market share of building savings banks in new loans for housing purposes decreased for the third time in a row, falling by 1.2 pp to 8.7% (Graph 5.11), which was the lowest level in the reporting period. As regards purely new mortgage loans for housing purposes, the share of building savings banks declined again year on year by 2.1 pp to 6.3%, which was likewise the lowest value in the reporting period.

Graph 5.11: Market shares of building savings banks (BSB)



Source: Building savings banks, MoF, CNB – ARAD, MoF calculations

More detailed information about the building savings bank sector is published quarterly on the MoF website at https://mf.gov.cz/cs/financni-trh/stavebni-sporeni (refer also to Table A2.2 in Appendix 2).

5.8. Credit Unions

Year-on-year changes in the credit union sector in 2025 were significantly influenced by the gradual winding down of the business activities of NEY spořitelní družstvo, which involved the sale of its loan portfolio and the systematic closure of current and savings accounts, term deposits, and other deposit products previously provided to members of this credit union. As a result of these developments, both the total assets and the volume of loans and deposits of this credit union declined significantly, which was the main factor behind the decline in both stock and ratio indicators for the entire sector.

The total assets of the credit union sector decreased by CZK 1.9 billion to CZK 7.5 billion (Table 5.14). As of the end of 2025, credit unions accounted for less than 0.1% of the total assets of all credit institutions,[23] with this share falling by approximately half over the entire reporting period since 2020. Year on year, the volume of loans granted to members of credit unions decreased by CZK 1.5 billion to CZK 2.4 billion, while the volume of deposits of credit union members fell by CZK 1.1 billion to CZK 5.5 billion. Both loans and deposits reached their lowest levels during the reporting period. Given the considerably higher year-on-year rate of decline in the volume of loans compared to that of deposits, the deposit-to-loan ratio increased significantly year on year by 63.5 pp to 229.9%, reaching its highest level during the reporting period.

[23] The total assets of the credit institutions sector (i.e., banks, including building savings banks and credit unions) amounted to CZK 11.4 trillion at the end of 2025.

Table 5.14: Selected indicators of the credit union sector

As at 31 Dec	2020	2021	2022	2023	2024	2025	Year-on-year change	
							Abs.	(%)
Total assets (CZK bn)	10.0	9.1	9.4	10.0	9.4	7.5	-1.9	-20.0
Loans granted to members (CZK bn)	4.4	4.3	4.8	4.4	3.9	2.4	-1.5	-39.5
Deposits of members (CZK bn)	8.1	7.2	7.5	7.8	6.5	5.5	-1.1	-16.4
Deposit-to-loan ratio (%)	183.9	169.0	155.0	179.9	166.4	229.9	63.5	38.2
Non-performing loans ratio (%)[24]	28.9	26.1	25.6	27.1	22.3	26.8	4.5	20.1
Total capital ratio (%)	26.7	24.5	24.8	28.4	29.1	50.6	21.4	73.5
Profit or (-) loss before tax (CZK mn)	-109.6	45.8	99.7	100.9	108.2	110.2	2.0	1.8
Return on Tier 1 capital (%)	-6.5	2.4	4.9	4.1	4.3	6.0	1.7	38.3
Number of members (000’s)	12.0	11.4	11.8	12.2	11.1	8.5	-2.5	-22.8

Source: CNB – ARAD, MoF calculations

In terms of selected ratios reflecting the financial situation and resilience of the credit union sector, there was a significant year-on-year increase in the non-performing loans ratio by 4.5 pp to 26.8%, driven by an increase in the share of non-performing loans to total loans provided to both non-financial corporations and households. The total capital ratio rose by a significant 21.4 pp to 50.6% in 2025, reaching its highest level during the reporting period. Given that the reduction in the sector’s total risk exposure and total capital requirements outweighed the impact of a more moderate decline in capital volume, the capital surplus of credit unions also increased year on year.

The credit union sector achieved a profit before tax for the fifth year in a row in 2025, while continuing its upward trend. Both the profit of CZK 110.2 million and the return on Tier 1 capital (6.0%) were the highest in the reporting period. The year-on-year increase in profit was primarily driven by a one-time gain from the derecognition of financial assets and liabilities not measured at fair value, realized in connection with the sale of the loan portfolio of NEY spořitelní družstvo. By contrast, net interest income and net fee and commission income both declined year on year.

The decrease in the number of members of credit unions, which began in 2024, along with a decline in the volume of deposits and loans, deepened further in 2025 as a result of the termination of operations by NEY spořitelní družstvo. However, a smaller reduction in membership also occurred at all other credit unions, bringing the total number of members down to 8.5 thousand.

5.9. Non-Bank Financing Providers

Non-bank financing providers represent an alternative to traditional credit institutions in obtaining debt financing.[25] The sector’s total assets continued the growth trend that began in 2021, rising by 7.0% year on year to CZK 550.9 billion at the end of 2025 (Table 5.15), exceeding the record level of 2024.

[24] The non-performing loans ratio is related to the total exposure of loans other than those held for trading, measured by gross book value, excluding exposures to the central bank. Loans granted to members, expressed in the table in CZK billions, are presented at their net book value, i.e. at their value adjusted for provisions and accumulated depreciation.

[25] Non-bank financing providers are often linked to the banking sector through ownership and financial relationships within financial groups. They offer products similar to those provided by banks, such as instalment sales, non-purpose credit and revolving products, as well as specific products or distribution models, including leasing, peer-to-peer loans reverse mortgages and various forms of online short-term borrowings.

However, the share of these entities in the banking sector's total assets[26] remained broadly unchanged at 4.8%, representing the lowest level since 2005[27].

The sector is divided into three sub-segments: financial leasing companies, other lending companies, and factoring and forfaiting companies. The dominant position continued to be held by the financial leasing companies, whose assets increased by 6.6% year on year to CZK 428.9 billion. Their share in total sector assets decreased slightly to 77.9%. The assets of other lending companies rose by 6.3% to CZK 80.2 billion, while their share in total sector assets declined marginally to 14.6%. Factoring and forfaiting companies recorded the strongest growth among all three segments in 2025, with assets increasing by 13.1% to CZK 41.8 billion. As a result, their share in total sector assets reached 7.6%.

Table 5.15: Structure of assets by segments in the non-bank financing provider sector

As at 31 Dec		2020	2021	2022	2023	2024	2025	Year-on-year change	
								Abs.	(%)
Assets (CZK bn)	Financial leasing companies	327.9	323.4	339.7	378.1	402.4	428.9	26.5	6.6
	Other lending companies	66.7	66.4	68.4	71.0	75.4	80.2	4.8	6.3
	Factoring and forfaiting companies	24.7	31.0	32.9	34.1	37.0	41.8	4.8	13.1
Share of sector's assets (%)	Financial leasing companies	78.2	76.9	77.0	78.3	78.2	77.9	-0.3	-0.4
	Other lending companies	15.9	15.8	15.5	14.7	14.7	14.6	-0.1	-0.7
	Factoring and forfaiting companies	5.9	7.4	7.5	7.1	7.2	7.6	0.4	5.7
Total assets (CZK bn)		419.3	420.8	440.9	483.1	514.8	550.9	36.1	7.0

Source: CNB – ARAD, MoF calculations

The total volume of loans granted by the non-bank financing providers sector also continued the growth trend observed since 2021, increasing by 7.3% year on year to CZK 440.8 billion, the highest value since 2005. Of this amount, financial leasing companies accounted for CZK 336.4 billion, other lending companies for CZK 65.2 billion and factoring, and forfaiting companies for CZK 39.2 billion (Table 5.16).

Table 5.16: Structure of loans by segments in the non-banking financing provider sector

As at 31 Dec		2020	2021	2022	2023	2024	2025	Year-on-year change	
								Abs.	(%)
Loans (CZK bn)	Financial leasing companies	249.7	246.4	266.2	297.4	317.6	336.4	18.8	6.3
	Other lending companies	49.9	49.9	52.2	55.9	59.9	65.2	5.3	9.4
	Factoring and forfaiting companies	22.8	29.0	30.8	32.1	34.9	39.2	4.2	13.1
Share of the sector's loans (%)	Financial leasing companies	77.4	75.7	76.2	77.2	77.0	76.3	-0.7	-0.9
	Other lending companies	15.5	15.3	14.9	14.5	14.5	14.8	0.3	1.8
	Factoring and forfaiting companies	7.1	8.9	8.8	8.3	8.5	8.9	0.4	5.0
Total loans granted (CZK bn)		322.4	325.3	349.1	385.4	412.4	440.8	28.3	7.3

Source: CNB – ARAD, MoF calculations

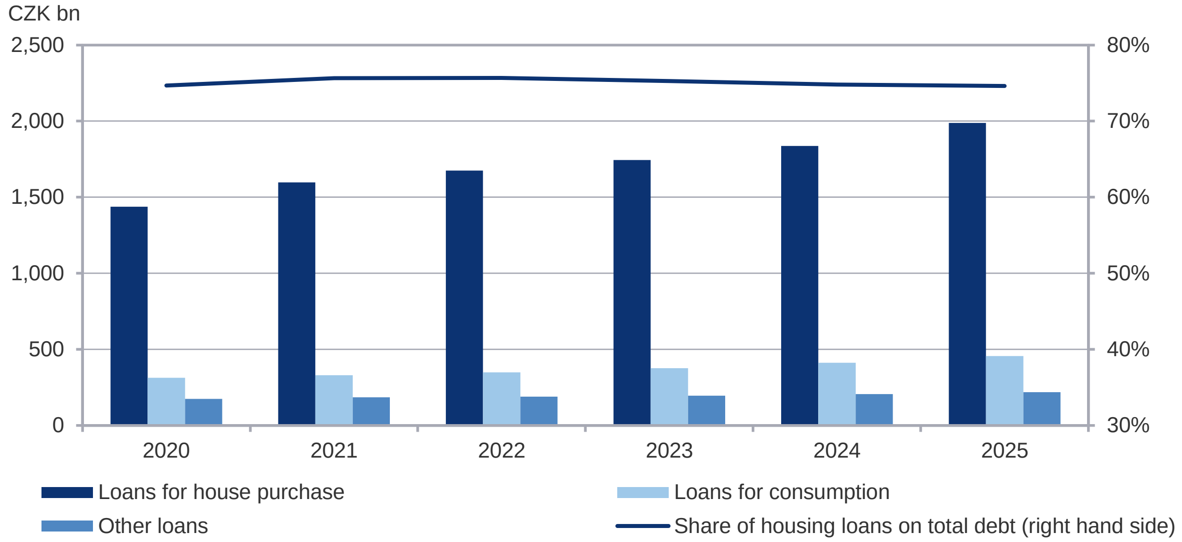
26 The banking sector's assets at the end of 2025 stood at CZK 11.4 trillion.

27 Beginning of the analysed time series.

5.10. Household Indebtedness

Households have long been a key client sector for banks, accounting for more than half of total bank client loans (Chapter 5.5); however, it is appropriate to take a broader look beyond their engagement with the banking sector. Total household debt with banks and non-bank financial institutions rose by CZK 208.0 billion to nearly CZK 2.7 trillion (Graph 5.12), reaching an all-time high. The year-on-year growth rate of total debt (8.5%) rose by 2.5 pp compared with 2024, making it the second-highest rate during the reporting period since 2020.

Graph 5.12: Total household indebtedness



Source: CNB – ARAD, MoF calculations

In terms of the structure of total debt by purpose, loans for house purchase[28] have long dominated (CZK 2.0 trillion), followed by loans for consumption (CZK 457.2 billion) and other loans (CZK 218.7 billion), which primarily include loans granted to self-employed individuals for business purposes. The year-on-year growth rate of loans for house purchase rose by 2.9 pp to 8.2%, the second-highest value in the reporting period after 2021. The growth rate of loans for consumption (10.8%) increased again and was the highest during the reporting period. The growth rate of other loans also increased (by 0.7 pp to 5.9%). The share of housing loans in total household debt remained virtually unchanged year on year in 2025 (74.6%), thus remaining stable throughout the entire reporting period.

[28] These data differ from indicators in Chapter 5.6 as they include not only mortgage loans but also all loans provided by building savings banks and some consumer loans. Another reason for the difference in the data is inclusion of loans granted by non-bank financing providers to households (i.e. private individuals, sole traders, associations of apartment owners and non-profit institutions serving households).

6. Capital Market

6.1. Developments in Global Capital Markets

In 2025, global stock markets generally recorded favourable developments from investors' perspective, as economic expansion, monetary policy easing and strong corporate earnings growth, which supported rising share prices, outweighed the temporary impact of negative factors, particularly geopolitical tensions, concerns about barriers to international trade and partial price corrections. The monitored equity indices (Table 6.1) thus continued their year-on-year growth for the third consecutive year in 2025, with most of them reaching new highs.[29] The rise in equity indices, particularly in the US, was strongly driven by continued optimism regarding the growing importance and application of modern technologies in the economy, especially artificial intelligence. Overall, the growth observed between 2023 and 2025 contrasted with the declines in 2020 and 2022, when market developments reflected the initial effects of the COVID-19 pandemic and later also the anti-inflationary tightening of monetary policy and the acute effects of the energy crisis.

The global MSCI ACWI Index rose by 19.5% in 2025; as in 2023 and 2024, this growth was mainly driven by the rise in its dominant component, the US S&P 500 index (up 16.4%), supported by favourable developments in the share prices of global technology companies. Rising stock prices in emerging economies also had a positive impact, driven by the weakening of the dollar, an influx of investment, and relatively favourable macroeconomic conditions. Unlike in 2024, the growth rate of the Euro area's main index, the Euro Stoxx 50 (18.4%), was higher than in the US (by 2 pp). The European banking sector was the leading contributor to the rise in European stock prices, thanks to an increased net interest margin and a relatively stable macroeconomic environment. The rise in stock prices of companies in the defence industry, the energy infrastructure sector, and the semiconductor sector also played a significant role. The German DAX stock index posted a slightly higher growth rate (23.0%) than the Euro area as a whole; in addition to the banking and defence sectors mentioned above, for example also the software sector contributed to this growth.

Table 6.1: Annual performance of selected equity indices

As at 31 Dec (%)	Index	2020	2021	2022	2023	2024	2025
World	MSCI ACWI	14.1	20.1	-19.5	21.8	17.0	19.5
USA	S&P 500	16.3	26.9	-19.4	24.2	23.3	16.4
China	SSE Index	13.9	4.8	-15.1	-3.7	12.7	18.4
Japan	Nikkei 225	16.0	4.9	-9.4	28.2	19.2	26.2
United Kingdom	FTSE 100	-14.3	14.3	0.9	3.8	5.7	21.5
Euro area	**Euro Stoxx 50**	**-5.1**	**21.0**	**-11.7**	**19.2**	**8.3**	**18.4**
Germany	DAX	3.5	15.8	-12.3	20.3	18.8	23.0
Poland	WIG	-1.4	21.5	-17.1	36.5	1.4	47.3
Austria	ATX	-12.8	38.9	-19.0	9.9	6.6	45.4
Czech Republic	**PX**	**-7.9**	**38.8**	**-15.7**	**17.7**	**24.5**	**52.6**
Hungary	BUX	-8.6	20.5	-13.7	38.4	30.9	40.0

Source: Market organisers, MoF calculations

Note: The figures show year-on-year changes in the closing prices of the given indices.

[29] From the perspective of global investors, the total return achieved for individual indices is generally influenced by other factors as well, including exchange rate movements, dividends paid, and taxation.

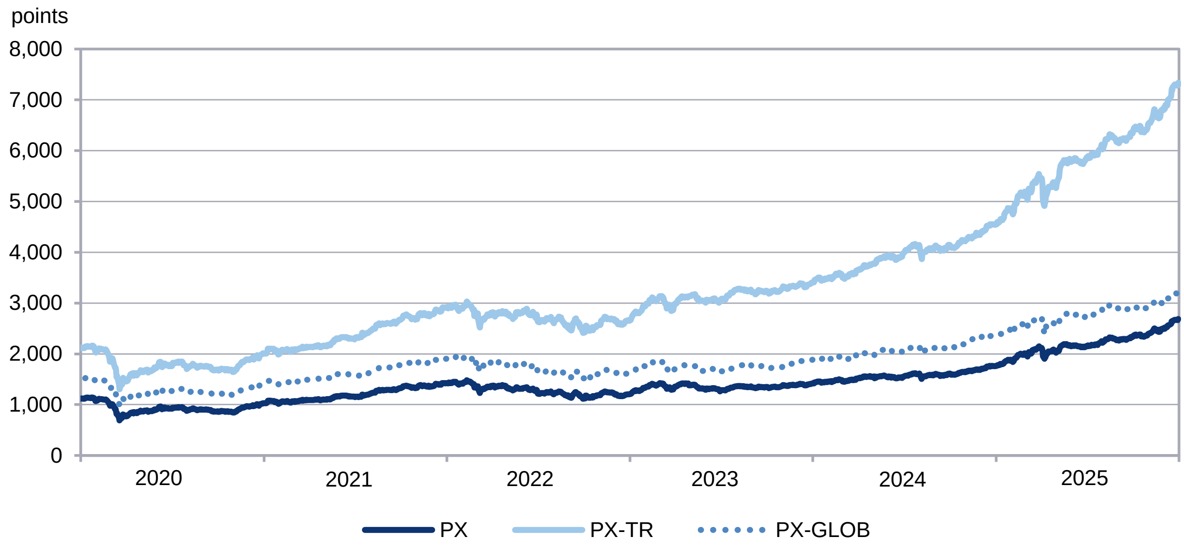
In China, after three years, the SSE Index once again approached the global average, reaching 18.4%. In Japan, the Nikkei 225 index posted strong growth (26.2%), with both stock prices and exports supported by the weakening of the Japanese yen, which, however, reduced the overall return for foreign investors. In the United Kingdom, after a prolonged period of below-average performance, the FTSE 100 index achieved its highest year-on-year growth rate (21.5%) since Brexit, with banking sector stocks once again playing a significant role.

Central Europe experienced an overall recovery, as the region benefited from more favourable investor sentiment compared with 2024 and from the banking sector's significant weighting in the individual indices. The PX index in the Czech Republic recorded the strongest growth (52.6%), followed by Poland (47.3%), Austria (45.4%), and Hungary (40.0%). In addition, the Prague Stock Exchange index once again provided investors with a significant dividend yield (Chapter 6.2). Despite some differences, all monitored Central European indices outperformed the growth rate of the Euro area's main index by more than twofold. For foreign investors, Central European currencies also strengthened slightly against the euro on a year-on-year comparison.

6.2. Regulated and OTC Market in the Czech Republic

The PX index, the main stock index of the Prague Stock Exchange (PSE), recorded in 2025 its highest year-on-year growth rate since 2004, rising 52.6% to 2,685.7 points. Following a decline in 2022, the index thus continued to grow for the third consecutive year, reaching new record highs and surpassing the previous peak recorded in 2007. The significant year-on-year growth was driven primarily by financial sector stocks, which are heavily weighted in the index, with European bank stocks posting one of the highest year-on-year gains in their history. The PX-GLOB Index, which includes a broader range of stocks traded on the PSE, rose by 36.5% to 3,184.3 points. The main reason for this index's lower return was a year-on-year decline in the price of a high-volume stock from the information technology sector, which is included in this index but not in the main PX index. The PX-TR index recorded an even more favourable result than the main PX Index, as it takes dividend yields into account alongside capital gains. It rose by 61.4% year on year to 7,335.6 points. Over the six-year reporting period (Graph 6.1), the PX index rose by 140.7%, the PX-GLOB index by 112.5%, and the PX-TR index by as much as 247.8%.

Graph 6.1: Daily closing values of the PSE indices



Source: PSE

The total market capitalisation[30] of shares listed on the Prague Stock Exchange (Table 6.2) increased by 20.9% year on year to CZK 25.3 trillion. However, throughout the reporting period since 2020, more than 90% of the total capitalisation was attributable to the Free Market segment, which primarily consists of foreign shares without active issuer participation (so-called “unsponsored listings”) and with low trading volume. To assess the market capitalisation of domestic or more actively traded shares, it is therefore more appropriate to monitor the capitalisation across all other segments, i.e., excluding the Free Market segment. This figure rose by 52.5% to CZK 2.4 trillion, driven by growth in the market capitalisation of the dominant Prime Market segment, where the most significant and liquid shares are generally traded. In 2025, this segment accounted for approximately 98% of the total trading volume.

Table 6.2: Market capitalisation of PSE market segments

Annual (CZK bn)	2020	2021	2022	2023	2024	2025	Year-on-year change	
							Abs.	(%)
Free Market	12,370.6	14,307.2	15,545.8	17,390.5	19,397.5	22,954.5	3,557.0	18.3
Prime Market	934.5	1,301.2	983.3	1,205.6	1,508.6	2,321.7	813.2	53.9
Other	197.6	50.8	56.1	51.6	48.2	52.6	4.4	9.1
Total	13,502.7	15,659.2	16,585.2	18,647.7	20,954.2	25,328.8	4,374.6	20.9
Total w/o Free Market	1,132.1	1,351.9	1,039.4	1,257.2	1,556.7	2,374.3	817.6	52.5

Source: PSE, MoF calculations

The total trading volume on the PSE (Table 6.3) increased by one-half year on year, reaching the highest level recorded during the reporting period since 2020. All monitored asset classes contributed to this growth. Trading volume in shares reached its highest level in the reporting period, slightly exceeding the level recorded in 2022, primarily due to increased trading activity in shares of the dominant financial and energy sectors. The traditionally dominant category of share trading recorded both the largest absolute and relative increase (up 55.6%), also supported by the appreciation of the PX index. The category of other assets recorded only a slightly lower year-on-year growth rate (up 45.5%); however, this represented a continuation of the dynamic growth observed throughout the reporting period, which can largely be attributed to the increase in exchange trading volumes of certain qualified investor funds. By contrast, corporate bonds recorded only a modest year-on-year growth rate (up 6.5%), although this marked the third consecutive year of growth. In terms of the composition of trading volume, shares increased their proportion by 2.6 pp year on year to 79.1%, while the category of other assets declined by 0.5 pp to 15.8% and the corporate bonds by 2.1 pp to 5.0%. Over the reporting period since 2020, total exchange trading volume increased by 57.9%, driven primarily by growth in share trading volume, although the highest relative growth rate was recorded by the category of other assets.

[30] Market capitalisation represents the aggregate market value of all shares traded on an exchange or within a given segment of an exchange.

Table 6.3: Total trading volume on the PSE

Annual (CZK bn)	2020	2021	2022	2023	2024	2025	Year-on-year change	
							Abs.	(%)
Shares	125.3	140.5	166.2	123.5	107.9	168.0	60.0	55.6
Corporate debt securities	8.5	7.0	6.3	9.3	10.0	10.7	0.7	6.5
Other assets[31]	0.6	7.2	8.5	8.5	23.1	33.6	10.5	45.5
Total	134.4	154.7	180.9	141.3	141.0	212.2	71.2	50.5

Source: PSE, MoF calculations

The number of registered issues traded on the PSE continued its long-term upward trend, rising by 28 year on year to 379 issues (Table 6.4), thus reaching the highest level recorded during the reporting period. With the exception of financial sector bonds and investment fund instruments, this growth was driven by increases across all other monitored asset classes and sectors. Structured products recorded the largest increase. Thanks to year-on-year growth, the number of registered public sector and corporate sector bonds also continued their long-term upward trend. Although 2025 brought a slight recovery in initial public offering (IPO) activity, with one IPO taking place on the Start Market (for small and medium-sized enterprises) and also on the Prime Market, where a company from the energy and heavy engineering sector was admitted to trading. In contrast, one issuer was delisted from the Start Market. The generally low number of IPOs over the long term was reflected in the number of registered shares, which has remained virtually unchanged since 2023.

Table 6.4: Number of registered issues on the PSE

As at 31 Dec	2020	2021	2022	2023	2024	2025	Year-on-year change	
							Abs.	(%)
Shares	55	55	59	61	61	62	1	1.6
Debt securities	105	110	110	126	130	128	-2	-1.5
of which: public sector	24	25	28	33	35	39	4	11.4
corporate sector	51	60	61	69	76	77	1	1.3
financial sector	30	25	21	24	19	12	-7	-36.8
Structured products	73	91	95	107	121	152	31	25.6
Investment funds	32	36	34	39	39	37	-2	-5.1
Total	265	292	298	333	351	379	28	8.0

Source: PSE, MoF calculations

Within RM-SYSTÉM, the Czech stock exchange (RM-S), which primarily focuses on retail investors, trading volumes have long remained substantially lower than those on the PSE (Table 6.5). Similar to developments on the PSE, the dominant category of trading in shares increased significantly year on year, rising by 42.0% to CZK 5.3 billion, the second-highest level in the reporting period since 2020. In contrast, bond trading declined by approximately one-fifth; however, its contribution to the total trading volume on RM-S has remained marginal compared to shares.

[31] These include financial sector bonds, structured products (investment certificates and warrants) and investment funds.

Table 6.5: Trading volume on the RM-S

Annual (CZK mn)	2020	2021	2022	2023	2024	2025	Year-on-year change	
							Abs.	(%)
Shares	4,557.3	4,823.5	6,417.6	4,237.5	3,716.5	5,277.6	1,561.1	42.0
Debt securities	0.3	0.5	75.2	34.2	57.9	46.1	-11.8	-20.3
Total	4,557.6	4,824.1	6,492.7	4,271.7	3,774.5	5,323.7	1,549.2	41.0

Source: RM-S, MoF calculations

The volume of over-the-counter (OTC) trading settled within the Central Securities Depository Prague (CSDP) has long exceeded exchange trading activity by an order of magnitude (Table 6.6).[32] Following growth recorded since 2018, the total trading volume in 2025 fell by 4.3% to CZK 15.5 trillion, which was still the second-highest volume since 2020. The decrease was driven by a 6.0% decline in the trading volume of the dominant category of bonds, which was not offset even by the strong 38.1% growth in the volume of OTC trading in shares. In terms of the structure of trading volume by asset category, the proportion of bonds declined slightly to 94.5%, of which government bonds accounted for 93.1% and corporate bonds for 1.4%. By contrast, shares increased their contribution to 5.5% of the total volume of OTC trading settled through the CSDP.

Table 6.6: OTC trading volume within the CSDP

Annual (CZK bn)	2020	2021	2022	2023	2024	2025	Year-on-year change	
							Abs.	(%)
Shares	252.7	593.7	683.2	589.2	618.1	853.6	235.5	38.1
Debt securities	4,643.1	8,527.7	9,691.6	11,254.8	15,577.3	14,646.2	-931.1	-6.0
Other	1.9	3.7	14.5	2.3	9.3	1.7	-7.6	-81.8
Total	4,897.7	9,125.1	10,389.4	11,846.3	16,204.7	15,501.4	-703.2	-4.3

Source: CSDP, MoF calculations

6.3. Bond Financing of Non-Financial Corporations

Bonds represent another source of financing for non-financial corporations, alongside bank and non-bank loans. The total outstanding volume of bonds issued by non-financial corporations grew year on year for the third consecutive year, rising by 10.6% to CZK 457.3 billion, the highest level over the reporting period since 2020 (Graph 6.2)[33]. The market thus continued its recovery for the third consecutive year after the earlier negative impacts of the COVID-19 pandemic and, subsequently, the consequences of the increase in interest rates in 2022 had subsided.

To put the volume of financing into perspective, the total volume outstanding of loans granted by banks to non-financial corporations amounted to CZK 1.5 trillion at the end of 2025 (see Chapter 5.5). Thus, financing provided through bonds was equivalent to 30.4% of the total outstanding volume of loans granted by the domestic banking sector. In 2022, this indicator fell, primarily due to a decline in the volume of bonds, to its lowest level (22.2%). Subsequently, by the end of 2025, it had risen cumulatively by 8.2 pp over a three-year period.

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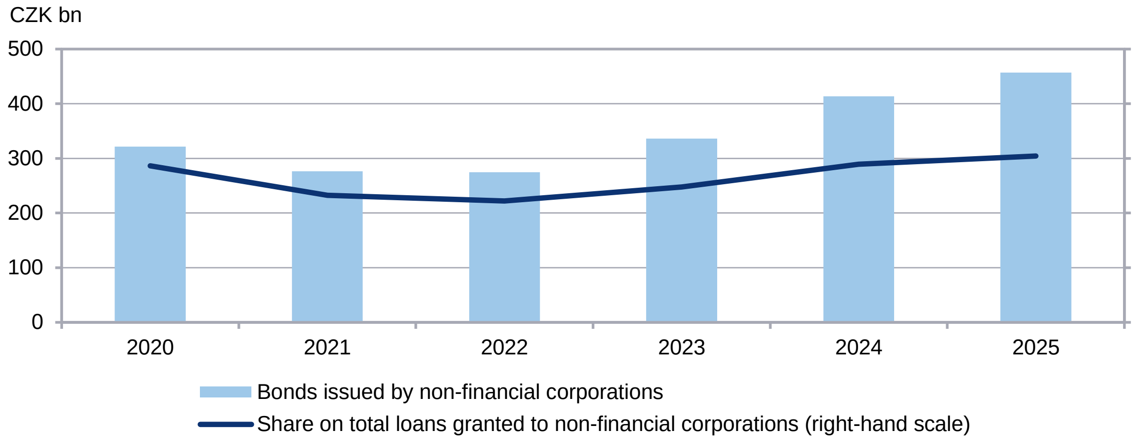
[32] OTC transactions are tracked under the broader CSDP reporting framework due to the discontinuation of reporting by the PSE.

[33] Year 2020 is the beginning of the relevant time series in the ECB database.

Graph 6.2: Non-financial corporations bonds – outstanding volume

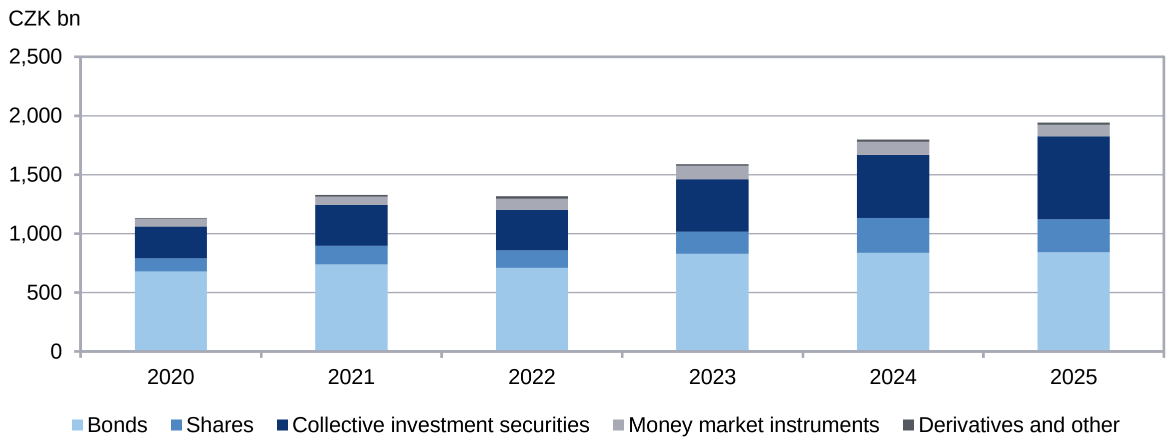


Source: ECB, CNB – ARAD, MoF calculations

6.4. Non-Bank Investment Firms and Asset Management

Total client assets in the non-bank investment firm sector continued to grow for the third consecutive year in 2025, increasing by 8.1% year on year to CZK 1.9 trillion. Client assets in the sector thus reached their highest level in the reporting period since 2020, although the growth rate slowed slightly compared with the previous year. In terms of the structure of client assets, the importance of more dynamic investment instruments continued to grow, particularly collective investment securities. Nevertheless, bonds remained the largest asset category, with their total volume remaining virtually unchanged at CZK 840.7 billion in 2025. However, due to the stronger growth of the other monitored asset categories, their share in total client assets decreased by 3.2 pp to 43.3%, and by as much as 16.6 pp compared with 2020. By contrast, the category of collective investment securities strengthened significantly, with its volume increasing by 31.4% to CZK 704.1 billion, representing a 36.3% share of total client assets. Shares, on the other hand, recorded a slight decline in volume of 5.5% to CZK 280.6 billion, with their proportion in total client assets falling to 14.4%.

Graph 6.3: Client assets in non-bank investment firms



Source: CNB, MoF calculations

In 2025, total assets of non-bank investment firms increased for the fourth consecutive year, rising by 7.7% year on year to CZK 32.6 billion[34] (Table 6.7). Profit before tax, however, recorded a slight year-on-year decline of 4.0% to CZK 2.0 billion. The level of profit over the last three years largely reflected favourable developments in the capital markets and the associated increase in market activity.

Table 6.7: Selected indicators of non-bank investment firm sector

As at 31 Dec (CZK bn)	2020	2021	2022	2023	2024	2025	Year-on-year change	
							Abs.	(%)
Total assets	29.6	25.0	27.2	27.3	30.3	32.6	2.3	7.7
Total profit or (-) loss before tax	1.2	1.4	1.4	1.8	2.1	2.0	-0.1	-4.0

Source: CNB – ARAD, MoF calculations

The volume of assets entrusted to the members of the Capital Market Association of the Czech Republic (AKAT) continued to increase significantly in 2025, rising by 17.1% to CZK 3.7 trillion (Table 6.8). This year-on-year increase continued the long-term growth trend, although the growth rate was lower than in 2024. Industry concentration declined slightly in 2025. The three largest asset managers accounted for 53.8% of total assets under management, while the five largest entities managed 71.6%. Thus, concentration measured by both indicators decreased moderately year on year (by 1–3 pp). Nevertheless, asset management remained concentrated among a limited number of key market participants, with both indicators exceeding 50% and 70%, respectively, throughout the reporting period since 2020.

Table 6.8: Volume of assets under management by AKAT members

As at 31 Dec (CZK bn)	2020	2021	2022	2023	2024	2025	Year-on-year change	
							Abs.	(%)
Total	1,655.8	1,831.7	1,910.4	2,346.1	3,162.1	3,702.3	540.2	17.1

Source: AKAT, MoF calculations

6.5. Investment Funds

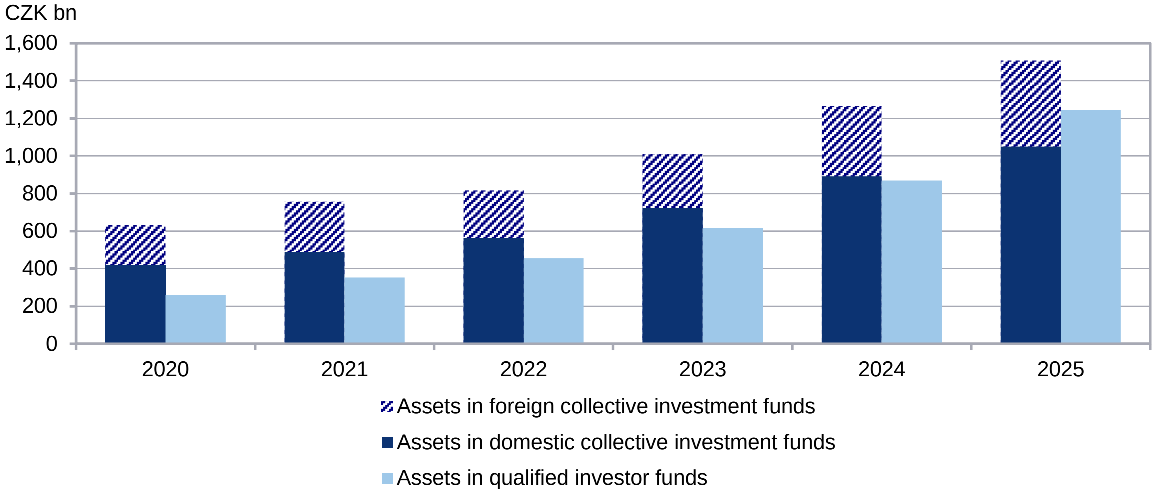
Total assets managed by investment funds grew by 29.1% year on year, reaching nearly CZK 2.8 trillion at the end of 2025 (Graph 6.4)[35]. The volume of assets in collective investment funds increased by 19.3% to CZK 1.5 trillion, while qualified investor funds recorded more dynamic growth rate of 43.3% to CZK 1.2 trillion.[36] The cause of this overall increase can be seen both in the inflow of new funds and in the increase in the value of managed assets in the context of the continuing trend of rising financial asset prices, particularly equities.

[34] The CNB modified the scope of information published on the sector, which was first reflected in the Report on Financial Market Developments in 2019. Currently, asset volumes are published only for non-bank investment firms.

[35] CNB data was used for the domestic funds and the AKAT Czech Republic data for foreign funds

[36] Collective investment funds collect money from the public for the purpose of collective investment and further management of invested assets. Qualified investor funds collect money and valuables from professional clients and other qualified investors (with a minimum investment of CZK 1 million) for the purpose of co-investment and further management of these assets.

Graph 6.4: Structure of investment funds



Source: AKAT, CNB

Among the collective investment funds, domestic funds, which account for more than two-thirds of this segment's assets, posted a lower growth rate (17.7%) than foreign funds (23.2%). This difference can be partially explained by the higher share of equity funds among foreign funds against the backdrop of rising equity indices. Over a longer time period, i.e., the reporting period since 2020, however, domestic funds recorded a higher average annual growth rate (18.1%) than foreign funds (15.0%). Consequently, over the reporting period, the volume of assets in domestic funds increased by 150.8%, while in foreign funds it grew by 113.9%.

Noticeable differences between domestic and foreign funds persisted in the structure of asset allocation by collective investment funds in 2025 (Table 6.9). Within domestic funds, the bond funds maintained their dominant share for the fourth consecutive year. However, their share fell year on year for the second year in a row (by 3.5 pp) to 39.3%, although it rose by 12.1 pp over the reporting period. The mixed funds, that were predominant until 2021, increased year on year by 1.6 pp to 28.8%, yet experienced a decline of 9.3 pp over the reporting period. The representation of domestic equity funds decreased slightly year on year by 0.8 pp to 15.8%, the lowest level within the reporting period. Domestic real estate funds attracted 37% of the total net inflow of new funds into domestic funds during the year, which was more than domestic bond and equity funds combined. As a result, this category recorded the highest year-on-year increase (by 2.8 pp) and, with a 16% share of asset volume, became the third most significant category among domestic funds.

Foreign collective investment funds continued to be dominated by equity funds throughout the entire reporting period, with their share rising year on year by 0.9 pp to 43.1%. This development built upon a long-term upward trend throughout the entire reporting period, during which they increased their representation by 8.8 pp.

Mixed funds also increased their share year over year, rising by 1.7 pp to 25.9% and recording the second-fastest growth rate among all the monitored fund categories. In contrast, bond funds saw their share decline by 1.7 pp year over year down to 20.4%. While higher yields on short-term debt instruments kept investor demand strong for foreign money market funds, their total volume has since leveled off, causing their market share to dip slightly by 0.8 pp to 5.0%. Similar to their domestic counterparts, foreign real estate funds showed strong performance with the highest year-over-year growth rate, though, unlike in the domestic sub-segment, they still account for a minor share of foreign funds overall at just 1.5%.

Table 6.9: Assets in individual types of unit trusts by domicile

As at 31 Dec (CZK bn)	2020	2021	2022	2023	2024	2025	Year-on-year change	
							Abs.	(%)
Domestic	**418.5**	**488.9**	**564.4**	**722.7**	**891.5**	**1,049.4**	**157.9**	**17.7**
Bond	113.5	111.2	204.3	314.1	381.5	412.0	30.5	8.0
Equity	88.4	110.0	105.8	124.0	148.5	166.3	17.8	12.0
Mixed	159.2	194.4	165.2	187.4	242.0	301.9	60.0	24.8
Real estate	56.4	71.9	86.8	94.5	117.8	167.6	49.8	42.3
Others	1.0	1.4	2.3	2.8	1.7	1.5	-0.2	-9.4
Foreign	**214.6**	**267.9**	**252.6**	**287.1**	**372.6**	**459.1**	**86.5**	**23.2**
Bond	49.1	51.8	51.3	60.5	82.3	93.5	11.3	13.7
Equity	73.6	107.4	105.1	119.6	157.3	197.7	40.4	25.7
Mixed	67.2	85.3	74.2	75.3	90.0	118.8	28.8	32.0
Money market	3.5	2.8	4.8	15.8	21.5	22.9	1.4	6.6
Real estate	0.9	1.4	2.1	3.0	3.9	6.7	2.8	72.0
Others	20.5	19.2	15.2	13.0	17.7	19.5	1.8	10.1
Total	**633.1**	**756.8**	**817.0**	**1 009.8**	**1 264.2**	**1 508.5**	**244.3**	**19.3**

Source: AKAT, CNB, MoF calculations

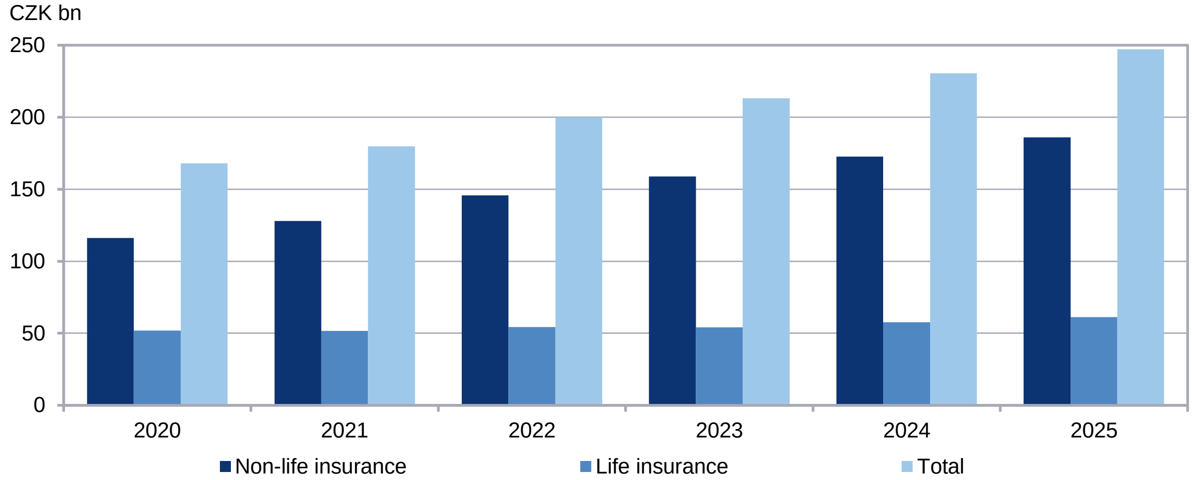
Qualified investor funds recorded a significant 43% year-on-year growth in asset volume, reaching CZK 1.2 trillion. This was the highest growth rate in the reporting period. Their share of the total asset volume in the investment fund sector thus increased by 4.5 pp year on year to 45.2%, and up by 16.0 pp compared to the end of 2020. The volume of assets in qualified investor funds, which stood at CZK 261.7 billion at the end of 2020, increased nearly fivefold during the reporting period (an increase of 375.9%), whereas the volume of assets in collective investment funds increased approximately two-fold (by 138.3%) over the same period.

7. Insurance

7.1. Insurance Companies

The insurance sector continued in 2025 its long-term trend of growth in gross premiums written, which has persisted for almost a decade. Total gross premiums written increased by 7.3% year on year. The dominant factor remained growth in the non-life insurance segment (by 7.7%), although the life insurance segment also contributed to the overall increase (by 5.9%). Total gross premiums written thus reached CZK 247.2 billion (Graph 7.1), of which CZK 186.0 billion related to non-life insurance and CZK 61.1 billion to life insurance. As in 2024, the increase in non-life gross premiums written was driven mainly by growth in premiums for insurance against fire and other property damage (by 10.6%), other motor vehicle insurance (by 7.8%) and motor third-party liability insurance (by 8.3%). The total insurance penetration[37] remained unchanged at 2.9% of GDP.

Graph 7.1: Volume of gross premiums written



Source: CNB – ARAD

The non-life insurance segment continued to maintain its dominant position in the domestic market. The ratio between non-life and life insurance remained broadly unchanged and stood at approximately 75:25 at the end of 2025. A similar structure can also be observed in the other Visegrad Group countries, whereas life insurance has long been the dominant form of insurance in Western European economies.[38]

In terms of insurance contracts, their total number remained stable at 31.3 million (Table 7.1). While the non-life insurance segment recorded a marginal increase of 0.2%, the number of life insurance contracts decreased by 1.6%. More significant changes were observed in newly concluded contracts, whose number declined by 10.3% year on year, interrupting the growth trend that had persisted since 2021. This development was driven primarily by the non-life insurance segment, where the number of newly concluded contracts fell by 10.5% year on year, while life insurance recorded a more moderate decline of 4.8%.

[37] The total insurance penetration expresses the share of gross premiums written in gross domestic product.

[38] According to EIOPA statistics for 2025, the shares of the non-life and life insurance segment in other European countries were as follows: France 38:62%; Germany 42:58%; Hungary 57:43%; Slovakia 63:37%; and Poland 73:27%.

Gross claims paid decreased by 10.7% year on year to CZK 123.6 billion in 2025. This decline was driven primarily by the non-life insurance segment, where gross claims paid fell by 13.9% to CZK 88.6 billion, mainly as a result of a return from the elevated levels recorded following the floods in 2024. In the life insurance segment, claims paid were 1.4% lower year on year and amounted to CZK 35.0 billion.

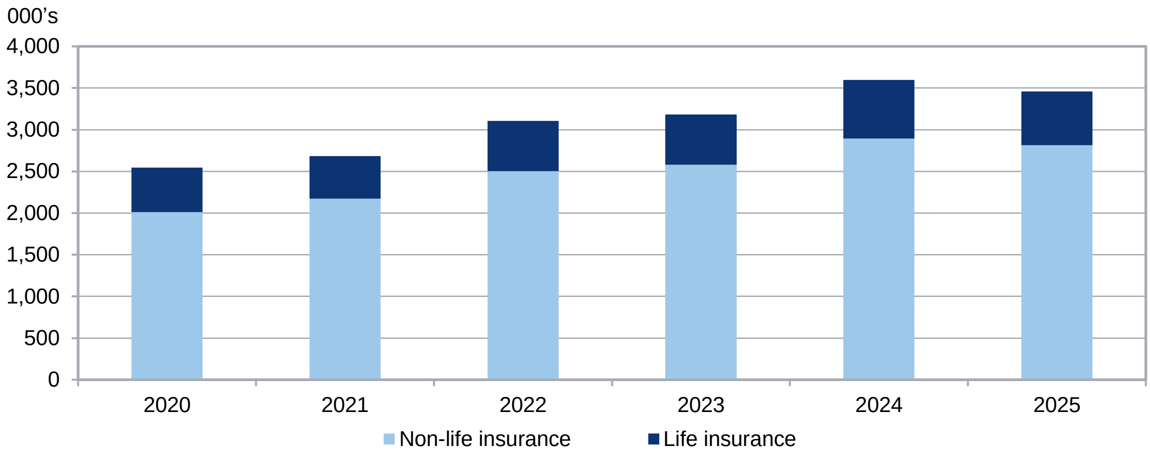
Table 7.1: Main indicators of the insurance market

As at 31 Dec	2020	2021	2022	2023	2024	2025	Year-on-year change	
							Abs.	(%)
Total insurance contracts (000's)	28,363	30,391	29,814	30,568	31,335	31,318	-17	-0.1
of which: non-life insurance	23,098	24,838	24,562	25,437	26,194	26,259	64	0.2
life insurance	5,264	5,553	5,252	5,131	5,140	5,059	-81	-1.6
Newly concluded contracts (000's)	9,584	10,181	12,515	14,345	15,028	13,487	-1,541	-10.3
of which: non-life insurance	9,120	9,682	11,952	13,765	14,415	12,904	-1,511	-10.5
life insurance	464	499	564	580	613	583	-30	-4.8
Total gross premiums written (CZK bn)	168.0	179.7	200.1	213.1	230.4	247.2	16.7	7.3
of which: non-life insurance	116.1	128.0	145.8	159.0	172.7	186.0	13.3	7.7
life insurance	51.8	51.7	54.3	54.1	57.7	61.1	3.4	5.9
Gross claim paid (CZK bn)	92.0	102.0	117.1	108.4	138.4	123.6	-14.8	-10.7
of which: non-life insurance	54.5	62.5	69.9	74.5	102.9	88.6	-14.3	-13.9
life insurance	37.5	39.6	47.2	34.0	35.5	35.0	-0.5	-1.4
Total insurance penetration (% GDP)	2.9	2.8	2.8	2.8	2.9	2.9	0.0	-

Source: CNB – ARAD, MoF calculations

In 2025, insurance companies recorded a slight decline in the number of reported claims, which fell by 3.9% year on year to just under 3.5 million. In the non-life insurance segment, the number of claims decreased by 2.9% to 2.8 million, while life insurance recorded a year-on-year decline of 8.1% to 0.6 million claims. The decline in the number of reported claims in 2025 was consistent with lower claims paid, particularly in the non-life insurance segment, and indicates a more favourable claims experience compared with 2024, which had been affected by extraordinary natural events.

Graph 7.2: Number of insurance claims



Source: CNB – ARAD

The insurance sector recorded a year-on-year increase in total assets of 2.9% to CZK 533.0 billion in 2025, the highest value in the reporting period since 2020 (Table 7.2). The most significant asset item remained investments where the policyholders do not bear the investment risk, the volume of which decreased slightly by 1.6% year on year to CZK 296.9 billion. This decline was also reflected in a decrease in their share in total assets by 2.6 pp year on year to 55.7%. By contrast, investments for which the investment risk is borne by the policyholder continued their growth, increasing by 7.5% year on year to CZK 126.0 billion. As a result, the importance of this category within total insurance sector assets strengthened slightly, with its share rising by 1.0 pp to 23.6%.

On the liability side of the balance sheet, technical provisions increased marginally by 0.5% year on year to CZK 253.3 billion, which may indicate a stabilisation of liabilities within the sector. A stronger increase was recorded in life insurance technical provisions where policyholders bear the investment risk, which grew by 6.7% year on year to CZK 108.0 billion.

Table 7.2: Main items of the balance sheet and profit and loss account of the insurance market

As at 31 Dec (CZK bn)	2020	2021	2022	2023	2024	2025	Year-on-year change	
							Abs.	(%)
Total assets	**493.0**	**524.5**	**492.9**	**515.6**	**517.7**	**533.0**	**15.3**	**2.9**
Investments	324.7	329.0	299.5	311.7	301.8	296.9	-4.9	-1.6
of which bonds and other fixed-income securities	240.8	245.8	209.6	216.9	210.6	205.4	-5.1	-2.4
Investments where policyholders bear the investment risk	100.1	110.7	97.1	109.7	117.2	126.0	8.8	7.5
Technical provisions[39]	**249.7**	**258.3**	**251.6**	**251.0**	**252.0**	**253.3**	**1.3**	**0.5**
Technical provisions where policyholders bear the investment risk	100.1	110.7	97.0	94.8	101.2	108.0	6.8	6.7
Profit or (-) loss before tax	**17.8**	**31.3**	**19.4**	**23.1**	**21.7**	**27.1**	**5.3**	**24.5**
Result of technical account for non-life insurance	8.4	16.1	7.9	11.1	9.1	13.3	4.2	45.5
Result of technical account for life insurance	8.3	14.7	9.5	16.0	14.3	17.2	2.9	20.3

Source: CNB – ARAD, MoF calculations

In terms of economic performance, the insurance sector achieved a profit before tax of CZK 27.1 billion in 2025, representing a year-on-year increase of 24.5%. This development was supported by an improvement in the technical account result in both the non-life insurance segment (by 45.5%) and the life insurance segment (by 20.3%). The growth was driven primarily by the development of earned premiums (net of reinsurance) in both segments. At the same time, gross claims paid, including the change of technical provisions, showed only limited growth dynamics, which also contributed to the improvement in the technical account result.

The profitability of the insurance sector is largely determined by the ability of individual insurance companies to effectively detect insurance fraud. According to data published by the Czech Insurance Association (CAP), a total of 14,378 suspicious insurance incidents were recorded in 2025, of which 7,272 cases were proven (Table 7.3). The volume of detected insurance fraud reached CZK 1.9 billion, increasing by 10.0% year on year. At the same time, the average amount of a detected insurance fraud also increased, reaching approximately CZK 265 thousand.

[39] It includes a provision for unearned premiums, the life insurance provision, the provision for outstanding claims, the provision for bonuses and rebates, and other technical provisions.

Table 7.3: Development of investigated and detected insurance fraud

As at 31 Dec	2020	2021	2022	2023	2024	2025	Year-on-year change	
							Abs.	(%)
Volume of detected fraud (CZK thousands)	1,231.4	1,248.9	1,422.7	1,664.4	1,754.2	1,929.5	175.3	10.0
Average amount (CZK)	288,306	249,180	230,763	266,644	239,419	265,337	25,918	10.8
Suspicious incidents (pcs)	9,632	11,407	13,820	15,574	13,827	14,378	551	4.0
of which proven cases	4,271	5,012	6,165	6,242	7,327	7,272	-55	-0.8

Source: CAP, MoF calculations

7.2. Insurance Intermediation

At the end of 2025, a total of 38.4 thousand persons authorised to distribute insurance products were registered, representing a year-on-year increase of almost 1.8 thousand entities and confirming the continued moderate growth of this segment since 2022. The increase in the total number of insurance intermediaries was driven primarily by a rise in the number of tied agents, which grew by 1.7 thousand to almost 36.0 thousand. This development may also have been partly influenced by the 2025 amendment to the Act on Insurance and Reinsurance Distribution (the so-called “fleet insurance”), which expanded the range of persons subject to the registration requirement. The number of supplementary insurance intermediaries increased slightly by several dozen persons. By contrast, the number of independent intermediaries remained unchanged over the long term and has stagnated at approximately 800 entities over the last five years.

Table 7.4: Number of insurance intermediaries

As at 31 Dec	2020	2021	2022	2023	2024	2025	Year-on-year change	
							Abs.	(%)
Independent intermediaries	1,121	829	822	822	809	808	-1	-0.1
Tied agents	34,648	28,473	30,048	32,258	34,228	35,974	1,746	5.1
Supplementary insurance intermediaries	2,232	1,575	1,578	1,590	1,590	1,620	30	1.9
Total	38,001	30,877	32,448	34,670	36,627	38,402	1,775	4.8

Source: CNB – JERRS, MoF calculations

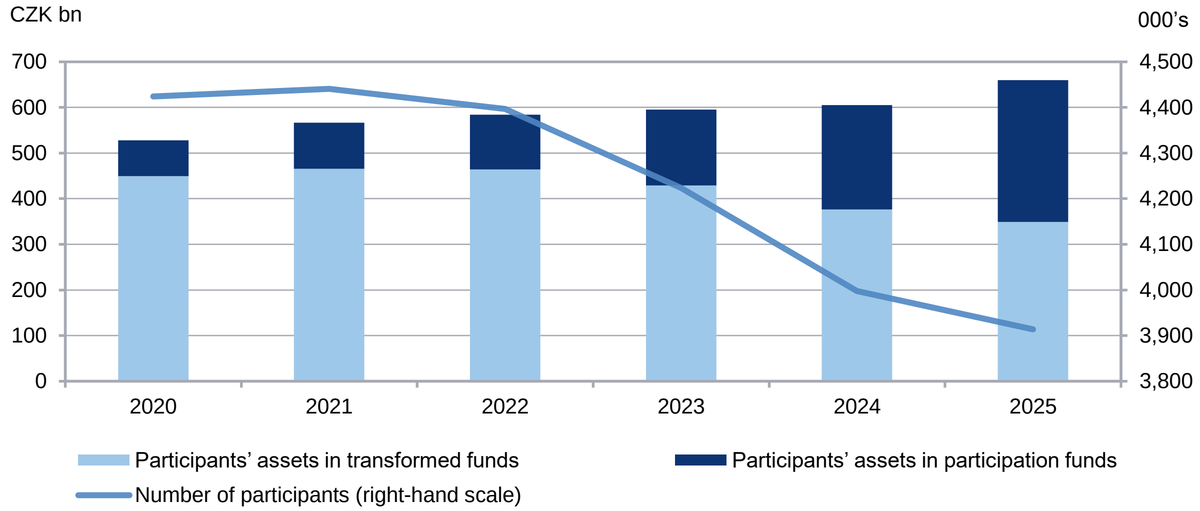
8. Private Pension System

8.1. Supplementary Pension Insurance and Supplementary Pension Savings

Participants' Assets and Number of Participants

The volume of participants' assets managed in Pillar III[40] increased by 9.1% year on year to CZK 660.2 billion at the end of 2025 (Graph 8.1), recording the highest growth rate in the reporting period since 2020. A significantly lower volume of benefits paid out primarily drove this development compared with 2024 (Graph 8.4). Pillar III consists of supplementary pension insurance and supplementary pension savings schemes. Since 2013, only the latter has been available to new participants. As part of the 2013 reform of the private pension system, the savings of participants in the supplementary pension insurance scheme were automatically transferred to transformed funds while maintaining the original terms of the supplementary pension insurance contracts (in particular, the so-called guarantee of a non-negative annual appreciation), and new participants can no longer join these funds. In 2025, more than half (52.9%) of the participants' assets managed in Pillar III continued to be invested in transformed funds, however, their share declined significantly by 32.3 pp during the reporting period since 2020. The volume of participants' assets in transformed funds decreased for the fourth year in a row, falling by 7.3% year on year to CZK 349.0 billion. However, this rate of decline was lower than in 2024, when it reached its peak for the reporting period. In contrast, the supplementary pension savings scheme recorded strong growth in participants' assets in 2025, rising by 36.1% to CZK 311.2 billion, even though the rate of growth was slightly lower than in 2024. This increase was again largely driven by the transfer of participants' assets from transformed funds (Graph 8.4), the volume of which was the second highest since 2013, following the volume in 2024.

Graph 8.1: Participants' assets and number of participants in Pillar III

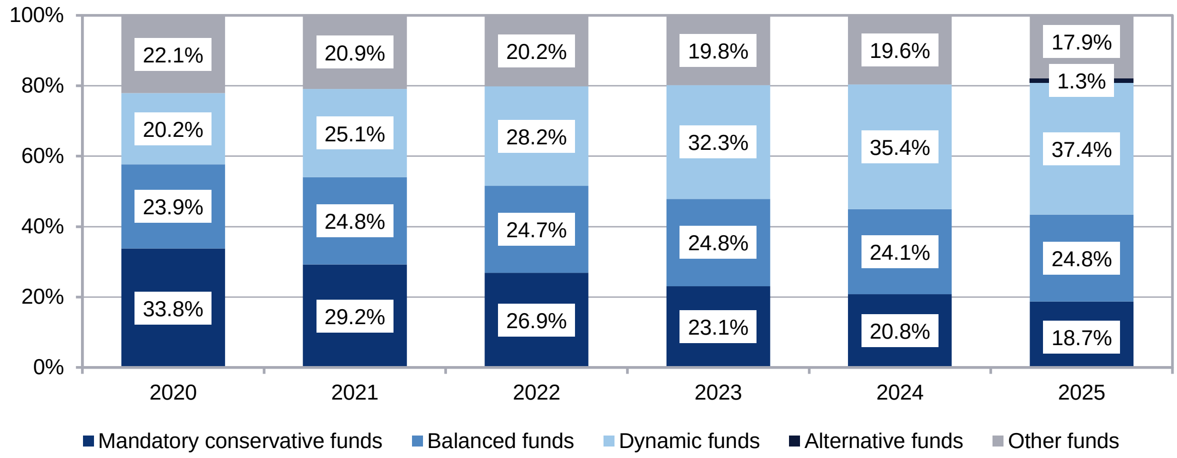


Source: APS CR, MoF

[40] Pillar I represents a mandatory pay-as-you-go pension system financed by the state. Pillar II, which was represented by a voluntary retirement savings scheme, was started in 2013 and in 2016 was discontinued.

In the supplementary pension savings scheme, participants' assets are managed in different types of participation funds according to an investment strategy chosen in advance by the participants from among those offered by the pension management company.[41] In terms of the structure of the allocation of these participants' assets, dynamic funds, which invest their assets mainly in shares and units of equity funds, held the highest share at the end of 2025. Since the end of 2020, dynamic funds have increased their share of total assets in participation funds by 15.3 pp to 37.4% (Graph 8.2), mostly at the expense of mandatory conservative funds, whose share fell by 13.0 pp over the same period. At the end of 2025, dynamic funds, together with balanced funds that also invest partly in shares and newly established alternative funds that can invest in private equity, real estate, or other non-traditional assets with higher return potential, accounted for 63.4% of the total participants' assets in the supplementary pension savings scheme. This development could be related to the increasing share of participants aged under 49 (Graph 8.3), who, given the longer time remaining until they reach retirement age, may prefer more dynamic investment strategies with the potential for higher investment returns. Additionally, the generally higher returns of dynamic funds compared to other types of participation funds (Graph 8.7) have also contributed to the increase in their share in the total volume of participants' assets managed in participation funds.

Graph 8.2: Structure of participants' assets managed in different types of participation funds



Source: APS CR, MoF calculations

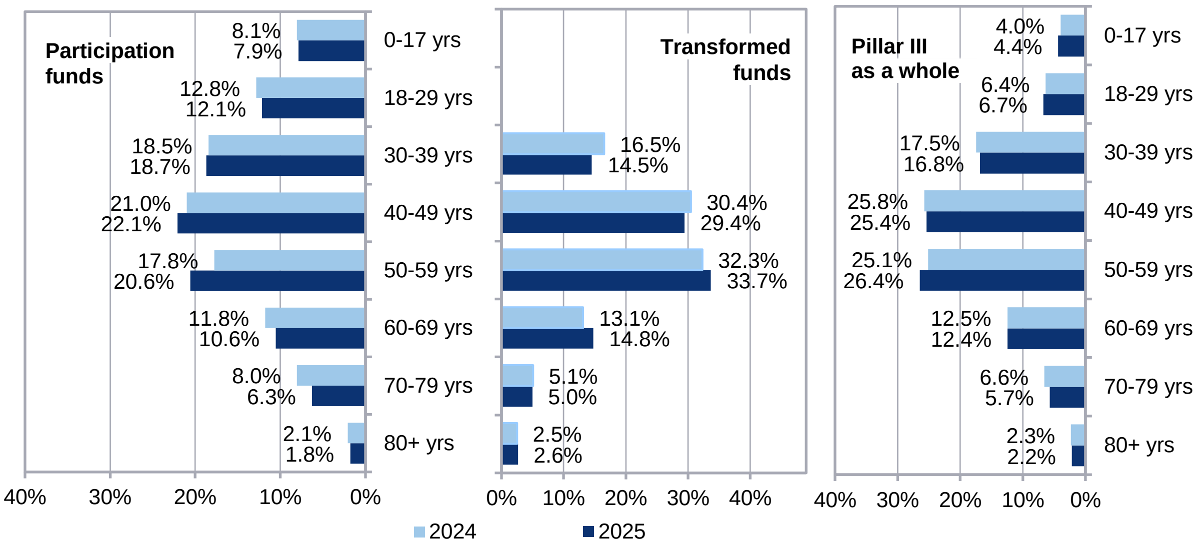
The total number of participants in Pillar III fell year on year to 3.9 million in 2025 (Graph 8.1), representing a lower decline in both absolute (by 84,000) and relative (by 2.1%) terms than in the previous two years, when the rate of decline had, in contrast, accelerated year on year. A change in the provision of the state contribution contributed to a more significant decline in the number of participants in 2023 and 2024, as of 1 July 2024, this contribution is no longer paid to participants who have been granted a retirement pension. In 2025, 271,000 participants exited the transformed funds, significantly fewer than in 2024, and the number of participants in the supplementary pension insurance scheme thus fell by 13.4% to 1.75 million. For the first time since the establishment of the transformed funds in 2013, the number of participants in these funds was lower than the number of participants in the participation funds, which rose by 9.5% in 2025 to 2.2 million. During 2025, nearly 351,000 new participants joined the participation funds, representing the second-highest increase since 2013, following the increase in 2024. Of this number, 110,500 participants transferred their assets from

[41] In contrast to the supplementary pension insurance scheme, where the guarantee of non-negative annual appreciation means that a choice of investment strategy is not possible.

transformed funds, which was 11.3% less than in 2024, but still represented the second-highest number of transfers in the participation funds' history.

In terms of the age structure of participants in Pillar III as a whole, participants aged 50 to 59 have now become the largest age category, with their share increasing compared to 2024 by 1.3 pp to 26.4% (Graph 8.3). However, the higher representation of this age category may also be influenced by the fact that it is generally the largest demographic group in the population. The share of participants aged 40 to 49, who had traditionally been the most represented age category until the end of 2024, fell slightly by 0.4 pp to 25.4%. Within Pillar III as a whole, the share of participants over the age of 60 decreased again, but this time to a lesser extent than in previous years. Although participants who have been granted a retirement pension lost their entitlement to the state contribution as of 1 July 2024, some participants aged 70 and older remained in both the transformed and participation funds. Their share in the total number of participants in Pillar III was 7.9%.

Graph 8.3: Age structure of participants in Pillar III



Source: MoF

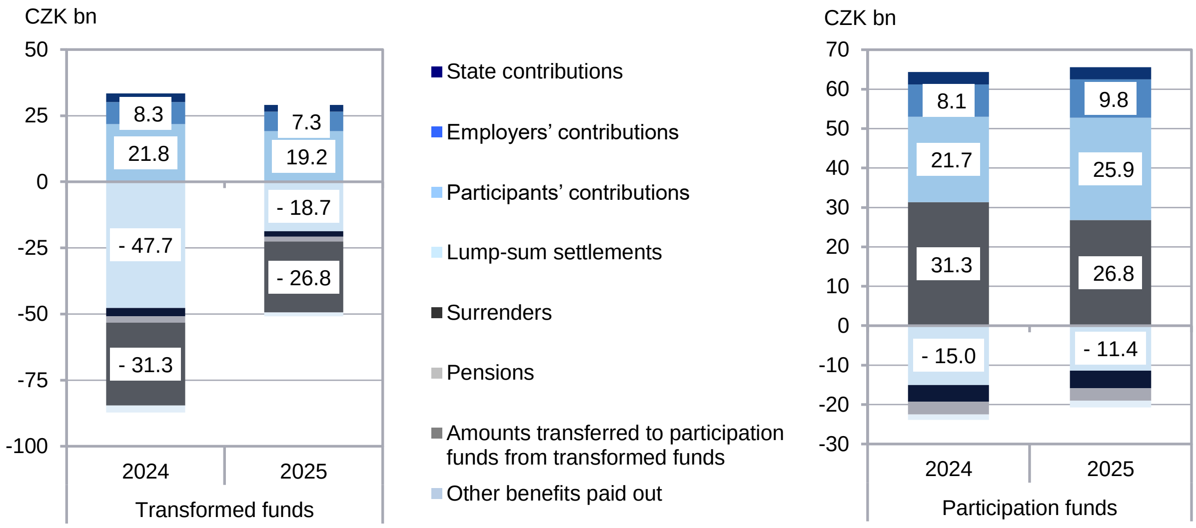
Contributions Received and Benefits Paid Out

In 2025, the transformed funds reported a negative balance between contributions received and benefits paid out for the fourth year in a row, indicating a continued decline in the volume of participants' assets in the supplementary pension insurance scheme. However, this balance decreased by CZK 31.9 billion year on year to CZK -21.7 billion due to a year-on-year decline in the number of participants who exited these funds. In contrast, in the case of participation funds, the contributions received exceeded the volume of benefits paid out by CZK 44.9 billion, and the total volume of participants' assets in the supplementary pension savings scheme continued to grow. Contributions received increased by CZK 1.2 billion year on year to CZK 65.7 billion, primarily due to a year-on-year increase in the volume of participants' contributions (Graph 8.4).

The structure of contributions received evolved similarly in both types of pension funds during the reporting period. The share of participants' contributions initially declined gradually and then began to rise starting in 2024, but it still decreased by 1.0 pp compared with the end of 2020. In contrast, the share of employers' contributions increased by 4.6 pp to 25.2% during the reporting period. The remaining share attributed to state contributions decreased by 3.6 pp to 8.3%.

Benefits from the transformed funds were again most often paid out in the form of lump-sum settlements. However, the share of this dominant method of disbursement decreased by 6.9 pp year on year to 82.6% of the total volume of benefits paid out from the transformed funds[42]. Lump-sum settlements totalling CZK 18.7 billion in 2025 were CZK 29.0 billion lower than in 2024. The volume of pensions paid out also declined, by CZK 0.5 billion to CZK 1.9 billion, however, their share in the total volume of benefits paid out increased year on year by 3.9 pp to 8.5%. The share of lump-sum settlements in the total volume of benefits paid out from the participation funds (excluding other benefits paid out shown in Graph 8.4 due to their random development) decreased by 6.8 pp to 60.0%, while their volume fell by CZK 3.6 billion to CZK 11.4 billion. Although the volume of pensions paid out also declined, it did so only slightly to CZK 3.2 billion, and their share in the total volume of benefits paid out thus increased by 2.5 pp to 16.7%. The above-mentioned developments, particularly the year-on-year decline in the volume of lump-sum settlements, were related to the fact that in 2024, a large number of older participants who had lost their entitlement to the state contribution made one-time withdrawals from transformed or participation funds.

Graph 8.4: Contributions received and benefits paid out in transformed and participation funds



Source: CNB – ARAD, MoF calculations

The year-on-year change in the average monthly participant's contribution in 2025 fully reflected the changes in the provision of the state contribution effective as of 1 July 2024. The changes consisted in setting the linear amount of the state contribution at 20% of the participant's contribution, raising the minimum amount of the participant's contribution for granting the state contribution from CZK 300 to CZK 500, and raising the maximum amount of the participant's contribution, above which the state contribution does not increase further, from CZK 1,000 to CZK 1,700. The aim of these changes was to motivate participants to increase their own contributions, which had already partially occurred in 2024. In 2025, as a result of these measures, the highest absolute and relative increase in the amount of participant's contribution since 2013 occurred. In transformed funds, the average monthly contribution reached CZK 1,061, and in participation funds, CZK 1,144 (Table 8.1). In the case of employer's contribution, the year-on-year increase in transformed funds in 2025 was the lowest in the reporting

[42] Excluding amounts transferred to participation funds, as well as other benefits paid out listed in Graph 8.4 due to their random development, which include, for example, funds paid out as inheritance and funds returned to the state budget.

period. Although the absolute year-on-year increase in employer's contribution was higher in participation funds, it was still the second-lowest increase since 2020.

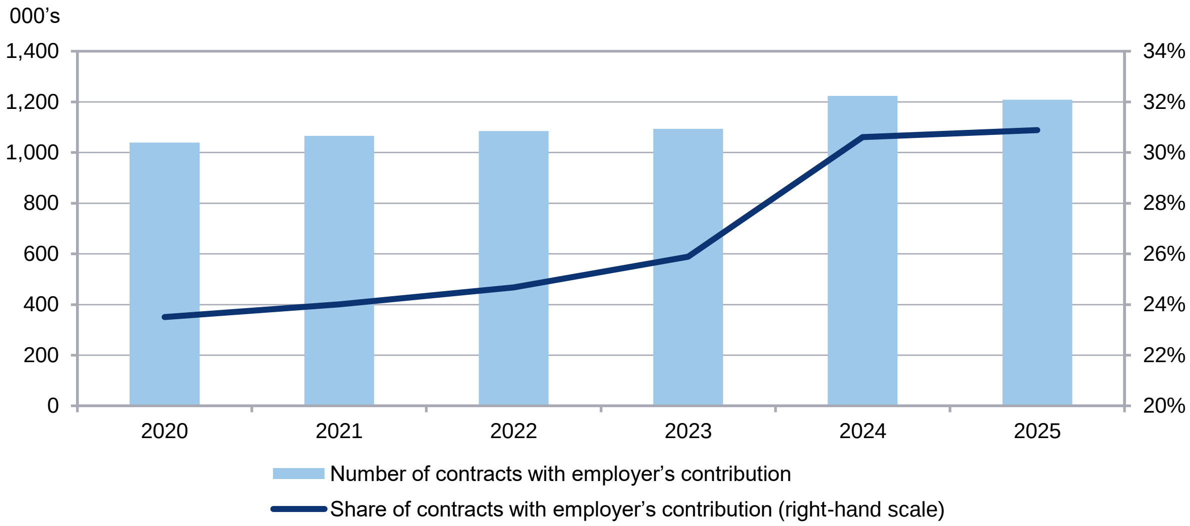
Table 8.1: Average monthly contributions in transformed funds (TF) and participation funds (PF)

	Average CZK/month	2020	2021	2022	2023	2024	2025	Year-on-year change	
								Abs.	(%)
TF	Participant's contribution	754	781	795	792	841	1,061	220	26.2
	Employer's contribution	1,017	1,055	1,095	1,142	1,202	1,225	23	1.9
	State contribution	137	140	141	140	125	106	-19	-15.2
PF	Participant's contribution	812	829	853	871	943	1,144	201	21.3
	Employer's contribution	1,099	1,143	1,213	1,286	1,302	1,334	32	2.5
	State contribution	161	161	162	161	140	136	-4	-2.9

Source: APS CR, MoF, MoF calculations

The number of participants who had a recently paid employer's contribution registered in their pension account at the end of the year fell in 2025 for the first time during the reporting period, by 1.2% to 1,208.7 thousand persons (Graph 8.5). However, given the higher decline in the total number of participants in Pillar III, the share of contracts with an employer's contribution rose slightly by 0.3 pp to 30.9%.

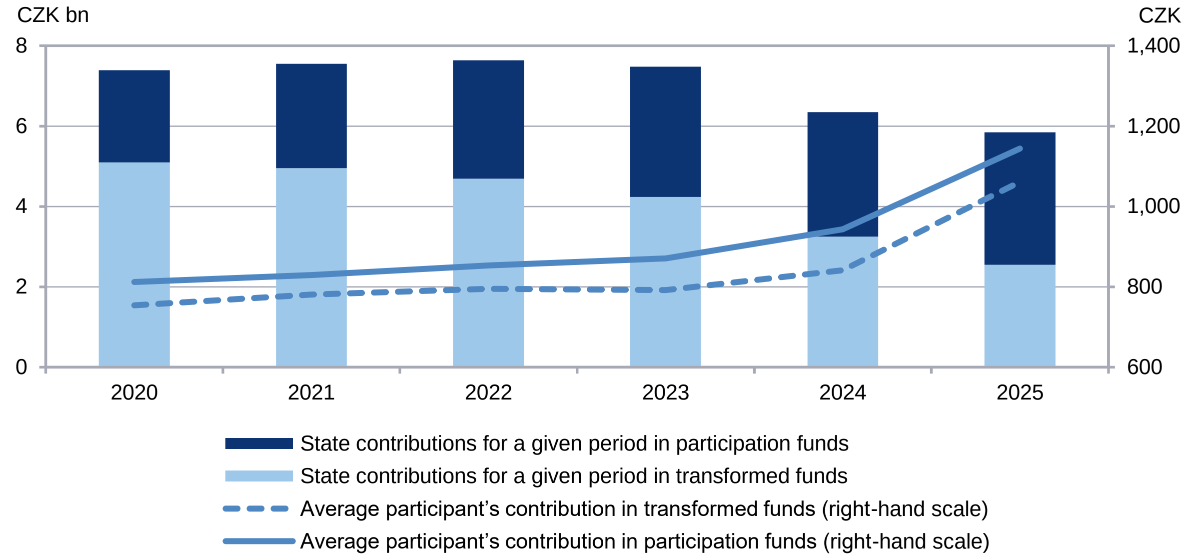
Graph 8.5: Contracts in Pillar III with an employer's contribution



Source: MoF

The total amount of state contributions remitted to the participants of Pillar III was CZK 5.8 billion, falling for the third year in a row (Graph 8.6). The year-on-year decline of CZK 0.5 billion was related to changes in the provision of the state contribution effective from mid-2024, which were fully reflected in the full-year amount of state contributions for the first time in 2025. The share of state contributions remitted to participants in the supplementary pension savings scheme relative to the total amount of direct state support continued to increase gradually, reaching 56.5% in 2025. Compared to the end of 2020, this represented an increase of 25.4 pp.

Graph 8.6: State contributions and average monthly participant's contribution in transformed and participation funds



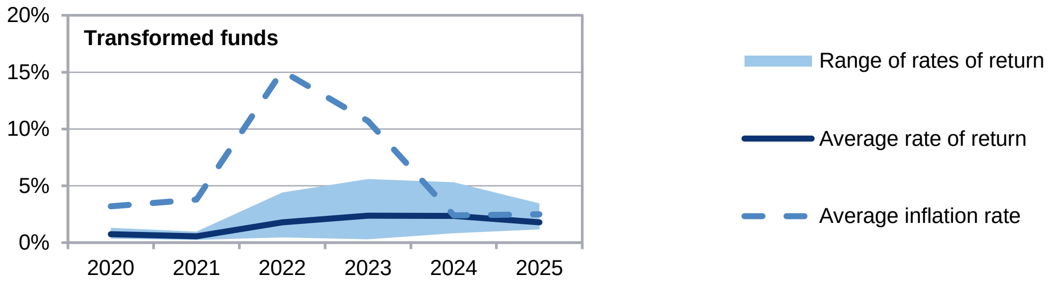
Source: MoF

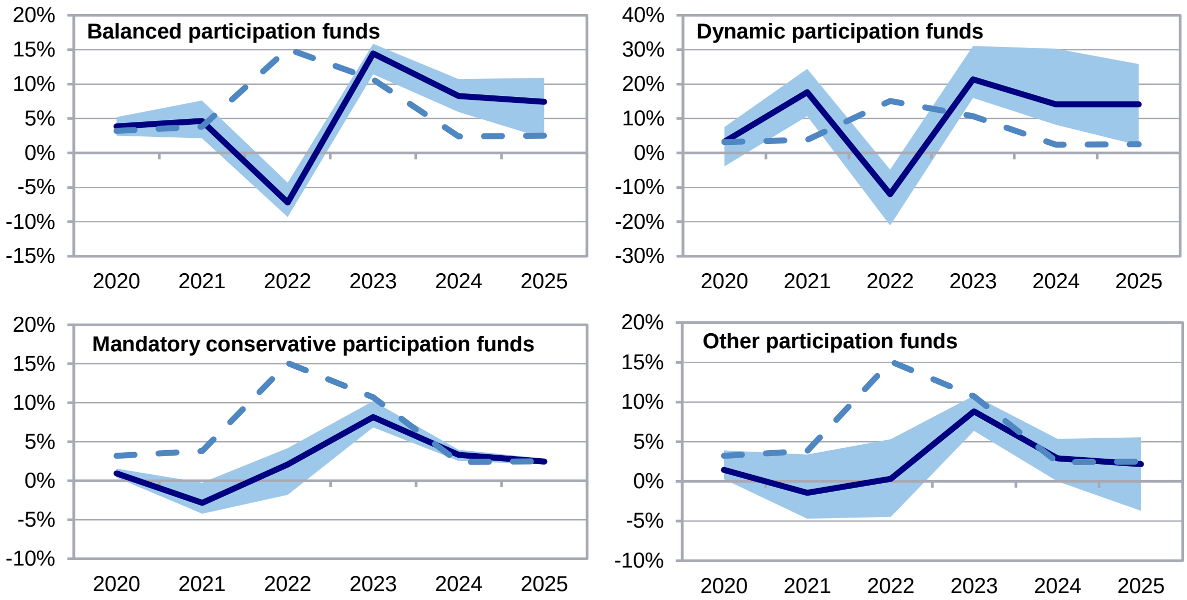
Profitability and Investment Portfolio Structure

The total profit of pension funds rose by CZK 8.0 billion to CZK 29.4 billion in 2025, representing the highest total profit since the reform of the private pension system in 2013. Thanks to the continued growth of global financial markets, the profit of participation funds increased by a significant 84.0% to CZK 23.7 billion. In contrast, the profit of transformed funds decreased by 33.2% year on year to CZK 5.6 billion.

The average rate of return for transformed funds in 2025 was 1.8%, returning to the 2022 level after two previous years in which it had reached nearly 2.4%. Of the eight transformed funds, only one outperformed the average annual inflation rate of 2.5%. In contrast, most participation funds exceeded the average annual inflation rate. The average rate of return for dynamic participation funds remained at the 2024 level (14.2%), while balanced participation funds reported a lower (by 0.8 pp) average rate of return (7.5%) than in 2024 (Graph 8.7). In both of these types of participation funds, there was always one fund that failed to outperform the average annual inflation rate with its return. The average rate of return for mandatory conservative participation funds reached 2.4%, with the returns of 4 out of 9 of these funds being slightly higher than the average annual inflation rate.

Graph 8.7: Average rate of return in different types of pension funds

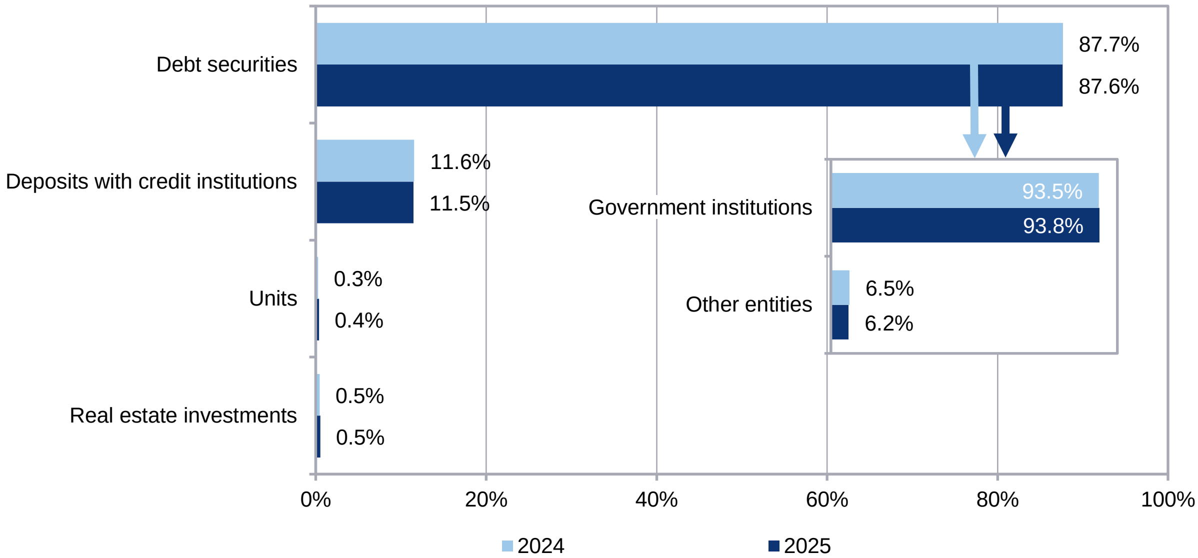




Source: APS CR, MoF calculations

Within the highly conservative investment portfolio of the transformed funds, only minor changes occurred in 2025. In the bond portfolio, as in 2023 and 2024, the share of bonds issued by government institutions increased slightly again at the expense of other issuers (Graph 8.8).

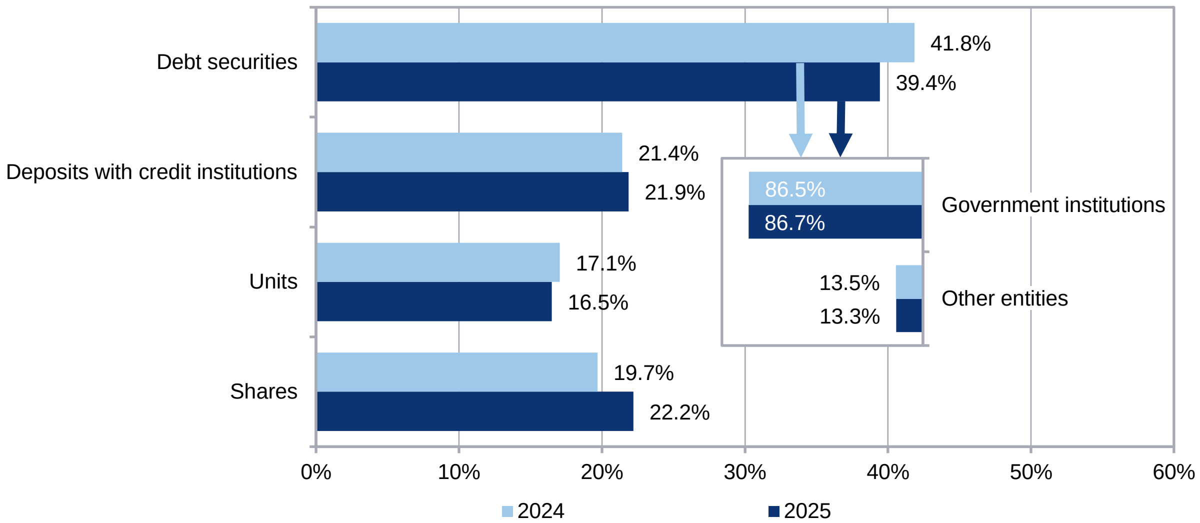
Graph 8.8: Investment portfolio structure of transformed funds and structure of debt securities by issuer



Source: CNB – ARAD, MoF calculations

The share of debt securities in the investment portfolio of participation funds fell again, primarily in favour of an increase in the proportion of shares (Graph 8.9), however, this could be partly due to the higher price growth of shares. In the debt securities portfolio, as in the case of transformed funds, there was a very slight increase in the share of bonds issued by government institutions.

Graph 8.9: Investment portfolio structure of participation funds and structure of debt securities by issuer



Source: CNB – ARAD, MoF calculations

Some of the more detailed information about the supplementary pension insurance and supplementary pension savings sector, which is regularly published on the MoF website https://mf.gov.cz/cs/financni-trh/soukrome-penzijni-systemy, is included in Tables A2.3 and A2.4 in Appendix 2.

8.2. Pension Management Companies

Pension management companies have been active on the financial market since 2013, acting as administrators of assets registered in participants' personal pension accounts in participation and transformed funds. Profit before tax in the pension management company sector fell by 14.2% to CZK 4.8 billion in 2025, following four years of growth (Table 8.2). The decline in profit was primarily due to a year-on-year decrease in the total volume of remuneration received to CZK 8.2 billion, as the increase in remuneration for management of pension funds' assets to CZK 6.0 billion was more than eliminated by the decline in remuneration for gains in value of pension funds' assets to CZK 2.2 billion. A year-on-year increase in administrative expenses and fees and commissions expenses also contributed to the decline in profit.

The ratio of pension management companies' regulatory capital to their aggregate capital requirement continued the upward trend that had been in place since 2017, and in 2025 it reached its highest level (458.7%) in the history of pension management companies. This was due to another relative decline in the capital requirements of pension management companies, which was greater than the relative decline in the volume of their capital.

Table 8.2: Selected indicators of the pension management company sector

As at 31 Dec	2020	2021	2022	2023	2024	2025	Year-on-year change	
							Abs.	(%)
Profit or (-) loss before tax (CZK bn)	2.3	2.6	2.7	3.8	5.6	4.8	-0.8	-14.2
Equity, total (CZK bn)	12.5	12.8	10.9	11.1	14.2	13.6	-0.5	-3.7
Capital ratio (%)	215.9	254.8	268.2	309.1	451.6	458.7	7.1	1.6

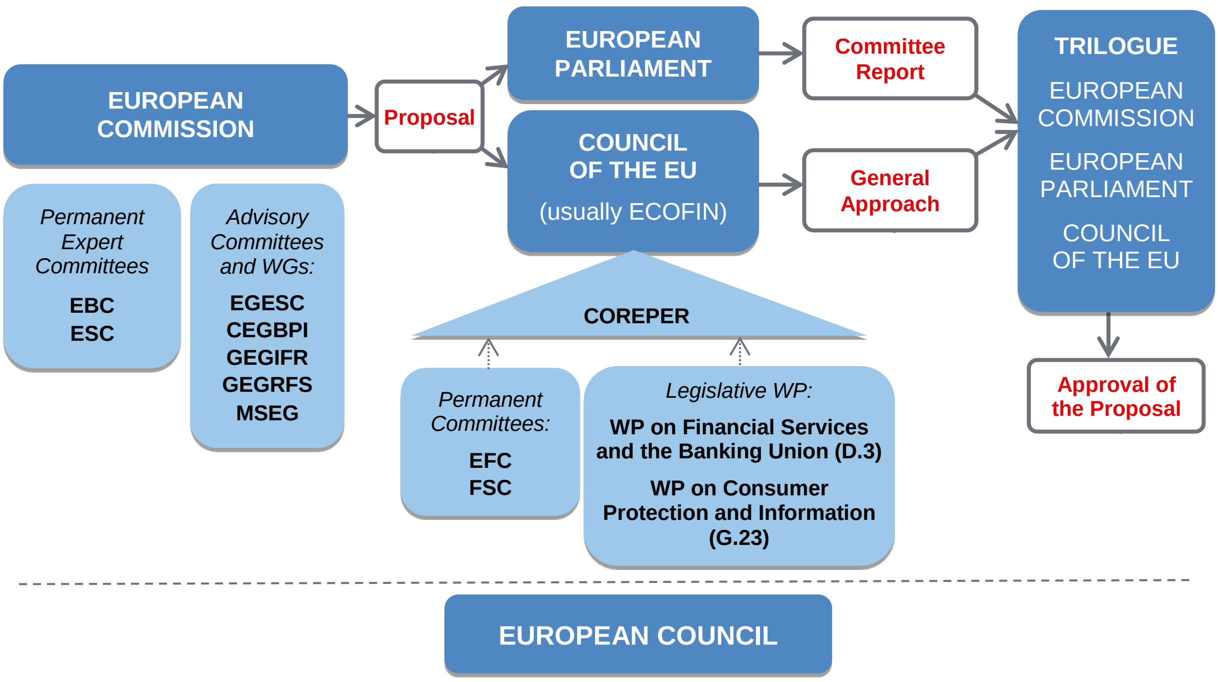
Source: CNB – ARAD, MoF calculations

9. Financial Market Activities of the MoF and Financial Market Legislation

9.1. Ministry of Finance's Activities at the EU Level

The MoF's activities at the European level are associated with the legislative process of discussing and approving the directives and regulations governing the financial market. Scheme 9.1 provides a basic description of this process. The preparation of legislative proposals falls within the competence of the European Commission (the "Commission"), which holds an "initiative monopoly" within this particular area. In a number of cases, the Commission discusses its plans and the text of its proposals at an expert level with representatives from the Member States using the platforms provided by the permanent expert committees (referred to as Level 2 Committees), expert advisory committees, and working parties. The Commission's proposals are subsequently finalised, published on the Commission website, and forwarded for the parallel discussion by the European Parliament and the Council of the European Union (Council). At the level of the European Parliament, the proposals are discussed by the appropriate committee (proposals affecting the financial market are discussed by the Committee on Economic and Monetary Affairs – ECON Committee). The output from the discussions is the approved Committee Report that includes a proposal for amendments to the Commission´s proposal.

Scheme 9.1: Basic structure of the EU institutions within the context of the legislative process



Source: Prepared internally

As far as the Council is concerned, the proposals are discussed by the representatives of the Member States within the relevant working party (WP) (in the case of financial services they are the D.3 WP on Financial Services and the Banking Union or the G.23 WP on Consumer Protection and Information), and various ad hoc working parties that are established as required. The result from the meetings consists of a proposal of a revised version that is submitted for approval in the form of a General

Approach, first to the Permanent Representatives Committee (usually COREPER II), and then to the Council (most often in its ECOFIN configuration). The General Approach and the Report prepared by the appropriate committee of the European Parliament are the input materials for a "trilogue" – a tripartite meeting during which a compromise version of the directive or regulation is negotiated by three parties, specifically the Commission, the Council, and the European Parliament. The final version is then formally approved by the Council and the European Parliament and subsequently published in the Official Journal of the European Union (the Journal).

The following sections of Chapter 9.1 provide information about the topics discussed by the various structures of the Commission and the Council. More details about the individual proposals for directives and regulations are provided in Chapter 9.3.

Commission

The Commission is one of the EU's organs, which acts independently of the Member States and promotes the Union's interests. The term "Commission" is used in two different ways: either in the sense of the College of Commissioners or to also include the full administrative body. The Commission participates at almost all decision making levels and it has the largest administrative and expert apparatus of the EU institutions. Most importantly, the Commission is the "guardian of the treaties", which means that it ensures compliance with the basic treaties establishing the European Union and one of the Commission's official obligations is to take legal actions if any breach of these treaties is discovered. Another key competence of the Commission consists of its participation in the EU legislation. In this respect, it holds an "initiative monopoly" – only the Commission has the right to submit legislative proposals. Other powers entrusted to the Commission include the publishing of recommendations and opinions, the exercise of delegated power (delegated legislative power), and representing the EU externally, including maintaining diplomatic relations and negotiating international treaties. The Commission is also responsible for managing a majority part of the EU budget.

Various working groups and committees function within the Commission as its advisory bodies. Their meetings are held with the participation of representatives from the Member States. As far as financial services are concerned, these are usually representatives from the ministries and, in some situations, also from the central banks. In some cases, representatives from the European Central Bank (ECB), European System of Financial Supervision – European Insurance and Occupational Pensions Authority (EIOPA), European Banking Authority (EBA), and European Securities and Markets Authority (ESMA), as well as representatives of the countries of the European Free Trade Association (EFTA), European Economic Area (EEA) and the candidate countries for EU membership participate as observers.

Permanent Expert Committees and other selected Commission platforms

European Securities Committee (ESC)

The ESC is a committee of representatives of Member States that votes on implementing acts of the Commission within regulatory procedure with scrutiny (this does not apply to technical standards, which the Commission only formally approves). No meeting of the committee was held in 2025.

Expert Group of the European Securities Committee (EGESC)

In 2025, meetings of the ESC Expert Group were organised in the form of videoconferences. Two meetings were held in February, during which the topics of support for venture and growth capital in the EU and the state of, and possible support for, commercial paper markets and depositary services were discussed. In March, the topic was macroprudential policy towards non-bank financial institutions (NBFIs). The NBFI sector represents a key and growing source of financing in the EU. At the end of April, a workshop was held on the ongoing transposition of the revision of the Alternative Investment

Fund Managers Directive (AIFMD). In June, a meeting was held on the European Blueprint for Savings and Investment Accounts.

Commission Expert Group on Banking, Payments and Insurance (CEGBPI)
The CEGBPI Expert Group acts as a support and advisory body to the European Commission in the preparation of legislative proposals and delegated acts in the areas of banking, payment services and insurance. It also serves as a platform for communication and the exchange of views between the authorities of the Member States and the Commission.

The Commission uses the CEGBPI Expert Group, in its banking, or more specifically banking regulation and supervision, formation, inter alia, to consult on draft delegated acts (i.e. delegated regulations) stemming from the Capital Requirements Directive (CRD[43]) and the Capital Requirements Regulation (CRR[44]) for credit institutions. In 2025, a total of three meetings were held on possible ways forward regarding the implementation of the Fundamental Review of the Trading Book (FRTB) framework in the EU, with the aim of preserving the competitiveness of European banks in light of delays in implementation in other jurisdictions, particularly the United States and the United Kingdom.

In March 2025, a meeting was held on the forthcoming review of the macroprudential framework for banks, during which specific issues relating to the simplification of macroprudential rules and a consistent approach by Member States to the application of macroprudential instruments were discussed. In the area of the financial market crisis management framework, discussions took place in June and November 2025 on amendments to selected parameters used in the calculation of ex ante contributions to resolution financing arrangements through a review of the relevant regulation[45].

The formation for payment services and payments met once in 2025, in March, by videoconference. Selected Member States presented national strategies relating to payment services. The discussions also covered the transparency of fees for card-based payment transactions, the increase in digital payments and the associated rise in payment fraud, and access to payment accounts for businesses, particularly in the industrial sector. The state of play of the implementation of the Regulation on instant credit transfers in euro was also included on the agenda. The G20 Roadmap for Enhancing Cross-border Payments was presented to Member States, with the aim of addressing challenges such as high costs, low speed, limited access and insufficient transparency of wholesale and retail payments and transfers, as well as payment fraud. The final agenda item concerned payment fraud. Member States discussed current experience with payment fraud, with several Member States presenting national platforms dedicated to this issue, and the Commission referring to a pan-European platform for combating payment fraud in the context of the ongoing discussions on the payment services legislative package.

In the insurance formation, the expert group met three times by videoconference in 2025. The meetings focused on finalising the key technical elements of the Delegated Regulation under the Solvency II review and on broader issues relating to policyholder protection and the functioning of insurance guarantee schemes. During the first two meetings, the expert group concentrated on the further development of the Delegated Regulation supplementing the Solvency II Directive. At the February meeting, discussions focused on long-term guarantee measures, in particular their further refinement, as well as on the treatment of long-term equity investments. In March, the expert group addressed the

[43] Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC (as amended).

[44] Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (as amended).

[45] Commission Delegated Regulation (EU) 2015/63 of 21 October 2014 supplementing Directive 2014/59/EU of the European Parliament and of the Council with regard to ex ante contributions to resolution financing arrangements.

issue of foreseeable dividends and further discussed EIOPA's opinions and recommendations concerning the principle of proportionality and natural catastrophe risks. The meeting also covered reporting and public disclosure requirements.

At the October meeting, discussions shifted to issues related to policyholder protection. The topic of insurance guarantee schemes (IGSs) was discussed, including minimum standards, geographical coverage in cross-border cases, the definition of their role, and possible financing arrangements, with particular emphasis on the current state of their use across Member States and on Member States' views on their potential introduction.

Government Expert Group on the Interchange Fee Regulation (GEGIFR)
The Expert Group was established in 2015 in connection with the implementation of the Interchange Fees for card-based payment transaction Regulation (IFR)[46] and is mainly focused on discussing issues that have arisen during the implementation process. The meetings are also an opportunity for Member States to present their observations and experiences, and to discuss mutual cooperation. In 2025, the Expert Group met in June via videoconference, during which the Commission presented to the Member States the latest developments in the card market. Member States also shared the latest knowledge and experiences related to the implementation of the IFR.

Government Expert Group on Retail Financial Services (GEGRFS)
The GEGRFS, composed of representatives of Member States and the Commission, was established in 2007 to deal with issues related to the provision and regulation of retail financial services. Since 2018, the main agenda has been the revision of the Mortgage Credit Directive (MCD)[47], the revision of the Payment Accounts Directive (PAD)[48], financial education and, more recently, the preparation of the Retail Investments Package.

In 2025, the Expert Group met once via videoconference. The meeting focused on a discussion of the emerging EU Financial Literacy Strategy. The Strategy was published in September 2025 in the form of a Communication and sets out four main areas of activity for the Commission, in cooperation with the Member States, in the field of financial education: the sharing of best practices in financial education; a pan-European communication campaign and a network of national financial literacy ambassadors; monitoring developments in financial literacy; and effective and transparent financing at both the European and national levels.

Council of the European Union / ECOFIN Council

The Council of the European Union (the Council of the EU or the Council) brings together the ministers from the Member States, who meet and discuss or adopt proposals of legislative acts and other legal acts and coordinate the functioning of individual policies. The key tasks performed by the Council of the EU include approving the EU's legislation, coordinating the main direction of the economic policies of the Member States, ratification of agreements between the EU and other countries, approving the annual budget, developing the EU's foreign and defence policies, and coordinating the co-operation between the judicial organs and the police authorities in the Member States. The Council of the EU meets in ten various configurations according to the area to which the discussed materials belong. Each of the Member States sends its representative (minister) responsible for a particular area of policy to each of the meetings of the Council of the EU. The Presidency of the Council of the EU rotates every

[46] Regulation (EU) 2015/751 of the European Parliament and of the Council of 29 April 2015 on interchange fees for card-based payment transactions.

[47] Directive 2014/17/EU of the European Parliament and of the Council of 4 February 2014 on credit agreements for consumers relating to residential immovable property and amending Directives 2008/48/EC and 2013/36/EU and Regulation (EU) No 1093/2010, as amended.

[48] Directive 2014/92/EU of the European Parliament and of the Council of 23 July 2014 on the comparability of fees related to payment accounts, payment account switching and access to payment accounts with basic features.

six months according to a pre-approved sequence (in 2025, the Presidency was held by Poland and Denmark; in the first half of 2026, the Presidency is held by Cyprus, which will be followed by Ireland). The Council of the EU does not have any permanent members, however, there is an exception, the Foreign Affairs Council (FAC), chaired by the High Representative of the Union for Foreign Affairs and Security Policy. This office is currently held by Kaja Kallas.

The ECOFIN Council is the Council of the EU configuration consisting of the economics and finance ministers from the Member States (if budget issues are on the agenda to be discussed, the budget ministers also attend the meetings). The competencies of the ECOFIN Council include the adoption of measures in areas such as the coordination and supervision of economic policies; the monitoring of budgetary policy and the state of public finances in the Member States; the euro as the single currency; taxes; the financial markets; the free movement of capital; and economic cooperation with third countries. In addition, every year the ECOFIN Council works in cooperation with the European Parliament to prepare and approve the EU budget. As a rule, the ECOFIN Council meets once a month. In addition, the economics and finance ministers meet informally in the presiding country once during its term. The governors of the central banks also participate in these informal meetings. In addition, budgetary ECOFIN Council is usually convened once a year.

The preparatory committee for the Council of the EU meetings is the COREPER, which also has two configurations – COREPER II has subject-matter competence over the area of financial markets, COREPER I over the area of consumer protection.

There are a number of permanent or ad hoc working parties as well as expert committees within the structure of the Council of the EU, which prepare the ECOFIN Council agenda including pending legislative proposals. In the case of financial services, these comprise the Economic and Financial Committee, the Financial Services Committee, and the Working Party on Financial Services and the Banking Union (referred to as D.3).

The approval of legislative proposals in all Council of the EU configurations has the same weight – where there is consensus on a proposal of all Member States at lower levels (Working Party, COREPER), the proposal may be referred to the Council of the EU for approval without discussion (as an A point). It can then be approved by any configuration of the Council of the EU (usually the one that meets first); on the contrary, proposals falling under the competence of other Council of the EU configurations may also appear on the ECOFIN Council agenda as "A points".

In the course of 2025, the ECOFIN configuration of the EU Council approved the general approaches to the Commission's proposals, which were discussed by the Working Party on Financial Services and the Banking Union. Ministers were regularly informed at meetings on progress in the negotiation of legislative proposals in the area of financial services and on the state of implementation of already adopted financial market legislation at national level.

In addition, the ECOFIN Council:

- was informed by the Polish Presidency about its work programme for the first half of 2025, supported efforts to reduce and simplify reporting requirements for businesses, and expressed a shared commitment to take meaningful steps towards simplifying legislation for businesses in order to enhance the competitiveness of the economy (21 January 2025);
- continued its exchange of views on competitiveness, simplification and the improvement of the business environment in Europe; as part of the regular update on the state of play of legislative proposals in the area of financial services, it focused on possible measures to reduce the administrative burden (18 February 2025);

- discussed the packages of measures presented by the Commission on sustainability and investment simplification (11 March 2025);
- during its informal meeting in Warsaw, discussed the competitiveness of European financial markets and their role in supporting investment (11-12 April 2025);
- in the context of the ongoing discussion on competitiveness and regulatory simplification, focused on the Savings and Investments Union strategy and emphasised the importance of completing the single capital market as a necessary precondition for mobilising private capital and channelling it into productive investment in the EU (13 May 2025);
- was informed by the Presidency of the agreement on the Council negotiating mandate on the Payments Services Package (PSD3/PSR), the completion of work on the Capital Requirements Regulation (CRR), and the agreement on the review of the Central Securities Depositories Regulation (CSDR), aimed at shortening the securities settlement cycle from two business days to one business day (T+1) (20 June 2025);
- was informed by the Danish Presidency of the work programme for the second half of 2025; discussed the single currency package, including the proposal for a Regulation on the establishment of the digital euro and the proposal for a Regulation on the legal tender status of euro banknotes and euro coins; and discussed the proposal to amend the securitisation framework under the Savings and Investments Union (8 July 2025);
- at the informal meeting in Copenhagen, focused on a discussion of EU financial services regulation and possible ways of advancing work on simplifying the regulatory framework while safeguarding financial stability and ensuring investor and consumer protection (19-20 September 2025);
- discussed the Commission Recommendation on a blueprint for Savings and Investment Accounts adopted as part of the Savings and Investments Union (10 October 2025);
- was informed about the outcomes of the October meeting of G20 Finance Ministers and Central Bank Governors, which, in the area of financial services, focused on issues related to stablecoins (13 November 2025);
- approved conclusions on the simplification of financial services regulation that could contribute to the overall competitiveness, economic performance and security of the EU (12 December 2025).

Permanent Committees and Working Parties of the Council

<u>Financial Services Committee (FSC) and Economic and Financial Committee (EFC)</u>
The Financial Services Committee (FSC) and the Economic and Financial Committee (EFC) are two of ECOFIN's permanent committees. They have a permanent chairpersonship and do not apply a rotating chairperson rule. The FSC provides a forum for the preliminary higher-expert level discussion of issues associated with financial services and, together with the EFC, takes part in preparations of individual ECOFIN Council meetings. Representatives of the finance ministries of EU Member States, the Commission, the ECB, and the European supervisory authorities (ESAs – the EBA, ESMA, and EIOPA) participate in the activities of the FSC. The FSC is also involved in the EU-US regulatory dialogue, in which the EU is represented by the Commission. The EFC's activities primarily consist of monitoring the economic and financial situation of Member States of the euro area and the EU as a whole, reporting to ECOFIN Council and the Commission, and participating in the preparation of the Council of the EU's activities in the economic and financial sector. The themes covered by the EFC are therefore much

broader than those tackled by the FSC. The EFC meetings are attended by representatives of the finance ministries of EU Member States, the Commission, the ECB, and the national central banks.

Financial market topics discussed in these committees during 2025 included regular analyses of financial sector risks, monitoring progress on the Savings and Investments Union, the EBA banking sector stress tests and the EIOPA insurance sector stress tests, securitisation, the simplification of financial services regulation, reports by the European Supervisory Authorities (ESAs) on supervisory convergence and consumer trends, the shortening of the settlement cycle in the EU to T+1 (the trade date plus one day), ESMA's new supervisory powers, the implementation of the Solvency II and IRRD directives, the framework for the Pan-European Personal Pension Product (PEPP), financial regulatory dialogue with the United States, and recent developments in relations with the United Kingdom.

Working Party on Financial Services and the Banking Union (D.3)
The Working Party on Financial Services and the Banking Union is one of the EU Council's preparatory bodies. It discusses the Commission's relevant financial market legislative proposals before they are submitted to COREPER II and ECOFIN Council. The working party thus covers a wide range of topics, which vary according to the current stage of negotiations regarding a particular legislative proposal and in case any new proposals have been published. Experts from each Member State attend the meetings of this working party. The party is chaired by a representative from the country currently holding the Presidency. Member States are represented by their financial attachés from their Permanent Representation in Brussels particularly during later phases of the discussion on proposals.

In 2025, negotiations were underway on the Instant Payments Regulation, the Financial Data Access Framework Regulation (FIDA), the review of the financial sector crisis management and deposit insurance framework (CMDI), the Payments Package, the Digital Euro Package, proposal to amend the rules protecting retail investors (RIP), the proposal for a Regulation on the transparency and integrity of environmental, social and governance (ESG) rating activities, the review of the securitisation framework (CRR and SECR) aimed at revitalising the EU securitisation market, and the proposal for a Market Integration and Supervision Package (MISP).

Working Party on Consumer Protection and Information (G.23)
The Working Party on Consumer Protection and Information is one of the EU Council's preparatory bodies. It discusses the Commission's relevant consumer protection legislative proposals before they are submitted to COREPER I and COMPET. The working party thus covers a wide range of topics, which vary according to the current stage of negotiations regarding a particular legislative proposal and in case any new proposals have been published. In the Czech Republic, some topics are covered by the Ministry of Industry and Trade and others by the Ministry of Finance (consumer credit, consumer financial services provided remotely). The meetings of this working party include the participation of experts from individual EU Member States, with an expert from the chairing country heading the party. There were no negotiations within the remit of the MoF agenda in 2025.

For more information on the individual proposals under discussion, see Chapter 9.3.

European Council

The European Council (EC) is the European Union's body and comprises the highest representatives from the Member States (heads of state and prime ministers), the President of the EC and the President of the Commission. The EC meets at least four times a year and defines the general political directions for the EU. The EC does not perform any legislative functions. The outcomes of a meeting are the EC conclusions. Their purpose is to identify specific issues that are important for the EU, and to outline specific measures to be adopted or objectives to be achieved. The EC conclusions may also set a deadline for reaching agreement on a certain matter or for presenting a legislative proposal. The EC may thus influence the EU's political agenda and determine its direction. The EC has a permanent *president (this office is currently held by António Costa); however, neither the permanent president nor the Commission President participates in EC voting. Decision making of the EC takes place, with a few exceptions, through consensus. After each of its meetings it is obliged to submit a report on its meeting to the European Parliament. The EP also receives an annual written report prepared by the EC regarding the progress achieved (this will be discussed by both the Council of the EU and the European Parliament).*

Competitiveness was one of the central themes of the European Council's March meeting. Leaders placed particular emphasis on regulatory simplification and reducing administrative burdens while maintaining high standards and preserving the integrity of the Single Market. In this context, they also discussed the Savings and Investments Union and the need to accelerate the development of the Capital Markets Union and complete the Banking Union.

The discussion on competitiveness continued at the June meeting, where the European Council called for further efforts to strengthen the EU's competitiveness. It also underlined the key role of an ambitious and horizontal simplification and better regulation agenda based on a "simplicity by design" approach. Leaders further discussed the Preparedness Union Strategy, reaffirmed the importance and urgency of the issue, and called on Member States to strengthen their resilience, preparedness and capacity to prevent and respond to crises.

Competitiveness was also a key topic at the October meeting. Leaders called on the Commission and the co-legislators to make ambitious progress by 2028 in implementing the Single Market Strategy. They also welcomed the progress achieved in simplifying regulation and invited the Commission to identify further areas with simplification potential, including in connection with the report assessing the overall state of the banking system in the Single Market scheduled for 2026.

9.2. Ministry of Finance's Activities at the International Level

OECD

The Organisation for Economic Co-operation and Development is an intergovernmental organisation of the worlds' thirty-eight advanced economies, which have all adopted the principles of democracy and a market economy. The OECD was established in 1961 through the transformation of the Organisation for European Economic Co-operation (OEEC). The OEEC was originally established in 1948 to help administer the post-war Marshall Plan. The main objectives of the OECD include policy coordination for the long-term economic development of member and non-member countries. The OECD coordinates the cooperation of its members in the sphere of economic and social policy, helps create the conditions and framework for investment, and, because the OECD brings together economically the most important countries in the world, it also has an important role to play in promoting the liberalization of international trade. The OECD's objectives are to facilitate further economic development; to suppress unemployment; and to stabilise and develop the international financial markets. The most important bodies within the OECD structure include the Council comprising the ambassadors from the OECD member countries, the Executive Committee, the Secretariat led by the Secretary – General, and several expert committees.

Some of the OECD's activities transcend the national boundaries of its member countries. The International Network on Financial Education (INFE) is only one example. It consists of 132 countries.

Committees and other selected OECD platforms

Committee on Financial Markets (CFM)
The CFM is the OECD's main body involved in financial market issues. It provides a platform to discuss the trends in financial markets and the relevant measures for enhancing their functioning both in individual countries as well as at a broader supranational level. The members of the CFM consist of representatives from the finance ministries, central banks, and other regulatory and supervisory authorities. Representatives from international financial institutions, such as the International Monetary Fund, the World Bank, and the Bank for International Settlements in Basel, also participate in the committee's meetings, along with representatives from associated emerging economies. The CFM therefore facilitates a geographically broader platform for debate and sharing of experience than is provided by other mechanisms, such as discussions among EU Member States. A very specific characteristic of the committee's activities is the regular meetings with representatives from the private financial sector, at which important topics of common interest to both the public sector and the private sector are discussed, particularly developments about trends in the global financial markets and other current topics.

Following the revision of its mandate, the organisation of the Committee on Financial Markets (CFM) was restructured in 2025. The CFM now formally oversees several separately operating working parties, namely the Working Party on Financial Consumer Protection, Education and Inclusion (WPFCPEI), which builds on the OECD's previous working parties and task forces in the areas of financial consumer protection and financial literacy; the Working Party on Insurance and Pensions (WPIP), established through the integration of the former Insurance and Private Pensions Committee (IPPC) and the Working Party on Private Pensions (WPPP); and the Working Party on Sustainable Finance (WPSF), newly established on the basis of the OECD's previous cross-cutting analytical and policy work in the field of sustainable finance. As in the past, the Working Party on Debt Management (WPDM) also remains part of the CFM.

In 2025, one meeting of the CFM took place in September as part of the newly organised Financial Markets Week, with meetings of the individual working parties overseen by the CFM being held at the same time. The agenda of the CFM meeting focused primarily on supervisory approaches to the use of artificial intelligence in the financial sector, the relationship between open finance and artificial intelligence, and the use of distributed ledger technology (DLT) in finance, including tokenisation, crypto-assets and stablecoins. As usual, developments in global financial markets and their potential implications also constituted an important part of the discussions.

Working Party on Insurance and Pensions (WPIP)
The WPIP addresses issues relating to the insurance market, insurance supervision and private pensions. It also contributes to ensuring international cooperation, coordination and greater compatibility of regulation in the financial market sectors falling within its remit. Its members include representatives of finance ministries and public authorities responsible for insurance and private pensions. Representatives of supervisory authorities from OECD member countries also participate in its meetings, as do market participants and trade union representatives when meetings are open to external stakeholders. In September 2025, the first meeting of the Working Party took place as part of the OECD's newly established Financial Markets Week. Discussions focused on options for financial advice and retirement planning strategies, the integration of sustainable investment opportunities into the portfolios of pension funds and insurance companies, and the alignment of financial returns with environmental and social responsibility. Another topic discussed was building financial resilience to natural catastrophes, with a particular focus on insurance schemes covering flood risk and wildfire risk.

Working Party on Sustainable Finance (WPSF)

The primary objective of this Working Party is to monitor capital allocation and the resilience of financial markets in the face of global changes, including but not limited to climate change, and to develop an appropriate and coordinated response to sustainability-related challenges. The first meeting took place in September 2025 and discussions were structured around four thematic pillars: market development and efficiency, mobilisation of private capital, risk management (in relation to achieving carbon neutrality), and the future work programme of the WPSF.

Working Party on Financial Consumer Protection, Education and Inclusion (WPFCPEI)

The WPFCPEI aims to develop international standards in the area of financial consumer protection, particularly with regard to supervisory architecture, conduct of business rules, consumer dispute resolution, financial education and financial inclusion. These high-level principles largely reflect examples of established regulatory practice in the EU. At the same time, they serve as a model for emerging regulatory frameworks, particularly in OECD member countries outside the EU. In 2025, the Working Party launched a review of the High-Level Principles on Financial Consumer Protection. It also carried out a broad data collection exercise among member countries concerning developments in retail financial services, related risks and other relevant information, with a view to preparing a new edition of the Consumer Finance Risk Monitor.

International Network on Financial Education (INFE)

The International Network on Financial Education (INFE) is a platform bringing together institutions, typically finance ministries and central banks, from both OECD member countries and non-member economies. Its role is to prepare strategic documents at the global level. The Network's website[49] serves as a gateway to information on financial education, data, resources, research and reports. The Ministry of Finance has been a member of the INFE and has served as its national coordinator since the Network's establishment in 2008. In 2025, two meetings of the INFE Technical Committee were held. The main topics included the methodology of the forthcoming international survey of adult financial literacy, the implementation of OECD Recommendations on Financial Literacy, and the outputs of the various working parties, in particular progress in collecting best practices and in developing methodologies for monitoring and evaluating both national financial education strategies and financial education projects as a whole.

Advisory Task Force on the OECD Codes of Liberalisation (ATFC)

The Advisory Task Force on the OECD Codes of Liberalisation was established with the aim of finding solutions to reap the benefits of capital flows while mitigating the risks associated with their volatility in a shifting global financial system. The OECD Code of Liberalisation of Capital Movements, to which 38 OECD member countries have signed up, including twelve G20 countries, is a multilateral agreement between the parties that addresses openness, transparency and international cooperation across the full range of cross-border capital flows. ATFC meetings are attended by government experts from OECD countries (including some members of the OECD Investment Committee, the OECD Financial Markets Committee and the WPIP) and non OECD countries, and experts from relevant international organisations, such as the IMF and the WTO.

Discussions within the ATFC in April 2025 focused primarily on issues related to the fragmentation of the global financial system, macroeconomic developments and capital flows, including measures with a potential impact on their evolution. Particular attention was devoted to the role of non-bank financial institutions and to index-based investing. During the September meeting, discussions covered, inter alia, index-based investing, the functioning of offshore foreign exchange markets, and the regulation of branches of foreign banks.

[49] www.oecd.org/finance/financial-education

G20

The G20 brings together the finance ministers and the central bank governors from nineteen countries and two regional groupings – the African Union and the EU (which is represented by the presiding member state and the ECB). The G20 was established in 1999 as a forum in which the leading world economies are able to exchange their opinions regarding key issues related to the global economy. The Czech Republic is not a member of the G20 but is de facto represented by the representative of the European Union.

In 2025, G20 leaders met in November for a two-day summit hosted by the South African G20 presidency in Johannesburg. Under the theme “Solidarity, Equality and Sustainability”, the G20 leaders participated in meetings divided into three thematic sections, during which they discussed global challenges and priorities, particularly sustainable economic growth, development, and financing.

Financial Stability Board

The creation and functioning of the Financial Stability Board (FSB) is closely linked to the G7 and G20. The FSB’s immediate predecessor, the Financial Stability Forum (FSF), was established by the G7 in 1999. In April 2009, the FSB was established on the initiative of the G20. In addition to promoting financial stability, it focused on promoting reforms in financial regulation and supervision. In practice, the transformation of the FSF into the FSB expanded the number of member countries participating in the work of this organisation. Individual countries are represented in the FSB by the authorities that aim to maintain financial stability (ministries of finance, central banks, supervisory and regulatory authorities). In addition, international financial institutions (the BIS, IMF, OECD, and World Bank) and international standard-setting bodies (Basel Committee on Banking Supervision, Committee on Payments and Market Infrastructure, Committee on the Global Financial System, International Organization of Securities Commissions, etc.) attend meetings.

In order to ensure the global reach of the FSB, six Regional Consultative Groups (RCGs) have been established. The Czech Republic is represented in RCG Europe.

In 2025, representatives from FSB member countries met regularly both at the plenary level and within the individual Regional Consultative Groups. The Regional Consultative Group for Europe discussed current global and regional financial stability issues and their potential impact on European economies, recent developments and approaches to monitoring potential financial stability risks in the non-bank financial intermediation (NBFI) sector, progress toward achieving the goals of the G20 Roadmap for faster, cheaper, more transparent and inclusive cross-border payments, financial stability implications of tokenisation, cyber risks for financial institutions, regulatory responses to the challenges and risks prompted by the rapid growth of stablecoins and digital assets and progress towards achieving operational preparedness for the execution of resolution tools, covering both their technical implementation and the cooperation between authorities.

Priorities for the FSB’s work programme in 2025 included supporting global cooperation on financial stability, enhancing the resilience of the NBFI sector while preserving its benefits, harnessing the benefits of digital innovation while containing its risks, addressing financial risks from climate change, enhancing cross-border payments, completing resolution reforms and monitoring and evaluating implementation of G20 financial reforms.

In the area of enhancing the resilience of the NBFI sector, the FSB published a final report containing recommendations to address financial stability risks from leverage in NBFI. This report focuses on risks that may arise in financial markets that are critical to the functioning of the financial system and the real economy and risks that may arise through interlinkages between leveraged nonbanks and systemically important financial institutions that act as financial leverage providers. As in previous years, the FSB also provided a progress report on the implementation of reforms to strengthen the regulation and supervision of the NBFI sector and a report assessing global trends in NBFI.

As part of the initiative to enhance cross-border payments, the FSB presented a consolidated progress report on the actions taken by the FSB, the Bank for International Settlements Committee on Payments and Market Infrastructures (CPMI) and other partner organisations under the G20 Roadmap for Enhancing Cross-Border Payments. The annual progress report was also accompanied by a report on key performance indicators related to cross-border payments.

With regard to harnessing the benefits of digital innovation while containing its risks, the FSB examined the approaches taken by financial authorities to monitor the adoption of artificial intelligence (AI) and proposed a range of indicators to support monitoring of AI adoption and related vulnerabilities in the financial system. The FSB also conducted a thematic review of progress in implementing the FSB recommendations for crypto-asset and global stablecoin activities and service providers.

In terms of addressing climate-related financial risks, the FSB published a report on the assessment of climate-related vulnerabilities, in which it provided an analytical framework describing how physical and transitional climate risks are transmitted to the financial system. In another report it released, the FSB examined the role that financial and non-financial firms' transition plans can play for financial stability assessments, in particular as a source of information for monitoring climate-related financial risks and vulnerabilities, and as a tool for helping to address some of those risks. The FSB also issued a report providing an update on the work carried out under the Roadmap for addressing climate-related financial risks, which the FSB published in July 2021 in response to a call from G20 members at the time for coordinated action by standard-setting bodies and other international organisations in this area over a multi-year period.

In the area of resolution and crisis management, the FSB explored the practices and considerations involved in implementing different types of transfer tools (transfer of parts – or all – of a failed bank to a private-sector purchaser or a bridge entity) to support resolution authorities in enhancing their resolution preparedness. The FSB also launched a consultation on draft guidance intended to help resolution authorities assess which insurers should, based on clearly defined criteria, be subject to recovery and resolution planning requirements set in the FSB's crisis management guidelines. The FSB further reaffirmed its 2022 decision to discontinue the annual identification of global systemically important insurers and instead use the assessment from the International Association of Insurance Supervisors (IAIS) holistic framework for systemic risk in the insurance sector. In this context, the FSB published on its website a list of 17 insurers subject to resolution planning standards consistent with its guidelines.

As part of its other activities, the FSB also published a final report on the results of its evaluation of the effects of the G20 financial regulatory reforms on securitisation and the final version of a common format for the exchange of reports on operational incidents, including cyber incidents, among financial institutions and authorities. The FSB in addition prepared a report on the vulnerabilities of real estate investment trusts and property funds as investors in commercial real estate. In response to a request of the South African G20 presidency for the FSB to undertake a strategic review of its work to encourage and monitor the implementation of the agreed G20/FSB financial reforms introduced in the wake of the financial crisis, against a backdrop of rising concerns that the impetus to implementation may be weakening, the FSB published an interim report providing an initial assessment of progress in the implementation and application of these reforms.

Basel Committee on Banking Supervision

The Basel Committee on Banking Supervision (BCBS), which operates under the Bank for International Settlements (BIS), is a global standard-setting body for the regulation of banks and a forum for cooperation on banking supervision matters, for which the BCBS also develops standards and recommendations. The best-known standards are the international standards on capital adequacy or the Basel Core Principles for Effective Banking Supervision. BCBS standards are not formally binding, but are respected and implemented in the national legislation of many countries, not just member states. The BCBS was created by the central banks of the G10 countries in 1974. Its 45 members include central banks and supervisors from 28 countries, but it also consults within a broader group called the Basel Consultative Group, which includes representatives of other non-member countries, including the CNB. The Czech Republic is not a member of the BCBS, but is de facto represented by joint representatives of some EU institutions.

As part of its 2025 work program, the BCBS focused on promoting, monitoring, and evaluating the implementation of the Basel III framework, identifying and analysing risks and vulnerabilities in the banking system to ensure the resilience of banks and conducting analytical and supervisory initiatives related to the digitalisation of finance and bank liquidity.

Besides the annual review of the impact of Basel III standards on banks and the regular assessment of their implementation across the selected member countries, the BCBS also analysed the short term impact of banks' capital management on their asset and liability structure, in particular during periods of stress, described the banks' interconnections with non-bank financial intermediaries (NBFI) and, based on case studies, discussed stylised scenarios that illustrate the possible impacts of NBFI failure on banks and financial stability. The BCBS also updated its methodology for assessing the completeness and consistency of domestic prudential regulations with the Basel framework as part of the Regulatory Consistency Assessment Program (RCAP) with specific guidance for assessing revisions related to risk-weighted assets under the Basel III framework, which were published between 2017 and 2020, and the leverage ratio framework. In addition, the BCBS, together with the International Organization of Securities Commissions (IOSCO), published a report assessing the status of implementation, effectiveness, and appropriateness of the framework for margin requirements for non centrally cleared derivatives. The BCBS also provided information on its work aimed at strengthening supervisory effectiveness and published a summary of findings from academic and policy circles on the topic of supervisory effectiveness.

Regarding the development and modification of the regulatory framework, the BCBS revised its principles for the management of credit risk, developed a framework for disclosing both qualitative and quantitative information on climate-related financial risks, and published final technical amendments regarding the treatment of guarantees and credit derivative hedging in the context of counterparty credit risk, as well as a new set of principles for the sound management of third-party risks in the banking sector, which reflect a larger and more diverse third-party service provider environment. The BCBS, together with the Committee on Payments and Market Infrastructures (CPMI) and the International Organization of Securities Commissions (IOSCO), published final policy proposals to enhance the resilience of centrally cleared markets regarding initial margin calculations and potential future margin requirements, as well as a final report containing recommendations to participants in non-centrally cleared markets, which are intended to encourage the implementation of good market practices related to variation margin processes and the responsiveness of initial margin models.

In 2025, the BCBS launched a consultation on a proposal to amend the disclosure standards so that the data disclosed by banks under Pillar 3 would be available in a machine-readable format. The BCBS also invited comments on a proposed technical amendment that addresses an inconsistency in the treatment of rental income from investment properties under the standardised approach for operational risk.

9.3. EU Financial Market Legislation

Solvency II
In January 2025, the review of the Solvency II Directive[50] was published in the Official Journal. The revised Directive introduces enhanced proportionality measures, including regulatory relief for small and non-complex undertakings, and amends the framework for long-term guarantee measures and the related capital requirements. The revised framework places greater emphasis on long-term investments, thereby strengthening the role of insurance undertakings in financing the economy, enhancing supervision of insurance groups and improving cross-border cooperation between supervisory authorities. In 2025, transposition work was started and is being reflected in the amendment to the Insurance Act.

The approval of the review of the Directive is closely linked to the delegated act, which was discussed in parallel throughout 2025 during meetings of the Commission's expert group. The Commission Delegated Regulation[51] was published on 18 February 2026 and will apply from 30 January 2027 together with the revised Directive.

Recovery and Resolution of Insurance and Reinsurance Undertakings (IRRD)
In January 2025, the Directive establishing a framework for the recovery and resolution of insurance and reinsurance undertakings (IRRD)[52] was published in the Official Journal. The Directive establishes a minimum harmonised framework for dealing with the consequences of an insurance or reinsurance undertaking falling into financial difficulties, thereby contributing to the timely and orderly resolution of a distressed insurance or reinsurance undertaking without disrupting the financial system or the real economy, while minimising the impact on policyholders. In 2025, the transposition process was started through the preparation of a new Act governing the recovery and resolution of insurance and reinsurance undertakings.

Review of the Benchmarks Regulation (BMR)
In May 2025, the Regulation reviewing the Benchmarks Regulation (BMR)[53] was published in the Official Journal. The aim of the review is to streamline the authorisation and registration process for indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds, and to alleviate the burden on EU companies, in particular SMEs.

Information Sharing and Disclosure by Supervisory Authorities
In October 2025, the Regulation[54] amending the Regulations establishing the European Systemic Risk Board (ESRB) and the European Supervisory Authorities (ESAs – EBA, ESMA, EIOPA), as well as the Regulation establishing the InvestEU Programme, was published in the Official Journal. The Regulation aims to streamline reporting requirements and reduce administrative burden in the areas of financial

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[50] Directive (EU) 2025/2 of the European Parliament and of the Council of 27 November 2024 amending Directive 2009/138/EC as regards proportionality, quality of supervision, reporting, long-term guarantee measures, macro-prudential tools, sustainability risks and group and cross-border supervision, and amending Directives 2002/87/EC and 2013/34/EU.

[51] Commission Delegated Regulation (EU) 2026/269 of 29 October 2025 amending Delegated Regulation (EU) 2015/35 as regards technical provisions, long-term guarantee measures, own funds, equity risk, spread risk on securitisation positions, other standard formula capital requirements, reporting and disclosure, proportionality and group solvency.

[52] Directive (EU) 2025/1 of the European Parliament and of the Council of 27 November 2024 establishing a framework for the recovery and resolution of insurance and reinsurance undertakings and amending Directives 2002/47/EC, 2004/25/EC, 2007/36/EC, 2014/59/EU and (EU) 2017/1132 and Regulations (EU) No 1094/2010, (EU) No 648/2012, (EU) No 806/2014 and (EU) 2017/1129.

[53] Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014, as amended.

[54] Regulation (EU) 2025/2088 of the European Parliament and of the Council of 8 October 2025 amending Regulations (EU) No 1092/2010, (EU) No 1093/2010, (EU) No 1094/2010, (EU) No 1095/2010, (EU) No 806/2014, (EU) 2021/523 and (EU) 2024/1620 as regards certain reporting requirements in the fields of financial services and investment support.

services and investment support. The ESAs, the ESRB, the Single Resolution Board (SRB), the European Central Bank (ECB) and the Anti-Money Laundering Authority (AMLA) are required, upon request, to share information obtained from financial institutions and other entities with authorities that are authorised under Union law to collect the same information. In line with the "report once" principle, these authorities should request information from other European authorities where they know or can reasonably be expected to know that such information has already been collected. The Regulation also reduces the reporting frequency for implementing partners under the InvestEU Programme from biannual to annual reporting.

T+1 Settlement Cycle

In February 2025, the Commission published a proposal for a Regulation amending the Central Securities Depositories Regulation (CSDR)[55] as regards a shorter settlement cycle in the EU. The benefits of the transition were assessed by ESMA through consultations with market participants, including representatives of market infrastructures, such as central securities depositories, central counterparties and trading venues, as well as their members and participants, investment firms, issuers, fund managers and investors. The transition to a T+1 settlement cycle for securities transactions is justified by risk reduction, cost savings and the need to align with global standards in order to maintain a high level of competitiveness. At the same time, one-off investments, in some cases substantial, will be required to modernise infrastructure and to automate and standardise key processes, with the scale of the required investments depending on the needs of individual market participants. These costs are expected to be offset by long-term benefits; however, those benefits are unlikely to be distributed evenly, and for some market participants the transition may entail significant investment costs combined with limited benefits. The transition date has been set for 11 October 2027. A single meeting of the Council Working Party took place in March 2025. The trilogue negotiations were concluded in July 2025. The Regulation was published in the Official Journal in October 2025.

European Deposit Insurance Scheme (EDIS)

In November 2015, the Commission published a proposal for a regulation supplementing the Single Resolution Mechanism Regulation (SRMR)[56] with a view to establishing a European Deposit Insurance Scheme (EDIS). The proposed system is intended to complement the existing pillars of the banking union, increase depositor protection across participating countries, strengthen financial stability, and gradually reduce the problematic link between banks and national governments. The EDIS proposal should apply to deposit guarantee schemes in Member States participating in the banking union and to credit institutions associated with them. Based on the EU Council conclusions from June 2016, work on EDIS continued on a purely technical level.

The resumption of the political debate took place at the turn of 2019 and 2020. Leaders at the Eurosummit in December 2020, in an inclusive format, called on the Eurogroup in an inclusive format to prepare a "stepwise and time-bound work plan" on all elements necessary to complete the banking union. Due to persistent disagreements among Member States over particular elements, the June 2022 Eurogroup leaders' agreement was directly limited to strengthening the bank crisis management framework and deepening the harmonisation of national deposit insurance schemes. Subsequently, the state of the banking union should be reassessed and agreement on possible next steps should be reached by consensus. In its March 2025 Communication on the Savings and Investment Union Strategy, the Commission highlighted the incompleteness of the Banking Union and committed to taking

[55] Regulation (EU) No 909/2014 of the European Parliament and of the Council of 23 July 2014 on improving securities settlement in the European Union and on central securities depositories and amending Directives 98/26/EC and 2014/65/EU and Regulation (EU) No 236/2012, as amended.

[56] Regulation (EU) No 806/2014 of the European Parliament and of the Council of 15 July 2014 establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and a Single Resolution Fund and amending Regulation (EU) No 1093/2010, as amended.

decisive steps to further develop the Banking Union, including setting out the way forward on EDIS. In this context, the Commission started a public consultation in February 2026 on the competitiveness of the banking sector.

Crisis Management and Deposit Insurance (CMDI)

In April 2023, the Commission published proposals to amend the framework for crisis management in the financial sector and deposit insurance (CMDI). The overall objective of this framework is to strengthen the resilience of the banking sector and to amend the crisis resolution tools to ensure that bank failures do not endanger financial stability, public funds and depositor confidence. The following elements underpin the review of the CMDI framework: 1) clarification and harmonisation of the public interest assessment to examine whether the resolution of the particular bank would be necessary or whether insolvency or liquidation procedures would apply, 2) extension of the resolution tools application to small and medium sized banks with the corresponding financing arrangements, in particular through MREL and safety nets funded by the banking sector, 3) deepening harmonisation of the use of national Deposit Guarantee Schemes (DGS) in crisis management and ensuring adequate flexibility to facilitate the exit of failing banks from the market in a way that preserves the value of the bank's assets; 4) a harmonised Least-Cost Test (LCT) to govern the use of DGS funds beyond the payout of insured deposits to ensure consistent, credible and predictable outcomes; The LCT should take due account of the specificities of national banking sectors, including the maintenance of a functioning framework of institutional protection schemes (widely implemented in Germany and Austria); (5) aligning the treatment of DGSs and all depositors under insolvency law, (6) harmonising and clarifying the deposit insurance framework to ensure equal treatment of depositors and to increase their level of protection by removing the existing differences in the application of the Directive across Member States, in particular as regards the scope of deposit protection and the process of payment of compensations. Negotiations in the EU Council working party started in May 2023. The European Parliament adopted its position in April 2024. The EU Council's mandate for negotiations with the European Parliament was approved by COREPER in June 2024. Subsequently, political and technical trilogues took place from December 2024. The final draft text was approved by the EU Council in March 2026 and was subsequently approved by the European Parliament. The relevant Directives and Regulation[57] were published in the Official Journal in April 2026.

Retail Investment Package (RIP)

In May 2023, the Commission published a proposal for a legislative package on rules to protect retail investors, the so-called Retail Investment Package (RIP). The aim of the legislation is to boost European retail consumers' demand for investment services and to make investor protection more effective in an era of digitalisation and commitments to the sustainable development of internal market economies. The package consists of amendments to 5 financial market directives - the UCITS Directive (on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities), Solvency II Directive (on the taking-up and pursuit of the business of Insurance and Reinsurance), AIFMD Directive (on alternative investment fund managers), MiFID II Directive (on markets in financial instruments) and IDD Directive (on insurance distribution). A separate

[57] Directive (EU) 2026/804 of the European Parliament and of the Council of 30 March 2026 amending Directive 2014/49/EU as regards the scope of deposit protection, the use of deposit guarantee schemes funds, cross-border cooperation, and transparency.

Directive (EU) 2026/806 of the European Parliament and of the Council of 30 March 2026 amending Directive 2014/59/EU as regards early intervention measures, conditions for resolution and funding of resolution action and Directive 2014/24/EU as regards valuation services in resolution.

Regulation (EU) 2026/808 of the European Parliament and of the Council of 30 March 2026 amending Regulation (EU) No 806/2014 as regards early intervention measures, conditions for resolution and funding of resolution action.

part of the package is the amendment to the PRIIPs-KID Regulation (on the key information provided to retail investors).

The proposed legislation covers various elements of the provision and intermediation of investment services and insurance products with an investment component, in particular the permissible ways of remuneration of intermediaries, product governance (the value for money concept and the use of benchmarks), rules for the conduct of business with investors (information requirements, marketing rules, suitability and appropriateness tests), professional standards for investment distributors, categorisation of investors, strengthening of supervisory powers or mandatory financial education of investors.

Discussions within the EU Council working party were ongoing since July 2023. The general approach of the EU Council was reached in June 2024, before that the European Parliament also approved its position. Trilogues were started in March 2025, and a preliminary political agreement was reached in December of the same year. This was followed by technical negotiations under the Cypriot Presidency, which were concluded with the approval of the legislative package by COREPER in June 2026. Prior to formal approval by the EU Council and the European Parliament, which is expected by the end of 2026, the proposal will undergo legal-linguistic revision.

Digital Euro Package

In June 2023, the Commission published a package of legislative proposals aimed at establishing a legal framework for mandatory acceptance of euro cash and the possible adoption of a digital euro that the ECB could issue in the future as a complement to cash. The core of the package consists of the proposal for a Regulation on legal tender status of euro banknotes and coins and a proposal for a Regulation on the establishment of the digital euro. The package also includes a proposal for a regulation on the provision of digital euro services by payment services providers established under the law of the Member States whose currency is not the euro. The stated aim of the proposal, which sets the legal framework for a possible digital euro, is to ensure that individuals and businesses have an additional option (besides the current private solutions) that would allow them to pay in a widely accepted, cheap, secure and resilient form of public money in the euro area. The aim is to create an appropriate legal framework, but it will be up to the ECB to decide whether and when to issue a digital euro. The digital euro, would be available alongside existing national and international private payment instruments, just as cash is today. People should be able to use it at any time and anywhere in the euro area, including offline payments, which should ensure a high level of privacy and data protection. A digital euro should be distributed to people and businesses across the EU through banks and other payment service providers, with basic services provided free of charge. The proposal also addresses the issue of financial inclusion, where individuals who do not have a bank account should be able to open an account, for example, at a post office or other public body. A digital euro should take the form of legal tender whereby retailers across the euro area, with the exception of very small retailers, should be obliged to accept a digital euro. Since July 2023, expert discussions at the EU Council working party had been ongoing. The EU Council's mandate was approved by COREPER in December 2025. The European Parliament's position for the negotiations is expected to be approved in July 2026, following which trilogues will be started.

Payment Services Package (PSD3/PSR)

In June 2023, the Commission published a package of proposals on payment services. The package includes the PSR Regulation and PSD3 Directive. The proposed legislation is the result of a review process of the existing legislation (PSD2 Directive), which has been in effect since 2018. The aim is to address the identified weaknesses of the current legal texts. In a follow-up to the experience gained so far and the analysis carried out, the Commission now considers it appropriate to give partial priority to the legal form of a regulation. While the Directive deals with licensing procedures, the Regulation addresses private law issues such as payment service providers' liability towards users, strong customer authentication and open banking. Discussions in the EU Council working party started in July 2023. The EU Council's mandate for negotiations with the European Parliament was approved by COREPER in June 2025, and trilogues were subsequently started. In April 2026, the text of the preliminary agreement between the EU Council and the European Parliament was approved at a COREPER meeting.

Open Finance: Financial Data Access (FIDA)
In June 2023, the Commission published a package containing a proposal for a Regulation on the Financial Data Access (FIDA). The FIDA Regulation seeks to establish a legal framework regulating the access to and use of customer financial data, without prejudice to strict privacy requirements. The legislation includes a proposal for access to, processing and sharing of financial data between companies and between companies and customers, so that customers can better benefit from financial products and services that meet the current customer and market needs. The Regulation is based on the principle of customers' voluntary consent to access their financial data. Thus, according to the Commission, the aim of the FIDA proposal is to support and accelerate the digital transformation by expanding the options for sharing customer data in the financial market. The Commission also envisages that the adoption of the proposed Regulation will make it easier for financial market entities to develop accessible personalised products and services that better suit customers' specific needs. Since July 2023, discussions of the EU Council working party had been ongoing. The mandate of the EU Council for negotiations with the European Parliament was approved in December 2024. Trilogues were started in April 2025. During the two trilogue meetings held, no consensus was reached on the final draft text. Subsequently, the Cypriot Presidency circulated a questionnaire to Member States with a view to determining whether they wished to continue the negotiations.

Securitisation Package
In June 2025, the Commission presented a legislative package aimed at supporting the European securitisation market and removing obstacles to its development in the EU. The revitalisation of the EU securitisation market is an important component of the Savings and Investments Union (SIU) strategy. The package consists of amendments to the Securitisation Regulation, the Capital Requirements Regulation (CRR) and the Delegated Regulation on the liquidity coverage ratio (LCR). The proposed amendments to the Securitisation Regulation primarily provide for a review of due diligence and transparency requirements, an extension of the list of eligible credit protection arrangements for simple, transparent and standardised (STS) synthetic securitisations, and a revision of definitions, in particular the distinction between public and private securitisations. The Commission also proposes a number of measures that, in its view, should contribute to supervisory convergence. As regards the amendment to the Capital Requirements Regulation, the proposal provides for a review of the minimum risk weights applicable to senior securitisation tranches and changes to the framework for significant risk transfer. Key safeguards in the securitisation framework, such as risk retention by the originator and the prohibition of re-securitisation, remain unaffected by the Commission proposal with a view to safeguarding investor protection, financial stability and market transparency.

Negotiations on the proposal in the EU Council working party started in June 2025. The Council reached its general approach in December 2025. Trilogue negotiations were started in June 2026.

Supplementary Pensions Package
In November 2025, the Commission published a package of measures aimed at strengthening supplementary pensions in the EU. Its main objective is to increase the availability and attractiveness of second- and third-pillar pension products, improve the transparency of costs and returns, strengthen fund governance, and remove barriers to efficient investment. The package responds to demographic ageing and pressure on public pension systems and is intended to help citizens secure an adequate retirement income while at the same time mobilising private savings for long-term investment. The package is a key component of the Capital Markets Union, or more specifically the newly defined

Savings and Investments Union (SIU). Within the SIU, it aims to link household savings with investment in the real economy, support the EU's competitiveness, and finance the green and digital transitions. The package includes a review of the Directive on the activities and supervision of institutions for occupational retirement provision[58] (IORPs), as well as amendments to the Regulation on the Pan-European Personal Pension Product[59] (PEPP). It also includes recommendations concerning instruments such as pension tracking systems, pension dashboards and auto-enrolment, with a view to fostering deeper capital market integration and greater participation by citizens in long-term investing.

The Pan-European Personal Pension Product (PEPP) is a voluntary EU personal pension product designed to be portable across Member States. In the Czech Republic, the legal framework for PEPP has been established; however, its market uptake remains very limited. The proposal has been discussed in the EU Council working party since December 2025.

The legal framework for institutions for occupational retirement provision lays down the conditions governing their activities, governance and supervision. The IORP Directive applies to occupational pension schemes, commonly referred to as the second pillar of the pension system. It places strong emphasis on risk management, transparency towards members and beneficiaries, mandatory information on projected retirement benefits, and the possibility of cross-border activities by occupational pension funds. Although institutions for occupational retirement provision have not been established in the Czech Republic, the Directive has been transposed into Czech law and Czech representatives have participated in the work of the EU Council working party since December 2025.

Sustainability-Related Financial Disclosures (SFDR)

In November 2025, the Commission presented a proposal amending the Sustainable Finance Disclosure Regulation[60] (SFDR), which has laid down sustainability disclosure requirements for financial institutions and financial products since 2021 (the framework is voluntary). The original framework, which has become a key component of the EU sustainable finance framework, was designed to enhance transparency, reduce greenwashing and enable investors to better understand how environmental, social and governance factors are taken into account in financial decision-making. Certain requirements of the existing framework have proven excessively complex, difficult to implement and insufficiently effective in practice. The Commission therefore proposed a legislative review aimed at improving the functioning of the single market for sustainable finance, reducing greenwashing and enhancing the competitiveness of the European financial sector. In particular, the proposal seeks to simplify and streamline requirements for financial institutions while helping investors better understand and compare sustainability-related products. The proposal narrows the scope of the Regulation, with disclosure requirements applying almost exclusively to products. It also includes a substantial reduction in entity-level reporting requirements and introduces three new product categories. In addition, it proposes repealing the current implementing framework and amending the related PRIIPs rules. Three new product categories are proposed: Transition, ESG Basics and Sustainable. The criteria for these categories are more detailed than those applicable under the current framework and are linked to other legislative acts in the field of sustainable finance, including the EU Taxonomy, the Corporate Sustainability Reporting Directive (CSRD) and the Regulation on the transparency and integrity of ESG rating activities. Discussions in the EU Council working party have been ongoing since December 2025.

58 Directive (EU) 2016/2341 of the European Parliament and of the Council of 14 December 2016 on the activities and supervision of institutions for occupational retirement provision (IORPs), as amended.

59 Regulation (EU) 2019/1238 of the European Parliament and of the Council of 20 June 2019 on a Pan-European Personal Pension Product (PEPP), as amended.

60 Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector, as amended.

Market Integration and Supervision Package (MISP)
In December 2025, the Commission published a proposal for the Market Integration and Supervision Package (MISP). The package consists of a broad set of measures amending a number of Directives and Regulations.[61] The aim of MISP is to strengthen the integration and stability of European capital markets through the harmonisation of rules and the centralisation of supervision. The Commission proposes extending ESMA's direct supervisory powers over operators of market infrastructures, including trading venues, central securities depositories and central counterparties that are significant at Union level. Under the proposal, ESMA would also become the supervisor of all crypto-asset service providers, regardless of their size. The package further introduces a voluntary Pan-European Market Operator (PEMO) regime for operators of trading venues active in more than one Member State. It also seeks to strengthen cooperation between national supervisory authorities and ESMA, including through joint supervisory teams and platforms for addressing cross-border issues. Discussions in the EU Council working party have been ongoing since December 2025. By June 2026, 10 working party meetings on the MISP package had taken place.

9.4. National Financial Market Legislation

Insurance and Reinsurance Distribution
In 2025, an amendment to the Insurance and Reinsurance Distribution Act took effect. The amendment responded to the Court of Justice of the EU judgment (C-633/20) on the interpretation of the Insurance Distribution Directive. According to this judgment, the activities of policyholders who, in return for remuneration, offer participation in so-called fleet insurance schemes constitute insurance intermediation within the meaning of the Directive. Consequently, all rules laid down by the Directive must be applied to such activities. Under the new legislation, policyholders are required, in the same way as other insurance intermediaries, to obtain a business authorisation issued by the Czech National Bank, implement internal rules and procedures, and comply with all requirements set forth by the Act. The amendment was published as **Act No 396/2024 Coll.** and took effect on 1 July 2025. The Act provides transitional periods for demonstrating professional knowledge and skills (until 1 July 2026), obtaining the required business licence (until 1 July 2027), and acquiring general knowledge (until 1 July 2029).

Digitalisation of the Financial Market
In 2025, the legislative process for the draft bill implementing EU regulations in the area of financial market digitalisation (the Financial Market Digitalisation Act) was completed. The Act contains provisions implementing the DORA Regulation and the MiCA Regulation. The DORA Regulation lays down uniform rules on the digital operational resilience of the financial sector that financial institutions falling within its scope must comply with. Previously, the regulation of digital operational resilience had been fragmented across individual sector-specific regulations. The DORA Regulation is accompanied by a Directive amending the relevant sectoral legislation, which has been transposed in the amending bill. The MiCA Regulation represents the first comprehensive regulatory framework governing the public offering of

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[61] The Market Integration and Supervision Package consists of a Proposal for a Regulation of the European Parliament and of the Council amending Regulations (EU) No 1095/2010, No 648/2012, No 600/2014, No 909/2014, 2015/2365, 2019/1156, 2021/23, 2022/858, 2023/1114, No 1060/2009, 2016/1011, 2017/2402, 2023/2631 and 2024/3005 as regards the development of market integration and supervision, a Proposal for a Directive of the European Parliament and of the Council amending Directives 2009/65/EC, 2011/61/EU and 2014/65/EU as regards the development of market integration and supervision, and a Proposal for a Regulation of the European Parliament and of the Council on settlement finality and repealing Directive 98/26/EC and amending Directive 2002/47/EC on financial collateral arrangements.

crypto-assets and the provision of crypto-asset-related services. Under the new framework, crypto-asset service providers will be subject to authorisation.

The Act primarily lays down rules on administrative offences and defines the supervisory powers of the Czech National Bank. Several additional provisions respond to the MiCA Regulation and are intended to ensure its smooth application in the Czech Republic. These include, for example, a special regime governing the asset reserves of issuers of asset-referenced tokens and electronic money tokens. Alongside this Act, the amendment act was prepared, amending certain laws in connection with the implementation of EU regulations on financial market digitalisation and sustainable finance. This amendment act introduces further changes to legislation stemming from the DORA and MiCA Regulations and also implements the European Green Bonds Regulation, which establishes the conditions for the voluntary issuance of so-called European Green Bonds. The amendment act sets out sanctions for breaches of this regulation and designates the Czech National Bank as the competent supervisory authority. The amendment act also implements the Regulation on instant credit transfers in euro, which amends the SEPA Regulation. This regulation lays down rules for the execution of instant credit transfers in euro and enables non-bank payment service providers to access payment systems with settlement finality. These laws were promulgated as **Act No 31/2025 Coll.** and **Act No 32/2025 Coll.**, taking effect on 15 February 2025.

National Development Bank

In 2025, the legislative process for the Act on the National Development Bank and the related amending bill was completed. The bills were published as **Act No 34/2025 Coll. and Act No 35/2025 Coll.**, effective from 19 February 2025. The Act on the National Development Bank and the related amending bill respond to Government Resolution No 909 of 29 November 2023 concerning the proposal to initiate the integration process of the National Development Bank (Národní rozvojová banka, a.s.) and the Czech Export Bank (Česká exportní banka, a.s.) and to the exclusion of the National Development Bank from the scope of the CRD Directive.

The Act on the National Development Bank establishes the legal framework governing the bank's activities and oversight. The Act also regulates the provision of state guarantees for some of the bank's debts, enabling the bank to more easily and cheaply obtain medium- and long-term external funds for its further activities. The Act also introduces an obligation for the National Development Bank to keep the funds collected by the bank from the state budget in accounts subordinate to the Ministry of Finance. The amendment bill incorporates the changes to the law brought about by the provisions of the Act on the National Development Bank, and allows for the transfer of Czech Export Bank shares to the National Development Bank to adjust the ownership structure of these two state-owned banks. This took place at the beginning of 2026, when the Czech Export Bank became a subsidiary of the National Development Bank

European Single Access Point

In 2025, the legislative process for the bill amending certain laws in the area of capital markets in connection with the establishment and functioning of the European Single Access Point (ESAP) was completed. The bill constitutes a partial implementation of EU legislation[62] establishing the ESAP, which provides centralised access to publicly available information on financial services, capital markets, and sustainability. The objective of ESAP is to promote the integration of capital markets across the EU, specifically by facilitating access to financing for European companies, enabling individuals to invest

[62] Regulation (EU) 2023/2859 of the European Parliament and of the Council of 13 December 2023 establishing a European Single Access Point providing centralised access to publicly available information of relevance to financial services, capital markets and sustainability; Directive (EU) 2023/2864 of the European Parliament and of the Council of 13 December 2023 amending certain Directives as regards the establishment and functioning of the European Single Access Point; and Regulation (EU) 2023/2869 of the European Parliament and of the Council of 13 December 2023 amending certain Regulations as regards the establishment and functioning of the European Single Access Point.

safely over the long term, and integrating national capital markets into a single market. ESAP will be established and operated by the European Securities and Markets Authority and will collect information on companies and investment products. ESAP is not intended to be an entirely new standalone database, nor is it designed to replace existing European and national systems. Rather, it will serve as an additional layer built upon those systems. It will contain only information that is already required to be made publicly available and will not include information reported solely to supervisory authorities.

At the level of the individual Member States, the collection of information will be carried out by national authorities, which will be responsible for the automated verification of basic technical characteristics of the information and its subsequent transmission to ESAP. The legislation does not introduce any new disclosure requirements as regards the substance of the information. Instead, it centralizes access to, and harmonises the format of, information that entities are already required to publish under the relevant legislation. The bill was published as **Act No 258/2025 Coll.** and effective from 10 July 2026.

At the same time, Phase II was completed, namely the bill amending certain laws in the area of the financial market in connection with the establishment and operation of the ESAP, which implements the remaining provisions of the above-mentioned EU legislation. The reason for the two-phase implementation was the gradual rollout of the ESAP under the relevant EU legislation and the differing transposition deadlines. The bill was published as **Act No 317/2025 Coll**. and effective from 10 January 2028.

Capital Market

In 2025, the legislative process for the amendment to the Act on Capital Market Business was completed. The amendment bill transposes the Directive revising MiFID II Directive and adapts Czech law to the Regulation revising MiFIR Regulation. Both the Directive and the Regulation are part of the Capital Markets Union project, which has long sought to promote the use of capital markets as an alternative to bank financing, thereby giving the EU economy the necessary impetus for further growth and the financing of innovation. The amending bill primarily introduces parameter-based changes, for example in the area of the definition of a systematic internaliser and the adjustment of trading clock synchronisation requirements. It also responds to the 2022 energy crisis by introducing an obligation to suspend trading on commodity derivatives markets in the event of an emergency situation and by extending reporting obligations relating to commodity derivatives. The bill was published as **Act No 259/2025 Coll.** and effective from 29 September 2025.

Credit Institutions

In 2025, the legislative process was completed for the bill amending certain laws in the financial market sector in connection with the regulation of branches of foreign banks from non-EU countries, amendments concerning certain administrative offences, and the strengthening of the powers and independence of the supervisory authority. The bill was published as **Act No 280/2025 Coll.** and took effect on 11 January 2026, with the exception of three specific provisions whose effectiveness is linked to the entry into force of directly applicable EU regulations governing the list of minimum information, assessment methodology and procedures relating to the acquisition of qualifying holdings, transfers of significant assets and liabilities, mergers, and demergers.

The Act transposes the CRD VI Directive, which, together with the amendment to the directly applicable CRR Regulation **(**CRR III), completed the implementation of the Basel III framework into EU law with the aim of strengthening the resilience of the European banking sector. In particular, the Act introduced amendments concerning administrative sanctions, the treatment of third-country branches, the powers of supervisory authorities in relation to transfers of assets or liabilities, the acquisition and disposal of qualifying holdings by credit institutions, mergers and demergers, and capital requirements and capital buffers, including new provisions relating to the minimum output floor. Furthermore, it supplemented the regulatory framework governing environmental, social and governance (ESG) risks, as well as corporate governance, and the assessment of members of management bodies and persons performing key functions.

Mandatory Contributions to Retirement Savings Products
In 2025, the legislative process for the Act on Mandatory Contributions to Retirement Savings Products was completed. The bill was published as **Act No 324/2025 Coll.** and took effect on 1 January 2026. The Act introduces a mandatory employer contribution to retirement savings products for employees performing selected types of hazardous work. Its objective is to strengthen the long-term financial security of these employees by enabling them to systematically build their own retirement savings through the so-called third pension pillar. The accumulated funds may, among other purposes, help finance a pre-retirement pension, thereby increasing the flexibility of labour market exit for workers in these professions.

Listing Act Package
In 2025, legislative work continued on the implementation of the Listing Act Package into national law, specifically the transposition of the Directive on enhancing the attractiveness of capital markets and the adaptation of national legislation to the Regulation on enhancing the attractiveness of capital markets. The main objectives of the proposal are to increase the attractiveness of capital markets for small and medium-sized enterprises (SMEs), reduce the administrative burden associated with participation in capital markets, eliminate instances of gold-plating, and strengthen investor protection. The draft bill also adapts the legal framework to EMIR 3 and the ESG Rating Regulation. In addition, it amends the Bonds Act by introducing an obligation to explicitly warn investors, when offering bonds, that approval of a prospectus by the Czech National Bank does not mean that the Czech National Bank has assessed the creditworthiness of the issuer. In March 2026, the Government approved the proposed amendment to the Act on Capital Market Business implementing the transposition and submitted it to the Chamber of Deputies (**Parliamentary Document No 143**).

Consumer Credit
In 2025, the legislative process continued on the proposed amendment to **Act No 257/2016 Coll.,** on Consumer Credit, which transposes the new Consumer Credit Directive (CCD2) into national law. The draft bill primarily addresses conduct of business obligations to consumers, including creditworthiness assessment**,** information requirements**,** caps on the price of consumer credit, the right of withdrawal from a credit agreement**,** and debt collection practices. The proposal also extends the scope of the Act to cover interest-free credit and introduces certain new rules relating to insurance products linked to consumer credit. The draft bill is expected to take effect on 20 November 2026. In March 2026, the Government approved the bill and submitted it to the Chamber of Deputies (**Parliamentary Document No 145**).

Management Companies and Investment Funds
In 2025, legislative work commenced on the transposition of the Directive amending the AIFMD and UCITS Directives with regard to delegation arrangements, liquidity risk management, supervisory reporting, the provision of depositary and custody services, and loan origination by alternative investment funds. The draft bill was approved by the Chamber of Deputies on 27 May 2026 (**Parliamentary Document No 13**). The legislative process is expected to be completed with the Act taking effect in autumn 2026, with certain provisions effective only from 16 April 2027.

In addition to the changes required by EU law, the draft bill also addresses certain shortcomings identified in practice, particularly in relation to the supervisory authority's approval process for senior managers, which is being aligned with the framework already applied to banks and securities traders. Furthermore, the draft bill introduces rules governing the division of unit funds, an area not covered by the current legislation, thereby reducing the heightened legal uncertainty faced by market participants. It also removes certain requirements that go beyond the scope of mandatory EU transposition (gold-plating), such as the requirement for depositaries to grant prior approval of transactions and the mandatory capital requirement for investment funds.

At the beginning of 2026, legislative work commenced on an amendment to Government Regulation No 243/2013 Coll., on the investment activities of investment funds. The process was completed on 23 June 2026, when Government Regulation No 103/2026 Coll. was published. The amendment was adopted in connection with the transposition of the EMIR 3 Directive. Among the most significant changes is the modification of the rules governing derivative transactions. Under the new framework, limits will no longer apply to transactions cleared through supervised central counterparties, as these institutions are subject to strict regulatory oversight and substantially reduce counterparty default risk. An important part of the amendment is also the clarification of definitions and the removal of certain gold-plating provisions. In particular, the definition of a transferable security has been revised, as practical experience demonstrated that the Government Regulation imposed stricter requirements than those required under EU law. The amendment also simplifies the rules applicable to real estate funds, allowing them greater flexibility in structuring investments, participating in larger projects, and optimising the management of their investment portfolios. In addition, the amendment responds to market developments by explicitly permitting special funds to invest directly up to 10% of their assets in crypto-assets regulated under the MiCA Regulation.

Financial Services for Consumers at a Distance

In 2025, the legislative process continued on a draft bill transposing the Directive on financial services contracts concluded at a distance into national law.[63] The legislation is intended to serve as a safety net, providing consumer protection in relation to financial services concluded at a distance that are not covered by specific sectoral regulation. The draft act primarily addresses pre-contractual information requirements, the obligation to provide adequate explanations of information concerning the financial service, the right of withdrawal from contracts, and protection against unfair practices in the online environment. The amendment also introduces a simple mechanism for online contract withdrawal through a so-called **“**withdrawal button**”**. This requirement will apply not only to financial services but also to all traders offering goods or services online. The draft bill was expected to take effect on 19 June 2026. In October 2025, the Government approved the draft legislation and submitted it to the Chamber of Deputies (**Parliamentary Document No 16**).

Gender Balance in the Management Bodies of Listed Companies

In 2025, the legislative process continued on the draft act transposing the Directive on improving the gender balance among directors of listed companies.[64] The Government Office serves as the lead authority for this legislation; however, most of the proposed amendments concern the Act on Capital Market Business. The objective of the draft bill is to promote a more balanced representation of women and men in leadership positions within the largest listed companies. The new framework was originally intended to take effect on 28 December 2024, which was the deadline for transposition of the Directive into national law. The draft bill was approved by the Government in June 2024 and submitted to the Chamber of Deputies for consideration. However, the Chamber did not complete its adoption before the end of its parliamentary term. The current Government subsequently approved the bill in May 2026 and resubmitted it to the Chamber of Deputies (**Parliamentary Document No 210**).

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[63] Directive (EU) 2023/2673 of the European Parliament and of the Council of 22 November 2023 amending Directive 2011/83/EU as regards financial services contracts concluded at a distance and repealing Directive 2002/65/EC.

[64] Directive (EU) 2022/2381 of the European Parliament and of the Council of 23 November 2022 on improving the gender balance among directors of listed companies and related measures.

9.5. Non-Legislative Financial Market Activities

Financial Education
The National Strategy for Financial Education 2.0, approved by the Government in 2020, sets out the general direction that financial education in the Czech Republic should take in the future. The Financial Education Working Group is involved in the implementation of the tasks arising from the Strategy. The members of the working group are representatives of the public sector, professional associations operating on the financial market, entities implementing financial education projects (non-profit organisations, consumer associations and debt advisory centres), academia and education experts. The MoF manages activities of this working group and its sub-groups.

The role of the MoF is also to run the National Financial Education Projects Register and to coordinate the financial education event Global Money Week, which took place for the 9th time in March 2025 under the motto “Smart today, rich tomorrow”. Pupils, students and teachers from hundreds of schools, as well as children and caregivers from dozens of children’s residential homes, took part in the activities of Global Money Week. Through games, competitions, lectures and in-person meetings with financial market practitioners, they expanded their knowledge and skills in the world of finance. In one of the competitions linked to Global Money Week (the Financial Literacy Competition), a special prize from the Minister of Finance is awarded.

In 2025, the MoF also carried out another sociological survey mapping the level of financial literacy of the adult population in the Czech Republic, which has been conducted regularly every five years since 2010. This round of measurement focused on attitudes of the Czech public towards cash and cashless payments and the security of payment transactions. The results of the survey are being gradually published on the website financnigramotnost.gov.cz.

Financial Literacy Portal
The MoF runs the financial literacy portal "Financial Literacy or Why Should You Financially Educate Yourself?" available at financnigramotnost.gov.cz, which is designed for both the general public and professionals. The portal covers information about the functioning and risks of the financial market and the financial education system in the Czech Republic and abroad in one place. The content includes, among other things, family finances, including how to set up a household budget; the structure, institutions and products of the financial market; the contact details of consumer and debt advisory centres, which provide free assistance in the event of disputes with financial market institutions or, for example, in a difficult life situation; dispute resolution, advice and guidance, mainly focused on over-indebtedness, debt repayment and foreclosures; and links to useful websites with projects, games and calculators in the Czech Republic and abroad. The portal also includes the National Register of Financial Literacy Projects. The MoF also uses the portal to regularly inform about its legislative and non-legislative activities in the field of consumer protection and financial education, as well as about the latest developments in related European legislation.

Exam Sets for the Professional Examinations of Distributors of Financial Products
The MoF, in cooperation with the CNB, provides and updates exam sets for sectoral professional competence examinations that are organised by accredited persons for distributors of financial services. Updates of the exam sets are done on an ongoing basis, following legislative changes, suggestions from previous examinations and in close cooperation with sectoral professional associations. In 2025, an updated exam set conducted under the Insurance and Reinsurance Distribution Act was published.

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List of Acronyms and Abbreviations

Abs.	absolute
AI	Artificial Intelligence
AIFMD	Alternative Investment Fund Managers Directive
AKAT	Czech Capital Market Association
AMLA	Authority for Anti-Money Laundering and Countering the Financing of Terrorism
APRC	Annual Percentage Rate of Charge
APS CR	Association of Pension Management Companies of the Czech Republic
ARAD	Czech National Bank's time series database
a.s.	joint-stock company
ATFC	Advisory Task Force on the OECD Codes of Liberalisation
ATX	Austrian Traded Index
BCBS	Basel Committee on Banking Supervision
BIS	Bank for International Settlements
BLS	U.S. Bureau of Labor Statistics
BMR	Benchmarks Regulation
bn	billion
BoE	Bank of England
BoJ	Bank of Japan
BSB	building savings banks
BSC	building savings contracts
BUX	Budapest Stock Exchange Index
CAP	Czech Insurance Association
CCD	Consumer Credit Directive
CEGBPI	Commission Expert Group on Banking, Payments and Insurance
CFM	Committee on Financial Markets OECD
CHF	Swiss franc – International currency code
CMDI	Crisis Management and Deposit Insurance
CNB	Czech National Bank
CNY	Chinese yuan – International currency code
COMPET	Competitiveness Council
COREPER	Comité des Représentants Permanents
CPMI	Committee on Payments and Market Infrastructures
CRD	Capital Requirements Directive
CRF	Crisis Resolution Fund
CRR	Capital Requirements Regulation
CSDP	Central Securities Depository Prague
CSDR	Central Securities Depositories Regulation
CSRD	Corporate Sustainability Reporting Directive
CZK	Czech koruna (crown) – International currency code
CZSO	Czech Statistical Office
D.3	Working Party on Financial Services and the Banking Union
DAX	Deutscher Aktienindex (German stock index)
DGS	Deposit Guarantee Schemes
DIF	Deposit Insurance Fund
DLT	Distributed Ledger Technology
DMFS	Distance Marketing of Financial Services
DORA	Digital Operational Resilience Act

EBA	European Banking Authority
EBC	European Banking Committee
EC	European Council
ECB	European Central Bank
ECOFIN	Economic and Financial Affairs Council
ECON	Committee on Economic and Monetary Affairs
EDIS	European Deposit Insurance Scheme
EEA	European Economic Area
EFC	Economic and Financial Committee
EFTA	European Free Trade Association
EGESC	Expert Group of the European Securities Committee
EIOPA	European Insurance and Occupational Pensions Authority
EMIR	European Market Infrastructure Regulation
ESAP	European Single Access Point
ESAs	European Supervisory Authorities
ESC	European Securities Committee
ESG	Environmental, Social and Governance
ESMA	European Securities and Markets Authority
ESRB	European Systemic Risk Board
EU	European Union
EUR	Euro – International currency code
Euro Stoxx 50	Stock index tracking the performance of 50 blue-chip companies in the euro area
FA	Financial Arbitrator
FAC	Foreign Affairs Council
Fed	Federal Reserve System
FIDA	Financial Data Access Regulation
FMGS	Financial Market Guarantee System
FRTB	Fundamental Review of the Trading Book
FSB	Financial Stability Board
FSC	Financial Services Committee
FSF	Financial Stability Forum
FTSE 100	Financial Times Stock Exchange 100 Index
G.23	Working Party on Consumer Protection and Information
G10	Group of Ten (group of countries that agreed to participate in the General Arrangements to Borrow, an agreement to provide the International Monetary Fund with additional funds to increase its lending ability)
G20	Group of Twenty (group of the world's biggest economies)
G7	Group of Seven (group of the largest economically developed countries)
GBP	British pound – International currency code
GDP	Gross Domestic Product
GEGIFR	Government Expert Group on the Interchange Fee Regulation
GEGRFS	Government Expert Group on Retail Financial Services
HUF	Hungarian forint – International currency code
IAIS	International Association of Insurance Supervisors
ICF	Investor Compensation Fund
ICT	Information and Communication Technology
IDD	Insurance Distribution Directive
IFR	Interchange Fee Regulation
IGS	Insurance Guarantee Schemes

IMF	International Monetary Fund
incl.	including
INFE	International Network on Financial Education
InvestEU	A programme to support sustainable investment, innovation, and job creation in Europe.
IORP	Institutions for Occupational Retirement Provision
IOSCO	International Organization of Securities Commissions
IPO	Initial Public Offering
IPPC	Insurance and Private Pensions Committee
IRRD	Insurance Recovery and Resolution Directive
IRS	Interest Rate Swap
JERRS	Regulated institutions and registered financial market entities lists published by the CNB
JPY	Japanese yen – International currency code
LCR	Liquidity Coverage Ratio
LCT	Least-Cost Test
MCD	Mortgage Credit Directive
MiCA	Markets in Crypto-Assets Regulation
MiFID II	Markets in Financial Instruments Directive
MiFIR	Markets in Financial Instruments Regulation
MISP	Market Integration and Supervision Package
ML	mortgage loan
mn	million
MNB	Magyar Nemzeti Bank (National Bank of Hungary)
MoF	Ministry of Finance
MREL	minimum requirement for own funds and eligible liabilities
MSCI ACWI	Morgan Stanley Capital International All Country World Index
MSEG	Member States Expert Group on Sustainable Finance
NBFI	non-bank financial intermediation
NBP	Narodowy Bank Polski (National Bank of Poland)
Nikkei 225	Japan's Nikkei 225 Stock Average
OECD	Organisation for Economic Co-operation and Development
OEEC	Organisation for European Economic Co-operation
OTC	over-the-counter
p. a.	per annum
PAD	Payment Account Directive
pcs	pieces
PEMO	Pan-European Market Operator
PEPP	Pan-European Personal Pension Product
PF	participation fund
PLN	Polish złoty – International currency code
pp	percentage point
PRIIPs-KID	Regulation on Key Information Documents for Packaged Retail and Insurance-based Investment Products
PSD	Payment Services Directive
PSE	Prague Stock Exchange
PSR	Payment Services Regulation
PX	Primary PSE index PX-GLOB PSE index with a broad base
PX-TR	PSE Total Return Index

RCAP	Regulatory Consistency Assessment Programme
RCGs	Regional Consultative Groups
RIP	Retail Investment Package
RM-S	RM-SYSTÉM, česká burza cenných papírů a.s. (Czech Stock Exchange)
S.A.	Societé Anonyme (joint-stock company)
S&P 500	Standard and Poor's 500
SECR	Securitisation Regulation
SEPA	Single Euro Payments Area
SFDR	Sustainable Finance Disclosure Regulation
SIU	Savings and Investments Union
SMEs	Small and Medium-sized Enterprises
SRB	Single Resolution Board
SRMR	Single Resolution Mechanism Regulation
SSE Index	Shanghai Stock Exchange Composite Index
STS	standardised synthetic securitisation
TF	transformed fund
TFFCP	Task Force on Financial Consumer Protection
Tier 1	The core capital of a credit institution that includes equity capital and disclosed reserves.
UCITS	Undertakings for Collective Investment in Transferable Securities
UK	United Kingdom
US/USA	United States
USD	United States dollar – International currency code
WG	working group
WIG	Warszawski Indeks Giełdowy (Warsaw Stock Exchange)
WP	working party
WPDM	Working Party on Debt Management
WPFCPEI	Working Party on Financial Consumer Protection, Education and Inclusion
WPIP	Working Party on Insurance and Pensions
WPPP	Working Party on Private Pensions
WPSF	Working Party on Sustainable Finance
WTO	World Trade Organization
2W	two-week
3Y	three-year

Appendix 1: Financial Market Legislation

The following changes were made to the financial market legislation of the Czech Republic and of the European Union in 2025:

A1.1. Cross-Sectoral Financial Market Regulations

1) European legislation and other initiatives published in 2025:

- Regulation (EU) 2025/2088 of the European Parliament and of the Council of 8 October 2025 amending Regulations (EU) No 1092/2010, (EU) No 1093/2010, (EU) No 1094/2010, (EU) No 1095/2010, (EU) No 806/2014, (EU) 2021/523 and (EU) 2024/1620 as regards certain reporting requirements in the fields of financial services and investment support;
- Commission Implementing Regulation (EU) 2025/1338 of 10 July 2025 laying down implementing technical standards for the application of Regulation (EU) 2023/2859 of the European Parliament and of the Council with regard to the functionalities of the European single access point;
- Commission Implementing Regulation (EU) 2025/1339 of 10 July 2025 laying down implementing technical standards for the application of Regulation (EU) 2023/2859 of the European Parliament and of the Council with regard to certain tasks of the collection bodies;
- Commission Implementing Regulation (EU) 2025/2303 of 14 November 2025 laying down implementing technical standards with regard to procedures, standard forms and templates for the provision of information for the purposes of resolution plans for credit institutions and investment firms pursuant to Directive 2014/59/EU of the European Parliament and of the Council, and repealing Commission Implementing Regulation (EU) 2018/1624;
- Commission Delegated Regulation (EU) 2025/1775 of 28 August 2025 amending Delegated Regulation (EU) 2020/1818 as regards the definition of prohibited weapons;
- Directive (EU) 2025/2647 of the European Parliament and of the Council of 16 December 2025 amending Directive 2013/11/EU on alternative dispute resolution for consumer disputes and amending Directives (EU) 2015/2302, (EU) 2019/2161 and (EU) 2020/1828 following the discontinuation of the European Online Dispute Resolution Platform.

2) Pending European legislation (including legislation published after 31 December 2025) and other initiatives of the European Commission:

- Proposal for a Regulation of the European Parliament and of the Council on a framework for Financial Data Access and amending Regulations (EU) No 1093/2010, (EU) No 1094/2010, (EU) No 1095/2010 and (EU) 2022/2554;
- Proposal for a Regulation of the European Parliament and of the Council amending Regulation (EU) No 1286/2014 as regards the modernisation of the key information document;
- Proposal for a Regulation of the European Parliament and of the Council amending Regulation (EU) No 806/2014 as regards early intervention measures, conditions for resolution and funding of resolution action;
- Proposal for a Regulation of the European Parliament and of the Council amending Regulations (EU) No 1095/2010, No 648/2012, No 600/2014, No 909/2014, 2015/2365, 2019/1156, 2021/23, 2022/858, 2023/1114, No 1060/2009, 2016/1011, 2017/2402, 2023/2631 and 2024/3005 as regards the further development of capital market integration and supervision within the Union;

- Proposal for a Regulation of the European Parliament and of the Council on settlement finality and repealing Directive 98/26/EC and amending Directive 2002/47/EC on financial collateral arrangements;
- Proposal for a Directive of the European Parliament and of the Council amending Directives (EU) 2009/65/EC, 2009/138/EC, 2011/61/EU, 2014/65/EU and (EU) 2016/97 as regards the Union retail investor protection rules;
- Proposal for a Directive of the European Parliament and of the Council amending Directive 2014/59/EU as regards early intervention measures, conditions for resolution and financing of resolution action;
- Proposal for a Directive of the European Parliament and of the Council amending Directives 2009/65/EC, 2011/61/EU and 2014/65/EU as regards the further development of capital market integration and supervision within the Union.

3) Acts that took effect in 2025:

- none

4) Pending legislation (including acts already adopted that have taken effect or will take effect after 31 December 2025):

- Act No 258/2025 Coll., amending certain laws in the field of capital market as regards the establishment and functioning of the European Single Access Point (in effect as of 10 July 2026);
- Act No 317/2025 Coll., amending certain laws in the field of financial market as regards the establishment and functioning of the European Single Access Point (in effect as of 10 January 2028);
- Draft law amending certain laws in connection with the adoption of the Accounting Act and repealing Act No 25/2017 Coll., on the collection of selected data for the purposes of monitoring and managing public finances, as amended;
- Draft law amending certain laws in relation to financial services contracts concluded at a distance;
- Draft law amending Act No 257/2016 Coll., on Consumer Credit, as amended, and other related acts.

5) Secondary legislation:

- Decree No 197/2025 Coll., reducing the regulatory burden on the financial market;
- Decree No 337/2025 Coll., amending Decree No 163/2014 Coll., on the Performance of Activities of Banks, Credit Unions and Investment Firms, as amended.

A1.2. Capital Market Legislation

1) European legislation and other initiatives published in 2025:

- Regulation (EU) 2025/914 of the European Parliament and of the Council of 7 May 2025 amending Regulation (EU) 2016/1011 as regards the scope of the rules for benchmarks, the use in the Union of benchmarks provided by an administrator located in a third country, and certain reporting requirements;

- Regulation (EU) 2025/2075 of the European Parliament and of the Council of 8 October 2025 amending Regulation (EU) No 909/2014 as regards a shorter settlement cycle in the Union;
- Commission Delegated Regulation (EU) 2025/1003 of 24 January 2025 supplementing Regulation (EU) No 600/2014 of the European Parliament and of the Council as regards OTC derivatives identifying reference data to be used for the purposes of the transparency requirements laid down in Article 8a(2) and Articles 10 and 21;
- Commission Delegated Regulation (EU) 2025/1768 of 7 May 2025 amending Delegated Regulation (EU) 2022/803 as regards rules of procedure for the exercise of the power to impose fines or periodic penalty payments by the European Securities Markets Authority with respect to consolidated tape providers;
- Commission Delegated Regulation (EU) 2025/1143 of 12 June 2025 supplementing Regulation (EU) No 600/2014 of the European Parliament and of the Council with regard to regulatory technical standards on the authorisation and organisational requirements for approved publication arrangements and approved reporting mechanisms, and on the authorisation requirements for consolidated tape providers, and repealing Commission Delegated Regulation (EU) 2017/571;
- Commission Delegated Regulation (EU) 2025/1155 of 12 June 2025 supplementing Regulation (EU) No 600/2014 of the European Parliament and of the Council with regard to regulatory technical standards specifying the input and output data of consolidated tapes, the synchronisation of business clocks and the revenue redistribution by the consolidated tape provider for shares and ETFs, and repealing Commission Delegated Regulation (EU) 2017/574;
- Commission Delegated Regulation (EU) 2025/1156 of 12 June 2025 supplementing Regulation (EU) No 600/2014 of the European Parliament and of the Council with regard to regulatory technical standards on the obligation to make market data available to the public on a reasonable commercial basis;
- Commission Delegated Regulation (EU) 2025/2180 of 12 September 2025 supplementing Regulation (EU) 2023/2631 of the European Parliament and of the Council with regard to regulatory technical standards specifying the conditions for the registration of external reviewers, the criteria for assessing the sound and prudent management of external reviewers, the appropriateness of the knowledge, experience and training of the external reviewers' employees, and the conditions under which external reviewers can outsource their assessment activities;
- Commission Delegated Regulation (EU) 2025/19 of 26 September 2024 amending the regulatory technical standards laid down in Delegated Regulation (EU) 2019/815 as regards the 2024 update of the taxonomy for the single electronic reporting format;
- Commission Delegated Regulation (EU) 2025/1246 of 18 June 2025 amending the regulatory technical standards laid down in Delegated Regulations (EU) 2017/583 and (EU) 2017/587 as regards transparency requirements for trading venues and investment firms in respect of bonds, structured finance products, emission allowances, and equity instruments;
- Commission Implementing Regulation (EU) 2025/1157 of 12 June 2025 laying down implementing technical standards for the application of Regulation (EU) No 600/2014 of the European Parliament and of the Council with regard to the standard forms, templates and procedures for the authorisation of approved publication arrangements, approved reporting mechanisms and consolidated tape providers, and related notifications, and repealing Commission Implementing Regulation (EU) 2017/1110;
- Commission Implementing Regulation (EU) 2025/2179 of 12 September 2025 laying down implementing technical standards for the application of Regulation (EU) 2023/2631 of the European Parliament and of the Council with regard to the standard forms, templates, and

procedures for the provision of the information for an application for registration as an external reviewer for European Green Bonds;

- Commission Implementing Regulation (EU) 2025/2159 of 27 October 2025 amending the implementing technical standards laid down in Implementing Regulation (EU) 2021/2284 as regards supervisory reporting and disclosures of investment firms.

2) Pending European legislation (including legislation published after 31 December 2025) and other initiatives of the European Commission:

- Commission Delegated Regulation (EU) 2026/136 of 8 October 2025 correcting the Swedish language version of Delegated Regulation (EU) 2022/1302 supplementing Directive 2014/65/EU of the European Parliament and of the Council with regard to regulatory technical standards for the application of position limits to commodity derivatives and procedures for applying for exemption from position limits;
- Commission Delegated Regulation (EU) 2026/264 of 27 October 2025 amending the regulatory technical standards laid down in Delegated Regulation (EU) 2018/1645 as regards the form and content of an application for recognition with the European Securities and Markets Authority and in Delegated Regulation (EU) 2018/1646 as regards the information to be provided in an application for authorisation and registration;
- Commission Delegated Regulation (EU) 2026/323 of 29 October 2025 amending Delegated Regulation (EU) 2022/805 as regards fees for the supervision by the European Securities and Markets Authority of benchmark administrators endorsing third-country benchmarks;
- Commission Delegated Regulation (EU) 2026/465 of 17 November 2025 supplementing Directive 2011/61/EU of the European Parliament and of the Council with regard to regulatory technical standards specifying the characteristics of liquidity management tools;
- Commission Delegated Regulation (EU) 2026/466 of 17 November 2025 supplementing Directive 2009/65/EC of the European Parliament and of the Council with regard to regulatory technical standards specifying the characteristics of liquidity management tools;
- Commission Delegated Regulation (EU) 2026/482 of 24 November 2025 amending Delegated Regulation (EU) 2017/567 as regards the determination of what constitutes a liquid market for equity instruments, the obligation to provide market data on a reasonable commercial basis, the size specific to the instrument for the purposes of obligations for systematic internalisers, and the definition of and disclosure for post-trade risk reduction services;
- Proposal for a Regulation of the European Parliament and of the Council amending Regulation (EU) No 575/2013 on prudential requirements for credit institutions as regards requirements for securitisation exposures;
- Proposal for a Regulation of the European Parliament and of the Council amending Regulation (EU) 2017/2402 of the European Parliament and of the Council of 12 December 2017 laying down a general framework for securitisation and creating a specific framework for simple, transparent and standardised securitisation;
- Proposal for a Commission Delegated Directive (EU) amending Delegated Directive (EU) 2017/593 as regards the conditions for the provision of third-party execution and research services to investment firms that provide portfolio management or other investment or ancillary services;
- Draft of a Commission Delegated Regulation amending Commission Delegated Regulation (EU) 2016/522 as regards the list of designated trading venues that have a significant cross-border dimension in the supervision of market abuse and the indicators of market manipulation;

- Draft of a Commission Delegated Regulation amending Delegated Regulation (EU) 2019/980 as regards the reduced content and the standardised format and sequence of the EU Follow-on prospectus and the EU Growth issuance prospectus;
- Draft of a Commission Delegated Regulation amending regulatory technical standards laid down in Delegated Regulation (EU) 2019/979 as regards updating the list of data necessary for the classification of prospectus and the list of information that can be incorporated by reference into prospectuses;
- Draft of a Commission Delegated Regulation amending regulatory technical standards laid down in Delegated Regulation (EU) 2017/577 as regards the volume cap and the provision of information for the purposes of transparency and other calculations.

3) Acts that took effect in 2025:

- Act No 259/2025 Coll., amending Act No 256/2004 Coll., on Capital Market Business, as amended (in effect as of 29 September 2025).

4) Pending legislation (including acts already adopted that have taken effect or will take effect after 31 December 2025):

- Draft law amending Act No 256/2004 Coll., on Capital Market Business, as amended, and other related acts in connection with the promotion of balanced representation of women and men in the management bodies of certain issuers;
- Draft law amending Act No 256/2004 Coll., on Capital Market Business, as amended, and other related acts;
- Draft law amending Act No 240/2013 Coll., on Management Companies and Investment Funds, as amended, and other related acts.

5) Secondary legislation:

- Government Regulation No. 103/2026 Coll., amending Government Regulation No. 243/2013 Coll., on the investment of investment funds and on techniques for their management, as amended.

A1.3. Banking Sector Legislation, Including Building Savings Schemes and Credit Unions

1) European legislation and other initiatives published in 2025:

- Regulation (EU) 2025/1215 of the European Parliament and of the Council of 17 June 2025 amending Regulation (EU) No 575/2013 as regards requirements for securities financing transactions under the net stable funding ratio;
- Commission Delegated Regulation (EU) 2025/878 of 3 February 2025 amending the regulatory technical standards laid down in Delegated Regulation (EU) 2022/2059, Delegated Regulation (EU) 2022/2060 and Delegated Regulation (EU) 2023/1577 as regards the technical details of back-testing and profit and loss attribution requirements, the criteria for assessing the modellability of risk factors, and the treatment of foreign-exchange risk and commodity risk in the non-trading book;
- Commission Delegated Regulation (EU) 2025/1275 of 17 March 2025 correcting certain language versions of Delegated Regulation (EU) 2024/857 supplementing Directive

2013/36/EU of the European Parliament and of the Council with regard to regulatory technical standards specifying a standardised methodology and a simplified standardised methodology to evaluate the risks arising from potential changes in interest rates that affect both the economic value of equity and the net interest income of an institution's non-trading book activities;

- Commission Delegated Regulation (EU) 2025/789 of 23 April 2025 supplementing Regulation (EU) No 575/2013 of the European Parliament and of the Council with regard to regulatory technical standards specifying the conditions and indicators that the EBA is to use to determine whether extraordinary circumstances in the sense of Article 325az(5) and Article 325bf(6) of that Regulation have occurred;
- Commission Delegated Regulation (EU) 2025/791 of 23 April 2025 supplementing Directive 2013/36/EU of the European Parliament and of the Council with regard to regulatory technical standards specifying the general conditions for the functioning of supervisory colleges, and repealing Commission Delegated Regulation (EU) 2016/98;
- Commission Delegated Regulation (EU) 2025/1265 of 1 July 2025 supplementing Regulation (EU) No 575/2013 of the European Parliament and of the Council with regard to regulatory technical standards specifying the method for identifying the main risk driver of a position and for determining whether a transaction represents a long or a short position as referred to in Articles 94(3), 273a(3) and 325a(2);
- Commission Delegated Regulation (EU) 2025/1311 of 3 July 2025 supplementing Regulation (EU) No 575/2013 of the European Parliament and of the Council with regard to regulatory technical standards specifying the conditions for assessing the materiality of extensions of, and changes to, the use of alternative internal models, and changes to the subset of the modellable risk factors;
- Commission Implementing Regulation (EU) 2025/379 of 26 February 2025 amending the implementing technical standards laid down in Implementing Regulation (EU) 2016/2070 as regards benchmark portfolios, reporting templates and reporting instructions to be applied in the Union for the reporting referred to in Article 78(2) of Directive 2013/36/EU of the European Parliament and of the Council;
- Commission Implementing Regulation (EU) 2025/790 of 23 April 2025 laying down implementing technical standards for the application of Directive 2013/36/EU of the European Parliament and of the Council with regard to the operational functioning of colleges of supervisors;
- Commission Implementing Regulation (EU) 2025/2338 of 20 November 2025 amending Implementing Regulation (EU) 2016/100 laying down implementing technical standards specifying the joint decision process with regard to the application for certain prudential permissions pursuant to Regulation (EU) No 575/2013 of the European Parliament and of the Council;
- Commission Implementing Regulation (EU) 2025/2475 of 8 December 2025 amending the implementing technical standards laid down in Implementing Regulation (EU) 2024/3117 as regards operational risk supervisory reporting of institutions.

2) Pending European legislation (including legislation published after 31 December 2025) and other initiatives of the European Commission:

- Proposal for a Regulation of the European Parliament and of the Council amending Regulation (EU) 806/2014 in order to establish a European Deposit Insurance Scheme;
- Proposal for a Directive of the European Parliament and of the Council amending Directive 2014/49/EU as regards the scope of deposit protection, the use of DGS funds, cross-border cooperation and transparency.

3) Acts that took effect in 2025:

- Act No 34/2025 Coll., on the National Development Bank (in effect as of 19 February 2025);
- Act No 35/2025 Coll., amending certain laws in connection with the adoption of the National Development Bank Act (in effect as of 19 February 2025).

4) Pending legislation (including acts already adopted that have taken effect or will take effect after 31 December 2025):

- Act No 280/2025 Coll., amending certain financial market laws in relation to the regulation of branches of foreign banks from non-member states, the regulation of certain offences and the strengthening of the powers of the supervisory authority and its independence (in effect as of 11 January 2026);
- Draft law amending Act No 257/2016 Coll., on Consumer Credit, as amended, and other related acts.
- Draft of a new Act on Banks.

5) Secondary legislation:

- none

A1.4. Payment Services and Market Infrastructure Legislation

1) European legislation and other initiatives published in 2025:

- Regulation (EU) 2025/2075 of the European Parliament and of the Council of 8 October 2025 amending Regulation (EU) No 909/2014 as regards a shorter settlement cycle in the Union;
- Commission Delegated Regulation (EU) 2025/212 of 13 September 2024 correcting Commission Delegated Regulation (EU) 2017/2055 supplementing Directive (EU) 2015/2366 of the European Parliament and of the Council with regard to regulatory technical standards for the cooperation and exchange of information between competent authorities relating to the exercise of the right of establishment and the freedom to provide services of payment institutions;
- Commission Delegated Regulation (EU) 2025/292 of 26 September 2024 supplementing Regulation (EU) 2023/1114 of the European Parliament and of the Council with regard to regulatory technical standards establishing a template document for cooperation arrangements between competent authorities and supervisory authorities of third countries;
- Commission Delegated Regulation (EU) 2025/293 of 30 September 2024 supplementing Regulation (EU) 2023/1114 of the European Parliament and of the Council with regard to regulatory technical standards specifying the requirements, templates and procedures for the handling of complaints relating to asset referenced tokens;
- Commission Delegated Regulation (EU) 2025/294 of 1 October 2024 supplementing Regulation (EU) 2023/1114 of the European Parliament and of the Council with regard to regulatory technical standards specifying the requirements, templates and procedures for the handling of complaints by the crypto-asset service providers;
- Commission Delegated Regulation (EU) 2025/300 of 10 October 2024 supplementing Regulation (EU) 2023/1114 of the European Parliament and of the Council with regard to

regulatory technical standards on information to be exchanged between competent authorities;

- Commission Delegated Regulation (EU) 2025/301 of 23 October 2024 supplementing Regulation (EU) 2022/2554 of the European Parliament and of the Council with regard to regulatory technical standards specifying the content and time limits for the initial notification of, and intermediate and final report on, major ICT-related incidents, and the content of the voluntary notification for significant cyber threats;
- Commission Delegated Regulation (EU) 2025/295 of 24 October 2024 supplementing Regulation (EU) 2022/2554 of the European Parliament and of the Council with regard to regulatory technical standards on harmonisation of conditions enabling the conduct of the oversight activities;
- Commission Delegated Regulation (EU) 2025/296 of 31 October 2024 supplementing Regulation (EU) 2023/1114 of the European Parliament and of the Council with regard to regulatory technical standards specifying the procedure for the approval of a crypto-asset white paper;
- Commission Delegated Regulation (EU) 2025/297 of 31 October 2024 supplementing Regulation (EU) 2023/1114 of the European Parliament and of the Council with regard to regulatory technical standards specifying the conditions for the establishment and functioning of consultative supervisory colleges;
- Commission Delegated Regulation (EU) 2025/298 of 31 October 2024 supplementing Regulation (EU) 2023/1114 of the European Parliament and of the Council with regard to regulatory technical standards specifying the methodology to estimate the number and value of transactions associated to uses of asset-referenced tokens and of e-money tokens denominated in a currency that is not an official currency of a Member State as a means of exchange;
- Commission Delegated Regulation (EU) 2025/299 of 31 October 2024 supplementing Regulation (EU) 2023/1114 of the European Parliament and of the Council on markets in crypto-assets with regard to regulatory technical standards on continuity and regularity in the performance of crypto-asset services;
- Commission Delegated Regulation (EU) 2025/303 of 31 October 2024 supplementing Regulation (EU) 2023/1114 of the European Parliament and of the Council with regard to regulatory technical standards specifying the information to be included by certain financial entities in the notification of their intention to provide crypto-asset services;
- Commission Delegated Regulation (EU) 2025/305 of 31 October 2024 supplementing Regulation (EU) 2023/1114 of the European Parliament and of the Council with regard to regulatory technical standards specifying the information to be included in an application for authorisation as a crypto-asset service provider;
- Commission Delegated Regulation (EU) 2025/417 of 28 November 2024 supplementing Regulation (EU) 2023/1114 of the European Parliament and of the Council with regard to regulatory technical standards specifying the manner in which crypto-asset service providers operating a trading platform for crypto-assets are to present transparency data;
- Commission Delegated Regulation (EU) 2025/416 of 29 November 2024 supplementing Regulation (EU) 2023/1114 of the European Parliament and of the Council with regard to regulatory technical standards specifying the content and format of order book records for crypto-asset service providers operating a trading platform for crypto-assets;
- Commission Delegated Regulation (EU) 2025/415 of 13 December 2024 supplementing Regulation (EU) 2023/1114 of the European Parliament and of the Council with regard to regulatory technical standards specifying adjustment of own funds requirement and minimum

features of stress testing programmes of issuers of asset-referenced tokens or of e-money tokens;

- Commission Delegated Regulation (EU) 2025/418 of 16 December 2024 supplementing Regulation (EU) 2023/1114 of the European Parliament and of the Council with regard to regulatory technical standards specifying the minimum content of the governance arrangements on the remuneration policy of issuers of significant asset-referenced or e-money tokens;
- Commission Delegated Regulation (EU) 2025/419 of 16 December 2024 supplementing Regulation (EU) 2023/1114 of the European Parliament and of the Council with regard to regulatory technical standards specifying the procedure and timeframe for an issuer of asset-referenced tokens or of e-money tokens to adjust the amount of its own funds;
- Commission Delegated Regulation (EU) 2025/420 of 16 December 2024 supplementing Regulation (EU) 2022/2554 of the European Parliament and of the Council with regard to regulatory technical standards to specify the criteria for determining the composition of the joint examination team ensuring a balanced participation of staff members from the ESAs and from the relevant competent authorities, their designation, tasks and working arrangements;
- Commission Delegated Regulation (EU) 2025/421 of 16 December 2024 supplementing Regulation (EU) 2023/1114 of the European Parliament and of the Council with regard to regulatory technical standards specifying the data necessary for the classification of crypto-asset white papers and the practical arrangements to ensure that such data is machine-readable;
- Commission Delegated Regulation (EU) 2025/422 of 17 December 2024 supplementing Regulation (EU) 2023/1114 of the European Parliament and of the Council with regard to regulatory technical standards specifying the content, methodologies and presentation of information in respect of sustainability indicators in relation to adverse impacts on the climate and other environment-related adverse impacts;
- Commission Delegated Regulation (EU) 2025/413 of 18 December 2024 supplementing Regulation (EU) 2023/1114 of the European Parliament and of the Council with regard to regulatory technical standards specifying the detailed content of information necessary to carry out the assessment of a proposed acquisition of a qualifying holding in an issuer of an asset-referenced token;
- Commission Delegated Regulation (EU) 2025/414 of 18 December 2024 supplementing Regulation (EU) 2023/1114 of the European Parliament and of the Council with regard to regulatory technical standards specifying the detailed content of information necessary to carry out the assessment of a proposed acquisition of a qualifying holding in a crypto-asset service provider;
- Commission Delegated Regulation (EU) 2025/1190 of 13 February 2025 supplementing Regulation (EU) 2022/2554 of the European Parliament and of the Council with regard to regulatory technical standards specifying the criteria used for identifying financial entities required to perform threat-led penetration testing, the requirements and standards governing the use of internal testers, the requirements in relation to the scope, testing methodology and approach for each phase of the testing, results, closure and remediation stages and the type of supervisory and other relevant cooperation needed for the implementation of TLPT and for the facilitation of mutual recognition;
- Commission Delegated Regulation (EU) 2025/1140 of 27 February 2025 supplementing Regulation (EU) 2023/1114 of the European Parliament and of the Council with regard to regulatory technical standards specifying records to be kept of all crypto-asset services, activities, orders and transactions undertaken;
- Commission Delegated Regulation (EU) 2025/1141 of 27 February 2025 supplementing Regulation (EU) 2023/1114 of the European Parliament and of the Council as regards

regulatory technical standards specifying the requirements for policies and procedures on conflicts of interest for issuers of asset-referenced tokens;

- Commission Delegated Regulation (EU) 2025/1142 of 27 February 2025 supplementing Regulation (EU) 2023/1114 of the European Parliament and of the Council with regard to regulatory technical standards specifying the requirements for policies and procedures on conflicts of interest for crypto-asset service providers and the details and methodology for the content of disclosures on conflicts of interest;

- Commission Delegated Regulation (EU) 2025/532 of 24 March 2025 supplementing Regulation (EU) 2022/2554 of the European Parliament and of the Council with regard to regulatory technical standards specifying the elements that a financial entity has to determine and assess when subcontracting ICT services supporting critical or important functions;

- Commission Delegated Regulation (EU) 2025/885 of 29 April 2025 supplementing Regulation (EU) 2023/1114 of the European Parliament and of the Council with regard to regulatory technical standards specifying the arrangements, systems and procedures to prevent, detect and report market abuse, the templates to be used for reporting suspected market abuse, and the coordination procedures between the competent authorities for the detection and sanctioning of market abuse in cross-border market abuse situations;

- Commission Delegated Regulation (EU) 2025/1493 of 11 June 2025 amending Commission Delegated Regulation (EU) No 876/2013 supplementing Regulation (EU) No 648/2012 of the European Parliament and of the Council as regards changes to the functioning and management of colleges for central counterparties;

- Commission Implementing Regulation (EU) 2025/302 of 23 October 2024 laying down implementing technical standards for the application of Regulation (EU) 2022/2554 of the European Parliament and of the Council with regard to the standard forms, templates, and procedures for financial entities to report a major ICT-related incident and to notify a significant cyber threat;

- Commission Implementing Regulation (EU) 2025/304 of 31 October 2024 laying down implementing technical standards for the application of Regulation (EU) 2023/1114 of the European Parliament and of the Council with regard to standard forms, templates and procedures for the notification by certain financial entities of their intention to provide crypto-asset services;

- Commission Implementing Regulation (EU) 2025/306 of 31 October 2024 laying down implementing technical standards for the application of Regulation (EU) 2023/1114 of the European Parliament and of the Council with regard to standard forms, templates and procedures for the information to be included in the application for authorisation as a crypto-asset service provider;

- Commission Implementing Regulation (EU) 2025/1979 of 1 October 2025 laying down implementing technical standards for the application of Regulation (EU) No 260/2012 of the European Parliament and of the Council with regard to uniform reporting templates, instructions and methodology for the reporting of the level of charges for credit transfers, instant credit transfers and payment accounts, and the share of rejected transactions.

2) Pending European legislation (including legislation published after 31 December 2025) and other initiatives of the European Commission:

- Proposal for a Regulation of the European Parliament and of the Council on payment services in the internal market and amending Regulation (EU) No 1093/2010;

- Proposal for a Regulation of the European Parliament and of the Council on the establishment of the digital euro;

- Proposal for a Regulation of the European Parliament and of the Council on the legal tender of euro banknotes and coins;
- Proposal for a Regulation of the European Parliament and of the Council on the provision of digital euro services by payment services providers incorporated in Member States whose currency is not the euro and amending Regulation (EU) 2021/1230 of the European Parliament and the Council;
- Proposal for a Regulation of the European Parliament and of the Council amending Regulation (EU) 2019/2088 on sustainability –related disclosures in the financial services sector (SFDR), Regulation (EU) No 1286/2014 on key information document for packaged retail and insurance – based investment products (PRIIPs) and repealing Commission Delegated Regulation (EU) 2022/1288;
- Proposal for a Directive of the European Parliament and of the Council on payment services and electronic money services in the Internal Market amending Directive 98/26/EC and repealing Directives 2015/2366/EU and 2009/110/EC.

3) Acts that took effect in 2025:

- Act No 31/2025 Coll., on the implementation of EU acts in the area of financial market digitalisation (Act on Financial Market Digitalisation) (in effect as of 15 February 2025);
- Act No 32/2025 Coll., amending certain laws in connection with the implementation of EU acts in the area of financial market digitalisation and sustainable finance (in effect as of 15 February 2025).

4) Pending legislation (including acts already adopted that have taken effect or will take effect after 31 December 2025):

- none

5) Secondary legislation:

- none

A1.5. Insurance and Private Pension Systems Legislation

1) European legislation and other initiatives published in 2025:

- Commission Delegated Regulation (EU) 2026/269 of 29 October 2025 amending Delegated Regulation (EU) 2015/35 as regards technical provisions, long-term guarantee measures, own funds, equity risk, spread risk on securitisation positions, other standard formula capital requirements, reporting and disclosure, proportionality and group solvency;
- Commission Implementing Regulation (EU) 2025/216 of 6 February 2025 laying down technical information for the calculation of technical provisions and basic own funds for reporting with reference dates from 31 December 2024 until 30 March 2025 in accordance with Directive 2009/138/EC of the European Parliament and of the Council on the taking-up and pursuit of the business of Insurance and Reinsurance;
- Commission Implementing Regulation (EU) 2025/863 of 8 May 2025 laying down technical information for the calculation of technical provisions and basic own funds for reporting with reference dates from 31 March 2025 until 29 June 2025 in accordance with Directive 2009/138/EC of the European Parliament and of the Council on the taking-up and pursuit of the business of Insurance and Reinsurance;

- Commission Implementing Regulation (EU) 2025/1794 of 8 September 2025 laying down technical information for the calculation of technical provisions and basic own funds for reporting with reference dates from 30 June 2025 until 29 September 2025 in accordance with Directive 2009/138/EC of the European Parliament and of the Council on the taking-up and pursuit of the business of Insurance and Reinsurance;
- Commission Implementing Regulation (EU) 2025/2312 of 17 November 2025 laying down technical information for the calculation of technical provisions and basic own funds for reporting with reference dates from 30 September 2025 until 30 December 2025 in accordance with Directive 2009/138/EC of the European Parliament and of the Council on the taking-up and pursuit of the business of Insurance and Reinsurance;
- Directive (EU) 2025/1 of 27 November 2024 establishing a framework for the recovery and resolution of insurance and reinsurance undertakings and amending Directives 2002/47/EC, 2004/25/EC, 2007/36/EC, 2014/59/EU, (EU) 2017/1132 and Regulations (EU) No 1094/2010, (EU) No 648/2012, (EU) No 806/2014 and (EU) No 2017/1129;
- Directive (EU) 2025/2 of 27 November 2024 amending Directive 2009/138/EC as regards proportionality, quality of supervision, reporting, long-term guarantee measures, macro-prudential tools, sustainability risks and group and cross-border supervision, and amending Directives 2002/87/EC and 2013/34/EU;
- Commission Recommendation (EU) 2025/2384 of 20 November 2025 on pension tracking systems, pension dashboards and automatic enrolment.

2) Pending European legislation (including legislation published after 31 December 2025) and other initiatives of the European Commission:

- Proposal for a Directive of the European Parliament and of the Council amending Directives (EU) 2016/2341 and 2016/97 as regards the strengthening of the framework for occupational retirement provision;
- Proposal for a Regulation of the European Parliament and of the Council amending Regulation (EU) 2019/1238 on a pan-European Personal Pension Product (PEPP).

3) Acts that took effect in 2025:

- Act No 396/2024 Coll., amending Act No 170/2018 Coll., on insurance and reinsurance distribution, as amended (in effect as of 1 July 2025);
- Act No 417/2024 Coll., amending Act No 155/1995 Coll., on Pension Insurance, as amended, and other related acts (contains an amendment to the Act on Supplementary Pension Savings) (in effect as of 1 January 2025).

4) Pending legislation (including acts already adopted that have taken effect or will take effect after 31 December 2025):

- Act No 176/2025 Coll., amending certain laws in connection with the adoption of the housing support act (contains an amendment to the Act on Supplementary Pension Savings) (in effect as of 1 January 2026);
- Act No 324/2025 Coll., on the Mandatory contribution to retirement savings products and on amendments to related acts (in effect as of 1 January 2026);
- Proposal for an Act amending Act No 427/2011 Coll., on Supplementary Pension Savings, as amended, and Act No 586/1992 Coll., on Income Taxes, as amended (Parliamentary Print No. 119);

- Proposal for an Act amending Act No 277/2009 Coll., on Insurance, as amended;
- Proposal for an Act on Recovery and Resolution in the Insurance Sector;
- Proposal for an Act amending Act No 427/2011 Coll., on Supplementary Pension Savings, as amended.

5) Secondary legislation:

- Decree of the Czech National Bank No 197/2025 Coll., amending Decree No 117/2012 Coll., on the Reduction of Regulatory Burden in the Financial Market (in effect as of 1 July 2025);
- Decree of the Ministry of Finance No 458/2025 Coll., amending Decree No 69/2024 Coll., implementing the motor vehicle third party liability insurance act (in effect as of 1 January 2026).

Appendix 2: Supplementary Tables

Table A2.1: Overview of selected indicators in sector of credit institutions, non-bank financing providers, capital market and insurance companies

Banks	2024	YoY change		2025	YoY change	
Balance sheet	CZK 10,637.6 bn	7.1%	↑	CZK 11,407.0 bn	7.2%	↑
Total capital ratio	22.9%	0.1 pp	↑	23.2%	0.3 pp	↑
NPL ratio	1.66%	0.02 pp	↑	1.52%	-0.14 pp	↓
Client deposits	CZK 7,221.5 bn	7.8%	↑	CZK 7,663.8 bn	6.1%	↑
Client loans	CZK 4,589.3 bn	5.3%	↑	CZK 4,911.7 bn	7.0%	↑
Ratio of client deposits to loans	157.4%	3.5 pp	↑	156.0%	-1.3 pp	↓

Building savings banks	2024	YoY change		2025	YoY change	
Number of contracts	2.7 million	-7.8%	↓	2.5 million	-7.5%	↓
Savings	CZK 298.5 bn	-4.8%	↓	CZK 280.3 bn	-6.1%	↓
State contributions	CZK 3.8 bn	-9.0%	↓	CZK 1.7 bn	-55.8%	↓
Total loans	CZK 352.2 bn	1.2%	↑	CZK 362.8 bn	3.0%	↑
New loans	CZK 48.2 bn	44.7%	↑	CZK 62.8 bn	30.5%	↑
Loan-to-savings ratio	118.0%	6.9 pp	↑	129.4%	11.4 pp	↑

Mortgage loans	2024	YoY change		2025	YoY change	
Purely new mortgage loans to private individuals for housing	CZK 212.7 bn	90.5%	↑	CZK 320.1 bn	50.5%	↑
Total loans	CZK 2,853.9 bn	5.8%	↑	CZK 3,077.5 bn	7.8%	↑
of which to private individuals for housing	CZK 1,721.6 bn	4.9%	↑	CZK 1,851.2 bn	7.5%	↑

Credit unions	2024	YoY change		2025	YoY change	
Balance sheet	CZK 9.4 bn	-6.7%	↓	CZK 7.5 bn	-20.0%	↓
Total capital ratio	29.1%	0.8 pp	↑	50.6%	21.4 pp	↑
NPL ratio	22.3%	-4.8 pp	↓	26.8%	4.5 pp	↑

Non-bank financing providers	2024	YoY change		2025	YoY change	
Balance sheet	CZK 514.8 bn	6.5%	↑	CZK 550.9 bn	7.0%	↑
Total loans	CZK 412.4 bn	7.0%	↑	CZK 440.8 bn	7.3%	↑

Regulated and OTC market	2024	YoY change		2025	YoY change	
PX index	1,760.2 points	24.5%	↑	2,685.7 points	52.6%	↑
Trading volume on the PSE	CZK 141.0 bn	-0.2%	↓	CZK 212.2 bn	50.5%	↑
Trading volume on the RM-S	CZK 3.8 bn	-11.6%	↓	CZK 5.3 bn	41.0%	↑
Volume of OTC transactions (CSDP)	CZK 16,204.7 bn	36.8%	↑	CZK 15,501.4 bn	-4.3%	↓

Investment funds	2024	YoY change		2025	YoY change	
Assets in collective investment funds	CZK 1,264.2 bn	25.2%	↑	CZK 1,508.5 bn	19.3%	↑
Assets in qualified investor funds	CZK 869.0 bn	41.4%	↑	CZK 1,245.5 bn	43.3%	↑

Insurance companies	2024	YoY change		2025	YoY change	
Balance sheet	CZK 517.7 bn	0.4%	↑	CZK 533.0 bn	2.9%	↑
Total gross premiums written	CZK 230.4 bn	8.1%	↑	CZK 247.2 bn	7.3%	↑
Gross claim settlement costs	CZK 138.4 bn	27.7%	↑	CZK 123.6 bn	-10.7%	↓
Total insurance penetration	2.9%	0.1 pp	↑	2.9%	0.0 pp	⇔

Pension funds	2024	YoY change		2025	YoY change	
Number of participants	3,997.7 thousand	-5.3%	↓	3,913.7 thousand	-2.1%	↓
Participants' assets	CZK 605.0 bn	1.6%	↑	CZK 660.2 bn	9.1%	↑
Share of contracts with an employer's contribution	30.6%	4.7 pp	↑	30.9%	0.3 pp	↑
Participant's average monthly contribution in transformed funds	CZK 841	6.2%	↑	CZK 1,061	26.2%	↑
Participant's average monthly contribution in participation funds	CZK 943	8.3%	↑	CZK 1,144	21.3%	↑
State contributions	CZK 6.3 bn	-15.1%	↓	CZK 5.8 bn	-7.9%	↓

Source: AKAT, APS CR, CNB – ARAD, MoF, MoF calculations

Table A2.2: Basic indicators of the building savings bank sector

As at 31 Dec		2020	2021	2022	2023	2024	2025
New building savings contracts	number	461,885	449,899	486,532	377,865	354,762	346,049
	change (%)	-4.8	-2.6	8.1	-22.3	-6.1	-2.5
Average target value for new building savings contracts with private individuals	value (CZK thousands)	455.9	808.7	629.1	873.3	843.4	817.5
	change (%)	5.9	77.4	-22.2	38.8	-3.4	-3.1
Building savings contracts in savings phase	number	3,242,740	3,265,839	3,152,006	2,923,782	2,696,473	2,493,495
	change (%)	0.5	0.7	-3.5	-7.2	-7.8	-7.5
Paid state contributions	value (CZK bn)	4.1	4.2	4.3	4.2	3.8	1.7
	change (%)	3.5	2.9	2.1	-3.1	-9.0	-55.8
Average state contribution[65]	value (CZK)	1,461	1,497	1,475	1,470	722	-
	change (%)	1.9	2.5	-1.5	-0.3	-50.9	-
Savings	value (CZK bn)	362.7	366.3	334.7	313.4	298.5	280.3
	change (%)	0.8	1.0	-8.6	-6.4	-4.8	-6.1
Loans in total	number	520,333	490,714	475,935	462,083	447,567	433,062
of which: building savings loans	number	254,630	234,675	235,171	257,339	264,593	255,180
bridging loans[66]	number	265,703	256,039	240,764	204,744	182,974	177,882
	change (%)	-6.3	-5.7	-3.0	-2.9	-3.1	-3.2
Loans in total	value (CZK bn)	293.5	319.3	342.0	348.1	352.2	362.8
of which: building savings loans	value (CZK bn)	60.0	64.1	81.0	120.6	137.4	140.3
bridging loans[66]	value (CZK bn)	233.5	255.2	261.0	227.6	214.7	222.5
	change (%)	5.5	8.8	7.1	1.8	1.2	3.0
Loans-to-savings ratio	ratio (%)	80.9	87.2	102.2	111.1	118.0	129.4

Source: Building savings banks, MoF

[65] The value is published in the course of the subsequent year.

[66] Under Section 5(5) of Act No. 96/1993 Coll., on building savings schemes and state contribution for building savings schemes, as subsequently amended.

Table A2.3: Basic indicators of the supplementary pension insurance in transformed funds

As at 31 Dec		2020	2021	2022	2023	2024	2025
Supplementary pension insurance contracts[67]	number	3,154,028	2,988,958	2,774,757	2,436,050	2,020,554	1,749,597
	change (%)	-5.2	-5.2	-7.2	-12.2	-17.1	-13.4
State contributions for a given period	value (CZK bn)	5.1	5.0	4.7	4.2	3.2	2.5
	change (%)	-2.9	-2.7	-5.3	-9.7	-23.4	-21.6
Participants' contributions[68]	value (CZK bn)	27.7	27.3	26.0	23.6	21.4	18.7
	change (%)	-1.9	-1.6	-4.5	-9.2	-9.4	-12.5
Average monthly state contribution	value (CZK)	137	140	141	140	125	106
	change (%)	3.0	2.2	0.7	-0.7	-10.7	-15.2

Source: MoF

Table A2.4: Basic indicators of the supplementary pension savings in participation funds

As at 31 Dec		2020	2021	2022	2023	2024	2025
Supplementary pension savings contracts[67]	number	1,269,989	1,451,812	1,621,853	1,787,464	1,977,125	2,164,062
	change (%)	12.6	14.3	11.7	10.2	10.6	9.5
New supplementary pension savings contracts	number	228,142	283,959	306,579	336,639	398,573	350,947
	change (%)	-11.5	24.5	8.0	9.8	18.4	-11.9
State contributions for a given period	value (CZK bn)	2.3	2.6	2.9	3.2	3.1	3.3
	change (%)	14.5	13.1	13.4	10.1	-4.3	6.5
Participants' contributions[68]	value (CZK bn)	11.6	13.3	15.5	17.5	21.0	24.5
	change (%)	15.8	15.2	16.2	12.8	20.1	16.6
Average monthly state contribution	value (CZK)	161	161	162	161	140	136
	change (%)	0.6	0.0	0.6	-0.6	-13.0	-2.9

Source: MoF

[67] Data reflect number of policies, which are not closed in the relevant MoF records.
[68] Participants' contributions are reported without the contributions paid by employers for their employees.

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