

CHECKLIST

For reporting according to Regulation (EU) 1233/2011

I. Reporting country information

Reporting Country	Czech Republic
Submission Date	July 2020
Reporting Institution (Government Department, ECA)	Exportní garanční a pojišťovací společnost, a.s. Export Guarantee and Insurance Corporation (EGAP) ***** Česká exportní banka, a.s. Czech Export Bank (CEB)

II. Reporting country legal and policy information

Mandate/Legal status of ECA	<ul style="list-style-type: none">• EGAP is an insurance company having a legal form of a joint-stock company fully owned by the Czech state.• CEB is a bank having a legal form of a joint-stock company, owned by the Czech state (84% directly and 16% through EGAP).• Legal mandate for ECA activities is based on Act No. 58/1995 Coll. of 14 March 1995 on Insurance and Financing of Exports with State Support and on Supplement to Act No. 166/1993 Coll., on the Supreme Audit Office, as amended. EGAP as an insurance company is also subject to the Act on Insurance and similarly CEB as a bank is subject to the Act on Banks.
Officially supported export credit programs (in the sense of Article 5 of the OECD Arrangement) during reporting period	EGAP provides following insurance products according to the OECD Arrangement Article 5: <ul style="list-style-type: none">• Insurance of a Medium- and Long-Term Export Supplier Credit• Insurance of a Medium- and Long-Term Export Supplier Credit Financed by a Bank• Insurance of an Export Buyer Credit ***** CEB provides following export credits according to the OECD Arrangement Article 5: <ul style="list-style-type: none">• Supplier credits;• Direct and indirect buyer credits;• Bank Guarantees
Annual reports available on reporting year	The annual report of EGAP in Czech and English is publicly available at: https://www.egap.cz/cs/vyrocní-zpravy https://www.egap.cz/en/annual-reports ***** The annual report of CEB in Czech and English is publicly available at: https://www.ceb.cz/kdo-jsme/povinne-

III. Information on the reporting Member State's Export Credit policies:

<p>General presentation of the reporting MS' policies on export credits, including all information that can help the Commission in carrying out its evaluation regarding the compliance of the Export Credit Agencies with EU objectives and obligations¹ (in the sense of Article 3, Annex 1 of EU Regulation 1233/2011)</p>	<p>Both EGAP and CEB aim to contribute to environmental and social sustainability. EGAP and CEB take on transactions where environmental and social factors comply with international standards.</p> <p>Both EGAP and CEB are bound by the framework of international rules in the area of the officially supported export credits, vested primarily in the Arrangement on Officially Supported Export Credits (OECD Arrangement), which has been transposed into EU legislation in the form of legally binding EU Regulation 1233/2011 of the European Parliament and of the Council.</p>
<p>Special information on the following policies:</p> <p><i>1) Environment:</i></p> <p>a) Do you apply the OECD Recommendation on Common Approaches to the Environment and Officially Supported Export Credits? (its successor instrument the OECD Recommendation on Common Approaches on Officially Supported Export Credits and Environmental and Social Due Diligence?)</p> <p>b) any other relevant information</p>	<p>a) Yes, both EGAP and CEB are fully compliant with and apply the current version of the OECD Council document "Recommendation of the OECD Council on Common Approaches for Officially Supported Export Credits and Environmental and Social Due Diligence". This Recommendation on Common Approaches has been also transposed into binding internal rules in this area in both EGAP and CEB as well. All procedures, either within EGAP or CEB, have to be in compliance with the effective international rules in this field through their internal regulations.</p> <p>b) According to the Recommendation on Common Approaches, both EGAP and CEB, perform screening of all applications with a repayment term of to years or more . Supported projects with considerable environmental impact (Category A and B projects) are, in compliance with the Recommendation, on regular basis reported to the OECD following their international transparency and reporting obligations. Category A and B projects are also published on the website of EGAP.</p>
<p><i>2) Human rights:</i></p> <p>a) Do you apply the Human Rights related aspects of the Recommendation on Common Approaches, on Officially Supported</p>	<p>a) Yes, both EGAP and CEB are fully compliant with and apply the current version of the OECD Council document "Recommendation of the Council on Common Approaches for Officially Supported Export Credits and Environmental and</p>

¹ EP side suggested to use such a phrase (to ensure that it is not forgotten that the Regulation's official reference is to "EU objectives and obligations)

<p>Export Credits and Environmental and Social Due Diligence?</p> <p>b) Any other relevant information?</p>	<p>Social Due Diligence”. It includes also all relevant Human Rights related aspects and social impacts.</p> <p>b) ***</p>
<p>3) <i>Anti-Bribery measures:</i></p> <p>a) Do you apply the OECD Recommendation on Bribery and Officially Supported Export Credits?</p> <p>b) Any other relevant information?</p>	<p>a) Yes, both EGAP and CEB are fully compliant with and apply the current version of the OECD Council document “Recommendation on Bribery and Officially Supported Export Credits.</p> <p>Czech anti-bribery legislation must be followed in transactions provided by EGAP and CEB.</p> <p>b) Recommendation on Bribery has been also transposed into binding internal rules in this area in both EGAP and CEB as well. All procedures, either within EGAP or CEB, have to be in compliance with the effective international rules in this field through their internal regulation.</p> <p>EGAP has also implemented, as a support tool, software solution to be able to identify any wrong-doings related to bribery issues in export transactions. This tool is used for standard checks within various stages of the works on the insurance transaction.</p>
<p>4) <i>Sustainable Lending Practices:</i></p> <p>a) Do you apply the OECD Principles and Guidelines to Promote Sustainable Lending Practices in the Provision of Official Export Credits to Low Income Countries?</p> <p>b) Any other relevant information?</p>	<p>a) Yes, both EGAP and CEB are fully compliant with and apply the current version of the OECD Council document “Recommendation on Sustainable Lending Practices and Officially Supported Exports Credits”, which is based on “OECD Principles and Guidelines to Promote Sustainable Lending Practices in the Provision of Official Export Credits to Low Income Countries.”</p> <p>b) Both EGAP and CEB have to follow their internal guidelines, which are based on both Recommendation on Sustainable Lending Practices and OECD Principles and Guidelines as well.</p> <p>As a part of the country risk assessment, EGAP takes into account the results of the most recent IMF/ World Bank country specific debt sustainability analyses (DSA).</p> <p>EGAP and CEB are not tied/ untied aid providers.</p>
<p>5) Other policies</p>	<p>***</p>

IV. Annual activity report data:

Explanatory note:

“MS shall report, in accordance with their national legislative framework, on assets and liabilities, claims paid and recoveries, new commitments, exposures and premium charges.”
From Regulation 1233/2011, Annex 1.

Member States that have more than one ECA should do one single integrated report (reporting obligation is on the Member State as such, not the ECA). Where a MS offers at the same time different types of products (pure cover and direct lending), the reporting under chapter IV should however differentiate.

A) In case of official support is provided in the form of export credit guarantee or insurance (“pure cover”) in the sense of Art 5 a 1) OECD Arrangement:²	
Overview of assets	
Overview of liabilities	
Aggregate nominal risk exposure:	
• 01-01-2019	
• 31-12-2019	
a.) nominal risk exposure under insurance policies issued:	
• 01-01-2019	
• 31-12-2019	
b.) nominal risk exposure under promises and notices of cover:	
• 01-01-2019	
• 31-12-2019	
Premium Income	
Recoveries	
Claims paid	
B) In case official support is provided in the form of Official Financing Support in the sense of Article 5a2) OECD Arrangement:	
Overview of assets	CZK 43,876 mil. (approx. EUR 1,727 mil.) Note: Total Assets of CEB
Overview of liabilities:	CZK 36,705 mil. (approx. EUR 1,445 mil.) Note: Total Liabilities of CEB
a) nominal value of officially supported loan portfolio	
• 01-01-2019	CZK 46,060 mil. (approx. EUR 1,790 mil.)
• 31-12-2019	CZK 37,769 mil. (approx. EUR 1,486 mil.)
b) total value of off balance commitments	
• 01-01-2019	CZK 6,110 mil. (approx. EUR 237.5 mil.)
• 31-12-2019	CZK 3,373 mil. (approx. EUR 132.8 mil.)
Interest received	CZK 1,304 mil. (approx. EUR 51.3 mil.)
Annual profit/loss	CZK 65.7 mil. (approx. EUR 2.6 mil.)

V. Contingent liabilities

Where contingent liabilities might arise from officially supported export credit activities, those activities shall be	Bank Guarantees issued and reported under total off-balance commitments: CZK 1,390 mil. (approx. EUR 54.7 mil.)
--	--

² Member States not using EUR should report the figures in their national currency and in EUR

reported:	<i>Please note: these data do <u>not</u> relate to any specific industry sector.</i>
-----------	--

VI. Evaluation and incorporation of environmental risks

Environmental risks:	<p>Environmental risks are treated as well as social ones in full compliance with the current version of the OECD Council document “Recommendation of the Council on Common Approaches for Officially Supported Export Credits and Environmental and Social Due Diligence”.</p> <p>Once environmental risks of a project are identified and assessed, a series of recommendations is developed in order to minimize such risks and negative impacts of the project, the implementation of which is both stated in an appropriate form in the contract and monitored on a regular basis as well.</p>
a) Number/exposure of transactions Category A	2 in 2019
b) Number/exposure of transactions Category B	1 in 2019
How are environmental risks, which can carry other relevant risks, taken into account in the officially supported export credit activities?	<ul style="list-style-type: none"> • EGAP takes into account all environmental and social risks of the supported project from the beginning of negotiations for the export support. During the assessment of environmental and social risks EGAP cooperates with independent external environmental experts officially certified by the Ministry of Environment. It is the aim of EGAP that the transaction will be completed in a socially and environmentally responsible manner. • Once environmental and/or social risks of a project are identified, EGAP develops, in cooperation with its co-operating external experts, a series of recommendations in order to address and minimize those risks. Implementation of recommendations is regularly monitored through the contract. • In case of export credits granted by CEB and exceptionally not insured by EGAP, CEB takes into account all environmental and social risks of the supported project from the beginning of negotiations.