



# Selected economic and financial risks

## Topic 4: Credit risk

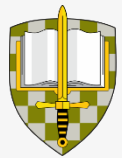




# Aim of the topic

- The aim of the topic is to acquaint students with the products of commercial financial institutions and socio-pathological phenomena that are the result of financial problems in connection with risk.





# Content

- **Credit risk**
- **Banking sector products**
- **Loan**
- **Saving**
- **Impacts associated with personal finance risks**

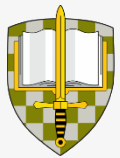




# Credit (credit) risk

- It follows from reluctance or inability to repay liabilities.
- As Credit is referred to as the most well-known banking product that bears credit risk is a bank loan.
- The bank within the banking system, examines the client's application for a loan, for this reason verifies the so-called creditworthiness of the client.
- The quantification of this form of risk on the part of the bank is most often used scoring model.





# Banking products sector





# Loans

For personal and family finances, the classification of loans according to:

- borrower,
- forms of loan provision,
- loan maturity,
- the purpose of using the loan,
- the method of securing the loan,
- currencies, etc.





- **Consumer loan**
- **Mortgage loan**
- **Installment sale**
- **Credit cards**
- **Leasing**





# Saving

## Deposits and their classification

- The client does not borrow funds from the bank, but instead stores them in it. It collects interest for this deposit

Deposits in bank accounts can be divided into:

- current deposits,
- savings deposits,
- term deposits,
- other deposits.







- **Current accounts**
- **Term accounts**
- **Savings accounts**
- **Building savings**
- **Pension supplementary insurance**





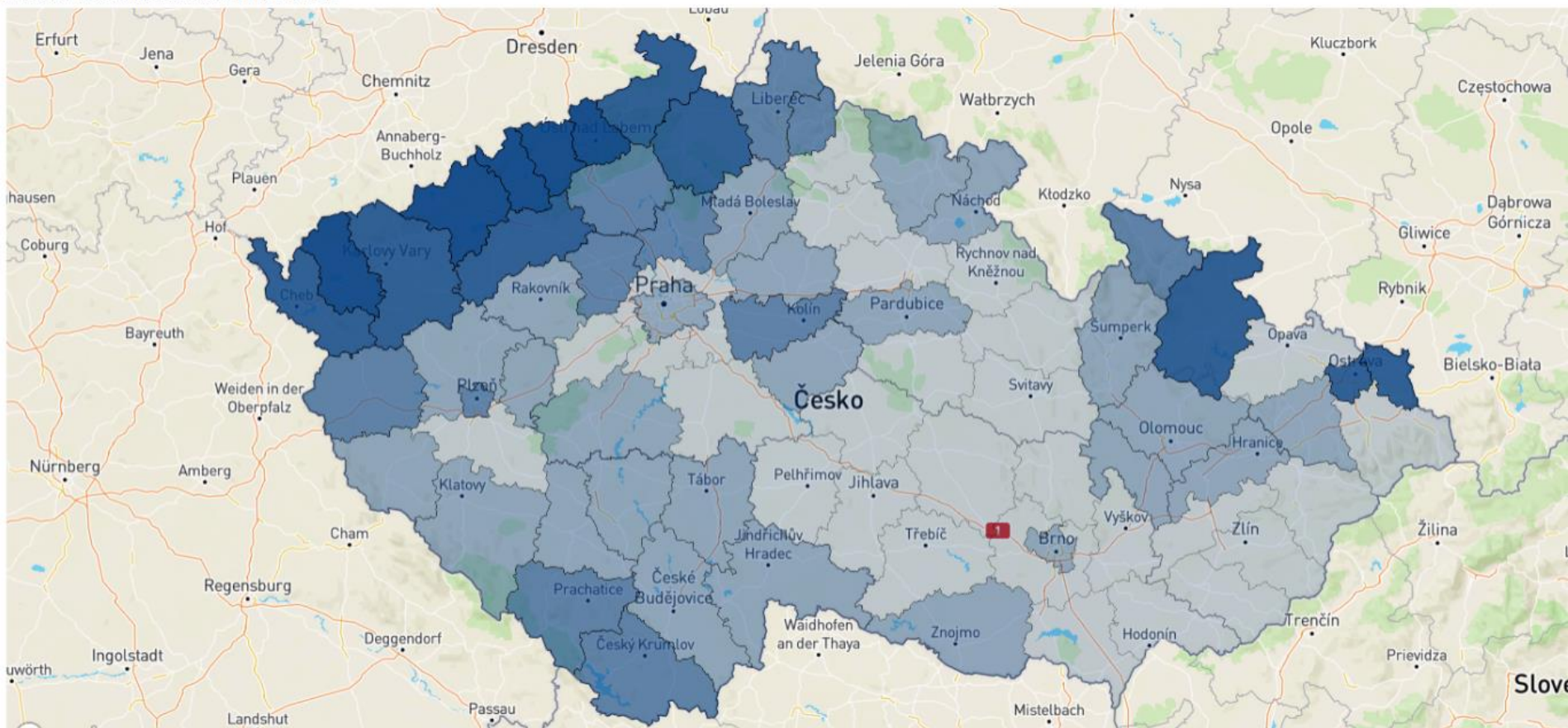
# Impacts associated with personal risks finance

- Execution
- Criminality





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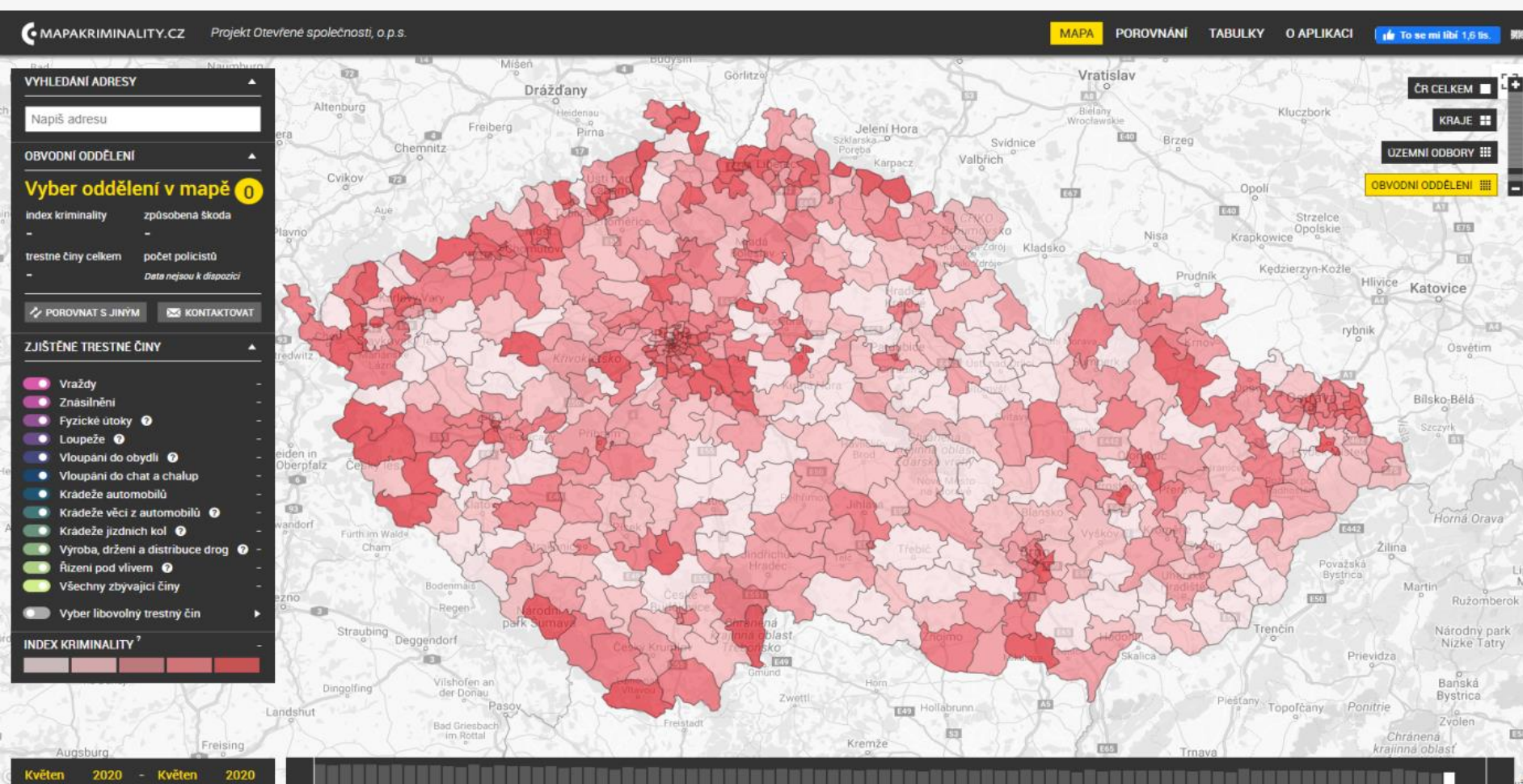


### Giant. 1 Map of the Czech Republic according to the frequency of executions

Source: ECCR statistics available at [online]: <[https://statistiky.ekcr.info/?p=article & id= 87 & title =statistics & w=](https://statistiky.ekcr.info/?p=article&id=87&title=statistics&w=)>







## Giant. 2 Crime map

Source: Mapakriminality.cz available at [online]: <<https://www.mapakriminality.cz/>>





## Data on executions in the Czech Republic

- TOOn 22 February 2020, 4,476,069 executions were carried out in the Czech Republic. There are 783,053 active execution cases as of this date. In 2019, 499,512 new executions were added.
- Interactive map of executions and crime:
- execution map:
  - <http://mapaexekuci.cz/index.php/mapa-2/>
  - <https://statistiky.ekcr.info/?p=clanek&id=87&nadpis=statistiky&w>
- crime map:
  - <https://www.mapakriminality.cz/>





# Resources on the topic

- DVOŘÁK, P. Banking for bankers and clients. Prague: Linde Prague, 2005, p. 261
- Bailiffs' Chamber of the Czech Republic. Basic statistical data. Available[online] on: <https://statistiky.ekcr.info/statistiky>
- Ministry for Regional Development of the Czech Republic. Execution proceedings. Available[online] on: [https://www.mmr.cz/getmedia/d96d4621-9234-4abc-bb6a-9c1a3e217a3f/Exekuce\\_28\\_5\\_2015.pdf](https://www.mmr.cz/getmedia/d96d4621-9234-4abc-bb6a-9c1a3e217a3f/Exekuce_28_5_2015.pdf)
- PŮLPÁNOVÁ, S. Commercial Banking in the Czech Republic. Prague: Publishing house Oeconomica, 2007, p. 256.
- PŮLPÁNOVÁ, S. *Commercial banking in the Czech Republic*. Prague: Publishing house Oeconomica, 2007, p. 299
- REVENDA, Z. et al. Monetary economics and banking. Prague: Management Press, 2005, p. 181.
- ŠEVČÍK, A. Banking I. Brno: Masaryk University in Brno, 2005, p. 52.
- *Personal finance* by Petr Málek, Gabriela Oškrdalová and Petr Valouch. Source: MÁLEK, Petr; OŠKRDALOVÁ, Gabriela; VALOUCH, Petr. Personal finance. 1st ed. Brno: Masaryk University, 2010. 203 pp. ISBN 9788021051577. kapitola 3.a 4.)
- VALOUCH, P. Leasing in practice. Prague: City publishing, 2009: p. 9
- Building Savings Act No. 96/1993 Coll.

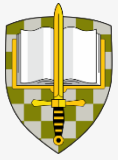




# Tasks and questions on the topic:

1. Based on what criteria we can distinguish different groups of loans
2. What is the difference between financial and operational leasing?
3. How can we classify deposits in bank accounts?
4. How is execution related to financial risks?
5. How many execution cases are there in the Czech Republic in which parts of the Czech Republic do we record the most cases and how can this fact be caused?





# Thank you for your attention

