TRANSFER OF DIVIDENDS TO SHAREHOLDERS OF BANKS FROM THE CZECH REPUBLIC ABROAD

Vladislav Pavlát[1] and Otakar Schlossberger[2]

Associate Professor Ing. Vladislav Pavlát, CSc.[1]
University of Finance and Administration,
Faculty of Economic Studies,
Department of Finance
Prague 10, Estonská 500
Email: vladislav.pavlat@vsfs.cz

Assistant Professor JUDr. Ing. Otakar Schlossberger, Ph.D.[2]
University of Finance and Administration,
Faculty of Economic Studies,
Department of Finance
Prague 10, Estonská 500
Email: otakar.schlossberger@vsfs.cz

Abstract
During the privatization of the largest banks in the Czech Republic, their new foreign owners acquired majority position, which implicates the right of foreign shareholders to transfer dividends outside of the territory of the Czech Republic. The current practice of the International Monetary Fund suggests that in case capital outflows could endanger the financial stability of the given country, governments should consider the implementation of capital movement control measures. The objective of this study is to verify whether the outflow of dividends to the foreign shareholders of the Czech banks could have adversely affected the country's financial stability in the period of 2007-2010. The first part of the study characterizes the four largest banks in the Czech Republic and their dominant position in the Czech banking sector. The second part estimates the amount of dividends paid out. The third part of the study examines whether "parent" foreign banks factually drew financial assets from the country. The results of the study are as follows: 1. Finding that the scope of the dividend outflows was not such that it could endanger the country's financial stability and that no significant outflow of capital from the Czech Republic took place; 2. Finding that in case of any future risks to the financial stability, the Czech National Bank has the necessary control measures at its disposal; however, due to the membership of the Czech Republic in the EU, the CNB would have to carefully consider any restrictions on outflows of capital from the country.
The study has been prepared under project GAČR no. 13-08549S entitled "Post-crisis banking regulation and its impact on the economic activity within a small, export-oriented economy".

Keywords: Privatization, transformation, share capital structure, systemically important banks, dividends, transfer.

JEL Classification: G21, G28, F33, F36

Introduction

Specific reasons for exploring the capital inflows and outflows exist in countries, which underwent the transformation of their respective economies in the 1990s, i.e. in the period of transition to the market economy, from the commencement of privatization processes, including the banking sector. In addition to common transformation features, each of the countries also has different ones: the transformation policy of individual countries relied on the complex of distinct "starting" conditions, with factors of the previous historical development also being quite significant, especially the development level of the given economy. Moreover, the fact whether it concerned large or medium-sized and smaller countries, for which the problem of being involved in international economic relations tends to be of varying importance, also played a significant role.

The Czech Republic started the transformation process in a specific manner: by means of a voucher privatization, which was expected to assist in resolving a number of economic and political issues. More than a decade later, the views of domestic and international experts regarding the successfulness of the transformation policy continue to vary. Due to many adverse effects of the voucher privatization on the majority of its participants and as a result of certain economic/political decisions made during the 1990s, it is becoming apparent that some members of the general public are not satisfied with the attained results, believing an alternative path could have been taken. There are many doubts regarding the benefits or disadvantages of investments made in the Czech Republic by foreign investors, as was the case during the transformation period, among others on the basis of the economic policy prevailing at the time and the associated complex of legal regulations. Furthermore, the history of the Czech banking sector transformation tends to be often mentioned in various discussions. The views regarding its results and consequences are very polarized.

We do not believe that the above mentioned recriminations should lead to refusing the free movement of international capital. The International Monetary Fund (hereinafter the "IMF") rightfully continues to consider the preservation of the free movement of international capital as one of the preconditions for growth of the global economy. In consideration of the experience with the global crisis and the need to strive for the financial stability, the IMF has been differentiating and elaborating its position; it has, among others, been drawing attention to the issue of capital outflows and the forms of controlling them [3].

1. Characteristics of the four largest banks and of their importance for the banking sector in the Czech Republic

It is safe to say today that large foreign banks acquired the majority in the largest privatized Czech banks at a very low price during the privatization process. There is a frequent general opinion that those banks should not have the opportunity to transfer the majority of their profits (mainly generated due to relatively high fees for the provided services) abroad, as they should reinvest the generated profits in the Czech Republic to promote economic growth and development.

These arguments express the concerns of some of the Czech general public relating to the consequences of the latest events in the financial sector of the European Union: they result from the potential impact of resolving the Greek crisis. They are also fueled by deliberations regarding the "multi-speed" European Union (hereinafter the "EU"), preparations for the establishment of the banking union of the Euro area member states, single banking supervision of the Euro area member states, etc. [6]. These concerns cannot be downplayed: it is necessary to lead serious discussions on them, using theoretical findings as well as the knowledge of difficulties related to their practical application.

This paper only addresses a part of the entire complex of the above mentioned issues, particularly deliberations on the potential outflows of financial assets from the four largest domestic banks, which basically control the Czech banking sector. The key form of capital outflows is the transfer of dividends paid out by banks (joint-stock companies) to their shareholders abroad. The outflow of dividends represents a form of capital outflow, which is the most exposed one and which can be objectively monitored. In addition to these flows, there are other forms of financial assetmovements, which are not as exposed and are less demonstrable; however, they also result in some doubts on the part of the general public (especially on the part of journalists, as quasi-representatives of the general public).

In addition to the transfer of dividends to foreign shareholders, the potential legal forms of transfers of financial assets comprise the following: provision of a loan by a bank in the Czech Republic to its parent company abroad, utilization and remuneration of services of subsidiaries, revaluation of receivables (off-balance sheet items) with an impact on the consolidated balance of the financial group/conglomerate, or partial sales of assets of a bank operating in the Czech Republic to the parent foreign bank [7].

The global importance of the Czech Republic in the area of capital transfers is marginal; however, the position of the Czech Republic as the capital recipient and the issues it must deal with in this position play a significant role. The same also applies to capital outflows abroad.

Concerns relating to potential adverse effects of the outflow of financial assets, particularly dividends of shareholders of Czech banks privatized by foreign financial institution prior to the accession of the Czech Republic to the EU, were already subject to expert discussions prior to the said accession of the Czech Republic to the EU. It is safe to say that the adverse effects were basically expected (already prior to the onset of the global financial crisis of 2007). The concerns were mainly induced by the fact thatthe Czech banking sector was effectively and almost entirely controlled by foreign institutions, usually from the EU member states, already in 2006. In the past two years, the Czech general public has been more intensively interested in finding out whether it entrusts its financial funds (savings and investments in various products) in banks, which are considered to be "Czech", or in foreign banks. This is also supported by the results of a public inquiry carried out by the company SANEP, s. r. o. during the summer of 2012[5].

As of 31 December 2006, 97% of banking assets were held by foreign entities;with 75% for insurance companies. Numerous property-related transfers took place in the banking sector during the period of 1999-2006. At the end of 2006, around 70% of banking transactions concerned EU member states. The largest share of such transactions concerned Belgium, France, and Austria. This is understandable, because the registered offices of "parent" banks that control ČSOB, Komerční banka, and Česká spořitelna are located in those countries. Only around 8% of transactions concerned financial institutions owned by American banks at the time. Foreign shareholders with a share exceeding 5% of the registered capital originated from 9 countries in 2006.

According to information published as of the end of 2007, the foreign owners of banks privatized prior to the accession of the Czech Republic to the EU, invested around CZK 102 billion in transactions related with the privatization process. Nearly two-thirds of the privatization costs, specifically CZK 58 billion, were already recovered in 2007. The aforementioned amount of CZK 58 billion basically comprised dividends paid out to the new foreign shareholders during the period under review. The outflow of dividends from the Czech Republic represents a negative item on the current account of the balance of payment of the Czech Republic.

Until 2007, when the transposition of the EU regulations in the Czech system of laws was completed (particularly in connection with the application of the MIFID), some facts relating to the financial transfers were not recorded in more detail. Based on the MIFID, the records relating to banking and other financial transactions were perfected and stricter procedures were applied, etc. The new measured introduced at the time comprised the following, for example: introduction of the publication of external audits, stricter rules for the monitoring of bank risks, monitoring of transactions with related parties, etc. Moreover, the regulations on financial conglomerates came into effect in the Czech Republic[16].

Only one banking conglomerate was identified in the Czech Republic in 2007, in connection with the introduction of the relevant provisions relating to the supervision over financial conglomerates. Nevertheless, it is necessary to state that in some cases (or actually in most cases) it is difficult, if not impossible, to identify the final owners – bank's shareholders, because the form of a joint-stock company allows for "chains" of owners of banks' shares.Many companies (including nonbanking or nonfinancial companies, as appropriate), which benefit from the financial involvement of banks, are based in tax havens, which prevents identification of beneficial owners in terms of applicable legal regulations [17].

The banks, which are discussed in this paper as a result of their cardinal importance for the Czech banking sector, differ from one another by their basic parameters, scope of activities, importance for the economy of the Czech Republic as the host country (attention, do not confuse with the term "host country" in connection with the single European license [14]), and the results of their activities.

Both Société Générale and KBC are global, systemically important banks on the list of the so-called G-SIFIs (i.e. global systemically important financial institutions), the activities of which are regulated more severally under the Basel III international agreement than the activities or other (still large) banks. On the other hand, Erste Bank and UniCredit Bank were not included in the list; however, they are considered as very important European banks. They belong in the group of 150 European banks, which – as a result of their European importance – should soon be subject to stricter regulations compared to local banks under the plans of the FSB (Financial Stability Board).

Komerční banka, a. s. and Československá obchodní banka, a.s., whose current parent companies are included in the list of 29 strictly regulated and monitored systemically important banks, are crucial for the stable development of the Czech banking sector in terms of systemic importance. Their potential collapse could result in a domino effect. With regard to the issue of transfers, the shareholding structure of the four banks discussed in this study is significant. The four "Czech" banks under review greatly differ in terms of their shareholding structure.

According to the 2010 annual report of Komerční banka, a. s. [13], Komerční banka had the following large shareholders as of 31 December 2010 (with a share in the registered capital in excess of 3%) according to an extract from the issuer's register taken from the Central Securities Depository Prague: Société Générale, S.

A. (60.35%), followed by Chase Nominees Limited (4.97%), Nortrust Nominees Limited (4.59%), and STATE STREET BANK AND TRUST COMPANY (4.42%).

According to the 2010 annual report of ČSOB, a.s. [12], ČSOBis a fully owned subsidiary of KBC Bank NV. The sole owner of KBC Bank is the KBC Group NV. Both companies are based in Brussels (Belgium). As of 31 December 2010, the ČSOB Group had an ownership interest in 36 legal entities, whereas 27 companies were included in the consolidation unit (in addition to the parent bank).

The 2010 annual report of Česká spořitelna, a.s. [10]shows that the company EGB Ceps Holding GmbH owned a 97.987% share in the registered capital of Česká spořitelna. The company EGB Ceps Holding GmbH is a fully owned subsidiary of EGB Ceps Beteiligungen GmbH, which – in turn – is a fully owned subsidiary of Erste Group Bank AG.

According to the 2010 annual report of UniCredit Bank Prague [9], the registered capital of UniCredit Bank Prague was fully owned by UniCredit Bank Austria AG. The above mentioned data are relevant for estimating the importance of potential transfers of financial assets of the above mentioned banks for the economy of the Czech Republic.

2. Transfers of financial funds in the form of banks' dividends from the Czech Republic abroad in the period of 2007-2010

The overview of dividends awarded to the shareholders of the banks under review is prepared on the basis of annual reports published in individual years (2007-2010). The data on dividends in the annual reports of the banks under review are not in a unified form. They also differ in terms of individual annual reports of one bank, both in respect of the content and the formulation of the relevant information and of the location of the information in annual reports. In searching for the data on dividends, we examined all available annual reports of individual banks and recorded the identified formulation on dividend allocations.

The annual reports usually specify the resolution of the general meeting on the approval of the amount of dividend per share as well as the information on the total amount of profit, which is to be paid out in the form of dividends. However, there are no data or records that would state, whether, and if so when, such dividends have actually been paid out. Therefore, the data on the awarded dividends shown in Table no. 1 serve for information only. Moreover, the data cannot be used to reliably assume, whether the dividends of foreign shareholders of the banks under review were in fact repatriated or not.

Consequently, it is beneficial to rely on the hypothesis that it is not likely the dividends were not repatriated, because the transfer of such dividends to the country of domicile of foreign shareholders results from the rational reasoning behind the acquisition of shares of companies in foreign (host) countries. Naturally, we cannot rule out situations, where the recipients of the dividends may retain some of the funds in their accounts in host countries; however, such cases are not very frequent and are thus disregarded.

Table no. 1 Amount of dividends awarded to shareholders of the banks under review
(2007-2010, in bn. CZK)

Bank / Year	***2007***	***2008***	***2009***	***2010***
Česká spořitelna	4.560	N/A	15.504	4.560
ČSOB	9.542	0.679	17.389	17.820

Komerční banka	5.711	6.800	6.842	10.263
UniCredit Bank	1.000	0.750	2.700	2.800

Source: Annual reports of the above mentioned banks in the period under review
Note: The table contains data on dividends awarded to the banks' shareholders for the given year.

The above mentioned data may not be entirely accurate. Potential differences may stem from the fact the annual reports show dividends per share as well as the total amount of dividends awarded in a specific year.
However, the data specified in an annual report for the relevant year, in which such annual report was published, do not always relate to that year, as they may concern the previous year. Some annual reports fail to provide the information about the total amount of dividends paid out. Therefore, it is beneficial to consider the data on the awarded dividends as for information only; for this reason, we refer to them as estimates.
In 2007, 2008, 2009, and 2010, the shareholders of the four banks we discuss in this paper decided, during their respective general meetings (as apparent from their annual reports) to pay out dividends in the total amount of slightly under CZK 100 billion. According to the data show in Table no. 1, the dividends amounted to CZK 106.920billion.
The total dividend amount may be broken down as follows: shareholders of Česká spořitelna – CZK 24.624 billion in total; shareholders of Komerční banka – CZK 29.616billion in total; shareholders of ČSOB – CZK 45.430 billion in total; and shareholders ofUniCredit Bank Czech Republic – CZK 7.250billion in total.

The share capital of ČSOB, a.s. and UniCredit Bank Czech Republic, a.s. is fully owned by foreign shareholders. With regard to Česká spořitelna, a.s., nearly 99% of the share capital was controlled by foreign owners. In terms of Komerční banka, a.s., foreign shareholders owned approximately three-fourths of all shares. In case we consider the assumed transfer of dividends from such banks abroad in the given period, we believe it took place in full, i.e. in the total amount of CZK 106.920billion.

Theoretically, foreign shareholders may transfer their dividends at the moment the general meeting awards them the right to collect them. However, in practice, this is technically possible with some delay, the duration of which cannot be estimated more precisely.
Dividends of the banks' foreign shareholders usually do not enter the economic cycle of the host country. They represent an outflow of financial funds from the host country, shown with a minus sign in the balance of payment. From this perspective, this may be considered as a certain loss for the host country – as a loss of opportunity to retain the dividends in the country as a potential source of investments.

3. Were the "parent" foreign banks forced to draw their financial assets from the Czech Republic?

In case a foreign "parent" entity prospered even after the crisis (and does not have to repay potential subsidies or other support received as a result of the global financial crisis to its "home" state), we can assume such bank does not have to draw the funds from its foreign entities, provided they generate profits; we can assume such bank is more likely to try to keep or further promote its position on the financial markets of the host country (i.e. in the Czech Republic in our case).

What were the economic results of the parent companies of the four banks under review in the period of 2007-2011? The data in Table no. 2 suggest that 3 of the banks generated profits during the entire period under review; only KBC recorded a loss in 2008 and 2009. The situation of individual banks – or banking groups, as appropriate – changed year by year during the period under review; 3 banks had to seek government aid, with UniCredit being the only bank that did not have to resort to this.

Table no. 2: Profit/loss of the banks under review in the period of 2006-2011 (in mil. EUR)

Bank / Year	*2006*	*2007*	*2008*	*2009*	*2010*	*2011*
Erste Bank	1,182	1,550	1,039	976	1,186	562
UniCredit Bank	6,128	6,678	4,529	2,035	1,644	8,842
Société Generale	5,789	1,604	2,773	1,108	4,302	N/A
KBC	3,593	3,403	-2,379	-2,547	1,888	N/A

Source: Annual reports of the banks in the period under review

Notes:
1. The results for all banks have been taken from the Income statement tables.
2. SG always publishes its information for the previous year, i.e. the Regulated information 2012 comprises data of 2011, etc.
3. Some of the above mentioned banks exceptionally did not publish their annual reports for some of the years during the period under review. Société Générale failed to publish its annual reports in 2006 and 2007, while KBC did not publish its annual report in 2011. We cannot rule out the possibility that the annual reports that have not been published so far may have been published in a manner other than the standard manner or that they may still be published. Erste bank published its annual reports for all the years under review, i.e. in the period of 2006-2011.

During the period of the financial crisis, Erste Bank received financial aid from Austria in the amount of EUR 1.2 billion. The Austrian government provided EUR 5.9 billion in total to banks at risk during the period of the crisis; the aid was specifically provided to the following banks: Erste Group Bank, Raiffeisen Bank International AG, Bawag SK Bank, Oesterreichische Volksbanken, and finally also Hypo Alpe-Adria Bank International.
The Belgian group KBC received state aid of EUR 7 billion on the basis of an agreement with the European Commission. The Société GénéraleGroup received financial aid of EUR 3.4 billion from the French state agency SPPE.
With regard to UniCredit Bank, we have not found any information suggesting the bank received any financial support from the Italian state. As a result of the conservative policy of Italian banks, the Italian financial sector was not significantly affected by the financial crisis of 2008 at first.It was only affected by the bond market crisis in 2011. The Italian government and the private sector have the most debts to French banks (BNP Paribas and Société Générale).

The data regarding the development of profits of the banks (banking groups, as appropriate) under review suggest that the specified "parent" banks were unlikely forced to drawn financial assets from the Czech Republic – in addition to the repatriation of dividends. In case this took place legally (e.g. via subsidiaries of parent companies operating in the Czech Republic), it clearly did not have to concern significant amounts. However, this assumption is not supported by verifiable facts.

The aforementioned opinion is also corroborated by the fact the banks (e.g. Česká spořitelna, a.s.) left retained profits in their respective accounts. According to the data from the 2011 annual report of Česká spořitelna [11] (Consolidated statement of changes in equity for the year ended 31 December 2011), the retained profit amounted to CZK 52.114 billion as of 31 December 2010 and to pregnant CZK 61.218 billion as of 31 December 2011. What is going to happen to those profits?Analogically, we could ask how KBC will decide about the profits of ČSOB.
The activities of the four banks under review were not a serious threat for the Czech economy during the global financial crisis, as they were able to deal with the crisis well. The position of the Czech Republic outside of the Euro area protects the local economy and financial sector to a certain extent, and – until the banking supervision is centralized in the ECB (provided this actually takes place in the foreseeable future) – the Czech Republic may retain certain autonomy in decision making. We can then objectively assume that it will most likely be possible to deal with potential adverse effects within the Czech banking sector in a medium-term horizon.
However, due to the not so optimistic outlook of the banking sector, it is high time to prepare for potential changes in the climate and the Czech banking sector. Some banks (e.g. Česká spořitelna and others) are already changing their structure and have decided to partially reduce the number of their employees.

3. Is it possible to regulate the outflow of financial assets from the banking sector?
Naturally, such possibility exists, at least theoretically. Firstly, the global financial crisis has induced the need to improve the mechanisms for the control of international capital flows – both on the national and international level [2]. Secondly, following its accession to the European Union in 2004, the Czech Republic found itself in a position of a country that has to open up its economy, including the financial system, to other entities domiciled in other EU member states (as a result of the long-term integration objective in the form of an effort for creating a common market of goods, capital, and labor), a country that simultaneously develops its economic relations with countries outside of the European Union as well. Thirdly, the specific position of the Czech Republic is also preconditioned by the fact that the single currency of the EU – i.e. the euro – has not been introduced in the Czech Republic (cf. with, for example, [4]).

The above mentioned factors are reflected, among others, in the regulation of capital flows, as there are specific modalities in the control of capital transfers between the Czech Republic and EU member states. The Czech National Bank must be informed about such transfers and must carefully monitor them; an institute of the so-called cross-border committees has been adopted to resolve practical issues arising within the financial sector (e.g. issues associated with the system of payments, grating of licenses, etc.). However, interventions of the CNB are basically limited to breaches of rules applicable within the Czech financial sectors that relate to price stability and newly also financial stability (i.e. relating to the basic objectives for activities of the CNB), not to say events affecting the stability of the Czech currency [15].

In addition to the fulfillment of all of its obligations arising from the EU membership, the Czech Republic is also bound by obligations resulting from its membership in other international organizations and/or under international treaties it has signed. This concerns, for example, the International Monetary Fund, the Bank for International Settlements, and a number of other organizations and institutions.
Significant changes have been taking place in this area for several years, mainly associated with the Basel III agreement. In terms of the changes, it is desired to achieve a balance between the national and international regulation of the financial sector, while improving coordination between the national and international regulation and supervision. The Czech Republic is in a position, where it (as a small state) cannot directly

affect the resolution of the above mentioned issues; however, it should not stay outside of the main areas of interest of the group of relatively developed countries, in which it belongs. These factors also result in the fact, among others, that the position of the Czech Republic is strongly determined by the compliance with international agreements, application of standards arising from such agreements, and maintenance of the financial sector stability. It is safe to say the Czech Republic has been successful in this regard so far [18].
Based on the above mentioned facts, we can draw a conclusion that potential restriction of capital transfers (e.g. by restricting outflows of dividends) is not viable for the Czech Republic. However, it is necessary to generally prevent illegal transfers or breaches of specified rules, which govern the international movement of capital.

CONCLUSION

The recent developments within the banking sector of member states of the European Union comprise some elements that could – in foreseeable future – start endangering the fragile price and financial stability of the Czech Republic.

Under the prevailing conditions and in spite of growing efforts of international institutions for ensuring higher transparency of international movements of capital, there are insufficient data that could be used to more accurately "decipher" the ownership relations behind such capital flows. It is thus necessary to apply expert estimates, the reliability of which often tends to be limited. It is beyond any doubt that the shareholders of all four banks under review generated considerable dividends during the examined period, and we can assume such dividends were transferred abroad.

As long as the examined banks were able to keep the fees for their services in the Czech Republic at a higher level compared to many other countries of the EU [1], their foreign head offices did not have to be necessarily interested in drawing the generated profits from the banks in the Czech Republic, which were not seriously affected by the crisis. However, this situation may not last in a long-term, if only due to the fact that more important banks will have to address the issue of improving the quality of its capital, generation of new types of reserves, and other obligations arising from the fulfillment of the requirements under Basel III. (Note: A project is currently being implemented for creating an identifier of financial entities, the present absence of which prevents deeper knowledge of the financial sector structure and particularly mutual interconnection of financial entities. Cf., for example, the fundamental paper on this issue [8]).Other potential forms of transfers of financial assets from the banks under review abroad are difficult to identify (and often not practicable due to the lack of available data). However, this is not to say the Czech authorities do not have such data. We have only drawn attention to some legal ways of transferring financial assets abroad; we did not consider illegal transfer; however, it is safe to assume their existence as well –among others due to "grey" economy, shadow banking system, and pro-corruption environment still prevailing in the Czech Republic.

In the current globalizing economy, potential risks may, literally overnight – by a wave of a magic wand - turn into real losses. The consequences could be very negative for the Czech financial sector, unless it is sufficiently prepared for the existing risks.

References:

[1] Bank fees. *Current information, 2012*. Available at: http://www.bankovnipoplatky.com.

[2*]* G20. *Coherent Conclusions for the Management of Capital Flows Drawing on Country Experiences as endorsed by G20 Finance Ministers and Central Bank Governors*. October 15, 2011. Report 111015. Available at: www.mofa.go.jp/policy/economy/g20_summit/2011/pdfs/annex05.pdf.

[3] International Monetary Fund. *Liberalizing Capital Flows and Managing Outflows*. March 13, 2012. (cit. 2013-04-14). Available at: htttp://www.imf.org/external/np/pp/eng/2012/031312.pdf

[4] MARKOVÁ, J. *Mezinárodníměnováspolupráce.* 1st edition, Prague: Oeconomica, 2006. ISBN 80-245-1053-7 *(International monetary cooperation).*

[5] NACHER, P. *Anketaspolečnosti SANEP*. Available at: http://www.bankovnipoplatky.com*(Survey of the company SANEP).*

[6] Novinky.cz: *EU member states have agreed on a single banking supervision.*(quoted 2013-04-14). Available at: http://www.novinky.cz/ekonomika/298947-zeme-eu-se-dohodly-na-spolecnem-bankovnim-dohledu.html

[7] PAVLÁT, V. *Transfer, (study not published publicly). Prague: VŠFS, 2012.*

[8] POWELL, F. L., MONTOYA, M. and SHUVALOV, E. *Legal Entity Identifier: What Else Do You Need to Know?* Federal Reserve Board, Washington, D.C.2011-31.

[9] *Reports and Accounts as at December 31, 2010*. UniCredit Group, s. 45. Available at: https://www.unicreditgroup.eu/en/investors/financial-calendar/2010/ReportsandAccountsasatDecember312010.html..

[10] Annual report of *Česká spořitelna for 2010*, p.46. Available at: http://www.csas.cz..

[11] Annual report of *Česká spořitelna for 2011*, p. 66. Available at: http://www.csas.czand 2011 *Annual report of ČSOB, a.s.*Available at: http://www.csob.cz.

[12] *Annual report of ČSOB, a. s. for 2010,*p. 16. Available at: http://www.csob.cz.

[13] *Annual report of Komerční banka, a. s. for 2010*, p. 62. Available at: http://www.kb.cz.

[14] *Act no. 21/1992 Coll., on Banks.*

[15] *Act no. 6/1993 Coll., on the Czech National Bank.*

[16] *Act no. 377/2005 Coll., on Financial conglomerates.*

[17] *Act no. 253/2008 Coll., on Selected measures against legitimization of proceeds of crime and financing of terrorism.*

[18] *Financial stability report 2012/2013.* Available at: http://www.cnb.cz/miranda2/export/sites/www.cnb.cz/cs/financni_stabilita/zpravy_fs/fs_2012-2013/fs_2012-2013.pdf