

PRAGUE

EXPAT FINANCE

FREE GUIDE FOR EXPATS IN THE CZECH REPUBLIC

The Expat's Complete

FINANCES

in

CZECH REPUBLIC

Mortgages · Insurance · Investments · Practical Tips

www.pragueexpatfinance.eu

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INTRODUCTION

Why Your Finances Need Expat-Specific Advice

Moving to the Czech Republic is exciting — but the financial system can feel like a maze, especially in a second language without a local support network.

Most Czech banks and insurance companies assume their clients are Czech citizens with a permanent address, a Czech employer, and a Czech tax history. As an expat, you often fall outside these assumptions — you need advice tailored to your situation.

This guide covers the four areas that matter most:

- › Getting a mortgage as a foreigner
- › Choosing the right insurance coverage
- › Building wealth through smart investments
- › Practical financial tips for your first year

□ This guide is a starting point, not a substitute for personal advice. Every expat's situation is unique — book a free consultation to discuss your specific circumstances.

CHAPTER 1

Mortgages for Expats in the Czech Republic

Buying property in Czechia is achievable as an expat — but the process differs from home. Understanding the system early saves time, money, and frustration.

Can expats get a Czech mortgage?

Yes — EU citizens and many non-EU nationals can obtain a mortgage in the Czech Republic. Banks assess income, employment type, residency status, and credit history. The key is knowing which banks are most expat-friendly.

What do Czech banks look at?

- › Income verification — payslips, contract, or for self-employed: tax returns and bank statements
- › Residency permit — permanent residency strengthens your application; temporary is usually accepted
- › Credit history — Czech banks check the BRKI and SOLUS registers; a thin local file can be a challenge
- › Down payment (LTV) — typically 10-20% of the property value required
- › DSTI (Debt Service to Income) — banks internally monitor the ratio of total monthly loan repayments to net income. Staying below approx. 45% is advisable, though thresholds vary by bank. Note: DTI (Debt to Income) is a separate indicator applied mainly for investment property mortgages (3+ properties), per updated market practice from April 2025.

Typical mortgage terms

Fixed for 1-10 years, repayment up to 30 years. Rates have stabilised after the 2022-2023 peak and are trending downward. Well-qualified applicants: approx. 4-5.5% p.a.

Banks we work with

As independent advisors we work with Česká spořitelna, ČSOB, Komerční banka, UniCredit Bank, Raiffeisenbank, Oberbank and mBank on your behalf — compare the market in one meeting, at no extra cost.

The mortgage process — step by step

1. Pre-approval — Indicative offer before property hunting — defines your budget.
2. Find a property — With pre-approval you can move quickly and confidently.
3. Full application — Income proof, property details, ID, residency permit.
4. Property valuation — Bank commissions an independent valuation.
5. Signing & registration — Mortgage agreement, purchase contract, katastr nemovitostí registration.

□ **An independent mortgage advisor gives you access to competitive offers from all major Czech banks in one meeting — at no extra cost.**

CHAPTER 2

Insurance — Health, Life & Property

Insurance in Czechia is well-developed but complex. Understanding which coverages are mandatory, which are highly recommended, and which are optional is essential.

Health insurance

Mandatory for all residents. Employees are automatically enrolled in the public system (veřejné zdravotní pojištění) and the employer pays most of the premium. Self-employed or non-employed persons must arrange coverage independently.

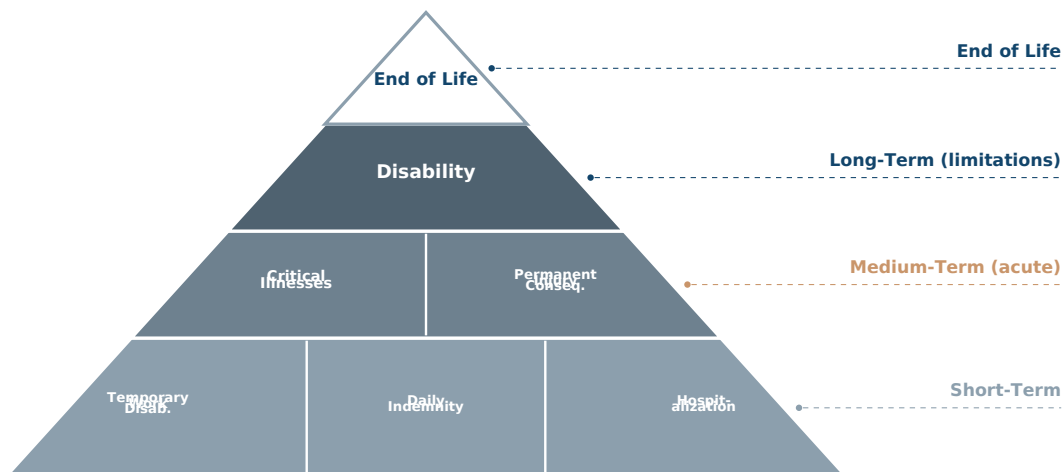
EU EHIC cards work temporarily but do not replace local long-term coverage. Non-EU nationals on long-term visas must hold Czech-approved commercial health insurance.

Life insurance — Risk Coverage Pyramid

The pyramid on the next page illustrates how risk coverage addresses different time horizons.

RISK COVERAGE

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End of Life

- > Financial security for dependents; replaces lost household income.
- > Covers loans and supports dependent children.
- > Often the first income source before survivor pensions are processed.

Long-Term (limitations)

- > Covers lifelong income loss due to recognised disability.
- > Maintains the family standard of living.
- > Compensates for future income loss considering disability pension.
- > Enables early repayment of mortgage obligations.

Medium-Term (acute)

- > Covers unexpected treatment expenses.
- > Supplements lost income during treatment.
- > Critical Illnesses: specialist doctors and premium healthcare.
- > Permanent Injury: rehabilitation, home adaptations, prosthetics.

Short-Term

- > Income replacement when temporarily unable to work.
- > Temporary Work Disability compensates for lost income.
- > Daily Indemnity (bolestné): monetary allowance for suffering.
- > Hospitalisation: compensation per night in hospital.

Note: Investment life insurance (unit-linked) combines insurance with an investment component. We generally do not recommend it as a primary protection tool — pure risk insurance is more cost-effective and transparent.

Property insurance

Pojištění nemovitosti covers the structure; pojištění domácnosti covers contents. Both strongly recommended. Some mortgage providers require property insurance as a loan condition.

□ Many expats are over-insured in some areas and dangerously under-insured in others. A 30-minute insurance review can save thousands of crowns per year.

CHAPTER 3

Investments & Building Long-Term Wealth

Building wealth as an expat requires a clear strategy spanning currencies and jurisdictions. Getting this right from the start makes a significant difference over time.

Start with a financial plan

Before choosing any investment product, understand your goals, time horizon, risk tolerance, and currency exposure.

- › Where do I want to be financially in 5, 10, and 20 years?
- › What income will I need — and in which currency?
- › What resources do I have today, and what can I set aside regularly?

ETFs and index funds

Low-cost, diversified funds in CZK and EUR. Ideal for long-term wealth building with a regular monthly contribution.

Czech pension savings — DPS & DIP

DPS (Doplňkové penzijní spoření) — state-supported supplementary pension scheme. Employer and state contributions add to your own, tax-advantaged for Czech taxpayers.

DIP (Dlouhodobý investiční produkt) — introduced 2024. Similar tax advantages to DPS with greater investment flexibility: ETFs, funds and other instruments within the DIP wrapper.

Real estate

Prague and major Czech cities have historically appreciated well, rental yields 3-5%. Mortgage financing can effectively leverage investment returns.

Qualified investor funds (Fondy kvalifikovaných investorů)

For experienced investors with assets from 1 million CZK. Access to alternative and institutional-grade strategies — private equity, real estate funds, structured products — not available to retail investors. Formal suitability assessment required.

Stocks and bonds

Direct investment in individual securities for experienced investors comfortable with market volatility. Currency risk and tax reporting obligations should be carefully considered.

The power of regular saving

5 000 CZK per month at 7 % p.a. grows to approximately 6,1 million CZK over 25 years. Starting early is the single most important factor.

□ **Expats often miss DPS and DIP tax benefits simply because they do not know they qualify. We review your eligibility in every consultation.**

CHAPTER 4

Practical Tips for Your First Year in Czechia

The first year is when financial decisions set the foundation for everything that follows.

Open a Czech bank account

Essential for salary, rent, and direct debits. ČSOB, Komerční banka and Česká spořitelna offer non-resident accounts. Revolut or Wise can bridge the gap initially.

Register with the Czech authorities

EU citizens: register at Cizinecká policie within 30 days. Non-EU nationals: valid residency permit required. Residency status directly affects mortgage and pension eligibility.

Build a Czech credit history

Banks check BRKI and SOLUS. A Czech credit card early on helps build a local credit profile.

Understand your employment contract

Know your gross vs net salary, social and health contributions, and entitlements such as sick pay and parental leave.

Plan for currency exposure

If you earn CZK but have obligations in another currency, consider how exchange rates affect you.

Review your situation annually

New job, family, property — an annual review keeps insurance, investments and savings aligned with your goals.

□ **A single 45-minute consultation can identify gaps worth far more than the time invested.**

ABOUT US

Prague Expat Finance

Independent financial advisors in Prague, helping expats navigate the Czech financial system with confidence — in English, Czech, and Russian.



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Works long-term with clients whose lives are dynamic and demanding. Helps successful people structure their assets, build passive income, and maintain their standard of living.

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Ready to take control of your finances in Prague?

Book a free, no-commitment consultation. We will review your situation and give you a clear picture of your options.

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