

## Good banking news



Yesterday's bad banking news was actually pretty good news for Czech depositors. KBC of Belgium took the equivalent of a Kč 39.6bn write-down against its CDO investments, of which Kč 6.2bn was on the level of ČSOB. Nine-month profits at ČSOB fell by 70%, to Kč 2.7bn. This confirmed Czech National Bank Gov. Zdeněk Tůma's comment in [HN](#) in Aug. about higher provisioning needs, but not about a possible bank loss as a result. Czech banks, including ČSOB, remain strong and are apparently in a better position than even the central bank thought a few short months ago. This is reason for optimism, because banking news in Europe and the U.S. has almost always gone from bad to worse in recent months. Czech depositors not sure about what to do with their money now have another reason to keep it in a local bank. However, there's nothing preventing them from taking advantage of the continued uncertainty on the market to ask for an increase in the preposterously low deposit rates most banks are paying.

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