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Křetínský's debt and climate problem

Acquisitive Czech energy companies, meaning mainly ČEZ and EPH, have two new reasons to be nervous. [CNB Vice Gov. Vladimír Tomšík](#), who has been a key public face for a devaluation that loosened monetary policy, is now speaking about tightening credit conditions by increasing the 0% countercyclical capital buffer for banks. This would increase borrowing rates. Not only this, but [Bank of England Gov. Mark Carney](#) warned last week that investors could potentially face huge losses from climate-change regulations that make vast reserves of oil, coal and natural gas "literally unburnable." ČEZ is protected somewhat by its low debt and its nuclear assets, but debt- and coal-heavy EPH could face a double whammy from rising interest rates and a greater risk profile. Everyone in business says that Daniel Křetínský of EPH is as smart as he is smooth. Let's see how he smooth-talks his bankers and bondholders this time.

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