

Fearing a bail-in



The biggest task of central bankers since the financial crisis of 2007-2009 has been to convince the public that banks are in better shape now than they were then, because they have bigger capital requirements. In reality it makes no great difference if the flood walls are raised to 3 meters in dry times if the water reaches 4 meters in times of inundation. CNB Gov. Jiří Rusnok played up the illusion of safety in *Právo* on Sat. by saying that there is [no reason to be worried or to scare people unnecessarily](#). Then he added, in true central-banker style, that each person must try to minimize the risk on his or her own level. When deciding what to do, readers might want to keep in mind that [one of the biggest inventions on the EU level since the crisis is the bail-in](#). This allows deposits to be seized as a way to bolster a bank's capital. The CR isn't a member of the banking union and isn't subject to its bail-in rules. However, as the Czech finance ministry itself admits, there is a risk in the event of a problem at a cross-border banking group of ["losing control over the final solution](#) with all the possible implications for the CR."

Read this later today in [Czech](#)



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