

A daily e-mail bulletin of Czech wit & wisdom. For your free subscription, write to subscribe@fsfinalword.com

Too late for a bank tax



Czech banks were flying so high in 2018 and 2019 that some of them were able to boost their profits by [selling bad loans](#) that they had already written off. [CNB Gov. Jiří Rusnok](#) told Euro in March 2019 that the margins in banking were falling but that the growing economy more than compensated for this, thereby giving the banks record profits. On top of that, he said, was a situation that wouldn't be repeated very easily: Banks had a minimum number of bad loans and therefore very low loan-loss provisioning. Rusnok didn't mention it, but some of the banks even recaptured loan-loss reserves that had previously been set aside. The soaring profits naturally led to calls for a sector tax on banks. That was then, this is now. These same banks are now reporting drops in net profit of 40-70%, largely due to hurry-hurry loan-loss provisioning. You see what they have done? They took extra profits while the skies were clear, leaving that much less for the inevitable rainy day.

Read this later today in [Czech](#)  Find us on Facebook

PUBLIC RELATIONS AND PUBLIC AFFAIRS
BASED ON KNOWLEDGE AND EXPERIENCE.

DIBIM partners in
communications
Connected to Professionals Worldwide