

Abstract

Capital Requirements for the Cover of Bank Risks

The aim of this thesis is to explain the issues of calculation of Capital Requirements for the Cover of Bank Risks in the Czech Republic, to carry out the analysis of discretionary powers made by the Czech National Bank upon powers given to it by respective regulations, and to give an outline of the future development of regulation of Capital Adequacy.

The introduction specifies reasons for establishing and basic principles of functioning of Capital Adequacy and correlation between Capital Requirements for the Cover of Bank Risks and the concept of Capital Adequacy.

The second chapter deals with the historical development of the concept of Capital Adequacy both in the international environment on the level of the Bank for International Settlement and on the level of the European Law and in the Czech Republic. The second chapter further describes the system of bank risks with which the banks are confronted.

The third chapter deals with the legal regulation of Capital Requirements for the Cover of Bank Risks in the Czech Republic itself. At the beginning the situation in the Czech banking sector is analysed in general. This chapter further gives ways of calculation of Capital Requirements for the Cover of Bank Risks in compliance with the Czech and the European legal regulation. The emphasis is placed on the analysis of discretionary powers of the Czech National Bank under the Czech legal regulation.

In the fourth chapter, a brief analysis of the future development of Capital Adequacy with respect to new legal regulations is made. It also deals with future changes of discretionary powers of the Czech National Bank which are described in the third chapter in detail.

The conclusion sums up basic problems related to the concept of Capital Requirements for the Cover of Bank Risks. It also assesses the attitude of the Czech National Bank to the discretionary power and the future course of regulation of Capital Adequacy and Capital Requirements for the Cover of Bank Risks.