

1. Record Nr.	UNINA9910965940603321
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Titolo	The Use of Blanket Guarantees in Banking Crises // Luc Laeven, Fabian Valencia
Pubbl/distr/stampa	Washington, D.C. : , : International Monetary Fund, , 2008
ISBN	9786612842016 9781462393121 1462393128 9781282842014 1282842013 9781451871081 1451871082 9781452745039 145274503X
Edizione	[1st ed.]
Descrizione fisica	1 online resource (45 pages) : illustrations, tables
Collana	IMF Working Papers IMF working paper ; ; WP/08/250
Altri autori (Persone)	ValenciaFabian
Disciplina	332.1
Soggetti	Bank failures Financial crises Moral hazard Deposit insurance Bank resolution Banking Banks and Banking Banks and banking Banks Blanket guarantee Crisis management Depository Institutions Economic & financial crises & disasters Economics Exports and Imports Finance Finance: General Financial Institutions and Services: Government Policy and Regulation Financial Risk Management Foreign liabilities International economics

International Investment
Investment Decisions
Investments, Foreign
Liquidity
Long-term Capital Movements
Micro Finance Institutions
Mortgages
Portfolio Choice
Turkey

Lingua di pubblicazione	Inglese
Formato	Materiale a stampa
Livello bibliografico	Monografia
Note generali	Bibliographic Level Mode of Issuance: Monograph
Nota di bibliografia	Includes bibliographical references.
Nota di contenuto	Intro -- Contents -- I. Introduction -- II. Country Experiences -- III. Effectiveness of Blanket Guarantees -- A. Empirical Analysis -- IV. The Costs of Using Blanket Guarantees -- V. Policy Implications -- VI. Conclusions -- Tables -- 1. Selected Blanket Guarantee Episodes -- 2. Selected Bank-Specific Guarantee Announcements -- 3. Impact of Blanket Guarantees on Liquidity Support -- 4. Short-Term and Medium-Term Effects of Guarantees on Liquidity Support -- 5. Impact of Blanket Guarantees on Foreign Liabilities -- 6. Short-Term and Medium-Term Effect of Guarantees on Foreign Liabilities -- 7. Blanket Guarantee and Extensive Liquidity Support -- 8. Blanket Guarantees, Crisis Intensity, and Fiscal Costs -- A1. Sequence of Events in Selected Crisis Episodes -- A2. IMF Programs and Bank Restructuring Policies -- Figures -- 1. Effectiveness of Depositors' Guarantees in Selected Countries -- 2. Fiscal Costs and Blanket Guarantees -- 3. Crisis Intensity and Blanket Guarantees -- References.
Sommario/riassunto	In episodes of significant banking distress or perceived systemic risk to the financial system, policymakers have often opted for issuing blanket guarantees on bank liabilities to stop or avoid widespread bank runs. In theory, blanket guarantees can prevent bank runs if they are credible. However, guarantee could add substantial fiscal costs to bank restructuring programs and may increase moral hazard going forward. Using a sample of 42 episodes of banking crises, this paper finds that blanket guarantees are successful in reducing liquidity pressures on banks arising from deposit withdrawals. However, banks' foreign liabilities appear virtually irresponsive to blanket guarantees. Furthermore, guarantees tend to be fiscally costly, though this positive association arises in large part because guarantees tend to be employed in conjunction with extensive liquidity support and when crises are severe.