

## **Gudrun Johnson about the government's privatization of the banking system in Iceland**

Gudrun Johnsen – assistant professor at CCG has commented on the "take two" of the government's privatization of the banking system here in Iceland on the main newshour of the RUV - the national broadcasting service, yesterday evening. As of now this is the second most read news piece on RUV.

The main message of the story is that Iceland is experiencing the worst economic crisis in over a century and over 20% of Islandsbanki's loan book is in moratorium, due to Covid 19, equivalent to its entire equity base - the government is therefore not likely to get a good price for this asset, if it decides to sell a stake in the bank now - nor will it attract the type of investors that governments should want, long term and interested in banking operations, - but rather investors that are interested in getting an influence in a credit intuition for other reasons than the steady dividends from a systemically important financial institution.

Watch the clip here - Grudrun is featured at 8: <https://www.ruv.is/frett/2021/01/12/ohheppilegt-ad-selja-nuna>