



State Aid to Banks

Restructuring, Financial Stability and Real Economy

*Chair: Rym Ayadi, Senior Fellow, Head, Financial Institutions Unit, CEPS
& Professor at HEC Montreal*

Date: Monday 23 June 2014

Venue: CEPS Conference Room, Place du Congrès 1, 1000 Brussels

The 2007-2009 global financial crisis and the consecutive 2010-2012 euro area sovereign debt crisis exposed the banking sector to heavy losses and resulted in higher capital requirements. Not all banks managed to have sufficient buffers to absorb the losses and fulfil the higher capital requirements. The EU Member States intervened, providing capital, asset reliefs, guarantees and other liquidity measures to ailing banks to safeguard financial stability and avoid the consequences of the breakup of the lending chain. The more prudent behaviour and restructuring plans that followed impacted the real economy. The case-specific restructuring plans could, for instance, include provisions to sell or cease parts of the activities, to merge with other healthier banks but also to apply lending targets and bans on acquisitions, price-leadership, coupon-, dividend- and bonus payments and to abide by other types of restrictions such as advertising.

The roundtable discusses the consequences of State aid on restructuring, financial stability and bank lending to the real economy and whether there is a need to change policies based on the study by the CEPS Financial Institutions Unit on the issue.

PROGRAMME

10h00 Registration & Coffee

10h30 Welcome & tour de table

10h45 Session 1: Presentation State aid to banks, restructuring, financial stability and real economy

Rym Ayadi, Centre for European Policy Studies (CEPS)

Michael Brei, Université Paris Quest Nanterre – La Défense

11h30 Session 2: Impact on industry, economy and society

Gerbert Hebbink, Senior Economist, De Nederlandsche Bank

Sophie Bertin-Hadjiveltcheva, Head of State Aid, Financial Services and Task Force Financial crisis, European Commission

Peter De Keyzer, Chief Economist, BNP Paribas Fortis

Kris Boschmans, Centre for entrepreneurship, SMEs and local development, OECD

Katrin Sturm, Secretary General, European Mutual Guarantee Association

Chris Dauw, Credit Mediator, Agentschap Ondernemen

13h30 Concluding remarks

Rym Ayadi, CEPS

13h45 Lunch