Question for written answer E-006368/2016
to the Commission
Rule 130
Barbara Kappel (ENF)

Subject: Future bank resolutions and state aid

Between 2008 and 2014, before the Bank Recovery and Resolution Directive (BRRD) entered into force, Germany paid out EUR 114.6 billion in state aid, and the United Kingdom and Spain EUR 114.6 billion and EUR 174.3 billion respectively. Italy was granted only EUR 22 billion in state aid for bank recapitalisation. Now that the BRRD and its instruments are either in force or being transposed, such payments should be a thing of the past. Loopholes and inconsistencies in legislation remain, however.

1. How does the Commission intend to ensure that the Member States and their banks continue to reform the banking sector it cannot impose conditions because – at least in theory – it is no longer required to approve state aid payments?

2. Requiring banks to offload non-performing loans, whose book value is higher than the market would be willing to pay, would send stricken banks to the wall, regardless of whether the missing capital is equal to the losses they have incurred. Cases of this kind should be addressed by the Single Resolution Fund, although this is still in development. What role does the Commission think that state-sponsored private equity investment vehicles could play in this context?

3. How can the different requirements regarding capital buffers and retention, and assets for use under the bail-in provisions of the minimum requirement for own funds and eligible liabilities and the total loss absorbing capacity be combined?