Question for written answer E-003812/2017
to the Commission
Rule 130
Tania González Peñas (GUE/NGL)

Subject: Failure of Banco Popular (Spain)

On 7 June 2017, the Fund for Orderly Bank Restructuring (FROB) announced Banco Santander's purchase, within the framework of the Single Supervisory Mechanism, of Banco Popular and all its shares for EUR 1, including bonds that have been converted into shares.

As a result, Popular's customers will become customers of Santander, which makes it the largest bank in Spain. However, it will need to absorb a capital increase that will damage its share price. The bank will have to undergo extensive restructuring and make staff cuts, which could affect around 5 000 people. However, the money that Banco Popular's customers have in deposits and accounts is now completely secure with Santander, which is a more solid and solvent bank.

How does the Commission intend to monitor and manage the costs to the stability of the system as the result of a transaction involving a bank facing problems which a year ago exceeded the worst-case scenario set out in the European Banking Authority's stress tests?

It is clear that the banking supervisory mechanisms have again been shown not to be up to the role of ensuring the transparency and stability of the financial system. What measures will the Commission take on the above matter?