Question for written answer E-004961/2017
to the Commission
Rule 130
Miguel Viegas (GUE/NGL)

Subject: Inconsistencies between the resolution mechanism and DG Competition

At the end of June 2017, the European Central Bank stated that two small regional banks in Italy, Banca Popolare di Vicenza and Veneto Banca, were ‘failing or likely to fail’. The Single Resolution Board then stated that no ‘public interest’ was at stake for the EU that would justify an intervention, since there would be no systemic risk. However, immediately afterwards, DG Competition allowed the Italian Government to use state aid to assist both of these banks, claiming that it was in the ‘common interest’ to do so. This intervention has meant that there has been a direct injection of capital to the value of EUR 4.8 billion and guarantees of up to EUR 12 billion.

How can the Commission explain this inconsistency between two EU institutions on the definition of ‘public interest’? How can the Commission explain a further inconsistency between what is happening with these two Italian banks and what happened with Spain’s Banco Popular, which was liquidated and sold to Santander for one euro?