

Exchange of views with Andrea Enria, Chair of the Supervisory Board of the ECB

ECON on 5 May 2020

This note is prepared in view of an exchange of views in the ECON Committee on 5 May with the Chair of the Supervisory Board of the European Central Bank (ECB), Andrea Enria, on the economic impact and the response to the COVID-19 pandemic.

The briefing starts with (1) an overview on the interplay of different measures taken or suggested for the banking sector, and then gives more details on (2) supervisory and regulatory capital measures, (3) liquidity measures, (4) the EBA guideline on public and private moratoria, (5) the proposal for a euro area bad bank, and (6) a proposal addressing the problem of overleveraged SMEs (European Pandemic Equity Fund).



1) Overview: the interplay of the different measures

In the corona crisis, banks shall be part of the solution and no longer be source of the problem.

If banks aim to increase their lending to the real economy, as needed in the current situation, they will have to increase the size of their balance sheets. Increasing the size of balance sheets, however, – while keeping the equity position unchanged – will automatically reduce the banks' capital ratios. The supervisory response to that dilemma is twofold: there are, on the one hand, measures that simply reduce the applicable thresholds for capital ratios (e.g. by reducing buffer requirements), and on the other hand measures that intend to increase the actual level of capital in the banks (e.g. by promoting dividend bans); the latter effectively not only allows banks to increase lending, but also gives headroom to bolster the level of provisioning for future loan losses, and to digest the higher level of loan losses that the current crisis will unavoidably bring about (see Section 2).

Apart from measures on capital ratios, banks' increased lending activities also require additional funding capacities provided by central banks or governments; moreover, handling an increased volume of loans under restricted working conditions is from a purely operational point of view challenging (see Section 3).



The required temporary closure of non-essential businesses has put many entrepreneurs into financial distress. Public and private moratoria, which come in very different forms, overall ease the pressure for borrowers who struggle with interest payments, instalments, or loan repayments. A guideline published by the European Banking Authority (EBA) clarifies which conditions moratoria have to respect in order to ensure that they do not directly impact the banks' balance sheets by triggering a forbearance classification of the affected loans (see Section 4).

The dire economic consequences of the corona crisis will unavoidably bring about another wave of non-performing loans, a problem that has already put intense strain on some Member States' banking sectors in the past and that currently makes banks brace for the impact by booking very sizeable loan loss provisions. In view of that situation, Andrea Enria has therefore again brought into play the idea of a European bad bank, getting back to a proposal he launched in 2017 as Chairman of EBA (see Section 5).

Improving the credit supply to the real economy via banks will ultimately increase the level of indebtedness; for some businesses, in particularly those that were already weakly capitalised at the beginning of the crisis, it might simply be inadequate to further increase the leverage. There are recent proposals by academics to address the problem of equity shortfalls, namely a proposal to establish a European Pandemic Equity Fund (see Section 6).

(2) Supervisory and regulatory capital measures

Reduction of applicable thresholds

On 12 March 2020, the ECB [announced](#) that it would allow banks to operate temporarily below the level of capital defined by the Pillar 2 Guidance (P2G), the capital conservation buffer (CCB) and the liquidity coverage ratio (LCR). These measures complement the relaxation of the countercyclical capital buffer (CCyB) requirements by national macro-prudential authorities¹. The CCyB rates therefore now stand at 0% in most euro area MS, though not in all: the Slovak Republic, for example, decided to keep the CCyB rate at 1.50% and only repealed its previous decision to increase the rate to 2.00% in August. In Luxembourg, the CCyB was in April set at 0.50% for the second quarter of 2020.

The ECB [estimates](#) that the reduced buffer requirements will overall free up capital for €120 billion, allowing banks to finance up to €1.8 trillion in new loans to households and businesses.

The targeted "quick fix" amendments to EU banking rules (Capital Requirements Regulation (CRR) 575/2013) that the Commission [announced](#) on 28 April – adapting the timeline for the application of international accounting standards on banks' capital, treating public corona-related guarantees more favourably, postponing the date for applying the leverage ratio buffer, and modifying the way to exclude certain exposures from the calculation of the leverage ratio – in the end have a similar effect, i.e. they make it easier to comply with the required capital ratios.

Increasing capital: Dividend cuts

On 27 March, the ECB [recommended](#) that banks should not pay dividends until at least October 2020 and refrain from share buy-backs, aiming to increase (respectively keep) the actual level of banks' capital. That move, said to allow banks to preserve €30bn of capital, was seconded by the EU Finance Ministers meeting on [16 April](#) and by the EP Resolution of [17 April](#).

¹ The ESRB website lists several national macro-prudential authorities that took action in light of current developments and reduced CCyB rates (in the euro area, for example, Belgium, France, Germany, and Ireland).

The ECB recommendation, while not legally binding, was acknowledged for example by the European Banking Federation (EBF) as representative of the European banking sector, which in a [press statement](#) expressed its support and commitment to helping businesses and households navigate the unprecedented challenges posed by the global pandemic.

Unfortunately, there is no official public source documenting whether the most significant banks in the euro area actually follow suit, and how much capital was as a consequence thereof accumulated instead of being dispersed.

An overview in a Sector Comment published by the credit rating agency Moody's a few days after the ECB's announcement at least indicates that several of the largest banks in Europe had swiftly announced dividend cancellations (see Table 1). After the ECB announcement, the supervisors in the [UK](#) and in Switzerland also recommended to cut or postpone dividends (on 9 April, the Swiss Financial Market Supervisory Authority FINMA for example [welcomed](#) that UBS and Credit Suisse decided to postpone half of their planned dividend distributions for 2019). The overview in table 1 is in any case not up-to-date anymore (e.g., it says "no news" for UBS and Credit Swiss²), but other systematic overviews could not be found.

Table 1: Cancellation of dividends of the largest European banks (situation as of 2 April 2020)

Bank	Outstanding 2019 dividend proposed (million)	% of RWA	Cancelled	No news
BNP Paribas SA	€ 3,871	0.58%		X
Crédit Agricole Group	€ 2,019	0.36%		X
Deutsche Bank AG	€ 0	0.00%	NA	
Banco Santander SA	€ 1,761	0.29%		X
Société Générale SA	€ 1,869	0.54%	X	
Natixis	€ 977	0.99%	Postponed	
ING Groep NV	€ 1,754	0.54%	Postponed	
UniCredit SpA	€ 1,400	0.36%	X	
Intesa Sanpaolo SpA	€ 3,463	1.16%	X	
UBS Group AG	\$2,628	1.01%		X
Credit Suisse Group AG	CHF 676	0.23%		X
Banco Bilbao Vizcaya Argentaria SA	€ 1,067	0.29%		X
Rabobank	€ 3	0.00%	X	
Nordea Bank Abp			Postponed	
DZ Bank AG	€ 322	0.23%		X
Danske Bank A/S			Postponed	
Commerzbank AG	€ 188	0.10%	X	
ABN AMRO Bank NV	€ 639	0.58%	Postponed	
HSBC Holdings plc	\$4,100	0.49%	X	
Barclays plc	£1,034	0.35%	X	
Lloyds Banking Group plc	£2,375	1.17%	X	
Royal Bank of Scotland Group plc	£1,333	0.74%	X	
Bank of Ireland	€ 189	0.38%	X	
Allied Irish Banks plc	€ 217	0.42%	X	

Source: [Moody's Investor Service, Sector Comment of 2 April 2020](#)

The ECB's recommendation is relevant for the following reason: dividend cuts obviously improve the financial strength, yet banks' management may be reluctant to take action, pondering whether investors will interpret the cuts as a signal of lingering individual problems, as suggested by the "signalling theory" (which is notably not supported by empirical evidence²). If, however, banks follow a general recommendation to retain earnings, that stigma of individual underperformance is in any case avoided.

² See the empirical analysis for the European banking industry during the global financial crisis. The authors concluded "Therefore, facing a severe financial crisis, European banks should definitely consider cutting or omitting dividends to improve their financial strength." (Basse, Reddemann, Riegler, Graf von der Schulenburg (2014) "Bank dividend policy and the global financial crisis: Empirical evidence from Europe", European Journal of Political Economy, Vol. 34, S25–S31)

Additional option to increase capital: Cancellation of AT1 coupons

In the recent weeks, many economic forecasts have been corrected downwards, and the descriptions of what to expect usually contain strong warnings. The [IMF World Economic Outlook](#) of April 2020 for example says. *"It is very likely that this year the global economy will experience its worst recession since the Great Depression, surpassing that seen during the global financial crisis a decade ago. The Great Lockdown, as one might call it, is projected to shrink global growth dramatically. A partial recovery is projected for 2021, with above trend growth rates, but the level of GDP will remain below the pre-virus trend, with considerable uncertainty about the strength of the rebound. Much worse growth outcomes are possible and maybe even likely."*

Hans-Walter Peters, at that time President of the Association of German Banks, on 12 March 2020 not only [welcomed](#) the package of measures adopted by ECB and EBA, but also pointed to the needs of banks: *"Banks in the euro area need every last euro of their earnings right now to strengthen their capital base and support their lending capacity."*

If banks actually wanted to keep every last euro of their earnings to strengthen their capital basis, many banks would still have one other option, to cancel the coupons of a certain category of bonds they issued, i.e. those of Additional Tier 1 (AT1) instruments. The purpose of AT1 instruments - which form part of the banks' regulatory capital - is exactly to give banks one more option to improve capital levels if needed. Bonds therefore only qualify as AT1 if the terms under which they have been issued give the bank *"full discretion at all times to cancel [coupons] for an unlimited period and on a non-cumulative basis"* ([CRR](#) Art. 52(l)(iii)). However, despite full discretion, those who would like to make use of that option under the current circumstances face the same dilemma as with dividend cuts - individual action may lead to stigmatisation, while joint action would require a general recommendation to cancel AT1 coupons.

Nevertheless, in an [interview](#) with the Financial Times Andrea Enria reportedly said that *"the ECB had "no plans" to order banks to suspend interest payments on their hybrid debt instruments such as additional tier one or tier two securities"*.

There are legitimate reasons to not consider generally cancelling AT1 coupons: first, the impact is markedly smaller than that of cancelling dividends (approximately €5bn, as compared to €30bn of dividends); second, the impact on AT1 bondholder is different than that on shareholders: while shareholders may be compensated by higher dividends in the years to come, AT1 bondholders would miss out on the payments for good; and third, forward-looking, there may be a detrimental effect on the future cost of capital, in particular in view of the banking industry's overall low return-on-equity, a setting in which the perceived reliable stream of fixed returns so far made those bonds still attractive on the financial markets.

But there are also critical voices. In an [article](#) in GlobalCapital, Tyler Davies points out: *"However, none of these arguments can really get away from the fact that AT1s are failing to play the role in this crisis that they were specifically designed to play — that of going concern capital."* Davies argues that if regulators do not call for cancelling AT1 coupons during the coronavirus crisis, they will never again find a reason to do so.

(3) Liquidity measures

Several measures have been put in place to further facilitate the lending activities of banks: on 18 March, the ECB announced the €750 billion Pandemic Emergency Purchase Programme ([PEPP](#)) that aims to lower borrowing costs and increase lending in the euro area. Under that programme, the ECB can buy a wide range of corporate bonds, covered bonds, and asset backed securities,

including bonds from banks - which in turn can make the funds available to lend to households and businesses.

To further support bank lending, the ECB has also temporarily eased the eligibility conditions for [collateral](#) (7 April), eased the [conditions](#) (12 March) for the targeted longer-term refinancing operations (TLTRO III), for example raising the borrowing allowance to 50% of eligible loans, and further reduced the TLTRO III [interest rate](#) by 25 basis points (30 April) – banks that meet a defined lending threshold can for a one-year period benefit from very favourable funding conditions, with interest rates as low as -1%.

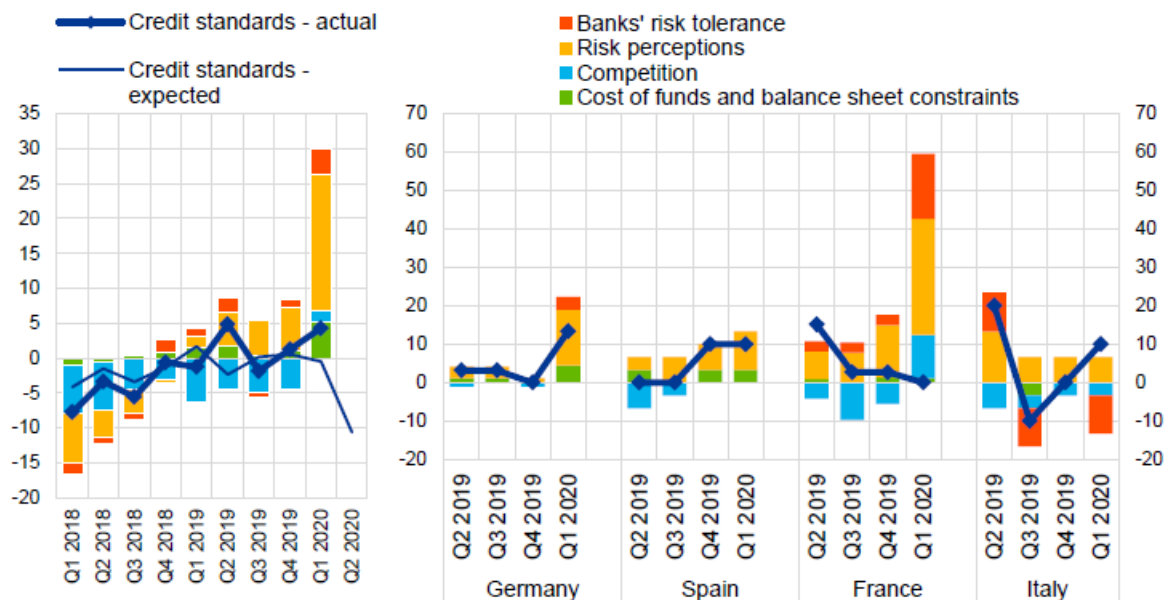
Member States have also put in place measures to support lending to businesses, often in the form of schemes for subsidised loans that are partially or fully implemented via commercial banks; in its [Communication](#) of 20 March 2020 (“Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak”), the Commission clarified that it considers aid measures for businesses that are channelled through banks as financial intermediaries not as aid that is meant to preserve the viability, liquidity or solvency of banks, even though banks may indirectly benefit from the measures.

However, despite all the measures taken to facilitate lending, one should not ignore the operational challenge to implement the additional lending volume. Banks that enter into new loan contracts have to uphold robust and prudent loan application review procedures, a task that can be operationally challenging under the current lockdown circumstances, not least since a considerable part of employees will be working off-site. Moreover, as the economic situation of many clients has suffered, banks become more cautious and sometimes tighten their credit standards.

In fact, the first systematic evidence on this matter can be found in the [ECB’s Euro Area Bank Lending Survey](#) for the first quarter of 2020, which is based on a sample of 144 banks and was published on 28 April 2020. According to that survey, banks tightening credit standards mainly referred to the deterioration of the general economic outlook and increased credit risk as contributing factors, both as regards enterprises (see Chart 1) and households.

Chart 1: Changes in credit standards for the approval of business loans, contributing factors

(net percentages of banks reporting a tightening of credit standards and contributing factors)



Source: [ECB’s Euro Area Bank Lending Survey](#) for the first quarter of 2020

(4) The EBA guideline on public and private moratoria

On 2 April 2020, the EBA published a [guideline](#) on legislative and non-legislative moratoria on loan repayments applied in the light of the COVID-19 crisis.

The background to that guideline is that in several Member States, legislative and non-legislative moratoria were introduced to ease the pressure for borrowers who struggle with interest payments, instalments, or loan repayments. The EBA writes that those moratoria were in practice adopted in various forms across jurisdictions (some Member States have introduced jurisdiction-wide moratoria based on specific legislation, whereas in many others moratoria have been implemented through voluntary industry-wide or individual initiatives by institutions, or combination thereof), which raises the question of the legal effect they have on the current prudential framework, especially in the context of the application of the definition of default and classification of forbearance.

The guideline therefore sets out which conditions moratoria have to fulfil to ensure that their application does not trigger a forbearance classification of the debtor.

If a moratorium is meant not to trigger a reclassification of the debtor/underlying loans as benefitting from forbearance, it must notably:

- have a broad scope of application (some sort of scheme),
- be available to a broad range of debtors (large predefined groups, e.g. retail, individuals, and SMEs; it must notably not differentiate between debtors based on their creditworthiness),
- offer the same conditions to all debtors of the same group, and
- only change the schedule of payments, but not change other conditions of the loan, in particular not the interest rate, or waive payments (a significant change in the net present value of the loan would trigger a forbearance classification).

The EBA publishes a [compliance table](#) for its moratoria guideline, the most recent update dated 24 April 2020. Unfortunately, that compliance table only gives information on the situation in Bulgaria, Estonia, Lithuania, and Austria (all compliant), while it is blank for all other countries.

(5) Proposal for a euro area bad bank

The [Financial Times \(FT\)](#) reported on 19 April that European Central Bank officials have held high-level talks with counterparts in Brussels about creating a euro area bad bank to free-up banks' balance sheets from the expected surge in non-performing loans, though the ECB declined to comment.

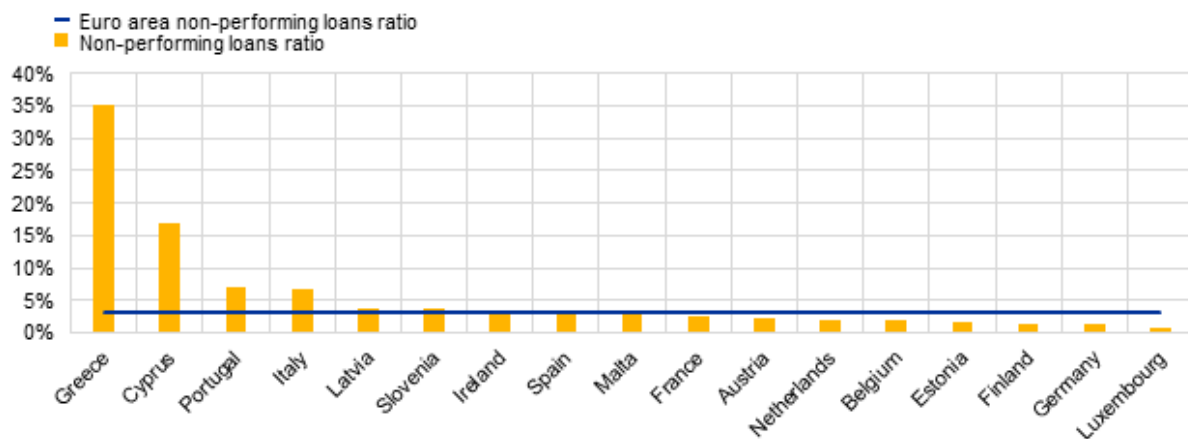
In this context, the FT also mentioned that Andrea Enria already proposed the idea of a euro area bad bank in 2017 (see, for example, [here](#)), when he was Chairman of the EBA. At that time, his proposal did not prevail, amidst State Aid concerns.

The transfer of NPLs to state-backed bad banks gives those commercial banks that make use of the possibility potentially an advantage over their competitors, which is the core problem of the proposal from a State Aid perspective. After the 2008 financial crisis, some Member States had set-up similar state-backed bad banks to enable such transfers, for example Spain, Ireland and Germany. At that time, banks that intended to benefit from NPLs transfer had to get the Commission's approval and submit a restructuring plan that required an adequate compensation for the benefit received, though limited to a contribution by the banks' shareholders and junior bondholders.

Since then, the legal framework has changed: the introduction of the bank recovery and resolution directive (BRRD) aimed to avoid that in future the costs of bank failures would again be borne by taxpayers (providing 'bail-outs'), putting them instead on the private sector. 'Bail-in', the concept that entered into force in January 2016, stipulates that shareholders and a wider range of creditors have to contribute to the losses of an ailing bank; since, any form of government support is highly restricted, can only be part of an official resolution process, and requires the participation of the bank's creditors.

The FT cites Y. Stournaras, governor of the Bank of Greece, to have warned that the lesson from the crisis is that one can quickly get rid of the NPLs only with a bad bank, and that there is an urgent need for such bad banks, whether European or at national level. Greek banks have still by far the highest level of NPLs on their balance sheets, as can be seen in the latest ECB supervisory statistics for the fourth quarter of 2019, published on 7 April 2020 (see graph 1).

Graph 1: Non-performing loans ratio by country for the fourth quarter of 2019



Source: [ECB](#)

The situation depicted in graph 1, with modest NPL levels in most euro area countries, will very likely change soon: banks are currently bracing themselves for a surge in NPLs. This week, banks will start to report first-quarter results, and their loan-loss provisions will be in the limelight. So far, there is just anecdotal evidence available: [UniCredit](#), for example, the biggest bank in Italy, announced it will set aside an extra €900m to cover potential loan losses; [Deutsche Bank](#), the biggest bank in Germany, announced it had taken €500m of provisions for credit losses during the first quarter, approximately half of which related to COVID-19. [Banco Santander](#), the biggest bank in Spain, put aside an additional €1.6bn to deal with an expected jump in loan losses, preparing for a “strong global recession” caused by the coronavirus. The [FT](#) reported on 3 May that the loan loss provisions of European banks have in aggregate increased to €16bn.

A number of initiatives at European level already address NPLs, namely on the legislative front. In March 2018, the Commission put forward a proposal for a regulation amending the capital requirement regulation (introducing common minimum coverage levels for newly originated loans that become non-performing), a proposal for a directive on credit servicers, credit purchasers and the recovery of collateral (to provide banks with an efficient mechanism of out-of-court value recovery) and [a blueprint on the set-up of national asset management companies \(AMCs\)](#).

The AMC Blueprint might have a bearing if Andrea Enria’s proposal is to find echo in policy fields. The latest [Commission report on NPLs](#) signals that since the release of the Blueprint “no Member State has yet initiated the set-up of an AMC at national level (...). Nevertheless, informal discussions with some Member States indicated that such vehicles are being carefully considered”.

The basic idea to sell NPLs, however, may also come under stress. The concept of asset management companies, as described in the Commission's blueprint, essentially comes in two forms, namely either as a "pure separation" and work-out of NPLs, not taking outside investors on board, or in the more sophisticated form to transfer NPLs to a special purpose vehicle, which sells stakes to new investors by way of securitisation. The Commission's blueprint uses the Italian "GACS" guarantee scheme as example for a State Aid free transfer of NPLs to asset management companies that rely on securitisation processes. The current crisis may have a considerable impact on the future of such schemes: [Moody's Sector Comment of 24 April 2020](#) reports that "*The economic fallout of the coronavirus pandemic is eroding the credit quality of nonperforming loan (NPL) securitisations in Italy, which are the most vulnerable to this credit shock among all types of consumer debt securitisations we rate in EMEA. As a result, we recently downgraded and placed on review for further downgrade the ratings of two notes in two deals, and placed on review for downgrade the ratings of 12 notes in 11 Italian deals*", adding that the "*Coronavirus fallout will especially effect transactions already behind servicers' original projections*". Those that have already invested in NPLs will likely not see the returns they hoped for.

(6) Proposal for a European Pandemic Equity Fund

In order to tackle the fall out of the corona crisis, central banks and governments in Europe have taken measures that were so far unprecedented in terms of size, aiming to ensure there is sufficient liquidity available. Most European firms are small or medium-sized, privately owned, and have no access to capital markets, hence rely on bank loans for their funding. For some, in particularly those that were already weakly capitalised at the beginning of the crisis, taking on even more debt might simply not be adequate, though. Against this backdrop, other options should be taken into consideration as well.

Executive Vice-President Dombrovskis mentioned at the [press conference](#) on 28 April 2020 that the Commission will open a dialogue to bring the financial sector together with groups representing consumers and businesses, in order to find concrete solutions to concrete problems that companies and households are experiencing, admitting that here is a need to act quickly.

In this context, one may note for example the proposal for a European Pandemic Equity Fund that a group of academic researchers (Boot, Carletti, Kotz, Krahn, Pelizzon, and Subrahmanyam) has recently put forward³ (also see Annex 1).

They argue that a European Pandemic Equity Fund could be a way to address two key problems, over-indebtedness and distortion of the level-playing field in the internal market: "*The incremental rise in corporate leverage due to the Coronavirus crisis can, however, be limited by relying more on equity-like instruments, i.e. financial contracts that imply loss absorption in case of poor future firm performance and reward participation otherwise. If implemented on a European level with a European Pandemic Equity Fund (EPEF), all citizens will participate in the common risks and potential rewards of a broad-based participation in Europe's industry post-crisis*" (Policy letter No. 81).

³ For more details, see in particular [SAFE Policy Letter No. 81](#): "Corona and Financial Stability 3.0: Try equity - risk sharing for companies, large and small", and [SAFE Policy Letter No. 84](#): "Corona and Financial Stability 4.0: Implementing a European Pandemic Equity Fund"

The major characteristics of equity-like financing provided by a government-backed European Pandemic Equity Fund (EPEF) would be that:

- Initial payments (from the fund to firms) carry no direct repayment obligation, although they are not outright transfers either,
- Firm leverage (and thus, firm default risk) does not rise as a result of the financing operation,
- The risk of a future loss of the initial payment is assumed by the investor, the EPEF, and
- In the same way, future profits are also shared by the EPEF, with repayments to the fund being conditional on positive firm performance.

The idea to promote an equity-like instrument rather than a fully-fledged equity investment is rooted in the perception that family businesses as well as small and medium-sized enterprises – those companies that form the backbone of continental Europe’s economies – tend to dislike external ownership, particularly when accompanied with voting rights, which makes the suggested hands-off approach much more acceptable to them.

The main difference to a bank-loan would hence be that the initial cash flow injection by the EPEF is traded against a proportionate participation in future gross earnings (“value added”) or net earnings (“profits”), rather than fixed interest and principal payments, which makes the economic situation of the beneficiaries more resilient against uncertain developments. The concept has already been spelled out in some detail, and it has the additional advantage that it can build on the existing institutional infrastructure, requiring little legislative adjustments if implemented via value added tax remittances or tax surcharges.

In the near future, there will certainly be more and different approaches suggested (also see, for example, Gleeson in the [FT](#)). What seems in any case important, though, is to find a solution for the problem of over-indebtedness, a problem that the Bank for International Settlements, as many others, already warned about before the corona crisis (Claudio [Borio](#), discussing the BIS’ Quarterly Review of September 2019: “*That said, the credit standing of non-financial corporations in general, and the surge in leveraged loans in particular, represent a clear vulnerability*”), pointing to a risk that may now become even more omnipresent.

Additional reading:

[Banking Union: Corona crisis effects](#), April, calendar week 15

[Banking Union: Corona crisis effects](#), April, calendar week 17

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Annex 1: Factsheet on the European Pandemic Equity Fund (EPEF)

(for more information, also see [VOX CEPR Policy Portal](#))

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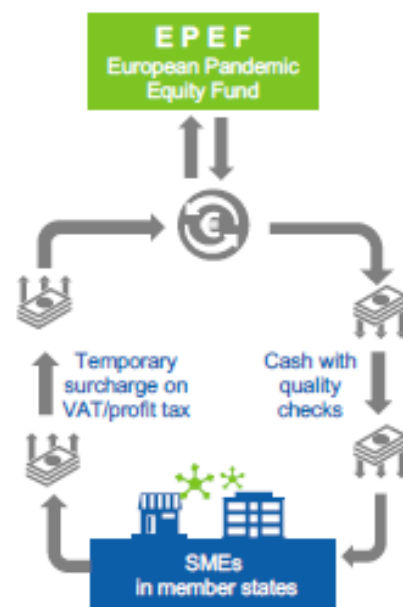
Factsheet: European Pandemic Equity Fund (EPEF) A cash for tax-surcharge scheme

How does the scheme work?

- **Intuition:** The cash for tax-surcharge scheme trades an initial cash transfer against a temporary (tax) surcharge on future profits, thus replicating the payment pattern of equity.
- **Design:** Cash transfers are paid to firms through a European Pandemic Equity Fund (EPEF). In return, the Fund receives surcharges on firms' future profits, analogous to a profit tax. Surcharges represent the EPEF's financial return.
- **Eligibility:** The capital is channeled to firms with healthy business prospects, relying on the expertise of local banks and public agencies.
- **Duration:** Enterprises can terminate its annual payments of surcharges by buying-out the EPEF.
- **Firms:** The scheme targets small- and medium sized enterprises (SMEs) with no or limited capital market access.
- **Industries:** Implemented at the pan-European level

What are the advantages?

- It provides an **equity-like** payment structure accessible by small- and medium-sized enterprises
- It **limits future debt overhang** of firms and reduces default risks for banks
- **Risk sharing** across firms and EU countries, without impinging on ownership structures
- **Reward sharing:** Sharing the benefits of Europe's economic recovery post-crisis
- **De-emphasizing the doom loop** between banks and governments by reducing strengthening banks' equity.
- Fostering **financial stability** and the resilience of the European Union



Pandemic policy team

The pandemic policy team around the Leibniz Institute for Financial Research SAFE includes financial economists from around the world: Amoud Boot (University of Amsterdam), Elena Carletti (Bocconi University), Hans-Helmut Kotz (Harvard Center for European Studies and SAFE), Jan Pieter Krahnhen (SAFE), Loriana Pelizzon (SAFE and Goethe University Frankfurt), and Marti Subrahmanyam (New York University Stern Business School and SAFE).

Further readings and videos on the topic:

[Policy Letter No. 78](#) The coronavirus and financial stability

[Policy Letter No. 79](#) Corona and financial stability 2.0: Act jointly now, but also think about tomorrow

[Policy Letter No. 81](#) Corona and financial stability 3.0: Try equity – risk sharing for companies

[Policy Letter No. 84](#) Corona and financial stability 4.0: Implementing a European Pandemic Equity Fund

[SAFE-CEPR Policy Webinar](#) Corona and risk sharing: A European Equity Fund