

EBA POLICY RESEARCH WORKSHOP

“Banks’ business models after the crisis: incentives, strategies, de-risking”

London, 21-22 November 2012

CALL FOR PAPERS

The banking landscape in the EU is changing as a result of different drivers: funding problems, deleveraging and de-risking, the role of the public sector at large, and the shift towards structurally lower profitability. In the aftermath of the crisis, European banks have remained, on average, more reliant on wholesale funding than their US peers and leverage levels – while decreasing – have remained high. This may make the EU banking sector more prone to structural and cyclical deleveraging pressures. De-risking, deleveraging and downsizing are likely to drive the evolution of EU banks over the next years and will contribute to reshaping business models.

The rethinking of business models will be also affected by the incoming regulation. The aim of the regulatory reform has been to establish an incentive-compatible framework, with riskier assets entailing higher costs in terms of capital and liquidity requirements. For example, trading and investment assets are subject to a more demanding regulatory framework – e.g. Basel 2.5 and 3 at the global level and the Dodd-Frank Act in the US – that affects primarily market risk and trading book exposures. Expectations on further pieces of regulation may also determine a shift of intermediaries’ business models, with lower incentives to operate as universal banks.

This workshop aims to bring together economists from national supervisory authorities and leading academics to stimulate the discussion on the impact of the crisis and the Basel 3 rules on EU banks. The organisers are inviting the submission of policy-oriented – preferably empirical – research papers. Researchers from supervisory authorities and central banks are encouraged to submit their papers for presentation. Submissions of papers are welcome on the following topics:

- Banks’ performance over the crisis
- Incentives and banks’ business models
- De-risking and deleveraging after the crisis
- The drivers of deleveraging: structural trends, regulation, demand factors
- The role of wholesale and investment banking after the crisis
- National vs multinational banks and their role for international business
- Addressing the global dimension of banking activities and financial supervision, including the role of supervisory colleges
- Banks’ profitability and business models

- Deleveraging, home-bias in credit supply and the future of the Single Market
- Banks' funding and regulatory incentives
- The impact of Basel 3 rules on lending to the small and medium enterprises

The intended focus of the conference will be mainly on the evolution of the EU banking sector in light of the crisis, but papers with a broader global or historical perspective are also welcome.

Interested parties should submit their draft papers and any queries to Mario Quagliariello (mario.quagliariello@eba.europa.eu) at the European Banking Authority. The submission deadline is 3 September 2012. Contributors will be notified by mid-October 2012.

Keynote speakers: tbd

Programme Committee. The Programme Committee for the workshop consists of Peter Andrews (UK Financial Services Authority), Klaus Duellmann (Deutsche Bundesbank), Daniel Gros (Centre for European Policy Studies), Iman van Lelyveld (De Nederlandsche Bank), Lars Overby (European Banking Authority), Mario Quagliariello (European Banking Authority), Jesus Saurina (Banco de España), Martin Summer (Oesterreichische Nationalbank), Rudi Vander Vennet (Ghent University).