

The current financial crisis has triggered massive state interventions and large-scale regulatory initiatives affecting Europe's banking industry. While most of the discussion has focused so far on the banking market as a whole, participants at this high-level conference jointly organised by the European Credit Research Institute in Brussels and the DIW Berlin will discuss how the turmoil affects the retail side of the financial services market. A special focus will be put on the impact on competition and regulation.

Will state aid such as bail-outs, subsidies or guarantees undermine market discipline and change the risk/return calculations of banks? Are these capital injections in fact used for maintaining an adequate level of lending to companies and households as demanded by the European Commission? Further, will the shift of focus of some major banks from investment to retail banking lead to more aggressive commercial behaviour in the latter segment? Another question to be discussed is how the industrial organisation is changing as a result of the ongoing emergency mergers.

It ought to be ensured that today's solutions do not (again) become tomorrow's problems by creating financial conglomerates that are too deeply embedded in the economy due to outreach in many upstream and downstream markets to be allowed to fail. What exactly is the role competition policy should play in this context? Another major set of questions to be discussed concern what kind of regulatory framework would mitigate against the rise of endogenous risks and how can market failures that occur through a misalignment of incentives be prevented.

This conference will bring together leading academics with policy makers to discuss the latest insights from research on competition and regulation of retail banking in Europe.

## AGENDA

- 09:00 Registration
- 09:30 **Welcoming remarks**  
Daniel Gros, Director, Centre for European Policy Studies (CEPS)
- 09:35 **Opening remarks**  
Professor Christian Wey, DIW Berlin and Technische Universität Berlin
- CHALLENGES FOR COMPETITION POLICY IN EUROPEAN RETAIL BANKING**
- 09:45 **EU competition policy in times of financial crisis**  
Professor Georges Siotis, Chief Economist Team, DG Competition, European Commission
- 10:10 **Competition policy in retail banking before and after the crisis**  
Professor Giancarlo Spagnolo, Università di Roma «Tor Vergata»
- 10:35 **The current financial crisis and competition in retail banking: insights from the academic literature**  
Professor Hans Degryse, CentER - Tilburg University
- 11:00 Discussion
- 11:30 Coffee break
- LESSONS FOR REGULATORY INITIATIVES IN RETAIL BANKING**
- 12:00 **Retail banking: Economic principles of regulation and consumer protection**  
Professor Roman Inderst, Johann Wolfgang Goethe - Universität Frankfurt am Main
- 12:30 **The impact of the conditionality of bailout plans on credit institutions**  
Damien Gerard, Research Fellow, Chair of European Law, University of Louvain (UCL)
- 12:45 **The European Commission's initiatives in retail banking**  
Eric Ducoulombier, Deputy Head of Unit, DG Markt H.3, European Commission
- 13:15 Discussion and conclusion
- 13:30 End of conference