EUROPEAN

POLICYBRIEF

FINANCIALISATION ECONOMY SOCIETY AND SUSTAINABLE DEVELOPMENT

Banking risk in France, Germany and Spain

Jérôme Creel (OFCE & ESCP Europe, Paris), Daniel Detzer (HWR, Berlin), Fabien Labondance (CRESE, Besançon, & OFCE, Paris) and Carlos Rodriguez (UPV, Bilbao)

In this analysis we review financial systems on three different levels. First, we look at overall financial stress and stress in the sovereign bond market. Then, we look closer at the banking sectors examining different risk factors. Finally, we analyse supply and demand of credit to the non-financial private sector. We do so for three Eurozone countries - France, Germany and Spain - which have different banking systems, but share the same recent monetary stimulus (Quantitative Easing, QE).

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INTRODUCTION

The consequences of the global financial crisis of 2007 are still felt by banks. Expansionary monetary policies of the largest central banks have set interest rates at historically low levels and produced a flatter yield curve which jeopardises the incomes of retail banks. Meanwhile, fears of new bubbles have recently emerged after large swings in stocks and bonds markets, and they jeopardise the incomes and the net worth of investment banks. In both sectors - investment and retail banking - risks are substantial. Finally, the economic outlook of the Eurozone is

fragile and limits financing opportunities.

Our analysis will be conducted on three different levels. First, we will look at the overall level of financial stress with the help of the ECB composite systemic stress indicator (CISS), which includes measures of stress in money, bond and equity markets, at intermediaries and in the foreign exchange market. Then, we will look in more detail at the banking sector, examining key variables containing information regarding its stability, longer term viability and the potential risks in this sector. Finally, linking the financial sector to the real economic developments, we will show that credit is currently constrained by demand factors. We do so in three Eurozone countries - France, Germany and Spain - which have different banking systems, but share the same recent monetary stimulus (Quantitative Easing, QE). The latter motivates an analysis of the health of the European banking sector.

Most French banks operate according to the "universal bank" model which mixes banking and market activities. The objective is that diversification of activities should protect the banks from idiosyncratic shocks to either domestic retail banking activities (towards households, corporates, SMEs), international retail banking ones, specialised financial services (consumer credit, leasing etc.), corporate and investment banking, or asset management. As a consequence, the French banking sector has been highly concentrated, with the two largest banks (*Crédit Agricole* and *BNP Paribas*) accounting for 44% of total French banking assets and the five largest banks (adding *Société Générale*, *BPCE* and *CIC-Crédit Mutuel*) for 78% at the end of 2012.

The German financial system has long been a prime example of a bank-based financial system. Even though in principle most banks are universal banks, only the bigger banks are active in financial markets trading and investment banking. Despite some changes, the system is still dominated by banks today, while its financial markets are relatively undeveloped. Another unique feature of the German banking sector is the so-called "three-pillar" banking system comprised of private banks, savings banks and cooperative banks. As a result, over 50% of the banking sector consists of not-for-profit organisations. At the same time, many banks have a regional or even a local focus.

Before the financial crisis erupted, the most distinguishing characteristics of the Spanish banking

system were: firstly, the central and “universal” role it played within the financial system (as provider of funds, market maker, corporate investor, assets manager); secondly, the relatively high competition due to the presence of numerous and large public savings banks beyond private ones; and thirdly, the active role both types of credit institutions played in the formation of the housing bubble during the long period of financialisation. The restructuring process since the crisis has transformed the banking landscape and changed the behaviour of banks considerably, but it did not alter its principal characteristic: the central role it plays in the economy. Non-financial corporations have only shyly turned to alternative sources of funds (internal and external), since as in the other central EU countries, access to bank credit is still of paramount importance for non-financial corporations and households to bridge the gap between the present and the future.

EVIDENCE AND ANALYSIS

A review of Systemic Stress in the Euro area and of Sovereign Stress in France, Germany and Spain

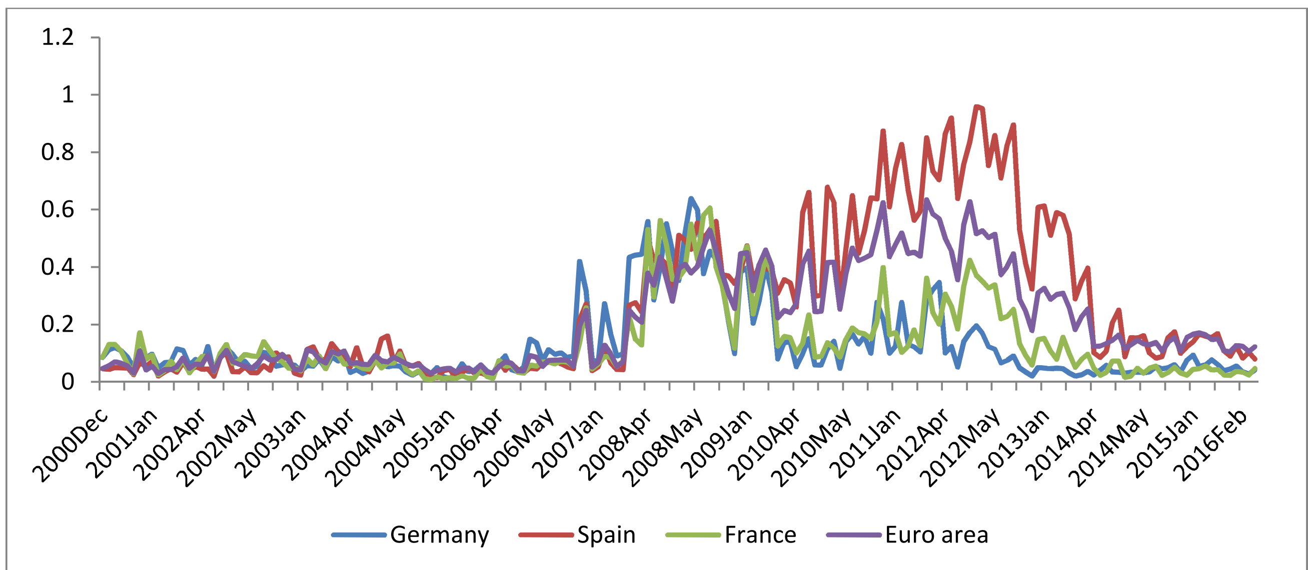
The ECB provides a measure of stress in the financial system which gives an *ex post* appraisal of systemic risk, called CISS. It also provides indicators for systemic stress in sovereign bond markets on a national basis. The latter shows in both periods, in the earlier financial crisis and later in the Euro area crisis, high levels of stress (see Figure 1). However, while sovereign bond markets seemed to be affected in all countries similarly during the financial crisis, the effect of the Euro area crisis was not homogenous. While in France and Germany stress has declined during or shortly after the main phase of the Euro area crisis and is at a low level now, indicators for stress in Spanish sovereign bond market showed enormous increases from mid-2010 until late 2012, a period in which bond markets were even discounting Spain leaving the monetary union. Today it is on a low level, but still higher than before the crisis.

Unfortunately, there is no country data of financial market stress available. Looking at the CISS for the whole Euro area (Figure 2), it is obvious that two periods – the banking and sovereign crises – emerged and showed elevated levels of financial stress. The first peak (end of 2008) reaching a higher level than the second peak (end of 2011) shows that

the banking crisis was more severe and systemic than the sovereign one. The reason is that the first also affected the core EU countries, whereas the latter affected mostly the peripheral countries. Overall, financial stress has also dissolved earlier than stress in domestic sovereign bond markets, being at relatively low level in late 2012 and in 2013. Thereafter it increased again and is now at slightly higher levels.

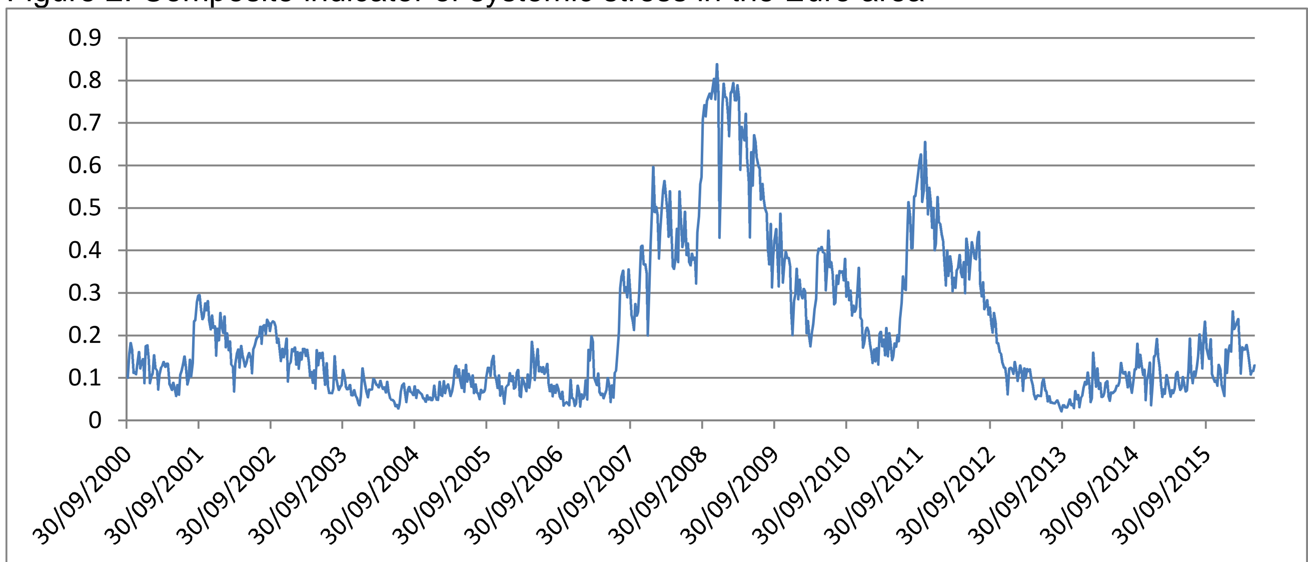
However, despite the relatively low levels of systemic stress in the aggregate and in the overall Euro area sovereign bond markets, one cannot rule out that if more risk factors materialise in one member state it will be transmitted to the whole Euro area. In that respect, debt negotiations in Greece can have large and negative spillovers. Another risk may stem from low interest rates. It is commonly argued that non-standard monetary policies may threaten financial stability according to the following argument: the persistence of low interest rates may cause increased risk-taking by banks and investors and lead to asset price bubbles. However, until now there has not been evidence that supports this hypothesis. This does not imply that the ECB has no role to play in monitoring systemic risk, but it means that its monetary policy has not led to asset bubbles so far.

Figure 1: Composite indicator of sovereign systemic stress in the Euro area, Germany, Spain and France



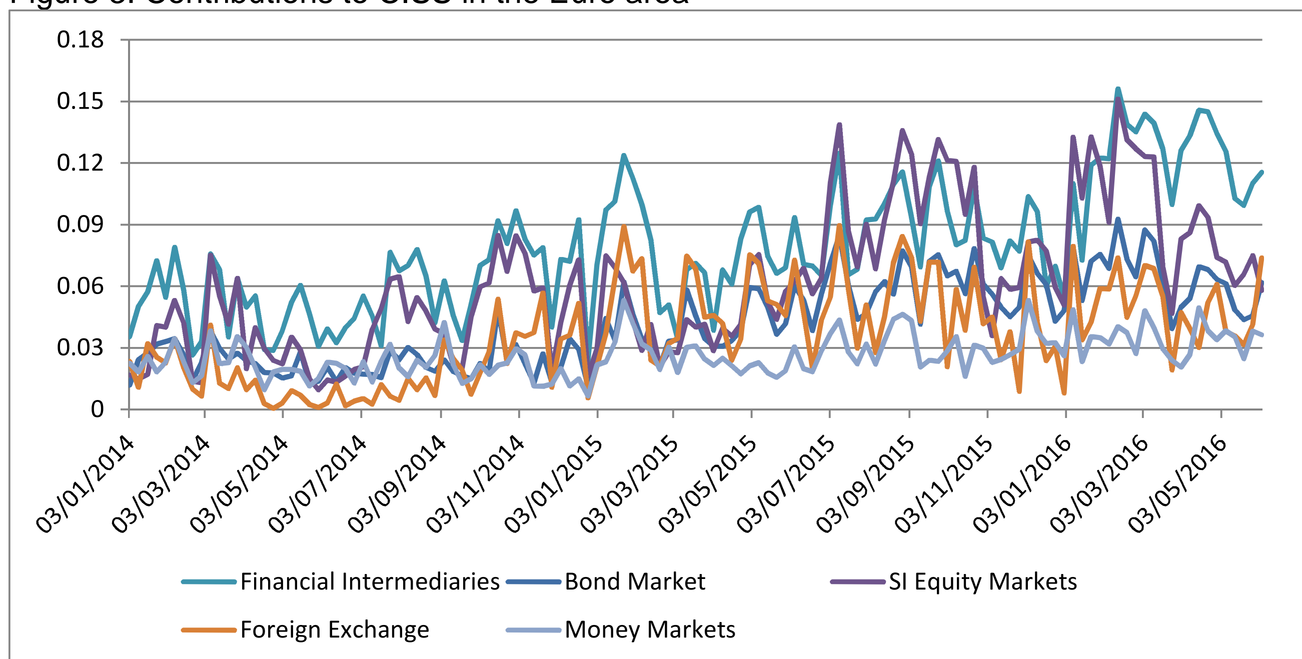
Source: European Central Bank

Figure 2: Composite indicator of systemic stress in the Euro area



Source: European Central Bank

Figure 3: Contributions to CISS in the Euro area



Notes: The CISS index additionally includes a cross correlation dimension, which we omitted in this graph.
Source: European Central Bank

Hence, while stress levels have declined and very high stress levels are only observed in a few countries (in the most recent data this is in particular the case in Greece and more recently in Portugal), there are still concerns about a variety of risks. In particular, the recent increase in the index of financial stress is driven by an increase in the sub-index for financial intermediaries (see Figure 3). Therefore, in the following we will look more closely at the banking sector in three big Euro area countries, examining how they have developed since the outbreak of the global financial crisis, and assessing their stability and potential risks.

Domestic banking sector risk

To give a brief assessment of domestic bank risk, we examine aggregate indicators of their profitability, liquidity and balance sheet composition. Dealing with the banking sector's profitability is always a complex issue, especially during periods of crisis. Micro data availability is constrained by banks' financial disclosures and their communication is only partial. They do not declare all their activities, especially those related to the shadow banking sector, and they have a certain ability to play with accountability rules in order to hide some elements of their balance sheets to reassure their stockholders. Consequently, we use the dataset of the IMF to assess the overall

risk of each banking system, but do not assess individual banks.

The French banking system has been strongly hit by the financial crisis and its profitability has decreased in 2008. Public interventions had strongly supported this sector and helped to mitigate risks of failure. Between late 2008 and early 2009, the government granted loans to the five largest banks for a total amount of € 20.75 billion (or 1.1% of French GDP). Recourse to explicit debt guarantees was another important tool to support French banks, especially at the beginning of the financial crisis. The government *de facto* “lent” its creditworthiness to the beneficiary banks, thereby containing their funding costs and mitigating liquidity risk. The total amount of guarantees approved by the government amounted to € 320 billion (or around 16% of French GDP), but, “only” € 93 billion were effectively used (or less than 5% of GDP).

Since 2008, profitability indicators have improved and the average return on assets (RoA) and return on equity (RoE) have been 0.35% and 7.10% respectively between 2008 and 2015 (table 1). Year 2014 has been an exception with a drop in the RoA and RoE, which has been the consequence of two singular events: a fine paid by BNP-Paribas to the US authorities and an increase in the corporate tax paid by banks.

However, relatively strong profitability should not hide the fact that the proportion of non-performing loans (NPL) to total gross loans has not declined since 2009 and remains above its value of 2008, i.e. before the financial crisis. Moreover, the liquidity of banks’ balance sheet is also lower than before the crisis and was below that of German banks in 2013. Finally, on the liabilities side, French banks have been disadvantaged by regulated interest rates on important households’ savings accounts, like Livret A, Livret Développement Durable and Plan Epargne-Logement: the decrease in these savings’ interest rates has been slower than on the assets’ side, hence limiting French banks’ net profitability. To compensate for that, banks are planning spending cuts in retail banking which will certainly decrease the ratios of non-interest expenses to gross income which was above 75% in 2013, and much higher than in Germany.

Germany weathered the financial crisis quite well. After a sharp recession in 2009, growth resumed swiftly due to a mixture of favourable economic policies bolstering domestic demand, and a quick

resumption of exports. Relatively early during the crisis, parts of the German banking sector had to register losses directly related to the bursting of the US real estate bubble. The losses in the financial sector quickly translated into problems for some of the large German banking institutions. However, the German government intervened heavily to support the financial sector. It provided recapitalisations and guarantees, supported the establishment of bad banks and nationalised two banks. Altogether, these interventions, which peaked at a total risk assumption of the government of € 323 billion in 2010, contributed to the stabilisation of the financial sector. Nonetheless, there were widespread fears of a credit crunch. However, the diverse structure of the German banking sector helped to prevent such a scenario. Despite the affected banks actually reducing their loan growth, other parts of the banking sector, in particular local cooperative and savings banks, continued lending.

Banks liquidity situation has improved after it suffered during the crisis. Regulatory capital ratios have been improving, increasing the risk bearing capacity of banks. Moreover, the unweighted capital to assets ratio has improved from around 4% during the crisis to almost 6% in 2015. However, while in the aggregate capitalisation has improved, some banks, in particular the big banks, are still badly capitalised. Deutsche Bank's capital-to-asset ratio for example was at only 3.2%.

Profitability of German banks had stabilised after the crisis with a return on assets of 0.37%. Likewise, RoE, having been negative during the crisis, stabilised after the recovery at low but stable 7.5%. The German banking sector has historically been characterised by a low level of profitability. However, this cannot be attributed to inefficiencies or high costs, but rather to a highly competitive environment which compresses interest margins. Also, the high cost-to-income ratio is not driven by high costs but by highly competitive margins. While this is bad for profitability, it serves German customers quite well, providing them with low cost banking services and loans.

Profitability is bolstered by the very low non-performing-loan (NPL) ratio, which has declined to 2.3% after the crisis. With the good macroeconomic environment, valuation losses are on a very low level. However, the currently good situation may conceal some of the risks. According to the Bundesbank (2013), some of the big international, systemically important banks have accumulated

important sectoral risks, which despite their recent reduction, may pose a risk to single banks viability. Also, the huge gross derivative position concentrated in the big banks may in a systemic crisis lead to high losses. As mentioned earlier, there are concerns that the compression of spreads due to the low interest rate environment does threaten banks profitability and that banks try to compensate lower spreads by higher risk taking. However, according to the Bundesbank, profitability has not suffered yet, since banks compensated the lower spreads by increasing business volumes. Also, a shift towards riskier assets has not been observed yet.

Unsurprisingly, the big recession in Spain has transformed both the banking landscape and bankers' behaviour considerably, but it is not clear if these changes will be for good or for bad. In any case, the restructuring process - apparently close to be finished - has been tough and marked by three landmarks: firstly, a banking system bail-out in 2012 by the ESM (European Stability Mechanism) to recapitalize insolvent banks with close to €50 billion (5% of Spanish GDP) which has avoided a systemic crisis; secondly, the set-up of a public "bad bank" (SAREB, Sociedad de Gestión de Activos Procedentes de la Reestructuración Bancaria; a structured asset management company to hold assets (real estates and land) with the view to resell these assets at some point in the future.) to clean up banks' balance sheets transferring another € 50 billion worth toxic assets to this bank; and last but not least, the disappearance of previous public savings banks through acquisitions by the remaining private banks. The discernible impacts of all this and the most distinguishable characteristics of the banking system so far are the following: first, a high concentration ratio and therefore a potential "too big to fail" moral hazard problem; second, low profitability ratios despite the high concentration, and third, a sluggish (zombie) behaviour of banks, which due to this low profitability, have less incentives for doing banking business (as usual) and provide credit to the real economy.

Commenting shortly about some relevant figures for Spain, the increase in the NPL rate and the additions to provisions required to clean up banks' balance sheets explain the low levels of RoE in 2011 and the extremely negative one in 2012 (see table 1). Since 2013, NPL ratio has been falling for 24 months in a row and the system´s profitability has accordingly improved. It is nevertheless a low one compared to past historical levels for Spain and the EU. This low

RoE is the logical outcome of a still relatively high NPL ratio and of a higher capital ratio. In fact, the capital ratio (capital and reserves/assets) in Spain reached 8.2% in December 2015, contributing to both lowering profitability and improving the solvency of the banking system.

Liquidity is also improving. In terms of the liquid asset ratio, the banking system in Spain seems to be in good shape with more than 40% of total assets sellable at short notice. Additionally, the loan to deposit ratio has fallen by more than 40 percentage points since 2008 to 114% in 2015. On top of this, the sector's funding gap (lending to the domestic private sector minus deposits from the domestic private sector) continues to narrow, due to the notable deleveraging of the system and the stability of deposits.

However, banking sector profitability is still at risk. Ongoing ECB non-standard monetary policy measures and their impact on interest rates continue to depress banks' margins. Interest spreads are narrowing because lending rates are declining even more than deposits rates. Additionally to all-time low interest rates, lower business volumes and regulatory demands are also a burden for banking profitability.

Table 1: Indicators of the health of banking systems (in %)

	2008	2009	2010	2011	2012	2013	2014	2015
Non-performing Loans to Total Gross Loans								
Germany	2,9	3,3	3,2	3,0	2,9	2,7	2,3	...
Spain	2,8	4,1	4,7	6,0	7,5	9,4	8,5	6,3
France	2,8	4,0	3,8	4,3	4,3	4,5	4,2	4,0
Return on Assets								
Germany	-0,1	0,2	0,4	0,5	0,4	0,4	0,4	...
Spain	0,8	0,6	0,5	0,1	-1,4	0,4	0,4	0,5
France	0,1	0,3	0,6	0,4	0,3	0,5	0,2	0,4
Return on Equity								
Germany	-2,5	5,0	8,8	13,0	10,8	7,5	7,2	...
Spain	12,6	9,2	8,0	1,5	-21,0	5,4	5,7	7,1
France	3,6	7,2	12,0	8,3	6,0	8,4	4,4	6,8
Liquid Assets to Total Assets (Liquid Asset Ratio)								
Germany	47,5	49,1	41,1	39,6	39,7	45,0	41,9	42,8
Spain*	*...*	*33,3*	*33,8*	*36,6*	*43*	*43,3*	*43,3*	*41,9*
France	47,1	42,0	42,4	41,8	39,2	39,1	...	...
Non-interest Expenses to Gross Income								
Germany	73,4	65,1	63,7	63,9	64,2	69,1	69,1	...
Spain	45,1	42,7	46,8	50,7	49,0	49,7	48,2	50,2
France	77,7	69,7	68,7	72,2	76,7	76,5	...	...

**Liquid Assets ratio for Spain from BdE (total assets-total loans/total assets)*

Source: International Monetary Fund

Macro risk

Since the beginning of the global financial crisis, credit growth to the private sector in France has decreased. This is partly due to the fact that credit conditions were tightened (Figure 4). Banks have become more risk sensitive and this is reflected in the credit conditions they offer. By extension, new firms, small firms and firms with a bad rating are more penalised than they would have been before the crisis. Nevertheless, the tightening in credit conditions does not seem to be the main explanation behind low credit distribution to the private sector. The main explanation is that the financial crisis created a negative demand shock and weakened firms, especially SMEs, that finally lowered their credit demand as illustrated in Figure 5.

More precisely, we can identify several credit cycles. According to the Banque de France, credit to the non-financial corporations (NFC) annual growth rate reached 15.1% in March 2008. This growth rate drastically decreased and fell to -2.4% in November 2009 and the volume of credit to the NFCs declined until July 2010. Credit growth accelerated to 5.4% in September 2011 and then decelerated to 0.4% in January 2014. We now observe a new period of credit growth acceleration and in March 2016, the credit growth rate to NFCs is about 4.6%. We notice a similar pattern for the evolution of credit growth to households without a diminution of the volume of credit: a deceleration between 2007 and 2009 with a minimum of 3.4% in October 2009, followed by a period of acceleration between the end of 2009 and September 2011, then a new slow down and a stagnation since March 2013 at around 2.5%. We note a slight recovery since 2015 and the annual growth rate of credit to households in March 2016 is 3.7%. Since credit standards remain relatively constant in France since 2009 (Figure 4), the various credit cycles briefly described above appear highly correlated with credit demand (Figure 5).

In Germany, overall loan growth to the domestic non-financial private sector has been positive since the last quarter of 2010, growing with an average rate of 0.8% (y-o-y). The most recent data available for the last quarter of 2015 shows a strong increase in overall credit growth (2.2%). This is driven by both, increases in loans to employees and other private persons and to the non-financial business sector. The former has been the driver of the overall positive developments in credit, growing with increasingly positive rates since mid-2009 and having reached a credit growth of close to 3% in 2015. Loans to the business sector have been more volatile. Strong increases early in the crisis were followed by decreases from mid-2009 throughout 2010.

After a recovery of credit growth in 2011 and 2012, year-over-year changes in loans were negative for most quarters. Only in the last quarter of 2015 growth picked up more decisively supporting the overall strong growth of loans. The bank lending survey indicates that the recent strong increase in loans to enterprises is driven by stronger demand, while banks only slightly eased their credit standards (see Figure 5). However, banks seem to offer overall better terms and conditions, including lowering their margins and lower collateral demands. Moreover, overall rejection rates for enterprise loans have been slightly falling. Looking at the households, loan demand has increased consistently since 2009, with a short interruption in early 2010. After the crisis housing loans are in particular high demand, since many households use the low interest rate environment for acquiring real estate and also because of positive expectations regarding the development of the housing market. Strong increases in demand for consumption loans are also affected by the low level of interest rates, but here also consumer confidence plays a major role. For housing loans, banks have tightened credit standards for the last years already but a particular strong increase was reported in the last survey, related to the EU mortgage credit directive. For consumer credits, credit standards have not shown a clear trend, however, most recently they were tightened again and banks expect further tightening.

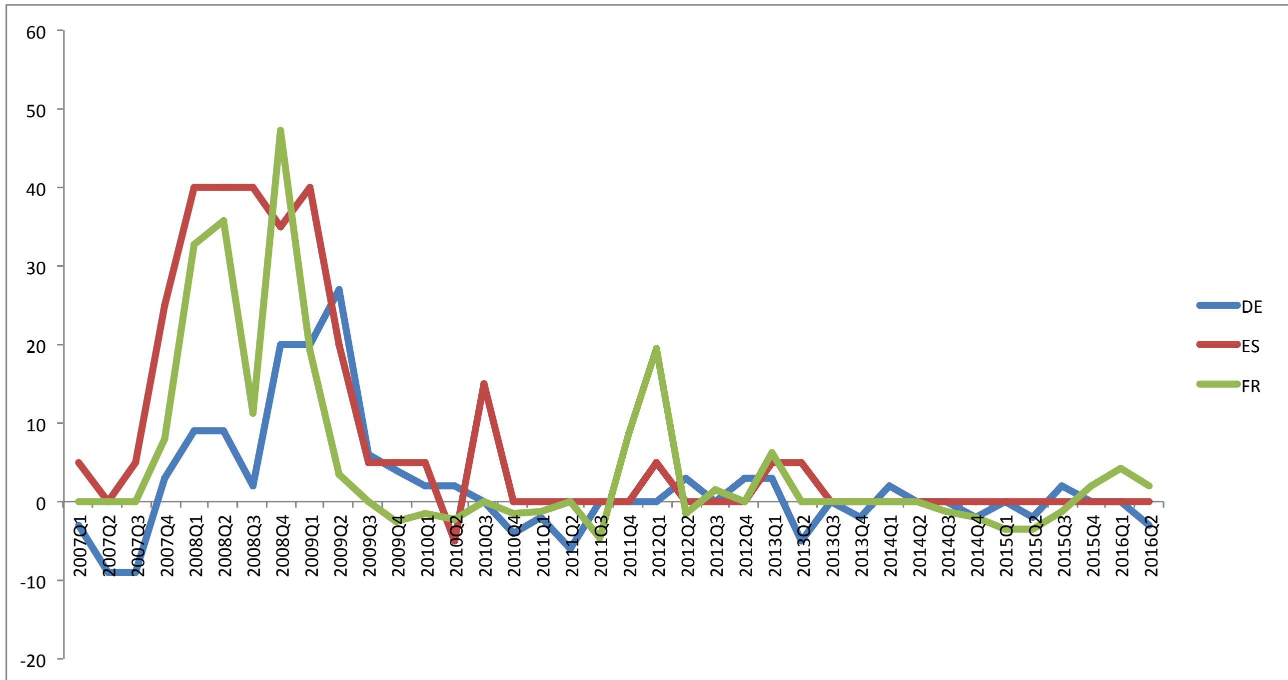
The strong growth in demand for real estate credit is an additional concern regarding the risk to the German banking sector. German real estate markets have seen recently quite strong price increases. Related to this, the Bundesbank reported overvaluations of up to 20%. On the aggregate however, this seems not to expose banks to too much risk. Credit growth for housing purchases was still moderate and debt-income and debt service-income ratios are on low levels. Additionally, as indicated in the bank lending survey, credit standards have not decreased much. However, the Bundesbank reports that in some regional markets, credit growth is reaching over 5% and that loan to value ratios exceed 100% for more than a third of loans. Therefore, there may be local booms, which may threaten some individual banks.

In 2015 new lending in Spain for all categories of loans saw an average increase of 12% (year onyear) for the first time since 2007. The increase was highest for households housing purchases (33.4%) revealing more favourable housing market prospects after a severe downturn since the crisis. In line with past and expected business cycle movements, the overall

increase in new lending was stronger during the first half of 2015 (23.2%), weakened during the last quarter of 2015 (8.7%) and became negative (-12.1%) in December.

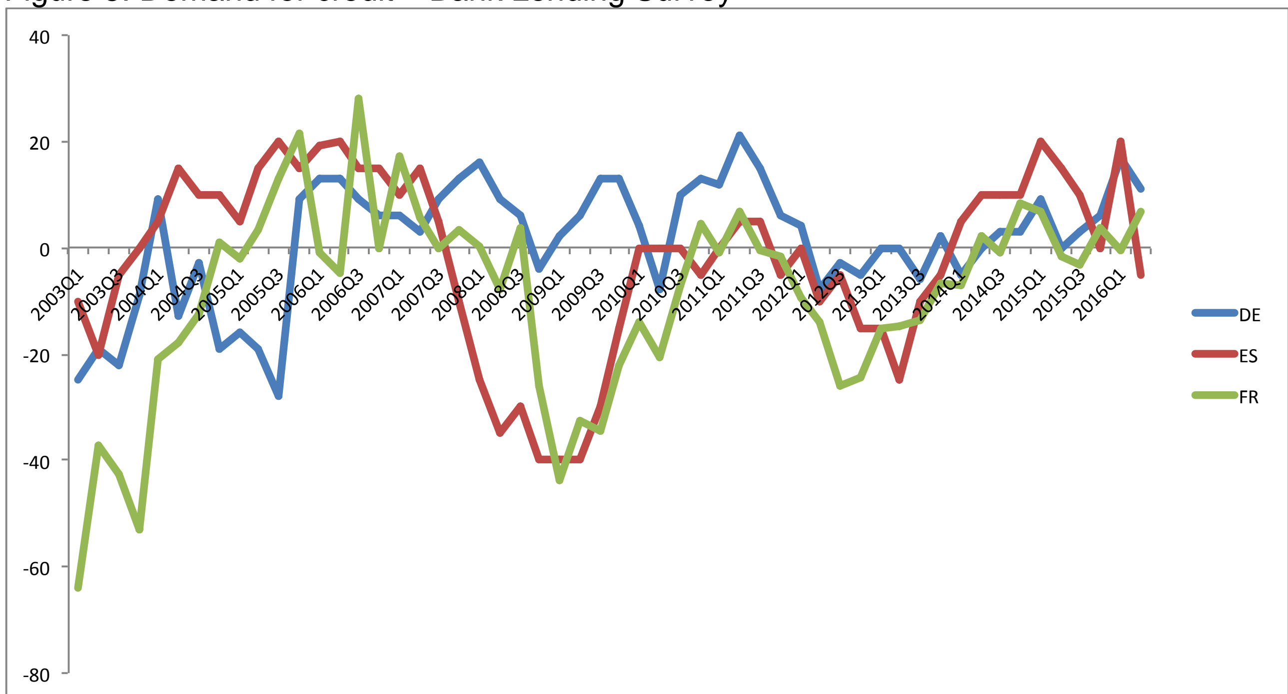
New lending is expected to continue its slow-down in the next few quarters for reasons of both demand and supply. However, demand factors seem to be playing currently a larger role in explaining this outlook. As the BLS of April 2016 reveals, although credit standards are in net easing, net loan demand has considerably decreased in the first quarter of 2016. More concretely, credit demand for enterprises and housing has decreased 10% and 11% respectively, which contrasts clearly with the increase in the other major economies; only consumer credit demand keeps on increasing, but in a less pronounced way. It seems that political uncertainties, still high indebtedness and unemployment are impeding longer term credit demand for investment and housing acquisition to take off. Regarding credit standards, banks reported a net easing of terms and conditions to get a new loan for house purchases and consumption (-11% and -20% respectively). The improvement in liquidity conditions of the banking system, the lower risk of their portfolios and the progress made in bank restructuring are probably positive factors explaining an easier access to bank credit.

Figure 4: Credit standard - Bank Lending Survey



Source: European Central Bank

Figure 5: Demand for credit – Bank Lending Survey



Source: European Central Bank

Findings

The findings of this policy brief are:

First, indicators of systemic stress, while much lower than in the heights of the crisis, have not returned to pre-crisis levels in the Euro area as a whole. Though overall systemic stress does not appear very large, there are still significant concerns. Contagion may drive up overall stress levels again. In addition there may be risk build up in connection with the low interest rate environment.

Second, European banks have been strongly hit by the crisis and needed to be supported by public authorities, via guarantees, recapitalisation and the creation of public "bad banks" in Spain and Germany at high costs to the taxpayer.

Third, the banking sectors in the three countries of examination seem to have recovered in terms of profitability and also seem to have become more robust in terms of liquidity and equity. However, the overall health of the banking sector reflects strongly the different crisis experiences as indicated by the presented financial stress indicators. Germany, while strongly affected by the financial crisis, was barely affected by the Euro area crisis. This was different for France and in particular for Spain, which suffered from the bursting of its real estate bubble. This and the corresponding different macroeconomic developments are reflected in the differences in NPL ratios: in Germany on very low levels, in France on intermediate ones and in Spain still very high. This leaves these countries in very different situations. The Spanish and to a certain extent the French banking sector will have to deal with NPL problems. The main concern in Germany will be to limit the risks build-up in some of the systemic banks and the overall situation in the housing market.

Fourth, when we look at the slow loan growth for the three economies, it seems that credit supply constraints are not a major issue. While in the beginning of the crisis, banks have tightened standards for loans, it seems that sluggish loan growth in France and Spain is rather driven by a lack of credit demand. In fact, in the last survey of the access to finance companies in all of our examined countries ranked access to finance as their least important concern.

From these findings we can draw some general recommendations and also raise some issues in

regard to current reforms.

Firstly, given the high costs incurred by taxpayers to save banks, financial regulations must try to prevent market failure or at least limit its cost. In this sense there are two well-known important steps that could be taken into this direction: first, a regulation avoiding a “too-big-to-fail” problem and a separation between investment and commercial banks; second, in case banks become nonetheless insolvent, a “bail-in” and a stricter resolution policy should be applied. The banking union will have to be assessed in its effectiveness at tackling those two steps.

Secondly, with regard to the project of a Capital Market Union (CMU), the overall good health of the three banking sectors may be viewed as a limit to the appropriateness of revitalising and strengthening the securitisation markets. While securitisation is playing an important role in some markets, their danger was clearly demonstrated during the financial crisis with many of banks’ losses in Germany, France and Spain associated with those securitised assets. In this respect, establishing a market for securitised assets on these terms, and hence a more financialised European financial system, is not adequate. It may fuel bank instability rather than boost financing opportunities. Moreover, our analysis has shown that there is no problem of credit supply. In the Survey on the access to finance of enterprises, 24 out of 28 EU countries have ranked access to finance as the least pressing issue. Only in Greece and Cyprus it seems to be a serious issue. Therefore, the current project on the CMU will not provide the promised stimulus and will not restart credit growth in the Euro area for it has no direct incidence on the demand for credit. In turn, the reasons for overall low credit demand from households and firms in much of the Euro area can be found in the dismal demand conditions, leading to low capacity utilisation and bad employment perspectives. Hence, demand generating policies seem appropriate, e.g. fiscal policies and policies aimed at reducing inequality, including tax policies. Finally, the issue of fragmented domestic financial markets in the EU cannot be solved by the widespread introduction of securitisation. First, the latter has proven rather destabilising before and during the global financial crisis: the CMU project through its promotion of non-bank credit intermediation underestimates the interconnectedness between banks and shadow-banking which has paved the way for the global financial crisis. Second, the CMU project leaves

open the issue of fragmented sovereign debt markets, hence does not prevent contagion risk among Eurozone countries.

Research Parameters

The research programme will integrate diverse levels, methods and disciplinary traditions with the aim of developing a comprehensive policy agenda for changing the role of the financial system to help achieve a future which is sustainable in environmental, social and economic terms. The programme involves an integrated and balanced consortium involving partners from 14 countries that has unsurpassed experience of deploying diverse perspectives both within economics and across disciplines inclusive of economics. The programme is distinctively pluralistic, and aims to forge alliances across the social sciences, so as to understand how finance can better serve economic, social and environmental needs. The central issues addressed are the ways in which the growth and performance of economies in the last 30 years have been dependent on the characteristics of the processes of financialisation; how has financialisation impacted on the achievement of specific economic, social, and environmental objectives?; the nature of the relationship between financialisation and the sustainability of the financial system, economic development and the environment?; the lessons to be drawn from the crisis about the nature and impacts of financialisation? ; what are the requisites of a financial system able to support a process of sustainable development, broadly conceived?

PROJECT IDENTITY

PROJECT NAME	Financialisation Economy Society and Sustainable Development (FESSUD)
COORDINATOR	Professor Malcolm Sawyer. University of Leeds, UK: email fessud@leeds.ac.uk
CONSORTIUM	University of Siena, Italy School of Oriental and African Studies, UK Fondation Nationale des Sciences Politiques, France Pour la Solidarité, Brussels, Belgium Poznan University of Economics, Poland Tallin University of Technology, Estonia Berlin School of Economics and Law, Germany Centre for Social Studies, University of Coimbra, Portugal University of Pannonia, Veszprem, Hungary National and Kapodistrian University of Athens, Greece Middle East Technical University, Ankara, Turkey Lund University,Sweden University of Witwatersrand, South Africa University of the Basque Country, Bilbao, Spain
FUNDING SCHEME	FP7 Socio-economic Sciences and the Humanities, topic for SSH.2010.1.2-1, ‘Changing the role of the financial system to better serve economic, social and environmental objectives’
DURATION	1st December 2011 to 30th November 2016
BUDGET	EU contribution: 7,923,728.02 euros
WEBSITE	fessud.eu
FOR MORE INFORMATION	Helen Evans: fessud@leeds.ac.uk
FURTHER READING	Detzer, D., Creel, J., Labondance, F. et al. ‘Financial systems in financial crisis — An analysis of banking systems in the EU, *Intereconomics* (2014) 49: 56 FESSUD Studies on Financial Systems available at: http://fessud.eu/studies-in-financial-systems/