

# Statement by Competition Commissioner Almunia on Irish banks

European Competition Commissioner Joaquin Almunia welcomes the comprehensive statement issued by the Irish Finance Minister on banking. Commissioner Almunia said:

*"I welcome the statement on banking which brings clarity with regard to the remaining transfer of assets to NAMA and the capital needs of some banks and building societies. Regarding NAMA, the announced changes to the way it manages loans are in line with the Commission's approval of the NAMA scheme.*

*Concerning Anglo-Irish Bank, from a competition point of view, it is clear that the foreseen restructuring and resolution of the bank addresses competition distortions created by the large amounts of aid at stake. Once the Commission receives the details of the plan, it will proceed rapidly towards taking a final decision. I also welcome the announcement that subordinated debt holders will make a significant contribution towards meeting the costs of Anglo. This is in line with the Commission's principles on burden sharing since it both addresses moral hazard and limits the amount of aid, with benefits to the taxpayers.*

*I note that Allied Irish Bank will need to receive further capital in the form of State aid, which will have to be notified to the Commission for approval. I will of course follow this process very closely. I have no doubt that, as in all previous cases, the collaboration between the Irish authorities and the European Commission will be satisfactory.*

*I note positively that Bank of Ireland will be able to continue the restructuring process without further recourse to State resources. The Commission in July 2010 approved the aid and the restructuring plan of Bank of Ireland, and is monitoring its implementation.*

*With regard to building societies INBS and EBS, the Commission remains in close contact with the Irish authorities. For INBS, the Commission will await the notification of the additional capital as well as the details on the institution's future, and will assess them thoroughly and swiftly. For EBS, the Commission is in the process of finalising its initial assessment of the restructuring plan submitted end May 2010. "*