

EBF Board Communiqué - for immediate release

EBF Board members affirm commitment to responsible financing

- EBF committed to contributing to progressive recovery of European growth
- 'Basel IV' proposals pose threat to financing in the European economy
- EBF willing to contribute to reinforcing conduct and behaviour in banking

Board members of the European Banking Federation today affirmed the commitment of the European banking sector to financing households and businesses, to supporting economic growth and to contributing to prosperity in Europe. The Board also agreed to push for an acceleration of the sector's collective drive towards raising standards and improving culture and conduct in European banks.

The Board, comprising the presidents of 32 national banking associations of the countries in the European Union and the European Free Trade Agreement, met in Amsterdam today for its 122nd meeting. The meeting was chaired by Frédéric Oudéa as EBF President.

Addressing the finalisation of regulatory reforms by the Basel Committee on Bank Supervision (BCBS), under the process commonly called 'Basel IV', the Board defined this package as most onerous given that these measures can pose a threat to financing in the European economy, in particular with regard to real estate and specialized financing services, and may harm the competitive position of European banks in the global market.

The EBF Board urged European and international regulators, policymakers and supervisors to set forth a balanced and calibrated approach when it comes to shaping operating conditions for the European banking sector as part of the overall international framework. Such balance and calibration is necessary for creating the conditions under which banks can develop strategies that support a long-term business approach.

The EBF Board meanwhile welcomed TLAC¹ as a global standard for global systemically important banks (G-SIBs) around the world and agreed that there is no need to reopen discussions at European level about the appropriate level of loss absorbency calibration. The MREL² methodology that will be applied to all banks in Europe on an individual basis taking into consideration banks' resolution strategies will need to be consistent with TLAC. In general the application of MREL should not exceed the level of TLAC and individual add-ons should only be applied where they are justified by impediments to resolvability.

"2016 is a critical year for our own sector. We are all waiting for final decisions. We need visibility. We need more clarity," said EBF President Frédéric Oudéa. *"We need an adequate calibration of the regulatory framework in order to finance properly the European economy.*

¹ TLAC: Total Loss-Absorbing Capacity requirements for global systemically important banks (G-SIBs), developed by the Financial Stability Board

² MREL: Minimum Requirement for own funds and Eligible Liabilities for banks in the European Union

This is absolutely critical for our future. We are ready and willing to work closely with all stakeholders to ensure that this balance is achieved.”

In addition to the continued regulatory pressure, the EBF Board noted other additional structural developments in the banking sector, including the emergence of new financial technologies provides new opportunities for banks to transform their business models.

Extending discussions from earlier meetings about conduct in the banking sector, EBF Board members fully agreed on the need for all actors in the European banking sector to promote the importance of culture and behaviour in order to help re-establish trust in the industry. In this regard, the EBF Board also wishes to reiterate that the banking sector is an important partner of governments and authorities in the fight against tax evasion, fraud, money laundering and the financing of terrorism, and that the sector has played and will continue to play a constructive role in supporting the development of European and international standards and measures on these matters. The Board also expressed appreciation for the work being done to promote financial education and inclusion in an increasing number of countries across Europe.

Official photos from the meeting will be available at: <http://bit.ly/EBFBoardAmsterdam>

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About the EBF:

The European Banking Federation is the voice of the European banking sector, uniting 32 national banking associations in Europe that together represent some 4,500 banks - large and small, wholesale and retail, local and international - employing about 2.5 million people. EBF members represent banks that make available loans to the European economy in excess of €20 trillion and that securely handle more than 300 million payment transactions per day. Launched in 1960, the EBF is committed to creating a single market for financial services in the European Union and to supporting policies that foster economic growth. Website: www.ebf-fbe.eu

