

## Statement

### **European banks' mixed reaction to US implementation of Basel III**

The European Banking Federation (EBF) notes with satisfaction the implementation of Basel III by the United States. "It is a positive move in the right direction", said Guido Ravoet, Chief Executive of the EBF. "Following the recent adoption of CRD IV by the EU, it means that most major economies have put in place the new global rules on the quality and quantity of banks' capital."

"There however remains a degree of imbalance", added Ravoet. Indeed, the American Basel III implementation requires only internationally active US banks to hold 7% of equity capital to risk-adjusted assets. It does not yet include the surcharge for systemically important banks.

CRD IV has comparable requirements, but it also carries several additional buffers, which at the discretion of individual Member States, could add up to reach 16% or 17% core equity capital.

"The competitiveness of EU banks is clearly not level with that of their American counterparts" concluded Ravoet.