

Press release – for immediate release

European Banking Federation Board meets in Riga for 120th meeting

- Banks look forward to contributing to EU initiatives to support economic recovery
- Calls for a stable, transparent and well calibrated EU regulatory framework

The Board of the European Banking Federation, comprising the presidents of national banking associations from 32 countries in the European Union and the European Free Trade Association, met in the Latvian capital of Riga today for its 120th meeting.

Chaired by Frédéric Oudéa, President of the EBF, the EBF Board reviewed ongoing developments in the European banking sector and noted with satisfaction that European policy makers are undertaking various initiatives to support the recovery of the European economy, where banks are already at the forefront. The Board particularly welcomed European Union initiatives such as the Investment Plan for Europe, the Capital Markets Union and the Digital Single Market.

“The first signs of economic recovery we are witnessing in Europe are encouraging, and will help banks to deepen their support to European companies in their growth projects at this crucial juncture,” says Mr. Oudéa. *“To further accelerate growth in Europe it is essential to achieve a stable, transparent and well calibrated regulatory framework, taking into account the specificities of the European banking system, in order to have strong European banks able to provide competitive financing solutions both through credit and capital markets.”*

The Board meeting made clear that European banks remain deeply concerned over the EU proposal on banking structural reform (BSR) because of the unintended consequences this may have on the banks’ ability to service the economy in supporting their clients, especially in times of market stress. EBF Board members however support an emerging consensus among member states to move forward with a simplified BSR framework that preserves market making activities for liquidity and risk management.

Similarly, Board members remarked on the inconsistencies of the political advances in defining a Financial Transaction Tax (FTT) in some European Member states whilst wishing to promote a single capital market.

EBF Board members also exchanged views on the current international discussions on the calculation of Risk Weighted Assets (RWA) as a key metric for funds that banks need to hold against risk exposures. They stated their support for risk-based models for capital calculation and agreed to engage further with national and European supervisors to support the use of

internal models with strengthened requirements but without the overly restrictive constraints that international policy makers are considering.

Members exchanged views on current and future developments in regards to corporate governance in the banking sector and market conduct at the international and European levels. Recognising the importance of those matters they reported on the good practices and experiences developing at national level on conduct. With regard to the guidelines for sound remuneration policies EBF Board members called for a constructive engagement with the European Banking Authority to find a proportionate and practicable solution that would still allow European banking groups to attract talent and compete with other financial institutions.

The EBF Board took note of progress being made on the strategic themes which EBF has chosen for 2015: Financing Growth & the Single Market; Supervision & the SSM; Reputation; and Digital Banking. The Board underlined the importance of the on-going EBF dialogue with the new European supervisor and welcomed the imminent opening of an EBF office in Frankfurt, the initiative of EBF members to raise awareness on financial education through the first European Money Week in March, the concrete steps being undertaken to strengthen the ties between banks and SMEs in Europe and the development of an EBF blueprint on digital banking, taking into account the significant impacts that digital technology will have on banks business models.

Media contact:

Raymond Frenken, EBF Head of Communication
+32 (0) 496 52 59 47, r.frenken@ebf-fbe.eu

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.

