

EBF_032455

EBF BOARD COMMUNIQUÉ - FOR IMMEDIATE RELEASE

Keep momentum to support banks fuelling growth

- **Further steps towards the completion of Banking Union and CMU seen as essential**
- **EU Risk Reduction Measures: EBF asks legislators to get it right aiming at financing the European economy and achieving a global level playing field**
- **Sustainable finance: European banks committed to financing energy transition**

SOFIA, Bulgaria, 18 May – The Board of the European Banking Federation, bringing together senior bank executives and national banking associations from 32 countries, met in Sofia on Friday under the Bulgarian Presidency of the European Union.

The EBF Board reiterated the commitment of the banking sector, in a more favourable economic environment, to support sustainable and equitable growth. More than ever, individual customers, companies as well as the public sector across Europe, need a robust and agile banking industry to support their growth initiatives and finance the European economies.

Regarding more specific files:

- Faced with an ever-increasing intensity of regulatory activities which question the promise of a regulatory pause, the EBF restates its call to **reduce regulatory uncertainty** and **unnecessary burdens** while increasing predictability and consistency in EU financial regulation.
- The EBF reaffirmed that regulation should aim at ensuring a global level playing field and a consistent implementation at EU level with the removal of national discretions which do not support further market integration.
- The EBF Board expressed support for the ambitions of the EU leadership to reach agreement on further steps towards the completion of the Banking Union and delivering a true Capital Markets Union.
- The Board took note of the ongoing discussions on the **EU Risk Reduction Measures**, and urged EU legislators to get the package right. In particular noting the MREL requirement which poses a major threat to the capacity of banks to finance the economy. Therefore, co-legislators should apply a cap to MREL.

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EU Transparency Register / ID number: 4722660838-23

- The board noted the preparatory works in the EU on the transposition of the **finalisation of Basel III**. Accordingly, for European banks to continue financing the economy to their full potential, it is crucial that the EU implementation of the Basel agreement does not lead to significant increase in capital requirements.
- The EBF board noted the entry into force of the EU's **General Data Protection Regulation** (GDPR) next week, on 25 May. The GDPR is seen as one of the world's biggest overhauls of privacy rules in over two decades. The EBF believes the new EU privacy regulation presents an opportunity for banks to build even stronger customer relationships, based at its core on trust. Clients in the banking sector have for long entrusted banks with their data. The sector is committed in making sure that client data is protected.

On the topic of **sustainable finance**, board members noted the swift steps that are being taken at the EU level, as evidenced by the March 2018 presentation of the European Commission's action plan. Banks play an essential and pivotal role in financing the global transition towards a sustainable low-carbon economy.

Finally, regarding **UK's membership of the EU**, the EBF Board underlined again that banks are keen to see clarity and certainty during the Brexit process so that they can adapt and continue financing the economy while serving customers to the fullest extent possible. The EBF stands ready to support EU officials and contribute to technical recommendations to avoid undue disruptions and ensure a level-playing field.

EBF members also agreed to look further at the **tax framework in Europe** and its impact on the competitiveness of the banking sector in light of recent US tax changes that would benefit US banks and their competitive position in the global economy.

Frédéric Oudéa, President of the EBF, commented:

"The EBF looks positively at the recent developments in the European economies and European banks stay fully committed to actively providing sound financing to fuel investment and growth. We also expressed strong support to reach an agreement soon on further steps towards the completion of Banking Union and on delivering the Capital Markets Union to effectively ensuring deeper market financing. All in all, we are ready to contribute positively to the European project."

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About the EBF:

The European Banking Federation is the voice of the European banking sector, bringing together 32 national banking associations in Europe that together represent some 3,500 banks – large and small, wholesale and retail, local and international – employing approximately two 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 400 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.