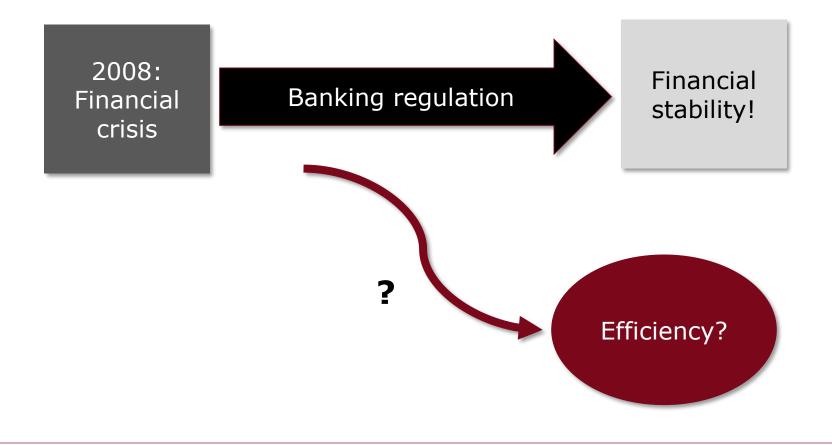


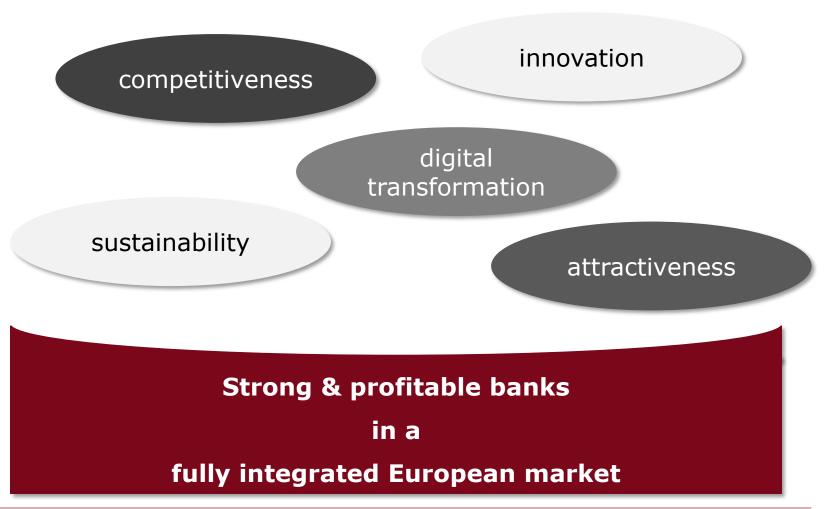
## **Financing the Europe of tomorrow** EBF's vision paper

Christian Ossig, Chief Executive, Association of German Banks Brussels September 27<sup>th</sup>, 2018 EBF European Banking Summit Financing Growth

# 10 years after: stability and efficiency?!



### Major challenges for Europe's economy lie ahead



#### EBF's vision paper 2018

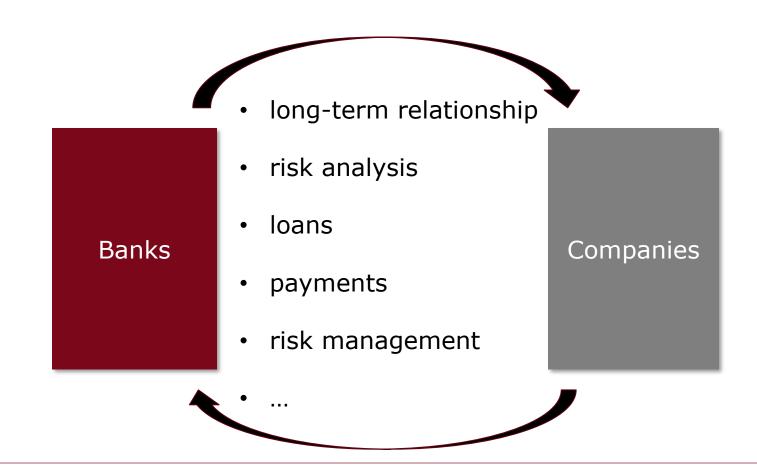
#### FINANCING THE EUROPE OF TOMORROW

How to unlock Europe's latent growth potential

A vision for European policy makers, banks and markets in a changing world

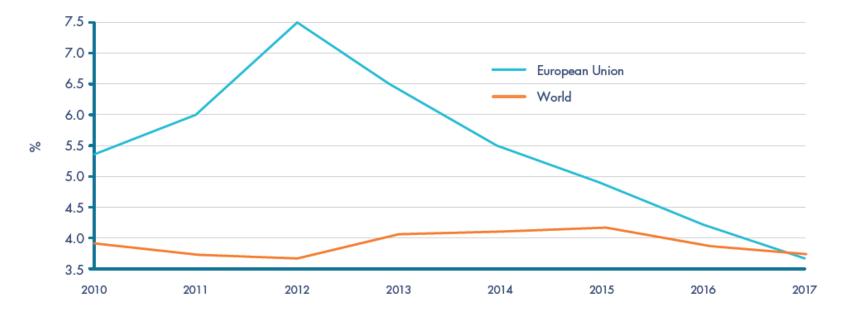


# 1. Banks' role in financing the economy



### NPL problem in the EU has diminished

NPLs to gross loans (Year-end, %)



Source: EBF, based on World Bank and IMF Data.

## Lending in the EU has picked up again

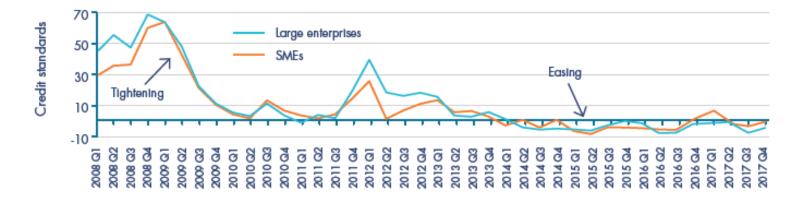
# Outstanding loans to non-financial corporations and households in EU



Source: ECB Data - EBF own calculations.

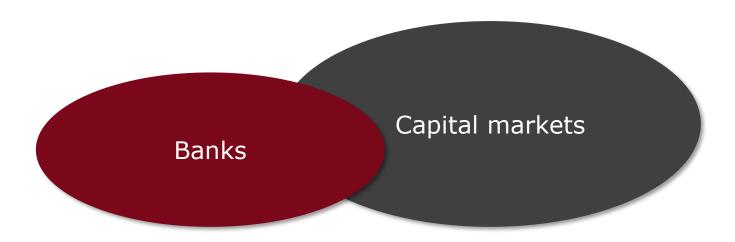
#### Credit standards have eased

#### **Bank Lending Survey**



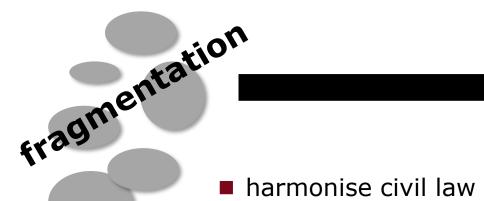
Source: EBF Facts & Figures 2018.

# 2. We need more capital markets



- Wider spreading and hedging of risks in the market.
- Investments in innovation require equity from the market.
- Thanks to the banks' role and function companies are able to obtain stable capital market funding.

## 3. Strengthen the capital markets



- uniform supervisory rules
- revise banking regulation
- strengthen investment culture

#### fully integrated

EU capital market

with strong banks

# 4. We need fair competition



- with other financial actors, like bigtechs
- with other regions, especially the US

# 5. Framework for financing sustainability

#### International initiatives

the European Commission's **Action Plan** on Sustainable Finance

Market dynamics in Europe

**First:** What is *green*?  $\rightarrow$  Define the criteria for sustainability.

**Second**: Find transparent and consistent regulatory measures.

## Thank you for your attention

Association of German Banks

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