

FROM THE EUROPEAN BANKING FEDERATION:

Risk Reduction Measures Package adopted in the EU Parliament

BRUSSELS, 16 April 2019 — The European Banking Federation sees the final vote today on the Risk Reduction Measures Package by the European Parliament as an important step towards the completion of the Banking Union, aimed at reducing risks in the banking sector as well as enabling banks to be stronger, more stable and more resilient.

Since the 2007 financial crisis, the European banking sector has always been supportive of the work conducted to implement reforms agreed at international level to strengthen the banking sector and address outstanding challenges to financial stability, including the intensive efforts to build this Risk Reduction Measure Package since November 2016.

The EBF regrets that the package failed to overcome most of issues leading to banking market fragmentation across the EU. Important constraints to free flow of capital and liquidity across the EU are still not properly addressed, ending-up in hampering risk-sharing across the Banking Union.

Says Wim Mijs, Chief Executive Officer of the European Banking Federation:

"Today's vote marks an important step in the implementation of Basel III reform. European banks believe that it now is high-time to take stock of all the banking regulatory reform and assess its efficiency before rushing into additional rules.

"European banks now will have to allocate significant resources to deal with the approximately 70 mandates from the European Banking Authority. These mandates aim at correctly implementing the EU Banking Package in the respective jurisdictions, together with the transposition in EU law of the completion of the Basel III rules.

"To avoid a further deterioration of the profitability of European banks the European Union should now aspire to reinforce the attractiveness of the EU economy, while promoting a competitive banking sector as well as reviving the Capital Markets Union project."

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About the EBF:

The European Banking Federation is committed to a thriving European economy that is underpinned by a stable, secure and inclusive financial ecosystem, and to a flourishing society where financing is available to fund the dreams of citizens, businesses and innovators everywhere. EBF serves as the voice of the European banking sector, bringing together national banking associations as members from 32 countries. Website: www.ebf.eu Twitter: @EBFeu.

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