

## EBF PRESS RELEASE

### **Banks acting responsibly as part of society, EC Roundtable is told**

- **Banking sector fully committed to helping its clients – businesses and households**
- **Support for EU plan to propel recovery, with twin revolution in sustainability, digital**

BRUSSELS, 28 May 2020 – At the invitation of European Commission Vice-President Valdis Dombrovskis, the European Banking Federation today took part in the EC's Roundtable videoconference to review relief measures for businesses and consumers designed to mitigate the effects of the Covid-19 pandemic.

Throughout this crisis the banking industry continues to stand with its clients – both businesses and households. The EBF is grateful to governments and supervisors for the swift actions they have taken to mitigate the potential economic impact of this unprecedented crisis and for the role banks now play in this effort, by supporting businesses experiencing funding shortfall, helping companies remain in business and retain employees, and assuring the continuity of essential services.

While the health crisis is still ongoing, the focus is on ensuring the safety of clients, employees, and families. For all of us the coming months will be a very difficult period during which risks will have to be managed responsibly. We see value in the collaboration of providers of finance and consumers and companies, and are grateful to the European Commission for its leadership in this regard.

#### **Says Wim Mijs, CEO of the European Banking Federation:**

*“Our industry is part of society and is responsible in the execution of its task. We support the ambitious plan to propel the EU's recovery by accelerating the twin revolution of industrial digitalization and transition towards a sustainable, inclusive and resilient economy. It is also important that we collectively take a good look at the existing banking regulation and determine where the legal framework has supported the economy and where procyclical measures have caused obstacles, notably in the further implementation of the Basel3 finalisation and in the IFRS9 accounting framework.”*

#### **SPEAKING POINTS WIM MIJS IN THE EC ROUNDTABLE: [CLICK HERE](#)**

As governments, businesses, and households start to look beyond the crisis, banks stand ready to help finance the recovery. To adapt and thrive in the world beyond the crisis, the EU will need to invest in activities that generate long-lasting value for society – be it public health, employment preservation, crisis prevention, or environmental priorities. During the crisis, banks have increased financing of projects with clear social objectives and benefits, and will continue doing so. Banks support the ambitious plan to propel the EU's recovery by accelerating the twin revolution of industrial digitalization and transition towards a sustainable, inclusive and resilient economy.

Putting companies, especially the small ones, back on their feet and ensuring their competitiveness and future resilience will require improving access to finance and diversifying funding sources to fund innovation. More generally, European banks seek to ensure that financial market products and services are available to meet client needs, recapitalize companies, finance innovation and support the sustainability transformation.

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The European Banking Federation and SMEUnited on Wednesday agreed [a joint statement](#) on recommendations to improve the flow of financing towards small and medium-sized enterprises. The organisations agreed in the importance of an adequate, speedy and smooth credit flow and provision of other critical services to Europe's SMEs at a time of extraordinary challenges for small companies in Europe.

#### **BACKGROUND:**

- Data reported by the European Central Bank in its [May 2020 Financial Stability Review](#) shows that loan provisions in March 2020 increased by around **120 billion euro flow** - the highest monthly level on record.
- It is estimated that, through the [dividends decision coordinated by the EBF](#), banks have freed up **hundreds of billions Euro** for lending to European citizens/businesses by allowing a total of 30 billion Euro of additional capital of the highest quality to be kept within the system.
- Data collected so far by various national banking associations indicates that the state-supported schemes have mostly functioned as intended and the banks have fulfilled their transmission function. Banks are applying interest rates in compliance with the measures established by the law; in most of the cases, interest rates are well below that cap. Early data collected shows that a very high rate of loan applications is fulfilled.

#### **About the European Banking Federation:**

The European Banking Federation is the voice of the European banking sector, bringing together national banking associations from across Europe. The EBF 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. Website: [www.ebf.eu](http://www.ebf.eu) Twitter: [@EBFeu](https://twitter.com/EBFeu).

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