

**From the European Banking Federation:**

## **EBF asks EU to renew momentum towards completing financial services framework to support growth, job creation**

BRUSSELS, 23 November 2018 – Board members of the European Banking Federation on Friday called on the European Union to renew its momentum for progressively completing the EU regulatory and supervisory framework for financial services so that banks can continue to foster growth and support job creation.

If Europe is to carry on moving forward with its ambitious sustainable growth agenda, it will be essential to consider the **completion of Banking Union** and to reinvigorate **Capital Markets Union**. At the same time, the EU needs to carefully calibrate the range of EU and international – ‘**Basel4**’ – regulatory measures that are nearly final.

*"Completing Banking Union and creating a CMU needs to feature prominently on the agenda for the next EU term," said EBF President Frédéric Oudéa. "We live in an age of potential disruption so if banks are to deliver in a bank-financed economy like ours and support the EU's growth and jobs agenda it is all the more important to reduce regulatory uncertainty and remove unnecessary burdens for our industry."*

The Board approved the 2019 EBF strategy, ‘**Building trust in an age of disruption**’. The next year will see many changes and transitions, including the European elections that will determine the EU policy agenda for 2019-2024, and leadership changes at the EU's financial regulation and supervision bodies. The EBF is to remain a trusted partner in the dialogue needed with all relevant European authorities, with a focus on key issues such as the digital transformation and compliance and conduct in the banking sector.

On **sustainable finance**, the Board noted that swift steps are being taken at the EU level, with the banking sector – including the EBF – being constructively engaged in these discussions. Banks play an essential and pivotal role in financing the global transition towards a sustainable low-carbon economy and recognize this as part of their purpose and role in society.

Addressing **EU Risk Reduction Measures**, the Board urged EU co-legislators to get the package right by carefully considering the threshold level under the Minimum Requirement for own funds and Eligible Liabilities (MREL). Setting a threshold level that is too high will harm the capacity of banks to finance. The EBF also calls for a balanced approach to the prudential backstop currently considered for non-performing exposures arising from new loans. An adequate treatment of software in the prudential framework is necessary to support innovation and strengthen the competitiveness of the banking sector, and thereby enable banks to foster growth.

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**EU Transparency Register** / ID number: 4722660838-23

While banks across Europe continue to implement their **Brexit** contingency plans, board members expressed their hopes that the recent agreement reached on the United Kingdom's withdrawal from the EU will help avoid a hard Brexit cliff-edge scenario. Significant Brexit risks are to be considered where it concerns cleared and uncleared derivatives. Regardless the final outcome of the Brexit processes the EBF remains hopeful that all relevant public actions will be taken in order to avoid negative consequences for the users of these markets. The EBF stands ready to contribute technical recommendations to help avoid undue disruptions. In this context, the Board also underlined the importance of maintaining a level playing field between banks and other actors in financial services such as investment firms.

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**About the EBF:**

The European Banking Federation is the voice of the European banking sector, bringing together national banking associations from 45 countries. 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).

