

Press release – for immediate release

CMU Action Plan puts Europe on track towards growth

- European banks, in pivotal financing role, set to help build new ecosystem

With its Action Plan for a Capital Markets Union (CMU) the European Commission is on the track towards growth in the European economy, the European Banking Federation said today. Europe's banking sector, with its pivotal financing role, fully supports CMU and is keen to help build a new ecosystem for growth in Europe by cooperating with all stakeholders.

EBF is pleased to hear that the Commission appreciates the important role that banks play in financing the economy and is seeking a complementary approach. Risk-averse banking regulation introduced during recent years has made it more difficult for banks to lend to European companies, in particular to small and medium-sized companies. By broadening the financing options for companies in need of equity investment, including by revitalising securitisation, CMU can now help unlock the latent growth potential of capital markets.

"It's exactly this type of policy action that we need in Europe," says Wim Mijs, Chief Executive of the EBF. "CMU is an excellent example of how policies can boost growth instead of restricting it. CMU is ambitious. I hope the Commission can maintain its resolve to make it work so that these plans can deliver a single European capital market without obstacles. If we want to reap the benefits in five years' time CMU needs to be pushed now. At our end, banks are ready to play their part."

To underline the constructive role of banks in regards to CMU, the EBF is already working together with partners to develop concrete initiatives to unshackle the simple and transparent securitisations from the obstacles that impede their revival notably in the case of SME securitisations.

If European lawmakers are indeed serious about CMU, they also need to recognise the importance of liquidity in financial markets. Proposals such as the Financial Transaction Tax (FTT) and Bank Structural Reform (BSR) are at odds with the objectives of CMU. Dropping these proposals will greatly enhance the chances of success for CMU.

EBF infographic with Ten Tips on CMU: <http://bit.ly/1iAmMMg>

EBF response to the EU Green Paper on CMU: <http://bit.ly/EBFonCMU>

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About the EBF:

The European Banking Federation is the voice of the European banking sector, uniting 32 national banking associations in Europe that together represent some 4,500 banks - large and small, wholesale and retail, local and international - employing about 2.5 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 300 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. Website: www.ebf-fbe.eu

