

European banks call on policy makers to show commitment to enabling growth and calibration of regulations

- **EBF Board welcomes ambitions of the new European Commission, and underlines the importance of confidence-building actions that support growth**
- **Board remains firmly opposed to proposed mandatory separation of banking activities**

The Board of the European Banking Federation, comprising the presidents of 32 national banking associations of the countries of the European Union and the European Free Trade Agreement, met in Brussels today for its 119th meeting.

Chaired by Christian Clausen, President of the EBF, the Board discussed current developments in the European banking sector and noted that the new European Commission has set out strong ambitions to encourage economic growth.

"Banks are ready to finance sustainable growth, but it is crucial for the economy to carefully fine-tune existing regulations before introducing new requirements that could have unintended negative consequences," said Mr. Clausen. "This means that the current fixation on even tighter and continuous regulation of banks needs to be weighed against reviving the economy. Calibration is overdue."

As for structural reform of banks, the Board remained firmly opposed to the proposed mandatory separation of trading activities as it would damage both the functioning of the financial sector and the economy. Mr. Clausen stressed that "this proposal, if it came true, would indeed result in increased costs and would make it very difficult to provide a full range of key banking services for corporate customers."

Board members made clear that the original objectives of Bank Structural Reform initiative are already taken care of by all the other new regulations in the financial sector, to which will be added the Total Loss Absorbency Capacity concept that is still under development.

Board members agreed the comprehensive assessment had been a necessary step to launch the ECB as single supervisor in the SSM. The new supervisory practice in the SSM is still to be developed in practice to ensure a level playing field and increased transparency for affected banks operating both in- and outside the euro-zone. European banks stand ready to support that exercise.

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