

## Banks support European Commission plans for long-term financing

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- Targeted policy efforts recognise significant role of banks in financing economy
- Banks welcome greater emphasis on financing exports and securitisation
- EBF reiterates call for comprehensive impact assessment of new regulation

The European Banking Federation looks forward to further cooperating with the European institutions on plans for a proposal for long-term financing that the European Commission presented earlier today. Long-term financing is key when it comes to encouraging economic growth. Long-term financing is also a complex topic with broad implications that requires targeted policy efforts such as those that now are being considered.

The EBF is pleased to see the Commission recognizes that banks will indeed continue to play a significant role in the financing of the European economy.

“The capability of banks to fund the real economy has been adversely impacted by new regulations.” said EBF Chief Executive Guido Ravoet. “Some provisions in the new capital regime for banks make securitisation more costly and capital intensive, whilst some elements of the new insurance rules make it less attractive for insurers to buy securitised products.”

“We are convinced that improved overall coordination of the new rules can benefit the economy, and we reiterate our call for a comprehensive impact assessment of all the new rules in relation to each other,” said Mr Ravoet.

The EBF welcomes the greater emphasis that the Commission places on the longer-term financing of exports. Banks also welcome recognition of the importance of securitisation in the financing of the economy. The EBF is keen to work further with the Commission on the various initiatives, such as the Prime Collateralised Securities initiative (PCS)<sup>[1]</sup>, to revive high quality securitisation. EBF recalls that the performance of EU-originated securitised instruments has been exemplary with negligible credit losses in the wake of the crisis.

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[1] <http://www.pcsmarket.org>

27/03/2014