

Press release

European banks hopeful of more favourable circumstances

The European Banking Federation (EBF) welcomes the agreement reached by 23 Member States of the EU last night.

“We trust that the agreement will lead to concrete measures which will help restore a degree of trust and confidence in the markets”, declared Guido Ravoet, Chief Executive of the EBF.

The EBF adds that an agreement was indeed necessary to improve the situation of the Eurozone. It also welcomes the positive steps already taken in the countries that were facing the worst difficulties.

In terms of the private sector involvement, the decision to keep the Greek debt solution as “unique and exceptional” is also crucial to allow confidence in the markets.

Furthermore, European banks are positive about the decision made by the European Central Bank to foster liquidity. “These measures come as a support to banks”, declared Ravoet, “They will sustain the banks’ activities and help avoid a credit crunch.”

Regarding the publication yesterday by the European Banking Authority (EBA) of the final recapitalisation amounts, Ravoet commented: “The total figure of €115bn announced by the EBA is indeed higher than the original estimates. The main issue for banks is, however, the capital ratio, which was agreed at 9% during the October Summit. Banks will do their utmost to implement it; many already have, but it has a cost.”

European banks draw attention to the fact that extra capitalisation will have consequences on the economy, at a time when a downturn is already expected.