

# **‘The major challenges facing the European banking sector’**

**Reykjavik, 1<sup>st</sup> November 2012**

# Our members

## 31 National Member Associations:

-  27 EU Member States
-  4 EFTA countries
-  14 Associates



## Challenges and opportunities

*“There is nothing wrong with change, if it is in the right direction”.*

*W. Churchill*

## Our mission

- achieve an integrated European financial services market
- support free and fair competition in the EU and world markets
- support the banks' efforts to increase their efficiency and competitiveness

## An important European mission

- The EU financial services market is 'bank-based'
- Maintain and extend the benefits of the Single Market in terms of financial integration
- Preserve banking stability thanks to a diversified banking sector

## Reforming the European banking sector

- **At European level: CRDIII, CRD IV**
  
- **At global level: the Basel Accord**
  - Capital levels
  - Counterparty credit risk
  - Liquidity standards: LCR & NSFR

# Reforming the European banking sector

- **FSB:**
  - Framework for effective resolution
  - Greater loss absorbency
  - More intensive supervision

## Towards a banking union?

- Single Supervisory Mechanism as the backbone
- Bank resolution framework
- Deposit guarantee system
- Crisis management framework



## Evaluation of the reform agenda

- In theory: enhanced financial stability
- In practice: serving the real economy?
- More reforms to come ?

## Proposed structural reforms

- The Liikanen report

The EBF's fear is that structural reforms will undermine the benefits of the Single Market by restricting cross-border activities.

## What the EBF stands for

- European financial stability
- ensure banks continue to serve the real economy
- preserve the integrity of the internal market across all 27 EU countries
- assess the overall impact of these reform packages before pressing ahead with discussions on possible structural reform

EBF Publications, Positions and Documents:

[www.ebf-fbe.eu](http://www.ebf-fbe.eu)

**Thank you for you attention**