

## "It is of the essence to ensure rapid and full disclosure of information regarding securitisation exposures"

*Mitte April dieses Jahres hat auch die European Banking Federation als Interessenvertretung der europäischen Finanzindustrie zur gegenwärtigen Finanzkrise und möglichen Maßnahmen zu deren Bewältigung Stellung genommen. Sie spricht sich für mehr Transparenz in strukturierten Kreditmärkten sowie für Verbesserungen beim Rating von Krediten und beim Liquiditätsmanagement aus. Im Redaktionsgespräch betont Guido Ravoet, seit 2005 Secretary General des Verbandes, die Notwendigkeit für alle Beteiligten bis hin zu den nationalen Aufsichtsbehörden, das Vertrauen in die Finanzmärkte wiederherzustellen. Die vom Ecofin im Herbst letzten Jahres vorgestellte Roadmap sieht er als sinnvollen Schritt nach vorn an, weil sie aus Sicht der Institute die Zweckmäßigkeit der EU-Regularien sowie Rahmenbedingungen verbessert und die Risiken einer erneuten Krise in der Zukunft reduziert. (Red.)*

**Are there ideas/suggestions from the EBF to tackle the financial crisis? How do you rate the suggestions from other interest groups?**

The EBF and its members have indeed proposed possible solutions to the financial crisis and options to prevent future ones. This position paper was published mid April. The EBF thus aims to help the various stakeholders involved in the management of the financial crisis make appropriate policy choices when developing further strategies.

In our recommendations, we stress how crucial it is that all stakeholders help bring back confidence in the markets. We also think that the roadmap adopted by Ecofin last October is the sensible way forward as it will increase the soundness of the EU regulatory framework and limit risks of similar future crisis.

Obviously, industry and market-led efforts are already under way, particularly with regards to transparency in structured credit markets; for us, the coordination of efforts at national and European levels is of the essence, in order to ensure rapid and full disclosure to the markets of information regarding securitisation exposures at individual entities. We firmly believe that financial authorities too should remain ready to help to re-establish normal func-

tioning of the markets and be given strong political support.

We know that final lessons cannot yet be drawn, we will need more reliable information and analysis of causes and consequences, before long-term policies can be defined. However, the overview we have just published lists preliminary recommendations on a number of key issues and is published jointly with two papers presenting more detailed recommendations on liquidity risk management and the rating of structured credit products. It is our intention to continue to monitor ongoing initiatives and to develop further recommendations on crisis-related issues. EBF generally welcomes other organisations' contributions to the issue. For instance, we believe that the Financial Stability Forum has conducted a thorough review and identified the right set of issues going forward, which are entirely consistent with the EU's Ecofin roadmap.



*Guido Ravoet,  
Secretary General, European  
Banking Federation (EBF),  
Brussels*



**Beyond the crisis: What are the general conditions and draft regulations that will influence the banking industry the most?**

European banks are still actively and heavily involved in implementing the directives adopted over the last few years, mostly as

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part of the Financial Services Action Plan (FSAP) of the European Commission. The setting up of the Lamfalussy measures and related Committees have generated a lot of attention from all observers in our industry and we – as industry representative – have been actively involved in contributing to their consultations.

The next challenges we see are varied. They relate to supervisory convergence, the revision of the Capital Requirements Directive or the proper implementation of the Payments Services Directive, amongst others. They are also closely linked to retail issues. Our sector has already undergone radical changes in the landscape of wholesale banking over the last few years. In that respect MIFID was a key directive but not the only one. It is now ample time to move ahead with further integration of retail banking markets.

**Does the EBF see the promotion of cross-border banking as one of its duties?**

Certainly. So much so that we published an extensive report on Integration of Financial Services Markets last December, and that we intend to update it at the end of

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this year. This was a broadly encompassing publication, which looked at all angles of integration, whether retail or wholesale. We are convinced that the removal of obstacles to further consolidation, whether

legal (diverging consumer protection rules), or fiscal (VAT regime) is essential. The EBF has been a long-standing advocate of full targeted harmonisation, in other words the full harmonisation of those key elements of a financial service necessary to facilitate further integration, and of those only. Opening retail cross-border markets will allow banks to develop the offer of products to a larger group of potential customers, while stimulating further competition.

**How is the division of work being organised between the EBF and national associations such as the BdB? Is the EBF always able to "speak with one voice"?**

National banking associations are our members, we have 31 of them sitting around the table. Each of them can make its voice heard. National associations contribute to all the position papers we prepare in the name of the EBF, that is in the name of the European banking sector. The national associations delegate their experts to our Consultative Committees where positions are elaborated. In principle EBF's positions are adopted by consensus. Because our members are generally dedicated to the same goal, that of the creation of a European single market for financial services, it is very rare that there are dissenting voices around the table. But if consensus cannot be reached we decide by a qualified voting procedure.

**Does the bundling on manifold interests of so many members not necessitate an agreement on the lowest common denominator? Is that a problem for the EBF?**

The EBF approach to positions allows for an in-depth consultation of members. They are allowed to present and discuss their views, and sometimes they try to convince one another, if their positions differ. As a general rule, we rarely need to come down to

the lowest common denominator. On the contrary, we carefully weigh the proposals we make and try to reach balanced arguments which are representative of the sector as a whole. Relying systematically on the lowest common denominator would not help our credibility in the long term, frankly. In order to prevent that footnotes can be helpful.

**Are smaller national member associations equally being heard at the EBF?**

Our Federation brings together 31 national associations, of which a large majority come from smaller countries. They are all heard. They have to be, otherwise how representative of the industry would we be? Again, it is a matter of credibility, internally, to our own members, and of course externally, towards all our stakeholders. When we have to vote (in case consensus cannot be achieved) there has to be firstly a majority of all the members and secondly a weighted majority. In this way there is a

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balance between smaller and larger member organisations.

**Are there shared initiatives with the European Savings Banks Group or the European Association of Co-operative Banks?**

We regularly cooperate with our colleagues of the other two European Credit Sector Associations, the ECSAs as we call ourselves. We are all founding members of the European Payments Council for instance, and remain very closely involved in the development of SEPA. We also belong together to the European Banking Industry Committee, EBIC, which brings together the European organisations representing all sectors of the financial services industry in Brussels. Between us, we share – on a rotating basis – the presidency and secretariat of the informal organisation. Furthermore, we have established numerous personal contacts at all levels of our staff, so that informal exchanges are facilitated. We are after all often in the same boat, when it comes to issues.