



IRIS BETHGE-KRAUSS | EXECUTIVE MANAGING DIRECTOR

With its common set of values, the European Union has proven over the past decades to be a guarantor of our life in peace and freedom. But citizens also benefit directly in economic terms: with the European single market and the monetary union, the EU forms the foundation for our prosperity. Germany has particularly benefited from European cooperation economically.

However, in Europe and the world, we are increasingly facing crises. On the global stage, numerous international flashpoints are fuelling our concerns in a manner unprecedented since the end of the Cold War. At the same time, we face enormous challenges in the need of climate protection measures, whereas the effects of climate change become increasingly noticeable.

German Public banks have already shown in the past that they can provide the right financing solutions and the necessary amounts of capital, particularly in times of great

upheaval. Given the amount of capital needed to counter a multitude of challenges, it is especially public banks which can crowd-in and mobilise private capital.

I am convinced that we need a strong financial and banking sector in the EU in order to ensure adequate financing for the transformation and safeguard Europe's competitiveness. Please find our most important positions in brief and feel free to contact us in case of questions.

Wishing you and to all of us an election aftermath that strengthens the European idea and further contributes to the well-being of Europe and its economy,

Iris Bethge-Krauß
Executive Managing Director



The Association of German Public Banks' positions on the European Election 2024

As public banks, we are aware of the importance of a strong EU. In our positions on the 2024 European elections, we showcase how we want to strengthen the financial sector to finance Europe's transformation and ensure its competitiveness, relating directly to greater European sovereignty.

Regulation and Supervision

The public banks advocate for:

- the reduction of bureaucratic requirements, as these slow down, occasionally create uncertainties during the process and tie up further capacities in the banking industry.
- a common objective in terms of competitiveness, transformation and therefore sovereignty, which is at the forefront of regulation and therefore:
 - understands securitization markets as tools for transformation and therefore revives them,
 - designing macroprudential instruments in a simpler and more flexible manner,
 - preserves proportionality with regard to different business models,
 - puts an end to the regulatory response to the financial crisis, including the European bank levy (SRB) after its contribution phase is completed,
 - reviews sustainable finance legislation for harmonization and usability.
- enabling both the European real economy and the financial sector to act quickly and efficiently by focusing on principles-based regulatory requirements

Efficient capital markets as a source of financing

Appropriate conditions must be created to boost capital markets financing, such as:

- Streamlining the regulatory capital markets frameworks
- Advancing the Capital Markets Union, notably by
 - a regulatory relief for loan securitizations as a bridging instrument
 - Supporting a general capital markets culture in Europe by highlighting its opportunities both for retailers as well as for SME financing

Promoting, Funding, Financing

A European promotional policy should:

- Standardize and simplify bureaucratic requirements so that, for example, InvestEU can be implemented in Germany and European Structural and Investment Funds can be used in a targeted manner and can be distributed on time.

Effective transformation and transition financing requires:

- reviewing the existing sustainable finance regulation regarding its feasibility, e.g. by simplifying the disclosure requirements,
- creating a voluntary framework for social investments that simplifies financing for socially sustainable projects.

Digital ecosystems to strengthen European sovereignty

The digital euro is a project with a signal effect for European payment transactions and the digital sovereignty of the EU.

The following measures are essential to ensure financial market stability:

- Digital euro as a pure means of payment (analogous to cash), not as a complete, sovereign payment method
- Restriction of the digital euro to selected basic functions in the sense of a means of payment
- Precautions against extensive deposit outflows at banks:
 - Holding limit in the low three-digit range
 - Exclusion of interest rates on the digital euro wallet
 - Ensuring acceptance by consumers and companies



The Association of German Public Banks (VÖB) is a leading association of the German banking industry

The Association of German Public Banks (VÖB) foremost represents the German promotional banks as well as the Landesbanken both of which play an important role in the German finance industry. Our member's cumulated total assets account to more than 3,029 billion euros, constituting approximately one quarter of the German banking market. They finance companies, SMEs, the public sector as well as retail customers and are firmly rooted in their home regions. Our main areas of interest are banking regulation and supervision, digitalisation, sustainable finance, capital markets, payment services, economic and promotional policy, and legal issues.

VÖB's team amounts to 80 staff members being based in Berlin and Brussels. Due to the particular importance of European banking and financial markets regulation eight colleagues in our Brussels office are in regular and direct dialogue with the EU institutions and authorities as well as other relevant stakeholders. To further effectively engage in working groups on the European level, VÖB is a member of the European Association of Public Banks (EAPB) as well as the European Banking Federation (EBF).

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