

Iris Bethge-Krauß: “The ECB pauses interest rate hikes”

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Berlin – Iris Bethge-Krauß, Executive Managing Director of the Association of German Public Banks (*Bundesverband Öffentlicher Banken Deutschlands* – “VÖB”), commented on the outcome of today’s Council meeting of the European Central Bank (ECB):

“After raising the key interest rate ten times, up to 4.5 %, the ECB pauses. It does so for good reason – considering the most recent economic data. However, we believe it to be important that the ECB keeps all options on the table. Even if the trend in terms of inflation develops in the right direction, further interest rate hikes should not be ruled out. Only time will tell whether the central bank has accomplished its mission. If not, further decisive action from the ECB is required.”

The Association of German Public Banks (Bundesverband Öffentlicher Banken Deutschlands, VÖB) is a leading association within the German banking sector. It represents the interests of 63 banks, including the Landesbanken (the head institutions of the German Savings Banks Finance Group), as well as the promotional and development banks owned by the Federal Republic of Germany or the individual German federal states. With total assets of some 3,029 billion euros, VÖB's member institutions cover approximately one quarter of the German banking market. Public-sector banks honour their responsibility towards SMEs, other enterprises, the public sector, and retail customers; they are deeply rooted in their respective home regions, all over Germany. With a 59 percent market share, ordinary VÖB member banks are market leaders in local authority financing; in addition, they provide some 22 percent of all corporate lending in Germany. In 2022, development and promotional banks at federal and state level provided 72 billion euros in new development and promotional loans. VÖB is the only German banking association exercising the functions of an employer association for its member institutions: the Public-Sector Banks' Employer Association (Tarifgemeinschaft Öffentlicher Banken), which comprises VÖB member institutions with a total of 60,000 employees (as at financial year 2022) and which performs collective bargaining duties. More information is available at www.voeb.de/en

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