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Iris Bethge-Krauß: “The ECB is on the right track – but it’s not quite there yet”

Berlin – Iris Bethge-Krauß, Executive Managing Director of the Association of German Public Banks (*Bundesverband Öffentlicher Banken Deutschlands, VÖB*), comments on today’s monetary policy decisions of the European Central Bank’s Governing Council:

“With the eighth interest rate hike in a row, the ECB continues to stay on course – which is an important signal. The small hike takes the slow economic momentum and a slight reduction in inflationary dynamics into account. Yet the still-excessive inflation rate, and especially the persistent core inflation, require a cautious stance. The ECB is on the right track – but it’s not quite there yet.”

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 3,229 billion euros, VÖB's member institutions cover approximately one-third 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 23 percent of all corporate lending in Germany. In 2021, promotional banks at federal and state level provided 81 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 2021) and which performs collective bargaining duties. More information is available at www.voeb.de/en

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