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PRESS RELEASE

Statement by ESBG on European Commission initiative on Covid-19 and financial sector.

Savings and retail banks already serving Europeans through best practices summarised today

BRUSSELS, 14 July 2020 – The European Savings and Retail Banking Group joins today with other EU financial industry associations and consumer and business bodies to welcome today’s release of a summary of best practices on relief measures for households and real-economy businesses related to the Covid-19 crisis.

Drafted by the European Commission in an effort to describe financial sector best practices, it acknowledges the role locally focused banking plays to help people, SMEs and other elements of the economy – and communities – weather the storm and pick up the pieces left by Covid-19. To do this, constructive cooperation occurred between stakeholders. The good will formed among all involved helped flesh out the set of best practices. Broadly supported by those involved, the final list is non-binding and may change. ESBG agreed to make the necessary effort to inform and encourage the members to implement, whenever appropriate, on a best-efforts basis, as they navigate through the crisis with their clients.

ESBG Managing Director Chris De Noose said: “The best practices help highlight ESBG members’ efforts done so far. They already employ the best practices outlined. Doing so brings banks even closer to the customer in part thanks to beefed up digital technology, all while service remains continuous.

“The best practices include temporary moratoria on loan repayments, which our members have employed to help households and businesses. Meantime, much-needed and swiftly granted special credit facilities provide a lifeline for the future of SMEs – often in synch with national development banks and other authorities. These measures consider the need for businesses and ESBG members to manage risk.”

Data and examples of ESBG member banks during crisis

Part of a wider initiative by the Commission on financial sector and Covid-19 relief measures, the best practices come alive when real-world examples demonstrate ESBG member efforts. Data and case studies from them point to swift response. In Germany, savings banks have accepted through end of June some 360,000 moratoria, roughly 50% for households and 50% for businesses concerning a total loan amount of €60 billion. The duration of the moratorium as well as the scope – principal and or interest – have been agreed with clients during 1.4 million individual contacts.

In Spain, savings banks have agreed on an additional sectoral moratorium for vulnerable families that kicks in for six or even 12 months as soon as the legal moratorium of three months has ended. Almost 400,000 transactions worth a total loan amount of €19 billion have been treated up to the end of June. At the end of that month, savings banks channeled €24 billion of government aid to businesses via their distribution channels and advanced €27 billion of pension and unemployment allowances.

In Luxembourg, up to 18 June, ESBG local member BCEE – Banque et Caisse d’Epargne de l’Etat – received 2500 requests for a moratorium for up to six months and accepted 98% of these requests. Other, specific financing solutions for SMEs have also been put in place.

De Noose concluded: “ESBG member banks go the extra step for customers hit from the Covid-19 crisis. They tap into foundations connected with their banks mission to help the most vulnerable clients and citizens on a social, cultural and environmental level. Long-standing resource commitments were redirected to a large extent to Covid-19 relief.”

See more examples of ESBG members efforts [here](#).