



**To the members of the  
European Federation of Building Societies**

Brussels, 8 October 2012  
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**Reform of the Structure of the EU banking sector: High-level Expert group's report**

Dear members,

On 2 October 2012 the High-level Expert Group (Liikanen-Group) which was established by the European Commission, published its proposals on reforming the structure of the EU banking sector. In the report the Group recommends actions in the five following areas:

- 1.) Mandatory separation of proprietary trading and other high-risk trading activities,
- 2.) Possible additional separation of activities conditional on the recovery and resolution plan,
- 3.) Possible amendments to the use of bail-in instruments as a resolution tool,
- 4.) A review of capital requirements on trading assets and real estate related loans, and
- 5.) A strengthening of the governance and control of banks.

Further steps

On the basis of the report and the on-going consultation the European Commission intends to submit legislative proposals. The consultation's deadline is fixed on 13 November 2012.

In addition, the European Commission will look at the impact of these recommendations. The European Parliament will also prepare an opinion.

In order to prepare a position of the EFBS, we would be grateful if you could send your statements by **Friday, 2 November 2012** to the European Office.

Should you have any further questions, please do not hesitate to contact us.

Kind regards,

Andreas J. Zehnder  
Managing Director  
European Federation of Building Societies

**Enclosure**

- Expert's report