

# **The Missing Pieces of SME Lending**

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**Intervention of Francesco Papadia**

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## ...in short

### 1. The focus of policy making in the €area:

Crisis and demand management  Supply and long term growth

2. Banks and capital markets  €-area economy growth

3. ABS market revitalisation  Necessary but not sufficient condition

3a. High Quality Securitisation

3b. Operationalize the concept of a HQS

3c. Regulation of ABS market

# The focus of policy making in the €area

**“saving the €”**

**Crisis management**

**Japanification risk**



**Banking  
union**

A single Rule Book

A single supervision:

A single resolution mechanism

A common deposit guarantee scheme

**Long term growth prospects**

# Banks and capital markets

**Banks set to suffer for a while longer from  
crisis effects**

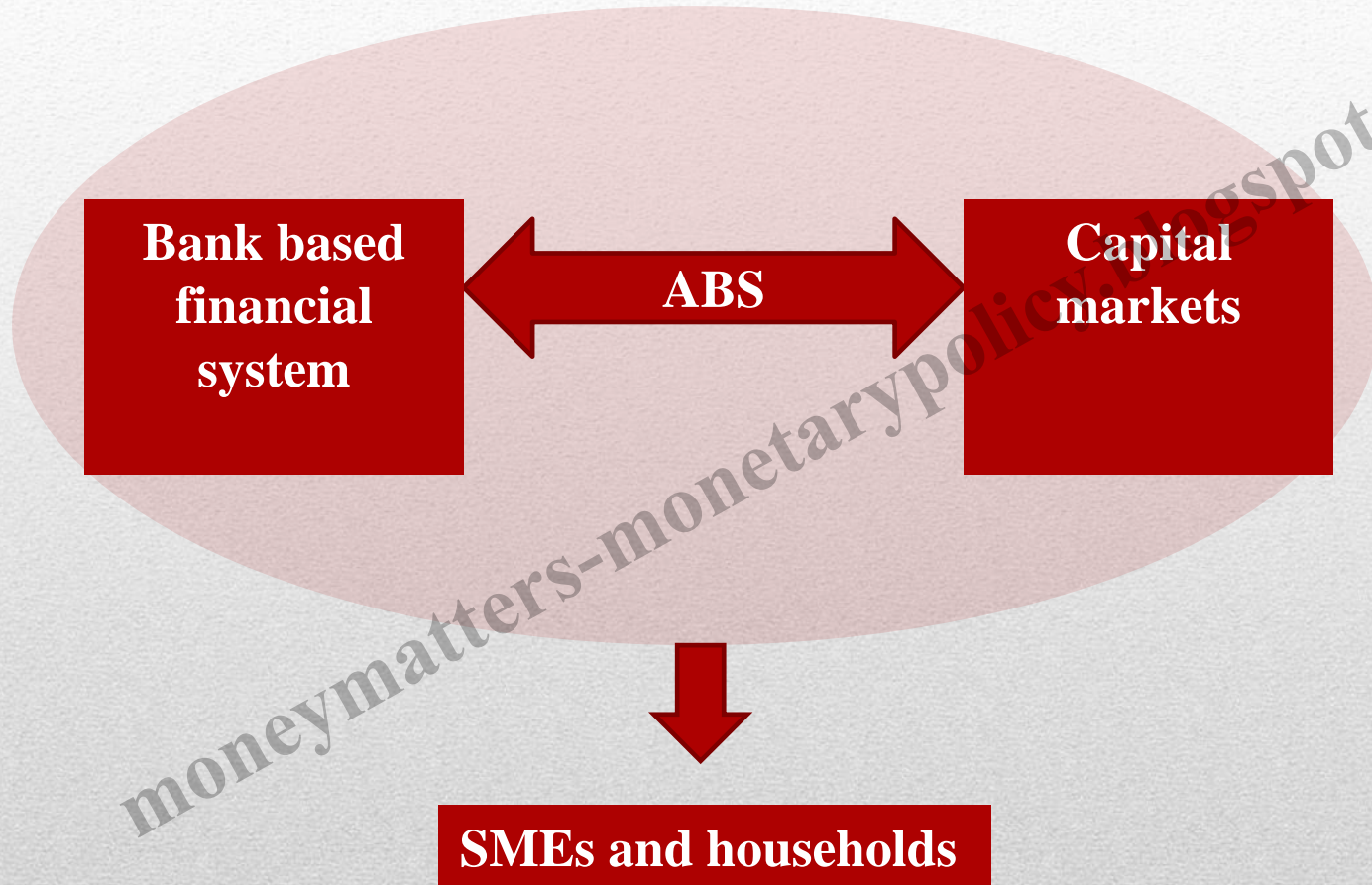
**Bank based financial  
system**

**Particular negative impact on SMEs and  
households**

**Danger vs. opportunity:**

**危机**

# ABS market revitalisation (I)



# ABS market revitalisation (II)

a. High Quality Securitisation

Vs.

ABS nostalgia

b. PCS Label against:

No skin in the game

Leverage (re-securitization)

Embedded maturity transformation

Lack of transparency

c. Regulation of ABS market:  
(Commission role)

Consistent across regulation sources

Consistent with HQS

• **My Blog:** <http://moneymatters-monetarypolicy.blogspot.com>

• **My Tweet:** [@FrancescoPapad1](#)