

Central bank: Banking sector's financial situation in 2021 allows it to finance without constraints

The Romanian banking sector remains in 2021 as well with a financial situation that will allow it to continue financing without constraints on the solvency and liquidity side, said on Wednesday Florian Neagu, Deputy Director of Financial Stability Department, the National Bank of Romania (BNR).

"We have recently completed the annual stress testing exercise of the banking sector, and the good news is that even in an adverse scenario, the main banks in the system, those that matter for financing the real economy will remain with this possibility to continue lending without those constraints I was talking about. Therefore, the overall picture for 2021 remains under the sign of prudence, uncertainty, but I believe we are well positioned to deal with any problems that may arise," said Florian Neagu, during an event on next year's budget.

He noted that there are several trends that are expected to manifest themselves in 2021, namely "the link between the state and banks is expected to increase because the state's financing needs remain high, and the Romanian banking sector has been a close partner with authorities to finance these needs"; then, Neagu said, "the prospect of risk and profitability, and so far the situation looks good."

Finally, the BNR representative concluded, during ZF BRD Sud-Est Budget 2021 video conference - "How do we prepare the future: How do we solve the business equation of the coming year?", the third trend is related to the fact that the need is more obvious than ever to use European resources and plans that are now on the European agenda, from climate change or agriculture on other principles, because large sums allocated are being allocated and must be co-financed.