

STATEMENT

EBF President Mustier addresses European Banking Summit

BRUSSELS, 7 October 2019 – The President of the European Banking Federation, Jean Pierre Mustier, on Thursday addressed the EBF's European Banking Summit in Brussels, outlining his views on key developments in the European banking sector and challenges in banking regulation.

Mr Mustier took up a two-year term as President of the EBF on 1 July. He also serves as Chief Executive Officer of Unicredit Group. The European Banking Summit is the EBF's annual high-level conference, bringing together bank sector representatives with regulators and policy makers.

Under the summit theme '**Building a Positive Future for Europe,**' Mr Mustier said one of the roles of the EBF is to make sure that the place of banks in society is properly defined by working closely together with stakeholders representing employees, customers shareholders and businesses.

"Banks in Europe are here to finance the economy. That is our purpose and that is important," he said. *"Banks have to make sure that they play a full role in the financing and work on their reputation, aligning with all their stakeholders."*

While reflecting on the current economic environment in Europe, amid low growth and negative interest rates, Mr Mustier invited the European Central Bank to review the role of banks in the **transmission mechanism for monetary policy** and to consider buying index-based bank debt as part of the ECB quantitative easing measures, in addition to the corporate and government debt currently in the ECB programme.

Mr Mustier said it was *"of paramount importance"* for the banking sector – through its work at EBF – to develop standards for an **ethical use of data** while ensuring a level playing field between banks and global, commercial data platforms. *"We need to be extremely careful that when we welcome competition – which will keep us fit – the rules of the game are properly set, so that it is a fair competition and one that protects the client."*

The EBF President called for a **comprehensive impact study of the collective effect of banking regulation** on EU banks. *"It is urgent that the regulator, possibly under the leadership of the ECB, looks at that. If we have authoritative figures on the effects of all regulatory requirements, we can address implementation in a way that ensures that European banks remain competitive in a global world."*

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Mr Mustier urged authorities to reconsider the **supervisory structure for banks** that the EU has put into place over the last decade. Banks in Europe now are regulated by domestic regulators, the ECB, the Single Resolution Board and the European Banking Authority. *"We should make sure that these regulators work together. That for the European ones they are under one coordinated supervision so that requirements don't pile-up"*

Addressing the completion of **Banking Union**, Mr Mustier called for a broader recognition of the need to create a truly European banking sector that will make it possible for banks to attract capital and fund the economy efficiently as European banks, as opposed to domestic, national banks.

"When I speak to investors in New York they tell me they invest in US banks. They don't tell me they invest in a bank in the state of New York. They don't tell me they invest in a bank in the state of California. When the same investors look at European banks, they tell me they invest in a German bank, a French bank, a Spanish bank, an Italian bank.

"We don't have a banking sector. And if we don't have a banking sector we don't attract capital because we are considered irrelevant as domestic banks. So the completion of the Banking Union is about making sure that the European banking sector is one banking sector. We need to make sure that when an investor looks at banks in Europe, they see a European bank - whether they see it from Milan, Frankfurt or Paris."

With regard to the **Capital Markets Union**, Mr Mustier welcomed the 'Markets for Europe' initiative that was launched on Wednesday in Brussels. Markets for Europe is a private sector campaign initiated by EBF and supported by European corporates together with former government leaders and central bankers to encourage EU authorities to develop an effective use of market finance in Europe.

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About the EBF:

The European Banking Federation is the voice of the European banking sector, bringing together national banking associations from across Europe. The EBF is committed to a thriving European economy that is underpinned by a stable, secure and inclusive financial ecosystem, and to a flourishing society where financing is available to fund the dreams of citizens, businesses and innovators everywhere. Website: www.ebf.eu Twitter: [@EBFeu](https://twitter.com/EBFeu).