

PRESS RELEASE

FeBAF, ABI, ANIA: Brussels should hurry with reforms and investments

Growth is the antidote to selfish nationalism

Brussels, 13 October 2016 - Banking Union, Capital Markets Union, Investment Plan for Europe (aka Juncker Plan). These are the three pillars of European development. But their construction has been made sluggish by obstacles and resistance, whilst the European Union should really be hurrying down the road of reform to foster growth, the antidote to “the selfishness of nations”, in order to face the shocks of the present day and in the future. This appeal comes from representatives of the Italian financial community, Luigi Abete (FeBAF, Italian Banking, Insurance and Finance Federation), Antonio Patuelli (ABI, Italian Banking Association) and Maria Bianca Farina (ANIA, National Association of Insurance Companies) who met the press in Brussels.

According to Luigi Abete, President of FeBAF: “It is necessary to press ahead quickly with reforms and investments. Half a Banking Union and half a Financial Union - Abete said - don’t make one reform, but two incomplete projects. And in terms of investments - he continued - the Juncker Plan, though appreciable, is insufficient: on the one hand it needs to be properly refinanced, on the other it needs to be accompanied by an integrated strategy regarding infrastructure policy, competitiveness and innovation. The inadequacy of investments is global, European and, particularly, Italian both from institutions and the market. All the actors should realize that this is the time to invest more in order to respond to the new demand for public and private services, accepting the risks involved without expecting a return in demand for investments in infrastructure, services and products bypassed by history in a changing world”.

For ABI President, Antonio Patuelli: “We are coming to the end of the two-year trial period for the European Banking Union. I think we need to draw some conclusions: there is one Regulator, but in the EU the banking laws, financial market laws, bankruptcy laws and criminal laws relating to the economy are all different, from state to state. In this way little progress can be made. There are obvious distortions in the application of different regulations. If the same legislation is not adopted quickly in these areas the prospects for strengthening and consolidating the Banking Union will be undermined. The review of the first two years of the Banking Union should include the Directive on bank resolutions and come to an overview. The crisis of the European Union, deepening day in day out, and accentuating the role of bureaucracies, can only be solved by coming up with clear, ambitious ideas. Without a constitutional project, the European Union, as it now stands after its various stages of expansion, risks disintegration. The financial war currently being waged by nations in the Union needs to come to an end and, above all, the philosophy behind the Banking Union needs to change, because it is creating an increasing number of financial conflicts between the economies of the old nation states who should grow together, without shifting the risks onto others. They should strengthen the banking and

financial system of Europe as the indispensable premise for renewed development and employment".

For ANIA President Maria Bianca Farina: "At a critical time for Europe, we want to show our strong support for the European project. We are great believers in the need for 'Team Italy', in which cooperation between the private and public sectors is structural, with the common aim of developing the nation. Insurance companies have had an important stabilizing effect during the serious financial crisis of recent years, guaranteeing savers satisfactory and stable returns. For the relaunch of investments, the insurance industry plays a crucial role in Europe in fostering a broader and more efficient financial system including through the financing of the real economy".

During the meeting, some technical data were presented on [the most relevant topics for the Italian financial sector in Europe](#) necessary - according to the FeBAF and its associates - to re-inject finance for growth and development. But not only the finance industry is involved, as stated in the document: "The impact of any review by the Basel Committee of the methods used to calculate credit and operational risk, as they are currently formulated, would reduce the possibility of financing specific economic activities, and these are needed for the recovery of the economic cycle. The consequences would be dire for the competitiveness of the real economy in Europe compared to the trend in the rest of the world. A similar argument could be made for the distribution of insurance products, pending the definition of second level contents. The aim of the insurance market is to have simple, clear products for the consumer with a fair balance between safeguarding consumers and limiting excess charges on companies, whilst preserving a plurality of distribution models, a characteristic of the Italian insurance market". The document also invites the Commission and European Parliament to persevere on the road of reform and regulation ensuring consumer protection, industry stability and the competitiveness of the economic system inside and outside Europe.

The above topics will be explored at the [Rome Investment Forum - Financing Long-Term Europe](#) organized by FeBAF on 16 and 17 December in Rome.