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PRESS RELEASE

A review of the “For a strong and competitive financial Europe” conference

As part of the French presidency of the Council of the European Union, the French Banking Federation (FBF) organized a conference entitled “For a strong and competitive financial Europe”. In two panel discussions, one focused on the role of banks in financing growth, the other on the challenges of financing the digital and climate transitions, as well as a multi-person interview, the speakers debated how strong banks with close customer relations and established territorial links are vital to the sovereignty of our continent.

The participants included: **Mairead McGuinness**, European Commissioner, **Irene Tinagli**, European MP and President of the ECON Committee of the European Parliament, **Jörg Kukies**, State Secretary at the German Finance Ministry, **Christian Ossig**, Chief Executive of the Association of German Banks, **Sigurd Næss-Schmidt**, Partner, Copenhagen Economics, **Fabrice Le Saché**, Vice-President and spokesperson of MEDEF and Vice-President of Business Europe’s SME and Entrepreneurship Committee, **Monique Barbut**, President of WWF France, **Carine Kraus**, Engagement Director, Carrefour, **Maya Atig**, Chief Executive Officer of the FBF, **Etienne Barel**, Deputy Chief Executive Officer of the FBF, and **Nicolas Théry**, Chair of the FBF.

Recent events have proved the solidity, resilience and ability of European banks, and French banks in particular, to support the economy in what are often highly difficult contexts. The banking sector is determined to continue playing a leading role in financing growth and the digital and climate transitions. These transitions will call for substantial investments, totalling some €125bn a year for the digital transition and €330bn to €350bn a year for the climate transition, for at least a decade. Looking beyond technical aspects, the transposition of the Basel agreements in the European Union is an eminently political issue, one that constitutes the meaning of the mandates given by the French and European authorities to these regulatory projects where they required that they not be reflected in additional capital. Yet in its current form, the transposition will not enable European banks to support the economy and society in these transitions over the long term.

It is crucial, then, to strike the right balance between security (the tying up of bank capital) and growth to respect the political mandate given by the authorities, namely an update of the rules taking into account the specific characteristics of our economies and the assurance of a fair degree of competition with other continents. This is a vital prerequisite for strong business and a European economy that serves European citizens.

Commenting, Nicolas Théry, Chair of the FBF, said: *“The relevance of our universal and relational banking model and the support it provides to customers are a major asset for our economies that continues to demonstrate its worth. European banks, and French banks, need to continue pushing the European economy towards greater sustainability, dynamism and innovation. To meet this challenge, the financial autonomy of Europe must be considered as a priority and strategic. This must be reflected in practical terms during negotiations on the Basel agreements with the application of an output floor at the highest level of consolidation, the continuation of exemptions for real estate loans and non-rated companies, a 100% weighting of strategic investments, and a competitive alignment of market risks.”*

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