

PRESS RELEASE

**Supervision: ABI, the EU proposals are a significant step forward
towards consolidated supervision**

The Italian Banking Association favorably views the legislative proposals aimed at strengthening financial supervision at the EU level; a European systemic risk board and three regulatory authorities overseeing banks, insurance companies and the security market will be set up.

ABI favorably views the Commission's proposal to strengthen financial supervision by setting up a European systemic risk board and three regulatory authorities overseeing banks, insurance companies and the security market. "It's a significant step forward towards a more efficient and integrated EU regulatory architecture – remarked Giovanni Sabatini, General Manager of ABI – that will enable us to face the challenges of the European single market for financial services".

ABI considers it key to confer micro-prudential supervisory powers to the three European regulatory authorities and to entrust them with the task of setting common and uniform regulatory rules and practices at the EU level. This would enable all European banks to fully exploit the single European market's potential and significantly cut compliance costs resulting from internationalization, thus delivering significant benefits to consumers both in terms of cost and quality of services provided.

To that end, ABI hopes that the European Council and Parliament, which will have to consider and approve the Commission's proposals under the codecision procedure, will streamline the rule-making process by conferring more powers to the new European authorities.

According to ABI, the next step that will have to be taken for achieving consolidated supervision at the EU level is to create a European regulatory framework on cross-border crisis identification and management. ABI believes that the definition of "banking group" that is currently in force in Italy should be transposed into EU law, as it allows to effectively manage cross-border groups at a consolidated level and, therefore, to capitalize on the economies of scale and scope arising from the single market.

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