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## PRESS RELEASE

### SETBACK FOR FINANCIAL INTEGRATION IN 2011

During 2011, the intensification of the sovereign bond crisis strongly affected the euro area financial system. As a result, the integration of markets has deteriorated further. To preserve the sizeable benefits for the European citizen that have been made in the past 25 years, the enhancements of the Single Market Programme and the strengthening of the euro area policy frameworks should be brought forward.

These are the main conclusions of the ECB's Financial Integration in Europe report 2012 which will be presented today at a conference, which the ECB is hosting today. The conference is the third of a series of annual conferences jointly organised with the European Commission (EC). This conference features top-level policy makers, financial market participants, academics and political leaders who under the heading "Financial integration and stability: towards a more resilient single EU financial market", will discuss the impact of the crisis on the single EU financial market. Speakers at the conference include ECB President Mario Draghi and Vice-President Vítor Constâncio, Commissioner Michel Barnier and Peter Sutherland, CEO of Goldman Sachs International and former European Commissioner. Two separate high-level panels will discuss the ways to revitalise the single EU financial market and the implications of macroeconomic imbalances and of the sovereign bond crisis for financial integration in the euro area.

The main messages of the ECB's Financial Integration in Europe report 2012 can be summarised as follows:

- Since 2007, and particularly following the intensification of the European sovereign bond market crisis during 2011, the financial integration in Europe has slowed down considerably.
- This development stands in contrast with the steady progress in financial integration observed in the previous 25 years, stemming from European policy initiatives undertaken under the heading of the EU Single Market Programme. The sizeable benefits to European citizen achieved as a result are one of the focal points of the 2012 ECB report presented at the conference.

- The enhancements of the Single Market Programme, the strengthening of the euro area policy framework regarding prudential supervision as well as macroeconomic and fiscal policies accompanied by policy actions at national level need to be brought forward. The ongoing institutional reforms in the European Union constitute a step towards a fiscal union and an integrated EU-wide framework for financial regulation and supervision and will contribute to a better and more resilient macroeconomic and financial environment as we move forward.

The ECB's annual report on financial integration in Europe, published for the sixth time, contributes to the advancement of the European financial integration process by analysing its development and the related policies.

All issues of the ECB's Financial Integration in Europe report are available on the ECB's website.

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