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## Press release

### **AFME CEO warns on Europe's financial integration slow-down: "we cannot afford for next major steps to take another decade"**

23 May 2023

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Ahead of the Association for Financial Markets in Europe (AFME) and OMFIF's [3rd Annual European Financial Integration Conference](#) taking place in Frankfurt this week, **Adam Farkas, CEO of AFME** commented on the current state of European financial integration:

*"Persisting national fragmentation within the EU banking system and the slow progress in completing the Banking Union means that European banks continue to lack the scale and profitability needed to be competitive globally. International banks, having scaled up their presence in the EU, are also faced with the complexity of having to operate across multiple jurisdictions, which increases their cost base. Efforts to develop the EU's capital markets have not yet brought about sufficient change in the financing of the EU economy and capital markets remain geographically and institutionally fragmented. This results in a sub-optimal offering of financial services to European individuals and businesses.*

*"The need to advance the integration of a single market for financial services in Europe is greater than ever. However, economic and political conditions appear to have stalled progress after the significant achievements of past years.*

*"Market participants, national and European authorities, as well as Member States, need to agree and implement solutions in the interests of the European economy. The financing needs to transform our economy are massive and other jurisdictions have the benefit of scale and flexibility to enact rapid change. The call for strategic reflection to agree actions for the next Commission by Eurogroup President, Paschal Donohoe, last week is therefore an important next step<sup>1</sup>. We need ambition to advance this important project and cannot afford for deeper integration to take another decade."*

– Ends –

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#### **Notes:**

AFME (Association for Financial Markets in Europe) promotes fair, orderly, and efficient European wholesale capital markets and provides leadership in advancing the interests of all market participants. AFME represents a broad array of European and global participants in the wholesale financial markets. Its members comprise

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<sup>1</sup> <https://www.consilium.europa.eu/en/meetings/eurogroup/2023/05/15/>

pan-EU and global banks as well as key regional banks, brokers, law firms, investors and other financial market participants. AFME participates in a global alliance with the Securities Industry and Financial Markets Association (SIFMA) in the US, and the Asia Securities Industry and Financial Markets Association (ASIFMA) through the GFMA (Global Financial Markets Association). For more information, please visit the AFME website: [www.afme.eu](http://www.afme.eu). Follow us on Twitter [@AFME\\_EU](https://twitter.com/AFME_EU)