

Daily News 08 / 05 / 2017

Europe Day: Members of the Juncker Commission mark the day speaking to citizens

Several Members of the **Juncker** Commission will hold speeches and Citizens' Dialogues today and tomorrow to mark Europe Day 2017. Later today, President **Juncker** will address the *Bonner Akademie für Forschung und Lehre praktischer Politik* on the future of Europe and its current challenges.

Commissioners **Mimica** and **Bulc** will hold a joint Citizens' Dialogue in Rijeka, Croatia. Commissioner **Hahn** will hold another in Vienna, where he will also deliver a speech on the 30 years of Erasmus+. On Tuesday, Europe Day, President **Juncker** will participate in a Citizens' Dialogue in Bozar, Brussels, with other prominent European figures. Commissioners

Bulc and **Hogan** will take part in Citizens' Dialogues in Ljubljana, Slovenia and Dublin, Ireland, respectively. Commissioner **Avramopoulos** will participate in a celebratory event organised by the Commission Representation in Athens and Commissioner **Navracsics** will be at a similar event organised by the Representation in Budapest. The Commission's Representations in all Member States will be hosting a wide range of celebratory events to mark Europe Day with concerts, games, exhibitions, family days, and workshops. For more details, consult the websites of the Commission's Representations [here](#). (For more information: Margaritis Schinas, Tel.: +32 229 60524; Natasha Bertaud, Tel.: +32 229 67456)

Juncker Plan: EUR 25 million to support innovative software systems

The [Juncker Plan](#) has backed a EUR 25 million agreement between the European Investment Bank (EIB) and MariaDB, a Finnish software development company, to support the development and commercialisation of innovative database systems. The European Fund for Strategic Investments (EFSI), the central pillar of the Juncker Plan, was a crucial factor in making this loan agreement possible. European Commission Vice-President Jyrki **Katainen**, responsible for Jobs, Growth, Investment and Competitiveness, said: *"Developing new, innovative products requires sustained investment. I am delighted that the Investment Plan is unlocking finance to facilitate MariaDB's development programme, that includes expanding their engineering team as well as increasing international sales and marketing operations. Focus on innovation and research as well as reaching out to new markets will help the company succeed in a highly competitive market."* The Juncker Plan is now expected to trigger around EUR 4 billion in investment in Finland and EUR 183.5 billion across Europe. For the latest figures country-by-country, see [here](#). A full press release is available [here](#). (For more information: Vanessa Mock – Tel.: +32 229 56194; Enda McNamara – Tel.: +32 229 64976)

La Commission lance un point de rencontre virtuel "Génération Erasmus"

Il y a 30 ans naissait le programme Erasmus, grâce à la volonté très forte

des décideurs européens, des étudiants et des universités. Depuis, une génération Erasmus est née, composée de neuf millions d'anciens étudiants, apprentis, volontaires, professeurs et éducateurs. Aujourd'hui, la Commission Européenne lance [un point de rencontre](#) virtuel pour cette génération, afin de construire maintenant et ensemble le futur de ce programme après 2020. Le Commissaire Tibor **Navracsics**, chargé de l'Education, la Culture, la Jeunesse et du Sport a déclaré: *"Erasmus+ est l'un des outils les plus puissants de l'UE. Pour continuer à toujours améliorer sa pertinence et son succès, il est indispensable de le développer en coopération avec l'ensemble des acteurs concernés. Ceci implique non seulement la 'Génération Erasmus', mais aussi les organisations actives dans le domaine de l'éducation, de la formation et de la jeunesse. Cet espace en ligne donne aux citoyens européens une occasion concrète de construire l'Erasmus+ et l'Europe de demain."* Pour rendre les échanges d'idées aussi interactifs que possible, la plateforme offre une palette de fonctionnalités différentes : stimuler la discussion grâce au partage d'idées, de vidéos et de documents, débattre et commenter les suggestions proposées, voter pour ses idées préférées et planifier des événements et des groupes de discussions partout en Europe. Plus d'informations sur le trentième anniversaire d'Erasmus ainsi que la campagne [D'Erasmus à Erasmus+](#). (Plus d'informations : Nathalie Vandystadt – Tél.: +32 229 67083 ; Inga Höglund – Tél.: +32 229 50698)

Mergers: Commission clears acquisition of Vanderlande by Toyota

The European Commission has approved under the EU Merger Regulation the acquisition of Vanderlande of the Netherlands by Toyota of Japan. Vanderlande manufactures and sells automation equipment for airports, warehousing and parcel handling. Toyota manufactures and sells automobiles, engines, compressors for automotive air-conditioners, foundry parts, electronic components, textile machinery, logistics services and non-fixed-installed and non-automated material-handling equipment. The Commission concluded that the proposed acquisition would raise no competition concerns because the companies are not active in the same markets and because market shares in all vertically linked markets remain limited. The operation was examined under the simplified merger review procedure. More information will be available on the Commission's [competition](#) website, in the [public case register](#) under the case number [M.8391](#). (For more information: Ricardo Cardoso – Tel.: +32 229 80100; Maria Tsoni – Tel.: +32 229 90526)

Mergers: Commission clears the creation of a joint venture by STRABAG and EVN

The European Commission has approved under the EU Merger Regulation the acquisition of joint control by STRABAG SE ("STRABAG") and EVN AG ("EVN"), both of Austria, over the joint venture Projektgesellschaft Geoenergie Bayern Projekt Garching a.d. Alz GmbH & Co. KG, of Germany. The joint venture holds the rights for the development of the deep geothermal energy project "Bruck" in Garching a.d. Alz in Bavaria, which will further develop and generate and supply electricity and district heating to third parties. Moreover, it is expected to develop other deep geothermal projects. STRABAG is active worldwide in all segments of the construction business, especially in structural, construction and civil engineering, as well as road construction. EVN is mainly active in the exploration and production of oil and gas, gas

storage and distribution of electricity, gas and district heating. The Commission concluded that the proposed acquisition would not raise competition concerns given that the joint venture has no, or negligible, actual or foreseen activities within the European Economic Area. The transaction was examined under the simplified merger review procedure. More information is available on the Commission's [competition](#) website, in the public [case register](#) under the case number [M.8455](#). *(For more information: Ricardo Cardoso – Tel.: +32 229 80100; Maria Tsoni – Tel.: +32 229 90526)*

Concentrations: la Commission autorise l'acquisition par AXA et la Caisse des dépôts et des consignations de deux locaux commerciaux

La Commission européenne a approuvé, en vertu du règlement européen sur les concentrations, l'acquisition du contrôle en commun par AXA et la Caisse des dépôts et des consignations, toutes deux basées en France, de deux lots de copropriété à usage de commerce au sein d'un centre commercial situé dans la région Provence-Alpes-Côte d'Azur, en France. AXA est un groupe d'assurances global actif dans le secteur de l'assurance vie, santé et d'autres formes d'assurance ainsi que dans la gestion d'investissements. La Caisse des dépôts et des consignations est un établissement public réalisant des activités d'intérêt général telles que la gestion des fonds privés auxquels les pouvoirs publics souhaitent apporter une protection particulière et des activités ouvertes à la concurrence dans les secteurs de l'environnement, de l'immobilier, de l'investissement et du capital investissement ainsi que des services. La Commission a conclu que l'acquisition envisagée ne soulèverait pas de problème de concurrence compte tenu de son impact très limité sur la structure du marché. La transaction a été examinée dans le cadre de la procédure simplifiée du contrôle des concentrations. De plus amples informations sont disponibles sur le site internet [concurrence](#) de la Commission, dans le [registre public](#) des affaires sous le numéro d'affaire [M.8387](#). *(Pour plus d'informations: Ricardo Cardoso – Tel.: +32 229 80100; Maria Tsoni – Tel.: +32 229 90526)*

ANNOUNCEMENTS

High Representative/Vice-President Mogherini in New York City to debrief United Nations Security Council

On 8 and 9 May, High Representative/ Vice-President Federica **Mogherini** will be in New York City for her annual debrief to the UN Security Council, in line with the European Union's strong commitment to multilateralism. The United Nations remain a key partner for the European Union and an indispensable forum for tackling global challenges in partnership. In the margins, the High Representative/Vice-President will have a number of bilateral meetings, including with UN Secretary General Antonio Guterres; the Presidency of the Security Council, Ambassador of Uruguay Elbio Rosselli; the US Permanent Representative to the UN, Ambassador Nikki Haley and EU Ambassadors to the UN. The High Representative/Vice-President will also attend a celebration of Europe Day together with UN Secretary General Guterres. For more information on the EU at the UN, please see the website of the [EU Delegation](#) and the [factsheet](#). HR/VP **Mogherini** will hold a press point on 9 May at 12:30 local time, at the UN Security Council stake-out. The

entire visit will be fully covered on [EbS](#). (For more information: Maja Kocijancic – Tel.: +32 229 86570; Esther Osorio – Tel.: +32 229 62076)

[Upcoming events](#) of the European Commission (ex-Top News)

[Investment Plan for Europe: EIB supports MariaDB with financing for accelerated growth](#)



MariaDB

Investment Plan for Europe: EIB supports MariaDB with financing for accelerated growth

05/08/2017

MariaDB

Finland

The European Investment Bank (EIB) announced a EUR 25m funding of MariaDB, the company behind the fastest growing Open Source database, to support the company's next stage of growth and database innovation. This EIB operation is guaranteed under the [European Fund for Strategic Investments \(EFSI\)](#), a key element of the European Commission's Investment Plan for Europe, aiming at reviving investment in strategic projects around Europe.

This is the EIB's first financing for MariaDB. The EIB funding will be used to further product innovation for MariaDB's expanding global enterprise client base and increase its sales and marketing teams in Europe, America, and Asia. Specifically, within Europe, the company will expand its European operations with new engineering hires in Helsinki.

Industry analysts provide different estimates on the database market, but they agree that it is in the midst of a massive shakeup that will disrupt established legacy vendors as businesses around the world look to adopt modern, open source databases. Companies like Telefonica, DBS Bank, Teleplan and more are re-architecting their infrastructure to reduce costs and modernize their business. Industry estimates on the adoption of open source and growth of the database market include:

- IDC expects the overall database market to reach \$50 billion by 2017, up from \$40 billion in 2015, according to their worldwide database forecast.*

- Gartner estimates that more than 70 percent of new in-house applications will be developed on open source databases, while 50 percent of existing commercial databases will convert to open source by 2018.**
- The popularity of open source database systems has increased from 35 percent four years ago to a new record high of 46 percent according to DB-engines, which tracks database popularity.

EIB Vice-President Ambroise Fayolle, whose responsibilities include EFSI and innovation, said: “We are pleased to be partnering with MariaDB in this breakthrough operation as it will enable the EU bank to support a European software company particularly strong in innovation and with significant growth potential. This is also what the Investment Plan for Europe is about: strengthening Europe’s global competitiveness by supporting high-skilled employment opportunities and enhancing Europe’s position as a major technology supplier.”

Michael Howard, CEO of MariaDB Corporation, said: “The investment from the EIB accelerates our ability to expand our product capabilities and continue to develop features that make MariaDB the easiest to use, the easiest to extend and the easiest to deploy in any environment. This funding is part of a multi-step strategy to strengthen MariaDB across Europe, America and Asia, and will help foster the next phase of growth for the company.”

European Commission Vice-President Jyrki Katainen, responsible for Jobs, Growth, Investment and Competitiveness, said: “Developing new, innovative products requires sustained investment. I am delighted that the Investment Plan is unlocking finance to facilitate MariaDB’s development programme, that includes expanding their engineering team as well as increasing international sales and marketing operations. Focus on innovation and research as well as reaching out to new markets will help the company succeed in a highly competitive market.”

Statement by the Troika and EU on the security situation in South Sudan

The members of the Troika (the UK, US and Norway) and the EU are deeply troubled by the ongoing conflict in South Sudan. We echo the concerns highlighted recently by the Chairperson of the African Union Commission Moussa Faki Mahamat and Chairman of the Joint Monitoring and Evaluation Commission President Festus Mogae on increased violence, and strongly endorse their call to end all military operations immediately. Opposition attacks on civilians are disrupting lifesaving aid and commercial trade. Large government offensives in Yuai, Waat, Tonga and Kodok have resulted in even more tragic humanitarian consequences, displacing 50,000-100,000 individuals in recent weeks. Government forces continue to target civilians in violation

of the law of armed conflict. These actions stand in direct conflict with the Government's stated aim of a political solution to the conflict, and severely undermine the prospect of any credible national dialogue. The Troika and EU call on President Kiir to implement immediately his commitment to a unilateral ceasefire as conveyed to IGAD heads of state on 25 March.

We continue to underline that there is no military solution to the conflict. The Government of South Sudan must ensure that there is a meaningful ceasefire which shows a genuine commitment to peace and stability, and is not simply a reflection of the fact that fighting is made more difficult by the rainy season. Such a commitment must go beyond simply a cessation of hostilities, and include withdrawing troops; disbanding ethnic militias; helping, not hindering humanitarian assistance; and releasing political detainees.

Article – In Parliament this week: EU citizens in UK, tax regimes, plenary preparations

The rights of EU citizens living in the UK and how they will be affected by Brexit is the focus of a hearing organised by three parliamentary committees this week. In addition the inquiry committee investigating the Panama papers holds a meeting with representatives from the Channel Islands, Gibraltar and Madeira to discuss their tax regimes. Political groups also prepare for next week's plenary session.

The situation and rights of EU citizens living in the UK and UK citizens residing in other parts of the EU are discussed on Thursday at a public hearing organised by the civil liberties, petitions and employment committees. Speakers include Parliament's Brexit coordinator Guy Verhofstadt and Anne-Laure Donskoy, from the Three Million group representing EU citizens in the UK. In its position on the upcoming Brexit negotiations, Parliament made clear that people's interests should come first.

Parliament's inquiry committee investigating the Panama papers hears from representatives of the Channel Islands, Gibraltar and Madeira about their tax regimes on Tuesday. The debate will focus on the extent of cooperation with the EU and on steps local authorities are taking to prevent tax scheming.

This week political groups also hold meetings to prepare their positions for next week's plenary session in Strasbourg when MEPs will vote on new rules allowing EU citizens who are temporarily abroad to access their online film and music accounts subscribed back home. They will also evaluate progress reports on reforms in Kosovo and Serbia.

On Sunday Parliament opens its doors to visitors in Strasbourg so people can find out how the institution works and looks.

Yves Mersch: Monetary policy challenges for Europe: banking on the recovery

**Speech by Yves Mersch, Member of the Executive Board of the ECB,
2017 IIF SPRING MEMBERSHIP MEETING, Tokyo, 8 May 2017**

Introduction

The recovery underway in the euro area is spreading by sector and geography and is gathering momentum. Confirmation of a broadly balanced risk outlook is within realistic reach. The extraordinary monetary policy measures introduced since 2014 are bearing fruit. The financial sector has an important role to play in supporting this recovery and ensuring continued resilient growth in the future. My intention today is to give a brief overview of the recovery, before making a few remarks about financial institutions that are relevant to the current situation.

Economic recovery

The first quarter of this year marked the 16th consecutive quarter of real growth in the euro area. In fact, GDP grew by 0.5% in the first quarter. This translates to annualised growth of 1.8%, according to Eurostat – much higher than the 0.7% annualised growth recorded in the United States in the same quarter. Moreover, the latest survey data support expectations of robust growth throughout the first half of 2017. The PMI composite output index – which is strongly correlated with growth in the euro area – registered its highest quarterly average in nearly six years during the first three months of 2017, while the forward-looking components of the survey data point to continued growth in future quarters. Meanwhile, economic sentiment in the euro area is at a six-year high and unemployment is at an eight-year low.

Five million jobs have been created since 2013. This proves that the combination of consolidation and reform measures has worked where it was pursued credibly.

The economic recovery is also broad-based. The dispersion of growth rates

across both countries and sectors is at its lowest level in two decades, reflecting a convergence of growth rates at higher levels. This is good news for economic growth going forward because recoveries tend to be stronger and more resilient when they are broad-based. These developments have, of course, been supported by our monetary policy measures, which have led to a sharp easing of financing conditions and a convergence of funding costs across countries. The remaining spreads are clearly related to credit risks – which fall outside our mandate.

The monetary policy measures taken since mid-2014 have supported price stability in particular by buoying domestic demand, which is now the mainstay of the ongoing recovery. This marks a departure from the past when euro area growth was far more reliant on external demand. While world trade has weakened considerably and last year grew at the slowest pace since the financial crisis, growth in the euro area has accelerated.

Looking at the domestic recovery in more detail, consumption expenditure is a key source of support for growth. Rising employment and growth in real disposable income are translating into increased spending rather than increased saving, reflecting households' confidence in future economic prospects. This contributes to a positive feedback loop between consumption, employment and income, further bolstering the recovery. But wage dynamics still lag behind due to the remaining slack. Higher incomes are mostly the result of job creation rather than salary or wage increases.

Investment is also gradually picking up given the favourable financing conditions, the need to modernise capital stock after years of subdued investment and the strengthening of corporate profitability. Improvements in business confidence and in the production outlook, as reflected in recent business sentiment surveys, should result in higher investment spending. However, public investment is below trend in some surplus countries.

Also on a positive note, the risk assessment of the growth outlook is more and more balancing.

Although we still face some risks, in particular regarding the external outlook, political uncertainties and fragilities have consistently evolved in a positive fashion in Europe since the beginning of the year.

Available data also point to an improving external environment. Global economic activity indicators suggest robust growth at the start of 2017, which should further support business investment in the euro area as export demand picks up. One could say we have left behind an environment of elevated uncertainty in a Knightian sense and progressed to one of calculable risks.

But in the euro area the balance of risk for inflation is not where the balance of risk to growth lies.

In terms of the labour market, the unemployment rate continues to decline despite growth in the euro area labour force. Meanwhile, survey data suggest further improvements in labour demand during the first quarter of this year. While the level of economic slack remains elevated, which subdues underlying

inflation, growth rates are above potential so the output gap will continue to close over the policy horizon. This should support wage growth and return inflation towards a level that is close to, but below, 2% over the medium term. Indeed, there are also timid signs of early pipeline pressure stemming from industrial producer prices.

Against this background, market expectations regarding deflationary risks and further policy rate cuts by the ECB have faded and focus is beginning to shift towards a normalisation of policy in the future.

Indeed, as the Governing Council has recalled recently, if the euro area economy recovers and inflation proceeds further on its path towards the ECB's inflation aim in a sustained manner, a discussion on policy normalisation becomes warranted in the future. Any such discussion should, of course, take place in a structured, orderly and appropriately prudent manner and the Governing Council is convinced of the need to continue an accommodative monetary policy stance without deviation from the announced measures under implementation to be expected. But we could examine the interaction of our different policy measures and their functioning in a new environment of balanced prospects as opposed to the environment of deflationary risks that prevailed when they were first introduced.

As has been stated, our forward guidance needs to be aligned with an evolving assessment to underpin both the consistency and credibility of our communication.

Prospects for the banking system

In this context, it is imperative that the banking sector is well-positioned to foster sustainable growth in the coming years as the exceptional levels of monetary policy support will be adjusted in line with the progress towards our policy objective. A well-functioning, profitable and resilient financial sector is vital for the long-term economic prospects of the euro area. Allow me, then, to make three remarks on this topic.

My first remark relates to bank profitability. As I have just discussed, the ECB's unconventional monetary policy measures have been successful in fulfilling their intended purpose.

But that is not to say that they did not have any side effects. They have drawn criticism for their negative effects on financial sector profitability. I believe such criticism is somewhat unbalanced. In the absence of the recovery generated by these unconventional measures, unemployment would have been higher, credit growth lower and a greater proportion of loans would have been non-performing. All of these things would have weighed on banking sector profitability.

Moreover, while acknowledging that banks face a charge because of the negative rates policy, internal data show that this burden is alleviated by the benefits gained in wholesale funding markets. Between January and March 2017, on average, two thirds of overnight unsecured funding was raised at an average rate of around -46 basis points, essentially through counterparties

having no access to the ECB facilities. Similar developments were observed in the secured markets for all collateral types.

Overall, banks recoup on average around 25% of the excess liquidity charge in both secured and unsecured funding.

It is worthwhile remembering that we set monetary policy to honour our mandate, not to support financial sector profitability. That being said, I do recognise that the longer unconventional measures remain in place, the greater the impact they will have on financial sector profitability. It is important that they are used only for as long as is necessary to achieve an inflation rate in line with our definition of medium-term price stability.

Moreover, as the Bank for International Settlement has recently found, there seems to be an independent role for nominal interest rates in the transmission process, regardless of the level of real rates. First, monetary policy transmission could be weakened by the headwinds that arise in the aftermath of balance sheet recessions. Second, inherent non-linearities could kick in when interest rates are persistently low and might dampen the interest rates' impact on spending.

But let us also not forget that profitability is weak in many European banking systems for deeper structural reasons that predate the crisis and current monetary policy settings. Europe remains overbanked, insufficient progress has been made on the overhang of non-performing loans since the crisis and there is increasing competition from FinTech companies and non-banks.

In such an environment, what then can be done to bolster bank profitability? First, there remains significant scope for domestic consolidation in some large countries and cross-border consolidation in Europe. The ratio of banking sector assets to GDP in Europe far exceeds that in the United States or here in Japan, and individual European banks are on average much more leveraged. Overbanking results in lower margins, a higher risk of the loans granted eventually turning sour, and banks operating away from the efficiency frontier with a consequently higher cost to income margins. During the crisis we witnessed the fracturing of interbank markets along national lines, and the negative spill-overs between sovereign indebtedness and banking sectors in a number of countries.

There are a number of benefits from a truly European banking system. A more consolidated sector is likely to help overall profitability and boost resilience. Individual banks would be exposed to a more diversified set of risks, and less vulnerable to downturns in individual countries, helping to break the link between banks and sovereigns. At the same time, a Europe-wide banking system is an important step towards completing Economic and Monetary Union. For a single currency area to work effectively, citizens should have faith in money in all its forms, not only in cash but also in bank deposits held across the whole region. We also need a prudential approach that ensures both a level playing field and that no exemptions from the rules are granted to protect zombie banks.

Which leads me to my second remark. In times of low profitability and increased competition, be it from other banks or from newer start-ups, keeping your customers happy is key to keeping them as your customers. Therefore, it is important to ensure that customers' interactions with banks can be carried out in the manner that most satisfies the customers. As an example, let me discuss briefly the use of cash and the growing shift to newer payment systems.

There is now a large range of non-cash payment options available, such as credit cards, electronic payments, portable wallets and mobile phone payments to name but a few. As more people adapt to new payment options, there is a risk of disrupting banks' business models. This makes it important for banks to remain agile in the face of these changes and to endeavour to meet their customers' wishes.

We currently witness frequent lobbying, overt and covert, to abolish cash. I won't dwell today on the plausibility of the justifications proposed, except to note that such lobbying fails to respect the will of the general population: cash remains popular. Recent research for the ECB finds that 80% of transactions at point of sale are in cash. Even adjusting for the value of transactions, cash still accounts for the majority. Indeed, the demand for cash currently outstrips the growth in nominal GDP.

There are valid privacy reasons for maintaining cash, and it provides the general public with direct access to central bank money. For an independent institution like the ECB, maintaining that link is important, which is why we place great emphasis on ensuring people's continued trust in cash. For this purpose, we have overhauled the security features in the euro's new Europa series. To date we have released new versions of the lower denominations – up to and including the 50 euro note. Next year we will introduce stronger and more secure versions of the higher denomination banknotes. Given this widespread desire to use cash, banks should facilitate rather than obstruct customers in using their preferred method of payment. Time will tell how the use of cash will evolve once instant payments are introduced in the near future.

At the same time, while cash remains popular, in some countries there is a move towards newer payment methods. There is an important role here for financial institutions to facilitate and foster these newer methods.

Permitting and enabling customers to manage their finances in the manner that most appeals to them encourages loyalty.

It is still vitally important that any form of payment offers protection to its users and engenders trust. Such services should have the necessary security and data protection measures in place. Nonetheless, banks should see such developments as a positive opportunity to engage with customers, rather than react with protectionist urges. As in other economic areas, protectionism is rarely welfare enhancing in the long run.

Let me dwell briefly on regulation for my final remark today. Adequate regulatory standards are vital to maintain trust between financial

institutions and to ensure continued market functioning in the presence of shocks. It also follows that setting global standards is necessary to underpin the global nature of finance. In the long run, no-one – including financial institutions themselves – benefits from a regulatory race to the bottom. Lobbying for particular special interests in regulation can, in the end, be counterproductive if it succeeds in derailing moves to agree international standards.

Conclusion

The recovery in the euro area is gaining more and more traction. The confirmation of a broadly balanced risk outlook for growth is within reach.

The extraordinary monetary policy measures introduced since 2014 are bearing fruit. They have supported price stability in particular by buoying domestic demand, which is now the supporting pillar of the ongoing recovery.

The financial sector has an important role to play in supporting that recovery and ensuring continued resilient growth in the future.

A well-functioning, profitable and resilient financial sector is therefore vital for the long-term economic prospects of the euro area. There are challenges ahead, be they technological, regulatory or political, but the banking industry in the euro area is well-positioned to foster sustainable growth in the coming years.