



## Bernard Mensah

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### Speech

Thank you, Didier – and thank you for giving me the opportunity to speak. I thought I would share a few thoughts over the next ten minutes or so. It is really good to be back and to see some familiar faces. I have attended Eurofi for several years now, though I missed the last one. It feels like there's real momentum behind the broader journey we've all been on in global finance – and I will come back to that in just a moment.

First of all, a big thank you to our Polish hosts and the team for inviting us. It has been great to meet so many peers, colleagues and regulators throughout the day. There's a Chinese saying that goes, 'May you live in interesting times.' And clearly, these are interesting – and slightly uncertain – times, as we can all see in the markets right now. I am starting to go a bit grey, but I have been working in finance for over 30 years now, through what has really been a long arc of globalisation. I started out in the late 1980s and early 1990s, and ever since, we have seen a fairly consistent trend: globalisation, liberalisation, and the steady opening up of capital markets.

It all began, for those around my age, with the Latin American debt crisis. Then came the rise of Eurobonds, the fall of the Berlin Wall, the creation of the Single Market in 1992, the growth of derivatives in the 1990s, NAFTA in North America, China joining the WTO, the launch of the euro, the internet, and mobile phones – all

major developments that fuelled the opening and globalisation of financial markets. At the same time, of course, we have faced our share of setbacks: the Russian crisis, the Asian crisis, the dot-com bubble, the 2008 financial crisis, Brexit, and more recently, Covid. And let's not forget LTCM back in the late 1990s. Despite all that, the financial industry proved remarkably resilient in its role of channelling global capital.

So, are we now standing at another turning point? What will the next 25 years look like? That remains to be seen – but we are not just observers; we're active participants. Our actions, our connections, our engagement and our attitude will help shape what's to come. At the heart of our shared mission is the efficient allocation of savings and capital – and that has never been more important. Every time I come to Eurofi, I try to remind myself that this is really what it's all about: gathering savings, allocating them wisely, and channelling them to where they'll do the most good. The extraordinary wealth creation we've seen globally in recent years is closely tied to this process – and I think many of you would agree.

Capital markets remain the most efficient way to channel hard-earned savings into productive investment. There are, of course, other paths – through government and industrial policy, for instance. But the evidence clearly shows that capital markets have played a vital role in driving growth and prosperity over the past

quarter-century. Lately, however, we have seen some crowding out. Governments have had to respond to crises like Covid, which has led to heavier use of savings and public borrowing, weakening their balance sheets while strengthening those of the private sector. We've all had to navigate this shift.

Now, more than ever, capital markets need to work harder to harness savings and turn them into real economic value. At Bank of America, that is exactly what we're focused on. We operate in 35 countries and manage a global balance sheet of \$3.2 trillion. My role is to help allocate those resources as effectively as possible across our clients, markets, and geographies. We are not alone in this – other American, European and Asian banks are doing the same. Our international corporate loan book is actually larger than our US one. We're deeply connected to this global flow of capital.

Research is another key part of it. Access to insight – on countries, companies, asset classes – helps to guide capital allocation. Clients and market participants rely on firms like ours to make sense of the bigger picture and ensure that capital is put to work effectively, across borders.

So we know what needs to be done. Those of us who come to this forum regularly are pretty clear on that. As a former President of the European Commission once said, 'In Europe, we know what to do. We just don't

know how to get re-elected once we've done it.' That's part of the challenge. We have talked at length about the Draghi Report, the Letta Report, the Capital Markets Union, the Banking Union. Now we're talking about savings and the proposed Savings and Investment Union (SIU).

I saw an op-ed the other day by Christine Lagarde and Ursula von der Leyen. We have talked about securitisation. There is a new commissioner focused on simplification. We have the Omnibus Directive. We know all of this. But what we might not fully grasp is the cost of the current inefficiencies in Europe's capital markets. Why haven't we been able to deliver what we've been talking about for years?

It has never been seen as an urgent priority – and maybe that is because we have never really quantified it. We know the price of fuel, the price of a car. But what is the cost to each of us when our savings aren't used efficiently? One of my mantras is: if you can't measure it, it is hard to improve it. The current inefficiencies mean Europe exports more capital than it needs to.

And yes, some capital should flow abroad – there's a global need. But the real problem is that we're not using our capital effectively within Europe. We're not matching it properly to risk appetite. The amount of capital available matters – but so does how we allocate it: to private equity, startups, venture capital, and

especially the riskier segments of the capital structure. If we could measure that inefficiency properly, I think it would move higher up the agenda.

And it does feel like the moment might be now. There is a new energy, a real sense of opportunity in Europe. Europe has so much going for it: excess capital, deep experience with capital markets, and a long history of financial innovation. You can trace it back to the Amsterdam Stock Exchange in the 1600s or the first eurobond by an Italian company 60 years ago. Fun fact: Bank of America was founded by an Italian immigrant – Amadeo Giannini. He created the Bank of Italy in San Francisco, and when the name became available, he turned it into Bank of America. So yes, we have got some European roots.

Globally, there is growing interest in Europe again, driven by recent events. This could be the time for Europe to step forward. Let's hope we're now in execution mode. We know about securitisation, the SIU, regulatory architecture, and supervision. Let's tackle the real cost of slow progress. If this really is the moment, then Bank of America stands ready – with our global presence and deep resources – to continue being a trusted partner for Europe. We are already deeply invested in the region, and we're committed to staying the course. Thank you.