Unipol feels the pressure of judicial probe

Unipol, the Italian insurer, is coming under increasing scrutiny from investigative magistrates and the stock market regulator for its bid for Banca Nazionale del Lavoro, people familiar with the affair said on Friday.

Unipol’s €8.2bn bid, and a separate €8.7bn bid by Banca Popolare Italiana for Banca Antonveneta, were designed to see off foreign rivals but have sparked investigations in Milan and Rome into possible collusion and insider trading among some of Italy's best-known financiers.

The probes have also prompted calls for the resignation of Antonio Fazio, the Bank of Italy governor. Investigative magistrates taped telephone conversations in which, critics say, Mr Fazio clearly indicated he favoured BPI's bid over that of ABN Amro, the Dutch bank.

Critics also say Mr Fazio's remarks during the taped conversations have undermined the central bank's credibility.

Investigators in Rome on Friday received from colleagues in Milan transcripts of phone conversations in which Giovanni Consorte, Unipol’s chief executive, claimed to have received reassurances from a judge about the outcome of Rome's investigation into bid Unipol’s for Banca Nazionale del Lavoro.

The conversations, which were with other Unipol executives, did not indicate what the judge could possibly have done to alter the outcome of the investigation, one person in Milan close to the investigation said.

The transcripts also include 15 conversations between Mr Consorte and the judge, Francesco Castellano. On Friday Mr Castellano denied any wrongdoing.

Mr Castellano said, following the revelation of the transcripts, that Mr Consorte had called him only to say he was considering a bid for BNL. The judge said in a statement released to Ansa, the Italian news agency: “I, amazed, only strongly recommended the need to heed the rules of absolute transparency. . . Advice which, as a judge, as required, I would give to any citizen: obey the rules.”

The judge also said that the numerous calls were about an attempt to arrange a social meeting among friends.

In addition, investigators and Consob, the stock market regulator, are looking at any evidence suggesting that both the takeovers by Unipol and BPI were in any way financially linked.

In particular, investigators are looking for evidence that financiers allied with Unipol, who had acquired shares of Banca Antonveneta in order to help BPI, used those shares as collateral to acquire shares in BNL.

Court papers this week revealed transcriptions of phone conversations, taped by the investigators, which recorded Mr Consorte and numerous others discussing what the magistrates believe are details of faked, arms-length transactions that would have permitted BPI to raise more than €1bn to help take over Antonveneta.

A cloud over the Bank of Italy: a proud institution is battered by countroversy

In a 1994 book published in Rome, Lord Gordon Richardson, a former Bank of England governor, described the Bank of Italy as “a modern central bank which is everywhere recognised as a pillar of stability and integrity and is admired among its peers for its intellectual distinction”.

The Bank of Italy has received many such tributes over the past 30 years, and with good reason. In a country too often scarred by political scandals, business corruption and inefficiency in the state administration, the central bank has stood out for its professionalism and high ethical standards.

Yet when Domenico Siniscalco, Italy’s finance minister, delivers a report to the government on Wednesday on the banking takeover battles that have convulsed Italy’s political and business establishments, he will focus on how the affairs threaten the image not only of the Bank of Italy but of Italy’s broader financial community.

At the centre of the storm is Antonio Fazio, 68, the Bank of Italy governor since 1993, who regulates the national banking industry and serves an indefinite term of office, making him one of the world’s most powerful central bankers. His critics complain that, during the two takeover battles that began last March, he has quietly favoured Italian bidders over the foreign banks – one Dutch and one Spanish – that were aiming to become the first outsiders to take control of any major Italian lender during his 12 years in office.

The complaint could hardly be more serious. It addresses the values of transparency, reliability and impartiality that have made the Bank of Italy everything that a central bank should be – and everything that some public and private institutions, to Italy’s great cost, have not been. As Luca Cordero di Montezemolo, chairman of Confindustria, Italy’s employers’ association, told parliament on July 22: “What has happened in recent months in the Italian banking system has certainly not contributed to giving a good image to our country abroad.”

Inevitably, there have been calls for Mr Fazio’s resignation – mainly from centre-left opposition legislators, trade unionists (some representing Bank of Italy staff), and consumer activists fed up with high bank charges that they think a dose of foreign competition could help bring down. But the Bank of Italy insists that it has acted correctly throughout the affair and Mr Fazio is not under investigation for any alleged offence. He can also draw on some powerful supporters.

Silvio Berlusconi, prime minister, broke his silence on the affair last weekend to say: “No one in the government has ever had, has or will have the intention of putting someone on trial, least of all the Bank of Italy governor.” His attitude is shared by the Northern League, a populist party that Mr Berlusconi regards as a vital component of the centre-right coalition he is preparing to lead in Italy’s forthcoming national elections due by May.

Yet some coalition ministers, notably Giulio Tremonti, deputy premier and an arch-critic of Mr Fazio, contend that the governor has been exposed as taking sides in the banking affair and that the status quo at the Bank of Italy is no longer tenable.

Until Monday, it appeared that there was little appetite among Mr Berlusconi’s parliamentary majority to pick a fight with the Bank of Italy before the elections. Some 60 government legislators urged Carlo Azeglio Ciampi, Italy’s head of state, to defend Mr Fazio. But yesterday there were signs of growing support for an initiative to impose a fixed term of office on the Bank of Italy governor and transfer the central bank’s supervision of banking competition to the national antitrust authority. Such a step could count on support from the opposition.

The irony is that, by mid-July, both foreign bids for the Italian banks were as good as over. Spain's BBVA was about to give up its efforts to buy Banca Nazionale del Lavoro in the face of a counter-bid by Unipol, an Italian insurer much smaller than BNL. Likewise, ABN Amro of the Netherlands signalled that it was likely to concede defeat in its bid for Banca Antonveneta. It had been repeatedly outmanoeuvred by Banca Popolare di Lodi, an Italian lender of modest size whose chief executive is a friend of Mr Fazio.

At this point, it looked as if the domestic bidders would win because they and their allies seemed to control a majority of the target banks' shares. But the manner of their victories had raised questions about the conduct of business in Italy, whose economy fell into recession last October and which can ill afford to deter foreign investors.

From the start, the banking affairs have been extraordinary tales of backroom dealings, sudden share-buying coups, criminal investigations and searches for international financing. Lodi, now called Banca Popolare Italiana, stated repeatedly that it had formed no alliances with other investors to block the Dutch. It was then forced to launch a cash bid for Antonveneta after Consob, the stock market regulator, declared that such an alliance did exist and the bank had breached takeover rules.

Unipol also kept its intentions under wraps until long after BBVA had made its offer. When Unipol finally acknowledged that it might make a bid, tortuous negotiations ensued with a group of Italian property developers that had taken stakes in BNL and were seeking to exit with large profits. Some of the same developers, such as Danilo Coppola and Stefano Ricucci, are allies of BPI in the battle for Antonveneta.

Now investigations into Unipol and some of the real estate developers are picking up, and prosecutors are interested in insider trading allegations related to Antonveneta and possible false accounting at BPI.

Meanwhile, the Bank of Italy is facing an investigation into the procedures followed when it authorised BPI to buy shares in Antonveneta before BPI announced a bid. Two senior Bank of Italy staffers told magistrates they had advised against approving BPI's bids – one all-cash, and one mostly in stock – because they had doubts about BPI's financial strength. But the central bank said its lawyers had concluded that the bids could go ahead.

Some telephone conversations between Gianpiero Fiorani, BPI's chief executive, and Mr Fazio – taped on prosecutors' orders – have been made public. Their contents strike Mr Fazio's critics as implying that the governor was hardly an impartial arbiter of the takeover battles, but his supporters counter that it is an outrage that such details were leaked to the media.

Among the conversations are discussions Mr Fiorani had with Mr Fazio and Mr Fazio's wife about the takeover. One is a midnight phone call on July 12 from Mr Fazio, who tells Mr Fiorani – before making a public announcement – that he has given the green light for BPI to bid for Antonveneta. Mr Fiorani replies: "Tonino, I'm overwhelmed with emotion, I have goose bumps?.?.?.?Thank you, thank you?.?.?.?Tonino, look, I would give you a kiss on the forehead if I could?.?.?.?I know how much you have suffered, believe me."

Dino Marchiarello, a lawyer and long-time chairman of Antonveneta who retired several years before the battle, says: "It's not normal for a central banker to have such a conversation. In my conversations over the years with Bank of Italy governors, I never spoke of the bank's direct financial affairs." He adds: "For all the talk about the need for transparency in all these complicated affairs, the only thing that is transparent are the taped conversations."

Amid prosecutors' continuing inquiries, a Milan judge yesterday ordered Mr Fiorani to be suspended from his job as BPI's chief executive for two months. The holdings of BPI and its allies in Antonveneta have already been frozen. Moreover, Consob and the Bank of Italy have suspended their authorisation of BPI's bids. It is therefore possible that ABN Amro may yet prevail. Even BBVA may revive its interest in BNL if Unipol's bid, which is waiting for multiple regulatory clearances, were to collapse.

But the very fact that Consob and the Bank of Italy have gone back on their earlier approvals of the BPI bids for Antonveneta begs questions about the oversight procedures that they use.

Many members of Italy's financial establishment concede, if only in private, that the opaque way in which the country's business is sometimes conducted acts as a deterrent to international investors. These same powerful figures have been shaking their heads in wonder at the Antonveneta and BNL cases. One senior banker says he was confident all along that BPI would stumble at some point. "That this is embarrassing for Fazio and Italy is the understatement of the year. But there is a limit to what the system can take. Something had to give eventually," he says.

Nonetheless, the takeover battles are not a simple case of Italian financiers pitting their wiles against acquisitive foreigners. BPI and Unipol have relied on foreign investment banks prepared to provide billions of euros in bridging finance to fund their bids. They need the financial guarantees because both are smaller than their takeover targets. BPI wrapped its counter-bid in the Italian flag, changing its name from Lodi to Italiana as the battle for Antonveneta unfolded. But a consortium of 10 banks – including Dresdner bank, Deutsche Bank, BNP Paribas and Royal Bank of Scotland – is ready to commit €4.9bn ($6bn).

As for Unipol, it has raised a €4.3bn bridge loan from a consortium led by Credit Suisse, Deutsche Bank and Nomura. Like the four principal institutions involved in the takeover bids, the foreign banks providing the finance are watching to see where the Italian criminal investigations lead next.

The international dimension to the affair has been partly obscured by the assertion of some Italian politicians and bankers that the close relationship between Italian banks and industry must be protected from foreign disruption. But this argument cuts little ice with economists and industrialists who ask why more has not been done to improve the efficiency and competitiveness of the Italian banking system, one of Europe's most expensive in terms of costs incurred by customers.

"Commissions and other costs are higher, there's the hidden cost of time-consuming processes that don't exist to such an extent in other countries and so companies don't invest as much in new equipment," says one leading Italian industrialist. "As a result, our entire economy is now having difficulty competing with other European countries, let alone Asia."

This is one lesson of the affair and a particularly important one for Italy, whose international business competitiveness has sunk sharply over the past 10 years. Another lesson, already evident after the fraud discovered at the Parmalat food group in December

2003, is that every effort must be made to improve the work of Italy's fragmented financial market regulatory system, where supervisory powers are divided among five separate authorities.

If there is a third lesson, it is perhaps that business, politics and the criminal justice system do not make happy bedfellows in Italy. But whether the country will do anything about that before next year's elections, or even after them, is another story.

Struggle in Brussels to extract answers

Revelations about Antonio Fazio's handling of Italian banking takeovers are being eagerly scrutinised in Brussels amid a search for evidence that could feed an inquiry into obstructionism in the Italian banking sector.

Mr Fazio, the governor of the Bank of Italy, has turned into something of a bête noire at the European Commission, which has long espoused the idea of cross-border banking deals to promote a European Union single market in financial services and create bigger European banks to compete on an equal footing with large American rivals. Commission officials have had complaints from bankers in Amsterdam and Madrid about Mr Fazio's perceived protectionist streak.

Brussels has also struggled to extract answers from Mr Fazio to a string of clarification requests, with the Bank of Italy at one point telling the Commission that it felt under no obligation to meet "unilateral" deadlines to respond to queries.

However, even if the Commission found ammunition to show that' Italy s banking regulator may have intervened unfairly in takeover battles, lawyers warn that the legal challenge that Brussels would probably mount – based on the EU's single market rules rather than competition rules – would be unlikely to deliver a rapid and decisive verdict.

Vincent Brophy, a lawyer at Jones Day in Brussels, says: "Stopping a takeover would be quite clearly a breach of the [EU] principle of the free movement of capital. The problem with that mode of attack is that it is a hellishly slow procedure. It could take many years, so that the outcome would probably be of no interest to the Dutch, Spanish or other banks concerned."

Most of Brussels' efforts to open up Italy's banking sector depend on Charlie McCreevy, the EU single market commissioner, whose role includes ensuring that national authorities do not abuse their power to block takeovers. Mr McCreevy's review of the situation in Italy will be part of a broader report on cross-border banking.

Due by November, the report was commissioned by EU finance ministers last September amid concerns about the competitiveness of Europe's banking sector.

While Mr McCreevy could ultimately take Italy to the European Court of Justice for breaching EU treaty obligations, his powers of sanction are more limited than those of Neelie Kroes, the EU's competition commissioner, who can block mergers and takeovers within the EU.

However, Ms Kroes decided last month to abandon her own antitrust investigation into the Italian takeover bids after finding no conclusive evidence that the Bank of Italy had illegally obstructed recent bids for Italian banks from ABN Amro of the Netherlands and BBVA of Spain.

Her announcement came just days before the revelations about Mr Fazio's private phone calls with bankers, but the Commission and lawyers insist she took the right decision

given the circumstances and information at the time.
While aides to Ms Kroes have since indicated that she could eventually reopen her Italian investigation, Dorothy Livingston, a partner in the EU antitrust group of Herbert Smith, the law firm, says Brussels is unlikely to revive its antitrust case as long as foreign banks keep their Italian ambitions on hold.
Ms Livingston says: “She [Ms Kroes] would only have been able to act on the information she had and in so far as she was conducting a merger case and a bidder gave up, it would have been a waste of her resources to continue considering a bid that wasn’t going to happen.”

Deutche link in Italian Bank takeover row

Two senior inspectors from the Bank of Italy have told prosecutors they had grave doubts about deals carried out by Deutche Bank and others in the controversial takeover battle for Banca AntonVeneta
Deutche Bank led a series of transactions, with the assistance of Dresdner and BNP Paribas, under which Banca Popolare Italiana, which has been bidding for Antonveneta, recouped more than €1bn (£700m) from the sales of minority interests it held in 11 small financial groups.
The sales were crucial to BPI as it sought to reassure regulators about the stability and adequacy of its capital base after it had spent billions of euros on Antonveneta shares.
Giovanni Castaldi and Claudio Clemente, the inspectors, advised Antonio Fazio, the Bank of Italy's governor who has a veto on takeovers, not to allow the BPI bid for Antonveneta to go ahead. Among their worries were conditions attached to the sales of minority stakes that raised doubts about whether the money should be counted as a contribution to the restoration of BPI's capital base.
Deutche Bank said it was “completely comfortable with all aspects of this transaction and will continue to co-operate with all relevant authorities”.
The Bank of Italy inspectors were overruled by Mr Fazio, who has a relationship with Gianpiero Fiorani, BPI's chief executive. Mr Fiorani was last week suspended from his job for two months by a magistrate.
BPI appeared to have beaten ABN Amro of the Netherlands in the battle for Antonveneta, but its tender offers have been suspended. There are criminal probes of improper communications to the market and insider trading. The Bank of Italy's supervision is being investigated.
Deutche Bank is heavily involved. It became the largest holder of BPI's minority stakes, people close to the transactions said, and gave the Italian bank an option to buy them back in 12 months' time.
Mr Clemente told prosecutors, according to documents obtained by the Financial Times, that he was worried the deals should better be considered as “portage” arrangements where Deutche was being paid large fees for passing the shares on to others.
Prosecutors said the sales were misrepresented to the market, and Mr Clemente said they contributed to doubts about BPI's financial soundness.
BPI disclosed on July 1 it had a right to buy back the stakes but did not disclose Deutche

Bank had a right to sell the minority stakes. Some of the stakes, prosecutors said, ended up in vehicles run by Emilio Gnutti, financier and close associate of Mr Fiorani.
BPI said it had entered “into contracts with primary international financial institutions” but prosecutors said that obscured the transfer of the stakes to the Gnutti vehicles among others.

Call for ownership reforms at Bank of Italy

The Bank of Italy’s ownership structure is coming under increasing criticism as the centre-right Italian government considers ways to reform financial market regulation in the wake of the Fazio affair.
Three prominent economists on Wednesday urged far-reaching changes at the central bank so that it would not be majority-owned by the private sector banks that it regulates.
Their recommendations come ahead of a meeting of a government financial committee on Friday at which Antonio Fazio, the central bank governor, is expected to defend his actions in the foreign takeover bids for Italian banks.
The central bank governor became embroiled in controversy last month when phone-tap transcripts - revealing a close relationship between Mr Fazio and the head of Banca Popolare Italiana - were leaked to the Italian media. Critics claimed the transcripts showed Mr Fazio favouring BPI's bid for Italian lender Banca Antonveneta over that of ABN AMRO, the Dutch bank.
Italy’s commercial banks became majority owners of the Bank of Italy after the privatisation of the banking sector in the 1990s.
Their ownership is in apparent conflict with Article Three of the Bank of Italy’s statutes, which states: "In all circumstances, the majority interest in the capital of the Bank must be retained by public institutions, or by companies in which the majority of voting shares is held by public institutions."
The ownership issue has arisen after a five-month-long battle for control of two Italian banks, Banca Antonveneta and Banca Nazionale del Lavaro. Opposition politicians and Luca Cordero di Montezemolo, the head of Confindustria, Italy’s influential employers' association, have called for Mr Fazio's resignation. Mr Fazio, however, denies any wrongdoing and is not under investigation.
The economists, who published their recommendation in Il Sole 24 Ore, Italy’s business newspaper, were Alberto Alesina of Harvard University, Guido Tabellini of Milan's Bocconi University, and Luigi Zingales of the University of Chicago.
They said the real lesson from the takeover battles was that reform at the Bank of Italy needed to be more far-reaching.
"All regulatory authorities risk being captured and managed in the interests of those who are regulated. The risk is still greater for an organism, such as the Bank of Italy, which today is owned by those it regulates - the banks," the economists said.
They support an argument raised at the weekend by Mario Monti, Italy’s former European Union commissioner for competition and the internal market.
Mr Monti said the Bank of Italy needed four reforms: a change in the ownership structure, more collegial management, a fixed term of office for the governor, and

changes in the regulatory responsibilities of the Bank of Italy, the stock market watchdog and the antitrust authority.

Italian bank head defends takeover role

Antonio Fazio, the Bank of Italy governor, on Friday defended his conduct in a bank takeover battle before a committee of government ministers, but was told the central bank still needed to make far-reaching internal reforms.

An unrepentant Mr Fazio insisted at the three-hour meeting that he had acted correctly and without bias in his handling of two rival bids, one Italian and one Dutch, for Banca Antonveneta, Italy's ninth-largest bank.

But according to one person at the meeting, Domenico Siniscalco, finance minister, told Mr Fazio that his explanations were not enough to restore the central bank's credibility.

As a result, Mr Siniscalco plans to propose several major reforms at a cabinet session next Friday.

These include changes to the Bank of Italy's ownership structure it is majority owned by the private sector banks it regulates, an anomaly that has remained since the state banks were privatised in the 1990s and a fixed term of office for the governor. The list also includes an end to the practice whereby the governor reserves all important decisions for himself.

Claudio Scajola, industry minister, said: “At this point there is an overall problem of credibility, and it's up to the cabinet to handle it.” The Antonveneta affair has rocked the Italian political and business world and put the Bank of Italy one of the country's proudest and most professional institutions under unprecedented scrutiny.

Mr Fazio is under fire for allegedly abandoning his role as the impartial regulator of Italy's banking sector and favouring Banca Popolare Italiana, a bank with whose chief executive he was on friendly terms, in its bid for Antonveneta.

Gianpiero Fiorani, BPI's chief executive, has been suspended from his duties by magistrates investigating possible criminal offences in the affair, and italian regulators have frozen the stakes that BPI and its allies built up in Antonveneta.

Defending his actions on Friday, Mr Fazio told the government committee that there had been no doubt BPI's capital ratios were large enough to permit its takeover offer for Antonveneta.

Mr Fazio said a capital increase completed by BPI on July 15 took the bank's capital ratios “to levels well above the minimum levels required by regulation”.

His remarks amounted to a rejection of the view that he should have heeded the recommendation of two senior Bankof Italy officials who had advised that BPI's bid should not go ahead.

Mr Fazio's statement made clear he had no intention of bowing to calls for his resignation.

Because the Bank of Italy is independent and Mr Fazio serves an open-ended term, the government has little choice, if it wants to introduce changes at the central bank, but to include them in legislation.

Europe's central bank must act on Italy

The European Central Bank rarely misses an opportunity to criticise governments over excessive deficits or failure to reform.

But there is one subject, much closer to its heart, on which the ECB has chosen to stay suspiciously silent. It is the story of the Bank of Italy, one of the ECB's shareholders, sliding ever deeper into a mud of allegations relating to the handling of recent takeover bids in the Italian banking sector.

It was always tacitly assumed that Antonio Fazio, governor of the Bank of Italy, discouraged foreign takeovers in the Italian banking sector. But what used to be a vague suspicion has turned into something more concrete after the embarrassing leak in July of a telephone conversion between Mr Fazio and the chairman of Banca Popolare Italiana. This conversation came just minutes after Mr Fazio had given the go-ahead for BPI's takeover bid for Banca Antonveneta, another Italian bank. The other bidder was ABN Amro, a Dutch bank. Further transcripts suggested Mr Fazio had overruled his own inspectors, who had spotted some problems with BPI's bid.

Since the publication of the transcripts, Mr Fazio has been facing calls for his resignation. Last week, three well-known Italian economists - Alberto Alesina of Harvard University, Guido Tabellini of Milan's Bocconi University and Luigi Zingales of the University of Chicago - called for an urgent change to the central bank's statutes.

But this is not an entirely Italian affair. It has implications for the eurozone at large. Most economists and central bankers would agree that integrated financial markets are a prerequisite for a single currency to function properly. The reason is that money needs to flow through the system as efficiently as possible. The European Union is still struggling to create a fully fledged single market for banking and financial services. IfMr Fazio, who is also a governor of the ECB, has protected domestic banks against foreign takeovers, he has acted to the detriment of the eurozone, in breach of his responsibilities.

Unlike most other central banks, the Bank of Italy is not a fully state-owned institution. Its shareholders are commercial banks. Article three of its statutes says public institutions and public-owned enterprises must constitute a majority of its shareholders. There used to be no conflict as long as most banks were state-owned. But after a series of bank privatisations in the 1990s, the majority shareholders are now in the private sector. This is in apparent breach of the Bank's own statutes.

The problem is that the Bank of Italy is not just a central bank but also a banking regulator. This essentially means the Bank of Italy regulates its majority shareholders. It does not take a conspiratorial mind to detect conflicts of interest in this arrangement.

Mario Monti, the former European competition commissioner, has proposed four reforms for the Bank of Italy: changes to its shareholding structure; changes to the way its management takes decisions; changes to its regulatory functions; and the abolition of the life-long term of office for the central bank governor.

Because of the lifetime tenure rule, Mr Fazio is answerable to nobody. The excuse for the life-long appointment was to guarantee the governor's independence. But this is clearly overkill. One could easily achieve that goal with a fixed-term appointment, as is the case in many other central banks.

A lifelong appointment is nothing but an extreme form of restrictive labour market practice. Considering that central bankers are among the loudest advocates of labour market flexibility, this smacks of hypocrisy. The truth is that central banks are among the least reformed bureaucracies in Europe and the banking sector they control is one the most protected industries.

As life-long governor of the Bank of Italy, Mr Fazio is by extension also a life member of the governing council of the ECB, which sets interest rates for the eurozone. As the Bank of Italy is a participant of the European System of Central Banks and a shareholder in the ECB, it follows that Italy's commercial banks are indirectly also the shareholders of the ECB.

This is a problem that affects the rest of the eurozone much more directly than would appear at first sight. It constitutes a serious malfunctioning of Europe's central banking system. This should be of great concern to the ECB. It is possible ECB officials are holding behind the scenes talks with the Bank of Italy. But the ECB's public silence on this affair is deafening.

Mr Fazio's loyal supporters have tried to deflect attention by insisting that the real scandal was the invasion of privacy Mr Fazio and other bankers suffered. This is nonsense. These published transcripts have greatly served the public interest because they have given us a unique insight into the close-knit world of banking regulation in Italy.

There is an unspoken rule among central bankers that you never criticise one of your own. Recently, I was listening to a discussion panel chaired by a former central banker and including a current central banker. The former central banker said to the current central banker: "No matter what you are going to say, I shall agree with you."

This is the spirit of central banking, and I suspect it is also the reason for the silence from Frankfurt.