
3-4 September 2024

Press and Communications

Highlights of the Joint ECB and EBA conference: Addressing supervisory challenges through enhanced collaboration

Introduction

One of the key mandates of the European Banking Authority (EBA), as an independent EU Authority established to enhance banking supervision across the EU, is to coordinate and facilitate supervisory cooperation among national authorities. To this end, the EBA, teamed up with the European Central Bank (ECB), to host jointly the first international conference on supervisory convergence and cooperation of its kinds. The event took place on 3-4 September 2024 at the ECB premises in Frankfurt

The in-person event welcomed over 150 senior officials attending over the two-day conference in a bid to explore the multiple dimensions of supervisory cooperation and the current challenges for which supervisory cooperation across borders and sectors is needed.

The joint ECB-EBA conference served as a platform to discuss various dimensions of supervisory cooperation. This Conference embodied the spirit of global supervisory cooperation by bringing together representatives from supervisory authorities, EU institutions, central banks, the financial services industry, and other relevant stakeholders both from within and beyond the EU with representatives from as far as the US, India as Singapore.

Day 1

Welcome discussion

Claudia Buch, Chair of the Supervisory Board of the ECB, and José Manuel Campa, Chairperson of the EBA, praised the collaborative efforts between the ECB and EBA in organising the conference.

Ms Buch and Mr Campa praised the fruitful collaboration between their organisations in organising the conference, while stressing the importance of unified supervision across the EU. They both recognised the evolution of regulatory frameworks and the role of international

cooperation in tackling shared challenges. Both underscored the conference's role in fostering dialogue and enhancing supervisory effectiveness across borders.

Keynote Speech

Michael J. Hsu, Acting Comptroller of the Currency at the Office of the Comptroller of the Currency, delivered the keynote speech.

He highlighted the importance of global supervisory cooperation in maintaining financial stability, particularly in times of economic turbulence. He noted that while bank supervision has evolved, its confidential nature often leaves the public unaware of its value. Supervision is a "ground game" involving regular interaction with banks, where its cumulative benefits, such as resilience during cyberattacks, become evident over time.

He called for nimbler supervisory approaches to address both financial and non-financial risks and urged supervisors to remain agile, credible, and open to new ideas as they navigate an evolving financial landscape.

Session 1 - Global supervisory cooperation in times of turbulence

Moderator: *Sarah Breeden, Deputy Governor for Financial Stability, Bank of England*

- *Colm Kelleher, Chairman of the Board of Directors, UBS*
- *Elizabeth McCaul, Member of the Supervisory Board, ECB*
- *Marina Moretti, Deputy Director, Monetary and Capital Markets Department, International Monetary Fund*

The panel explored the evolution and current state of global supervisory frameworks. Panellists emphasised the importance of robust cooperation during financial crises. All panellists agreed on the need for a more dynamic, flexible approach to supervision and resolution frameworks, supported by trust, clarity, and collaboration among supervisors worldwide.

Panel 1 - Promoting effective cooperation amongst supervisors

Moderator: *Helmut Ettl, Vice-Chairperson, EBA & Executive Director, Austrian Financial Market Authority*

- *Kerstin af Jochnick, Member of the Supervisory Board, ECB*
- *Sanja Petrinić Turković, Executive Director of Prudential Regulation and Methodology Area, Hrvatska narodna banka*
- *Stefan Walter, Chief Executive Officer, Swiss Financial Market Supervisory Authority*

The panel discussed the need for stronger supervisory alignment and cooperation across jurisdictions while emphasising that aligned supervisory practices are essential for mitigating systemic risks, particularly in a globally interconnected financial system.

Panel 2 - Supervisory cooperation in the EU and beyond on new challenges

Moderator: **François-Louis Michaud**, Executive Director, EBA

- **John Berrigan**, Director General for Financial Stability, Financial Services and Capital Markets Union, European Commission
- **Jennifer Burns**, Deputy Director, Division of Supervision & Regulation, Federal Reserve Board
- **Elena Carletti**, Professor of Finance, Bocconi University and Member of the Board of Directors, UniCredit group.
- **Mónica Lopez-Monis Gallego**, Global Head of Supervisory and Regulatory Relations, Santander Group

This panel addressed the evolving landscape of regulatory and supervisory cooperation in light of new challenges, such as digitalisation and the interconnectedness of financial systems. The panel agreed on the need for regulatory and supervisory convergence, with a focus on aligning priorities and expectations across jurisdictions. Transparency between supervisors and banks was seen as essential to maintaining trust and facilitating cooperation. The panellists also called for the use of technology to accelerate the supervision process and improve the availability of information to both supervisors and banks.

Day 2

Keynote speech

Pablo Hernández de Cos, Chair of the Advisory Technical Committee of the European Systemic Risk Board, former Chair of the Basel Committee on Banking Supervision

Mr Hernández de Cos emphasised the significance of international cooperation in the evolving digital world. Despite progress, especially within the EU, there are ongoing challenges in adapting regulatory frameworks to rapid changes in the financial sector. He stressed that financial stability is a global public good that requires a robust and adaptive regulatory system. He praised the Basel Committee's comprehensive approach and its commitment to fostering international collaboration.

Panel 1 - The need for global action to address climate and environmental risks

Moderator: **Sabine Mauderer**, First Deputy Governor of the Deutsche Bundesbank and Chair of the Network for Greening the Financial System

- **Anna Breman**, *First Deputy Governor, Sveriges Riksbank*
- **Gek Choo Goh**, *Executive Director, Banking Department II, Monetary Authority of Singapore*
- **Fausto Parente**, *Executive Director, European Insurance and Occupational Pensions Authority*

The panel acknowledged the complexity of modelling climate scenarios, the importance of using data effectively, and the critical role of international cooperation in building supervisory capacities and managing climate risks. They highlighted trends of the widening insurance gap, progress made in Asia. Furthermore, the EU's Fit-for-55 programme was highlighted as a model for an orderly transition.

Keynote speech

Frank Elderson, *Member of the Executive Board of the ECB and Vice-Chair of the Supervisory Board of the ECB*

Mr Elderson from the ECB stressed the significance of operational resilience and the necessity of banks to adapt to cyber threats. He emphasised that financial resilience alone is insufficient and highlighted the importance of regulatory measures like the Digital Operational Resilience Act (DORA). He also discussed the rising number and sophistication of cyberattacks, the benefits and risks of cloud services, and the need for enhanced coordination among supervisors and investment in human capital. The session concluded with a call for sharing best practices and strengthening communication channels among regulatory bodies.

Panel 2 - Supervision of IT-related risks

Moderator: **Margarita Delgado**, *Deputy Governor, Banco de España*

- **Gerry Cross**, *Director of Financial Regulation - Policy and Risk, Central Bank of Ireland*
- **Swaminathan Janakiraman**, *Deputy Governor, Reserve Bank of India*

The panel discussed the increasing significance of IT-related risks in the financial sector and the necessity for improved supervisory measures. The importance of a collaborative approach and the development of a comprehensive ecosystem under the Digital Operational Resilience Act (DORA) were brought to the fore, while the importance of managing relationships with third-party providers was underscored, noting that operational resilience and oversight should be prioritised.

Session 3 - Cross-sectoral supervision and supervision of non-banks

Moderator: **Pedro Gustavo Teixeira**, *Director General SSM Governance & Operations, ECB*

- **Violaine Clerc**, *Executive Secretary, Financial Action Task Force*

- *Alessandra Perrazzelli, Deputy Governor, Banca d'Italia*
- *Verena Ross, Chairperson, European Securities and Markets Authority*

The panel spoke of the importance of cross-sectoral supervision and cooperation among financial authorities, stressing the necessity of mutual evaluation and collaboration to combat terrorist financing, while also highlighting the role of new market entrants in addressing issues like climate change.

Closing Remarks

François-Louis Michaud, Executive Director of the EBA

At the core of the Executive Director message was the idea that supervisory cooperation is fundamental to ensuring financial stability, a public good benefiting all EU citizens. He concluded with insightful remarks highlighting the importance of ongoing cooperation and thanked the EBA and ECB for their exemplary work in organizing the conference, which showcased effective supervisory collaboration.