

OpRisk Europe Event

An update on EU regulation and policy

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CEBS

Committee of European
Banking Supervisors

European supervisory landscape

- The de Larosière Report
- Lessons learnt
- Enhancing Basel II
- Strengthening regulation and supervision
- Macro-prudential supervision: ECB – ESRC
- Micro-prudential supervision: ESFS
 - 3 new EU authorities, in future 2
 - Banking, insurance and securities (initially) separate
 - National supervisory authorities for day-to-day supervision

Committee of European Banking Supervisors

- Advice on banking legislation in Europe
- Convergence of supervisory practises in the EU
- Risk outlooks and risk assessments
- Members: 27 supervisors and central banks
- CEBS is observer in BCBS
- Based in London
- No day-to-day supervision

Lessons learnt: EU legal framework

- ONE Basel II in every member state
- Supervisory and sanctioning powers
- Common deposit guarantee scheme
- Lender of last resort
- How to organise burden sharing?

Lessons learnt: disclosures

- TRUST
- Focus on what's important vs compliance
- Business model – risk management – valuation
- Exposures at risk – losses
- Holistic approach
- Good observed practises
- Quantitative vs qualitative disclosures

Lessons learnt: colleges

- for EU and global cross border banking
- connecting supervisors and focusing banks
- more informed decision making
- need for consistency across banks
- EU joint assessment process under BII PII
- Coordinated PII add ons

Other considerations

- liquidity risk management
- remuneration schemes
- non-risk based metric
- pro-cyclicality
- stress-testing
- etc etc

The way forward





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