

CEBS Conference.

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1. Important achievements of CEBS.

- Clarifying CRD.
- “Collective” learning and discovery process.
- Building trust among supervisors.
- Improving transparency.
- Increasing convergence / avoiding divergence.

=> CRD WITHOUT CEBS WOULD BE CATASTROPHIC.

2. Where the achievements of CEBS are not fully satisfactory: cross border issues.

- Relatively few banks, but with increasing market share.
- Truly “multi domestic” banks appear.
- Increasing convergence is not enough, the puzzle should fit perfectly.

=> MS SUPERVISORS SHOULD RECOGNISE THE INEFFICIENCY TO ACT IN AN ISOLATED WAY FOR A CROSS BORDER INTEGRATED BANKING GROUP IN A EU INTEGRATED MARKET.

3. Examples of missed opportunities.

TARGET

Supervisors acting as one.

Supervision based on SLA between supervisors.

Cross border harmonised administration processes.

Recognition of market reality of cross border integration.

DELIVERED

Home host puzzle.

Sometimes MOU's, sometimes colleges.

COREP, diverging colleges, practice, national discretions.

Home / host, outsourcing, internal governance at legal entity.

=> BUT WHO IS IN CHARGE? CEBS, CEBS MEMBERS OR INSTITUTIONAL SET-UP?

4. And remaining open issues to come.

- Ambiguity of non legally binding mediation.
- Treatment of diversification in PII
- Home / host in practice.

=> THE MOST DIFFICULT PART STILL TO COME.

5. Trying to understand.

CEBS processes.

- Process of CP's in CEBS: difficult to influence once published. Improved with preliminary technical workshops.
- “Universal guidelines” based on theoretical analysis, far away from practical situation

=> TRYING TO SOLVE UNEXISTING PROBLEMS.

5. Trying to understand.

CEBS Members.

- No incentive for national supervisor to change:
 - Best practice is my practice.
 - Changing practice increases risks.
- No incentive for national supervision to delegate (rely on colleagues).
 - Delegating = loosing control.
= loosing influence.
= increasing risk.

=> REQUIRES CHANGE OF THE NATIONAL MISSION OF SUPERVISORS: RECOGNISE EU-DIMENSION.

5. Trying to understand.

Institutional set-up.

- The need for full consensus (= compromise) within CEBS.
- Non legally binding agreements.

=> ARE QUALIFIED MAJORITY VOTING AND LEGALLY BINDING
DECISION ACHIEVABLE?



Getting you there.

Thank you.