

Committee of European Banking Supervisors  
Via email [cp39@c-eps.org](mailto:cp39@c-eps.org)

**Date** 09 July 2010  
**Reference** BR1193

Subject: NVB reaction to CEBS CP39 Guidelines on the joint assessment of the elements covered in the SREP

Dear Sir, Madam,

The Dutch Banking Association<sup>1</sup> (NVB) welcomes the opportunity to comment on CEBS Consultation Paper 39 regarding the joint assessment of the elements covered by the SREP and the joint decision regarding the capital adequacy of cross border groups. Given the ongoing efforts that are undertaken to further integrate banking supervision in the EU, we welcome the guidelines that are provided in this consultation paper. In our view, developments such as the transition of CEBS into the EBA, as well as the increased cooperation of individual competent authorities in supervisory colleges are extremely important steps in achieving the desired further harmonization of banking supervision in the European Union. In the sections below, we will provide you with a number of suggestions to improve the paper.

We are aware that most of the consultation paper is targeted at competent authorities. As the Dutch Banking Association represents the Dutch financial industry, we will limit our feedback to those areas of the consultation paper, where we feel the input of the banking industry is relevant.

In our view, there are three key elements that should receive more attention in the final guidance, as including these elements would make the interaction between the supervisory college and the cross border banking group more effective. Also, additional harmonization within the group would be achieved. These three elements are:

#### **Achieve convergence of the ICAAP process**

We appreciate the explicit references made to the ICAAP and SREP processes as well as the way the mutual relationships between the members of the college are addressed in the consultation document. The paper provides guidance on how a supervisory college could be structured, but the practical implementation is left to the home supervisor. This matches the individual characteristics of a cross border banking group and enables the home regulator to choose the setup that is most

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<sup>1</sup> The Nederlandse Vereniging van Banken (NVB) is the representative voice of the Dutch banking community with over 90 member firms, large and small, domestic and international, carrying out business in the Dutch market and overseas. The NVB strives towards a strong, healthy and internationally competitive banking industry in the Netherlands, whilst working towards wider single market aims in Europe.

effective. In this context we would like to raise the importance of achieving convergence of the ICAAP processes. For banks it is important that the expectations regarding the ICAAP templates are standardised within the college. This makes sure that the ICAAP reports are comparable per country where the cross border banking group does business and increases the efficiency both at the supervisory college as well as the banking group.

#### **Opportunity to learn from other college members**

By working together in a supervisory college, competent authorities have the opportunity to learn from each others methods and approaches. This will also increase understanding and trust among the members of the college. We feel both these elements to be extremely important and that more attention should be given to these benefits in the final guidance. In this context, we also feel it would be beneficial for the cross border banking group to be given the opportunity to directly address the supervisory college. Allowing them to do so, would stimulate the dialogue between the competent authorities and the cross border group, resulting in a more effective college.

#### **Importance of the feedback to the banking group**

Next to the cooperation of the competent authorities, the SREP process also requires feedback to be provided to the cross border group. In order for the cross border group to take as much advantage of the findings of the supervisory college, high quality feedback to the group is of the essence. Making sure the feedback is provided in a timely and complete manner enables the cross border group to take the advice of the college on board, thereby increasing the effectiveness of its risk management.

I would also like to draw your attention to the feedback that has been provided by the European Banking Federation (EBF). In its reaction the EBF has provided additional remarks, which we fully support.

This concludes our feedback on the consultation paper. I hope you find the suggestions we made helpful. Should you have any questions, please feel free to contact me at your convenience.

Kind regards,



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