

Risk identification & Risk monitoring

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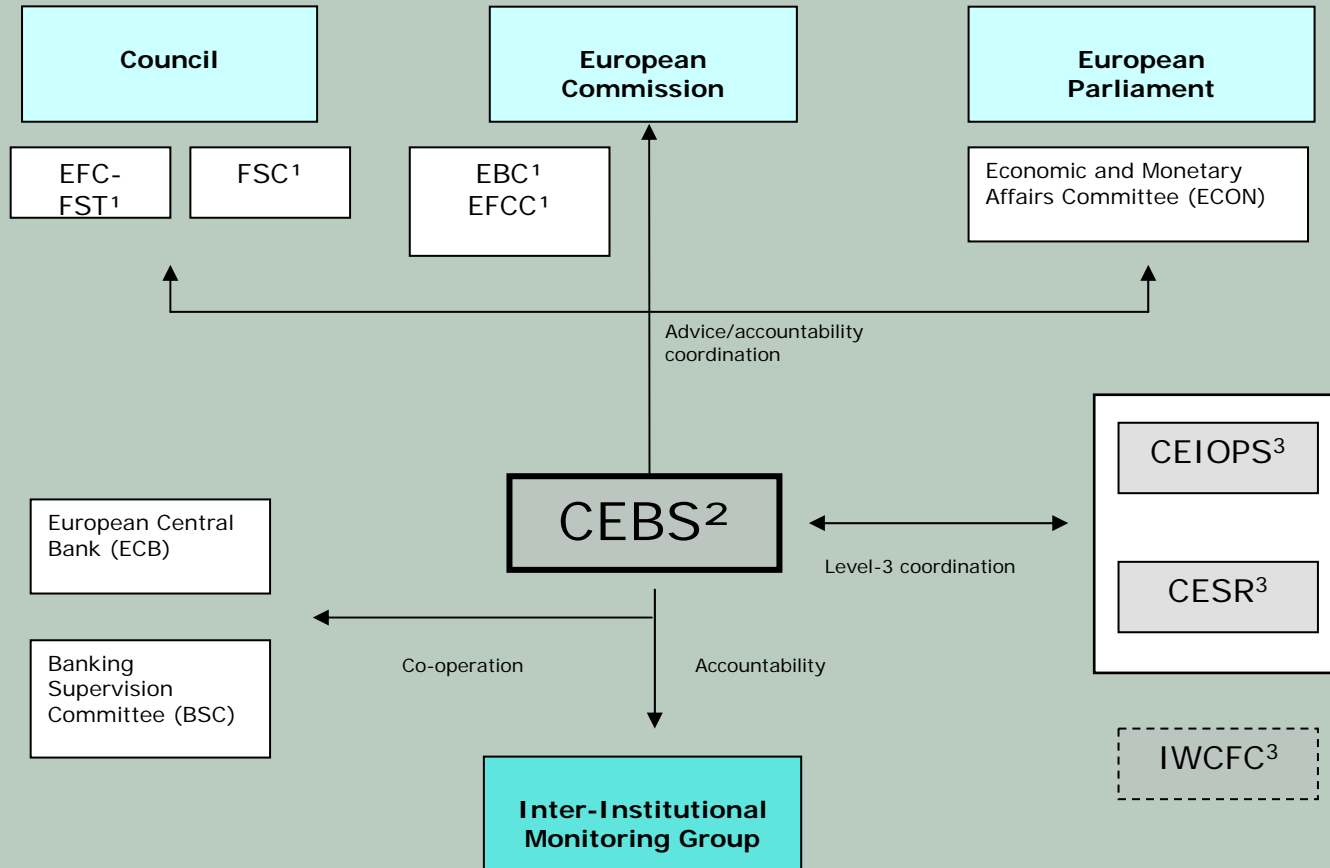
CEBS

Committee of European
Banking Supervisors

EU 27 national banking supervisory authorities



CEBS and other stakeholders



EBC European Banking Committee
EFCC European Financial Conglomerates Committee
EFC Economic and Financial Committee
FSC Financial Services Committee
FST Financial Stability Table
IWCFC Interim Working Committee on Financial Conglomerates

¹Finance ministries (FST also central banks)
²Supervisors and Central Banks
³Supervisors

Outline

- Risk identification & monitoring in the supervisory process
- Risk identification & monitoring – bank level
- Bank sector level
- .. in situations of stress
- Current & next steps

Risk identification & monitoring

Process

Regulatory framework

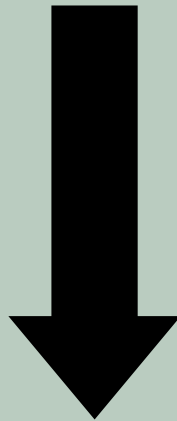
Risk identification

Risk monitoring

Supervisory practise

Supervisory action

Supervisory policy



Risk identification & monitoring

Bank level

- Common regulatory risk based framework
- $P1 > P2 > P3$ & LE & LIQ & ..
- P1: prescribed model for risk identification
- P2: banks' model for risk identification
- P3: risk disclosure to market
- Common reporting framework: common basic ratio's

Risk identification & monitoring

Bank sector level

- Macro developments & micro developments
- Scenario-analysis & areas of concern
- To individual banks..
- Co-operation CEBS – BSC
- Macro > bank sector > individual banks > bank sector
- CEBS/CEIOPS/CESR

Risk identification & monitoring

In situations of stress

- committee of 27 EU supervisors acting as a network
- Areas of common concern
- Identification of main risks / main exposures
- 2nd round effects
- Home – host & supervisory colleges
- Supervisors – NCB's - Ministeries

Risk identification & monitoring

Current & next steps

- EU regulatory changes: risk based
- EU approach to early intervention tools
- CEBS' periodic risk assessments
- Crisis management mechanisms for colleges
- Confidentiality and transparency – market monitoring
- Stepping up co-operation - communication



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