

EBF Ref.: D1005**Brussels, 27 May 2009****European Banks broadly welcome Commission proposals
for Reform of European Financial Supervisory architecture**

In the wake of the European Commission communication, issued today as a follow-up to the recommendations of the de Larosière expert working group, the European Banking Federation, which has long supported a more integrated supervision in Europe, has welcomed the proposals for a new European supervisory framework.

The Federation praises the Commission's commitment to move forward swiftly in addressing the weaknesses of the current arrangements for macro and micro prudential supervision at EU level. It further endorses the EU's 'supervisory package' as 'a realistic starting point for a substantial reform'.

EBF Secretary General Guido Ravoet said: "We globally support the proposed role and composition of the European Systemic Risk Council. However, we draw attention to the necessity of a smooth and efficient functioning of the European Systemic Risk Council, despite a total of 62 participants in its meetings amongst which 34 are voting members."

He continued: "The EBF also supports the creation of three European Supervisory Authorities. In our view, developing a single set of core rules, ensuring efficient supervisory decisions are made, and coordinating information collection and exchange, both in normal and crisis situations must be critical functions of the new Authorities."

He added: "We welcome the fact that the relevant European Supervisory Authority will be present at the meeting of colleges of supervisors to ensure consistent supervisory practices across colleges and Member States."

The Federation is, however, disappointed that the involvement of the industry, as illustrated today by the CEBS and CESR consultative panels, does not appear to have been given much consideration in the new framework, at both the macro and micro levels.

Ravoet remarked: "We note that the communication does not address the issue of burden sharing agreements. This should not serve as an excuse to prevent tangible progress in the area of supervisory arrangements in ordinary times."

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Note to the Editor

Set up in 1960, the European Banking Federation is the voice of the European banking sector (EU and EFTA countries). The EBF represents the interests of some 5000 European banks: large and small, wholesale and retail, local and cross-border financial institutions

PRESS RELEASE

The European Banking Federation strongly encourages Member States to set in motion the reform machinery and provide the EU with a supervisory system in line with the European single market for financial services and its objective of ensuring financial stability.

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