



PRESS INFORMATION

23 October 2008

ESBG welcomes the establishment of a High-Level Group advising on cross-border financial supervision but urges the group to also give due consideration to the specific perspective of locally and nationally active banks.

The European Savings Banks Group (ESBG), the European voice of savings and retail banking, welcomes the establishment of a High-Level Expert Group under the chairmanship of Mr. de Larosière in charge of examining the question of cross-border financial supervision. Against the background of the financial crisis, the announcement of the appointment of this group by the President of the European Commission, Mr. José Manuel Barroso, is a particularly timely initiative.

The crisis has given renewed momentum to the debate on an appropriate framework for the supervision of financial institutions with cross-border activities, as it has become clear that the failure of systematically important institutions can have significant consequences for the whole financial sector and indeed, for the rest of the economy. It is therefore clear that the supervision of this type of institutions has to be looked at carefully.

Nevertheless, the European Savings Banks Group would like to highlight that in parallel to these large cross-border credit institutions, in the EU a considerable number of smaller banks are active on a local (or national) level. These entities they play a vital role for the local economy, notably by providing funding to the Small and Medium-Sized Enterprises. For this reason, it is of crucial importance for the High-Level Group to take a comprehensive approach, which also includes the perspective of locally-active institutions. It has to be reminded that any change to the EU supervisory structure, even if focused on cross-border banks, ends up affecting the national competitive conditions and thus risks disrupting the national level-playing fields.

The European Savings Banks Group is looking forward to contributing to the essential work of the High-Level Group.

Notes to Editors

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About ESBG:

The European Savings Banks Group (ESBG) is an international banking association which represents one of the largest European retail banking networks, comprising about one third of the retail banking market in Europe, with total assets of €5,215 billion (1 January 2006). It represents the interests of its members vis-à-vis the EU Institutions and generates, facilitates and manages high quality cross-border banking projects.

ESBG members are typically savings and *retail* banks or associations thereof. They are often organised in decentralised networks and offer their services throughout their *region*. ESBG members banks have been reinvesting *responsibly* in their region for many decades and they are a distinct benchmark for corporate social responsibility activities throughout Europe and the world.



