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Your description of why the banking union is needed, Alessandro, was to the point. We need the banking union to disconnect the fate of European banks from the fate of their governments, and we have seen how this feedback loop was really at the heart of the crisis. We need two things for this: we need supervisors to have a European mandate instead of a national mandate, and that is why we have a single supervisory mechanism; we also need European banks to be in the hands of a European resolution authority when they are wound up, and that is also why we need a single resolution mechanism. Therefore, we need both if we want to make this disconnection.

The former governor of the Bank of England, Mervyn King, was quoted as saying that banks or global in life but national in death, meaning that when they die it is about national taxpayers’ money. We want to make sure that banks are global, or European, in life, whatever their business choice is, but that they no longer national but European in death.

Where do we stand? We have a single supervisory mechanism on the way; we have a European law; we have a president of the ECB supervisory board, Madame Nouy, who has been confirmed by the European Parliament; we have done a lot of work at the ECB already to set it up; we have started hiring people, looking for new premises, wiring the IT, etc., and about 1,000 people will be hired in Frankfurt as part of this new mechanism. That is an enormous change for the ECB as an institution, and we also want to get it right in terms of culture. We want this new institution to have a true European culture. We do not want this European Supervisory Board to be just a committee of national supervisors, because that would be a failure; we want them to work in the European spirit, as the governing council of the ECB does.

That is the first challenge; it is coming, and the priority of the new mechanism next year will be to undertake a comprehensive assessment of the balance sheet of European banks. This will be for those banks which will be directly supervised by the ECB, which will be around 130. First there will be a risk assessment and then an asset quality review, followed by a stress test which will be more generally coordinated by the European Banking Authority, as it will be for the whole of the EU.

This has already started, so 2013 is the year when the European supervisory mechanism has stopped being a concept and has moved into reality. We need the single resolution mechanism; it is an ongoing discussion among ministers which is taking place right now, with several days and nights of discussions this week in Brussels and other places. What we at the ECB would like to see is a true European mechanism, a resolution board with the authority to close banks and the ability to do it swiftly.

Let us not forget that this is about crisis management; they have to be efficient, so we need a governance mechanism that is lean and makes it possible to take prompt decisions. We need a single resolution fund, because that is the only way to disconnect the liability of banks from that of sovereigns, and this should be funded by a levy on the industry. However, in case it is too small, especially at first, we need a backstop to be provided by the European Stability Mechanism, and we are not there yet.

That is the challenge of the next few days: for European ministers to agree on this comprehensive mechanism. I am very confident that we will get there, whether tomorrow, the day after, or in a few weeks’ time. However, I very much hope that this will be settled next week.