



BENOIT COEURE

Member of the Executive Board, European Central Bank

Alessandro Merli, Frankfurt Correspondent, // Sole 24 Ore

You have alluded to ECB's preparation for this; it is a huge logistic exercise for you also because you are now staffing this new function, and it will take time, because it is not easy to hire 1,000 people for this very specific competence. Can you tell us a little more about the ECB's preparation, and also about your relationship with the national authorities that have supervised the banks for now? You will rely on them for many functions, but at the same time, these are the same national supervisory authorities which in certain cases failed either to spot the problems, correct them or were subject to pressure at the national level to overlook them or not to intervene effectively.

Benoit Coeuré, Member of the Executive Board, European Central Bank

Starting from your second question, I would not frame the discussion in terms of failure or errors being made, but more in terms of harmonisation and consistency. One of the major challenges this new mechanism will face at the starting point is 18 different supervisory cultures and handbooks in the participating countries. The asset quality review and the comprehensive assessment are the occasion for bringing them together, so it not only serves a stabilisation function, as Philipp described, but also a macroeconomic function, in a sense, which is to recreate trust in the European banking system. It also serves another purpose, which is to kick-start this new supervisory culture and to bring together all the assumptions made by national supervisors.

Taking rates of recovery for bad loans or forbearance of nonperforming loans, all these technical issues that are very important for the numbers, they will be harmonised, and they will be harmonised in a way where there are several checks, because the numbers will be produced by the banks, checked by the national supervisor, and then brought to Frankfurt where there will be cross-checks among national supervisors. Therefore, there will be a second pair of eyes, which will be the eyes of the other supervisors, bringing their own supervisory culture and asking questions, which is entirely new. Then there will be a third pair of eyes, the independent auditors we will also bring in to check some aspects. Therefore, as an auditing process it will be totally different from what has been done previously to check the quality of the assets.

Coming to your first question, we will hire 1,000 people, all open vacancies and all on the ECB website, so it is all public. We have head-hunters and panels, so it is all very transparent and public. We are starting from the top, so we will soon hire the directors-general and the top management of the new authority, and then we will hire the rest. We have had amazingly good applications from the private sector, at a very high level, and also from national supervisors, because they want to be fully onboard and to send us their best people, so there is a great sense of ownership of this new mechanism, and it is good news that they want it to work and be a success.

Alessandro Merli, Frankfurt Correspondent, // Sole 24 Ore

You must pay good salaries, because when I wrote a story on this hiring spree by the ECB some time ago, talking to your director of human resources, I got literally hundreds of emails from people asking how they could apply. The conditions must be good.