



Review Panel

18 October 2010

**Report of the Peer Review on the Functioning of
Supervisory Colleges**

Table of Contents

Introduction.....	4
Executive Summary.....	6
Methodology.....	9
I. Assessment.....	13
1. Preliminary remarks.....	13
2. Information Exchange.....	13
(1) <i>Practical modalities of the information exchange</i>	14
(2) <i>Scope of the information exchange</i>	15
(3) <i>Means of exchanging information</i>	17
(4) <i>Conclusions</i>	18
3. Risk Assessment.....	19
(1) <i>Top-down risk assessment process</i>	19
(2) <i>Structured and two-way risk assessment process</i>	19
(3) <i>Dedicated expert group and joint inspections</i>	20
(4) <i>Dialogue with the banking group</i>	20
(5) <i>Additional instruments</i>	21
(6) <i>Comparison of methodologies and scoring scales</i>	21
(7) <i>Joint decision</i>	21
(8) <i>Envisaged improvements and anticipation of the draft JRAD guidelines</i>	21
(9) <i>Translation of the individual assessments into the joint assessment</i>	22
(10) <i>Conclusions</i>	22
4. Planning and Coordination.....	22
(1) <i>Exchange of supervisory plans and common supervisory planning</i>	23
(2) <i>Joint on-site inspections/examinations</i>	23
(3) <i>Findings of inspections</i>	24
(4) <i>Follow-up decisions</i>	24
(5) <i>Conclusions</i>	25
II. Good practices.....	26
1. Exchange of Information.....	26
2. Risk Assessment.....	27
3. Planning and Coordination.....	27

Conclusions 28

Introduction

1. The purpose of Peer Review is to encourage supervisory convergence within the European Economic Area by assessing the implementation of supervisory provisions set out in Community legislation, CEBS guidelines and other CEBS documents, and to enhance the convergence of the day-to-day application of such provisions.
2. Against this backdrop, the Review Panel is mandated to assess the degree of convergence reached by CEBS members in the implementation of a given supervisory provision or practice. To do so, CEBS relies on self-assessments conducted by its members against clear and objective implementation criteria, and on independent reviews conducted by the Review Panel. Consistent with the so-called 'comply or explain' approach, should a member not have implemented a given supervisory provision or practice it will have to explain why.
3. The Review Panel conducted a first pilot peer review related to the 'CEBS Guidelines on the implementation, validation and assessment of AMA and IRB approaches' that was finalised in 2009¹. CEBS then decided to conduct a peer review of the functioning of supervisory colleges.
4. The functioning of supervisory colleges has received a lot of attention over the last number of years and CEBS decided that this was an appropriate topic for peer review. The focus of the review was on the methods employed by supervisory authorities in the setting up and functioning of supervisory colleges and to identify good practices.
5. The functioning of supervisory colleges has been assessed against the following reference documents:
 - Articles 129 (indent 1), 131 (indents 1 & 2) and 132 of Directive 2006/48/EC, as currently in force;
 - the 'CEBS-CEIOPS 10 Common Principles for Colleges of Supervisors';
 - the 'CEBS Template for the Multilateral Cooperation and Coordination Agreement for the supervision of the XY Group' (2009 version)², except for the provisions relating to internal model validation (section 6.6) which have already been covered in the previous peer review exercise, and the provisions relating to cooperation in crisis situations (section 7) which are dealt with by other CEBS groups, and the Annex to the CEBS Template; and

¹ The Review panel also conducted a survey on supervisory powers and objectives, including the actual use of sanctioning powers (CEBS 2009 47) in order to answer a request from the European Commission. The Report was published in March 2009.

² It should be noted that the Template Agreement anticipates the application of the CRD II provisions relating to colleges.

- 'CEBS guidelines for cooperation between consolidating supervisors and host supervisors' (GL09) insofar as they provide more detailed recommendations on the areas covered in the documents listed above.
6. It is important to note that this report builds on facts relative to a sample of 17 colleges recorded as of March 2010³.
 7. The first phase of the Peer Review consisted of a self-assessment by national supervisors in respect of the following six areas: General Organisation, Information Exchange, Risk Assessment, Planning and Coordination, Sharing and Delegation of Tasks, and Communication with the Group.
 8. The factual results of the self-assessments performed by the supervisory authorities participating in the 17 colleges were endorsed by the Review Panel in April 2010.
 9. Section 1 (General Organisation), Section 5 (Sharing and Delegation of Tasks) and Section 6 (Communication with the Group) were ruled out of the second phase, the "review phase", in order to concentrate on the core areas of activities of the supervisory colleges.
 10. Accordingly, when reading this report please bear in mind that the review phase concentrated on the following three areas of the activities performed by a supervisory college:
 - section 2 (Information Exchange),
 - section 3 (Risk Assessment), and
 - section 4 (Planning and Coordination).
 11. This report presents the outcome of the review performed by the Review Panel between 26 April and 8 June 2010 (Part I), together with a series of good practices for improving the functioning of colleges (Part II).

³ The sample covers 17 out of 31 existing colleges by the end of 2009 and 10 out of 15 consolidating supervisors.

Executive Summary

12. Over the last number of years, supervisory colleges have received a lot of attention in the regulatory and supervisory debate. In order to take stock of the progress achieved, CEBS decided to conduct a peer review on the functioning of supervisory colleges.
13. On the basis of the CEBS peer review methodology, the functioning of colleges has been assessed against a set of reference documents, i.e. the relevant provisions of the CRD, the CEBS-CEIOPS common principles for colleges of supervisors, the 'CEBS Template for the Multilateral Cooperation and Coordination Agreement for the supervision of the XY Group', and the 'CEBS Guidelines for cooperation between consolidating supervisors and host supervisors'.
14. Against this background, the Review Panel prepared a questionnaire which was completed, as a self-assessment, by the competent authorities from a sample composed of 17 supervisory colleges. The factual results of this self-assessment phase were endorsed by the Review Panel in April 2010.
15. For the conduct of the review phase, the Review Panel focused on the core activities performed by supervisory colleges, i.e. Information Exchange, Risk Assessment, and Planning and Coordination. The review phase took place between April and June 2010.
16. As a result, this report presents the outcome of the peer review exercise together with a series of good practices, as of March 2010, i.e. the selected cut-off date for the self-assessment. Multilateral cooperation and coordination in colleges is an evolutionary process; the report examines where each of the 17 colleges stands with respect to Information Exchange, Risk Assessment, and Planning and Coordination of supervisory activities, with a view to determining whether specific milestones have been passed or not in these three areas. Whereas all 17 colleges under review are up and running and have thus passed a number of milestones, some colleges have not passed all the milestones and others are at a more advanced stage.
17. With regard to Information Exchange, the peer review confirmed that a majority of the colleges apply the requirements even though it revealed a great deal of variety in terms of interactivity, frequency, timeliness, scope and means of exchange of information across colleges. A number of good practices have also emerged.
18. Whereas information is exchanged intensively and extensively during general college meetings, the peer review showed that information exchange tends to be more limited among the members of the general college in between meetings and, that supervisors then tend to rely on bilateral contacts. Bilateral contacts are necessary among supervisors, but they are not sufficient in the context of supervisory colleges. The Review Panel notes that the efficiency of information exchange within a college greatly depends on the interaction among all its members. The Review Panel also notes that a multilateral and regular exchange

of information among the members of the general college contributes to effective coordination and cooperation and to the development of a common understanding of the group's activities and risk profile.

19. In order to ensure a timely, regular and multilateral exchange of information among college members, several supervisory colleges have developed good practices such as the use of web platforms, conference calls and newsletters that ensure interactive information flows.
20. With regard to the substance of information exchanged, the peer review revealed a great deal of variety and a number of commonalities, although there is no common framework as yet. Only one out of the 17 colleges that participated in the peer review discussed the distinction between 'essential' and 'relevant' information, as provided for in the CRD. Although, in practice, this did not prevent information from being shared on a college-wide basis, the Review Panel considers that an agreement on a non-exhaustive list of information to be shared within the college would help in structuring the process for the exchange of information and allow for more horizontal convergence among colleges.
21. The Review Panel thinks that 11 colleges (BNP Paribas, Commerzbank, Dexia, Erste Bank, Intesa SanPaolo, KBC, Nordea, RZB, Santander, SEB, and UniCredit) have fully applied the requirements for information exchange, whereas four colleges (Crédit Agricole, Deutsche Bank, ING and Société Générale) have partially applied them and two colleges (National Bank of Greece and RBS) have not applied the requirements satisfactorily.
22. Concerning the Risk Assessment to be performed by the colleges, the review by peers has identified variations as regards the process of carrying out the risk assessments.
23. Some colleges have used a top-down approach mainly driven by the consolidating supervisor. Other colleges have opted for a bottom-up approach, which is more interactive, and used approaches similar to the methodology described in the CEBS draft guidelines on joint risk assessment and decision (JRAD guidelines).
24. These variations show once more that colleges are constantly evolving, structuring their activities and improving their actual functioning towards a more collective risk assessment. In addition, the Review Panel notes that by using a common template and a common scoring scale, approximately one third of the colleges have anticipated the implementation of the JRAD guidelines.
25. A number of good practices have also been identified, such as risk expert meetings or workshops , joint inspections on specific risk and/or ICAAP, presentation of the ICAAP to the college by the group's top management, use of CEBS sectoral risk assessment, CEBS stress test and CEBS liquidity identity card.
26. The Review Panel is of the opinion that 15 colleges (BNP Paribas, Commerzbank, Crédit Agricole, Deutsche Bank, Dexia, Erste Bank, ING, Intesa SanPaolo, KBC, Nordea, RZB, Santander, SEB, Société Générale and UniCredit) have fully applied the requirements relating to Risk Assessment, whereas two colleges (National Bank of Greece and RBS) have not applied them.

27. The Planning and Coordination of the college activities appeared to be a challenging task for many consolidating supervisors who mentioned the field of Planning and Coordination as an area for improvement. The review by peers confirmed that there is room for improvement and convergence in this respect; some good practices have also emerged.
28. The Review Panel found it difficult to identify commonalities with regard to joint supervisory planning at this stage. The Review Panel considers that the exchange of supervisory plans and, in particular, common planning need to be developed further. A regular update of supervisory plans has been identified as a good practice.
29. Joint inspections appeared to be widespread, both consolidating and host supervisors taking the initiative to organise joint examinations and inviting other supervisors to participate in these activities. Supervisors who had taken part in joint on-site examinations agreed that they had several advantages. The most cited ones are a joint understanding of the group activities and risks, a better knowledge of the local market and an occasion to better challenge the group's management and to convey joint and stronger messages. It was also mentioned that joint on-site inspections offer the opportunity to learn from one another, that they help avoid duplication of work and that they facilitate the follow-up activities.
30. The Review Panel further notes that discussions on follow-up decisions in the college should be applied across colleges and that the good practice of common reporting of joint inspections should be further developed.
31. The Review Panel is of the view that nine colleges (BNP Paribas, Crédit Agricole, Dexia, KBC, Intesa SanPaolo, Nordea, Santander, Société Générale and UniCredit) have fully applied the requirements for Planning and Coordination, whereas three colleges (Erste Bank, RZB and SEB) have partially applied them and five colleges (Commerzbank, Deutsche Bank, ING, National Bank of Greece and RBS) have not applied the requirements satisfactorily.
32. The Review Panel concludes that coordination and cooperation within supervisory colleges can be described as an evolutionary process and that it is a joint responsibility of all the members of a supervisory college, under the leadership of the consolidating supervisor, to achieve the required coordination and cooperation. Although supervisory authorities have achieved considerable progress in establishing effective colleges, much remains to be done so that risks are commonly identified, assessed and mitigated. One of the tasks facing CEBS/EBA is to foster this development.
33. Finally, the Review Panel would like to highlight the words of one supervisor which it believes appropriately summarise the benefits of multilateral coordination and cooperation within supervisory colleges: "to be part of a supervisory college brings added value to your own work".
34. The Review Panel expects that this report will contribute to the effective functioning of colleges and the convergence of supervisory practices in the EU.

Methodology

35. This peer review exercise has been conducted in accordance with the 'Peer Review Methodology' and the 'Review Panel Protocol'⁴ revised version.
36. Following CEBS's decision to conduct a peer review on supervisory colleges, the Review Panel prepared a self-assessment questionnaire which members were asked to complete.
37. In order to get a precise picture of the functioning of the colleges of supervisors, a college by college approach was chosen. Thus, a supervisor that was a member of three colleges was required to fill in the self-assessment questionnaire three times.
38. The colleges under review were those relating to the 17 banking groups represented in the Sub-group on Operational Networks (SON). It is important to stress that the scope of this exercise was restricted to the entities which were subject to the CRD requirements and, therefore, fell within the consolidated prudential statements of the banking group. Both subsidiary and branch presences were included, including (banking) branches of the parent's direct or indirect subsidiaries⁵.
39. This report presents the outcome of the peer review, namely the assessment of whether or not CEBS members have implemented:
 - Articles 129 (indent 1), 131 (indents 1 & 2) and 132 of Directive 2006/48/EC, as currently in force;
 - the 'CEBS-CEIOPS 10 Common Principles for Colleges of Supervisors';
 - the 'CEBS Template for the Multilateral Cooperation and Coordination Agreement for the supervision of the XY Group' (2009 version), except for the provisions relating to internal model validation (section 6.6) which have already been covered in the previous peer review exercise, and the provisions relating to cooperation in crisis situations (section 7) which are dealt with by other CEBS groups, and the Annex to the CEBS Template; and
 - 'CEBS Guidelines for cooperation between consolidating supervisors and host supervisors' (GL09) insofar as they provide more detailed recommendations on the areas covered in the documents listed above.
40. The self-assessment questionnaire was comprised of two main parts:

⁴ <http://www.c-eps.org/getdoc/d309b3de-d442-43d5-ba6d-d853404f4a8b/Revised-Peer-Review-Methodology.aspx> and <http://www.c-eps.org/getdoc/25d91bca-0686-4b70-9687-ef3e8cfbd1e7/ReviewPanelProtocol15102007.aspx>

⁵ This peer review exercise on the functioning of colleges assesses only responses from CEBS Members and not CEBS observers (i.e. Norway, Iceland and Liechtenstein).

- Part I – covered background information and was completed by all supervisors of banking entities in the SON banking groups, even if those supervisors were not members of the college and irrespective of the relative importance of the local entities or their legal status (branch or subsidiary); and
 - Part II – focused on the functioning of colleges and was completed only by members of the colleges.
41. For each part, different sets of questions were prepared for the consolidating supervisor and for the host supervisors. Answers to Part I provided background information for the review by peers (second phase) and were not used for assessing the application of the requirements. The answers provided to Part II were used for benchmarking purposes in the first phase of the exercise. The self-assessment questionnaire focused on:
- Section 1 (Part II) General Organisation – the objective was to confirm the existence of the college and to ensure that adequate composition and organisational requirements were in place;
 - Section 2 (Part II) Information Exchange - the objective was to determine whether colleges were being effectively used to exchange relevant or essential information in a timely manner in a going-concern situation;
 - Section 3 (Part II) Risk Assessment - the objective was to assess whether supervisors went beyond the simple exchange of information and effectively cooperated in the conduct of risk assessments at consolidated, sub-consolidated and solo levels, and whether this required adjustments to their internal planning or reconsideration of their own risk assessments;
 - Section 4 (Part II) Planning and Coordination of supervisory activities - the objective was to assess whether supervisors had merely exchanged information on supervisory plans or whether they had really made an effort to coordinate and streamline their activities;
 - Section 5 (Part II) Sharing and Delegation of Tasks - the objective was to assess how information relating to a group was gathered and whether the sharing and/or delegation of tasks had taken place among supervisors participating in the college, and to assess whether these processes pursued the best possible use of resources and whether they had produced an outcome; and
 - Section 6 (Part II) Communication with the Group - the objective was to assess whether the college had established an active dialogue with the banking group, which avoided duplication of supervisory requests to the group and ensured that the group was aware of the coordinated supervisory process in place.
42. For each section the provisions of the reference documents were broken down into assessment criteria and corresponding key questions, and where it was deemed necessary, further requests for information. For each section benchmarks were established for the purposes of determining whether or not a member was applying the relevant reference documents, and overall benchmarks

were defined to assess the extent to which members were considered to have implemented the relevant set of reference documents as a whole.

43. Assessment criteria were categorised as “essential” and “important”. The difference between “essential” and “important” criteria was that those defined as essential were deemed to be critical for the functioning of colleges, while important criteria were not. “Important” criteria were, however, taken into account in relation to meeting the “partially” or “fully” applied benchmarks. In addition, the “Practices papers” on (i) range of practices, and (ii) good practices were used to prepare “additional” criteria designed to capture information about advanced practices which may be useful for further CEBS work. The structure of the questionnaire made a clear distinction between questions aimed at assessing the application of the requirements (essential and important criteria) and those aimed at capturing advanced practices which were in place (additional criteria).
44. Two sets of questionnaires were prepared, one for consolidating supervisors; the other for host supervisors. It is important to note that in the self-assessment phase, consolidating supervisors and host supervisors were asked to evaluate their compliance with the responsibilities imposed on them as consolidating or host supervisors in the colleges in which they participated. They did not assess the actions of the other supervisors in the college. It is also important to note that the requirements imposed on host supervisors were different to those imposed on consolidating supervisors. Therefore, in general, no direct comparison was made between the self-assessments of home supervisors and the self-assessments of host supervisors with respect to the same college.
45. The benchmarks were assigned on the basis of the answers provided by national supervisors and on any complementary information provided as of March 2010.
46. The results of the self-assessment have been discussed and endorsed by the Review Panel.
47. The individual self-assessments, i.e. the answers provided by the 27 EU supervisory authorities, were challenged by the Review Panel, during the review phase.
48. In order to conduct the review phase of the peer review exercise, the Review Panel agreed on a list of issues to be discussed during the reviews.
49. The Review Panel determined in advance the list of issues to be discussed during the reviews so that these issues were communicated in good time to the home and host supervisors of each of the 17 colleges under review, enabling home and host supervisors to prepare for their respective reviews. It also aimed at ensuring both the transparency of the process and that a level playing field existed for the participating supervisors.
50. The list of issues focused on three main areas: information Exchange, risk Assessment, and planning and Coordination.
51. The review confirmed that all 17 colleges had been set-up and were running. The self-assessment phase did not show inconsistencies in the General Organisation of the colleges. With regard to the issue of Delegation and Sharing of Tasks, no

inconsistencies were identified in the self-assessment phase. Furthermore, the Delegation and Sharing of Tasks was voluntary and was also partially covered via the planning and coordination of the colleges' activities. Lastly, Communication with the banking group (like the General Organisation of the college) had a more formal dimension, and the self-assessment phase did not identify inconsistencies in this respect. Therefore, the Review Panel agreed not to re-open these sections during the review phase.

52. For practical reasons, the reviews took place via conference calls. Hence, the agreed approach allowed the Review Panel to conduct a more focused review.

53. For each of the three selected sections, open questions were identified. The questions were aimed at identifying, through concrete examples, the actual functioning of colleges. The questions applied to home and host supervisors and were used for each college under review, taking the results of the self-assessment phase into account - for instance; sections that had not been applied within a particular college were not reviewed.

54. The cut-off date was the same as for the self-assessments, i.e. March 2010⁶.

⁶ The Review Panel is aware that further developments have taken place in colleges since the cut-off date. However, each college has been assessed on the basis of its functioning on that date.

I. Assessment

1. Preliminary remarks

55. This report assesses the functioning of supervisory colleges. Supervisory colleges have received a lot of attention over the last number of years. Therefore, it has been deemed appropriate to take stock of the progress achieved towards ever closer cooperation in the supervision of cross-border credit institutions on the basis of the existing legal framework.
56. Accordingly, this report does not assess whether supervisory authorities have achieved collegial supervision of cross-border credit institutions. Indeed, the current division of responsibilities between the consolidating and the host supervisors gives prominence to the consolidating supervisor. Supervisory colleges are not decision-making bodies, and the new EU supervisory architecture, in particular the European Banking Authority and the adoption of a single rule book, will have an impact on the supervision of cross-border credit institutions.
57. Further evolution will be needed before we can eventually achieve collegial supervision of cross-border credit institutions. The Review Panel, nevertheless, thinks that this report will contribute to the achievement of this goal.
58. As already mentioned, this report assesses the functioning of a sample of 17 supervisory colleges. The report examines where each of these colleges stands with respect to information exchange, risk assessment, and planning and coordination of supervisory activities, with a view to determining whether specific milestones have been passed or not in these three areas.
59. Whereas all 17 colleges under review are up and running and have thus passed a number of milestones, some colleges have not passed all the milestones and others are at a more advanced stage.

2. Information Exchange

60. During the peer review, the Review Panel applied the following 'essential' assessment criteria: whether the exchange of information was consistent with the requirements of Article 132 of the CRD and whether the information was exchanged actively in a balanced two-way process among the members of the college. In accordance with these criteria, attention was paid as to whether relevant and essential information had been exchanged regularly and multilaterally⁷. The timely exchange of information was an 'important'

⁷ Article 132 of the CRD notably provides that "The competent authorities shall cooperate closely with each other. They shall provide one another with any information which is essential or relevant for the exercise of the other authorities' supervisory tasks under this Directive. In this regard, the competent authorities shall communicate on request all relevant information and shall communicate on their own initiative all essential information. [...]". In addition, the CEBS Template for a Multilateral Cooperation and Coordination Agreement provides that "Information is exchanged actively between competent Authorities (a balanced

assessment criterion. The Review Panel also examined the type of information exchanged as well as the means used to exchange information.

61. The peer review has confirmed that a majority of the colleges apply the requirements. The peer review has also revealed a great variety of approaches in the interactivity, frequency, timeliness, and scope of the exchange of information across colleges as well as to the means used to share information among the members of a college. The Review Panel notes that a number of good practices have developed and deserve to be highlighted.

(1) Practical modalities of the information exchange

62. During core and general college meetings, information is exchanged extensively and on a multilateral basis. In general, supervisors are satisfied with the exchange of information.

63. The peer review has shown that information exchange in between meetings tends to be limited as far as general colleges are concerned. Information exchange is an ongoing process which cannot be circumscribed to college meetings. During the peer review, in a number of colleges (Crédit Agricole, Deutsche Bank, ING and Société Générale), several supervisors stated that more information should be exchanged, in a timely manner, well in advance of the meetings, in order to allow for more focused and in-depth discussions during the meetings. In addition, where a core college has been established, the frequency of the exchange of information appears to be higher and its intensity greater among the members of the core college⁸. Several supervisors pointed to the need to keep the general college informed about the activities of the core college.

64. The Review Panel notes that a regular exchange of information in between meetings contributes to the spirit of coordination and cooperation among members and to the development of a common understanding of the group's activities and risk profile.

65. In between general college meetings, supervisors also regularly rely on bilateral contacts. In many instances, the consolidating supervisor and a host supervisor need to discuss issues relating to a specific entity within the group. However, in some colleges (National Bank of Greece, RBS), bilateral contacts seem to be the rule. The reason put forward by the consolidating and host supervisors concerned to explain the importance of bilateral relationships was twofold. Firstly, bilateral cooperation agreements have been common practice in fostering international cooperation in the supervisory community for many years; the establishment of supervisory colleges has been a recent development in this respect. Secondly, supervisory colleges tend to be tailored to the structure of the banking group for which they have been established. For instance, a group which is based on highly independent subsidiaries may feel a lesser need for multilateral coordination than a group with highly centralised functions.

two-way process), and the information exchanged will reflect the needs of the Authorities involved. The exchange of information also aims at avoiding duplication of tasks and of requests to different entities of the XY Group" (paragraph 28).

⁸ BNP Paribas, Commerzbank, Crédit Agricole, Dexia, ING, Nordea, SEB, Société Générale.

66. Bilateral contacts are necessary among supervisors but they are not sufficient in the context of supervisory colleges. The efficiency of information exchange within a college greatly depends on the interaction among all its members. The Review Panel is aware that a 'cultural shift' needs to take place in order to increase the multilateral exchange of information on an ongoing basis. The Review Panel notes that the commitment of the consolidating supervisor and of the host supervisors to the college paradigm plays a significant role in this respect.
67. In order to ensure a timely, regular and multilateral exchange of information among college members, several colleges have developed and use instruments such as web secure platforms, conference calls or quarterly newsletters that enable an interactive exchange of information at a higher frequency (see below).

(2) Scope of the information exchange

68. With regard to the substance or scope of the information exchanged among college members, the peer review revealed a great deal of variety and a good number of commonalities although there is not as yet a common framework for information exchange.
69. In all colleges, information relating to the following categories had been exchanged:
- activities of the respective entities under supervision;
 - financial situation;
 - risk profile; and
 - prudential ratios (solvency, liquidity, profitability, etc.).
70. Furthermore, certain categories of specific information are shared when necessary. These include notably:
- model validation and related information (e.g. roll-out plans);
 - strategy of the group;
 - changes in the group structure or business model;
 - specific transactions;
 - capital increase;
 - restructuring; and
 - measures taken by the group to tackle a crisis situation.
71. In a majority of colleges, the following categories of information are also shared:

- ICAAP⁹; and
 - findings of on-site inspections (including, in some cases, AML and CTF issues)¹⁰.
72. In a minority of colleges, supervisors also exchanged information with regard to the following issues:
- liquidity identity card¹¹;
 - macro-economic information¹²;
 - non-banking micro-prudential information (e.g. insurance)¹³;
 - mapping of the group¹⁴; and
 - minutes and action points of the core and general college meetings¹⁵.
73. It should also be noted that the level of detail of the information exchanged did vary across colleges and over time. Coordination and cooperation in supervisory colleges is an evolutionary process. Since their establishment, colleges have progressively been streamlining their activities; a growing number of colleges are using templates to structure and improve the exchange of information.
74. Only one (Commerzbank) out of the 17 colleges that participated in the peer review had formally discussed the distinction between 'essential' and 'relevant' information, as provided for in Article 132(1) of the CRD.
75. College members view this requirement as theoretical. It was pointed out that no clear distinction can be drawn between 'essential' and 'relevant' information and that they know from experience which information is worth sharing with other college members. Supervisors are of the view that the exchange of information is driven by the tasks of the college and that the specific circumstances of each group are evolving over time. As a result, some information may be more relevant at a given point in time. In short, according to supervisors, pragmatism, experience and common sense should guide the exchange of information within a college. Some supervisors also pointed out that this issue was *de facto* covered during the negotiation of the multilateral coordination and cooperation agreement for the establishment of the supervisory college.

⁹ BNP Paribas, Commerzbank, Crédit Agricole, Dexia, Erste Bank, Intesa SanPaolo, KBC, Nordea, RZB, SEB, Société Générale, UniCredit.

¹⁰ See below.

¹¹ BNP Paribas, Commerzbank, Société Générale.

¹² ING, Nordea, Santander.

¹³ Crédit Agricole, ING.

¹⁴ Although all authorities participating in a college have knowledge of the group structure, some colleges have specifically discussed it: Commerzbank, Deutsche Bank, Dexia, ING, UniCredit.

¹⁵ Commerzbank, Erste Bank, Intesa SanPaolo, Nordea, RZB, UniCredit.

76. However, as mentioned above, many host supervisors think that more information should be provided to the members of the (general) college and in a more timely fashion.
77. Although many supervisors consider a formal discussion of these notions as a cumbersome and rather bureaucratic exercise, it could be argued that several binding and non-binding legal acts (directive, guidelines, advice) provide concrete examples or lists of the type of information that needs to be exchanged among the members of a college: CRD, CEBS guidelines for cooperation between consolidating supervisors and host supervisors¹⁶ as well as CEBS's advice on information required to be exchanged under Article 42 CRD¹⁷.
78. The Review Panel is of the view that an agreement concerning a non-exhaustive list of information that needs to be shared within the college would help in streamlining and structuring the process for the exchange of information. This would also allow for more horizontal convergence among colleges.
79. With regard to the confidentiality of information, no specific issues were identified by the Review Panel. In this respect, it should be noted that several colleges comprise non-EEA supervisors. In addition, one non-EEA jurisdiction is currently revising its confidentiality regime in order to ensure its compatibility with the EU regime. The Review Panel stresses that confidentiality is a cornerstone of the coordination and cooperation process within supervisory colleges and that supervisory authorities need to pay close attention to it¹⁸.

(3) Means of exchanging information

80. Colleges have shown a high degree of flexibility in this regard. The following means were used: letters, fax, e-mails, secure e-mails, web platform, phone and conference calls, and physical meetings (in different settings: dedicated expert groups, core college, and general college).
81. Web platforms have been used in the colleges for BNP Paribas, Dexia, Erste Bank, ING, KBC, RZB, Société Générale and UniCredit. Web platforms are much appreciated by supervisors as it enables them to share information in an interactive and secure way, at any time, and independently of college meetings. Web platforms usually allow both the home and the host supervisors to upload documents, thereby facilitating the exchange of information. Among those colleges who do not yet have a web platform in place (Commerzbank, Crédit Agricole, Deutsche Bank, Intesa SanPaolo, National Bank of Greece, Nordea, RBS, Santander and SEB), several are in the process of implementing such a tool, and the others are considering doing so as soon as CEBS/EBA provides such a facility.

¹⁶ <http://www.c-eps.org/Publications/Compendium-of-guidelines.aspx>

¹⁷ <http://www.c-eps.org/getdoc/8784537f-7564-4f94-9151-fab152268689/CEBS-s-advice-on-article-42-of-CRD.aspx>

¹⁸ With the entry into force of the CRD II, the compatibility of the confidentiality regime will be a requirement for third countries' supervisors' participation in colleges. As a result, CEBS has agreed on criteria for the review of the equivalence of third countries' confidentiality regime. The CEBS Subgroup on Operational Networks is in charge of reviewing the confidentiality regime of a number of third countries.

82. Secure e-mails have been used by two colleges (Intesa SanPaolo and Nordea). This practice could develop further in the future as a complement to web platforms.
83. The use of conference calls is expanding (especially among core college members). Some colleges (Deutsche Bank, Dexia, KBC, Nordea, SEB and UniCredit) have explicitly mentioned they plan to intensify their use. Conference calls are flexible and interactive tools. They are easy to set up, even at short notice, and enable the supervisors involved to have direct contact with each other in order to exchange and coordinate views, and agree joint actions.
84. The provision of minutes of the meetings and action points is appreciated by college members where they exist (Commerzbank, Erste Bank, Intesa SanPaolo, Nordea, RZB and UniCredit). However, this practice is not much in evidence yet. In those cases where a core college meets, members of the general college have requested that they be kept up to date with developments at the core college.
85. Three supervisory colleges (Erste Bank, Nordea and RZB) have developed a quarterly report to improve the frequency and quality of the exchange of information among college members. According to this practice, every quarter, each member of the college is asked to provide updated information in a number of pre-determined areas specified in a template. This good practice has been welcomed by the host supervisors of the three colleges concerned.

(4) Conclusions

86. As mentioned above, only one (Commerzbank) out of the 17 colleges formally discussed the distinction between 'essential' and 'important' information, as referred to in Article 132 of the CRD. However, the review showed that in those colleges where the criteria have been met, both essential and relevant information have been effectively exchanged. Nevertheless, the Review Panel reiterates that an agreement concerning a non-exhaustive list of information that needs to be shared within the college would help streamline and structure the process for the exchange of information and promote horizontal convergence among supervisory colleges.
87. The Review Panel notes that in the supervisory colleges for National Bank of Greece and RBS the exchange of information in between meetings was insufficient and took place almost exclusively on a bilateral basis. The Review Panel also notes the late establishment date of the National Bank of Greece and RBS colleges. On the basis of the above, the Review Panel considers that these three colleges have not satisfactorily applied the requirements concerning information exchange.
88. The Review Panel notes that in the supervisory colleges for Crédit Agricole, Deutsche Bank, ING and Société Générale, more information should be exchanged with the members of the general college and that information should be communicated in a timely manner so as to enable detailed discussions during colleges meetings. Accordingly, the Review Panel considers that these colleges have partially applied the requirements concerning information exchange.

89. The colleges for BNP Paribas, Commerzbank, Dexia, Erste Bank, Intesa SanPaolo, KBC, Nordea, RZB, Santander, SEB and UniCredit have fully applied the requirements.

3. Risk Assessment

90. The Review Panel applied the following 'essential' assessment criteria: whether the members of the college shared their own risk assessment with one another and whether the risk assessment was coordinated and discussed in the college. The following 'important' assessment criteria were also considered: whether it was a balanced, two-way and cooperative process involving all the members of the college. In addition, the Review Panel examined which good practices were used during this process.

91. The review by peers has identified some significant variations as regards the process of carrying out the risk assessments. These variations in the process followed by the colleges under review show once again that supervisory colleges are constantly evolving, formalising and structuring their activities in order to improve their functioning. A number of good practices have also been identified.

92. Apart from those colleges which have not conducted a risk assessment during the period under review (National Bank of Greece and RBS), those who have carried out a risk assessment can be divided into two groups.

(1) Top-down risk assessment process

93. In the first group composed of BNP Paribas, Commerzbank, Crédit Agricole, Deutsche Bank, Nordea, Santander, and Société Générale, a 'top-down' approach has been followed to carry out the risk assessment. During the college meeting, the consolidating supervisor provided the college members with a presentation of its risk assessment of the parent company and of the group as a whole. Each host supervisor also presented its respective risk assessment of the entities under its supervision and host supervisors were given the opportunity to make comments. Issues of common interest were identified and taken into account by the consolidating supervisor in the drafting of the risk assessment report. The final report has been adopted by the consolidating supervisor.

94. It is important to note that in 2010, these colleges have expressed their intention to progressively engage in a more interactive and structured process in order to perform the joint risk assessment, which will be similar to the process described in CEBS's draft 'Joint Risk Assessment and Decision Guidelines'¹⁹ (hereinafter, 'the draft JRAD guidelines').

(2) Structured and two-way risk assessment process

95. In the second group, which comprises Dexia, Erste Bank, ING, Intesa SanPaolo, KBC, RZB, SEB and UniCredit, a 'bottom-up' or a 'two-way' and more collective approach was adopted. According to this approach, each member of the college

¹⁹ <http://www.c-eps.org/documents/Publications/Consultation-papers/2010/CP39/CP39.aspx>

used a common template to perform the risk assessment of the entities of the group under its supervision. Some colleges used a detailed template, whereas other colleges used a simplified template.

96. Based on the individual risk assessments, the consolidating supervisor prepared a draft risk assessment report, which was circulated to the members of the colleges in advance of the general college meeting. The Review Panel considers that an advanced communication of the draft risk assessment facilitates a focused and in-depth discussion during the meeting and a common understanding of the group's risk profile. The Review Panel also notes that the level of detail of the risk assessment varies from one college to another and that convergence needs to be achieved in this respect.
97. It should also be noted that a number of colleges organise a dedicated college meeting or workshop to perform the risk assessment (Dexia, KBC and UniCredit). Colleges also use written comments and conference calls to exchange views as part of the drafting process.
98. In one supervisory college (ING), it was mentioned that the draft risk assessment had been initially discussed among the members of the core college before it had been discussed in the general college.
99. Other elements of the structured risk assessment are described in the next paragraphs. The Review Panel notes that the various elements presented are not necessarily common to all the colleges pertaining to the second group and may occasionally include colleges in the first group.

(3) Dedicated expert group and joint inspections

100. In a minority of colleges, joint expert groups (Dexia, ING, Nordea and UniCredit) had analysed specific risks and/or joint examinations (BNP Paribas, Crédit Agricole, Dexia, ING, KBC, Société Générale and UniCredit) had been carried out in relation to specific risks as part of the risk assessment process.
101. The Review Panel notes that supervisors who have participated in such joint activities take the view that they present several advantages. Firstly, they have helped the college reach a common understanding of the group's risk profile. Secondly they have considerably eased the subsequent discussion within the college; the discussion was more focused and risks could be discussed in a more detailed way. Thirdly, they have allowed a fruitful exchange of experience to take place that has enabled the participating supervisors to better understand each other's methodology and approach to risk assessment.

(4) Dialogue with the banking group

102. The review has also shown that in several colleges (Dexia, ING, KBC, Nordea and SEB), the group's top management was invited to present its own risk assessment – ICAAP to the college.

103. Supervisors found this practice helpful in better understanding the methodology of the group and in challenging it. They also considered it beneficial in their supervisory dialogue with their local entities.

(5) Additional instruments

104. A number of the colleges under review also used as a benchmark the CEBS sectoral risk assessment (BNP Paribas, Commerzbank, Crédit Agricole, Dexia, Erste Bank, KBC and Société Générale) and the results of the CEBS stress tests (BNP Paribas, Commerzbank, Erste Bank, Intesa SanPaolo, KBC and UniCredit). Supervisors found these instruments to be useful elements of the risk assessment process. Three colleges (BNP Paribas, Commerzbank and Société Générale) also mentioned that they had discussed the liquidity identity card.

(6) Comparison of methodologies and scoring scales

105. Furthermore, in some colleges of the second group, in the preparatory phase of the exercise, supervisors had also presented their national risk assessment system, carried out a mapping of the respective scoring scales and agreed on a common scoring scale in order to easily 'translate' their own risk assessment into a common appraisal of the risks (Dexia, Erste Bank, Intesa SanPaolo, RZB and UniCredit. The KBC College organised a presentation of the respective risk assessment system).

106. According to the members of these colleges, such a preparatory step has been useful as it entailed a detailed discussion on the methodology of the joint risk assessment process.

(7) Joint decision

107. It should also be noted that although the CRD II has come into force, three colleges have reached a common agreement on the adequacy of the level of own funds (Nordea, SEB, and UniCredit).

(8) Envisaged improvements and anticipation of the draft JRAD guidelines

108. To sum up, the Review Panel noted that the supervisory colleges comprised in the second group had put in place a more interactive, structured and detailed²⁰ risk assessment process.

109. The Review Panel also noticed that those colleges are of the view that a common methodology and a common framework, as proposed in the draft JRAD guidelines would help them further improve the conduct of the joint risk assessment.

110. The review further confirmed that by using both a common template *and* a common scoring scale, approximately one third of the sample of 17 supervisory

²⁰ Reference is made to the use of a template, dedicated expert groups, joint inspections etc, by the college but not to the risk assessment system used by individual supervisors at local level.

colleges had actually anticipated the implementation of the process described in the draft JRAD guidelines.

(9) Translation of the individual assessments into the joint assessment

111. Finally, the Review Panel would like to stress that although host supervisors think that their risk assessment had been taken into account by the consolidating supervisor in the final risk assessment report, they did not always understand the way in which their assessment was taken into account. The review made it clear that the materiality of the respective entities within the group and the principle of proportionality were taken into account by the consolidating supervisor in the final risk assessment report.

(10) Conclusions

112. The Review Panel notes that the colleges for National Bank of Greece and RBS did not conduct a risk assessment during the period under review. Therefore, these two colleges did not apply the requirements.

113. The Review Panel notes that the colleges for BNP Paribas, Commerzbank, Crédit Agricole, Deutsche Bank, Nordea, Santander and Société Générale have conducted the risk assessment following a top-down and less interactive approach. However, the Review Panel notes that, as from 2010, these colleges will progressively engage in a more collective process to perform the risk assessment.

114. The Review Panel also notes that the colleges for Dexia, Erste Bank, ING, Intesa SanPaolo, KBC, RZB, SEB and UniCredit have conducted a two-way and structured risk assessment allowing a more interactive performance of the risk assessment.

115. The Review Panel notes that these 15 colleges have fully applied the requirements concerning Risk Assessment.

4. Planning and Coordination

116. The Review Panel applied the following 'essential' assessment criteria: whether supervisory plans were collected, exchanged and discussed in the college, and whether joint on-site inspections had been considered and/or carried out by college members. The Review Panel also examined the following 'important' assessment criteria: whether a common supervisory plan had been agreed upon, whether other supervisors were involved in on-site inspections, to what extent the findings of on-site inspections and follow-up decisions to on-site inspections were discussed in the college.

117. Planning and Coordination appeared to be a difficult and challenging task for most consolidating supervisors. The review by peers has confirmed that improvements and convergence are necessary in this respect.

(1) Exchange of supervisory plans and common supervisory planning

118. Twelve out of the 17 colleges under review appeared to have collected the supervisory plans (BNP Paribas, Crédit Agricole, Dexia, Erste Bank, Intesa SanPaolo, KBC, Nordea, RZB, Santander, SEB, Société Générale and UniCredit). Among these twelve colleges, the information relating to supervisory plans was regularly updated in the three colleges that put in place a quarterly newsletter (Nordea, Erste Bank and RZB). However, the five remaining colleges did not appear to have collected the respective supervisory plans (Commerzbank, Deutsche Bank, ING, National Bank of Greece and RBS).
119. Five supervisory colleges had discussed common supervisory plans, i.e. had agreed an action plan for the activities of the college (Crédit Agricole, Dexia, KBC, Nordea and UniCredit).
120. The Review Panel finds it difficult at this stage to identify commonalities with regard to joint supervisory planning; much progress needs to be achieved in this respect and the regular exchange of supervisory plans and common planning should be developed further. The Review Panel notes that several consolidating supervisors had mentioned common planning as an area for improvement.

(2) Joint on-site inspections/examinations

121. Joint inspections appeared to have been considered and/or conducted in all but one college (National Bank of Greece). In 14 colleges, at least one joint on-site inspection/examination had taken place during the period under review (BNP Paribas, Commerzbank, Crédit Agricole, Deutsche Bank, Dexia, Erste Bank, ING, KBC, Nordea, RBS, Santander, SEB, Société Générale and UniCredit). In a number of these colleges, several joint inspections took place during the same period (Commerzbank, Dexia, ING, KBC, Nordea, SEB and UniCredit).
122. Joint inspections were conducted by two or more supervisors, depending on the type of inspection²¹. For example, a number of inspections relating to model validation had been conducted by the consolidating supervisor together with the competent host supervisor. Another example related to joint ICAAP inspections which involved several supervisors. In addition, a number of 'targeted' inspections were carried out regarding specific risks (e.g. credit retail portfolio, derivatives market risks, compliance, non performing loans, liquidity, etc.).
123. Both consolidating and host supervisors had taken the initiative to organise joint examinations and to invite other supervisors to participate in these activities. However, the Review Panel notes that, in a limited number of cases, some supervisors had to decline the invitation because of a lack of resources.
124. Supervisors who had taken part in joint on-site examinations agreed that it was a very rewarding experience in many respects. Among the several advantages that were mentioned, the Review Panel would like to highlight the following.

²¹ The duration of an on-site examination was also variable and no common trend emerged in this respect.

125. Firstly, joint inspections provide participating supervisors with a better understanding of the group's structure and organisation, business model, activities and risk management.
126. Secondly, joint inspections also help supervisors to acquire a better knowledge of the local market.
127. As a result, supervisors can better challenge the management of the entities under their respective supervision. They can also communicate a stronger message to the group concerned.
128. Thirdly, joint examinations also provided an opportunity for supervisors to learn about the working methods of colleagues and to share their respective experience.
129. Fourthly, joint activities avoid duplication of work and result in a better allocation of resources. Joint inspections were coordinated among the participating supervisors beforehand. As a result, supervisors take the view that these on-site inspections had been more effective. In some instances, supervisors had allocated the various areas to be examined so that one supervisor would be responsible for an individual area. In other cases, the consolidating supervisor led the inspection, based on the coordinated preparation that took place among the participating supervisors.
130. Fifthly, when an inspection was performed jointly, the follow-up work, such as the drafting of the report, as well as possible decisions or actions, had proved easier.
131. Lastly, as expressed by the supervisors themselves, joint inspections enabled supervisory colleges to develop a joint perspective and a joint assessment of the group. Joint on-site examinations did, indeed, contribute to ensuring supervisory convergence and to improving the overall quality of supervision.

(3) Findings of inspections

132. A majority of supervisory colleges appeared to exchange information regarding the findings of – unilateral and joint – on-site inspections that had taken place (BNP Paribas, Commerzbank, Crédit Agricole, Deutsche Bank, Dexia, Erste Bank, ING, Intesa SanPaolo, KBC, Nordea, RZB, Santander, SEB, Société Générale and UniCredit).
133. Only one college had adopted a common reporting for on-site inspections (Nordea²²). This practice should be developed further.

(4) Follow-up decisions

134. As a result of on-site inspections, when deemed necessary on the basis of the findings of such inspections, supervisors may take decisions requiring the credit

²² The findings of the inspections were communicated to the group in the form of a common letter.

institution concerned to take actions. In the context of the supervisory colleges, follow-up decisions have to be communicated to the college and coordinated towards the group by the consolidating supervisor.

135. When taken, follow-up decisions had been communicated to the other members of the college in nine colleges under review (BNP Paribas, Crédit Agricole, Dexia, Intesa SanPaolo, KBC, Nordea, Santander, Société Générale and UniCredit). This requirement needs to be applied across colleges.

(5) Conclusions

136. The Review Panel notes that the colleges for Commerzbank, Deutsche Bank, ING, National Bank of Greece and RBS did not collect, exchange and discuss the supervisory plans. In addition, in the college for National Bank of Greece, no joint inspections were considered and/or carried out. Therefore, the Review Panel is of the opinion that these colleges have not applied the requirements satisfactorily.

137. The Review Panel notes that the colleges for Erste Bank, RZB and SEB have applied all 'essential' assessment criteria, but have not applied the majority of 'important' assessment criteria. Therefore, the Review Panel concludes that these colleges have partially applied the requirements.

138. Lastly, the colleges for BNP Paribas, Crédit Agricole, Dexia, KBC, Intesa SanPaolo, Nordea, Santander, Société Générale and UniCredit have fulfilled all assessment criteria. Therefore, the Review Panel takes the view that these colleges have fully applied the requirements for planning and coordination.

II. Good practices

139. The Review Panel notes that coordination and cooperation within supervisory colleges is an evolutionary process. The review has shown a lot of diversity in the three areas which were assessed, but also a lot of commonalities.
140. In each of the three areas under review, the Review Panel has identified good practices. These good practices have been developed in order to facilitate an effective information exchange, joint risk assessment and supervisory planning.
141. The Review Panel is of the opinion that these good practices deserve to be highlighted as they contribute to effective coordination and cooperation within supervisory colleges. The Review Panel, therefore, recommends that these good practices should be applied across colleges.

1. Exchange of Information

142. With regard to Information Exchange, the Review Panel recommends the use of the following in order to foster the multilateral, regular and timely exchange of information among the members of the college:
- Web platform;
 - Secure e-mails;
 - Conference calls;
 - Minutes and actions points relating to the core and general college activities; and
 - Periodic newsletter/report and templates²³.
143. In addition, with regard to the substance of the information exchanged, the Review Panel recommends the supervisory colleges draw chiefly on 'CEBS guidelines for the cooperation between consolidating supervisors and host supervisors'²⁴ as well as on the 'CEBS Advice on information required to be exchanged under Article 42 CRD'²⁵. This would help in ensuring a common framework for the exchange of information and promote horizontal convergence across colleges.

²³ They facilitate a regular and interactive information exchange and are published on the college website.

²⁴ <http://www.c-eps.org/Publications/Compendium-of-guidelines.aspx>

²⁵ <http://www.c-eps.org/getdoc/8784537f-7564-4f94-9151-fab152268689/CEBS-s-advice-on-article-42-of-CRD.aspx>

2. Risk Assessment

144. With regard to Risk Assessment, the Review Panel has identified the following good practices with a view to performing a focused and detailed risk assessment and fostering common approaches to it:

- Ad hoc meetings of Risk expert groups;
- Joint inspections relating to specific risks and/or ICAAP;
- Presentation of the ICAAP to the college by the group's top management;
- Use of the CEBS sectoral risk assessment, CEBS stress test, and CEBS liquidity identity card as an element in the risk assessment process; and
- Dedicated college meeting or workshop on the risk assessment.

145. In addition, the Review Panel emphasises that a majority of the supervisory colleges under review use a common template for the performance of the risk assessment and that a minority of them also use a common scoring scale, as proposed in the draft JRAD guidelines.

3. Planning and Coordination

146. The Review Panel takes the view that the Planning and Coordination of activities needs to be strengthened in all supervisory colleges. Furthermore, the review has also demonstrated that joint inspections have several advantages and bring considerable value to the collegial work.

147. Concerning planning and Coordination, the Review Panel highlights the following good practices:

- Regular updates on supervisory plans;
- Common reporting for joint on-site inspections.

Conclusions

148. Coordination and cooperation within supervisory colleges can be described as an evolutionary process. It is also a joint responsibility of all the members of the college under the leadership of the consolidating supervisor to achieve the required coordination and cooperation.
149. The Review Panel assessed the progress achieved in the functioning of supervisory colleges with regard to information exchange, risk assessment, as well as planning and coordination in a sample of 17 supervisory colleges.
150. The peer review concluded that the requirements relating to information exchange have been fully applied in a majority of 11 of the supervisory colleges under review. The requirements relating to risk assessment have been fully applied by 15 of the colleges under review. However, the requirements relating to planning and coordination have been fully applied only in nine out of the 17 supervisory colleges.
151. Although competent authorities have made considerable strides in implementing the mechanisms that support an effective college, it cannot yet be said that the competent authorities supervise cross-border banks in a collegial fashion. Much remains to be done so that risks are commonly identified, assessed and mitigated. One of the tasks facing the CEBS/EBA is to foster this development.
152. The Review Panel also notes that the supervisory colleges that are more advanced in the processes under review are also those which show a greater willingness to further deepen this cooperation, and call for further CEBS/EBA work to improve the functioning of colleges, notably with regard to risk assessment.
153. The peer review showed a great level of diversity among colleges, but also a lot of commonalities. Good practices have developed in each of the three areas which were the subject of this report. The Review Panel is of the opinion that these good practices should be applied across colleges, as they contribute to effective coordination and cooperation.
154. Finally, the Review Panel would like to point to the benefits of colleges for the individual supervisors, as illustrated in the case of joint on-site examinations, and as expressed by one supervisor: "to be part of a supervisory college brings added value to your own work".
155. The Review Panel expects that this report will contribute to the good functioning of supervisory colleges, the effective cooperation among supervisory authorities and the convergence of supervisory practices across the EU.
