OVERVIEW OF THE SURVEY: IMPACT OF FINANCIAL REFORMS IN THE EURO-MEDITERRANEAN AREA

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Data and statistics contained in this document are calculated from participants’ responses to a questionnaire circulated prior to the conference. No attempt has been made to verify accuracy.

Definitions and methodologies differ across jurisdictions. These could explain some results.
1. **Overview of Prudential Standards Implementation**
IMPLEMENTATION – ALREADY IN FORCE + DRAFTED REGULATIONS -

Basle II

- Pillar 3 Market transparency: 67%
- Pillar 2 Ad hoc capital requirement: 81%
- Pillar 1 Operational risk: 88%
- Pillar 1 Credit risk: Advanced internal ratings-based approach: 63%
- Pillar 1 Credit risk: Foundation internal ratings-based approach: 63%
- Pillar 1 Credit risk: Standardized approach: 88%

Basle III

- Leverage ratio: 67%
- Counterparty credit risk: 63%
- Definition of capital: 94%
- Net Stable Funding ratio (NSFR): 19%
- Liquidity standard (LCR): 81%

Debt ratios

- Other: 15%
- Debt Service to Income: 38%
- Loan to Value: 44%

Macro-prudential

- G-SIB: 38%
- D-SIB: 69%
- Systemic Risk buffer: 56%
- Countercyclical capital buffer: 69%
- Capital conversation buffer: 81%

Resolution

- Other: 20%
- TLAC/MREL bonds: 57%
- Powers for an authority to declare the resolution of a...
- Banks are required to have a recovery plan: 80%

IMPACT OF FINANCIAL REFORMS IN THE EURO-MEDITERRANEAN AREA
Did your implementation of micro and macro prudential standards take into account your national specificities?

Percentage of yes on the total of respondents

Have you used a proportional approach?

Did your implementation of micro and macro prudential standards take into account your national specificities?

Percentage of yes on the total of respondents
2. IMPACT OF FINANCIAL REFORMS
**What Impact?**

<table>
<thead>
<tr>
<th>Impact</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>The liquidity risk is well more managed than before 2007</td>
<td>88%</td>
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<tr>
<td>Strengthening of the financial situation of the credit institutions</td>
<td>88%</td>
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<td>Reforms generated a need to increase own funds</td>
<td>81%</td>
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<td>Some previous liquidity requirements have been abandoned despite their usefulness</td>
<td>31%</td>
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<tr>
<td>Reduction of dividend pay-outs</td>
<td>31%</td>
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<td>Replacement of riskier loans by safer ones</td>
<td>25%</td>
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<tr>
<td>Financial fragmentation (e.g. increase of shadow banking)</td>
<td>21%</td>
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<td>The liquidity requirements have not reduced the dependence of banks to market gross funding</td>
<td>19%</td>
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<tr>
<td>Diminution of the credit volume</td>
<td>19%</td>
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<tr>
<td>Increasing cost of funding for the credit activity</td>
<td>19%</td>
</tr>
<tr>
<td>Diminution of market liquidity</td>
<td>0%</td>
</tr>
<tr>
<td>Other</td>
<td>0%</td>
</tr>
</tbody>
</table>

Percentage of yes on the total of respondents
3. **What are the main obstacles to the implementation of financial reforms?**
What are the main obstacles to the implementation of financial reforms?

- High investment cost: 44%
- Underdeveloped credit infrastructure (e.g. data on credit risks and credit rating agencies): 38%
- Difficulties in calibrating the framework to suit the practices of smaller banks and small jurisdictions: 31%
- The implementation period is too short: 25%
- The limited availability of high quality liquid assets: 25%
- Certain elements of reform: 25%
- Political instability: 19%
- Insufficient human and material resources: 19%
- The new standards are not a priority: 6%
- Insufficient cooperation with other central banks: 6%
- Supervisory powers tend to be limited and not easily given by legislators: 6%

Percentage of yes on the total of respondents.
4. **WHAT ARE THE MAIN CHALLENGES GOING FORWARD?**
What are the main challenges going forward?

- Calibrating macro and micro instruments: 94%
- Additional guidance on fintech aspects of financial sector regulation: 81%
- Financial reforms with positive impact on financial inclusion: 63%
- Implementing cross-border coordination and information sharing: 56%
- Consistent regulation of shadow banking: 50%
- Creating more specific guidance for emerging markets and developing economies: 50%
- Include Islamic banks standards in international regulatory frameworks: 38%
- Other: 13%

Percentage of yes on the total of respondents.
8. PARTICIPATING COUNTRIES TO SURVEY

ALBANIA, CROATIA, CYPRUS, EGYPT, FRANCE, GREECE, ITALY, JORDAN, LIBYA, MOROCCO, MALTA, PORTUGAL, SPAIN, TUNISIA, TURKEY