

Christina Papaconstantinou: Address - Single Supervisory Mechanism Integration Project event

Address by Ms Christina Papaconstantinou, Deputy Governor of the Bank of Greece, to the staff of the Supervisory Departments at the "SSM Integration Project event", Athens, 11 March 2024.

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Good morning.

I am very pleased to be here with you on the occasion of the 10th anniversary of the Single Supervisory Mechanism.

As we know, the Single Supervisory Mechanism was set up to safeguard confidence in the European banking system, increase its resilience, strengthen financial stability and create a level playing field among European banks.

The global financial crisis revealed significant gaps in the supervision of banking institutions in Europe, related to a fragmented supervisory framework, diverse supervisory tools and practices, lack of coordination and consultation. These gaps acted to impair the resilience of banks, hence of economies too.

A single European approach to banking supervision which, while taking into account national specificities, creates an environment where all supervisors operate by the same rules and have the same tools, contributes to addressing these weaknesses. European banks are now in a much better position to cope with severe turmoil and shocks (like those we experienced about a year ago) than they were before the global financial crisis.

The same holds true for Greek banks, despite the serious challenges of the past. This is why we acknowledge that having the Single Supervisory Mechanism in place was instrumental in providing an effective response to the crisis in the Greek banking system in the aftermath of the sovereign debt crisis. Managing the crisis together with the SSM meant stronger cooperation, exchange and productive interaction from the very start.

The experience we have gained so far shows that *collaboration* and *integration* between the European Central Bank and the National Supervisory Authorities is key if we are to keep evolving amid rapid change (including a changing climate, technological progress, etc.) and ongoing challenges (such as geopolitical risks), demonstrating the necessary flexibility and adaptability.

Collaboration within the Single Supervisory Mechanism has helped us and, as National Supervisory Authority, we have indeed evolved and have significantly upgraded our supervisory function: We have standardised several processes, developed manuals and methodologies for ongoing and on-site supervision, while at the same time becoming more extrovert. Significant emphasis has also been placed on the need for continuous training of our staff.

We at the Bank of Greece have been devoting significant resources to the Single Supervisory Mechanism. Our Supervisory Departments have committed more than 75% of their resources to enhance cooperation with the Single Supervisory Mechanism, thereby ensuring that banking supervision is conducted according to high quality standards and consistently across all credit institutions. The Bank of Greece's constant support to the Single Supervisory Mechanism is confirmed by the significant increase in these Departments' staff over the past decade (with headcounts rising by more than 60% in Joint Supervisory Teams (JSTs) and almost doubling in the Inspection Sections since 2014).

The Supervisory Board decided in 2021 to launch the "SSM Integration Project", as it became clear that most cooperation initiatives had focused on improving the functioning of JSTs, rather than of horizontal units. The reorganisation of the Single Supervisory Mechanism has highlighted the need to enhance effectiveness and efficiency through the optimal use of available resources and knowledge. In this regard, a number of initiatives have been developed jointly with the National Supervisory Authorities, aimed to foster a common SSM culture and career paths, build a team spirit, coordinate work and further develop common tools and technologies. You will learn more about these actions, which the Bank of Greece actively supports, in the presentations that will follow.

Today's event gives us the opportunity to share information, experience and knowledge, and to gain a deeper understanding of the objectives of the Single Supervisory Mechanism. Joint commitment ensures the soundness of supervised credit institutions and enhances the stability of the financial system in Europe. Each one of us, and all of us together in a coordinated manner, can improve the existing collaboration between the European Central Bank and the National Supervisory Authorities and contribute to the further integration of the European supervisory function.

Before inviting Mr Tsikripis to speak, let us watch a 3-minute [video](#) that explains what the Single Supervisory Mechanism is. Thank you!