



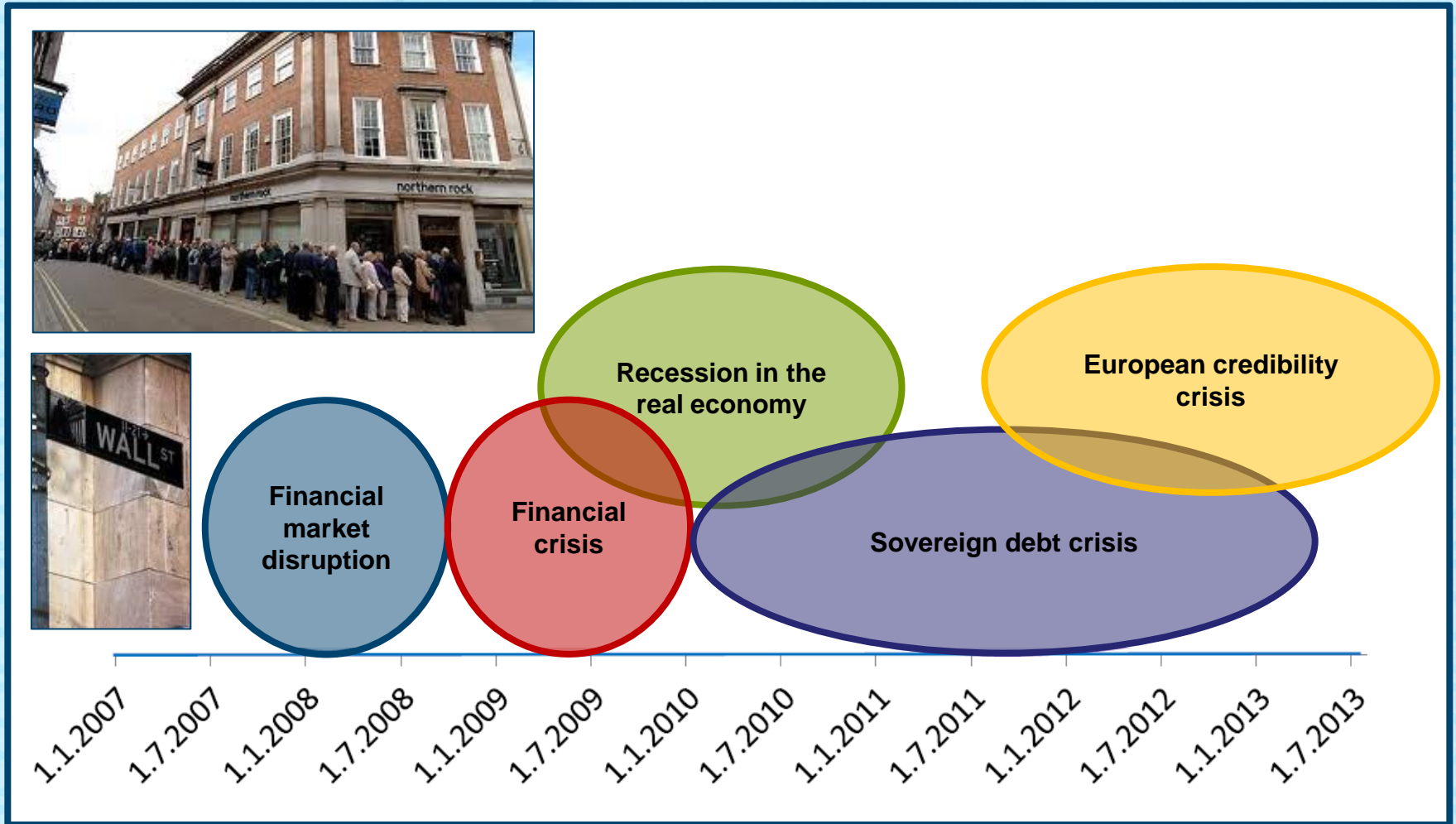
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## **Banking Union in the Nordic Context**

SEB Scandinavian Markets Seminar  
London, 3 September 2013

Deputy Governor Pentti Hakkarainen  
Bank of Finland

# The events of the crisis call for institutional changes outlined in the Banking Union





# Elements of the Banking Union

## Banking Union

### Single Supervisory Mechanism

- Consistent and high quality supervision
- Euro Area and Member States in close cooperation

### Crisis Resolution

- Resolution powers
- Bail-in
- Reduced public sector involvement
- Single Resolution Mechanism (Com. Proposal)

### Deposit Guarantee Systems

- Harmonization
- Ex ante funding
- Still nationally based

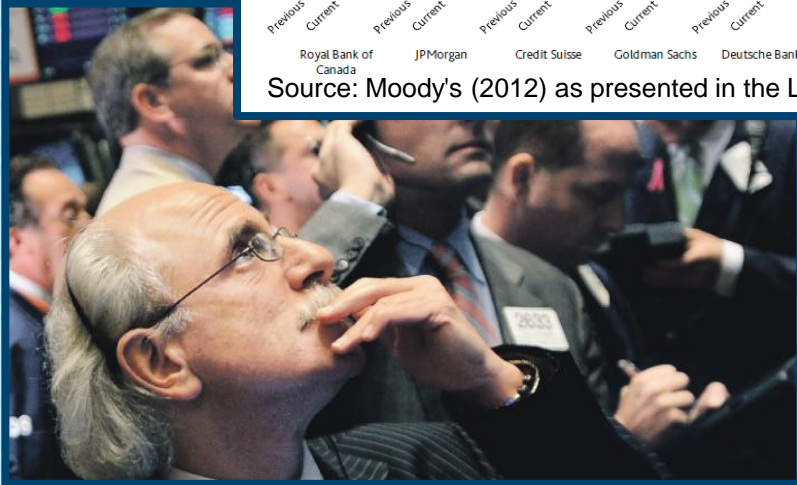
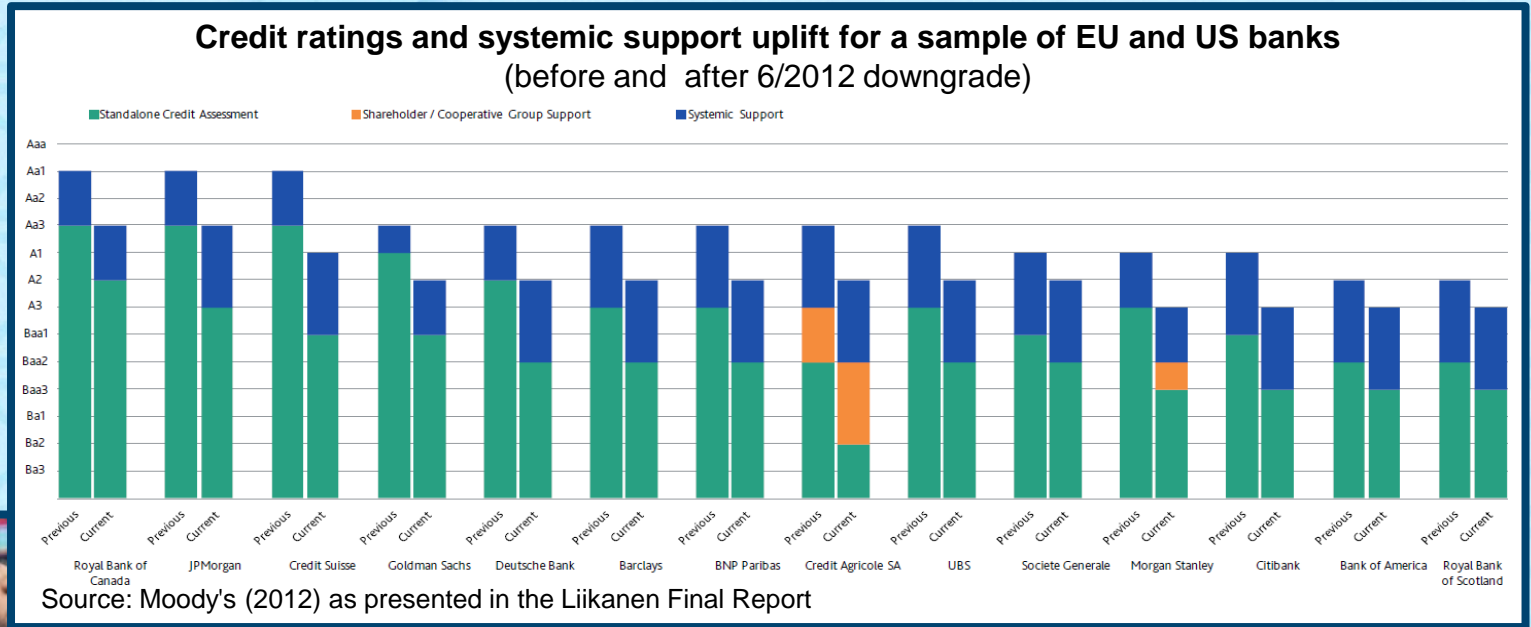
## Single rulebook

# The Nordic banking sector – integrated and international





# Impact on market value? ...funding costs? ...ROE?





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## **Conclusions:**

**Regulatory arrangements to  
match financial markets.**