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Introductory Remarks

Ladies and Gentlemen,
The recent financial crisis has induced several regulatory changes and initiatives to enhance the current framework and build better safeguards against future crisis. In this session, we want to ask two high profile experts in banking and finance whether they think that we have done enough. Maybe it would also be interesting to pose the question a bit differently and ask: Have we done the right thing?

So what has happened so far?

New institutions were created; the European Systemic Risk Board (ESRB) and the European Banking Authority (EBA) are the two most prominent examples. In the discussions preceding the creation of these institutions one sometimes got the impression that the financial crisis was mainly a problem of coordination and information sharing among supervisors. But was this really at the core of the crisis?

New rules for hedge funds have been initiated. But there is little evidence that this crisis was somehow fundamentally linked to hedge funds.

Charges and taxes on financial institutions have been imposed as if these charges would finance future rescues.

Resolution tools were created in some countries, as for instance in the UK in Germany and in the USA but the international problems in resolution have remained unaddressed.

The Basel framework got an overhaul which does not fundamentally change the approach in place and leads to very modest and small increases in equity requirements for banks.

Does this mean that actually little has happened, are there issues that remain unaddressed, do we need to do more or do we need to do other things?

I am very happy to welcome today two prominent experts who will share their views and discuss these

issues with us: Hans-Helmut Kotz and Andreas Pfingsten.

Hans-Helmut Kotz is a Senior Fellow at the Goethe University's Center for Financial Studies as well as an Honorary Professor in the Faculty of Economics and Behavioral Sciences of Freiburg University. During the fall term 2010, he was visiting Harvard University, teaching a course in its Department of Economics and working at Harvard's Center for European Studies. Between 2002 and 2010, he was a Member of the Executive Board of Deutsche Bundesbank, over time in charge of Departments of Financial Stability, Markets, IT, Statistics and Training and Education. He was a member of a number of committees of the BIS, the Financial Stability Board, as well as the OECD, where he chaired the Financial Markets Committee. He was also the Central Bank Deputy for the G7 and the G20 process. Between 2002 and 2005, he served in a personal capacity on an Expert Panel of the European Parliament on Financial Markets. He has published widely in scholarly journals and is also a regular



media commentator on financial regulation issues. His current research focuses on monetary policy's role in underwriting financial stability, on sustainable levels of bank profitability and

on the politics of international rule making.

Andreas Pfingsten is Professor of Banking and Finance at the University of Münster in Germany. He was educated as an economist and an operation research specialist at the Universities of Karlsruhe and Vancouver, British Columbia. His career started as a professor of economics at the Universities of Siegen and Graz with some times also spent in the private sector as a banker and a controller. In 1994, Andreas Pfingsten took up a chair in

banking at the University of Münster where he is teaching and doing research there since then. From 1998–2004, he was a member of the Oliver Wyman Institute and since 1999 he is a member of the Nordrhein-Westphälische Academy of Sciences.

He has published widely in economics, operations research, banking, and finance and risk management. He is also co-author of a famous textbook on banking together with Hartmann-Wendels and Weber. The book is meanwhile in its 4th edition.