23 June 2010

Multilateral Cooperation and Coordination Agreement
on the Supervision of LASER COFINOGA Group

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1. Introduction

1. In accordance with Art. 131 of Directive 2006/48/EC (the Banking Directive, forming a part of the "Capital Requirements Directive" or "CRD"), this Multilateral Cooperation and Coordination Agreement ("the Agreement") between the competent authority responsible for supervision on a consolidated basis (hereafter referred to as the "Home authority") and the other competent authorities (hereafter jointly and severally referred to as the "Host authorities") is intended to facilitate the effective supervision of the LASER COFINOGA Group, including the provision of operational details.

2. For the purpose of this Agreement, "Colleges" of supervisors are permanent, although flexible, structures for cooperation and coordination among the authorities responsible for and involved in the supervision of the different components of cross-border banking groups. Colleges provide a framework for the consolidating authorities and the other competent authorities to carry out the tasks established in the CRD.

3. This Agreement should involve all the banking supervisory authorities included in the 'general multilateral college' of the LASER COFINOGA Group; according to the CRD supervisory authorities of significant branches may participate in the college. When forming the college and whenever relevant thereafter, the Home and the Host authorities communicate to each other their assessment of each entity to be considered as significant and take into account each other's assessments. In case of disagreement the Host authority decides whether a branch is significant. The consolidating supervisor shall chair the meetings of the college and decide which competent authorities participate in a meeting or in an activity of the college. By invitation of the Home authority, non-EEA supervisory authorities can be part of this Agreement where appropriate and subject to confidentiality requirements that are equivalent, in the opinion of all the competent authorities, to those established in the CRD.

4. In consideration of the fact that entities in cross-border groups can be spread across several countries (both EA and non-EEA), and include significant branches, for practical reasons the principles of this Agreement may be applied in a proportionate fashion differently when involving the core or general college.

5. In accordance with Art. 42a(3), 129(1), 130(1), 131 and 131(a) of the CRD, this Agreement lays out the basis for the cooperation between the competent authorities and the practical organization of the supervisory activities on the LASER COFINOGA Group in going-concern as well as in emergency situations. These activities include, but are not necessarily limited to, the role of the college of supervisors, the role and responsibilities of the competent authorities, information exchange among supervisors, communication with the LASER COFINOGA Group, sharing and delegation of tasks, Basel 2 validation procedures concerning internal models for credit, market and operational risks, Supervisory Review and Evaluation Process (SREP), and crisis management.

6. Since several EU cross-border banking groups are also financial conglomerates according to EU legislation (Financial Conglomerates Directive,
FCD), this Agreement can be integrated with provisions encompassing cooperation and coordination procedures for conglomerates, involving the relevant non-banking supervisory authorities. This Agreement should also be coordinated with cooperation agreements resulting from the implementation of the European Directive on markets and financial instruments.

7. This Agreement is consistent with and complements the CEBS documents on the functioning of colleges of supervisors.

8. This Agreement replaces or supplements other agreements, signed between competent supervisory authorities, regarding cooperation with respect to the banking and/or investment and/or insurance activities of the LASER COFINOGA Group.

9. This Agreement will operate along with the Memoranda of Understanding of 2003 and 2008 on Crisis management.

2. Objectives and principles of Cooperation

10. The following principles apply to this Agreement:

- the Agreement is consistent with the CRD and other relevant European legislation, with the applicable national laws and regulations of the authorities involved, as well as with the applicable principles issued by the Basel Committee and CEBS Guidelines;
- cooperation among the authorities takes place mainly through the college, whose organisation reflects the activities and the legal structure of the LASER COFINOGA Group; bilateral cooperation takes place between authorities in the college for matters of relevance to the respective authorities;
- while the college does not have decision making powers, it plays a role in the coordination of supervisory activities and enhancement of supervisory cooperation;
- the principle of proportionality is applied where appropriate.

11. The objectives of the Agreement are the following:

- to facilitate the exchange of information, views and assessments among supervisors in order to allow for more efficient and effective consolidated and solo supervision (including the avoidance of duplication of tasks) and timely action in going concern and emergency situations;
- to enable supervisors to develop a common understanding of the risk profile of the LASER COFINOGA Banking Group as the starting point for risk-based supervision at both group and solo levels;
- to achieve coordination of supervisory review and risk assessment, establish supervisory plans for the mitigation of risks, arrange any division of tasks and joint on-site supervisory visits;
- to coordinate major decisions taken by individual authorities as far as possible and practicable and to strive to reach consensus where appropriate.

12. The authorities support each other in exercising their supervisory tasks.
3. Description of LASER COFINOGA Group and identification of Competent Authorities

3.1 Description and structure of LASER COFINOGA Banking Group

13. LASER COFINOGA is a credit institution in France which has subsidiaries and/or branches in the EEA and/or in non-EEA countries. An organogram showing the organisational structure of the LASER COFINOGA Group, with reference to legal entities and business lines may be attached to this Agreement, as well as a description of the legal structure of all its major component institutions, the organization of the main business activities and the control and support functions of LASER COFINOGA Group.

14. The consolidating supervisor is responsible for the coordination of the gathering and dissemination between the competent authorities of information regarding material changes in the LASER COFINOGA Group's structure and main business activities.

3.2 Identification of Competent authorities

15. This Agreement takes effect between the following authorities (hereafter jointly and separately referred to as “the Authorities”):  
- The Autorité de Contrôle Prudentiel (Home Authority responsible for the exercise of supervision on a consolidated basis of LASER COFINOGA Group);
- Finanstilsynet (Denmark),

authority responsible for the exercise of supervision of local European subsidiaries on a sub-consolidated /solo basis of LASER COFINOGA Group.

16. The Authorities will nominate contact persons who represent them in the activities covered by the present Agreement. A list of the contact persons is attached to this Agreement.

4. Confidentiality

17. Further to the professional secrecy requirements resulting from EU or national laws and regulations or from any other legal obligations, the Authorities confirm that any confidential information shared between them shall be used only for lawful supervisory purposes of the LASER COFINOGA Group. The transmission of information exchanges between supervisors will take into account national laws and regulations concerning bank secrecy and existing bilateral or multilateral MoUs.

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1 The definition of "competent authorities" is without prejudice to the institutional setting at national level.
18. The Authorities shall endeavour, to the extent permitted by law, to maintain the confidentiality of all information and shall not disclose information to third parties without first obtaining the prior consent of the Authority concerned.

19. The Authorities shall endeavour that all persons dealing with, or having access to such information are bound by the obligation of professional secrecy.

20. The Authorities of the core non-EEA jurisdictions can be party to confidential information sharing provided that they have legislative provisions on the confidentiality of information which are equivalent to those in the relevant EU legislation.

5. Responsibilities of Competent authorities

21. The Autorité de Contrôle Prudentiel takes the lead in coordinating all the activities covered by the present Agreement. This Authority chairs the college of supervisors decides which competent authorities participate in a meeting or in an activity of the college, and coordinates the meetings as well as the activities of the college of supervisors. The Autorité de Contrôle Prudentiel keeps all members of the college fully informed, in advance, of the college meeting, the main issues to be discussed and the activities to be considered. The Autorité de Contrôle Prudentiel also keeps all the members of the college fully informed, in a timely manner, of the actions taken in those meetings or the measures carried out.

22. Each competent Authority takes into account the exercise of the other competent Authorities’ supervisory tasks and the objective of achieving effective and efficient supervision of the LASER COFINOGA Group on a consolidated basis and of its entities on a sub-consolidated/ solo basis. Competent Authorities undertake to share and delegate tasks, and conduct joint examinations as detailed in art. 6.3 and 6.4 below.

In accordance with art. 40(3), each competent Authority shall, in the exercise of its general duties, duly consider the potential impact of its decisions on the stability of the financial system in all other Member States concerned and, in particular, in emergency situations, based on the available information.

6. Cooperation in on-going supervision

6.1 The College of supervisors

23. The College of supervisors facilitates the exercise of the tasks referred to in articles 129 and 130 of the CRD, as well as cooperation under article 42a (3). The college shall provide a framework for the concerned competent authorities to carry out the tasks mentioned in art. 131a of the CRD.
24. The organisation of the College reflects the activities and the legal structure of the LASER COFINOGA Banking Group and the risks to which it is or might be exposed.

25. The functioning of the College is normally organised in two levels, according to the activities to be carried out:

- a general multilateral level – involving all the competent Authorities – is normally used to share information on group-wide issues, for the general discussion of the overall supervisory policy and planning, or for projects interesting a large number of authorities, with their frequency to be determined on a case by case basis, but normally on an annual basis;

- a core multilateral level – involving a limited number of Authorities involved in the supervision of the main activities of the LASER COFINOGA Group – for a more focussed approach to cooperation.

Bilateral relationships, in addition to being the starting point in any cooperation approach, are used as a form of continuous dialogue between supervisory authorities.

26. The College is the first place in which to strive for agreement among the Authorities in case of divergent views regarding the application of EU legislation and CEBS Guidelines to a matter related to the supervision of the group in a cross-border context. Within the College, the Authorities review whenever necessary the arrangements, strategies, processes and mechanisms implemented by the LASER COFINOGA Group to comply with relevant laws and regulations and evaluate the major risks to which the LASER COFINOGA Group is or might be exposed on a solo and on a consolidated basis. Should the authorities in a College not reach an agreement, as foreseen by the CRD the matter may be referred for mediation to the Committee of European Banking Supervisors, as described in the Protocol of the CEBS Mediation Mechanism.

6.2 Information exchange among authorities

27. The Authorities exchange relevant information to ensure effective and efficient supervision of the LASER COFINOGA Group on a consolidated basis and of its entities on a solo or sub-consolidated basis. Information exchange is consistent with the requirements of art. 132 of the CRD and other relevant legislation.

28. Information is exchanged actively between competent Authorities (a balanced 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 LASER COFINOGA Group.

29. The Autorité de Contrôle Prudentiel serves as the central hub for the gathering and dissemination of information.

30. The practical means of information exchanges are decided on the basis of a flexible framework and on a case-by-case basis. For the exchange of highly sensitive information the Authorities are committed to using secure channels.
6.3 Sharing and delegation of tasks

31. Supervisors can share and delegate tasks to each other to the extent of and under the terms and conditions agreed upon. A clear division of tasks among supervisors may be agreed within the College. Each supervisor performs the tasks for which it might be best placed. Supervisors may also agree on principles which define the manner of the fulfilment of the delegated tasks.

32. Delegation and/or sharing of tasks are discussed at the same time of the planning of supervisory activities in the College or at any other time at the request of any of the Authorities to be involved in the agreement. The Autorité de Contrôle Prudentiel, if not involved in the delegation arrangement, is adequately informed.

33. In principle, the delegation is outcome oriented, instead of process oriented, and the laws and regulations of the delegated authority apply to the process of carrying out the task while the result is assessed and used by the delegating authority under its law.

34. The Autorité de Contrôle Prudentiel should, in general, inform the College of the tasks which have been delegated and agree with the delegating and the delegated authorities on how to inform the College of the results of the work.

35. The Autorité de Contrôle Prudentiel and the delegating authority will communicate, respectively, with the LASER COFINOGA Group and the relevant unit of the LASER COFINOGA Group, unless agreed otherwise between the Autorité de Contrôle Prudentiel and the delegating and delegated authorities.

6.4 On-site examinations

36. The Authorities agree that their co-operation is particularly useful in the field of on-site inspections. Risk assessment of the parent company of LASER COFINOGA Group or of any entity in the LASER COFINOGA Group may also be carried out in the form of a joint on-site examination.

37. The Authorities make efforts to have a co-ordinated inspection programme regarding the LASER COFINOGA Group and its main legal entities, in order to have a clear, group-wide picture of its position and operations and to avoid duplication. For this purpose, within the College or on a bilateral basis the host authorities inform the Autorité de Contrôle Prudentiel about the planned on-site examinations at national level in order to facilitate the role of co-ordination stated in next paragraph. For its part, the Autorité de Contrôle Prudentiel informs host supervisors about the projected on-site examinations which may have a bearing on issues relevant to the supervision of the subsidiaries. The information exchanges above are without prejudice to the inspection programs being the sole responsibility of the corresponding competent authority.

38. The coordination of inspection programs is the responsibility of the Autorité de Contrôle Prudentiel.
39. Joint on-site examinations are conducted according to the following principles:

- The Autorité de Contrôle Prudentiel may participate in an examination carried out by any of the Host authorities, provided this is permitted by national laws;
- competent Host authorities may in agreement with the Home supervisor participate in examinations of the parent company for matters that are of interest for the supervision of the local subsidiary or branch, provided this is permitted by national laws;
- any request for joint on-site examinations is agreed upon case-by-case by the relevant supervisors;

40. Findings of common relevance are discussed between the relevant Authorities. The College is informed of relevant developments at its next meeting at the latest, and sooner if necessary. This information may include the purpose of the joint on-site examination, its main findings and supervisory decisions and any corrective measures taken.

6.5 Communication with the LASER COFINOGA Group

41. An active dialogue between the Authorities and the LASER COFINOGA Group and its subsidiaries/branches will be established. The College agrees on the information to be communicated to the entire Group for matters involving various supervisors. The arrangements undertaken among Authorities for the supervision of the LASER COFINOGA Group (e.g., the general modalities of organization of supervision, etc.), such as those encompassed in this Agreement, are communicated to the Group in a form agreed upon by the College.

42. The Autorité de Contrôle Prudentiel is responsible for communication with the LASER COFINOGA Group, including the main findings of the supervisory review at a group level and any agreed views. Conveyance of this information may involve a multilateral meeting between the consolidating and host supervisors and the senior management of the firm.

43. The other Authorities are responsible for communication with the entities on which they carry out supervisory activities. In particular, they should communicate the measures to be applied at solo and sub-consolidated level.

44. Based on a common decision, LASER COFINOGA Group may be invited to attend the College meetings to present its position regarding the issues under consideration.

6.6 Internal model validation process

45. In accordance with article 129 (2) CRD, the Authorities will work together, in full consultation, to determine whether to grant, alter or withdraw permission to/from the LASER COFINOGA Group to use internal models for credit, market and operational risks for regulatory purposes. The Autorité de Contrôle Prudentiel is responsible for the coordination of all the activities related to the validation of internal models: a) validation process, b)
exchange of information among supervisors and communication to the LASER COFINOGA Group, c) decision, and d) on-going review. An illustration of the interaction among the authorities in the above-mentioned phases is set out in Annex I.

6.7 Supervisory Review and Evaluation Process (SREP)

46. In accordance with art. 129.3, the authorities undertake to cooperate in the conduct of the SREP at both consolidated and solo/sub-consolidated levels, in particular as regards the application of art. 123, 124 and 136(2) of the CRD. The Autorité de Contrôle Prudentiel is responsible for coordinating and synchronising, as far as possible and practicable, the SREP across the LASER COFINOGA Group. An illustration of the cooperation process and respective undertakings of the authorities is contained in Annex II.

7. Cooperation in crisis situations

7.1 General aspects of cooperation in crisis situations

47. Competent Authorities are responsible for assessing whether a crisis situation is affecting the institution under their supervision.

48. Competent Authorities participating in the college shall cooperate closely in a crisis situation, in order to facilitate the actions and the timely decision making process of the authorities responsible for the management and resolution of the crisis.

49. Competent Authorities will cooperate closely, whenever necessary and according to their national law, with other relevant Authorities (central banks and/or finance ministries possibly within the framework of a Cross Border Stability Groups, if they exist) involved in the crisis management process.

50. The Autorité de Contrôle Prudentiel will coordinate crisis management activities, encouraging the exchange of information and seeking to achieve consistency in the decision-making process. The views and assessments of the authorities responsible for the supervision of the banking systems likely to be most affected by the crisis should be adequately taken into account by the Autorité de Contrôle Prudentiel.

7.2 Information sharing

51. During the regular supervision and review process of the LASER COFINOGA Group, the competent Authorities take into account the main possible sources of vulnerabilities.

52. In the case of a crisis, the competent Authorities in the College will update and share their respective crisis assessments and all essential and relevant pieces of information.
53. In the case of a crisis affecting the stability of the financial system of any of the countries where the LASER COFINOGA Group has subsidiaries or significant branches, the competent Authorities will involve in the crisis management process the relevant central banks and/or finance ministries if relevant.

54. In the exchange of information, competent Authorities should balance between timeliness and proportionality.

### 7.3 Crisis management preparatory arrangements during normal times

55. For the purpose of smooth information sharing in emergency situations, the competent Authorities will have at their disposal an analytical set of basic data to be exchanged if necessary.

56. In order to strengthen their preparation to deal with an emergency situation, during normal times competent Authorities in cooperation with other relevant Authorities will: a) check the capacity of the banking group to provide the pieces of information needed in a crisis in a timely manner; b) define internal contingency plans; c) devise the infrastructure for cross-border information exchange; d) develop cooperation procedures with other relevant Authorities; e) identify the persons to be placed in a contact list for emergencies; f) conduct simulation exercises when needed.

### 7.4 Communication between competent authorities and to other relevant authorities in emergency situations

57. Where an emergency situation arises at a subsidiary of LASER COFINOGA Group which potentially jeopardises the safety and soundness of the subsidiary or LASER COFINOGA Group, the Host Authority responsible for the supervision of this subsidiary shall alert as soon as practicable the Autorité de Contrôle Prudentiel.

58. Where an emergency situation arises within LASER COFINOGA Group which potentially jeopardises the safety and soundness of a subsidiary in any of the Member States, the Autorité de Contrôle Prudentiel shall alert as soon as practicable the Authorities responsible for the exercise of supervision for that subsidiary.

59. Where an emergency situation arises within LASER COFINOGA Group which is present via its branch structure in other countries and which can have an impact on the stability of the financial system there, The Autorité de Contrôle Prudentiel shall alert as soon as practicable the supervisory authorities in those other countries.

60. Where the emergency situation potentially affects the stability of the financial system in any of the Member States where entities of LASER COFINOGA Group have been authorised, the competent Authorities, where appropriate, shall inform as soon as practicable other relevant Authorities.
7.5 Communication to the public

61. The competent Authorities will endeavour to coordinate their external communication of crisis-related information and to set-up internal procedures for communication.

8. Final provisions

62. The Home authority and any other Authority signing the Agreement commit to apply its provisions until any of them communicates in writing, in advance, its wish to discontinue it.

63. The Authorities shall revise and update the Annexes to this Agreement when necessary to appropriately reflect major changes in the overall structure of LASER COFINOGA Group and the risks undertaken, or changes in their cooperation procedures.

64. The Agreement is drafted in English. Where necessary, each Authority is responsible for translation into its own language.

65. It is recommended to publish this Agreement on the respective Authorities’ websites and on the CEBS’ website.

The 23rd of June 2010

FINANSTIKSYNET

9/7/2010

For the Secrétariat général de l'Autorité de Contrôle Prudentiel

Danièle NOUY
Secrétaire Général
Annexes

Annex I – Internal model validation process

1. This annex illustrates the cooperation among the authorities in the various phases of the process of internal model validation (validation; exchange of information; decision). The Autorité de Contrôle Prudentiel is responsible for the coordination of the activities related to the validation of internal models.

a) Validation

2. The Authorities, in accordance with Art. 129(2) of the CRD, will agree on the following topics:

(a) timetable;
(b) division of tasks;
(c) supervisory criteria and tools;
(d) completeness of the application package considering both home and host supervisors requirements;
(e) administrative proceedings.

3. The College procedures apply in both pre-validation, validation and post-validation phases.

4. A clear division of tasks among supervisors is normally agreed within the College, or among subsets of authorities where appropriate, during the pre-validation phase. Each supervisor performs the tasks for which it is best placed.

5. A clear, detailed and agreed timetable for the supervisory activities related to the Basel II validation process concerning internal models is prepared, involving all the Authorities in order to achieve an efficient allocation of resources. The timetable covers the pre-approval, the approval and, if necessary, the post-approval phases (for example, in cases of authorisation with conditions).

6. The Authorities agree that the pre-application phase is a useful period in which to gain a picture of the methods and procedures planned to be applied by the LASER COFINOGA Group, to assess the preparedness of the Group, to identify controversial issues between the Authorities and/or between the Authorities and the LASER COFINOGA Group, and to strive to reach a common understanding – or convergence, as the case may be – on these issues. In order to achieve this result, the Authorities work together in full consultation from the beginning of the pre-validation process.

7. The responsibilities of supervisors follow the responsibilities they have over legal entities belonging to the LASER COFINOGA Group.

8. In the case of centrally developed models that are applied across the banking group (group-wide models), the Autorité de Contrôle Prudentiel leads the work and host supervisors can join the work if agreed; in case of models developed and/or managed by a single legal entity – other than the parent institution – that are applied across the LASER COFINOGA Group, the Autorité de Contrôle Prudentiel and the other relevant Authorities carry out the work jointly.
9. The approval work of locally developed and applied models is led by the supervisory authority of the entity of the LASER COFINOGA Group that developed and apply these models. Depending on specific circumstances, such as the materiality of the Group’s operations covered by locals methods, either the Autorité de Contrôle Prudentiel may ask to actively participate in the approval work led by the host supervisor or the other Authorities may ask the Autorité de Contrôle Prudentiel to take part in the approval process. The legally responsible host supervisor leads the approval work; the main issues to be verified are: testing of models on local portfolios, use test, experience test, integration of methods in the processes of the Group, support by the Group’s IT infrastructure, control environment, understanding and expertise on the central models to be applied locally among the subsidiaries’ staff members and management.

10. The Authorities agree on supervisory criteria and tools to be used in the assessment of the models. These will include a set of minimum requirements to be verified as well as a common set of criteria and principles to assess them. For the local implementation of group-wide models, the Authorities – under the coordination of the Autorité de Contrôle Prudentiel– agree on a set of such guidelines or criteria, in order to have a common framework for the supervisory assessment throughout the LASER COFINOGA Group.

11. All supervisory tools and procedures provided in national jurisdictions can be used for validation purposes, including on-site supervisory visits.

12. The minimum application package is widely consulted on within the College in all its details, including practical issues surrounding the assessment of its completeness.

13. Where necessary, the Autorité de Contrôle Prudentiel’s application package is integrated with the questions/requirements of the host supervisors involved in the joint decision. The documents are written in the language agreed by supervisors.

14. The Authorities also agree on the administrative proceedings of the authorisation process: the formal representation of the final decision, its communication to the LASER COFINOGA Group, and the arrangements for agreement by all the Authorities involved.

b) Exchange of information among supervisors and communication to the LASER COFINOGA Group

15. As far as model validation is concerned, the Autorité de Contrôle Prudentiel triggers the initial communication. The other Authorities are fully involved from the beginning of the first contacts between the Autorité de Contrôle Prudentiel and the LASER COFINOGA Group.

16. Core information is shared within the College or among the supervisors involved. All the Authorities within the College agree on a list of core information.

17. Host supervisors which are not involved in the first close cooperation process (e.g., supervisors of subsidiaries included in the ‘roll-out’ plan of model validation) are extensively involved in the process of information exchange. These supervisors are invited to multilateral meetings and provided with written documentation before their direct involvement.
18. The College reports back to the Group the findings of the supervisory assessment, whenever it is deemed necessary.

c) Decision

19. The Authorities shall do everything within their power to reach a joint decision on the application within six months. This joint decision is set out in a document containing the fully reasoned decision which shall be provided to the applicant by the Autorité de Contrôle Prudentiel.

20. Before the end of the six months period, the host supervisors involved express their view formally to the Autorité de Contrôle Prudentiel. If the models are considered to be qualified for approval the Autorité de Contrôle Prudentiel will then issue permission to the parent company taking into account the observations of the other Authorities and the possible conditions which might be attached to the decision.

21. In the absence of a joint decision between the Authorities within six months, the Autorité de Contrôle Prudentiel makes its own decision on the application.

22. The decision is set out in a document containing the fully reasoned decision and shall take into account the views and reservations of the other competent Authorities expressed during the six months period. The decision is recognised as determinative and will be applied by the competent Authorities in the Member States concerned.

Annex II Supervisory Review and Evaluation Process (SREP)

1. This annex illustrates the cooperation process and respective undertakings of the competent authorities in the coordination of the SREP across the group.

2. The Autorité de Contrôle Prudentiel is responsible for coordinating and synchronising, as far as possible and practicable, the SREP across the LASER COFINOGA Group. This responsibility includes coordinating the following activities:
   • development of efficient and effective co-operative arrangements;
   • risk identification and assessment;
   • planning of supervisory actions;
   • performance of tasks;
   • timing of ICAAP submissions;
   • follow-up actions towards the LASER COFINOGA Group and its legal entities;
   • monitoring the progress on achieving the agreed objectives.

3. In accordance with art. 129(3) of the CRD, the competent authorities shall do everything within their power to reach a joint decision on the application of art. 123, 124 and 136(2) on the adequacy of own funds at both consolidated, sub-consolidated and individual level. In case of disagreement, the Autorité de Contrôle Prudentiel shall at the request of any of the other host Authorities concerned, consult the Committee of European Banking
Supervisors. The Autorité de Contrôle Prudentiel may consult the Committee of
European Banking Supervisors on its own initiative. In the absence of such a
joint decision within six months, the decisions shall be separately taken by the
the Autorité de Contrôle Prudentiel and by the host Authorities according to
their rights and responsibilities, after duly considering, in the case of the
Autorité de Contrôle Prudentiel, the risk assessment of subsidiaries performed
by the Authorities and, in the case of the host Authorities, the views and
reservations expressed by the Autorité de Contrôle Prudentiel. Where the
Committee of European Banking Supervisors has been consulted, all the
authorities shall consider such advice and explain their decision with full
reasoning.

4. The authorities acknowledge that the ICAAP belongs to the institution;
therefore the activities carried out are not aimed at prescribing a certain ICAAP
methodology.

5. The SREP takes into consideration the internal organisation of the
LASER COFINOGA Group, such as the degree of cross-border integration of
business lines or support and control functions. It also takes into account the
systemic importance of the entities of the supervised group for the local
market.

6. The Authorities cooperate within the College on the ICAAP review. In
particular, they should endeavour to ensure that information requests to central
and local levels of the LASER COFINOGA Group are as synchronised and
integrated as possible and that information is made available to all the
Authorities involved. Within their cooperation, the Authorities shall strive to
reach agreement on common or similar reference dates for requests to the
LASER COFINOGA Group for the submission of an ICAAP at single entity and
consolidated level, in order to ensure the comparability and consistency of
ICAAP information and reduce the supervisory burden.

7. An overall SREP including a risk assessment (generally updated on an
annual basis) serves as the basis for the planning of supervisory action at the
consolidated level. All competent Authorities shall contribute to the SREP under
the coordination of the Autorité de Contrôle Prudentiel.

8. At consolidated level, the dialogue on the ICAAP and the presentation of
the conclusions of the SREP for the LASER COFINOGA Group are taken care of
by the Autorité de Contrôle Prudentiel, possibly with the participation of other
competent Authorities.

9. At local level, host authorities are responsible for the SREP of the local
ICAAP. Each authority’s review and evaluation of the fulfilment of ICAAP
requirements feeds into the overall SREP process. In performing the SREP at
local level, the host supervisors should take into account the characteristics of
the framework under which the SREP at group level has been developed. The
supervisory activities at local level are taken into consideration in the
supervisory plan at consolidated level.

10. The Authorities shall cooperate with one another with the intention of
ensuring a common understanding of overall Pillar 2 issues, on a group-wide
and solo basis, and a coherent follow-up to the outcome of the SREP
assessment. In particular, within the college the Authorities will discuss the
LASER COFINOGA Group’s approach to the various aspects of Pillar 2, such as
concentration, liquidity and interest rate risks, economic capital modelling,
diversification and stress testing. They will also discuss aspects related to the reporting requirements of the LASER COFINOGA Group.

11. For the successful cross-border implementation of Pillar 2 the Authorities expect local bank management to be adequately involved and empowered to exercise their duties in relation to the ICAAP. However, the Authorities will not require the LASER COFINOGA Group to develop stand-alone quantitative capital models for each foreign subsidiary, provided that, in the Authorities' view, the subsidiary's business and risks are taken into account in the Group's model and assumptions in a prudent and sound way. The assessment of capital adequacy for each foreign subsidiary of the LASER COFINOGA Group by the competent Host Authorities will not be different to that for local banks, but foreign subsidiaries may place greater reliance on global measurement and management tools in a manner appropriate and consistent with local market characteristics.