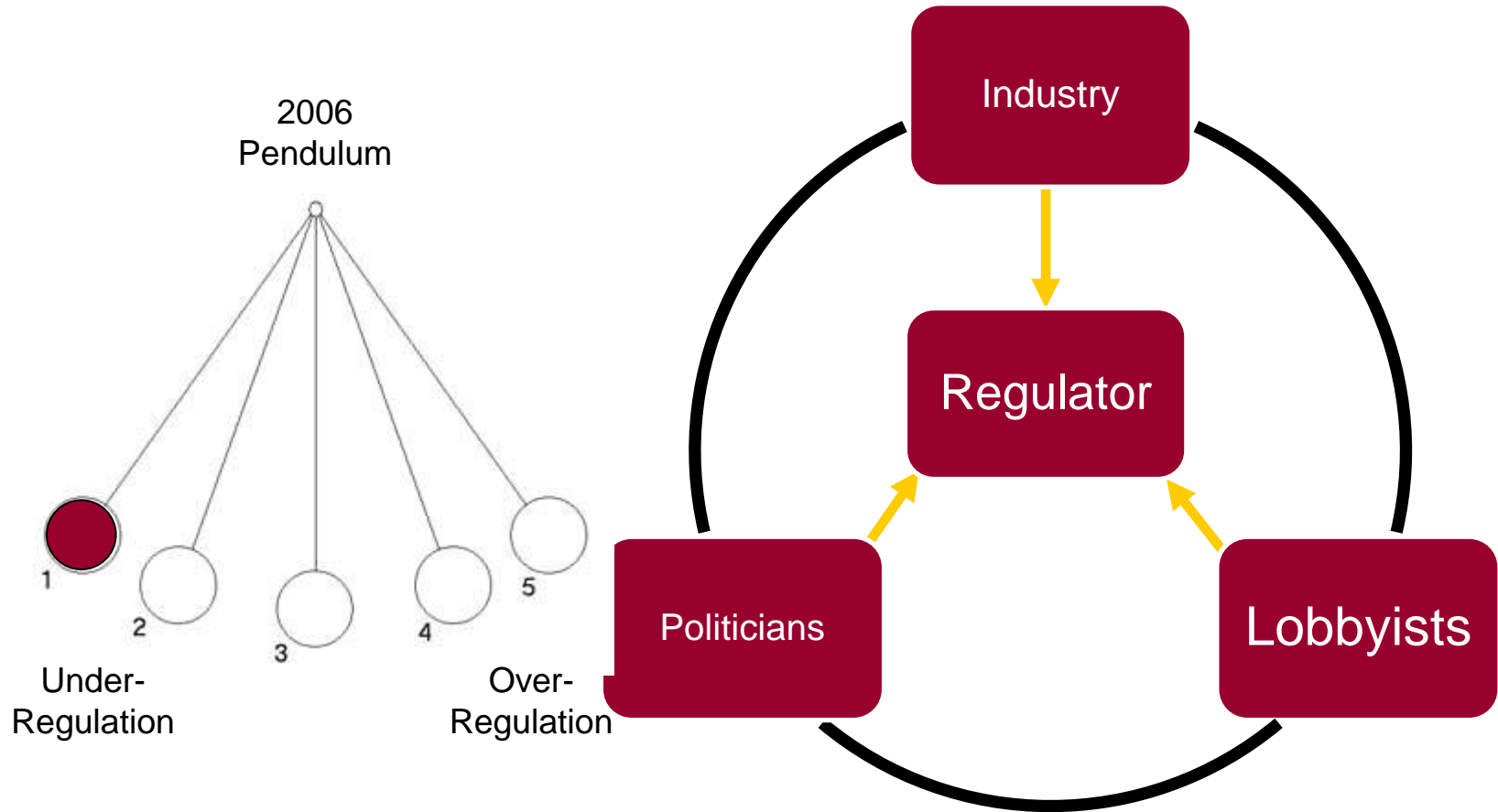


The Balanced Regulator and the Common Good

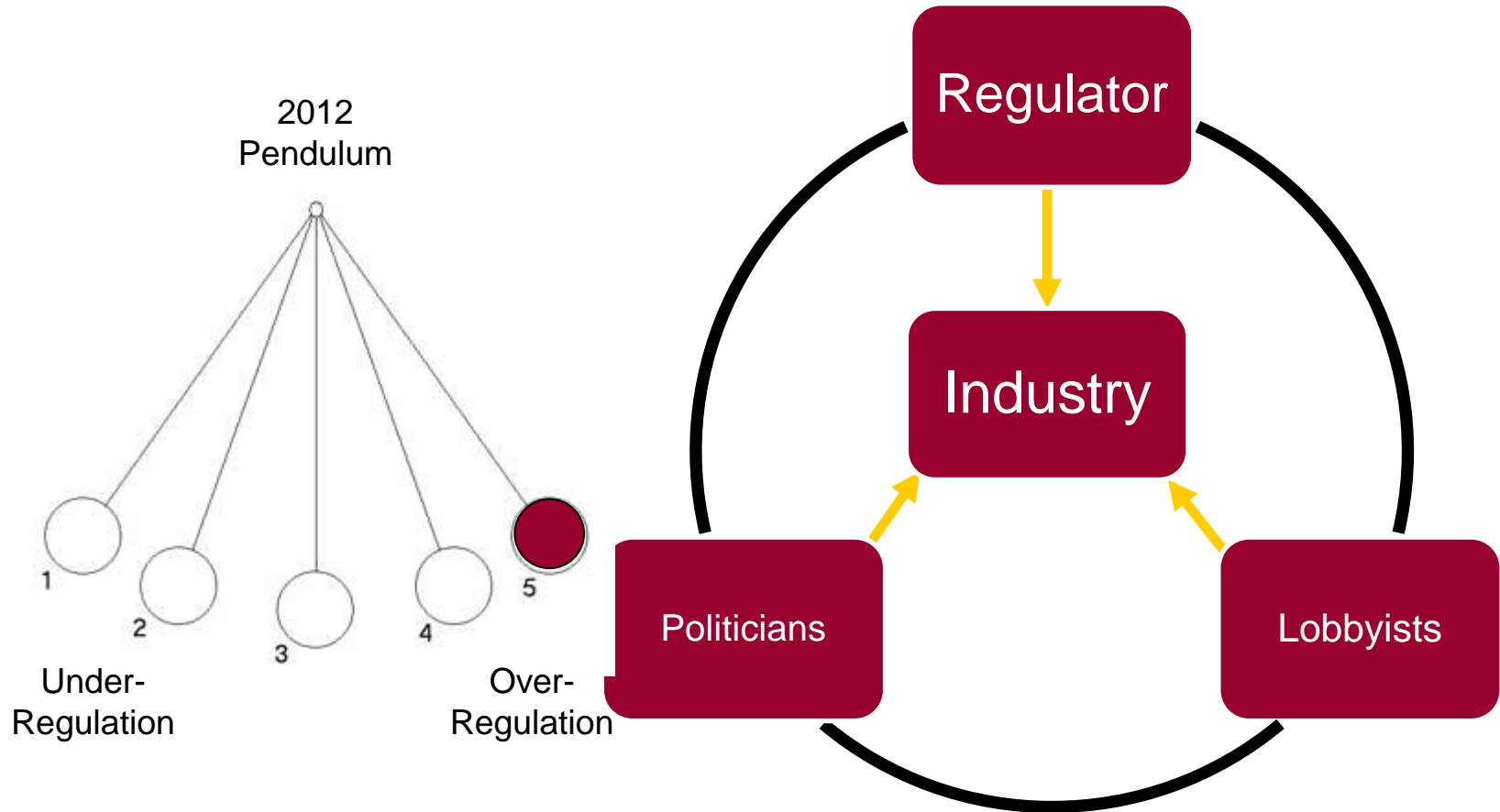
William Mason, Director General



The situation prior to the financial crisis in the UK



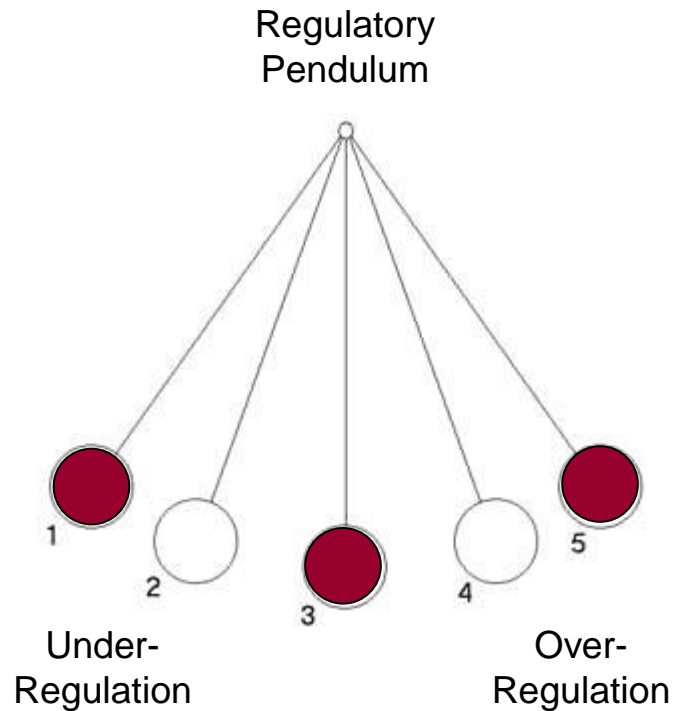
The situation after the financial crisis in Europe



The change has only been partially driven by empirical evidence of financiers' failings



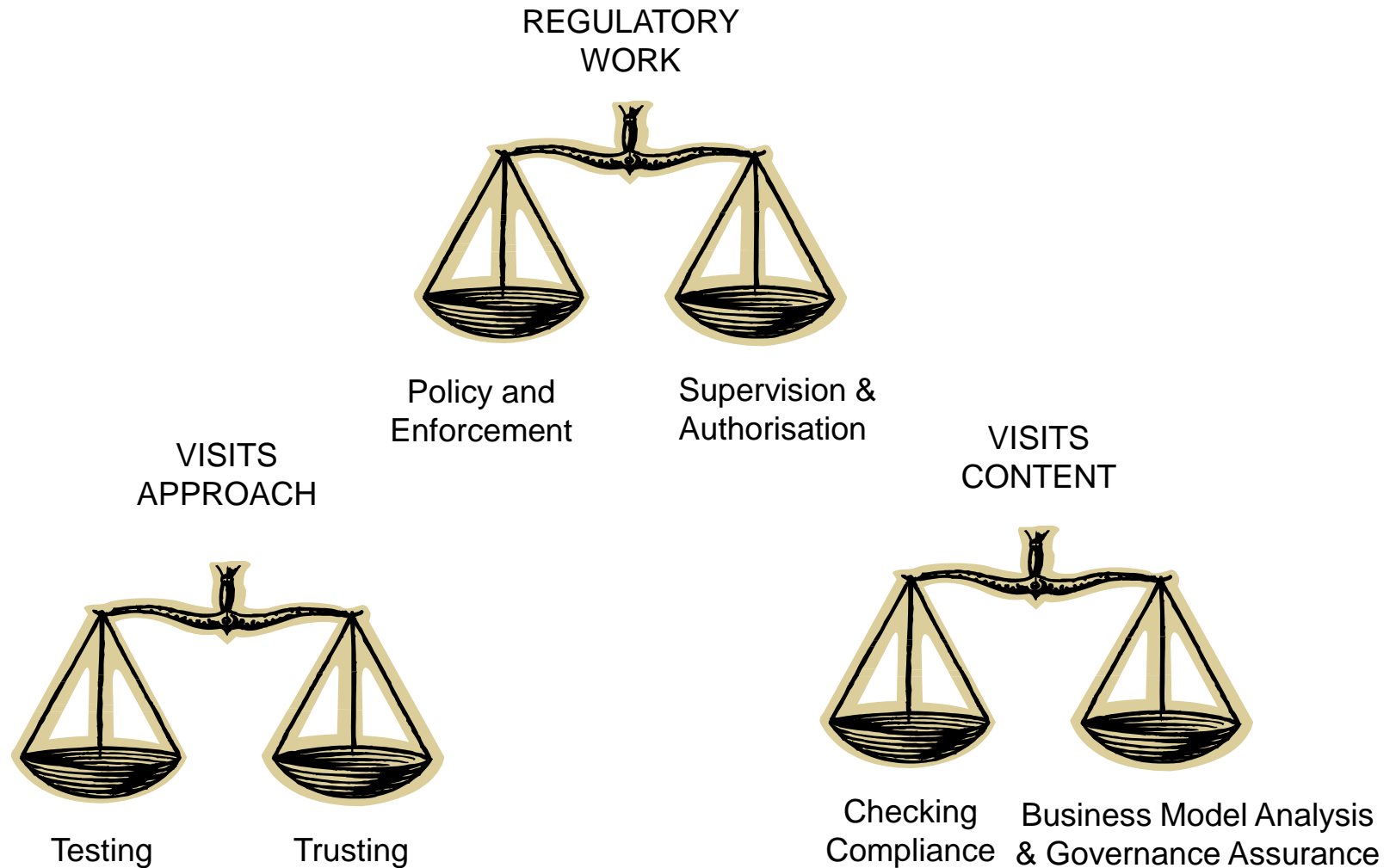
We have limited influence over where the international regulatory pendulum is at a given point



But we can aim for balance within the Bailiwick

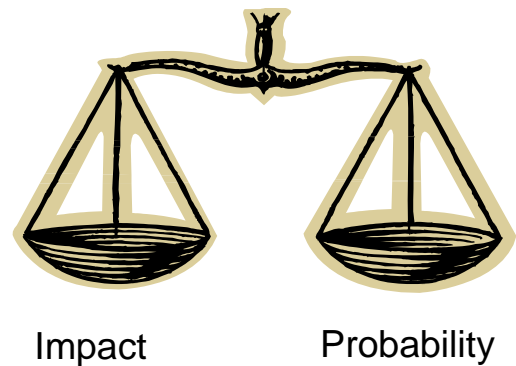


Balance is a key to successful regulation



Risk Based Supervision will help deliver a balanced output

Focused supervisory resources

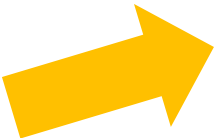


Sample Heat Map*

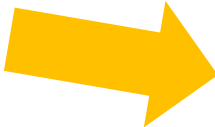
High Probability	A Personal Fiduciary	X co.	X PLC	A bank
Medium High Probability	A Investment Company	C bank	A Stockbroker	B bank
Medium Low Probability	A fund	A Fiduciary	A Provider	A Insurer
Low Probability	A captive	B Fiduciary	A Administrator	B Insurer
Probability ↑ Impact →	Low Impact	Medium Low Impact	Medium High Impact	High Impact

* Illustrative – data is not accurate

Risk Governance Panels

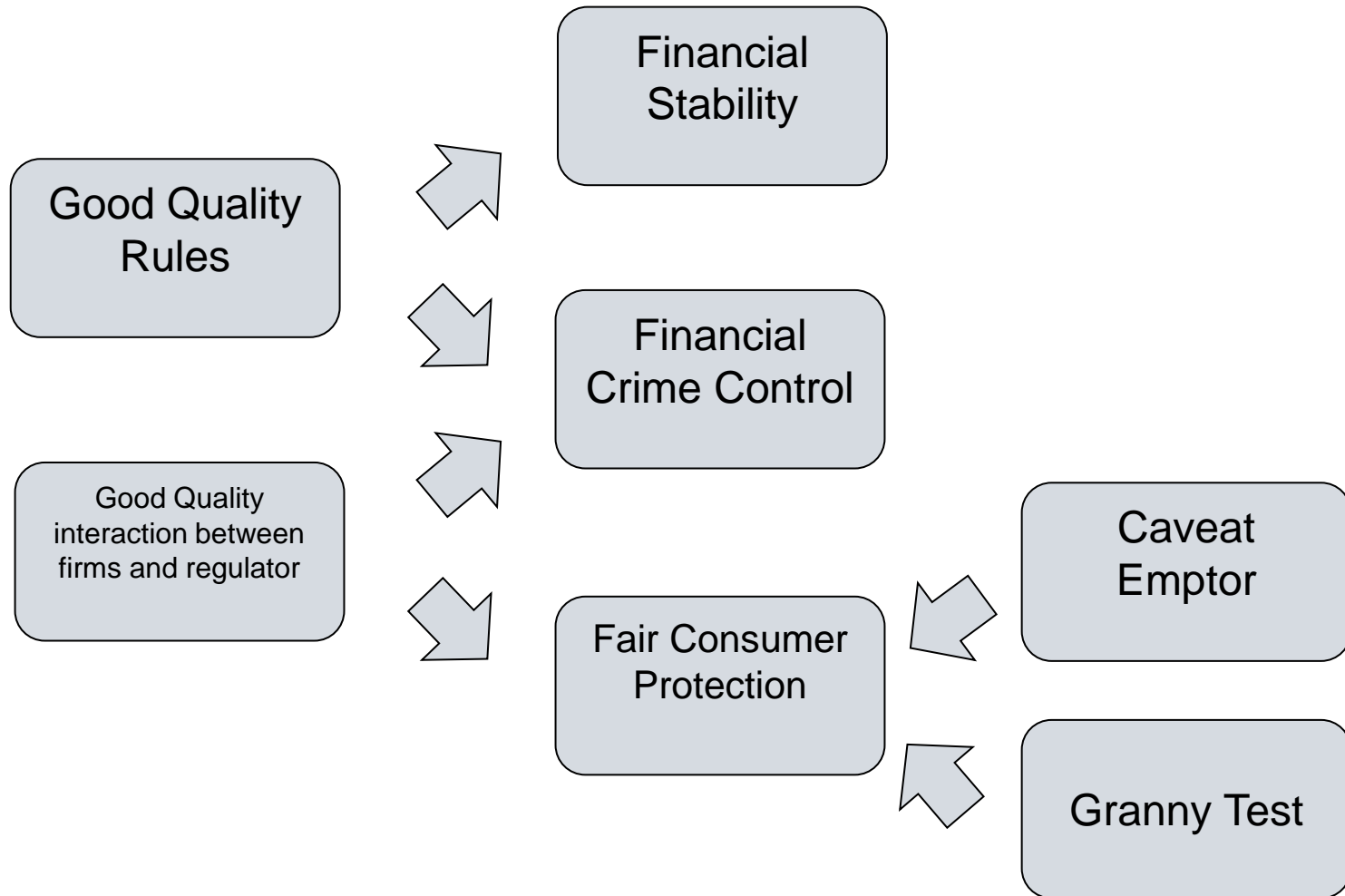


Consistency

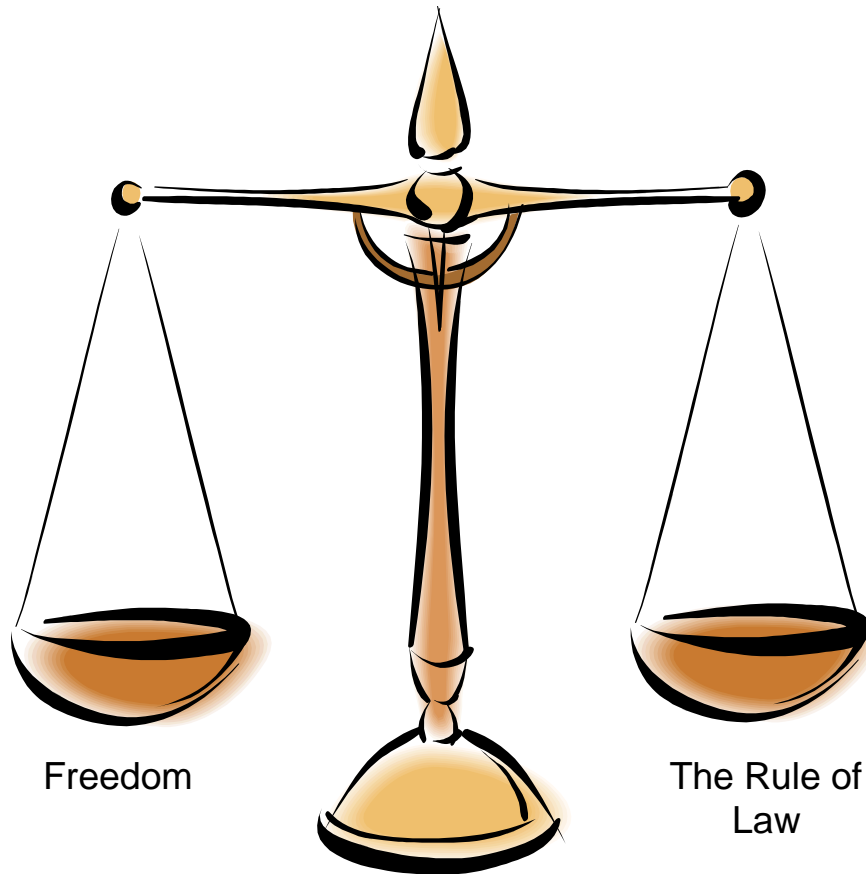


Proportionality

Features of the Common Good



Achieving the Common Good



“Integrity, proportionality,
professional excellence
– Winning for the Bailiwick”