

# The Regulatory Cycle. Play it again Sam?

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José M<sup>a</sup> Roldán, Chairman & CEO  
Spanish Banking Association

# The cycle of life

# **The regulatory cycle of life**

JUST A NORMAL DAY AT THE NATION'S MOST IMPORTANT FINANCIAL INSTITUTION...



**Regulate**



**Deregulate**



**Boom**



**Bust**



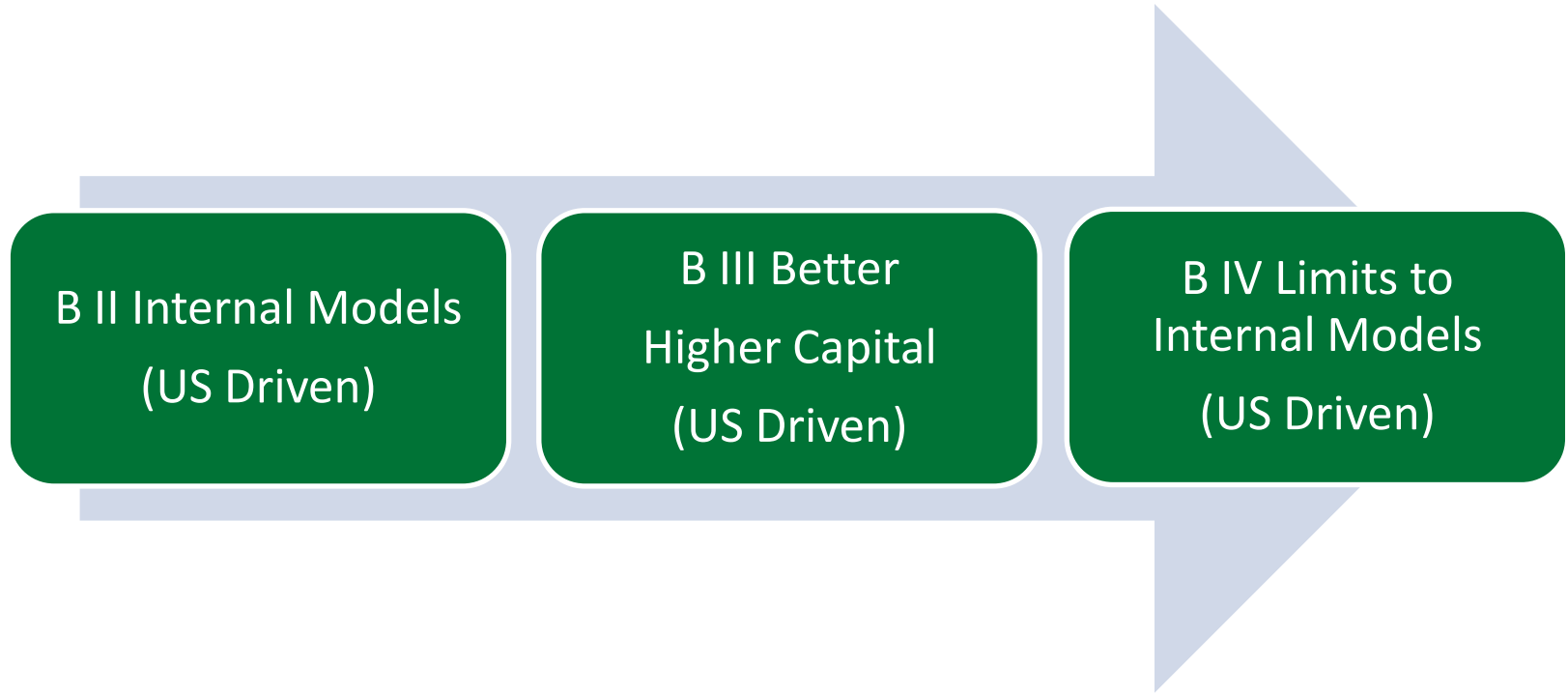
# Long cycle



**...also with long maturing problems**



# Short cycle



**Where are we?**

**Complexity**



AIRB, AQR, AT1, BCBS, BRRD, BSR,  
CEBS, CDR/CRR IV, CET1, CMU, COCOS,  
COREP, DGS, DSIB, DTA, EAD, EBA, ECL,  
EDIS, EL, EIOPA, ESAs, ESMA, ESRB,  
FINREP, GSIB, HFT, ICAAP, ILAAP, IRB,  
IS, ITS, JSTs, LGD, LTECL, LR, LCR, LSIs,  
MDA, MPE, MREL, NCAs, NODs, NRAs,  
NSFR, OSIs, OTF (SOC), PD, PIT, PRIIPs,  
P II R, P II G, QIS, RAS, RTS, SEP,  
SMN(MFT)EMIR, SPE, STA, STS, SRB, SREP,  
SRF, SRM, SSM, T1, T2, TLAC, TTC, UL.

# Where are we?

**Not market driven: US CCAR**

**Going back after peak in regulation?**

**Maybe, but...Remember Regulation Q!**

# Any lessons?

**Keep in mind the eternal cycle**

**Beware of the stability of the graveyard**

**Really key lesson:**

**BEWARE OF (capital) ARBITRAGE**