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Comptroller Hawke Outlines E-Banking Challenges Facing International Bank Supervisors

WASHINGTON -- Comptroller of the Currency John D. Hawke, Jr. underscored the need for international cooperation in the supervision of electronic banking in a speech today to the annual International Monetary Seminar sponsored by the Banque de France, Paris.

“We know that if e-banking is to proceed relatively unimpeded and deliver the benefits we anticipate, host country supervisors will need to achieve a high level of comfort with home country supervision,” Mr. Hawke said. “The alternative, new laws and regulations governing e-banking in each country in which it is conducted, would impose a heavy burden on innovation.”

Mr. Hawke said a report being prepared now will outline global e-banking risks and set forth 14 risk management principles for e-banking. The report, to be issued by the Basel Committee on Bank Supervision’s Electronic Banking Group, chaired by Mr. Hawke, addresses as a top priority the need for boards of directors and senior management to establish effective management oversight over e-banking risks, including the establishment of accountability, policies and controls to manage risks.

The next step for the Electronic Banking Group is to develop principles to guide cross-border cooperation among bank supervisors on e-banking.

The membership of the Electronic Banking Group comprises 17 central banks and bank supervisory agencies from the G-10 countries, along with observers from the European Central Bank, the European Commission and bank supervisors from Australia, Hong Kong and Singapore. The Electronic Banking Group is meeting this week in Paris.

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