



# EUROPE IMPOSES ITS MEN ON CITY

## Santander pulls out of Merlin deal

► **BANKING**  
By JULIET SAMUEL

► **REGULATION**  
By ALISON LOCK

THREE virtually unknown men took the most important jobs in European financial regulation yesterday, causing consternation in the City.

In the latest snub to Britain's sovereignty, the European Union appointed career policymakers – from Portugal, Italy and the Netherlands as chairmen of its three "super-regulators" covering the EU's markets, banks and insurers.

Disappointed City sources warned the exclusion of British finance experts from the regulators' boards could lead to punitive regulation being imposed without consultation.

"The concern among people in London is that not one of the board of the European Banking Authority (EBA) is British, despite France, Germany and other states being represented," said one industry source.

"Given that the UK is the pre-eminent financial services centre in Europe, it is strange that there is nobody from here on the board."

Tom Huertas, banking director at the Financial Services Authority, has been named as alternate EBA chairman to fill the role until the chairman officially starts work.

One lobbyist expressed frustration at a "Franco-German stitch-up".

"People will suspect that it is a sop to smaller countries but it's a bit of a



**NAME: Steven Maijoor**  
**CAPITAL MARKETS REGULATOR**  
Age: 46  
Nationality: Dutch  
Special subject: Theory of auditing



**NAME: Gabriel Bernardino**  
**INSURANCE AND OCCUPATIONAL PENSIONS AUTHORITY REGULATOR**  
Age: 46  
Nationality: Portuguese  
Special subject: Portuguese pensions



**NAME: Andrea Enria**  
**BANKING REGULATOR**  
Age: 49  
Nationality: Italian  
Special subject: Pro-cyclicality of capital regulation

Franco-German stitch up and neither Italy or Portugal are renowned for their financial regulation," he told CityA.M.

The overarching banking regulator will be headed by Andrea Enria, head of the Bank of Italy's supervisory regulations team and a fierce advocate of more centrally-controlled financial regulation.

The capital markets regulator, the Paris-based European Securities and

Markets Authority, will be led by Steven Maijoor, who spent 22 years as an economics professor at Maastricht University but has never worked in the private sector.

And Gabriel Bernardino, an architect of the stringent new Solvency II capital requirements, and currently a department head at Portuguese regulator ISP, will head the European Insurance and Occupational Pensions Authority based in

Frankfurt.

The three "super-regulators", established on 1 January, will have powers to agree rules binding on all banks, exchanges, insurers, investment firms, hedge funds, credit rating agencies and mutual funds in the 27-country EU. Rob McIvor, a director at the Association for Capital Markets in Europe, said it was good news that the appointments had been announced so quickly.

SANTANDER UK last night pulled out of collective banking industry talks with the government designed to secure specific lending targets, instead entering into direct negotiations with the Treasury.

The industry initiative, known as "Project Merlin", centres around a truce whereby banks will commit to lend more to small and medium-sized businesses in return for no further crackdown on bonuses from the Treasury.

But Santander UK which is predominantly a retail bank, has little to gain from cutting a deal on bonuses, since it does not award huge payouts to its UK-based executives.

In a blow to Prime Minister David Cameron's plans for a "big society bank", funded from unclaimed bank assets but topped up with a planned £1bn contribution from each bank in the talks, Santander is now unlikely to make a direct contribution to its set up. "Santander favours direct investment programmes – such as our work with universities in the UK and around the world – rather than aggregated funds solutions," said a source close to Santander.

The bank's withdrawal cuts the number of participants in the talks down to just four of Britain's major banks: HSBC, Barclays and semi-nationalised banks RBS and Lloyds.

HSBC's full participation is also believed to be in doubt due to its main focus being outside the UK.

# Labour retains Oldham in a blow for the coalition

► **POLITICS**  
By ALISON LOCK

LABOUR triumphed over the coalition parties last night, retaining the Oldham East and Saddleworth seat in yesterday's by-election.

Labour candidate Debbie Abrahams held the seat with a several thousand vote majority, ahead of Liberal Democrat Elwyn Watkins in second position, while Conservative candidate Kashif Ali trailed behind.

Voter turnout was 48.06 per cent.

The result in the largest constituency in Greater Manchester is seen as punishment of the Lib Dems for their role in the coalition government alongside the Conservatives.

The victory keeps Labour in the seat, which came up for election after

sitting MP Phil Woolas was removed from office for lying about his opponent Watkins in election material.

The constituency, with a left-leaning electorate and concerns over the effect of public sector cuts on jobs, should have been an easy Lib Dem win.

But voter animosity against Nick Clegg for leading the Lib Dems to backtrack on key election pledges such as tuition fees decimated the party's chance of a win. The loss will add to pressure on Clegg to pacify the party's support base.

FTSE100 ▼ 6,023.88 -26.84

DOW ▼ 11,731.9 -23.54

NASDAQ ▼ 2,735.29 -2.04

£/\$ 1.58 ▲+0.01

£/€ 1.19 ▼-0.01

€/£ 1.33 ▲+0.02

ABC Clarified Distribution 1/11/10 - 28/11/10 is 113.348



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## This hornet has a comic sting

Goofball humour and punchy action ensure fun superhero antics

### Film

#### THE GREEN HORNET

Cert: 12A



SETH Rogen is both writer and star of the latest film to play fast and loose with the superhero genre. He plays Britt Reid, a rich layabout who becomes a masked crime fighter principally because it amuses him and it amuses us too. Rogen manages to weave the mischievous humour of his other comedies like *Superbad* into a film that shares the punch of the Iron Man films and the disrespect for superhero conventions of *Kick Ass*. The story's a cack, but that didn't bother me for a moment.

After his nasty newspaper magnate dad (Tom Wilkinson) kicks the bucket, party-loving Britt finds himself sole proprietor of a media empire in which he has no interest. He also discovers his dad's mechanic, a Chinese chap called Kato (scene-stealing Jay Chou), happens to be a genius inventor of weapons and gizmos, and a champion martial artist, and together they take on the Los Angeles criminal underworld.

Thanks to Rogen's goofy humour and the kinetic direction of Michel Gondry (*Eternal Sunshine*) it's all a lot more fun than it has any right to be.

Timothy Barber



### BLUE VALENTINE

Cert: 15



DO NOT be fooled by the posters. *Blue Valentine* is not a sweet, if edgy, love story. Sure, it's about love, but it's about the jagged death of love. Its stars, the talented, tasty man-of-the-moment Ryan Gosling and the formidable ex-Dawson's Creeker Michelle Williams, form a perfect dark centre for a daustrophobic, unsettling picture.

It opens with a typical morning at the home of Dean (Gosling) and Cindy (Williams). Dean's asleep in his chair with a can of beer. Cindy is alone in bed. Their little daughter Frankie (played with otherworldly poise by the six-year-old Faith Wladyka), who adores Dean and vice versa, is playing outside.

Over the next 24 hours, Dean and Cindy's marriage – already tense (why is Cindy alone in bed? Why does Dean berate her for preparing Frankie's oatmeal with water?) – reaches breaking point. A twist revealed halfway through adds complexity and a further sense of tragedy to their marriage.

The narrative is laced with flashbacks of their lives before they met and their courtship – including a scene at dinner when Cindy, a student, covers before a family row and vows never to hate the person she once loved.

Meanwhile, Dean – before his permanent cigarette, can of beer and shaded glasses – oozed boyish sweetness.

Well worth seeing for the quality of its performances and a strong feeling – albeit a troubled one – that will stay with you long afterwards.

Zoe Strimpel

Above: Jay Chou and Seth Rogen in *The Green Hornet*.

### ALSO OUT THIS WEEKEND

#### TIMOTHY BARBER

### Film



**CONVICTION** Worthy legal drama with Hilary Swank on another Oscar push as a woman who learned the law to defend her brother.

**NEDS** Scottish actor and director Peter Mullan returns after years away with this tale of delinquent life in 1970s Glasgow.

### DVD



**GAINSBOURG** Beautifully-made biopic about French songwriter, singer and lascivious hard liver Serge Gainsbourg, with Eric Elmosnino in the title role and late British actress Lucy Gordon as his love Jane Birkin.

**THE GIRL WHO PLAYED WITH FIRE** Part two of Stieg Larsson's Millennium Trilogy set in the grime and violence of Sweden's sex-trafficking industry.

## Ski chic for men with style

Timothy Barber picks the pieces for a fashionable time on and off the slopes



- 1 Napapijri knit top, £194, [www.harrods.com](http://www.harrods.com)
- 2 Stetson fur trapper hat, £74.99, [www.julesb.co.uk](http://www.julesb.co.uk)
- 3 Burgandy shawl collar jumper, Topman, £38, [www.topman.com](http://www.topman.com)
- 4 Barts quilted beanie, £16.99, [www.johnlewis.com](http://www.johnlewis.com)
- 5 Sorel caribou wool men's apres ski boots, £135, [www.foxsoutdoor.co.uk](http://www.foxsoutdoor.co.uk)
- 6 Napapijri white ski pants, £239, [www.napapijri.com](http://www.napapijri.com)
- 7 Mover gore-tex primaloft sport jacket, £590, [www.mover.se](http://www.mover.se)
- 8 Moncler Anderson padded jacket, £610, [www.harveynichols.com](http://www.harveynichols.com)
- 9 Mover gore-tex helishell overall, £1,000, [www.mover.se](http://www.mover.se)
- 10 Adidas ID2 ski goggles, £98, [www.vision3k.com](http://www.vision3k.com)
- 11 Dakine men's Crossfier glove, £29.99, [www.snowandrock.com](http://www.snowandrock.com)