

Understanding Financial Markets and Services

SEMINAR 9:

Completing the Reform of the EU Banking sector: the Risk Reduction legislative package

2 February 2017, 16:00-18:00, European Parliament, room 6Q1 (building József Antall)

The EPFSF training sessions for EP Staff are designed to deliver a deeper understanding of financial markets and services. Against the backdrop of ongoing parliamentary debate over potential banking structural reform measures, this seminar will deal with the main aspects to complete the reform of the EU banking sector and explain the rules regarding capital, liquidity, leverage and loss-absorbency requirements.

PROGRAMME

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| 16:00 | INTRODUCTION |
| 16:05 | THE HEALTH OF THE EU BANKING SECTOR: <ul style="list-style-type: none"> - Evolution of capital and liquidity levels - Profitability - Impact of regulation |
| 16:15 | CAPITAL REQUIREMENTS <ul style="list-style-type: none"> - Introduction: role and importance of capital in a bank's balance sheet; composition and relative importance of the different measures of capital from a regulatory perspective. - Overview of the new proposals in the area of capital: <ul style="list-style-type: none"> o New rules for market risk (FRTB): basic concepts; why it is important (link with market liquidity, CMU, end-users); EC proposals; industry perspective and priorities. o Introduction of a binding Leverage Ratio: basic concepts; EC proposals; importance of preserving risk sensitivity. - Q&A |
| 16:50 | LIQUIDITY REQUIREMENTS <ul style="list-style-type: none"> - Introduction: role and evolution of liquidity rules; basic concepts (LCR; NSFR). - Overview of the new proposals in the area of liquidity/funding: why it is important (link with market liquidity, CMU, end-users); EC proposals; industry perspective and priorities. - Q&A |
| 17:20 | LOSS ABSORBENCY <ul style="list-style-type: none"> - Definition of TLAC and MREL requirements. - Subordination rules from country to country and possible harmonisation. - Q&A |
| 17:55 | CLOSING REMARKS |
| 18:00 | END OF SESSION |

Moderators:

Stefano Mazzocchi, Managing Director for Advocacy at the Brussels Office of the Association for Financial Markets in Europe (AFME)

Enrique Velázquez, Head of Public Affairs at the European Banking Federation (EBF)

Panel of speakers:

Michael Lever, Head of Prudential regulation at the Association for Financial Markets in Europe (AFME)

Mark Gheerbrant, Head of Risk and Capital at the International Swaps and Derivatives Association (ISDA)

Emil Jansson, Senior manager, Capital and Asset Liability Management at Swedbank