

Meeting of Commissioner McGuinness with BNP Paribas

Ljubljana (in the margins of the EUROFI conference) – 09/09/21

Topics: economic outlook, Basel III, Banking Union

Minutes of the meeting:

- The CSSR started with the economic outlook. She indicated that as regards the situation, we expect a rise in NPLs. However, banks have continued to maintain the flow of capital through the crisis thanks to good capitalisation.
- BNP: the recovery is quicker than expected. However, not convinced that there will be growth beyond recovery. To finance green and digital agendas, public money will not be enough. There is a need for saving/money to finance investments instead of financing the US deficit. One key points: Basel III is not a big deal for banks. However, the reform should not undo what we achieve with the Banking Union, e.g. the output floor should be at consolidated level. The single jurisdiction system of the Banking Union has to be protected, and not to be dismantled by host countries. There is also the question of the level playing field with the US (FRTB). Finally, there is a need to work on securitisation.
- MMG: Banking Union is a key priority. Recall that there was no roadmap after the June Eurosummit. Happy to have fresh ideas on securitisation.