



## Meeting with FBF (French Banking Federation) 01/10/2021

### Participants

FBF (Fédération Bancaire Française) : [REDACTED]  
[REDACTED]

Commission: Valeria Miceli (Cabinet von der Leyen)

### Minutes

Main topic discussed was the upcoming implementation of the revised Basel standards due for adoption by the end of October.

In particular, the FBF raised the topics of main concern for the French banks:

- **output floor:** it should be applied at the highest level of consolidation for each banking group and through the parallel stack approach.
- **real estate mortgages:** the treatment of real estate exposures under the standardised approach should recognise the dual recourse of loans in the EU and the relevant national specificities of each Member State.
- **equity:** the FBF would recommend a careful examination of the risk weights for equity exposures that remain unduly penalised under the revised framework. Should a 100% risk weighting to equity holdings be granted to institutional protection schemes (IPS), the FBF would support a similar treatment regardless of approach adopted (standard valuation or internal model) for bank assurance groups, without calling into question the “Danish compromise”.
- **Specialized lending:** differentiated treatment should be introduced for SL exposures in the standardised approach adopting simple criteria, which should be adequately calibrated in order to reflect the lower risk of SL.
- **CVA:** the EU exemptions currently provided by the CRR2 with respect to the scope of the credit valuation adjustment (CVA) capital charge framework should be maintained.
- **Fundamental Review of the Trading Book (FRTB):** the FRTB implementation should consider EU market specificities and risk management practices. The market risk framework should be implemented in a way that does not negatively impact the competitiveness of European banks with respect to banks from other jurisdictions.
- **SA-CCR:** the alpha factor should be removed in line with the views of various EU stakeholders before its entry into force in June 2021, or as soon as possible thereafter, taking into consideration the development in other jurisdictions in order to ensure that European businesses can effectively hedge their risks.
- **ESG:** reporting and governance requirements to reflect ESG performance and risks would be welcome.