

Minutes
of the meeting of the Financial Affairs Committee
held on 16 October 2019, from 16:00 to 18:00 at Corinthia Hotel Prague
Kongresova 1, 14069 Praha 4

Chairman:	Grünbichler, Andreas	Bausparkasse Wüstenrot AG
President:	Jeníček, Jan	Raiffeisen stavební spořitelna a.s
Managing Director:	König, Christian	European Federation of Building Societies
Participants:	Conradi, Ralf	Bundesgeschäftsstelle LBS
	Fink, Roman	Českomoravská stavební spořitelna, a. s.
	Freise, Agnes	Verband der privaten Bausparkassen e.V.
	Forche, Carl	Raiffeisen Bausparkassen Gesellschaft m.b.H
	Guthmann, Axel	Bundesgeschäftsstelle LBS
	Holler, Kathrin	European Federation of Building Societies
	Imgrund, Hajo	Aachener Bausparkasse AG
	Jirák, Pavel	Modrá pyramida stavební spořitelna
	Kármán, András	Erste Lakástakarék Zrt.
	Kaschel, Rainer	Fundamenta - Lakáskassza Zrt
	Kašiar, Radomír	CSOB Building Saving Bank
	Ketzner, Christian	Verband der privaten Bausparkassen e.V.
	Keuper, Lisa	European Federation of Building Societies
	Khalife, Mahmoud	Bundesgeschäftsstelle LBS
	Kofron, Tomáš	Ceskomoravská stavební sporitelna, a.s.
	Kota'b, Pavel	Raiffeisen stavební spořitelna a.s
	Kranz, Thomas	LBS Nord
	Körbi, Uwe	LBS - Westdeutsche Landesbausparkasse
	Lesemann, Max	Verband der privaten Bausparkassen e.V.
	Lohöfer, Norbert	LBS Landesbausparkasse Baden-Württemberg
	Masar, Juraj	Prva Stavebna Sporitelna, a.s.
	Masuch, Sabine	Verband der privaten Bausparkassen e.V.
	Markvart, Jiří	Wüstenrot - stavební spořitelna a.s
	Pfenning, Jonathan	European Federation of Building Societies
	Senjak, Andreas	Bausparkasse Wüstenrot AG
	Sudler, Thorsten	Bausparkasse Schwäbisch Hall
	Szendrey, Zoltán	Fundamenta - Lakáskassza Zrt
	Sedivy, Jiri	Asociace Ceskych Stavebnich Sporitelen
	Tichy, Zoltán	Erste Lakástakarék Zrt.
	Vizkelety, Peter	Fundamenta - Lakáskassza Zrt
	Vogt, Achim	BHW Bausparkasse AG (NL Luxembourg)
	Vošický, Libor	Stavební spořitelna České spořitelny, a. s.
	Weinrich, Marc	International Union for Housing Finance

Wuttke, Stephan
Zaremba, Petr

Bausparkasse Schwäbisch Hall AG
Raiffeisen stavební spořitelna a.s

Guest speakers:

Mr Sergio Materazzi, Senior Policy Expert, Unit A1 - Resolution Strategy, Processes and Methodology, Single Resolution Board (SRB)

Mr Jan Bursa – Senior expert, On-site Supervision Division, Czech National Bank

ITEM 1: Welcome/Addition to the agenda

Professor Andreas Grünbichler welcomed the participants of the Financial Affairs Committee, explained how the meeting would proceed and asked for approval of the agenda. The agenda was approved.

ITEM 2

In his presentation, Mr Sergio Materazzi focused on the SRB MREL roadmap. He also referred more specifically to the 2018 planning cycle. In this respect, he reported that the SRB intended to set binding targets for all banking groups within the SRB's remit by 2020. He further explained that banks were expected to start anticipating the application of the rules to comply with the new framework in due course. Details can be found in the Power Point presentation on the EFBS homepage.

The presentation was followed by a question and answer session. Mr Lohöfer (LBS Landesbausparkasse Baden-Württemberg) drew Mr Materazzi's attention to the fact that there were no exceptions for Bausparkassen in the application of the MREL rules. He also pointed out that correct MREL application could entail a balance sheet extension. Mr Materazzi thereupon confirmed that this was a conflict created by the regulator, for which there was no immediate solution. Professor Grünbichler added to the original question that a balance sheet extension involved raising subordinated capital, which would increase the risk. He asked whether the application of the MREL requirements would force a move from a secure system to a more risky system. Mr Materazzi confirmed that this was a relevant question and also referred to the demarcation between internal and external MREL. However, surplus liquidity also had to be taken into account here. Furthermore he suggested that it would have to be made clear to the regulators that Bausparkassen are not critical institutions. In general though, exceptions can be decided only at European level.

In addition, the distribution of the roles between national and European resolution authorities was discussed.

ITEM 3

In his presentation, Mr Jan Bursa addressed the topic of proportionality in the context of current supervisory practice. The key point of the presentation was that the supervisors strived to apply the principle of proportionality regularly. Details can be found in the Power Point presentation on the EFBS homepage.

In the question and answer session, Professor Grünbichler called into question the threshold of EUR 5 billion for the definition of a small institution. In his reply, Mr Bursa referred to the fact that, due to national differences, it was difficult to find an EU-wide definition for small institutions. He added that a small institution in Germany could be a medium-sized institution in another EU Member State.

ITEM 4

Mr Jonathan Pfenning provided an overview on the transposition of the final Basel III framework into EU law. In this respect, he explained that the European Commission was planning to present a new legislative proposal in Q2/2020.