



## **Agenda for the Banking Supervision Market Contact Group virtual meeting**

**7 July 2021, 14:00-17:00**

### **1 Introduction by the Chair of the Supervisory Board**

### **2 European banking sector outlook**

Participants will be asked to express views on issues including:

- Credit risk outlook, incl. expected trends in asset quality, provisioning and borrower's solvency and potential impact of a progressive phasing out of supporting measures
- New risks emerging in the banking sector. Key concerns from investors' perspective for the following quarters.
- Impact and effectiveness of supervisory measures, incl. usability of capital buffers in crisis time (potential hurdles to the effective use), and impact of dividend recommendations when compared to non-EU jurisdictions

Presentation: "Banking Sector Outlook, 2021 and beyond"

### **3 Challenges for the European banking sector**

Participants will be asked to express views on issues including:

- The links between non-bank financial institutions (NBFI) and the banking sector, incl. opportunities and challenges for the banking sector, and risks to banks stemming from leverage in the non-bank financial sector and interlinkages between NBFIs and banks as recently shown by the Archegos case

Presentation: "Risks to banks stemming from exposures to highly-leveraged NBFIs and lessons learnt from recent mishaps"

### **4 How do market participants assess the communication strategy and the transparency initiatives of the ECB Banking Supervision?**

Participants will be asked to express views on existing useful (and less useful) initiatives and ways to improve current practices

### **5 Concluding remarks**