EBA BSG 2024 001 rev. 1

Banking Stakeholder Group

14 December 2023

Location: teleconference

EBA Regular Use

Banking Stakeholder Group 14 December 2023 – Minutes

Agenda item 1: Welcome and approval of the agenda

1. The BSG Vice-Chairperson opened the meeting and welcomed the Members. He asked if the Members had any comments on the agenda of the meeting. The Members did not raise any comments.

2. The Vice-Chairperson asked the Members whether they had any further comments on the Minutes of the BSG meeting on 18 and 19 October 2023. The Members did not raise comments and approved the Minutes.

Conclusion

3. The BSG approved the agenda of the meeting by consensus.

4. The BSG approved the Minutes of the BSG meeting on 18 and 19 October 2023 by consensus.

Agenda item 2: BSG update on the latest developments

5. The Vice-Chairperson welcomed the coordinators of each working groups to update on their activities. Several coordinators noted that their contributions were pending given that they were expecting various EBA consultations with regard to the Basel III implementation. One coordinator mentioned the BSG opinion in the consultation on the EBA Draft Regulatory Technical Standards to specify the requirements, templates and procedures for handling complaints. Other coordinators informed that their working groups were preparing the response to the consultation on the Guidelines on preventing the abuse of funds and certain crypto-assets transfers for money laundering and terrorist financing purposes (‘The Travel Rule Guidelines’) and analysing recently published second batch of DORA consultation papers. Finally, one coordinator asked for a meeting with EBA experts on sustainable finance in order to finalise their own-initiative paper.

6. The Vice-Chairperson thanked those Members who contributed to a very short consultation on the extension of the EMIR bilateral margining exemption for equity options. He also noted that the BSG would have to prepare the end-of-term report and that the first draft could be discussed during the next BSG conference call in February 2024. The EBA Head of Governance and External Affairs Unit (GEA) added that the report had to finalized by the end of the BSG term in June 2024.

7. The EBA Chairperson noted the request for the meeting between the BSG working group on sustainable finance and the EBA experts.

Agenda item 3: EBA update on general developments

8. The EBA Chairperson highlighted some of the major developments since the October meeting.

9. Firstly, the EBA Chairperson informed that late in October and at the beginning of November, the EBA published a number of consultation papers under MiCAR, some jointly with the other ESAs, and invited the Members to send their comments by January and February as specified in these consultation papers.

10. Secondly, the EBA Chairperson referred to a public consultation on the draft Guidelines on complaints handling by credit servicers under the Credit Servicers Directive (CSD) launched on 09 November 2023. The proposed Guidelines suggested applying to credit servicers the requirements of the existing Joint Committee Guidelines on complaints-handling. Those requirements included complaints management policy, complaints management function, registration, reporting, internal follow-up, provision of information and procedures for responding to complaints. He noted that the consultation was open until 9 February 2024 and as mentioned by one Member during the BSG update, the EBA would welcome the BSG input.

11. Thirdly, the EBA Chairperson said that at the end of November, the three ESAs published interactive factsheet that answered consumers' most frequently asked questions about sustainable finance. The factsheet provided tips to consumers considering buying financial products with sustainability features, including loans, investments, insurances and pensions. The factsheet has been translated in all EU languages, and the ESAs were working with national supervisory authorities to help promote it across the EU. The EBA Chairperson invited the Members to further promote the factsheet within their jurisdictions.

12. Also on the topic of sustainable finance, the EBA Chairperson mentioned the publication of the RTS to the Delegated Regulation supplementing the Sustainable Finance Disclosure Regulation (SFDR) drafted jointly by the three ESAs. The ESAs proposed adding new social indicators and streamlining the framework for the disclosure of principal adverse impacts of investment decisions on the environment and society. They also suggested new product disclosures regarding "greenhouse gas emissions reduction" targets. Additionally, the ESAs proposed further technical revisions to the SFDR Delegated Regulation, such as improvements to the disclosures on how sustainable investments "Do No Significant Harm" (DNSH) to the environment and society and simplification of the pre-contractual and periodic disclosure

templates for financial products. Finally on the sustainable finance topic, the EBA Chairperson mentioned that the EBA published its environmental statement in the context of the 2023 COP28 and stressed that Environment, Social and Governance (ESG) remained one of the EBA's priorities. The statement highlighted EBA's effort to integrate sustainability aspects in many areas of its work, including risk management, disclosures, supervisory practices, climate stress testing and the Pillar 1 framework.

13. Fourthly, the EBA Chairperson welcomed the planned BSG's initiative to contribute to the public consultation on new Guidelines on preventing the abuse of funds and certain crypto-assets transfers for money laundering and terrorist financing purposes. These 'travel rule' Guidelines specified the steps that Payment Service Providers (PSPs), Intermediary PSPs (IPSPs), crypto-asset service providers (CASPs) and Intermediary CASPs (ICASPs) should take to detect missing or incomplete information that accompanies a transfer of funds or crypto-assets. They also detailed the procedures all these providers should put in place to manage a transfer of funds or a transfer of crypto-assets that lacks the required information. These Guidelines aimed at forging a common understanding to ensure the consistent application of EU law as well as a stronger anti-money laundering and countering the financing of terrorism (AML/CFT) regime.

14. Fifthly, the EBA Chairperson informed that on 12 December 2023, the EBA launched its annual Transparency exercise and published the Risk Assessment Report. The Transparency exercise used a number of interactive tools and features, and he asked the Members to provide their feedback on this exercise. In this regard, he also mentioned that the EBA launched its new website with a new logo and visual identity.

15. Sixthly, the EBA Chairperson updated the Members on the publication of the peer review on the supervision of creditors' treatment of mortgage borrowers in arrears under the Mortgage Credit Directive (MCD), assessing the conduct supervisory approaches of competent authorities in this area. The review, which was developed in response to the current economic conditions and high interest rate environment, found that competent authorities' supervision was overall effective and has been adapted to reflect the current interest rates environment and risks to mortgage borrowers. However, the review found differences in the level of scrutiny which competent authorities apply to MCD creditors, including the identification of risks borrowers are facing. The report outlined some follow-up measures, both for individual competent authorities, and for all competent authorities more generally, to ensure that supervisory measures to mitigate consumer detriment were taken before the detriment materialises. The report also set out some best practices in this area that might be of benefit for other competent authorities to adopt.

16. Finally, the EBA Chairperson listed a number of upcoming publications related to the Basel III implementation as well as two responses to the European Commission's Calls for advice on green loans and mortgages, and the level of deposit guarantee.

17. The Members welcomed the features and tools provided by the EBA as part of the Transparency exercise and said that they allowed very useful comparisons which helped the market. One Member noted that together with the planned Pillar 3 Data Hub, the EBA website would provide

valuable data and information to market participants. The Members also appreciated the new EBA website. One Member asked about the next steps on the EMIR bilateral margining exemption for equity options and on the publication of the Banking package. Other Member acknowledged the EBA's work on sustainable finance and confirmed that the BSG was preparing their response to the consultation on the draft Guidelines on complaints handling by credit servicers. One Member asked whether the Q&As on the EBA website could be downloaded in different formats and what were the latest developments regarding the EBA-wide stress test exercise.

18. The EBA Chairperson informed that the BoS discussed next steps on the EU-wide stress test exercise earlier in the week and agreed to aim at better balancing the amount of work for both the EBA and competent authorities on one hand and banks on the other hand. On the Q&A, he said that the website was in its initial phase and therefore, the EBA would further explore various technical aspects. With regard to the Banking package, the EBA Chairperson clarified that the European Commission and co-legislators had to finalise their procedures before the publication of the final official text. Finally, with regard to EMIR, the EBA Chairperson informed that the final joint opinion was submitted to the BoS of the three ESAs and pending their approval, would be published by the end of the year. He also noted that the amended RTS would not be published in the EU Official Journal by the expiry date of the current exemption on 04 January 2024, the ESAs were planning to submit to the EC also a no-action opinion letter together with the draft RTS by year-end.

Agenda item 4: Risks and vulnerabilities in the EU (B-Point)

19. The EBA Senior Bank Sector Analyst updated the BSG on the latest developments in the EU/EEA banking sector's risks and vulnerabilities. He noted that European banks performed better than expected in Q3. Higher interest rates continued to be the main driven of banks' profitability. Fees revenues have also slightly increased and more than ¾ of European banks reported higher CET1 capital ratios than in Q2 based on analysts' summaries. With regard to loans, he said that loan growth was limited. On deposits, the shift to term/redeemable accounts continued. On asset quality, the Expert noted that there was dispersion in stage 2 trends across different segments and that NPL inflows were larger than outflows in the first half of 2023. On bank funding, he mentioned that the funding maturity profile has changed since the rate rising cycle started in July 2022. The share of longer maturities has risen, presumably due to a flattening yield curve. In short-term funding, the share of total new overnight funding strongly decreased in June 2023 compared to June 2022, while the share of 1 week and 1-month durations strongly increased. For longer-term wholesale funding, the share of total new 10y durations strongly increased in June 2023 compared to June 2022, while the share of 2y and 5y funding durations decreased. The Expert concluded by referring to issuance expectations for 2024 by analysts etc. and said that redemption volumes are high in 2024 and are expected to play a key role in banks' funding plans for the year ahead. MREL targets were believed to have been met by most banks in the EU/EEA by the end of 2023. Hence, the market expected that preferred senior and senior bail-in issuances would replace bonds that lose MREL eligibility in 2024.Tighter lending conditions and lower appetite for new lending might translate into continuously muted loan

growth in 2024 and these developments would imply lower gross and net issuance volumes in the senior unsecured segment. In contrast, there were expectations that subordinated debt issuance would increase amid assumed high redemption / call volumes.

20. The Members welcomed the presentation. One Member raised the issue of high bank fees and charges in relation to low interest rates environment and questioned whether and when the institutions would react to market developments of last months which resulted in higher interest rates and high profits of banks and decrease fees and charges which were raised as a source of revenues in a low interest rate context. Other Members clarified developments on their national commercial real estate market and its specificities. One Member explained that banks in some jurisdictions were less affected by inflation on their cost side because of high levels of digitalisation. Another Member opened a discussion on transmission of monetary policy on the economy and how the society could be protected from monetary policy decisions and their impacts. She stressed that there should be a reflection about whether banks were better placed to manage interest rate risk or whether the burden should be transmitted to households and companies through variable rate lending. A few Members reflected on funding issues, declining loans including related impact on GDP growth, tougher lending standards as well as shift towards fix rated instruments. Also, the scrutiny on liquidity related monitoring was mentioned by some Members.

21. In his response, the EBA Senior Bank Sector Analyst noted that banks have indeed kept bank account fees. He also stressed that any monetary decisions had impact not only on households but also corporates, for instance – whereas the challenge that less affluent households face were indeed worrying. He also agreed that higher levels of digitalisation might help these days to keep OpEx raises at bay and that liquidity monitoring would be important these day

Agenda Item 5: Report on IFRS9 benchmarking (A-Point)

22. The EBA Senior Policy Expert presented the main findings of the recently published 2023 IFRS 9 monitoring report, which summarised the results of the benchmarking analysis of the "third ad-hoc exercise" on the high default portfolios (HDP). He stressed that the aim of the report was to provide transparency on the practices which continued raising prudential concerns and needed to be timely addressed by institutions. The Expert noted that since the publication of the last IFRS 9 Monitoring Report in 2021, the EBA has worked on the integration of HDPs to the scope of supervisory benchmarking and a new ad-hoc data collection (the "third ad-hoc data collection") was launched by the EBA to perform benchmarking analysis on HDPs and to follow-up on previous raised findings. The latest analyses have confirmed that most of the findings raised in the past exercise were still valid and needed to be addressed in a more definitive manner. The Expert continued by summarising the main findings mentioning that the continuous lack of use of collective SICR assessment, the usage of the so-called "quantile approaches" to determine the SICR quantitative thresholds, and the large usage, by some institutions, of the IFRS 9 low credit risk exemption (LCRE) also for HDPs, continued raising prudential concerns. They also mentioned that the EBA observed increased reliance on model adjustments or overlays with quite different practices in terms of risks being considered and

approaches followed by institutions and the level at which (risk parameters, final ECL) overlays were applied, and that some institutions were lagging behind on the implementation of a backtesting framework, not yet backtesting any parameter or limiting the analysis only to few risk factors (e.g. 12m PD and/or LGD). Additionally, the EBA observed a lack of proper use of the backtesting results for the periodic review of IFRS 9 models.

23. The Members welcomed the work and the publication of the report. One Member questioned the use of overlays and asked about internal guidelines used by the institutions. Other Member asked about the interaction of the EBA with the other ESAs and competent authorities with regard to the IFRS. The BSG Chairperson asked about the expect feedback from the BSG on the topic.

24. In his response, the Senior Policy Expert clarified that on overlays, the concerning aspect was related to the usage of quite judgemental approaches to determine these adjustments and that banks have been encouraged to enhance their methodological frameworks and governance related aspects. Also, he clarified that the EBA report has been drafted with the support of EU competent authorities and that there was a good commitment and appetite from supervisors to follow up on the findings highlighted in the report. Finally, the Expert thanked the Members for the contribution and valuable insights provided during the last exercise (both during the design phase and launch of the exercise and on the presentation of the preliminary results) and for the feedback received on the publication. He confirmed that the BSG would also be invited to contribute to any future activity on the monitoring of IFRS 9 implementation.

Agenda Item 6: Update on DORA – Second batch of Consultation papers (A-Point)

25. The EBA Expert introduced the item by reminding the BSG of the discussion at the previous BSG meeting in October. He noted that since then, the ESAs have progressed as planned with the development of the DORA policy mandates ahead of the application date of the new legislation (17 January 2025) and have recently published the second batch of DORA consultation papers. He thanked the BSG members for coordinating with the respective stakeholders' groups at ESMA and EIOPA the preparation of a common feedback on the first batch of DORA consultation papers published by the ESAs in June 2023. Such a coordinated approach would be welcomed for the second batch of consultation papers too. The feedback was well-received, and it was currently assessed by the ESAs towards the finalisation of the policy products. The Experts also provided a short high-level overview on the changes made in the upcoming final products considering the joint feedback submitted by the ESAs stakeholders' groups. They continued by presenting the published consultation papers of the second DORA batch and explained this batch contained four regulatory technical standards, one implementing technical standard, and two set of guidelines developed under the Joint Committee Sub-Committee on Digital Operational Resilience where all EU competent authorities, across the three financial sub-sectors, have been working together with the three ESAs. They then briefly summarised main aspects of the published consultation papers on DORA oversight, threat-led penetration testing and subcontracting ICT services supporting critical or important functions, reporting major

incidents and cyber threats. He invited the Members to submit their comments by the end of the consultation period (04 March 2024).

26. One Member noted that a meeting would be arranged in January to coordinate efforts with the ESAs stakeholders' groups aiming for a joint response. The Member also welcomed the high-level feedback on the first batch provided by the EBA and expressed readiness to support the ESAs where needed. The EBA experts responded stating they value feedback and would welcome joint responses where possible. Another Member stated the upcoming work was quite substantial and noted challenges in coordinating for all the consultation papers as each may require interactions with different stakeholders. The Member asked for the EBA's guidance on potential prioritisation/where BSG input was most needed. One Member requested clarification on whether DORA would apply to financial institutions (such as investment firms, payment institutions, etc.) other than banks and whether this meant that the industry was moving towards activity-based regulation, particularly for large tech groups. Other Member welcomed the introduction of pool testing in the threat-led penetration testing RTS noting challenges when testing US-based entities. He further welcomed the alignment of the CP on the estimation of losses with the current Operational Risk framework. Another Member stated that oversight, being a novel function and the most significant component of this package, it should be the priority for both the ESAs and for the BSG. He further noted that while proportionality was crucial, it was not the sole factor, and the Member raised concerns on extending deadlines as this could have a detrimental impact on operations. One Member stated the IT teams across the industry were analysing the anticipated obligations. However, the implementation timelines were too tight hence the request to postpone, if possible, the time of application. He also asked whether any guidance towards the competent authorities would be issued in relation to the implementation of specific aspects of the RTSs.

27. The EBA Experts acknowledged the concerns but indicated that there was no list of prioritisation per se as all policy mandates needed to be developed and submitted by the ESAs to the European Commission. The Experts noted that input would be welcomed on the RTS on oversight. The EBA Experts also stated the scope of DORA approximately 20 types of financial entities as stipulated in Article 2. Finally, they explained that the ESAs took into account the technical feedback provided by the industry on the consultation papers and for the finalisation of the deliverables. The EBA did not provide specific guidance to competent authorities on how to implement specific legislation. However, the EBA would assess how its existing guidelines would need to be adapted in light of the introduction of DORA (e.g. EBA Guidelines on outsourcing). The Experts acknowledged the concerns regarding the time required to comply with the mandates however, the application of the mandates was determined by the co-legislators.

Agenda item 7: Pillar 3 Data Hub project (A-Point)

28. The EBA Head of Reporting and Transparency Unit (RT) introduced the item by reminding the Members that the CRR3 proposal introduced new mandates for the EBA (Articles 433, 434 and 434a) to centralise institutions' prudential disclosures and make prudential information readily

available through a single electronic access point on the EBA website. The Pillar 3 Data Hub project was a strategic project that should increase the overall transparency of the financial sector through the centralisation of the institutions' Pillar 3 disclosures. It should provide a single and easy access to all stakeholders to prudential disclosures from all EEA institutions, promote transparency and market discipline in the EU banking sector and further contributing to the soundness of the European financial system. It leveraged on the EBA's past work on transparency, on the Pillar 3 disclosures technical standards and the building up of EUCLID. She continued by explaining that in the case of large and other institutions, and according to the current draft legislation, institutions would submit their Pillar 3 disclosures in electronic format to the EBA for publication in the hub. While ownership of the data and the responsibility for its accuracy would remain with the institutions that produce it, the EBA would make available on its website the information required to be disclosed in accordance with the CRR and ensure that the information disclosed in the hub was identical to the one submitted by the institutions. In the case of small and non-complex institutions (SNCIs), the EBA would act not only as a hub for the disclosures but would actually calculate the disclosures figures on the basis of the supervisory data already submitted by these institutions. On the process, the Head of RT summarized that the EBA was preparing the implementation of the Pillar 3 Data Hub (P3DH) to have it operational from 2025. In order to ensure that these objectives were met, the EBA has launched an IT development project as well as engaged with the CAs and the industry to discuss several topics, including the processes for the functioning of the P3DH. The EBA has also launched a pilot exercise where 17 institutions that have volunteered to participate in testing the data submission to the EBA. In addition, in order to get early feedback in preparation for the work on the different parts of the mandate, the EBA published a Discussion paper to collect feedback from all stakeholders on the possible implications of the P3DH process and the Head of RT invited the Members to provide their feedback to this discussion paper, not only from the perspective of banks but very importantly from the perspective of future users of the Pillar 3 data hub.

29. One Member stated how useful this project was, given the current process for Pilar 3 data benchmarking was a manual and time-consuming process. Therefore, a single platform would simplify this and was favored by the industry. he asked about the resubmission process of Pilar 3 and the obligation to publish it on banks' websites.

30. The Head of RT Unit stated the EBA aimed to receive and publish all data. The submission policy was yet to be defined and feedback was being sought also in the Discussion paper. She also clarified that institutions would in addition to submitting the information to the EBA hub, still be able to keep publishing it on their own websites, possibly with a link to the EBA website for comparison. CRR neither obliged nor prevented this. Finally, the Head of RT Unit added that the EBA P3DH was linked to an EU project on transparency, the European Single Access Platform (ESAP), which aimed at centralising the disclosure of public corporate information in the single market. The EBA would be a collection body for Pillar 3 information and once the data was received in the P3DH the EBA would also feed this information into ESAP.

Agenda item 8: Response to the Call for Advice (CfA) on green loans and mortgages (A-Point)

31. The EBA Senior Expert informed the Members that the EBA received a call for advice from the EC on green loans and mortgages in November 2022 with a deadline to reply before 29 December 2023. The request was part of the EC's Strategy on Financing the Transition to a Sustainable Economy. The EC's call for advice was built around four elements - overview of existing market practices; design of a voluntary green loan definition based on the EU Taxonomy; measures to encourage and facilitate the uptake of green loans while ensuring the protection of retail borrowers, and green loan origination process. The EBA's response to the call for advice first provided an overview of existing market practices. It highlighted the limited share of green loans on banks' balance sheets, especially in SME lending and household lending financing for the renovation of real estate, as well as variation across market practices. The EBA response secondly presented policy recommendations to harmonise and support the markets for green loans. The Expert summarized the main aspects of the EBA's response and referred to several short-term and medium to long-term policy recommendations. He mentioned that in the short-term, the EBA identified a need to introduce a voluntary EU definition for green loans based on the EU Taxonomy and current market practices. In the medium-term to long-term, the EBA was of the view that a legislative proposal to introduce a voluntary EU label for green loans that would encompass both the definition of green loans based on the EU Taxonomy and related process requirements, similarly to the one proposed for green bonds under the EU green bond standard would be beneficial. Further, such labelling framework could follow a tiered approach differentiating between green loans that were fully aligned with the EU Taxonomy and those that still contributed to at least one of the EU environmental objectives but not aligned with the EU Taxonomy at the point of origination. He concluded by noting that the EBA Board of Supervisors discussed the EBA's response during its conference call earlier in the week and approved it.

32. One Member asked whether the risk assessment and issuance conditions differ for "green" loans, assuming compliance with the requisite conditions. He further asked whether the risk pricing and interest rates were comparable to conventional loans of similar value, or whether the green loans were perceived as riskier and hence more expensive than regular consumer credit or other loan types. Another Member commented how the report clearly outlined how to distinguish between green and non-green aspects, suggesting the potential inclusion of these factors in stress tests, particularly green stress tests. She stated how CRR has been updated to consider 'greenness'. The EBA's approach to differentiate between Tier 1 and Tier 2 was considered appropriate, although aligning fully with the taxonomy still presented its challenges. The Member mentioned how SFDR could be extended to include a single classification for Tier 1 and Tier 2 from the perspective of the ESAs. Other Member commented that the survey was conducted despite the absence of a clear definition for the loans provided. National differences were observed in state versus EIB funding with a discounted interest rate. Most funds were directed towards high-performing buildings (i.e. those with a high EPC), which was a significant limitation. High-cost housing often excluded purchases with high EPCs; hence, renovations could incentivise the market. Another Member commented that the EPBD presented a challenge due

to the lack of harmonisation of EPC thresholds across the EU. She asked what measures have been taken to rectify this across Member States. The Member endorsed a two-tiered approach that mirrored the flexibility in green bond standard. The member further asked whether there is a plan to collaborate with the European Commission on sustainability-linked loans. The introduction of voluntary labelling for green loans that aligned with the Taxonomy could be beneficial. One Member asked whether the majority of loans in the survey were based on internal benchmarks. She further asked how much congruence was there between these benchmarks and the EU taxonomy or other classifications, and whether the EBA had statistics on the percentage of loans that receive public incentives. Another Member asked whether there was a long-term risk to banks considering the risk assessment of green loans. He further asked whether the EBA considered pricing, and if the EBA had or planned to pose any questions in this regard. Finally, one Member commented that 66% of the countries reported below-average participation, indicating a low turnout, and resulting in a lack of data from many Member States. He commented that it may be beneficial to repeat the process to gather any missed information. The Member appreciated the implementation of consumer protection measures, including marketing information and stated that it was crucial to ensure consumers receive this information well in advance of contract signing, allowing them ample time for consideration. Consideration should also be given to allocating training funds for consumers, notably, the EIB and the EBRD have provided substantial funding in Romania.

33. In his response, the EBA Senior Policy Expert stated that the report did not address risk aspects as there is no evidence to indicate whether "green" loans are riskier than their conventional counterparts. This aspect was discussed in the recent Pillar 1 report. He stated that the Pillar 1 report included a section on collateral valuation, and highlighted that, based on industry interactions, standard setters and practitioners have integrated ESG risks into collateral valuation. While the EBA report in response to the CfA recognised these developments, it did not provide specific policy advice specifically on collateral valuation in the context of the Mortgage Credit Directive (MCD). The focus was not on capturing risk aspects, but rather on acknowledging and discussing them. The EBA would continue to monitor these practices and integrate them into regulatory products as needed, as discussed in the recently published Pillar 1 report. He also acknowledged that the EBA did not inquire about the impact of a lack of harmonised definitions on the markets but captured an overview of market practices. The feedback received highlighted variations across practices and the need for common rules when asked about challenges and incentives. While the CfA did recognise and discuss the affordability of green mortgages, this issue extends beyond green loans and calls for a broader consumer protection framework. There was an emphasis on enhancing public support schemes especially in the HH and SME sectors. The Expert also stated how crucial the interaction with the EPBD was, which was reflected in the report's discussions and statistics. The report also discussed extensively the role of the EPCs in the identification of green/energy efficient mortgages. In the absence of a certificate, the reliance on proxies and information needed to be determined. He stated that sustainability linked loans were not covered in this CfA as they're not based on the use of proceeds. However, the report and advice to the European Commission acknowledged further work to be done in this field. The Expert noted that there were some similarities in

practices for loans financing CRE/RRE and energy efficiency requirements, despite EPC classification differences. The extent of these overlaps and patterns was unclear, however. He that the data collection exercise did not include the volume of loans subject to public schemes. He further stressed that in the EBA's discussions, the banks differentiated the requirements from the economic activities to determine eligibility for green loan classification. Therefore, EBA focus was on defining green classification. The Expert noted that risk assessment and green product eligibility are distinct considerations. He concluded by saying many of the participating member states had asked the EBA during the exercise whether it was possible to repeat the exercise, and this was on the radar. Given the CCD has only just been finalised, the EBA's focus was on the MCD but that offered its support to the European Commission for any future actions related to the CCD.

Agenda item 9: AOB

34. The Head of GEA informed the BSG members that they were expected to finalise an End of Term report by the end of June 2024. He suggested that a first draft of this report was presented and discussed at the next BSG meeting in February with a view to finalise it at the last physical meeting of the BSG in May 2023. He also reminded Members that this report should present the main contributions of the group to the work of the EBA from July 2020 until June 2024 and that this report would be published on the EBA website as part of the BSG publications.

35. The Head of GEA also informed the Members that calls for application to ESAs stakeholders' group were under preparation. The EBA was planning to publish its call for applications during the first quarter of 2024 with a view to finalise the selection in the second quarter and start the new mandate on 01 July 2024. He also confirmed to the Members that have been selected for the current mandate that according to the revised EBA founding Regulation they would be eligible for a second mandate should they apply for it.

36. Next meeting: 08 February 2024 (virtual).

Annex 1: Attendance list

Participants of the Banking Stakeholder Group confernece call on 14 December 2023

Attending

First Name	Surname	Institution	Country
Sebastian	Stodulka	Erste Group Bank AG	Austria
Edgar	Loew	Frankfurt School of Finance and Management	Germany
Leonhard	Regneri	Input Consulting GmbH	Germany
Concetta	Brescia Morra	University Roma Tre	Italy
Monika	Marcinkowska	University of Lodz	Poland
Maria	Ruiz de Velasco	RegGenome	Portugal
Alin	Iacob	AURSF (Association of Romanian Financial Services Users)	Romania
Monica	Calu	Asociatia Consumers United/Consumatorii Uniti	Romania
Eduardo	Avila Zaragoza	BBVA	Spain
Patricia	Suarez Ramirez	ASUFIN	Spain
Vinay	Pranjivan	Associação Portuguesa para a Defesa do Consumidor	Portugal
Vėronique	Ormezzano	Vyge Consulting	France
Rym	Ayadi	City University of London, Business School and CEPS	Belgium
Rens	Van Tilburg	Sustainable Finance Lab	Netherlands
Christian	Stiefmueller	Finance Watch AISBL	Austria
Johanna	Orth	Swedbank	Sweden
Sėbastien	De Brouwer	European Banking Federation	Belgium
Andrea	Sità	UILCA Italian Labor Union - credit and insurance sector	Italy
Lidwin	van Velden	NWB Bank	Netherlands
Jennifer	Long	International Monetary Fund	Ireland
Julia	Strau	Raiffeisen bank International AG	Austria
Wolfgang	Gerken	J.P. Morgan SE	Germany
Yuri Che	Scarra	UBS Europe SE	Italy
Fanny	Rodriguez	University Roma Tre	France
Constantinos	Avgoustou	Regtify	Cyprus
Elie	Beyrouthy	American Express	Belgium
Martin	Schmalzried	COFACE-Families Europe	Belgium
Tomas	Kybartas	Lithuanian Consumers Alliance	Lithuania
Christian	König	Verband der Privaten Bausparkassen e.V.	Germany

EBA

Chair	Jose Manuel Campa
Executive Director	Francois-Louis Michaud

Heads of Unit
Philippe Allard;
Pilar Gutierrez;
Angel Monzon

EBA experts
Antonio Barzachki;
Danilo Barbagallo;
Tea Eger;
Ali Erbilgic;
Andreas Papaetis;
Andeas Pfeil

For the Banking Stakeholder Group

Done at Paris on 29 January 2024

[signed]	[signed]
José Manuel Campa	Rym Ayadi
EBA Chairperson	BSG Chairperson