

EBA BS 2025 028 rev. 2

Board of Supervisors

10 December 2024

Location: teleconference

Board of Supervisors

Minutes of the conference call on 10 December 2024

Agenda item 1: Welcome and approval of the agenda

1. The Chairperson welcomed the Members of the Board of Supervisors (BoS). He reminded them of the conflict-of-interest policy requirements and asked them whether any of them considered themselves as being in a conflict. No Member declared a conflict of interest.
2. The Chairperson welcome Mr Artur Ratasiewicz as a new BoS Voting Member representing Poland who has replaced Mr Kamil Liberadzki who was appointed as a new EBA Director of Economic and Risk Analysis (ERA) Department.
3. The Chairperson asked the BoS whether there were any comments on the draft agenda. There were no comments on the agenda.
4. Finally, the Chairperson reminded the BoS that the Minutes of the BoS meeting on 16 and 17 October 2024 and the Minutes of the Joint BoS/BSG meeting on 16 October 2024 were approved by the BoS in a written procedure.

Conclusion

5. The BoS approved the agenda of the meeting by consensus.

Agenda item 2: Update from the EBA Chairperson and the Executive Director

6. The Chairperson updated the Members on four items.
7. Firstly, the Chairperson informed the Members that following the appointment of Kamil Liberadzki as the EBA ERA Director, there was a vacant position in the EBA Management Board (MB). In order to fulfil the requirement in Article 45 (2) related to representation of participating and non-participating Member States and in line with Article 9 of the Rules of

Procedures of the BoS, the EBA was planning to issue a call for expression of interest for one MB position asking the BoS voting members representing the non-participating Member States to apply. In this regard, he mentioned that there might be another MB vacant position in the coming months. Moreover, there would be also calls for application for Standing Committees Co-chairs for the new Crypto-Asset Standing Committee (CASC) and SCRePol, since Gerry Cross would be stepping down from his BoS Voting Member role.

8. Secondly, the Chairperson informed about a letter from the European Commission (EC) received by the EBA and ESMA inviting the EBA to consider issuing a No Action letter, under Article 9c of the EBA Regulation. The request related to issues regarding the interplay of MICAR and the revised Payment Services Directive (PSD2). MICAR and PSD2 have been written in a way that implied that Crypto Asset Service Providers (CASPs) that transact electronic money tokens (EMTs) have to be authorised not only as a CASP under MICAR but also as a credit, payment or e-money institution under PSD2. Such a dual authorisation and supervision could be seen to be desirable, because consumers paying with electronic money should be protected in the same way irrespective of whether the transaction was executed through conventional e-money services or through EMTs. The requirements were more demanding under PSD2 than under MICAR. However, dual authorisation and supervision also posed a significant burden for legal entities having to comply with two sets of (at times) inconsistent requirements and competent authorities (CAs) would have significant additional administrative burdens, too. The Chairperson mentioned that the EBA has received several queries from CAs on this issue in the past 2-3 months, and therefore the EBA was receptive to carry out this additional task in 2025. In such an Opinion, the EBA would indicate how the two legal texts should interact in this specific CASP scenario and would recommend to CAs which provisions in the two legal texts they could deprioritise for authorisation and supervision purposes. He concluded by noting that as the Title V of MICAR was to apply from January 2025, and as CAs would have to make authorisation decisions very soon, the EBA was planning to expedite this work and bring the Opinion to the Board in April 2025, in coordination with ESMA.
9. Thirdly, the Chairperson updated on the finalisation of the Peer review report on Tax integrity and dividend arbitrage trading schemes and said that the ad hoc peer review committee was addressing the comments received from the BoS and was planning to submit the final report for the BoS approval in the coming weeks, together with a draft press release with an expected publication of the peer review report in January 2025.
10. Fourthly, the Chairperson reminded the Members that the EBA would use Signal app as an alternative communication channel in crisis situations when standard means of communication would not sustain their function. He presented the results of the test exercise conducted by the EBA staff in December and said that the staff would reach out to individual Members in order to address technical issues identified during the test exercise.
11. The Executive Director updated the Members on five items.

12. Firstly, the Executive Director informed that together with Heather Gibson, the BoS Member representing Greece, he co-chaired the last CSCG meeting. He highlighted the commitment of the members of this group throughout the period, with intense information-sharing and high delivery, and hopefully a limited burden on members due to the virtual meeting approach.
13. Secondly, the Executive Director announced that the EBA was planning to launch two budget-related written procedures. First procedure related to 2024 budget and its amendments due to the final pension contribution rate communicated in November which increased compared to previous rate. He said that the EBA was expecting such development, had a sufficient buffer and would return a small amount to the Members, which it would offset against next year's contributions. He also mentioned that the EBA was expecting overall budget execution to be in the area of 99%. The combined impact of salary indexation and correction coefficient would be absorbed by the EBA's budget thanks to careful management. Second procedure related to 2025 budget and the Executive Director clarified that there would be a slight increase compared to 2024 due to the impact of inflation on the EBA's costs – salaries and other expenditures. It would also include an amount for fees for DORA (i.e. no cost for CAs), which was still tentative at this stage and would be adjusted in the course of the year when there would be more clarity about the designation of CTPPs.
14. Thirdly, the Executive Director noted that following appointments of Kamil Liberadzki and Marc Andries, the EBA management team was complete again.
15. Fourthly, the Executive Director updated the Members on the continuous DORA preparations as part of the joint approach with EIOPA and ESMA, including engagement with third-country relevant authorities, in the US and in the UK.
16. Finally, the Executive Director reflected on the issue of Q&As and the work underway by the EC on the transposition and on the EBA side on the CRR3/CRD 6 mandates. He said that following a discussion with the MB and EC, the EBA was planning to publish a notice on its website encouraging stakeholders to wait for the delivery of this work before submitting CRR/CRD Q&As. The EBA was also preparing arrangements to be put in place to enable EBA staff to reject such Q&As quickly, where necessary.
17. The Members did not raise any comments.

Agenda item 3: Risks and vulnerabilities in the EU

18. The Director of ERA updated the BoS on the latest developments in the EU related to risks and vulnerabilities. He highlighted geopolitical risks, including the impact of recent developments of the Russian war, US elections, as well as political developments in Germany and France and rising gas prices. He mentioned that geopolitical risks were also strongly linked to operational risks, in particular to cyberthreats. The Director of ERA then

presented the results from Q3 Supervisory Reporting and said that they confirmed stable capital and liquidity ratios for EU banks. The CET1 ratio was near an all-time high, and liquidity ratios like LCR and NSFR were stable year-over-year. With regard to assets, he summarised that there was only a small year-over-year asset growth, with household loans slightly increasing but NFC loans decreasing. The profitability of banks remained stable in Q3 2024. Strong net fee and commission income (NFCI) and net trading income have been supporting profits, while net interest income (NII) remained high albeit declining. Notwithstanding the results, the costs for banks remained high due to necessary investments in ICT and digitalisation. The Director of ERA concluded by focusing on funding of banks and noted that issuance volumes in primary markets for senior debt were below last year's level with no clear trend in the share of green instruments in total issuances. Market conditions have remained solid despite growing political and economic uncertainties.

19. A presentation by the Spanish BoS Member followed. In his presentation, he focused on the impact of recent floods in the Valencian Community on the economy and the banking sector. He said that the affected area in Valencia accounted to 2 – 3 % of total GDP for Spain and that the highest exposures were held by the significant banks. The flooding had an impact on payments and banks' infrastructure as well as expected limited and transitory impact on the GDP. He also explained that there was a public institution covering all extraordinary risks for insurance policies. However, the insurance claims showed over 200 000 claims, a relevant proportion related to cars, followed by houses and the number of claims would likely increase. As potential point of comparison for similar impact estimates he pointed to the impact of an earthquake several years ago in the Murcia region.
20. In the following discussion, Members provided an update on their national developments. With regard to the assessment of the impact of geopolitical risks on banks, the Members stressed the importance of these risks which should be also factored in by banks in more traditional risks and considered from a governance perspective. Banks should be able to identify direct exposures to vulnerable sectors and transitional channels of these risks. The risks should be also embedded in their recovery contingency plans. The geopolitical risks have become part of supervisory priorities, and the supervisors should be asking their banks to strengthen their risk appetites and to incorporate geopolitical risks in their loan provisioning and IT risks. One Member noted that the upcoming DORA requirements would be a good test how the sector was prepared to deal with new risks. Several Members reflected on factors impacting the banking sector, in particular the US elections, national economic developments in some EU countries and said the geopolitical risks have been changing quickly and could not be predicted. One Member informed about increased number of cyber-attacks and also mentioned that they held regular meetings with the banks in their jurisdiction to address quickly developing and changing risks. On the expectations for next year banks' issuance volumes and their driving factors, with an aim to strengthen their capital, even banks on smaller markets have been planning issuances in the coming months. Other Members confirmed consistent figures for debt issuances

which should continue in 2025. Finally, regarding the physical risks from climate related events, several Member acknowledged that these risks would materialise more in the future and that while they have noticed some progress, majority of the banks in their jurisdictions have not yet fully incorporated these risks in their assessments. The supervisors and regulators do not yet have sufficient relevant information on back testing of these risks and considered that banks could be underestimating them. Many Members observed issues with data quality and data gaps in general. To address these issues, one Member was planning to organise a workshop with their banks to share good practices.

21. The ECB Banking Supervision representative acknowledged that the geopolitical risks were also a priority for the ECB and that they were planning to conduct a targeted review on risk culture. He also mentioned that they have noticed higher NPLs for Covid-19 public guarantee loans and therefore, they would consider this issue in their analysis. Overall competitiveness of the EU/EEA banking sector would also become a challenge going forward.
22. The Chairperson concluded by noting the comments raised by the Members and said that there were high concerns on geopolitical risks and how these should be considered, also in terms of competitiveness. He noted that further work and analysis of the physical risks would be required.

Agenda Item 4: 2025 EU-wide Stress test

23. The Chairperson introduced the item by thanking the ESRB for developing scenarios for the 2025 EU-wide stress test exercise and explaining that the focus of the discussion would be on the macro-financial adverse scenario, country-by-country numbers, sectoral shocks as well as on the market risk scenario.
24. The Chair of the ESRB Task Force on Stress Testing continued by presenting the third calibration of the adverse scenario, its key drivers and considerations resulting in the presented draft. He highlighted a number of issues related to the heterogeneity among EU countries; as well as the applications of shocks to non-EU regions and long-term rates for these countries. He also reflected on the market risk scenario and said that shocks to risk-free rates and risk premia in the adverse macro-financial scenario were, consistent, to the extent possible, with adjusted market expectations about monetary and fiscal policies in the adverse scenario without providing any information on potential policy decisions in such a scenario.
25. The Members supported the narrative and the scenario. The Members acknowledged the need for severity of shocks but noted that they had to be plausible as well. In this regard, three Members reflected on their national developments, mainly in relation to real estate prices and asked for further consideration. They said that heterogeneity between countries should be considered and be based on recent developments rather than trends from the past. Another Member considered some inconsistencies between financial shock and

shocks on yields. Several Members agreed that geopolitical risks should be the main focus of the scenario and considered that the tabled version presented a good balance between severity and plausibility. One Member said that granularity of corporate and sovereign spreads could be further expanded. Another Member pointed at structural changes on the labour market in the EU and questioned the unemployment rate numbers. One Member welcomed inclusion of sovereign debt sustainability shocks as their current levels raised concerns. With regard to the market risk scenario, one Member asked for further clarification on differences of shocks between various financial instruments.

26. The ECB Banking supervision representative supported the narrative and the scenario, including the level of severity.
27. The ECB representative noted that the scenario calibration ensures consistency in the scenario and across scenario variables. Also, past real estate prices changes have an impact on the projected numbers.
28. The Chair of the ESRB Task Force on Stress Testing welcomed the comments which would be considered in the final version of the scenario.
29. The Chairperson concluded by noting the Members' support and noted the issue of whether there is overreliance on historical data.

Agenda item 5: Climate stress test - Scoping note on the future work on climate stress test, including a short update on the Guidelines on scenario analysis

30. The Chairperson introduced the item by reminding the Members of the discussion during the BoS meeting in October and said that following up on the FF55 exercise, the EBA has started working on how to incorporate climate risk into its regular stress testing framework, as requested by the EBA Founding Regulation.
31. The EBA Senior Bank Sector Analyst (Analyst) continued by referring to the EBA mandate in its Founding Regulation according to which the EBA shall, in consultation with the ESRB, develop criteria for the identification and measurement of systemic risk and an adequate stress-testing regime, including potential ESG systemic risks and also develop common methodologies for assessing the effect of economic scenarios, including adverse environmental developments, on an institution's financial position as well as on the financial stability of institutions. The EBA set up a working group in January 2024 and has since been working on the tabled scoping note specifying a high-level framework for regular climate stress testing. The note defined the main objectives and scope of the EU-wide climate stress test toolkit which should be developed by the EBA with the support of CAs, including ESRB and ECB. Firstly, the focus would be on environmental risks and the findings would inform supervisory activities. The Analyst briefly summarised two types of objectives identified in the note and said that assessing loss absorbing capacity and identifying vulnerabilities under a short/medium adverse scenario was a perspective aligned with the

existing EU-wide stress test, while a long-term assessment of implications of adverse climate scenarios for the strategy and business model would require further analysis. He added that the note also included a proposal on a way forward for incorporating climate risks into the EU-wide stress testing framework. This incorporation should be gradual, starting with a “combined approach” in 2027. The combined exercise would allow to assess short-term climate risks (both transition and physical risks), while leveraging the same processes/infrastructure (e.g. timeline, FAQs, data collection and data quality checks) and some core methodological assumptions (e.g. static balance sheet, 3-year time horizon) of the EU-wide stress. This would allow for economics of scale, reducing the burden both for banks and supervisors. The proposed approach would, however, require a clear separation between the climate stress test results and the ones from the EU-wide stress test for communication and supervisory action purposes, which could be achieved by including an additional climate scenario. Furthermore, the combined exercise would serve as a basis to establish the calendar for further integrating climate risk into the EU-wide stress tests. The Analyst concluded by listing next steps which would cover work on technical issues subject to the BoS’ approval. He then continued by briefly referring to the draft Guidelines on ESG Scenario Analysis and said that the aim of these Guidelines was to support banks in testing their resilience to the negative impacts of ESG factors through the use of scenarios, starting with climate factors, to fulfil Article 87a(5) of CRD6. The Guidelines were also intended to fulfil Article 177(2a) of CRR3 by supporting IRB banks to include ESG risk factors into the scenarios used for credit risk stress testing, and to complement the existing Guidelines on institutions’ stress testing explaining how ESG factors should be incorporated into existing stress test models. The Analyst concluded by mentioning that a consultation paper on the draft Guidelines would be published for a 3-month consultation following a written procedure during which the Members could raise their comments.

32. The Members supported the work and the strategy envisaged by the note. Several Members were of the view that the combined approach was a good compromise and while there would be synergies with the regular EU-wide stress test, some aspects of climate stress test would remain separate until the robustness of methodologies and tools had been achieved. One Member supported the 2025 work plan but stressed that priority should be given to the decision between a bottom-up or a top-down approach. He suggested starting with a bottom-up approach, encouraging banks to develop their own internal toolkits, and move to a more top-down approach later. Other Members asked for more emphasis on physical risks and to incrementally enhance the complexity of the exercise, while concurrently considering the strategic decisions adopted for the EU-wide regular stress test. Two Members suggested focusing primarily on short and medium-term aspects and acute physical risks. One Member asked for a prudent approach to supervisory actions that could come as result of the exercise. The Member also pointed at data gaps which should not be underestimated. A few Members referred to the timeline which was rather ambitious. One Member said that, in relation to the climate stress test, SREP and potential capital impacts should be discussed at later stage. A Member pointed out that

proportionality should be also embedded in the framework. Finally, a few Members recommended that developments in other jurisdictions and any resulting impacts on competitiveness were adequately considered, when designing future climate stress tests.

33. The ECB Banking supervision representative highlighted that it would be important for this exercise not to be a learning exercise, but to inform the supervisory follow-up. He recommended keeping open the question of how the results could be integrated into the SREP process with possible capital implications.
34. The ECB representative referred to their experience with climate stress test for the FF55 exercise which could be a good starting point for the climate stress test toolkit.
35. The Chairperson concluded by noting the Members' comments, in particular related to challenging timelines and impact on supervisory actions. He also highlighted that the work on climate stress testing should continue starting from this note and should be coordinated with the developments on the EU-wide stress test methodology in the next months.

Agenda item 6: Guidelines on ESG risk management

36. The Chairperson reflected on the discussion under the previous item and reminded that a public consultation on the draft Guidelines on the management of ESG risks took place at the beginning of 2024, and that the final Guidelines were now submitted for approval to the BoS.
37. The EBA Head of ESG Risks Unit (ESG) continued by noting that the Guidelines set requirements for the internal processes and ESG risks' management arrangements that institutions should have in place. They would hence contribute to ensuring the resilience of the business model and risk profile of institutions in the short, medium and long term as well as their preparedness for the transition. The EBA Head of ESG explained that the Guidelines aimed to fulfil at least three objectives. First, the Guidelines ensured that ESG risks would be embedded in core risk management, by requiring institutions to integrate ESG risks into their regular risk management systems, including the ICAAP, risk appetite, three lines of defense. Second, the Guidelines ensured that proportionality was well taken into account. They highlighted that institutions should adjust the extensiveness of the risk management processes proportionately to the outcomes of the materiality assessment of ESG risks. They also provided some simplifications for SNCIs and other non-large institutions, and on the other hand some more extensive requirements for large institutions. Third, the Guidelines aimed at ensuring good articulation and consistency with other elements of the broader sustainable finance regulatory framework. In particular with regard to transition planning, the Guidelines were focused on the prudential aspects of such processes while they emphasized that institutions needed to develop a single, comprehensive strategic planning process that covered all relevant aspects including strategy, due diligence, risk management and sustainability reporting, and all regulatory requirements stemming from applicable legislation including the CSRD, CRD and CSDDD.

This should ensure consistent outcomes when addressing the different, but complementary, EU frameworks related to transition planning and plans. To ensure clarity and facilitate interconnections, a supporting tool has been included in the Annex, providing for each part of the plan required in the Guidelines some examples and references towards Pillar 3 and CSRD/ESRS, while not prescribing particular business strategies. The Head of ESG concluded by saying that subject to the BoS' approval, the Guidelines would be published on the EBA website.

38. A vast majority of Members supported the work. However, few Members asked for further proportionality, acknowledging efforts done post-consultation to increase proportionality but considering that in some cases the requirements were still too granular or that the simplifications for SNCIs should be extended to other non-large institutions. Other Members were of the view that the Guidelines were well balanced and would not cause issues for smaller institutions. Those Members also reminded that small institutions were not immune to ESG risks and would have to comply with CRD6.
39. The EC representative supported the work, appreciating the latest changes brought to the Guidelines. He insisted on the importance of ensuring that the Guidelines fit in the context of the broader sustainability framework, notably more clearly acknowledging where credit institutions could re-use and build on what was already done to comply with the CSRD/ESRS requirements, and the overall objective to ensure consistency, streamline requirements and limit reporting burden. He also mentioned specific drafting comments which the EC would share with the EBA in writing after the conference call to achieve such objectives and address other remaining considerations, such as better capturing the voluntary reporting standard for SMEs.
40. The ECB Banking supervision representative was of the view that the Guidelines provided a good balance and compromise and supported their timely publication.
41. In her response, the Head of ESG stressed that proportionality was embedded in both the background and the general provisions of the Guidelines, as well as in a number of specific requirements for smaller and even middle-size institutions. She recalled the extensive discussions at technical level to incorporate proportionality in all relevant parts of the Guidelines while still ensuring clarity of expectations and consistency with Level 1 definitions.
42. The Chairperson concluded by noting the Members' support, although not unanimous. He asked the BoS to send their specific comments, in writing by Monday, 16 December 2024. The EBA would then submit the final Guidelines to the BoS for approval in written procedure.

Agenda item 7: Report on competent authorities' approaches to tackling ML/TF risk (implementation reviews) - Round 4'

43. The Chairperson introduced the item by noting that with the conclusion of this fourth and final round, the EBA has now reviewed all forty CAs that are responsible for the AML/CFT supervision of banks in thirty EU/EEA Member States. Although challenges still existed, the effectiveness of AML/CFT supervision in the Member States has improved overall and would facilitate the effective implementation of the new AML/CFT package. He added that after each review, the CAs have been requested to report back to the EBA on the steps taken to address the findings and recommended actions of the review team. As the final step in this project - and as part of the hand-over to AMLA - the EBA would carry out a follow-up exercise on the progress made by CAs in 2025 and share the findings with AMLA.
44. The EBA Head of AML/CFT Unit (AML/CFT) thanked CAs for engaging in the review process in an open and constructive way, and for committing to making changes where this was necessary to address specific challenges. She reiterated the purpose of implementation reviews, which was to assess what worked well and what could be improved at the level of each authority, and at the level of the EU. Over the life of this project, the EBA had issued or updated 12 regulatory instruments, eight opinions and nine reports that drew directly on findings from these reviews. The tabled report summarised the EBA's review team findings from the fourth (and final) round of AML/CFT implementation reviews that took place between January 2023 and June 2024. During this round, EBA staff reviewed fourteen CAs from nine EU/EEA Member States that were responsible for tackling ML/TF risks in banks. She said that although the nature of the reviews made it difficult to discern trends as they were not a comparative exercise, the review team found all CAs in this round had taken important steps to implement a risk-based approach to AML/CFT and, since the first round of reviews in 2018, the review team has seen significant developments in the CAs' approaches to supervision. These related to an enhanced focus on, and investment in, CAs' risk assessment methodologies and tools, and a marked increase in cooperation, for example in the AML/CFT colleges context. The positive changes in supervisory approaches were also reflected in the number of good practices that were included in the report. Less progress had been made in relation to enforcement, which CAs continued to approach inconsistently, and which was in the majority of cases neither a deterrent nor dissuasive. Less progress had also been made in relation to prudential supervision, where review teams observed a significant increase in prudential supervisors' awareness of the impact of ML/TF risks on prudential objectives, but without the requisite processes that would have ensured an effective approach to identifying and tackling those risks reliably and consistently. She concluded by saying that subject to the BoS' approval, the report would be published on the EBA website.
45. The Members welcomed the work and stressed its importance for CAs. The EBA had set high standards and through its work, provided tangible support to CAs' AML/CFT efforts. They welcomed the final stock take as the CAs that had been included in earlier rounds had

acted on the EBA's recommendations and appreciated that this would be reflected in the EBA's handover to AMLA.

46. The Chairperson concluded by noting the Members' support.

Conclusion

47. The BoS approved the draft EBA Report on competent authorities' approaches to the supervision of banks with respect to AML/CFT (Round 4 – 2023/24) and its publication by consensus.

Agenda item 8: Annual report on EuReCA

48. The Chairperson reminded the Members that the EBA launched EuReCA, the first EU AML/CFT database, in January 2022 and that the tabled report was the third annual report. He mentioned that 60% of all data currently in EuReCA have been received by the EBA over the last 12 months, which showed the committed on the side of CAs and also meant that it was now possible to identify ML/TF risks and trends more reliably than before. However, the levels of reporting still varied more than expected. He stressed that the EBA was committed to ensure the continuity of reporting, data analysis and dissemination during the transition phase, and until AMLA would take over.
49. The EBA Head of AML/CFT continued by summarizing that EuReCA was a central database of information on serious deficiencies in individual financial institutions' systems and controls that exposed these institutions to money laundering and terrorist financing (ML/TF) risk. The CAs were legally required to report to EuReCA but could also obtain data from EuReCA by submitting 'reasoned requests' to inform their supervisory activities. The tabled report covered the period between October 2023 and September 2024 and highlights included a significant increase in the number of submissions and linked to that, the ability to identify trends in AML/CFT. For the period under review, these included a growing number of material breaches linked to the improper or mechanical use of technology (this was a factor in more than half of the financial institutions for which reports were submitted); to the use of crypto assets; and to deficiencies in institutions' restrictive measures systems and controls. Looking across sectors, submissions confirmed last year's findings that material weaknesses in credit institutions related mainly to the ineffective application of otherwise adequate AML/CFT systems and controls, whereas in other sectors, these systems and controls were themselves deficient. The Head of AML/CFT continued by noting that in spite of the overall increase in submissions, the number of reports was not always proportionate to the size of the sector in each Member State. Findings from the implementation reviews suggested that this was unlikely to be due to the quality of local institutions' AML/CFT controls and rather, reflected diverging supervisory priorities and actions, or uneven EuReCA reporting. Further work was needed to ascertain this, and to assess the risks that had been identified in relation to the use of technology in particular. This would be done in the context of the forthcoming Opinion on

ML/TF Risk. Looking ahead, the EBA would transfer EuReCA to AMLA. A joint project team had been set up to this effect. A final report would be shared with the BoS at the end of 2025.

50. The Members supported the work. One Member pointed to the differences in reporting from various Member States. He said that uneven reporting, affected data quality and potentially the usefulness of the database for CAs if relevant information had not been submitted. He asked the EBA to consider how to improve reporting discipline. Other Member said that they had used information from the database to prepare their inspections and that they found it useful.
51. The Head of AML/CFT said that EuReCA data did not yet provide answers to everything but highlighted where further attention was needed and as such, it was fulfilling an important function. She concurred that timely submission of complete data by all CAs to EuReCA was essential for it to fulfil its full potential. EBA staff had worked to support CAs in this regard and the submission statistics showed that progress had been made although some challenges remained, as highlighted in the report. From the EBA's side, the focus was now on preparing the smooth handover of EuReCA to AMLA.
52. The Chairperson concluded by noting the Members' comments and said that the main purpose of EuReCA was to share information and therefore, it was essential that the CAs submitted, and consequently, could retrieve, relevant data.

Agenda item 9: EBA priorities and draft SPD 2026 - 2028

53. The Chairperson explained that the tabled item covered the EBA priorities cycle, with a first proposal based on management discussions, and the first draft of the next Single Programming Document (SPD). He noted that the draft was supported by the Management Board (MB) during its meeting in November 2024.
54. The Executive Director introduced the item on the basis of the presentation submitted for the meeting, noting that the SPD was work in progress and that the next step would be a reflection on the discussion of the BoS and finalisation by end-January 2025. Feedback from the BoS was sought on the priorities for the 2026-2028 horizon, on the related planning and resources request and on the draft work programme for 2026. He mentioned that this had been discussed with the EC at the beginning of November before it was submitted to the MB during its meeting in November 2024 where EC and members provided a positive preliminary support on priorities and on the proposed resources request. The Executive Director then briefly summarized the general context which drove the planning - structured in four parts: the EC priorities (currently known and reflected from the mission letter President Von der Leyen addressed to Commissioner designates), the main legislative files, the EBA's evolving roles as well as a broader context of uncertain economic and financial outlook. With regard to the EBA multi-annual priorities for 2026-2028, he explained that they represented a more substantial change, and a simplification compared to the five

priorities in previous years, fitting for the start of a new stage in the EBA's development, with changes in responsibilities and the uptake of new activities. After the transition in 2025, the EBA expected to fully settle into this new stage in 2026. For this reason, the EBA was proposing for the 2026–2028-time horizon to regroup and refocus around three priorities – Rulebook, Risk assessment and Innovation. Notwithstanding these changes and the reduction in number, the proposals were still deemed to be in the continuation of previous priorities. For the single rulebook, he indicated the notion of simplicity as an additional dimension to potentially cover. Furthermore, the order of the priority blocks could still be reviewed. For the 2026 priorities, the EBA was proposing to complement the multi-annual priorities unchanged with areas of focus for that specific year as this would help to avoid repetition with the multi-annual section. Regarding the USSP, the EBA proposal was to keep the priorities adopted in June 2023 (and confirmed in December 2024) for 2024-2026 largely unchanged, with only a small adjustment to reflect that the interest rates context was evolving. The Executive Director then continued by setting out the levers for planning and programming. In addition to setting out the measures taken to ensure strategic and tactical use of existing resources, he noted with regard to complementing resources that filling the allocated SNE posts was sometimes challenging as CA had their own staff constraints. Additional mandates should be subject to financial fiches. While this was the case for EMIR, even though no allowance was made for preparatory work, and the potentially significant number of mandates in the area of payments did not give rise to additional posts or resources. The third, undesired lever would be to adjust the Work programme (deliver less). The Executive Director then proceeded to setting out the remaining challenges and the EBA resource requests needed to overcome these: i.e. 11 posts, 5 FTEs temporarily (to address the banking package as well as payment services mandates) and 6 FTEs permanently (to reinforce equivalence, data analysis and cybersecurity work), as well as funding for early recruitment of future EMIR fee-funded posts to carry out preparatory work for the IMM validation. He noted that the request would not have a big impact on the budget or on human resources overall, given the transfer of 8 posts to AMLA.

55. The Members welcomed the work done and supported the priorities, challenges set out and posts requests. Many Members suggested that simplification, burden reduction and proportionality of the rulebook were important aspects that the EBA should consider in its work and give more emphasis in the SPD, although they stressed that simplification did not mean deregulation and that the EBA should clearly communicate on this aspect. It was good to have had an initial exchange with the EC on this important topic. Some Members said that when developing mandates stemming from CRR and CRD, it would be a good opportunity for the EBA to consider simplification of the single rulebook without loosening any prudential standards. One Member presented three possible streams of work how the EBA could address simplification: Firstly, on a holistic level, the EBA could consider effectiveness and impact of L2 and L3 mandates and assess whether they add another layer of capital requirements. Secondly, the EBA should identify, on the operational working level, burdensome processes, and finally, the EBA should consider how to further prioritise its work to also reduce complexity (e.g. for the stacking order) and save resources. Several

Members suggested that building on exchanges at the Strategy Day, the BoS could discuss during one of the upcoming meetings how simplification and proportionality could be addressed in the daily work of various EBA sub-structures. One Member added that the BoS should provide sub-structures with a clear steer on how to incorporate simplification into their work. Another Member was of the view that it would be welcomed to have a very focused discussion on 5-year challenges for the EU banking sector and how the EBA could address them. He suggested in relation to priority block 1 that the aim was to achieve a single rulebook that was efficient, resilient and sustainable but also “trusted”. One member also suggested that the EBA should assess effectiveness and possible simplification of supervisory processes and that these efforts could be reflected in the EBA priorities – leading possibly to reconsidering which areas of work were to be prioritised. One Member pointed out that the priorities could change very quickly and therefore, the EBA should remain flexible and agile to amend its priorities, when needed. Other Member said that the concept of simplification should be framed with some flexibility and pointed at the importance of coordinating delivery, and of a clear communication and understanding of external factors that had impact on the EU legal framework. A few Members questioned why the fees related to MiCAR and DORA were lower than in previous planning or asked for explanations on the expenses and breakdown on the expected contributions from the industry and whether savings were possible as a result of the transfer of the AMLA posts. One Member pointed out that at the national level, CAs were also facing resources constraints and that this could provide an opportunity to take stock and possibly force repositioning in certain areas. Another Member suggested that the SPD reflected on the fact observed in some Member States in which banks moved from experimental use of AI and machine learning to using these technologies on a daily basis, with a view to setting operational objectives.

56. The EC representative praised the coordination work between the EBA and EC and said that, in principle, he could be in a position to support the resources request submitted to the budgetary authority; in particular, if the priorities were confirmed along the lines described. While supporting the priorities as proposed, he emphasised that the EBA should consider every new project through the lenses of burden reduction and, simplification.
57. The ECB Banking supervision representative stressed that the EBA should aim to avoid deregulation and at the same time, ensure it was successful in simplification. He welcomed the proposals on three streams of work and said that while the EBA should consider simplification for each new mandate, it should also review the existing framework. On the other hand, the focus on operational resilience should not be diminished.
58. The Executive Director explained, with regard to fees, that the previous budget projections were based on the full LFS numbers and that with progressing implementation of MiCAR and DORA, the EBA was now able to specify respective numbers more precisely. As of now, the EBA was not expecting many significant crypto asset issuers to supervise. He also clarified that the AML posts would be transferred and therefore could not be redeployed

but would result in savings. In other areas redeployments have been maximised in recent years, such as for the development of policy mandates under MiCAR and DORA, and for the preparation of new oversight and supervision activities. In areas such as cyber-security, it was more difficult as the regulation required several distinct roles, and the resources planning was already embedding a lot of synergies and flexibility. Considerations on simplification have been started and an analysis of mandates with a view to assessing their importance and impact was under way. But as long as the workload and the number of mandates to be delivered remained as it stood, it was deemed important to request the resources needed to meet the expected targets, all the while striving to maximising savings and improvements.

59. The Chairperson concluded by noting the Members' wide support for the EBA priorities as set out in the draft SPD, for the USSP as well as for the challenges and proposed resources. He reminded the BoS that the topic of simplification was already discussed by the BoS in 2022 during its Strategy Day, as well as earlier in 2024 during another Strategy Day. The EBA had a crucial role to play in simplification, which indeed did not mean deregulation. The EBA would consider how to reflect this in the EBA priorities, and the topic would be further discussed both internally and also at the BoS level. He finally noted that the SPD would be adjusted to reflect the discussion and resubmitted in January for final approval in time for the 31 January 2025 submission deadline.

Agenda item 10: Feasibility assessment for data collection from ART/EMT issuers under MiCAR

60. The Chairperson introduced the item by noting that MiCAR has introduced reporting requirements for ART and EMT issuers, and that the EBA was expecting first reports of data in May 2025. To avoid that a literal implementation of the reporting flows may lead to complexities for authorities and issuers, EBA staff proposed to explore an alternative approach and during its conference call in September, the BoS supported launching a feasibility assessment to evaluate several options.
61. The EBA Director of Innovation, Conduct and Consumers Department (ICC) continued by informing that following the September BoS conference call, the EBA conducted a feasibility assessment considering different alternatives to implement MiCAR ART/EMT data collection and providing a cost-benefit analysis and suggest a preferred approach in order to: i) reduce reporting burden for authorities and issuers, and ii) facilitate market monitoring and supervisory cooperation. As a background, she mentioned that ART and EMT issuers would be reporting the token data to their MiCAR supervisor, which could be the CA or EBA depending on significance and token/issuer type and that direct supervisors would be sharing data with EBA, ECB and host CAs. In 2025, the first reports were to be expected by 12 May 2025 and 11 August 2025 respectively. She also said that as of end of November 2024, 9 EMTs issued by 5 issuers - 1 credit institution (CI) and 4 e-money

institutions (EMI) - were on the market under MiCAR framework and that based on the information provided by CAs, other potential ART/EMT projects have been identified.

62. The EBA Head of Digital Finance Unit (DG) presented three alternatives considered by the EBA and their main advantages and disadvantages. The first alternative – the option by default – would require an implementation of the data flows following a literal description of the reporting processes in MiCAR and had considerable high costs. It would involve each supervisor collecting data using their own systems and sharing it with relevant authorities. While this ensures timely access to data for direct supervisors, it was the costliest and least efficient option due to redundant implementations and higher operational burdens. The second alternative – the shared technical platform – would allow data collections in the shared platform for all tokens (significant and non-significant) and authorities could access data and analytics through a dedicated portal. The shared platform would automatically disseminate data to relevant recipients and would allow the timeliest market overviews and enhanced supervisory collaboration, leveraging existing EUCLID capabilities and limiting costs by avoiding multiple parallel systems. The third alternative – the sequential approach – would allow CAs to collect data for all tokens (significant and non-significant), share them with EBA, and for the EBA to share the data with other authorities through EUCLID. While it relied on existing reporting methods, it incurred higher costs and resulted in less timely access to market overviews and did not ensure direct access to the reported data and interactions with supervised entity by the EBA as a supervisor. The Head of DF briefly mentioned governance and operational arrangements for each option and economic costs and said that based on the cost-benefit analysis, the EBA in its feasibility assessment proposed adopting the shared technical platform approach. She concluded by describing the next steps and said that the proposed timeline and approach for IT implementation ensured that CAs did not need any temporary implementations, and that full implementation would be finalised in 2025.
63. The Members welcomed the thorough analysis. Many Members supported the shared technical platform. One Member was of the view that this technical solution could be a good precedent for future reporting. Other Member noted that the approach should be adopted only for reporting for MiCAR purposes and should not be a default model for other data collections without further assessment. Some Members commented on the transitional period and noted that the platform would require some time to be set up and if the CAs should not develop their own interim solutions, the EBA should further clarify how the issuers could fulfil their reporting requirements and provide details on the transitional requirements in order to operationalise this solution in the future. On governance, one Member said that all CAs should be able to participate, not only the CAs with tokens under their remit. Other Member positively commented on the planned costs for the shared technical platform which were lower than expected in the past. In this regard, another Member questioned fees collected in the 2025 budget and asked for which solution they were to be used. A few Members preferred the sequential approach. One Member argued that this approach would allow them to use their well-tested systems which would also

allow the EBA to have access. On the other hand, the Member was open to transform to the shared technical platform in the future. Other Member raised concerns related to accessibility from day 1 and therefore, the sequential approach was more preferred option for them.

64. The EC representative made the link with the previous discussion and the unanimous support for the burden reduction and simplification objectives. He stressed that this agenda item was offering Members with a concrete opportunity for rationalisation. He therefore supported the shared technical platform based on the tabled analysis and having in mind the general objective of reducing burden.
65. In their response, the Director of ICC and the Head of DF explained that the tabled proposal was a pioneering initiative and that while minimum required functionalities would be available at the beginning, gradually further functionalities would be added to the system and no interim solution would be needed at the CAs. The Head of DF explained that the EBA would be building the platform on existing IT solutions and that currently, there were five issuers which might be subject to reporting as of May 2025 and that the EBA was prepared to liaise with them to find effective solution at EBA side to onboard to IT system, if needed. On the governance, she clarified that all CAs without tokens under their remit would be invited to participate.
66. The Chairperson concluded by noting a few divergent views but also strong support from the majority of Members for the shared technical platform. He also noted that immediate transition should be achievable, with only five existing issuers, in an effective manner.

Conclusion

67. The BoS approved the suggested approach, i.e. to adopt the shared technical platform approach in data collection from issuers of ART/EMT under MiCAR, by consensus.

Agenda item 11: No-action letter on EMIR 3 Initial Margin models

68. The Chairperson introduced the item by acknowledging the adoption of EMIR 3, which granted the EBA the new task to centrally validate pro forma models and put the EBA at the centre of the new EU coordinated approach towards initial margin models supervision. This was in line with the EBA Opinion published on 03 July 2023. The EBA has started work to set up of the EBA central validation function.
69. The EBA Senior Policy Expert (Expert) continued by providing details on the future initial margin (IM) model supervision and the proposed IM phased-in implementation of EMIR 3 requirements on IM models. He explained that each year, in cooperation with the CAs, ESMA and EIOPA, the EBA would analyse the performance of ISDA SIMM. Should shortcomings be identified, those shortcomings would be discussed with other regulators and ISDA, with the objective of getting them fixed by ISDA in the next SIMM versions. He highlighted that this task would not be an easy one, as it would require EBA to build high

technical credibility, establish good cooperation with other regulators and find ways of getting the SIMM model changes, which were deemed necessary, implemented by ISDA. He further explained that, in order to achieve this, a sequenced approach was proposed by the EBA, i.e. two phases – phase 1 from 2024 to 2026, during which the EBA was aiming at getting the central validation function operational, and phase 2 in which the legal and operational framework should be completed, and which was planned for the years 2026 to 2028. He mentioned that the main objective in this first phase was to build the EBA central validation function and validate SIMM, as validating SIMM would remove significant work from CAs and unlock corresponding resources granted by EMIR 3. He clarified that EBA was now putting together the infrastructure needed for the EBA central validation function to start in Q2 2026, including setting up the fee mechanism, the EBA governance structure for this new task and an EBA IT platform (or comparable temporary solution) for counterparties to apply to EBA. With respect to the no action letter submitted for approval to BoS, he explained that its main objective was to prevent disruption of a well-functioning market and avoid CAs having to answer a large wave of authorisation requests as a result of the entry into force of EMIR 3, in the absence of transitional provisions. Indeed, EMIR 3 requirements related to IM models were to enter into application 20 days after publication in the Official Journal, hence on 24 December 2024. This situation would create operational difficulties for the first years of implementation of EMIR and it was therefore necessary that the EBA first addressed these issues. The no action letter set out a de facto registration process requiring counterparties to apply to their CA at first model change, submitting the minimum information mentioned in the annex of the no action letter as part of this application, noting that the CAs would ‘not prioritise’ the processing of applications received until the entry into application of the revised draft RTS on IMM and Guidelines mandated under EMIR3, hence putting on hold the authorisation process.

70. The Members supported the work. One Member questioned when counterparties were expected to apply for authorisation and other Members asked for further clarification on overall timelines and authorisation process.
71. The ECB Banking supervision representative welcomed the no action letter saying that it was necessary to clarify to market participants the situation. He stressed that they had some concerns whether the no action letter would have enough legal impact and suggested changes so that the no action letter allowed CAs to waive the requirements to process received applications.
72. In his response, the Expert clarified that the drafting of the no action letter was aiming at achieving the postponement of the authorisation process, but that no action letters were subject to strict legal constraints, hence the use of the standard wording typically used in no action letters. He also mentioned that counterparties were expected to apply for authorisation at first model change and that the no action letter would also apply in the case of new counterparties applying for a new IM model.

73. The Chairperson concluded by noting the Members' comments and said that no further amendments to the no action letter were advisable unless, pending review of legal redrafting proposals made by Members, the EBA Legal team could find a way to accommodate them within the strict legal constraints of the no action letter. He stressed that publication should in any case happen in the coming days.

Conclusion

74. The BoS approved the publication of the no action letter on EMIR 3 initial margin models by consensus.

Agenda item 12: Final draft RTS to specify the term “equivalent legal mechanism” in place to ensure that the property under construction will be finished within a reasonable time frame (Article 124(14) CRR3)

75. The Chairperson reminded the Members that the tabled RTS were a part of the first phase of credit risk deliverables under the EBA roadmap on the implementation of the EU banking package. The RTS specified the conditions that a legal mechanism should meet in order to recognise a property under construction in the own funds requirements calculation under the standardised approach of credit risk.
76. The EBA Head of Risk-based Metrics Unit (RBM) continued by explaining that the mandate asked the EBA to consider the conditions for credit risk mitigation to be recognised on a property under construction, especially considering that some national schemes existed today with so-called completion guarantees. In order to qualify for the risk weight for immovable property real estate exposure, some conditions have to be met. Among these conditions, one criterion was that “an involved central government, or an entity risk weighted as such according to Articles 115(2) or 116(4), with legal powers and ability to ensure timely completion of construction and was either required to ensure this or provide a legally binding commitment.”. The co-legislators opened the possibility to consider instead an “equivalent legal mechanism that ensures completion of the construction within a reasonable timeframe”. The EBA has been mandated under Article 124(14) to further specify this equivalent legal mechanism. The Head of RBM said that the Consultation Paper published the 13 May 2024 presented two approaches - a “narrow approach”, based on entities other than the central government, regional or local authorities, or a public sector entity, whose obligations were counter guaranteed by a central government or an equivalently recognized regional or local authority, or public sector entity. This approach was thus a simple extension of the original requirement. The second and alternative approach offered a more comprehensive understanding of the equivalence legal mechanism (the “broader approach”). This approach aimed to encompass completion guarantees that already existed in some EU jurisdictions and were established as obligations under national laws. Different views existed on the optimal way forward at the technical level, but as a compromise, the broader approach was amended to ensure that the credit risk mitigation was sufficiently robust. In particular, he highlighted

that the completion guarantees should also extend to the case of default of the obligor and that the protection provider must have a credit rating qualifying as credit quality step (CQS) 1.

77. The Members, in particular representing Member States in which related provisions were in place, clarified the background on the issue. While they supported the proposal, one Member noted that according to the proposal, unrated credit institutions would not be considered as eligible protection providers. Another Member would prefer the narrow approach arguing that existing completion guarantees were not equivalent legal mechanisms. However, with an aim to achieve compromise, he supported the broad approach but stressed that the completion guarantees were consumer protection tools and that additional safeguards introduced in the compromise had to remain in place. Another Member supported the inclusion of the broader legal equivalence approach if the requirements (safeguards) remained as they were currently defined (without relaxations). Some Members were of the view that the broad approach was beyond the L1 text and the EBA's mandate but would accept the compromise. One Member proposed that both approaches were presented to the EC. Other Member disagreed and preferred the narrow approach, which was also Basel compliant. Another Member also preferred the narrow approach, but to achieve the compromise, supported the broad approach noting that some prerequisites had to remain, in particular 20% risk weight that could be applied under Article 125 and which would correspond to a CQS1 bank exposure and would also allow some unrated entities to be eligible.
78. The EC representative supported the broader approach.
79. The ECB Banking supervision representative was of the view that the narrow approach was in line with CRR provisions, but would not object to the broader approach, if the safeguards presented by the Head of RBM were kept, as these are essential in order to maintain the consistency of the prudential framework.
80. The Chairperson concluded by noting the Members' support for the broader approach, but also their comments, which stressed the need to maintain all the additional criteria. He said that the EBA would update the draft RTS with a final legal review and send the RTS to the BoS for approval in a written procedure.

Agenda item 13: Peer review - Proportionality in the application of SREP

81. The Chairperson reminded the Members that as part of the Peer Review Work Plan, the EBA has conducted a Peer review on the application of proportionality in the SREP and the application of the EBA SREP Guidelines on this topic. The ad hoc Peer Review Committee (PRC) has prepared a draft report summarising the outcomes of the peer review.
82. The EBA Senior Policy Expert continued by noting that the peer review was conducted as a targeted peer review on six CAs and was focused on the general application of

proportionality in the SREP and on the application of proportionality for the area of liquidity risk assessment under the SREP. She then presented preliminary conclusions of the peer review and said that proportionality in the SREP and in the liquidity assessment under the SREP was largely implemented by the CAs under review though with some adaptations to the local context and the risk profile of the institutions under their supervisory remit. She explained the supervisory approach and engagement were also to be seen against the background of the supervisory landscape and the scope of institutions under direct supervision which varied considerably across the different CAs. In addition, the PRC identified best practices such as, the use of benchmarking tools, ‘pilot inspections’, and spot checks on the quality, accuracy and reliability of information provided by institutions. While the overall results were positive, the PRC observed that some tools for the application of proportionality in the SREP have not been used in practice and strongly encouraged all CAs to make use of the existing tools in the SREP Guidelines for the application of proportionality in the SREP. In addition, some deficiencies were identified concerning consistency of implementation of the SREP Guidelines, with regards to the SREP categorisation and implementation of the minimum supervisory engagement model. In the area of liquidity risk assessment, some deficiencies were observed in the area of supervisory liquidity stress testing. The PRC was of the view that while these did not affect the overall effectiveness, they undermined the aim of the SREP Guidelines of having a more consistent approach across the EU as to how SREP was applied by CAs and could lead to similar credit institutions being treated differently across jurisdictions without good reasons. The Expert added that follow-up measures were set out in the Report and that these were applicable to all CAs and not just those CAs reviewed. The measures included the incorporation of the CRR classification of ‘large’ and ‘small and non-complex’ institutions into the SREP categorisation of institutions; alignment to supervisory engagement model, and the use of supervisory liquidity stress testing in liquidity risk management, as well as the provided room for proportionality, as an independent tool to assess short- and medium-term liquidity risks. Moreover, the Report also identified recommendations for the EBA including taking into account the implications of the minimum frequency set out in the supervisory engagement model and to consider whether more clarity would be needed on the scope and level of assessment to be performed. The Expert concluded by mentioning that the ad hoc Peer Review Committee consulted the MB on the draft report at its meeting on 19 November 2024. The MB was generally supportive of the conclusions of the report and stressed the importance of the topic of proportionality also in view of the risk tolerance framework and strategy of CAs. The MB welcomed the new approach to address the recommendations to ‘all CAs’ in order to engage also the CAs that were not in scope of the review though it was suggested to balance the general recommendations with individual feedback. Following the MB discussions footnotes have been added in section five of the report to link the recommendations with the findings made for individual CAs. In terms of next steps, the Expert said that a revised draft of the report would be prepared based on the BoS feedback, finalised by the PRC and submitted for adoption by the BoS via written procedure. She added that in accordance with the Peer Review methodology, the PRC would need to prepare a follow-up report focusing on the

implementation of the recommendations two years after the publication of the peer review report. Finally, as the work on the third revision of the EBA SREP Guidelines has started, the outcomes of the peer review could feed into the discussions on the revision in a timely manner.

83. The Members supported the work. Several Members commented on the categorisation of institutions and the minimum supervisory engagement model, in particular the adaptation of the focus and granularity of the assessment, the intensity of the engagement with the institution's management body, and the impact of the individual classification of subsidiaries, as well as on supervisors' flexibility to proportionally use some of the provisions of the SREP Guidelines.
84. The ECB Banking supervision representative also referred to proportionality in relation to significant institutions that are all category 1 and to the incorporation of CRD Article 97 into the revised EBA SREP Guidelines.
85. The Expert noted that during the peer review, the peer review committee observed similar tendencies for categorisation of individual subsidiaries and that the differences in categorisation of entities of the same banking group should not lead to issues for the annual group risk assessment and joint decision process as the output can be used as available under the existing assessment.
86. The Chairperson concluded by noting the comments by the Members and said that the result of the peer review showed that the CAs have not been using all proportionality provisions available to them. He informed that the peer review committee would finalise the report in the coming days, and it would be then sent to the BoS for approval in written procedure.

Agenda item 14: AOB

87. The EC representative commented on an item planned to be submitted to the BoS in writing - Draft Opinion on EBA mandate under Article 104a(6a) CRD6 (Pillar 2 requirements and output floor). He explained that, to achieve a consensus, the draft opinion has been developed with a relatively narrow interpretation of the need to assess certain overlaps that could be created between the Pillar 2 requirements and the output floor because of arithmetic effects, limiting this assessment to the one-off review. He recalled that the intentions of the CRD 6 provision are broader and that the narrow interpretation of the opinion should not be considered as a precedent for the future development of the EBA mandate under Article 104a(6a). Therefore, he asked that the implication for Pillar 2 deriving from the output floor are broadly considered in the context of the revision of the SREP guidelines that would be used to fulfil the CRD 6 mandate.

88. The Chairperson announced that Gerry Cross and Angel Estrada were planning to step down from their positions as BoS members in the coming weeks and thanked them for their contributions over the years.
89. The Chairperson concluded the conference call by thanking the Members for their continuous work and support in 2024 and wishing them a nice festive season.

Participants of the Board of Supervisors' conference call on 10 December 2024¹

Chairperson: Jose Manuel Campa

Country	<u>Voting Member/High-Level Alternate</u>	<u>National/Central Bank</u>
1. Austria	Helmut Ettl	Karin Turner-Hrdlicka
2. Belgium	Jo Swyngedouw/Kurt van Raemdonck	
3. Bulgaria	Stoyan Manolov	
4. Croatia	Sanja Petrinic Turkovic	
5. Cyprus	Constantinos Trikoupis	
6. Czech Republic	Zuzana Silberova	
7. Denmark	Louise Mogensen	
8. Estonia	Andres Kurgpold	
9. Finland	Marko Myller	Katja Taipalus
10. France	Nathalie Aufauvre	
11. Germany	Raimund Röseler	Karlheinz Walch
12. Greece	Heather Gibson/Maria Katsaki	
13. Hungary	Csaba Kandracs/Laszlo Vastag	
14. Ireland	Gerry Cross/Mary-Elizabeth McMunn	
15. Italy	Andrea Pilati/Francesco Cannata	
16. Latvia	Kristine Cernaja-Mezmale/Ludmila Vojevoda	
17. Lithuania	Simonas Krepsta/Renata Bagdoniene	
18. Luxembourg	Claude Wampach	Christian Friedrich
19. Malta	Christopher Buttigieg/Anabel Armeni Cauchi	Oliver Bonello
20. Netherlands	Steven Maijoor/Willemieke van Gorkum	
21. Poland	Artur Ratasiewicz	Olga Szczepańska
22. Portugal	Rui Pinto/Jose Rosas	
23. Romania	Catalin Davidescu	
24. Slovakia	Tatiana Dubinova/Linda Simkovicova	
25. Slovenia	Primoz Dolenc/Damjana Iglic	
26. Spain	Angel Estrada/Agustin Perez Gasco	
27. Sweden	Magnus Eriksson	David Forsman
<u>EFTA Countries</u>		
	<u>Member</u>	
1. Iceland	Bjork Sigurgisladottir/Gisli Ottarsson	
2. Liechtenstein	Markus Meier	
3. Norway	Per Mathis Kongsrud	Sindre Weme
<u>Observer</u>		
	<u>Representative</u>	
1. SRB	Karen Braun-Munzinger	

¹ Pascal Hartmann (FMA); Andrew Ennis (Central Bank of Ireland); Marek Sokol (CNB); Marco Giornetti (Bank of Italy); Magdalena Wojtacha (KNF); Caro Dullemond (DNB); Marc Peters (EC); Christoph Roos (BaFin); Liga Kleinberga (Litvijas Banka); Ivan-Carl Saliba (MFSA); Pawiel Gasiorowski (NBP); Frida Alvarsson (Finansinspektionen)

Other Non-voting Members

1. ECB Banking Supervision/ECB
2. European Commission
3. EIOPA
4. ESMA
5. EFTA Surveillance Authority

Representative

Thijs Van Woerden/Katrin Assenmacher
Ugo Bassi
Kai Kosik
Dounia Shita
Marta Runarsdottir

EBA

Executive Director

Francois-Louis Michaud

Directors

Isabelle Vaillant
Meri Rimmanen
Marilyn Pikaro
Kamil Liberadzki

Heads of Unit

Philippe Allard
Carolin Gardner
Lars Overby
Ruta Merkeviute
Angel Monzon
Jonathan Overett-Somnier
Dorota Wojnar

Experts

Tea Eger
Lot Anne
Raffaele Passaro
Stephane Boivin
Guy Haas

For the Board of Supervisors

Done at Paris on 31 January 2025

[signed]

José Manuel Campa

EBA Chairperson