



EUROPEAN COMMISSION

DIRECTORATE-GENERAL FOR FINANCIAL STABILITY, FINANCIAL SERVICES AND CAPITAL MARKETS UNION

Director General

Brussels

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Mr José Manuel Campa
Chair
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By e-mail:
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Subject: Request for submitting indicators on the interconnectedness of the EU financial sector with global markets for the next three years (2025-2027)

Dear José Manuel,

Thank you for providing the two reports ⁽¹⁾, in December 2024 and March 2025, as a response to our mandate of 17 May 2024 regarding indicators on the interconnectedness of the EU financial sector with global markets.

These reports have been instrumental for our work aiming to monitor the potential vulnerabilities that could cause or amplify risks to the EU financial system or the EU economy as a whole.

I would like to take this opportunity to thank your team for their excellent contribution and the continuing effective cooperation and dedication throughout the project.

Reflecting the protracted geopolitical uncertainty and the geoeconomic implications for the EU, DG FISMA has decided to continue monitoring the evolution of the external interconnectedness of the EU financial sector for at least the next three years (2025-2027).

⁽¹⁾ EBA REPORT – ANALYSIS ON EU/EEA BANKS FUNDING STRUCTURE AND THEIR DEPENDENCE ON ASSET AND LIABILITY EXPOSURES IN FOREIGN CURRENCY, EBA/REP/2024/98, December 2024

EBA REPORT – ANALYSIS ON THE MARKET SHARE OF SUBSIDIARIES OF THIRD COUNTRY BANKING GROUPS IN THE EU, EBA/REP/2025/09, March 2025

We do not consider that substantial changes to our 2024 mandate are needed. For banking services, the indicators will continue to analyse the market share in different types of products or market segments of subsidiaries of non-EU banks in the EU and the EU banks' exposure and funding in foreign currencies. The indicators will not be made public, but inform the Commission services' own assessment of the extent of the external interconnectedness and the related financial stability implications.

At technical level, DG FISMA has already been in contact with the EBA experts to discuss the lessons learnt from the preparation of your latest report and made the necessary adjustments, without requesting additional indicators. We are confident that this excellent cooperation with your experts will continue covering the practical details of your submission.

The EBA is invited to submit the aggregate indicators covering the areas listed in the Annex, if and when relevant, with a meaningful breakdown by third country geographics, by counterparty types, by the different products, sub-segments/components or currencies, also taking into account its resource constraints. DG FISMA is not requesting access to the underlying data that the EBA uses to compute the aggregate indicators. The EBA is also invited to provide explanatory notes in order to facilitate the proper understanding of the aggregate indicators and the assessment by the Commission.

I would be grateful if the EBA could provide the available indicators (previous year-end data) and the related explanatory notes by mid-November of each of the next three years (2025-2027).

We remain at your disposal for any questions.

Yours sincerely,

Electronically signed

John BERRIGAN

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ANNEX: List of requested indicators

Assets

1. Total assets
2. Loans and advances
3. Derivatives
4. Equity instruments
5. Debt securities
6. Cash, cash balances at central banks and other demand deposits
7. Assets involved in the services provided

Liabilities

1. Derivatives
2. Deposits
3. Short positions

Main prudential indicators

1. Total risk exposure amount
2. Own Funds
3. Common Equity Tier 1 Capital

Income and expense

1. Interest income
2. Interest expense
3. Dividend income
4. Fee and commission income
5. Fee and commission expense
6. Other operating income
7. Other operating expense

Exposure and funding in foreign currencies

1. NSFR
2. Funding in foreign currencies
3. Exposure in foreign currencies