EBA BSG 2026 001 rev. 1

Banking Stakeholder Group

11 December 2025 | 09:30 – 15:00

Location: teleconference

Banking Stakeholder Group

Minutes of the conference call on 11 December 2025

Agenda item 1: Welcome and approval of the agenda

1. The Banking Stakeholder Group (BSG) Chairperson welcomed the Members and asked whether they had any comments on the agenda of the meeting. The Members did not raise any comments on the agenda.

2. The Chairperson informed that Dominique Carriou has stepped down from his position within the BSG due to his professional change. A new BSG member would be selected by the EBA Board of Supervisors (BoS) from the reserve list. Similarly, Fotios Pasiouras has stepped down from his position due to personal reasons, and his replacement would be announced by the EBA following the BoS' approval.

3. The BSG Chairperson informed the Members that the Minutes of the Joint BoS/BSG meeting on 15 October 2025 and the Minutes of the BoS meeting on 15 and 16 October 2025 have been approved by the BSG in the written procedure and would be published on the EBA website.

Conclusion

4. The BSG approved the agenda of the meeting.

Agenda item 2: BSG update on the latest developments

5. The coordinators of technical working groups (TWGs) updated the Members on the ongoing work in each group.

6. In the absence of coordinators of TWG 1 (Capital & Liquidity Recovery & Resolution), the BSG Chairperson informed that the TWG 1 has been focusing on preparing a response to the Consultation paper on SREP Guidelines in cooperation with TWG 2.

7. The coordinators of TWG 2 (Governance & Supervision, Accounting, Reporting & Disclosure) mentioned the cooperation with TWG 1 and said that the TWG 2 was discussing internally whether to reply to the Consultation paper on the Guidelines on supervisory independence of competent authorities (CAs).

8. The coordinator of TWG 3 (Consumer Protection) informed that the TWG finalised the own initiative paper related to access to banking services and that the Members were invited to send their final comments by 15 December 2025.

9. The coordinator of TWG 4 (Sustainable Finance) said that the TWG has been awaiting the legislative developments with respect to sustainability.

10. The coordinator of TWG 5 (Payments) announced that the trialogue on PSR and PSD3 had ended in November 2025 but many technical issues would still need to be discussed. He noted that the TWG was expecting a significant workload in Q1 2026.

11. The coordinator of the TWG 6 (Financial Innovation & Digitalisation) said that the TWG cooperated with the TWG 1 and 2 on the preparation of the response to the Consultation paper on SREP GL as well as analysing a topic of white labelling with an aim to present first consideration during the BSG meeting in February 2026 followed by an own initiative paper.

12. The coordinators of TWG 7 (AML/CFT) said that they have been waiting whether the EBA would be engaged in any further work on AML related issues.

13. One BSG Member asked about next steps on the own initiative paper on the access to banking services and whether it would be circulated to respective authorities. Another Member asked if there would be another round of written comments on the own initiative paper.

14. The EBA Chairperson thanked the Members for their work on the own initiative paper and said that the conclusions of the paper would feed into discussions within the EBA's remit.

15. The BSG Chairperson reminded the Members that the own initiative paper on the access to banking services have been extensively discussed by the BSG and therefore, the next step should be a publication of the paper. The eventual publication date would be determined in due course to accommodate any further comments received from the Members.

16. The BSG Chairperson concluded by noting the work by the TWGs and thanked all BSG Members involved.

Agenda item 3: EBA Chairperson update on the latest developments

17. The Chairperson updated the Members on the recent EBA's publications. Firstly, he reminded the Members of a shift in responsibilities from the EBA to AMLA and as result, the EBA aimed at finalizing all its respective mandates before the end of 2025. In this regard, on

22 October 2025, the EBA published its fifth and final Report on the Functioning of Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) Colleges. The Report found that colleges were effective tools to facilitate information exchange, which improved the effectiveness of AML/CFT supervision within the Union. On 30 October 2025, the EBA responded to the European Commission's Call for Advice on the key components of the new anti-money laundering/countering the financing of terrorism (AML/CFT) framework. This advice put forward a risk-based and proportionate approach that would support the swift and effective start of the Anti-Money Laundry Authority (AMLA) operations.

18. Secondly, the EBA Chairperson referred to the joint work of the three ESAs and mentioned that on 16 October 2025, along with ESMA and EIOPA, the ESAs' Joint Committee published their Work Programme for 2026. It outlined key areas of collaboration for the coming year. The upcoming Programme aimed to strengthen the financial system's digital operational resilience, ensure the continued protection of consumers, and identify risks that could undermine financial stability. On 18 November 2025, the ESAs published the list of designated critical ICT third-party providers (CTPPs) under the Digital Operational Resilience Act (DORA). This designation marked a crucial step in the implementation of the DORA oversight framework. The final designation decisions were adopted following a careful review of all relevant information, ensuring the integrity of the process.

19. Thirdly, the EBA Chairperson mentioned that on 4 December 2025, the EBA released Autumn 2025 risk assessment Report (RAR), confirming that EU/EEA banks remain strong in capital, liquidity, profitability and asset quality. In the report, the EBA called for continued vigilance as geopolitical uncertainty, market volatility and increasing operational risks persist. The Report was published alongside the 2025 EU-wide transparency exercise, providing detailed and comparable data for 119 banks across 25 countries of the European Union (EU) and the European Economic Area (EEA), and was supplemented by the Autumn 2025 Risk Assessment Questionnaire (RAQ).

20. Fourthly, the EBA Chairperson said that on the 31 October 2025, the EBA published its second Report on the benchmarking of national loan enforcement frameworks across the EU Member States. The Report, which was compiled in response to the EU Commission's call for advice in the context of the Savings and Investment Union's agenda, calculated the benchmarks for loan recovery outcomes for the EU 27 aggregates and for the individual Member States. The results highlighted a high degree of dispersion among different categories of loans, and across the EU27 Member States, for most of the benchmarks and loan categories. In addition, the Report underscored the importance of certain elements related to both the legal framework and the judicial capacity to improve the recovery outcomes. The EBA Chairperson briefly noted that on the 3 November 2025, the EBA published two Reports on the market share of subsidiaries of non-EU banks in the EU, as well as on EU banks' assets and liabilities in foreign currencies which would be further discussed as a separate item later in the meeting.

21. The EBA Chairperson also reminded BSG Members that at the last meeting in October, the EBA staff updated the BSG on its convergence work. Peer reviews were one of the tools that the EBA has been using and recently, it published a follow up Peer Review Report on the exclusion from the credit valuation adjustment (CVA) risk of transactions with non-financial counterparties established in a third country. This follow-up Review found that competent authorities continue to largely assess CVA risk sufficiently, using different approaches which are fit for purpose in satisfying the regulatory requirements and the Supervisory Review and Evaluation Process (SREP) Guidelines. In addition, on 26 November 2025, the EBA published a Peer Review assessing how effectively supervisors implement and supervise diversity policies, specifically gender diversity, within the management bodies of financial institutions. The Review found that most of the competent authorities assessed have largely or fully met the benchmarks set and adequately supervised and implemented gender diversity policies. The Peer Review looked at six competent authorities, focusing on how they applied the respective requirements laid down in the Capital Requirements Directive (CRD) and EBA Guidelines across six key benchmarks. On 5 December 2025, the EBA published a follow-up to the 2023 Peer Review Report assessing progress in the authorisation of payment institutions and electronic money institutions under the revised Payment Services Directive (PSD2). While notable improvements and increased convergence have been observed, significant differences persist in key areas such as governance, internal control mechanisms, and local substance. These divergent implementations continue to pose risks of regulatory arbitrage and an uneven playing field across Member States.

22. Fifthly, the EBA Chairperson reflected on a number of additional EBA publications since the last BSG meeting in October 2025. The EBA published its final draft Regulatory Technical Standards (RTS) on credit valuation adjustment risk of securities financing transactions. These RTS specified the conditions and the criteria to assess whether the credit valuation adjustment (CVA) risk exposures arising from fair-valued securities financing transactions were material, as well as the frequency of that assessment. On 5 November 2025, the EBA published its final Guidelines on environmental scenario analysis, which complemented the EBA Guidelines on the management of Environmental, Social and Governance (ESG) risks by specifying supervisory expectations regarding how institutions should conduct environmental scenario analysis. On 6 November 2025, the EBA updated the aggregated overview on the implementation and transposition of the revised Capital Requirements Directive (CRD V) and Investment Firms Directive (IFD) packages. This update aimed to enhance transparency and comparability of supervisory practices across Member States, without adding any reporting burden on reporting institutions. The information, published in an aggregated format, provided an updated overview of how CAs across the EU have implemented key aspects of the prudential framework for both credit institutions and investment firms. The EBA Chairperson also mentioned that the EBA published, on the occasion of COP30, a statement of support for NGFS Declaration on the economic cost of climate inaction. The declaration underscored the mounting macroeconomic and financial risks of delayed climate action and reaffirmed the NGFS's commitment to supporting a

well-managed transition to a low-carbon economy. Finally, he mentioned the publication of the semi-annual dashboard on the minimum requirement for own funds and eligible liabilities (MREL). This updated the information on the state of resolution planning and on the resources that banks are using to meet the requirements.

23. With reference to ongoing consultations, the EBA Chairperson invited the Members to respond to: the Consultation paper on draft Guidelines on supervisory independence with a deadline on 23 January 2026; Consultation paper on the EBA's revised Guidelines on common procedures and methodologies for the supervisory review and evaluation process (SREP) and supervisory stress testing with a deadline on 26 January 2026. The EBA Chairperson informed the Members that following the BSG's kind request during the October 2025 meeting to hold, in addition to the public hearing held on 4 December 2025, an exchange in January on the draft revised SREP GL, a roundtable session was planned by the EBA to take place on the morning of 15 January 2026. The roundtable would be organized as an extended BSG session, with external stakeholders also invited. It would provide an additional opportunity to raise any remaining questions or comments and to help fine-tune stakeholders' feedback ahead of the consultation deadline. The related invitation and information would be sent in due course to the BSG. The EBA Chairperson then continued with the consultations and mentioned the Consultation Paper on draft Guidelines on authorisation of third country branches with a deadline on 3 February 2026, the Consultation paper on amendments to the RTS on certain prudential requirements for CSDs with a deadline on 3 March 2026, and the Consultation paper on RTS and ITS on prudentially material transactions under CRD with a deadline on 5 March 2026.

24. The EBA Chairperson concluded by summarizing discussions during the EBA Board of Supervisors (BoS) conference call on 9 December 2025 and said that the BoS further discussed implementation of 21 TFE recommendations, in particular with regard to credit risk, governance and remuneration, and the future of the EU-wide stress test. He also mentioned that the BoS would focus on the recommendations related to reporting at its next meeting in January 2026.

25. The Members welcomed the update. One Member asked if the EBA has already prepared a timeline for the stress test methodology. The Member also questioned next steps on the RTS on prudent valuation and whether the EBA would reflect on recent Basel Committee announcement on crypto assets, exposures and targeted review. Other Member praised the organization and discussions at the Joint ESAs' Consumer Protection Day in Riga and the BSG Chairperson added that the event was appreciated by the consumers constituency. One Member asked if the EBA was planning any further work on credit spread risk in banking books (CSRBB) and another Member asked about the work on credit risk in general. Other Member welcomed the publication of the designated CTPPs and asked for next steps. One Member noted mandates in the Consumer Credit Directive 2 and questioned the timeline for the EBA's work. Another Member mentioned Q&A on the definition of e-money which has been answered by the European Commission. However,

the Member considered that the question was related to authorisation and supervision and was of the view that there was a big leadership role for the EBA.

26. The BSG Chairperson reminded the Members that the previous BSG had prepared a response to the Consultation paper on the draft RTS on prudent valuation. He asked about the consultation on draft Guidelines on authorisation of third-country branches, in particular whether the EBA had quantitative data on the market size and on reciprocity with non-EU countries with respect to EU branches and the authorization process.

27. In his response, the EBA Chairperson mentioned that the EBA has been progressing the work on the preparation of the 2027 EU-wide stress test and has discussed with the BoS how to integrate in the exercise a higher reliance on supervisory reporting. He added that the stress test methodology would likely be drafted early in summer 2026 followed by a consultation and subsequent finalization by November 2026. On the draft RTS on prudent validation, the EBA has been analysing the responses to the consultation paper and finalizing the draft with an aim to submit the RTS to the European Commission in Q1 2026. The EBA Chairperson reflected on the Joint ESAs' Consumer Protection Day and thanked the Members for their active involvement in this event which has become a stable and regular conference appreciated by all involved constituencies. On credit risk, the EBA Chairperson informed that the EBA has been preparing a discussion paper with an aim to engage with the industry and collect their views with the goal of achieving a more holistic view. With regard to the designation of the CTPPs, he clarified that Joint Examination Teams (JETs) were organized based on the respective topics and have been engaging with the CTPPs on a bilateral basis and explaining the work programme 2026. The ESAs were not planning to communicate publicly on their DORA oversight work before the end of 2026 when they would finish the first cycle of oversight. On the CCD2, the EBA Chairperson announced that the EBA was planning to publish respective consultation paper in Q2 2026. The EBA Chairperson concluded by saying that the Guidelines on authorisation of third-country branches have been published for consultation and while the EBA has been actively engaging with market participants, there was a lack of empirical evidence particularly on the extent of reverse solicitation. He mentioned that the BSG may want to consider further discussions on this topic. Finally, the EBA Chairperson said that the EBA would follow up on the respective Q&A bilaterally.

28. The BSG Chairperson concluded by noting the comments raised by the Members.

Agenda item 4: Risks and Vulnerabilities in the EU

29. The EBA Director of the Economic and Risk Analysis Department (ERA) updated the Members on the latest developments in the EU related to risks and vulnerabilities. He provided an overview of recent political and geopolitical developments and their impact on EU/EEA banks' market performance. He acknowledged that EU/EEA banks have been facing an uncertain and volatile macroeconomic landscape, with increased risks from geopolitical instability, global trade tensions, and rising sovereign debt. These factors have

led to higher risk premiums on government bonds and more volatile funding markets. Despite a new EU-US trade framework, uncertainty remained high. EU/EEA banks' direct and indirect exposures to the US amplified vulnerability to external shocks, as seen in stock price reactions to announcements of US tariffs. Geopolitical and geoeconomic risks impacted not just market volatility but also banks' asset quality, lending strategies, and risk management frameworks. Banks have been formalizing governance, enhancing due diligence, and embedding scenario planning to address these risks. The Director of ERA further noted that EU/EEA bank shares have become more volatile, with equity and debt markets showing signs of decoupling; idiosyncratic corrections were driven by political risks, taxes, litigation, and US CRE exposures. He pointed out that despite recent corrections in BTC and other cryptocurrencies, there have not been major indications of links between crypto and financial markets. The Director of ERA continued by saying that market participants have showed growing interest in private credit exposures, especially in relation to non-bank financial institutions (NBFIs) regardless of data gaps persisting in this segment. Banks have increased exposures to NBFIs and sovereigns, with a focus on project financing and infrastructure development. He also focused on asset quality and said that it remained benign, with stable NPLs, yet with diverging trends between countries. Asset quality was supported by low unemployment rates and recovery in real estate markets. Despite the modest decline in stage 2 loans in Q2 from their peak, the allocation remained elevated. Share of stage 2 loans remained highly elevated for CREs and SMEs. Despite the high level of stage 2, cost of risk remained near its lowest levels reported as stage 2 provisions did not seem to be strongly correlated to changes in stage 2 allocation. Banks' outlook on asset quality has improved across all major portfolios. However, around one-third of banks still anticipate some deterioration in SME loan portfolios, while only 5% expect a decline in mortgage loan quality. The Analysis noted that retail deposits remained the primary funding source, accounting for nearly half of liabilities. Banks have maintained a steady deposit base despite lower deposit rates. He also mentioned that banks continued to benefit from strong demand for their debt issuances. Senior preferred debt was the banks' favourite instrument as spreads have tightened compared to covered bonds. Liquidity ratios (LCR, NSFR) were ample, but pockets of risk existed, including foreign currency liquidity risks and growing interest in stablecoins. With regard to capital, the Director of ERA summarised that EU/EEA banks maintain robust capital bases, with capital and leverage ratios near record levels; CET1 ratio reached 16.3% in Q2 2025, driven by retained earnings. Net interest margins have tightened, but banks withstand pressure; RoE remains near recent peaks, supported by low impairments and cost efficiency. He also noted that banks were increasingly considering M&A and their approach varied by size: large banks tend to pursue cross-border transactions with EU entities, mid-sized banks remained divided between domestic and EU-level opportunities, and most small banks were not considering M&A. On operational risks, the Director of ERA said that they remained elevated, driven by cyber threats, fraud, and legal/litigation risks. In this regard, he stressed that DORA has been strengthening incident management. Fraud risk, amplified by AI-driven financial crime, has been the second most significant operational risk for banks. While the overall number of cyber incidents on financial institutions remained high, the share of banks that had not been victim of at least one cyberattack in the first half of 2025 has increased for the first time in the last three years. At the same time, outsourcing and third-party dependencies have been of growing concerns. The Director of ERA concluded by referring to the EBA's Autumn 2025 risk assessment Report (RAR) published on 4 December 2025, findings of which confirmed that EU/EEA banks remained strong in capital, liquidity, profitability and asset quality. The EBA also reflected on geopolitical and geoeconomic implications in RAR and he summarised that among the spectrum of geopolitical and geoeconomic risk related factors impacting the EU/EEA banking sector, cyber and technology-related threats stood out as the most concerning one. Restrictions on access to financial infrastructure – such as payment systems, ICT resources, and key service providers such as SWIFT – represented the second most relevant risk factor related to geopolitical and geoeconomic developments.

30. In the following discussion, one Member highlighted that exposures traditionally held in the banking sector were now accumulating in the NBFI sector. The Member acknowledged that this had been monitored for some time, including via the EBA Risk Dashboard, and raised a question whether it would be possible to see the types of risks being taken by non-banks, acknowledging the difficulty due to lighter regulation and less granular reporting. The Member also asked to obtain more information on instruments used by NBFIs, stressing that measuring banks' exposures to NBFIs was not sufficient since funding often came from other sources. Another Member asked to what extent non-bank lenders were considered as exposures for banks. The Member noted that these lenders were becoming quite competitive and questioned the role of monitoring and whether sufficient resources were available to track exposures flowing into this sector. With regard to the diversity of the NBFI sector, one Member said that many participants were regulated and subject to other reporting requirements, meaning a one-size-fits-all approach would not work. The Member highlighted growing interest in stablecoins and their potential impact on banks' business models and suggested a deep dive on this topic in 2026. The Member also mentioned risks related to third-party dependencies and outsourcing, noting that while risks appeared stable, the question was how severe the related incidents were. Some Members mentioned sovereign exposures, with reference to high levels of exposure to domestic sovereign debt in certain countries. They raised questions about the level at which such exposure should become a concern. One Member reflected on their national economic situation, noting severe fiscal and current account deficits above 9% of GDP, increasing annually. The Member explained that taxes had been raised to reduce the fiscal deficit but that risk figures remained concerning and questioned how these risks would be managed and whether national authorities would be asked to act more carefully to ensure stability. Some Members referred to the dollar liquidity crisis that had negatively impacted EU banks, particularly during the second half of 2011. They noted that some institutions had failed due to liquidity problems and that others had suffered from a lack of dollar liquidity, which had made money market funds uncomfortable. They also stressed that dollar liquidity had been a key issue in the past and was likely to become a potential systemic risk again.

31. The BSG Chairperson noted that there had been developments in the US regarding private debt exposures and observed that markets had been surprised by the quality of credit risk assessments in that segment, although most exposures were domestic within the US market. He asked whether similar concerns had been examined within the EU, given the interconnectedness with larger institutions and the NBFI sector, and requested information on what was being done in this area. He also raised the issue of domestic buyers in sovereign exposures, noting that by nature there was a certain concentration among larger institutions, and asked whether additional efforts were being made to monitor this.

32. In his response, the Director of ERA clarified that the EBA had been monitoring NBFIs for some time and noted that exposures on the asset side were slightly above 10%. While these exposures were not considered huge, he stressed the importance of assessing secondary effects, pointing out that even in the US the magnitude of private lending issues was not fully understood. He also highlighted a dependency on the liability side, explaining that NBFIs were among main investors in bank debt. He warned that the liquidity risk of banks depended on NBFIs and that this dependency could potentially be weaponized. He reassured that risk mitigation for NBFIs existed within the overall framework of risk-weighted assets and that this risk was not being overlooked, while acknowledging that some NBFIs were regulated and others were not. The Director of ERA reflected on the resilience of banks and said that only a fraction of sovereign bonds were recognised at fair value, with the majority priced under the amortized cost model. In response to the concerns raised about one specific country, he noted that the share of sovereign exposures in some EU Member States exceeded 30% of total bank assets, and in those cases, banks needed to be closely monitored. The Director then explained that around 20% of banks' assets were denominated in US dollars, reflecting the EU economy's significant need for dollar funding. He noted that banks were short borrowing in dollars and long lending and dollar funding relied on unsecured deposits. While this was profitable for EU banks, he warned that it could lead to mismatches. Turning to stablecoins, the Director of ERA stated that the market was not yet large enough to propagate risk into the banking sector and was not mature enough to create a burden on banks' additional capital requirements. He explained that 80% of stablecoins were denominated in US dollars and issued outside the EU. He raised the question of how the EU should position itself in this context, acknowledging that market issuance under MiCA was a matter for the EC rather than the EBA. He emphasized the need to understand the growing global stablecoin market and questioned whether the EU would remain isolated or participate actively. He warned of potential dollarization risks and stressed the importance of managing these risks properly. He noted that MiCA offered a framework and that the competent authority would conduct a MiCA stress test, including impacting capital and liquidity requirements for issuers. Finally, the Director of ERA addressed DORA implementation, cautioning that the risk of incidents might be underestimated because assessments focused on short-term impacts. He noted that incidents could bring reputational or economic losses and potentially transform into major issues over time. He stressed that dependency on third-country

providers was significant and that this had also been discussed within the CGS group at the Basel Committee.

33. One Member raised concerns about the lack of dollar LCR compliance, noting that several members expressed serious worry on this issue. The Member highlighted that during the financial crisis, insufficient dollar compliance created significant challenges for EU banks. Despite this history, authorities were still permitting certain banks to maintain low levels of LCR denominated in the US dollar.

34. The BSG Chairperson concluded by noting the comments raised by the Members. With regards to the final comment on the lack of dollar LCR compliance, he noted that this topic was scheduled for discussion later in the day and confirmed that members would have the opportunity to discuss the topic in more depth.

Agenda item 5: Report on EU banks' funding structure and their dependence on foreign currency funding

35. The EBA Senior Policy Expert (Expert) presented the EBA's response to the European Commission's (EC) call for advice on EU/EEA banks' funding structure. She noted that the EBA was mandated to investigate on an annual basis: (i) EU banks' asset and liability exposures in foreign currency funding and (ii) the market share of non-EU entities operating in the EU banking sector and the concentration of their business models in specific countries or sectors of activity. For the purpose of this work, the EBA was mandated to 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). The considered sample included 700 banks with highest level of consolidation in each member state (for country figures) and 614 banks with highest level of consolidation EEA (EU/EEA average). The sample covered approximately 93% of the total assets of the EU banking sector. The Expert continued by summarising the main findings of the report and said that EU/EEA banks' exposures in significant currencies were higher than their liabilities in foreign currencies. The report showed that the NSFR in the main significant foreign currencies was above the threshold of 100%. On a consolidated basis, EU/EEA banks held nearly 35.7% of their exposures in foreign currencies, while they received 25.2% of their total funding in foreign currencies. The Expert noted that unsecured wholesale funding and repos represented more than two thirds of FX funding and more than 80% of USD funding. Loans (including reverse repos) and off-balance sheet items represented more than 70% of exposures denominated in foreign currencies and in USD. She also mentioned that Exposures in USD represented 22.5% of total exposures, while funding in USD represents 16.9% of total funding. The Expert concluded by saying that on a yearly basis until December 2024, the share of US dollar funding increased the most for SFTs and unsecured wholesale funding. Including foreign subsidiaries of EU banks, SFTs in US dollar showed an increase of 4.1 percentage points. The foreign currency funding of EU/EEA banks arose mainly from their capital market activities.

36. The EBA Chairperson added that the presented work was a part of the EBA's broader assessment of external dependencies and noted that while data collected suggested dominance of the US dollar as a global currency, there was no natural source of funding in US dollar in the EU market. He reflected on liquidity coverage ratio requirements (LCR) applicable to all currencies and respective reporting requirements based on which the EBA collected data.

37. The Members welcomed the work. One Member asked if the EBA had more recent data as the concept of de-dollarisation have been present on the market for some time. Other Member noted that 100% LCR requirement for all currencies may be further considered as it may not correctly reflect actual market practices.

38. The BSG Chairperson enquired how the findings and data collection would interact with the EU-wide stress test exercise.

39. The BSG Vice-Chairperson encouraged the EBA to continue monitoring repo markets.

40. In her response, the Expert mentioned that in the recent publication of Autumn 2025 risk assessment Report, the EBA summarised recent trends and market developments, including LCR and the US dollar exposures. She also mentioned that that the EBA has been liaising with the ECB on the topic of LCR, in particular for significant institutions.

41. The BSG Chairperson concluded by noting the Members' comments.

Agenda item 6: Challenges to supervisors presented by single currency fiat backed stable coins (EMTs)

42. The BSG Member presented an introduction to a topic on electronic money tokens (EMTs) from a broad perspective. He summarised the legal background and practical creation and use of the EMTs and noted that while the issuance/offering of EMTs was a regulated service, and fell within the scope of the EBA – which may also directly supervise issuers where the EMT was deemed to be 'significant', distributors, custodians, providers of transfer services fell under the scope of ESMA, and may be regulated separately by the securities competent authorities (CAs) in Member States. This could give rise to challenges when addressing the regulation of EMTs as a whole. The BSG Member continued by focusing on regulatory and supervisory aspects. In this regard, he mentioned that tokens had to be transferred to Exchanges and Custodians (crypto asset service providers (CASPs)), who in turn made them available to users for making payments and that issuers and CASPs had quite separate domains and were subject to supervision by different regulators. The BSG Member pointed out that there were areas of overlap as well as areas which would benefit from cooperation and reflected on the overlap between PSD2/PSD3/PSR and MiCAR when CASPs undertook payment transactions. He referred to the No Action letter that was published by the EBA in this regard and that, he continued, would require dual authorization

for CASPs from mid/2027 onwards. The BSG Member concluded by listing several areas for further discussion within the technical working group.

43. In the following discussion, the Members touched upon various points presented by the BSG Member. One Member questioned how CAs were interpreting and applying MiCAR in practice, and whether there were material differences. The Member asked for enhanced coordination among the CAs, supported by EBA, ESMA and AMLA, which could help promote greater regulatory and supervisory consistency. Other Member referred to the broader economic perspective of recent growth of stable coins and said that EURO denominated stablecoins were only a fraction compared to US dollar stablecoins. One Member asked about potential centralised supervision of crypto by ESMA within the framework of the recently published Market Integration package. Two Members pointed out impacts on monetary policy as result of treasury investments of stablecoins; questioned transparency of reserves and potential systemic risks.

44. The BSG Chairperson reflected on the principal role of the issuers and adequate level of reserve assets noting that MiCA legislation sought to differentiate deliberately between the roles of principals (e.g. issuers) and CASPs as intermediaries (e.g. custodians, dealers, and operators of trading venues), and the potential tension between the economic and technical dynamics of the value chain. He also highlighted the role of the EMT issuer as manager of the underlying ‘reserve assets’, which could be compared to managing a money market fund, and suggested that further analysis of these aspects could yield useful regulatory insights.

45. The EBA Head of Conduct, Payments and Consumers Unit (COPAC) reminded the presenting Member that the No Action letter that the EBA published on 10 June 2025 in close cooperation with ESMA advised CAs under PSD2 to view only a subset of EMTs as a payment service under PSD2 that would require an authorisation under PSD2, for that authorization to be required only after a transition period that ends on 2 March 2026, to apply a streamlined authorization procedure and, once an authorisation as a payment services provider was held, not to prioritise several PSD2 requirements. The Head of COPAC continued that the No Action letter offered these concessions to allow for some business continuity for CASPs that were already carrying out EMT transactions, and that these concessions were significant compared to the equally plausible legal reading of PSD2 and MiCA, whereby a dual authorization would be required for all types of EMT transactions, immediately so, and once held, PSD2 would apply in full. The Head of COPAC concluded by reminding that, at present, these entities provide payment services in the EU without the legally required license, which was a situation that has to end and which was why an authorisation would be required, not from 2027 as indicated by the BSG Member, but from the date set out in the No Action letter, which was 2 March 2026.

46. In his response, the BSG Member welcomed the comments and noted that all of them would require further discussions to be held at the technical working group level with regular updates to the BSG.

47. The BSG Chairperson concluded by noting the Members' comments and supported further work on the topic withing the technical working group.

Agenda item 7: AOB

48. The BSG Chairperson reminded the Members of the 2026 meeting dates: 17 February 2026 – physical meeting; 21 April 2026 (afternoon) – Joint BoS/BSG virtual meeting; 22 April 2026 – BSG virtual meeting; 30 June 2026 – physical meeting; 20 October 2026 (afternoon) – Joint BoS/BSG physical meeting; 21 October 2026 – physical meeting; 17 December 2026 – virtual meeting.

49. The BSG Chairperson mentioned ongoing discussions with stakeholders' groups of the other ESAs on simplification and said that in 2026, the BSG should further analyse topics of proportionality and white labelling.

50. One Member asked whether all submitted meeting documents could be merged in one pdf document and whether the deadline of one week before the meeting for the submission of the documents to the BSG could be strictly observed. Other Member thanked the EBA Chairperson for his work, support and contributions to the BSG's work.

51. The BSG Chairperson expressed thanks to the outgoing EBA Chairperson on behalf of the Chairs and Members of the BSG acknowledged the good work of the BSG throughout the year. The BSG Chairperson concluded the conference call.

Annex 1: Attendance list

Participants of the Banking Stakeholder Group conference call on 11 December 2025

Attending

First Name	Surname	Institution	Country
Alin Eugen	Iacob	AURSF	Romania
Anna-Delia	Papenberg	Nordic Financial Union	Germany
Caroline	Liesegang	AFME	Germany
Christian	Stiefmueller	Finance Watch	Belgium
Christophe	Nijdam	ADAM	France
Dermott	Jewell	Consumers' association of Ireland (CAI)	Ireland
Edgar	Loew	Frankfurt School of Finance and Management	Germany
Erik Isak	Bengtzboe	Eurofinas - European Federation of Finance House Associations	Sweden
Gonzalo	Gasos	European Banking Federation	Spain
Guillermo	de la Fuente	EACT	Switzerland
Henrik	Ramlau-Hausen	Copenhagen Business School	Denmark
Jekaterina	Govina	AMLYZE	Lithuania
Julia	Strau	Raiffeisen	Austria
Kęstutis	Kupšys	Lithuanian Consumers Alliance	Lithuania
Laura	Nieri	Universita de Genova	Italy
Maria	Angiulli	Italian Banking Association	Italy
Paolo Giuseppe	Grinaschi	Italian trade union for financial sector	Italy
Patricia	Bogard	Crédit Agricole	France
Patricia	Suarez Ramirez	ASUFIN	Spain
Riina	Salpakari	Nordea	Finland
Sandra	Burggraf	FIA – European Principal Traders Association	France
Sangeeta	Goswami	Human Security Collective	the Netherlands
Thaer	Sabri	Electronic Money Association	Belgium
Vinay	Pranjivan	DECO	Portugal

EBA

Chairperson	Jose Manuel Campa
Directors	Kamil Liberadzki
Heads of Unit	Angel Monzon

	Dirk Haubrich
Experts	Tea Eger Mario Rocamora Luis Del Olmo Larisa Tugui

For the Banking Stakeholder Group

Done at Paris on 4 February 2026

[signed]

Christian Stiefmueller

BSG Chairperson