

EBA BSG 2026 032 rev. 1

Banking Stakeholder Group

30 June 2026

Location: teleconference

Banking Stakeholder Group

Minutes of the conference call on 30 June 2026

Agenda item 1: Welcome and approval of the agenda

1. The Banking Stakeholder Group (BSG) Chairperson welcomed the Members.
2. The BSG Chairperson asked the Members whether they had any comments on the agenda of the meeting. The Members did not raise any comments on the agenda.
3. The BSG Chairperson informed the Members that the Minutes of 17 February and 22 April 2026 were approved in writing.

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. The coordinator of TWG 1 (Capital & Liquidity Recovery & Resolution) informed Members that the group had been liaising with the EBA on several aspects of the Consultation Paper on the draft RTS for assigning risk weights to specialised lending exposures, as well as with TWG 2 regarding the response to the EBA reporting package. The coordinator also reminded Members of the group's contribution to the SREP Guidelines and noted that the final Guidelines were broadly consistent with the BSG's response and reflected a balanced approach.
7. The BSG Chairperson welcomed the fact that the BSG's proposals had been taken into account in the final SREP Guidelines.

8. The coordinators of TWG 2 (Governance & Supervision, Accounting, Reporting & Disclosure) provided an update on the progress made in drafting the BSG's response to the simplification package.
9. The coordinator of TWG 3 (Consumer Protection) reminded Members that the group was still awaiting feedback from the EBA regarding its planned work on financial literacy.
10. The BSG Chairperson informed Members about his initial discussions with the EBA on financial literacy and indicated that he would provide further details during the next coordinators' conference call. One Member noted that the European Commission (EC) was also working on financial literacy and asked how the two initiatives could be coordinated. The coordinator of TWG 3 explained that the EC's work had a broader scope, whereas TWG 3's focus would be primarily on retail banking.
11. The coordinator of TWG 4 (Sustainable Finance) updated Members on the submission of the response to the Consultation Paper on the systemic risk buffer (SyRB).
12. The coordinator of TWG 5 (Payments) noted that the group was awaiting the finalisation of the mandates under PSD3 and the PSR, as well as subsequent discussions with the EBA.
13. One Member highlighted that the ongoing MiCA consultation also covered payment-related aspects and asked whether the BSG should consider submitting a response.
14. The coordinators of TWG 6 (Financial Innovation & Digitalisation) reported discussions on potential own-initiative topics, namely banking-as-a-service and fraud. They also noted that several Members intended to respond to the MiCA consultation through their respective institutions. Regarding the own-initiative work, the coordinators observed that, as the EBA was expected to undertake work on both topics, the group might consider postponing its activities to avoid duplication.
15. The BSG Chairperson suggested that the coordinators continue discussions on these two topics during the next Coordinators' call.
16. The coordinator of TWG 7 (AML/CFT) provided an update on the recent AMLA conference.
17. The EBA Chair welcomed the close cooperation and liaison between AMLA and the EBA.
18. The BSG Chairperson concluded by thanking the coordinators for their work.

Agenda item 3: EBA update on the latest developments

19. The EBA Chair updated the Members on EBA's latest initiatives and publications. He reflected on the implementation of the Recommendations by the EBA Task force on the Efficiency of the Regulatory and Supervisory Framework (TFE) and said that after proposals in April 2026 to reduce the reporting burden for banks, the EBA published on 11 June 2026,

the draft methodology, templates, and template guidance for the 2027 EU-wide stress test. The 2027 exercise would introduce significant simplifications to improve efficiency and risk sensitivity, while preserving the robustness and comparability of results. Key changes included a substantial reduction in data requirements, the alignment of information with harmonised supervisory reporting, and the integration of climate risks into the EU-wide stress test. A total of 63 banks from the EU and Norway, including 47 from the euro area, would participate, covering 75% of the EU banking sector. The industry consultation has been launched at an earlier stage than for previous EBA stress tests, to facilitate banks' preparedness. The EBA was also planning to hold a series of workshops with the industry to respond to their questions and accompanying them in their preparations. As the third significant simplification publication, the EBA Chair mentioned the publication of the Report on simplifying the stacking orders of the EU prudential and resolution framework; a comprehensive review of the EU bank microprudential, macroprudential and resolution capital framework, including proposals to simplify it. The proposals aimed to reduce complexity while preserving banks' resilience and resolvability as well as authorities' tools, and to ensure the framework remains focused on emerging and materially evolving risks.

20. The EBA Acting Head of Governance and External Affairs Unit (GEA) continued by summarising the progress of TFE implementation by deliverables and reminded the Members of the EBA dedicated website for monitoring of the implementation of the TFE Recommendations. She also outlined planned deliverables for the second half of 2026.
21. The EBA Chair continued by reflecting on the EBA's publications since the last BSG meeting in April 2026. He highlighted the publication of the Spring 2026 Risk Assessment Report (RAR), the Q1 2026 Risk Dashboard (RDB) and the Spring 2026 Risk Assessment Questionnaire (RAQ), all released in June 2026. He noted that the findings showed that EU/EEA banks continue to operate from a position of strength, supported by solid capital and liquidity positions, strong asset quality and sustained profitability. Funding conditions also remained broadly favourable despite heightened uncertainty in financial markets. The EBA Chair further informed Members of the publication of the EBA's 2025 Annual Report, which set out the Authority's main achievements and activities in delivering on its mandates under the Work Programme. He also referred to the publication of the Report on Benchmarking Diversity Practices in the EU Banking Sector (2024 data), which presented the results of an analysis of diversity practices in the management bodies of more than 850 credit institutions and investment firms across the European Union. Under the Markets in Crypto-Assets Regulation (MiCA), the EBA and the New York State Department of Financial Services (NYDFS) signed a Memorandum of Understanding (MoU) to strengthen cooperation in the supervision of entities engaged in cross-border stablecoin activities. The EBA Chair also highlighted the publication of the first ESAs report on major ICT-related incidents in 2025, providing an annual overview of significant ICT-related incidents in the EU financial sector based on the reporting framework established under the Digital Operational Resilience Act (DORA). He noted that this report would be discussed under a separate agenda item. The EBA Chair concluded by drawing attention to the EBA's ongoing

consultations and encouraged Members to provide feedback and participate in the consultation processes.

22. The BSG Chairperson invited Members to follow the EBA's simplification initiatives through the dedicated website and reflected on cooperation with the stakeholder groups of the other European Supervisory Authorities (ESAs).
23. The BSG Vice-Chairperson expressed support for the simplification agenda and enquired about the involvement of the ECB, in its supervisory capacity, in this work.
24. Members welcomed the update. One Member requested further information on the recently published Deposit Guarantee Schemes Directive (DGSD) roadmap. Several Members expressed support for the simplification initiatives, particularly regarding supervisory platforms, which could facilitate further dialogue among supervisory authorities. One Member observed that the increasing use of artificial intelligence (AI) by financial institutions could create opportunities to redeploy resources and asked whether the EBA had considered this development in its work. Another Member sought clarification on how stakeholders could provide feedback on the stress test methodology and enquired about any updates regarding the Fundamental Review of the Trading Book (FRTB). A further Member referred to the EBA's Q&A tool and asked how it could be used more effectively.
25. In response, the EBA Chair confirmed that the EBA has been exploring ways to optimise the use of the Q&A tool. Regarding the stress test, he highlighted the significant reduction in data requirements and noted that these changes would be discussed with industry representatives during several forthcoming workshops. He also confirmed that work on market risk remained ongoing and that consultation papers addressing the EBA's mandates under the DGSD are being prepared. The EBA Chair further underlined the close cooperation between the EBA and the ECB on simplification efforts and acknowledged that the increasing use of AI may generate new business opportunities within the financial sector.
26. The BSG Chairperson concluded by noting the comments raised by the Members.

Agenda item 4: Risks and vulnerabilities in the EU/EEA banking sector

27. The EBA Senior Bank Sector Analyst (Senior Analyst) highlighted that geopolitical tensions, particularly in the Middle East, have increased macroeconomic uncertainty. While EU/EEA banks have limited direct exposure to the region, second-round effects through energy-intensive sectors remained a risk. Banks also identified geopolitical developments as a key driver of provisioning overlays. Despite elevated uncertainty, lending continued to grow in 2025, supported by SMEs and consumer credit. Banks have been expecting further expansion, particularly in project and asset finance linked to infrastructure, defence and the energy transition. Funding plans indicated continued balance sheet growth, with lending to non-financial corporates expected to increase by more than 5% in 2026, driven

largely by cross-border lending within the EU/EEA. Exposures to non-bank financial institutions (NBFIs) grew strongly (+10.4% YoY in 2025), underscoring the growing importance of non-bank intermediation and potential spillover risks. Banks planned to continue expanding lending to this sector. Asset quality remained resilient. NPL volumes were broadly stable at around EUR 375bn in Q1 2026, corresponding to an NPL ratio of 1.82%. Stage 2 allocations were elevated for corporate and unsecured retail portfolios, while concerns about future deterioration remained concentrated in commercial real estate (CRE) and SMEs. Funding and liquidity conditions remained favourable. Banks planned to increase both deposit funding and market issuance, particularly senior preferred debt and covered bonds, although geopolitical tensions and market volatility could challenge these plans. Liquidity was comfortable, but the LCR declined from 163% at year-end to 158% in Q1 2026. Operational risks continue to be shaped by digitalisation, AI adoption and geopolitical developments. Cyber risk and data security remained the most significant concerns, followed by fraud risk. Banks have made significant progress in climate risk management, while emerging technologies such as advanced AI and quantum computing present both opportunities and new risk management challenges. Profitability was strong and resilient despite lower interest rates. Banks expected further improvements, driven mainly by cost reductions rather than revenue growth. Capitalisation was also robust, with the CET1 ratio reaching 16.3% in Q4 2025 and CET1 headroom standing at 4.8%. The EBA was planning to continue monitoring the integration and global competitiveness of the EU banking sector through supervisory, market and structural indicators. The Senior Bank Sector Analyst also presented a draft list of indicators prepared to monitor the integration of the EU/EEA banking sector, and its competitiveness vis-à-vis its global peers. He noted that this presentation aimed to gather feedback from the Members on the list. He also highlighted the limitations on data availability and comparison with other jurisdictions for some of the selected indicators.

28. The BSG Chairperson raised points regarding AI and software investment and noted that banks had invested significantly in ICT infrastructure and software in recent years, largely driven by AI. He also observed that developments in AI had contributed to higher market valuations of software companies, reflecting a broader reassessment of the longevity and value of software and intellectual property-based assets. The BSG Chairperson asked whether these developments had affected the EBA's thinking on the prudential treatment of software assets, particularly the capitalisation of software and the regulatory treatment of internally developed software. Secondly, the BSG Chairperson asked how the indicators and data collected through this work would feed into the wider policy discussion and whether a formal mechanism existed to ensure that this evidence would be systematically incorporated into future policy development.
29. Regarding financial risk, a Member asked about the banking sector's capacity to invest in protective measures against cyber and IT risks, both to prevent incidents and to respond to and recover from them when they occur. The Members also raised a question as to whether quantum computing could become a future source of concentration risk and

dependencies like those observed with AI, potentially increasing dependence on non-EU providers. Other Member supported the proposed list and noted that additional indicators were not necessarily required. Another Member asked whether there was a goal to prepare a report from the analysis of these indicators. One Member suggested that one of the indicators included to monitor the integration of the EU banking sector should assess where funding is distributed by home, EU and other third countries, as according to the same Member home funding was more stable because it reflected the interests of national stakeholders, whereas foreign investment tend to be more volatile. The Member also suggested caution on the interpretation of individual indicators in isolation. Other Member referenced the introduction of the new charges for small packages for purchases outside the EU, e.g. from China. Considering these changes, the Member raised a question as to whether there was a way to identify any spike in fraud activity, given the expectation of a significant increase in potential for fraud. One Member highlighted that that growth was expected to be driven by cross-border lending activities. However, the Member suggested that it was observed that consumers were not experiencing the benefits of cross-border lending in practice and were unable to benefit from better offers provided by foreign institutions. The Member suggested that indicators on cross-border exposures should include loans provided to households to better reflect integration in the future. A further point concerned rising profitability, which was expected to be driven less by revenue growth and more by cost reductions. While lower revenue growth could imply more affordable costs for consumers, cost reductions could also have adverse implications for consumers. The Member requested clarification regarding the most likely areas in which cost reductions would occur. On the banking sector, one Member suggested that insights should be sought from the UK FCA or PRA, given that growth and competitiveness formed part of their objectives and that work had already been undertaken on relevant metrics. Other Member asked about the extent to which banks, given their current capital positions and dividend policies, could support the level of investment required annually for European investment proposals.

30. The Senior Bank Sector Analyst acknowledged that individual indicators, such as the cost-to-income ratio, could be interpreted in different ways and supported that this would be considered in the monitoring process. The intention was therefore not only to assess the extent of integration, but also to develop a coherent narrative based on the analysis. Regarding a draft report, he noted that no decision had yet been taken, but that any draft produced would be shared with the BSG. In response to the question on financial risk and investment, he noted that discussions with the regulatory policy team would be required to determine whether changes in the regulatory approach were under consideration. From a risk perspective, however, he emphasised that significant investment needs existed, particularly given the increasing dependence on non-EU providers in the areas of AI and cybersecurity, requiring continued investment in IT. He also noted that the willingness to reduce dividend distributions to increase IT investment was likely to vary across the Union, particularly between larger and smaller banks. Regarding limitations on AI access and the impact on competitiveness, he pointed out that these issues were addressed in the report

and had also been discussed at the BoS meeting, during which the actions taken by the EBA to manage access were explained. The risk limitations on access could affect long-term competitiveness, while also creating more immediate risks. Regarding the monitoring of cyber fraud, he noted that DORA data might provide relevant evidence which would be assessed in the coming months. Cyber fraud involving small-value transactions was identified as a recurring issue affecting consumer confidence in financial services. He invited the Members to provide any additional competitiveness indicators or related comments to the EBA.

31. The BSG Chairperson concluded by acknowledging the Members' comments.

Agenda item 5: Revised EBA guidelines on the management of third-party risk

32. The EBA Senior Policy Expert (Senior Expert) updated the Members on the revised draft risk management guidelines, which built on the outsourcing guidelines published in 2019 and had been updated to align with DORA, IFD, and MiCA. The revision also focused on simplification and burden reduction in response to feedback from relevant stakeholders. The draft had been discussed not only with competent authorities and through public consultation, but also during industry outreach in February 2026. Discussions with sectoral associations aimed at explaining the rationale behind certain requirements in the guidelines and to gain a better understanding of industry concerns. The Senior Expert highlighted that the objectives were to establish a single, holistic third-party risk management framework, complement DORA, and ensure consistency with international standards. Key improvements following the consultation, all contributing to the simplification effort, included clarifying the scope, addressees and application of the guidelines, amending provisions to focus on arrangements supporting critical or important functions (CIFs), and extending the list of excluded activities. UCITS and AIFMD firms, following industry concerns, were excluded on an individual basis but were included under the prudential scope of consolidation. The guidelines were further aligned with DORA, including replacing the terminology “services providing” with “services supporting critical or important functions.” Regarding the register, the Senior Expert pointed out that a limited set of priority data fields had been introduced, with greater emphasis placed on data quality than data volume. The guidelines also allowed entities to maintain either a single register or a combined register for ICT and non-ICT services, thereby reducing duplication and supervisory burden for both firms and supervisors. Key definitions, particularly those relating to third-party risk and third-party arrangements, were clarified and aligned with DORA. During the industry outreach, participants were invited to suggest additional excluded activities. Based on this feedback, the list of excluded activities was expanded to include regulated financial services that were legally required to be performed by another regulated financial entity, financial services transactions between financial institutions acting as counterparties (e.g. interbank lending), financial transactions with central banks (e.g. deposit and lending facilities), and payment network infrastructures such as Visa, MasterCard, the European Payment Initiative, etc. Annex I, which listed services potentially

provided by third-party service providers, was removed following industry feedback. Overall, the revised guidelines adopted a more proportionate approach by focusing on third-party arrangements supporting critical and important functions from a prudential perspective. The Senior Expert concluded by saying that the guidelines would be discussed by the BoS in September, with publication anticipated in September or October 2026.

33. The Members welcome the update. One Member commented that, from an investment firm's perspective, the 2019 guidelines had not included Class 2 investment firms within their scope, whereas the revised guidelines expanded the scope. The Member raised concern that the revised framework captured a broad range of firms, including very small firms with limited market presence or consumer impact. The Member asked whether greater proportionality could be introduced for these firms, for example through a simplified framework or an alternative approach that better reflected the Title I principles throughout the guidelines rather than only within specific sections. While welcoming the more risk-based approach to material services, the Member sought clarification on whether the assessment of critical and important functions would always begin from Article 32f and requested the EBA's interpretation of that provision and whether the practical application of exempt and excluded activities at an individual level, including whether such entities would still need to comply with specific requirements. Several Members questioned the overall value of the data collected through the register; whether the register could be designed as a practical risk management tool for firms, and whether greater emphasis should be placed on high-value data rather than information of limited operational resilience value. One Member asked whether the EBA had considered a point that was raised in the consultation on further examining the role of the intragroup arrangements compared with external outsourcing arrangements. The Member also questioned whether, in the context of discussions on European competitiveness and the lack of scale, the guidelines could better recognise and leverage internal group arrangements.
34. The Senior Expert responded that the guidelines already incorporated a proportionate approach reflecting differences in firms' size, business models and risk profiles. However, Class 2 investment firms remained within scope, because Article 26 of the IFD required them to maintain sound governance arrangements. By contrast, Class 3 investment firms remained outside the scope, because Article 26 IFD did not apply to them. Consequently, smaller investment firms would not be subject to the same requirements as Class 1 firms or banks, reflecting the proportionality embedded within the guidelines. Regarding UCITS and AIFMD firms, the Senior Expert explained that the CRD required parent undertakings and subsidiaries subject to the CRD to comply with governance requirements both individually and on a consolidated or sub-consolidated basis. Parent undertakings therefore remained responsible for ensuring that appropriate governance processes were implemented within subsidiaries not directly subject to the CRD, such as UCITS and AIFMD firms. While these firms had been excluded from the direct scope of the guidelines, governance expectations continued to apply through prudential consolidation requirements. Regarding the register, the Senior Expert noted that the non-ICT register had

been designed to be less burdensome than the ICT register required under DORA. Only the minimum information necessary for effective supervision had been retained, with several data fields removed following consultation feedback. On critical and important functions, responsibility for identifying these functions remained with individual entities with the results recorded in the register.

35. Another EBA Senior Policy Expert explained that supervision had to be considered from both an individual and consolidated perspective. In practice, where a financial entity formed part of a banking group, prudential supervision applied on a consolidated basis, meaning that the criticality of an arrangement should be assessed based on its impact on the group as a whole. The guidelines allowed groups to maintain a single register, provided that the necessary information remained accessible to relevant entities. Entities could also rely on group-wide processes and policies, reducing unnecessary duplication across subsidiaries. He noted that the guidelines should be considered alongside the governance guidelines rather than in isolation. Group-wide processes could improve efficiency and provide greater consistency. Intragroup services received were also relevant for the application of the requirements on an individual basis, but the group context could be considered, e.g. within the due diligence process. Each financial entity to whom the requirements applied individually remained responsible for managing its own risk and complying with applicable requirements on an individual basis. Therefore, although reliance on group processes was permitted, entities were still required to assess subsidiary-specific risks, consider changes affecting those risks, and ensure the continued provision of services to individual subsidiaries, including potential changes of the group's composition. The revised drafting therefore sought to make the guidelines more practical while recognising that certain individual responsibilities could not be removed entirely as they apply via Directive 2013/36/EU individually.
36. The BSG Chairperson thanked the EBA Senior Experts for their presentation and the BSG members for their questions.
37. The BSG Chairperson concluded by acknowledging the Members' comments.

Agenda item 6: Reflection on the 2026 DORA Register of Information collection

38. The ESAs' oversight coordination lead (Lead) introduced the item by mentioning that the ESAs performed the second annual collection of the registers of information to support the designation of CTPPs. Based on the data collected, the ESAs observed good data quality and coverage and representativeness of financial entities (FEs) across the EU who reported their registers (approximately 15 000). On the coverage of financial entities, the number of FEs covered increased compared to last year, albeit that in the light of simplification, collection was optional for several categories of financial entities. In that regard, the Lead reminded the Members of the objectives of the registers, as a third-party risk management tool for FEs, (ii) for ICT and third-party risk supervision purposes for CAs, and (iii) for CTPP designation purpose for the ESAs. On the latter, he noted that if it were only for the third

objective, the ESAs could live with a register collection of lesser frequency. On the data quality, the Lead stressed that the efforts put by the ESAs, CAs and FEs led to further improvement of the data quality. FEs were encouraged to keep the momentum. On the ESAs' side, in addition to the support already provided to FEs (dry-run exercise with more than 1,000 FEs, ITS on the registers of information, Decision on information for the CTPP designation, data point model and taxonomy, technical specifications and validation rules, frequently asked questions and answers to Q&As), the ESAs applied in 2026 the data quality assurance process where feedback on the data quality on templates of the registers was provided to FEs who were expected to verify the information and correct potential errors. This led to 51% register resubmissions with improved data quality. The Lead noted that the ESAs have been also working on a Handbook for register reporting that would compile in one place in a structured format all clarifications on the reporting process. For future data collections, he highlighted that there would be stability, with no changes in 2027 where the process, data point model and timelines would remain unchanged. In 2028, there would be a change in the data point model, which the ESAs were planning to communicate by the end of 2026.

39. Members welcomed the work undertaken, as well as the transparency and stability of the process going forward. One Member noted that, during the data submission process, the ECB had introduced at a late stage a new set of validation rules, which resulted in some entities experiencing difficulties in meeting the submission deadline. The Member called for closer coordination between the ESAs and the ECB and suggested that any changes to validation rules should be introduced no later than three months before the submission deadline. The Member also questioned whether low-risk entities could be excluded from future exercises and asked whether the ESAs had received feedback from regulators and supervisors on differences in practices and the application of rules across jurisdictions. The Member also suggested focusing the register collection on ICT services supporting critical or important functions only. Finally, the Member enquired whether the EBA planned to produce a lesson-learned document following the data collection exercise. Another Member asked whether the ESAs intended to conduct a public consultation on the Handbook before its finalisation. A further Member expressed support for efforts to streamline the data fields of the register and queried whether and, if so, how CAs use the data from the registers.
40. In response, the Lead clarified that the ESAs did not intend to consult publicly on the Handbook, as its purpose was to compile and provide a holistic overview of factual elements on the register reporting stemming from DORA and the related legal instruments, as well as clarifications already provided. On questions regarding potential divergent interpretation, he reminded to rely on the Q&A tool, which served as a mechanism for that purpose and that subsequently reflected in the Handbook. On the validation rules from ECB, the Lead indicated that this was brought to ESAs' attention after the data collection and that these changes had been introduced to improve data quality. He further noted that to ensure consistency and not posing any burden, the ESAs would discuss the validation

rules to be applied consistently with the relevant authorities and agreed that such rules should not be amended frequently and without anticipation. Unnecessary rules that could add burden should be discarded. He noted the proposal to streamline the scope of services covered in the registers to those supporting critical or important functions. On the potential additional points that could be streamlined, he invited further specific feedback from the BSG. He also noted that, although the ESAs had not received detailed feedback from competent authorities on their use of the collected data, the CAs used the information for supervisory purposes, such as the risk assessment (e.g. in the context of the Supervisory Review and Evaluation Process (SREP) for credit institutions). Finally, he explained that the DORA oversight team reflected on the lessons-learned from each activity with the aim to further improve but indicated that there would not be a separate formal stream of work on that.

41. In concluding the discussion, the BSG Chairperson took note of Members' comments and emphasised the need to strike a careful balance between simplification efforts and the requirement to address newly emerging risks.

Agenda item 7: ICT-incidents and threat landscape: Presentation of a first Annual Report

42. The EBA Policy Expert (Expert) introduced the presentation by reminding the Members that Article 22 of DORA mandates the ESAs to report, on a yearly basis, major ICT-related incidents on an anonymised and aggregated basis, setting out at least: (i) the number of major ICT-related incidents, (ii) their nature, (iii) their impact on the operations of financial entities or clients, (iv) remedial actions taken, and (v) the costs incurred. The Expert explained that major ICT incidents were ICT-incidents that have a high adverse impact on the network and information systems that support critical or important functions of the financial entity (FE). They were notified to CAs through different subsequent notifications: (i) initial (within 24 hours); (ii) intermediate (within 72 hours); and (iii) final (no later than one month after latest intermediate). The Expert highlighted that thanks to the collection of information on major ICT incidents the EBA (and the ESAs) have started gaining insights on the EU ICT-threat landscape in the financial sector, allowing a comprehensive overview of reported incidents. She continued by providing an overview of the key findings of the first annual report and said that 3,383 major incidents occurred in 2025 (i.e. 0.18 major incidents per FE subject to DORA) with an average of 282 major incidents per month. More than three quarters of major incident occurred in the credit and payments sector, potentially reflecting: (i) differences in market structure; (ii) the existence of similar reporting requirements prior to DORA; and (iii) the transaction-intensive nature of the services provided in these sectors. She noted spikes in February, April and May 2025 could be explained by specific cross-border and/or cross-sectoral events. System failures and external events emerged as the predominant driver of major incidents. Almost one third of major incidents originated from failures attributable to third-parties (including ICT third-party providers, other financial entities, and infrastructure providers). At the same time, the

relatively low number of major incidents categorised as cybersecurity-related seemed to suggest that existing safeguards and detection mechanisms were generally effective in limiting the occurrence of such incidents. The report also noted different reporting practices across sectors and jurisdictions, potentially reflecting the early stage of implementation of the new reporting framework introduced by DORA. With regard to the costs, the Expert said that almost 40% of major incidents did not report any direct or indirect costs, with an additional 15% not filling the relevant field. 10% of major incidents indicated to have suffered a negligible monetary impact (i.e. less than EUR 1,000). About two thirds of FEs indicated the absence of financial recoveries and only a very small share of major incidents, around 3% of the total, reported a positive amount of recoveries. Overall, the remedial actions seemed to reflect a balanced combination of short-term service stabilisation and subsequent structural improvements, consistent with established incident-handling practices. It was also observed that FEs coordinate with external service providers to agree and implement follow-up safeguards, especially when the major incident is caused by a TPP. The Expert concluded by noting that operational disruptions stem from increased digitalisation, complexity and interconnection of the financial sector and are increasingly borderless and cross-sectoral, reflecting the high-level interconnectedness across sectors and jurisdictions. While only 10% of the reported incidents were related to cybersecurity, it was key that financial entities uphold the highest cybersecurity standards to be able to keep pace with the potential use of Advanced AI models. Finally, she stressed that a harmonised framework for major incident reporting was a key element in ensuring timely supervisory awareness of ICT risks, supporting coordination among CAs, and strengthening the overall resilience and stability of the EU financial system.

43. The BSG Chairperson highlighted the cross-sectoral nature of the topic and enquired whether data were available on cross-sectoral spillovers. He also questioned the relationship between the reporting obligations applicable to TPPs and those applicable to FEs.
44. Members welcomed the presentation and raised several questions. One Member asked about the financial impact of ICT-related incidents and enquired about the highest loss reported to date. Another Member asked about the primary objective of the reporting framework and asked whether the share of cybersecurity incidents relates to a voluntary reporting under DORA. The Member further observed that cybersecurity remain a sensitive issue for many entities and that, given the challenges associated with classifying incident-related costs, some firms may underestimate their actual impact. The same Member added that international groups almost always meet the geographical spread criteria, and therefore it should be considered as a less significant factor. Another Member noted that system failures were reported as one of the main causes of incidents and asked whether the EBA had data on the duration of such failures. Finally, a Member sought the EBA's views on Advanced AI models.

45. In response, the Expert acknowledged that certain data limitations prevented a more detailed analysis and that the reporting obligation lay on the FEs, but could be delegated to TPPs under certain conditions. She explained that, during the first year of data collection, the ESAs accepted all reports submitted, even when some mandatory fields were not filled in; however, new operational instructions have since been introduced to improve the quality of future data collections. She also reminded Members that CAs were required to assess all reported incidents promptly and subsequently follow up with the relevant FEs. She explained the difference between cybersecurity related incidents, which were major ICT incidents and had been reported under DORA, and cyber threats, which were indeed only reported on a voluntary basis. She also clarified that not all incidents affecting international groups have a geographical spread. Finally, she explained that the duration of incidents largely varied on a case-by-case basis.
46. The EBA Senior Bank Expert added that the existing regulatory framework, particularly DORA and the AI Act, already provided a strong foundation for addressing cyber-related risks stemming from Advanced AI models. He noted that – within such framework - financial entities should consider adapting their cybersecurity measures to address the rapid evolution of advanced AI models and the related emerging and evolving risks.
47. The BSG Chairperson concluded the discussion by taking note of the comments and observations raised by Members.

Agenda item 8: The impact of prudential reporting distortions: time to prioritize data integrity

48. The EBA Bank Sector Analyst (Analyst) presented the EBA Staff paper on the impact of prudential reporting distortions which provided first evidence from the large exposures reporting data quality. He explained that large variations could be found in how banks allocate their counterparties in different sectors, with certain sectors in particular being subject to significant over- or underreporting. Because many CRR requirements - such as credit risk weights, large exposure limits, exemptions, and liquidity inflows/outflows – have been based on the sector classification of banks' exposures, such divergencies in supervisory reporting practices among EEA banks may also indicate inconsistent application of the CRR. This, in turn, could jeopardize the level playing field across EEA credit institutions. He added that similar discrepancies have been observed in the allocation of NACE codes to exposures, which could have adverse impact on, among other things, the reporting of green assets. The Analyst then summarised impacts of misclassifications and referred to breach of regulatory buffers, miscalculation of own fund ratio, unreliable banking industry publications and other impacts. He stressed that misreporting could constitute broader data quality concerns. He concluded by saying that the objective of the presented staff paper was to identify, quantify, and assess the implications of inconsistent sectoral and NACE code classifications within the regulatory reporting of EEA credit institutions. The analysis revealed that reporting inconsistencies

were not isolated but rather system-wide in the area of Large Exposures. By quantifying the scale of misclassifications and illustrating their impact, the staff paper underscored the critical importance of foundational data quality. He also mentioned that while this study was limited only to the Large Exposures framework, similar issues could exist in other areas, e.g. capital adequacy, liquidity requirements, climate-related disclosures. The data in these areas should be subject to further study, and should systemic issues be identified, improving the data quality in these areas should be a priority. Finally, the Analysis stressed that even the most advanced regulatory frameworks were only as robust as the data upon which they rely on. Strengthening the accuracy and consistency of basic data elements was a prerequisite for sound supervision, effective policymaking, and the preservation of financial stability

49. The BSG Chairperson added that the issues analysed provided an additional perspective to the ongoing discussion on simplification and the reduction of reporting burdens.
50. During the subsequent discussion, Members emphasized the importance of the topic. One Member asked whether the EBA had discussed these issues with the competent authorities and suggested that the EBA could provide firms with clearer guidance to help prevent further reporting inconsistencies. Another Member proposed the establishment of a centralised register of discrepancies.
51. The Analyst informed Members that the topic had been discussed with the Board of Supervisors (BoS) in December 2025, when the EBA presented several options for addressing discrepancies in reporting.
52. The BSG Chairperson concluded the discussion by taking note of the comments and suggestions raised by Members.

Agenda item 9: AOB

53. The Chairperson referred to a pending reimbursement request submitted by a Member. The EBA Policy Coordination Officer informed the Members that the matter had been resolved and that the Member concerned would be notified following the conference call. The Officer also informed Members that the meeting dates for 2027 would be circulated shortly and proposed that the format of each meeting be confirmed under AOB at the preceding meeting. Members agreed to make their travel arrangements on the basis of that confirmation.
54. The Chairperson reminded Members to submit their written comments on item 4 following the conference call.
55. The BSG Chairperson confirmed the upcoming 2026 meeting dates: 20 October 2026 (afternoon) – Joint BoS/BSG physical meeting; 21 October 2026 – physical meeting; 17 December 2026 – virtual meeting.

Annex 1: Attendance list

Participants of the Banking Stakeholder Group conference call on 30 June 2026

Attending

First Name	Surname	Institution	Country
Alin Eugen	Iacob	AURSF	Romania
Anna-Delia	Papenberg	Nordic Financial Union	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	Bengtzbøe	Eurofinas - European Federation of Finance House Associations	Sweden
Gema	Diaz Ufano	Banco Santander	Spain
Jekaterina	Govina	Amlyze	Lithuania
Joshua	Kaplan	Satispay	France
Julia	Strau	Raiffeisen	Austria
Kęstutis	Kupšys	Lithuanian Consumers Alliance	Lithuania
Laura	Grassi	Politecnico di Milano	Italy
Laura	Nieri	Università di Genova	Italy
Maria	Angiulli	Italian Banking Association	Italy
Paolo Giuseppe	Grinaschi	Italian trade union for financial sector	Italy
Marieke	Van Berkel	European Association of Cooperative Banks	the Netherlands
Mathilde	Bonneau	PayPal	France
Michael	Troege	ESCP	Germany
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 Institution	Belgium
Vinay	Pranjivan	DECO	Portugal

EBA

Chair

Francois-Louis Michaud

Heads of Unit

Anne Tiedemann

Experts

Tea Eger
Antonio Barzachki
Alessia Benevelli
Jean de Bouetiez
Achilleas Nicolaou
Margarita Steinbach-Shmeljov
Bernd Rummel
Davide Stroppa

For the Banking Stakeholder Group

Done at Paris on 18 September 2026

[signed]

Christian Stiefmueller

BSG Chairperson