

## THE CHAIRPERSON

John Berrigan  
Director General  
Directorate-General for Financial Stability,  
Financial Services and Capital Markets Union (FISMA)  
European Commission  
Rue de Spa 2  
1049 Brussels  
Belgium

3 November 2022

### **Subject: EBA Report on the application of the infrastructure supporting factor**

Dear Mr Berrigan,

Article 501a of the CRR2 introduce a supporting factor in the form of a 25% reduction in own fund requirements for specific exposures in corporate or specialised lending categories, with the aim to encourage private and public investments in infrastructure projects. The exposures should be to entities which were created specifically to finance or operate physical structures or facilities, systems and networks that provide or support essential public services.

According to this article, The European Commission should prepare a report “on the impact of the own funds requirements laid down in this Regulation on lending to infrastructure project entities” and submit it by 28 June 2022 to the European Parliament and to the Council, together with a legislative proposal. For this purpose, EBA should report on the following to the Commission:

- (a) an analysis of the evolution of the trends and conditions in markets for infrastructure lending and project finance over the period referred to in paragraph 4;
- (b) an analysis of the effective riskiness of entities referred to in point (b) of paragraph 1 over a full economic cycle;
- (c) the consistency of own funds requirements laid down in this Regulation with the outcomes of the analysis under points (a) and (b) of this paragraph.

It was agreed however with the European Commission to deliver the EBA contribution by end-September 2022.



Floor 24-27, Europlaza,  
20 avenue André Prothin, La Défense 4,  
92400 Courbevoie, FRANCE

T: +33 186 526 832  
E: JoseManuel.Campa@eba.europa.eu

<https://eba.europa.eu>

**EBA/2022/D/4097**

It is my pleasure to submit to you today the EBA Report on the Application of the Infrastructure Supporting Factor related to the mandate in Article 501a of the CRR, which aims to contribute to the European Commission's report. This report gauges the trends in lending and riskiness from the information received from a sample of banks that participated in a dedicated EBA survey, as well as several external sources that aggregate information on infrastructure/ project finance lending from banks. In substance, the findings based on the quantitative data and the qualitative survey are not sufficient to conclude on the impact of ISF on lending or the consistency of the riskiness of the affected loans with the own funds requirements.

Apologies for the delay in delivering this report, which was caused by the additional time needed to implement comments after the internal review of the report in September 2022.

Yours sincerely,

[Signed]

José Manuel Campa

CC: Irene Tinagli, Chair of the Committee on Economic and Monetary Affairs European Parliament  
Claudia Lindemann, Head of ECON Secretariat  
Zbyněk Stanjura, Czech Minister of Finance, President of the Rotating Council of the EU  
Tuomas Saarenheimo, Chair of Economic and Finance Committee, Council of the European Union  
Thérèse Blanchet, Secretary-General, Council of the European Union  
Martin Merlin, Director Dir D, Banking, Insurance and Financial Crime, DG FISMA  
Almoro Rubin de Cervin, Head of Unit D1, Bank regulation and supervision, DG FISMA  
Dominique Thienpont, Legal Counsellor to Dir D, DG FISMA

Encl: EBA Report on the application of the Infrastructure Supporting Factor