



EBA BS 2020 164 rev. 1

Board of Supervisors

19 February 2020/13:00-17:15
20 February 2020/09:00-12:45

Location: Paris

EBA-Regular Use

Board of Supervisors meeting – Final Minutes

Agenda item 1: Approval of Agenda and Declaration of conflict of interest

1. The Chairperson welcomed the Members. He reminded the Board of Supervisors (BoS) of the recently approved Conflict of interest requirements and informed that as of next meeting, the Members would be asked to declare their conflicts as a part of the online registration procedure before each meeting. He also mentioned that representatives from the Central Bank of Ireland declared their conflict of interest with regard to item 4 (ED selection procedure) and that they would not attend the discussion on this particular item.
2. The Chairperson informed that the BoS approved the Minutes of the BoS meeting on 14 January in written procedure.
3. Finally, the Chairperson welcomed the BoS Voting Member from Italy who was previously the alternate to the voting Member.

Conclusion

4. The BoS approved the Agenda.
5. The BoS took note of the approved Minutes of the BoS meeting on 14 January 2020.

Agenda item 2: Update from the EBA Chairperson

6. The Chairperson informed the BoS that the Update from the Chairperson has been introduced as a regular item in order to inform the BoS about various developments related to the EBA which took place in between the BoS meetings.
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7. The Chairperson mentioned an ongoing and intensive liaison with the European Parliament (EP), in particular on their Resolution on the post-employment conflicts and on the Executive Director (ED) selection. He also referred to Brexit and amendments to national contributions after Brexit, which would be reflected in the 2021 Single Programming Document, which should be presented to the BoS in December 2020, and that this would include the final 2021 budget for adoption. He reminded the BoS about the launch of the 2020 Stress test exercise on January 31 and the public hearing to discuss the long term future of the stress tests on 21 February 2020. Finally, he mentioned that the new AMLSC met for the first time and that it selected Jo Swyngedouw as its Chair.
8. On the EBA internal activities, the Chairperson informed the BoS about ongoing audits on data quality and data reporting, and additional audits expected on AML, relocation and the resignation of the ED.
9. With regard to ongoing policy issues, the Chairperson highlighted the work on Basel III and sustainable finance.
10. One Member welcomed the addition of the item to the BoS agenda and mentioned that the EBA could consider how to effectively handle the increasing number of documents and information provided in short notice to the BoS.

Agenda item 3: Follow up on the resignation of the ED – EP resolution and request from the Ombudsman

11. The Chairperson introduced the item by summarising developments after the departure of the former Executive Director (ED). He referred to the Resolution adopted by the EP and a draft response to it prepared by the EBA staff, the Ombudsman's inquiry, as well as indications from the Court of Auditors that it was planning to review, in some form, the issues surrounding the former ED's resignation and post-employment conflicts of interest.
12. The EC representative acknowledged the EC's full support for the work and proposed to cooperate on the draft response to the EP's Resolution. She also mentioned some minor drafting suggestions relating to references to the EC, in the draft response to the EP's resolution.
13. With regard to the draft response to the EP's Resolution, Members had mixed views on the tone of the letter, some recognising the need to be sensitive to the concerns of the EP, some considering that the letter should emphasise further that the EBA and BoS acted and decided within the applicable legal framework, and others proposing that the draft response should emphasise further the EBA's and BoS' willingness to cooperate with the EP in any future reviews of the current framework. One Member proposed to add to the response a specific reference to the fact that if the former ED, currently working at the AFME, would change his job position in the future, the EBA would review its decision.

14. One Member requested clarification on so called cooling off periods and on the ability to enforce the measures using temporary reductions of pension rights. The EBA Head of Legal Services (Legal) explained that the Staff Regulations set out maximum 6 month notice period for the Executive Director and Chairperson. He also mention that to have the right to receive a pension, a staff member had to work in an EU body for a minimum of 10 years, and that the EC's DG HR had confirmed that to use a temporary reduction of pension rights the individual had to already be in receipt of the pension – the letter would be updated to reflect this point.
15. One Member suggested including a reference to the selection procedure for the new ED and the hearing by the EP of the proposed candidate. The Chairperson explained that the Resolution was addressed not only to the EBA but to other institutions, including the EP and therefore, the draft response should mainly focus on issues within the Resolution.
16. The Chairperson concluded that many requirements in the Staff Resolution were aimed at staff who had appointments as officials with permanent careers within the EU institutions, which is not the case of the Chairperson and ED positions which are fixed-term contracts. Finally, he asked the Members to send their comments on the letter in writing following which a written procedure would be held for approval.
17. On the Ombudsman's inquiry, the Head of Legal explained that the Ombudsman's questions related to the handling of the process and that the response was therefore factual reporting of the circumstances and did not require new input from the Board.

Conclusion

18. The BoS supported the conclusion of the review of the decision and agreed to have a round of written comments on the EP letter followed by a written procedure to approve it, and for the response to the Ombudsman's inquiry to be circulated for comments to the Board before being finalised.

Agenda item 4: ED selection procedure

19. The Chairperson introduced the item by summarising the vote by the EP in which Gerry Cross was not confirmed for the ED position. He mentioned that since the vote, he had been in contact with the ECON Chair and some MEPs in order to discuss the outcome and the options available for the next steps. There were essentially two options – to re-open the selection procedure, or to choose from the remaining candidates interviewed in January.
20. The views of the BoS were mixed. Some Members expressed concerns with the existing procedure, resulting in interference with the independence in the BoS decision making processes by the EP. Many Members acknowledged the existing legal framework and highlighted the excellent and undisputable selection procedure, which resulted in selecting three good candidates. The Chair of the selection procedure noted some areas where changes might be considered for future selection procedures in order to enhance the process further.

21. On the next steps, some Members proposed to re-open the selection procedure. Other Members requested to vote between the two remaining candidates shortlisted for the ED interviews in January. The remaining Members suggested to propose as a new candidate the one who received the most votes during the vote in January.
22. The Chairperson noted the points on independence of the BoS' decision making procedure but with regard to the ED selection, he stressed that both the BoS and the EP had distinct and clear roles. Given the mixed views, a vote was held on whether to re-open the selection procedure. The majority of BoS Members were against re-opening the procedure. As a second step, the Chairperson open a secret ballot to select one candidate from the two candidates interviewed in January.

Conclusion

23. The BoS selected François-Louis Michaud as its candidate for confirmation by the European Parliament as Executive Director.
24. The BoS delegated to the Chairperson the final appointment of François-Louis Michaud following confirmation by the EP. In the event of non-confirmation the BoS would be reconvened to discuss the next steps.

Agenda item 5: Opinion on Credit insurance

25. The Chairperson explained that the tabled opinion was developed as a reaction to extensive feedback on this topic received in the public consultations on the Guidelines on CRM for A-IRB institutions. The issues raised by the industry were beyond the scope of the Guidelines and question the adequacy of the Basel III reforms.
26. The EBA Director of Prudential Regulation and Supervisory Policy Department (PRSP) continued by clarifying concerns raised by the industry related to LGD applied to the exposures to insurance companies under the F-IRB approach, especially in the context of the changes introduced in the final Basel III framework that disallowed own estimates of LGD for exposures to financial institutions. The concern was that the regulatory LGD may be inadequate for claims from credit insurance policies and that overly punitive treatment of low risk transactions may lead to unintended consequences. She also mentioned that the EBA liaised on the topic with EIOPA and that the opinion would complement the policy advice included earlier in the CfA report on the implementation of the final Basel III framework. It could be submitted to the EC together with the remaining parts of the response to the CfA and published on the EBA website.
27. One Member welcomed the cooperation between the EIOPA and EBA on the issue. He suggested to clarify more explicitly in the opinion that it addressed only credit insurance, and that it should not be extended to the overall treatment of guarantees. He pointed out the ongoing discussions on the topic at the EU level and. In this regard, he was of the view that the submission of the opinion could be delayed for a couple of months.

28. The EC representative supported the work and suggested to add a standalone impact assessment.
29. The Director of PRSP confirmed that the guarantees were not in the scope of the opinion. She also explained that the EBA did not have necessary data to conduct a standalone impact assessment. With regard to the timing, she mentioned numerous requests from the industry and therefore, was of the view that the EBA should provide its view on the issue without further delays.
30. The Chairperson concluded by restating the interest of stakeholders on this topic and that the EBA's position should be clarified as soon as possible. He also noted the request for clarification with regard to the guarantees.

Conclusion

31. The BoS approved and agreed to send the opinion to the Commission.

Agenda item 6: Roadmap on all EBA regulatory products under IFD and IFR

32. The Chairperson reminded the BoS that the Investment Firms Directive (IFD) and Regulation (IFR) entered into force on 26 December 2019.
33. The Director of PRSP clarified that the Roadmap summarized the strategy and expected workplan concerning all the EBA mandates under IFR/IFD in the coming years, with the expectation to publish the first consultation papers (on capital requirements, reporting and remuneration) already in May 2020. At the same time the CRR2 would start to be applicable. To avoid that these investment firms applied the IFR in a non-harmonised way, it remains essential that all the RTS with a 12 months deadline were submitted to the EC in time.
34. The EC representative supported the work and welcomed the continuous prioritisation of relevant mandates.
35. Some Members stressed the importance of applying the proportionality principle in particular with regard to small and non-interconnected investment firms (Class 3). One Member noted the need for prioritization of work for those investment firms that would be subject to the CRR (Class 1).
36. The Director of PRSP acknowledged the need to consider the proportionality principle and concluded by confirming that the work progress followed the planned timelines.

Conclusion

37. The BoS approved the publication of the Roadmap on the EBA website.

Agenda item 7: Basel III CfA

38. The Chairperson introduced the item by referring to an additional request from the EC, in which the EC requested the EBA to provide an additional analysis on the output floor at the individual entity level, on the risk sensitivity of the equity exposure class and on the intra-group equity holdings.
39. The EBA Director of Economic Analysis and Statistics Department (EAS) explained that in order to address the request, the EBA conducted a more detailed data collection in order to assess the impact of the output floor application at individual level; a number of case studies were also analyzed to understand in more depth the impact of the output floor application at solo level depending on the organizational structure of banking groups; and a fact-finding exercise via bilateral talks concerning the equity holdings of a small, but representative, sample of banks that took part in the CfA QIS.
40. With regard to the output floor analysis, the ECB Banking Supervision representative suggested to mention the impact of output floor on individual level versus consolidated banking group level. Several Members supported such addition. One Member questioned whether the issue was less about subsidiaries and more about business models of banks. He also mentioned that the issue was more relevant in some countries, in particular in Eastern Europe, where many subsidiaries were undercapitalized. While the letter to the European Commission prepared by the EBA focused only on the impact assessment, some Members voiced their policy view that capital requirements for consolidated and solo levels should not be treated differently.
41. The EC representative reminded that the results of the analyses would be used in their impact assessment that should be finalised by June 2020. While acknowledging the technical difficulties of the analysis, the EC representative urged EBA to include reference to any potential negative consequences of application output floor at the solo level. The EC representative also asked for all the data limitations, currently mentioned in footnotes, to be gathered together in a section at the beginning of the letter.
42. Two Members pointed out that the comparative impact should be based on RWAs and not on MRC/ shortfalls. Indeed, MRC were not comparable as capital requirements differed between consolidated and solo levels and shortfalls did not allow to accurately assess the impact (banks without any shortfall can be unduly impacted).
43. Several members thought that the current letter strikes a good balance in describing the impact of the application of the output floor.
44. On the equity part of the analysis, the BoS was fully supportive. A couple of Members suggested to specify in Annex 1 that the sample of banks was limited but representative.
45. The Director of EAS explained that the EBA was providing information, data and the results of the analysis but without any judgements and conclusions on the policy to be applied as these would have to be done by the EC. As to the point raised by the two Members about

expressing the impact in terms of RWAs as opposed to MRCs, he pointed out that using the RWAs would be misleading because it would not allow taking into account the impact of the leverage ratio, which was a key metric for many of the banks impacted by the output floor at solo level.

46. The Chairperson reminded the BoS that the letter to the European Commission was focused on assessing the impact and not a policy discussion. In this regard, the EBA would amend the letter taking into account the discussion and comments referring to the impact assessment. The updated letter would be circulated to the BoS for any final written comments.

Conclusion

47. The BoS supported the work on the additional analysis on the output floor and equity and agreed with the submission of the analysis to the EC after the written procedure.

Agenda item 8: Guidelines on banks' loan origination – Final report

48. The Chairperson reminded the BoS that the EBA launched the consultation paper on the draft guidelines on loan origination and monitoring in summer 2019.
49. The EBA Director of Banking Markets, Innovation and Consumers (BMIC) and the EBA Head of Unit Reporting, Loans Management, and Transparency (RLMT) continued by summarising the main changes to the guidelines following the consultation, in particular related to the use of advanced statistical models for valuation at the point of origination and to proportionality.
50. In the discussion, the ECB Banking Supervision representative suggested to add a reference to haircuts to be applied to the valuation done with the advanced statistical models. One Member mentioned that they had sent minor editorial changes to the EBA before the meeting. One Member was of the view that the requirements related to consumer credit were more extensive than the legal requirements. The same Member also suggested to issue the draft for a second consultation given the extensive and significant changes to the text of the guidelines. In relation to the requirements on the verification of information submitted by the borrowers, one Member stressed that some provisions in the guidelines may be contradicting with the requirements in the Mortgage Credit Directive.. Some Members questioned the prescriptiveness of Annex 2 and asked clarification regarding the wording to clearly reflect that it was meant to be indicative examples. Few Members asked for a written procedure for a final set of comments followed by a written approval with the view that the BoS have an opportunity to review the guidelines once again.
51. In his response, the Director of BMIC explained that all provisions in the guidelines were consistent with the applicable legislation and that the EBA was not considering re-opening the consultation as all changes were made as a response to the industry feedback received in the public consultation. He clarified that Annex 2 is indicative and that the wording would be amended to make the intention clear.

52. Given mixed and diverse comments Members raised on different aspects of the draft Final Report, the Chairperson asked the BoS to vote on the draft guidelines. The BoS supported the publication of the final report on the draft guidelines by reaching a qualified majority and a double simple majority of votes.

Conclusion

53. The BoS approved the final report on the draft guidelines on loan origination and monitoring.

Agenda item 9: Pillar 3 disclosure assessment report

54. The Chairperson introduced the item and the Head of RLMT provided an overview of the assessment of institutions' Pillar 3 disclosure. The report covers assessment of Pillar 3 reports of 12 systemic banks covering a subset of disclosure requirements. The report provides feedback to institutions in form of recommendations and best practices for them to improve their own Pillar 3 disclosures, as well as input into the EBA's ongoing policy work on Pillar 3 disclosure, including the finalisation of the new comprehensive ITS on public disclosures by institutions and the ongoing policy work on disclosures of ESG risks. She also presented an amendment to the report to clarify the application of the proportionality principle in the overall Pillar 3 framework.

Conclusion

55. The BoS agreed with the publication of the report.

Agenda item 10: ESAs Review

A) Union Strategic Supervisory Priorities

56. The Chairperson informed the BoS that under Article 29a of the revised EBA Regulation, the EBA was required to set EU-wide Strategic Supervisory Priorities.
57. The Director PRSP continued by explaining that the criteria for such union-wide priorities were not laid out in the ESA Regulation. Therefore, the EBA considered that the priorities should be forward-looking, highlight areas where further supervisory attention was required and where ideally already some debate or work was on-going at EU level and the work on these priorities should steer discussions on topics where the existing prudential framework was lacking or did not provide appropriate support. Based on these considerations, the EBA proposed for the BoS discussion five potential priorities: (1) AML, (2) Conduct, (3) Digital Finance and digital operational resilience, (4) Profitability and business structure, (5) Sustainable Finance.
58. Several Members stressed that planning of work and priorities at the national level for 2020 has already been finalised and requested to clarify how the Union-wide Strategic Priorities should be implemented at the national level. Similarly, some Members requested to specify

the time period for these priorities and suggested that for the next round of the priorities, the EBA and BoS should plan discussions well in advance of the deadline for their implementation.

59. The ECB Banking Supervision representative proposed to agree, at the beginning, on one priority and potentially raise the number of priorities in the coming years. A large number of BoS Members supported the proposal.
60. The BoS expressed mixed views on the selection of the priorities. While some Members stressed that the focus should be on the supervisors/regulators core prudential activities, others preferred to focus on currently widely discussed topics, such as sustainable and digital finance and anti-money laundering. Aspects of sustainability, digitalisation and AML may be addressed when focusing on core prudential activities.
61. A large number of the Members agreed to focus on profitability and business structure. One Member suggested to mention, when communicating on the priorities externally, that also all other topics were monitored by the EBA and would be addressed.
62. On the process, the Head of Legal explained that after an agreement on the priorities, the competent authorities (CAs) should include them in their national work plans. After 12 months, the BoS should discuss how the priorities have been addressed at the national and EU level.
63. The Chairperson concluded that the EBA would focus its further work on narrowing the proposal to two priorities: on the sustainability of business models and on adequate governance structures. He also concluded that the EBA would prepare a detailed implementation process to be discussed at the next BoS meeting.

Conclusion

64. The EBA will prepare an implementation note which would be sent for discussion and approval to the EBA BoS Meeting in April 2020.

B) Peer reviews

65. The Chairperson reminded the BoS of the discussion at the last meeting in December 2019, when the BoS discussed a first draft of the decision establishing a framework for ad-hoc peer review committees. The updated methodology was discussed with the Management Board at its 22 January meeting.
66. The EBA Head of Policy Coordination Unit (PAC) continued by briefly mentioning the cooperation with the other ESAs on the harmonisation of the methodology and the framework. He also gave an update on the interplay between the introduction of this new peer review framework with the ongoing peer review on DGS stress tests.
67. Several Members expressed their concern with the procedure submitted where the approval of the peer review report by the BoS was done by written procedure. They insisted on the need

for a discussion at a BoS physical meeting before the report was submitted for approval. One Member pointed out that having no discussion at a physical BoS meeting would give the ad hoc peer review committee extraordinary powers. A written procedure would not be sufficient as in case there was a difference of views between the ad hoc peer review committee and the BoS, the European Parliament had to be informed. Moreover, it was pointed out that a written procedure requirement did not exclude the possibility to discuss peer review results at a physical BoS meeting. Therefore, it was strongly requested by one Member that at least the set up of a coordination group should be foreseen as it was the case at ESMA.

68. The EC representative requested some clarifications on the legal references to confidential reports.
69. One Member pointed out that the overall procedure was complicated and requested further clarifications, in particular with regard to the participation from the CAs, treatment of confidential information and their publication.
70. Some Members requested to reconsider the need for a more granular approach and specifically, to maintain in the updated methodology a reference to the grade scale “Largely Compliant” for benchmarking purposes.
71. Some Members suggested to clarify in the Peer Review Decision that CAs representatives could take part in the committee when conducting horizontal peer reviews, but could not take part in the review of their own CA.
72. Two Members suggested to maintain as an exception the current process of on-going peer reviews on DGS stress, thereby maintaining the presence of external participants in the peer review panel. The Chairperson asked the BoS whether any Member would oppose this suggestion and no one did.
73. The Head of Legal clarified that the envisaged procedure includes the possibility for a discussion of the peer review report at a physical meeting upon request of three or more BoS Members during the written procedure. He also mentioned that all legal references would be further cross checked. On the conflict of interest, he explained that not all CAs would be assessed at the same time and that the staff should not comment on the assessment of their national CAs.
74. The Chairperson concluded by asking the BoS to send their written comments in order to amend the framework and the methodology. These documents would be tabled for final approval at the next BoS meeting in April.

Conclusion

75. The BoS supported the work and agreed to send written comments after the meeting.

C) Q&A framework

76. The Chairperson reminded the BoS that a draft decision of the Q&A process, amended in light of the new Article 16b on 'Questions and Answers' introduced in the amendments to the EBA's Regulation, was tabled at the December BoS meeting, and a few changes have been made in light of BoS Members comments. He also mentioned the EBA proposals related to the publication of submitted Q&As, in advance of publishing their answers, and also additional legal acts now to be covered in the EBA's Q&A Tool.
77. The Head of PAC continued by explaining that the scope of the Q&A has been expanded and would include also AML. He summarised the proposal for publication of received Q&As and the use of a triage approach to ensure that questions were suitable for publication; options for dealing with the backlog of Q&As received prior to 1 January 2020. He also referred to the discussion at the MB meeting in January, where the EC representative confirmed that the EC continued assessing its own processes for supporting the ESAs' Q&A processes, including determining as to what Q&As constitute "interpretation of Union Law".
78. The EC representative confirmed that they are still assessing but stressed the need to be pragmatic on the new approach, and put in place arrangements for the categorisation of Q&As. The EC was still in discussion with its Legal Services but stood ready to assist in urgent categorizing of specific Q&As. She also mentioned that for those Q&As allocated to the EC to provide an answer, the EC's approval process would need to go through its College.
79. One Member, while agreeing with the tabled Decision on Q&A process, suggested that all submitted questions should include background and a proposed answer from the submitter.
80. Another Member highlighted the need to deal with "interpretation of Union law" in a pragmatic way because otherwise, all Q&As would have to be sent to EC to answer. He questioned to whom a Q&A on AML beyond EBA's competence should be submitted. The EC representative responded that the EC was analysing this issue.
81. The Chairperson concluded that there was support from the BoS, although some challenges remained, and that more work was envisaged on maintaining the process and tool, in terms of quality and efficient delivery.

Conclusion

82. The BoS supported the work and the reviewed Decision on Q&A process.

D) Update on the Banking Stakeholder Group

83. The Chairperson introduced the item by reminding the BoS that based on the amendments of the EBA's Regulation, the EBA would have to end the mandates of existing Banking Stakeholder Group (BSG) members and issue a call of expression of interest for a new BSG.
84. The Head of PAC further explained that the main changes introduced by the ESAs' review include the reduction of the number of academics to four representatives instead of a

minimum of five in the previous framework. He also mentioned an ongoing discussion on the compensation of the members of the new BSG. Following the new regulation, the compensation should take into account preparatory and follow-up work. Finally, he outlined next steps after the call of interest was issued and concluded that the first meeting of the new BSG should take place in July 2020.

85. The BoS did not have any comments and supported the EBA's proposal.

Conclusion

86. The BoS agreed on the proposed termination of the mandate of current BSG members and the conditions for setting up a new BSG.

Agenda item 11: Update on risks and vulnerabilities in the EU

87. The Director of EAS updated the BoS with the Q3 2019 data. He noted that capital ratios remained broadly stable in past two years and as of September 2019, the CET1 FL ratio stood at 14.4%. Banks have increased dividend pay-outs and continued to perform share buy-back programmes. NPL ratio continued to improve in 2019, albeit at a slower pace and banks in countries with a relatively high NPL ratio improved the most. He also mentioned that banks' ROE decreased slightly from Sept 2018 and more than 80% of the banks suggested a COE above 8%. Over the past few years, the increase in profitability has been mostly based on a strong income from fees and commissions and a decrease in impairment costs. However, the impairments were now on an upward trend and fees and commissions were slightly decreasing. Net interest income remained the main source of income and has recovered to levels of above 58% of total net operating income. This has been mostly driven by increases in volumes as margins remain stable at "low levels". The Director of EAS continued by focusing on lending issues and noted that banks compensated the decline in interest margin with increases in lending volume. Corporate loan growth was particularly strong in some central/northern European countries but was reported negative in southern European countries. Focusing on the consumer lending in EU banking sector, the Director of EAS suggested that this segment has been growing faster than other segments, during the past years. He also suggested that there is a strong link of the share of consumer lending to total loans with both NIM and RoE, with the relation particularly evident in CEE countries. In addition, consumer lending segment has increased associated risks as non-performing loans ratio was higher compared to the average EU NPL ratio. Consumer lending to consumers in the past has been a source of conduct risk as it has been linked with mis-selling practices. The Director of EAS concluded suggesting that the guidelines on loan origination which have been approved by the BoS had also included core consumer aspects and credit worthiness assessment.
88. Presentation by two BoS Members on consumer lending and on consumer lending and household real estate lending followed. The Slovenian representative described the measures adopted in the past few years in her jurisdiction to curb excessive consumer lending while the

French representative focused on the particularities of its national residential loan market and described the macroprudential measures applied. He also mentioned the legal restrictions aimed at limiting consumer over indebtedness.

89. Several Members updated on their national developments. They focused on consumer lending which was considered by many Members as a relatively small activity compared to total loans. Also, few Members suggested that non-banks are important lenders of consumer credit in their jurisdiction. Dividend payouts, particularly at consolidated level, some members believed that were relatively high. A couple of Members confirmed decrease of non-performing loans.
90. Some Members were of the view that the EBA's analysis presented on consumer lending should be published as it provided relevant and market-interesting information.
91. The ECB representative questioned if capital buffers were appropriate and requested clarification on guarantee schemes and collateralisation used in some markets.
92. One Member stressed that the cost of equity was high and suggested to analyse how banks were considering risks when using digital channels, in particular in relation to consumer lending. She also proposed to draft a heatmap of banking groups providing consumer loans, particularly cross-border. She concluded by referring to the introduction of national measures aimed at consumer lending. In this regard, other Member referred to a number of administrative measures introduced in their market.
93. In his response, the Director of EAS took note of national measures and explained that the EBA will provide, if data is available, a heatmap on the consumer lending exposures by domicile of the counterparty
94. The Chairperson concluded by acknowledging the results on the consumer lending analysis and agreed that the EBA staff would consider how to best disseminate and publish it and similar analyses that may be presented to the BoS in the future.

Agenda item 12: Review of the RTS on professional indemnity insurance for mortgage credit intermediaries

95. The Chairperson introduced the item and informed the BoS that the EBA developed in 2014 regulatory technical standards on the minimum monetary amount of the professional indemnity insurance or comparable guarantee for mortgage credit intermediaries under the Mortgage Credit Directive (MCD). The RTS entered into force in March 2016. The same mandate also required the EBA to review the RTS, which the EBA has done in the second half of 2019.
96. The EBA Head of Unit Conduct, Payments and Consumers (COPAC) summarised the findings of the survey sent by the CAs to the 10 largest credit intermediaries in each respective jurisdiction of the CA, intelligence gathered from CAs themselves, and desk-based research presented in a

tabled report. He mentioned that based on the assessment, there was currently no evidence that would suggest that the minimum monetary amounts would need to be amended.

97. The BoS did not have any comments.

Conclusion

98. The BoS agreed with the report, its publication and submission to the EC.

Agenda item 13: Financial education report 2019/20

99. The Chairperson referred to the EBA's mandate to review and coordinate financial literacy and education initiatives by the CAs.

100. The Director of BMIC explained that following the first report released in March 2018, the EBA was submitting to publish the 2nd Financial Education Report for publication in March 2020 and also to present it at the EBA Financial education Conference on 27 March 2020. He also mentioned that the report was based on a repository of financial education initiatives which would be further updated with initiatives from some countries.

101. One Member questioned whether the EBA had a strategy on how the CAs should coordinate/educate their consumers. The Director of BMIC explained that the Financial Education conference would be a good forum to discuss also the strategy and approaches to be taken by the CAs and the EBA.

102. One Member stressed that the majority of national initiatives were in national languages and that the EBA should take this into account. Other Member suggested to develop a list of consumer protection authorities which consumers could contact, also for cross-border cases. Another Member pointed out that consumers might need to be educated on firms operating across borders and the consumer protection issues this gave rise to.

Conclusion

103. The BoS approved the Financial Education Report for publication.

Agenda item 14: AOB

104. The EC representative provided an update on EU – UK cooperation and the implementation of the withdrawal agreement. She also mentioned equivalence assessments and clarified that the EC, in close cooperation with the EBA, would update the existing questionnaires and conduct equivalence assessments. While the EC would be in the lead, the EBA's technical input would be necessary.

105. The EC representative also stressed the importance of the EBA's call for data for the insolvency benchmarking report and asked the BoS to provide all necessary data.

106. Outside the Agenda, one Member reminded the BoS of the BoS Away day that was planned to take place in Dubrovnik, Croatia and informed that the registration form, travel details and other organisational information would be shared with the BoS in the coming weeks.

Participants at the Board of Supervisors' meeting

19 -20 February 2020, Paris

Chairperson: Jose Manuel Campa

<u>Country</u>	<u>Voting Member/High-Level Alternate</u> ¹	<u>National/Central Bank</u>
1. Austria	Helmut Ettl	Karin Turner-Hrdlicka
2. Belgium	Jo Swyngedouw	
3. Bulgaria	Stoyan Manolov	
4. Croatia	Martina Drvar	
5. Cyprus	Stelios Georgakis	
6. Czech Republic	Zuzana Silberová	
7. Denmark	Jesper Berg	Peter E. Storgaard
8. Estonia	Andres Kurgpold	Timo Kosenko
9. Finland	Anneli Tuominen	Jukka Topi
10. France	Dominique Laboureix	
11. Germany	Raimund Röseler	Erich Loeper
12. Greece	Spyridoula Papagiannidou	
13. Hungary	Gergely Gabler	
14. Ireland	Mary-Elizabeth McMunn	
15. Italy	Andrea Pilati	
16. Latvia	Santa Purgaile/Ludmila Vojevoda	Vita Pilsuma
17. Lithuania	Jekaterina Govina	
18. Luxembourg		Christian Friedrich
19. Malta	Pierre-Paul Guaci	
20. Netherlands	Maarten Gelderman/Sandra Wesseling	
21. Poland	Artur Ratasiewicz	Maciej Brzozowski
22. Portugal	Ana Paula Serra	
23. Romania		
24. Slovakia		
25. Slovenia	Damjana Iglic	
26. Spain	Jesús Saurina Salas/Alberto Rios	
27. Sweden	Bjorn Bargholtz	Camilla Ferenius

¹ Accompanying experts: Ingeborg Stuhlbacher (Austrian FMA); Kurt Van Raemdonck (Belgian National Bank); Olena Loboiko (European Commission); Malte Jahning (ECB); Zrinka Pavkovic (Croatian National Bank); Marek Sokol (Czech National Bank); Christian Alexander Toftager (Danish FSA); Thomas Beretti (ACPR); Julia Blunck (BaFin); Constantinos Botopoulos (Bank of Greece); Eida Mullins (Central Bank of Ireland); Michele Lanotte (Banca d'Italia); Anne-George Kuzuhara (CFFS); Carlijn Straathof (De Nederlandsche Bank); Magdalena Wojtacha (Polish Financial Supervisory Authority); Jose Rosas (Banco de Portugal); Luliana Marinescu (National Bank of Romania)

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2. Liechtenstein	Patrick Bont	
3. Norway	Per Jostein Brekke	Sindre Weme

<u>Observer</u>	<u>Representative</u>
1. SRB	Sebastiano Laviola

<u>Other Non-voting Members</u>	<u>Representative</u>
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2. European Commission	Nathalie Berger
3. EIOPA	
4. ESMA	Roxana De Carvalho
5. EFTA Surveillance Authority	Marco Uccelli
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For the Board of Supervisors,

Done at Paris on 06 April 2020

José Manuel Campa

EBA Chairperson