EBA BSG 2025 001 rev. 1
Banking Stakeholder Group
04 December 2024 | 09:30 – 15:00
Location: Teleconference

Banking Stakeholder Group

Minutes of the conference call on 04 December 2024

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 conference call. The Members did not raise any comments.

2. The BSG Chairperson announced that Lyubomir Karimansky stepped down from his BSG position due to employment changes. The EBA staff has consulted the BSG reserve list and proposed two candidates to its Management Board who could replace Luis Morais in the category representing 'independent top-ranking academics' and Lyubomir in the category representing 'users of banking services'. The approval process was ongoing.

3. The BSG Chairperson informed the Members that the Minutes of the 15 October 2024 meeting have been approved by the BSG in the written procedure and would be published on the EBA website. Similarly, the Minutes of the Joint BoS/BSG meeting on 16 October 2024 have been approved by both the BSG and BoS in the written procedure and would also be published.

Conclusion

4. The BSG approved the agenda of the conference call by consensus.

Agenda item 2: BSG update on the latest developments

5. The BSG Chairperson presented the BSG set-up, working plan and priorities for 2025 which were based on the EBA Working Programme. He explained that in order to deliver its advice in a timely and efficient manner, and to concentrate relevant expertise among BSG members, the BSG has established seven Technical Working Groups (TWGs) for the duration of its mandate. Each TWG would focus on a specific subject matter within the BSG's mandate and would take on primary responsibility for drafting advice and organising

other activities of the BSG within its remit. Members may join one or more TWGs as permanent members or ad-hoc to contribute to specific assignments. In this regard, he referred to the call for candidates issued in October and provided an overview of the TWGs and their membership. He also referred to the rules of collaboration of the TWGs. The BSG Chairperson concluded by noting the first BSG response to the consultation paper which was later discussed during the conference call.

6. The Members acknowledged the new BSG setup. One Member asked if the BSG was asked to respond to all EBA consultation papers and whether the TWGs could decide which consultations should be prioritised. She also enquired regarding the rules of procedures for the TWGs and how members of various TWGs could comment on the BSG work. Some Members pointed at interactions between various TWGs. One Member asked whether the BSG work should rely on the work of previous BSGs and whether the BSG Chairperson would provide background information on respective tasks. Another Member questioned how TWGs could inform the BSG on their work plan and whether the BSG could liaise with the EBA on particular topics even before the launch of consultation.

7. The EBA Head of Governance and External Affairs Unit (GEA) explained that the EBA would welcome BSG's contribution to the maximum of consultation papers. He noted that the BSG was bound by its Rules of Procedures rather than by the positions of previous BSGs.

8. The BSG Chairperson clarified that TWGs had a flexibility to organise themselves within the BSG Rules of Procedures. He stressed that the BSG was not bound by opinions and work of previous BSGs but asked for careful consideration of consistency and continuation of good work of previous BSGs. On the work plan of the TWGs, he explained that any additional tasks would depend on the workload, availability, and capacity of the members, and would be coordinated by the TWGs' coordinators. The details would be discussed during the forthcoming call with TWG coordinators.

9. The BSG Vice-Chairperson informed about the ongoing work of a number of Members on the topic of the interaction between the output floor and Pillar 2.

Agenda item 3: EBA Chairperson update on the latest developments

10. The EBA Chairperson updated the Members on the EBA's latest publications and planned events. He also introduced Mr Kamil Liberadzki, the new EBA Director of Economic and Risk Analysis Department who has joined the EBA in November.

11. Firstly, the EBA Chairperson informed that following the request from the European Commission (EC), the ESAs and the ECB assessed the impact on the EU banking, investment fund, occupational pension fund and insurance sectors of three transition scenarios incorporating the implementation of the Fit-for-55 package, as well as the potential for contagion and amplification effects across the financial system, and published the results of it analysis in November 2024. The results showed estimated losses

on financial institutions under each scenario and would be further considered in future EBA work.

12. Secondly, the EBA Chairperson reminded the Members that as of 01 January 2025, the ESAs, together with competent authorities (CAs), would start the oversight of critical ICT third-party service providers (CTPPs) offering services to financial entities in the EU. The first oversight activity would be the designation of CTPPs. To that end, the ESAs published a decision which provided a general framework for the annual reporting to the ESAs of the information necessary for CTPP designation, including timelines, frequency and reference dates, general procedures for the submission of information, quality assurance and revisions of submitted data, as well as confidentiality and access to information. To support the industry's preparations, the ESAs have shared the draft templates, data point model and reporting technical package in May 2024 and have carried out a voluntary Dry Run exercise on reporting of registers of information with participation of around 1000 financial entities across the financial sector in the EU. To help financial entities to prepare their registers of information and to hear about the outcomes of the 2024 Dry Run exercise, the EBA was organising an information workshop on 18 December 2024

13. Thirdly, the EBA Chairperson informed that in November 2024, the EBA published two sets of final Guidelines that, for the first time, set common EU standards on the governance arrangements and the policies, procedures and controls financial institutions should have in place to be able to comply with Union and national restrictive measures. He stressed that weaknesses in internal policies, procedures and controls exposed financial institutions to legal and reputational risks and undermined the effectiveness of the EU's restrictive measures regimes, leading to potential circumvention and affecting the stability and integrity of the EU's financial system. The first set of Guidelines drafted by the EBA has been addressed to all institutions within the EBA's supervisory remit. They included provisions that were necessary to ensure that financial institutions' governance and risk management systems were sound and sufficient to address the risk that they might breach or evade restrictive measures. The second set of Guidelines was specific to payment service providers (PSPs) and crypto-asset service providers (CASPs) and specified what PSPs and CASPs should do to be able to comply with restrictive measures when performing transfers of funds or crypto-assets.

14. Fourthly, the EBA Chairperson informed that the EBA released the final methodology, draft templates, and template guidance for the 2025 EU-wide stress test, along with the milestone dates for the exercise. The methodology and templates covered all relevant risk areas and incorporated feedback received from the industry. The stress test exercise was scheduled to formally start in January 2025, following the release of the macroeconomic scenarios, with the results being published in early August 2025.

15. Fifthly, the EBA Chairperson mentioned that the EBA had published a follow-up to the 2022 Peer Review report on the supervision of the management of non-performing exposures (NPEs) by credit institutions. The findings of the follow-up Report showed improvements in

CAs' supervisory practices that reflected the significant focus given to the supervision of NPEs by the EBA and CAs and demonstrated that all CAs fully or largely applied the EBA Guidelines on management of non-performing and forborne exposures.

16. Finally, the EBA Chairperson said that on 29 November 2024, the EBA had published the autumn edition of its risk assessment report (RAR). The Report was accompanied by the publication of the 2024 EU-wide transparency exercise, which provided detailed information, in a comparable and accessible format, for 123 banks from 26 countries across the European Union (EU) and the European Economic Area (EEA).

17. The EBA Chairperson concluded by referring to the EBA consultation papers as part of the public consultation procedure and on public hearings – on 16 December 2024 for the Consultation paper on Guidelines on proportionate retail diversification methods for which deadline for submission of responses was on 12 February 2025. The Consultation paper on Technical Standards on structural foreign exchange under CRR was launched with a deadline for submission of responses on 07 February 2025.

18. The Members acknowledged the EBA's work on climate stress test and asked regarding next steps and how the results of the analysis would inform the prudential treatment of ESG risks. One Member asked for update on DORA Q&As related to the Dry Run exercise. Other Member questioned whether the EBA was reflecting on the EIOPA's work related to fossil fuel assets.

19. The EBA Chairperson informed that during the next EBA Board of Supervisors (BoS) conference call on 10 December, a scoping note on the future of the climate stress test would be discussed with the BoS members, in particular how it could be incorporated in the regular EU-wide stress test exercise. With regard to ESG stress testing methodologies, he clarified that the impact would be indirect through several specific guidelines addressed to supervisors as well as institutions on how to build scenarios for their own climate stress tests. On the Q&A, he said that the EBA staff would liaise with the BSG Member concerned regarding further details. Finally, on fossil fuel assets, the EBA Chairperson mentioned that the EBA had already published a report on the interaction between ESG and Pillar 1 in October 2023 and added that the focus was on Pillar 2 and the proper incorporation of ESG risks.

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

Agenda item 4: Risks and Vulnerabilities in the EU

21. The EBA Senior Bank Sector Analyst (Analyst) updated the Members on the latest developments in the EU related to risks and vulnerabilities. He said that slow economic growth and inflationary pressures created macroeconomic uncertainty, further fuelled by geopolitical risks. Around 2% of EU/EEA banks' total assets were exposed to high-risk countries, based on an analysis covered in the recently published Risk Assessment report.

With regards to lending, he acknowledged that lending to non-financial corporations (NFCs) and households has been recovering slowly. The commercial real estate (CRE) sector has seen notable loan increases due to banks' support, but downside risks remained. He also mentioned that despite concerns over the sustainability of sovereign debt, banks had increased their investment in sovereign debt holdings. The Analyst said that there was a slight decline in asset quality, with non-performing loans (NPLs) increasing. Smaller institutions faced greater credit risk, and around 40% of banks anticipate a deterioration in asset quality over the next 6 to 12 months, particularly in the consumer credit, SME, and CRE sectors. The share was, however, lower than in previous EBA surveys. He then referred to the EBA's work on climate stress test and said that the increasing frequency of extreme weather events in Europe had an effect on the financial sector. EU-wide climate risk stress tests showed limited near-term financial impact, but potential losses could be significant under adverse conditions. The share of sustainable lending products offered by EU banks has been increasing slightly, mainly targeting large corporates through proceeds-based green loans but the shift to sustainable products has also increased the risk of greenwashing, which could undermine investor confidence and necessary investments. On funding and liquidity, the Analyst noted that despite market volatility, customer deposits have remained the primary funding source for EU/EEA banks. Central bank funding has decreased, and banks have been anticipating lower funding costs due to lower interest rates. He noted the recent rise in covered bond spreads over Bund yields were partially even below asset swaps. While banks widely met their MREL requirements, there was an ongoing funding risk as banks needed to roll over around EUR 220bn in MREL instruments by June 2025. The Analyst acknowledged that banks maintained high liquidity levels, but there were challenges ahead due to rising net outflows. He also said that the EU banks had robust capitalisation, with a CET1 capital ratio at an all-time high of 16.1%. High profitability of EU banks enabled them to distribute record dividends and share buybacks while maintaining high capital levels and ample capital headroom. Despite the sustained high liquidity levels, the Analyst noted however, that the sustainability of profits was challenging with many banks failing to cover their cost of equity. In addition, the profitability, and similarly valuation of EU/EEA banks lagged behind that of their US counterparts, even though the profitability of US banks had declined due, in part, to ex-post contributions imposed by the FDIC to fund its intervention in the March 2023 US banking crisis. An analysis of the differences in profitability between EU and US banks indicated differences in their revenue profiles as one of the key drivers and the possible reasons for US banks' higher revenues, included diversification of income, asset mix (including the use of securitisations), asset quality, but also the macroeconomic environment. The Analyst noted that the perceived cost-of-funding advantage of US banks, attributed to some extent to the use of agency-based securitisation, had been reduced by EU banks' use of covered bonds and SRT/synthetic securitisation. Regarding operational risks, the Analyst noted that geopolitical tensions have increased operational risks, particularly related to cyber threats. The frequency of cyberattacks has increased, and fraud risk has risen substantially. AI has been widely used in the banking sector, particularly for client profiling, customer support, fraud detection, and AML/CFT. However, its adoption came with challenges such as cybersecurity and data protection. He mentioned that the EU banks' exposures to non-bank financial institutions (NBFIs) represented 9.8% of total assets, with greater concentration in larger banks. This could impact banks' capital and liquidity ratios if liquidity facilities for NBFIs were abruptly activated. He concluded by emphasizing the need for banks to maintain strong capital and liquidity positions, robust credit risk management, and to integrate climate risk into their frameworks. Banks should also focus on diversifying revenue bases and controlling costs to support profitability.

22. The presentation was followed by a lively discussion, which covered CRE and leveraged loan market related risk, including a question about macroprudential buffers related to CRE exposures, cyber risks including its links to DORA, the rise in SRT activity and questions related to securitization more broadly, drivers for changes in EU/EEA banks' profitability YoY as well as differences in profitability and valuation between EU/EEA banks and their US peers, the EBA's involvement in AI related work at EU/EEA level, greenwashing and a question if current models would be able to capture growing geopolitical risks, and the assessment of the EU/EEA banking sector's risk.

23. The EBA Chairperson discussed the intersection of technology, the AI Act, DORA, and geopolitical factors. He noted that DORA was in the early stages of implementation, with a focus on identifying CTPPs and establishing oversight capacity to monitor its evolution. Regarding AI, the EBA Chairperson mentioned engagement with the industry jointly by the ESAs via the EFIF, highlighting it as a key priority for 2025. He then addressed the Member's comments on the competitiveness between US and European banks, particularly in terms of capital requirements versus levels. He stated it was important to consider that the US has implemented Basel standards in a much smaller set of banks, making direct comparisons challenging. On competition-related issues, he emphasised that local-oriented activities are more relevant, and the international playing field required prudential measures to assess these activities effectively.

24. The BSG Chairperson discussed the relationship between covered bonds and securitisations and the importance of considering interactions between the two markets.

25. The EBA Director of the Economic and Risk Analysis Department (ERA) stated that covered bonds have withstood the test of time since the great financial crisis, with no defaults among those issued by EU/EEA banks. In contrast, the US system of securitisation has a flaw where the loan originator knew the risk, which was then sold by an intermediary as MBS or CDOs, potentially leaving buyers unaware of the real risk. He noted how expensive the system was for the US treasury, who subsidised it. He recommended maintaining a covered bonds model in the EU/EEA, but with more alignment across Member States due to significant variations. Next, he compared the return on equity with its costs, noting that if the cost structure was similar for EU banks and US banks, the lack of a Banking Union, compared to the homogeneity of the US market, was a factor. The US was returning to stricter requirements, such as long-term debt, following the collapse of SVB in March 2023,

which was similar to the EU's MREL. Regarding the implementation of Basel standards in the US, the outcome under the new administration remained to be seen

26. The BSG Chairperson concluded by thanking the EBA Director and staff for a very comprehensive and productive discussion and by noting the comments raised by the Members.

Agenda item 5: Retail Risk Indicators

27. The EBA Senior Policy Expert (Expert) introduced the item by explaining that the revision of the EBA Regulation applicable from 1 January 2020, enhanced the mandate of the EBA in relation to consumer protection, by conferring on the EBA a number of tasks, including the requirement to develop retail risk indicators (RRIs) for the timely identification of potential causes of consumer harm (Article 9(1)(ab)). The RRIs measured the retail risk arising from retail banking products in the EBA's consumer protection remit, including mortgages, consumer credit, payment accounts, payment services, and deposits. Similarly to the EBA's Consumer Trends Reports, the RRIs aim to provide indications to the EBA as to the extent of detriment to which consumers were currently exposed or might be exposed in the future ('early warning indicator'). EBA published the RRIs for the first time in 2022 and updated the figures in 2023 and 2024. This year, they have been announced as part of the Risk Assessment Report which was published by the EBA on 29 November 2024. The Expert continued by saying that the EBA identified 11 indicators covering a range of different products including mortgages, consumer credit, payment accounts, payment services, and deposits. The indicators relied on existing data sources – mainly supervisory data, as well as payment fraud data, and access to financial services data from the World Bank. He briefly summarised statistics for various products per country and concluded by saying that in 2025, the EBA was planning to review the composition of the RRI, to go beyond indicators with prudential focus, and include conduct-specific indicators. The review could leverage on new sources of data, such as data on charges reported in the context of the EBA ITS under the Instant Payment Regulation. An appropriate balance needed to be found to find ways to measure risks to consumers, not firms, while at the same time not creating excessive additional reporting burdens to the industry.

28. The Members welcomed the presentation and acknowledged the importance and relevance of the presented data. Some Members suggested developing more indicators based on various sources of information and data. Other Members pointed at the EC's plan for the reduction of reporting and said that the EBA should be cautious with introducing new indicators without a clear explanation on their rationale and asked for a prudent approach. One Member questioned what the benchmarks were against which the RRI have been and should be measured. Another Member was of the view that conduct aspects of the presented indicators should be considered as this analysis could be beneficial for identifying detrimental activities. He also noted that data on costs for consumers of various banking products were crucial and mentioned national experiences with significant increases of costs in the last 10 years. Another Member reflected on the national data for

their Member State and said that the figures might be reflecting measures adopted during the Covid pandemic. One Member questioned significant differences among various EU Members States and suggested to further analyse national practices to understand the reasons behind these differences. A few Members noted the importance of data on fraud and one Member said that – while it was important to collect data on fraud – it was even more important to allow exchange of fraud data between PSPs and to involve other parties in the fraud chain such as telecommunication providers and platform providers – and to tackle the origins of fraud. One Member pointed at the need to strike the right balance between transparency of data and the burden of data collections for banks. She said that the indicators had to be interpreted carefully and that while some indicators could be read from various angles, the focus should be on the indictors that were straightforward and without risks of differing interpretations, such as the level of indebtedness.

29. In his response, the Expert invited the Members to identify and share with the EBA ideas for various sources of existing data that could be used to construct RRI. He welcomed the interest in the topic, particularly in relation to fraud, and noted that the EBA recently published its report on payment fraud, and this topic, along with the topic of indebtedness is informing the discussion about the upcoming Consumer Trends Report. In this regard, he said that there were various potential uses of collected data, either in summary reports, or in identifying best practices. He concluded by noting the issue of reporting and said that the EBA was considering various sources of data and the best use of the collected information, and that thus far has only used data collected for other purposes without requesting any further figures.

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

Agenda item 6: Update on the Banking Package roadmap

31. The EBA Policy Expert (Expert) provided an update on the execution of the Roadmap, highlighting that it has been approximately a year since the publication of the Banking Package Roadmap and therefore, it was a good time to reflect on the progress made. The Expert stressed that that the execution of the Roadmap was one of the key elements in the EBA work programme and an important strategic part of EBA's overall work. She provided an overview of the overall execution and highlighted the potential challenges, particularly the limited preparatory work on new mandates and increasing resource constraints for mandates during phases 2, 3, and 4. The Expert also referred to external circumstances which had an impact on the Roadmap. She said that 32 mandates have to be delivered by mid-2025 and a further 43 mandates to be delivered by mid-2026. Overall, the progress was positive as regards the execution of the mandates in phase 1 (by mid-2025), as EBA staff and CAs had the ability to initiate the work on the mandates ahead of the final publication of the Banking Package in the Official Journal in December 2023.The vast majority of phase 1 mandates would be delivered on time.

32. The Members welcomed the update and highlighted the high number of mandates envisaged for the EBA. They stressed the importance of prioritisation and were of the view that the EBA should primarily focus on banking mandatory mandates and limit own-initiative work as well as any further requirements that would go beyond particular mandates. One Member asked if the EBA could provide an overview of upcoming consultations. Other Member referred to the so-called Draghi report and asked how the EBA was planning to reduce legislative burden on the sector. One Member questioned the work on unrated corporates.

33. The BSG Chairperson informed that the EBA has shared an overview of expected consultations in 2025 and that it would be discussed with the TWG coordinators in due course.

34. The EBA Chairperson explained that, as also mentioned in the Draghi report, the EBA's aim was to contribute to better and efficient regulation, rather than deregulation, and in this regard, the EBA has been closely liaising with the European Commission (EC) also in relation to allocation of resources available at the EBA.

35. In her response, the Expert clarified that the phased approach of the Roadmap was, indeed, addressing the high number of mandates and was adopted following discussions with the EC even before the publication of the Roadmap. She mentioned that some of the own-initiative work has been prepared already before the publication of the Banking package. She also highlighted that the EBA was planning to first focus on all regulatory mandates, their implementation and as a next step, on monitoring of new requirements.

36. The EBA Head of Risk-based Metrics Unit (RBM) explained that the work on the unrated corporates would be done in collaboration with ESMA.

37. The BSG Chairperson concluded by noting the comments by the BSG Members.

Agenda item 7: Impact of bank branch and ATM closures on the availability of banking services and access to cash for retail customers

38. Four BSG Members presented on the impact of bank branch and ATM closures on the availability of banking services and access to cash for retail customers from their various national and sector-related positions. One Member explained that many consumers in the EU raised concerns regarding the actual trend of a reduction of the number of branches, ATMs, number of banking staff and presented Eurozone data showing this general trend. He stressed the importance of debate between the regulators, stakeholders and the industry. Two Members summarised the situation in Spain and Portugal and provided detailed analysis of the respective indicators – employees lay off, branches and ATM closures. In the presentation, one Member focused on the importance of access to cash for consumers and explained why digital banking services posed challenges to some groups of consumers. Communication campaigns in Spain have raised the awareness of this issue to financial

institutions to prevent rural and elderly citizens, who were impacted most by the closures, from being left behind. The Portuguese data was broadly similar to the Spanish example, with the issue being particularly sensitive for citizens within the costal and interior regions, and with rural and urban areas. The Member stressed the use of distance travelled as a metric to assess the impact of branch and ATM closures. The two Members stressed the importance of access to cash for consumers. They highlighted the next steps, opening a debate with all important stakeholders in order to see the trends for the coming years, to protect vulnerable customers and to maintain human interaction. The presentation was concluded by one Member who focused on respective national initiatives in Italy and dedicated research being conducted on service coverage and employment in the banking sector. He also mentioned that 'banking desertification' was attracting the attention of policymakers.

39. Several Members updated on their national experience. One Member commented how the same trends had been seen in his Member State where in 2022, provisions were made to establish a national payments strategy. While its full implementation had been delayed due to the election, it required that by June 2025, ATMs must be within a 10km radius from a given point as a metric to assess access to cash, and all state and government bodies must accept cash or facilitate such a transaction at no cost to the customer. Other Member stated that their national trends were reversed, with outreach to prepare customers for crises advising that cash should be kept in homes. Yet, she continued that cash was absent from society with many small businesses no longer accepting cash. Another Member commented – from the cooperative banks' perspective – that it was their ambition to serve all generations and categories of customers regardless of whether they were digitally savvy or rather prefer face-to-face services. But putting this ambition into practice had its challenges which come from three trends: firstly, changing consumer behaviour with the majority of customers expecting speed and convenience in banking services combined with the expectation that certain bank services come for free or almost for free; secondly, pressure to keep up with competition from outside Europe. Non-EU companies with financial pockets that were far deeper than those of European banks offered digitalized banking services for which the consumer paid with data, while the rest was paid by the merchant. If banks wanted to 'stay in the game', they needed to try and meet this offer. But this came at the price of having to reduce cost per transaction, which meant cutting costs elsewhere; thirdly, Europe's consistent ambition to create a globally competitive Europe: policy makers were embracing and encouraging digitalization (e.g. instant payments, FIDA, Digital identity). While this was positive, in principle, it also created a framework where 'digital-only' companies did not have any obligations to offer physical services, so that these companies could concentrate on serving only one particular segment of the population that was digitally savvy. She suggested that perhaps it was time to reconsider this approach. One Member stated that the demand for cash was decreasing faster than demand for ATMs. Another Member proposed to disentangle the debates of access to cash and access to banking services. Digitalisation, she stated, was resulting in insufficient access to banking services, so it was necessary to keep the two discussions separate. She

further stated that for the purported benefit of privacy from cash usage, it was essential to consider the AML aspects. Another Member encouraged the BSG to continue the debate as to how far banks should be allowed to make cash not available. One Member said that the trend he saw was that technology has been growing faster than what the population could adapt to, inevitably creating a gap for banks. He commented on the regional differences in Spain in the presentation and asked for further details.

40. One of the presenting Members suggested to dedicate time to further explore trends and solutions and proposed the development of an own initiative paper. In response, one Member invited the BSG to consider resources needed to carry out an in-depth analysis. She also pointed out that on the specific point of access to cash, all parties needed to be aware of the ongoing discussions on the legislative proposal on cash, mentioned that ECB is regularly carrying out studies on cash usage and BSG work should not duplicate this work.

41. Another presenting Member commented on the AML aspects of cash and said that it should not be assumed that a call for privacy was always related to dubious reasons like money laundering or tax evasion and that there were rules in place for dealing with cash. Finally, another one of the presenting Members clarified Spanish regional differences and highlighted the importance of focusing on the trends of the sector, and to ensure the elderly and vulnerable clients were not forgotten.

42. The BSG Chairperson concluded by noting the comments raised by the Members and acknowledged the need for continued observation, especially in the context of the EC's Digital Euro and Legal Tender Regulation proposals.

Agenda item 8: BSG response to the EBA Consultation paper on ITS for Pillar 3 Data hub

43. The BSG Member summarised the BSG response to the EBA's Consultation paper on the ITS on IT solutions to large and other institutions for the Pillar 3 Data hub implementation. Despite broad alignment between the draft provisions and previous BSG comments, she listed key recommendations from the response, in particular, related to the alignment of disclosure deadlines with financial report publication dates to reduce operational challenges; postponement of P3DH submission to September 2025 for smoother compliance, and enhancement of comparability with global peers and maintain flexibility in reporting formats. She said that the main focus areas for the EBA should address provision of structured quantitative and qualitative data, in formats like PDF, XBRL-csv and ensure clear alignment between public disclosures and supervisory reporting.

44. The EBA Senior Policy Expert (Expert) stated that the alignment with the financial reporting was, by nature, implicit in the CRR, so the ITS was simply following the Level 1 text. It was the institution, she stated, who decided the date of publication of the reports (financial and Pillar 3) and of submission of the Pillar 3 report to the EBA, who would then publish without

undue delay. The Expert clarified that the proposed first reference date in the consultation paper was June 2025. As regards the reference date of March 2025, institutions would continue the current process as submissions to the EBA would only be required after June. She further confirmed that the EBA has received comments on the timeline, and this would be confirmed in the final report, although there were many variables to consider such as the time needed to implement the technical package, and the time needed to onboard by the institutions. In response to the comparability comments, the Senior Policy Expert stated that the Pillar 3 framework was aligned to the possible extent to the Basel framework so when institutions used the templates, the alignment was built into the system in order to facilitate comparability. She said, in response to the BSG's support for separate remuneration submissions, that even if the submissions were separate, they would still need to adhere to the principle implicit in the data hub. Therefore, they would be published by the EBA without transformation, but as two documents instead of one. In response to the BSG's call for less frequent contact points updates, the Expert stated that the institutions' contact points information was essential to deal with notifications and any questions that might arise in the course of the publication process in the data hub. The EBA has received similar feedback that monthly updates were too burdensome, but the intention was to have as up to date information, such as personnel changes, as possible. She confirmed the EBA has been reassessing this aspect to potentially decrease the frequency in the final ITS. Finally, the Expert mentioned that although in some cases templates could be provided empty, an accompanying narrative in XBRL format would be required to explain the omitted data points. She confirmed that the final ITS would provide further details on this.

Agenda item 10: AOB

45. The BSG Chairperson announced the upcoming BSG conference call on 05 February 2025.

46. One Member questioned whether the list of BSG Members and their contact details could be shared within the group. He also noted that the tabled presentations included various abbreviations which could be further listed and clarified at the end of each presentation.

47. One Member informed about the proposed own-initiative work on output floor and Pillar 2 and asked if a draft on the topic could be shared with the BSG. It was agreed, at the suggestion of the BSG Chairperson, that this initiative should be discussed with the relevant TWG coordinators at the forthcoming coordination call, also in view of the BSG's other commitments.

48. The BSG Chairperson, the Vice Chairs, and the EBA Chairperson each thanked the Members for their work in 2024 and wished them a nice festive season.

Annex 1: Attendance list

Participants of the Banking Stakeholder Group conference call on 04 December 2024

Attending

First Name	Surname	Institution	Country
Julia	Strau	Raiffeisen Bank International AG	Austria
Christian	Stiefmueller	Finance Watch AISBL	Belgium
Dominique	Carriou	ESBG	Belgium
Gonzalo	Gasos	European Banking Federation	Belgium
Thaer	Sabri	EMA	Belgium
Erik Isak	Bengtzboe	Eurofinas	Belgium
Marieke	Van Berkel	EACB	Belgium
Henrik	Ramlau-Hansen	CBS	Denmark
Guillermo	de la Fuente	EACT	Belgium
Riina	Salpakari	Nordea	Finland
Joshua	Kaplan	Satispay	France
Patricia	Bogard	CA-CIB	France
Edgar	Loew	Frankfurt School of Finance and Management gGmbH	Germany
Dermott	Jewell	Consumers Association of Ireland	Ireland
Laura	Grassi	Politecnico di Milano	Italy
Maria	Angiulli	ABI - Italian Banking Association	Italy
Paolo Giuseppe	Grignaschi	Fiba Foundation	Italy
Laura	Nieri	Università di Genova	Italy
Jekaterina	Govina	Amlyze	Lithuania
Kęstutis	Kupšys	Lithuanian Consumers Alliance	Lithuania
Vinay	Pranjivan	DECO - Portuguese Consumer Protection Association	Portugal
Alin	IACOB	ASSOCIATION OF FINANCIAL SERVICES USERS (AURSF)	Romania
Gema	Diaz Ufano Navarro	Banco Santander	Spain
Patricia	SUAREZ RAMIREZ	ASUFIN	Spain
Anna-Delia	Papenberg	NFU	Sweden
Sangeeta	Goswami	Human Security Collective	Netherlands
Sandra	Burggraf	FIA EPTA	UK
Caroline	Liesegang	Association for Financial Markets in Europe	UK

EBA

Chairperson	Jose Manuel Campa
Executive Director	Francois-Louis Michaud
Director	Kamil Liberadzki
Heads of Unit	Philippe Allard Lars Overby
Experts	Tea Eger Sam Myer Andreas Pfeil Slawek Kozdras Margarita Steinbach-Shmeljov Margaux Morganti Raquel Ferreira Diana Gaibor

For the Banking Stakeholder Group

Done at Paris on 24 January 2025

[signed]

Christian Stiefmueller

BSG Chairperson