

EBA BSG 2021 057

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Banking Stakeholder Group

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6 July 2021

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Location: Teleconference

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EBA regular use

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# Banking Stakeholder Group – Draft minutes

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## Agenda Item 1: Adoption of the minutes of the last meeting and of the agenda

1. The BSG chair welcomed the Members of the Banking Stakeholder Group (BSG) and informed that the minutes of the 29 April meeting were sent for comments by written procedure and that no drafting suggestions were received.

### Conclusion

2. The agenda for the 6 July meeting and the minutes from the 29 April meeting were approved.

## Agenda Item 2: BSG update on the latest developments

3. The BSG chair reminded of the five BSG responses to EBA public consultations since the last meeting, namely: Implementing Technical Standards (ITS) on Pillar disclosures on ESG risk; Guidelines (GL) on common assessment methodology for granting authorisation of credit institutions; GL on risk-based supervision; GL on recovery plan indicators and GL on resolvability members. She informed that three BSG working groups had organised a closed-door webinar on 22 July on “Financial inclusion and digitalisation” with high-level speakers from different constituencies; she also anticipated another webinar in the Fall on the subject of “Basel III”. Finally, she informed of an internal meeting between the working group on anti-money laundering (AML) and EBA staff.
4. The working groups coordinators provided further remarks on the work in their respective groups.

## Agenda Item 3: EBA update on general developments

5. The EBA chair provided an update on developments since the last meeting. He outlined, on the one hand, the most relevant publications such as the study on the cost of compliance, the report on mystery shopping activities of national authorities, the Regulatory Technical Standard (RTS) on own funds and eligible liabilities, the report on management and supervision of Environmental, Social and Governance (ESG) risks for credit institutions and investment firms, and the analysis of RegTech

in the EU financial sector. On the other hand, he informed of the most relevant public consultations such as the GL on common procedures and methodologies for the supervisory review and evaluation process (SREP) and supervisory stress testing, and the RTS on crowdfunding service providers. The EBA chair reminded of the finalisation of the 2021 EU-wide stress test exercise. He also informed that the EBA was expecting several ‘calls for advice’ from the European Commission (EC) in the areas of macroprudential, payments, Mortgage Credit Directive (MCD) and securitisation. To conclude, the EBA chair provided an update on the EBA 10-year anniversary high-level conference and informed of the recent organisational changes at the EBA.

6. One member underscored the importance of the EBA work in relation to third country branches and its supervision to be discussed as the last agenda item of the meeting. It was said that further integration in supervision and better application of the single rulebook was very important particularly in the context of Brexit.
7. The EBA chair concurred with such remarks and invited members to read the report on the treatment of third country branches (TCB) <sup>1</sup> published in June 2021. While no historical data was available, different approaches to supervision were identified as well as potential arbitrage given national regulatory and supervisory fragmentation. It was explained that such opportunities might be supported by asymmetries in the level (national and EU) of regulation and supervision applicable to TCB and EU subsidiaries of institutions belonging to the same banking group, particularly relevant in the context of the framework relating to the Intermediate Parent Undertakings (IPU). The EBA chair explained that the EC would peruse the EBA’s report and propose legislative changes as see fit.
8. One member raised the issue of sovereign exemption at the central bank from the leverage ratio and the differences in application across NCAs within the EU. It was explained that the CRR2 quick fix allowed central banks and CA to trigger this exemption. The application of this exemption for LSI was subject to decision from NCA which created different practices across members states.
9. Another member complemented by stating that different practices have been identified in the non-application to third country sovereign exposures. Moreover, such member made a remark regarding the EBA report on the monitoring of Additional Tier 1 (AT1) instruments and raised the issue that the EBA report does not allow for the eligibility of AT1 bonds issued under third country law, which is a provision allowed under the latest revision of CRR.
10. The EBA chair noted such comments and agreed to relay the information to relevant EBA colleagues.

#### **Agenda Item 4: Update on risks and vulnerabilities in the EU and on the EBA’s IFRS9 benchmarking exercise**

11. EBA staff made a presentation on risk and vulnerabilities based on Q1 2021 data including an update on the IFRS9 benchmarking exercise. On the first section, the EBA explained that banks seem to target SME and residential mortgage lending according to the EBA’s Risk Assessment

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<sup>1</sup> [Microsoft Word - Report on third country branches.docx \(europa.eu\)](#)

Questionnaire (RAQ) going forward. Public guarantee loans could re-ignite the discussion about the sovereign-bank nexus. EBA staff explained that its analysis showed that exposures under support measures presented a heightened credit risk. Moreover, it showed that consumer lending was not yet an area of concern, but could become one, and that also other segments could pose higher risks. The RoE (return on equity) had improved in Q1, not least thanks to lower impairments. Overall banks expected only a modest asset quality deterioration going forward. On financial markets, it was said that banks' funding conditions were strong, but there was an increased focus on central bank funding. Operational risk, in particular ICT, had become increasingly relevant.

12. In the section of the IFRS9 benchmarking, EBA staff presented the state of play of the second ad-hoc exercise aimed at giving continuity to the IFRS 9 monitoring activities announced in the EBA IFRS 9 Roadmap and designed in order to assess as well the impact of COVID. They showed that, from regulatory and supervisory perspective, some practices observed deserve a deeper dive, namely: approaches to staging, robustness of IFRS9 models and risk parameters. They presented and discussed the implemented overlay practices observed as of June 2020 and the variability in IFRS 9 parameters with respect to the IRB estimates.
13. A member enquired if the subject of renewed sovereign-bank nexus was used as an excuse not to move forward on the banking Union project. Another member enquired if the EBA saw any political room to re-open the discussion on sovereign exposure risk weights.
14. The EBA chairperson informed that the Council is actively working to reach a proposal to revamp and finalise the banking union package, and where EBA participated in several work streams. He said that the agreement was to continue the work until end of the year and then evaluate. The EBA chair stated that asset quality and cyber risk have been at the center of attention during latest risk discussions.
15. Another BSG member enquired which were the top-three risks to the banking sector and to financial stability in the view of EBA. EBA staff pointed to asset quality, profitability and ICT/cyber risks as some of the key areas of concern.
16. A BSG member intervened to say that cyber risk was increasing and thus banks needed to invest further in that area, which was an additional good reason not to deduct those investments completely from equity.
17. With regard to the IFRS9 benchmarking exercise, one member requested further information on the approaches introduced during the pandemic.
18. A member required further clarity on the breakdown of incomes and current account fee issue and suggested to show the countries differences in future presentations to the BSG.
19. A member intervened to say that, according to National Bank of Romania, the share of non-performing loans (NPL) would increase to 9.2% at the end of 2021 and 9.9% at the end of 2022, from just under 4% currently. The data was according to the baseline stress test scenario carried out by the National Bank of Romania (BNR) and included in its 2020 annual report. Also, as of July 2021 the technical unemployment indemnities were to be no longer be reimbursed from the state budget and employers who wished to apply the technical unemployment measure need to cover

the indemnities from their own budget. That member wondered if there were further measures envisaged to help consumers.

20. EBA staff responded that the analysis seemed country specific and pointed out that dispersion was wide when reviewing NPL and asset quality trends. EBA staff said it was key to identify the "net" flow and impact on the P&L. EBA staff was not aware of any measures targeting consumers from EBA concerning NPLs and referred to the EBA's consumer protection colleagues on this. A further analysis of fee income was in process and suggested to be presented at the upcoming meeting.

21. Regarding the IFRS9 benchmarking, one member elaborated that the amount of transfer to stage 2 observed in June 2020 could be affected by the fact that it was expected that the crisis would be short.

22. Another member complemented by providing details on the NPL situation in its jurisdiction and relayed that asset deterioration was modest. It was said that, compared to the previous crisis, the origination processes of new loans were in a better shape and loans were better risk managed. Clients were far less leveraged both in the corporate and consumer side so there was a natural buffer which explained why the banks were more optimistic with regards to the NPL outlook.

23. Regarding IFRS9, one member pointed out at the analysis from the SSM on the overlays and suggested the EBA to coordinate on that front.

24. One member opined that moratoria, PGSs and fiscal support helped a lot alongside the EBA work. The member pointed out that the amount of fiscal support superseded the decline of GDP.

## Agenda Item 5: EBA mandate of mystery shopping

25. EBA staff informed that, following the review of the three European Supervisory Authorities founding regulations, the EBA received a number of additional consumer protection mandates in Article 9(1) of its Founding Regulation, which included the mandate to 'coordinate mystery shopping activities of competent authorities, if applicable'. The mandate was applicable since 1 January 2020. As a first step to fulfil said mandate, the EBA published a report on mystery shopping activities of NCAs in May 2021.

26. For drafting this report, the EBA collected mystery shopping (MS) activities by national competent authorities (NCAs) with a view to share experiences, learn valuable lessons, and identify good practices for the benefit of the EBA and NCAs that use or intend to use MS in the future. The report covered NCAs' MS initiatives in respect of products that fall within the scope of action of the EBA's consumer protection mandate. In particular, the report summarised the most common approaches taken by the NCAs based on the information collated, primarily for the period from 2015 to 2020. It did so by reviewing three key characteristics of the MS activities: i) the objective, subject matter and product scope, ii) the methodologies used by NCAs, and iii) the follow-up actions after the MS.

27. As envisaged next step, based on the findings and the good practices identified in the EBA report on MS activities of NCAs, the EBA was currently working on a methodological guide on MS, for publication later in the summer.

28. In the context of the EBA's work on MS, the EBA requested BSG's members views (a) on issues/challenges they consider most pertinent for carrying out MS activities in relation to the products in the EBA's consumer protection remit and (b) about the lack of transparency and the level of fees and charges stressed in the EBA Consumer Trends report published earlier in 2021, what factors should EBA take into consideration if the EBA were to use MS mandate to help address this particular issue.
29. One member raised the importance of MS, particularly for Portugal and Spain, in the context of fees and charges and identified mortgage and consumer credit as potential products to be targeted for MS activities. Those products were also indicated by several members. Another member stressed that in its jurisdiction the main issue relates to the timing of the pre-contractual information provided to the consumers, which are often provided the same day the contract is signed. One member supported a mapping of current fees and charges to facilitate the comparison of product and services.
30. Another member intervened to clarify that the increase of total fee income was not necessarily due to an increase in tariff but could also be derived from the extraordinary workload that banks needed to execute so as to support, extend and restructure financial contracts of their households and corporate clients. This member reminded that bank branches remained open throughout the lockdown. To complement this, another member pointed out COVID19 as potential factor for increase in charges and invited the EBA to further analyse.
31. Several members requested whether it would be possible to disclose the member states in which NCAs conducted MS activities and whether the EBA had information on other associations, bodies, or providers conducting such activities. One member was of the view that NCAs should closely cooperate with consumer organisations and member states to execute MS activities and not only external companies. EBA staff clarified in this regard that some NCAs work with external companies only to outsource their activities, if need be.
32. EBA staff took note of the challenges regarding the bank's websites in relation to transparency of fees and charges. EBA staff confirmed that fees and charges topic was a potential topic for MS activities, in particular considering that their transparency and their level had persistently emerged as an issue in the last five Consumer Trends Reports. EBA staff took note of the comments regarding post COVID-19 environment and mentioned that this topic is certainly worthwhile exploring. EBA staff mentioned that this work has already started with a wide and general scope, and EBA staff will make use of the comments on COVID-19 received from BSG members to assess the merits of shaping the scope such that COVID-19 is a potential factor for increased fees and charges.
33. EBA staff continued by informing members that in some jurisdictions the consumer protection mandate is not necessarily under the national banking supervisory authority's competence but rather under another national competent authority mandate (e.g such as consumer protection authorities, competition authorities or even ministries). Thus, MS is on occasions exercised by another type of authority and it may not be limited to banking products and services. EBA also explained that at this stage only a limited number of NCAs have carried out MS in their jurisdiction for products and services in the scope of action of the EBA's consumer protection mandate. Some NCAs reported that they have carried out MS activities but in areas that are not in the scope of action of the EBA's consumer protection mandate or that they only supported the MS activity carried out by the financial market authority. The MS activities reported by those NCAs concern

investment products and services and/or insurance products and services with the exception of an NCA which reported an MS activity concerning 'bank and non-bank bureaux de change'. EBA staff concluded by highlighting that, at this stage, the approach of NCAs on MS was evolving rapidly (some NCAs which have not carried out MS might do soon or have conducted MS but not necessarily on banking products) and it was therefore premature for the EBA to relay a list of NCA conducting MS.

- 34.Regarding the circumstance that in some Member States NCAs are in charge of MS, whereas in others this is done by other associations, bodies or providers, EBA staff elaborated that a large number of NCAs indicated that, in their respective jurisdiction, MS is also carried out by other entities, such as publicly funded organisations and state bodies that conduct consumer research in the areas of financial services, and consumer protection organisations, or that MS is also used as part of academic research.
- 35.To conclude, EBA staff encouraged members, who wish to receive further insights on what MS entails, to review the report and look out for future publications such as the methodological guide.

## Agenda Item 6: Final report on the study cost of compliance

- 36.EBA staff gave a presentation on the outcome of the study of cost of compliance with the supervisory reporting requirements which aimed to reduce reporting cost primarily for small and non-complex institutions. In accordance with the CRR mandate, the study looked at the classification of institutions into CRR proportionality categories, followed by measurement of the historical reporting costs, and assessed the impact of reduction of reporting requirements in improvements to the reporting framework considering costs for institutions and benefits for the supervisors.
- 37.The study resulted in 25 recommendations mostly addressed to the EBA, albeit some required co-legislators' and banking industry support. These recommendations can be congregated in four groups of focus: EBA developments process, changes to the design and content of the EBA supervisory reporting requirements, coordination and integration of reporting and various data requests, and changes to the reporting processes at a level of institutions. EBA staff explained that the next steps were to incorporate these recommendations into the EBA work programme noting that the benefits (in terms of cost savings for institutions) were expected to be realised in the next 2–5-year period.
- 38.One member concurred with the EBA remarks made around the difficulties to extrapolate the reporting and associated them with the EBA regulatory reporting only. That same member mentioned the difficulties to keep up with compliance with BCBS 239 requirements on the risk data aggregation also noting that these go beyond supervisory reporting and are not applicable to smaller banks.
- 39.Several members welcomed the study, its recommendations and proposed timelines. One of which wondered, whether in relation to the integrated reporting system, there had been discussions around the amount investment needed from the financial institutions and supervisory authorities to implement these. While EBA staff acknowledged the cost of initial investments required, it was

of the view that benefits of the ongoing reductions in the longer run would compensate the initial cost.

40. One member pointed as an example the amount of regulation being issued yearly by the EBA and the challenges this creates for the institutions to implement. The EBA acknowledged the issue and pointed out that this was a step in the direction to remedy it.

41. One member pointed out that small and non-complex institutions (SNCI) definition was narrow, and some entities automatically were able to move upwards to medium size. It was acknowledged by the staff that there might be a room for interpretation of certain criteria used for the classifications, but the classification itself is beyond the mandate for the cost of compliance study.

42. One member demanded further consideration around to banking groups in the report: wondered what consideration was given to small institutions within a group and wondered if these could benefit for waivers. The EBA staff noted, that this question goes beyond the study as relates to the application of the underlying prudential framework.

## Agenda Item 7: BSG Own Initiative Paper on COVID-19 recovery and resilience

43. A BSG member presented the preliminary work on COVID-19 recovery and resilience paper. The presentation acknowledged the unprecedented shock of the pandemic to the economy and deemed the response of authorities, banks, and private agents as laudable: the regulators' role in macro-stabilisation aiming to maintain credit flows to firms and households; the member states deployment of comprehensive set of expansionary fiscal and monetary stances; and a banking system that granted sufficient liquidity, provided support to individuals and business and channeled state aid programs.

44. In the phase out of the crisis, it was stated that the banking sector was better prepared compared to past crisis and that, thus far, only moderate signs of deterioration were visible: slight increase of NPLs, and a rise in stage 2 loans. In the long term, the BSG opined that low profitability and asset quality would be a challenge. Moreover, digitalisation, consolidation, sustainability and ESG and bank depopulations would add to these challenges.

45. The BSG paper outlined implications from the COVID19 crisis: on the one hand, for regulators and supervisors, and on the other hand, for consumers - both households and businesses.

46. The BSG concluded by welcoming the New Generation EU recovery package, recommended to not put excessive pressure on provisioning, welcomed the use of capital buffers, supported a viable restructuring framework and welcome the prioritization of a recovery-friendly policy work.

47. One member said that a shortage in supply chains could lead to high inflation as well as other problems, which was worrisome from a financial stability point of view. Moreover, the need to put further emphasis on the role of public guarantee and on the issue of banks-sovereigns nexus was raised.

48. The EBA chairperson said that many of the statements in the presentation were aligned with the EBA's view. In the context of risk assessment, he agreed that bank profitability was one of the biggest challenges and further work was needed to attain an adequate profitability. In terms of buffers' usability, the EBA chairperson reiterated that these were to be used to support the recovery, and that the bank-by-bank information would be used in the dialogue between banks and supervisors on the path to normalisation.
49. One member commented on the profitability issue, and it deemed crucial not to transfer all the costs to the consumers and entrepreneurs (SMEs) via increasing the fees on payment services.
50. One BSG member pointed out that the MDA only restricts the banks policy of using its equity or profits for paying dividends and bonuses and wondered on the issue of insufficient capital to refill the buffers. Moreover, the member pointed out that NPLs had not increased but there was an asset quality deterioration, most likely due to the increasing public support and a potential mispricing of credit risk because of persistent subsidies.
51. One member elaborated on the MDA trigger and the impact this would raise for credit rating agencies: not paying AT1 coupons would tally to a downgrade from credit rating agencies. He reminded of the inconsistent messages from supervisory authorities in this regard.

## Agenda Item 8: Call for advice (Cfa) on Digital Finance

52. EBA staff introduced the EC digital finance strategy and the Call for Advice (Cfa) on Digital Finance that the EBA received in this regard. The CfA calls on the European Supervisory Authorities (ESAs) to jointly provide technical advice on the following issues: (i) more fragmented or non-integrated value chains; (ii) platforms and bundling of services; (iii) mixed activity groups. EBA explained that an interim report on these joint ESAs requests was due in October 2021 and final report was due in January 2022.
53. Moreover, EBA staff explained that the CfA included two additional requests that are addressed to the EBA particularly to provide advice on (i) non-bank lending and (ii) protection of client funds and the articulation to the Deposit Guarantee Schemes Directive (DGSD).
54. EBA staff expanded on the approach followed for the work on the joint ESA requests (value chains, platforms and mixed activity groups) which includes ongoing work including surveys, industry outreach, desk-based research of recent publications and analysis conducted among relevant EBA working groups. It also announced an upcoming ESAs workshop with industry and competent authorities on the preliminary findings and a thematic EBA report on digital platforms. Moreover, the EBA staff elaborated on their work to identify non-bank lending activities in Europe including a survey with competent authorities.
55. EBA staff expounded on the work in client fund protection and the articulation to DGSD. Concretely it was explained that this project was a continuation of previous work in the context of the three EBA opinions on the implementation of the DGSD published in Q2 2019-Q1 2020 where the EBA

had collected information on the treatment of client funds and for which there was an ongoing analysis.

56. One BSG member suggested the inclusion in the work on non-bank lending of decentralised finance, such as blockchain and lending in stablecoins; he considered peer-to-peer lending not so critical.
57. Another member suggested the inclusion of lessons learned from recent scandals such as Greensill and Wirecard, which were good examples of non-duly supervised fragmented value chains.
58. One BSG member pointed out that non-bank mortgage lenders licensed under MCD, insurance funds and Alternative Investment Funds (AIF) were not subject to the CRR prudential consolidation rules. This can lead to an uneven playing field in terms of capital treatment/adequacy. She also highlighted that if non-bank mortgage lenders grow and become systemic, competent authorities have no tools towards them.
59. One member welcomed the work under way and considered it vital to look at the following aspects: (i) over-indebtedness from a risk assessment point of view, and (ii) data, and competition regulation from a data protection angle. The member pointed out a need to provide better tools to protect consumers, as there are currently a lot of abuses and it is difficult for consumers to complain against Big Techs.
60. A few BSG members made comments about a limited scope of the work on non-bank lending, which excludes entities that are regulated under the EU sectoral legislations (e.g. insurers or investment funds). One member highlighted that various financial institutions are not subject to the same EU rules. Even though MCD, the Consumer Credit Directive (CCD) and also Crowdfunding Regulation had closed some loopholes there are still significant differences.
61. One member pointed out that rulemaking should be conceived so that it is fit for protecting consumers of financial services in the path to a more digital society. Said member referred to the EU Digital Market Act (DMA), EU Fintech Action Plan and the regulation of DLT Market Infrastructures.
62. One BSG member suggested to look at the entire value chain and assess whether particular actions if performed by a bank would fall under the scope of prudential consolidation. This member also pointed out that new entrants may choose to operate under other regimes (i.e. other than CRD/CRR framework). This member suggested that it would be better to introduce a combination rather than particular sector legislations.
63. One BSG member wondered how the EBA was factoring in the CfA the work being conducted on this topic at international fora such as the FSB.
64. EBA staff confirmed that EBA was taking a holistic approach with regard to non-bank lending. It was acknowledged that further entities could have been considered in the analysis but that the EBA had to narrow the scope in the most efficient way also in light of the tight deadlines provided by the request. Concerning international cooperation, EBA staff confirmed that EBA would be looking at the need for potential cooperation with other international bodies.

## Agenda Item 9: Overview on the EBA equivalence work

65. EBA staff presented the work on third country equivalence and the role of the EBA therein. It was explained that the general approach to equivalence does not require a line-by-line transposition of EU laws into another country's rulebook but instead is based on a close comparison between the guiding principles and the actual outcomes of the supervisory and regulatory framework in force in the EU and those of the framework in force in the third country. EBA staff explained the equivalence assessments conducted by the EBA, when followed-up by an implementing decision taken by the European Commission, do not grant access to third country institutions to operate in the EU, but rather aim at facilitating cross-border activities of financial market players in a sound prudential environment in line with the CRR.
66. Then, EBA staff explained more in detail the equivalence assessments that the EBA has been carrying out over the past years. The first one was focusing on the regulatory and supervisory framework of third countries, and it is used as technical input by the European Commission to issue its Implementing Decision on equivalence. It was said that this assessment allowed EU institutions to use lower intra-Union risk weights for specific exposures located in third countries that are included in the decision by the European Commission. The second one focused instead on confidentiality and professional secrecy provisions of third country authorities, and it is reflected in the respective EBA Guidelines; this assessment had been conducted for several years and aimed at facilitating the participation of third country authorities to EU supervisory colleges established for EU cross-border groups. It was also explained that the scope of assessment had been recently widened to include confidentiality provisions in BRRD, PSD2 and AMLD (in addition to the ones in CRD) and could also be used to support the signature of cooperation agreements with third countries.
67. Finally, EBA staff outlined the EBA's ongoing role in monitoring equivalence assessments conducted in the past, to ensure that the conditions underpinning the original equivalence decisions were still in place.
68. A few members underscored the importance of the equivalence and welcomed the EBA work in this area. One member stressed the importance of an outcome-based approach that could take into account the specific local conditions and noted that some part of the EU framework may be too complex or burdensome to implement in some third countries, so it is important that these local conditions are duly considered in the assessment. He also pointed out that only few third country authorities were invited to general resolution colleges, and that the work on confidentiality would help widen their scope further.
69. EBA staff explained that the methodology developed for the assessment of regulatory and supervisory framework, while very granular, already considered the specificities of local banking markets and the appropriateness of the respective prudential frameworks. In particular, the questionnaire employed by the EBA to assess third country provisions helped highlight the main differences vs. the EU framework and how these were addressed in practice, thus favoring an outcome-based approach. Finally, it was explained that the assessment concerned the overall framework in place in the third countries, thus allowing for some differences in some specific areas. On resolution colleges, EBA staff explained that the GL issued so far only concerned third country

authorities in their capacity as banking supervisors, and they will be considered in their capacity as resolution authorities only with the adoption of the new approach.

70. Another member supported the outcome-based approach vs. rule-based adopted in the process and enquired if this approach was guiding any assessment of UK provisions after the UK withdrawal from EU, noting that supervisory coordination was crucial to allow a proper functioning of UK activities of EU banks. In addition, the member wondered whether third country authorities that are not banking regulators or supervisors were also assessed for their confidentiality provisions. Finally, the BSG member asked whether the Pillar 2 framework is also considered in the assessment of regulatory and supervisory framework of third countries, as there is no prescriptive BCBS standard in this area.
71. EBA staff clarified that, as announced earlier this year by EU Commissioner McGuinness, the equivalence assessments in the financial market could only be resumed once the regulatory cooperation framework was in place, and that the EBA would continue providing its input to the relevant services in the EU Commission, when requested. With respect to the type of authorities assessed for confidentiality provisions, it was explained that some market authorities might be assessed insofar they are relevant for EU supervisory colleges. Finally, EBA staff confirmed that the Pillar 2 framework is indeed considered in the assessment of supervisory framework and in the assessment of the various buffers applied in the macro-prudential framework.
72. Finally, one member enquired whether the absence of SME supporting factor in third countries was considered for the equivalence assessment, pointing out that this could lead to higher RWAs. EBA staff confirmed that the assessment was conducted on the overall regulatory framework, including provisions for credit risks, although retail and SME exposures to third countries could not benefit from the lower risk weights granted by a positive equivalence decision.

## List of participants:

**Consumers**

Monica	Calu	Asociatia Consumers United/Consumatorii Uniti	Romania
Tomas	Kybartas	The Alliance of Lithuanian consumer organisations	Lithuania
Vinay	Pranjivan	Associação Portuguesa para a Defesa do Consumidor	Portugal
Patricia	Suárez Ramírez	Asufin	Spain
Martin	Schmalzried	Confederation of Family Organisations in the EU	Czech Republic

**Employees' representatives of financial services**

Andrea	Sità	UILCA Italian Labor Union - credit and insurance sector	Italy
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**Financial institutions**

Eduardo	Avila Zaragoza	BBVA Group	Spain
Sébastien	De Brouwer	European Banking Federation	Belgium
Erik	De Gunst	ABN AMRO Bank	Netherlands
Søren	Holm	Nykredit Realkredit	Denmark
Christian	König	Association of private Bausparkassen	Germany
Julia	Kriz	Raiffeisen bank International AG	Austria
Johanna	Lybeck Lilja	Nordea Bank	Sweden
Véronique	Ormezzano	BNP Paribas	France
Maria	Ruiz de Velasco	SIBS	Spain
Christian	Stiefmueller	Finance Watch AISBL	Austria
Sebastian	Stodulka	European Savings and Retail Banking Group (ESBG) & World Savings and Retail Banking Institute (WSBI)	Austria

**Representatives of SMEs**

Constantinos	Avgoustou	Founder and Non-Executive Director of several enterprises	Cyprus
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**Top-ranking academics**

Rym	Ayadi	City University of London, Business School and CEPS	Tunisia
Concetta	Brescia Morra	University Roma Tre	Italy
Edgar	Löw	Frankfurt School of Finance & Management	Germany
Monika	Marcinkowska	University of Lodz	Portugal

### Users of Banking Services

Alin Eugen	Iacob	Association of Romanian Financial Services Users	Romania
Poul	Kjær	Copenhagen Business School	Denmark

### EBA

José Manuel	Campa	Chairperson
François-Louis	Michaud	Executive Director
Philippe	Allard	Head of Policy Coordination
Dirk	Haubrich	Head of Conduct, Payments and Consumers
Noemie	Papp	Expert, ICC
Andreas	Pfeil	Senior policy expert, RAST
Raquel	Ferreira	Senior policy expert, PRSP
Antonio	Schifino	Senior policy expert, PRSP
Oleg	Shmeljov	Senior policy expert, DART
Anja	Bautz	Senior policy expert, DART
Nicola	Yiannoulis	Senior policy expert, RAST
Malgorzata	Florczak	Policy Expert, ICC
Davide	Stroppa	Senior Bank expert, ICC
Erika	Solé	Policy Coordinator, PAC