

End of Term of Office Report of the Banking Stakeholder Group (BSG) of the EBA

For the BSG's first term of office between March 2011 and September 2013



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Abbreviations

BCBS	Basel Committee on Banking Supervision
BoS	Board of Supervisors
BSG	Banking Stakeholder Group
CEBS	Committee of European Banking Supervisors
CP	Consultation Paper
CRD	Capital Requirements Directive
CRR	Capital Requirements Regulation
DP	Discussion Paper
ECB	European Central Bank
EBA	European Banking Authority
EIOPA	European Insurance and Occupational Pensions Authority
ESA	European Supervisory Authority
ESFS	European System of Financial Supervision
ESMA	European Securities and Markets Authority
ESRB	European Systemic Risk Board
EU	European Union
ITS	Implementing Technical Standard
RTS	Regulatory Technical Standard
SCConFin	Standing Committee on Consumer Protection and Financial Innovation
SMEs	Small and Medium Enterprises
SSM	Single Supervisory Mechanism

Foreword by the BSG-Chairperson and Vice-Chairperson

We have pleasure, on behalf of the Banking Stakeholder Group (BSG) of the European Banking Authority (EBA), in submitting the End of Term of Office Report of the first BSG covering the period from its appointment in March 2011 to the expiration of its mandate in September 2013.

The BSG strongly supports all institutional arrangements (including the establishment of the stakeholder groups of the European Supervisory Authorities, ESAs) that facilitate stakeholder inputs into the regulatory process. The BSG was formed as a result of the creation of the EBA for pan-Europe bank regulation and supervision and has faced the biggest-ever changes in bank regulation. The BSG is an integral and important part of the requirement for the EBA to consult with stakeholders in areas relevant to the tasks of the EBA. Discussions at BSG meetings, the work of its Technical Working Groups, and the reports produced by BSG, provide key inputs to the EBA's work.

This Report covers four main areas: the appointment and structure of the BSG and its membership; the working methods of the Stakeholder Group and the interface with the EBA; the work of the Technical Working Groups that were established early in the BSG's term of office, and the output of the BSG. Further detail, most especially with regard to the output of the BSG, is available on the EBA website.

The BSG was established in the aftermath of a major banking crisis and at a time when the banking sector in many European countries faced formidable challenges in difficult economic circumstances. These have, therefore, been challenging times for banks, regulatory authorities, bank supervisors, and a wide range of stakeholders represented in the BSG. All aspects of bank regulation are changing in this major restructuring of the regulatory regime: capital, liquidity, bank structure, recovery and resolution arrangements, the style and content of bank supervision, and consumer protection.

When the mandate of the BSG began in March 2011, not only was it an entirely new Group, so also was the European Banking Authority itself. Furthermore, the BSG needed to define its procedures and interpret its mandate in the context of the banking crisis, and at a time when the EBA was under-resourced and had not produced documents partly because EU legislation (most especially with respect to CRD IV) for the basis of EBA Regulatory Technical Standards (RTS) and Implementing Technical Standards (ITS) had been delayed. In the area of consumer protection, the EBA had yet to create a Consumer Protection Unit.

According to Article 37 [5] of the Regulation establishing the EBA, "the Banking Stakeholder Group may submit opinions and advice to the Authority on any issue related to the tasks of the Authority with particular focus on the tasks set out in Articles 10 to 16 and Article 29, 30 and 32". This relates to: Regulatory Technical Standards; the Implementation of Technical Standards; Guidelines and Recommendations; Common Supervisory Culture; Peer Reviews, and market developments.

The mission of the BSG is, therefore, to inform and advise the EBA on all aspects of its work drawing on the perspectives, expertise, and experience of the different constituencies represented on the BSG. Within this context, it is committed to effective and efficient regulation (effective in that regulation achieves what it is designed to do), and efficient in that it is proportional and not unnecessarily

burdensome. In particular, regulation should not impede the key role of banks in the economy. It is further committed to the objective of establishing a single rulebook for the EU area and a common supervisory culture so as to limit the scope for regulatory arbitrage both within countries and between them. In pursuing this mission, the specific roles of the BSG are to inform and advise EBA on regulation before final decisions are made most especially with respect to RTSs and ITSs; to monitor the work of EBA and its work programme; and to advise on market trends. A major role of the BSG is to give detailed and considered published comments on RTSs and ITSs (see below).

The work of the BSG is time-consuming most especially when several RTS and ITS documents emerge at the same time. Many of the documents are highly technical in nature which means that the technical expertise within the BSG is crucially important. For this reason, the BSG created four Technical Working Groups to undertake detailed work in the areas of *Bank Capital*, *Bank Liquidity*, *Consumer Protection*, and *Systemic Issues* (also see below). Each BSG member became a member of one or two of the specialist groups. The choice of these four areas was designed to reflect the immediate priorities of the EBA and the likely work flow from the Authority. From the outset, the BSG was determined not to allow consumer issues to become marginalised as a result of the inevitable pressure arising from the crisis and urgent issues related to bank safety and soundness.

There are several **ways through which the BSG adds value to the regulatory process** and contributes to the ultimate objective of effective and efficient regulation in the banking sector:

- By bringing to the process the different expertise, experience and perspectives of the wide range of stakeholders represented in the BSG. In this regard, we believe that the total is greater than the sum of the parts.
- Commenting with strong technical detail on the documents (most especially, but not only, RTSs and ITSs) issued by EBA. This contributes in turn to the key EU regulatory objective of creating a sound single rulebook and supervisory culture.
- The BSG advises and assists the EBA in assessing the potential impact of proposed draft regulation and IT standards, guidelines, and recommendations.
- Providing market intelligence on developments in banking and financial markets and highlighting potential problem areas.
- Contributing to longer-term strategic issues in the regulatory process such as the implications of a Single Supervisory Mechanism (SSM, often referred to as European Banking Union). In this context, we mention the important Position Paper on Liquidity issued by the BSG in October 2012 which was written not in response to any particular regulatory requirement but in order to influence future thinking about liquidity regulation.
- Submission of opinions on the initiative of the Group rather than as a response to an EBA document.

Many of the members of the BSG are, in one way or another, directly or indirectly involved in implementing EBA regulation and, therefore, their perspectives and expertise are particularly valuable.

We strongly believe that the diversity of membership from the six constituencies¹ brings strength to the work of the BSG which is not dominated by a single constituency. However, whilst all members were appointed by the EBA's Board of Supervisors (BoS) to reflect the interests and expertise of different constituencies, each member serves in a personal capacity.

A particular concern of the European Ombudsman seems to focus on the membership of the so-called "User of Banking Services" group of the BSG.² However, based on the experience of the work of the first BSG, we judge that it is essential to have organisations such as audit firms, rating agencies, and bank consultants as members of the BSG. Representatives of each of these firms bring undoubted and valued expertise to the work of the Group. At times they have a particular expertise, experience, and perspective that are not always found to the same degree in other groups. Their contribution is particularly valuable for technical advice. They are able to challenge the industry approach and provide useful and relevant points of view on markets together with financial and accounting matters that may be intertwined with regulatory issues. The presence of a rating agency official also provided a useful link with the perspective of institutional investors and a focus on public disclosure issues. There may be a consideration, however, as to whether this group is aptly named as, after all, "Users" are also represented by the consumer and SME groups, and to some extent by the academic group.

The work of the BSG extends far beyond the four to five meetings it has held each year. The work also extends to conference calls, email exchanges, writing of opinions both in response to documents issued by the EBA and at its own initiative, liaising with EBA Staff on technical and other issues, and contributing (individually and collectively) to the review of the ESAs conducted by the European Commission and the European Parliament. In addition, members of the Group made contributions to the EBA's Day on Consumer Protection (held in London in October, 2012), the Joint ESAs Consumer Day held in Paris in June 2013, and the EBA's two-day Research Workshop held in London in November 2012. The BSG strongly supports the EBA's initiative in organising such meetings and urge that they become regular events.

It is a formal requirement that on two occasions each year there is to be a joint meeting of the Banking Stakeholder Group and the EBA's BoS which are jointly chaired by the Chairpersons of the BSG and EBA. These give useful opportunities for exchanges of views between the Group and the Board on key regulatory and related issues. The agenda for these meetings is set jointly by the BSG and EBA (on behalf of the BoS) and presentations were given by members of both constituencies. Issues discussed included: market developments, bank liquidity requirements, the perspective of bank employees, consumer protection, SSM/Banking Union, and the Recovery and Resolution regime. There was also a discussion at the final meeting of the joint group (May 2013) of the review being undertaken of the European System of Financial Supervision (ESFS) and the role of the BSG, its effectiveness, and the interface with the Board of Supervisors.

¹ Namely Credit and Investment Institutions, Consumers, SMEs, Users of Banking Services, Top-Ranking Academics, and Employees.

² In relation with the appointment of the BSG, complaints have been received by the European Ombudsman. In detail, the following complaints were received by the European Ombudsman (1321/2011/(PMC)EIS; 1875/2011/(EIS)LP; 1876/2011/(EIS)LP; 1966/2011/(EIS)LP). As these cases had not been closed at the time the Call for the Expression of Interest for the next BSG was issued, the EBA had taken into account informal feedback that had been obtained by the ESAs staff from staff of the European Ombudsman.

Much of the work of the first BSG was necessarily focussed on capital and liquidity regulation though not to the exclusion of consumer issues. Issues in the pipeline, and for the successor BSG, include structural issues (following decisions that may be made by EU members following the Report of the European Commission's High-level Expert Group on Bank Structural Reform, the so called 'Liikanen Report'), the interface between the European Central Bank and the EBA, the Recovery and Resolution regime; and the implications of the SSM/European Banking Union.

Our judgment is that the BSG worked well in the first term of office and a constructive working relationship has been established with the EBA. This is not to say that **improvements** are not possible **to enhance the effectiveness of the BSG**:

- Firstly, it would be useful if the EBA could consult BSG earlier in the process of formulating regulatory policy, and in some cases before RTS, ITS and Discussion Papers have been issued. This would allow the views of this diverse and experienced group to be taken into account prior to the production of consultation papers.
- Secondly, the BSG would welcome more explicit feedback from the EBA on the opinions published by the Group so as to encourage a broader interaction and sharing of views.
- Thirdly, and whilst accepting that this is not entirely under the control of EBA, consideration should be given to enhancing the resources devoted to the BSG and its Technical Working Groups. Some members are very constrained in the extent to which they are able to receive financial and other support: this is most especially the case when non-scheduled BSG meetings would greatly enhance the effectiveness of the Working Groups.
- Fourthly, the EBA has a substantial database which is not publicly available. Whilst ensuring that confidential data on individual institutions are not disclosed to third parties, use of independent research (perhaps commissioned by the EBA) could be undertaken, and be of real value to the EBA, were such data to be more publicly available. The BSG should play an important role by helping to exploit data gathered by the EBA and therefore contribute to creating a sound basis for regulatory initiatives. Pillar 3 data provide one example of non-confidential information which could be actively used by researchers if EBA were to provide them on a regular basis in a format that ensures cross-bank and time-series comparability.
- Consideration needs to be given (both by the BSG and the EBA) to how the Joint BSG-Board of Supervisors meetings could be improved most especially with regard to facilitating an effective two-way engagement.

In conclusion, we would like to pay tribute to Andrea Enria (Chairperson of the EBA), Adam Farkas (Executive Director of the EBA), who have attended virtually all meetings, and their colleagues at the EBA for the substantial assistance given to the BSG most especially with regard to the preparation of meetings and their presentations at its meetings. There is a strong commitment by the EBA to the BSG and the potential value of its work, and its support, cooperation and assistance is much appreciated. We are also grateful to Stefan Andresen, Tomasz Nastarowicz and Corinne Kaufman who have been important channels of communication between the BSG and the EBA. With respect to the production of this Report, we gratefully acknowledge the assistance of Stefan Andresen in guiding us in the strictly factual elements. However, this is a Report of the Banking Stakeholder Group and any opinions expressed do not necessarily reflect the views of any EBA Staff member or of the EBA generally.

Lastly, but by no means least, we pay tribute to all BSG colleagues and the collegiate ethos that developed over the two and a half years of its operation, and for the dedication and substantial input of time they gave to making the BSG an effective and integral part of the regulatory process. Their expertise and commitment has been invaluable without which the BSG could not be effective.

Professor David T Llewellyn
Chairperson
Banking Stakeholder Group

Christian Lajoie
Vice-Chairperson
Banking Stakeholder Group

1. Appointment and Structure of the BSG

The EBA's Banking Stakeholder Group was established by the EBA's Board of Bank Supervisors (BoS) on 12th March, 2011 in order to help facilitate consultation with a wide range of stakeholders in the area of the EBA's work. The appointments were made by the BoS in accordance with Article 37 [3] of the EBA Regulation.

The setup of the BSG and general features of it are set out in Article 37 of the EBA Regulation. On 26 November 2010, the Committee of European Bank Supervisors (CEBS, the EBA's predecessor) issued a public "Call for expression of interest regarding the setting up of the EBA's Banking Stakeholder Group". The BSG was duly established on 12 March 2011. The EBA Regulation states that members shall serve on the BSG for a period of 2½ years, with the possibility of renewal for one further term of office of 2½ years. The mandate of the first BSG terminated formally on 11 September 2013 although, in order to maintain continuity, it continued to operate for a few weeks after that date until a new BSG was appointed. A call for membership of the second BSG was issued on 17 May 2013.

As set out in the EBA Regulation, the main tasks of the BSG are:

- To advise the EBA on actions taken in accordance with Articles 10 to 15 of the EBA Regulation concerning regulatory technical standards and implementing technical standards. In particular, the Group shall be consulted on actions concerning Regulatory Technical Standards (RTS) and Implementing Technical Standards (ITS) to the extent that these do not relate to individual financial institutions
- To advise the EBA on measures taken in accordance with Article 16 of the EBA Regulation concerning guidelines and recommendations to the extent that these do not concern individual financial institutions.

Furthermore, and without necessarily being invited by EBA, the BSG may submit opinions and advice to the EBA on any issue related to the tasks of the Authority with particular focus on:

- a common European supervisory culture and consistent supervisory practices,
- peer reviews of competent authorities, and
- contributing to the EBA's assessment of market developments.

Also, the BSG may request the EBA, as appropriate, to investigate the alleged breach or non-application of European Union law (Article 17 [2]).

The BSG formulated and adopted its Rules of Procedure at its meeting on 5 July 2011.³

³ See <http://www.eba.europa.eu/documents/10180/17417/BSG-Rules-of-Procedure.pdf/68861555-e7b6-44aa-a537-f03a7c27d6b2>.

1.1 Membership

The BSG is composed of thirty members to represent in balanced proportions credit and investment institutions operating in the EU, their employees' representatives as well as consumers, users of banking services, representatives of Small and Medium-sized Enterprises, and independent Top-Ranking Academics (see EBA Regulation Article 37 [2] and [3]). The EBA and BoS undertook a rigorous selection process from those persons who had expressed interest in membership.

The full membership of the BSG is given in Annex I of this Report. The structure of membership is designed to reflect the experience, expertise and diversity of a wide range of stakeholders. The Group was composed of thirty members (from fourteen countries) representing these sectors:

- 10 representatives of Credit and Investment Institutions (4 of whom represented cooperative and savings banks);
- 6 independent Top-Ranking Academics;
- 5 representatives of Users of Banking Services;
- 5 Consumer representatives;
- 3 representatives of Small and Medium Enterprises (SMEs); and
- 1 Employees' representative.

Whilst the membership is drawn from six identified constituencies, each member serves in a personal capacity.

On 5 July 2011, the BSG members appointed Sony Kapoor as Chairperson of the BSG, and David T. Llewellyn as Vice-Chairperson. On 22 January 2013, Sony Kapoor announced his intention to step down as Chairperson at the 26 February 2013 meeting and David T Llewellyn was elected as the new Chairperson for the remainder of the BSG's term of office. As this vacated the position of Vice-Chairperson, Christian Lajoie was elected as the new Vice-Chairperson for the remainder of the BSG's term of office.

1.2 BSG Meetings

The Regulation establishing the EBA requires the BSG to meet on a minimum of four occasions each year though there is the possibility of more frequent meetings. The BSG established in its Rules of Procedure (Article 11, paragraph 38) that failure to attend two consecutive meetings of the Group shall be deemed to be a failure to perform the member's duties. In such a case, in consultation with the BSG Chairperson, the Authority may ask the Board of Supervisors to vacate the current position and to select a new Group member.

Typical agenda items of BSG meetings included updates on regulatory and market developments, updates on the work programme of the EBA, the future flow of consultation documents and ITSs and RTSs, discussion of BSG opinions regarding EBA (or Joint Committee) regulatory products, and

reports of the BSG Technical Working Groups. In addition, the agenda often included “horizon issues” regarding the state of EU banking (e.g. sovereign-bank loop and other crisis developments), and emerging trends that might have implications for future regulation. Advice was also given on the application of bank stress tests.

The agenda of each meeting is determined by the EBA in consultation with the Chairperson and Vice-Chairperson of BSG. Every member is able to suggest agenda items. EBA Staff typically open the discussion of each substantive agenda item with a presentation outlining the EBA’s policy and plans for RTSs and ITSs. The Chairperson of the EBA gives regular updates on regulatory issues.

2. BSG Output

The EBA sought the opinion of BSG on its proposals in relation to its draft Regulatory and Implementing Technical Standards, as well as its proposed Guidelines and Recommendations. In addition, the BSG at its own initiative issued opinions on issues related to the EBA’s remit. The BSG provided opinions (available on the EBA website) on 15 of the EBA’s Consultation Papers on its Draft Regulatory and Implementing Technical Standards, namely in relation to:

- Draft Regulatory Technical Standards on Own Funds [EBA/CP/2012/02] (<http://www.eba.europa.eu/documents/10180/38255/BSG---consultation-on-own-funds---answers-to-questions.pdf>).
- Draft Implementing Technical Standards on Disclosure for Own Funds [EBA/CP/2012/04] (<http://www.eba.europa.eu/documents/10180/38225/BSG-response-to-the-EBA-consultation-on-disclosure-of-own-funds.pdf>).
- Draft Implementing Technical Standards on Supervisory Reporting Requirements for Liquidity Coverage and Stable Funding [EBA/CP/2012/05] (http://www.eba.europa.eu/documents/10180/37226/CP2012-05_Lq_BSG.pdf).
- Draft Implementing Technical Standards on Supervisory Reporting Requirements for Leverage Ratio [EBA/CP/2012/06] (<http://www.eba.europa.eu/documents/10180/38102/BSGansweron-EBA-consultation-on-leverage-ratioSRR.PDF>).
- Draft Regulatory Technical Standards on Capital Requirements for CCPs [EBA/CP/2012/08] (<http://www.eba.europa.eu/documents/10180/38072/BSG.pdf>).
- Draft Technical Standards in relation with Credit Valuation Adjustment Risk [EBA/CP/2012/09] (<http://www.eba.europa.eu/documents/10180/38057/BSG---opinion.pdf>).
- Draft Technical Standards on the Calculation of Credit Risk Adjustments [EBA/CP/2012/10] (http://www.eba.europa.eu/documents/10180/38042/CP2012-10_BSG.pdf).
- Draft Regulatory Technical Standards (RTS) on the Conditions for Assessing the Materiality of Extensions and Changes of Internal Approaches for Credit, Market and Operational Risk [EBA/CP/2013/02] (<http://www.eba.europa.eu/documents/10180/40242/Banking+Stakeholder+Group>).

- Data Point Model related to the Technical Standards on Supervisory Reporting Requirements for Leverage Ratio [EBA/CP/2013/03].
- Data Point Model related to the Technical Standards on Supervisory Reporting Requirements for Liquidity Coverage and Stable Funding [EBA/CP/2013/04].
- Draft Implementing Technical Standards (ITS) on Supervisory Reporting on Forbearance and Non-Performing Exposures [EBA/CP/2013/06] (<http://www.eba.europa.eu/documents/10180/40000/BSG+Comments+EBA+DP+Forbearance+and+non+performing+exposures24062013.pdf>).
- Draft Technical Standards for the Definition of Material Risk Takers for Remuneration Purposes [EBA/CP/2013/11] (<http://www.eba.europa.eu/documents/10180/206140/Banking+Stakeholder+Group+%28BSG%29.pdf>).
- Draft Regulatory Technical Standards (RTS) on Own Funds (Part III) [EBA/CP/2013/17] (<http://www.eba.europa.eu/documents/10180/205812/Banking+Stakeholder+Group+%28BSG%29.pdf>).
- Draft ITS on Additional Liquidity Monitoring Metrics [EBA/CP/2013/18] (<http://www.eba.europa.eu/documents/10180/204373/Banking+Stakeholder+Group.pdf>, Annex http://www.eba.europa.eu/documents/10180/204373/Banking+Stakeholder+Group_ANNEX.pdf).
- Draft RTS on Additional Liquidity Outflows [EBA/CP/2013/19] (<http://www.eba.europa.eu/documents/10180/205409/Banking+Stakeholder+Group.pdf>).

Further, the BSG provided its opinion on [JC/CP/2012/02] the Joint Committee's proposals on the draft Regulatory Technical Standards 'for the Calculation Methods under the Financial Conglomerates Directive (FICOD)' (<http://www.eba.europa.eu/documents/10180/38012/Banking-Stakeholder-Group-reply-to-JC-CP-2012-02.pdf>).

In October 2012, the BSG produced a detailed Position Paper on 'New Bank Liquidity Rules – Dangers Ahead', which is available on the EBA's website at (http://www.eba.europa.eu/documents/10180/17417/20121002_BSG_Liquidity_Paper_incl_amendments.pdf). The paper was designed to inform and influence regulation with respect to bank liquidity generally rather than in response to a particular EBA regulation or paper.

The BSG provided an Opinion on the Discussion Paper on Prudent Valuation [EBA/DP/2012/03] (<http://www.eba.europa.eu/documents/10180/41517/EBA-s-Banking-Stakeholders-Group.pdf>).

Further, the BSG provided Opinions on the Discussion Paper on Defining Liquid Assets in the LCR under the draft CRR [EBA/DP/2013/01] (<http://www.eba.europa.eu/documents/10180/42030/%7BBSG%7D-EBA-Banking-Stakeholder-Group.pdf>) and on the Discussion Paper on Retail Deposits subject to Higher Outflows for the Purposes of Liquidity Reporting [EBA/DP/2013/02] (<http://www.eba.europa.eu/documents/10180/42015/%7BBSG%7D-EBA-Banking-Stakeholder-Group.pdf>).

The BSG also provided input to the EBA's Report on Consumer Trends 2012 (<http://www.eba.europa.eu/documents/10180/15962/Report-on-Consumer-Trends-revised.pdf>), and the EBA Opinion addressed to National Supervisory Authorities (NSAs) on Good Practices for the Risk Management of Exchange Traded Funds (ETFs) [EBA/Op/2013/01] (http://www.eba.europa.eu/documents/10180/16100/EBA-BS-2013-010--Opinion-of-the-EBA-on-Good-Practices-for-ETF-Risk-Management_1.pdf).

With respect to product oversight, the BSG produced an opinion on the Joint Position of the ESAs on Manufacturers' Product Oversight and Governance Processes.

The BSG' advice was sought on a Data Template Related to Structured Products by the EBA's Standing Committee on Consumer Protection and Financial Innovation (SCConFin).

At the request of the European Systemic Risk Board, the BSG also offered an opinion on foreign currency lending in the EU.

The EBA organised a Consumer Day in October 2012 and a two-day Research Workshop in November 2012 to which members of the BSG made presentations and acted as Chairperson for some of the sessions. A joint Consumer Day of the three ESAs was held in Paris in June 2013, and again members of the BSG made contributions. The BSG strongly supports these initiatives and urges that they become regular events.

3. Technical Working Groups

With the aim of streamlining its functioning and enhancing its efficiency, the BSG established four Technical Working Groups on *Bank Capital* (Coordinator: Louise Lindgren), *Bank Liquidity* (Coordinator: Andrea Resti), *Consumer Protection* (Coordinator: Robin Jarvis), and *Systemic Issues* (Coordinator: Sony Kapoor). The choice of subject areas was designed to reflect the priorities of the BSG and EBA. The work of the groups was undertaken via email and conference calls. Draft texts of all Working Group outputs were sent to all BSG members and, whenever possible, discussed in a plenary meeting. Comments and revisions by individual members were carefully considered and included in the final text. When necessary, diverging positions were carefully discussed and merged into a unitary statement.

All of the groups' reports were issued in the name of the BSG as a whole with all members having opportunities to comment and offer input. A list of members of each Working Group can be found in Annex II and is posted on the EBA's website⁴.

3.1 Bank Capital Working Group

⁴ See <http://www.eba.europa.eu/documents/10180/17417/BSG+2013+01+Rev2+%28BSG+Members+of+Technical+Working+Groups+-+update+May+2013%29.pdf/397178dd-9944-4b11-b51c-313844e67187>.

The Bank Capital Working Group was created with a mandate to analyse the impact of the currently proposed capital requirements on the banks' business structure and the impact on the real economy. The work of the group was mainly conducted through email contacts but there were also a number of telephone meetings to co-ordinate the responses to EBA consultations. There was also telephone contact with the EBA to gain input in order to understand the EBA process.

The Working Group drafted BSG responses on the following EBA consultations and discussion papers:

- The EBA consultation on Draft Regulatory Technical Standards (RTS) on Own Funds (Part one) [EBA/CP/2012/02].
- The EBA consultation on Draft Implementing Technical Standards (ITS) on Disclosure for Own Funds [EBA/CP/2012/04].
- The EBA consultation on Draft Implementing Technical Standards (ITS) on Supervisory Reporting Requirements for Leverage Ratio [EBA/CP/2012/06].
- The EBA consultation on Draft Regulatory Technical Standards (RTS) on the Capital Requirements for Central Counterparties (CCPs) [EBA/CP/2012/08].
- The EBA consultation on Draft Regulatory Technical Standards (RTS) for Credit Valuation Adjustment Risk on the Determination of a Proxy Spread and the Specification of a Limited Number of Smaller Portfolios [EBA/CP/2012/09].
- EBA Consultation paper on technical standards on the Calculation of Credit Risk Adjustments [EBA/CP/2012/10].
- ESA consultation on the Application of the Capital Calculation Methods for Financial Conglomerates [JC/CP/2012/02].
- EBA consultation on discussion paper on the Application of Prudent Valuation Requirements to all Positions that are Measured at Fair Value, as provided for under Articles 31 and 100 of the draft Capital Requirements Regulation (CRR) [EBA/DP/2012/03].
- Draft Regulatory Technical Standards (RTS) on the Conditions for Assessing the Materiality of Extensions and Changes of Internal Approaches for Credit, Market and Operational Risk [EBA/CP/2013/02].
- The EBA Consultation on Supervisory Reporting on Forbearance and Non-Performing Exposures Under Article 95 of the Capital Requirements Regulation [EBA/CP/2013/06].
- Draft Regulatory Technical Standards (RTS) on Own Funds (Part III) [EBA/CP/2013/17].

3.2 Bank Liquidity Working Group

In order to economise on costs, and to make cooperation easier, the Bank Liquidity Working Group worked mainly through remote cooperation tools (including e-mail, web-hosted repositories, Skype and other web-based videoconferencing channels). To ensure that the Working Group would also benefit from an adequate technical background, members were allowed to seek assistance from one

or more colleagues working for the same organisation, provided that such colleagues could not access confidential BSG/EBA documentation.

To ensure that the Working Group could operate swiftly and smoothly, no rigid coordination rules between it and the BSG were imposed, although it was agreed that the Working Group would always seek the highest levels of transparency towards other BSG members. This would be achieved, for example, by discussing draft results with the BSG Chairperson and/or at a plenary BSG meeting, by circulating intermediate materials to all BSG members, and by inviting all BSG members to participate in the Working Group's meetings.

The Bank Liquidity Working Group produced five main outputs, namely:

- In August 2012, the Group produced a document including replies and comments on the EBA's consultation paper [EBA/CP/2012/05], concerning supervisory reporting requirements for liquidity coverage and stable funding.
- In October 2012, the Group produced a 78-page Position Paper on the new liquidity ratios proposed by the Basel Committee on Banking Supervision (BCBS) within the "Basel 3" framework. The paper (entitled *New Bank Liquidity Rules: Dangers Ahead*) spurred considerable debate within the regulatory community and was cited by *The Economist* magazine as one of the pieces of evidence underlying the revisions to liquidity ratios introduced by the BCBS in January 2013.
- In March 2013, the Group drafted a document including replies and comments related to the EBA Discussion Papers on Defining Liquid Assets in the Liquidity Coverage Ratio under the draft CRR, and on Retail Deposits Subject to Higher Outflows for the Purposes of Liquidity Reporting [EBA/DP/2013/01 and EBA/DP/2013/02].
- In May 2013, the Group drafted a response to the consultation on the data-point model related to technical standards on Supervisory Reporting Requirements for the Liquidity Coverage, Net Stable Funding, and Leverage ratios [EBA/CP/2013/03 and EBA/CP/2013/04].
- Furthermore, in August 2013 the Group provided a response to Additional Liquidity Monitoring Metrics under Article 403(2) of the draft Capital Requirements Regulation (CRR) [EBA/CP/2013/18 and EBA/CP/2013/19].

The responses to EBA's Consultation and Discussion Papers stressed the need for careful cost/benefit analyses to ensure that regulation would not impose unnecessary burdens on banks, especially smaller institutions, and would not set overly tight implementation deadlines that would prove detrimental to the quality of reported information. Additionally, it was highlighted that EBA's technical decisions had to be transparent and based on data analyses that could be independently verified by third parties.

The key message of the October 2012 Position Paper was that, as the new liquidity rules were about to enter the implementation stage, a number of black-spots needed to be highlighted. The aim was to provide the EBA and European policy makers with a detailed technical discussion of several areas where the proposed new rules risked having negative unintended consequences unless properly calibrated and carefully implemented. Several particular issues were discussed in the paper including the definition of liquid assets and whether the proposals being made were too prescriptive; the link

between the Liquidity Coverage Ratio and ECB eligibility criteria; and the idea that liquidity characteristics of different assets change over time and also in response to economic and financial market conditions. There was a danger that liquidity rules might compromise the role of banks as an intermediary channel, and that some features of the proposed new liquidity rules might penalise retail and commercial banks: this applies especially to the over-conservative treatment of contractual flows from loan agreements which might have negative incentive effects with regard to bank lending to SMEs.

The Position Paper warned that prudential rules should not be taken too far, as the objective of providing all banks in Europe with a bullet-proof jacket in times of distress may in fact lead to imposing a straightjacket on the everyday business of financial institutions and their customers in a way that unnecessarily impedes their efficiency: a balance needs to be struck. The divergence between the treatment of securities and bank loans may prove to be troublesome because borrowing from banks is the dominant form of SME financing.

The EBA's involvement in the Working Group's activities was seen as an important condition for success and was actively sought along three profiles:

- 1) Financial support from the EBA was requested for occasional face-to-face meetings of the Working Group members.
- 2) Technical support from EBA Staff experts was deemed necessary to identify tasks and priorities that would prove useful to both the BSG and the EBA (also with the aim of making it easier for the EBA to invest resources in the dialogue with the Bank Liquidity Working Group).
- 3) Some form of data sharing, to enable WG members to access aggregated data on liquidity and liquid assets (as collected by EBA, directly or through National Competent Authorities) in a way that would preserve confidentiality. Alternatively, if no data access could be provided to Working Group members, the EBA could assist the group by carrying out impact analyses of the calibrations proposed by the Group and disclosing aggregate results to the Group.

While the second objective seems to have been achieved (thanks to the personal commitment and technical qualification of a number of EBA Staff officials, including its Chairperson), objectives 1) and 3) have not been adequately met. Financial support proved unfeasible due to the Authority's budget constraints, and the Group's proposals and suggestions for some form of data sharing have not been accepted by the EBA. Although we understand that the EBA faces external constraints because data are sometimes "owned" by National Competent Authorities, it would be of great value if the EBA could publicly endorse the BSG's requests for increased transparency on liquidity-related data. Enhanced transparency might also ensure that the EBA's analyses are better received by market participants and bank experts.

3.3 Consumer Protection Working Group

From the outset, the BSG was anxious to ensure that, given the pressure of more immediate priorities associated with regulatory reform in the area of bank capital and liquidity and other issues focused on the safety and soundness of banks, consumer issues would not be marginalised in either the EBA's or BSG's priorities. With this in mind, the then BSG's Vice-Chairperson produced a position paper

outlining the mandate and legal authority of the EBA (and hence the BSG) in the area of consumer protection, which was discussed at the BSG's second meeting which also considered the key issues in the area of consumer protection.

The BSG is conscious that some issues of consumer protection are also clearly within the mandate of EIOPA and ESMA. Whereas the EBA will act on its own with regard to consumer issues arising from 'pure' banking products (such as mortgages, personal loans, savings products, current accounts, credit cards and payment services) it will act in cooperation with ESMA and EIOPA when credit institutions act as intermediaries of investment and insurance products respectively. For the future, there would be advantage in collaboration between the respective Stakeholder Groups in the area of consumer protection.

Some members of the Consumer Protection Working Group held meetings with the Chairperson and Vice-Chairperson of the EBA's Standing Committee on Consumer Protection and Financial Innovation (SCConFin) as well as the Head of the EBA's Consumer Protection and Financial Innovation Unit to discuss how, given the expertise and experience of BSG members, the Group might contribute to the work of the SCConFin.

Article 9 of the Regulation establishing the EBA refers to consumer protection. SCConFin was set up to address the EBA's obligations under Article 9. Unfortunately, due to more pressing issues and initial problems of appointing EBA's Head of Consumer Protection, there was slow progress in outputs on consumer issues. However, a Head of Consumer Protection and Financial Innovation has been appointed and the SCConFin has started generating EBA Opinions on Good Supervisory Practices⁵, a Warning (jointly with ESMA)⁶, and several reports⁷. The BSG Consumer Protection Working Group provided comments on the draft stages of all of these outputs. The BSG Consumer Protection Working Group was committed to work closely with the EBA and SCConFin to generate outputs.

After the publication of the EBA's first Report on the EBA objectives and work on consumer protection and financial innovation published in February 2012, in the following year (March 2013) the SCConFin published its annual Report on Consumer Trends for 2012/13, to which the BSG Consumer Working Group made a contribution. This contribution was the result of a survey amongst all BSG members to determine what they judged to be the current key issues in consumer protection that lie within the remit of the EBA. The top two issues to emerge were Responsible Lending and Selling Incentives. These two issues in particular could be part of the Group's future agenda, along with the advice process and the general issue of trust and confidence.

In October 2012, the EBA organised a very successful Day on Consumer Protection in London which attracted 135 participants. The Day took the form of panel sessions with interactions with the audience

⁵ See <http://www.eba.europa.eu/documents/10180/16100/EBA+Opinion+on+Good+Practices+for+Borrowers+in+Payment+Difficulties.pdf>; <http://www.eba.europa.eu/documents/10180/16100/EBA+Opinion+on+Good+Practices+for+Responsible+Mortgage+Lending.pdf>; and http://www.eba.europa.eu/documents/10180/16100/EBA-BS-2013-010--Opinion-of-the-EBA-on-Good-Practices-for-ETF-Risk-Management_1.pdf.

⁶ See <http://www.eba.europa.eu/-/esma-and-the-eba-warn-investors-about-contracts-for-difference>.

⁷ See <http://www.eba.europa.eu/documents/10180/15962/Report-on-Consumer-Trends-revised.pdf>.

on a selected number of consumer issues. BSG members made presentations at this conference. The purpose of the EBA Day on Consumer Protection is to enable regulators, a wide range of stakeholders, and other interest groups to explore key consumer issues in finance, and to enable the EBA to outline its approach to consumer protection. The BSG strongly supports such meetings and the dialogue they facilitate, and is always ready to contribute to the planning and delivery of the events. In the following year, a Joint Consumer Day with the three ESAs was organised on 25 June 2013 in Paris. As consumer protection issues are relevant for all three ESAs, joint Consumer Days such as this are a valuable means of facilitating dialogue and on-going cooperation between them.

In the light of the EBA's focus on the areas of product oversight and the distribution of structured funding products, the Consumer Protection Working Group also provided BSG input to two draft documents from the SCConFin.

3.4 Systemic Issues Working Group

While most bank regulation and supervision focuses on the micro-prudential aspects – individual banks and credit institutions – perhaps the biggest lesson of the financial crisis that began in 2008 was that this is not sufficient for ensuring that the financial system as a whole is stable and well-functioning. A system of individual banks all of which look healthy may be highly vulnerable due to exposures to common risk factors and a high-degree of interconnectedness giving rise to systemic risk.

On other fronts too, it is essential to look at the banking system as a whole, and not just individual banks. For example, while increasing capital requirements or tightening liquidity ratios may help make each bank safer, the associated deleveraging could have a large negative impact on the overall economy. Similarly, a systemic perspective also becomes essential when considering bank stress tests and measuring vulnerability. It is also critical for discussions on how best to manage bank failures, for example through bailing creditors in. The Systemic Issues Working Group was set up with a particular view to address exactly this missing systemic dimension and the work done by the Group and the focus of its members reflects that.

Members of the Working Group provided regular updates and analysis to the full BSG and the EBA on their view of the “state of the EU banking system” as well as on bank-related developments in the Eurocrisis. Members also led the BSG discussions on bank stress tests, on the sovereign-buffer, on sovereign-guarantees, on the evolution of the sovereign-bank linkages as well as emergent sources of systemic risk. These discussions acted both as a source of insights and analysis for the EBA as well as a sounding board for the EBA's own analysis and on-going consideration of these important topics. There was an agenda item at most of the BSG meetings to reflect this dimension.

Members gave specific comments on the EBA's regular Risk Assessments of the European Banking System as well as the Stress Test Methodology. Members also focussed attention on the systemic dimensions of changes to capital and liquidity requirements – for example on (1) implications for the viability of banking models, (2) on transition problems including the possibility of a credit crunch associated with bank deleveraging, and (3) on the difficulties of finding adequate sources of new capital and funding that are compatible with tighter requirements at the system-wide level.

Members of the Working Group also focussed on the impact of changes to bank regulations such as on sovereign support, bail-in requirements, living wills, measures to tackle too-big-to-fail and the recommendations of the 'Liikanen Report'. on the availability and cost of funding as well as capital, the sustainability of banking models, and on credit ratings of financial institutions.

The Working Group also produced BSG inputs to the EBA on the EU Recovery and Resolution Directive: the bail-in tool design, though decided not to produce a formal BSG-wide response on broader matters such as the recommendations of the 'Liikanen Report' despite having discussed the matter. Unlike the work of the Bank Capital and Liquidity Working Groups that focussed on commenting on specific Guidelines, Binding Technical Standards or Recommendations being enacted by the EBA, the Working Group focussed on more general issues related to systemic stability.

Another issue that attracted the particular attention of Working Group members was the interaction between consumer and investor protection on the one hand and systemic stability on the other. Here members provided inputs to the ESRB which requested the BSG's advice on foreign currency loans to consumers and for mortgages. The Group also had discussions on how retail investors/depositors in Spanish savings banks were mis-sold products on which they later lost money as Spain sought to stabilise its fragile banking system. Where relevant, the Group also discussed the trade-offs between consumer protection on the one hand – for example in limiting repossessions in Spain – and bank stability on the other. At other times, particularly during 'peace-time', the Group strongly felt that consumer protection and systemic stability go hand in hand for example through limiting irresponsible lending and borrowing (particularly for mortgages and retail borrowers) when the business cycle is in the upswing.

4. Key Issues at Meetings

The minutes of the twelve meetings of the BSG as well as the three Joint BSG/BoS meetings are available on the EBA website.⁸ In addition to substantive regulatory issues such as RTSs and ITSs, each meeting also reviewed current market trends in the European banking sector and "horizon" issues designed to enable BSG members to identify and discuss issues of concern that, whilst not necessarily immediately pressing, could emerge in the future and that the EBA should monitor. In addition, at each meeting the EBA Chairperson gave useful up-dates on regulatory issues and current developments.

The main agenda items of each meeting are summarised as follows:

2011 Meeting dates:

- 27 May – Adoption of Rules of Procedure; Process of Selection of the Chairperson; EBA 2011 Work Program; EBA GLs 'AMA Changes', 'Corporate Governance'; Stress Test.

⁸ The minutes are published under: <http://www.eba.europa.eu/about-us/organisation/banking-stakeholder-group/meetings-and-minutes>.

- 05 July – Appointment of the Chairperson/Vice-Chairperson; EBA consultation practices; Stress Test; Consumer Protection; Organisation of the BSG.
- 14 September – FX Lending; Consumer Protection; Liquidity; BSG Role.
- 16 November – Consumer Protection; Liquidity & Maturity Mismatches; EBA consultation practices; Setting up of 4 BSG Technical Working Groups.

2012 Meeting dates:

- 07/08 February (incl. Joint meeting with BoS) – CP assessment of members of the management board and key function holders; CP Draft ITS supervisory reporting; presentation of key issues, priorities and concerns of the BSG to BoS.
- 20 April – CP Draft RTS on Own Funds.
- 05 July – Recapitalisation Exercise; Banking Union; CP Drafts ITS Disclosure own funds; CP Draft ITS supervisory reporting liquidity coverage and stable funding; CP Draft ITS supervisory reporting of leverage ratios; CP Draft RTS concept of Gain on Sale; CP Draft RTS Capital Requirements CCPs; Consultation CVA; Consultation JC review of FICOD.
- 24/25 September (incl. Joint meeting with BoS) – Recapitalisation Exercise; Banking Union; CP Draft RTS Credit Risk Adjustment; JC consultation on the application of the capital calculation methods for financial conglomerates; EC's Recovery and Resolution; Bank liquidity (also discussed with BoS).
- 29 November – EBA letters to EC regarding 'transitional floors' and 'definition of own funds'; 'Liikanen Report'; Liquidity; CP Draft RTS on Own Funds – Part two; Discussion Papers Draft RTS Prudent Valuation; Draft RTS Criteria to identify staff; Chairperson of BSG.

2013 Meeting dates (until the end of the BSG's mandate):

- 26 February – Appointment of new Chairperson/Vice-Chairperson of BSG; Recommendation on the preservation of core Tier 1 capital; EBA's Risk Assessment work; Draft RTS/ITS on liquidity; Recovery and Resolution Directive: the bail-in tool; ESFS Review; BSG's End Term of Office Report.
- 14 May – CRD/CRR implementation and issues related to SSM; EU 2013 Stress Tests; EBA's risk assessment work; RTS/ITS on passport notification; RTS on Recovery Plans; Review of ESFS; selection process for the successor BSG; BSG Working Group reports; Joint BSG/BoS meeting agenda.
- 15 May – Joint BSG/BoS Meeting – report on activities of BSG; bank liquidity regulation; consumer protection issues; Recovery and Resolution planning; Review of ESFS and the role of BSG and joint BSG/BoS meetings.
- 28 June – update on regulatory developments and the current work of the EBA, market risk, supervisory cooperation; draft BSG End of Term of Office Report, EBA's support to the BSG, report from the four BSG Working Groups, and future work plan of BSG.

The EBA premises in London were the meeting location of all BSG meetings.

5. Emerging Themes

Several particular concerns emerged during BSG meetings either when considering specific regulatory issues, RTSs, and ITSs, or during regular discussions of market and regulatory trends. With respect to regulatory issues, key areas of concern included:

- The potential pro-cyclicality of the emerging regulatory regime, most especially with respect to the regulatory requirement to raise equity and liquidity ratios.
- The lack of diversity in the banking system as banks converge on similar business models and behaviour.
- The timing and speed of implementing new regulatory requirements.
- The complexity (and excessive granulation), and in some cases, too prescriptive nature of some aspects of new regulation and whether such complexity enhanced the effectiveness and efficiency of regulation.
- The cumulative impact of regulation and whether, in strict cost-benefit analysis terms, the totality of regulation (as opposed to component parts) satisfies the proportionality test.
- The particular difficulties faced by some small banks most especially with respect to data availability and the time-scale of implementing new regulation.
- The substantial detail (and possibly non-proportionality) of some reporting requirements.
- The variation in the way that different banks (sometimes condoned by National Competent Authorities in some countries) apply the risk-weight methodology for purposes of calculating capital requirements.
- Concern that, in some areas, regulation and supervision were being applied in a particularly nationalistic way. In some cases, national practices were undermining the objective of an internationally consistent supervisory approach.

Some of these issues were also raised at Joint BSG/BoS meetings.

With regard to market trends, several concerns were raised from time to time during BSG meetings including:

- The fragmentation of banking markets due in part to the way that regulation and supervision was being applied in some countries. This was particularly evident with regards to capital and liquidity where in some cases capital and liquidity were effectively being ring-fenced locally. This has the danger of creating serious competitive neutrality problems across the EU, and compromising the objective of creating an EU single rulebook and banking market. As subsequently stated in the *Joint Committee Report on Risks and Vulnerabilities in the EU Financial System* (March 2013), there are risks of further fragmentation of the EU single market. This is evident in increased home-bias and reduced cross-border banking flows.

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- The disappearance of insurance companies as major investors in long-term bank securities and incentives for these companies to invest in more risky asset classes and/or only in short-term assets potentially implying more instability in financial markets.
 - Unintended differences between accounting and prudential regulation which can result in confusion for investors and other stakeholders: there is a real challenge to effectively and efficiently manage all relevant processes in this regard.
 - The fragility of some parts of the European banking sector because of unfavourable financial market trends most especially with regard to bank funding, the inter-bank markets, and access to new capital.
 - The dependency of some banks on ECB funding, and the exit problem that may eventually emerge.
 - The dangers inherent in the sovereign debt-bank loop.
 - Whether banks were always making appropriate loan-loss provisions or exercising excessive forbearance both of which seemed to vary significantly between countries. Concern was expressed about the potential impact on bank capital as a result of likely asset deterioration following weakness in the European economy. In this regard, the BSG welcomes the EBA's work on identifying a common definition of forbearance.
 - Unintended consequences from the interface between CRR/CRD IV (capital, liquidity and leverage) and Solvency II.

With respect to the future, concerns were raised regarding the plans for the creation of a SSM/European Banking Union and especially with respect to its viability without simultaneously establishing a common bank resolution regime.

6. Assessment

As emphasised at the outset of this Report, the Banking Stakeholder Group is totally committed to institutional arrangements that facilitate transparent stakeholder inputs into all aspects of the regulatory process. The structure of the BSG, with its mix of different expertise and perspectives, adds significant value in the pursuit of effective and efficient regulation and supervision in the European Union. The period of the first BSG was challenging and was one of substantial change in many aspects of the reform of bank regulation.

Establishing effective procedures, structures and work practices was the initial priority of the BSG and hopefully these (including a structure of specialist working groups) will be carried forward to the next BSG so that the important work of monitoring the EBA, and responding to its consultation documents, will not be interrupted.

Both the EBA and the BSG have had a very heavy work programme over the two and a half years covered by this Report. A lot has been done over this period but a lot remains to be done towards the objective of a single rulebook for bank regulation and a common approach to bank supervision. The

already planned future stream of consultation documents to be issued by the EBA, and the extent of its own work programme, means that there will continue to be heavy pressure on the new BSG.

There will also be new challenges for the next BSG associated with initiatives focussed on, for instance, the development of a Single Supervisory Mechanism under the umbrella of the European Central Bank; the implications for the EBA of this new arrangement including the working relationship between the two institutions, and new responsibilities given to the EBA in the areas of dispute mediation and crisis management. There will also be important implications of any further moves in the direction of a European Banking Union, and structural issues following the EU Commission's response to the 'Liikanen Report'. The BSG will continue to contribute to the ultimate objective of effective, efficient, and consistent and internationally comparable regulation and supervision of the EU banking sector.

Annex I – BSG Membership

Two initial members resigned from the BSG during the course of its term of office (Mr Oliver Schütz and Mr Marcin Kawinski). Mr Chris De Noose was appointed as a replacement for Mr Oliver Schütz, and Ms Vera Cottrell was appointed in place of Marcin Kawinski.

Name	Organisation	Category	Gender	Natio nality	Date appointed	Date resigned
Andrea Cesare Resti	Bocconi University	Academics ⁹	M	IT	12/03/2011	-
Andrew Thomas Procter	Deutsche Bank	Industry ¹⁰	M	AU	12/03/2011	-
Arnold Kuijpers	Rabobank	Industry	M	NL	12/03/2011	-
Birgit Roos	Savings Bank Krefeld (Sparkasse Krefeld)	Industry	F	DE	12/03/2011	-
Bostjan Krisper	Slovene Consumers' Association ZPS	Consumers	M	SI	12/03/2011	-
Chris De Noose	ESBG/WSBI	Industry	M	BE	16/11/2012	-
Christian Lajoie	BNP Paribas	Industry	M	FR	12/03/2011	-
Daniel Gros	Centre for European Policy Studies (CEPS)	Academics	M	DE	12/03/2011	-
David T Llewellyn	Loughborough University	Academics	M	UK	12/03/2011	-
Erik Berggren	BUSINESSEUROPE	SMEs	M	NL	12/03/2011	-
Giles Williams	KPMG	Users ¹¹	M	UK	12/03/2011	-
Giovanni Ferri	LUMSA	Academics	M	IT	12/03/2011	-
Guglielmo Zadra	UniCredit SpA	Industry	M	IT	12/03/2011	-
Hiltrud Thelen-Pischke	PricewaterhouseCoopers AG	Users	F	DE	12/03/2011	-
Holger Schwannecke	Zentralverband des Deutschen Handwerks	SMEs	M	DE	12/03/2011	-
Javier De Andrés	University of Oviedo	Academics	M	ES	12/03/2011	-
Louise Lindgren	Nordea Bank AB	Industry	F	SE	12/03/2011	-
Lubomir Christov	Bulgarian National Consumer Association	Consumers	M	BG	12/03/2011	-
Magdolna Szőke	Magyar Takarekszövetkezeti Bank Zrt.	Industry	F	HU	12/03/2011	-
Marcin Kawiński	Financial Service User Group	Consumer	M	PL	12/03/2011	23/11/2012
Michel Barbet-Massin	Federation of European Accountants	Users	M	FR	12/03/2011	-
Michelle Brennan	Standard & Poor's Ratings Services	Users	F	IE	12/03/2011	-
Mónica Cueva Diaz	Santander	Industry	F	ES	12/03/2011	-
Oliver Schütz	Erste Group Bank AG	Industry	M	AT	12/03/2011	02/04/2012
Pamela Walkden	Standard Chartered Bank	Industry	F	UK	12/03/2011	-
Robin Jarvis	European Craft and SME Association (UEAPME)	SMEs	M	UK	12/03/2011	-
Rudi Vander Vennet	Ghent University	Academics	M	BE	12/03/2011	-
Sony Kapoor	Re-define	Consumers	M	UK	12/03/2011	-
Sylvie Bourguignon	Banking Audit Partner at Deloitte & Associés	Users	F	FR	12/03/2011	-
Ute Meyenberg	UNI Europa Finance	Employees	F	FR	12/03/2011	-
Vera Cottrell	-	Consumers	F	DE	25/02/2013	-
Zita Čeponytė	Lithuanian Consumer Institute	Consumers	F	LT	12/03/2011	-

⁹ "Academics" refers to "Top-ranking academics".

¹⁰ "Industry" refers to "Credit and Investment Institutions".

¹¹ "Users" refers to "Users of banking services".

Annex II – Technical Working Group Membership

Four Technical Working Groups of the BSG were established on: Consumer Protection Issues, Bank Capital, Bank Liquidity and Systemic Issues.

The following co-ordinators were nominated: Robin Jarvis (Consumer Protection Issues), Andrea Cesare Resti (Bank Liquidity), Louise Lindgren (Bank Capital) and Sony Kapoor (Systemic Issues).

The table below summarises the membership of BSG members, as it stood at the end of the BSG's term of office:

Consumer Protection	Bank Liquidity	Bank Capital	Systemic Issues
Robin Jarvis (co-ordinator)	Andrea Cesare Resti (co-ordinator)	Louise Lindgren (co-ordinator)	Sony Kapoor (co-ordinator)
David T Llewellyn	Sony Kapoor	Sony Kapoor	David T Llewellyn
Sony Kapoor	David T Llewellyn	David T Llewellyn	Giles Williams
Zita Čeponytė	Birgit Roos	Birgit Roos	Andrew Procter
Ute Meyenberg	Giles Williams	Andrew Procter	Guglielmo Zadra
Lubomir Christov	Louise Lindgren	Magdolna Szőke	Ute Meyenberg
Chris De Noose	Arnold Kuijpers	Sylvie Bourguignon	Lubomir Christov
Bostjan Krisper	Javier De Andrés	Christian Lajoie	Rudi Vander Vennet
Arnold Kuijpers	Magdolna Szőke	Hiltrud Thelen-Pischke	Daniel Gros
Erik Berggren	Michel Barbet-Massin	Giovanni Ferri	Michelle Brennan
Holger Schwannecke	Sylvie Bourguignon	Guglielmo Zadra	Giovanni Ferri
Vera Cottrell	Christian Lajoie	Michel Barbet-Massin	Mónica Cueva Diaz
	Mónica Cueva Diaz	Ute Meyenberg	
	Pamela Walkden	Javier De Andrés	
	Chris De Noose		