

EBA BS 2025 637 rev. 1

Board of Supervisors

14 October 2025

Location: EBA premises

Board of Supervisors

Minutes of the meeting on 14 October 2025

Agenda item 1: Welcome and approval of the agenda

1. The Chairperson welcomed the Members of the Board of Supervisors (BoS). He reminded them of the conflict-of-interest policy requirements and asked them whether any of them considered themselves as being in a conflict. No Member declared a conflict of interest.
2. The Chairperson reflected on the letter circulated to the Members announcing that Jo Swyngedouw was planning to step down from his BoS position and thanked him for all his work and contribution, including as the EBA Vice-Chairperson and the Chairperson of AMLSC.
3. The Chairperson asked the BoS whether there were any comments on the draft agenda. There were no comments on the agenda.
4. Finally, the Chairperson informed the BoS that the Minutes of the BoS conference call on 11 September 2025 and of the ad hoc BoS conference call on 30 September 2025 would be circulated for comments and approval in written procedure.

Conclusion

5. The BoS approved the agenda of the meeting by consensus.

Agenda item 2: Update from the EBA Chairperson and the Executive Director

6. The Chairperson updated the Members on four items.
7. Firstly, the Chairperson informed the Members that the EBA, together with the other ESAs, received on 1 October 2025 a letter from the European Commission (EC) on non-essential Level 2 acts to be deprioritised. In accordance with the discussion at the June BoS and the

methodology of the Task force on the Efficiency of the Regulatory and Supervisory Framework (TFE), considering also the list proposed by DG FISMA, the EBA has prepared a list of L2 and L3 mandates to be deprioritised by the EBA which would be shared with the BoS in the coming days. He noted that the EBA mandates that should have been delivered in 2026, and which were part of that list of deprioritised mandates, have been identified in the Work programme 2026 that was adopted by the BoS. The remaining mandates to be deprioritised would be reviewed and possibly updated by the EBA in the context of the preparation of the Work programme 2027.

8. Secondly, the Chairperson referred to the ongoing work on multi-currency issuers and mentioned that at the ESRB General Board (GB) meeting held on 25 September 2025, the ESRB GB members approved a report examining recent developments in stablecoins, crypto-investment-products and multi-function groups and endorsed the submission of a recommendation to the European Commission (EC) proposing to not consider third-country multi-issuer schemes as permissible under the current MiCA framework and, as a second-best option, a list of recommendations in order to limit the risks.
9. Thirdly, the Chairperson said that during his meetings with the Commissioners Ms Albuquerque and Mr Dombrovskis, both Commissioners welcomed the recently published EBA's 2026 Work Programme and the 21 recommendations identified by the TFE. In addition, they discussed efficiency of the regulatory and supervisory framework, with a particular focus on reporting costs and the EBA recommendations on holistic approach, as well as Stablecoin/Multi-issuance.
10. Fourthly, the Chairperson noted that the topic of simplification was also discussed at the meeting the ECB Supervisory Board held in Tallin on 9 October 2025. He provided an input to the areas of internal models, stress testing, and reporting.
11. Fifthly, the Chairperson reflected on the joint conference by the European Money and Finance Forum (SUERF) and the EBA which took place on 7 October 2025. The main topic of the conference was how to simplify Europe for the financial sector. In the first panel discussion, the speakers addressed the issues from a macroeconomics perspective and discussed the benefits of simplification in the financial sector. Panel 2 addressed the issues from an institutional & international perspective. The Chairperson thanked Helmut Ettl for moderating Panel 2, Louise Mogensen for attending as a panellist and all Members who actively contributed to the discussion.
12. Finally, the Chairperson announced an ad hoc BoS conference call on 12 November 2025 and said that the details would be shared with the Members in the coming days.
13. The Executive Director updated the Members on four items.
14. Firstly, the Executive Director reflected on the conclusions of the Council of the EU on simplifying EU financial services regulation and said that similarly to the recommendations

of the TFE, the Council was also of the view that the simplification should address both the existing stock of regulation and the flow of new regulation. Furthermore, new technological developments should be taken into account when looking at simplifying the existing stock of regulation. He noted that the Council called on the EC to present a comprehensive action plan for reviewing and simplifying the existing L1 and while welcoming the ongoing work of the ESAs, also called on them to adopt simpler and more targeted approach to developing its technical standards to reduce complexity and to ensure that these technical standards were clear, focused, and proportionate. In this regard, the Executive Director stressed the importance of legal certainty for the EBA's mandates.

15. Secondly, the Executive Director informed that he attended the General Board meeting of AMLA and updated on the transitional work of the EBA and AMLA. He said that there were two main topics discussed – balance between Level 1 and Level 2 in terms of applying risk-based approach in Level 2 and potential Level 1 constraints, and a preparation of a dry-run exercise which the EBA would support, noting that existing data should be used first rather than launching any new wide-scale ad hoc data requests.
16. Thirdly, the Executive Director mentioned the first mission of the European Court of Auditors at the EBA at the beginning of October which was concluded without any findings.
17. Finally, the Executive Director announced an upcoming written procedure on budget amendments with regard to the fees to be collected under DORA framework.
18. The Members did not raise any comments.

Agenda item 3: Risks and vulnerabilities in the EU

19. The Director of the EBA Economic and Risk Analysis Department (ERA) updated the BoS on the latest developments in the EU related to risks and vulnerabilities. He began by providing an analysis of French sovereign yields and banks' debt and the impact on French banks' equities following the resignation of the French Prime Minister. He noted that large banks' portfolios were well diversified, and impact was expected to be limited, however there were concerns due to ongoing political and economic uncertainty. The Director of ERA continued by summarising the current status of the stablecoins market and the risks that may affect banks from the development of this market. He then focused on the impact of global tensions and economic shifts on EU banks, including exposures to sovereign and sector-specific risks. He clarified that the presented findings were a part of the analysis prepared for the risk assessment report that looked at the market impact on EU banks following tariffs announcements and presented the results of EBA's analysis on the impact of geoeconomic uncertainty on banks. The Director of ERA also presented statistics on stage 2 loans and said that while these loans have increased by nearly 20% since 2021, the cost of risk remained near its lowest levels reported. Movements in stage 2 provisions did not seem to be strongly correlated to changes in stage 2 allocation. He concluded his

presentation by pointing out the findings of a respective working sub-structure on various SRT related aspects, including an estimation of related CET1 capital relief.

20. A presentation by the Irish BoS Alternate Member followed on the NBFIs and its interconnectedness with the banking sector. She noted that within the NBFIs sector, there were a number of cohorts that – when acting collectively during market turmoil – may amplify a shock and increase risks for the banking system. Particular areas of focus included bond funds (holding bank debt), MMFs (also exposed to short term bank debt, active in repo), hedge funds (engaging with prime brokers and heavily active in the derivatives markets) and SPEs (often sponsored by banks). The Member said that since the global financial crisis, there has been significant growth in the global NBFIs sector and increased interlinkages with the banking sector resulting in an increase of risks and vulnerabilities in the NBFIs sector which may lead to the amplification of systemic risk elsewhere including in banks. The Member concluded by summarising national activities with an aim to protect financial stability, including developing sectoral risk assessments including for MMFs, hedge funds and other sectors.
21. In the following discussion, Members provided an update on their national developments. With regards to the evolution of banks' funding costs versus their sovereign's yield, the Members agreed that while sovereign risk remained a relevant factor, its impact on bank funding costs has so far been limited in most jurisdictions. Several Members noted that fiscal pressures – such as ageing populations, climate-related spending, and defence budgets – could pose medium- to long-term risks, particularly in low-growth environments and said that these structural challenges would require close monitoring. Some Members mentioned that banks within their jurisdictions remained profitable and well-capitalised, with diversified business models and stable funding positions. The downgrade of sovereign ratings had minimal impact on funding costs, largely due to market anticipation and strong fundamentals. One Member highlighted improvements in public spending and pension reforms, alongside increased profitability in the banking sector. Majority of the Members were of the view that while current conditions appeared stable, long-term fiscal pressures and geopolitical developments could influence sovereign yields and, by extension, bank funding costs. Continued monitoring and resilience-building in public finance and banking structures would therefore be essential. With regards to the impact of EMT issuances on the EU/EEA banking sector, several Members agreed that while EMTs currently remained concentrated in the US market, their relevance in Europe has been growing and warranted close monitoring. Some Members highlighted the possibility of EMTs contributing to the tokenisation of finance, which would require appropriate settlement assets—either central bank digital currencies, stablecoins, or tokenised deposits. The preference expressed by some Members was for stablecoins to be issued by regulated banks, with MiCA providing a useful framework for managing associated risks. Few Members raised concerns around multi-issuance stablecoins, particularly regarding liquidity risk and custodial exposure. One Member noted ongoing supervisory engagement with issuers to address these risks, including stress testing and the development of additional supervisory measures. While

EMTs were not yet widely used in certain jurisdictions, some Members acknowledged that their growth could challenge traditional banking models, especially in relation to deposit funding. Some Members called for further research into the determinants of demand for EMTs to better understand their implications. A number of Members emphasised the issue of regulatory gaps, in particular the need to prepare for scenarios in which core banking functions may increasingly shift into the crypto sphere. Similarly to other areas, the Members highlighted the importance of monitoring new market entrants and ensuring compatibility with existing regulatory frameworks. With regard to geopolitical developments, the Members were of the view that while no widespread stress has yet been observed in bank portfolios, geopolitical tensions and hybrid threats have been increasingly shaping supervisory priorities and strategic planning. Some Members identified operational and cyber risks as key concerns, with data showing that a significant majority of institutions have already experienced notable incidents this year. The Members emphasised the importance of keeping this issue high on the supervisory agenda, particularly given the growing reliance on third-party service providers, which may limit banks' control over remedial actions. On the topic of tariffs, several Members acknowledged that while the full impact has yet to materialise, rising trade barriers were likely to affect competitiveness and profitability, particularly in the EU. While some jurisdictions have not yet observed significant portfolio stress, other Members noted that geopolitical developments could affect SMEs and employment, particularly in export-oriented sectors.

22. The ECB Banking Supervision representative welcomed the EBA's analysis and noted that while there were not many EMTs in Europe yet, it was nevertheless important to focus on related risks. He also informed about the planned stress test on geopolitical risks in which the banks would be asked to describe a scenario that would be challenging to them rather than report on how they would perform under a prescribed scenario.
23. The ESRB representative reflected on the recommendations approved by the ESRB General Board and noted that based on the data from DORA reporting, there was a significant number of cyber-attacks recorded. He also mentioned that considering strong euro position, raising gold prices and not fully materialised tariffs, there was a concern of mispricing of risks.
24. The Chairperson concluded by noting the comments raised by the Members and said that geopolitical tensions, cyber threats, and evolving trade dynamics have been shaping the risk landscape and influencing banks' strategic responses. Continued monitoring, targeted stress testing, and supervisory coordination were essential to ensure resilience and preparedness.

Agenda Item 4: Revisions to the supervisory benchmarking in light of Basel III and the simplification agenda

25. The Chairperson introduced the item by noting that supervisory benchmarking has been one of the core EBA tasks since its inception. However, the implementation of Basel III output and input floors, the regulatory products developed by the EBA over the years and the ECB's TRIM exercise were introduced with the intention to reduce the variability of internal model outcomes which had been the key focus of the benchmarking exercises. Basel III also triggered significant revisions to supervisory reporting, including reporting for benchmarking purposes. Against this background, the tabled note summarised the proposals for the changes to be introduced in the 2027 benchmarking ITS which would ensure the continuity of the benchmarking exercises in the Basel III environment. The Chairperson added that the proposed changes would also result in clear streamlining of internal EBA processes and significant reduction of reporting requirements for the participating banks, in line with the recent recommendations by the Task force on the Efficiency of the Regulatory and Supervisory Framework (TFE).
26. The EBA Head of Economic Analysis and Impact Assessment Unit (EAIA) continued by summarising the changes proposed on credit risk, market risk and IFRS9 and said that the introduction of CRR3 as of January 2025 has forced significant modifications to COREP. In order to render the credit risk benchmarking data collection compatible with these changes, the EBA was proposing to migrate the ITS on the credit risk benchmarking under the scope of the ITS on Supervisory Reporting. The main advantages of this migration would be attributable to the greater simplicity of maintaining compatibility between benchmarking data and COREP, as well as to the possibility of creating common rules for the different reporting obligations. Furthermore, the elimination of the separate annual credit risk benchmarking process would create significant efficiency gains and bring the scale of the exercise in line with the already reduced resources allocated to it. As regards market risk benchmarking, the Head of EAIA clarified that the proposal was to postpone the publication of the 2027 ITS consultation paper by a couple of months until the EC's decision on the future of the FRTB. The time gained by such a decision would be used to reshape the benchmarking portfolios, improve their efficiency, and align with the supervisory priorities. This solution would, however, imply a delay of the usual timeline for finalising the 2027 ITS on market risk benchmarking by several months. On the IFRS9 benchmarking, the Head of EAIA explained that starting from the year 2025, Article 78 CRD was extended to include in the benchmarking exercise also the models used for accounting purposes under the IFRS9 principle. In anticipation of this extension, the respective task force had created 8 extensive data templates meant to collect detailed data (also at facility level) for the purposes of the exercise. However, after the 2023 BoS decision to deprioritise the benchmarking work, the task force as well as the necessary internal support, were discontinued. The Head of EAIA added that the amendments to Article 78 also brought the standardised approach banks into the scope of the exercise and implied a significant enlargement of the current sample of banks. Therefore, the EBA's proposal was to suspend the specific IFRS9 data collection

and substitute it with a combination of existing (and possibly enlarged) FINREP reporting and elements from the current IFRS9 templates to be included in the credit risk benchmarking templates.

27. The Members welcomed the proposals, in particular on credit and market risk. They highlighted the importance of the work on data reduction which should not, however, result in ad hoc data requests by competent authorities (CAs). One Member was of the view that the EBA should clearly communicate all proposed changes, in particular reflecting on simplification initiatives and the work of the TFE. Several Members asked for the possibility of keeping some specific data points within IFRS9 data collection arguing that these data were crucial for monitoring on how banks have been addressing geopolitical and credit risks, or for the purpose of stress test exercises. Few Members questioned the definition of relevant standardized approach banks and how these banks would be identified, asking for proportionate treatment of small banks. Other Members asked for clarification on the scope of banks that would be impacted by FINREP reporting and said that small banks should not be included.
28. The EC representative welcomed and supported the proposals, stressing the merits in terms of simplification and the consistency with the objectives set by the BoS regarding burden reduction in the reporting framework. He noted that the use of the already collected and reported FINREP data was sufficient to fulfil the CRD mandate and called not to introduce new data points or perform additional ad hoc data collections.
29. The ESRB representative supported the request of some Members to keep specific IFRS9 data points.
30. The ECB representative supported the proposals and also noted that many details relevant for the stress test exercise were based on the IFRS9 reporting.
31. In his response, the Head of EAIA explained that the EBA was discussing, at the experts' level, various aspects of the definition of the relevant standardized approach banks and said that the leading principle for the definition was that no banks would have to start FINREP reporting as result of the proposed changes.
32. The Chairperson concluded by noting the Members' support and said that the EBA would further clarify which relevant data under IFRS9 reporting should remain and assess how the new Reporting ITS should be amended in a holistic manner, including for the purpose of the stress test exercise, and how the relevant standardized approach banks should be treated.

Conclusion

33. The BoS supported the EBA's proposals to migrate the 2027 credit risk benchmarking ITS into the Reporting ITS, to postpone the publication of the 2027 ITS consultation paper, and

to discontinue the current IFRS9 benchmarking data collection and replace it with data from existing supervisory reporting by consensus.

Agenda item 5: Guidelines on ESG scenarios analysis and stress tests for institutions

34. The Chairperson reminded the Members that a public consultation on draft Guidelines (GL) took place at the beginning of this year and the final draft Guidelines have been tabled for the BoS approval.
35. The EBA Head of Risk Analysis and Stress Testing Unit (RAST) continued by mentioning that the EBA published on 9 January 2025 Guidelines on the management of ESG risks which covered the mandate referred to in Article 87a(5) of Directive 2013/36/EU except for scenario analysis. The tabled GL were intended to complement the Guidelines on the management of ESG risks and aimed to support institutions in developing their internal capabilities and skills necessary for setting and using scenarios, primarily to test i) the shock-absorbing capacity of their capital and liquidity reserves, as well as ii) the resilience of their business model, including in the long-term. In terms of scope, these GLs focused more specifically on environmental risks, starting with climate-related factors, while recognising that social and governance risks were not yet sufficiently mature for inclusion. They may, however, be considered in future updates as methodologies and data availability improve. The Head of RAST explained that following the public consultation, the EBA amended the GL according to the three guiding principles: (i) enhancing clarity, (ii) simplifying expectations and ensuring that they were compatible with operational realities, and (iii) providing reasonable timeline for implementation. In this regard, the Head of RAST presented two options for the date of application, noting that initially, the EBA envisaged to apply the GL immediately after their publication but with a gradual implementation and this approach appeared to offer a good compromise between the mixed views expressed by members. However, following the legal review, the EBA considered that such an approach would not be sufficiently robust and was therefore proposing the two options for the BoS' discussion. Under Option 1, the application date would be on 11 January 2026 (with 11 January 2027 for SNCIs). This would ensure alignment with both the Guidelines on the management of ESG risks and with the entry into force of CRD6. It would also prevent the impression of yielding to the current context and backtracking on ESG risks, which could otherwise be seen as a negative signal regarding the enforcement of regulation in this area. This could however be seen as overly burdensome for the industry, leaving very little time for the proper implementation of the GL. Option 2 would set a uniform application date of 1 January 2027 for all institutions, in order to provide sufficient time for them to prepare in the absence of a phased approach. The potential drawback of this option was a misalignment with the date of application of the CRD6. During this time supervisory authorities would have to adopt a pragmatic approach balancing the need to comply with the CRD6 in the absence of the EBA Guidelines.
36. There was a broad support among the Members for the proposed content of the Guidelines and several Members specifically appreciated how proportionality was reflected in the text.

The preferences of the Members on the presented Options for the application date were mixed. While some Members supported Option 1, arguing that it was preferable for the market to have legal certainty and mentioning gradual supervision of the requirements; others supported Option 2 providing more realistic implementation timeline. Few Members proposed different application dates for SSM and non-SSM banks, while others disagreed with such proposal. One Member noted changes to the proposals compared to the drafting at the standing committee level and asked for reasoning for these changes. Some Members highlighted the importance of the finalisation of the Guidelines. One Member questioned the appropriateness of SNCI using a “predominantly qualitative” approach for the integration of environmental risks when such risks were material.

37. The ECB Banking supervision representative supported Option 1. He acknowledged gradual approach to supervision, as well as entering into force of CRD6. He also said that the Guidelines included numerous proportionality provisions and that, following public consultation, there was an expectation on the publication of the Guidelines.
38. The EC representative supported Option 1 noting that it would be a legally sound option considering the CRD6 transposition deadline and entry into application, but also that it would allow for an adequate preparation and convergence of practices from the onset of the exercise since, the scenarios should be available to, and used by institutions as of January 2026, regardless of the application date of the Guidelines discussed.
39. Considering the mixed views, the Chairperson invited the Members to support one of the presented Options by consensus. As a result, the Members supported Option 2.
40. The EBA Head of ESG Risks Unit (ESG) responded on the predominantly qualitative approach and said that it was intended to ensure that the depth of analysis corresponds to the materiality of the risks. Nevertheless, she agreed that the wording of the paragraph could benefit from additional clarification.
41. The Chairperson concluded by noting the support of the Members for the publication of the Guidelines with an application date 1 January 2027 for all institutions. At the same time, the EBA would provide clarification in the Guidelines that CRD would be applicable from 2026, and banks should continue their efforts to develop robust environmental scenario analysis approaches during that time.

Conclusion

42. The BoS supported Option 2 to be included in the Guidelines on ESG scenarios analysis and stress tests for institutions by consensus.
43. The BoS approved the Guidelines on ESG scenarios analysis and stress tests for institutions by consensus.

Agenda item 6: EBA Chairperson selection procedure

44. The item was discussed in a restricted setup and only the EBA Chairperson, BoS Voting Members/Alternates, the EBA Head of Legal and Compliance Unit, Head of Governance and External Affairs Unit (GEA), Head of Human Resources Unit (HR) and two experts from the GEA and HR attended.
45. The Chairperson introduced the item by thanking the Members for further distribution of the EBA Chairperson vacancy notice which was published in the week before the BoS meeting.
46. The EBA Head of Legal and Compliance Unit (LC) explained that as per the selection process discussed during the ad hoc BoS conference call on 30 September 2025, the BoS was asked to appoint the pre-selection board which would review applications for the Chairperson's position, interview up to 10 candidates and select up to six for BoS interview, concluding their work by early December ahead of the BoS meeting planned for 17 December 2025. The pre-selection board would comprise three members, including its chair. Two members and two alternates would be selected by the BoS from among its voting members. The third member would be a senior official of the EC of grade AD15 or higher nominated by the EC. The Chairperson informed that following a call for candidates, the EBA received six nominations. He asked the Members to vote for two candidates taking into account gender and geographical balance. The first two with the most votes would be appointed as members, and the next two as their alternates.
47. The Chairperson invited the Members to submit their votes by secret ballot.
48. The Members elected Mr Steven Maijoor and Mr Marko Myller as members of the pre-selection board. Based on the received vote, Ms Nathalie Aufauvre and Mr Christopher Buttigieg have been elected as alternates.
49. The Chairperson concluded by thanking the Members for their vote.

Conclusion

50. The BoS elected Mr Steven Maijoor and Mr Marko Myller as members of the pre-selection board.
51. The BoS elected Ms Nathalie Aufauvre and Mr Christopher Buttigieg as alternates of the members elected for the pre-selection board.

Agenda item 7: Call for advice (CfA) - AMLA mandates

52. The Chairperson reflected on the role of the EBA in preparing the ground for AMLA, starting in 2020. He stressed that supporting the smooth transition to the new framework has been one of the EBA's key strategic objectives and the work on the tabled CfA was an important part of that. He acknowledged the significant input from the CAs that were part of the AML

standing committee, which was instrumental in advancing this complex task and he thanked the EBA staff and the Chairperson of AML SC for delivering the work within the challenging timeline.

53. The EBA Head of AML/CFT Unit thanked members for their substantive input and support throughout the life of the project. The draft response was testament to the strong commitment by CAs to moving forward together in the fight against financial crime. Regarding the proposals themselves, the BoS had discussed a version of these earlier this year and since then, the EBA had published them for consultation for a three-month period. The current, revised, draft proposals reflected the feedback received, additional input the EBA had sought from the private sector as well as insights from checks the EBA had carried out on two draft RTSs to assess the plausibility of the approaches they contained. The AML SC had approved the draft unanimously at its meeting on 25 September 2025. The Head of AML/CFT also outlined the steps the EBA had taken to adjust the texts where necessary to make the proposals sufficiently risk-based and proportionate. She noted that there were instances where change was not possible due to provisions in the L1 text. This was the case in particular in respect of Customer Due Diligence (CDD), where the L1 text limited the flexibility institutions and their supervisors would have. It was important, going forward, that the implementation of the whole AML framework, including in respect of L1, was monitored so that its effective functioning could be assessed. Subject to the BoS' approval, the EBA was planning to submit the report to the EC and publish it on its website by 31 October 2025.
54. The Members supported the work. Some Members draw attention to the fact that Article 17 of the draft RTS on CDD for investment funds was gold-plating FATF standards, failed to be sufficiently risk-based and would have unintended consequences. Two Members supported the early publication of the RTSs on risk assessments and suggested that AMLA should carry out larger scale tests on the proposed methodology over the course of 2026 to further fine tune those aspects of the methodology that were not set out in the draft RTS itself. One Member wondered how national specificities were reflected in the proposed approach.
55. The EC representative welcomed the report and highlighted the importance of the work and its timely delivery; having in mind that AMLA would develop these technical standards further. He also reflected that, while seeking simplification and an appropriate balance going forward, the Level 1 provisions set clear requirements that have to be complied with. He finally stressed the need to consider appropriately the non-financial sector in this context, as it would have an important role to play in keeping the EU free from ML/TF.
56. In her response, the Head of AML/CFT explained that ML/TF risks could vary by Member State and that for this reason the proposed entity-level risk assessment methodology provided a possibility for adjustments based on national specificities whilst respecting the mandate for overall cross-border consistency and comparison of outcomes. She also confirmed that a possible dry run using a larger sample of institutions than that used for the

EBA's plausibility checks might be envisaged by AMLA. She clarified that, while FATF was the global standard setter and the EBA had had due regard to these standards when discharging its work, the EBA was bound by provisions in the L1 text alone. In the case of investment funds, L1 provisions were more restrictive than the approach put forward by the FATF. The EBA had nevertheless sought to put forward a pragmatic approach to CDD for this sector, in a way that respected the specificities of the business model while at the same time complying with the EU legislative framework. The EC representative intervened to confirm that the L1 framework alone was binding in the EU.

57. The Chairperson concluded by noting the Members' support while acknowledging specific comments raised.

Conclusion

58. The BoS approved the response to the CfA on AMLA mandates by consensus.

Agenda item 8: Digital euro

59. The Chairperson introduced the item by clarifying that this item would involve two presentations – first from the European Central Bank (ECB) with an update on the digital euro and their assessment of the potential impact on banks' business models, and the second from the EBA.
60. Alessandro Giovannini, Advisor to the Director of the digital euro, gave an overview of the ECB's progress with the digital euro. He highlighted the evolving nature of payments and the need for banks to keep pace with these changes. He also underlined the importance of reducing overdependence on non-European payment systems to strengthen strategic autonomy. The digital euro was presented as a solution to address current market gaps, offering both online and offline usability while enhancing payment resilience. He noted that the ECB would not provide the digital euro directly; instead, banks would play a central role in its distribution. He addressed concerns about liquidity outflows, noting that limited holdings for day-to-day use would not pose a threat to financial stability. Finally, he presented the digital euro as a cost-conscious initiative, designed to reuse existing standards wherever possible.
61. The Head of RAST and the EBA Head of Digital Finance Unit (DF) presented an overview of the EBA's assumptions and explained the potential implications of the introduction of a digital euro on credit institutions' liquidity and profitability. They also focused on consumer-related aspects and on money laundering and terrorist financing considerations.
62. The Head of RAST noted that the implications for banks' liquidity and profitability were overall manageable. These impacts depended on features such as digital euro holding limits, compensation models and potential fees for value-added services. He noted that

banks would require an adequate period to begin upgrading their IT systems and to establish appropriate plans for a smooth and timely implementation once the digital euro design parameters were confirmed.

63. The Head of DF stressed the need for consistent and timely communication to help consumers better understand the digital euro and facilitate adoption. In terms of AML/CFT profiles, she said that the retention of limited information for offline digital euro transactions - depending on the outcome of legislative negotiations and ECB design choices - could restrict payment service providers' ability to monitor transactions effectively for the purposes of AML/CFT.
64. The ECB representative expressed appreciation for the key messages presented and welcomed the findings. She reiterated that, compared to conservative assumptions, in practice not every depositor would feel the need to transfer funds into a digital euro wallet to the full holding limit. She emphasised that, in any case, the introduction of the digital euro would be aligned with the goal of maintaining a resilient financial system. Regarding concerns related to AML, she underlined the ECB position that the offline functionality of the digital euro had been specifically requested by the co-legislators to resemble as closely as possible cash use. The feature – albeit still under design consideration - was expected to strike a good balance between ensuring user privacy and mitigating the risks of money laundering.
65. In the following discussion, Members raised a number of considerations regarding the digital euro. One Member noted the difficulty of conducting an exercise to assess the potential implications for the banking sector, given the reliance on crude assumptions and the need to adopt a worst-case scenario approach. The Member considered any analysis to be necessarily speculative and pointed out that it lacked a deeper exploration of how the financial system might react in practice in terms of possible replacement funding sources/business model changes when liquidity or profitability drops. Another Member highlighted that banks should not be treated as a homogeneous group, noting the presence of smaller banks and outliers. The Member expressed concerns about the potential shift of deposits to the digital euro and its liquidity implications for smaller institutions. While the digital euro was intended as a means of payment, not a savings instrument, the questions remained about whether this distinction would be sufficient to prevent adverse effects on funding. The Member also raised the issue of cost burdens, pointing out that while the Eurosystem would cover infrastructure costs, banks themselves would need to invest in technical implementation, which could be disproportionate to their market size. Further engagement with banks was deemed important. On the revenue side, the Member acknowledged that banks would receive compensation, which could offset potential losses. Some Members noted limited consumer awareness of the digital euro, citing survey results from central banks, and called for more public campaigns and deeper collaboration with banks to clarify the full pros and cons of the project. One Member made an observation regarding AML/CFT risks, stating that offline digital euro transactions were comparable to

cash, which remained a major concern for AML/CFT supervisors. The Member noted that these risks were real and that, unlike cash, the digital euro would be facilitated by payment service providers (PSPs), which themselves needed to address vulnerabilities to money laundering. Another Member issued a word of caution, stressing that key elements of the digital euro still needed to be fully decided and only then could effective information/communication campaigns to industry and consumers be launched. A member noted that analysis should be careful not to lead ongoing discussions that may result in future adjustments.

66. The EC representative thanked the EBA for the work done and welcomed the note as a tool to foster discussions on Digital euro among the BoS members. He found that the note usefully highlighted some of the key features and challenges that need to be tackled in establishing a Digital euro. As many elements were still under discussion, he stressed the need not to pre-empt any outcome and to keep a flexible approach at this stage.
67. In their response, the ECB Advisor to the Digital Euro and Head of RAST and DF reiterated that, indeed some variations may be expected in terms of impact on banks LCR and profitability. The Advisor to the digital euro also noted that synergies and mutualisation of costs were expected to help with implementation. He noted that even though consumers have a limited knowledge of the digital euro, the adoption rate appeared positive based on some surveys (e.g. 66% say they would use it) notwithstanding that the product was not yet on the market. Some communication materials were already available from the ECB's website.
68. The Chairperson concluded by noting that there remained a significant lack of awareness among consumers regarding the digital euro, and many individuals had no clear understanding of its usefulness or potential benefits. Additionally, he mentioned the issue of holding limits, with questions about how frequently these limits could be updated and what mechanisms would govern such changes and recalled that the digital euro should not be seen in isolation – it was important also to recall the potential impact of so-called stablecoins (including EMTs) and other payments innovations. He noted a need for ongoing actions to monitor developments and support clear and consistent communications to industry and consumers.

Conclusion

69. The BoS approved the EBA note on a digital euro by consensus.

Agenda item 9: Consultation paper on the revised SREP Guidelines

70. The Chairperson introduced the item by reminding the Members of the discussion at the June 2025 meeting where the EBA provided an update on the third revision of the SREP Guidelines (GL) and the Members supported the proposed approach regarding simplification, proportionality and supervisory effectiveness, along with steering on the

interaction between Pillar 1 (including output floor) and P2R. The consultation paper on the revised SREP Guidelines has been now tabled for the BoS's approval.

71. The EBA Head of Supervisory Review, Recovery and Resolution Unit (SRRR) continued by highlighting that simplification and efficiency were key drivers for the development of the draft revised SREP GL. Moreover, the steer of the June BoS to enhance proportionality and supervisory effectiveness was taken forward as more clarity was provided to better accompany a risk-focused supervision, granting additional flexibility in the categorisation of institutions hence on the level of frequency and granularity of the assessment of SREP elements, while focusing more on institutions' ability and willingness to remedy identified deficiencies and on the link between supervisory measures and assessment areas. In addition, the ongoing nature of the SREP has been further clarified to enhance the rationalisation of the supervisory process. The Head of SRRR then noted also the balance achieved on the most challenging topic of this revision, the interaction between output floor and P2R. He concluded that subject to BoS' support, the draft revised SREP GL would be published for a three-month public consultation.
72. The Members supported to proceed with the publication and praised the work performed, with particular regards to the simplification efforts. With respect to the latter, one Member proposed to add a clear summary of all the simplification and proportionality improvements achieved, using targeted examples. Other Member mentioned that some proposed principles in relation to the output floor, the P2R and the treatment of the arithmetic effects were very general, with the risk of giving rise to questions on how they would be concretely implemented by supervisors. Therefore, the Member also proposed additional consultation questions to invite targeted input from the industry on how these principles were understood and how would be implemented. Moreover, the Member proposed ex-post review to be considered on this topic to assess prospective supervisory implementation. From an opposite perspective, one Member pointed out that the current text on output floor could be considered slightly misaligned with the related EBA Opinion regarding not mentioning the one-off nature of the review and specifying what constitutes an undue arithmetic effect. This Member expressed concerns about moving in the direction of automatism instead of case-by-case treatment. Moreover, this Member expressed disagreement vis a vis the proposal to add further consultation questions. Another Member acknowledged the compromise reached in relation to the output floor and summarised four key points in the draft: enhanced importance of ICT risk, avoiding overlaps among capital requirements, support for flexibility and more disclosure/communication. Three Members noted the need to ensure adequate safeguards when considering moving institutions from category 1 to category 2 or 3 as this could result to lower supervisory intensity, while another Member was of the view that increased proportionality and less frequent SREP reviews for smaller banks should be further highlighted in the draft.
73. The EC representative acknowledged the intense work and progress made at technical level and considered the product ready for consultation. He noted the importance of

avoiding double-counting and overlapping requirements, certainly with the output floor as long as an institution was bound by it, thereby addressing the legal mandate on the output floor, but also with Pillar 1 requirements, considering the complementary nature of Pillar 2 requirements. He stressed the importance that this was ensured in practice, as a matter of credibility, also in light of approaches in other jurisdictions.

- 74. The ECB Banking supervision representative supported the publication of the consultation paper, noting the good work performed on the draft. He also acknowledged the compromise achieved on the output floor.
- 75. The SRB representative proposed further interactions with resolution authorities in an effort to identify best practices across the EU.
- 76. The Head of SRRR noted that following the public consultation and the feedback received, the EBA may consider further criteria on the categorisation of large institutions.
- 77. The Chairperson concluded by noting the Members' support for the publication of the consultation paper, the complementary nature of Pillar 2 and Pillar 1 and the need to avoid any overlaps. He also mentioned the ongoing assessment by the UK and the US on the Basel III impact and stressed the need for the EU to continue with similar assessments and for the EBA to enhance supervisory convergence actions there.

Conclusion

- 78. The BoS supported the publication of the consultation paper on the draft revised SREP Guidelines as tabled by consensus.

Agenda item 10: Peer review on Gender Diversity

- 79. The Chairperson introduced the item by noting that the peer review report was tabled for discussion and would be followed by a written procedure.
- 80. The Head of LC continued by reminding the Members that the BoS in October 2022 approved within the Peer review work plan 2022-2024 a targeted Peer Review on Gender Diversity to be performed. The review assessed the effectiveness and degree of supervisory convergence of issues relating to diversity policies and the implementation of gender diversity at the level of the management body (MB) of institutions. It focused on the steps CAs have taken to incorporate diversity requirements under the Regulation (EU) No 575/2013 (Capital Requirements Regulation - CRR) and the Directive 2013/36/EU (Capital Requirements Directive - CRD) in their jurisdiction, as well as under relevant Guidelines and/or other non-binding frameworks such as instructions and/or circulars and supervise them. The Head of LC explained that 6 CAs were reviewed and the peer review found that by and large most requirements checked have been fully or largely incorporated into the supervisory framework by all supervisors reviewed. The checks on the "Own benchmarking of diversity policies" resulted in three supervisors being rated "partially applied" overall,

with five out of six CAs being rated “partially applied” on the second criteria of that benchmark, which concerns the further use of own diversity benchmarking results. One CA was found not to have taken measures to follow up on the EBA’s report on the review of gender-neutral remuneration policies and the diversity benchmarking report and had not taken effective internal governance supervision measures regarding gender neutrality, equal opportunities and improving diversity. While measures to improve have been put in place, the EBA has adopted follow-up measures for that competent authority. General follow-up measures for all competent authorities are also proposed. The peer review was discussed at the Management Board (MB) conference call in September 2025 and feedback from the Members on streamlining follow-up measures has been addressed in the tabled report. The Head of LC concluded by noting that the final peer review would be submitted to the BoS for approval in writing.

81. The Members supported the work. Several Members mentioned that some of the requirements assessed in the peer review were nationally supervised by other organisations. One Member noted that some of the information included in the findings of the peer review may not be publicly available. The same Member said that some best practices were same as recommendations and that this could be addressed in the final report. Other Member asked for additional proportionality considerations for smaller markets and banks. Two Members questioned the risk-based assessment applied in the review noting that the findings indicated that while the sector was compliant with the reviewed requirements, the CAs were not.
82. The Head of LC acknowledged CRD transposition issues which resulted, in some cases, in limited powers for the CAs compared with the CRD requirements and so while the outcomes in terms of gender diversity in that jurisdiction were strong, it was not felt that the CA could be considered as ‘fully applying’ certain benchmarks when it lacked a role required by CRD. On the risk-based approach, he explained that the EBA considered findings of the 2023 EBA report on the benchmarking of diversity practices and the gender pay gap and selected countries with different diversity policies. , The peer review did take into account the risks in different jurisdictions, but the peer review committee would look again to make sure that it was clear that the follow-up measures could also be implemented on a risk-based approach. The Head of LC also confirmed that best practices were intended to be distinct from follow-up measures. Best practices were not expectations to be implemented by all CAs but rather ways that some CAs have implemented supervision effectively and could be useful examples that CAs could consider when looking at how to strengthen their own supervision.
83. The Chairperson concluded by noting the comments and said that the peer review committee would be asked to note the limited prudential supervision mandate in the reviewed area, that implementing measures on a risk-based approach were possible, and to check that there was a clear distinction between follow-up measures and best practices. The final peer review report would be circulated to the BoS for approval in writing.

Conclusion

84. The BoS supported the content of the peer review report on gender diversity by consensus.

Agenda item 11: Supervisory independence – A) Draft CP Guidelines on supervisory independence of competent authorities under Directive 2013/36/EU'

85. The Chairperson introduced the item by reminding the Members that the CRD mandated the EBA to develop guidelines on the prevention of conflicts of interest (Col) in, and on the independence of, prudential CAs for credit institutions, taking into account international best practices.

86. The Head of LC continued by noting that following the discussions with the MB and considering that the EBA did not have any internal sub-structure with a similar mandate as in Article 4a(9) CRD, the EBA set up a Task Force (TF) to develop the guideline under MB oversight. The focus of the work was on CRD provisions and the TF found agreements on a number of controversial topics, such as optional requirement on the disclosure by staff members'/ governance body's members' at pre-employment stage or in the annual declarations of interest of their previous employment details. The Head of LC concluded by saying that the EBA proposed a 2-month consultation period.

87. The Members supported the work. However, some Members raised concerns about provisions related to appointment of the members of the governance body, in particular on the publication of the status of the process and the profile of the appointed candidate, or on the scope of application of the cooling—off restrictions. Members indicated that the proposed requirements in the guidelines were not aligned with CRD6. One Member was of the view that the proposed drafting could have impact on other institutions involved in the appointment of the members of the governance body. Another Member mentioned leeway for Member States with regard to cooling-off periods which would be diminished with the proposed guidelines. Another Member asked for examples on conflict of interest to be included in the guidelines.

88. The Head of LC acknowledged that this provision of CRD6 was a minimum harmonising provision and that different national frameworks posed challenges in harmonising further using guidelines and therefore a careful balance had been struck which had ultimately received broad support in the TF. On the publication of criteria and progress of the appointment process, the Head of LC clarified that the guidelines did not specify details of the extent of the publication but proposed removing the reference to publishing the status of the process. As regards examples of potential and actual conflicts of interest, the TF decided not to go further in specifying this given that the distinction was not always clear and it was not generally necessary to classify conflicts accordingly in order to assess and mitigate any risks posed. The Head of LC also welcomed nomination of additional experts for the TF meetings that would follow consultation with an aim to finalise the guidelines and address issues raised through the consultation.

89. The Chairperson concluded by noting the concerns raised by the Members and asked them to send their written comments within one week following the meeting. He also agreed that the EBA would further consider the requirements on publishing the status of governing body appointments.

Conclusion

90. The BoS supported the publication of the consultation paper on draft Guidelines on supervisory independence of competent authorities under Directive 2013/36/EU by consensus pending the written procedure on final comments.

Agenda item 11: Supervisory independence – B) ESAs assessment of Competent Authorities' independence - draft Joint Methodology, and draft Terms of Reference for the ESAs first joint assessment of Competent Authorities independence

91. The Chairperson introduced the item by saying that similarly to the ESMA and EIOPA BoS and MB meetings, the EBA has tabled a final draft methodology for ESAs assessment of CAs' independence. The draft was based on the mandate in the ESAs Regulations, which granted the ESAs a specific role in fostering and monitoring supervisory independence, had some elements from the peer review methodology and provided for a simplified, independent and effective process for the assessment of independence. He noted that while the ESAs were conscious of international reviews that consider these topics, in particular the IMF FSAP, and the need to avoid duplication, they considered important to find appropriate room for assessments at European level. He added that the ESAs staff have also been working on the terms of reference for the first joint assessment of supervisory independence to be carried out in 2026.
92. The Head of LC continued by reminding the Members that in its report of May 2022 'On the operation of the European Supervisory Authorities (ESAs)', the EC encouraged the ESAs to make further progress in their new task of monitoring and fostering supervisory independence by drawing up cross-sectoral criteria for supervisory independence in the EU. The ESAs could then assess the extent to which the criteria are met. Thus, going beyond the stock take reports of CAs that had been carried out by each ESA in October 2021. In October 2023, the ESAs issued 'Joint supervisory independence criteria'. In discussion with the ESAs Chairpersons, ESA staff have developed a proposed joint approach for assessments of supervisory independence, as set out in the tabled joint methodology together with terms of reference (ToR) for a first joint assessment to be carried out in 2026. The Head of LC summarised the main aspects of the joint methodology which would allow for joint assessments by the ESAs, as well as assessments by one or two ESAs with appropriate information and consultation to the other ESAs. The assessment would be performed by an independent joint assessment group (JAG), composed of members from the ESAs and CAs staff following an open call for candidates, and chaired by one ESA staff member. For each assessment, there would be separate Terms of Reference (ToR), covering, amongst others, the specific areas to be assessed based on the joint ESAs criteria

issued in 2023, the list of CAs to be assessed and the criteria used for their selection, and the composition of the JAG. Like a peer review, the assessment would have four phases - i) self-assessment phase (based on self-assessment questionnaire, information and documents shared and taking into account available information and evaluations already made); ii) JAG assessment phase (based on the joint ESAs criteria, including virtual or on-site visits and comparing individual approaches); iii) outcome phase (feedback and assessment report); and (iv) monitoring and follow-up phase (ESAs to consider monitoring actions undertaken by CAs using a risk-based approach, and -as needed- provide bilateral feedback and public update). The Head of LC also said that the ToR and assessment reports would be consulted with each ESAs' MB and submitted to each ESAs' BoS for approval in parallel via written procedure. On the ToR for the first joint assessment of supervisory independence, the Head of LC said that a subset of the joint criteria would be assessed, covering financial and certain elements of operational independence. A limited number of CAs (6) were selected based on objective criteria as set out in the ToR and the timeline envisaged work starting in spring 2026 and the publication of the summary report by April 2027. The Head of LC concluded by noting that the MB did not raise any objection during its conference call on 24 September 2025 with regard to the proposals.

93. The Members supported the work but raised several concerns. One Member questioned how the assessment would work across the three sectors and another Member stressed that the assessment should remain within the remit and scope of action of the ESAs and CAs. Another Member stressed that any request for supervisory data should be limited and only when necessary for the assessment. Two Members referred to well established international procedures (FSAPs) and potential overlaps, and one Member said that maximum four CAs should be assessed in the first exercise. Several Members asked for clarification on the composition of JAG and while one Member was of the view that JAG should be composed of ESAs representatives only, other Member was concerned about access to data on financial institutions granted to the members of JAG. With regard to the publication of the summary report, several Members asked for careful consideration as it may include sensitive data and suggested either keeping the report internal or publishing high-level general findings only as well as ensure that there was no misalignment with findings of other established assessment of the CAs.
94. In his response, the Head of LC clarified that for the first assessment, integrated CAs would be selected, considering also the topic of financial independence which was relevant for all three sectors. On the access to supervisory information, he explained that this was not something that would be used systematically and had not been used so far in peer reviews, but in exceptional circumstances could be relevant to certain assessments. With regard to publication, the Head of LC said that the discussion on the actual format was ongoing between the ESAs and would be considered further once the exercise was underway. On the consistency between assessment exercises, he explained that only one team was planned for the first assessment and given that in the future, there would be different topics, the aim was to provide overall consistency in approach between exercises.

95. The Chairperson concluded by noting the comments raised by the Members and said that the EBA would discuss them with the other ESAs and submit the final proposal to the BoS for approval in writing.

Conclusion

96. The BoS supported the proposed joint methodology and ToR for the first joint assessment of supervisory independence by consensus.

Agenda item 12: AOB

97. The Members did not raise any other business concerns.

Participants of the Board of Supervisors' meeting on 14 October 2025¹

Chairperson: Jose Manuel Campa

Country	<u>Voting Member/High-Level Alternate</u>	<u>National/Central Bank</u>
1. Austria	Helmut Ettl	Markus Schwaiger
2. Belgium	Jo Swyngedouw/Kurt Van Raemdonck	
3. Bulgaria	Ventsislav Hristev ²	
4. Croatia	Sanja Petrinic Turkovic	
5. Cyprus	Mariza Platritou	
6. Czech Republic	Tomas Golda ²	
7. Denmark	Louise Mogensen	Morten Rasmussen
8. Estonia	Andres Kurgpold	Timo Kosenko
9. Finland	Marko Myller	
10. France	Nathalie Aufauvre	
11. Germany	Nikolas Speer	Karlheinz Walch
12. Greece	Heather Gibson	
13. Hungary		
14. Ireland	Yvonne Madden	
15. Italy	Guiseppe Siani	
16. Latvia	Ludmila Vojevoda	
17. Lithuania	Renata Bagdoniene	
18. Luxembourg	Claude Wampach	Christian Friedrich
19. Malta	Anabel Armeni Cauchi	Oliver Bonello
20. Netherlands	Steven Maijoor	
21. Poland		Pawel Gasiorowski
22. Portugal	Rui Pinto/Jose Rosas	
23. Romania	Catalin Davidescu	
24. Slovakia	Linda Simkovicova	
25. Slovenia	Meta Ahtik	
26. Spain	Agustin Perez Gasco	
27. Sweden	Henrik Braconier	David Forsman
<u>EFTA Countries</u>		
1. Iceland	Gisli Ottarsson	
2. Liechtenstein	Markus Meier	
3. Norway	Per Mathis Kongsrud	Sindre Weme

<u>Observer</u>	<u>Representative</u>
1. SRB	Javier Dominguez

<u>Other Non-voting Members</u>	<u>Representative</u>
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¹ Pascal Hartmann (FMA); Eida Mullins (Central Bank of Ireland); Marek Sokol (CNB); Magdalena Jarosz, Nina Rajtar-Polrola (KNF); Ivan-Carl Saliba (MFSA); Vanessa Sternbeck Fryxell (Finansinspektionen); Minou du Bois (DNB); Marc Peters (EC); Christoph Roos (BaFin); Alessandro Giovannini (Advisor to the Director of the digital euro, ECB)

² Expert representing competent authority without voting rights

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|--------------------------------|--------------------------------------|
| 1. ECB Banking Supervision/ECB | Thijs Van Woerden/Katrin Assenmacher |
| 2. ESRB | Tuomas Peltonen |
| 3. European Commission | Ugo Bassi |
| 4. EIOPA | |
| 5. ESMA | Louise Waller |
| 6. EFTA Surveillance Authority | Marta Runarsdottir |

EBA

Executive Director	Francois-Louis Michaud
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Directors	Isabelle Vaillant Meri Rimmanen Kamil Liberadzki Marilyn Pikaro
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Heads of Unit	Philippe Allard Carolin Gardner Dorota Wojnar Angel Monzon Olli Castren Jonathan Overett-Somnier Francesco Mauro Ruta Merkeviute Laurence Caratini-Stegmaier
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Experts	Tea Eger Andreas Papaetis Elisabeth Noble Orsolya Cato-Nagy
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For the Board of Supervisors

Done at Paris on 17 November 2025

[signed]

José Manuel Campa
EBA Chairperson