

EBA BS 2025 716 rev. 2

Board of Supervisors

12 November 2025

Location: teleconference

Board of Supervisors

Minutes of the ad hoc conference call on 12 November 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 noted that the aim of this ad hoc BoS conference call was to discuss progress made since the BoS conference call on 11 September 2025 on the quantitative analysis supporting Task Force on the Efficiency of the Regulatory and Supervisory Framework (TFE) recommendation 9 related to capital/buffer/MDA requirements, as well as the multitude of own funds, leverage and TLAC/MREL requirements.
3. The Chairperson asked the BoS whether there were any comments on the draft agenda. There were no comments on the agenda.

Conclusion

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

Agenda item 2: Quantitative analysis supporting TFE recommendations 9 - Reflections on the evolution of capital/buffer/MDA requirements and proposals for streamlining

5. The Chairperson introduced the item by reminding the Members that the BoS agreed, at its conference call on 11 September 2025, that the working sub-substructure on stacking orders would continue the work and provide a quantitative assessment and the overview of buffers' evolution with a focus on capital requirements for BoS discussion. He clarified that the item would be presented in two blocks – first the findings of the quantitative evolution

of capital requirements, and secondly, the options considered by the working sub-structure.

6. The co-chair of the Task force presented the first round of the quantitative analysis and said the EBA focused on build-up requirements and overlaps/interactions and buffer requirements. Building on a 90-bank sample with consistent data quality, the EBA observed that particularly between 2014 and 2019, the absolute amount (volume) of capital requirements has outpaced balance sheet growth and the build-up of available capital. Key drivers were buffer requirements and P2R/P2G, which were just introduced as per CRD-CRR2 following the great financial crisis. On the contrary, the effect of CRR3 seemed limited: RWAs on the whole have not increased, but the output floor (phase-in) is the impacting measure with 27 of the 90 banks undergoing an estimated average increase of TREA of 12% by 2033. The level of (macro) buffer requirements has increased since Covid (with the sum of CCyB+SyRB reaching 1% TREA on average). The determination of buffer requirements was dispersed along geographical lines, which could be understood further, for example considering the involvement of different authorities in their setting, and how comparatively higher buffer requirement levels might be seen to counterbalance low risk weights.
7. The Members welcomed the analysis. They reflected on the increased capital requirements as an intended response to the financial crisis, and in wider terms, also in line with the intended result and overall purpose of the Banking package and Basel III standards. They agreed that the capital situation of European banks was good as also shown in the results of the EU-wide stress test exercise and therefore, some Members were of the view that capital neutrality should be a key principle anchoring the way forward as also reflected in the simplification work. Many Members stressed the need to remain loyal to Basel III requirements and to clearly explain the impact of their implementation. Several Members questioned how the EBA was planning to follow up on the presented analysis and some Members proposed to add also a market angle to the analysis. On the buffers, Members acknowledged differences in national buffers. Some Members supported further analysis of improvement of buffer usability and possibly a need for EU methodology to support buffers extension. One Member mentioned that many small banks have been heavily relying on AT1 and T2. Many Members stressed that the current level of resilience of the banking sector should not be put at stake and noted different roles of micro- and macro policies.
8. The ECB Banking Supervision representative welcomed the additional work on the analysis compared to the previous version presented in September 2025 and the clear differentiation between the period after the financial crisis and after the Covid pandemic. He was of the view that there should be more harmonisation at the EU level in the setting of the buffers.

9. The SRB representative suggested to include the development of MREL during the same period in the quantitative analysis, noting that the build-up of capital constituted a positive response to the financial crisis, increasing resilience in the banking sector.
10. The ESRB representative mentioned heterogeneity of macroprudential policies at country level and the need for national flexibility to target specificities of cycle and structure but supported further policy work towards greater harmonisation in buffer implementation, where there was a scope, to which the ESRB would contribute.
11. The Chairperson concluded the first block of the presentation by noting the comments of Members and acknowledged a lot of fruitful reforms in the recent years, and the existing divergencies of buffers. The EBA would further analyse potential interaction between P1 and P2, releasability of buffers and how capital requirements were interacting with leverage ratio, going and gone concern interaction and consideration of market data.
12. The co-chair of the Task force continued on the methodology to assess the options for simplification and said that first quantification of ideas from non-papers received from some BoS Members during summer provided a preliminary understanding of sensitivities based on a 242-bank common sample. In this first effort the analysis focused on size-weighted averages for each bank type, forming a “composite bank” by bank type. The bank type break-down was according to CRR status, namely G-SII, O-SII and Non-SII, as well as BRRD status, which was whether minimum statutory MREL subordination applied (i.e. TTF2) or not (Other). The co-chair summarised each option tabled and evaluated. He concluded by noting that further analysis was needed to assess impacts bank by bank with a distribution of results and shortfalls, adding further banks, options and qualitative aspects, and closer understanding and presentation of options.
13. The Members praised the early analysis and supported further work on the options; they asked for further details on consequences of each of the presented options and their pros and cons; assessment of the compliance with Basel III standards; qualitative analysis and asked how the options would fulfil expectations on simplification against the agreed principles regarding the context of the TFE discussions. One Member said that the qualitative analysis could include additional sub-options and combinations of different options, analysis of the bank-level effects and their distribution, assessing the impact of the options on the effective headroom and buffer usability and assessing the qualitative aspects of different options. Potential options to mitigate some of the unintended effects of the options could also be considered, such as the possibility to recalibrate/adjust some of the requirements, potential proportionality measures, as well as transitional arrangements. Some Members were of the view that while averages considered in the analysis could result in comfortable findings, the EBA should also look at the distribution and the variance across the sector to see the impact on individual banks and at the country level. For some options the potential impact on financial markets should be explored. Several Members supported simplifying the requirements both vertically ('fewer requirements within a stack') and horizontally ('fewer stacks'). Regardless of the

design, the framework should be made clear in terms of i) the purpose of each requirement, ii) which policymaker (macro vs. micro) decides on which requirement (clear mandate for powers) and iii) which criteria were used to calibrate the requirements. Several Members commented on the releasable and non-releasable capital buffers which the EBA should further monitor. One Member asked how the EBA was planning to consult on the options. Two Members opposed the disentanglement option as being non-compliant with Basel III and suggested not to further analyse it. A few Members noted that all options should be on the table, as all have aspects to be explored. In specific, one Member said that the disentanglement option was interesting given that one key source of complexity in the current framework stemmed from the multiple parallel stacks of capital and resolution requirements with complex interactions and interlinkages. In addition to increasing the complexity of the framework, this feature also reduced the effective usability and releasability of macroprudential capital buffers. The Member also added that in order to improve and simplify the functioning of the framework, there should be a limit to the multiple use of regulatory capital to meet different requirements.

14. The SRB representative requested further analysis before discussing specific options. She emphasised that resolvability should be the guiding principle when discussing MREL reform. Specifically, any proposed option must ensure effective post-resolution recapitalization and sufficient loss-absorption capacity to access the Single Resolution Fund. She also addressed the link between capital and MREL: while simplifying capital requirements would benefit MREL, she noted that any proposal to simplify the level of capital and buffers (e.g., merging P2G into mandatory buffers) would automatically impact and simplify MREL.
15. The Banking Supervision representative reflected on the guiding principles defined by the BoS - preserving the resilience of the EU financial system, whereby the amount of required capital in the EU system should remain unchanged; adherence to international standards; referring to appropriate proportionality whereby the scope of the EU framework (extended to all banks) warrants consideration for both large and small institutions; and enhancing the efficiency and depth of the single market, for all supervised entities to reap its benefits, and said that some of the presented options would not fulfil the agreed principles if the calibration was not changed.
16. The ECB representative stressed that all options that the EBA would further consider should be compliant with Basel III requirements.
17. The ESRB representative was of the view that before conducting detail analysis per banks, the EBA should further elaborate on the objectives of the work and guiding principles.
18. The Chairperson concluded by noting the comments by the Members and said that the EBA would continue analysing pros and cons of all tabled options and how they address the guiding principles identified by the BoS. To help focus and prioritise the work, the quantitative and qualitative analysis should focus more heavily on options that meet the guiding principles. For the next iteration of the analysis, the EBA would prepare a deepened

analysis, building on input from a resolution and macro prudential perspective, including buffer usability under parallel stacks and coordination of their setting. The Chairperson announced potential follow up discussion on the topic in January 2026 and then regularly after.

Agenda item 3: AOB

19. The Members did not raise any additional issue.

Participants of the Ad hoc Board of Supervisors' conference call on 12 November 2025¹

Chairperson: Jose Manuel Campa

Country	Voting Member/High-Level Alternate	National/Central Bank
1. Austria	Helmut Ettl	Markus Schweiger
2. Belgium	Jo Swyngedouw	
3. Bulgaria	Stoyan Manolov	
4. Croatia	Sanja Petrinic Turkovic	
5. Cyprus		
6. Czech Republic	Zuzana Silberova	
7. Denmark	Louise Mogensen	Morten Rasmussen
8. Estonia	Helen Korju-Kuul ²	Timo Kosenko
9. Finland	Marko Myller	Paivi Tissari
10. France	Nathalie Aufauvre	
11. Germany	Nikolas Speer	Karlheinz Walch
12. Greece	Heather Gibson/Anna Tsounia	
13. Hungary	David Kutasi ²	
14. Ireland	Micheal O'Keeffe	
15. Italy	Andrea Pilati	
16. Latvia	Kristine Cernaja-Mezmale/Ludmila Vojevoda	
17. Lithuania	Renata Bagnoniene	
18. Luxembourg	Claude Wampach	Christian Friedrich
19. Malta	Anabel Armeni Cauchi	Oliver Bonello
20. Netherlands	Steven Maijor	
21. Poland	Artur Ratasiewicz	
22. Portugal	Jose Rosas	
23. Romania	Catalin Davidescu	
24. Slovakia		
25. Slovenia	Meta Ahtik	
26. Spain	Daniel Perez/Agustin Perez Gasco	
27. Sweden	Henrik Braconier	

EFTA Countries	Member
1. Iceland	Bjork Sigurgisladottir
2. Liechtenstein	
3. Norway	

Observer	Representative
1. SRB	Karen Braun-Munzinger

Other Non-voting Members	Representative
1. ECB Banking Supervision/ECB	Thijs Van Woerden/Katrin Assenmacher

¹ Pascal Hartmann (FMA); Marek Sokol (CNB); Marco Giornetti (Bank of Italy); Nina Rajtar-Polrola (KNF); Gijs van Luling (DNB); Ivan-Carl Saliba (MFSA); Paweł Gąsiorowski (NBP); Vanessa Sternbeck Fryxell, Megan Owens, Maria Blomberg (Finansinspektionen); Francesco Pennesi (SRB); Eida Mullins (CBI), Rita Tam (NBB), Andreas Giefing (OEnB); Liga Kleinberga (Latvijas Banka);

²Expert without voting rights

2. European Commission	Almoro Rubin de Cervin
3. EIOPA	Kai Kosik
4. ESMA	
5. EFTA Surveillance Authority	
6. ESRB	Toumas Peltonen

EBA

Executive Director	Francois-Louis Michaud
Directors	Meri Rimmanen Marilin Pikaro Isabelle Vaillant
Heads of Unit	Philippe Allard Roberta de Filipis
Experts	Tea Eger Gerbert van der Kamp

For the Board of Supervisors

Done at Paris on 7 January 2026

[signed]

José Manuel Campa

EBA Chairperson