

EBA BS 2026 287 rev. 1

Board of Supervisors

20 and 21 April 2026

Location: EBA premises

EBA Regular Use

Board of Supervisors

Minutes of the meeting on 20 and 21 April 2026

Agenda item 1: Welcome and approval of the agenda

1. The EBA Chair 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. He thanked the Members for submitting their annual declarations of interest and said that the EBA staff would follow up with a few remaining Members who have not submitted their declarations yet. No Member declared a conflict of interest with regard to the meeting items.
2. The Chair welcomed Mr Patrick Amis as a new ECB Banking supervision representative and Mr Philippe Mongars as a new Alternate representing ACPR. He announced that Mr Andrea Pilati was planning to step down from his position at Banca d'Italia and thanked him for all his work, contributions and for chairing one of the EBA standing committees.
3. The Chair asked the BoS whether there were any comments on the draft agenda. There were no comments on the agenda.
4. Finally, the Chair informed the BoS that the Minutes of the BoS meeting on 18 March 2026 were submitted to the BoS for comments in writing.

Conclusion

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

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

6. The Chair thanked the EBA Vice-Chairperson for his work during the interim period.

7. The Vice-Chairperson appreciated the support from the EBA staff since the departure of the previous Chairperson.
8. The Chair updated the Members on six items.
9. Firstly, the Chair outlined his vision for the EBA as a next generation regulator, adopting more modern analytical approaches, greater proactivity and stronger accountability; an organisation that developed supervision at new frontiers and brings forward innovative solutions, and a service provider to the EU supervisory and resolution community, notably through achievements like EUCLID, stress testing and future crisis simulation exercises.
10. Second, the Chair thanked colleagues from Luxembourg for hosting the EBA BoS Strategy Day on 9 and 10 July 2026. He announced that differently from previous years, the Strategy Day would start already in the morning on 9 July to combine the regular Strategy Day with interviews with candidates for the EBA Executive Director position.
11. Thirdly, the Chair welcomed Mr Jonathan Overett Somnier as Acting Executive Director.
12. Fourthly, the Chair informed the Members that after Ms Vincenza Marzovillo stepped down as Co-Chair of one of the EBA standing committees, the EBA launched a call for candidates in March, but has not received any nominations. Therefore, the EBA was planning to launch another call for candidates after the BoS meeting.
13. Fifthly, the Chair said that in response to requests from Members to enhance awareness at senior leadership levels of digital finance market trends, the EBA was arranging a new series of engagement opportunities to complement the EU-SDFA initiative in the coming months, starting with a dedicated session on MiCA scheduled for this meeting and an EU-SDFA Executive Session on AI planned for the June BoS conference call. Later in the year, the EBA would present on topics such as tokenised settlement assets with speakers drawn from the financial and technology sectors, academia and international standard-setting bodies, with case studies and discussions to facilitate sharing of perspectives. Also, the EBA was preparing to make available to the Members its quarterly innovation newsletters, highlighting key news of strategic relevance.
14. Finally, the Chair summarised discussions during the FSC meeting on 8 April 2026, including an exchange of views with the UK PRA on its secondary competitiveness and growth objective and said that the UK and EBA mentioned their own comparative analysis on the US proposed Basel 3 rules in which they agreed that a direct comparison was impossible given market structure/accounting differences, but that these analyses were helpful to understand the impact. The EBA also presented its reports on market shares of foreign entities underlining that the reports were legally mandated, purely factual and did not include policy advice. This point was welcomed by the European Commission (EC) representative, who explained that EBA analytical evidence would help inform policy

discussion, including in the context of the upcoming report on banking competitiveness/integration.

15. The Acting Executive Director thanked the Members for their support in appointing him to his new position. He announced that the vacancy notice for the Executive Director's position has been published.
16. The EC representative informed that the EC consultation on competitiveness of the banking sector closed on 19 April 2026 and the EC was planning to publish a report in summer 2026 followed by legislative proposals in Q1 2027. He also mentioned that a draft delegated act on FRTB would be published in the coming weeks.
17. The Members did not raise any comments.

Agenda Item 3: Risks and vulnerabilities in the EU/EEA banking sector and EU-US comparison (TFE recommendation 18)

18. The Chair introduced the item by noting that the item had two parts – the usual presentation of the latest market developments and risk in the banking sector, and an updated comparison between the EU and the US Basel III implementation, based on the recently published US implementation proposals.
19. The EBA Director of Economic and Risk Analysis Department (ERA) updated the Members on the latest market developments amid the Iran war along with a specific focus on potential rate rise impact on EU/EEA banks; cyber risk, EU/EEA banks climate risk management and further analysis of the private credit (PC) exposures. He said that market sentiment has improved following the ceasefire, but that market sentiment remained highly vulnerable to further corrections. Oil prices have softened, contributing to some easing in inflation concerns and a stabilisation in sovereign bond yields. However, second-round effects remained a concern, amid continuous disruptions to supply chains and shortages in key raw and other materials but also including niche inputs such as helium or fertilisers. He also mentioned that markets were pricing a higher-for-longer rate environment. Moves of the yield curve might for instance increase pressure on interest-sensitive sectors and affect banks' margins going forward. Elevated rate volatility and renewed macro uncertainty have re-intensified IRRBB relative risks. EBA supervisory reporting data showed that there was a small positive NII effect (but less positive than in a similar analysis in 2023) in a parallel rate move upwards scenario, whereas the EVE impact was negative (and more negative than in an analysis performed in 2023). He added that unrealised losses on amortised cost (bond) portfolios reflected declines in their value, which could weaken resilience if assets needed to be sold or repriced. In a rising rate environment, these losses could crystallise under stress (e.g. asset sales, collateral needs), potentially affecting capital and funding positions. Therefore, the EBA was monitoring these exposures with an aim to provide a forward-looking view of interest rate risk and helping identify vulnerabilities not captured by

accounting figures alone. He then focused on cyber risk and threads of physical risks amid the Iran war and said that cyber threats have increased further. A key topic related to cyber risks was also recent developments around the Mythos AI tool and the potentially negative impact on cyber risk for banks and other sectors. As a next issue, the Director of ERA reflected on climate transition risk management and said that EEA banks have made steady progress since 2019 in integrating climate risk targets into their business strategies and compared favourably with other regions, with a higher share of institutions displaying more advanced practices. Most EEA banks have for instance adopted a climate change mitigation target with improving transparency, coverage and time horizons in recent years. He added that climate considerations were increasingly factored into governance and risk management decision-making and operational processes, despite varying maturity across entities and room for further improvement. Internal governance frameworks, including allocation of responsibilities, board skills and executive remuneration measures, have been developed. The incorporation of climate aspects into regular risk frameworks was now widespread within the EEA, and further enhancements should be supported by recent regulatory developments. The Director of ERA concluded by focusing on EU banks' exposures to private credit groups, based on large exposure reporting, and said that these exposures were not least towards U.S. entities, noting also that the country of domicile was undisclosed for half of these private credit exposures. In percentage of assets, they represent less than 1% of total assets, but some banks are highly exposed (exposures range from 0.01% to 9.35%—from the least to the most exposed banks).

20. The Chair emphasized EBA's responsibilities under DORA, specifically in relation to the Claude Mythos AI model. He confirmed that the EBA has been actively monitoring ongoing developments associated with this model and had been in exchange with supervisors and regulators within the EU/EEA and beyond.
21. Members provided updates on their national market developments. All Members highlighted concerns regarding the Mythos model, noting that it was one of the most pressing and relevant risks for banks. They urged the EBA to closely monitor potential threats and take action, where necessary. A few Members mentioned the Glasswing project that was set up. Some Members expressed the view that the EU should be involved in this initiative, and that EU regulators and supervisors should be equipped with tools to safeguard the banking sector. One Member requested stronger collaboration with cybersecurity authorities and underscored the potential risks to financial stability, and one member pointed to a questionnaire among their banks including the question to which degree they were now using LLM / AI driven vulnerability analysis. On other topics, not least the impact of the Iran war, one Member pointed to the expected deterioration in energy sensitive sectors, which could also significantly affect small and medium-sized businesses. This Member also questioned the implications for households and stressed the importance of closely monitoring credit risks, in particular if rates move and remain higher. I-Others indicated concerns regarding second-round impacts and rising interest

rates, mainly in the area of asset quality, rather than direct exposure to the Middle East. Another Member noted that their national government has been subsidizing energy prices, and so far, there have been no material impacts on investment portfolios despite ongoing conflict. Other Members acknowledged that banks' exposures to private credit remained a pending issue, though sizable exposures were not widespread at this time and Member announced a forthcoming publication on credit risks scheduled for release in June 2026. One Member observed an increase in mortgage interest rate refixation and affirmed ongoing monitoring and analysis of potential effects.

22. The ECB Banking Supervision representative highlighted ongoing collaboration with banks to mitigate risks and exposures. He stated that EU regulators should determine how to address developments such as the Mythos model. He cautioned that such advancements could lead to greater market concentration, since in particular smaller banks may not be able to respond effectively to initiatives like Mythos.
23. The Chair concluded by summarising the Members' comments, noting similarities in their assessment of Mythos related risks and their perceptions of second and third round effects amid the Iran war. While there was widespread unease due to geopolitical developments, the Chair observed that these concerns have not yet reached a systemic level.
24. On the second item, the Chair explained that compared to the results shown to the BoS in the March meeting, the updated tabled analysis not only incorporated the new US proposals but also provided some major methodological improvements in the representation of the counterfactual implementation of these proposals on EU banks. These included the counterfactual implementation of the US mortgage market practices (securitization), and detailed assessment of the differences in the operational risk frameworks.
25. The EBA Head of Economic Analysis and Impact Assessment Unit (EAIA) continued by presenting the key findings of the EBA analysis. He focused on the recent developments related to the US banking regulation and said that on 19 March 2026, the US authorities announced their revised proposals (to the initial proposals as of July 2023) for the final US implementation of the Basel III endgame framework. The tabled EBA analysis addressed the impact of the most impactful factors of US proposals, in particular proposals for revising the risk-based capital requirements and the G-SIB surcharge capital buffer and for revising the estimation of the stress test capital buffer, as well as the newly implemented regulation for the Supplementary Leverage Ratio. He stressed that the direction and extent of the impact from these proposals may vary significantly when comparing implementation in the US with a counterfactual EU implementation, as the US proposals were tailored to US-specific conditions and business models. A key finding of the counterfactual analysis whereby the new US rules were applied on EU banks was that there was material heterogeneity in impact across bank sizes, with adverse impact concentrated on the EU G-SIBs whereas other EU banks were benefiting from easier US

prudential requirements that reflect the US tailoring rules. He mentioned that after the new US regulatory proposals, the Expanded Risk Based Approach (ERBA), which essentially eliminated internal models for credit risk and operational risk, was the dominant driver of the results showing increased Tier 1 capital requirements for the EU G-SIIs. In the counterfactual analysis, getting rid of the EU Pillar 2 requirements and P2 guidance were a key offset for the EU banks. The new US proposals also indicated that operational risk rules were now more favourable for the US banks. The Head of EAIA reflected on the proposed changes in the US risk weights and CCF and said that the US Agencies proposed reductions in the US RWAs that all but removed the current “gold plating” in most areas of credit risk. He also mentioned that the revised US framework for FRTB/market risk represented a significant deviation from Basel. However, he stressed that these deviations needed to be considered in parallel with the EC forthcoming third Delegated Act on FRTB and that the final impact could therefore not yet be determined. He added that market risk represented a minor part of the overall capital impact with the major contributions coming from credit risk and operational risk and that the US banks with significant trading book activities in the EU operated via EU subsidiaries which were subject to CRR3/CRD6 and not the US framework. He also reminded that the more demanding G-SII surcharge methodology applied by the US partially addressed issues in market risk/ interconnectedness and acted as an offset to the perceived more favourable elements in the market risk framework. The Head of EAIA concluded by pointing out that comparisons across jurisdictions were complicated by different legal, accounting and market practices as well as by distinct bank business models; even after significant improvements to the previous analysis in this respect, some assumptions were still necessary to mitigate these challenges.

26. Members generally appreciated the EBA's efforts and the updated analysis. While there was general support to the methodology, several Members expressed reservations about publishing the analysis while the US consultation period was still ongoing. Other Members were strongly in favour of publication, as they saw merit in having the public debate supported by objective evidence, especially concerning the current discussion about the competitiveness of the banking sector. However, the presence of numerous caveats and influencing factors meant that no definitive conclusions could be drawn. One Member pointed out the challenge of forecasting how banks might adapt to new requirements until the legislative proposal was finalized. Finally, one Member enquired whether the EBA would be able to share bank level results with the BoS Members.
27. The EC representative raised questions about the methodology, specifically noting banks' adaptation to the regulation that was applicable to them, the absence of an analysis of US requirements on unrated corporates and recommending further examination regarding the size and scale of banks as well as the markets in which they operated before considering publication.

28. The Chair acknowledged the concerns raised by some Members, while stressing the importance of the analysis in producing evidence-based comparisons. and concluded that the current report would be further refined after a round of comments from the BoS after this meeting. Separately, a more neutral, non-conclusive EBA staff paper would be published to help shed complementary light on the various aspects to take into account on this delicate matter.

Agenda item 4: Credit risk analysis tool on probability of default

29. The Chair introduced the item by saying this EBA staff work was based on the BoS's endorsed step by step approach for advancing in the top-down capabilities that could be used for stress test and for risk analysis. The EBA prepared a new analytical framework that would strengthen its system-wide view of credit risk—starting with the Probability of Default. Once finalised, the EBA was planning to use the tool to support supervisory risk analysis and to make it available to the CAs for stress test-related work.
30. The EBA Head of Risk Analysis and Stress Test Unit (RAST) continued by explaining that the tool could offer a system-wide view of banks' sensitivity to macro-financial conditions, supporting consistent supervisory assessments. It would leverage on the available Stress Test infrastructure by utilising the existing harmonised, quality-assured and forward-looking stress-test dataset. Also, it would strengthen the supervisory community capabilities by providing a consistent and transparent framework to analyse how credit risk evolved across portfolios and economic scenarios and enhance supervisory insight by improving comparability, supporting model challenge, and offering a structured perspective on system-wide risk developments. The Head of RAST then explained the modelling approach and said that the tool modelled credit risk using Point-in-Time PDs. The model captures the PDs sensitivity to the macroeconomic conditions when they deteriorate under the adverse scenarios and evidence showed a consistent, economically meaningful relationship between macroeconomic deterioration and PD movements across segments. In addition, the Head of RAST reflected on model validation, and model's projections. As a way forward, the Head of RAST pointed out the scope for targeted model improvements and extensions.
31. Several Members commented on the process of preparing the tabled tool and noted that it had not been discussed in detail at the technical level. They questioned how it would fit in with the overall stress test toolkit. One Member pointed out that the tool and available models would be beneficial for smaller CAs as it would decrease their workload and asked how it would be made available to the Members.
32. The ECB representative expressed reservations about the necessity of the proposed tool. She noted that the ECB already had models for several portfolios which have been regularly distributed to CAs, cautioning against the duplication of efforts. Additionally, she stressed that the proposal had yet to be discussed in detail at the technical level. The

ECB representative further commented on technical aspects, in particular the limited sensitivity to scenario-implied risks.

33. The Chair concluded by noting the comments and highlighting that the presentation aimed to raise the BoS attention at an early stage on a tool that was currently in its development phase. He explained that, following the BoS meeting, the tool would undergo a review at the experts' level. Upon finalisation, the EBA was intending to make the tool available to the CAs.

Agenda item 5: The EBA Executive Director selection procedure

34. The Chair introduced the item by noting that the BoS has approved in writing the selection procedure for the next EBA Executive Director, which involved establishing the pre-selection board, in particular the two members from the BoS who would be joined by the representative of DG FISMA.
35. The Acting Executive Director explained the process of the vote of the pre-selection board in which each voting Member received a voting slip with the candidates' names. The Members were asked to select up to two candidates, considering also gender balance. The two candidates receiving the highest number of votes and a simple majority would be selected. If necessary, further rounds of voting would be held, eliminating the candidate who received the fewest votes, until there were the two candidates with a simple majority of votes.
36. The Chairperson invited the Members to vote in secret ballot.
37. The Chairperson concluded by informing the Members that the BoS elected two members and two alternates of the pre-selection board.

Conclusion

38. The BoS elected two members and two alternates of the pre-selection board for the selection of the EBA Executive Director.

Agenda item 6: 2027 EU-wide stress test - Sample and timeline

39. The Chair introduced the item by pointing out that as usual in this period before the biannual EU-wide stress test exercise, the EBA tabled for a first BoS discussion, a preliminary sample and timeline. The methodological package was being finalised and the Chair stressed that there were many useful changes, especially due to the recent effort to connect EU-wide stress test with supervisory reporting.
40. The Head of RAST continued by noting that the stress test has been going through simplification and streamlining to reduce data needs and ease burden of the exercise for banks and supervisors. In this regard, he referred to a draft Consultation Paper on

changes to the ITS on Supervisory Reporting that the EBA recently published. He summarised discussions at the technical level and put forward, for steer by the BoS, sample criteria and a proposed timeline. With regard to the sample, the Head of RAST reminded that as part of the lessons learnt, as well as the recommendations from the European Court of Auditors (ECA) in 2019, the EBA revised the sample selection criteria in the 2023 EU-wide stress test by increasing the overall coverage from ca 70% to 75% of the EU banking sector assets. The selection criteria were kept for the 2025 exercise, and the EBA was proposing to maintain the same criteria for the next stress test. The Head of RAST continued to explain rationale behind exclusion of some banks from the preliminary sample due to specific business models or other specificities and inclusion of three new banks. For the timeline, the EBA's proposal was to be in line with previous stress tests for both the preparatory phase and execution. For the preparatory stages, the aim was to approve the draft methodology during the June BoS conference call and have a discussion with the industry until the end of August. During this time, the EBA would also consider the comments received on the draft Consultation Paper on the ITS on supervisory reporting. In addition, the EBA would have a discussion with the industry in early May dedicated to the specific stress test requests introduced in the draft Consultation Paper on the ITS on supervisory reporting. The plan was to approve the final stress test package by end of October (early November) followed by the publication, testing and finalisation of the templates, including a dry run, in November 2026. Subsequently, BoS approval of the scenario was planned at end-January 2027, which would coincide with the formal launch of the stress test exercise at the end of January 2027. The 2027 EU-wide stress test execution stage would then follow the regular process of several submissions and the publication of results at the end of July 2027.

41. The Members expressed their support for the proposed sample and the associated timelines for the stress test exercise. However, one Member raised concerns regarding the timeline of the exercise considering the changes implemented and recommended that the timeline should include a date for re-assessing the process. Another Member suggested that the climate stress test was conducted separately from the overall stress test, as the comprehensive process was considered burdensome for both supervisors and banks. Additionally, a clarification was provided by a Member regarding the exclusion of two credit institutions within their jurisdiction from the sample.
42. The EC representative questioned the reason for two of the excluded entities to be in the sample and included by the competent authority in the EBA's credit institutions list in the first place if they were not actually banks.
43. The ECB Banking Supervision representative emphasised the significance of the 2027 exercise, particularly with regards to the simplification of procedures. He highlighted the operational consequences of the use of simplified templates and recommended to be ready to rediscuss the process and timelines if necessary. Furthermore, he proposed that one additional bank should be excluded from the sample.

44. The Head of RAST explained that conducting the climate stress test simultaneously with the usual stress test would allow for beneficial synergies and avoid duplication of processes. He also addressed the matter of bank exclusion raised by ECB Banking Supervision, stating that discussions with the technical teams would continue.
45. The Chair concluded by noting the Members' support. He affirmed that the EBA would re-assess the process if necessary, and within the established timeline.

Conclusion

46. The BoS supported by consensus the proposed preliminary sample, process and timeline.

Agenda item 7: Implementation of TFE Recommendations

47. The Chair introduced the item by noting that EBA staff have updated the overview on the progress on the TFE deliverables and their timeline for discussion in EBA governing bodies' following the discussion at the March BoS. As a second part of the presentation, the focus was on the progress of the implementation of Recommendation 14 on integrated and enhanced coordination between authorities and the organisation of the Pilot cases.
48. The EBA Acting Head of Governance and External Affairs Unit (GEA) summarised the progress on the TFE implementation in four clusters – Regulatory Mandates, Reporting, Holistic picture, and Internal Organisation reflecting on discussions during the BoS conference call in March 2026. She noted that 75% of planned deliverables were either completed or started and announced that a dedicated EBA website monitoring the progress on implementation went live. She laid out planned deliverables until summer 2026 and highlighted short-term milestones, in particular deliverables planned for the April, June and July BoS and May MB meetings. The Head of GEA then focused on the response to the EC consultation on banking competitiveness and the main messages set out in the EBA response submitted to the EC on 17 April 2026.
49. The Members expressed their appreciation for the update provided. During the discussion, one Member questioned whether a review of the current balance between home and host responsibilities should be given priority. This suggestion prompted further commentary from other Members, who highlighted that this topic was particularly sensitive for non-SSM countries. These Members indicated their interest in addressing the level of responsibilities and the issue of burden-sharing, reflecting a broader concern regarding the distribution of duties among different jurisdictions.
50. The Chair concluded the discussion by clarifying that the reference to home-host responsibilities was the one that had been agreed by the BoS when finalising the TFE report and that no work had been prioritised on this topic so far.
51. The EBA Head of Supervisory Review, Resolution and Recovery Unit (SRRR) presented the progress on the TFE Recommendation 14 related to holistic supervisory platforms. He

emphasised that the work would be performed in synergy with Recommendations 7 and 9 on related areas of introducing a public EU data request repository to provide transparency, better align EU and national reporting requirements, and avoid overlaps in the reporting initiatives and requirements, including for ad hoc requests (Recommendation 7), and of the potential simplification of the stacking order (Recommendation 9). He said that the implementation of Recommendation 14 has progressed with informal interactions between the EBA and selected EU banks to gather input for scope and approach in supervisory platform pilot cases. Four banking groups were identified for these interactions covering different business models, EU jurisdictions and geographical footprints and the aim was to sound the banks on their experiences with the coordination under the current framework. The outcomes of the constructive interactions covered issues related to the articulation of buffers, capital and MREL requirements; the coordination among macro and micro-prudential authorities and resolution authorities; the ‘re-use first principle’ for data and information and the coordination of ad hoc/recurrent data requests and exchanges between authorities to avoid overlaps. These outcomes have been used by the EBA as input for the 2 pilot cases that EBA was planning to organise in spring 2026 with banking groups and several authorities. They would focus on areas of interest that may benefit from enhanced coordination and that can be categorised as: i) planning and execution of supervisory activities – Annual planning of supervisory activities including on-site inspections and testing activities (coordination and alignment of planned supervisory activities, timing and scope to increase efficiency and reduce burden for authorities and banking groups); ii) information and data requests – Coordination and information sharing on recurrent and ad hoc information and data requests including in the context of on-site inspections and testing activities (formats/templates, definitions, tools, timelines), and iii) application of measures - Information sharing and decision optimisation on setting of measures towards institutions, initially focusing more on quantitative measures e.g. capital or liquidity requirements/buffers (allowing to avoid duplication, overlaps, inconsistencies or blind spots by sharing drivers of measures, and assessing interactions between measures). The pilot cases would be in a form of workshops and would consist of presentations by the selected banking group and discussions between the authorities.

52. The Members acknowledged the planned work. One Member was of the view that the selected banking groups should represent the largest groups. Another Member requested further details on the governance of the platforms and the respective roles of the authorities. In this regard, some Members pointed out that the role and scope of the platforms should be clearly defined and that any additional level of complexity should be avoided. Another Member stressed that the aim was to enhance interaction between supervisory authorities, whose knowledge was necessary to improve the supervisory framework and cooperation. Other Member stressed the need to respect CAs’ competences and decision-making frameworks, as well as to safeguard confidential information.

53. The EC representative stressed the importance of the work and said that one of the main issues was the lack of coordination between the authorities, which should be addressed by the proposed work.
54. The ECB Banking Supervision representative raised concerns about the boundaries of the exercise, as well as to transparency and responsibilities, and was also of the view that scope and purpose should be more clearly defined.
55. The SRB representative emphasised that the EBA should clarify that the platforms were not decision-making bodies and did not replace colleges.
56. The AMLA representative noted that even if the direct supervision would not come until 2028, AMLA would like to be informed and participate in the platforms.
57. The Head of SRRR explained that the selection of the banking groups was based, among other aspects, on the breadth of topics to which they could contribute. He also clarified that the intention was not to limit powers and responsibilities of the authorities nor to replace existing fora (such as colleges).
58. The Chair concluded by noting the wide support for the exercise as well as the comments raised by the Members and reiterated that the exercise would simply be a tool for an exchange between the various authorities and banks.

Agenda item 8: TFE Recommendation on ESG risks: report on effective riskiness of exposures under Article 501c CRR

59. The Chairperson introduced the item by reminding the Members that CRR mandated the EBA to develop a report assessing (i) the effective riskiness of exposures subject to environmental and social factors (ii) the potential effects of an adjusted dedicated prudential treatment for these exposures. While methodology, approach and progress have been discussed extensively at the experts' level, the objective of the agenda item was to have an initial discussion on the quantitative assessment of the effective riskiness of exposures to environmental and social risk and to receive steer from the BoS for next steps. The note received support at the MB during the conference call on 7 April 2026.
60. The EBA Head of ESG Risks Unit (ESGR) continued by noting that in May 2025, the respective working sub-structure agreed with splitting the work in steps: 1) quantitative analysis on the effective riskiness of environmental exposures, and 2) further qualitative assessment and policy considerations. Also, the BoS, in line with this approach, agreed to delay the work from the CRR deadline of December 2025. She explained that the quantitative analysis was composed of three complementary but disconnected elements (due to different datasets used). Element 1 was a correlation analysis between credit risk measures such as default status and PD, and climate risk. Element 2 was investigating credit risk metrics, such as the LGD related to banks' real estate exposures and the climate risk profile of these assets.

Element 3 was built on a theoretical credit risk model (Merton Model) estimating default probabilities of listed companies across sectors characterised by high carbon emissions. The Head of ESGR summarised the outcome of the quantitative analysis on the effective riskiness of exposures to climate risk based on data available internally and through external providers and clarified that broader environmental factors and social factors were not included in the quantitative analysis. She pointed out that overall, the findings of the quantitative analysis did not give evidence of a potential negative impact of climate factors on credit quality of exposures, but they were also not sufficient to conclude the absence of material risks. Under Element 1 the climate factors were proxied by obligors' carbon emissions, and the effects on credit risk on banks' balance sheet was measured in default events and PD. While the explanatory power of the variables included in the models remained low, conventional financial factors such as return on equity and return on asset appeared to be the main drivers for credit risk. The analysis of banks' real estate exposures (element 2) revealed that climate-related physical risk may be an important driver for asset quality and credit risk. It showed measurable and statistically significant association between climate-related physical risk and LGD for non-performing exposures secured by commercial real estate. A weaker association was also identified for non-performing exposures secured by residential real estate. Such association was not identified for performing loans and with respect to climate-related transition risk. Element 3 provided a theoretical forward-looking perspective demonstrating high volatility of fossil fuel sector which was driving higher estimated PDs. These effects were however not necessarily linked to carbon emissions or climate risk. The Head of ESGR stressed that while the results of the analysis were informative and explained statistically the existence or the absence of a relationship between climate factors, the analysis suffered from severe data and methodological limitations. She added that it was not sufficient to reject the existence of the risk not only due to the data limitations but also multi-dimensional, non-linear and forward-looking nature of environmental risks that were very challenging to include in the modelling comprehensively. The analysis was mostly based on historical data and significantly simplified, due to data constraints, the climate risk in terms of carbon emissions. The Head of ESGR concluded by saying that considering the limitations of the analysis and in the absence of adequate and granular data, the assessment referred to in the mandate required qualitative analysis to complement the work in the second phase. Such additional work would allow a more robust and accurate interpretation of the results and provide more complete information for future policy considerations. The qualitative analysis could address: the aspects that would not be covered by the quantitative analysis, such as risks stemming from environmental factors beyond climate and social factors, including through literature review, and the potential effects of an adjusted dedicated prudential treatment of exposures subject to environmental or social risks on financial stability and bank lending. The EBA was therefore proposing to carry out further qualitative analysis and policy considerations in H2 2026, with a view to publish a report by the end of 2026.

61. Members expressed support for continued work on qualitative aspects. Several Members drew attention to methodological limitations, emphasising the necessity for further examination and careful communication to clarify the concerns raised by the EBA. They stressed that the EBA should make it clear that qualitative analysis was intended to complement quantitative analysis, rather than replace it. In addition, some Members indicated their willingness to support an extended deadline, with the aim of facilitating a more thorough and detailed analysis.
62. The ECB Banking Supervision representative also supported further work and suggested that the analysis should include core aspects of ESG risks.
63. The Head of ESG confirmed that step 2 was aiming to be a complementary work and not a substitution.
64. The Chair concluded by noting the Members' support to continue the work.

Conclusion

65. The BoS supported the proposed next steps; i.e. to cover the rest of the mandate with qualitative analysis and to finalise the report by the end of 2026 by consensus.

Agenda item 9: TFE Recommendation follow up – Supervisory convergence – new approach

66. The Chair reminded the Members that the item was not discussed during the last BoS conference call in March and that the BoS was asked to send written comments on whether they agree on the overall proposed supervisory convergence framework; as well as give their preferences on the proposed peer review topics for 2027 and the proposed high priority topics for supervisory convergence work in 2027 onwards.
67. The EBA Legal Officer continued by summarising the feedback received from the Members and said that while the replies were generally positive with regard to the proposals to enhance the supervisory convergence work and framework and the proposed way forward, the Members had stressed in the written procedure that the EBA should aim for a stronger and more explicit link between (emerging) supervisory priorities and convergence priorities, to avoid having several supervisory attention areas alongside multiple convergence focus areas, and to clearly prioritise convergence topics, ideally via a broader bottom-up approach and engagement with CAs and other stakeholders (potentially also using EBA substructures), rather than a narrow top-down approach. With regard to the revised peer review process, the Members also supported the proposed way forward, in particular to enhance the overall process and to set ex-ante benchmarks / expectations. Several Members stressed that the issue of finding enough peer review committee members from CAs should be considered when aiming to increase the number of peer reviews per year. They also pointed out that risks, business models and legislative/supervisory contexts

differed across Member States and that supervisory approaches should retain sufficient flexibility and recommendations should not be overly prescriptive, especially for smaller CAs who might not be able to do what larger CAs can do. The majority of the Members supported liquidity supervision as the next peer review for 2027, followed by the peer review home/host issues. The topics of ESG risk and third country branches also gather support, albeit only for a later stage. On the high priority topics, the Members proposed sanctions on individuals (and entities) as an area which was not harmonized, and authorisation consistency and quality. The Legal Officer noted that the EBA was planning to conduct further work to identify additional supervisory convergence priorities for the May MB and feed them into a revised EBA priorities document for May MB / June BoS. In addition, it was planning implement agreed changes to the peer review framework and start preparations for liquidity supervision and home/host peer reviews.

68. During the subsequent discussion, Members shared varied perspectives regarding the peer review process, focusing mainly on number of peer reviews to be executed per year. Several Members suggested that conducting two peer reviews annually would be more practical, especially considering the involvement of staff at the CA level. In contrast, some Members questioned the effectiveness of peer reviews as the principal instrument for achieving supervisory convergence. One Member emphasised the importance of maintaining some diversity within the process, noting that convergence efforts should not solely concentrate on the implementation of supervisory requirements. Instead, they should also address broader principles. Other Members proposed additional topics for future peer reviews, including credit risk, Internal Ratings-Based (IRB) models, enforcement and sanctions, while delaying other topics such as TCB and Liquidity. One Member raised the issue of "fit and proper", highlighting a lack of market-wide convergence. One Member suggested the use of peer reviews to identify issues where further convergence work was needed. Furthermore, one Member suggested further work on the relationship between the convergence tools and the prioritisation of topics. Another Member stressed the need to avoid unnecessary burden while preserving flexibility across jurisdictions; as regards peer reviews, national specificities should be adequately reflected when warranted.
69. The EC representative supported further work on liquidity supervision and suggested that the implementation / proportionality of implementation of guidelines should be considered as a future peer review subject. The representative also stressed the necessity of striking a balance between diversity and proportionality within the convergence framework.
70. The SRB representative expressed support for the ongoing work related to peer reviews and supervisory convergence.
71. The Legal Officer clarified that the work was in its initial phase and the current aim was to define topics for peer reviews and convergence to work on in the short term while the overall convergence framework would be developed in parallel in more detail.

72. The Acting Executive Director explained that the supervisory convergence framework incorporated additional tools, such as colleges, implementation reviews or crisis management exercises and is not limited to peer reviews. Regarding the number of annual peer reviews, the EBA's preference was to conduct three to four per year, utilizing internal resources expected to be made available through future reduced regulatory workload. He noted that the peer review on IRB had not been undertaken previously due to resource constraints. He also emphasized that proportionality was a key consideration in all peer reviews.
73. The Chair concluded by acknowledging the Members' comments and affirmed that the EBA would concentrate on defining the scope of the work and subsequently reviewing the implementation of requirements.

Agenda item 10: Roadmap on the implementation of the PSD3 and PSR mandates

74. The Chair introduced the agenda item.
75. The EBA Senior Policy Expert (Expert) continued by explaining that the purpose of the agenda item was to seek BoS steer on the proposed delivery approach for the forthcoming 18 policy mandates under the PSD3 and PSR package, including the batching of mandates, indicative timelines for their delivery, and the internal EBA governance for their development and submission. The Expert further explained the key elements of the Roadmap submitted to the BoS, including: the rationale for the batching of the mandates and for the proposed extension of the delivery timelines for a subset of mandates relative to their legal deadlines, and the proposed internal governance for their development and submission, notably direct submission by the respective sub-group to the BoS. She continued by explaining that the proposed internal governance arrangements would be temporary (i.e. only for the delivery of these mandates), and that other EBA subgroups and committees may be involved as necessary. The Expert further explained that once PSD3 and PSR were published in the Official Journal (estimated in autumn 2026), EBA staff and the respective sub-group would review the final list of mandates and additional regulatory functions and finalise the Roadmap. The resulting Roadmap would then be submitted to the BoS for approval for publication. The version intended for publication would present the envisaged batching of mandates and the indicative delivery milestones (including timelines for public consultations and final deliverables), while excluding internal EBA governance considerations, with the aim of providing transparency and predictability for stakeholders.
76. Before opening the floor for discussions, the Chair reminded members that the initial number of mandates was considerably larger, but had been significantly reduced during the trilogue negotiations, following EBA staff input, with 12 mandates and tasks being removed, representing approximately a 35% reduction, based on the selection and prioritisation criteria developed in 2025 by the EBA TFE.

77. The Members overall supported the proposed Roadmap. One Member highlighted the need for changes to the governance structure to remain temporary and solely for the duration of this particular work. Only one Member expressed concerns regarding the proposed 18-month timelines for the delivery of the RTS on authorisation and the Guidelines on governance and internal controls, noting the risk that, given the 21-month PSD3 transposition period, CAs may start receiving authorisation applications under PSD3 before the relevant RTS are finalised.
78. The AMLA representative noted that certain mandates would necessitate cooperation between EBA and AMLA.
79. The Expert explained the reasons for the proposed delivery timeline for the RTS on authorisation and the Guidelines on governance and internal controls. She noted both EBA resource constraints and the complexity and broad scope of the RTS, which would cover new elements compared to PSD2, including inter alia: a common assessment methodology for the assessment of applications, the registration of new actors (ATM deployers not servicing payment accounts) and specific provisions on crypto-asset service providers seeking authorisation as payment institutions. She further explained the need to develop the two mandates in parallel given the interdependencies between them. Furthermore, she confirmed that EBA staff were engaging with AMLA staff at expert level to discuss in more detail AMLA involvement, and noted that the Roadmap submitted to the BoS already included the key elements for which coordination with AMLA was envisaged.
80. The Chair concluded by noting the support expressed by the Members.

Conclusion

81. The BoS supported by consensus the approach proposed by EBA staff, including the proposed batching of the mandates, indicative delivery timelines and the proposed internal governance for their delivery.

Agenda item 11: MiCA Investigation and Intervention Framework

82. The Chair introduced the item by noting new EBA powers under MiCA related to infringements and fines.
83. The EBA Innovation Team Coordinator in the Legal and Compliance Unit (Expert) explained, by way of background, that according to MiCA, if the EBA, during its supervision of a significant ART/EMT issuer, considered that there were grounds to suspect that an infringement has been, or will be, committed, the EBA must appoint an independent investigation officer (IIO) among its staff. Following the IIO's investigation, the EBA can then adopt one or more of the supervisory measures, including imposing a fine or periodic penalty payment. As MiCA did not specify details on how to calculate fines, the EBA staff drafted and tabled for the BoS discussion, an EBA Methodology for setting fines

under MiCA Art. 131, reducing the extent to which the approach to setting fines needed to be justified in individual cases, in line with recent European Court of Justice jurisprudence. The EBA was proposing a two-step approach consisting of (i) setting a basic amount for the fine, (ii) where necessary, adjusting that amount to reflect the existence of aggravating or mitigating circumstances. Taking into account the lack of detail under MiCA and to receive stakeholders' feedback, EBA was proposing to launch a public consultation on the methodology. The Expert continued by presenting an overview of the process for the EBA's supervision and enforcement under MiCA, including the available supervisory tools and powers; and a summary of the main actors involved with their respective roles in the process, namely supervisors, the EBA Executive Director, the EBA's respective standing committee as well as the BoS. She then focused on investigation and intervention procedures which included: the supervision phase ending with a supervisory report; the IIO phase ending with the IIO files being sent to the BoS; and the BoS phase – itself distinguished in a preparation stage, during which the BoS (assisted by the respective standing committee) decided on the completeness of the IIO's file and the merits of whether there was an infringement (essentially whether it agreed with the IIO's findings, disagreed, or adapted them), and a decision stage, after the Person Subject to Investigation has been heard, in which the BoS (again with assistance of the respective standing committee) finalised their decision on the infringement and, where appropriate, took supervisory measures in relation to the alleged infringement. On the methodology for setting fines, the Expert explained the proposed approach. Based on it, and as MiCA did not provide a minimum amount, the EBA would first have to determine the basic amount of the fine by doing a general assessment of the severity of the infringement (based on a classification of the different MiCA infringements in high, medium, and low severity ones, inspired by other EU legislative frameworks); and secondly, adjust the basic amount by doing a specific assessment of the severity of the infringement, based on the aggravating and mitigating factors of the individual case. She noted that the final amount may be reduced where necessary to reflect the maximum amounts permitted in Article 131 of MiCA and pointed out that, in accordance with the same Article, those maximum amounts did not apply where the EBA was able to determine that the profits gained, or losses avoided, because of the infringement by the issuer, exceed those amounts. She also explained that the BoS may adjust the amount resulting from the above process based on the remaining criteria of Article 131 and its supervisory and consumer protection objectives.

84. The Members expressed their support for the work undertaken and the publication of the methodology for consultation. Several Members sought clarification on various aspects of the calculation of fines, including the use of coefficients and the BoS' discretion to adjust the amount of a possible fine. Additionally, they raised questions regarding various concepts used for the calculation. There were differing views on: the level of automaticity by which the Methodology was applied; possible legal risks of the urgent procedure; the level of detail that the Methodology should include; on the severity classification of some

infringements; and on the calibration of the coefficients for the aggravating and mitigating factors.

85. Following a question from the Chair, the Expert highlighted that, based on the experience of other EU institutions (notably ESMA) the timeline for an infringement procedure could extend up to a year. She further clarified aspects of the process for determining the basic amount and for applying the aggravating and mitigating factors. She also explained that the methodology aimed to balance between the two objectives of being specific enough to inform the industry and allow it to provide useful feedback; and of being flexible enough to allow the EBA to adapt the fines to individual cases and retain an appropriate deterrent effect.
86. The Chair concluded by noting the comments and support by the Members. He suggested that a draft Consultation Paper would be sent to the Members for their comments before its publication.

Conclusion

87. The BoS supported by consensus the EBA's proposal to launch a public consultation on the Methodology for setting fines under MiCA.

Agenda item 12: TFE Recommendation 20 – Work plans of standing committees

88. The Chair introduced the item by reminding the Members that the TFE Recommendation 20 called for more top-down guidance when developing policy. Against that background, the BoS agreed to: i) bring selected key deliverables of the work programme at an early stage to the BoS for strategic directions (including on the way the L1 mandate should be understood if warranted); ii) carry out impact assessments at an earlier age; iii) regularly update the BoS about the development of key mandates; iv) collect the BoS's views on what constitutes an effective regulatory product; and (v) discontinue regular progress reports from standing committee to the BoS. The Chair explained that during the first part of this agenda item, co-chairs of the EBA standing committees planned to present up to three mandates or policy areas of its work programme for early steer on strategic direction by the BoS followed by an exchange of views with the BoS.
89. The co-chairs of the standing committees presented the work plans of their respective committees. In the area of reporting and transparency, the co-chair pointed out that there were ongoing tasks stemming from simplification initiatives and mentioned the work on integrated reporting, Pillar 3 Data hub including implementation for SNCIs, EU public data request repository, and overall data strategy work. The other co-chairperson highlighted initiatives aiming at reporting reduction without losing supervisory efficiency and the importance of the Pillar 3 Data Hub project. In the area of risks, the co-chairperson presented workplans on three main topics – agricultural financing, benchmarking, and stress testing, including the climate module. With regard to consumer protection, the co-

chair reflected on the implementation of several TFE Recommendations and said that the respective standing committee rebalanced resources towards ex-post convergence by not developing any new rules in 2026/27 and relied more on directly applicable rules without further extending the scope of existing EBA guidelines. The co-chair also mentioned biannual Consumer Trends Report which may result in new focus topics in 2028. On crypto-assets, the co-chairperson of the respective standing committee asked the BoS for a steer on the review of MICA supervisory handbook and prioritisation of areas for supervisory convergence, in terms of additional areas to be covered by the handbook. Finally, in the area of supervisory policy and regulation, the co-chairperson of the respective standing committee presented three topics for the BoS' steer – stacking orders, small and non-complex institutions, securitisation as well as three topics for future top-down steer – liquidity, own funds and remuneration and governance. The other co-chair of this committee appreciated the steer by the BoS during its meeting in December 2025 which helped to shape the work of the committee.

90. The Members appreciated the overview of work plans. One Member asked for clarification whether the aim of the discussion was to re-open the work plans of the standing committees. On reporting, one Member pointed out increasing use of AI tools by banks and asked if the EBA has been monitoring the tools and new practices in the banks. In the area of risks, one Member suggested to include the topic of private credit and to identify more topics of common interest for all three ESAs. Another Member supported cross-sectoral work, in particular for the stress test exercise. Another Member asked for common definition of agriculture property and to limit additional data collections but rather to use data that the EBA and CAs already had. With regard to consumer protection issues, one Member proposed further focus on supervision of cross-border activities. On crypto-assets, one Member said that the EBA should address differences in authorisation practices to avoid forum shopping and to also focus on DLTs. Another Member asked for better sharing of information on unauthorised EMT entities and on classification of crypto-assets. Several Members acknowledged the usefulness of the MiCA handbook which they regularly used and supported the proposal to coordinate work on classification of crypto-assets. With regard to prudential regulation and supervision, one Member reflected on permanent and partial use with regards to IRB validation. Another Member suggested reviewing all EBA guidelines in terms of including proportionality and also said that in the area of governance, the simplification initiatives could be more ambitious and that the EBA could consider further work on fit and proper. One Member proposed discussing the topic of proportionality in general at one of the upcoming BoS meetings.
91. The EC representative mentioned the Data Strategy developed by the EC and said that the EC has been supporting the EBA's work on the reporting dictionary. He was of the view that with new AI tools, the sector would need to rethink reporting in the traditional static way. In this regard, he mentioned that the EC has decided to remove instructions from the legal text of some ITS. With regard to the risk, he highlighted different financing models and structures in the area of agriculture and said that impacts of legal requirements may be

different than in case of traditional banking. He also asked for further discussion on simplifying yearly ITS on benchmarking. The EC representative invited the BoS to consider some own-initiative work on emerging risks. He questioned how the consumer protection aspect has been helping the integration of the Single Market and how it interacted with the banking models. With regard to SNCI, he said that there were two aspects – the actual framework and how it was reflected in Level 2 and 3. He informed that the vote on securitisation was expected in the EP at the beginning of May.

92. The ECB representative acknowledged that the previous top-down steer from the BoS on stress test was very effective and was of the view that technical issues should be discussed primarily at the experts' level rather than by the BoS.
93. On reporting, the co-chair of the respective standing committee informed that the EBA was planning to finalise the work on the data repository by the end of 2026 and to further work on the data dictionary to support use of technology in reporting processes. The co-chair also said that data processing was regularly discussed at the technical level and that the EBA could prepare an update for the BoS if requested. With regard to the risks, the co-chair of the respective standing committee said that before any data collection within the agricultural mandate, the EBA would have to first identify responsible institutions. The co-chair also mentioned that the EBA has been developing, as an own initiative, an early warning tool which it would present to the BoS during the upcoming meeting. On consumer protection, the co-chair of the respective standing committee acknowledged the importance to monitor cross-border activities but raised the issue of resources. With regard to crypto-assets, the co-chair of the respective standing committee highlighted practical use of the MiCA handbook being a live document on which the CAs has been regularly commenting with an aim to improve it and address new emerging issues. She also informed that during the standing committee meetings, the members presented on key studies and that the EBA has been closely working with ESMA on unauthorised entities. Finally, the co-chair of the regulation and supervisory standing committee noted that the Permanent Partial use L2 rules regarding IRB validation had been pointed to the EC with a failure of the BoS to vote them at the time and highlighted the intention of using SNCIs to make the regulatory framework more proportionate.
94. The Acting Executive Director reflected on the limited consumer protection mandate of the EBA, in particular to address difficulties caused by different national requirements in areas not harmonised by EU law.
95. The Chair concluded by noting the comments raised by the Members and said that the EBA would further analyse the framework for NBFIs. He clarified that the EBA was not planning to re-open the work plans of the standing committees but rather to discuss priorities and open issues with the BoS to steer the work at the experts' level. He also noted that the ESAs have been discussing areas where there were cross-sectoral inter-linkages. Related to this, he mentioned the annual Joint ESAs Consumer Protection Day planned to take place on 4 November 2026 in Rome, Italy. He also announced that the Advisory Committee on

Proportionality was discussing the SNCI's framework and that this topic would be tabled for discussion during the June BoS conference call. He said that the EBA would consider having a list of areas where the EBA added proportionality with respect to SNCIs.

96. The Chair continued with the second part of the item and clarified that it was in the continuation of previous discussions about the possibility for the BoS to provide more top-down guidance to EBA sub-structures on how they should effectively draft regulatory products. To these ends and as set out in the note circulated, he invited Members to share their views on what constituted an effective regulatory product, what guidance could be given to experts drafting such products, and whether there were best practice examples that could be followed.
97. In the subsequent discussion, Members suggested several proposals. Some Members were of the view that the EBA should set up a specific body/committee that would review all regulatory products before their finalisation and had a power to request redrafting. On the drafting practices, some Members pointed out that the terminology should copy the terminology used in Level 1, be consistent and any cross-references should be avoided. On the process, the Members proposed that each drafting group should first analyse the mandate, understand its scope, call for evidence, collect data to show that the practices were heterogenous and therefore, there was a need to address the issue, prepare a work plan, draft a scoping note, clarify how proposals would be operationalised and conduct a cost benefit analysis. The plan should be submitted to the BoS for a steer together with an identification of policy choices and explanation why particular choices were made. The subsequent drafting process should be clear, easy to follow, effective, in small drafting teams and with an active engagement of external stakeholders. Members agreed that the regulatory culture had to change and that these changes should be clearly communicated to experts at all levels. One Member referred to the responsibility of Members to ensure that their representatives were sent to substructures with the right instructions on their role. Another Member said that the regulatory products should be short, simple, and proportionate. The chairs of the working substructures should not be just coordinators of groups but have stronger position in the drafting process. Their mandate should be time limited. The Member also reflected on the submission of documents for BoS meeting with a call for 10 days in advance instead of 5. Another Member proposed limiting the size of drafting teams. Several Members acknowledged that the CAs needed to clearly mandate their experts before development of the regulatory products. Other Member proposed to define escalation mechanism from drafting groups to the BoS. Few Members pointed out that complexity could not be always diminished as the fact that the EBA has been mandated to develop technical standards was a result of inability to achieve political consensus. With regard to written procedures, one Member was of the view that it would be beneficial to heighten online transparency. Another Member stressed main features of regulatory products to adhere to – maximum clarity and minimum burden; purpose-driven and outcome-focused; risk-based and proportionate; usability and operability. Another

Member brought up the use of AI tools to simplify the regulatory products' development process.

98. The SRB representative was of the view that the chairs of working sub-structures should be empowered to lead the work and that the drafts should include simple wording to be understandable by the industry.
99. The ECB Banking Supervision representative asked the EBA to visibly embed proportionality for SNCIs in the regulatory products.
100. The EC representative acknowledged that some mandates were indeed complex. He pointed out that the current bottom-up approach for developing regulatory products has not been challenged so far. He brought up the issue of timeline/deadline versus content and said that it was for the EBA to consider whether, in some cases, longer timelines would be beneficial for finalisations of particular product.
101. The Chair concluded by appreciating the input by the Members, in particular on stock-take, drafting rules, scoping notes and ex-post reviews, and the use of AI. He agreed that the role of chairpersons of working sub-structures needed a review. He announced further discussion on the topic during the EBA BoS Strategy Day in July 2026.

Agenda item 13: TFE Recommendation 9 – Stacking order

102. The EBA Director of Prudential Regulation and Supervisory Policy Department (PRSP) introduced the item by noting that the focus of the tabled note was on delineation between macro and micro stack as this aspect was not fully discussed previously. She reminded the Members of the June deadline for the finalisation of the report.
103. The co-chair of the respective taskforce continued by saying that in addition to the delineation between micro and macro, the tabled note also proposed regrouping of instruments which had close objectives and owners and was seeking to address the perceived binding nature of P2G and foster buffer usability. He stressed that the EBA proposal would reduce the number of layers while preserving authorities' responsibilities. With regard to the macro stack, the co-chair of the respective taskforce said that the tabled note focused on streamlining it and with one instrument replacing the current SyRB, CCyB, and the macroprudential tools in the CRR, it kept risk weighted assets based on its microprudential calculation clean from macro considerations. The structural macro component of G-SII/O-SII would remain, with attention for proportionality and common methodology in setting it. Regarding the micro stack, the co-chair of the respective taskforce explained that CCoB and P2R both addressed risks not (sufficiently) covered in Pillar 1. Therefore, the EBA was proposing to group them as a single "enhanced" Pillar 2 requirement, that started from a 2.5% floor – derived from the Basel framework where the 2.5% was added for heightened resilience. To address the perceived bindingness of P2G, the note reframed how the results of the stress test would be used. Differently from today,

CAs would only enact a P2G guidance when the level held internally by firms was considered insufficient. It was an option that was already possible under the current SREP Guidelines, and was used, particularly by one authority, but was still not so common. The EBA was proposing to retain the role of the stress test in providing a common benchmark for capital depletion and reviewing bank capital levels. However, it was necessary to get to a configuration that was closer to the objective of the framework, namely that banks understood that the buffer held above the requirements were usable during stress. The co-chair of the respective taskforce concluded by referring to the draft outline of the report. The outline provided an insight in how the report would start with a narrative on the fundamentals and resilience built by the framework, then it provided the principles and problem statement discussed at the January BoS. The report would cover micro, macro and resolution in separate chapters, and would provide also a chapter on interactions. Finally, he mentioned that concerning the resolution part, the EBA discussed proposed to reduce complexity of MREL/TLAC by exploring greater standardisation, seeking streamlining of metrics and eligibility concepts, and a more coordinated - but not automatic - approach to MREL breaches and related CA-RA interaction.

104. In the subsequent discussion, the views of the Members were mixed. A majority of them stressed that reduction of supervisory tools should not be a result of the EBA's proposal. They also highlighted that the proposal should be capital neutral and said that the proposed enhanced P2R was a mix of two different concepts which would not lead to capital neutrality. Several Members supported delineation as presented in the tabled note and some pointed out a need for clear separation and updated methodology to address the changes. One Member said that ASTRA methodology should not be used and another Member was of the view that there should be some national flexibility when developing methodologies. On merging of P2R and rebalancing with CCoB, some Members supported the merger, others opposed it. Some Members raised the need to be able to handle sectorial risks. One Member said that P2R was a crucial tool for supervisors and that it should be connected with a risk profile. A few Members considered P2G and P2R as requirements. Some Members noted that there was an ongoing misinterpretation of P2G by the market which was considering it as a buffer rather than guidance as what the management should take as a headroom and that this should be clearly explained in the report. The Members supported the outline of the report to be finalised in June, and a few Members were of the view that it should cover a selection of various possible proposals. One Member suggested to include an overview of the ambition and impact of each proposal to easily identify quick wins. Another Member proposed a joint drafting effort to secure and advance the report. Another Member mentioned that interaction between Pillar 1 and 2 as well as proposals on the leverage ratio framework and MDA triggers could be re-included in the report and that there should be a more ambitious OSII framework. The Member also pointed out that reference to the role of AT1 should not be part of the report.

105. The ECB Banking Supervision representative raised strong concerns with the tabled proposal. He stressed that P2G and P2R did not have the same purpose and questioned

overlap between P2G and buffers. He also warned against depriving supervisors of a tool that has been effective over the years. He said that P2R should not be merged with any buffers.

106. The SRB representative noted direct impacts of the proposal on MREL and post-resolution capital adequacy.

107. The EC representative could not support the presented proposal when it seemed to not be capital neutral or reduced incentives for good supervision.

108. The Chair concluded by noting the comments raised and converging openness to progress on delineating micro-macro with keeping the micro metrics clean, merging SyRB and CCyB, reviewing and harmonising better the OSIs framework, considering the evolving role for P2G. He pointed out that reservations to merging P2R and CCoB were strong and efforts to simplify the micro stack would deserve high care and more work, if possible.

Agenda item 14: AOB

109. The Members did not raise any other business items.

Participants of the Board of Supervisors' meeting on 20 and 21 April 2026¹

Chair: Francois-Louis Michaud

Country	<u>Voting Member/High-Level Alternate</u>	<u>National/Central Bank</u>
1. Austria	Helmut Ettl	Markus Schwaiger
2. Belgium	Gregory Nguyen/Catherine Terrier	
3. Bulgaria	Tsvetoslav Angelov	
4. Croatia	Sanja Petrinic-Turkovic	
5. Cyprus	Elina E Chrysanthou ²	
6. Czech Republic	Zuzana Silberova	
7. Denmark	Louise Mogensen	Morten Rasmussen
8. Estonia	Andres Kurgold	Gaili Gruning
9. Finland	Marko Myller	Paivi Tissari
10. France	Emmanuelle Assouan/Philippe Mongars	
11. Germany	Nikolas Speer	Karlheinz Walch
12. Greece	Anna Tsounia	
13. Hungary	Norbert Izer	
14. Ireland	Micheal O'Keefe	
15. Italy	Andrea Pilati	
16. Latvia	Nora Dambure ²	
17. Lithuania	Renata Bagdoniene	
18. Luxembourg	Claude Wampach	Christian Friedrich
19. Malta	Anabel Armeni Cauchi Oliver Bonello	
20. Netherlands	Willemieke van Gorkum	
21. Poland	Artur Ratasiewicz	Pawel Gasiorowski
22. Portugal	Rui Pinto	
23. Romania	Catalin Davidescu	
24. Slovakia	Tatiana Dubinova	
25. Slovenia	Tomaz Kosak ²	
26. Spain	Daniel Perez Cid/Agustin Perez Gasco	
27. Sweden	Johan Almenberg	Mia Holmfeldt
<u>EFTA Countries</u>		
	<u>Member</u>	
1. Iceland	Bjork Sigurgísladóttir	
2. Liechtenstein	Elene Seiser	
3. Norway	Anders Hole	Sindre Weme
<u>Observers</u>		
	<u>Representative</u>	
1. AMLA	Rikke-Louise Petersen	
2. SRB	Karen Braun-Munzinger	

¹ Jakob Hlavka (FMA); Eoghan Caffrey (Central Bank of Ireland); Marek Sokol (CNB); Nina Rajtar-Polrola (KNF); Ivan-Carl Saliba (MFSA); Vanessa Sternbeck Fryxell (Finansinspektionen); Margaux Van der Biest (DNB), Christoph Roos (BaFin)

²Expert without voting rights

Other Non-voting Members

1. ECB Banking Supervision/ECB
2. ESRB
3. European Commission
4. EIOPA
5. ESMA
6. EFTA Surveillance Authority

Representative

Patrick Amis/Katrin Assenmacher

Almoro Rubin de Cervin

Louise Waller

Marta-Margret Runarsdottir

EBA

Acting Executive Director

Jonathan Overett Somnier

Directors

Kamil Liberadzki

Marilin Pikaro

Meri Rimmanen

Isabelle Vaillant

Heads of Unit

Roberta De Filippis

Ruta Merkevičiute

Angel Monzon

Anne Tiedemann

Francesco Mauro

Olli Castren

Dorota Wojnar

Dirk Haubrich

Experts

Tea Eger

Gerbert van der Kamp

Louis de Olmo

Ali Erbilgic

Lampros Kalyvas

Lot Anne

Despina Chatzimanoli

Larisa Tugui

Alex Herr

For the Board of Supervisors

Done at Paris on 15 June 2026

[signed]

Francois-Louis Michaud

EBA Chair