



**Actors
of growth**



**ANNUAL
REPORT
2021**

Contents

President's foreword

The year 2021 has been marked by the terrible consequences of the COVID pandemic, although less dramatically than 2020. It is also in 2021 that we started feeling the first signs of rising inflation, subsequently reinforced by the consequences of war in Ukraine, which is putting the European economy under considerable strain. The inflation rate in the Eurozone rose from 0,25% in 2020 to 2,25% in 2021 and is expected to be around 8,4% in 2022.

A portrait of a man with dark hair, wearing a dark suit jacket, a light blue and white striped shirt, and a red tie. He is looking slightly to the left of the camera with a neutral expression.

“National and regional promotional banks are exceptionally equipped to unfold the necessary financial measures: as they showed in the COVID crisis, our members are able to act swiftly to provide the necessary support and alleviate the impact of war and sanctions on the European economy and on EU citizens.”

All these major developments have largely impacted the regulatory agenda – with a number of temporary prudential and State aid rules exemptions – but also the direct activities of EAPB members. They have put in place or extended support programmes, first to absorb the COVID shock on the economy, and then to respond to the economic and social consequences of the war against Ukraine. Similarly as with COVID, our members are faced with important challenges in the context of the war in Ukraine. There is need for support in view of the shortage of fuels (most notably gas) but also of imported raw materials for industrial (semiconductors) and agricultural production. In order to strengthen the position of the EU in sanctioning Russia for its illegal war, it is essential that EU companies be shielded from the consequences of war and sanctions. The COVID crisis has made the EU more unified on several fronts: joint emission of debt, joint healthcare responses, further harmonization of banking regulation. The war in Ukraine will most likely lead to further steps in integration, notably in the defense and energy sectors.

During this time, the EAPB has continued its action to consolidate the European Banking Union. The financial legislative framework now recognizes the specificity of public banks and their public interest missions, e.g. with a well-calibrated leverage ratio and the possibility for certain promotional banks to be supervised at national level. But the success of public banks' activities will continue to depend on a stable and efficient regulatory framework. The introduction of Basel IV and the 2021 EU banking package – implementing the last piece of the Basel Committee's response to the global financial crisis at EU level – could make the distribution of loans more costly for promotional banks, thus increasing the cost and availability of financing for local governments and public sector entities. This must be urgently addressed.

There are also the challenges brought to us by Climate Change. The floods in Europe in 2021 were just a reminder of the changes that we need to make to our economic models, including through greener finance. In this area as well, the EU has adopted an impressive amount of regulation in record speed. Unfortunately, these rules have not always been designed in such a way that they work for our promotional activities and really meet the goals set by the EU in terms of fighting climate change.

This is why today, Sustainable development has become our top priority with the creation of a dedicated working group and the consolidation of the association's positions on the climate and social taxonomies and on the European Green Bond standards. For example this year, our Sustainable Finance Working Group (created just before the COVID crisis) has initiated exchanges with the EBA on integration of ESG factors and voluntary reporting in the supervisory framework. We have also had excellent exchanges with the Parliament on the Green Bond Standard and had the possibility to bring in our thoughts on the idea of a social taxonomy. In a context where sustainable development is becoming mainstream in the financial industry, the risk of greenwashing will rise if the new legal framework and its enforcement are not sound. On the other hand, that framework must be entirely adapted to the promotional activity of EAPB members. In 2021, institutions represented by EAPB issued over 20 billion euros in green and social bonds: this impressive amount is a testimony to the key role that public banks and their customers are set to play in the necessary transition.

Another priority has been the design of EU promotional policy that is fully in line with the subsidiarity and better regulation principles. EAPB has successfully placed National and Regional Promotional Banks and Institutions at the center of today's EU promotional and sustainable policy plans. In 2021, many EAPB members have started acting as direct implementing partners of the European Union for the InvestEU Programme or have initiated the so-called pillar assessment to become one. Such programmes demonstrate the ability of Public Banks to mobilise additional private funding: whenever public banks invest equity or provide a guarantee, they enable private players to invest in financially sound projects that would not have been financed in a 'purely private' financial environment.

After 6 years as President of the EAPB, I am happy to wish you a pleasant read of this year's Annual report and wish my successor Mrs. Lidwin van Velden all the best for the years to come.

Philippe Mills
President of the EAPB



EAPB member Kommunalbanken (KBN)
supporting the development of smart cities

Location: Skårersletta - Lørenskog, Norway
Beneficiaries: Boosting the municipality and
the economy

Who we are

The EAPB is the voice of the European public banking sector.

We represent the interests of over **30** public banks, funding agencies and associations of public banks throughout Europe...

...representing indirectly the interests of about **90** financial institutions towards the EU and other European stakeholders.

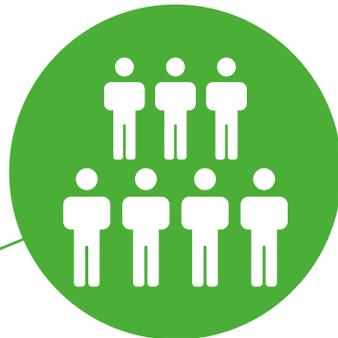
We represent about **83,000** employees.

The European Association of Public Banks (EAPB) was founded on **4 May 2000**

EAPB gathers member organisations from **14** European member states and **3** non member states.

The combined balance sheet total of all EAPB-members is around EUR **3,200** billion

EAPB-members constitute an essential part of the European financial sector with a market share of around **15%**



What we do

Establishing contacts with the EU institutions as well as with other European banking associations, credit institutions and promotional institutions in all European countries.

Advocating to the European institutions in the area of Banking- and Financial Services legislation and EU funding programs.

Representing the EAPB- members to professional organisations, media and the general public.

Encouraging exchange of **experience** and **co-operation** among public sector banks in Europe.



Regularly and rapidly **informing** its members of all relevant financial, political and legal developments and of measures adopted by the European institutions in the fields of banking law, and European economic and financial policies.



Who we represent

EAPB-members are national and regional Promotional Banks, municipality funding agencies and public commercial banks. They provide financial services and funding for projects that support sustainable economic and social development with, amongst others, activities ranging from the funding of companies and the promotion of a greener economy to the financing of social housing, health care, education and public infrastructure at national, regional and local level.



Agence France Locale

Balance Sheet Total (in bn EUR): 5,7
www.agence-france-locale.fr



ANFIR - Associazione Nazionale delle Finanziarie Regionali

Balance Sheet Total (in bn EUR): 2,3
www.anfir.it



Bank Gospodarstwa Krajowego (BGK)

Balance Sheet Total (in bn EUR): 34,2
www.bgk.pl



BNG Bank

Balance Sheet Total (in bn EUR): 160,4
www.bngbank.com



Bulgarian Development Bank (BDB)

Balance Sheet Total (in bn EUR): 1,7
www.bbr.bg



Finlombarda - Finanziaria per lo Sviluppo della Lombardia S.p.A

Balance Sheet Total (in bn EUR): 0,7
www.finlombarda.it



Eximbank Hungary

Balance Sheet Total (in bn EUR): 3,5
www.exim.hu



Croatian Bank for Reconstruction and Development (HBOR)

Balance Sheet Total (in bn EUR): 3,8
www.hbor.hr



Verband der österreichischen Landes-Hypothekenbanken (Hypoverband)

Balance Sheet Total (in bn EUR): 54,9
www.hypoverband.at



Institut Català de Finances (ICF)

Balance Sheet Total (in bn EUR): 2,6
www.icf.cat

Who we represent



Investitionsbank Berlin (IBB)

Balance Sheet Total (in bn EUR): 19,4
www.ibb.de



The Republic of Srpska Investment-Development Bank (IRBRS)

Balance Sheet Total (in bn EUR): 1,2
www.irbrs.org



Institut Valencià de Finances (IVF)

Balance Sheet Total (in bn EUR): 0,6
www.ivf.gva.es/en/inicio



Kommunalbanken Norway (KBN)

Balance Sheet Total (in bn EUR): 50,0
www.kbn.com



KommuneKredit Denmark

Balance Sheet Total (in bn EUR): 31,4
www.kommunekredit.dk



Kommuninvest Sweden

Balance Sheet Total (in bn EUR): 52,3
www.kommuninvest.se



Landeskreditbank Baden-Württemberg (L-Bank)

Balance Sheet Total (in bn EUR): 86,8
www.l-bank.de



Malta Development Bank

Balance Sheet Total (in bn EUR): 0,07
mdb.org.mt/en/Pages/default.aspx



MFB-Magyar Fejlesztési Bank Zártkörűen Működő (Hungarian Development Bank LTD)

Balance Sheet Total (in bn EUR): 5,6
www.mfb.hu



Municipality Finance (MuniFin)

Balance Sheet Total (in bn EUR): 44,0
www.munifin.fi



NRW.BANK

Balance Sheet Total (in bn EUR): 155,7
www.nrwbank.com



Nederlandse Waterschapsbank N.V. (NWB Bank)

Balance Sheet Total (in bn EUR): 106,8
www.nwbbank.com



Who we represent



Landwirtschaftliche Rentenbank

Balance Sheet Total (in bn EUR): 95,3
www.rentenbank.de



Sächsische Aufbaubank (SAB)

Balance Sheet Total (in bn EUR): 8,2
www.sab.sachsen.de



SFIL

Balance Sheet Total (in bn EUR): 77,0
www.sfil.fr



Slovene Export and Development Bank (SID Bank)

Balance Sheet Total (in bn EUR): 2,9
www.sid.si



Thüringer Aufbaubank (TAB)

Balance Sheet Total (in bn EUR): 3,5
www.aufbaubank.de



Bundesverband Öffentlicher Banken Deutschlands (VÖB)

Balance Sheet Total (in bn EUR): 2700 (member entities)
www.voeb.de



Wirtschafts- und Infrastrukturbank Hessen (WIBank)

Balance Sheet Total (in bn EUR): 25,9
www.wibank.de



Visit [EAPB's website](#) to learn more about our members

* Balance sheet totals as from 2020



EAPB member ICF funds efficient and sustainable equipment and technology

Location: L'Ametlla Del Vallès, Barcelona, Spain
Beneficiaries: Lamigraf, manufacturer of printed goods

European public banks: Toolboxes against the crisis

Public and promotional banks have been at the forefront of economic recovery, mainly because of their focus on long-term investment as well as their unique ability to take risks and act countercyclically.



The outbreak of the Covid-19 pandemic in 2020 has further heightened the role of European public and promotional banks in response to the crisis. Programs such as InvestEU and structural funds aim at a better and greener, more inclusive, gender-sensitive, transformational and impactful approach to promoting growth. European public and promotional banks are key partners to enable a smooth and full-scale roll-out of these programs.

InvestEU: When crisis meets recovery

InvestEU bundles all central financial instruments in a single framework, allowing promotional banks, in addition to the EIB Group, to take on the role of implementing partners. Based on the extensive pillar assessment procedure, public and promotional banks will play a primary part in the stimulation of investment for the European economic recovery. So far, a range of EAPB members have chosen to become implementing partners at the EU level whereas other members expressed their interest in becoming implementing partners at a later stage to help economies emerge from the Covid crisis as well as others who aim at operating as financial intermediaries, in cooperation with the EIB Group.

“Due to their specific business model, European public banks are key actors and at the frontline in addressing climate change and specifically enabling the transition towards a more sustainable future. Additionally, because of their great involvement in social activities, they are crucial in ensuring that the transition is fair.”



2021 was anticipated with great interest since it marked the year in which the program concretized in a fast pace. On March 26, 2021, the InvestEU regulation entered into force, with retroactive application as of 1 January 2021 and a strong focus on supporting investment and creating jobs. The regulation was complemented by additional guidance, e.g. on sustainability proofing and climate tracking.

Continued cooperation with the EIB Group as established financial intermediaries under structures that are familiar to EAPB members remains equally important. In this mindset, negotiations between the European Commission and the EIB-group with a view to finding financial intermediaries for the 'InvestEU Guarantee' took place throughout 2021, and will, from Q1/2022 onward, mark an important milestone for SMEs and interested companies providing easier access to necessary loans through their house banks, which could not have been granted without the EU guarantee. Hereby, the InvestEU Guarantee underlines how public banks link private investors and public money. Whenever promotional banks provide a guarantee as financial intermediary, they enable private players to invest in projects that would have not been financed in a 'purely private' financial environment and hence help to attract the majority of resources to a healthy and sound financial project.

The choice of acting as implementing partner or as financial intermediary will remain an important tool for promotional banks and allow for greater ability to mobilize EU public funding.

Structural Funds: An ongoing exchange of best practices to address real-time questions and concerns

Next to InvestEU, EAPB members are involved in implementing the structural funds under the umbrella of the new Common Provisions Regulation (CPR) during the 2021-2027 programming period. The new structural funds offer new opportunities for promotional banks to use their diverse range of financial instruments, as the regulations have been simplified and allow for more flexibility. At the same time, the EAPB secretariat provided its members with an exchange platform to address their most important questions and concerns directly to key decision-makers, e.g. issues related to the legal framework. Thanks to this ongoing exchange European public banks will also in the future be able to directly address their most pressing concerns addressed without delay.



This cooperation further underlines the important role public banks play in terms of stimulating the investment environment both publicly and privately, as well as relaunching and sustaining the recovery after the pandemic. Thanks to their in-depth knowledge of local and structural needs and partners, public and promotional banks are crucial in directing long-term funding to the right beneficiaries.

Looking forward

After launching a plan to escape the economic turmoil of 2020 and 2021 caused by the Covid-19 pandemic, the war in Ukraine has given rise to new challenges in 2022. As the EAPB is currently gathering feedback on measures taken by its members to address the consequences of the war in Ukraine, be it in terms of sanctions or recovery measures, there is no doubt that European public banks will continue to support the EU's economic recovery in 2022 and beyond.

Sustainable Finance and Public Banks: A Natural Fit

In March 2018, a decade after the global financial crisis, the European Commission unveiled its Sustainable Finance Action Plan 1) to reorient capital flows towards sustainable investment in order to achieve sustainable and inclusive growth, 2) to manage financial risks stemming from climate change, resource depletion, environmental degradation and social issues and 3) to foster transparency and long-termism in financial and economic activity.

Over the last number of years, the EU has become significantly more ambitious in tackling climate change and the European Commission has scaled up efforts to build the foundations for sustainable finance. Sustainability is also the central feature of the EU's plan for recovery from the Covid-19 pandemic. The financial sector and, in particular, European public banks will be key actors in delivering the sustainable finance that Europe needs for a green recovery and in helping to meet the targets of the European Green Deal.



The Sustainable Finance Package received a 'renewed' update on July 6, 2021, by introducing new initiatives to deal with climate change; the European Green Bond Standard Proposal (EUGBS), which will create a high-quality standard for bonds financing sustainable investment. Under the same renewed Sustainable Finance Strategy, the European Commission also adopted a delegated act on the information to be disclosed by financial and non-financial companies about how sustainable their activities are, based on article 8 of the EU Taxonomy. [The position of the EAPB can be obtained here.](#)

Earlier in 2021, on April 21, the European Commission adopted the proposal for a [Corporate Sustainability Reporting Directive \(CSRD\)](#), which shall improve the existing reporting requirements defined in the EU's Non-Financial Reporting Directive (NFRD). Reporting under the CSRD will be required under the EU Taxonomy.

The EU Taxonomy is under ongoing development. As foreseen in Article 26 (2a and 2b) of the Taxonomy regulation, the EU Platform on Sustainable Finance (PSF) published in Q1/2022 reports covering the potential Taxonomy extension to support the environmental transition, the social taxonomy as well as the remaining environmental criteria 3-6. The EAPB contributed actively to the consultations on these reports in 2021 and this feedback was partially integrated into the PSF's work.

Regarding the application timeline, the EU Taxonomy itself is subject to reporting requirements that will come into full effect as of January 2023. EAPB has continuously advocated for an alignment of the application dates with the delays in the delegated acts on the Sustainable Finance Disclosure Regulation and on the EU Taxonomy, which had been postponed from Dec 2021 to Q2 2022. The EAPB secretariat will continue to ask for all sustainable finance regulatory initiatives to acknowledge the proportionality principle and build on EU-wide measures while avoiding complexity and administrative burden.

Due to their specific business model, European public banks are key actors and at the frontline in addressing climate change and specifically enabling the transition towards a more sustainable future. Additionally, because of their great involvement in social activities, they are crucial in ensuring that the transition is fair.

Marc Basel - Germaine Klein - Luca Neumann



Banking package. Strengthening the banking sector

The European Commission adopted a review of EU Banking rules on 27th October 2021: Capital Requirements Regulation (CRR) and Capital Requirements Directive (CRD IV). The aim of this initiative is to further strengthen the financial system, so it is able to better absorb different economic shocks. Moreover, it is also meant to support the COVID – 19 Pandemic recovery.



Main targets

The European Commission intends to finalize the implementation of Basel III agreement into EU law with its 2021 banking package taking into consideration the different specificities of the European banking sector. It was assessed that internal models used by banks could underestimate risks and generate an impact in banks resilience (lack of robustness). The proposed measures aim to ensure that financial institutions are well capitalized and able to face volatile environments. Additionally, these new amendments are meant to increase comparability of risk-based capital ratios across banks and restore confidence in those ratios and the soundness of the sector overall. At the same time, the reform is intended to simplify the risk-based framework thanks to better standardisation in the calculation of capital requirements.

The CRR is directly linked to Pillar 1 & 3 of Basel Accords. These cover capital requirements, risk coverage and leverage; and market discipline and disclosure requirements, respectively. While the CRD addresses the Pillar 2 of Basel Accords, supervisory review topics and buffers framework.

“The definition of promotional banks in the CRR offers an opportunity to create a regulatory framework for promotional banks that allows for adjustments to the Basel standard where the application of the rule would lead to a significant burden on the promotional business and thus counteract the public mandate.”



On the other hand, the banking package aims at supporting the green transition and creating a more sustainable environment. Banks will be required to identify, disclose and manage sustainability risks as part their risk management exercise. These are the so called ESG risks (Environmental, social and governance risks).

Likewise, the EU Commission has also introduced enforcement tools to guarantee sound management of EU banks. This was decided as powers were not harmonised and could imply that some competent authorities lacked the necessary tools.

One more objective is to reduce institutions' administrative costs related to public disclosures. Improving access to institutions prudential data will enhance market discipline and have a positive impact on the sector performance.

EAPB has closely monitored all the different developments about the banking package and been in contact with all members. Also, we have actively participated in the "Have your say" consultation issued by the European Commission.

Moreover, EAPB prepared a discussion paper to provide key MEPs with detailed feedback. This way, we will be able to ensure that the voice of our members is heard, and promotional banks specific features are taken into account before the final implementation on 1st January 2025.

EAPB is of the opinion that some of the measures that the Commission would like to implement will impose unnecessary burdens to the business of European promotional banks. We think that this revision of the CRR will provide the opportunity to introduce tailored rules for banks' promotional business. The definition of promotional banks in the CRR offers an opportunity to create a regulatory framework for promotional banks that allows for adjustments to the Basel standard where the application of the rule would lead to a significant burden on the promotional business and thus counteract the public mandate.



What to expect?

The final set of Basel III will be entering into effect on 1. January 2025.. Once initiated, it will be followed by a five-year phasing in period of certain elements of the reform.

The proposed measures affecting capital requirements for EU banks will only lead to an increase of 9% at the end of the envisaged transitional period in 2030. It is important to note that the capital increase will be below 3% at the beginning of transitional period. The EAPB Secretariat continues to work hard to ensure that the interests of public banks are taken into account and that its members are not disproportionately affected by a set of rules originally written for large and internationally active banks.

Dan Esser - Mahesh Daswani



Digital Finance – what does it mean?



“Digitalisation will not wait for the financial sector with all its various players; the ongoing and upcoming regulation will even accelerate certain developments, create synergies, and challenge certain – (maybe too) well established – beliefs.”

In September 2020, the European Commission has adopted its Digital Finance Package. The Package includes two strategies as well as four legislative proposals. It aims for a competitive technological environment within the EU, sound digital resilience for the EU’s financial sector, and a highly innovative recovery. With the Digital Finance Package, the Commission tries to create a level playing field between new and established business models, consumers and businesses, and risk and opportunity. The Commission aims to harmonise the digitalisation developments within the financial sector as well as to incentivise innovation therein. Over the course of the last year the European Commission has adopted additional measures and initiatives which will complement September 2020’s proposals.

Digital Finance Strategy

With the Digital Finance Strategy, the Commission set out its approach towards the future Digital Finance landscape until the end of this Commission’s mandate in 2024. The strategy focuses on four, interconnected priorities: removing fragmentation in the Digital Single Market, adapting the EU regulatory framework to facilitate digital innovation, promoting data-driven innovation in finance by establishing a common financial data space, and addressing the challenges and risks associated with digital transformation. Within the strategy, most of the following initiatives, as well as several unmentioned, play a role in achieving the goal to create a European Digital Finance environment to serve people and businesses. Particularly, it shall create new ways of funding European businesses and especially SMEs, the Green Deal, and the New Industrial Strategy for Europe.



Digital Operational Resilience Act (DORA)

With DORA, the European Commission has proposed a regulation which is set to streamline and foster the financial sector's digital resilience through the setting of standards and through the coordination of regulatory and supervisory work. DORA aims specially to improve financial entities' conduct of ICT risk management, establish a thorough testing of ICT systems, increase supervisors' awareness of cyber risks and ICT-related incidents, as well as to introduce powers for financial supervisors to oversee risks stemming from dependency on ICT third-party service providers.

Digital Euro

Not part of the Commission's Digital Finance Package but surely a keystone of the broader topic of Digital Finance: the European Central Bank's (ECB) digital Euro: in October 2020, the ECB issued a report on the possibilities of a digital Euro as a form of Central Bank Digital Currency (CBDC). A digital Euro could support digitalisation and innovation within the European economy. To explore and identify benefits and risks, the ECB and national central banks analyse, in their report, seven scenarios of a digital Euro. They consider thereby different functional design possibilities, technical and organisational approaches, as well as banks' role within the digital ecosystem. At the moment, the ECB, together with the European Commission and other stakeholders, are collecting further evidence for the design and functionalities of the Digital Euro:

1. Users' needs and expectations for a digital euro
2. The digital euro's role for the EU's retail payments and the digital economy
3. Making the digital euro available for retail use while continuing to safeguard the legal tender status of euro cash
4. The digital euro's impact on the financial sector and the financial stability
5. Application of anti-money laundering and counter terrorist financing (AML-CFT) rules
6. The privacy and data protection aspects
7. International payments with a digital euro

It remains to be seen, how a possible disintermediation of banks and a possible substitution of their business models will affect the banking sector as well as the economy as a whole.



Digital Finance – what does it mean to you?

EU legislators and supervisors seem to have understood that digitalisation will not wait for the financial sector with all its various players; the ongoing and upcoming regulation will even accelerate certain developments, create synergies, and challenge certain – (maybe too) well established – beliefs.

The aforementioned initiatives can be seen as flagship initiatives. Digital Finance is finding its way into current legislation, for instance through the reviews of the Consumer Credit Directive, the Mortgage Credit Directive, and also Sustainable Finance. Additionally, it will affect a wide variety of existing legislation through review clauses therein.

What European Commission and ECB propose will be only the beginning, it will be the foundation for the rules to come. Therefore, it is the EAPB's mission to ensure a level playing field, to advocate for proportionate regulation, and to make public and promotional banks a part of the evolving Digital Finance ecosystem.

Sebastian Wolpers



The remains of Brexit – Clearing services by UK counterparties

“A dedicated working group has been set up by the Commission, ECB, the European Supervisory Authorities (ESAs) and the ESRB to explore opportunities and challenges involved in transferring derivative transactions from the UK to the EU.”

If one were to name a key disadvantage of the UK’s exit from the EU in the financial services sector, it would be the uncertainty regarding access to clearing services provided by UK CCPs. For most market participants, and most, if not all EAPB members, business relationships with UK CCPs are essential. Even before the UK left, the European Commission in September 2020 had therefore issued a corresponding equivalence decision - which was very unusual for them, as they are otherwise rather reticent when it comes to declaring third-country equivalence. The UK legal framework for central clearing had been considered as equivalent until 30 June 2022, combined with the expression of expectations that clearing business should, if possible, migrate to the EU. The ECB, for their part, already in 2011 wanted most of the clearing of derivatives denominated in euros to take place with CCPs located in the euro zone. At that time, however, it was called back by the General Court (Case T-496/11).

Where is the European Commission heading?

After a long wait, the European Commission in February 2022 extended its equivalence decision for the UK central clearing framework until 30 June 2025 (Commission Implementing Decision (EU) 2022/174). This was combined with public consultations on ways to expand central clearing activities in the EU to reduce financial stability risks in the medium term as well as overreliance on systemic third-country CCPs. Measures being considered include setting exposure reduction targets, facilitating the transfer of funds from outside the EU, and introducing an obligation to clear in the EU. The Commission says



that a combination of different measures is needed to build a strong and attractive central clearing capacity in the EU. A dedicated working group has been set up by the Commission, ECB, the European Supervisory Authorities (ESAs) and the ESRB to explore opportunities and challenges involved in transferring derivative transactions from the UK to the EU. In the second half of 2022, the Commission intends to come forward with legislative and/or non-legislative measures to develop central clearing activities in the EU. When preparing this, the Commission will build on ESMA's assessment of the systemic relevance of certain UK CCPs, which leads to the question...

What has ESMA been doing?

In December 2021, the ESMA published a statement and a report on its assessment of UK CCPs under EMIR. The assessment was on the risks posed by a such a CCP to the financial stability of the EU, or one of its Member States, through the provision of certain clearing services to EU entities and markets in certain EU currency denominated products. ESMA found certain risks but concluded that there was no need to derecognise the UK CCPs. Instead, they proposed to the Commission to initiate further measures to mitigate risks such as prudential requirements to effectively incentivise participants to reduce their exposures to third-country CCPs, or a revision of the framework for comparable compliance. In March 2022, ESMA extended until 30 June 2025 the recognition of the three CCPs established in the UK – ICE Clear Europe Ltd., LCH Ltd. and LME Clear Ltd. –, in line with the extended Commission equivalence decision.

Boris Bartels



Brexit



**EAPB member NRW.BANK
promotes digitalization**

Location: Leverkusen, North
Rhine-Westphalia, Germany
Beneficiaries: Internet of Things
start-up Enerthing GmbH

Overview of EAPB meetings and major events

January

29 InvestEU webinar

The EAPB secretariat participated together with a number of its members in the InvestEU webinar organised by DG ECFIN of the European Commission. This webinar was very important as many questions could be raised and answers provided clarity to interested parties, being potential direct implementing partners or financial intermediaries. Alongside DG ECFIN, DG BUDG and DG REGIO provided on this occasion core information. The topics were the InvestEU Regulation itself as well as the investment guidelines and the InvestEU reporting requirements to potential implementing and advisory partners (including audited financial statements under IPSAS). Focus was also on the expected calls for expression of interest (products and advisory), on the InvestEU governance and the scoreboard. DG REGIO provided information on the Member State Compartment allowing combinations of ESIF and InvestEU.

April

30 EAPB, AECM, ELTI, NEFI 1st Structured Dialogue with DG REGIO

The EAPB Secretariat introduced the ongoing exchange possibility with DG REGIO and the team of HoU Jonathan Denness (B.3). Ms. Oana Dordain, Ms. Ieva Zalite and Mr. Filip Chraska (DG REGIO) gave a presentation on the Common Provisions Regulation (CPR). Mr. Julien Millet (DG REGIO) gave a presentation on ESIF 2014-2020 Financial Instruments Audit Methodology. Mr. Aron Kerpel-Fronius (DG REGIO) held a presentation on the InvestEU MS Compartment.

Our work

May

18

EAPB State Aid and Development Online Meeting

Ms. Astrid Bartels, Acting Head of Unit, European Commission – DG GROW, delivered a presentation on the central SME window under InvestEU, Ms. Bartels presented the current state of play and an outlook on the range and features of the products. Mr. Christoph Kuhn, Director, EIB Mandate Management Department and Ms Victoria Kyritsi, Head of Unit, EIB Mandate Management Department, showcased the Pan-European Guarantee Fund and the EIB response to Covid-19. The EAPB Secretariat provided an update on EU-level policies and activities, it presented the latest developments on State Aid legislation and reported on the first structured dialogue between EAPB, AECM, ELTI and NEFI and Unit B.3 of DG Regio. The Secretariat also provided an overview of the latest developments in the field of Sustainable Finance and gave an outlook on EAPB activities in the coming weeks.

June

1

ECOFIN Committee Online Meeting

The EAPB Secretariat updated members on the progress of the finalisation of Basel III on promotional banks adopted in March 2021. Ms. Elena Arveras, policy officer at the European Commission's DG FISMA, presented the proposal for the Corporate Sustainability Reporting Directive and then exchanged views with the participants. The Secretariat presented an overview of the possible design and structure of the digital euro.

Our work

June

10 EAPB General Assembly Online Meeting

Mr. Philippe Mills, President of the EAPB and CEO of SFIL, welcomed the members of the EAPB General Assembly. Mr. Marcel Roy, Secretary General, EAPB, gave an overview of the EAPB activities.

June

22 Capital Markets Committee Online Meeting

Ms. Pilar Gutierrez, Senior Policy Expert at the European Banking Authority (EBA), presented EBA's advice to the Commission on KPIs and methodology for disclosure by credit institutions and investment firms. The EAPB Secretariat updated members on the progress of the European Single Access Point (ESAP), the European Green Bond Standard and the Taxonomy Climate Change Delegated Act, it also showcased recent developments in the area of digitalisation.

July

1 Webinar on the PCAF (Partnership for Carbon Accounting Financials)

Ms. Angélica Afanador, Program Manager and Europe & Latin America, Sustainalytics, delivered a presentation on the Partnership for Carbon Accounting Financials. Ms. Merel Hendriks, Sustainability Officer at NWB Bank, presented an example of PCAF integration in a loan portfolio.



August

24

Exchange with the Rapporteur of the Social Taxonomy

Ms. Antje Schneeweiß, Rapporteur of the Platform on Sustainable Finance (PSF) on the Social Taxonomy, gave an overview of the most important aspects of the Social Taxonomy report with subsequent possibility for members to ask questions.

October

6

Exchange with DG FISMA on the European Green Bond Standard

Mr. Axel Fougner, Policy Officer at DG FISMA and responsible for policy work on the EU Green Bond Standard (Unit C4 Asset Management), gave an overview of the most important points of the EUGBS and engaged in an exchange with members on their questions and concerns regarding the EUGBS Commission proposal.

 Our work

October

19 State Aid and Development Committee Online Meeting

Mr. Martin Koch, Policy Officer, DG Economic and Financial Affairs, Ms. Oana Simene, Policy Officer, DG Economic and Financial Affairs and Mr Uros Dravinec, Policy Officer, DG Economic and Financial Affairs outlined the European Green Deal in the context of the InvestEU Programme and shared insights on sustainability proofing as well as climate and environmental tracking aspects of InvestEU.

Mr David Gonzalez, Head of Growth and Educational Programmes, EIF, Ms Christa Karis, Deputy Director Strategy Coordination, EIF, Mr Barry McGrath, Mandate Management, EIF Ms Maria Romano, Advisory, EIB and Ms Raluca Stanciu, Equity Investments and Guarantees, EIF, delivered a presentation on Invest EU.

The EAPB Secretariat, provided an update on EU-level policies and activities and reported on the Temporary State Aid Framework, the Sustainable Finance Structural Funds and InvestEU.

November

16 Capital Markets Committee Online Meeting

Ms. Agnes Le Thiec, Policy Officer at the European Commission's DG FISMA (Unit B1 - Capital Markets Union) presented the Action Plan on Capital Markets Union (CMU) and its state of implementation. The EAPB Secretariat reported on the Benchmarks Regulation and the European Green Bond Standard.



November

26 EAPB CEO Conference - Brussels

The European Association of Public Banks (EAPB) held its CEO Conference in Brussels on November 26. Mr. John Berrigan, Director-General of DG FISMA, presented the newly published banking package. Mr. Roger Havenith, Deputy Chief Executive of the EIF, showcased the InvestEU program. EAPB used this opportunity to thank the speakers for the excellent cooperation during the last difficult months.

Mr. Philippe Mills, EAPB President and CEO of SFIL, highlighted the role of public banks and municipality funding agencies as engines of recovery. In his opening comments Mr. Mills, remarked that: 'COVID has left deep scars. We were all challenged but we delivered, when the crisis hit, we showed once more that we are up to the task, this is an achievement we should take collective pride in. We all work for stability, security, the public good but we also provide solutions, mechanisms and tools not for profit but for the citizens of our regions and countries, the citizens of Europe. Never forget, we are shielding much more than plain financial interests.'

Mr. Marcel Roy, Secretary General at EAPB concluded: 'EAPB is not just a network, it does not connect banks, it connects people, people with common values: like the spirit of cooperation, the professional ethics and I would argue, a shared business model and the European idea, that is more than a vision but a reality worth fighting for.'

December

7 Economic and Financial Affairs Committee Online Meeting

Mr. Almore Rubin De Cervin, Head of Unit D1 at DG FISMA, European Commission, gave an overview on the banking package. The EAPB Secretariat reported on the Corporate Sustainability Reporting Directive.



EAPB **participation** at European Commission expert groups



Payment Systems Market Expert Group

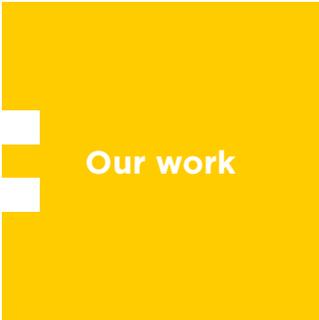
Structured Dialogue with European Structural and Investment Funds' partners group of experts

InvestEU sustainability proofing and climate tracking working group

Our work

EAPB **comment letters and position papers** and EAPB contributions to comment letters and position papers from the European banking industry

February	
2	EAPB position on EBA discussion paper on management and supervision of environmental, social, and governance (ESG) risks for credit institutions and investment firms
March	
11	EAPB response on targeted consultation on the establishment of a European single access point (ESAP) for financial and non-financial information publicly disclosed by companies
23	Joint associations letter requesting clarification (DNSH, application to markets in financial instruments directive (MiFID) products, etc.)
April	
12	EAPB letters to ECB on large exposure regime - mandatory substitution approach
20	EAPB response on targeted consultation on the review of the crisis management and deposit insurance framework
May	
12	EBF, ESBG, EACB and EAPB joint letter concerning EBA guidelines on loan origination and monitoring
28	EBA consultation on draft implementing technical standards (ITS) on Pillar 3 disclosures on environmental, social, and governance (ESG) risks



June

2	EAPB answer to public consultation and comments on the “review of the communication on the framework for state aid for research and development and innovation”
11	EAPB response on EBA discussion paper on a feasibility study of an integrated reporting system under article 430c CRR
15	EAPB response to EBA consultation for institutions and resolution authorities on improving resolvability
21	AECM, EAPB, ELTI, NEFI, and SMEUnited joint letter to EU small-to-medium enterprise (SME) envoy
21	Joint trade associations’ letter for better alignment and sequencing of EU Taxonomy disclosure timelines under EU’s sustainable finance regime
25	EAPB position on general block exemption regulation (GBER) amendments
28	EAPB letters to ECB on large exposure regime - mandatory substitution approach
30	EAPB answer to public consultation and comments on the revision of the guidelines on state aid to promote risk finance investments
30	EAPB response to the public consultation on the delegated regulation on disclosure requirements under article 8 of the taxonomy regulation
30	EAPB position on possible extension and possible future adjustment of the Covid temporary framework

July

13	Joint Associations letter to the European Commission on the packaged retail and insurance-based investment products (PRIIPs)
13	EAPB position on EC proposal for a corporate sustainability reporting directive
15	Joint banking industry letter on statutory replacement rate for CHF LIBOR
15	EAPB response on European Commission consultation on the draft corporate sustainability reporting directive (CSDR)
26	European banking associations response to the Financial Stability Board (FSB)
30	EAPB position on revised climate, energy and environmental aid guidelines (CEEAG)



Our work

August

3	EAPB comments on the treatment of banks' specialized lending exposures under the finalization of Basel III
3	EAPB input on capital requirements regulation (CRR) impact on specialized lending
30	EAPB response to the consultation paper on review of MAR guidelines on delay in the disclosure of inside information and interactions with prudential supervision

September

2	EAPB feedback on CHF LIBOR replacement
2	EAPB feedback on EONIA replacement
13	Joint response to COM consultation on the packaged retail and insurance-based investment products (PRIIPs)
16	Joint associations letter regarding UK Critical control points (CCPs) recognition and equivalence
20	Request for postponement of packaged retail and insurance-based investment products (PRIIPs) implementation date
24	EBA consultation on revised guidelines on common procedures and methodologies for the supervisory review and evaluation process (SREP) and supervisory stress testing under directive 2013/36/EU
24	EAPB position on European Commission consultation on the proposal for a regulation on European green bonds
24	EAPB response on EBA consultation on revised guidelines on common procedures and methodologies for the supervisory review and evaluation process (SREP) and supervisory stress testing under directive 2013/36/EU
24	EAPB draft position on taxonomy pack for feedback for environmental goals 3 - 6
27	EAPB position on call for feedback by the platform on sustainable finance on the draft report on preliminary recommendations for technical screening criteria for the EU taxonomy' (goals 3-6)
27	EAPB position submitted on the EU green bond standard (GBS) regulation
29	Letter to DG FISMA on draft EU green bond standard (GBS) regulation



October

1	EAPB position on COM consultation for revision of general budget of the EU
10	Discussion on a feasibility study of an Integrated Reporting System under article 430c CRR
11	EAPB position on proposed sixth extension and adjustment of the Covid temporary framework
16	EAPB position on EBA consultation on implementing technical standards (ITS) on currencies with constraints on the availability of liquid assets in the context of the liquidity coverage ratio (LCR)
20	EAPB response to consultation to EBA discussion paper on proportionality assessment methodology
23	EAPB Response on EBA survey on Pillar 3 disclosures on environmental, social, and governance (ESG) risks under article 449a CRR

November

3	EAPB policy brief on the implications of the finalization of Basel III on promotional banks
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December

8	AECM, EAPB, ELTI, NEFI, joint position paper on the Implementation on the general block exemption regulation (GBER)
9	Joint statement financial industry associations on packaged retail and insurance-based investment products (PRIIPs)
22	Joint industry approach to corporate sustainability reporting directive (CSDR) settlement discipline regime

You can find EAPB comment letters and position papers on our [website](#).

You can find EAPB contributions to comment letters and position papers from the European banking industry on EBIC's [website](#).



Our work



EAPB member NWB Bank enables sustainable energy

Location: Zeewolde, Netherlands
Beneficiaries: Energy for an equivalent of nearly 300.000 households a year

EAPB board and secretariat

Our board: Status 01/09/2022



President

Lidwin van Velden
NWB Bank
Chief Executive Officer



Vice - President

Gabriela Pantring
NRW.BANK
Member of the Managing Board



Vice - President

Mari Tyster
MuniFin
Executive Vice President



Board Member

Iris Bethge - Krauß
Association of German Public Banks (VÖB)
Executive Managing Director



Board Member

Hrvoje Čuvalo
Croatian Bank for Reconstruction and
Development (HBOR)
Member of the Management Board



Board Member

Angeliki Krisilion
IBB
Member of the Board



Board Member

Philippe Mills
SFIL
Chief Executive Officer



Board Member

Paweł Nierada
BGK
First Vice President of
the Management Board



Board Member

Michele Giuseppe Vietti
Finlombarda
Chair of the Managing Board

Our secretariat



EAPB Secretary General

Marcel Roy
European Association of Public Banks
(EAPB)
Secretary General

Our board



Actors of growth

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