eba | European Banking Authority

Risk Assessment Questionnaire

Summary of Results / Autumn 2023

Contents

Introduction

The EBA conducts semi-annual Risk Assessment Questionnaires (RAQs) among banks. This booklet presents a summary of the responses to the survey carried out in Autumn 2023, in which 85 banks[1] submitted their answers. Results of the survey were received in September 2023, are published together with the EBA's quarterly Risk Dashboard (Q3 2023) and are presented in an aggregate form. The questionnaire is available in the Appendix. Where relevant, answers from former questionnaires may be presented. Due to the change in sample of banks (sample was made of 60 banks in Autumn 2022), the comparison with previous results should be made with caution. For questions for which only one answer was permitted, any potential difference between the sum of shown responses and 100% is due to respondents answering either "n/a" or "no opinion". Responses that were not selected by any banks are not presented in the charts. In the summary of the main results, figures are rounded.

Should you wish to provide your feedback on this booklet, please do so by contacting rast@eba.europa.eu

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[1] A list of banks participating in the survey is published in the Annex.

Summary of main findings

The latest banks' responses to the EBA's questionnaire reflects the uncertainty caused by the macroeconomic developments in European economy. At the time of the survey, inflation was elevated, and economic growth subdued, and projections were revised downwards. The unprecedented pace of interest rates increases has weighed on banks' expectations. Banks' profits have benefitted from widening margins and increasing net interest income, yet sustainability of the level of these profits is questioned, as the survey reveals banks' growing concerns around asset quality and funding costs. The impact from financial technology competition as well as from increasing operational risks with regards to anti-money laundering are also cited as key concerns by banks, while climate related risks come to the forefront for banks' strategies.

Business model, strategy, and profitability

- **Banks are rather optimistic on their capacity to sustain profitability at its current levels yet they acknowledge challenges ahead.** Uncertainty around the economic outlook and the subdued economic growth has not have a major impact on European banks expectations on profitability yet. 75% of the banks expect to further benefit from higher interest rate environment, as they see net interest income (NII) to further increase (80% of banks). Impact from impairments is expected to be limited (only 35% of banks expect an increase). Yet, despite the positive outlook, a smaller share of banks compared to the previous survey expect an increase in their return on equity (RoE), perhaps signalling that profitability may have reached its highest level. *(Questions 1 and 3)*

- **Profitability is expected to be supported by NII.** Most banks (70%) still target NII to further increase their profitability, similar to the previous survey. Respondents to the survey report that loans towards corporates, including large corporates, small and medium enterprises (SMEs) and Commercial real estate (CRE), are set to reprice faster than other portfolios in the coming 12 months. On the other hand, on average residential mortgages are expected to reprice slower due to longer reset periods, yet with some country specific exceptions *(Questions 2, 7 and 8)*

- **Banks' cost of equity on the rise.** The higher interest rate environment has also contributed to the increase of cost of equity (CoE) for the banks. Most of the banks surveyed estimate their CoE to be over 10% (35%) followed by banks reporting CoE larger than 12%. Over the last year, banks reporting CoE over 10% has more than doubled (33% in September 2022 to 70% in September 2023). *(Question 4)*

Funding and liquidity

- **Funding costs may pose challenges to the banks**. While more than 55% of the sample reported that the estimated total cost of funding is below 2.5%, there is a wide dispersion depending on region domiciled or the size of the bank. Still most of the banks (95%) reported that the cost of funding is below 5%, as banks benefit from low deposit pass through rates (deposit betas). *(Question 9)*

- **As market funding costs increased faster than deposits, banks report that they intend to target more retail deposits for their funding needs in the next 12 months (47%) due to their substantially lower cost.** However, at the same time they also expect higher competition to increase deposit rates. Most banks surveyed, (56%) agree that retail deposits will be more costly in the future, and, indeed, banks expect to increase offered deposit rates for both household deposit and NFC deposits (around 75%). As a result, the majority of the banks expect deposit betas for term deposits to exceed 70%. On the other hand, banks expect funding costs of other funding instruments to remain stable. *(Questions 10, 11, 13 and 14)*

- **Preferred senior unsecured and senior non-preferred have become less attractive for funding needs**. Yet, both funding instruments remain the main funding instruments to achieve the minimum requirement for own funds (MREL). *(Questions 10 and 12)*

Asset volume and quality trends

- **Banks may limit their exposures towards real estate related loans**. Except for consumer credit portfolios, an increasing share of banks report they expect not to increase their exposures in the next 12 months. This is more profound in the real estate related portfolios (either commercial or residential), in which less than half of the banks in the sample reported their intention to increase their exposures towards these portfolios. *(Question 15)*

- **An increasing share of banks expect a deterioration of the asset quality.** The macroeconomic environment has been deteriorating over the past year, materially affecting asset quality expectations. Banks expect CRE, SME, and Consumer Credit portfolios to be affected the most (more than 60% of the banks expect deterioration in these portfolios). In addition, an increasing share of banks, compared to previous surveys, expect deterioration in their residential mortgage portfolio (50% of the sample). *(Question 16)*

- **Despite the expected asset quality deterioration, cost of risk (CoR) is expected to remain stable.** More than 70% of the banks estimate their CoR for the current financial year to be lower than 50bp. Just less than 10% of the sample expecting to have CoR higher than 100bp. 90% of the banks surveyed have provisioning overlays in place. These are mainly at total expected credit loss level (66%) and less related to IFRS 9 model parameters (22%). The scope of these overlays has slightly shifted compared to the previous RAQ, as less banks reported that these overlays

were connected to Russian war. Many of the banks said that overlays were associated with the impact of inflation. *(Questions 17, 18 and 18.1)*

Conduct, reputation, and operational risk

- **According to RAQ results, the main risk drivers for operational risks remain cyber and data security (75%), followed by conduct and legal risks (48%) and fraud (34%).** The latter has been markedly increasing compared to previous surveys. *(Question 21)*

- **Banks also reported their increasing concern about risks related to money laundering (ML) and terrorist financing (TF).** Risks related to customers' transactions received from, or sent to, jurisdictions that are subject to international sanctions are still the most relevant ML/TF risks for banks (38% consider it a high significance risk, and 33% significant risk). Banks seem to consider their internal policies, procedures, and controls for the implementation of sanctions mature enough as only 15% of them see risk of non-compliance with applicable restrictive measures regimes as a main operational risk, similar to results in the last survey. The perception of exposure to ML and TF risks have increased by 2% since the last publication (now 18% of banks consider them as a main operational risk driver). Risks associated with customers whose ownership and control structure are opaque or unduly complex, and with customers dealing in cryptos are still of importance for banks. Those risks are common for both money laundering and circumvention of sanctions. Payment and settlement are the activities where more banks (56% of the sample) see an increasing ML/TF risk, as banks have less knowledge of their customers when providing those activities. *(Questions 21, 22 and 23)*

Fintech

- **Banks' digitalisation trend for daily banking activities seems to be stabilising, with banks still testing, developing and discussing their involvement with the most innovative technologies.** While the level of digitalisation is still high in both corporate and retail banking in the case of most banks, the use of digital channels by customers has stabilised as compared to previous surveys. This is particularly the case of corporate banking activities, with customers mainly using digital channels for deposit-taking (retail customers) and payment services (corporate clients). This may be related to the fact that, regarding the most innovative technologies (e.g. DLT, smart contracts, quantum computing), banks appear to still be testing and developing solutions, with only a few actually using and launching services on them. However, overall, banks' level of involvement with innovative technologies is high in the EU, with more than 80% of banks already using or testing AI, cloud computing, big data analytics, biometrics or digital wallets. *(Questions 26 and 28)*

- **Artificial Intelligence (AI) is used by banks for diverse use cases.** AI is mostly relevant in the areas of fraud detection, profiling/clustering of clients or transactions, creditworthiness

assessment/credit scoring and AML/CFT behaviour/transaction monitoring and chatbots (more than 70% of banks report at least one AI approach for these applications). Some banks are already using or planning to use Generative AI, mainly for customer support and chatbots (22% of the sample) and for the optimisation of internal processes (13%). *(Question 27)*

- **A large majority of banks still neither engage nor expect to engage within the next 2 years on activities related to crypto-asset products and services.** In the short term, the activity where banks are expected to engage in first is the custody and administration of crypto-assets, followed by the issuance of 'other crypto-assets'. In the medium term, banks expect to engage on additional activities, such as the reception and transmission of orders for crypto-assets on behalf of clients, the issuance of EMTs or ARTs and the transfer services for crypto-assets on behalf of clients. Among banks that expect to engage in crypto-asset related activities, they are mostly the largest banks and those based in Central Europe. *(Question 29)*

ESG

- **Banks are offering a multiplicity of sustainable linked products**. Proceeds-based green loans remain the most common sustainability related products in banks' lending to large corporates (issued by 86% of responding banks), again directly followed by performance-based sustainability-linked loans (issued by 72%). Issuance of social and sustainability loans (i.e. through a combination of environmental, social and governance dimension) to large corporates remains stable (more than 50% for both). Within SME lending, proceeds-based green loans are offered most (by 82% of banks). Banks also offer SMEs sustainability-linked loans, social and sustainability loans, but to a lesser extent (between 35% and 41% of banks). In retail banking, green loans continue to dominate (issued by more than 70% of banks, respectively). *(Question 30)*

- **Different taxonomies are used from banks.** Definitions laid down in banks' internal frameworks dominate across all lending products (SME, NFCs, secured and unsecured), directly followed using the EU taxonomy. Some institutions are using other existing market standards. *(Question 31)*

- **Transparency remains an issue for the green market.** Lack of data and transparency continues to be named by banks as the main challenge for the further development of the green retail loan market, followed by regulatory uncertainty. *(Question 32)*

- On the funding side, **green bonds continue to be the sustainability-related funding instrument most issued** (by 64% of banks). Among the other proceed-based funding instruments, green covered bonds and social bonds are also commonly issued by banks (25% and 21%, respectively). *(Question 33)*

Banks' questionnaire

1. Business model / strategy / profitability

Question 1: Autumn 2023 results

Q1 Do you expect an overall increase in your bank's ROE over the next 6 to 12 months?
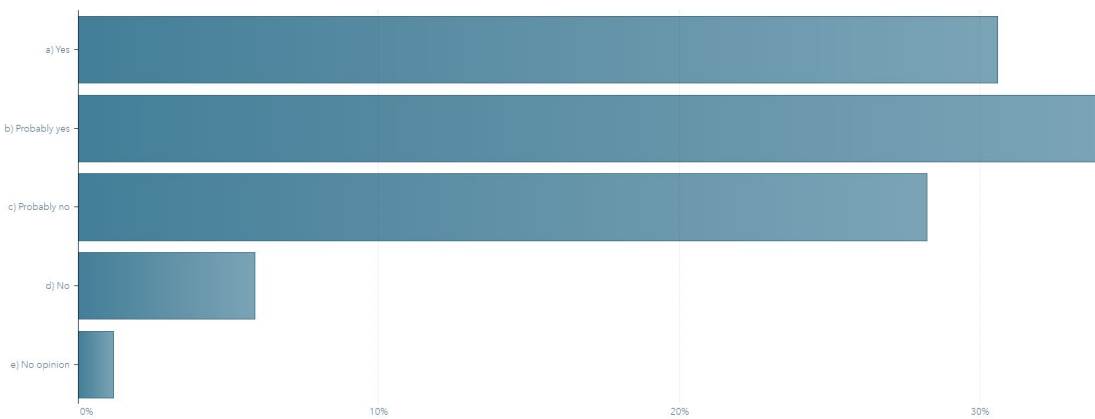
Question 1: Comparison with earlier results
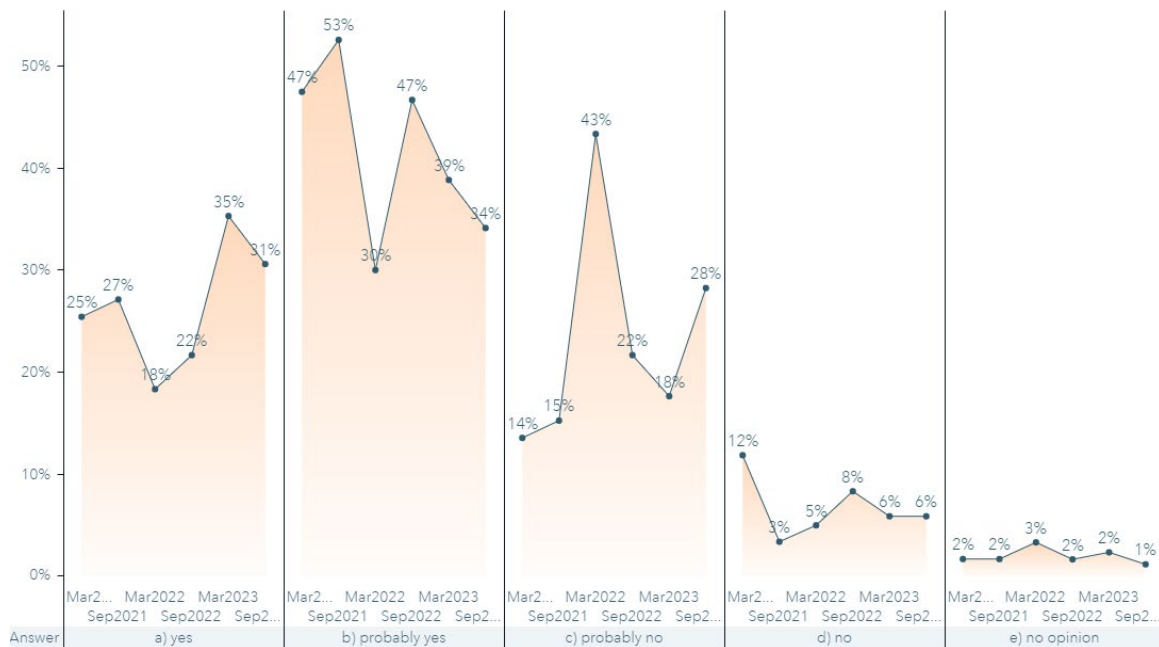
Question 2: Autumn 2023 results

Q2 Which areas are you primarily targeting to increase the profitability of your bank in the next 6 to 12 months? (Rank according to priority with 1 - High Priority and 4 - Low Priority)
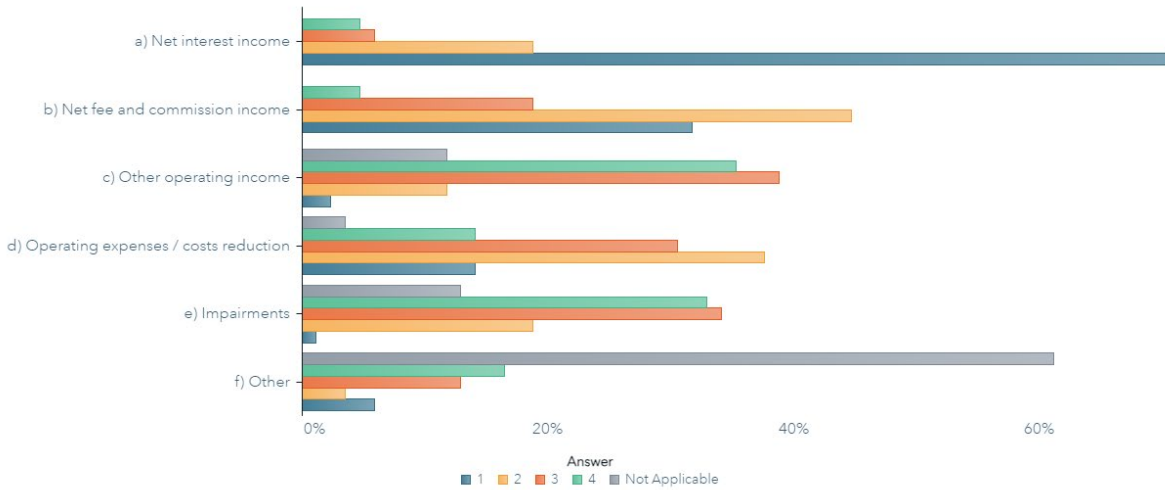
Question 2: Comparison with earlier results

1 - High Priority
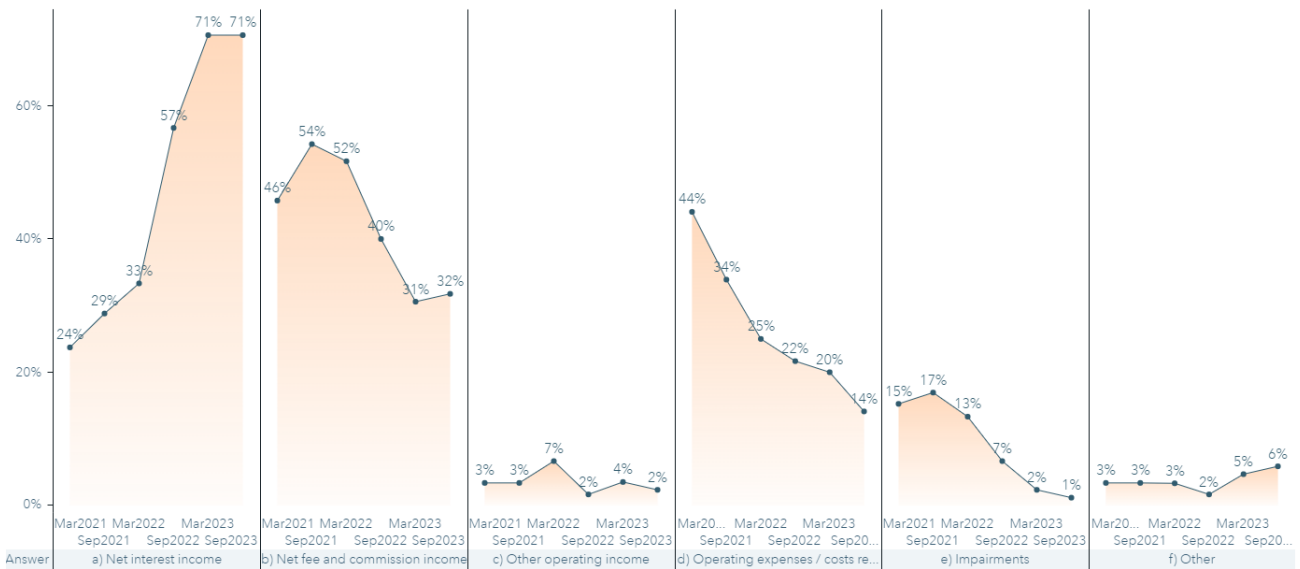
Question 3: Autumn 2023 results

Q3 How do you expect rising interest rates to affect your P&L over the next 6 to 12 months?
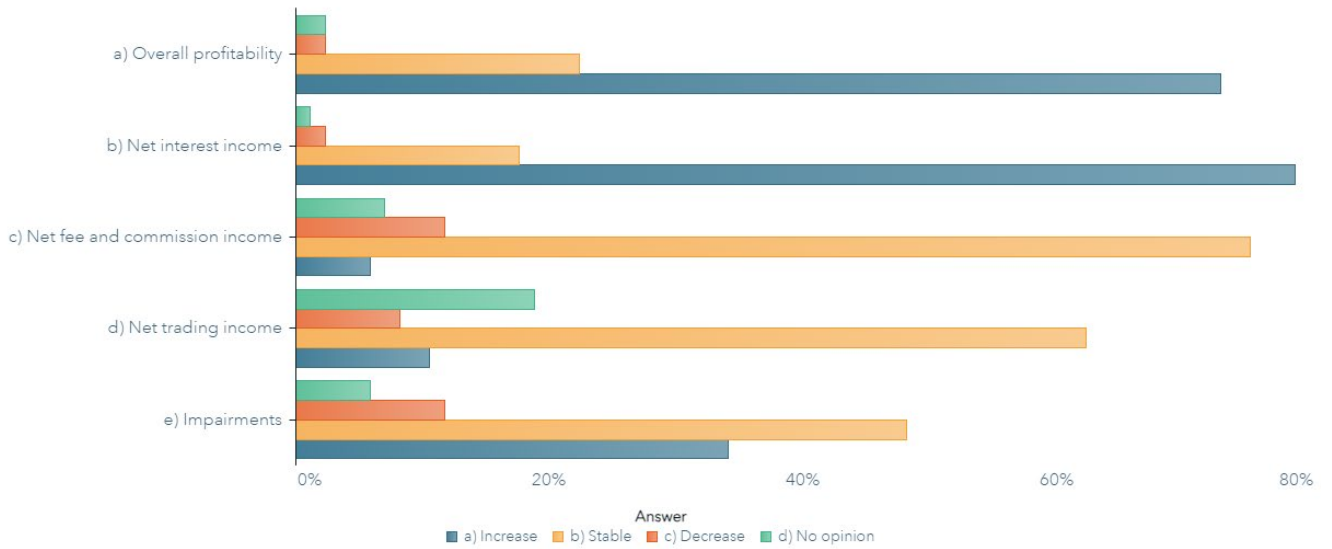
Question 3: Comparison with earlier results
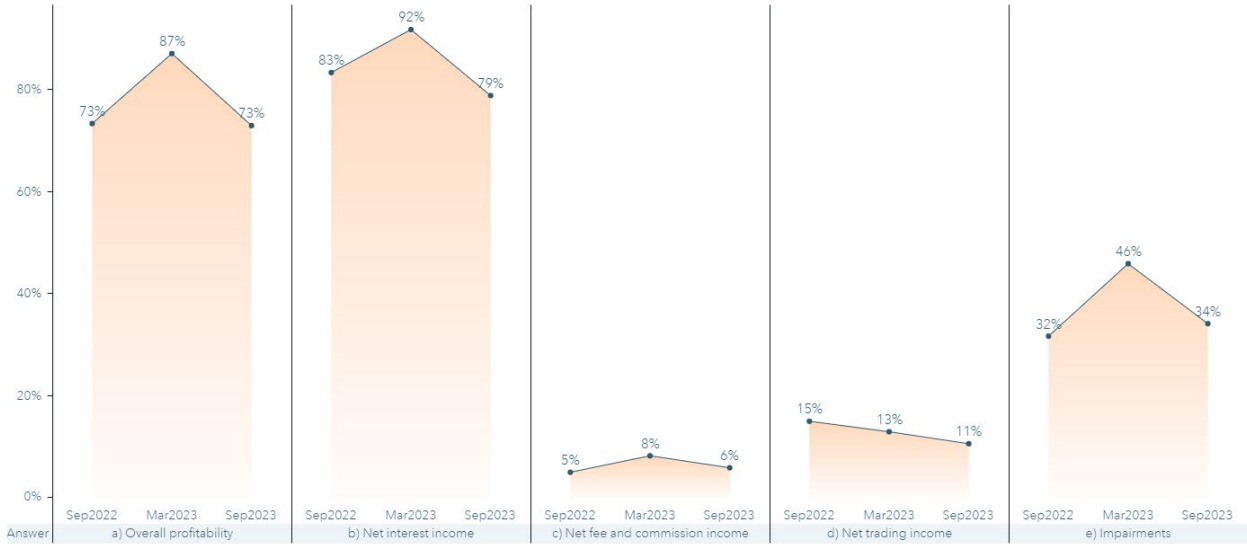
Increase

Decrease
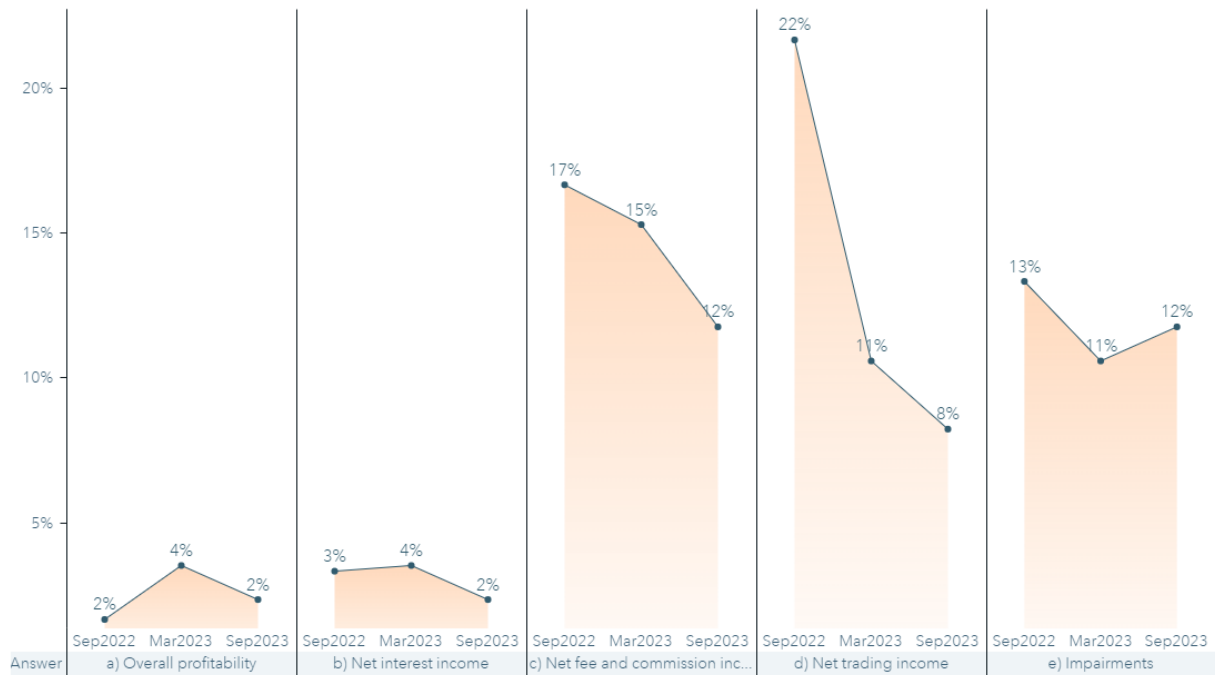
Question 4: Autumn 2023 results

Q4 What is your estimated Cost of Equity?
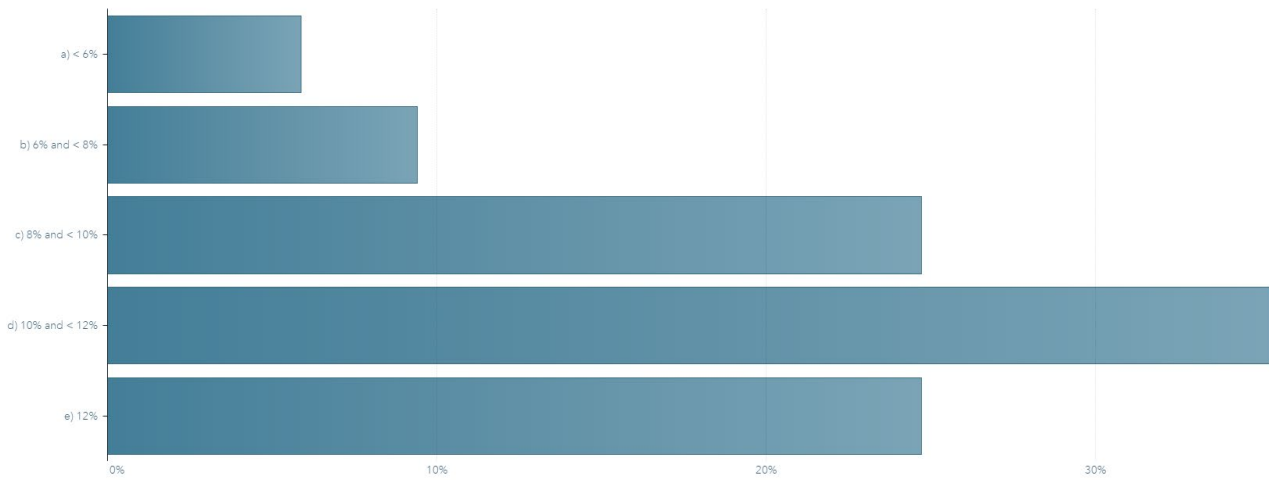
Question 4: Comparison with earlier results
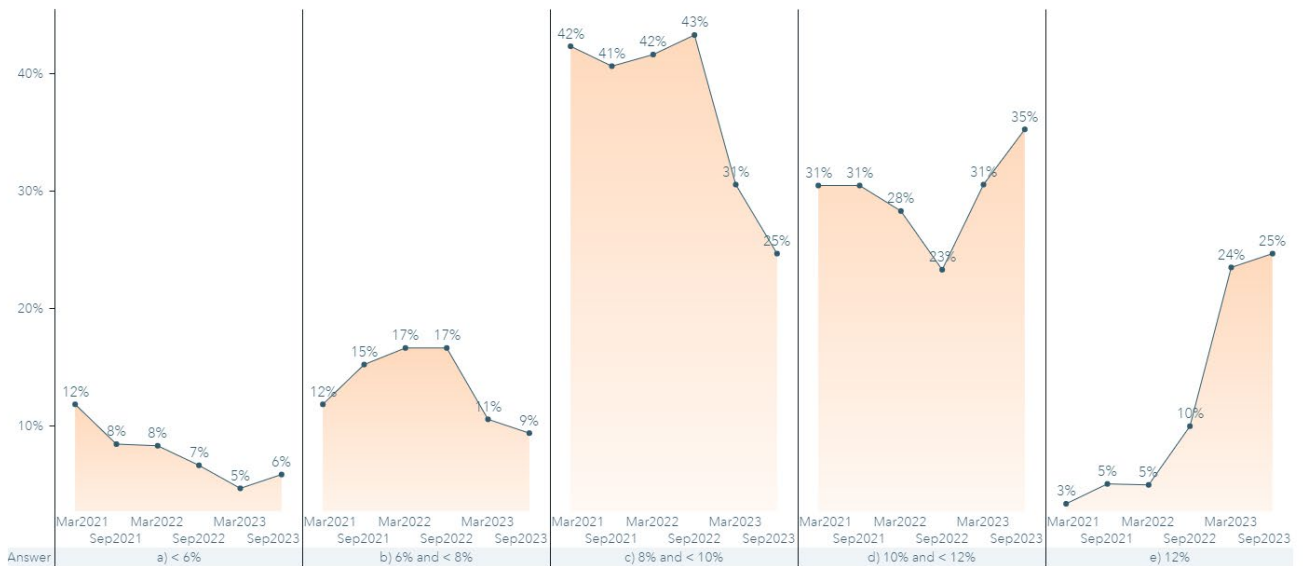
Question 5: Autumn 2023 results

Q5 Which measures are you primarily taking to reduce operating expenses / costs?
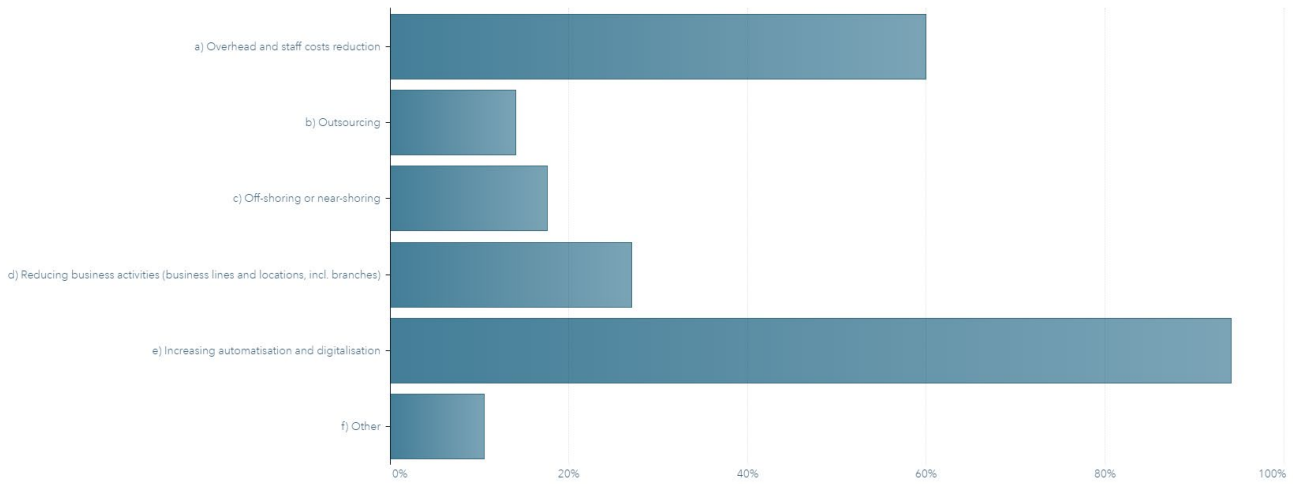
Question 5: comparison with earlier results
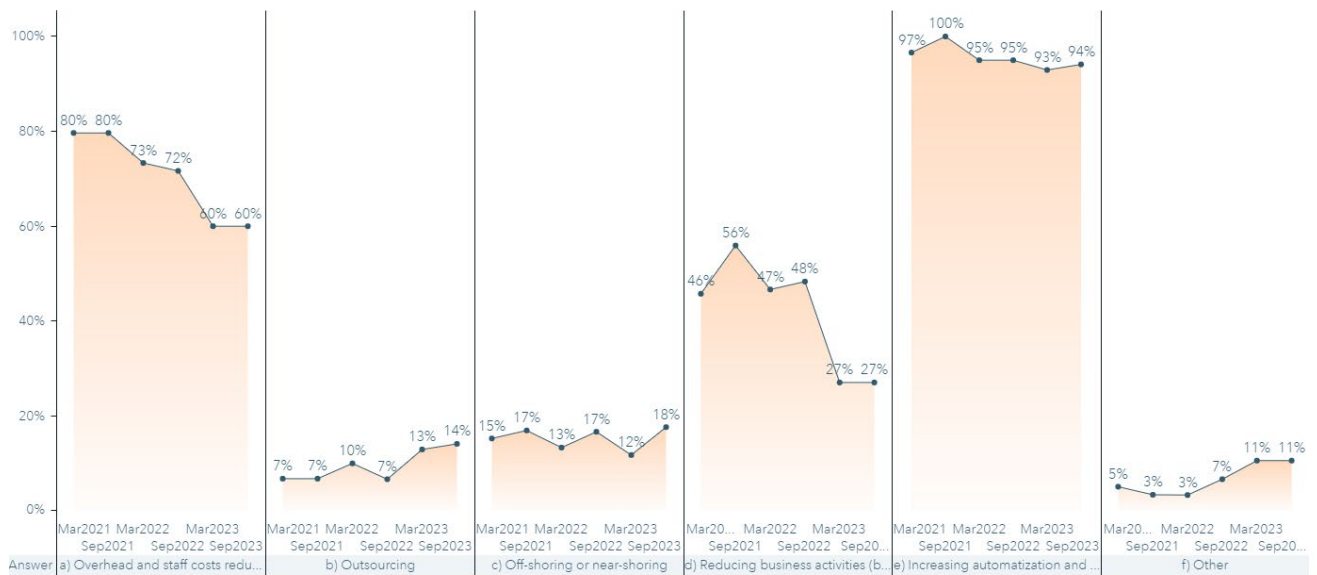
Question 6: Autumn 2023 results

Q6 Are you considering M&A transactions with/of?
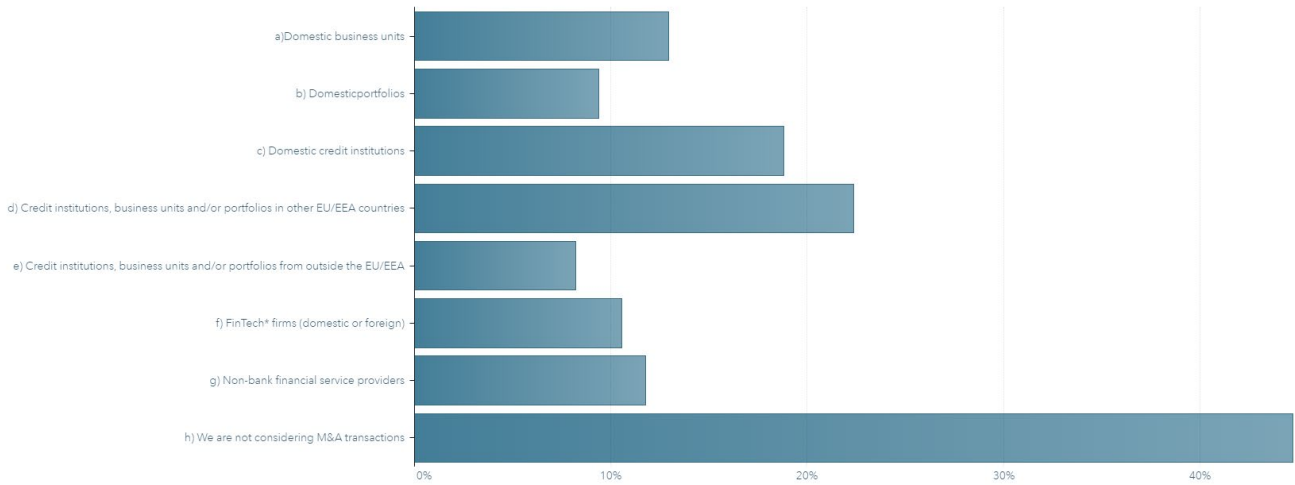
Question 6: comparison with earlier results
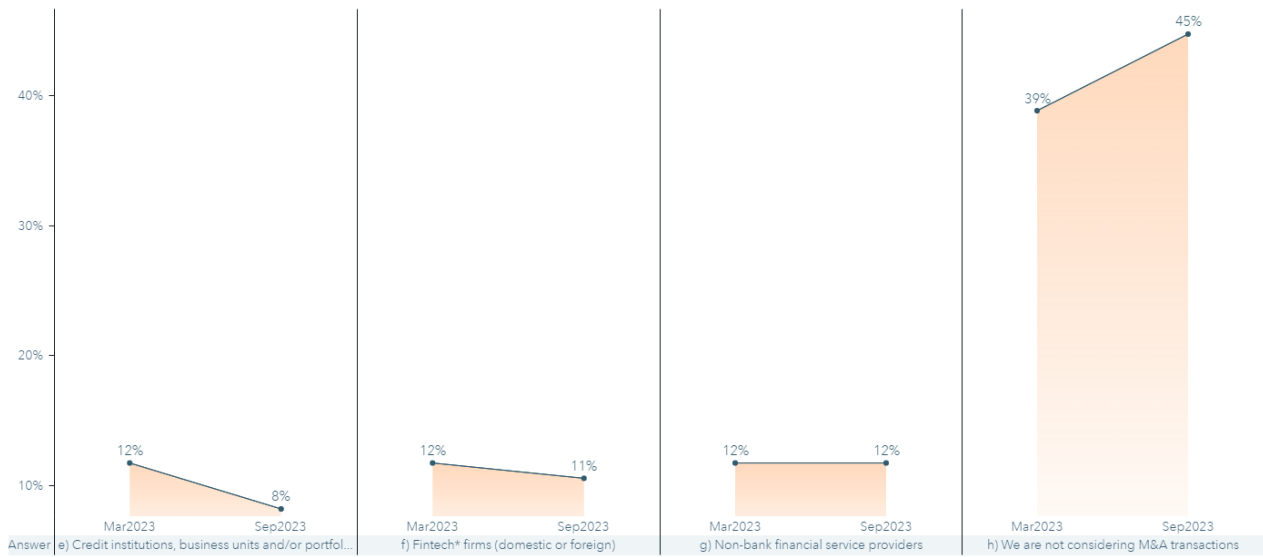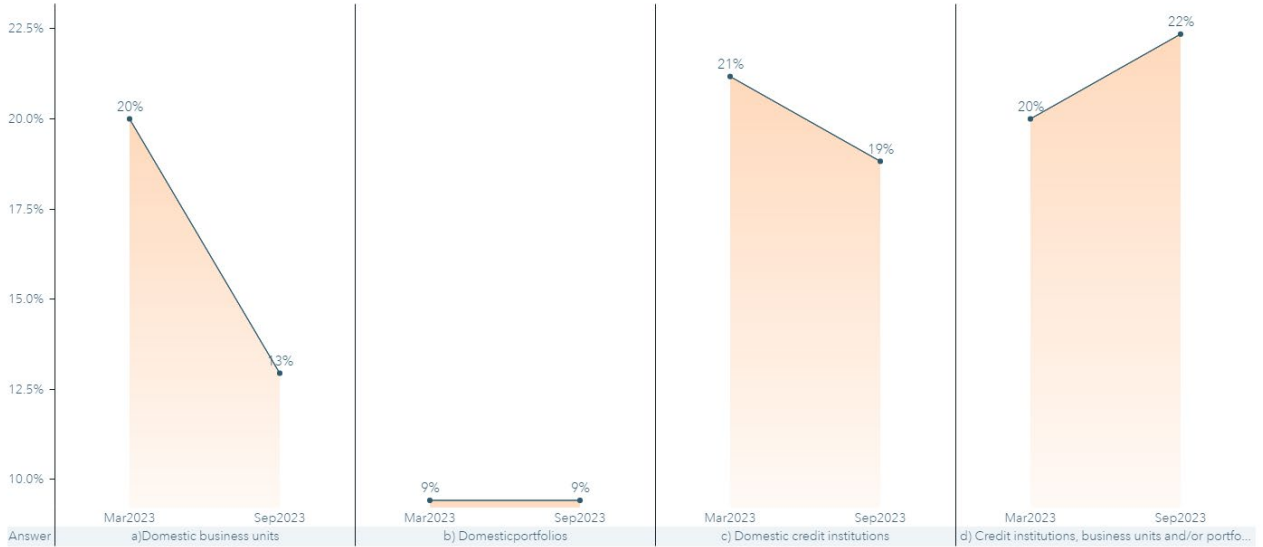
Question 7: Autumn 2023 results

Q7 Which is the share of outstanding loans repricing in less than 12 months for the following portfolios?

Legend: a) 0%-20% | b) 20%-40% | c) 40%-60% | d) 60%-80% | e) 80%-100% | Not Applicable
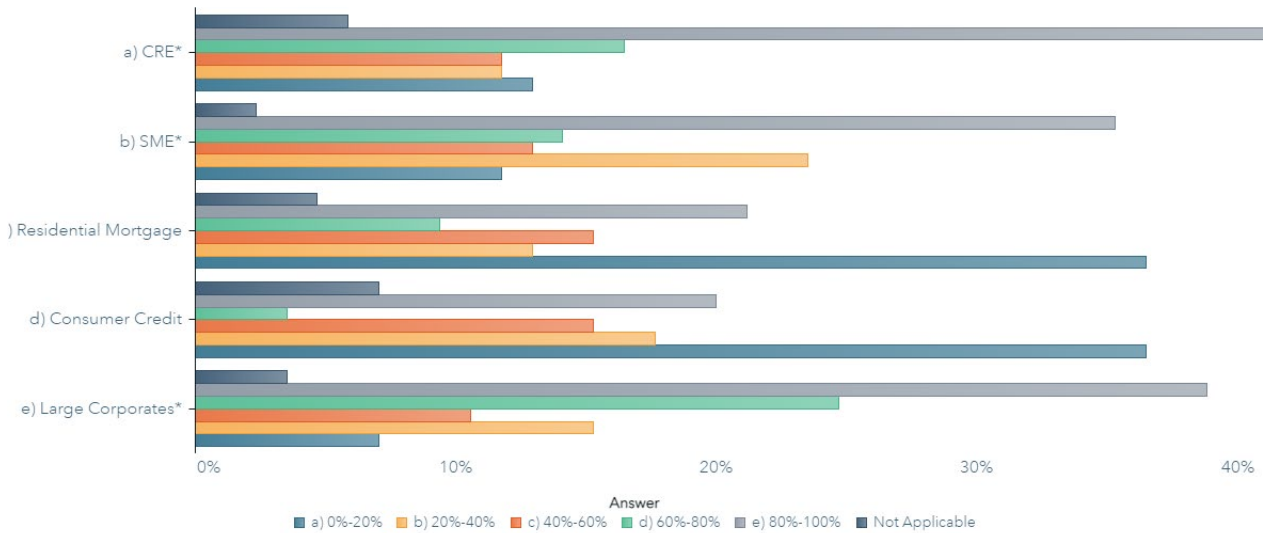
Question 8: Autumn 2023 results

Q8 Which is the average interest rate fixation period* for the following loan portfolios (at origination)?[2]

Legend: a) 1 year | b) >1 year and 3 years | c) >3 years and 5 years | d) >5 years and 10 years | e) >10 years | Not Applicable

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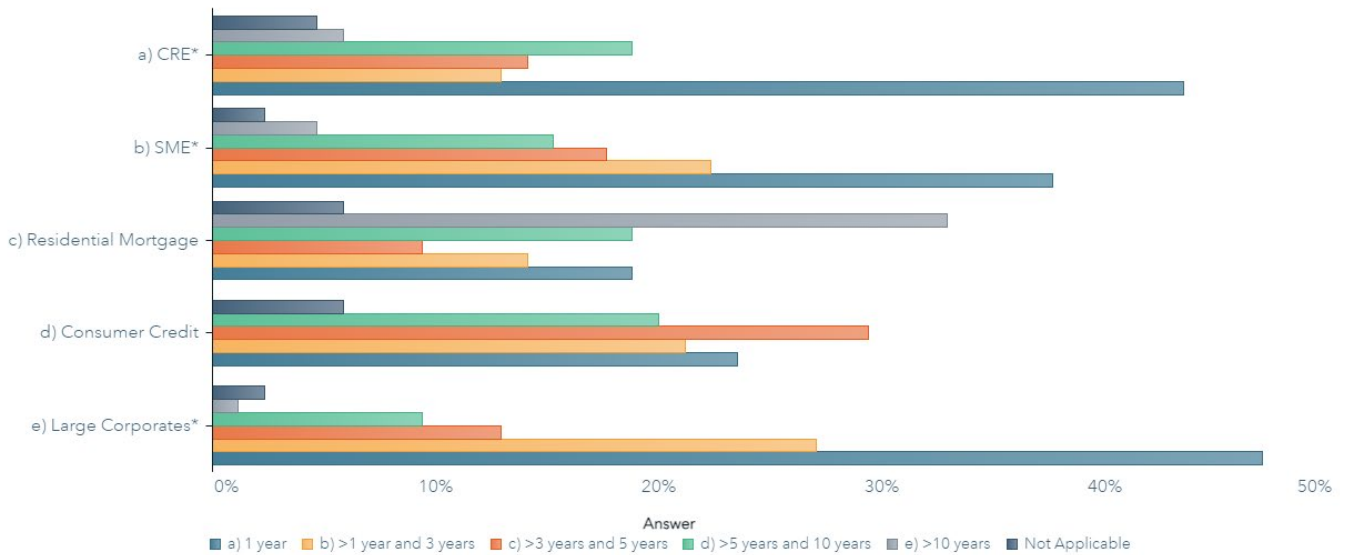
[2] If the rate is fixed for the whole life of a loan, it was selected the bucket corresponding to its maturity. For loans with an interest rate fixation period changing over time (e.g. mortgage at fixed rate over the first five years and then variable with revisions every year), it was selected the length of the first fixation period.

2. Funding / liquidity

Question 9: Autumn 2023 results

Q9 What is your estimated total cost of funding?
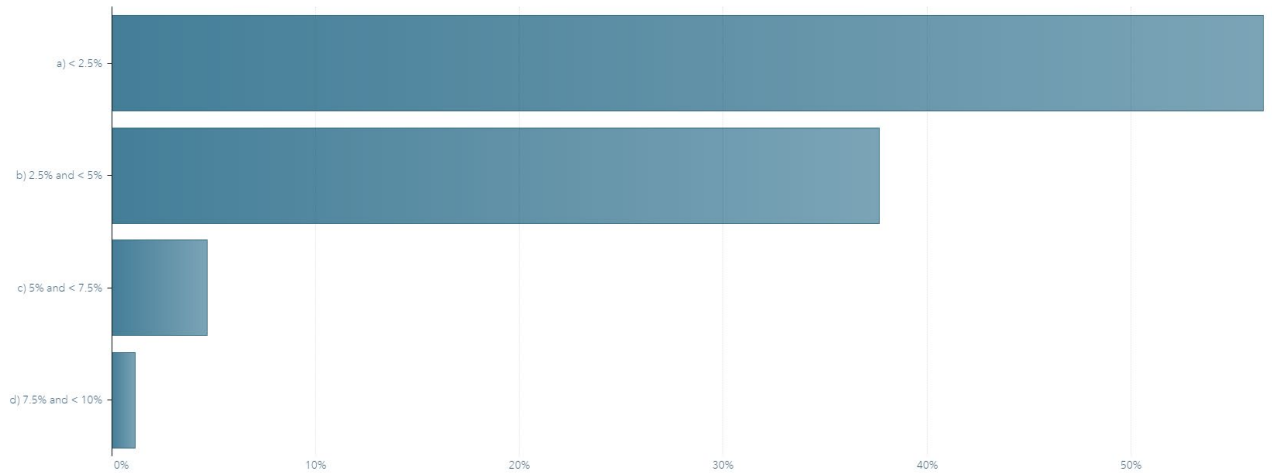
Question 10: Autumn 2023 results

Q10 In the next 12 months, which funding instruments do you intend to focus on?
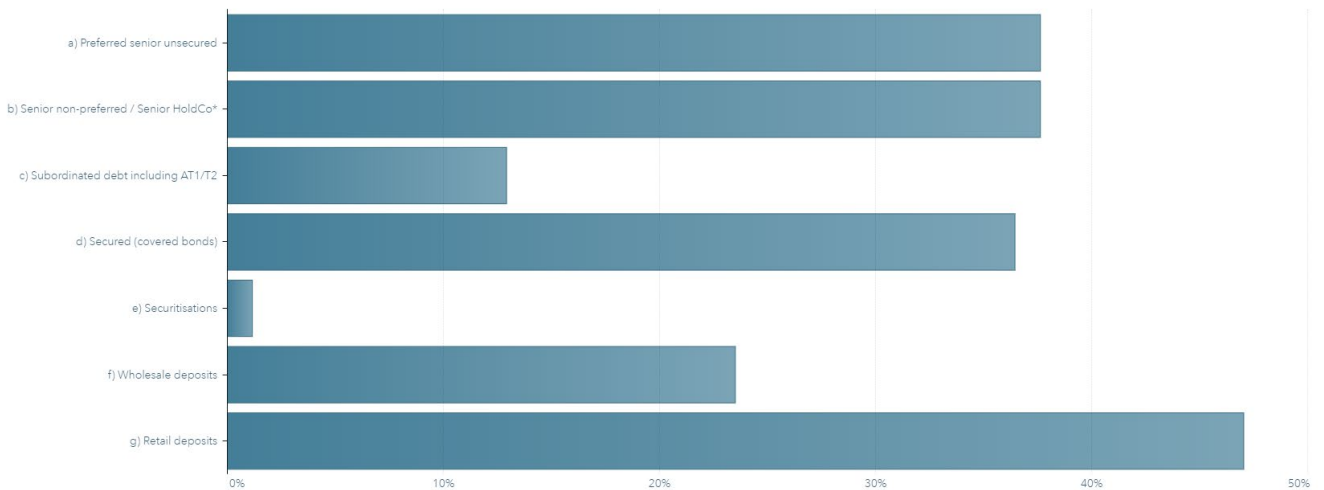
Question 10: comparison with earlier results
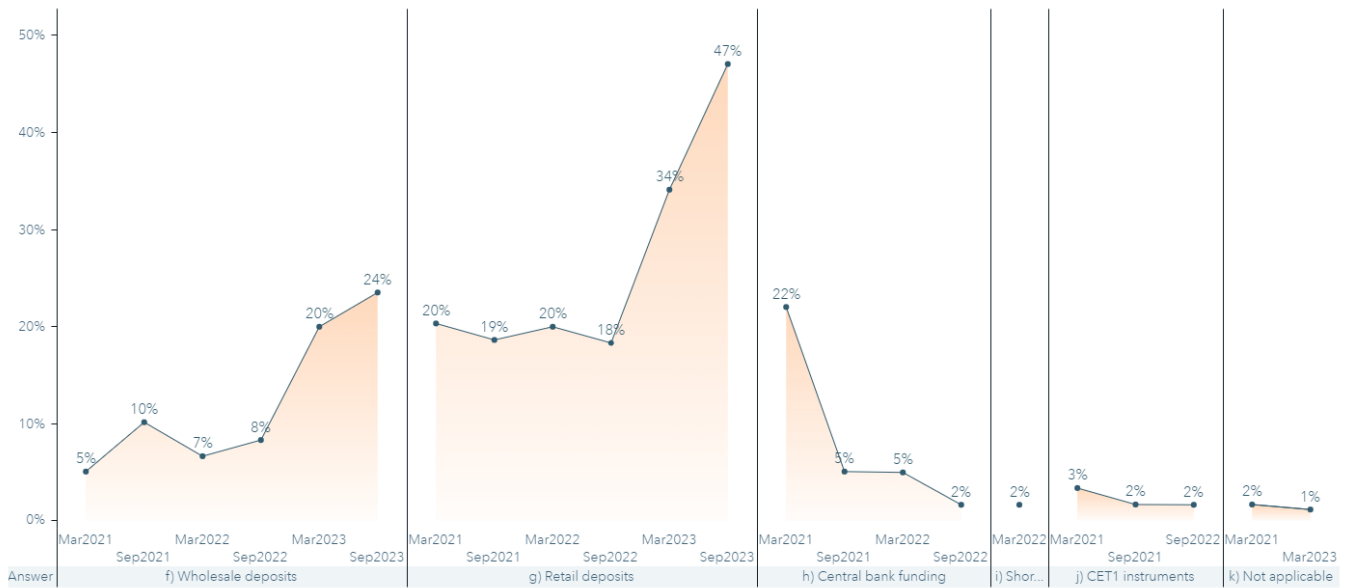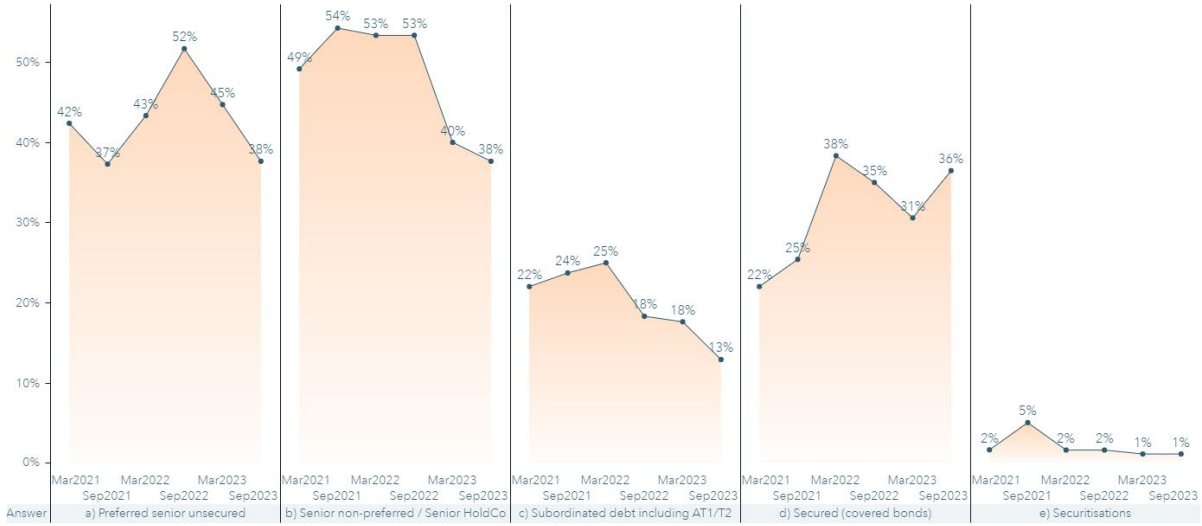
Question 11: Autumn 2023 results

Q11 In the next 12 months, which are your expectations on the costs (spreads) for your bank for the following funding sources?
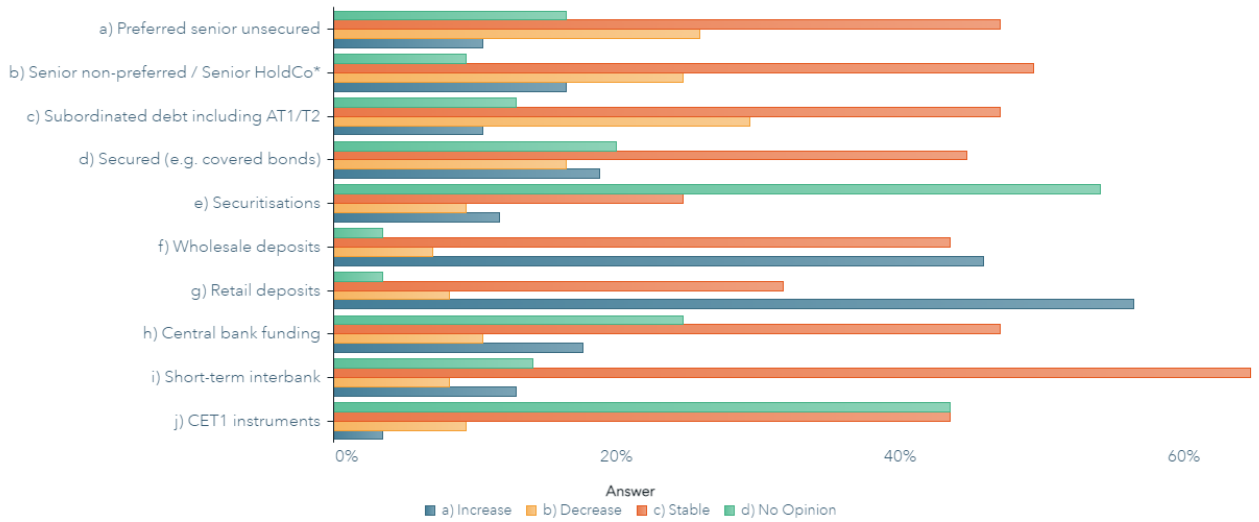
Question 12: Autumn 2023 results

Q12 Which are the main funding instruments you consider to issue to meet or maintain your MREL target (including potential headroom over regulatory requirements?)
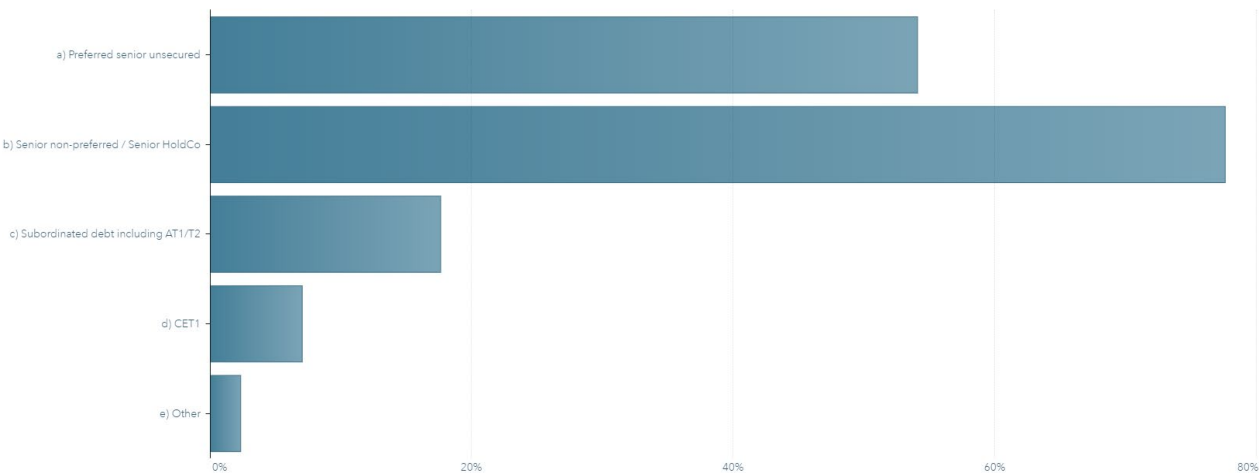
Question 12: comparison with earlier results
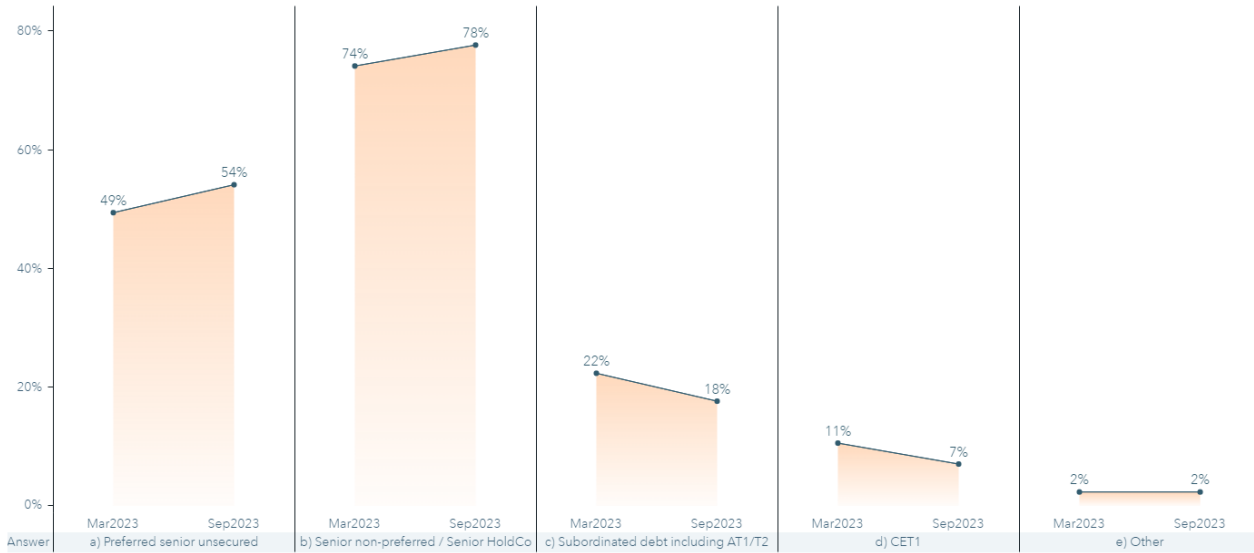
Question 13: Autumn 2023 results

Q13 Given rising interest rates, which of the following actions are you considering in relation to deposits?
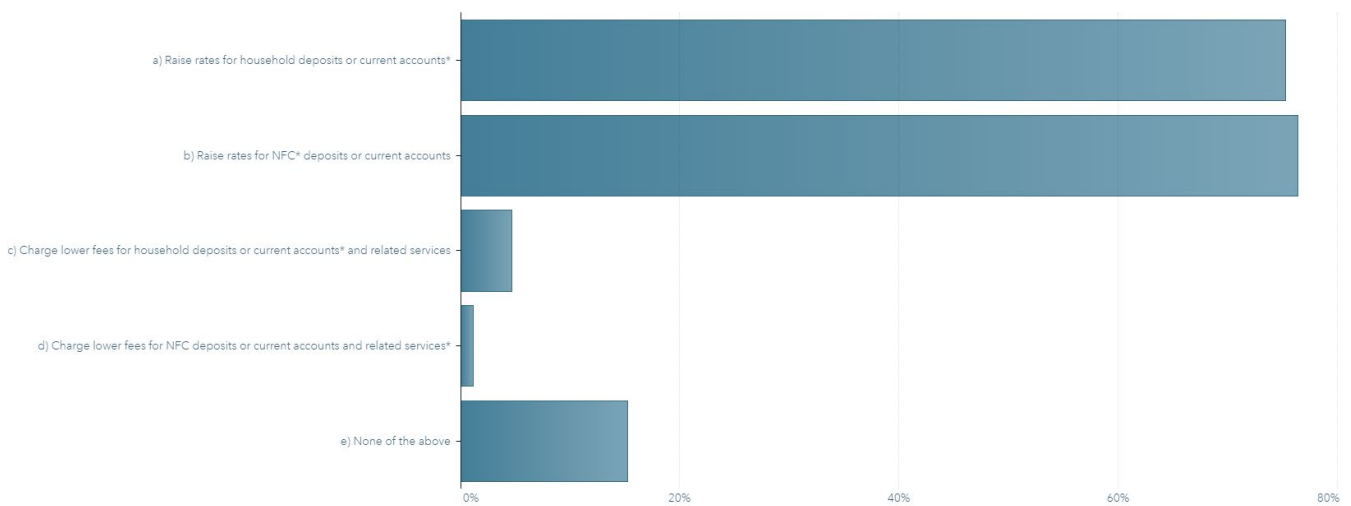
Question 13: comparison with earlier results
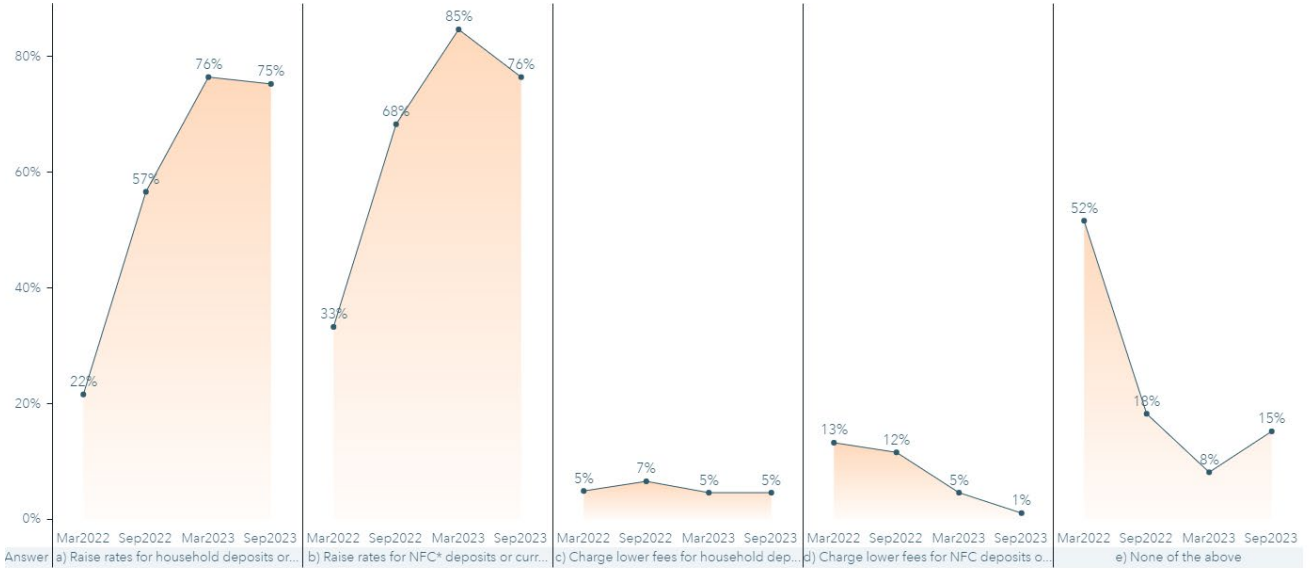
Question 14: Autumn 2023 results

Q14 What is your expectation on the level of deposit beta* for each of the following portfolios in the next 6 to 12 months?
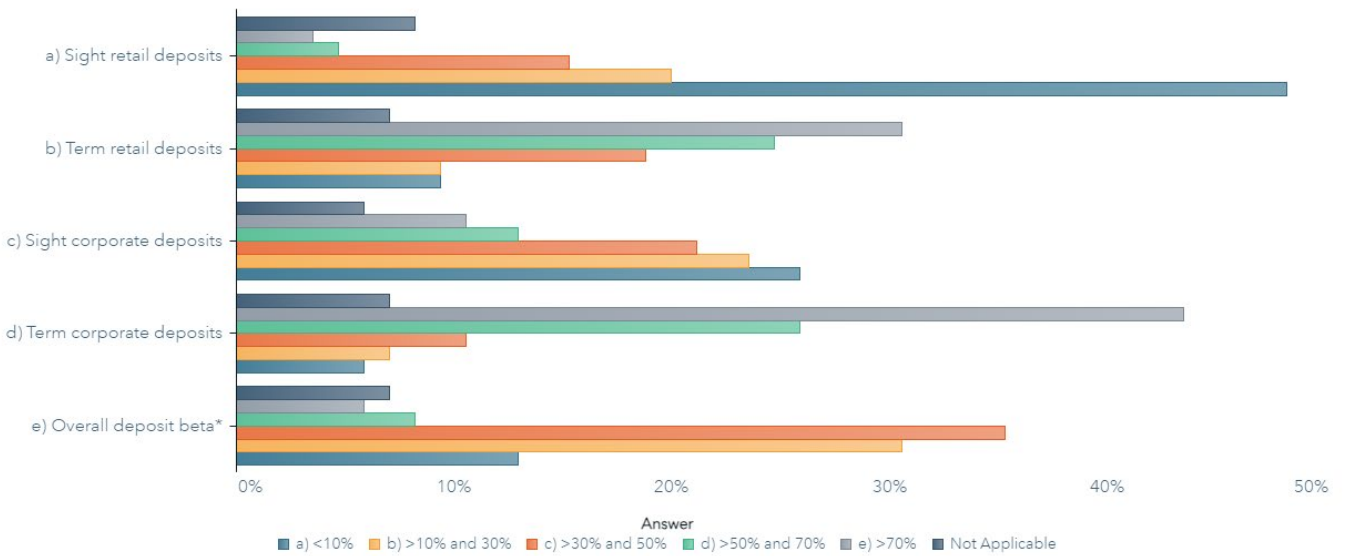
3. Asset composition and quality

Question 15: Autumn 2023 results

Q15 Which portfolios do you plan to increase/decrease in volume during the next 12 months (on a net basis)
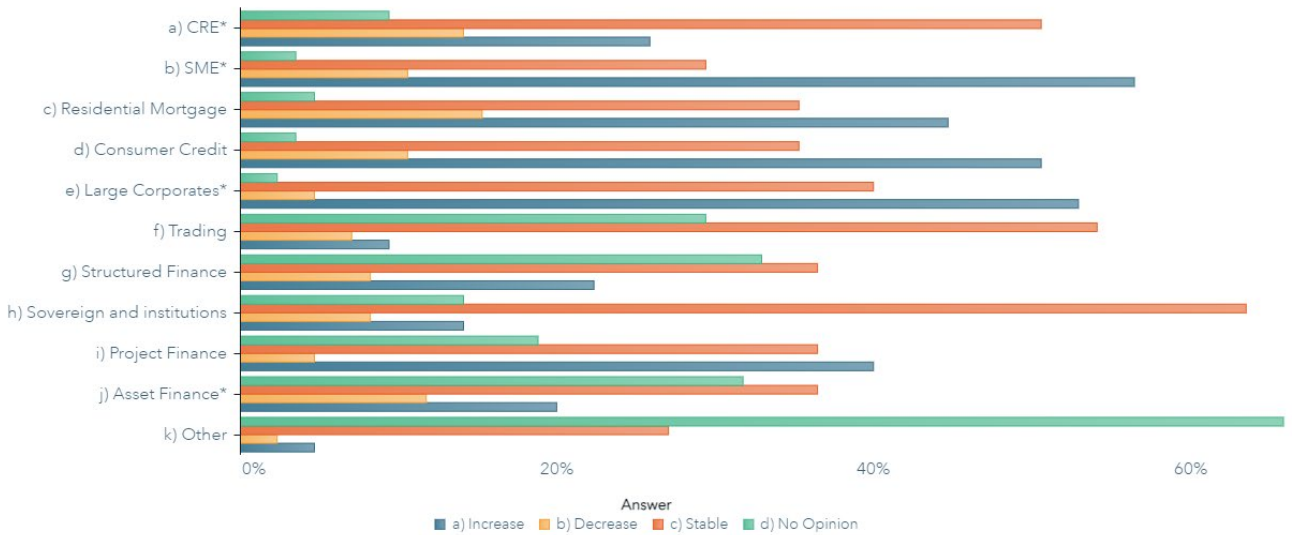
Question 15: comparison with earlier results
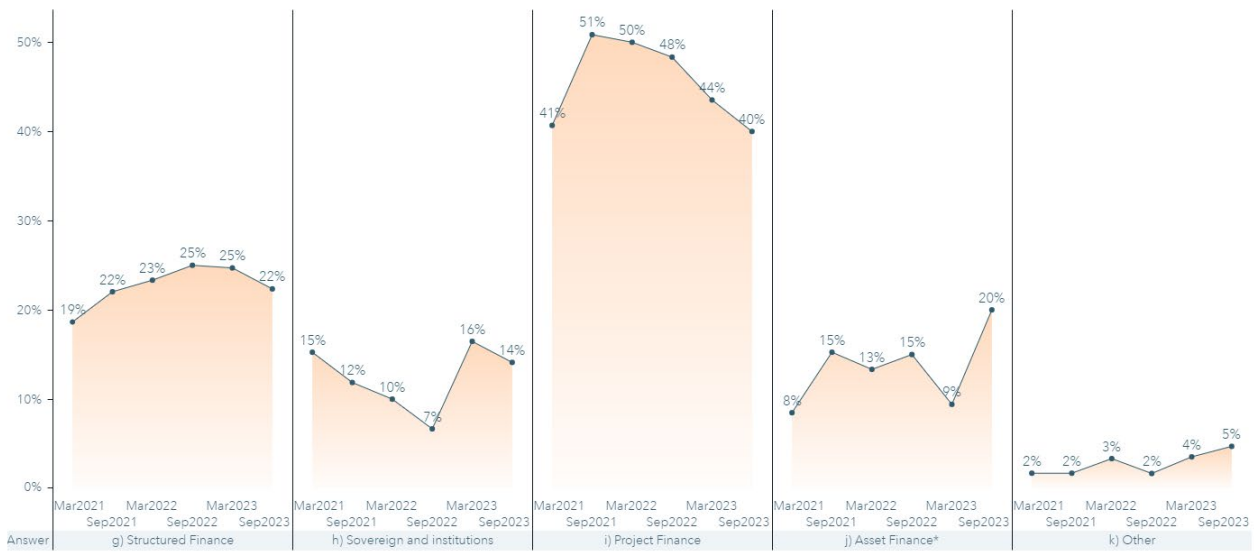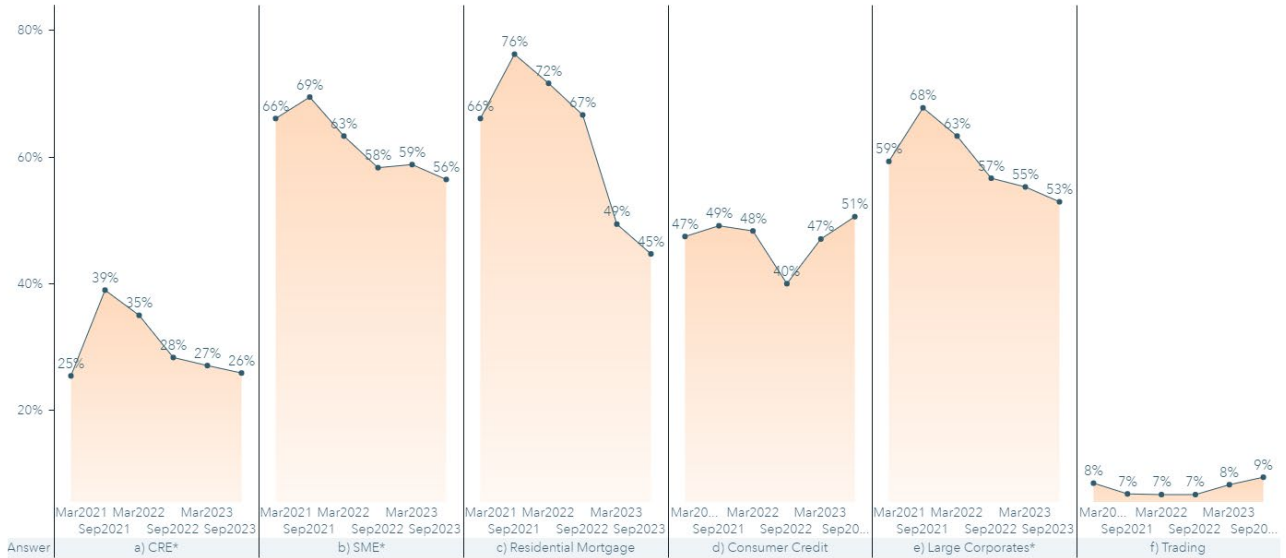
Increase

Decrease
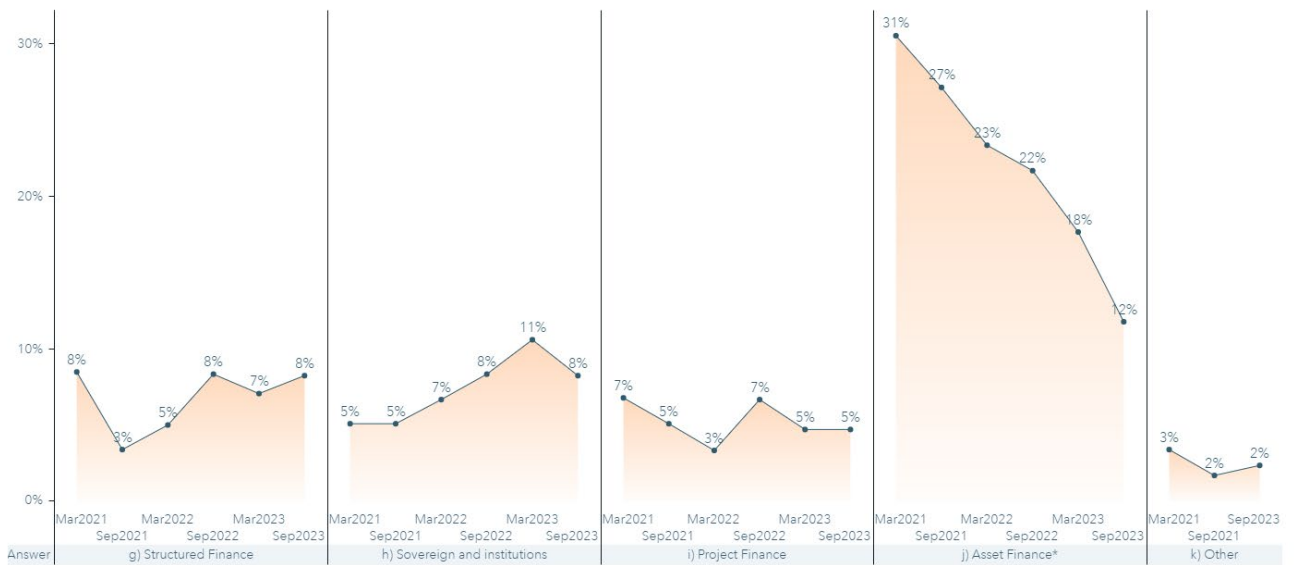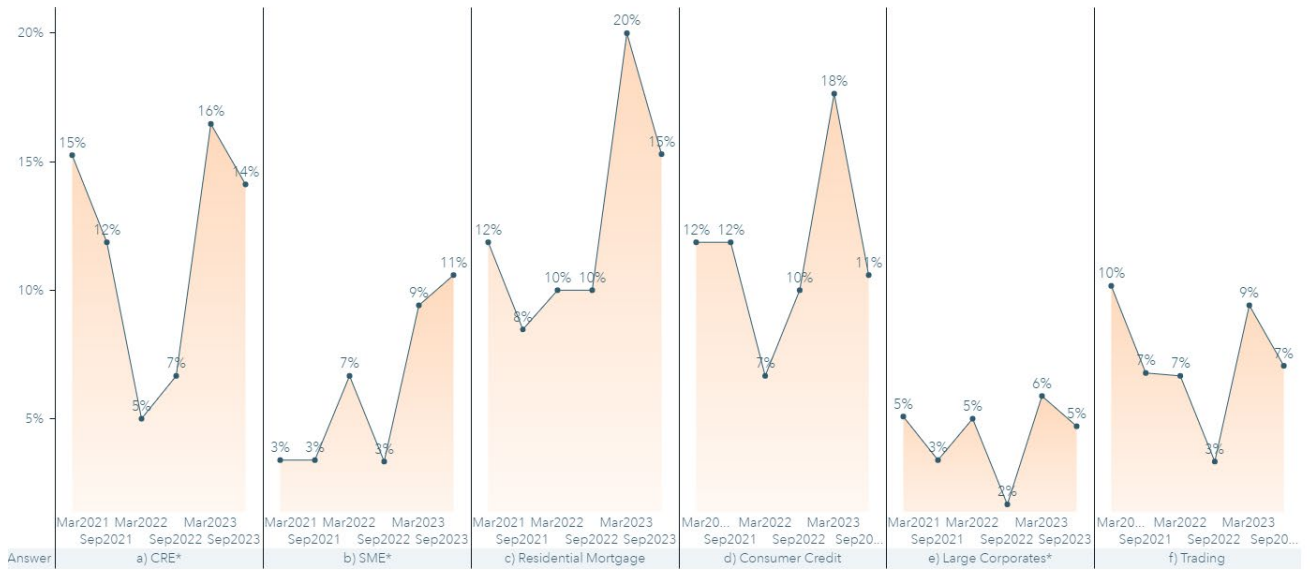
Question 16: Autumn 2023 results

Q16 Which portfolios do you expect to improve/deteriorate in asset quality in the next 12 months?
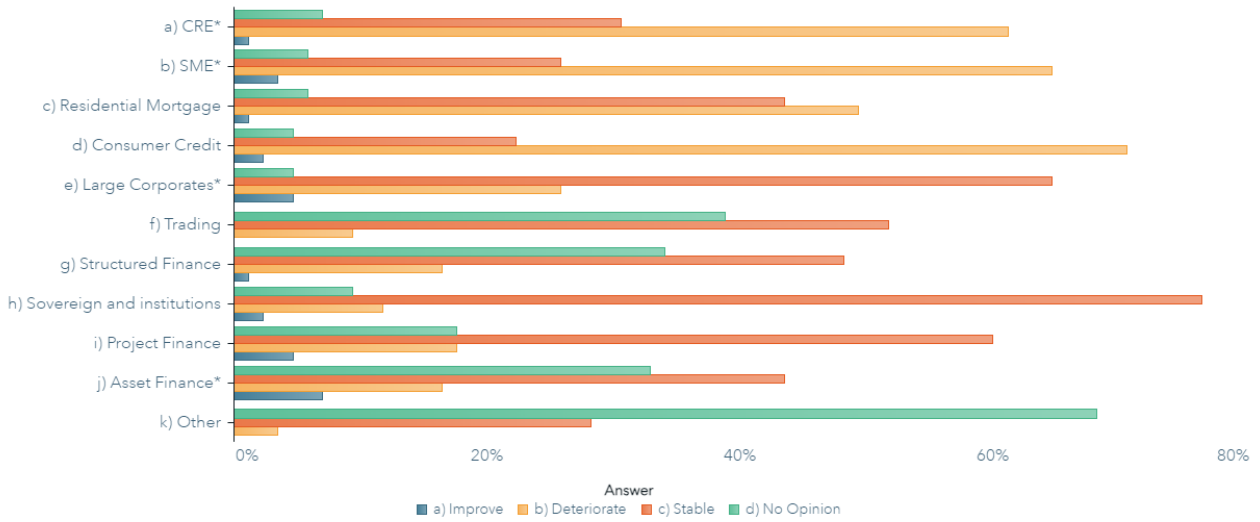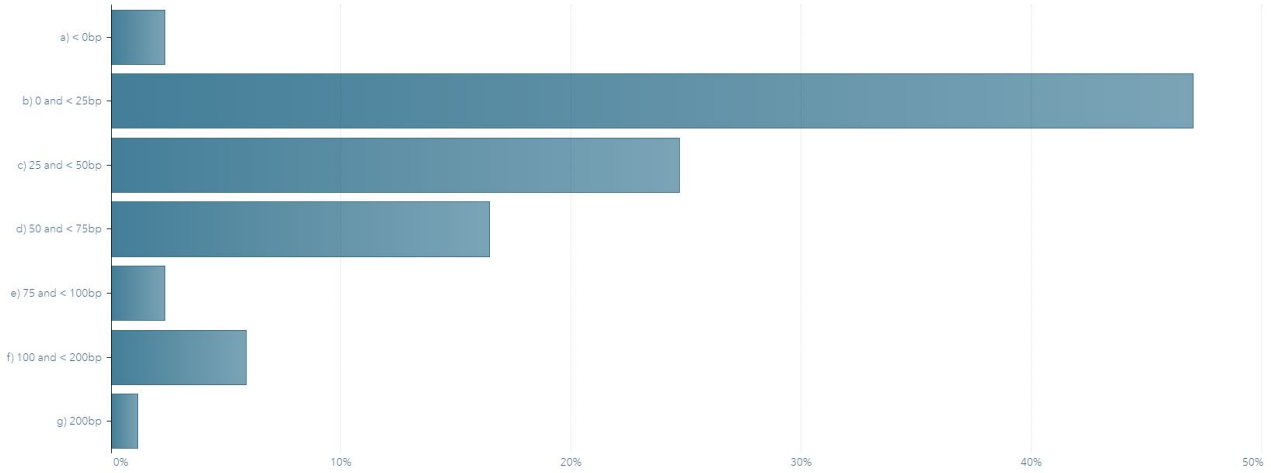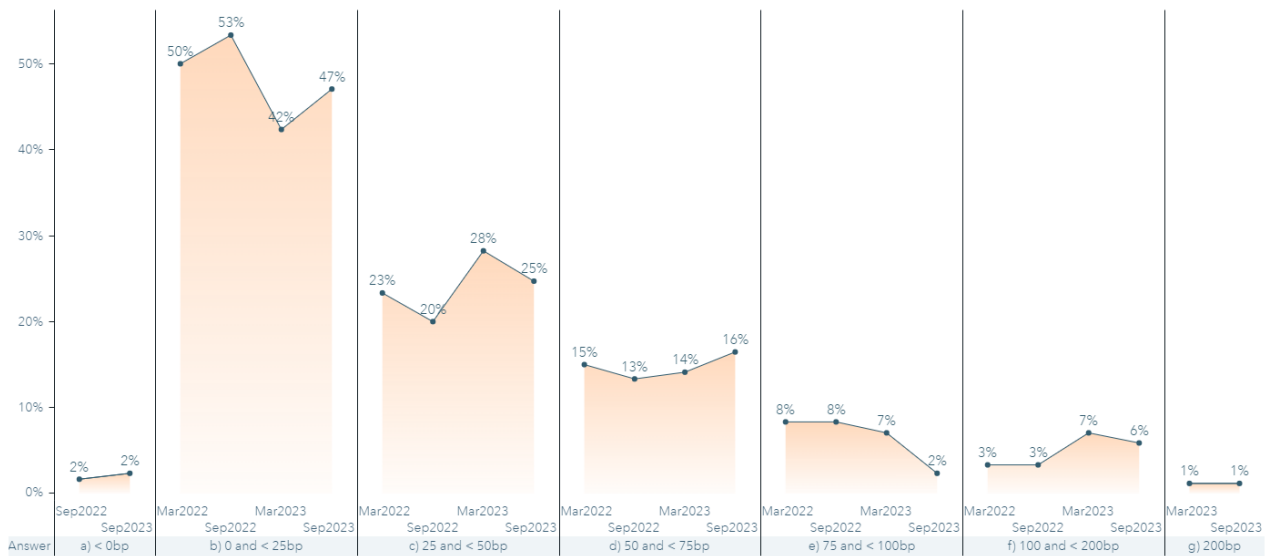
Question 16: comparison with earlier results

Improve
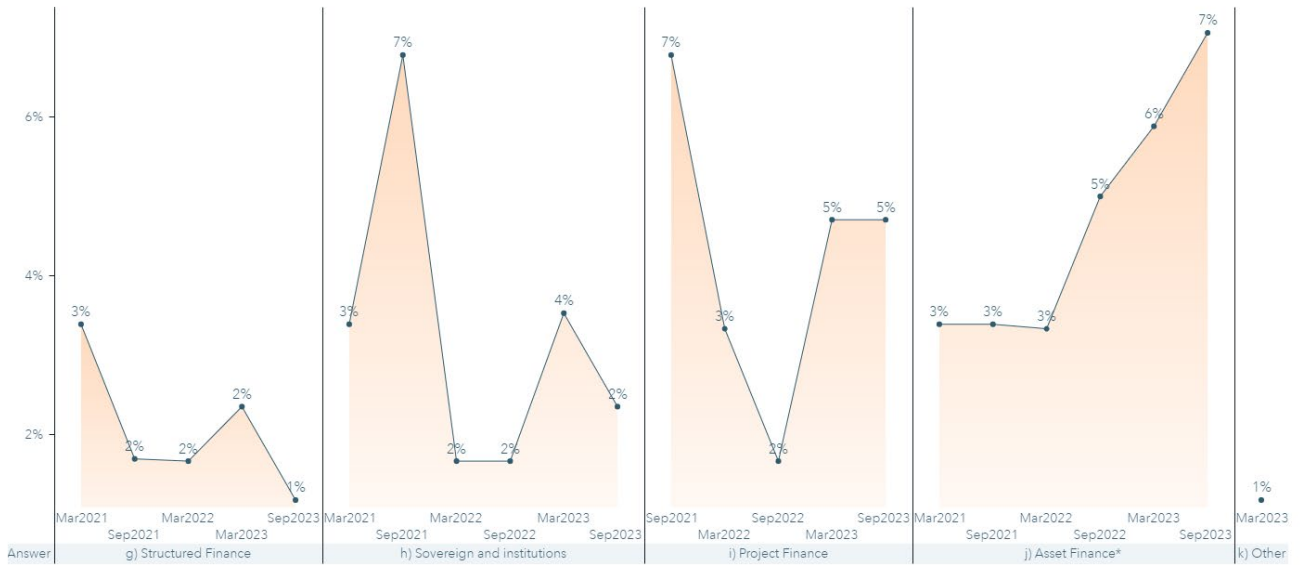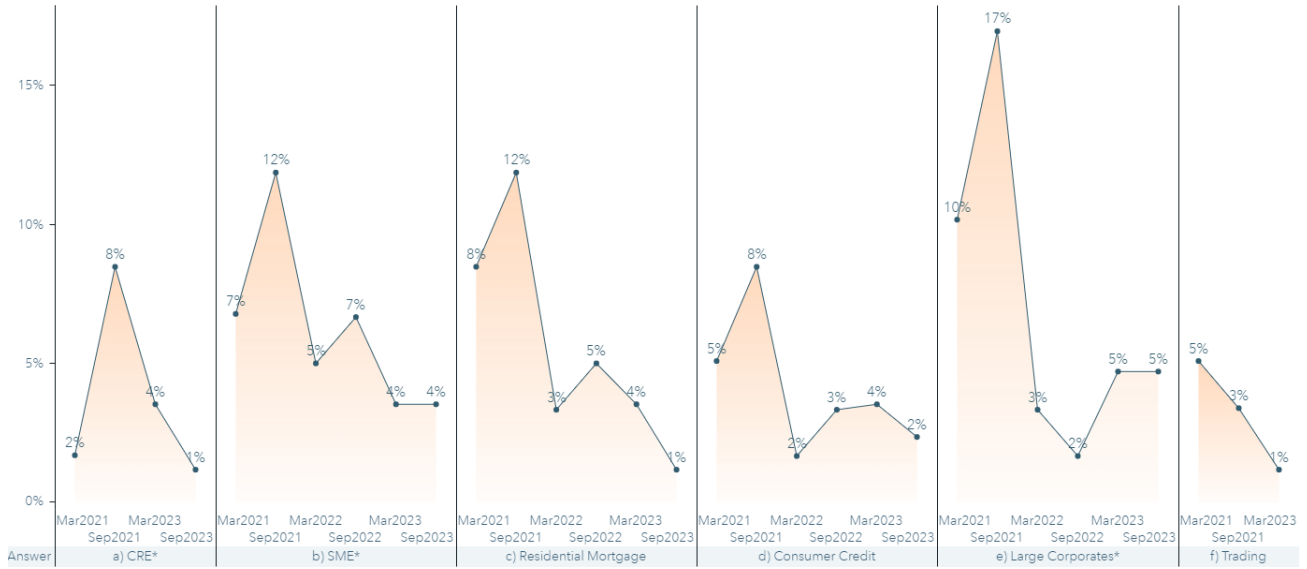
Deteriorate
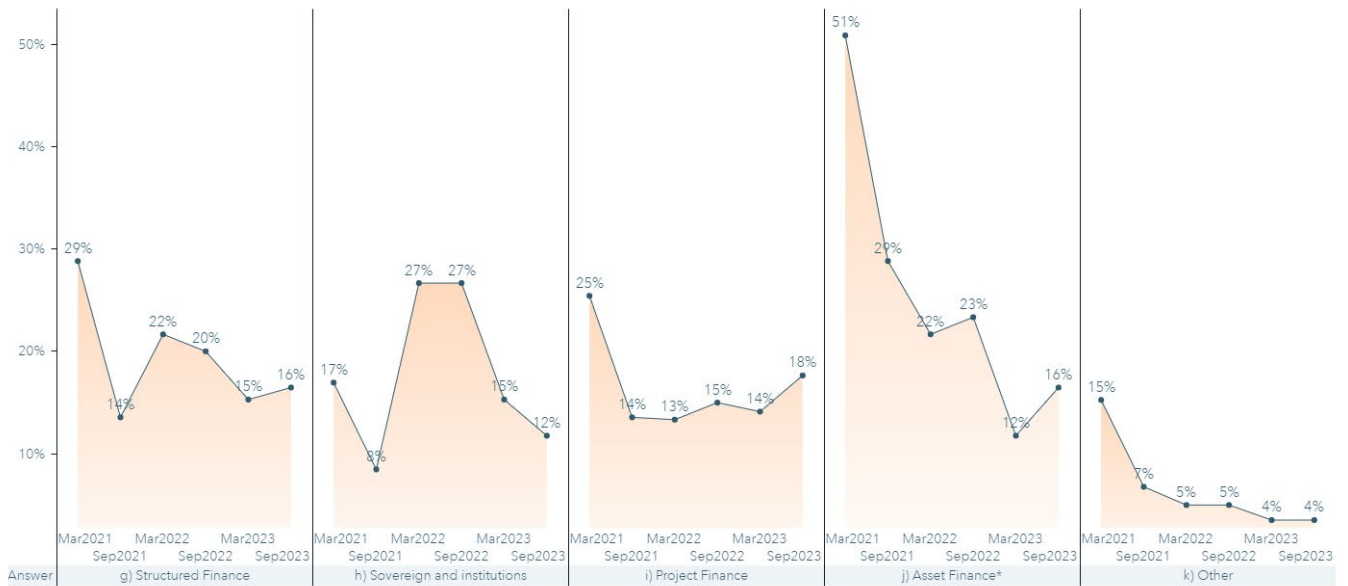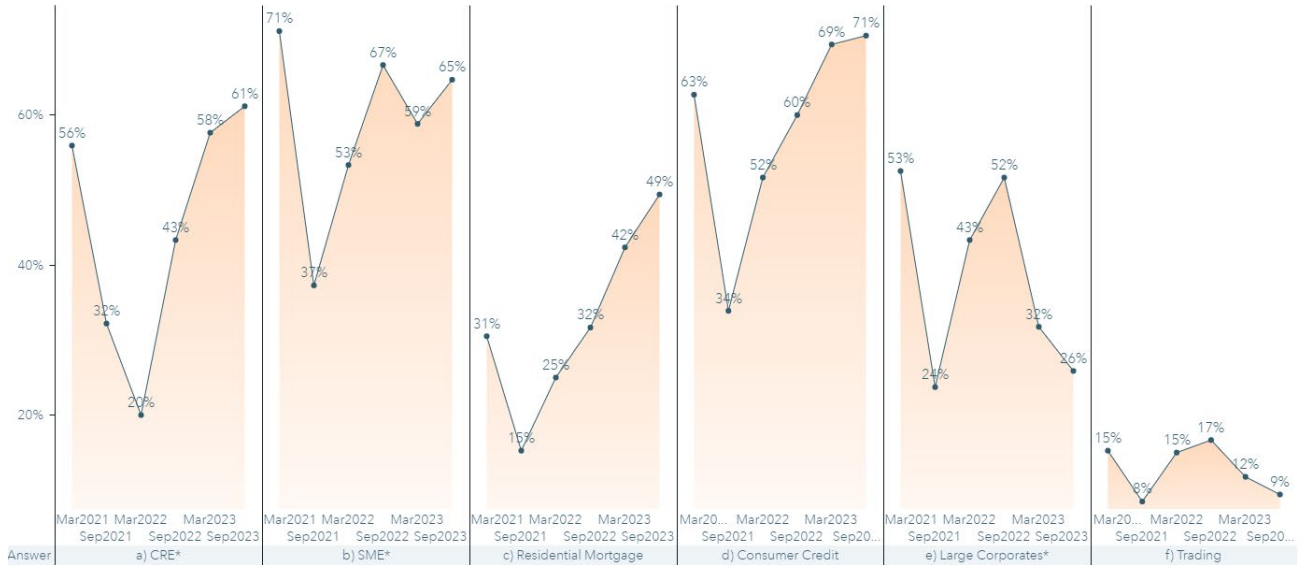
Question 17: Autumn 2023 results

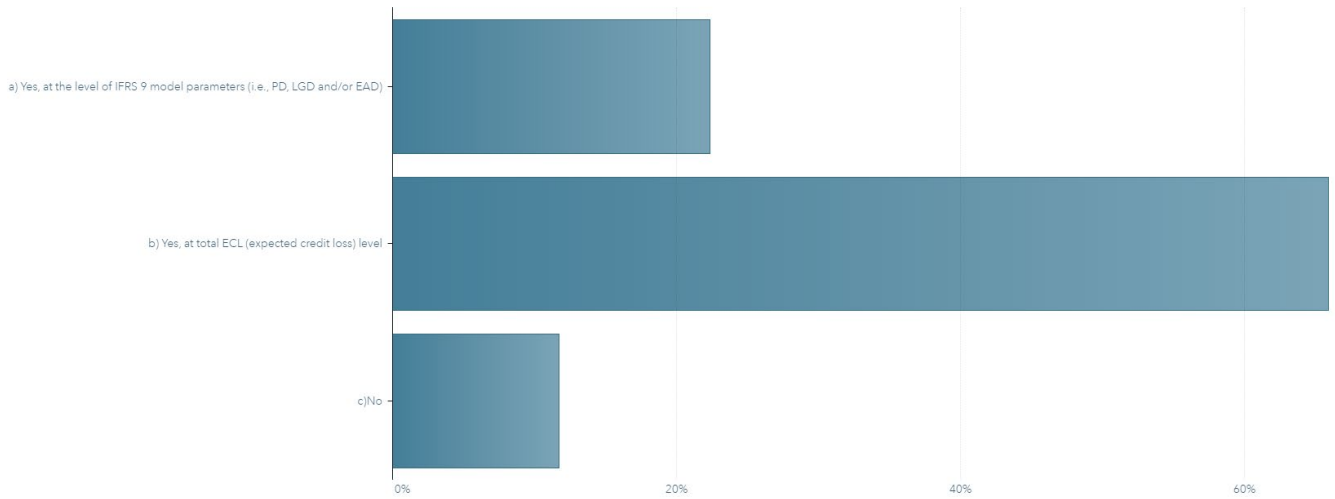Q17 Which is your Cost of Risk estimation for the current financial year?

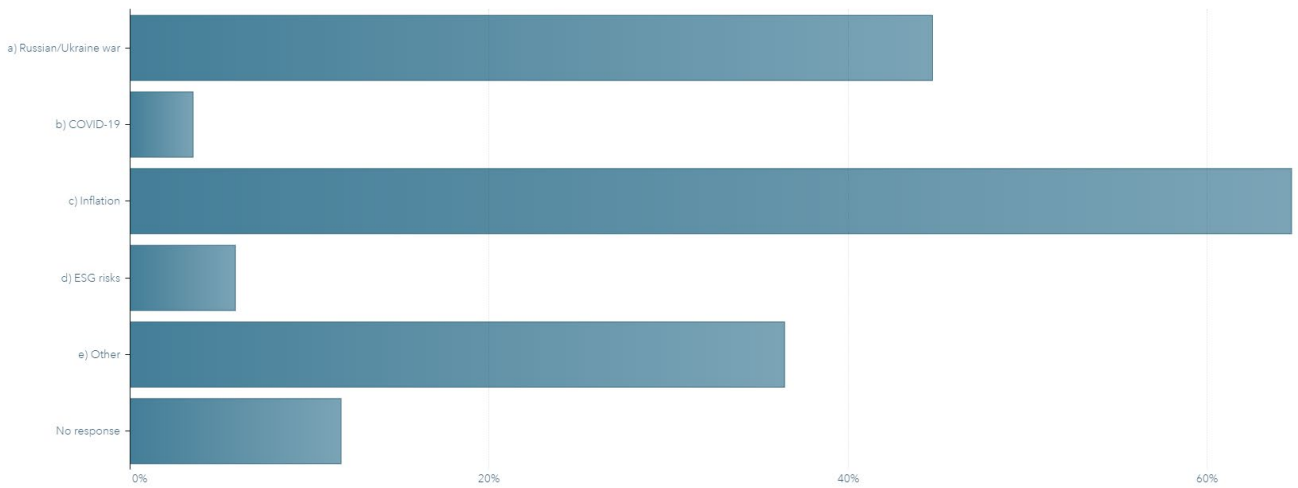## Question 17: comparison with earlier results

Question 18: Autumn 2023 results

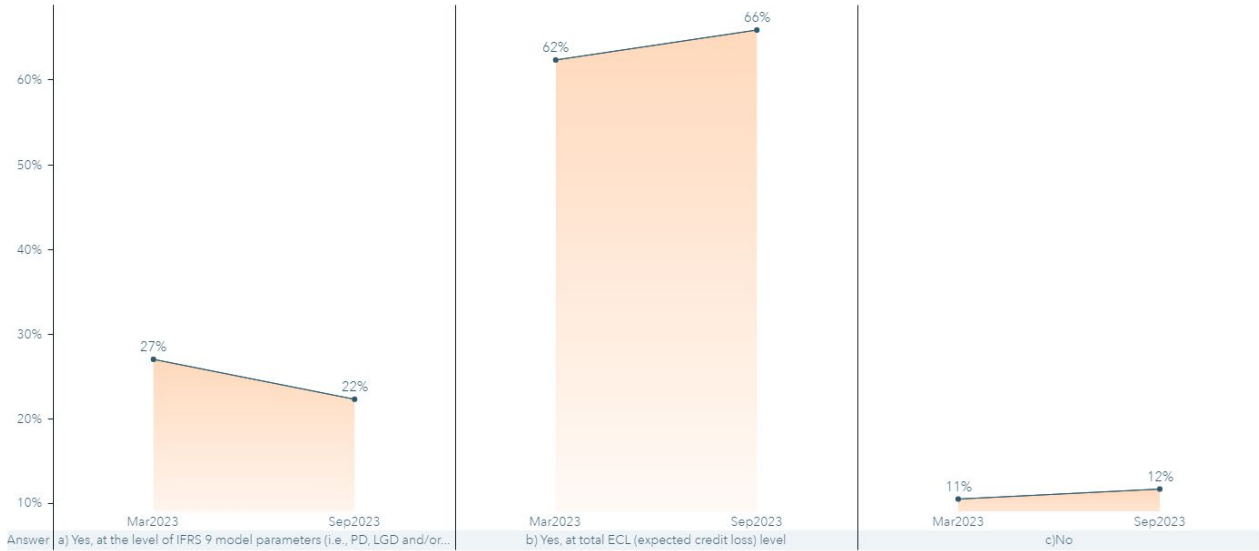Q18 Do you have any provisioning overlays in place?

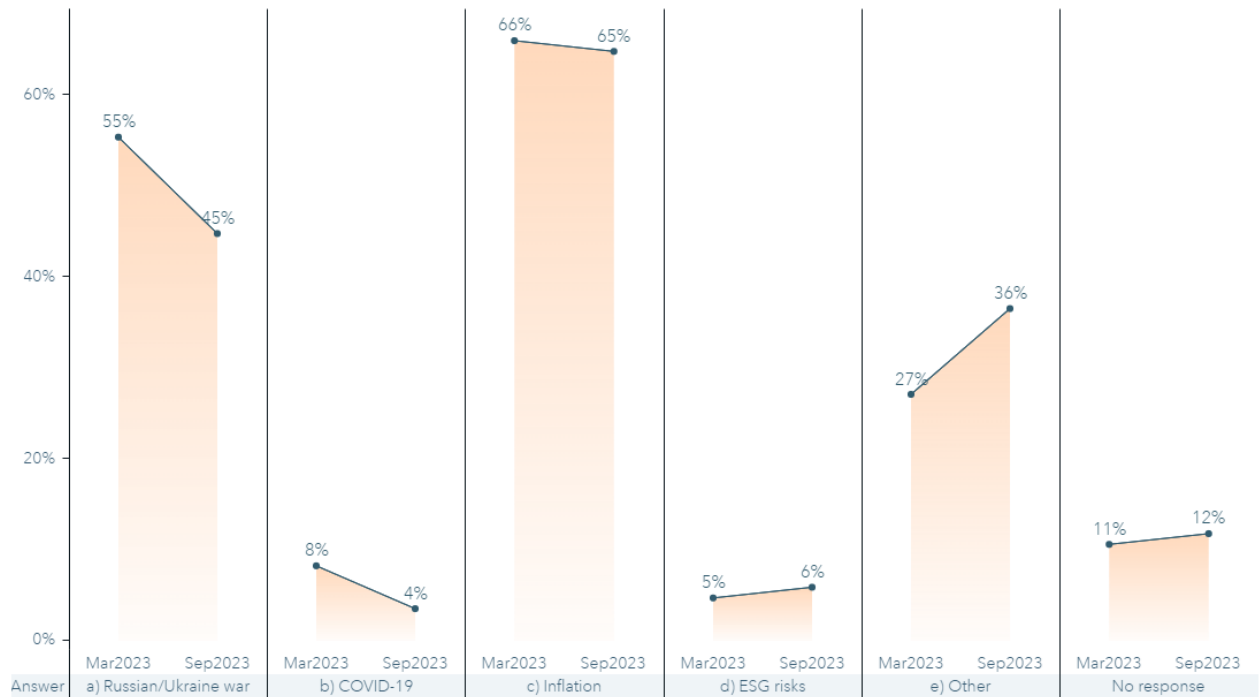Q18.1 If you selected a) or b), which factors are the overlays associated to?

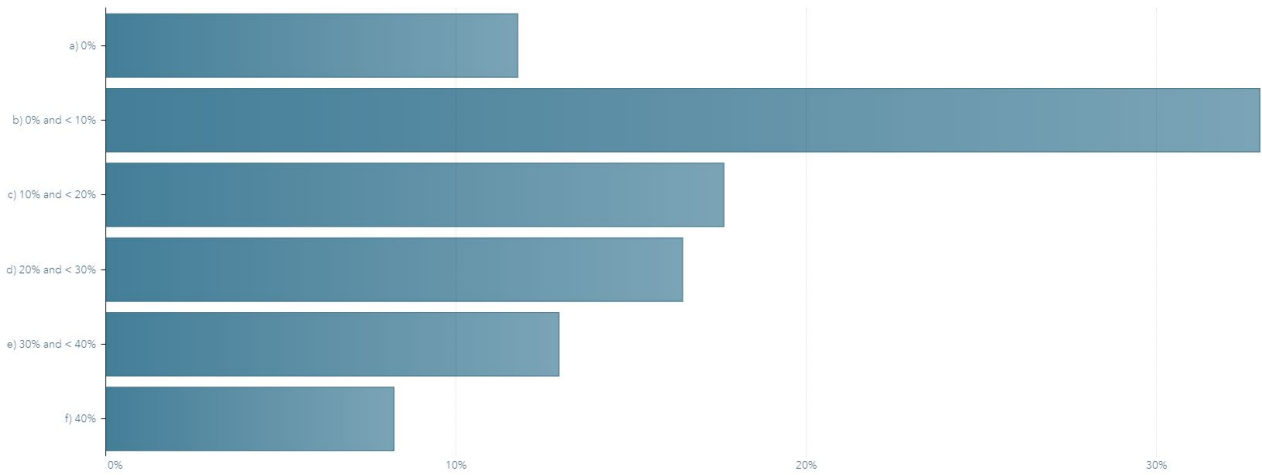## Question 18: comparison with earlier results
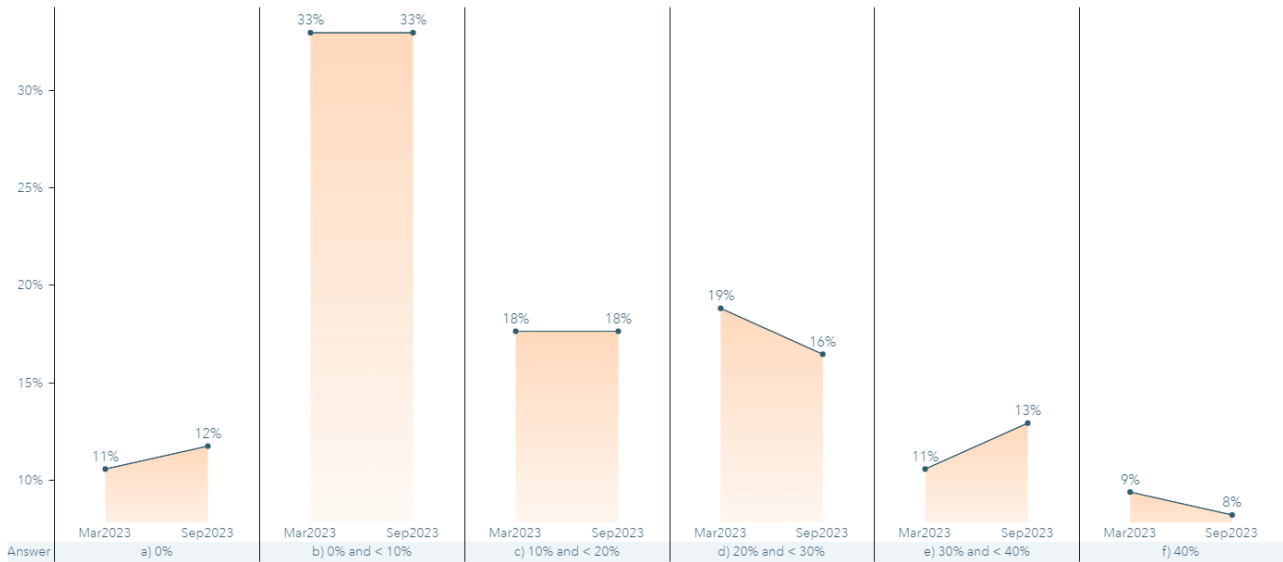
Q 18

Q 18.1

Question 19: Autumn 2023 results

Q19 Which is the proportion of the total ECL (expected credit loss) amount that is recognised via provisioning overlays?
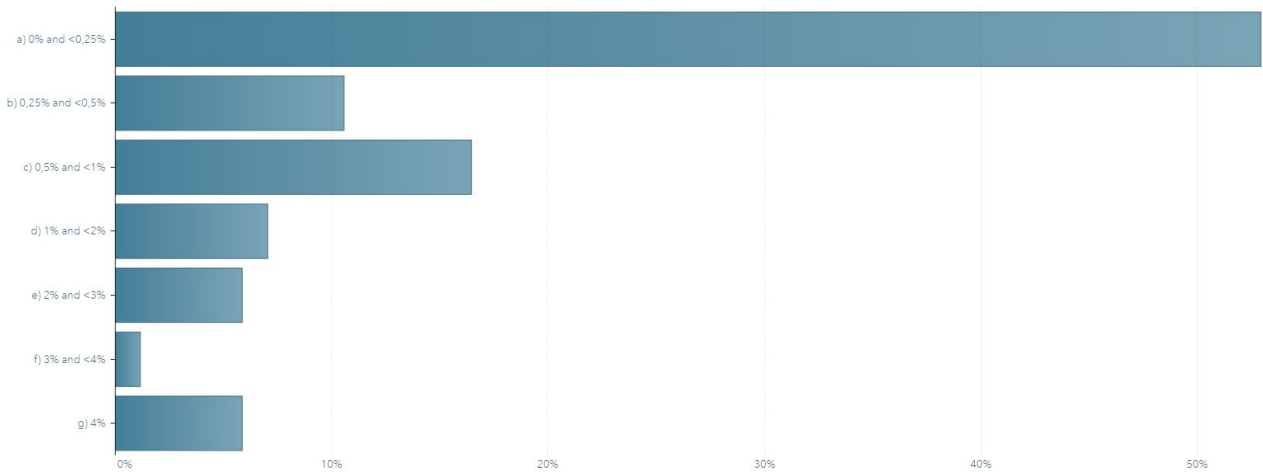

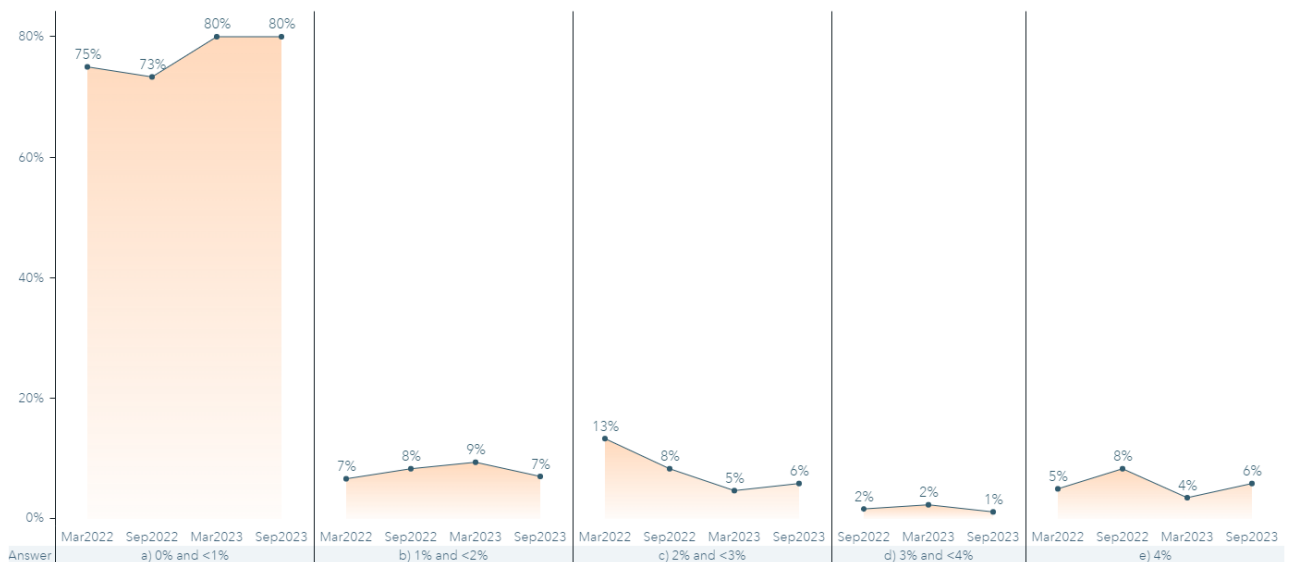## Question 19: comparison with earlier results

4. Conduct, Reputational and Operational Risk

Question 20: Autumn 2023 results

Q20 Over the past three years, how much has your firm paid out in the form of compensation, redress, litigation and similar payments (as percentage of equity)?
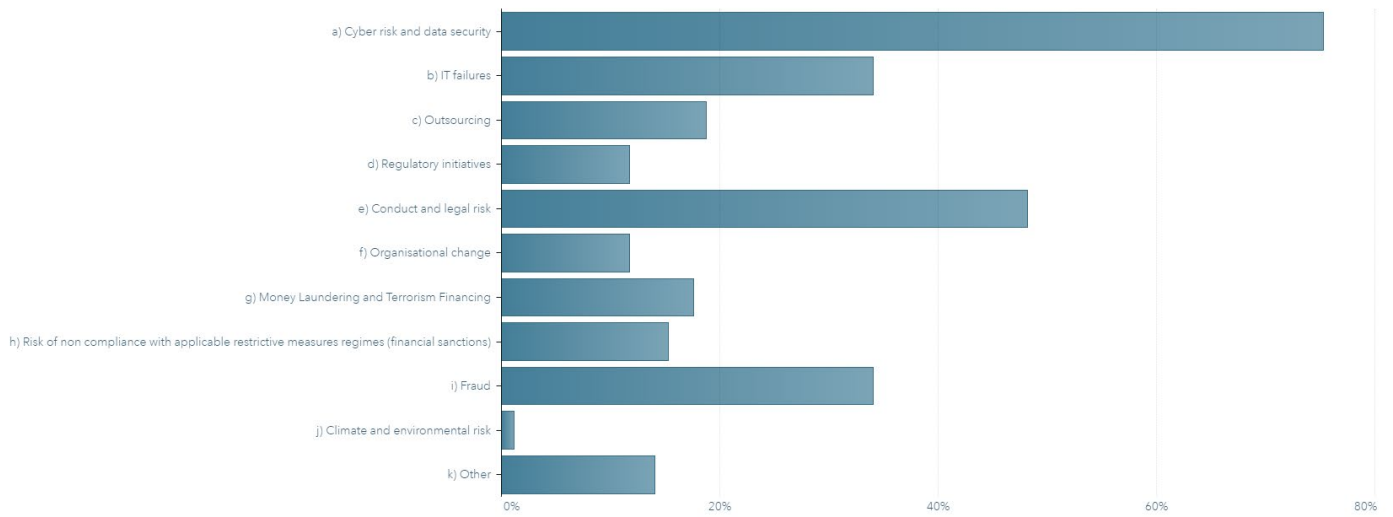

Question 20: comparison with earlier results
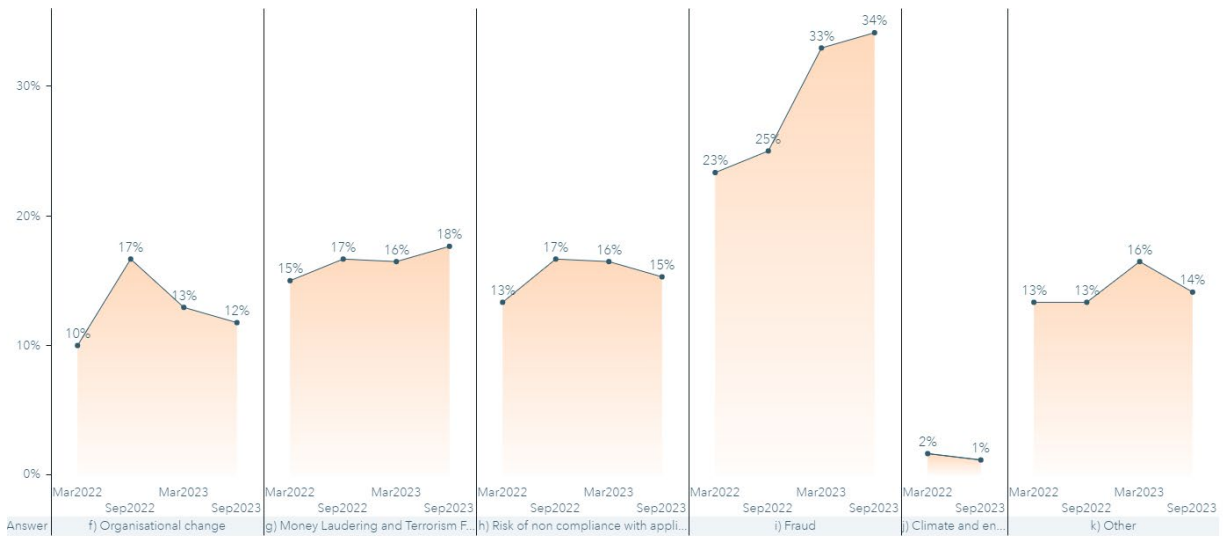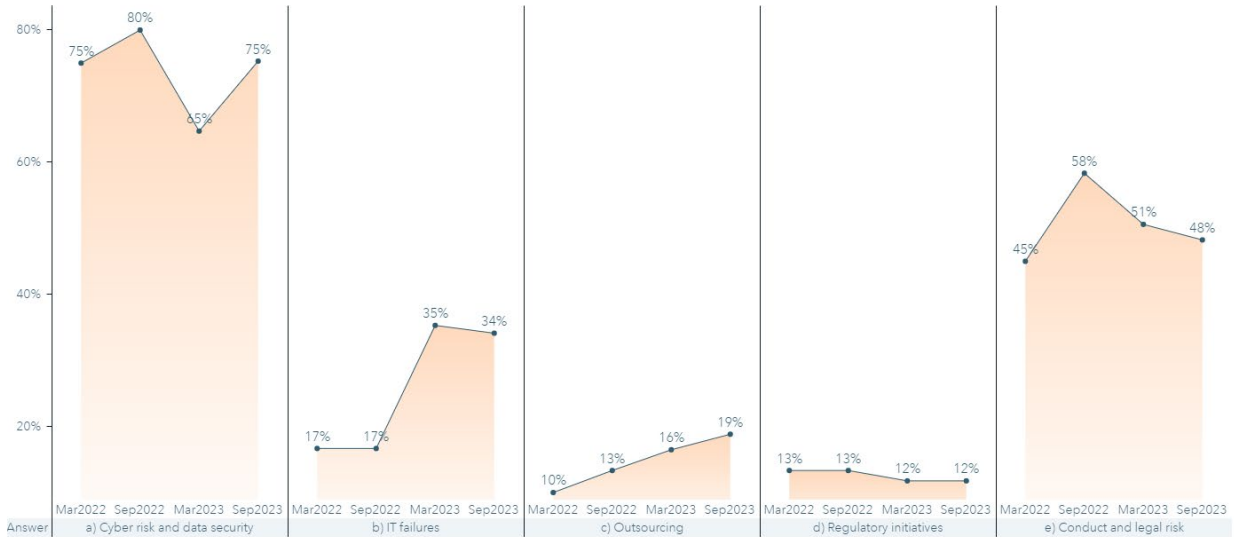
Question 21: Autumn 2023 results

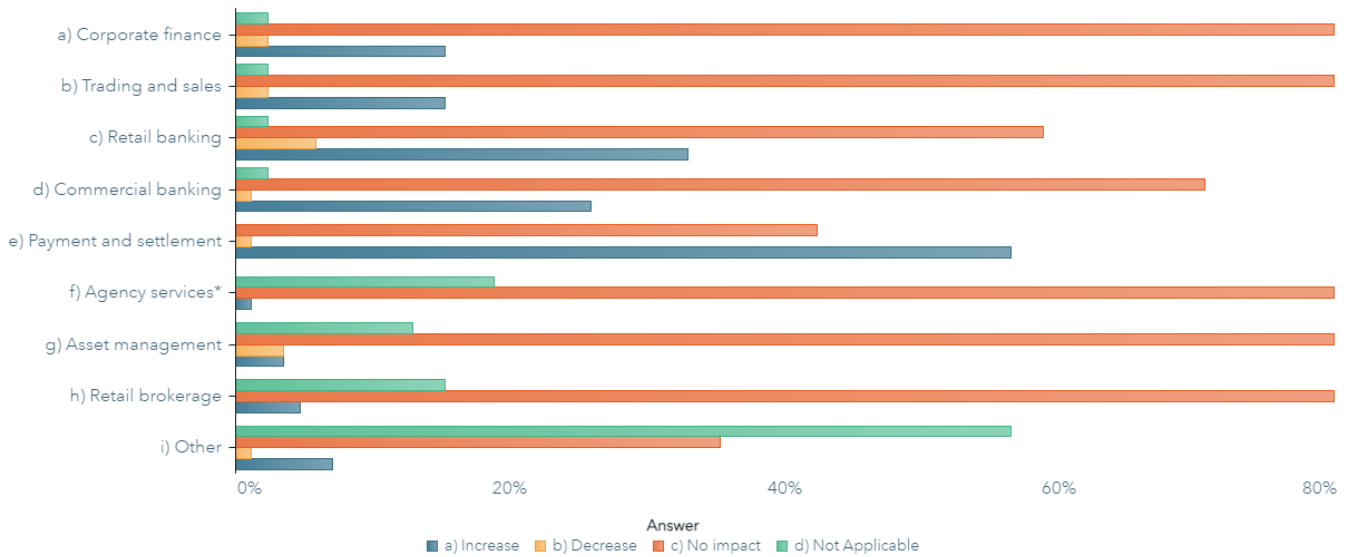Q21 Which are the main drivers of operational risk?

Question 21: comparison with earlier results

Question 22: Autumn 2023 results

Q22 How do you expect your ML and TF risks related to the following products / business lines to evolve in the next 6 to 12 months?

Question 22: comparison with earlier results
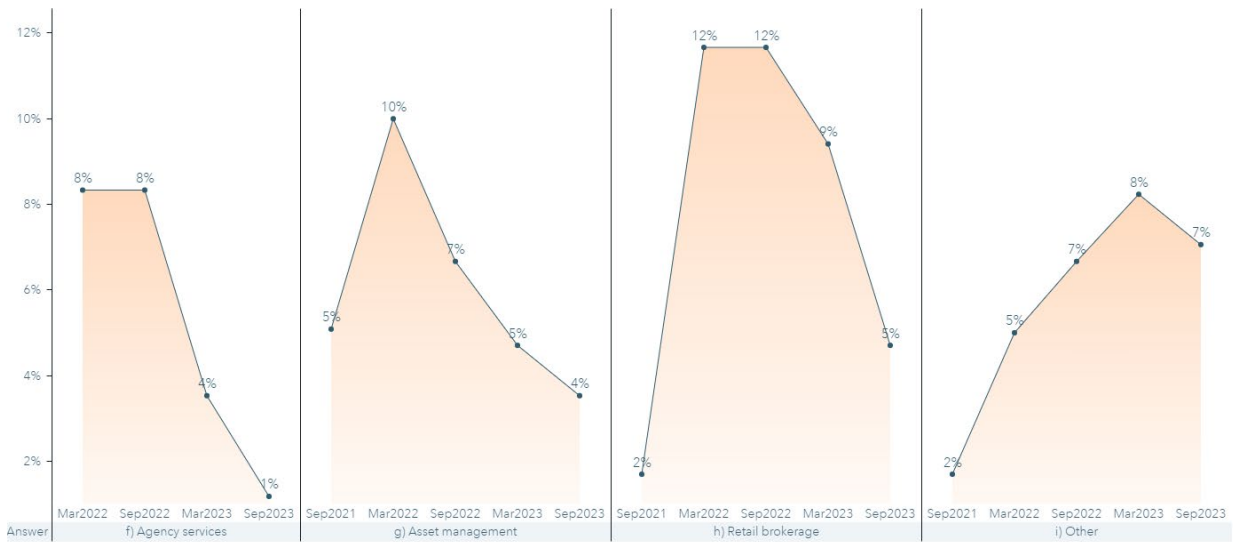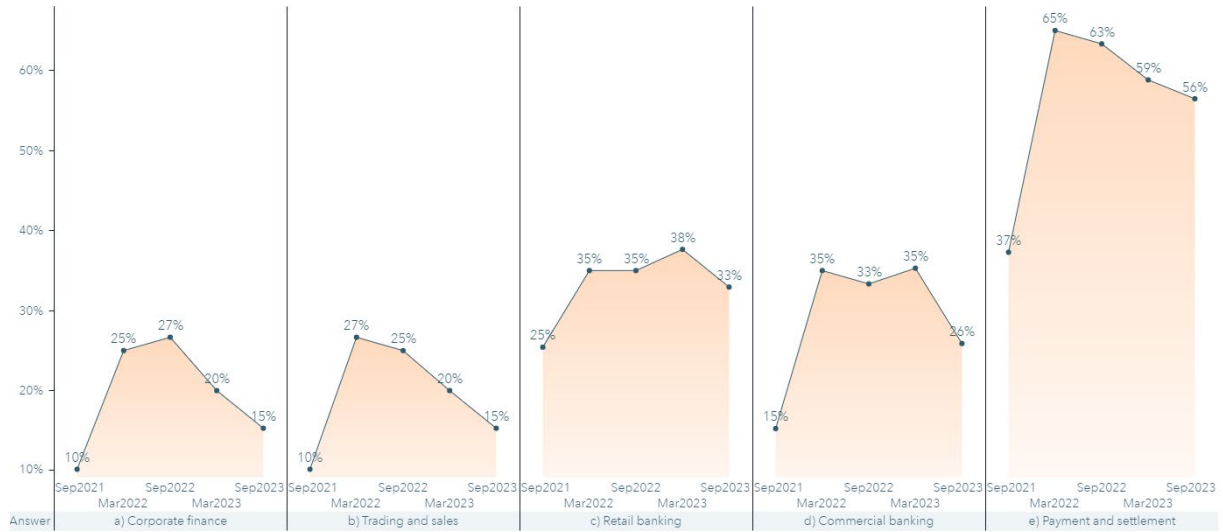
Increase

Decrease
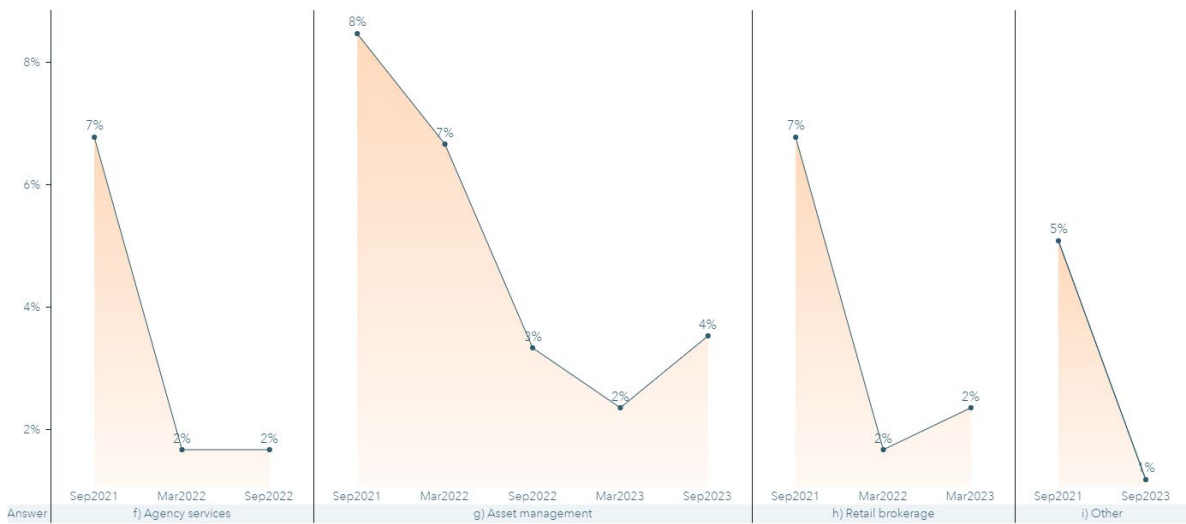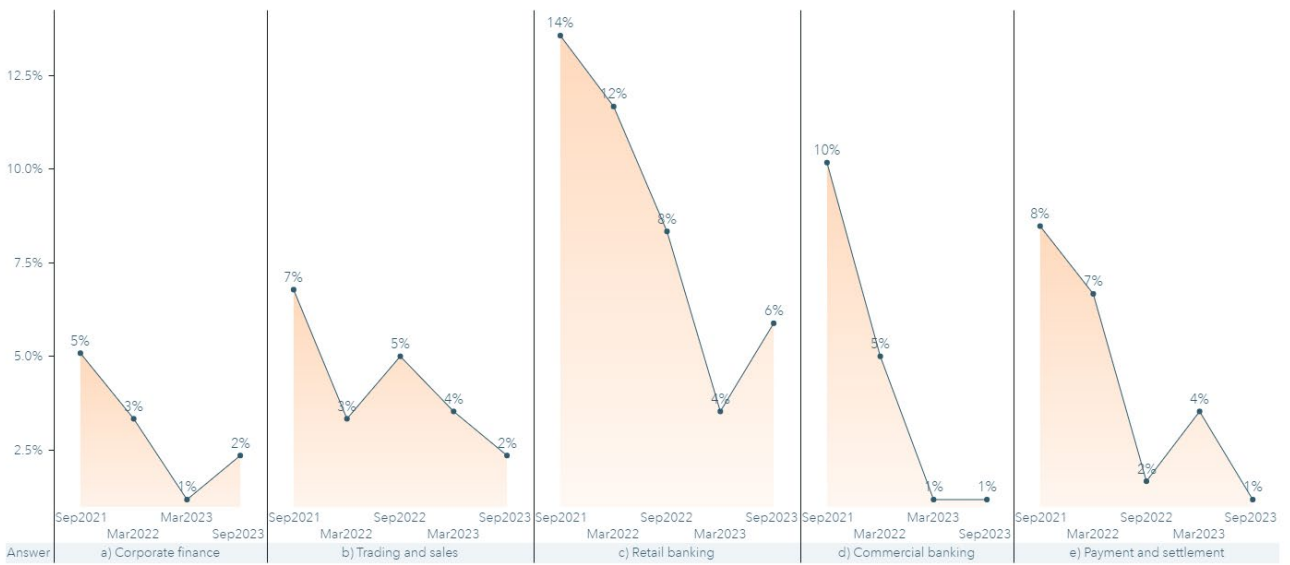
Question 23: Autumn 2023 results

Q23 Which key Money laundering and Terrorism Financing risks do you expect to face over the coming 6 to 12 months? (1 - Low Significance and 4 - High Significance)
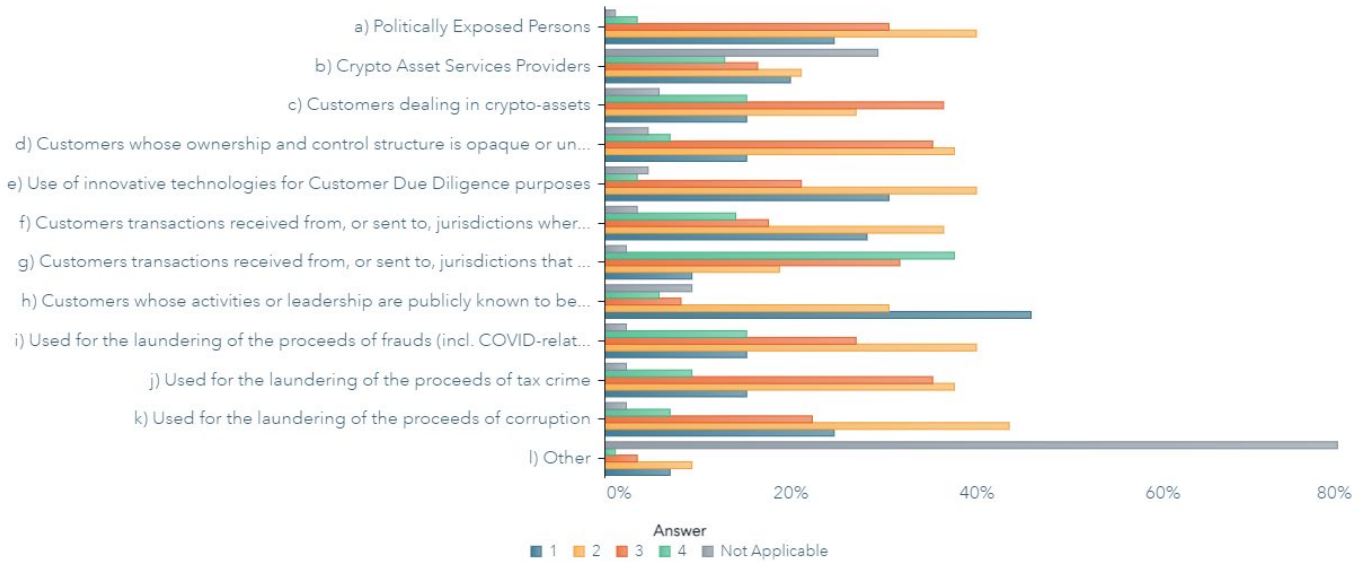
Question 24: Autumn 2023 results

Q24 How many cyber-attacks that resulted or could have potentially resulted in a "major ICT-related incident"* have you faced from 1 January to 30 June 2023 (considering the highest level of consolidation)?
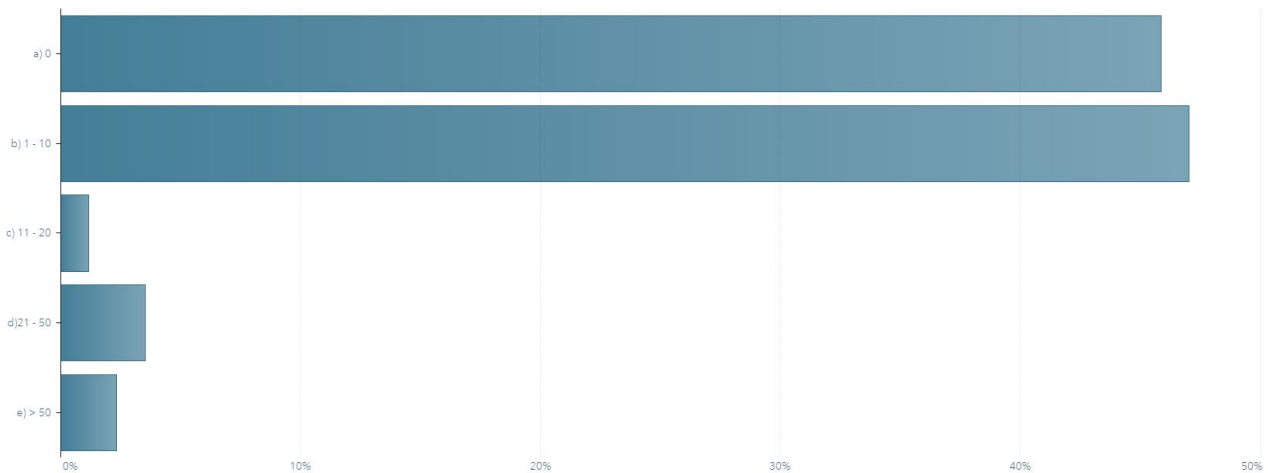
Question 24: comparison with earlier results
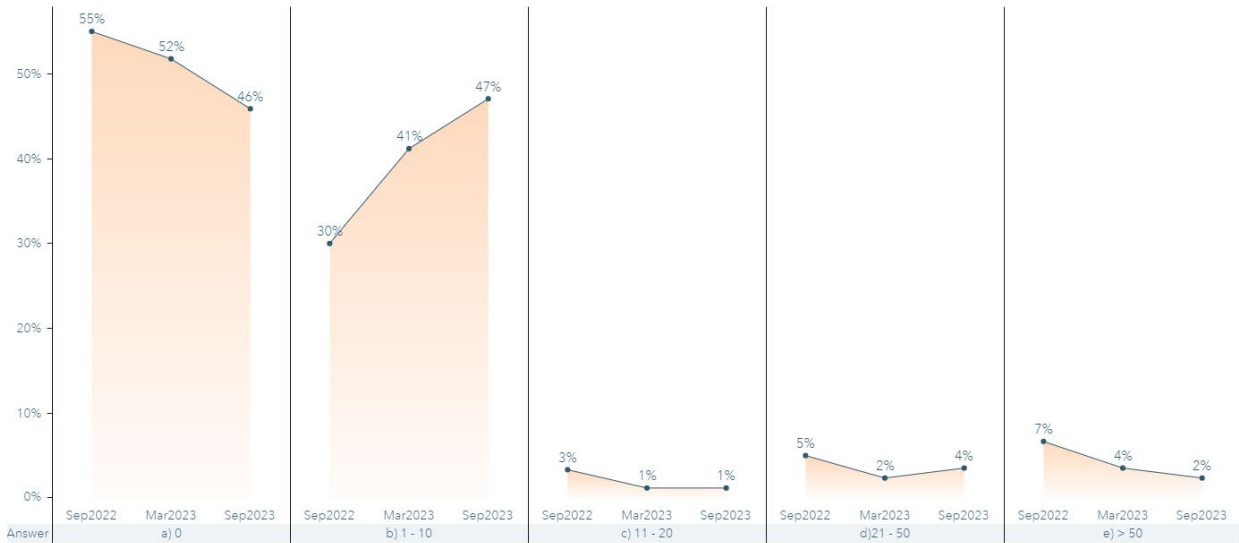
Question 25: Autumn 2023 results

Q25 How many successful cyber-attacks resulting in major ICT-related incidents* have you faced in the period from 1 January to 30 June 2023 (considering the highest level of consolidation)?
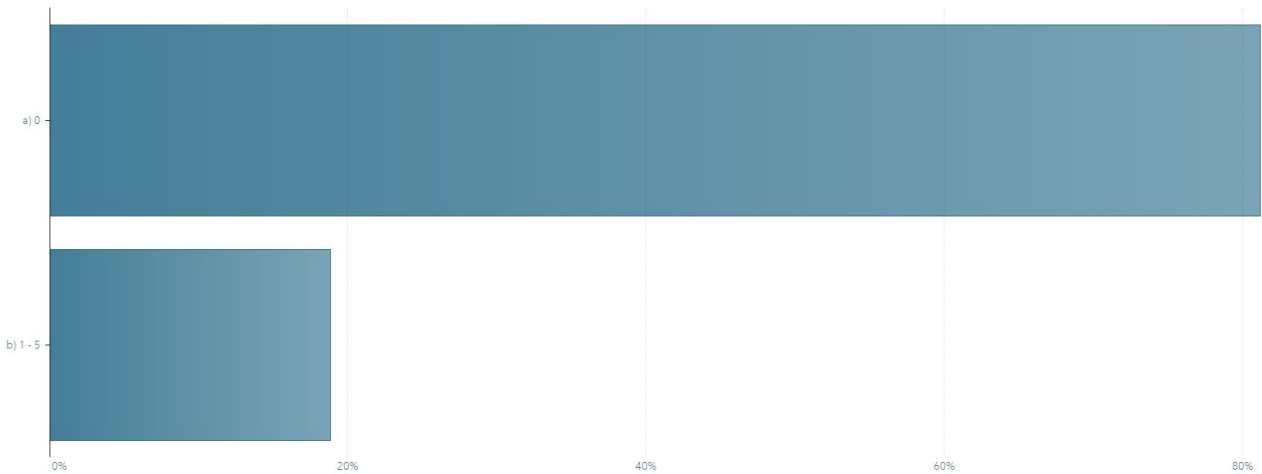
Question 25: comparison with earlier results
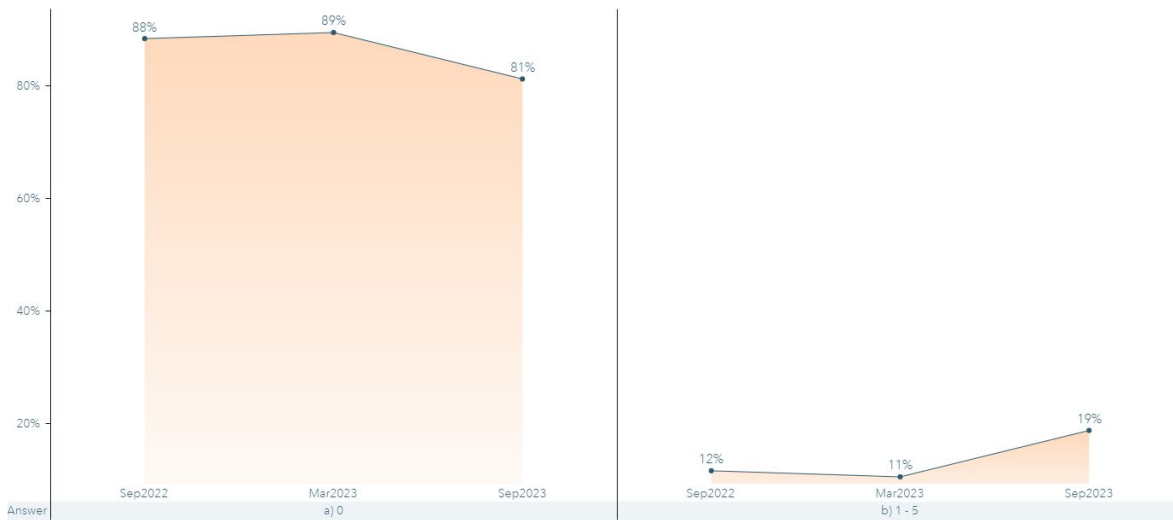
5. FinTech

Question 26: Autumn 2023 results

Q26.1 For retail banking, please indicate how many of your customers are primarily using digital channels for daily banking activities.
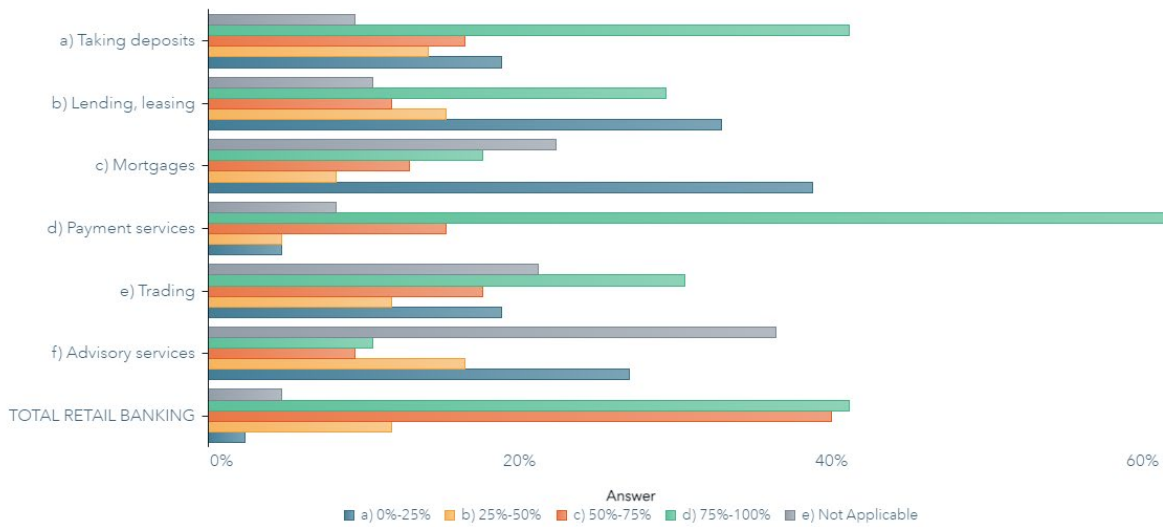
Q26.2 For Corporate banking (excluding financial customers), please indicate how many of your customers are primarily using digital channels for daily banking activities.
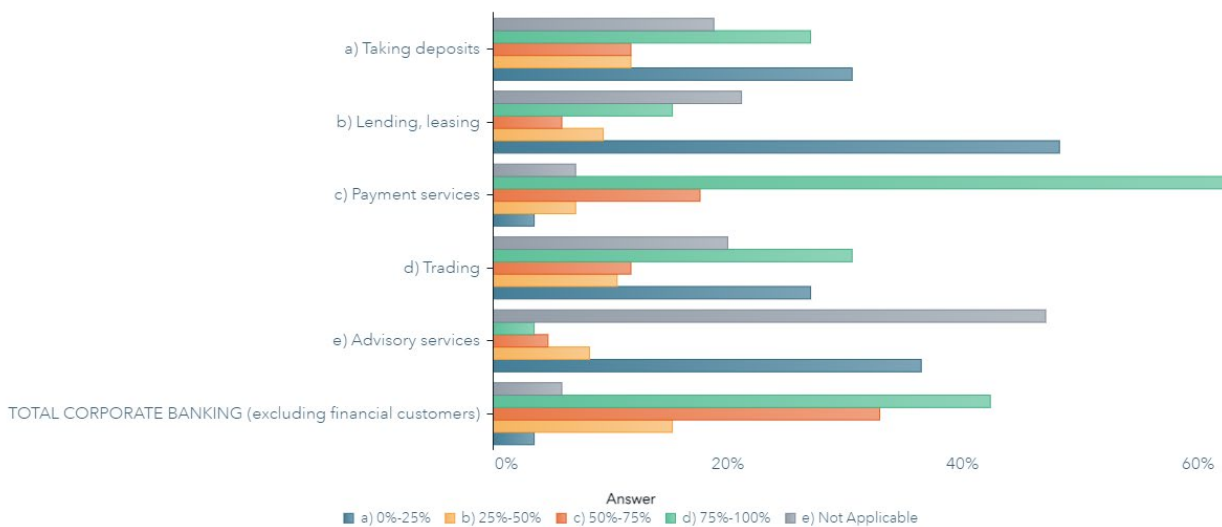
Question 26: comparison with earlier results

Retail Banking
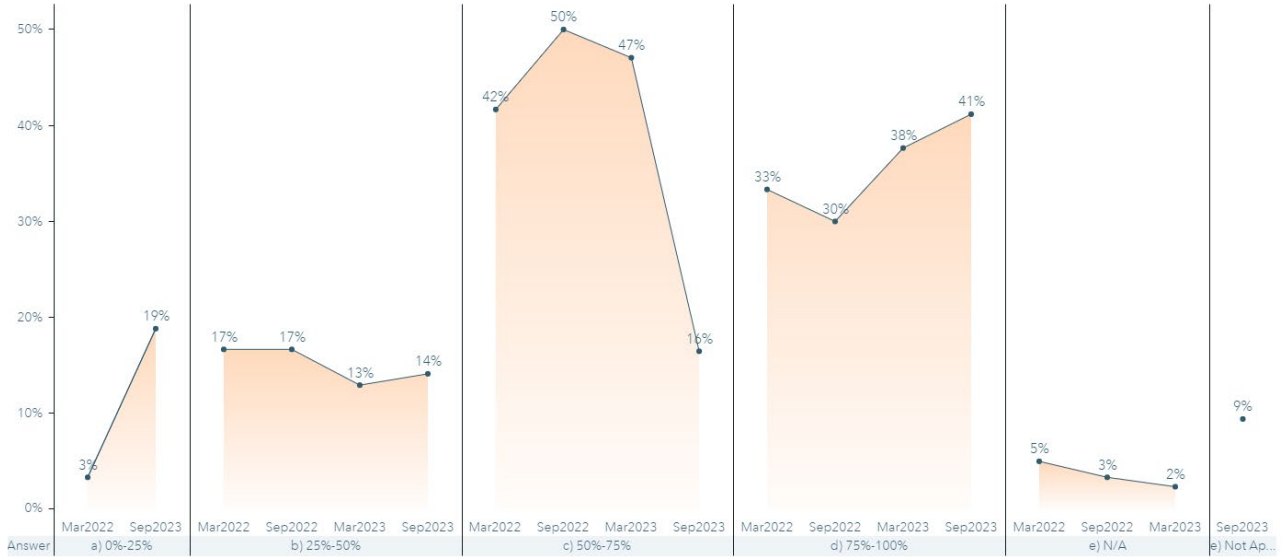
Corporate banking (excluding financial customers)
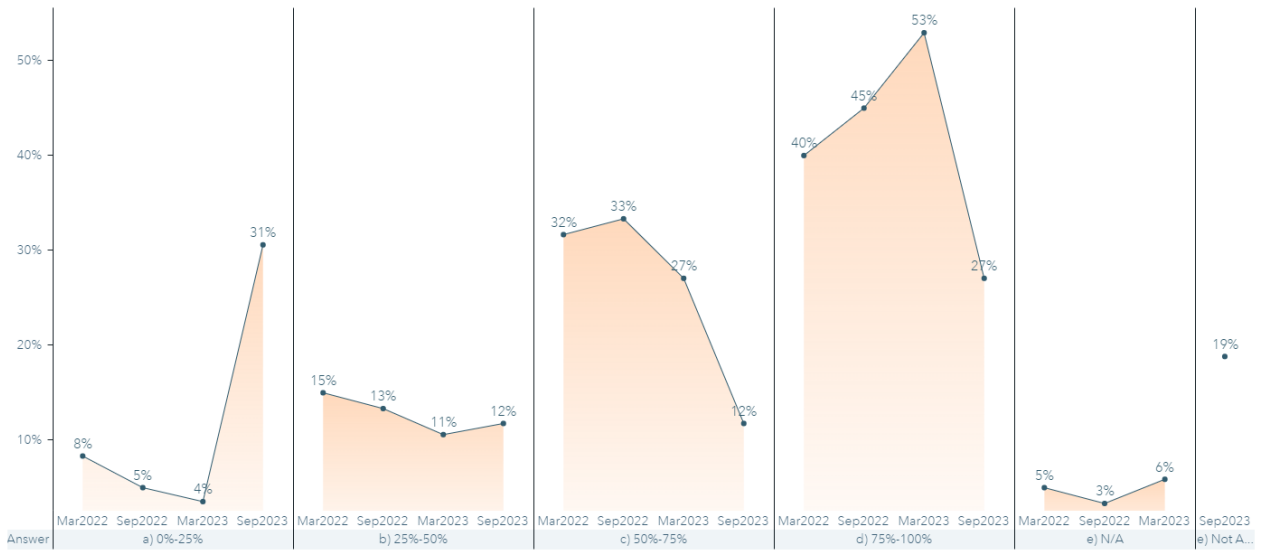
Question 27: Autumn 2023 result

Q27 If you are currently using or planning to use in the short-term any of the following AI* applications, what is the AI* approach applied for each of them?
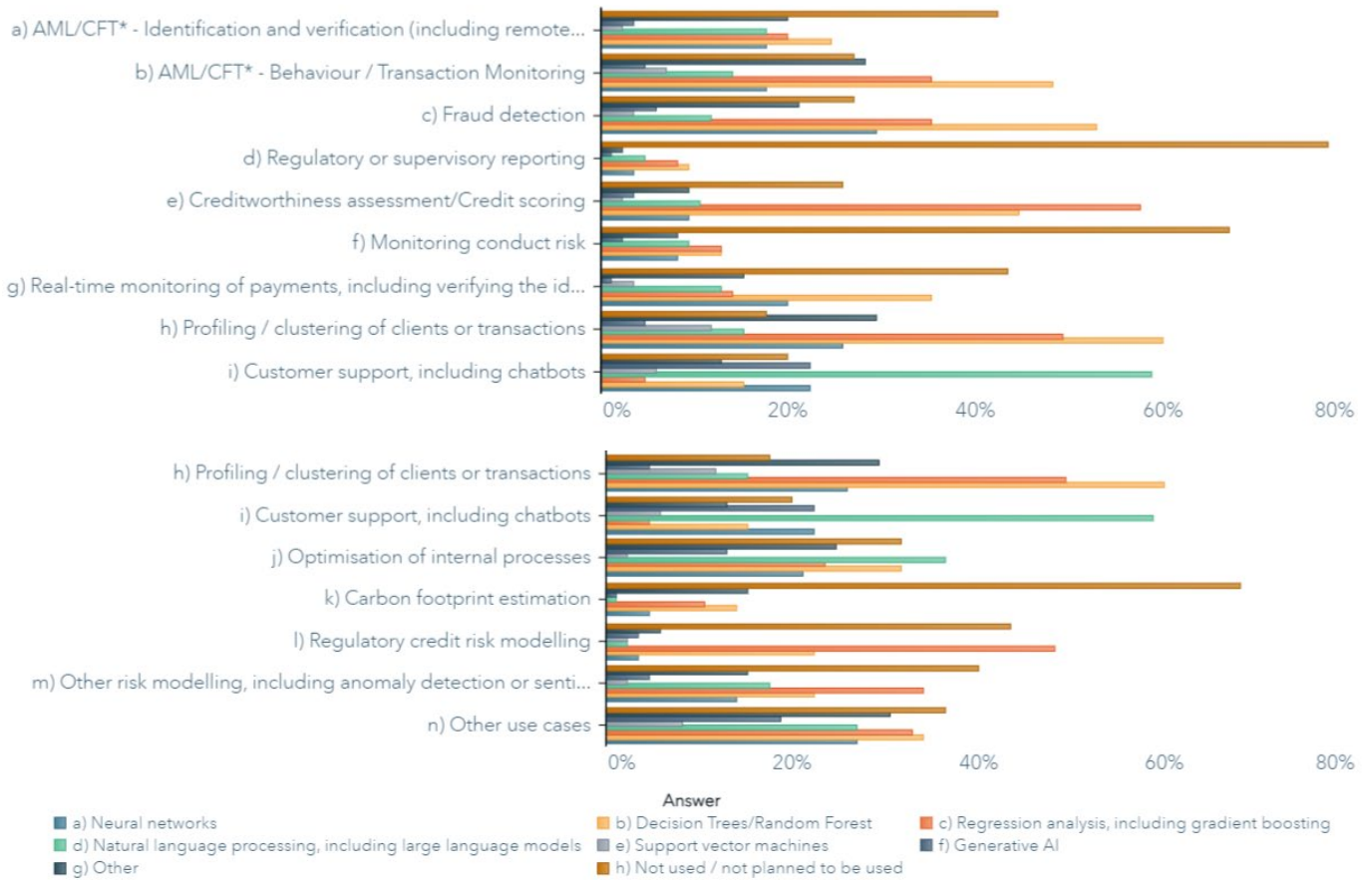
Question 28: Autumn 2023 results

Q28 Which is the level of involvement of your institution with the application of the following technologies?

a) Cloud computing, including Edge computing
b) Digital/Mobile wallets
c) Distributed Ledger Technology, including blockchain
d) Other technologies to facilitate the tokenisation of traditional financ...
e) Big Data analytics
f) Biometrics
g) AI* (including machine learning and natural language processing)
h) Smart contracts
i) Quantum computing

Answer

■ a) In use / lauched   ■ b) Pilot testing   ■ c) Under development   ■ d) Under discussion   ■ e) No activity
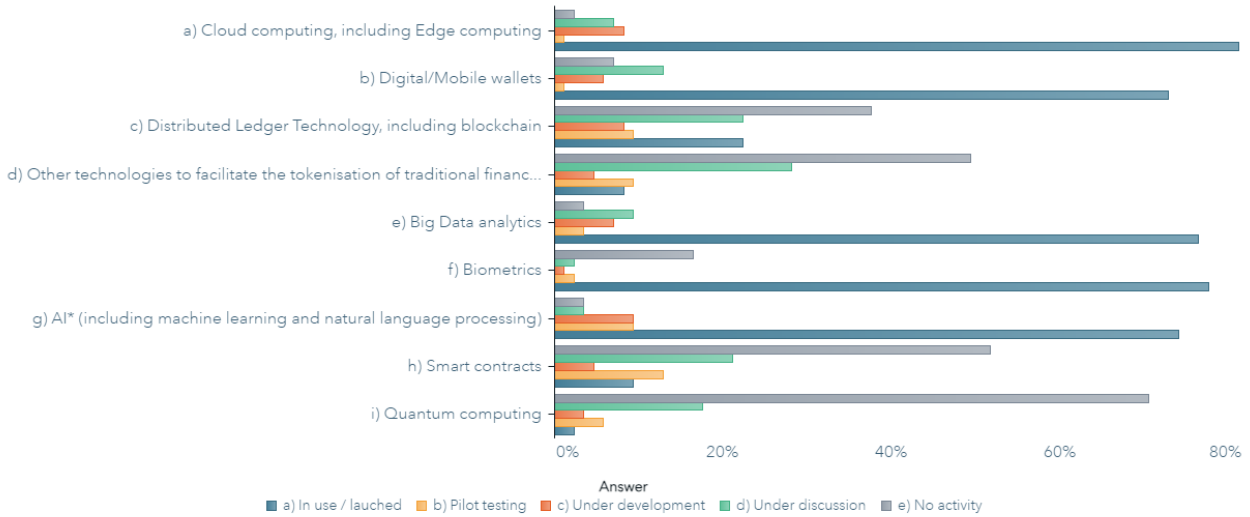
Question 29: Autumn 2023 results

Q29 Are you engaging, or do you expect to engage in any of the following crypto-asset products and services to retail or wholesale clients within the next years?

a) Issuance of e-money tokens
b) Issuance of asset-referenced tokens
c) Issuance of other types of crypto-assets
d) Custody and administration of crypto-assets on behalf of clients
e) Operation of a trading platform for crypto-assets
f) Exchange of crypto-assets for funds
g) Exchange of crypto-assets for other crypto-assets
h) Execution of orders for crypto-assets on behalf of clients
i) Advice on crypto-assets
j) Reception and transmission of orders for crypto-assets on behalf of ...
k) Placing of crypto-assets
l) Portfolio management on crypto-assets
m) Transfer services for crypto-assets on behalf of clients
n) Other

Answer

■ a) No   ■ b) Currently engage   ■ c) Expect to engage within the next 1 year   ■ d) Expect to engage in 1-2 years   ■ e) Expect to engage after 2 years or more

6. Environmental Social and Governance (ESG) Finance

Question 30: Autumn 2023 results

Q30 Which of the following loans, if any, are you offering to your clients?[3]

Answer
■ a) To NFCs* excl. SMEs* ■ b) To SMEs* ■ c) To non-SME* retail ■ d) Not Applicable

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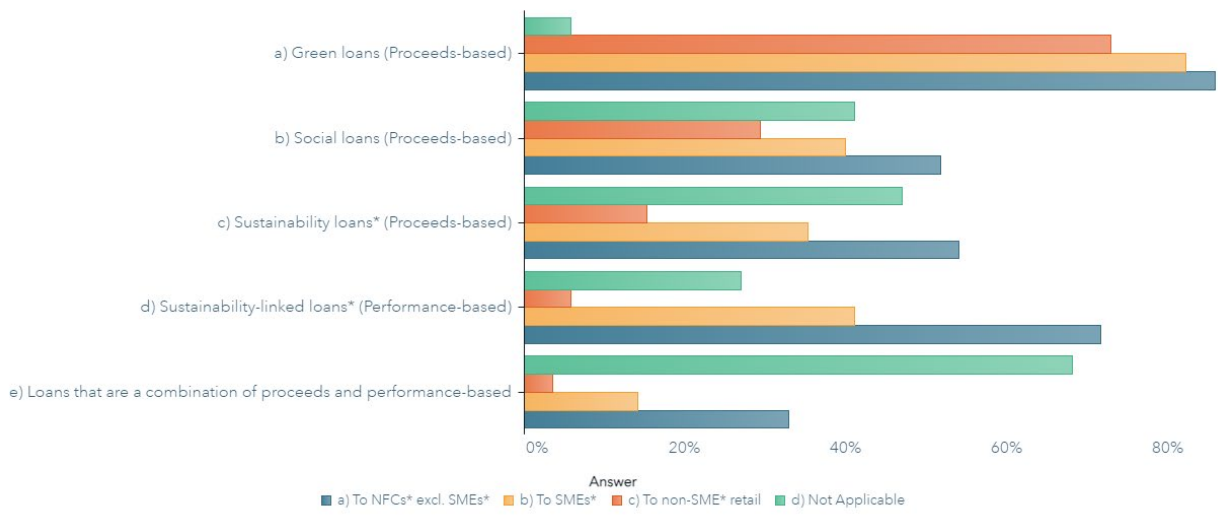
[3]Please note the differentiation between proceeds-based and performance-based products, as to avoid double counting.

Question 31: Autumn 2023 results

Q31 If you are offering 'green' loans to customers, which criteria/definition of green are you using for the following instruments?

Answer

- a) Market standards
- b) Bank's internal framework
- c) EU Taxonomy
- d) Other standards/definitions
- e) Not Applicable
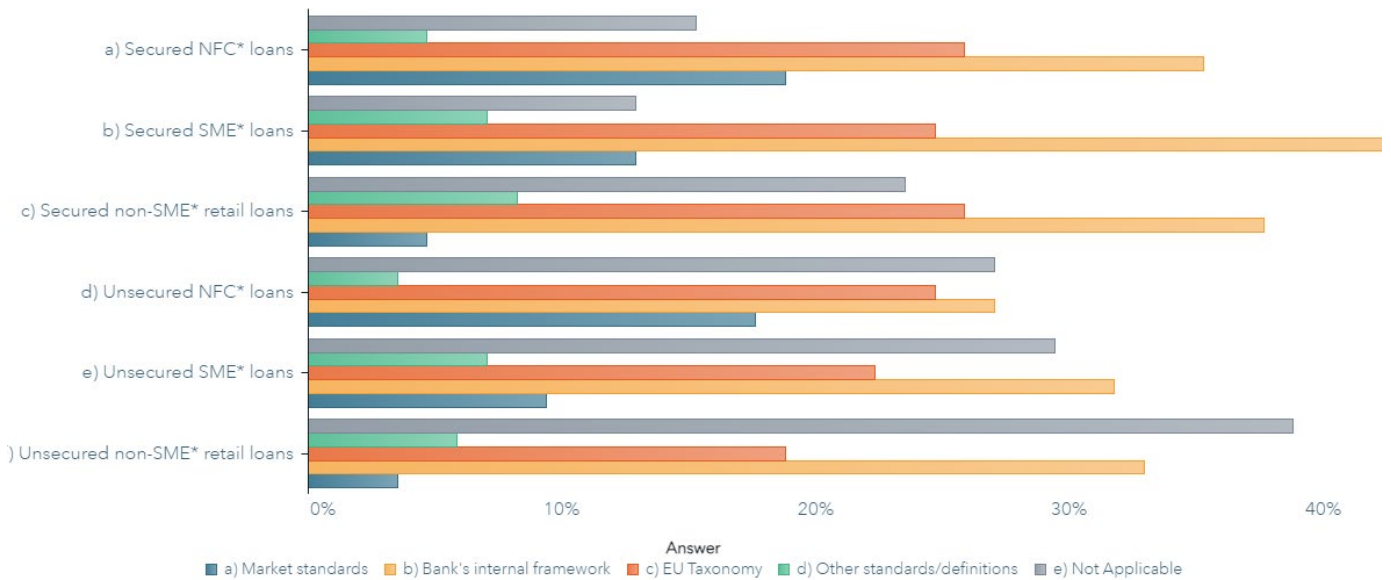
Question 32: Autumn 2023 results

Q32 In your opinion, what are the main impediments to the further development of the market for green retail loans? (1 - Not relevant, 5 - Very relevant)

Answer

- 1
- 2
- 3
- 4
- 5
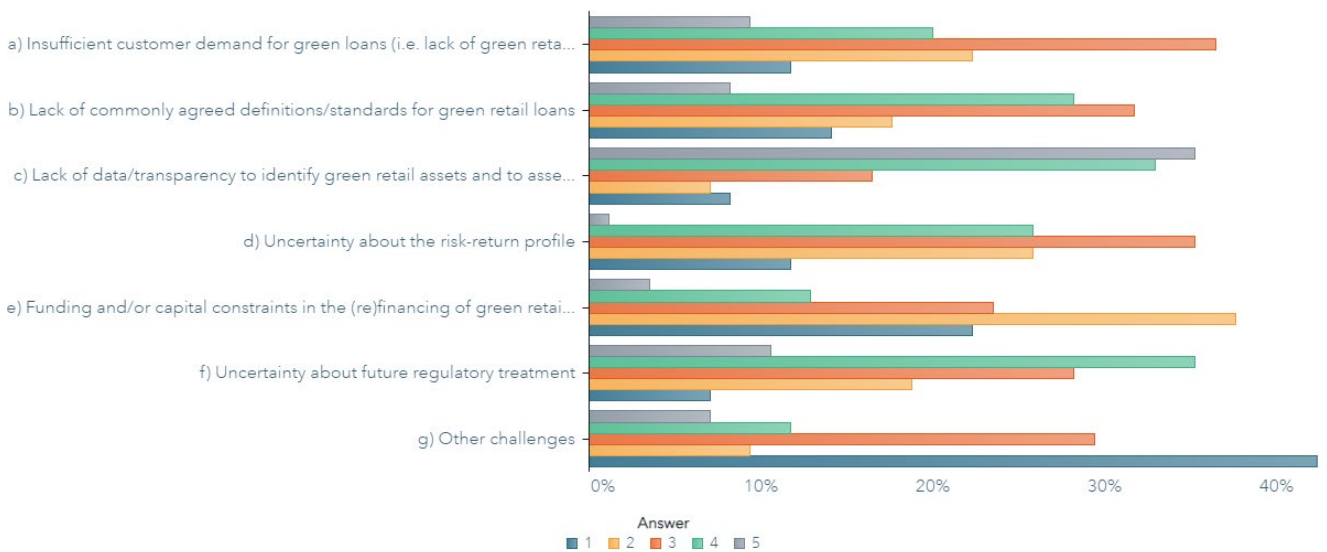
Question 32: comparison with earlier results

5 - Very relevant.

Question 33: Autumn 2023 results

Q33 Which of the following instruments have you already issued?[4]

Annex: List of EU banks involved in RAQ

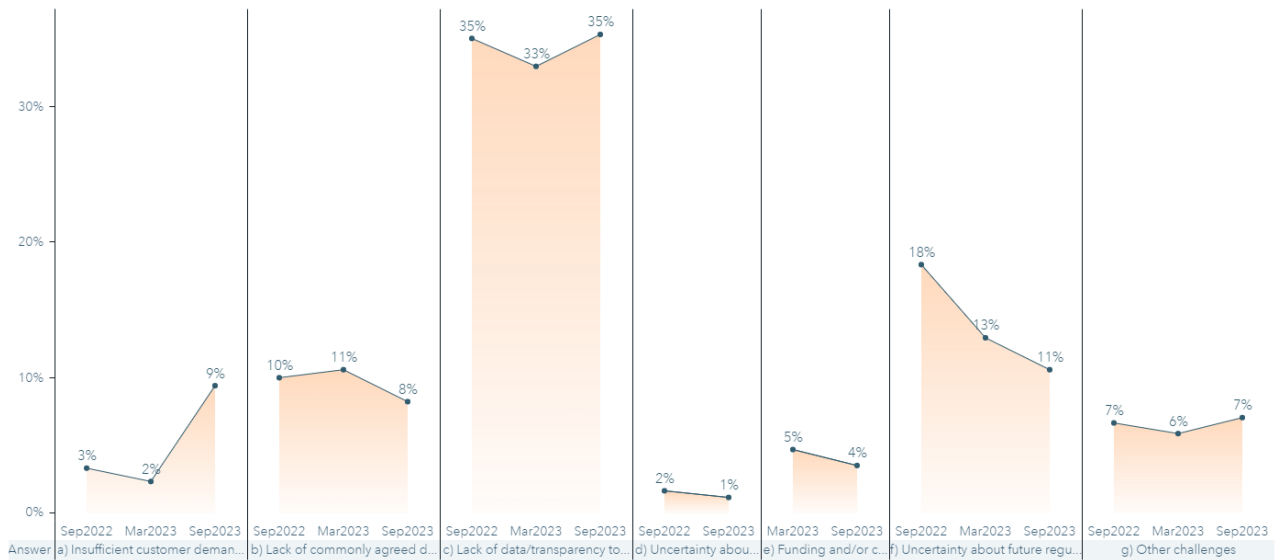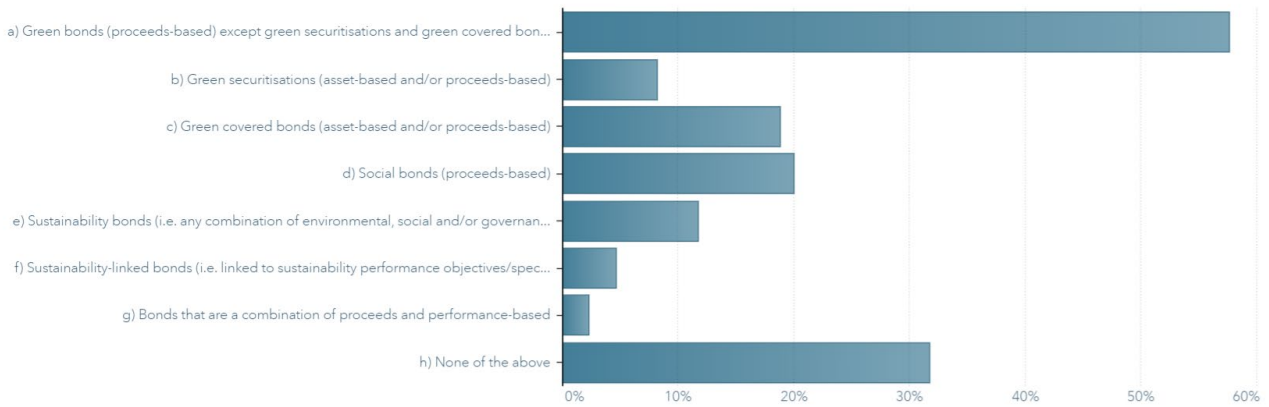| Financial Institution	Country	Previous survey
BAWAG Group AG	Austria	Yes
Erste Group Bank AG	Austria	Yes
Raiffeisen Bank International AG	Austria	Yes
Belfius Bank	Belgium	Yes
Crelan	Belgium	No
KBC Groep	Belgium	Yes
DSK Bank AD	Bulgaria	No
First investment Bank AD	Bulgaria	Yes
Privredna Banka Zagreb d.d.	Croatia	No
Zagrebačka banka d.d.	Croatia	No
Bank of Cyprus Holdings Public Limited Company	Cyprus	Yes
Hellenic Bank Public Company Ltd	Cyprus	Yes
Česká spořitelna, a.s.	Czechia	No
Československá obchodní banka, a.s.	Czechia	No
Komerční banka, a.s.	Czechia	No
Danske Bank A/S	Denmark	Yes
Jyske Bank A/S	Denmark	No
Nykredit Realkredit A/S	Denmark	Yes
AS LHV Group	Estonia	Yes
Luminor Holding AS	Estonia	No
Nordea Bank Abp	Finland	Yes
OP Osuuskunta	Finland	Yes
BNP Paribas	France	Yes

Financial Institution	Country	Previous survey
Confédération Nationale du Crédit Mutuel	France	Yes
Groupe BPCE	France	Yes
Groupe Crédit Agricole	France	Yes
La Banque Postale	France	Yes
Société générale S.A.	France	Yes
Bayerische Landesbank	Germany	Yes
Commerzbank AG	Germany	Yes
Deutsche Bank AG	Germany	Yes
DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main	Germany	Yes
Landesbank Baden-Württemberg	Germany	Yes
Landesbank Hessen-Thüringen Girozentrale	Germany	Yes
Norddeutsche Landesbank - Girozentrale -	Germany	Yes
Alpha Services and Holdings S.A.	Greece	Yes
Eurobank Ergasias Services and Holdings S.A.	Greece	Yes
National Bank of Greece, S.A.	Greece	Yes
Piraeus Financial Holdings	Greece	Yes
MKB bankcsoport	Hungary	No
OTP - Csoport	Hungary	Yes
Íslandsbanki hf.	Iceland	No
Landsbankinn hf.	Iceland	Yes
AIB Group plc	Ireland	Yes
Bank of Ireland Group plc	Ireland	Yes
Citibank Holdings Ireland Limited	Ireland	No
Banca Monte dei Paschi di Siena S.p.A.	Italy	Yes
Banco BPM S.p.A.	Italy	Yes

Financial Institution	Country	Previous survey
BPER Banca S.p.A.	Italy	Yes
Iccrea Banca S.p.A.	Italy	No
Intesa Sanpaolo S.p.A.	Italy	Yes
Unicredit S.p.A.	Italy	Yes
AS SEB banka	Latvia	No
Swedbank Baltics AS	Latvia	No
Akcinė bendrovė Šiaulių bankas	Lithuania	No
Revolut Bank UAB	Lithuania	No
Banque et Caisse d'Epargne de l'Etat, Luxembourg	Luxembourg	Yes
Banque Internationale à Luxembourg	Luxembourg	No
Bank of Valletta Plc	Malta	Yes
HSBC Bank Malta p.l.c.	Malta	No
ABN AMRO Bank N.V.	Netherlands	Yes
Coöperatieve Rabobank U.A.	Netherlands	Yes
de Volksbank N.V.	Netherlands	No
ING Groep N.V.	Netherlands	Yes
DNB Bank ASA	Norway	No
SpareBank 1 SR-Bank ASA	Norway	No
Bank Polska Kasa Opieki S.A.	Poland	Yes
Powszechna Kasa Oszczednosci Bank Polski S.A.	Poland	Yes
Banco Comercial Português, SA	Portugal	Yes
Caixa Geral de Depósitos, S.A.	Portugal	Yes
Banca Comerciala Romana SA	Romania	No
Banca Transilvania	Romania	Yes
Slovenská sporiteľňa, a.s.	Slovakia	No
Všeobecná úverová banka, a.s.	Slovakia	No

Financial Institution	Country	Previous survey
BISER TOPCO S.A R.L.	Slovenia	No
Nova Ljubljanska Banka d.d., Ljubljana	Slovenia	Yes
Banco Bilbao Vizcaya Argentaria, S.A.	Spain	Yes
Banco de Sabadell, S.A.	Spain	Yes
Banco Santander, S.A.	Spain	Yes
Bankinter, S.A.	Spain	Yes
CaixaBank, S.A.	Spain	Yes
Unicaja Banco, S.A.	Spain	No
Skandinaviska Enskilda Banken - gruppen	Sweden	Yes
Svenska Handelsbanken - gruppen	Sweden	Yes
Swedbank - Grupp	Sweden	Yes

Appendix: Risk Assessment Questionnaire for banks

eba | **European Banking Authority**

EBA Risk Assessment Questionnaire for Banks - Autumn 2023

Fields marked with * are mandatory.

Business model/strategy/profitability

* Q1 Do you expect an overall increase in your bank's ROE over the next 6 to 12 months?

- ○ a) Yes
- ○ b) Probably yes
- ○ c) Probably no
- ○ d) No
- ○ e) No opinion

Q2 Which areas are you primarily targeting to increase the profitability of your bank in the next 6 to 12 months? (Rank according to priority with 1 - High Priority and 4 - Low Priority)

	1	2	3	4	Not Applicable
* a) Net interest income	○	○	○	○	○
* b) Net fee and commission income	○	○	○	○	○
* c) Other operating income	○	○	○	○	○
* d) Operating expenses / costs reduction	○	○	○	○	○
* e) Impairments	○	○	○	○	○
* f) Other	○	○	○	○	○

Q3 How do you expect rising interest rates to affect your P&L over the next 6 to 12 months?

	a) Increase	b) Stable	c) Decrease	d) No opinion
* a) Overall profitability	○	○	○	○
* b) Net interest income	○	○	○	○
* c) Net fee and commission income	○	○	○	○
* d) Net trading income	○	○	○	○
* e) Impairments	○	○	○	○

* Q4 What is your estimated Cost of Equity?

- ○ a) < 6%
- ○ b) ≥ 6% and < 8%
- ○ c) ≥ 8% and < 10%
- ○ d) ≥ 10% and < 12%
- ○ e) ≥ 12%

* Q5 Which measures are you primarily taking to reduce operating expenses / costs?

at most 3 choice(s)

- ☐ a) Overhead and staff costs reduction
- ☐ b) Outsourcing
- ☐ c) Off-shoring or near-shoring
- ☐ d) Reducing business activities (business lines and locations, incl. branches)
- ☐ e) Increasing automatisation and digitalisation
- ☐ f) Other

* Q6 Are you considering M&A transactions with/of?

at most 2 choice(s)

- ☐ a) Domestic business units
- ☐ b) Domestic portfolios
- ☐ c) Domestic credit institutions
- ☐ d) Credit institutions, business units and/or portfolios in other EU/EEA countries
- ☐ e) Credit institutions, business units and/or portfolios from outside the EU/EEA
- ☐ f) FinTech* firms (domestic or foreign)
- ☐ g) Non-bank financial service providers
- ☐ h) We are not considering M&A transactions

Q7 Which is the share of outstanding loans repricing in less than 12 months for the following portfolios?

	a) 0% -20%	b) 20% -40%	c) 40% -60%	d) 60% -80%	e) 80% -100%	Not Applicable
* a) CRE*	○	○	○	○	○	○
* b) SME*	○	○	○	○	○	○
* c) Residential Mortgage	○	○	○	○	○	○
* d) Consumer Credit	○	○	○	○	○	○
* e) Large Corporates*	○	○	○	○	○	○

Q8 Which is the average interest rate fixation period* for the following loan portfolios (at origination)?

	a) ≤1 year	b) >1 year and ≤3 years	c) >3 years and ≤5 years	d) >5 years and ≤10 years	e) >10 years	Not Applicable
* a) CRE*	○	○	○	○	○	○
* b) SME*	○	○	○	○	○	○
* c) Residential Mortgage	○	○	○	○	○	○
* d) Consumer Credit	○	○	○	○	○	○
* e) Large Corporates*	○	○	○	○	○	○

Funding/liquidity

* Q9 What is your estimated total cost of funding?

- ○ a) < 2.5%
- ○ b) ≥ 2.5% and < 5%
- ○ c) ≥ 5% and < 7.5%
- ○ d) ≥ 7.5% and < 10%
- ○ e) ≥ 10% and 12.5%
- ○ g) ≥ 12.5%

* Q10 In the next 12 months, which funding instruments do you intend to focus on?

at most 2 choice(s)

- ☐ a) Preferred senior unsecured
- ☐ b) Senior non-preferred / Senior HoldCo*
- ☐ c) Subordinated debt including AT1/T2
- ☐ d) Secured (covered bonds)
- ☐ e) Securitisations
- ☐ f) Wholesale deposits
- ☐ g) Retail deposits
- ☐ h) Central bank funding
- ☐ i) Short-term interbank
- ☐ j) CET1 instruments
- ☐ k) Not applicable

Q11 In the next 12 months, which are your expectations on the costs (spreads) for your bank for the following funding sources?

	a) Increase	b) Decrease	c) Stable	d) No Opinion
* a) Preferred senior unsecured	○	○	○	○
* b) Senior non-preferred / Senior HoldCo*	○	○	○	○
* c) Subordinated debt including AT1/T2	○	○	○	○
* d) Secured (e.g. covered bonds)	○	○	○	○
* e) Securitisations	○	○	○	○
* f) Wholesale deposits	○	○	○	○
* g) Retail deposits	○	○	○	○
* h) Central bank funding	○	○	○	○
* i) Short-term interbank	○	○	○	○
* j) CET1 instruments	○	○	○	○

* Q12 Which are the main funding instruments you consider to issue to meet or maintain your MREL target (including potential headroom over regulatory requirements)?

at most 2 choice(s)

- ☐ a) Preferred senior unsecured
- ☐ b) Senior non-preferred / Senior HoldCo
- ☐ c) Subordinated debt including AT1/T2
- ☐ d) CET1
- ☐ e) Other

* Q13 Given rising interest rates, which of the following actions are you considering in relation to deposits?

at most 2 choice(s)

- ☐ a) Raise rates for household deposits or current accounts*
- ☐ b) Raise rates for NFC* deposits or current accounts
- ☐ c) Charge lower fees for household deposits or current accounts* and related services
- ☐ d) Charge lower fees for NFC deposits or current accounts and related services*
- ☐ e) None of the above

Q14 What is your expectation on the level of deposit beta* for each of the following portfolios in the next 6 to 12 months?

	a) <10%	b) >10% and ≤30%	c) >30% and ≤50%	d) >50% and ≤70%	e) >70%	Not Applicable
* a) Sight retail deposits	○	○	○	○	○	○
* b) Term retail deposits	○	○	○	○	○	○
* c) Sight corporate deposits	○	○	○	○	○	○
* d) Term corporate deposits	○	○	○	○	○	○
* e) Overall deposit beta*	○	○	○	○	○	○

Asset composition and quality

Q15 Which portfolios do you plan to increase/decrease in volume during the next 12 months (on a net basis)?

	a) Increase	b) Decrease	c) Stable	d) No Opinion
* a) CRE*	○	○	○	○
* b) SME*	○	○	○	○
* c) Residential Mortgage	○	○	○	○
* d) Consumer Credit	○	○	○	○
* e) Large Corporates*	○	○	○	○
* f) Trading	○	○	○	○
* g) Structured Finance	○	○	○	○

* h) Sovereign and institutions	○	○	○	○
* i) Project Finance	○	○	○	○
* j) Asset Finance*	○	○	○	○
* k) Other	○	○	○	○

Q16 Which portfolios do you expect to improve/deteriorate in asset quality in the next 12 months?

	a) Improve	b) Deteriorate	c) Stable	d) No Opinion
* a) CRE*	○	○	○	○
* b) SME*	○	○	○	○
* c) Residential Mortgage	○	○	○	○
* d) Consumer Credit	○	○	○	○
* e) Large Corporates*	○	○	○	○
* f) Trading	○	○	○	○
* g) Structured Finance	○	○	○	○
* h) Sovereign and institutions	○	○	○	○
* i) Project Finance	○	○	○	○
* j) Asset Finance*	○	○	○	○
* k) Other	○	○	○	○

* Q17 Which is your Cost of Risk* estimation for the current financial year?

- ⃝ a) < 0bp
- ⃝ b) ≥ 0 and < 25bp
- ⃝ c) ≥ 25 and < 50bp
- ⃝ d) ≥ 50 and < 75bp
- ⃝ e) ≥ 75 and < 100bp
- ⃝ f) ≥ 100 and < 200bp
- ⃝ g) ≥ 200bp

* Q18 Do you have any provisioning overlays in place?

- ⃝ a) Yes, at the level of IFRS 9 model parameters (i.e., PD, LGD and/or EAD)
- ⃝ b) Yes, at total ECL (expected credit loss) level
- ⃝ c) No

* Q18.1 If you selected a) or b), which factors are the overlays associated to?

at most 2 choice(s)

- ☐ a) Russian/Ukraine war
- ☐ b) COVID-19
- ☐ c) Inflation
- ☐ d) ESG risks
- ☐ e) Other

* Q19 Which is the proportion of the total ECL (expected credit loss) amount that is recognised via provisioning overlays?

- ⃝ a) 0%
- ⃝ b) ≥ 0% and < 10%
- ⃝ c) ≥ 10% and < 20%
- ⃝ d) ≥ 20% and < 30%
- ⃝ e) ≥ 30% and < 40%
- ⃝ f) ≥ 40%

Conduct, Reputational and Operational risk

* Q20 Over the past three years, how much has your firm paid out in the form of compensation, redress, litigation and similar payments (as percentage of equity)?

- ⃝ a) ≥ 0% and <0,25%
- ⃝ b) ≥ 0,25% and <0,5%
- ⃝ c) ≥ 0,5% and <1%
- ⃝ d) ≥ 1% and <2%
- ⃝ e) ≥ 2% and <3%
- ⃝ f) ≥ 3% and <4%
- ⃝ g) ≥ 4%

* Q21 Which are the main drivers of operational risk?

at most 3 choice(s)

- ☐ a) Cyber risk and data security
- ☐ b) IT failures
- ☐ c) Outsourcing
- ☐ d) Regulatory initiatives
- ☐ e) Conduct and legal risk
- ☐ f) Organisational change
- ☐ g) Money Laundering and Terrorism Financing
- ☐ h) Risk of non compliance with applicable restrictive measures regimes (financial sanctions)
- ☐ i) Fraud
- ☐ j) Climate and environmental risk
- ☐ k) Other

Q22 How do you expect your Money Laundering and Terrorism Financing risks related to the following products / business lines to evolve in the next 6 to 12 months?

	a) Increase	b) Decrease	c) No impact	d) Not Applicable
* a) Corporate finance	○	○	○	○
* b) Trading and sales	○	○	○	○
* c) Retail banking	○	○	○	○
* d) Commercial banking	○	○	○	○
* e) Payment and settlement	○	○	○	○
* f) Agency services*	○	○	○	○
* g) Asset management	○	○	○	○
* h) Retail brokerage	○	○	○	○
* i) Other	○	○	○	○

Q23 Which key Money Laundering and Terrorism Financing risks do you expect to face over the coming 6 to 12 months? (1 - Low Significance and 4 - High Significance)

	1	2	3	4	Not Applicable
* a) Politically Exposed Persons	○	○	○	○	○
* b) Crypto Asset Services Providers	○	○	○	○	○
* c) Customers dealing in crypto-assets	○	○	○	○	○
* d) Customers whose ownership and control structure is opaque or unduly complex	○	○	○	○	○

* e) Use of innovative technologies for Customer Due Diligence purposes	◉	◉	◉	◉	◉

* f) Customers' transactions received from, or sent to, jurisdictions where groups committing terrorist offences are known to be operating, or that are known to be sources of terrorist financing	◉	◉	◉	◉	◉
* g) Customers' transactions received from, or sent to, jurisdictions that are subject to international sanctions	◉	◉	◉	◉	◉
* h) Customers whose activities or leadership are publicly known to be associated with extremism or terrorism	◉	◉	◉	◉	◉
* i) Used for the laundering of the proceeds of frauds (incl. COVID-related fraud)	◉	◉	◉	◉	◉
* j) Used for the laundering of the proceeds of tax crime	◉	◉	◉	◉	◉
* k) Used for the laundering of the proceeds of corruption	◉	◉	◉	◉	◉
* l) Other	◉	◉	◉	◉	◉

* **Q24 How many cyber-attacks that resulted or could have potentially resulted in a "major ICT-related incident"* have you faced from 1 January to 30 June 2023 (considering the highest level of consolidation)?**
- ○ a) 0
- ○ b) 1 - 10
- ○ c) 11 - 20
- ○ d) 21 - 50
- ○ e) > 50

* **Q25 How many successful cyber-attacks resulting in "major ICT-related incidents"* have you faced in the period from 1 January to 30 June 2023 (considering the highest level of consolidation)?**
- ○ a) 0
- ○ b) 1 - 5
- ○ c) 6 - 10
- ○ d) 11 - 20
- ○ e) > 20

FinTech

Q26.1 For Retail banking, please indicate the share of your customers primarily using digital channels for daily banking activities.

	a) 0% -25%	b) 25% -50%	c) 50% -75%	d) 75% -100%	e) Not Applicable
* a) Taking deposits	○	○	○	○	○
* b) Lending, leasing	○	○	○	○	○
* c) Mortgages	○	○	○	○	○
* d) Payment services	○	○	○	○	○
* e) Trading	○	○	○	○	○
* f) Advisory services	○	○	○	○	○
* TOTAL RETAIL BANKING	○	○	○	○	○

Q26.2 For Corporate banking (excluding financial customers), please indicate the share of your customers primarily using digital channels for daily banking activities.

	a) 0% -25%	b) 25% -50%	c) 50% -75%	d) 75% -100%	e) Not Applicable
* a) Taking deposits	○	○	○	○	○
* b) Lending, leasing	○	○	○	○	○
* c) Payment services	○	○	○	○	○
* d) Trading	○	○	○	○	○
* e) Advisory services	○	○	○	○	○
* TOTAL CORPORATE BANKING (excluding financial customers)	○	○	○	○	○

Q27 If you are currently using or planning to use in the short-term any of the following AI* applications, what is the AI* approach applied for each of them?

	a) Neural networks	b) Decision Trees /Random Forest	c) Regression analysis, including gradient boosting	d) Natural language processing, including large language models	e) Support vector machines	f) Generative AI	g) Other	h) Not used / not planned to be used
* a) AML/CFT*: Identification and verification (including remote onboarding and digital ID)	☐	☐	☐	☐	☐	☐	☐	☐
* b) AML/CFT*: Behaviour / Transaction Monitoring	☐	☐	☐	☐	☐	☐	☐	☐
* c) Fraud detection	☐	☐	☐	☐	☐	☐	☐	☐
* d) Regulatory or supervisory reporting	☐	☐	☐	☐	☐	☐	☐	☐
* e) Creditworthiness assessment /Credit scoring	☐	☐	☐	☐	☐	☐	☐	☐

* f) Monitoring conduct risk	☐	☐	☐	☐	☐	☐	☐	☐
* g) Real-time monitoring of payments, including verifying the identification of payers and payees	☐	☐	☐	☐	☐	☐	☐	☐
* h) Profiling / clustering of clients or transactions	☐	☐	☐	☐	☐	☐	☐	☐
* i) Customer support, including chatbots	☐	☐	☐	☐	☐	☐	☐	☐
* j) Optimisation of internal processes	☐	☐	☐	☐	☐	☐	☐	☐
* k) Carbon footprint estimation	☐	☐	☐	☐	☐	☐	☐	☐
* l) Regulatory credit risk modelling	☐	☐	☐	☐	☐	☐	☐	☐

* m) Other risk modelling, including anomaly detection or sentiment analysis	☐	☐	☐	☐	☐	☐	☐	☐
* n) Other use cases	☐	☐	☐	☐	☐	☐	☐	☐

Q28 Which is the level of involvement of your institution with the application of the following technologies?

	a) In use / lauched	b) Pilot testing	c) Under development	d) Under discussion	e) No activity
* a) Cloud computing, including Edge computing	○	○	○	○	○
* b) Digital/Mobile wallets	○	○	○	○	○
* c) Distributed Ledger Technology, including blockchain	○	○	○	○	○
* d) Other technologies to facilitate the tokenisation of traditional financial assets	○	○	○	○	○
* e) Big Data analytics	○	○	○	○	○
* f) Biometrics	○	○	○	○	○
* g) AI* (including machine learning and natural language processing)	○	○	○	○	○
* h) Smart contracts	○	○	○	○	○
* i) Quantum computing	○	○	○	○	○

Q29 Are you engaging, or do you expect to engage in any of the following crypto-asset products and services to retail or wholesale clients within the next years?

	a) No	b) Currently engage	c) Expect to engage within the next 1 year	d) Expect to engage in 1-2 years	e) Expect to engage after 2 years or more
* a) Issuance of e-money tokens	○	○	○	○	○
* b) Issuance of asset-referenced tokens	○	○	○	○	○
* c) Issuance of other types of crypto-assets	○	○	○	○	○
* d) Custody and administration of crypto-assets on behalf of clients	○	○	○	○	○
* e) Operation of a trading platform for crypto-assets	○	○	○	○	○
* f) Exchange of crypto-assets for funds	○	○	○	○	○

* g) Exchange of crypto-assets for other crypto-assets	○	○	○	○	○
* h) Execution of orders for crypto-assets on behalf of clients	○	○	○	○	○
* k) Placing of crypto-assets	○	○	○	○	○
* j) Reception and transmission of orders for crypto-assets on behalf of clients	○	○	○	○	○
* i) Advice on crypto-assets	○	○	○	○	○
* l) Portfolio management on crypto-assets	○	○	○	○	○
* m) Transfer services for crypto-assets on behalf of clients	○	○	○	○	○
* n) Other	○	○	○	○	○

ESG Finance

Q30 Which of the following loans, if any, are you offering to your clients? *Please note the differentiation between proceeds-based and performance-based products, as to avoid double counting. Please avoid double counting of products already included under other options presented in the question.*

	a) To NFCs* excl. SMEs*	b) To SMEs*	c) To non-SME* retail	d) Not Applicable
* a) Green loans (Proceeds-based)	☐	☐	☐	☐
* b) Social loans (Proceeds-based)	☐	☐	☐	☐
* c) Sustainability loans* (Proceeds-based)	☐	☐	☐	☐
* d) Sustainability-linked loans* (Performance-based)	☐	☐	☐	☐
* e) Loans that are a combination of proceeds and performance-based	☐	☐	☐	☐

Q31 If you are offering "green" loans to customers, which criteria/definition of "green" are you using for the following instruments?

	a) Market standards	b) Bank's internal framework	c) EU Taxonomy	d) Other standards /definitions	e) Not Applicable
* a) Secured NFC* loans	○	○	○	○	○
* b) Secured SME* loans	○	○	○	○	○
* c) Secured non-SME* retail loans	○	○	○	○	○
* d) Unsecured NFC* loans	○	○	○	○	○
* e) Unsecured SME* loans	○	○	○	○	○
* f) Unsecured non-SME* retail loans	○	○	○	○	○

Q32 In your opinion, what are the main impediments to the further development of the market for green retail loans? (1 - Not relevant, 5 - Very relevant)

	1	2	3	4	5
* a) Insufficient customer demand for green loans (i.e. lack of green retail projects to finance)	○	○	○	○	○
* b) Lack of commonly agreed definitions/standards for green retail loans	○	○	○	○	○
* c) Lack of data/transparency to identify green retail assets and to assess their environmental impact	○	○	○	○	○
* d) Uncertainty about the risk-return profile	○	○	○	○	○
* e) Funding and/or capital constraints in the (re)financing of green retail assets	○	○	○	○	○
* f) Uncertainty about future regulatory treatment	○	○	○	○	○
* g) Other challenges	○	○	○	○	○

* **Q33 Which of the following instruments have you already issued?** *Please note the differentiation between proceeds-based and performance-based products, as to avoid double counting. Please avoid double counting of products already included under other options presented in the question.*

- ☐ a) Green bonds (proceeds-based) except green securitisations and green covered bonds
- ☐ b) Green securitisations (asset-based and/or proceeds-based)
- ☐ c) Green covered bonds (asset-based and/or proceeds-based)
- ☐ d) Social bonds (proceeds-based)
- ☐ e) Sustainability bonds* (proceeds-based)
- ☐ f) Sustainability-linked bonds* (Performance-based)
- ☐ g) Bonds that are a combination of proceeds and performance-based
- ☐ h) None of the above

Appendix: Glossary -EBA Risk Assessment Questionnaire

Term	Definition/Explanation
Agency services	These may include services such as custody, corporate agency, corporate trust
AI	Artificial intelligence
AML/CFT	Anti-money laundering / countering the financing of terrorism
Asset Finance	These may include for example finance towards shipping, aircrafts etc.
Cost of Risk	Change in allowances and provisions as a ratio of total loans and advances subject to impairment
CRE	Commercial Real Estate (including all types of real estate developments)
Deposit beta	Estimation on the sensitivity of deposit cost to changes in central bank rates (e.g. the ECB deposit rate) on your key home market
FinTech	Technologically enabled financial innovation that could result in new business models, applications, processes, or products with an associated material effect on financial markets and institutions and the provision of financial services' (Financial Stability Board)
Household deposits or current accounts	These may include for example payments or transfer of funds, direct debits, standing orders, annual or monthly fees, issuance fees for debit cards, etc.
Interest rate fixation period	If the rate is fixed for the whole life of a loan, please, select the bucket corresponding to its maturity. For loans with an interest rate fixation period changing over time (e.g. mortgage at fixed rate over the first five years and then variable with revisions every year), please, select the length of the first fixation period
Large Corporates	NFCs other than small medium-sized enterprises (SMEs) and Commercial Real Estate (CREs)
Major ICT-related incidents	An ICT-related incident that has a high adverse impact on the network and information systems that support critical or important functions of the financial entity; (Article 3(10) of Regulation (EU) 2022/2554 on digital operational resilience for the financial sector
NFC	Non-financial corporate

NFCs deposits or current accounts and related services	These may include for example payments or transfer of funds, direct debits, standing orders, annual or monthly fees, etc.
Senior HoldCo	Senior Holding Company Funding
SME	Small and medium-sized enterprise
Sustainability bonds/loans	Any combination of environmental, social and/or governance dimensions
Sustainability-linked bonds/loans	Bonds/loans linked to sustainability performance objectives/specific KPIs reflecting any combination of environmental, social and/or governance dimensions

eba | European
        Banking
        Authority

Tour Europlaza, 20 avenue André Prothin CS 30154

92927 Paris La Défense CEDEX, FRANCE

Tel. +33 1 86 52 70 00

E-mail: info@eba.europa.eu

https://eba.europa.eu