

EU Commissions' Basel IV proposal

expected to lead to an increase in EU banks' capital requirements of up to 9%

New ESG Requirements

- Systematically identify, disclose and manage sustainability risks
- Enlarged scope of disclosure
- Inclusion in SREP
- Stress testing
- Robust governance
- Action plans

New Supervisory Powers

- Increased depth and scope of sanctioning powers
- Revised “fit-and-proper” test for board members and key function holders
- Independence requirements for competent authorities and their members

Finalization of Basel III

- New standardized method for credit risk
- Output floor
- Input floors for A-IRB
- Full go-live of FRTB
- Revised CVA-risk framework
- New standardized method for operational risks

The changes are proposed to take effect
from 1 January 2025



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