



EUROPEAN CENTRAL BANK
BANKING SUPERVISION

Claudia BUCH

Chair of the Supervisory Board

COURTESY TRANSLATION

Mr Fabio De Masi
Member of the European Parliament
European Parliament
60, rue Wiertz
B-1047 Brussels

Frankfurt am Main, 25 June 2026

Re: (QZ-010)

Honourable Member of the European Parliament, dear Mr De Masi,

Thank you for your letter, which was passed on to me by Ms Aurore Lalucq, Chair of the Committee on Economic and Monetary Affairs, accompanied by a cover letter dated 21 May 2026.

Your question concerns the financial stability risks posed by advanced artificial intelligence (AI) applications. A new generation of large-scale AI models is emerging, with more advanced cybersecurity capabilities. These models could increase the risk of systemic cyber incidents affecting financial institutions, as vulnerabilities in IT systems may be identified and exploited more quickly while the associated marginal cost could decline.

The risks related to banks' use of AI are a key element of our supervisory priorities for the 2026-28 cycle; cyber and operational resilience more broadly have been part of our priorities since 2020. In this context, ECB Banking Supervision has collected information on banks' AI strategies and use cases, conducted dialogues with banks to evaluate their risk management and governance arrangements, and collaborated with other institutions, including the European Banking Authority and the European Artificial Intelligence Board. The ECB's cyber resilience stress test in 2024, on-site inspections, threat-led penetration tests and the oversight of critical third-party providers have supported us in identifying weaknesses. Moreover, the Digital Operational Resilience Act (DORA) provides a regulatory framework that requires banks to continuously improve their IT and cyber risk management and ensure robust oversight of their supply chains.

ECB Banking Supervision is responding to these risks by engaging with banks, providing guidance and following up on related supervisory findings. On 26 May 2026, we hosted an industry event to raise banks' awareness, share good practices and discuss focus areas for banks. ECB Banking Supervision encourages

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banks to test a scenario informed by AI-driven cyber threats and prepared by the *EU Systemic Cyber Incident Coordination Framework*¹ to identify gaps in preparedness in view of the changing cyber threat landscape. Furthermore, we support international bodies such as the G7 Cyber Expert Group and the Financial Stability Board (FSB) in developing a joint global governance framework for the responsible development and deployment of AI tools.

From a macroprudential perspective, the rapid adoption of AI in the financial sector can have significant implications for financial stability, and the ECB is therefore monitoring AI-related risks.² These can emerge as AI is being widely adopted across different financial entities that rely on just a few technology suppliers.³ While AI can support efficiency and risk detection, it may amplify existing vulnerabilities if many institutions rely on the same models, data, cloud infrastructure or third-party providers. AI-related risks could become systemic if failures in widely used AI tools affect many firms simultaneously or if reliance on a small number of technology providers were to create “too-big-to-fail” externalities. The ECB therefore continues to assess AI developments through its financial stability monitoring and macroprudential oversight, in coordination with European, national and international authorities.

Finally, the relevant national competent and designated authorities and the ECB share the task of conducting macroprudential policy within the banking union. Together, we monitor the evolution of systemic risks. So far, macroprudential authorities have deemed that using the macroprudential tools currently available would not be the most adequate response to cyber risk. The ECB is member of the European Systemic Risk Board (ESRB) and the FSB, which are actively working on these matters. The FSB has recently published a consultation report on sound practices for AI adoption.⁴

Yours sincerely,

[signed]

Claudia Buch

¹ [Systemic Cyber Incident Coordination Framework \(EU-SCICF\)](#).

² See Lane, P.R., “[AI and the euro area economy](#)”, keynote speech at the ECB-SAFE-RCEA *International Conference on the Climate-Macro-Finance Interface (3CMFI)*, Frankfurt, 23 March 2026, and Anand, K. et al., “[Financial stability in the age of artificial intelligence: the role of algorithmic architecture](#)”, *Research Bulletin*, No 143, ECB, 21 May 2026.

³ See Leitner, G., Singh, J., van der Kraaij, A. and Zsámboki, B., “[The rise of artificial intelligence: benefits and risks for financial stability](#)”, *Financial Stability Review*, ECB, May 2024.

⁴ See Financial Stability Board, [Sound Practices for Responsible Adoption of Artificial Intelligence \(AI\): Consultation report](#), 10 June 2026.