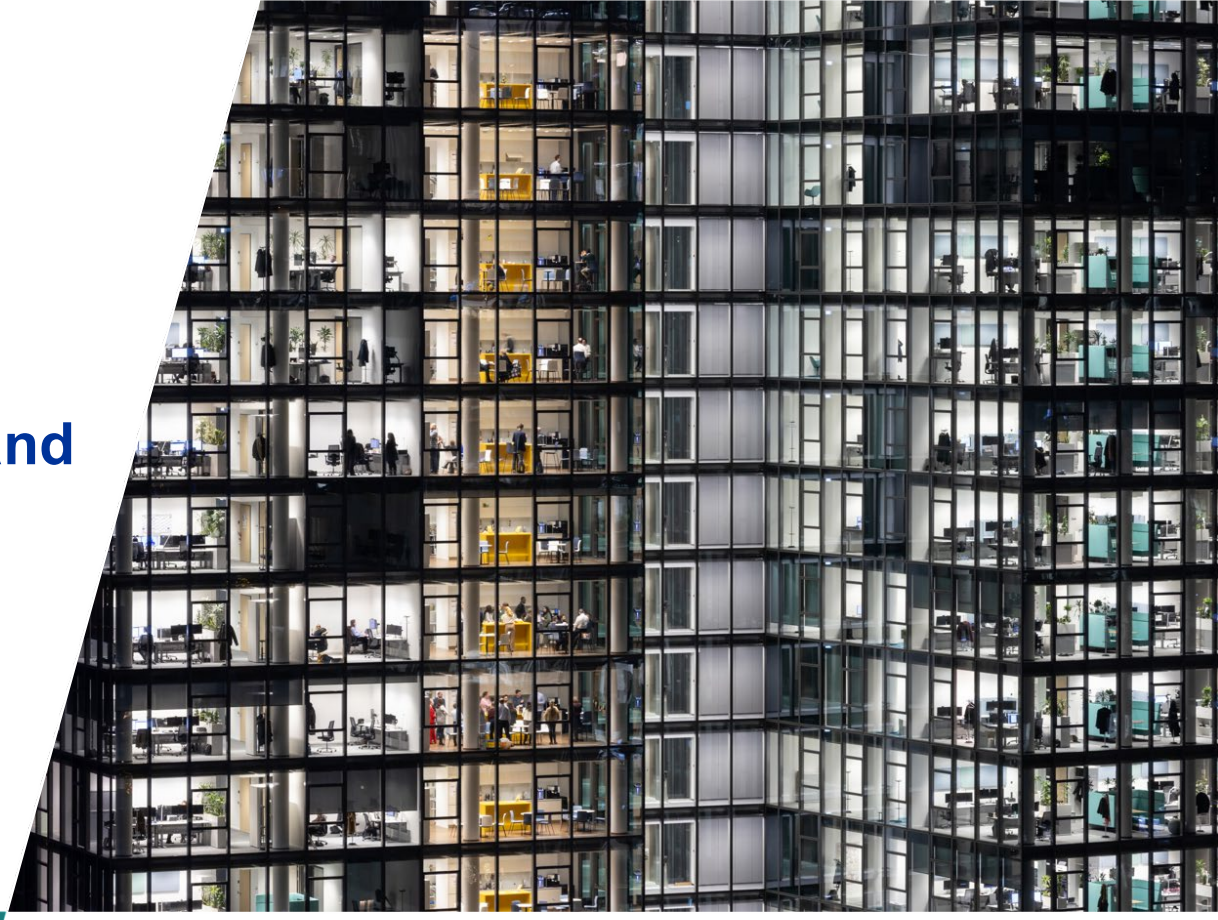
EUROPEAN CENTRAL BANK

BANKING SUPERVISION

Supervisory Review and Evaluation Process (SREP)

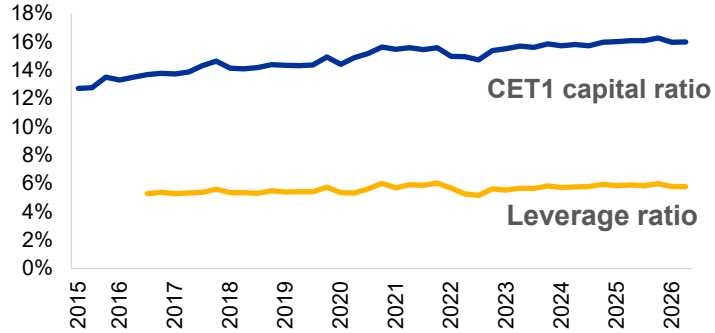
Press conference 2026

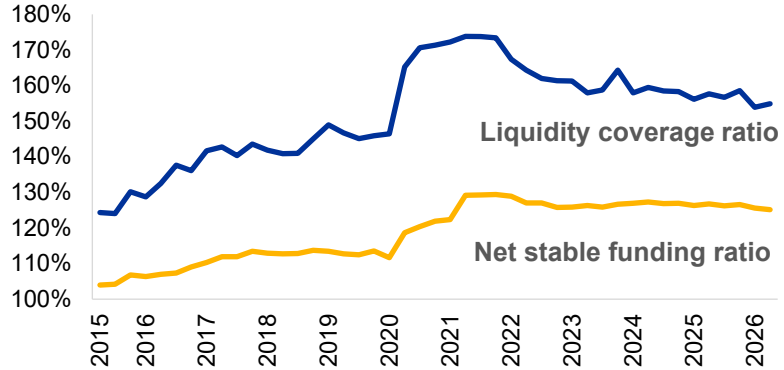


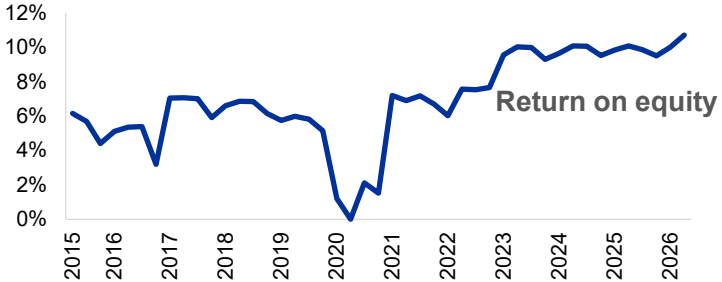
19 November 2026

Claudia Buch
Chair of the Supervisory Board

The euro area banking sector is well-capitalised, liquid and profitable







www.bankingsupervision.europa.eu ©

Overview

The SREP results show that the banking sector remains **broadly resilient.**

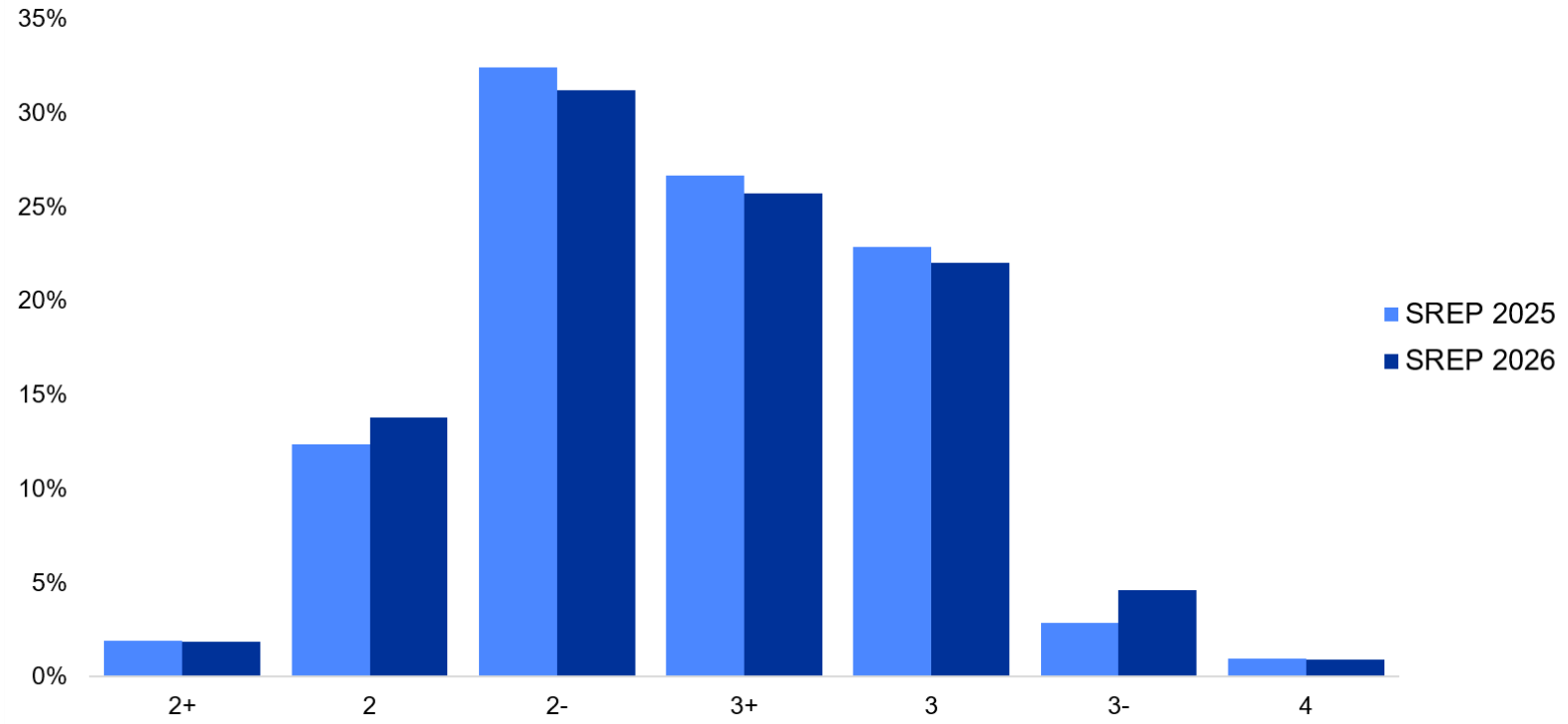
Our priorities focus on **safeguarding resilience**: Banks are **not immune** to financial stability risks.

Operational resilience is critical for banks' competitiveness but remains an area of concern.

A **comprehensive reform programme** makes European banking supervision more efficient, effective, and risk-based.

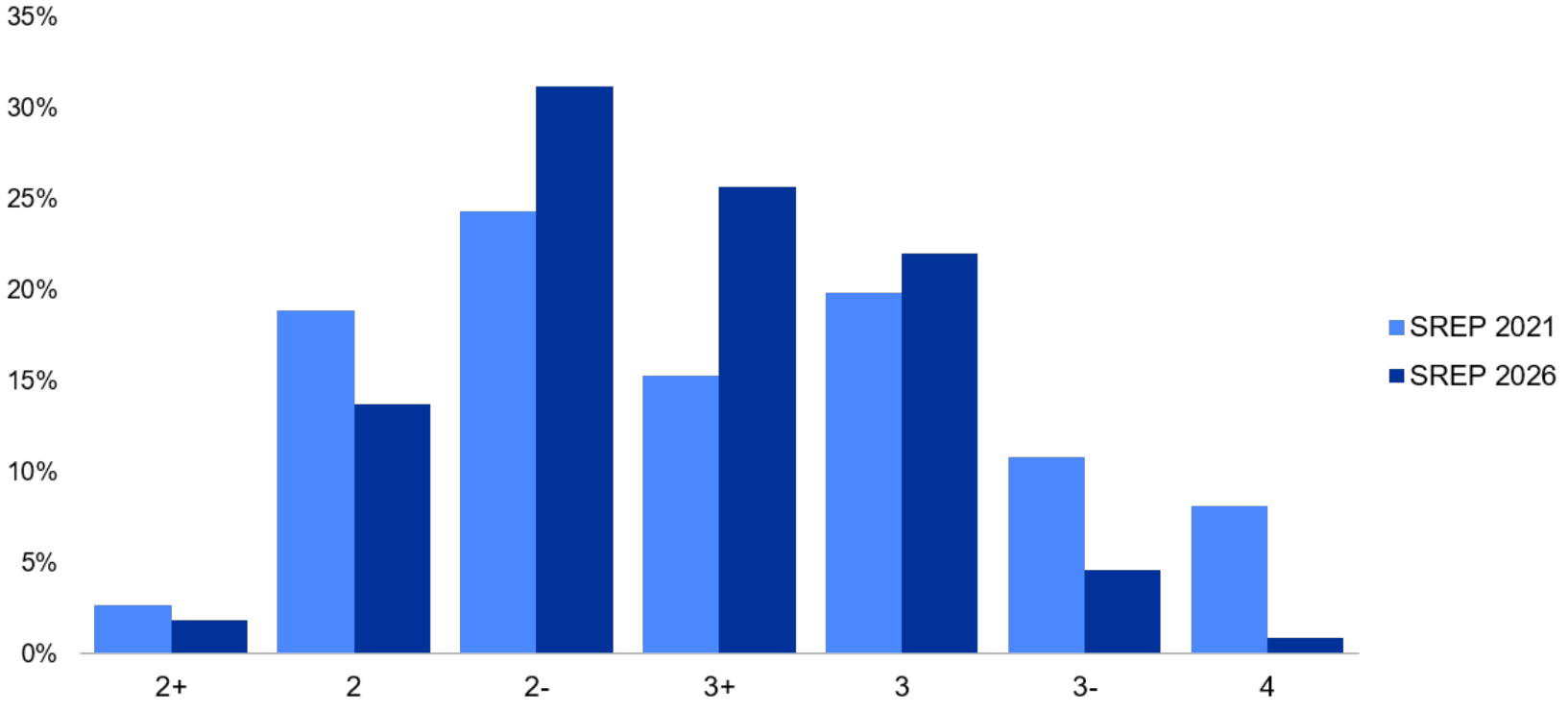
www.bankingsupervision.europa.eu ©

For the majority of banks, the SREP score remained unchanged.



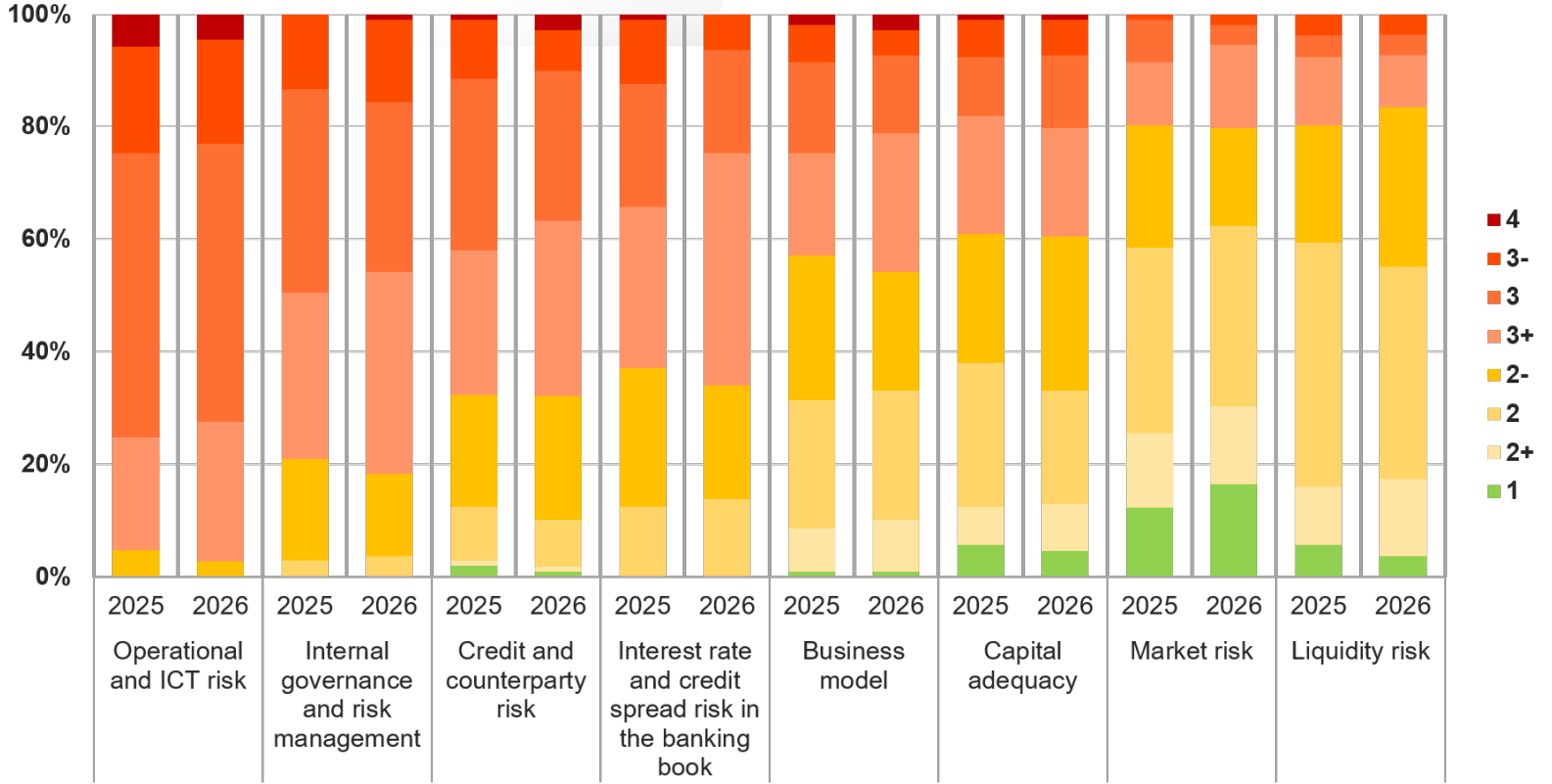
www.bankingsupervision.europa.eu ©

Over a five-year period, scores changed for half of the banks.



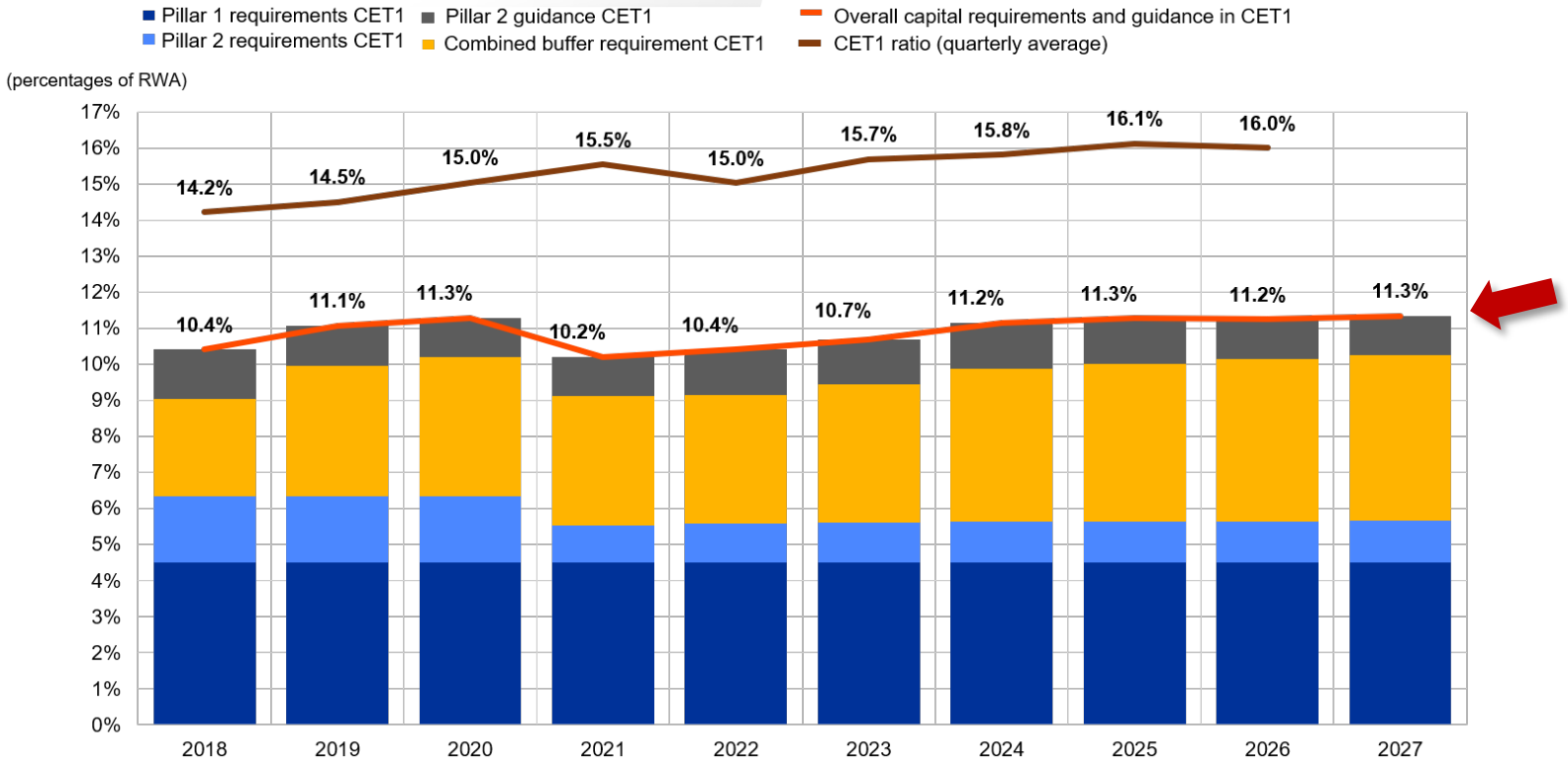
www.bankingsupervision.europa.eu ©

Operational risks, internal governance, and credit risk remain areas of concern.



www.bankingsupervision.europa.eu ©

For 2027, capital requirements and guidance will remain broadly stable.



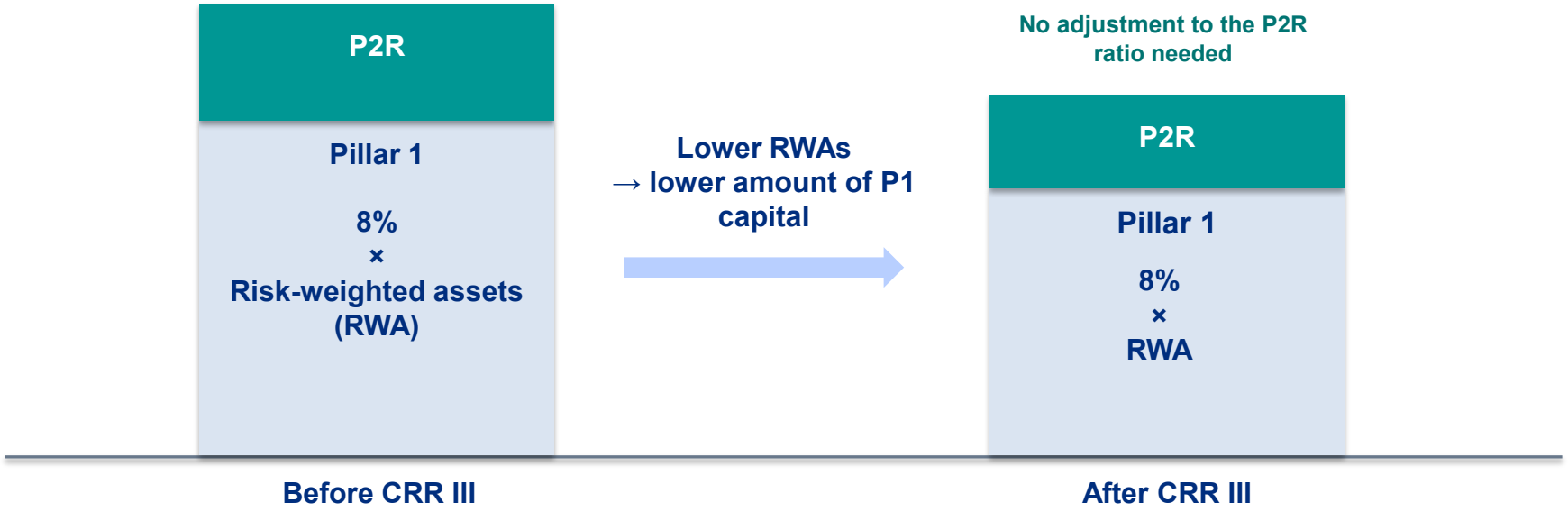
www.bankingsupervision.europa.eu ©

A new methodology enables a better assessment of overlaps between Pillar 1 and Pillar 2 requirements.



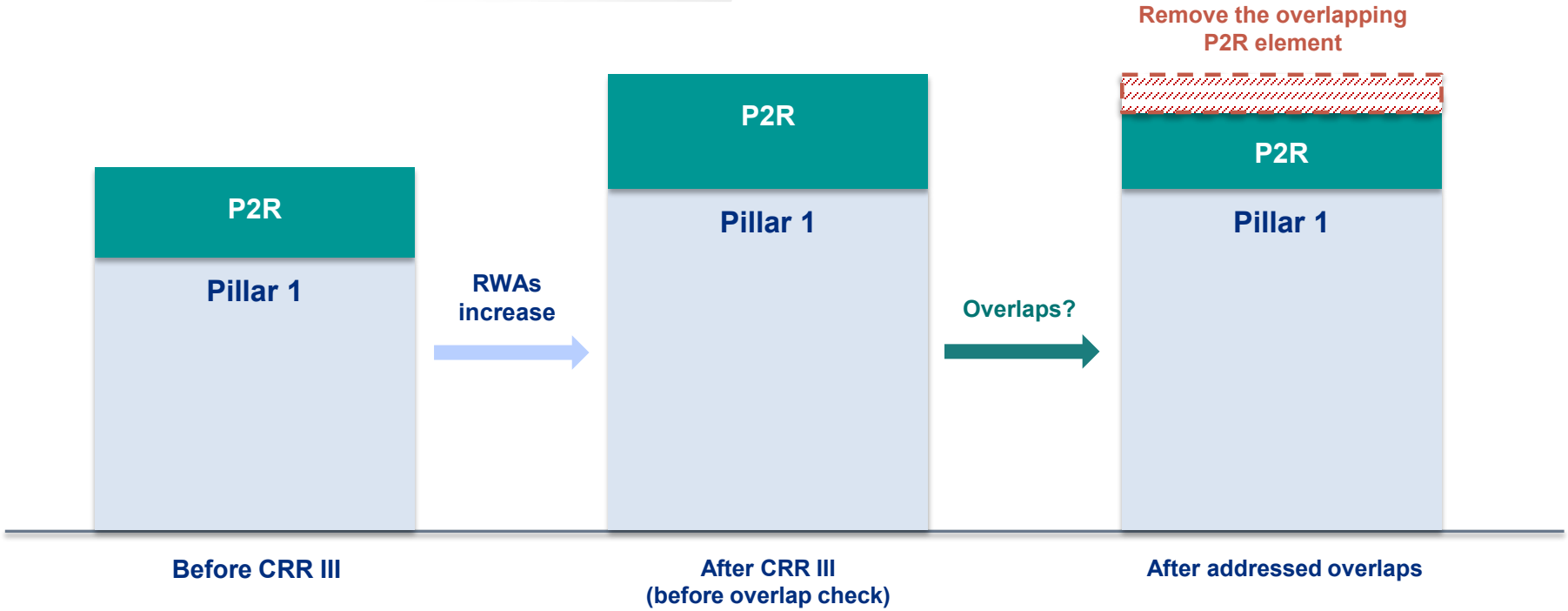
www.bankingsupervision.europa.eu ©

For 2/3 of banks, Pillar 1 requirements remained stable or fell. No adjustment to the P2R was needed to account for overlaps.



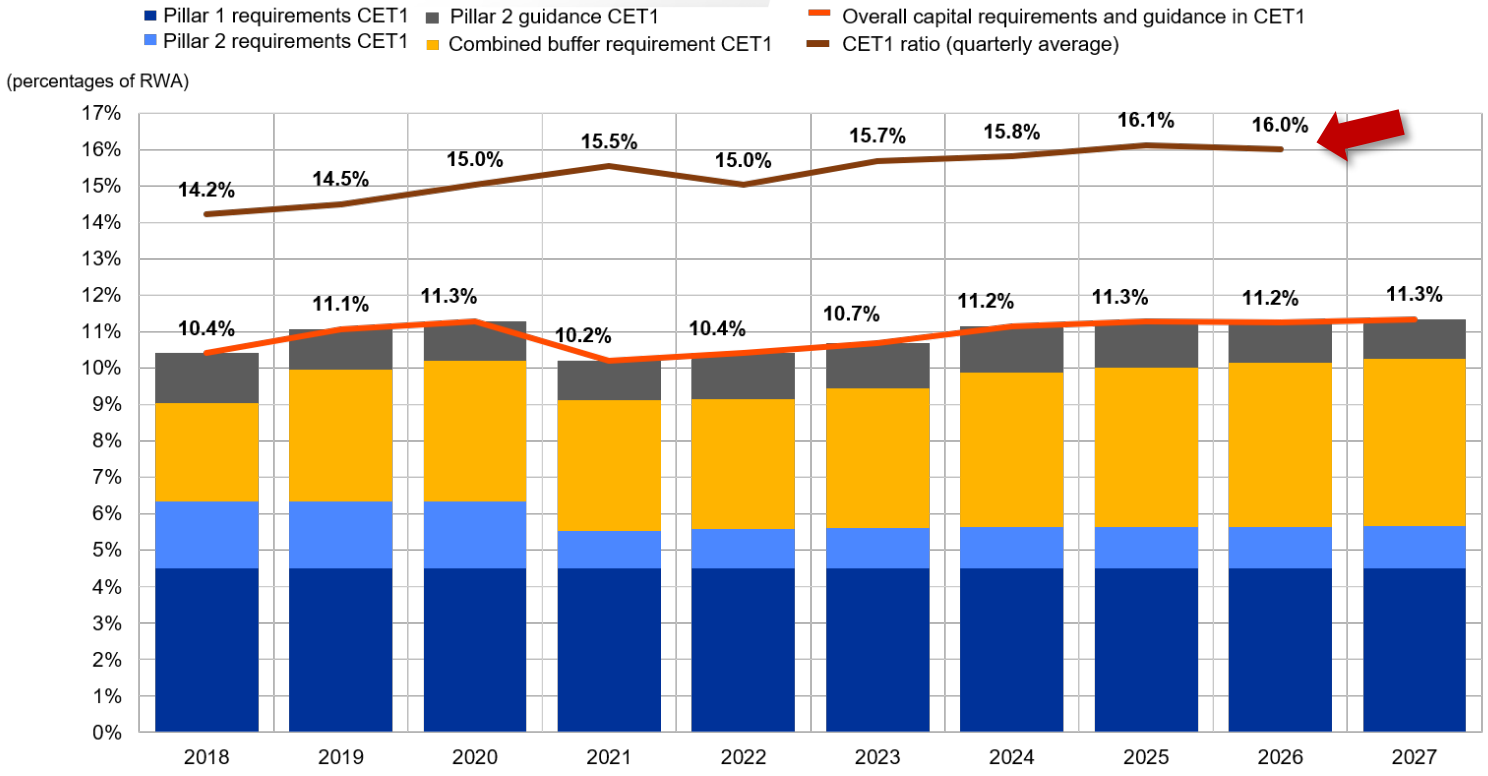
www.bankingsupervision.europa.eu ©

For 1/3 of banks, Pillar 1 requirements rose.
The P2R was lowered case-by-case to address overlaps.



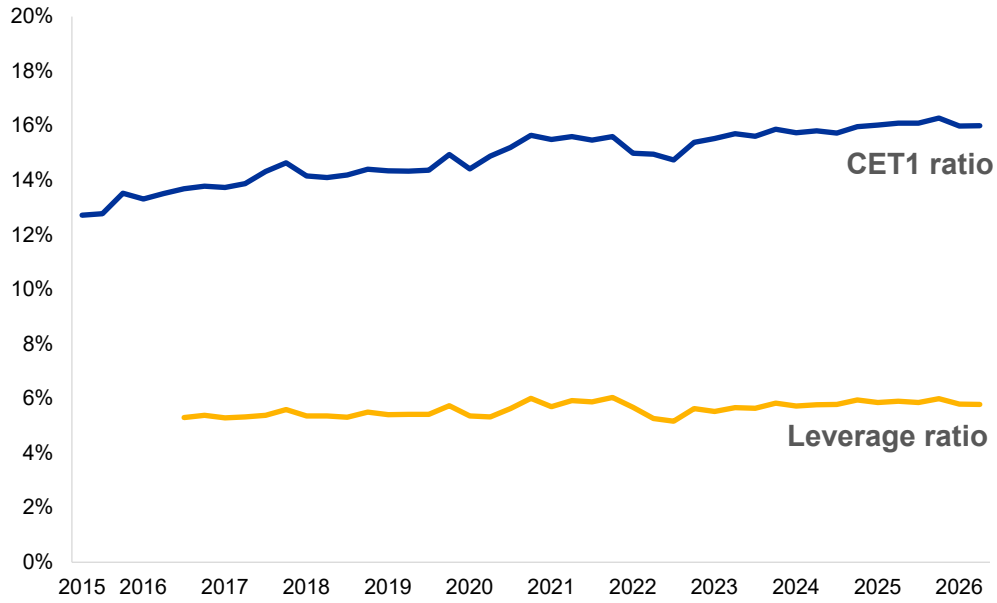
www.bankingsupervision.europa.eu ©

All banks currently have capital levels above the requirements, buffers and guidance.



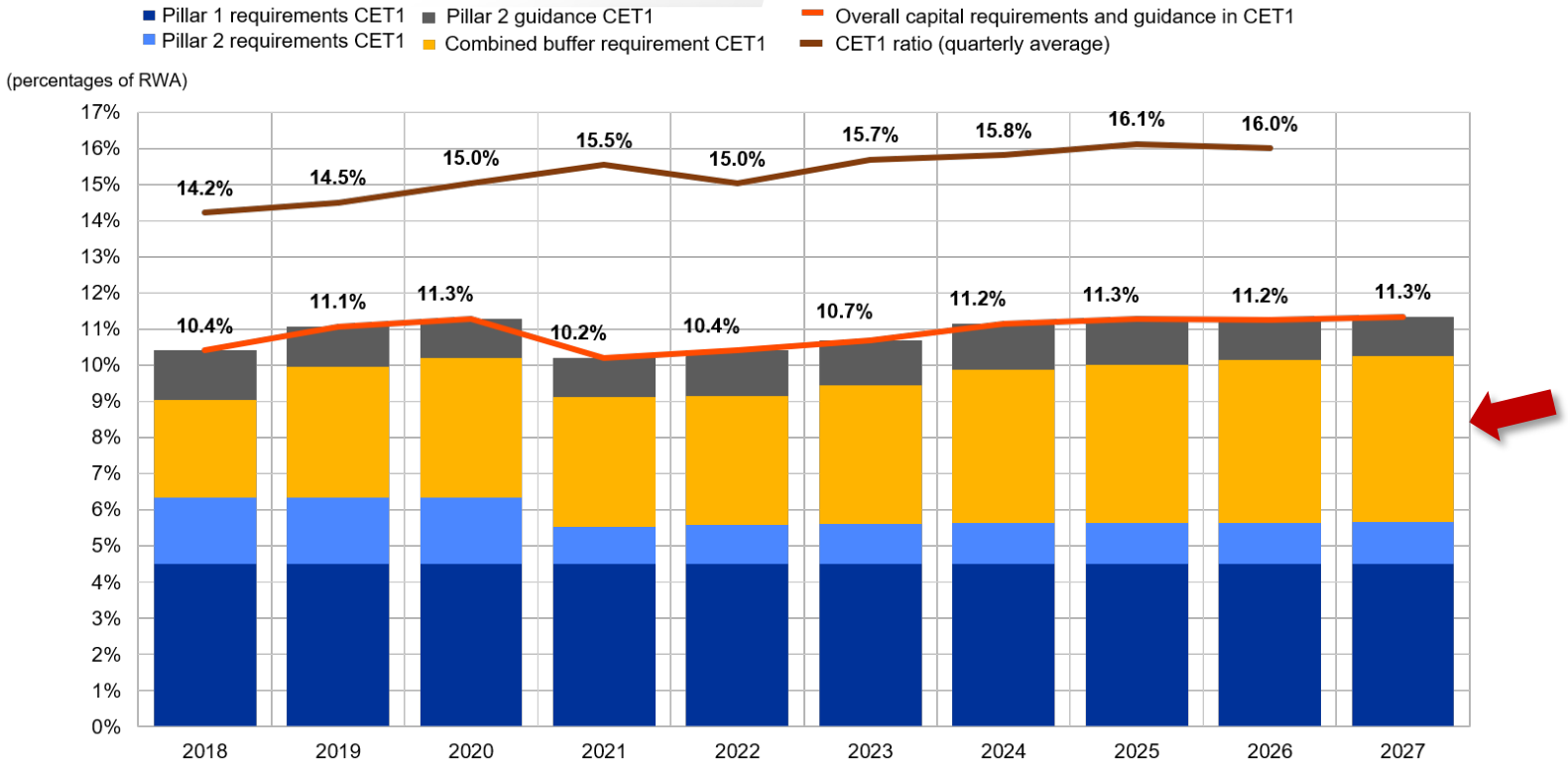
www.bankingsupervision.europa.eu ©

The leverage ratio provides a safeguard against excessive leverage, complementing risk-weighted capital requirements.



www.bankingsupervision.europa.eu ©

Macroprudential buffers have increased over time, helping to stabilise supply of credit in stress periods.



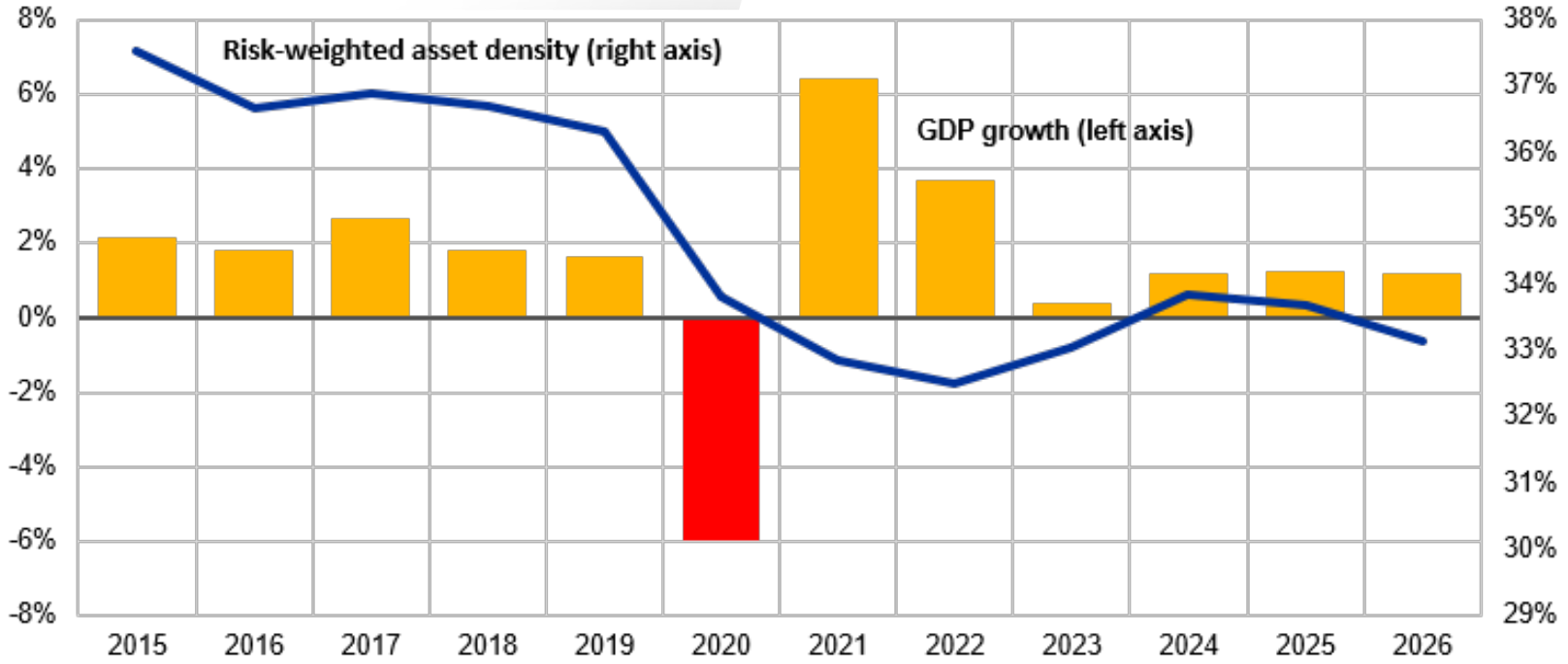
www.bankingsupervision.europa.eu ©

Supervisory priorities for 2027-29 reflect the risk environment and vulnerabilities of banks.

Priority 1 Strengthen banks' financial resilience to geopolitical risks and macro-financial shocks	**Priority 2** Strengthen banks' operational resilience and foster robust ICT capabilities
Prudent risk-taking and sound credit standards	Resilience to technology-driven risks
Adequate capitalisation and consistent CRR III implementation	Sound risk reporting capabilities and related information systems
Prudent management of climate and nature-related risks	

www.bankingsupervision.europa.eu ©

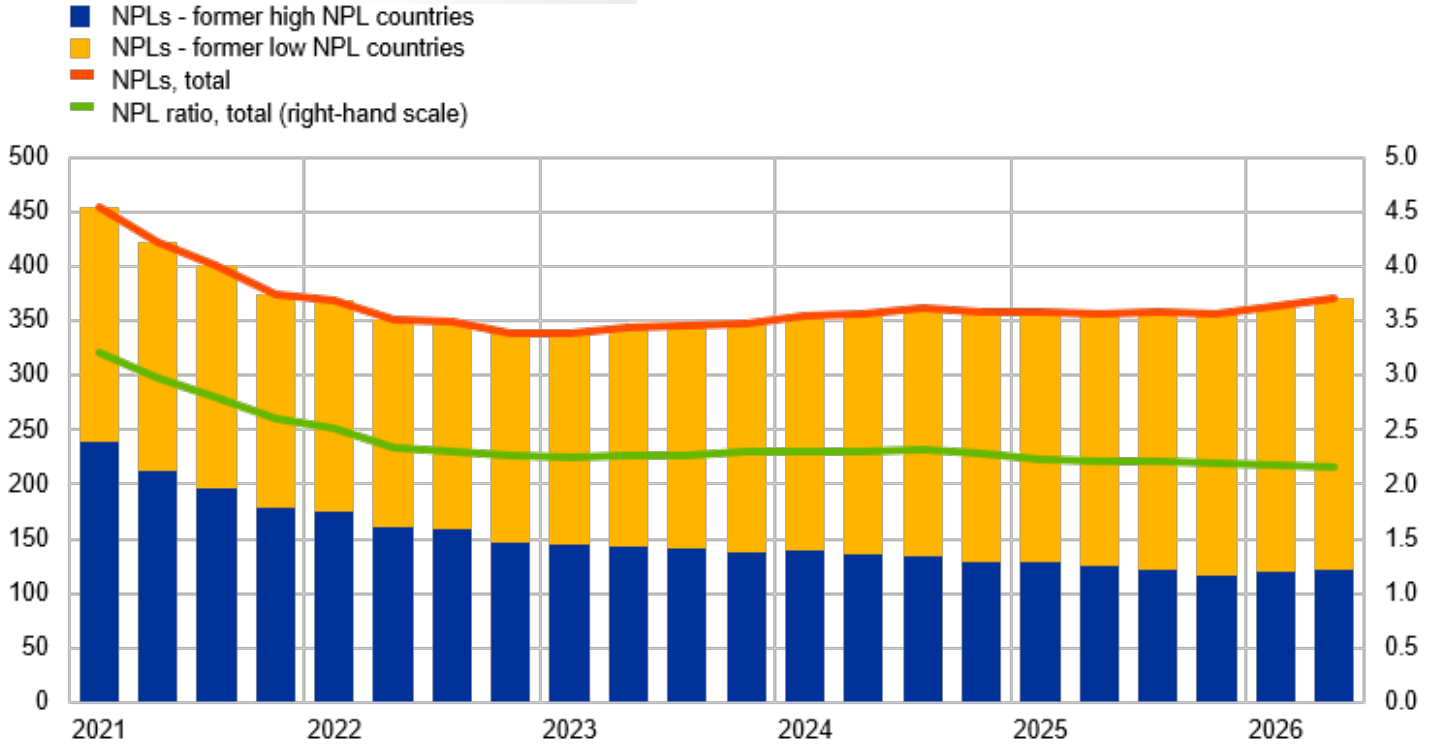
Banks' risk weights have declined, even during recessions and periods of weak economic growth.



Notes: For 2026, the risk-weighted asset density refers to the average of the first and second quarters of 2026. The GDP growth rate for 2026 refers to the annual growth rate of the second quarter of 2026 (quarter over the same quarter of the previous year).

www.bankingsupervision.europa.eu ©

Non-performing loans (NPLs) are at low levels, with modest increases in former low NPL countries.



www.bankingsupervision.europa.eu ©

Digitalisation brings opportunities and risks – requiring strong operational resilience.

> 90%

of banks use Artificial Intelligence (AI) tools

1/3 of banks

consider tokenisation of deposits

Frontier AI models

increase the probability of cyberattacks

40%

of incidents reported under DORA originate from third-party providers

(*) DORA = Digital Operational Resilience Act

www.bankingsupervision.europa.eu ©

The reformed SREP has led to tangible improvements.

1 **We are faster and more efficient.**

- ❑ The SREP cycle was finalised up to two months earlier.
- ❑ Approval times have been shortened from months to weeks.

2 **We are more effective and risk-focused.**

- ❑ Decisions are shorter and more focused.
- ❑ Lower-severity findings → Follow-up by banks
- ❑ Higher-severity findings → Supervisory escalation to ensure timely remediation by banks

www.bankingsupervision.europa.eu ©

In summary

The SREP results show that the euro area banking sector remains **broadly resilient.**

Weaknesses in governance, operational resilience and credit risk management require continued attention and remediation by banks.

The banking sector's resilience does **not imply immunity** to shocks.

Banks need to maintain this resilience to **remain competitive** and **serve the economy** even in challenging times.