

ECB supervisory priorities 2025-2027

ECB medium-term strategy



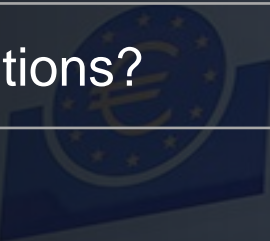
Context

Priorities and vulnerabilities

Supervisory work programme

Why Management Solutions?

Abbreviations



EUROPEAN CENTRAL BANK
EUROSYSTEM

The image shows a close-up of a glass facade of a modern building. The European Central Bank logo, featuring a stylized Euro symbol and a circle of stars, is visible on the glass. Below the logo, the words "EUROPEAN CENTRAL BANK" and "EUROSYSTEM" are printed in a sans-serif font. The background shows a tall, blue-tinted glass skyscraper.

1 Context

ECB Banking Supervision has revised its strategic priorities for the next three years (2025-2027) to reflect the most structural challenges and vulnerabilities of the sector



Gradual growth with geopolitical uncertainty

In 2024, GDP growth in the eurozone has started to recover gradually amid a moderation of inflationary pressures. Growth prospects for 2025 are positive, although they remain subject to certain risks, particularly geopolitical uncertainty (Ukraine, the Middle East), which could threaten the continuity of medium-term GDP recovery with controlled inflation.



Structural challenges: climate and digitalisation

The structural challenges arising from the climate transition and digital transformation have a direct impact on the banking sector.

Material exposure to climate risks can jeopardise the transition to a net zero economy and lead to an increase in physical risks.

Digital transformation requires strengthening risk practices in an environment of increased competition from non-bank financial institutions.

 [Access to the document](#)



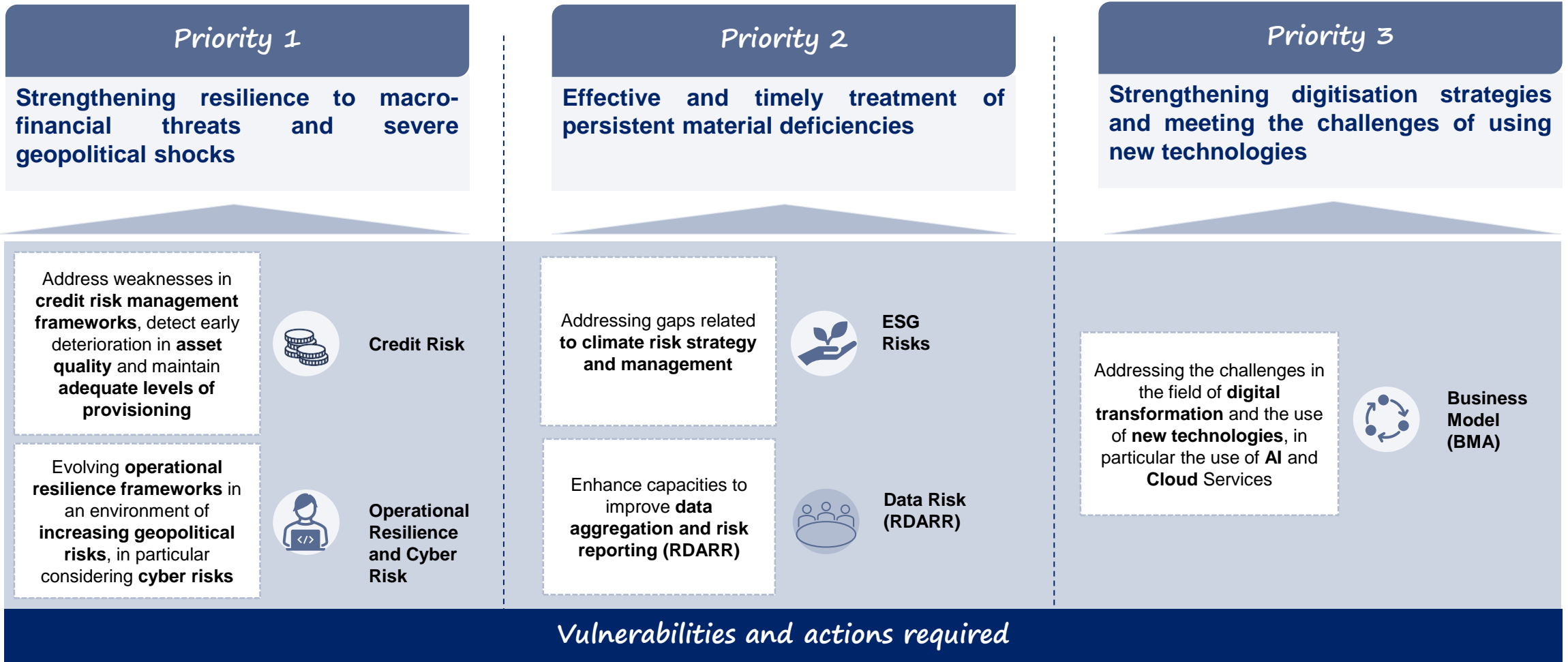
Risk appetite and pricing

The increased risk appetite, lower risk premia and reduced volatility that have prevailed in markets during 2024 could lead to abrupt changes in market sentiment.

This could lead to significant falls in asset prices in 2025 due to unexpected events.






2 | Priorities and vulnerabilities

The ECB has set its supervisory priorities for 2025-2027 by considering the vulnerabilities of the banking sector to each of them



3 Supervisory work programme

For each vulnerability, the ECB has set specific strategic objectives and developed work programmes to mitigate the underlying risks

| Priority 1 | Priority 2 | Priority 3 |
|---|---|--|
| Special attention to the cross-cutting consideration of geopolitical risks in the supervisory framework. | | |
| Credit risk  | ESG risks  | Business Model (BMA)  |
| <ul style="list-style-type: none">• Follow-up of IFRS 9 TRs, with a focus on forcing and incorporation of new risks, in particular ESG and geopolitical risks.• Continuation of the credit risk OSIs, with a focus on collective staging and provisions for the corporate, SME, retail and commercial real estate portfolios, as well as collateral valuation.• TR of SMEs with a focus on early follow up (EWIs), modelling and governance. | <ul style="list-style-type: none">• Monitoring of full alignment with supervisory expectations.• Assessment of compliance with Pillar 3 ESG.• Evaluation of the capacity to assess the associated reputational and legal risks.• Review of entities' transition plans in line with CRD6 requirements.• ESG OSIs, standalone or within the framework of other risk reviews (credit, operational or business) | <ul style="list-style-type: none">• Specific activities focused on the impact of digital transformation on business models and strategies and on the risks arising from the use of new technologies (in particular use of AI and cloud services).• OSIs Digital Transformation, examining the impact of technology-related aspects and new business models on organisations' strategies. |
| Operational resilience and cyber risk  | Data Risk (RDARR)  | |
| <ul style="list-style-type: none">• Data collection from ICT providers to identify relationships with supervised entities, potential concentration risks and weaknesses in contracts.• TR of Vendor Risk Management (VRM) and Cyber Risk management and control frameworks.• Follow-up of findings from the Cyber Stress Test 24.• Operational Risk OSIs and IT resilience frameworks.• Implementation of DORA. | <ul style="list-style-type: none">• Follow-up of RDARR TRs, reviewing compliance with the supervisory expectations of the RDARR Guidance and remediation of findings.• Data governance OSIs, IT infrastructure, risk data aggregation and reporting capabilities.• Governance and data quality management report, annual questionnaire to ensure management's accountability for internal, financial and supervisory reporting. | |

4 Why Management Solutions?

Management Solutions has in-depth knowledge of financial regulation and extensive experience in supporting ISOs through different types of collaboration

REGULATORY EXPERTS

MS has a **Regulatory Observatory** that provides in-depth knowledge of the regulatory requirements of financial and non-financial institutions at European level

MS PROFILES



Functional profiles



Data scientists (processing and modelling)



Technical profiles

POSSIBLE TYPES OF COLLABORATION



PMO SUPPORT

- Stakeholder **coordination**
- Development and monitoring of the OSI **work plan**
- Preparation of **meetings with the supervisor**



SUPPORT

- Support in the preparation of **the documentation** associated with each area
- Support for the necessary **qualitative and quantitative analyses**
- Support in the production of **Loan Tapes**



IMPROVEMENT OF DOCUMENTATION

- Support to **quality control** to **update and improve existing documentation**
- Gathering and challenging **evidence**



SUPPORT FOR THE PLANS REMEDIATION

- Support in **identifying and executing remediation plans**
- PMO support in **monitoring plan execution**

A

Abbreviations

| | |
|-------|--|
| BMA | Business model assessment |
| CRD | Capital Requirements Directive |
| ECB | European Central Bank |
| ESG | Environmental, social and governance |
| DORA | Digital Operational Resilience Regulation |
| IFRS | International Financial Reporting Standard |
| ICT | Information and Communication Technologies |
| IT | Information technology |
| SMES | Small and medium-sized enterprises |
| GDP | Gross Domestic Product |
| PMO | Project Management Office |
| RDARR | Risk aggregation and reporting |
| OSIs | On-site inspections |
| TR | Targeted Review |



Management Solutions

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A company



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Good practice
know-how



Demonstrated
Experience



Maximum
Commitment

EUROPEAN CENTRAL BANK
EUROSYSTEM

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