Consultation on draft revised ITS on joint decisions on institution-specific prudential requirements

Public hearing, 10 November 2026



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Public hearing structure

1. Introduction – **Francesco Mauro** (EBA, Head of Supervisory Review, Recovery and Resolution Unit)
2. Draft revised ITS on joint decisions on institution-specific prudential requirements
3. Next steps
    I. Questions for consultation
    II. Indicative timeline
4. Q&A session

01

Introduction

eba European Banking Authority

02

Draft revised ITS on joint decisions

Background and rationale for the revision

1 Legal framework

CRD V expanded the scope of joint decisions to:

- **P2G**
- **P2R-LR**
- **P2G-LR**

The 2014 ITS no longer fully reflect the current Article 113 CRD framework

2 Revised SREP

Supervisory practices have become more:

- risk-focused
- proportionate
- continuous

The 2014 ITS predates the latest **revisions of the SREP Guidelines (GLs)**

3 Efficiency

Supporting EBA's simplification and efficiency agenda, including Rec 2.4 of the **2025 EBA TFE Report***

While also reflecting feedback from public consultation on the **revised SREP GLs**

4 Lessons learned

- More than 10 years of implementation experience
- Excessive granularity can distract from key risks and supervisory concerns
- Opportunity to simplify and streamline risk assessment reports

* EBA Report on the Efficiency of the Regulatory and Supervisory Framework (TFE Report), October 2025.

Overview of key changes

The core joint decision process remains unchanged…

Individual CAs
Individual risk assessment reports

Consolidating supervisor
Draft group risk assessment report

College dialogue
Reconcile assessments and proposals

Final group assessment
Complete / updated after dialogue

Joint decision
Agreement → communication → monitoring

… with targeted revisions

Broader scope
Explicit coverage of P2G, P2R-LR and P2G-LR

More integrated decisions
Capital requirements, capital guidance and liquidity decisions taken together, where possible

More proportionate focus
Risk assessment tailored to risk profile and materiality; focus on key concerns

Broader supervisory input
Qualitative measures and interactions with other prudential / macroprudential measures considered more explicitly

* Changes to the ITS provisions on disagreements and decisions taken in the absence of joint decision mirror those made to the joint decision process.

An integrated approach to capital, liquidity and guidance

The revised ITS encourages the three joint decisions to be aligned and combined where possible.

Capital requirements

P2R
P2R-LR

Why risks are not sufficiently covered elsewhere / ICAAP findings

Capital guidance

P2G
P2G-LR

Stress-test evidence and the risks to be covered by guidance

Liquidity

Institution-specific liquidity / funding requirement

Why risks are not sufficiently covered elsewhere / ILAAP findings

→ One integrated risk assessment report
→ Aim for one decision date / one joint decision document

Flexibility remains, i.e. separate decisions can be appropriate where timelines, information availability or other circumstances require it.

Alignment with the revised SREP framework

More risk-focused, proportionate and targeted risk assessment report

FROM

Existing framework

- Detailed information across all SREP categories irrespective of their materiality
- Granular, structured templates
- Largely prescribed information exchange

TOWARDS

Revised framework

- Focus on **material risks** and **key supervisory concerns**
- Scope and granularity tailored to the institution's **risk profile**
- **Concise** rationale for the proposals
- Consistency with **revised SREP GLs**

Qualitative supervisory measures: making established practice explicit

- Supervisory colleges already discuss not only quantitative capital and liquidity requirements, but also **qualitative measures** addressing deficiencies in:
  - governance
  - risk management
  - controls
  - processes
- The current ITS do not fully reflect this established practice
- The revised ITS address this by:
  - documenting qualitative measures explicitly in the risk assessment report
  - by including a **dedicated section** for other supervisory measures
  - and linking these measures to key supervisory concerns
  - while allowing for **college dialogue** on these measures

A more holistic assessment of risks and requirements

What risk is the joint decision addressing?

Pillar 1 requirements

Macroprudential measures / buffers

Other supervisory measures

P2R / P2G / liquidity requirements

The revised risk assessment report asks:

- Which risks are being addressed by the joint decision?
- Why are they not sufficiently covered elsewhere?
- How do the proposals interact with other prudential and macroprudential measures?

Additional focus:

- Exposure to systemic risk and systemic risk posed by the institution
- Relevant information exchanged with macroprudential authorities

Revised Annex: a single integrated risk assessment report

I	**General information**
II	**SREP risk assessment**
III	**Capital requirements**
IV	**Capital guidance**
V	**Supporting capital information**
VI	**Liquidity & funding**

The Annex replaces separate capital and liquidity templates with **one integrated report** that can be tailored to the **perimeter** and **scope** of the decision

Use depending on the decision:

- capital requirements JD: **Parts I, II, III, V**
- capital guidance JD: **Parts I, II, IV, V**
- liquidity JD: **Parts I, II, VI**
- where decisions are taken together, common parts are submitted once

The revised Annex: a clearer and more structured line of reasoning

1. **Identify the key concern**

   What material risk / supervisory concern is driving the proposal for joint decision?

2. **Explain proposal**

   Why is the risk not sufficiently covered by Pillar 1, leverage ratio requirements or other supervisory measures?

3. **Consider interactions**

   How does the proposal consider potential interactions with other applicable prudential or macroprudential measures?

4. **Support the judgement**

   ICAAP / ILAAP findings, stress-test results and other relevant evidence.

03

Next steps

Areas for consultation and stakeholder feedback

Q1	Do you have any comments on the proposed revision of the **scope of the revised ITS** to reflect coverage of Pillar 2 Guidance (P2G) and leverage-ratio related elements?
Q2	Do you agree that the revised ITS and templates are appropriately **aligned with the revised SREP framework**, including as regards proportionality, SREP categories and the focus on key supervisory concerns?
Q3	Do you agree with the explicit documentation and incorporation of **supervisory measures of a qualitative nature** in the joint decision process and in the revised templates?
Q4	Do you agree that the revised ITS support a **more holistic, transparent and coordinated process for reaching joint decisions** on prudential requirements and guidance, including with a view to ensure they do not cover risks or elements of risk already captured by other prudential requirements (e.g. output floor) and/or macroprudential measures?
Q5	In your view, are there additional elements that the ITS should cover to promote a synergic, comprehensive view of cross border groups' capital and liquidity adequacy, consistent across consolidated and individual levels?
Q6	Do you agree with the proposed **streamlining and simplification of the templates**? In particular, do you consider that the revised templates strike an appropriate balance between simplification and the need to ensure consistent application of joint decisions across the EU?

Indicative timeline



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Q&A Session

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