



Press release

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ECB to stress test 96 euro area banks in 2025

- ECB to examine 51 of euro area's largest banks as part of regular EBA-led EU-wide stress test
- ECB to conduct parallel stress test for 45 banks outside EBA sample
- Insufficiently prudent submissions to be subject to additional scrutiny, including on-site visits
- Additional counterparty credit risk analysis to be used to assess banks' modelling abilities and vulnerabilities from links with non-bank financial intermediaries

The European Central Bank (ECB) will stress test a total of 96 directly supervised banks in 2025. Specifically, ECB supervisors will examine 51 of the euro area's largest banks, representing around 75% of the euro area's banking assets, as part of the 2025 EU-wide stress test coordinated by the European Banking Authority (EBA). In parallel, the ECB will conduct its own stress test of 45 medium-sized banks not included in the EBA sample owing to their smaller size. The ECB plans to publish the results of both stress tests in early August 2025. The results will shed light on how hypothetical adverse shocks affect the resilience of banks under challenging macroeconomic conditions.

The EBA will coordinate the EU-wide stress test in close collaboration with the ECB and EU national supervisory authorities outside the Single Supervisory Mechanism. The EBA test will be conducted by applying the [EBA stress test methodology and templates](#) and the [scenarios provided by the European Systemic Risk Board](#).

The EU-wide stress test will follow a bottom-up approach with some top-down elements. Banks will apply their own models to project the impact of the scenarios, subject to strict rules and a thorough review by the competent authorities. The review will involve using supervisory models to benchmark the main risk parameters across geographies and business models. The methodology used by the ECB to stress test the 45 banks outside the EBA sample will be in line with the EBA's EU-wide stress test methodology, while taking into account the overall smaller size and lower complexity of these banks.

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In past stress tests, some banks submitted projections that were overly optimistic, meaning that they did not fully reflect the impact of the stress test scenario, given the specific risk profiles of those banks. During the 2025 exercise, the ECB will therefore strengthen its review of insufficiently prudent submissions. Banks displaying this behaviour will face additional scrutiny throughout the quality assurance phase, potentially including on-site visits. Based on insights gathered during such visits and the overall outcome of the quality assurance, some banks may be subject to on-site inspections after the conclusion of the stress test to identify structural weaknesses in their stress testing framework and to foster improvements in their stress testing capabilities. Banks that repeatedly fail to remedy issues in their stress testing framework could eventually face other measures as part of an escalation process in subsequent exercises.

The stress test results will be used to update each bank's [Pillar 2 guidance](#) in the context of the Supervisory Review and Evaluation Process (SREP). Given the importance of risk data aggregation and reporting capabilities for banks' resilience, the 2025 stress test will focus on assessing the quality of the data provided by banks. The ECB may ask banks to remedy the most severe shortcomings found in their data reporting, and such findings will directly impact the SREP. Qualitative findings on weaknesses in banks' stress testing practices could also affect banks' scores related to risk data aggregation capabilities and thus their [Pillar 2 requirements](#). They will also be used to inform other supervisory activities. Finally, the stress test exercise will support macroprudential tasks, and the ECB will assess the macroprudential implications of the results for the euro area.

In addition, for the 2025 stress test, the ECB will conduct a scenario analysis of counterparty credit risk (CCR) for selected banks. This will allow supervisors to gauge how well banks can model CCR under stressed market conditions and assess how vulnerable banks are owing to interlinkages with non-bank financial intermediaries. This will ultimately help to address shortcomings in banks' credit risk and CCR management frameworks in line with the [SSM supervisory priorities for 2024-2026](#) and [2025-2027](#). The insights gained will contribute to day-to-day supervision, for example refining assessments of vulnerabilities within CCR portfolios and evaluating banks' stress testing practices. This exercise will not have any capital implications, but it might feed into the SREP. Aggregate results of the CCR exploratory scenario will be published together with those of the ECB stress test on early August.

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