EUROPEAN CENTRAL BANK

BANKING SUPERVISION

Press release

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ECB launches fast-track assessments for capital and securitisation

- ECB streamlines how it assesses standardised capital and securitisation operations from January 2026
- Approval time reduced to two weeks, down from the current three months
- Move allows supervisors to focus on more complex assessments
- ECB to check that banks do not overly rely on capital benefits from significant risk transfer securitisations

The European Central Bank (ECB) has streamlined how it assesses banks' capital and securitisation operations. As of January 2026, banks will be able to receive a faster response from the ECB when they seek to reduce their capital by repurchasing shares or other capital instruments, or to reduce their capital requirements after a significant risk transfer.

The faster processes will apply to standardised operations. Despite the faster process, all global standards and European regulation still apply in full. The normal procedure, which entails a more detailed assessment of the operation and of the risks involved, will still apply to operations ineligible for fast-track processing.

The two new fast-track processes aim to cut approval times to two weeks, down from three months currently. In the broader context of streamlining supervision and making it more efficient and effective, these fast-track processes will save time on routine operations and allow supervisors to focus on more complex assessments.

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Capital fast track

EU banking rules require banks to get ECB approval before they buy back shares or repurchase other capital instruments, as these operations reduce banks' capacity to absorb losses. The ECB therefore checks that these transactions comply with all applicable regulatory requirements. The ECB is streamlining the approval process to become more efficient, while maintaining the same prudential standards as before.

A bank's plan to repurchase capital instruments other than shares may qualify for the fast-track process if its impact on the bank's capital ratio is below 100 basis points, and if the bank's capital is estimated to continue exceeding capital requirements and guidance for at least three years.[1]

For share buybacks to be eligible for fast-track processing, additional conditions apply: the bank must be scored medium or low-risk in its capital adequacy assessment, it must retain a sufficient portion of its profits, and it must demonstrate the ability to meet its capital requirements and guidance under severe financial stress.

The ECB is also launching a streamlined process for banks to submit their applications to reduce own funds. Banks will immediately know whether their application is complete and in principle eligible for fast-track processing. The application will then be reviewed and assessed by the Joint Supervisory Team, which retains the discretion to request additional information, if needed.

Securitisation fast track

When banks transfer risks through securitisation, EU banking rules provide that capital requirements on the securitised exposures may be reduced only if the ECB acknowledges that the securitisation transfers a significant amount of risk to third parties – this is known as a "significant risk transfer" (SRT).

The SRT fast-track process applies to standardised securitisations, namely when the securitised portfolio is performing, not concentrated, and does not contain more than 20% of leveraged loans; when the impact on the bank's capital ratios of the significant risk transfer is lower than 25 basis points; and when standardised contractual early termination clauses are used.

To ensure that the SRT process does not lead to undue risk-taking and a weakening of resilience, it will be accompanied by increased scrutiny of micro- and macroprudential risks. In case the use of

1 These are the criteria the ECB uses since 2018 for delegating capital-related decisions to ECB senior managers, as outlined in Article 5 of the ECB decision on delegation of the power to adopt own funds decisions.

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securitisation raises prudential concerns, the ECB will take adequate measures. More specifically, supervision will focus on complex cases and on bank-level assessments of securitisations activities. The ECB will continue to assess the adequacy of banks' internal governance, risk management and capital management frameworks, including stress testing, to prevent them from overly relying on the capital benefits generated by SRT securitisations and from elevated rollover risk created by large-scale use of synthetic securitisations. Furthermore, the granular data collected via the fast-track template will contribute to enhanced monitoring of the securitisations market by the ECB in its supervisory and macroprudential functions.

Further details about the securitisation fast track, including the full set of criteria for securitisations to qualify for the fast-track process, are provided in Section 3.3 of the Guide on the notification of significant risk transfer and implicit support for securitisations.

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SRT securitisation issuance over the last 5 years

This table displays total amounts at origination date for securitisations with significant risk transfer (SRT), as reported by significant banks acting as originators.

in billion euros

	Synthetic	Traditional	Total
2020	63	24	87
2021	80	54	134
2022	140	26	166
2023	132	18	150
2024	181	29	210

Source: ECB based on significant banks' supervisory reporting (Corep C14, field 0130). Amendments in EU securitisation regulations make data prior to 2020 not directly comparable.

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